

News Flash



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Economic News

'IMF warns government against over borrowing'

Managing Director of the IMF, Christine Lagarde has warned government against excess borrowing, stating that it could derail economic gains achieved by the country. Madam Lagarde is in the country for a two-day visit to complete processes for Ghana's exiting of the programme with the IMF. Speaking at a conference organized by her outfit in Accra, the IMF boss said Ghana would have to improve domestic revenue mobilization to fund projects including the Free SHS programme. "Anybody who says I will do all of it without tax is not telling the real story, it is not popular but it is sensible. I am advocating for the sustainable financial structure that will help education and digital infrastructure so that the country can sustain that growth potential that is there." In 2015, the IMF approved a USD 918m three-year Extended Credit Facility to help Ghana boost its economy. This was at a time when Public debt had risen to an unsustainable pace. The amount was expected to be paid in eight equal installments, with the first tranche of USD 114.75m paid immediately after the approval.

Source: Citifmonline.com

'We'll not resort to reckless borrowing — President'

President Nana Addo Dankwa Akufo-Addo on Monday assured the International Monetary Fund (IMF) that Ghana would not engage in reckless borrowing and economic indiscipline that created the situation where the country had to resort to a bail out from the fund in the past. He said the government would continue with the prudent economic management, adding that a fiscal rule was being worked on to outlaw any attempt to generate fiscal deficit in excess of five per cent in each year, while a fiscal responsibility advisory council would be set up to ensure that the economic gains made so far did not go waste. The President gave the assurance when the Managing Director of the IMF, Ms Christine Madeleine Odette Lagarde, paid a courtesy call on him at the Jubilee House.

Source: Graphiconline.com

Corporate News

'Bank of Baroda closes down; CAL Bank to take over?'

Some four banks, including CAL Bank Limited, are in a tussle for an opportunity to buy the local operations of Indian state-owned lender, Bank of Baroda Ghana Limited, after it decided to voluntarily liquidate its business and pull out of the country by December 31. Among the banks is the Sahel Sahara Bank, which is looking for a third source of funding to plug a capital deficit that will arise from its ongoing merger with Omni Bank Ghana Limited. A source in one of the interested banks told Graphic Business that Baroda had valued its net worth around GHS 200m and a winner-bank was expected to now pay about GHS 186m in exchange for mainly, Baroda's deposits. The source tipped CAL Bank as "a likely winner" because "it is in a position to pay cash outright."

Source: Ghanaweb.com

'BoG clears path for First Atlantic, Energy Commercial to merge'

The central bank has given the green light for First Atlantic and Energy Commercial banks to move on swiftly with their merger talks. The two banks began the process two weeks ago after Energy Commercial Bank failed in its bid to raise GHS 340m via the stock market; and with the Bank of Ghana issuing a 'No Objection' to the talks, this means the two institutions can now proceed to conclude talks before the December 31 deadline. "This no objection approval granted by the regulator will help the two banks to quicken up the process in meeting the new minimum capital requirement before the deadline of December 31, 2018," the source added. Analysts believe the deal can easily be pushed through, since they both undertake similar businesses with branches across the country. Source: Bftonline.com

'Access Bank Plc acquires Diamond Bank to create Nigeria's largest retail bank'

Access Bank Plc, the parent company of Access Bank Ghana, has confirmed its acquisition of Diamond Bank Plc in a deal that will create Nigeria and Africa's largest retail bank by customers. The deal, which follows a signed Memorandum of Agreement (MoA) with the latter regarding a potential merger of the two banks, was sealed when Access Bank emerged as the preferred bidder after a competitive process undertaken by the Board of Diamond Bank. The proposed merger would involve Access Bank acquiring the entire issued share capital of Diamond Bank in exchange for a combination of cash and shares in Access Bank via a Scheme of Merger. Source: Bftonline.com

Currency - Interbank	Rate 14 Dec	Rate 17 Dec	%Change
USD/GHS	4.8142	4.8142	0.00
GBP/GHS	6.0418	6.0736	-0.52
EUR/GHS	5.4321	5.4612	-0.53
CHF/GHS	4.8256	4.8502	-0.51
CNY/GHS	0.6974	0.6985	-0.15
ZAR/GHS	0.3329	0.3339	-0.30

The cedi stabilized against the US dollar. However, it depreciated against the British pound and the euro.