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1.0. BACKGROUND

The Social Security and Housing Finance Corporation (SSHFC) was established in 1981 through enactment of the Social Security and Housing Finance Corporation Act to administer and manage the Federated Pension Scheme (FPS), National Provident Fund (NPF) and Housing finance Fund (HFF). The FPS and NPF which constitute the Social Security Fund (SSF) were introduced by the government to provide retirement benefits to employees to the public and private sector establishments. Participation in the NPF is mandatory for all employers registrable under the Business Act of 1973. The HFF is mandated to promote housing production; manage construction and Finance Housing Scheme.

In June 1990, the Government of The Gambia passed into law the Injuries Compensation Act. This effectively replaces the Worker's compensation Act of 1949. However, it was not until July 1996 that the new scheme was formally launched introducing a Social Insurance Scheme against employment injury.

The Social Security and Housing Finance Corporation is a major investor in The Gambia and among the country's largest property developers. The Corporation also owns significant shares in Trust Bank Limited Gambia, Standard Chartered Bank Gambia Limited and Gampetroleum .

The Corporation is a key player in the Transport and tourism sectors as a result of its ownership of the Gambia Transport Service Company (GTSC), Ocean Bay Hotel and Resort and Sun Beach Hotel respectively.

1.1 MISSION STATEMENT

The Corporate mission of Social Security and Housing Finance Corporation is to provide adequate social protection for the workers, facilitate shelter delivery on a sustainable basis and invest the funds of the Corporation to achieve optimum, returns and contribute meaningfully to the socio-economic development of the Gambia.

1.2 VISION STATEMENT

The Corporate vision at the SSHFC is to become the leading institution in terms of financial Management, organizational efficiency, operational effectiveness and customer service delivery. Besides, it is SSHFC's vision to be the best in comparison to similar sub -regional, regional and worldwide institutions.

1.3 PRINCIPAL ACTIVITIES

The principal activity of the Corporation is the administration of the Social Security Funds and provision of affordable housing.



1.6 The SSHFC TRIBUNAL

In accordance with section 69 of the SSHFC Act 2015, the Corporation established a tribunal which deals exclusively with matters relating to breaches of SSHFC operations .

1.7 PAYMENT OF BENEFITS

Social Security and Housing Finance Corporation administers and pays five (5) types of benefits to contributing members in accordance with the provision of SSHFC Act 2015 as follows: -

1.7.1 NORMAL RETIREMENT BENEFIT

Payment to a member who has reached the retirement age of 60 years

1.7.2 WITHDRAWAL BENEFIT

Payment to a member who has attained the age of 45 years to 59 years and is out of regular employment for a period of 3 -6 months.

1.7.3 INVALIDITY BENEFIT

It is payable to a member who is permanently retired on the ground of ill health or disability. In this case a medical practitioners' report is required to ascertain the condition.

1.7.4 SURVIVORS BENEFIT

It is payable to the dependant (s) of deceased member .

1.7.5 INDUSTRIAL INJURIES COMPENSATION

This is payable to work related injuries as follows:

- Death or fatal accident
- Permanent total incapacity
- Constant attendance allowance
- Permanent partial incapacity &
- Temporary incapacity (Total or partial)



2.0. INVESTMENTS

Investment portfolio of the Corporation at present is entirely locally invested and structured into short, medium and long term investments. The main categories of the investments are the money market instruments (such as The Gambia Government Treasury Bills, Fixed Bank Term Deposits), equity investment in various institutions, properties and real .

Over the past three years the trends of the above investments are as below:

ASSET CLASS	2016	2015	2014
	D'000	D'000	D'000
GG Treasury Bills	26,592	32,307	0
Bank Term Deposits	689,977	419,767	348,227
Equity	1,029,580	1,919,486	1,937,128
Properties	941,075	155,403	146,137
Corporate Loans	349,035	1,903,636	1,903,674
Total	3,036,259	4,430,599	4,335,166

The total impairment in respect of the corporate loans amounted to over D1.6 billion in 2016.

Total Equity reduced to D1.03 billion in 2016 due to provisions in respect of D66.803 million for Qatari and D 81.090 million for Galia and reclassification of the Ocean Bay Hotel & Resort (OBHR) (D520.8m) and Sun Beach (D212m) from equity to investment properties.

3.0. FEDERATED PENSION SCHEME (FPS)

3.1 INTRODUCTION

The FPS is a defined benefit pension scheme which provides benefits for employees of mainly Public Institution. The Fund is managed by the Directors on behalf of the Members in accordance with the SSHFC Act 2015.



