

News Flash



Economic News

'Ghana to start USD 403m debt sale for GAT Feb.18'

Ghana will start a debt sale next month to prop up lenders as authorities seek GHS 2bn (USD 403m) in finance for undercapitalized banks. The government created a special-purpose vehicle known as Ghana Amalgamated Trust, or GAT, which will use the debt sale's proceeds to purchase shares in five lenders and help them meet a minimum capital threshold of GHS 400m. GAT will pay debt investors a one-off annualized rate of 21% when the bonds mature after five years, Managing Director Eric Otoo said in an interview in the capital, Accra. GAT will then seek to exit the holdings through buy-outs or listings on the local bourse, he said. GAT's formation and debt sale come in the closing stages of a sector cleanup during which lenders had to raise their capital holdings, a process which cut the number of banks by almost a third to 23.

Source: Myjoyonline.com

'Deposits growth rate slows down — BoG report'

A new central bank report, dubbed 'Summary of Macroeconomic and Financial Data', shows that the annual growth rate of banking sector deposits has seen a continuous drop in the last three months of 2018, ending the year at 17.4%. The rate of growth in deposits has dropped by about 9% since September 2018, when it was at 26.2%. A look at the last quarter of 2018 shows that the growth rate dropped from 26.2% in September to 20.7% in October, and further dropped to 18.4% and 17.4% in November and December respectively. The figures show only marginal increases — GHS 67.4bn, GHS 67.6bn and GHS 68.3bn in the last three months respectively. Commenting on the data, financial analyst Prof. John Gatsi, of the University Of Cape Coast, said in an interview that the decline shows depositors' confidence in the banking sector was shattered due to the approach used by the central bank in reforming the banking sector, particularly the revocation of some licenses. Source: Bftonline.com

'Value of Mobile Money transactions grow significantly—BoG report'

The latest figures released by the Bank of Ghana (BoG) indicate that the value of mobile money transactions grew significantly in 2018. The data also showed an increase in the number of transactions Ghanaians made on the mobile money platform last year. According to the data, the total value of mobile money transaction from 2017 to 2018, increased from GHS 155bn to GHS 223bn. This represents a growth of 43.2% in the value of mobile money transactions for that period. It is important to note there was a substantial increase in the volume of transactions on the mobile money platform in 2018. The growth in the number of transactions from GHS 981m in 2017 to GHS 1.4bn in 2018 represents a growth of 48%. This is significantly lower than the growth rate in the volume of mobile money transactions in 2017, which recorded a growth rate of 78%. The data also shows that registered mobile money accounts saw a 35% surge from GHS 23.9m in 2017 to GHS 32.5m in 2018. Source: Citifmonline.com

Corporate News

'CBG's technology-led strategy to transform banking in Ghana'

Chief Executive Officer of Consolidated Bank Ghana Limited (CBG) has indicated that it is ready to transform the face of banking in Ghana with its technology-led customer-centric approach. Daniel Wilson Addo said the banking sector plays a very crucial role in the country's economy, having clearly demonstrated the capacity to contribute enormously to the general economic growth. "We are excited about the comprehensive and innovative value proposition we have put together for our customers. This year will be exceptional as we build on the foundation that has already been laid to drive the agenda of transforming CBG and indeed the entire banking industry. We are committed to playing our part to build a strong and resilient banking sector to support robust macroeconomic growth," he said. Source: Myjoyonline.com

'ECG takeover: MiDA postpones February 1 date'

The Millennium Development Authority (MiDA) has postponed the takeover of the Electricity Company of Ghana (ECG) by Power Distribution Services (PDS). The takeover was scheduled to have occurred on February 1. A statement from the authority said the decision was taken at a Special Meeting on Thursday 31st January 2019. It explained that the Board of Directors of the Millennium Development Authority, (MiDA) acknowledged "the significant progress made by all the Stakeholders involved in the ECG PSP Transaction towards meeting various Conditions Precedent to the transfer of the Assets and Operations of the Electricity Company of Ghana Ltd (ECG) to Messrs Power Distribution Services (PDS) Ghana Ltd". Source: Citifmonline.com

Currency - Interbank	Rate 30 Jan	Rate 31 Jan	%Change
USD/GHS	4.9485	4.9506	-0.04
GBP/GHS	6.4711	6.5121	-0.63
EUR/GHS	5.6477	5.6824	-0.61
CHF/GHS	4.9560	4.9899	-0.68
CNY/GHS	0.7366	0.7392	-0.36
ZAR/GHS	0.3631	0.3729	-2.63

The cedi depreciated against all the major trading currencies.