BANK OF GHANA
Banking Sector Report
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CONTENTS

1. PREFACE

The Bank of Ghana's Banking Sector 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 headline inflation should be aligned within the medium-term target band 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 (as amended) to formulate monetary policy. The MPC consists of seven members – five from the Bank of Ghana (including the Governor who is the Chairman) and two external members appointed by the Board of the Bank. 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 April 2017. The sector comprised thirty-three (33) banks, sixteen (16) of which were under domestic control and the remaining seventeen (17) foreign-controlled. The branch network of the banks stood at 1,377 branches as at April 2017, distributed across the ten (10) regions of the country.

The performance of the banking sector for the first four months of 2017 showed some improvement relative to the same period in 2016, though some key indicators recorded declines. The improved performance was particularly seen in the industry's asset growth arising from significant increases in banks' investment portfolio and a pickup in credit. The industry's Capital Adequacy Ratio (CAR), however, recorded a marginal decline in the review period, which reflects some resilience to absorbing losses.

The credit conditions survey conducted in April 2017 to assess developments in lending practices pointed to a net ease in banks' stance on loans. This reinforces the recent rebound in year-on-year growth in credit allocation. Also, the survey findings showed a decline in the industry's inflation and lending rate expectations one year from April 2017. This is in line with the recent deceleration in headline inflation and reduction in monetary policy rate, and prospects of improvement in the economic outlook.

Though the banking sector recorded strong asset performance, a major source of concern remains the high Non-Performing Loans (NPL) ratio. The increase was on account of the downgrade of some assets following the Asset Quality Review (AQR) exercise. Looking ahead, the industry's asset quality is projected to improve based on strengthening of credit risk management systems and increased loan recovery efforts by banks, particularly with respect to large non-oil related exposures.

3. CREDIT CONDITIONS SURVEY

(I) Loans or Credit Lines to Enterprises & Households

The April 2017 credit conditions survey continued to point towards a net ease in banks' overall credit stance to enterprises and households similar to trends in the February 2017 survey round. The overall net easing in the credit stance to enterprises was largely reflected in loans to large enterprises and small and medium enterprises (SMEs). The survey also reported a net ease in credit stance on short term enterprise loans, whereas long term enterprise loans recorded some marginal tightening.

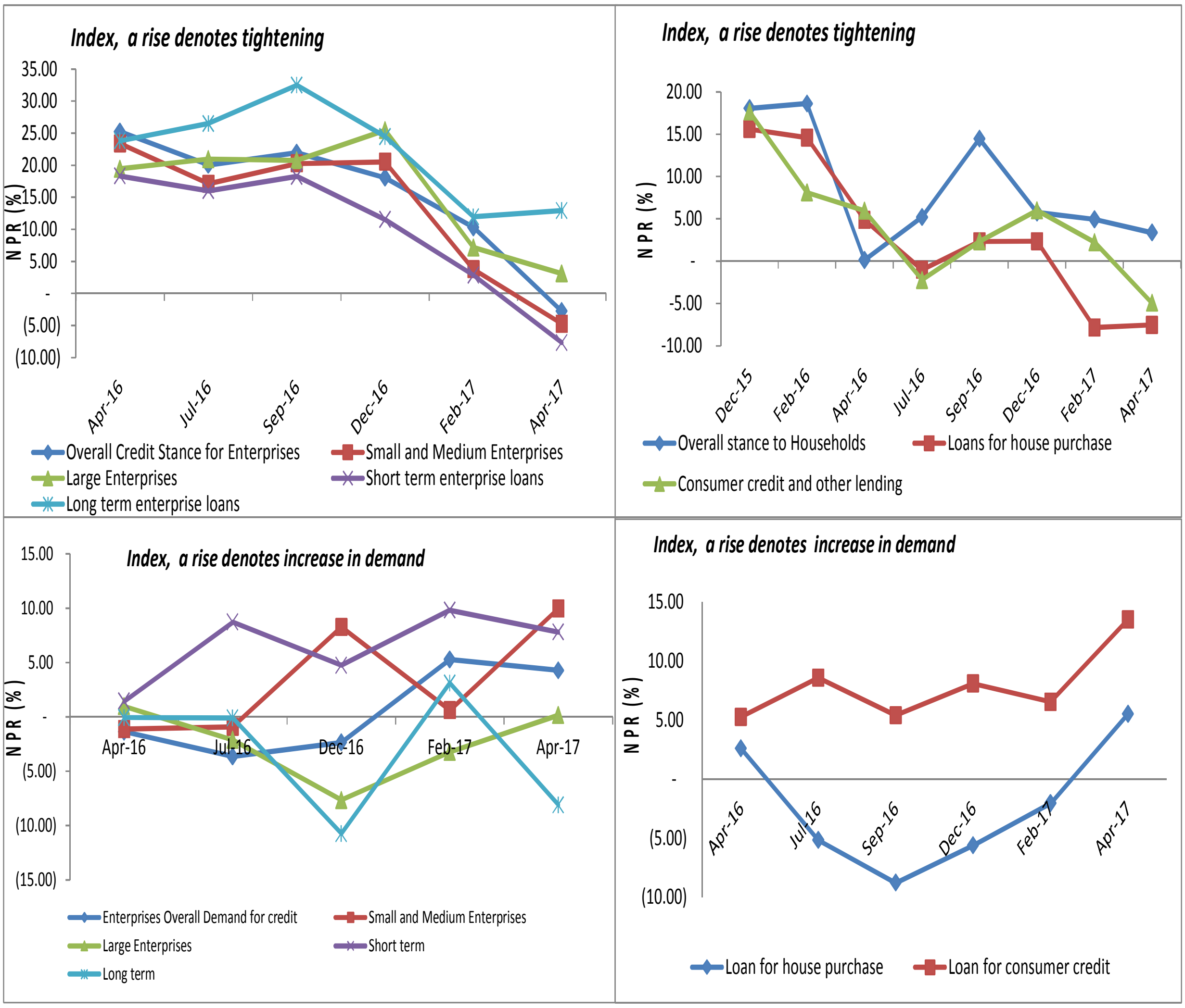
The survey findings also showed a net ease in banks' credit stance on loans to households for consumer credit and other lending, while the credit stance on loans for house purchases tightened slightly relative to the February 2017 survey round. The broad net ease in banks' credit stance on loans follows the reduction in the monetary policy rate in March 2017, the continued decline in the benchmark 91-Day Treasury bill rate and improved expectations regarding the performance of the economy.

