



BANK OF GHANA

MONETARY POLICY REPORT

September 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 126th meetings held on September 15-17, 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 has been 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 of Key Considerations of the Committee

Global growth remains resilient, but the outlook is tenuous amid persistent uncertainty. Global inflation is expected to decline amid lower food and energy prices. However, there are variations in progress towards inflation targets across regions. Financial conditions have eased and are expected to decline further as central banks resume policy easing. In the local FX market, the cedi depreciated due to demand pressures and some supply constraints

On the domestic front, Ghana's economy continued to demonstrate robust growth in the second quarter of 2025. The latest data from the Ghana Statistical Service showed that real GDP grew by 6.3 percent in the second quarter of 2025, compared with 5.7 percent recorded in the corresponding quarter of 2024. Beyond the second quarter, the latest high frequency real sector indicators pointed to a sustained pickup in economic activity in July 2025. Consumer and business confidence also remained strong, in line with improving macroeconomic conditions.

Headline inflation declined consecutively for the eighth straight month. There were broad-based declines across both food and non-food categories. This disinflation has been driven primarily by tight monetary policy, ongoing fiscal consolidation efforts and the effects of a bumper harvest. Staff projections suggest a strong likelihood that inflation will continue to ease, reaching the medium-term target of 8 ± 2 percent by the fourth quarter of 2025.

The external sector maintained a strong performance in the first eight months of 2025. A substantial trade surplus was recorded, driven by higher gold export earnings and improved cocoa receipts.

The cedi has remained relatively stable though it came under pressure in August due to both demand and supply factors. The demand pressures came largely from the commerce, energy, and manufacturing sectors, occasional bond sales, as well as frontloading of import demand. The supply weaknesses were made more evident as the gold for forex program suffered a hit in August due to smuggling and weather conditions. The cedi's stability could be occasioned by a number of factors, including continued prudent monetary policies, BoG's ability to support the market, positive sentiments from the outcome of the IMF meetings, and continued fiscal consolidation.

Monetary and financial developments in August 2025 point to continued restraint in liquidity growth, consistent with the Bank's tight monetary policy stance and active sterilization operations. There were declines in growth in both Net Domestic Assets (NDA) and Net Foreign Assets (NFA), primarily on account of reduced net claims on government. Credit conditions also tightened, although in real terms credit to the private sector increased marginally. In the money market, short-term interest rates trended downward on a year-on-year basis, while yields on longer-dated instruments remained broadly stable. The GSE Composite Index (GSE-CI) recorded robust gains while market capitalisation expanded markedly.

The banking sector showed resilience in the first eight months of 2025, as assets growth remained strong. However, growth in the banking industry assets in August 2025 moderated on the back of appreciation of the Ghana cedi and a decline in foreign borrowings. Financial Soundness Indicators (FSIs), except for those for core liquidity, recorded an improvement in August 2025 relative to the same period in 2024. Profitability remains strong and solvency has improved remarkably. However, liquidity in the industry declined. The industry's Non-Performing Loans (NPLs) ratio improved though asset quality remained a challenge. In the outlook, the sector's performance is contingent on banks' adherence to recapitalisation plans and full implementation of the NPL guidelines recently introduced by Bank of Ghana. Meanwhile, the macro-prudential risk assessment has indicated that systemic risks have moderated.

Taking the factors of favourable prospects for inflation, the forecasts which shows that inflation will ease into single digit levels earlier than anticipated, high real interest rates, and the need to drive up private sector credit to support non-oil growth, the MPC voted unanimously to ease the policy rate and the majority voted for a 350 basis point cut.

1. Global Economic Developments

1.0 Highlights

Global growth remains resilient, but the outlook is tenuous amid persistent uncertainty. Global inflation is expected to decline amid lower food and energy prices. However, there are variations in progress towards attaining inflation targets across regions. Financial conditions have eased and are expected to decline further as central banks resume policy easing.

1.1 Global Growth Developments

Global trade developments continue to shape the growth outlook in the near term, with unprecedented tariff hikes in April 2025 which culminated into an effective tariff rate of 27.62 percent in U.S. in May 2025. The reversal of some of the tariffs due to bilateral agreements and the de-escalation of tensions with China in May modestly reduced the U.S. effective tariff rate to 17.41 percent by end of August 2025. However, tariffs may reset to higher levels if ongoing negotiations fail to yield agreements and if existing trade deals unravel.

The global economy remains resilient, reflecting the modest decline in trade tensions, frontloading of exports, easing financial conditions and fiscal expansion in certain countries. Against this backdrop, the International Monetary Fund (IMF) revised its projections for growth upwards in July 2025. The upward revisions are broad-based across many countries.

Table 1.1: Overview of the World Economic Outlook Projections

Overview of the World Economic Outlook Projections (Percent change)							
		Projections		Apr-Jan WEO Projections		Jul-Apr WEO Projections	
	2024	2025	2026	2025	2026	2025	2026
World	3.3	3.0	3.1	-0.5	-0.3	0.2	0.1
Advanced Economies	1.8	1.5	1.6	-0.5	-0.3	0.1	0.1
United States	2.8	1.9	2.0	-0.9	-0.4	0.1	0.3
Euro Area	0.9	1.0	1.2	-0.2	-0.2	0.2	0.0
Germany	-0.2	0.1	0.9	-0.3	-0.2	0.1	0.0
France	1.1	0.6	1.0	-0.2	-0.1	0.0	0.0
Italy	0.7	0.5	0.8	-0.3	-0.1	0.1	0.0
Spain	3.2	2.5	1.8	2.0	0.0	0.0	0.0
Japan	0.2	0.7	0.5	-0.5	-0.2	0.1	-0.1
United Kingdom	1.1	1.2	1.4	-0.5	-0.1	0.1	0.0
Canada	1.6	1.6	1.9	-0.6	-0.4	0.2	0.3
Other Advanced Economies	2.2	1.6	2.1	-0.3	-0.3	-0.2	0.1
Emerging Market and Developing Economies	4.3	4.1	4.0	-0.5	-0.4	0.4	0.1
China	5.0	4.8	4.2	-0.6	-0.5	0.8	0.2
India	6.5	6.4	6.4	-0.3	-0.2	0.2	0.1
Russia	4.3	0.9	1.0	0.1	-0.3	-0.6	0.1
Brazil	3.4	2.3	2.1	-0.2	-0.2	0.3	0.1
Mexico	1.4	0.2	1.4	-1.7	-0.6	0.5	0.0
Sub-Saharan Africa	4.0	4.0	4.3	-0.4	0.0	0.2	0.1
Nigeria	3.4	3.4	3.2	-0.2	-0.3	0.4	0.5
South Africa	0.5	1.0	1.3	-0.5	-0.3	0.0	0.0

Source: IMF, WEO July, 2025, Update

However, the outlook is tenuous amid still high tariffs and significant uncertainty in the global economy. Risks to the outlook remain tilted to the downside. According to the IMF, the global trade environment remains precarious as tariffs could reset at much higher levels due to breakdowns in talks, dampening global growth and fueling a rise in inflation in some countries. Persistent uncertainty may weigh on consumption and investment. Frontloading of exports supported global activity in 2025Q1; however, its effect is not sustainable, and evidence shows that it is waning. The geopolitical environment remains fragile with the potential for more negative supply disruptions. Furthermore, while global inflation has declined, the latest price data shows inflation pressures are building in some countries. On the upside, breakthroughs

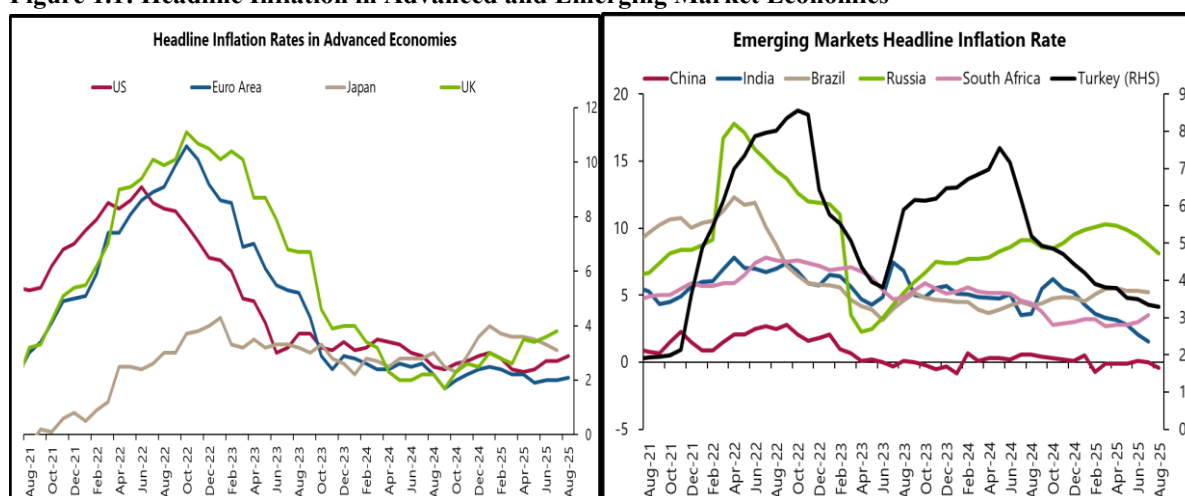
in trade negotiations could boost private spending and support growth, and structural reforms could lift long-term productivity.

1.2 Global Price Developments

Global inflation is expected to decline amid lower food and energy prices. However, there are variations in progress towards targets across regions. The improving global inflation is partly due to lower oil prices. Oil prices have trended downwards during much of 2025 and are currently below US\$70 per barrel, driven by an uptick in production from OPEC+ countries. Israel's strike on Hamas leadership in Doha raises some concerns about crude supply and price, but so far oil prices do not seem to have been impacted. However, a retaliatory strike or demonstrations across Arab countries against the strike may push oil prices up. The FAO Food Price Index was virtually unchanged in August 2025 compared to the previous period. The sharp increase in prices of vegetable oils and meat was offset by the declines in dairy, sugar and cereals. Additionally, core inflation is beginning to ease in some countries amid cooling labour markets, with expectations for headline inflation revised downwards for 2025 in the Euro Area.

In the outlook, global inflation is expected to continue to decline, with global headline inflation falling to 4.2 percent in 2025 and then further down to 3.6 percent in 2026, conditioned on trends of cooling demand and falling energy prices remaining in place. However, there are cross-country variations in the forecasts. Inflation is projected to remain above the 2 percent target through 2026 in the United States, whereas in the Euro Area inflation dynamics are expected to remain subdued, in part on account of currency appreciation and one-off fiscal measures. In China, core inflation was revised upward slightly to 0.5 percent in 2025 and to 0.8 percent in 2026. In EMDEs, inflation is expected to decline further, driven by lower oil prices. However, high frequency data points to rising global inflationary pressures stemming from rising input and output cost.

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 have eased somewhat amid declining policy rates, easing long-term bond yields, and a strong rebound in portfolio flows to EMDEs in recent months. For the review period, most central banks either stayed put or cut policy rates. Amid declining policy rates, long-term bond yields are easing despite the rising uncertainty.

Meanwhile, equity markets have remained strong amid increased risk appetite with portfolio flows to EMDEs coming in strong at US\$55.5 billion in July 2025, driven by strong investor appetite. In the outlook, financial conditions will ease in the near term. Core inflation is declining in some countries amid cooling labour markets. Policy rates are likely

to decline in the near term as price pressures ease. Long-term bond yields are expected to decline as expectations of inflation over the medium term remain anchored, with equity markets still strong due to increased investor risk appetite. The weakness of the U.S. dollar has also provided some monetary policy space for EMDEs.

Table 1.2: Monetary Policy Stance of Selected Central Banks

Country	Policy rate - Previous (%)	Policy Rate Current (%)	Forecast	Inflation July, 2025	Inflation August, 2025	Real rate	Infl Target	Overall Fiscal Deficit (2024,% of GDP)	GDP Growth (Dec.2024 %)	Gross Debt/GDP (Dec. 2024,%)	YTD Depr/Appr 10th September 2025
U.S	4.50	4.50	4.5	2.7	2.9	1.6	2%	-7.3	2.8	120.8	
Euro Area	2.15	2.15	2.15	2.0	2.1	0.05	< 2%	-3.1	0.9	87.7	11.45
UK	4.25	4.00	4.00	3.8		0.2	2%	-5.7	1.1	101.2	7.48
Japan	0.5	0.5	0.50	3.1		-2.6	2%	-2.5	0.1	236.7	6.63
Russia	20.0	18.0	16.0	8.8	8.1	9.9	4%	-2.2	4.1	20.3	33.74
India	5.50	5.50	5.5	1.55		3.95	4±2%	-7.4	6.5	81.3	-2.78
Brazil	15	15	15.0	5.23	5.13	9.87	4.5±1.5%	-6.6	3.4	87.3	14.21
Turkey	43.0	40.5	39.0	33.52	32.95	7.55	5±2%	-5.2	3.2	26	-14.30
Malaysia	2.75	2.75	2.75	1.2		1.6	3% - 4%	-4	5.1	70.4	5.97
Indonesia	5.25	5	5	2.37	2.31	2.69	3.5% ± 1%	-2.3	5	40.2	-2.18
Chile	4.8	4.8	4.75	4.3	4.0	0.75	3±1%	-2.7	2.6	42.0	3.34
Ghana	28.0	25.0	25	12.1	11.5	13.5	8±2%	-7.7	5.7	70.5	21.49
South Africa	7.25	7.00	7	3.5		3.5	3% -6%	-6.1	0.6	76.4	7.51
Nigeria	27.5	27.5	26.0	21.88		5.62	6% -9%	-3.4	3.4	52.9	2.51
Kenya	9.75	9.50	9.50	4.1	4.5	5	2.5-7.5%	-5.5	4.5	65.6	0.12
Zambia	14.5	14.5	14.0	13	12.6	1.9	6%-8%	-3.3	4	114.9	14.95
Morocco	2.25	2.25	2.25	0.5		1.8		-4.1	3.2	70	12.25
Angola	19.5	19.5	19.0	19.48	18.88	0.62	9-11%	-1	4.5	62.5	-0.26
Egypt	24	22	22.00	13.9	12	10	7± 2%	-7.1	2.4	90.9	5.63

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

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

1.4 Currency Markets

The U.S. dollar index has weakened by about 8 percent from January to August 2025, driven partly by the weak labour market and anticipated Federal Reserve rate cuts. As of August 2025, U.S. job creation slowed to just 22,000 new jobs, with unemployment rising to 4.3 percent. The softening of the labour market in the U.S. had the markets pricing in a 25–50 basis point Fed rate cut in September with more easing expected into 2026. A growing number of countries are settling oil, commodities, and trade in currencies other than the U.S. dollar, including the Chinese yuan. The weakness of the dollar provided some support to EMDEs currencies in the review period.

In the domestic FX market, the cedi came under pressure in the month of August due to both demand and supply factors. Demand pressures picked up sharply in August and early September 2025. These pressures were largely from commerce, energy, other sectors, manufacturing, occasional bond sales as well as frontloading of import demand.

The demand pressures were further amplified by supply weakness, even as the Gold for Forex program suffered a hit in August due to smuggling and weather conditions. In addition, BoG support to the market was lower, alongside remittance flows. In the outlook, the cedi's stability depends on a number of factors: continued high gold prices, BoG's ability to support the market, improved market liquidity due to BoG's directive to mining companies to channel their FX to the banks. Also improved sentiments from the outcome of the IMF meetings, continued fiscal consolidation and the strength of the U.S dollar will shape the near-term path of the domestic currency.

In the interbank market, the cedi appreciated by 28.95 percent, 19.49 percent, and 14.08 percent against the dollar, pound, and Euro, respectively, on a year-to-date basis. This is against a depreciation of 21.79 percent, 24.05 percent, and 21.79 percent, against the dollar, pound, and euro, respectively, during the same period in 2024. However, the cedi was more volatile during the first 180 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/ appreciation	GBP/GHC*	Monthly depreciation/a ppreciation	Year-to-Date depreciation/ appreciation		Euro/GHC*	Monthly depreciation/ appreciation	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	
July	10.5000	-1.8	40.00	13.8942	1.7	32.44		12.0150	0.8	26.63	
Aug	11.4000	-7.9	28.95	15.3997	-9.8	19.49		13.3360	-9.9	14.08	

Source: Bank of Ghana Staff Calculations

Table 1.4: Nominal Effective Exchange Rate

Month	2021=100		Monthly CHG(%)		Year-to-Date (%)	
	FXTWI	TWI	FXTWI	TWI	FXTWI	TWI
			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
Jul-25	55.16	57.73	-1.51	1.00	27.95	22.56
Aug-25	50.69	52.11	-8.82	-10.78	21.60	14.22

Source: Bank of Ghana Staff Calculations

Taking into consideration our major trade partners currency movements, the cedi appreciated by 14.22 percent, and 21.60 percent, in nominal trade weighted terms and nominal forex transaction weighted terms, respectively, on a year-to-date basis in July 2025. This is against a depreciation of 23.65 percent, and 25.27 percent, in nominal trade weighted terms and nominal foreign exchange transaction weighted terms, respectively, over the same period in 2024.

In real bilateral terms, the cedi appreciated by 29.94 percent, 25.96 percent and 23.31 percent against the dollar, pound and euro, respectively, on a year-to-date basis in July 2025. Comparatively, for the corresponding period in 2024, the cedi's real exchange rate depreciated by 11.66 percent, 11.25 percent and 8.93 percent, respectively, against the dollar, pound, and euro on a year-to-date basis.

Table 1.5: Real Bilateral Exchange Rate

Month	RER Index (Jan.2021=100)			MONTHLY CHANGE (Index)			Year-to-Date (%)		
	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP	USD
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
Jul-25	130.24	122.15	121.90	2.01	2.67	-1.29	23.31	25.96	29.94

Source: Bank of Ghana Staff Calculations

The cedi appreciated by 24.47 percent and 29.37 percent in real trade weighted terms and real forex transaction weighted terms, respectively, on year-to-date basis in July 2025. These compared with depreciation of 9.50 percent and 11.44 percent 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
Jul-25	122.53	128.38	-0.95	1.63	29.37	24.47

Source: Bank of Ghana Staff Calculations

1.5 Global Economic Outlook and Risks

Global growth was resilient in 2025H1, but the outlook is tenuous. Headline inflation is expected to decline amid lower food and energy prices. Financial conditions are easing, and the dollar has continued to remain weak. In the outlook, risks from the external sector have improved. If the ongoing resilience in global growth is sustained, it may boost Ghana's exports to the global market. Furthermore, the decline in global inflation may decrease imported inflation, ease policy rates, especially in advanced economies, and potentially trigger a search for higher yields in EMDEs, including Ghana. The weakness in the dollar may also reduce the current depreciation pressures on the cedi. However, the domestic FX supply constraints may offset some of the gains from the weak dollar.

2. External Sector Developments

2.0 Highlights

The external sector maintained a strong performance in the first eight months of 2025, recording a substantial trade surplus, driven by higher gold export earnings and improved cocoa receipts.

2.1 Commodity Price Trends

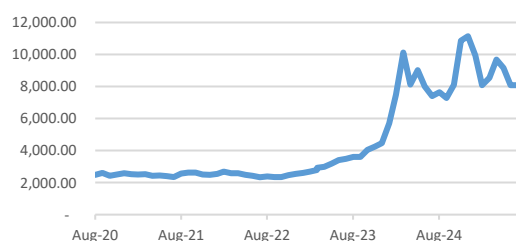
The international prices of Ghana's major export commodities (cocoa, gold, and crude oil) exhibited mixed performances in the first eight months of the year.

Cocoa prices softened to US\$8,074.29 per tonne in August 2025, from US\$10,869.14 per tonne in December 2024, due to improved production prospects.

Crude oil prices declined by 8.1 percent year to date, averaging US\$67.26 per barrel in August 2025, down from US\$73.18 per barrel in the previous month, driven by weaker demand and increased supply from the Organisation of the Petroleum Exporting Countries (OPEC) and its allies. On a year-on-year basis, crude oil prices fell by 14.8 percent, partly reflecting subdued demand from China.

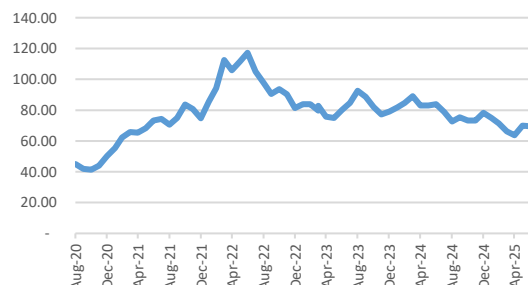
Gold prices recorded a year-to-date increase of 27.3 percent to US\$3,362.33 per fine ounce in August 2025 from US\$2,641.45 per fine ounce in December 2024, supported by heightened safe-haven demand amid geopolitical tensions, as well as strong buying from central banks.

