

# Collateral Registry Quarterly Brief

Third Quarter

**2023**

Accra

Cover Photo: Bank of Ghana – Head Office, Accra



# COLLATERAL REGISTRY DEPARTMENT QUARTERLY BRIEF

## QUARTER 3: 2023

### 1.0 Summary

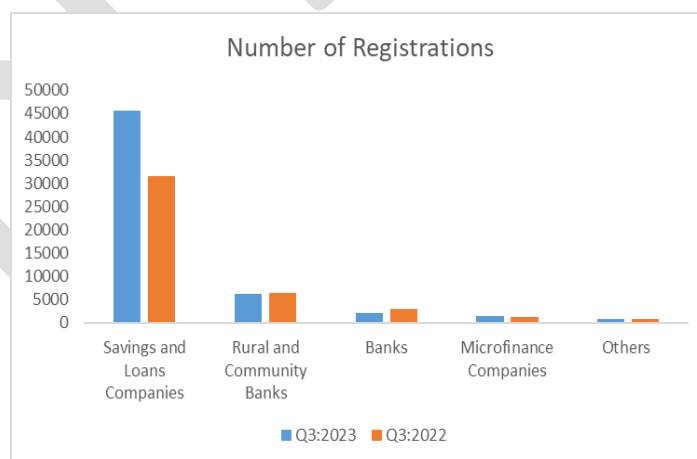
The Collateral Registry recorded an increased number of registrations and discharges in the third quarter of 2023, compared with the same period in 2022. In brief,

- Total number of registrations increased during the period under review. Savings and Loans Companies recorded the highest number of registrations across the lending institutions.
- Total number of searches conducted with the Registry declined.
- Total number of Memorandum of No Objection certificates issued also declined.
- Total number of discharges of collateral registrations increased significantly.
- The major collateral types 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.
- Of the lending institutions, Savings and Loans companies remained the most active on the Registry's platform in terms of registrations, searches, and discharges.

### 2.0 Registrations

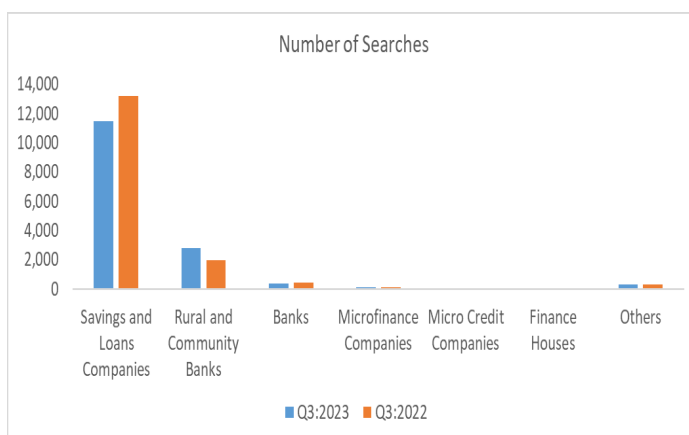
Total number of collateral registrations recorded for Q3:2023 was 56,314, compared to 43,261 registrations in the same quarter of 2022, representing 30.2 percent year-on-year growth. A breakdown of the registrations across the various categories of lenders showed that Savings and Loans Companies (S&Ls) dominated with 45,601 registrations in Q3:2023, indicating an increase of 44.2 percent from 31,631 registrations recorded in Q3:2022. Registration of collateral by Rural and Community Banks (RCBs) dropped marginally by 3.5 percent from 6,507 registrations in Q3:2022 to 6,278 in Q3:2023. Registrations by Banks also declined by 32.2 percent from 2,977 in Q3:2022 to 2,019 in Q3:2023. The lowest number of registrations was recorded by Finance and Leasing Companies with 7 registrations in Q3:2023 compared with 9 registrations in Q3:2022.

institutions in terms of searches with respective percentage shares of 1.0, 0.4 and 0.1.



