



BANK OF GHANA

MONETARY POLICY REPORT

July 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 125th meeting held in July 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

The global outlook is becoming increasingly challenging, due to the erection of substantial barriers to trade, especially tariffs proposed by the U.S. This has contributed to raising policy uncertainty, which has negatively impacted business and consumer confidence and is set to hold back trade and investment, while tightening financial conditions. The global disinflation process has stalled somewhat, prompting more restrictive monetary policy stances and dampening growth prospects.

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 recorded an annual growth of 4.4 percent in May 2025, compared to a growth of 3.4 percent for the corresponding period of 2024. This development was mainly driven by improvements in international trade activities, consumption of goods and services by households and firms, construction activities, and tourist arrivals.

Headline inflation has declined consecutively in the first six months of the year. Between December 2024 and June 2025, it fell by 10.1 percentage points to 13.7 percent. It has been driven by both food and non-food inflation. The decline has been broad-based, driven by tight monetary policy and a sharp appreciation of the domestic currency.

The external sector has continued to perform strongly, with a record provisional current account surplus of US\$3.4 billion in the first half of 2025. This has been driven mainly by increased export earnings from gold and cocoa. The current account surplus, together with a surplus in the capital account, amounted to US\$3.5 billion, putting the country in a net lending position with the rest of the world. The strong external performance resulted in a significant build-up in international reserves.

The cedi has remained relatively stable despite rising global uncertainty. This performance has been driven by a range of factors, including the tight monetary policy stance, BoG's support to the market, positive market sentiments from a ratings upgrade, continuous reserve build-up from exports, remittances, and IMF inflows.

The monetary and financial sector was stable during the period under review. Growth in monetary aggregates remained subdued, reflecting tight monetary conditions consistent with policy efforts to sustain the disinflation process. There was significant build-up in Net Foreign Assets (NFA) but the effect was contained through sterilization efforts. Credit slowed during the period under review. Year on year, money market rates broadly trended downwards at the short end of the primary market while interest rates on longer-dated instruments remained stable. The GSE Composite Index (GSE-CI) recorded significant gains relative to the corresponding period last year. This was underpinned by improved investor appetite, driven by significant recovery in the profitability of listed financial institutions and improved liquidity in that segment of the market.

The banking sector performed strongly in the first six months of 2025. The sector recorded increased profitability levels than for the same period a year earlier, mainly driven by growth in assets and deposits. The Financial Soundness Indicators remained healthy, recording improvements in solvency, efficiency and asset quality indicators in June 2025 relative to June 2024; however, liquidity indicators moderated. The industry's non-performing loans (NPL) ratio also improved on account of a larger growth in loans and advances than in the NPL stock.

1. Global Economic Developments

1.0 Highlights

The global outlook is becoming increasingly challenging, amid the erection of substantial barriers to trade, especially by the U.S. The global disinflation process has stalled somewhat, and headline inflation has remained stickier downwards than anticipated in some countries. Financial conditions remain restrictive, reflecting still high policy rates and long-term bond yields amid rising uncertainty. In the local forex market, the Ghana cedi maintained its stability, supported by policy and a strong reserves build-up.

1.1 Global Growth Developments

The global outlook is becoming increasingly challenging due to a significant increase in trade barriers, contributing to policy uncertainty. Rising global uncertainty has negatively impacted business and consumer confidence and is set to hold back trade and investment, while tightening financial conditions. Against this backdrop, global growth projections have been downgraded from 3.3 percent in 2024 to 3.0 percent in 2025. The downgrades are broad-based, with growth in the U.S. and China expected to moderate much more sharply than their peers amid the tariff wars. Activity in the global economy will be largely supported by growth in Emerging Market and Developing Economies

Risks to the outlook for growth are tilted to the downside. Growth could be hit by further bilateral tariff actions and countermeasures. This will prolong economic and trade policy uncertainty, deteriorating consumer and business confidence. Meanwhile, the on-going trade measures could elevate downward pressures on household and business spending. Also, headline inflation may remain stickier downwards than anticipated, prompting more restrictive monetary policy stances and dampening growth prospects. 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 appreciation of the dollar.

Table 1.1: Overview of the WEO Projections

Overview of the World Economic Outlook Projections (Percent change)			
		Projections	
	2024	2025	2026
World	3.3	3.0	3.1
Advanced Economies	1.8	1.5	1.6
United States	2.8	1.9	2.0
Euro Area	0.9	1.0	1.2
Germany	-0.2	0.1	0.9
France	1.1	0.6	1.0
Italy	0.7	0.5	0.8
Spain	3.2	2.5	1.8
Japan	0.2	0.7	0.5
United Kingdom	1.1	1.2	1.4
Canada	1.6	1.6	1.9
Other Advanced Economies	2.2	1.6	2.1
Emerging Market and Developing Economies	4.3	4.1	4.0
China	5.0	4.8	4.2
India	6.5	6.4	6.4
Russia	4.3	0.9	1.0
Brazil	3.4	2.3	2.1
Mexico	1.4	0.2	1.4
Sub-Saharan Africa	4.0	4.0	4.3
Nigeria	3.4	3.4	3.2
South Africa	0.5	1.0	1.3
Ghana	5.7	4.0	4.8

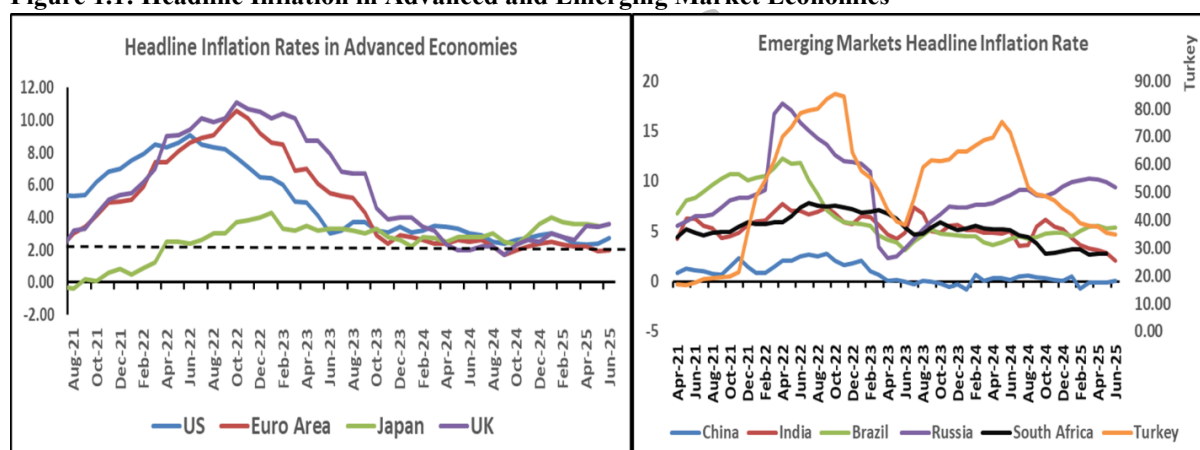
Source: IMF, WEO July.

1.2 Global Price Developments

Headline inflation has remained stickier downwards than anticipated in some countries, with inflation projected to remain above most central bank's target in 2025. The FAO food price index picked up in June 2025 due to supply constraints emanating from climate related shocks. Pressures from food prices were, however, partially offset by a decline in oil prices due to increased supply from non-OPEC countries amid reduced global demand. Core inflation remained elevated due to persistence in services inflation and a resurgence in core goods inflation. Reflecting the persistence in inflation, price expectations have been revised up for 2025 and 2026; however, expectations are expected to return to target in 2027.

In the outlook, global headline inflation is expected to decline, but this outcome is subject to high uncertainty. On the downside, the decline in oil prices in preceding months is expected to be sustained in the near term, with oil prices projected by the IMF to close the year at \$66.94 per barrel. In addition, the cooling of the labour markets will reduce wage growth pressures and support the disinflation process. However, potential tariff increases may drive up trade costs and cause prices to increase in levying countries. Also, increasing food prices and the persistence of core inflation remain an upside risk to prices.

Figure 1.1: Headline Inflation in Advanced and Emerging Market Economies



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 amid rising uncertainty. Major central banks have adopted a cautious stance in their monetary policy decisions. The Fed, the Bank of England, and the Bank of Japan have maintained policy rates at current levels, due to elevated uncertainty and ongoing trade tensions. Also, long-term bond yields remain high, driven by trade policy uncertainty. However, equity markets continue to rally, reflecting cooling tariff fears and stronger earnings. In addition, portfolio flows to EMDEs rebounded in June 2025, amid search for higher yields.

In the outlook, financial conditions will remain tight in the near term, reflecting the persistence in services and good inflation. Also, higher policy rates amid heightened uncertainty and rising long term bond yields will keep financing conditions tighter for longer. Rising economic policy uncertainty amid

trade barriers could trigger a disruptive repricing of risky assets while putting downward pressure on EM currencies.

Table 1.2: Monetary Policy Stance of Selected Central Banks

Country	Policy rate - Previous (%)	Policy Rate Current (%)	Forecast	Inflation May, 2025	Inflation June, 2025	Real rate	Infl Target	Overall Fiscal Deficit (2024,% of GDP)	GDP Growth (Dec.2024)	Gross Debt/GDP(2024,%)	YTD Depr/Appr 22nd July 2025
U.S	4.5	4.5	4.5	2.4	2.7	1.8	2%	-7.3	2.8	120.8	
Euro Area	2.4	2.15	2.15	1.9	2	0.15	< 2%	-3.1	0.9	87.7	13.57
UK	4.25	4.25	4	3.4	3.6	0.7	2%	-5.7	1.1	101.2	8.06
Japan	0.5	0.5	0.75	3.5	3.3	-2.8	2%	-2.5	0.1	236.7	6.13
Russia	21	20	18	9.9	9.4	10.6	4%	-2.2	4.1	20.3	44.46
India	6	5.5	5.5	2.82	2.10	3.9	4±2%	-7.4	6.5	81.3	-0.88
Brazil	14.75	15	15	5.32	5.35	9.65	4.5±1.5%	-6.6	3.4	87.3	11.00
Turkey	46	46	43.5	35.41	35.05	10.95	5±2%	-5.2	3.2	26	-12.52
Malaysia	3	2.75	2.75	1.2	1.1	1.7	3% - 4%	-4	5.1	70.4	5.66
Indonesia	5.5	5.25	5.25	1.6	1.87	3.38	3.5% ± 1%	-2.3	5	40.2	-1.28
Chile	5	5	4.75	4.4	4.1	0.9	3±1%	-2.7	2.6	42.0	4.67
Ghana	28	28		18.4	13.7	14.3	8±2%	-7.7	5.7	70.5	40.67
South Africa	7.5	7.25	7.25	2.8	3	4.3	3% -6%	-6.1	0.6	76.4	7.32
Nigeria	27.5	27.5	27.5	22.97	22.22	5.28	6% -9%	-3.4	3.4	52.9	0.82
Kenya	10	9.75	9.75	3.8	3.8	5.95	2.5-7.5%	-5.5	4.5	65.6	0.07
Zambia	14.5	14.5	14.5	15.3	14.1	0.4	6%-8%	-3.3	4	114.9	20.57
Morocco	2.25	2.25	2.25	0.4	0.4	1.9		-4.1	3.2	70	12.61
Angola	19.5	19.5	19.5	20.7	19.73	-0.23	9-11%	-1	4.5	62.5	-0.32
Egypt	24	24	24.00	16.8	14.9	9.1	7± 2%	-7.1	2.4	90.9	3.62

Source: Growth rate(World Bank); Debt/GDP (IMF)

Policy Rates (Trading Economics), YTD depreciation/appreciation is from Bloomberg

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

1.4 Currency Markets

On the international currency market, the U.S. dollar has trended down since January 2025 due to Donald Trump's trade policies, expected weakness in the U.S. economy, and a recovery in the Euro Area. The dollar's recent rally was fuelled by optimism over U.S.-China tariff agreements and the fading of tariff fears. Subdued performance of the dollar has provided some support to EMDE currencies in the review period.

On the domestic currency market, the cedi remained relatively stable despite rising global uncertainty. The performance of the currency was supported by the tight monetary policy stance, BoG's support to the market, positive market sentiments from a ratings upgrade, continuous reserve build-up from exports, remittances and the IMF inflows. The cedi, however, experienced some demand pressures from corporate, commerce and the energy sectors as well as bond sales by foreign investors. In the outlook, the cedi's performance will depend on continued fiscal consolidation, the strength of the U.S. dollar, the level of reserves build-up, and BoG market support. In the interbank market, the cedi appreciated by 42.6 percent, 30.3 percent, and 25.6 percent against the dollar, the pound, and the euro, respectively, on a year-to-date basis. This is against a depreciation of 18.6 percent, 17.9 percent, and 16.0 percent, against the dollar, the pound, and the euro, respectively, during the same period in 2024. However, the cedi was more volatile during the first 142 transaction days in 2025 compared to other years.

Table 1.3: Interbank Exchange Rates

Exchange Rate Movements									
	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
May	10.2800	37.6	43.00	13.8529	36.3	32.83	11.6675	37.7	30.40
June	10.3100	-0.3	42.58	14.1252	-1.9	30.27	12.1138	-3.7	25.59

Source: Bank of Ghana Staff Calculations

The cedi appreciated by 21.8 percent, and 29.0 percent, respectively, in trade weighted terms and forex transaction weighted terms on a year-to-date basis in June 2025, reversing the depreciation of 19.9 percent and 22.5 percent, respectively, for the same period in 2024.

Table 1.4: Nominal Effective Exchange Rate

Month	2021=100		Monthly CHG(%)		Year-to-Date (%)	
	FXTWI	TWI	FXTWI	TWI	FXTWI	TWI
2024						
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
2025						
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
May-25	56.35	59.15	27.33	27.20	29.47	24.42
Jun-25	55.99	57.15	-0.63	-3.49	29.03	21.78

Source: Bank of Ghana Staff Calculations

In real bilateral terms, the cedi appreciated by 30.8 percent, 23.9 percent, and 21.7 percent, against the dollar, the pound, and the euro, respectively, on a year-to-date basis in June 2025. Comparatively, over the same period in 2024, the cedi had experienced a depreciation of 11.4 percent, 9.5 percent, and 7.7 percent, respectively against the dollar, the pound, and the euro.

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
2024									
Jan-24	98.89	92.57	87.94	3.02	1.57	0.14	3.02	1.57	0.14
Feb-24	96.51	90.72	85.73	-2.46	-2.03	-2.58	0.63	-0.43	-2.44
Mar-24	93.63	88.07	83.15	-3.08	-3.01	-3.11	-2.43	-3.45	-5.63
Apr-24	93.00	87.65	81.79	-0.68	-0.59	-1.66	-3.13	-4.06	-7.38
May-24	88.40	82.92	79.12	-5.20	-5.59	-3.38	-8.49	-9.88	-11.01
Jun-24	89.04	83.17	78.84	0.73	0.30	-0.34	-7.70	-9.54	-11.39
Jul-24	88.04	81.90	78.66	-1.14	-1.56	-0.24	-8.93	-11.25	-11.66
Aug-24	83.90	77.84	76.56	-4.93	-5.21	-2.74	-14.30	-17.05	-14.71
Sep-24	82.36	75.56	75.54	-1.89	-3.02	-1.35	-16.44	-20.59	-16.26
Oct-24	82.09	76.12	73.76	-0.33	0.74	-2.41	-16.82	-19.69	-19.07
Nov-24	92.79	84.37	80.80	11.53	9.77	8.71	-3.36	-8.00	-8.70
Dec-24	99.88	90.44	85.41	7.10	6.72	5.40	3.98	-0.74	-2.82
2025									
Jan-25	97.81	89.38	82.94	-2.12	-1.18	-2.98	-2.12	-1.18	-2.98
Feb-25	97.04	87.64	82.41	-0.75	-1.99	-0.64	-2.88	-3.20	-3.64
Mar-25	92.78	85.11	82.42	-4.64	-2.97	0.01	-7.66	-6.26	-3.63
Apr-25	97.47	90.79	90.92	4.81	6.25	9.34	-2.47	0.39	6.06
May-25	134.99	123.62	125.81	27.79	26.55	27.73	26.01	26.84	32.11
Jun-25	127.62	118.89	123.48	-5.77	-3.98	-1.89	21.74	23.93	30.83

Source: Bank of Ghana Staff Calculations

The cedi appreciated by 23.2 percent, and 30.0 percent, in real trade weighted terms, and real forex transaction weighted terms, on a year-to-date basis in June 2025. This compares with depreciations of 8.4 percent, and 11.1 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

Month	INDEX (2021=100)		MONTHLY CHG		Year-to-Date (%)	
	RFXTWI	RTWI	RFXTWI	RTWI	RFXTWI	RTWI
2024						
Jan-24	88.83	96.79	0.39	2.51	0.39	2.51
Feb-24	86.63	94.48	-2.54	-2.44	-2.14	0.13
Mar-24	84.01	91.66	-3.12	-3.07	-5.33	-2.94
Apr-24	82.71	90.91	-1.56	-0.83	-6.98	-3.80
May-24	79.87	86.61	-3.56	-4.96	-10.79	-8.95
Jun-24	79.67	87.09	-0.25	0.55	-11.06	-8.35
Jul-24	79.40	86.18	-0.34	-1.06	-11.44	-9.50
Aug-24	77.13	82.34	-2.95	-4.65	-14.73	-14.59
Sep-24	76.04	80.81	-1.43	-1.90	-16.37	-16.77
Oct-24	74.41	80.39	-2.19	-0.51	-18.91	-17.37
Nov-24	81.73	90.33	8.95	11.00	-8.27	-4.46
Dec-24	86.54	96.97	5.56	6.84	-2.24	2.69
2025						
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
May-25	126.44	132.70	27.71	27.68	31.55	26.93
Jun-25	123.69	126.28	-2.22	-5.09	30.03	23.21

Source: Bank of Ghana Staff Calculations

3.0 Global Economic Outlook and Risks

The global outlook is becoming increasingly challenging, amid substantial trade barriers. Headline inflation has remained stickier than anticipated in some countries. Financial conditions remain restrictive, reflecting still high policy rates and long-term bond yields. Risks to the outlook are tilted to the downside. Growth could be hit by further bilateral tariff actions and retaliatory actions. Consequently, rising trade costs may add to inflationary pressures. These pressures may force central banks to maintain restrictive policy stances for a while. As a result, financial conditions may remain tight in the near term.

2. External Sector Developments

2.0 Highlights

The external sector maintained a strong performance in the first half of the year, posting a record current account surplus of US\$3.44 billion, driven by increased gold export earnings and improved cocoa receipts. The strong current account surplus, coupled with the surplus in the capital account, contributed to a significant build-up in international reserves, reaching a gross level of US\$11.12 billion, equivalent to 4.8 months of import cover, in the first half of 2025.

2.1 Commodity Price Trends

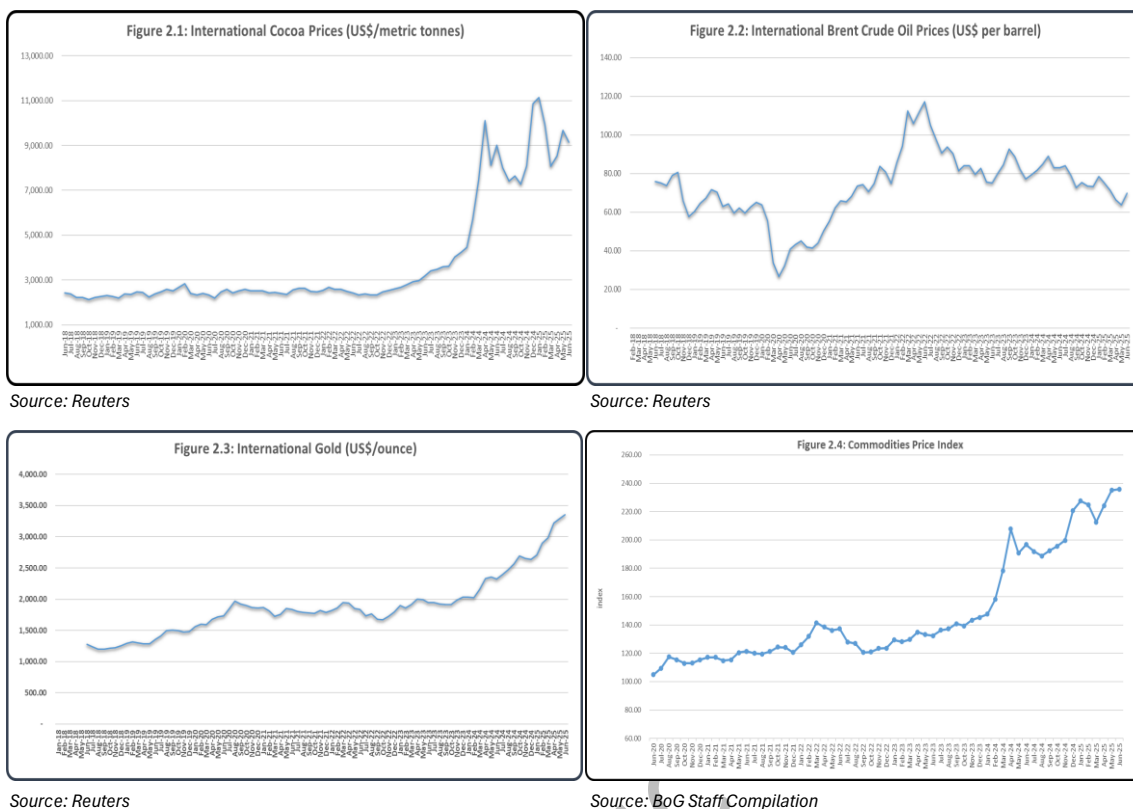
On the international commodities market, prices of Ghana's major export commodities traded mixed. Cocoa futures averaged US\$9,155.10 per tonne in June 2025, recording a 5.4 percent fall compared to the previous month, driven mainly by expectation of larger harvest in the West Africa cocoa growing region. Compared with the same period last year, cocoa prices recorded a marginal increase of 1.5 percent primarily due to the adverse weather conditions last year which have offset the softening in prices from the improved production this year.

On the other hand, crude oil prices increased by 9.6 percent to close at an average price of US\$69.84 per barrel in June 2025, mainly due to fears of curtailed oil supplies from the heightened security risks emanating from tensions between Israel and Iran. Compared to a year earlier, crude oil prices slumped by 15.9 percent, mainly due to weak demand from China.

Gold prices continued to soar, reaching a record average price of US\$3,351.59 per fine ounce in June 2025, reflecting an increase of 1.9 percent over the previous month. The surge in gold prices was driven by the geopolitical risks and the economic uncertainty associated with the ongoing trade war, which fueled investor demand for safe-haven assets. Relative to the same period last year, gold prices spiked by 44.1 percent in June 2025, from US\$2,325.34 in June 2024.

2.1.1 Commodity Price Index

The overall weighted average price index of the three major export commodities of Ghana (cocoa, gold, and crude oil) increased marginally in June 2025 to 235.85, from 235.11 in the previous month, representing an uptick of 0.3 percent. The increase was on account of increases in both the gold and crude oil sub-indices, which went up by 1.9 percent and 9.7 percent, respectively, while the cocoa sub-index softened by 5.4 percent during the period under review. On a year-on-year basis, the composite commodity price index increased by 19.9 percent, stemming from the strong 44.1 percent increase in the gold price sub-index and a 1.5 percent increase in the cocoa sub-index. The crude oil price sub-index, however, showed a decline of 15.9 percent during the review period.



2.2 Trade Balance

Trade balance for the first half of the year showed a significant surplus of US\$5.57 billion, representing a sharp increase over the US\$1.37 billion recorded in the comparative period in 2024. The improved trade surplus resulted from a larger increase in exports than imports.