Figure 2.1: International Cocoa Prices (US\$/Metric Tonne)



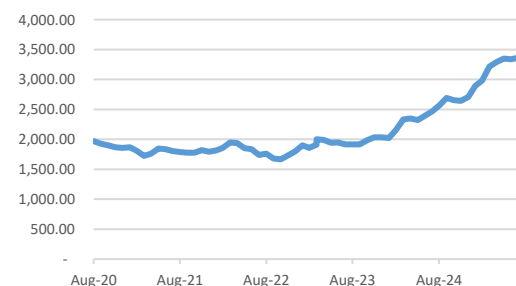
Source: Reuters

Figure 2.2: International Brent Crude Oil Prices (US\$/Barrel)



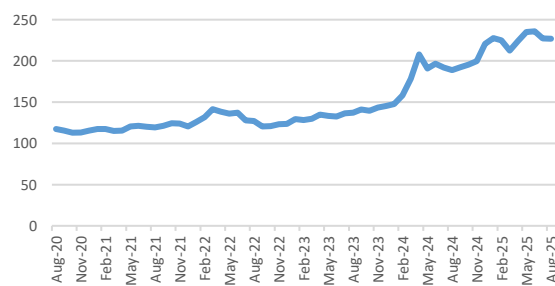
Source: Reuters

Figure 2.3: International Gold Prices (US\$/Fine Ounce)



Source: Reuters

Figure 2.4: Commodities Price Index



Source: BoG Staff Compilations

2.1.1 Commodity Price Index

The weighted average price of the three major export commodities (cocoa, gold, and crude oil) edged up to 226.99 in August 2025 from 220.7 in December 2024 driven largely by an increase in the gold sub-index, while the cocoa and crude oil gold sub-indices declined marginally.

2.2 Trade Balance

In the first eight months of 2025, the country recorded a trade surplus of US\$6.19 billion, a significant improvement compared to the US\$2.09 billion surplus recorded during the same period in 2024. This stronger trade performance was largely driven by a substantial increase in export earnings, which outpaced the growth in imports.

Total export receipts rose by 46.2 percent to US\$17.99 billion in the first eight months of 2025, from US\$12.30 billion during the same period in 2024. Gold export earnings was the largest contributor to the improved export receipts, increasing by 68.5 percent to US\$11.20 billion from US\$6.65 billion in the previous year. The expansion in gold receipts came on the back of a 10.8 percent rise in the volume of gold exports to 3,687,469.70 fine ounces from 3,326,680.9 fine ounces, as well as a 52.1 percent jump in the average realized price to US\$3,038.34 per fine ounce from US\$1,998.20 per fine ounce during the review period. Similarly, cocoa exports (both beans and products) performed strongly, increasing by 170.2 percent in value to US\$2.47 billion in August 2025 from US\$915.80 million during the same time last year. The sharp rise in cocoa receipts was attributed to the improved weather conditions, which boosted the volume of exports as well as elevated international prices.

Crude oil exports, however, declined by 33.8 percent to US\$1.83 billion in August 2025 from US\$2.77 billion in the comparative period in 2024, primarily due to a 23.7 percent drop in the export volume, coupled with a 13.3 percent softening in the unit price of crude oil. “Other exports”, including non-traditional exports, rose by 25.6 percent, reaching US\$2.29 billion in August 2025, up from the US\$1.98 billion recorded in the same period last year.

Table 2.1: Trade Balance (US\$ million)

	2023 Jan - Aug	2024 Jan - Aug	2025 Jan - Aug	Abs Y/Y Chg
Trade Balance	1,663.3	2,086.9	6,191.2	4,104.3
<i>Trade Bal (% GDP)</i>	<i>2.1</i>	<i>2.5</i>	<i>7.1</i>	
Total Exports	10,561.1	12,304.9	17,991.1	5,686.2
Gold (\$'M)	4,479.0	6,647.4	11,203.8	4,556.4
Volume (fine ounces)	2,443,278.1	3,326,680.9	3,687,469.7	360,788.8
Unit Price (\$/fine ounce)	1,833.2	1,998.2	3,038.3	1,040.1
Cocoa Beans (\$'M)	1,050.0	422.5	1,308.3	885.8
Volume (tonnes)	428,970.7	156,443.7	246,182.4	89,738.7
Unit Price (\$/tonne)	2,447.7	2,700.6	5,314.4	2,613.9
Cocoa Products (\$'M)	550.5	493.3	1,166.4	673.1
Volume (tonnes)	169,182.6	122,937.7	153,606.8	30,669.1
Unit Price (\$/tonne)	3,254.2	4,012.5	7,593.5	3,581.0
Crude Oil (\$'M)	2,369.8	2,765.0	1,830.0	(935.0)
Volume (barrels)	29,480,554.0	33,485,643.0	25,556,645.5	(7,928,997.5)
Unit Price (\$/bbl)	80.4	82.6	71.6	(11.0)
Other Exports	2,111.8	1,976.7	2,482.5	505.8
<i>o/w: Non-Traditional Exports</i>	<i>1,613.3</i>	<i>1,479.1</i>	<i>1,950.3</i>	<i>471.2</i>
Total Import	8,897.8	10,217.9	11,799.9	1,582.0
Non-Oil	6,001.5	7,083.2	8,071.0	987.9
Oil and Gas	2,896.2	3,134.8	3,728.9	594.1
<i>of which: Products</i>	<i>2,634.2</i>	<i>2,754.0</i>	<i>3,418.4</i>	<i>664.3</i>
<i>Gas</i>	<i>148.3</i>	<i>156.1</i>	<i>162.6</i>	<i>6.5</i>
<i>Crude Oil</i>	<i>113.7</i>	<i>224.6</i>	<i>147.9</i>	<i>(76.7)</i>

Source: Bank of Ghana

Ghana's total import bill rose by 15.5 percent to US\$11.80 billion in the first eight months of 2025 from US\$10.22 billion in the corresponding period in 2024, driven by increases in both oil and non-oil imports. Oil imports amounted to US\$3.73 billion, up by 19.0 percent compared to the same period in 2024, mainly due to increased demand for refined petroleum products. Non-oil imports also rose by 13.9 percent to US\$8.07 billion from US\$7.08 billion in the same review period.

Table 2.2: Composition of Oil and Gas Imports

	2023 Jan - Aug	2024 Jan - Aug	2025 Jan - Aug	Abs Y/Y Chg
CRUDE OIL				
Value (US\$' Million)	113.7	224.6	147.9	(76.7)
Volume(Barrels)	1,510,925.3	2,138,983.1	2,110,701.4	(28,281.8)
Unit price (US\$/bbl)	75.3	105.0	70.1	(35.0)
PRODUCTS				
Value (US\$' Million)	2,634.2	2,754.0	3,418.4	664.3
Volume (MT)	3,389,171.0	3,513,025.4	5,109,660.4	1,596,635.0
Volume (Barrels)	24,842,623.4	25,750,475.9	37,453,810.5	11,703,334.6
Unit price (US\$/bl)	106.0	107.0	91.3	(15.7)
GAS (WAGP)				
Value (US\$' Million)	148.3	156.1	162.6	6.5
Volume (MMBTu)	17,122,679.5	17,803,437.6	19,480,231.8	1,676,794.2
Unit price (US\$/MMBTu)	8.7	8.8	8.3	(0.4)
TOTAL VALUE (US\$' Million)	2,896.2	3,134.8	3,728.9	594.1

Source: Bank of Ghana

2.2 International Reserves

Ghana maintained a strong reserve position during the period under review. Gross International Reserves (GIR) stood at US\$10.73 billion as of August 2025 (providing 4.5 months of import cover), up from US\$8.98 billion (4.0 months of cover) at end-December 2024. GIR (excluding pledged assets and petroleum funds) increased to US\$8.38 billion, from US\$6.40 billion at the end of 2024. As defined under the IMF programme, Ghana's Net International Reserves (NIR), stood at US\$2.73 billion at the end of August 2025, indicating a build-up of US\$840.29 million from the December 2024 position.

2.3 External Sector Outlook

Cocoa production is expected to be strong for the rest of 2025, following the opening of the 2025/2026 season in August 2025 and favourable weather conditions, notwithstanding the projected decline in prices in the near term on the back of a slowdown in demand. Crude oil receipts are projected to remain low for the rest of the year on the back of low production volumes and continued supply growth from OPEC+, which may keep international prices under pressure. Meanwhile, gold prices are likely to remain bullish, driven by sustained safe-haven demand amid geopolitical tensions and uncertainty, as well as expectations of further interest rate cuts by the Fed.

3. Real Sector Developments

3.0 Highlights

Ghana's economy continued to demonstrate robust growth in the second quarter of 2025. Beyond the second quarter, the latest high frequency real sector indicators pointed to a sustained pickup in economic activity in July 2025. Consumer and business confidence also remained strong, in line with improving macroeconomic conditions.

3.1 Economic Growth

The latest data from the Ghana Statistical Service showed that real GDP grew by 6.3 percent in the second quarter of 2025 compared with 5.7 percent recorded in the corresponding quarter of 2024. A key factor of the strong growth outturn was the non-oil sector. Non-oil GDP grew at a much faster pace of 7.8 percent in 2025Q2 relative to 5.7 percent in 2024Q2. This indicates strong underlying momentum in the broader economy and a diversification away from reliance on oil. The observed growth outturn was mainly driven by the services sector, which grew by 9.9 percent; meanwhile, the agriculture sector expanded by 5.2 percent.

3.2 Trends in Real Sector Indicators

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, posted a positive performance in July 2025, compared with the corresponding period in 2024. Domestic VAT collections increased by 45.1 percent on a year-on-year basis to GH¢1,922.60 million in July 2025, from GH¢1,325.31 million in July 2024. Cumulatively, total domestic VAT for the first seven months of 2025 went up by 34.3 percent to GH¢11,965.25 million, compared with GH¢8,911.06 million for the corresponding period of last year.

Retail sales increased by 11.8 percent (year-on-year) to GH¢239.89 million in July 2025, up from the GH¢214.64 million recorded in the same period in 2024. On a month-on-month basis, retail sales improved by 4.7 percent in July 2025 from GH¢229.07 million in the preceding month. In cumulative terms, retail sales for the first seven months of 2025 went up by 27.9 percent.

Manufacturing Activities

Activities in the manufacturing sub-sector, gauged by trends in the collection of direct taxes and private sector workers' contributions to the Social Security and National Insurance Trust (SSNIT) Pension Scheme (Tier-1), improved in July 2025. Total direct taxes collected increased by 14.8 percent (year-on-year) to GH¢5,265.85 million in July 2025, relative to GH¢4,586.67 million recorded in a similar period in 2024. Cumulatively, total direct taxes collected for the first seven months of 2025 went up by 26.2 percent to GH¢47,592.00 million, from GH¢37,702.72 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 43.0 percent, corporate tax accounted for 35.8 percent, while "other tax sources" contributed 21.2 percent.

Total private sector workers' contribution to the SSNIT Pension Scheme (Tier-1) increased by 8.6 percent in year-on-year terms to GH¢513.34 million in July 2025, from GH¢472.81 million collected during the corresponding period in 2024. Cumulatively, for the first seven months of 2025, the contribution grew by 22.6 percent to GH¢3,482.26 million, relative to GH¢2,840.27 million recorded in the same period in 2024.

Construction Sector Activities

Activity in the construction sub-sector, proxied by the volume of cement sales, declined by 10.7 percent (year-on-year) in July 2025 to 212,735.33 tonnes, down from 238,167.80 tonnes recorded a year ago. However, on a month-on-month basis, total cement sales increased by 3.1 percent in July 2025 compared with the 206,282.00 tonnes recorded in June 2025. Cumulatively, cement sales for the first seven months of 2025 improved by 2.8 percent to 1,644,413.19 tonnes,

from 1,600,173.48 tonnes for the same period of 2024. The relative decline in total cement sales, year-on-year, was due to a moderation 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 41.1 percent to 21,038 in July 2025, from 14,912 vehicles registered during the corresponding period of 2024. Cumulatively, vehicles registered by the DVLA within the first seven months of 2025 increased by 34.4 percent to 149,440 from 111,156 recorded a year ago.

Industrial Consumption of Electricity

Industrial consumption of electricity improved by 11.6 percent in July 2025 to 316.04 gigawatts, as against 283.26 gigawatts recorded for the corresponding period in 2024. In cumulative terms, electricity consumed by industries for the first seven months of 2025 increased by 9.2 percent to 2,175.84 gigawatts from 1,992.94 gigawatts for the corresponding period a year ago.

Passenger Arrivals

Passenger arrivals declined by 8.5 percent in year-on-year terms to 111,631 in July 2025, from 121,995 arrivals recorded a year ago. However, compared to June 2025, passenger arrivals went up by 3.0 percent. Cumulatively, for the first seven months of 2025, passenger arrivals dropped slightly to 722,020 arrivals recorded at the international airport and the land borders, compared with 724,412 for the corresponding period in 2024.

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 28.9 percent, year-on-year, to 75,183 in July 2025, from 58,330 for the corresponding period in 2024. In cumulative terms, total container traffic for the first seven months of 2025 went up by 23.8 percent to 497,292, compared with 401,845 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 by 3.5 percent to 1,089,965 in July 2025, from 1,053,235 for the same period in 2024. On a month-on-month basis, total number of private sector SSNIT contributors remained largely unchanged from the 1,088,458 individuals recorded in June 2025.

Advertised Jobs

The number of jobs advertised in selected print¹ and online² media, which partially gauges labour demand in the economy, decreased in August 2025 relative to what was observed in the corresponding period a year ago. In total, 2,799 job adverts were recorded as compared with 3,123 for the same period in 2024, indicating a decline of 10.4 percent (year-on-year). Conversely, on a month-on-month basis, the number of job vacancies in August 2025 improved by 3.6 percent from the 2,703 jobs advertised in July 2025. Cumulatively, for the first eight months of 2025, the total number of advertised jobs remained largely unchanged at 24,106 compared to 24,428 recorded during the same period in 2024.

¹ The Daily Graphic newspaper was used to represent print media because it is the most widely circulated daily in Ghana.

² These are job adverts posted on the websites of the 10 main online job advertising/employment companies in Ghana.

3.4 Composite Index of Economic Activity

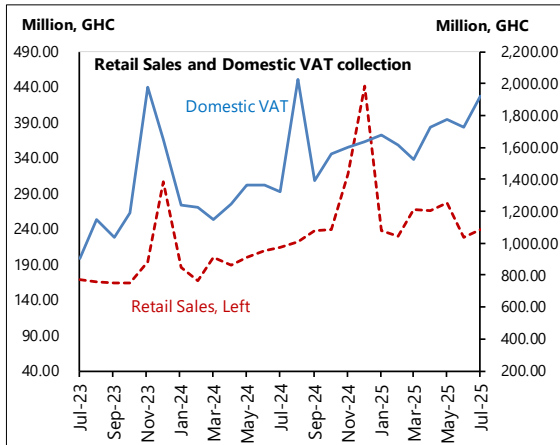
The Bank's real Composite Index of Economic Activity (CIEA) recorded an annual growth of 6.1 percent in July 2025, compared to a growth of 1.9 percent for the corresponding period of 2024. International trade activities, consumption of goods and services and industrial production contributed to the improvement in economic activity during the period.

3.5 Consumer and Business Surveys

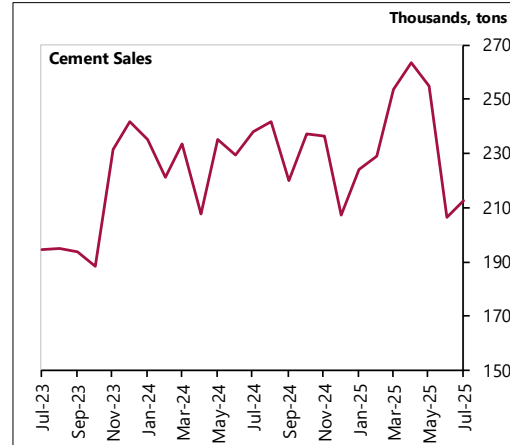
The latest confidence surveys conducted in August 2025 reflected sustained improvement in sentiments. Consumer confidence remained strong, despite some softening. The Consumer Confidence Index moderated to 116.9 in August 2025, from 119.2 in June 2025. The Business Confidence Index increased to 107.5 from 105.5 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 August 2025. The PMI rose to 50.8 in August 2025 from 50.2 in July 2025, mainly due to an increase in new orders.

Figure 3.1a: High Frequency Economic Indicators**Panel 1**

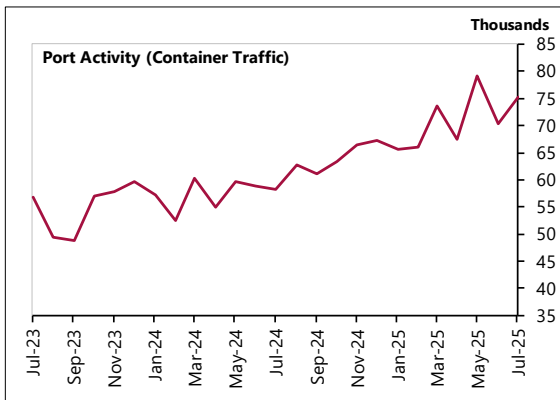
...Domestic VAT collections and retail sales improved in July 2025 compared to June 2025...



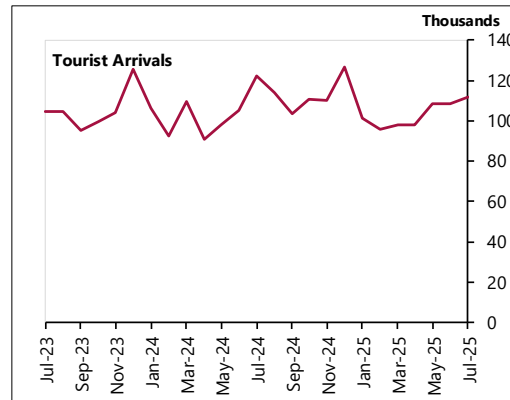
...Construction activities, proxied by cement sales, picked up in July 2025 compared to June 2025...



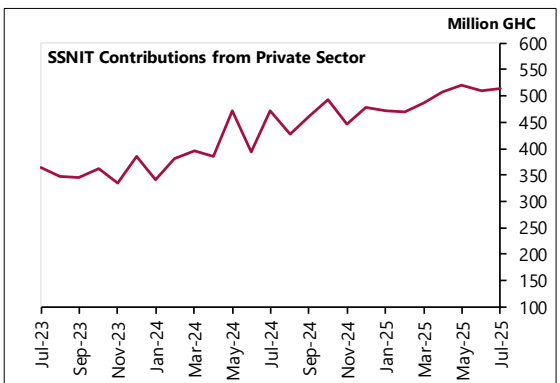
...Port activity increased in July 2025 compared to the previous month...



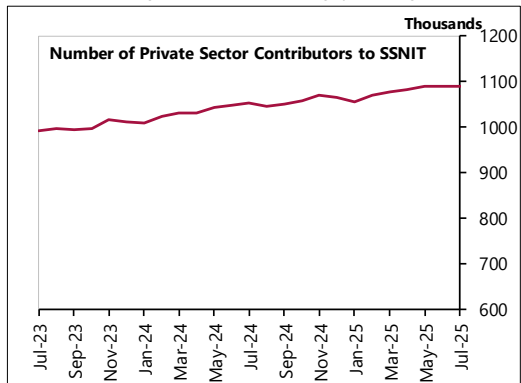
...Tourist arrivals increased in July 2025 compared to June 2025...



...Labour market conditions remained largely unchanged in July 2025 relative to June 2025...



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

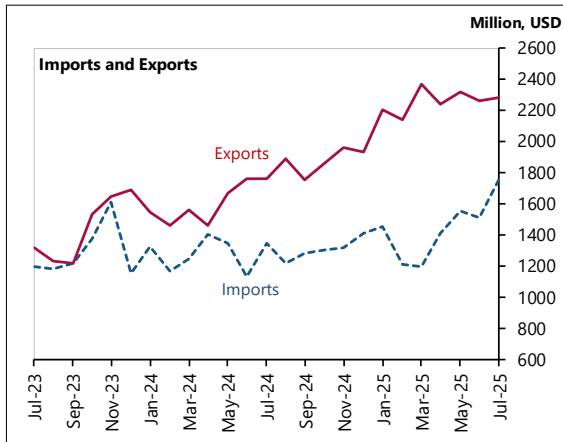


Sources: Bank of Ghana, Various Stakeholders

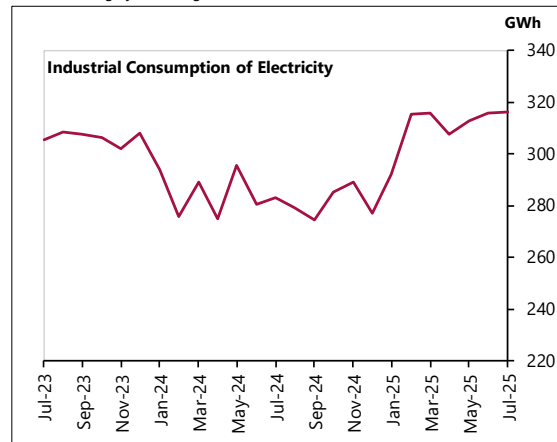
Figure 3.1b: High Frequency Economic Indicators

Panel 2

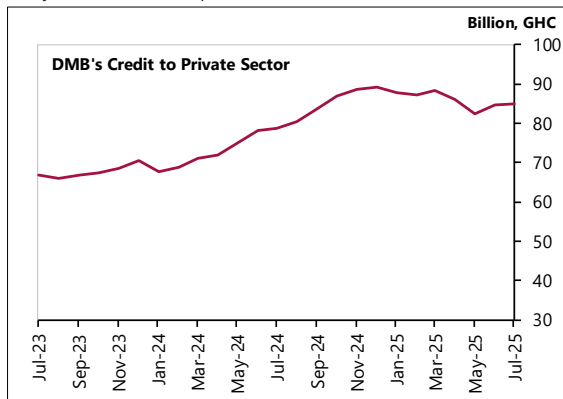
...Exports and Imports increased in July 2025 compared to June 2025...