### 3.0 Searches

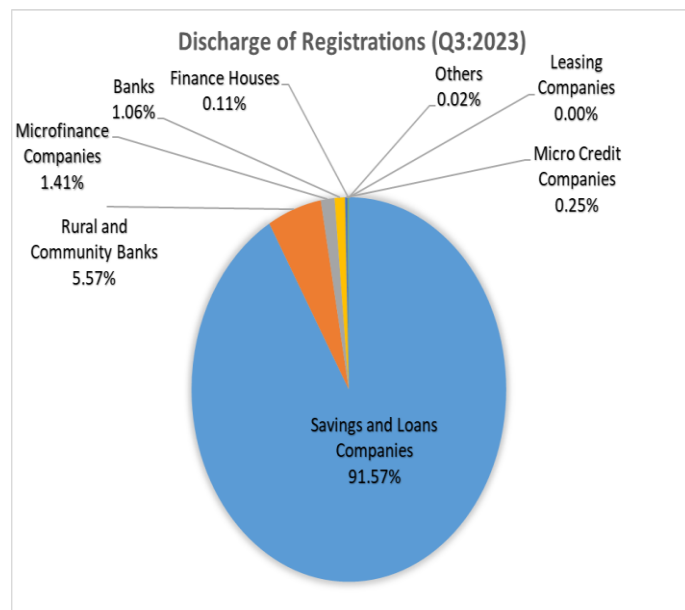
The total number of searches conducted at the Collateral Registry in Q3:2023 decreased by 6.0 percent (year-on-year) to 15,204 from 16,178 in Q3:2022. Despite the decline, the searches in Q3:2023 was 7.2 percent higher than the 14,184 recorded in Q2:2023. Across the Banks and Specialised Deposit-taking Institutions (SDIs), Savings & Loans Companies recorded the highest share of searches conducted during the review period with 75.8 percent, followed by RCBs with 18.3 percent, and banks with 2.4 percent. Microfinance Institutions, Micro Credit Companies and Finance Houses were the least active



#### 4.0 Discharge of Registrations

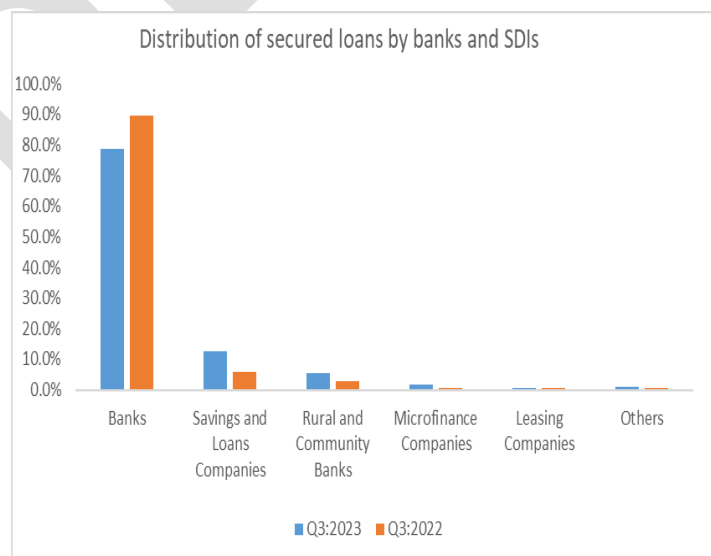
Collateral registration discharges rose sharply to 48,382 in Q3:2023 due to loan repayments. This represented 227.7 percent year-on-year growth compared with 14,764 discharges recorded in Q3:2022. Compared with Q2:2023, the discharges recorded in Q3:2023 represented a sharp increase of 316.3 percent from 11,621, pointing to increased loan repayments in the review period. Savings and Loans companies recorded the highest number discharges of 44,302 in Q3:2023, accounting for 91.6 percent of the total discharges. This was followed by the RCBs with 2,697 discharges, representing 5.6 percent of total discharges for the period. Microfinance companies recorded 682 discharges, representing a 1.4 percentage share of total discharges recorded. Banks and Micro-Credit Companies recorded 515 and 122 discharges respectively, representing respective percentage shares of 1.1 percent and 0.3 percent. Finance houses also recorded 52 discharges for the period under review. Across the banks and SDIs, Leasing companies recorded the lowest number of discharges.