The value of exports surged to US\$13.80 billion in June 2025, from US\$8.87 billion in the same period in 2024, driven mainly by gold exports and supported by cocoa exports. The value of gold exports went up by 80.2 percent to US\$8.39 billion, from US\$4.66 billion in June 2024, on account of increases in both the volume and price of gold. The volume of gold exports increased by 26.3 percent to 2.81 million fine ounces, on the back of increased output from the responsible and regulated small-scale gold mines following the operationalization of GoldBod, together with the sustained output of the large-scale mines. The average price for gold also increased by 42.6 percent to US\$2,980.90 per fine ounce in June 2025, compared to US\$2,090.40 in June 2024, largely due to global economic uncertainty and geopolitical tensions. Receipts from cocoa exports, both beans and products, increased sharply to US\$2.17 billion during the first half of 2025, from US\$0.76 billion in the same period in 2024, driven by both higher volumes of exports and prices. Improved weather conditions supported the increased cocoa production during the period.

Crude oil exports, however, dropped by 31.1 percent to US\$1.36 billion in the first half of the year due to reduced volumes of exports and decline in prices. The volume of crude oil exports fell by 20.5 percent to 18.94 million barrels as of June 2025, from 23.83 million barrels during the same period last year. This was partly on account of a shut down in the Jubilee field for routine maintenance works during the first quarter of the year. The average price of crude oil for the period showed a decline of 13.3 percent to US\$72.1 per barrel, from US\$83.1 per barrel in June 2024. Prices were low due to weak global demand, particularly from China, and OPEC's decision to ramp up production. Other exports, including

non-traditional exports, increased by 27.9 percent to US\$1.88 billion, from US\$1.47 billion during the same review period.

Total imports, on the other hand, recorded an increase of 9.7 percent to US\$8.23 billion during the first half of 2025, from US\$7.50 billion in the corresponding period of 2024, on account of increases in both oil and non-oil imports. Oil imports increased by 6.6 percent to US\$2.59 billion in June 2025 from US\$2.42 billion in June 2024, while non-oil imports increased to US\$5.64 billion from US\$5.07 billion during the same reference period.

2.3 Current Account

The current account recorded an impressive surplus of US\$3.44 billion in the first half of 2025, representing a sharp increase over the surplus of US\$283.11 million recorded during the same period in 2024. The higher current account surplus came on the back of higher cocoa and gold receipts. Net payment for services, however, increased to US\$2.64 billion, driven largely by freight and insurance, trade-related services, financial services and travel. Income payments to non-residents amounted to US\$2.38 billion on a net basis, driven by private sector payments and interest payments on government external debt. Private remittance flows increased by 8.2 percent to US\$3.93 billion in June 2025 from US\$3.63 billion during the same time in 2024.

2.4 Capital and Financial Accounts

The capital account recorded net transfers of US\$50.5 million, reflecting mainly project grants. The sum of the surpluses in the current and capital accounts amounted to US\$3.49 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\$3.79 billion, significantly higher than the US\$438.4 million recorded in the same period of 2024. Out of this, other investments were US\$2.4 billion, largely driven by increased currency and deposits in the nostro accounts of commercial banks as well as trade credit and advances. The economy attracted net direct investments of US\$921.1 million in June 2025 from US\$828.2 million in June 2024 and lower net portfolio inflows of US\$55.2 million, from US\$546.2 million during the same review period. Reserve assets of the Bank of Ghana improved significantly to US\$2.2 billion from US\$588.5 million.

2.5 International Reserves

At the end of June 2025, the stock of Gross International Reserves (GIR) stood at US\$11.12 billion, enough to provide cover for 4.8 months of import of goods and services. This compares with the end-December 2024 GIR of US\$8.98 billion (equivalent to 4 months of imports cover). The program Net International Reserves (NIR) recorded a build-up of US\$1.65 billion to US\$3.53 billion in June 2025, against a target buildup of US\$493 million for the same period.

2.6 External Sector Outlook

Overall, the external sector outlook remains broadly positive, notwithstanding the increasingly challenging global economy and geopolitical tensions. The prices of Ghana's major export commodities prices are forecast to remain largely favourable. Gold prices are expected to remain above \$3,000 per fine ounce in the second half of the year, while the cocoa market remains upbeat about a boost in Ghana's crop in the upcoming season if weather patterns remain favourable. Crude oil prices are projected to average lower than \$70 per barrel, on the back of low demand, although Brent may find support from risk premia of the continuous geopolitical conflicts. These forecasts will bode well for the performance of the external sector in the next half of the year. The robust external sector outlook

coupled with the improved macroeconomic environment are expected to provide adequate support to sustain the macroeconomic gains and keep the external sector on a strong footing moving forward.

Table 2.1: Trade Balance (US\$ million)

Table 1	2023	2024	2025	Abs Y/Y	Rel Y/Y
	Jan - Jun	Jan - Jun	Jan - Jun	Chg	Chg
Trade Balance	1,307.0	1,367.9	5,573.0	4,205.1	307.4
<i>Trade Bal (% GDP)</i>	<i>1.6</i>	<i>1.6</i>	<i>6.4</i>		
Total Exports	7,845.4	8,868.7	13,798.9	4,930.2	55.6
Gold (\$'M)	3,149.6	4,655.3	8,387.4	3,732.1	80.2
Volume (fine ounces)	1,716,175.6	2,227,015.6	2,813,741.0	586,725.3	26.3
Unit Price (\$/fine ounce)	1,835.2	2,090.4	2,980.9	890.5	42.6
Cocoa Beans (\$'M)	1,031.6	406.2	1,297.4	891.2	219.4
Volume (tonnes)	420,734.7	150,747.0	244,156.7	93,409.7	62.0
Unit Price (\$/tonne)	2,451.9	2,694.7	5,313.9	2,619.2	97.2
Cocoa Products (\$'M)	421.9	356.3	870.1	513.8	144.2
Volume (tonnes)	129,309.5	90,245.9	118,317.4	28,071.6	31.1
Unit Price (\$/tonne)	3,262.8	3,947.9	7,353.6	3,405.7	86.3
Crude Oil (\$'M)	1,659.5	1,981.2	1,364.7	-616.5	-31.1
Volume (barrels)	20,960,643.0	23,827,026.0	18,938,925.3	-4,888,100.7	-20.5
Unit Price (\$/bbl)	79.2	83.1	72.1	-11.1	-13.3
Other Exports	1,582.7	1,469.7	1,879.3	409.6	27.9
o/w: Non-Traditional Exports	1,210.9	1,109.5	1,473.2	363.6	32.8
Total Import	6,538.4	7,500.8	8,225.9	725.1	9.7
Non-Oil	4,369.9	5,074.2	5,640.3	566.1	11.2
Oil and Gas	2,168.6	2,426.6	2,585.6	159.0	6.6
<i>of which: Products</i>	<i>1,949.8</i>	<i>2,094.7</i>	<i>2,416.3</i>	<i>321.6</i>	<i>15.4</i>
Gas	109.0	111.8	120.8	9.0	8.1
Crude Oil	109.8	220.1	48.4	-171.6	-78.0

Source: Bank of Ghana

3. Real Sector Developments

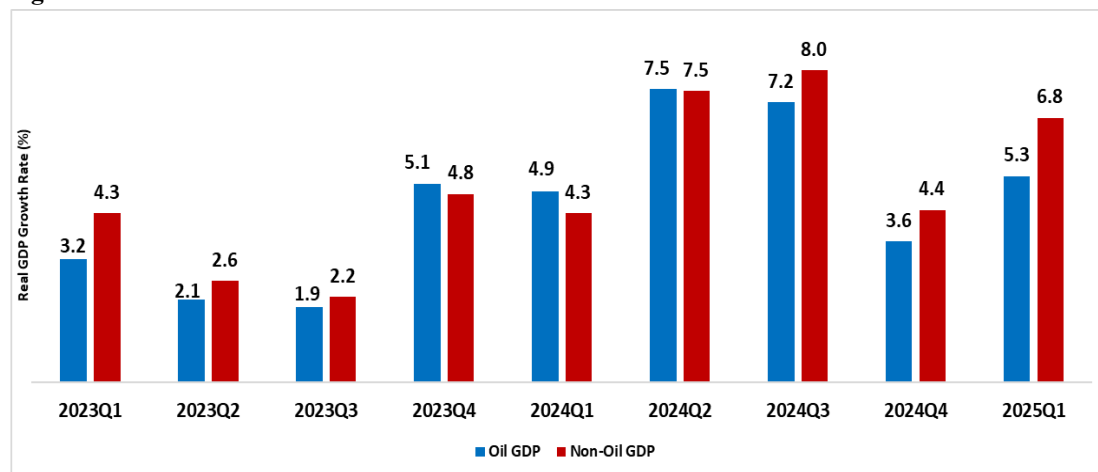
3.0 Highlights

Ghana's economy demonstrated robust growth in the first quarter of 2025. Beyond the first quarter, the latest high frequency real sector indicators point to a sustained pickup in economic activity in May 2025. Consumer and business confidence also increased significantly in line with improving macroeconomic conditions.

3.1 Economic Growth

The latest data from the Ghana Statistical Service showed that real GDP grew by 5.3 percent, compared with 4.9 percent recorded in the corresponding quarter of 2024. A key factor of the strong growth outturn was the non-oil sector. Non-oil GDP growth was 6.8 percent, compared with 4.3 percent in the same period of 2024. This indicates strong underlying momentum in the broader economy and a diversification away from reliance on oil. The observed growth outturn was driven by the agricultural and services sectors, which grew by 6.6 percent, and 5.9 percent, respectively.

Figure 3.1: Oil and Non-oil GDP Growth



Source: GSS

3.2 Trends in Real Sector Indicators

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, posted a positive performance in May 2025, compared with the corresponding period in 2024. Domestic VAT collections increased by 30.1 percent on a year-on-year basis to GH¢1,772.60 million, from GH¢1,362.13 million. Cumulatively, total domestic VAT for the first five months of 2025 went up by 33.6 percent to GH¢8,313.95 million, compared with GH¢6,221.21 million for the corresponding period of last year.

Retail sales increased by 38.6 percent (year-on-year) to GH¢277.62 million in May 2025, from GH¢200.27 million recorded in the same period in 2024. On a month-on-month basis, retail sales improved by 4.6 percent in May 2025, from GH¢265.46 million in the preceding month. In cumulative terms, retail sales for the first five months of 2025 went up by 35.7 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), improved in May 2025. Total direct taxes collected increased by 34.0 percent (year-on-year) to GH¢5,503.67 million in May 2025, relative to GH¢4,107.22 million recorded in a similar period in 2024. Cumulatively, total direct taxes collected for the first five months of 2025 went up by 47.7 percent to GH¢32,772.67 million, from GH¢22,191.12 million for the same period in 2024. In terms of contributions of the various sub-tax categories, income tax (PAYE and self-employed) accounted for 49.4 percent, corporate tax accounted for 34.5 percent, while "Other Tax Sources" contributed 16.1 percent.

Total private sector workers' contribution to the SSNIT Pension Scheme (Tier-1) increased by 10.7 percent in year-on-year terms to GH¢521.33 million in May 2025, from GH¢470.92 million collected during the corresponding period in 2024. Cumulatively, for the first five months of 2025, the contribution grew by 24.6 percent to GH¢2,458.61 million, relative to GH¢1,973.34 million recorded in the same period in 2024.

Construction Sector Activities

Activity in the construction sub-sector, proxied by the volume of cement sales, improved by 8.5 percent (year-on-year) in May 2025 to 255,063.29 tonnes, up from 235,050.55 tonnes recorded a year ago. However, on a month-on-month basis, total cement sales dipped by 3.2 percent in May 2025 compared with the 263,623.46 tonnes recorded in April 2025. Cumulatively, cement sales for the first five months of 2025 improved by 8.2 percent to 1,225,395.86 tonnes, from 1,132,654.32 tonnes for the same period of 2024. The relative improvement in total cement sales, year-on-year, was due to an uptick in construction activities during the review period.

Vehicle Registration

Transport sector activities, gauged by new vehicle registrations by the Driver and Vehicle Licensing Authority (DVLA), improved by 24.5 percent to 20,202 in May 2025, from 16,220 vehicles registered during the corresponding period of 2024. Cumulatively, vehicles registered by the DVLA within the first five months of 2025 increased by 29.4 percent to 108,542 from 83,878 recorded a year ago.

Industrial Consumption of Electricity

Industrial consumption of electricity declined by 3.6 percent in May 2025 to 285.05 gigawatts, as against 295.71 gigawatts recorded for the corresponding period in 2024. In cumulative terms, electricity consumed by industries for the first five months of 2025 remained largely unchanged at 1,430.96 gigawatts from 1,429.28 gigawatts for the corresponding period a year ago.

Passenger Arrivals

Passenger arrivals improved by 10.7 percent in year-on-year terms to 108,665 in May 2025, up from 98,205 arrivals recorded a year ago. Similarly, compared to April 2025, passenger arrivals went up by 11.0 percent. Cumulatively, for the first five months of 2025, there were 501,961 arrivals recorded at the international airport and the land borders, compared with 497,048 for the corresponding period in 2024, representing a marginal growth of 1.0 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 32.6 percent, year-on-year, to 79,059 in May 2025, up from 59,639 for a similar period in 2024. In cumulative terms, total container traffic for the first five months of 2025 went up by 23.5 percent to 351,690 compared with 284,745 for the corresponding period of last year.

3.3 Labour Market Activity

Private Sector Pension Contributors

Total number of private sector SSNIT contributors, which partially gauges employment conditions, improved marginally by 2.1 percent to 1,065,925 in May 2025, compared with 1,044,111 for the same period in 2024. On a month-on-month basis, total number of private sector SSNIT contributors remained largely unchanged from the 1,067,531 individuals recorded in April 2025.

Advertised Jobs

The number of jobs advertised in selected print and online media, which partially gauges labour demand in the economy, decreased in June 2025 relative to what was observed in the corresponding period a year ago. In total, 2,502 job adverts were recorded as compared with 2,968 for the same period in 2024, indicating a decline of 15.7 percent (year-on-year). Similarly, on a month-on-month basis, the number of job vacancies in June 2025 dipped by 18.4 percent from the 3,066 jobs advertised in May 2025. Cumulatively, for the first half of 2025, the total number of advertised jobs went up by 7.7 percent to 18,604 from 17,278 recorded during the same period in 2024.

3.4 Composite Index of Economic Activity

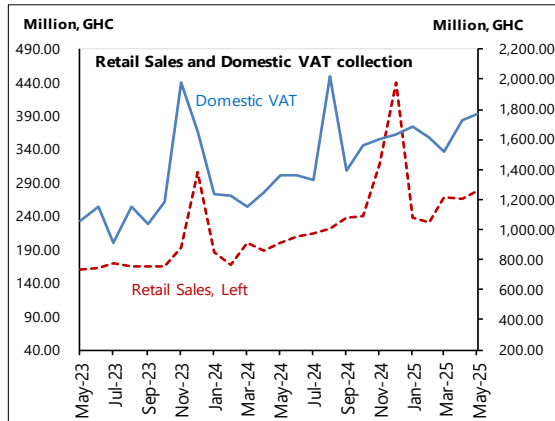
The Bank's real Composite Index of Economic Activity (CIEA) recorded an annual growth of 4.4 percent in May 2025, compared to a growth of 3.4 percent for the corresponding period of 2024. International trade activities, consumption of goods and services by households and firms, construction activities and tourist arrivals contributed to the improvement in economic activity during the period.

3.5 Consumer and Business Surveys

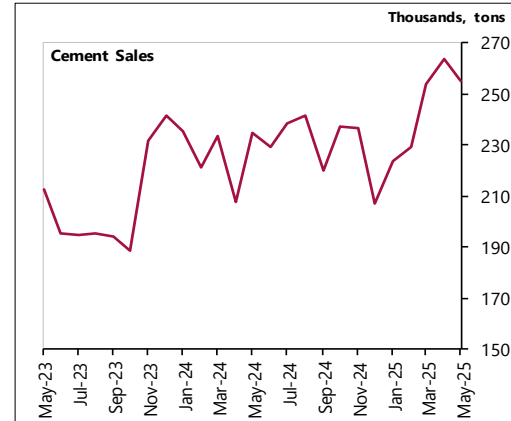
The latest confidence surveys conducted in June 2025 showed significant improvement in both consumer and business confidence. The Consumer Confidence Index markedly improved to 119.2 in June 2025, the highest recorded level of confidence, from 103.6 in April 2025. This was on account of substantial easing of inflationary pressures, which in turn led to strong optimism about future economic conditions. The Business Confidence Index also increased to 105.5 from 102.2 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 signalled an improvement in business conditions in June 2025, albeit at a slower pace than in May 2025. The PMI remained above the 50.0 no-change mark at 51.3 in June 2025, down from 53.6 in the previous month.

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

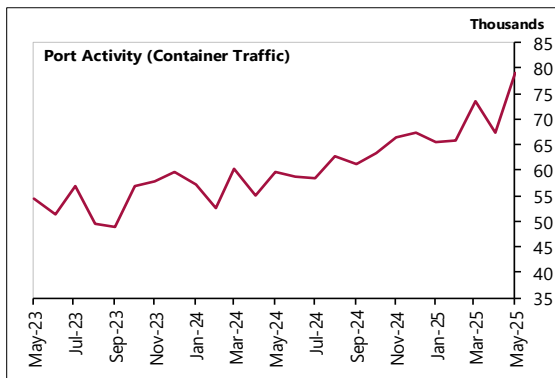
...Domestic VAT collections and retail sales improved in May 2025 compared to April 2025...



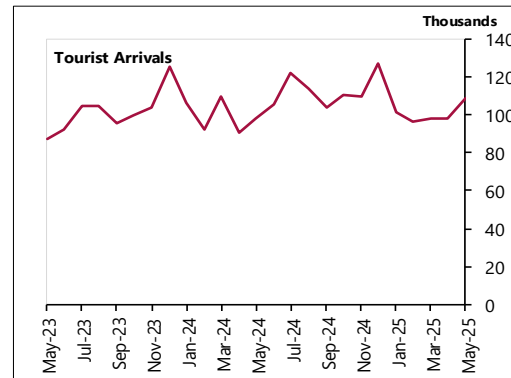
...Construction activities, proxied by cement sales, declined in May 2025 compared to April 2025...



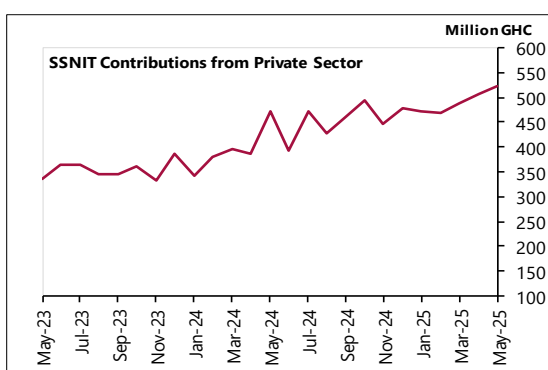
...Port activity increased in May 2025 compared to the previous month...



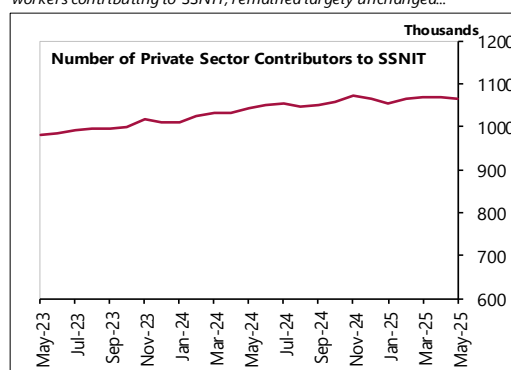
...Tourist arrivals increased in May 2025 compared to April 2025...



...Labour market conditions improved in May 2025 relative to April 2025...



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



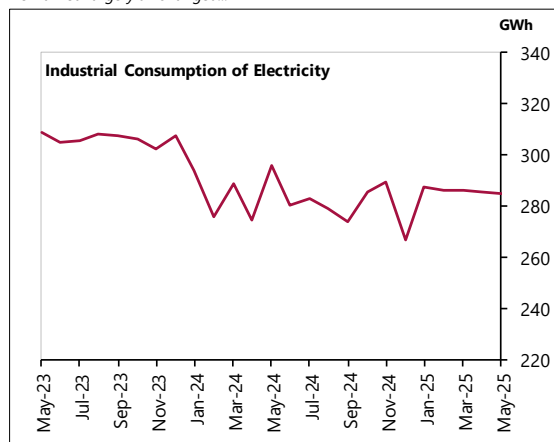
Sources: Bank of Ghana, Various Stakeholders

Panel 2: Ghana's Leading Indicators of Economic Activity

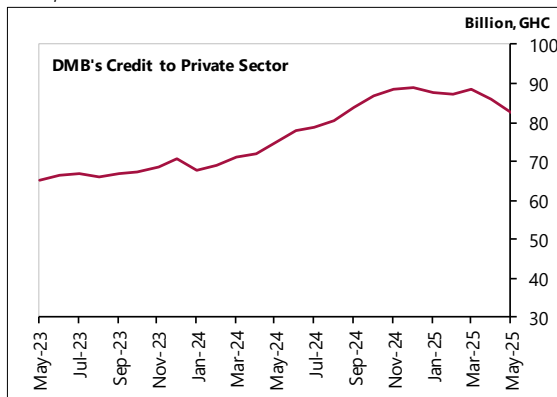
...Exports and Imports increased in May 2025 compared to April 2025...



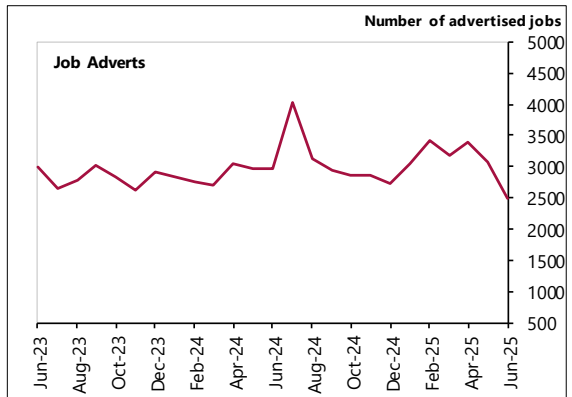
...Industrial activity, proxied by industrial consumption of electricity, remained largely unchanged...



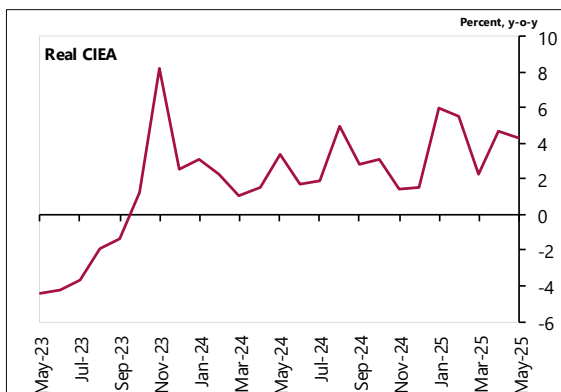
...Commercial banks' credit to the private sector declined in May 2025 relative to the previous month...



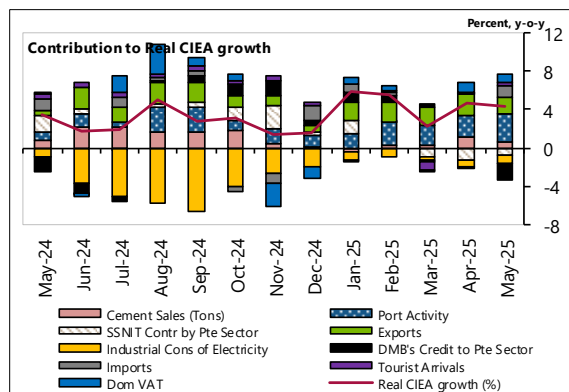
...Demand for labour, proxied by the number of job adverts (in print and online media), decreased in June 2025...



...On a year-on-year basis, the real CIEA grew by 4.4 percent in May 2025, compared with a growth of 3.4 percent in May 2024...



