SSNIT

ANNUAL REPORT
2019

SOCIAL SECURITY AND
NATIONAL INSURANCE TRUST

We deliver on our promise!

SSNIT ANNUAL REPORT

2019

Bankers

Bank of Ghana

GCB Bank Limited

Universal Merchant Bank Limited

Ecobank Ghana Limited

Barclays Bank Ghana Ltd

Agricultural Development Bank

Standard Chartered Bank Ghana Limited

Societe Generale Ghana

Republic Bank (Ghana) Limited

Ghana International Bank plc

Auditors

Audit Service
P.O. Box M96, Accra

Company Secretary

Mrs. Gifty Joan Annan
Pension House,
P.O. Box MB.149, Ministries, Accra

General Counsel

Mr. Jaezi Orleans-Lindsay
Pension House,
P.O. Box MB.149, Ministries, Accra

OUR MISSION

To provide income security for workers in Ghana through excellent business practices.

OUR VISION

To be the model for the administration of social protection schemes in Africa and beyond.

OUR CORE VALUES

Professionalism
(Ethical Conduct, Confidentiality and Discipline)

Leadership
(Empowerment)

Integrity
(Accountable and Transparent)

Customer Focus
(Service Excellence and Empathy)

Commitment
(Passion)

Innovation
(Creativity)

Teamwork
(Collaboration and Participation)

SSNIT

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Corporate Information

Board of Trustees

Dr. Kwame Addo Kufuor
CHAIRMAN/GOVERNMENT REPRESENTATIVE

Hon. Mrs. Abena Osei-Asare
REP., MINISTRY OF FINANCE AND ECONOMIC PLANNING

Mr. David Ofori Acheampong
REP., ORGANISED LABOUR

Mr. Alex Frimpong
REP., GHANA EMPLOYERS' ASSOCIATION

Mr. Daniel Acheampong
REP., GHANA EMPLOYERS' ASSOCIATION

Mr. Prince William Ankrah
REP., ORGANISED LABOUR

Mr. Joshua Ansah
REP., ORGANISED LABOUR

Naba Alhaji Mahamadu Assibi Azonko
REP., ORGANISED LABOUR

Mrs. Beatrice Zapkaa Vib-Sanziri
REP., SECURITY SERVICES

Mr. Benjamin Odotei Asumang
REP., NATIONAL PENSIONERS' ASSOCIATION

Dr. John Ofori-Tenkorang
DIRECTOR-GENERAL

Executive Team

Dr. John Ofori-Tenkorang
DIRECTOR-GENERAL

Mr. Michael Addotey Addo
DEPUTY DIRECTOR-GENERAL (FINANCE & ADMIN.)

Mr. Kofi Bosompem Osafo-Maafo
DEPUTY DIRECTOR-GENERAL IDD

Mrs. Laurette K. Otchere
DEPUTY DIRECTOR-GENERAL (OPERATIONS & BENEFITS)

Mr. Kingsley Adjei-Manu
GENERAL MANAGER, OPERATIONS

Mr. Andrews Anim-Boateng
CHIEF INTERNAL AUDITOR

Mr. Stephen Yeboah
CHIEF ACTUARY

Mr. Robert Owusu-Sekyere
GENERAL MANAGER, BENEFITS

Mr. Samuel Atuobi Twum
GENERAL MANAGER, INVESTMENT & DEVELOPMENT

Mrs. Joyce Wereko-Ampim Opoku
GENERAL MANAGER, ADMIN. & HR

Mrs. Elizabeth Aggrey-Ampiah
GENERAL MANAGER, FINANCE

Mr. Jaezi Orleans-Lindsay
AG. GENERAL MANAGER, GENERAL COUNSEL

Mr. Godson Ladzekpo
AG. GENERAL MANAGER, MIS

Ms. Afua A. Sarkodie
CORPORATE AFFAIRS MANAGER

Mrs. Gifty Joan Annan
COMPANY SECRETARY

The Chairman's Report

I am pleased to present the Annual Report and Audited Financial Statements of the Social Security and National Insurance Trust (also referred to as the Trust) for the year ending 31st December 2019.

The year 2019 was a period the Board of Trustees directed that various programmes be rolled out to get Members and Clients of the Scheme to take a keen interest in the operations of the Trust.

Key among these were: expanding coverage into the informal sector, intensifying public education and promoting a customer-centric or service-centred Trust.

To this end, staff were re-oriented at training sessions to render superior service to Members and Clients. The Trust also interacted with various stakeholders on the operations of the Trust to factor their views into policy and other initiatives.

Operational Performance

The Trust mobilised GH¢3,024.95 million as contributions representing an increase of 11.23% over the GH¢2,719.52 million collected in 2018.

Compliance activities led to increased membership of active contributors to the Scheme by 5.95%, from 1,533,942 in 2018 to 1,625,255 in 2019. The number of pensioners increased from 200,000 to 215,850 representing a growth rate of 7.93%.

To ensure that pension payments are made to only legitimate pensioners, the Trust withheld pension payments for pensioners aged 72/75 and above who had not authenticated themselves biometrically.

This exercise began in February 2018. As at 31st December 2019, payments to 6,264 pensioners that had been withheld remained unclaimed,saving the Trust a sum of GH¢66.15 million.

Benefits

In 2019, we spent an additional GH¢ 450.26 million on benefits payments bringing the total benefits expenditure to GH¢ 2.95 billion. This increase of 18.04% included payments of GH¢ 2.61 billion to the net 215,850 pensioners on the pension payroll.

Investment

The total investment portfolio of the Trust as of 31st December 2019 increased by 2.84%, from GH¢8,457.97 million in 2018 to GH¢8,697.82 million. This marginal increase was due to net gains on the Trust's commercial properties and fair value gains of some unlisted equities. The total portfolio value declined by 9.26% or GH¢863 million between 2017 and 2018 due to the impairment of some historical loans and bonds before the year 2017 and the adoption of International Financial Reporting Standards (IFRS 9) for the first time in 2018. Over the past five years, the Trust's Investment Portfolio has grown by 9.33%, from GH¢7,955.64 million in 2015 to GH¢8,697.82 million in 2019, representing a compounded annual growth of 2.25% over the period.

Corporate Image and Public Education

A key driver to improve an organisation’s image is positive media reaction and perception. We are happy to report that media reportage and coverage improved to about 90% in 2019.

Some of this positive coverage followed from our efforts to get stakeholders informed and take responsibility for their retirement planning. To this end, the Trust organised educational programmes at various institutions. The Trust also successfully organised training programmes for the regional leadership of the Trades Union Congress (TUC) across the country. These engagements have helped improve the relationship between the Trust and Organised Labour.

A Breakfast Meeting was held with selected employers. The feedback from these interactions was quite positive.

We gathered valuable lessons from the exploratory work we did in our attempt to roll out a customised pension product for workers in the informal sector. We shall revise our approach, properly segment the informal sector and venture into the space to enroll high earning, semi-formalised businesses, onto the Scheme.

Management will continue to invest in staff training and improve professional development to position the Trust as the reference point of professionalism and excellence within the public sector.

For the first time, the Trust distributed electronic Statements of Account to all members with valid email addresses. By November 2019, a total of 343,505 electronic statements had been distributed out of a target of 346,392, representing a performance of 99.2%.

Conclusion

We wish to thank Board Members, Management, and Staff for helping the Trust deepen professionalism, foster a new work culture, build a customer-centric Trust, and step up public education during the year.

The Trust will continue to provide value to our Members and Clients to encourage workers to join and pay contributions voluntarily to ensure decent retirement.

We shall also step up our efforts to render first-class service to the public in the coming year.

Thank you

The Director - General's Report

I am pleased to present an overview of the performance of the Social Security and National Insurance Trust (SSNIT) for the year 2019. The report covers performance in the following areas:

- Compliance;
- Benefits;
- Investments; and
- Macroeconomic Outlook for 2020.

1.0 Compliance

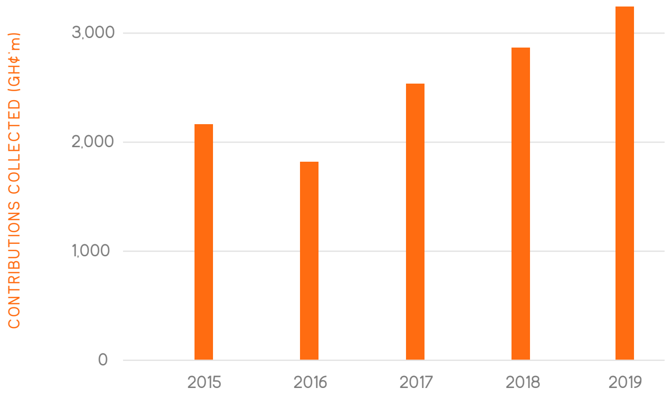
1.1 Contributions Collected

The Trust collected an amount of **GH¢3,024.95 million** as contributions, representing an increase of **11.23%** over the **GH¢2,719.52 million** collected as contributions in 2018. A 5-year trend of contributions collected is presented in Table 1 and Chart 1.

Table 1: 5-year Trend of Contributions Collected

Year	Contributions Collected (GH¢'m)	% Change
2015	2,122.38	18.94
2016	1,848.96	(12.88)
2017	2,374.23	28.41
2018	2,719.52	14.54
2019	3,024.95	11.23

Chart 1: 5-year Trend of Contributions Collected



1.2 Establishments Covered

The Trust covered a total of **68,487** establishments as of December 2019. This indicates an increase of **3.22%** over the 2018 figure of **66,350**. A 5-year trend of establishment coverage from 2015 to 2019 is presented in Table 2 and Chart 2. Table 3 and Chart 3 show establishment coverage by SSNIT Area Office.

Table 2: 5-year Trend of Establishment Coverage

Year	2015	2016	2017	2018	2019
Establishments Covered	51,237	54,033	58,745	66,350	68,487
Growth (%)	9.96	5.46	8.72	12.95	3.22

Chart 2: 5-year Trend of Establishment Coverage

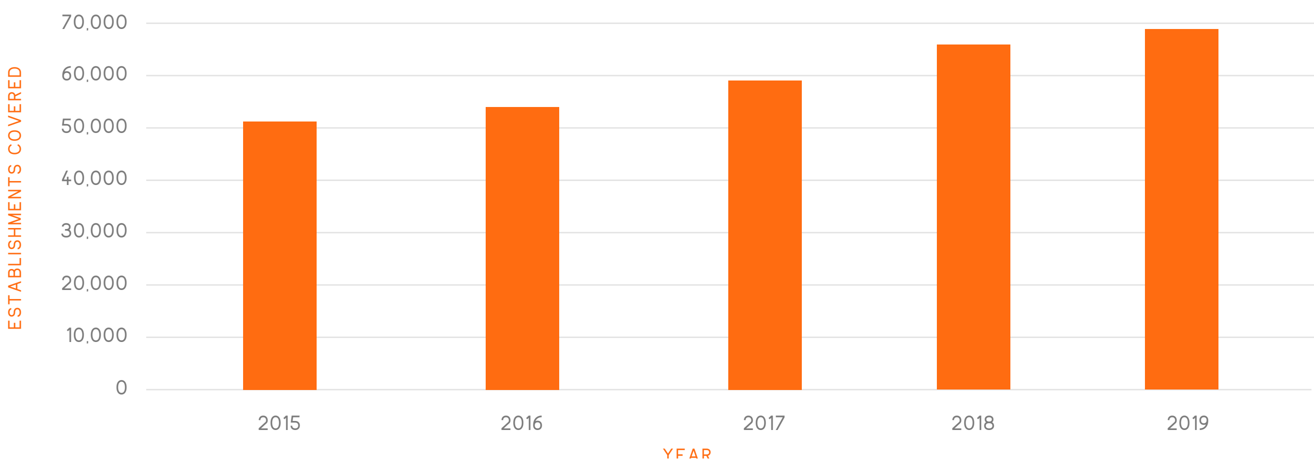
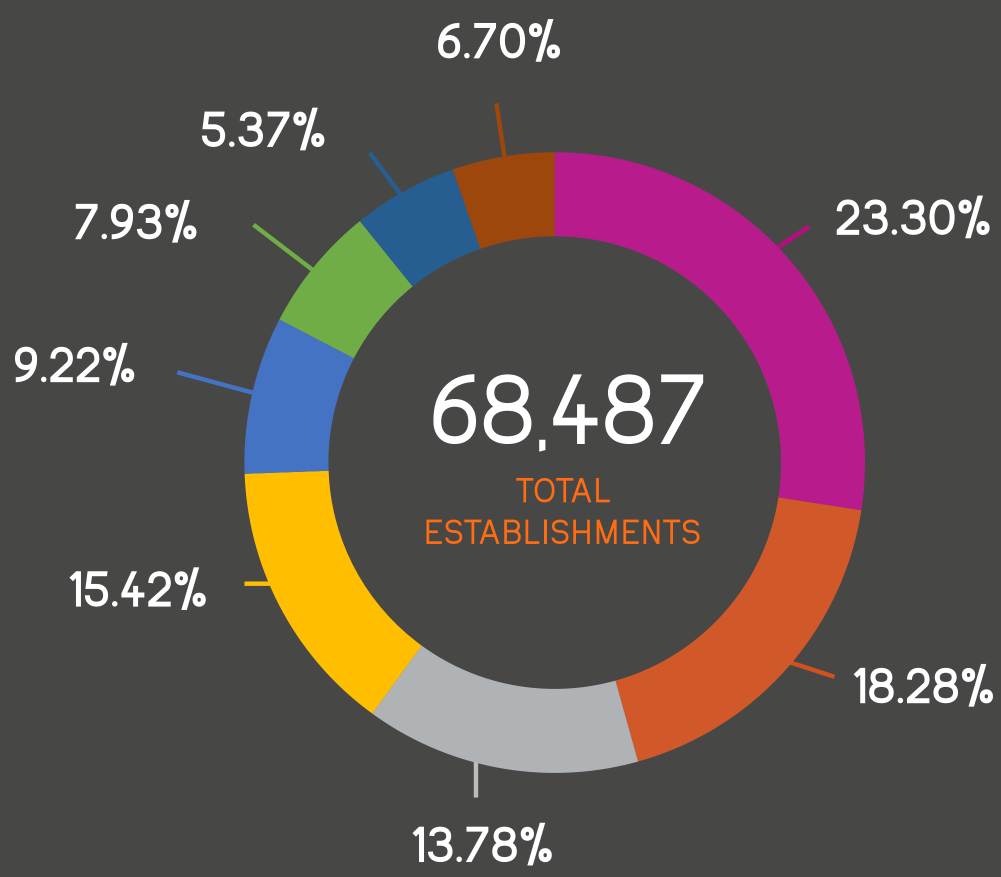


Table 3: Establishment Coverage by SSNIT Area Office

Area Office	Regional Coverage	No. of Establishments	% of Total
Accra North	Greater Accra and Parts of Central Region	15,955	23.30
Accra South	Greater Accra Region	12,520	18.28
Kumasi	Ashanti Region, Parts of Central and Western Regions	10,558	15.42
Tema	Parts of Greater Accra and Volta Regions	9,441	13.78
Takoradi	Parts of Western and Central Regions	6,315	9.22
Koforidua	Eastern and Parts of Volta Region	5,429	7.93
Tamale	Northern, Upper East & Upper West Regions	4,589	6.70
Sunyani	Brong-Ahafo Region	3,680	5.37
	TOTAL	**68,487**	**100**

