



BANK OF GHANA

**TRANSCRIPT OF THE 130TH MPC PRESS BRIEFING
HELD ON 20 MAY 2026, AT THE BANK SQUARE**

**TRANSCRIPT OF THE MONETARY POLICY COMMITTEE
PRESS BRIEFING HELD ON WEDNESDAY, 20 MAY 2026**

On Wednesday, 20 May 2026, the Monetary Policy Committee (MPC) held a press briefing following its 130th meeting. The session was chaired by the Governor, Dr Johnson Pandit Asiamah, Chairman of the Committee. Below is the edited transcript featuring questions from the press and responses provided by the Governor.

The full recording of the briefing is available on the Bank of Ghana website: www.bog.gov.gh.

Questioner: *Governor, at the last MPC press briefing, you indicated that two banks were struggling to meet the minimum capital requirement and that you were considering an extension for them. Could you provide any update on that?*

Governor: I would not call them “struggling banks”; they are banks that are recapitalising. Remember, the deadline was December 2025, but it was extended to March 2026. Again, we have extended it for the two of them to June 2026. So far, we are comfortable with the progress they have made and confident that by the end of June 2026, those two banks will also be fully recapitalised.

Questioner: *Average lending rates are falling, but it appears businesses are still complaining that credit remains expensive. The question now is: why is monetary policy transmission still a bit weak? The last time you met us, you said banks were reaching out to businesses to offer loans, but it seems the informal sector is not really feeling the fall in interest rates.*

Governor: Well, when interest rates are falling, it may take a while [for the impact to be felt]. Remember, the low-interest regime we are in currently is quite new. It takes time for banks to shift their portfolios, so I can understand why you do not see the same speed of adjustment. Part of the feedback we have received from some banks is that you do not just rush into giving out loans. There have to be adequate bankable projects. You do not compromise your credit appraisal standards. So eventually, we will see lending rates falling at close to the same speed. Once we engineer and sustain the low-interest environment, and it is realistic, we will see full transmission.

Questioner: *Some economists have recently argued that there is a wide gap between inflation and the policy rate, and that this gives the Bank of Ghana more room to ease the monetary policy rate. What is your position on this, and what reasons are you using to support it?*

Governor: That is true. But remember, the Committee evaluated other forms of risk, and the elephant in the room here is the Middle East crisis. Up to this time, it is uncertain whether it is a temporary crisis or a longer-lasting one. If we assume that it will be long-lasting, then you can imagine the impact on inflation expectations or the so-called second-round effects.

So, on balance, the Committee assessed the improvements in the fundamentals. It looked not just at the domestic economy, but also at the headwinds coming from global shocks. That is why, in the Committee's judgement, it was decided to pause and evaluate all incoming data, so that at the next MPC meeting the Committee could evaluate the issues again and take an appropriate decision.

Questioner: *So, Governor, just for clarity, what is the reasoning behind the additional policy measure, the Cash Reserve Ratio (CRR), and what will be the effect on inflation as well as on your operations regarding Open Market Operations (OMO)?*

Governor: You remember that about a year ago, we implemented a similar policy measure, where we separated provisioning for the two types of deposit accounts. A year down the line, the Committee has evaluated some of the incentives and expected benefits for which those dynamic provisioning structures were put in place. We think that it is now time to review that, considering the outcomes we have observed. In the Committee's view, this adjustment will go a long way towards complementing our Open Market Operations (OMO). Remember, our objective is to maintain an appropriate policy stance. The so-called liquidity conditions. That is how we can impact our transmission.

We have provided a clear date by which the policy measure takes effect. Also, remember, we meet the CEOs of banks immediately after the MPC. We will take them through the policy measure and its implications, and that should be good for the markets.

