



BANK OF GHANA

2025 FINANCIAL STATEMENTS: QUESTIONS AND ANSWERS

MAY 2026

On 1 May 2026, the Bank of Ghana released its Financial Statements for the year ended 31 December 2025. This is a reference for understanding the Bank's 2025 financial statements, the accounting framework, and the policy operations.

SUMMARY: THREE THINGS TO KNOW

What were the financial results?

Answer: The Bank reported an Operating Loss of GH¢15.63 billion and Other Comprehensive Income (OCI) loss of GH¢19.32 billion for 2025. The Operating Loss is primarily driven by the cost of open market operations, used to absorb excess cedi liquidity, and the cost of the Domestic Gold Purchase Programme which built Ghana's reserves. The OCI loss reflects the impact of the cedi's appreciation on the cedi-equivalent value of the Bank's foreign-currency reserve assets. Negative equity moved from GH¢61.32 billion at the start of the year to GH¢96.28 billion at year-end.

What outcomes are reflected in the financial results?

Answer: Inflation fell from 23.8% at end-December 2024 to 5.4% at end-December 2025 and to 3.2% by March 2026. The cedi appreciated by 40.7% against the United States dollar. Gross International Reserves increased significantly, from US\$9.11 billion to US\$13.83 billion. Public debt fell from 61.8% to 45.3% of Gross Domestic Product. Real private sector credit growth, having been negative for the greater part of 2024, recovered to positive 13.1% in December 2025 and up to 19.93% by March 2026. The financial cost is reflected on the Bank's balance sheet, while the benefits of the policy actions are seen in lower inflation, a more stable currency, and improved credit conditions.

What do the financial results mean for the Bank of Ghana?

Answer: The figures record the financial reflection of the policy operations that produced these outcomes. They do not represent a cash loss, a depletion of reserves, nor a sign of institutional distress. Negative equity is a cumulative position carried over from prior years and deepened in 2025; it does not impair the Bank's capacity to conduct monetary policy. As inflation declines further and the policy rate normalises, the cost of open market operations is expected to fall, and the financial position is expected to improve correspondingly. With the cedi having adjusted significantly and conditions stabilising, exchange rate movements are expected to be more contained, which should reduce the scale of revaluation effects on the Bank's balance sheet, including in Other Comprehensive Income. In parallel, the transition to GANRAP is expected to moderate the cost of reserve accumulation for the Bank. The financial cost of macroeconomic policies is recorded on the central bank's books. The economic benefit is recorded in the country's macroeconomic outcomes.

SECTION A: CONTEXT

Q1: What does the 2025 financial year represent for the Bank of Ghana?

Answer: 2025 was the year in which Ghana completed the most significant phase of its current macroeconomic stabilisation. The headline indicators of that stabilisation are summarised below.

Indicator	End-December 2025	End-December 2024
Headline inflation	5.4%	23.8%
Cedi against the US dollar	GHS 10.45	GHS 14.70
Average lending rate	20.45%	30.25%
Real private sector credit growth	13.06%	2.0
Real GDP growth	6.1%	5.8%
Gross International Reserves	US\$13.83 billion	US\$9.11 billion
Months of import cover	5.7 months	4.0 months
Public debt to GDP	45.3%	61.8%
Monetary Policy Rate	18.00%	28.00%

These outcomes were the product of a deliberate stabilisation strategy executed over an extended period, in coordination with the Government and within the framework of Ghana's programme with the International Monetary Fund. The Bank's contribution involved an initial tightening of monetary policy at the start of 2025 to anchor inflation expectations, followed by a calibrated easing for the rest of 2025 as inflation declined, alongside the absorption of excess liquidity from the financial system through open market operations.

In practical terms, these indicators translate into observable changes in everyday economic conditions. Falling inflation means that the purchasing power of wages and savings is eroding more slowly. The fall in lending rates and the recovery in real credit means that businesses are able to access finance at materially lower cost than a year earlier. The strengthening cedi has eased the cost of imports and the cedi value of foreign currency obligations. The larger reserve buffer has reduced external vulnerability and supported confidence in the currency. These effects take time to become fully widespread, but the direction of change is consistent across each indicator.

Q2: How should a central bank's financial statements be read?

