



Ghana Women Fund

18TH ANNUAL GENERAL MEETING CHAIRPERSON'S REPORT 23RD SEPTEMBER 2021

1. INTRODUCTION

Good afternoon, Distinguished Shareholders, Fellow Directors, Ladies and Gentlemen. On behalf of the Board of Directors, I welcome you all with much pleasure to this year's Annual General Meeting of Ghana Women Fund Limited.

Ladies and Gentlemen, it is with great honour to brief you about the Annual Report and Financial Performance for the year ended 31st December, 2020.

2. GOVERNANCE STRUCTURE

a. BOARD OF DIRECTORS

The current composition of the Board of Directors is as follows:

- i. Mrs Ernestina Naana Hagan – Board Chairperson and Director in Charge of Legal Affairs and Administration.
- ii. Dr Cecilia Bentsi – Director in charge of Administration and Finance.
- iii. Mrs Yvonne Quansah – Director in Charge of Finance and Investment.

The Board of Directors has functioned as an Executive Board from March, 2019 till date.

The Board appointed Mr. Michael Nketiah as the General Manager on the 1st of June 2021. Unfortunately, Mr. Nketiah resigned on the 14th of September 2021 due to family reasons.

I would like to express my sincere gratitude and appreciation to the Board members for their dedication and commitment to duty.

I wish to take this opportunity to thank each one of our cherished Shareholders for your immense support to us and the Fund in general. We are pleased with the level of commitment shown by you all in helping us steer the affairs of the Fund.

b. LEGAL ADVISORS

The Fund continued to use the professional services of Kudjawu and Co. as its Legal Advisors.

c. AUDITORS

Bening Anang & Partners and PISTIS & Associates are the Company's External and Internal Auditors respectively.

3. OPERATIONS

In the year under review, The Fund continued with its business of financial intermediation to women and women businesses through its on lending program with Rural and Community Banks (RCBs), Small and Medium Enterprises (SMEs), Salaried Workers and Retailers who could not access credit from regular banks.

In a bid to diversify the portfolio of the Fund, direct lending to SMEs and Salaried Workers were included, this policy proved to be very beneficial in the face of the slowdown of wholesale lending to RCBs.

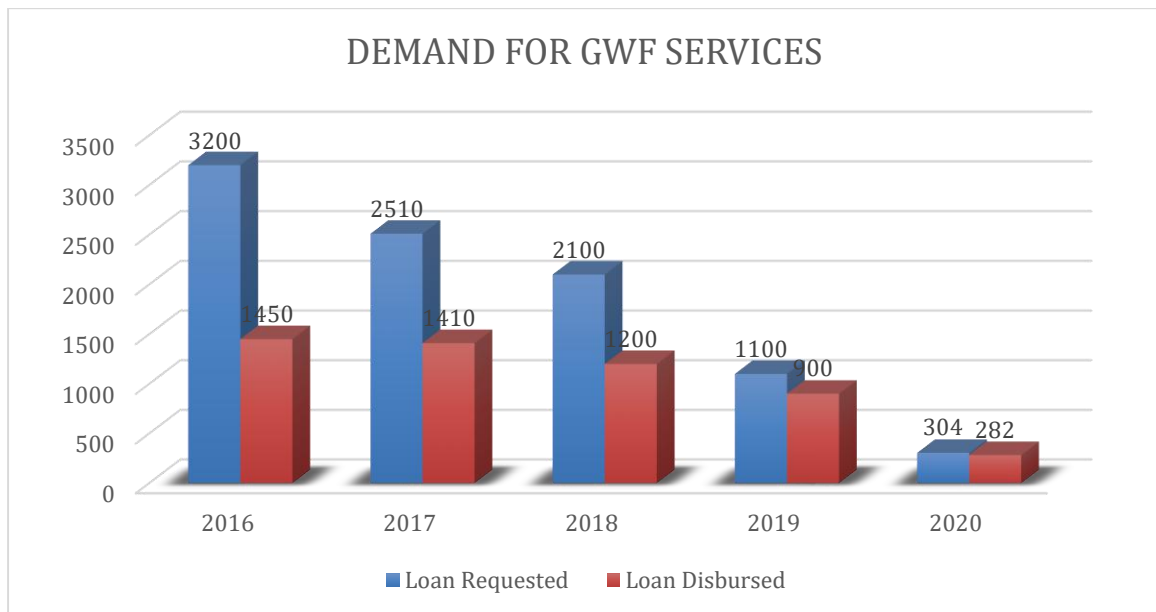
Due to the financial sector clean-up and COVID 19 pandemic, most of the RCBs suspended their lending activities. This suspension impacted adversely on our portfolio and financial position.

