BANK OF GHANA
Banking Sector Summary
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CONTENTS

1. PREFACE

The Bank of Ghana's Banking Sector Summary 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. By end-December 2016, the sector comprised thirty-three (33) banks, of which sixteen (16) were domestically-controlled and the remaining seventeen (17) were foreign-controlled. In total, the bank branch was 1,342 branches distributed across the ten (10) regions of the country.

The performance of the banking sector remained strong, underpinned by relatively strong asset growth and marginal improvement in liquidity in 2016. Asset growth was largely driven by increases in banks' investment portfolio and foreign assets. Banks' solvency, as measured by the Capital Adequacy Ratio (CAR) recorded no significant change and remained well above the required threshold over the review period. Asset quality, however deteriorated within the year, although the last quarter of 2016 reflected some improvement following the restructuring, reclassification and commencement of repayment of the energy-related State Owned Enterprises (SOEs) debts owed banks.

Growth in banks' loans and advances remained modest for most parts of 2016, despite a slight pickup in the last quarter. The pickup in credit growth was corroborated by easing of banks' credit stance to both enterprises and households in the last quarter.

The outlook for the banking industry remains positive, especially after the successful restructuring arrangements to reduce debts owed by energy-related SOEs to the banks. Similar arrangements have also been put in place to pay down debts owed by the Bulk Oil Distribution Companies (BDCs). As the repayments continue and the debt structure of the affected banks is reclassified, the non-performing loans (NPL) ratios in the banking industry are projected to improve further. This will subsequently have a positive impact on the solvency of the banking industry. Also, the introduction of the Internal Capital Adequacy Assessment Process (ICAAP) under the Basel II framework which would require banks to recapitalize to meet their economic capital requirements, together with finalization of plans on the new minimum capital requirements for banks, would ensure that the banking industry is well capitalized to effectively play its financial intermediation role in the economy.

3. CREDIT CONDITIONS SURVEY

(I) Loans or Credit Lines to Enterprises & Households

The December 2016 survey on banks' lending conditions showed a net easing of overall credit stance to enterprises relative to the September 2016 survey round. Banks also reported that credit stance on both short-term and long-term loans eased, but tightened for loans to large enterprises, and remained broadly unchanged for loans to small and medium enterprises. Most banks attributed the net easing stance on overall enterprise credit to improved expectations of economic performance following the outcome of the December elections. Credit stance of banks to households also indicated a net easing, although household loans for consumer credit and other lending remained relatively tight.

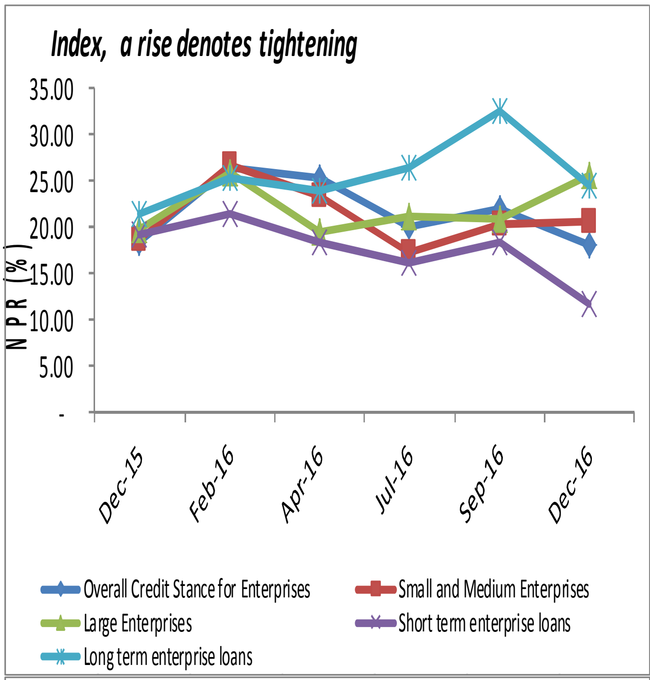
The survey reported declining lending rates expectations one year on. The lower lending rates expectations can be attributed to the decline in the Treasury bill rates and the anticipated decline in the industry's non-performing loans following the restructuring and reclassification of energy-sector related SOEs debts.

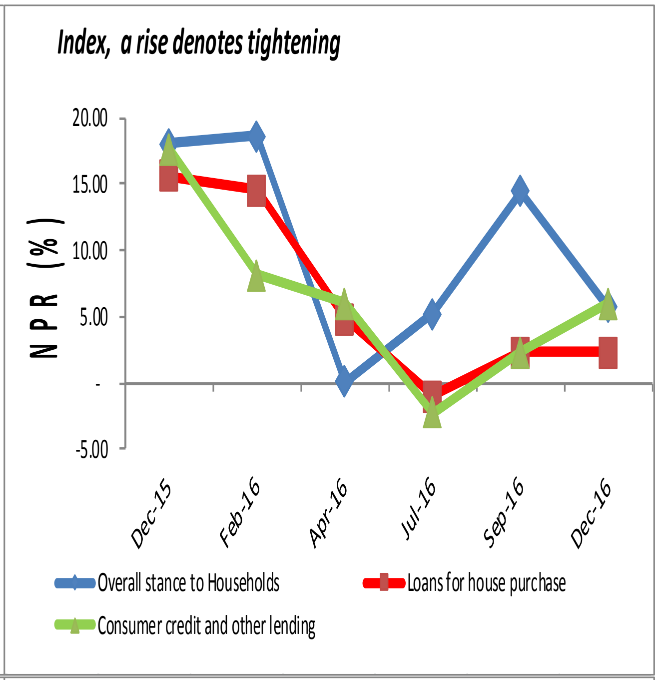
(II) Loan Demand by Enterprises & Households

