



## **28<sup>TH</sup> ANNUAL NATIONAL BANKING AND ETHICS CONFERENCE**

**SPEECH**

**BY**

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**CIB AUDITORIUM, ACCRA**



**Mr. Chairman**

**The President of CIB, Ghana, Mr. Benjamin Amenumey**

**CEO, of CIB, Ghana, Mr Robert Dzato**

**Members of the Governing Council of CIB, Ghana**

**Distinguished Guests**

**Members of the Media**

**Ladies and Gentlemen.**

1. Good morning, everyone. It is a great pleasure to address you today at the 28<sup>th</sup> Annual National Banking and Ethics Conference of Chartered Institute of Bankers, Ghana. Before I proceed further, permit me to congratulate the CIB President, CEO, and Management team for continued efforts to equip members of the Institute with the requisite skills and knowledge to help drive resilience in the sector.
2. I am pleased to know that CIB Ghana has introduced, over the last few years, new certification programmes such as the Ethics Certification, which was developed in collaboration with the Bank of Ghana, ESG Certification in collaboration with IFC and EPA, Chartered Banker for Executive Leadership (CBEL), as well as the newly redesigned ACIB curriculum. In this regard, let me applaud the President, CEO, and the Governing Council of the CIB for the commendable feats and the dedication in advancing professional excellence and ethical standards in the banking sector.
3. The theme for this year's National Banking and Ethics Conference, ***Resilience in the Financial System: Navigating Horizon Risks*** is timely and central to safeguarding the stability of the financial system amid rising external risks. Due to increased interconnectedness, the domestic economy is faced with heightened external risks, hence the need for increased preparedness to anticipate, adapt, and respond to emerging challenges in the financial sector. Horizon risks such as technological disruptions, climate-related vulnerabilities, and economic shifts are realities that require strategic foresight and proactive regulation.

#### **Regulatory Measures taken to address horizon risks**

4. In this regard, Distinguished Guests, the Bank has committed to decisive measures to strengthen the financial sector through regulatory reforms to enhance risk management practices, capital requirements, corporate governance, and other measures. These will help reinforce transparency and



market discipline. Recently, the Bank has also introduced directives in the areas of sustainable banking principles, Climate-Related Financial Risk, Outsourcing and Cyber and Information Security Directive to drive responsible banking practices.

5. These notwithstanding, the Bank recognizes the potential for new and complex risks that cannot be mitigated solely using traditional approaches. The strategy toward addressing such horizon risks is multi-dimensional and revolves around measures to address risks emanating from technology, climate and sustainability issues, global shocks, and business model viability and sustainability.

### **Digital Transformation and Cybersecurity**

6. The 2008 global financial crisis ushered in an unprecedented boom in the emergence of Financial Technology (FinTech) services, which has had a cascading effect on the financial and payments ecosystem globally. Innovations have disrupted the traditional ways of financing and payments, driven primarily by concepts such as Artificial Intelligence, Blockchain technology, and Big Data to mention a few.
7. As digital banking gains prominence, its associated risks have also become imminent. Data privacy and security risk, cyber threats and the consequent potential liabilities and reputational risks pose significant danger to financial stability. This has required intensification of efforts to establish robust cybersecurity frameworks across the sector. In view of this, the Bank recently launched the Financial Industry Command Security Operations Centre (FISOC) to improve cybersecurity resilience in the banking sector. In addition, banks are being encouraged to invest in advanced technologies and capacity-building to keep pace with the rapid digital transformation, while maintaining comprehensive cybersecurity frameworks to prevent breaches and ensure data privacy.

### **Climate Risk and Sustainable Finance**

8. Climate change and sustainability issues has not only gained global prominence but also constitute financial stability risk that demands immediate and long-term action. Physical risk from climate change reflecting in extreme weather events such as flooding, or droughts have direct bearing on the stability of the financial system. For example, the destruction of infrastructure and farmlands can impair the ability of obligors to service their loans, leading to loans



becoming non-performing. Banks and other large financial entities in turn, may face liquidity problems, which can trigger a systemic crisis.

