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ANNUAL REPORT 2009

2009

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SSNIT



We deliver on our promise!

SSNIT



2009

Annual Report

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Corporate Vision & Mission Statements

Our Vision

To develop SSNIT into a World-Class Pension Administration Institution dedicated to the promotion of Economic Security of the Ghanaian Worker through Prudent Investment Mechanisms.

Our Mission

To provide Cutting-Edge Income Replacement Schemes through Improved business Oriented Methods and State-of-the-Art-Technology for the Benefit of Stakeholders and Ghanaians by professional, Dedicated and Quality Driven Leadership and Staff.

BOARD OF TRUSTEES 2009

The Board of Trustees was sworn into office on 11th June, 2009 in accordance with Section 35 (1) and (2) of the National Pensions Act, 2008, Act 766



Chairman, Government Representative

Representative of Ministry of Finance and Economic Planning



Representative of the Ghana Employers Association



Government Representative



Representative of the Ghana Employers Association



Government Representative



Representative of Organised Labour



BOARD OF TRUSTEES



Representative of
Organised Labour



Representative of
Security Services



Representative of
Organised Labour



Representative of National
Pensioners Association



Representative of
Organised Labour



Director-General

SSNIT EXECUTIVE TEAM



DIRECTOR-GENERAL

GENERAL MANAGER, MIS

GENERAL MANAGER, GENERAL COUNSEL

GENERAL MANAGER, OPERATIONS

GENERAL MANAGER, INVEST. & DEV.

GENERAL MANAGER, MEDICALS SERVICE



AG. GENERAL MANAGER,
ADMINISTRATION / HUMAN RESOURCE DEPT.

CHIEF ACTUARY

COMPANY SECRETARY

CHIEF INTERNATIONAL AUDITOR

Note: Mr. K. O. Abbu-Bonsra retired in September 2009 and Mr. K. Osei Bimpong acted as General Manager Administration and Human Resource, whilst still the Manager, Corporate and Customer Affairs.

CORPORATE INFORMATION

- Mrs Gifty J. Annan
- Mr Ernest Thompson
- PENSION HOUSE
PENSION ROAD
ACCRA
- P. O. Box MB 149, Ministries, Accra
- Deloitte & Touche
Chartered Accountants
4 Liberation Road
P. O. Box GP 453
Accra
- Ghana Commercial Bank Limited.
- SG-SSB Limited
- Merchant Bank (Ghana)Limited
- The Trust Bank Limited
- Agricultural Development Bank
- Standard Chartered Bank Ghana Limited.
- Barclays Bank Ghana Limited
- Ghana International Bank PLC
- Ecobank (Ghana) Limited
- HFC Bank Limited



HIGHLIGHTS

- A total of 116,625 new workers were registered into the scheme representing 2.7% decrease over the 2008 figure of 119,748.
- Active Membership grew from 843,676 in 2008 to 880,760 in year 2009 an increase of 4.4%.
- A total amount of GH¢667.60 million was collected as contributions in 2009 as against GH¢418.75 million in 2008 representing an increase of 59%.
- Total arrears owed by establishments amounted to GH¢267.19 million in 2009 as against GH¢71.54 million in 2008 an increase of 273.5%. The increases in the indebtedness of both Private and Government establishments were as a result of the following:
 - ▶ **Update of inspections**
 - ▶ **Imposition of penalties on delayed contributions and**
 - ▶ **Failure of some establishments to pay their contributions.**
- Average monthly salary on which contribution was paid was GH¢333.32 in 2009.
- Total number of pensioners was 98,658 an increase of 9.93% over the 2008 figure of 88,857
- Total value of benefits paid during the year amounted to GH¢223.24 million recording an increase of 36.6% over the 2008 amount of GH¢163.43 million.
- Average benefits processing time was 41 days.
- A total number of 32,034 establishments were covered under the Scheme; 31,946 private and 88 public establishments including the Controller and Accountant General's Department. Establishments covered in 2008 were 29,227 made up of 29,102 private and 125 subvented.
- Pension was indexed by an average of 21.6%.
- Minimum Survivors Benefit was GH¢2,175.59.
- Monthly survivors Benefit ranged between GH26.00 and GH¢10,965.55 in year 2009.
- 25% Lump Sum option ranged between GH¢1.40 and GH¢85,278.99 in year 2009.
- Fund size increased by 6.39% from GH¢2,219.9 million as at year end 2008 to GH¢2,361.9 million as at year end 2009.
- Real return on investment was -7.6% in 2009 compared to 2.4% in 2008.

THE CHAIRMAN'S REPORT



I am very much pleased to report to you the performance of the Social Security and National Insurance Trust (SSNIT) for the year 2009 which operationally happened to be the last year for the existence of the SSNIT Pension Scheme established by Social Security Law, 1991 (PNDC Law 247). This law has been repealed by the National Pensions Act, 2008 (Act 766).

The National Pension Regulatory Authority (NPRA) provided transitional guidelines on the implementation of the National Pensions Act.

With the coming into effect of the new Pension Scheme, no new entrants will join the "CAP 30 Scheme" except those presently allowed under the 1992 Constitution of Ghana.

According to the guidelines, Section 213 of the Act provides that the CAP 30 scheme and other similar schemes shall be phased out within four (4) years of the commencement of the Act after which there will be unification of all pension schemes in the country.

By December 2009, the registered membership recorded was 1,308,086. Out of this number, 880,760 were classified as active members. In December 2008, the active membership stood at 843,676 showing an increase of about 4%.

The population of pensioners keeps on increasing on a monthly basis. During the year, the number of pensioners grew significantly from 88,857 in 2008 to 98,658 in 2009, an 11% increase.



The Trust collected a total of GH¢667.603 million in contributions for the year 2009. This figure is 59% higher than contributions collected in 2008 which was GH¢418.753 million.

The Trust's investments under-performed in 2009 with a net investment income of GH¢124.320 million. This figure is 20% lower than the 2008 figure which was GH¢154.560 million.

The main reason for the decline, was the effect of the global financial melt down which impacted negatively on the Ghanaian economy just as it did on all other economies. This led to diminution in the values of most listed companies, coupled with the inability of these companies to pay dividends to shareholders in the year 2009. Listed equities dropped from GH¢836.681 million in 2008 to GH¢469.952 million in 2009. A drop of 78%.

The increasing number of beneficiaries of the pension scheme for the year 2009 had a corresponding rise in the benefits paid. SSNIT paid a total of GH¢223.239 million to beneficiaries during the period. In 2008, however, the amount paid to beneficiaries was GH¢163.433 million. This represents an increase of 36.6%.

The Act 766 has introduced a three-tier pension scheme for workers in the country. The object of the scheme is to provide pension benefits to ensure retirement income security for workers. It is to ensure that every worker receives retirement and related benefits as and when due. In addition, it is to establish a uniform set of rules, regulations and standards for the administration and payment of retirement and related benefits for workers in the public and private sector.

Some of the main features of Act 766 are:

The employer will make a monthly contribution of thirteen per cent (13%) of a worker's salary whilst the worker will make a contribution of five and a half per cent (5.5%) making a total of eighteen and a half per cent (18.5%) of a worker's salary as a mandatory contribution to the scheme.

Out of the total contribution of 18.5%, an employer shall within fourteen days from the end of each month transfer the following remittances to the mandatory schemes on behalf of each worker.

- a) 13.5% to the first tier mandatory basic national social security scheme; SSNIT then remits 2.5% out of the 13.5% to NHIA for the members health insurance and
 - Separate payments shall be made in respect of the 13.5% and 5%
 - The minimum contribution is 18.5% of the approved monthly equivalent of the national daily minimum wage.
 - For workers who are exempted by the Act (having less than five years to retire) the employee shall continue to contribute 5% of his monthly salary and the employer shall continue to contribute 12.5% of the monthly salary of the worker making a total of 17.5% and this shall be remitted to SSNIT every month.
- b) 5% to the second tier mandatory occupational pension scheme

guaranteed period has been raised from 72 to 75 years.

The expected competition from the second tier operators is another issue hanging on the Trust.

In the face of these challenges the Trust cannot fail but re-engineer its operations to rise above the storm.

Three mechanisms have been identified in this direction to move the Trust forward, namely Prudent Investment, Human Resource Management and Development as well as Information Technology.

This period saw the organisational restructuring of the Trust. The objectives of the restructuring effort were to ensure that the activities of SSNIT reflect its objects of incorporation as set out by The National Pensions Act, 2008 (Act 766) to administer the basic social security scheme; enhance effectiveness and efficiency in focusing on its core business of pension fund administration.

This decision by the Board is also in line with the findings of the Presidential Commission on Pensions which recommended that the Trust should undergo an extensive and far reaching restructuring exercise, which should involve an overhaul of the governance management, administrative structures and high staffing levels.

On behalf of the board, I would like to express my sincere thanks to Management and Staff as well as all stakeholders for co-operating and assisting the Board of Trustees.

The deductions of 2.5% and 5% from the 18.5% total monthly contributions towards the National Health Insurance and the second-tier scheme leaves the Trust with 11% for the administration of the first-tier scheme.

In addition to this, the minimum contribution period has been reduced from an aggregate of 240 months to 180 months. And also the



Secure Your Future in Confidence



NEW

THE NEW SSNIT PENSION SCHEME

UNDER THE NATIONAL PENSIONS ACT,
2008 (ACT 766)

Contribution Rates

- The worker contributes **5.5%** of basic salary while the employer contributes **13%** on behalf of worker, totalling **18.5%**.
- Out of the **18.5%** the employer is obliged by law to remit **13.5%** within 14 days after the end of each month to SSNIT.
- Subsequently, SSNIT also remits **2.5%** out of the **13.5%** to NHIA for the member's health Insurance.
- The remaining **5%** is paid to the Mandatory Second Tier work-based, contributory, privately managed scheme.

Minimum Contribution - Contributions are based on **18.5%** of approved monthly equivalent of the national daily minimum wage.

Maximum Contribution - This will be determined periodically by SSNIT in consultation with Board of The National Pensions Regulatory Authority (NPRA).

Minimum Contribution Period - Reduced to **180 months** (15 years) in aggregate.

Membership Entry Age - Between **15** and **45 years**.

Survivor's Lumpsum - When a member dies before retirement or when a pensioner dies before attaining age **75**.

Contribution Payment - Every employer should issue two (2) separate cheques for the payment in respect of first (1st) and second (2nd) tiers with separate contribution reports.

An employer is **obliged** by law to submit the contribution report at the end of the contribution month, whether the contribution is remitted to the Trust or not.

For further enquiries contact:

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Pension House, P. O. Box MB 149, Ministries, Accra.
Tel: 030 2667742 • 030 2665029 • Fax: 030 2686373
email: public@ssnit.org.gh • website: www.ssnit.com • Toll Free: 0-800-333-33



DIRECTOR-GENERAL'S REPORT



Mr. Chairman, Ladies and Gentlemen, on behalf of the Board of Trustees, I present an overview on the performance of the Social Security and National Insurance Trust for the year 2009.

The report will cover the following areas –

- Collection of Contributions
- Indebtedness
- Benefits
- Investments
- Human Resources
- The New Pension Act

A total amount of **GH¢667.603m** was collected as contributions in the year **2009**. This represents an increase of **59%** over the amount of **GH¢418.753m** collected in **2008**.

A five-year trend analysis of contributions collected for the period, 2005 – 2009 is shown in Table 2 below.



Table2: Trend Analysis of Contributions Collected from 2005 to 2009

Year	Contributions GH¢m	Increase in contributions (GH¢ m)	% Increase
2005	190.60	27.30	16.7
2006	286.80	96.20	50.5
2007	384.97	98.17	34.2
2008	418.75	33.78	8.8
2009	667.60	248.85	59

It is significant to note that salaries on which contributions are paid has a bearing on pension. It is therefore equally important to recognise the levels and how they affect pensions. The average monthly salary of contributors as at **December, 2009** was **GH¢333.32**. Employees of Public Establishments registered the highest average monthly salary of **GH¢341.75** followed by Private Establishments of **GH¢326.05**.