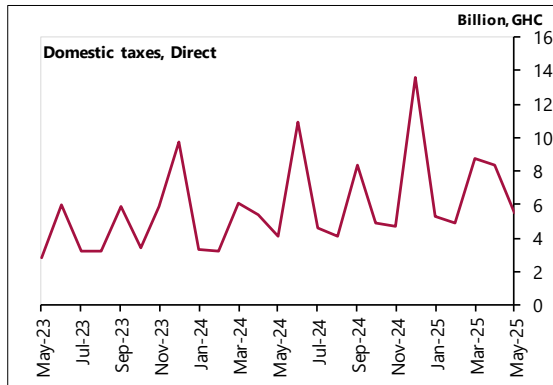
...The growth in the real CIEA was mainly driven by a pick-up in Port Activity, Exports, Imports, Domestic VAT, Cement Sales and Tourist Arrivals...



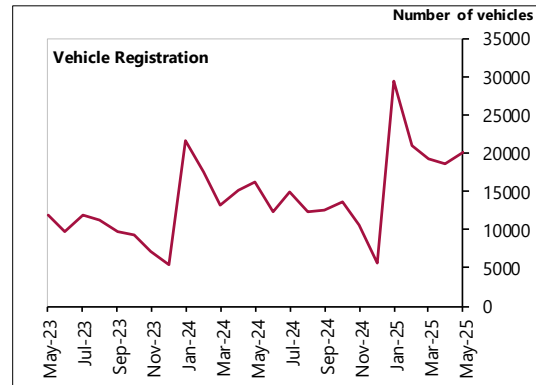
Source: Bank of Ghana, Various Stakeholders

Panel 3: Ghana's Leading Indicators of Economic Activity

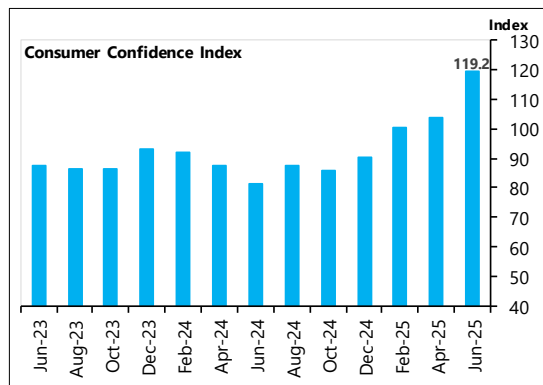
...Domestic tax collection decreased in May 2025 compared to April 2025...



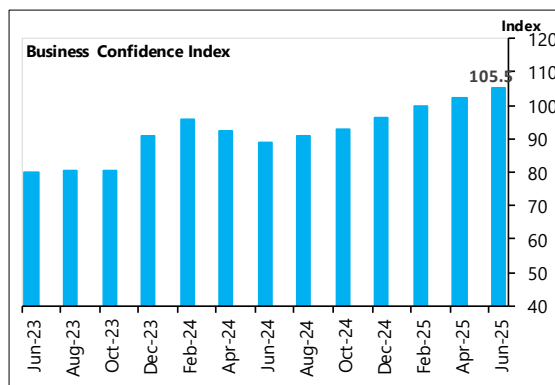
...Vehicle registration increased in May 2025 compared to the month before...



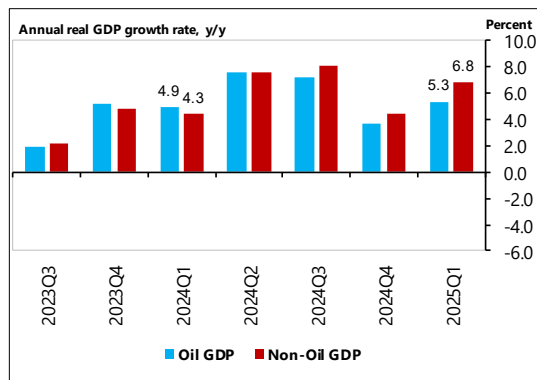
...Consumer Confidence improved on account of easing inflationary pressures and optimism about future economic conditions...



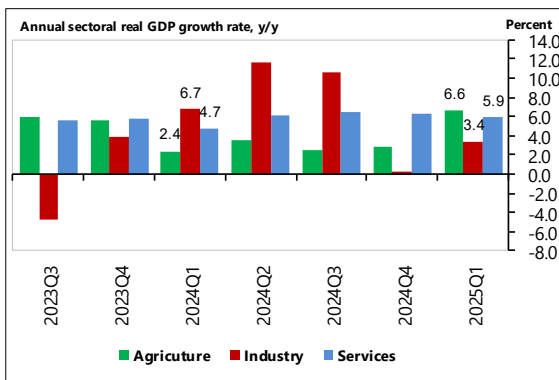
...Business Confidence improved as firms met their short-term targets and expressed positive sentiments about company and industry prospects in line with improving macroeconomic conditions...



...Real Oil and Non-Oil GDP grew by 5.3 percent and 6.8 percent respectively in 2025Q1, compared with growth rates of 4.9 percent and 4.3 percent respectively in 2024Q1...



...The Agriculture and Services sectors drove growth in 2025Q1, recording growth rates of 6.6 percent and 5.9 percent respectively, relative to growth rates of 2.4 percent and 4.7 percent in 2024Q1 respectively...



Source: Bank of Ghana, Various Stakeholders

4. Monetary and Financial Developments

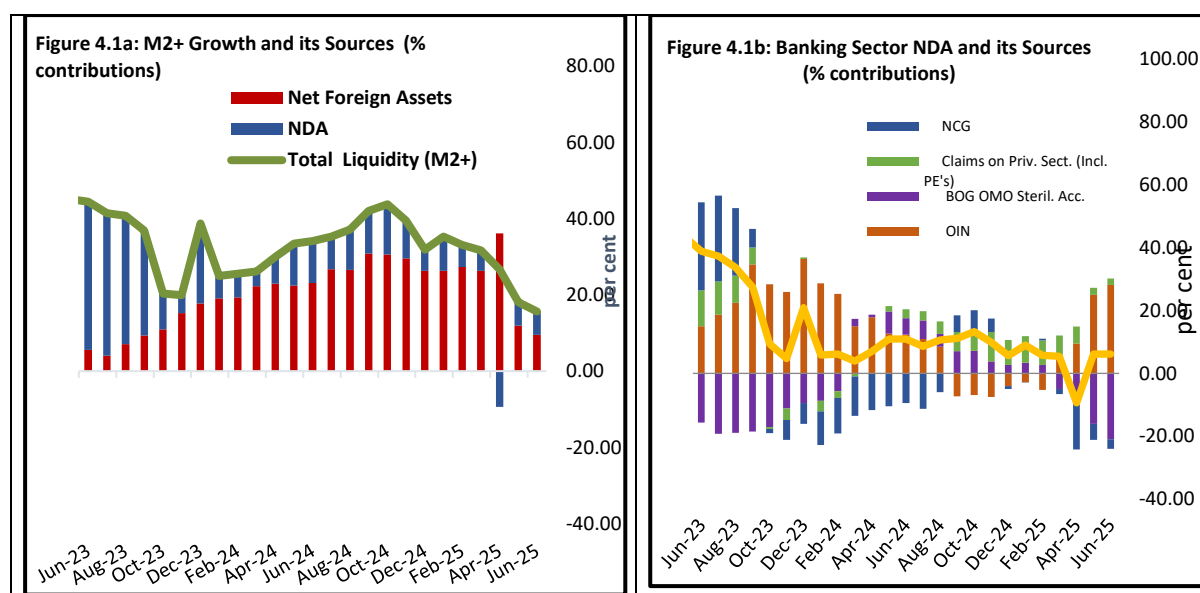
4.0 Highlights

Growth in monetary aggregates remained subdued during the first half of the year, reflecting tight monetary conditions consistent with policy efforts to sustain the disinflation process. There was significant build-up in Net Foreign Assets (NFA), reflecting inflows from the domestic gold purchase programme, remittances, forex purchases from mining firms, and multilateral disbursements. This liquidity build-up was, however, contained through sterilization efforts during the period. Credit slowed during the period under review, reflecting, among others, banks preference for Bank of Ghana bills, which had higher returns. Money market rates broadly trended downwards at the short-end of the primary market, on year-on-year basis, while interest rates on longer-dated instruments remained stable. The GSE Composite Index (GSE-CI) recorded significant gains, year-on-year, in June 2025 relative to the corresponding period last year. The impressive 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.

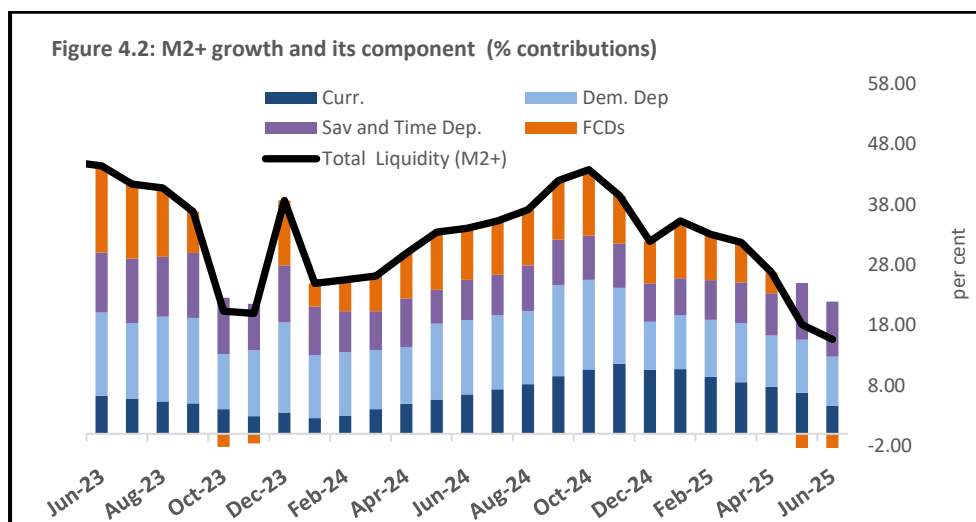
4.1 Developments in Monetary Aggregates

Money Supply

Developments in monetary aggregates for June 2025 showed a deceleration in the pace of growth in broad money supply (M2+), driven by contractions in both the Net Domestic Assets (NDA) and the Net Foreign Assets (NFA). Annual growth in M2+ declined to 15.64 percent in June 2025, relative to 34.07 percent in the corresponding period of 2024. The contribution of NFA to the growth in M2+ decreased to 9.50 percent from 23.11 percent, mainly due to the appreciation of the domestic currency. Similarly, the contribution of NDA to the growth in M2+ decreased to 6.14 percent from 10.96 percent over the same comparative period, induced by the tight monetary policy stance and effective liquidity management.



Sources: Bank of Ghana



Source: Bank of Ghana

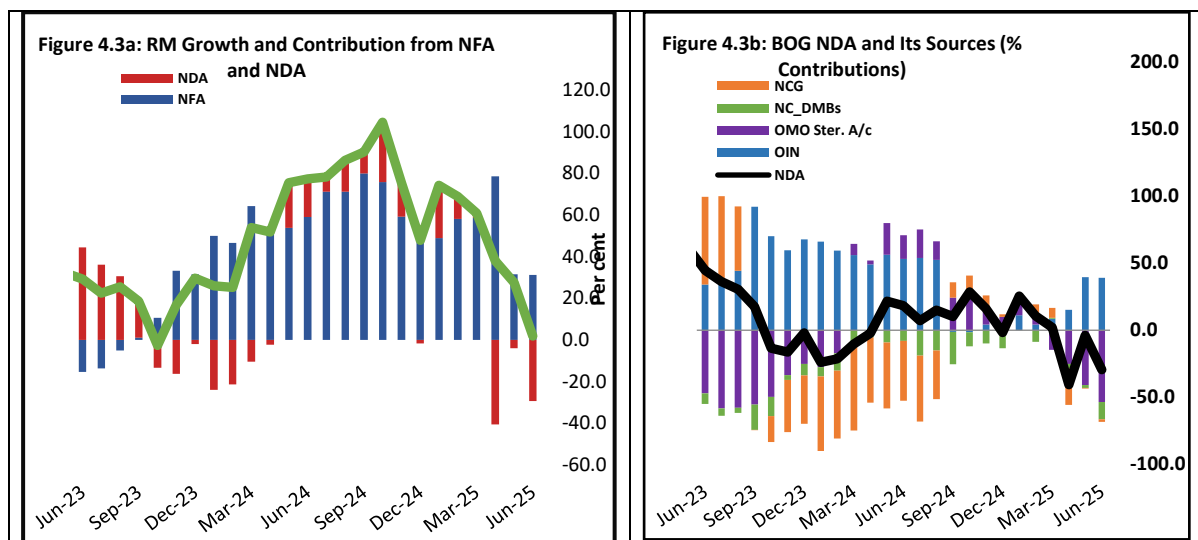
Accordingly, the decline in the contribution of the NDA to the growth of M2+ was mainly driven by contractions in the Net Claims on Government (NCG) and increased sterilization through the issuance of BOG bills. This was moderated by increases in Claims on Private and Public Sector and expansion in the Other Items (Net) (OIN).

Analysis of the components of M2+ showed that the moderation in the growth in M2+ reflected in decreased growth in demand deposits, time deposits, and foreign currency deposits in June 2025 relative to same period in 2024. Growth in saving deposits and currency with the public, however, increased significantly over the same comparative period.

4.2 Reserve Money

Growth in Reserve Money (RM) moderated significantly in June 2025, mainly induced by a contraction in the NDA, reflecting increased sterilization and decline in net claims on Government. Growth in the NFA also declined considerably, largely on the back of delayed inflows from the Gold for Reserve (G4R) Programme. Annual growth in reserve money declined to 1.95 percent in June 2025, from a growth of 77.37 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 29.32 percent in June 2025 compared to 18.33 percent recorded in June 2024. Similarly, the contribution of the NFA to the growth in RM decreased to 31.27 percent, relative to 59.04 percent over the same comparative period.



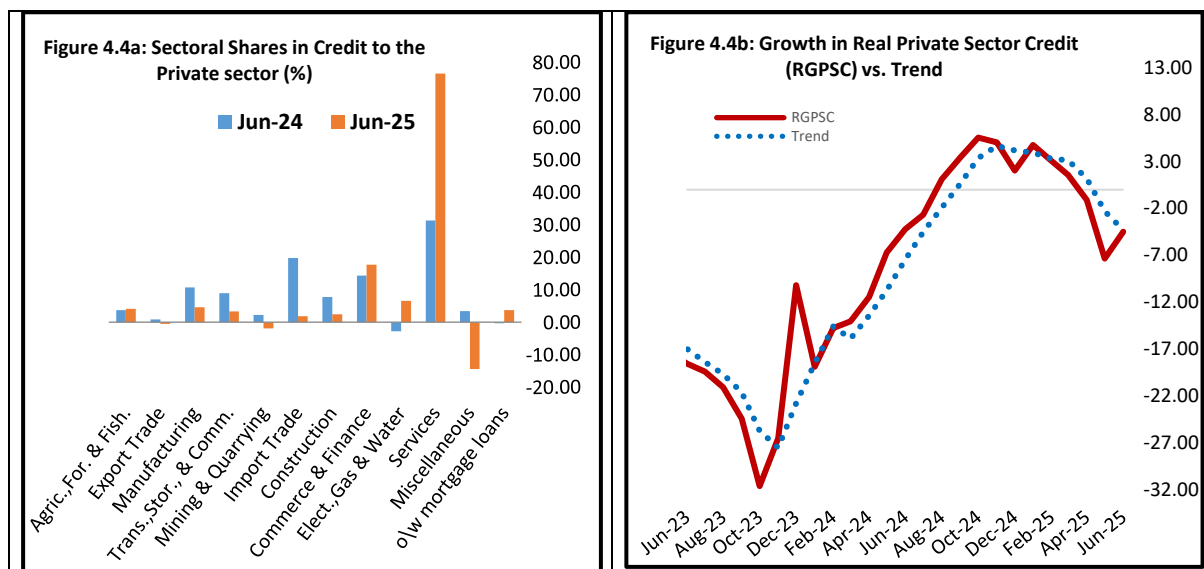
Source: Bank of Ghana

4.3 Deposit Money Banks Credit Developments

Deposit Money Banks' (DMBs') total credit to the private sector and public institutions dipped to GH¢4,685.30 million (5.55%) in June 2025 from GH¢11,353.44 million (15.53%) recorded in June 2024. The decrease in credit flows was largely due a decline in credit to the public sector. Credit flows to the private sector declined to GH¢6,690.70 million (8.57%) in June 2025 from GH¢11,690.77 million (17.61%) recorded in the corresponding period of 2024. The decreased flow of credit to the private sector was on the back of a shift to the purchase of both Government and Bank of Ghana securities by the banks.

Private sector credit accounted for 95.05 percent of the flow in total outstanding credit in June 2025, relative to 92.40 percent recorded in the corresponding period of 2024. The top five sectors with significant share of credit flows are: services (76.53%); commerce and finance (17.65%); electricity, gas and water (6.52%); manufacturing (4.55%); and agriculture, forestry and fisheries (4.12%) (Chart 4a). Outstanding credit to private sector at the end of June 2025 was GH¢84,752.43 million, compared with GH¢78,061.73 million recorded in June 2024.

In real terms, however, private sector credit contracted by 4.48 percent relative to 4.18 percent contraction, over the same comparative period. Growth in real private sector credit declined slightly below its trend during the review period.

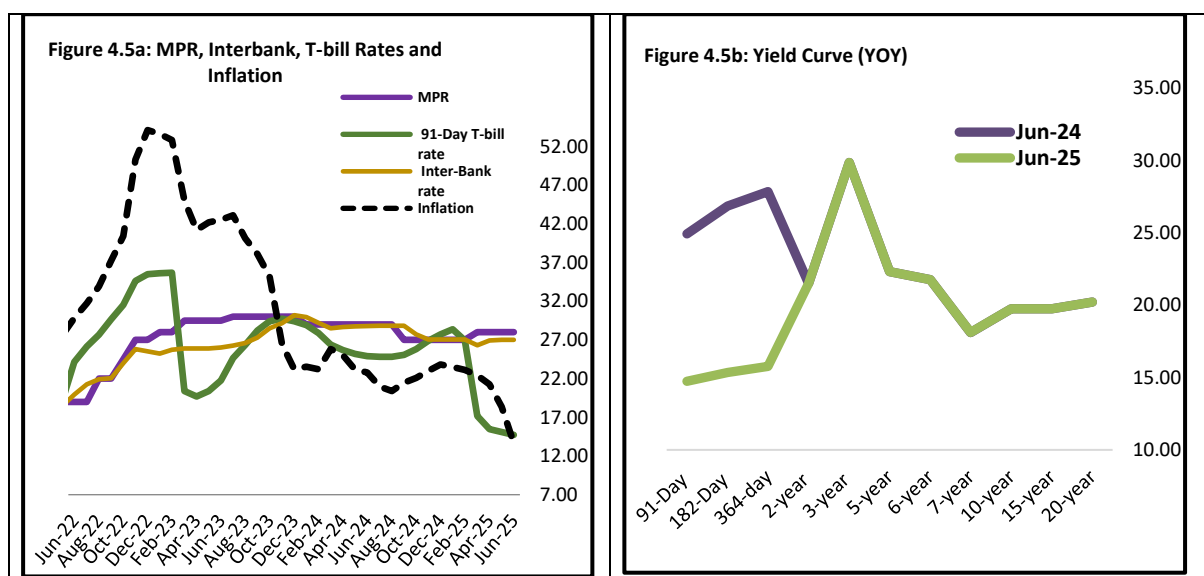


Source: Bank of Ghana

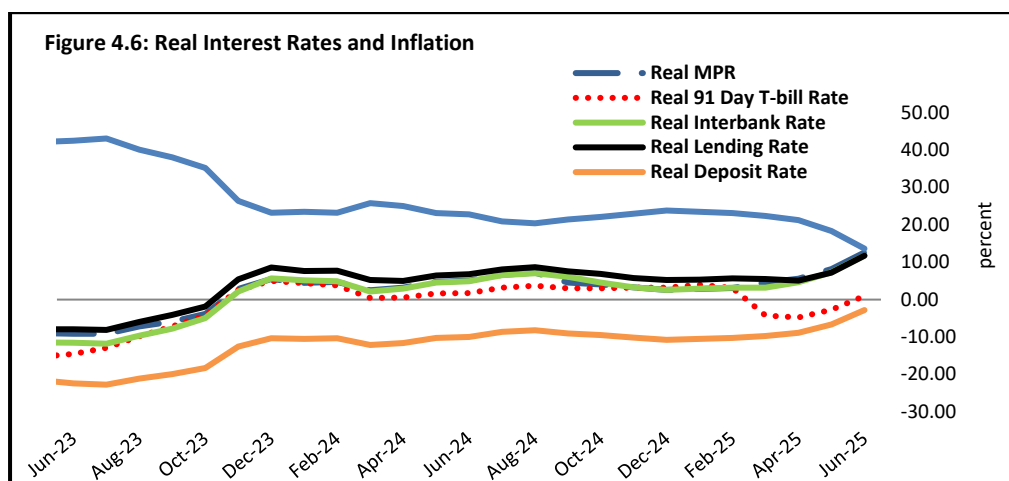
4.4 Money Market Developments

Developments in interest rates broadly showed downward trends at the short end of the primary market on year-on-year basis, consistent with Government's continued efforts to bring down rates in preparation for issuances on the bonds market. Interest rates on longer-dated instruments, however, remained stable. The 91-day, 182-day and 364-day Treasury bill rates decreased to 14.74 percent, 15.34 percent, and 15.76 percent, respectively, in June 2025, from 24.91 percent, 26.84 percent and 27.83 percent, respectively, in the corresponding period of 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 due to the non-issuance of these instruments during the review period.

The Interbank Weighted Average Rate (IWAR) decreased to 27.02 percent in June 2025 from 28.80 percent in June 2024. Similarly, the average lending rates of banks declined to 27.00 percent in June 2025 from 31.10 percent, recorded in the corresponding period of 2024, reflecting the pass-through effect of declines in rates on the primary market.



Source: Bank of Ghana



Source: Bank of Ghana

4.5 Stock Market Developments

The Ghana Stock Exchange Composite Index (GSE-CI) increased to 6248.48 points in June 2025 from 3829.61 points recorded in the corresponding period of 2024. This translates into a year-on-year gain of 63.16 percent in June 2025 compared to a growth of 36.38 percent in June 2024. The robust performance of the GSE-CI is 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 GSE-CI has been further boosted by the limited investment options on the domestic markets on account of the Domestic Debt Exchange Programme (DDEP). The main sectors that contributed to the gains recorded by the GSE-CI were the ETFund, distribution, agriculture, and finance sectors.

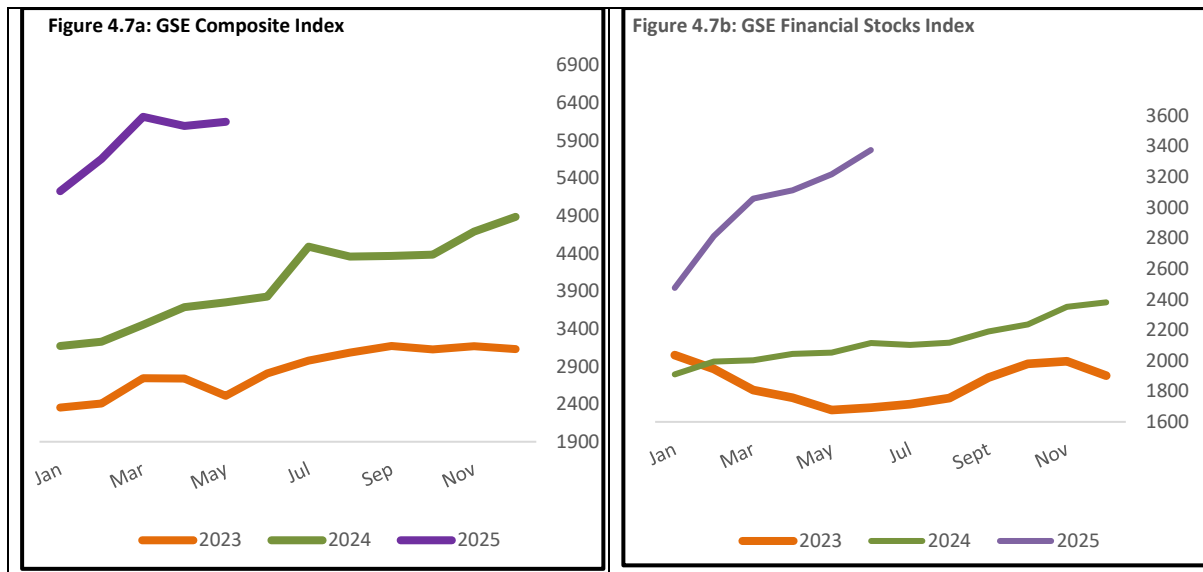
The GSE-Financial Stocks Index (GSE-FSI) closed at 3376.01 points, reflecting a gain of 59.62 percent compared to a gain of 25.01 percent, over the same comparative period. The gain in the GSE-FSI was mainly on the back of improved profitability of listed financial institutions, following initial losses induced by the impact of the DDEP.