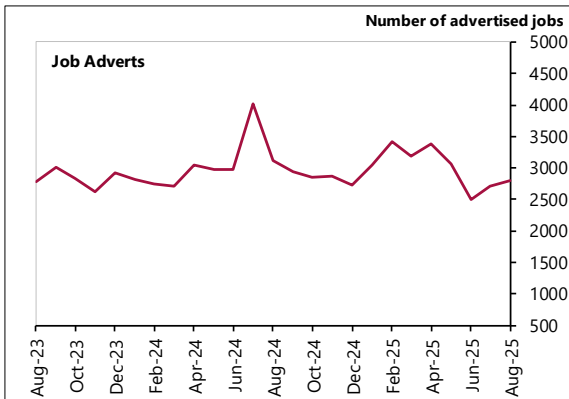
...Industrial activity, proxied by industrial consumption of electricity, remained largely unchanged...



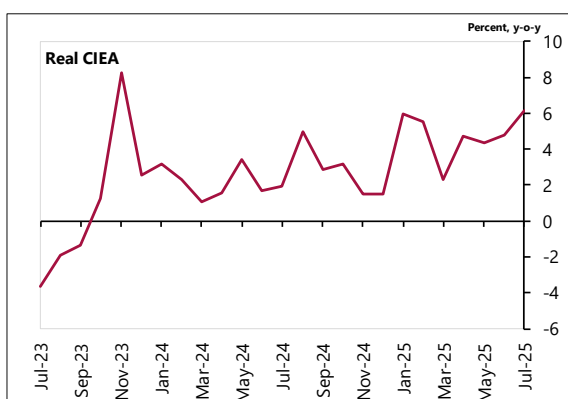
...Commercial banks' credit to the private sector remained broadly unchanged in July 2025 relative to the previous month...



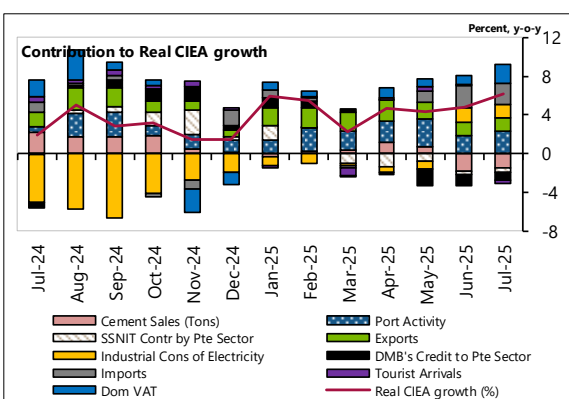
...Demand for labour, proxied by the number of job adverts (in print and online media), increased in August 2025...



...On a year-on-year basis, the real CIEA grew by 6.1 percent in July 2025, compared with a growth of 1.9 percent in July 2024...



...The growth in the real CIEA was mainly driven by a pick-up in Port Activity, Imports, Domestic VAT, Exports and Industrial Consumption of Electricity...

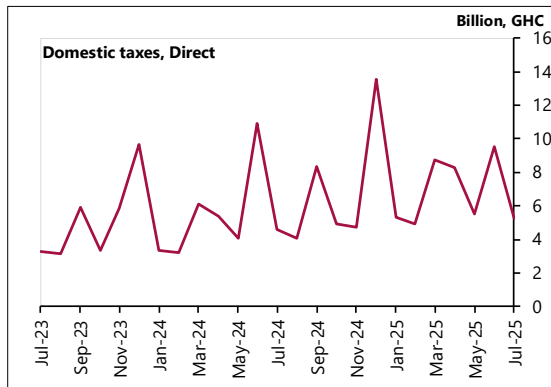


Source: Bank of Ghana, Various Stakeholders

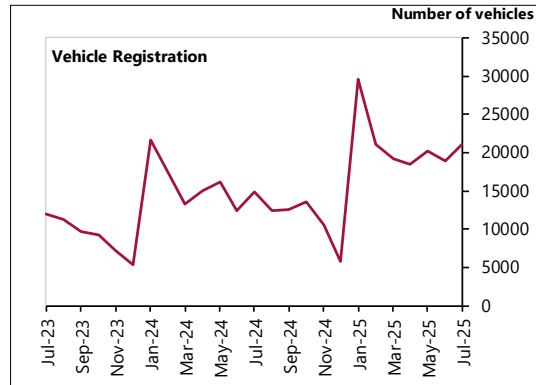
Figure 3.1c: High Frequency Economic Indicators

Panel 3

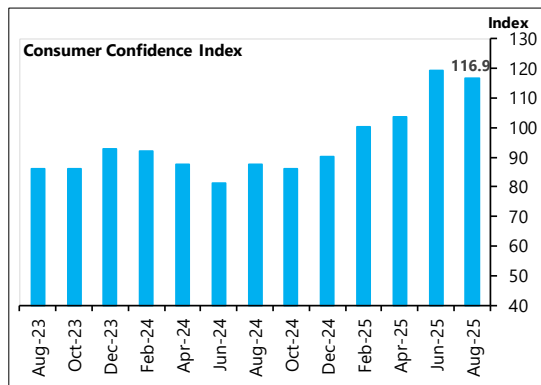
...Domestic tax collection decreased in July 2025 compared to June 2025...



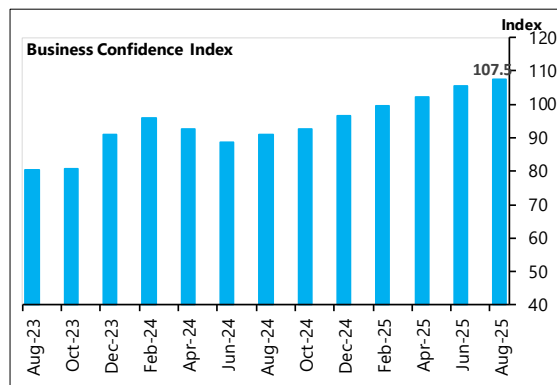
...Vehicle registration increased in July 2025 compared to the month before...



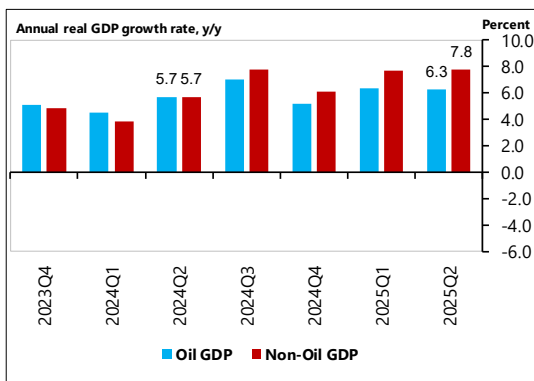
...Consumer confidence remained strong, despite some softening...



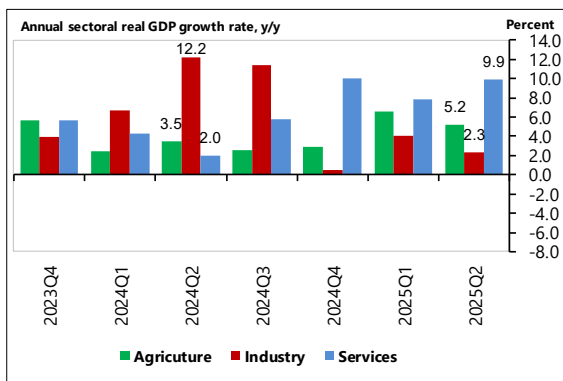
...Business Confidence improved as firms met their short-term targets and expressed positive sentiments about company and industry prospects in line with improving macroeconomic conditions...



...Real Oil and Non-Oil GDP grew by 6.3 percent and 7.8 percent respectively in 2025Q2, compared with a growth rate of 5.7 percent for both Real Oil and Non-Oil GDP in 2024Q2...



...The Services sector drove growth in 2025Q2, recording a growth rate of 9.9 percent, relative to a growth rate of 2.0 percent in 2024Q2...



Source: Bank of Ghana, Various Stakeholders

4. Fiscal Developments

4.0 Highlights

The provisional January to July 2025 fiscal performance on commitment basis indicates that notwithstanding a strong growth in revenue and grants by 22.9 percent (in year-on-year terms), this outturn was below target by 5.5 percent.. Expenditures were broadly contained, 14.1 percent below the programmed target, reflecting strong control of spending. The primary balance on commitment basis (the fiscal anchor) as at end-July 2025 recorded a surplus of 1.0 percent of GDP, surpassing the targeted surplus of 0.5 percent of GDP. The significant appreciation of the cedi has reduced the debt burden and improved debt sustainability.

4.1 Revenue and Grants

Total revenue and grants as of July 2025 was GH¢116.2 billion (8.3% of GDP), less than the target of GH¢122.9 billion (8.8% of GDP), representing a shortfall of 5.5 percent from the target, but registering a year-on-year growth of 22.9 percent. The revenue shortfalls were largely broad based, reflecting in all the key tax lines. Total revenue and grants for the period ending July 2025 witnessed improved buoyancy in performance amid missed targets.

Non-oil tax revenue was below target by 0.2 percent. PAYE was below target by 3.5 percent due to reduced mining sector payments stemming from the cedi's appreciation. Corporate tax was above target by 2.8 percent mainly from the mining and financial sectors. The domestic components of VAT, GETFund levy, and NHIL exceeded their targets by 2.2 percent, 14.0 percent, and 14.8 percent, respectively, driven by higher consumption following a decline in prices. On the other hand, the import component fell short of target by 3.8 percent, 4.6 percent, and 5.2 percent, respectively, due to the cedi's appreciation. Import duties fell short of target by GH¢1.9 billion (13.0%), driven by lower-than-expected CIF value of imports for the period.

Communications Service Tax exceeded its target by GH¢400 million (66.3%), mainly driven by higher gross revenues and increased collections from prepaid credit by a key industry player. Crude oil receipts were below target by about GH¢4.4 billion (42.7%), largely due to delays in payment of corporate income tax from oil and the appreciation of the Ghana cedi. Grants fell short of target by GH¢553 million, largely on the back of non-disbursement of project grants by some development partners.

4.2 Expenditures

Government spending was contained within the target for the period ending July 2025. Total expenditures for the review period amounted to GH¢131.1 billion (9.4% of GDP), compared to target of GH¢152.6 billion (10.9% of GDP). This outturn was 14.1 percent below target but recorded a year-on-year growth of 9.3 percent. All the expenditure lines were below their respective targets except for compensation of employees.

Interest payments amounted to GH¢28.9 billion (2.1% of GDP), 19.5 percent short of the target of GH¢36.0 billion (2.6% of GDP), mainly reflecting the impact of declining domestic interest rates and the appreciation of the cedi. Compensation of employees amounted to GH¢44.9 billion (3.2% of GDP), compared with a target of GH¢44.7 billion (3.2% of GDP).

CAPEX amounted to GH¢10.0 billion (0.7% of GDP), below the target of GH¢22.4 billion (1.6% of GDP) by 63.0 percent. Domestic capex amounted to GH¢6.6 billion, compared to the target of GH¢12.5 billion. The outturn largely represents transfers made under the Big Push initiative. Foreign-financed capex amounted to GH¢3.4 billion, compared to a target of GH¢9.8 billion.

Arrears clearance amounted to GH¢4.8 billion, against a target of GH¢8.1 billion, with zero payable build-up for the period signaling strong commitment control.

Table 4.1: Revenue and Grants

No.	Indicators (GH¢ million)	2024		2025						
		Prov. Jan-Jul	y/y (%)	Budget	Budget Rev.	Prog. Jan-Jul	Prov. Jan-Jul	Dev (GH¢) (%)		y/y (%)
1	Total Revenue & Grants	94,491	34.8	227,080	229,950	122,920	116,170	-6,750	-5.5	22.9
	% of GDP	8.0		16.2	16.4	8.8	8.3			
2	Domestic Revenue	93,783	35.8	224,406	227,275	121,600	115,403	-6,197	-5.1	23.1
	% of GDP	8.0		16.0	16.2	8.7	8.2			
3	Non-oil Tax Revenue	70,236	33.8	181,617	181,617	95,746	95,583	-164	-0.2	36.1
	% of GDP	6.0		13.0	13.0	6.8	6.8			
4	Non-Oil Non-Tax Revenue	8,884	37.7	18,381	18,381	10,760	9,282	-1,478	-13.7	4.5
	% of GDP	0.8		1.3	1.3	0.8	0.7			
5	Oil and Gas Receipt	11,049	64.8	16,514	16,514	10,324	5,919	-4,406	-42.7	-46.4
	% of GDP	0.9		1.2	1.2	0.7	0.4			
6	Other Revenue	3,614	5.5	7,893	10,762	4,769	4,620	-149	-3.1	27.9
	% of GDP	0.3		0.6	0.8	0.3	0.3	0.1		
7	Grants	708	-30.9	2,675	2,675	1,320	767	-553	-41.9	8.3
	% of GDP	0.1		0.2	0.2	0.1	0.1	0.1		

Source: Ministry of Finance

Table 4.2: Expenditure

No.	Indicators (GH¢ million)	2024		2025						
		Prov. Jan-Jul	y/y (%)	Budget	Budget Rev.	Prog. Jan-Jul	Prov. Jan-Jul	Dev		y/y (%)
								(GH¢)	(%)	
1	Total Exp. (Commitment, Incl Discrepancy) ¹	119,894	27.7	270,924	269,496	152,573	131,061	-21,511	-14.1	9.3
	% of GDP	10.2		19.4	19.2	10.9	9.4			
2	Primary Expenditures (Commitment, Incl Discrepancy) ¹	98,925	26.8	206,761	209,630	116,557	102,078	-14,479	-12.4	3.2
	% of GDP	8.4		14.8	15.0	8.3	7.3			
3	Compensation of Employees	35,237	25.7	76,203	76,203	44,707	44,905	198	0.4	27.4
	% of GDP	3.0		5.4	5.4	3.2	3.2			
	o/w Wages and Salaries	31,346		68,197	68,197	39,782	40,386			
4	Use of Goods and Services	8,687	16.9	6,671	6,671	3,794	3,355	-439	-11.6	-61.4
	% of GDP	0.7		0.5	0.5	0.3	0.2			
5	Grants to Other Gov't Units	23,343	46.5	54,567	54,567	29,753	28,975	-777	-2.6	24.1
	% of GDP	2.0		3.9	3.9	2.1	2.1			
6	Capital Expenditure	17,040	78.3	32,662	32,662	22,376	10,028	-12,348	-55.2	-41.2
	% of GDP	1.4		2.3	2.3	1.6	0.7			
	o/w Domestic Financed	9,045		21,006	21,006	12,573	6,555	-6,018	-47.9	-27.5
	o/w Foreign Financed	7,996		11,655	11,655	9,803	3,473	-6,330	-64.6	-56.6
7	Other Expenditure	15,900	177.0	36,658	39,528	15,928	13,856	-2,072	-13.0	-12.9
	% of GDP	1.4		2.6	2.8	1.1	1.0			
8	Other Outstanding Expenditure Claims	0		0	0	0	0	0		
	% of GDP	0.0		0.0	0.0	0.0	0.0			
8	Interest Payment	20,970	31.8	64,163	59,866	36,015	28,983	-7,032	-19.5	38.2
	% of GDP	1.8		4.6	4.3	2.6	2.1			
	o/w Domestic	20,326	38.5	56,247	51,155	28,931	23,226	-5,705	-19.7	14.3
	o/w Foreign	644	-47.9	7,916	8,711	7,084	5,757	-1,327	-18.7	794.5

Source: Ministry of Finance

4.3 Budget Balance and Financing

Government budgetary operations for the review period resulted in an overall budget deficit (cash basis) of GH¢19.7 billion (1.4% of GDP). This was less than the targeted deficit of GH¢37.8 billion (2.7% of GDP). The overall deficit was financed from both domestic and external sources. Government borrowed, on net basis, GH¢14.8 billion from domestic sources, and relied on a net foreign financing of GH¢4.9 billion. The corresponding primary balance (cash basis) for the period showed a surplus of 0.7 percent of GDP, against a target deficit of 1.0 percent of GDP. Additionally, the primary balance on commitment basis (the fiscal anchor) showed a surplus of 1.0 percent of GDP against a target surplus of 0.5 percent of GDP. The net effect of the government's fiscal operations resulted in fiscal deficit outturns (both on commitment and cash bases) lower than the targets for the period, consistent with the government's fiscal consolidation objective in the 2025 Budget, as well as the underlying fiscal anchor.

Table 4.3: Budget Balance and Financing

No.	Indicators (GHC million)	2024		2025						
		Prov. Jan-Jul	y/y (%)	Budget	Rev. Budget	Prog. Jan-Jul	Prov. Jan-Jul	Dev (GHC) (%)		y/y (%)
1	Total Revenue & Grants	94,491.4	34.8	227,080	229,950	122,920	116,169.9	-6,750	-5.5	22.9
	% of GDP	8.0		16.2	16.4	8.8	8.3			
2	Total Exp. (Commitment, Incl Discrepancy)	119,894	27.7	270,924	269,496	152,573	131,061	-21,511	-14.1	9.3
	% of GDP	10.2		19.4	19.2	10.9	9.4			
3	Overall Balance (Commitment)	-25,403.0		-43,844	-39,546	-29,653	-14,891	14,761	-49.8	-41.4
	% of GDP	-2.2		-3.1	-2.8	-2.1	-1.1			
4	Primary Balance (Commitment)	-4,433		20,320	20,320	6,363	14,092	7,729	121.5	-417.9
	% of GDP	-0.4		1.5	1.5	0.5	1.0			
5	Arrears clearance (net)	-14,848		-13,068	-13,068	-8,116	-4,780	3,336	-41.1	-67.8
	% of GDP	-1.3		-0.9	-0.9	-0.6	-0.3			
	o/w Clearance of Arrears & Outstanding Payables	-19,384		-13,068	-13,068	-8,116	-4,780			
	o/w Payables build-up	4,536		0	0	0	0			
6	Overall Balance (cash)	-40,251		-56,911	-52,614	-37,769	-19,671.2	18,098	-47.9	-51.1
	% of GDP	-3.4		-4.1	-3.8	-2.7	-1.4			
7	Primary Balance (Cash)	-19,281		7,252	7,252	-1,754	9,312.1	11,066	-631.0	-148.3
	% of GDP	-1.6		0.5	0.5	-0.1	0.7			
8	Nominal GDP	1,176,220		1,400,006	1,400,006	1,400,006	1,400,006			

Source: Ministry of Finance

4.4 Public Debt Analysis

The combined effects of exchange rate appreciation and a slower pace in debt accumulation resulted in a reduction in the stock of total public debt at the end of July 2025. The stock of public debt at the end of July 2025 stood at GH¢628.8 billion (44.9% of GDP), showing a reduction of GH¢98.0 billion over the stock of GH¢726.7 billion (61.78% of GDP) recorded for end-December 2024. Out of the total public debt, external debt stood at GH¢305.0 billion (21.8% of GDP) and domestic debt was GH¢323.7 billion (23.1% of GDP). The decrease was largely due to the exchange rate effect on external debt but muted by some accumulation of domestic debt. Domestic borrowings went up on the back of expected coupon payment obligations of the government on both tendered and untendered bonds in February and August 2025, resulting in higher borrowings to build buffers.

