



BANK OF GHANA

MONETARY POLICY REPORT

March 2025

The Monetary Policy Report highlights the economic and financial sector assessments that the Monetary Policy Committee (MPC) considered prior to the policy decision during the 122nd meeting held in January 2025.

Monetary Policy Objective in Ghana

The primary objective of the Bank of Ghana is to ensure stability in the general level of prices which has been defined as maintaining inflation over the medium term, within a band of 8 ± 2 percent. Without limiting the primary objective, the Bank is also expected to support the general economic policy of the government, promote economic growth and development, foster the effective and efficient operation of the banking and credit system; and contribute to the promotion and maintenance of financial stability.

Monetary Policy Strategy

To achieve the objective of price stability, Bank of Ghana was granted operational independence to use whichever policy tools it sees appropriate to stabilise inflation around the target band. The Bank of Ghana's framework for conducting monetary policy is Inflation Targeting (IT), in which the central bank uses the Monetary Policy Rate (MPR) as the primary policy tool to set the monetary policy stance and anchor inflation expectations in the economy.

The MPC Process

The MPC is a statutorily constituted body established by the Bank of Ghana (Amendment) Act, Act 2016 (Act 918) to formulate monetary policy. The MPC consists of seven members – five from the Bank of Ghana (including the Governor who is the Chairman) and two external members appointed by the Board of the Bank. The MPC meeting dates are determined at the beginning of each year. The MPC meets bi-monthly to assess economic conditions and risks to the inflation outlook, after which a policy decision is made on positioning the MPR. Each decision signals a monetary policy stance of tightening (increase), easing (decrease) or no change (stay put). The policy decision is arrived at by consensus with each member stating reasons underlying a preferred MPR decision. Subsequently, the decision is announced at a press conference held after each MPC meeting and a press release issued to financial markets and the public.

©Research Department, Bank of Ghana MPC Report – March 2025

www.bog.gov.gh

Table of Contents

OVERVIEW	2
1. GLOBAL ECONOMIC DEVELOPMENTS	3
1.0 HIGHLIGHTS	3
1.1 GLOBAL GROWTH DEVELOPMENTS	3
1.2 GLOBAL PRICE DEVELOPMENTS	4
1.3 GLOBAL FINANCIAL MARKETS DEVELOPMENTS.....	4
1.4 CURRENCY MARKETS	5
1.5 GLOBAL ECONOMIC OUTLOOK AND RISKS.....	7
2. EXTERNAL SECTOR DEVELOPMENTS	8
2.0 HIGHLIGHTS	8
2.1 COMMODITY PRICE TRENDS	8
2.2 TRADE BALANCE	9
2.3 CURRENT ACCOUNT.....	9
2.4 CAPITAL AND FINANCIAL ACCOUNTS.....	10
2.5 INTERNATIONAL RESERVES.....	10
2.6 EXTERNAL SECTOR OUTLOOK	10
3. REAL SECTOR DEVELOPMENTS	12
3.0 HIGHLIGHTS	12
3.1 ECONOMIC GROWTH	12
3.2 TRENDS IN REAL SECTOR INDICATORS	12
3.3 LABOUR MARKET ACTIVITY	14
3.4 COMPOSITE INDEX OF ECONOMIC ACTIVITY	14
3.5 CONSUMER AND BUSINESS SURVEYS	14
4. MONETARY AND FINANCIAL DEVELOPMENTS	18
4.0 HIGHLIGHTS	18
4.1 DEVELOPMENTS IN MONETARY AGGREGATES	18
4.2 RESERVE MONEY	19
4.3 DEPOSIT MONEY BANKS CREDIT DEVELOPMENTS.....	20
4.4 MONEY MARKET DEVELOPMENTS	21
4.5 STOCK MARKET DEVELOPMENTS	22
4.6 CONCLUSION	22
5. BANKING SECTOR DEVELOPMENTS	23
5.0 HIGHLIGHTS	23
5.1 BANKS' BALANCE SHEET	23
5.2 CREDIT RISK	26
5.3 FINANCIAL SOUNDNESS INDICATORS.....	27
5.4 CREDIT CONDITIONS SURVEY	30
5.5 CONCLUSION AND OUTLOOK	31
6. FISCAL DEVELOPMENTS	32
6.0 HIGHLIGHTS	32
6.1 TOTAL REVENUE.....	32
6.2 TOTAL EXPENDITURE	33
6.3 BUDGET BALANCE AND FINANCING.....	34
6.4 PUBLIC DEBT ANALYSIS.....	35
7. PRICE DEVELOPMENTS	36
7.0 HIGHLIGHTS	36
7.1 DOMESTIC INFLATION.....	36
7.2 INFLATION RISK ASSESSMENT AND OUTLOOK	38
APPENDIX	39

Overview

The global economy was resilient through 2024, supported by strong real income growth and a less restrictive monetary policy stance relative to 2023. In the first few months of 2025, trade frictions arising from an emerging tariff war, elevated global interest rates, and geopolitical tensions have heightened uncertainty about the global growth outlook. These uncertainties have weighed negatively on consumer and business confidence, softened investor sentiment, and increased downside risks to growth.

The disinflation path has stalled in some Advanced Economies, on the back of persistence in services inflation, resurgence in goods inflation, and the recent tariff actions by the U.S. The imposition of additional tariffs by the U.S. and retaliatory responses have pushed up long-term inflation expectations in some Emerging Market Economies. In addition, the process of disinflation, which was expected to be supported by a decline in crude oil prices, could be partly offset by the effect of the tariff increases. Against this backdrop, global inflation is expected to remain high in the near term.

Global financial conditions have remained broadly restrictive. This has been driven by high monetary policy rates, rising long-term bond yields, declining capital flows to Emerging Market and Developing Economies, and volatile equity markets. The Federal Reserve, Bank of Japan, and Bank of England all kept their policy rates unchanged in March 2025 on account of rising trade and economic uncertainty, while the European Central Bank cut its policy rate to boost growth in the Euro Area.

On the domestic front, growth continued to rebound, exceeding initial expectations. Provisional data from the Ghana Statistical Service estimated real GDP growth at 5.7 percent in 2024, higher than the programmed growth rate of 4.0 percent for 2024 and the 3.1 percent recorded in 2023. Non-oil GDP grew at 6.0 percent, compared with 3.6 percent recorded in 2023. The growth outturn in 2024 was driven by activities in the industry and services sectors. However, growth in the agricultural sector was slower, driven by lower crop yield due to adverse weather conditions, among other factors.

Inflation declined marginally in the first two months of 2025. The latest data released by the Ghana Statistical Service indicates that headline inflation eased marginally from 23.8 percent in December 2024 to 23.1 percent in February 2025, due to easing but still high non-food inflation. Food inflation has remained elevated on account of unfavourable climatic conditions and other constraints.

The strong external sector performance in 2024 continued in early 2025, indicating a significant improvement in the accumulation of reserves. In the first two months of 2025, the trade account recorded a surplus due to higher export receipts relative to imports. Total exports posted 50.0 percent annual growth to reach US\$4.3 billion, driven by increased gold and cocoa exports arising from both price and volume effects. In contrast, crude oil exports declined as output from the three oil producing fields fell. Total imports increased by 7.3 percent year-on-year to US\$2.7 billion.

The banking sector performance continued to improve. Total bank assets recorded 34.0 percent growth at the end of February 2025, relative to 12.1 percent growth in the same period last year. With regulatory reliefs, the banking industry's Capital Adequacy Ratio (CAR) was higher at 14.4 percent, compared to 13.6 percent in the same period last year. Without reliefs, CAR was 12.1 percent. The industry's Non-Performing Loan (NPL) ratio declined to 22.6 percent in February 2025, from 24.6 percent in February 2024. Excluding the loans in the loss category, which are fully provisioned, the NPL ratio as at end-February 2025 was 8.9 percent. Overall, the Financial Soundness Indicators showed broad improvements in asset growth, solvency, liquidity, efficiency, and profitability.

1. Global Economic Developments

1.0 Highlights

Global economic activity was resilient in 2024, supported by strong real income growth and lower interest rates, but recent high-frequency data suggests some signs of weakness in the near term, reflecting trade and economic policy uncertainty. The ongoing disinflationary process appears to have stalled in some countries amid rising goods inflation and persistent services inflation. Financial conditions remain restrictive, reflecting still high policy rates and long-term bond yields. In the local forex market, the cedi has made some gains in recent months, on the back of liquidity support by the Bank of Ghana.

1.1 Global Growth Developments

Global growth was resilient in 2024, supported by real income growth and the fading effects of monetary policy restrictions. The resilience in activity was evident in both Advanced Economies and EMDEs. However, recent developments have clouded the outlook for 2025Q1. The announced series of tariffs by the U.S. and retaliatory tariffs by other countries and geopolitical tensions pose downside risks to the global economy. Against these developments, trade and economic policy uncertainty have risen sharply in recent months, contributing to declining consumer confidence across regions and a slowdown in business investment spending. Manufacturing picked up marginally in some countries, backed by the frontloading of new orders in anticipation of proposed tariffs.

If the announced U.S. tariffs and retaliatory tariffs persist, it may heighten uncertainty and weigh on consumption and investment spending and global growth. The tariffs could add to trade costs, raising final goods prices and intermediate input prices for firms, while slowing the ongoing disinflation process. Renewed price pressures could force central banks in Advanced Economies to keep monetary policy tighter for longer, tightening financial conditions while adding to the volatility in EMDE currencies.

Table 1.1: Global Growth Projections (%)

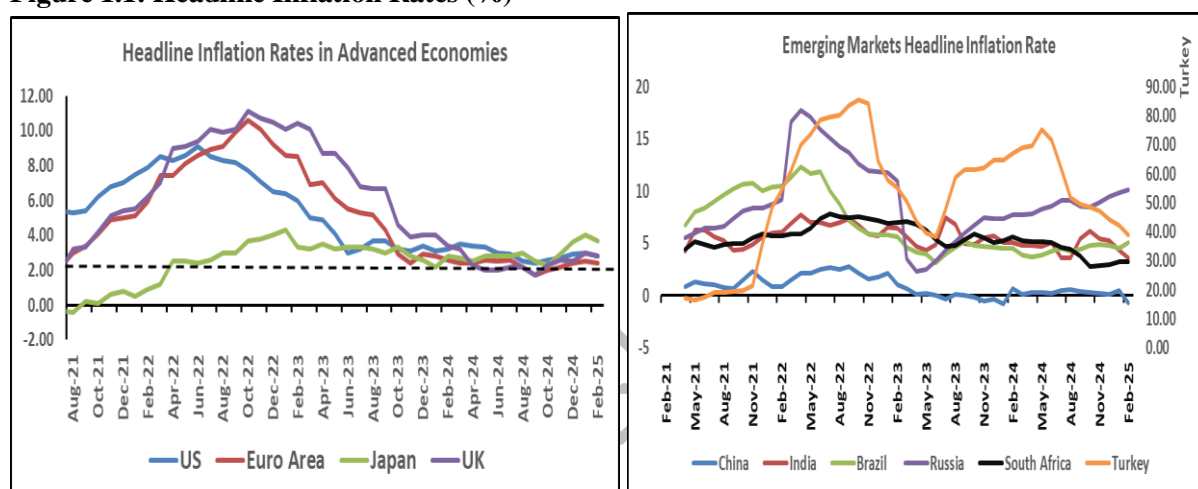
Overview of the World Economic Outlook Projections			
(Percent change)			
	2024	Projections	
		2025	2026
World	3.2	3.3	3.3
Advanced Economies	1.7	1.9	1.8
United States	2.8	2.7	2.1
Euro Area	0.8	1.0	1.4
Germany	−0.2	0.3	1.1
France	1.1	0.8	1.1
Italy	0.6	0.7	0.9
Spain	3.1	2.3	1.8
Japan	−0.2	1.1	0.8
United Kingdom	0.9	1.6	1.5
Canada	1.3	2.0	2.0
Other Advanced Economies	2.0	2.1	2.3
Emerging Market and Developing Economies	4.2	4.2	4.3
China	4.8	4.6	4.5
India	6.5	6.5	6.5
Russia	3.8	1.4	1.2
Brazil	3.7	2.2	2.2
Mexico	1.8	1.4	2.0
Sub-Saharan Africa	3.8	4.2	4.2
Nigeria	3.1	3.2	3.0
South Africa	0.8	1.5	1.6

Source: OECD

1.2 Global Price Developments

The global disinflation process has stalled due to emerging price pressures from the goods and services sectors. Oil prices have declined in recent months, partly reflecting the decision by the OPEC+ economies to unwind production cuts gradually from April 2025. An expected slowdown in global growth may further weigh on oil prices. However, the recent escalation of the Gaza war and attacks on the Houthi rebels could force a pickup in oil prices in the near term. Global food prices have increased, with the FAO Food Price Index rising in February 2025, reflecting supply constraints. In addition, underlying inflation remained elevated, reflecting the persistence in services inflation due to strong wage growth and a recent pickup in goods inflation. In the outlook, global inflationary pressures are expected to linger in many economies. The impact of slower growth on inflation may be offset by the gradual inflationary impact of tariff increases. However, oil prices may continue to moderate as OPEC+ unwinds production curbs from April 2025.

Figure 1.1: Headline Inflation Rates (%)



Source: Bank of Ghana, /Trading Economics

1.3 Global Financial Markets Developments

Global financial conditions remain restrictive amid relatively high policy rates, despite ongoing easing. Major central banks, apart from those in the Eurozone, held their policy rates steady amid ongoing trade and geopolitical uncertainty. Policy divergence has been observed across EMDE central banks, reflecting differences in the pace of disinflation. The expectation of higher-for-longer policy rates have kept long-term bond yields relatively high, with equity markets cautious amid escalating trade and economic policy uncertainty. Reflecting rising global uncertainties, portfolio flows to EMDEs stood at US\$15.9 billion in February, lower than the US\$35.4 billion received in January 2025.

In the outlook, financial conditions will remain tight in the near term. Higher policy rates, long term bond yields, and a stronger dollar could continue to keep financing conditions tight. The uncertainty about how central banks will navigate the difficult trade-offs they face amid tariffs could trigger a disruptive repricing of risky assets, with sharp tightening of financial conditions and an appreciation of the dollar. The rising uncertainty, alongside a prolonged slowdown in China, could trigger a reversal of portfolio flows to EMDEs, with implications for exchange rate stability.

Table 1.2: Monetary Policy Stance of Selected Central Banks

Country	Policy rate - Previous (%)	Policy Rate Current (%)	Forecast	Inflation January, 2025	Inflation February, 2025	Real rate	Infl Target	Overall Fiscal Deficit (2023,% of GDP)	GDP Growth (Dec.2023)	Gross Debt/GDP(2023,%)	YTD Depr/19th Mar 2025
U.S	4.50	4.50	4.5	3	2.8	1.7	2%	-7.1	2.9	118.7	
Euro Area	2.90	2.65	2.65	2.5	2.4	0.25	< 2%	-3.6	0.4	87.8	5.31
UK	4.75	4.50	4.50	3.0	2.8	1.7	2%	-6	0.3	100.0	3.90
Japan	0.5	0.5	0.50	4.0	3.7	-3.2	2%	-4.2	1.7	249.7	5.72
Russia	21.0	21.0	21.0	9.9	10.1	10.9	4%	-2.3	3.6	19.7	35.09
India	6.50	6.25	6.0	4.31	3.61	2.64	4±2%	-8.3	8.2	83	-0.96
Brazil	12.25	13.25	12.75	4.56	5.06	8.19	4.5±1.5%	-7.6	2.9	84.7	9.31
Turkey	45.0	42.5	40.0	47.09	44.38	-1.88	5±2%	-5.3	5.1	29.3	-6.71
Malaysia	3.0	3.0	3.0	1.7		1.3	3% - 4%	-4.4	3.6	69.8	0.80
Indonesia	5.75	5.75	5.75	1.55	1.6	4.18	3.5% ± 1%	-1.6	5	39.6	-2.41
Chile	5.0	5.0	4.75	4.2	4.5	0.5	3±1%	-2.3	0.2	39.4	9.51
Ghana	27.0	27.0	25	23.5	23.1	3.9	8±2%	-3.6	2.9	82.9	-5.34
South Africa	7.50	7.50	7.25	3.2	3.2	4.3	3% -6%	-5.8	0.7	73.4	3.98
Nigeria	27.5	27.5	27.5	24.48	23.18	4.32	6% -9%	-4.2	2.9	46.4	0.24
Kenya	11.25	10.75	10.75	3.3	3.5	7.25	2.5-7.5%	-5.8	5.6	73.1	0.00
Zambia	14.0	14.5	14.5	16.7	16.8	-2.3	6%-8%	-6.5	5.4	127.3	-3.15
Morocco	2.75	2.5	2.50	2.0		0.5		-4.3	3	69.5	5.02
Angola	19.5	19.5	19.0	25.3	26.48	-6.98	9-11%	-1.9	1.0	73.7	0.17
Egypt	27.25	27.25	27.25	24.0	12.8	14.45	7± 2%	-5.8	3.8	95.9	0.39

Source: Growth Rate (World Bank); Debt/GDP (IMF) Policy Rates (Trading Economics)

1.4 Currency Markets

On the international currency market, the U.S. dollar weakened in 2025Q1 over U.S. trade policies and concerns of a recession. The weakness of the dollar provided some support to EMDE currencies.

In the domestic currency market, the cedi continue to make some gains on the back of muted forex demand, increased Bank of Ghana support, improved remittances and mining inflows, and the easing of market jitters. The cedi is expected to remain stable in the near term, reflecting a strong reserve build-up, improved market sentiments, and the weakness of the dollar due to trade wars.

In the interbank market, the cedi depreciated by 5.3 percent, 5.9 percent, and 11.6 percent against the dollar, the pound sterling, and the euro, respectively, on a year-to-date basis. This is against a depreciation of 4.7 percent, 4.2 percent, and 2.9 percent against the dollar, the pound sterling, and the euro, respectively, during the same period in 2024. The cedi was relatively more volatile during the first 55 transaction days in 2025 compared to the same period in 2024.

Considering the currency movements of major trading partners, the cedi depreciated by 5.9 percent in nominal trade weighted terms and 5.7 percent in forex transaction weighted terms on a year-to-date basis. This is against a depreciation of 3.1 percent, and 4.7 percent, in nominal trade weighted terms, and nominal foreign exchange transaction weighted terms, respectively, over the same period in 2024.

