Commemorating 50 Years of Rural Banking and the Conversion to Community Banking

Keynote Address

by

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Honourable Minister for Finance,
Reverend Archbishop, Board Chairs and Chief Executive Officers,
Leaders of the ARB Apex Bank, the Ghana Association of Banks, and the Association of Community Banks, Colleagues from the Bank of Ghana,
Distinguished Guests, Ladies and Gentlemen.

In 1976, in Nyakrom, in the Central Region, something happened in this country for the first time. A community opened a bank. Not a branch of somebody else's bank. Its own. That is what we are here to mark. Everything else, the fifty years, the 147 institutions, the eight million customers, grew out of that one decision, in one town, in the Central Region.

The idea behind it was almost too simple to be a policy. Formal banking in this country had been built to serve a colonial administration and the merchants who traded with it. Independence brought us our own commercial bank and our own central bank, and the 1960s brought development finance for agriculture, housing and industry. Indeed, each was necessary. But none of them reached the village.

A farmer could grow the crop that earned this country its foreign exchange and live a day's journey from the nearest counter. A trader could feed a whole town and be invisible to the financial system. People saved. People borrowed. People built. They simply did it without a bank, because there was no appropriate bank for them to do it with.

So, Ghana did something about it.

The Rural Banking Programme, a partnership between the Government of Ghana and the Bank of Ghana, did not propose to send a bank to those places. It proposed that those places own one. Their own.

Bank of Ghana did not merely regulate that idea. It championed it, and it put up the seed capital for many of the first institutions. The vision found its leadership in the late Governor Amon Nikoi (and other key personalities such as Mr Emmanuel Asiedu-Mantey), whose commitment to community-based banking laid the foundations that every generation since has built on. Within a year of the Nyakrom Rural Bank launch, three more banks were licensed, at Biriwa, Afosu and Asiama.

Ladies and Gentlemen, the idea worked. The experiment yielded results.

Rural banks taught communities to bank. They financed the farm, the season and the small business. They held the savings that paid the school fees. They kept a person's money somewhere safe and near enough to walk to. And when the Ghana Cocoa Board introduced the Akuafo Cheque Scheme in the 1980s, it was the Rural banks that made it possible for a cocoa farmer to hold a cheque and actually turn it into money.

The sector then built what it needed to sustain itself: the Association of Rural Banks in the early 1980s, and, in 2002, ARB Apex Bank, created with the Government, this Bank and our development partners, which did far more than provide operational support. It connected these institutions to the national financial system.

What began with one bank at Nyakrom is today 147 licensed institutions, about a thousand branches, more than eight million customers, and an asset base of approximately GHS 26 billion as at May 2026. It is one of the fastest-growing segments of our banking industry.

Note those numbers carefully. They are not a measure of institutional success. They are a verdict on the original idea.

And now let me say the thing that anniversaries sometimes avoid.

Not every institution built over these fifty years survived. Not every one of them was well governed. And when one failed, the loss was not recorded in a supervisory return and forgotten. It was recorded in a community: in its savings, in its confidence, and in the faith it had placed in an institution carrying its own name.

That is not a blemish on this anniversary. It is the reason for the reforms I am about to announce. The idea was right. The framework around it must now be strong enough to deserve it.

Honourable Minister, this began as a partnership between the Government of Ghana and the Bank of Ghana. It continues and will continue as one.

An institution can honour its history in two ways. It can keep everything exactly as it was, or it can keep its purpose and change everything else. We have chosen the latter and introduced a few key reforms.

First, the name.

Ghana has changed underneath the word “rural”. Places classified as rural in 1976 are today towns, commercial centres, peri-urban economies with industries and ambitions of their own. The word stopped describing them a long time ago. It struggles now to speak to a young Ghanaian, to a new entrepreneur, or to an investor deciding where to place capital. “Community” is the truer word, because it describes what these institutions are for rather than where they happen to sit.

It has been the truer word for some time. The Bank of Ghana licensed the first Community Bank, La Community Bank, in 1987, and ten more since. As far back as 1995, we began considering a transition of the whole sector. Circumstances did not permit it then. Today, three decades later, it happens.

The second reform, and this is the substantive one – the introduction of Urban Community Banking.

Fifty years ago, we established Rural Banks because many communities were too far from the formal banking system. Today, the challenge is different: a person may live near a bank branch and still be unable to access the financial services they need. Exclusion has not disappeared. It has changed address.

Being near a bank is not the same as being served by one. There are households in this city that can see a bank tower from the front door but have never had a loan from it.

Mobile money, fintech and digital services have widened access enormously, and we should say so. But access is not the same as service. And when national policy opens a financing window, or eases a pressure, or supports a sector, the benefit too often stops at the doors of the largest institutions. It should reach the trader, the artisan and the small business in every community.

So, we are creating the room for Community Banks to be established wherever they are needed, rural or urban. Which is why you should not be surprised when you meet the East Legon Community Bank, the Cantonments Community Bank, or the Airport Hills Community Bank.

And before anyone asks, no, East Legon is not short of bank branches. It is short of banks that will lend to the woman who trades there, the artisan who works there, and the young business that has just opened its doors there.

The third reform is the framework.

Let me be plain about what Bank of Ghana will and will not accept. Community ownership cannot mean weaker governance. Local knowledge is not a substitute for risk management. And social purpose does not excuse financial indiscipline.

These institutions must be locally rooted but professionally managed, inclusive in purpose but prudent in operation, ambitious in reach but careful with other people's money. Their credit decisions remain their own, made commercially, by their own boards. The Bank of Ghana's part is to make certain the ground they stand on will hold.

And this matters beyond the communities themselves. A financial system resting on a small number of large institutions is not a resilient one. Depth is not only about size. It is also about spread.

The reforms open the door wider as well: to broaden what these institutions offer, to compete, and, for the strongest among them, to grow in time into something national.

Existing banks are required to complete their statutory name changes, corporate rebranding, and other regulatory alignments by the end of December 2026. The transition will be supported by appropriate prudential regulation and supervision, ensuring that the institutions live up to the new name.

To the Community Bankers in this room, today we honour what you have built over the past 50 years. The responsibility now passes to you to prepare these institutions for the next 50 years.

The values that carried this sector for fifty years - trust, participation, accountability and local development, are the values that must carry it for the next fifty. Everything else about your institutions is open to change. Those four values are not. They are what a depositor is relying on when she hands you money she cannot afford to lose.

Banking must reach people where they live, where they work, and where they build.

May the Good Lord continue to bless us all, and may He bless our homeland, Ghana.

I thank you for your attention.