BANK OF GHANA
Banking Sector Report
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CONTENTS

1. PREFACE

The Bank of Ghana's Financial Stability Report is published after the Monetary Policy Committee (MPC) meetings. The report highlights key developments in the banking sector which were deliberated on during the policy making process. The aim of publishing the report is to provide the public with information on performance of the banking sector which served as inputs for the MPC meetings. Through the publication of these documents, Bank of Ghana aims to promote accountability of its decision making and build understanding of the monetary policy formulation process among stakeholders.

A Brief Note on Monetary Policy Formulation in Ghana

Objective of Monetary Policy

The primary objective of the Bank of Ghana is to pursue sound monetary policies aimed at price stability and creating an enabling environment for sustainable economic growth. Price stability in this context is defined as a medium-term inflation target of 8 percent with a symmetric band of 2 percent. This implies that annual changes in the Consumer Price Index (CPI) should range between 6 and 10 percent over the medium term for the economy to grow at its full potential without excessive inflation pressures. Other tasks for the Bank of Ghana include promoting and maintaining a sound financial sector and payment systems through effective regulation and supervision. This is important for intermediation since risks associated with financial markets are taken into account in monetary policy formulation.

Monetary Policy Strategy

To achieve the objective of price stability, Bank of Ghana was granted operational independence to employ whichever policy tools were deemed appropriate to stabilise inflation around the target band. The Bank of Ghana's framework for conducting monetary policy is Inflation Targeting (IT), in which the central bank uses the Monetary Policy Rate (MPR) as the primary policy tool to set the monetary policy stance and anchor inflation expectations in the economy.

The Monetary Policy Process

The MPC is a statutorily constituted body by the Bank of Ghana Act to formulate monetary policy. The MPC consists of seven members – five from the Bank of Ghana (including the Governor who acts as the Chairman) and two external members appointed by the Minister of Finance. The MPC meets once in every two months to assess economic conditions and risks to the inflation outlook, after which a policy decision is made on positioning the MPR. Each MPR decision provides a signal of tightening (increase), loosening (decrease) or maintaining (no change) the monetary policy stance. The MPC meeting dates are determined well in advance at the beginning of each year. The policy decision is arrived at by consensus with each member stating reasons underlying a preferred rate decision. An MPC policy statement is published via a press release, and a press conference is held, after each MPC meeting to communicate and explain the decision of the Committee to the financial markets and the general public.

2. EXECUTIVE SUMMARY

This report covers developments in the Ghanaian banking sector as at the end of June 2017. The sector comprised thirty-six (36) banks, nineteen (19) of which were domestically-controlled and the remaining seventeen (17) foreign-controlled. The branch network of the banks stood at 1,377 branches distributed across the ten (10) regions of the country.

The performance of the banking sector for the first half of 2017 was mixed with some key performance indicators pointing to better performance in June 2016 compared with June 2017. Most banking sector indicators declined in June 2017, but remained within the statutory or regulatory thresholds. The industry also recorded strong total asset growth in June 2017 compared with the same period last year, driven by strong growth in investments and domestic assets. Gross advances also picked up in June 2017 compared with the June 2016 level. However, results of the credit conditions survey conducted by the Bank of Ghana in June 2017 also indicated net tightening in the credit stance of banks on loans to enterprises and households in the second quarter of 2017. In addition, the survey pointed to a decline in the industry's inflation and lending rates expectations a year ahead due to sustained decline in inflation and general improved expectations regarding the performance of the economy.

The key risk to the banking industry is the high stock of impaired assets to total loans as measured by the non-performing loans (NPLs) ratio. The industry's NPL ratio increased between June 2016 and June 2017 driven by the energy related and other large non-oil related exposures. The Asset Quality Review (AQR) exercise conducted in 2016 also revealed some weaknesses in banks' credit classification practices, leading to the downgrading of some already-existing credit facilities. The industry's asset quality is, however, projected to improve as banks put in place measures to strengthen credit risk management processes and improve loan recovery efforts. The issuance of the 10-year energy sector bond would help offset part of the energy sector debts, particularly debts owed by Bulk Oil Distribution Companies (BDCs) and reduce the stock of non-performing loans in the industry.

3. CREDIT CONDITIONS SURVEY

(I) Loans or Credit Lines to Enterprises & Households

The June 2017 credit conditions survey indicated a general net tightening of credit conditions on loans to small and medium enterprises and large enterprises, as well as short term enterprise loans. The survey however reported a net ease in credit stance on long-term enterprise loans for the June 2017 survey round.

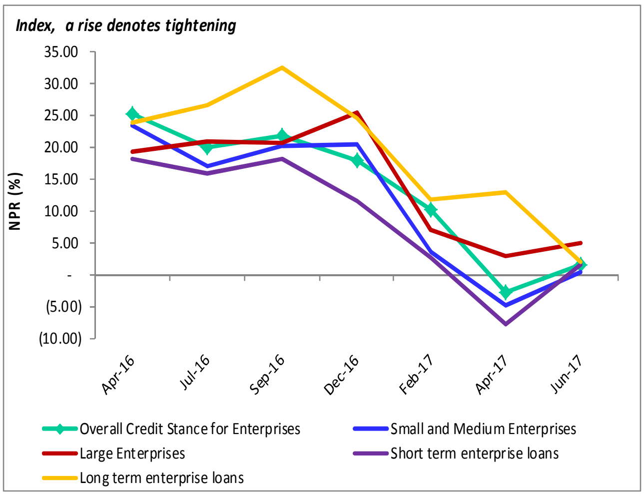
Banks' credit stance on loans to households for consumer credit and other lending and for house purchases tightened slightly in the June 2017 survey round. The tightening credit conditions for house purchases were consistent with the observed decline in real credit to households over the past year. Banks cited the increasing share of adversely classified loans in total credit portfolio as one of the reasons for tightening the credit stance on loans to both enterprises and households.