Table 1.3: Interbank Exchange Rates

Exchange Rate Movements									
	US\$/GHC*	Monthly depreciation/a appreciation	Year-to-Date depreciation/a appreciation	GBP/GHC*	Monthly depreciation/a appreciation	Year-to-Date depreciation/a appreciation	Euro/GHC*	Monthly depreciation/a appreciation	Year-to-Date depreciation/a appreciation
2023									
Jan	10.7997	-20.6	-20.59	13.2863	-22.4	-22.39	11.7262	-22.0	-22.01
Feb	11.0135	-1.9	-22.13	13.3699	-0.6	-22.87	11.7182	0.1	-21.95
Mar	11.0137	0.0	-22.13	13.6218	-1.8	-24.30	11.9657	-2.1	-23.57
Apr	10.9516	0.6	-21.69	13.7624	-1.0	-25.07	12.0876	-1.0	-24.34
May	10.9715	-0.2	-21.83	13.5888	1.3	-24.12	11.6978	3.3	-21.82
June	10.9972	-0.2	-22.02	13.9879	-2.9	-26.28	12.0073	-2.6	-23.83
July	11.0034	-0.1	-22.06	14.1482	-1.1	-27.12	12.1272	-1.0	-24.59
Aug	11.0192	-0.1	-22.17	13.9514	1.4	-26.09	11.9473	1.5	-23.45
Sep	11.1285	-1.0	-22.94	13.5935	2.6	-24.14	11.7774	1.4	-22.35
Oct	11.4963	-3.2	-25.40	13.9399	-2.5	-26.03	12.1438	-3.0	-24.69
Nov	11.6206	-1.1	-26.20	14.6821	-5.1	-29.77	12.6756	-4.2	-27.85
Dec	11.8800	-2.2	-27.81	15.1334	-3.0	-31.86	13.1264	-3.4	-30.33
2024									
Jan	12.0356	-1.3	-1.29	15.3027	-1.1	-1.11	13.0547	0.5	0.55
Feb	12.4642	-3.4	-4.69	15.8022	-3.2	-4.23	13.5234	-3.5	-2.94
Mar	12.8770	-3.2	-7.74	16.2617	-2.8	-6.94	13.9031	-2.7	-5.59
Apr	13.2739	-3.0	-10.50	16.6243	-2.2	-8.97	14.1900	-2.0	-7.50
May	14.1301	-6.1	-15.92	17.9996	-7.6	-15.92	15.3345	-7.5	-14.40
June	14.5860	-3.1	-18.55	18.4375	-2.4	-17.92	15.6270	-1.9	-16.00
July	14.9009	-2.1	-20.27	19.1305	-3.6	-20.89	16.1065	-3.0	-18.50
Aug	15.1899	-1.9	-21.79	19.9261	-4.0	-24.05	16.7828	-4.0	-21.79
Sep	15.8000	-3.9	-24.81	21.1823	-5.9	-28.56	17.6108	-4.7	-25.46
Oct	16.3000	-3.1	-27.12	20.9700	1.0	-27.83	17.6992	-0.5	-25.84
Nov	15.2700	6.7	-22.20	19.3592	8.3	-21.83	16.1291	9.7	-18.62
Dec	14.7000	3.9	-19.18	18.4008	5.2	-17.76	15.2141	6.0	-13.72
2025									
Jan	15.3001	-3.9	-3.92	19.0003	-3.2	-3.16	16.8361	-9.6	-9.63
Feb	15.5300	-1.5	-5.34	19.5484	-2.8	-5.87	17.2180	-2.2	-11.64

Source: Bank of Ghana Staff Calculations

Table 1.4: Nominal Effective Exchange Rate

Month	2021=100		Monthly CHG(%)		Year-to-Date (%)	
	FXTWI	TWI	FXTWI	TWI	FXTWI	TWI
Jan-24	48.36	52.70	-1.15	0.30	-1.15	0.30
Feb-24	46.71	50.96	-3.54	-3.42	-4.73	-3.11
Mar-24	45.22	49.38	-3.30	-3.20	-8.18	-6.41
Apr-24	43.91	48.38	-2.97	-2.06	-11.40	-8.60
May-24	41.18	44.77	-6.63	-8.05	-18.78	-17.35
Jun-24	39.94	43.83	-3.11	-2.16	-22.48	-19.88
Jul-24	39.05	42.49	-2.28	-3.14	-25.27	-23.65
Aug-24	38.23	40.96	-2.14	-3.76	-27.95	-28.29
Sep-24	36.72	39.07	-4.12	-4.82	-33.23	-34.47
Oct-24	35.68	38.67	-2.91	-1.03	-37.10	-35.86
Nov-24	38.18	42.26	6.55	8.49	-28.12	-24.33
Dec-24	39.74	44.70	3.93	5.46	-23.09	-17.54
Jan-25	38.19	42.96	-4.07	-4.07	-4.07	-4.07
Feb-25	37.61	42.23	-1.54	-1.73	-5.67	-5.87

Source: Bank of Ghana Staff Calculations

In real bilateral terms, the cedi depreciated by 3.6 percent, 3.2 percent, and 2.9 percent against the dollar, the pound sterling, and the euro, respectively, on a year-to-date basis. Comparatively, for the corresponding period in 2024, the cedi's real exchange rate depreciated by 2.4 percent and 0.4 percent against the dollar and the pound sterling, respectively, while appreciating by 0.63 percent against the euro on a year-to-date basis.

Table 1.5: Real Bilateral Exchange Rate

Month	RER Index (Jan.2021=100)			MONTHLY CHANGE (Index)			Year-to-Date (%)		
	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP	USD
Jan-24	98.89	92.57	87.94	3.02	1.57	0.14	3.02	1.57	0.14
Feb-24	96.51	90.72	85.73	-2.46	-2.03	-2.58	0.63	-0.43	-2.44
Mar-24	93.63	88.07	83.15	-3.08	-3.01	-3.11	-2.43	-3.45	-5.63
Apr-24	93.00	87.65	81.79	-0.68	-0.59	-1.66	-3.13	-4.06	-7.38
May-24	88.40	82.92	79.12	-5.20	-5.59	-3.38	-8.49	-9.88	-11.01
Jun-24	89.04	83.17	78.84	0.73	0.30	-0.34	-7.70	-9.54	-11.39
Jul-24	88.04	81.90	78.66	-1.14	-1.56	-0.24	-8.93	-11.25	-11.66
Aug-24	83.90	77.84	76.56	-4.93	-5.21	-2.74	-14.30	-17.05	-14.71
Sep-24	82.36	75.56	75.54	-1.89	-3.02	-1.35	-16.44	-20.59	-16.26
Oct-24	82.09	76.12	73.76	-0.33	0.74	-2.41	-16.82	-19.69	-19.07
Nov-24	92.79	84.37	80.80	11.53	9.77	8.71	-3.36	-8.00	-8.70
Dec-24	99.88	90.44	85.41	7.10	6.72	5.40	3.98	-0.74	-2.82
Jan-25	97.81	89.38	82.94	-2.12	-1.18	-2.98	-2.12	-1.18	-2.98
Feb-25	97.04	87.64	82.41	-0.75	-1.99	-0.64	-2.88	-3.20	-3.64

Source: Bank of Ghana Staff Calculations

The cedi depreciated by 3.0 percent and 3.6 percent in real trade weighted terms and real forex transaction weighted terms on a year-to-date basis. This compares with an appreciation of 0.1 percent in real trade weighted terms and a depreciation of 2.1 percent in real forex transaction weighted terms for the same period in 2024.

Table 1.6: Real Effective Exchange Rate for Major Trade Partners

Month	INDEX (2021=100)		MONTHLY CHG		Year-to-Date (%)	
	RTWI and FXRTWI					
	RFXTWI	RTWI	RFXTWI	RTWI	RFXTWI	RTWI
Jan-24	88.83	96.79	0.39	2.51	0.39	2.51
Feb-24	86.63	94.48	-2.54	-2.44	-2.14	0.13
Mar-24	84.01	91.66	-3.12	-3.07	-5.33	-2.94
Apr-24	82.71	90.91	-1.56	-0.83	-6.98	-3.80
May-24	79.87	86.61	-3.56	-4.96	-10.79	-8.95
Jun-24	79.67	87.09	-0.25	0.55	-11.06	-8.35
Jul-24	79.40	86.18	-0.34	-1.06	-11.44	-9.50
Aug-24	77.13	82.34	-2.95	-4.65	-14.73	-14.59
Sep-24	76.04	80.81	-1.43	-1.90	-16.37	-16.77
Oct-24	74.41	80.39	-2.19	-0.51	-18.91	-17.37
Nov-24	81.73	90.33	8.95	11.00	-8.27	-4.46
Dec-24	86.54	96.97	5.56	6.84	-2.24	2.69
Jan-25	84.13	94.93	-2.87	-2.15	-2.87	-2.15
Feb-25	83.56	94.13	-0.68	-0.84	-3.57	-3.01

Source: Bank of Ghana Staff Calculations

1.5 Global Economic Outlook and Risks

Global economic activity was resilient in 2024, supported by strong real income growth and lower interest rates. However, there were signs of weakness in the near term, reflecting trade and economic policy uncertainty, with risks to the global economy elevated. The evolving trade tensions may weigh on global activity if they persist. An unexpected rise in inflation may erode real incomes and weigh on global growth. Trade tensions may force central banks to keep policy rates in Advanced Economies higher-for-longer. As a result, capital flows to EMDEs, including Ghana, may slow and potentially trigger disorderly exchange rate movements.

2. External Sector Developments

2.0 Highlights

The strong external sector performance in 2024 continued in early 2025, indicating a significant improvement in the accumulation of reserves. The external sector outlook remains strong. This is against the backdrop of increases in gold exports driven by sustained implementation of the Gold-for Reserves programme, continued growth in remittance inflows, and commitment to the implementation of policies and reforms under the IMF programme. The continued buildup of reserve buffers is expected to support the stability of the currency.

2.1 Commodity Price Trends

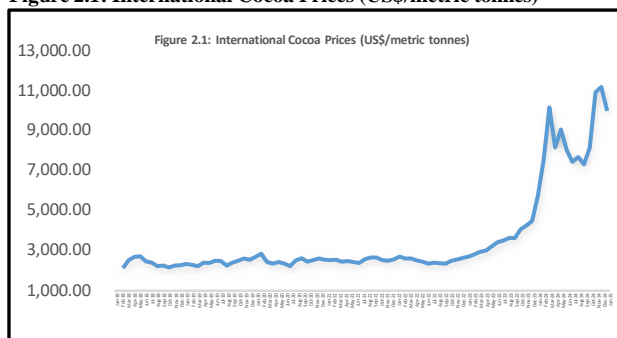
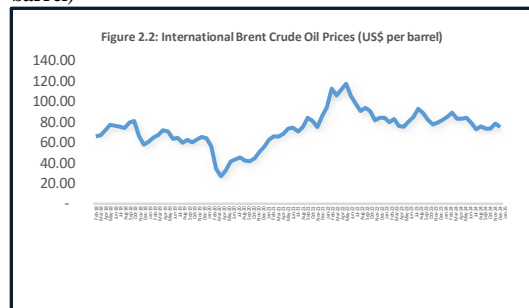
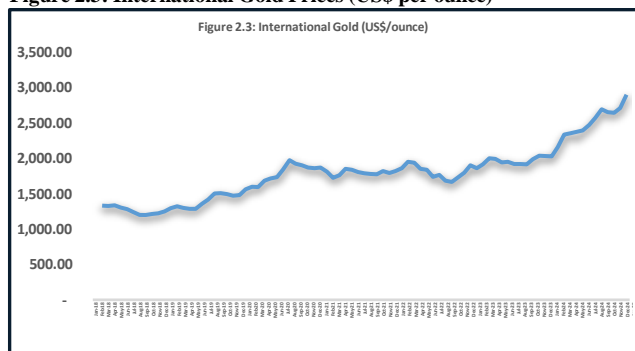
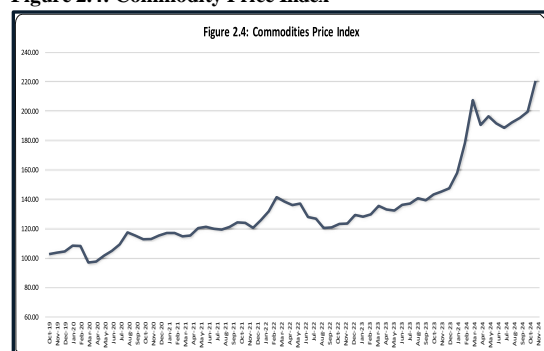
Prices of Ghana's primary exports (cocoa, gold, and crude oil) traded mixed on the international market in February 2025. Cocoa prices dropped by 10.7 percent to US\$9,946.79 per tonne in February 2025 from US\$11,141.14 per tonne in January 2025, on the back of an improved outlook for production in the 2024/25 season.

Crude oil prices also decreased by 4.3 percent to settle at an average of US\$74.95 per barrel in February, from US\$78.34 per barrel in January 2025, due to concerns that U.S. tariffs on Canada, Mexico, and China would slow economies around the world and slash energy demand while OPEC+ ramps up supply. Compared to a year earlier, crude oil prices dipped by 8.3 percent, mainly due to weak demand from China.

Gold prices, on the other hand, increased by 7.0 percent to US\$2,897.26 per fine ounce in February from US\$2,708.37 per fine ounce in the previous month, on the back of safe-haven demand amid uncertainty over U.S. tariff plans that could potentially boost inflation. Compared to a year earlier, gold prices increased by 43.0 percent from US\$1,858.94 in February 2024.

2.1.1 Commodity Price Index

The weighted average price of the three major commodities exported by Ghana (cocoa, gold, and crude oil) decreased by 1.14 percent to 224.86 in February 2025. The decrease was on the back of decreases in the cocoa and crude oil sub-indices. The crude oil sub-index fell by 10.7 percent, the cocoa sub-index fell by 4.3 percent, and the gold sub-index increased by 7.0 percent.

Figure 2.1: International Cocoa Prices (US\$/metric tonnes)**Figure 2.2: International Brent Crude Oil Prices (US\$ per barrel)****Figure 2.3: International Gold Prices (US\$ per ounce)****Figure 2.4: Commodity Price Index**

2.2 Trade Balance

The trade account recorded a surplus of US\$1.64 billion in the first two months of the year, higher than the surplus of US\$386.93 million recorded in the corresponding period of last year. Export earnings increased by 49.9 percent to US\$4.31 billion, driven mainly by gold and cocoa exports. The value of gold exports rose by 63.2 percent to US\$2.31 billion, on account of increases in both the volume and price of gold. The volume of gold exports increased by 15.2 percent to 857,958.96 million fine ounces, underpinned by increased output from both the small- and large-scale gold mines. The average realized price for gold also increased by 41.6 percent to US\$2,692.31 per fine ounce. Cocoa exports, of both beans and products, increased to US\$835.49 million, supported by both volumes and prices. The value of crude oil exports, however, decreased by 6.4 percent to US\$581.38 million, influenced by both volume and price effects.

Other exports, including non-traditional exports, improved by 20.2 percent to US\$523.64 million, from US\$435.60 million during the same review period last year.

The total import bill rose by 7.3 percent to US\$2.67 billion in 2025, from US\$2.49 billion in the corresponding period of 2024, mainly due to a pick-up in oil and gas imports by 42.5 percent to US\$919.34 million. Non-oil imports, however, decreased by 5.0 percent to US\$1.75 billion.

2.3 Current Account

The current account recorded a surplus of US\$3.55 billion in 2024, representing a sharp increase of 152.0 percent over the surplus of US\$1.41 billion recorded in 2023. The higher current account surplus came on the back of the improved trade surplus and higher remittance inflows. Net remittance flows for

the review period increased by 34.1 percent to US\$5.42 billion in 2024, from US\$4.04 billion in 2023. Net investment income payment and payment for services, however, increased by 44.0 percent and 14.9 percent, respectively, to US\$3.0 billion and US\$3.85 billion in the same reference period.

2.4 Capital and Financial Accounts

The capital and financial account for 2024 showed a significantly lower net outflow of US\$588.0 million, from US\$733.0 million in the corresponding period of 2023. The lower net capital outflow came on the back of higher government loan disbursements, reduced amortizations, and lower portfolio outflows.

Portfolio outflows, on net basis, amounted to US\$39.0 million in December 2024, compared to US\$261.0 million in the same period of 2023, representing a decline of 85.0 percent. Government loan amortization was also lower at US\$388.0 million in December 2024, from US\$575.0 million in December 2023, on account of the debt standstill. Meanwhile, loan disbursements, largely from the IMF and the World Bank, increased by 72.5 percent to US\$2.51 billion, from US\$1.45 billion in December 2023. Similarly, net foreign direct investment showed an inflow of US\$1.74 billion in 2024, an increase of 32.7 percent compared to US\$1.31 billion recorded in the same period of 2023. “Other capital”, including private capital, recorded a higher net outflow of US\$2.67 billion, compared to an outflow of US\$1.78 billion in the corresponding period of 2023.

The current account surplus, together with the reduced capital outflows, resulted in an overall Balance of Payments surplus of US\$3.06 billion in 2024, compared to a surplus of US\$518.0 million for the same period of 2023.

2.5 International Reserves

The stock of Gross International Reserves increased to US\$9.39 billion at the end of February 2025 (equivalent to 4.2 months of imports) from the stock position of US\$8.98 billion at the end of December 2024 (4.0 months of imports). Net International Reserves also recorded a buildup of US\$335.46 million from a stock position of US\$3.19 billion at end-December 2024.

2.6 External Sector Outlook

The cocoa market is expected to return to a surplus in the current season, with overall supply outpacing demand. At the same time, demand is expected to decline due to high input costs and concerns about global recession from the tariff war. As a result, cocoa prices are projected to decline after reaching a record high in late 2024. In the outlook, there is downward pressure on crude oil prices due to low demand from China, and OPEC+ plans to ramp up production. Gold prices are projected to remain supported due to its safe-haven appeal in an environment of uncertainty and geopolitical tension.

