

News Flash



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Economic News

'Bank of Ghana releases banking sector report'

Banks in the country are moving away from lending to investments as they restructure their balance sheets. This is according to the Bank of Ghana in its November 2018 banking sector report. The report, which is published after the Monetary Policy Committee (MPC) meetings, highlight developments in the banking sector that were deliberated upon during the policy-making process. The report puts together the financial position of the 30 banks in the country as at October 2018. The report indicates that 13 of these banks are locally-controlled while 17 are foreign-controlled. Bank asset allocation for the period under review, October 2018 were as follows: 40.3% to investments, 28.7% to loans and advances, 23.7% to cash and due from banks, 3.6% to fixed assets." Over a one-year period, banks have significantly increased their allocations to investments and reduced their allocation to lending. According to the Bank of Ghana, "The increase indicates banks' preference for long-term and less risky assets as against credit extension which is associated with increased risk due to the industry's high stock of nonperforming loans." Non-performing loans are still a problem for the sector though there has been some decline partly due to a loan write-off policy the Bank of Ghana implemented in June 2018 where banks were allowed to remove loans that were past due for more than 2 years. This saw banks write-off their loss loans totaling GHS 1.2bn in August 2018. [Source: Ghanaweb.com](#)

'6 local banks to get GHS 280m each in gov't bailout'

Six indigenous banks have agreed to relinquish part of their stakes to the government in return for equity investment from the state to enable them to recapitalise to GHS 400 million. The banks agreed to the bailout package towards the end of December 2018, paving the way for the government to set in motion processes that will allow it to invest a total of GHS 2bn in the six lenders by March 2019. The names of the banks will however not be disclosed allowing for an official announcement by the government and/or the Bank of Ghana (BoG) in the coming days. It is, however, understood that the transaction is meant to rescue well governed, solvent but under-capitalised indigenous banks from losing their banking licences or at best, being downgraded to savings and loans companies for failure to comply with the central bank directive on recapitalisation.

[Source: Myjoyonline.com](#)

Corporate News

'Stanbic Bank 'takes over' Bank of Baroda'

The Ghana unit of Standard Bank of South Africa, Stanbic Bank Ghana Limited, has absorbed customers of the local subsidiary of Indian-state lender, Bank of Baroda under an arrangement that comes at no cost to the former. Multiple sources involved in the arrangement say the transaction was sealed in the tail end of December 2018, paving the way for Baroda to officially wind up its Ghana operations on December 31. The transaction has since been approved by the Bank of Ghana (BoG). This means that customers of Baroda are now customers of Stanbic Bank Ghana in a smooth migration that allows the former to walk away without distraction to its customers and the banking system. Baroda now becomes the first bank to have voluntarily liquidated in Ghana.

[Source: Myjoyonline.com](#)

'Isong Udom is new UBA Ghana Managing Director'

United Bank for Africa (Ghana) Limited, a subsidiary of UBA Plc, has announced the appointment of a renowned and experienced banker, Isong A. Udom, as its new Managing Director. His appointment takes effect from January 1, 2019, after a successful approval by Bank of Ghana (BoG). Isong Udom replaces Abiola Bawuah, who has been elevated to take up a new role as the Regional Chief Executive Officer, UBA West Africa 1 to help drive the Group's vision "to be the undisputed leading and dominant financial services institution in Africa." Commenting on the appointment, Mrs. Bawuah said, "We are indeed privileged to have Isong take a full role for the leadership and growth of UBA Ghana." He comes with a lot of experience and knowledge of the industry. [Source: Myjoyonline.com](#)

Currency - Interbank	Rate 28 Dec	Rate 31 Dec	%Change
USD/GHS	4.8200	4.8200	0.00
GBP/GHS	6.1113	6.1711	-0.97
EUR/GHS	5.5149	5.5131	0.03
CHF/GHS	4.9132	4.8868	0.54
CNY/GHS	0.7017	0.7023	-0.09
ZAR/GHS	0.3341	0.3348	-0.19

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