Chart 3: Establishment Coverage by SSNIT Area Office



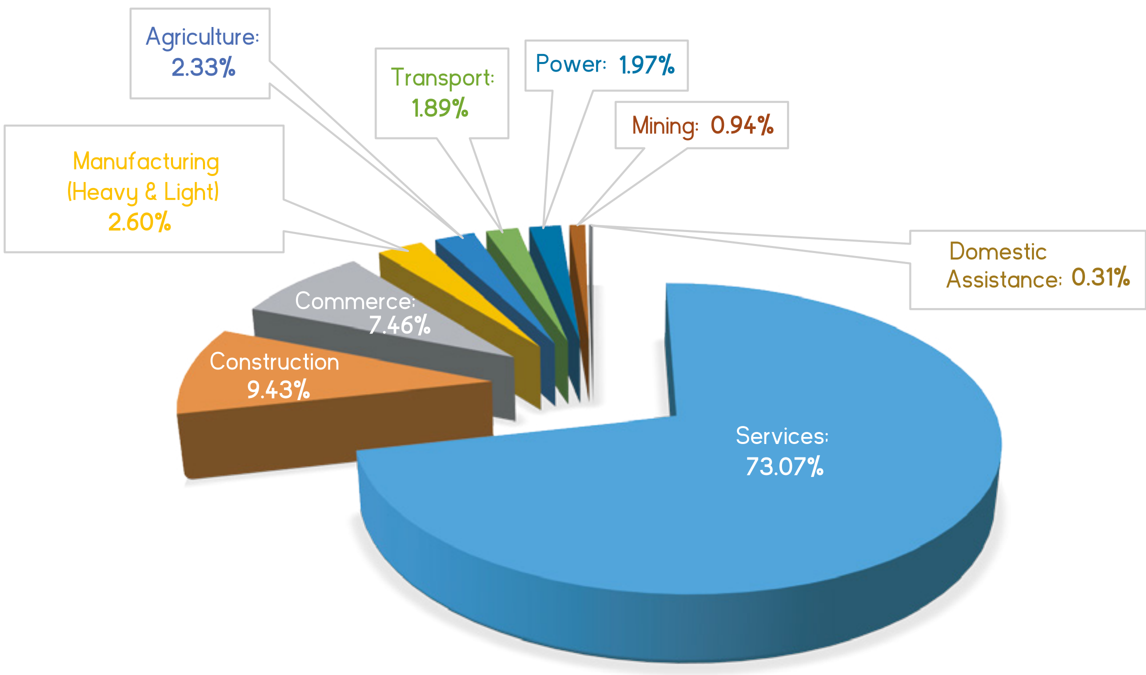
1.3 Economic Activity of Covered Establishments

Analysis of economic activity of establishments covered under the Scheme shows that **73.07%** of establishments were in the Services Sector. Table 4 and Chart 4 show the various economic activities of covered establishments.

Table 4: Economic Activity of Covered Establishments

Economic Activity	Covered Establishments	% of Total
Services	50,044	73.07
Construction	6,459	9.43
Commerce	5,112	7.46
Manufacturing (Heavy & Light)	1,777	2.60
Agriculture	1,598	2.33
Transport	1,292	1.89
Power	1,352	1.97
Mining	640	0.94
Domestic Assistance	213	0.31
TOTAL	68,487	100

Chart 4: Pie-Chart showing Economic Activity of Covered Establishments



1.4 Registration of New Establishments and Workers

New Establishments Registered

A total of **13,739** new establishments were registered into the Scheme in 2019. This represents an increase of **5.90%** in new establishments registration over the **12,974** establishments registered in 2018. A 5-year trend of new establishments is shown in Table 5.

Table 5: 5-year Trend of New Establishments Registered

Year	New Establishments Registered	
	No. of Establishments	% Change
2015	4,642	(8.93)
2016	7,426	59.97
2017	11,567	55.76
2018	12,974	12.16
2019	13,739	5.90

New Workers Registered

A total of **296,269** new workers were registered in 2019. New workers registered in 2019 decreased over that of 2018 (i.e. **281,311)** by **2.61%.** A 5-year trend of new workers registered is shown in Table 6.

Table 6: 5-year Trend of New Workers Registered

Year	New Workers Registered	
	No. of Workers	% Change
2015	188,183	29.95
2016	186,609	(0.84)
2017	281,328	50.76
2018	281,311	(0.01)
2019	296,269	2.61

1.5 Active Contributors

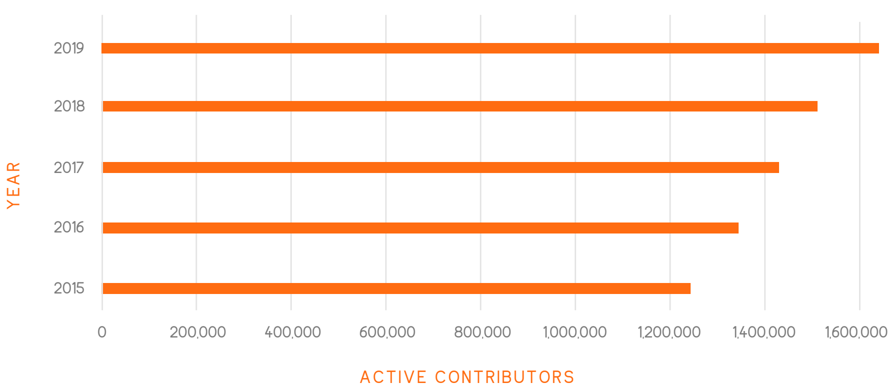
Active contributors at the end of 2019 stood at **1,625,255** representing an increase of **5.95%** over the **1,533,942** active contributors recorded in 2018. A 5-year trend of active contributors is shown in Table 7 and Chart 5.

Table 7:
5-year Trend of Active Contributors

Year	Active Contributors	% Change
2015	1,242,385	4.48
2016	1,353,610	8.95
2017	1,440,424	6.41
2018	1,533,942	6.49
2019	1,625,255	5.95

*Active Contributors are Members of the Scheme on whose behalf contribution reports have been processed at least once within the last 12 months.

Chart 5: 5-year Trend of Active Contributors



1.6 Active Contributors by Establishment Category

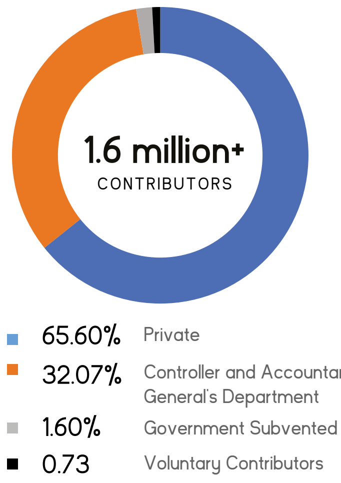
As of 2019, **65.60%** of the total number of active contributors came from the Private Sector, **32.07%** from Government Establishments on Controller and Accountant General's payroll, **1.60%** from Government Subvented Establishments and **0.73%** Voluntary Contributors.

Table 8 and Chart 6 show the distribution of active contributors by establishment category.

Table 8: Active Contributors by Establishment Category

Establishment Category	Active Contributors	% of Total
Private	1,066,133	65.60
Controller and Accountant General's Department	521,210	32.07
Government Subvented	26,064	1.60
Voluntary Contributors	11,848	0.73
Total	1,625,255	100

Chart 6: Active Contributors by Establishment Category



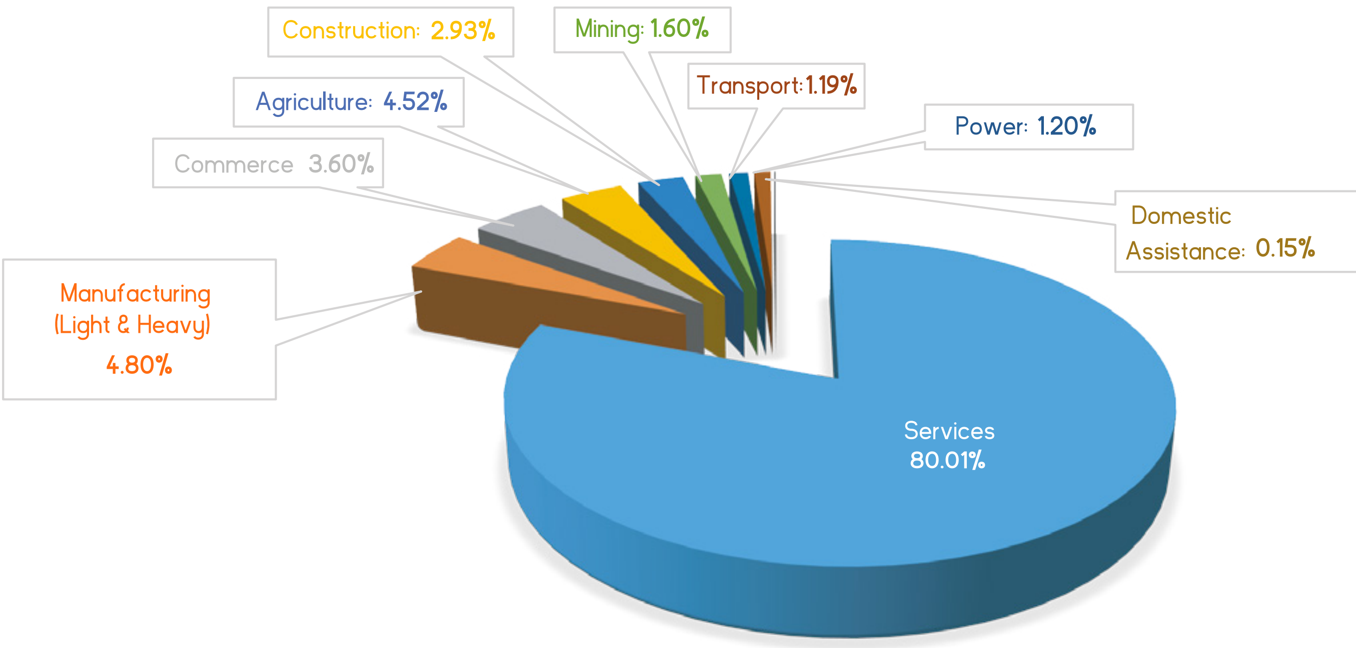
1.7 Economic Activity of Active Contributors

By economic activity however, **80.01%** of the total number of active contributors were engaged in the Services Sector. Table 9 and Chart 7 are graphic representations of active contributors by their respective economic activity.

Table 9: Economic Activity of Active Contributors

Economic Activity	Active Contributors	% of Total
Services	1,300,371	80.01
Manufacturing (Heavy & Light)	78,014	4.80
Commerce	58,569	3.60
Agriculture	73,416	4.52
Construction	47,664	2.93
Mining	26,000	1.60
Transport	19,393	1.19
Power	19,470	1.20
Domestic Assistance	2,358	0.15
Total	1,625,255	100

Chart 7: Economic Activity of Active Contributors



1.8 Establishment Indebtedness to the Scheme

Total establishment indebtedness to the Scheme at the end of 2019 stood at **GH¢4,237.02 million.** This indicates an increase of **GH¢2,192.00 million** representing **107.19%** over the 2018 figure of **GH¢2,045.02 million**. At the end of the year, Public Establishments accounted for **94.80%** of the total establishment indebtedness to the Scheme. A 5-year trend of establishment indebtedness to the Scheme is presented in Table 10.

Table 10: 5-year Trend of Establishment Indebtedness to the Scheme

Year	Private Establishments GH¢'m	Public Establishments GH¢'m	Total GH¢'m	% Change
2015	79.14	561.75	640.89	(48.40)
2016	71.46	569.29	640.75	(0.02)
2017	157.66	935.98	1,093.64	70.68
2018	219.88	1,825.14	2,045.02	86.99
2019	220.48	4,016.55	4,237.02	107.19

2.0 Benefits

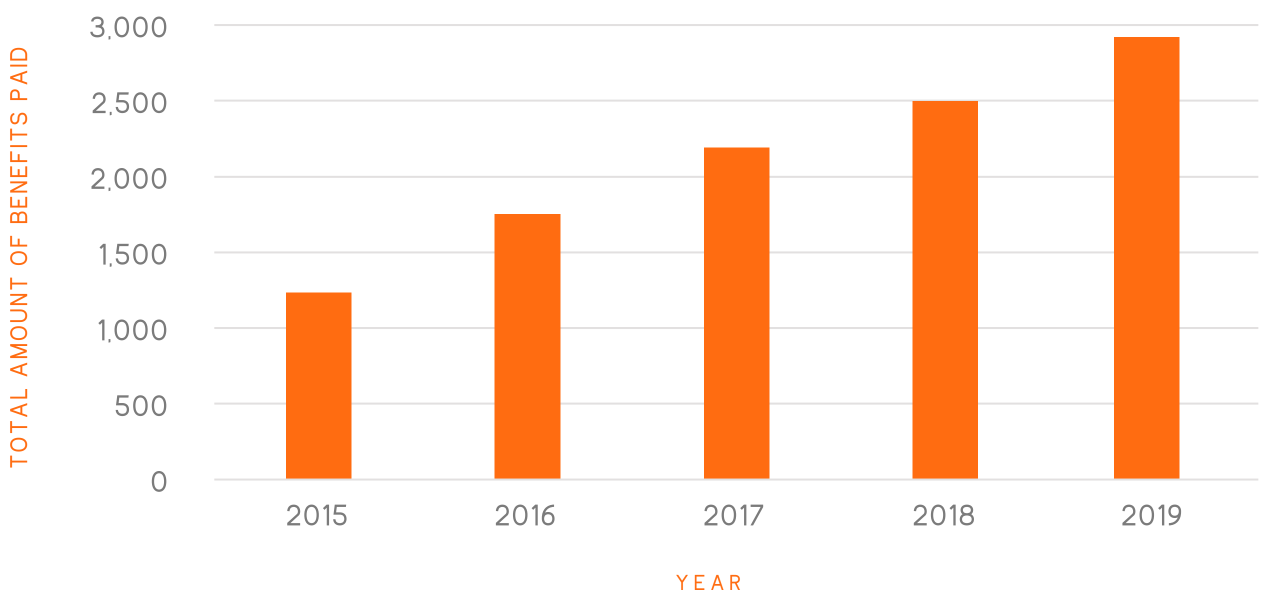
2.1 Benefits Paid

An amount of **GH¢2,945.71 million** was paid as Social Security benefits in 2019. This represents an increase of **18.04%** over the 2018 amount of **GH¢2,495.45 million.** Of the 2019 total amount paid,**GH¢2,608.38 million,** representing **88.55%,** was paid as Pensions whilst **GH¢337.33 million,** which represents **11.45%,** was paid as Lumpsums. Benefit paid from 2015 to 2019 are presented in Table 11.