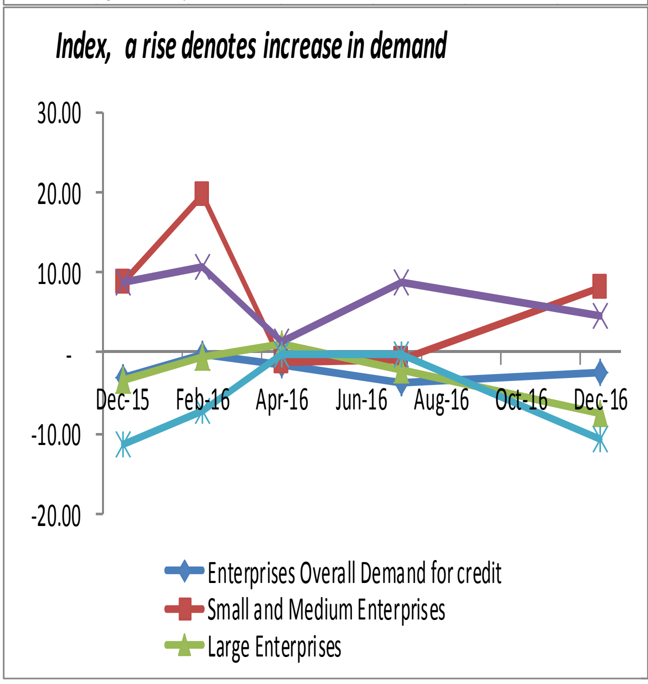
Demand for credit by enterprises picked up slightly during the December 2016 survey round, largely driven by strong net demand for loans by small and medium enterprises. However, demand for credit in net terms by large enterprises declined during the survey period. Additionally, demand for long term and short term loans decreased in net terms during the survey round.

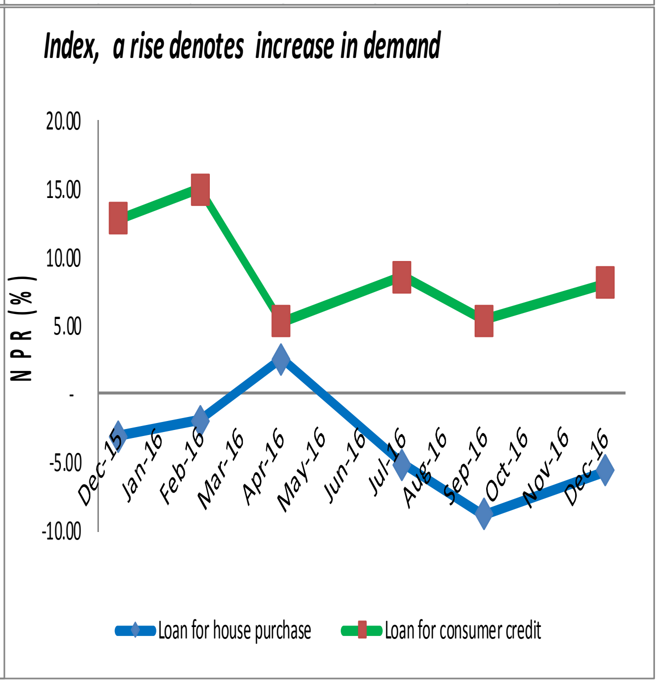
The survey, also reported increases in demand for loans by households for house purchases and consumer credit.

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.

3. BANKING SECTOR STABILITY ANALYSIS

3.1 DEVELOPMENTS IN BANKS' BALANCE SHEET

Total assets of the banking sector[1] stood at GH¢81.22 billion as at the end of December 2016, indicating a year-on-year growth of 28.1 percent. This compared with a year-on-year growth of 23.2 percent in the same period in 2015. The slight pickup in growth during the review period was on account of increases in banks' investment portfolio and foreign assets. Banks' foreign assets stood at GH¢7.28 billion, up by 37.1 percent year-on-year in December 2016 compared to a 12.1 percent growth in December 2015. Domestic assets amounted to GH¢73.94 billion, accounting for 91.0 percent of total assets of the banking sector and an annual growth of 27.3 percent at the end of December 2016 (from 24.3% in December 2015).

Although credit stance in the banking sector broadly remained tight for most part of 2016, there was a marginal pick-up in the growth of gross credit, both in nominal and real terms in the last quarter. At end-December 2016, loans and advances (net) of GH¢30.96 billion grew year-on-year by 14.5 percent relative to a growth of 21.7 percent at end-December 2015. On the other hand, banks' investment portfolio (bills and securities) recorded a year-on-year growth of 53.0 percent to GH¢21.94 billion at the end of December 2016, compared with an annual growth rate of 18.6 percent a year ago.