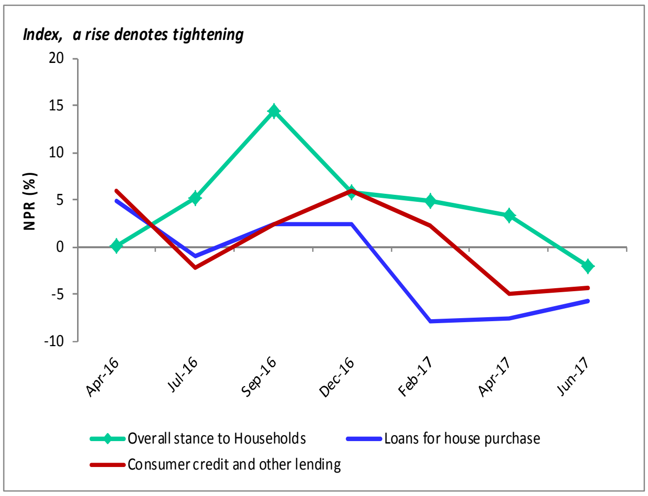
Banks' inflation and lending rates expectations have declined consistently since the September 2016 survey round. In June 2017, the survey results again showed declining banks' inflation expectations and lending rates one year ahead. The decline in inflation expectations was attributed to the sustained disinflation process witnessed within the first half of 2017 and improved expectations regarding the performance of the economy.

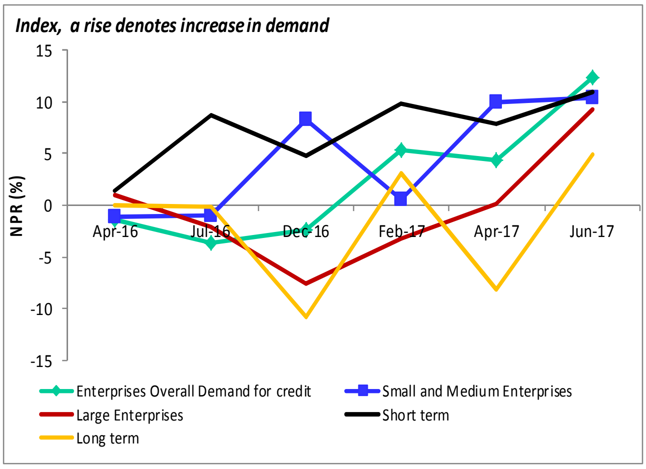
(II) Loan Demand for Enterprises & Households

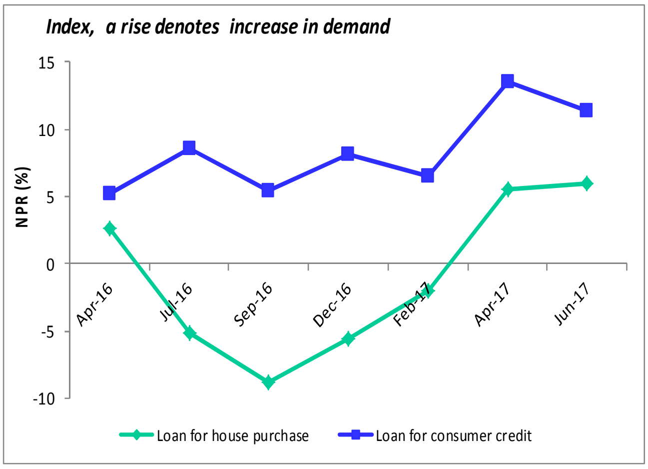
Overall demand for loans by enterprises picked up in the June 2017 survey round compared with the last survey conducted in April 2017. The increase in the overall demand for loans by enterprises was on the back of net increases in demand for both long-term and short-term loans, as well as an increase in credit demand by large enterprises. Demand for loans by small and medium enterprises also increased although not by the same margin as demand for loans by large enterprises. Similarly, the June 2017 survey responses indicated that demand for loans for house purchases went up marginally. Demand for consumer credit on the other hand, declined during the June 2017 survey round.

Credit Conditions Survey









Note: *A rise in the line graph (first two upper graphs) denotes tightening of credit stance and a decline reflects easing on credit stance. On demand by households and enterprises, a rise denotes increased demand and a decline represents fall in demand.*

3. BANKING SECTOR STABILITY ANALYSIS

3.1 DEVELOPMENTS IN BANKS' BALANCE SHEET

Total assets of the banking sector stood at GH¢86.72 billion as at end-June 2017, indicating a 30.8 percent growth from GH¢66.29 billion in June 2016 (13.2% year-on-year growth). Banks' domestic assets which constituted about 91.2 percent of the sector's total assets as at end-June 2017, largely accounted for the increase in banks' total assets within the year. Changes in banks' investment portfolio (a constituent of domestic assets) contributed the most to the increase in the sector's total assets between June 2016 and June 2017, recording 54.9 percent growth from GH¢16.39 billion in June 2016 to GH¢25.39 billion in June 2017.

Annual growth in gross credit remained modest at 15.9 percent in June 2017, down from the April 2017 position of 16.7 percent, an indication of the relative tightness in bank's credit stance over the two month period. The June 2017 growth rate in gross advances was however, higher than the 8.6 percent growth recorded in June 2016. Net loans and advances recorded a year-on-year growth of 10.6 percent from GH¢28.5 billion in June 2016 to GH¢31.53 billion by end June 2017.

