



BANK OF GHANA

MONETARY POLICY REPORT

May 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 124th meeting held in May 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.

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Overview

Global economic developments in the first four months of the year were characterised by low growth prospects, unsynchronised disinflation outcomes, and restrictive global financial conditions, driven largely by significant headwinds associated with the trade policy shifts in the United States. The potential spillover effects of the imposition of the trade tariffs by the United States and counter-tariff measures have heightened policy uncertainty, weakened investor sentiments, and lowered global growth prospects. In the event, monetary policy decisions by central banks have been mixed, reflecting divergence in inflation outcomes. While some countries have adopted a tighter-for-longer stance, others have cut policy rates, citing gradual ease in inflation towards central bank targets

On the domestic front, the Bank's high frequency real sector indicators point to a sustained pickup in economic activity. The updated Composite Index of Economic Activity increased by 2.3 percent, year-on-year, in March 2025, compared with 1.0 percent over the same period last year, mainly driven by exports, credit to the private sector, and construction activities. In addition, the Ghana Purchasing Managers' Index rose above the 50 point-benchmark as output and new orders increased, signalling improved growth prospects.

Headline inflation has declined consecutively in the first four months of the year by 2.6 percentage points to 21.2 percent in April 2025, driven by both food and non-food inflation. A confluence of factors, including the tight monetary policy stance, stepped-up liquidity sterilization efforts, downward revisions in ex-pump petroleum prices, and exchange rate stability have supported the gradual decline in inflation.

The external sector has continued to improve, with a record provisional current account surplus of US\$2.1 billion in the first quarter of 2025, driven mainly by higher prices and increased production volumes of gold and cocoa, and strong remittance inflows. The current account surplus, together with net outflows in the capital and financial account, resulted in an overall Balance of Payments surplus of US\$1.1 billion. The strong external performance resulted in significant reserve accumulation.

The cedi has rebounded strongly against the major trading currencies, driven by a combination of factors, including the tight monetary policy stance, ongoing fiscal consolidation, record reserve accumulation, strict enforcement of foreign exchange market rules, and improved market sentiment.

The banking sector performance remained stable in April 2025. The sector continued to record strong growth in assets, driven by increases in domestic deposits and other funding sources. Although growth moderated, profit picked up in the first four months of the year relative to the same period last year. The Financial Soundness Indicators generally recorded improvements in April 2025 relative to April 2024. There was a significant improvement in solvency and liquidity measures although profitability indicators moderated. Non-performing loans ratio also improved on account of higher credit growth.

1. Global Economic Developments

1.0 Highlights

Recent U.S. policy shifts have given rise to increased trade and economic policy uncertainty and dimmed global growth prospects. The global disinflation process has mostly stalled, and headline inflation has been revised slightly upwards in some countries. Financial conditions remain restrictive, reflecting still high policy rates and long-term bond yields. In the local forex market, the Ghana cedi made significant gains in recent months, supported by both domestic and external factors.

1.1 Global Growth Developments

Global economic developments in the first four months of the year were characterised by low growth prospects, unsynchronised disinflation outcomes, and restrictive global financial conditions, driven largely by significant headwinds associated with the trade policy shifts in the United States. The potential spillover effects of the imposition of the trade tariffs by the United States and counter-tariff measures have heightened policy uncertainty, weakened investor sentiments, and lowered global growth prospects. In the event, monetary policy decisions by central banks have been mixed, reflecting divergence in inflation outcomes. While some countries have adopted a tighter-for-longer stance, others have cut policy rates, citing gradual ease in inflation towards central bank targets. Against this backdrop, the IMF projects that global growth will decline from 3.3 percent in 2024 to 2.8 percent in 2025, before picking up to 3.0 percent in 2026. The growth downgrades are broad-based across advanced and emerging market economies.

Table 1.1: Global Growth Projections (%)

(Percent change, unless noted otherwise)

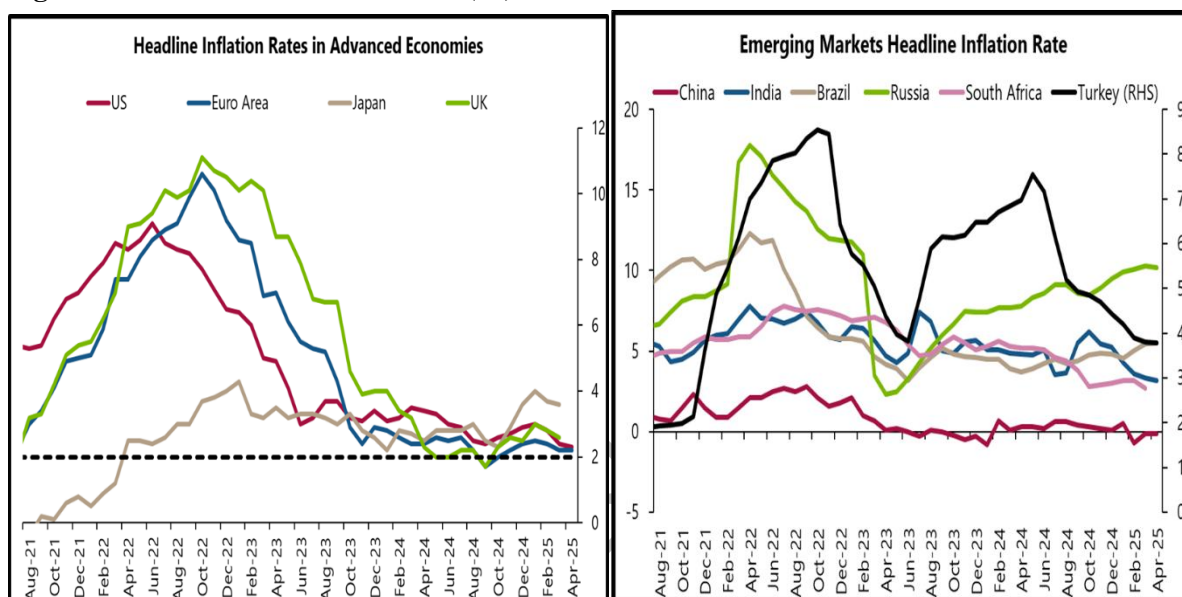
	2024	Projections		Difference from January 2025 WEO Update ¹	
		2025	2026	2025	2026
World Output	3.3	2.8	3.0	-0.5	-0.3
Advanced Economies	1.8	1.4	1.5	-0.5	-0.3
United States	2.8	1.8	1.7	-0.9	-0.4
Euro Area	0.9	0.8	1.2	-0.2	-0.2
Germany	-0.2	0.0	0.9	-0.3	-0.2
France	1.1	0.6	1.0	-0.2	-0.1
Italy	0.7	0.4	0.8	-0.3	-0.1
Spain	3.2	2.5	1.8	0.2	0.0
Japan	0.1	0.6	0.6	-0.5	-0.2
United Kingdom	1.1	1.1	1.4	-0.5	-0.1
Canada	1.5	1.4	1.6	-0.6	-0.4
Other Advanced Economies ²	2.2	1.8	2.0	-0.3	-0.3
Emerging Market and Developing Economies	4.3	3.7	3.9	-0.5	-0.4
Emerging and Developing Asia	5.3	4.5	4.6	-0.6	-0.5
China	5.0	4.0	4.0	-0.6	-0.5
India ³	6.5	6.2	6.3	-0.3	-0.2
Emerging and Developing Europe	3.4	2.1	2.1	-0.1	-0.3
Russia	4.1	1.5	0.9	0.1	-0.3
Latin America and the Caribbean	2.4	2.0	2.4	-0.5	-0.3
Brazil	3.4	2.0	2.0	-0.2	-0.2
Mexico	1.5	-0.3	1.4	-1.7	-0.6
Middle East and Central Asia	2.4	3.0	3.5	-0.6	-0.4
Saudi Arabia	1.3	3.0	3.7	-0.3	-0.4
Sub-Saharan Africa	4.0	3.8	4.2	-0.4	0.0
Nigeria	3.4	3.0	2.7	-0.2	-0.3
South Africa	0.6	1.0	1.3	-0.5	-0.3

Source: IMF, WEO April 2025, Update

1.2 Global Price Developments

The global disinflation process has mostly stalled, and headline inflation has been revised slightly upwards in some countries. A renewed uptick in food prices, persistence in services inflation, and a resurgence in core goods inflation continue to exert upward pressures on global headline inflation. The FAO food price index increased in April 2025 due to supply constraints and stronger import demand. In particular, services inflation remained persistent, largely on account of relatively higher wages. However, oil prices fell owing to OPEC+ countries' decision to unwind production cuts slightly from April 2025. In the outlook, inflation is expected to decline amid lower oil prices and a broad-based downgrade of global growth.

Figure 1.1: Headline Inflation Rates (%)



Source: Bank of Ghana, /Trading Economics

1.3 Global Financial Markets Developments

Global financial conditions remain restrictive, reflecting still high policy rates and long-term bond yields. Major central banks such as the Federal Reserve and the Bank of Japan held policy rates steady amid trade tensions and high uncertainty. However, the European Central Bank and the Bank of England lowered their policy rates due to growing confidence that inflation was on track and returning to the target. Moreover, policy rate decisions remained diverse across Emerging Market and Developing Economies (EMDEs). Higher term premiums have kept long-term yields higher, while equity markets have been volatile amid rising uncertainty. In the outlook, financial conditions will remain tight in the near-term. Higher policy rates and long-term bond yields 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, sharp tightening of financial conditions, and an appreciation of the US dollar.

Table 1.2: Monetary Policy Stance of Selected Central Banks

Country	Policy rate - Previous (%)	Policy Rate Current (%)	Forecast	Inflation March, 2025	Inflation April, 2025	Real rate	Infl Target	Overall Fiscal Deficit (2024, % of GDP)	GDP Growth (Dec.2024)	Gross Debt/GDP (2024,%)	YTD Depr/16th May 2025
U.S	4.5	4.5	4.5	2.4	2.3	2.2	2%	-7.3	2.8	120.8	
Euro Area	2.65	2.4	2.40	2.2	2.2	0.2	< 2%	-3.1	0.9	87.7	7.61
UK	4.5	4.25	4	2.6		1.7	2%	-5.7	1.1	101.2	5.88
Japan	0.5	0.5	0.5	3.6		-3.1	2%	-2.5	0.1	236.7	7.01
Russia	21	21	20	10.3	10.2	10.8	4%	-2.2	4.1	20.3	40.04
India	6.25	6	6	3.34	3.16	3.09	4±2%	-7.4	6.5	81.3	0.11
Brazil	14.25	14.75	14.75	5.48	5.53	9.22	4.5±1.5%	-6.6	3.4	87.3	9.04
Turkey	42.5	46	42.5	38.1	37.86	8.14	5±2%	-5.2	3.2	26	-8.99
Malaysia	3	3	3.0	1.4		1.6	3% - 4%	-4	5.1	70.4	4.16
Indonesia	5.75	5.75	5.75	1.03	2.0	3.8	3.5% ± 1%	-2.3	5	40.2	
Chile	5	5	5	4.9	4.5	0.5	3±1%	-2.7	2.6	42.0	
Ghana	27	28		22.4	21.2	6.8	8±2%	-7.7	5.7	70.5	19.29
South Africa	7.5	7.5	7.5	2.7		4.8	3% -6%	-6.1	0.6	76.4	4.43
Nigeria	27.5	27.5	27.5	24.23	23.71	3.79	6% -9%	-3.4	3.4	52.9	-3.55
Kenya	10.75	10	10	3.6	4.1	5.9	2.5-7.5%	-5.5	4.5	65.6	0.05
Zambia	14	14.5	14.5	16.5	16.5	-2	6%-8%	-3.3	4	114.9	3.76
Morocco	2.5	2.25	2.25	1.6		0.7		-4.1	3.2	70	
Angola	19.5	19.5	19.0	23.9	22.32	-2.82	9-11%	-1	4.5	62.5	
Egypt	27.25	25.5	24.00	13.6	13.9	11.6	7± 2%	-7.1	2.4	90.9	1.41

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

1.4 Currency Markets

The cedi has rebounded strongly against the major trading currencies driven by a combination of factors. Strong reserve build-up, tight monetary policy stance, ongoing fiscal consolidation, strict enforcement of foreign exchange market rules, and improved market sentiment supported the cedi recovery. On the external front, the weakness of the dollar due to weak growth in the U.S., trade policy uncertainty, adjustment in demand for dollar assets, and recovery in the Euro Area also helped improved the cedi's performance. In the interbank market, the cedi appreciated by 3.9 percent against the dollar, and depreciated by 2.5 percent and 5.3 percent against the pound sterling, and the euro, respectively, on a year-to-date basis. This is against a depreciation of 10.5 percent, 9.0 percent, and 7.5 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 95 transaction days in 2025 compared to other years.

Table 1.3: Interbank Exchange Rates

	US\$/GHC*	Monthly depreciation/a ppreciation	Year-to-Date depreciation/a ppreciation	GBP/GHC*	Monthly depreciation/a ppreciation	Year-to-Date depreciation/a ppreciation	Euro/GHC*	Monthly depreciation/a ppreciation	Year-to-Date depreciation/a ppreciation
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	15.9012	-4.3	-4.32
Feb	15.5300	-1.5	-5.34	19.5484	-2.8	-5.87	16.1524	-1.6	-5.81
Mar	15.5300	0.0	-5.34	20.0951	-2.7	-8.43	16.8068	-3.9	-9.48
Apr	14.1500	9.8	3.89	18.8769	6.5	-2.52	16.0640	4.6	-5.29

Source: Bank of Ghana Staff Calculations

Considering the currency movements of major trading partners, the cedi appreciated by 5.3 percent and 8.5 percent in nominal trade weighted terms, and forex transaction weighted terms, respectively, in the month of April 2025. This is against a depreciation of 2.1 percent, and 3.0 percent, in nominal trade weighted terms and nominal foreign exchange transaction weighted terms, respectively, over the same period in 2024.

Table 1.4: Nominal Effective Exchange Rate

Month	2021=100		Monthly (%)		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
Mar-25	37.47	40.78	-0.38	-3.54	-6.07	-9.61
Apr-25	40.95	43.06	8.50	5.28	2.95	-3.82

Source: Bank of Ghana Staff Calculations

In real bilateral terms, the cedi appreciated by 9.3 percent, 6.3 percent and 4.8 percent against the dollar, the pound sterling, and the euro, respectively, in April 2025. Comparatively, for the corresponding period in 2024, the cedi's real exchange rate depreciated by 1.7 percent, 0.6 percent, and 0.7 percent, against the dollar, the pound sterling, and the euro, respectively over the same period 2024.

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	3.0	1.6	0.1	3.0	1.6	0.1
Feb-24	96.52	91.08	85.74	-2.5	-1.6	-2.6	0.6	0.0	-2.4
Mar-24	93.63	88.07	83.15	-3.1	-3.4	-3.1	-2.4	-3.4	-5.6
Apr-24	93.00	87.56	81.79	-0.7	-0.6	-1.7	-3.1	-4.1	-7.4
May-24	88.40	82.92	79.12	-5.2	-5.6	-3.4	-8.5	-9.9	-11.0
Jun-24	89.04	83.17	78.84	0.7	0.3	-0.3	-7.7	-9.5	-11.4
Jul-24	88.04	81.90	78.66	-1.1	-1.6	-0.2	-8.9	-11.2	-11.7
Aug-24	83.92	77.84	76.56	-4.9	-5.2	-2.7	-14.3	-17.0	-14.7
Sep-24	82.36	75.56	75.54	-1.9	-3.0	-1.4	-16.4	-20.6	-16.3
Oct-24	82.09	76.12	73.76	-0.3	0.7	-2.4	-16.8	-19.7	-19.1
Nov-24	92.79	84.37	80.80	11.5	9.8	8.7	-3.4	-8.0	-8.7
Dec-24	99.88	90.44	85.41	7.1	6.7	5.4	4.0	-0.7	-2.8
Jan-25	97.81	89.38	82.94	-2.1	-1.2	-3.0	-2.1	-1.2	-3.0
Feb-25	97.08	87.64	82.41	-0.7	-2.0	-0.6	-2.9	-3.2	-3.6
Mar-25	92.78	85.11	82.42	-4.6	-3.0	0.0	-7.7	-6.3	-3.6
Apr-25	97.47	90.79	90.92	4.8	6.3	9.3	-2.5	0.4	6.1

Source: Bank of Ghana Staff Calculations

The cedi appreciated by 5.6 percent and 8.9 percent in real trade weighted terms and real forex transaction weighted terms, respectively in April 2025. These compared with depreciation of 0.83 percent and 1.56 percent, respectively, in real trade weighted terms and forex transaction weighted terms for the same period in 2024.

