1.	Record Nr.	UNINA9910788349203321
	Autore	Flamini Valentina
	Titolo	The Determinants of Commercial Bank Profitability in Sub-Saharan Africa / / Valentina Flamini, Liliana Schumacher, Calvin McDonald
	Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2009
	ISBN	1-4623-3156-4 1-4527-4806-3 1-282-84237-4 1-4518-7162-7 9786612842375
	Descrizione fisica	1 online resource (32 p.)
	Collana	IMF Working Papers
	Altri autori (Persone)	SchumacherLiliana McDonaldCalvin
	Soggetti	Bank profits - Africa, Sub-Saharan Banks and banking - Africa, Sub-Saharan Banks and Banking Finance: General Investments: Stocks Macroeconomics Inflation Financial Markets and the Macroeconomy Banks Depository Institutions Micro Finance Institutions Mortgages General Financial Markets: Government Policy and Regulation Financing Policy Financial Risk and Risk Management Capital and Ownership Structure Value of Firms Goodwill Pension Funds Non-bank Financial Institutions Financial Instruments Institutional Investors Personal Income, Wealth, and Their Distributions Price Level Deflation

Banking
Finance
Financial services law & regulation
Investment & securities
Bank soundness
Credit risk
Stocks
Personal income
Financial sector policy and analysis
Financial regulation and supervision
Financial institutions
National accounts
Prices
Banks and banking
Financial risk management
Income
United States

Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Contents; I. Introduction; II. Literature Review; III. Data and Methodology; IV. Empirical Results; V. Concluding Remarks and Some Implications for Policymakers; Figures; Figure 1. Time Series of Sub-Saharan African Countries' Return on Assets; Figure 2. Average Return on Assets by Income Group (2006); Figure 3. Sub-Saharan Africa Return on Assets by Country (2006); Figure 4. Distribution of Sub-Saharan Africa Return on Assets (2006); Figure 5. Time Series of Sub-Saharan Africa's Return on Assets by Income Group; Figure 6. Time Series of Sub-Saharan Africa's Net Interest Margins Figure 7. Average Net Interest Margins by Income Group (2006)Tables; Table 1. Account Decomposition of Banks by Income Group; Table 2. Account Decomposition of Sub-Saharan African Banks; Table 3. Variable Definition and Notation; Table 4. Descriptive Statistics; Table 5. Estimation Results; Table 6. Sargan Test for Alternative Model with All Variables Strictly Exogenous; Control Variables Table 7. Granger-Causality Test Between Return on Asset and Capital Without; Control Variables Table 8. Granger-Causality Test Between Return on Asset and Capital with Table 9. Estimation Results Using Random EffectsReferences
Sommario/riassunto	Bank profits are high in Sub-Saharan Africa (SSA) compared to other regions. This paper uses a sample of 389 banks in 41 SSA countries to study the determinants of bank profitability. We find that apart from credit risk, higher returns on assets are associated with larger bank size, activity diversification, and private ownership. Bank returns are affected by macroeconomic variables, suggesting that macroeconomic policies that promote low inflation and stable output growth does boost credit expansion. The results also indicate moderate persistence in profitability. Causation in the Granger sense from returns on assets

to capital occurs with a considerable lag, implying that high returns are not immediately retained in the form of equity increases. Thus, the paper gives some support to a policy of imposing higher capital requirements in the region in order to strengthen financial stability.