Total bank deposits, the main source of funding for the industry, stood at GH¢54.48 billion at end June 2017 and recorded a 31.2 percent year-on-year growth from GH¢41.54 billion as at end-June 2016 (12% year-on-year growth). Borrowings, however, recorded the highest growth rate among the sectors' major funding sources of 42.4 percent from GH¢11.02 billion in June 2016 to GH¢15.69 billion by the end of June 2017. The pickup in banks' borrowing came from marginal increases in domestic short-term borrowings relative to a year earlier; and sharp growth in foreign borrowing in June 2017 compared with a contraction in the corresponding period.

Banks' minimum paid-up capital grew by 32.2 percent to GH¢4.23 billion in June 2017 relative to 13.4 percent a year ago, due to new bank entry. Shareholders' funds (a combination of banks' paid up capital and reserves) however stood at GH¢11.08 billion as at end-June 2017, representing an annual growth of 18.3 percent, a slight decline from 18.5 percent growth over the same period last year.

Table 1: Key Developments in DMBs' Balance Sheet

					Y-on-Y Growth (%)			Shares	
	Jun-15	Jun-16	Apr-17	Jun-17	Jun-16	Apr-17	Jun-17	Jun-16	Jun-17
TOTAL ASSETS	**58,571.0**	**66,294.06**	**84,485.6**	**86,717.99**	***13.2***	***31.1***	***30.8***	***100.0***	***100.0***
A. Foreign Assets	6,350.1	5,659.09	7,388.1	6,887.27	*(10.9)*	*48.5*	*21.7*	*8.5*	*7.9*
B. Domestic Assets	52,220.9	60,634.97	77,097.5	79,830.72	*16.1*	*29.6*	*31.7*	*91.5*	*92.1*
Investments	11,215.8	16,387.29	24,802.4	25,388.23	*46.1*	*57.3*	*54.9*	*24.7*	*29.3*
i. Bills	8,207.8	13,280.81	17,847.3	17,662.50	*61.8*	*43.3*	*33.0*	*20.0*	*20.4*
ii. Securities	3,008.0	3,106.48	6,530.2	7,725.74	*3.3*	*125.2*	*148.7*	*4.7*	*8.9*
Advances (Net)	27,332.9	28,499.57	30,987.5	31,534.59	*4.3*	*14.5*	*10.6*	*43.0*	*36.4*
of which Foreign Currency	10,356.1	9,010.49	8,429.3	8,963.54	*(13.0)*	*(4.9)*	*(0.5)*	*13.6*	*10.3*
Gross Advances	29,793.2	32,364.10	35,974.8	37,510.76	*8.6*	*16.7*	*15.9*	*48.8*	*43.3*
Other Assets	2,731.5	2,629.90	3,839.6	4,481.47	*(3.7)*	*29.8*	*70.4*	*4.0*	*5.2*
Fixed Assets	1,831.9	2,492.94	3,081.1	3,177.71	*36.1*	*31.2*	*27.5*	*3.8*	*3.7*
TOTAL LIABILITIES AND CAPITAL	**58,571.0**	**66,294.06**	**84,485.6**	**86,717.99**	***13.2***	***31.1***	***30.8***	***100.0***	***100.0***
Total Deposits	37,086.9	41,535.28	52,833.2	54,484.86	*12.0*	*28.4*	*31.2*	*62.7*	*62.8*
of which Foreign Currency	14,060.4	12,351.37	13,853.3	14,689.22	*(12.2)*	*14.7*	*18.9*	*18.6*	*16.9*
Total Borrowings	9,979.0	11,020.79	14,556.6	15,690.55	*10.4*	*47.0*	*42.4*	*16.6*	*18.1*
Foreign Liabilities	5,150.4	3,353.92	4,652.9	5,196.72	*(34.9)*	*40.9*	*54.9*	*5.1*	*6.0*
i. Short-term borrowings	2,689.1	1,452.69	2,262.7	2,819.75	*(46.0)*	*61.6*	*94.1*	*2.2*	*3.3*
ii. Long-term borrowings	2,189.1	1,653.97	2,019.5	2,008.65	*(24.4)*	*23.2*	*21.4*	*2.5*	*2.3*
iii. Deposits of non-residents	272.2	247.25	370.8	368.32	*(9.2)*	*41.2*	*49.0*	*0.4*	*0.4*
Domestic Liabilities	45,447.7	53,477.27	68,228.0	70,407.57	*17.7*	*32.5*	*31.7*	*80.7*	*81.2*
i. Short-term borrowing	4,537.9	7,036.20	8,935.8	9,438.50	*55.1*	*47.5*	*34.1*	*10.6*	*10.9*
ii. Long-term Borrowings	562.9	877.93	1,338.6	1,423.65	*56.0*	*65.7*	*62.2*	*1.3*	*1.6*
iii. Domestic Deposits	36,814.7	41,288.02	52,462.4	54,116.54	*12.2*	*28.4*	*31.1*	*62.3*	*62.4*
Other Liabilities	3,601.8	4,374.14	5,489.2	5,463.62	*21.4*	*42.1*	*24.9*	*6.6*	*6.3*
Paid-up capital	2,822.0	3,201.31	4,145.0	4,230.79	*13.4*	*29.5*	*32.2*	*4.8*	*4.9*
Shareholders' Funds	7,903.3	9,363.85	11,561.4	11,078.97	*18.5*	*21.2*	*18.3*	***14.1***	***12.8***

(I) Asset and Liability Structure of the Banking Industry

Net advances remained the largest component of banks' assets constituting 36.5 percent of banks' assets in June 2017. Its share however dropped from 43.1 percent in June 2016 with the difference largely picked up by investments, highlighting banks' shifting preference for less risky financial assets. The share of investments in total assets grew by 29.3 percent in June 2017, compared with 24.8 percent growth in June 2016, while the share of cash and short term funds in total assets changed marginally to 25.4 percent against 24.4 percent over the same comparative periods.

