BANK OF GHANA

BI-MONTHLY PUBLICATION OF QUESTIONS FROM THE MEDIA

JULY 2026

The Bank regularly receives questions from the media and other stakeholders on various issues related to its work. Here, we publish such questions and the Bank's responses, as part of efforts to deepen transparency.

QUESTION 1

The recent Court of Appeal ruling restoring the licence of GN Savings and Loans has generated considerable public debate regarding the banking sector clean-up exercise. Without commenting on matters currently before the courts, what implications does this ruling have for the Bank of Ghana's supervisory authority and its ability to take decisive regulatory actions to safeguard financial stability?

Response: *The Supreme Court on 14 July 2026 stayed the entire judgement of the Court of Appeal, which ordered the Bank of Ghana to restore the licence of GN Savings and Loans.*

What this means is that the Bank of Ghana is not required to comply with any of the orders made by the Court of Appeal in its judgement of May 2026 pending the determination of its appeal at the Supreme Court.

Nonetheless, the Bank of Ghana remains resolute in performing its functions decisively to ensure the safety and soundness of the banking system and promote financial stability, consistent with its statutory mandate.

QUESTION 2

There are concerns that court-ordered restoration of licences could encourage similar legal challenges from other institutions affected by the financial sector clean-up. Has the Bank assessed any potential implications for financial sector stability, depositor protection, or regulatory certainty should similar cases emerge?

Response: *The Bank of Ghana has assessed the potential implications of the court order. It is important to note that the risks were anticipated but do not diminish or alter the Bank's mandate. The Bank's supervisory framework remains robust, and we continue to consistently and proportionately apply it across the sector to ensure resilience, depositor protection, and regulatory certainty.*

The Bank of Ghana is in the process of amending the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) to address identified gaps and prevent the recurrence of such legal challenges.

QUESTION 3

At the 130th Monetary Policy Committee (MPC) meeting, the Committee announced an additional measure which read, "The Committee decided to amend the dynamic Cash Reserve Ratio (CRR) to a uniform ratio of 20 percent, maintained in the domestic currency, effective 4 June 2026." It has been a month and a few days since the implementation. Can the Bank provide an update on this?

Response: *The adoption of the new CRR policy was primarily aimed at strengthening liquidity management, improving monetary policy transmission, and supporting overall macroeconomic stability. Since its introduction, the Bank has been closely monitoring liquidity conditions, money market rates, credit activity, and the foreign exchange market. Early assessments indicate that the transition has been orderly, with banks generally complying with the revised requirement and the banking system remaining sufficiently liquid.*

The new CRR policy ensures that liquidity conditions stay aligned with the Bank's inflation expectations and the goals of our foreign exchange operations. Compared to the period when the previous CRR framework was in place, a one-month span may be too short to assess the overall impact of the new CRR policy. Nonetheless, the Bank will continue to review data and industry feedback. The Bank's goal is to ensure that the policy promotes stability, resilience, and growth.

At the time of the transitioning, 17 of the 23 banks were already provisioning at an effective CRR of 25 per cent under the dynamic CRR framework. Only six banks were operating below that level, three at 20 per cent and the other three at 15 per cent.

The Bank had projected that a minimum of about GH¢11.5 billion would be absorbed from the market through the implementation of the new uniform 20 percent CRR, maintained in domestic currency, at no cost to the Bank. The observed decline in Bank of Ghana securities of about GH¢10.6 billion shortly after the implementation date, together with other liquidity withdrawals, suggests that the projected liquidity absorption target was largely achieved, in aggregate terms.

QUESTION 4

The Bank of Ghana's 2025 Fraud Report shows that while the number of fraud incidents in banks and specialised deposit-taking institutions declined, the value at risk from fraud remains substantial, particularly from cash suppression and document manipulation. The report also shows a sharp rise in electronic fraud cases among payment service providers as digital financial services continue to expand.