Questioner: *Over the past fortnight or so, we have noticed that treasury issuances have moved back to over-subscription after several weeks of under-subscription. What has caused this change? Specifically, has the Bank's issuance of BoG bills changed in a way that has given the banks more liquidity to invest in treasury bills? Or are there other factors we are not aware of that have now caused the reversal from under-subscription to over-subscription over the past fortnight?*

Governor: It is an auction. We do not make allocations arbitrarily. Banks' treasuries make those decisions based on market conditions and their forecasts for how the market will move going forward. The Ministry of Finance

knows what it is doing. Remember what we do! Our Open Market Operations (OMO) are separate from those treasury bill auctions. It is good that the government can meet its Public Sector Borrowing Requirement (PSBR) at the end of the day, and it is good if rates are not escalating while it does so. But for further details, you may want to direct your questions to the Ministry of Finance. I'm sure they will be able to provide more answers.

Questioner: *Governor, following a report by the IMF's Monetary and Capital Markets Department prepared in collaboration with the Bank, there are growing calls from policy analysts for the establishment of a dedicated Financial Stability Committee, with a mandate similar in standing to the MPC, focusing specifically on systemic risks in the financial sector. Given Ghana's recent experience with financial sector stress, including the spillover effects of the Domestic Debt Exchange Programme (DDEP), do you believe the current institutional framework within the Bank is sufficient to monitor and mitigate systemic risks, or is there merit in creating a formal, standalone macroprudential decision-making body in addition to the Financial Stability Council?*

Governor: Yes, indeed. We have taken note of that recommendation, and the Bank of Ghana Board will decide on it at its next meeting. But let me affirm that establishing that Committee will go a long way towards supporting our macro-prudential supervision. It is another toolkit that will help, just as the MPC that has been put in place. So yes, we are working in that direction.

Questioner: *Governor, we know that inflation has declined significantly, even though it edged up a little in the last month. We also know that reserves have improved and monetary conditions remain relatively tight, but the cedi continues to face some depreciation pressures. We are told it depreciated by around 8.4 per cent in the first five months of this year. What does the Committee believe is currently driving exchange rate movements, and should the market expect additional policy measures aimed at stabilising the currency?*

Governor: First, we have always said that the framework we operate is a managed float, not a fixed exchange rate regime. So, the cedi is expected to move; it can depreciate and appreciate. Our concern is to avoid excessive volatility. We have not said that we are keeping the exchange rate fixed. It is okay for the cedi to be flexible.

Now, it is true that we have observed a surge in demand in recent weeks. But remember the times we are in; the geopolitical disturbances out there and their impact, in terms of oil prices and trade disruptions here and there. What that means is that the same volume of crude oil is now costing about twice as much in foreign exchange terms. So, you can imagine why there is greater demand for FX, and therefore, some depreciation pressure on the cedi.

Then remember the seasonal factors as well. We are in May. This is when banks and other companies publish their accounts. This is also when dividend payments are made to investors abroad. When those dividends are sent out, they are not paid in cedis; companies want to send US dollars.

And it is the same demand; it is the same exchange rate that takes the impact. So, it is not surprising at all. We are doing everything we can to stem excessive volatility. The good thing is that we have the buffers, and we are also building them daily.

At times, you might see the buffers dip a little. That does not mean anything has gone wrong. Our trade account is improving. So long as we have the buffers, and so long as we continue to add to them, it does not matter. The cedi will float and move. We will ensure that we do not return to the kind of volatility we saw a few years ago. So, we have the reserves, and we should be able to do what we must do.

Questioner: *Governor, I would like to know what your outlook for the cedi is for the next two quarters and how this will impact your policy decisions.*

Governor: We don't have a target for the cedi. It is an endogenous variable. It is supposed to be flexible. What we do is to avoid excessive volatility. But, of course, we are also interested in what happens to the cedi in real terms, to make sure that it is not persistently overvalued. So, the MPC evaluates data on all these variables to make sure that we are properly aligned. And where we are currently, we believe that in real terms, we are aligned. In nominal terms, the cedi is experiencing some volatility, but we think we have the buffers, and we do understand why that volatility is occurring.