Deposits remained the largest source of funding for the banks, constituting 62.8 percent of banks' total liabilities and capital as at the end of June 2017 almost the same as 62.7 percent in June 2016. The share of borrowings in banks' funding structure also increased to 18.1 percent from 16.6 percent over the same comparative period. The proportion of shareholders' funds in total liabilities and capital however declined to 12.8 percent in June 2017 from 14.1 percent in June 2016, an indication of increasing leverage within the banking industry.

(ii) Share Of Banks' Investments

By end-June 2017, the largest proportion of banks' investments was in short-term funds or bills. During the review period however, banks' started adjusting their portfolio mix towards longer-term investments, reflecting declining yields in the money market. The share of banks' investments in bills, declined from 81.0 percent in June 2016 to 69.6 percent in June 2017 while the share of securities (long-term investments) in total investment increased from 16.1 percent to 26.3 percent during the same comparative period. Banks' investments in shares and other equities as a share of total investments also declined from 2.9 percent in June 2016 to 1.7 percent in June 2017.

3.2 CREDIT RISK

(III) Credit Portfolio Analysis

Domestic gross loans which stood at GH¢37.51 billion as at end June 2017, grew by 3.4 percent year on year in real terms, following an 8.2 percent contraction in June 2016 . Real private sector credit followed a similar trend, growing by 2.6 percent after recording a negative growth rate of 8.2 percent a year earlier. Real credit to households contracted by 0.7 percent in June 2017 compared with a 2.3 percent contraction in June 2016.

The private sector remained the largest recipient of banks' credit (both domestic and foreign) although its share of banks' credit declined marginally from 87.4 percent in June 2016 to 86.9 percent in June 2017. As a result, the share of banks' credit to the public sector increased from 12.6 percent to 13.1 percent over the same period. Credit to private enterprises which formed the largest proportion of credit to the private sector accounted for 71.2 percent of credit extension in June 2017, slightly up from 70.0 percent in June 2016. Households held 14.3 percent of total banks' credit in June 2017, compared with a share of 14.9 percent a year before.

The Commerce & Finance, Services, and Electricity, Gas & Water sectors remained the three largest in terms of outstanding credit balances in June 2017, with a combined share of total banking sector credit of 56.3 percent. Outstanding credit balances allocated to the Commerce & Finance sector (the largest sector) was 25.7 percent by the end of the first half of 2017. The Mining & Quarrying and the Agriculture, Fishing & Forestry sectors were allocated the least shares of credit of 2.4 percent and 3.9 percent respectively. The share of credit to both sectors declined marginally over the one year period.

(IV) Off-Balance Sheet Activities

Banks' off-balance sheet items (contingent liabilities) grew by 12.6 percent from GH¢6.52 billion in June 2016 to GH¢7.34 billion in June 2017, representing a pickup in trade finance and guarantees over the period. The ratio of banks' contingent liabilities to total banking sector liabilities however declined from 11.5 percent in June 2016 to 9.7 percent in June 2017 due mainly to the expansion of banks' liabilities over the period under review.

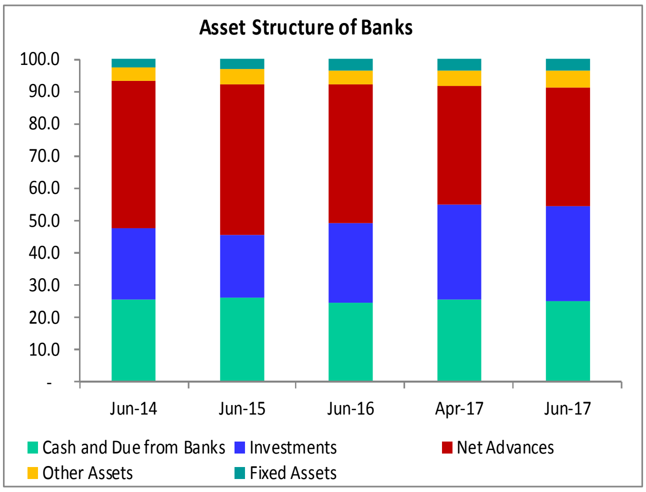
(V) Asset Quality

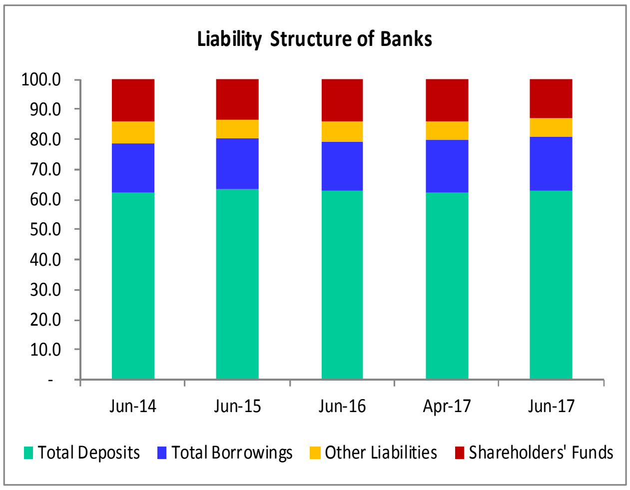
The banking sector indicators of asset quality pointed to a deterioration in the loan portfolio between June 2016 and June 2017, although the rate of growth (year-on-year) in the industry's NPLs slowed down from 82.5 percent in June 2016 to 30.7 percent in June 2017. By the end of June 2017, the stock of NPLs in the banking industry had risen to GH¢7.96 billion from GH¢6.09 billion in June 2016. This translated into an NPL ratio of 21.2 percent in June 2017 compared with 18.8 percent in June 2016. When adjusted for the fully provisioned loan loss category, the NPL ratio showed an increase from 10.9 percent in June 2016 to 11.3 percent in June 2017.

