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KEYNOTE ADDRESS

BY

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**EVOLVING DYNAMICS OF THE BANKING INDUSTRY: FROM
STABILITY TO INNOVATION**

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Distinguished President of the Ghana Association of Bankers,

Respected CEOs,

Colleagues from the Bank of Ghana,

Partners in our financial ecosystem,

Friends joining virtually,

Good morning and thank you for the opportunity to share a few reflections with you.

It is always a pleasure to engage with the GAB. This platform has become an important space for open dialogue, where we move beyond regulations and discuss the future of banking in Ghana together.

Setting the Stage: From Stability to Innovation

Over the past decade, Ghana's banking sector has faced and overcome some of the most difficult challenges in our economic history. We have navigated macroeconomic imbalances, a pandemic, and the Domestic Debt Exchange Programme, all while maintaining financial stability.

That resilience was not accidental. It reflects discipline, sacrifice, and partnership, the collective effort of banks, regulators, and industry leaders working toward a single goal: restoring confidence.

Today, that foundation has been firmly secured as evident in our most recent industry data from August. The sector's capital adequacy ratio stands at 18.28 per cent, well above the regulatory minimum. Non-performing loans have eased to 20.77 per cent, while deposits have grown by over 17 per cent year-on-year, despite a decline in cedi-denominated balances due to currency appreciation. Profitability has also improved, with return on equity rising to 32.21 per cent and return on assets reaching 5.64 per cent, up from 31.36 per cent and 4.94 per cent, respectively, in 2024. These figures reflect renewed confidence, strengthened balance sheets, and the system's growing resilience.

As at September, inflation fell sharply to 9.4 per cent, its lowest level in four years, down from 23.8 per cent in December 2024. The Bank of Ghana's extensive open market operations absorbed nearly GHS65 billion in excess



liquidity, helping anchor inflation expectations, even at short-term cost to the Bank's balance sheet.

The cedi has also regained strength, appreciating by roughly 37 per cent year to date as at October, while gross reserves now stand at US\$10.7 billion, covering over four and a half months of imports as at August.

Growth is recovering too. Real GDP rose to 6.3 per cent in Q2 2025, driven by services, agriculture, and a resurgent non-oil sector.

Beneath these numbers lies a quiet but powerful story of credibility restored - through tighter liquidity control, gold monetisation, and transparent rules-based monetary policy.

But stability is not the destination. **It is the launchpad.**

The true measure of central banking success is not only how we maintain stability, but how we transform that stability into a platform for innovation, inclusion, and growth.

And if I may speak personally, this transition from stability to innovation is not just a policy direction. It is something I deeply believe in.

I have met young Ghanaians using artificial intelligence to model credit risk, and others developing digital tools leveraging public data and customer sentiments to predict foreign exchange rates and monetary policy rates. Their creativity, precision, and discipline inspire me deeply. They remind me that Ghana's next transformation will not come from regulation alone, it will come from innovation, supported by the right environment.

The Shifting Landscape of Banking

Every generation of bankers face a turning point. For ours, this is it. The business of banking is being reshaped, not just by regulation, but by technology, changing customers, and emerging forms of risk.

Digital acceleration is transforming the core of financial services. Across Africa, mobile money transactions have surged, and in Ghana alone, digital transaction volumes exceeded GHS300 billion in 2024, more than 60 per cent of GDP. Customers now expect instant settlement, seamless interoperability, and round-the-clock availability. Digital is no longer an add-on to banking; it is banking.



At the same time, the customer base is evolving. More than 60 per cent of Ghanaians are under 35. They are digital-native, mobile-first, and expect banking to be borderless, personalised, and embedded in their daily lives. For them, banking is not a destination, it is an experience that follows them everywhere.

New technologies are driving a deeper shift. Artificial intelligence, tokenization, and open APIs are changing how institutions manage credit, compliance, and fraud. Banks across the continent are adopting AI-based scoring models, deploying real-time analytics, and experimenting with tokenized deposits. These tools offer speed and precision, but they also raise new questions about algorithmic bias, transparency, and ethical use of data.

The infrastructure of trust is being redefined. Consent-based digital identity, programmable payments, and interoperable cloud-based systems are becoming the bedrock of financial services. Cyber resilience and third-party risk management are now as critical as capital adequacy, and operational soundness is increasingly measured by how well banks secure and govern their technology environments.

Data, too, is being reimaged. Open banking is shifting control to the customer, enabling secure data sharing between banks and fintechs, but only under clear standards for privacy, consent, and cybersecurity. As these frameworks mature, banks will need to adopt API-ready systems and embed strong data governance into their operations.

The implications are profound. These shifts are not theoretical; they are happening now. The banks that succeed in this new environment will be those that act with speed and integrity, that modernise their infrastructure, embed trust into every interaction, and design experiences around real customer needs.

The Bank of Ghana's Vision: Enabling Innovation Responsibly

So how is the Bank of Ghana preparing the system for this future?

Our strategy is clear: we are building the architecture for a safe, open, and innovative financial system that can compete globally while serving Ghanaian realities.

