



# Collateral Registry Quarterly Brief

First Quarter 2023



## 1.0 Introduction

The Collateral Registry was established by the Bank of Ghana on 1st February, 2010 pursuant to the Borrowers and Lenders Act, 2008 (Act 773), now repealed and replaced with the Borrowers and Lenders Act, 2020 (Act 1052) to principally register security interests and collateral created by borrowers to secure credit facilities provided by lenders.

The Borrowers and Lenders Act, 2020 (Act 1052) was enacted to regulate transactions between borrowers and lenders, to establish a Collateral Registry, to provide a legal framework for the registration and enforcement of security interests in collateral, to establish an order of priority of security interests, to provide for credit agreements and related matters.

The Collateral Registry operates an electronic web-based registration system that:

- Records security interest in assets used as collateral provided by borrowers in favour of lenders.
- Allows searches to be conducted by prospective lenders and the general public to establish security interests registered in assets used as collateral.
- Facilitates the enforcement of collateral agreements by lenders upon default by borrowers.
- Records discharges of assets from security interests registered, upon fulfilment of borrowers' obligations under loan agreements.

This Collateral Registry Report is the first to be published by Bank of Ghana to provide an overview of developments in Ghana's credit market as reflected in the operations of the Collateral Registry.

Terms used in this report that are of a technical nature are used in terms of definitions under Act 1052.

# COLLATERAL REGISTRY DEPARTMENT QUARTERLY BRIEF

## QUARTER 1: 2023

### 2.0 Summary

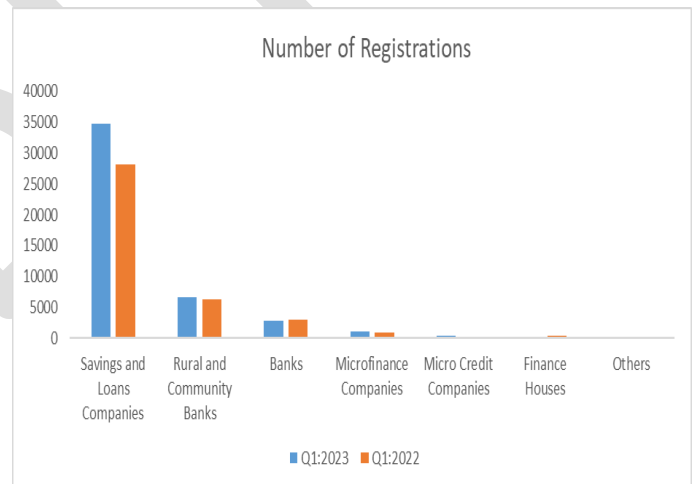
The Collateral Registry recorded an increase in the number of registrations and discharges in Q1:2023, compared with the same period in 2022. In brief,

- Total number of registrations increased for the period under review. In addition, the Savings and Loans Companies recorded the highest number of registrations across the lending institutions.
- Total number of searches conducted with the Registry declined marginally during the review period.
- Total number of Memorandum of No Objection certificates issued also declined in Q1:2023.
- Total number of discharges increased significantly over the review period.
- The major collateral type used to secure loans were cash and inventories or stock of goods.
- The total value of secured loans granted to males and businesses owned by males far exceeded that for women during the review period.
- Of the lending institutions, Savings and Loans companies remained the most active on the Registry platform, in terms of registrations, searches and discharges.

