

# **WEST AFRICAN MONETARY AGENCY (WAMA)**



## **FINANCIAL SECTOR DEVELOPMENTS AND STABILITY IN ECOWAS**

**2016 REPORT**

**Freetown, June 2017**

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## **LIST OF ABBREVIATIONS**

BCV	Bank of Cape Verde
BCEAO	Central Bank of West African States
BCRG	Central Bank of the Republic of Guinea
BOG	Bank of Ghana
BRVM	Bourse Régional de Valeur Mobiliser
BSL	Bank of Sierra Leone
CBG	Central Bank of The Gambia
CAR	Capital Adequacy Ratio
CBL	Central Bank of Liberia
ECB	European Central Bank
ECOWAS	Economic Community of West African States
FSR	Financial Stability Report
FSI	Financial Soundness Indicators
GDP	Gross Domestic Product
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
MENA	Middle East and North Africa
NPL	Non-performing Loans
GDP	Gross Domestic Product
ROA	Return on Assets
ROE	Return on Equity
DFS	Decentralized Financial Systems
UEMOA	West African Economic and Monetary Union
WAMU	West African Monetary Union
WAMA	West African Monetary Agency
WAMZ	West African Monetary Zone

## **INTRODUCTION**

Financial stability has become a major global concern. The prime reasons for this concern are the increasing number of financial crises from the late 1980s to the present, especially the successive crises in Asia, Latin America and the global crisis today as well as their financial and socio-economic costs. The increasing interconnection of the various components of the financial system and the fast pace of financial innovation have increased the risks and the magnitude of their repercussions. Beyond their repercussions, the succession of increasingly severe crises raises the problem on the one hand of the institutional mechanism or the body in charge of maintaining the stability of the financial system and, on the other hand, the methods to be used to assess its soundness and that of its main components (financial institutions, capital markets, payments systems and legal and regulatory frameworks). Indeed, modern financial systems are composed of several segments (banks, insurance companies, stock exchanges, amongst others), each of which traditionally has a specific supervisory and regulatory authority. Given the growing interdependence and interconnection of these different segments, the question of the effectiveness of such architecture clearly arises with regard to the problem of the stability of the global financial system.

All of these issues of global concern, are also of concern to ECOWAS member states, where financial stability is essential for monetary and economic integration. This report mainly focuses on key financial sector developments (banking, microfinance, insurance and capital markets) in ECOWAS as well as the Financial Soundness Indicators (FSIs) relating to Capital Adequacy, Asset Quality, Earnings and Profitability and Liquidity.

The rest of the report is organized as follows: Following this introductory section, section 1 highlights the global financial developments; Section II deals with financial sector developments in ECOWAS. Section III contains a highlight of the status of financial stability in ECOWAS member states. The report ends with conclusion and recommendations.

## I. DEVELOPMENTS IN GLOBAL FINANCIAL MARKETS

Performance in the global international stock markets was mixed in 2016. In North America, the Canadian S&P/TSX Composite, Mexican Bolsa and United States S&P 500 indices increased by 17.5, 6.2 and 9.5 per cent, respectively, between 2015 and 2016. In South America, the Argentine Merval, Brazilian Bovespa and Colombian IGBC General indices increased by 44.9, 38.9 and 17.2 per cent, respectively. The improved performance in these capital markets was due to strong domestic demand and rebound in investments during the year. In Europe, the FTSE 100, DAX, CAC 40 and MICEX indices increased by 14.4, 6.9, 4.9 and 26.8 per cent, respectively.

In Asia, the weakening economic conditions in China continued to adversely affect the Asian markets. As at end-December 2016, China's Shanghai Stock Exchange-A index decreased by 12.3 per cent, while India's BSE Sensex and Japan's Nikkei 225 indices marginally increased by 1.9 and 0.4 per cent, respectively.

Stock market indices in Africa, notably, the Nigerian NSE, South African JSE All-Share, , the UEMOA BRVM 10 Composite Index, Ghanaian GSE ASI and Kenyan Nairobi NSE 20 all decreased by 6.2, 0.1, 9.8, 15.3 and 21.1 per cent, respectively. The weak economic conditions in most African economies, the appreciation of the US dollar, and the continued normalization in the US, accounted for the decline in the markets. However, the Egyptian EGX CASE 30 index increased by 75.4 per cent following major economic and financial market reforms in the country.

**Table 1: Global Capital Market Developments**

Country/Region	Index	2015 Dec	2016 Dec	% change
<b>North America</b>				
US	S&P 500	2043.94	2238.83	9.5
Canada	S&P/TSX Composite	13,009.95	15,287.59	17.5
Mexico	Mex. Bolsa (IPC)	42,977.50	45,642.90	6.2
<b>South America</b>				
Brazil	Bovespa Stock	43,349.96	60,227.29	38.9
Argentina	Merval	11,675.18	16,917.86	44.9
Colombia	IGBC General	1,153.71	1,351.68	17.2
<b>Europe</b>				
UK	FTSE 100	6,242.32	7,142.83	14.4
France	CAC 40	4,637.06	4,862.31	4.9
Germany	DAX	10,743.01	11,481.06	6.9
Russia	MICEX	1,761.36	2,232.72	26.8
<b>Asia</b>				
Japan	NIKKEI 225	19,033.71	19,114.37	0.4
China	Shanghai SE A	3,704.29	3,249.59	-12.3
India	BSE Sensex	26,117.54	26,626.46	1.9
<b>Africa</b>				
Nigeria	ASI	28,642.25	26,874.62	-6.2
UEMOA	BRVM 10 CI	290.27	261.90	-9.8
South Africa	JSE African AS	50,693.76	50,653.54	-0.1
Kenya	Nairobi NSE 20	4,040.75	3,186.21	-21.1
Egypt	EGX CSE 30	7,006.01	12,290.60	75.4
Ghana	GSE All Share	1,994.91	1,689.18	-15.3

**Sources:** Bloomberg and WAMA

## II. FINANCIAL SECTOR DEVELOPMENTS IN ECOWAS

The financial system in ECOWAS composed of 232 commercial banks, 309 insurance companies and 1818 microfinance institutions and 5 stock exchanges. In 2016, the financial systems remained relatively stable, despite the difficult macroeconomic challenges notably fiscal slippages as a result of falling commodity prices and exchange rate pressures. Strengthening and harmonisation of the various rules and regulations in the different segments of the financial system would greatly foster financial integration and overall resilience at the level of the region.

**Table 2: Overview of financial Institutions in ECOWAS**

Country	No. of Banks	No. of Ins. Companies	No. of Microf. Institutions.	No. of Stock Exchanges
Benin	15	20	81	NA
Burkina	13	10	74	NA
cabo.Verde	8	2	NA	1
Cote d'Ivoirere	27	28	64	1
Gambia	12	13	71	NA
Ghana	30	50	65	1
Guinea	16	11	20	NA
Guinea Bissau	5	1	18	NA
Liberia	9	20	122	NA
Mali	13	18	127	NA
Niger	12	20	42	NA
Nigeria	22	58	825	1
Senegal	24	27	208	NA
SLeone	13	12	13	1
Togo	13	18	88	NA
UEMOA	122	142	702	1
<b>ECOWAS</b>	<b>232</b>	<b>309</b>	<b>1818</b>	<b>5</b>

Sources: ECOWAS Central Banks and WAMA

### 2.1 Banking system

As at end December 2016, the banking sector in ECOWAS composed of 232 banks distributed in the 15 member countries of the region. In The Gambia, the banking industry comprised 12 banks consisting of 11 conventional banks and 1 Islamic bank. The four largest banks continued to account for about 75 percent of the Industry's total assets. The banking industry remained adequately capitalized with all the banks, complying with the minimum capital-adequacy ratio of 10.0 percent.

In Ghana, the banking sector comprised 30 banks, 15 of which were domestically controlled. The banks managed 1,173 branches and 912 Automated Teller Machines (ATMs) distributed across the ten (10) regions of the country.

In Guinea, the banking landscape has 16 banks and remains dominated by three "major banks," accounting for 57% of the sector's total balance sheet. The three "average size" banks represent 21% of the total assets and the nine "small banks" account for 22% of the total balance sheet of the sector. In 2016, the Guinean banking industry's total assets increased by 10%, including cash (17.4%) and non-cash investments (+ 4.2%), including cash on hand and on account at the BCRG (+ 22.2%), loans granted to private customers (+ 5.7%), treasury bill subscriptions (+ 10.1%) and deposits with foreign correspondents (+ 15.5%). The increase in total liabilities was mainly due to a 10.1% increase in non-cash resources and a 6% increase in cash resources, including private client deposits, which grew by 9%, equity, which increased by 23.7% and liabilities to foreign correspondents which increased by 29%.