Table 1.6: Real Effective Exchange Rate for Major Trade Partners

RTWI and FXRTWI							
Month	INDEX (2021=100)		MONTHLY CHG		Year-to-Date (%)		
	RFXTWI	RTWI	RFXTWI	RTWI	RFXTWI	RTWI	
Jan-24	88.83	96.79	0.39	2.50	0.39	2.50	
Feb-24	86.63	94.52	-2.54	-2.40	-2.14	0.17	
Mar-24	84.01	91.66	-3.12	-3.12	-5.33	-2.95	
Apr-24	82.72	90.93	-1.56	-0.80	-6.98	-3.77	
May-24	79.87	86.61	-3.56	-4.99	-10.79	-8.95	
Jun-24	79.67	87.09	-0.25	0.55	-11.06	-8.36	
Jul-24	79.40	86.18	-0.34	-1.06	-11.44	-9.50	
Aug-24	77.13	82.35	-2.95	-4.64	-14.73	-14.59	
Sep-24	76.04	80.81	-1.43	-1.91	-16.37	-16.78	
Oct-24	74.41	80.39	-2.19	-0.51	-18.91	-17.38	
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	2.68	
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	
Mar-25	83.23	90.64	-0.40	-3.86	-3.98	-6.98	
Apr-25	91.40	95.97	8.94	5.56	5.31	-1.04	

Source: Bank of Ghana Staff Calculations

2. External Sector Developments

2.0 Highlights

Ghana's external sector remained strong in the first quarter of 2025 with improved reserve accumulation. The strong performance was on the back of a robust current account surplus, driven mainly by higher commodity prices and increased production volumes of key export commodities, especially gold and cocoa.

2.1 Commodity Price Trends

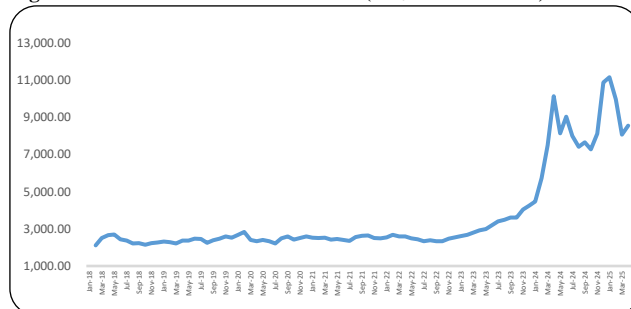
On the international commodities market, prices of Ghana's major export commodities continued to rally with the exception of crude oil, which saw some marginal decline in prices. Cocoa futures averaged US\$8,533.86 per tonne in April 2025, recording a 5.8 percent increase compared to the previous month. On a year-on-year basis, cocoa prices dropped by 15.7 percent, mainly due to improved production.

In contrast, crude oil prices declined by 7.2 percent to close at an average of US\$66.30 per barrel in April 2025, driven by slower demand, particularly in China. Compared to a year earlier, crude oil prices declined by 25.5 percent, due to low demand and the decision by OPEC for a bigger than expected output hike in May 2025.

Gold continued to soar, reaching a record average price of US\$3,218.2 per fine ounce in April 2025. This represented an increase of 7.8 percent over the previous month. The surge in gold prices was largely driven by concerns over the economic impact of the newly announced tariffs by the U.S. government. Relative to the same period last year, gold prices increased by 37.9 percent in April 2025, from US\$2,334.16 in April 2024.

2.1.1 Commodity Price Index

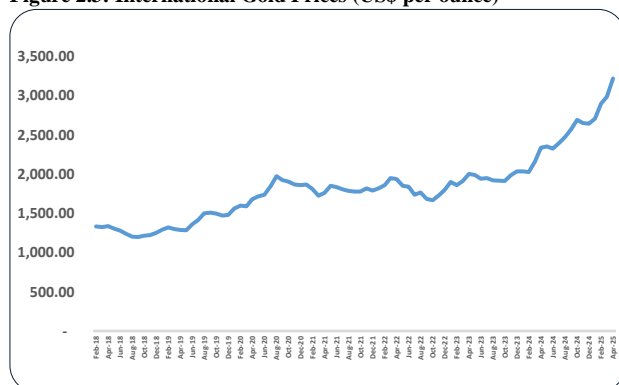
The weighted average price of the three major export commodities by Ghana (cocoa, gold, and crude oil) rose in April 2025 to 224.2 from 212.7 in the previous month, representing an uptick of 5.4 percent. The increase was driven by the gold and cocoa sub-indices, which went up by 7.8 percent, and 5.8 percent, respectively, while the crude oil sub-index dropped by 7.2 percent. On a year-on-year basis, the composite commodity price index increased by 8.0 percent from 207.7 in April 2024, stemming from a 37.9 percent increase in the gold sub-index, while the cocoa and crude oil sub-indices recorded declines of 15.7 percent and 25.5 percent, respectively.

Figure 2.1: International Cocoa Prices (US\$/metric tonnes)

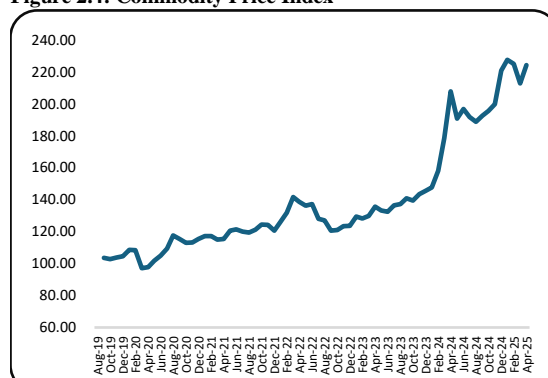
Source: Reuters

Figure 2.2: International Brent Crude Oil Prices (US\$ per barrel)

Source: Reuters

Figure 2.3: International Gold Prices (US\$ per ounce)

Source: Reuters

Figure 2.4: Commodity Price Index

Source: BOG Staff Computations

2.2 Trade Balance

The trade balance for the first four months of the year showed a surplus of US\$4.14 billion, significantly higher than US\$759.3 million recorded in the comparative period in 2024. The value of exports surged to US\$9.3 billion in April 2025 from US\$5.8 billion in the same period in 2024 (60.5% year-on-year growth), driven primarily by cocoa and gold exports. Cocoa exports, both beans and products increased significantly to US\$1.8 billion from US\$579.7 million in the same period in 2024, driven by higher volumes and prices.

The value of gold exports shot up by 76.4 percent to US\$5.24 billion. The volume of gold exports increased by 24.4 percent to 1.84 million fine ounces, largely on the back of increased output from regulated small-scale gold mines. The average realized price also increased by 41.8 percent to US\$2,855.0 per fine ounce in April 2025 compared to US\$2,014.0 in April 2024.

Crude oil exports, however, dropped by 23.8 percent to US\$972.0 million in the first quarter of 2025, due to both lower volumes and prices. The volume fell by 36.8 percent to 13.24 billion barrels in April 2025 from 15.26 billion barrels during the same period last year. The average price of crude oil for the period recorded a decline of 12.1 percent to US\$73.4 per barrel from US\$83.6 per barrel in April 2024. Other exports, including non-traditional exports, increased by 29.1 percent to US\$1.27 billion from US\$985.8 million during the same review period.

Total imports, on the other hand, recorded a marginal increase of 2.7 percent to US\$5.2 billion during the first four months of 2025 from US\$5.1 billion in the corresponding period of 2024 due to a pick-up in oil imports, while non-oil imports remained virtually flat. Oil imports increased by 6.9 percent to US\$1.7 billion, whereas non-oil imports remained broadly unchanged at US\$3.5 billion in April 2025.

2.3 Current Account

The current account recorded a surplus of US\$2.1 billion in the first quarter of 2025, compared to a surplus of US\$66.1 million recorded during the same period in 2024. The higher current account surplus was driven mainly by higher cocoa and gold exports. Payments for services, however, increased by 66.2 percent to US\$1.2 billion, driven largely by freight and insurance, trade related services, financial services, and travel. Income payments to non-residents amounted to US\$1.2 billion on net basis driven primarily by interest payments on government external debt. Private remittance flows remained virtually unchanged at around US\$1.4 billion.

2.4 Capital and Financial Accounts

The capital account recorded net transfers of US\$31.1 million in the first quarter of 2025. The sum of the surpluses in the current and capital account amounted to US\$ 2.2 billion, putting the country in a net lending position with the rest of the world. Consequently, there was net acquisition of financial assets in the financial account amounting to US\$2.1 billion in the first quarter of 2025, significantly higher than the US\$357.7 million recorded during the same period in 2024. Other investment was US\$1.4 billion, driven largely by increased currency and deposits in the nostro accounts of the commercial banks. Reserve assets of the Bank of Ghana improved significantly from US\$391.1 million to US\$1.1 billion largely due to the Bank of Ghana's gold purchase program. There were, however, net FDI inflows and net portfolio inflows of US\$389.2 million, and US\$136.5 million, respectively.

2.5 International Reserves

At the end of April 2025, the stock of Gross International Reserves (GIR) stood at US\$10.7 billion, enough to provide cover for 4.7 months of import of goods and services. This compares with the end-December 2024 position of US\$9.0 billion (equivalent to 4 months of imports cover). The programme Net International Reserves (NIR) recorded a build-up of US\$1.5 billion to US\$3.4 billion in April 2025, already surpassing the end-June 2025 target build-up of US\$493 million.

2.6 External Sector Outlook

The outlook for the external sector is positive despite the resumption of external debt service following the restructuring of Ghana's external debt. Increased production volumes of Ghana's key export commodities, high commodities prices, and improved remittances flows will drive the strong external sector performance. Commitment to the implementation of policies and reforms under the IMF programme will restore investor confidence and attract more capital inflows. In addition, the operationalization of the GoldBod will further enhance the Gold for Reserves programme of the Bank of Ghana.

Table 2.1: Trade Balance (US\$ million)

Table 1	2023 Jan - Apr	2024 Jan - Apr	2025 Jan - Apr	Abs Y/Y Chg	Rel Y/Y Chg
Trade Balance	1,392.2	759.3	4,138.7	3,379.4	445.1
<i>Trade Bal (% GDP)</i>	<i>1.7</i>	<i>0.9</i>	<i>4.7</i>		
Total Exports	5,553.4	5,813.0	9,328.8	3,515.8	60.5
Gold (\$'M)	2,169.7	2,972.3	5,243.4	2,271.1	76.4
Volume (fine ounces)	1,177,988.5	1,475,865.1	1,836,581.8	360,716.6	24.4
Unit Price (\$/fine ounce)	1,841.9	2,014.0	2,855.0	841.0	41.8
Cocoa Beans (\$'M)	896.3	369.0	1,258.5	889.5	241.1
Volume (tonnes)	361,260.5	137,443.8	251,621.5	114,177.8	83.1
Unit Price (\$/tonne)	2,481.2	2,684.5	5,001.5	2,317.0	86.3
Cocoa Products (\$'M)	278.2	210.7	582.0	371.3	176.3
Volume (tonnes)	85,174.0	59,215.6	80,981.5	21,765.9	36.8
Unit Price (\$/tonne)	3,265.7	3,557.8	7,186.9	3,629.1	102.0
Crude Oil (\$'M)	1,164.9	1,275.3	972.0	-303.3	-23.8
Volume (barrels)	14,304,062.0	15,258,677.0	13,235,030.0	-2,023,647.0	-13.3
Unit Price (\$/bbl)	81.4	83.6	73.4	-10.1	-12.1
Other Exports	1,044.3	985.8	1,272.9	287.1	29.1
<i>o/w: Non-Traditional Exports</i>	<i>794.7</i>	<i>740.6</i>	<i>987.3</i>	<i>246.7</i>	<i>33.3</i>
Total Import	4,161.2	5,053.8	5,190.2	136.4	2.7
Non-Oil	2,691.8	3,478.1	3,506.3	28.2	0.8
Oil and Gas	1,469.4	1,575.7	1,683.9	108.2	6.9
<i>of which: Products</i>	<i>1,291.8</i>	<i>1,373.9</i>	<i>1,560.2</i>	<i>186.4</i>	<i>13.6</i>
Gas	67.8	71.1	78.6	7.5	10.5
Crude Oil	109.8	130.8	45.1	-85.6	-65.5

Source: Bank of Ghana

3. Real Sector Developments

3.0 Highlights

The Bank's high frequency real sector indicators pointed to a sustained pickup in economic activity in March 2025 compared to the same period a year ago. Port activity, credit to the private sector by banks, exports, and cement sales, contributed to the improvement in economic activity during the period. Consumer and business confidence also continued to increase in line with improving macroeconomic conditions.

3.1 Trends in Real Sector Indicators

Consumer Spending

Consumer spending, proxied by domestic Value Added Tax (VAT) collections and retail sales, posted a positive performance in March 2025. Domestic VAT collections improved by 32.5 percent on a year-on-year basis to GH¢1.52 billion from GH¢1.15 billion. Cumulatively for the first quarter of 2025, domestic VAT went up by 33.2 percent to GH¢4.82 billion compared with GH¢3.62 billion for the corresponding period of last year.

Retail sales increased by 34.1 percent (year-on-year) to GH¢268.00 million in March 2025, up from the GH¢199.80 million recorded in the same period of 2024. On a month-on-month basis, it increased by 16.5 percent in March 2025 from GH¢230.07 million in the preceding month. In cumulative terms, sales for the first quarter of 2025 went up by 33.0 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), posted a positive outturn in March 2025. Direct tax collections increased by 42.5 percent (year-on-year) to GH¢8.72 billion in March 2025, relative to GH¢6.12 billion recorded in the same period of 2024. Cumulatively, total direct taxes collected for the first quarter of 2025 went up by 49.4 percent to GH¢18.96 billion, from GH¢12.69 billion for the same period in 2024. In terms of contributions of the various sub-tax categories, Corporate tax accounted for 58.9 percent, Income tax (PAYE and self-employed) accounted for 24.7 percent, while "Other Tax Sources" contributed 16.4 percent.

Total private sector workers' contribution to the SSNIT Pension Scheme (Tier-1) increased by 23.2 percent on year-on-year basis to GH¢487.16 million in March 2025, from GH¢395.34 million collected during the corresponding period in 2024. Cumulatively, for the first quarter of 2025, the contribution grew by 28.0 percent to GH¢1.43 billion, relative to GH¢1.12 billion recorded in the same period of 2024.

Construction Sector Activities

Activity in the construction sub-sector, proxied by the volume of cement sales, improved by 8.6 percent (year-on-year) in March 2025 to 253,754.47 tonnes, up from 233,741.82 tonnes recorded a year ago. On a month-on-month basis, it increased by 10.8 percent when compared with 229,018.45 tonnes recorded in February 2024. Cement sales for the first quarter of 2025 went up by 2.4 percent to 706,709.11 tonnes.

Vehicle Registration

Transport sector activities, gauged by new vehicle registrations, increased by 44.5 percent to 19,208 in March 2025, from 13,297 vehicles registered during the corresponding period of 2024. Cumulatively, vehicles registered in the first quarter of 2025 increased by 32.8 percent to 69,797 year-on-year.

Industrial Consumption of Electricity

Industrial consumption of electricity declined marginally by 1.1 percent in March 2025 to 285.98 gigawatts, as against 289.02 gigawatts recorded for the corresponding period in 2024. In cumulative terms, consumption for the first quarter of 2025 remained largely unchanged at 860.19 gigawatts compared to 858.62 gigawatts consumed for the corresponding period a year ago.