### 3.0 Registrations

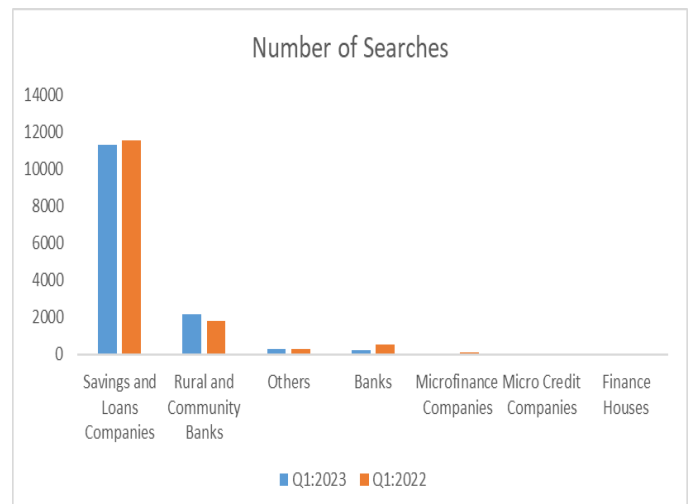
Total number of collateral registrations recorded for Q1:2023 was 46,258, compared to 39,052 registrations in the same quarter of 2022, representing 18.5 percent year-on-year growth. A breakdown of the registrations across various categories of lenders showed that Savings and Loans Companies (S&Ls) dominated with 34,695 registrations in Q1:2023, indicating an increase of 23.4 percent from the 28,119 registrations recorded in Q1:2022. Rural and Community Banks (RCBs) recorded an increase of 6.9 percent with 6,667 registrations, compared with 6,236 registrations recorded over the same comparative period. Banks also recorded 2,805 registrations for the period under review, compared with 2,967 registrations, representing a decline of 5.5 percent. The lowest number of registrations was recorded by Finance and Leasing Companies with 7 registrations in Q1:2023.

representing a share of 0.03 percent of searches conducted at the Registry.



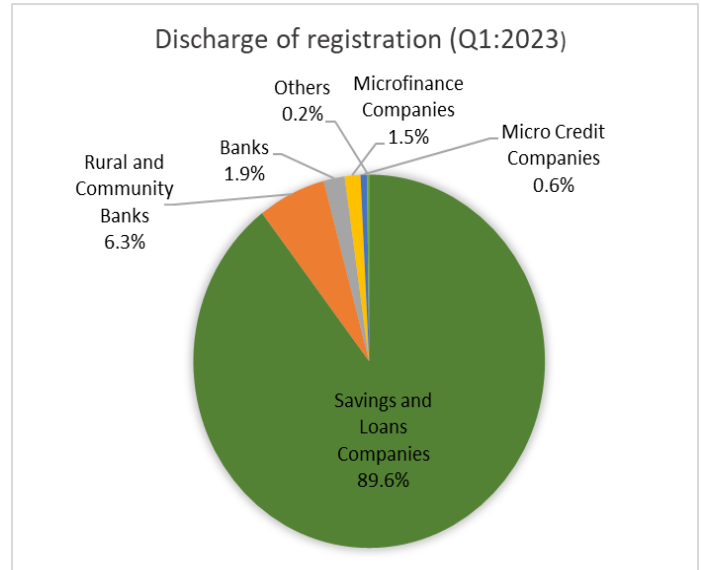
### 4.0 Searches

The number of searches conducted on assets registered as collateral in Q1:2023 was 14,115, compared to 14,351 recorded in Q1:2022, representing a marginal decline of 1.6 percent on year-on-year terms. Savings & Loans Companies recorded the highest share of searches conducted during the first quarter of 2023, with 80.3 percent, followed by RCBs with 15.3 percent, and banks with 1.6 percent. The least active category of lenders who filed searches was the Finance Houses, with 4 searches conducted in Q4:2022,



