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The only limit is YOU



Welcome



The Bi-Annual newsletter to the Stakeholders of Negotiated Benefits Trust Company Limited (NBC Ghana Trust) has been aptly named Fihankra. The name Fihankra is taken from the Adinkra symbol representing “safety and security”.

This Ashanti symbol denotes a compound with only one entrance and an exit demonstrating safety and security – and this is what NBC Ghana offers to the industry.

This mouthpiece for NBC Ghana will feature company news, industry trends, notices from the regulator and forecast. Fihankra will be disseminated electronically via e-mail and will also be made available on the NBC Ghana website: www.nbcghanatrust.com

Your comments and suggestions will be warmly welcomed. You may e-mail the team via info@nbcghanatrust.com.gh

From the CEOs Desk

As we reflect on yet another year, I would like to extend my sincere gratitude and appreciation for your support during 2019. The past year, while challenging, was characterized by continued growth in the assets. We remain committed to upholding the safety and security of members contribution and benefits in the fund.

In 2020 the implementation of the new pension reforms will mark its tenth anniversary. It is a highly anticipated milestone as the qualifying members reach retirement. It is a good time to reflect on the new pension regime. Generally, the value of the lump sum benefits are encouraging. The Pensions Administrators and Trustees are expected to meet all claims for retirement benefits in a timely manner.

Our aim is simple: to safeguard the benefits that the fund provides and the value of the funds that have been entrusted to us for this purpose. We are responsible for the investments and benefits of over 30,000 active members and it is imperative that we ensure that this money is taken care of and that it is paid out accurately and on time when it is due.

In our endeavor to enhance our service offerings, the Fund is engaging stakeholders to introduce new product offerings. This is to ensure that the various segments within the Ghanaian pension market have unique products to meet their pension needs.

I would like to thank you for your support, patience and understanding, without which we could not have reached the levels of success we have over the past decade. I am confident that the year ahead will offer greater rewards and benefits.

On behalf of the Board, the Management team and employees may you and your families have a joyous and restful festive season and a prosperous new year.



About NBC Ghana Trust

Negotiated Benefits Trust Company Limited (NBC GHANA TRUST) was established in 2009 and is incorporated under the Companies Code of Ghana and licensed by the National Pensions Regulatory Authority (NPRA) as a Corporate Trustee in the Pensions and Employee Retirement Benefits market in Ghana. Our primary goal is to participate in Ghana's employee benefits market by providing administration and consulting services.



The shareholders of NBC GHANA TRUST include MAY International Holdings Limited a Ghanaian company and Samber Holdings (Pty), a South African registered financial services company. The parent company of Samber, NBC pioneered the establishment of defined contribution funds, a trend that accelerated during the late 1980's

and early 1990's as trade unions gained more influence and companies took advantage of the commercial certainty offered by defined contribution funds.

Today NBC is a leading force in the South African employee benefits arena. NBC provides a comprehensive range of employee benefit products and services to more than 140 registered pension funds. NBC represents the retirement fund savings of more than 600,000 members.

NBC Ghana Trust has the skills, professional experience and expertise required to service the most demanding client in the industry.

Our Product and services

NBC Ghana Trust brings to the market a choice of employee benefits services and related products for the Tier 2 and Tier 3 pension schemes. These include administration and schemes and master trust schemes.

NBC Ghana Trust Branch Network

We have established infrastructure in each of our regional offices that allow us to service fund members on a national basis via our head office, as well as on a regional basis through our branch networks in Kumasi and Takoradi.

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The Ten (10) Year Journey of NBC Ghana Trust

The Presidential commission on pension in response to the Trade Union Congress submissions led to the changes in the pension landscape in Ghana. Following the passage of Act 766 in 2008, the private sector now had the opportunity to become part of this changing landscape in the provision of specialized services to pension funds. This opportunity coincided with the visit to Ghana by a Team from NBC Holdings (Johannesburg) to explore business opportunities.

