

SSNIT

ANNUAL REPORT

2022

SOCIAL SECURITY AND NATIONAL INSURANCE TRUST



We deliver on our promise!

SSNIT

ANNUAL REPORT

2022

Bankers



Bank of Ghana



GCB Bank Limited



Universal Merchant Bank Limited



Ecobank Ghana Limited



Absa Bank Ghana Limited



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 M 96, 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)

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Corporate Information

Board of Trustees



Mad. Elizabeth Akua Ohene

CHAIRPERSON/GOVERNMENT
REPRESENTATIVE



**Hon. Mrs. Abena
Osei-Asare**

REP., MINISTRY OF FINANCE AND
ECONOMIC PLANNING



**Mr. John Senanu
Amegashie**

REP., ORGANISED LABOUR



Dr. Emmanuel Adu-Sarkodee

REP., GHANA EMPLOYERS'
ASSOCIATION



Mr. Daniel Acheampong

REP., GHANA EMPLOYERS'
ASSOCIATION



Dr. Evans Ageme Dzikum
REP., ORGANISED LABOUR



Mr. Joshua Ansah
REP., ORGANISED LABOUR



Ms. Ivy Betur Naaso
REP., ORGANISED LABOUR



**Mrs. Gloria Irene
Amaki Payida**
PRESIDENT'S NOMINEE



Mr. Peter Osei Duah
PRESIDENT'S NOMINEE



**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-Maafa
DEPUTY DIRECTOR-GENERAL,
(IDD)



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



Mrs. Elizabeth Aggrey-Ampiah
GENERAL MANAGER, FINANCE



Mr. Kingsley Adjei-Manu
GENERAL MANAGER,
OPERATIONS



Mr. Andrews Anim-Boateng
CHIEF INTERNAL AUDITOR



Mr. Robert Owusu-Sekyere
GENERAL MANAGER,
BENEFITS



Mr. Samuel Atuobi Twum
GENERAL MANAGER,
INVESTMENT &
DEVELOPMENT



Mr. Jonathan M. Akyeampong
AG. GENERAL MANAGER,
ADMIN. & HR



Mr. Joseph Poku
AG. CHIEF ACTUARY



Mr. Jaezi Orleans-Lindsay
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 Chairperson's Report



It is my honour to present to you the Annual Report and Audited Financial Statements of the Social Security and National Insurance Trust (also referred to as the Trust) for the year 2022.

In addition to ensuring that our Scheme remains strong as we improve our service quality to our Members and clients, this year saw the re-doubling of our efforts to significantly increase our membership and contributor base by embarking on a targeted plan to attract the self-employed.

Out of an estimated workforce of 11.9 million in the country, (Source: Ghana Statistical Service) SSNIT currently has an active contributor base of 1.84 million workers, even though the Trust has been in existence for the past 57 years. We deem this number of active contributors as woefully inadequate.

To remedy this situation, SSNIT set out, as part of its Strategic Plan for 2020-2024, to increase the number of self-employed workers contributing to the Scheme. In preparation towards the achievement of this goal, various measures were put in place to ensure a successful implementation of this vision.

Such measures included the rollout of a home-grown, state-of-the-art operational technology platform, the Integrated Social Security Administration System (ISSAS), designed to manage and maintain accurate, comprehensive, and reliable biometric and financial data for our Members. This platform has enabled us to further enhance customer satisfaction and ensure transparency in the management of Member and Client information.

Additionally, we have continued to issue quarterly Statements of Accounts to Members with valid email addresses and Members can conveniently access and retrieve their statements online as needed.

We closely collaborated with various stakeholder groups and embarked on a nationwide campaign with organised labour to educate self-employed persons about the benefits of joining the Basic National Social Security Scheme (First Tier). Also, we sought to gain the support and buy-in of key informal sector worker groups, associations, the self-employed and influential members of the public.

All these initiatives and interventions formed part of our determination to build confidence in the Scheme and to ensure overall stakeholder satisfaction. These preparatory efforts are anticipated to culminate in a nationwide launch of a self-employed member drive next year.

To foster international collaboration and integration, the Trust played host to delegations from sister social security institutions such as the National Social Security Fund (NSSF) of Uganda and members from their judiciary and the National Social Security and Insurance Trust (NASSIT) of Sierra Leone.

Members of these delegations came to us in Ghana to exchange experiences, share knowledge, skills and learn from best practices.

Operational Performance

The Trust mobilised GH¢5,827.00 million as contributions, representing an increase of 41.10% over the GH¢4,129.51 million collected in 2021. The increase in contribution collection over 2021 was as a result of the adoption of a more persuasive approach in retrieving contributions in arrears.

There was an increase in the amount of contributions paid by the Controller and Accountant General's Department (CAGD) in the year 2022, which came to GH¢2,004 million, as against GH¢1,390.09 million paid in 2021.

The Trust's active contributor population increased from 1,734,168 in 2021 to 1,843,833 in 2022, representing a growth of 6.32%. The number of pensioners also increased from 225,768 to 235,762 representing an increase of 4.24%.

Investment Assets Under Management

As at 31st December, 2022, the total investment portfolio of the Trust had increased by 19.99% from GH¢11,307.75 million in 2021 to GH¢13,568.72 million. Over the past five years, the Trust's investment portfolio has grown by 60.43% from GH¢8,457.97 million in 2018 to GH¢13,568.72 million in 2022, representing a compounded annual growth of 12.54% over the five-year period.

Portfolio Performance

Gross investment income for the year 2022 was GH¢722.77 million. This amount represents an increase of 45.86% compared to the 2021 figure of GH¢495.54 million.

The Trust will continue to refine its investment strategies to enhance performance, achieve long-term sustainability and fulfil its obligations to stakeholders.

Benefits

A total of GH¢4,170.27 million was paid out as benefits for 2022, representing an increase of 14.94% over the GH¢3,628.28.75 million paid in 2021. Average processing time for pensions increased from 10 days in 2021 to 13 days in 2022. This was attributed to the initial challenges experienced with the implementation of the Integrated Social Security Administration System (ISSAS), an internally developed software aimed at making our operations more efficient and improving general productivity within the Trust.

Conclusion

I would like to extend my appreciation to the management and staff of the Trust whose responsiveness to our leadership has been exceptional throughout the period. We have relied on their competencies and passion to drive this institution. Our cherished Members and Clients also deserve our deep appreciation for the collaboration and cordial working relations we have enjoyed over the past year.

We look forward to increasing fortunes in the years ahead.



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 2022. The report covers performance in the following areas:

- Compliance;
- Benefits;
- Investments; and
- Macroeconomic Outlook for 2022.

1.0 Compliance

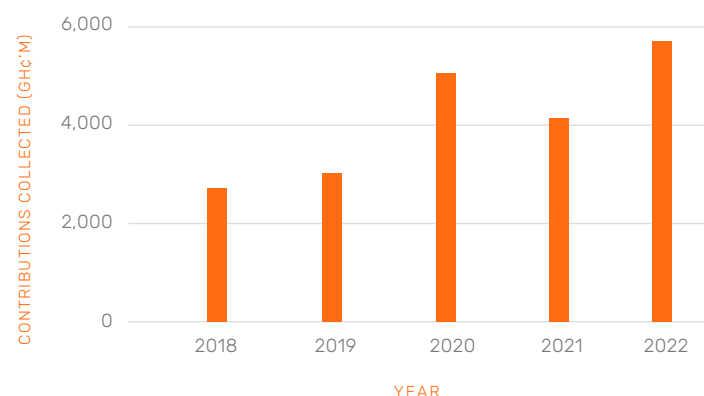
1.1 Contributions Collected

The Trust collected an amount of **GH¢5,827.00 million** as contributions for 2022, representing an increase of **41.11%** over the **GH¢4,129.51 million** collected as contributions in 2021. 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
2018	2,719.52	14.54
2019	3,024.95	11.23
2020	5,039.38	66.59
2021	4,129.51	18.06
2022	5,827.00	41.11

Chart 1: 5-year Trend of Contributions Collected



1.2 Establishments Covered

The Trust covered a total of **83,773** establishments as of 31st December 2022. This indicates an increase of **10.27%** over the 2021 figure of **75,973**. A 5-year trend of establishment coverage from 2018 to 2022 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	2018	2019	2020	2021	2022
Establishments Covered	66,350	68,487	62,472	75,973	83,773
Growth (%)	12.95	3.22	(8.78)	21.61	10.27

Chart 2: 5-year Trend of Establishment Coverage

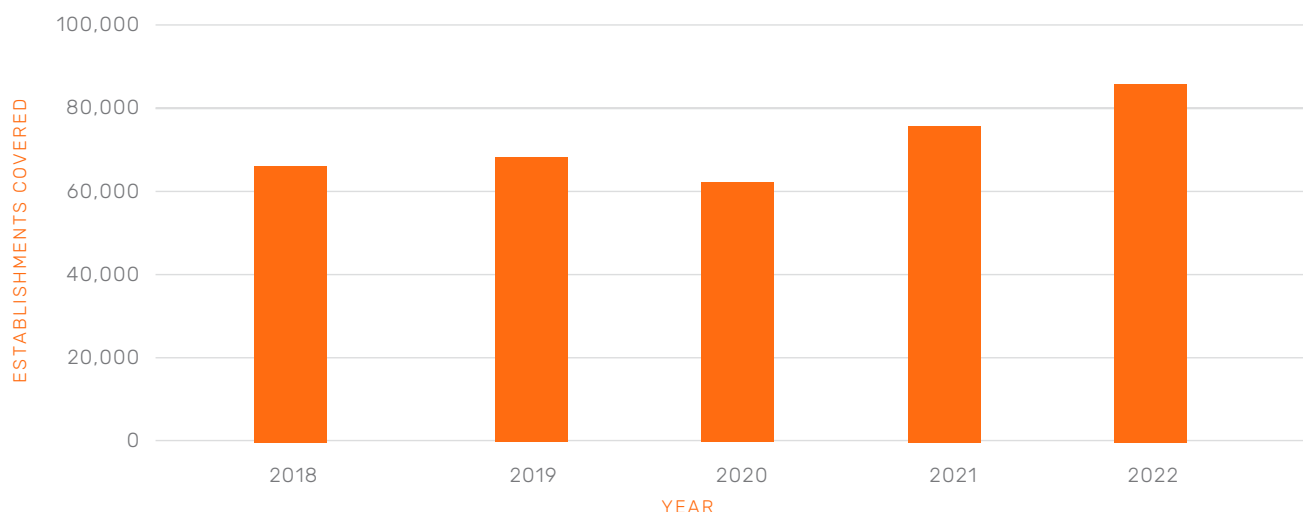
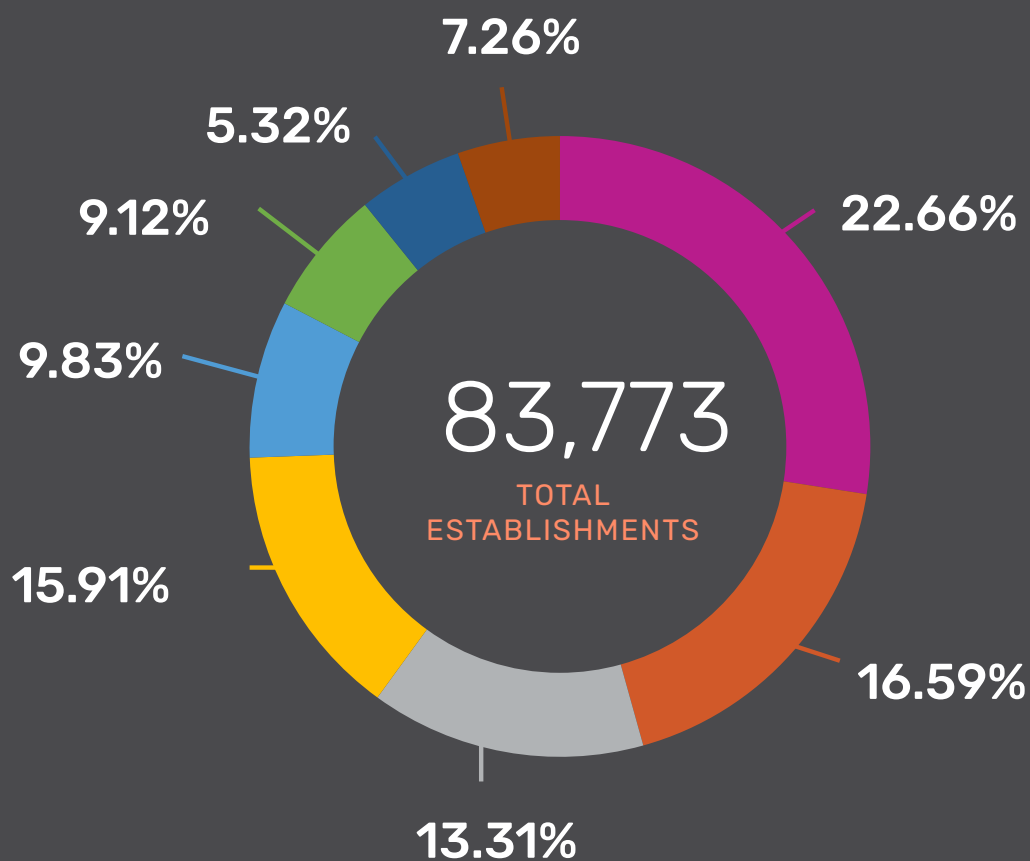


