GHANA DEPOSIT PROTECTION CORPORATION

WE PROTECT YOUR DEPOSITS

ANNUAL REPORT AND FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2023

GHANA DEPOSIT PROTECTION CORPORATION

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ANNUAL REPORT 2023

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ABBREVIATIONS

AFH	Association of Finance Houses
ARC	Africa Regional Committee
ASSFIN	Association of Financial Non-Governmental Organizations
BoG	Bank of Ghana
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 Banks
GAMC	Ghana Association of Microfinance Companies
GBDS	Global Banking Development Solutions
GDDEP	Ghana Domestic Debt Exchange Programme
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
GRA	Ghana Revenue Authority
IAC	Executive Investment Advisory Committee
IADI	International Association of Deposit Insurers
IASB	International Accounting Standards Board
ICAG	Institute of Chartered Accountants

ICEPA	International Code of Ethics for Professional Accountants
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standard
IMF	International Monetary Fund
ISA	International Standards on Auditing
LGD	Loss Given Default
MFIs	Microfinance Institutions
MoU	Memorandum of Understanding
NBC	National Banking College
NDIC	Nigeria Deposit Insurance Corporation
NIC	National Insurance Commission
NPRA	National Pensions Regulatory Authority
PAB	Payout Agent Bank
PD	Probability of Default
RCB	Rural and Community Bank
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

MANDATE

The mandate of the Ghana Deposit Protection Scheme is a paybox. A deposit protection scheme with a paybox mandate is responsible for the reimbursement of insured deposits in the event of the revocation of the licence of a member institution by Bank of Ghana.

OBJECTIVES

The objective of GDPC is to manage the 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.

OUR STAKEHOLDERS

(a) Internal Stakeholders

- GDPC Board of Directors
- GDPC Management
- GDPC Staff

(b) Member institutions and umbrella bodies

- Banks
- Savings and Loans Companies
- Rural and Community Banks
- Finance Houses
- Microfinance Institutions
- Ghana Association of Banks (GAB)
- Ghana Association of Savings and Loans Companies (GHASALC)
- ARB Apex Bank
- Association of Finance Houses (AFH)
- Ghana Association of Microfinance Companies (GAMC)
- Ghana Microfinance Institutions Network (GHAMFIN)

(c) Financial Stability Council (FSC)

- Ministry of Finance
- Bank of Ghana
- Securities and Exchange Commission (SEC)
- National Insurance Commission (NIC)
- National Pensions Regulatory Authority (NPRA)

(d) International Partners

- KFW Development Bank
- International Association of Depositor Insurers (IADI)
- The World Bank
- Federal Deposit Insurance Corporation (FDIC)
- Nigeria Deposit Insurance Corporation (NDIC)
- Canada Deposit Insurance Corporation (CDIC)
- Global Banking Development Solutions (GBDS)
- Ernst & Young (EY)

(e) Government Agencies

- Ministry of Finance
- Parliament of Ghana
- Bank of Ghana
- Data Protection Commission
- Public Procurement Authority
- Ghana Revenue Authority
- Internal Audit Agency

(f) Other important stakeholders include:

- The media, who provides channels through which the Corporation educates the public about deposit protection.
- The public, whose deposits at banks and SDIs are protected by the Scheme.
- Electronic Money Issuers, licensed to carry out payment transactions.

MEMBER INSTITUTIONS

Membership of the Scheme is made up of:

- Membership of the Ghana Deposit Protection Scheme is compulsory for all deposit-taking institutions licensed by Bank of Ghana.
- Members are required to pay initial and annual premiums to the Scheme.
- Member institutions are required to display membership certificates at a conspicuous place at their main office and branches.
- Members are required to display a GDPC logo poster at their main office and branches.
- Members are required to educate their clients about the deposit protection scheme.

CHAIRMAN'S FOREWORD

Dr. Ernest Addison
Board Chairman

I am happy to present the Annual Report and Financial Statements of the Ghana Deposit Protection Corporation (GDPC) for the financial year 31st December 2023 on behalf of the Board and Management of the Corporation.

Global economic activity turned out stronger than expected in 2023. The strong growth outcome stemmed from stronger activity in China, the United States and some large Emerging Markets and Developing Economies.

In Ghana, growth in 2023 also exceeded expectations. Indeed, GDP data for 2023 indicate a real GDP growth rate of 2.9 percent, compared with the revised target of 2.3 percent, driven by the services and agriculture sectors. The disinflation process, which began earlier in the year, continued through to the last quarter of the year supported by strong policies, relative exchange rate stability, and effective liquidity sterilization efforts. Headline inflation sharply decelerated to 23.2 percent in December 2023, from a peak of 54.1 percent at the end of December 2022. The decline in inflation was driven by both easing food and non-food prices.

I am honored to reflect on the remarkable achievements and significant milestones we have reached over the past year. One of the most notable accomplishments has been the substantial growth of our fund within the year under review. I am proud to announce that the total assets of the Corporation grew by 124% from GHS 693 million to GHS1,549 million as at the end of 2023. It is also interesting to note, that over the past four years, the Corporation's balance sheet has more than quadrupled, with total assets standing at GHS1,549 million compared to a modest GHS 196 million at the end of 2019. This impressive growth underscores the prudent fund management and strategic foresight of our leadership.

Furthermore, our investments have also expanded substantially, from GHS 598 million to GHS 1,440 million as at the end of 2023 to reflect a 141% growth over the period. This expansion not only strengthens our financial position but also enhances our ability to fulfill our mandate of protecting depositors' interests.

To facilitate the consistent achievement of objectives, management, within the year under review, also embarked on the development of a comprehensive risk framework for the Corporation. This has been approved by the board and a low-risk appetite has been selected for implementation.

On the international front, the Corporation gained significant visibility within the global community of deposit insurers. Our successful hosting of the IADI-ARC webinar on Enterprise Risk Frameworks and Business Continuity Planning attracted an average of 90 participants daily from all over the world. This event not only showcased our active membership of the International Association of Deposit Insurers (IADI), but also provided a platform for knowledge exchange and collaboration on best practices in deposit protection.

Looking forward, the Ghana Deposit Protection Corporation remains committed to continuous improvement and innovation in its operations. As a corporation committed to contributing to financial stability, we would expedite work on the amendment of the GDP Act in the course of the year in order to make the Scheme more responsive to the needs of depositors. We will also continue to work diligently towards fulfilling our mission of building and sustaining public confidence in the banking system.

On behalf of the Board and Management of GDPC, I would like to thank the Government and our partners - KfW, GBDS, BoG and IADI - for their immense assistance. Finally, my sincere gratitude also goes to the Board of Directors, management team, staff, and all stakeholders for their unwavering dedication and support throughout the past year.

Dr. Ernest K. Y. Addison
Board Chairman

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Pearl Esua-Mensah
Chief Executive Officer

The year 2023 posed significant challenges, particularly in the first half, marked by uncertainties surrounding the DDEP and persistent high inflation, despite modest improvements. These factors, combined with the anticipated approval and disbursement of the first tranche of IMF budgetary support, created a tough business environment. Global economic conditions mirrored this volatility, with ongoing increases in policy rates by treasury departments.

However, the latter half of the year witnessed notable improvements with the release of the first tranche of the IMF facility and more substantial decreases in inflation. Although policy rates remained elevated, the high rates on treasury bills enabled banks to recoup some of the losses from the DDEP and significantly bolstered their balance sheets.

Despite these challenging conditions, GDPC demonstrated resilience and achieved notable successes throughout the past year.

Financial Performance

The Corporation ended the year with an operational surplus of GHS39 million attributable to high yields on investment portfolio and tightly controlled expenditure. This brings the reserve fund to a total of GHS80 million.

As of December 31, 2023, the combined balance of Fund A and B surged from 635 million (Fund A: GHS 581 million and Fund B: GHS 54 million) to 1,462 million (Fund A: GHS 1,343 million and Fund B: GHS 119 million). Consequently, the Corporation's total assets experienced a robust growth of 124%, soaring from GHS693 million to GHS1,549 million. This was partly influenced by the write back of impairment provision on financial assets, and premium collection.

Major Achievements

During the past year, a self-assessment and review of the Deposit Insurance Scheme were conducted successfully, culminating in Board approval to commence the process of reviewing the GDP ACT 931 (GDP ACT) as amended. This significant milestone underscores the commitment to ensure the effectiveness and relevance of the Scheme in alignment with evolving economic landscapes and regulatory frameworks. The process of the review of the GDP ACT will begin in the second quarter of 2024.

In just four years since its establishment, the Corporation has emerged as a good source of relevant experience and knowledge for new deposit insurance schemes (DISs) in the Africa Region. In the year under review, the Corporation facilitated a two-day technical visit by Angola Fundo de Garantia. This was the second DIS study visit hosted by the Corporation during the year. Earlier, we welcomed the Namibian Deposit Insurance Scheme, and through our collaborative efforts, persuaded them to become members of IADI.

To ensure a seamless operation and mitigate the potential for significant disruptions, GDPC developed a Business Continuity Plan (BCP) which was endorsed by the board.

In line with our strategy to ensure finance professionals in the country understand and appreciate the principles of Deposit Insurance, we successfully collaborated with the National Banking College to integrate deposit protection into their educational curriculum. Additionally, deposit protection practice has been integrated as a subject into the new curriculum of the Chartered Institute of Bankers, set to take effect in 2024.

Looking Forward

We look forward to an exciting 2024 financial year as our commitment is to ensure GDPC is well-positioned to fulfill its vital role in financial stability through guarding depositors' funds during an insured event. This dedication not only upholds our mandate but also plays a pivotal role in bolstering confidence within the financial sector. Our key focus areas will be to:

- enhance our payout readiness by improving the quality of returns from member institutions especially the SCV using technology and analytics to complement our human resources. We will also be testing all our payout processes for practicality and efficiency;
- implement the risk framework and the BCP. This will involve a lot of capacity building and developing, and embedding a culture that reflects the risk appetite of the Corporation;
- start the process of the review of the GDP ACT with the expectation of going to parliament by the end of third quarter of 2024. This will involve a number stakeholder engagements.
- as part of the activities to mark GDPC's fifth anniversary, organise an in-person IADI Regional Technical Workshop in the second quarter of 2024.

Conclusion

I would like to take this opportunity to thank the Chairman of the Board and all Board members for their steadfast guidance, unwavering dedication, and resilience. I have confidence in the robust foundation established to nurture and expand the Ghana Deposit Protection Scheme. I also extend heartfelt gratitude to the Bank of Ghana, IADI and its members for their invaluable collaboration and contribution. We are deeply appreciative of the multifaceted contributions from our member institutions and all stakeholders in shaping our journey thus far.

As a corporation committed to strengthening and reinforcing the stability of the financial sector, we will continue to uphold the highest standards of integrity, transparency, and accountability as we strive to safeguard the stability and integrity of the financial system.

Pearl Esua-Mensah
Chief Executive Officer

ACHIEVEMENTS

Major milestones

1. A Business Continuity Plan (BCP) was developed to ensure that GDPC can continue operating smoothly in the face of a major disruption. This plan will be fully implemented in 2024.

2. A self-assessment project to re-position the Scheme to enhance its capacity to achieve the intended public policy objectives was completed.

3. The development of a risk framework was completed and a low risk appetite was selected for implementation.

4. The integration of deposit protection into the educational curricula of the National Banking College (NBC) and the Chartered Institute of Banking, Ghana (CIB) was completed.

5. The Corporation commenced the process of reviewing the GDP ACT.

6. GDPC collaborated with the Training and Capacity Building Unit of IADI to host its first webinar for the African Regional Committee on Business Continuity and Risk Frameworks for deposit insurance schemes.

7. During the year, GDPC successfully hosted the Angola Fundo de Garantia for a two-day study tour.

8. The Corporation signed a Memorandum of Understanding (MOU) with ARB Apex to collaborate regarding onsite inspections and information sharing.

FINANCIAL HIGHLIGHTS

Premiums increased by 28% to GHS 406 million.

Net Income grew to GHS 647 million, representing an increase of 23% from 2022.

Impairment writeback on financial assets amounts to GHS 252 million.

