



Collateral Registry Quarterly Brief

Fourth Quarter

2023

COLLATERAL REGISTRY DEPARTMENT QUARTERLY BRIEF

QUARTER 4: 2023

1.0 Summary

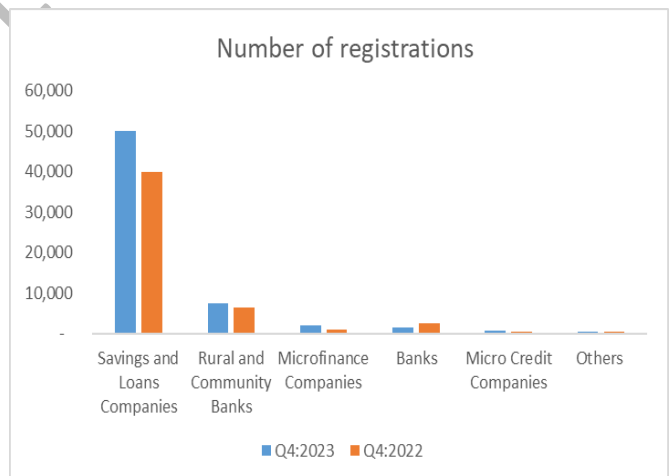
The Collateral Registry recorded an increased number of registrations, realisation of security interests and discharges in the fourth quarter of 2023, compared with the same period in 2022. In brief,

- The total number of registrations increased by 22.5 percent in the fourth quarter and was dominated by Savings and Loans Companies.
- Number of searches conducted at the Registry declined by 4.9 percent.
- Total number of Memorandum of No Objection certificates increased during the review period.
- The number of discharges of collateral registrations increased significantly.
- The major collateral types used to secure loans were cash and inventories or stock of goods.
- On gender basis, the share of the total value of secured loans granted to males and businesses owned by males exceeded that for women and businesses owned by women.
- Of the lending institutions, Savings and Loans companies remained the most active in terms of patronage of the Registry's services (registrations, searches, realisations and discharges).

2.0 Registrations

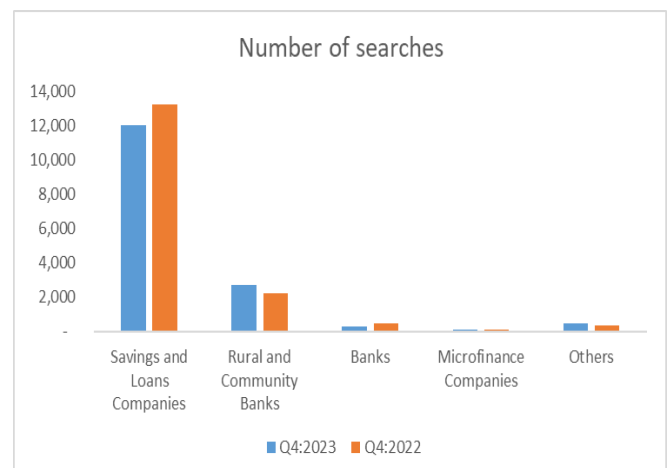
Total number of collateral registrations recorded for Q4:2023 was 61,674 compared to 50,333 registrations in the same quarter of 2022, representing 22.5 percent year-on-year growth. In comparison with Q3:2023, collateral registrations increased by 9.5 percent. A breakdown of the registrations across the various categories of lenders showed that Savings and Loans Companies (S&Ls) dominated with 50,007 registrations in Q4:2023, indicating an increase of 25.6 percent from 39,801 registrations recorded in Q4:2022. Registration of collateral by Rural and Community Banks (RCBs) increased by 14.5 percent from 6,410 registrations in Q4:2022 to 7,340 in Q4:2023. Conversely, registrations by Banks declined by 35.7 percent from 2,392 in Q4:2022 to 1,538 in Q4:2023. Across the institutions, Leasing Companies recorded the lowest number of 6 registrations in Q4:2023 compared with 8 registrations in Q4:2022.

with respective percentage shares of 0.6, 0.2 and 0.2. The other lending institutions and the general public accounted for the remaining 2.6 percent of the total number of searches conducted at the Registry during Q4:2023.