Table 4.4: Public Debt

	2024	2024	2025	2025	2025	2025	2025	2025	2025	July 2025 - Dec 2024
	JULY	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	CHANGE
TOTAL DOMESTIC DEBT (GH¢m)	290,912.7	309,844.8	320,079.9	328,036.0	326,903.1	322,295.4	315,630.3	312,681.1	323,746.1	13,901.2
SHORT TERM	94,678.6	111,165.7	121,185.1	125,962.4	124,988.6	121,822.7	117,440.3	114,734.1	125,861.1	14,695.4
MEDIUM-TERM	127,368.4	129,051.2	129,422.1	131,053.5	130,943.1	129,624.0	127,176.7	126,949.4	126,878.8	(2,172.4)
LONG-TERM	67,661.5	68,559.9	68,559.9	70,116.2	70,116.2	70,116.2	70,495.8	70,477.3	70,477.3	1,917.4
STANDARD LOANS	1,204.1	1,068.1	912.9	903.8	855.1	732.5	517.5	520.3	528.9	(539.2)
HOLDINGS OF DOMESTIC DEBT (GH¢m)	290,912.7	309,844.8	320,079.9	328,036.0	326,903.1	322,295.4	315,630.3	312,681.1	323,746.1	13,901.2
BANKING SYSTEM	134,021.8	135,756.9	139,066.2	141,488.5	135,691.3	133,060.1	126,837.1	131,807.5	151,401.0	15,644.0
NON-BANK	142,125.5	159,604.8	166,505.2	171,422.1	176,331.5	174,334.6	174,817.0	167,410.3	159,721.9	117.1
FOREIGN SECTOR (Non-Resident)	13,561.3	13,415.0	13,595.7	14,221.6	14,025.2	14,168.2	13,458.7	12,943.0	12,094.3	(1,320.7)
STANDARD LOANS	1,204.1	1,068.1	912.9	903.8	855.1	732.5	517.5	520.3	528.9	(539.2)
TOTAL EXTERNAL(US\$m)	31,740.8	28,322.6	28,223.7	28,325.1	28,479.8	28,822.1	28,825.1	29,110.3	29,035.4	712.8
MULTILATERAL	10,673.8	11,235.7	11,297.4	11,363.5	11,390.6	11,537.0	11,506.5	11,637.2	11,853.3	617.6
BILATERAL	5,349.0	5,274.0	5,278.8	5,313.2	5,403.5	5,552.5	5,545.1	5,664.2	5,589.1	315.1
COMMERCIAL	15,717.9	11,812.9	11,647.5	11,648.3	11,685.7	11,732.6	11,773.5	11,808.9	11,592.9	(220.0)
TOTAL EXTERNAL(GH¢m)	472,873.8	416,835.2	432,040.0	440,109.0	442,513.7	408,037.1	296,469.3	300,278.1	305,025.2	(111,809.9)
TOTAL PUBLIC DEBT (GH¢m)	763,786.4	726,680.0	752,119.9	768,145.0	769,416.8	730,332.5	612,099.6	612,959.2	628,771.3	(97,908.7)
EXCHANGE RATE (End Period Selling MOF)	14.8980	14.7174	15.3077	15.5378	15.5378	14.1571	10.2851	10.3152	10.5053	
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	1,400,006.1	
TOTAL DEBT /GDP RATIO (%)	64.94	61.78	53.72	54.87	54.96	52.17	43.72	43.78	44.91	
EXTERNAL DEBT/GDP	40.2	35.4	30.9	31.4	31.6	29.1	21.2	21.4	21.8	
DOMESTIC DEBT/GDP	24.7	26.3	22.9	23.4	23.4	23.0	22.5	22.3	23.1	
EXTERNAL DEBT/TOTAL DEBT	61.9	57.4	57.4	57.3	57.5	55.9	48.4	49.0	48.5	
DOMESTIC DEBT/TOTAL DEBT	38.1	42.6	42.6	42.7	42.5	44.1	51.6	51.0	51.5	

Source: Bank of Ghana, Ministry of Finance

4.5 Risks to the Outlook

Weak revenue performance, pressures from compensation of employees and increasing energy sector payments are the key fiscal risks likely to plague fiscal execution for the rest of the year 2025. In addition, concluding the remaining external debt restructuring negotiations may create potential short-term external payment challenges and this may have implication for the domestic currency.

4.6 Conclusion

Fiscal policy implementation for the period January-July 2025 shows significant improvement with the primary balance on a commitment basis (the fiscal anchor) recording a surplus of 1.0 percent of GDP, surpassing the target surplus of 0.5 percent. Total revenue and grants recorded shortfalls in all the broad categories: non-oil tax revenues, oil and gas receipts, ESLA receipts, non-oil non-tax revenues and grants. Expenditures were tightly managed, with total spending 14.1 percent below the programmed amount. Interest payments declined, driven by reduced domestic borrowing, declining domestic interest costs, and the effect of the appreciation of the local currency on external debt payments. Budget financing relied heavily on domestic sources, with net domestic financing amounting to GH¢14.7 billion—well below the target. The public debt profile has benefited from the appreciation of the local currency, but recent depreciation may claw back some of the gains. This may slow down the anticipated quick achievement of debt sustainability.

5. Monetary and Financial Developments

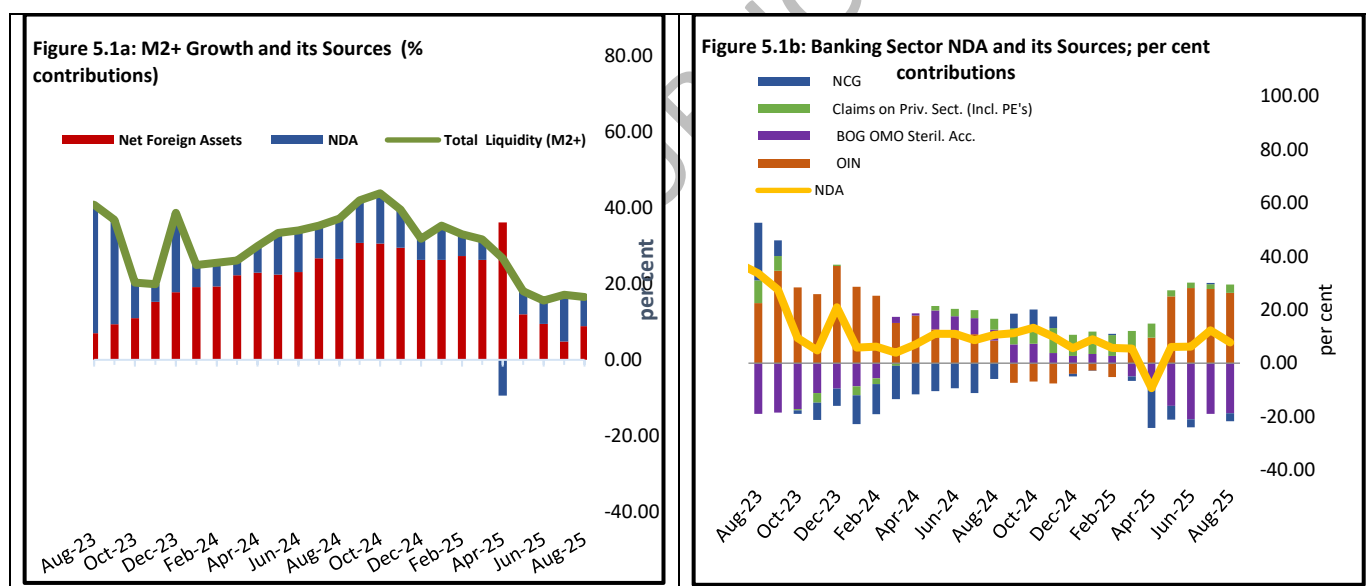
5.0 Highlights

Growth in monetary aggregates continued to moderate in August 2025, reflecting the impact of the tight monetary policy stance and active liquidity management. Growth in broad money (M2+) declined significantly on the back of declines in growth in both NDA and NFA. As a result, reserve money growth also slowed, reflecting lower net claims on government, reduced claims on DMBs and intensified sterilization operations, alongside delayed inflows under the Gold-for-Reserves Programme. Credit slowed during the period under review, reflecting among others, banks preference for Bank of Ghana bills, which had higher returns. In the money market, interest rates on short-term instruments declined sharply on a year-on-year basis while interest rates on longer-dated instruments remained broadly stable. The GSE Composite Index (GSE-CI) registered significant gains, year-on-year, in August 2025, driven by improved investor appetite, particularly for listed financial stocks and enhanced liquidity within that segment of the market.

5.1 Developments in Monetary Aggregates

Money Supply

There was a moderation in the growth of broad money supply (M2+) in August 2025, reflecting declines in growth in both Net Domestic Assets (NDA) and Net Foreign Assets (NFA). Annual growth in M2+ slowed markedly to 16.6 percent in August 2025, compared with 37.1 percent recorded in the same period of 2024.

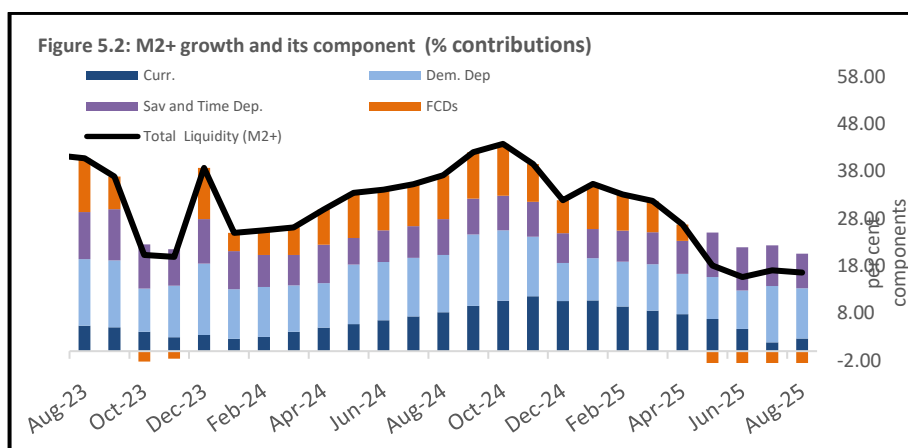


Sources: Bank of Ghana

The contribution of NFA to broad money growth declined significantly, easing to 8.8 percent in August 2025 from 26.5 percent a year earlier. This largely reflected valuation effects from the appreciation of the domestic currency, which reduced the cedi value of foreign-denominated assets. Similarly, NDA's contribution fell to 7.7 percent from 10.6 percent over the same comparative period, underpinned by the BoG's tight monetary policy stance and enhanced liquidity management operations.

The moderation in the growth of NDA was mainly driven by reductions in Net Claims on Government (NCG) and increased sterilization through the issuance of Bank of Ghana Bills during the review period. These effects were partly offset by increases in Claims on the Private Sector, as well as an expansion in Other Items (Net) (OIN).

Analysis of the components of M2+ confirmed a broad-based decline in all components. The contributions of savings and time deposits, demand deposits, and currency in circulation to M2+ growth declined in August 2025 relative to August 2024. Specifically, the contribution of demand deposits to total liquidity declined from 12.1 percent to 10.6 percent, the contribution of savings and time deposits reduced to 7.3 percent from 7.6 percent, while that of currency in circulation declined to 2.7 percent from 8.2 percent. The contribution of foreign currency deposits, which had provided strong support to liquidity growth in 2024, declined to negative 4.0 percent in August 2025.



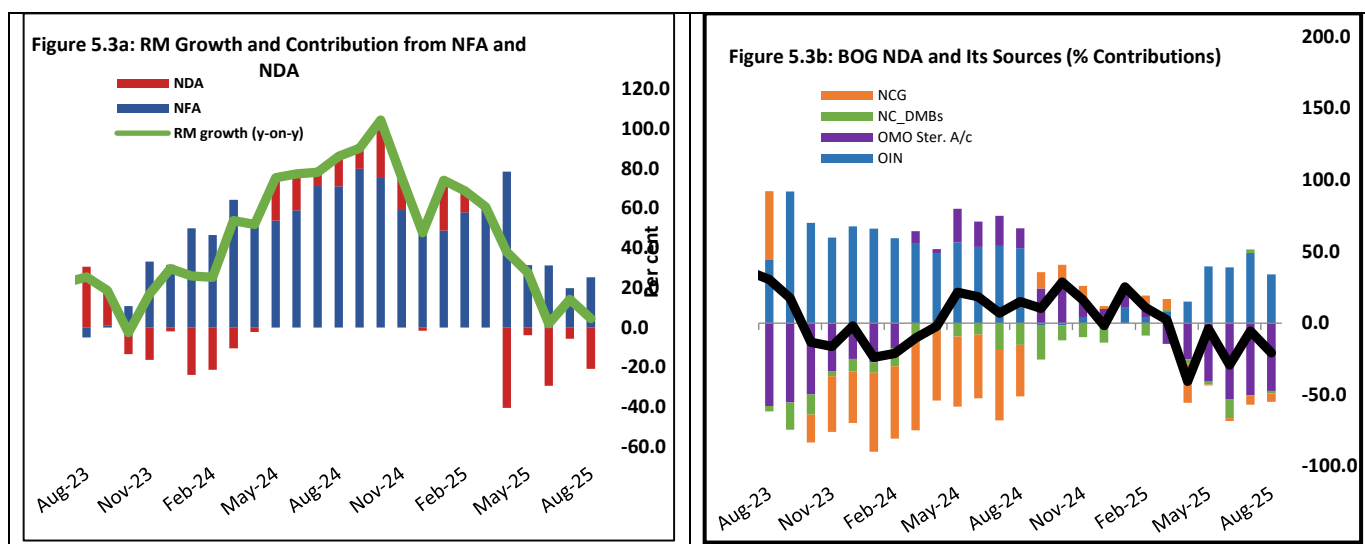
Source: Bank of Ghana

5.2 Reserve Money

Growth in Reserve Money (RM) moderated sharply, in August 2025, reflecting a contraction in NDA and moderation in growth in NFA. Annual growth in RM slowed to 4.5 percent in August 2025, compared with 86.2 percent in the same period of 2024, underscoring a significant tightening in base liquidity conditions.

The contraction in NDA was the main driver of the moderation in growth in RM, reflecting reduced Net Claims on Government (NCG), lower claims on deposit money banks (DMBs), and intense open market operations (OMO) aimed at sterilizing excess liquidity. An expansion in Other Items (Net) (OIN), however, partly offset these effects. Consequently, NDA's contribution to RM growth declined to *negative* 20.8 percent in August 2025, compared with a positive contribution of 15.0 percent a year earlier.

NFA increased during the review period, supported by inflows from the domestic gold purchase programme. On the other hand, the pace of remittance inflows, foreign exchange purchases from mining companies, and multilateral disbursements slowed down in August 2025, compared to August 2024, partly due to valuation effects of the appreciation of the domestic currency within the year. As a result, the contributions of NFA to RM growth eased to 25.3 percent in August 2025, relative to 71.2 percent in August 2024.

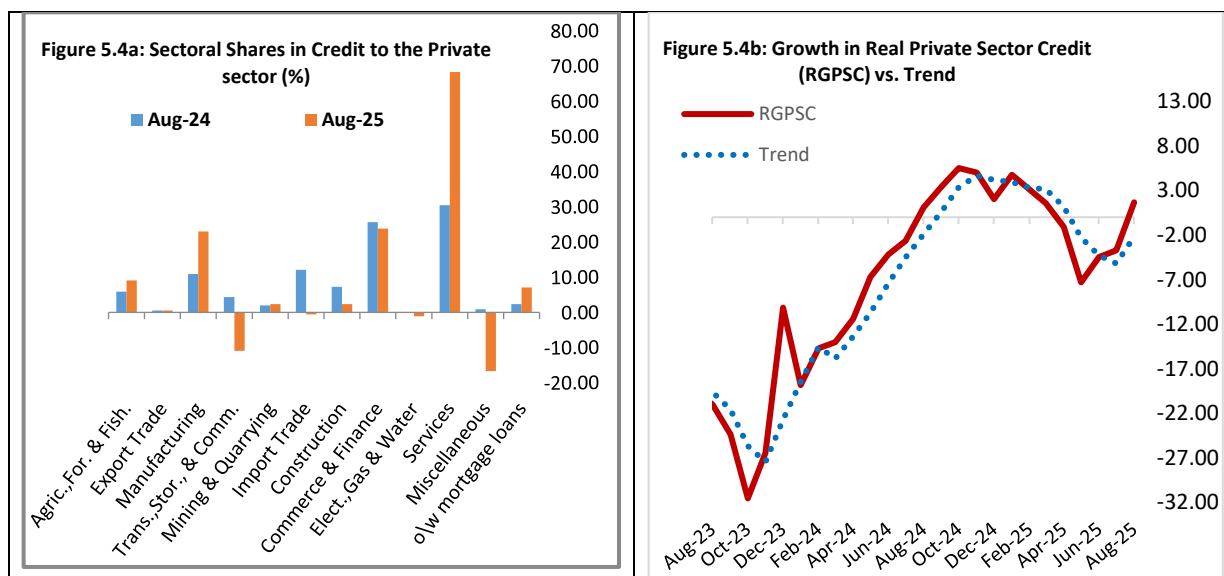


Source: Bank of Ghana

5.3 Deposit Money Banks Credit Developments

DMBs' credit expansion moderated significantly in August 2025, largely reflecting reduced credit flows to both the private sector and public institutions. Total net credit flows declined to GH¢8,660.51 million (10.0 percent) in August 2025, compared with GH¢14,247.95 million (19.7 percent) recorded in August 2024. The decline was driven primarily by reduced credit to the public sector, alongside a moderation in private sector credit flows as banks reallocated portfolios toward Government and Bank of Ghana securities.

Private sector credit flows amounted to GH¢10,710.52 million (13.3%) in August 2025, down from GH¢14,319.18 million (21.7%) in August 2024. Despite this slowdown, the private sector remained the dominant recipient of credit, accounting for 95.5 percent of total outstanding credit in August 2025, compared with 92.7 percent a year earlier. By sectoral distribution, credit flows were concentrated in the services (68.2%), commerce and finance (23.8%) and manufacturing (23.0%) sectors.



Source: Bank of Ghana

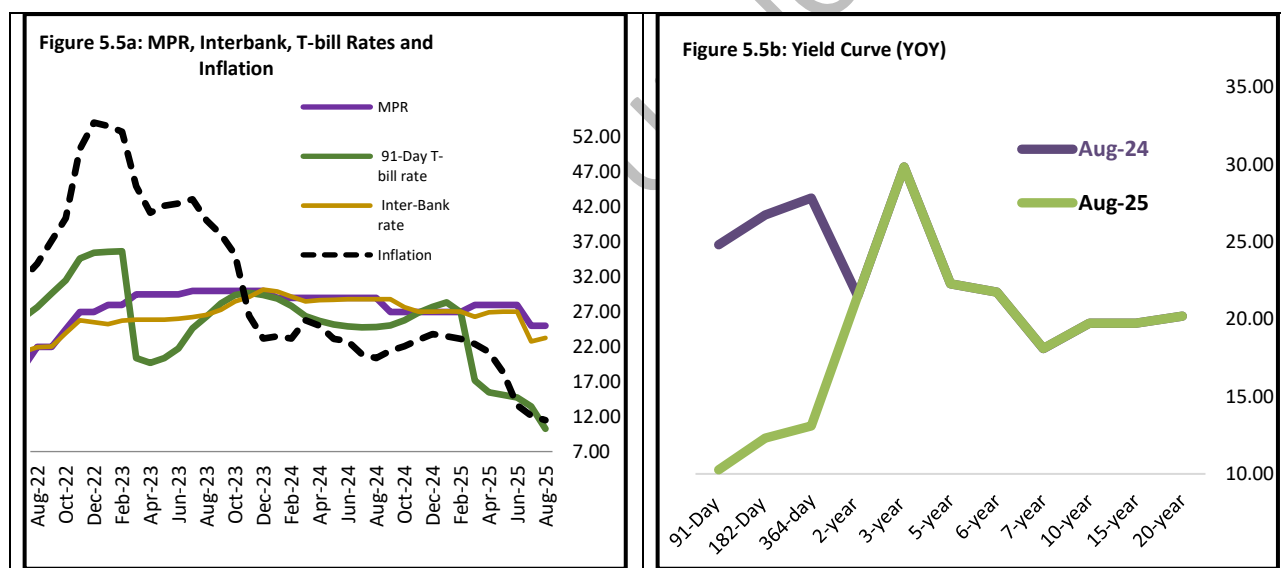
Outstanding private sector credit was GH¢91,028.58 million at end-August 2025, compared to GH¢80,318.06 million at end-August 2024. In real terms, private sector credit recorded a modest expansion of 1.7 percent, as against a contraction of 1.1 percent over the same period in 2024. Growth in real sector private sector credit was, however, slightly above trend, with the deviation from trend widening marginally in August 2025, compared to the previous year.

5.4 Money Market Developments

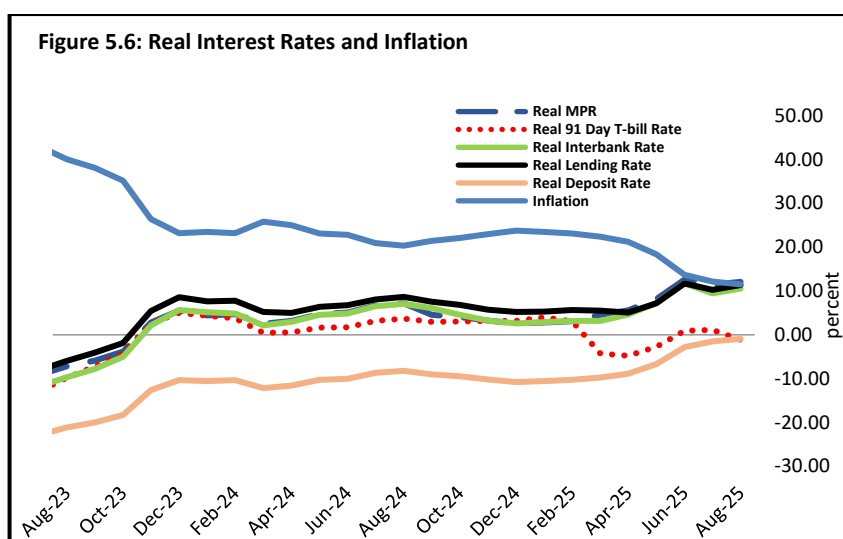
Interest rates in August 2025 broadly declined at the short end of the yield curve, consistent with Government's ongoing strategy to lower borrowing costs ahead of planned issuances in the domestic bond market. In contrast, yields on medium- to long-dated securities remained broadly stable, reflecting the absence of new issuances during the review period.