Total fund size increased to GHS1,462 million

- Fund A: GHS 1,343 million
- Fund B: GHS 119 million

Surplus for the year stood at GHS 866 million

Total operating reserves stood at GHS 80.1 million

CORPORATE GOVERNANCE REPORT

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

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

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

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

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

The Board and Board Committees

The Board of Directors is made up of a Non-Executive Chairman, five (5) other Non-Executive Directors and one (1) Executive Director/Chief Executive Officer (CEO). The Chairman of the Board is the Governor of the Bank of Ghana. The other Non-Executive Directors are representatives of the Ministry of Finance, the Institute of Chartered Accountants Ghana, the Chartered Institute of Bankers, the Association of Ghana Industries, and the Ghana Bar Association.

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

Separation of Powers

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

Functions of the Board

In accordance with the GDP Act, the Board shall:

- recommend the Chief Executive Officer of the Corporation for appointment by the President;
- make rules and prescribe procedures for the management and operations of the Corporation;
- approve the financial and operational plans, budget, and financial statements of the Corporation; approve the investment and other policies, and guidelines of the Corporation;
- propose amendments to the GDP Act based on operational experiences in the implementation of the GDP Act;
- approve payments for reimbursement of depositors on the occurrence of an insured event;
- manage the Protection Fund;
- approve emergency funding and borrowing for emergency purposes in accordance with section 46 of the GDP Act.
- approve the number of staff as recommended by the Chief Executive Officer; and
- approve international bodies of which the Corporation may become a member.
- The Board meets at least once every quarter but may hold extraordinary meetings as the business of the Corporation demands.

Business Strategy

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

i. overall risk strategy, including its risk tolerance/ appetite;

ii. policies for risk, risk management and compliance;

iii. internal control systems;

iv. corporate governance framework, principles and corporate values including a code of conduct and

v. compensation system.

Corporate culture and values

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

Related Party Transactions

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

Succession Plan

- The Corporation has empowered its staff and executives to be capable of taking up any opportunity that presents itself in the near future. This deliberate effort focuses on developing human resources to enable the Corporation to retain a pool of qualified candidates who are ready to compete for key positions. Additionally, for each critical role, a substitute has been identified for the short term and efforts are being made to build capacity to cover long term.

The Board Chairman

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

The Board Secretary

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

Schedule of attendance at Board Meetings

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

No	Name	16th Meeting held on 10th Feb. 2023	Special Meeting held on 29th March 2023	Emergency Meeting held on 27th April 2023	17th Meeting held on 5th May 2023	18th Meeting held on 9th Aug. 2023	19th Meeting held on 2nd Nov. 2023	20th Meeting held on 29th Dec. 2023
1	Dr. Ernest Addison	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Dr. Daniel Seddoh	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Bishop Mrs. Patricia Sappor	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. George Amissah Jnr.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Mrs. Pearl Esua- Mensah/ CEO	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Mr. Andy Mensah	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Mrs. Grace Mbrokoh-Ewoal	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Committees

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

The Board Secretary serves as secretary to all the committees.

Board Risk and Strategy Committee

There are three (3) non-executive directors and an external advisor of this committee with the CEO in attendance as follows:

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

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

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

Board Technical, Finance and Investment Committee

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

The Board Technical, Finance and Investment Committee is made up of four (4) Non-Executive Directors with the Chief Executive Officer in attendance as follows:

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

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

Board Human Resources, Corporate Governance and Legal Committee

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

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

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

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

Audit Committee

The Committee is to support and ensure that the Internal Audit Unit of the Corporation functions effectively. It ensures the Corporation pursues the implementation of recommendations of both external and internal audit reports, parliament's decision on the Auditor General's report and reports of any other internal monitoring unit within the Corporation. The Committee is set up in accordance with Sections 86 and 87 of Public Financial Management Act 2016 (Act 921) and complies with Internal Audit Agency Act, 2003 (Act 658).

The Committee is composed of five (5) members; made up of three (3) non-GDPC Directors, of which two (2) were nominated from Internal Audit Agency, and the other one (1) nominated from the Institute of Chartered Accountants (Ghana), who has been elected chairman of the Committee. The remaining two (2) members were nominated from the GDPC Board of Directors. The Chief Executive Officer and Internal Audit Manager of GDPC attend all meetings. Members are as listed below:

Name	Position
Mr. Stephen Frimpong	Chairman (external)- ICA (GH) nominee
Miss Pamela Osei	Member (external)- Internal Audit Agency
Mr. Frank Amedume	Member (external)- Internal Audit Agency
Bishop Mrs. Patricia Sappor	Member (GDPC board member)
Dr. Daniel Seddoh	Member (GDPC board member)

Management Committees

Management Committees comprise of senior management of the Corporation chaired by the CEO. The Committees are strategy driven as they are set up to identify, analyse and make recommendations on strategic options, risks arising from the day-to-day activities of the Corporation. They also ensure that risk appetite as contained in the governance policies in line with the GDP Act are always complied with. They provide input for the respective Board Committees and ensure that recommendations of the Board and Audit Committee, and external auditors are effectively implemented.

They meet regularly to deliberate on implementation of strategic objectives and assess the outcome from strategic actions and take corrective actions and decisions within the confines of their powers for the attainment of corporate objectives.

The key Management Committees in the Corporation are:

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

Executive Management Committee (EXCO)

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

The committee meets every week to review implementation of the 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, risk management and control issues, financial performance, investments, fund management, human capital efficiency and administration.

Investment Advisory Committee (IAC)

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

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

Entity Tender Committee (ETC)

The Corporation has an Entity Tender Committee (ETC), in compliance with the Public Procurement Act, 2003 (Act 663) as amended by the Public Procurement (Amendment) Act, 2016 (Act 914), that ensures procurement procedures for goods, services and works have been adhered to as prescribed by the Public Procurement Act, 2003 (Act 663), as amended.

Systems of Internal Control

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

Code of Ethics

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

Conflict of Interest

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

Annual Certification

The Board certifies that:

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

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

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

• Board members with the former CEO of KDIC and the Second Deputy Governor of the Bank of Ghana

PROFILE OF BOARD OF DIRECTORS

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 an M. Phil. In Economics and Politics at the Cambridge University in the United Kingdom, and then obtained a 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)

Pearl Esua-Mensah is the pioneer CEO of the Ghana Deposit Protection Corporation (GDPC), tasked with building a strong resilient organization to play a critical role in the financial stability of the country.

She is an experienced world-class business leader with a demonstrated history of high achievements 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, before then, the Group Chief Executive Officer of Media General Ltd, a group of media organizations in Ghana, and prior to that served as the Deputy Managing Director of the erstwhile 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 is a member of the Ashesi University's Board of Directors, having served on the Board since 2013 and headed the Board's Finance Committee till she became its chairperson from 2017 to 2022.

Pearl has over 25 years global experience in a number of sectors including Banking and Finance, IT, and Media. She has experience in mergers and acquisitions, capital raising, total business reorganisations, strategy development and implementation, project management, and development of operational systems.

Pearl is an avid advocate of women in leadership and is a co-founder of "The Executive Women Network" (EWN) in Ghana, a network of over 200 women in leadership positions or asiring for such positions. EWN provides a platform for dialogue and collaboration for development and self-actualisation.

Pearl 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 years and also served as the Board Chairman for All Terrain Services Limited, (a hospitality company which operates in over ten 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 is 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 the immediate past 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.

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.

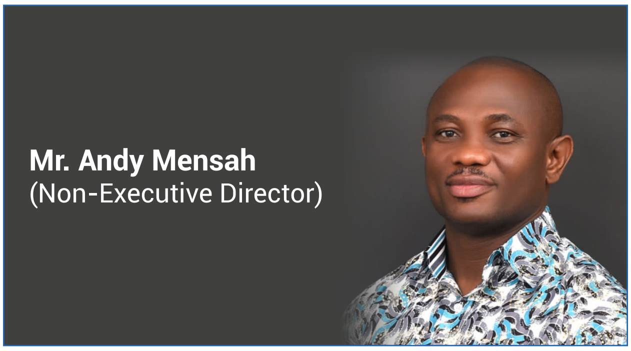
Mr. George Amissah Jnr.
(Non-Executive Director)

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.

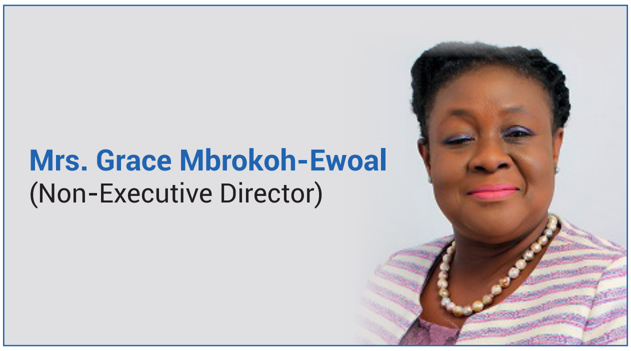


Mr. Andy Mensah has over 18 years working experience with many organizations spanning public services, manufacturing, and IT sectors with about 12 years in senior management. He started his career with the Coca Cola bottling plant in Kumasi, before moving to the UK where he worked for Birmingham City Council and Denise Mastersons International Ltd.

He has also worked with Ayum Forest Products Ltd, a timber manufacturing and exporting firm in Ghana as a Chief Accountant and subsequently joined IBM Ghana Limited as a Financial Analyst until he was later asked to start the HR practice for IBM in Ghana. At IBM, Mr. Mensah was later given the added responsibility for Middle East Africa, advising managers on HR and ER matters. He is currently the Human Resource and Administration Manager for Tropical Cable & Conductor Ltd, and also serves on the management teams of Western Rod & Wire Ltd as well as Premier Quality Ltd.

Andy Mensah is a Fellow of the Chartered Institute of Management Accountants (CIMA), holds a Master of Science in Development Finance degree from the University of Ghana Business School, as well as a Senior Professional in Human Resources (SPHR) qualification. He is a self-driven individual, who enjoys helping and motivating people in all aspects of life and work. He mentors a lot of young people and has speaking engagements with young people in tertiary and other institutions. Overcoming whatever is termed “a challenge” gives him the greatest pleasure.

Mr. Andy Mensah is the AGI representative on the Board.



Mrs. Grace Mbrokoh-Ewoal assumed the role of Director Legal of the Ministry of Finance in January 2022. She has 25 years of post-qualification experience as a legal practitioner and prior to her current appointment served as Chief State Attorney in the Office of the Attorney General and Ministry of Justice, having risen through the ranks upon her initial appointment as an Assistant State Attorney in 1997.

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

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

Mrs. Mbrokoh-Ewoal graduated from the University of Ghana with a Bachelor of Law with Political Science in June 1994. A qualified Barrister and Solicitor of the Supreme Court of Ghana and a Notary Public, she holds a Qualifying Certificate in Law from the Ghana School of Law, having been called to the Bar in Ghana in February 1997 and appointed a Notary Public in October 2019.

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

PROFILE OF EXTERNAL MEMBERS OF THE AUDIT COMMITTEE

Mr. Stephen Frimpong
(Chairman)

Mr. Stephen Frimpong is the Chairman of the Audit Committee. He has held positions such as Financial Management Specialist on the Ghana - World Bank Project on Land Administration and the Forest Investment Programme which were both implemented through the Ministry of Lands and Natural Resources. He has also worked with the Internal Revenue Service (IRS), now the Domestic Revenue Division of the Ghana Revenue Authority (GRA), in the capacity of Inspector of Taxes. Mr. Frimpong is the former Chief Accountant of the Department of Urban Roads in Ghana.

Mr. Frimpong is currently the Director of Finance of the Ghana Freezones Authority, an investment promotion agency spearheading the attraction of local and foreign direct investments into the special economic zones through the granting of incentives to create national economic development in the area of exports promotion.

Mr. Frimpong is a Chartered Accountant and a member of the Institute of Chartered Accountants Ghana (ICAG) since 2007. He holds an MBA in Finance from Wisconsin International University College and a Post Graduate Diploma in Tax Administration from GIMPA. He is the representative of ICAG on the Audit Committee.

Ms. Pamela Osei Agyekum
(Member)

Ms. Pamela Osei Agyekum is currently the Board Secretary/ Legal Officer at the Internal Audit Agency. She has considerable industry experience with expertise in Retail Lending, Conduct and Compliance, Client Experience, Branch Operations, Business Development and Relationship Management.

She has undertaken a number of CPD Programmes and has served banks in various capacities.

Ms. Pamela Osei Agyekum holds an EMBA in Human Resource Management from the University of Ghana Business School and a Bachelor of Arts in Psychology and Linguistics from the University of Ghana. She is a representative of the Internal Audit Agency on the Audit Committee.