3.0 Searches

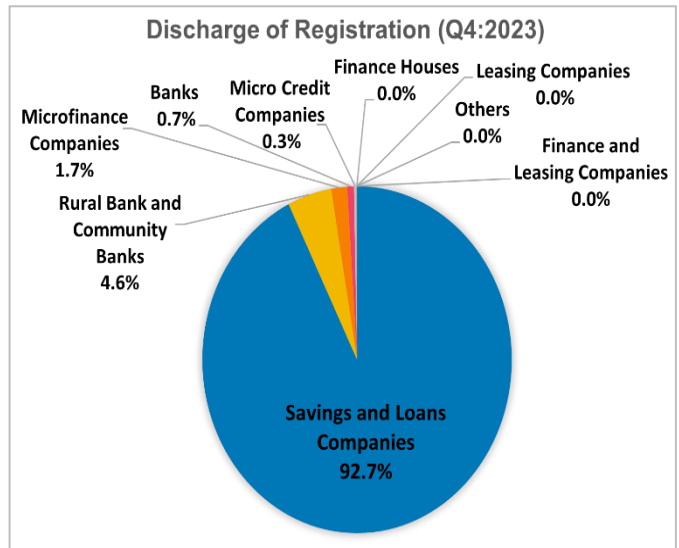
The total number of searches conducted at the Collateral Registry in Q4:2023 decreased by 4.9 percent (year-on-year) to 15,600 from 16,397 in Q4:2022. Despite the decline, searches conducted in Q4:2023 went up by 2.6 percent compared with the 15,204 recorded in Q3:2023. Savings & Loans Companies recorded the highest share of searches conducted during the review period with 77.2 percent, followed by RCBs with 17.3 percent, and banks with 1.9 percent. Microfinance Institutions, Micro Credit Companies and Finance Houses were the least active institutions in terms of searches



4.0 Discharge of Registrations

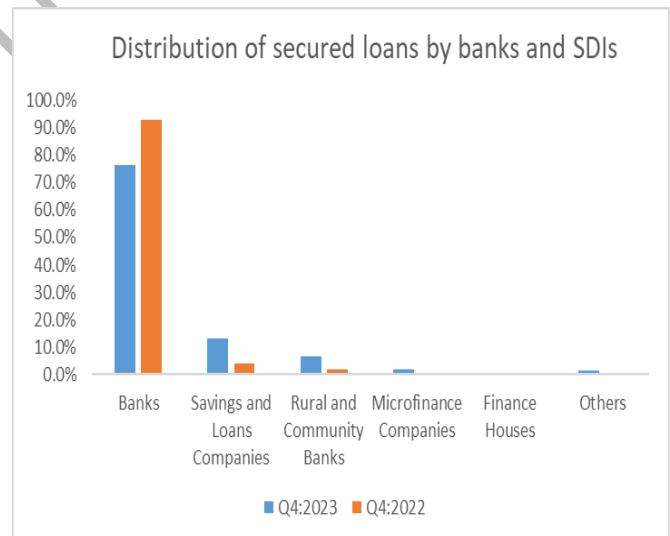
Collateral registration discharges rose sharply to 66,534 in Q4:2023 mainly due to loan repayments. This represented a significant year-on-year growth of 360.9 percent from the 14,435 discharges recorded in Q4:2022. Compared with Q3:2023, the discharges recorded in Q4:2023 increased by 37.5 percent from 48,382, pointing to increased loan repayments in the review period. Savings and Loans companies recorded the highest number of discharges of 61,678 in Q4:2023, accounting for 92.7 percent of the total discharges. This was followed by the RCBs with 3,071 discharges, representing 4.6 percent of total discharges for the period. Microfinance companies recorded 1,111 discharges, representing 1.7 percent of total discharges recorded during the review period. Banks and Micro-Credit Companies recorded 455 and 184 discharges respectively, representing respective percentage shares of 0.7 percent and 0.3 percent. Finance houses also recorded 14 discharges for the period under review. Across the banks and SDIs, Leasing companies recorded the lowest number with 3 discharges in Q4:2023.