Table 3: Establishment Coverage by SSNIT Area Offices

Area Office	Regional Coverage	No. of Establishments	% of Total
Accra North	Greater Accra and parts of Central Region	18,986	22.66
Accra South	Greater Accra Region	13,898	16.59
Kumasi	Ashanti Region, parts of Central and Western North Regions	13,327	15.91
Tema	Parts of Greater Accra and Volta Regions	11,154	13.31
Takoradi	Western and parts of Central Regions	8,234	9.83
Koforidua	Eastern and parts of Volta Region	7,639	9.12
Tamale	Savannah, Northern, North East, Upper East & Upper West Regions	6,080	7.26
Sunyani	Bono, Bono East and Ahafo Regions	4,455	5.32
TOTAL		83,773	100.00

Chart 3: Establishment Coverage by SSNIT Area Offices

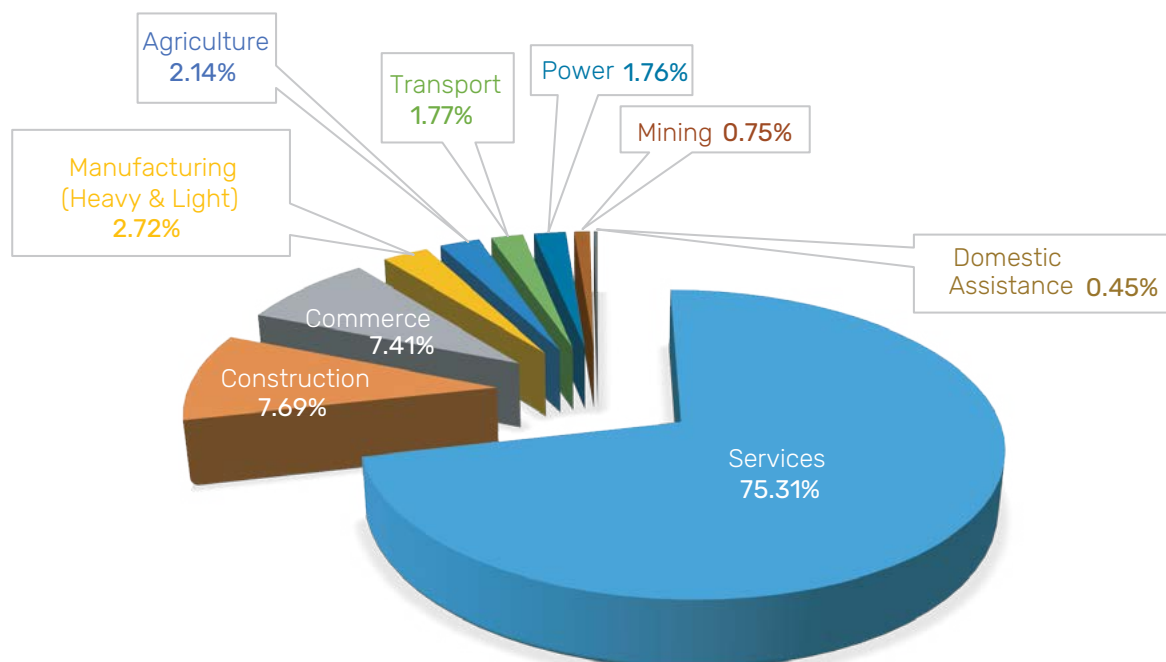
1.3 Economic Activity of Covered Establishments

An analysis of economic activity of establishments covered under the Scheme shows that **75.31%** 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	63,086	75.31
Construction	6,441	7.69
Commerce	6,206	7.41
Manufacturing (Heavy & Light)	2,281	2.72
Agriculture	1,795	2.14
Transport	1,480	1.77
Power	1,474	1.76
Mining	632	0.75
Domestic Assistance	378	0.45
TOTAL	83,773	100.00

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



1.4 Registration of New Establishments and Workers

New Establishments Registered

A total of **16,149** new establishments were registered on the Scheme in 2022. This represents an increase of **4.39%** in new establishments registration over the **15,469** establishments registered in 2021. A 5-year trend of new establishments is shown in Table 5.

Table 5: 5-year Trend of New Establishments Registered

New Establishments Registered		
Year	No. of Establishments	% Change
2018	12,974	12.16
2019	13,739	5.90
2020	12,389	(9.82)
2021	15,469	24.86
2022	16,149	4.39

New Workers Registered

A total of **244,729** new workers were registered in 2022. New workers registered in 2022 decreased over that of 2021 (i.e. **277,819** by **11.91%**). A 5-year trend of new workers registered is shown in Table 6.

Table 6: 5-year Trend of New Workers Registered

New Workers Registered		
Year	No. of Workers	% Change
2018	281,311	(0.01)
2019	296,269	2.61
2020	204,136	(31.10)
2021	277,819	36.10
2022	244,729	(11.91)

1.5 Active Contributors*

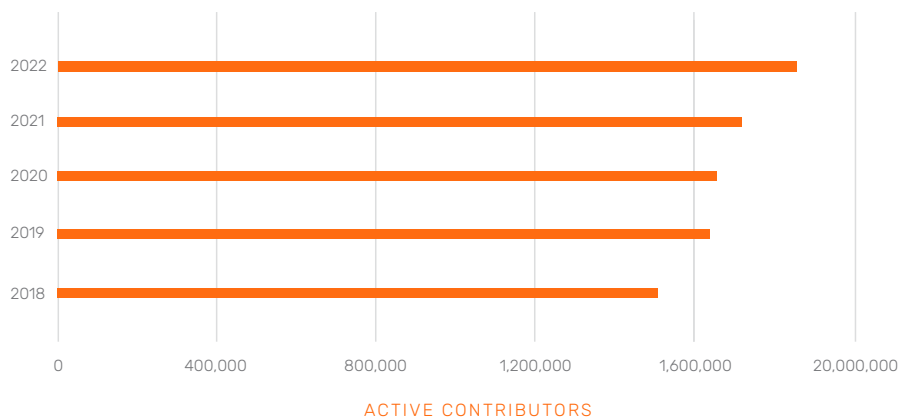
Active contributors at the end of 2022 stood at **1,843,833** representing an increase of **6.32%** over the **1,734,168** active contributors recorded in 2021. A 5-year trend of active contributors is shown in Table 7 and Chart 5.

Table 7:
5-year Trend of Active Contributors

Year	Active Contributors	% Change
2018	1,533,942	6.49
2019	1,625,255	5.95
2020	1,633,505	0.51
2021	1,734,168	6.16
2022	1,843,833	6.32

*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

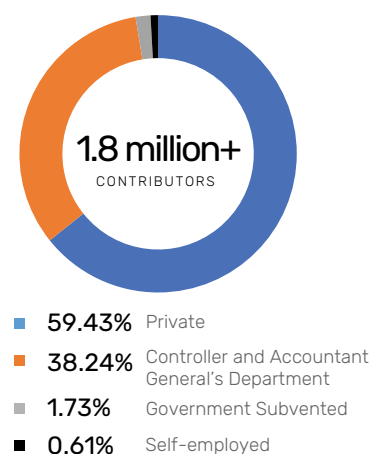
As of 2022, Contributors from the private sector constituted **59.43%** of the total number of active contributors, Government Establishments constituted **38.24%**, **1.73%** from Government Subvented Establishments and **0.61%** from Voluntary Contributors.

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	1,095,754	59.43
Controller and Accountant General's Department	705,038	38.24
Government Subvented	31,843	1.73
Self-employed	11,198	0.61
Total	1,843,833	100.00