In Liberia, there were 9 licensed commercial banks with 85 branches distributed across the country. One commercial bank specialized in microfinance lending while another bank specialized in agricultural lending. The banking sector was relatively stable during the review period, in spite of the difficult operating environment

In Nigeria, the number of commercial banks increased to 22 (twenty-two) after the transformation of one of the mortgage banks to a commercial bank. The categorization of the authorization of commercial banks showed ten (10) international, nine (9) national and two (2) regional licenses at end-December 2016. Only two of the commercial banks were of foreign ownership.

In Sierra Leone, the banking system remained relatively stable during the review period in spite of the unstable macroeconomic environment. The number of commercial banks increased from 13 to 14 and distributed across the country, while the number of bank branches rose from 103 to 105.

In the UEMOA zone, the banking system is composed of 122 banks and is the main component of the financial system in the region with a 75% share of total assets. The volume of banking activities, measured by the total consolidated assets of banks, increased by 3.7% in 2016 to FCFA28,882.4 billion (49.7% of GDP in 2016 against 52.1% of GDP in 2015), following an increase of 18.0% in 2015. The use of funds increased by 3,956.70 billion, or 16.8 per cent, to 27,535.8 billion at the end of December 2016, compared with 23,579.1 billion at the end of December 2015 due to higher loans and other uses, including investment securities. On the other hand, resources were also up by 2146.7 billion or 9.6%, on an annual basis, to reach 24.385.0 billion at the end of December 2016, mainly in relation to the increase in deposits, and loans and net equity. Overall, more than 90% of the Union's bank loans go to the private sector, unlike in other ECOWAS countries. The Union's private credit increased from 28.5% in 2015 to 28.7% in 2016 in relation to GDP. Credit to the government remains low (11.0% of GDP against 8.3% of GDP in 2015).

In Cape Verde, the banking system did not undergo significant changes in 2016 and has eight (8) commercial banks (including six (6) of international rank) controlling more than 80% of the country's financial assets. Banking activity recorded increased credit by 3.2% and deposits by 10.3%. Indeed, credits increased from 101.95 billion Escudo in 2015 to 105.17 billion Escudo in 2016, in connection with the resumption of investment projects and tourism activity. As regards deposits - they amounted to Esc 189.03 billion in 2016, due to an increase

in government deposits (+27.1 %); those of other residents (+ 10.9%) and those of emigrants (+ 6.3%).

## **2.2 Microfinance sector**

In 2016, the microfinance sector in ECOWAS comprised 1818 Institutions distributed across the various member states. In The Gambia, there were 3 operational microfinance companies and 68 Village Savings and Credit Associations (VISACAs) in the country, out of which forty (40) were operational. During the period under review, the minimum capital requirement for the sector was augmented to D50.0 million. As at end of December 2016, Reliance Financial Company had adequately met the minimum capital requirement, while the other two finance companies fell short of the minimum requirement. The minimum reserves requirement was raised to 15.0 percent and the Non-Bank Financial Institutions (NBFI) Act was passed late last year. The new NBFIs Act has catered for Islamic Microfinance Banking in The Gambia and the Bank is presently working with COMSEC on the guidelines.

In Ghana, the number of licensed microfinance institutions (MFIs) remained at 564, of which 401 submitted returns to Bank of Ghana in 2016. The average Capital Adequacy Ratio of the reporting MFIs stood at 13.4 percent at the end of December, 2016. During the period under review, a number of MFIs were plagued with solvency challenges, with some posting negative CAR. Additional challenges included activities of unapproved MFIs, expired provisional license and illiquid MFIs. Bank of Ghana had revoked the licenses of 70 MFIs with expired provisional license.

In Guinea, microfinance emerged in 1988 and has since continued to develop. Like in several countries, the microfinance sector has established itself as a credible alternative to the financial inclusion of low-income populations excluded from the traditional financial system. Since the reform of the financial system, which has materialized by opening up the country to the outside, several banks, insurance companies and microfinance institutions have settled in Guinea. In 2016, the number of all categories of microfinance institutions is twenty-four (24). The deposits collected in this sector stood at GNF 280.83 billion in 2016 against 219.23 billion in 2015, an increase of 28.54%. Loans granted increased by 60% compared to 34% in 2015.

For some years now, the microfinance sector is becoming balanced. Rural credit in Guinea, which has for a long time dominated the microfinance sector with market shares ranging from 85% to 90%, now holds only 39% and 37% market shares respectively in terms of deposits and credits.

At the prudential level, the rate of loan delinquency fell sharply by just over 21 points compared to 2015. Indeed, the amount of outstanding debts represents GNF 18.312 billion in 2016 against 23.462 billion in 2015. Regarding the level of capitalization of Guinean MFIs, it is still very low compared to the banking sector. Indeed, the aggregated equity of microfinance institutions, which amount to GNF40, 29 billion, represents 40% of the minimum capital required for a bank, which stands at GNF 100 billion.

In Liberia, there was only one licensed Microfinance Deposit Taking Institution, Diaconia MDI, specialized microfinance institution which was allowed to take deposits from and



perform essential banking services for the micro, small, and medium enterprises and the low income population in the country.

In Nigeria, the number of microfinance banks (MFBs) totalled 978. Total assets decreased to ₦341.68 billion, at end-2016, from ₦ 455.96 billion reflecting a decrease of 25.06 percent. The shareholders' funds also decreased by 42.91 percent from ₦135.09 billion to ₦77.12 billion at end 2016. The decrease in shareholders' funds was largely due to losses by microfinance banks resulting from increased provisioning for nonperforming loans. Total deposit liabilities and net loans/advances also decreased by 13.05 and 20.96 percent to ₦166.29 billion and ₦ 183.96 billion at end 2016, compared with ₦191.25 billion and 232.73 billion at end-June 2016 respectively. Reserves also decreased by 24.39 percent to 16.80 billion at end-2016, from ₦22.22 billion at end-June 2016. The decrease in reserves was as a result operational losses.

In the UEMOA zone, Decentralized Financial Systems are organized in three categories: mutual savings and credit institutions (IMECs), associations and societies. These institutions are authorized to collect savings and grant loans and commitments by signature. However, in recent years they have also moved increasingly towards mobile banking, electronic money transactions, rapid cash transfers and micro insurance. The microfinance sector has evolved dramatically over the last decade. Although the number of institutions operating in the sector has decreased as a result of the restructuring and sanitization of the sector from 1,052 in 2005 to 702 by the end of 2016, the level of activities has continued to grow. Deposits collected amounted to 1,079.1 billion in 2016 against 933.2 in 2015, an increase of 15.6%. By country, deposits increased in Côte d'Ivoire (+ 28.4%), Mali (+ 27.6%), Senegal (+ 13.8%), Togo (+ 12.9% ), Burkina Faso (+ 9.9%), Benin (+ 7.4%) and Niger (+ 4.2%). On the contrary, a drop was noted in Guinea-Bissau (-46.1%).

Loans followed the same trend during the period, reaching 1,072.6 billion in 2016, compared with 840.8 billion in 2015, an increase of 27.6%. The increases were 51.9% in Côte d'Ivoire, 50.6% in Guinea-Bissau, 35.8% in Mali, 22.0% in Burkina Faso, 21.9% in Togo, 7.0% in Senegal and 4.3% in Benin. On the contrary, a decrease of 24.2% was recorded in Niger.

At the prudential level, most of the standards are difficult to meet, such as the capitalization ratio on net assets and the coverage of borrowings from stable resources, but decisions have been taken to improve the situation. Concerning financial inclusion, BCEAO adopted a regional strategy aimed at proposing to policymakers, the private sector, development partners and civil society a framework for increasing initiatives to foster the reinforcement of access by the population to financial services in the UEMOA area.

In Cape Verde, the microfinance sector remains limited, with a limited level of penetration and visibility. However, with the adoption of a new law to regulate the microfinance sector in Cape Verde on 31 July 2014, the sector has undergone profound change. This law "creates for the microfinance sector the conditions for its integration into the financial system of the country". Currently, the sector is equipped with a regulatory framework adapted to the needs, changes and micro and socio-economic realities of Cape Verde, which now confers on the Central Bank supervision over Decentralized Financial Systems. Microfinance Institutions

(MFIs) are distributed according to the diversity of their services. Depository Institutions (Category A) that collect public savings and provide loans and other financial services. For example: savings banks, credit unions and postal savings banks. Category B institutions collect deposits and savings, exclusively from their members. For example: cooperatives and mutuals. As for category C, it includes both institutions and the collection of deposits at national level and in the diaspora.