Passenger Arrivals

Passenger arrivals declined by 10.3 percent on year-on-year terms to 98,146 in March 2025, down from 109,380 arrivals recorded a year ago. On a month-on-month basis, however, tourist arrivals increased by 2.2 percent. For the first quarter of 2025, there were 295,415 arrivals recorded at the international airport and the land borders, compared with 308,024 for the corresponding period in 2024, representing a decline of 4.1 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 22.0 percent (year-on-year) to 73,577 in March 2025. In cumulative terms, total container traffic for the first quarter of 2025 went up by 20.5 percent to 205,145 year-on-year.

3.2 Labour Market Activity

Private Sector Pension Contributors

Total number of private sector SSNIT contributors, which partially gauges employment conditions, improved marginally by 0.8 percent to 1,040,013 in March 2025, compared with 1,031,788 for the same period in 2024. On a month-on-month basis, total number of private sector contributors remained largely unchanged from the 1,044,974 individuals recorded in February 2025.

Advertised Jobs

The number of jobs advertised in selected print and online media, which partially gauges labour demand in the economy, increased in April 2025 relative to what was observed in the corresponding period a year ago. In total, 3,388 job adverts were recorded as compared with 3,045 for the same period in 2024, indicating an increment of 11.3 percent (year-on-year). Similarly, on a month-on-month basis, the number of job vacancies in April 2025 increased by 6.4 percent. Cumulatively, for the first four months of 2025, the total number of advertised jobs went up by 15.0 percent to 13,036, year-on-year.

3.3 Composite Index of Economic Activity

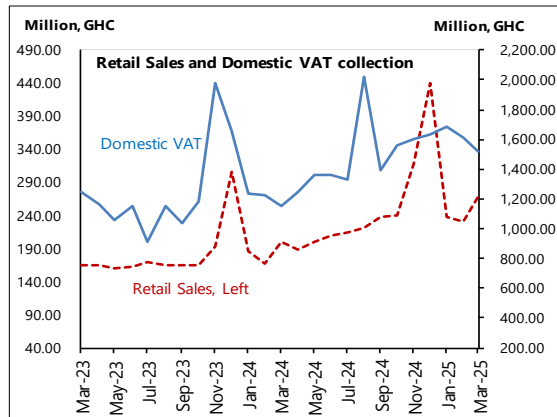
The Bank's updated real Composite Index of Economic Activity (CIEA) recorded an annual growth of 2.3 percent in March 2025, compared to a growth of 1.0 percent for the corresponding period of 2024. International trade activities, increased credit to the private sector by banks and construction activities contributed to the improvement in economic activity during the period.

3.4 Consumer and Business Surveys

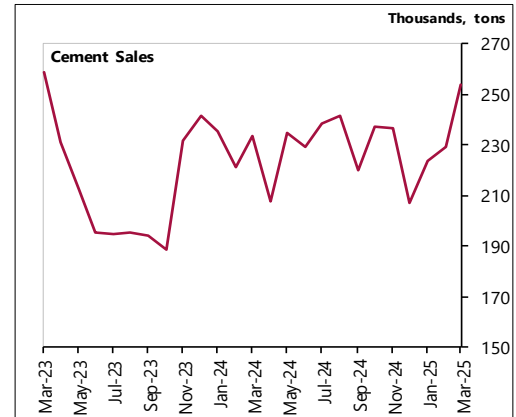
The latest confidence surveys conducted in April 2025 showed significant improvement in both consumer and business confidence. The Consumer Confidence Index improved to 103.6 in April 2025 from 100.2 in February 2025 on account of easing inflationary pressures and optimism about future economic conditions. Similarly, the Business Confidence Index increased to 102.2 from 99.7 in the same comparative period as firms met their short-term targets and expressed positive sentiments about company and industry prospects in line with improving macroeconomic conditions. Results from the confidence surveys were aligned with the observed trend in Ghana's Purchasing Managers' Index (PMI) which also signaled an improvement in business conditions. The PMI rose to 52.6 in April 2025 from 50.6 in March 2025 mainly due to increases in output and new orders.

Figure 3.1: High Frequency Economic Indicators**Panel 1:
Ghana's Leading Indicators of Economic Activity**

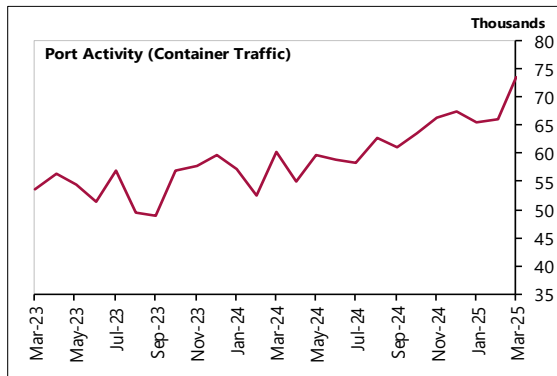
...Retail sales improved while domestic VAT collections declined in March 2025 compared to February 2025...



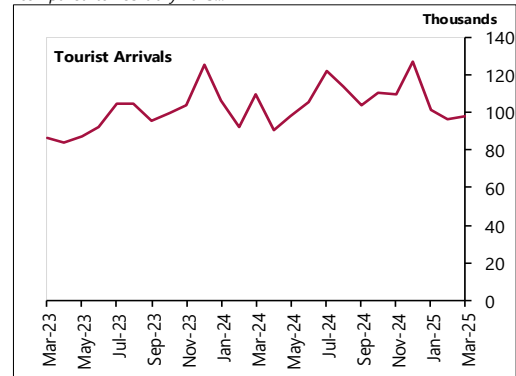
...Construction activities, proxied by cement sales, improved in March 2025 compared to February 2025...



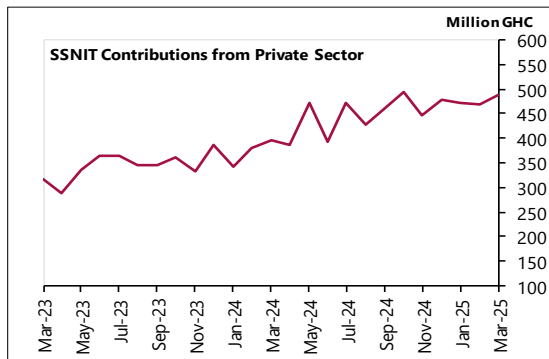
...Port activity increased in March 2025 compared to the previous month...



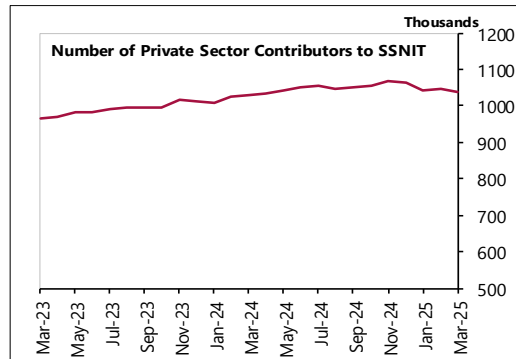
...Tourist arrivals remained largely unchanged in March 2025 compared to February 2025...



...Labour market conditions improved in March 2025 relative to February 2025...



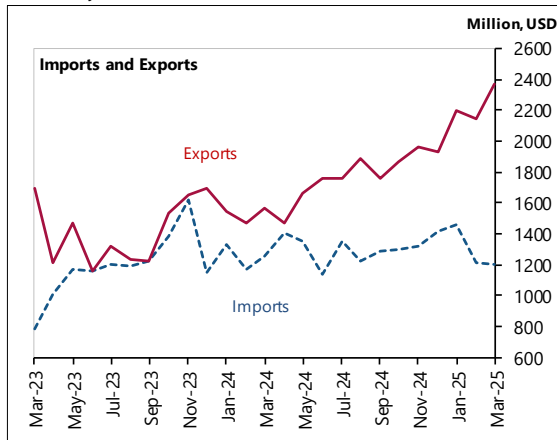
...Labour hiring conditions, proxied by the number of private sector workers contributing to SSNIT, remained largely unchanged...



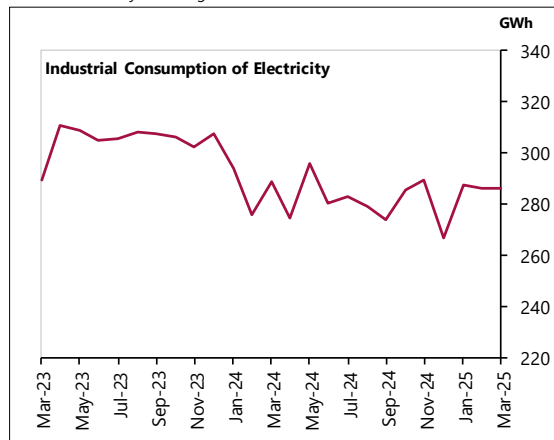
Sources: Bank of Ghana, Various Stakeholders

Panel 2: Ghana's Leading Indicators of Economic Activity

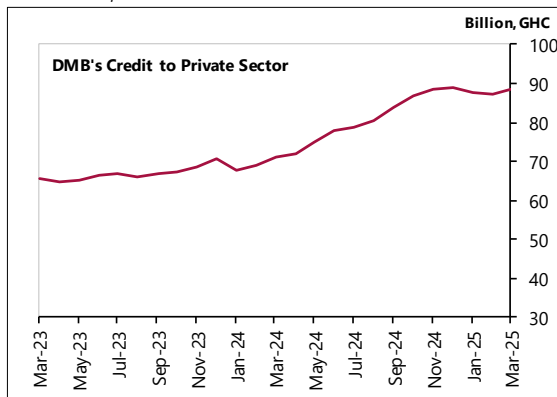
...Exports increased while Imports remained largely in March 2025 compared to February 2025...



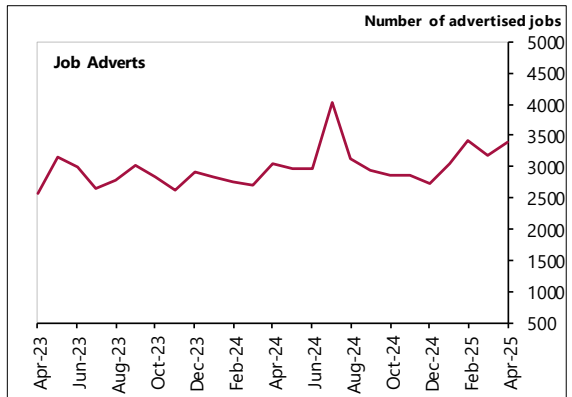
...Industrial activity, proxied by industrial consumption of electricity, remained broadly unchanged...



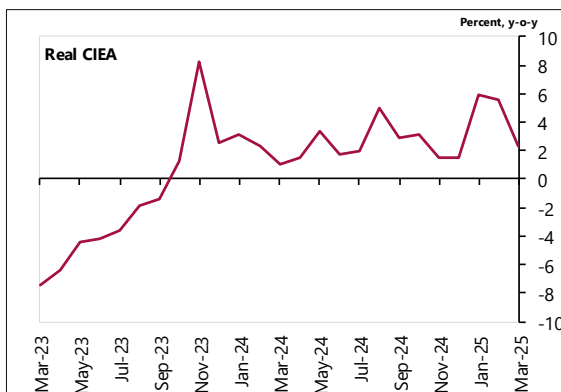
...Commercial banks' credit to the private sector improved in March 2025 relative to the previous month...



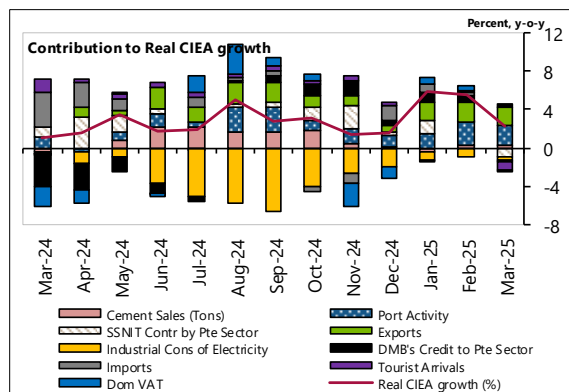
...Demand for labour, proxied by the number of job adverts (in print and online media), increased in April 2025...



...On a year-on-year basis, the real CIEA grew by 2.3 percent in March 2025, compared with a growth of 1.0 percent in March 2024...



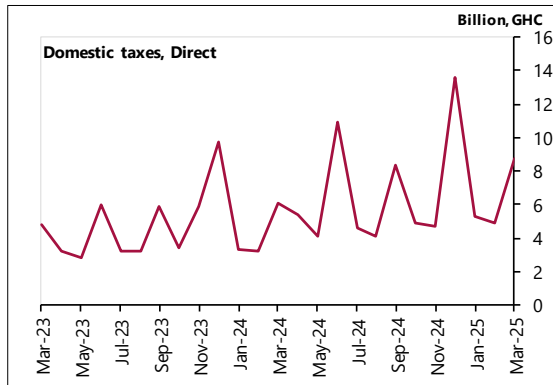
...The growth in the real CIEA was driven by a pick-up in Port Activity, Exports, DMB's Credit to the Private Sector and Cement Sales...



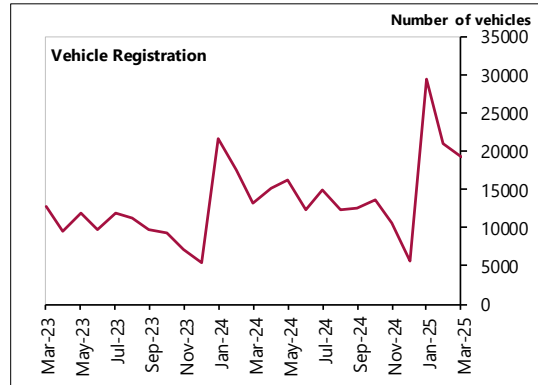
Source: Bank of Ghana, Various Stakeholders

Panel 3: Ghana's Leading Indicators of Economic Activity

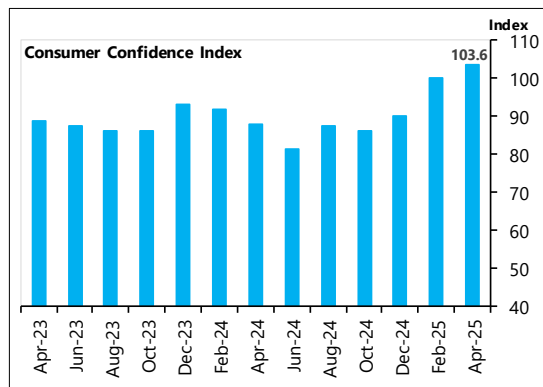
...Domestic tax collection increased in March 2025 compared to February 2025...



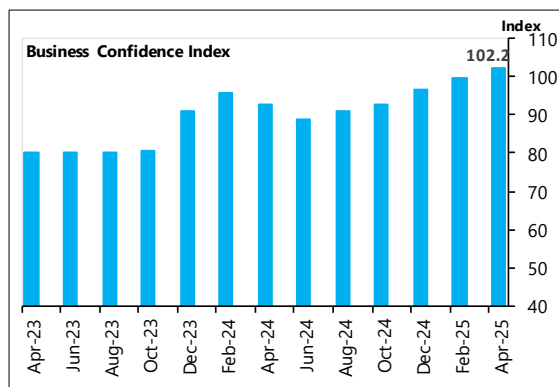
...Vehicle registration declined in March 2025 compared to the month before...



...Consumer Confidence improved 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 sentiments about company and industry prospects in line with improving macroeconomic conditions...