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 Q3:2023 was GHS 5.5 billion, relative to GHS8.1 billion in Q3:2022, indicating a decrease of 32.7 percent on year-on-year terms. Banks accounted for GHS4.3 billion of total secured loans in Q3:2023, indicating a decline by 40.8 percent from the GHS7.3 billion recorded in Q3:2022. On the other hand, the SDIs recorded a total of GHS1.2 billion secured loans, up by 36.4 percent from the GHS851.6 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 Q3:2023, with 78.8 percent. The share of secured loans by S&L companies increased to 12.7 percent from 5.9 percent in Q3:2022. This was followed by the RCBs with a percentage share of 5.3 percent from 2.8 percent recorded in Q3:2022. The share of secured loans by Microfinance Companies also increased to 1.7 percent in Q3:2023 from 0.8 percent in Q3:2022. Similarly, the share of Finance Houses increased marginally from 0.3 percent in Q3:2022 to 0.5 percent in Q3:2023. The cumulative share of secured loans from the remaining lending institutions increased to 1.0 percent from 0.6

## 7.0 Average Lending Rates of Secured Loans

The average lending rates of 26.5 percent for secured loans by Banks was the lowest across all the lending institutions in Q3:2023. This compares with 20.0 percent in Q3:2022 and 26.9 percent recorded in Q2:2023. The Leasing Companies had an average lending rate of 28.1 percent in Q3:2023, an increase from 17.4 percent in Q3:2022, whilst that of Finance and Leasing Companies increased to 30.5 percent in Q3:2023 from the 29.6 percent recorded in the same period last year. Average lending rate on secured loans granted by the RCBs increased to 35.3 percent in the review period from the 33.2 percent recorded in Q3:2022. Micro Credit Companies had an average lending rate of 41.5 percent in Q2:2023, down from 56.7 percent in the corresponding quarter in 2022. Savings and Loans Companies recorded an average lending rate of 44.1 percent for the period under review from 45.0 percent recorded in Q3:2022. Of the banks and SDIs, Micro Credit Companies recorded the highest average lending rate of 58.6 percent in Q3:2023, up from 51.7 percent recorded in the same quarter in 2022.

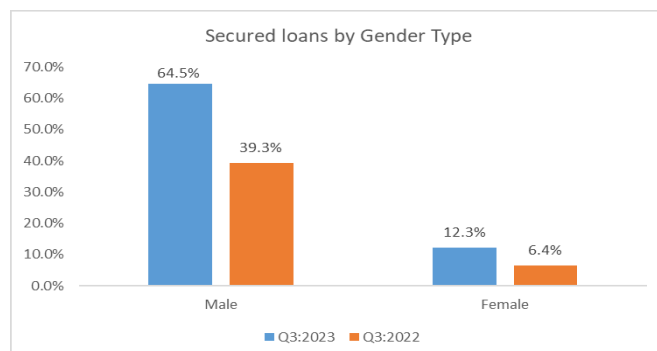
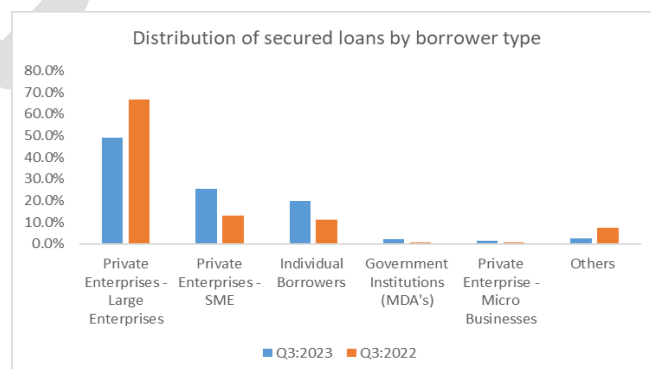
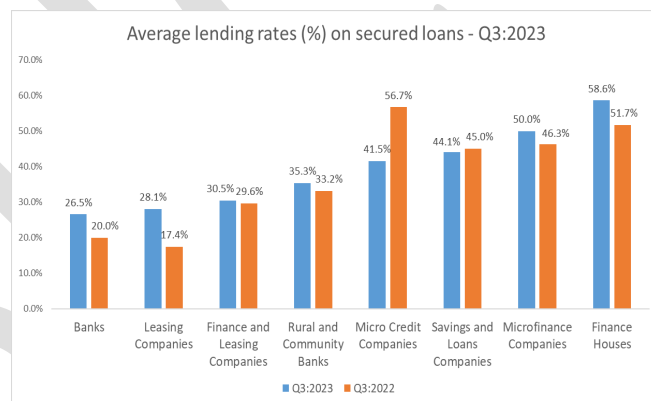
## 8.0 Value of secured loans by borrower type