Banks' inflation and lending rate expectations continued to trend downward, in line with successive declines in headline inflation since September 2016. The moderation in inflation expectations was attributed to the sustained decline in the inflation rate, stability in the exchange rate, reduction in the policy rate, declining 91- Day Treasury bill rate, and also improved sentiments regarding the performance of the economy.

(II) Loan Demand for Enterprises & Households

The survey also showed that demand for loans by households for both house purchases and for consumer credit went up, while demand for loans by enterprises was mixed. The survey findings revealed a pickup in the demand for loans by both large enterprises and SMEs relative to the February 2017 survey round, although overall enterprise demand for credit declined. The decline in the overall enterprise demand for credit was driven by a sharp decline in the demand for long term loans and some marginal decline in the demand for short term loans.

Credit Conditions Survey



Note: *A rise in the line graph 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.*

4. BANKING SECTOR STABILITY ANALYSIS

4.1 DEVELOPMENTS IN BANKS' BALANCE SHEET

The balance sheet size of the banking sector continued to expand as at end-April 2017. Total assets recorded an annual growth of 31.1 percent to GH¢ 84.49 billion compared with GH¢64.44 billion (16.7%y/y) in April 2016. Of the total, foreign assets recorded the higher growth compared with domestic assets, although domestic assets constituted the greater proportion of banks' total assets (91.3% share as at April 2017). Banks' foreign assets increased to GH¢7.39 billion in April 2017, up by 48.4 percent year-on-year, from GH¢4.98 billion in April 2016.

Credit continued to pick up in April 2017 shown by the 14.5 percent year-on-year growth to GH¢30.99 billion in net loans and advances from GH¢27.07 billion in April 2016. Gross advances also recorded an increased year-on-year growth to 16.7 percent in April 2017 from 11.9 percent in April 2016. Banks' investment portfolio (bills and securities) also continued to increase, recording a 57.3 percent year on year growth to GH¢24.80 billion from GH¢15.77 billion over the same comparative periods.

In terms of the banking industry's funding structure, deposits, which is the main source of funding for the industry, stood at GH¢52.83 billion (28.4% y/y growth) as at April 2017 compared with GH¢41.14 billion (17.5% y/y growth) in the same period last year. Borrowing, the second major source of funding for the banking industry, grew by 47.0 percent to GH¢14.56 billion in April 2017 from GH¢9.9 billion in April 2016. The pickup in the banks' borrowing largely came from the sharp increase in banks' foreign borrowing after contracting in the corresponding period last year. Growth in short term borrowing also picked up significantly during the review period.

The minimum paid-up capital of the banking industry grew by 29.5 percent to GH¢4.14 billion in April 2017 from GH¢3.20 billion in April 2016. Shareholders' funds also grew in year-on-year terms by 21.2 percent to GH¢11.56 in April 2017 from GH¢9.54 billion in April 2016, pointing to an increase in the industry's reserves over the period under review.