Table 1: Key Developments in DMBs' Balance Sheet

					Y-on-Y Growth (%)		Shares
	Dec-14	Dec-15	Sep-16	Dec-16	Dec-15	Dec-16	Dec-16
TOTAL ASSETS	**51,441.6**	**63,382.0**	**70,824.6**	**81,220.1**	*23.2*	*28.1*	*100.0*
A. Foreign Assets	4,737.8	5,311.2	7,152.8	7,283.4	*12.1*	*37.1*	*9.0*
B. Domestic Assets	46,703.8	58,070.8	63,671.7	73,936.7	*24.3*	*27.3*	*91.0*
Investments	12,086.1	14,337.1	17,485.0	21,936.0	*18.6*	*53.0*	27.0
i. Bills	8,478.5	11,357.0	13,660.4	17,142.0	*34.0*	*50.9*	21.1
ii. Securities	3,190.8	2,569.8	3,406.7	4,377.4	*(19.5)*	*70.3*	5.4
Advances (Net)	22,215.7	27,039.3	29,441.7	30,960.3	*21.7*	*14.5*	38.1
of which Foreign Currency	7,206.8	8,796.6	8,216.0	8,818.0	*22.1*	*0.2*	10.9
Gross Advances	24,103.7	30,102.4	33,740.6	35,409.0	*24.9*	*17.6*	43.6
Other Assets	1,859.9	3,068.0	3,392.2	3,137.0	*65.0*	*2.2*	3.9
Fixed Assets	1,456.6	2,152.1	2,629.5	2,955.0	*47.7*	*37.3*	3.6
TOTAL LIABILITIES AND CAPITAL	**51,441.6**	**63,382.0**	**70,824.6**	**81,220.1**	*23.2*	*28.1*	*100.0*
Total Deposits	32,428.2	41,252.3	44,277.0	51,664.4	*27.2*	*25.2*	*63.6*
of which Foreign Currency	9,597.3	12,016.1	12,531.7	13,584.1	*25.2*	*13.0*	*16.7*
Total Borrowings	8,221.6	9,509.3	12,623.6	13,636.8	*15.7*	*43.4*	*16.8*
Foreign Liabilities	4,628.0	4,220.7	4,057.3	4,320.9	*(8.8)*	*2.4*	5.3
i. Short-term borrowings	2,931.2	2,237.6	1,665.5	2,152.6	*(23.7)*	*(3.8)*	2.7
ii. Long-term borrowings	1,346.2	1,715.2	1,982.8	1,752.8	*27.4*	*2.2*	2.2
iii. Deposits of non-residents	350.6	267.8	409.0	415.5	*(23.6)*	*55.2*	0.5
Domestic Liabilities	39,287.1	49,845.0	56,735.1	66,164.8	*26.9*	*32.7*	81.5
i. Short-term borrowing	3,485.9	4,884.6	7,780.1	8,355.8	*40.1*	*71.1*	10.3
ii. Long-term Borrowings	458.4	671.9	1,195.2	1,375.6	*46.6*	*104.8*	1.7
iii. Domestic Deposits	32,077.6	40,984.5	43,868.0	51,248.8	*27.8*	*25.0*	63.1
Other Liabilities	3,291.9	3,411.5	3,971.7	5,112.5	*3.6*	*49.9*	6.3
Paid-up capital	2,652.9	3,201.2	3,384.6	3,734.1	*20.7*	*16.6*	*4.6*
Shareholders' Funds	7,368.9	9,208.9	9,952.3	10,699.9	*25.0*	*16.2*	*13.2*

[1] Report covers 30 reporting banks as at end-December 2016

The main source of asset funding for the banking sector during the review period was total deposits, accounting for 63.6 percent of total assets. Total deposits amounted to GH¢51.66 billion as at end-December 2016, indicating an annual growth rate of 25.2 percent compared with a growth rate of 27.2 percent a year ago. Growth in banks' borrowings picked up significantly from 15.7 percent at the end of December 2015 to 43.4 percent year-on-year as at end-December 2016. The increase was driven mainly by increases in domestic borrowing, both short-term and long-term.

The banking sector recorded a year-on-year growth of 16.6 percent in minimum paid-up capital to GH¢3.73 billion in December 2016 compared with a year-on-year growth of 20.7 percent in December 2015. The growth in the paid-up capital resulted from the injection of additional capital by some already existing banks to shore up their capital levels, as well as the introduction of fresh capital by newly licensed banks. Annual growth in shareholders' funds declined from 25.0 percent in December 2015 to 16.2 percent in December 2016, due in part to a slowdown in reserve build-up.

(I) Asset and Liability Structure of the Banking Industry

Net advances remained the largest component of banks' assets constituting 38.1 percent of banks' assets in December 2016 as against 42.7 percent in December 2015. The share of Investments in total assets increased from 22.6 percent as at end-December 2015 to 27.0 percent as at end- December 2016. The share of cash and short term funds in total assets was 27.2 percent as at end-December 2016.

Deposits funded 63.6 percent of total assets as at the end of December 2016 compared to 65.1 percent recorded in the corresponding period last year. The proportion of shareholders' funds used to fund total assets declined from 14.5 percent as at end-December 2015 to 13.2 percent in December 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 marginally from 79.2 percent in December 2015 to 78.1 percent December 2016. Banks' investments in shares and other equities as a share of total investments similarly declined from 2.9 percent in December 2015 to 1.9 percent by December 2016. The share of securities in total investment, however, increased from 17.9 percent in

December 2015 to 20.0 percent during the review period. Investments to deposit ratio increased to 34.8 percent in December 2016 from 42.5 percent in December 2015.