In terms of borrower classification, large private enterprises were the highest recipients of secured loans registered with a percentage share of 49.1 percent in Q3:2023, down from 66.8 percent in Q3:2022. Private Enterprises – SMEs constituted the second highest recipient of secured loans with 25.4 percent share during the review period, up from the share of 13.2 percent in Q3:2022. The share of secured loans to Individual borrowers also increased to 19.6 percent in the review period from 11.3 percent in Q3:2022. The share of secured loans to Government Institutions (MDAs) also increased to 2.0 percent from 0.7 percent recorded in Q3:2022. For Micro Businesses, the share of secured loans to rose to 1.4 percent in the period under review from 0.8 percent in Q3:2022. The share of secured loans to Public Institutions accounted for the lowest share of 0.1 percent of secured loans in the review period.

## 9.0 Gender Distribution of Secured Loans

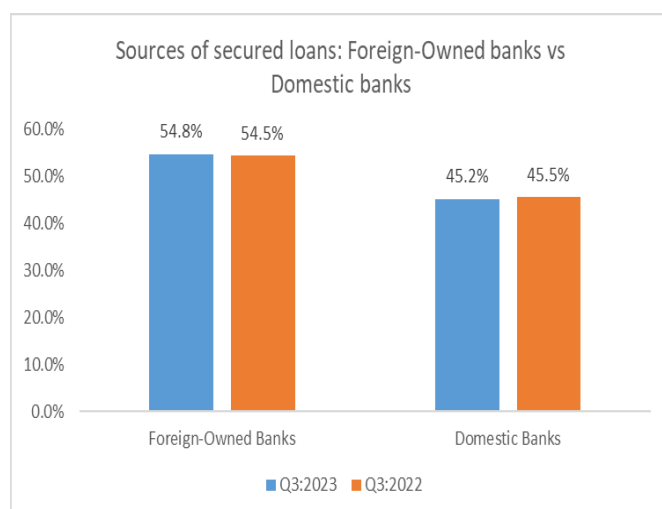
A breakdown by gender shows that individual female borrowers and businesses owned by

females accounted for GHS671.5 million of secured loans in Q3:2023, a 28.3 percent increase from GHS523.5 million recorded in the same period in 2022. On the other hand, secured loans granted to individual male borrowers and businesses owned by males increased by 10.6 percent to GHS3.5 billion from GHS3.2 billion over the same comparative period. In relative terms, the percentage share of secured loans to individual male borrowers and businesses owned by males increased from 39.3 percent in Q3:2022 to 64.5 percent in Q3:2023. Also, the share of secured loans for individual female borrowers and businesses owned by females increased from 6.4 percent in Q3:2022 to 12.3 percent during the period under review.



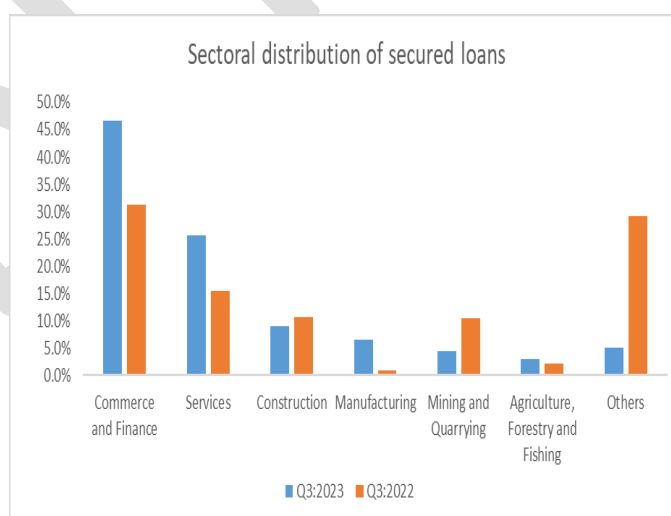
## 10.0 Sources of Secured Loans: Domestic vs. Foreign-Owned Banks in Ghana

The percentage share of secured loans granted by foreign-owned banks increased marginally to 54.8 percent in Q3:2023 from 54.5 percent in Q3:2022. This accounted for the highest share of the total secured loans granted by banks in the review period. On the other hand, the share of secured loans granted by domestic banks declined marginally to 45.2 percent in Q3:2023 from 45.5 percent in Q3:2022. In all, foreign-owned banks were the main drivers of secured loans granted by banks during the review period, followed by the domestic banks.