3.2 PERFORMANCE HIGHLIGHTS

	2016	2015	2014	2013	2012
	D'000	D'000	D'000	D'000	D'000
Income	66,118	78,861	81,347	57,446	71,169
Recurrent Exp.	(64,963)	(56,579)	(51,968)	(52,618)	(60,603)
Royalties	(992)	(1,182)	(1,535)	(862)	(1,068)
Provision(impairment charges)	(52,928)	-	-	-	(345)
Surplus/(Deficit)	(52,765)	21,100	27,844	3,966	9,153
Total Assets	1,490,935	1,457,535		1,275,683	1,267,687
Members Fund	1,451,027	1,418,223	1,342,054	1,239,548	1,209,625

3.3 MEMBERSHIP AND REGISTRATIONS

The total employer membership count for the year ending 31st December 2016 remained at 84 out of which 58 were active. In 2016, 644 new members were registered, bringing the membership tally to 14,260. This is an increase of 4.7% over 2015.

3.4 BENEFITS AND CLAIMS

In 2016, the total FPS claims received was 515 as compared to 284 claims received in 2015. The total FPS claims paid was GMD 16,880,451.00 as compared to GMD 19,201,455.00 in 2015. Benefits, refunds and periodic pension payments in 2016 amounted to GMD 97,066,000 as compared to GMD 74,158,000 in 2015 and GMD 73,672,000 in 2014.

4.0 THE NATIONAL PROVIDENT FUND

4.1 INTRODUCTION

The National Provident Fund is a defined contribution fund that provides funding of savings scheme services to its members. The operation of the Fund is guided by the SSHFC Act 2015. The National Provident Fund is mandated by law to collect compulsory contributions from the private sector employees and employers towards the retirement savings of all workers registered with the Fund



4.2 PERFORMANCE HIGHLIGHTS

	2016	2015	2014	2013	2012
	D'000	D'000	D'000	D'000	D'000
Income	74,503	64,036	44,420	62,227	145,820
Recurrent Exp.	(86,313)	(78,138)	(69,201)	(75,291)	(144,640)
Royalties	(1,118)	(961)	(753)	(933)	(2,187)
Provision(impairment charges)	(1,603,167)	-	-	-	-
Surplus/Deficits	(1,616,095)	(15,063)	(25,534)	(13,997)	(1,007)
Total Assets	1,801,414	3,316,128	3,224,822	3,076,443	2,889,748
Members Fund	3,349,157	3,221,918	3,086,625	2,886,458	2,779,740
Interest on Members Fund	-	5,698	8,752	13,580	78,814

4.3 MEMBERSHIP AND REGISTRATIONS

The total employer membership count for the year ending 31st December 2016 was 5,394 increasing by 205 during the year. In 2016, 6421 new members were registered bringing the membership tally to 129,829. This is an increase of 5.2% over 2015.

4.4 BENEFITS AND CLAIMS

In 2016, the total NPF claims received was 1,174 as compared to 284 claims received in 2015. The total NPF benefits paid out in 2016 was GMD 100, 153,000 as compared to GMD 107, 278,000 in 2015. A total of GMD 227,391,000 was received for contributions in the year under review.

5.0 HOUSING FINANCE FUND

5.1 INTRODUCTION

The Housing Finance Fund (HFF) is mandated to facilitate Shelter delivery on a sustainable basis; i.e. to promote housing production, manage construction and financing housing schemes.

5.2 PERFORMANCE HIGH LIGHTS

	2016	2015	2014	2013	2012
	D'000	D'000	D'000	D'000	D'000
Income	98,595	73,169	69,681	73,562	88,303
Recurrent Exp.	(52,689)	(41,911)	(39,661)	(38,104)	(38,223)
Project Cost	(41,093)	(33,482)	(28,672)	(9,214)	(35,666)
Finance Cost	-	(1,046)	(3,563)	(5,645)	(8,207)
Royalties	(1,479)	(1,097)	(1,096)	(1,103)	(1,325)
Provision (impairment charges)	-	-	-	-	-
Surplus/(Deficit)	3,334	(4,367)	(3,311)	19,496	4,882
Total Assets	539,580	535,531	565,374	612,439	553,531

5.3 CONSTRUCTION OF SAMPLE HOUSES

SSHFC in its drives to provide affordable housing for the Gambian people launched a new project in 2016 at the Tujereng Housing Estate. This is far cheaper than the conventional construction. The construction is done with stabilized mud blocks and all the material used is locally Gambian. We envisage that this system will cut down cost on the public. We are now waiting for the public to embrace this new technique.