Table 1: Key Developments in DMBs' Balance Sheet

	Apr-15	Apr-16	Feb-17	Apr-17	Y-on-Y Growth (%) Apr-16	Feb-17	Apr-17	Shares Apr-17
TOTAL ASSETS	**55,210.5**	**64,442.20**	**83,632.2**	**84,485.58**	***16.72***	***33.48***	***31.1***	***100.0***
A. Foreign Assets	5,217.6	4,975.19	8,342.4	7,388.13	*(4.65)*	*66.18*	*48.5*	***8.7***
B. Domestic Assets	49,992.9	59,467.01	75,289.8	77,097.46	*18.95*	*30.63*	*29.6*	***91.3***
Investments	11,136.4	15,769.52	24,389.0	24,802.41	*41.60*	*66.88*	*57.3*	***29.4***
i. Bills	7,962.3	12,451.17	18,618.9	17,847.28	*56.38*	*61.94*	*43.3*	***21.1***
ii. Securities	2,754.3	2,899.98	5,344.9	6,530.24	*5.29*	*97.44*	*125.2*	***7.7***
Advances (Net)	25,379.8	27,065.89	31,254.5	30,987.48	*6.64*	*16.34*	*14.5*	***36.7***
of which Foreign Currency	9,232.3	8,860.24	9,110.7	8,429.30	*(4.03)*	*4.01*	*(4.9)*	***10.0***
Gross Advances	27,550.6	30,830.02	35,976.0	35,974.82	*11.90*	*19.44*	*16.7*	***42.6***
Other Assets	2,463.2	2,957.71	3,578.0	3,839.61	*20.07*	*6.89*	*29.8*	***4.5***
Fixed Assets	1,705.1	2,347.94	2,997.0	3,081.09	*37.70*	*35.15*	*31.2*	***3.6***
TOTAL LIABILITIES AND CAPITAL	**55,210.5**	**64,442.20**	**83,632.2**	**84,485.58**	***16.72***	***33.48***	***31.1***	***100.0***
Total Deposits	35,015.2	41,136.27	53,205.5	52,833.19	*17.48*	*33.09*	*28.4*	***62.5***
of which Foreign Currency	11,830.9	12,074.61	15,081.1	13,853.25	*2.06*	*24.19*	*14.7*	***16.4***
Total Borrowings	8,330.2	9,904.08	13,863.0	14,556.56	*18.89*	*50.86*	*47.0*	***17.2***
Foreign Liabilities	5,141.7	3,302.24	4,361.1	4,652.93	*(35.78)*	*25.90*	*40.9*	***5.5***
i. Short-term borrowings	3,041.0	1,400.09	2,076.2	2,262.66	*(53.96)*	*43.47*	*61.6*	***2.7***
ii. Long-term borrowings	1,862.9	1,639.61	1,898.5	2,019.45	*(11.98)*	*9.10*	*23.2*	***2.4***
iii. Deposits of non-residents	237.9	262.54	386.4	370.82	*10.36*	*39.74*	*41.2*	***0.4***
Domestic Liabilities	41,899.1	51,494.50	67,685.9	68,228.03	*22.90*	*36.67*	*32.5*	***80.8***
i. Short-term borrowing	2,891.4	6,056.36	8,534.9	8,935.83	*109.46*	*66.52*	*47.5*	***10.6***
ii. Long-term Borrowings	534.9	808.03	1,353.5	1,338.62	*51.05*	*54.43*	*65.7*	***1.6***
iii. Domestic Deposits	34,777.3	40,873.73	52,819.1	52,462.37	*17.53*	*33.04*	*28.4*	***62.1***
Other Liabilities	3,762.7	3,863.05	4,999.0	5,489.17	*2.67*	*27.27*	*42.1*	***6.5***
Paid-up capital	2,721.1	3,200.18	4,135.1	4,144.99	*17.61*	*29.18*	*29.5*	***4.9***
Shareholders' Funds	8,027.3	9,538.76	11,546.2	11,561.38	*18.83*	*20.77*	*21.2*	***13.7***

(I) Asset and Liability Structure of the Banking Industry

Net advances remained the largest component of banks' assets constituting 36.7 percent in April 2017, despite the decline from 42.0 percent in April 2016. The share of Investments in total assets increased from 24.5 percent in April 2016 to 29.4 percent in April 2017. The share of cash and short term funds in total assets was 25.6 percent as at April 2017 compared with 25.1 percent in the same period last year.

Deposits constituted 62.5 percent of banks' total liabilities and capital as at the end of April 2017 compared with 63.8 percent recorded the same period last year. The proportion of shareholders' funds in total liabilities and capital was 13.7 percent in April 2017, representing a decline from 14.8 percent recorded in April 2016.

(ii) Share Of Banks' Investments

A larger proportion of banks' investments were in bills (short-term investments) with the share of total investments in bills declining from 79.0 percent in April 2016 to 72.0 percent in April 2017. Banks' investments in shares and other equities as a share of total investments also declined from 2.6 percent in April 2016 to 1.7 percent in April 2017. The share of securities (long-term investments) in total investment, however, increased from 18.4 percent in April 2016 to 26.3 percent during the review period. Investments to deposit ratio increased to 46.9 percent in April 2017 from 38.3 percent in April 2016.

4.2 CREDIT RISK

(III) Credit Portfolio Analysis

The annual growth in gross loans and advances picked up, in real terms, from the 5.7 percent contraction in April 2016 to 3.4 percent in April 2017. The pickup in real credit growth was due to the decline in the rate of inflation (from 18.7% in April 2016 to 13.0% in April 2017) and an actual increase in gross advances. Real private sector credit also followed a similar trend by growing at 2.8 percent in April 2017 after recording a negative growth rate a year earlier. The contraction in real credit to households however worsened during the review period.

The private sector remains the largest recipient of banks' credit, with its share declining marginally to 86.3 percent in April 2017 from 86.6 percent in April 2016. The share of banks' credit to households declined to 14.2 percent in April 2017 from 15.4 percent over the same review period. The share of bank credit to government and public institutions increased to 6.4 percent from 4.7 percent in April 2016, credit to public enterprises however declined to 7.4 percent from 8.7 percent during the same review period.

The Commerce & Finance sector remained the sector with the largest share of outstanding credit balances, accounting for 25.7 percent as at April 2017. The three largest sectors in terms of outstanding credit balances, namely Commerce & Finance, Services, and Electricity, Gas & Water, accounted for 56.6 percent of total banking sector credit in April 2017 compared with 61.1 percent in April 2016. The share of credit to the mining and quarrying and manufacturing sectors however declined during the review period.

(IV) Off-Balance Sheet Activities

Banks' off-balance sheet items (contingent liabilities) increased to GH¢6.87 billion in April 2017 from GH¢6.8 billion in April 2016. The ratio of banks' contingent liabilities to total banking sector liabilities declined from 12.4 percent in April 2016 to 9.4 percent in April 2017, representing a slowdown in trade finance and guarantees relative to banks' liabilities.