Chart 6: Active Contributors by Establishment Category

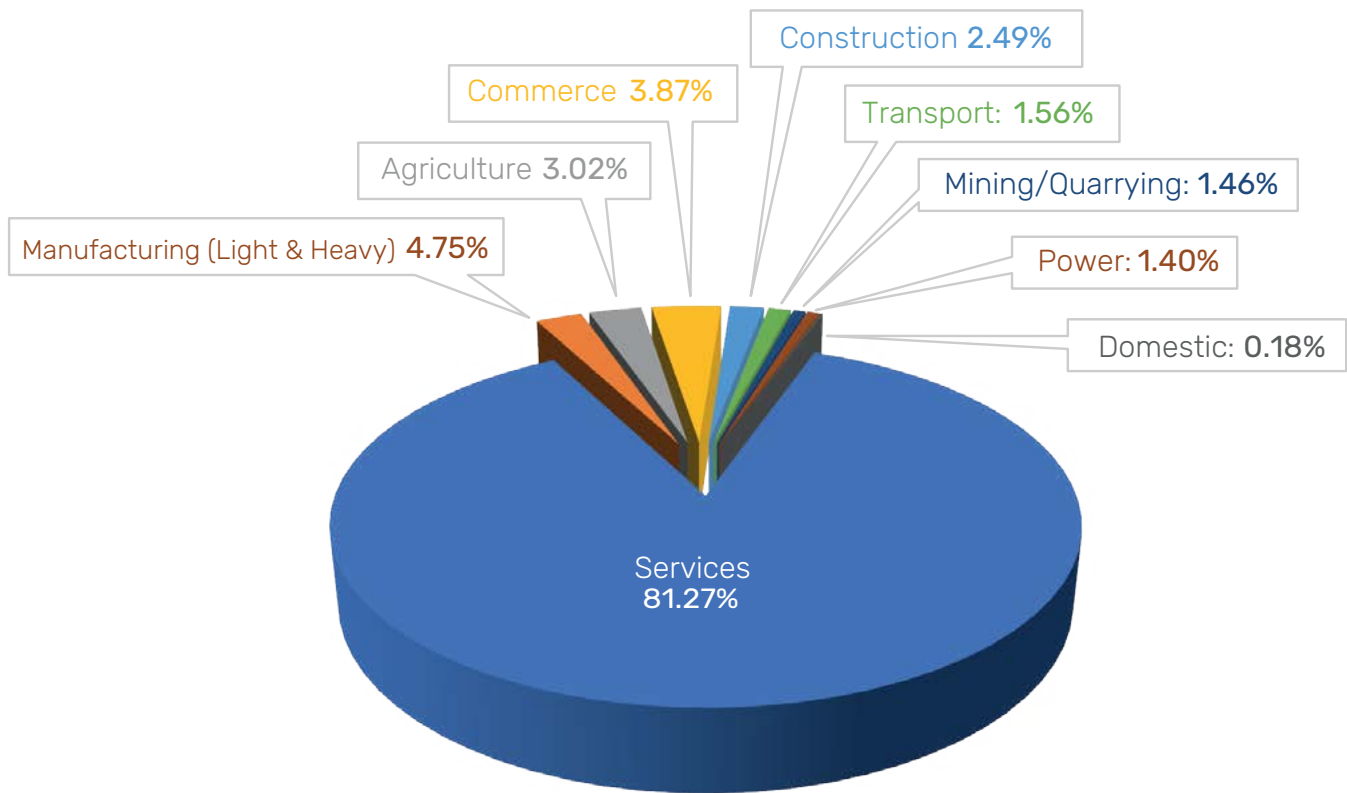


1.7 Economic Activity of Active Contributors

By economic activity, **81.27%** 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	1,498,499	81.27
Manufacturing (Heavy & Light)	87,548	4.75
Commerce	71,287	3.87
Agriculture	55,752	3.02
Construction	45,867	2.49
Mining/Quarrying	26,859	1.46
Transport	28,773	1.56
Power	25,861	1.40
Domestic Assistance	3,387	0.18
Total	1,843,833	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 2022 stood at **GH¢ 13,613.91 million**. This indicates an increase of **GH¢4,418.01 million** representing **48.04%** over the 2021 figure of **GH¢9,195.90 million**. Public establishments accounted for **95.09%** 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
2018	219.88	1,825.14	2,045.02	86.99
2019	220.48	4,016.55	4,237.02	107.19
2020	237.40	4,334.40	4,571.80	7.90
2021	308.50	8,887.41	9,195.90	101.14
2022	667.44	12,946.47	13,613.91	48.04%

2.0 Benefits

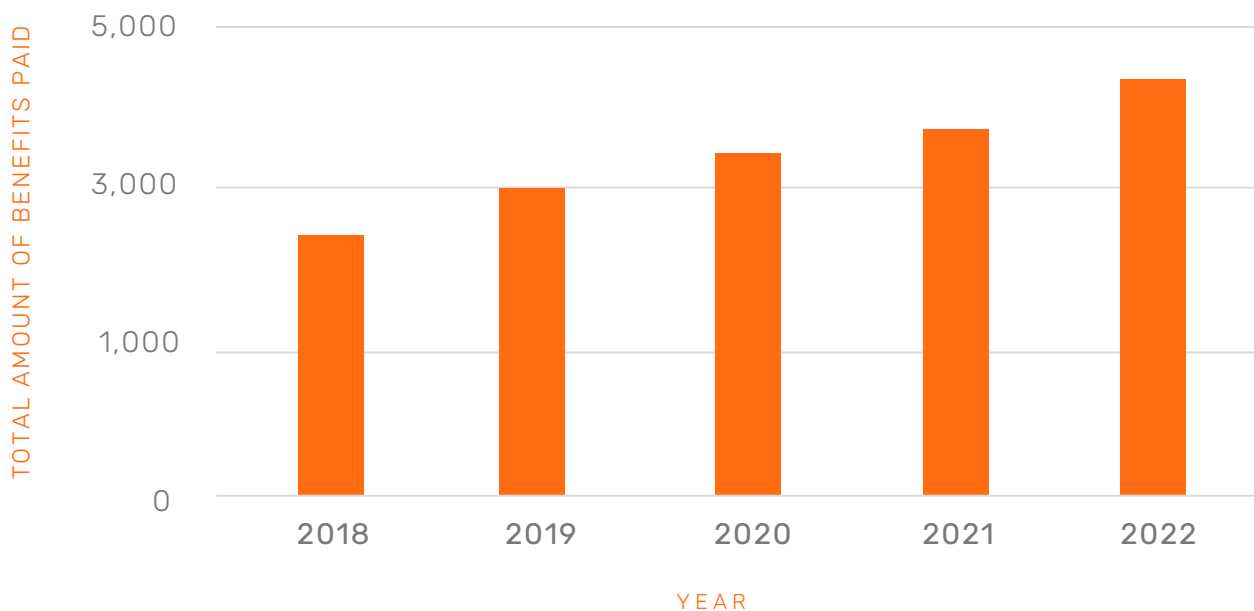
2.1 Benefits Paid

An amount of **GH¢4,170.27 million** was paid as Social Security benefits in 2022. This represents an increase of **14.94%** over the 2021 amount of **GH¢3,628.28 million**. Of the 2022 total amount paid, **GH¢3,620.80 million**, representing **86.82%**, was paid as Pensions whilst **GH¢549.47 million**, which represents **13.18%**, was paid as Lump sums. Benefit paid from 2018 to 2022 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)	Lump sum (GH¢'m)		
2018	2,194.07	301.38	2,495.45	13.97
2019	2,608.38	337.33	2,945.71	18.04
2020	2,968.27	334.48	3,302.75	12.12
2021	3,196.01	432.27	3,628.28	9.86
2022	3,620.80	549.47	4,170.27	14.94

Chart 8: 5-year Trend of Benefits Paid



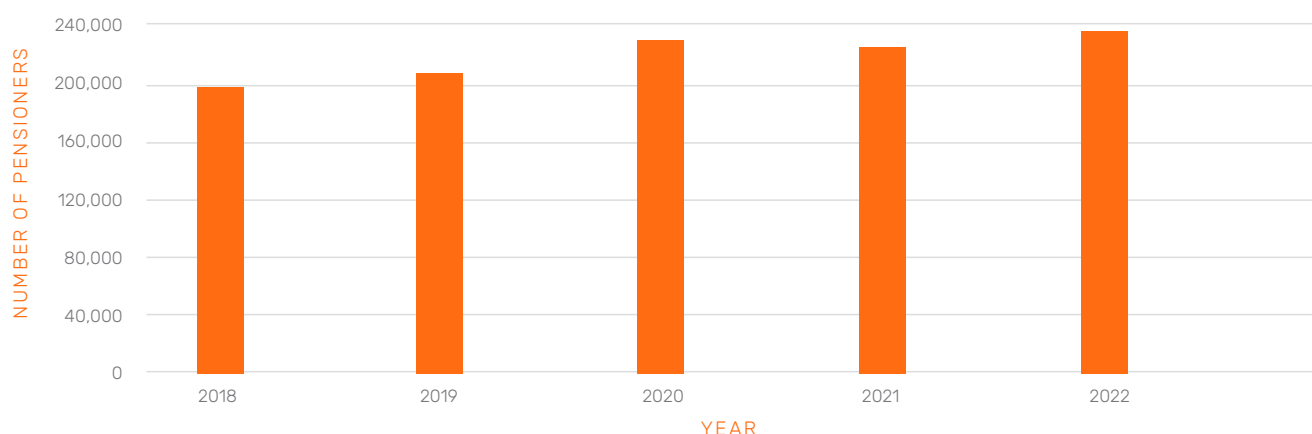
2.2 Number of Pensioners

At the end of 2022, the total number of Pensioners on the SSNIT Pension payroll stood at **235,762**, representing an increase of **4.24%** over the **225,768** Pensioners on the payroll as of 31st December 2021. The pensioner population from 2018 to 2022 is represented in Table 12 and Chart 9.

Table 12: Number of Pensioners (2018 – 2022)

Year	2018	2019	2020	2021	2022
Number of Pensioners	200,000	215,850	227,407	225,768	235,762
% Change	5.51	7.93	5.35	0.72	4.24

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 retaining competent investment professionals.

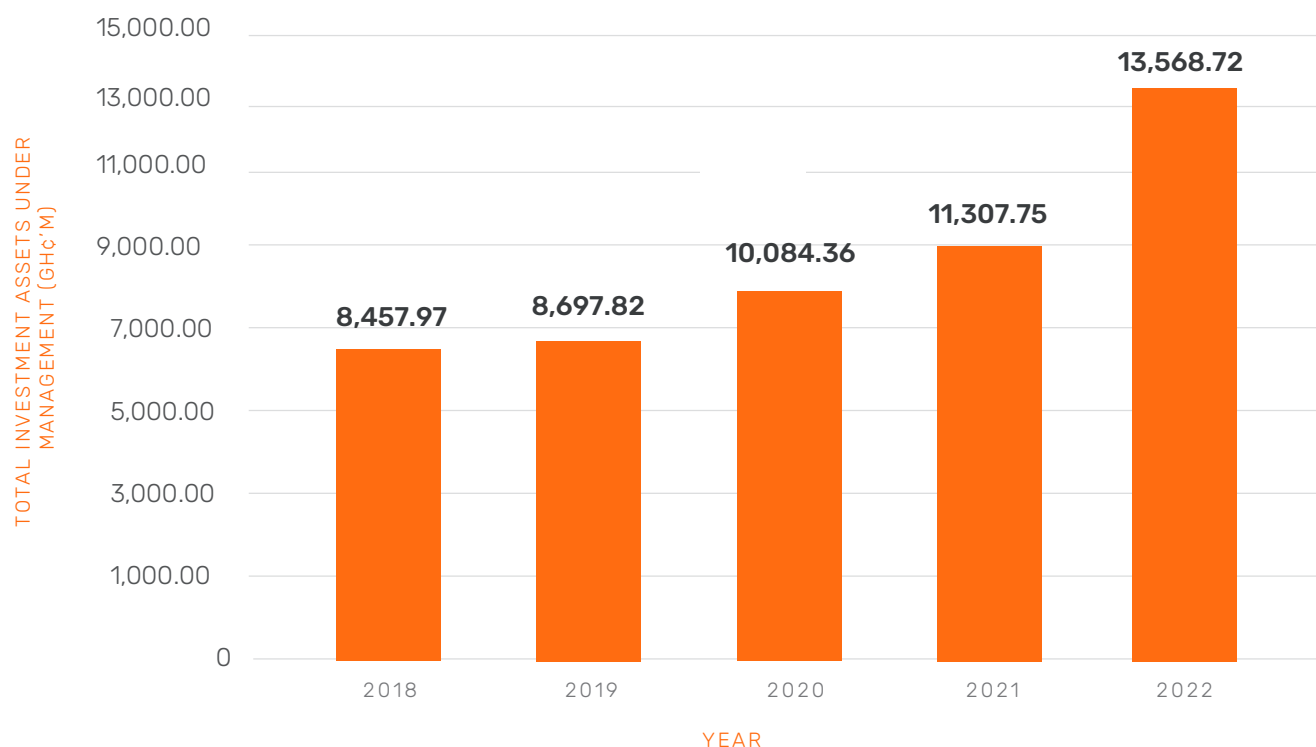
In achieving the investment objectives, the Trust continues to be guided by the following basic principles that govern the investment of social security funds:

- safety
- yield
- liquidity
- diversification
- social/economic utility

3.2 Investment Assets Under Management

The total investment portfolio of the Trust as at 31st December 2022, saw a significant increase of **19.99%**, rising from **GH¢11,307.75 million** in 2021 to **GH¢13,568.72 million** in 2022. The increase was due to fair value gains realised on some unlisted companies as well as net gains on the Trust's commercial properties.

Over the past five years, the Trust's Investment Portfolio has grown by **60.43%**, increasing from **GH¢8,457.97 million** in 2018 to **GH¢13,568.72 million** in 2022. This represents a compound annual growth rate (CAGR) of **12.54%** over the period. The annual values of the total assets under management for the five-year period are represented in Chart 10.