Our late Chairman, Max Maisela a strong Pan Africanist being convinced of the opportunities in Ghana resolved to expand the roots of NBC Holdings to Ghana. This commenced business engagement between Kwame Ayew our former director and Max Maisela to set up a company to take active part in the new pension landscape. After several months of fruitful discussion NBC Ghana Trust was born in November, 2009.

The key objective for the set-up of NBC Ghana Trust was to ensure every working Ghanaian had a pension plan to ensure a decent retirement. This is intended to help relief distress in retirement and avoid the disappointment from family and friends when seeking financial support on retirement.

Currently, NBC Ghana Trust has its operations structured around three (3) key departments which are the Benefits & Advisory Department, Fund Administration Department and Finance & Accounting Department. The Benefits and Advisory Team is led by Ivan Smith Bentum whilst, the Fund Administration Team and the Finance and Account Team are led by Kofi Asirifi Gyasi and Paul Afena respectively.

The Fund Administration Department has since inception been an integral part of NBC Ghana Trust. The core objective of the administration division is to ensure accurate and comprehensive membership records with strict adherence to the Data Protection laws. The department is also responsible for the payment of benefits to members and for the set-up of clients on our online portal to enable contributors view their benefits statement at their own convenience.

The Benefits and Advisory Department provides a comprehensive range of advisory services that are structured according to the needs of trustees, employers and members, contributing to healthy and sustainable relationships.

The Ten (10) Year Journey of NBC Ghana Trust Cont.

The benefits and advisory section ensures all structures comply with the law and guidelines provided by the National Pensions Regulatory Authority (NPRA).

The Finance & Accounting Department maintain the financial protection of the fund, whilst providing valued and secure benefits for members. The department provides treasury management and financial reporting of all transactions occurring on the fund bank account in compliance to the Pension Act, 766.

In the month of November this year, NBC Ghana Trust will mark its first milestone of a decade in the new pension legislative framework. Interestingly, our first members who were 50years in 2010 will be entering into retirement in 2020, marking a decade of business relationship. Over the Period, we have had some few people retiring and we have had some experiences about what it means for retiring members. Now members can conveniently compare the benefits of a defined benefit scheme with the benefit of a defined contribution scheme.

The result is extremely positive for the private sector pension scheme and as such we encourage every member and employer to be confident that the pension regime has come to stay.

The future is already here as technology bridges the gap between business operations and clients satisfaction. NBC Ghana Trust in looking into the future has deployed the online service for members to view their benefits statement anytime at their own convenience. In addition, the digital space and client desire for self-service platforms has prompted us to integrate activities such as online enrolment, online claim processing and online payment to ensure client satisfaction.

I wish to commend our loyal and hardworking staff for keeping the faith. I also wish to thank our customers and members who have kept us in business. I thank all of you.

By: William Asiedu Yeboah

Turbulence In The Financial Markets: Can We Trust The Pension Fund Companies?

With the growing turbulence over the few years within the financial sector still unfolding, it is time to look at the impact on the young pensions Industry. Within the last year we have witnessed the transition and collapse of seven (7) commercial banks for a variety of reasons. More recently a number of Savings & Loans companies were also pronounced insolvent and to lose their operating licenses. The stories and experiences from some Fund Management companies operating under Securities Exchange Commission (SEC) send very worrying signs to investors.

Taxpayers have had to commit funds to assist in the recovery plans of these institutions. In addition some employees have concerns with their retirement funds and provident funds. A number of these banks were active in the Pensions market as investors or custodians.

Pension funds are long term funds and rely on stability in markets as well as in the economy to yield results. In addition, the members of the funds also need assurance and confidence that upon the critical age of retirement, their funds are safe and can be available for the long-awaited glory of retirement.

Our new pension's regime started in the year 2010 on the backdrop of the new law passed by the Parliament, in 2008, Act 766, with the objective of "Retirement income security". The effective participation of the private sector service providers started in December 2013.