As part of the supervision of microfinance institutions, the Central Bank of Cape Verde also published Law No. 83 / VIII / 2015 to integrate microfinance into the financial market. The provisions contained in this law include supervision and monitoring of prudential compliance, solvency ratio, minimum reserve requirements, risk limits, in order to protect the financial system in general and the security of depositors.

### **2.3 Insurance Sector**

In 2016, the ECOWAS comprised 309 distributed across the region. In The Gambia, the insurance industry comprised thirteen companies. However licenses for two insurance companies were seized by the central bank. All the insurance companies were classified as general business except two which were wholly life insurance companies. The profitability of the industry improved during the year from D9.0 million to D49.0 million. Total assets of the industry fell by 12.0 percent to stand at D528.0 million reflecting increased claims.

In Ghana, the insurance industry expanded during the period with three non-life companies added to the industry, bringing the total number of companies to fifty-two. These were made up of twenty-three life insurance companies, twenty-six non-life and three reinsurance companies, compared to twenty-three life insurance companies, twenty-three non-life and three reinsurance companies at end December 2015. Insurance penetration rate was 1.3 percent compared to 1.17 percent in 2015. National Insurance Commission (NIC) reviewed its minimum capital requirements from GH¢3.0 million to GH¢15.0 million for insurance companies and GH¢12.5 million to GH¢40.0 million for reinsurance companies. All the companies complied with the transitional arrangement. The NIC continued to pursue no cash no premium cover policy as well as the risk based approach of determining solvencies of insurance companies. For integration purpose, all the insurance commissioners of the English speaking West African countries had signed a Memorandum of Understanding to harmonize insurance operations in these countries.

In Guinea, the insurance sector has undergone a notable evolution and changes in recent years both in the number of insurance companies and intermediaries and in the volume of activities. The market consists of 11 operating insurance companies and 62 insurance intermediaries, including 39 brokers and 23 general agents in good standing. The insurance market recorded a turnover of GNF 315.83 billion in 2016 compared to GNF 270.76 billion in 2015, representing a growth rate of 17% compared to 9.86% for 2015. This significant growth can be explained in part by the good performance of several companies in the market. However, despite this recovery, the contribution of insurance to Guinea's GDP is relatively low (0.42% in 2016) compared to the world average in 2014 (5%) and Africa (2.8%).

In terms of solvency, coverage of regulated commitments of companies in the Guinean insurance market stood at GNF 373.33 billion by 31 December 2016. Over the same period, assets hedged to cover these commitments amounted to GNF 393.29 billion, representing a surplus of GNF 19.97 billion and a coverage rate of 105%. However, it should be noted that UGAR, SOGAM, SONAG, SUNU and SAAR are in a situation of undercoverage of their regulated commitments in 2016. This constitutes a breach of the regulations. The solvency margin of the sector stands at GNF 98.63 billion for a regulatory minimum margin of GNF 43.53 billion, i.e. an excess of coverage of GNF 55.11 billion and a coverage rate of 227%.

In 2016 the new Insurance Code was adopted by the National Assembly and promulgated by the President of the Republic. to strengthen the role of the Central Bank in the supervision of companies and intermediaries in accordance with the recommendations of the International Association of Insurance Supervisors (IAIS).

In Liberia, the insurance industry was generally resilient and healthy in terms of capitalization and assets as evidenced by growth in key balance sheet indicators. In 2016, total assets grew by 34.1 percent, capital increased by 30.7 percent and investment grew by 20.2 percent compared to 2015. The growth rates in these indicators were underpinned by a surge in premium income, injection of additional capital and investment in GoL's treasury bills. Gross premium (comprising life and non-life businesses) grew by 13.0 percent, while net income recorded a growth of 38.9 percent.

In Nigeria, number of licensed insurance companies was fifty eight (58), comprising 15 life, 29 nonlife, 12 composite and 2 reinsurance companies.

In Sierra Leone, the performance of the insurance sector continued to improve during the review period despite the adverse effects of EVD and difficulties in the mining sector. Gross insurance premium increased to Le112.0 billion from Le91.0 billion mainly on account of the increase in the number of policy holders particularly for general insurance. The insurance industry witnessed the passage of the Insurance Act 2016 into law in July 2016. The reviewed Act aims at introducing a number of reforms to improve the coverage, the performance, the capital base and the sustainability of the industry. The law is also expected to strengthen the regulatory powers of SLICOM, enhance compliance with international standards and increase the capital base of the industry. However, the commission is faced with the challenge of the lack of adequate logistics and training to deliver on its mandate effectively, which should be addressed as a matter of urgency.

In the UEMOA zone, the insurance market within UEMOA is evolving and remains dominated by Côte d'Ivoire, followed by Senegal. . There are 142 insurance companies and societies divided among member countries as follows: Benin (20), Burkina Faso (10), Ivory Coast (28), Guinea Bissau (1), Mali (18), Niger (20), Senegal (27) and Togo. Despite its growth, several factors hamper the development of the market. These include: issues with tax incentives, technological solutions for insurance distribution (finding intermediaries and new distribution channels), mobile telephony; the weak investment portfolio currently available to insurers: assets admitted to representation are mostly oriented towards real estate and bank deposits. According to CIMA statistics, they include 40% in transferable securities (20% in securities issued by CIMA member states and 20% in real estate assets), 40% in bank deposits

and 20% in sovereign debt. This means that there is still a long way to go before the investment of assets to finance projects due to the weakness of share markets, one of the difficulties encountered by insurance companies in the management of their assets; the weakness of bond markets, both in terms of outstanding transactions and flows, and which remain largely dominated by the issuance of sovereign bonds; the weakness of the other products by Undertakings for Collective Investment in Transferable Securities (UCITS) authorized by CIMA to represent the insurers' commitments in 2007; and the low level of real estate investments directly linked to the legal uncertainty of the zones concerned in terms of land titles which represent 20% of the real estate assets of insurance companies.

In Cabo Verde, the insurance sector comprises two licensed insurers (Garantia-Companhia de Seguros de Cabo Verde SA, partly public, and Impar SA); three insurance brokers (Protege, Valor and AGS - Assistência Global em Seguros) and 110 insurance agents. Gross insurance premiums amounted to 2.036 billion escudos in 2015 (mainly automobile and fire insurance and other property damage), or about 1.3% of GDP. The insurers, Garantia and Impar, also carry out reinsurance activities. Subsidiaries of foreign insurance companies may be authorized by BCV to provide insurance and reinsurance services. In the case of reinsurance services, the authorization of the regulatory body of the country of origin is also necessary. Licensing requirements include the requirement to have worked for at least five years in the country of origin. Minimum capital requirements are 100 million escudos for life insurance, 200 million for non-life insurance and 250 million for companies in both domains

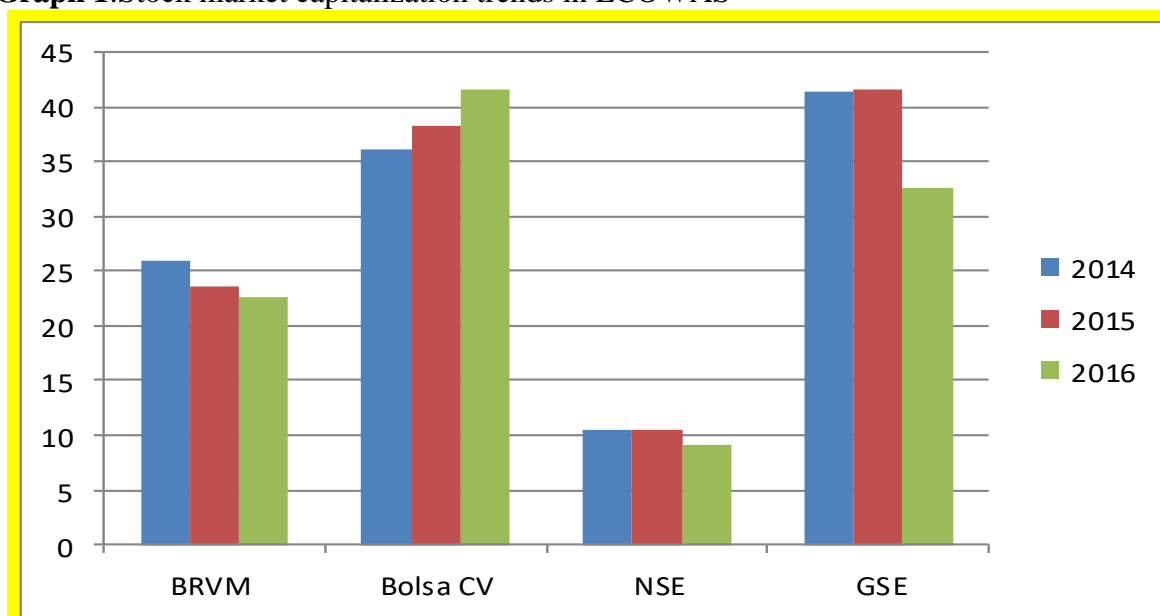
## 2.4 Capital markets

ECOWAS has five (5) stock markets, namely the Ghana Stock Exchange, the Nigeria Stock Exchange, the BRVM, the Cape Verde Stock Exchange and Sierra Leone Stock Exchange.