Chart 10: Total Investment Assets under Management (GH¢' Million) from 2018 to 2022

3.3 Composition of the Trust's Investment Portfolio

The Trust's Investment Portfolio consist of the following asset categories:

- Investment Properties
- Equity Investments
- Investment Securities
- Loans and Receivables
- Student Loans.

The composition of the Investment Portfolio for 2022 and 2021 is presented in Table 13 and Chart 11, while a list of the Trust's investee companies is presented in Appendix 1.

Table 13: Investment Portfolio Structure – 2022 and 2021

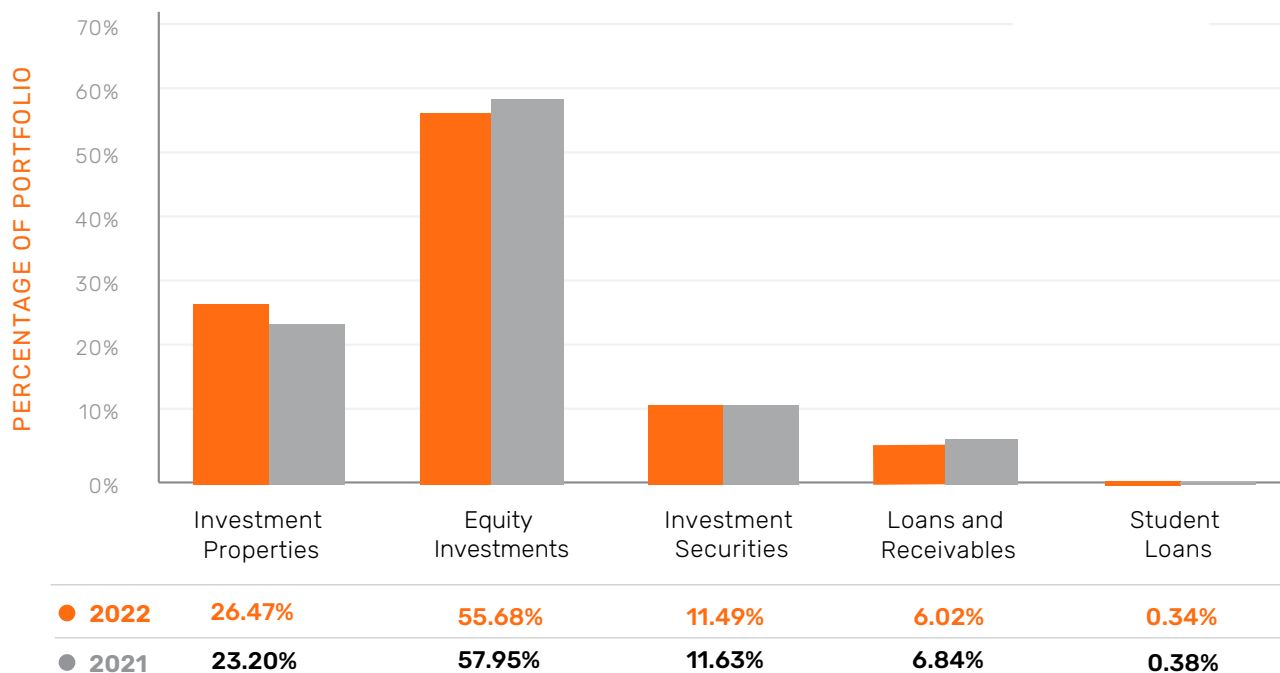
Investment Assets	Percentage of Portfolio (%)	
	2022	2021
Investment Properties	26.47	23.20
Equity investments	55.68	57.95
Investment securities	11.49	11.63
Loans and receivables	6.02	6.84
Student loans	0.34	0.38
Total	100.00	100.00

Investment Properties, which include commercial properties, real estate under construction, and housing stock, increased from 23.20% in 2021 to 26.47% in 2022. This growth was primarily driven by revaluation gains on key commercial properties, including the Ridge Multilevel Car Park, SSNIT Emporium, and Heritage Towers. In 2022, total revaluation gains amounted to GH¢976.01 million, a significant increase compared to the GH¢144.87 million recorded in 2021. The sharp increase in average inflation from 9.95% in 2021 to 31.47% in 2022 significantly affected the cost of construction materials, leading to the considerable revaluation gains.

Equity Investments decreased from 57.95% in 2021 to 55.68% in 2022, primarily due to a decline in the prices of certain stocks held by SSNIT on the Ghana Stock Exchange. The most significant declines were seen in Unilever (Ghana) Limited, which fell by 34.10%, Produce Buying Company, down by 33.30%, and CalBank, which dropped by 25.30%. These stock price declines contributed to the overall reduction in the Trust's Equity Investments.

In 2022, the proportion of Investment Securities (comprising Bonds and Short-term Treasury instruments) declined slightly, from 11.63% in 2021 to 11.49%, a decrease of 0.14 percentage points. This decline was mainly driven by stronger growth in other areas of the portfolio, with Equity Investments rising by 8.9% (GH¢1,005 million) and Investment Properties increasing by 8.6% (GH¢967.98 million). In comparison, Investment Securities grew by just 2.2%, or GH¢244.80 million, making their growth less impactful in the overall portfolio.

Chart 11: Investment Portfolio Structure 2022/2021



The SSNIT investment portfolio is structured into three main asset classes, in line with the Trust's Asset Allocation Policy. These asset classes are:

- 1 Equities**
- 2 Fixed Income**
- 3 Alternative Investments**

The composition and distribution of these asset classes are outlined in Table 14.

Table 14: Investment Portfolio by Asset Classes – 2022 and 2021

Assets Class	Percentage of Portfolio(%)	
	2022	2021
Equities	52.90	54.99
Fixed Income	17.85	18.85
Alternative Investments	29.25	26.16
Total	100	100

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

3.4 Portfolio Performance

In 2022, the Trust achieved a gross investment income of GH¢722.77 million, representing a significant increase of 45.86% from the GH¢495.54 million recorded in 2021. The nominal return for 2022 was 21.59%, up from 19.67% in the previous year, indicating improved performance over prior year.

However, despite this strong nominal return, the portfolio experienced a real return of -7.51% in 2022, falling short of the Policy Benchmark return of 4.25% by 11.76 percentage points. This contrasts sharply with the 2021 real return of 8.84%, which exceeded the Policy Benchmark by 4.59 percentage points.

The 2022 real return performance can be attributed to the sharp rise in average inflation, which soared to 31.47% from 9.95% in 2021. This high inflation rate significantly eroded the real value of investment returns, resulting in a negative real return for the year.

A summary of the performance for 2022 and 2021 is presented in Table 15.

Table 15: Investment Portfolio Performance - 2022 and 2021

Return on Investment (ROI)	2022	2021
Nominal Return	21.59%	19.67%
Average Inflation	31.47%	9.95%
Real Return (Actual)	-7.51%	8.84%
Real Return (Target)	4.25%	4.25%
Variance	-11.76%	4.59%

The Trust achieved positive returns across all asset classes in 2022, except for the listed equities sub-asset class, which experienced a return of -4.09% due to a loss of GH¢280.58 million. This was a significant decline compared to the GH¢572.74 million gain recorded in 2021. In contrast, the Ghana Stock Exchange (GSE) posted a return of -12.38% for the same period.

In summary, while the Trust's nominal returns improved, high inflation eroded real returns. Despite overall market challenges, the listed equities sub-asset class outperformed broader market indices, benefitting from its substantial exposure financial sector.

The three, five, and ten-year geometric mean returns of the Trust's investments, detailed in Table 16, provide insights into the portfolio's performance across short, medium, and long-term periods. These returns are essential for evaluating how the investment portfolio performs against its benchmarks. The portfolio's Real Return on Investment (RROI) was below the minimum policy benchmark of +4.25%, as shown by the geometric mean returns for these periods.

Table 16: Investment Portfolio Performance – Mean Portfolio Returns

Return On Investment (ROI)	2022	3-Year Mean (2020 - 2022)	5-Year Mean (2018- 2022)	10-Year Mean (2013 - 2022)
Nominal Return (%)	21.59	15.44	12.40	17.88
Average Inflation (%)	31.47	16.69	13.66	14.23
Real Return (%)	-7.51	-1.07	-1.11	3.19

This performance underlines the Trust's ongoing efforts to enhance operational efficiency, reduce costs, and implement strategies aimed at improving investment returns. Key strategies being pursued include:

- Rebalancing the Investment Portfolio: Increasing investments in fixed income assets to strengthen overall portfolio returns.
- Improving Loan Book: Restructuring underperforming investee companies to enhance the performance of non-performing loans.
- Reducing Equity Exposure: Exiting or restructuring non-performing equity investments to minimize losses and optimize returns.
- Strengthening Investee Companies: Enhancing corporate governance and setting clear corporate targets to improve the performance of wholly/majority owned companies.
- Monetizing Real Estate Projects: Completing and generating revenue from ongoing real estate projects, including joint ventures.
- Optimizing Commercial Property Performance: Improving the performance of the Trust's commercial property portfolio to increase its profitability.

These strategies are aimed at aligning the Trust's investment portfolio with its long-term goals and improving overall returns.

4.0 Economic Developments And Macroeconomic Outlook For 2023

4.1 Global

In 2022, the global economy faced a series of destabilizing shocks, influenced by several factors which includes geopolitical tensions, persistent tightening of monetary policy across countries, increased policy uncertainty, and fears of recession in advanced economies. These factors contributed to a projected global economic growth decline from 3.4% in 2022 to 2.9% in 2023, according to the January 2023 IMF World Economic Outlook. The slowdown is attributed to growth declines in advanced economies and the ongoing impact of the Ukraine war. However, global economic growth is expected to rise slightly to 3.1% in 2024.

In 2023, global economic conditions are expected to diverge significantly between advanced economies and Emerging Market and Developing Economies (EMDEs):

- Advanced Economies: Growth is projected to decline sharply from 2.7% in 2022 to 1.2% in 2023. This slowdown is attributed to tighter fiscal conditions and heightened policy uncertainty aimed at controlling inflation.
- Emerging Market and Developing Economies (EMDEs): Growth is expected to increase marginally from 3.9% in 2022 to 4.0% in 2023, with a slight upward revision of 0.3 percentage points. Despite this modest increase, growth conditions in EMDEs are weakened by:
 - i. Tight global fiscal conditions,
 - ii. Dampened external demand,
 - iii. Lower consumer spending, and
 - iv. Persistent inflation.

The overall balance of risks to the global economic outlook remains tilted to the downside, with potential for lower growth and higher inflation, though some adverse risks have moderated since the October 2022 World Economic Outlook.

[Sourced: IMF World Economic Outlook (WEO), January 2023 update]

4.2 Domestic

In 2022, domestic economic growth slowed, reflecting a downturn in economic activity despite marginal improvements in consumer and business sentiment, as indicated by the updated Composite Index of Economic Activity (CIEA).

According to a survey by the Ghana Statistical Service, real Gross Domestic Product (GDP) grew at an annual rate of 3.6% during the first three quarters of 2022, down from 4.8% recorded during the same period in 2021. Similarly, Non-oil GDP growth declined from 4.7% to 4.3% over the same timeframe. High-frequency indicators from the Central Bank showed further moderation in economic activity in the last quarter of 2022, with the updated CIEA contracting by 6.2% in November, compared to a robust growth of 10.2% during the same period in 2021. This contraction was primarily driven by declines in key sectors such as port activities, cement sales, imports, and industrial electricity consumption.

