

A black and white photograph of the Bank of Ghana Head Office building in Accra. The building is a modern, multi-story structure with a prominent facade of vertical slats. A large, stylized grey arch is superimposed over the top left of the image. In the foreground, a dark SUV is parked on a paved area. The text 'BANK OF GHANA' is visible on the building's facade.

Collateral Registry Quarterly Brief

Second Quarter

2023

Cover Photo: Bank of Ghana – Head Office, Accra

Accra



COLLATERAL REGISTRY DEPARTMENT QUARTERLY BRIEF

QUARTER 2: 2023

1.0 Summary

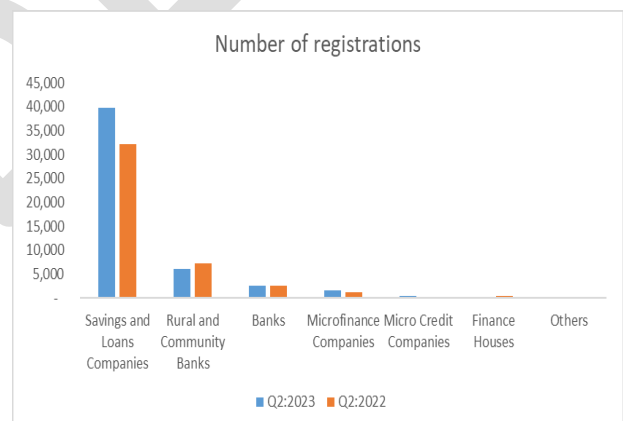
The Collateral Registry recorded an increased number of registrations and discharges in Q2:2023, compared with the same period in 2022. In brief,

- Total number of registrations increased during the period under review. Also, Savings and Loans Companies recorded the highest number of registrations across the lending institutions.
- Total number of searches conducted with the Registry declined during the review period.
- Total number of Memorandum of No Objection certificates issued also declined in Q2:2023.
- Total number of discharges of collateral registrations increased 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 and businesses owned by 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.

2.0 Registrations

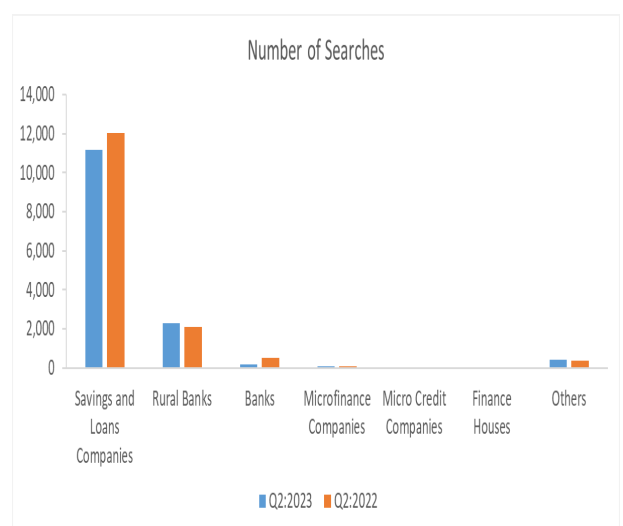
Total number of collateral registrations recorded for Q2:2023 was 50,695, compared to 43,861 registrations in the same quarter of 2022, representing 15.6 percent year-on-year growth. A breakdown of the registrations across various categories of lenders showed that Savings and Loans Companies (S&Ls) dominated with 39,796 registrations in Q2:2023, indicating an increase of 23.8 percent from the 32,147 registrations recorded in Q2:2022. Registration of collateral by Rural and Community Banks (RCBs) dropped by 16.8 percent from 7,238 registrations in Q2:2022 to 6,019 in Q2:2023. Banks also recorded 2,534 collateral registrations for the period under review, compared with 2,539 registrations, representing a marginal decrease of 0.2 percent. The lowest number of registrations was recorded by Leasing Companies with 4 registrations in Q2:2023 compared with 5 in Q2:2022.

Micro Credit Companies and Finance Houses were the least active institutions in terms of searches with respective percentage shares of 0.5, 0.3 and 0.1.