3.2 CREDIT RISK

(III) Credit Portfolio Analysis

The annual growth in gross loans and advances moderated, in real terms, from 6.1 percent as at end-December 2015 to 1.9 percent as at end-December 2016. The deceleration in growth was due to the general slowdown in credit extension on the back of deteriorating asset quality. Also, real private sector credit contracted by 0.3 percent in December 2016 from a growth of 5.7 percent in December 2015. In real terms, credit to households continued to decline, registering a negative growth rate of 8.0 percent in December 2016.

The composition of banks' credit portfolio by economic institutions showed that the largest proportion of banks' loans went to private sector, with a share of 85.1 percent by end-December 2016, down by 2.2 percent from a year earlier. Out of this, the share of household loans in total gross loans declined from 14.8 percent in December 2015 to 13.4 percent in December 2016, while that for private enterprises declined from 71.1 percent to 70.1 percent. The share of public sector loans increased from 12.7 percent in December 2015 to 14.9 percent as at end-December 2016.

The commerce & finance sector had the largest share of outstanding credit balances, accounting for 24.7 percent as at December 2016. The three largest sectors in terms of outstanding credit balances, namely commerce & finance, services, and electricity, gas & water accounted for 58.8 percent of total banking sector credit in December 2016 compared with 62.3 percent in December 2015. The share of credit to the mining and quarrying, manufacturing, agriculture, forestry & fishing, the commerce & finance and the services sectors declined during the review period.

(IV) Off-Balance Sheet Activities

Banks' off-balance sheet items (contingent liabilities) stood at GH¢7.37 billion as at December 2016, representing a marginal contraction by 0.2 percent from GH¢7.39 billion recorded at the end of December 2015 (December 2015 growth: 10.8 percent). 'Off-balance sheet' exposure as a percentage of total banking sector liabilities was 10.5 percent in December 2016 (December

2015: 13.6%). The slowdown in the off–balance sheet exposures reflected a decline in trade finance and guarantees during the review period.

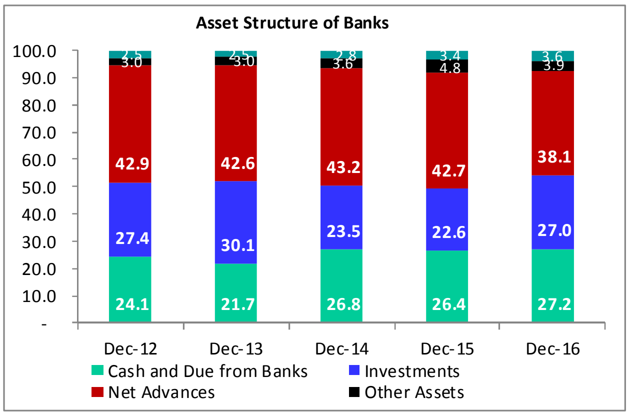
(V) Asset Quality

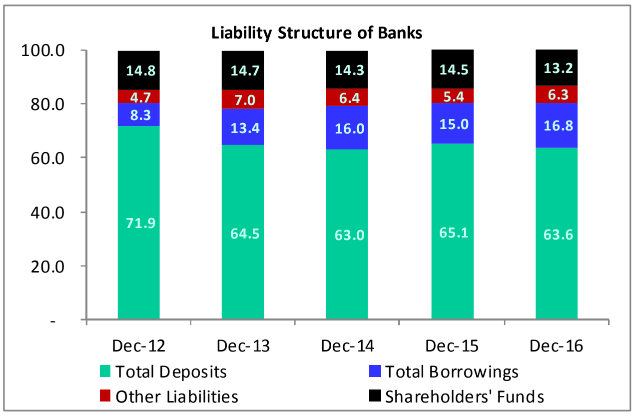
The indicators of asset quality at the end of December 2016 pointed to deterioration in the loan book of banks relative to the same period last year. The stock of NPLs increased from GH¢ 4.4 billion in December 2015 to GH¢ 6.2 billion in December 2016. The NPL ratio (the ratio on non-performing loans to gross loans) for the banking industry also increased from 14.7 percent in December 2015 to 17.3 percent in December 2016. The deterioration was partly explained by the slowdown in growth of loans and advances, as growth in the stock of non–performing loans (NPLs) declined sharply from 64.6 percent in December 2015 to 39.1 percent by end 2016. Adjusting for the fully provisioned loan loss category, the NPL ratio stood at 8.4 percent in December 2016, compared with 6.8 percent at the end-December 2015. The high non-performing loans in the banking sector was largely due to the general slowdown in the economy, and high cost of production especially from high utility tariffs.