At the short end, Treasury bill rates registered significant year-on-year declines. The rates on the 91-day, 182-day, and 364-day instruments fell to 10.3 percent, 12.3 percent, and 13.1 percent, respectively in August 2025, compared with 24.8 percent, 26.7 percent and 27.8 percent respectively in the corresponding period of 2024. In contrast, rates on the 2-year, 3-year, 5-year, 6-year, 7-year, 10-year, 15-year, and 20-year bonds remained broadly unchanged, given limited activity in that segment of the market.

The Interbank Weighted Average Rate (IWAR) decreased to 23.3 percent in August 2025 from 28.8 percent in August 2024. Similarly, the average lending rates of banks moderated to 24.2 percent in August 2025 from 30.8 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

5.5 Stock Market Developments

The Ghana Stock Exchange (GSE) continued with its strong performance in August 2025, reflecting strong investor sentiments and improved market fundamentals. The GSE Composite Index (GSE-CI) increased to 7,330.37 points in August 2025 from 4,359.85 points in the corresponding period of 2024, translating into a year-on-year gain of 68.1 percent, compared with 41.3 percent growth recorded in August 2024. This was largely induced by improved profitability of listed financial institutions, enhanced liquidity conditions, and limited alternative investment options following the Domestic Debt Exchange Programme (DDEP).

Sectoral performance was broadly positive, with notable contributions from the ETFund, distribution, agriculture, and finance sectors, which registered annual growth rates of 21.6 percent, 126.1 percent, 37.4 percent and 61.1 percent, respectively. In addition, the GSE Financial Stocks Index (GSE-FSI) closed at 3,411.96 points in August 2025, recording a year-on-year gain of 61.1 percent, compared with 20.6 percent in the same period of 2024. The recovery of financial stocks was largely driven by stronger profitability following earlier losses induced by the DDEP.

Market capitalization expanded significantly, reaching GH¢149.60 billion at end-August 2025, representing an annual growth of 62.5 percent, compared with 25.7 percent growth in August 2024. This increase was primarily underpinned by appreciation in share prices, supported by renewed investor confidence. Sectorally, the finance, distribution, and information technology sectors recorded strong gains of 188.1 percent, 126.1 percent, and 75.9 percent, respectively.

Table 5.1: Performance of Ghana Stock Exchange

Performance of Ghana Stock Exchange (Table 2)										Changes		
	Aug-24	Sep-24	Dec-24	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Y-O-Y	Y-T-D	
										2024	2025	2025
GSE CI	4359.85	4369.44	4888.53	6217.9	6095.57	6150.31	6248.48	6248.48	7330.37	41.33	68.13	49.95
GSE FI	2118.06	2190.37	2380.79	3059.3	3112.17	3217.14	3376.01	3422.89	3411.96	20.61	61.09	43.31
Market Capitalization	92041.99	99101.87	111356.09	136998.73	135974.37	136545.48	137286.09	146120.15	149598.17	25.65	62.53	34.34

Source: Ghana Stock Exchange and Bank of Ghana Staff Calculations

5.6 Conclusion

Monetary and financial developments in August 2025 point to continued restraint in liquidity growth, consistent with the Bank's tight monetary policy stance and active sterilization operations. Broad money supply (M2+) and reserve money growth moderated sharply, reflecting declines in both NDA and NFA growth, primarily on account of reduced net claims on government. Credit conditions tightened, as DMBs adjusted portfolios towards safer sovereign and BoG securities. In real terms, credit to the private sector increased marginally in August 2025 relative to a contraction a year earlier.

In the money market, short-term interest rates trended downward on a year-on-year basis, in line with Government's strategy to lower borrowing costs ahead of future bond issuances, while yields on longer-dated instruments remained broadly stable. Interbank and lending rates also declined, reflecting the pass-through effect of the cut in the policy rate on financing cost for the private sector.

The GSE Composite Index (GSE-CI) recorded robust gains while market capitalisation expanded markedly, driven by appreciation in financial, distribution and IT stocks. 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.

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6. Banking Sector Developments and Macroprudential Risk Assessment

6.0 Highlights

The banking sector showed resilience in the first eight months of 2025, as assets growth remained strong. However, growth in the banking industry assets in August 2025 moderated on the back of appreciation of the Ghana cedi and a decline in foreign borrowings. Financial Soundness Indicators (FSIs), except for those for core liquidity, recorded an improvement in August 2025 relative to the same period in 2024. Profit growth picked up in August 2025, and this translated into a rise in profitability indicators during the period. Liquidity in the industry declined while solvency in the banking sector improved remarkably. The industry's Non-Performing Loans (NPLs) ratio also recorded an improvement during the period under review relative to the previous year though asset quality remained a concern. In the outlook, the sector's performance is contingent on banks' adherence to recapitalisation plans and full implementation of the NPL guidelines recently introduced by Bank of Ghana. The macro-prudential risk assessment showed that favourable macroeconomic developments have supported financial sector performance and moderated systemic risks.

6.1 Banks' Balance Sheet

Total assets of the banking sector grew by 22.4 percent to GH¢415.2 billion as at August 2025, compared with 38.7 percent growth recorded in August 2024. The growth in assets was driven by growth in deposits, notably domestic deposits and other funding sources. Foreign assets contracted by 16.6 percent in August 2025 from a growth of 71.2 percent in August 2024, while domestic assets went up by 26.5 percent compared to 35.9 percent during the period under review. Consequently, the share of foreign assets in total assets decreased from 9.7 percent to 6.6 percent, while the share of domestic assets rose to 93.4 percent from 90.3 percent, during the reference period (Table 5.1).

Investments in August 2025 surged by 56.2 percent (to GH¢182.3 billion) relative to a growth of 20.2 percent for the same period August 2024. Growth in short-term instruments increased sharply by 127.6 percent during the review period compared to 3.7 percent for the same period a year ago, and this was primarily due to increased purchases of Bank of Ghana bills by industry players. Investments in long-term securities, however, recorded a significant decline in growth of 0.1 percent in August 2025 relative to 37.4 percent the previous year. This resulted in the share of short-term bills increasing to 28.1 percent in August 2025 from 15.1 percent in August 2024. The massive rebalancing of banks' portfolios in favour of short-term bills led to an increased share of investments in total assets to 43.9 percent in August 2025, from 34.4 percent in August 2024.

Credit growth moderated within the banking sector in August 2025. Gross loans and advances grew by 10.0 percent to GH¢95.3 billion in August 2025, compared to a 19.7 percent growth in August 2024. Growth in net loans and advances (gross loans adjusted for provisions and interest in suspense) also moderated to 12.7 percent from 13.8 percent the previous year.

Deposits remained the main source of funding for the industry. Total banking deposits stood at GH¢300.1 billion as at end-August 2025. However, growth in deposits declined sharply from 34.2 percent in August 2024 to 17.8 percent in August 2025. The foreign currency component of deposits in cedi terms also contracted by 15.6 percent (to GH¢70.1 billion) in August 2025, compared to a growth of 33.9 in the prior year. This was due to the appreciation of the Ghana cedi during the period.

Growth in borrowings in August 2025 dropped substantially to 54.6 percent to GH¢39.9 billion from 86.4 percent in August 2024 due to a contraction in foreign currency borrowings, particularly long-term borrowings. Long-term foreign borrowings contracted by 60.9 percent in August 2025 from a growth of 9.9 percent the previous year while short-term instruments also moderated to 15.8 percent from 58.9 percent growth in August 2024. On the domestic front, short-term

and long-term borrowings recorded year-on-year growths of 87.4 percent, and 43.9 percent, respectively, in August 2025. Long-term borrowings in August 2025 recovered from a contraction of 30.5 percent in the corresponding year.

The industry's shareholders' funds (comprising paid-up capital and reserves) grew strongly by 50.7 percent to GH¢50.4 billion in August 2025, compared to a growth of 39.9 percent in August 2024. The increase in shareholders' funds was due to capital injection by shareholders as well as the ploughing back of profits.

Table 6.1: Key Developments in DMBs' Balance Sheet

	(GH c'million)			Y-on-Y Growth (%)			Shares (%)	
	Aug-24	Jun-25	Aug-25	Aug-24	Jun-25	Aug-25	Aug-24	Aug-25
TOTAL ASSETS	339,329.5	384,273.7	415,201.5	38.7	18.9	22.4	100.0	100.0
A. Foreign Assets	32,800.6	22,381.6	27,345.2	71.2	(32.2)	(16.6)	9.7	6.6
B. Domestic Assets	306,528.9	361,892.2	387,856.3	35.9	24.7	26.5	90.3	93.4
Investments	116,692.1	162,464.7	182,295.5	20.2	51.5	56.2	34.4	43.9
i. Bills	51,304.4	98,039.9	116,766.8	3.7	129.1	127.6	15.1	28.1
ii. Securities	65,051.1	64,008.4	65,114.1	37.4	(0.1)	0.1	19.2	15.7
Advances (Net)	70,450.3	72,443.7	79,371.0	13.8	4.8	12.7	20.8	19.1
of which Foreign Currency	23,566.9	17,004.3	20,078.0	12.7	(30.1)	(14.8)	6.9	4.8
Gross Advances	86,677.4	89,702.9	95,337.9	19.7	6.1	10.0	25.5	23.0
Other Assets	22,038.8	27,494.6	26,390.1	53.3	25.2	19.7	6.5	6.4
Fixed Assets	8,769.0	9,910.3	10,081.0	16.3	15.5	15.0	2.6	2.4
TOTAL LIABILITIES AND CAPITAL	339,329.5	384,273.7	415,201.5	38.7	18.9	22.4	100.0	100.0
Total Deposits	254,758.0	280,118.8	300,109.6	34.2	13.9	17.8	75.1	72.3
of which Foreign Currency	83,068.6	62,296.9	70,147.3	33.9	(23.3)	(15.6)	24.5	16.9
Total Borrowings	25,815.9	32,910.7	39,913.4	86.4	42.1	54.6	7.6	9.6
Foreign Liabilities	7,246.0	4,490.9	5,385.7	18.7	(40.0)	(25.7)	2.1	1.3
i. Short-term borrowings	2,165.2	1,863.6	2,508.2	58.9	(25.2)	15.8	0.6	0.6
ii. Long-term borrowings	4,234.5	1,563.9	1,656.6	9.9	(61.0)	(60.9)	1.2	0.4
iii. Deposits of non-residents	821.6	997.1	1,138.4	(7.1)	6.0	38.6	0.2	0.3
Domestic Liabilities	297,426.2	331,433.0	359,474.3	39.1	17.5	20.9	87.7	86.6
i. Short-term borrowing	17,967.7	27,361.9	33,663.9	174.3	79.7	87.4	5.3	8.1
ii. Long-term Borrowings	1,448.6	2,121.3	2,084.7	(30.5)	48.1	43.9	0.4	0.5
iii. Domestic Deposits	253,936.4	279,121.7	298,971.2	34.4	14.0	17.7	74.8	72.0
Other Liabilities	24,627.7	21,694.4	23,549.4	48.7	2.9	(4.4)	7.3	5.7
Paid-up capital	13,769.8	18,879.0	19,233.2	32.0	45.0	39.7	4.1	4.6
Shareholders' Funds	33,399.8	47,979.2	50,329.5	39.9	48.5	50.7	9.8	12.1

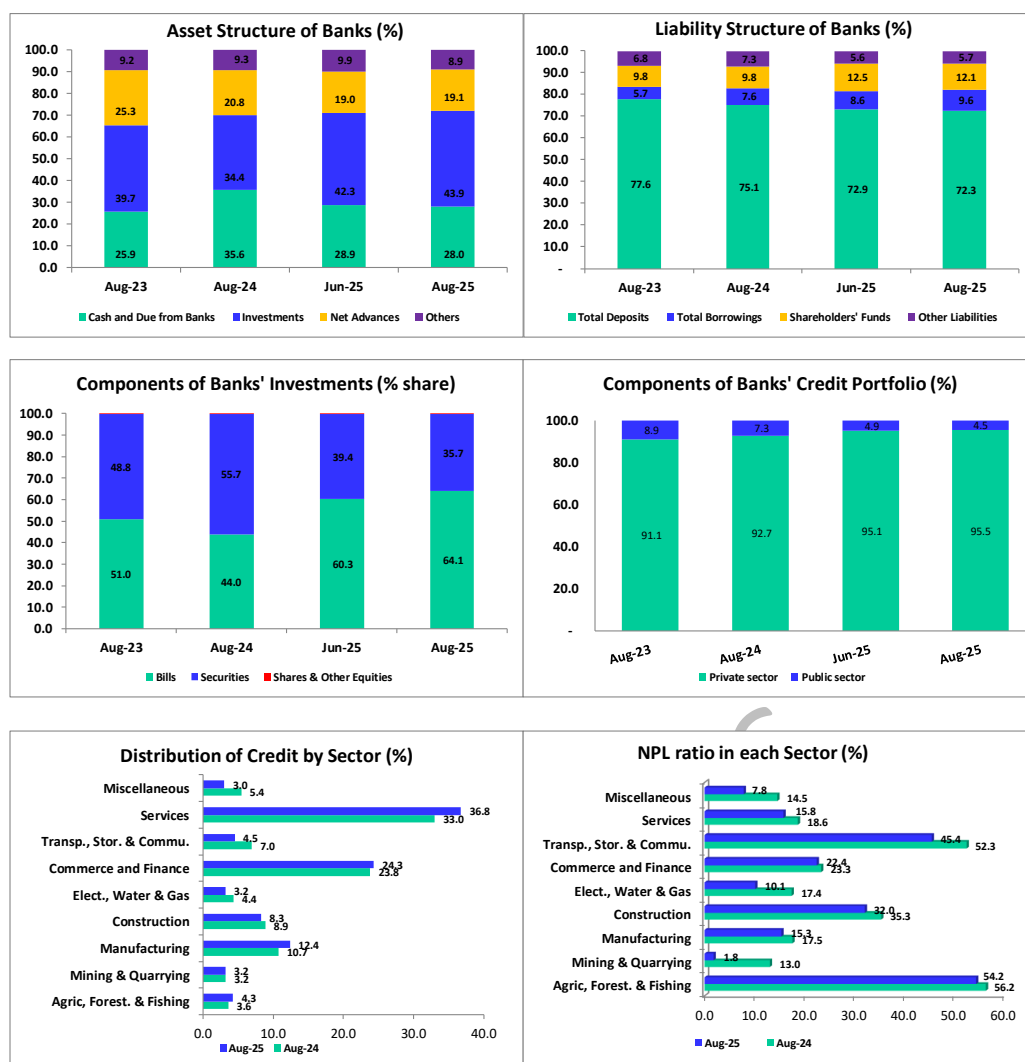
Source: Bank of Ghana

6.1.1 Asset and Liability Structure

The asset structure of the industry's balance sheet in August 2025 indicated a rebalancing of bank's portfolios towards investments. Investments (comprising bills, securities, and equity) was the largest component of the industry's assets with a share of 43.9 percent in August 2025, against its share of 34.4 percent in August 2024. Consequently, cash and bank balances dropped to the second position with a reduced share of 28.0 percent from 35.6 percent during the review period. Investments and cash and bank balances together accounted for 72.0 percent of total assets in August 2025, compared to a share of 70.0 percent in August 2024. The moderation in credit growth reflected in a smaller share of net advances of 19.1 percent, from 20.8 percent in August 2024. Net advances was the third-largest component of total assets in the banking sector. Non-earning assets (fixed assets and other assets) in banks' total assets decreased marginally in share to 8.9 in August 2025 percent from 9.3 percent a year earlier.

The funding structure of banks was dominated by deposits. However, the share of deposits in banks' liabilities and shareholders' funds declined to 72.3 percent in August 2025 from 75.1 percent in the corresponding period last year, following the moderation in deposit growth. However, the share of borrowings increased marginally to 9.6 percent in August 2025 from 7.6 percent in August 2024 due to the smaller share of deposits. The share of shareholders' funds in the sum of banks' liabilities and shareholders' funds also increased to 12.1 percent from 9.8 percent, while the share of other liabilities grew to 12.1 percent from 7.5 percent comparative period last year

Figure 6.1: Developments in Banks' Balance Sheet & Asset Quality



Source: Bank of Ghana

6.1.2 Share of Banks' Investments

Short-term instruments constituted the largest component of banks' investment portfolio, increasing to 64.1 percent in August 2025 from a share of 44.0 percent in the previous year. Long-term securities was the second largest component of banks' investment portfolio. Its share, however, dropped from 55.7 percent in August 2024 to 35.7 percent in August 2025, reflecting the industry's rebalancing of portfolios. The share of equity investments remained flat at 0.2 percent during the period under review.

6.2 Credit Risk

The industry's asset quality improved in August 2025 relative to August 2024, although credit risk remains elevated. The improvement in asset quality was broad-based with a decrease in non-performing loans (NPLs) in all economic sectors. This led to a decrease in the NPL ratio for the banking industry.

6.2.1 Credit Portfolio Analysis

The moderation in credit growth recorded in August 2025 is attributable to the contraction in the growth of loans to the public sector. The stock of gross loans and advances increased by 10.0 percent in August 2025 to GH¢95.3 billion, compared to an annual growth of 19.7 percent in August 2024. Private sector credit (comprising credit to private enterprises and households) grew by 13.3 percent to GH¢91.0 billion in August 2025, relative to a 21.7 percent growth in the comparative period a year earlier. Public sector credit, however, posted a further contraction of 32.2 percent to GH¢4.3 billion at end-August 2025 from a contraction of 1.1 percent in August 2024. Subsequently, the share of private sector credit in total credit rose to 95.5 percent as at end-August 2025, from 92.7 percent in August 2024, while the share of public sector declined to 4.5 percent from 7.3 percent a year earlier.

In terms of the distribution of credit by sectors, the services sector remained the dominant sector that received credit. It accounted for the largest share of 36.8 percent as at end-August 2025 (from 33.0 percent in August 2024), followed by the commerce and finance sectors with a share of 24.3 percent (from 23.8 percent in August 2024), while the manufacturing sector had an increased share of 12.4 percent (from 10.3 percent in August 2024), (Figure 5.1). Together, these sectors accounted for 73.5 percent of total credit in August 2025, compared with 67.5 percent in August 2024. “Miscellaneous” was the lowest recipient of industry credit, with a share of 3.0 percent. This sector replaced the mining and quarrying sector which was the lowest recipient of industry credit end-August 2024 with a share of 3.2 percent.

6.2.2 Off-Balance Sheet Activities

Off-balance sheet transactions (largely trade finance and guarantees) decreased during the review period. Contingent liabilities contracted by 31.6 percent to GH¢18.5 billion as at end-August 2025, down from GH¢27.1 billion as at end-August 2024. Accordingly, banks’ contingent liabilities as a percentage of total liabilities decreased from 8.9 percent in August 2024 to 5.1 percent in August 2025.

6.2.3 Asset Quality

The industry’s asset quality improved during the period under review. The industry’s NPL ratio decreased to 20.8 percent in August 2025, from 24.3 percent in August 2024. When adjusted for the fully provisioned loan loss category, the industry’s NPL ratio also improved from 10.6 percent in August 2024 to 6.8 percent end-August 2025, reflecting decreasing shares of both sub-standard and doubtful loans in the NPL stock (Figure 5.2). The decrease in the NPL ratio was due to the contraction in the NPL stock (4.4% year-on-year growth) relative to the growth in total loans (10.0% year-on-year growth). The industry’s NPL stock contracted by 6.1 percent to GH¢19.8 billion in August 2025 from GH¢21.1 billion in August 2024, indicative of the impact of increased write-offs as well as the appreciation of the Ghana cedi.