3.0 Searches

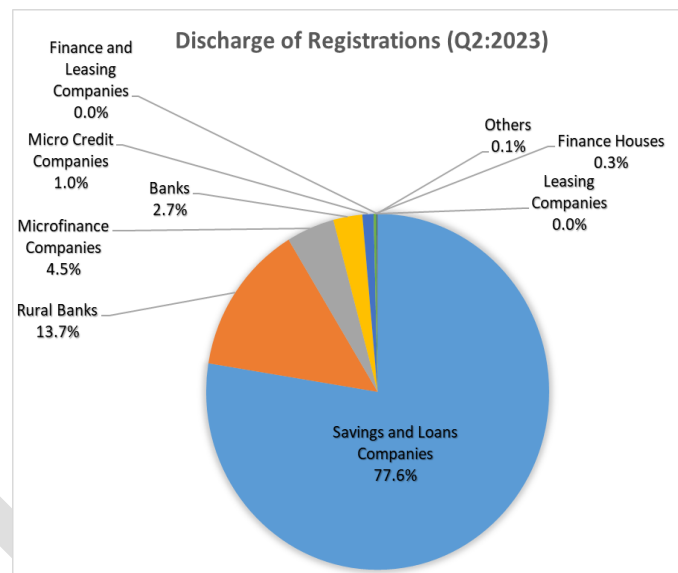
The number of searches conducted on assets registered as collateral in Q2:2023 decreased by 6.4 percent (year-on-year) to 14,184 from 15,147 in Q2:2022. Notwithstanding the decline on year-on-year terms during the second quarter of 2023 compared with the same period in 2022, there was a 0.5 percent increase in searches in the review period relative to Q1:2023. Savings & Loans Companies recorded the highest share of searches conducted during the review period with 78.6 percent, followed by RCBs with 16.1 percent, and banks with 1.4 percent. Microfinance Institutions,



4.0 Discharge of Registrations

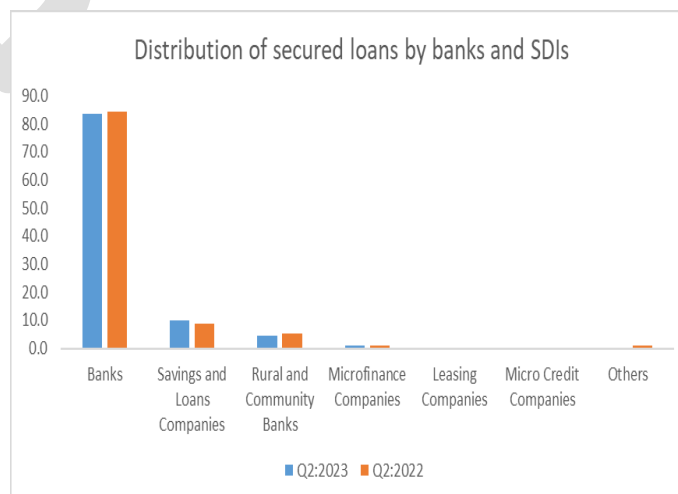
A total of 11,621 collateral registration discharges were recorded in Q2:2023 following loan repayments, representing an increase of 10.8 percent compared with the 10,489 discharges recorded in Q2:2022. This was in sharp contrast to the 56.9 percent decline in the number of discharges during Q1:2023. During the period under review, Savings and Loans companies recorded a total of 9,014 discharges of collateral registered in respect of loans and this accounted for 77.6 percent of the total number of discharges. The number of registrations discharged by the S&Ls therefore constituted the highest across the lending institutions. This was followed by the RCBs with 1,597 discharges, representing 13.7 percent of total discharges for the period. Microfinance Companies recorded 526 discharges representing a 4.5 percentage share of total discharges recorded. Banks and Micro-Credit Companies recorded 318 and 122 discharges respectively, representing relative percentage shares of 2.7 and 1.0. Finance houses also recorded 31 discharges for the period under review. Across the banks and SDIs, Leasing companies recorded the lowest number of discharges of registrations.

share of RCBs moderated from 5.1 percent in Q2:2022 to 4.4 percent share in Q2:2023, while the cumulative share of loans from the remaining lending institutions increased to 0.7 percent from the 0.4 percent recorded during the same comparative period.