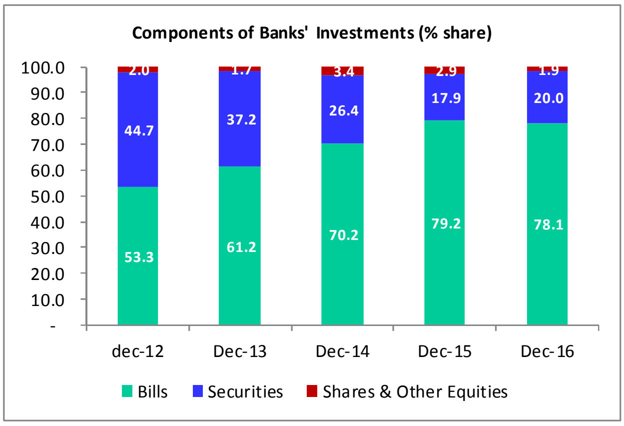
With the onset of payments to reduce energy sector related SOE debts, the proportion of banks' NPLs attributable to the public sector declined from 3.9 percent in December 2015 to 3.2 percent in December 2016. The private sector, however, contributed 96.8 percent of the total banking sector's non-performing loans as at December 2016, up from 96.1 percent in December 2015, while accounting for 85.1 percent of total credit in December 2016 compared with 87.3 percent of credit received in 2015. The level of NPLs associated with the private enterprises was driven mainly by indigenous enterprises, which received 61.1 percent of credit to private enterprises but accounted for 78.9 percent of NPLs as at December 2016. Households' share of private sector credit declined from 14.8 percent to 13.4 percent while its contribution to NPLs declined from 6.8 percent to 4.4 percent over the review period.

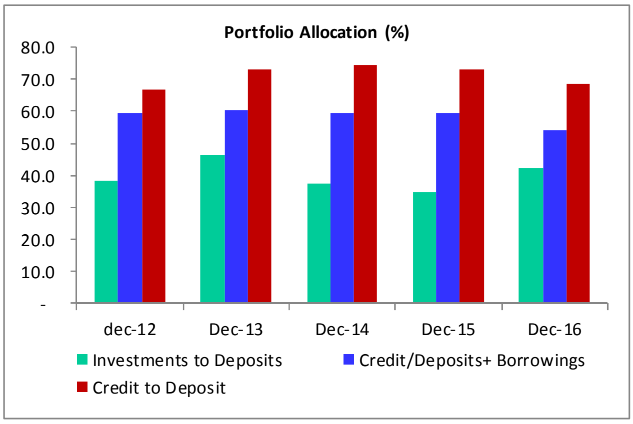
The largest sectors in terms of credit namely the Commerce and finance, the Services and the Electricity, Gas & water sectors also accounted for the largest proportions of banking sector NPLs. The share of Commerce & Finance NPLs in the total NPLs of the banking sector was 39.1 percent, while NPLs of the Services and the Electricity, Gas & Water sectors were 15.1 percent and 12.0 percent shares respectively as at end-December 2016. Together, the NPLs of the three sectors represented 66.2 percent of the total NPLs of the banking sector as at end-December 2016.

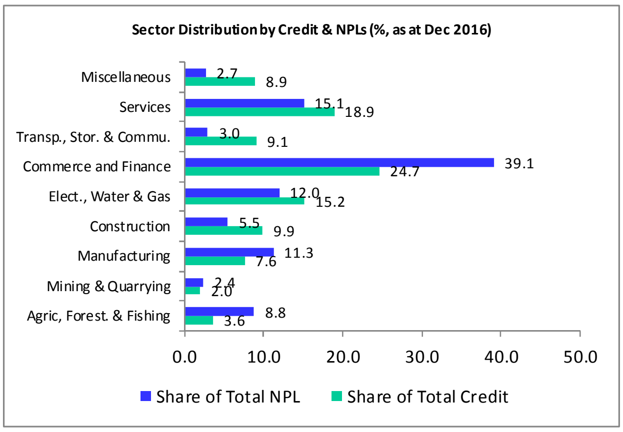
Developments in Banks' Balance Sheet

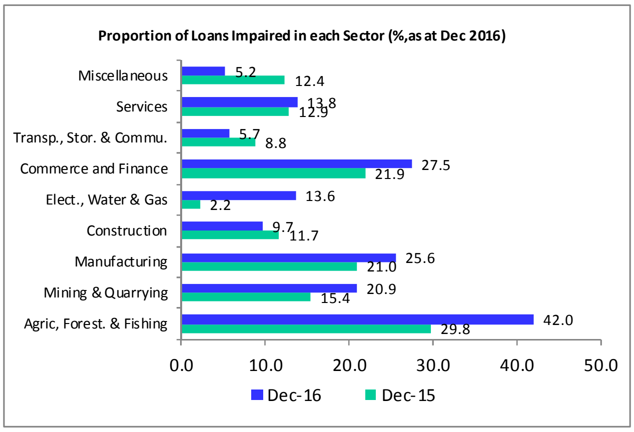












3.3 FINANCIAL SOUNDNESS INDICATORS

(VI) Liquidity Indicators

Liquidity in the banking sector eased with both core and broad liquidity indicators reflecting some improvements by end-December 2016 compared with the end-December 2015 positions. The banking sector's operational liquidity measures remained well above thresholds during the review period.

(VII) Capital Adequacy Ratio

The banking industry remained solvent in 2016. The industry's capital adequacy ratio (CAR) stood at 17.8 percent as at end-December 2016, above the 10.0 percent statutory requirements of the Bank of Ghana. The industry's Risk-Weighted Assets (RWA) to total assets, however, declined from 71.8 percent in December 2015 to 63.7 percent in December 2016 partly due to the tight credit stance adopted by banks during the year.

