

## SSNIT's comments on Auditor-General's Report and subsequent publications in the media

Management of the Social Security and National Insurance Trust (SSNIT) has taken notice of comments in the media on sections of the "Report of the Auditor-General on the Public Accounts of Ghana: Public Boards, Corporations and other Statutory Institutions for the period ended 31 December, 2020" that relates to the Trust and wishes to comment as follows:

- 1 That, as at the time the current Management was appointed in 2017, the Trust was saddled with a largely non-performing investment portfolio.
- 2 That, though the audit ended 31st December, 2020, the major issues raised predates the present administration with some dating as far back as 1985.
- 3 That, of the US\$11,794,109 indicated as loss through the liquidation of three companies, US\$4.15 million has been recovered and efforts are still ongoing to make further recoveries of locked up funds. The details are provided below:
  - a The Trust invested US\$6.08 million in Ningo Salt Limited (NSL) in July 2005, US\$3,650,000 in Granite and Marbles Limited in July 1994 and US\$5,038,153 in Canada Investment Fund for Africa (CIFA) in June 2005.
  - b In the case of Ningo Salt Limited (NSL), the US\$6.08 million stated as loss has reduced to US\$1.93 million. The loan of US\$4.15 million was granted through Ecobank Ghana Limited. Ecobank has fully repaid SSNIT with interest. The investment was made in July 2005.
  - c On Granite and Marbles Limited, SSNIT managed to retrieve its unpaid Social Security Contributions of GH¢428,337.07. All the loans were converted to equity prior to the liquidation. Liquidation is underway and yet to be completed. The final accounts is yet to be submitted to the parties by the liquidator. The investment was made in July 1994.
  - d On the Canada Investment Fund for Africa (CIFA), the Trust has recovered US\$2,064,109 of the total investment. CIFA has been under liquidation since 2015. As per the Fund Manager's 2019 report to shareholders, the liquidation process is yet to be concluded. The investment was made in June 2005.
- 4 That, Subri Industrial Plantation Limited (SIPL), established in 1985 was owned by a consortium of financial institutions with the Government of Ghana (GoG) having a majority stake of 80.40%. SSNIT had a 13.60% equity stake in the company which was divested to Plantations Socfinaf Ghana.

# Media Release

13 AUG 2021

Management has been in contact with the Ministry of Finance to have the Trust's portion of US\$626,522.47 transferred to SSNIT since 2015. The Trust will continue to engage the Ministry to retrieve the unpaid funds.

- 5 That, as part of efforts to prevent such occurrences in the future a new investment policy that better controls the investment process has been developed and is being implemented. Also, professionals and experts have been appointed to Boards of subsidiary companies which has led to major improvements in the corporate governance of these entities resulting in better returns on investments.
- 6 That, under the current Management, some significant strides have been made to rebalance investments. The Trust, for instance, has made savings of over GH¢ 231m on legacy investments related cost through renegotiation since 2017.
- 7 That, efforts have been made to ensure that the Trust gets the best deal when liquidations are evoked on some of these non-performing legacy investments.
- 8 That, as evidence of prudent management of funds, the Trust has increased the net assets from GH¢8,406 million in 2016 to GH¢ 11,350 million as of December 2020 (unaudited accounts) representing an increase of 35%.

The Trust assures all contributors, pensioners and the public that it will continue to review its investments and ensure that it maintains and deploys funds in only viable investments.

The Trust will at all times manage workers' social security contributions judiciously to safeguard the ability to continue paying monthly pensions.

## Issued by Management