Table 3: Stock market capitalization trends in ECOWAS

	2014	2015	2016
	<b>Market Capitalisation as % of GDP</b>		
BRVM	25.9	23.7	22.7
Bolsa CV	36.1	38.3	41.6
NSE	10.4	10.5	9.1
GSE	41.5	41.7	32.7

Graph 1: Stock market capitalization trends in ECOWAS



The capitalization to GDP ratio, a sign of the degree of market development, rose considerably in Cape Verde from 36.1% in 2014 to 41.6% in 2016. This development is mainly due to the size of transactions on the secondary market. Between 2015 and 2016, market capitalization increased from 62.466 billion Escudo to 67.783 billion Escudo, an increase of 8.5%. The value of issues on the primary market amounted to 15,804.1 billion Escudo in 2016, up from 14,470.7 billion Escudo in 2015, an increase of 9.2%.

In Ghana, market capitalization was very high at 30% of GDP during the last three years, which showed the dynamism of the stock exchange. However, a reduction was recorded in 2016 mainly due to the decline in export receipts. The Ghana Stock Exchange (GSE) composite index declined by 15.3 percent (year-on-year basis) to 1,689.18 from 1,994.91 in 2015. Similarly, market capitalization also declined by 4.1 percent to GH¢ 54,790.8 million over the same period. Both the GSE financial stock index and the domestic capitalisation also performed sub-optimally. However, the number of listed companies in the exchange increased from 36 to 39.

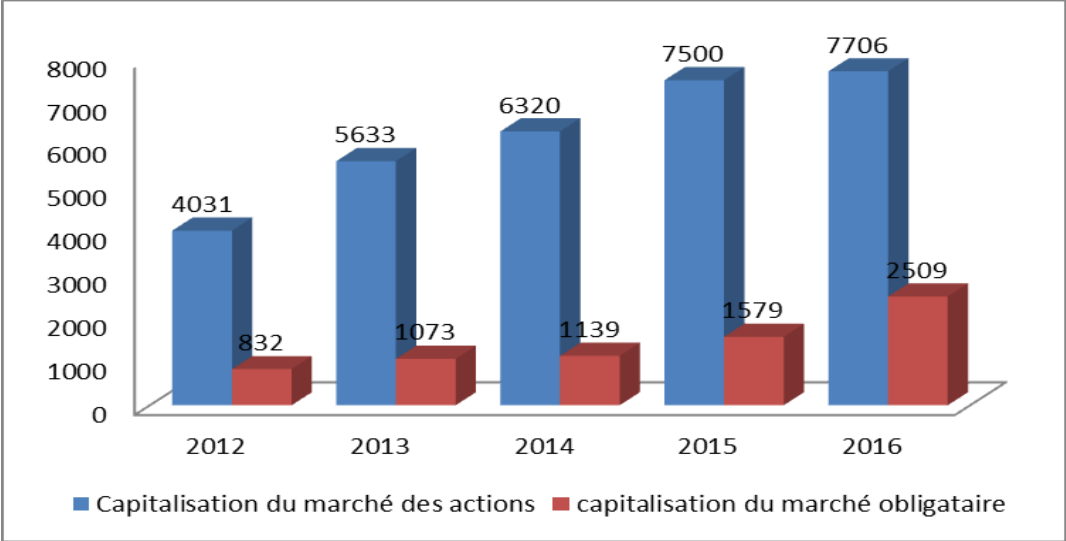
In Nigeria, market capitalization as percentage of GDP was very low (about 10%), due to the bearish trend in the stock market, arising from uncertainties in the macroeconomic environment, poor corporate performance due to tougher operating environment, depressed household demand and rising costs which impacted on stock performance. In addition, the increasing yield in the fixed income market also distracted investors from the stock market and contributed towards driving prices down. The NSE ASI closed at 26,874.6 at end-December 2016, reflecting a decrease of 6.2 percent below the 28,642.3 recorded at end-December 2015. Market capitalization also closed lower at N9,246.92 billion, reflecting a decrease of 6.1 per cent below the N9,850.61 billion recorded at the end of December 2015. The breakdown of trading by foreign portfolio investors (FPI) showed that inflows were valued at N115.74 billion, while divestments (outflows) stood at N88.6 billion, reflecting a net inflow of N26.4 billion at end-December 2016, in contrast to a net outflow of N65.22 billion recorded at end-December 2015. Total FPI transactions (inflow and outflow) accounted for 47.40 percent of total equity transaction in the period, compared with 55.1 per cent recorded at end-December 2015.

In the UEMOA zone, the capitalization / GDP ratio was above 22% for the period 2013-2015. This performance is mainly due to recent initial public offerings, securities transactions such as capital increases and splits initiated to increase liquidity in the market. However, stock market activity shrank by the end of 2016. This was reflected by the decline in the overall index and the composite BRVM index, which closed at 292.17 points and 261.95 points respectively at the end of December 2016, compared to 303.92 points and 290.4 points at the end of December 2015. Trends in the sector's indices were mixed. Indices for industries and finance showed the largest decreases of 9.88% and 8.18%, respectively. On the other hand, the indices of firms in the agriculture and distributive trade sectors rose by 24.81% and 3.7% respectively over the period.

The market capitalization of all securities quoted on the market increased by 12.5% to 10,215 billion compared to 9,079 billion in 2015. This trend reflects the dynamism of the two compartments of the financial market. Stock market prices rose and capitalization increased by 2.75% to stand at FCFA 7.706 billion compared to 7499.67 billion in 2015. This improvement is mainly due to the size of transactions carried out and new issues of securities. The volume of transactions was up by 70.88% compared to 2015 and amounts to 194.8 million maturity securities, while the overall value of transactions is up 21.84% to 409 billion, an increase of 21.84% compared to 2015.

In the area of bonds, capitalization increased by 58.89% to 2509 billion. This increase reflects both the increase in the volume of trade as well as new admissions to the list.

Graph 2: BRVM capitalization trends (in billions of FCFA)



Source: BRVM

In Sierra Leone, the Sierra Leone Stock Exchange (SLSE) received a boost when the Commerce and Mortgage Bank (formerly HFC), a subsidiary of NASSIT was listed on the stock exchange in addition to Rokel Commercial Bank which had been the only listed company since 2007. Plans were afoot for two other subsidiaries of NASSIT (Radisson Blu and Golden Tulip Hotels) to be listed on the exchange. Furthermore, the Securities and Exchange Bill had been drafted and awaiting the signature of the Minister of Finance and Economic Development before its enactment into law, which will pave the way for the establishment of the Securities and Exchange Commission. This is expected to facilitate the country’s participation in the West African Capital Markets Integration Council.

There are no stock exchanges in The Gambia, Guinea and Liberia. However, a taskforce for the establishment of stock exchange had been created in The Gambia and the committee had since held several meetings. In Liberia, the Securities Market Bill and the Central Securities Depository Bill have been approved and passed into law by the Parliament (Legislature) to create the regulatory framework for development of financial and capital market. Accordingly, the CBL established the Financial Market Department on January 3, 2017 to handle issues relating to the development of the money and capital markets.

### III. FINANCIAL STABILITY INDICATORS (FSI) IN ECOWAS

This section gives a synopsis of the status of financial stability in ECOWAS as at end 2016. The financial system had, in general, been stable during the period. The following table gives an overview of the key financial soundness indicators in ECOWAS.