We are hopeful, that with economic activities picking up, we will be able to restart our wholesaling and lending activities with our partners from the RCBs.

- **DEMAND FOR GWF SERVICES**

Continuously, requests had outstripped disbursement, but the year 2020 witnessed the lowest loan requests as well as disbursement since the inception of the Fund. This is largely due to the COVID 19 Lockdown and resultant Economic recession in 202

The chart below depicts demand for Ghana Women Fund Services.



- **INVESTMENT**

The Fund did some placement with Consolidated Bank Ghana (CBG) and NDK Financial Services. Though the rates from NDK Financial services were higher, the Fund discontinued the investment due to liquidity challenges faced by NDK Financial services. Going forward, Management has been tasked to solicit for higher rates from well reputed and credible financial institutions for investment activities.

- **THE FINANCIAL PERFORMANCE FOR THE YEAR 2020**

a. The Financial clean up exercise that started in 2018 as well as the impact of DKM episode on some RCBs also affected the growth and profitability of the Fund. Two of GWF's partner RCBs are presently struggling to meet their obligations to the Fund. These are Atweaban and Bomaa Area Rural Banks. In this regard, Management is increasing its effort in pursuing these RCBs to clear their outstanding balances.

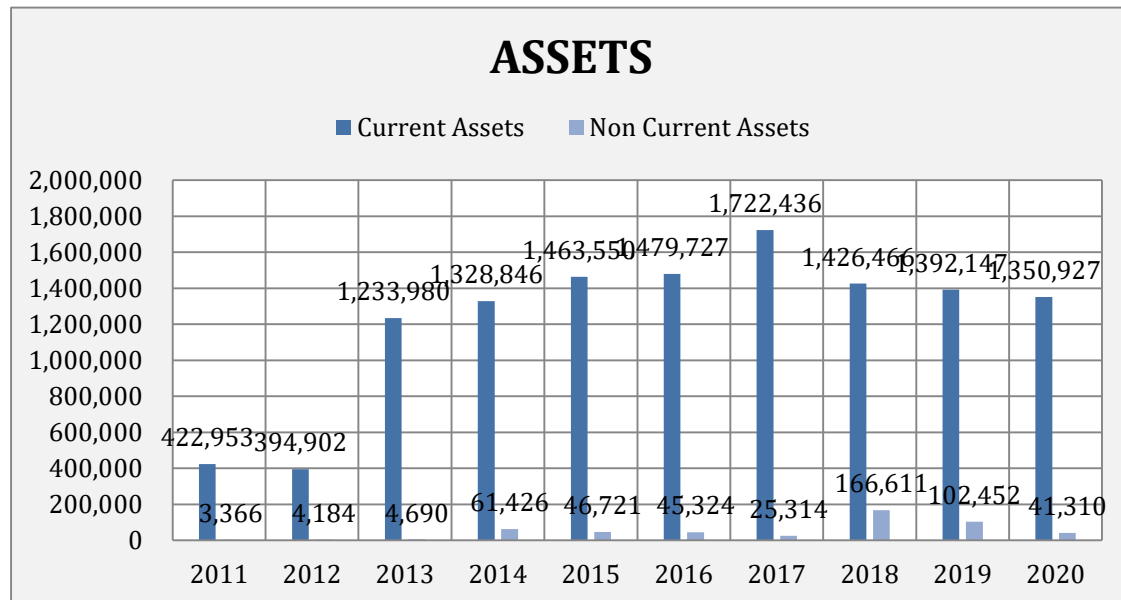
b. The Lockdown in Greater Accra and Greater Kumasi Metros due to Covid 19 with its resultant economic recess in the country adversely impacted on the operations, financial performance and the profitability of the Fund.

- **ASSETS**

Total assets decreased from GHS1,494,599 in 2019 to GHS1,392,237 in 2020. This represented 6.85% decrease over the previous year.

Current assets reduced by GHS41,220 representing a decrease of 2.96% over previous year. The current assets are significantly made up of loans and advances to customers. The decrease was mainly due to decrease in advances while fixed assets like plants, properties and equipment remained the same.

The chart below shows the year on year assets performance over the last nine years.



- **PROFITABILITY**

The Fund recorded a loss of (GHS103,818) compared to a loss of (GHS46,820) in 2019. This is a 54.9% increase in loss. The operating income fell from GHS403,068 in 2019 to GHS267,701 in 2020, a decrease of 50.56%.

Interest earned on loans recorded a decline of 121.06% from GHS320,166 in 2019 to GHS144,826 in 2020.

Loans declined by 41.89% from 426,920 in 2019 to 300,878 in 2020.