Answer: A central bank's financial statements differ in important respects from those of a commercial entity. A commercial entity exists to generate profit. A central bank exists to deliver public policy outcomes: price stability, financial stability, and the management of the country's external buffers. Its financial statements should therefore be read as a record of the financial consequences of the policy operations conducted in the year, not as an indicator of commercial performance.

This distinction has practical implications. A central bank may report a financial loss in a year in which it has delivered its mandate effectively, particularly when the cost of monetary policy exceeds the income generated from its other activities. The Federal Reserve, the European Central Bank, the Bank of England, the Reserve Bank of Australia, and other peer institutions have all recorded substantial losses in recent years arising from similar kinds of monetary policy actions that the Bank of Ghana has implemented.

SECTION B: THE 2025 RESULTS

Q3: What do the headline figures show?

Answer: The 2025 result has three headline components:

1. First, the operating result reflects the income and expenses arising from the Bank's policy operations during the year.
2. Second, Other Comprehensive Income (OCI) captures changes in the value of certain assets that the Bank continues to hold, recognised in line with International Financial Reporting Standards and the Bank of Ghana Act.
3. Finally, total equity reflects the cumulative financial position of the Bank after accounting for these results.

The audited figures are set out below.

Statement of Comprehensive Income (Bank)	2025	2024
Operating loss for the year	(15,630,122)	(9,487,462)
Other comprehensive income for the year, net of tax	(19,322,253)	13,504,716
Total Equity	(96,276,379)	(61,324,004)

All figures in GH¢'000

The operating loss is primarily driven by two items: the cost of open market operations, which the Bank conducted on a substantial scale to absorb excess cedi liquidity from the banking system, and the cost of the Domestic Gold Purchase Programme, which primarily arises from the exchange rate differential between the prevailing gold market rate used in the purchase of artisanal and small-scale gold and the interbank exchange rate at which the purchase is recorded on the Bank's books. These costs are partly offset by interest income on foreign reserves and on holdings of government securities, and by a realised gain on the rebalancing of the gold reserve portfolio (described under Question 9).

The OCI line primarily reflects a single item: the exchange and revaluation losses of GH¢23.6 billion on the Bank's holdings of gold, Special Drawing Rights, and foreign securities, which under the Bank of Ghana Act are recognised outside the operating result. This figure reflects the impact of the cedi's 40.7% appreciation against the dollar on the cedi-equivalent value of these assets. The mechanic is described under Question 4.

The position on the Statement of Changes in Equity moved from negative GH¢61.32 billion at 1 January 2025 to negative GH¢96.28 billion at 31 December 2025, reflecting the Total Comprehensive Loss for the year.

Q4: What does the OCI loss represent?

Answer: Other Comprehensive Income, often abbreviated OCI, captures changes in the value of certain assets the institution continues to hold but has not sold. It records gains and losses that are not yet realised through a transaction. The Bank's financial statements are prepared on IFRS Accounting Standards as adopted by the Institute of Chartered Accountants, Ghana, except where the Bank of Ghana Act specifies a different treatment. The OCI line is one of those exceptions for which the Act specifies a different treatment.

Section 7 of the Bank of Ghana Act, 2002 (Act 612) as amended provides specific requirements for the accounting treatment of gold, Special Drawing Rights, and foreign securities. The published statements describe the effect in plain terms: realised and unrealised foreign exchange gains and losses on these assets are excluded from the determination of the Bank's annual profit or loss and are instead transferred to a special reserve designated as the Revaluation Account, which is presented within OCI. This treatment differs from what International Accounting Standard (IAS 21) would otherwise require, and the difference applies only to these three categories of monetary reserve assets. For all other items, IFRS applies.

In 2025, the cedi strengthened sharply, so foreign assets were worth less in cedi terms. That is what the OCI loss records. In dollar terms, the underlying foreign assets actually grew: Gross International Reserves rose from US\$9.11 billion at end-December 2024 to US\$13.83 billion at end-December 2025. The OCI loss is a translation effect, not a depletion of reserves.

The relationship between the cedi and OCI is symmetrical. In 2024, when the cedi weakened, the same accounting mechanism produced an OCI gain. In 2025, when the cedi strengthened, the mechanism produced a corresponding loss.

Year	Cedi against the dollar	OCI on FX reserve assets
2025	Appreciation (GHS 14.70 to GHS 10.45)	- GH¢19.32 billion
2024	Depreciation (GHS 11.88 to GHS 14.70)	+ GH¢13.50 billion

Total Comprehensive Income for the year combines the operating result and OCI. Both lines are presented in the published Statement of Comprehensive Income.