5.0 Value of Secured Loans

The total value of secured loans granted and registered by banks and SDIs in Q2:2023 was GHS 5.9 billion, relative to GHS 5.1 billion in Q2:2022, indicating a year-on-year increase of 15.5 percent. Banks accounted for GHS 4.9 billion of total secured loans in Q2:2023, representing a 14.8 percent increase from the GHS 4.3 billion recorded in Q2:2022 and a share of 83.7 percent of the total secured loans. On the other hand, the SDIs recorded a total amount of GHS 971.1 million secured loans representing a share of 16.5 percent and an increase of 19.1 percent from the GHS 815.0 million recorded for the same period in 2022.



6.0 Distribution of Secured Loans

Banks registered the largest share of the total value of secured loans in Q2:2023, with 83.7 percent. The share of secured loans by S&L companies increased to 9.8 percent as compared to the same quarter in 2022, while that of Finance Houses dropped to 0.3 percent from 0.8 percent in Q2:2022. The share of secured loans by Microfinance Companies increased to 1.1 percent in Q2:2023 from 0.9 percent in Q2:2022. Also, the

7.0 Average Lending Rates of Secured Loans

The average lending rates for secured loans by Leasing Companies was the lowest across all the lending institutions, at 12.1 percent in Q2:2023, down from 14.7 percent in Q2:2022. Banks recorded the second lowest average lending rate of 26.9 percent in Q2:2023, an increase from 20.9 percent in Q2:2022, whilst that of Finance and Leasing Companies increased to 29.3 percent in Q2:2023 from 20.0 percent recorded in the same period last year. Average lending rate on secured loans granted by the RCBs increased to 35.1 percent in the review period from 32.4 percent recorded in Q2:2022. S&L companies recorded an average interest rate of 44.2 percent in Q2:2023, down from 45.2 percent recorded in the corresponding quarter in 2022. Of the banks and SDIs, Finance Houses recorded the highest average lending rate of 59.2 percent in Q2:2023, up from 49.5 percent recorded in the same quarter in 2022.

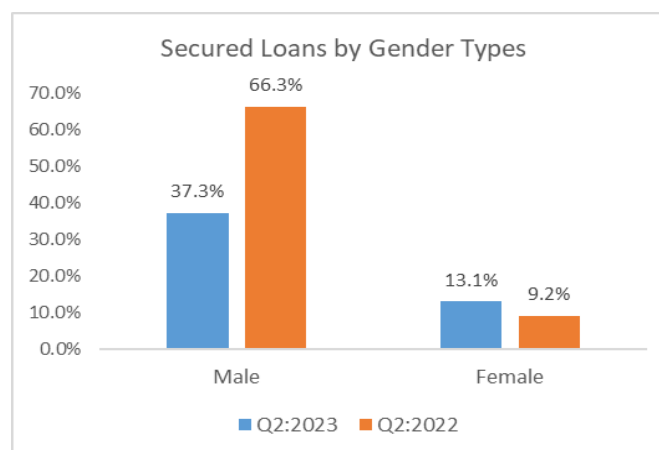
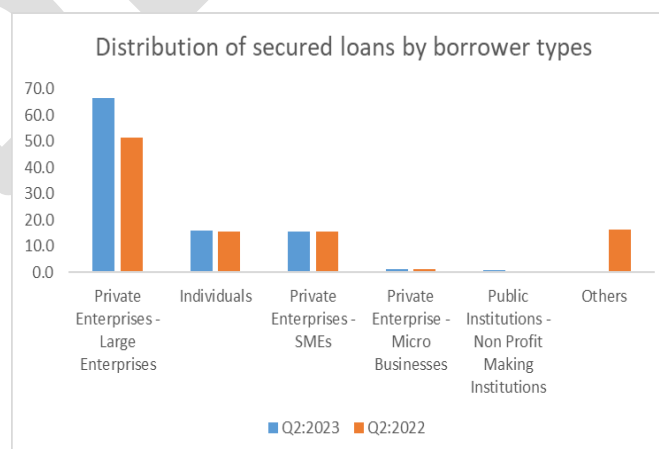
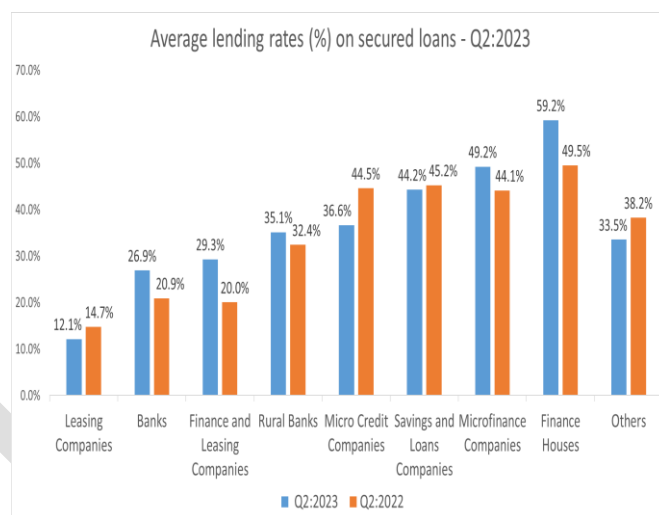
8.0 Value of Secured Loans by Borrower Type