(VIII) Profitability

The banking industry's income before tax registered an annual growth of 0.9 percent for the period ending December 2016 compared with a year-on-year contraction by 3.1 percent in December 2015. Also, the industry's net profit after tax contracted by 4.3 percent in December 2016, an improvement from a negative growth 7.4 percent in the same period last year. The year-on-year growth of the industry's net interest income declined from 35.2 percent in December 2015 to 17.1 percent in December 2016.

a) Return on Assets and Return on Equity

The industry's profitability indicators moderated in 2016 compared with 2015. Profitability indicators, namely after-tax return on equity (ROE) and pre-tax return on assets (ROA) fell during the period under review. The banking industry's ROA decreased from 4.6 percent in December 2015 to 3.8 percent in December 2016 while the ROE declined from 22.1 percent to 18.0 percent over the same comparative periods.

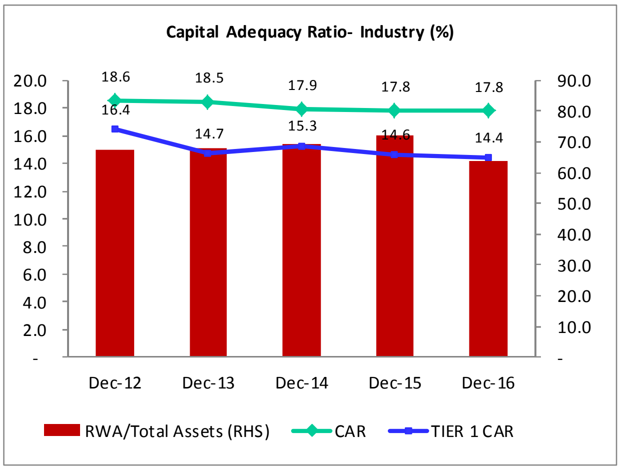
b) Interest Margin and Spread

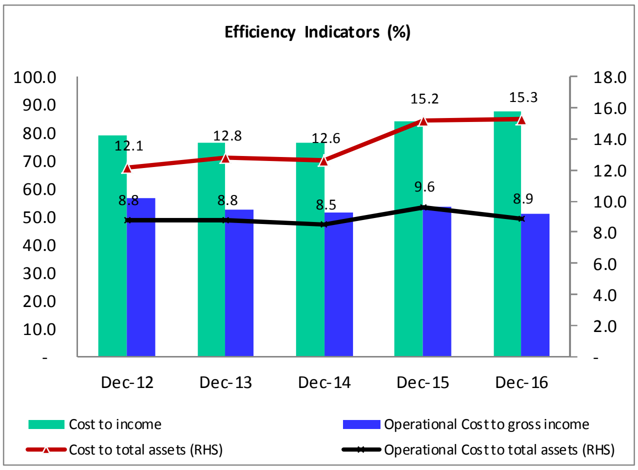
The banking sectors' ratio of gross income to total assets (i.e. assets utilisation) declined marginally from 18.0 percent in December 2015 to 17.4 percent in December 2016. Banks' interest spreads also narrowed from 16.0 percent in December 2015 to 15.0 percent in December 2016.

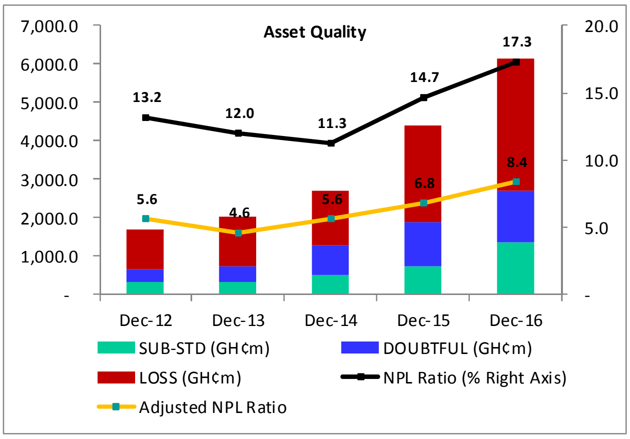
c) Composition of Banks' Income

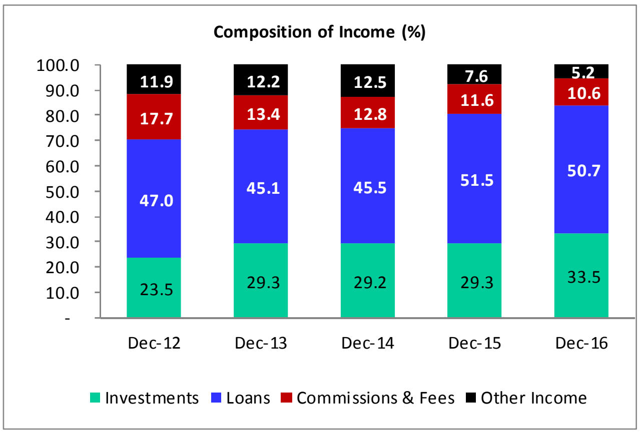
Interest income from loans remained the main source of income for the banking industry in 2016. Interest income from loans constituted 50.7 percent of total income compared with 51.5 percent in December 2015. Banks relied more on investments as a source of income with the share of investment income in banks' total income increasing from 29.3 percent in December 2015 to 33.5 percent in December 2016. The proportion of fees and commission in total income however, declined to 10.6 percent in December 2016 from 11.6 percent recorded in the corresponding period last year.