## 11.0 Sectoral Distribution of Secured Loans

The Commerce and Finance sector accounted for the highest share of 46.7 percent of secured credit across the sectors in Q3:2023. Services sector followed with 25.7 percent, Construction sector with 9.0 percent, Manufacturing sector with 6.4 percent and Mining and Quarrying sector with 4.3 percent share. The lowest recipients of secured loans were Agriculture, Forestry and Fishing sector (2.9%), Transport and Haulage sector (0.8%), Electricity, Gas and Water sector (0.7%), Cottage Industries sector (0.1%) and Information & Communications (0.1%).



## 12.0 Realisation of Security Interests

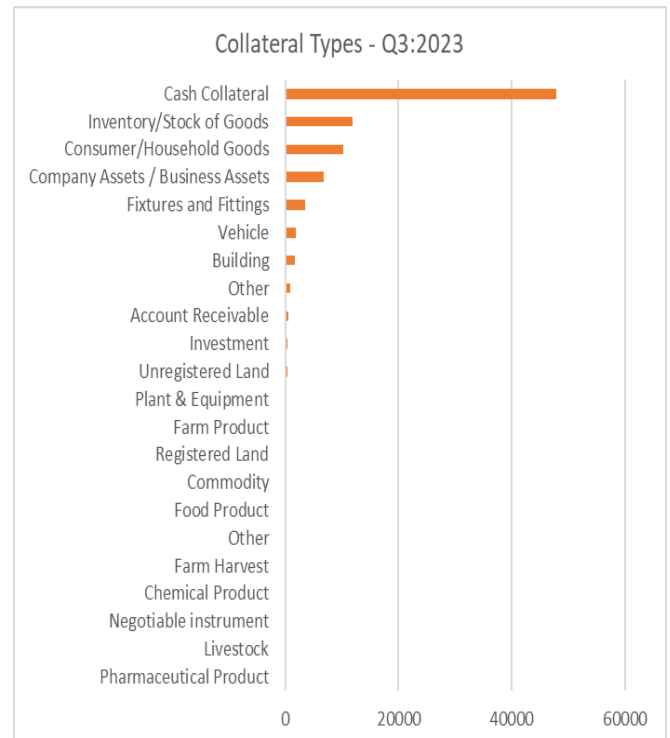
The Registry received a total of 116 realisation requests from various lending institutions, out of which 70 Memorandum of No Objection certificates were issued in Q3:2023 to facilitate collateral enforcement. This compares with 109 certificates issued in the same period in 2022. Banks were the highest recipients with 32 Memorandum of No Objection certificates, representing 45.7 percent, followed by Savings and Loans Companies with 31 Memorandum of No Objection certificates, representing 44.3 percent. Microfinance Companies also received a total of 5 Memorandum of No Objection certificates representing 7.1 percent. Finance Houses and Other lender types received 1 Memorandum of No Objection certificate each, representing 2.8 percent.

### 13.0 Distribution of Registered Collateral

A total of 86,719 assets were registered as collateral in Q3:2023, up from 76,874 assets registered in Q3:2022 and 81,180 recorded in Q2:2023. Movable assets constituted a share of 70.0 percent, the largest proportion of the registered collateral for loans granted within the reporting period. Immovable assets had the lowest proportion of registered collateral for loans granted with a 1.9 percent share. Both Immovable and Movable assets (e.g., Company/Business Assets) accounted for 28.1 percent of the total number of collateral registered. The major collateral types used to secure loans were cash and inventories/stock of goods.