The cumulative share of secured loans from the remaining lending institutions increased to 1.2 percent from 0.4 percent recorded in Q4:2022.



5.0 Value of Secured Loans

The total value of secured loans granted and registered by banks and SDIs in Q4:2023 was GHS 5.9 billion, relative to GHS 13.2 billion in Q4:2022, indicating a decrease of 54.9 percent on year-on-year terms. Banks accounted for GHS4.5 billion of total secured loans in Q4:2023, indicating a decline by 63.0 percent from the GHS 12.3 billion recorded in Q4:2022, indicating a general slowdown in credit growth in 2023, reflecting portfolio reallocation by banks. On the other hand, the SDIs recorded a total of GHS1.4 billion secured loans in Q4:2023, an increase of 53.0 percent from the GHS 918.7 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 Q4:2023, with 76.3 percent, relative to the share of 93.0 percent in Q4:2022. The share of secured loans by S&Ls increased to 13.3 percent in Q4:2023 from 4.2 percent recorded in Q4:2022. This was followed by the RCBs with a percentage share of 6.9 percent from 1.9 percent in Q4:2022. The share of secured loans by Microfinance Companies also increased to 1.7 percent in Q4:2023 from 0.3 percent in Q4:2022. Similarly, the share of the total value of secured loans by Finance Houses increased marginally from 0.1 percent in Q4:2022 to 0.5 percent in Q4:2023.

7.0 Average Lending Rates of Secured Loans

The average lending rate of 24.4 percent for secured loans by Leasing Companies was the lowest across all the lending institutions in Q4:2023. This compares with 16.3 percent in Q4:2022 and 35.5 percent recorded in Q3:2023. Finance and Leasing Companies had an average lending rate of 27.4 percent in Q4:2023, a decrease from 31.1 percent in Q4:2022, whilst that of Banks increased to 28.8 percent in Q4:2023 from the 22.3 percent recorded in the same period in 2022. Average lending rate on secured loans granted by the Micro Credit Companies decreased to 47.7 percent in the review period from the 54.5 percent recorded in Q4:2022. Rural and Community Banks had an average lending rate of 34.4 percent in Q4:2023, marginally up from 33.7 percent in the corresponding quarter in 2022. Savings and Loans Companies recorded an average lending rate of 44.1 percent from 45.2 percent over the same comparative period. Microfinance Companies recorded an average lending rate of 51.1 percent in Q4:2023, an increase from 50.2 percent recorded in the corresponding quarter in 2022. Of the banks and SDIs, Finance Houses recorded the highest average lending rate of 60.3 percent in Q4:2023, up from 55.4 percent recorded in the same quarter in 2022.