Frank Kwame Amedume
(Member)

Frank Kwame Amedume is a self-motivated, organized and results-oriented personality with considerable experience in Auditing and Accounting in both private and public sectors.

He serves on several Audit Committees, including those of Economic and Organised Crime Office (EOCO), Information Services Department (ISD), Volta Lake Transport Company (VLTC) and Land Use and Spatial Planning Authority (LUSPA). He is currently the Deputy Head of Special Investigations Unit (SIU) under the Internal Audit & Special Investigations Division (IASID) of the Internal Audit Agency.

Frank holds an MBA in Accounting and a Bachelor of Commerce (B Com) Degree from the Methodist University College Ghana and University of Cape Coast respectively. He is also a member of the Institute of Internal Auditors (IIA) and Institute of Chartered Accountants (Ghana).

Frank is the representative of the Internal Audit Agency on the Audit Committee.

PROFILE 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:

Sandra Elizabeth Baffoe-Bonnie Anaman - Head of Legal
(EXCO Member)

Sandra E. B.B. Anaman is currently the Head of Legal and Acting Board Secretary at the Ghana Deposit Protection Corporation. Sandra is in her 12th year of practice as a lawyer. Her area of expertise is general corporate work, specifically financing transactions, commercial transactions, mergers and acquisitions, capital market transactions and general practice.

Sandra was formerly a Senior Associate in the Law Firm of Bentsi-Enchill, Letsa and Ankomah in the Financial Institutions and Capital Market Practice Group. Sandra has also worked as an Adjunct Lecturer in Commercial and Contract Law with the Ghana Institute of Management and Public Administration.

She holds an LLB degree from the Kwame Nkrumah University of Technology, A qualifying Certificate in Law from the Ghana School of Law, Makola and an LLM in Corporate and Securities Law from the London School of Economics.

Emmanuel Asare – Head, Risk and Strategy
(EXCO Member)

Emmanuel Asare is the Head of Risk and Strategy at GDPC. He is an accomplished business professional with over 15 years leadership experience in the banking and financial services industry. He has proven experience in diverse areas including, Enterprise Risk Management, Risk Policy & Strategy development and implementation, Portfolio Management, Investments Management, Treasury Risk Management, Capital Raising & Liquidity Management.

Prior to joining GDPC, he had spent over nine years with Ecobank Transnational Incorporated (ETI), where he served in various capacities including Head of Market & Liquidity Risks for the Ecobank Group. He also served as Executive Director of Ecobank Specialized Finance Company Limited, a wholly owned subsidiary of ETI. Prior to joining Ecobank, he had gained high profile international exposure and experience, working as Principal, Treasury Risk Management at the African Development Bank (AfDB), Vice President, Asset/ Liability Management at Bank of America (USA) and Assistant Vice President, Capital Markets at Citibank (USA).

Emmanuel holds a Bachelor's Degree in Economics from the University of Ghana and a Master's Degree in Business Administration from the Olin School of Business, Washington University in St. Louis, Missouri, U.S.A. In addition, he is a Chartered Financial Analyst (CFA), a Certified Financial Risk Manager (FRM) and a Professional Risk Manager (PRM). Emmanuel has also received senior executive management training from the Kennedy School at Harvard University, The London School of Economics and Political Science (LSE) and the Saïd Business School at Oxford University.

Kwesi Attobrah - Head of Operations and IT
(EXCO Member)

Kwesi Attobrah leads the Operations and Technology team at GDPC, with the core responsibility of ensuring the efficient and effective management of operational processes, ensuring operational readiness and preparedness to fulfill the Corporation's mandate as a pay-box and to ensure the Corporation has the right IT systems and infrastructure to support its operations.

Kwesi Attobrah is a Finance, Accounting, Auditing and Information Technology professional with 18 years combined experience in the Audit and Assurance practice as well as the banking and financial services industry. Prior to joining GDPC, Kwesi worked with Ecobank for 13 years where he held and managed several roles spanning across Audit, Finance and Consumer Banking. Key among these roles was Head of Personal Banking, where he managed a loan portfolio of $100m, over $400m in deposit, yearly revenue of $45m with a team of 45 staff. He also served as the Business Partner for the Consumer Banking unit, responsible for managing the direction for performance measurement and analytics across Consumer Banking functions.

Before moving to the financial services industry, Kwesi worked with Ernst and Young Ghana as a supervising senior working on a wide range of audit and assurance engagements.

Kwesi is a Chartered Accountant and a member of the Institute of Chartered Accountants in Ghana. He holds a Post Graduate Diploma in Information Technology from the Sikkim Manipal University and an MA in Economic Policy Management from the University of Ghana. He also holds a BSc degree in Business Administration (Accounting) from the University of Ghana.

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 banking 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 respectively.

Daniel trained as an accountant and worked with KPMG at the Audit and Assurance Department and rose to the level of Senior Associate level, 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 an MBA in Finance and B. Ed Psychology at first-degree level. 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 the author of Step-By-Step Financial Accounting Book for Senior High Schools in Ghana.

Gideon Nortei-Dowuona
Portfolio Manager

Gideon Nortei Dowuona is the Portfolio Manager at GDPC. His expertise in investments is well-established, forged through a combination of academic learning and hands-on experience, demonstrating a strong proficiency in investment research, asset allocation, and upholding ethical standards.

Prior to joining Ghana Deposit Protection Cooperation, he was a Portfolio Manager at CAL Asset Management, (a wholly owned subsidiary of CAL Bank) and an Investment Officer at SDC Capital Limited where he headed the Pensions and the Research Desk. He has demonstrated experience in employing risk mitigation strategies in the allocation of funds for collective investment schemes, pension funds and other institutional funds.

Gideon graduated with a Bachelor of Education degree in Economics and Geography from University of Cape Coast, Ghana. He has the Ghana Securities Industry Certification, an MSc. in Financial Risk Management from the University of Ghana Business School, a Certificate in Project Management from SEG - U.K., and a certificate from the Barcelona School of Economics for a training on Time Series Models for Macroeconomic Analysis.

Maame Esi Foleson
Internal Auditor

Serving as the Internal Auditor at GDPC, Maame Esi Foleson plays a vital role in providing valuable, independent, and objective evaluations of the corporation's activities.

She has over fourteen (14) years' experience working in Ghana's banking, tech and media industries where she has held various roles in internal audit and project management.

Maame Esi has proven to be an adept assurance professional who pays attention to detail and whose recommendations have contributed significantly to the growth of the organizations she has worked for. Continuous improvement is the bedrock of everything she sets out to do.

She is a Chartered Internal Auditor (CMIIA) with CISA, CRISC and CISM certifications from ISACA. She also has an MBA in Banking from the SOAS (Univ. of London) and a PG. Dip. in Audit Management and Consultancy (Birmingham City University).

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.

Eugene Yarboi Mensah
IT Manager

Eugene Yarboi Mensah is the IT Manager at GDPC. His career began in June 2005 as a Banking Operations Officer at Standard Trust Bank, which is now UBA Ghana Ltd. By 2007, Eugene had been transferred to the IT Operations unit of the bank to support the core banking operations software, Finacle. By 2009, he became the Head of Applications Support Unit at the Bank.

Eugene joined Regional Data Systems in Nairobi Kenya in January 2011 as a Business Analyst for the data wing of the credit reference bureau, CRB Africa and in February 2013 he accepted an appointment to Access Bank Ghana as the Team Lead for the Enterprise Applications Support Unit of the bank. During this period, he had the opportunity to act as the Head of IT for a year when the vacancy presented itself. In March 2016, he moved to the insurance industry as Head of IT for Quality Insurance Company Limited where he worked for five and a half years.

Eugene holds an MBA (Finance) from the University of Leicester, United Kingdom, and a BSc. in Computer Science from KNUST, Kumasi. He is also professionally certified as a PRINCE2 Practitioner, ITIL Foundation Certified Professional, Oracle Certified Professional, Microsoft Certified Professional and IBM Certified Specialist.

Korantemaa Twumasi
Human Resource and Administrative Manager

Korantemaa Twumasi is the HR and Administrative Manager at GDPC. She has over 8 years of management experience in Human Resource Operations. Prior to joining GDPC, 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).

OTHER MANAGEMENT STAFF

Shirley Pabby
Legal Officer

Edinam Doh
Accountant

Louis Gyimah
Payout Manager

Juanita Kyei
Operations Manager

Wendy Nunoo
Manager, CEO's office/ Procurement Manager

Adela Pokua Baniako
Manager, Risk, Research & International Relations

KEY CAPACITY BUILDING ACTIVITIES

Capacity building for key stakeholders

Sensitization workshops were carried out throughout the year for the Corporation's member institutions, Payout Agent Banks (PABs) and other key stakeholders. Within the year, the Corporation organized eight Training of Trainers (ToT) workshops for representatives of all member institutions of the Scheme. The programme was designed to build the capacity of representatives to train staff of their respective organisations on the key features of the deposit protection scheme. The goal was to enhance the capacities of frontline staff to explain the benefits and limitations of the Scheme to depositors. The in-person sensitization workshops also featured modules on the Rules of Informing Clients and Rules of Periodic Reporting to enable reporting officers to submit accurate data to the Corporation. A total of 209 trainees participated in these interactive training sessions.

In the course of the year, the Corporation also organized a series of targeted workshops for the Corporation's Payout Agent Banks (PAB), member institutions as well as engagements with key stakeholders such as the Chartered Institute of Bankers, Ghana, and Apex bodies of member institutions.

In the third quarter of the year, the Corporation also organized a two-day sensitization workshop on the Scheme for key staff of the Ministry of Finance (MoF). Topics covered included Introduction to Deposit Insurance, Core Principles for Effective Deposit Insurance, Funding & Fund Management, Coverage and Overview of the Ghana Deposit Protection Scheme. The Corporation also used the opportunity to discuss areas of possible collaboration with the Ministry to enhance the deposit protection scheme, to augment efforts that promote financial stability in Ghana. About twenty-five (25) staff of MoF participated in the workshop.

• *Head of Operations and IT, Kwesi Attobrah addressing staff of banks at a sensitization workshop at the National Banking College, Accra.*

Capacity building for staff

Throughout 2023, the Corporation placed emphasis on building the capacity of staff to improve their knowledge of deposit protection practice and other technical and soft skills needed for the effective execution of their roles.

All staff took part in various technical IADI webinars, and management staff joined workshops in the African region and a couple outside the region. Two study tours were attended by senior managers and some Board members - one in the Netherlands and the other in Canada on SCV and risk management.

Within the year, every member of staff completed at least four FSI training programmes on the BSI training platform. Two members of staff completed an IADI Core Principles expert programme and are now IADI CP experts. All staff completed at least the minimum 40 hours of training required. Other team building activities were conducted to ensure high staff morale, promote teamwork and GDPC's core values.

All board members, with the exception of the board chair, attended at least one IADI workshop in the year. There was a board retreat on board evaluation and governance as well as risk management framework.

Training was also organized for Audit committee members on the practice of deposit insurance and expectations of a board audit committee.

The Corporation organized various training workshops and conferences throughout the year to improve staff knowledge in deposit insurance operations. These included training programmes organized by international organizations such as IADI, CDIC, Cambridge University, and Berkeley University on topics ranging from core deposit insurance principles to leadership and risk management.

Within the period, Bank of Ghana also organized training programmes on the use of Power BI intelligence tool for the Corporation's Operations Team.

Within the period under review, the Corporation also created the opportunity for staff to enhance their knowledge and skills through participation in various programmes. These training programmes covered a broad range of topics such as Governance and Compliance, Leadership and Management, HR and Administration and Financial Management.