Total market capitalisation of the GSE at the end of June 2025 was GH¢137.29 billion representing a year-on-year growth of 61.33 percent (GH¢52.19 billion), compared with a growth of 21.15 percent (GH¢14.86 billion) in June 2024. The increase in market capitalization was mainly driven by appreciation in share prices, underpinned by renewed investor confidence, particularly in the ETFund, distribution, agriculture, and finance sectors.

Table 4.1: Performance of Ghana Stock Exchange

Performance of Ghana Stock Exchange (Table 2)											Changes		
	Jun-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Apr-25	May-25	Jun-25	2024	2025	2025
GSE CI	2808.03	3130.234988	3456.197369	3829.61	4369.44	4888.53	6217.9	6095.57	6150.31	6248.48	36.38	63.16	27.82
GSE FI	1691.91	1901.574601	2001.470083	2115.04	2190.37	2380.79	3059.3	3112.17	3217.14	3376.01	25.01	59.62	41.80
Market Capitalization	70238.82	73893.17	77701.17	85096.58	99101.87	111356.09	136998.73	135974.37	136545.48	137286.09	21.15	61.33	23.29

Source: Ghana Stock Exchange and Bank of Ghana Staff Calculations



Source: Bank of Ghana

4.6 Conclusion

Growth in monetary aggregates was largely constrained in the first half of the year, underpinned by the tight monetary policy stance and effective liquidity management. Growth in reserve money moderated significantly in June 2025, mainly induced by a contraction in the NDA, reflecting increased sterilization. Annual growth in credit to the private sector decreased in nominal terms, due to a shift in banks preference to investments in Government and Bank of Ghana securities. In real terms credit to private sector contracted marginally.

Money market rates broadly trended downwards at the short-end of the primary market, on year-on-year basis in preparation for future bond issuances; interest rates on longer-dated instruments, however, remained stable. On the interbank market, the Interbank Weighted Average Rate (IWAR) decreased, trading on the floor of the policy corridor. Similarly, the average lending rates of banks decreased, reflecting pass-through effect of declines in the Government's short-term rates.

The GSE Composite Index (GSE-CI) recorded increased year-on-year gain in June 2025 relative to the corresponding period last year. The performance of the index 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.

5. Banking Sector Developments

5.0 Highlights

The banking sector posted a strong performance during the first six months of 2025, recording higher profit than a year ago, on the back of growth in total assets and deposits. The Financial Soundness Indicators (FSIs) remained healthy, with improved solvency, efficiency and asset quality indicators, while liquidity indicators moderated. The industry's Non-Performing Loans (NPL) ratio improved in June 2025 on account of a higher growth in loans and advances relative to the growth in the NPL stock. The outlook for the banking sector remains largely stable, dependent on banks' adherence to recapitalisation plans, the establishment of a strong corporate governance culture and enforcement of strict credit underwriting standards.

5.1 Banks' Balance Sheet

Total assets of the banking sector grew by 18.9 percent to GH¢384.3 billion as at June 2025, compared with 33.3 percent in June 2024. The lower growth in assets was driven by a moderate growth in deposits as well as the appreciation of the Ghana cedi. Foreign assets contracted by 32.2 percent in June 2025, compared to a growth of 57.6 percent in June 2024, while domestic assets grew by 24.7 percent in June 2025, from 31.0 percent growth in June 2024. Subsequently, the share of foreign assets in total assets decreased to 5.8 percent in June 2025 from 10.2 percent the prior year, while the share of domestic assets rose to 94.2 percent from 89.8 percent during the same reference period.

Investments grew by 51.5 percent to GH¢162.3 billion in June 2025, from a growth of 19.2 percent in June 2024, as banks recorded a significant growth in short-term instruments. Short-term bills surged by 129.1 percent from a growth of 7.3 percent in June 2024. Long-term instruments (securities), however, contracted by 0.1 percent in June 2025 from a growth of 28.6 percent in June 2024. The developments in bills and securities culminated in an increased share of investments in total assets to 42.3 percent in June 2025 from 33.2 percent in June 2024.

Growth in gross loans and advances moderated to 6.1 percent in June 2025 relative to the 15.6 percent growth recorded in June 2024. Gross loans and advances stood at GH¢89.7 billion in June 2025. Growth in net loans and advances (gross loans adjusted for provisions and interest in suspense) also moderated to 4.8 percent from 10.3 percent during the review period.

The growth in assets was funded by an increase in deposits and other funding sources. Deposits remained the main source of funding for the banking sector, with a share of 72.9 percent of total assets in June 2025, down from a share of 76.1 percent in June 2024. Deposits increased by 13.9 percent to GH¢280.1 billion in June 2025, compared to the growth of 31.1 percent recorded in June 2024. The foreign currency component of deposits contracted by 23.3 percent to GH¢62.3 billion in June 2025, from a growth of 29.8 percent a year ago, and this was largely driven by the currency appreciation. Borrowings, however, increased by 42.1 percent to GH¢33.0 billion in June 2025 from 44.4 percent growth recorded in June 2024. The growth in borrowings in June 2025 was mainly driven by domestic borrowing while foreign borrowing contracted further by 40.0 percent in June 2025 relative to a contraction of 0.8 percent the previous year. On the domestic front, both short-term and long-term borrowing grew significantly. In contrast both short-term and long-term foreign borrowings contracted during the review period.

Banks' shareholders' funds position (comprising paid-up capital and reserves) continued to improve on account of a rebound in profits across the industry and recapitalization efforts of undercapitalized banks. Total shareholders' funds increased by 48.5 percent to GH¢48.0 billion as at end-June 2025, compared to a growth of 44.9 percent recorded a year ago.

	(GH ¢'million)			Y-on-Y Growth (%)			Shares (%)	
	Jun-24	Apr-25	Jun-25	Jun-24	Apr-25	Jun-25	Jun-24	Jun-25
TOTAL ASSETS	323,177.5	390,142.3	384,273.7	33.3	27.2	18.9	100.0	100.0
A. Foreign Assets	33,010.0	43,371.9	22,381.6	57.6	49.0	(32.2)	10.2	5.8
B. Domestic Assets	290,167.5	346,770.3	361,892.2	31.0	24.9	24.7	89.8	94.2
Investments	107,211.3	135,382.7	162,464.7	19.2	27.8	51.5	33.2	42.3
i. Bills	42,796.0	68,116.9	98,039.9	7.3	51.7	129.1	13.2	25.5
ii. Securities	64,078.7	66,849.0	64,008.4	28.6	10.0	(0.1)	19.8	16.7
Advances (Net)	69,104.7	74,559.5	72,443.7	10.3	18.7	4.8	21.4	18.9
of which Foreign Currency	24,333.5	21,562.0	17,004.3	10.4	(4.6)	(30.1)	7.5	4.4
Gross Advances	84,530.0	92,184.8	89,702.9	15.6	18.3	6.1	26.2	23.3
Other Assets	21,961.5	26,133.4	27,494.6	49.3	23.1	25.2	6.8	7.2
Fixed Assets	8,582.7	9,787.5	9,910.3	15.1	16.5	15.5	2.7	2.6
TOTAL LIABILITIES AND CAPITAL	323,177.5	390,142.3	384,273.7	33.3	27.2	18.9	100.0	100.0
Total Deposits	245,880.2	289,545.2	280,118.8	31.1	22.6	13.9	76.1	72.9
of which Foreign Currency	81,228.3	85,409.6	62,296.9	29.8	12.8	(23.3)	25.1	16.2
Total Borrowings	23,168.3	32,923.0	32,910.7	44.4	69.1	42.1	7.2	8.6
Foreign Liabilities	7,487.5	6,075.6	4,490.9	(0.8)	(7.2)	(40.0)	2.3	1.2
i. Short-term borrowings	2,490.6	2,288.9	1,863.6	33.2	14.5	(25.2)	0.8	0.5
ii. Long-term borrowings	4,015.1	2,263.8	1,563.9	(2.5)	(40.4)	(61.0)	1.2	0.4
iii. Deposits of non-residents	940.6	1,422.6	997.1	(39.1)	94.5	6.0	0.3	0.3
Domestic Liabilities	281,979.5	340,090.3	331,433.0	33.2	26.6	17.5	87.3	86.2
i. Short-term borrowing	15,230.3	26,524.1	27,361.9	83.0	113.1	79.7	4.7	7.1
ii. Long-term Borrowings	1,432.3	1,846.1	2,121.3	(17.6)	50.8	48.1	0.4	0.6
iii. Domestic Deposits	244,939.5	288,122.7	279,121.7	31.7	22.3	14.0	75.8	72.6
Other Liabilities	21,093.0	22,438.1	21,694.4	32.6	14.4	2.9	6.5	5.6
Paid-up capital	13,023.9	17,282.9	18,879.0	24.8	32.6	45.0	4.0	4.9
Shareholders' Funds	32,307.2	43,964.3	47,979.2	44.9	42.6	48.5	10.0	12.5

Source: Bank of Ghana

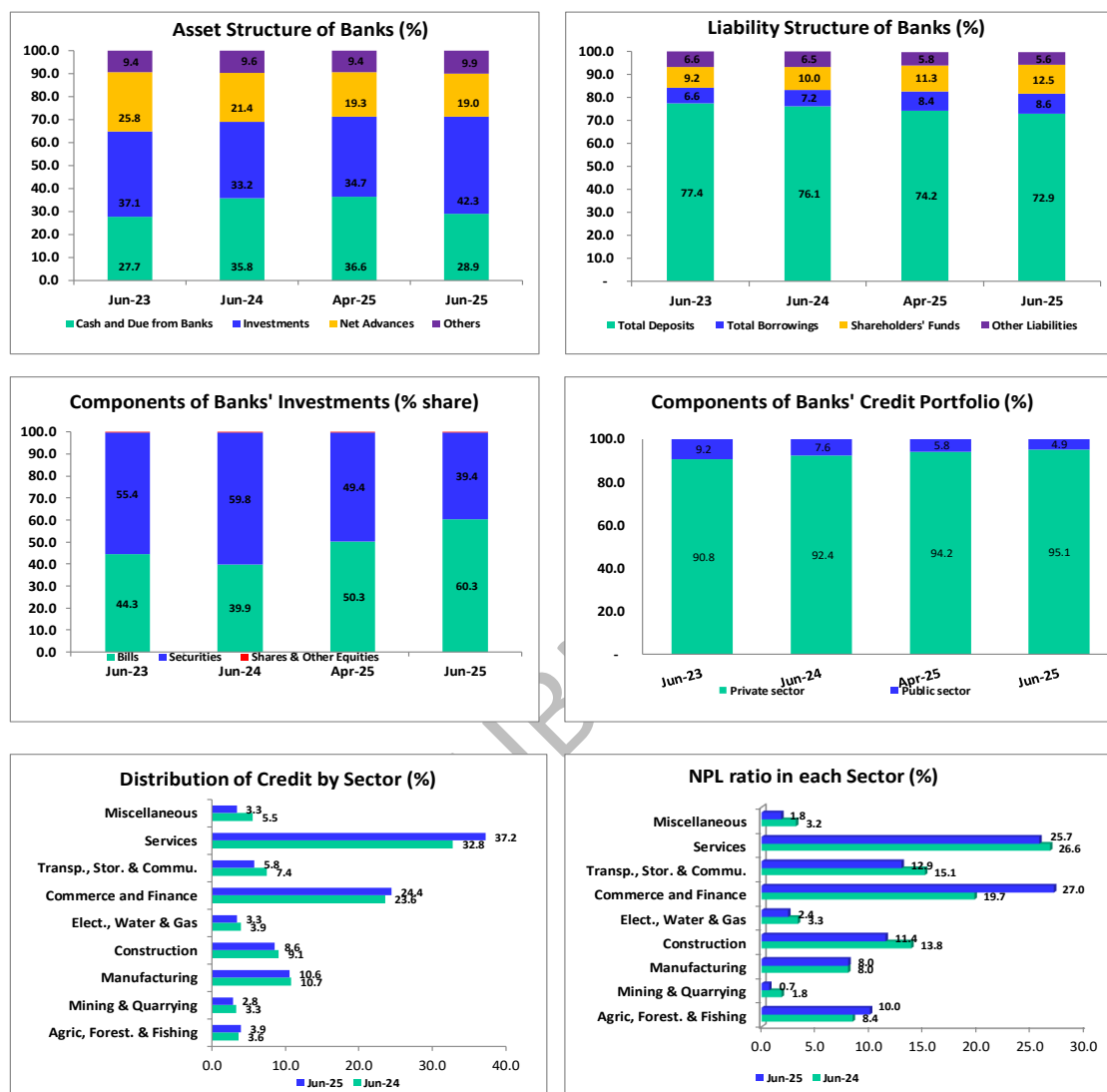
5.1.1 Asset and Liability Structure

The asset structure of the industry's balance sheet in June 2025 reflected banks' preference for investments. Investments (comprising bills, securities, and equity) replaced cash and bank balances as the largest component of total assets, with an increased share of 42.3 percent in June 2025, from 33.2 percent in June 2024, as banks rebalanced their portfolios in favour of higher returns on investments. Cash and bank balances was the second largest component of banks' assets as at June 2025, although its share in total assets declined to 28.9 percent, from 35.8 percent in June 2024. Investments and cash and bank balances together accounted for 71.2 percent of total assets in June 2025, compared to a share of 69.0 percent in June 2024. Net loans and advances constituted the third-largest component of total assets, recording a declined share of 19.0 percent, from 21.4 percent in June 2024. Non-earning assets (fixed assets and other assets) in banks' total assets recorded a marginal increase in share to 9.9 percent, from 9.6 percent, during the review period.

On the liability side, the share of deposits in banks' liabilities and shareholders' funds declined to 72.9 percent in June 2025, from 76.1 percent in the corresponding period last year. The share of borrowings rose during the period under review to 8.6 percent from 7.2 percent, reflecting the growth in total borrowings during the period. The share of shareholders' funds in banks' liabilities and shareholders'

funds also rose to 12.5 percent from 10.0 percent, consistent with the strong growth in shareholders' funds. The proportion of other liabilities on the other hand declined to 5.6 percent, from 6.5 percent during the review period.

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



Source: Bank of Ghana

5.1.2 Share of Banks' Investments

Bills (short-term debt instruments) constituted the largest component of banks' investment portfolio, after its share rose to 60.3 percent in June 2025, from 39.9 percent in June 2024. The share of long-term securities in total investments, however, declined to 39.4 percent from 59.8 percent over the same period. The share of equity investments remained negligible and unchanged at 0.3 percent during the period under review.

5.2 Credit Risk

The industry's asset quality improved during the first half of 2025, relative to the comparative period in 2024, although credit risk remains elevated. The improved asset quality reflected in a decline in NPL ratios in all but three economic sectors in June 2025 compared to June 2024.

5.2.1 Credit Portfolio Analysis

The stock of gross loans and advances (domestic and foreign) recorded a marginal growth of 6.1 percent to GH¢89.7 billion at end-June 2025, compared to the 15.6 percent growth during the same period last year. Private sector credit (comprising credit to private enterprises and households) posted a lower growth of 9.2 percent to GH¢85.3 billion in June 2025, from 17.7 percent in the corresponding period the previous year. Public sector credit contracted by 31.3 percent to GH¢4.4 billion at end-June 2025 compared to a contraction of 5.0 percent in June 2024. Consequently, the share of private sector credit in total credit rose to 95.1 percent in June 2025, from 92.4 percent in June 2024, while the share of public sector credit dropped to 4.9 percent, from 7.6 percent a year earlier.

In terms of the distribution of credit by sectors, the services sector accounted for the largest share of 37.2 percent as at end-June 2025 (32.8 percent in June 2024), followed by the commerce and finance sector with a relative share of 24.4 percent (23.6 percent in June 2024), while the manufacturing sector accounted for a share of 10.6 percent (10.7 percent in June 2024). Together, these top three sectors accounted for 72.3 percent of total credit in June 2025 (67.2 percent in June 2024). The mining and quarrying sector remained the lowest recipient of industry credit, with a share of 2.8 percent (3.3 percent in June 2024).

5.2.2 Off-Balance Sheet Transactions

Off-balance sheet transactions (largely trade finance and guarantees) declined during the review period. Contingent liabilities contracted by 34.5 percent to GH¢16.8 billion as at end-June 2025, from GH¢25.7 billion as at end-June 2024. Similarly, banks' contingent liabilities as a percentage of total liabilities declined to 5.0 percent in June 2025 from 8.8 percent in June 2024.

5.2.3 Asset Quality

The asset quality of the banking industry improved during the period under review. The industry's NPL ratio declined to 23.1 percent in June 2025 from 24.2 percent in June 2024. When the fully provisioned loan loss category is adjusted for, the industry's NPL ratio decreases to 8.5 percent from 10.8 percent, reflecting decreasing stock in the sub-standard category of nonperforming loans. The decline in the NPL ratio during the period under review is explained by the lower growth in the NPL stock relative to the growth in total loans. The industry's NPL stock increased by 1.3 percent to GH¢20.7 billion in June 2025, from GH¢20.4 billion in June 2024 (representing 49.4% year-on-year growth) although there was a decrease in the share of foreign currency NPL.

The private sector accounted for the most non-performing loans, being the largest recipient of the industry's credit. The proportion of NPLs attributable to the private sector rose marginally to 96.4 percent in June 2025 from 95.6 percent in June 2024, while that of the public sector inched down to 3.6 percent from 4.4 percent a year earlier.

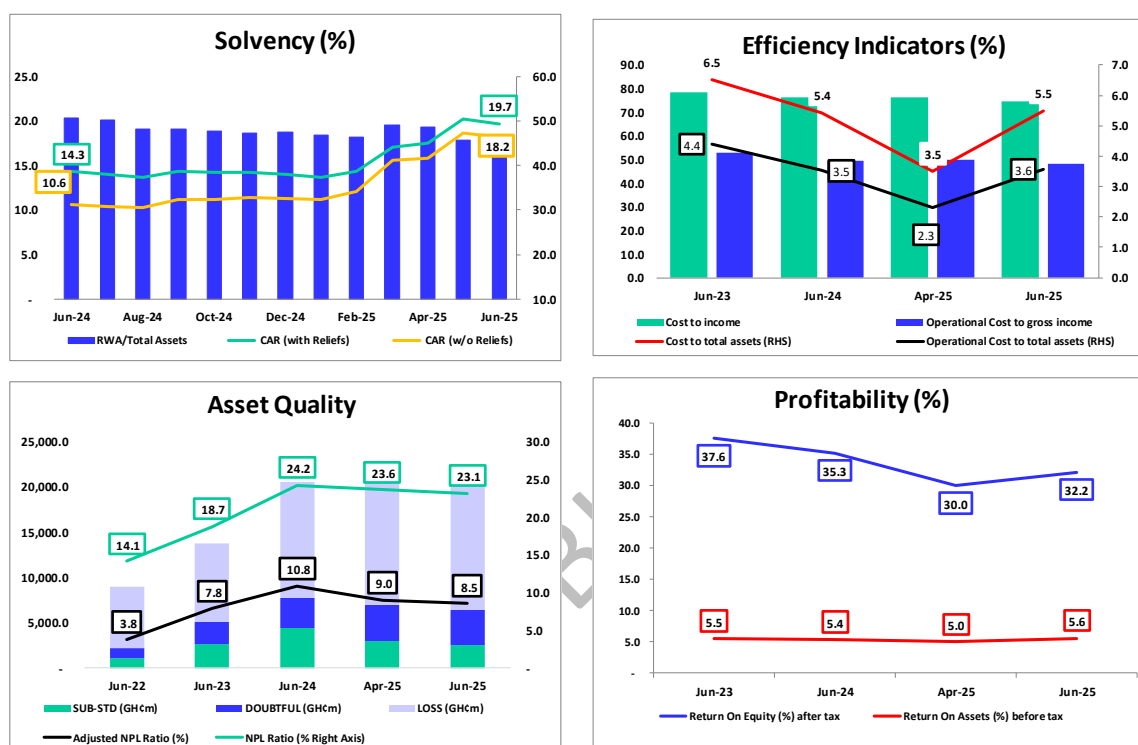
The commerce and finance sector, and the agriculture, forestry and fishing sector recorded increases in their NPL ratios while that of the manufacturing sector remained unchanged in June 2025 compared with the same reference period in 2024. The commerce and finance sector recorded the highest NPL ratio of 27.0 percent (19.7 percent a year ago), followed by the services sector with an NPL ratio of 25.7 percent (26.6 percent a year earlier). The NPL ratio of the transport, storage and communications sector decreased to 12.9 percent (15.1 percent a year earlier), followed by the construction sector with a ratio of 11.4 percent (13.8 percent a year earlier), and then the manufacturing sector with an unchanged

NPL ratio of 8.0 percent. The mining and quarrying sector accounted for the lowest NPL ratio of 0.7 percent in June 2025 (1.8 percent a year earlier).

5.3 Financial Soundness Indicators

Apart from the improvement in asset quality during the review period, other key financial soundness indicators (FSIs) in the first half of 2025 pointed to an efficient and profitable 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 strong in June 2025, although core measures recorded declines as banks rebalanced their portfolios. The ratio of core liquid assets (mainly cash and due from banks) to total deposits decreased to 39.6 percent in June 2025 from 47.1 percent in June 2024, while core liquid assets to total assets ratio decreased to 28.9 percent from 35.8 percent. However, the ratio of broad liquid assets to total deposits grew to 97.4 percent from 90.6 percent, while broad liquid assets to total assets ratio increased to 71.0 percent from 68.9 percent over the review period. (Annexes Table 5.5).

5.3.2 Capital Adequacy Ratio

The industry's solvency position, measured by the Capital Adequacy Ratio (CAR) adjusted for the regulatory reliefs, was 19.7 percent in June 2025, compared to 14.3 percent recorded in June 2024. This was higher than the revised prudential minimum of 10 percent. The CAR in June 2025 reflected the recognition of 2025 profits posted by banks for purposes of CAR computation, as well as the on-going recapitalisation of banks (Figure 5.2).

5.3.3 Profitability

The banking industry remained profitable for the first half of 2025, recording both a higher profit-before-tax (PBT) and profit-after-tax (PAT) in June 2025 relative to the same period last year.

Generally, all income lines increased at higher growth rates in June 2025 compared to the same period last year. Net interest income increased by 20.2 percent to GH¢14.2 billion, higher than the corresponding growth of 19.4 percent in June 2024. In year-on-year terms, interest income increased to GH¢21.6 billion from GH¢18.0 billion, representing a growth of 20.4 percent in June 2025 compared with 19.1 percent in June 2024. The higher growth in interest income is explained by the relatively higher rates on money market instruments this year compared to the first half of 2024, as well as higher lending rates. Interest expenses also rose to GH¢7.5 billion in June 2025, representing a higher growth rate of 20.7 percent compared to the 18.6 percent growth recorded in June 2024.