Table3: Minimum Wage, Minimum Salary and Average Contribution

Year	National Minimum wage (Monthly)* GH¢	Minimum Salary of Contributors (Monthly) GH¢	Average Monthly Contribution Per Contributor GH¢
2005	36.45	3.44	17.51
2006	43.20	4.00	35.93
2007	51.30	3.37	41.48
2008	60.75	4.00	51.42
2009	83.97	5.00	65.81

*Minimum wage for 27 working days

At the end of **2009**, a total number of **32,034** establishments were covered under the scheme. This showed an increase of 9.6% over the 2008 figure of **29,227**. Out of **32,034** establishments, **31,946** were Private Establishments and **88** were Public Establishments including the Controller & Accountant General's Department (**CAGD**). The Controller and Accountant General's Department was the single largest contributor.

Table4 below shows the number of establishments covered under the Private Sector.

Table4: Private Establishments on Area Basis

Area	No. of Establishments	% of Total	Political Jurisdiction
Accra	10,846	33.9	Gr. Accra & Part of Central Region
Tema	7,741	24.2	Part of Gr. Accra & Volta Region
Kumasi	4,790	14.9	Ashanti Region
Takoradi	2,467	7.4	Part of Western & Central Region
Koforidua	2,827	8.8	Eastern & Part of Volta Region

Tamale	1,720	5.4	Northern, Upper East & Upper West
Sunyani	1,643	5.1	Brong-Ahafo
Total	32,034	100.0	-

Table 4 also shows that Accra Area accounted for **33.9%** of the number of private establishments, followed by Tema and Kumasi with **24.2%** and **14.9%** respectively.

Table 5 : Establishments Covered by Type i.e. Private or Public (2005 – 2009)

Year	Private	Public	Total	% Change
2005	23,026	108	23,134	9.7
2006	25,017	115	25,132	8.6
2007	27,857	123	27,980	11.3
2008	29,102	125	29,227	4.5
2009	31,946	88	32,034	9.6

Table 5 above shows how the five-year trend analysis of total establishments covered from 2005 to 2009

Table 6: New Establishments & Workers Registered

Year	Establishments			New Workers		
	Target	Actual	% Perf.	Target	Actual	% Perf.
2005	4,092	3,799	92.8	104,832	95,628	91.2
2006	4,308	3,899	90.5	106,305	90,906	85.5
2007	4,356	3,953	90.7	121,768	102,567	84.2
2008	4,668	4,238	90.8	146,121	119,748	82.0
2009	4,848	5,025	103.7	124,106	116,625	94.0

During the year under review 5,025 new establishments and 116,625 new workers were registered on the scheme.

The Services Sector stood out as the economic activity with the highest number of establishments and contributors. The sector accounted for **55.8%** and **71.2%** of the total number of establishments and contributors under the scheme in **2009** respectively.



Table 7: Number of Establishments and Active Contributors by Sector

Economic Activity	Establishment		Contributors	
	No.	%	No.	%
Agriculture	734	2.3	23,516	2.7
Commerce	5,427	16.9	78,564	8.9
Construction	5,206	16.2	38,489	4.4
Heavy Manufacturing Industry	247	0.8	17,175	1.9
Light Manufacturing Industry	1,730	5.4	54,695	6.2
Mining	183	0.6	20,257	2.3
Power	176	0.5	9,424	1.1
Services	17,867	55.8	627,190	71.2
Transport	410	1.3	11,010	1.2
Domestic Assistance	54	0.2	440	0.1
Total	32,034	100.0	880,760	100.0

Chart 1: Establishments by Sector

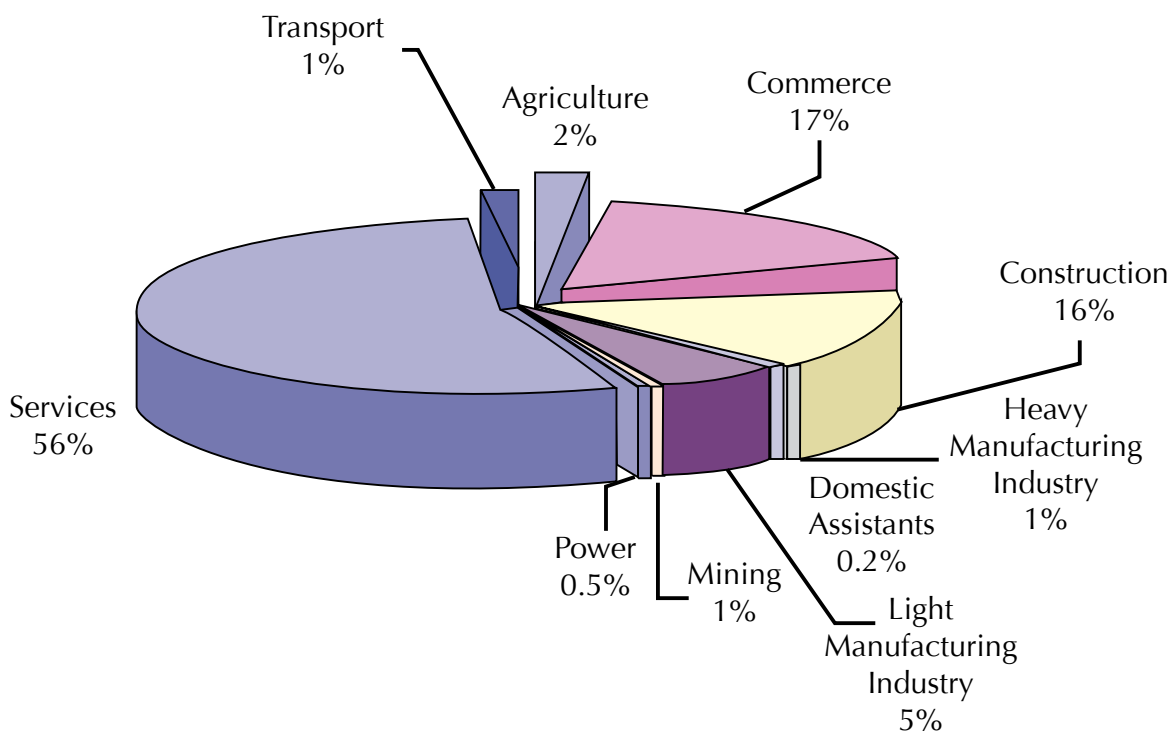
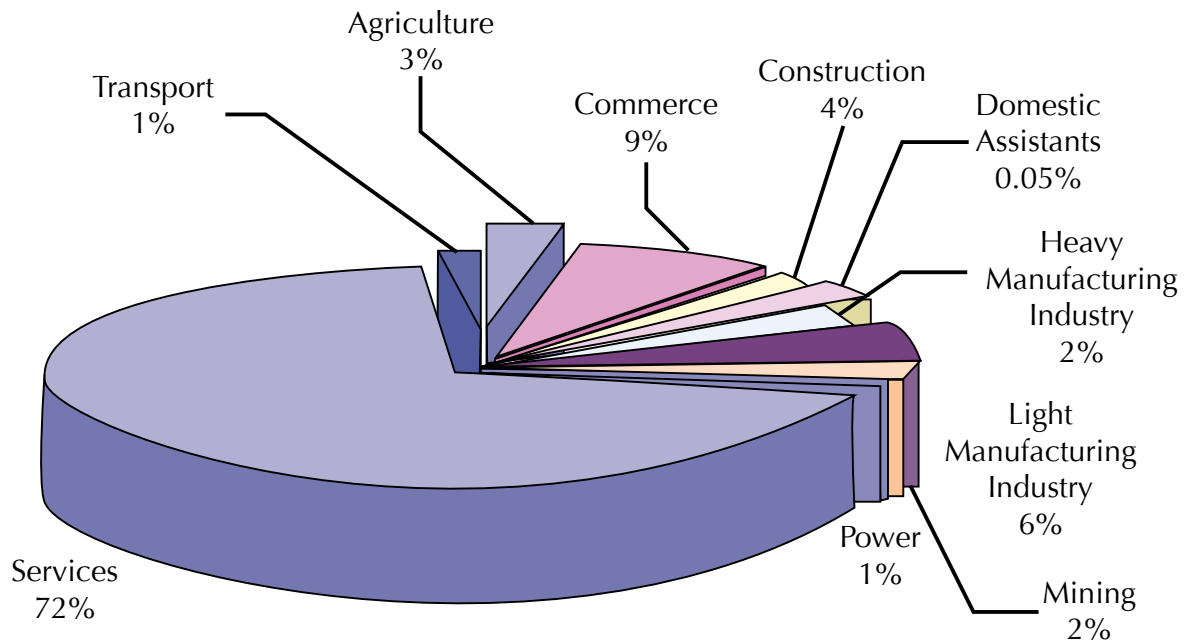


Chart 2: Contributions By Sector



Active contributors at the end of 2009 were 880,676. This figure was 4.4% over the 2008 figure of 843,676. This was made up of 519,212 contributors from the Private Sector, 334,127 from the Government Sector and 27,421 from sub-vented establishments. The breakdown of the active contributors is shown in Table 8.

Table 8 : Active Contributors

Category	Active Contributors	% of Total
Controller & Accountant General's Department	334,127	37.9
Subvented	27,421	4.0
Accra Area	231,007	26.2
Tema	113,899	12.9
Kumasi	65,137	7.4
Takoradi	48,694	5.5
Koforidua	26,932	3.1
Tamale	13,932	1.6
Sunyasi	19,611	2.2
Total	880,760	100.0



Table9: Trend of Active Contributors, 2004 – 2009

Year	Target	Active Contributors*	% Performance
2005	860,000	898,368	104.5
2006	925,319	784,294	84.8
2007	953,079	803,582	84.3
2008	981,671	843,676	85.9
2009	972,334	880,760	90.6

*Since 2005 Active Contributors has been re-defined as members on whose behalf contributions were deducted on behalf of SSNIT within three months.

The total indebtedness to SSNIT in respect of social security contributions as at **December 31, 2009** was **GH¢267.19m**. This shows an increase of **GH¢195.65m** or **273.5%** over the **GH¢71.54m** in **2008**. Of this amount, the Controller and Accountant General's Department (**CAGD**) owed **GH¢207.08m** or **77.5%**, private establishments owed **GH¢50.01m** or **18.7%** and subvented establishments owed **GH¢10.10m** or **3.8%**.

The cumulative indebtedness to the scheme represents **3.2%** of the net assets of **GH¢2,268.14m**.

The increase in the indebtedness of both Private and Government were due to the following:

- Update of inspections
- Imposition of penalties on delayed contributions
- Failure of some establishments to pay their contributions, e.g. Ghana Railways, among others.

Some measures have been put in place to recover the arrears due from indebted employers. These include:

- Aggressive enforcement of compliance activities.
- Aggressive Prosecution of defaulting employers in the special Saturday courts.
- Negotiations for payment of arrears.

An amount of **GH¢17.49m** was retrieved as arrears during the year under review.

Table10: Indebtedness/Fund Analysis For the Period 2004 - 2009

Year	Private GH¢m	Public (CAGD) GH¢ m	Total GH¢ m	Fund Size GH¢ m	Indebtedness To Fund (%)
2005	21.60	11.32	32.92	929.20	3.5
2006	29.13	13.91	43.04	1,182.00	3.6
2007	33.42	21.02	54.44	1,737.72	3.1
2008	42.01	29.53	71.54	2,234.61	3.2
2009	50.01	217.18	267.19		

*Fund size is provisional

3.0B BENEFITS

A total amount of **GH¢223.24 million** was paid out in respect of benefits; Old Age/Invalidity Pension accounted for **81.5%**, Old Age/Lump-sum Refund accounted for **4.2%** whilst Survivors also accounted for **14.1%**.

The total amount paid represented **37.0%** increase over the **2008** payments. The huge increase was due largely to a relatively large increase in the number of pensioners and increased salary levels.

The payment of pensions via electronic system (e-payment) worked successfully in **2009** and it has been extended to lump-sum benefit payments for the Accra and Tema Area offices.