In terms of borrower classification, large private enterprises accounted for the highest share of 66.4 percent of secured loans in Q2:2023 from the 51.5 percent recorded in Q2:2022. Individual borrowers constituted the second highest recipient of secured loans with a share of 15.7 percent during the review period, an increase from the share of 15.5 in Q2:2022. The share of secured loans to Private Enterprises – SMEs declined marginally to 15.6 percent from 15.7 percent in Q2:2022, whilst secured loans to Micro Businesses also increased marginally to 1.2 percent in the period under review from a 1.1 percent in Q2:2022. The share of secured loans to Public Institutions accounted for 0.6 percent in Q2:2023, an increase from the percentage share recorded in the same period a year ago. From the classification, the bulk of secured loans was extended to large private enterprises.

9.0 Gender Distribution of Secured Loans

A breakdown of secured loans by gender shows that individual female borrowers and businesses owned by females accounted for GHS781.4 million in Q2:2023, a 64.5 percent increase from GHS475.1 million recorded in the same period of 2022. On the other hand, secured loans granted to individual male borrowers and businesses owned by males decreased by 35.3 percent to GHS2.2 billion from GHS3.4 billion over the same

comparative period. In relative terms, the share of secured loans to individual male borrowers and businesses owned by males dropped from 66.3 percent to 37.3 percent, while that of individual female borrowers and businesses owned by females increased from 9.2 percent to 13.1 percent during the period under review. Loans to other borrowers increased to 49.6 percent in Q2:2023 from 24.5 percent in Q2:2022.



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

The share of secured loans granted by foreign-owned banks in Ghana declined from 55.4 percent in Q2:2022 to 43.9 percent in Q2:2023. The foreign-owned banks constituted the higher share of secured loans granted as compared to the domestic banks in the first quarter of 2023. However, the value of secured loans granted by domestic banks in the review period constituted the higher share of 56.1 percent in Q2:2023 from 44.6 percent in the same period a year ago. In all, domestic banks were the main drivers of the domestic sources of secured loans during the period under review.