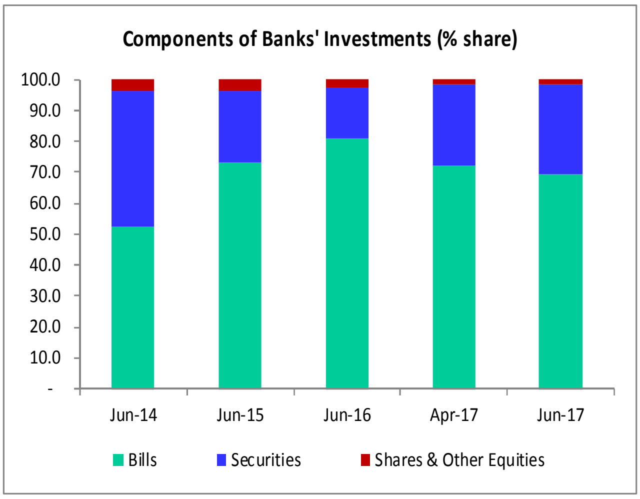
The private sector, being the largest recipient of outstanding credit balances also accounted for the greater proportion of banks' NPLs. The share of private sector NPLs in total NPLs increased from 87.3 percent in June 2016 to 94.9 percent in June 2017 while the proportion of banks' NPLs attributable to the public sector declined from 12.7 percent to 5.1 percent over the same period. The restructuring of the TOR and VRA debts accounted for the decline in the public sector's share of NPLs during the review period. Most private sector non-performing loans were debts of indigenous enterprises accounting for 77.2 percent of total NPLs in June 2017, from 73.0 percent in June 2016.

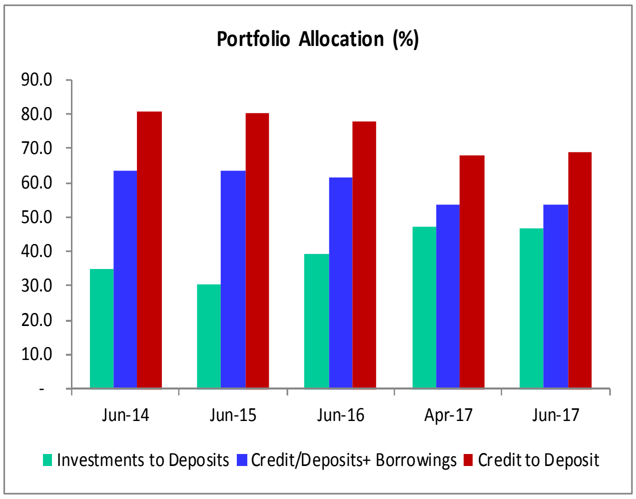
The three largest sectors in terms of outstanding credit balances, namely, the Commerce & Finance, the Services and the Electricity, Gas & Water sectors, accounted for 63.6 percent of total NPLs in June 2017 compared with a share of 65.7 percent in June 2016. The share of NPLs attributable to the Commerce & Finance sector (the sector accounting for the largest share of NPLs) declined from 42.4 percent in June 2016 to 36.8 percent in June 2017. The Agriculture, Forestry & Fishing sector was however the sector with the highest proportion of its loans (39.3 percent) being classified as non-performing as at end-June 2017. It was followed closely by the Commerce & Finance Sector with a sectoral NPL ratio of 30.3 percent.