Table 11: 5-year Trend of Benefits Paid

Year	Claim Type		(GH¢'m)	% Change
	Old Age/Invalidity Pension (GH¢'m)	Lumpsums (GH¢'m)		
2015	1,116.77	118.98	1,235.75	31.29
2016	1,458.39	290.44	1,748.83	41.52
2017	1,853.36	336.12	2,189.48	25.20
2018	2,194.07	301.38	2,495.45	13.97
2019	2,608.38	337.33	2,945.71	18.04

Chart 8: 5-year Trend of Benefits Paid



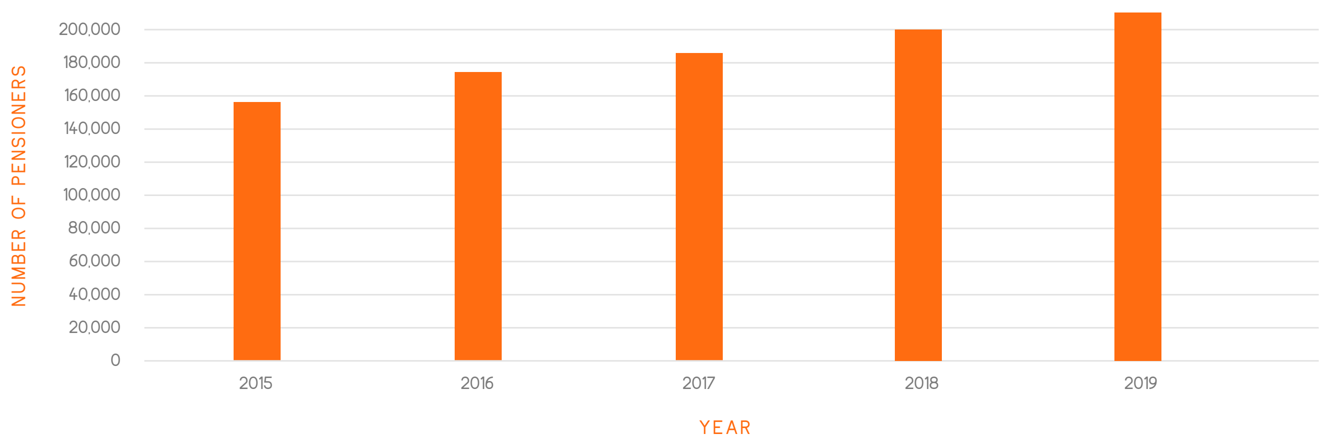
2.2 Number of Pensioners

At the end of 2019, the total number of Pensioners on the SSNIT Pension payroll stood at **215,850** representing an increase of **7.93%** over the **200,000** Pensioners on the Payroll as of December 2018. Pensioner population from 2015 to 2019 is represented in Table 12 and Chart 9.

Table 12: Number of Pensioners (2015 – 2019)

Year	2015	2016	2017	2018	2019
Number of Pensioners	156,262	174,164	189,549	200,000	215,850
% Change	9.98	11.46	8.83	5.51	7.93

Chart 9: 5-year Trend of Number of Pensioners



3.0 Investments

3.1 Investment Policy Objectives

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

The Trust's Investment Policy objectives include the following:

- Implementation of an Optimal Asset Allocation Policy.
- Maintaining a long-term Optimum Fund Ratio.
- Protection of the principal assets of the Scheme and the value of those assets.
- Achieving a Real Return on Investments (RROI) of at least +4.25% per annum.
- Attracting, training and retention of competent investment professionals.

In achieving these investment objectives, the Trust continues to be guided by the following basic principles that govern the investment of Social Security Funds:

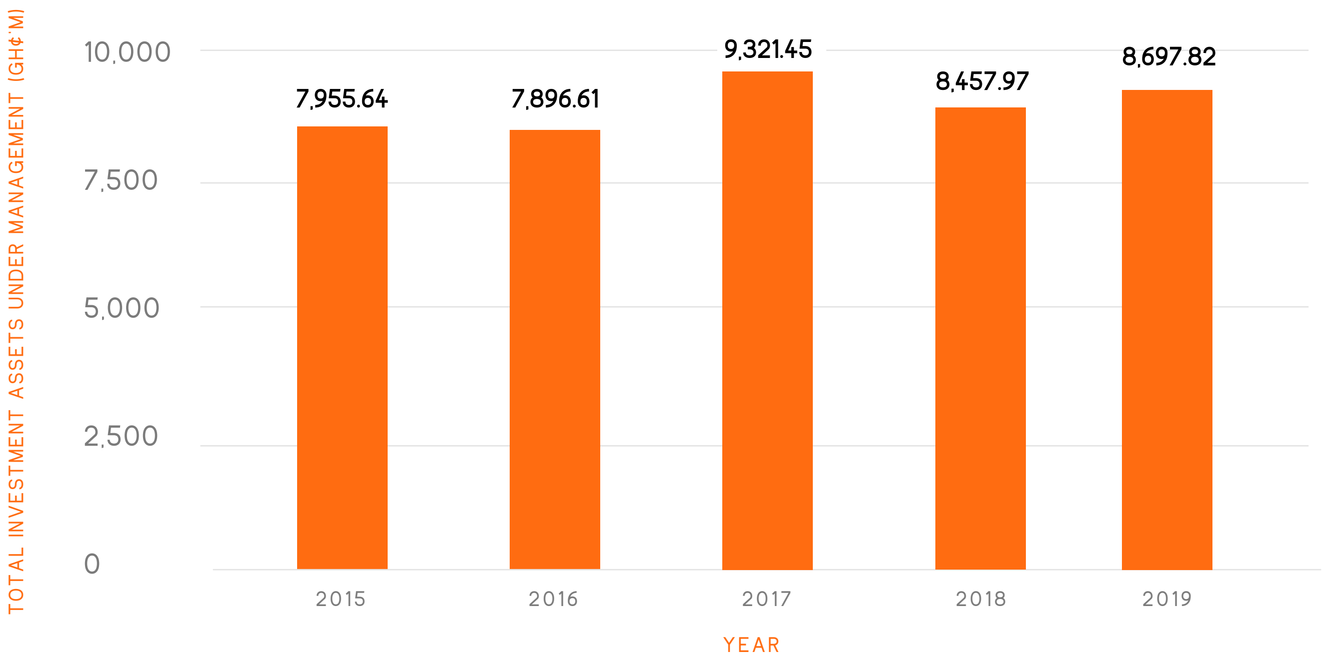
- Safety
- Yield
- Liquidity
- Diversification and
- Social/Economic Utility.

3.2 Investment Assets Under Management

The total investment portfolio of the Trust as at 31st December 2019 increased by **2.84%**, from **GH¢8,457.97 million** in 2018 to **GH¢8,697.82 million**. The increase was due to net gains on the Trust's commercial properties and fair value gains of some unlisted equities. The total portfolio value declined by **9.26%** or **GH¢863 million** between 2017 and 2018 due to impairment of some historical loans and bonds prior to the year 2017, with the adoption of the International Financial Reporting Standards (IFRS 9) for the first time in 2018. Notable amongst them are; RSS Developers Limited **(GH648 million)**, Aluworks **(GH¢68 million)**, NTHC-CTORs **(GH¢72 million)**, Makola Market Company **(GH¢64 million)** and Ghana Road Fund **(GH¢38 million)**.

Over the past five years, the Trust's Investment Portfolio has grown by **9.33%**, from **GH¢7,955.64 million** in 2015 to **GH¢8,697.82 million** in 2019, representing a compounded annual growth of **2.25%** over the period. The total investment assets from 2015 to 2019 are represented in Chart 10.

Chart 10: Total Investment Assets under Management (GH¢' Million) from 2015 to 2019



3.3 Composition of the Trust's Investment Portfolio

The Trust's Investment Portfolio comprises; Investment Properties, Equity Investments, Investment Securities, Loans and Receivables, and Student Loans. The composition of the Investment Portfolio for 2019 and 2018 are presented in Table 13 and Chart 11.

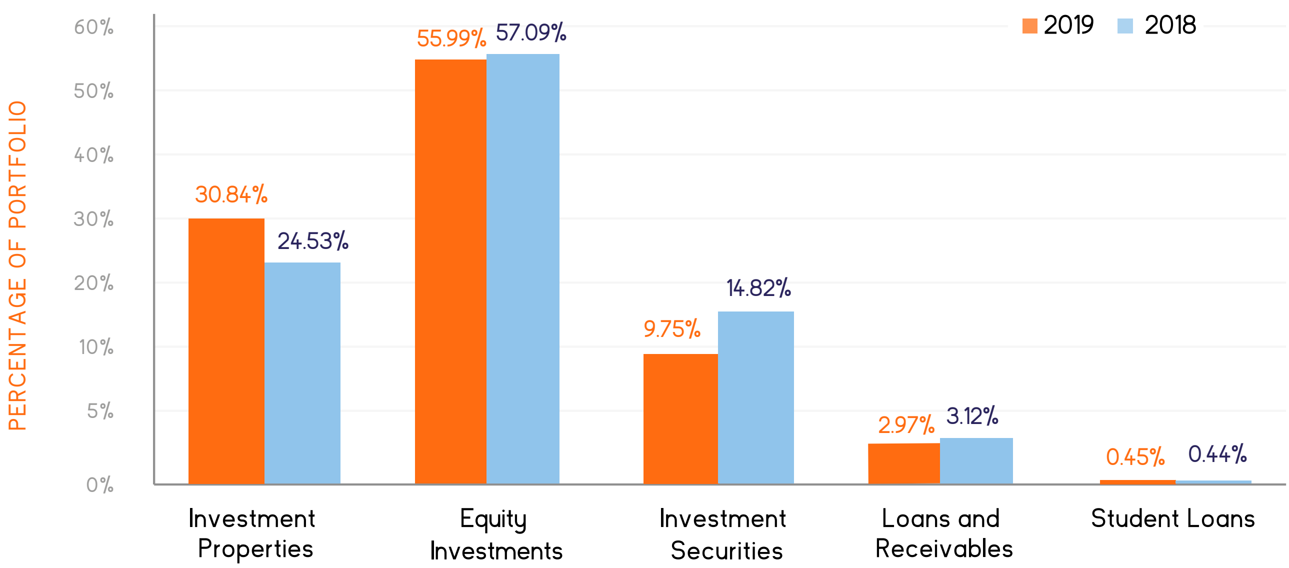
Table 13: Investment Portfolio Structure – 2019 and 2018

Investment Assets	Percentage of Portfolio	
	2019	**2018**
Investment Properties	30.84	24.53
Equity investments	55.99	57.09
Investment securities	9.75	14.82
Loans and receivables	2.97	3.12
Student loans	0.45	0.44
Total	**100.0**	**100.0**

The Investment Properties made up of commercial properties, real estate under construction and housing stock, increased from **24.53%** in 2018 to **30.84%** as at 2019 due to revaluation surplus of **GH¢444 million** realised on the Trust's commercial properties as well as acquisition of residential flats from Switchback Developers Limited and Trust F-line Properties Limited worth **GH¢59.9 million** and **GH¢37.2 million**, respectively. Additionally, the Trust made an additional investment of GH¢58.4 million in the Government of Ghana (GoG) affordable housing projects at Borteyman and Asokore-Mampong.

The Investment Securities consisting of bonds and short-term treasury instruments, decreased by 5.07 percentage points to **9.75%** in 2019 from **14.82%** in 2018 as a result of redemption of two 5-year bonds worth **GH¢450 million**, together with a reduction of the short-term treasury portfolio from **GH¢565.33 million** in 2018 to **GH¢248.36** as at 2019 due to increased benefits costs.

Chart 11: Investment Portfolio Structure – 2019 and 2018



This structure translates into three main Asset Classes per the Trust's Asset Allocation Policy namely; Equities, Fixed Income and Alternative Investments as presented in Table 14.

Table 14: Investment Portfolio by Asset Classes – 2019 and 2018

Assets Class	Percentage of Portfolio	
	2019	2018
Equities	52.52	53.10
Fixed Income	13.17	18.38
Alternative Investments	34.31	28.52
Total	**100.0**	**100.0**

The Asset Allocation Policy classification guides all investment strategies and activities. It also assists in the management and evaluation of the risks and returns of the Trust's investment decisions.

3.4 Portfolio Performance

Gross investment income for the year 2019 was **GH¢407.85 million**. This represents a decrease of **6.96%** compared to the 2018 figure of **GH¢438.37 million.** The nominal return for the year was **9.48%** compared to the prior year nominal return of **6.50%**.

A summary of the Investment Portfolio Performance for 2019 and 2018 is represented in Table 15.

Table 15: Investment Portfolio Performance - 2019 and 2018

Return on Investment (ROI)	2019	2018
Nominal Return	9.48%	6.50%
Average Inflation	8.68%	9.85%
Real Return (Actual)	0.74%	-3.05%
Real Return (Target)	4.25%	4.25%
Variance	-3.51%	-7.30%

The Portfolio posted a Real Return of **0.74%** in 2019. This was below the minimum Policy Benchmark of **4.25%** by **3.51%** compared to the 2018 Real Return of negative **3.05%**, which resulted in a decrease of **7.30%** below the policy benchmark.

Value added returns were generated across all asset classes except the listed equities sub-asset. The sub-asset posted a loss of negative **2.62%** in 2019, compared to a negative return of **0.02%** in 2018. The poor performance was due to price depreciation of some stocks in the SSNIT Stock Market Portfolio (SSMP) resulting from the weak performance of the Ghana Stock Exchange (GSE) in 2019.

The SSNIT Stock Market Portfolio (SSMP), which represents the aggregate value of SSNIT's holdings in companies listed on the stock exchange, recorded a return of **-5.62%** in 2019, outperforming the GSE return of **-12.25%** for the same period. The improved performance of financial sector stocks, to which the Trust is heavily exposed, weighed positively on the overall performance of the SSMP. The GSE Financial Stock Index (GSE-FSI), despite decreasing from **2,153.74** points in December 2018 to 2,019.65 points in December 2019, returned **-6.23%**, reflecting a better performance of financial stocks compared to the other sectors of the GSE-CI during the period.

3.5 Trend of Portfolio Returns

The three, five and ten-year geometric mean returns of the Trust's Investments presented in Table 16 represent the short, medium and long-term performances of the Investment Portfolio. The Portfolio's Real Return on Investment (RROI) underperformed the minimum Policy Benchmark of positive **4.25%** as indicated by the short and medium-term geometric mean returns, however, the long-term mean return outperformed the benchmark.

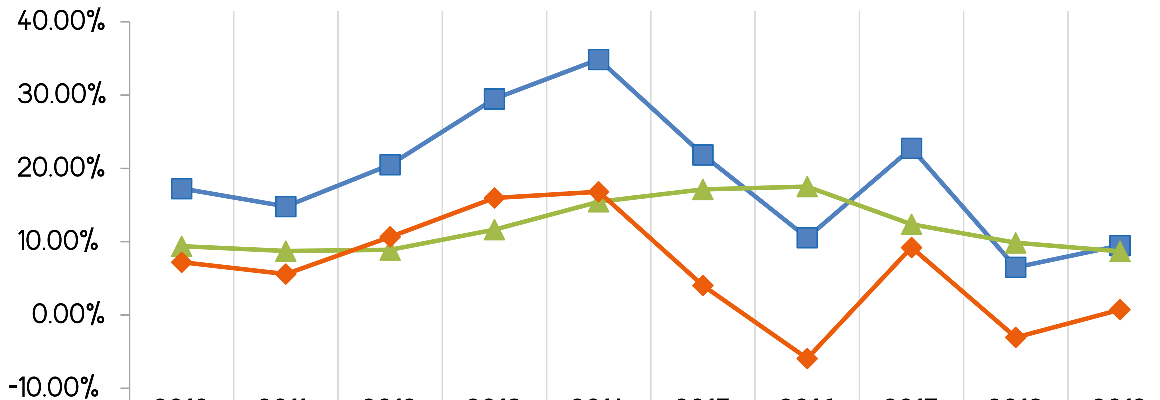
Table 16: Investment Portfolio Performance – Mean Portfolio Returns

Return On Investment (ROI)	3-Year Mean (2017 - 2019)	5-Year Mean (2015- 2019)	10-Year Mean (2010 - 2019)
Nominal Return (%)	12.69	14.03	18.50
Average Inflation (%)	10.29	13.05	11.92
Real Return (%)	2.18	0.86	5.88

According to the 2017 external actuarial valuation of the Scheme, at **4.25%** RROI, the Fund could be sustained till the year 2038 and at **1.00%** RROI, till the year 2037.

The trend of the Portfolio's performance over the 10-year period (2010 to 2019) is presented in Chart 12.