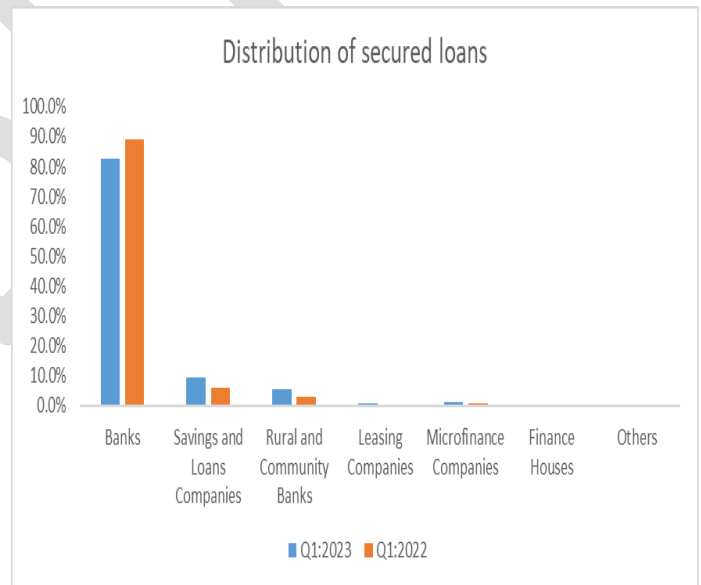
### 5.0 Discharge of Registrations

A total of 26,933 collateral registrations were discharged in Q1:2023 following repayments, representing a significant increase of 155.8 percent as compared to 10,529 discharges recorded in Q1:2022. The S&L companies recorded a total of 24,125 discharges of collateral registered in respect of loans and this accounted for 89.6 percent of the total number of discharges. The number of registrations discharged by the S&Ls was the highest across the lending institutions. This was followed by the RCBs with 1,684 discharges, representing 6.3 percent of total discharges for the period. Banks and Microfinance Companies recorded 521 and 391 discharges respectively, representing respective shares of 1.6 and 0.6 percent of total discharges. Finance houses recorded the lowest number of 30 discharges, accounting for 0.1 percent share of the total discharges during the review period.



### 6.0 Value of Secured Loans

The value of secured loans for which collateral was registered by banks and SDIs was GHS 5.26 billion in Q1:2023, relative to GHS 6.5 billion in Q1:2022, indicating a year-on-year decline of 19.23 percent. Banks accounted for GHS 4.3 billion of total secured loans, representing 25.1 percent decrease from GHS 5.8 billion recorded in Q1:2022 and a share of 82.4 percent out of the total secured loans. On the other hand, the SDIs recorded a total amount of GHS 924.7 million secured loans representing a share of 17.6 percent and an increase of 29.8 percent from the GHS 712.6 million recorded for the same period in 2022.



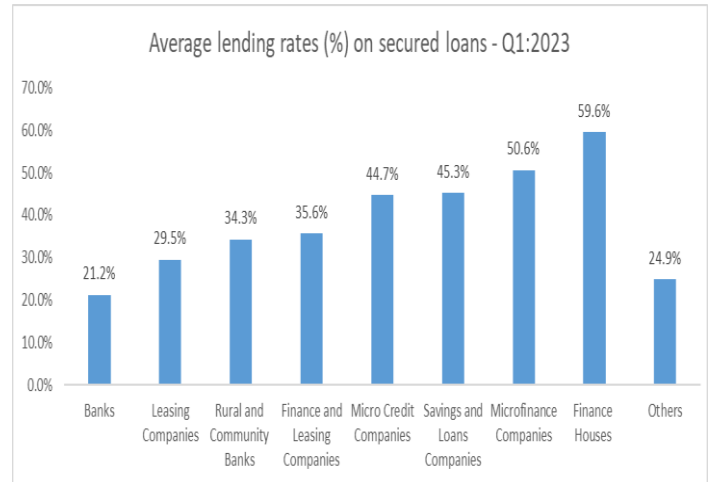
### 7.0 Distribution of Secured Loans

Banks registered the largest share of the total value of secured loans in Q1:2023, with 82.4 percent. The share of secured loans by S&L companies increased to 9.3 percent as compared to the same quarter in 2022, while that of Finance Houses declined to 0.3 percent from 0.4 percent in Q1:2022. The share of secured loans by MFIs also moderated to 1.0 percent in Q1:2023 from 0.9 percent in Q1:2022, whilst the cumulative share of loans from the remaining lending institutions increased to 6.86 percent from the 3.6 percent during the same comparative period.