Questioner: *Which sectors are receiving the most lending, and which ones are being crowded out?*

Governor: Commerce continues to attract credit, but you should understand that commerce is a very fluid sector. That said, we are beginning to see strong growth in private sector credit and to the extent that this growth is sustained, all sectors will benefit. Remember where we came from. There used to be people in the private sector borrowing at over 30 per cent [interest rate]. Currently, going by the Ghana Reference Rate (GRR), you could borrow at about 10 per cent. So let us sustain private sector credit growth going forward, and we are sure that all sectors will benefit. I am sure you are aware of some of the other initiatives we are pursuing, such as the digital credit policy. Very soon, it should be possible, regardless of the sector you are in, to access a loan on your mobile phone. Not the type of micro-credit loans that some customers took and never repaid, but a properly administered

framework. You will be able to borrow small sums to do things for yourself. So, it will filter through over time.

Questioner: Ghana Cocoa Board (COCOBOD) plans to issue bonds and bills of about US\$1 billion. What are the timelines, if you know, and will this be listed as commercial paper on the stock exchange?

Governor: It would be better if you spoke to the Ghana Cocoa Board because we are not issuing the bond for them. All we have to do is ensure the regulatory requirements are met, and that is what we are working on. But the actual timetable, volumes, rates, and things like that, please speak to COCOBOD.

Questioner: Considering all the risks you have mentioned, such as the geopolitical risks and the pressure on the cedi, should these not be sufficient reasons for the MPC to increase the Monetary Policy Rate?

Governor: I explained that the Committee assesses several factors. We call them upside risks versus downside risks in terms of the outlook, and it is about the balance: where the balance is tilted guides the Committee to hike, maintain, or reduce the policy rate.

At this MPC round, the Committee was of the view that these risks, both on the upside and downside, are balanced, so they may well stay for a while. At the next meeting, the Committee will evaluate new data, and if it must hike, it will do so. If it must stay put again, it will do so. If it must return to the easing cycle, it will do so. So yes, the Committee is fully aware of the factors going forward. It will continue to monitor them.

Questioner: Regarding non-interest banking, it appears that the groundwork has been laid for it to be operational. As you prepare to issue the first licence, how do you intend to ensure that robust liquidity management frameworks are effectively integrated into your supervisory systems and processes?

Governor: When it comes to non-interest banking, you know that is something close to my heart! We are all waiting to see the launch of the first non-interest banking institution. A lot has been done. Professor John Gatsi is here, and I am sure you all know him. We give him a lot of credit for the work he has done [on the non-interest banking initiative]. Hopefully, this year we will see the first licence. The team is working very hard to put the structures in place. The regulatory structures are very stringent, I can assure you. This is best practice.

So, have no fear about that score at all. The necessary structures are being put in place to ensure that non-interest banking thrives and grows well. The Head of the Banking Supervision Department is also involved.

Questioner: *Given that our Non-Performing Loan (NPL) ratio is currently just below 20 per cent, to what extent can this be attributed to the Domestic Debt Exchange Programme (DDEP) that took place earlier? Additionally, what measures will be taken to ensure that commercial banks fully comply with efforts to clean up their balance sheets and address the high levels of NPLs in the banking sector?*

Governor: We have already issued several guidelines to commercial banks on these NPLs. The deadline is the end of 2026. We expect that the ratio will fall further. But note that the ratio we mentioned is the gross; that is, without deducting the fully provisioned loans. When you deduct the fully provisioned loans, the net NPL works up to around 8 per cent, I'm told. So, your question would be: why do we not just write off the fully provisioned loans? We do not just write them off because there is something called moral hazard. If you simply write them off, you could be creating moral hazard issues. So, we still urge the commercial banks to pursue the beneficiaries of those loans and, as much as possible, to recover them, even though they may have been fully written off. There is a programme in place, and we are working with the banks to ensure we reduce that stock. Once we reduce them, we will see even the gross NPL ratio decline significantly. So far, there has been a lot of progress made. We will build on that.