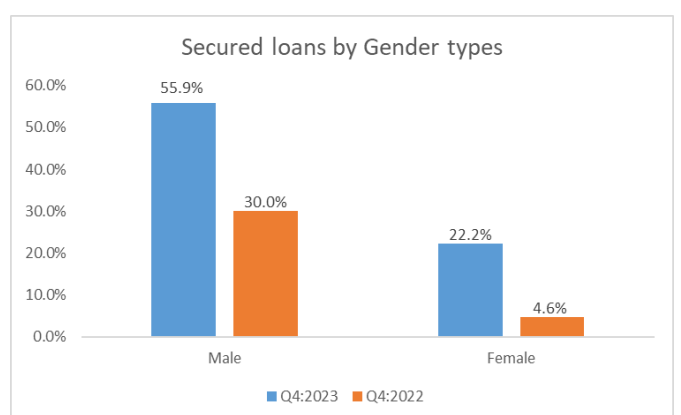
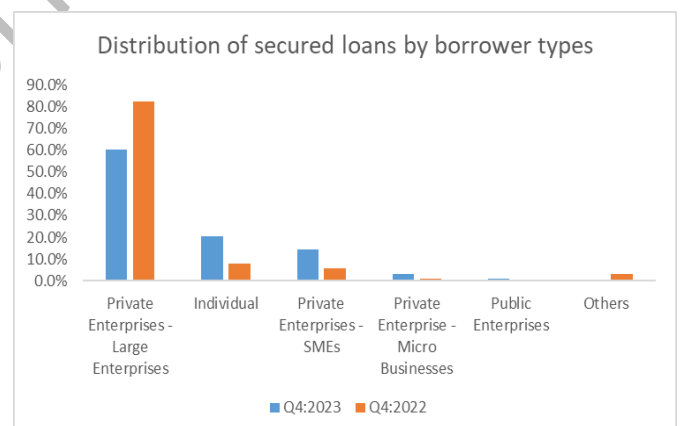
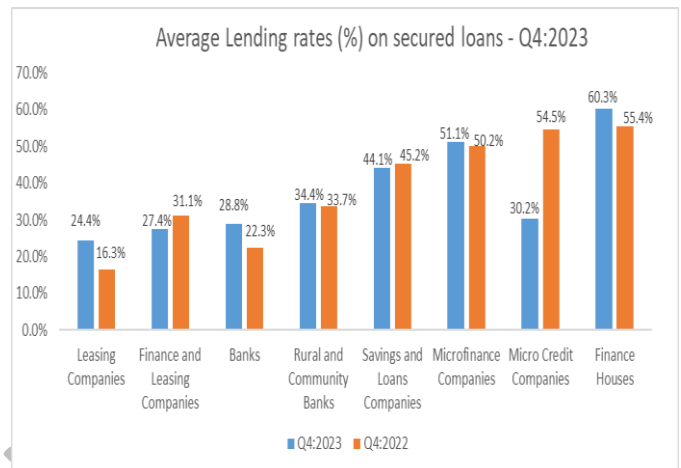
8.0 Recipients of secured loans by borrower type

In terms of borrower classification, large private enterprises were the highest recipient of secured loans with a percentage share of 60.3 percent in Q4:2023, down from 82.3 percent in Q4:2022. Individual borrowers constituted the second highest recipient of secured loans with 20.4 percent share during the review period, up from the share of 7.7 percent share in Q4:2022. The share of secured loans to Private Enterprises – SMEs also increased to 14.3 percent in the review period from 5.7 percent in Q4:2022. For Micro Businesses, the share of secured loans rose to 3.3 percent in Q4:2023 from 1.1 percent in the same period of the previous year. Government Institutions (MDAs) received the lowest share of the total value of secured loans granted by banks and SDIs during the review period.

9.0 Gender Distribution of Secured Loans

A breakdown by gender shows that secured loans granted to individual female borrowers and businesses owned by females increased by 116.0 percent from GHS609.9 million in Q4:2022 to GHS1.3 billion of secured loans in Q4:2023. On the other hand, secured loans granted to individual

male borrowers and businesses owned by males decreased by 15.9 percent to GHS3.3 billion from GHS3.9 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 30.0 percent in Q4:2022 to 55.9 percent in Q4:2023. Also, the share of secured loans for individual female borrowers and businesses owned by females increased from 4.6 percent in Q4:2022 to 22.2 percent during the period under review.