Chart 12: Investment Portfolio Performance from 2010 to 2019



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nominal return	17.25%	14.81%	20.50%	29.48%	34.86%	21.84%	10.55%	22.74%	6.50%	9.48%
Average Inflation	9.38%	8.73%	8.89%	11.65%	15.45%	17.13%	17.52%	12.38%	9.85%	8.68%
Real Return	7.20%	5.59%	10.67%	15.97%	16.81%	4.02%	-5.93%	9.22%	-3.05%	0.74%

3.6 Economic Developments & Macroeconomic Outlook for 2020

3.6.1 Global

The global economic landscape continued to be dominated by trade and geopolitical tensions, unresolved Brexit negotiations, and idiosyncratic stresses in key emerging market economies. Intensifying social unrest in several countries posed new challenges, as did weather-related disasters. These weighed heavily on global economic activity, estimated at 2.9% for 2019, the lowest level since the 2008 to 2009 global financial crisis. The advanced economy group slowed broadly as anticipated, mostly reflecting softer growth in the United States.

Growth across emerging market economies such as India, Mexico and South Africa was also weaker than expected, due to country-specific shocks weighing on domestic demand. Growth however, appeared to pick up towards the year-end as high frequency indicators for the fourth quarter tentatively suggested stabilization at a sluggish pace, aided by the broad-based shift toward accommodative monetary policy and fiscal easing in some countries, earlier in the year.

Temporary factors that had slowed global manufacturing appeared to fade while service sector activity on the other hand, grew at a weaker pace, supported by still-resilient consumer spending.
The early signs of stabilization reinforced financial market sentiments already shored-up by central bank rate cuts. Equities were up in large advanced economies during the fourth quarter, while core sovereign bond yields rose from their September low, and portfolio flows to emerging market economies strengthened, particularly to bond funds. Currency movements in the last quarter reflected the general strengthening of risk sentiment and reduced trade tensions.

Global growth is projected to increase to 3.3% in 2020 and 3.4% in 2021. Across advanced economies, growth is projected to stabilize at 1.6% in 2020 to 2021, mostly due to downward revisions for the United States, Euro area, the United Kingdom, and other advanced economies in Asia. For the emerging market and developing economy group, growth is expected to increase to 4.4% in 2020 and 4.6% in 2021, reflecting a combination of projected recovery from deep downturns for stressed and underperforming emerging market economies, and ongoing structural slowdown in China which could be made worse by emerging public health concerns in the country. In sub-Saharan Africa, growth is expected to strengthen to 3.5% in 2020 to 2021, up from 3.3% in 2019.

Risks to the outlook still border on rising geopolitical tensions that can weaken financial market sentiments. Though it is early yet, news of a strange disease spreading out of China and now confirmed to be of the coronavirus family, if not properly managed, could pose serious health risks with detrimental consequences for the global economy.

(January 2020 Update of the IMF World Economic Outlook Report)

3.6.2 Domestic

Ghana's economy started off slower in 2019, following the reduced growth momentum that characterized the fourth quarter, 2018. The declining trajectory persisted till the third quarter, with a growth outcome of 5.6% compared to 7.4% in the third quarter of 2018. Indicators of economic activity for the fourth quarter of 2019, however showed strong trends, supported by increased oil and gold production, and the sustained implementation of growth-oriented government flagship projects in the services and agricultural sectors. Consumer confidence rebounded strongly, helped by the festive season, while businesses remained fairly optimistic about industry prospects.

Strong growth in monetary aggregates reflected significant pickup in aggregate demand, resulting from increased private sector credit and improved lending capacity of banks. The economic acceleration in the fourth quarter helped to push the growth outturn for 2019 to 6.5%, beyond the 2018 growth outturn of 6.3%. Going into the year 2020, growth is expected to be driven by an expanding services sector, and supported by industry and agriculture, as government implements the next phase of its flagship programmes. Major risk to the outlook is the emerging health concern in China which scientists warn, can degenerate into a global health crisis if not contained.

3.6.2.1 Inflation

Headline Inflation trended within the Central Bank's target band of 8(±2)% during the period with mounting underlying inflationary pressures. The year saw changes made to the Consumer Price Index (CPI) reference year and items tracked, with the revised rates taking effect from August 2019, at 7.8%. Thus, inflation broadly declined from 9.0% in January to 7.9% in December 2019, compared to 10.3% in January 2018, and 9.4% in December 2018.

Inflation is expected to remain elevated in 2020 as the weaker Ghana Cedi continues to drive consumer prices. However, with fiscal consolidation taking place at a relatively slow pace, inflation may likely edge towards the upper band of the target range, in the first few months of 2020.

3.6.2.2 Monetary Policy Rate

The Monetary Policy Rate (MPR) remained unchanged at 16.0% throughout 2019, reflecting considerable improvements in macroeconomic fundamentals, fairly balanced risks to the inflation and growth outlook, and benign global financing conditions.

The Bank of Ghana is expected to maintain its current monetary policies to keep the lid on rising inflationary pressures while stimulating growth, strengthened by government's aggressive expansion plans to significantly reduce import dependence.

3.6.2.3 Exchange Rate

On the currency market, the Ghana Cedi generally depreciated against its major trading currencies but at a relatively slower pace until the last quarter, reflecting calmer global conditions, stronger macro fundamentals, sharp decline in oil prices and increased Bank of Ghana forex sales to banks to support coupon and principal repatriation. Increased demand in the fourth quarter however, weakened the Cedi further to end the year 2019 at GH¢5.54 to the US Dollar, GH¢6.16 to the Euro and GH¢7.26 to the Pound Sterling compared to GH¢4.81 to the US Dollar, GH¢5.48 to the Euro and GH¢6.10 to the Pound Sterling in 2018, indicating a depreciation of 13% in respect of the US Dollar, 11% in respect of the Euro and 16% in respect of the Pound Sterling in 2019, compared to depreciation of 8%, 3% and 2% respectively in 2018.

The trend of the local currency is expected to continue into the year 2020, with a slowly paced depreciation helped by anticipated external borrowings, stabilizing global financial conditions, and strong domestic macroeconomic fundamentals.

3.6.2.4 Money Market Rates

Money market rates increased across the various maturities of the yield curve in 2019, with the 91-day, 182-day, and 364-day Treasury bills ending the year at 14.69%,15.15% and 17.88% respectively, compared to the December 2018 rates of 14.56% for 91-day, 15.02% for 182-day and 15.0% for the 364-day bills. For the banking sector, the weighted average interbank lending rate declined to 15.2% in December 2019, from 16.1% in December 2018. This led Commercial Banks to reduce lending rates marginally to 23.6% in December 2019, from 23.9% in December 2018.

Rates on money market instruments are expected to remain fairly stable in 2020, following expectations of reduced government dominance in the credit market. This will free up funds for private sector lending and help drive down commercial banks' lending rates.

3.6.2.5 Ghana Stock Exchange (GSE)

The Stock market performance declined as the Composite Index contracted by 12.3% or 315 points during the year 2019 to close at 2,257.2 points, from 2,572.2 points in December 2018. This was mainly on account of weak performance in the Finance, Agriculture, Distribution, Information Technology and Food & Brewery sectors. Total market capitalization decreased by 7.0% or GH¢4.3 billion, from GH¢61.1 billion in December 2018 to GH¢56.8 billion in December 2019.

The declining prices of some stocks on the Exchange may likely deepen in 2020 as deflated investor sentiments continue to induce discounted stock trading as they seek to cash out. Stock Market activity is thus expected to remain bearish.

(Source: Bank of Ghana, Ghana Statistical Service, Ghana Stock Exchange)

3.7 SSNIT Investment Governance

A key governance instrument for the Trust's investments has been the implementation of a Board-approved Asset Allocation Policy and Investment Guidelines. The Trust will fully implement the reviewed Investment Guidelines and Asset Allocation Policy approved in September 2019 by the Board of Trustees.

The policy document guides the Trust and ensures prudent investments to achieve both short and long-term returns, sufficient to meet the funding objective of the Scheme and to optimize returns within identified risk parameters in a prudent and cost-efficient manner, while ensuring that regulatory compliance is met.

4.0 Conclusion

The Trust continued to review its investment portfolio in line with the newly approved investment policy & guidelines to achieve its short-to-medium-term investment objectives. We will continue the efforts being made to rebalance the investment portfolio by placing more funds in long-dated Government Tradeable Bonds in line with matching our assets with our liabilities.

Additionally, timely investment decisions and implementation of related actions would be pursued to address some of the challenges faced, especially with investee companies that tend to be a drag on the performance of the unlisted equities sub-asset class, in particular, and the total investment portfolio, as a whole.

Equity Holding in Companies

Listed Companies

FINANCE/INSURANCE	
1	CAL BANK LIMITED
2	ECOBANK GHANA LIMITED
3	ECOBANK TRANSNATIONAL INCORPORATED
4	ENTERPRISE GROUP LIMITED
5	GCB BANK LIMITED
6	REPUBLIC BANK (GHANA) LIMITED
7	SIC INSURANCE COMPANY LIMITED
8	SOCIETE GENERALE GHANA LIMITED
9	STANDARD CHARTERED BANK GHANA LIMITED

BREWERY/ PHARMACEUTICALS	
1	DASPHARMA LIMITED
2	FANMILK LIMITED
3	GUINNESS GHANA BREWERIES LIMITED

MANUFACTURING /TRADING	
1	ALUWORKS LIMITED
2	UNILEVER GHANA LIMITED

AGRIC/AGRO PROCESSING	
1	BENSO OIL PALM PLANTATION LIMITED
2	COCOA PROCESSING COMPANY LIMITED
3	PRODUCE BUYING COMPANY LIMITED

METALS/OIL	
1	ANGLOGOLD ASHANTI
2	GHANA OIL COMPANY LIMITED
3	TOTAL PETROLEUM GHANA LIMITED
4	TULLOW OIL PLC

INFORMATION & COMMUNICATION TECHNOLOGY	
1	MTN GHANA

Unlisted Companies

BANKING/FINANCE HOUSES	
1	BAYPORT SAVINGS AND LOANS COMPANY
2	CDH FINANCIAL HOLDINGS LIMITED
3	FIDELITY BANK LIMITED
4	GHANA INTERNATIONAL BANK PLC
5	NATIONAL TRUST HOLDING COMPANY LIMITED
6	UNIVERSAL MERCHANT BANK LIMITED

MANUFACTURING/ENERGY	
1	BESSBLOCK CONCRETE PRODUCTS LIMITED
2	CENIT ENERGY LIMITED
3	GHANA AGRO FOODS COMPANY
4	SENTUO STEEL LIMITED
5	TEMA LUBE OIL COMPANY LIMITED

REAL ESTATE	
1	BROLL GHANA LIMITED
2	CCL PROPERTIES MANAGEMENT LIMITED
3	GHANA HOSTELS LIMITED
4	GULF CONSOLIDATED LIMITED
5	WEST HILLS MALL LIMITED

HOSPITALITY/SERVICES	
1	ACCRA CITY HOTELS LIMITED
2	AFRICA WORLD AIRLINES
3	GOLDEN BEACH HOTELS LIMITED
4	GRAND REGENCY HOTEL
5	HOTEL INVESTMENTS GHANA LIMITED
6	INTERCITY STC COACHES LIMITED
7	MMC PROPERTY MANAGEMENT COMPANY LIMITED
8	RIDGE ROYAL HOTEL LIMITED

Unlisted Companies

9	SIMNET GHANA LIMITED
10	SSNIT GUEST HOUSE LIMITED
11	TRUST HOSPITAL LIMITED
12	TRUST LODGE, TAKORADI
13	TRUST LOGISTICS LIMITED

UNDER RESTRUCTURING	
1	FOS ALUMINIUM LIMITED
2	SUBRI INDUSTRIAL PLANTATION LIMITED

OUT OF OPERATION - SSNIT EITHER EXITING OR ABOUT TO EXIT	
1	BMK PARTICLE BOARD LIMITED
2	BRIDAL TRUST INTERNATIONAL PAINTS COMPANY LIMITED
3	GRANITE AND MARBLES COMPANY LIMITED
4	NINGO SALT LIMITED
5	TRUST SALAGA MARKET LIMITED
6	WHOLESALE MICROFINANCE FACILITY (PRIVATE EQUITY)

WORK IN PROGRESS	
1	RSS DEVELOPERS LIMITED
2	SWITCHBACK DEVELOPERS LIMITED
3	TRUST F-LINE PROPERTIES LIMITED
4	WESTHILLS RIDGE COMPANY LIMITED

PRIVATE EQUITY FUNDS	
1	CANADA INVESTMENT FUND FOR AFRICA LP (CIFA)
2	EMERGING CAPITAL PARTNERS FUND III PCC (ECP III)
3	FIDELITY EQUITY FUND II (FEF II)
4	PAN AFRICAN INFRASTRUCTURE DEVELOPMENT FUND (PAIDF)

ECONOMICALLY TARGETED INVESTMENTS	
1	ACCRA ABATTOIR COMPANY LIMITED
2	EXIMGUARANTY COMPANY GHANA LIMITED
3	GHANA INDUSTRIAL AND COMMERCIAL ESTATES LIMITED
4	METRO MASS TRANSIT LIMITED
5	KUMASI ABATTOIR COMPANY LIMITED
6	TRUST SPORTS EMPORIUM LIMITED

Report of the Trustees

The Trustees submit their report together with the audited Financial Statements of Social Security and National Insurance Trust for the year ended 31 December 2019.

1.0 The Trust and the Scheme

The Trust

The Social Security and National Insurance Trust (The Trust) manages and operates the Basic National Social Security Scheme in accordance with 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 Trustees' 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 Scheme

The Basic National Social Security Scheme is the first of a 3-Tier Pension Scheme established by the National Pensions Act, 2008 (Act 766).

The other tiers are:

Tier 2 - A mandatory fully funded and privately managed Occupational Pension Scheme.

Tier 3 - A voluntary fully funded and privately managed Provident Fund and Personal Pension Plan.

The Basic National Social Security Scheme is a Defined Benefit Social Insurance Scheme under which members contribute during their working life and receive monthly pension in the event of Old Age, Invalidity, or in the case of Death, the members' dependants receive a Survivor's Lump Sum Benefit.

Contributions and other Features

- The worker contributes 5.5% of monthly basic salary.
- The employer contributes 13% of the worker's monthly basic salary.
- The minimum contribution shall be 18.5% of the approved monthly equivalent of the national daily minimum wage.
    - 2.5% is transferred to the National Health Insurance Fund for provision of medical insurance.
    - 5% is paid to Tier 2.
- SSNIT effectively withholds 11% for the administration of the first tier of the contributory three-tier scheme.
- The minimum contribution period shall be 180 months (15 years) in aggregate. This minimum contribution period would have come into effect in 2015, however, the amended Act 883 extended it to 2020.

- The new minimum age at which a person may join the Basic National Social Security Scheme is 15 years and the maximum is 45 years.
- A fifteen year annuity period is guaranteed.
- Pensions are paid monthly to qualified members.
- The Pension benefits are earnings-related and based on a formula prescribed in the law governing the scheme. Other factors which affect the level of benefits are the age at which members apply for Old Age Pension and also how long a member contributes to the Scheme.
- The Pension paid will fall between 37.5% and 80% of the average of the three best years' salary depending on how long a member contributed to the Scheme at age 60 and the Scheme the member belongs to.
- Those unable to contribute up to the minimum 180 months under Act 766 or 240 months under Act 247, receive a return of their contributions accumulated at a prescribed interest rate.
- A member can opt for early retirement between ages 55 and 59 and receive a reduced pension.
- Pensions are reviewed annually based on the changes in the average wage of contributing members and other economic indicators.
- Pensioners of the Scheme are made up of those on Old Age and Invalidity Pension who receive monthly benefits through their bank accounts.