Despite these challenges, confidence surveys conducted by the Bank of Ghana in December 2022 showed an uptick in consumer and business sentiments. Business optimism improved as firms achieved short-term targets and confidence in industry prospects grew, partly due to the rebound of the Ghana Cedi in December. Consumer confidence also rose, supported by reductions in energy prices and transportation costs.

This mixed outlook underscores both the headwinds faced by the economy in 2022 and the emerging signs of recovery in certain sectors.

4.2.1 Inflation

Headline inflation in 2022 experienced a sharp and sustained upward trend, far exceeding the medium-term target band of 8% ± 2%, and closing the year at a staggering 54.1%. Inflation rose steadily from 12.6% in December 2021, reaching 29.8% by June 2022, and culminating in the 54.1% mark by December 2022.

This inflation surge was primarily fueled by several factors, including significant increases in food prices, higher transportation costs, frequent hikes in petroleum prices, and the pass-through effects of the Cedi's depreciation. On average, headline inflation for 2022 was 31.5%, a considerable jump from the 10.0% average recorded in 2021.

4.2.2 Monetary Policy Rate

In 2022, the Monetary Policy Rate (MPR) followed a marked upward trajectory, reflecting the Central Bank's decisive response to escalating inflation and exchange rate volatility.

The MPR remained steady at 14.5% until March 2022, when the Central Bank raised it by 250 basis points to 17.0%. This was followed by a further 200 basis point increase to 19.0% in May 2022. The rate was held at 19.0% until August 2022, when another hike of 300 basis points brought the MPR to 22.0%. In September 2022, the rate was again raised to 24.5%, and by November 2022, the policy rate had surged by 250 basis points to 27.0%, where it remained for the rest of the year.

This aggressive monetary tightening was primarily aimed at curbing rising inflation, which had exceeded the upper limit of the medium-term target band of 8% ± 2%, and stabilizing the rapidly depreciating exchange rate.

4.2.3 Exchange Rate

The Ghanaian Cedi experienced significant depreciation against major trading currencies (the US Dollar, Euro and Pound Sterling) in 2022. The Cedi ended the year 2022 at GH¢10.03 to the US Dollar, GH¢10.62 to the Euro and GH¢12.24 to the Pound Sterling. Year-on-year, the Cedi depreciated by 40.7% against the US Dollar and 35.4% against the Pound Sterling, compared to 4.1% and 3.1% depreciation recorded in 2021, respectively. The Cedi depreciated against the Euro by 36.7% in 2022 although it appreciated by 3.5% against the Euro in 2021. These depreciations highlight significant currency challenges for the Cedi against key international currencies.

4.2.4 Money Market Rates

The Money Market saw a notable upward trend in interest rates for both short-dated and long-dated instruments in 2022. The 91-day Treasury bill and 182-day Treasury bill rates ended the year at 35.5% and 36.2% in December 2022, compared to 12.5% and 13.2% respectively in December 2021. The 364-day Treasury bill also increased to 36.1% in December 2022 from 16.5% in December 2021. The Secondary Bond Market instruments similarly depicted upward trends within the year, as yields on the 3, 5 and 6-year bonds rose from 19.0%, 21.0% and 20.8% to 43.7%, 43.7% and 43.9%, respectively. These changes reflect a significant rise in interest rates across various money market and bond market instruments during the year.

4.2.5 Ghana Stock Exchange (GSE)

The stock market activity showed mixed performance in 2022. The key developments were as follows:

- i. Total Market Capitalization: There was a slight increase of GH¢0.01 billion, raising the total market capitalization to GH¢64.51 billion at the end of December 2022, up from GH¢64.50 billion in December 2021. This represents a modest gain of 0.02%.
- ii. Ghana Stock Exchange Composite Index (GSE-CI): The GSE-CI decreased by 12.4% or 345.43 points, closing the year at 2,443.91 points in December 2022, down from 2,789.34 points in December 2021.
- iii. Ghana Stock Exchange Financial Stocks Index (GSE-FSI): The GSE-FSI fell by 4.6% or 99.26 points, ending the year at 2,052.59 points in December 2022, compared to 2,151.85 points in December 2021.

These results reflect a challenging year for the stock market, with overall declines in key indices despite a slight increase in market capitalization.

4.3 Macroeconomic Outlook for 2022

The trend in key macroeconomic indicators suggests that headline inflation in Ghana may experience a marginal decline in the first quarter of 2023. This anticipated easing is expected due to positive impact of the IMF package, which aims to stabilize the economy and Government's fiscal policies aimed at strengthening the cedi and improve its value against major currencies.

Looking ahead, inflation is projected to ease in the subsequent quarters, approaching the target medium-term band of $8\% \pm 2\%$. This anticipated decrease in inflation is expected to be driven by reduced real marginal costs. However, this outlook is contingent on the absence of unforeseen economic shocks that could disrupt the trend.

Activity on the capital market is anticipated to gain momentum, supported by improved investor sentiment. However, there is still significant work required to attract more companies from various sectors to list on the market. Efforts to enhance market attractiveness and address barriers to listing will be crucial for increasing the diversity and volume of market participation.

[Sources: Bank of Ghana, Ghana Statistical Service, and Ghana Stock Exchange]

5.0 SSNIT Investment Governance

A key governance instrument for managing the Trust's investments is the Board-approved Asset Allocation Policy and Investment Guidelines. This comprehensive framework guides the Trust in making prudent investment decisions that balance short- and long-term financial objectives. The policy is structured to align the Trust's investment strategy with its core funding goals, ensuring that returns are optimized within well-defined risk parameters.

In addition, the policy promotes cost-efficiency and enforces adherence to regulatory requirements, safeguarding the integrity of the Trust's investment portfolio while supporting sustainable growth and the fulfilment of its obligations to stakeholders.

6.0 Conclusion

In 2022, the Trust demonstrated resilience amidst a challenging economic environment characterized by rising inflation, exchange rate volatility, and a slowdown in domestic economic activity. Despite these headwinds, the Trust achieved a nominal return of 21.59%, an improvement over the previous year's 19.67%. However, the surge in inflation eroded real returns, resulting in a negative real return of -7.51%, compared to the positive 8.84% recorded in 2021.

The Trust's investment portfolio, structured in line with its Asset Allocation Policy, saw positive returns across most asset classes, with the exception of listed equities, which suffered significant losses due to adverse market conditions. The SSNIT Stock Market Portfolio, while performing better than the broader Ghana Stock Exchange, still experienced a decline, reflecting broader market challenges.

To address these challenges and improve long-term performance, the Trust has implemented strategic measures, including rebalancing the portfolio towards fixed income, improving its non-performing loan book, and enhancing the performance of its investee companies through better corporate governance. Additionally, efforts to monetize ongoing real estate projects and improve the commercial property portfolio remain key priorities.

In conclusion, the Trust remains committed to its core objective of optimizing returns within defined risk parameters, ensuring regulatory compliance, and maintaining cost efficiency. As part of this commitment, the Trust will continue to refine its investment strategies to enhance performance, achieve long-term sustainability, and fulfil its obligations to stakeholders.

Equity Holding in Companies

Listed Companies

Finance/Insurance



Cal Bank Limited



Ecobank Transnational Incorporated



Ecobank Ghana Limited



GCB Bank Limited



SIC Insurance Company Limited



Standard Chartered Bank Ghana Limited



Enterprise Group Limited



Republic Bank (Ghana) Limited



Societe Generale Ghana Limited

Brewery/ Pharmaceuticals



Dannex Ayrton Starwin Plc



Fan Milk Plc



Guinness Ghana Breweries Limited

Manufacturing /Trading



Aluworks Limited



Unilever Ghana Limited

Agric/Agro Processing



Benso Oil Palm Plantation Limited



Cocoa Processing Company Limited



Produce Buying Company Limited

Metals/Oil



Anglogold Ashanti Limited



Ghana Oil Company Limited



Total Energies Marketing Ghana

Information & Communication Technology



MTN Ghana



Tullow Oil Plc

Unlisted Companies

Banking/Finance Houses



Bayport Savings And
Loans Company



CDH Financial Holdings
Limited



Fidelity Bank
Limited



Ghana International
Bank Plc



National Trust Holding
Company Limited



Universal Merchant
Bank Limited

Manufacturing/Energy



Bessblock concrete
products limited



Cenit energy limited



Ghana agro
foods company



Sentuo steel limited



Tema lube oil
company limited

Real Estate



Broll Ghana Limited



CCL Properties
Management Limited



Ghana Hostels
Limited



Gulf Consolidated
Limited



West Hills Mall Limited

Hospitality/Services



Accra City Hotel
Limited



Africa World Airlines



Golden Beach
Hotels Limited



Grand Regency
Hotel



Hotel Investments
Ghana Limited



Intercity STC
Coaches Limited



MMC Property
Management
Company Limited



Ridge Royal Hotel
Limited



Simnet Ghana
Limited



SSNIT Guest
House Limited



Trust Hospital
Limited



Trust Lodge,
Takoradi



Trust Logistics
Limited

Under Restructuring



Fos Aluminium Limited



Subri Industrial Plantation Limited

Out Of Operation - SSNIT either exiting or about to exit



BMK Particle Board Limited



Bridal Trust International Paints Company Limited



Granite And Marbles Company Limited



Ningo Salt Limited

Work In Progress



RSS Developers Limited



Switchback Developers Limited



Trust F-Line Properties Limited



Westhills Ridge Company Limited

Private Equity Funds



Canada Investment Fund For Africa LP (CIFA)



Emerging Capital Partners Fund III PCC (ECP III)



Fidelity Equity Fund II (FEF II)



Pan African Infrastructure Development Fund (PAIDF)

Economically-Targeted Investments



Accra Abattoir Company Limited



Eximguaranty Company Ghana Limited



Ghana Industrial and Commercial Estates Limited



Metro Mass Transit Limited



Kumasi Abattoir Company Limited



Trust Sports Emporium Limited

Report of the Trustees



he Trustees submit their report together with the audited Financial Statements of Social Security and National Insurance Trust for the year ended 31st December 2022.

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 Three-Tier Pension Scheme established by the National Pensions Act, 2008 (Act 766) as amended by Act 883.

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 Scheme of the worker's choice.
- 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, how much a member contributes and also how long a member contributes to the Scheme.
- The Pension paid will fall between 37.5% and 60% (Act 766) and 80% (PNDCL 247) 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 PNDCL 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.

**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 as 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 75years "Act 766" or 72years "PNDCL 247" depending on the Scheme the member belongs.

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 the 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 Chairperson, Ms Elizabeth Ohene (2nd left), the DG, Dr John Ofori-Tenkorang (left), the Director of NaCCA, Dr Edward Appiah, (2nd right) and the Ashanti Regional Director of Education, Ms Mary Owusu-Afriyie (right) displaying the Supplementary Readers after the launch

**Survivors Lump Sum Benefit**

The Scheme provides an **in-built life policy** for you

Contributing to the SSNIT Scheme gives members a life policy by paying their survivors a lump sum when death occurs

Sign up now

*Terms and Conditions apply



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 under mentioned sub-committees which meet frequently in between Board meetings:

Finance & Investment Committee

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

Hon. (Mrs.) Abena Osei-Asare	Chairperson
Mr. John Senanu Amegashie	Member
Mr. Peter Osei Duah	Member
Ms. Ivy Betur Naaso	Member
Mr. Daniel Acheampong	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

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.