Q5: What does the increase in negative equity mean for the institution?

Answer: Negative equity is a cumulative position, carried forward from prior years. It records the total of comprehensive losses absorbed by the institution over time, less any equity contributions. The Bank entered 2025 with negative equity of GH¢61.32 billion, accumulated over the period of the macroeconomic crisis and stabilisation that began in 2022. The 2025 Total Comprehensive Loss deepened that position to negative GH¢96.28 billion at year-end. Negative equity means that the recorded value of the institution's liabilities exceeds the recorded value of its assets.

Negative equity at a central bank does not have the same significance as it does at a commercial entity. A central bank is a sovereign monetary authority. Its capacity to conduct monetary policy, manage reserves, and meet its obligations does not depend on the accounting position of its equity. Several central banks have operated with negative equity without any impairment of their policy capacity. The Czech National Bank and the Bank of Greece are well-documented examples, and the Central Bank of Chile has also operated with negative equity for extended periods.

In the going concern note to the 2025 financial statements, the Board and Management state that the Bank will continue to operate efficiently and effectively on a going concern basis and achieve its policy mandates. As inflation declines further and policy rates normalise, the cost of open market operations is expected to fall, and the financial position of the Bank is expected to improve correspondingly. At the same time, ongoing reforms to the gold purchase framework, including the transition to GANRAP, are expected to reduce the cost of reserve accumulation over time. The Government and the Bank are engaged on a recapitalisation plan, which is a fiscal arrangement between the State and the central bank. The amendment to the Bank of Ghana Act, 2025(Act 1158) has made further provisions for recapitalisation of the Bank.

SECTION C: ACCOUNTING FRAMEWORK

Q6: On what basis are the financial statements prepared?

Answer: The Bank's financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the Institute of Chartered Accountants, Ghana (ICAG), except in specific areas where the Bank of Ghana Act, 2002 (Act 612) as amended, sets a particular statutory treatment. The published statements describe this clearly in the Directors report and in the notes to the financial statements. The Bank applies IFRS as adopted by ICAG, with the Bank of Ghana Act taking precedence in the limited areas where it provides specific requirements. The accounting policies applied by the Bank are grounded in a statutory framework established by Parliament through the Bank of Ghana Act. Where a specific law governs the financial reporting of a public institution, that law legitimately modifies or overrides general accounting standards such as IFRS. This is a well-established principle in public sector and central bank accounting.

There is one principal area in which the Act prescribes a treatment different from IFRS: Section 7, which governs the recognition of realised and unrealised foreign exchange gains and losses on gold, Special Drawing Rights, and foreign securities. Section 7 directs that these are recognised outside the operating results, in a Revaluation Account presented within OCI. Realised fair-value gains on gold are reclassified to profit or loss when they occur. This treatment is set out by statute and IFRS and has been applied consistently in successive years, including in the 2024 financial statements.

The auditor's report on the 2025 statements includes an Emphasis of Matter paragraph that draws the reader's attention to this statutory feature of the basis of preparation. An Emphasis of Matter is a standard auditing tool used to highlight, for the user's understanding, a particular aspect of the financial statements that warrants attention. It is not a qualification of the audit opinion. The auditor's opinion on the 2025 financial statements is not modified.

Q7: What is the governance process for the preparation and approval of the Bank's financial statements?

Answer: The financial statements are prepared by Management, reviewed by the Board's Audit Committee, and audited by an independent firm of chartered accountants. The audit is conducted in accordance with International Standards on Auditing as well as the Bank of Ghana Act. The auditor expresses an opinion on whether the statements present fairly, in all material respects, the financial position of the Bank and the results of its operations. The financial statements are then approved by the Board.

Upon Board approval, the audited statements are submitted to the Minister of Finance in line with the statutory timeline. Where additional time is required to complete the audit and secure Board approval, an extension is formally sought from the Minister, in accordance with established practice. This has been the consistent approach in recent years, with extensions formally sought and granted in each year from 2020 to 2025.

This sequence of preparation, independent audit, Board approval, and ministerial transmission is the standard governance framework for central bank financial reporting and is consistent with international practice.

SECTION D: POLICY OPERATIONS AND RESERVE MANAGEMENT

Q8: What are open market operations, and why do they produce an interest expense?