### 8.0 Average Lending Rates of Secured Loans

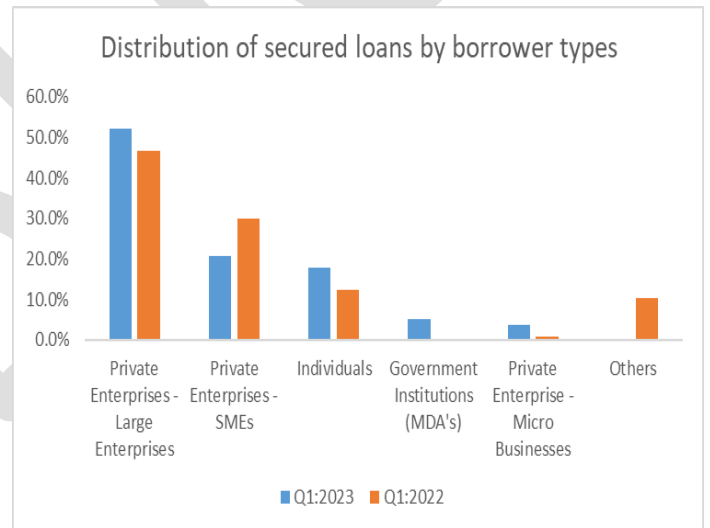
The average lending rates for secured loans by banks constituted the lowest across all the lending institutions, at 21.2 percent in Q1:2023, down from 24.2 percent in Q1:2022. Leasing Companies recorded the second lowest average lending rate of 29.5 percent in Q1:2023, an increase from 13.2 percent in Q1:2022, whilst that of RCBs increased to 34.3 in Q1:2023 from 32.5 recorded in the same period last year. Average lending rate on secured loans granted by the S&Ls declined to 45.3 percent in the review period from 46.4 percent recorded in Q1:2022. Of the banks and SDIs, Finance Houses recorded the highest average lending rate of 59.6 percent in Q1:2023, an increase from 48.8 percent recorded in the same quarter in 2022. Further, the average lending rates of the remaining lending institutions (Credit Unions, Trade Creditors etc.) was 24.9 percent from 27.3 percent in the same comparative period.

marginally from 7.0 percent to 10.0 percent during the period under review. Loans to other borrowers increased to 31.9 percent in Q1:2023 from 20.1 percent in Q1:2022.



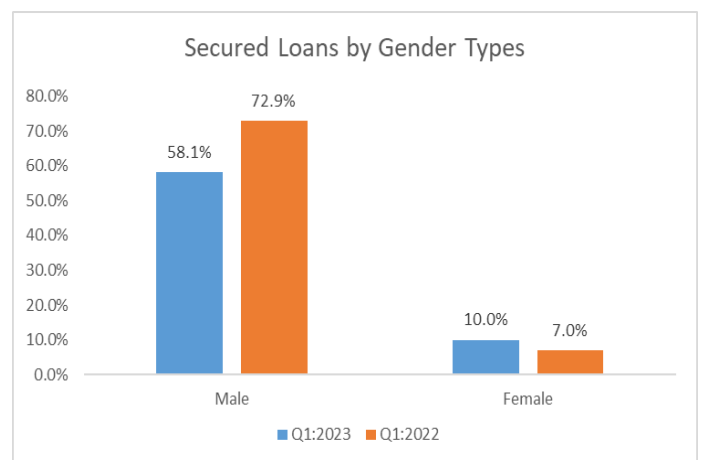
### 9.0 Value of Secured Loans by Borrower Type

In terms of borrower classification, large private enterprises accounted for the highest share of secured loans with 52.3 percent in Q1:2023 from 46.7 percent in Q1:2022. Private Enterprises – SMEs constituted the second highest recipient of secured loans with a share of 20.7 percent during the review period, a decline from the share of 29.9 in Q1:2022. The share of secured loans to Individuals increased to 17.9 percent from 12.3 percent share in Q1:2022, whilst secured loans to Micro Businesses increased to 3.6 percent in the period under review from a 0.8 percent in Q1:2022. The share of secured loans to Government Institutions also increased from 0.02 percent in Q1:2022 to 5.1 percent in Q1:2023. From the classification, the bulk of secured loans was extended to large private enterprises.