Net fees and commissions recorded a marginal growth of 17.8 percent from 16.8 percent a year ago while other income recorded a higher growth of 52.2 percent to GH¢3.6 million from GH¢2.4 billion (16.2% contraction) during the same review period. These developments in the different income lines culminated in an increase in the industry's operating income to GH¢20.9 billion in June 2025 from GH¢16.8 billion, representing a higher growth of 24.4 percent compared to 12.3 percent in the year prior. Similarly, gross income increased to GH¢28.3 billion in June 2025 (23.4% year-on-year growth) from GH¢23.0 billion in June 2024 (14.0% year-on-year growth).

The cost lines recorded similar increases in growth rates in June 2025 compared to the same period in 2024. The industry's operating expenses grew by 21.4 percent in June 2025, compared to 15.5 percent in June 2024, on the back of higher growth in staff costs and other operating (administrative) expenses. However, impairment losses on financial assets as well as provisions for bad debt and depreciation contracted by 14.8 percent in June 2025, compared to the 39.5 percent contraction in June 2024.

Consequently, the industry's profit-after-tax increased by 32.6 percent to GH¢7.2 billion in June 2025, compared with the 25.5 percent growth recorded in June 2024. Profit-before-tax also rose by 32.2 percent to GH¢10.8 billion, from GH¢8.1 billion in June 2024. The higher growth in profit during the first half of this year was due to increases in interest income and other income lines in 2025 relative to the same period in 2024.

(a) Return on Assets and Return on Equity

The banking sector's profitability indicators, namely return-on-assets (ROA) and return-on-equity (ROE), recorded a mixed performance during the period under review. The ROA improved marginally by 5.6 percent in June 2025, from 5.4 percent in June 2024, on account of a moderate growth in total assets relative to industry profit. The ROE, however, declined to 32.2 percent in June 2025, from 35.3 percent in June 2024 on the back of a higher growth in shareholders' funds relative to industry profit.

(b) Interest Margin and Spread

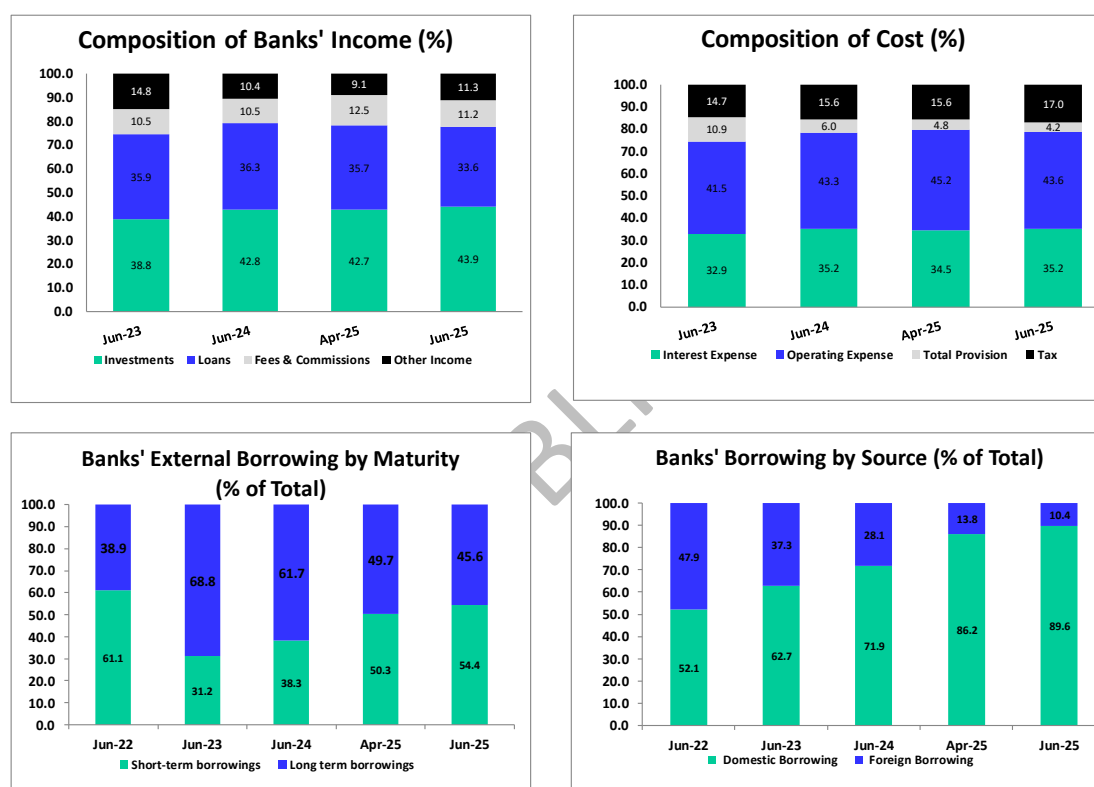
Interest spreads for the banking sector narrowed to 6.0 percent in June 2025 from 6.4 percent in June 2024. The decrease in spreads was on the back of a decline in gross yields and interest payable. Gross yields declined to 8.9 percent in June 2025 from 9.4 percent in June 2024 while interest payable decreased to 2.8 percent from 3.0 percent a year earlier. The ratio of interest margin to total assets remained flat at 3.7 percent, while interest margin to gross income declined from 51.4 percent to 50.1 percent during the period under review. The ratio of gross income to total assets (asset utilisation) rose

to 7.4 percent in June 2025 from 7.1 percent in June 2024, while the profitability ratio increased from 23.5 percent to 25.3 percent over the review period.

(c) Composition of Banks' Income

Income from investments remained the largest component of banks' total income in June 2025, with its share rising to 43.9 percent from 42.8 percent in June 2024 following the growth in total investments. The share of interest income from loans, however, decreased to 33.6 percent from 36.3 percent in June 2024. The share of banks' income from fees and commissions increased to 11.2 percent from 10.5 percent, while the share of income from other sources also rose to 11.3 percent from 10.4 percent during the period under review.

Figure 5.3: Composition of Income, Cost and Borrowings



Source: Bank of Ghana

5.3.4 Operational Efficiency

The industry's efficiency recorded a mixed performance during the first half of 2025 compared with the same period last year. The cost-to-income ratio improved to 74.7 percent in June 2025, from 76.5 percent in June 2024, whereas cost-to-total assets ratio weakened to 5.5 percent, from 5.4 percent a year earlier. The operational cost-to-total assets ratio also increased to 3.6 percent from 3.5 percent a year earlier, reflecting the higher growth in operating expenses in June 2025 relative to June 2024. However, the ratio of operational cost to total income improved to 48.4 percent from 49.6 percent, following the strong outturn in income in June 2025 compared with the corresponding period last year.

5.3.5 Banks' Counterparty Relationships

Total offshore balances decreased by 34.1 percent to GH¢19.7 billion in June 2025, compared to the 71.4 percent growth in the previous year, driven largely by a contraction in placements and nostro balances. Industry placements with foreign counterparties recorded contracted by 22.8 percent from the 69.4 percent growth recorded during the same period a year earlier. Similarly, nostro balances also contracted by 44.7 percent compared with a growth of 73.6 percent in June 2024. As a result, the ratio of offshore balances to net worth decreased to 41.1 percent from 92.6 percent during the review period.

The share of banks' external borrowings in total borrowings declined to 10.4 percent in June 2025, from 28.1 percent in June 2024, while the share of domestic borrowings increased to 89.6 percent from 71.9 percent in June 2024. Banks' external borrowings were tilted towards short-term instruments with the share of short-term borrowings in total external borrowings increasing to 54.4 percent from 38.3 percent, while the share of long-term borrowings declined to 45.6 percent from 61.7 percent a year earlier.

5.4 Credit Conditions Survey

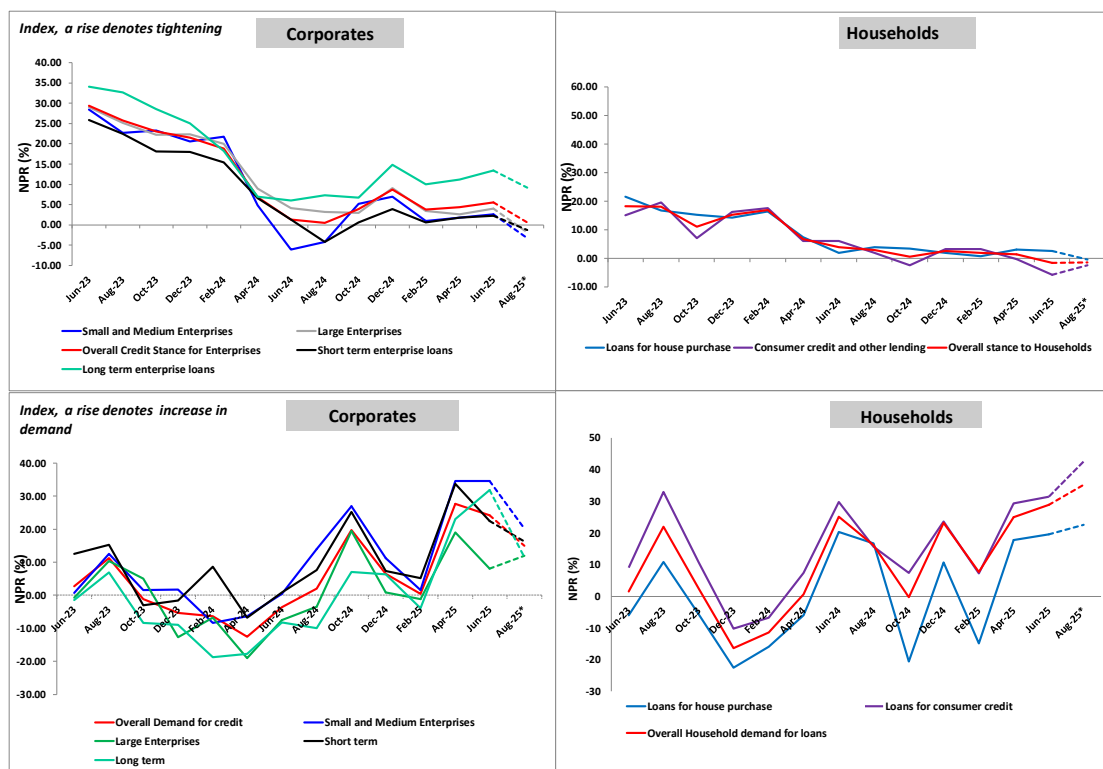
Results of the June 2025 Credit Conditions Survey indicated a net tightening in the overall stance on loans to enterprises between April and June 2025, on the back of a net tightening in the stance on all components of enterprise loans (namely short-term and long-term enterprise loans, loans to SMEs, and loans to large enterprises). Banks projected their overall stance on enterprise loans to record a net easing in July and August 2025 from an easing in all components of enterprise loans apart from loans to large enterprises.

However, the overall stance on loans to households eased during the June 2025 survey round from a net ease in stance on all components of household loans (namely loans for house purchases and consumer credit and other lending). Over the next two months, banks project a net easing in the overall stance on loans to households, driven mainly by a net ease on consumer credit and other lending, although the stance on loans for house purchases is expected to tighten.

On the demand side, the June 2025 survey further indicated a reduction in overall demand for enterprise loans from decreases in the demand for loans on all components of enterprise loans except long-term loans. Banks projected a net decreased demand for corporate loans over the next two months on account of a net decrease in the demand by small and medium-sized enterprises although demand for loans by large enterprises is projected to increase.

Credit demand by households recorded a net increase between April and June 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 surge in the demand for both consumer credit and loans for house purchases to drive a net 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's performance continued to improve in the first six months of the year. The sector remained profitable, with all banks recording profits for first half of 2025. The banking sector solvency and efficiency indicators pointed to relative improvement. The industry's outlook remains stable, with recapitalisation and enforcement of stringent credit underwriting standards, as well as intensified loan recovery efforts being critical to the performance of the sector going forward.

6. Macprudential Developments

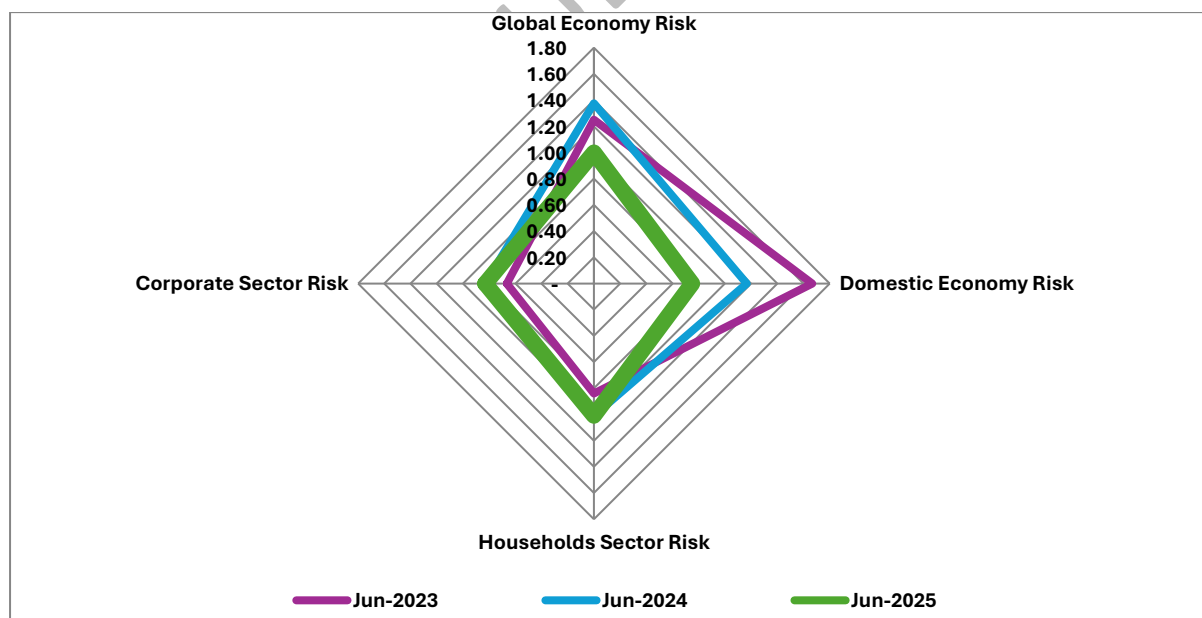
6.0 Overview

There has been an improvement in global and domestic macroeconomic risk levels in June 2025 compared to June 2024. The soundness of the banking sector, especially its resilience to shocks, has improved markedly, year-on-year. However, debt servicing remains a challenge for both the corporate and household sectors. The debt market has shown signs of renewed foreign investor sentiment following the successful completion of Ghana's debt restructuring.

6.1 Microfinancial Risk Assessment

The Bank of Ghana observed an improvement in global and domestic macroeconomic risk levels in June 2025 compared to June 2024. From the Cobweb framework, risk levels from both the global macroeconomy and the domestic macroeconomy improved in June 2025 relative to June 2024. This outcome was largely driven by sustained economic growth and declining inflation globally and domestically, alongside other domestic factors such as exchange rate appreciation, a stronger reserve position, and lower public debt levels. However, risks from the corporate and household sectors remained broadly unchanged, reflecting the relatively high non-performing ratio in the banking sector. In the outlook, global economic risks are expected to moderate in the near term, supported by a steady decline in inflation. However, downside risks remain, including the adverse effects of geopolitical tensions on growth, commodity prices, and financial conditions. On the domestic economy front, risk levels are projected to remain stable on the back of sustained growth amid monetary policy easing and the expected disinflationary trend. It is the expectation that the monetary policy rate cut, together with the reductions in the 91-day Treasury Bill and Interbank weighted average rate, will drive lending rates downwards. This will help moderate risk build-up in the corporate and household sectors.

Figure 6.1: Cobweb Diagram

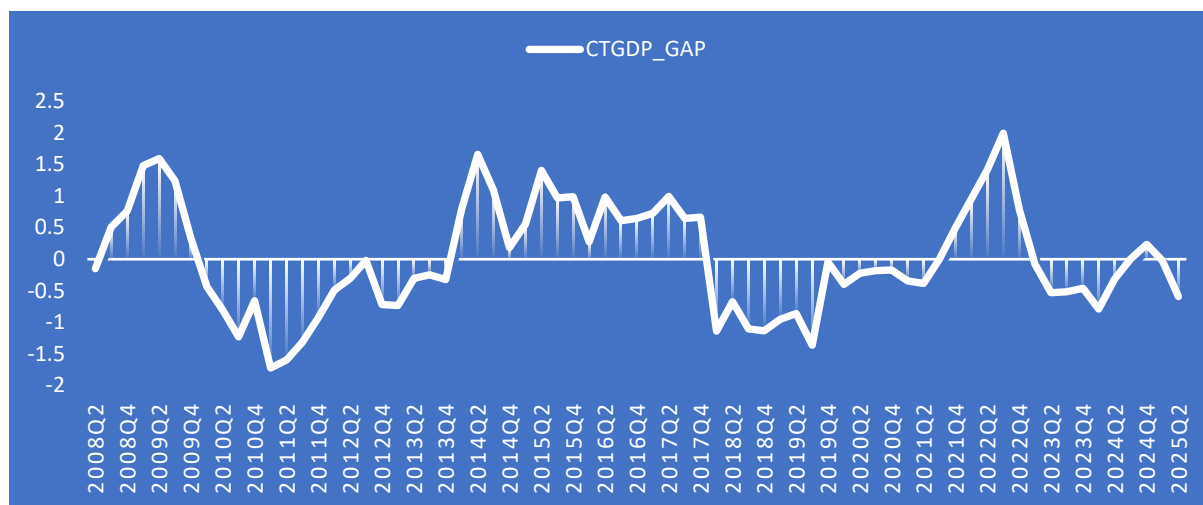


Source: Bank of Ghana

The private sector–credit to GDP gap is another measure of macrofinancial risk used in monitoring financial stability conditions. A positive credit-to-GDP gap indicates that total private sector credit extension relative to the size of the economy is above its long-term trend and vice versa. The negative credit-to-GDP gap recorded in June 2025 suggests that there is further scope to expand private sector

credit delivery without causing excessive build-up of risks in the economy, subject to sound credit risk management practices by the banking sector.

Figure 6.2: Credit-to-GDP Gap



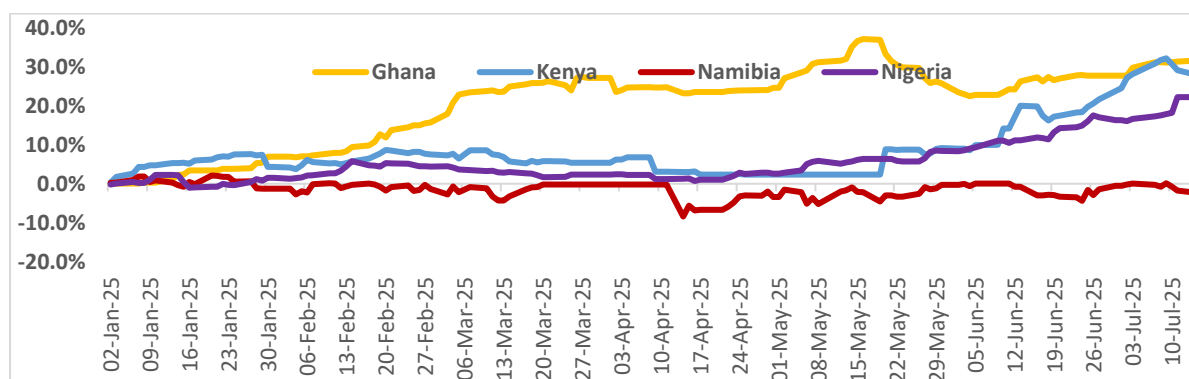
Source: Bank of Ghana

6.2 Risk of Capital Flight

While the Ghana Stock Market has outperformed its peers, foreign investors have taken advantage to realize capital gains by selling off their shares during the first half of the year. However, there was a gradual recovery of foreign investors' activities in the bond market.

The Ghana stock exchange (GSE) outperformed its peers in sub-Saharan Africa. This is partly due to the strong earnings of some listed institutions and favourable economic prospects. The positive performance is expected to contain foreign portfolio reversals from the equity market. As of July 15, 2025, the GSE recorded a year-to-date return of 32.0 per cent, compared to 28.1 per cent, -2.3 per cent, and 22.8 per cent for similar markets in Kenya, Namibia, and Nigeria over the same period.

Figure 6.3: Year-to-Date Returns of Selected Stock Markets in SSA - 2025

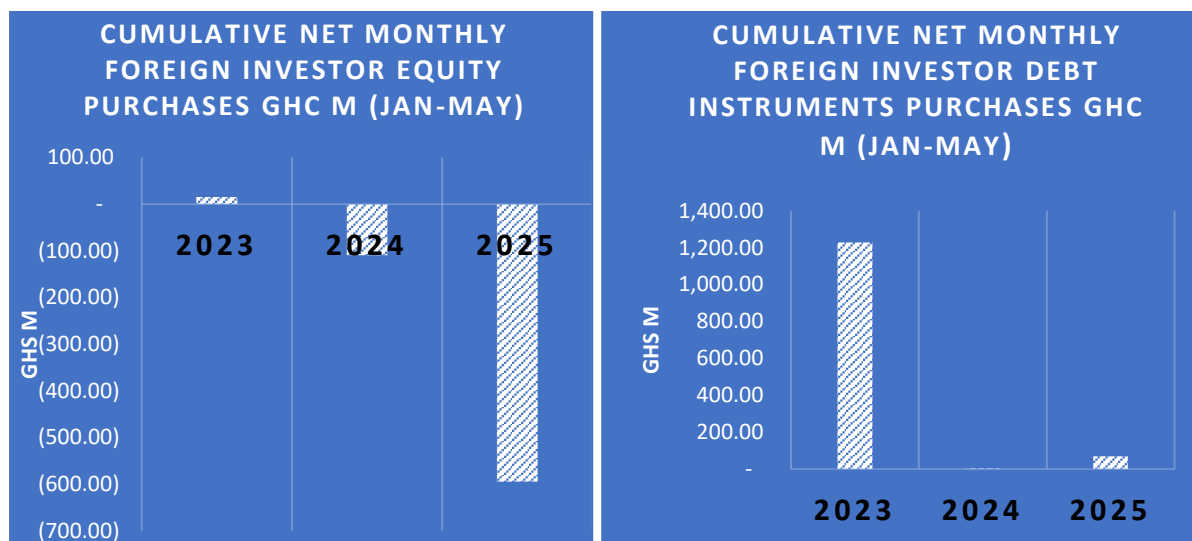


Source: Databank Group

As of end-May 2025, foreign investors on the equity market recorded a year-to-date net sell-off of GH¢594.42 million, significantly higher than the GH¢109.34 million recorded over the same period in 2024. The increasing sell-off partly reflects their desire to realize gains from the cedi's appreciation and the strong stock market performance experienced over the past two years.

The debt market has shown signs of renewed foreign investor sentiment following the successful completion of Ghana's debt restructuring. The foreign investors made net purchases of GH¢69.14 million in the first five months of 2025 compared with 3.89 million in 2024.

