



Post-MPC Engagement with Heads of Banks

Opening Remarks

by

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Good afternoon, distinguished CEOs, colleagues, and partners from the banking industry.

Let me thank you all for making time for this important post-MPC engagement. This meeting comes at a pivotal moment in our country's macroeconomic journey, one that reflects both the resilience of our economy and the steady progress toward full stability.

Macroeconomic and Policy Context

Just two weeks ago, the Monetary Policy Committee held its 126th meeting, during which we reviewed recent economic developments and assessed the outlook for growth and inflation. The data are encouraging. Inflation has continued its remarkable downward path, falling to **9.4 percent in September 2025**, marking **the ninth consecutive month of decline** and the first return to single digits in four years. Food inflation dropped sharply to 11 percent, while non-food inflation eased to 8.2 percent. These trends reflect the impact of consistent monetary policy, prudent liquidity management, and fiscal consolidation.

Our growth momentum is equally strong. The latest data from the Ghana Statistical Service show that the economy expanded by **6.3 percent in Q2 2025**, with non-oil GDP growing by **7.8 percent**, driven largely by services and agriculture.

The Composite Index of Economic Activity rose by 6.1 percent in July, signalling continued expansion in domestic demand and production.

Externally, the picture is even more robust. Ghana recorded a **trade surplus of US\$6.2 billion** in the first eight months of this year, while **international reserves reached US\$10.7 billion**, equivalent to **4.5 months of import cover**. The **cedi has appreciated by 21 percent year-to-date**, placing it among the best-performing currencies globally.

This performance underscores the growing credibility of our policy framework and the renewed confidence of markets.

Monetary Policy Decision and Outlook

On the back of this progress, and to support the disinflation process while nurturing growth, the MPC voted to **lower the policy rate by 350 basis points to 21.5 percent**. This is the third rate cut in 2025 and reflects confidence that inflation will remain within the medium-term target band of **8 ± 2 percent** by the end of the fourth quarter.

We are mindful, however, of potential risks, including global oil price volatility and possible tariff adjustments and we stand ready to act decisively to safeguard stability.

The easing in policy rates has already started to transmit through the financial system. Treasury bill rates have declined from 13.4 percent in July to 10.3 percent in August, and average lending rates are down from 26.6 percent to 24.2 percent. We expect further improvement as banks realign their pricing models to reflect the easing stance.

Banking Sector Resilience and Supervision

Let me also commend the banking industry for maintaining strong performance and resilience. The Capital Adequacy Ratio has risen to 17.7 percent, while NPLs have improved to 20.8 percent, though still elevated and requiring sustained vigilance. In this regard, the Bank of Ghana has introduced a number of new directives to strengthen prudential oversight and risk management, including the Bancassurance Directive, the Large Exposures Directive, and the Guidelines on Credit Concentration Risk Management

We have also extended the transition period for the Outsourcing Directive to end-December 2025, following consultations with the Ghana Association of Banks. I want to emphasise that this will be the final extension, and banks must ensure full compliance thereafter.

Looking ahead, the Bank will issue new exposure drafts on Liquidity Risk Management, Interest Rate Risk in the Banking Book, Stress Testing, and Recovery Planning. These are part of a broader framework to align Ghana's banking supervision with international best practice.

Foreign Exchange Intermediation and Market Transparency

Beginning October 2025, the Bank of Ghana will commence foreign exchange (FX) intermediation under the Domestic Gold Purchase Programme, with plans to sell up to US\$1.15 billion for the month. These sales will be conducted on a spot basis through twice-weekly, price-competitive auctions open to all licensed banks. Importantly, there will be no conditions or earmarking for allocations, ensuring a level playing field and transparent access to the market.

Monthly auction volumes may be adjusted depending on evolving market conditions, but our overarching objective remains clear, to deepen the interbank FX market, enhance price discovery, and smooth volatility. The Bank of Ghana remains fully committed to transparency, and we will continue to disclose all FX market operations and outcomes in line with best international practice.

Partnership for Economic Transformation

Colleagues, as we celebrate these gains, let me stress that the task of consolidating stability is a shared one. Sustaining a stable exchange rate, deepening credit to productive sectors, and expanding exports require close collaboration between the Bank of Ghana and the banking industry.

I encourage all banks to design and promote export-oriented financial products, support SMEs and agribusiness, and work with us to enhance FX sourcing through formal channels

In the same spirit, we urge banks to adhere to domestic regulatory provisions, including the use of local insurance companies for import coverage to help reduce foreign exchange leakages and build local liquidity. We also expect banks to take active steps toward public listing to enhance capital strength, transparency, and long-term growth prospects.

Conclusion

Ladies and Gentlemen, the return to single-digit inflation marks a new chapter in Ghana's economic recovery, but it is not the end of the story. Our collective responsibility now is to sustain discipline, strengthen the financial system, and ensure that stability translates into jobs, affordable credit, and real growth for households and businesses.

The Bank of Ghana will continue to work closely with all of you to achieve these goals, through open dialogue, consistent regulation, and shared purpose.

Thank you.