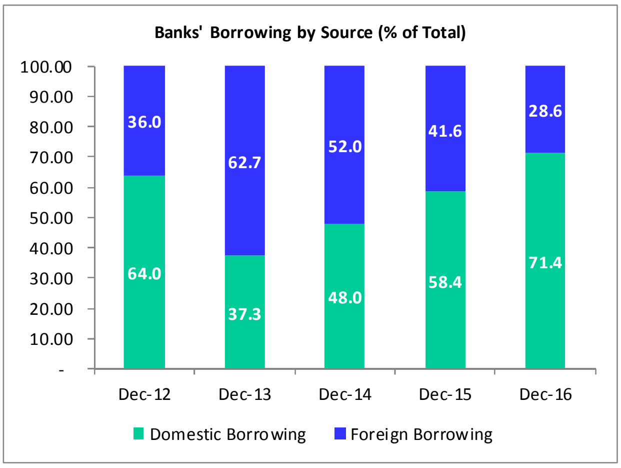
Financial Soundness Indicators (FSIs)

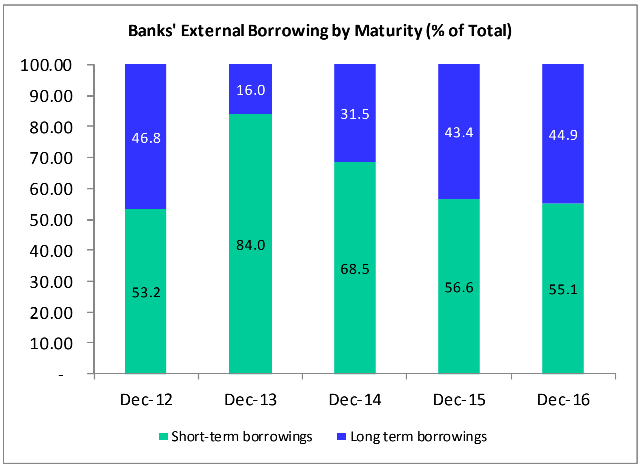












d) Operational Efficiency

The banking sector's cost to total assets ratio increased marginally from 15.2 percent in December 2015 to 15.3 percent in December 2016. The cost to income ratio also increased to 87.7 percent in December 2016 from 84.1 percent in December 2015, indicating a general decline in efficiency during the period. The operational cost to total assets ratio however declined to 8.9 percent from 9.6 percent over the same comparative period.

3.4 BANKS' COUNTERPARTY RELATIONSHIPS

Banks continued to trade actively with both domestic and foreign counterparties as at end-December 2016.

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

Banks' balances with foreign banks (nostro balances) recorded a yearly growth of 20.2 percent in December 2016 compared with 19.1 percent growth in December 2015. However, banks' other claims on non-residents (placements) picked up considerably during the period under review, from a contraction of 2.5 percent in December 2015 to 75.0 percent growth in December 2016 as banks' increased their short term investments abroad.

On sources of borrowing, the proportion of banks' foreign borrowing in total borrowed funds declined from 41.6 percent in December 2015 to 28.6 percent in December 2016, while domestic borrowing increased from 58.4 percent to 71.4 percent over the same period. During the review period, banks' long-term sources of external borrowing increased relative to short-term sources. The proportion of long-term borrowing in banks' external funds increased from 43.4 percent in December 2015 to 44.9 percent in December 2016; while that of short term external borrowing declined from 56.6 percent to 55.1 percent.

4. CONCLUSION AND OUTLOOK

The Ghanaian banking industry continued to be safe and sound, although marginal declines were recorded in some key financial soundness indicators during 2016. In the course of the year, a major source of concern for the banking sector was the rising non-performing loans. However, this was addressed as the year closed and the NPL ratios have started declining. Liquidity indicators remained above the acceptable thresholds while industry solvency met the minimum regulatory requirements.

The outlook for the industry remains positive and the continued repayment of the energy sector SOEs debts owed banks and bulk oil distribution companies (BDCs) is expected to boost performance further. Also, the introduction of economic capital requirements under Basel supported by plans to revise the minimum capital requirement would improve solvency, soundness and stability of the banking industry.

ANNEXES

Table 1: Asset and Liability Structure of the Banking Sector

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16
Components of Assets (% of Total)					
Cash and Due from Banks	24.1	21.7	26.8	26.4	27.2
Investments	27.4	30.1	23.5	22.6	27.0
Net Advances	42.9	42.6	43.2	42.7	38.1
Other Assets	3.0	3.0	3.6	4.8	3.9
Fixed Assets	2.5	2.5	2.8	3.4	3.6
Components of Liabilities & Shareholders Funds(% of Total)					
Total Deposits	71.9	64.5	63.0	65.1	63.6
Total Borrowings	8.3	13.4	16.0	15.0	16.8
Other Liabilities	4.7	7.0	6.4	5.4	6.3
Shareholders' Funds	14.8	14.7	14.3	14.5	13.2

Table 2: Gross Loans and Real Credit Growth

	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Dec-16
Gross Loans and Advances (GH¢m)	13,021.88	17,027.23	24,103.74	30,102.39	33,740.60	35,409.0
Real Growth (y-o-y)	27.9	11.62	21.01	6.13	0.17	1.89
Private Sector Credit (GH¢m)	11,477.37	14,894.33	21,121.96	26,258.63	28,650.26	30,222.08
Real Growth (y-o-y)	23.2	10.78	21.23	5.65	-3.64	-0.31
Household Loans (GH¢m)	2,084.65	2,862.56	4,143.29	4,477.86	4,673.93	4,754.57
Real Growth (y-o-y)	29.3	17.2	23.7	(8.2)	(10.3)	(8.0)