Table 2.1: Trade Balance (US\$ million)

Table 1	2023	2024	2025	Abs Y/Y	Rel Y/Y
	Jan - Feb	Jan - Feb	Jan - Feb	Chg	Chg
Trade Balance	862.4	386.9	1,640.7	1,253.8	324.0
<i>Trade Bal (% GDP)</i>	<i>1.1</i>	<i>0.5</i>	<i>1.9</i>		
Total Exports	2,823.6	2,877.8	4,314.2	1,436.4	49.9
Gold (\$'M)	1,080.9	1,415.3	2,309.9	894.6	63.2
Volume (fine ounces)	599,065.1	744,541.0	857,959.0	113,418.0	15.2
Unit Price (\$/fine ounce)	1,804.3	1,901.0	2,692.3	791.4	41.6
Cocoa Beans (\$'M)	555.5	275.8	561.6	285.8	103.6
Volume (tonnes)	223,393.9	103,316.3	119,330.6	16,014.4	15.5
Unit Price (\$/tonne)	2,486.7	2,669.8	4,706.4	2,036.6	76.3
Cocoa Products (\$'M)	156.0	93.1	273.9	180.7	194.1
Volume (tonnes)	47,856.9	28,983.5	44,655.0	15,671.5	54.1
Unit Price (\$/tonne)	3,259.4	3,213.4	6,133.3	2,919.8	90.9
Crude Oil (\$'M)	551.3	620.9	581.4	-39.5	-6.4
Volume (barrels)	6,651,425.0	7,675,138.0	7,582,864.0	-92,274.0	-1.2
Unit Price (\$/bbl)	82.9	80.9	76.7	-4.2	-5.2
Other Exports	479.9	472.6	587.5	114.9	24.3
<i>o/w: Non-Traditional Exports</i>	<i>377.4</i>	<i>349.0</i>	<i>442.1</i>	<i>93.1</i>	<i>26.7</i>
Total Import	1,961.2	2,490.9	2,673.6	182.7	7.3
Non-Oil	1,287.6	1,845.7	1,754.2	-91.5	-5.0
Oil and Gas	673.6	645.1	919.3	274.2	42.5
<i>of which: Products</i>	<i>641.7</i>	<i>608.2</i>	<i>873.1</i>	<i>264.9</i>	<i>43.6</i>
Gas (\$'M)	31.2	33.0	39.0	6.0	18.2
Crude Oil (\$'M)	0.76	4.00	7.3	3.3	82.4
Volume (barrels)	9,105	50,515	93,067.5	42,552.6	84.2
Unit Price (\$/bbl)	83.92	79.15	78.3	-0.8	-1.0
Gas (\$'M)	31.18	32.97	39.0	6.0	18.2
Volume (MMBtu)	3,599,574	3,583,452	4,669,686.1	1,086,233.9	30.3
Unit Price (\$ mmBtu)	8.66	9.20	8.3	-0.9	-9.3

Source: Bank of Ghana

3. Real Sector Developments

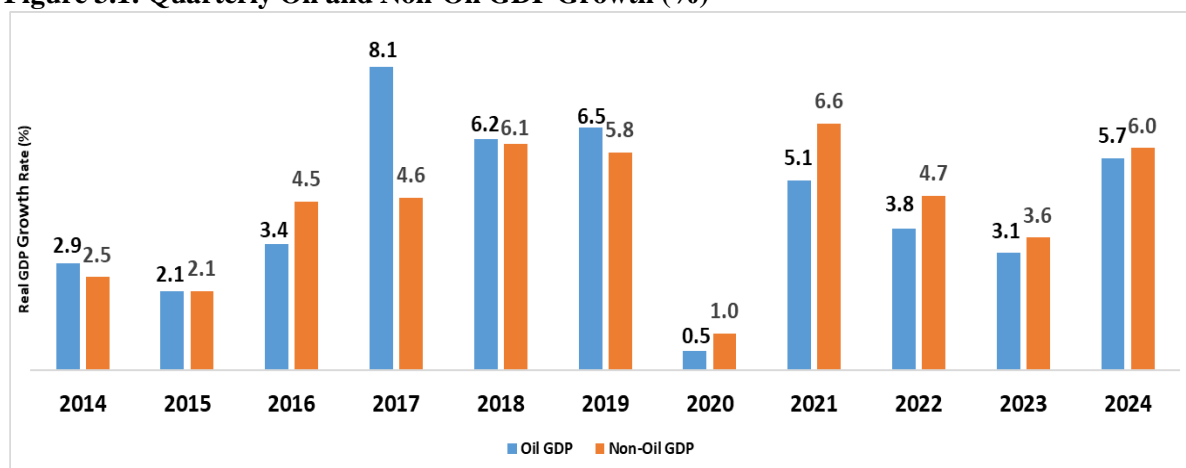
3.0 Highlights

Growth continued to rebound, exceeding initial expectations. Provisional data from the Ghana Statistical Service estimated real GDP growth at 5.7 percent in 2024, higher than the programmed growth rate of 4.0 percent for 2024, and the 3.1 percent recorded in 2023. The Bank's CIEA rebounded, and both business and consumer confidence have improved. These developments suggest a positive outlook for the economy.

3.1 Economic Growth

Economic growth continued to rebound, exceeding initial expectations. Provisional data from the Ghana Statistical Service estimated real GDP growth at 5.7 percent in 2024, higher than the programmed growth rate of 4.0 percent for 2024, and the 3.1 percent recorded in 2023. Non-oil GDP grew by 6.0 percent, compared with 3.6 percent recorded in 2023. The growth outturn in 2024 was driven by activities in the industry and services sectors. However, growth in the agricultural sector was slower, driven mainly by lower crop yields due to adverse weather conditions.

Figure 3.1: Quarterly Oil and Non-Oil GDP Growth (%)



Source: Ghana Statistical Service

3.2 Trends in Real Sector Indicators

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, increased in January 2025, compared with the corresponding period in 2024. Domestic VAT collections increased by 35.6 percent on a year-on-year basis to GH¢1,680.59 million. On a month-on-month basis, domestic VAT improved by 2.8 percent in January 2025, from GH¢1,634.46 million in the preceding month.

Retail sales increased by 27.9 percent (year-on-year) to GH¢238.38 million in January 2025, from GH¢186.42 million recorded in the same period in 2024. Compared to December 2024, however, retail sales declined by 45.9 percent.

Manufacturing Activities

Activities in the manufacturing sub-sector, gauged by trends in the collection of direct taxes and private sector workers' contributions to the Social Security and National Insurance Trust (SSNIT) Pension Scheme (Tier-1), recorded a positive performance in January 2025.

Total direct taxes collected increased by 60.1 percent to GH¢5,322.11 million in January 2025, compared with GH¢3,325.09 million recorded in January 2024. Conversely, on a month-on-month basis, total direct taxes collected for January 2025 declined by 60.8 percent from GH¢13,565.34 million collected in December 2024. In terms of contributions of the various sub-tax categories, corporate tax accounted for 61.8 percent, income tax (PAYE and self-employed) accounted for 31.4 percent, while "other tax sources" contributed 6.8 percent.

Total private sector workers' contribution to the SSNIT Pension Scheme (Tier-1) went up by 38.5 percent in year-on-year terms to GH¢472.62 million in January 2025, from GH¢341.12 million collected during the corresponding period in 2024.

Construction Sector Activities

Activity in the construction sub-sector, proxied by the volume of cement sales, declined by 4.7 percent (year-on-year) in January 2025 to 223,936.19 tonnes, compared with 235,084.56 tonnes recorded a year ago. However, on a month-on-month basis, total cement sales improved by 8.0 percent in January 2025, compared with the 207,326.95 tonnes recorded in December 2024. The year-on-year decline in total cement sales was due to a slowdown in construction activities during the review period.

Vehicle Registration

Transport sector activities, gauged by new vehicle registrations by the Driver and Vehicle Licensing Authority (DVLA), increased by 36.1 percent to 29,521 in January 2025, from 21,692 vehicles registered during the corresponding period of 2024. On a month-on-month basis, DVLA vehicle registrations improved significantly from 5,721 vehicles recorded in the preceding month.

Industrial Consumption of Electricity

Industrial consumption of electricity moderated by 2.1 percent in January 2025 to 287.8 gigawatts, as against 293.9 gigawatts recorded for the corresponding period of 2024. On a month-on-month basis, electricity consumed by industries in January 2025 increased by 7.8 percent from 267.0 gigawatts utilised for December 2024.

Passenger Arrivals

Passenger arrivals declined by 4.8 percent on year-on-year terms to 101,237 in January 2025, from 106,324 arrivals recorded a year ago. Compared to a month earlier, passenger arrivals recorded at the international airport and the land borders also went down by 20.2 percent.

Ports and Harbours Activity

International trade at the country's two main harbours (Tema and Takoradi), as measured by laden container traffic for inbound and outbound containers, improved during the period under review. Total container traffic increased by 14.5 percent, year-on-year, to 65,594 in January 2025, from 57,310 recorded during the same period in 2024. On a month-on-month basis, total container traffic dipped by 2.6 percent in January 2025.

3.3 Labour Market Activity

Private Sector Pension Contributors

Total number of private sector SSNIT contributors, which partially gauges employment conditions, improved by 3.9 percent to 1,049,172 in January 2025, compared with 1,009,639 for the same period in 2024. On a month-on-month basis, total number of private sector SSNIT contributors remained largely unchanged from the 1,052,393 individuals recorded in December 2024.

Advertised Jobs

The number of jobs advertised in selected print and online media, which partially gauges labour demand in the economy, increased in February 2025 relative to what was observed in the corresponding period a year ago. In total, 3,411 job adverts were recorded, as compared with 2,754 for the same period in 2024, indicating an improvement of 23.9 percent (year-on-year). On a month-on-month basis, the number of job vacancies in February 2025 went up by 11.7 percent from the 3,054 jobs advertised in January 2025. Cumulatively, 6,465 advertised jobs were recorded for the first two months of 2025, compared with 5,577 jobs advertised during the same period in 2024.

3.4 Composite Index of Economic Activity

The Bank's updated real Composite Index of Economic Activity (CIEA) recorded an annual growth of 5.7 percent in January 2025, compared to a growth of 3.5 percent for the corresponding period of 2024. Higher consumption, international trade activities, and private sector credit growth contributed to the improvement in economic activity during the period.

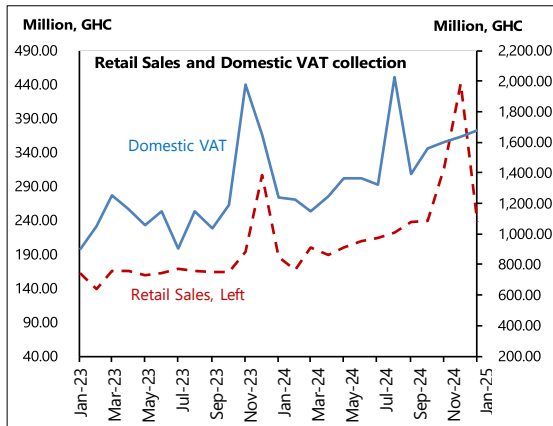
3.5 Consumer and Business Surveys

The latest confidence surveys conducted in February 2025 showed significant improvement in both consumer and business sentiments. The Consumer Confidence Index improved to 100.2 in February 2025 from 90.2 in December 2024, largely on account of easing inflationary pressures and optimism about future economic conditions. Similarly, the Business Confidence Index increased to 99.7 from 96.6 in the same comparative period as firms met their short-term targets and expressed positive industry prospects, buoyed by expectations for an improved macroeconomic environment. Results from the confidence surveys were broadly aligned with the observed trend in Ghana's Purchasing Managers' Index (PMI), which also signaled an improvement in business conditions. The PMI rose above the 50.0 benchmark to 50.5 in February 2025, from 47.9 in January 2025.

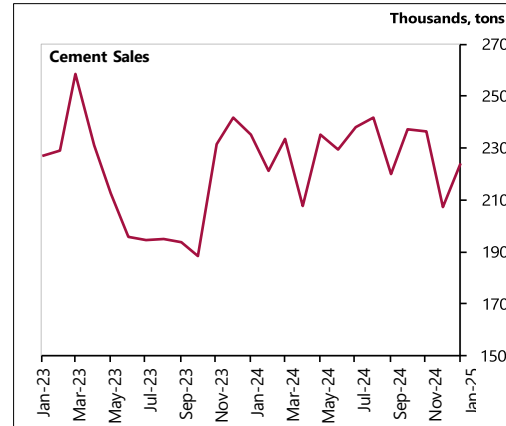
Figure 3.2: High Frequency Economic Indicators

Panel 1:
Ghana's Leading Indicators of Economic Activity

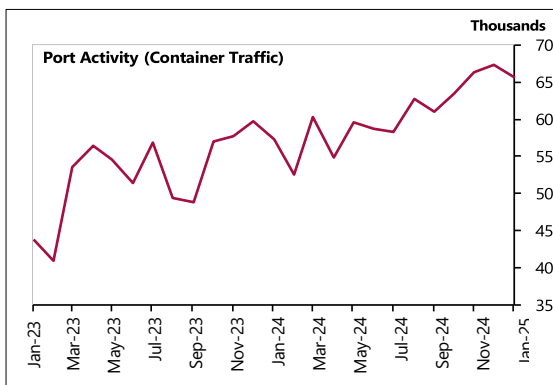
...Domestic VAT collections improved while retail sales declined in January 2025 compared to December 2024...



...Construction activities, proxied by cement sales, improved in January 2025 compared to December 2024...



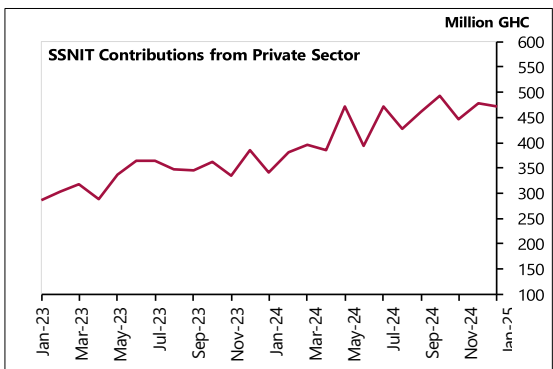
...Port activity dipped in January 2025 compared to the previous month...



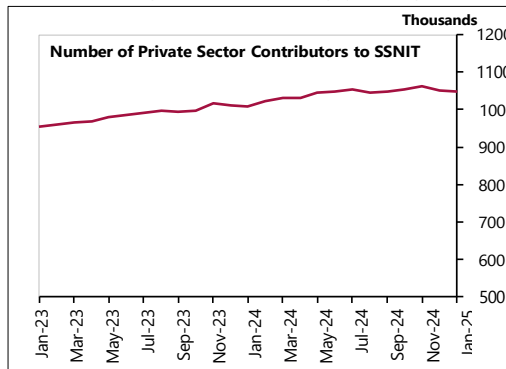
...Tourist arrivals declined in January 2025 compared to December 2024...



...Labour market conditions remained largely unchanged in January 2025 relative to December 2024...



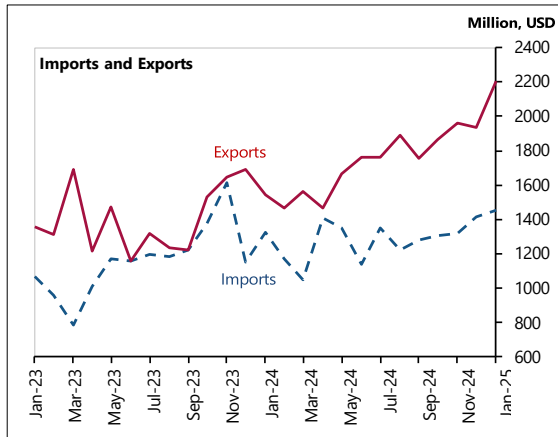
...Labour hiring conditions, proxied by the number of private sector workers contributing to SSNIT, remained largely unchanged...



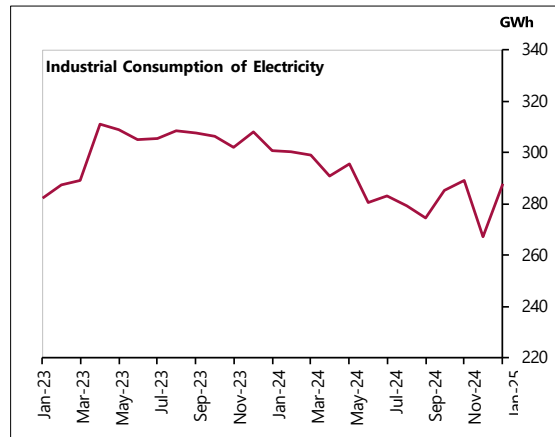
Sources: Bank of Ghana, Various Stakeholders

Panel 2: Ghana's Leading Indicators of Economic Activity

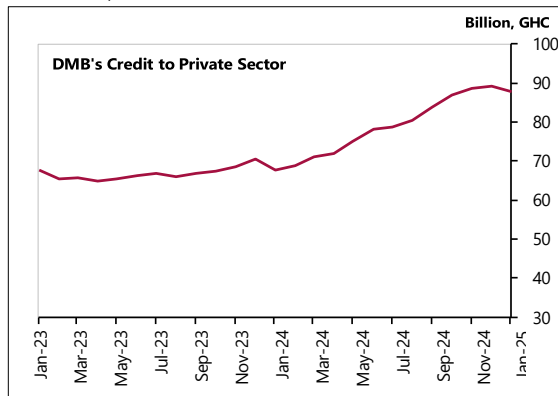
...Exports and Imports increased in January 2025 compared to December 2024...



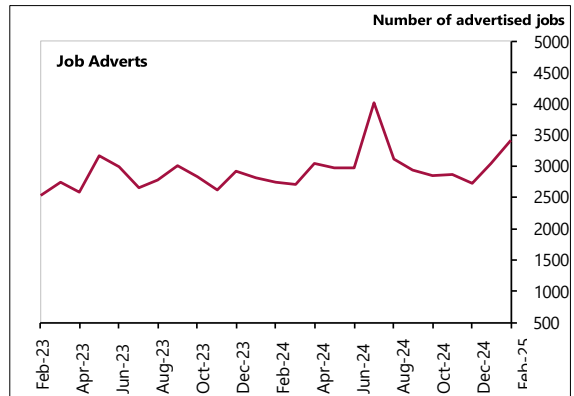
...Industrial activity, proxied by industrial consumption of electricity, increased...



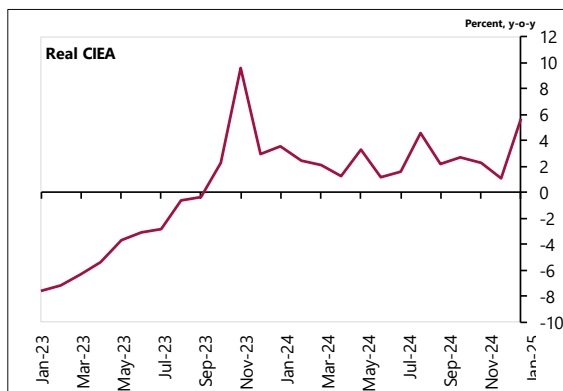
...Commercial banks' credit to the private sector dipped in January 2025 relative to the previous month...