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

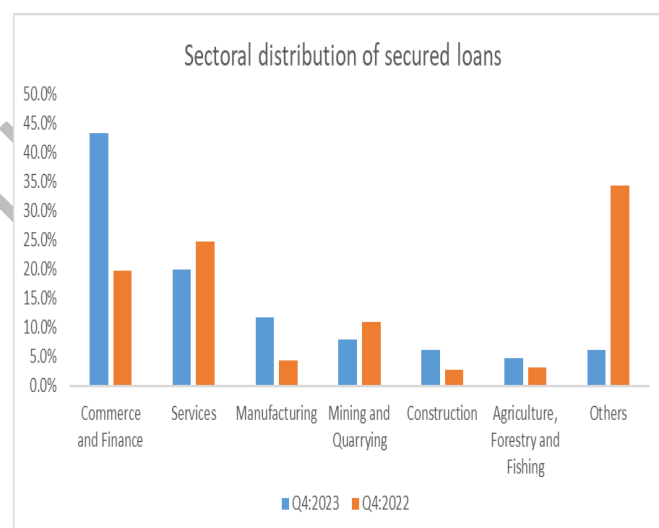
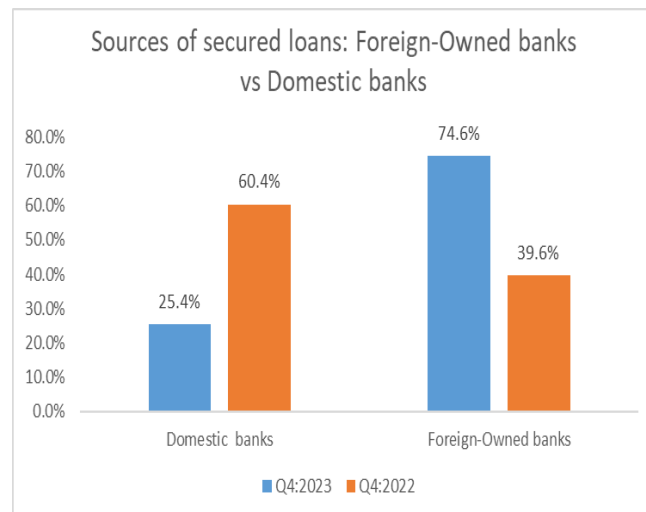
The percentage share of the total value of secured loans granted by foreign-owned banks ¹increased to 74.6 percent in Q4:2023 from 39.6 percent in Q4:2022. This accounted for the higher share of the total secured loans granted by banks in the review period. On the other hand, the share of the total value of secured loans granted by domestic banks ²declined to 25.4 percent in Q4:2023 from 60.4 percent in Q4:2022. 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 was the highest recipient of secured loans with a percentage share of 43.3 percent in Q4:2023. Services sector followed with 20.0 percent, Manufacturing sector with 11.7 percent, Mining and Quarrying sector with 8.0 percent share and Construction sector with 6.1 percentage share. The lowest recipients of secured loans were Agriculture, Forestry and Fishing sector (4.8%), Transport and Haulage sector (2.3%), Electricity, Gas and Water sector (0.4%), Information & Communications (0.1%) and Cottage Industries sector (0.1%).

12.0 Realisation of Security Interests

The Collateral Registry received a total of 126 realisation requests from various lending institutions and agents in Q4:2023, of which 94 Memorandum of No Objection certificates were issued to facilitate collateral enforcement. This compares with 82 certificates issued in the same period in 2022. Savings and Loans Companies received the highest number of 41 Memorandum of No Objection certificates, representing 43.6 percent, followed by banks with 38 Memorandum of No Objection certificates, representing 40.3 percent. Microfinance Companies also received a total of 7 Memorandum of No Objection certificates representing 7.5 percent. Micro Credit Companies received 3 Memorandum of No Objection certificates, while Rural and Community banks received 1 Memorandum of No Objection certificate, representing respective shares of 3.2 percent and 1.1 percent. Law Firms and Government institutions received a total of 2 Memorandum of No Objection certificates each in Q4:2023.