Table 1: Claims Paid by Type of Benefit, 2004 – 2009

Year	Old Age/Lump-sum Invalidity Pension (GH¢ m)	Old Age/ (GH¢ m)	Survivors (GH¢ m)	Total
2005	2.94	45.60	14.48	63.02
2006	3.58	62.19	14.10	79.87
2007	4.84	91.96	20.64	117.08
2008	9.09	124.65	29.69	163.43
2009	9.96	183.30	29.98	223.24

Table 2: Benefits Paid

Year	Benefits (GH¢ m)	Increase In Benefits Paid (GH¢ m)	% Increase
2005	63.02	18.29	40.9
2006	79.87	16.85	26.7
2007	117.08	37.21	46.6
2008	163.43	46.35	39.6
2009	223.24	59.81	37.0

The Trust was still bedevilled by delays of processing applications for benefits and crediting of beneficiary accounts by some banks. We are determined to reduce the processing time and also explore other payment systems which are feasible and convenient for pensioners.

The average processing time was forty one (**41**) days as against a target of thirty-seven (**37**) days. This gives a shortfall of four (**4**) days. The shortfall was due to the following:

- Incomplete financial data on members
- Problems associated with identification of claimants
- Clearance of Student Loan guarantors.



Table 13 below shows statistics of pension payments and salaries for 2009.

Table 13: Pension Payment Statistics

Benefits	Amount Paid (GH¢)
Lowest Pension	26.00
Highest Pension (New Awards)	3,019.72
Highest Pension (Since Inception)	10,965.55
Average Pension	248.42
Highest 25% Lump sum	85,278.99
Lowest 25% Lump sum	1.40
Highest Survivors Lump sum	350,259.91
Lowest Survivors Lump sum	89.88
Lowest Reported Salary	5.0
Highest Reported Salary	36,021.26
Average Salary	378.86

The total number of pensioners as at **December 31, 2009** was **98,658**. Accra Area ranked the highest with **28.2%** pensioners followed by Tamale with **20.0%** and Kumasi with **17.9%**. Tema Area had **5.0%** of the pensioners with the lowest in **2009**. Refer to Table 14 for details.

Table 14: Number of Pensioners by Areas

Area	No. of Pensioners	% of Total
Accra	27,783	28.2
Koforidua	7,201	7.3
Kumasi	17,643	17.9
Takoradi	13,966	14.1
Tamale	19,730	20.0
Tema	4,923	5.0
Sunyani	7,412	7.5
Total	98,658	100.0



Amount (Ghc)	Number of Pensioners			% of Total	Cum. (%)
	Male	Female	Total		
26.00	797	193	990	1.0	1.0
26.01 – 30.00	114	23	137	0.1	1.1
30.01 – 35.00	3,003	613	3,616	3.7	4.8
35.01 – 40.00	1,197	220	1,417	1.4	6.2
40.01 – 45.00	1,669	331	2,000	2.0	8.3
45.01 – 50.00	8,775	1,414	10,189	10.3	18.6
50.01 – 60.00	19,388	2,993	22,381	22.7	41.3
60.01 – 70.00	10,275	1,454	11,729	11.9	53.2
70.01 – 80.00	5,987	842	6,829	6.9	60.1
80.01 – 90.00	4,510	616	5,126	5.2	65.3
90.01 – 100.00	3,472	515	3,987	4.0	69.3
100.01 – 200.00	15,870	2,986	18,856	19.1	88.4
200.01 – 300.00	5,346	1,466	6,812	6.9	95.3
300.01 – 400.00	1,457	388	1,845	1.9	97.2
400.01 – 500.00	628	224	852	0.9	98.1
500.01 – 1000.00	1,163	334	1,497	1.5	99.6
1000.01 – 1500.00	241	31	272	0.3	99.9
1500.01 – 2000.00	68	2	70	0.1	99.9
2000.00+	46	7	53	0.1	100.0
Total	84,006	14,652	98,658	100.0	





4.0 INVESTMENTS

Investment is one of the critical functions in the management of the Social Security Scheme. As a partially-funded Scheme, we are challenged to maximize the returns on the investments to meet payment of benefits and the cost of running the Scheme.

The Trust Investment Policy objectives include the following:

- To implement an Optimal Asset Allocation Policy.
- To maintain a long-term Optimum Fund Ratio.
- To protect the corpus of the assets in the Scheme and the value of those assets.
- To achieve a real return on investments of at least + 2.25% per annum.
- To attract, train, and retain competent investment talents.

In achieving the investment objectives, SSNIT continues to be guided by the following basic principles that govern the investment of social security funds:-

- safety
- yield
- liquidity
- diversification; and
- social / economic utility.

The total investment portfolio of SSNIT as at December 31, 2009 declined by 7.8% from GH¢2,163.9 million in 2008 to GH¢1,994.47 million. Over the past five years, the SSNIT Investment Portfolio has grown by over 113.8% from GH¢932.75 million in 2005 to GH¢1994.47 million in 2009, representing an annual growth of approximately 21%p.a.



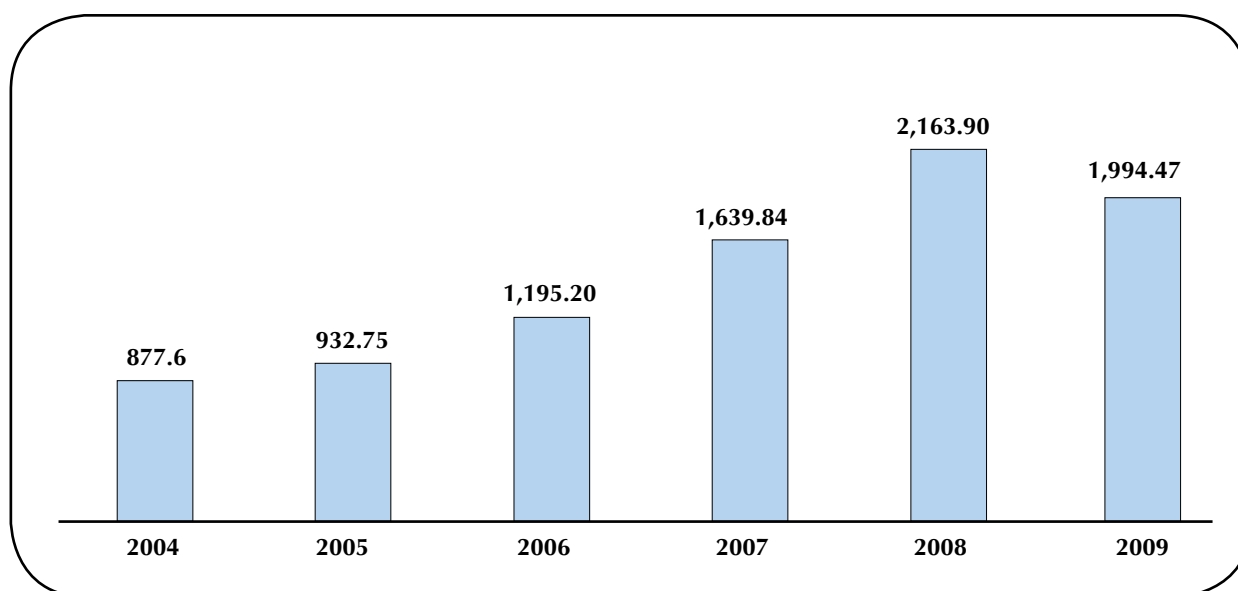
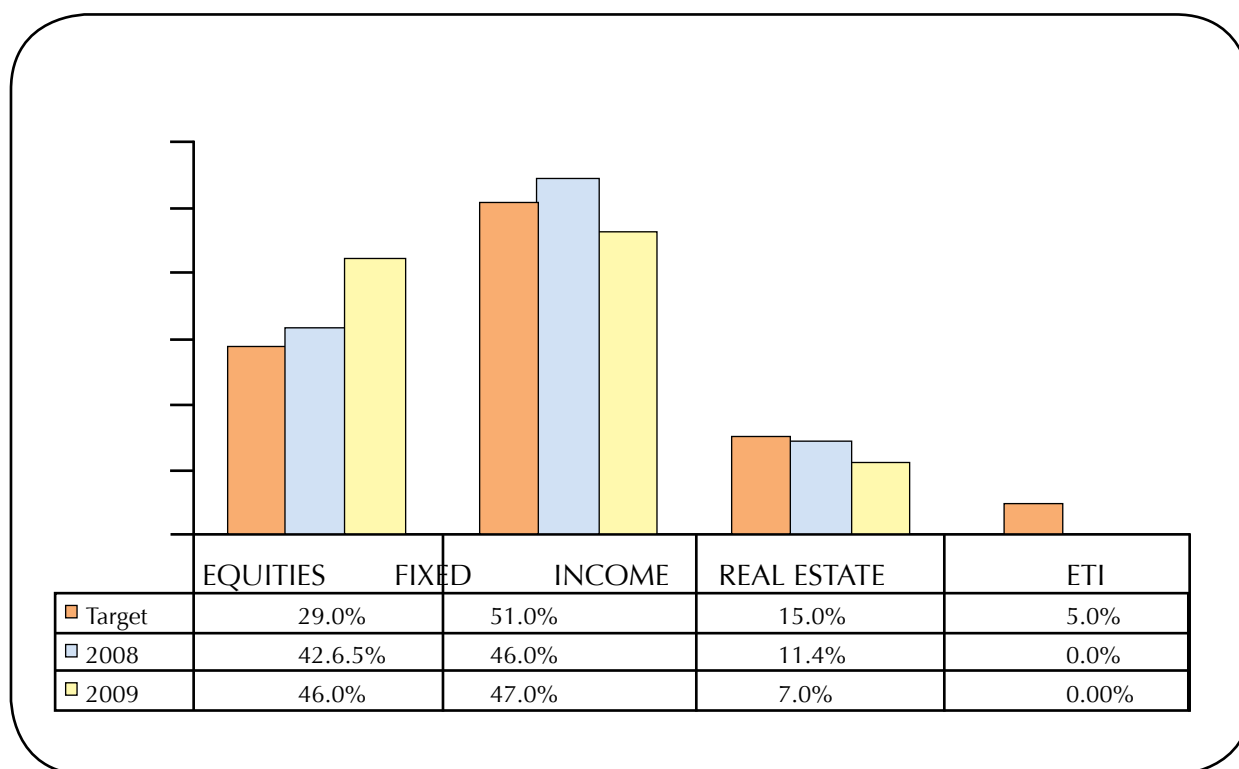


Table 16 shows how SSNIT's actual asset mix compared with its target asset mix for 2009 and 2008.

a Asset C lass	b Target Mix	c Re-Balance Range	d 2009 Actuals Asset Mix	e = (b - d) 2008 Actuals Variance	f Asset Mix	g = (d - f) Variation
Equities	29%	+/-8%	30.8%	(1.8%)	42.6%	(11.8%)
Fixed Income	51%	+/-4%	57.6%	(6.6%)	46.0%	11.6%
Real Estate	15%	+/-7%	11.6%	3.4%	11.4%	0.2%
ETI	5%	+/-0%	0.0%	5.0%	0.0%	0.0%
Total	100%		100.0%		100.0%	

Chart 2 represents SSNIT's actual asset allocation compared with Target for 2009 and 2008.



Summary of the Trust’s Investment Portfolio performance for 2009 and 2008 is represented in Table 17 hereunder:

	2009	2008
Portfolio Nominal Return	10.20%	19.30%
Average Inflation	19.30%	16.50%
Real Return (Actual)	(7.60%)	2.40%
Real Return (Target)	2.25%	4.90%

The nominal return of the Investment Portfolio for the year was impacted by the challenging investment environment. Compared to the previous year, the nominal return decreased from positive 19.30% in 2008 to 10.23% in 2009. After accounting for inflation (see Table 18), the portfolio posted a real return of negative 7.60% (2008: positive 2.4%).

The listed equities component (30.8%) of the Investment Portfolio suffered huge capital losses which outweighed the little gross dividend income, to the extent that the overall nominal return on the listed equity component of the portfolio posted a loss of GH¢233.75 million. It is worth mentioning that the real estate re-valuations are carried out triennially, the last one having been done in 2007.

The ten, five, and three-year geometric mean returns presented in Table 18 provide the short, medium, and long-term views of the investment portfolio performance.