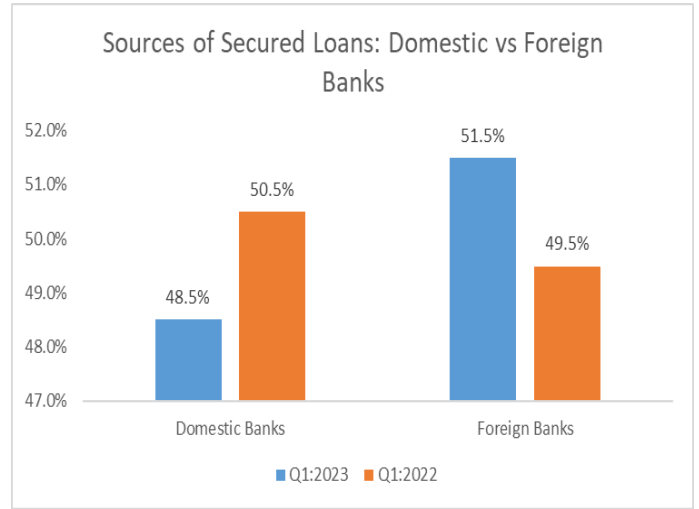
### 10.0 Gender Distribution of Secured Loans

A breakdown of secured loans by gender shows that females and businesses owned by females accounted for GHS527.9 million in Q1:2023, an increase from GHS454.8 million recorded in the same period in 2022. On the other hand, secured loans granted to males and businesses owned by males declined to GHS3.1 billion from GHS4.8 billion over the same comparative period. In relative terms, the share of secured loans to males and businesses owned by males declined from 72.9 percent to 58.1 percent, while that of females and businesses owned by females increased



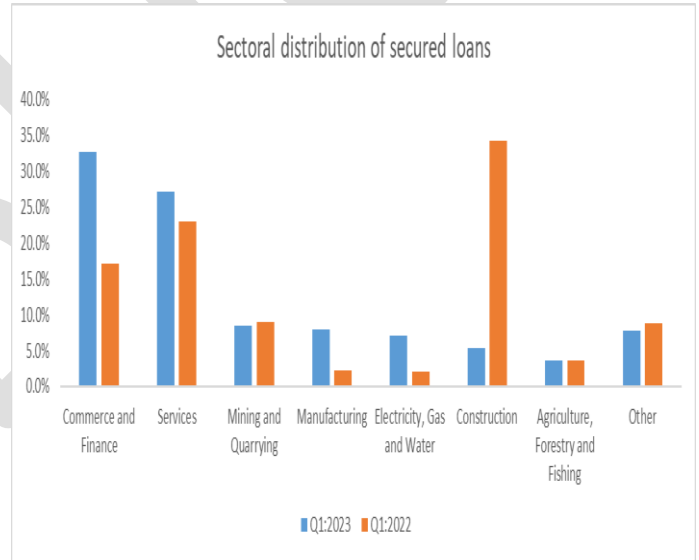
### 11.0 Sources of Secured Loans: Domestic vs. Foreign Owned Banks in Ghana

The value of secured loans granted by foreign-owned banks in Ghana constituted a higher share of 51.5 percent in Q1:2023 from 50.5 percent in Q1:2022, while domestic banks sourced secured loans declined to 48.5 percent from 49.5 percent during the same comparative period. Foreign owned banks were the main drivers of the domestic sources of secured loans during the period under review.



### 12.0 Sectoral Distribution of Secured Loans

The Commerce and Finance sector accounted for 32.8 percent, representing the highest share of secured credit received across the sectors in Q1:2023. The Services sector followed with 27.2 percent share, Mining and Quarrying sector with 8.4 percent share, Manufacturing sector with 7.9 percent share and Electricity, Gas and Water sector with a share of 7.6 percent. The lowest categories of recipients of secured loans were Construction sector (5.4%), Agriculture, Forestry and Fishing sector (3.6%), Transport and Haulage sector (0.8%), Cottage Industries sector (0.1%) and Information & Communications (0.02%).