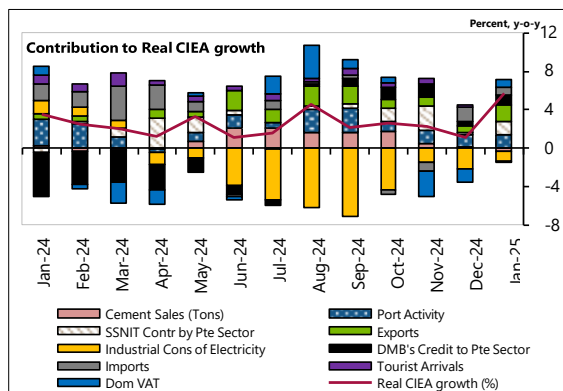
...Demand for labour, proxied by the number of job adverts (in print and online media), increased in February 2025...



...On a year-on-year basis, the real CIEA grew by 5.7 percent in January 2025, compared with a growth of 3.5 percent in January 2024...



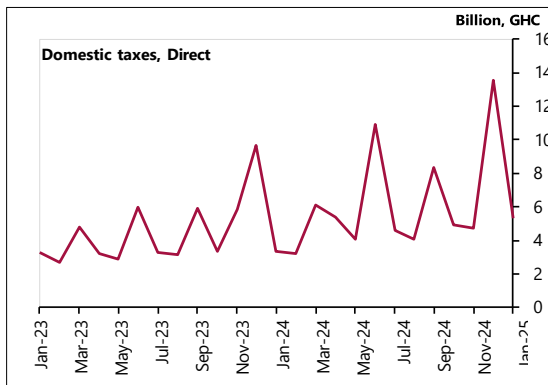
...The growth in the real CIEA was mainly driven by a pick-up in Exports, SSNIT Contributions from the Private Sector, Port Activity, DMB's Credit to the Private Sector, Domestic VAT and Imports...



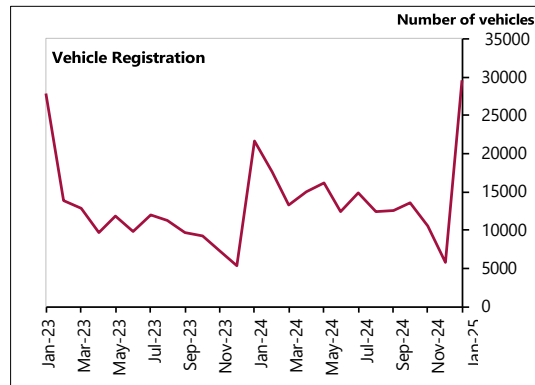
Source: Bank of Ghana, Various Stakeholders

Panel 3: Ghana's Leading Indicators of Economic Activity

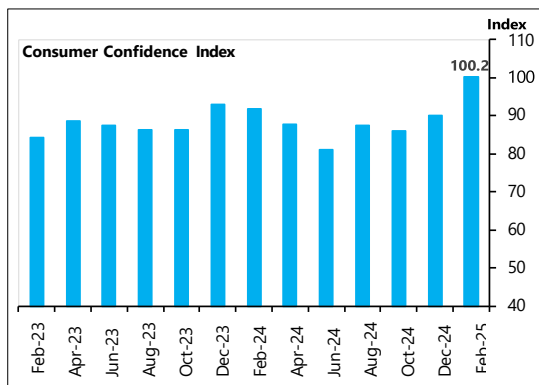
...Domestic tax collection decreased in January 2025 compared to December 2024...



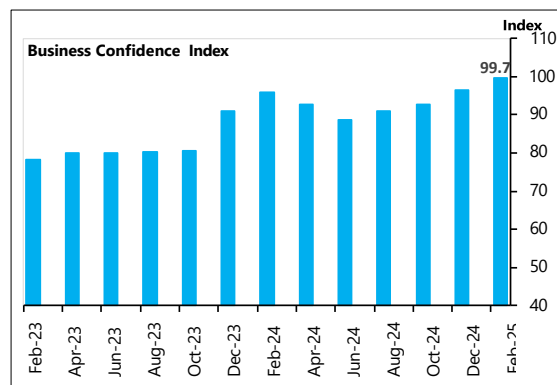
...Vehicle registration increased significantly in January 2025 compared to the month before...



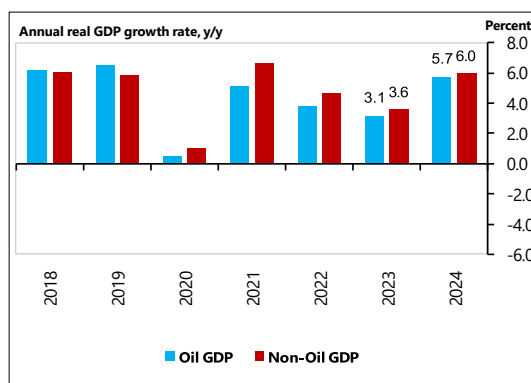
...Consumer Confidence improved largely on account of easing inflationary pressures and optimism about future economic conditions...



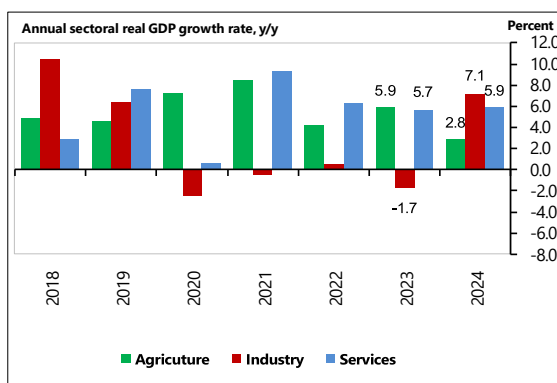
...Business Confidence improved as firms met their short-term targets and expressed positive industry prospects, buoyed by expectations for an improved macroeconomic environment...



...Real Oil and Non-Oil GDP grew by 5.7 percent and 6.0 percent respectively in 2024, compared with growth rates of 3.1 percent and 3.6 percent respectively in 2023...



...The Industry and Services sectors drove growth in 2024, recording growth rates of 7.1 percent and 5.9 percent respectively, relative to a contraction of 1.7 percent and a growth rate of 5.7 percent in 2023 respectively...



Source: Bank of Ghana, Various Stakeholders

4. Monetary and Financial Developments

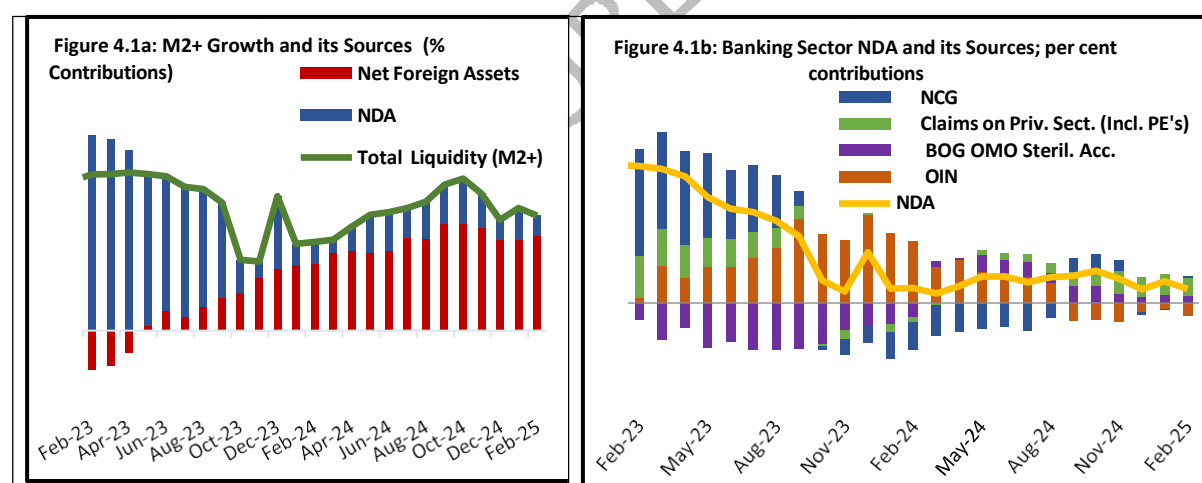
4.0 Highlights

Developments in monetary aggregates for February 2025 showed increased growth in broad money supply (M2+) relative to the corresponding period of 2024, largely driven by significant expansion in the Net Foreign Assets (NFA). Financial intermediation activities of banks continued to show signs of recovery in February 2025, supported by the pick-up in real sector activities. This reflected in growth in real private sector credit relative to a contraction recorded in February 2024. Money market rates broadly trended downwards at the short end of the primary market. The GSE Composite Index (GSE-CI) recorded significant gains in February 2025 relative to the corresponding period last year, underpinned by improved investor appetite, and improved liquidity in that segment of the market.

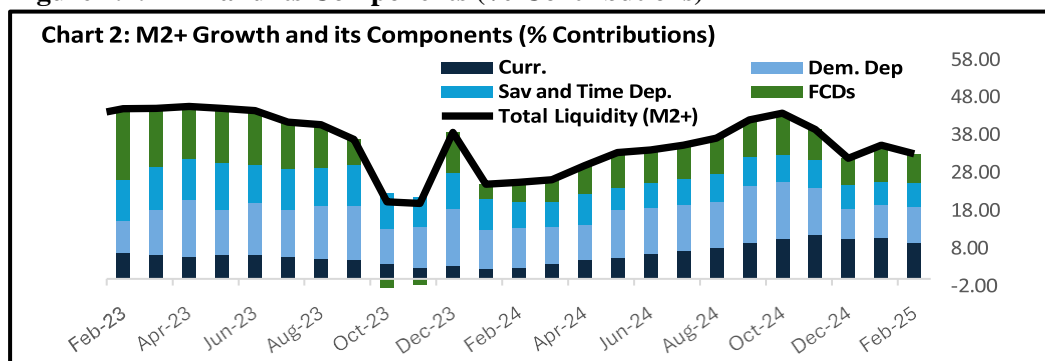
4.1 Developments in Monetary Aggregates

Money Supply

Developments in monetary aggregates for February 2025 showed increased growth in broad money supply (M2+) relative to the corresponding period of 2024, driven largely by a significant acceleration in the pace of growth in Net Foreign Assets (NFA) of depository corporations. Annual growth in M2+ increased to 33.1 percent in February 2025, relative to 25.5 percent in the corresponding period of 2024. The contribution of NFA increased to 27.3 percent from 19.3 percent, while that of NDA decreased marginally to 5.8 percent from 6.2 percent over the same comparative period.



Sources: Bank of Ghana

Figure 4.2: M2+ and its Components (% Contributions)

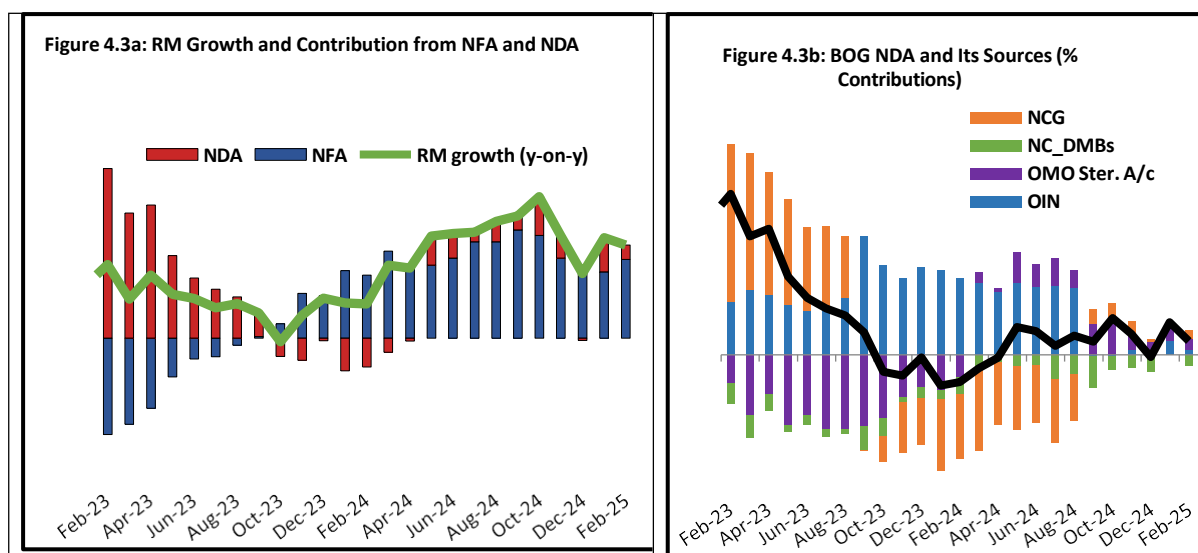
Source: Bank of Ghana

Net domestic assets expanded by 6.5 percent, year-on-year, in February 2025 relative to 5.9 percent in February 2024, while the Net foreign assets expanded by 245.1 percent relative to 360.7 percent over the same comparative period. Analysis of the components of M2+ showed that the increase in the growth in M2+ reflected in increased growth in currency outside banks and foreign currency deposits. Growth in demand deposits, and savings and time deposits, however, decreased.

4.2 Reserve Money

Reserve money (RM) expanded significantly in 2025, supported by considerable growth in the Net Foreign Assets (NFA) of the Central Bank, mainly on account of inflows from the Gold for Reserves (G4R) Programme, forex purchases, and proceeds from the IMF Extended Credit Facility (ECF). The dynamic Cash Reserve Requirement (CRR) continued to induce banks to increase their reserves with the Bank of Ghana to shore up regulatory reserves. Annual growth in RM increased considerably to 68.8 percent in February 2025, from a growth of 25.3 percent recorded in the corresponding period of 2024.

The NDA of the Bank of Ghana recorded a moderate growth due to a contraction in Claims on Deposit Money Banks (DMBs), partly reflecting a build-up in foreign currency deposits. The contribution of NDA to the growth in RM increased to 10.8 percent in February 2025, compared to *negative* 21.2 percent recorded in February 2024. Similarly, the contribution of NFA to the growth in RM increased to 58.1 percent relative to a growth of 46.5 percent over the same comparative period.



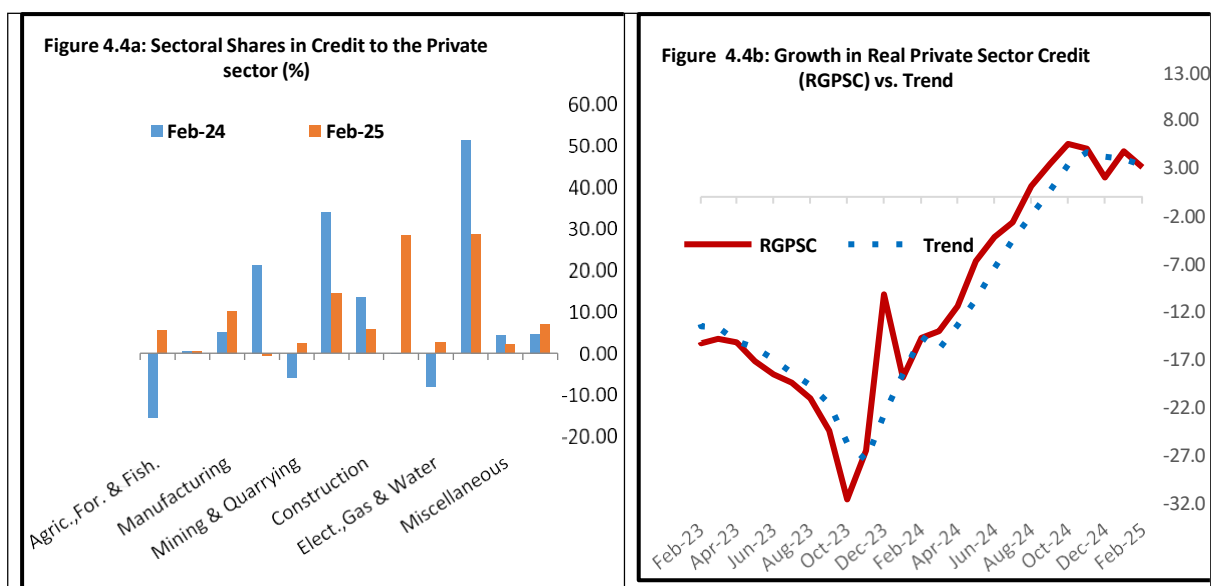
Source: Bank of Ghana

4.3 Deposit Money Banks Credit Developments

DMBs' credit to the private sector and public institutions increased by GH¢18,881.31 million (25.60%) in February 2025, compared to an increase of GH¢1,287.69 million (1.75%) recorded in February 2024. The increase in credit flows was largely due to the expansion of credit to the private sector. Credit to the private sector increased by GH¢18,523.73 million (27.32%) in February 2025, compared to an increase of GH¢3,312.48 million (5.06%) recorded in the corresponding period of 2024. The increased flow of credit to the private sector was on the back of an increase in domestic currency credit, underpinned by a pickup in real sector activities.

Private sector credit accounted for 98.11 percent of the flow in total outstanding credit in February 2025, relative to 257.24 percent recorded in the corresponding period of 2024. The top five sectors with significant shares of credit flows were: services (28.64%); commerce and finance (28.35%); import trade (14.41%); manufacturing (10.18%); and construction (5.89%).

Outstanding credit to the private sector at the end of February 2025 was GH¢87,333.63 million, compared with GH¢68,809.90 million recorded in February 2024. In real terms, credit to the private sector increased by 3.06 percent relative to a 14.70 percent contraction recorded over the same comparative period. Growth in real private sector credit declined slightly below its trend during the review month.