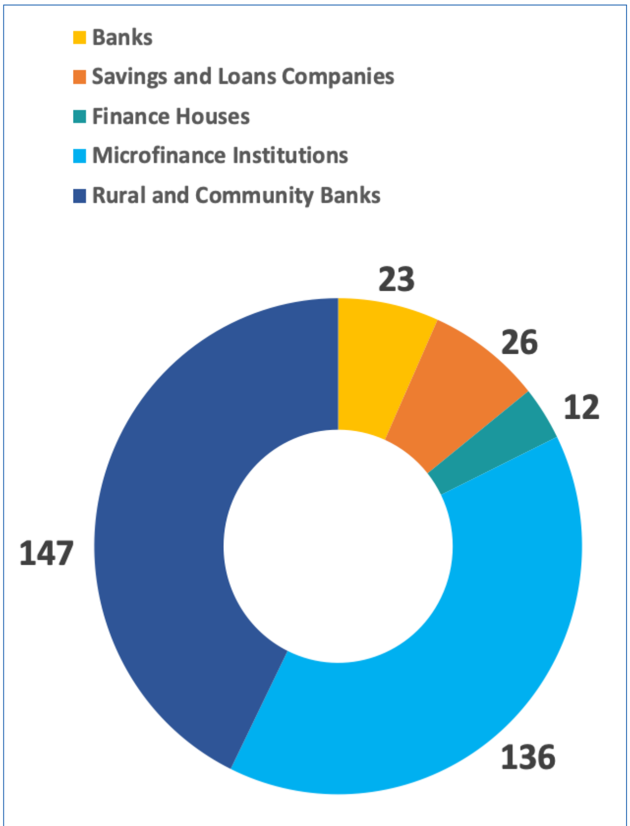
- *CEO of GDPC, Mrs. Pearl Esua-Mensah with some ARC Executives at the IADI-ARC AGM in Senegal.*

DEPOSIT PROTECTION ACTIVITIES

Membership

All banks and specialized deposit-taking institutions licensed by the Bank of Ghana are required to be members of the Ghana Deposit Protection Scheme under the GDP Act. As of December 31, 2023, the number of licensed deposit-taking institutions listed by the BoG was 344, up from 343 the previous year, due to the granting of additional SDI licenses by the BoG during the period. Membership consists of:

- 23 Banks
- 26 Savings and Loans Companies
- 12 Finance Houses
- 136 Microfinance Institutions
- 147 Rural and Community Banks



Premium

In accordance with Section 15 of the GDP Act, the Corporation determines the annual premium payable by Scheme members, ranging from 0.3% to 1.5% of total deposits, excluding deposits outlined in Section 13 of the Act. Members must pay a prorated amount of the annual premium quarterly, with assessed premiums due within thirty days after the end of the quarter. The current approved rate charged on insurable deposits is 0.3%.

Premiums paid by banks go into Fund A and premiums paid by SDIs go into Fund B. Total premium invoiced in 2023 increased by 28% from 292 million in 2022 to GHS 373 million for Fund A whiles Fund B premium invoiced increased by 25% from GHS 28 million to GHS 35 million for the same period. Total premiums collected were GHS 381 million.

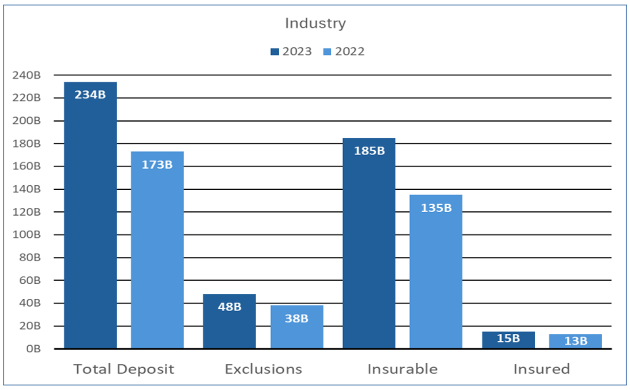
Returns submission

In line with Section 21 of the GDP Act, banks or specialized deposit-taking institutions are required to provide the Ghana Deposit Protection Corporation with information, data, statements, and reports in a format specified by the Corporation. Data validation and submission by financial institutions has seen significant improvement with GDPC's online reporting portal. A 95% submission rate is achieved on a month-on-month basis.

Trends and Structure of Deposits of Industry

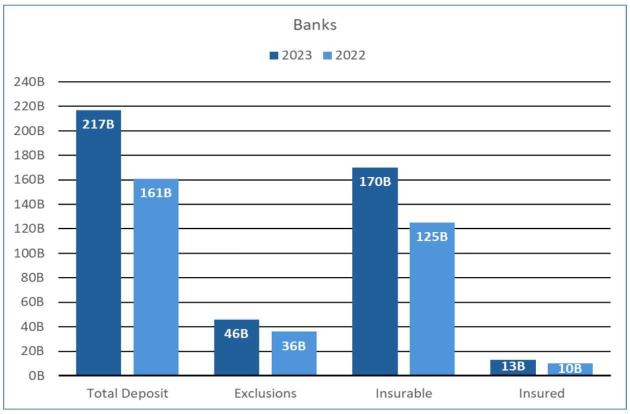
As of December 31, 2023, the industry (Banks and SDI's) had deposits of GHS 234 billion, a 35% increase from GHS 173 billion at the end of 2022. Total insurable deposits also increased from GHS 135 billion in 2022 to GHS 185 billion in 2023, representing an increase of 37%. At the end of 2023, the percentage of insurable deposits to total deposits was 79%, a marginal increase of 1% from 78% in 2022. GHS 15 billion in insured deposits were made in 2023.

Chart 1



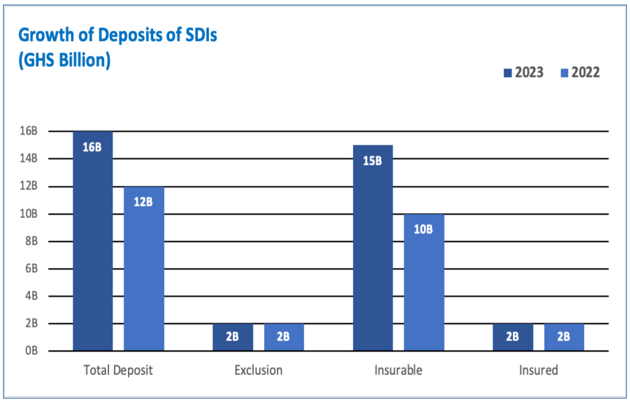
The total deposits of banks as of 31 December 2023 was GHS 216.7 billion which is an increase of 35% compared to GHS 160.7 billion as at the end of 2022. Total insurable deposits grew by 36% from GHS 125 billion to GHS 170 billion in 2023. Insurable deposits at the end of 2023 constituted 79% of total deposits, a marginal increase of 1% from 78% in 2022. The total insured deposits in 2023 amounted to GHS 13 billion. This represents 6% of insurable deposits at the end of the same period.

Chart 2



Total deposit of SDIs increased by 41% from GHS 12.2 billion in December 2022 to GHS 17.2 billion in 2023. Insurable deposits for the same period stood at GHS 15 billion which is an increase of 46% compared to GHS 10 billion as at the end of 2022. Insured deposits increased by 13% from GHS 2.19 billion at the end of 2022 to GHS 2.50 billion at the end of 2023. Insurable deposits constitute 84% of total deposits while insured deposits constitute 14% of total deposits for the year ended December 2023.

Chart 3



Deposit Protection Coverage

The object of Ghana Deposit Protection Corporation is to protect a small depositor from loss incurred by the depositor because of the occurrence of an insured event and support the development of a safe, sound, efficient and stable market-based financial system in Ghana by ensuring prompt payouts to insured depositors on the occurrence of an insured event.

Within this framework, deposits placed by both individuals and entities in member banks receive protection up to a specified threshold. All deposits are eligible for protection except for those specifically captured under section 13 of the GDP Act as exclusion.

The Coverage Ratio refers to the percentage of eligible depositors who are fully covered by the coverage limit, relative to the total depositors. For example, if the Coverage Ratio is 80%, it means the current coverage limit of GHS 6,250 and GHS 1,250 will ensure a 100% reimbursement for 80% of eligible depositors held in member institutions. The remaining 20% will be entitled to compensation up to the specified Coverage limits, which are set at GHs 6,250 for Banks and GHs 1,250 for Specialized Deposit-taking Institutions (SDIs).

As of December 2023, the industry coverage ratio, with the current coverage limits of GH¢6,250 for banks and GH¢1,250 for SDIs, was 91%. This is a slight decrease from 92% coverage last year.

Banks

The number of fully insured depositors in banks declined by 3%, falling from 13.5 million in 2022 to 13.1 million in 2023. This was driven by the closure of zero balance accounts by some banks in the third quarter of 2023. Consequently, the coverage ratio decreased from 93% to 92% over the same period for banks.

SDIs

At the end of December 2023, the number of fully covered depositors recorded a decrease of 3% from 9.3 million at the end of 2022 to 9.0 million, representing 87% of depositors driven by the closure of zero balance accounts by some Finance Houses in the third quarter of 2023.

Institution Type	No. of Fully Insured Depositors	Total Number of Depositors	Total Deposits (GHS 000)	Total Insured Deposits (GHS 000)	Coverage
Banks	13,168,963	14,281,107	216,694,173	5,675,434	92%
Savings and Loans Co	2,620,197	2,787,782	3,450,679	185,249	92%
Finance Houses	33,296	44,953	2,641,763	4,208	74%
Microfinance	850,871	910,793	678,915	54,587	93%
Rural Banks	5,515,386	6,448,257	9,672,171	678,894	86%
SDIs (Sub Total)	9,019,750	10,191,785	16,443,529	922,938	87%
Total (Banks + SDIs)	**22,188,713**	**24,472,892**	**233,137,701**	**6,598,372**	**91%**

Payout Preparedness

Payout Agent Banks

A Payout Agent Bank is a financial institution appointed by a deposit insurance scheme to facilitate the disbursement of compensation to depositors in the event of a bank failure. The primary role of a Payout Agent Bank is to administer the payout process efficiently and effectively, ensuring eligible depositors receive their compensation promptly.

In the year 2023, The Corporation completed twenty-two (22) virtual workshops with the Pay-out Agent Banks (PABs) to improve their capacity and preparedness for a payout. The Corporation worked with key departments in all PABs, to confirm their systems and procedures in readiness for a payout.

The primary objectives of these workshops were to educate PABs on the operating protocols and standards of the GDPC, while evaluating their ability to effectively execute Payout Communication and Call Center Processes, Coverage, and Payout Scenarios during an insured event.

Onsite Examinations

The Corporation is mandated to conduct on-site examination on member institutions to verify deposit related records and to ensure the Corporation has accurate deposit data for premium calculation, reimbursement and to ascertain member institutions compliance with relevant sections of the GDP Act.

Twenty-four (24) SDIs institutions were examined within the year. Three (3) of the examinations in the RCBs sector were done with the ARB Apex Bank. Areas of focus were the review of total deposit disclosures, the accuracy of computing deposits into insurable and excluded deposits, ability of the IT systems to generate the Single Customer View (SCV) files correctly and on short notice, public relations activities in compliance with the GDP Act and Rules issued by the Corporation.

Onsite examinations have led to enhanced compliance among member institutions with the GDP Act, fostering a better understanding of the scheme and its significance within the financial safety net.

Simulations

Simulation exercises represent a fundamental component of any deposit insurer's adherence to international best practices for deposit insurers, as outlined in the IADI CP 6 and its contingency planning framework. These exercises facilitate the assessment of operational capabilities, the identification of potential procedural gaps or weaknesses, and the promotion of coordinated efforts among stakeholders during times of crisis.

In the year 2023, GDPC successfully conducted one (1) internal limited scope simulation exercise and participated in one external simulation exercise with Bank of Ghana, other central banks as well as deposit insurers in eight African countries organized by Bank for International Settlements (BIS) and the Financial Stability Institute (FSI).

The simulation exercises focused on the Corporation's complete operations, facilitating inquiries from various departments and the central bank. With a mandate to initiate pay-outs no later than the sixth (6th) day following an insured event and promptly reimburse depositors, the simulation aimed to evaluate the Corporation's proficiency in executing the required procedures.

In 2024, the Corporation intends to conduct focused exercises aimed at enhancing the capacity of each departmental role player to effectively handle any payout situations.

Public Relations and Communication Activities

IADI - ARC Webinar

In partnership with IADI, the Corporation successfully hosted a webinar during the third quarter of the year. The primary objective of the webinar was to facilitate the exchange of knowledge among member institutions of IADI, with a specific focus on the Enterprise Risk Framework (ERF) and Business Continuity Planning (BCP) for Deposit Insurance Schemes.

Distinguished representatives from various organizations, including the Federal Deposit Insurance Corporation (FDIC), Kenya Deposit Insurance Corporation (KDIC), Nigeria Deposit Insurance Corporation (NDIC), Deposit Insurance Corporation of Japan (DICJ), and the World Bank shared their valuable insights on these critical subjects with the webinar attendees.