### 13.0 Realisation of security interests

A total of 103 realisation requests were received from various lending institutions, out of which 79 Memoranda of No Objection certificates were issued in Q1:2023 to facilitate enforcement of collateral registered. This represents a year-on-year decline of 32.5 percent, compared with 117 certificates issued in in the same period in 2022. Savings and Loans companies were the highest recipients of the Memorandum of No Objection certificates with 48 approved realisation requests, representing 60.8 percent of the total number of approved realisation requests. This was followed by banks, the second largest recipients of the Memorandum of No Objection certificates with 20 approved realisation requests, representing 25.3 percent of approved requests. The lowest recipients were the Finance Houses with 1 approved realisation request and the remaining lending institutions with 10 approved realisation requests, representing 1.3 percent and 12.

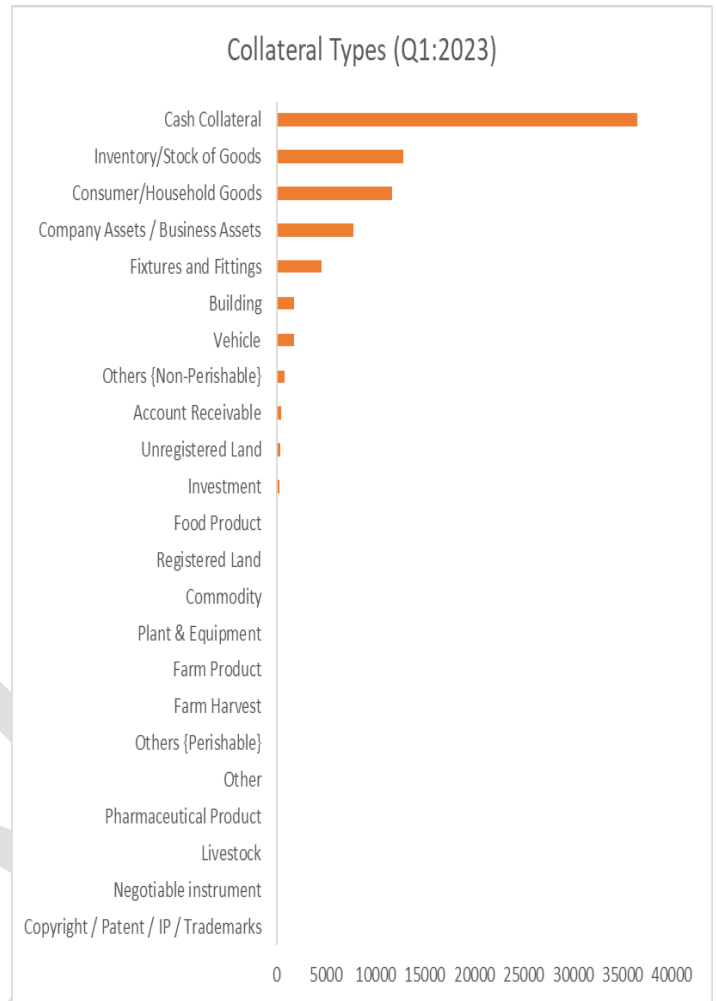


### 14.0 Distribution of registered collateral

A total of 79,364 assets were registered as collateral in Q1:2023, up from the 76,142 assets registered in Q1:2022. Movable assets constituted the largest proportion of the registered collateral for loans granted within the reporting period with a share of 64.2 percent. Immovable collateral constituted the lowest proportion of registered collateral for loans granted within the reporting period with a 2.2 percent share. Both Immovable and Movable (e.g., Company/Business Assets) collateral accounted for 33.6 percent of the total number of collaterals registered. The major collateral type used to secure loans was cash and inventories/stock of goods.

### 15.0 Conclusion

Activities on the Registry broadly improved in the first quarter of 2023 compared with the same period in 2022. Volumes of collateral registration and discharges showed appreciable increases and patronage of the Registry’s services picked up significantly within the review period. Following the decrease in realisation requests received in the review period, there is the need for intensified public awareness of the regime for enforcement of security interests’ provisions under the Act within the banking sector.