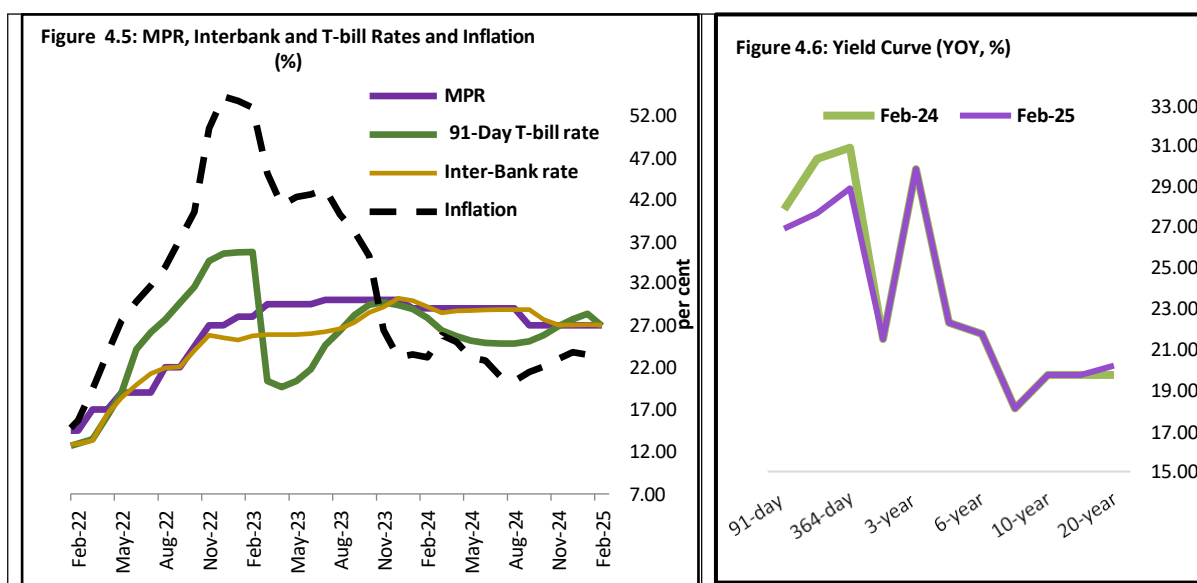


Source: Bank of Ghana

4.4 Money Market Developments

Interest rates continued to trend downwards at the short end of the primary market. Rates on the longer-dated instruments, however, remained stable. The 91-day and 182-day Treasury bill rates decreased to 26.93 percent and 27.69 percent, respectively, in February 2025, from 27.87 percent and 30.34 percent in the corresponding period of 2024. Similarly, the rate on the 364-day instrument declined to 28.90 percent in February 2025 from 30.90 percent in February 2024. Rates on the 2-year, 3-year, 5-year, 6-year, 7-year, 10-year, and 15-year bonds remained broadly stable at 21.50 percent, 29.85 percent, 22.30 percent, 21.75 percent, 18.10 percent, 19.75 percent, and 19.75 percent due to the non-issuance of these instruments during the review period; the rate on the 20-year bond, however, increased marginally to 20.20 percent from 19.75 percent over the same comparative period.

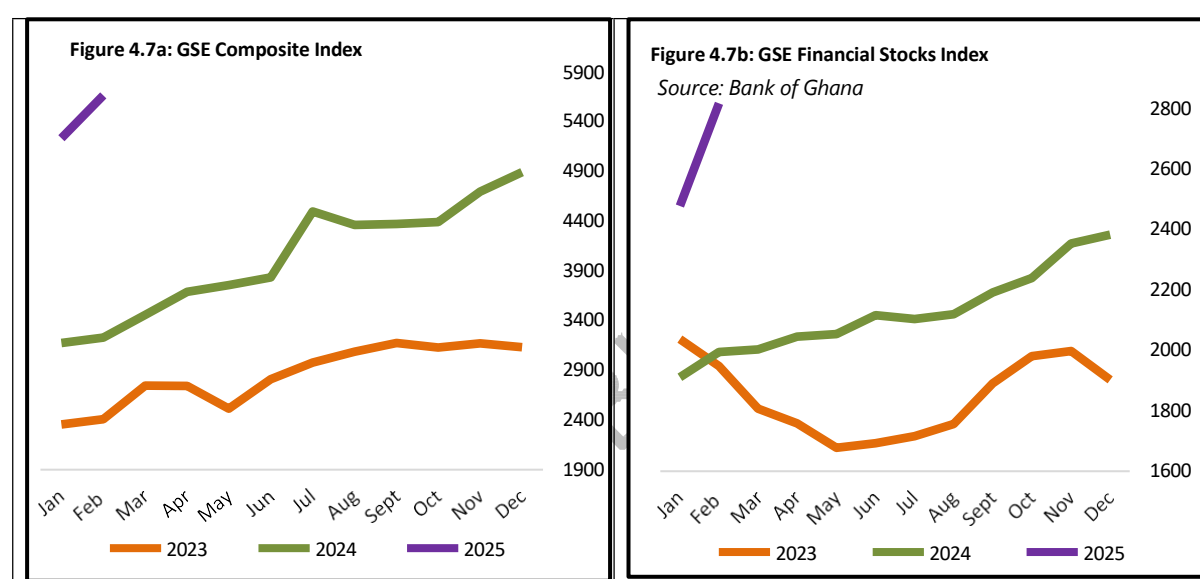
The Interbank Weighted Average Rate (IWAR) decreased to 27.04 percent in February 2025 from 29.19 percent in February 2024. Similarly, the average lending rates of banks declined marginally to 30.12 percent in February 2025 from 32.77 percent recorded in the corresponding period of 2024.



Source: Bank of Ghana

4.5 Stock Market Developments

The Ghana Stock Exchange Composite Index (GSE-CI) increased to 5,659.8 points in February 2025 from 3,227.9 points recorded in the corresponding period of 2024. This translates into a year-on-year gain of 75.3 percent in February 2025, compared to a growth of 34.1 percent in February 2024. The robust performance of the GSE-CI was largely due to the improved investor appetite, driven by significant recovery in the profitability of listed financial institutions. The main sectors that contributed to the gains recorded by the GSE-CI were the food and beverages, manufacturing, distribution, finance, and ETFund sectors. The GSE-Financial Stocks Index (GSE-FI) closed at 2,814.3 points, reflecting a year-on-year gain of 41.1 percent, compared to a gain of 2.4 percent over the same comparative period in 2024. Total market capitalisation at the end of February 2025 was GH¢127.82 billion, representing a year-on-year growth of 70.27 percent (GH¢52.75 billion), compared with a growth of 16.87 percent (GH¢10.83 billion) in February 2024.



Source: Bank of Ghana

4.6 Conclusion

Developments in monetary aggregates for February 2025 showed increased growth in broad money supply (M2+) relative to the corresponding period of 2024, largely driven by significant expansion in the Net Foreign Assets (NFA), reinforced by a moderate increase in the Net Domestic Assets (NDA) of depository corporations. Reserve money expanded significantly in 2025, supported by considerable growth in the Net Foreign Assets (NFA) of Bank of Ghana. Money market rates broadly trended downwards at the short end of the primary market on a year-on-year basis. The Interbank Weighted Average Rate (IWAR) declined. Similarly, the average lending rates of banks decreased marginally, reflecting the pass-through effect of declines in the rates on the wholesale funds market. The GSE Composite Index (GSE-CI) recorded an increased year-on-year gain in February 2025 relative to the corresponding period last year.

5. Banking Sector Developments

5.0 Highlights

The banking sector posted a strong performance during the first two months of 2025. The industry's balance sheet was robust, with the significant growth in assets in February funded principally by strong uptick in deposits and other funding sources. The Financial Soundness Indicators (FSIs) remained healthy, with relatively improved solvency, liquidity, efficiency and asset quality indicators. Banks, however, reported a decline in profitability indicators on the back of the slowdown in profit-before-tax (PBT) and stronger growth in shareholders' funds. The industry's Non-Performing Loans (NPLs) improved in February 2025 on account of a higher growth in loans and advances relative to the growth in the NPL stock.

5.1 Banks' Balance Sheet

Total assets of the banking industry grew by 34.0 percent (year-on-year) to GH¢384.7 billion at end-February 2025, higher than the 21.0 percent growth recorded in the same period of 2024. Domestic assets grew by 29.3 percent in February 2025, up from 20.3 percent in February 2024, while foreign assets picked up by 83.2 percent in February 2025, from a growth of 29.5 percent during the same period a year ago. Consequently, the share of foreign assets in total assets improved to 12.0 percent in February 2025 from 8.8 percent during the same period in 2024, while that of domestic assets declined to 88.0 percent from 91.2 percent during the reference period.

Investments (comprising bills, securities, and equity) remained the largest component of total assets at end-February 2025, although growth declined to 8.6 percent in February 2025 from 32.4 percent recorded during the same period last year. The share of investments in total assets decreased to 31.8 percent in February 2025 from 39.3 percent in the same period of 2024.

The industry's gross loans and advances grew by 25.2 percent to GH¢93.7 billion, up from a growth of 1.8 percent recorded during the same period in 2024. Net loans and advances (gross loans adjusted for provisions and interest in suspense) grew by 25.3 percent in February 2025, up from a contraction of 2.7 percent during the same period last year. The foreign currency component of net advances also grew by 7.9 percent in February 2025, from a contraction of 5.9 percent in the same period of 2024. Banks' new lending picked up substantially by 80.0 percent to GH¢14.4 billion during the first two months of 2025.

Growth in the industry's deposits was moderate, recording a year-on-year growth of 27.9 percent to GH¢286.9 billion as at end-February 2025. Total borrowings by banks (foreign and domestic) grew significantly by 96.0 percent to GH¢28.3 billion in February 2025. The growth in borrowings was largely from domestic sources, which had a growth of 34.5 percent in February 2025 relative to 22.0 percent recorded during the same period a year ago. Foreign borrowings grew by 3.5 percent, compared to a contraction of 31.1 percent recorded during the same period last year.

The industry shareholders' funds (comprising paid-up capital and reserves) grew steadily following increased profits and recapitalization efforts by banks. Total shareholders' funds grew by 40.0 percent to GH¢42.2 billion in February 2025, relative to 34.6 percent growth recorded in February 2024.

Table 5.1: Key Developments in DMBs' Balance Sheet

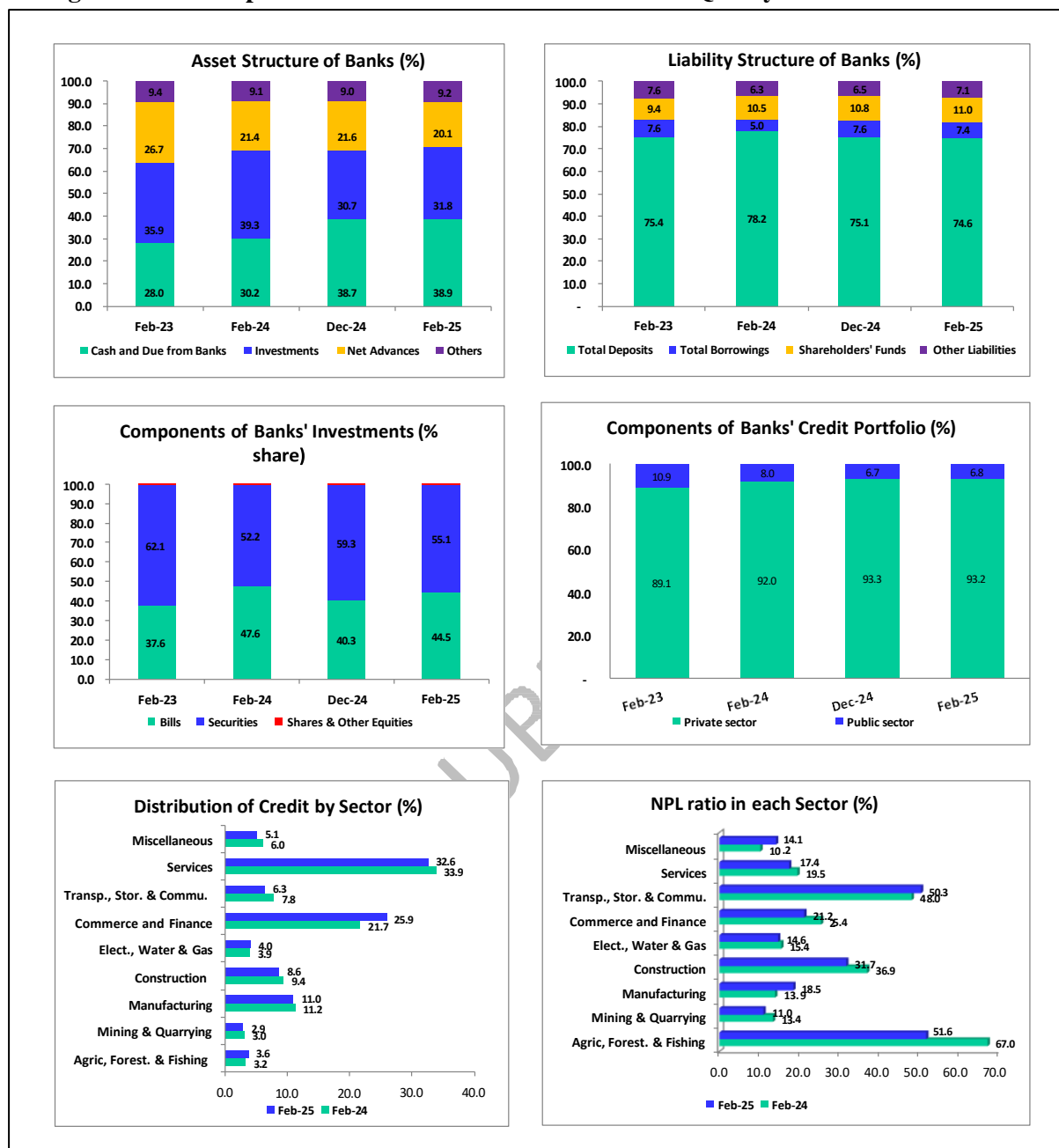
	(GH c'million)			Y-on-Y Growth (%)			Shares (%)	
	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>	<u>Feb-24</u>	<u>Feb-25</u>
TOTAL ASSETS	287,004.4	367,805.1	384,726.3	21.0	33.8	34.0	100.0	100.0
A. Foreign Assets	25,124.0	44,855.0	46,029.9	29.5	87.9	83.2	8.8	12.0
B. Domestic Assets	261,880.5	322,950.1	338,696.4	20.3	28.6	29.3	91.2	88.0
Investments	112,724.9	113,080.2	122,401.1	32.4	12.9	8.6	39.3	31.8
i. Bills	53,631.9	45,588.3	54,493.3	67.6	9.1	1.6	18.7	14.2
ii. Securities	58,837.1	67,086.6	67,494.3	11.2	15.4	14.7	20.5	17.5
Advances (Net)	61,534.5	79,147.2	77,089.5	(2.7)	21.0	25.3	21.4	20.0
of which Foreign Currency	21,716.7	23,098.0	23,423.4	(5.9)	7.3	7.9	7.6	6.1
Gross Advances	74,789.0	95,540.3	93,670.3	1.8	24.1	25.2	26.1	24.3
Other Assets	17,079.7	23,879.7	25,403.4	14.3	49.2	48.7	6.0	6.6
Fixed Assets	8,298.3	8,925.7	9,484.5	14.8	7.7	14.3	2.9	2.5
TOTAL LIABILITIES AND CAPITAL	287,004.4	367,805.1	384,726.3	21.0	33.8	34.0	100.0	100.0
Total Deposits	224,383.1	276,160.4	286,920.9	25.5	28.8	27.9	78.2	74.6
of which Foreign Currency	72,080.6	85,416.8	91,510.3	18.6	26.8	27.0	25.1	23.8
Total Borrowings	14,455.0	27,920.9	28,334.1	(20.0)	85.9	96.0	5.0	7.4
Foreign Liabilities	6,689.3	5,732.1	6,923.6	(31.1)	(11.3)	3.5	2.3	1.8
i. Short-term borrowings	2,248.8	1,800.5	2,560.0	(3.4)	(15.6)	13.8	0.8	0.7
ii. Long-term borrowings	3,780.7	2,837.6	2,746.0	(35.4)	(22.9)	(27.4)	1.3	0.7
iii. Deposits of non-residents	658.0	1,076.9	1,570.9	(56.1)	67.5	138.7	0.2	0.4
Domestic Liabilities	249,342.9	322,176.1	335,415.0	22.0	35.1	34.5	86.9	87.2
i. Short-term borrowing	7,070.3	21,660.6	21,244.1	(16.7)	170.4	200.5	2.5	5.5
ii. Long-term Borrowings	1,355.2	1,622.2	1,784.0	(3.7)	35.7	31.6	0.5	0.5
iii. Domestic Deposits	223,725.0	275,083.5	285,350.0	26.2	28.6	27.5	78.0	74.2
Other Liabilities	17,545.0	23,167.7	26,527.9	0.2	47.5	51.2	6.1	6.9
Paid-up capital	13,039.2	17,118.3	17,118.3	25.1	31.3	31.3	4.5	4.4
Shareholders' Funds	30,114.7	39,884.8	42,175.6	34.6	36.6	40.0	10.5	11.0

Source: Bank of Ghana

5.1.1 Asset and Liability Structure

The banking industry's asset and liability structure was dominated by less risky assets during the review period. "Cash and due from banks" overtook investments as the major contributor to assets, with a share of 38.9 percent in February 2025, up from 30.2 percent in February 2024. The share of investments was 31.8 percent in February 2025, compared to 39.3 percent recorded in February 2024. Loans and advances (net) decreased marginally to 20.1 percent in February 2025, from 21.4 percent in February 2024, due to the increase in "cash and due from banks". The share of bank's non-earning assets (fixed assets and other assets) remained fairly stable at 9.2 percent in February 2025, compared to 9.1 percent in February 2024.

On the liability side, deposits remained the primary source of funding for banks although its share declined marginally. The share of deposits in the banks' pool of funds was 74.6 percent in February 2025, compared to 78.2 percent in February 2024. The share of borrowings, on the other hand, picked up to 7.4 percent in February 2025, compared to 5.0 percent recorded in February 2024. The proportion of shareholders' funds in banks' liabilities and capital grew marginally to 11.0 percent in February 2025, from 10.5 percent during the reference period in 2024. The share of "other liabilities" also grew from 6.3 percent in February 2024 to 7.1 percent in February 2025.

Figure 5.1: Developments in Banks' Balance Sheet & Asset Quality

Source: Bank of Ghana

5.1.2 Share of Banks' Investments

Securities (long-term debt instruments) remained the largest component of banks' investment in February 2025 with a share of 55.1 percent, up from its share of 52.2 percent in February 2024 following the rebalancing of banks portfolios. The share of short-term bills in total investments subsequently declined to 44.5 percent in February 2025, from 47.6 percent in February 2024. The share of equity investments was 0.3 percent in February 2025.

5.2 Credit Risk

Credit risk remained elevated during the period under review, reflecting the increase in the stock of non-performing loans.

5.2.1 Credit Portfolio Analysis

Gross loans and advances totalled GH¢93.7 billion at end-February 2025, representing an annual growth of 25.2 percent, relative to 1.8 percent growth in February 2024. Private sector credit recorded a stronger growth of 26.9 percent to GH¢87.3 billion in February 2025, as against a growth of 5.1 percent during the corresponding period in 2024. Public sector credit also grew by 6.0 percent to GH¢6.3 billion in February 2025, compared to a contraction of 25.3 percent registered during the same period in 2024. The bulk of the industry's credit continues to be allocated to the private sector, accounting for 93.2 percent of the industry's total credit as of February 2025, up from 92.0 percent share recorded in February 2024. Accordingly, the public sector recorded a contraction in its credit allocation share to 6.8 percent in February 2025, from 8.0 percent in February 2024.