Questioner: *Governor, you mentioned there was a slowdown in our gold shipments in March and April due to geopolitical tensions. I want to find out if shipments have resumed now and what the impact of this slowdown is on the country. Lastly, have any new threats emerged because of this crisis?*

Governor: Yes, the Middle East crisis temporarily disrupted trade between Ghana and the UAE. But the Ghana Gold Board has found a way around it. It has secured alternative trade destinations, and so, as we speak, shipments are ongoing. It has deployed other strategies to sustain gold exports.

Questioner: *Governor, you have worked tirelessly to ensure, among many other things, that we enjoy low fuel prices at the pump. I want to know, regardless of how long the United States of America-Iran situation lingers, are you able to assure us that we are still in safe hands, that you will protect us?*

Governor: There are a number of variables that determine the cost of fuel at the pumps. We are not in control of everything. The world market price is a factor; the exchange rate is a factor; but also, some of the good measures the government has taken, such as relaxing some of the built-in margins. All that has contributed to the kind of prices we are paying at the pumps.

If you look at other countries and what is happening, I believe we are lucky that we are still able to buy fuel at the prices we are paying. The question is, how long can that last? And as you rightly put it, which again comes back to the question I was asked from the beginning: with the geopolitical problems in the Middle East, how long is this going to last? If it is temporary, yes, the government can continue to support citizens.

We can also continue to manage the exchange rate, and then we can continue enjoying those relatively low prices. But if it is permanent, then I am afraid we will have to look at it again. So, we only do our part. It happens that it benefits fuel prices. The government is doing a large part, and then, of course, the global economy is doing its own.

Questioner: *The recently held 3i Africa Summit was an eye-opener. I saw a lot of informal workers around, and I was thinking about the gig economy. Does the bank have data on the nature of the gig economy in Ghana, its size and scope, and its impact on the entire economy?*

Governor: The 3i Africa Summit ended very well. We think that was another successful event. Remember, our objective for the 3i Africa Summit in one word was innovation. We learned a lot from our peers. They also learned from us. It is all about how to deploy technology to deliver financial services, how to promote financial inclusion through technology adoption, and how to use technology to support cross-border trade for SMEs and other small businesses. So, to that extent, it was a success. No wonder you saw a lot of informal people in the gig economy, people who are trying their hands at new things. That is exactly the focus of such a conference. We want Ghana to become a centre of learning when it comes to digital innovation, and I think that so far, we are winning the accolades. We go to other countries, and we hear the accolades. We aim to sustain that. So, we are asking people who are interested in learning to please join our programmes. Just move with us. It is good that we are promoting learning in that area, and there is a whole lot to come.

Regarding data, we do not have specific data, but we have some estimates based on certain parameters. It is good you asked this question, because about two months ago, my attention was drawn to the fact that some bloggers were unable to receive their money. The issue was persistent in the media, so I asked to meet with a cross-section of them to understand the situation. We met them here with my directors. We identified the source of the problem and solved it. We suggested another channel through which they could receive their money. But amazingly, people gave a different interpretation to the meeting we held with the bloggers. But we are not perturbed at all. Whoever you are, once you are a Ghanaian trying your hand at some of these things

and earning foreign exchange, you deserve equal access, the same as what I will offer to any exporter. So yes, we will continue to support the gig economy, as you call it!