9. Faced with these potential risks, the Bank has prioritised climate and sustainability related issues, devoting time and resources to promote sustainable banking principles among regulated financial institutions, including supporting green and sustainable investments. The Bank is also engaging closely with global bodies to adopt best practices in Environmental, Social, and Governance frameworks, so that the financial sector aligns with international standards and contributes to environmental resilience.

### **Stress Testing and Macroprudential Surveillance**

10. In addition to climate risk, external economic shocks also pose risks to financial stability. Given rising economic uncertainties in recent times, the Bank has enhanced its stress-testing framework to evaluate the resilience of banks under adverse conditions. By assessing potential vulnerabilities early, corrective measures can be implemented to mitigate the impact of economic shocks. The Bank's macroprudential surveillance framework is continuously refined to detect risks and prepare to counter disruptions before they materialize.

### **Adaptive Business model**

11. Weaknesses leading to the collapse of banks are not overnight. Unviable and unsustainable business models and strategies are often the root causes of banks' vulnerabilities and failures. While sudden external shocks such as Covid-19 or the global financial crisis could be greatly impactful and cause the immediate demise of some banks, the root causes are generally more structural. If not identified in time and allowed to fester, these vulnerabilities will make a bank's activities increasingly unsustainable, to the point where it becomes non-viable.
12. Going forward, the Bank is incorporating Business Model Analysis (BMA) as a key component of its supervisory frameworks to enable supervisors identify banks' vulnerabilities at an early stage and helps to ensure their safety and soundness. We have recently issued an exposure draft of our methodology for assessing the viability of banks business model to the industry, which we will soon finalise for adoption. Business model analysis has the potential to enhance



bank supervision and make it more effective, proactive and forward-looking, and would be our next examination thematic review next year.

### **Importance of Ethical Standards and Professionalism**

13. Beyond regulatory measures, I firmly believe that a resilient financial system is built on a foundation of ethical conduct. Integrity and professionalism are indispensable pillars of trust, and they underpin the confidence that the public places in our banking sector. In this regard, it is gratifying to highlight the Chartered Institute of Bankers' *Ethics Certification Programme* which was developed in collaboration with Bank of Ghana and launched last year.
14. As I stated last year in my speech, all staff working the banking industry must complete this Ethics Certification Programme and must be recertified annually. This is now an essential part of the fit and proper assessment of the Bank of Ghana. I want to take this opportunity to encourage all banks to actively enrol their staff in this programme. Equipping our practitioners with ethical training will empower them to make the right ethical decisions, even in complex situations, and to serve as trustworthy custodians of public funds.
15. At the Bank of Ghana, we believe that ethical certification should not be optional but a standard across the industry. I envision a future where every banking professional, from senior management to entry-level staff, carries the certification as a badge of honour—a reflection of commitment to uphold the values that protect and enhance our financial system.

### **A Call to Collective Responsibility**

16. While the Bank of Ghana remains committed to developing policies that safeguard the financial system, resilience cannot be achieved by regulation alone. It is a responsibility we all share—regulators, financial institutions, and professional bodies alike. Together, we must ensure that our workforce is prepared to face challenges with integrity, adapt to technological and environmental changes, and remain vigilant in the face of unforeseen risks.
17. In conclusion, Distinguished Guests, the path to resilience requires collaboration, innovation, and, most importantly, an unwavering commitment



to ethical principles. Let us work together to fortify our banking sector, to anticipate and navigate the risks on the horizon, and build a financial system that serves as a pillar of strength for Ghana's economy.

18. Thank you to the Chartered Institute of Bankers for hosting this essential dialogue, and to all of you for your dedication to the advancement of Ghana's financial sector. The Bank of Ghana stands with you in this shared mission, and I look forward to seeing the impactful outcomes of this Conference. On this note, I declare the 28<sup>th</sup> National Banking and Ethics Conference duly opened.

Thank you

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