Benefits

OLD AGE RETIREMENT PENSION

Old Age Pension is paid monthly to a retired member of the Scheme. The member who retires at age 60, which is the compulsory retirement age, and has contributed for not less than 180 or 240 months in aggregate depending on the Scheme the member belongs, is entitled to full pension.

* Where a member of the social security scheme has made less than fifteen years contribution to the Fund before the member retires either compulsorily or voluntary, the member is entitled to a lump sum of money equal to the member's contribution as benefit; and an interest of seventy-five percent at the prevailing government treasury bill rate on the lump sum.

INVALIDITY PENSION	Invalidity Pension is paid monthly to a member who is totally incapable of earning a living through working. The member must have contributed for 12 months within the last 36 months preceding the incidence of the invalidity.
SURVIVORS' LUMP SUM BENEFIT	Survivor's Lump Sum Benefit is paid in a lump sum to the nominated dependants of a member upon his/her death. This could happen when the member dies whilst in service or during retirement but not after age 75 or 72 years depending on the Scheme the member belongs.
EMIGRATION BENEFIT	A non-Ghanaian member of the scheme satisfies the Trust that he or she is emigrating or has emigrated permanently from Ghana, he or she shall be paid a lump sum benefit. Where the member qualifies for pension, the present value of the member's pension shall be paid as lump sum benefit. Where the member does not qualify for a pension, a return of contribution together with interest calculated at seventy-five percent of the interest rate of the ninety-one day Government treasury bill shall be paid as lump sum benefit.

2.0 Statement of Trustees' Responsibility

The Trustees are responsible for the preparation of the Financial Statements, for each financial year, that give a true and fair view of the state of affairs of the Trust. In preparing those Financial Statements, the Board of Trustees have selected suitable accounting policies that are reasonable and prudent. The Trustees believe in full disclosure and therefore adopt standard accounting practices (International Financial Reporting Standards) and ensure adequate internal controls to facilitate reliability of the Financial Statements.

The Trustees 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 Trustees are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board Chairman, Dr Kwame Addo Kufuor (middle) flanked by Managing Director of Sentuo Steel Company Limited, Mr Xu Ninquan (second left) and the Deputy Managing Director, Mr Eric Lin (left) with DD-G, Fin. & Admin., Mr Michael Addo (second-right) and GM, Investment and Development, Mr Samuel Twum (right)

DG, Dr John Ofori Tenkorang (seated, middle) with some SSNIT Executives and a delegation from Uganda

3.0 Corporate Governance

The Trust acknowledges the importance of, and is committed to, the principles of good corporate governance which include transparency and accountability.

The Board of Trustees is responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling the Trust's business.

The Board is assisted in the discharge of its duties by the undermentioned sub-committees which meet frequently in between Board meetings:

Finance & Investment Committee

This Committee reviews, advises and makes recommendations to the Board on financial accounting and treasury policies, corporate plans and budgets; and financial operations of the Trust.

It also advises and makes recommendations on major transactions, major acquisitions, divestments and property development.

The Finance and Investment Committee is made up of the following members:

Hon. (Mrs.) Abena Osei-Asare	Chairperson
Mr. Prince William Ankrah	Member
Mr. David Ofori Acheampong	Member
Mr. Daniel Acheampong	Member
Mr. Benjamin Asumang	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

Audit Committee

This Committee provides oversight of risk management activities, audit processes and reviews audit reports and the Trust's risk portfolio.

It evaluates the integrity of the financial management system and accuracy of the Trust's financial reports, as derived from policies, guidelines and established procedures and makes recommendations to the Board.

Other functions of the Committee are to co-ordinate, monitor and facilitate compliance with existing laws, rules and regulations.

The Audit Committee is made up of the following members:

Mr. Benjamin Asumang	Chairman
Mr. Alex Frimpong	Member
Mr. David Ofori Acheampong	Member
Naba (Alhaji) M. A. Azonko	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

Administration, Welfare & Legal Committee

This Committee evaluates Human Resource policies, reviews remuneration systems and considers issues relating to discipline of senior management personnel.

The Committee reviews policies for the acquisition, maintenance, security and disposal of physical assets of the Trust. In addition, it evaluates and make proposals to the Board on key legal strategies required to be implemented.

The Administration, Welfare and Legal Committee is made up of the following members:

Mr. Alex Frimpong	Chairman
Naba (Alhaji) M. A. Azonko	Member
COP (Mrs.) Beatrice Vib-Sanziri	Member
Mr. Joshua Ansah	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

Technical & Operations Committee

This Committee evaluates and makes recommendations to the Board on policies for ensuring the solvency of the Social Security Scheme. It also develops policies and guidelines for assessment of benefits adequacy, service delivery improvements, initiatives, and strategies for expansion of the Scheme.

The Technical and Operations Committee is made up of the following members:

Mr. Prince William Ankrah	Chairman
Mr. David Ofori Acheampong	Member
Mr. Joshua Ansah	Member
COP (Mrs.) Beatrice Vib-Sanziri	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

All the above mentioned Sub Committees have met regularly and submitted appropriate reports to the Board of Trustees.

4.0 Membership of the Scheme

	2019	2018
Membership as of 1st January	5,090,137	4,847,327
New members	296,269	281,311
	5,386,406	5,128,638
Exits from the Scheme	(35,881)	(38,501)
Membership as of 31st December	5,350,525	5,090,137

The above represents the registered membership of the Scheme. The active membership, however stood at 1,625,255 (2018: 1,533,942) as of 31 December 2019.

5.0 Pensioners

During the year, the number of pensioners increased from **200,000 to 215,850.**

6.0 Actuarial Valuation

It is the policy of the Trust to arrange for an external actuarial valuation of the Scheme every three years. The latest actuarial review of the Scheme, as of 31 December 2017, concluded that, the SSNIT Scheme is not financially sustainable over the period covered by the projections from the report.

7.0 Finance

The Basic National Social Security Scheme which the Trust manages is a Defined Benefit Partially Funded Scheme and uses a scaled-premium method of financing. The Scheme is financed through the combined contributions of employees and employers as well as investment income.

Under the scaled-premium method of financing, a contribution rate is determined so that the contributions and investment income are adequate to meet the expenditure on benefits and administration over a specified period of equilibrium. When the total income is no longer sufficient to cover the total expenditure during the period, the contribution rate is raised to a new scaled-premium for another period of equilibrium starting from that year.

A significant portion of the benefits are derived from investment income. The choice of scaled-premium and the accumulation of reserves that such a choice permits, helps to minimize unfunded liabilities thereby reducing the necessary inter-generational transfers common to schemes that use the pay-as-you-go financing method.

The National Pensions Scheme uses a reduced combined contribution rate of 11.0% to finance benefits. This has resulted in a reduction of the investible funds needed to grow the Scheme's reserves and will therefore reduce the equilibrium period.

8.0 Investments

The Trust is the only legally authorised institution to operate the mandatory Basic National Social Security Scheme in Ghana and consequently has the responsibility, amongst others, for investing the Scheme's resources in order to fulfil 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, service sectors, and residential and commercial properties.

The investment portfolio is mostly locally based and structured into short, medium and long-term investments. The main categories of the investments are stocks, bonds, equities, residential and commercial properties, loans and short-term cash deposits.

Delegates from Tullow Oil PLC and Tullow Ghana Limited in a group picture with the D-G, and some leaders of the SSNIT Investment Division

The composition of the Scheme's investment portfolio and returns as at 31 December 2019 and 2018 were as follows:
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	2019		2018	
	Portfolio	Rate of Return	Portfolio	Rate of Return
	%	%	%	%
Investment Properties	30.84	27.27	24.53	10.35
Equity investments	55.99	(1.89)	57.09	1.75
Investment securities	9.75	18.29	14.82	18.99
Loans and receivables	2.97	9.91	3.12	3.21
Student loans	0.45	11.62	0.44	11.65
	100.00		100.00	

Investment properties
These are long term investments and carried at market values determined periodically. Investment properties are not subject to depreciation.

Equity investments
This relates to investments in listed and unlisted equities.

Investment securities
This relates to bonds, treasury bills and fixed deposits.

Loans and receivables
Represent advances to companies less related impairment allowance.

By order of the Board of Trustees:

Trustee:
15/12/2021

Director-General:
15/12/2021

SSNIT

SOCIAL SECURITY AND NATIONAL INSURANCE TRUST SSNIT

Your satisfaction is what drives us.

That is why at SSNIT, we have transformed our service delivery to give you a great experience.

Enjoy delightful service, anytime you visit our branches and offices.

Contact Centre: **0302 611 622**
Whatsapp and SMS only (DG's Office Direct): **0500 003 050**
Toll Free: **0800 1100 94 (Vodafone only)**

Email: **contactcentre@ssnit.org.gh**
Website: **www.ssnit.org.gh** | **@ssnitghana**
Digital Address (Pension House): **GA-107-4293**

We deliver on our promise!

External Actuarial Valuation Report

Actuarial opinion

This report was prepared as requested under Article 53 of the National Pensions Act 2008, Act 766. In our opinion:

- the data on which this report is based are sufficient and reliable although there are some aspects related to the reconciliation of the data and the mortality rates which create some uncertainties;
- the assumptions used are, individually and in aggregate, reasonable and appropriate; and
- the methodology employed is appropriate and consistent with accepted actuarial practice.

Based on the results of this valuation, we hereby certify that the SSNIT scheme is not financially sustainable over the period covered by the projections in this report. This means that in considering applicable financing rules and the future demographic and economic environment in which it will operate, the current assets of the SSNIT scheme, together with future contributions, will not be sufficient to pay all future benefits and administrative and operational expenses over the period covered by the projections in this report.

This report has been prepared, and our opinions given, in accordance with internationally accepted actuarial practice as provided by the *International Standard of Actuarial Practice 2: Financial Analysis of Social Security Programs*.

20 October 2020

Georges Langis, FSA, FCIA
Actuary
ILO external collaborator

Alexandre Landry, FSA, ACIA
Actuary
ILO external collaborator

André Picard, FSA, FCIA
Chief Technical Adviser
Head of Actuarial Services Unit
ILO Social Protection Department

Independent Auditor's Report

Opinion

We have audited the Financial Statements of Social Security and National Insurance Trust (SSNIT) which comprise; the Statement of net assets available for benefits as of 31 December 2019, the Statement of changes in net assets available for benefits and Statement of cash flows for the year then ended, and notes to the Financial Statements as set out on page 50 to 91 including a summary of significant accounting policies and other explanatory notes.

In our opinion, the Financial Statements present fairly, in all material respects, the Statement of net assets available for benefits of Social Security and National Insurance Trust as of 31 December 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the Financial Statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the current period. These matters were addressed in the context of our audit of the Financial Statements and informing our opinion thereon and we do not provide a separate opinion or conclusion on these matters.

Key Audit matter	How it was addressed
Cash and cash equivalents	
Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with banks and short term investment with an original maturity of three months or less. Bank reconciliation has been identified as a key audit matter due to the deployment of Oracle Auto Reconciliation which has led to significant unreconciled transactions.	Our procedures included the following: Understanding and evaluating the flow of information, on technology (IT) systems and the controls and the Interface of the Operating Business Suit (OBS) to the Oracle System and linkage of the systems to bank accounts by involving our IT audit specialists. Identifying the significant risks associated with auto reconciliation systems and designing specific procedures to address the risks identified. Performed procedures including: A Obtaining and reviewing bank reconciliation statements for all bank accounts for December 2019 and test the following; ↘ Ensuring that the bank statements and cash book balances agree with balances stated on the reconciliation statements. ↘ Identifying long outstanding unreconciled transactions (transactions unreconciled for more than six months). ↘ Ensure there were sign-offs by preparer, reviewer and approver as evidence of proper review performed. B As compensating control, we reviewed bank reconciliation statements prepared at the sample branches. C We circularized all the banks and reviewed their responses. D We further assessed the adequacy of disclosures in respect of Cash and Cash Equivalents by reference to the applicable accounting standards. We found that manual and IT controls were designed, however, these controls were not adequately implemented and did not operate effectively throughout the year. Our substantive procedures revealed that even though there were long outstanding unreconciled transactions with the system auto-reconciliations process, reconciliations were being carried out at the various sample branches, with no long outstanding unreconciled items. We were thereafter satisfied that the Bank balances were stated fairly.

Other matters

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Unreconciled Transactions

The Trust deployed an Oracle Financial System in 2016 with an auto bank reconciliation functionality. However, incomplete interfacing of the Oracle Systems with the Operating Business Suit (OBS) of the Trust, as at 31 December 2019, has not permitted the Trust to completely reconcile the Bank accounts balances to the General Ledger (GL) balances.

Other Information

The Trustees are responsible for the other information. The other information comprises the Trustees' Report and Actuary Opinion. The other information does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

We also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be brought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

JOHN GODFRED KOJO ADDISON
DEPUTY AUDITOR- GENERAL/CAD
for: AUDITOR-GENERAL

Date: 30/11/ 2021

Statement of Net Assets available for Benefits as of 31st December 2019

Statement of Net Assets

	NOTE	2019 GH¢'000	2018 GH¢'000
Non-current assets			
Property, plant & equipment	4	1,020,578	515,792
Intangible asset - Computer software	4c	23,938	35,612
Investment properties	5a	2,582,018	2,071,550
Investment in Subsidiaries	5e	75,453	114,682
Non-current financial assets	6a	5,657,637	5,670,913
		9,359,624	8,408,549
Current assets			
Housing stock	9	100,122	2,969
Inventories	8	3,498	2,902
Current financial assets	6b	449,650	736,700
Prepayments and advances	6c	35,384	40,971
Cash and bank balances	7	16,050	68,902
		604,704	852,444
Current liabilities			
Accounts payable	10	(859,136)	(421,581)
Ghana Education Trust Fund	11	(26,418)	(26,418)
		(885,554)	(447,999)
Net current assets		(280,850)	404,445
Total assets less current liabilities		9,078,774	8,812,994
Represented by			
Net assets at 1 January		8,812,994	9,833,271
Current year movement		265,780	(381,625)
Impact of adopting IFRS 9		-	(638,652)
Net assets at 31 December available for benefits		9,078,774	8,812,994

The notes on pages 52 to 89 form an integral part of these Financial Statements.
The Financial Statements on pages 48 to 89 were approved by the Board of Trustees on **30th November 2021** and were signed on its behalf by:

.... **Trustee**

.... **Director-General**

Statement of Changes in Net Assets Available for Benefits for the Year Ended 31st December 2019