The chart below depicts the Fund's Profitability over the past nine years



- **FINANCIAL POSITION**

The Fund's financial position is assessed based on an analysis of statement of financial positions as at end of each review period as follows:-

	2013 GHS	2014 GHS	2015 GHS	2016 GHS	2017 GHS	2018 GHS	2019 GHS	2020 GHS
Non-current Assets	4,690	61,426	46,721	45,324	25,314	166,611	102,452	41,310
Current Assets	1,233,980	1,328,846	1,463,550	1,479,727	1,722,436	1,426,466	1,392,147	1,350,927
Total Assets	123,670	1,390,272	1,510,271	1,525,050	1,747,751	1,593,057	1,494,599	1,392,237
current liabilities	2,710	29,726	68,929	43,713	97,441	51,131	38,684	40,140
Non-current liabilities	855,190	855,190	855,190	855,190	855,190	855,190	855,190	855,190
Total liabilities	857,900	884,916	924,119	898,903	952,631	945,512	1,494,599	895,330
Shareholder's Equity	380,770	505,356	586,152	626,147	795,120	647,545	600,725	496,907

4. ACHIEVEMENTS

The major achievements of the Fund's programmes include:

- **WHOLESALE LOANS**

Since 2006, GWF loan facilities have benefitted 27 Rural and Community Banks in 7 Regions, with beneficiaries numbering over fourteen thousand (14,060) as reported to us. These beneficiaries are from the Brong Ahafo, Central, Eastern, Greater Accra, Northern, Volta and Western Regions.

Distinguished Shareholders, Ladies and Gentlemen, reports from beneficiary Rural and Community Banks (RCBs) demonstrated the impact, the Fund is making on their businesses.

The loans served as a means of empowerment by supporting women's economic participation in the national economy and helped to improve household wellbeing. Our loans, through the RCBs helped a lot of low income earners to invest and expand their businesses.

- **SMALL AND MEDUIM ENTERPRISES (SMEs)**

GWF's credit facility has improved the accessibility and availability of credit to the market women in Accra and beyond. The loan increased the working capital and expanded their businesses, thereby creating job opportunities in their communities.

The loan also promotes gender and economic equality. The less privileged now have access to funding, thereby increasing their sales and income. They are able to look after their families, especially catering for their children's educational needs.

The Fund has made considerable effort in the size of loan to beneficiaries. The size of loans has grown from GHS1,000.00 to GHS10,000.00. Beneficiaries are yearning for higher amounts.

- **SALARIED LOANS**

The facility benefitted some workers in other institutions like TUC Local Government Service. Some of their success stories were that, their lives improved tremendously. Most of them used the funds in furthering their wards' education to the tertiary level, others used them for house rent and even supported their spouses home businesses.

5. KEY CHALLENGES

The major challenges that hampered the performance of the Fund in 2020 included:

- The general lockdown in Greater Accra and Greater Kumasi due to the COVID 19 pandemic.
- The Financial Sector clean up impacted adversely on the operations of some RCBs. Most of the RCBs had liquidity challenges and could not access funds from the Fund. Two (2) of such RCBs, Bomaa Area Rural Bank and Atweaban Rural Bank have defaulted in payment of their loan.
- Lack of adequate funding from potential financiers to augment the Fund's working capital and facilitate the acquisition of a Tier 2 Non-Bank Financial Institution License from the Bank of Ghana.

6. MITIGATING MEASURES

Mitigating measures adopted by the Fund to tackle the above challenges include:

- Recycling of the Fund's loans with its credible clients.
- Pursuing recovery activities against defaulted clients.
- Investing in high yielding and credible Financial Institutions.
- Engaging Shareholders and other Financiers to raise additional capital for the acquisition of the Tier 2 license.

7. WAY FORWARD

Management has been tasked to reduce non-performing loans by 60% and to break even by the first Quarter of 2022. It is the aspiration of the Board to see GWF bounce back to its glorious days of 2014 to 2017 where profits were made and some dividends paid to Shareholders.

In line with that, the Board in collaboration with Management will negotiate and restructure some of its old loans to enable clients repay and settle their indebtedness to GWF.

Additionally, the Fund will intensify its negotiations with the Government of Ghana through State Interest and Governance Authority (SIGA) and Ministry of Finance (MoF) to convert the Redeemable Preference Shares of GH¢855,190 into Equity to augment its working capital.

Through these efforts and others to be embarked on, it is our hope we will report back with much better news at our next AGM.

ACKNOWLEDGEMENT

We wish to conclude by expressing our heartfelt appreciation to our Honourable Shareholders, Board of Directors, Management, Staff of Ghana Women Fund, Auditors and Legal team for their continuous dedication to the Fund.

Thank you all for your support individually as well as the organizations you represent. Thank you for honouring our invitation.

May God bless us all.

Mrs Ernestina Naana Hagan
Chairperson.