Post-MPC Meeting with CEOs of Banks
Remarks by

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Good morning, colleagues.

Let me begin by warmly welcoming all of you to this post-MPC engagement.

These engagements remain an important anchor for transparency, coordination, and clarity around our policy actions and expectations.

I value your continued commitment to this format, and I intend to keep it as a standing touchpoint following every Monetary Policy Committee meeting.

Let me begin with a brief update on the policy stance.

Policy Decision – Holding the Line

At our most recent MPC meeting, the Committee unanimously decided to maintain the policy rate at 28 percent.

This decision reflects our commitment to sustaining the disinflation process, which—while encouraging—is not yet complete. Headline inflation has continued its steady decline, reaching 21.2 percent in April, supported by a stable exchange rate, tight liquidity conditions, and continued fiscal consolidation. Our models now suggest that inflation could reach the medium-term target range as early as the first quarter of 2026, earlier than previously expected.

The cedi has also rebounded sharply—appreciating over 24 percent against the US dollar so far this year—while the external sector has delivered a record current account surplus and rising international reserves.

In this context, maintaining the policy rate sends a strong signal that we are not loosening prematurely. It provides continuity and certainty as we reinforce price stability and safeguard the hard-won confidence returning to our markets.

Regulatory Announcements – Listening, Responding, Acting

Let me now turn to five key regulatory measures the Bank is rolling out—each shaped by ongoing engagement with you, and aligned with our broader goals of financial stability, fairness, and market discipline.

1. CRR Directive – Aligning Liquidity with Funding Structures

First, you will recall the new Cash Reserve Ratio (CRR) directive announced in the MPC statement. This came after careful internal deliberation and consultations with some of you.

We heard your concerns about the dynamic CRR regime—and worked to design a solution that is effective but would not inject too much liquidity into the system.

Accordingly, with effect from 5th June 2025, all banks must now:

- Maintain domestic currency reserves for cedi deposits, and
- Maintain foreign currency reserves for FX deposits.

This approach helps better align liquidity management with funding structures and enhances discipline in the foreign exchange market.

We trust the transition will proceed smoothly, and we welcome any operational feedback as implementation begins. I'm sure you have questions, and we are happy to provide clarifications during today's discussion.

2. Consumer Protection and Pricing Fairness – OIFs and Beyond

Second, we have noted a growing trend in the application of Optional Issuer Fees (OIFs) on cross-currency card transactions. In principle, we recognize that these fees may reflect real costs. However, opaque pricing and limited disclosure have already begun to erode consumer trust and the integrity of payment systems.

To that end, the Bank of Ghana will soon issue a directive that:

- Caps Optional Issuer Fees on cross-currency card transactions at 2%, and
- Requires the mandatory disclosure of all applicable OIFs to customers before a transaction is completed.

Beyond this, we are also concerned about broader pricing practices in the sector. We have received reports that some banks continue to apply interest charges on credit accounts that remain inactive, resulting in cases where the accrued interest exceeds the original principal.

Let me be clear: such practices are unacceptable. They distort customer outcomes, misrepresent the true profitability of lending portfolios, and violate the principles of fair treatment and transparency. We expect all banks to review their pricing models and ensure that customer charges reflect ethical and commercially defensible standards.

3. Digital Lending Guidelines – Protecting Consumers, Enabling Innovation

Third, we are finalizing comprehensive digital lending guidelines, which will be issued by August 2025.

This is an urgent and necessary intervention.

Today, too many Ghanaians, especially young people and informal workers, are being lured by online lending platforms that make bold promises, only to turn around and trap them in cycles of hidden fees, harassment, or worse. We've received reports of individuals being threatened, shamed, or scammed, all under the guise of accessing quick loans.

We cannot allow this to continue.

The upcoming guidelines will bring clear, enforceable standards to both bank-led and non-bank digital lending models. They will set rules around:

- Licensing and authorization,
- Disclosure and interest rate transparency,
- Data protection and customer privacy, and
- Ethical recovery and collection practices.

Our goal is twofold:

- To protect borrowers, especially the most vulnerable, from exploitation, and
- To enable responsible, well-regulated digital lenders – including banks and their fintech partners lenders – to thrive.

If your institution is active in digital lending, whether directly or through third parties, now is the time to review your models and prepare for compliance. Let us work together to build a digital lending space that serves people with dignity, fairness, and integrity.

4. Addressing High NPLs – New Measures to Restore Credit Discipline

Fourth, we will soon issue a comprehensive directive to tackle persistently high Non-Performing Loans (NPLs) across regulated financial institutions. The upcoming measures will:

- Mandate write-offs of fully provisioned loans with no realistic recovery prospects, excluding related-party exposures.

- Cap NPL ratios at 10% of gross loans by December 2026.
- Tighten restructuring rules, requiring sustained repayment before reclassification.
- Enforce timely collateral recovery, especially for overdue loans.
- Strengthen credit risk governance and require proof of effectiveness.
- Enhance NPL reporting and disclosure, with monthly submissions and public transparency.
- Restrict further credit to strategic or willful defaulters and share their identities with key financial sector oversight bodies.

