CHARTERED INSTITUTE OF BANKERS, GHANA 2025 GOVERNOR'S DAY (ANNUAL BANKERS' DINNER)

REMARKS

BY

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Distinguished Chairs and Chief Executives,
Colleagues in regulation and supervision,
Leaders of financial institutions,
Partners across the financial ecosystem and friends,
Good evening.

As the year 2025 draws to a close, I find myself, like many of you, taking a moment to breathe out. Not because the work is finished, it never is, but because this has been a year that demanded sustained judgment, difficult choices, and decisions whose consequences reached far beyond the moment they were taken.

This evening's event is important, as it brings together the institutions that bore the weight of adjustment over the past ten months. You were not observers of policy during the period; but you were participants in it. You recalibrated balance sheets, repriced risk, restructured portfolios, strengthened governance, and operated under conditions that demanded discipline rather than comfort.

When I assumed office earlier in the year, the challenge at the time was not the absence of ideas or instruments. It was the erosion of confidence, in signals, in coordination, and in the consistency of policy implementation. At the time, market behaviour reflected uncertainty rather than conviction; and in such an environment, even well-intended actions struggled to gain traction.

I. Re-establishing Monetary and Market Discipline

The first task since I came into office, therefore, was to re-establish monetary and market discipline.

Early decisions by the Monetary Policy Committee were deliberately firm. You will remember the 100-basis-point increase in the policy rate at the March meeting. This was not about signaling toughness for its own sake; it was about reinforcing the Bank's commitment to disinflation and anchoring inflation expectations. This was accompanied by important governance reforms, notably the move to transparent majority voting and the publication of individual votes, to strengthen accountability and credibility.

Operational reforms followed quickly. From June, the dynamic cash reserve requirement was recalibrated to align domestic currency deposits with cedi reserves and foreign currency deposits with foreign currency reserves, correcting structural mismatches in liquidity risk management. In September, the policy rate corridor was widened from ±100 basis points to ±200 basis points, improving the Bank's ability to manage short-term liquidity and sharpen policy transmission. Net open position limits were tightened in October, removing the allowance for net long foreign-currency positions and significantly reducing speculative exposure on bank balance sheets.

Open Market Operations (OMO) were also re-engineered. A longer-tenor sterilisation instrument was introduced to complement existing tools, and later, the return to the 14-day bill as the main OMO instrument. This restored clarity to short-term rate signaling. These changes reshaped liquidity planning, treasury behaviour, and market pricing across the system.

You felt these changes immediately; and the system responded. Inflation, which stood above 23 percent at the start of the year, declined steadily into single digits by November, reaching levels not seen since 2019. Over the same period, the cedi appreciated cumulatively by over 20 percent, reflecting a return of order rather than speculation. In response to sustained disinflation, the MPC was able to reduce the policy rate by a cumulative 1,000 basis points over the course of the year - a sequence that would not have been credible without the earlier discipline.

At the market level, predictability began to return. Issuance became more structured, coordination improved, and trading volumes in the Ghana Fixed Income Market, which had fallen sharply after the debt exchange, more than doubled by October, compared to the previous year, signaling renewed confidence in market functioning.

These outcomes reflected deliberate coherence across policy, operations, communication, and market conduct.

II. Strengthening Banks, Integrity, and Systemic Resilience

But ladies and gentlemen, macro-stability alone is never sufficient. The deeper work of 2025 lay in strengthening the resilience and integrity of the financial system itself. And that was the second strand of work we did.

The banking sector entered the year still bearing the effects of the Domestic Debt Exchange Programme (DDEP). Capital adequacy pressures were real; as at the end of 2024, eleven banks recorded capital ratios below the prudential threshold. By November 2025, that number had reduced to five, reflecting recapitalisation efforts, supervisory engagement, and improving macro conditions. The expectation remains clear: remaining capital gaps must be closed and buffers rebuilt.

Asset quality was addressed directly. Elevated non-performing loans were treated as a systemic risk, not a background statistic. Banks were given clear timelines to reduce NPL ratios toward the prudential benchmark of 10 percent by end-2026. Loan restructuring was encouraged where appropriate, particularly as interest rates declined, to preserve viable credit relationships while confronting risk directly.