Questioner: *What are the risks you envisage in your monetary policy operations, and what are going to be the trade-offs so that you could tell Ghanaians ahead of time that these are the risks that we encounter, especially financial risks, but these are the trade-offs that would even show up at the end to ensure that the economy remains resilient?*

Governor: I think I mentioned these when I was reading through the MPC statement. The elephant in the room is the Middle East crisis. Make no mistake. With that crisis, I keep asking people whether they think it will be temporary or it will become a permanent feature. The answer I am getting now is that it is likely to persist for the next 24 months. If that happens, the question is, are we going to see oil prices above \$120 per barrel? If so, it has consequences because changes in oil prices affect us directly, and so that continues to be an elephant in the room. It is a big risk to the outlook. But that said, the domestic economy is performing quite well. So, we also have some downward risks. It is a question of the balance going forward. That is what the work of the MPC is about. At this round, the Committee made a unanimous decision. At the next MPC round, based on new information that might have come in by July, the MPC will assess the situation and decide on the positioning of the policy rate once again.

Questioner: *You spoke about the high demand for dollars; which sectors are inducing this high demand? Some of the things we have heard are that contractors, for instance, may not need to import equipment because they can rent it here from plant pools, but some tend to import equipment unnecessarily when they are awarded Government contracts. Are there other sectors like that putting pressure on the dollar?*

Governor: You know what we do. We do Foreign Exchange (FX) auctions. Once it is supported by relevant documentation, whether it is for equipment, whether it is for intermediate goods, you name them, your bank goes through the auction that we do, and then the FX cover is provided. I have already explained why we are seeing the surge in demand currently. I also mentioned the seasonal impacts and the fact that, around this time of the year, dividend payments are quite significant. For some of them, we have to use alternative arrangements just to make sure that those lumpy demands do not impact the market. So, we are not surprised at all. We understand very well why the pressure is there right now. We are in the market every Tuesday and Thursday. Our auction is still there. We have pre-announced it. The banks are aware. If the situation in the Middle East suddenly abates and we

see oil prices coming back to \$70 or \$80 per barrel, that will certainly be to the benefit of our local FX market, but for now, this is what we have.

Remember, we have the buffers. The past is over. We can manage where we need to manage. We are not intervening; we are rather building reserves. The auctions are a regular part of our intermediation efforts, and I have the Head of the Bank's Financial Markets Department right here. Those of you who would want some additional explanations, he will be here and ready to explain what he does. We are not intervening. We are still building reserves, and I have given you the figures. But for now, the pressures are real, and we understand why the [FX market pressures] are there at this time.

Questioner: *Domestic debt continues to rise. My question is simple: Should we be worried?*

Governor: The answer is to check what is happening to our debt sustainability. So long as our debt sustainability is not deteriorating, you can have some comfort. There are other parameters you can look at. Again, I provided some figures in the MPC statement. You can refer to it, and beyond that, you can also talk to the fiscal authorities [Ministry of Finance]. They can give you an update on their fiscal programmes.

Questioner: *You mentioned that dollar demand has gone up, but also on the supply side, has dollar supply reduced in the past few months? And if it has, is BoG strategically using its reserves to support the markets as and when?*

Governor: No. As I mentioned, it is an auction. We pre-announced how much each month would be made available to the market, and for this month, I guess we made available about a billion dollars. We are on track with that. We have not reduced our presence at all. The banks are aware of it, and there should be no panic.

Questioner: *Considering what happened last year on BoG losses, what strategic options is BoG considering to reduce its losses, and do you know perhaps, the percentage that you are looking to reduce your losses by as compared to last year?*

Governor: I am sure you saw the Questions and Answers (Q&As) that we published [concerning our Annual Financial Statements for 2025]. It is still on our website. If you go to our website right now, you will see the Q&As. That document explains the losses and what the key drivers are. I urge you to scan through the document very well. We provided all the answers there. But your question is whether it will occur again this year. We don't think so! Remember the three sources [that drove the loss situation], and we made that clear. The fact that our revenue lines were impacted by the Domestic Debt Exchange Programme, which took away a significant part of our revenues, the sharp

appreciation of the cedi and the consequent revaluation losses. Also, the fact that last year we started with inflation at elevated levels and had to do significant Open Market Operations (OMO) to bring the rates down was costly. So, putting all these pressures together, it was not surprising that we had to incur that cost [which translated to the losses].