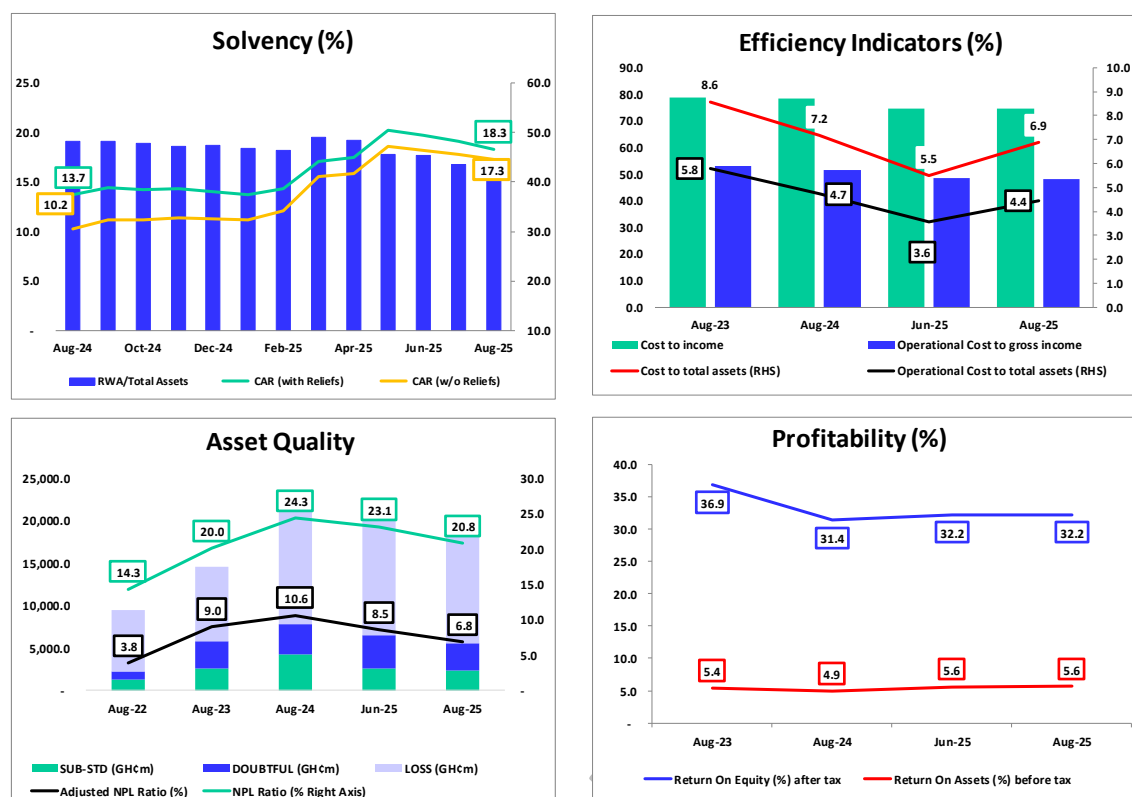
The private sector, being the largest recipient of the industry’s credit consequently accounted for the largest share of NPLs as at end-August 2025. The proportion of NPLs attributable to the private sector increased marginally from 96.0 percent in August 2024 to 97.4 percent in August 2025, while that of the public sector share declined from 4.0 percent in August 2024 to 2.6 at end-August 2025.

All sectors in the economy recorded an improvement in their NPL ratio in the period under review. The mining and quarrying sector recorded the lowest NPL ratio of 1.8 percent (from 13.0 percent in 2024). The agriculture, forestry and fishing sector maintained its position as the sector with the highest NPL ratio of 54.2 percent (from 56.2 percent). It was followed by the transportation, storage, and communication sector with an NPL ratio of 45.4 percent (from 52.3 percent). The construction sector posted an NPL ratio of 32.0 percent (from 35.3 percent). This was followed by the commerce and finance sector with an NPL ratio of 22.4 percent (from 23.3 percent) and then the services sector at 15.8 percent (from 18.6 percent). The manufacturing and electricity, water and gas sectors had NPL ratios of 15.3 percent, and 10.1 percent, respectively (from 17.5 percent, and 17.4 percent, respectively).

6.3 Financial Soundness Indicators

Trends in the industry's Financial Soundness Indicators (FSIs) indicated an improvement during the period under review except for those measuring liquidity.

Figure 6.2: Key Financial Soundness Indicators



Source: Bank of Ghana

6.3.1 Liquidity Indicators

The industry's liquidity position remained strong in August 2025, although there was a divergence in the performance of core liquidity and broad liquidity. Core liquidity declined in August 2025 as industry players decreased their cash and bank holdings, while broad liquidity increased due to a pick-up in investments. The ratio of core liquid assets (mainly cash and due from banks) to total deposits declined to 38.8 percent in August 2025 from 47.4 percent in August 2024, while core liquid assets to total assets ratio also decreased to 28.0 percent from 35.6 percent. However, the ratio of broad liquid assets to total deposits improved from 93.1 percent to 99.4 percent, while the broad liquid assets to total assets ratio similarly increased to 71.9 percent from 69.9 percent over the review period.

6.3.2 Capital Adequacy Ratio

The industry's solvency position, measured by the Capital Adequacy Ratio (CAR), recorded an improved to 17.3 percent in August 2025 from 10.2 percent in August 2024. This was on account of the recapitalisation by some banks as well as profitability realised by the sector. With reliefs, CAR was 18.3 percent in August 2025, compared to 13.7 percent in August 2024.

6.3.3 Profitability

The banking industry remained profitable for the first eight months of 2025, recording a sharp growth of 42.0 percent to GH¢14.6 billion profit-before-tax (PBT) in August 2025 and a growth of 46.1 percent to GH¢9.7 billion profit-after-tax (PAT) in August 2025 relative to GH¢10.2 billion, and GH¢6.7 billion, recorded during the same period last year,

respectively. Growth in both PBT and PAT was strong relative to the previous year's growth of 19.4 percent (PBT) and 17.6 percent (PAT).

The banking sector posted a growth in all income lines in August 2025, with other income growing at 47.3 percent compared to a contraction of 2.9 percent for the same period last year. Net interest income picked up by 21.8 percent to GH¢19.2 billion from 16.9 percent in August 2024. On year-on-year terms, interest income improved by 21.5 percent to GH¢29.3 billion in August 2025 from GH¢24.3 billion in August 2024. Interest expense also increased to GH¢10.2 billion in August 2025 from GH¢8.4 billion in August 2024, representing a growth rate of 20.9 percent, relative to the 22.1 percent growth recorded in August 2024. The growth in net interest income is attributable to the slowdown in interest expense due to lower interbank lending rates in August 2025 compared to August 2024.

Net fees and commissions recorded a growth of 13.1 percent in August 2025, down from 22.9 percent a year ago, while "other income" surged by 47.3 percent to GH¢4.8 million compared to a contraction of 2.9 percent in August 2024. These developments resulted in a 28.0 percent growth in the industry's net operating income in August 2025, compared with the 10.9 percent growth recorded a year ago.

The cost lines also recorded similar increases in August 2025, however, the difference in growth rates between August 2025 and August 2024 was marginal. The industry's operating expenses grew by 19.5 percent in August 2025, compared to 18.9 percent in 2024, on the back of a negligible growth in staff costs and other operating (administrative) expenses. Provisions for depreciation, bad debt and impairment losses on financial assets, contracted further by 46.0 percent in August 2025, compared to the 19.2 percent contraction recorded in August 2024, on account of the increase in write-offs and recoveries during the review period.

(a) Return on Assets and Return on Equity

The banking sector's profitability indicators, namely, return-on-assets (ROA), and return-on-equity (ROE), improved during the period under review, following the robust growth of profit-before-tax and profit-after-tax. The ROE increased from 31.4 percent in August 2024 to 32.2 percent in August 2025, while the ROA also went up to 5.6 percent from 4.9 percent over the same comparative period.

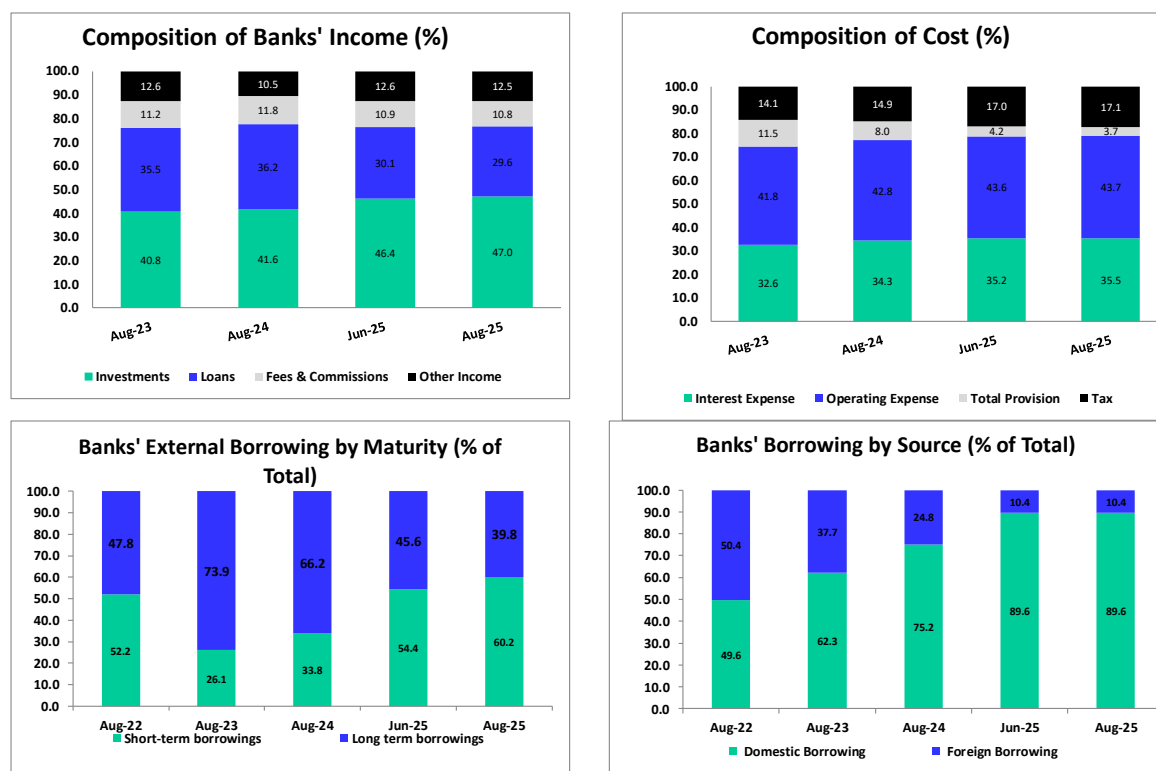
(b) Interest Margin and Spread

Interest spreads for the banking sector narrowed to 7.9 percent in August 2025, from 8.3 percent in August 2024. The decrease in spreads was due a decline in interest payable to 3.8 percent from 3.9 percent a year earlier, although gross yields declined marginally during the reference period. The interest margin to total assets ratio remained unchanged, while interest margin to gross income recorded a decline from 50.8 percent to 50.2 percent during the period under review. The ratio of gross income to total assets (asset utilisation) improved somewhat from 9.1 percent in August 2024 to 9.2 percent in August 2025, while the profitability ratio increased from 21.5 percent to 25.4 percent over the review period.

(c) Composition of Banks' Income

Income from investments remained the largest component of banks' total income in August 2025, with its share growing to 47.0 percent from 41.6 percent in August 2024, in line with increased investments by the industry. Consequently, the share of interest income from loans dropped to 29.6 percent from 36.2 percent. The share of banks' income from fees and commissions similarly decreased from 11.8 percent to 10.8 percent, while the share of income from other sources increased from 10.5 percent to 12.5 percent.

Figure 6.3: Composition of Income, Cost and Borrowings



Source: Bank of Ghana

6.3.4 Operational Efficiency

The industry's efficiency improved on the back of the slowdown in growth of operating expenses during the review period. The cost-to-income ratio improved from 78.5 percent in August 2024 to 74.6 percent in August 2025, while cost-to-total assets ratio improved to 6.9 percent from 7.2 percent a year earlier. The operational cost-to-total assets ratio also went down to 4.4 percent from 4.7 percent a year earlier while the ratio of operational cost to total income improved to 48.1 percent in August 2025 from 51.6 percent in the corresponding period last year.

6.3.5 Banks' Counterparty Relationships

Total offshore balances contracted by 14.5 percent to GH¢25.0 billion in August 2025, compared to the 88.6 percent growth recorded in the previous year, driven largely by the contraction in both nostro balances and placements. Nostro balances contracted by 11.2 percent in August 2025, compared with a growth of 99.6 percent in August 2024. Industry placements also contracted by 17.0 percent in August 2025, compared to a growth of 81.5 percent during the same period last year. Accordingly, the ratio of offshore balances to net worth dropped to 49.7 percent in August 2025, from 87.6 percent in August 2024.

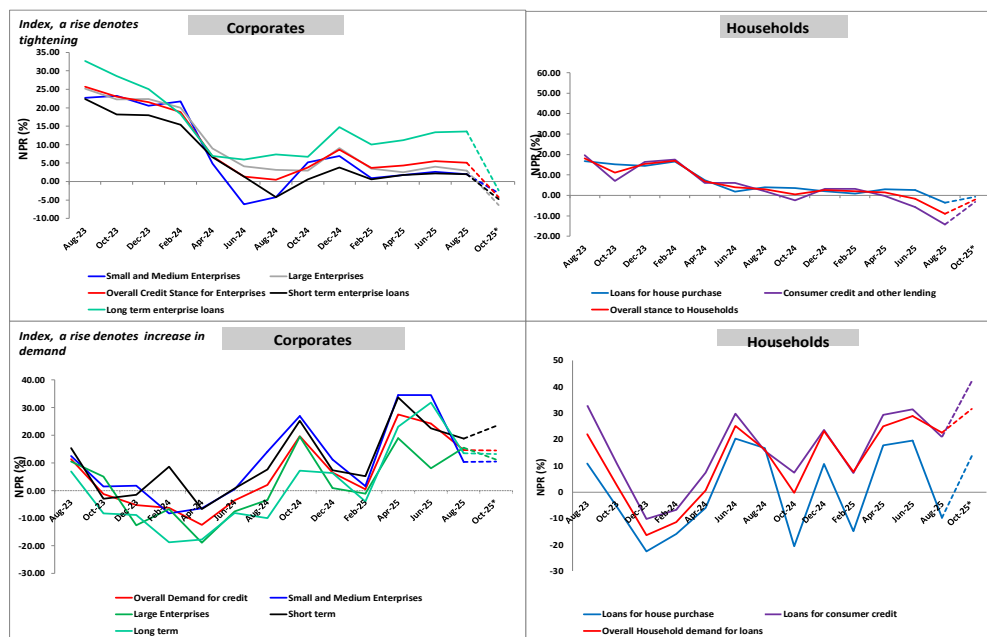
The share of banks' external borrowings in total borrowings declined to 10.4 percent in August 2025, from 24.8 percent in August 2024, while the share of domestic borrowings increased to 89.6 percent from 75.2 percent in August 2024. Banks' external borrowings were directed towards short-term instruments. The share of short-term borrowings increased to 60.2 percent in August 2025 from 33.8 percent the previous year while the share of long-term borrowings in total external borrowings declined to 39.8 percent from 66.2 percent.

6.4 Credit Conditions Survey

Results of the August 2025 Credit Conditions Survey indicated a net easing in the overall stance on loans to enterprises in July 2025 and August 2025 on the back of an ease in stance on loans to both large and small- and medium-sized enterprises. Banks projected that their overall stance on enterprise loans to ease further in the next two months due to an ease in stance on all components of enterprise loans.

The overall stance on loans to households also eased during the August 2025 survey round from an ease in the stance on both consumer credit and loans for house purchase. Over the next two months, banks projected a tightening in the overall stance on loans to households, which will be reflected in loans for house purchases and consumer credit.

Figure 6.4: Credit Conditions Survey Results



Source: Bank of Ghana

The August 2025 survey highlighted the decrease in overall demand for enterprise loans; there were decreases in all components of enterprise loans except large enterprises. Banks projected that demand for corporate loans would increase in the next two months, driven by a sharp increase in demand for short-term loans. Credit demand by households also softened between July and August 2025; there were net decreases in the demand for mortgages and consumer credit and other lending. Over the next two months, however, banks projected a pickup in the demand for both consumer credit and loans for house purchase which would drive an increase in the overall demand for household loans.

6.5 Macprudential Risk Assessment

Cobweb Assessment³

The latest assessment of macro-financial risks from the COBWEB model has not changed from the end-June 2025 assessment. Risks from the global macroeconomy continue to moderate on the back of declining global inflation and easing financing conditions. Domestic macroeconomic risks also improved, driven by –the continued slowdown in

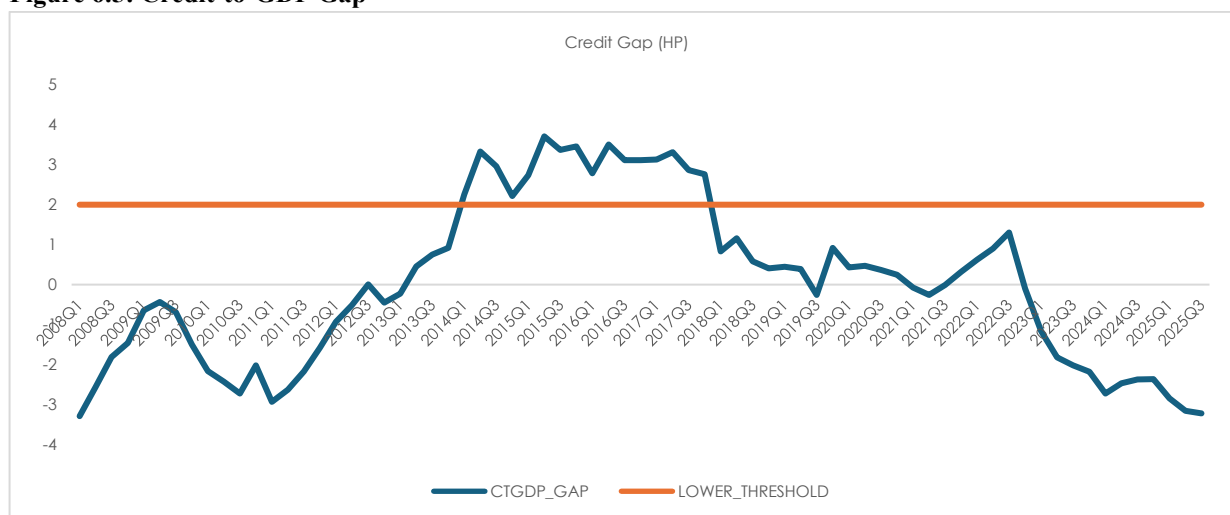
³ The Cobweb diagram illustrates changes in macro-financial risks impacting the banking sector from four dimensions—global macroenvironment, domestic macroenvironment, corporate, and household sectors—using risk scores derived from sector-specific indicators. Movements outward from the origin denote higher risk.

inflation, currency stability, reduction in public debt, and improvement in import cover. Nonetheless, risks from the corporate and household sectors remained broadly unchanged, reflecting challenges households and corporates face in servicing their loans. Looking ahead, sustained improvements in the domestic environment should gradually strengthen household and corporate debt-servicing capacity, helping to contain risks. The recent monetary policy easing is reflecting in lower lending rates, and this should help reduce the challenges of corporates and households in servicing their loans. Banks are encouraged to restructure existing non-performing loans, where possible, to borrowers whose loan repayment capacity was severely impacted by the macro challenges and sovereign debt restructuring. Global macro-economic risks are expected to continue to moderate, due to the likely decline in global inflation, easing global lending conditions, and sustained economic growth of major trading partners, although geopolitical tensions and volatility in commodity prices could pose risks.

Credit-to-GDP⁴

The private sector credit-to-GDP gap remained negative as of the end of August 2025. The private sector credit-to-GDP gap is another measure of macro-financial risk. 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. Ghana's credit-to-GDP remains negative and declining, suggesting the need for measures to promote credit delivery to support the real economy.

Figure 6.5: Credit-to-GDP Gap



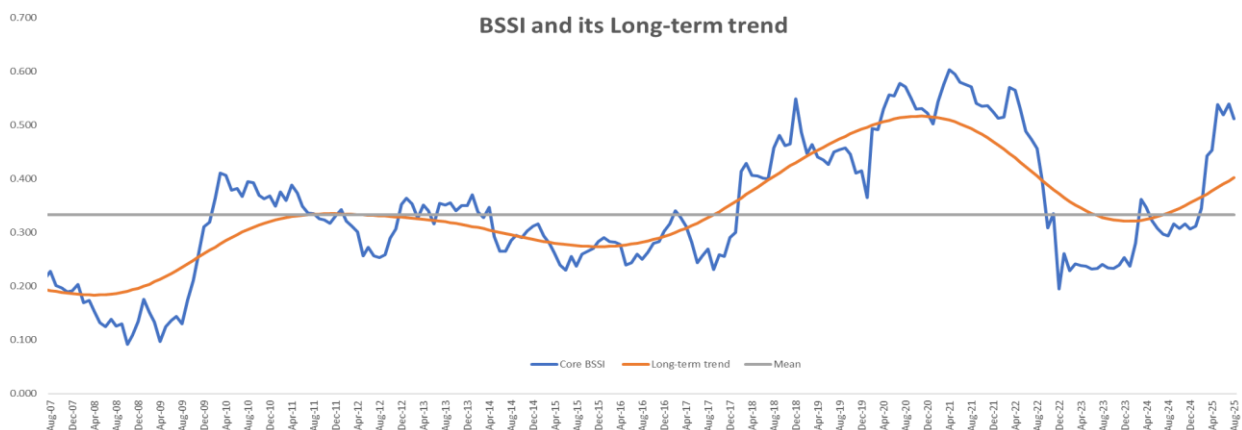
Source: Bank of Ghana

Banking Sector Soundness Index (BSSI)⁵

The soundness of the banking sector continues to improve as at August 2025. The Banking Sector Soundness Index was significantly above the long-term trend, nearing the pre-DDEP level. This reflects improving solvency positions, adequate liquidity and strong earnings performance. The non-performing loans ratio, though marginally improved, remained elevated. That notwithstanding, the ongoing macroeconomic recovery, supported by implementation by banks of the Bank of Ghana's directive on how to reduce NPLs, should help moderate the build-up of new non-performing loans and improve overall asset quality.