Governance standards were also tightened, deliberately and visibly. Boards were reminded that oversight cannot be symbolic. Local governance in foreign-owned institutions was strengthened, and expectations around outsourcing, data protection, and operational resilience were clarified and enforced. Strong governance is not a constraint on competitiveness; it is a prerequisite for it.

At the system level, macro-prudential supervision moved beyond diagnostics toward prevention. Stress testing, forward-looking assessments, and capital planning were strengthened, with a clear trajectory toward Basel III-aligned tools, to ensure the system can absorb shocks without transmitting them.

Alongside these efforts, we began reforms in the microfinance and Specialised Deposit-Taking Institutions (SDIs) sector to restore discipline, strengthen supervision, and protect depositors, recognising the sector's importance to financial inclusion and local economic activity. Our aim is to stabilise the segment, improve standards, and rebuild confidence in institutions serving the most vulnerable parts of the economy. Under the reforms, we have adopted a comprehensive Microfinance Sector Reform Strategy to resolve longstanding structural weaknesses and reposition the sector as a credible pillar of inclusive finance. The reform is anchored on a new institutional architecture designed to enhance resilience, rebuild public confidence, and expand access to financial services across all segments of society.

The architecture establishes four distinct but complementary institutional categories; Microfinance Banks (MFBs), Community Banks (CBs), Credit Unions (CUs), and Last Mile Providers (LMPs) each with clearly defined mandates and prudential frameworks. In addition, the ARB Apex Bank will be restructured into a strategic policy instrument for the entire microfinance sector, thereby extending its reach beyond rural and community banks to serve as a central intermediary for policy transmission, institutional support, and sector-wide capacity building.

Equally important is the renewed focus on financial integrity. As Ghana undergoes its third FATF mutual evaluation, the Bank made it clear that compliance on paper is no longer sufficient; what matters is whether controls work in practice, risks are identified early, and issues are acted on decisively. AML/CFT expectations were therefore strengthened across banks, SDIs, forex bureaux, and other institutions, with supervisory focus on the quality and timeliness of reporting, the effectiveness of monitoring systems, the speed of remediation, and clear board accountability. These indicators increasingly informed supervisory planning and enforcement.

Throughout this process, supervision was exercised firmly, but with purpose. The objective was not punishment, but protection, of depositors, institutions, and the credibility of the system.

III. Building the Infrastructure for the Next Phase of Growth

Stability and resilience were never the end objective. They were the foundation.

The third strand of work in 2025 focused on building the infrastructure that will carry Ghana's financial system into its next phase of growth.

We have made significant progress in modernising payment systems. A National Payment Systems Strategy for 2025–2029 was completed, providing a coordinated roadmap for interoperability, cybersecurity, instant payments, and infrastructure modernisation. Frameworks were developed to identify systemically important payment systems, enabling differentiated oversight that is aligned with international standards.

Domestic payment capability was strengthened. Work advanced on modernising the gh-link card infrastructure to reduce costs, improve functionality, and enhance interoperability with regional and international schemes. Migration toward ISO 20022 messaging standards began, laying the groundwork for richer data, improved fraud detection, and more efficient settlement.

Remittance oversight was reinforced through new guidelines for international money transfer operators and the development of a centralised monitoring platform, improving transparency and safeguarding foreign-exchange inflows. Agent banking frameworks were clarified, and work commenced on agent interoperability to reduce liquidity constraints and expand access nationwide.

Innovation was encouraged, with discipline and safeguards. Regulatory sandboxes, open-finance frameworks, and digital infrastructure initiatives were pursued with one guiding principle: innovation must advance alongside consumer protection and system integrity.

Because, trust, once lost, is expensive to regain.

This year also saw the passage of the Virtual Asset Service Providers Bill, a significant step in preparing the regulatory framework for digital asset activities. The Bill establishes the basis for licensing and supervising participants in this space, ensuring that emerging activity is brought within clear, accountable, and well-governed boundaries.

These investments are not abstract. They lower costs for banks, improve customer experience, support SMEs and traders, and position Ghana's financial system to operate competitively in a more integrated region under AfCFTA.