Administration, Welfare and Legal Committee

The Administration, Welfare and Legal Committee is constituted by the following members:

Mr. Daniel Acheampong	Chairman
Mr. John Senanu Amegashie	Member
Dr. Emmanuel Adu - Sarkodee	Member
Mr. Joshua Ansah	Member
Mrs. Gloria Irene Amaki Payida	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

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

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

Technical & Operations Committee

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

Mr. Peter Osei Duah	Chairman
Dr. Evans Agbeme Dzikum	Member
Mr. Joshua Ansah	Member
Dr. Emmanuel Adu-Sarkodee	Member
Mrs. Gloria Irene Amaki Payida	Member
Mr. Benjamin Asumang	Member
Dr. John Ofori-Tenkorang (Director-General)	Member

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.

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

SSNIT Audit Committee

In addition to the above named Board Sub-Committees, SSNIT has an external Audit Committee made up of the following members:

Prof. Kwame Adom-Frimpong	Chairman
Dr. Evans Agbeme Dzikum	Member
Dr. David Twum Antwi	Member
Mr. Joshua Magnus Nicol	Member
Mr. Benjamin Asumang	Member

This Committee was inaugurated by SSNIT pursuant to the Public Financial Management Act, 2016, (Act 921). The SSNIT Audit Committee reviews and pursues the implementation of recommendations submitted in the Trust's Internal Audit reports, Parliament's decisions on the Auditor-General's report on SSNIT, and Auditor-General's Audit Management Letter on SSNIT.

4.0 Membership of the Scheme

	2022	2021
Membership as at 1 st January	5,770,128	5,521,145
Prior year adjustments	(1,677,488)	-
New members	244,235	277,819
	4,336,875	5,798,964
Withdrawals (Retirements)	(22,759)	(28,836)
Membership as at 31 st December	4,314,116	5,770,128

The above represents the registered membership of the Scheme. The year 2022 Membership as at 1st January has been reclassified, hence, the adjustment of 1,677,488. This represents any person who has been registered with the Scheme and has at least one valid contribution standing to his/her credit, excluding those paid benefits. The active membership, however stood at 1,896,829 as at 31st December 2022. (2021: 1,734,168)

5.0 Pensioners

During the year, the number of pensioners increased from 225,768 to **234,349**.

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 at 31st 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, help to minimize unfunded liabilities thereby reducing the necessary intergenerational 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 investable 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.

The composition of the Scheme's investment portfolio and returns as at 31st December 2022 and 2021 were as follows:

	2022		2021	
	Portfolio	Rate of Return	Portfolio	Rate of Return
	%	%	%	%
Investment Properties	26.47	33.42	23.20	1.52
Equity investments	55.68	16.27	57.95	27.03
Investment securities	11.49	18.89	11.63	17.68
Loans and receivables	6.02	24.51	6.84	22.70
Student loans	0.34	10.51	0.38	10.79
	100.00		100.00	

Investment properties

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

Equity investments

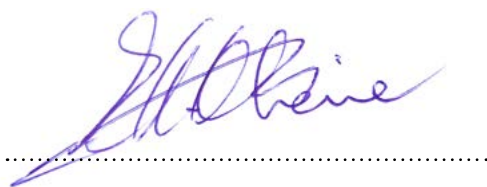
This relates to investments in listed and unlisted equities.

Investment securities

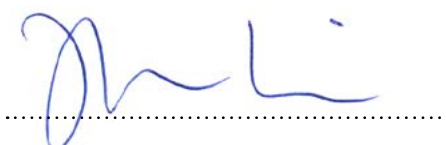
This relates to bonds, treasury bills and fixed deposits.

Loans and receivables

Represent advances to companies less related impairment allowance.

By order of the Board of Trustees:


Trustee:
08/03/2023



Director-General:
08/03/2023

Contribute 13.5% of your basic salary and get **up to 60%**

Sign up with **SSNIT** for a secure pension plan

#OldAgePension#

*Terms and Conditions apply



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*.

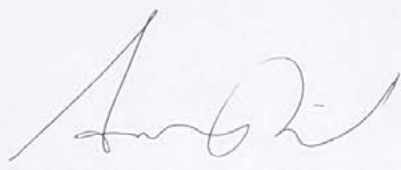
20 October 2020



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 31st December 2022, the Statement of changes in net assets available for benefits and the Statement of cash flows for the year then ended, and notes to the financial statements as set out on pages 14 to 58, 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 31st December 2022, 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 SSNIT 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.

Other Information

The Trustees are responsible for the Other information. The Other information comprises the Trustees' Report and Actuary's Report. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Trust's audit. We remain solely responsible for our audit opinion.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Trust's audit. We remain solely responsible for our audit opinion.
- 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 thought to bear on our independence, and where applicable, related safeguards.



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

Date: 13/03/ 2023

Statement of net assets available for benefits

(All amounts are expressed in Thousands of Ghana Cedis)

	NOTE	2022	2021
Non-current assets			
Property, plant & equipment	4a & 4b	1,509,010	1,055,708
Intangible asset - Computer software	4c	5,718	1,299
Investment properties	5a	3,360,762	2,441,682
Investment in Subsidiaries	5e	84,784	64,227
Non-current financial assets	6a	9,342,516	8,270,882
		14,302,790	11,833,798
Current assets			
Housing stock	9	230,394	181,507
Inventories	8	4,370	4,191
Current financial assets	6b	890,911	692,701
Prepayments and advances	6c	12,136	19,795
Cash and bank balances	7	193,755	155,143
		1,331,566	1,053,337
Current liabilities			
Accounts payable	10	(823,639)	(724,320)
Ghana Education Trust Fund	11	(26,418)	(26,418)
		(850,057)	(750,738)
Net current assets		481,509	302,599
Total assets less current liabilities		14,784,299	12,136,397
Represented by			
Net assets as at 1 st January		12,136,397	10,884,876
Current year movement		2,518,972	1,251,521
Prior year adjustment	22	128,930	-
Net assets as at 31 st December available for benefits		14,784,299	12,136,397

The notes on **pages 49 to 87** form an integral part of these Financial Statements.

The Financial Statements on **pages 46 to 87** were approved by the Board of Trustees on **28th February 2023** and were signed on its behalf by:



Trustee



Director-General

Statement of changes in net assets available for benefits

(All amounts are expressed in Thousands of Ghana Cedis)

	NOTE	2022	2021
Operating Income			
Net Contributions received	13	4,356,936	3,368,335
Net investment income	14a	705,747	473,638
Other income	14b	209,500	61,662
Total Operating Income		5,272,183	3,903,635
Direct costs and expense			
Operational cost	15a	(345,546)	(254,661)
Benefits	15b	(4,170,268)	(3,628,280)
Total Direct costs and expense		(4,515,814)	(3,882,941)
Surplus of income over direct costs		756,369	20,694
Administrative expenses	16a	(414,823)	(334,759)
Net impairment (loss)/gain on financial assets	16b	(111,432)	12,968
Net surplus/(deficit)		230,114	(301,097)
Movement in net assets available for benefits			
Surplus of income over expenditure		230,114	(301,097)
Net increase in the value of investments	19	2,288,858	1,552,618
Net current year movement in net assets available for benefits		2,518,972	1,251,521

The notes on **pages 49 to 87** form an integral part of these Financial Statements.

Statement of cash flows

(All amounts are expressed in Thousands of Ghana Cedis)

	NOTE	2022	2021
Operating Activities			
Net surplus		230,114	(301,097)
Depreciation - Tangible assets	4a & 4b	33,619	24,821
Amortisation - Intangible assets - Computer software	4c	1,406	439
Impairment loss/(gain) on financial assets		-	7,032
Profit/Loss on disposal of Fixed Assets		(46)	(120)
Other non-cash items (PPE Donations)		68,943	-
		334,036	(268,925)
Adjustment for movement in working capital			
(Increase)/Decrease in housing stock	9	(48,886)	(108,966)
(Increase)/Decrease in inventories	8	(179)	(289)
(Increase)/Decrease in current financial assets (More than 91 days but less than 1 year)		9,791	(58,464)
(Increase)/Decrease in prepayment		7,659	16,446
Increase /(Decrease) in payables	10	99,320	175,927
(Increase)/Decrease in investment properties	5d	56,932	329,415
Decrease/(Increase) in Non-current financial assets		(169,995)	(184,182)
Net cash (used for) / generated from operating activities		288,678	(99,038)
Investing activities			
Purchase of property, plant & equipment	4	(36,592)	(33,112)
Purchase of intangible assets - Computer software	4c	(5,824)	(417)
Proceeds from the sale of property, plant & equipment		350	186
		(42,066)	(33,343)
Increase in cash and cash equivalents		246,612	(132,381)
Cash and cash equivalents as at 1 st January		343,143	475,524
Balance as at 31st December		589,755	343,143
Analysis of cash and cash equivalents			
Current financial assets (Within 91 days)		396,000	188,000
Cash & bank balances		193,755	155,143
		589,755	343,143

The notes on **pages 49 to 87** form an integral part of these financial statements.

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) as amended by Act 883 which provides for a three tier pension scheme. SSNIT is mandated by the law to manage the 1st Tier which is compulsory for all workers in Ghana.

SSNIT is presently the largest non-bank financial institution in the country. Its primary responsibility is to replace part of lost income to Members due to Old Age, Invalidity or Death through the administration of a Social Security Scheme. The principal activities of SSNIT are described in the Report of the Trustees.

The address of the Head Office of SSNIT is Pension House, Ministries, Pension Road, Accra (GA 107-4293).

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 judgement

The preparation of the Trust's Financial Statements requires Management to make judgements, 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.

Basis of Preparation – continued**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 judgement 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 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) as amended by Act 883 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.

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.

3.0 Significant accounting policies - continued**3.5 Financial instruments - continued****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 profit 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.

3.0 Significant accounting policies - continued**3.5 Financial instruments - continued**

➤ **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

3.0 Significant accounting policies - continued**3.5 Financial instruments - continued**

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 receive 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.

3.0 Significant accounting policies - continued**3.5 Financial instruments - continued**

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%

3.0 Significant accounting policies – continued**3.6 Property, Plant and Equipment – continued**

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 Third Tier Occupational Scheme for all permanent employees. The Third Tier 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 Trust contributes 12.0% of the Basic Salary of the Employee to the Scheme while the Employees contribute 4.5%. The Trust obligation under the plan is limited to the relevant contribution and these are settled on due dates to the Scheme.

The total expense charged to income of GH¢36,223,863.00 (2021: GH¢29,308,045.44) 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 opinion

The Financial Statements summarise the transactions and net assets of the Pension Scheme. The Financial

3.0 Significant accounting policies - continued**3.6 Property, Plant and Equipment - continued**

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 to only adopt the new or revised standards as and when they become effective.

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 – Classification of liabilities as current or non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after 1st January 2023, with early adoption permitted. These amendments will not have any impact on the Trust's financial statements.