Answer: Open market operations, often abbreviated OMO, are one of the principal tools through which a central bank implements monetary policy. When there is more cedi liquidity in the banking system than is consistent with the price stability objective, the central bank issues short-term instruments (Bank of Ghana bills) that absorb that excess liquidity. The instruments pay interest, and that interest is the cost of removing the liquidity.

In 2025, OMO was conducted on a substantial scale because cedi liquidity was significantly above the level consistent with the disinflation path required to bring inflation back into single digits. The interest paid was the principal driver of the operating loss for the year. Without that absorption, inflation would not have fallen from 23.8% to 5.4%, and the wider economic benefits associated with the disinflation would not have followed.

As inflation declines and the policy rate normalises, the need for liquidity absorption reduces and the interest rates on Bank of Ghana bills declines, leading to a corresponding reduction in the overall cost of open market operations. The 2025 figure represents a peak-of-cycle level associated with the most active phase of monetary tightening.

Q9: How is the gold position managed within the reserve framework?

Answer: Reserve management is a continuing function of the Bank and gold forms one component of the overall reserve portfolio. As reserve managers, the Bank periodically considers how to ensure that the portfolio meets the three core principles of international reserve management practice: safety, liquidity, and returns. The composition of the portfolio is reviewed against these principles on an ongoing basis, and adjustments are made when conditions warrant.

Through 2025, the Bank's reserve management work included a continuous assessment of the portfolio against these principles. Gold holdings had grown substantially over the period from 2021 onwards, both through accumulation under the domestic gold purchase activities and through a sharp rise in international gold prices. Between January and October 2025, the international gold price rose by approximately 62%. By October 2025, gold accounted for over 40% of Gross International Reserves, materially above the average held by comparable economies, which the World Gold Council reports at around 20%. Given Ghana's position as a major gold exporter, the economy is already significantly exposed to movements in gold prices. A high concentration of gold within the reserve portfolio therefore added to this exposure, reinforcing the need for diversification.

After considering the position over the course of the year, the conclusion of the reserve management review was that the safety profile of the portfolio warranted a rebalancing. In October 2025, Management and the Board approved a partial divestment to bring the share of gold in reserves back in line with international norms. The rebalancing was implemented through the Bank's established bullion counterparty arrangements, executed at spot prices in the international market with no discount. Approximately 22.24 tonnes were divested, generating proceeds of

approximately US\$3.02 billion. The proceeds were retained within the reserve portfolio and redeployed into high-quality liquid foreign exchange assets and fixed-income instruments.

This is the second time the Bank has undertaken a reserve rebalancing of this kind. In December 2022, the Bank divested a smaller portion of its bullion holdings, primarily for liquidity reasons. The 2025 rebalancing addressed a different consideration, that of safety. Both transactions are standard elements of reserve management practice.

Total Gross International Reserves rose over the period from US\$9.11 billion at end-December 2024 to US\$13.83 billion at end-December 2025. The rebalancing left the institution holding more reserves than at the start of the year, in a portfolio that was better balanced than before. The realised fair-value gain on the divested gold flowed to the operating result for the year in accordance with IFRS.

Q10: How has the domestic gold purchase program evolved to GANRAP?

Answer: The Domestic Gold Purchase Programme, known as the DGPP, was established in 2021 as a domestic channel for the accumulation of foreign reserves. The programme was created at a period when external financing channels for reserve accumulation had become significantly constrained, and a domestic source of reserve build-up was required to maintain external buffers.

In 2025, the Ghana Gold Board Act, 2025 (Act 1140) established the Ghana Gold Board (GoldBod) as the sole statutory buyer of domestic artisanal and small-scale gold. As a result, the Bank of Ghana's domestic gold acquisition channel operated through GoldBod in line with the new legal framework.

Importantly, this change did not alter the underlying structure of the programme, which has remained consistent since its inception in 2021, including its core design and financial mechanics. Building on this foundation, the framework was further strengthened through the introduction of a more coordinated national approach to reserve accumulation. The Ghana Accelerated National Reserve Accumulation Policy, known as GANRAP.

GANRAP was passed in Parliament in February 2026 and became operational in April 2026. GANRAP elevates domestic reserve accumulation into a coordinated national initiative, with institutional roles clearly defined across the contributing public-sector entities. The Bank's role is reserve management; the operational role of acquisition sits with GoldBod, supported by the Ministry of Finance and other public-sector partners. Under this arrangement, the contributions of each institution to the national reserve accumulation effort are explicit and coordinated.