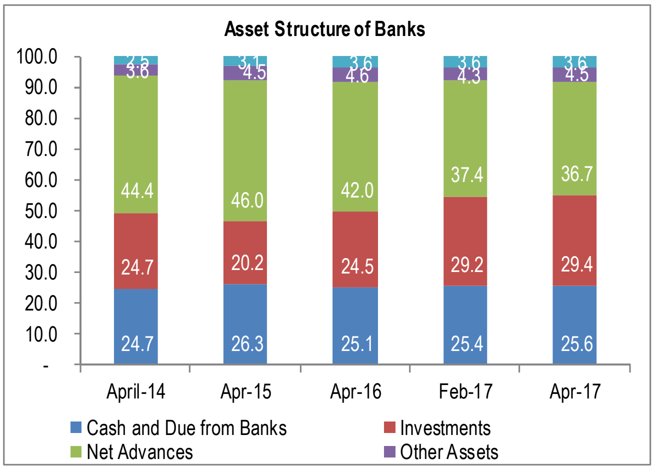
(V) Asset Quality

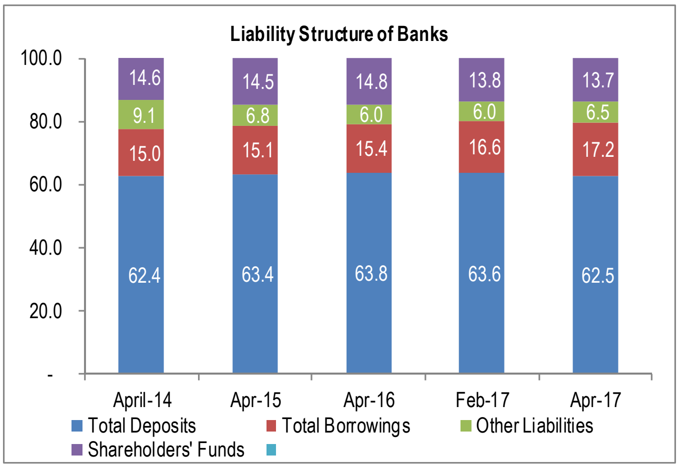
The indicators of asset quality as at April 2017 reflected some deterioration over the April 2016 performance. The industry's stock of NPLs increased by 24.5 percent to GH¢7.15 billion in April 2017 from GH¢ 5.74 billion in April 2016. The year-on-year growth in NPLs in April 2017 however represented a slowdown in the accumulation of NPLs from the 80.5 percent year-on-year growth recorded in April 2016. The deterioration in asset quality was largely attributed to the downgrading of some facilities following the Asset Quality Review of banks' loans. Adjusting for the fully provisioned loan loss category, the NPL ratio fell to 10.5 percent in April 2017, against 10.4 percent in the same period last year.

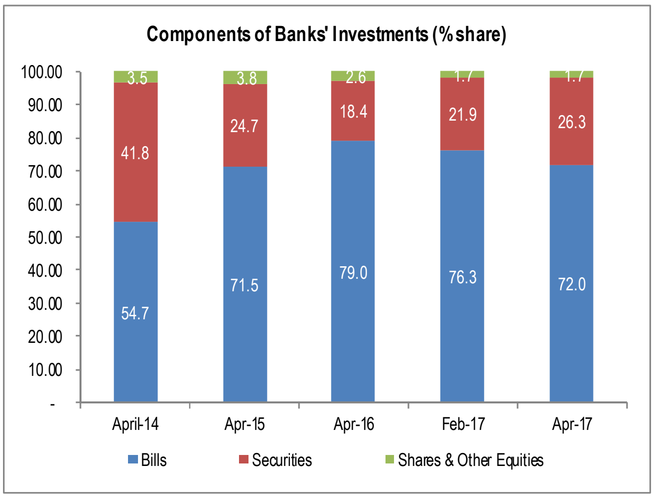
The proportion of banks' non-performing loans attributable to the public sector declined sharply from 13.1 percent in April 2016 to 2.5 percent in April 2017 following the recent restructuring of the TOR and VRA debts. However, the share of public sector credit in total credit increased marginally to 13.7 percent from 13.4 percent, while the private sector credit share decreased to 86.3 percent from 86.6 percent during the same review period. The share of the private sector in banking sector's non-performing loans, on the other hand, rose from 86.9 percent in April 2016 to 97.5 percent in April 2017. By disaggregation, indigenous enterprises accounted for a significant share of 78.9 percent of the total private sector credits' non-performing loans in April 2017. The share of household credit in the total credit declined from 15.4 percent to 14.2 percent and also its contribution to non-performing loans declined from 7.6 percent to 5.6 percent over the review period.