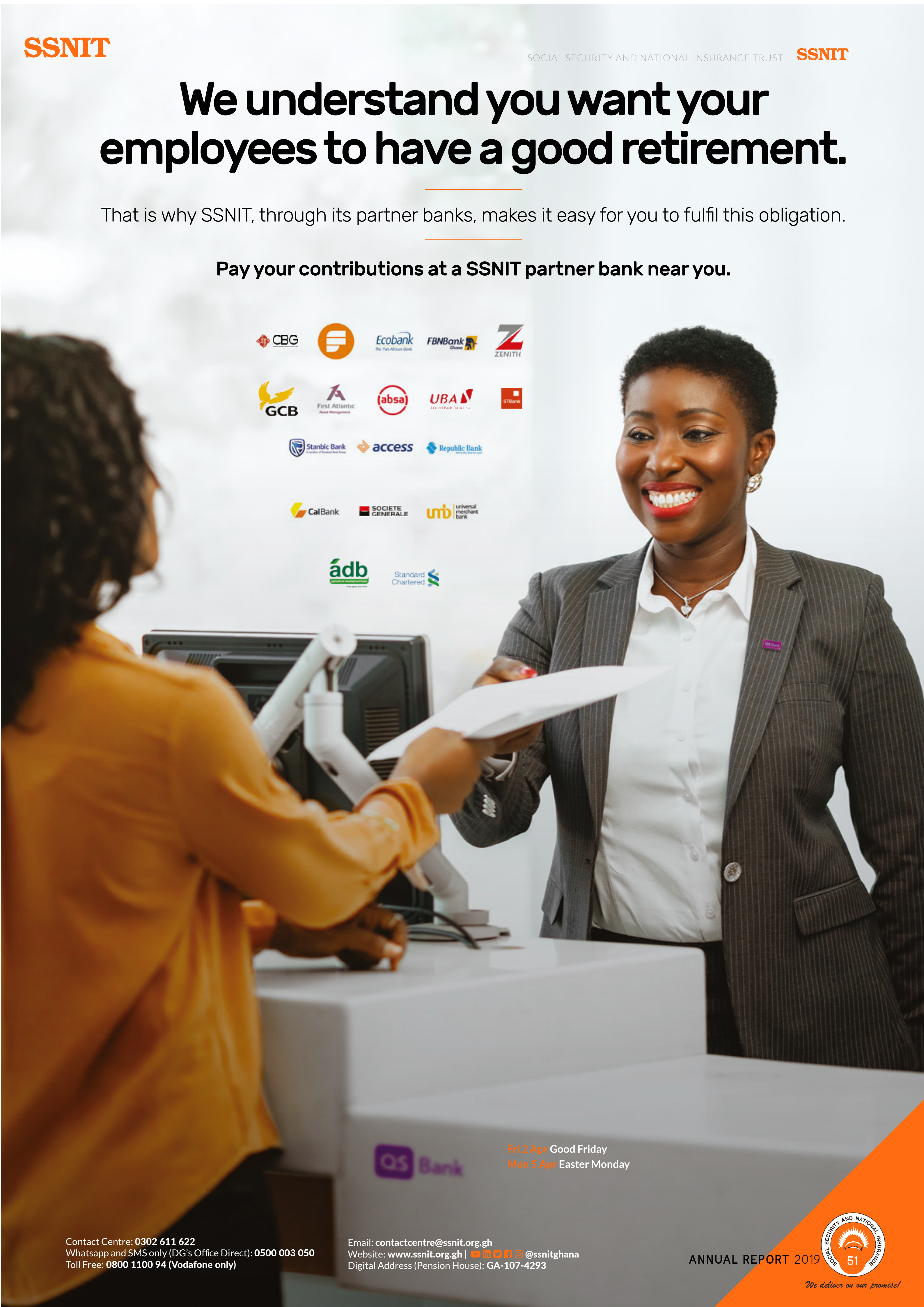
	NOTE	2019 GH¢'000	2018 GH¢'000
Operating Income			
Net Contributions received	13	2,466,286	2,213,493
Net investment income	14a	391,728	435,960
Other income	14b	78,977	41,014
Total Operating Income		2,936,991	2,690,467
Direct costs and expense			
Operational cost	15a	(222,171)	(195,463)
Benefits	15b	(2,945,708)	(2,495,447)
Total Direct costs and expense		(3,167,879)	(2,690,910)
Surplus of income over direct costs		(230,888)	(443)
Administrative expenses	16a	(270,966)	(289,045)
Net impairment (loss)/gain on financial assets	16b	28,904	(153,446)
Net surplus/(deficit)		(472,950)	(442,934)
Movement in net assets available for benefits			
Surplus of income over expenditure		(472,950)	(442,934)
Net increase in the value of investments	19	738,730	61,309
Net current year movement in net assets available for benefits		265,780	(381,625)

The notes on pages 52 to 89 form an integral part of these Financial Statements.

Statement of cash flows for the year ended 31st December, 2019

	NOTE	2019 GH¢'000	2018 GH¢'000
Operating activities			
Net surplus		(472,950)	(442,934)
Depreciation - Tangible assets	4	23,642	27,948
Amortisation - Intangible assets - Computer software	4c	11,674	46,369
Impairment loss/(gain) on financial assets		(28,904)	153,446
Profit/Loss on disposal of Fixed Assets		(328)	(162)
Other non-cash items		8,233	3,721
		(458,633)	(211,612)
Adjustment for movement in working capital			
(Increase)/Decrease in housing stock	9	(97,153)	-
(Increase) in inventories	8	(596)	251
(Increase) in current financial assets (more than 91 days but less than 1 year)		80,040	48,473
(Increase)/Decrease in prepayment		5,587	7,177
Increase in payables	10	437,555	97,577
(Increase)/Decrease in investment properties	5d	(66,524)	(75,995)
Decrease/(Increase) in Non-current financial assets		(107,146)	(66,044)
Net cash (used for) / generated from operating activities		(206,869)	(200,173)
Investing activities			
Purchase of property, plant & equipment	4	(53,468)	(104,864)
Purchase of intangible assets - Computer software	4c	-	-
Proceeds from the sale of property, plant & equipment		475	251
		(52,993)	(104,613)
Increase in cash and cash equivalent		(259,862)	(304,786)
Cash and cash equivalents at 1st January		496,988	801,774
Balance at 31st December		237,126	496,988
Analysis of cash and cash equivalent			
Current financial assets (Within 91 days)		221,076	428,086
Cash & bank balances		16,050	68,902
		237,126	496,988

The notes on **pages 52 to 89** form an integral part of these financial statements.


SSNIT
We understand you want your employees to have a good retirement.
That is why SSNIT, through its partner banks, makes it easy for you to fulfil this obligation.
Pay your contributions at a SSNIT partner bank near you.
CBG
Ecobank
FBNBank
ZENITH
GCB
First Atlantic
absa
UBA
GTBank
Stanbic Bank
access
Republic Bank
CalBank
SOCIETE GENERALE
umb universal merchant bank
adb
Standard Chartered
Fri 2 Apr Good Friday
Mon 5 Apr Easter Monday
Contact Centre: 0302 611 622
Whatsapp and SMS only (DG's Office Direct): 0500 003 050
Toll Free: 0800 1100 94 (Vodafone only)
Email: contactcentre@ssnit.org.gh
Website: www.ssnit.org.gh | @ssnitghana
Digital Address (Pension House): GA-107-4293

Notes to the Financial Statements

1.0 Corporate Information

The Social Security and National Insurance Trust (SSNIT) is a statutory public Trust established under NRCD 127 to administer Ghana's National Pension Scheme. The Social Security Law (PNDC Law 247) under which the current Social Security Scheme used to operate was passed in 1991. This was repealed by the National Pensions 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 SSNIT is presently the largest non-bank financial institution in the country. Its primary responsibility is to replace part of lost income to member workers due to Old Age, Invalidity, or Death through the administration of a Social Security Scheme. The principal activities of the SSNIT are described in the Report of the Trustees.

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

2.0 Basis of Preparation

2.1 Statement of Compliance

The Financial Statements of the Trust have been prepared in accordance with International Financial Reporting Standards (IFRS) and their 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 basis as modified to include fair valuation of specified investment properties, financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies. The Financial Statements are presented in Ghana Cedis (GH¢) and all values are rounded to the nearest thousand Ghana Cedis except when otherwise indicated.

2.3 Basis of Consolidation

The Trust is an investment entity and, as such, does not consolidate the entities it controls. Instead, interests in subsidiaries are classified as fair value through profit or loss, and measured at fair value. Investments in associates are also classified as fair value through profit or loss, and measured at fair value.

2.4 Use of Estimates and Judgment

The preparation of the Trust's Financial Statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of net assets available for benefits cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair Value of Investment Properties

The fair value of investment properties was assessed by accredited independent valuers with recognised and relevant professional qualifications, and with recent experience in the locations and category of the investment properties being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgment and not only relied on historical transactional comparables.

Fair Value of Investment in Private Equity Investment Funds

The Fund invests in private equity funds, which are not quoted in an active market and which may be subjected to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The Fund's investment Manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the Net Asset Value (NAV) of these funds may be used as an input into measuring their fair value.

Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Useful lives of property, plant and equipment

The residual values of property, plant and equipment are considered in the estimation of their useful lives and economic lives. The estimation of useful lives is based on historical performance as well as expectations about future use, and therefore, require a degree of judgement to be applied. The depreciation rates represent management's current best estimate of the useful lives of the assets.

Revaluation of Land and buildings

An external, independent valuer, having appropriate recognized professional qualifications and recent experience in the locations and category of property under consideration, valued the Trust's property. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

2.5 Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

3.0 Significant accounting policies

The significant accounting policies applied in the preparation of the Financial Statements are set out below.

3.1 Functional and Presentation Currency

The Financial Statements are presented in Ghana Cedis (GH¢), which is the Trust's functional and presentation currency and values are rounded to the nearest thousand (GH¢'000) except when otherwise stated.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. 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 Statement of changes in net assets.

3.2 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. However, where satisfactory payment arrangements have been concluded, contributions on behalf of Government workers are accrued.

The Contribution rates used are stipulated in the National Pensions Act, 2008 (Act 766) which stipulates the following rates:

Workers' contribution	5.50%	
Employers' contribution	13.00%	of Workers' Pay

Contributions are reported net of 2.5% transfer to the National Health Insurance Fund for provision of medical insurance.

Members who were 50 years and above in 2010 and did not opt for the National Pensions Act, 2008 (Act 766) still contribute 17.5% of their salary under the transitional period of 10 years.

3.3 Investment Income

Interest earned on investment securities is reported as interest income. Dividends received are included separately as dividend income. Investment income is reported net of management cost and impairment. Interest income is recognised for financial instruments (corporate loans) measured at amortised cost using the effective interest method. Financial Assets include debt securities which management intends to hold to collect contractual cash flows and are stated at amortised cost. They also include equity securities which are stated at fair value.

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 Statement of changes in net assets 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.

3.4 Benefits Paid

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

3.5 Financial instruments

Financial assets and liabilities are recognised in the Trust's statement of net assets available for benefits when the Trust becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs.

A Financial Assets

The Trust classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss based on both:

i. The entity's business model for managing the financial assets.
ii. The contractual cash flow characteristics of the financial assets.

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Trust measures financial assets at amortised cost only if both of the following conditions are met:

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

The details of these conditions are outlined below:

i. Business model assessment

The Trust determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.

- How Managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Trust's assessment.

ii. The solely payments of principal and interest (SPPI) test

As a second step of its classification process, the Trust assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Trust applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

iii. Financial assets measured at fair value through prof it or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases.

The Trust includes in this category:

- Equity instruments: Included within equity instruments are investments in subsidiaries and other equity investments.
- Investment in subsidiaries: in accordance with the exception under IFRS 10, the Trust does not consolidate subsidiaries in the Financial Statements unless the subsidiary is not itself an investment entity and its main purpose and activities are providing services that relate to the Trust's investment activities. The Trust has no consolidated subsidiaries. The Trust measures unconsolidated subsidiaries (including loans to subsidiaries) at FVPL.

B Impairment of financial assets

i. Overview of the ECL principles

The Trust has recorded the allowance for expected credit losses (ECL) for all debt financial assets not held at FVPL. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Trust has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.
Based on the above process, the Trust groups its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1:** When financial assets are first recognised, the Trust recognises an allowance based on 12m ECLs. Stage 1 financial assets also include facilities where the credit risk has improved and the financial asset has been reclassified from Stage 2.
- **Stage 2:** When a financial asset has shown a significant increase in credit risk since origination, the Trust records an allowance for the LTECLs. Stage 2 financial assets also include facilities, where the credit risk has improved, and the financial assets has been reclassified from Stage 3.
- **Stage 3:** Financial assets considered credit impaired. The Trust records an allowance for the LTECLs.

For financial assets for which the Trust has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECLs

The Trust calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the effective interest rate (EIR). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.
The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD:** The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

- **EAD:** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.

- **LGD:** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Trust considers three scenarios (a base case, an upturn and downturn). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted financial assets are expected to be recovered, including the probability that the financial assets will cure and the value of collateral or the amount that the Trust can received from selling the asset.

The mechanics of the ECL method are summarized below:

- **Stage 1:** The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Trust calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios.

- **Stage 2:** When a financial asset has shown a significant increase in credit risk since origination, the Trust records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

- **Stage 3:** For financial assets considered credit-impaired, the Trust recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

ii. Impairment of financial assets -Forward looking information

In its ECL models, the Trust relies on a broad range of forward-looking information as economic inputs, such as:

- Inflation rate
- Unemployment rate
- Exchange rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

C Write-offs

Financial assets are written off either partially or in their entirety only when the Trust has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense

D Equity investments

Equity investments are instruments that evidence a residual interest in the issuer's net assets. This relates to investment in listed and unlisted equities of companies. The Trust subsequently measures all equity investments at fair value through profit or loss.

Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, are recognised in profit or loss as part of investments income when the Trust's right to receive payments is established.

E Investment securities

Investment securities are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trust has classified as hold to collect. These comprise investments in Government bonds, corporate bonds, treasury bills and fixed deposits.

Investment securities are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method less any impairment losses.

F Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables represent advances to companies, student loans and other receivables excluding prepayments, and cash and cash equivalents.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method less any impairment losses.

3.6 Property, Plant and Equipment

I Recognition and Measurement

Property, plant and equipment are initially recognized at cost. Land and buildings are recognized at revalued amounts less subsequent accumulated depreciation and subsequent accumulated impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of revaluation is recognized in other comprehensive income and accumulated in equity under revaluation reserve. However, the increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

A revaluation decrease is recognized in profit or loss. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of the asset. The surplus on revaluation is transferred directly to retained earnings when the asset is derecognized.

Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Other items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated 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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

II Subsequent costs

The cost of replacing part of an item of property 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 cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of changes in net assets as incurred.

III Depreciation

Depreciation is recognised in the Statement of changes in net assets 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.

The principal annual depreciation rates used are as follows:

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

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 and are recognised in the Statement of changes in net assets as other income.

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 Statement of changes in net assets.

3.7 Employee Benefits

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 by the Fund Manager.

The Staff Occupational Scheme is a retirement plan under which the Trust pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Trust. The fund is under the control of different Trustees. The total expense charged to income of GH¢24,285,280.14 (2018: GH¢19,926,383.93) represents contributions paid to these plans by the Trust at rates specified in the rules of the plan.

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.

3.8 Provisions

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.

3.9 Investment properties

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.

3.10 Actuarial Position

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. This is considered in the Actuarial Valuation Report.

The financial and actuarial status of the Scheme is assessed triennially by an independent consulting Actuary. The last Actuarial Valuation Report was prepared upon a cumulative assessment of the Trust's financial results and position as at 31st December 2017.

3.11 Inventory

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.

3.12 Cash and Cash Equivalent

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with banks and short-term investment with an original maturity of three months or less.

3.13 Standards, Amendments and Interpretations Issued but not yet Effective

At the date of authorisation of these Financial Statements the following standards, revisions and interpretations were in issue but not yet effective. The Trust has decided not to early adopt any of the standards.

3.13.1 Standards Issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Trust's Financial Statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Trust. The Trust intends to adopt these standards, if applicable, when they become effective.

3.13.2 Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition.

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose Financial Statements make on the basis of those Financial Statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Trust's Financial Statements.