**Table 4: Summary table of key FSI in ECOWAS Member Countries/Zone (%)**

	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
	NPL $\leq$ 10%			CAR $\geq$ 8%			ROE			ROA		
Gambia	7.0	6.5	9.3	30.0	37.6	35.0	77.0	13.8	11.1	11.0	2.1	1.8
Ghana	11.3	14.9	17.4	17.9	17.7	17.8	32.3	22.1	18.0	6.4	4.6	3.8
Guinea	4.9	6.2	9.4	18.2	11.5	13.5	21.2	27.4	13.3	0.02	0.02	0.01
Liberia	19.2	24.4	14.8	20.6	21.9	23.8	-4.5	-6.9	-7.0	-0.6	-0.86	-0.9
Nigeria	2.9	5.3	14.0	17.2	16.1	13.9	21.2	21.2	1.8	2.5	2.5	0.16
Sierra Leone	33.4	31.7	22.6	30.2	33.98	30.7	14.9	18.29	18.3	2.7	3.2	3.2
Bénin	21.5	22.1	21.8	7.1	5.2	8.5	14.4	4.9	7.2	0.9	0.3	0.4
Burkina	8.6	8.9	9.7	9.8	10.4	10.8	19.4	17.5	21.0	1.5	1.3	1.6
Cote d'Ivoire	10.6	10.4	10.9	8.7	7.1	7.2	24.4	24.5	22.1	1.5	1.4	1.4
G.Bissau	43.4	8.4	8.0	18.0	13.3	19.7	-13.6	46.3	9.9	-1.4	6.4	1.5
Mali	17.0	14.5	16.6	11.7	16.0	13.1	19.7	17.1	16.9	1.5	1.5	1.4
Niger	17.6	15.5	17.2	14.4	7.7	14.4	20.5	26.0	20.8	1.8	2.5	2.0
Senegal	18.6	19.3	19.0	16.4	16.3	14.3	3.6	9.0	8.4	0.3	0.8	0.8
Togo	15.6	16.8	20.2	12.5	8.0	4.4	11.9	11.7	12.7	0.7	0.6	0.8
UEMOA	15.1	14.4	15.2	12.6	10.48	10.3	12.80	16.4	15.5	1.14	1.18	1.17
Cape Verde	18.7	16.5	15.5	14.4	14.8	15.5	3.47	4.8	3.4	0.3	0.4	0.2

**Sources: ECOWAS Central Banks and WAMA**

#### 3.1 Capital Adequacy

In The Gambia, the capital adequacy ratio at 35% remained above the minimum regulatory requirement of 10% during the period. All the twelve banks but one met the minimum capital requirement of D200 million. In Ghana, the industry's average Capital Adequacy Ratio (CAR) stood at 17.8 percent in December 2016, well above the 10.0 percent minimum. The central bank had instituted capital restoration plans in accordance with the new Banks and Specialised Deposit-taking Institutions (SDIs) Act, 2016 (Act 930) with these banks. In Guinea, with the exception of one bank (FIBANK), all other banks are in compliance with the minimum solvency regulatory standard of 10%. The industry CAR was 13.5 percent in 2016 against 11.5 percent in 2015 due to a better allocation of equity and an improvement of the legal and judicial environment. In Liberia, the banking industry was adequately capitalized, with a CAR of 23.8 percent in 2016 against 21.9 percent. In Nigeria, the ratio of regulatory capital to risk weighted assets decreased by 3.0 percentage points to 13.9 per cent at end-December 2016, compared to 16.1 per cent at end-December 2015. Similarly, the ratio of Tier 1 capital to risk weighted assets declined by 4.2 percentage points to 12.9 per cent at end-December 2016 from 17.1 per cent at end-December 2015.

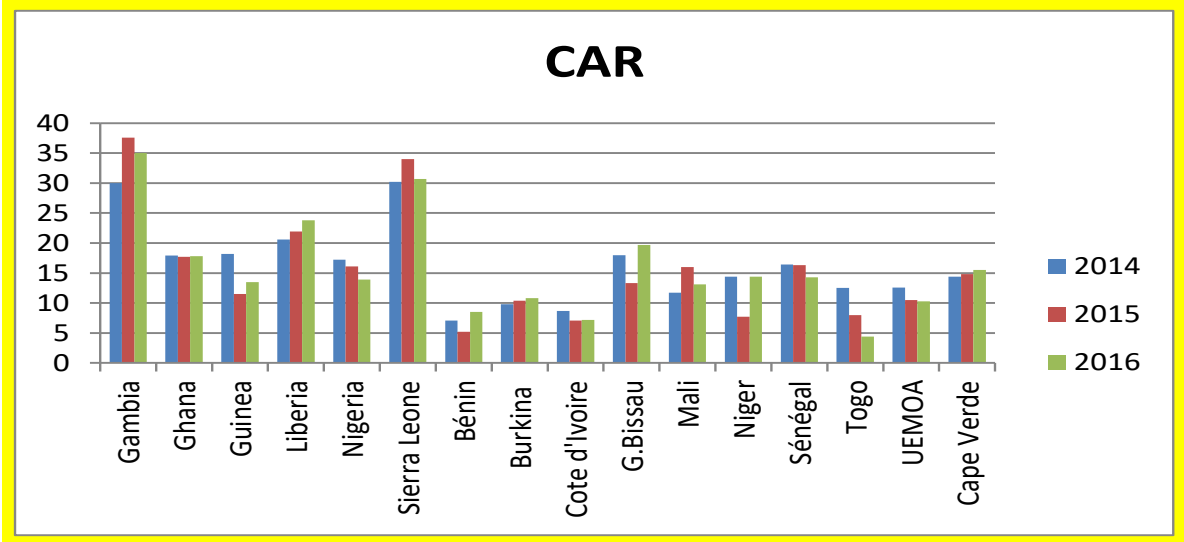


In Sierra Leone, all but one bank met the minimum unimpaired paid up capital requirement of Le 30 billion. The average Capital Adequacy Ratio (CAR) of banks remained far above the 15.0 percent minimum requirement although it declined to 30.7 percent from 33.9 percent as at end-December 2015, an indication that that the loss absorption capacity of the industry was strong.

In UEMOA the capital adequacy ratio (CAR) for the entire WAMU banking system was slightly lower at 10.3% in 2016 compared with 10.48% at the end of 2015. . The capital adequacy ratio (CAR) of the entire UEMOA banking system slightly declined to stand at 10.3 % in 2016 against 10.5% at the end of financial year 2015.

As for Cabo Verde, the adequacy ratio was 17.6% against 16.1% in 2015, an increase of 0.5%. This improvement was explained by an increase in reserves owing to a policy of prudence adopted by the central bank since 2012 with regard to the distribution of dividends.

Graph 3: Evolution of CAR in ECOWAS



### 3.2 Assets Quality

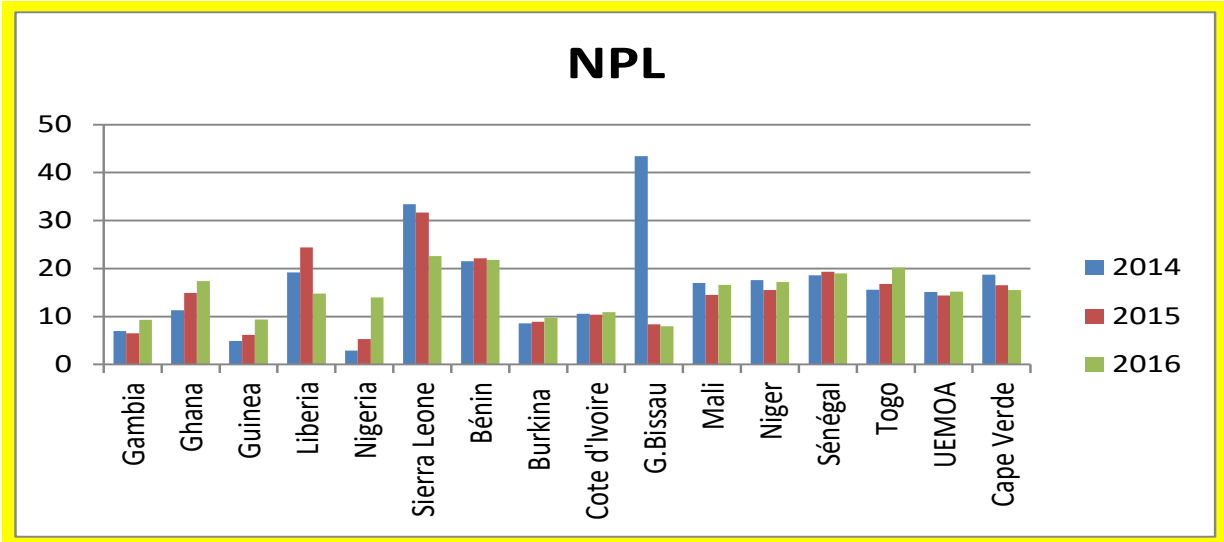
In The Gambia, the NPL ratio increased from 6.5 percent to 9.3 percent in 2016. The increase in the NPL ratio was due to the less than proportionate decline in gross loans than non-accruals /restructured credits. In Ghana, the quality of bank assets deteriorated as the ratio of Non-Performing Loans to gross loans (NPL) increased to 17.4 percent in December 2016 from 14.9 percent in the previous year, largely on account of non-performance of energy sector related loans, due to exposures of Commercial banks to some institutions in the energy sector as well as wrong attitude on usage/ diversion of loanable funds by SMEs. In Guinea, the credit portfolio of the banking system deteriorated sharply from December 2015 to December 2016. The loss ratio rose from 4.7% to 7.4% and the default rate from 6.2% to 9.4%. The main reasons advanced are the macroeconomic and legal environment; the effects of the EBOLA outbreak; the quality of credit administration and management in banks; Government budget constraints and job losses, particularly in the mining sector that was affected in recent months. However, arrangements have been made by the Guinean authorities to correct the regulatory and fiscal situation.