Figure 6.4: Foreign Investors' Cumulative Net Purchases in the equity and debt market

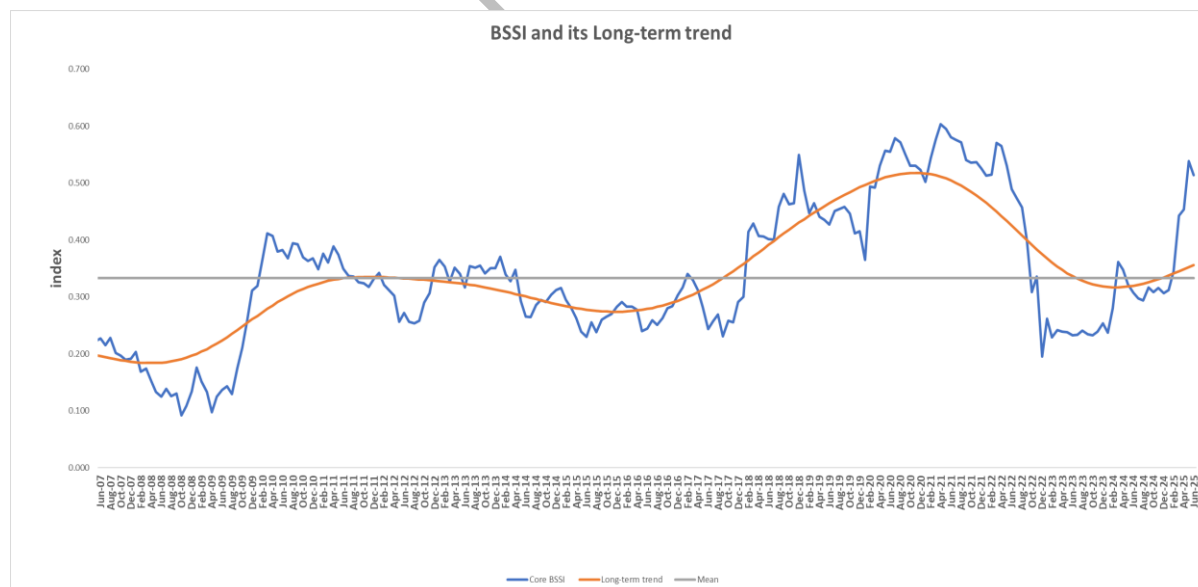


Source: Central Securities Depository

6.3 Banking Sector Soundness

The Banking Sector Soundness Index (BSSI) improved year-on-year on the back of improved solvency amid strong liquidity, cost-efficiency, and profitability of the sector. The non-performing loans ratio, though improved, remained elevated. That notwithstanding, the ongoing macroeconomic recovery has led to a significant moderation in the build-up of new non-performing loans.

Figure 6.5: Banking Sector Soundness Index (BSSI)



Source: Bank of Ghana

The heatmap shows a broad-based improvement in financial soundness indicators across the banking sector. It highlights the improvements in capital adequacy and profitability year-on-year. Notwithstanding these gains, non-performing loans remain elevated.

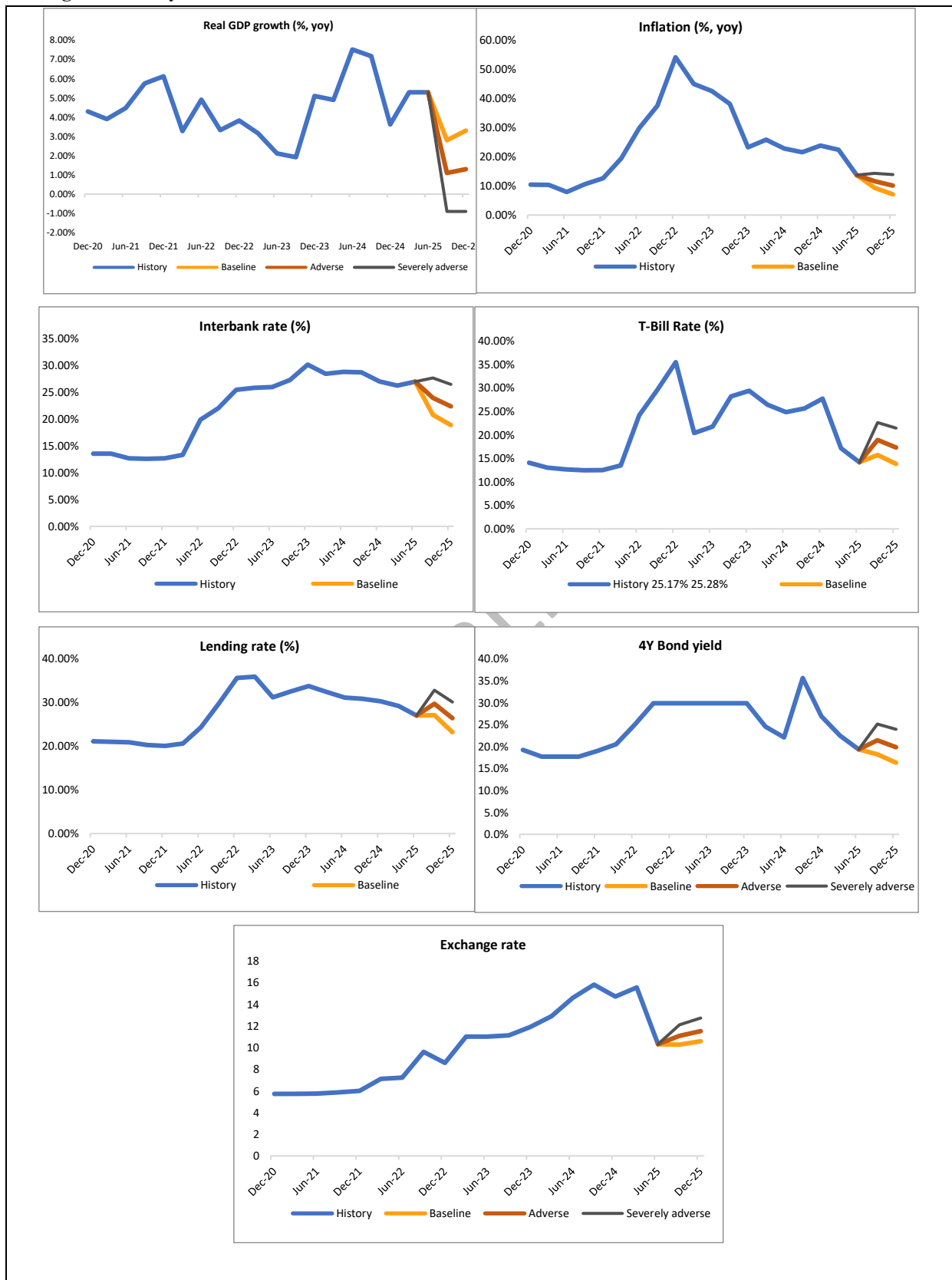
Table 6.1: Heatmap

FSIs	Jun-23	Sep-23	Dec-23	Mar-24	Apr-24	Jun-24	Sep-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Capital Adequacy														
Regulatory capital to risk weighted assets (Threshold - Without Reliefs)	7.36	7.39	8.27	11.69	11.48	10.55	11.17	11.28	11.15	12.10	15.54	15.84	18.58	17.83
Regulatory capital to risk weighted assets (Distribution - Without Reliefs)	7.36	7.39	8.27	11.69	11.48	10.55	11.17	11.28	11.15	12.10	15.54	15.84	18.58	18.24
Regulatory tier I capital to risk-weighted assets	11.60	11.03	11.04	13.56	12.95	11.46	11.51	11.13	10.83	11.74	14.89	13.96	16.64	16.28
Asset Quality														
Nonperforming loans net of loan-loss provision to capital	14.26	11.28	14.55	19.45	15.78	15.36	12.29	11.10	11.07	10.82	11.98	10.81	9.00	8.32
Nonperforming loans to total gross loans	18.71	17.99	20.58	26.74	25.66	24.13	22.77	21.79	22.55	22.57	23.44	23.57	23.52	23.09
Banks provisions to NPL	76.76	78.89	73.19	71.70	75.66	75.66	78.35	78.74	78.27	78.42	76.67	78.13	79.51	80.73
Earnings														
Return on assets	5.54	5.33	5.37	5.63	5.39	5.40	5.05	5.04	4.85	4.67	4.96	4.98	5.35	5.61
Return on equity	37.59	35.58	34.16	36.36	34.97	35.25	32.12	30.84	29.71	28.51	29.92	30.02	31.47	32.21
Interest margin to gross income	49.06	51.27	51.80	54.23	52.46	51.41	51.10	50.92	52.36	51.72	51.82	51.28	50.08	50.11
Liquidity														
Core liquid assets to total assets	26.77	24.73	29.34	30.99	33.77	34.47	35.39	36.16	36.15	37.41	36.24	35.36	31.23	27.50
Core liquid assets to short-term liabilities	32.29	29.83	35.48	37.32	40.61	41.39	42.54	43.31	43.61	45.23	43.47	42.51	38.03	33.68
Core liquid assets to total deposits	34.60	31.71	37.61	40.04	43.84	45.31	46.82	48.16	48.58	50.15	48.20	47.63	42.95	37.73
Broad liquid assets to total assets	63.78	64.73	65.69	68.35	68.21	67.55	67.58	66.87	68.19	69.08	69.44	69.93	70.29	69.67
Broad liquid assets to short-term liabilities	76.92	78.07	79.42	82.31	82.03	81.10	81.23	80.09	82.28	83.53	83.30	84.07	85.60	85.31
Efficiency														
Noninterest expenses to gross income	41.26	42.69	43.04	38.86	38.78	37.65	39.43	40.83	38.70	38.63	37.78	38.08	36.51	35.70
Personnel expenses to gross income	15.49	15.65	15.67	16.19	16.65	16.62	16.67	16.45	17.65	18.21	17.25	17.47	17.35	16.71
Color Code														
Performing Period	1st Best	2nd Best	3rd Best	4th Best										

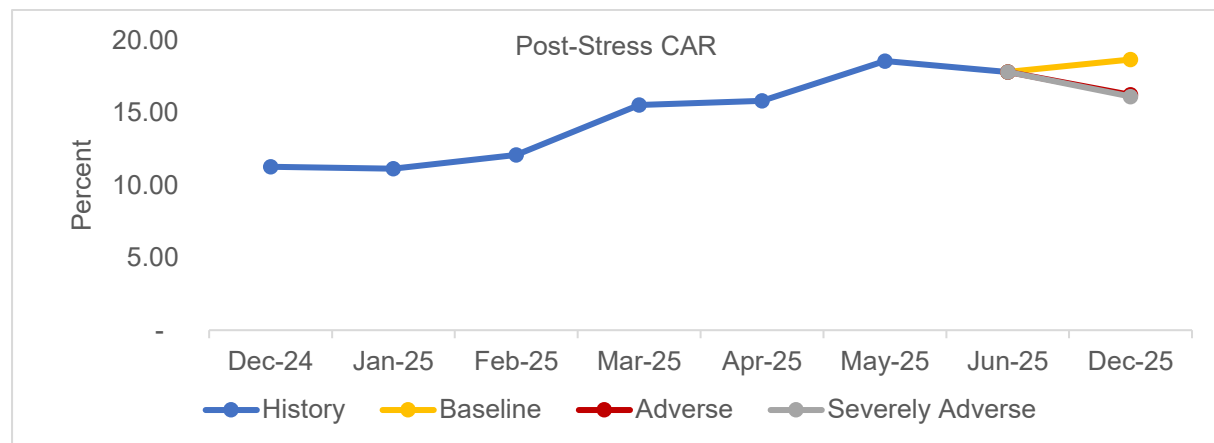
Source: Bank of Ghana

6.4 Banking Sector Resilience

The stress tests assessed the implications of macroeconomic developments in the outlook for the solvency conditions of the banking sector. The results of the stress tests indicated that the banking sector appears resilient to adverse macroeconomic developments, given the current strong capital positions of the banks. Again, a deterioration in macroeconomic conditions could negatively impact asset quality and increase operational costs, but these would be offset by gains from net interest income.

Figure 6.6: Key Macroeconomic Scenarios of Stress Tests

Source: Bank of Ghana

Figure 6.7: Results of Macro Stress Test

Source: Bank of Ghana

6.5 Conclusion

The macro-prudential assessment of the banking sector indicates that positive macroeconomic developments have supported the banking sector's performance and moderated systemic risk in H12025. The Bank's stress test results suggest that the banking sector's resilience to shocks has improved due to profit retention, capital injections, adequate liquidity, and moderation in the build-up of new non-performing loans. However, debt servicing remains a challenge for both the corporate and household sectors. It is expected that the ongoing macroeconomic recovery, restructuring of loans to eligible borrowers, and implementation of measures outlined in the Bank of Ghana's Regulatory Notice to banks on reducing NPLs will help address this challenge. In the near term, sustaining the macroeconomic gains would provide the impetus for a stronger recovery in the banking sector's intermediation capacity.

7. Fiscal Developments

7.0 Highlights

The provisional half year 2025 fiscal performance indicates that total revenue and grants grew, in year-on-year terms, by 30.5 percent. Despite the significant growth, the outturn was about 3.2 percent below target. Expenditures were broadly contained, 14.3 percent below the programmed target. The primary balance on commitment basis (the fiscal anchor) as at end-June 2025 recorded a surplus of 1.1 percent of GDP, surpassing the targeted surplus of 0.4 percent of GDP. The significant appreciation of the cedi has reduced the debt burden and improved debt sustainability.

7.1 Revenue and Grants

Total revenue and grants as of June 2025 was GH¢99,339.3 million (7.1% of GDP), less than the target of GH¢102,577.4 million (7.3% of GDP). This outturn represented a shortfall of 3.2 percent from the target but registered a year-on-year growth of 30.5 percent. The shortfall was mainly on the account of the underperformance of non-tax revenue, taxes on international trade, and grants.

Non-oil tax revenue was GH¢82,954.0 million (5.9% of GDP), accounting for 83.5 of the total revenue and grants, and was above its target of GH¢82,167 million (5.9% of GDP) by 1.0 percent. The overperformance was mainly due to corporate income tax exceeding its target by GH¢555.3 million (2.9%), and mineral royalties exceeding its target by GH¢143.0 million as well as the payment of a capital gains tax of GH¢2,500 million paid by Newmont Ghana Limited on its sale of Akyem Mines.

Non-oil non-tax revenue amounted to GH¢8,031.0 million (0.6% of GDP), representing 8.1 percent of total revenue and grants. The outturn was below its target of GH¢9,513 million (0.7% of GDP) by 15.6 percent. This is made-up of MDAs' IGF retention, IGF lodgement, fees & user charges, dividends/interest & profits, and surface rentals from oil. The underperformance was on account of lower than programmed dividend/interest & profits as well as fees and charges collections for the period.

Oil and gas receipts was GH¢3,541.0 million below the target of GH¢6,201.00. The underperformance was due to delays in receipts from corporate income tax from oil and the appreciation of the Ghana cedi.

Other Revenue Measures (ESLA) of GH¢4,084 million was received, accounting for 4.1 percent of total revenue and was above its target of GH¢3,627 million by 12.6 percent. The overperformance was mainly due to increased consumption of petroleum products.

Grants was GH¢730 million, which was below its target of GH¢1,069 million by 3.2 percent. This underperformance was on the back of slowdown in disbursement to repurpose government project loan portfolio.

7.2 Expenditure

Total expenditures for the review period amounted to GH¢109,594.2 million (7.8% of GDP) and within its programmed target of GH¢128,042.8 million (9.1% of GDP) by 14.4 percent. This outturn represented a year-on-year growth of 3.8 percent. All the expenditure lines were below target except for compensation of employees.

Table 7.1: Revenue and Grants

Million Ghana Cedis	2024	2025	2025	2025	2025/2024
	OUTTURN	OUTTURN	PROG	DEVIATION	Y-O-Y
	Q1+Q2	Q1+Q2	Q1+Q2	OVER(+)/ BELOW(-)	GROWTH
TAX REVENUE	60,367.2	84,348.5	85,297.45	(1.1)	39.7
TAXES ON INCOME & PROPERTY	29,346.6	43,733.3	41,778.30	4.7	49.0
Personal	9,377.0	12,832.5	13,161.37	(2.5)	36.9
Companies	12,363.8	19,946.6	19,391.32	2.9	61.3
Company Taxes on Oil	1,821.9	870.8	1,957.62	(55.5)	(52.2)
Others	5,783.9	10,083.3	7,267.99	38.7	74.3
TAXES ON DOMESTIC GOODS AND SERVICES	25,966.6	34,732.8	34,394.77	1.0	33.8
Excises	3,250.8	3,044.7	4,003.98	(24.0)	(6.3)
VAT	14,312.2	19,723.2	19,770.14	(0.2)	37.8
National Health Insurance Levy (NHIL)	3,066.4	4,588.9	3,903.76	17.6	49.7
GETFund Levy	3,066.5	4,561.7	3,916.71	16.5	48.8
Communication Service Tax	367.3	695.8	513.63	35.5	89.4
E-Transaction Levy	810.5	812.7	517.70	57.0	0.3
Covid-19 Health Levy	1,092.8	1,305.8	1,768.85	(26.2)	19.5
TAXES ON INTERNATIONAL TRADE	8,386.2	10,956.8	12,548.00	(12.7)	30.7
Imports Duty	8,386.2	10,956.8	12,548.00		
TAX REFUND	(3,332.2)	(5,074.4)	(3,423.63)	48.2	52.3
SOCIAL CONTRIBUTIONS	692.6	796.2	596.73	33.4	15.0
NON-TAX REVENUE	11,265.1	10,177.4	12,583.97	(19.1)	(9.7)
OTHER REVENUE	2,539.5	3,287.3	3,030.63	8.5	29.4
DOMESTIC REVENUE	74,864.3	98,609.4	101,508.8	(2.9)	31.7
GRANTS	1,237.9	729.9	1,068.6	(31.7)	(41.0)
Project Grants	1,237.9	729.9	1,068.6		
Programme Grants	0.0	0.0	726.3		
TOTAL REVENUE & GRANTS	76,102.2	99,339.3	102,577.4	(3.16)	30.5

Source: Ministry of Finance

Compensation of employees (including wages and salaries and social contributions) was GH¢38,842.49 million and accounted for 35.4 percent of total expenditure. This was marginally higher than the target of GH¢38,320.06 million by 1.4 percent and recorded year-on-year growth of 21.0 percent. In terms of fiscal flexibility, compensation of employees constituted 39.1 percent of domestic revenue mobilised during the period under review. The overrun was largely due to last-minute recruitments in late 2024 and ad-hoc reviews of conditions of service.

Use of goods and services totalled GH¢1,942.5 million, constituting 1.8 percent of total expenditure. This was below the target of GH¢3,158.5 million by 38.5 percent and recorded a year-on-year decline of 63.0 percent. The significant decline was on the back of commitment control measures by the government.

Table 7.2: Expenditure

<i>Million Ghana Cedis</i>	2024	2025	2025	2025	2025/2024
	OUTTURN	OUTTURN	PROG	DEVIATION	Y-O-Y
	Q1+Q2	Q1+Q2	Q1+Q2	OVER(+)/ BELOW(-)	GROWTH
Compensation of Employees	32,091.6	38,842.5	38,320.1	1.4	21.0
Use of Goods and Services	5,246.0	1,942.5	3,158.5	(38.5)	(63.0)
Interest Payment	19,028.5	25,422.9	30,504.7	(16.7)	33.6
Domestic	18,463.1	21,629.8	26,532.2	(18.5)	17.2
External (Due)	565.4	3,793.1	3,972.4	(4.5)	570.9
Subsidies	145.3	-	149.8	-	3.1
Grants to Other Government Units	19,272.1	24,866.4	24,921.9	(0.2)	29.0
Social Benefits	376.8	1,464.5	1,618.5	(9.5)	288.6
Other Expenditure	12,976.9	9,950.4	11,310.9	(12.0)	(23.3)
o/w Energy Sector Payment Shortfalls	10,600.6	9,106.2	6,376.9	42.8	(14.1)
Capital Expenditure	16,418.5	7,105.1	18,058.5	(60.7)	(56.7)
Domestic financed	8,904.1	3,951.7	8,641.9	(54.3)	(55.6)
Foreign financed	7,514.4	3,153.4	9,416.6	(66.5)	(58.0)
TOTAL EXPENDITURE	105,555.7	109,594.2	128,042.8	(14.4)	3.8

Source: Ministry of Finance

Total interest payments of GH¢25,422.9 million fell below the programmed target of GH¢30,504.7 million for the review period, accounting for 23.2 of total expenditure. Out of the total interest payments, domestic interest payment was GH¢21,629.8 falling below the target of GH¢26,532.2 million largely on the back of lower borrowing and interest cost. External interest payment of GH¢3,793.1 million also fell below its target of GH¢3,972.4 million due to the appreciation of the local currency, resulting in lower external debt service burden.

Capital expenditure of GH¢7,105.1 million (0.5% of GDP), representing 6.5 percent of total expenditure, was below its programmed target of GH¢18,058.5 million (1.3% of GDP) by 60.7 percent and registered a year-on-year decline of 56.7 percent. Capital expenditure comprised GH¢3,951.7 million in domestic-financed spending (significantly below the target of GH¢8,641.9 million), and GH¢3,153.4 million in foreign-financed spending (also falling short of the target of GH¢9,416.6 million). The underperformance of capital expenditure was largely due to a shortfall in ABFA revenue earmarked for the Big Push projects, the implementation of government commitment control measures, and the appreciation of the local currency.

Other expenditure amounted to GH¢9,950.4 million, representing 9.1 percent of total expenditure for the half year. This was 12 percent below the target of GH¢11,310.9 million and reflected a year-on-year decline of 23.3 percent. The underperformance was mainly due to the absence of programmed transfers to the GoldBod.

Grants to other government units amounted to GH¢24,866.4 million, representing 22.7 percent of total expenditure. This was 0.2 percent below the target of GH¢24,921.9 million but reflected a year-on-year growth of 29.0 percent.

7.3 Budget Balance and Financing

Government budgetary operations resulted in an overall budget deficit (cash basis) of GH¢15,119.5million (1.1% of GDP). This was less than the targeted deficit of GH¢32,961.7 million (2.4% of GDP) and the deficit of GH¢37,335.5 million (3.2% of GDP) for the corresponding period in 2024. The overall deficit was financed from both domestic and external sources. Government borrowed, on net basis, GH¢13,076.8 million from domestic sources and relied on net foreign financing of GH¢2,762.4 million. The corresponding primary balance (cash basis) for 2025H1 improved to a surplus of GH¢10,303.5 million (0.4% of GDP), from a deficit of GH¢18,307 million (1.6% of GDP) in the same period of 2024. The primary balance on commitment basis (the fiscal anchor) improved to a surplus of GH¢15,083.4 million (1.1% of GDP), from a deficit of GH¢4,161.3 million (0.4% of GDP) in the same period of 2024 surpassing the half year target of GH¢5,039.3 million (0.4% of GDP).