4a Property, Plant & Equipment - 2019

Cost	Land & buildings	Equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
At 1 January	500,195	125,700	11,908	25,068	16,511	679,382
Additions	9,192	-	-	-	44,276	53,468
Capitalised WIP	12,638	7,661	3,191	17,466	(40,956)	-
Transfers - Project WIP	7,537	-	-	-	(7,537)	-
Transfer - Equities & Donations	(8,233)	-	-	-	-	(8,233)
Revaluation	462,428	-	-	-	-	462,428
Disposals	-	(3,314)	(160)	(1,923)	-	(5,397)
At 31 December	**983,757**	**130,047**	**14,939**	**40,611**	**12,294**	**1,181,648**

Depreciation/Impairment

At 1 January	25,621	110,144	9,398	18,427	-	163,590
Charge for the year	6,840	10,435	1,369	4,998	-	23,642
Revaluation	(20,912)	-	-	-	-	(20,912)
Disposals	-	(3,204)	(139)	(1,907)	-	(5,250)
At 31 December	**11,549**	**117,375**	**10,628**	**21,518**	**-**	**161,070**
Net book value	**972,208**	**12,672**	**4,311**	**19,093**	**12,294**	**1,020,578**

Disposal Schedule

	Cost	Accum. Depn.	NBV	Proceeds	Profit/(Loss) on disposal
Motor Vehicle	**1,923**	**1,907**	**16**	**409**	**393**
Equipment	3,314	3,204	110	38	(72)
Furniture & fittings	160	139	21	28	7
	5,397	**5,250**	**147**	**475**	**328**

4b Property, Plant & Equipment - 2018

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 1 January	404,211	123,350	10,794	24,145	17,145	579,645
Additions	-	-	-	-	104,864	104,864
Transfers	95,077	2,818	1,293	1,682	(100,870)	-
Transfers - Project WIP	4,628	-	-	-	(4,628)	-
Transfer - Donations	(3,721)					(3,721)
Disposals	-	(468)	(179)	(759)	-	(1,406)
At 31 December	**500,195**	**125,700**	**11,908**	**25,068**	**16,511**	**679,382**

Depreciation

At 1 January	19,116	94,565	8,297	14,981	-	136,959
Charge for the year	6,505	15,980	1,258	4,205	-	27,948
Disposals	-	(401)	(157)	(759)	-	(1,317)
At 31 December	**25,621**	**110,144**	**9,398**	**18,427**	-	**163,590**
Net book value	**474,574**	**15,556**	**2,510**	**6,641**	**16,511**	**515,792**

Disposal Schedule

	Cost GH¢'000	Accum. Depn. GH¢'000	NBV GH¢'000	Proceeds GH¢'000	Profit/(Loss) on disposal GH¢'000
Land & Building	759	759	-	205	205
Equipment	468	401	67	13	(54)
Furniture & fittings	179	157	22	33	11
	1,406	**1,317**	**89**	**251**	**162**

4c. Intangible Asset - Computer Software

Cost	2019	2018
At 1 January	203,277	203,277
Additions	-	-
Transfers	-	-
Revaluation	-	-
Disposals	(32)	-
	-	-
	203,245	**203,277**

Amortisation

At 1 January	167,665	121,296
Charge for the year	11,674	46,369
Disposals	(32)	-
	-	-
At 31 December	**179,307**	**167,665**
Net book value	**23,938**	**35,612**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5a Investment Properties

	Note	2019	2018
Commercial properties	5b	2,126,725	1,674,658
Work in progress - real estate under construction	5c	455,293	396,892
		2,582,018	2,071,550

The fair value of investment properties for 2019 was assessed by accredited independent valuers with recognised and relevant professional qualifications, and with recent experience in the location and category of the investment properties being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparable.

The highest and best use of the investment properties is not considered to be different from its current use. Rental income earned and received from the investment properties during the year was GH¢58,648,000 (2018:GH¢29,999,000).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was GH¢10,419,000 (2018: GH¢10,102,000). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Fund does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

5b Commercial Properties

	2019 GH¢'000	2018 GH¢'000
Balance at the beginning	1,674,658	1,659,543
Additions	17,315	15,115
Transfer	-	-
SSNIT occupancy	(9,192)	-
Net Gain/(Loss) from Fair Valuation	443,944	-
	2,126,725	1,674,658

The valuation report for 2019 had been prepared with the following assumptions.

i That no high alumina cement concrete or calcium chloride or other potentially deleterious material was used in the construction of the property or has since been incorporated.

ii That the assets are not subject to any unusual or especially onerous restrictions encumbrances or outgoings and that in the absence of titles to the lands, assumptions of the usual lease terms have been made.

iii The properties and the values are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice and that neither the properties nor their intended used are or would be unlawful.

iv That inspection of those parts which are unexposed will neither reveal material defects nor cause the valuer to alter the valuation materially.

v That the physical conditions of the buildings were based on visual inspection only. No liability is assumed for the soundness of the structures since no engineering or soil tests were made on the land on which the property was built.

vi Information and data gathered from the relevant land sector agencies and other authorities pursuant to preparing the valuation report and other secondary data are true and correct.

vii Information furnished by accredited officers of the Trust is believed to be true and correct. However, no warranty is given for its accuracy.

5c Real Estate under Construction

	2019 GH¢'000	2018 GH¢'000
Balance at 1 January	396,892	336,012
Additions during the year	58,401	60,880
Transfer to completed investment property	-	-
Transfer to Property, Plant & Equipment	-	-
At 31 December	**455,293**	**396,892**

5d Investment Properties Additions

	2019 GH¢'000	2018 GH¢'000
Estate under construction	58,401	60,880
Commmercial properties net of transfer from Estate under construction	17,315	15,115
	75,716	75,995
Transfers catered for in PPE	(9,192)	-
	66,524	**75,995**

5e Investment in Subsidiaries

		2019 GH¢'000	2018 GH¢'000
(i)	**SSNIT Hospital**		
	Balance at the beginning	110,956	110,956
	Additions	-	-
	Revaluation Gain/(Loss)	(38,740)	-
		72,216	110,956
(ii)	**SSNIT Guest House**		
	Balance at the beginning	3,502	2,777
	Additions	-	-
	Revaluation Gain/(Loss)	(265)	725
		3,237	3,502
(iii)	**Bridal Trust Ltd**		
	Balance at the beginning	224	224
	Additions	-	-
	Impairment loss	(224)	-
		-	224
	Total Investment in Subsidiaries	75,453	114,682

6a Non-current Financial Assets

		2019 GH¢'000	2018 GH¢'000
(i)	**Equity investments**		
	Listed equities	2,156,409	2,459,601
	Unlisted equities	2,638,208	2,254,371
		4,794,617	**4,713,972**
(ii)	**Investment securities**		
	Ghana Government bonds	532,065	626,927
	Corporate bonds	172,436	166,982
	Treasury Note more than one year	5,000	5,000
	Impairment	(105,144)	(105,377)
		604,357	**693,532**
(iii)	**Loans and receivables**		
	Corporate loans		
	Gross	1,197,606	1,229,160
	Impairment	(938,943)	(965,751)
		258,663	**263,409**
	Total Non-current financial assets	**5,657,637**	**5,670,913**

6b Current Financial Assets

		2019 GH¢'000	2018 GH¢'000
(i)	**Investment securities**		
	Fixed deposit maturing within 91 days	221,076	428,086
	Fixed deposit maturing after 91 days	22,531	132,501
	Impairment	(244)	(253)
		243,363	**560,334**
(ii)	**Loans and receivables**		
	Students loans	181,691	179,830
	Impairment	(142,464)	(142,464)
		39,227	**37,366**

		2019 GH¢'000	2018 GH¢'000
(iii)	**Loans and receivables**		
	Corporate loans		
	Gross	481,345	482,873
	Impairment	(481,345)	(482,722)
		-	**151**
(iv)	**Other accounts receivable**		
	Investment income	118,225	106,348
	Staff debtors	61,053	45,490
	Current accounts of subsidiaries	21,120	21,120
	Sundry debtors	20,243	19,949
	Impairment	(53,581)	(54,058)
		167,060	138,849
	Total current financial assets	449,650	736,700

Analysis of corporate loans by business segment

	2019 GH¢'000	%	2018 GH¢'000	%
Financial	189,602	11.29	189,602	11.07
Services	800,451	47.68	865,423	50.55
Manufacturing	3,380	0.20	3,380	0.20
Real Estate	685,518	40.83	653,627	38.18
Gross loans and advances	1,678,951	100.00	1,712,032	100.00
Less impairment allowance	(1,420,288)		(1,448,473)	
	258,663		**263,559**	

6c Prepayments and Advances

	2019 GH¢'000	2018 GH¢'000
Prepayment	2,772	1,929
Advances to contractors	32,612	39,019
Deposits for houses	-	23
	35,384	40,971

7.0 Cash and Bank Balances

	2019 GH¢'000	2018 GH¢'000
Call deposits	-	-
Current account balances	16,050	68,902
	16,050	68,902

8.0 Inventory

	2019 GH¢'000	2018 GH¢'000
Stationery	3,047	2,622
Spare parts	303	263
Fuel and lubricants	148	17
	3,498	2,902

9.0 Housing Stock

	2019 GH¢'000	2018 GH¢'000
Opening balance	2,969	2,969
Additions during the year	97,153	-
Transfers during the year	-	-
Disposals	-	-
Closing balance	100,122	2,969

10.0 Accounts payable

	2019 GH¢'000	2018 GH¢'000
Retention fees	15,681	14,034
Suppliers and accrued liabilities	753,064	309,772
Rent received in advance	68,970	83,914
Returned pensions	19,836	10,713
Sundry payables	1,585	3,148
	859,136	421,581

11.0 Ghana Education Trust Fund

The Ghana Education Trust Fund (GETFUND) made available to the Trust an amount of GH¢26.42 million (2018: GH¢26.42 million) for onward lending to students under the Students Loan Scheme. The fund from GETFUND is interest free and there is no timeline for the repayment of the fund provided to the Trust.

12.0 Segmental Reporting

Segmental Information is presented in respect of the Trust's business segments. The Trust is organised into three main business segments: Operations, Investment and Administration. The Branch and Area Offices together with the coordination functions constitute the Operations segment which is primarily responsible for Contributions collection and benefits payment. The Investment segment manages the Treasury, Investment and Development functions of the Trust while the Administration segment is responsible for general administration.

2019	Note	Operations GH¢'000	Investments GH¢'000	Administration GH¢'000	Total GH¢'000
Net Contributions	13	2,466,286	-	-	2,466,286
Investment income		-	407,848	-	407,848
Other income		-	-	78,977	78,977
		2,466,286	**407,848**	**78,977**	**2,953,111**
Investment management expenses		-	(16,120)	-	(16,120)
Benefits		(2,945,708)	-	-	(2,945,708)
Operational costs		(222,171)	-	-	(222,171)
Administration Expenses		-	-	(270,966)	(270,966)
Impairment (losses)/gains					28,904
Total operating expenses		**(3,167,879)**	**(16,120)**	**(270,966)**	**(3,426,061)**
Surplus/(deficit) of Income after expenditure		**(701,593)**	**391,728**	**(191,989)**	**(472,950)**
Total assets					**9,964,328**
Total liabilities					**885,554**

2018	Note	Operations GH¢'000	Investments GH¢'000	Administration GH¢'000	Total GH¢'000
Net Contributions	13	2,213,493	-	-	2,213,493
Investment income		-	438,368	-	438,368
Other income		-	-	41,014	41,014
		2,213,493	**438,368**	**41,014**	**2,692,875**
Investment management expenses		-	(15,946)	-	(15,946)
Diminution in fair value of shares		-	(9,532)	-	(9,532)
Diminution in fair value of Unlisted shares		-	23,070	-	23,070
Benefits		(2,495,447)	-	-	(2,495,447)
Operational costs		(195,463)	-	-	(195,463)
Administrative Expenses		-	-	(289,045)	(289,045)
Impairment losses					(153,446)
Total operating expenses		**(2,690,910)**	**(2,408)**	**(289,045)**	**(3,135,809)**
Surplus/(deficit) of Income after expenditure		**(477,417)**	**435,960**	**(248,031)**	**(442,934)**
Total assets					**9,260,993**
Total liabilities					**447,999**

13 Net Contributions Received

	2019 GH¢'000	2018 GH¢'000
Accountant General	900,001	863,291
Private sector	2,124,953	1,856,224
	3,024,954	**2,719,515**
Transfer to NHIS	**(558,668)**	**(506,022)**
	2,466,286	**2,213,493**

14a Net Investment Income

		2019 GH¢'000	2018 GH¢'000
Government and corporate bonds		**130,938**	179,520
Term deposits and treasury bills		**12,612**	77,769
Students loans		**4,450**	4,386
Corporate loans		**25,884**	19,846
Rent		**58,648**	29,999
Dividend		**102,455**	27,283
Miscellaneous income	14a (i)	**72,861**	99,565
		407,848	**438,368**
Investment management	14a (ii)	**(16,120)**	(15,946)
Changes in fair value of listed shares		**-**	(9,532)
Diminution in the value of Unlisted shares		**-**	23,070
		391,728	435,960

14a (i) Miscellaneous Income

Miscellaneous Investment income is made up of all the income from the underlisted sources:

	2019 GH¢'000	2018 GH¢'000
Profit on sale of commercial and residential properties	29,717	57,486
Interest earned on HFC bonds	364	332
Interest earned on Call accounts	40,534	40,283
Interest earned on Current accounts	2,246	1,464
	72,861	**99,565**

14a (ii) Investment Management Expenses

	2019 GH¢'000	2018 GH¢'000
Investment expenses arising from investment properties that generate rental income	10,102	10,102
Investment expenses arising from investment properties that did not generate rental income	**6,018**	5,844
Total investment management expenses	**16,120**	**15,946**

14a (iii) Movement in Provision for Impairment

		2019 GH¢'000	2018 GH¢'000
Balance at 1 January		1,750,625	958,526
IFRS 9 adoption opening balance adjustments		-	638,653
Net impairment loss/(gain) for the year	16b	(28,904)	153,446
Balance at 31 December		**1,721,721**	**1,750,625**
Corporate loan	(6a (iii) & 6b(iii))	1,420,288	1,448,473
Student Loan	6b(ii)	142,464	142,464
Government & Corporate bonds	6a(ii)	105,144	105,377
Fixed Deposits		244	253
Other accounts receivable		53,581	54,058
		1,721,721	**1,750,625**

The table below shows an analysis of the impairment losses on financial instruments measured at amortised cost base as at 31 December 2019

	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Corporate loans	7,202	-	1,413,086	1,420,288
Other accounts receivable	1,308	3,374	48,899	53,581
Government & Corporate bonds	8,238	-	96,906	105,144
Fixed Deposits	244			244
Student loans	-	102	142,362	142,464
	16,992	3,476	1,701,253	1,721,721

14b Other Income

	2019 GH¢'000	2018 GH¢'000
Other income is made up of income from the underlisted sources:		
Bid/Documentation fee	86	206
Profit on disposal of shares	346	-
Profit on disposal of fixed assets	327	162
Penalty on delayed contribution	43,164	25,892
Exchange gain	4,127	1,340
Management fees from NHIS	6,704	6,072
Miscellaneous income	24,223	7,342
	78,977	**41,014**

15a Operational Cost

	2019 GH¢'000	2018 GH¢'000
Personnel costs	200,462	173,295
Utility costs	4,810	5,509
Travel and accommodation	-	6
Public education	885	921
Depreciation	5,680	5,430
General expenses	10,334	10,302
	222,171	195,463

15b Benefits

	2019 GH¢'000	2018 GH¢'000
Old age and Invalidity	2,608,382	2,194,071
Death and Survivors	337,326	301,376
	2,945,708	2,495,447

16a Administrative Expenses

Administrative expenses include:

	2019 GH¢'000	2018 GH¢'000
Depreciation	29,509	68,768
Audit expenses	211	168
Trustees emoluments	1,631	1,981
Others	239,615	218,128
	270,966	289,045

16b Net Impairment Loss/(Gain) on Finanicial Asset

The table below shows the impairment losses/(gains) on financial instruments for the year presented in the Statement of changes in net assets available for benefits

	Stage 1	Stage 2	Stage 3	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Corporate loans	2,706	-	(30,892)	(28,186)
Other accounts receivable	286	(763)	-	(477)
Government & Corporate bonds	(232)	-	-	(232)
Fixed Deposits	(9)		-	(9)
Student loans		-	-	-
	2,751	(763)	(30,892)	(28,904)

17.0 Financial Risk Management

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

- Asset/portfolio/credit 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.