In Liberia, the challenge of low profitability lingered, driven by the high NPLs and high operating costs, arising from structural constraints and economic slowdown. A review of the Asset Quality Risk (AQR) showed that the NPLs persistently remained above the tolerable limit of 10.0 percent, although it declined to about 11.0 percent in 2016 from about 18.0 percent in 2015, due to aggressive loan recovery efforts, loan write-off, restructuring of loan repayment and the CBL’s policy measures on barring delinquent borrowers from accessing banking services, publication of defaulters’ names in the media. In Nigeria, The ratio of non-performing loans (NPLs) to gross loans deteriorated to 14.0 per cent at end-December 2016 from 5.3 percent at end-December 2015. This was attributed to challenging macroeconomic environment. In Sierra Leone, the Industry’s non-performing loans remained high, though it declined from 31.7 percent as at December 2015 to 22.65 percent as at December 2016. This decline was due to the enforcement of the loan write-off directive by BSL to commercial banks

The non-performing loans of the Union's banking system as a whole rose slightly to 15.2% in 2016, compared to 14.4% in 2015. By country, the situation appears to be in contrast. Benin recorded the highest rate (21.5%, -0.3 point), followed by Togo (20.2, +3.4), Senegal (19.0%, -0.3), and Niger (17.2%, +1.7). In Côte d'Ivoire, it stands at 10.9% (+0.5). The lowest level was reached in Guinea-Bissau at 8.0%, after an accumulated 43.4% in 2014.

In Cape Verde, the banking system’s credit portfolio improved slightly from December 2015 to December 2016. The NPL was 15.4% in 2016 compared with 16.5% in 2015, a fall of 1.1 percentage points due to the guarantees received by the banks and also by the measures taken by the Bank of Cape Verde to strengthen Cape Verde's banking market in the face of major risks.

Graph 4: Evolution of NPL in ECOWAS



### 3.3 Earnings and Profitability

In The Gambia, Profitability measured by total earnings of the industry, return-on-assets (ROA) and return-on-equity (ROE) increased. Industry earnings increased to D179.0 million

in 2016 from D154.0 million in 2015. Similarly, return on assets (ROA) and return on equity (ROE) increased to 1.8 percent and 11.1 percent respectively in December 2016 from 2.1 percent and 13.8 percent in December 2015. This was due to increases in the services charged on deposits, guarantees and LC fees, which increased the non-interest income and overall profitability.

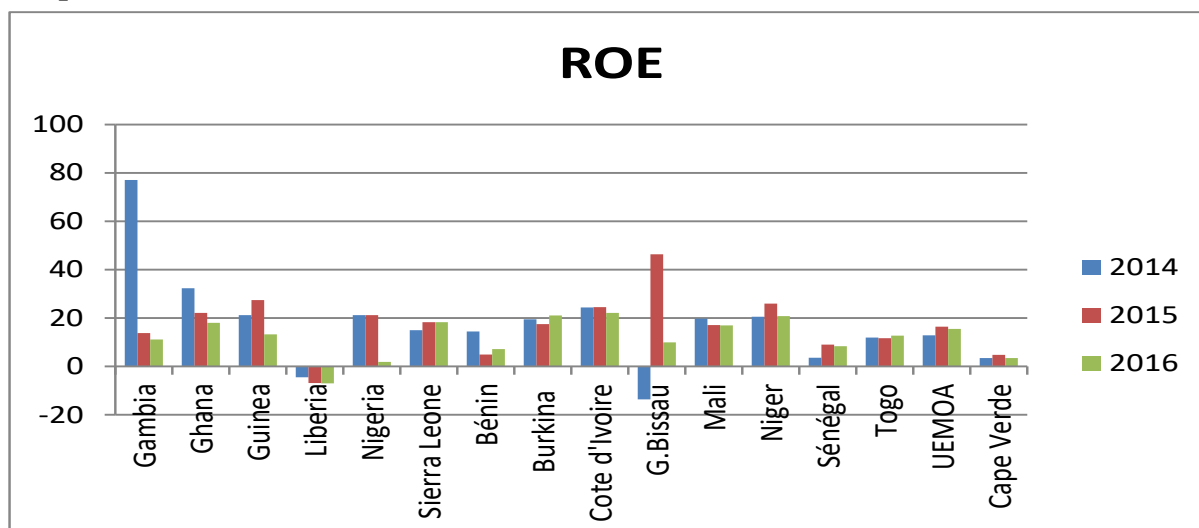
In Ghana, In spite of the challenges highlighted above, the industry remained profitable even though both Return on Assets (ROA) and Return on Equity (ROE) declined to 3.8 percent and 18.0 percent from 4.6 and 22.1 percent respectively in 2015, due largely to the unfavourable macroeconomic environment. In Guinea, the Guinean banking system had a net profit of GNF 370 billion as at 31 December 2016 compared to GNF 360 billion by 31 December 2015; a rate of return on assets (ROA) of 0.02% compared to 0.01% on 31 December 2016; a return on equity (ROE) of 27.4% against 13.3% as at 31 December 2016. No Guinean bank recorded a net loss in the 2016 financial year. In Liberia, profitability remained a major challenge for the industry with a ROE of -7.0 percent due to the high operating costs and the difficult economic environment. In Nigeria, the pre-shock ROA of the banking industry, was 0.16 per cent, while the ROE of the banking industry was 1.8 percent in 2016. This could be linked to the economic recession experienced during the period

In Sierra Leone the industry was profitable during the period, although profitability as measured by the ROE remained virtually unchanged at 18.3 percent.

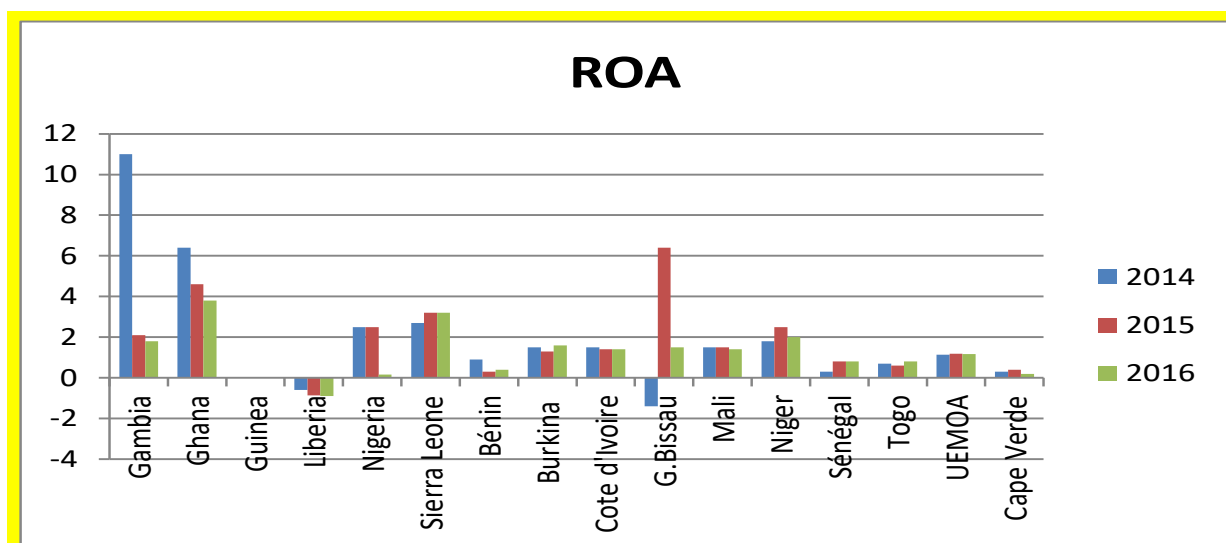
In the UEMOA zone, net banking income (GNP) continued its upward trend in recent years with a return on equity ratio of 15.5% compared with 16.4% as at 31 December 2015. However, this good overall performance conceals disparities between countries. The Ivorian banking sector had a very good net result between 2014 and 2016 (+ 22%), thanks to the controlled cost of risk. It is followed by Burkina Faso (21.0%) and Niger (20.8%), two countries where the cost of risk is low. On the other hand, Benin has the riskiest banking sector, with a cost of risk that absorbs on average 20% of its GNP. In Senegal and Togo, high levels of operating expenses weighed on financial margins, which were 6.2% and 6.8% respectively in 2016. Guinea-Bissau posted a net profit of 14 billion euros after a profit of 12 billion thanks to a drastic reduction in the cost of risk.