The pick-up in the growth of credit to the private sector went to indigenous private enterprises and households, which grew by 24.3 percent and 23.5 percent, respectively, in February 2025. Credit to foreign private enterprises also grew by 45.5 percent in February 2025, from a contraction of 14.6 percent in the corresponding period last year.

In terms of the sectoral distribution of credit, the services sector accounted for 32.6 percent at end-February 2025, compared to 33.9 percent in February 2024. This was followed by the commerce and finance sector with 25.9 percent and manufacturing with 11.0 percent. These top three sectors together accounted for 69.5 percent of total credit at end-February 2025. The mining and quarrying sector remained the lowest beneficiary of industry credit, with its share declining marginally to 2.9 percent at end-February 2025 from 3.0 percent in February 2024.

5.2.2 Off-Balance Sheet Transactions

Off-balance sheet transactions (largely trade finance and guarantees) grew during the review period. Contingent liabilities of GH¢23.4 billion as at end-February 2025 rose by 0.3 percent from GH¢23.3 billion as at end-February 2024. However, banks' contingent liabilities as a percentage of total liabilities declined to 6.8 percent in February 2025, from 9.1 percent during the same period in 2024.

5.2.3 Asset Quality

The industry's NPL ratio improved to 22.6 percent in February 2025, from 24.6 percent in February 2024, on account of a lower growth in the NPL stock relative to gross loans during the review period. Similarly, the NPL ratio adjusted for the fully provisioned loan loss category declined from 9.8 percent in February 2024 to 8.9 percent in February 2025. The NPL stock grew by 14.9 percent to GH¢21.1 billion in February 2025 from GH¢18.4 billion in February 2024. The private sector accounted for the largest share of non-performing loans at 96.2 percent in February 2025, higher than the share of 94.5 percent recorded in February 2024. The share of public sector NPLs rose to 3.8 percent in February 2025, from 5.5 percent a year ago.

The decline in the industry NPL ratio reflected improvement in NPL ratios for six economic sectors while only three reported a deterioration during the review period. The manufacturing and transportation, storage and communication sectors recorded higher loan impairments of 18.5 percent and 50.3 percent, respectively, in February 2025, from 13.9 percent and 48.0 percent in February 2024. The NPL ratios of the construction, commerce and finance, services, electricity, water and gas and mining and quarrying sectors declined to 31.7 percent, 21.2 percent, 17.4 percent, 14.6 percent and 11.0 percent in February 2025 from their respective positions of 36.9 percent, 25.4 percent, 19.5 percent, 15.4 percent and 13.4 percent in February 2024. The mining and quarrying sector accounted for the lowest NPL ratio at 11.0 percent while the agriculture, forestry and fishing sector recorded the highest NPL ratio at 51.6 during the review period.

5.3 Financial Soundness Indicators

The key Financial Soundness Indicators (FSIs) as of February 2025 pointed to a solvent, liquid, and efficient sector with a relatively improved asset quality. Profitability indicators, however, moderated during the review period.

Figure 5.2: Key Financial Soundness Indicators



Source: Bank of Ghana

5.3.1 Liquidity Indicators

The industry's liquidity position remained strong following increases in both core and broad liquidity measures during the review period. The ratio of core liquid assets (mainly cash and due from banks) to

total deposits increased to 52.1 percent in February 2025, from 38.6 percent in February 2024. Also, the ratio of core liquid assets to total assets increased to 38.9 percent in February 2025 from 30.2 percent over the same comparative period. Despite the moderation in the growth of banks' holdings in short-term investments, the ratio of broad liquid assets to total deposits increased from 88.8 percent in February 2024 to 94.6 percent in February 2025, while the ratio of broad liquid assets to total assets increased from 69.4 percent in February 2024 to 70.6 percent in February 2025.

5.3.2 Capital Adequacy Ratio

The industry's solvency position, as measured by the Capital Adequacy Ratio (CAR), was 12.1 percent in February 2025 (compared to 8.7 percent a year ago), higher than the revised prudential minimum of 10 percent. The improvement in the solvency of the sector was on the back of rebound in profitability across the banking sector and the recapitalisation efforts by undercapitalised banks. As part of reliefs to minimise the impact of the Domestic Debt Exchange Programme (DDEP), banks were allowed to spread derecognition losses on the restructured bonds till the end of 2025. When the DDEP regulatory reliefs are considered, the CAR increased from 13.6 percent in February 2024 to 14.4 percent in February 2025.

5.3.3 Profitability

The banking industry maintained its profitability during the first two months of 2025, recording higher profit-before-tax (PBT) and profit-after-tax (PAT). Major income lines, except interest income, recorded higher year-on-year growth. Net interest income moderated in growth to 11.0 percent in February 2025, from 25.5 percent a year ago, on the back of the decline in lending rates and rates on money market instruments during the review period.

Net fees and commissions income recorded a higher growth of 35.8 percent in February 2025 from 17.7 percent a year ago, whereas other income recorded a growth of 5.5 percent in February 2025 following a contraction of 36.6 percent during the same period last year. The changes in the different income lines culminated into an increase in the industry's operating income to GH¢6.3 billion in February 2025, from GH¢5.5 billion in February 2024, representing a growth of 13.9 percent. Similarly, gross income increased to GH¢8.5 billion in February 2025 (15.0% year-on-year growth).

The industry recorded a higher growth in expenditure lines relative to income in February 2025. The operating expenses of the banking industry grew by 24.7 percent in February 2025, in comparison to 14.3 percent in February 2024, reflecting the uptick in growth in staff- and non-staff-related expenses. Provisions for depreciation, bad debt, and impairment losses on financial assets contracted by 55.5 percent in February 2025, relative to 28.0 percent contraction recorded in February 2024.

Consequently, the industry's PBT grew by 20.7 percent to GH¢3.0 billion in February 2025, from GH¢2.4 billion in February 2024. On the other hand, profit-after-tax (PAT) grew by 23.1 percent to GH¢2.0 billion in February 2025.

(a) Return on Assets and Return on Equity

Despite the rebound in profits for the sector, the key profitability indicators, Return on Equity (ROE) and Return on Assets (ROA), recorded a moderation during the period under review. Return on Assets (ROA) fell to 4.7 percent in February 2025 from 5.2 percent in February 2024 while Return on Equity (ROE) declined to 28.5 percent from 32.7 percent during the same reference period.

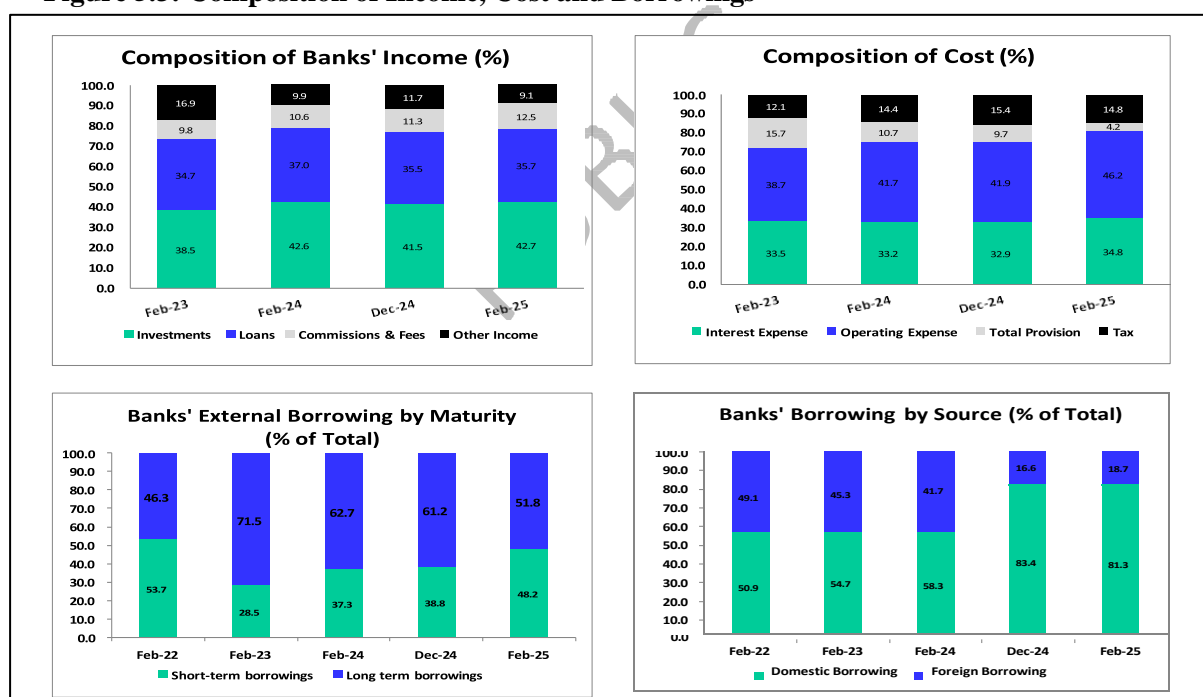
(b) Interest Margin and Spread

Banks' interest spread declined marginally to 2.0 percent in February 2025, from 2.1 percent in February 2024, on the back of marginal decline in gross yield from 3.1 percent to 2.8 percent in February 2025. Interest payable declined marginally to 0.9 percent in February 2025. The interest margin to total assets ratio fell slightly to 1.1 percent in February 2025 from 1.4 percent in February 2024, while the ratio of interest margin to gross income also fell to 51.7 percent from 53.6 percent during the same reference period. The ratio of gross income to total assets (asset utilisation) declined to 2.2 percent in February 2025 from 2.6 percent in February 2024, while the profitability ratio grew by 23.3 percent in February 2025 from 21.8 percent over the same period last year.

(c) Composition of Banks' Income

Investment income remained the largest component of banks' income, as its share rose marginally to 42.7 percent in February 2025 from 42.6 percent in February 2024. Interest income from loans constituted the second largest source of banks' income, bringing in a lower share of 35.7 percent in February 2025 compared with 37.0 percent during the same comparative period in 2024. The share of banks' income from fees and commissions improved to 12.5 percent in February 2025 from 10.6 percent in February 2024. The proportion of income from other sources, however, declined to 9.1 percent in February 2025 from 9.9 percent during the same period in 2024.

Figure 5.3: Composition of Income, Cost and Borrowings



Source: Bank of Ghana

5.3.4 Operational Efficiency

Banks remained generally cost efficient during the period under review. Cost-to-income ratio improved from 78.2 percent in February 2024 to 76.7 percent in February 2025, while the cost-to-total assets ratio also improved to 1.7 percent in February 2025 from 2.0 percent during the same period last year. Similarly, the ratio of operational cost to total income declined from 52.3 percent in February 2024 to 50.0 percent in February 2025 and the operational cost-to-total assets ratio went down from 1.4 percent February 2024 to 1.1 percent in February 2025.

5.3.5 Banks' Counterparty Relationships

Total offshore balances increased by 102.6 percent to GH¢42.1 billion in February 2025, compared to a growth of 22.0 percent a year earlier. Nostro balances grew by 89.9 percent in February 2025, compared with a contraction of 20.8 percent in February 2024, while industry placements with foreign counterparties recorded a moderation of 113.6 percent in February 2025 from 120.3 percent recorded during the same period in the prior year. Following these developments, the ratio of offshore balances to net worth rose to 99.8 percent in February 2025 from 69.0 percent during the same period in 2024.

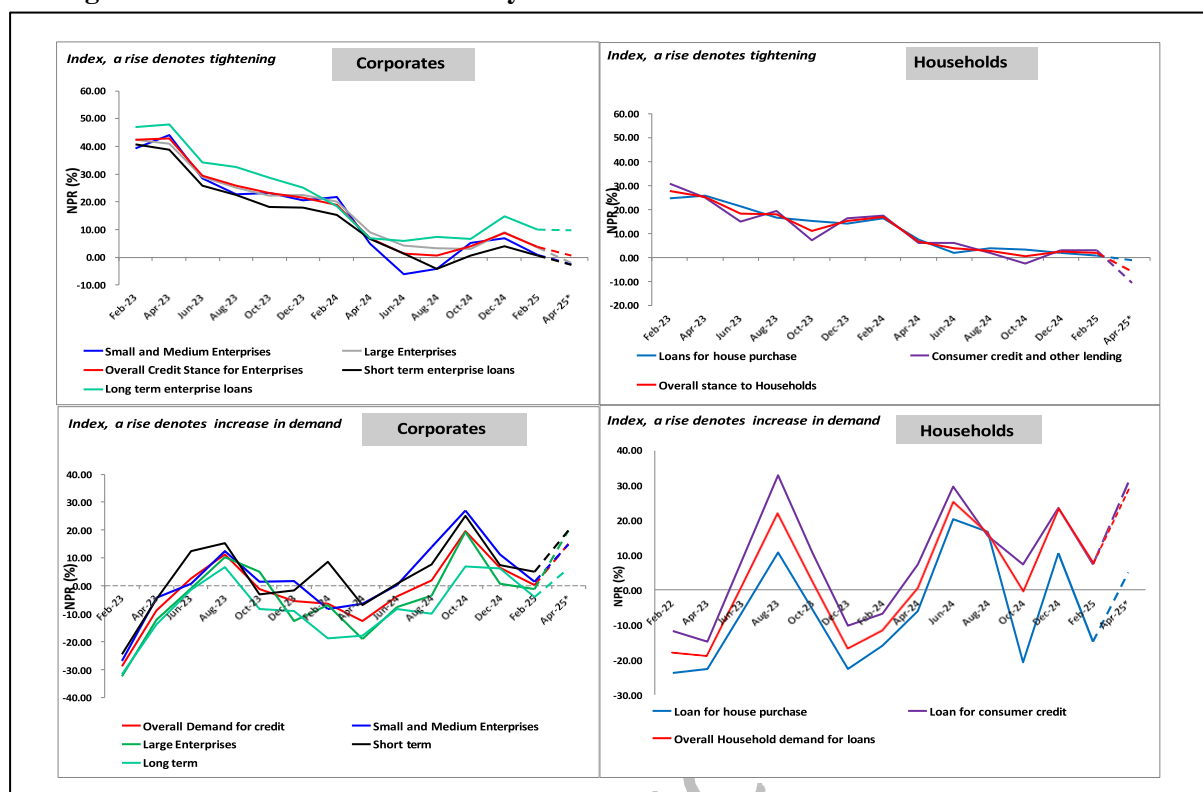
The share of banks' external borrowings in total borrowings declined to 18.7 percent in February 2025 from 41.7 percent in February 2024, while that of domestic borrowing increased to 81.3 percent in February 2025 from 58.3 percent during the same period in 2024. Banks' external borrowings were largely long-term in nature, with the share of long-term borrowings in total external borrowing moderating to 51.8 percent in February 2025 from 62.7 percent in February 2024, while that of short-term borrowings rose to 48.2 percent in February 2025 from 37.3 percent during the same period in 2024.

5.4 Credit Conditions Survey

Results from the February 2025 Credit Conditions Survey pointed to a net easing in overall credit stance on loans to both enterprises and households. This was reflected in all components of enterprise loans. Banks have projected further easing in the overall stance on loans to enterprises over the next two months, to be driven by net easing in the stance on all the categories of enterprise loans.

Similarly, the overall credit stance on household loans recorded a net easing during the survey period, driven by net easing in the credit stance for both categories of household loans. Over the next two months, banks project a further easing in the overall stance on loans to households, which will be reflected in both loans for house purchase and consumer credit.

On the demand side, demand for loans by enterprises and households recorded a net decline during the current survey period due to declines in all sub-components of both classes of loans. Banks project overall demand for loans by enterprises to recover over the next two months, driven by net increases in the demand for all sub-categories of both enterprise and household loans.

Figure 5.4: Credit Conditions Survey Results

Source: Bank of Ghana

5.5 Conclusion and Outlook

The banking sector rebounded in performance with improvements in solvency, liquidity, asset quality and efficiency. The sector's performance, however, continues to be moderated by the lingering effects of macroeconomic challenges and the DDEP. The sustained increases in profits are projected to boost the capital levels of banks and support recapitalisation efforts. Asset quality, although moderating, remains elevated and poses a key risk in the outlook, and will have to be monitored closely to minimise its impact on the sector.

6. Fiscal Developments

6.0 Highlights

The fiscal policy stance was more expansionary than expected in 2024. The 2024 fiscal deficit, on commitment basis, was 7.9 percent of GDP, against a target of 3.8 percent of GDP, on the back of higher expenditures than targeted. This notwithstanding, early indications from banking sector data suggest some improvements in fiscal performance in early 2025. This, along with the commitment to fiscal consolidation presented in the 2025 budget, should support the fiscal outlook. Also, the ratio of public debt declined, supported by the debt restructuring

6.1 Total Revenue

Total revenue & grants for year end 2024 was GH¢186.59 billion (15.9% of GDP), higher than the target of GH¢177.10 billion (15.1% of GDP). Domestic revenue totalled GH¢184.88 billion (15.7% of GDP), above the target of GH¢173.99 billion (17.1% of GDP).

Tax revenue, comprising taxes on income & property, taxes on domestic goods and services and international trade taxes, excluding oil and gas related taxes, was GH¢151.16 billion (12.9% of GDP), higher than the target of GH¢143.18 billion (14.0% of GDP). This represented a positive deviation of 5.6 percent over the target.

Taxes on income and property, made up of personal income tax (PAYE), company taxes (including taxes on oil), royalties from oil and minerals, and other direct taxes totalled GH¢78.74 billion (6.7% of GDP). This outturn was 17.1 percent above the target of GH¢67.24 billion (6.6% of GDP). All the subclasses under this tax handle exceeded their individual targets. Consequently, this was higher than GH¢56,519.9 million collected in the corresponding period of 2023, reflecting a year-on-year growth of 57.8 percent.

Taxes on Domestic Goods and Services consisting of Domestic VAT, Excise Duty, GET Fund Levy, National Health Insurance Levy (NHIL) and Communication Service Tax (CST) for the review period summed up to GH¢60.50 billion (5.1% of GDP), falling below the target. On year-on-year basis, the outturn represented a growth of 47.4 percent over the outturn of 2023.

Non-tax revenue totalled GH¢27.73 billion, exceeding the target of GH¢23.37 billion by 18.7 percent. Compared with the outturn for 2023, this translates into a year-on-year growth of 69.3 percent. This performance was mainly due to higher-than-budgeted lodgements, resulting mainly from improved collection efforts by some MDAs.

Collections from taxes on international trade, comprising mainly import duties, was GH¢19.92 billion, higher than the target of GH¢18.91 billion by 5.3 percent. This tax type also recorded a year-on-year growth of 60.8 percent.