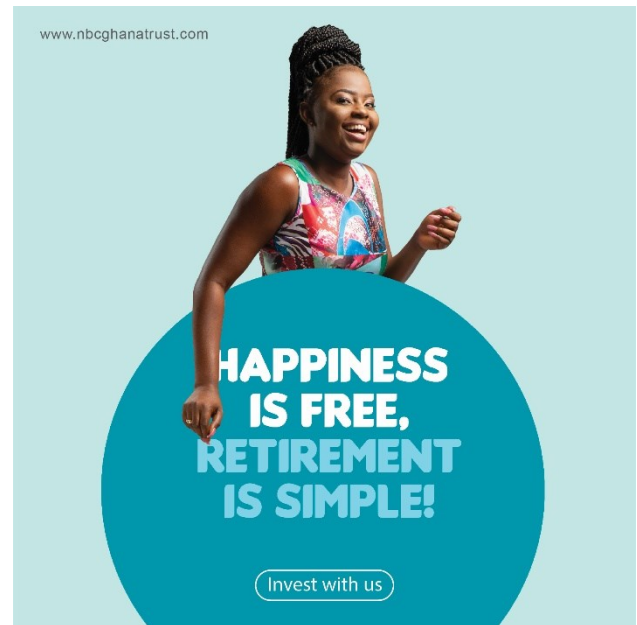
Pension is the series of payments as income or stipend which is paid to the recipient regularly after retirement. Normally this is paid monthly. Variations of pensions abound in the form of lump sum payments on retirement, annuities purchased for the regular payments after retirement and also structured payments as proceeds from investments.

The advertisement is a square graphic with a green background and white text. The main headline reads "Have confidence in your next chapter" in a large, bold, sans-serif font. Below this, in a smaller font, it says "with the perfect retirement plan." At the bottom of the green area, it says "Enjoy less tension, Great Pension." in a smaller, italicized font. In the bottom right corner of the overall advertisement, there is a logo for "GHANA TRUST" with the tagline "Leader in People Benefits in Africa" and "NEGOTIATED BENEFITS TRUST COMPANY LTD." below it. The website "www.nbcghanatrust.com" is printed in small text at the bottom left of the advertisement.

Turbulence In The Financial Markets Cont.

The new pensions act was designed primarily as retirement income enhancement and to complement the existing Social Security and National Insurance Trust provisions. The framework for the management and participation of the private sector took into account the following factors:

- the enhancement of security of members funds,
- use of experts in the service delivery and
- also transparency in the administration of the members funds.



Security of Members Funds

Members funds are managed with a segregated structure – the custodians keep the funds and security documents of all investments. Contributions are paid to the custodians, and the administrator ensures that these are reconciled diligently. The Fund Manager licensed by SEC provides advise on the Fund investments. There are lessons from the collapsed banks that the function of the custodian is under threat from the risks of the banks.

Turbulence In The Financial Markets Cont.

Experts in Service Delivery

The Custodians are specialized in the delivery of holding arrangements as well as relationships with the depository institutions. All the licensed custodians in Ghana are subsidiaries of Banks. These institutions are well experienced in holding client assets and providing the needed recording and monitoring of the income receipts. The extent to which the assets are segregated has been tested during the turbulence. Are these custodian institutions actually independent of the Banks?

The Fund managers are specialized in asset investments and undertake rigorous assessment of market risks in relation to returns that are provided to the funds.

The administrators and Trustees are experts in ensuring the treasury management, accounting and data flows maintain sufficient information to support all decisions on members funds.

Where there is evidence of conflict of interest in the operations, they lead to warning signs to all participants that the short term convenience for connected party gains will jeopardize the stability of the pensions industry. We should avoid these as Fund Managers, Custodians and Trustees.

Transparency in Administration

The trustees (corporate and individual) licensed are required to provide regular reports on all aspects of the fund administration and investment activities. Regular audits are required in addition to data management systems that are robust. Annual audits must be provided on the funds as well as the Corporate entity. In addition, the board of trustees for each fund must be actively engaged in the administration of the fund. Key factors to consider include

- Conflict of interest in activities, related parties and subsidiary structures may pose a risk to the funds;
- terms of delegated responsibilities, specialized or discretionary mandates for the management services;
- capacity to manage the data, monitor performance of service providers and
- capacity to identify risks to members, governance;
- and the quality of the Trustee board

Turbulence In The Financial Markets Cont.