Against this backdrop, what additional supervisory, regulatory, and technological measures is the Bank considering to further strengthen fraud prevention measures and cybersecurity resilience across the financial sector, particularly within the rapidly growing digital payments ecosystem? Furthermore, given that only a small proportion of reported fraud losses are ultimately recovered, is the Bank considering stronger accountability, recovery mechanisms and industry-wide fraud intelligence-sharing arrangements to enhance consumer protection and preserve confidence in Ghana's financial system?

Response: *Fraud is a crime with far-reaching economic and social consequences. Its impact is even* *more severe when committed by bank staff, as it erodes public confidence and threatens the integrity of the financial system, underscoring the urgent need for stronger governance, tighter controls, vigilant regulatory oversight, and a culture of ethics.*

In response, the Bank of Ghana is collaborating with the Chartered Institute of Bankers, Ghana (CIBG) and the Ghana Association of Banks (GAB) to strengthen the mandatory annual online ethics training for all banking professionals and require all branch managers and senior executives to attain Chartered Banker status. These initiatives will strengthen the competence of practitioners, reinforce ethical standards, and help mitigate the incidence of fraud and misconduct in the banking sector.

In addition, the increasing fraud cases within the digital space is one of the key reasons why the Bank of Ghana issued the revised Cyber and Information Security Directive in March 2026, aimed at further enhancing cybersecurity resilience within the banking sector.

From the 2025 Fraud Report, the banking industry's investment in fraud prevention is delivering positive outcomes, as reflected in the overall decline in reported fraud incidents. To curb the rising electronic fraud cases, the Bank is pursuing four strategic interventions:

1. *Promoting the adoption of technology-powered fraud detection tools to enable financial institutions identify suspicious activities promptly and enhance their capacity to prevent, detect, and respond to fraud effectively.*
2. *Strengthening collaboration and intelligence sharing through the Committee for Co-operation between Law Enforcement Agencies and the Banking Community (COCLAB) platform with Ghana Association of Banks (GAB), law enforcement agencies and the judiciary, among others.*
3. *Enhancing public education and financial literacy initiatives to help individuals identify scams, protect their personal information, and use digital financial services more safely.*
4. *Introducing additional regulatory measures to reinforce accountability and deter fraudulent activities, including:*
   i. *Stronger enforcement actions and sanctions for confirmed fraud cases and repeated institutional failures;*
   ii. *Possible publication of the identities of individuals involved in fraud and their affiliated institutions, subject to applicable legal requirements;*
   iii. *Restrictions on the use of contract staff in sensitive operational roles;*
   iv. *Sanctions against Boards, Management, and institutions that fail to maintain adequate fraud controls or exhibit negligence; and*
   v. *Mandatory ethics and fraud awareness training for all staff, particularly those serving in high-risk functions.*

QUESTION 5

Financial and economic analysts say businesses continue to struggle with the high cost of doing business. To what extent can the Bank of Ghana's monetary policy help reduce these costs while maintaining price stability?

Response: *The primary mandate of the Bank of Ghana is to maintain price stability. When prices are stable and inflation is under control, the cost of doing business becomes relatively cheaper and easier to manage. In addition, when inflation is within target, the Bank is better positioned to ease monetary policy. This translates to lower borrowing costs and improved access to credit, which supports business activity.*

While the Bank recognises its primary goal of price stability, it also plays a vital role in creating a *supportive environment for sustainable economic growth. The extent to which monetary policy can reduce business costs is managed through methods, including but not limited to:*

1. ***Anchoring Inflation Expectations to Lower Nominal Rates***
   The Bank maintains an appropriate monetary policy stance to reduce inflation and anchor inflation expectations. Lower and stable inflation supports lower nominal interest rates, reduces borrowing and labour costs, and improves business planning and investment.

2. ***Promoting Exchange Rate Stability***
   The Bank seeks to minimise excessive exchange rate volatility through prudent monetary policy, foreign exchange reserve management, and calibrated foreign exchange market operations. A more stable exchange rate lowers the cost of imported inputs, reduces uncertainty, and supports business profitability.

3. ***Easing the Cost of Borrowing***
   As inflation moderates, the Bank can gradually lower its policy rate, contributing to improved financing conditions. The Bank also supports stronger credit infrastructure, including credit referencing, to improve credit risk assessment, reduce defaults, and facilitate more affordable lending over time.