ITEM	10-Year Mean (2000 - 2009)	5-Year Mean (2005 - 2009)	3-Year Mean (2007 - 2009)	2008	2009
Nominal return	23.02%	14.51%	17.32%	19.30%	10.23%
Average Inflation	18.28%	14.47%	15.44%	16.50%	19.30%
Real Return	4.01%	0.04%	1.63%	2.40%	-7.60%

Note: At 2.25% positive real return on the investment per annum, the Scheme would be sustainable over a 50-year period (i.e. 2003-2053), if the number of contributors were to increase at a minimum of 3% per annum. **Source:** 2004 SSNIT Pension Fund Actuarial Valuation.

On average, the investment portfolio real returns have exceeded the minimum actuarial sustainability benchmark of real return (+2.25%) only over the long-term (positive 4.00% Refer to Table 18). The portfolio recorded performance, in the medium and short terms, of **0.04%** and **1.63%**, respectively. For both terms the performance fell below the benchmark. (Refer to Table 18). The trend of portfolio returns is presented hereunder.

ITEM	Mean (2005 - 2009)	2009	2008	2007	2006	2005
Nominal return	23.62%	10.23%	19.30%	22.80%	15.70%	5.40%
Average Inflation	18.28%	19.30%	16.50%	10.70%	11.00%	15.01%
Real Return	4.51%	-7.60%	2.40%	10.93%	4.23%	-8.36%

The Sustainability Ratios for the period 2005-2009, shows a very impressive performance in 2006 (refer to Table 20), a slight dip in 2007, a recovery in 2008 and a deterioration in 2009.

ITEM	2005	2006	2007	2008	2009
INV. INCOME (GH¢' Million)	76.56	125.62	105.84	148.74	116.28
Admin Exp (GH¢' Million)	40.10	23.45	30.48	34.72	79.91
Benefits (GH¢' Million)	63.02	79.87	117.08	163.43	223.24
Total Exp (GH¢' Million)	103.12	103.32	147.56	198.15	303.15
Admin Coverage ratio	1.91 times	5.36 times	3.47 times	4.28 times	1.46 times
Benefits Coverage ratio	1.21 times	1.57 times	0.90 times	0.91 times	0.52 times
Total Exp coverage ratio	0.74 times	1.22 times	0.72 times	0.75 times	0.38 times

5.0 OUTLOOK FOR 2010

There is every indication that the adverse macroeconomic fundamentals (i.e. interest rates, inflation rate, exchange rate etc) will persist till mid-year when they will start showing signs of recovery. We expect the first barrel of oil to flow from the Jubilee Oilfields by close of the year. Naturally, the cushioning effect of the oil find as projected in the 2008 Annual Report, to be the outlook for year 2010, can only materialize in 2011.

About GH¢234 million was lost on the Trust's investment in GSE-listed equities, in fiscal year 2009. Management will intensify monitoring our listed portfolio on a monthly basis, coming out with buy, sell or hold recommendations. A GSE Trading Guidelines will be developed and used in ensuring that the listed portfolio is within the recommended ranges in the Asset Allocation Policy.

The implementation of the new Pension Scheme and its attendant reduction in investible funds within the Trust is real. We will strive to be more prudent than before in deploying resources; divesting those investments that appear bankrupt.

We will cut our losses, by re-zoning and selling land banks that have suffered much encroachment. Selected real estate Work-in-Progress, namely; Vector Morrison building, Ridge and Head Office Car Parks will be completed by 31st December 2011.

Management recognizes the challenges posed by the economic environment. These challenges notwithstanding, SSNIT promises to strive to attain the projected targets set in the Asset Allocation Policy, focusing particularly on the activities on the Ghana Stock Exchange.

1.0.	UNLISTEDEQUITI ES	% SHAREHOLDING
MANUFACTURING		
1.	FOS ALUMINIUM COMPANY	40.0%
2.	BESSBLOCK CONCRETE PRODUCTS LTD	40.0%
3.	GAFCO (TEMA FOOD COMPLEX)	40.0%
4.	NINGO SALT LIMITED	40.0%
5.	SIAT GHANA LIMITED	30.0%
6.	DANNEX LIMITED	26.0%
7.	TEMA LUBE OIL LIMITED	24.0%
REALESTATE		
1.	GULF CONSOLIDATED LIMITED	42.0%
2.	BROLL GHANA LIMITED	32.0%
HOSPITALITY		
1.	HOTEL INVESTMENTS LIMITED	100.0%
2.	GOLDEN BEACH HOTELS GHANA LIMITED	70.0%
3.	GRAND REGENCY HOTEL	25.0%
4.	ACCRA CITY HOTELS LIMITED	5.0%
SERVICES		
1.	INTERCITY HOLDINGS LIMITED	100.0%
2.	MAKOLA MARKET COMPANY LIMITED	90.0%
3.	SIMNET LIMITED	85.0%
BANKING		
1.	THE TRUST BANK GHANA LIMITED	61.1%
2.	MERCHANT BANK GHANA LIMITED	55.0%
3.	FIRST ATLANTIC MERCHANT BANK LIMITED	19.9%
4.	GHANA INTERNATIONAL BANK LIMITED	15.0%
5.	PRUDENTIAL BANK LIMITED	10.0%
6.	FIDELITY BANK LIMITED	10.0%
7.	BPI BANK LIMITED	2.1%
FINANCIALHOUSES		
1.	NATIONAL TRUST HOLDINGS COMPANY LIMITED	34.0%
2.	SECURITY DISCOUNT COMPANY	28.2%
3.	CONSUMER FINANCE COMPANY	26.0%
4.	CONSOLIDATED DISCOUNT COMPANY	5.4%
WORK-IN-PROGRESS		
1.	OGUAA HOTELS LIMITED	78.0%
2.	METROPOLITA MALLS LIMITED (STALLED)	45.0%
3.	TELEKOM EMPORIUM	27.0%



PRIVATEEQUITY FUNDS		
1.	FIDELITY EQUITY FUND (FEF) II (US\$)	21.5%
2.	CANADIAN INVESTMENT FUND FOR AFRICA (CIFA) (US\$)	2.4%
3.	EMERGING CAPITAL PARTNERS (ECP) AFRICA FUND III (US\$)	2.0%
4.	PAN AFRICAN INFRASTRUCTURE DEV FUND (PAIDF) (US\$)	1.6%
ECONOMICALLY TARGETED INVESTMENTS (ETIs)		
1.	GHANA HEALTH CARE COMPANY	100.0%
2.	GHANA HOSTELS LIMITED	100.0%
3.	GHANA INDUSTRIAL & COMMERCIAL ESTATES LIMITED	100.0%
4.	ACCRA ABATTOIRS LIMITED	58.2%
5.	KUMASI ABATTOIRS LIMITED	53.4%
6.	METRO MASS TRANSIT COMPANY LIMITED	11.5%
7.	EXIM GUARANTY COMPANY LIMITED	5.0%
8.	EXPORT FINANCE COMPANY LIMITED	3.0%
2.0.	LISTED EQUITIES	% Shareholding
1.	GHANA COMMERCIAL BANK	21.58%
2.	PRODUCE BUYING COMPANY I	26.95%
3.	PRODUCING BUYING COMPANY II	11.15%
4.	CAL BANK LIMITED	49.57%
5.	AYRTON DRUG MANUFACTURING COMPANY LIMITED	25.88%
6.	ALUWORKS	24.90%
7.	GOLDEN WEB LIMITED	24.27%
8.	SG-SSB BANK LIMITED	24.97%
9.	HFC BANK LIMITED	20.87%
10.	COCOA PROCESSING COMPANY LIMITED	18.78%
11.	GHANA OIL COMPANY LIMITED	18.51%
12.	MECHANICAL LLOYD COMPANY LIMITED	14.70%
13.	STANDARD CHARTERED BANK LIMITED	15.69%
14.	SIC INSURANCE COMPANY LIMITED	11.74%
15.	ACCRA BREWERIES LIMITED	11.13%
16.	GUINNESS GHANA BREWERY LIMITED	11.02%
17.	ECOBANK TRANSNATIONAL INCORPORATED	10.21%
18.	ENTERPRISE INSURANCE COMPANY LIMITED	5.87%
19.	UNILEVER GHANA LIMITED	5.27%
20.	BENSO OIL PALM PLANTATIONS	3.74%
21.	TOTAL PETROLEUM GHANA LIMITED	2.82%
22.	FAN MILK GHANA LIMITED	1.25%
23.	ECOBANK GHANA LIMITED	1.08%
24.	ANGLOGOLD ASHANTI	0.02%

SSNIT STUDENT LOAN REPAYMENT Options



HAVE YOU RE-PAID Your SSNIT Student Loan?

Repayment of student loan can be done at any **SSNIT BRANCH**. Your indebtedness to the Student Loan Scheme is the principal loan and your portion of the interest.

The government pays the other portion of the interest.

REPAYMENT OPTIONS

- Cash repayment (outright or by installment) at any SSNIT Branch.
- Mandating employer to deduct from salary and pay to SSNIT.
- Refund from scholarships and bursaries.
- Offset with Social Security Contribution.
SSNIT will use your Social Security Contribution to offset your outstanding loan balance, if you do not exercise any of the above options.

STEPS TO REPAY YOUR STUDENT LOAN

- Visit any SSNIT branch and request for your statement or outstanding loan balance.
- Decide on any of the repayment options and inform SSNIT.
- Start making payment(s).
NB. Please quote your Social Security number in all transactions with SSNIT. Borrowers outside the country particularly U.K., Europe & North America can make payment (s) to:

Ghana International Bank
67 Cheapside, 1st floor, Regina House
London EC2V 6AZ
TEL: +44 (0) 20 7653 0350 or 0845 6058004
Fax: +44 (0) 20 7248 2929
Swift: GHIBGB2L
Email: customer.services@ghanabank.co.uk
www.ghanabank.co.uk
ACCOUNT NB.: 01483704
GBP Call Accounts
IBAN NO. GB07GHIB70061301483704

J. P. Morgan Chase, USA
IBAN No.: GB77 GHIB 7006 1301 4837 05
SORT CODE: CHAS US33
Fedwire No. 021000021
Account Name: GHANA INTERNATIONAL BANK
SWIFT: GHIBGB2L
In favour of SSNIT Account No.: 01483705

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We deliver on our promise!

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2009

The Directors submit their report together with the audited financial statements of the Social Security and National Insurance Trust for the year ended 31 December 2009.

The Trust manages and operates the Social Security Pensions Scheme in accordance with the Social Security Law 1991, PNDCL 247. PNDCL 247 was repealed by the National Pensions Act 2008, (Act 766). Full implementation of Act 766 commenced in the year 2010. Employees of companies operating in Ghana are required by law to be members of the Scheme. The directors' particular responsibilities include the administration of membership records, the collection and payments of contributions into the Fund, the payment of benefits and the management of the assets of the Scheme.

The Directors are responsible for the preparation of the financial statements for each financial year. The financial statements give a true and fair view of the state of affairs of the Trust. In preparing those financial statements, the Directors have selected suitable accounting policies that are reasonable and prudent and follow the International Financial Reporting Standards.

The Directors are responsible for ensuring that the Trust keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust. The Directors are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

In January 2009, the Government of Ghana by directive dissolved the Board of Directors of the Trust. A board of Trustees was inaugurated on 11th June, 2009 with the following members:

Mr. Kwame Prah - Chairman

Mr. Kwasi A. Boateng - Director General

Mr. Peter K. O. Addo

Mrs. Sati Ocran

Hon. Fifi Kwetey

Nana Freda Agyeman Pambui

Mr. Kofi Asamoah

Mr. A. T. D. Okine

Mr. Theodore K. Gyau

Mr. Kwame Amo-Dako

Mr. Robertson N. A. Allotey

LT. Col. (Rtd) Jacob Hester Blood-Dzraku

Mr. Solomon Laryea Tawiah-Yemoson

Dr. Frank Odoom was appointed Director General of SSNIT with effect from 1 February, 2010.