Table 3: Distribution of Loans and NPLs By Economic Sector (%)

	Dec-14		Dec-15		Dec-16	
	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs
a. Public Sector	**12.4**	**2.3**	**12.7**	**3.9**	**14.9**	**3.2**
i. Government	3.6	1.6	2.4	1.6	1.6	1.4
ii. Public Institutions	1.5	0.2	1.9	0.1	5.6	0.1
iii. Public Enterprises	7.3	0.5	8.3	2.1	7.6	1.7
b. Private Sector	**87.6**	**97.7**	**87.3**	**96.1**	**85.1**	**96.8**
i. Private Enterprises	68.5	88.2	71.1	88.7	70.1	92.0
ii. Households	17.2	8.7	14.8	6.8	13.4	4.4
iii. Others	1.9	0.9	1.4	0.6	1.6	0.3

Table 4: Contingent Liability

	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Dec-16
Contingent Liabilities (GH¢)	3,640.4	4,752.3	6,664.7	7,385.9	5,829.2	7,370.4
Growth (y-o-y)	7.8	30.5	40.2	10.8	- 8.0	- 0.2
% of Total Liabilities	15.7	15.4	15.1	13.6	9.6	10.5

Table 5: Liquidity Ratios

	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Dec-16
Liquid Assets (Core) - (GH¢'million)	6,572.5	7,854.0	13,790.5	16,752.6	17,754.0	22,100.9
Liquid Assets (Broad) -(GH¢'million)	13,881.6	18,544.7	25,459.7	30,679.4	34,821.1	43,620.3
Liquid Assets to total deposits (Core)-%	33.6	33.7	42.5	40.6	40.1	42.8
Liquid Assets to total deposits (Broad)- %	70.9	79.5	78.5	74.4	78.6	84.4
Liquid assets to total assets (Core)- %	24.1	21.7	26.8	26.4	25.1	27.2
Liquid assets to total assets (Broad)- %	51.0	51.3	49.5	48.4	49.2	53.7

Table 6: Profitability Indicators (%)

	Dec-12	Dec-13	Dec-14	Dec-15	Sep-16	Dec-16
Gross Yield	15.9	18.6	20.5	25.8	20.6	26.6
Int Payable	5.5	7.0	7.6	9.8	8.8	11.6
Spread	10.3	11.6	12.9	16.0	11.9	15.0
Asset Utilitisation	15.4	16.8	16.5	18.0	14.1	17.4
Interest Margin to Total Assets	7.5	8.5	8.2	9.0	6.8	8.2
Interest Margin to Gross income	48.5	50.4	49.8	50.0	48.2	47.4
Profitability Ratio	21.5	23.8	23.1	15.9	14.6	12.3
Return On Assets (%) before tax	4.8	6.2	6.4	4.6	4.8	3.8
Return On Equity (%) after tax	25.8	31.1	32.3	22.1	20.8	18.0

Table 7: DMBs' Income Statement Highlights

	Dec-14	Dec-15	Dec-16	Dec-15	Dec-16
		(GH ¢'million)		Y-on-y Growth (%)	
Interest Income	6,354.2	9,236.8	11,906.6	*45.4*	*28.9*
Interest Expenses	(2,123.4)	(3,515.9)	(5,207.1)	*65.6*	*48.1*
Net Interest Income	**4,230.8**	**5,721.0**	**6,699.4**	***35.2***	***17.1***
Fees and Commissions (Net)	1,085.7	1,325.0	1,497.8	*22.0*	*13.0*
Other Income	1,062.6	872.2	741.3	*(17.9)*	*(15.0)*
Operating Income	**6,379.1**	**7,918.1**	**8,938.5**	***24.1***	***12.9***
Operating Expenses	**(2,963.1)**	**(3,948.2)**	**(4,814.0)**	***33.2***	***21.9***
Staff Cost	(1,611.2)	(2,048.6)	(2,521.0)	*27.1*	*23.1*
Other operating Expenses	(1,351.9)	(1,899.6)	(2,293.0)	*40.5*	*20.7*
Net Operating Income	**3,416.0**	**3,969.9**	**4,124.5**	***16.2***	***3.9***
Total Provision (Loan losses, Depreciation & others)	- 696.3	- 1,381.4	- 1,509.2	*98.4*	*9.3*
Monetary Loss	(47.6)	-	(2.7)	-	-
Income Before Tax	**2,672.1**	**2,588.5**	**2,612.6**	***(3.1)***	***0.9***
Tax	(712.1)	(772.7)	(875.0)	*8.5*	*13.2*
Net Income	**1,960.0**	**1,815.8**	**1,737.5**	***(7.4)***	***(4.3)***
Gross Income	**8,502.5**	**11,434.0**	**14,145.7**	***34.5***	***23.7***

Table 8: Developments in Offshore Balances

	Dec-12	Dec-13	Dec-14	Dec-15	Dec-16
Offshore balances as % to Networth	47.89	47.55	60.14	53.41	63.37
Annual Growth in Offshore balances (%)	5.55	31.36	75.06	11.00	37.85
Annual Growth in Nostro Balances (%)	32.22	51.14	56.37	19.13	20.19
Annual Growth in Placement (%)	(20.13)	0.88	123.70	(2.53)	74.96