In Cabo Verde, the ROE and ROA indices decreased from 4.8% and 0.4% respectively in 2015 to 3.4% and 0.2% in 2016, respectively. The deterioration in the profitability indicator was due to the decline in the net income of the sector, in particularly by the negative results of the two largest banks. However the level of profitability of ROA in most of the institutions was above 4%, which explained the improvement during the period under review.

**Graph 5: Evolution of ROE in ECOWAS**



**Graph 6: Evolution of ROA in ECOWAS**



### 3.4 Liquidity

The liquidity indicator measures the capacity of lending institutions to meet expected or unanticipated demands for funds. Liquidity risk is generally monitored through the ratio of liquid assets to short-term liabilities.

In The Gambia, the industry liquidity ratio increased to 106.5 percent in 2016 from 93.4 percent in December 2015. All banks recorded liquid asset ratio above the minimum 30% threshold. The increase in the ratio was due to the increase in liquid assets during the period. In Ghana, the liquidity conditions of the banking industry tightened during the period at 27.2 percent

In Guinea, all banks are in good standing with respect to the minimum GNF liquidity requirement of 100%. However, 6 banks are in breach of liquidity in foreign currencies, 1 of which was also in breach of overall liquidity. The ratio of liquid assets to total assets was 47% in 2016 compared with 43% in 2015.

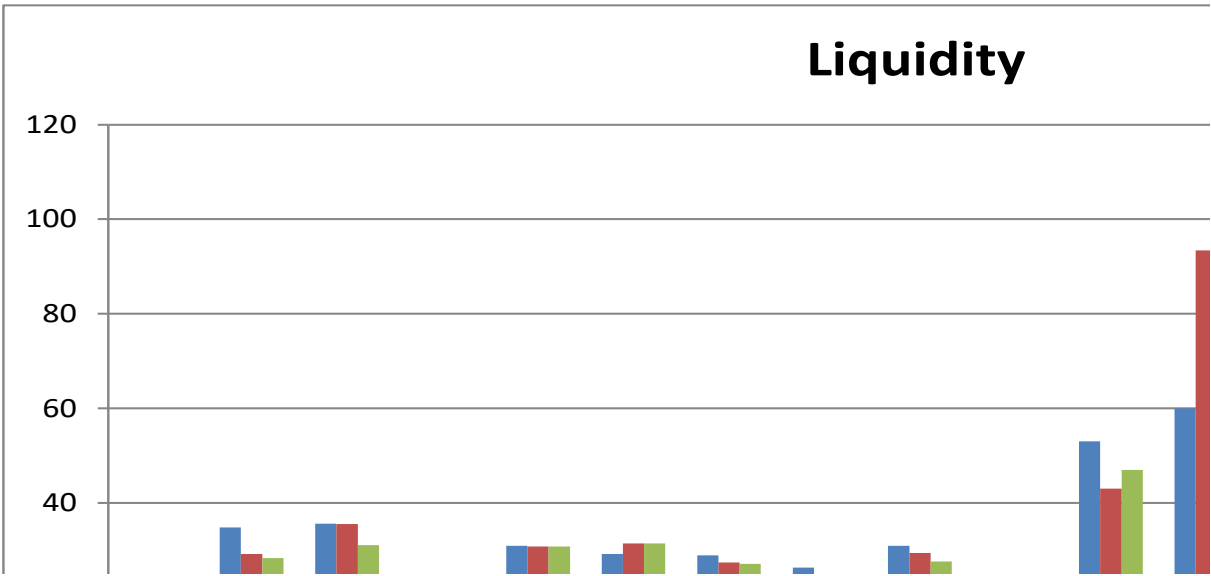
In Liberia, liquidity position of the banking system at end-December, 2016 recorded a liquidity ratio of 51.4%, which was well above the country's regulatory threshold of 15%. All nine banks recorded liquidity ratios above the 15% minimum. In Nigeria, the ratio of core liquid assets to total assets decreased by 2.2 percentage points to 16.3 per cent at end-December 2016 from 18.5 per cent recorded at end-December 2015. Also, the ratio of core liquid assets to short-term liabilities decreased by 2.6 percentage points to 24.5 per cent at end-December 2016, compared with 27.1 per cent at end-December 2015. The decrease in the ratio of core liquid assets to both total assets and short-term liabilities reflected low level of buffers to absorb short term obligations. In Sierra Leone, liquidity of the banking system remained robust as all banks met the overall minimum liquidity ratio of 30.0 percent at end December 2016.

In the UEMOA zone, banks have a very high level of liquidity. However, net assets over total assets were 27.6% in 2016 compared with 29.4% in 2015, a slight decrease of 1.8%. The comfortable position of liquidity is due, on the one hand, to significant growth in customer deposits and, on the other hand, to an increase in loans. In Cape Verde, the level of liquidity is comfortable, due to the significant growth of deposits by the public administration and those of other residents and emigrants. Liquid assets on total assets amounted to 24.1% in 2016 compared with 21.9 in 2015. The positive developments in liquidity ratios was due to the assets portfolio composition restructuring policy thanks to a preference for liquid investments, which has a lower risk. In addition to this, liquidity ratios were set above the regulatory limit of 20% by the BCV authorities in compliance with Official Notice n ° 8/2007 of 19 November.

**Table 5: Liquidity indicator (Liquid assets / total assets)**

	<b>2 014</b>	<b>2 015</b>	<b>2 016</b>
Benin	23.0	18.9	17.7
Burkina	34.8	29.2	28.3
Cote d'ivoire	35.6	35.5	31.1
Guinea Bissau	18.6	16.6	21.2
Mali	30.9	30.8	30.8
Niger	29.2	31.4	31.4
Senegal	28.9	27.4	27.1
Togo	26.3	24.8	21.3
UEMOA	30.9	29.4	27.6
Cabo Verde	20.4	21.9	24.0
Guinea	53.0	43.0	47.0
Gambia	60.0	93.4	106.5
Ghana	26.8	25.1	27.2
Liberia	32.0	32.0	51.4
Nigeria	11.4	18.5	16.3
Sierra Leone	78.9	84.7	84.5

Graph 7: Level of Liquidity in ECOWAS



## **CONCLUSION AND RECOMMENDATIONS**

The financial system in ECOWAS was generally safe and sound in 2016 despite a difficult global and regional economic environment. The banking system was adequately capitalized during the period. However, profitability challenges persisted in some member countries while few of the countries still experienced the prevalence of high NPLs by regional or global standards.

The integration of financial markets and financial infrastructure in the region, together with growing number of cross-border operations contributed to the efficiency and stability of the financial system and therefore need to be enhanced.

It would also be critical to further harmonize the financial soundness indicators in the region and improve on the quality of data. There is an urgent need to ensure coordination of fiscal, monetary and financial sector policies towards the achievement of financial stability and growth. Regulators should develop a proactive policy framework to address crisis management and resolution issues in the financial system, including regular review of regulatory limits and prudential benchmarks.

Member central banks should harmonize their regulatory and supervisory norms as well as accounting standards in line with the International Financial Reporting Standards and Basle Core Principles for effective banking supervision particularly in respect of consolidated supervision and risk-based supervision.