	2009	2008
Membership at 1st January	1,271,002	1,230,908
New members	116,625	119,748
	1,387,627	1,350,656

Withdrawals	(79,541)	(79,654)
	-----	-----
Membership at 31st December	1,308,086	1,271,002
	=====	=====

The above represents the registered membership of the scheme. The active membership, however stood at 880,760 (2008:843,676) as at December 2009.

During the year the number of pensioners increased from 88,857 to 98,658.

It is the policy of the Trust to arrange for an external actuarial valuation of the Scheme every three years. The last valuation was as at 31 December, 2008. The actuarial review of the Scheme as at 31 December 2008 concluded that, over a range of (but not all) possible scenarios, the existing assets and future contributions to the Scheme (at the rates set down in legislation) are, in normal circumstances, likely to be sufficient to pay benefits as they fall due over the period up to about 2030 and possibly beyond.

The Trust is the only legally authorised institution to operate the Social Security Pension Scheme in Ghana and consequently has the responsibility, amongst others, for investing the Scheme's resources in order to fulfill its obligations to current and prospective pensioners. This entails a diversified investment of the Scheme's resources into promising areas of the Ghanaian economy, in particular, the financial, manufacturing and service sectors, and residential and commercial properties.

The investment portfolio is mostly locally invested and structured into short, medium and long term investments. Foreign earnings which are quite small are invested in fixed deposits overseas as and when received. The main categories of the investments are Government stocks, bonds, equities, residential and commercial properties, loans and short term cash deposits.

The composition of the Scheme's investment portfolio and returns at 31 December 2009 and 2008 were as follows:

	2009		2008	
	Portfolio	Rate of Return	Portfolio	Rate of Return
	%	%	%	%
Investment properties	11.60	3.50	7.37	4.22
Available for Sale	30.80	(26.90)	44.54	20.50
Held to maturity	1.80	0.40	1.10	21.84
Loans and receivables	17.20	44.20	16.62	19.38
Student loans	8.20	29.10	6.84	24.80
Short term investment	30.40	22.40	23.53	13.23
	-----		-----	
	100.00		100.00	
	-----		-----	

By order of the Board:

 Chairman:
 26 October 2010

 Director General
 26 October 2010



We have audited the accompanying financial statements of Social Security and National Insurance Trust, as at 31 December, 2009, set out on page 8 to 34, which have been prepared on the basis of the significant accounting policies on page 12-21 and other explanatory notes on pages 22 to 34.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Companies Code 1963, (Act 179) and the Social Security Law 1991, PNDCL 247 as repealed by the National Pensions Act 2008 (Act 766). This responsibility include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the Trust has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by Companies Code 1963, (Act 179) and the Social Security Law 1991, PNDCL 247 as repealed by the National Pensions Act 2008 (Act 766). The financial statements give a true and fair view of the financial position of the Trust as at 31 December 2009, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards.

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion proper books of accounts have been kept by the Trust, so far as appears from our examination of those books; and
- iii. the balances sheet and income statement of the Trust are in agreement with the books of account.

Chartered Accountants
Accra, Ghana

26th October 2010
.....2010

	The Trust Note	The Group 2009 GH¢ 000	2008 GH¢'000	2009 GH¢ 000	2008 GH¢'000
Non-current assets					
Property, plant & equipment	4	89,215	90,136	91,844	91,865
Investment properties	5	163,757	152,497	147,125	141,134
Financial assets	6	1,356,189	1,430,684	1,356,189	1,430,684
Real estate under construction	7	98,507	73,962	98,507	73,962
		1,707,668	1,747,279	1,693,665	1,737,645
Current assets					
Residential housing available for sale		20,582	20,559	20,582	20,559
Inventories	8	979	1,161	1,918	1,806
Receivables	9	60,736	49,043	61,668	49,684
Investments-short term	6b	605,770	486,246	605,770	486,246
Cash & bank balances		57,829	7,641	57,820	7,571
		745,896	564,650	747,758	565,866
Current liabilities					
Payables	10	(52,343)	(56,765)	(53,097)	(57,226)
Ghana Education Trust Fund	11	(26,418)	(26,418)	(26,418)	(26,418)
		(78,761)	(83,183)	(79,515)	(83,644)
Net current assets		667,135	481,467	668,243	482,222
Total assets less current liabilities		2,374,803	2,228,746	2,361,908	2,219,867
Represented by					
Net assets at 1 January		2,228,746	1,731,865	2,219,867	1,726,367
Current year movement		146,057	496,881	142,041	493,500
Net assets at 31 December available to pay benefits		2,374,803	2,228,746	2,361,908	2,219,867

The financial statements on pages 8 to 34 were approved by the Board of Directors on 13th October, 2010 and were signed on its behalf by:



C Chairman of the Board



Director General



	Note	The Trust		The Group	
		2009 GH¢ 000	2008 GH¢'000	2009 GH¢ 000	2008 GH¢'000
Income					
Contributions received	13	667,603	418,753	667,603	418,753
Net investment income	14	116,275	148,744	124,320	154,560
Other income		16,006	11,162	16,069	11,186
		799,884	578,659	807,992	584,499
Direct costs					
Operational costs		(39,566)	(27,648)	(42,268)	(29,762)
Pensions	15	(223,239)	(163,433)	(223,239)	(163,433)
		(262,805)	(191,081)	(265,507)	(193,195)
Surplus of income over direct costs		537,079	387,578	542,485	391,304
General and administrative expenses	16	(79,534)	(34,717)	(88,956)	(41,824)
		457,545	352,861	453,529	349,480
Transfer to National Health Insurance Scheme	18	(66,910)	(59,822)	(66,910)	(59,822)
Net surplus		390,635	293,039	386,619	289,658
Movement in net assets					
Surplus of income over expenditure		390,635	293,039	386,619	289,658
Net increase/decrease in the value of investments		(244,578)	203,842	(244,578)	203,842
Net current earmovement		146,057	496,881	142,041	493,500

	The Trust		The Group	
	2009	2008	2009	2008
	Gh¢ 000	Gh¢'000	Gh¢ 000	Gh¢'000
Operating activities				
Net current year movement	146,057	496,881	142,041	493,500
Depreciation	3,755	3,796	4,158	4,084
Gain on disposal	(22)	39	(22)	39
	149,790	500,716	146,177	497,623
Adjustment for movements in working capital				
Increase/(Decrease) in inventories	182	(204)	(112)	(336)
(Increase)/Decrease in receivables	(11,693)	(4,095)	(11,984)	(4,309)
Increase/(Decrease) in payables	(4,422)	31,514	(4,129)	31,710
Increase/(Decrease) in related party balances	(23)	272	(23)	272
Net cash generated from operating activities	133,834	528,203	129,929	524,960
Investing activities				
Purchase of property, plant & equipment	(2,843)	(3,498)	(4,146)	(4,239)
Proceeds from the sale of property, plant & equipment	31	82	31	82
Increase in financial assets	74,495	(566,713)	74,495	(566,713)
Increase in investment properties	(11,260)	(6,922)	(5,991)	(3,031)
Real estate under construction	(24,545)	(8,932)	(24,545)	(8,932)
	35,878	(585,983)	39,844	(582,833)
Increase in cash and cash equivalents	169,712	(57,780)	169,773	(57,873)
Cash and cash equivalents at 1 January	493,887	551,667	493,817	551,690
Balance at 31 December	663,599	493,887	663,590	493,817
Analysis of cash and cash equivalents				
Investments - short term	605,770	486,246	605,770	486,246
Cash & bank balances	57,829	7,641	57,820	7,571
	663,599	493,887	663,590	493,817



The Social Security and National Insurance Trust is a statutory public Trust established under NRCDC 127 to administer Ghana's National Pension Scheme. The Social Security Law (PNDC Law 247) under which the current Social Security Scheme operates was passed in 1991. This has been amended by the National Pension Act 2008, (Act 766) which provides for a three-tier pension scheme. SSNIT is mandated by the law to manage the 1st tier which is compulsory for all Ghanaian workers.

The Trust is presently the largest non-banking financial institution in the country. Its primary responsibility is to replace part of lost income due to Old Age, Invalidity, or Loss of life through the administration of a Social Security Scheme.

The address of the Head Office of the Trust is Pension House, Ministries, Pension Road, Accra.

2.1 Statement of compliance

The Financial Statements of the Trust and its subsidiary have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretation as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention as modified to include fair valuation of specified financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies.

2.3 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS 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 the 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 following are the principal accounting policies adopted by the Trust.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Social Security and National Insurance Trust and its subsidiary, the Trust Hospital, as at 31st December 2009. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

Investment in other Subsidiaries and Associates are classified as long term investments and held at fair value less impairment, if any.

3.2 Presentation currency

The consolidated financial statements are presented in Ghana cedis (GH¢), which is the Trust's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

3.3 Contributions

Contributions are accounted for on a cash basis. An accrual basis is not considered appropriate because it would result in substantial debtor accounts which may not be recoverable.

Note 13 discloses the outstanding contributions as at the year end.

The contribution rates used are stipulated in the Social Security Law 1991 (PNDCL 247) and are as follows:

Workers	5.0% of Workers' Pay
Employers' contribution	12.5% of Workers' Pay

The above rates have been amended by the new National Pensions Act 2008 (Act 766) which stipulates the following rates:

Worker	5.50%
Employer	13%

Out of the above contribution 13.5% comes to SSNIT.

3.4 Investment income

Financial Assets included debt securities which management intends to hold until maturity and are stated at fair value. They also include equity securities which are stated at fair value or carrying value. Interest earned on investment securities is reported as interest income. Dividends received are included separately in dividend income. Investment income is reported net of management costs and impairment.

Interest income is recognised for financial instruments (corporate loans) measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument, when appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Trust estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the instrument.

When a financial asset or a group of similar financial assets have been written down as a result of impairment, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest Income and expenses on financial assets and liabilities held at fair value through profit or loss are recognized in the income statement in the period they arise. Fees and commissions, income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Benefits paid represent entirely valid benefit claims paid during the year. These include lump sum payments made under the Pension Scheme.

a. Categorisation of financial assets

The Trust classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables; available-for-sale financial assets; and held-to-maturity investments. Management determines the categorisation of its financial assets at initial recognition.

b. Financial assets at fair value through profit or loss

A financial asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

i. Held for trading

A financial asset is classified as held for trading if it is: acquired principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

ii. Designated at fair value through profit or loss

A financial asset is classified as held for trading if it is: acquired principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

c. Loans and advances

Loans and Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

d. Available-for-sale financial assets

Available-for-sale Financial Assets are non-derivative financial assets that are designated on initial recognition as available for sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

e. Held-to-maturity investments

Held-to-maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trust has the positive intention and ability to hold to maturity.

f. Initial recognition of financial asset

Purchases and sales of financial assets held at fair value through profit or loss, available for sale financial assets and liabilities are recognised on the date the Trust commits to purchase or sell the asset. Loans and receivables are recognised when cash is advanced to borrowers.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

g. Subsequent measurement of financial asset

Available for sale financial assets are subsequently measured at fair value with the resulting changes recognised in equity. The fair value changes on available for sale financial assets are recycled to the income statement when the underlying asset is sold, matured or derecognised. Financial assets classified as at fair value through profit or loss are subsequently measured at

fair value with the resulting changes recognised in the income. Loans and receivables and other liabilities are subsequently carried at amortised cost using the effective interest method, less impairment losses.

h. Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Trust has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

i. Fair value measurement

The determination of fair value of quoted financial assets and liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or liability is not actively traded or the asset is unlisted, the Trust establishes fair values by using valuation techniques. These techniques include the use of arm's length transactions discounted cash flow analysis, and valuation models and techniques commonly used by market participants in setting a price.

The valuation techniques may be adjusted to allow for a number of factors as appropriate because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction.

ii. Amortised cost measurement

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

iii. Identification and measurement of impairment

The Trust assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan and other observable data that suggests adverse changes in the payments status of the borrowers.