Source: Bank of Ghana, Various Stakeholders

4. Monetary and Financial Developments

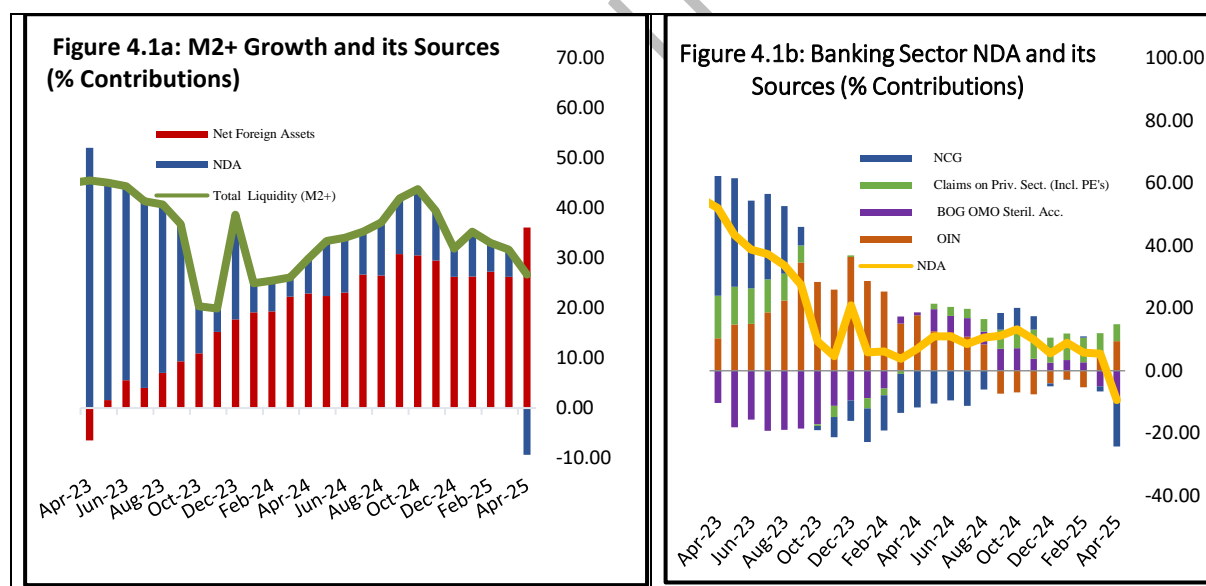
4.0 Highlights

Growth in monetary aggregates has been largely constrained in the first four months of the year, underpinned by the tight monetary policy stance and effective liquidity management. There was a strong expansion in the Net Foreign Assets, largely due to the Central Bank's accumulation of monetary gold. Annual growth in credit to the private sector increased in nominal terms, supported by the pick-up in real sector activities observed over the comparative period. Money market rates broadly trended downwards at the short end of the primary market on a year-on-year basis.

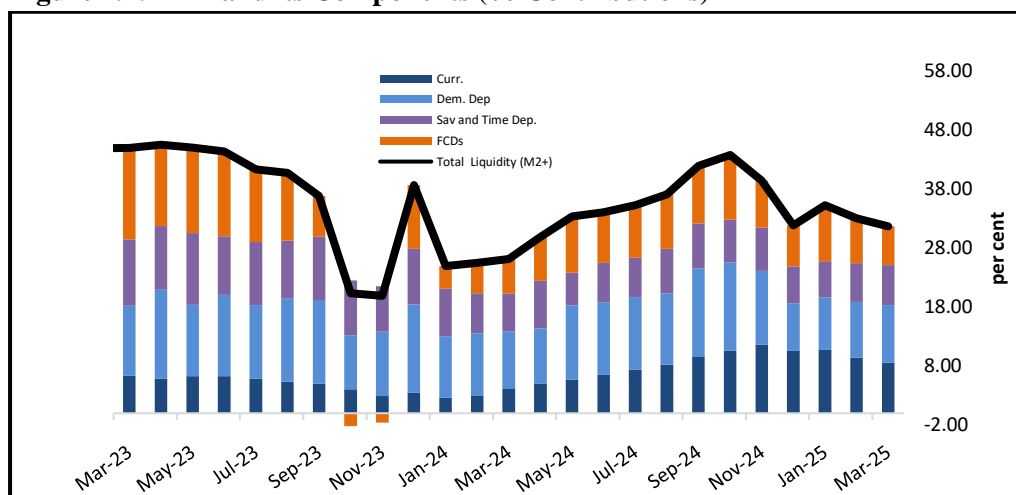
4.1 Developments in Monetary Aggregates

Money Supply

Developments in monetary aggregates for April 2025 showed a deceleration in the pace of growth in broad money supply (M2+), driven by contraction in Net Domestic Assets (NDA) of depository corporations, tight monetary policy stance and strong liquidity management. The Net Foreign Asset (NFA), however, expanded significantly. Annual growth in M2+ declined to 26.7 percent in April 2025, relative to 29.9 percent in the corresponding period of 2024. The contribution of NFA increased to 36.1 percent from 22.9 percent, while that of NDA decreased to negative 9.4 percent from 7.0 percent, over the same comparative period.



Sources: Bank of Ghana

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

Source: Bank of Ghana

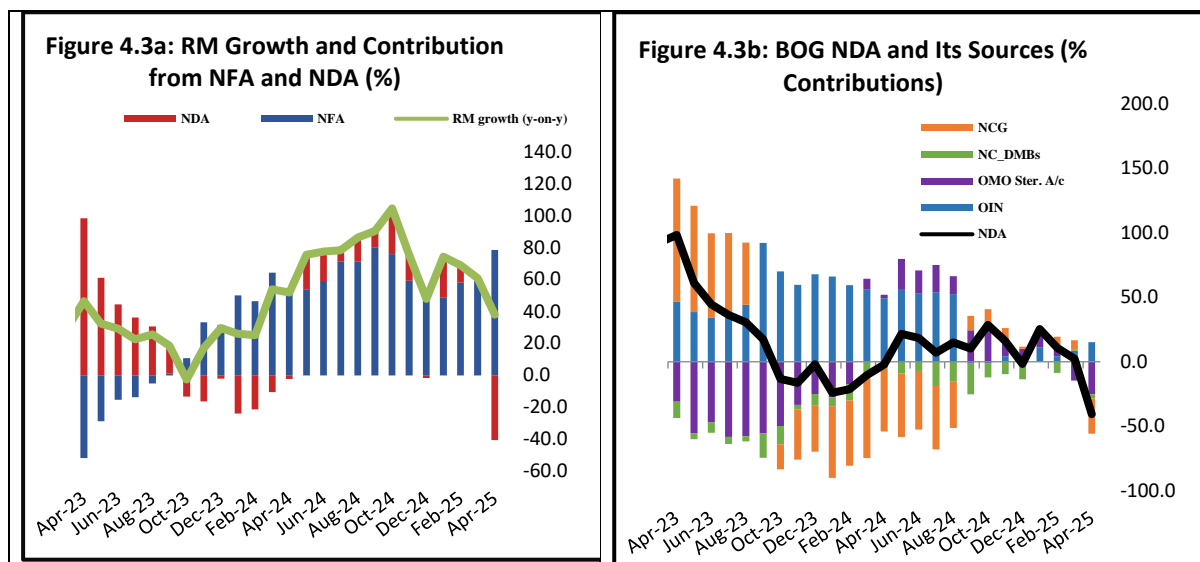
In terms of annual growth rates, NDA recorded a negative growth of 10.9 percent percent in April 2025 relative to 6.7 percent in April 2024, while NFA expanded by 261.7 percent relative to 457.9 percent, over the same comparative period. The decline in the contribution of the NDA to the growth of M2+ was mainly driven by contractions in Net Claims on Government (NCG) and increased sterilization through the issuance of Bank of Ghana bills. This was moderated by increases in claims on private and public sector and expansion in the Other Items Net.

Analysis of the components of M2+ showed that the moderation in the growth in M2+ reflected in decreased growth in demand deposit, saving and time deposits, and foreign currency deposits. Growth in currency with the public, however, increased significantly.

4.2 Reserve Money

Growth in Reserve Money (RM) moderated significantly in April 2025, mainly induced by a contraction in the NDA, reflecting increased sterilization and a decline in Net Claims on Government; the NFA, however, expanded considerably, largely on the back of inflows from Gold for Reserve (G4R) Programme, forex purchases, and proceeds from the IMF Extended Credit Facility (ECF). Annual growth in reserve money declined to 37.99 percent in April 2025, from a growth of 51.88 percent recorded in the corresponding period of 2024.

The NDA of the Central Bank declined due to a contraction in net Claims on Government (NCG) and Claims on Deposit Money Banks (DMBs), as well as increased Open Market Operations (OMO). The contribution of NDA to the growth in RM decreased to *negative* 40.5 percent in April 2025 compared to *negative* 2.2 percent recorded in April 2024. In contrast, the contribution of the NFA to the growth in RM increased to 78.5 percent, relative to 54.1 percent, over the same comparative period.



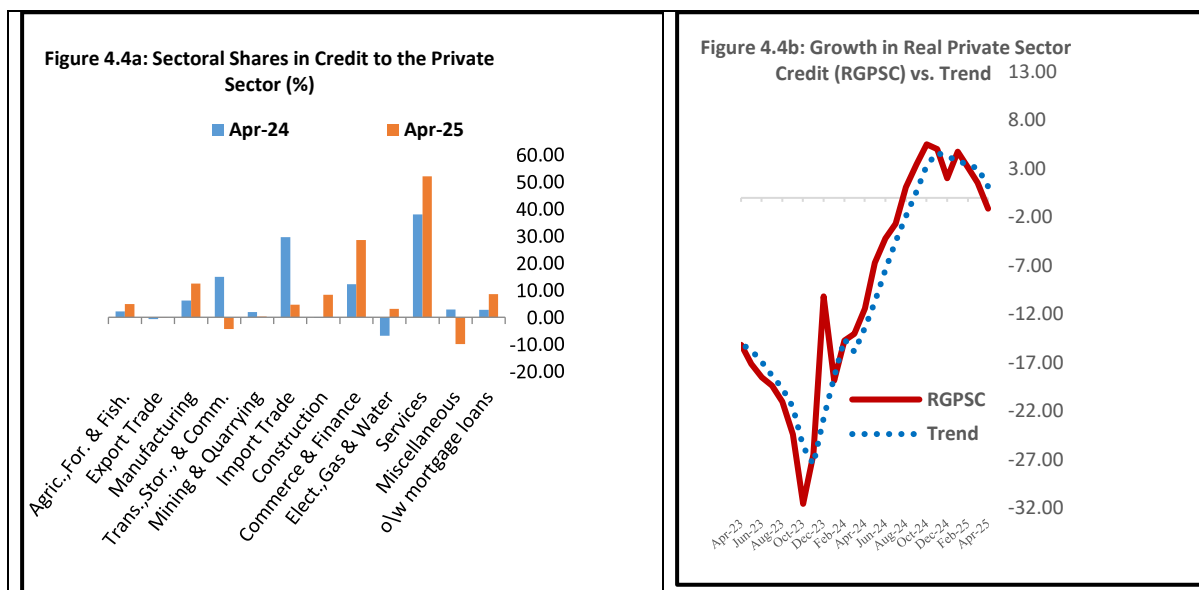
Source: Bank of Ghana

4.3 Deposit Money Banks Credit Developments

Deposit Money Banks' (DMBs') credit to the private sector and public institutions increased by GH¢13.60 billion (17.4%) in April 2025 compared to an increase of GH¢5.58 billion (7.7%) recorded in April 2024. The increase in credit flows was largely due to an expansion of credit to the private sector. Credit to the private sector increased by GH¢14.31 billion (19.9%) in April 2025 compared to an increase of GH¢6.98 billion (10.8%) recorded in the corresponding period of 2024. The increased flow of credit to the private sector was on the back of increased domestic currency credit.

Private sector credit accounted for 105.2 percent of the flow in total outstanding credit in April 2025, relative to 125.1 percent recorded in the corresponding period of 2024. The top five sectors with significant share of credit flows are: services (52.0%); commerce and finance (28.5%); manufacturing (12.5%); construction (8.3%); and agriculture, forestry and fisheries (4.8%).

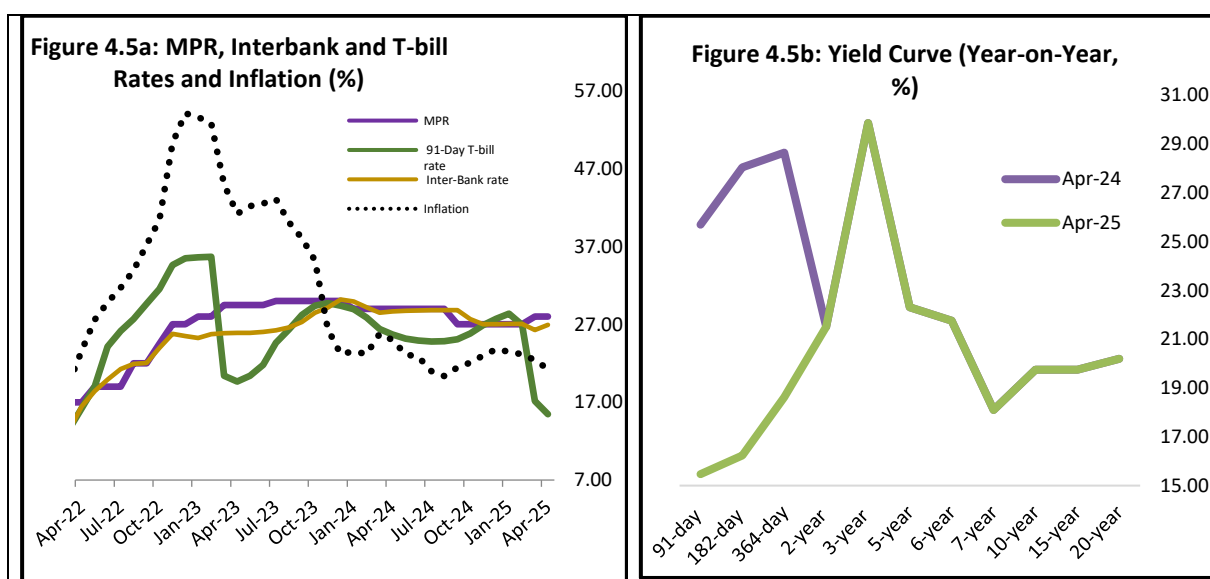
Outstanding credit to the private sector at the end of April 2025 was GH¢86.16 billion, compared with GH¢71.86 billion recorded in April 2024. In real terms, it contracted marginally by 1.1 percent relative to 11.5 percent contraction recorded over the same comparative period.



4.4 Money Market Developments

Interest rates continue to trend downward at the short-end of the primary market. The 91-day and 182-day Treasury bill rates decreased to 15.47 percent and 16.23 percent respectively, in April 2025, from 25.68 percent and 28.03 percent, respectively, in the corresponding period of 2024. Similarly, the rate on the 364-day instrument declined to 18.62 percent in April 2025 from 28.64 percent in April 2024. Rates on the 2-year, 3-year, 5-year, 6-year, 7-year, 10-year, 15-year, and 20-year bonds remained broadly stable at 21.50 percent, 29.85 percent, 22.30 percent, 21.75 percent, 18.10 percent, 19.75 percent, 19.75 percent, and 20.20 respectively, due to the non-issuance of these instruments during the review period.

The Interbank Weighted Average Rate (IWAR) decreased to 26.92 percent in April 2025 from 28.68 percent in April 2024. Similarly, the average lending rates of banks declined to 27.40 percent in April 2025 from 31.25 percent, recorded in the corresponding period of 2024, reflecting the pass-through effect of declines in the rates on the primary market.