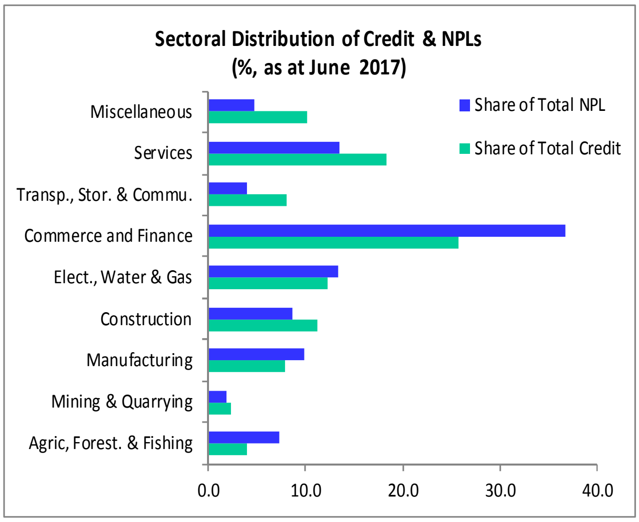
Developments in Banks' Balance Sheet

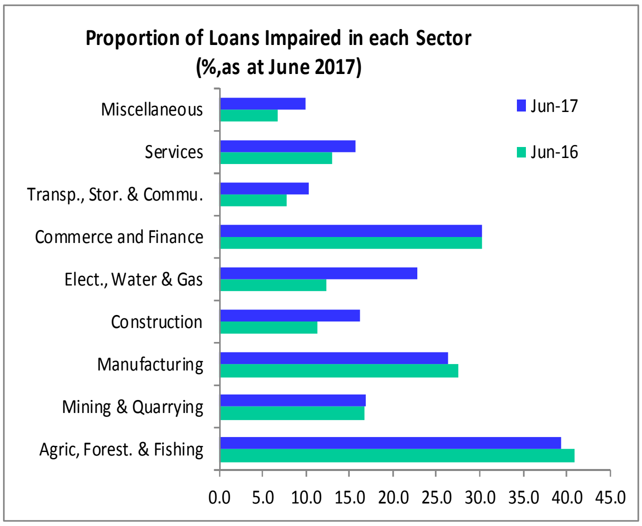












4.3 FINANCIAL SOUNDNESS INDICATORS

(VI) Liquidity Indicators

The banking industry remained adequately liquid as indicated by the improvement in the industry's core and broad liquidity indicators during the review period, on account of the industry's improved ability to meet its short term obligations.

(VII) Capital Adequacy Ratio

The banking industry remained generally solvent with the average Capital Adequacy Ratio (CAR), a measure of solvency, well above the minimum 10 percent regulatory requirement. The industry's CAR however declined from 16.2 percent in June 2016 to 14.8 percent in June 2017. The industry's Risk-Weighted Assets (RWA) to total assets also recorded a decline from 71.3 percent to 65.4 percent over the same period.

(VIII) Profitability

Profitability in the banking sector declined for the period ending June 2017 compared with the same period last year with profitability indicators such as the banks' return on assets (ROA) and return on equity (ROE) declining. The industry's income before tax of GH¢1.53 billion contracted by 0.4 percent year-on-year in June 2017 compared to a 3 percent annual growth in June 2016. The decline was due to factors such as, modest growth in loans and advances, increasing non-performing loans, lower yield on investments and net interest income. Growth in operational costs also led to further declines in income before tax for the industry. The industry's net income of GH¢1.00 billion contracted by 5.2 percent year-on-year in June 2017.

a) Return on Assets and Return on Equity

The two key profitability indicators, namely, after-tax return on equity (ROE) and pre-tax return on assets (ROA) recorded declines during the period under review. The banking industry's ROA decreased from 4.9 percent in June 2016 to 3.7 percent in June 2017, while the ROE declined from 22.9 percent to 17.7 percent over the same review period.

b) Interest Margin and Spread

Banking sectors' ratio of gross income to total assets (asset utilisation) declined from 9.8 percent in June 2016 to 9.2 percent in June 2017, an indication that banks' generated relatively less income from the use of their assets in June 2017 compared with June 2016. Banks' interest spreads, also declined from 7.8 percent to 6.3 percent during the same review period.

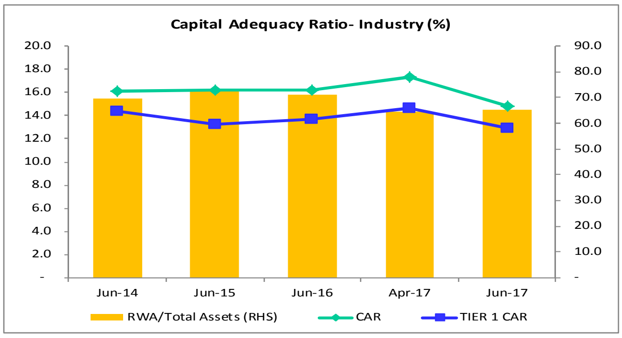
c) Composition of Banks' Income

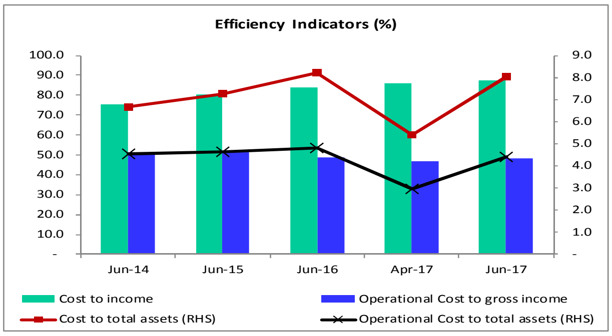
Interest income from loans remained the main source of income for the banking industry for the period ending June 2017, although the contribution to total income declined during the review period. Interest income from loans constituted 44.1 percent of total income in June 2017 compared with 51.2 percent a year ago while the share of investment income in banks' total income increased from 32.9 percent in June 2016 to 40.3 percent in June 2017. The proportion of fees and commission in total income however, declined from 10.7 percent in June 2016 to 10.0 percent by the end of the first half of this year.

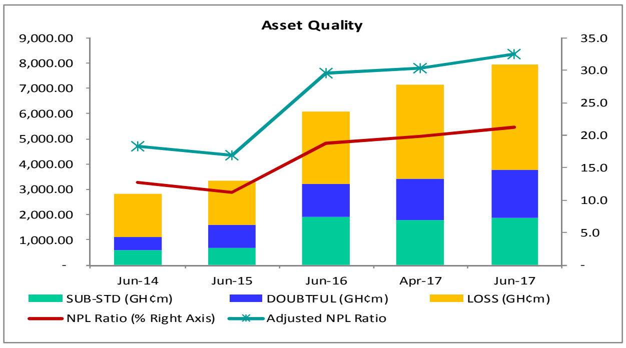
d) Operational Efficiency

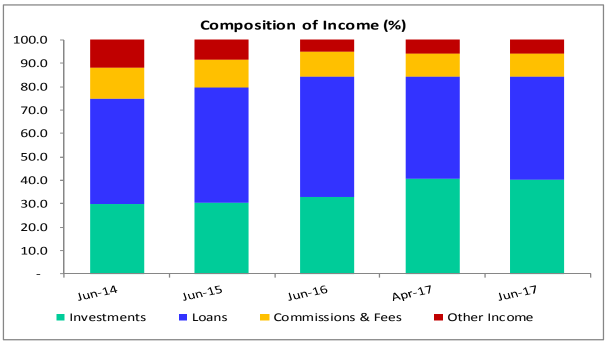
Operational efficiency indicators declined during the period under review, pointing to a general improvement in the industry's operational efficiency. The banking sector's cost to total assets ratio declined marginally from 8.2 percent in June 2016 to 8.0 percent in June 2017 while the operational cost to total assets ratio declined from 4.8 percent to 4.4 percent over the same review period. The cost to income ratio however increased to 87.3 percent in June 2017 from 83.7 percent in June 2016.