The Trust first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trust determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying



amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less cost of obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of basis of impairment, financial assets are grouped on the basis of similar credit risk characteristics. These characteristics are relevant to the estimation of future cash flows for the group of such assets being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Trust. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Impairment losses on available-for-sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the income statement. When a subsequent event causes the impairment loss on an available for sale financial asset to decrease, the impairment loss is reversed through the income statement. However, any subsequent recovery in the fair value of an impaired available for sale financial asset is recognised directly in equity.

iv. Investments in securities

This comprises investments in short-term Government securities and medium term investments in Government and other securities such as bonds. Investments in securities are categorised as held-to-maturity financial assets.

v. Property, plant and equipment

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. "Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii). Subsequent costs

The cost of replacing part of an item of property or 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 Trust and its costs can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised 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 and equipment.

Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

(iv). Disposal

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal are included in the Fund Account.

The principal depreciation rates used are as follows:

Freehold properties	2%
Leasehold properties	Over the unexpired lease period
Motor vehicle	25%
Furniture	25%
Equipment	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

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

(a) Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Trust has a constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Post employment benefits

The Trust has a Staff Occupational Scheme for all employees who have completed serving their probation period.

Employees contribute 7.5% of their basic salary to the Scheme while the Trust contributes 12.0%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the Fund Manager.

The Trust is also committed to paying post retirement medical care of staff. All payments made under this commitment are charged to the income statement as incurred in accordance with the rules of the Scheme.

(c) Termination benefits

Termination Benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.



Provisions are recognised when the Trust has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

Investment properties are treated as long term investments and carried at market values determined periodically. Investment properties are not subject to depreciation. Increases in their carrying amounts are credited to the movements of net assets. Decreases that offset previous increases of the same asset are charged against the movement of net assets. All other decreases are charged to the revenue account.

The financial statements summarise the transactions and net assets of the Pension Scheme. The financial statements do not take account of liabilities to pay pensions and other benefits in the future.

The financial and actuarial status of the Scheme is to be assessed triennially by an independent consulting actuary.

Inventory is valued at the lower of cost and net realisable value. Cost includes all direct expenditure incurred in bringing the goods to their present location and condition, and is determined using weighted average method.

Cost	Land & buildings GH¢'000	Equipment GH¢'000	Furniture & fittings GH¢'000	Motor vehicles GH¢'000	Capital work in progress GH¢'000	Total GH¢ 000
At 1st January	86,483	11,996	3,449	5,936	204	108,068
Additions	-	-	-	-	2,843	2,843
Transfer	235	970	411	900	(2,516)	-
Disposals	-	(52)	(89)	(28)	-	(169)
	86,718	12,914	3,860	6,836	531	110,742
Depreciation						
At 1st January	2,951	8,094	2,752	4,135	-	17,932
Charge for the year	1,023	1,489	325	918	-	3,755
Disposals	-	(47)	(85)	(28)	-	(160)
At 31st December	3,974	9,536	2,992	5,025	-	21,527
Net book value						
31 December 2009						89,215
31st December 2008						90,136

Disposals schedule

	Cost GH¢'000	Accum. Depn. GH¢'000	NBV GH¢'000	Proceeds GH¢'000	Profit/Loss on disposal GH¢'000
Motor vehicle	28	(28)	-	8	8
Equipment	141	(132)	9	23	14
Furniture & fittings	-	-	-	-	-
	-----	-----	-----	-----	-----
	169	(160)	9	31	22
	=====	=====	=====	=====	=====

	Land & buildings GH¢'000	Equipment GH¢'000	Furniture & fittings GH¢'000	Motor vehicles GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
Cost						
At 1 January	86,697	14,424	3,829	6,619	203	111,772
Additions	2	1,034	26	241	2,843	4,146
Transfer	235	970	411	900	(2,516)	-
Disposal	-	(52)	(89)	(28)	-	(169)
	-----	-----	-----	-----	-----	-----
	86,934	16,376	4,177	7,732	530	115,749
	-----	-----	-----	-----	-----	-----

Depreciation

At 1 January	3,008	9,273	3,023	4,603	-	19,907
Charge for the year	1,028	1,758	357	1,015	-	4,158
Disposals	-	(47)	(85)	(28)	-	(160)
	-----	-----	-----	-----	-----	-----
At 31 December	4,036	10,984	3,295	5,590	-	23,905
	-----	-----	-----	-----	-----	-----

Netbook value

31 December 2009						91,844
						=====
31 December 2008						91,865
						=====

Disposals schedule

	Cost GH¢'000	Accum. Depn. GH¢'000	NBV GH¢'000	Proceeds GH¢'000	Profit on disposal GH¢'000
Motor vehicle	28	(28)	-	8	8
Equipment	141	(132)	9	23	14
Furniture & fittings	-	-	-	-	-
	-----	-----	-----	-----	-----
	169	(160)	9	31	22
	=====	=====	=====	=====	=====

Land and buildings were revalued in December, 2007. This was carried out by a consortium of eight (8) valuation consultants, namely, Valuation & Appraisal Consult; Consolidated Properties; Amalgam Consult; Estate Consult; Alpha Property Services; Thedal Real Estate Limited; Assenta Properties and Valuation & Development Services. These are independent valuers that are not related to the Group. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

4c. Had the Group's land & buildings been measured on a historical cost basis, their carrying amount would have been as follows:

	2009 GH¢'000	2008 GH¢'000
Freehold Land	1,864	1,864



Buildings	6,703	6,840
	-----	-----
	8,567	8,704
	=====	=====

5. Investment properties

	The Trust		The Group	
	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
Commercial properties	133,361	131,995	133,361	131,995
Associated units				
SSNIT hospital	16,632	11,363	-	-
Others	13,764	9,139	13,764	9,139
	-----	-----	-----	-----
	163,757	152,497	147,125	141,134
	-----	-----	-----	-----

	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
Commercial properties	131,995	133,125	131,995	133,125
Balance at the beginning				
Additions	1,655	3,575	1,655	3,575
Transfer	(289)	(4,705)	(289)	(4,705)
	-----	-----	-----	-----
	133,361	131,995	133,361	131,995
	=====	=====	=====	=====

6. Investment properties

The value of the Group's commercial properties at 31 December, 2009 has been arrived at on the basis of a valuation carried out in 2008 by a consortium of eight (8) valuers namely, Valuation & Appraisal Consult; Consolidated Properties; Amalgam Consult; Estate Consult; Alpha Property Services; The Dal Real Estate Limited; Assenta Properties and Valuation & Development Services. These are independent valuers that are not related to the Group. The valuation, which conforms to International Valuation Standards was arrived at by reference to market evidence of transaction prices for similar properties. This has been updated with additions and transfers made during the year to arrive at the value of commercial properties as at 31 December, 2009.

6a. Financial assets

	The Trust		The Group	
	2,009	2,008	2,009	2,008
	GH¢ 000	GH¢ 000	GH¢ 000	GH¢ 000
(i) Available for sale investments				
Listed companies	469,952	836,681	469,952	836,681
Unlisted companies	143,928	85,780	143,928	85,780
	-----	-----	-----	-----
	613,880	922,461	613,880	922,461
	-----	-----	-----	-----
(ii) Held to maturity investments				
Ghana Government	50	50	50	50
HFC mortgage bonds	25,457	21,531	25,457	21,531
Corporate bonds	10,231	1,231	10,231	1,231
	-----	-----	-----	-----
	35,738	22,812	35,738	22,812
	-----	-----	-----	-----
(iii) Loans and receivables				
a. Corporate loans				
Gross	383,841	385,126	383,841	385,126

Provision	(41,746)	(41,234)	(41,746)	(41,234)
	342,095	343,892	342,095	343,892
b. Ghana Govt Receivable	200,000	-	200,000	-
c. Students loans	164,476	141,519	164,476	141,519
Total financial assets	1,356,189	1,430,684	1,356,189	1,430,684

6b Investments - short term

	2009	The Trust 2008	2009	The Group 2008
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Call deposits	115,120	121,195	115,120	121,195
Term deposits/treasury bills	489,243	363,687	489,243	363,687
Corporate loans	1,407	1,364	1,407	1,364
	605,770	486,246	605,770	486,246

	2009	The Trust 2008	2009	The Group 2008
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Balance at 1 January	73,962	65,030	73,962	65,030
Transfers	-	(1,482)	-	(1,482)
Additions during the year	24,545	10,414	24,545	10,414
At 31 December	98,507	73,962	98,507	73,962

	2009	The Trust 2008	2009	The Group 2008
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Stationery	820	972	820	972
Medical inventory	-	-	939	645
Spare parts	142	162	142	162
Fuel and lubricants	17	27	17	27
	979	1,161	1,918	1,806

	2009	The Trust 2008	2009	The Group 2008
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Investment income	12,156	13,435	12,156	13,435
Staff debtors	17,022	15,215	17,022	15,215
Prepayments	546	520	546	520
Advances to contractors	23,861	12,374	23,861	12,374
Deposits for houses	26	70	26	70
Sundry debtors	7,125	7,429	8,057	8,070
	60,736	49,043	61,668	49,684

	The Trust 2009 GH¢ 000	2008 GH¢'000	The Group 2009 GH¢ 000	2008 GH¢'000
Retention fees	2,221	1,816	2,221	1,816
Suppliers and accrued liabilities	26,331	11,801	26,331	11,801
Rent received in advance	172	241	172	241
Sundry payables	23,619	42,907	24,373	43,368
	52,343	56,765	53,097	57,226

The Ghana Education Trust Fund made available to the Trust an amount of GH¢26.42 million for onward lending to students under the Students Loan Scheme.

Segmental Information is presented in respect of the Groups business segments. The Group is organised into three main business segments: Operations, Investment and Administration. The Branch and Area offices together with the coordination and general management functions constitute the operations segment which is primarily responsible for Contribution collection. The Investments segment manages the Treasury, Investment and Development functions of the Group while the Administrative segment is responsible for general administration.

	Operations GH¢'000	Investments GH¢'000	Administration GH¢'000	Total GH¢'000
Revenue				
Contributions	667,603	-	-	667,603
Investment Income	-	256,989	-	256,989
Other Income	-	-	16,006	16,006
	667,603	256,989	16,006	940,598
Investment Management Expenses	-	(1,460)	-	(1,460)
Diminution in fair value of shares	-	(138,742)	-	(138,742)
Provision for bad and doubtful debt	-	(512)	-	(512)
Pensions	(223,239)	-	-	(223,239)
Operational cost	(39,566)	-	-	(39,566)
Administration cost	-	-	(79,534)	(79,534)
Total operating expenses	(262,805)	(140,714)	(79,534)	(483,053)
Surplus of Income before NHIS	404,798	116,275	(63,528)	457,545
Transfer to NHIS	(66,910)	-	-	(66,910)
Surplus of Income after expenditure	337,888	116,275	(63,528)	390,635

	The Trust		The Group	
	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
Total contributions receivable	(935,579)	(490,292)	(935,579)	(490,292)
Cash received	667,603	418,753	667,603	418,753
Outstanding contributions	(267,976)	(71,539)	(267,976)	(71,539)

	The Trust		The Group	
	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
Government and registered bonds	118	6,115	118	6,115
Term deposits and treasury bills	99,107	52,646	99,107	52,646
Students loans	36,764	16,204	36,764	16,204
Corporate loans	84,292	48,924	84,292	48,924
Rent	8,210	7,170	8,210	7,170
Dividends	17,012	20,054	17,012	20,054
Miscellaneous Income	11,486	6,311	19,531	12,127
	256,989	157,424	265,034	163,240
Cost of management	(1,460)	(937)	(1,460)	(937)
Changes in fair value of shares	(138,742)	(644)	(138,742)	(644)
Provision for bad and doubtful debt	(512)	(7,099)	(512)	(7,099)
	116,275	148,744	124,320	154,560

	The Trust		The Group	
	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
Old age and invalidity	192,853	133,742	192,853	133,742
Death and survivors	30,386	29,691	30,386	29,691
	223,239	163,433	223,239	163,433

	The Trust		The Group	
	2009	2008	2009	2008
	GH¢ 000	GH¢'000	GH¢ 000	GH¢'000
General administrative expenses include:				
Depreciation of fixed assets	3,755	3,403	4,157	3,691
Auditors remuneration	70	55	70	55
Director's emoluments	226	260	226	260
Staff redundancy payment	37,097	-	37,097	-
Other	38,386	30,999	47,406	37,818
	79,534	34,717	88,956	41,824

The Trust has exposure to the following risks from its use of financial instruments:

Asset/Portfolio risk

Liquidity risk

Market risk

Operational risk

This note presents information on the Trust's exposure to each of the risks, the Trust's objectives, policies and processes for measuring and managing risk and the Trust's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Trust's risk management framework.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Trust, through the standards and procedures aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Trust's Executive Committee is responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Trust.