(All amounts are expressed in Thousands of Ghana Cedis)

4a Property, plant & equipment - 2022

Cost	Land & buildings	Equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
At 1 st January	1,030,294	173,426	24,999	38,579	23,723	1,291,021
Additions	-	-	-	-	36,593	36,593
Capitalised WIP	-	2,498	1,707	17,768	(21,973)	-
Transfers - Project WIP	13,836	-	-	-	(13,836)	-
Transfer	(68,943)	-	-	-	-	(68,943)
Revaluation	509,174	-	-	-	-	509,174
Write Off	(25,332)	-	-	-	-	(25,332)
Disposals	-	(4,999)	(2,670)	(122)	-	(7,791)
At 31st December	1,459,029	170,925	24,036	56,225	24,507	1,734,722

Depreciation/Impairment

At 1 st January	29,482	160,683	15,252	29,906	-	235,323
Charge for the year	17,807	6,529	3,813	5,470	-	33,619
Transfer	(35,741)	-	-	-	-	(35,741)
Disposals	-	(4,798)	(2,594)	(97)	-	(7,489)
At 31 st December	11,548	162,414	16,471	35,279	-	225,712
Net book value	1,447,481	8,511	7,565	20,946	24,507	1,509,010

Disposal schedule

	Cost	Accum. Depn.	NBV	Proceeds	Profit/(Loss) on disposal
Motor Vehicle	122	97	25	130	105
Equipment	4,999	4,798	201	127	(74)
Furniture & fittings	2,670	2,594	76	91	15
	7,791	7,489	302	348	46

*(All amounts are expressed in Thousands of Ghana Cedis)***4b Property, Plant & Equipment - 2021**

Cost	Land & buildings	Equipment	Furniture & fittings	Motor vehicles	Capital work in progress	Total
At 1 st January	978,985	163,441	23,020	38,725	12,518	1,216,689
Additions	-	-	-	-	33,112	33,112
Capitalised WIP	8,607	10,846	2,444	-	(21,897)	-
Transfers - Project WIP	-	-	-	-	-	-
Transfer - Donations	-	-	-	-	-	-
Revaluation	42,702	-	-	-	-	42,702
Disposals	-	(861)	(465)	(146)	-	(1,472)
At 31st December	1,030,294	173,426	24,999	38,579	23,733	1,291,031

Depreciation/Impairment

At 1 st January	20,179	154,755	12,351	24,623	-	211,908
Charge for the year	9,303	6,772	3,323	5,423	-	24,821
Revaluation	-	-	-	-	-	-
Disposals	-	(844)	(422)	(140)	-	(1,406)
At 31 st December	29,482	160,683	15,252	29,906	-	235,323
Net book value	1,000,812	12,743	9,747	8,673	23,733	1,055,708

Disposal schedule

	Cost	Accum. Depn.	NBV	Proceeds	Profit/(Loss) on disposal
Motor Vehicle	146	140	6	97	91
Equipment	861	844	17	40	23
Furniture & fittings	465	422	43	49	6
	1,472	1,406	66	186	120

*(All amounts are expressed in Thousands of Ghana Cedis)***4c. Intangible asset - Computer software**

Cost	2022	2021
At 1st January	176,752	176,335
Additions	5,825	417
Transfers	-	-
Revaluation	-	-
Disposals	-	-
	182,577	176,752
Amortisation		
At 1 st January	175,453	175,014
Charge for the year	1,406	439
Transfer	-	-
Disposals	-	-
At 31st December	176,859	175,453
Net book value	5,718	1,299

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5a Investment properties

	Note	2022	2021
Commercial properties	5b	3,311,956	2,261,881
Work in progress – real estate under construction	5c	48,806	179,801
		3,360,762	2,441,682

The fair value of investment properties 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 in 2022.

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¢46,761,000 (2021: GH¢43,305,000).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was GH¢8,849,000 (2021: GH¢6,376,000). 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

	2022	2021
Balance at the beginning	2,261,881	2,146,014
Additions	74,064	2,925
Transfer	-	-
SSNIT occupancy	(303,743)	(42,702)
Net Gain/(Loss) from Fair Valuation	1,279,754	155,644
	3,311,956	2,261,881

(All amounts are expressed in Thousands of Ghana Cedis)

The valuation report 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 outgoing 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 use 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

	2022	2021
Balance as at 1 st January	179,801	480,216
Additions during the year	19,340	21,207
Transfer to Housing Stock	(150,335)	(321,622)
At 31st December	48,806	179,801

*(All amounts are expressed in Thousands of Ghana Cedis)***5d Investment properties additions**

	2022	2021
Estate under construction	19,340	21,207
Commercial properties net of transfer from Estate under construction	(76,271)	
	(56,931)	21,207
Transfers catered for in PPE	(303,743)	(42,702)
	(360,674)	(21,495)

5e Investment in subsidiaries

	2022	2021
(i) SSNIT Hospital		
Balance at the beginning	62,087	69,761
Additions	-	-
Revaluation Gain/(Loss)	-	(7,674)
	62,087	62,087
(ii) SSNIT Guest House		
Balance at the beginning	2,140	3,520
Additions	-	-
Revaluation Gain/(Loss)	20,557	(1,380)
	22,697	2,140
(iii) Bridal Trust Ltd		
Total Investment in Subsidiaries	84,784	64,227

*(All amounts are expressed in Thousands of Ghana Cedis)***6a Non-current financial assets**

	2022	2021
(i) Equity investments		
Listed equities	2,110,607	2,391,184
Unlisted equities	5,360,212	4,097,488
	7,470,819	6,488,672
(ii) Investment securities		
Ghana Government bonds	1,002,209	1,002,209
Corporate bonds	144,056	144,056
Treasury Note more than one year	-	-
Impairment	(90,915)	(85,845)
	1,055,350	1,060,420
(iii) Loans and receivables		
Corporate loans		
Gross	991,396	881,841
Impairment	(175,049)	(160,051)
	816,347	721,790
Total Non-current financial assets	9,342,516	8,270,882

6b Current financial assets

	2022	2021
(i) Investment securities		
Fixed deposit maturing within 91 days	396,000	188,000
Fixed deposit maturing after 91 days	108,688	66,658
Impairment	(427)	(271)
	504,261	254,387
(ii) Loans and receivables		
Students loans	188,989	186,282
Impairment	(142,989)	(142,914)
	46,000	43,368

(All amounts are expressed in Thousands of Ghana Cedis)

	2022	2021
(iii) Loans and receivables		
Corporate loans		
Gross	1,031,906	996,056
Impairment	(1,031,906)	(944,355)
	-	51,701
(iv) Other accounts receivable		
Investment income	103,481	100,370
Staff debtors	59,603	64,210
Current accounts of subsidiaries	21,120	21,120
Sundry debtors	210,985	208,502
Impairment	(54,539)	(50,957)
	340,650	343,245
Total current financial assets	890,911	692,701

Analysis of corporate loans by business segment

	2022	%	2021	%
Financial	189,602	10.26	189,602	10.10
Service	934,121	50.54	996,164	53.05
Manufacturing	3,380	0.18	3,380	0.18
Real estate	721,149	39.02	688,751	36.68
Gross loans and advances	1,848,252	100.00	1,877,897	100.00
Less impairment allowance	(1,206,955)		(1,104,406)	
	641,297		773,491	

6c Prepayments and advances

	2022	2021
Prepayment	9,539	5,124
Advances to contractors	2,597	14,671
	12,136	19,795

(All amounts are expressed in Thousands of Ghana Cedis)

7.0 Cash and bank balances

	2022	2021
Current account balances	193,755	155,143
	193,755	155,143

8.0 Inventory

	2022	2021
Stationery	3,982	3,810
Spare parts	237	245
Fuel and lubricants	151	136
	4,370	4,191

9.0 Housing stock

	2022	2021
Opening balance	181,507	72,541
Additions during the year	150,335	321,622
Disposals	(101,448)	(212,656)
Closing balance	230,394	181,507

10.0 Accounts payable

	2022	2021
Retention fees	5,639	10,667
Suppliers and accrued liabilities	715,827	626,064
Rent received in advance	48,056	47,756
Returned Pension	52,470	38,326
Sundry payables	1,647	1,507
	823,639	724,320

(All amounts are expressed in Thousands of Ghana Cedis)

11.0 Ghana education trust fund

The Ghana Education Trust Fund made available to the Trust an amount of GH¢26.42 million between the year 2000 and 2005 for onward lending to students under the Students Loan Scheme. This was disbursed in seven (7) different tranches, that is, (Nov-2000 - GH¢ 3million, Sep-2001 - GH¢ 3million, Nov-2001 - GH¢ 3million, Apr-2002 - GH¢ 3million, Nov-2002 - GH¢ 2million, May-2004 GH¢ 5.44million and May-2005 - GH¢ 6.98million). The amount received 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.

2022	Note	Operations	Investments	Administration	Total
Net Contributions	13	4,356,936	-	-	4,356,936
Investment income		-	722,772	-	722,772
Other income		-	-	209,500	209,500
		4,356,936	722,772	209,500	5,289,208
Investment management expenses		-	(17,025)	-	(17,025)
Benefits		(4,170,268)	-	-	(4,170,268)
Operational costs		(345,546)	-	-	(345,546)
Administration Expenses		-	-	(414,823)	(414,823)
Impairment (losses)/gains					(111,432)
Total operating expenses		(4,515,814)	(17,025)	(414,823)	(5,059,094)
Surplus/(deficit) of Income after expenditure		(158,878)	705,747	(205,323)	230,114
Total assets					15,634,356
Total liabilities					850,057

(All amounts are expressed in Thousands of Ghana Cedis)

2021	Note	Operations	Investments	Administration	Total
Net Contributions	13	3,368,335	-	-	3,368,335
Investment income		-	495,539	-	495,539
Other income		-	-	61,662	61,662
		3,368,335	495,539	61,662	3,925,536
Investment management expenses		-	(21,901)	-	(21,901)
Benefits		(3,628,280)	-	-	(3,628,280)
Operational costs		(254,661)	-	-	(254,661)
Administration Expenses		-	-	(334,759)	(334,759)
Impairment (losses)/gains					12,968
Total operating expenses		(3,882,941)	(21,901)	(334,759)	(4,226,633)
Surplus/(deficit) of Income after expenditure		(514,606)	473,638	(273,097)	(301,097)
Total assets					12,887,135
Total liabilities					750,738

13.0 Net contributions received

	2022	2021
Accountant General's Department	2,004,939	1,390,091
Private/Other Sectors	3,339,484	2,739,420
	5,344,423	4,129,511
Transfer to NHIS	(987,487)	(761,176)
	4,356,936	3,368,335

*(All amounts are expressed in Thousands of Ghana Cedis)***14a Net investment income**

		2022	2021
Government and corporate bonds		214,553	212,981
Term deposits and treasury bills		14,174	18,591
Students loans		4,695	4,547
Corporate loans		194,843	167,506
Rent		46,760	43,305
Dividend		223,761	169,848
Miscellaneous income	14a (i)	23,986	(121,239)
		722,772	495,539
Investment management	14a (ii)	(17,025)	(21,901)
		705,747	473,638

14a (i) Miscellaneous income

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

	2022	2021
Profit on sale of commercial and residential properties	(22,576)	(152,719)
Interest earned on HFC bonds	-	589
Interest earned on Call accounts	41,116	28,806
Interest earned on Current accounts	1,652	848
Equity Distribution Call Received	3,794	1,237
	23,986	(121,239)

*(All amounts are expressed in Thousands of Ghana Cedis)***14a (ii) Investment management expenses**

	2022	2021
Investment expenses arising from investment properties that generate rental income	8,849	6,376
Investment expenses arising from investment properties that did not generate rental income	8,176	15,525
Total investment management expenses	17,025	21,901

14a (iii) Movement in provision for impairment

	2022	2021
Balance at 1 st January	1,384,393	1,397,362
Net impairment loss/(gain) for the year 16b	111,432	(12,968)
Balance at 31 st December	1,495,825	1,384,394
Corporate loan (6a (iii) & 6b(iii))	1,206,956	1,104,406
Student Loan 6b(ii)	142,989	142,914
Government & Corporate bonds 6a(ii)	90,915	85,845
Fixed Deposits	427	271
Other accounts receivable	54,539	50,957
	1,495,826	1,384,393

The table below shows an analysis of the impairment losses on financial instruments measured at amortised cost base as at 31st December 2022

	Stage 1	Stage 2	Stage 3	Total
Corporate loans	129,292	-	1,077,664	1,206,956
Other accounts receivable	2,212	6,385	45,942	54,539
Government & Corporate bonds	15,081	-	75,834	90,915
Fixed Deposits	427	-	-	427
Students loans	-	-	142,989	142,989
	147,012	6,385	1,342,429	1,495,826

*(All amounts are expressed in Thousands of Ghana Cedis)***14b Other income**

	2022	2021
Other income is made up of income from the under listed sources		
Bid/Documentation fee	46	47
Profit on disposal of shares	4,485	-
Profit on disposal of fixed assets	46	121
Penalty on delayed contribution	31,014	32,806
Exchange gain	142,032	4,964
Management fees from NHIS	11,850	9,134
Miscellaneous income	20,027	14,590
	209,500	61,662

15a Operational cost

	2022	2021
Personnel costs	314,662	230,224
Utility costs	5,828	5,702
Public education	1,118	502
Depreciation	10,235	8,628
General expenses	13,703	9,605
	345,546	254,661

15b Benefits

	2022	2021
Old age and Invalidity Pension	3,620,802	3,196,006
Death and Survivors	549,466	432,274
	4,170,268	3,628,280

(All amounts are expressed in Thousands of Ghana Cedis)

16a Administrative expenses

Administrative expenses include:

	2022	2021
Depreciation	24,734	22,668
Audit expenses	351	231
Trustees emoluments	2,119	1,088
Others	387,619	310,772
	414,823	334,759

16b Net impairment loss/(gain) on financial 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
Corporate loans	6,799	-	95,752	102,551
Other accounts receivable	327	3,254	-	3,581
Government & Corporate bonds	5,070	-	-	5,070
Fixed Deposits	156	-	-	156
Students loans	-	-	75	75
	12,352	3,254	95,827	111,432



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.