Source: Bank of Ghana

4.5 Stock Market Developments

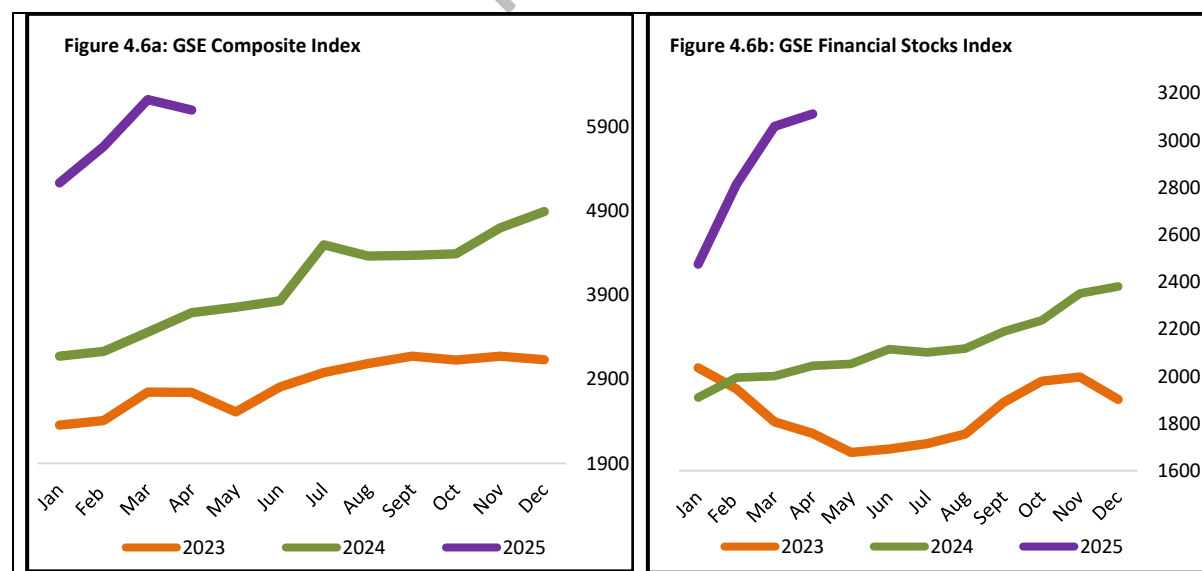
The Ghana Stock Exchange Composite Index (GSE-CI) recorded a year-on-year gain of 65.3 percent in April 2025 compared to a growth of 34.5 percent in April 2024. The robust performance of the GSE-CI was underpinned by improved investor appetite, driven by significant recovery in the profitability of listed financial institutions and improved liquidity on that segment of the market. The main sectors that contributed to the gains were the food and beverages, manufacturing, distribution, finance, agriculture, and ETFund sectors. The GSE-Financial Stocks Index (GSE-FI) closed at 3112.17 points, reflecting a gain of 52.2 percent compared to a gain of 16.3 percent, over the same comparative period.

Total market capitalisation at the end of April 2025 was GH¢135.97 billion, representing a year-on-year growth of 69.30 percent. The increase in market capitalization was mainly driven by appreciation in share prices, underpinned by renewed investor confidence, particularly in the food and beverages, manufacturing, distribution, finance, mining, IT and ETFund sectors. This was also supported by the issuance of new shares by CAL bank and ADB.

Table 4.1: Performance of Ghana Stock Exchange

											Changes		
											Y-O-Y	Y-T-D	
	Apr-23	Dec-23	Mar-24	Apr-24	Jun-24	Sep-24	Dec-24	Feb-25	Mar-25	Apr-25	2024	2025	2025
GSE CI	2741.46	3130.23	3456.19	3687.09	3829.61	4369.44	4888.53	5659.76	6217.9	6095.57	34.49	65.32	24.69
GSE FI	1758.28	1901.57	2001.47	2044.36	2115.04	2190.37	2380.79	2814.3	3059.3	3112.17	16.27	52.23	30.72
Market Capitalization	68278.45	73893.17	77701.17	80315.67	85096.58	99101.87	111356.09	127820.29	136998.73	135974.37	17.63	69.30	22.11

Source: Ghana Stock Exchange and Bank of Ghana Staff Calculations



Source: Bank of Ghana

4.6 Conclusion

Growth in monetary aggregates has been largely constrained in the first four months of the year, underpinned by tight monetary policy stance and effective liquidity management. Growth in reserve money moderated significantly in April 2025, mainly induced by a contraction in the NDA, reflecting increased sterilization and decline in net claims on Government. Annual growth in credit to the private sector increased in nominal terms, supported by the pick-up in real sector activities. 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) increased, reflecting the transmission of the hike in monetary policy rate to the interbank market in March 2025. In contrast, the average lending rates of banks decreased significantly, reflecting the pass-through effect of declines in the Government's short-term rate.

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5. Banking Sector Developments

5.0 Highlights

The banking sector performance remained stable in April 2025. The sector continued to record strong growth in assets driven by increases in domestic deposits and other funding sources. Financial Soundness Indicators (FSIs) generally recorded positive improvements. There was a significant improvement in solvency and liquidity measures although profitability indicators moderated. The quality of assets in the industry proxied by the Non-Performing Loans (NPL) ratio also improved on account of higher credit growth.

5.1 Banks' Balance Sheet

Total assets of the banking sector grew by 27.2 percent to GH¢390.1 billion in April 2025 relative to a growth of 28.8 percent in April 2024. In terms of components, foreign assets grew by 49.0 percent in April 2025, up from 47.5 percent in April 2024, while domestic assets picked up by 24.9 percent in April 2025 compared to 21.7 percent a year earlier. Consequently, the share of foreign assets in total assets improved to 11.1 percent in April 2025 from 9.5 percent in April 2024 while the share of domestic assets declined to 88.9 percent from 90.5 percent over the same comparative period.

Growth in investments remained relatively flat at 27.8 percent in April 2025 compared to a growth rate of 27.1 percent in the prior year. The stock of investments stood at GH¢135.4 billion with a fairly equal distribution between bills and securities. Investments in securities grew moderately by 10.0 percent in relative to a growth of 22.0 percent a year earlier. Growth in short-term bills on the other hand, surged by 51.7 percent in April 2025 from 34.6 percent in April 2024 on account of an uptick in banks' holdings of Bank of Ghana bills during the review period.

Credit growth picked up more strongly in April 2025 relative to April 2024, reflecting the gradual rebound in economic activity. Credit grew by 17.4 percent in April 2025 to GH¢91.5 billion. Growth in net loans and advances (gross loans adjusted for provisions and interest in suspense) also surged by 18.7 percent to GH¢74.6 billion in April 2025 relative to a growth rate of 0.9 percent in a similar period in 2024.

The strong growth in assets was funded by improvement in domestic deposits, borrowings and other funding sources. Total deposits remained the main source of funding for the banking sector. Total deposits grew by 22.6 percent to GH¢85.4 billion in April 2025 relative to 28.4 percent in April 2024. Borrowings, on the other hand, grew strongly by 69.1 percent to GH¢32.9 billion in April 2025 compared to a growth of 22.5 percent in April 2024. The strong growth in borrowings was principally due to a strong growth in both short-term and long-term domestic borrowings, while long-term foreign borrowings contracted during the review period.

Banks' shareholders' funds position continued to improve on the back of the ongoing recapitalization of the sector and a continuous pickup in profits across the industry. Accordingly, total shareholders' funds grew by 42.6 percent to GH¢43.9 billion as at end-April 2025 from 46.1 percent in April 2024, reflecting increases in paid-up capital and the banks' reserves.

Table 5.1: Key Developments in DMBs' Balance Sheet

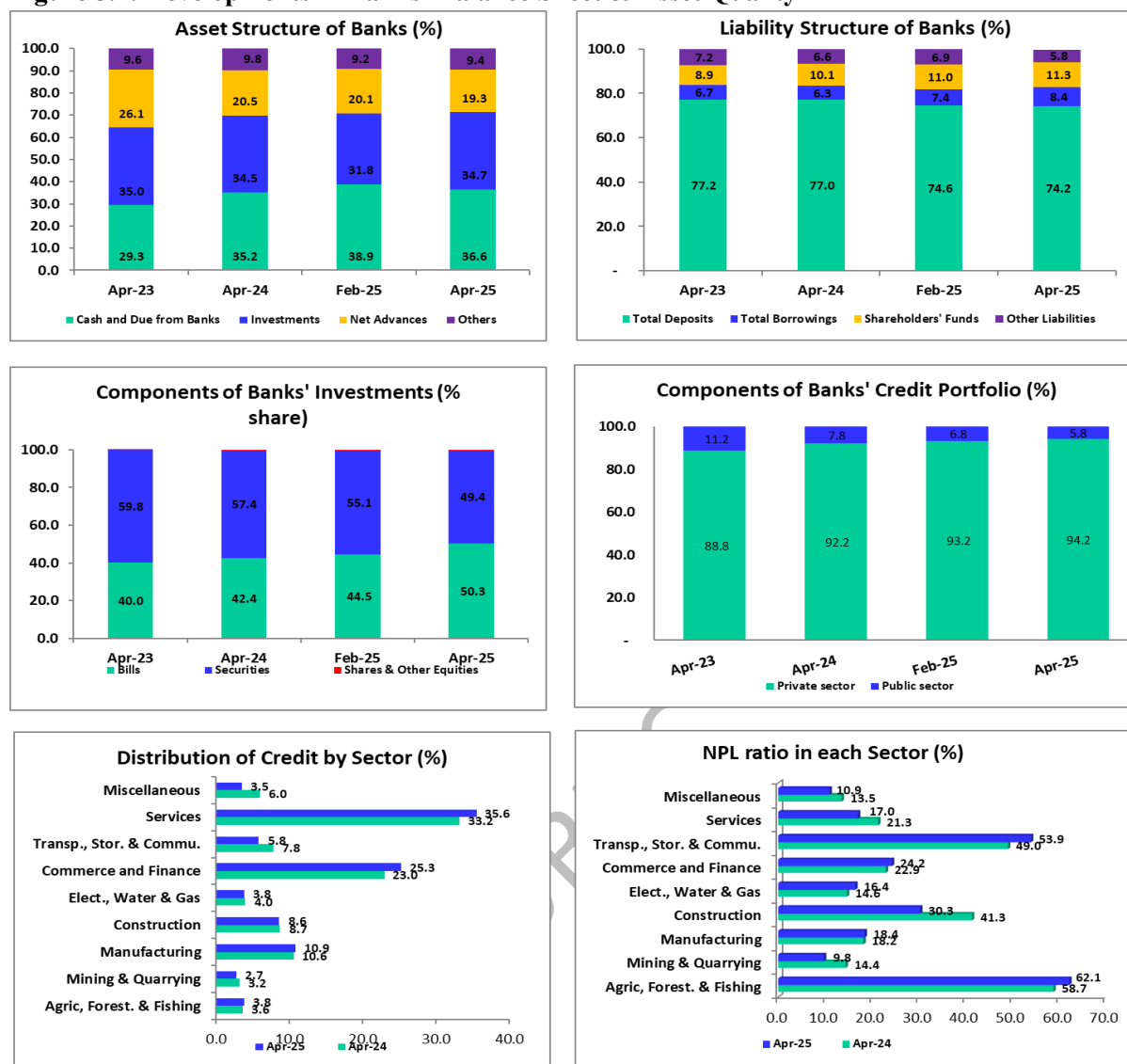
	(GH c'million)			Y-on-Y Growth (%)			Shares (%)	
	Apr-24	Feb-25	Apr-25	Apr-24	Feb-25	Apr-25	Apr-24	Apr-25
TOTAL ASSETS	306,785.1	384,726.3	390,142.3	28.8	34.0	27.2	100.0	100.0
A. Foreign Assets	29,114.9	46,029.9	43,371.9	47.5	83.2	49.0	9.5	11.1
B. Domestic Assets	277,670.2	338,696.4	346,770.3	27.1	29.3	24.9	90.5	88.9
Investments	105,930.0	122,401.1	135,382.7	27.1	8.6	27.8	34.5	34.7
i. Bills	44,903.7	54,493.3	68,116.9	34.6	1.6	51.7	14.6	17.5
ii. Securities	60,763.4	67,494.3	66,849.0	22.0	14.7	10.0	19.8	17.1
Advances (Net)	62,810.4	77,089.5	74,559.5	0.9	25.3	18.7	20.5	19.1
of which Foreign Currency	22,602.9	23,423.4	21,562.0	2.6	7.9	(4.6)	7.4	5.5
Gross Advances	77,938.6	93,670.3	91,533.9	7.7	25.2	17.4	25.4	23.5
Other Assets	21,229.5	25,403.4	26,133.4	42.9	48.7	23.1	6.9	6.7
Fixed Assets	8,401.6	9,484.5	9,787.5	14.1	14.3	16.5	2.7	2.5
TOTAL LIABILITIES AND CAPITAL	306,785.1	384,726.3	390,142.3	28.8	34.0	27.2	100.0	100.0
Total Deposits	236,260.2	286,920.9	289,545.2	28.4	27.9	22.6	77.0	74.2
of which Foreign Currency	75,692.5	91,510.3	85,409.6	26.0	27.0	12.8	24.7	21.9
Total Borrowings	19,469.0	28,334.1	32,923.0	22.5	96.0	69.1	6.3	8.4
Foreign Liabilities	6,547.5	6,923.6	6,075.6	(19.4)	3.5	(7.2)	2.1	1.6
i. Short-term borrowings	1,999.0	2,560.0	2,288.9	13.4	13.8	14.5	0.7	0.6
ii. Long-term borrowings	3,801.5	2,746.0	2,263.8	(18.7)	(27.4)	(40.4)	1.2	0.6
iii. Deposits of non-residents	731.4	1,570.9	1,422.6	(48.6)	138.7	94.5	0.2	0.4
Domestic Liabilities	268,542.4	335,415.0	340,090.3	29.0	34.5	26.6	87.5	87.2
i. Short-term borrowing	12,444.3	21,244.1	26,524.1	55.3	200.5	113.1	4.1	6.8
ii. Long-term Borrowings	1,224.3	1,784.0	1,846.1	(15.1)	31.6	50.8	0.4	0.5
iii. Domestic Deposits	235,528.8	285,350.0	288,122.7	29.0	27.5	22.3	76.8	73.9
Other Liabilities	20,217.8	26,527.9	22,438.1	23.4	47.0	11.0	6.6	5.8
Paid-up capital	13,033.2	17,118.3	17,282.9	24.9	31.3	32.6	4.2	4.4
Shareholders' Funds	30,837.7	42,175.6	43,964.3	46.1	40.0	42.6	10.1	11.3

Source: Bank of Ghana

5.1.1 Asset and Liability Structure

The asset structure of the industry's balance sheet in April 2025 indicated banks' preference for less risky assets. Cash and bank balances continued to be the largest component of total assets, with its share increasing to 36.6 percent from 35.2 percent in April 2024. Investments (comprising bills, securities, and equity) also recorded a marginal increase in its share to 34.7 percent from 34.5 percent in the preceding year. Investments and cash and bank balances together accounted for 71.3 percent of total assets in April 2025, compared to a share of 69.7 percent in April 2024. Notwithstanding the stronger growth in credit in April 2025 relative to April 2024, the share of net loans and advances in total assets declined to 19.3 percent from 20.5 percent during the review period. The proportion of non-earning assets (fixed assets and other assets) in banks' total assets, however, dropped slightly to 9.4 percent, from 9.8 percent during the review period.

On the liability side, the share of deposits in banks' liabilities and shareholders' funds declined to 74.2 percent in April 2025, down from 77.0 percent in April 2024, reflecting the moderation in deposit growth during the review period. In contrast, the share of borrowings ballooned to 8.4 percent in April 2025 from 6.3 percent in April 2024, while the share of shareholders' funds in banks' liabilities and shareholders' funds picked up to 11.3 percent from 10.1 percent over the same comparative period. The proportion of other liabilities was 5.8 percent in April 2025, down from 6.6 percent recorded a year earlier.

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

Source: Bank of Ghana

5.1.2 Share of Banks' Investments

The structure of banks' investment portfolio changed in April 2025 relative to the April 2024 position. Short-term bills overtook securities to become the largest component of banks' investment portfolio with a share of 50.3 percent, compared to 42.4 percent in April 2024. Consequently, the share of securities declined to 49.4 percent from 57.4 percent in the same corresponding period last year. The share of equity investments remained fairly unchanged at 0.3 percent compared 0.2 percent in April 2024.

5.2 Credit Risk

The industry's exposure to credit risk improved between April 2024 and April 2025, as indicated by a decline in the industry non-performing loan (NPL) ratio during the review period but remained elevated in April 2025.