## Appendix

**Table 1: Registered Collateral Types by Lender Types**

Collateral Type	Banks	Finance and Leasing Companies	Finance Houses	Leasing Companies	Micro Credit Companies	Microfinance Companies	Others	Rural and Community Banks	Savings and Loans Companies
Account Receivable	182	-	10	-		44	2	135	97
Building	389	-	10	-	35	58	42	719	509
Cash Collateral	2,213	-	247	-	12	590	-	5,515	27,888
Commodity	11	-	45	-	22	3	-	17	5
Company Assets / Business Assets	55	-	-	-	100	18	-	123	7,482
Consumer/Household Goods	3	-	40	-	46	42	-	23	11,565
Copyright / Patent / IP / Trademarks	-	-	-	-	-	1	-	-	-
Farm Harvest	-	-	-	-	-	1	-	6	12
Farm Product	-	-	9	-	2	-	-	42	12
Fixtures and Fittings	-	-	-	-	5	7	-	32	4,506
Food Product	-	-	146	-	-	-	-	2	2
Inventory/Stock of Goods	125	-	2	-	204	116	-	164	12,214
Investment	147	7	1	-	-	20	-	88	19
Livestock	-	-	-	-	1	-	-	1	1
Negotiable instrument	1	-	-	-	-	-	-	1	-
Other	2	-	-	-	2	1	-	2	1
Others {Non-Perishable}	80	-	-	-	42	10	1	171	515
Others {Perishable}	-	-	-	-	2	1	-	2	11
Pharmaceutical Product	1	-	3	-	-	-	-	-	2
Plant & Equipment	4	-	-	11	2	4	1	20	33
Registered Land	72	-	5	-	6	12	1	8	14
Unregistered Land	8	-	6	-	34	75	12	195	56
Vehicle	82	-	52	1	123	330	4	284	866