### 14.0 Conclusion

Activity on the Collateral Registry was mixed in third quarter of 2023. Registration of secured loans and discharge of collateral registration showed appreciable increases relative to the same period a year earlier. However, total searches conducted and approved realisation of collateral requests moderated in 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               | 169   | -                             | 16             | -                 | -                      | 103                    | -      | 134         | 69                          |
| Building                         | 296   | -                             | 11             | -                 | 23                     | 52                     | 13     | 639         | 674                         |
| Cash Collateral                  | 1,398 | -                             | 163            | -                 | -                      | 909                    | 3      | 5,209       | 40,254                      |
| Chemical Product                 | -     | -                             | 3              | -                 | -                      | -                      | -      | -           | -                           |
| Commodity                        | 9     | -                             | 52             | -                 | 12                     | 2                      | -      | 20          | 16                          |
| Company Assets / Business Assets | 68    | -                             | -              | -                 | 86                     | 27                     | 3      | 202         | 6,338                       |
| Consumer/Household Goods         | -     | -                             | 12             | -                 | 61                     | 45                     | -      | 42          | 10,170                      |
| Farm Harvest                     | -     | -                             | -              | -                 | -                      | -                      | -      | 18          | 5                           |
| Farm Product                     | -     | -                             | 4              | -                 | 1                      | -                      | -      | 57          | 54                          |
| Fixtures and Fittings            | 1     | -                             | -              | -                 | 2                      | 4                      | -      | 29          | 3,411                       |
| Food Product                     | -     | -                             | 92             | -                 | 15                     | -                      | -      | -           | 3                           |
| Inventory/Stock of Goods         | 243   | -                             | 1              | -                 | 207                    | 124                    | 9      | 139         | 11,121                      |
| Investment                       | 189   | 7                             | -              | -                 | -                      | 25                     | 3      | 41          | 150                         |
| Livestock                        | -     | -                             | -              | -                 | 1                      | -                      | -      | -           | 1                           |
| Negotiable instrument            | -     | -                             | -              | -                 | -                      | 2                      | -      | -           | -                           |
| Other                            | 196   | -                             | 1              | -                 | 136                    | 17                     | -      | 103         | 445                         |
| Plant & Equipment                | -     | -                             | 1              | -                 | -                      | -                      | -      | -           | -                           |
| Pharmaceutical Product           | 10    | -                             | 8              | 26                | -                      | 1                      | 3      | 33          | 48                          |
| Registered Land                  | 43    | -                             | 6              | -                 | 2                      | 32                     | -      | 14          | 15                          |
| Unregistered Land                | 5     | -                             | 3              | -                 | 23                     | 77                     | 5      | 198         | 102                         |
| Vehicle                          | 60    | -                             | 62             | 7                 | 100                    | 353                    | 12     | 256         | 1,054                       |