The event, which took place on the 12th and 13th of July 2023, drew participation from 141 representatives representing IADI member institutions and other key stakeholders of the Corporation. Attendees included representatives from the Bank of Ghana, further enriching the depth and diversity of perspectives shared during the webinar.

IADI-ARC Publicity Activities

Following the appointment of the CEO of GDPC as the Publicity Secretary of IADI-ARC, a communication working group was formed to support the Secretariat to enhance ARC-IADI's communication and visibility in the Africa region and beyond. The Working Group is made up of Communication Officers from DISs in Ghana, Zimbabwe, Uganda, and Kenya. The group had its first meeting in mid-September to discuss ideas on the improvement of ARC's communication and visibility within the subregion. A draft of Terms of Reference for the group was also developed.

The Corporation also worked on creating profile pages for ARC member countries on the ARC website. The profile page on the ARC website was completed, and it currently hosts the profile information of ARC member countries namely Ghana, Nigeria, Kenya, Mozambique, Rwanda, South Africa, Tanzania and Uganda and Zimbabwe.

Collaboration with CIB

Within the third quarter, the Corporation worked with the Chartered Institute of Banking, Ghana (CIB) to integrate Deposit Protection training into CIB's curriculum. The modules integrated into the syllabus are:

- Deposit Protection; An introduction
- Core Principles of Effective Deposit Protection
- Funding and Fund Management
- Coverage (Scope and level)
- Overview of the Ghana Deposit Protection Scheme

Relevant presentation slides and notes on the modules were made available to CIB to facilitate the integration process. The revised curriculum will be implemented starting the academic year of 2024.

Stakeholder Engagements

The Corporation in 2023 actively engaged stakeholders in various activities aimed at building relationships across the financial sector, promoting cooperation, and ensuring collective efforts toward regulatory compliance and industry stability. The activities included:

- Collaborative workshop with Ministry of Finance to align strategies and objectives.
- The Corporation signed a formal MOU with ARB Apex Bank
- Joint efforts with ARB Apex Bank in conducting onsite examinations.
- Active participation in meetings organized by ARB Apex Bank.

- Collaborative interactions with key industry associations, including Ghana Association of Microfinance Companies (GAMC), Chartered Institute of Bankers (CIB), Ghana Association of Bankers (GAB), Ghana Association of Savings and Loans Companies (GHASALC), and Ghana Association of Finance Houses (GHAFIN).

- *Participants at a stakeholder engagement with RCBs in Koforidua*

Publication of article in FSR Magazine

In a bid to bolster the Corporation's presence in the banking sector and promote awareness of deposit protection among member institutions, the Corporation played a key role in featuring an article in the 2022 Financial Stability Review magazine. This annual publication is produced by Ghana's Financial Stability Council (FSC). The article, titled "Managing Moral Hazard in Deposit Insurance Practice," is on the GDPC website.

Revised Communication Plan and Brand Guide

As part of efforts to effectively engage with the various stakeholders, GDPC updated its communication strategy. The comprehensive plan was tailored to meet the specific communication requirements of the Corporation's diverse stakeholders and to facilitate the achievement of organizational objectives through effective communication.

The Corporation also engaged a service provider to develop a Brand Guide for the Corporation. The guide is a holistic resource designed to elevate GDPC's brand identity.

Member institutions website audit

Article 4 (1) (C) of the Rules of Informing Clients of Member Institutions stipulates that all members must provide information on deposit protection to their current and prospective clients by providing a hyperlink to GDPC's website on their websites. In the second quarter of the year, the Corporation conducted an audit of websites of member institutions to assess compliance with the provision in the Article. The results guided GDPC in its training and sensitization efforts.

Legal

Review of the GDP Act

At the 19th Regular meeting of the Board held on 2nd November 2023, the Board gave approval for Management to commence stakeholder consultations towards reviewing the GDP Act. As initial steps, Management has submitted the justification paper for the consideration of the Bank of Ghana as a key stakeholder. Management has also sent a request to the Minister of Finance for the Minister to set up a steering committee for the review of the GDP Act. This Committee shall comprise the Ministry, GDPC and its key stakeholders.

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 provided a €0.5 million grant to engage a consultant to help in the establishment of a Deposit Protection Scheme and to operationalize it in line with the Ghana Deposit Protection Act. This technical assistance program was named Accompanying Measure. The consultant engaged to execute this program was Global Banking Development Solutions (GBDS).

The tenure of the GBDS Consultancy Agreement was from April 2019 to April 2022. This contract was extended to the end of June 2023 due to delays to the execution of the contract arising from COVID-19. The work carried out by the consultant during the pendency of the contract were:

- Assisting in the establishment of the operational systems and processes of the Corporation
- Advising on the Staffing and capacity-building of the Corporation,
- Assessment of the legal framework and its implementation, and
- Strategic development of the Corporation

All of these tasks were successfully carried out by GBDS with the support of Management. GBDS has submitted its final report on the consultancy services, indicating the work done so far and making proposals for the development of the Ghana Deposit Protection Scheme.

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 engage a consultant to provide capacity building support to key actors within the financial supervision ecosystem and to assist with the creation of public awareness of the Ghana Deposit Protection Scheme. It was recognised that an effective banking supervision regime would result in a stronger deposit insurance system. Further a greater awareness of the role of the deposit insurer by the supervisory authorities, would result in greater collaboration between the financial safety net players leading to a more resilient financial system. The technical assistance program was named Accompanying Measure II. The consultant engaged to execute this program was EY Ghana.

The scope of work of the consultancy services covered the following:

- Capacity Building Measures for the Banking Supervision Department (BSD). This included facilitator-led training for staff of the BSD on selected topics.
- Capacity Building Measures for the Other Financial Institutions Supervision Department (OFISD). covering
    I. Facilitator-led training for selected staff on a variety of topics.
    II. Support with optimisation of data collection.
- Assistance to the BoG and Apex institutions with the implementation of Marketing and Information Management measures, including public awareness campaigns.
- Capacity building measures for ARB Apex and Umbrella Organisations.
- Facilitation of overseas study trips (for staff of the BoG) to countries which are successfully running deposit protection schemes.

The consultancy services agreement is nearing completion with only the overseas study trips outstanding.

RISK MANAGEMENT

Enterprise Risk Management Framework

During the year, with the Board's approval of a Risk Appetite, the Corporation made material progress in the implementation of its Enterprise Risk Framework. The risk appetite of the Corporation considered its material risks and their impact on the ability of the Corporation to meet its mandate and public policy objectives.

The approved risk appetite appreciated the fact that GDPC's capacity to realize its public objectives and strategic intentions may be adversely affected both by internal and external events. Internal events that have the potential to derail the achievement of GDPC's strategic objectives may include poor strategy execution, people risk, weak processes, operational inefficiencies, whilst some external events may include changes in the macro-economic environment, government policies, global pandemics, and evolution in technology. While the Corporation may not be able to totally insulate itself from the occurrence of the above events, it is important that it is able to accurately assess each of such potential events and determine the extent to which it is willing to remain exposed to the crystallization of the said events or risks. The risk appetite is therefore a reflection of the quantum of risk that the Corporation is willing to take.

To facilitate the Board's determination of a Risk Appetite for the Corporation, three (3) alternative Risk Appetites namely Appetite I (Low), Appetite II (Medium) and Appetite III (High) were developed. This was to provide broad-based guidance on the type and amount of risks GDPC is willing to accept, how risk exposures will be managed going forward and the additional resources needed to bring the current risk levels in line with an approved Risk Appetite.

After careful consideration of the alternatives, the Board approved a Low-Risk Appetite. The Board also recognized that given the current risk profile of the Corporation vis-a-vis the approved risk appetite, immediate implementation may impose an unacceptably high cost (financial and non-financial). In addition, some of the additional initiatives required for compliance may necessarily take a longer period to implement. The Board accordingly decided on a 3-year implementation period.

In addition, a Risk Appetite Report Framework has been developed to monitor the Corporation's progress towards compliance with Board approved risk levels. Also, a Risk Incident Reporting Framework has also been developed to ensure that any risk event that occurs is fully documented, incorporation into the Corporations' risk universe, assessed and owners assigned with timeline to ensure timely resolution. Operationalization of the risk appetite is expected to begin in 2024.

Business Continuity Plan

The Corporation also developed and secured Board approval for a Business Continuity Plan (BCP). This will ensure that GDPC can continue operating smoothly in the face of major disruptions. The BCP covers the critical aspects of the operations of the Corporation including operations of the Deposit Insurance Scheme, management of the Deposit Protection Fund, human resources, IT, legal, finance, documents and other activities that are critical to the continuous discharge of the mandate of the Corporation as a financial safety net.

The objectives of the BCP include:

- Coordinating the recovery of critical business functions during a disruption.
- Identifying and managing alternative sources of critical services.
- Enhancing prioritization and efficiency in resource allocation.
- Identifying and making provision for resources required for an orderly and speedy recovery from disasters.

A detailed Business Impact Analysis (BIA) was carried out as part of the plan to identify key departmental activities and functions that are critical to the achievement of the mandate of the Corporation, determine the Maximum Tolerable Period of Disruption (MTPD). The MTPD reflects the point in time beyond which the Corporation may not be able to operate at pre-determined levels without the benefit of the said activity or function. For each of the critical activities and functions, an analysis was conducted to determine the extent to which the Corporation will be impacted if a disruption renders any of them unavailable for periods spanning seventy-two hours, one week, two weeks, one month, and 3 months.

The operationalization of the business continuity is expected to begin in 2024 with the focus on awareness creation, creating a culture of business continuity, BCP testing and audit review.

BANKING SECTOR PERFORMANCE AND DEVELOPMENTS

Highlights

According to the Bank of Ghana, an assessment of the banking sector showed improved performance in 2023 relative to 2022, as the macroeconomic challenges and impact of the Domestic Debt Exchange Program waned. The industry's balance sheet was generally strong, with increased assets, funded largely by deposits. Profitability within the banking sector also improved from the loss position in 2022, reflecting sustained increases in net interest income and fees and commissions. The lingering effect of the macroeconomic challenges, however, continued to constrain credit growth within the banking sector and contributed to the reallocation of liquidity flows to less risky assets in the year.

Banks' Balance Sheet

Total assets of the banking industry increased by 29.7 percent (year-on-year) to GH¢274.9 billion as at end-December 2023, higher than the 17.9 percent growth in the same period of 2022. The strong growth in assets reflected in investments, which went up by 47.5 percent to GH¢100.2 billion, after contracting by 18.3 percent in December 2022. Cash and balances due from banks also increased between December 2022 and December 2023, reflecting in part the upward revision in the cash reserve ratio (CRR) requirement for banks during the year. Growth in gross loans and advances however moderated to 10.9 percent in December 2023, from 29.1 percent in December 2022 on account of a general risk aversion by banks as well as a softening in credit demand following the recent macroeconomic challenges.

Of the total liabilities of the banking system, deposits remained the main source of funding for the banking sector, increasing by 34.0 percent to GH¢214.5 billion in December 2023, from GH¢160.02 billion in December 2022. Shareholders' funds grew by 59.0 percent to GH¢29.2 billion as at end-December 2023, compared to the 26.0 percent contraction in December 2022. Borrowings, on the other hand, continued to decline, contracting by 20.1 percent to GH¢15.0 billion in December 2023, following the decline of 14.7 percent recorded a year earlier.

Overall, the banking industry recorded an improved balance sheet performance in December 2023 on the back of increased liquidity flows from deposits and shareholders' funds.