5.2.1 Credit Portfolio Analysis

The stock of gross loans and advances (domestic and foreign) recorded a growth of 17.4 percent to GH¢91.5 billion at end-April 2025 relative to 7.7 percent growth recorded in a similar period last year. In terms of components, private sector credit (comprising credit to private enterprises and households) posted a significant growth of 20.8 percent to GH¢86.8 billion in April 2025, up from 10.8 percent in the same period in 2024. Public sector credit, on the other hand, contracted further by 11.7 percent to GH¢5.4 billion at end-April 2025 after 18.7 percent contraction recorded in April 2024. Accordingly, the share of private sector credit in total credit rose to 94.2 percent in April 2025, up from 92.2 percent in April 2024, while the share of public sector credit declined to 5.8 percent in April 2025, down from 7.8 percent a similar period in 2024.

In terms of the distribution of credit by sectors, the services sector accounted for the largest share of 35.6 percent as at end-April 2025 (33.2 percent in April 2024), followed by the commerce and finance sector with a share of 25.3 percent in April 2025 (23.0 percent in April 2024), while the manufacturing sector accounted for a share of 10.9 percent (10.6 percent in April 2024). Together, these sectors accounted for 71.8 percent of total credit in April 2025, compared with 66.7 percent in April 2024. The mining and quarrying sector remained the lowest recipient of industry credit, with its share dropping marginally from 3.2 percent in April 2024 to 2.7 percent at end-April 2025.

5.2.2 Off-Balance Sheet Transactions

Off-balance sheet transactions (largely trade finance and guarantees) contracted during the review period. Contingent liabilities declined by 14.1 percent to GH¢21.0 billion as at end-April 2025, from GH¢24.4 billion as at end-April 2024. In line with this contraction, the ratio of contingent liabilities to total liabilities declined to 6.1 percent in April 2025, from 8.8 percent the previous year.

5.2.3 Asset Quality

The industry's asset quality improved during the period under review. The industry's NPL ratio reduced to 23.6 percent in April 2025, from 25.7 percent in April 2024. When adjusted for the fully provisioned loan loss category, it declined to 9.0 percent in April 2025 from 11.1 percent in April 2024. The decrease in the NPL ratio was attributable to the higher growth in total loans relative to the growth in NPL stock. The industry's NPL stock grew by 8.7 percent to GH¢21.7 billion in April 2025, up from GH¢20.0 billion in April 2024.

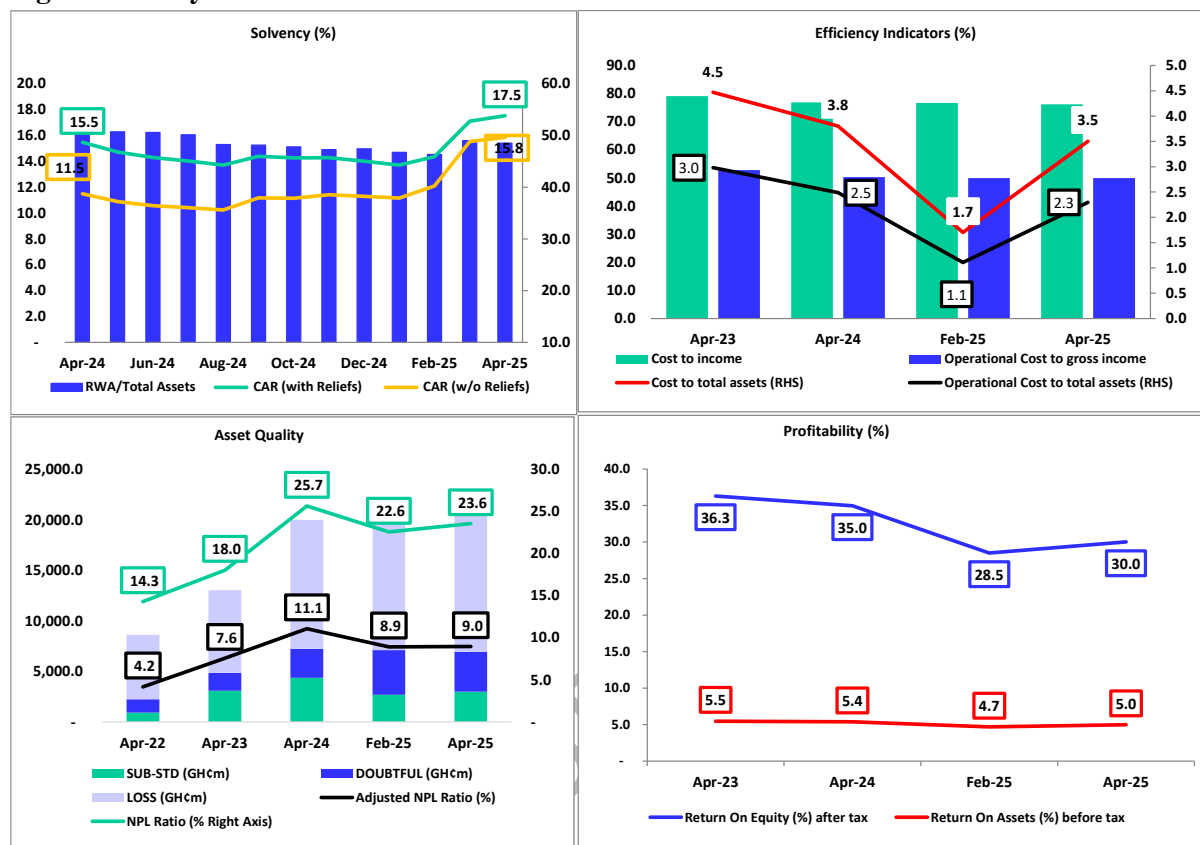
Decomposition of the NPL stock indicated that the private sector accounted for the larger share of non-performing loans, in line with its larger share of industry credit. The proportion of NPLs attributable to the private sector picked up to 93.4 percent in April 2025, from 91.0 percent in April 2024, while that of the public sector decreased to 6.6 percent in April 2025, from 9.0 percent in a similar period 2024.

The agriculture, forestry, and fishing sector recorded the highest NPL ratio of 62.1 percent, up from 58.7 percent in April 2024, followed by the transportation, storage, and communications sector with 53.9 percent in April 2025 (representing a pickup from 49.0 percent in 2024). The NPL ratio of the construction sector, however, recorded the largest improvement from 41.3 percent in 2024 to 30.3 percent in April 2025 to round up the top three sectoral NPL ratios. The mining and quarrying sector accounted for the lowest NPL ratio of 9.8 percent, also improving from 14.4 percent in April 2024.

5.3 Financial Soundness Indicators

Together with the improvement in asset quality indicators, other key financial soundness indicators (FSIs) also improved pointing to a liquid and profitable banking sector with improving capital buffers.

Figure 5.2: Key Financial Soundness Indicators



Source: Bank of Ghana

5.3.1 Liquidity Indicators

The industry's liquidity position remained robust in April 2025, with improvements in the core measures following the increase in the sector's holdings of cash and bank balances. The ratio of core liquid assets to total deposits improved to 49.3 percent in April 2025, up from 45.7 percent in April 2024, while core liquid assets to total assets ratio improved to 36.6 percent in April 2025 from 35.2 percent over the same comparative period in 2024. The ratio of broad liquid assets to total deposits similarly rose to 95.9 percent in April 2025, from 90.4 percent in April 2024 while the broad liquid assets to total assets also improved to 71.2 percent from 69.6 percent over the same comparative period a year ago.

5.3.2 Capital Adequacy Ratio

The industry's solvency position, measured by the Capital Adequacy Ratio (CAR) adjusted for regulatory reliefs, stood at 17.5 percent in April 2025, above the 15.5 percent ratio recorded in April 2024. The CAR without the DDEP-related reliefs also improved significantly from 11.5 percent in April 2024 to 15.8 percent in April 2025. The higher CAR reflected a build-up in capital buffers on the back of the on-going recapitalisation exercise and profit retention policy.

5.3.3 Profitability

The banking industry remained profitable for the first four months of 2025, recording higher profit-before-tax (PBT) and profit-after-tax (PAT). Growth in PAT however, moderated during the period under review.

Generally, all income lines grew in April 2025 relative to the same period last year. Net interest income picked up by 15.5 percent to GH¢9.2 billion in April 2025, although the growth was lower than the 22.4 percent recorded in April 2024. In year-on-year terms, interest income improved to GH¢13.9 billion, up from GH¢12.0 billion, suggesting a modest growth of 15.9 percent relative to 19.4 percent in April 2024. The slower pace of growth in interest income was partially due to the relatively lower rates of return on money market instruments as well as a decline in lending rates influenced by current macroeconomic developments. Interest expenses also picked up to GH¢4.7 billion in April 2025, registering a growth rate of 16.5 percent, up from 14.0 percent in April 2024. Among others, the increase in interest expenses was due to the increase in borrowings.

Net fees and commissions recorded a higher growth of 26.2 percent in April 2025 from 12.8 percent in similar period a year ago. Equally, other income recorded significant growth of 27.8 percent to GH¢2.0 billion in April 2025 compared to a contraction of 20.8 percent in April 2024. The combined effect of the changes in the different income lines culminated in an overall growth in the industry's operating income to GH¢13.2 billion in April 2025 from GH¢11.1 billion, representing a significant growth of 18.8 percent relative to 12.3 percent in April 2024. Similarly, gross income expanded to GH¢17.9 billion in April 2025 (18.2% year-on-year growth).

With the exception of provisions, cost lines recorded similar higher growths in April 2025 relative to the same period in 2024. The industry's operating expenses grew by 23.0 percent in April 2025, compared to 11.9 percent in April 2024 mainly due to strong growth in staff costs and other operating (administrative) expenses. Impairment losses on financial assets as well as provisions for bad debt and depreciation, however, contracted by 24.2 percent in April 2025.

The industry's profit-before-tax (PBT) grew by 21.9 percent during the first four months of 2025 to GH¢6.4 billion, up from GH¢5.2 billion registered during the same corresponding period in 2024. Also, profit-after-tax (PAT) grew by 22.0 percent to GH¢4.3 billion in April 2025, from GH¢3.5 billion (24.6% growth) recorded during the same period a year ago.

(a) Return on Assets and Return on Equity

The banking sector's profitability indicators, namely, return-on-assets (ROA) and return-on-equity (ROE), moderated during the period under review. The ROE declined to 30.0 percent in April 2025, down from 35.0 percent in April 2024, while ROA was 5.0 percent, also down from 5.4 percent in April 2024.

(b) Interest Margin and Spread

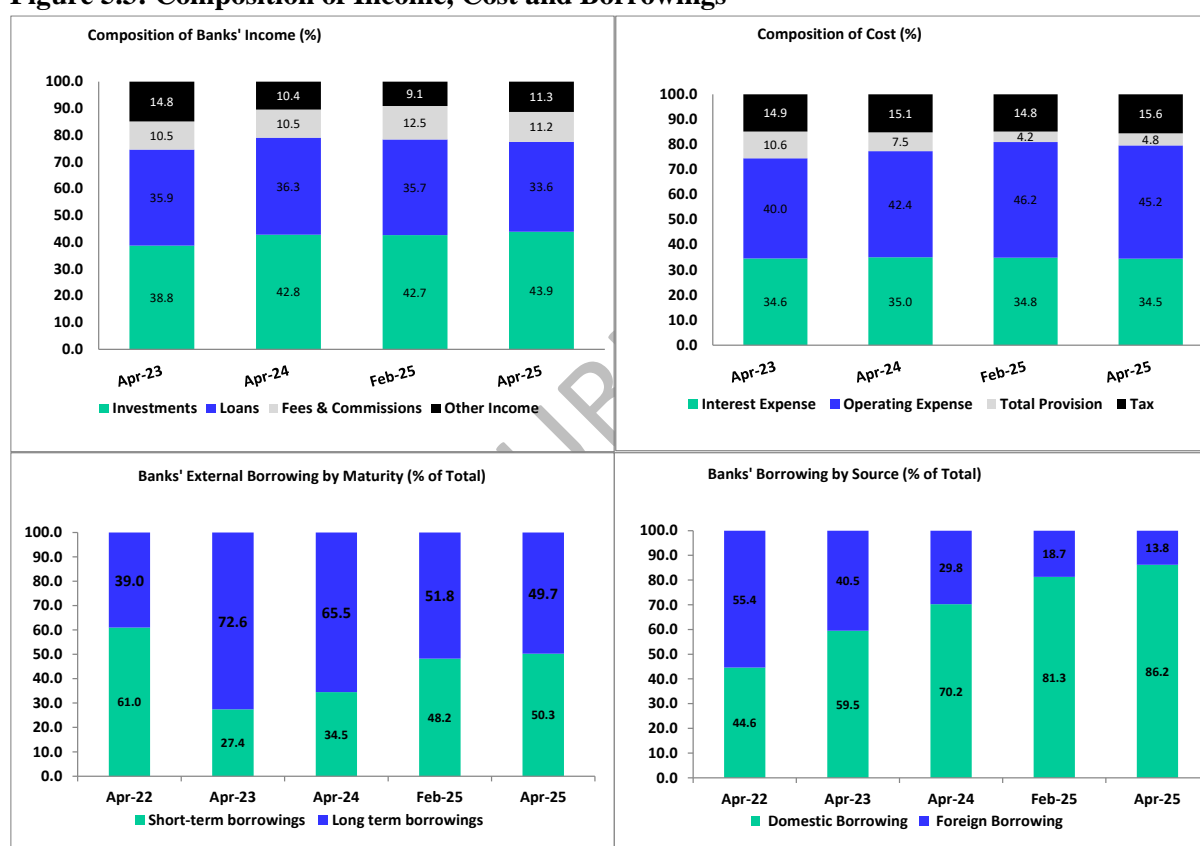
Apart from the profitability ratio, all profitability indicators moderated in April 2025 relative to April 2024. Interest spread narrowed to 4.0 percent in April 2025, down from 4.3 percent in April 2024. The decline in spread was due to a fall in gross yields to 5.8 percent in April 2025, from 6.3 percent in April 2024. Interest payable also recorded a marginal decline to 1.8 percent in April 2025, from 2.0 percent in similar period a year ago. The interest margin to total assets ratio also inched down to 2.4 percent in April 2025 from 2.6 percent in April 2024, while the interest margin to gross income ratio declined to

51.3 percent in April 2025 from 52.5 percent during the same period last year. Similarly, the ratio of gross income to total assets (asset utilisation) declined from 4.9 percent in April 2024 to 4.6 percent in April 2025. The profitability ratio, however, rose from 23.1 percent in April 2024 to 23.8 percent in April 2025.

(c) Composition of Banks' Income

Income from investments remained the largest component of banks' total income in April 2025, with its share rising to 43.9 percent, from 42.8 percent in April 2024 following the growth in total investments. The share of interest income from loans, however, dipped to 33.6 percent in April 2025 from 36.3 percent in April 2024. The share of banks' income from fees and commissions grew slightly from 10.5 percent in April 2024 to 11.2 percent in April 2025. Similarly, the share of income from other sources picked up to 11.3 percent in April 2025.

Figure 5.3: Composition of Income, Cost and Borrowings



Source: Bank of Ghana

5.3.4 Operational Efficiency

The industry's efficiency improved marginally, notwithstanding the increase in growth in interest and operating expenses during the review period. The cost-to-income ratio declined from 76.9 percent in April 2024, to 76.2 percent in April 2025 and cost-to-total assets ratio improved to 3.5 percent in April 2025, from 3.8 percent in April 2024. The operational cost-to-total assets ratio also improved marginally to 2.3 percent in April 2025, from 2.5 percent in April 2024 and the ratio of operational cost to total income improved to 49.9 percent in April 2025, from 50.3 percent during the corresponding period in 2024.

5.3.5 Banks' Counterparty Relationships

Total offshore balances grew by 53.2 percent to GH¢39.21 billion, up from 50.2 percent recorded in April 2024. The ratio of offshore balances to net worth rose to 89.2 percent from 83.0 percent during the corresponding period in 2024. Growth in industry placements with foreign counterparties, however, recorded a marginal decline of 84.4 percent in April 2025 from 87.5 percent recorded a similar period a year earlier. Growth in nostro balances also dipped from 23.3 percent in April 2024 to 18.7 percent in April 2025.