As part of this directive, banks will also be required to disclose blacklisted willful defaulters in their audited financial statements, along with sectoral breakdowns of NPL exposures. This added layer of transparency will sharpen both regulatory and investor focus on systemic credit risks.

These actions are part of our broader agenda to restore asset quality, promote sound lending practices, and safeguard the resilience of Ghana's financial system.

5. Strengthening Local Governance and Decision-Making Authority

Fifth, we will soon issue a directive to reinforce local accountability and board independence in foreign-owned banks operating in Ghana.

This measure responds to a growing concern: the outsourcing of major credit and risk decisions to offshore principals, who are not subject to Ghana's regulatory oversight. These decisions are often passed down to Ghanaian boards for formal ratification – giving the appearance of local governance, when in fact, core decisions have already been made externally.

Let me state clearly: Ghana-based boards must not serve as rubber stamps for instructions issued from offshore. This undermines the very basis of effective governance and creates unacceptable regulatory blind spots.

The forthcoming directive will clarify that:

- Local boards and management teams must retain genuine authority over all material credit decisions and risk management actions taken in Ghana.
- Prior approval from the Bank of Ghana will be required before any delegation of key decision-making functions to foreign entities.
- Boards that endorse decisions made without proper local deliberation will be in breach of the Corporate Governance Directive (Sections 9 & 13) and may face regulatory sanctions.
- Risk management, ICAAP, and capital planning processes must reflect the realities of local governance and local risk environments, in line with Basel II Pillar 2 expectations.

- Institutions found bypassing local governance structures may also be subject to fitness and propriety reviews, particularly where directors are seen to be abdicating their fiduciary duties.

This principle is reinforced by the BoG Outsourcing Directive, which takes effect on 1st July 2025. Institutions are reminded to review all outsourcing arrangements – including those involving data, credit assessments, and management control – to ensure they meet our supervisory expectations for accountability and resilience.

We are also mindful of the broader consequences:

- Supervisory integrity is weakened when decision-makers fall outside our jurisdiction.
- Legal and data protection obligations may be breached when sensitive customer data is sent offshore without consent, in violation of the Data Protection Act (Act 843) and the BoG Cybersecurity Directive.
- Institutional capacity suffers, as local professionals are disempowered and denied the experience needed to develop leadership pipelines.

This directive is not anti-foreign. It is pro-accountability. It is about ensuring that all banks operating in Ghana, regardless of ownership, are governed in ways that reflect the interests of this market, its regulators, and its people.

We welcome global capital and expertise – but we cannot accept governance frameworks that strip Ghana-based boards of meaningful responsibility. The integrity of our financial system depends on strong, accountable institutions – and those institutions must be rooted here.

Banking Sector Resilience – A Platform to Build On

The overall resilience of the banking sector continues to improve, underpinned by stronger profitability and steady asset growth. Recapitalization efforts are ongoing, with encouraging signs of progress in addressing legacy risks.

That said, the systemic vulnerabilities we highlighted at our last meeting have not disappeared. The high NPLs, capital shortfalls in some institutions, and weak credit governance still require urgent attention. This is precisely why the policy measures announced today – on loan write-offs, NPL caps, and stricter credit risk oversight – are so important.

Supervisory Outlook – Continuity, Depth, and Digital Readiness

Colleagues, our supervisory priorities remain consistent: governance, AML, cybersecurity, climate risk, and innovation oversight. We will continue strengthening early warning systems, advancing forward-looking supervision, and engaging more directly with boards. As I noted in April, we expect deeper accountability and risk culture across institutions—not just compliance.

In that spirit, let me highlight one emerging area that demands early attention: the regulation of cryptocurrencies and digital assets.

The Bank of Ghana, working with the Securities and Exchange Commission and other stakeholders, is finalizing a comprehensive framework for crypto regulation. This will bring clarity, mitigate risks, and support responsible innovation in line with global standards.

I encourage all banks and financial institutions to begin preparing now. This includes:

- Strengthening AML/CFT and KYC protocols for digital asset clients;
- Investing in secure IT systems and stronger cyber defenses;
- Engaging in the BoG regulatory sandbox for crypto pilots;
- Educating customers about the risks and rules of crypto use; and
- Assessing your institution's exposure and readiness for crypto-related activity.

This is no longer a theoretical issue. The market is evolving. Regulation is coming. And our financial institutions must be ready.

Closing Reflections – Staying Aligned in a New Phase

Colleagues, we are in a new phase of Ghana's recovery – where confidence is returning, and macro fundamentals are strengthening. But this phase also requires more discipline, greater fairness in conduct, and deeper alignment between policy intent and market behavior.

The Bank of Ghana is committed to its part, through credible policy, timely regulation, and open dialogue. We count on you, as leaders of your institutions, to match that commitment in how you lend, price, disclose, and innovate.

Together, we can anchor this recovery on a foundation of trust, transparency, and shared responsibility. And I look forward to deepening this partnership in the months ahead.

Thank you once again for your time, and for the work you continue to do to strengthen Ghana's financial system.

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