To address the high NPLs it will be critical to address the limited capacity in loan administration (poor underwriting standards, borrower profiling, loan monitoring and recovery) eliminate instances of de-marketing among banks and address the weak corporate governance environment in the industry. In this regard it may be critical to put in place appropriate credit policy documents

**Capital Adequacy Ratio (CAR)  $\geq$  8%**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Benin	7.9	7.2	7.1	5.2	8.5
Burkina Faso	11.1	9.6	9.8	10.4	10.8
Cabo Verde	14.2	15.1	14.4	14.8	15.5
CD Voire	8.8	8.6	8.7	7.1	7.2
Gambia	28.0	28.0	30.0	37.6	35.0
Ghana	14.6	14.7	17.9	17.7	17.8
Guinea	11.6	11.8	18.2	11.5	13.5
Guinea Bissau	21.0	16.1	18.0	13.3	19.7
Liberia	22.8	22.9	20.6	21.9	23.8
Mali	12.3	13.5	11.7	16.0	13.1
Niger	17.5	15.7	14.4	7.7	14.4
Nigeria	18.3	17.1	17.2	16.1	13.9
Senegal	17.0	17.9	16.4	16.3	14.3
Sierra Leone	41.5	41.6	30.2	33.9	30.7
Togo	11.8	12.6	12.5	8.0	4.4

**Sources: ECOWAS Central Banks and WAMA****Assets Quality (NPL)  $\leq$  10%**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
BENIN	18.6	21.2	21.5	22.1	21.8
BURKINA	10.3	9.9	8.6	8.9	9.7
Cabo Verde	14.1	16.4	18.7	16.5	15.5
CD Voire	15.5	12.3	10.6	10.4	10.9
Gambia	22.0	22.0	7.0	6.5	9.3
Ghana	12.5	12.0	11.3	14.9	17.4
Guinea	4.8	6.5	4.1	6.2	9.4
Guinea Bissau	24.1	31.0	43.4	8.4	8.0
Liberia	14.5	14.4	19.2	24.4	14.8
Mali	21.0	19.3	17.0	14.5	16.6
NIGER	17.1	16.4	17.6	15.5	17.2
Nigeria	3.7	3.4	2.9	5.3	14.0
Senegal	16.4	17.5	18.6	19.3	19.0
Sierra Leone	22.5	22.4	33.4	31.7	22.6
Togo	11.7	12.8	15.6	16.8	20.2

**Sources: ECOWAS Central Banks and WAMA**



### Return on Assets (ROA)

	2012	2013	2014	2015	2016
Benin	0.4	0.1	0.9	0.3	0.4
Burkina	1.9	1.9	1.5	1.3	1.6
Cabo Verde	0.2	0.3	0.3	0.4	0.2
CD Voire	1.1	1.2	1.5	1.4	1.4
Gambia	2.0	2.0	11.0	2.0	2.0
Ghana	6.2	6.2	6.4	4.6	3.8
Guinea	0.02	0.02	0.02	0.02	0.01
Guinea Bissau	0.0	-0.4	-1.4	6.4	1.5
Liberia	-0.7	-0.7	-0.6	-0.86	-0.9
Mali	1.3	1.2	1.5	1.5	1.4
Niger	1.8	1.7	1.8	2.5	2.0
Nigeria	2.2	2.3	2.5	2.5	0.16
Senegal	1.3	1.3	0.3	0.8	0.8
Sierra Leone	2.0	2.1	2.7	3.2	3.2
Togo	1.2	1.2	0.7	0.6	0.8

Sources: ECOWAS Central Banks and WAMA

### Return on Equity (ROE)

	2012	2013	2014	2015	2016
Benin	5.44	2.21	14.38	4.87	7.16
Burkina	22.13	25.93	19.42	17.52	20.96
Cabo Verde	2.65	3.48	3.10	4.83	3.36
CD Voire	15.63	17.36	24.43	24.53	22.11
Gambia	15.0	16.0	77.0	15.8	12.2
Ghana	31.0	31.1	32.3	22.1	18.0
Guinea	28.8	27.8	21.2	27.4	13.3
Guinea Bissau	0.14	-2.9	-13.6	46.3	9.9
Liberia	-5.3	-5.4	-4.5	-6.9	-7.0
Mali	13.37	14.07	19.66	17.09	16.94
Niger	16.20	16.01	20.50	26.00	20.84
Nigeria	19.5	19.8	21.2	21.2	1.8
Senegal	12.62	12.47	3.61	9.03	8.37
Sierra Leone	9.8	9.9	14.9	18.3	18.3
Togo	15.69	14.36	11.93	11.68	12.66

Sources: ECOWAS Central Banks and WAMA

## Liquidity

	<b>2 014</b>	<b>2 015</b>	<b>2 016</b>
Bénin	23.0	18.9	17.7
Burkina	34.8	29.2	28.3
Cote d'Ivoire	35.6	35.5	31.1
Guinea Bissau	18.6	16.6	21.2
Mali	30.9	30.8	30.8
Niger	29.2	31.4	31.4
Senegal	28.9	27.4	27.1
Togo	26.3	24.8	21.3
UEMOA	30.9	29.4	27.6
Cabo Verde	20.4	21.9	24.0
Guinea	53.0	43.0	47.0
Gambia	60.0	93.4	106.5
Ghana	26.8	25.1	27.2
Liberia	32.0	32.0	51.4
Nigeria	11.4	18.5	16.3
Sierra Leone	78.9	84.7	84.5

Sources: ECOWAS Central Banks and WAMA

**Table: Financial Deepening Indicator, Private Sector Credit and Net Credit to Government in ECOWAS Member Countries**

Country/Date	2012	2013	2014	2015	2016
<b>Benin</b>					
Private Sector Credit/GDP	23.1	23.4	24.2	23.0	22.4
Credit to the Govt/GDP	-4,1	-3,7	-2,7	-2,6	0,6
M2/GDP	34,5	37,2	41,9	42,2	40,1
<b>Burkina Faso</b>					
Private sector credit/GDP	21.2	25.8	29.2	30.1	30.2
Credit to the Govt/GDP	-1,8	-0,6	0,7	0,3	-1,2
M2/GDP	29,8	31,9	34,5	38,4	40,6
<b>CD Voire</b>					
Private sector credit/GDP	17,3	18,5	20,8	24,2	24,7
Credit to the Govt/GDP	8,3	8,8	9,2	7,8	8,2
M2/GDP	34,5	34,0	35,5	37,8	37,4
<b>Cape Verde</b>					
Private sector credit/GDP	61.0	60.9	60.5	59.9	60.9
Credit to the Govt/GDP	15.8	17.1	19.0	18.8	19.0
M2/GDP	81.5	88.5	94.5	98.8	103.9
<b>Gambia</b>					
Private sector credit/GDP	17.8	17.9	14.4	12.4	10.2
Credit to the Govt/GDP	28.0	30.8	34.3	44.9	50.5
M2/GDP	20.0	20.1	20.2	20.2	20.0
<b>Ghana</b>					
Private sector credit/GDP	17.4	18.2	21.3	22.1	21.2
Credit to the Govt/GDP	10.2	12.1	12.7	9.4	11.0
M2/GDP	30.0	28.8	32.5	33.9	33.9
<b>Guinea</b>					
Private sector credit	5.8	7.2	9.7	11.6	10.8
Credit to the Govt/GDP	9.6	10.9	11.8	14.9	13.5
M2/GDP	21,5	22,6	23,8	26,9	25,9
<b>G. Bissau</b>					
Private sector credit/GDP	13,9	12,5	12,6	14,9	13,4
Credit to Govt/GDP	5,2	4,1	7,1	10,8	11,8
M2/GDP	30,2	31,2	46,6	51,1	51,2
<b>Liberia</b>					
Private sector credit/GDP	16.3	18.3	18.9	20.0	20.7
Credit to the Govt/GDP	13.6	12.5	10.4	7.5	8.7
M2/GDP	35.4	34.0	32.3	33.4	32.1
<b>Mali</b>					
Private sector credit/GDP	18,3	20,2	22,4	24,9	26,8
Credit to the Govt/GDP	-0,3	-1,5	-1,0	-0,5	2,2
M2/GDP	25,9	27,2	26,5	27,0	27,8
<b>Niger</b>					
Private sector credit/GDP	14,0	13,9	14,6	16,3	15,2
Credit to the Govt/GDP	-1,4	-2,5	-2,1	0,2	1,5
M2/GDP	21,9	22,5	26,1	26,3	25,6
<b>Nigeria</b>					
Private Sector credit/GDP	-3.4	-2.0	-1.8	3.0	3.0
Credit to the Govt/GDP	20.9	20.0	20.1	19.7	19.8
M2/GDP	50.0	50.1	50.2	50.3	50.4
<b>Senegal</b>					
Private sector credit/GDP	31,1	34,5	36,6	36,7	37,3
Credit to the Govt/GDP	0,5	1,9	0,5	2,5	5,0
M2/GDP	35,6	38,1	41,2	46,0	48,5
<b>Sierra Leone</b>					
Private sector credit/GDP	5.8	4.7	4.8	5.2	5.5
Credit to the Govt/GDP	9.5	8.8	11.7	15.2	15.2
M2/GDP	22.0	19.8	21.7	25.4	26.8
<b>Togo</b>					
Private sector credit/GDP	32.4	37.6	34.8	37.3	39.2
Credit to the Govt/GDP	5.2	3.2	3.5	2.3	1.1
M2/GDP	44,5	48,3	45,5	50,4	52,4
<b>UEMOA</b>					
Private sector credit/GDP	22.4	24.2	26.2	28.5	28.7
Credit to the Govt/GDP	5.3	6.8	7.9	8.3	11.0
M2/GDP	33.1	34.3	36.2	38.4	39.0

**Sources: ECOWAS Central Banks and WAMA**