Source: Collateral Registry Department





**COLLATERAL REGISTRY INDICATORS**

NO.	Lender Type	Number of Registered Secured Loans				Number of Searches				Number of Discharges			
		Q1:2022	Q1:2023	Quarter-on-Quarter Growth (%)	Share (%)	Q1:2022	Q1:2023	Quarter-on-Quarter Growth (%)	Share (%)	Q1:2022	Q1:2023	Quarter-on-Quarter Growth (%)	Share (%)
					Q1:2023				Q1:2023				Q1:2023
1	Savings and Loans Companies	28,119	34,695	23.39	75.00	11,567	11,335	(2.01)	80.30	7,086	24,125	240.46	89.57
2	Rural Banks	6,236	6,667	6.91	14.41	1,823	2,164	18.71	15.33	1,071	1,684	57.24	6.25
3	Banks	2,967	2,805	(5.46)	6.06	525	222	(57.71)	1.57	1,081	521	(51.80)	1.93
4	Microfinance Companies	1,001	1,203	20.30	2.60	115	69	(40.00)	0.49	769	391	(49.15)	1.45
5	Micro Credit Companies	325	496	52.62	1.07	17	46	170.59	0.33	221	157	(28.96)	0.58
6	Finance Houses	340	318	(6.47)	0.69	7	4	(42.86)	0.03	280	30	(89.29)	0.11
7	Leasing Companies	10	9	(10.00)	0.02	-	-	0.00	0.00	1	2	100.00	0.01
8	Finance and Leasing Companies	-	7	0.00	0.02	-	-	0.00	0.00	-	-	0.00	0.00
9	Financial NGOs	2	-	(100.00)	0.00	-	-	0.00	0.00	-	-	0.00	0.00
11	Others	52	58	11.54	0.13	297	275	(7.41)	1.95	20	23	15.00	0.09
<b>Total</b>		<b>39,052</b>	<b>46,258</b>	<b>18.45</b>	<b>100</b>	<b>14,351</b>	<b>14,115</b>	<b>(1.64)</b>	<b>100.00</b>	<b>10,529</b>	<b>26,933</b>	<b>155.80</b>	<b>100</b>
Value of Registered Security Interests by Lender Type					Average Lending Rates		Gender Distribution of Secured Loans						
NO.	Lender Type	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%)	Q1:2022	Q1:2023	NO.	Gender /Owner Composition	GHS MILLION		Quarter-on-Quarter Growth (%)	Shares (%)
		Q1:2022	Q1:2023							Q1:2022	Q1:2023		
1	Banks	5,806.75	4,340.89	(25.24)	82.44	24.22	21.20	1	Female (Individual)	352.90	465.55	31.9	8.8
2	Savings and Loans Companies	393.64	490.83	24.69	9.32	46.41	45.31	2	Female Owned Business	101.94	62.32	(38.9)	1.2
3	Rural Banks	187.12	296.08	58.23	5.62	32.53	34.32	3	Male (Individual)	435.85	447.55	2.7	8.5
4	Microfinance Companies	59.94	55.54	(7.35)	1.05	41.44	50.60	4	Male owned Business	4,317.49	2,609.07	(39.6)	49.6
5	Finance Houses	26.94	17.32	(35.73)	0.33	48.82	59.63	<b>Total</b>		<b>5,208.18</b>	<b>3,584.48</b>	<b>(31.2)</b>	<b>68.1</b>
6	Micro Credit Companies	13.36	18.77	40.43	0.36	37.16	44.70	Sources of Secured Loans: Domestic vs. External (Banks)					
7	Finance and Leasing Companies	0.00	0.55	0.00	0.01	0.00	35.61	No.	Sources of Secured Loans: Domestic vs. External	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%)
8	Leasing Companies	23.63	45.64	93.17	0.87	13.18	29.50			Q1:2022	Q1:2023		
9	Financial NGOs	8.00	-	(100.00)	0.00	27.25	24.87	1	Domestic Bank	2,932.74	2,105.74	(39.14)	48.51
<b>Total</b>		<b>6,519.39</b>	<b>5,265.61</b>	<b>(19.2)</b>	<b>100</b>			2	Foreign Bank	2,874.00	2,235.15	21.94	51.49
								<b>Total</b>		<b>5,806.75</b>	<b>4,340.89</b>	<b>(5.50)</b>	<b>100</b>
Sectoral Distribution of Registered Security Interest					Value of Secured Loans by Borrower Type								
NO.	Sector	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%)	NO	Type Borrower	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%)		
		Q1:2022	Q1:2023					Q1:2022	Q1:2023				
1	Commerce and Finance	1,112.58	1,726.15	55.15	32.78	1	Private Enterprises - Large Enterprises	3,041.54	2,752.94	(9.49)	52.28		
2	Services	1,503.38	1,433.20	(4.67)	27.22	2	Private Enterprises - SME	1,947.33	1,089.63	(44.05)	20.69		
3	Mining and Quarrying	589.95	441.82	(25.11)	8.39	3	Individual	802.36	941.42	17.33	17.88		
4	Manufacturing	139.74	416.90	198.34	7.92	4	Government Institutions (MDA's)	1.34	269.88	20,040.11	5.13		
5	Electricity, Gas and Water	134.99	371.50	175.21	7.06	5	Private Enterprise - Micro Business	53.82	189.41	251.95	3.59		
6	Other	301.51	357.31	18.51	6.79	6	Association/Union	15.87	13.00	(18.10)	0.25		
7	Construction	2,227.94	282.89	(87.30)	5.37	7	If Other Specify	645.42	6.91	(98.93)	0.13		
8	Agriculture, Forestry and Fishing	232.42	187.89	(19.16)	3.57	8	Public Institutions - Non Profit Making Institutions	0.87	1.67	91.38	0.03		
9	Transport and Haulage	206.70	41.58	(79.88)	0.79	9	Public Enterprises - Profit Making Institutions	10.84	0.75	(93.05)	0.01		
10	Cottage Industries	1.71	5.45	219.07	0.10	<b>Total</b>		<b>6,519.39</b>	<b>5,265.61</b>	<b>(19.20)</b>	<b>100</b>		
11	Information and Communications	68.47	0.93	(98.64)	0.02								
<b>Total</b>		<b>6,519.39</b>	<b>5,265.61</b>	<b>(19.20)</b>	<b>100</b>								