The share of banks' external borrowings in total borrowings declined to 13.8 percent in April 2025, down from 29.8 percent in April 2024, while the share of domestic borrowings grew to 86.2 percent in April 2025 from 70.2 percent in April 2024. Banks' external borrowings were tilted towards short-term segment of the market with the share of short-term borrowings picking up to 50.3 percent, from 34.5 percent in a similar period a year ago. Long term instruments, however, declined to 49.7 percent in April 2025, down from 65.5 percent in April 2024.

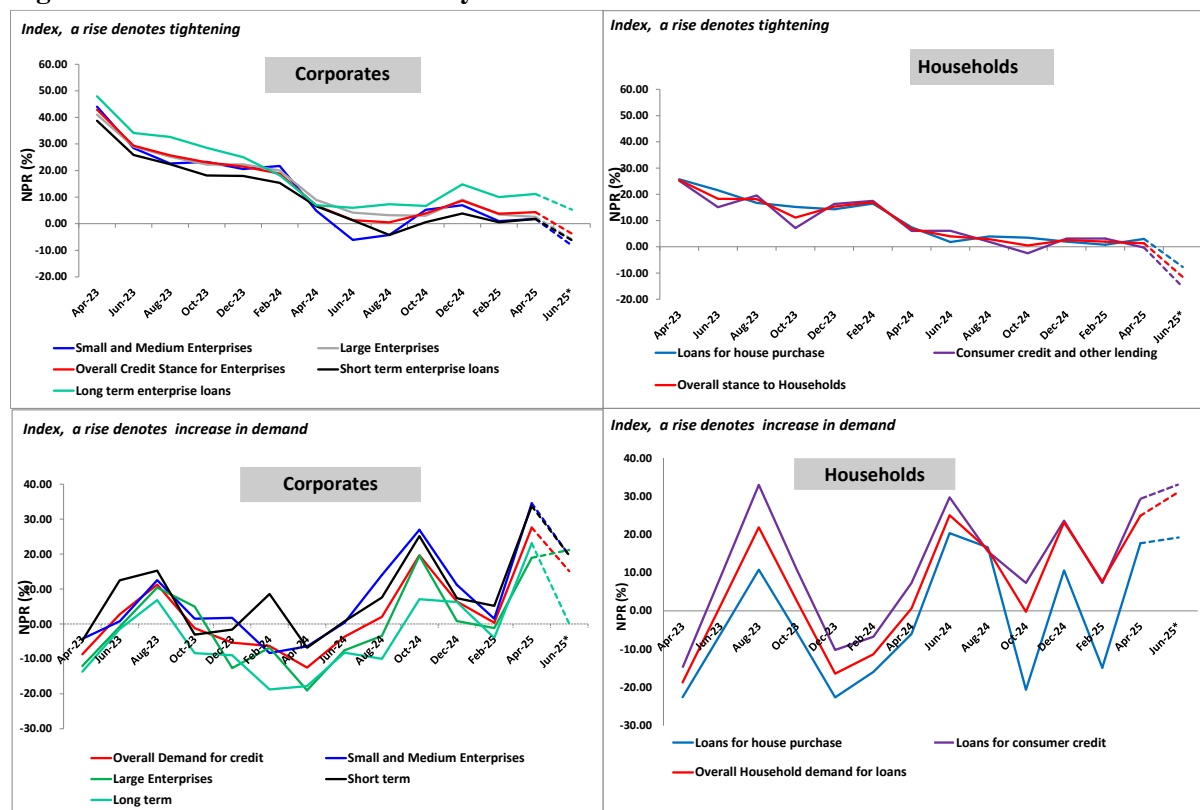
5.4 Credit Conditions Survey

Results of the April 2025 Credit Conditions Survey suggested a marginal net tightening in the overall credit stance on loans to enterprises between February and April 2025, on the back of a net ease in the stance in all components of enterprise loans except loans to large enterprises. Banks, however, projected their overall stance on enterprise loans to ease between May and June 2025, from a net ease in the stance on all components of enterprise loans.

The overall stance on loans to households eased marginally during the April 2025 survey round from net eases in both components of household loans (namely, loans for house purchase and consumer credit and other lending). Over the next two months, banks project a further easing in the overall stance on loans to households, driven largely by positive sentiments towards economic activity.

On the demand side, the April 2025 survey indicated an increase in overall demand for enterprise loans for both short term and long-term instruments. Banks projected a softening in demand for corporate loans over the next two months, driven by decreased demand for all corporate loans with the exception of large enterprises.

Credit demand by households recorded a net increase between March and April 2025, from a net increase in the demand for both mortgages and consumer credit and other lending. Over the next two months, banks expect a further increase in the demand for both consumer credit and loans for house purchases to drive an increase in the overall demand for 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 improvement in solvency, liquidity, asset quality and efficiency. The sector's performance, however, continues to be moderated by the lingering effects of the 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. Price Developments

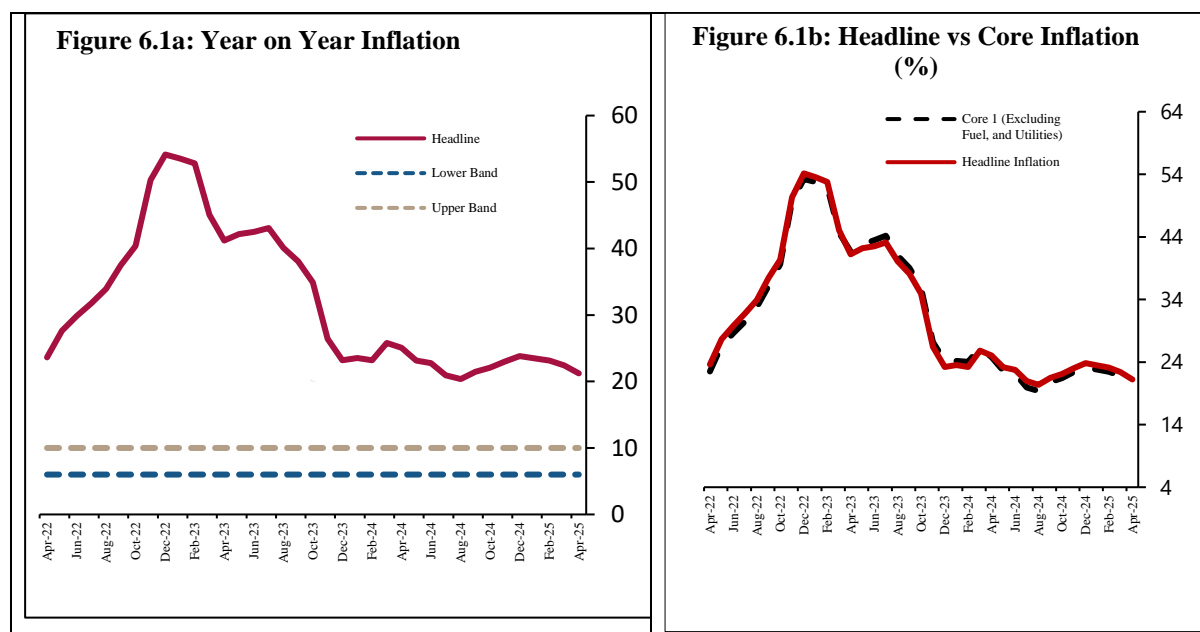
6.0 Highlights

Domestic inflation has declined consistently for the first four months of the year 2025, cumulatively dropping by 2.6 percentage points since December 2024. The decline has been driven by a tight monetary policy stance, liquidity sterilization efforts, downward revision in ex-pump petroleum prices, and stability in the exchange rate. Staff projections show a high probability of inflation getting to within 12.0 percent by the end of 2025 and further down to the medium-term target of 8 ± 2 percent.

6.1 Domestic Inflation

Domestic inflation has declined consistently for the first four months of the year 2025. The decline has been broad-based, with both food and non-food inflation recording appreciable declines. Headline inflation eased to 21.2 percent in April 2025 from 23.5 percent in January, 23.1 percent in February, and 22.4 percent in March 2025—a cumulative drop of 2.6 percentage points since December 2024. Food inflation decreased to 25.0 percent in April 2025 from 26.5 percent in March, 28.1 percent in February, and 28.3 percent in January, representing a cumulative drop of 2.8 percentage points. Similarly, non-food inflation fell to 17.9 percent in April from 18.7 percent in March, 18.8 percent in February, and 19.2 percent in January, a cumulative decline of 2.4 percentage points since December 2024. The decline has been driven by a variety of factors, including continued maintenance of a tight monetary policy stance, stepped-up liquidity sterilization efforts through open market operations activity, downward revision in ex-pump petroleum prices, stability in the exchange rate (which is impacting favorably on imports), a gradual re-anchoring of inflation expectations, and ongoing absorptive fiscal consolidation efforts which is well aligned with the 2025 budget.

The Bank's main measure of core inflation continues to ease since the last MPC meeting in March 2025. Inflation, excluding energy and utility items from the consumer basket, eased to 21.0 percent in April 2025 from 22.4 percent in February. The April 2025 inflation expectation measures, as derived from the Bank's Quarterly Projection model, the yield curve, and surveys of businesses, consumers and the financial sector indicated continued easing of expectations.

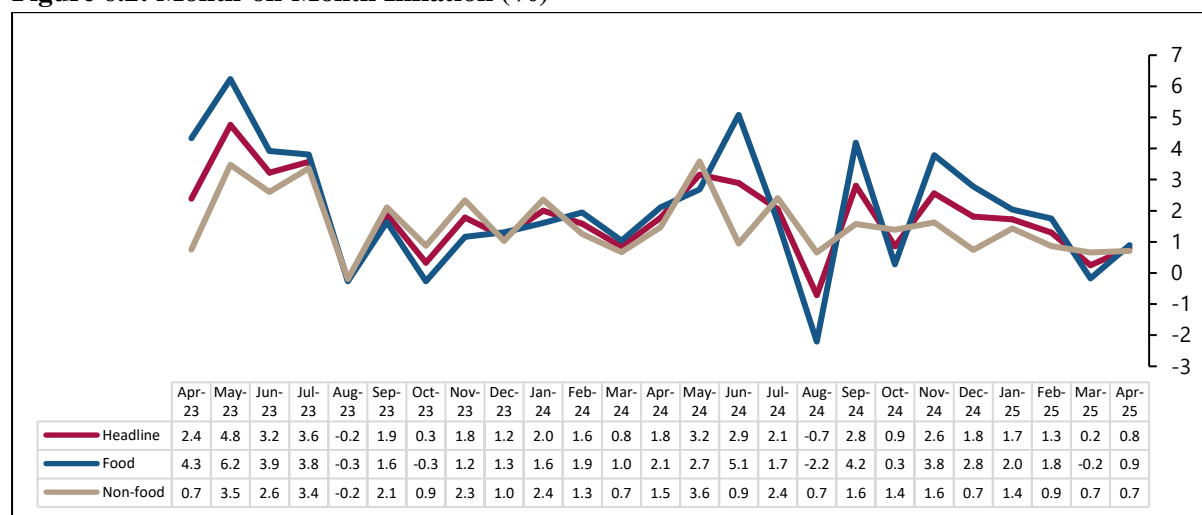


Source: GSS and Bank of Ghana Staff Calculations

On a month-on-month basis, headline inflation softened to 0.8 percent in April 2025 from 1.3 percent in February 2025. Monthly food inflation decreased to 0.9 percent from 1.8 percent in February 2025. Similarly, month-on-month non-food inflation has halved since the last MPC meeting, declining to 0.7 percent in April 2025 from 1.4 percent in February.

Inflation has broadly declined across all subgroups since the last MPC, except for Insurance & financial services and Transport, where April figures for 2025 were higher than 2024 April's.

Figure 6.2: Month-on-Month Inflation (%)



Source: Ghana Statistical Service

Table 6.1 CPI Components

CPI Components (%)														
	Weights (%)	2021	2022	2023	2024					2025				
		Dec	Dec	Dec	Jan	Feb	Mar	Apr	Jul	Dec	Jan	Feb	Mar	Apr
Overall	100.0	12.6	54.1	23.2	23.5	23.2	25.8	25.0	20.9	23.8	23.5	23.1	22.4	21.2
Food and Beverages	42.7	12.8	59.7	28.7	27.1	27.0	29.6	26.8	21.5	27.8	28.6	28.1	26.5	25.0
Non-food	57.4	12.5	49.9	18.7	20.5	20.0	22.6	23.5	20.5	20.3	19.2	18.8	18.7	17.9
Alcoholic Beverages, Tobacco & Narcotics	3.9	9.6	38.5	38.2	38.5	38.5	41.0	39.4	26.8	28.4	27.2	25.6	23.8	24.0
Clothing and footwear	8.0	8.6	41.9	22.3	22.8	22.5	24.5	23.8	16.9	20.0	19.8	19.2	19.3	19.7
Housing and Utilities	10.2	20.7	82.3	19.5	22.6	22.9	24.9	28.1	28.6	26.3	24.6	24.3	25.1	22.5
Furnishings, Household Equipment	3.2	9.6	71.5	26.9	27.6	25.4	23.0	21.3	14.3	16.7	15.3	15.4	15.3	15.1
Health	0.7	6.0	34.4	23.0	26.6	28.1	32.0	31.2	21.2	21.4	18.4	16.6	16.8	15.0
Transport	10.5	17.6	71.4	4.4	5.6	3.5	7.9	10.3	18.1	16.8	16.9	17.9	16.8	14.9
Information and Communication	3.6	9.0	21.5	14.2	13.6	13.5	15.2	14.7	10.1	12.0	11.6	10.8	10.8	10.9
Recreation & Culture	3.5	11.4	42.4	24.9	25.9	25.6	29.4	28.7	17.1	17.4	17.4	16.5	20.7	22.8
Education	6.6	1.0	11.3	13.9	19.8	19.7	23.7	23.4	18.0	19.1	13.9	12.3	11.3	11.7
Restaurants and accommodation services	4.3	8.9	9.2	28.0	29.2	31.9	32.7	33.9	28.3	16.5	16.5	14.2	13.3	10.7
Insurance and financial services	0.4	6.3	10.8	8.1	8.6	8.9	9.3	9.6	11.3	16.5	15.4	16.1	16.6	16.9
Personal care, social protection & Miscellaneous services	2.5	10.6	60.9	31.1	32.0	30.3	33.5	31.9	16.0	19.3	17.9	17.1	17.4	17.2

Source: Ghana Statistical Service

Source: Ghana Statistical Service

6.2 Inflation Risk Assessment and Outlook

Staff projections show a high probability of inflation getting to within 12.0 percent by the end of 2025 and further down to the medium-term target of 8 ± 2 percent. Inflation projections are subject to both upside and downside risks. In the balance, risks to the inflation outlook are tilted to the downside. On the upside, the residual effect of prior food supply disruptions that affected food prices, broader supply chain challenges, and escalating trade tensions could impact inflation forecasts. We expected these upside risks to be outweighed by the stability in the exchange rate and the falling crude oil prices which is expected to lead to a significant fall in ex-pump prices feeding into lowering transport fares. Currently, GPRTU has announced a 15.0 percent reduction in transport fares, effective 26 May 2025. This is expected to dampen the pressures on food and non-food inflation. Also, there are expectations of a downward review of utility tariffs and calls on trading associations like GUTA to begin reducing prices. We also see a gradual re-anchoring of inflation expectations and ongoing absorptive fiscal consolidation efforts which are well aligned with the 2025 budget.

Decision on the Monetary Policy Rate

The Committee took note of the latest forecast which points to continued easing of inflationary pressures on the back of tight monetary policy stance, exchange rate stability, and fiscal consolidation. Despite these positive developments, the Committee took the view that the current level of inflation remained high relative to the medium-term target. These will require maintaining the tight stance to reinforce the disinflation process. Under the circumstances, the Committee, by a unanimous decision, maintained the policy rate at 28.0 percent.

The Committee took additional policy measures to amend the Dynamic Cash Reserve Ratio (CRR). The CRR for all banks will now be maintained in their respective currencies. This means that foreign currency reserves for foreign currency deposits and domestic currency reserves for domestic currency deposits. This policy measure became effective on June 5, 2025.