Source: Collateral Registry Department

**COLLATERAL REGISTRY INDICATORS**

| NO.   | Lender Type                       | Number of Registered Secured Loans |                 |                         |                       | Number of Searches                      |  |                         |  | Number of Discharges    |                 |                                |                  |
|---|-----------------------------------|------------------------------------|-----------------|-------------------------|-----------------------|---|--|-------------------------|--|-------------------------|-----------------|--------------------------------|------------------|
|   |                                   | Q3:2022                            | Q3:2023         | Year-on-Year Growth (%) | Share (%)             | Q3:2022                                 | Q3:2023  | Year-on-Year Growth (%) | Share (%)  | Q3:2022                 | Q3:2023         | Year-on-Year Growth (%)        | Share (%)        |
|   |                                   |                                    |                 |                         | Q3:2023               |   |  |                         | Q3:2023  |                         |                 |                                | Q3:2023          |
| 1   | Savings and Loans Companies       | 31,631                             | 45,601          | 44.2                    | 81.0                  | 13,215                                  | 11,520   | (12.8)                  | 75.8   | 10,379                  | 44,302          | 326.8                          | 91.6             |
| 2   | Rural and Community Banks         | 6,507                              | 6,278           | (3.5)                   | 11.2                  | 1,969                                   | 2,781  | 41.2                    | 18.3   | 1,499                   | 2,697           | 79.9                           | 5.6              |
| 3   | Banks                             | 2,977                              | 2,019           | (32.2)                  | 3.6                   | 457                                     | 371  | (18.8)                  | 2.4  | 2,230                   | 515             | (76.9)                         | 1.1              |
| 4   | Microfinance Companies            | 1,262                              | 1,561           | 23.7                    | 2.8                   | 107                                     | 158  | 47.7                    | 1.0  | 383                     | 682             | 78.1                           | 1.4              |
| 5   | Micro Credit Companies            | 368                                | 544             | 47.8                    | 1.0                   | 75                                      | 64   | (14.7)                  | 0.4  | 206                     | 122             | (40.8)                         | 0.3              |
| 6   | Finance Houses                    | 430                                | 250             | (41.9)                  | 0.4                   | 18                                      | 8  | (55.6)                  | 0.1  | 39                      | 52              | 33.3                           | 0.1              |
| 7   | Leasing Companies                 | 11                                 | 11              | 0.0                     | 0.0                   | -                                       | -  | 0.0                     | 0.0  | -                       | 2               | 0.0                            | 0.0              |
| 8   | Finance and Leasing Companies     | 9                                  | 7               | (22.2)                  | 0.0                   | -                                       | -  | 0.0                     | 0.0  | -                       | -               | 0.0                            | 0.0              |
| 9   | Financial NGOs                    | -                                  | -               | 0.0                     | 0.0                   | -                                       | -  | 0.0                     | 0.0  | -                       | -               | 0.0                            | 0.0              |
| 10  | Other                             | 66                                 | 43              | (34.9)                  | 0.1                   | 337                                     | 302  | (10.4)                  | 2.0  | 28                      | 10              | (64.3)                         | 0.0              |
|   | <b>Total</b>                      | <b>43,261</b>                      | <b>56,314</b>   | <b>30.2</b>             | <b>100.0</b>          | <b>16,178</b>                           | <b>15,204</b>  | <b>(6.0)</b>            | <b>100.0</b>   | <b>14,764</b>           | <b>48,382</b>   | <b>227.7</b>                   | <b>100.0</b>     |
| Value of Registered Security Interests by Lender Type |                                   |                                    |                 |                         | Average Lending Rates |   | Gender Distribution of Secured Loans                 |                         |  |                         |                 |                                |                  |
| NO.   | Lender Type                       | GHS MILLION                        |                 | Year-on-Year Growth (%) | Share (%)             | Q3:2022                                 | Q3:2023  | NO.                     | Gender /Owner Composition                                      | GHS MILLION             |                 | Year-on-Year Growth (%)        | Shares (%)       |
|   |                                   | Q3:2022                            | Q3:2023         |                         |                       |   |  |                         |  | Q3:2022                 | Q3:2023         |                                |                  |
| 1   | Banks                             | 7,287.78                           | 4,315.56        | (40.8)                  | 78.8                  | 20.0                                    | 26.5   | 1                       | Female (Individual)  | 416.67                  | 575.57          | 38.1                           | 10.5             |
| 2   | Savings and Loans Companies       | 480.53                             | 695.63          | 44.8                    | 12.7                  | 45.0                                    | 44.1   | 2                       | Female Owned Business  | 106.84                  | 95.89           | (10.2)                         | 1.8              |
| 3   | Rural and Community Banks         | 231.76                             | 290.01          | 25.1                    | 5.3                   | 33.2                                    | 35.3   | 3                       | Male (Individual)  | 467.19                  | 472.17          | 1.1                            | 8.6              |
| 4   | Microfinance Companies            | 61.10                              | 94.88           | 55.3                    | 1.7                   | 46.3                                    | 50.0   | 4                       | Male owned Business  | 2,728.75                | 3,063.18        | 12.3                           | 55.9             |