“Other revenue” of GH¢4.93 billion failed to meet its target of GH¢6.53 billion by 24.5 percent. However, this outturn was 17.3 percent above GH¢4.05 billion collected in the corresponding period of 2023.

Grants received for 2024 totalled GH¢1.72 billion, a shortfall 44.9 percent from the programmed GH¢3.11 billion for the review period. This outturn was, however, lower than GH¢2.65 billion received in the corresponding period of 2023, translating into a year-on-year decline of 83.7 percent.

Table 6.1: Total Revenue and Grants

Million Ghana Cedis	2023	2024	2024	2024	2024
	Prov.	Outturn	Prog	DEVIATION	Y-O-Y
	JAN-DEC	JAN-DEC	JAN-DEC	OVER(+) / BELOW(-)	GROWTH
TAX REVENUE	109,923.20	151,155.00	143,175.50	5.6	54.6
TAXES ON INCOME & PROPERTY	56,519.90	78,742.00	67,237.50	17.1	57.8
Personal	16,966.80	23,604.50	22,686.40	4	52.5
Companies	25,162.10	33,919.40	30,003.90	13.1	54.7
Company Taxes on Oil	4,965.10	7,356.80	4,274.70	72.1	68.4
Others	9,425.90	13,861.30	10,272.50	34.9	70.7
TAXES ON DOMESTIC GOODS AND SERVICES	45,630.30	60,499.20	67,098.90	-9.8	47.4
Excises	5,586.80	6,799.90	9,277.90	-26.7	24.2
VAT	25,547.20	33,683.80	35,478.60	-5.1	51
National Health Insurance Levy (NHIL)	5,334.30	7,160.30	7,631.60	-6.2	48.4
GETFund Levy	5,335.80	7,160.60	7,632.00	-6.2	48.3
Communication Service Tax	663.2	931.1	1,571.90	-40.8	37.6
E-Transaction Levy	1,054.80	2,024.10	2,134.30	-5.2	163.7
Covid-19 Health Levy	2,108.30	2,739.40	3,372.60	-18.8	40.3
TAXES ON INTERNATIONAL TRADE	13,933.20	19,917.50	18,913.00	5.3	60.8
Imports Duty	13,933.20	19,917.50	18,913.00	5.3	60.8
Tax Refunds	-6,160.30	-8,003.70	-10,073.90	-20.6	44.8
SOCIAL CONTRIBUTIONS	635	1,060.50	920	15.3	121.6
NON-TAX REVENUE	17,645.70	27,733.60	23,365.20	18.7	69.3
OTHER REVENUE	4,048.80	4,928.50	6,526.30	-24.5	17.3
DOMESTIC REVENUE	132,252.70	184,877.60	173,986.90	6.3	55.1
GRANTS	2,651.70	1,715.70	3,114.90	-44.9	-83.7
Project Grants	2,651.70	1,715.70	2,388.60	-28.2	-83.7
Programme Grants	0	0	726.3	-100	-
TOTAL REVENUE & GRANTS	134,904.30	186,593.30	177,101.78	5.36	53.48

Source: Ministry of Finance

6.2 Total Expenditure

Total expenditures and net lending (excluding arrears clearance and discrepancy) for the review period totalled GH¢226,243.5 million. This was above the target of GH¢219,749.3 million by 3.0 percent.

Compensation of employees (including wages and salaries, pensions & gratuities, and other wage related expenditure) was GH¢67,189.0 million, higher than the target of GH¢63,683.2 million. This outturn was above its target by 5.5 percent but recorded a 32.2 percent year-on-year growth. In terms of fiscal flexibility, compensation of employees constituted 27.5 percent of domestic revenue mobilized during the period under review.

Use of goods and services totalled GH¢11,509.0 million, lower than the expected target of GH¢12,081.6 million by 2.4 percent. This points to some restraint on the part of the government in controlling discretionary spending. This expense was also higher than GH¢8,874.5 million received in the corresponding period of 2023, reflecting a year-on-year growth of 29.7 percent.

Total interest payments of GH¢46,792.3 million was below the target of GH¢47,998.9 million for the review period. This outturn was 50.6 percent above the GH¢31,066.2 million recorded in the corresponding period of 2023. The reduced interest payments was mainly on account of a partial freeze on debt service because of the debt restructuring program by Government to address Ghana's fiscal and debt vulnerabilities.

Grants to other government units, made up of National Health Fund, Education Trust Fund (GET Fund), Road Fund, Energy Fund, District Assemblies Common Fund (DACF), Retention of IGFs, transfer to

GNPC, Ghana Infrastructure Fund and other earmarked funds all summed up to GH¢46,425.5 million, higher than the target of GH¢40,727.1 million, resulting in an overrun of 14 percent. It also recorded a year-on-year growth of 49.0 percent.

Capital expenditure for the period under review was GH¢29,388.7 million (2.5% of GDP), higher than the programmed target of GH¢28,508.9 million (2.8% of GDP) by 3.1 percent. This outturn represented a year-on-year growth of 39.4 percent over the outturn of 2023.

“Other expenditure” for year-end 2024, was GH¢23,993.3 million, 5.5 percent below the target of GH¢25,378.8 million. Out of this, “Energy Sector Payment Shortfalls” totalled GH¢18,477.3 million (1.6% of GDP), marginally lower than the programmed target of GH¢18,483.8 (1.8% of GDP), resulting in a negligible deviation. This outturn compares with GH¢12,153.2 million, recorded in the corresponding period of 2023.

Table 6.2: Total Expenditures

Million Ghana cedis	2023	2024	2024	2024	2024
	Prov. Jan-Dec	Prov. Jan-Dec	Prog. Jan-Dec	DEVIATION ER(+)/ BELO	Y-O-Y GROWTH
Compensation of Employees	50,807.80	67,189.00	63,683.20	5.5	32.2
Wages & Salaries	45,353.60	60,351.60	57,005.40	5.9	33.1
Social Contributions	5,454.20	6,837.40	6,677.80	2.4	25.4
Use of Goods and Services	8,874.50	11,509.00	12,081.60	-4.7	29.7
Interest Payment	31,066.20	46,792.30	47,998.90	-2.5	50.6
Domestic	29,291.30	40,058.40	41,532.60	-3.5	36.8
External (Due)	1,774.90	6,733.90	6,466.30	4.1	279.4
Subsidies	-	208.9	308.1	-32.2	-
Grants to Other Government Units	31,163.10	46,425.50	40,727.10	14	49
Social Benefits	428.9	736.8	870	-15.3	71.8
Other Expenditure	12,153.20	23,993.30	25,378.80	-5.5	97.4
o/w Energy Sector Payment Shortfalls	8,769.50	18,477.30	18,483.80	-0.04	110.7
Capital Expenditure	21,084.60	29,388.70	28,508.90	3.1	39.4
Domestic financed	9,147.50	14,732.60	18,027.90	-18.3	61.1
Foreign financed	11,937.10	14,656.10	10,481.00	39.8	22.8
TOTAL EXPENDITURE	155,578.30	226,243.50	219,749.30	3	45.4

Source: Ministry of Finance

6.3 Budget Balance and Financing

Government budgetary operations resulted in an overall budget deficit (commitment) of GH¢92,647.2 million (7.9% of GDP) for the period of January-December 2024. This was lower than the expected target of GH¢42,529.4 million (4.2% of GDP). The corresponding primary deficit was 3.9 percent of GDP, against a primary surplus target of 0.5 percent of GDP. On cash basis, the overall deficit was GH¢61,410.6 million, compared with the target of GH¢54,142.2 million. This translates into 5.2 percent of GDP, compared with a target of 5.3 percent of GDP.

6.4 Public Debt Analysis

The stock of public debt at the end of December 2024 stood at GH¢726,680.0 million, showing an increase of GH¢116,669.7 million over the end December 2023 stock of GH¢610,010.6 million. This was due to accumulation of domestic debt and an exchange rate effect. In terms of GDP, the total public debt as at end-December 2024 was 61.78 percent, lower than the 68.71 percent recorded in December 2023.

PUBLIC

7. Price Developments

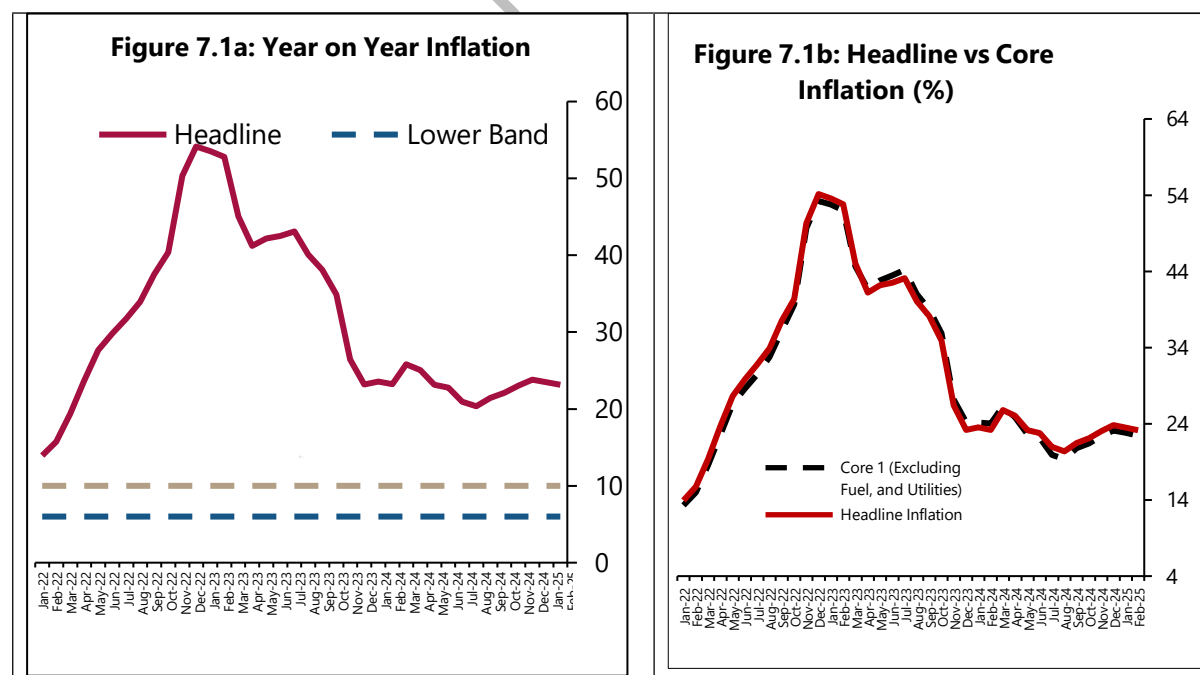
7.0 Highlights

The first two readings of inflation in 2025 indicated some moderation in price pressures. Headline inflation declined to 23.5 percent in January 2025, and further down to 23.1 percent in February 2025. The drop in inflation was occasioned by easing but still high non-food inflation, which fell due to tight monetary policy and relative exchange rate stability in the first two months of 2025. Food inflation, however, remains elevated on account of unfavourable climatic conditions and other food supply bottlenecks.

7.1 Domestic Inflation

Headline inflation registered two declines since the last Monetary Policy Committee (MPC) meeting. Despite high and volatile price trends in 2024, the first two readings of inflation in 2025 indicated some moderation in price pressures. Headline inflation declined to 23.5 percent in January 2025, and further down to 23.1 percent in February 2025. The drop in inflation was occasioned by easing but still high non-food inflation, which fell from 20.3 percent in December 2024 to 18.8 percent in February 2025 due to tight monetary policy and relative exchange rate stability in the first two months of 2025. Food inflation, however, remains elevated on account of unfavourable climatic conditions and other food supply bottlenecks. Food inflation rose from 27.8 percent in December 2024 to 28.1 percent in February 2025.

The Bank's main measure of core inflation eased marginally in the first two months of 2025. Inflation, excluding energy and utility items from the consumer basket, eased from 23.1 percent in December 2024 to 22.4 percent in February 2025, compared with 24.0 percent in the same period last year. This notwithstanding, the latest inflation expectations, as derived from the Bank's Quarterly Projection Model, the yield curve, and surveys of businesses, consumers and the financial sector, point to softening expectations, although still above the medium-term target.

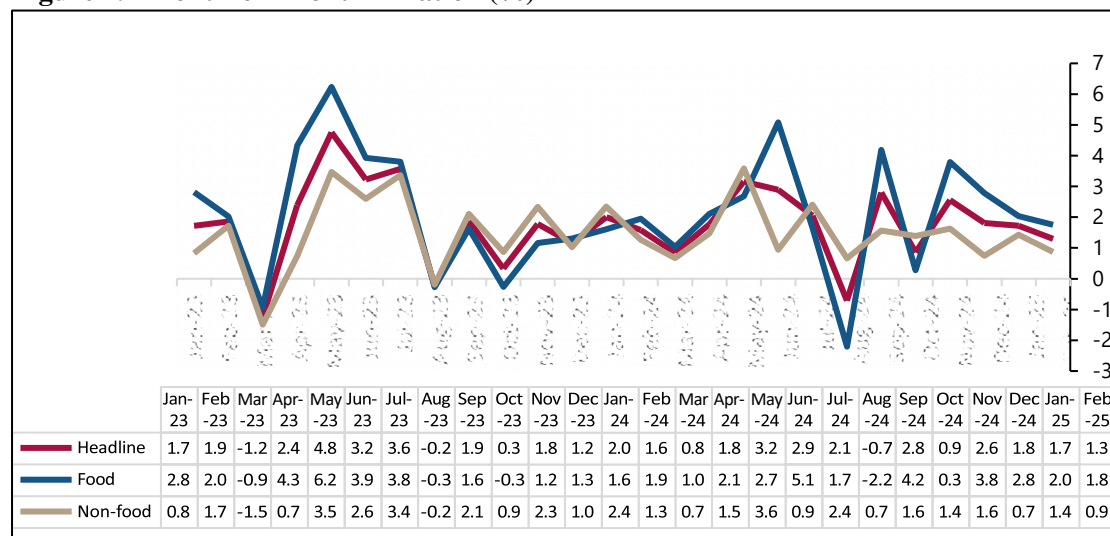


Source: GSS and Bank of Ghana Staff Calculations

On a month-on-month basis, headline inflation fell to 1.3 percent in February 2025, from 1.7 percent in January 2025 and 1.8 percent in December 2024. During the same period, monthly food inflation dropped to 1.8 percent in February 2025 from 2.0 percent in January 2025 and 2.8 percent in December 2024. Monthly non-food inflation, however, inched up to 0.9 percent in February 2025 from 0.7 percent in December 2024.

Inflation has broadly declined across all subgroups since the last MPC, except for transport and food and beverages, where February figures were higher than December's.

Figure 7.2 Month-on-Month Inflation (%)



Source: Ghana Statistical Service

Table 7.1 CPI Components

CPI Components (%)												
	Weghts (%)	2021	2022	2023	2024						2025	
		Dec	Dec	Dec	Jan	Feb	Mar	Jun	Sept	Dec	Jan	Feb
Overall	100.0	12.6	54.1	23.2	23.5	23.2	25.8	22.8	21.5	23.8	23.5	23.1
Food and Beverages	42.7	12.8	59.7	28.7	27.1	27.0	29.6	24.0	22.1	27.8	28.6	28.1
Non-food	57.4	12.5	49.9	18.7	20.5	20.0	22.6	21.6	20.9	20.3	19.2	18.8
Alcoholic Beverages, Tobacco & Narcotics	3.9	9.6	38.5	38.2	38.5	38.5	41.0	32.3	27.6	28.4	27.2	25.6
Clothing and footwear	8.0	8.6	41.9	22.3	22.8	22.5	24.5	18.2	19.0	20.0	19.8	19.2
Housing and Utilities	10.2	20.7	82.3	19.5	22.6	22.9	24.9	26.0	26.4	26.3	24.6	24.3
Furnishings, Household Equipment	3.2	9.6	71.5	26.9	27.6	25.4	23.0	17.0	14.5	16.7	15.3	15.4
Health	0.7	6.0	34.4	23.0	26.6	28.1	32.0	22.6	22.3	21.4	18.4	16.6
Transport	10.5	17.6	71.4	4.4	5.6	3.5	7.9	19.0	16.3	16.8	16.9	17.9
Information and Communication	3.6	9.0	21.5	14.2	13.6	13.5	15.2	10.4	14.2	12.0	11.6	10.8
Recreation & Culture	3.5	11.4	42.4	24.9	25.9	25.6	29.4	20.5	18.7	17.4	17.4	16.5
Education	6.6	1.0	11.3	13.9	19.8	19.7	23.7	20.9	23.7	19.1	13.9	12.3
Restaurants and accommodation services	4.3	8.9	9.2	28.0	29.2	31.9	32.7	30.7	27.9	16.5	16.5	14.2
Insurance and Financial services	0.4	6.3	10.8	8.1	8.6	8.9	9.3	6.2	13.3	16.5	15.4	16.1
Personal care, social protection & Miscellaneous services	2.5	10.6	60.9	31.1	32.0	30.3	33.5	19.5	17.3	19.3	17.9	17.1
Source: Ghana Statistical Service												

Source: Ghana Statistical Service

Source: Ghana Statistical Service

7.2 Inflation Risk Assessment and Outlook

The global environment has grown increasingly challenging due to heightened trade and economic policy uncertainty. The evolving series of tariffs imposed by the U.S. administration could negatively impact the global economy, with potential spillover effects for Emerging Markets and Developing Economies. Meanwhile, the disinflation process has stalled in some countries, and financial conditions remain broadly restrictive as central banks slow the pace of monetary policy easing. These persistent external headwinds may spill over into the domestic economy through trade and financial channels, underscoring the need for proactive monetary policy measures.

Although headline inflation has eased marginally, it remains a key concern. Both food and non-food inflation are significantly higher than expected, while core inflation stays elevated. While supply-side factors have been the primary driver of food inflation, preventing second-round effects from these price increases will be critical. The persistent inflationary pressures observed over the past year — partly due to fiscal and monetary policy missteps — necessitate a policy reset to strengthen the disinflation process. Restoring price stability will require maintaining a tight monetary policy stance, strengthening liquidity management, and adhering to the 2025 budget, which aims to reinstate fiscal consolidation.

Decision on the Monetary Policy Rate

Under the circumstances, the Monetary Policy Committee, by a majority decision, decided to raise the Monetary Policy Rate by 100 basis points to 28.0 percent to re-anchor the disinflation process. The Bank's latest inflation forecast reflects a steady decline and return to the path of disinflation, with the aim of achieving the medium-term target of 8 ± 2 percent in the second quarter of 2026.