Table 7.3: Budget Balance and Financing

Million Ghana Cedis	2024	2025	2025	2025	2025/2024
	OUTTURN	OUTTURN	PROG	DEVIATION OVER(+)/ BELOW(-)	Y-O-Y GROWTH
	Q1+Q2	Q1+Q2	Q1+Q2		
Revenue & Grants	76,102.2	99,339.3	102,577.4	(3.16)	30.5
Expenditure	105,555.7	109,594.2	128,042.8	(14.4)	3.8
Overall balance (commitment)	(29,453.5)	(10,254.9)	(25,465.4)	(59.7)	(65.2)
<i>(percent of GDP)</i>	(2.5)	(0.7)	(1.8)		
Arrears Clearance (Net)	(14,145.7)	(4,779.9)	(7,496.3)	(36.2)	(66.2)
o/w Clearance of Arrears	(18,683.5)	(4,779.9)	(7,496.3)		(74.4)
o/w Payables build-up	4,537.8	0.0	0.0		
Overall balance (cash)	(43,599.2)	(15,034.8)	(32,961.7)	(54.4)	(65.5)
<i>(percent of GDP)</i>	(3.7)	-1.1	-2.4		
Discrepancy	6,263.6	(84.7)	0.0		
Overall balance (incl. Divestiture and Discrepancy)	(37,335.5)	(15,119.5)	(32,961.7)	-54.1	(59.5)
<i>(percent of GDP)</i>	(3.2)	-1.1	-2.4		
Financing	37,335.5	15,119.5	32,961.7	(54.1)	(59.5)
Foreign (net)	16,242.9	2,762.4	14,626.8	(81.1)	(83.0)
Borrowing	17,321.9	6,928.4	19,125.0	(63.8)	(60.0)

Project loans	6,276.5	2,423.4	8,348.0	(71.0)	(61.4)
Programme Loans	11,045.4	4,505.0	10,777.0		
o/w IMF	7,189.8	4,505.0	5,878.4		
o/w World Bank DPO	3,855.6	-	4,898.6		
Sovereign Bond	-	0.0	-		
Amortisation (due)	(1,078.9)	(4,166.1)	(4,498.2)	(7.4)	286.1
Domestic (net)	21,603.3	13,076.8	18,865.6	(30.7)	(39.5)
Banking	(3,146.8)	(568.2)	9,976.2	(105.7)	(81.9)
Bank of Ghana	(4,075.0)	4,582.7	-		(212.5)
Comm. Banks	928.2	(5,150.9)	9,976.2	(151.6)	(654.9)
Non-banks	24,750.1	13,645.0	8,889.4		(44.9)
Ghana Petroleum Funds	(814.1)	(719.7)	(430.2)		(11.6)
Transfer to Ghana Petroleum Funds	(1,336.7)	(825.2)	(1,434.1)		(38.3)
o/w Stabilisation Fund	(935.7)	(577.6)	(1,003.9)		(38.3)
o/w Heritage Fund	(401.0)	(247.5)	(430.2)		(38.3)
Transfer from Stabilisation Fund	522.6	105.5	1,003.9		
Sinking Fund	303.3	-	(100.4)		
Contingency Fund	-	-	-		
Nominal GDP (Including Oil)	1,176,219.9	1,400,006.1	1,400,006.1		
Nominal GDP (Excluding oil)	1,128,205.1	1,350,563.8	1,350,563.8		

Source: Ministry of Finance

7.4 Public Debt Analysis

The outstanding stock of public debt as of end-June 2025 stood at GH¢613,000.06 million, equivalent to 43.8 percent of GDP. This reflects a decline of GH¢113,679.94 million (8.1 percent of GDP) from the end-December 2024 level of GH¢726,680.00 million (61.8 percent of GDP). For the corresponding period in 2024, the debt-to-GDP ratio was 63.3 percent. The reduction was largely driven by the restructuring of Eurobond debt and the significant appreciation of the Ghana cedi. Of the total public debt, external debt amounted to GH¢300,278.09 million (21.45 percent of GDP), while domestic debt stood at GH¢312,722.51 million (22.34 percent of GDP). In terms of the composition of total public debt, external debt accounted for approximately 49 percent, with domestic debt representing the remaining 51 percent.

Table 7.4: Public Debt

	2024	2024	2025	2025	2025	2025	2025	2025	Jun 2025 - Dec 2024
	JUNE	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	CHANGE
TOTAL DOMESTIC DEBT (GH¢m)	289,994.4	309,844.8	320,079.9	328,036.0	326,903.1	322,295.4	315,630.3	312,722.5	2,877.7
SHORT TERM	93,542.5	111,165.7	121,185.1	125,962.4	124,988.6	121,822.7	117,440.3	114,734.1	3,568.4
MEDIUM-TERM	127,374.6	129,051.2	129,422.1	131,053.5	130,943.1	129,624.0	127,176.7	126,984.6	(2,066.6)
LONG-TERM	67,771.6	68,559.9	68,559.9	70,116.2	70,116.2	70,116.2	70,495.8	70,483.5	1,923.6
STANDARD LOANS	1,305.7	1,068.1	912.9	903.8	855.1	732.5	517.5	520.3	(547.7)
HOLDINGS OF DOMESTIC DEBT (GH¢m)	288,688.7	309,844.8	320,079.9	328,036.0	326,903.1	322,295.4	315,630.3	312,722.5	2,877.7
BANKING SYSTEM	136,270.8	135,756.9	139,066.2	141,488.5	135,691.3	133,060.1	126,837.1	125,665.5	(10,091.4)
NON-BANK	139,211.2	159,604.8	166,505.2	171,422.1	176,331.5	174,334.6	174,817.0	173,202.2	13,597.4
FOREIGN SECTOR (Non-Resident)	13,206.7	13,415.0	13,595.7	14,221.6	14,025.2	14,168.2	13,458.7	13,334.4	(80.6)
STANDARD LOANS		1,068.1	912.9	903.8	855.1	732.5	517.5	520.3	(547.7)
TOTAL EXTERNAL(US\$m)	31,222.0	28,322.6	28,223.7	28,325.1	28,479.8	28,822.1	28,825.1	29,110.3	787.6
MULTILATERAL	10,202.0	11,235.7	11,297.4	11,363.5	11,390.6	11,537.0	11,506.5	11,637.2	401.5
BILATERAL	5,459.8	5,274.0	5,278.8	5,313.2	5,403.5	5,552.5	5,545.1	5,664.2	390.2
COMMERCIAL	15,560.2	11,812.9	11,647.5	11,648.3	11,685.7	11,732.6	11,773.5	11,808.9	(4.0)
TOTAL EXTERNAL(GH¢m)	454,851.0	416,835.2	432,040.0	440,109.0	442,513.7	408,037.1	296,469.3	300,278.1	(116,557.1)
TOTAL PUBLIC DEBT (GH¢m)	744,845.4	726,680.0	752,119.9	768,145.0	769,416.8	730,332.5	612,099.6	613,000.6	(113,679.4)
EXCHANGE RATE (End Period Selling MOF)	14.5683	14.7174	15.3077	15.5378	15.5378	14.1571	10.2851	10.3152	
MEMORANDUM ITEMS									
NOMINAL GDP (GH¢m)	1,176,219.9	1,176,219.9	1,400,006.1	1,400,006.1	1,400,006.1	1,400,006.1	1,400,006.1	1,400,006.1	
TOTAL DEBT /GDP RATIO (%)	63.33	61.78	53.72	54.87	54.96	52.17	43.72	43.79	
EXTERNAL DEBT/GDP	38.7	35.4	30.9	31.4	31.6	29.1	21.2	21.4	
DOMESTIC DEBT/GDP	24.7	26.3	22.9	23.4	23.4	23.0	22.5	22.3	
EXTERNAL DEBT/TOTAL DEBT	61.1	57.4	57.4	57.3	57.5	55.9	48.4	49.0	
DOMESTIC DEBT/TOTAL DEBT	38.9	42.6	42.6	42.7	42.5	44.1	51.6	51.0	

Source: Bank of Ghana, Ministry of Finance

7.5 Outlook

Systemic revenue leakages at key customs collection points, along with the smuggling of goods, continue to undermine revenue mobilisation efforts. Wage and salary overruns are placing significant pressure on the compensation budget and pose a threat to fiscal consolidation. Additionally, rising fuel costs to support power generation could place further pressure on the national budget and warrant close monitoring.

7.6 Conclusion

The fiscal performance for the first half of 2025 showed significant improvement, with the primary balance on a commitment basis (the fiscal anchor) recording a surplus of 1.1 percent of GDP, surpassing the target of 0.4 percent. Total revenue and grants posted a mixed performance: while non-oil tax revenue exceeded targets, petroleum receipts, non-oil non-tax revenue, and grants underperformed. Expenditures were tightly managed, with total spending 14.3 percent below the programmed amount. Interest payments declined, driven by reduced borrowing, lower interest costs, and the appreciation of the local currency. Budget financing relied heavily on domestic sources, with net domestic financing amounting to GH¢13,076.8 million—well below the target. The record appreciation of the Ghana cedi contributed to a reduction in the debt burden and accelerated progress toward debt sustainability.

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8. Price Developments

8.0 Highlights

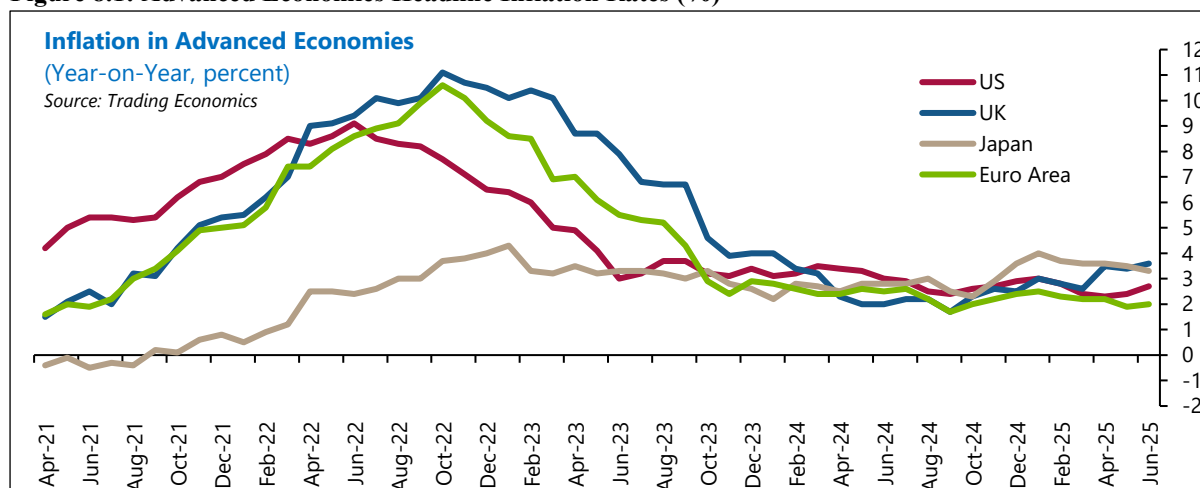
Domestic inflation has declined consistently through the first half of 2025, cumulatively dropping by 10.1 percentage points since December 2024. The decline has been broad-based, across both the food and non-food categories. It has also been driven by tight monetary policy and a sharp appreciation of the domestic currency. Staff projections show a high probability of inflation declining to 12 percent in the third quarter of 2025 and further down to the medium-term target of 8 ± 2 percent by the end of 2025.

8.1 Global Growth and Inflation Developments

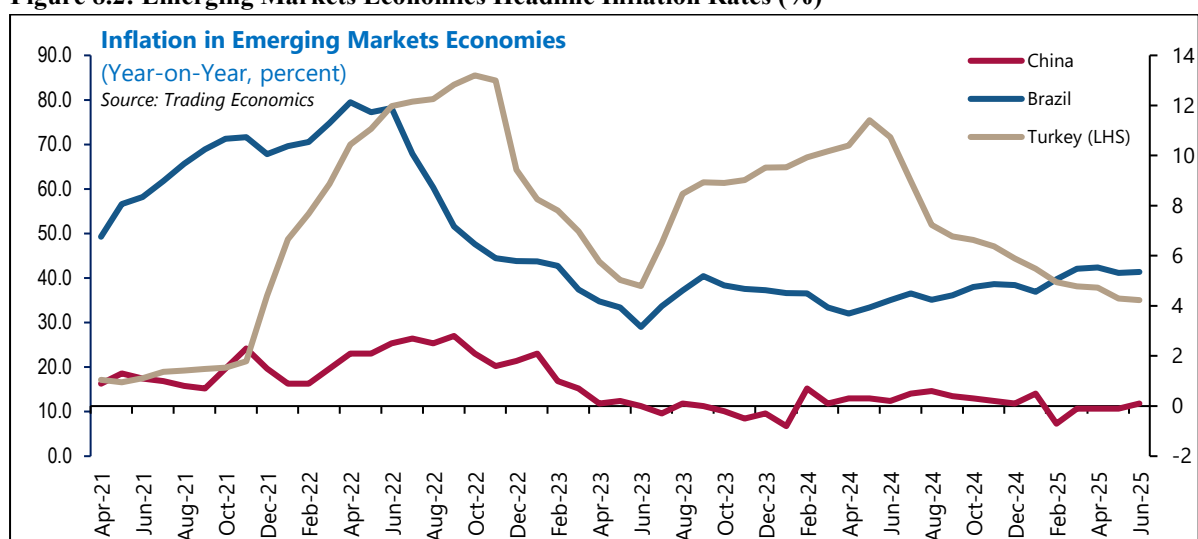
The global disinflation process has stalled in some advanced economies, primarily due to rising food, energy and services costs. Moreover, recent U.S. tariff actions and corresponding retaliatory measures have heightened long-term inflation expectations in many emerging market economies. As a result, global inflation is projected to remain elevated in the near-term, with some upside risks—mainly stemming from persistent trade protectionism and policy uncertainty. Global inflation is expected to return to target levels sooner in advanced economies, reaching 2.2 percent by 2026 from 2.5 percent in 2025. In contrast, emerging market and developing economies will see a slower decline, with inflation easing to 4.6 percent from 5.5 percent over the same period (World Economic Outlook, April 2025).

Global economic activity is expected to be significantly impacted by the rapid escalation of trade tensions and exceptionally high levels of policy uncertainty. The direct effects of new trade measures—alongside their indirect spillovers through heightened uncertainty and deteriorating sentiments—prompted a downgrade of global growth projections (World Economic Outlook, April 2025). These revisions were broad-based across regions, reflecting widespread vulnerabilities. Moreover, high-frequency indicators, such as purchasing managers' surveys, further signal a slowdown in growth momentum.

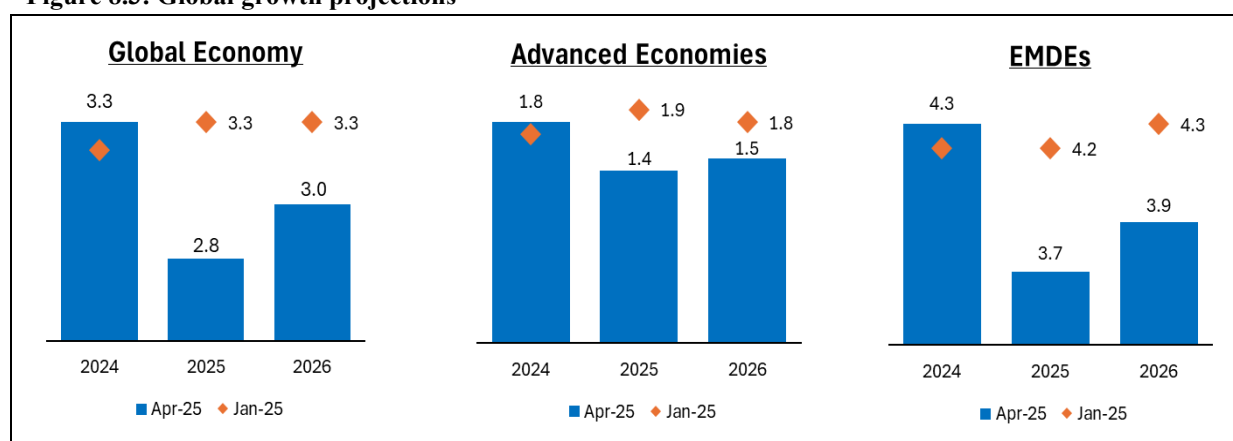
Figure 8.1: Advanced Economies Headline Inflation Rates (%)



Source: Trading Economics

Figure 8.2: Emerging Markets Economies Headline Inflation Rates (%)

Source: Trading Economics

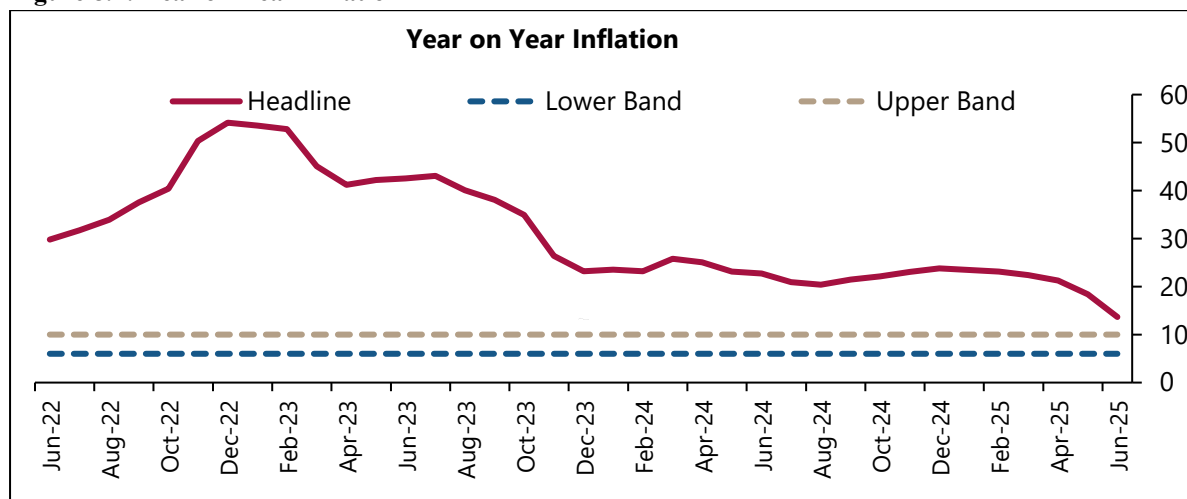
Figure 8.3: Global growth projections

Source: IMF WEO, April 2025

8.2 Domestic Price Developments

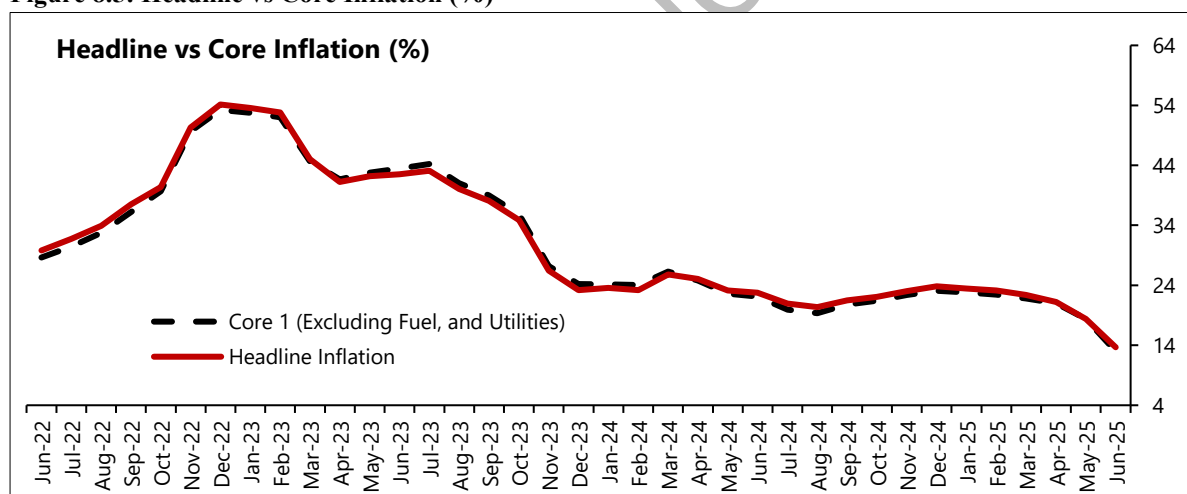
Domestic inflation declined steadily throughout the first half of 2025, with broad-based moderation across both food and non-food categories. Headline inflation fell to 13.7 percent in June 2025, down from 23.8 percent in December 2024, driven by tight monetary policy and a sharp appreciation of the domestic currency. This represents a cumulative decline of 10.1 percentage points over the six-month period.

Non-food inflation dropped significantly from 20.3 percent in December 2024 to 11.4 percent in June 2025, while food inflation also saw a sharp decline—falling to 16.3 percent from 27.8 percent over the same period. These improvements were largely due to a 42.6 percent year-to-date appreciation of the Ghana Cedi as at June 2025, which helped ease imported inflation, stabilize prices and re-anchor inflation expectations. Additionally, stepped-up liquidity sterilization efforts and a downward revision in ex-pump petroleum prices, which triggered a 15 percent reduction in transport fares, further supported the disinflation process.

Figure 8.4: Year on Year Inflation

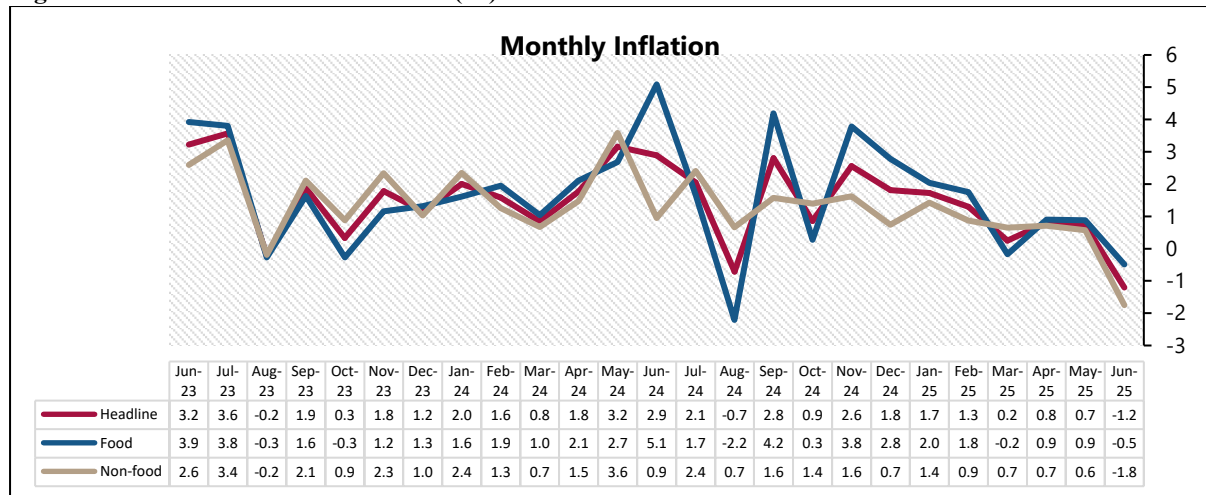
Source: GSS and Bank of Ghana Staff Calculations

The Bank's main measure of core inflation continues to ease. The core inflation rate, which excludes energy and utility items from the consumer basket, fell to 13.0 percent in June 2025 from 23.1 percent in December 2024. An assessment of inflation expectations which incorporates surveys of banks, businesses, and consumers, indicates well-anchored inflation expectations across all economic sectors.

Figure 8.5: Headline vs Core Inflation (%)

Source: GSS and Bank of Ghana Staff Calculations

On a month-on-month basis, headline inflation fell sharply to -1.2 percent in June 2025 from 0.7 percent in May 2025, on account of the 15 percent reduction in transport fares which took effect in May 2025 and the recent appreciation in the Cedi. Monthly food inflation dropped to -0.5 percent in June 2025 from 0.6 percent in May 2025. Similarly, month-on-month non-food inflation dropped significantly to -1.8 percent from 0.6 percent over the same period.

Figure 8.6: Month-on-Month Inflation (%)

Source: Ghana Statistical Service

Table 8.1: CPI Components

CPI Components (%)													
	Weights (%)	2023	2024					2025					
		Dec	Apr	May	Jun	Jul	Dec	Jan	Feb	Mar	Apr	May	Jun
Overall	100.0	23.2	25.0	23.1	22.8	20.9	23.8	23.5	23.1	22.4	21.2	18.4	13.7
Food and Beverages	42.7	28.7	26.8	22.6	24.0	21.5	27.8	28.6	28.1	26.5	25.0	22.8	16.3
Non-food	57.4	18.7	23.5	23.6	21.6	20.5	20.3	19.2	18.8	18.7	17.9	14.4	11.4
Alcoholic Beverages, Tobacco & Narcotics	3.9	38.2	39.4	34.2	32.3	26.8	28.4	27.2	25.6	23.8	24.0	22.4	16.0
Clothing and footwear	8.0	22.3	23.8	20.5	18.2	16.9	20.0	19.8	19.2	19.3	19.7	19.3	17.2
Housing and Utilities	10.2	19.5	28.1	26.9	26.0	28.6	26.3	24.6	24.3	25.1	22.5	21.6	24.9
Furnishings, Household Equipment	3.2	26.9	21.3	17.9	17.0	14.3	16.7	15.3	15.4	15.3	15.1	13.9	10.5
Health	0.7	23.0	31.2	26.5	22.6	21.2	21.4	18.4	16.6	16.8	15.0	14.1	11.3
Transport	10.5	4.4	10.3	20.3	19.0	18.1	16.8	16.9	17.9	16.8	14.9	3.1	-8.5
Information and Communication	3.6	14.2	14.7	13.2	10.4	10.1	12.0	11.6	10.8	10.8	10.9	9.7	10.4
Recreation & Culture	3.5	24.9	28.7	24.1	20.5	17.1	17.4	17.4	16.5	20.7	22.8	22.5	20.1
Education	6.6	13.9	23.4	25.2	20.9	18.0	19.1	13.9	12.3	11.3	11.7	6.3	6.0
Restaurants and accommodation services	4.3	28.0	33.9	31.6	30.7	28.3	16.5	16.5	14.2	13.3	10.7	10.4	9.6
Insurance and Financial services	0.4	8.1	9.6	8.7	6.2	11.3	16.5	15.4	16.1	16.6	16.9	16.9	15.9
Personal care, social protection & Miscellaneous services	2.5	31.1	31.9	24.3	19.5	16.0	19.3	17.9	17.1	17.4	17.2	17.2	11.4

Source: Ghana Statistical Service

8.3 Inflation Risk Assessment and Outlook

Headline inflation is expected to decline to 12 percent in the third quarter of 2025 and further down to the medium-term target of 8 ± 2 percent by the end of 2025, reflecting the impact of monetary policy tightening, the appreciation of the cedi, and the ongoing fiscal consolidation.