⁴ The Credit-to-GDP gap is an early warning signal that measures excessive credit growth by comparing the private sector credit-to-GDP ratio to its optimal trend. A positive gap signals that credit levels have surpassed their sustainable or optimal trend, highlighting potential risks of credit overheating in the economy.

⁵ The BSSI is a composite index that combines a set of financial soundness indicators relating to capital adequacy, asset quality, management efficiency, earnings, and liquidity. An upward-trending BSSI connotes a general improvement in the performance of the banking system.

Figure 6.6: Banking Sector Soundness Index (BSSI)

Source: Bank of Ghana

FSI Heatmap⁶

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

Table 6.2: Heatmap

FSIs	Jun-23	Aug-23	Sep-23	Dec-23	Mar-24	Jun-24	Aug-24	Sep-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	Jun-25	Jul-25	Aug-25
Capital Adequacy																
Regulatory capital to risk weighted assets (Threshold - Without Reliefs)	7.36	7.50	7.39	8.27	11.69	10.55	10.32	11.17	11.28	11.15	12.10	15.54	15.84	17.83	18.21	17.67
Regulatory capital to risk weighted assets (Distribution - Without Reliefs)	7.36	7.50	7.39	8.27	11.69	10.55	10.32	11.17	11.28	11.15	12.10	15.54	15.84	17.83	18.21	17.67
Regulatory tier I capital to risk-weighted assets	11.60	11.41	11.03	11.04	13.56	11.46	10.83	11.51	11.13	10.83	11.74	14.89	13.96	16.62	17.16	16.14
Asset Quality																
Nonperforming loans net of loan-loss provision to capital	14.26	16.64	11.28	14.55	19.45	15.36	14.54	12.29	11.10	11.07	10.82	11.98	10.81	8.32	7.62	7.62
Nonperforming loans to total gross loans	18.71	20.05	17.99	20.58	26.74	24.13	24.32	22.77	21.79	22.55	22.57	23.44	23.57	23.09	21.74	20.77
Banks provisions to NPL	76.76	72.64	78.89	73.19	71.70	75.66	76.97	78.35	78.74	78.27	78.42	76.67	78.13	80.73	80.89	80.63
Earnings																
Return on assets	5.54	5.38	5.33	5.37	5.63	5.40	4.94	5.05	5.04	4.85	4.67	4.96	4.98	5.61	5.59	5.64
Return on equity	37.59	36.87	35.58	34.16	36.36	35.25	31.36	32.12	30.84	29.71	28.51	29.92	30.02	32.21	31.88	32.21
Interest margin to gross income	49.06	50.54	51.27	51.80	54.23	51.41	50.76	51.10	50.92	52.36	51.72	51.82	51.28	50.11	49.98	50.18
Liquidity																
Core liquid assets to total assets	26.77	25.03	24.73	29.34	30.99	34.47	33.44	35.39	36.16	36.15	37.41	36.24	35.36	27.50	26.64	26.91
Core liquid assets to short-term liabilities	32.29	30.58	29.63	35.48	37.32	41.39	40.36	42.54	43.31	43.61	45.23	43.47	42.51	33.68	32.59	32.80
Core liquid assets to total deposits	34.60	32.27	31.71	37.61	40.04	45.31	44.53	46.82	48.16	48.58	50.15	48.20	47.63	37.73	36.57	37.23
Broad liquid assets to total assets	63.78	64.60	64.73	65.69	68.35	67.55	67.79	67.58	66.87	68.19	69.08	69.44	69.93	69.67	71.40	70.72
Broad liquid assets to short-term liabilities	76.92	78.89	78.07	79.42	82.31	81.10	81.82	81.23	80.09	82.28	83.53	83.30	84.07	85.31	87.33	86.19
Efficiency																
Noninterest expenses to gross income	41.26	41.95	42.69	43.04	38.86	37.65	39.89	39.43	40.83	38.70	38.63	37.78	38.08	35.70	35.69	35.33
Personnel expenses to gross income	15.49	15.73	15.65	15.67	16.19	16.62	16.76	16.67	16.45	17.65	18.21	17.25	17.47	16.71	16.79	16.88

Color Code	Green	Blue	Yellow	Red
Performing Period	1st Best	2nd Best	3rd Best	4th Best

Source: Bank of Ghana

Systemic Risk Survey

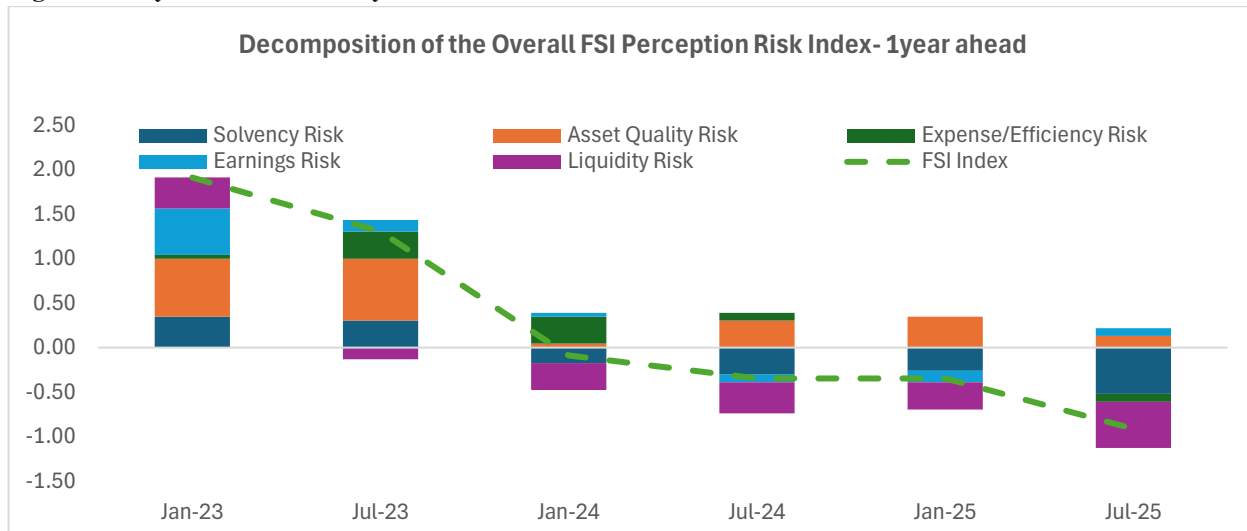
The Bank of Ghana undertakes a Systemic Risk Survey (SRS) twice in a year to quantify and track banks' perceptions of financial stability risks in a forward-looking manner. The BOG SRS is modelled after that of the

⁶ The heat map is a quartile-based analysis that reflects the performance of the banking system over a period of time (using monthly data), starting from January 2007 to date.

Bank of England, and other central banks, such as India, Ireland and the European Central Bank. The results of the July 2025 SRS are highlighted in this section.

Banks perceive risks to financial soundness to moderate over the next year, largely driven by positive sentiments with respect to liquidity and solvency conditions of banks.

Figure 6.7: Systemic Risk Survey- Perceived Risks to Financial Soundness



Source: Bank of Ghana

The perception of the likelihood of manifestation of macroeconomic and financial market risks and the severity of their expected impact on the financial system has also declined. The July 2025 survey shows that in comparison to the January 2025 results, the likelihood of these risks occurring are moderating over time except for adverse global economic conditions, and disruptions from rapid technological innovation, which increased in the July 2025 survey round. According to respondents, the U.S. trade tariff war, instability in the Middle East and the Russia-Ukraine war are expected to slow down growth in major economies, thereby impacting global economic growth. Also, increased competition within the tech-space and the unknown bounds of artificial intelligence could pose risks to the financial system.

Figure 6.8: Systemic Risk Survey- Likelihood of occurrence by Greatest Impact Risk



Source: Bank of Ghana

Overall, banks expressed confidence that stability in Ghana's financial system would remain high in the year ahead. The survey findings showed that 82.6 percent of respondents expressed optimism about the system's stability over the next year, reinforcing the positive sentiments.

6.6 Conclusion and Outlook

The banking sector's performance in August 2025 highlighted the resilience of the industry. Asset growth in the industry remains strong and is reflected primarily in investments. The sector remains sound, with all financial soundness indicators apart from core liquidity recording year-on-year improvement. The CAR without reliefs improved strongly and was above the required minimum as at end-August 2025. This was due to the profitability of the industry and the ongoing recapitalisation by undercapitalised banks. Asset quality improved but still poses some risk to the sector. The industry's outlook remains stable, contingent on the continuous recapitalisation of the sector by the end-2025 deadline, and implementation of the Bank of Ghana NPL guidelines.

The macro-prudential risk assessment showed that favourable macroeconomic developments have supported financial sector performance and moderated systemic risks. This has improved the soundness of the banking sector with the BSSI significantly above the long-term trends, nearing pre-DDEP levels. The Systemic Risk Survey indicated that banks expect risks to banking sector soundness to moderate over the next one year. Additionally, banks are largely optimistic about the stability of the financial system in the near to medium term. Notwithstanding these gains, credit-to-GDP remains negative and declining, suggesting inadequate bank credit to the private sector to support the real sector. It is expected that the monetary policy easing and sustained macroeconomic gains will provide the impetus for a stronger recovery in the banking sector's intermediation capacity. The BoG will continue to ensure regulatory compliance in respect of the recapitalisation plans of the few banks with capital gaps, while efforts at reducing non-performing loans will be intensified.

7. Price Developments

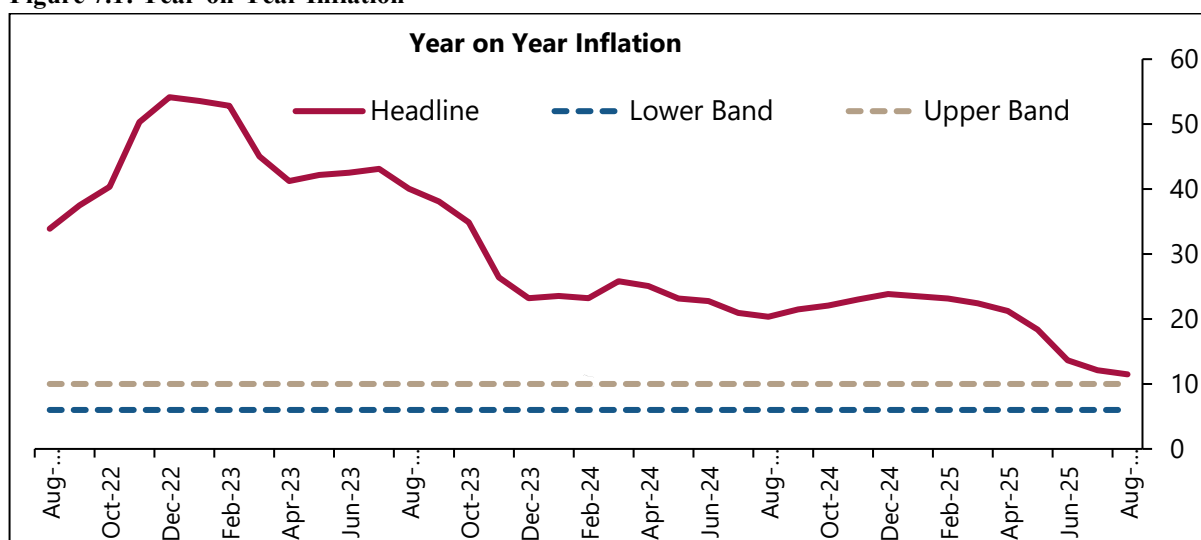
7.0 Highlights

Headline inflation continued its downward trend, with broad-based declines across both food and non-food categories. This disinflation has been driven primarily by tight monetary policy, ongoing fiscal consolidation efforts and the effects of a bumper harvest. Staff projections suggest a strong likelihood that inflation will continue to ease, reaching the medium-term target of 8 ± 2 percent by the fourth quarter of 2025.

7.1 Domestic Price Developments

Headline inflation continued its downward trend, declining to 11.5 percent in August 2025 from 12.1 percent in July. This marked the eighth consecutive monthly decline, driven by broad-based easing across both food and non-food components. Food inflation eased to 14.8 percent in August from 15.1 percent in July, largely due to a bumper harvest. Non-food inflation also declined to 8.7 percent from 9.5 percent, reflecting the combined effects of tight monetary policy, fiscal consolidation, easing global inflationary pressures, reduced ex-pump petroleum prices, and a strong appreciation of the Ghana cedi in the second quarter of 2025.

Figure 7.1: Year-on-Year Inflation

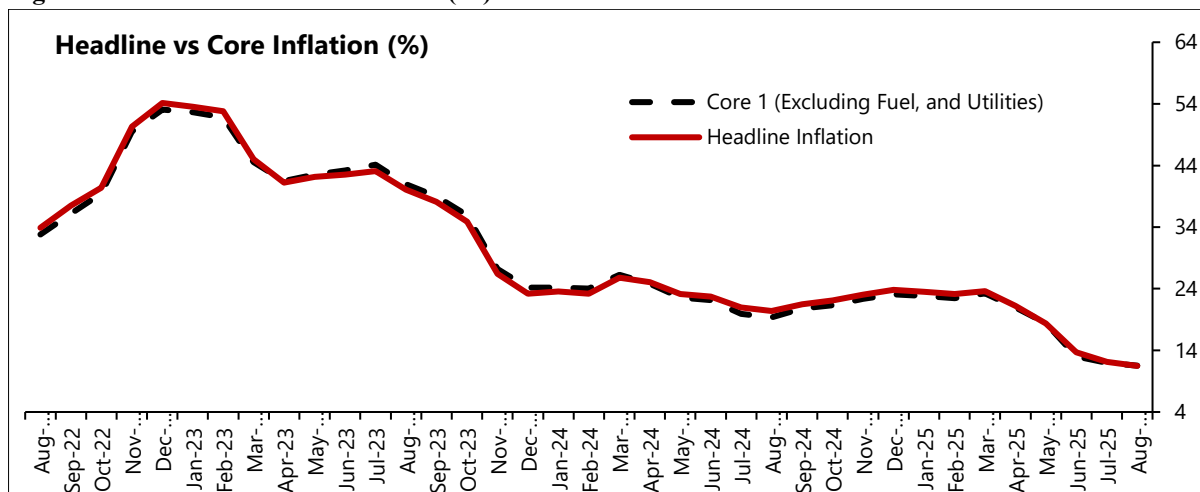


Source: GSS and Bank of Ghana Staff Calculations

Underlying inflationary pressures also continued to ease. The Bank's core measure of inflation, which excludes energy and utility items from the consumer basket, declined to 11.5 percent in August, down from 12.0 percent in July. Inflation expectations, based on surveys of banks, businesses, and consumers, also remained well-anchored and supportive of the disinflation process moving forward.

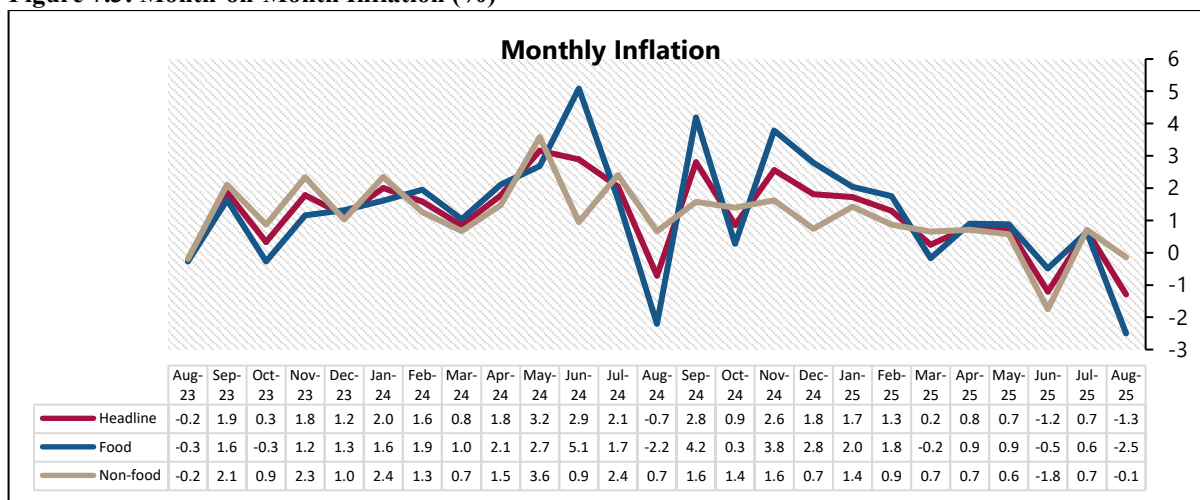
On a month-on-month basis, headline inflation fell sharply to -1.3 percent in August 2025 from 0.7 percent in July 2025. On the back of a bumper harvest, monthly food inflation fell significantly to -2.5 percent in August, down from 0.6 percent in July 2025. Similarly, non-food inflation declined to -0.1 percent from 0.7 percent over the same comparative period.

Figure 7.2: Headline vs Core Inflation (%)



Source: GSS and Bank of Ghana Staff Calculations

Figure 7.3: Month-on-Month Inflation (%)



Source: Ghana Statistical Service

Table 7.1: CPI Components

CPI Components (%)													
	Weights (%)	2023	2024					2025					
		Dec	Jun	Jul	Aug	Oct	Nov	Dec	Jan	Apr	Jun	Jul	
Overall	100.0	23.2	22.75	20.9	20.367	22.1	23.0	23.8	23.5	21.2	13.7	12.1	11.5
Food and Beverages	42.7	28.7	24.0	21.5	19.1	22.8	25.9	27.8	28.6	25.0	16.3	15.1	14.8
Non-food	57.4	18.7	21.61	20.5	21.5	21.5	20.7	20.3	19.2	17.9	11.4	9.5	8.7
Alcoholic Beverages, Tobacco & Narcotics	3.9	38.2	32.3	26.8	25.0	31.5	30.0	28.4	27.2	24.0	16.0	18.3	19.4
Clothing and footwear	8.0	22.3	18.22	16.9	17.92	20.2	20.1	20.0	19.8	19.7	17.2	14.8	12.9
Housing and Utilities	10.2	19.5	26.0	28.6	31.8	26.9	29.2	26.3	24.6	22.5	24.9	19.0	14.2
Furnishings, Household Equipment	3.2	26.9	17.0	14.3	12.6	16.8	16.7	16.7	15.3	15.1	10.5	9.2	11.0
Health	0.7	23.0	22.6	21.2	20.6	23.9	22.2	21.4	18.4	15.0	11.3	9.5	9.9
Transport	10.5	4.4	19.0	18.1	17.4	16.1	16.5	16.8	16.9	14.9	-8.5	-7.7	-5.2
Information and Communication	3.6	14.2	10.4	10.1	12.4	13.1	11.9	12.0	11.6	10.9	10.4	7.3	5.2
Recreation & Culture	3.5	24.9	20.5	17.1	19.6	19.2	17.9	17.4	17.4	22.8	20.1	18.3	16.4
Education	6.6	13.9	20.9	18.0	22.0	21.7	19.5	19.1	13.9	11.7	6.0	4.5	4.2
Restaurants and accommodation services	4.3	28.0	30.7	28.3	29.5	24.6	18.4	16.5	16.5	10.7	9.6	8.0	6.0
Insurance and Financial services	0.4	8.1	6.2	11.3	12.4	16.6	16.5	16.5	15.4	16.9	15.9	8.8	7.0
Personal care, social protection & Miscellaneous services	2.5	31.1	19.5	16.0	14.9	19.8	19.9	19.3	17.9	17.2	11.4	10.5	11.9

Source: Ghana Statistical Service

7.2 Inflation Risk Assessment and Outlook

The disinflation process has continued since the July MPC meetings. Headline inflation declined further to 11.5 percent in August 2025, down from 12.1 percent in July, marking its lowest level since October 2021. This sustained disinflation has been driven by a combination of a tight monetary policy stance, ongoing fiscal consolidation, and an improved food supply supported by a favourable harvest season.

The Bank's main core inflation measure, which excludes energy and utility items, has also declined, reflecting a continued easing of underlying inflationary pressures. Similarly, inflation expectations among consumers, businesses, and the banking sector—as captured in surveys—have eased, a trend that supports the disinflation process going forward.

In the outlook, headline inflation is expected to decline in the next three months to 9 percent by the beginning of the fourth quarter and remain within the medium-term target of 8 ± 2 percent till the end of the year. This projection reflects the combined impact of a tight and credible monetary policy stance, ongoing fiscal consolidation efforts, stable exchange rate conditions, and a relatively improved food supply situation which will help keep food inflation within stable levels. There are, however, some risks in the horizon. On the upside, the recent pressures on the exchange rate could pass through to domestic prices in the near term while the expected major review in utility tariffs could exert additional price pressures in the medium term. These upside risks could be muted significantly by the tight monetary policy stance, fiscal consolidation, and the favourable harvest season

Decision on the Monetary Policy Rate

The Committee observed a marked improvement in macroeconomic conditions, with inflation expectations broadly anchored, strengthened external buffers, and renewed confidence in the economy. They further noted that headline inflation is now projected to fall within the medium-term target of 8 ± 2 percent by the fourth quarter of 2025, earlier than previously anticipated.