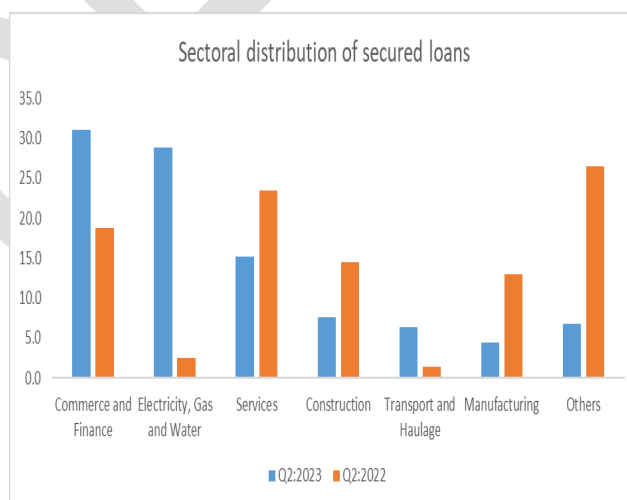
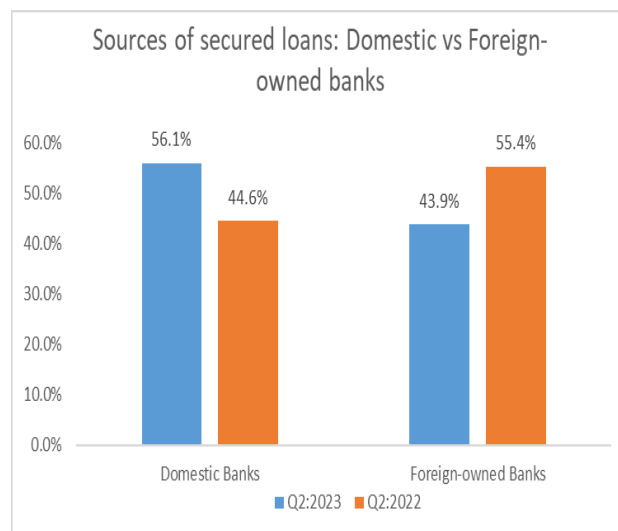
11.0 Sectoral Distribution of Secured Loans

The Commerce and Finance sector accounted for the highest share of 31.1 percent of secured credit received across the sectors in Q2:2023. Electricity, Gas and Water sectors followed with 28.8 percent, Services sector with 15.2 percent share, Construction sector with 7.5 percent share, Transport and Haulage sector with 6.4 percent share and Manufacturing sector with a share of 4.4 percent. The lowest recipients of secured loans were Agriculture, Forestry and Fishing sector (1.6%), Mining and Quarrying sector (1.5%), Cottage Industries sector (0.1%) and Information & Communications (0.02%).

12.0 Realisation of security interests

The Registry received a total of 92 realisation requests from various lending institutions, out of which 71 Memorandum of No Objection certificates were issued in Q2:2023 to facilitate enforcement of collateral registered. This represents a year-on-year drop of 13.4 percent, compared with 82 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 35 approved realisation requests, representing 49.3 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 29 approved realisation requests, representing 40.9 percent of approved requests. The category with the lowest number of recipients were the Finance Houses, Microfinance Companies and Rural Banks with 1 approved realisation request each. These institutions

accounted for 4.2 percent share of the approved realisation requests. The Other lender types received 4 approved realisation requests, representing 5.6 percent share.