Financial Soundness Indicators

The key Financial Soundness Indicators (FSI) as at end-December 2023 were broadly positive following improvements in liquidity, efficiency, and profitability during the review period. Solvency and asset quality indicators, however, moderated during the review period. The industry's solvency position, measured by the Capital Adequacy Ratio (CAR) adjusted for regulatory reliefs, was 13.9 percent in December 2023, higher than the revised prudential minimum of 10 percent, but lower than the ratio of 16.2 percent recorded in December 2022. NPL ratio increased to 20.7 percent in December 2023, from 16.6 percent in December 2022 reflecting the lingering impact of the 2022 macroeconomic challenges on the banking sector. Profit-before-tax recorded a sharp growth rate of 267.1 percent in December 2023, relative to a contraction of 207.2 percent recorded in the previous year. The banking sector was relatively cost efficient during the review period as the key efficiency indicators declined to pre-DDEP levels by end-December 2023. (Figure 1)

Figure 1: Key Financial Soundness Indicators (FSIs)

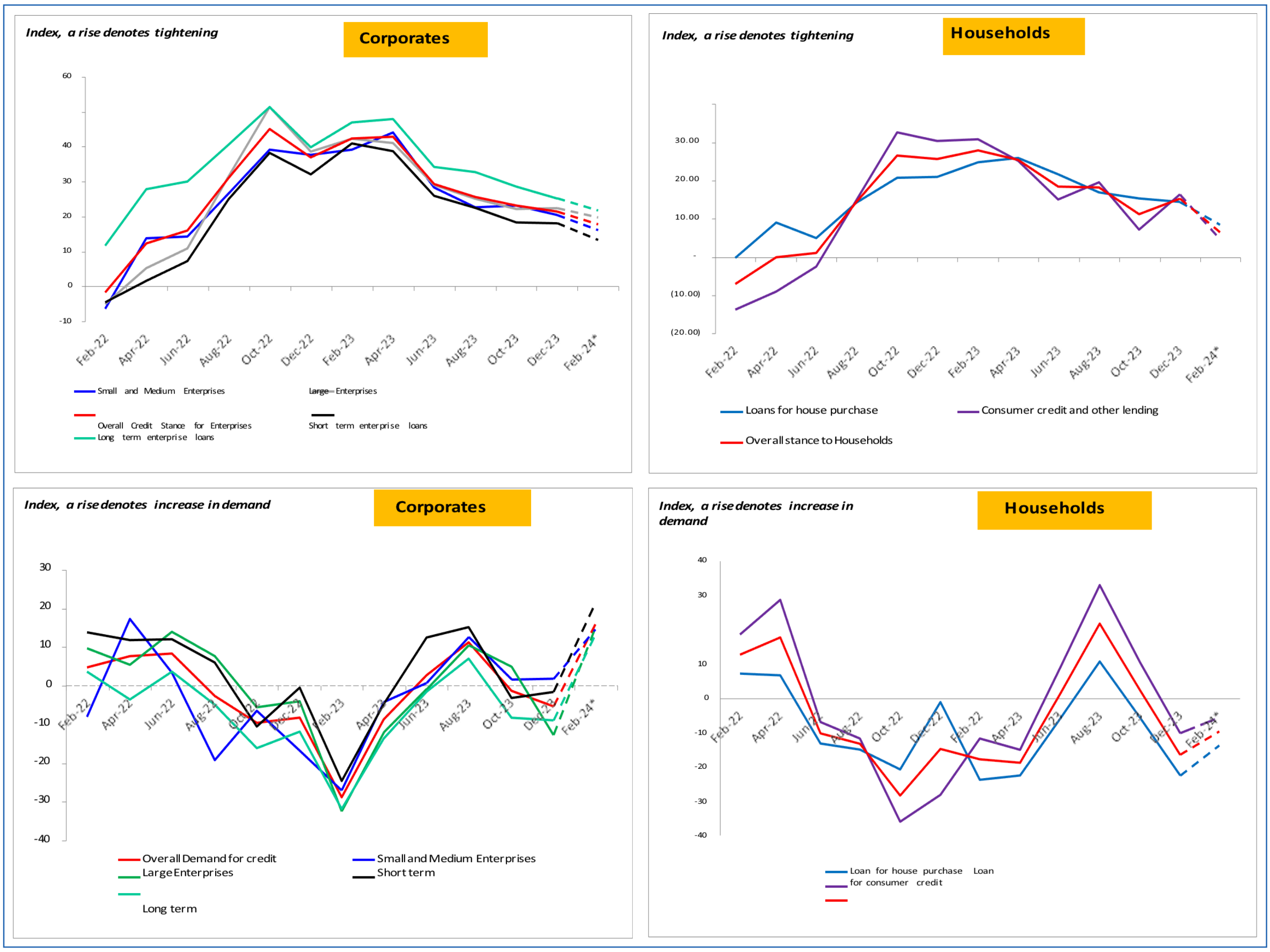
Source: Bank of Ghana Monetary Policy Report – January 2024

Credit Conditions Survey

The December 2023 credit conditions survey pointed to a net decline in the overall demand for credit by enterprises (large enterprises) relative to the previous survey period. Banks generally maintained a tight stance on loans to enterprises and households in December 2023 although they reported a net ease in the stance on enterprise loans during the December 2023 Credit Conditions Survey round, relative to the October 2023 survey round.

Similarly for households, Banks reported a further softening in the demand for loans by households in the last two months of 2023, driven by declines in demand for loans for house purchases as well as consumer credit and other lending. This is however, projected to rebound in the first two months of 2024, in line with the expected increase in demand for mortgages and consumer credit. (Figure 2).

Figure 2: Credit Conditions Survey Results



Source: Bank of Ghana Monetary Policy Report – January 2024

Conclusion and Outlook

The banking sector's performance in 2023 pointed to gradual recovery from the challenges in 2022. Growth in assets increased, supported by increased liquidity flows from deposits and a build-up in shareholders' funds from the profits posted by banks in 2023. The sector is projected to remain stable with the implementation of recapitalization plans during the year.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

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

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

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

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the GDP Act. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Corporation and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

The external Auditors are responsible for independently auditing and reporting on the Corporation's annual financial statements. The annual financial statements have been examined by the Corporation's external Auditors and their report is presented on pages 16 to 20.

Approval of financial statements

The annual financial statements set out on pages 21 to 58, which have been prepared on the going concern basis, were approved by the Board of Directors on **26th March 2024** and were signed on their behalf by:

Dr. Ernest Addison

Board Chairman

26th March 2024

Mrs. Pearl Esua-Mensah

Chief Executive Officer

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 2023.

Principal Activities

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

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

There have been no changes to the nature of the Corporation's business from the prior year.

Corporation's Results

The results of the Corporation's operations for the year ended 31st December 2023 are set out in the Statement of Comprehensive Income, Statement of Financial Position, and the Notes to the financial statements from pages 21 to 58.

The results of the year are as follows:

	2023	2022
	GHS'000	GHS'000
Overall operating surplus/(deficit)	866,187	(137,449)
which is added to the opening balance brought forward on the fund and reserves	676,253	813,702
leaving a closing balance to be carried forward on the fund and reserves	**1,542,440**	**676,253**

DDEP and State of Affairs

The Corporation participated in the Ghana Domestic Debt Exchange Programme (GDDEP) and exchanged GHS1.2 billion old bonds with new ones at face value and settlement done on 21st February 2023. The Directors assessed the impact of the GDDEP on Government debt instruments held by the Corporation at balance sheet date and beyond. The first coupons on the new bonds were settled in August 2023 and the second coupon due in February 2024(which is after the balance sheet date of 31st December 2023), was also settled in line with the new bond contract.

The future economic value of the instruments was assessed in terms of the issuer's capacity to honour its obligations under the contract when they fall due to determine any possible expected credit loss (ECL). The ECL reflects the Board's expectations of shortfalls in the collection of contractual cash flows. Based on the past, present and forecast for the future, the Board believes credit risks have moderated significantly and 12-month expected credit loss has been assessed on amortised cost using the underlying effective interest as at balance sheet date. The financial assets are simple debt instruments, and the objective of the Corporation's business model is to hold and collect the assets' contractual cash flows (and generally not to sell the assets) and that contractual cash flows represent solely payments of principal and interest. Thus, expected credit loss (impairment) on government bonds has been assessed at GHS384 million (2022: GHS636 million) as at balance sheet date.

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

Capacity building of Directors to discharge their duties

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

Auditors

In accordance with Section 43 (4) of Act 931, as amended, the Auditor-General of the Republic of Ghana under Article 187(2) of 1992 Constitution appointed Baker Tilly Andah + Andah as the external Auditors for the year ended 31st December 2023. They have indicated their willingness to continue in the office as Auditors of the Corporation subject to the Auditor-General's re-appointment.

Dr. Ernest Addison

Board Chairman

26th March 2024

Mrs. Pearl Esua-Mensah

Chief Executive Officer

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 31st December, 2023 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 21 to 58.

In our opinion, the financial statements of Ghana Deposit Protection Corporation present fairly, in all material respects, the financial position of the Corporation as at 31st December, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by Act 931, as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Code of Ethics for Professional Accountants (*including International Independence Standards*) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Impairment of Financial Assets

Impairment of financial assets is a key audit matter due to the significance, complexity and subjectivity of estimating timing and the amount of impairment. The Corporation's financial assets and impairment as at 31st December 2023, were as follows.

	2023		2022	
	Gross Amount	Impairment	Gross Amount	Impairment
	GHS'000	GHS'000	GHS'000	GHS'000
Cash & Cash Equivalents	5,112	-	10,998	-
Investment Securities (Short Term)	612,239	-	423,159	243
Accounts Receivable	102,594	3,401	82,149	3,592
Investment Securities (Medium Term)	1,211,860	384,435	811,663	636,197
	1,931,805	**387,836**	**1,327,969**	**640,032**

The impairment of financial assets was determined on a three-stage expected credit loss impairment model asrequired 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, is 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 a reasonable outcome.

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

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

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

How the matter was addressed in our audit:

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

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

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

We also performed procedures including the following:

- We evaluated the design and tested the operating effectiveness of key controls over:
  - The internal credit management process to assess the investment securities and receivable quality classification used to identify ECL and impaired receivables;
  - Implementation of the definition of default and significant increase in credit risk applied in calculating the modelled receivable impairments; and
  - The valuation of future cash flows, based on the appropriate use of key parameters for the impairment allowance.
- We evaluated the reasonableness of the model methodology and performed recalculation of the expected credit losses for investment securities and receivables.
- We tested input data in respect of the critical data elements, challenged management assumptions and obtained reasonable explanations and evidence supporting the key model parameters (including the significant increase in credit risk, PD, LGD and EAD).
- We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied.
- We tested completeness and accuracy of the transfer of data from underlying source systems to the expected loss calculations.
- We selected appropriate samples of individually credit-impaired investment securities, receivables and considered whether the key judgements and significant estimates applied in the impairment were reasonable. We:
  - recalculated the expected credit losses on the individually credit-impaired investment securities, receivables and
  - assessed the adequacy of the disclosures, including disclosures on estimation uncertainty

and judgements, to assess compliance with the disclosure requirements included in IFRS 7- *Financial Instrument: Disclosures.*

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

The Audit Service Act, 2000 (Act 584) requires that in carrying out our audit work we consider and report on the following matters:

We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- in our opinion proper books of account have been kept by the Corporation, so far as appears from the examination of those books;
- the Corporation's financial statements are in agreement with the books of account.

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

Baker Tilly Andah + Andah
.... 26th March 2024

Baker Tilly Andah + Andah (ICAG/F/2024/122)
Chartered Accountants
18 Nyanyo Lane, Asylum Down Accra

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

		2023	2022
	Note	GHS'000	GHS'000
Annual Premiums	7	406,037	317,636
Interest Income	8	228,736	199,006
Other Income	9	12,195	11,699
NET INCOME		646,968	528,341
Impairment Gain/(Loss) on financial assets	10	251,640	(637,284)
Employee Costs	11	(17,280)	(15,404)
Administrative Expenses	12	(12,168)	(9,762)
Depreciation and Amortization	13	(2,973)	(3,340)
SURPLUS /(DEFICIT) FOR THE YEAR		866,187	(137,449)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		**866,187**	**(137,449)**

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

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	Note	2023 GHS'000	2022 GHS'000
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	1,575	2,203
Intangible Assets	15	624	2,365
Investment Securities (Long & Medium Term)	16 & 10	827,425	175,466
TOTAL NON-CURRENT ASSETS		829,624	180,034
Investment Securities (Short Term)	17 & 10	612,239	422,916
Accounts Receivable	18	102,592	78,557
Cash and Cash Equivalents	19	5,112	10,998
TOTAL CURRENT ASSETS		719,943	512,471
TOTAL ASSETS		**1,549,567**	**692,505**
RESERVES & LIABILITY			
FUND & RESERVES			
Fund A	20	1,342,746	581,463
Fund B	20	119,591	53,476
GDPC Reserve Fund	20	80,103	41,314
TOTAL FUND & RESERVES		1,542,440	676,253
LIABILITIES			
NON-CURRENT LIABILITY			
Deferred Grant	21(a)	-	636
CURRENT LIABILITIES			
Deferred Grant	21(b)	232	10,978
Accounts Payable	22	6,895	4,638
TOTAL CURRENT LIABILITES		7,127	15,616
TOTAL LIABILITIES		7,127	16,252
TOTAL FUND & RESERVES & LIABILITIES		**1,549,567**	**692,505**