(All amounts are expressed in Thousands of Ghana Cedis)

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 depend 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.

(All amounts are expressed in Thousands of Ghana Cedis)

Concentration of risk

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

Analysis by business segment

	2022	%	2021	%
Financial	189,602	9.31	189,602	9.19
Service	934,121	45.85	996,164	48.26
Manufacturing	3,380	0.17	3,380	0.16
Real estate	721,149	35.40	688,751	33.37
Students loan	188,989	9.28	186,282	9.02
Gross loans & advances	2,037,241	100.00	2,064,179	100.00
Less impairment allowance	(1,349,944)		(1,247,320)	
	687,297		816,859	

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, 31st December 2022 and 31st December 2021 is as follows:

(All amounts are expressed in Thousands of Ghana Cedis)

At 31 st December	2022	2021
Investment income	705,747	473,638
Administrative expense	414,823	334,759
Benefits	4,170,268	3,628,280
Total expense	4,585,091	3,963,039
Administrative coverage ratio	1.70	1.41
Benefits coverage ratio	0.17	0.13
Sustainability ratio	0.15	0.12

Non-derivative financial assets and liabilities held for managing liquidity risk

2022	On demand	Not more than one year	Over one year	Total
Assets				
Cash and bank balance	193,755	-	-	193,755
Equity investments	-	-	7,470,819	7,470,819
Fixed deposits	-	534,517	1,395,700	1,930,217
Corporate and students loan	-	1,501,701	1,499,883	3,001,584
Other accounts receivable	210,985	129,665	-	340,650
Total financial assets (contractual maturity dates)	404,740	2,165,883	10,366,402	12,937,025
Liabilities				
Payables	717,474	53,695	-	771,169
Ghana Education Trust Fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	717,474	80,113	-	797,587

(All amounts are expressed in Thousands of Ghana Cedis)

2021	On demand	Not more than one year	Over one year	Total
Assets				
Cash and bank balance	155,143	-	-	155,143
Equity investments	-	-	6,488,672	6,488,672
Fixed deposits	-	269,650	1,402,406	1,672,056
Corporate and students loan	-	1,454,276	1,334,137	2,788,413
Other accounts receivable	208,502	134,743	-	343,245
Total financial assets (contractual maturity dates)	363,645	1,858,669	9,225,215	11,447,529
Liabilities				
Account Payable	627,571	58,423	-	685,994
Ghana Education Trust Fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	627,571	84,841	-	712,412

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 acceptable parameters, while optimising the return on risk and evaluating methodologies to better manage this risk and control market risk exposures within the Trust in 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 2022 as compared to 2021.

	2022 Rate of return	2021 Rate of return
	%	%
Investment properties	33.42	1.52
Equity Investments	16.27	27.03
Investment securities	18.89	17.68
Loans and receivables	24.51	22.70
Student loans	10.51	10.79

(All amounts are expressed in Thousands of Ghana Cedis)

(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:

	2022	2021
US Dollar	9.5585	5.9961
GB Pound	10.5564	8.1053
Euro	9.3415	6.7983

(iii) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO and GBP exchange 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.

2022	Balance	Change in rate	Effect on net surplus
USD	32,343	59.41%	19,215.61
	32,343	-59.41%	(19,215.61)
GBP	6,109	30.24%	1,847.40
	6,109	-30.24%	(1,847.40)

2021	Balance	Change in rate	Effect on net surplus
USD	8,539	4.10%	350.00
	8,539	-4.10%	(350.00)
GBP	4,013	2.93%	118.00
	4,013	-2.93%	(118.00)

(All amounts are expressed in Thousands of Ghana Cedis)

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¢2,110,606,780. A decrease of 10% on the Ghana Stock Exchange (GSE) market index could have an impact of approximately GH¢211,060,678 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
2022	%	
1,848,252	2.05%	37,889
1,848,252	-2.05%	(37,889)
2021		
1,877,897	2.05%	38,497
1,877,897	-2.05%	(38,497)

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:

(All amounts are expressed in Thousands of Ghana Cedis)

- 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

	2022	2021
Revaluation of listed shares	(280,577)	572,741
Revaluation of unlisted investments	1,180,365	826,721
Revaluation of Fixed Assets	392,502	16,857
Revaluation of commercial properties	976,011	144,867
Revaluation Investments in subsidiaries	20,557	(9,054)
Indexation of HFC Bonds	-	486
	2,288,858	1,552,618

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 not been movement of financial instruments from Level 2 to 3 in the current year. Financial instruments measured at fair value at 31st December 2022 and 31st December 2021 were classified as follows:

(All amounts are expressed in Thousands of Ghana Cedis)

Recurring fair value measurement of assets and liabilities

2022	Valuations based on observable inputs		
Financial assets	Level 1	Level 2	Level 3
Investment in subsidiaries			
SSNIT Hospital	-	-	62,087
SSNIT Guest House	-	-	22,697
Bridal Trust Ltd	-	-	-
Equities			
Listed equity	2,110,607	-	-
Unlisted equity	-	-	5,212,627
Unlisted managed funds	-	-	147,585
Investment properties	-	-	3,360,762
Available for sale investments	2,110,607	-	8,805,758

2021	Valuations based on observable inputs		
Financial assets	Level 1	Level 2	Level 3
Investment in subsidiaries			
SSNIT Hospital	-	-	62,087
SSNIT Guest House	-	-	2,140
Bridal Trust Ltd	-	-	-
Equities			
Listed equity	2,391,184	-	-
Unlisted equity	-	-	3,994,894
Unlisted managed funds	-	-	102,594
Investment properties	-	-	2,441,682
Available for sale investments	2,391,184	-	6,603,397

Transfers between levels

During 2022 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 was determined by accredited independent valuers using recognised valuation techniques in 2019. 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.

*(All amounts are expressed in Thousands of Ghana Cedis)***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 comparable EBITDA multiples of similar companies
SSNIT Guest House	Adjusted Net Assets	Financial Statements for 2022 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:

2022	SSNIT Hospital	SSNIT Guest House	Bridal Trust Ltd.	Unlisted equity	Investment properties	Unlisted managed funds	Total
Balance as at 1 st Jan 2022	62,087	2,140	-	3,994,894	2,441,682	102,594	6,603,397
Revaluation gains and (losses)	-	20,557	-	1,175,264	976,011	44,991	2,216,823
Purchases	-	-	-	42,468	93,404	-	135,872
Sales	-	-	-	-	-	-	-
Capital Calls	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-
Transfer in/(out)	-	-	-	-	(150,334)	-	(150,334)
Balance as at 31st December 2022	62,087	22,697	-	5,212,626	3,360,763	147,585	8,805,758

(All amounts are expressed in Thousands of Ghana Cedis)

2021	SSNIT Hospital	SSNIT Guest House	Bridal Trust Ltd.	Unlisted equity	Investment properties	Unlisted managed funds	Total
Balance as at 1 st Jan 2021	69,761	3,520	-	3,009,580	2,626,230	89,425	5,798,516
Revaluation gains and (losses)	(7,674)	(1,380)	-	827,809	155,644	13,169	987,568
Purchases	-	-	-	157,997	24,132	-	182,129
Sales	-	-	-	(492)	-	-	(492)
Capital Calls	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-
Transfer in/(out)	-	-	-	-	(364,324)	-	(364,324)
Balance as at 31st December 2021	62,087	2,140	-	3,994,894	2,441,682	102,594	6,603,397

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:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets				
Cash and bank balance	193,755	193,755	155,143	155,143
Investment securities (i)	1,559,611	1,559,611	1,314,807	1,314,807
Corporate and Students Loan (ii)	862,347	862,347	816,859	816,859
Other accounts receivable (iii)	340,650	340,650	343,245	343,245
	2,956,363	2,956,363	2,630,054	2,630,054
Liabilities				
Payables	823,639	823,639	724,320	724,320
Ghana Education Trust Fund (iv)	26,418	26,418	26,418	26,418
	850,057	850,057	750,738	750,738

*(All amounts are expressed in Thousands of Ghana Cedis)***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 values.

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 Prior year adjustments

i	Tier 2 interest from 2016 to 2021 wrongly captured into Tier 1 Accounts	(1,712)
ii	Cash Advances to contractors that has already been recovered	(5,321)
iii	Write-off of Land with Board approval (Ringway Estate near Guest House).	(24,301)
iv	Write-off of Land with Board approval (Anaji – Takoradi)	(840)
v	Cost of 10.066 acres of Land sold at Bortianor as at 2021	(182)
vi	Revaluation Surplus on the adjoining Land near the round house as at December 2021.	16,000
vii	Revaluation Surplus for Branch Manager's residence at Bekwai in 2021	110
viii	Revaluation Surplus of SSNIT occupied portion of the Trust Commercial Properties as at December 2021	145,176
		128,930

(All amounts are expressed in Thousands of Ghana Cedis)

23.0 Contingent liabilities and provisions

Contingent Liability

There were a number of legal proceedings outstanding against the Trust as at 31st December 2022. 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¢39,660,000 (2021: GH¢26,596,149).

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



Director-General for NSSF Uganda, Mr. Richard Byarugaba (seated 2nd left), DG, SSNIT, Dr Ofori-Tenkorang, some Executives of NSSF Uganda, some SSNIT Executives and Managers



DDG, Finance and Admin., Mr Michael Addo with the delegation from Kenya and some SSNIT executives



Director-General, Dr John Ofori-Tenkorang (inset) addressing participants



Board Chairperson, Ms Elizabeth Ohene (2nd right) with the Director-General, Dr John Ofori- Tenkorang after presenting a dummy library book to the MD of the GhLA, Mr Hayford Siaw at the ceremony. Looking on are some of the dignitaries at the function.



Director-General, Dr John Ofori-Tenkorang (middle), Secretary-General, TUC, Mr Joshua Ansah with Managers of SSNIT and TUC Executives



CEO of Trust Hospital Company Limited, Dr Juliana Ameh cutting the tape at the opening of the Trust Hospital Premium Centre. She is being supported by the Deputy Director-General, Investment and Development (IDD), Mr Kofi Bosompem Osafo-Mafo (left) and the Osu Alata Mantse, Nii Kwabena Bonney V (right). Looking on are some special guests

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