Q11: How does the Bank assess its policy solvency?

Answer: Policy solvency is a concept used in central banking to describe the capacity of a central bank to fund the cost of its monetary policy operations from its own activities, without recourse to monetary financing or extraordinary fiscal support. It is conventionally measured as the difference between operating income from the central bank's core activities (excluding dividend income and changes in the fair value of investment property) and the interest cost of the instruments used to absorb liquidity from the banking system.

On this measure, the Bank's 2025 solvency position is positive. The composition is set out below using the published line items from the Statement of Profit or Loss, with the dividend income (GH¢16.2M) and the change in fair value of investment property (GH¢32.9M) excluded from the policy solvency calculation as the definition requires.

Line item (from the published Statement of Profit or Loss, Bank)	2025 (GH¢'000)
Interest income calculated using the effective interest method	8,457,241
Net income from other financial instrument at FVPL	1,125,659
Fees and commission income	704,322
Other operating income	2,373,061
Net gain from sale of refined gold	9,571,094
Subtotal: operating income from core activities	22,231,377
Less: Cost of open market operations	(16,730,526)
Policy solvency margin	5,500,851

The realised reserve management income shown above as "Net gain from sale of refined gold" represents the gain from the gold rebalancing described under Question 9. This gain arises from a core activity of the Bank under the statutory framework. Reserve management is a continuing function established by the Bank of Ghana Act and by Article 183 of the Constitution, which designates the Bank as the sole custodian of state funds held in and outside Ghana.

Policy solvency is one lens through which the financial position of a central bank can be assessed. The broader picture is the macroeconomic record. Inflation has fallen sharply. The cedi has appreciated. Reserves increased significantly. Public debt has fallen. Credit growth is recovering. These are the outcomes the Bank's policy operations have produced, and they are the substantive measure of the institution's contribution to the country's economic stabilisation.

SECTION E: LOOKING AHEAD

Q12: What are the expectations for the Bank's financial position going forward?

Answer: In the going concern note to the 2025 financial statements, the Board and Management state the institutional view directly: the Bank will continue to operate efficiently and effectively on a going concern basis and achieve its policy mandates, despite the loss recorded for the year. The discussion below sets out the principal factors expected to shape the Bank's financial position over the period ahead.

First, the policy rate trajectory. As inflation continues to stabilise within the single-digit range and the policy rate normalises further from current levels, the yields on the instruments used to absorb cedi liquidity from the banking system fall correspondingly. The cost of open market operations, which was the principal driver of the operating loss in 2025, is therefore expected to decline as the policy cycle continues. The policy rate is determined by the Monetary Policy Committee at each meeting after careful consideration of the projected path for inflation and other macroeconomic data.

Second, the structural change under the GANRAP framework. The cost structure that flowed through the Bank's accounts under the Domestic Gold Purchase Programme has been placed under a different institutional arrangement. As reserve manager, the Bank's exposure to the cost categories that arose under the prior arrangement is expected to change over future reporting periods, with the operational role of acquisition residing with GoldBod under the statute that Parliament has enacted.

Third, with the cedi having adjusted significantly, exchange rate movements are expected to be more stable, which should reduce the likelihood of large revaluation effects on the Bank's balance sheet, including in Other Comprehensive Income.

Fourth, engagement with the Government on recapitalisation is ongoing, in line with the established arrangements between the State and the central bank. Recapitalisation will be implemented over time as part of a structured framework, with actions taken and timing determined through that ongoing engagement.

These factors will shape the financial position recorded in future periods. They do not by themselves predict a specific result for any year. The institution's financial position responds to the conditions of the period, the policy operations conducted in that period, and the accounting framework that governs how those operations are recorded. What can be stated with confidence is that the policy mandate continues to be discharged, the macroeconomic stabilisation continues to deepen, and the institution remains positioned to deliver its functions over the period ahead.

CLOSING NOTE

The 2025 financial statements record the financial cost the Bank absorbed in delivering one of the most significant macroeconomic stabilisations Ghana has implemented in a generation. The wider economic benefits, lower prices, lower borrowing costs, restored credit, and a stable currency, accrue to households, businesses, and the wider economy. Both the costs and benefits are real, and both follow from the same set of policy operations.