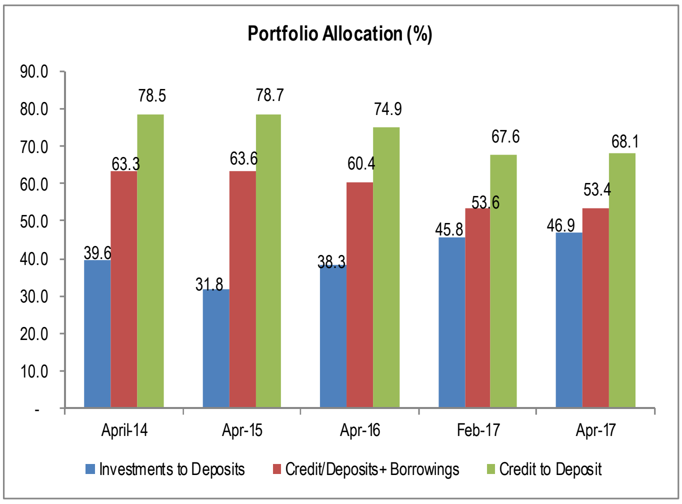
The three sectors that accounted for the greater proportion of banks' credit and contributed the highest to NPLs were Commerce and finance, Services and the Electricity, Gas & water sectors. The share of the NPLs attributable to the Commerce & Finance sector declined to 38.3 percent in April 2017 from 41.3 percent in April 2016. The Electricity, Gas & Water sectors accounted for 15.0 percent of total NPLs, though the sector received 13.0 percent of banks' credit; while the Services sector contributed 12.8 percent of banks' NPL stock after receiving 17.9 percent of total credit in April 2017. Together, the NPLs of the three sectors represented 66.2 percent of the total NPLs of the banking sector during the review period.

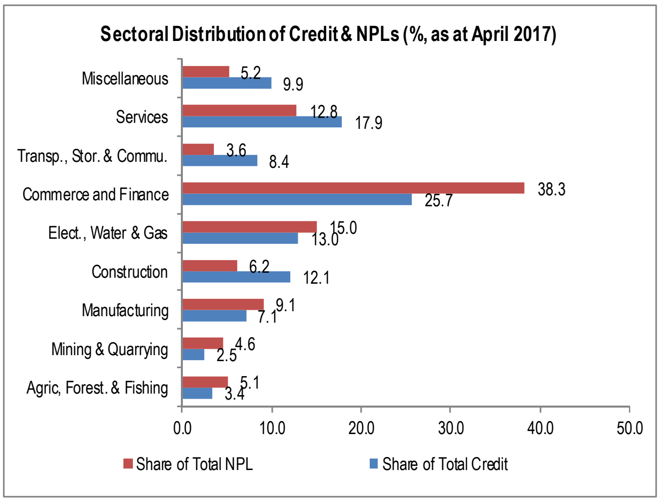
Developments in Banks' Balance Sheet

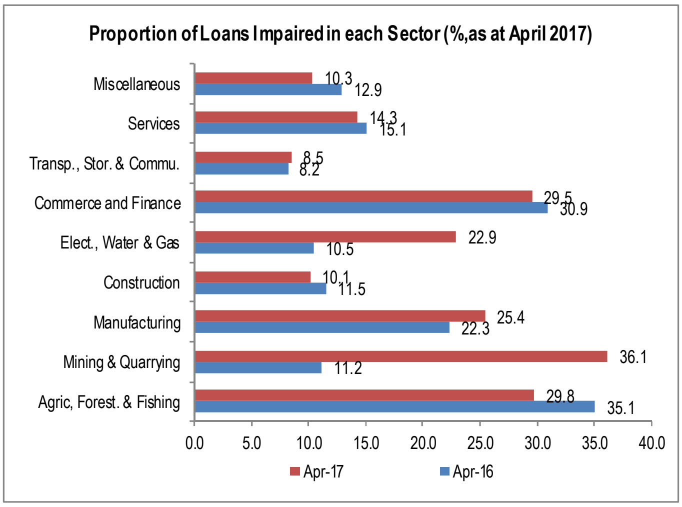












4.3 FINANCIAL SOUNDNESS INDICATORS

(VI) Liquidity Indicators

The banking industry remained adequately liquid in April 2017 with improvement in both core and broad liquidity indicators compared with the corresponding period a year ago. The improvement in the liquidity indicators shows the banking industry's improved ability to meet the short term withdrawal needs of its depositors, pointing to a sound banking sector.

(VII) Capital Adequacy Ratio

The banking industry's capital adequacy ratio (CAR), a measure of solvency, remained well above the minimum 10 percent regulatory requirement. The CAR for April 2017 of 17.4 percent represented a marginal decline from the 17.5 percent recorded in April 2016. The industry's Risk-Weighted Assets (RWA) to total assets declined from 70.5 percent in April 2016 to 64.6 percent in April 2017 due to the significant increase in banks' total assets.

(VIII) Profitability

The banking sector's profitability recorded a mixed performance in April 2017, with increasing profit levels but declining profitability ratios. The banking industry's income before tax registered an annual growth of 13.7 percent for the period ending April 2017, from a modest growth of 1.4 percent in April 2016. The industry's net profit after tax also increased from GH¢675.5 million in April 2016 to GH¢739.3 million in April 2017, representing a year-on-year growth of 9.4 percent in April 2017 compared with 0.7 percent growth a year ago. The year-on-year growth in banks' net interest income also picked up from 16.6 percent to 18.1 percent during the same review period.

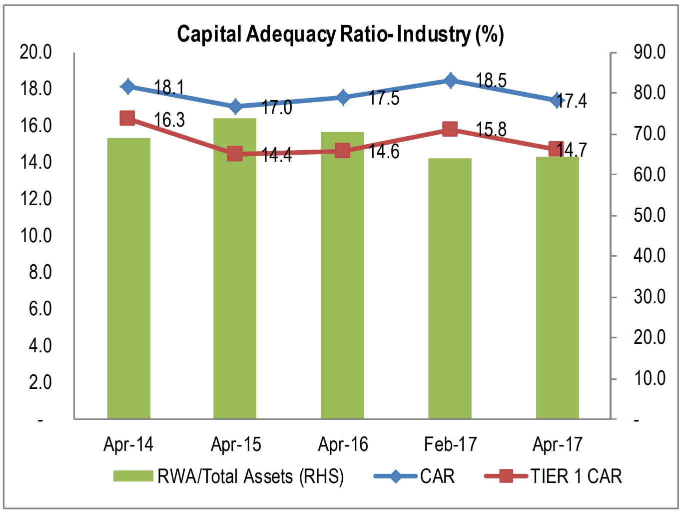
a) Return on Assets and Return on Equity