The Role of NPRA

In these early stages of the industry the guidance from the National Pensions Regulator (NPRA) will form the foundation upon which the Trustees and service providers operate. Efforts by the regulator have been directed at the minimizing risks of the pension trustee. Market risks which may arise from the bulking of investment funds with treasury funds have been observed among custodians. This is a major risk to be resolved by the custodians.

In addition, the pension assets are at risk if this is decoupled from employee compensations. The laws in Ghana rank employee compensation as a priority creditor in the situation of liquidation. One of the proposed resolution in the current financial turbulence places pensions assets according to the banking laws about 8th in the priority of creditors from the receiver.

This will weaken confidence in the long term stability of the pensions industry at this early age. NPRA will help build confidence where they can obtain clarity on the nature of pension funds as distinguished from unsecured creditors of the banks.

Retirement and Pensions

Over the last decade the changes in population has had an impact on the number of our citizens who are considered old in our society. The trend in the 2010 population census shows that Ghanaians are living longer.

It is estimated that about 2 million of our population will be classified as old by 2018.

Social network has reduced and it is imperative that the old begin to plan for retirement. Starting a pensions plan early with NBC Ghana trust is a prudent way to join the Leader in Employee Benefits in Africa to plan right for your Retirement!!!



By: William Asiedu Yeboah

Client Feature – The King’s Village

By Courtesy of Management – King’s Village



The King's Village was pioneered by Ben and Marion Owusu-Sekyere. Ben comes from Ghana and Marion is from Radlett, England. They began their work in Tamale in 1999 and have lived and worked in Northern Region since then. They started with a small church in their house in 2000, while visiting and working in various communities. They were greatly impacted by the living condition of the people and the deep poverty in the area and felt inspired to help the people in the most felt needs especially in the area of Education, Health, Water and Sanitation. With the help of donors and sponsors they acquired 43 acres of land next to their house from the local Chiefs and people of Zangbulung to use for a project. Since then they have built a hospital, school, nutrition centre and staff residences on this land.



Why We Help

Among the local population of more than 160,000 people, only 1 in 20 adults are literate; 40 percent of children suffer long term consequences of malnutrition and there are few doctors.

Making a Difference

We run a 24/7 medical centre offering emergency in-patient care, a full operating theatre and GP services. Our nutritional centre has served thousands of children, saving many hundreds of lives. Our two schools offer primary and secondary education to children from 14 communities and we undertake community development work, which has helped provide clean water and sanitation to more than 15,000 people.

Our purpose

We exist to transform the lives of individuals and communities in Northern Ghana.

Our vision

Our vision is to confront poverty in Northern Ghana by saving babies' lives, educating children, offering medical provision for everyone and enriching community development.

Client Feature – The King's Village Cont.

Nutritional Centre

We have served thousands of malnourished children in our nutritional centre at The King's Village. This includes admitting severely malnourished children and their mothers for six weeks of intense support and for at risk children, an outreach programme.

The development of almost 40% of children in the district are stunted due to malnourishment. Since the nutrition centre opened in 2008 it has saved the lives of over 5000 acutely malnourished children.

Are you able to donate to help feed and house a malnourished child which will dramatically improve their chances of survival? Donate now to help feed and house a malnourished child.



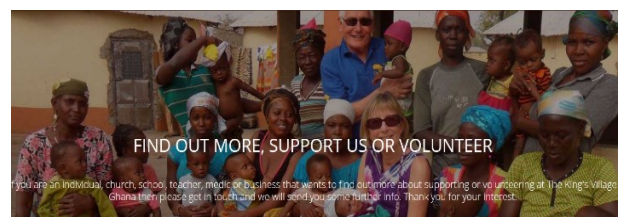
Join us on an incredible journey

Volunteering for the King's Village is fun as well as opportunity packed. Volunteers have come from different part of Ghana as well as different nations in teams or individually or simply with their friends.