Dr. Ernest Addison

Board Chairman

26th March 2024

Mrs. Pearl Esua-Mensah

Chief Executive Officer

STATEMENT OF CHANGES IN FUND BALANCES AND RESERVES FOR THE YEAR ENDED 31ST DECEMBER 2023

	GDPC			
	Fund A	Fund B	Reserves	Total
	GHS'000	GHS'000	GHS'000	GHS'000
2023				
Opening balance as at 1st January	581,463	53,476	41,314	676,253
Operating Surplus for the year	761,283	66,115	38,789	866,187
Closing balance as at 31st December	1,342,746	119,591	80,103	1,542,440

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023	2022
	Note	GHS'000	GHS'000
Cash Flows from Operating Activities			
Surplus/(Deficit) for the year		866,187	(137,449)
Adjustments For:			
Depreciation and Amortization		2,568	2,788
Revenue Grant Appropriation		(10,978)	(10,978)
Impairment (Gain)/ Loss on Financial Assets		(251,640)	637,284
Operating Surplus Before Working Capital Changes		606,137	491,645
Increase in Accounts Receivable		(24,035)	(13,679)
Increase /(Decrease) in Accounts Payable		2,257	(2,272)
Net Cash Generated from Operating Activities		584,359	475,694
Cash Flows from Investing Activities			
Purchase of Investments		(589,641)	(516,511)
Acquisition of Property, Plant and Equipment		(339)	(387)
Acquisition of Intangible Assets		(265)	-
Net Cash Used in Investing Activities		(590,245)	(516,898)
Net Decrease in Cash and Cash Equivalents		(5,886)	(41,204)
Cash and Cash Equivalents as at 1st January		10,998	52,202
Cash and Cash Equivalents as at 31st December	19	**5,112**	**10,998**

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	01/01/2023	Change During the Year	31/12/2023
	GHS'000	GHS'000	GHS'000
Cash	124	11	135
Bank Balances	10,874	(5,897)	4,977
Cash and Cash Equivalents	10,998	(5,886)	5,112

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

1. REPORTING ENTITY

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

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards

(IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

b. Basis of Measurement

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

c. Use of Estimates and Judgement

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

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

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

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

d. Useful life of Property Plant and Equipment

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

e. Determining Fair Values

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

f. Contingencies

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

g. Segment Reporting

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Revenue Recognition

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

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

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

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

i. Premium

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

ii. Interest Income

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

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

iii. Amortised cost and gross carrying amount

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

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

iv. Calculation of interest income and expenses

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

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

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

v. Presentation

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

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

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

b. Foreign Currency Transactions

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

c. Employee Benefits

Defined contribution plans

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

The Corporation contributes to the contributory three-tier pension scheme consisting of a mandatory Basic National Social Security Scheme (defined benefit scheme- Tier 1), mandatory fully funded and privately managed occupational pension scheme (defined contribution- Tier 2) and voluntary fully funded and privately managed provident fund pension scheme (defined contribution tier 3) in accordance with the National Pensions Act,2008 (Act 766). The obligations under the tier-one, tier-two and tier-three schemes are limited to specific contributions legislated from time to time, including vesting rules for provident funds. Currently an amount equal to 13.5%, 5% and 12.5% of an employee's basic salary per month are paid into staff Tier 1, Tier 2 and Provident Fund accounts , held with relevant trustees. The contributions to the above schemes by the employer are 13% into tier 1 and 2 (combined) and 7.5% into tier 3 (i.e. the Corporation's obligation) and employees contribute 5.5% into both tier 1 and 2 (combined) and 5% into tier 3 (i.e. employees' obligation). Some staff exercise their right to contribute extra 4% to provident fund. 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 amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

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

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

d. Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

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

(ii) Subsequent Costs

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

(iii) Depreciation

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

Depreciation is computed using the following annual rates:

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

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

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

e. Impairment of Non-financial Assets.

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

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

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

f. Intangible Assets

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

Computer software

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that are clearly associated with an identifiable and unique product which will be controlled by the Corporation and has a probable benefit exceeding the cost beyond one year, are recognised as an intangible asset. Expenditure which enhances and extends computer software programmes beyond their original specifications and lives is recognised as a capital improvement and added to the original costs of the software.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is calculated on a straight-line basis over the estimated useful lives not exceeding a period of 3 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g. Grants

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

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

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

h. Financial Assets and Liabilities

(i) Initial measurement of financial instruments

The Corporation recognizes financial assets and financial liabilities on the trade date when the Corporation becomes a party to the instrument's contractual provisions. Financial assets or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and Measurement categories of financial assets and liabilities

The Corporation has classified all its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

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

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

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

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

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

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

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

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

Business model assessment

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

The Solely Payments of Principal and Interest (SPPI) test

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

(iii) Financial assets or financial liabilities held for trading

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

(iv) Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9.

(v) Modifications of financial assets and liabilities

Financial assets

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

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

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

Quantitative criteria

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

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

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

Qualitative criteria

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

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

Other factors to be considered:

Extension of maturity dates

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

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

Financial liabilities

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

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

(vi) Impairment of financial assets

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

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

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

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

The calculation of ECLs

The Corporation calculates ECLs based on a probability weighted scenario to measure the expected cash short falls, 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 was estimated at the time of initial exposure recognition (adjusted where relevant for changes in prepayment expectations).

Based on the 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 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 from 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 is capable of identifying significant increases in credit risk before an exposure is in default;

- the criteria does 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 several 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 is 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 market performance (lack of investor confidence in the bond market), coupled with domestic fiscal performance, a variety of external actual and forecast information, the Corporation formulated 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 of 31st December 2023 included the ratings assigned to Ghana as a Sovereign state because all the Corporation's assets are government guaranteed securities. Other variables considered were ongoing discussions with external creditors, energy sector risks, fiscal performance, among others.

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

Measurement of ECL

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

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

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

(i) Probability of default (PD)

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where 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.

(ii) Loss given default (LGD)

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

(iii) Exposure at default (EAD)

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

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

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

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

(vii) Restructured financial asset

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

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

(viii) Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:

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

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

In assessing whether an investment in sovereign debt is credit-impaired, the Corporation considers the following factors:

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

Presentation of allowance for ECL in the statement of financial position

Premium allowances for ECL are presented in the statement of financial position as follows:

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

(ix) Write-off

After a full evaluation of a non-performing exposure, in the event that either one or all 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 of the member or receiver is possible.

All asset write-offs are endorsed by the Board of Directors of the Corporation. Assets write-off approval is 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 an amount recovered is recognised as income on a cash basis only.

(x) Derecognition of financial instruments:

Financial Assets

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

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities

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

j. Off-setting

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

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

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

k. Provision for Insured Deposit Claim

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

l. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market 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 the factors market participants would consider in pricing a transaction.

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

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

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

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held with Bank of Ghana and other short-term highly liquid investments with original maturities less than three months which are not subject to insignificant liquidity risk.

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

n. Investments in Securities

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

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

o. Provisions

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

p. Taxation

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

q. Contingent Liabilities

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

r. Deposit Protection Fund

The Deposit Protection Fund (DPF) is the Deposit Protection Scheme financial resources set up specifically for reimbursement of depositors of a member of the scheme on the occurrence of an insured event in respect of that member. This is in line with the GDP Act. There are two (2) Funds:

Deposit Protection Fund A

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

Deposit Protection Fund B

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

s. Reserve Fund

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

t. Comparatives

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

u. Segmental reporting

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

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

v. Events after the Reporting Period

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

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

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

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

The Corporation participated in the GDDEP by surrendering the old bonds for the new bonds on 14th February, 2023 because the Deposit Protection Fund (DPF) and GDPC Operating Reserve Fund were invested in Government of Ghana treasury bills and bonds. The effects of the GDDEP on existing bonds exchanged resulted in derecognition of the old bonds, and valuation (recognition) of the new bonds at the initial dates of recognition of the instruments. Based on the exchange memorandum, (the content of which can be changed by the government at its sole discretion), the expected effects on the Scheme Assets and GDPC Reserve fund are summarised as follows:

1. The Domestic Debt Exchange involved exchanging existing Government of Ghana bonds with New Bonds which come with coupons ranging from 8.35% to 10%, which, compared to existing bonds, had coupons between 16% to 30%. The Corporation lost expected interest income of GHS296 million due to the coupon rate reduction. This amount excludes reinvestment income of coupons forfeited.

2. Old bonds had maturities between February 2023 to 2028 compared to new bonds, which now extended maturities between 2027 to 2038. The loss to be suffered because of the extended tenor for the new bonds is high due to time value of money and reduction in coupons.

3. The debt exchange affected approximately 90% (GHS1.2 billion) of the existing government securities held by the Corporation.

4. Out of the GHS1.2 billion old bonds, GHS310.9 million that was expected to mature in 2023 were exchanged for seven (7) new bonds with maturities from 2027 to 2033.

5. The remaining GHS940.2 million of the old bonds that had maturities between 2024 and 2028 were split into twelve (12) new bonds with maturities from 2027 to 2038.

6. Thus, the Corporation exchanged existing bonds of GHS1,265,398 with a set of twelve (12) new bonds at par value. The new bonds were successfully settled on the 21st February 2023 and have been allotted to the Corporation and registered at the Central Securities Depository.

The effect of the DDEP on the Corporation is assessed to be material at the recognition stage, based on Expected Credit Loss (ECL) charge. The measurement basis of the ECL of a financial asset included assessing whether the purchased (settled transaction) securities carry high credit risk. This was the case in February

2023 and as such an impairment amount of GHS636 million was determined and reflected in the 2022 annual financial reports. As of December 2023, there was the need to again assess whether there has been a significant increase in the credit risk (SICR) at the reporting date, compared to the initial transaction date of February 2023. This assessment must consider forward-looking information available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

The measurement basis of the ECL should be unbiased and consider the probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money and forward-looking information. The Government of Ghana whose bonds the Corporation is holding has defaulted in settling its debts, resulting in the DDEP.

Credit risks to the outlook remain high due to investor apathy to government bonds, ongoing discussions to restructure foreign debts, lock-out of government from international capital market, high fiscal deficits, increasing borrowing from the domestic treasury market to pay maturing obligations and to finance fiscal policy, energy sector risks, among others. ECL assessed on new bonds as of 31st December 2023, using LGD of 28.6%, PD of 100% on the EAD of GHS1,344.1 million therefore amounts to GHS384 million (2022: GHS636 million), and this has been recognized in the annual income statement to restate the financial instruments at fair value.

x. Standards issued but not yet effective or applicable to GDPC

Certain new accounting standards and interpretations have been published that are not mandatory for 31st December 2023 reporting period and have not been adopted by the Corporation. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

IFRS 17 deals with insurance contracts. This standard applies for annual reporting periods beginning on or after 1st January 2023. It establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts. This standard does not apply to deposit insurance and is therefore not applicable to GDPC.

4. FINANCIAL RISK MANAGEMENT

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

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

Risk Management Framework

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

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

The Corporation's risk management procedures are established to identify and analyze the risks faced by the Corporation, set appropriate risk limits and controls consistent with its risk appetite, and monitor risks and adhere to Board approved limits. The Corporation's

Risk management policies and systems are reviewed regularly to reflect changes in the Corporation's operating environment and developments in the global financial regulatory environment. The Corporation, through its policies, procedures, and human capital development initiatives, aims to cultivate a disciplined and constructive control environment, in which all employees understand their roles and obligations.

4(a) Pay Out Risk

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

4(b) Liquidity/Funding risk

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

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

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

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

Exposure to liquidity risk

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

The Corporation's liquid assets are set out below:

Liquid Assets	**2023**	**2022**
	GHS'000	**GHS'000**
Cash on Hand	135	124
Bank Balances	4,977	10,874
Investment Securities (Short Term)	612,239	423,159
Expected Credit Loss	-	(243)
Total	**617,351**	**433,914**

4(c) Investment risk

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

Management of Investment Risk

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

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

Investment risk exposure

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

Government Bonds and Treasury Bills

	2023	2022
	GHS'000	GHS'000
Treasury Bills (maturities up to 12 months)	546,046	423,159
Treasury Bonds (maturities more than 12 months)	1,211,860	811,663
Impairment Loss	(384,435)	(636,440)
Total	**1,373,471**	**598,382**

The new bonds have maturities between 2027 and 2038. This therefore exposed the bonds to long-term risk. Coupons on these new bonds are at rates of between 8.35% to 10% compared to existing rates of between 16% and 30%. Further, cash coupons are at 5% from 2023 to 2025 and the remaining 3.35% termed payment-in-kind (PIK) are reinvested and only payable on maturity of instruments they relate to. The coupon loss due to the DDEP was estimated at GHS296 million.