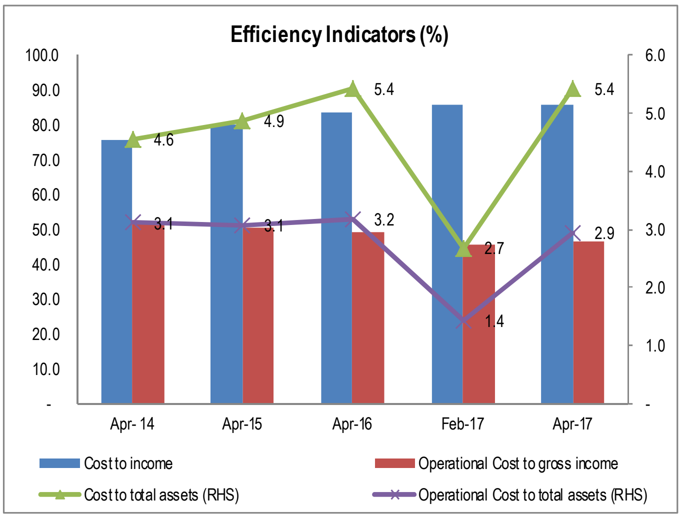
The two key profitability indicators, namely, after-tax return on equity (ROE) and pre-tax return on assets (ROA) declined during the period under review. The banking industry's ROA decreased from 4.7 percent in April 2016 to 4.0 percent in April 2017, while the ROE declined from 22.0 percent to 19.3 percent over the same review period.

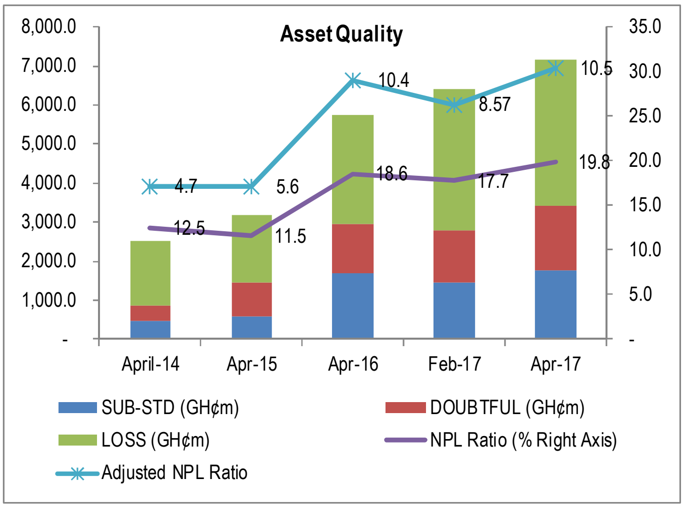
b) Interest Margin and Spread

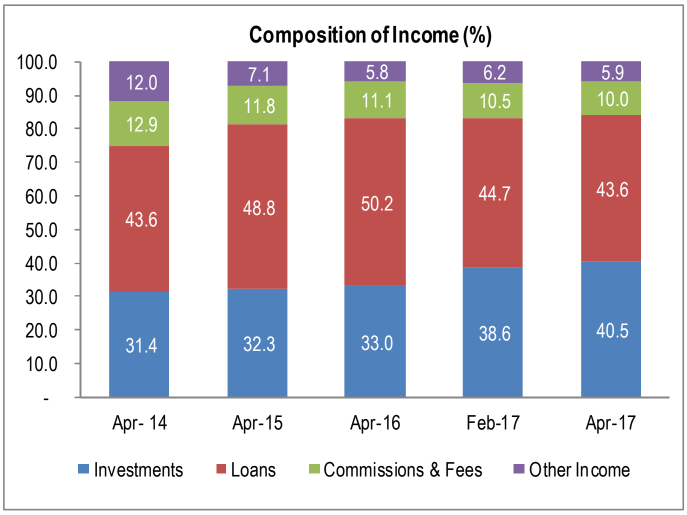
There was a marginal decline in the banking sectors' ratio of gross income to total assets (i.e. assets utilisation) from 6.5 percent in April 2016 to 6.3 percent in April 2017. Banks' interest spreads, also declined from 5.1 percent to 4.1 percent during the same review period.

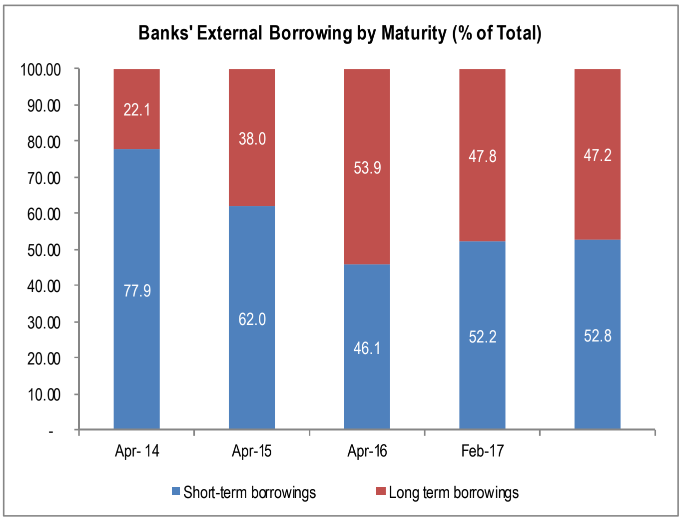
Financial Soundness Indicators (FSIs)