(a) Asset/portfolio risk

An Investment Asset Allocation Policy which is aimed at ensuring that the Trust positions its portfolio to attain optimal returns within the changing market environment and expectations while ensuring that the corpus, risk and performance of the investment portfolio remains relatively safe and sound, is reviewed and approved by the Board.

The Investment and Development Division of the Trust continually monitors the risk environment and as and when deemed necessary, the Investment Asset Allocation Policy is reviewed and submitted for further review and authorization by the Board.

The approved Investment Asset Allocation Policy serves as the guide for all investment activities within the Trust.

In constructing an Optimal Asset Allocation for the Trust, the Investment and Development Division assesses the associated risks inherent in investing in each of the asset classes and the overall portfolio as a whole. The analysis is also attentive to the occurrence of deviations from the estimated Expected Returns as it is these inevitable deviations that jeopardise the attainment of expected results and hence the risk.

In assessing the risk inherent in the portfolio, each asset class risk is measured with a keen eye on mitigating measures and controls on the risk.

The first part of the measurement exercise, is the establishment of the Expected Return on each asset class. The second part comprises the assessment of the risk characteristics of each asset; particularly in combination with the current portfolio. The risk of the individual assets are measured in the context of the effect of their returns on the overall portfolio volatility.

Combinations of assets duly assessed are then made in proportions that are projected to at least yield the minimum Expected Portfolio return of a positive 2% above inflation. The overall objective of the Investment Asset Allocation Policy is to ensure return optimisation, that is, the highest possible return achievable under tolerable risk levels.

The risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations, arises principally from loans and advances to companies and other Institutions and investments in securities.

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable. An individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cashflows.

Provisions are raised where necessary based on the results of independent asset reviews, economic conditions as well as local knowledge and experiences. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment provision has been raised, then that amount will be written off.

(b) Liquidity risk

The Trust defines liquidity risk as the risk associated with the situation where it does not have sufficient financial resources available to meet all of its obligations and commitments as they fall due, or can access them only at excessive costs.

It is the policy of the Trust to maintain adequate liquidity at all times. Hence the Trust's approach to managing liquidity is to be in a position to meet all obligations to pay pensioners, suppliers and contractors, to fulfil commitments to lend and to meet any other commitments.

The Treasury Department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities such as Treasury Bills, Fixed Deposits (Repurchase Agreements) and Calls to ensure that sufficient liquidity is maintained within the Trust.

The Finance Division of the Trust is responsible for ensuring the attainment of the liquidity objectives of the Trust. These responsibilities include the provision of authorities and development of policies and procedures.

(c) Market risk

Market Risk is the risk that changes in market prices, such as interest rate, equity prices and foreign exchange rates will affect the Trust income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Trust is developing policies, processes and evaluating methodologies to better manage this risk.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Trust, processes, personnel, technology and infrastructure, and from external factors other than market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Trust's operations.

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

The primary responsibility for the development and implementation of controls to address operational risks is signed to senior management within each Division.

This responsibility is supported by the development of overall standards for the management of operational risks 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 regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls procedures to address the risks identified.
- requirements for the reporting of operational losses and proposed remedial action
- procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Trust's standards is supported by a programme of periodic reviews undertaken by Internal Audit sometimes with assistance from external consultants. The results of reviews are discussed with the management of the business unit to which they relate, with reports submitted to the Audit Committee, as a subcommittee of the Board.

18. Transfer to National Health Insurance Scheme

Transfers made are in accordance with National Health Insurance Act, 2003 (Act 650) Section 78 (1b) which requires 2.5 percentage points out of each member's 17.5% contribution to the SSNIT Pension Scheme to be paid into the National Health Insurance Fund.

19. Tax

Under Section 17 of the Social Security Law, 1991 (PNDC Law 247) the Trust is exempt from corporate taxes and other taxes and duties as may be determined by the Minister of Finance & Economic Planning.

a) Contingent liabilities

There were a number of legal proceedings outstanding against the Trust at 31 December 2009. These are pending litigation that may result in a material liability to the Trust. It is estimated that the maximum amount would not exceed GH¢560,984 (2008-GH¢428,800).

b) Loans and Advances

A transfer is made to an impairment account to cater for any shortfalls between the assets carrying amount and the present value of estimated future cash flows discounted at the Group's average commercial rate.

c) Unquoted investments

Unquoted Investments are stated at fair value

d) Post Balance Sheet Events

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.

21. Discontinuation of consolidating Trust Hospital records

The Trust Hospital is a major healthcare provider to SSNIT staff and the general public. SSNIT has agreed for it to be autonomous with its own management and a Board of Directors. To concentrate on its core business, management is fast tracking the accreditation process as a National Health Insurance Service (NHIS) provider with Out Patient Department (OPD) clinics at Sakumono, Adenta and Dansoman all suburbs of Accra.

The management of SSNIT does not therefore intend to consolidate the operations of the Trust Hospital into its Financial Statements any longer. SSNIT would show the Trust Hospital as an investment in subsequent Financial Statements.



Contribute

to The New SSNIT Pension Scheme Today



*Like the Ant, your **contribution** to the **scheme** would **guarantee** your **Future Security** today against a **rainy tomorrow**.*

"Follow the example of the ANT".

All employers should remember to pay their workers' contributions with contribution reports.

For further enquiries contact:

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Website: www.ssnit.com • Toll Free: 0-800-333-33



SSNIT AREA OFFICES & BRANCHES

ACCRA AREA OFFICES	Address	Telephone
Accra Area /A.I.A Branch Offices	P.O.Box M B.149	(0302)225233, 256347, 232997, 232998 E-mail:ssaia@ssnit.org.gh
Accra Area Office	"	0289500902
Area Manager	"	0289-522909 • Fax: (0302) 225135
Adabraka Branch	"	(0302) 669493, 669504, 0289522917, 028522919 E-mail:s sadabraka@ssnit.org.gh
Adabraka Branch Manager	"	(0302) 675761 • Fax: (0302) 683143
Deputy Manager, Adabraka	"	(0302) 683140
Accra Industrial Area Branch	"	0289674677
Accra Industrial Area Branch Manager	"	(0302) 225318, Tele/Fax: 232999
Benefits/Customer Service Unit, A.I.A	"	0289674676
Accra Central Branch	"	(0302) 664987/8 E-mail:s sacentral@ssnit.org.gh
Accra Central Branch Manager	"	(0302) 664421, • Fax: (0302) 665791
Legon Branch	"	(0302) 506224, 506226 E-mail:s slegon@ssnit.org.gh
Legon Branch Manager	"	(0302) 506210 Tele/Fax
Deputy Manager, Legon	"	(0302) 506227
Weija Branch	P.O. Box WJ 318	(0302) 850216, 850220 E-mail:s sweija@ssnit.org.gh
Weija Branch Manager	"	(0302) 850218; • Fax (0302) 850219
Weija Branch Customer Service	"	(0302) 850217
Achimota Branch	P.O. Box MB.149	(0302) 402210, 402300 E-mail:s sachimota@ssnit.org.gh
Achimota Branch Manager	"	(0302) 400489 Tele/Fax
Kokomlemle Branch	P.O. Box MB. 149	0289522901, 0289522905 E-mail:s skokomlemle@ssnit.org.gh
Kokomlemle Branch Manager	"	(0302) 237691 Direct, (0302) 237692 Fax
Korle-Bu Branch	"	(0302) 660172, 0289522900 E-mail:s skorlebu@ssnit.org.gh
Korle-Bu Branch Manager	"	0289522906 Direct, (0302) 660174 Fax
Agona Swedru Branch	P.O. Box 399	(033 20) 20399 E-mail:as wedru@ssnit.org.gh
Agona Swedru Branch Manager	"	(033 20) 20984, (033 20) 20986 Fax
Breman Asikuma Branch	P.O. Box 98	0244-339973 E-mail:bas ikuma@ssnit.org.gh
Breman Asikuma Branch Mgr.	P.O. Box 98	0244-339974
Area Office	P.O. Box CO713, Tema	(0303) 200512, 200514, 200515
Area Manager	"	(0303) 200518 Direct • Fax: (0303) 200510
Osu R.E. Branch	"	(0302) 774216, 774217 E-mail:s sosu@ssnit.org.gh
Osu R.E. Branch Manager	"	(0302) 760847 • Fax: (0302) 760847
Osu R.E. Customer Service	"	(0302) 760848
Osu R.E. Internet Line	"	(0302) 760846
Tema C.2 Branch Manager	P.O. Box CO713, Tema	(0303) 204565 • Fax: (0303) 205349
Tema C.2 Branch Deputy Mgr	"	(0303) 213507/213508

Tema C.2 Branch	"	(0303) 204007, 213507, 213509 E-mail:s stemac2@ssnit.org.gh
Tema Harbour Branch	"	(0303) 206802, 207375-9 E-mail:s stharbour@ssnit.org.gh
Tema Harbour Branch Manager	"	(0303) 206234 • Fax: (0303) 206653
Tema Harbour Branch Dep. Mgr. Ops	"	(0303) 207381 Direct
Tema Harbour Branch Compliance Supervisor	"	(0303) 207380 Direct
Tema Customer Service Unit	"	(0303) 210805
Tema East Branch	P.O. Box CO713 Tema	(0303) 7012081, 7012083 E-mail:s steast@ssnit.org.gh
Tema East Branch Manager	P.O. Box CO713 Tema	(0303) 7012082 • Fax: (0303)300364/1
Teshie/Nungua Branch	P.O. Box CO713 Tema	(0302) 711022, 711024, 711025 E-mail:s stnungua@ssnit.org.gh
Teshie-Nungua Branch Mgr.	"	(0302) 912143 • Fax 711023
Denu Secretary to Manager	P.O. Box DE82	(036 25) 30946, 30947 E-mail:s sdenu@ssnit.org.gh
Denu Branch Manager	P.O. Box 82	(036 25) 30945 • Fax; 30327
Denu Customer Service Unit	"	(036 25) 30319

(Ashanti)

Area Manager	P.O. Box 4270	(032 20) 23220 Direct • Fax: (032 20) 27242
Deputy Area Manager	"	(032 20) 27227 Direct • Fax: (032 20) 27227
Area Office, Kumasi	"	(032 20) 27210, 27211, 24927/24902
Information Desk	"	(032 20) 27218
Adum Branch	"	(032 20) 24902; 27218 E-mail:s sadum@ssnit.org.gh
Adum Branch Manager	"	(032 20) 27226 Direct • Fax: 27243
Adum Deputy Manager	"	(032 20) 27219
Asafo Branch	"	(032 20) 22266/23085 • Fax: (032 20) 22763 E-mail:s sasafo@ssnit.org.gh
Asafo Branch Manager	"	(032 20) 23345 • Fax (032 20) 22763
Konongo Branch	P.O. Box 82	(032 21) 24470 E-mail:s skonongo@ssnit.org.gh
Konongo Branch Manager	P.O. Box 82	(032 21) 24202 • Fax: 24552
Dunkwa Branch	P.O. Box 239	(033 22) 28256/28285 E-mail:s sdunkwa@ssnit.org.gh
Dunkwa Branch Manager	P.O. Box 239	(033 22) 28252 • Fax: 28418
Obuasi Branch	P.O. Box 165	(032 25) 41727/40272 E-mail:s sobuasi@ssnit.org.gh
Obuasi Branch Manager	P.O. Box 165	(032 25) 41726 • Fax: (032 25) 42497
Obuasi Archives Manager	P.O. Box 165	(032 25) 41792
Mampong Ashanti Branch	P.O. Box 35	(032 25) 22318 • Fax: 22171 E-mail:amampong@ssnit.org.gh
Mampong Ashanti Branch Manager	P.O. Box 35	(032 25) 22170
Atebubu Day Office	P.O. Box 35	-
Sefwi-Wiawso Branch	P.O. Box 187	0244339976 E-mail:s wiawso@ssnit.org.gh
Bibiani Day Office	P.O. Box 187	-
Bekwai Branch	P.O. Box 210	(032 24) 20297 E-mail:s sbekwai@ssnit.org.gh
Bekwai Branch Manager	P.O. Box 210	(032 24) 20148 • Fax: (032 24) 20208