4 (d) Operational Risks

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

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

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

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

4(e) Compliance Risk

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

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

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

Management of Compliance Risk

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

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

5. FUNDS AND RESERVES MANAGEMENT

Deposit Protection Fund

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

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

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

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

Reserves

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

Fund Balance, Reserves and Deferred Grant Allocation

	Fund A	Fund B	Deferred Revenue Grant	Reserves	Total
	GHS'000	GHS'000	GHS'000	GHS'000	GHS'000
Opening balance: January 2023	**581,463**	**53,476**	**10,978**	**41,314**	**687,231**
Grant Appropriation			(10,978)		(10,978)
Surplus/Reserves	761,283	66,115		38,789	866,187
Closing balance: December 2023	**1,342,746**	**119,591**	**-**	**80,103**	**1,542,440**

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

Income Statement for the Deposit Protection Fund Scheme and the Operations as at 31st December 2023

	Fund A	Fund B	GDPC Reserves Fund	Total
	GHS'000	GHS'000	GHS'000	GHS'000
Annual - Premiums Income	374,899	31,138	-	406,037
Investment Interest	200,815	17,608	10,313	228,736
Interest Income Transf. to Operations (20%)	(40,613)	(3,522)	43,685	-
Other Income	-	-	12,195	12,195
Impairment Gain on Investment Securities	225,732	21,256	5,017	252,005
Impairment Loss on Premium Receivables	-	(365)	-	(365)
Total Operational Expenses	-	-	(32,421)	(32,421)
Net DP Fund & Reserves Surplus Income	**761,283**	**66,115**	**38,789**	**866,187**

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

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

6. GOING CONCERN

The Corporation has reviewed its business activities as of 31st December 2023, together with the factors likely to affect its future development, performance, and position, including the GDDEP. Based on the above, the Directors have a reasonable expectation that the Corporation has adequate resources to continue in operational existence for the foreseeable future and nothing has come to the attention of the Board and Management otherwise as at the balance sheet date.

7. ANNUAL PREMIUMS	2023	2022
	GHS'000	GHS'000
Annual Premium	406,037	317,636
	406,037	**317,636**

7(a) Sources of Premiums		
Banks	374,899	292,062
Savings and Loans Companies	6,170	5,400
Finance Houses	2,555	2,236
Microfinance Companies	1,345	1,222
Rural and Community Banks	21,068	16,716
	406,037	**317,636**

8. INTEREST INCOME	2023	2022
	GHS'000	GHS'000
Interest Received	153,275	136,066
Interest Accrued	75,461	62,940
	228,736	**199,006**

9. OTHER INCOME	2023	2022
Grant Appropriation	10,978	10,978
Sundry Income	1,217	721
	12,195	**11,699**

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

10. IMPAIRMENT ON FINANCIAL ASSETS

The Corporation reassessed the credit risks associated with the new bonds exchanged under the DDEP as at the balance sheet date under IFRS 9. Expected Credit Loss (ECL) of GHS384 million was determined as impairment loss (2022: GHS636 million) resulting in recovery of GHS252 million (GHS636,440 less GHS384,435) to income.

	2023	2022
	GHS'000	GHS'000
Total Investment Securities	1,824,099	1,234,822
Impairment Position as at	(384,435)	(636,440)
	1,439,664	**598,382**

As a result, the carrying amounts of the new bonds were stated at fair value using an effective interest rate at amortised cost. Thus, risks to the credit moderated as at balance sheet date December 2023, compared to the transaction or settlement date of the new bonds as at February 2023. Net value of Government securities stood at GHS1,439 million (2022: GHS598 million) as shown above.

Premium receivable impairment relates to Fund B Premium Receivables outstanding beyond the billing cashflow cycle of 91 days. The assessment of probability of future cashflow receipts from such members was doubtful and an impairment loss of GHS365,000 (2022: GHS844,000) was charged in the year.

Summary of the impairment gains on Government securities and impairment charges on premium receivables are shown below.

	2023	2022
	GHS'000	GHS'000
Impairment (Gain) /Loss on Bonds	(252,005)	636,197
Impairment Loss on Treasury Bills	-	243
Impairment (Gain) / Loss on Bonds & T/ Bills	(252,005)	636,440
Impairment Loss on Premium Receivable for the year	365	844
Net impairment (Gain)/ Loss charged to P&L	**(251,640)**	**637,284**

11. EMPLOYEE COSTS	2023	2022
	GHS'000	GHS'000
Payroll Expenses	15,007	12,207
Employee Health Costs	531	338
Staff Training Costs	1,666	2,789
Others	76	70
	17,280	**15,404**

The number of permanent persons employed by the Corporation as of 31st December 2023 was 32 (December 2022 was 32) and the average number of staff for 2023 was 32.

12. ADMINISTRATIVE EXPENSES

	2023	2022
	GHS'000	GHS'000
Board Expenses	2,963	2,477
IT Expenses	3,383	1,807
Sensitisation and operations	319	363
Public Awareness and Communication	2,584	1,262
Legal and Other Professional Fees	26	1,011
Auditor's Remuneration	121	236
General & Administrative	2,772	2,606
	12,168	**9,762**

13. DEPRECIATION AND AMORTISATION

	2023	2022
	GHS'000	GHS'000
Depreciation (own acquisition)	563	476
Amortisation (own acquisition)	2,006	2,312
	2,569	2,788
Depreciation (capital grant)	404	552
	2,973	**3,340**

14. PROPERTY, PLANT & EQUIPMENT

	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
2023	GHS'000	GHS'000	GHS'000	GHS'000
Cost/Valuation				
Opening balance as at 1st January	1,983	1,249	1,564	4,796
Additions	-	87	252	339
Closing balance as at 31st December	1,983	1,336	1,816	5,135
Depreciation				
Opening balance as at 1st January	935	924	734	2,593
Charge for the year	396	198	373	967
Closing balance as at 31st December	1,331	1,122	1,107	3,560
Net Book Value				
Closing balance as at 31st December	652	214	709	1,575

	Motor Vehicles	Furniture & Fittings	Office Equipment	Total
2022	GHS'000	GHS'000	GHS'000	GHS'000
Cost/Valuation				
Opening balance as at 1st January	1,983	1,163	1,263	4,409
Additions	-	86	301	387
Closing balance as at 31st December	1,983	1,249	1,564	4,796
Depreciation				
Opening balance as at 1st January	538	630	397	1,565
Charge for the year	397	294	337	1,028
Closing balance as at 31st December	935	924	734	2,593
Net Book Value				
Closing balance as at 31st December	1,048	325	830	2,203

15. INTANGIBLE ASSETS

	2023	2022
	GHS'000	GHS'000
Cost/Valuation		
Opening balance as at 1st January	6,877	6,877
Additions	265	-
Closing balance as at 31st December	7,142	6,877
Amortisation		
Opening balance as at 1st January	4,512	2,200
Charge for the Year	2,006	2,312
Closing balance at 31st December	6,518	4,512
Net Book Value as at 31st December	**624**	**2,365**

16. INVESTMENT SECURITIES (LONG & MEDIUM TERM)

	2023	2022
	GHS'000	GHS'000
Fund A Securities	1,088,659	735,803
Fund B Securities	99,836	66,678
Reserve Fund Securities	23,365	9,182
Expected Credit Loss	(384,435)	(636,197)
	827,425	**175,466**

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

	2023	2022
2 Year Treasury Notes	-	53,771
3 Year Treasury Notes	-	168,102
4 Year Treasury Notes	129,403	-
5 Year Treasury Notes	129,197	371,971
6 Year Treasury Notes	125,896	171,725
7 Year Treasury Notes	125,848	31,711
8 Year Treasury Notes	116,136	-
9 Year Treasury Notes	116,136	-
10 Year Treasury Notes & Above	469,244	14,383
Expected Credit Loss	(384,435)	(636,197)
	827,425	**175,466**

17. INVESTMENT SECURITIES (SHORT TERM)

	2023	2022
	GHS'000	GHS'000
Fund A Securities	459,745	296,725
Fund B Securities	39,366	28,658
GDPC Reserve Fund Securities	46,935	32,114
	546,046	357,497
Interest Receivable	66,193	65,662
Expected Credit Loss	-	(243)
	612,239	**422,916**

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

	2023	2022
	GHS'000	GHS'000
91 Days Treasury Bills	534,012	48,096
364 Days Treasury Bills	12,034	9,494
2 Year Bond (with maturities up to 364 days)	-	249,613
3 Year Bond (with maturities up to 364 days)	-	50,294
	546,046	357,497
Interest Receivable	66,193	65,662
Expected Credit Loss	-	(243)
	612,239	**422,916**

18. ACCOUNTS RECEIVABLE

	2023	2022
	GHS'000	GHS'000
Premium Receivable (Less Premium in Suspense)	104,415	79,962
Impairment	(3,401)	(3,592)
	101,014	76,370
Prepaid Expenses	781	2,168
Other Receivables	797	19
	102,592	**78,557**

Premiums are invoiced quarterly, and members have one Month credit period to pay. The premium receivable relates to the last quarter premium invoiced in December 2023 and was therefore due at the end of January 2024.

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

PREMIUM IN SUSPENSE	2023	2022
	GHS'000	GHS'000
Opening balance as at 1st January	6,505	3,331
Additions	4,633	3,214
Recoveries	(205)	(40)
Closing balance as at 31st December	**10,933**	**6,505**

19. CASH AND CASH EQUIVALENTS

	2023	2022
	GHS'000	GHS'000
Cash on hand	135	124
Balances held with Bank of Ghana	4,977	10,874
	5,112	**10,998**

20. FUND AND RESERVES

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

	Fund A	Fund B	Reserves Fund	Total
	GHS'000	GHS'000	GHS'000	GHS'000
Opening balance as at 1st January 2023	**581,463**	**53,476**	**41,314**	**676,253**
Operating Surplus for 2023	761,283	66,115	38,789	866,187
Closing balance as at 31st December 2023	**1,342,746**	**119,591**	**80,103**	**1,542,440**

21. DEFERRED GRANT

	2023	2022
	GHS'000	GHS'000
21. (a) Non- Current Liability	-	636
21. (b) Current Liability	232	10,978

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

CAPITAL GRANT

	2023	2022
	GHS'000	GHS'000
Motor Vehicles	232	465
Furniture and Fittings	-	133
Office Equipment	-	38
	232	**636**

The difference in capital grant of GHS404,000 (636,000 – 232,000) was charged to other income in line with the accounting policy of the Corporation.

REVENUE GRANT

	2023	2022
	GHS'000	GHS'000
Opening balance as at 1st January	10,978	21,956
Appropriations:		
Appropriation towards Income	(10,978)	(10,978)
Closing balance as at 31st December	**-**	**10,978**

22. ACCOUNTS PAYABLE

Sundry Vendor Payables	6,839	4,620
Other Liabilities	56	18
	6,895	**4,638**

23. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date. (2022: Nil)

24. COMMITMENTS

There were no ongoing capital and operational expenditure commitments in respect of Property, plant and equipment and service contracts as of 31st December 2023 (2022: Nil).

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.

26. RELATED PARTY TRANSACTIONS

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

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

Remuneration of key management personnel:

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

Directors' compensation during the year is shown below:

	2023	2022
	GHS'000	GHS'000
Directors' Fees	817	837

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. The Act establishes:

- The Deposit Protection Scheme (the Scheme),
- The Deposit Protection Funds A and B (the Fund), and
- 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.

Mandate

The Scheme 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 deposits in the event that the licence of a member institution is revoked by the Bank of Ghana; and
- 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 is insolvent, persistently contravenes banking laws and regulations, engages in unsafe or unsound practices, or carries out business in a manner which is detrimental to the interests of depositors or the public.

Membership

All banks and SDIs licensed by the Bank of Ghana to take deposits from clients are mandatory members of the Scheme. Member institutions include:

- Banks;
- SDIs;
- Savings and Loans companies;
- Finance Houses;
- Microfinance Institutions; and
- Rural and Community Banks

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;
    - a 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 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 the 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 - payout

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 customer'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 customer'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 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 authorised 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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