Volunteers have many opportunities to serve doing charitable work as well as developing your skills and gaining more experience. Volunteering opportunities and internships are available for teachers, doctors, nurses, midwives, and community outreach.

Please contact us to register your interest in volunteering at The King's Village.

Our Reach Point



Telephone: +44 115 9552421

+233 244316443

Email: officeuk@thekingsvillage.org

daniel.damka@thekingsvillage.org

joseph.kwekuaddae@thekingsvillage.org;

From the Benefits & Advisory Desk – Product Offering

Periodic Member Education

The Benefits & Advisory Team introduced member education forums to equip members/contributors with the technical knowledge that will assist them in understanding reforms that are taken place in the pension space. The Pension Forums are organized periodically. The topics at each Pension Forums are selected being mindful of the fact that, the audience would normally be made up of both experienced and inexperienced delegates. The forums concentrate on new legislative developments, Scheme Performances and topical industry issues.



Retirement Funds Seminars

NBC retirement seminars assist members to achieve financial independence at retirement. The retirement seminars give members the practical tools they need to ensure a relatively painless transition into retirement and throughout the rest of their life.



Members are given a more realistic view of retirement and advised on how to manage their finances and the best pension products to choose. The topics of the Seminars are selected with active input from the delegates and they are facilitated by speakers who are vastly experienced in their respective areas of operation (for example employee benefits law, investment advisory, actuarial, administration etc.).

Let's Talk

If you require assistance on the implementation of the provisions of the National Pensions Act, 2008 (Act 766) as an Employer, including staff training and Company Registration, please contact:

Joana Kisseadoo

(+233) (54) 727 8978

Kiseadoo@nbcghanatrust.com.gh

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Product Feature – NBC Gold Plan

NBC Gold Plan

NBC Gold Plan is a product of NBC Ghana Trust registered by the National Pensions Regulatory Authority (NPRA) under Personal Pension Scheme to cater for the savings and retirement needs of the individual contributor either as a formal worker or an informal worker. This product is geared towards enhancing retirement benefit of contributors outside the mandatory schemes and provident fund scheme.



Why The Need For A Personal Pension Plan?

The scheme is administered by a Trust and contributions received from individuals into the pension scheme are invested per scheme's Statement of Investment Policy and in line with National Pensions Regulatory Authority guidelines.

Contributions are apportioned into two different accounts namely; Savings Account and Pension Account. Contributions are invested and start earning income from the day the payments are received. Your total accumulated fund is made up of your contributions plus investment returns.

Who Can Join the Pension Scheme?

Membership is open to but not limited to:

- People working in organizations that do not have a retirement benefits scheme.
- People in seasonal or contractual employment.
- Self-employed people.
- People working in the Diaspora.
- Members of existing pension schemes who want to enhance their retirement savings.



Product Feature – NBC Gold Plan Cont.

Summary Benefits of the Gold Plan

- The funds earn compound interest. This allows small regular contributions to grow to significant retirement savings over time.
- It offers a pooling advantage. Funds from various members are pooled together to form a huge fund that allows a larger scale of investment, resulting in higher returns.
- Contributions are easy to make through deductions from your salary, Standing Order or Mobile Money.

Insurance Cover (Optional)

The Gold plan is embedded with an “Optional” risk benefits to insure the contributor and their elected dependents against unforeseen situations that will make the contributor not to be able to meet their contributions/savings obligations. This option if selected attracts a monthly fee in addition to the monthly pension contribution.



Let's Talk

To find out how you can benefit from our proven track record of high expertise, call **Owuraku** today on **(056) 002 9895** or send a mail via AsareO@nbcghanatrust.com.gh

Let's work together towards the next thirteen years, and the next.



From the Fund Administration Desk



Penalty for Non-Payment of Tier 2 Contributions

Employers are now liable to prosecution for defaulting with the timely remittance of monthly pension contributions under the Second Tier Scheme.