¹ Foreign-owned banks – Foreign-owned banks domiciled in Ghana

² Domestic banks- Locally owned banks in Ghana

13.0 Distribution of Registered Collateral

The total number of assets registered as collateral stood at 94,536 in Q4:2023, from 88,058 assets registered in Q4:2022 and 86,719 recorded in Q3:2023. Movable assets constituted a share of 68.2 percent representing 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 0.9 percent share. Both Immovable and Movable assets (e.g., Company/Business Assets) accounted for 30.9 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

Performance of the Collateral Registry broadly improved in the fourth quarter of 2023 compared with the same period in 2022. Volumes of collateral registration, discharges, and realisation of security interests showed appreciable increases, pointing to a pick-up in the patronage of the Registry's services within the review period. Strategically, the Registry will continue to intensify public awareness on the need to conduct searches as part of the credit appraisal process of banks, SDIs, and other types of lenders.



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	89	1	13	-	1	98	1	139	89
Building	270	-	7	-	26	67	25	793	742
Cash Collateral	1,118	-	183	-	-	1,162	11	6,105	44,096
Chemical Product	-	-	1	-	-	-	-	-	-
Commodity	4	-	66	-	2	-	-	32	36
Company Assets / Business Assets	97	-	-	-	142	39	4	150	6,737
Consumer/Household Goods	-	-	14	-	92	41	-	31	10,771
Farm Harvest	-	-	-	-	-	2	-	58	11
Farm Product	-	-	6	-	-	-	-	3	10
Fixtures and Fittings	1	-	-	-	1	5	-	3	3,865
Food Product	-	-	105	-	-	-	-	1	-
Inventory/Stock of Goods	231	-	2	-	300	160	6	164	12,399
Investment	140	6	2	-	-	26	-	82	352
Livestock	1	-	-	-	1	2	-	1	2
Negotiable instrument	-	-	-	-	-	3	-	2	1
Other	115	0	3	0	144	21	0	18	483
Plant & Equipment	-	-	-	-	-	2	-	-	1
Pharmaceutical Product	4	-	-	20	-	6	5	39	70
Registered Land	56	-	11	-	6	32	-	11	20
Unregistered Land	1	-	10	-	21	98	15	190	105
Vehicle	66	-	33	-	62	354	7	223	1,035