QUESTION 6

Considering the prevailing global conditions, what will be the greater policy headache, growth or inflation, and how are you dealing with this headache?

Response: *The closure of the Strait of Hormuz has indeed pushed up oil prices and triggered inflationary pressures. These pressures must be managed to prevent second-round effects and ensure that long-term inflation expectations are well anchored. It is important to note that price stability in itself is not an end. It is desired because stable prices promote savings and investment, which ultimately support growth.*

QUESTION 7

What would you consider the greatest threat to the outlook of the economy, and how do you plan to mitigate that?

Response: *The greatest threat currently is the re-escalation of the Middle East conflict and the subsequent closure of the Strait of Hormuz. Escalating tensions in the Middle East adversely affect crude oil prices, which could negatively impact inflation and the exchange rate. To ensure inflation remains within target despite these upside risks, the Monetary Policy Committee will continue to monitor developments to inform appropriate monetary policy decisions. The Bank will also continue to build its foreign exchange reserves to help cushion against exchange rate pressures that may emerge.*

QUESTION 8

Given three consecutive months of rising inflation, does the Committee still see this as a "temporary adjustment" or the start of a trend that threatens the 8±2% medium-term target?

Response: *For the medium-term outlook, we project that headline inflation will remain firmly within the medium-term target band of 8±2%. The increase in headline inflation observed in the first half of 2026 is in line with these projections. The Committee will continue to closely monitor economic developments and stands ready to implement appropriate monetary policy decisions, as needed, to ensure that inflation remains within the target range.*

QUESTION 9

To what extent has the combination of increased reliance on very short-term (14-day) Bank of Ghana bills and the new uniform Cash Reserve Ratio (CRR) for banks enabled the Bank to improve liquidity management in the economy, and how is this affecting your efforts to curb inflation?

Response: *Since the transition to a uniform 20 per cent CRR on 4 June 2026, we have observed a significant reduction in the stock of Open Market Operations (OMO) due to banks' non-rollover of OMO bills to meet the statutory CRR. The move from a dynamic to a uniform CRR has simplified the regulatory framework, allowing banks to plan and provision for the CRR. Beyond the portfolio rebalancing of banks from OMO to CRR, we have observed increased activity in the interbank market, an important part of our liquidity management framework. We will continue to monitor the data throughout the next quarter to ensure that liquidity levels remain optimal for both price stability and economic growth.*

QUESTION 10

What new initiatives has the Bank decided to embark on in alignment with the 2026 mid-year budget review?

Response: *In alignment with the 2026 mid-year budget review and government's efforts to accelerate economic transformation, the Bank intends to continue to strengthen the real sector. This will be achieved by ensuring enhanced access to finance for agriculture, manufacturing, Small and Medium-sized Enterprises (SMEs), and export-oriented businesses; deepening the digital payment infrastructure to support the 24-Hour Economy; promoting financial inclusion and sustainable finance; and maintaining macroeconomic stability to create an enabling environment for investment, production, and job creation. These initiatives are expected to stimulate private sector growth, expand employment opportunities, and improve competitiveness across key sectors of the economy.*

The Bank of Ghana has made significant progress in the disinflation process to foster exchange rate stability. This is reflected in the revision of the CRR to manage banking sector liquidity. The Bank seeks to complement fiscal policy with initiatives that will strengthen monetary policy transmission to impact lending rates to boost private sector activity, deepen financial markets, and improve resilience to external shocks. The Bank will continue with intermediation and intervention measures, ensuring the stability of the exchange rate to keep external debts under control. The Domestic Gold Purchase Programme will also continue as a key strategy to cushion the cedi's stability.

The Bank's policy decisions are primarily guided by macroeconomic developments, both globally and domestically. Changes to the fiscal stance, as reported in the 2026 mid-year budget review, will affect the macroeconomic outlook, and therefore our monetary policy decisions. Going forward, the Bank will continue to work closely with the fiscal authorities to ensure that macroeconomic stability and price stability are sustained.

ENDS.