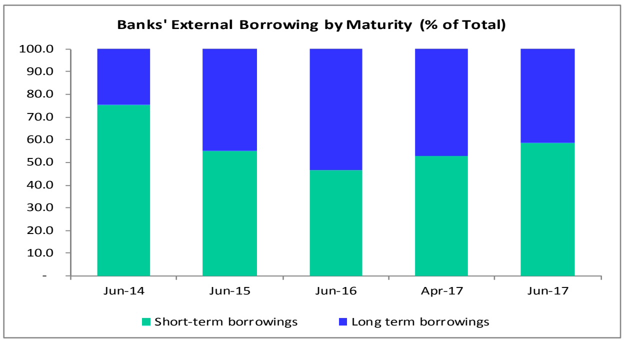
Financial Soundness Indicators (FSIs)

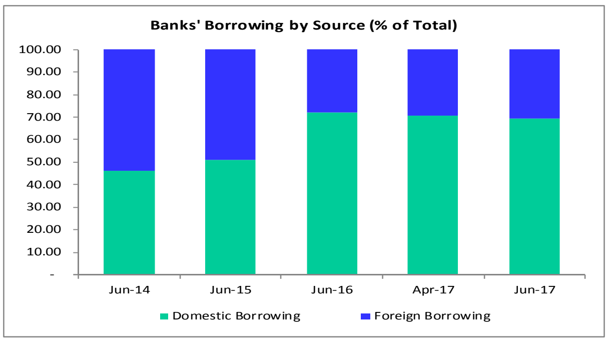












4.4 BANKS' COUNTERPARTY RELATIONSHIPS

Banks continued to trade actively with both domestic and foreign counterparties in June 2017.

(I) Developments in Banks' Offshore Balances & External Borrowing

Banks' offshore balances was GH¢6.34 billion as at June 2017, representing a growth of 24.2 percent compared with a contraction of 11.6 percent in the previous year. Banks' balances with foreign banks (nostro balances) contracted by 19.8 percent in June 2017 compared with a negative growth of 13.4 percent a year earlier. Banks' other claims on non-residents (placements) however picked up considerably during the period under review, growing by 100.6 percent in June 2017 compared with 8.5 percent contraction in June 2016.

By end-June 2017, about a third (30.8 percent) of banks' borrowings had been sourced from external counterparties. Banks' foreign borrowing was GH¢4.83 billion by end-June 2017, representing a higher growth of 30.8 percent in June 2017, compared with 28.2 percent in June 2016. Most of these borrowings were however short-term in nature. The proportion of short term borrowing in banks' external funds increased from 46.8 percent in June 2016 to 58.4 percent in June 2017; while that of long term external borrowing declined from 53.2 percent to 41.6 percent.

5. CONCLUSION AND OUTLOOK

The banking industry was generally liquid and solvent during the first half year. High loan impairments however remained the main source of risk to the sector. The outlook for the industry remains broadly positive and banks have been directed to adopt better credit risk management practices which would help deal with the high non-performing loans facing the industry. The passage of the Bank and SDI Act 2016 (Act 930) and the Ghana Deposit Protection Act, 2016 (Act 931) will pave way for the issuance of various directives and guidelines in line with proper application of the Act to improve overall stability and soundness of the financial sector.

ANNEXES

Table 1: Asset and Liability Structure of the Banking Sector

	Jun-14	Jun-15	Jun-16	Apr-17	Jun-17
Components of Assets (% of Total)					
Cash and Due from Banks	25.7	26.3	24.4	25.6	25.4
Investments	21.9	19.2	24.8	29.4	29.3
Net Advances	45.6	46.7	43.1	36.8	36.5
Other Assets	4.1	4.7	4.0	4.5	5.2
Fixed Assets	2.7	3.1	3.8	3.6	3.7
Components of Liabilities & Shareholders Funds(% of Total)					
Total Deposits	62.3	63.3	62.7	62.5	62.8
Total Borrowings	16.6	17.0	16.6	17.2	18.1
Other Liabilities	7.0	6.1	6.6	6.6	6.3
Shareholders' Funds	14.1	13.5	14.1	13.7	12.8

Table 2: Gross Loans and Real Credit Growth

	Jun-15	Jun-16	Apr-17	Jun-17
Gross Loans and Advances (GH¢m)	29,793.2	32,364.1	35,974.8	37,510.8
Real Growth (y-o-y)	15.4	-8.2	3.2	3.3
Private Sector Credit (GH¢m)	26,142.6	28,385.1	31,121.5	32,654.0
Real Growth (y-o-y)	13.9	-8.2	2.8	2.6
Household Loans (GH¢m)	4,186.5	4,836.7	5,108.9	5,383.7
Real Growth (y-o-y)	3.8	-2.3	-5.3	-0.7