In the same vein, as part our Research and Development (R&D), and in a bid to use alternative materials that are environmentally friendly. Light Steel Homes, a registered company in the Gambia, partnered with the Corporation to construct one (three bedroom) bungalow and two (three bedroom) semi detached storey buildings. The designs were finalized and the construction works was started in the later part of the year.

6.0 INDUSTRIAL INJURIES COMPENSATION FUND

6.1 INTRODUCTION

The Industrial Injuries Compensation is a social insurance scheme against employment injuries which replaces the Workmen's Compensation Act of 1949.



6.2 PERFORMANCE HIGHLIGHTS

	2016	2015	2014	2013	2012
	D'000	D'000	D'000	D'000	D'000
Income	26,352	23,926	20,004	21,327	30,461
Recurrent Exp.	(22,051)	(19,769)	(18,247)	(20,860)	(20,234)
Royalties	(395)	(357)	(329)	(320)	(457)
Provision(impairment charges)	(119,250)	-	-	-	-
Surplus/Deficits	(115,344)	3,800	1,428	147	9,770
Total Assets	251,534	366,602	322,367	307,788	319,969
Members Fund	250,905	365,893	320,746	306,376	294,214

6.3 MEMBERSHIP AND REGISTRATIONS

The fund registered a total of 14,576 civil servants, comprising: 1,560 members of local authority employees comprising 616 workmen above the age of 60, who are still on active service. As at 31st December 2016, the total membership of IICF stood at 160,841 (inclusive FPS, NPF and those who are above 60 years and below 18 years of age totaled 616).

6.4 BENEFITS AND CLAIMS

The total IICF claims received in 2016 was 28. IICF claims paid amounted to GMD 676,000 in 2016 as compared to GMD 371,700 in 2015. Benefits and refunds and periodic payments in 2016 amounted to GMD 1,155,000 as compared to GMD 1,309,000 in 2015 and GMD 1,076,000 in 2014.

7.0 CORPORATE SOCIAL RESPONSIBILITIES

As part of the Social Security and Housing Finance Corporation (SSHFC)'s Corporate Social Responsibilities (CSR), we continue to invest on Health, Education, Sports and Culture sectors in order to contribute towards the socio-economic development of the country.

7.2 HEALTH

It is customary for SSHFC as an institution to adopt wards in major referral hospitals (EFSTH, Farafenni, Bansang and Bwiam) in the Gambia; for which reason we do assist them in their health related needs that are specific to them in the form donations. The sum of D470,000.00 was spent on this sector.



7.3 EDUCATION

The Corporation provides sponsorship packages to students in middle, high schools, tertiary Institutions including the University of the Gambia (UTG).

The package has been entrusted to the Department of Social Welfare in order to administer it. In 2016, a total amount of D750, 700 was spent for this purpose.

8.0 RISK MANAGEMENT

The Board of Directors has responsibility for Internal Controls and Risk Management. The Board is committed to identifying, evaluating and managing risks of the Funds and to implementing and to maintaining control procedures to reduce significant risks to an acceptable level.

The main risks to which the funds are exposed are:

Mortality Risk – The assumptions adopted by the Board of Directors make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the Funds (notably the Pension and Industrial Injuries Compensation funds) and consequently increases in their liabilities. In liaison with the Actuaries, the Board reviews the fund's mortality experience and assumptions about future mortality and updated at each formal triennial valuation to minimize the risk of underestimating the Fund's obligations.

Operational Risks – These are risks relating to computer failure and poor compliance with contribution obligations, mistakes in record keeping and inadequate staffing, fraudulent transactions etc. Directors continually review the Management of the administration of the Funds in order to mitigate exposures to these.



Investment Risk – All investments carry some degree of risk. The Gambia Government Treasury Bills and bonds and Commercial Bank Term Deposits can even lose all their values if the market conditions sour. The vast majority of Corporation’s investments are in the Gambia Government Treasury Bills and bonds and Commercial Bank Term Deposits which are considered as low risk investments.

Credit Risk – This is the potential risk of loss arising from failure of a debtor counter party to meet their contractual obligations. The Corporation subject to credit risk through its lending and investing and provision of goods and services (the mortgage facilities for the Housing Scheme) on credit terms. SSHFC’s primary exposure to credit risk arises in the provision of lending facilities. The amount credit exposure in this regard is represented by carrying amounts of the loans and mortgages on the Statement of Financial Position of the Corporation .