Moreover, supply-side pressures have eased, reducing their contribution to food and headline inflation. In the outlook, risks to inflation are tilted to the downside. However, upside risks remain, including broader supply chain challenges, global trade tensions, a 2.5 percent upward adjustment in utility tariffs, and the introduction of a new GHS 1.0 energy levy on ex-pump prices, which could impact inflation.

Going forward, exchange rate stability is expected to persist, supported by significant improvements in the external sector. These improvements have led to the accumulation of international reserves, far exceeding the ECF-supported program target, which will further aid the disinflation process. Additionally, factors such as a tight monetary policy stance, ongoing fiscal consolidation, and stable crude oil prices could help offset the upside risks to disinflation.

Decision on the Monetary Policy Rate

Overall, the Committee noted that macroeconomic conditions have significantly improved, inflation expectations are broadly anchored, external buffers have strengthened, and confidence in the economy is returning. The July forecast also shows that headline inflation is expected to decline further in the third quarter of 2025 and trend within the medium-term target of 8 ± 2 percent by the end of 2025, earlier than initial projections. However, there are upside risks to the inflation outlook, which include potential supply chain challenges emanating from the global trade tensions, and upward adjustment in utility tariffs. This notwithstanding, the impact of these risks on inflation are expected to be offset by appropriately tight monetary policy stance and continued fiscal consolidation.

Given these considerations, the Committee, by a majority decision, voted to lower the Monetary Policy Rate by 300 basis points to 25.0 percent. Looking ahead, the Committee will continue to assess incoming data and likely reduce the policy rate further, should the disinflation trend continue. The Committee remains committed to the price stability mandate, while creating conditions for inclusive and sustainable growth.

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APPENDIX

Table A.1: 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)										
	May-23	Jun-23	Dec-23	Jun-24	Sep-24	Dec-24	Mar-25	May-25	Jun-25	
1 Net Foreign Assets	(4341.98)	649.68	21710.89	49084.99	65801.73	87417.32	102671.42	75204.72	75772.12	
Bank of Ghana	(17154.60)	(13750.27)	4021.06	23057.19	34489.38	47647.12	65439.11	50189.42	57633.89	
Commercial Banks	12812.61	14399.95	17689.83	26027.80	31312.35	39770.20	37232.31	25015.30	18138.23	
2 Net Domestic Assets	211287.26	208970.93	228308.31	231954.03	245378.55	242321.48	241260.50	250805.60	249222.50	
ow: Claims on government (net)	144436.51	137161.10	115681.46	117391.93	130147.19	113291.69	114016.14	108639.33	108861.84	
ow: Claims on Private sector(Incl. PE's)	86924.88	87839.24	86096.51	93719.28	101487.64	105901.21	104292.76	96693.98	99507.29	
BOG OMO Sterilisation Acc.	(31024.06)	(27273.48)	(24795.37)	(16244.51)	(21138.18)	(18142.88)	(35561.16)	(60803.22)	(75269.68)	
5 Total Liquidity (M2+)	206945.28	209620.61	250019.20	281039.02	311180.28	329738.77	343931.92	326010.32	324994.62	
ow: Broad Money Supply (M2)	149200.43	150070.56	185425.80	203530.25	229253.49	247761.93	255756.31	267720.94	265190.99	
ow: Foreign Currency Deposits(\$million)	57744.85	59550.05	64593.40	77508.78	81926.79	81976.84	88175.61	58289.38	59803.63	
Change from previous year (in per cent)										
8 Net Foreign Assets	(34.09)	(108.70)	(310.35)	7455.25	(3972.59)	302.64	201.22	78.59	54.37	
9 Net Domestic Assets	41.58	36.92	19.79	11.00	11.10	6.14	6.27	7.19	7.44	
ow: Claims on government (net)	52.27	42.22	(9.28)	(14.41)	9.93	(2.07)	(3.66)	(11.53)	(7.27)	
ow: Claims on Private sector(Incl. PE's)	24.64	23.12	1.20	6.69	15.14	23.00	21.00	6.86	6.18	
ow: BOG OMO Sterilisation Acc.	(498.64)	(495.08)	(220.96)	40.44	42.22	26.83	(57.31)	(268.27)	(363.35)	
12 Total Liquidity (M2+)	45.08	44.41	38.69	34.07	41.99	31.89	31.71	18.08	15.64	
13 Broad Money Supply (M2)	41.29	40.93	37.21	35.62	44.50	33.62	34.48	34.76	30.30	
14 Foreign Currency Deposits (FCDs)	55.89	54.00	43.15	30.16	35.38	26.91	24.30	(24.71)	(22.84)	
Cummulative change from previous year end (in per cent)										
15 Net Foreign Assets	(57.93)	(106.29)	(310.35)	126.08	203.08	302.64	17.45	(13.97)	(13.32)	
16 Net Domestic Assets	10.86	9.65	19.79	1.60	7.48	6.14	(0.44)	3.50	2.85	
ow: Claims on government (net)	13.27	7.56	(9.28)	1.48	12.50	(2.07)	0.64	(4.11)	(3.91)	
18 Broad Money(M2+)	14.80	16.28	38.69	12.41	24.46	31.89	4.30	(1.13)	(1.44)	
Annual per cent contribution to money growth										
19 Net Foreign Assets	1.57	5.59	17.77	23.11	30.80	26.28	26.27	11.99	9.50	
20 NDA	43.51	38.82	20.92	10.96	11.19	5.60	5.45	6.10	6.14	
21 Total Liquidity (M2+)	45.08	44.41	38.69	34.07	41.99	31.89	31.71	18.08	15.64	
Memorandum items										
22 Reserve Money	61727.91	62343.44	87987.66	110578.33	120771.47	130481.72	143154.12	138174.99	112735.91	
23 NFA (\$million)	(395.75)	59.08	1827.52	3365.21	4164.67	5946.76	6611.17	7337.05	7349.38	
24 Currency ratio	0.18	0.18	0.18	0.19	0.20	0.24	0.22	0.24	0.22	
25 FCD/M2+	0.28	0.28	0.26	0.28	0.26	0.25	0.26	0.18	0.18	
26 FCD/Total Deposit	0.33	0.33	0.30	0.33	0.32	0.31	0.31	0.22	0.22	
27 RM multiplier	2.42	2.41	2.11	1.84	1.90	1.90	1.79	1.94	2.35	

Source: Bank of Ghana Staff Calculations

Table A.2: 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)									
	Jun-23	Dec-23	Jun-24	Sep-24	Dec-24	Mar-25	May-25	Jun-25	
1 Net Foreign Assets (NFA)	(13,750.27)	4021.1	23057.2	34489.4	47647.1	65439.1	50189.4	57633.9	
2 Net Domestic Assets (NDA)	76093.7	84278.4	87521.1	86282.1	82834.6	77715.0	87985.6	55102.0	
of which:									
3 ow: Claims on government (net)	82951.8	54356.1	55138.4	69537.6	56031.5	56703.2	56530.1	53033.0	
4 Claims on DMB's (net)	(8502.2)	(9878.4)	(13451.5)	(26897.1)	(21783.3)	(15238.3)	(14131.6)	(27840.7)	
5 OMO Sterilisation Account.	(27273.5)	(24795.4)	(16244.5)	(21138.2)	(18142.9)	(35561.2)	(60803.2)	(75269.7)	
6 Reserve Money (RM)	62343.4	88299.4	110578.3	120771.5	130481.7	143154.1	138175.0	112735.9	
7 ow:Currency	31238.5	37620.7	44895.6	52752.8	64127.7	61995.8	62084.4	58090.4	
8 DMB's reserves	25888.2	38050.2	58972.2	60760.4	58769.1	73241.6	67995.3	46779.8	
9 Non-Bank deposits	5216.7	12628.5	6710.6	7258.3	7584.9	7916.7	8095.3	7865.8	
Change from previous year (in per cent)									
10 Net Foreign Assets	114.8	(123.0)	(267.7)	(312.1)	1084.9	393.8	212.1	150.0	
11 Net Domestic Assets	39.3	(1.5)	15.0	8.2	(1.7)	2.6	(4.6)	(37.0)	
ow: Claims on government (net)	61.3	(31.1)	(33.5)	11.5	3.1	13.2	(0.9)	(3.8)	
13 Claims on DMB's (net)	(81.7)	(143.5)	(58.2)	(131.1)	(120.5)	4.9	(18.6)	(107.0)	
14 OMO Sterilisation Account.	(495.1)	(221.0)	40.4	42.2	26.8	(57.3)	(268.3)	(363.4)	
15 Reserve Money (RM)	(8.5)	29.7	25.2	36.8	47.8	9.7	5.9	(13.6)	
16 ow:Currency	(0.6)	19.7	19.3	40.2	70.5	(3.3)	(3.2)	(9.4)	
Cummulative change from previous year end (in per cent)									
17 Net Foreign Assets (NFA)	(21.4)	(123.0)	473.4	757.7	1084.9	37.3	5.3	21.0	
18 Net Domestic Assets (NDA)	(11.1)	(1.5)	3.8	2.4	(1.7)	(6.2)	6.2	(33.5)	
19 ow: Claims on government (net)	5.2	(31.1)	1.4	27.9	3.1	1.2	0.9	(5.4)	
20 Reserve Money (RM)	(8.5)	29.7	25.2	36.8	47.8	9.7	5.9	(13.6)	
Annual per cent contribution									
21 Net Foreign Assets	(15.23)	31.58	59.04	79.93	49.41	58.63	31.50	31.27	
22 Net Domestic Assets (NDA)	44.47	(1.93)	18.33	10.27	(1.64)	2.20	(3.89)	(29.32)	
23 RM growth (y-o-y)	29.24	29.65	77.37	90.20	47.77	60.83	27.61	1.95	

Source: Bank of Ghana Staff Calculations

Table A.3: DMB's Credit Allocations (GH¢ Millions, unless otherwise stated)

	Levels (GH¢ Millions)			Year -On-Year Variation					
	Jun-23	Jun-24	Jun-25	As at end-June .2023		As at end June .2024		As at end-June. 2025	
				Abs	Percent	Abs	Percent	Abs	Percent
a Public Sector	6,754.31	6,416.98	4,411.57	552.49	8.91	(337.33)	(4.99)	(2,005.41)	(31.25)
b Private Sector	66,370.96	78,061.73	84,752.43	9,210.01	16.11	11,690.77	17.61	6,690.70	8.57
Agric., For. & Fish.	2,619.62	3,047.99	3,505.61	575.17	28.13	428.37	16.35	457.62	15.01
Export Trade	474.92	577.22	514.08	229.50	93.51	102.30	21.54	(63.14)	(10.94)
Manufacturing	7,739.05	8,986.70	9,405.91	1,704.23	28.24	1,247.65	16.12	419.21	4.66
Trans., Stor., & Comm.	3,770.45	4,810.42	4,018.45	669.33	21.58	1,039.97	27.58	(791.97)	(16.46)
Mining & Quarrying	2,489.31	2,751.86	2,527.78	1,159.06	87.13	262.54	10.55	(224.08)	(8.14)
Import Trade	4,904.19	7,212.92	7,070.12	2,972.82	153.92	2,308.73	47.08	(142.80)	(1.98)
Construction	6,503.67	7,405.79	7,478.35	539.44	9.04	902.12	13.87	72.56	0.98
Commerce & Finance	9,828.76	11,507.33	13,213.80	(1,097.97)	(10.05)	1,678.57	17.08	1,706.47	14.83
Elect., Gas & Water	2,606.11	2,275.37	2,255.83	(23.54)	(0.90)	(330.73)	(12.69)	(19.54)	(0.86)
Services	21,235.79	24,890.15	31,810.31	2,151.38	11.27	3,654.36	17.21	6,920.15	27.80
Miscellaneous	4,199.07	4,595.97	2,952.19	330.59	8.55	396.90	9.45	(1,643.78)	(35.77)
c Grand Total	73,125.27	84,478.71	89,164.00	9,762.49	15.41	11,353.44	15.53	4,685.30	5.55

Source: Bank of Ghana

Table A.4: Asset and Liability Structure of the Banking Sector

	Jun-22	Jun-23	Jun-24	Apr-25	Jun-25
Components of Assets (% of Total)					
Cash and Due from Banks	23.4	27.7	35.8	36.6	28.9
Investments	40.5	37.1	33.2	34.7	42.3
Net Advances	28.1	25.8	21.4	19.3	19.0
Others	8.0	9.4	9.6	9.4	9.9
Components of Liabilities and Shareholders' Funds (% of Total)					
Total Deposits	65.7	77.4	76.1	74.2	72.9
Total Borrowings	13.2	6.6	7.2	8.4	8.6
Shareholders' Funds	13.1	9.2	10.0	11.3	12.5
Other Liabilities	8.0	6.6	6.5	5.8	5.6

Source: Bank of Ghana Staff Calculations

Table A.5: Credit Growth

Economic Sector	GH¢million				y/y growth (%)	
	Jun-23	Jun-24	Apr-25	Jun-25	Jun-24	Jun-25
Public Sector	6,754.31	6,416.98	5,371.95	4,411.57	-5.0	-31.3
Private Sector	66,370.96	78,113.05	86,812.87	85,291.32	17.7	9.2
- Private Enterprises	48,643.78	57,447.21	60,583.75	59,981.12	18.1	4.4
o/w Foreign	3,219.23	4,469.18	3,830.60	3,062.63	38.8	-31.5
Indigeneous	45,424.55	52,978.03	56,753.14	56,918.49	16.6	7.4
- Households	16,208.51	19,289.09	22,971.64	22,056.03	19.0	14.3
Gross Loans	73,125.3	84,530.0	92,184.82	89,702.9	15.6	6.1

Source: Bank of Ghana Staff Calculations

Table A.6: Contingent Liabilities

	Jun-22	Jun-23	Jun-24	Apr-25	Jun-25
Contingent Liabilities (GH¢million)	21,921.0	19,885.5	25,657.6	20,950.2	16,811.5
Growth (y-o-y)	55.8	-9.3	29.0	-14.1	-34.5
% of Total Liabilities	12.6	9.0	8.8	6.1	5.0

Source: Bank of Ghana Staff Calculations

Table A.7: Distribution of Loans and NPLs by Economic Sector (%)

	Jun-23		Jun-24		Apr-25		Jun-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	9.2	4.5	7.6	4.4	5.8	3.5	4.9	3.6
i. Government	4.1	2.3	2.7	1.2	1.5	0.9	1.1	1.2
ii. Public Institutions	1.8	0.0	1.6	0.1	1.0	0.5	1.1	0.5
iii. Public Enterprises	3.3	2.2	3.3	3.1	3.3	2.1	2.8	1.9
b. Private Sector	90.8	95.5	92.4	95.6	94.2	96.5	95.1	96.4
i. Private Enterprises	66.5	84.0	67.9	83.6	65.7	84.1	66.9	83.6
o/w Foreign	4.4	2.6	5.3	2.2	4.2	2.2	3.4	1.8
Indigeneous	62.1	81.4	62.7	81.5	61.6	82.0	63.5	81.8
ii. Households	22.2	10.8	22.8	11.1	24.9	11.5	24.6	11.9
iii. Others	2.1	0.7	1.6	0.8	3.5	0.9	1.7	0.9

Source: Bank of Ghana Staff Calculations

Table A.8: Liquidity Ratios

	<u>Jun-22</u>	<u>Jun-23</u>	<u>Jun-24</u>	<u>Apr-25</u>	<u>Jun-25</u>
Liquid Assets (Core) - (GHC'million)	46,726.4	67,100.0	115,827.0	142,771.0	110,906.3
Liquid Assets (Broad) -(GHC'million)	127,547.3	156,811.9	222,701.8	277,736.9	272,954.5
Liquid Assets to total deposits (Core)-%	35.6	35.8	47.1	49.3	39.6
Liquid Assets to total deposits (Broad)- %	97.1	83.6	90.6	95.9	97.4
Liquid assets to total assets (Core)- %	23.4	27.7	35.8	36.6	28.9
Liquid assets to total assets (Broad)- %	63.8	64.7	68.9	71.2	71.0

Source: Bank of Ghana Staff Calculations

Table A.9: Profitability Indicators (%)

	<u>Jun-23</u>	<u>Jun-24</u>	<u>Apr-25</u>	<u>Jun-25</u>
Gross Yield	9.1	9.4	5.8	8.9
Interest Payable	3.2	3.0	1.8	2.8
Spread	6.0	6.4	4.0	6.0
Asset Utilisation	8.3	7.1	4.6	7.4
Interest Margin to Total Assets	4.1	3.7	2.4	3.7
Interest Margin to Gross income	49.1	51.4	51.3	50.1
Profitability Ratio	21.3	23.5	23.8	25.3
Return On Equity (%) after tax	37.6	35.3	30.0	32.2
Return On Assets (%) before tax	5.5	5.4	5.0	5.6

Source: Bank of Ghana Staff Calculations

Table A.10: DMBs' Income Statement

	Jun-23	Jun-24	Apr-25	Jun-25	Jun-24	Apr-25	Jun-25
	(GH c'million)				Y-o-y Growth (%)		
Interest Income	15,092.6	17,980.5	13,905.0	21,647.4	19.1	15.9	20.4
Interest Expenses	(5,211.3)	(6,180.4)	(4,708.8)	(7,457.9)	18.6	16.5	20.7
Net Interest Income	9,881.2	11,800.0	9,196.2	14,189.5	19.4	15.5	20.2
Fees and Commissions (Net)	2,243.4	2,620.1	2,006.0	3,087.5	16.8	26.2	17.8
Other Income	2,805.7	2,352.5	2,022.2	3,580.5	(16.2)	27.8	52.2
Operating Income	14,930.3	16,772.7	13,224.4	20,857.5	12.3	18.8	24.4
Operating Expenses	(6,577.6)	(7,594.1)	(6,174.2)	(9,215.8)	15.5	23.0	21.4
Staff Cost (deduct)	(3,120.0)	(3,813.7)	(3,132.8)	(4,731.0)	22.2	24.0	24.1
Other operating Expenses	(3,457.7)	(3,780.4)	(3,041.5)	(4,484.8)	9.3	22.0	18.6
Net Operating Income	8,352.7	9,178.6	7,050.2	11,641.7	9.9	15.4	26.8
Total Provision (Loan losses, Depreciation & others)	(1,731.9)	(1,048.2)	(654.2)	(893.0)	(39.5)	(24.2)	(14.8)
Income Before Tax	6,620.8	8,130.4	6,396.1	10,748.7	22.8	21.9	32.2
Tax	(2,320.9)	(2,733.8)	(2,127.7)	(3,594.7)	17.8	21.7	31.5
Net Income	4,299.9	5,396.5	4,268.4	7,154.0	25.5	22.0	32.6
Gross Income	20,141.6	22,953.1	17,933.2	28,315.4	14.0	18.2	23.4

Source: Bank of Ghana Staff Calculations

Table A.11: Developments in Offshore Balances

	<u>Jun-22</u>	<u>Jun-23</u>	<u>Jun-24</u>	<u>Apr-25</u>	<u>Jun-25</u>
Offshore balances as % to Networth	39.6	78.3	92.6	89.2	41.1
Annual Growth in Offshore balances (%)	13.4	67.8	71.4	53.2	-34.1
Annual Growth in Nostro Balances (%)	-10.7	77.9	73.6	18.7	-44.7
Annual Growth in Placement (%)	51.7	58.8	69.4	84.4	-22.8

Source: Bank of Ghana Staff Calculations

Table A.12: Fiscal indicators

Million Ghana Cedis	2024	2024	2025	2025	2025	2025/2024
	Q1+Q2	Q1	Q1+Q2	Q1+Q2	DEVIATION OVER(+)/ BELOW(-)	Y-O-Y
	OUTTURN	OUTTURN	OUTTURN	PROG		GROWTH
Domestic Revenue	74,864.3	30,378.9	98,609.4	101,508.8	(2.9)	31.7
(percent of GDP)	6.4	2.9	7.0	7.3		
Domestic expenditure	72,749.2	34,417.9	81,102.6	88,121.5	(8.0)	11.5
(percent of GDP)	6.2	3.3	5.8	6.3		
Domestic Primary Balance	2,115.2	(4,039.0)	17,506.8	13,387.3	30.8	727.7
(percent of GDP)	0.2	(0.4)	1.3	1.0		
Primary Balance (Commitment)	(4,161.3)	(6,025.4)	15,083.4	5,039.3	199.3	(462.5)
(percent of GDP)	(0.4)	(0.6)	1.1	0.4		
Primary Balance (Cash)	(18,307.0)	(15,104.0)	10,303.5	(2,457.1)	(519.3)	(156.3)
(percent of GDP)	(1.6)	(1.4)	0.7	(0.2)		
Non-Oil Primary Balance	(24,564.1)	(17,007.7)	6,762.3	(8,658.5)	(178.1)	(127.5)
(percent of GDP)	(2.2)	(1.6)	0.5	(0.6)		
Overall Balance (Commitment)	(23,189.8)	(18,588.2)	(10,339.6)	(25,465.4)	(59.4)	(55.4)
(percent of GDP)	(2.0)	(1.8)	(0.7)	(1.8)		
Overall Balance (cash, discrepancy)	(37,335.5)	(27,666.8)	(15,119.5)	(32,961.7)	(54.1)	(59.5)
(percent of GDP)	(3.2)	(2.6)	(1.1)	(2.4)		
Oil Revenue	6,257.1	1,903.8	3,541.2	6,201.5	(42.9)	(43.4)
(percent of GDP)	0.5	0.2	0.3	0.4		
Non-Oil Revenue and Grants	69,845.1	28,510.1	95,798.2	96,375.9	(0.6)	37.2
(percent of GDP)	5.9	2.7	6.8	6.9		
Benchmark Oil Revenue	4,455.7	1,116.4	2,750.6	4,780.3	(42.5)	(38.3)
(percent of GDP)	0.4	0.1	0.2	0.3		
Annual Budget Funding Amount (ABFA)	3,119.0	781.5	1,925.4	3,346.2	(42.5)	(38.3)
(percent of GDP)	0.3	0.1	0.1	0.2		
Nominal GDP	1,176,219.9	1,050,978.3	1,400,006.1	1,400,006.1		
Non-Oil Nominal GDP	1,128,205.1	979,407.7	1,350,563.8	1,350,563.8		

Source: Ministry of Finance

Table A.13: Headline and Core 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
May	18.4	22.8	14.4	0.7	0.9	0.6	18.4	15.8	19.2	13.9
June	13.7	16.3	11.4	-1.2	-0.5	-1.8	13.0	11.6	13.6	10.6
Source: Ghana Statistical Service							Bank of Ghana			