| 5   | Leasing Companies                 | 37.46                              | 36.42           | (2.8)                   | 0.7                   | 17.4                                    | 28.1   |                         | <b>Total</b>   | <b>3,719.45</b>         | <b>4,206.81</b> | <b>13.1</b>                    | <b>76.8</b>      |
| 6   | Finance Houses                    | 25.11                              | 28.12           | 12.0                    | 0.5                   | 56.7                                    | 41.5   |                         | <b>Sources of Secured Loans: Domestic vs. External (Banks)</b> |                         |                 |                                |                  |
| 7   | Micro Credit Companies            | 15.14                              | 15.97           | 5.4                     | 0.3                   | 51.7                                    | 58.6   | No.                     | <b>Sources of Secured Loans: Domestic vs. External</b>         | <b>GHS MILLION</b>      |                 | <b>Year-on-Year Growth (%)</b> | <b>Share (%)</b> |
| 8   | Finance and Leasing Companies     | 0.46                               | 0.51            | 11.8                    | 0.0                   | 29.6                                    | 30.5   |                         |  | Q3:2022                 | Q3:2023         |                                |                  |
| 9   | Financial NGOs                    | 0.00                               | -               | 0.0                     | 0.0                   | 0.0                                     | 0.0  | 1                       | Domestic Banks   | 3,316.47                | 1,952.01        | (41.1)                         | 45.2             |
|   | <b>Total</b>                      | <b>8,139.34</b>                    | <b>5,477.11</b> | <b>(32.7)</b>           | <b>100.0</b>          |   |  | 2                       | Foreign Banks  | 3,971.32                | 2,363.55        | (40.5)                         | 54.8             |
|   |                                   |                                    |                 |                         |                       |   |  |                         | <b>Total</b>   | <b>7,287.78</b>         | <b>4,315.56</b> | <b>(40.8)</b>                  | <b>100.0</b>     |
| Sectoral Distribution of Registered Security Interest |                                   |                                    |                 |                         |                       | Value of Secured Loans by Borrower Type |  |                         |  |                         |                 |                                |                  |
| NO.   | Sector                            | GHS MILLION                        |                 | Year-on-Year Growth (%) | Share (%)             | NO                                      | Type Borrower  | GHS MILLION             |  | Year-on-Year Growth (%) | Share (%)       |                                |                  |
|   |                                   | Q3:2022                            | Q3:2023         |                         |                       |   |  | Q3:2022                 | Q3:2023  |                         |                 |                                |                  |
| 1   | Commerce and Finance              | 2,549.68                           | 2,558.04        | 0.3                     | 46.7                  |   |  | Q3:2022                 | Q3:2023  |                         |                 |                                |                  |
| 2   | Services                          | 1,249.83                           | 1,408.75        | 12.7                    | 25.7                  | 1                                       | Private Enterprises - Large Enterprises              | 5,435.03                | 2,690.94   | (50.5)                  | 49.1            |                                |                  |
| 3   | Construction                      | 869.01                             | 491.81          | (43.4)                  | 9.0                   | 2                                       | Private Enterprises - SMEs                           | 1,070.80                | 1,391.13   | 29.9                    | 25.4            |                                |                  |
| 4   | Manufacturing                     | 77.71                              | 351.77          | 352.7                   | 6.4                   | 3                                       | Individuals  | 916.32                  | 1,075.74   | 17.4                    | 19.6            |                                |                  |
| 5   | Mining and Quarrying              | 847.88                             | 235.23          | (72.3)                  | 4.3                   | 4                                       | Government Institutions (MDA's)                      | 60.48                   | 111.04   | 83.6                    | 2.0             |                                |                  |
| 6   | Other (Specify)                   | 840.89                             | 188.45          | (77.6)                  | 3.4                   | 5                                       | Public Institutions - Non Profit Making Institutions | 0.62                    | 97.88  | 15579.8                 | 1.8             |                                |                  |
| 7   | Agriculture, Forestry and Fishing | 178.09                             | 157.10          | (11.8)                  | 2.9                   | 6                                       | Private Enterprise - Micro Businesses                | 61.23                   | 77.18  | 26.0                    | 1.4             |                                |                  |
| 8   | Transport and Haulage             | 79.20                              | 41.04           | (48.2)                  | 0.8                   | 7                                       | Association/Union                                    | 30.87                   | 14.18  | (54.1)                  | 0.3             |                                |                  |
| 9   | Electricity, Gas and Water        | 1,440.48                           | 37.47           | (97.4)                  | 0.7                   | 8                                       | Others   | 515.93                  | 13.33  | (97.4)                  | 0.2             |                                |                  |
| 10  | Cottage Industries                | 5.85                               | 4.50            | (23.1)                  | 0.1                   | 9                                       | Public Enterprises - Profit Making Institutions      | 48.04                   | 5.70   | (88.1)                  | 0.1             |                                |                  |
| 11  | Information and Communications    | 0.73                               | 2.96            | 308.3                   | 0.1                   |   |  |                         |  |                         |                 |                                |                  |
|   | <b>Total</b>                      | <b>8,139.34</b>                    | <b>5,477.11</b> | <b>(32.7)</b>           | <b>100.0</b>          |   | <b>Total</b>   | <b>8,139.34</b>         | <b>5,477.11</b>  | <b>(32.7)</b>           | <b>100.0</b>    |                                |                  |