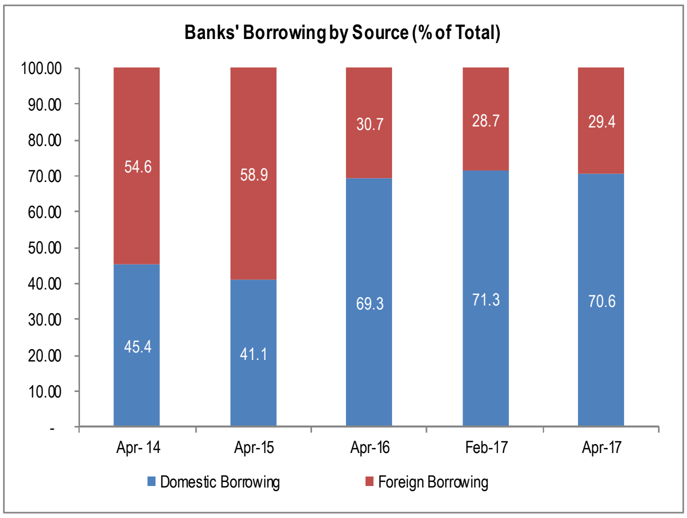












c) Composition of Banks' Income

Interest income from loans remained the major source of income for the banking industry for the period ending April 2017. Interest income from loans constituted 43.6 percent of total income in April 2017 compared with 50.2 percent in April 2016. Banks relied more on investments as a source of income with the share of investment income in banks' total income increasing from 33.0 percent in April 2016 to 40.5 percent in April 2017. The proportion of fees and commission in total income however, declined to 10.0 percent in April 2017 from the 11.1 percent recorded in the corresponding period last year.

d) Operational Efficiency

The banking sector's cost to total assets ratio remained unchanged at 5.4 percent in April 2017 compared with April 2016. The cost to income ratio however increased to 86.0 percent in April 2017 from 83.8 percent in April 2016, indicating a general decline in efficiency during the period under review. The operational cost to total assets ratio however declined from 3.2 percent in April 2016 to 2.9 percent in April 2017, representing some marginal improvement in efficiency.

4.4 BANKS' COUNTERPARTY RELATIONSHIPS

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

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

Banks' balances with foreign banks (nostro balances) recorded a growth of 15.6 percent in April 2017 compared with the 14.4 percent contraction recorded a year ago. Banks' other claims on non-residents (placements) also picked up considerably during the period under review, from the moderate year-on-year growth of 4.0 percent in April 2016 to a growth of 125.3 percent in April 2017 as banks increased their investments abroad.

Developments in banks' borrowings showed that banks preferred domestic sources of borrowing to foreign sources in April 2017. The proportion of foreign borrowing in banks' total borrowed funds, declined from 30.7 percent in April 2016 to 29.4 percent in April 2017, while domestic borrowing increased from 69.3 percent to 70.6 percent over the same period.

Banks' short term sources of external borrowing increased relative to long term sources during the period under review. The proportion of short term borrowing in banks' external funds increased from 46.1 percent in April 2016 to 52.8 percent in April 2017; while that of long term external borrowing declined from 53.9 to 47.2 percent.

5. CONCLUSION AND OUTLOOK

The banking industry continued to be stable, sound and solvent, although some key risks remain. These are the high non-performing loans and significant concentration risks with respect to the industry's exposure to the energy sector.

The outlook for the industry, however, remains positive over the medium term. The gradual pick up in the performance of key macroeconomic indicators and the positive outlook for the economy, combined with industry specific policies such as the increase in the minimum paid up capital of banks and the tightening of credit risk management practices by banks, are expected to reflect positively on the overall performance of the banking industry.

ANNEXES

Table 1: Asset and Liability Structure of the Banking Sector	Apr-14	Apr-15	Apr-16	Feb-17	Apr-17
Components of Assets (% of Total)					
Cash and Due from Banks	24.7	26.3	25.1	25.4	25.6
Investments	24.7	20.2	24.5	29.2	29.4
Net Advances	44.4	46.0	42.0	37.4	36.7
Other Assets	3.6	4.5	4.6	4.3	4.5
Fixed Assets	2.5	3.1	3.6	3.6	3.6
Components of Liabilities & Shareholders Funds(% of Total)					
Total Deposits	62.4	63.4	63.8	63.6	62.5
Total Borrowings	15.0	15.1	15.4	16.6	17.2
Other Liabilities	9.1	6.8	6.0	6.0	6.5
Shareholders' Funds	14.6	14.5	14.8	13.8	13.7

Table 2: Gross Loans and Real Credit Growth	Apr-15	Apr-16	Feb-17	Apr-17
Gross Loans and Advances (GH¢m)	27,550.65	30,830.02	36,070.27	36,059.62
Real Growth (y-o-y)	16.73	(5.74)	5.76	3.44
Private Sector Credit (GH¢m)	24,054.78	26,772.80	31,015.63	31,121.50
Real Growth (y-o-y)	15.51	-6.25	3.76	2.80
Household Loans (GH¢m)	4,226.72	4,769.79	4,955.69	5,108.94
Real Growth (y-o-y)	12.8	(4.9)	(5.7)	(5.3)