Looking Ahead to 2026

As we turn toward 2026, the central question is no longer whether stability can be restored. The question is how that stability is used.

For banks, the next phase will bring clearer differentiation. Institutions that have strengthened governance, improved risk management, and rebuilt capital will find greater room to expand credit responsibly. Supervisory focus will sharpen on the quality of intermediation, underwriting discipline, sectoral concentration, cash-flow analysis, and risk pricing. Credit growth will matter, but credit quality will matter more.

Asset quality will remain a priority. As interest rates ease, the coming period provides a window for intelligent loan restructuring to accelerate progress toward the 10 percent NPL benchmark by end-2026, without weakening standards.

Ladies and gentlemen, we have received your responses to my earlier call on banks to support Ghana's export agenda by strengthening export finance desks, supporting agro-processing and non-traditional exports, and engaging more deliberately with AfCFTA-related trade opportunities. In the year ahead, we expect this momentum to deepen, with banks playing a more active role in financing export-oriented enterprises, managing trade risk, and helping firms move from domestic markets into regional and global value chains. The banking sector must not sit on the sidelines of Ghana's export agenda. You must help shape it; and this is the moment for banks to do more to design export-ready loan products, build sector-specific expertise, support risk-sharing and hedging instruments, invest in digital trade platforms, and actively walk with exporters from production to payment.

When banks nurture exporters, they are not doing charity, they are expanding the country's foreign-exchange base, strengthening their own balance sheets, and deepening the resilience of the financial system. Every container shipped, every processed good sold abroad, every new contract won, strengthens both the real economy and the banking sector that serves it.

So let us commit to moving from isolated initiatives to a collective export finance strategy. The Bank of Ghana will continue to play its part, through policy stability, dialogue, and targeted regulatory support, but the energy, innovation, and scale must come from the banks. Ghana's exporters are ready. Our young entrepreneurs are ready. The global market is open. What they need now is a banking system fully aligned with the nation's drive to earn more, produce more, and compete globally.

For boards and senior management, expectations will continue to rise. Governance will be treated as a core element of financial stability, with deeper engagement around risk appetite, internal controls, and accountability for outcomes.

At the system level, reforms will move decisively from policy intent into routine practice. Supervision will become more forward-looking and risk-based, regulation more proportionate but exacting where vulnerabilities persist. Tolerance for repeated weaknesses will be lower, even as engagement remains constructive.

As we strengthen supervision, we are also investing in how we work with you, improving clarity of guidance, streamlining internal processes, and providing more predictable timelines for approvals and regulatory engagement.

Markets, too, will enter a new phase. The focus will shift from recovery to depth and diversification, mobilising long-term capital for a broader range of issuers and instruments, and strengthening the link between savings and productive investment.

Payments, settlement, data standards, and digital rails will remain strategic priorities. Faster settlement, richer transaction data, interoperable platforms, and stronger fraud controls will increasingly define competitiveness and resilience.

Innovation will remain central, with sharper expectations. Priority will be given to solutions that demonstrably lower costs, expand access, strengthen compliance, and improve risk management. Clearer guidance will support a level playing field between banks and non-bank providers, ensuring that innovation strengthens regulated institutions rather than displacing them.

Looking outward, 2026 will also test readiness for regional integration. Payments, trade finance, FX settlement, and market infrastructure must support cross-border commerce, particularly for SMEs, including through targeted exploration of asset-backed digital settlement instruments, such as gold-backed stablecoins, where they can demonstrably reduce cost and friction in intra-African trade. Ghana's opportunity is to position its financial system as a reference point for regional integration.

Underlying all of this is a simple discipline: the next phase of growth will reward systems that are predictable, institutions that are credible, and leadership that is steady.

If 2025 was the year confidence was rebuilt, then 2026 must be the year that confidence is put to work – carefully, productively, and with judgment, in service of a stronger, more competitive Ghanaian economy.

On that note, I thank you for your partnership, your discipline, and your service to the Ghanaian economy, and I wish you and your families a peaceful festive season and a fulfilling year ahead.