Looking ahead, the Committee noted that the possible upward review of utility tariffs could exert some price pressures in the medium term. Notwithstanding this, the maintenance of an appropriate monetary policy stance, strong sterilisation efforts, ongoing fiscal consolidation, and adequate reserve buffers were expected to sustain the disinflation process going forward.

Given these considerations, the Committee, in a majority decision, voted to lower the Monetary Policy Rate by 350 basis points to 21.5 percent. Looking ahead, the Committee affirmed that it would continue to assess incoming data and take appropriate policy decisions, as needed, to reinforce the disinflation trend.

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	Jul-25	Aug-25
1 Net Foreign Assets	(4341.98)	649.68	21710.89	49084.99	65801.73	87417.32	102671.42	75204.72	75772.12	67625.05	79695.02
Bank of Ghana	(17154.60)	(13750.27)	4021.06	23057.19	34489.38	47647.12	65439.11	50189.42	57633.89	48854.80	57250.04
Commercial Banks	12812.61	14399.95	17689.83	26027.80	31312.35	39770.20	37232.31	25015.30	16138.23	18770.25	22444.98
2 Net Domestic Assets	211287.26	208970.93	228308.31	231954.03	245378.55	242321.48	241260.50	250805.60	249222.50	269190.71	263353.98
3 ow: Claims on government (net)	144436.51	137161.10	115681.46	117391.93	130147.19	113291.69	114016.14	108639.33	108861.84	119675.59	122778.13
4 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	99950.35	105834.25
BOG OMO Sterilisation Acc.	(31024.06)	(27273.48)	(24795.37)	(16244.51)	(21138.18)	(18142.88)	(35561.16)	(60803.22)	(75269.68)	(75666.87)	(81280.12)
5 Total Liquidity (M2+)	206945.28	209620.61	250019.20	281039.02	311180.28	329738.77	343931.92	326010.32	324994.62	333280.94	343049.01
6 ow: Broad Money Supply (M2)	149200.43	150070.56	185425.80	203530.25	229253.49	247761.93	255756.31	267720.94	265190.99	273392.26	275478.07
7 ow: Foreign Currency Deposits(\$million)	57744.85	59550.05	64593.40	77508.78	81926.79	81976.84	88175.61	58289.38	59803.63	59888.68	67570.94
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	25.54	48.42
9 Net Domestic Assets	41.58	36.92	19.79	11.00	11.10	6.14	6.27	7.19	7.44	15.13	9.46
10 ow: Claims on government (net)	52.27	42.22	(9.28)	(14.41)	9.93	(2.07)	(3.66)	(11.53)	(7.27)	0.95	(6.69)
11 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	5.68	9.73
12 ow: BOG OMO Sterilisation Acc.	(498.64)	(495.08)	(220.96)	40.44	42.22	26.83	(57.31)	(268.27)	(363.35)	(257.62)	(212.29)
12 Total Liquidity (M2+)	45.08	44.41	38.69	34.07	41.99	31.89	31.71	18.08	15.64	15.85	16.57
13 Broad Money Supply (M2)	41.29	40.93	37.21	35.62	44.50	33.62	34.48	34.76	30.30	30.75	28.24
14 Foreign Currency Deposits (FCDs)	55.89	54.00	43.15	30.16	35.38	26.91	24.30	(24.71)	(22.84)	(23.80)	(14.97)
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)	(22.64)	(8.83)
16 Net Domestic Assets	10.86	9.65	19.79	1.60	7.48	6.14	(0.44)	3.50	2.85	11.09	8.68
17 ow: Claims on government (net)	13.27	7.56	(9.28)	1.48	12.50	(2.07)	0.64	(4.11)	(3.91)	5.63	8.37
18 Broad Money(M2+)	14.80	16.28	38.69	12.41	24.46	31.89	4.30	(1.13)	(1.44)	1.07	4.04
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	4.78	8.84
20 NDA	43.51	38.82	20.92	10.96	11.19	5.60	5.45	6.10	6.14	12.30	7.73
21 Total Liquidity (M2+)	45.08	44.41	38.69	34.07	41.99	31.89	31.71	18.08	15.64	17.08	16.57
Memorandum items											
22 Reserve Money	61727.91	62343.44	87987.66	110578.33	120771.47	130481.72	143154.12	138174.99	112735.91	123548.00	123548.00
23 NFA (\$million)	(395.75)	59.08	1827.52	3365.21	4164.67	5946.76	6611.17	7337.05	7349.38	6440.48	6990.79
24 Currency ratio	0.18	0.18	0.18	0.19	0.20	0.24	0.22	0.24	0.22	0.19	0.20
25 FCD/M2+	0.28	0.28	0.26	0.28	0.26	0.25	0.26	0.18	0.18	0.18	0.20
26 FCD/Total Deposit	0.33	0.33	0.30	0.33	0.32	0.31	0.31	0.22	0.22	0.21	0.24
27 RM multiplier	2.42	2.41	2.11	1.84	1.90	1.90	1.79	1.94	2.35	2.21	2.23

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	Jul-25	Aug-25	
1 Net Foreign Assets (NFA)	(13,750.27)	4021.1	23057.2	34489.4	47647.1	65439.1	50189.4	57633.9	48854.8	57250.0	
2 Net Domestic Assets (NDA)	76093.7	84278.4	87521.1	86282.1	82834.6	77715.0	87985.6	55102.0	74693.2	64752.2	
of which:											
3 ow: Claims on government (net)	82951.8	54356.1	55138.4	69537.6	56031.5	56703.2	56530.1	53033.0	49730.9	58101.8	
4 Claims on DMB's (net)	(8502.2)	(9878.4)	(13451.5)	(26897.1)	(21783.3)	(15238.3)	(14131.6)	(27840.7)	(17181.7)	(20608.0)	
5 OMO Sterilisation Account.	(27273.5)	(24795.4)	(16244.5)	(21138.2)	(18142.9)	(35561.2)	(60803.2)	(75269.7)	(75666.9)	(81280.1)	
6 Reserve Money (RM)	62343.4	88299.4	110578.3	120771.5	130481.7	143154.1	138175.0	112735.9	123548.0	122002.2	
7 ow: Currency	31238.5	37620.7	44895.6	52752.8	64127.7	61995.8	62084.4	58090.4	55641.7	56463.6	
8 DMB's reserves	25888.2	38050.2	58972.2	60760.4	58769.1	73241.6	67995.3	46779.8	59787.6	57520.5	
9 Non-Bank deposits	5216.7	12628.5	6710.6	7258.3	7584.9	7916.7	8095.3	7865.8	8118.7	8018.1	
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	77.8	106.4	
11 Net Domestic Assets	39.3	(1.5)	15.0	8.2	(1.7)	2.6	(4.6)	(37.0)	(7.5)	(27.3)	
12 ow: Claims on government (net)	61.3	(31.1)	(33.5)	11.5	3.1	13.2	(0.9)	(3.8)	(12.6)	(10.5)	
13 Claims on DMB's (net)	(81.7)	(143.5)	(58.2)	(131.1)	(120.5)	4.9	(18.6)	(107.0)	12.9	(11.3)	
14 OMO Sterilisation Account.	(495.1)	(221.0)	40.4	42.2	26.8	(57.3)	(268.3)	(363.4)	(257.6)	(212.3)	
15 Reserve Money (RM)	(8.5)	29.7	25.2	36.8	47.8	9.7	5.9	(13.6)	(5.3)	(6.5)	
16 ow: Currency	(0.6)	19.7	19.3	40.2	70.5	(3.3)	(3.2)	(9.4)	(13.2)	(12.0)	
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	2.5	20.2	
18 Net Domestic Assets (NDA)	(11.1)	(1.5)	3.8	2.4	(1.7)	(6.2)	6.2	(33.5)	(9.8)	(21.8)	
19 ow: Claims on government (net)	5.2	(31.1)	1.4	27.9	3.1	1.2	0.9	(5.4)	(11.2)	3.7	
20 Reserve Money (RM)	(8.5)	29.7	25.2	36.8	47.8	9.7	5.9	(13.6)	(5.3)	(6.5)	
Annual per cent contribution											
21 Net Foreign Assets	(15.23)	31.58	59.04	79.93	49.41	58.63	31.50	31.27	19.76	25.27	
22 Net Domestic Assets (NDA)	44.47	(1.93)	18.33	10.27	(1.64)	2.20	(3.89)	(29.32)	(5.58)	(20.81)	
23 RM growth (y-o-y)	29.24	29.65	77.37	90.20	47.77	60.83	27.61	1.95	14.17	4.46	

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					
	Aug-23	Aug-24	Aug-25	As at end-Aug.2023		As at end Aug.2024		As at end-Aug.2025	
				Abs	Percent	Abs	Percent	Abs	Percent
a Public Sector	6,430.55	6,359.32	4,309.31	(21.71)	(0.34)	(71.23)	(1.11)	(2,050.01)	(32.24)
b Private Sector	65,998.88	80,318.06	91,028.58	6,350.21	10.65	14,319.18	21.70	10,710.52	13.34
Agriculture, For. & Fish.	2,268.18	3,111.52	4,080.46	235.41	11.58	843.34	37.18	968.93	31.14
Export Trade	397.83	476.23	529.74	117.35	41.84	78.40	19.71	53.51	11.24
Manufacturing	7,697.10	9,256.86	11,714.69	1,265.54	19.68	1,559.76	20.26	2,457.83	26.55
Trans., Stor., & Comm.	3,840.61	4,469.65	3,302.93	392.10	11.37	629.04	16.38	(1,166.72)	(26.10)
Mining & Quarrying	2,513.11	2,800.43	3,052.68	1,120.79	80.50	287.32	11.43	252.25	9.01
Import Trade	4,999.12	6,729.29	6,672.19	3,124.01	166.60	1,730.17	34.61	(57.10)	(0.85)
Construction	6,392.79	7,437.02	7,686.16	(106.24)	(1.63)	1,044.23	16.33	249.14	3.35
Commerce & Finance	9,193.64	12,863.79	15,412.24	(1,474.43)	(13.82)	3,670.16	39.92	2,548.45	19.81
Elect., Gas & Water	2,496.61	2,487.52	2,367.71	(236.49)	(8.65)	(9.08)	(0.36)	(119.82)	(4.82)
Services	21,679.90	26,041.47	33,350.61	1,501.09	7.44	4,361.58	20.12	7,309.14	28.07
Miscellaneous	4,520.00	4,644.26	2,859.17	411.09	10.00	124.26	2.75	(1,785.10)	(38.44)
c Grand Total	72,429.43	86,677.38	95,337.89	6,328.50	9.57	14,247.95	19.67	8,660.51	9.99

Source: Bank of Ghana Staff Calculations

Table A.4: Performance of the GSE-CI by Sectors

Appendix 4: Performance of GSE-CI - By Sectors												
MONTH	SECTOR											
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	GSE-CI
Aug-24	2386.11	1490.52	2118.06	4618.85	199.45	85.89	5000.00	40.81	8833.92	90.92	100.00	4359.85
Dec-24	2535.00	1795.32	2380.79	4824.56	229.44	97.60	5052.00	40.83	9016.32	90.92	100.00	4888.53
Jul-25	2815.85	1877.66	3422.89	10287.47	229.82	138.60	6852.00	40.92	9928.76	90.92	100.00	6992.29
Aug-25	2851.76	1873.64	3411.96	10442.50	229.82	151.09	6870.00	40.93	10738.69	90.92	100.00	7330.37
Monthly												
ABS	35.91	-4.01	-10.93	155.04	0.00	12.49	18.00	0.01	809.94	0.00	0.00	338.08
(%)	1.28	-0.21	-0.32	1.51	0.00	9.01	0.26	0.02	8.16	0.00	0.00	4.84
Ytd												
ABS	316.76	78.33	1031.17	5617.95	0.39	53.49	1818.00	0.10	1722.37	0.00	0.00	2441.84
(%)	12.50	4.36	43.31	116.44	0.17	54.81	35.99	0.25	19.10	0.00	0.00	49.95
Yoy												
ABS	465.65	383.12	1293.90	5823.65	30.38	65.20	1870.00	0.13	1904.78	0.00	0.00	2970.52
(%)	19.51	25.70	61.09	126.08	15.23	75.92	37.40	0.31	21.56	0.00	0.00	68.13

Source: Bank of Ghana Staff Calculations

Table A.5: Market Capitalization by Sectors

Appendix 5: Performance of Market Capitalization - By Sectors												
MONTH	SECTOR (GH¢' mill)											
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	MKT. CAP.
Aug-24	2049.41	1070.41	14926.14	1984.63	23511.84	29120.60	870.00	17379.12	1109.54	9.61	10.61	92041.99
Dec-24	2177.29	1289.30	26257.11	2073.02	27047.13	33091.45	879.05	17388.99	1132.45	9.61	10.70	111356.09
Jul-25	2418.52	1348.43	43959.96	4420.33	27092.63	46991.81	1192.25	17428.90	1247.05	9.61	10.70	146120.15
Aug-25	2449.36	1345.55	42998.96	4486.95	27092.63	51227.74	1195.38	17432.56	1348.78	9.61	10.70	149598.17
Monthly												
ABS	30.84	-2.88	-961.00	66.62	0.00	4235.93	3.13	3.66	101.73	0.00	0.00	3478.02
(%)	1.28	-0.21	-2.19	1.51	0.00	9.01	0.26	0.02	8.16	0.00	0.00	2.38
Ytd												
ABS	272.07	56.25	16741.85	2413.93	45.50	18136.29	316.33	43.57	216.33	0.00	0.00	38242.08
(%)	12.50	4.36	63.76	116.44	0.17	54.81	35.99	0.25	19.10	0.00	0.00	34.34
Yoy												
ABS	399.94	275.14	28072.82	2502.31	3580.78	22107.15	325.38	53.44	239.24	0.00	0.09	57556.18
(%)	19.51	25.70	188.08	126.08	15.23	75.92	37.40	0.31	21.56	0.00	0.85	62.53

Source: Bank of Ghana Staff Calculations

Table A.6: Asset and Liability Structure of the Banking Sector

	<u>Aug-22</u>	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
Components of Assets (% of Total)					
Cash and Due from Banks	23.9	25.9	35.6	28.9	28.0
Investments	39.6	39.7	34.4	42.3	43.9
Net Advances	28.6	25.3	20.8	19.0	19.1
Others	7.9	9.2	9.3	9.9	8.9
Components of Liabilities and Shareholders' Funds (% of Total)					
Total Deposits	66.8	77.6	75.1	72.9	72.3
Total Borrowings	11.5	5.7	7.6	8.6	9.6
Shareholders' Funds	13.0	9.8	9.8	12.5	12.1
Other Liabilities	8.7	6.8	7.3	5.6	5.7

Source: Bank of Ghana Staff Calculations

Table A.7: Credit Growth

Economic Sector	Gh¢million				y/y growth (%)	
	Aug-23	Aug-24	Jun-25	Aug-25	Aug-24	Aug-25
Public Sector	6,430.55	6,359.32	4,411.57	4,309.31	-1.1	-32.2
Private Sector	65,998.88	80,318.06	85,291.32	91,028.58	21.7	13.3
- Private Enterprises	47,982.93	58,327.82	59,981.12	63,855.25	21.6	9.5
o/w Foreign	3,393.85	4,008.61	3,062.63	3,914.44	18.1	-2.3
Indigeneous	44,589.08	54,319.21	56,918.49	59,940.81	21.8	10.3
- Households	16,925.84	20,189.70	22,056.03	23,567.94	19.3	16.7
Gross Loans	72,429.4	86,677.38	89,702.89	95,337.89	19.7	10.0

Source: Bank of Ghana Staff Calculations

Table A.8: Contingent Liabilities

	<u>Aug-22</u>	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
Contingent Liabilities (GH¢million)	23,097.13	18,046.69	27,114.76	16,811.52	18,542.56
Growth (y-o-y)	54.0	-21.9	50.2	-34.5	-31.6
% of Total Liabilities	13.0	8.2	8.9	5.0	5.1

Source: Bank of Ghana Staff Calculations

Table A.9: Distribution of Loans and NPLs by Economic Sector (%)

	Aug-23		Aug-24		Jun-25		Aug-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	8.9	5.0	7.3	4.0	4.9	3.6	4.5	2.6
i. Government	3.5	3.2	2.2	1.1	1.1	1.2	1.1	1.0
ii. Public Institutions	1.7	0.0	1.6	0.0	1.1	0.5	0.9	0.5
iii. Public Enterprises	3.7	1.8	3.5	3.0	2.8	1.9	2.5	1.2
b. Private Sector	91.1	95.0	92.7	96.0	95.1	96.4	95.5	97.4
i. Private Enterprises	66.2	84.7	67.3	83.6	66.9	83.6	67.0	84.4
o/w Foreign	4.7	2.5	4.6	2.2	3.4	1.8	4.1	1.9
Indigeneous	61.6	82.2	62.7	81.4	63.5	81.8	62.9	82.5
ii. Households	23.4	9.6	23.3	11.5	24.6	11.9	24.7	12.0
iii. Others	1.5	0.7	2.1	0.9	3.6	0.9	3.8	1.0

Source: Bank of Ghana Staff Calculations

Table A.10: Liquidity Ratios

	<u>Aug-22</u>	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
Liquid Assets (Core) - (GH¢'million)	48,950.15	63,368.55	120,794.36	110,906.26	116,462.20
Liquid Assets (Broad) -(GH¢'million)	129,679.62	160,186.18	237,149.92	272,954.51	298,343.07
Liquid Assets to total deposits (Core)-%	35.8	33.4	47.4	39.6	38.8
Liquid Assets to total deposits (Broad)- %	94.9	84.4	93.1	97.4	99.4
Liquid assets to total assets (Core)- %	23.9	25.9	35.6	28.9	28.0
Liquid assets to total assets (Broad)- %	63.4	65.5	69.9	71.0	71.9

Source: Bank of Ghana Staff Calculations

Table A.11: Profitability Indicators (%)

	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
Gross Yield	12.2	12.2	8.9	11.6
Interest Payable	4.1	3.9	2.8	3.8
Spread	8.1	8.3	6.0	7.9
Asset Utilisation	10.9	9.1	7.4	9.2
Interest Margin to Total Assets	5.5	4.6	3.7	4.6
Interest Margin to Gross income	50.5	50.8	50.1	50.2
Profitability Ratio	21.3	21.5	25.3	25.4
Return On Equity (%) after tax	36.9	31.4	32.2	32.2
Return On Assets (%) before tax	5.4	4.9	5.6	5.6

Source: Bank of Ghana Staff Calculations

Table A.12: DMBs' Income Statement

	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
		<u>(GH ¢'million)</u>			<u>Y-o-y Growth (%)</u>		
Interest Income	20,330.3	24,126.8	21,647.4	29,310.0	18.7	20.4	21.5
Interest Expenses	(6,853.8)	(8,368.5)	(7,457.9)	(10,117.6)	22.1	20.7	20.9
Net Interest Income	13,476.4	15,758.3	14,189.5	19,192.3	16.9	20.2	21.8
Fees and Commissions (Net)	2,982.9	3,666.8	3,087.5	4,146.6	22.9	17.8	13.1
Other Income	3,350.9	3,252.3	3,580.5	4,792.1	(2.9)	52.2	47.3
Operating Income	19,810.2	22,677.4	20,857.5	28,131.0	14.5	24.4	24.0
Operating Expenses	(8,770.0)	(10,429.5)	(9,215.8)	(12,459.4)	18.9	21.4	19.5
Staff Cost (deduct)	(4,193.9)	(5,202.4)	(4,731.0)	(6,457.6)	24.0	24.1	24.1
Other operating Expenses	(4,576.0)	(5,227.0)	(4,484.8)	(6,001.8)	14.2	18.6	14.8
Net Operating Income	11,040.2	12,247.9	11,641.7	15,671.6	10.9	26.8	28.0
Total Provision (Loan losses, Depreciation & others)	(2,416.6)	(1,953.6)	(893.0)	(1,055.7)	(19.2)	(14.8)	(46.0)
Income Before Tax	8,623.7	10,294.3	10,748.7	14,615.9	19.4	32.2	42.0
Tax	(2,957.0)	(3,632.3)	(3,594.7)	(4,885.3)	22.8	31.5	34.5
Net Income	5,666.6	6,662.0	7,154.0	9,730.6	17.6	32.6	46.1
Gross Income	26,664.1	31,045.9	28,315.4	38,248.7	16.4	23.4	23.2

Source: Bank of Ghana Staff Calculations

Table A.13: Developments in Offshore Balances

	<u>Aug-22</u>	<u>Aug-23</u>	<u>Aug-24</u>	<u>Jun-25</u>	<u>Aug-25</u>
Offshore balances as % to Networth	41.7	65.0	87.6	41.1	49.7
Annual Growth in Offshore balances (%)	74.6	39.7	88.6	(34.1)	(14.5)
Annual Growth in Nostro Balances (%)	48.9	12.9	99.6	(44.7)	(11.2)
Annual Growth in Placement (%)	112.8	67.1	81.5	(22.8)	(17.0)

Source: Bank of Ghana Staff Calculations