Table 3: Contingent Liability

	Apr-14	Apr-15	Apr-16	Feb-17	Apr-17
Contingent Liabilities (GH¢)	5,005.2	7,188.4	6,799.1	7,341.8	6,870.1
Growth (y-o-y)	27.0	43.6	(5.4)	8.8	1.0
% of Total Liabilities	14.4	15.2	12.4	10.2	9.4

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

	Apr-16		Feb-17		Apr-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	**13.4**	**13.1**	**14.0**	**2.9**	**13.7**	**2.5**
i. Government	2.3	1.4	1.5	1.1	1.4	1.0
ii. Public Institutions	2.4	2.1	5.1	0.1	5.0	0.1
iii. Public Enterprises	8.7	9.6	7.4	1.7	7.4	1.4
b. Private Sector	**86.6**	**86.9**	**86.0**	**97.1**	**86.3**	**97.5**
i. Private Enterprises	69.3	79.0	71.0	90.9	70.8	91.4
o/w Foreign	8.9	7.6	8.8	12.6	8.5	12.5
Indigeneous	60.4	71.4	62.2	78.3	62.3	78.9
ii. Households	15.4	7.6	13.7	5.6	14.2	5.6
iii. Others	1.9	0.3	1.2	0.6	1.3	0.5

Table 5: Liquidity Ratios

	Apr-14	Apr-15	Apr-16	Feb-17	Apr-17
Liquid Assets (Core) - (GH¢'million)	10,181.2	14,492.9	16,181.6	21,283.5	21,654.4
Liquid Assets (Broad) -(GH¢'million)	20,026.2	25,209.5	31,532.7	45,247.3	46,032.0
Liquid Assets to total deposits (Core)-%	39.5	41.4	39.3	40.0	41.0
Liquid Assets to total deposits (Broad)- %	77.8	72.0	76.7	85.0	87.1
Liquid assets to total assets (Core)- %	24.7	26.3	25.1	25.4	25.6
Liquid assets to total assets (Broad)- %	48.6	45.7	48.9	54.1	54.5

Table 6: Profitability Indicators (%)

	Apr-14	Apr-15	Apr-16	Feb-17	Apr-17
Gross Yield	6.2	7.4	8.8	3.7	7.7
Int Payable	2.2	3.0	3.7	1.8	3.6
Spread	4.0	4.4	5.1	1.9	4.1
Asset Utilitisation	6.0	6.1	6.5	3.1	6.3
Interest Margin to Total Assets	3.1	3.1	3.1	1.4	2.8
Interest Margin to Gross income	51.1	51.5	48.4	43.4	44.8
Profitability Ratio	23.7	19.9	16.2	14.0	13.9
Return On Equity (%) after tax	30.8	26.7	22.0	19.6	19.3
Return On Assets (%) before tax	6.1	5.7	4.7	4.0	4.0

Table 7: DMBs' Income Statement Highlights

	Apr-15	Apr-16	Feb-17	Apr-17	Apr-16	Feb-17	Apr-17
	(GH ¢'million)				Y-on-y Growth (%)		
Interest Income	2,727.2	3,468.1	2,182.7	4,479.8	*27.2*	*31.7*	*29.2*
Interest Expenses	(995.5)	(1,449.5)	(1,045.8)	(2,096.1)	*45.6*	*51.2*	*44.6*
Net Interest Income	**1,731.7**	**2,018.6**	**1,136.9**	**2,383.7**	*16.6*	***17.8***	*18.1*
Fees and Commissions (Net)	398.0	462.7	275.6	532.3	*16.3*	*15.8*	*15.0*
Other Income	237.6	240.0	161.2	314.3	*1.0*	*22.5*	*31.0*
Operating Income	**2,367.2**	**2,721.3**	**1,573.7**	**3,230.3**	*15.0*	***17.9***	*18.7*
Operating Expenses	**(1,176.4)**	**(1,407.3)**	**(848.3)**	**(1,772.6)**	*19.6*	***22.5***	*26.0*
Staff Cost	(635.3)	(754.3)	(435.9)	(890.7)	*18.7*	*17.4*	*18.1*
Other operating Expenses	(541.1)	(653.0)	(412.4)	(881.9)	*20.7*	*28.3*	*35.0*
Net Operating Income	**1,190.8**	**1,314.0**	**725.4**	**1,457.7**	*10.4*	***13.0***	*10.9*
Total Provision (Loan losses, Depreciation & others)	- 233.1	- 343.7	- 175.7	- 349.1	*47.4*	*2.4*	*1.6*
Income Before Tax	**957.6**	**970.9**	**541.2**	**1,104.2**	*1.4*	***14.8***	*13.7*
Tax	(286.9)	(295.4)	(174.5)	(365.0)	*3.0*	*12.6*	*23.6*
Net Income	**670.7**	**675.5**	**366.7**	**739.3**	*0.7*	***15.9***	*9.4*
Gross Income	**3,362.7**	**4,170.8**	**2,619.5**	**5,326.4**	*24.0*	***29.3***	*27.7*

Table 8: Developments in Offshore Balances

	Apr-15	Apr-16	Feb-17	Apr-17
Offshore balances as % to Networth	60.10	46.36	67.37	59.61
Annual Growth in Offshore balances (%)	21.20	(8.34)	72.27	55.85
Annual Growth in Nostro Balances (%)	14.94	(14.39)	30.74	15.57
Annual Growth in Placement (%)	37.25	3.97	173.37	125.25