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)											
	Apr-23	Dec-23	Mar-24	Apr-24	Jun-24	Sep-24	Dec-24	Feb-25	Mar-25	Apr-25	
1 Net Foreign Assets	(10392.27)	21710.89	34085.37	37191.77	49084.99	65801.73	87417.32	97486.68	102671.42	134538.64	
Bank of Ghana	(22971.16)	4021.06	13251.29	14414.95	23057.19	34489.38	47647.12	58014.87	65439.11	96889.98	
Commercial Banks	12578.90	17689.83	20834.09	22776.82	26027.80	31312.35	39770.20	39471.81	37232.31	37648.65	
2 Net Domestic Assets	217920.46	228308.31	227034.13	232413.29	231954.03	245378.55	242321.48	240088.97	241260.50	207122.20	
3 ow: Claims on government (net)	145678.43	115681.46	118345.15	121337.10	117391.93	130147.19	113291.69	124364.42	114016.14	82368.43	
4 ow: Claims on Private sector(Incl. PE's)	87074.43	86096.51	86193.53	87069.71	93719.28	101487.64	105901.21	103849.81	104292.76	101571.63	
BOG OMO Sterilisation Acc.	(19524.09)	(24795.37)	(22605.87)	(17663.12)	(16244.51)	(21138.18)	(18142.88)	(23038.55)	(35561.16)	(44085.11)	
5 Total Liquidity (M2+)	207528.19	250019.20	261119.50	269605.06	281039.02	311180.28	329738.77	337575.65	343931.92	341660.84	
6 ow: Broad Money Supply (M2)	150496.16	185425.80	190181.12	197131.66	203530.25	229253.49	247761.93	249466.30	255756.31	259872.37	
7 ow: Foreign Currency Deposits(€million)	57032.04	64593.40	70938.38	72473.40	77508.78	81926.79	81976.84	88109.36	88175.61	81788.48	
Change from previous year (in per cent)											
8 Net Foreign Assets	803.01	(310.35)	(383.89)	(457.88)	7455.25	(3972.59)	302.64	245.06	201.22	261.74	
9 Net Domestic Assets	51.63	19.79	3.67	6.65	11.00	11.10	6.14	6.49	6.27	(10.88)	
10 ow: Claims on government (net)	59.92	(9.28)	(17.95)	(16.71)	(14.41)	9.93	(2.07)	0.89	(3.66)	(32.12)	
11 ow: Claims on Private sector(Incl. PE's)	28.71	1.20	(2.36)	(0.01)	6.69	15.14	23.00	23.83	21.00	16.66	
12 ow: BOG OMO Sterilisation Acc.	(299.42)	(220.96)	17.62	9.53	40.44	42.22	26.83	22.82	(57.31)	(149.59)	
12 Total Liquidity (M2+)	45.57	38.69	26.15	29.91	34.07	41.99	31.89	33.06	31.71	26.73	
13 Broad Money Supply (M2)	43.05	37.21	28.39	30.99	35.62	44.50	33.62	34.95	34.48	31.83	
14 Foreign Currency Deposits (FCDs)	52.66	43.15	20.53	27.07	30.16	35.38	26.91	27.99	24.30	12.85	
Cumulative change from previous year end (in per cent)											
15 Net Foreign Assets	0.69	(310.35)	57.00	71.30	126.08	203.08	302.64	11.52	17.45	53.90	
16 Net Domestic Assets	14.34	19.79	(0.56)	1.80	1.60	7.48	6.14	(0.92)	(0.44)	(14.53)	
17 o/w: Claims on government (net)	14.24	(9.28)	2.30	4.89	1.48	12.50	(2.07)	9.77	0.64	(27.30)	
18 Broad Money(M2+)	15.12	38.69	4.44	7.83	12.41	24.46	31.89	2.38	4.30	3.62	
Annual per cent contribution to money growth											
19 Net Foreign Assets	(6.48)	17.77	22.27	22.93	23.11	30.80	26.28	27.29	26.27	36.11	
20 NDA	52.05	20.92	3.88	6.98	10.96	11.19	5.60	5.77	5.45	(9.38)	
21 Total Liquidity (M2+)	45.57	38.69	26.15	29.91	34.07	41.99	31.89	33.06	31.71	26.73	
Memorandum items											
22 Reserve Money	69161.50	87987.66	89011.62	105041.20	110578.33	120771.47	130481.72	140992.88	143154.12	144944.32	
23 NFA (\$million)	(948.93)	1827.52	2647.00	2801.87	3365.21	4164.67	5946.76	6277.31	6611.17	9508.03	
24 Currency ratio	0.18	0.18	0.18	0.18	0.19	0.20	0.22	0.22	0.22	0.22	
25 FCD/M2+	0.27	0.26	0.27	0.27	0.28	0.26	0.25	0.26	0.26	0.24	
26 FCD/Total Deposit	0.32	0.30	0.32	0.32	0.33	0.32	0.31	0.32	0.31	0.29	
27 RM multiplier	2.18	2.11	2.14	1.88	1.84	1.90	1.90	1.77	1.79	1.79	

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)											
	Apr-23	Dec-23	Mar-24	Apr-24	Jun-24	Sep-24	Dec-24	Feb-25	Mar-25	Apr-25	
1 Net Foreign Assets (NFA)	(22971.2)	4021.1	13251.3	14415.0	23057.2	34489.4	47647.1	58014.9	65439.1	96890.0	
2 Net Domestic Assets (NDA)	92132.7	84278.4	75760.0	90626.2	87521.1	86282.1	82834.6	82978.0	77715.0	48054.3	
3 of which:											
4 ow: Claims on government (net)	88150.9	54356.1	50086.8	54517.7	55138.4	69537.6	56031.5	60833.1	56703.2	25904.3	
5 Claims on DMB's (net)	(9161.5)	(9878.4)	(16020.1)	(12880.5)	(13451.5)	(26897.1)	(21783.3)	(21892.5)	(15238.3)	(16298.0)	
OMO Sterilisation Account.	(19524.1)	(24795.4)	(22605.9)	(17663.1)	(16244.5)	(21138.2)	(18142.9)	(23038.5)	(35561.2)	(44085.1)	
6 Reserve Money (RM)	69161.5	88299.4	89011.3	105041.2	110578.3	120771.5	130481.7	140992.9	143154.1	144944.3	
7 ow:Currency	31338.5	37620.7	39677.6	41690.8	44895.6	52752.8	64127.7	61029.7	61995.8	62695.6	
8 DMB's reserves	32532.0	38050.2	42754.5	56616.6	58972.2	60760.4	58769.1	72109.5	73241.6	74243.3	
9 Non-Bank deposits	5290.9	12628.5	6579.2	6733.8	6710.6	7258.3	7584.9	7853.7	7916.7	8005.4	
Change from previous year (in per cent)											
10 Net Foreign Assets	(1680.9)	(123.0)	(155.3)	(162.8)	(267.7)	(312.1)	1084.9	509.3	393.8	572.1	
11 Net Domestic Assets	101.3	(1.5)	(7.4)	(1.6)	15.0	8.2	(1.7)	12.1	2.6	(47.0)	
12 ow: Claims on government (net)	104.1	(31.1)	(42.5)	(38.2)	(33.5)	11.5	3.1	10.3	13.2	(52.5)	
13 Claims on DMB's (net)	(190.0)	(143.5)	(62.2)	(40.6)	(58.2)	(131.1)	(120.5)	(48.5)	4.9	(26.5)	
14 OMO Sterilisation Account.	(299.4)	(221.0)	17.6	9.5	40.4	42.2	26.8	22.8	(57.3)	(149.6)	
15 Reserve Money (RM)	1.6	29.7	0.8	19.0	25.2	36.8	47.8	8.1	9.7	11.1	
16 ow:Currency	(0.3)	19.7	5.5	10.8	19.3	40.2	70.5	(4.8)	(3.3)	(2.2)	
Cumulative change from previous year end (in per cent)											
17 Net Foreign Assets (NFA)	31.4	(123.0)	229.5	258.5	473.4	757.7	1084.9	21.8	37.3	103.3	
18 Net Domestic Assets (NDA)	7.6	(1.5)	(10.1)	7.5	3.8	2.4	(1.7)	0.2	(6.2)	(42.0)	
19 o/w: Claims on government (net)	11.8	(31.1)	(7.9)	0.3	1.4	27.9	3.1	8.6	1.2	(53.8)	
20 Reserve Money (RM)	1.6	29.7	0.8	19.0	25.2	36.8	47.8	8.1	9.7	11.1	
Annual per cent contribution											
21 Net Foreign Assets	(51.73)	31.58	64.31	54.06	59.04	79.93	49.41	58.06	58.63	78.52	
22 Net Domestic Assets (NDA)	98.21	(1.93)	(10.42)	(2.18)	18.33	10.27	(1.64)	10.75	2.20	(40.53)	
23 RM growth (y-o-y)	46.48	29.65	53.89	51.88	77.37	90.20	47.77	68.81	60.83	37.99	

Source: Bank of Ghana Staff Calculations

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

	<u>Apr-22</u>	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
Components of Assets (% of Total)					
Cash and Due from Banks	21.7	29.3	35.2	38.9	36.6
Investments	43.2	35.0	34.5	31.8	34.7
Net Advances	27.4	26.1	20.5	20.1	19.3
Others	7.7	9.6	9.8	9.2	9.4
Components of Liabilities and Shareholders' Funds (% of Total)					
Total Deposits	65.5	77.2	77.0	74.6	74.2
Total Borrowings	13.3	6.7	6.3	7.4	8.4
Shareholders' Funds	13.7	8.9	10.1	11.0	11.3
Other Liabilities	7.6	7.2	6.6	6.9	5.8

Source: Bank of Ghana Staff Calculations

Table A.4: Credit Growth

Economic Sector	Gh¢million				y/y growth (%)	
	Apr-23	Apr-24	Feb-25	Apr-25	Apr-24	Apr-25
Public Sector	7,483.53	6,082.98	6,336.64	5,371.95	-18.7	-11.7
Private Sector	64,875.46	71,855.61	87,333.63	86,812.87	10.8	20.8
- Private Enterprises	47,380.35	52,269.44	62,954.05	60,583.75	10.3	15.9
o/w Foreign	3,200.58	3,525.57	4,178.77	3,830.60	10.2	8.7
Indigeneous	44,179.77	48,743.87	58,775.28	56,753.14	10.3	16.4
- Households	15,721.79	18,353.83	21,765.83	22,971.64	16.7	25.2
Gross Loans	72,359.0	77,938.6	93,670.3	91,533.9	7.7	17.4

Source: Bank of Ghana Staff Calculations

Table A.5: Contingent Liabilities

	<u>Apr-22</u>	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
Contingent Liabilities (GH¢million)	20,116.1	19,743.0	24,400.1	23,414.2	20,950.2
Growth (y-o-y)	45.0	-3.8	23.6	0.3	-14.1
% of Total Liabilities	12.0	9.1	8.8	6.8	6.1

Source: Bank of Ghana Staff Calculations

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

	Apr-23		Apr-24		Feb-25		Apr-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	11.2	6.3	7.8	9.0	6.8	7.6	5.8	6.6
i. Government	5.0	4.5	2.7	3.0	1.6	1.7	1.5	1.6
ii. Public Institutions	2.7	0.0	1.7	2.2	1.4	1.8	1.0	1.2
iii. Public Enterprises	3.6	1.8	3.5	3.8	3.8	4.1	3.3	3.7
b. Private Sector	88.8	93.7	92.2	91.0	93.2	92.4	94.2	93.4
i. Private Enterprises	61.4	84.4	67.1	61.2	67.2	62.5	65.7	60.0
o/w Foreign	4.8	2.7	4.5	5.4	4.5	5.1	4.2	4.8
Indigeneous	56.6	81.7	62.5	55.8	62.7	57.4	61.6	55.3
ii. Households	24.5	9.2	23.5	27.9	23.2	26.5	24.9	29.0
iii. Others	2.8	0.1	1.6	1.9	2.8	3.3	3.5	4.4

Source: Bank of Ghana Staff Calculations

Table A.7: Liquidity Ratios

	<u>Apr-22</u>	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
Liquid Assets (Core) - (GH¢'million)	42,150.6	69,897.1	107,918.8	149,495.2	142,771.0
Liquid Assets (Broad) -(GH¢'million)	125,785.5	153,075.8	213,585.9	271,482.8	277,736.9
Liquid Assets to total deposits (Core)-%	33.1	38.0	45.7	52.1	49.3
Liquid Assets to total deposits (Broad)- %	98.9	83.2	90.4	94.6	95.9
Liquid assets to total assets (Core)- %	21.7	29.3	35.2	38.9	36.6
Liquid assets to total assets (Broad)- %	64.7	64.3	69.6	70.6	71.2

Source: Bank of Ghana Staff Calculations

Table A.8: Profitability Indicators (%)

	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
Gross Yield	6.2	6.3	2.8	5.8
Interest Payable	2.1	2.0	0.9	1.8
Spread	4.0	4.3	2.0	4.0
Asset Utilisation	5.6	4.9	2.2	4.6
Interest Margin to Total Assets	2.7	2.6	1.1	2.4
Interest Margin to Gross income	48.3	52.5	51.7	51.3
Profitability Ratio	20.9	23.1	23.3	23.8
Return On Equity (%) after tax	36.3	35.0	28.5	30.0
Return On Assets (%) before tax	5.5	5.4	4.7	5.0

Source: Bank of Ghana Staff Calculations

Table A.9: DMBs' Income Statement

	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
	<u>(GH C'million)</u>				<u>Y-on-y Growth (%)</u>		
Interest Income	10,048.7	12,002.0	6,690.6	13,905.0	19.4	13.5	15.9
Interest Expenses	(3,545.3)	(4,041.7)	(2,279.3)	(4,708.8)	14.0	18.5	16.5
Net Interest Income	6,503.4	7,960.2	4,411.3	9,196.2	22.4	11.0	15.5
Fees and Commissions (Net)	1,408.5	1,589.2	1,066.7	2,006.0	12.8	35.8	26.2
Other Income	1,997.3	1,581.9	772.6	2,022.2	(20.8)	5.5	27.8
Operating Income	9,909.2	11,131.3	6,250.6	13,224.4	12.3	13.9	18.8
Operating Expenses	(4,487.8)	(5,020.0)	(3,019.8)	(6,174.2)	11.9	24.7	23.0
Staff Cost (deduct)	(2,112.1)	(2,526.9)	(1,553.0)	(3,132.8)	19.6	28.8	24.0
Other operating Expenses	(2,375.7)	(2,493.1)	(1,466.9)	(3,041.5)	4.9	20.7	22.0
Net Operating Income	5,421.4	6,111.3	3,230.7	7,050.2	12.7	5.3	15.4
Total Provision (Loan losses, Depreciation & others)	(1,087.7)	(863.4)	(275.2)	(654.2)	(20.6)	(55.5)	(24.2)
Income Before Tax	4,333.6	5,247.9	2,955.5	6,396.1	21.1	20.7	21.9
Tax	(1,525.3)	(1,748.3)	(969.1)	(2,127.7)	14.6	15.9	21.7
Net Income	2,808.3	3,499.6	1,986.4	4,268.4	24.6	23.1	22.0
Gross Income	13,454.5	15,173.1	8,529.9	17,933.2	12.8	15.0	18.2

Source: Bank of Ghana Staff Calculations

Table A.10: Developments in Offshore Balances

	<u>Apr-22</u>	<u>Apr-23</u>	<u>Apr-24</u>	<u>Feb-25</u>	<u>Apr-25</u>
Offshore balances as % to Networth	38.9	80.7	83.0	99.8	89.2
Annual Growth in Offshore balances (%)	19.6	64.7	50.2	102.6	53.2
Annual Growth in Nostro Balances (%)	5.9	98.9	23.3	89.9	18.7
Annual Growth in Placement (%)	35.9	33.8	87.5	113.6	84.4

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
Mar	22.4	26.5	18.7	0.2	-0.2	0.7	21.8	17.9	22.5	16.0
Apr	21.2	25.0	17.9	0.8	0.9	0.7	21.0	18.0	21.7	16.0

Source: Ghana Statistical Service

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