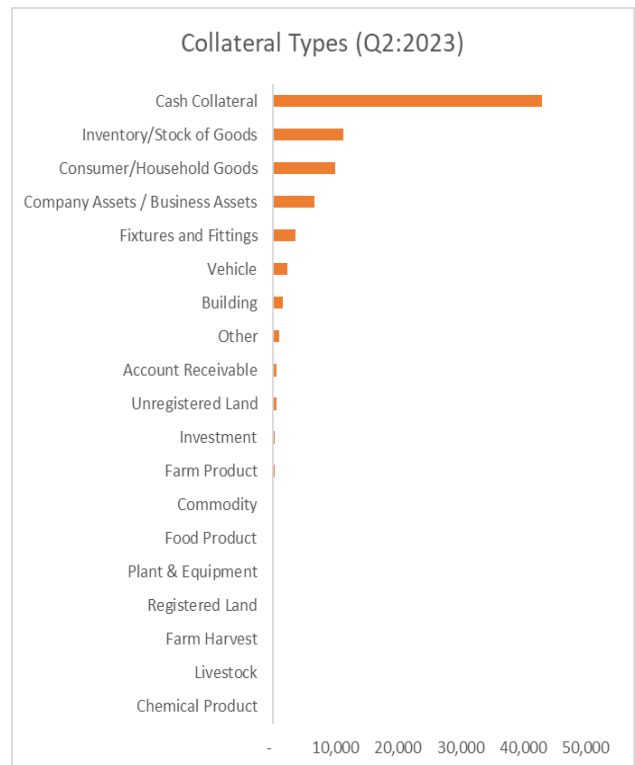


13.0 Distribution of registered collateral

A total of 81,180 assets were registered as collateral in Q2:2023, a decrease from the 81,242 assets registered in Q2:2022 and an increase from 79,364 recorded in Q1:2023. Movable assets constituted the largest proportion of the registered collateral for loans granted within the reporting period with a share of 68.6 percent. Immovable collateral constituted the lowest proportion of registered collateral for loans granted within the reporting period with a 2.0 percent share. Both Immovable and Movable (e.g., Company/Business Assets) collateral accounted for 29.4 percent of the total number of collaterals registered. The major collateral types used to secure loans were cash and inventories/stock of goods.

14.0 Conclusion

The Registry recorded increased use of its services in the second 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 also picked up within the review period.



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 Banks	Savings and Loans Companies
Account Receivable	168	-	21	-	-	70	1	223	91
Building	251	-	9	-	28	52	26	620	544
Cash Collateral	2,073	-	195	-	15	946	28	4,790	34,938
Chemical Product		-	1	-	-	-	-	-	-
Commodity	16	-	56	-	8	1	-	43	9
Company Assets / Business Assets	35	-	-	-	74	25	2	155	6,374
Consumer/Household Goods	9	-	19	-	44	33	3	28	9,812
Farm Harvest	-	-	-	-	-	4	-	3	7
Farm Product	-	-	8	-	-	1	-	123	101
Fixtures and Fittings	1	-	-	-	4	15	2	43	3,547
Food Product	-	-	117	-	-	-	-	10	3
Inventory/Stock of Goods	194	-	-	-	212	128	3	126	10,566
Investment	128	10	-	-	-	20	1	57	31
Livestock	-	-	-	-	1	-	-	-	5
Other	95	-	1	-	95	15	-	88	679
Plant & Equipment	13	-	-	7	4	7	-	43	41
Registered Land	57	-	5	-	5	13	5	7	7
Unregistered Land	4	-	3	-	16	62	5	289	89
Vehicle	592	-	58	-	104	294	7	243	920

Source: Collateral Registry Department

COLLATERAL REGISTRY INDICATORS

NO.	Lender Type	Number of Registered Secured Loans				Number of Searches				Number of Discharges			
		Q2:2022	Q2:2023	Quarter-on-Quarter Growth (%)	Share (%) Q2:2023	Q2:2022	Q2:2023	Quarter-on-Quarter Growth (%)	Share (%) Q2:2023	Q2:2022	Q2:2023	Quarter-on-Quarter Growth (%)	Share (%) Q2:2023
1	Savings and Loans Companies	32,147	39,796	23.79	78.50	12,028	11,149	(7.31)	78.60	6,114	9,014	47.43	77.57
2	Rural Banks	7,238	6,019	(16.84)	11.87	2,086	2,290	9.78	16.14	2,118	1,597	(24.60)	13.74
3	Banks	2,539	2,534	(0.20)	5.00	509	201	(60.51)	1.42	1,183	318	(73.12)	2.74
4	Microfinance Companies	1,226	1,498	22.19	2.95	103	69	33.01	0.49	504	526	4.37	4.53
5	Micro Credit Companies	295	495	67.80	0.98	24	41	70.83	0.29	412	122	(70.39)	1.05
6	Finance Houses	347	276	(20.46)	0.54	16	13	(18.75)	0.09	77	31	(59.74)	0.27
7	Leasing Companies	5	4	(20.00)	0.01	-	-	0.00	0.00	-	1	0.00	0.01
8	Finance and Leasing Companies	1	10	900.00	0.02	-	-	0.00	0.00	3	2	(33.33)	0.02
9	Financial NGOs	4	-	0.00	0.00	-	-	0.00	0.00	-	-	0.00	0.00
11	Others	59	63	6.78	0.12	381	421	10.50	2.97	78	10	(87.18)	0.09
Total		43,861	50,695	15.60	100	15,147	14,184	(6.36)	100	10,489	11,621	10.79	100