From where we are currently, our OMO will be less costly compared to last year. We do not see the cedi appreciating by another 41 per cent or 42 per cent this year. So, revaluation losses could become revaluation gains.

To that extent, losses should not happen again. This morning [20 May 2026], I told someone that we prepared our financial statements with a Balance Sheet date of 31 December 2025, and on that day, the cedi rate to the dollar was GHS10.4. Today, the cedi rate to the dollar is GHS11.5. Now, if I publish the same financials today, the picture would be completely different. So, as of that date, that was what you saw, but as of today, it is a different story altogether. We are saying we are still policy solvent. We are not impaired in any way. We can achieve our mandate as stipulated in the Bank of Ghana Act, 2002 (Act 612), as amended. We are a very viable institution. We are committed to delivering on our mandate to the people of Ghana, so have no fears at all. There will be a turnaround, certainly, this year. We believe that you cannot put money on the stability gains we enjoyed last year. It was significant. They called it a reset. What was achieved at the so-called cost, we believe, was a necessary cost to engineer the stability that we achieved. What is important now is for us to hold that anchor, going forward, so that we preserve the stability upon which other growth outcomes will inure to our benefit.

Questioner: *Governor, we have had two rounds of the 3i Africa Summit, yet the e-cedi still seems like a mirage. I understand it was on the cusp of being launched before a certain financial crisis disrupted the process. Now that we have resilience and stability, when will the e-cedi be rolled out, especially as Artificial Intelligence (AI) is advancing rapidly?*

Governor: The e-cedi project started some time ago. You will recall that we concluded one pilot in a small geographical area of the country. However, given how heterogeneous our society is, we need to run a couple more pilots and complete other preparatory requirements. Cybersecurity, for example, is a major component of that project. We are currently undertaking work to upgrade our resilience in that area. So, we have not abandoned that project, but we want to spend more time on the preparatory requirements before we roll it out.

What is of concern to us currently, and what we are focusing on, is how we can deploy the e-cedi for cross-border settlements. To that end, we are

engaging with a number of other organisations, including the AfCFTA Secretariat and other partners involved in this space. We are also exploring how stablecoins, for example, can be used to settle cross-border trade in the interest of Small and Medium-sized Enterprises (SMEs) that may want to scale up and take advantage of bigger markets across the continent. So yes, the e-cedi project remains of interest to us. We are also supporting related technologies such as tokenisation and digitisation, as we explained during the 3i Africa Summit. So, God willing, soon you will see the e-cedi project move forward.

Questioner: *I noticed that Gross International Reserves grew to over US\$14.4 billion by 18 May, from US\$13.9 billion in April 2026. What accounted for the increase? The drivers do not seem clear.*

Governor: We have provided that data, so you may refer to it. As I explained, building reserves is our objective, and that is exactly what we have been doing over the last year. We have an intermediation function, which is separate [from market intervention]. So, while we build reserves, we also intermediate a portion of our foreign exchange (FX). I can confirm that we are not intervening at this stage. All we do for now is to intermediate in line with our budget, and we will continue that path.

Questioner: *Governor, I understand you will be meeting CEOs of banks post-MPC to explain how you arrived at this decision. If bankers who are industry players deserve that level of engagement, what do you have for the rest of us who are not industry players? Can we also have a post-MPC review like we used to? It used to exist, but it seemed to have been scrapped.*

Governor: For us, consultations are ongoing and extensive. We engage different stakeholder groups regularly. Just yesterday [19 May 2026], for example, the Peasant Farmers Association of Ghana were to come and see us, and we have also met with bloggers. Academia engages with us as well. The Association of Ghana Industries engages with us. In fact, we are introducing a new layer of engagement: meetings with Board Chairpersons of banks. Already, we meet Chief Executive Officers, but Board Chairpersons are the real authorities when it comes to decision-making at the banks. That is another segment we will engage, going forward. For journalists, we have training programmes for you as well.