Risk Management Framework

The Board of Trustees 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/Credit Risk

An Investment Asset Allocation Policy which is aimed at ensuring that the Trust positions its portfolio to amass optimal returns within the changing market environment and expectations while ensuring that the scheme, 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 risk 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 Return 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 is 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 2.5% 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 investment 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 cash flows.

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.

Collateral and other Credit Enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types of collateral obtained are as follows:

For commercial lending, charges over real estate properties, inventory and trade receivables. For student loan, guarantee by three SSNIT contributors with a minimum of five years' contribution.

It is the Trust's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Trust does not occupy repossessed properties for business use.

Concentration of risk

The Trust monitors concentrations of credit risk by sector. An analysis of concentrations credit risk at reporting date is shown below:

Analysis by Business Segment

	2019 GH¢'000	%	2018 GH¢'000	%
Financial	189,602	10.19	189,602	10.02
Service	800,451	43.02	865,423	45.74
Manufacturing	3,380	0.18	3,380	0.18
Real estate	685,518	36.84	653,627	34.55
Student Loan	181,691	9.76	179,830	9.51
Gross loans & advances	**1,860,642**	**100.00**	**1,891,862**	**100.00**
Less impairment allowance	(1,562,752)		(1,590,937)	
	297,890		300,925	100

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 cost.

Management of Liquidity Risk

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.

Exposure to Liquidity Risk

The key measure used by the Trust for managing liquidity risk is the sustainability ratio which is the ratio of total expense to investment income. For this purpose, total expense is considered as including benefits expense and administrative expense. Details of the reported sustainability ratio at the reporting date, 31 December 2019 and 31 December 2018 is as follows:

At 31st December	2019 GH¢'000	2018 GH¢'000
Investment income	391,728	435,960
Administrative expense	270,966	289,045
Benefits	2,945,708	2,495,447
Total expense	**3,216,674**	**2,784,492**
Administrative coverage ratio	1.45	1.51
Benefits coverage ratio	0.13	0.17
Sustainability ratio	0.12	0.16

Non-derivative Financial Assets and Liabilities held for Managing Liquidity Risk

At 31 December, 2019	On demand GH¢ '000	Not more than one year GH¢ '000	Over one year GH¢ '000	Total GH¢ '000
Assets				
Cash and bank balance	16,050	-	-	16,050
Equity investments	-	-	4,794,617	4,794,617
Fixed deposits	-	257,965	799,262	1,057,227
Corporate and students loan	-	815,534	1,811,858	2,627,392
Other accounts receivable	20,243	146,817	-	167,060
Total financial assets (contractual maturity dates)	**36,293**	**1,220,316**	**7,405,737**	**8,662,346**
Liabilities				
Payables	754,649	84,651	-	839,300
Ghana Education Trust Fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	**754,649**	**111,069**	**-**	**865,718**

As at 31st December, 2018	On demand GH¢ '000	Not more than one year GH¢ '000	Over one year GH¢ '000	Total GH¢ '000
Cash and bank balance	68,902	-	-	68,902
Equity investments	-	-	4,713,972	4,713,972
Fixed deposits	-	593,954	917,196	1,511,150
Corporate and students loan	-	815,125	1,859,596	2,674,721
Other accounts receivable	19,949	118,900	-	138,849
Total financial assets (contractual maturity dates)	**88,851**	**1,527,979**	**7,490,764**	**9,107,594**
Liabilities				
Accounts payable	312,920	97,948	-	410,868
Ghana Education Trust Fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	**312,920**	**124,366**	**-**	**437,286**

C) Market Risk

Market Risk is the risk that changes in market prices, such as interest rate, equity prices and foreign exchange rates, which 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.

(i) Interest/Return Rate Risk

The Table below sets out the return on the Trust's investment portfolio for the year 2019 as compared to 2018

	2019 Rate of return	2018 Rate of return
	%	%
Investment Properties	27.27	10.35
Equity investments	(1.89)	1.75
Investment securities	18.29	18.99
Loans and receivables	9.91	3.21
Student loans	11.62	11.65

(ii) Foreign Exchange Risk

The Trust operates wholly within Ghana and its assets and liabilities are carried in local currency. The Trust maintains deposits with some of its bankers and lends to some companies in foreign currencies. The exchange rates used for translating the major foreign currency balances at the end of the period were as follows:

	2019 GH¢	2018 GH¢
US Dollar	5.5378	4.8200
GB Pound	7.2651	6.1113
Euro	6.2031	5.5149

(iii) Foreign Currency Sensitivity

The following Tables demostrate the sensitivity to a reasonably possible change in USD, EURO and GBP exhange rates, with all other variables held constant. The impact on the Trust's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Trust's income surplus is the same.

2019		Balance	Change in rate	Effect on Net Surplus
		GH¢'000		GH¢'000
	USD	1,566	14.89%	233.21
		1,566	-14.89%	(233.21)
	GBP	2,433	18.88%	459.35
		2,433	-18.88%	(459.35)
	EURO	-	12.48%	-
		-	-12.48%	-

2018		Balance	Change in rate	Effect on Net Surplus
		GH¢'000		GH¢'000
	USD	3,167	10.25%	324.51
		3,167	-10.25%	(324.51)
	GBP	827	-10.01%	(82.81)
		827	10.01%	82.81
	EURO	-	5.58%	-
		-	-5.58%	-

D) Equity Price Risk

The Trust's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Trust manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Trust's investment committee on a regular basis. The Board of Trustees reviews and approves all equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value was GH¢2,156,409,000. A decrease of 10% on the Ghana Stock Exchange (GSE) market index could have an impact of approximately GH¢215,640,900 on the income or net assets available for benefits, depending on whether the decline is significant or prolonged. An increase of 10% in the value of the listed securities would only impact net assets available for benefit but would not have an effect on net surplus.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's loans with floating interest rates.

The Trust manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possibly change in interest rates on that portion of loans affected. With all other variables held constant, the Trust's net surplus is affected through the impact on floating rate lendings, as follows:

		Increase /decrease in basis points	Effect on net surplus
2019	**GH¢'000**	**%**	**GH¢'000**
	1,678,951	2.05%	34,418.50
	1,678,951	-2.05%	(34,418.50)
2018	1,712,032	2.05%	35,096.66
GH¢	1,712,032	-2.05%	(35,096.66)

E) Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Trust's 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 aspects 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 restrict initiative and creativity.

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

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with 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, a sub-committee of the Board.

18.0 Transfers to National Health Insurance Scheme

Transfers made are in accordance with National Pensions Act, 2008 (Act 766) Section 63 (4) which requires 2.5 percentage points out of each member's 13.5% contribution to the SSNIT Pension Scheme to be paid into the National Health Insurance Fund.

19.0 Net Increase in the Value of Investments

	2019 GH¢'000	2018 GH¢'000
Revaluation of listed shares	(303,193)	(18,922)
Revaluation of unlisted investments	148,414	70,905
Revaluation Surplus - Fixed Assets	483,339	-
Revaluation of commercial properties	443,944	-
Revaluation Investments in subsidiaries	(39,228)	725
Indexation of HFC Bonds	5,454	8,601
	738,730	61,309

20.0 Tax

Under Section 54 of the National Pensions Act, 2008 (Act 766), the Trust is exempt from corporate tax and such other taxes and duties as may be determined by the Minister of Finance.

21.0 Fair Value of Financial Statements

1 Fair Value Hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

LEVEL 1 -

Quoted (unadjusted) market prices in active markets for identical assets or liabilities

LEVEL 2 -

Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3 -

Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

This hierarchy requires the use of observable market data when available. The Trust considers relevant observable market prices in its valuation where possible. There has been movement of financial instruments from Level 2 to 3 in the current year. Financial instruments measured at fair value at 31 December 2019 and 31 December 2018 were classified as follows:

Recurring Fair Value Measurement of Assets and Liabilities

2019	Valuations based on observable inputs		
	Level 1	Level 2	Level 3
Investment in subsidiaries			
SSNIT Hospital	-	-	72,216
SSNIT Guest House	-	-	3,237
Bridal Trust Ltd	-	-	-
Equities			
Listed equity	2,156,409	-	-
Unlisted equity	-	-	2,548,783
Unlisted managed funds	-	-	89,425
Investment properties	-	-	2,582,018
Available-for-sale investments	**2,156,409**	**-**	**5,295,679**

2018	Valuations based on observable inputs		
	Level 1	Level 2	Level 3
Investment in subsidiaries	GH¢'000	GH¢'000	GH¢'000
SSNIT Hospital	-	-	110,956
SSNIT Guest House	-	-	3,502
Bridal Trust Ltd	-	-	224
Equities			
Listed equity	2,459,601	-	-
Unlisted equity	-	-	2,148,139
Unlisted managed funds	-	-	106,232
Investment properties	-	-	2,071,550
Available-for-sale investments	**2,459,601**	**-**	**4,440,603**

Transfers between Levels

During 2019 financial year, there was no transfer between Levels in the fair value hierarchy

Valuation Techniques

Listed investment in equity securities

When fair values of publicly traded equity securities, managed funds and derivatives are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Fund values these investments at bid price for long positions and ask price for short positions.

Unlisted Equity Investments

The Trust invests in private equity companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Trust uses a market based valuation technique for these positions.

Description of the Valuation Techniques

Unlisted managed funds.

The Trust invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subjected to restrictions on redemptions such as lock up periods, redemption gates and side pockets. The Fund's Investment Manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the net asset value (NAV) of these funds may be used as an input into measuring their fair value.

In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and Fund Manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Fund classifies these funds as either Level 2 or Level 3.

Investment Property

The fair value of investment property for the 2019 was determined by accredited independent valuers using recognised valuation techniques. These techniques comprise both the Market/Comparison Approach and Replacement Cost Approach. Under the Market Approach, a property's fair value is estimated by an analysis of recent sales of comparable properties in both the subject neighbourhood and other comparable neighbourhoods. The analysed data is adjusted to reflect differences in location, time and terms of sale and physical characteristics between the subject property and the comparable property.

The Depreciated Replacement Cost Approach is based on the assumption that cost and value are related. This involves finding the estimate of the gross replacement cost of a building which is the estimated cost of erecting a building or a modern substitute building, having the same gross internal floor area as that existing, at prices current at the relevant date. The figure is then reduced to reflect the physical deterioration, functional and economic obsolescence of the building and environmental constraints to arrive at the depreciated replacement cost of the building. To this, is added the existing use value of the land, which is found by the Market Approach to value. The fair value of investment property is included within Level 3.

Valuation Process for Level 3

Quantitative information of significant unobservable inputs – Level 3

Description	Valuation Technique	Unobservable Input
Unlisted Equities	Average of adjusted Net Assets, DCF and EBITDA	Analysis of 4 years Financial Statements, projection of cashflows and comparable EBITDA multiples of similar companies
Investment properties	Fair Market Value	Analysis of recent sales of comparable properties in both the subject neighbourhood and other comparable neighbourhoods.
SSNIT Hospital	Average of adjusted Net Assets, DCF and EBITDA	Analysis of 4 years Financial Statements, projection of cashflows and compareable EBITDA multiples of similar companies
Bridal Trust	Adjusted Net Assets	Financial Statements for 2019 year end.
SSNIT Guest House	Adjusted Net Assets	Financial Statements for 2019 year end.

Level 3 Reconciliation

The following Table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	SSNIT Hospital	SSNIT Guest House	Bridal Trust Ltd.	Unlisted equity	Investment properties	Unlisted managed funds	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as of 1 Jan, 2019	110,956	3,502	224	2,148,139	2,071,550	106,232	4,440,603
Revaluation gains and(losses)	(38,740)	(265)	(224)	161,097	443,944	-	565,812
Purchases	-	-	-	239,547	75,716	118	315,381
Sales	-	-	-	-	-	(12,336)	(12,336)
Capital Calls	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-
Transfer in/(out)	-	-	-	-	(9,192)	(4,589)	(13,781)
Balance as at 31 December, 2019	72,216	3,237	-	2,548,783	2,582,018	89,425	5,295,679

	SSNIT Hospital	SSNIT Guest House	Bridal Trust Ltd.	Unlisted equity	Investment properties	Unlisted managed funds	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance as of 1 Jan, 2018	110,956	2,777	224	1,905,597	1,995,555	87,387	4,102,496
Total gains and losses in profit or loss	-	725	-	70,905	-	-	71,630
Purchases	-	-	-	167,412	75,995	-	243,407
Sales	-	-	-	-	-		-
Capital Calls	-	-	-	-	-		-
Distribution	-	-	-	-	-		-
Transfer in/(out)	-	-	-	4,225	-	18,845	23,070
Balance as at 31 December 2018	**110,956**	**3,502**	**224**	**2,148,139**	**2,071,550**	**106,232**	**4,440,603**

2 Financial Instruments not Measured at Fair Value

The Table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Trust's statement of financial position at their fair value:

	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and bank balance	16,050	16,050	68,902	68,902
Investment securities (i)	847,720	847,720	1,253,866	1,253,866
Corporate and Student Loans (ii)	297,890	297,890	300,926	300,926
Other accounts receivable (iii)	167,060	167,060	138,849	138,849
	1,328,720	1,328,720	1,762,543	1,762,543
Liabilities				
Payables	859,136	859,136	421,581	421,581
Ghana Education Trust Fund (iv)	26,418	26,418	26,418	26,418
	885,554	885,554	447,999	447,999

i Investment securities

Investment securities include treasury bills and fixed deposits. The estimated fair value of fixed interest bearing deposits and treasury bills are based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. The carrying amount approximates their fair value.

ii Corporate and students loans

Corporate and students loans are net of charges for impairment. The estimated fair value of corporate and students loans represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. The carrying amount approximates their fair value.

iii Other accounts receivable

The estimated fair value of other accounts receivable represents the discounted amount of estimated future cash flows expected to be received. The carrying amount approximates their fair value.

iv Ghana Education Trust Fund

The estimated fair value of Ghana Education Trust Fund is based on discounted cash flows using prevailing money-market interest rates for debts with similar risk and remaining maturity. The carrying amount approximates their fair value.

22.0 Contingent Liabilities and Provisions

A) Contingencies and Commitments

(i) Contingent Liability

There were a number of legal proceedings outstanding against the Trust at 31 December 2019. These are pending litigations that may result in a material liability to the Trust. It is estimated that the maximum amount would not exceed GH¢8,720,000 (2018: GH¢8,720,000).

23.0 Events After the Reporting Period

There were no events after the reporting date requiring adjustment or disclosure in the Financial Statements.

Official Events

DG of SSNIT, Dr John Ofori Tenkorang (2nd left) receiving the Company of the Year Award (Public Sector) from the Minister of Business Development (left), Dr Ibrahim Awal. Looking on are General Manager-Operations (2nd right), Mr Kingsley Agyei-Manu and the Chief Internal Auditor (right) Mr Andrews Anim-Boateng

Visiting Ugandan Social Security Officials with SSNIT Executives

C.E.O of West Africa International Dr Dee Otibu-Asare presenting the Strong / Motivator Behind SSNIT Award to Dr John Ofori-Tenkorang

The Executive Director of the National Data Protection Commission, Ms Patricia Adusei-Poku (seated right) with SSNIT Executives

SSNIT

We believe you are committed to your today and your tomorrow.

That is why the SSNIT Scheme is open to everyone, no matter the nature of your job.

Register and pay your contributions regularly.

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