At the Bank of Ghana, we are being far more intentional about innovation. It is now a standalone goal of our enterprise strategy, and we are developing a



comprehensive Digitalization Strategy that will guide how the Bank itself uses technology and data to serve the financial system more effectively. We are sending our teams out to the best central banks to learn, experiment, and benchmark against the best - from Singapore to London to Philippines - to bring global lessons home.

In fact, a dedicated team from the Bank will soon engage with the Ghana Association of Bankers and individual banks to ensure your perspectives help shape our Digitalization strategy from the very beginning.

We are pursuing this transformation through four complementary pillars:

A. Infrastructure Innovation: GhIPSS is enhancing instant payments and national QR systems to support multi-currency interoperability. The eCedi pilot has entered its next phase, testing retail and wholesale use cases that connect banks, fintechs, and telcos on one secure digital platform.

These are not isolated experiments. They form part of a deliberate plan to future-proof our payments ecosystem and keep Ghana at the forefront of digital financial inclusion.

B. Regulatory Innovation: We are also modernising how we regulate. The Bank's sandbox has tested over 20 fintech solutions - from cross-border remittances to digital micro-insurance.

The Bank has been working with the Securities and Exchange Commission (SEC) and the Financial Intelligence Centre (FIC) among other institutions, to develop formal cryptocurrency regulations by December 2025. I am pleased to say we have finalised the bill ready for submission to cabinet. This progress places Ghana among the first African jurisdictions to regulate digital-asset activity prudently.

Our Digital Lending Guidelines, to be released soon, will also protect consumers while encouraging fintech-banking partnerships. And our Open Banking Framework, now in proof-of-concept phase, will enable secure data sharing between banks and fintechs, under clear standards for consent, privacy, and cybersecurity.



Let me use this platform to encourage all banks participating in any of our ongoing Proofs of Concept (PoCs) - including open banking, tokenised payments, FX tracking, and digital ID pilots - to engage deeply and proactively. These are opportunities to test, refine, and fast-track solutions that work. The faster we collaborate, the sooner we can implement innovations that strengthen the system.

C. Market Development and Financial Deepening: Our third pillar is to deepen financial intermediation and connect innovation to real economic value.

We are working with the Development Bank Ghana, the World Bank, and Afreximbank to expand access to credit and trade finance through risk-sharing facilities. We are aligning Ghana's banking infrastructure with continental systems like the Pan-African Payment and Settlement System (PAPSS), which enables cross-border payments in local currencies.

In parallel, we are modernising Ghana's foreign exchange market infrastructure. With support from the IMF, the Bank has launched a structured FX operations framework to improve price discovery, reduce volatility, and rebuild reserves.

A key reform under this framework was the revision of Net Open Position (NOP) limits, from $\pm 5\%$ to 0% to -10% , to increase interbank activity and reduce spreads

We are also supporting banks to upgrade their systems to ISO 20022 messaging standards and real-time compliance monitoring, ensuring Ghanaian banks remain competitive as instant and cross-border payments become the continental norm.

D. Risk and Trust Innovation: Finally, innovation must be underpinned by stronger risk and cyber resilience.

The Bank is investing in AI-driven supervisory tools and operationalising a Cyber Threat Intelligence Platform to share information between banks and fintechs.

As banks migrate more systems to the cloud, operational resilience and third-party risk management will become as critical as capital adequacy. Cyber maturity is now a measure of institutional soundness, and our supervisory priorities will increasingly reflect that.



We are also piloting an ESG and Climate-Risk Reporting Template to embed sustainability into credit and investment decisions.

Innovation without trust will not endure, but prudence must never again be an excuse against innovation.

The New Competencies for Banks

Let me now turn to the banking community. The banks that will lead in this new era will be those that develop four key competencies, not as buzzwords, but as business models.

(1) Digital Integration: Be API-ready. Integrate seamlessly with fintechs, telcos, and payment switches. Migrate local card transactions onto domestic settlement rails to reduce FX exposure and processing costs. Adopt secure API and data standards that will form the foundation of Ghana's open banking ecosystem.

(2) Data Intelligence: Use data responsibly. As you deploy artificial intelligence, ensure your boards approve ethical AI and model-risk governance frameworks. Models must be transparent, auditable, and free from bias.

(3) Sustainable and Inclusive Finance: Invest in inclusive credit systems that leverage alternative data and responsible AI to reach underserved segments. Deepen credit card usage and support Ghana's evolving credit culture.

(4) Customer-Centric Design: Innovate around real needs, building trust through privacy, consent, and reliability. The best digital solution is one the customer barely notices, because it simply works.

The next decade will not belong to the biggest balance sheets. It will belong to the boldest learners, those who adapt fastest, collaborate deepest, and innovate safest.

Closing Reflections

Distinguished bankers, as we look ahead, let us remember what brought us here. It took courage to stabilise the system. It will take imagination to transform it.

We cannot manage tomorrow's challenges with yesterday's tools. We cannot stand still while technology and customer needs evolve.



The Bank of Ghana is ready to walk this journey with you - as regulator, collaborator, and catalyst for innovation.

Let us therefore build a system that is stable *and* transformative, where prudence and innovation walk hand in hand, and where Ghana's banks are recognized not only for their resilience, but for their creativity, inclusiveness, and global competitiveness.

Thank you, and I look forward to continuing this journey with you.

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