This will apply after the defaulting employer has been notified of the outstanding pension contributions plus penalties (which is 3% per month of the contributions payable).

Non-Ghanaians, other than those exempt, are required to make pension contributions under both First and Second Tier Mandatory Schemes. Employers are encouraged to make monthly contributions on time (i.e. within 14 days after the end of each month) in order to avoid the imposition of sanctions (such as penalties and potential prosecution).

An Era of Digitization

Help us to reduce our carbon footprint and opt-in to receive your communication electronically!

You can receive your updates on your Fund faster by opting to receive your information electronically. All you need to do is to send an email to Admin@nbcghanatrust.com.gh

Member Details Forms

The Fund has distributed benefit statements to all active members through the Human Resource offices. Attached to the benefit statements was a member details form; the Fund requested members to complete and return the form. The Fund is on a drive to update member's information as we know people can forget to inform the Fund when circumstances change in their lives.

Up-to-date information is critical when the Fund has to distribute communication via our online portal, email or sms. If the information is not updated, we cannot ensure that correspondence will reach the intended person. For those who have not yet completed or returned these forms, please do so through our Client Services section.

Notices from the Regulator



1. **No scheme** shall be formed and registered as a Stand-Alone Employer-Sponsored Occupational Pension Scheme, where the total monthly contribution of both the employer and the employees is less than Three Thousand Ghana Cedis (GH¢ 3,000.00).
2. **No scheme** shall be formed and registered as a stand-alone Employer-Sponsored Occupational Pension Scheme, where the work force or employee population is less than One Thousand (1000).
3. **No Scheme** shall be registered as a stand-alone Employer-Sponsored 3rd Tier Provident Fund Scheme, where the proposed total membership of that scheme is less than Fifty (50).

ISSUED BY NPRA

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The 2nd Tier Mandatory Contributions are intact

The National Pensions Regulatory Authority (NPRA) has noted with concern, the ongoing discussion in the media, about the safety of the 2nd Tier Mandatory Occupational Pension Scheme, lodged at the Bank of Ghana into a Temporary Pension Fund Account (TPFA) and managed by the Authority

Employers, employees and all NPRA Licensed and Registered Service Providers, are hereby; assured that once the reconciliation and auditing exercise are completed, the transfer of funds from the TPFA would be made to the appropriate custodian banks of the registered schemes. A timetable to the effect of the transfer will be communicated to the appropriate scheme administrators in due course.

All Employers are hereby, encouraged to speed up the registration of their 2nd Tier Mandatory Occupational Pension Schemes in order to facilitate the smooth transfer of their contributions from the TPFA.

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From the Board of Trustees

The Board of Trustees

Keeping beneficiary nomination forms up to date is so important – in the unfortunate event of the death of a member, the entire claim process is speeded up which means your family and dependents need not to experience unnecessary delays waiting for your claim to be paid.

Our Regional Reach Points:

Accra

Tel: 0307 022257/8

Takoradi

Tel: 0312 002 156

Kumasi

Tel: 0322 087927

Who do I speak to if I have Query?

If you have any questions regarding your Fund, please contact your HR department, any of the representatives elected and/or appointed to assist you with any Fund related Queries.

Your Fund Accountant is:

Francisca Sackey (233) 26 608 5923

Your Fund Administrators are:

Gideon Ampah (233) 26 608 6103

Mary Donkor (233) 26 608 6103

Your Investment Advisor is:

Terence Kweku Quayson (233) 50 422 9436



Disclaimer of Liability

NBC Ghana Trust have made reasonable effort to ensure that the information contained in this publication is accurate. Clients should note that the publication serves the purpose of disseminating information and is meant for their guidance only. The publication should not be interpreted as a legal opinion or work of final reference. Clients intending to make a decision based on the information in the publication should do so after obtaining professional advice. NBC Ghana disclaim liability for any kind of loss or damage that may arise as a consequence of





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NBC Ghana Trust since 2009 and still standing tall.

Happy New Year