**(Brong Ahafo)**

Area Manager, Sunyani	P.O. Box 411	(035 20) 27258 • Fax: (035 20) 27197
Sunyani Area Office	P.O. Box 411	(035 20) 23665
Sunyani Area Accountant	P.O. Box 411	(035 20) 28363
Sunyani Branch	P.O. Box 411	(035 20) 23532
Sunyani Branch Manager	"	E-mail:s ssunyani@ssnit.org.gh
Dormaa Day Office	P.O. Box 411	(035 20) 24464 • Fax: (035 20) 27239
Wenchi Branch	P.O. Box 65	-
Wenchi Branch Manager	P.O. Box 65	(035 20) 92098
Goaso Branch	"	E-mail:s swenchi@ssnit.org.gh
Goaso Branch Manager	P.O. Box 91	(035 20) 92099 • Fax: (035 24) 22623
Techiman Branch	P.O. Box 7	E-mail:s swenchi@ssnit.org.gh
Techiman Branch Manager	P.O. Box 7	0244339975
Kintampo Day Office	P.O. Box 7	E-mail:s sgoaso@ssnit.org.gh
		(035 20) 28267
		(035 25) 91697
		E-mail:s stechiman@ssnit.org.gh
		(035 25) 91487/056322398,
		• Fax: (035 25) 22091
		-

(Western & Central)

Area Office, Takoradi	P.O. Box 611	(031 20) 23565 - 6, 21994/22108
Area Manager	P.O. Box 611	(031 20) 24787 Direct • Fax: (031 20) 24246
Takoradi Branch	P.O. Box 611	(031 20) 23565/6 • Fax: (031 20) 24685
Takoradi Branch Manager	P.O. Box 611	E-mail:s stakoradi@ssnit.org.gh
Branch Manager, Informal Sector, T'di	P.O. Box 611	(031 20) 24628 Direct
Tarkwa Branch	P.O. Box 224	(031 20) 27254 Tele/Fax
Tarkwa Branch Manager	P.O. Box 224	(031 23) 20332 • Fax: (031 23) 20332
Asankragua Day Office	P.O. Box 224	E-mail:s starkwa@ssnit.org.gh
Axim Branch	P.O. Box 61	(031 23) 20881
Axim Branch Manager	P.O. Box 61	-
Half Assini Day Office	P.O. Box 61	(031 21) 22303/22238
Cape Coast Branch	P.O. Box 602	E-mail:s saxim@ssnit.org.gh
Cape Coast Branch Manager	"	(031 21)22302 • Fax: (031 21) 22327
32843		-
Assin Fosu Branch	P.O. Box 134	(033 21) 32991/5, 30381, 30382 – 4
Twifo Praso Day Office	P.O. Box 134	E-mail:s scapecoast@ssnit.org.gh
		(033 21) 32841/32843 • Fax: (033 21)
		(033 21) 2912617, Tele/Fax: (033 22) 40544
		E-mail:as sinfosu@ssnit.org.gh
		-

(Eastern & Volta)

Area Office	P.O. Box 586	(034 20) 23101/23106/23086
Area Manager	P.O. Box 586	(034 20) 23252 Direct, • Fax: 23125
Deputy Area Manager	"	(034 20) 22701
Koforidua Branch	"	(034 20) 23101/23106/23086
Koforidua Branch Manager	P.O. Box 586	E-mail:s skoforidua@ssnit.org.gh
Kade Branch	P.O. Box 96	(034 20) 23173 Direct, • Fax: 22445
		(034 292) 2855 Tel/Fax
		E-mail:s skade@ssnit.org.gh

Asamankese Day Office	P.O. Box 96	-
Nkawkaw Branch	P.O. Box 48	(034 31) 22143/22540/22541 E-mail:s snkawkaw@ssnit.org.gh
Nkawkaw Branch Manager	"	(034 31) 22421 (Tel/Fax)
Donkokrom Day Office	P.O. Box 48	-
Akim Oda Branch	P.O. Box 197	(034 292) 2203 Direct, (034 292) 2586 E-mail:aoda@ssnit.org.gh
Akim Oda Branch Manager	P.O. Box 197	(034 292) 2585 (Tel/Fax)
Somanya Branch	P.O. Box 75	(034 20) 91417 E-mail:ssomanya@ssnit.org.gh
Somanya Branch Manager	P.O. Box 75	(034 20) 95585 Direct, • Fax: (021) 297010
Mampong Akwapim Branch	P.O. Box 91	(034 27) 22019 E-mail:akmampong@ssnit.org.gh
Mampong Akwapim Branch Manager	P.O. Box 91	(034 27) 22107 (Tel/Fax)
Nsawam Day Office	P.O. Box 91	(034 21) 22559
Ho Branch	P.O. Box 321	(036 20) 26657/26658 E-mail:s sho@ssnit.org.gh
Ho Branch Manager	"	(036 20) 26457 (Direct) • Fax: 26571
Hohoe Branch	P.O. Box 20	(036 27) 22089 E-mail:s shohoe@ssnit.org.gh
Hohoe Branch Manager	P.O. Box 20	(036 27) 22303 Tel/Fax
Nkwanta Day Office	P.O. Box 1	-

(Northern, Upper Eas t& West)

Area Manager, Tamale	P.O. Box 390	(037 20) 23789 Direct
Area Office, Tamale	P.O. Box 390	(037 20) 22095/22266 • Fax: 22266 E-mail:s starea@ssnit.org.gh
Tamale Branch	"	(037 20) 22096 Fax: 22509 E-mail:s stamale@ssnit.org.gh
Tamale Branch Manager	"	(037 20) 23747
Damongo Day Office	"	-
Salaga Day Office	"	-
Yendi Branch	P.O. Box 46	(037 20) 95243 E-mail:s syendi@ssnit.org.gh
Yendi Branch Manager	P.O. Box 46	(037 20) 95244 • Fax: (037 20) 22111
Bimbila Day Office	P.O. Box 46	-
Wa Branch	"	(039 20) 22435/6 E-mail:s swa@ssnit.org.gh
Wa Branch Manager	P.O. Box 81	(039 20) 22043 • Fax: 22434
Tumu Day Office	"	-
Lawra Branch	P.O. Box 64	(039 20) 22819/50502 • Fax 20369 E-mail:s slawra@ssnit.org.gh
Bolgatanga Branch	P.O. Box 82	(038 20) 22370/23025 E-mail:s sabolga@ssnit.org.gh
Bolgatanga Branch Manager	"	(038 20) 23031 • Fax (038 20) 22222
Sandema Day Office	"	-
Bawku Branch	P.O. Box 100	(038 22) 22276, 22579 E-mail:s sbawku@ssnit.org.gh
Bawku Branch Manager	P.O. Box 100	(038 22) 22197 • Fax: (038 22) 22189
Zebilla Day Office	P.O. Box 100	-
Gambaga Branch	P.O. Box 28	(037 20) 94424, 94428 E-mail:s sgambaga@ssnit.org.gh
Gambaga Branch Manager	P.O. Box 28	(037 20) 23029
Walewale Day Office	P.O. Box 28	-

Social Security **ALERT**

YOUR SOCIAL SECURITY ALERT CHECKLIST

- ▲ Do you have a Social Security Number?
- ▲ Are you a Contributor to the Social Security Fund?
- ▲ Is your Social Security Number quoted correctly on your Employer's Records and Pay-slip?
- ▲ Is your Social Security Membership Card in your Possession?
- ▲ Are the names of all your Children and Spouse on your Social Security Nomination Form?
- ▲ As a member, have you informed SSNIT when you changed your name or contact (Permanent) address?

If the answer to any of the questions above is **No**, then kindly contact the nearest SSNIT Branch for advice and remedial action.

BE ALERT TO YOUR SOCIAL SECURITY RESPONSIBILITIES FOR A BETTER SERVICE

For Enquiries:

Tel.: 233-302-667742 • Fax: 233-302-686373

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Website: www.ssnit.com

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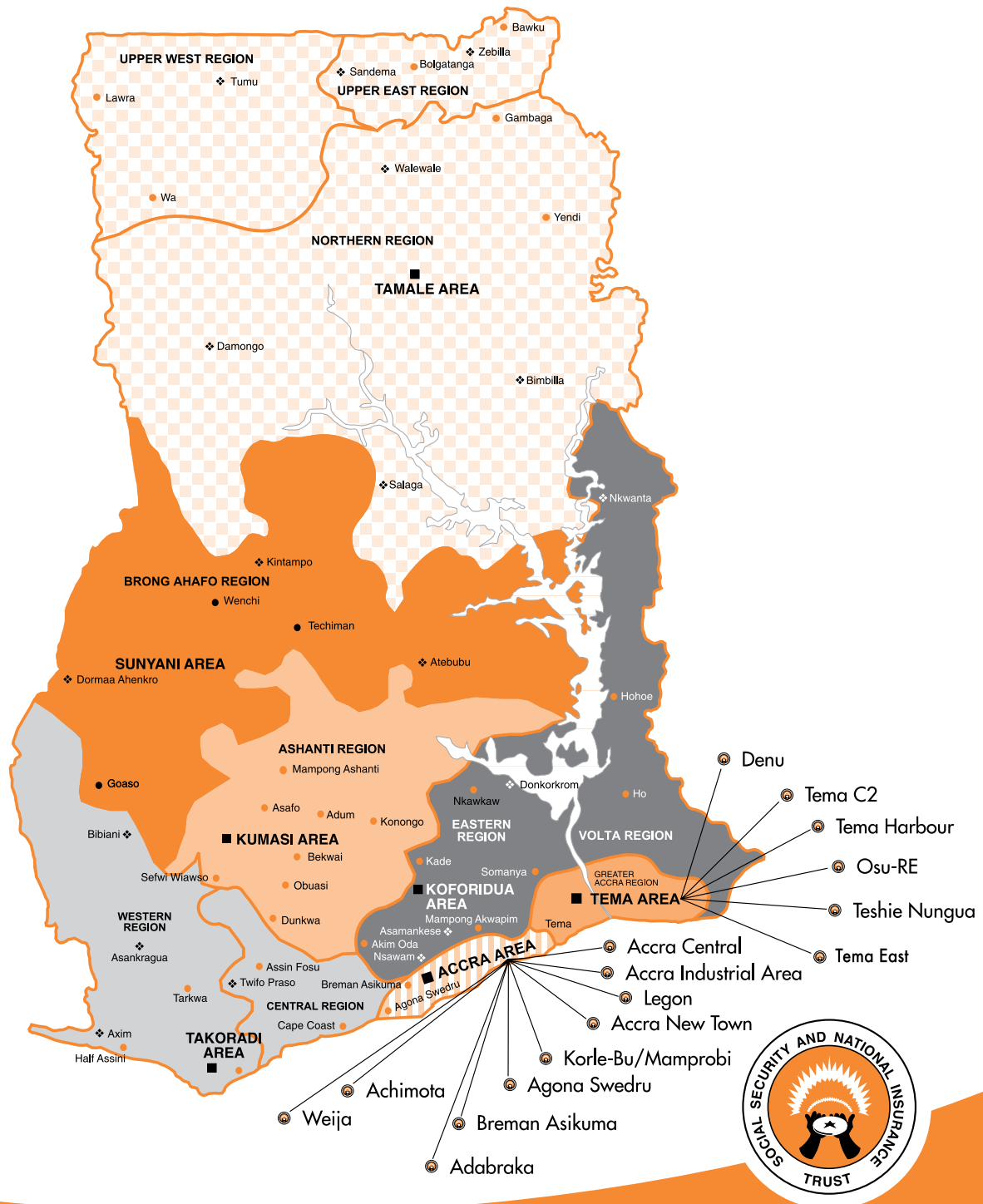
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