APPENDIX

Table A1: Sources of Growth in Total Liquidity (GH¢ Millions, unless otherwise stated)

Appendix 1: Sources of Growth in Total Liquidity (M2+) (millions of Ghana cedis unless otherwise stated)										
	Feb-23	Dec-23	Feb-24	Mar-24	Jun-24	Sep-24	Nov-24	Dec-24	Jan-25	Feb-25
1 Net Foreign Assets	(10838.10)	21710.89	28251.71	34085.37	49084.99	65901.73	74315.55	87417.32	90391.13	97486.68
2 Bank of Ghana	(21493.90)	4021.06	9522.02	13251.29	23057.19	34489.38	35652.90	47647.12	48664.94	58014.87
3 Commercial Banks	10655.80	17689.83	18729.70	20834.09	26027.80	31312.35	38662.65	39770.20	41726.19	39471.81
4 Net Domestic Assets	212950.35	228308.31	225447.39	227034.13	231954.03	245378.55	251851.07	242321.48	242688.74	240088.97
5 ow: Claims on government (net)	146064.22	115681.46	123262.55	118345.15	117391.93	130147.19	131327.71	113291.69	118181.10	124364.42
6 ow: Claims on Private sector(Incl. PE's)	88182.28	86096.51	83865.15	86193.53	93719.28	101487.64	105396.23	105901.21	103750.69	103849.81
7 BOG OMO Sterilisation Acc.	(18296.64)	(24795.37)	(29850.45)	(22605.87)	(16244.51)	(21138.18)	(23492.53)	(18142.88)	(21697.37)	(23038.55)
8 Total Liquidity (M2+)	202112.25	250019.20	253699.10	261119.50	281039.02	311180.28	326166.62	329738.77	333079.86	337575.65
9 ow: Broad Money Supply (M2)	143732.50	185425.80	184855.96	190181.12	203530.25	229253.49	244128.78	247761.93	245143.87	249466.30
10 ow: Foreign Currency Deposits(€million)	58379.75	64593.40	68843.15	70938.38	77508.78	81926.79	82037.84	81976.84	87936.00	88109.36
Change from previous year (in per cent)										
11 Net Foreign Assets	(320.81)	(310.35)	(360.67)	(383.89)	7455.25	(3972.59)	1316.76	302.64	252.89	245.06
12 Net Domestic Assets	58.28	19.79	5.87	3.67	11.00	11.10	10.17	6.14	10.03	6.49
13 ow: Claims on government (net)	71.60	(9.28)	(15.61)	(17.95)	(14.41)	9.93	8.35	(2.07)	(0.13)	0.89
14 ow: Claims on Private sector(Incl. PE's)	37.61	1.20	(4.90)	(2.36)	6.69	15.14	26.20	23.00	25.06	23.83
15 ow: BOG OMO Sterilisation Acc.	(114.03)	(220.96)	(63.15)	17.62	40.44	42.22	27.55	26.83	28.10	22.82
16 Total Liquidity (M2+)	44.94	38.69	25.52	26.15	34.07	41.99	39.48	31.89	35.30	33.06
17 Broad Money Supply (M2)	33.98	37.21	28.61	28.39	35.62	44.50	43.23	33.62	34.97	34.95
18 Foreign Currency Deposits (FCDs)	81.51	43.15	17.92	20.53	30.16	35.38	29.39	26.91	36.22	27.99
Cummulative change from previous year end (in per cent)										
19 Net Foreign Assets	5.01	(310.35)	30.13	57.00	126.08	203.08	242.30	302.64	3.40	11.52
20 Net Domestic Assets	11.73	19.79	(1.25)	(0.56)	1.60	7.48	10.31	6.14	0.15	(0.92)
21 ow: Claims on government (net)	14.55	(9.28)	6.55	2.30	1.48	12.50	13.53	(2.07)	4.32	9.77
22 Broad Money(M2+)	12.12	38.69	1.47	4.44	12.41	24.46	30.46	31.89	1.01	2.38
Annual per cent contribution to money growth										
23 Net Foreign Assets	(11.29)	17.77	19.34	22.27	23.11	30.80	29.54	26.28	26.31	27.29
24 NDA	56.23	20.92	6.18	3.88	10.96	11.19	9.94	5.60	8.99	5.77
25 Total Liquidity (M2+)	44.94	38.69	25.52	26.15	34.07	41.99	39.48	31.89	35.30	33.06
Memorandum items										
26 Reserve Money	66660.76	87987.66	83520.29	89011.62	110578.33	120771.47	134567.43	130481.72	137767.97	140992.88
27 NFA (\$million)	(984.07)	1827.52	2266.63	2647.00	3365.21	4164.67	4866.77	5946.76	5907.92	6277.31
28 Currency ratio	0.18	0.18	0.17	0.18	0.19	0.20	0.24	0.24	0.23	0.22
29 FCD/M2+	0.29	0.26	0.27	0.27	0.28	0.26	0.25	0.25	0.26	0.26
30 FCD/Total Deposit	0.34	0.30	0.32	0.32	0.33	0.32	0.31	0.31	0.33	0.32
31 RM multiplier	2.16	2.11	2.21	2.14	1.84	1.90	1.81	1.90	1.78	1.77

Source: Bank of Ghana Staff Calculations

Table A2: Sources of Growth in Reserve Money (GH¢ Millions, unless otherwise stated)

Appendix 2: Sources of Growth in Reserve Money (millions of Ghana cedis unless otherwise stated)										
	Feb-23	Dec-23	Feb-24	Mar-24	Jun-24	Sep-24	Nov-24	Dec-24	Jan-25	Feb-25
1 Net Foreign Assets (NFA)	(21493.9)	4021.1	9522.0	13251.3	23057.2	34489.4	35652.9	47647.1	48664.9	58014.9
2 Net Domestic Assets (NDA)	88154.7	84278.4	73998.3	75760.0	87521.1	86282.1	98914.5	82834.6	89103.0	82978.0
of which:										
3 ow: Claims on government (net)	88867.5	54356.1	55130.3	50086.8	55138.4	69537.6	68939.8	56031.5	55619.5	60833.1
4 Claims on DMB's (net)	(6256.6)	(9878.4)	(14738.0)	(16020.1)	(13451.5)	(26897.1)	(17002.5)	(21783.3)	(13166.6)	(21892.5)
5 OMO Sterilisation Account.	(18296.6)	(24795.4)	(29850.4)	(22605.9)	(16244.5)	(21138.2)	(23492.5)	(18142.9)	(21697.4)	(23038.5)
6 Reserve Money (RM)	66660.5	88299.4	83520.3	89011.3	110578.3	120771.5	134567.4	130481.7	137768.0	140992.9
7 ow:Currency	31005.6	37620.7	37132.1	39677.6	44895.6	52752.8	62344.8	64127.7	62612.6	61029.7
8 DMB's reserves	30558.4	38050.2	39834.5	42754.5	58972.2	60760.4	65111.7	58769.1	67516.5	72109.5
9 Non-Bank deposits	5096.6	12628.5	6553.7	6579.2	6710.6	7258.3	7110.9	7584.9	7639.0	7853.7
Change from previous year (in per cent)										
10 Net Foreign Assets	(334.8)	(123.0)	(144.3)	(155.3)	(267.7)	(312.1)	(466.7)	1084.9	384.6	509.3
11 Net Domestic Assets	158.9	(1.5)	(16.1)	(7.4)	15.0	8.2	14.4	(1.7)	29.0	12.1
12 ow: Claims on government (net)	147.1	(31.1)	(38.0)	(42.5)	(33.5)	11.5	12.7	3.1	1.7	10.3
13 Claims on DMB's (net)	1113.6	(143.5)	(135.6)	(62.2)	(58.2)	(131.1)	(78.3)	(120.5)	12.1	(48.5)
14 OMO Sterilisation Account.	(114.0)	(221.0)	(63.1)	17.6	40.4	42.2	27.6	26.8	28.1	22.8
15 Reserve Money (RM)	(2.1)	29.7	(5.4)	0.8	25.2	36.8	52.4	47.8	5.6	8.1
16 ow:Currency	(1.3)	19.7	(1.3)	5.5	19.3	40.2	65.7	70.5	(2.4)	(4.8)
Cummulative change from previous year end (in per cent)										
17 Net Foreign Assets (NFA)	22.9	(123.0)	136.8	229.5	473.4	757.7	786.7	1084.9	2.1	21.8
18 Net Domestic Assets (NDA)	3.0	(1.5)	(12.2)	(10.1)	3.8	2.4	17.4	(1.7)	7.6	0.2
19 ow: Claims on government (net)	12.7	(31.1)	1.4	(7.9)	1.4	27.9	26.8	3.1	(0.7)	8.6
20 Reserve Money (RM)	(2.1)	29.7	(5.4)	0.8	25.2	36.8	52.4	47.8	5.6	8.1
Annual per cent contribution										
21 Net Foreign Assets	(70.95)	31.58	46.53	64.31	59.04	79.93	59.15	49.41	48.83	58.06
22 Net Domestic Assets (NDA)	125.26	(1.93)	(21.24)	(10.42)	18.33	10.27	16.27	(1.64)	25.36	10.75
23 RM growth (y-o-y)	54.32	29.65	25.29	53.89	77.37	90.20	75.42	47.77	74.19	68.81

Source: Bank of Ghana Staff Calculations

Table A.3: Asset and Liability Structure of the Banking Sector

	<u>Feb-22</u>	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
Components of Assets (% of Total)					
Cash and Due from Banks	18.6	28.0	30.2	38.7	38.9
Investments	47.1	35.9	39.3	30.7	31.8
Net Advances	26.5	26.7	21.4	21.6	20.1
Others	7.8	9.4	9.1	9.0	9.2
Components of Liabilities and Shareholders' Funds (% of Total)					
Total Deposits	65.5	75.4	78.2	75.1	74.6
Total Borrowings	13.6	7.6	5.0	7.6	7.4
Shareholders' Funds	13.6	9.4	10.5	10.8	11.0
Other Liabilities	7.3	7.6	6.3	6.5	7.1

Source: Bank of Ghana Staff Calculations

Table A.4: Credit Growth

Economic Sector	Gh¢million				y/y growth (%)	
	Feb-23	Feb-24	Dec-24	Feb-25	Feb-24	Feb-25
Public Sector	8,003.84	5,979.06	6,418.74	6,336.64	-25.3	6.0
Private Sector	65,497.42	68,809.90	89,121.60	87,333.63	5.1	26.9
- Private Enterprises	48,365.58	50,145.60	65,068.65	62,954.05	3.7	25.5
o/w Foreign	3,363.01	2,871.36	4,111.03	4,178.77	-14.6	45.5
Indigeneous	45,002.57	47,274.24	60,957.62	58,775.28	5.0	24.3
- Households	15,468.93	17,620.52	21,212.00	21,765.83	13.9	23.5
Gross Loans	73,501.3	74,789.0	95,540.3	93,670.3	1.8	25.2

Source: Bank of Ghana Staff Calculations

Table A.5: Contingent Liabilities

	<u>Feb-22</u>	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
Contingent Liabilities (GH¢million)	19,109.3	20,230.3	23,348.2	23,953.9	23,414.2
Growth (y-o-y)	60.4	5.9	15.4	6.2	0.3
% of Total Liabilities	11.8	9.5	9.1	7.3	6.8

Source: Bank of Ghana Staff Calculations

Table A.6: Distribution of Loans and NPLs by Economic Sector (%)

	Feb-23		Feb-24		Dec-24		Feb-25	
	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs	Share in Total Credit	Share in NPLs
a. Public Sector	10.9	8.7	8.0	5.5	6.7	3.8	6.8	3.8
i. Government	5.5	5.4	2.7	1.7	1.6	1.1	1.6	1.0
ii. Public Institutions	1.8	0.2	1.8	0.7	1.1	0.2	1.4	0.2
iii. Public Enterprises	3.6	3.1	3.5	3.1	4.0	2.6	3.8	2.6
b. Private Sector	89.1	91.3	92.0	94.5	93.3	96.2	93.2	96.2
i. Private Enterprises	65.8	82.8	67.0	83.0	68.1	83.1	67.2	83.4
o/w Foreign	4.6	3.0	3.8	2.0	4.3	2.2	4.5	2.4
Indigeneous	61.2	78.6	63.2	81.0	63.8	80.9	62.7	81.0
ii. Households	21.0	8.8	23.6	11.1	22.2	12.2	23.2	11.9
iii. Others	2.3	0.9	1.4	0.5	3.0	0.9	2.8	0.9

Source: Bank of Ghana Staff Calculations

Table A.7: Liquidity Ratios

	<u>Feb-22</u>	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
Liquid Assets (Core) - (GH¢'million)	34,872.5	66,507.9	86,707.4	142,259.4	149,495.2
Liquid Assets (Broad) -(GH¢'million)	123,129.6	151,417.7	199,176.4	254,934.3	271,482.8
Liquid Assets to total deposits (Core)-%	28.4	37.2	38.6	51.5	52.1
Liquid Assets to total deposits (Broad)- %	100.2	84.7	88.8	92.3	94.6
Liquid assets to total assets (Core)- %	18.6	28.0	30.2	38.7	38.9
Liquid assets to total assets (Broad)- %	65.6	63.8	69.4	69.3	70.6

Source: Bank of Ghana Staff Calculations

Table A.8: Profitability Indicators (%)

	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
Gross Yield	3.0	3.1	18.7	2.8
Interest Payable	1.1	1.0	5.8	0.9
Spread	2.0	2.1	12.9	2.0
Asset Utilisation	2.9	2.6	13.6	2.2
Interest Margin to Total Assets	1.3	1.4	6.9	1.1
Interest Margin to Gross income	46.4	53.6	50.9	51.7
Profitability Ratio	19.7	21.8	20.9	23.3
Return On Equity (%) after tax	32.4	32.7	30.8	28.5
Return On Assets (%) before tax	5.1	5.2	5.0	4.7

Source: Bank of Ghana Staff Calculations

Table A.9: DMBs' Income Statement

	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
	<u>(GH ¢'million)</u>				<u>Y-on-y Growth (%)</u>		
Interest Income	5,000.8	5,896.8	38,489.4	6,690.6	17.9	20.3	13.5
Interest Expenses	(1,836.3)	(1,924.3)	(13,032.6)	(2,279.3)	4.8	25.1	18.5
Net Interest Income	3,164.5	3,972.6	25,456.8	4,411.3	25.5	18.0	11.0
Fees and Commissions (Net)	667.1	785.3	5,670.0	1,066.7	17.7	25.8	35.8
Other Income	1,154.9	732.1	5,832.6	772.6	(36.6)	13.4	5.5
Operating Income	4,986.5	5,489.9	36,959.4	6,250.6	10.1	18.4	13.9
Operating Expenses	(2,118.1)	(2,421.7)	(16,588.4)	(3,019.8)	14.3	22.0	24.7
Staff Cost (deduct)	(1,025.5)	(1,206.0)	(8,222.0)	(1,553.0)	17.6	26.0	28.8
Other operating Expenses	(1,092.6)	(1,215.7)	(8,366.4)	(1,466.9)	11.3	18.4	20.7
Net Operating Income	2,868.4	3,068.3	20,370.9	3,230.7	7.0	15.6	5.3
Total Provision (Loan losses, Depreciation & others)	(859.2)	(619.0)	(3,825.6)	(275.2)	(28.0)	(11.7)	(55.5)
Income Before Tax	2,009.2	2,449.3	16,545.3	2,955.5	21.9	24.4	20.7
Tax	(664.8)	(836.2)	(6,107.9)	(969.1)	25.8	21.5	15.9
Net Income	1,344.4	1,613.1	10,437.4	1,986.4	20.0	26.2	23.1
Gross Income	6,822.8	7,414.2	49,992.0	8,529.9	8.7	20.1	15.0

Source: Bank of Ghana Staff Calculations

Table A.10: Developments in Offshore Balances

	<u>Feb-22</u>	<u>Feb-23</u>	<u>Feb-24</u>	<u>Dec-24</u>	<u>Feb-25</u>
Offshore balances as % to Networth	28.6	76.4	69.0	104.1	99.8
Annual Growth in Offshore balances (%)	-25.8	132.7	22.0	110.1	102.6
Annual Growth in Nostro Balances (%)	-25.4	195.3	-20.8	118.4	89.9
Annual Growth in Placement (%)	-26.4	57.5	120.3	102.9	113.6

Source: Bank of Ghana Staff Calculations

Table A.11: Headline Inflation

	Annual Changes in CPI (%)			Monthly Changes in CPI (%)			Core Inflation (%)			
	Combined	Food	Non-food	Combined	Food	Non-food	Core 1	Core 2	Core 3	Core 4
	100	42.7	57.3	100	42.7	57.3	93.8	60.2	87.0	50.7
Dec-20	10.4	14.1	7.7	0.9	1.5	0.4	11.2	8.5	11.4	8.3
Dec-21	12.6	12.8	12.5	1.2	1.2	1.2	11.9	11.9	11.5	10.7
Dec-22	54.1	59.7	49.9	3.8	4.1	3.6	53.2	53.5	54.4	47.2
Dec-23	23.2	28.7	18.7	1.2	1.3	1.0	24.2	22.3	25.5	20.7
2024										
Jan	23.5	27.1	20.5	2.0	1.6	2.4	24.2	22.4	25.4	21.8
Feb	23.2	27.0	20.0	1.6	2.0	1.3	24.0	22.2	25.0	21.8
Mar	25.8	29.6	22.6	0.8	1.0	0.7	26.3	24.0	27.2	23.8
Apr	25.0	26.8	23.5	1.8	2.1	1.5	24.8	22.9	25.9	22.9
May	23.1	22.6	23.6	3.2	2.7	3.6	22.6	21.5	23.2	21.9
Jun	22.8	24.0	21.6	2.9	5.1	0.9	22.1	19.5	23.2	19.1
Jul	20.9	21.5	20.5	2.1	1.7	2.4	19.9	16.7	20.8	17.3
Aug	20.4	19.1	21.5	-0.7	-2.2	0.7	19.4	16.9	20.0	18.9
Sep	21.5	22.1	20.9	2.8	4.2	1.6	20.8	17.6	21.5	18.4
Oct	22.1	22.8	21.5	0.9	0.3	1.4	21.4	19.5	22.2	19.1
Nov	23.0	25.9	20.7	2.6	3.8	1.6	22.4	18.7	23.2	17.6
Dec	23.8	27.8	20.3	1.8	2.8	0.7	23.1	18.5	24.0	17.1
2025										
Jan	23.5	28.3	19.2	1.7	2.0	1.4	22.8	18.0	23.7	16.3
Feb	23.1	28.1	18.8	1.3	1.8	0.9	22.4	17.5	23.3	15.8

Source: Ghana Statistical Service

Bank of Ghana