Table 3: Contingent Liability

	Jun-14	Jun-15	Jun-16	Apr-17	Jun-17
Contingent Liabilities (GH¢)	5,268.3	7,173.2	6,518.9	6,870.1	7,339.3
Growth (y-o-y)	45.9	36.2	(9.1)	1.0	12.6
% of Total Liabilities	14.0	14.2	11.5	9.4	9.7

Table 4: Distribution of Loans and NPLs By Economic Sector (Percent)

	Jun-16		Apr-17		Jun-17	
	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs
a. Public Sector	**12.6**	**12.7**	**13.7**	**2.5**	**13.1**	**5.1**
i. Government	1.9	1.4	1.4	1.0	1.6	1.0
ii. Public Institutions	2.6	2.0	5.0	0.1	4.3	0.1
iii. Public Enterprises	8.0	9.2	7.4	1.4	7.2	4.0
b. Private Sector	**87.4**	**87.3**	**86.3**	**97.5**	**86.9**	**94.9**
i. Private Enterprises	70.0	80.9	70.8	91.4	71.2	89.3
o/w Foreign	9.2	7.9	8.5	12.5	8.9	12.1
Indigeneous	60.8	73.0	62.3	78.9	62.3	77.2
ii. Households	14.9	6.0	14.2	5.6	14.3	5.1
iii. Others	2.5	0.4	1.3	0.5	1.4	0.5

Table 5: Liquidity Ratios

	Jun-14	Jun-15	Jun-16	Apr-17	Jun-17
Liquid Assets (Core) - (GH¢'million)	11,289.1	15,399.2	16,154.9	21,654.4	22,014.6
Liquid Assets (Broad) -(GH¢'million)	20,503.2	26,200.9	32,072.3	46,032.0	46,980.1
Liquid Assets to total deposits (Core)-%	41.3	41.5	38.9	41.0	40.4
Liquid Assets to total deposits (Broad)- %	74.9	70.6	77.2	87.1	86.2
Liquid assets to total assets (Core)- %	25.7	26.3	24.4	25.6	25.4
Liquid assets to total assets (Broad)- %	46.7	44.7	48.4	54.5	54.2

Table 6: Profitability Indicators (%)

	Jun-14	Jun-15	Jun-16	Apr-17	Jun-17
Gross Yield	9.4	10.9	13.4	7.7	11.8
Int Payable	3.5	4.5	5.5	3.6	5.5
Spread	6.0	6.4	7.8	4.1	6.3
Asset Utilitisation	8.8	9.0	9.8	6.3	9.2
Interest Margin to Total Assets	4.5	4.6	4.8	2.8	4.1
Interest Margin to Gross income	50.5	50.7	49.3	44.8	45.2
Profitability Ratio	23.7	19.8	16.3	13.9	12.6
Return On Equity (%) after tax	30.8	29.1	22.9	19.3	17.7
Return On Assets (%) before tax	6.1	5.6	4.9	4.0	3.7

Table 7: DMBs' Income Statement Highlights

	Jun-15	Jun-16	Apr-17	Jun-17	Jun-16	Apr-17	Jun-17
	(GH¢'million)				Y-on-y Growth (%)		
Interest Income	4,226.3	5,483.5	4,479.8	6,722.1	*29.7*	*29.2*	*22.6*
Interest Expenses	-1,541.3	-2,271.2	-2,096.1	-3,125.2	*47.4*	*44.6*	*37.6*
Net Interest Income	**2,685.0**	**3,212.3**	**2,383.7**	**3,596.9**	***19.6***	***18.1***	***12.0***
Fees and Commissions (Net)	635.9	698.3	532.3	792.6	*9.8*	*15.0*	*13.5*
Other Income	437.1	332.4	314.3	450.7	*-24.0*	*31.0*	*35.6*
Operating Income	**3,758.0**	**4,243.0**	**3,230.3**	**4,840.3**	***12.9***	***18.7***	***14.1***
Operating Expenses	**-1,814.0**	**-2,162.2**	**-1,772.6**	**-2,690.3**	***19.2***	***26.0***	***24.4***
Staff Cost	-972.0	-1,158.4	-890.7	-1,350.0	*19.2*	*18.1*	*16.5*
Other operating Expenses	-842.0	-1,003.7	-881.9	-1,340.3	*19.2*	*35.0*	*33.5*
Net Operating Income	**1,943.9**	**2,080.8**	**1,457.7**	**2,150.0**	***7.0***	***10.9***	***3.3***
Total Provision (Loan losses, Depreciation & others)	-449.1	-541.8	-349.1	-609.0	*20.6*	*1.6*	*12.4*
Income Before Tax	**1,494.8**	**1,539.4**	**1,104.2**	**1,533.4**	***3.0***	***13.7***	***-0.4***
Tax	-446.3	-479.5	-365.0	-528.6	*7.4*	*23.6*	*10.2*
Net Income	**1,048.5**	**1,059.9**	**739.3**	**1,004.7**	***1.1***	***9.4***	***-5.2***
Gross Income	**5,299.3**	**6,514.2**	**5,326.4**	**7,965.5**	***22.9***	***27.7***	***22.3***

Table 8: Developments in Offshore Balances

	Jun-14	Jun-15	Jun-16	Apr-17	Jun-17
Offshore balances as % to Networth	60.10	73.17	54.56	59.29	57.25
Annual Growth in Offshore balances (%)	90.31	55.79	-11.65	56.21	24.16
Annual Growth in Nostro Balances (%)	87.20	41.71	-13.39	15.57	-19.78
Annual Growth in Placement (%)	98.48	90.59	-8.45	125.25	100.61