Source: Collateral Registry Department

COLLATERAL REGISTRY INDICATORS														
NO.	Lender Type	Number of Registered Secured Loans				Number of Searches				Number of Discharges				
		Q4:2022	Q4:2023	Year-on-Year Growth (%)	Share (%)	Q4:2022	Q4:2023	Year-on-Year Growth (%)	Share (%)	Q4:2022	Q4:2023	Year-on-Year Growth (%)	Share (%)	
					Q4:2023				Q4:2023					
1	Savings and Loans Companies	39,801	50,007	25.6	81.1	13,280	12,043	(9.3)	77.2	11,319	61,678	444.9	92.7	
2	Rural and Community Banks	6,410	7,340	14.5	11.9	2,200	2,700	22.7	17.3	1,225	3,071	150.7	4.6	
3	Microfinance Companies	1,029	1,823	77.2	3.0	100	94	(6.0)	0.6	764	1,111	45.4	1.7	
4	Banks	2,392	1,538	(35.7)	2.5	448	293	(34.6)	1.9	861	455	(47.2)	0.7	
5	Micro Credit Companies	388	640	64.9	1.0	37	33	(10.8)	0.2	203	184	(9.4)	0.3	
6	Finance Houses	245	254	3.7	0.4	18	29	61.1	0.2	32	14	(56.3)	0.0	
7	Finance and Leasing Companies	5	7	40.0	0.0	-	-	0.0	0.0	3	11	266.7	0.0	
8	Leasing Companies	8	6	(25.0)	0.0	-	-	0.0	0.0	4	3	(25.0)	0.0	
9	Financial NGOs	-	-	0.0	0.0	-	-	0.0	0.0	-	-	0.0	0.0	
10	Others	55	59	7.3	0.1	314	408	29.9	2.6	24	7	(70.8)	0.0	
Total		50,333	61,674	22.5	100.0	16,397	15,600	(4.9)	100.0	14,435	66,534	360.9	100.0	
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 (%)	Q4:2022	Q4:2023	NO.	Gender /Owner Composition	GHS MILLION		Year-on-Year Growth (%)	Shares (%)	
		Q4:2022	Q4:2023		Q4:2023					Q4:2022	Q4:2023		Q4:2023	
1	Banks	12,251.10	4,531.21	(63.0)	76.3	22.3	28.8	1	Female (Individual)	496.12	661.06	33.2	11.1	
2	Savings and Loans Companies	559.26	788.15	40.9	13.3	45.2	44.1	2	Female Owned Business	113.79	656.15	476.6	11.1	
3	Rural and Community Banks	250.55	407.58	62.7	6.9	33.7	34.4	3	Male (Individual)	486.59	514.23	5.7	8.7	
4	Microfinance Companies	33.69	102.90	205.4	1.7	50.2	51.1	4	Male owned Business	3,462.84	2,806.31	(19.0)	47.3	
5	Leasing Companies	39.65	55.47	39.9	0.9	16.3	24.4	Total		4,559.35	4,637.75	1.7	78.1	
6	Finance Houses	16.27	30.12	85.1	0.5	55.4	60.3	Sources of Secured Loans: Domestic vs. External (Banks)						
7	Micro Credit Companies	18.56	18.38	(0.9)	0.3	54.5	47.7	No.	Sources of Secured Loans: Domestic vs. External	GHS MILLION		Year-on-Year Growth (%)	Share (%)	
8	Finance and Leasing Companies	0.31	2.74	791.6	0.0	31.1	27.4			Q4:2022	Q4:2023			
9	Financial NGOs	-	-	0.0	0.0	0.0	0.0	1	Domestic Banks	4,852.99	3,382.50	(30.3)	74.6	
Total		13,169.38	5,936.56	54.9	100.0			2	Foreign Banks	7,398.11	1,148.72	(84.5)	25.4	
						Total					12,251.10	4,531.21	(63.0)	100.0
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 (%)			
		Q4:2022	Q4:2023		Q4:2023			Q4:2022	Q4:2023		Q4:2023			
1	Commerce and Finance	2,597.57	2,571.09	(1.0)	43.3									
2	Services	3,258.18	1,188.37	(63.5)	20.0	1	Private Enterprises - Large Enterprises	10,837.05	3,577.67	-67.0	60.3			
3	Manufacturing	562.97	691.93	22.9	11.7	2	Individuals	1,012.45	1,211.74	19.7	20.4			
4	Mining and Quarrying	1,438.76	474.65	(67.0)	8.0	3	Private Enterprises - SME	744.15	847.09	13.8	14.3			
5	Construction	364.64	360.00	(1.3)	6.1	4	Private Enterprise - Micro Businesses	145.70	194.78	33.7	3.3			
6	Agriculture, Forestry and Fishing	420.42	285.10	(32.2)	4.8	5	Public Enterprises - Profit Making Institutions	0.31	70.11	22,779.1	1.2			
7	Other	1,685.22	191.98	(88.6)	3.2	6	Others	238.66	20.29	-91.5	0.3			
8	Transport and Haulage	60.99	138.00	126.3	2.3	7	Association/Unions	190.40	10.88	-94.3	0.2			
9	Electricity, Gas and Water	2,773.46	20.95	(99.2)	0.4	8	Public Institutions - Non Profit Making Institutions	0.61	3.30	436.8	0.1			
10	Information and Communications	3.05	8.43	176.2	0.1	9	Government Institutions (MDA's)	0.04	0.71	1,484.6	0.0			
11	Cottage Industries	4.13	6.06	46.6	0.1	Total		13,169.38	5,936.56	54.9	100.0			
Total		13,169.38	5,936.56	54.9	100.0									