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 (%) Q2:2023	Q2:2022	Q2:2023	NO.	Gender /Owner Composition	GHS MILLION		Quarter-on-Quarter Growth (%)	Shares (%) Q2:2023
		Q2:2022	Q2:2023							Q2:2022	Q2:2023		
1	Banks	4,349.82	4,995.55	14.84	83.72	20.87	26.86	1	Female (Individual)	364.77	508.57	39.42	8.52
2	Savings and Loans Companies	444.22	584.95	31.68	9.80	45.20	44.23	2	Female Owned Business	110.39	272.89	147.21	4.57
3	Rural Banks	262.83	260.49	(0.89)	4.37	32.36	35.12	3	Male (Individual)	417.00	411.80	(1.25)	6.90
4	Microfinance Companies	46.45	66.91	44.05	1.12	44.06	49.19	4	Male owned Business	3,008.76	1,813.26	(39.73)	30.39
5	Leasing Companies	9.54	20.90	119.02	0.35	14.70	12.10	Total		3,900.92	3,006.52	(22.93)	50.38
6	Micro Credit Companies	9.63	18.84	95.60	0.32	44.53	36.63	Sources of Secured Loans: Domestic vs. External (Banks)					
7	Finance Houses	41.90	18.28	(56.37)	0.31	49.45	59.19	No.	Sources of Secured Loans: Domestic vs. External	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%) Q2:2023
8	Finance and Leasing Companies	0.40	0.69	73.13	0.01	20.00	29.25			Q2:2022	Q2:2023		
9	Financial NGOs	0.09	-	(100.00)	0.00	48.00	0.00	1	Domestic Banks	1,940.93	2,801.72	44.35	56.08
Total		5,164.88	5,966.62	15.52	100			2	Foreign Banks	2,408.89	2,193.83	(8.93)	43.92
							Total						
							4,349.82	4,995.55	14.84	100			

Sectoral Distribution of Registered Security Interest						Value of Secured Loans by Borrower Type					
NO.	Sector	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%) Q2:2023	NO	Type Borrower	GHS MILLION		Quarter-on-Quarter Growth (%)	Share (%) Q2:2023
		Q2:2022	Q2:2023					Q2:2022	Q2:2023		
1	Commerce and Finance	965.23	1,853.92	92.07	31.07						
2	Electricity, Gas and Water	130.70	1,719.05	1215.31	28.81	1	Private Enterprises - Large Enterprises	2,659.75	3,961.06	48.93	66.39
3	Services	1,208.55	904.38	(25.17)	15.16	2	Individuals	800.99	938.94	17.22	15.74
4	Construction	744.85	449.74	(39.62)	7.54	3	Private Enterprises - SMEs	811.28	929.92	14.62	15.59
5	Transport and Haulage	73.72	379.53	414.83	6.36	4	Private Enterprise - Micro Businesses	55.38	68.60	23.88	1.15
6	Manufacturing	672.90	261.06	(61.20)	4.38	5	Public Institutions - Non Profit Making Institutions	1.49	38.33	2472.25	0.64
7	Other (Specify)	941.92	207.20	(78.00)	3.47	6	Association/Union	26.02	14.68	(43.59)	0.25
8	Agriculture, Forestry and Fishing	293.03	95.38	(67.45)	1.60	7	Others	701.23	14.63	(97.91)	0.25
9	Mining and Quarrying	130.17	91.11	(30.01)	1.53	8	Public Enterprises - Profit Making Institutions	24.23	0.46	(98.11)	0.01
10	Cottage Industries	2.17	4.22	94.37	0.07	9	Government Institutions (MDA's)	84.50	-	(100.00)	0.00
11	Information and Communications	1.64	1.02	(37.56)	0.02						
Total		5,164.88	5,966.62	15.52	100	Total		5,164.88	5,966.62	15.52	100