



Post-MPC Engagement with Heads of Banks

Opening Remarks

by

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Chief Executive Officers and Heads of Banks,

Deputy Governors,

Colleagues of the Bank of Ghana,

Ladies and Gentlemen,

Good morning and welcome to the Heads of Banks Meeting – an important platform for open dialogue, and collective reflection on matters of mutual interest to the regulator and the banking sector. Let me begin by acknowledging the depth of collaboration and the strength of the partnership that have existed between the Bank of Ghana and the banking industry in our shared efforts to build a resilient and inclusive banking sector.

I personally find these engagements important at this juncture, as we navigate a volatile global environment, consolidate the stabilisation gains, and position the financial sector to support sustainable and inclusive economic growth.

Against this backdrop, let me highlight some of the key outcomes of the **132nd Monetary Policy Committee meeting**, held from **23 to 24 September 2026**.

Recent Monetary Policy and Macroeconomic Developments

Since February this year, the global economic environment has become increasingly challenging, with persistent geopolitical tensions, elevated energy prices, and heightened uncertainty around global trade and financing conditions. Global growth has, nevertheless, remained resilient, with

the IMF maintaining its 2026 global growth projection at 3.0 percent. However, the renewed escalation of geopolitical tensions, and the prospect of a strong El Niño later this year pose significant risks to the outlook.

These developments have already prompted several major central banks to adopt a more cautious policy stance, with some beginning to raise policy rates. This could translate into higher global yields and tighter financing conditions for emerging and frontier markets, including Ghana.

On the domestic front, economy continues to demonstrate considerable resilience. Real GDP grew by 6.0 percent in the second quarter of 2026, driven mainly by the services and industry sectors. While this was slightly lower than the 6.6 percent recorded in the corresponding period of 2025, underlying economic activity remains strong. Consumer and business confidence also remained positive, reflecting the relatively stable macroeconomic environment and optimism about the growth outlook.

Headline inflation increased modestly to 5.0 percent in August, from 4.6 percent in July, reflecting the pass-through from utility tariff adjustments and elevated crude oil prices. Importantly, core inflation and inflation expectations continued to moderate while headline inflation remains below the lower bound of the medium-term target band of 8 ± 2 percent.

Against this backdrop, the MPC unanimously decided to maintain the **Monetary Policy Rate at 14.0 percent**. The Committee assessed the balance of risks to inflation and growth as broadly balanced, while recognising that inflation is projected to move gradually back into the target band over the coming quarters.

Interest Rates and Private Sector Credit

The easing of domestic financial conditions has continued to support the transmission of monetary policy to various market segments including the credit market. The average lending rate of the banking sector declined significantly to 15.9 percent in August 2026, from 24.2 percent recorded in the corresponding period of 2025.

This decline, together with an easing in banks' credit stance and a recovery in credit demand, has contributed to a strong rebound in private sector credit. Credit to the private sector grew by 35.5 percent in August 2026, compared with 13.3 percent a year earlier. In real terms, credit growth was 29.0 percent, compared with just 1.7 percent over the same period last year.

Banking Sector Developments

I am particularly encouraged by the continued resilience of the banking sector. Total banking-sector assets increased, supported by robust deposit mobilisation and growth in other funding sources. The sector remains well capitalised, while asset quality has also improved.

These are positive developments and reflect the strengthening of the sector as well as the collective efforts of banks to improve their balance sheets and support economic activity.

External Sector Developments

The external sector has also continued to provide an important source of resilience. In the first eight months of 2026, the trade surplus increased to US\$8.85 billion, from US\$6.69 billion in the corresponding period of 2025. Gross International Reserves stood at US\$12.0 billion, equivalent to 4.5 months of import cover, as at 22 September 2026. The reserve position continues to benefit from improved gold export receipts, notwithstanding elevated external sector payments.

Regulatory and Supervisory Matters

Let me also highlight a number of regulatory and supervisory initiatives that will require the attention and cooperation of all banks.

- The Bank continues to monitor developments in **asset quality** closely. Although the NPL ratio has declined significantly, it remains elevated relative to regulatory thresholds. Banks are therefore expected to continue strengthening credit risk management, while ensuring full compliance with the NPL guidelines. At the same time, as private sector credit expands rapidly, this growth must be supported by sound underwriting standards and effective risk-management frameworks.
- Against this background, the Bank will soon issue the **Credit Risk Management Directive**, which will complement the NPL Notice issued last year. The Directive will strengthen banks' credit-risk frameworks, covering credit origination, administration, monitoring, measurement and recovery. We expect this to further strengthen asset quality and ensure that credit expansion is sustainable.
- The Bank will also issue the **Liquidity Coverage Ratio Directive**, which will introduce the first prudential benchmark for banks' liquidity and require banks to maintain adequate high-quality liquid assets to withstand significant liquidity stress over a 30-day period. This will

complement the Liquidity Risk Management and Liquidity Monitoring Tools Directives issued earlier this year and further strengthen the resilience of banks' liquidity positions.

- The Bank of Ghana is also engaging all banks on the **results of our macroprudential stress tests**, which assess the resilience of the banking sector under severe but plausible economic and financial scenarios. I encourage banks to take the findings seriously and strengthen identified areas of vulnerability. These exercises do not replace banks' own stress-testing responsibilities, which remain an important part of sound risk management.
- We have also received concerns from the **Ghana Association of Banks regarding the different placements of the fraud function across banks**. Fraud is a significant risk that requires our serious attention. We urge banks to strengthen their fraud risk management through effective policies and controls to prevent, detect and deter fraud. The fraud function should be appropriately positioned, with direct and unrestricted access to the Managing Director or Chief Executive Officer, to ensure its independence and effectiveness. Banks should also ensure that personnel responsible for this function have the requisite skills, professional certifications and technical competence.
- On the **foreign exchange market**, the Bank of Ghana is consolidating the various operational notices and guidelines issued under the Foreign Exchange Act into a comprehensive compendium. This is intended to provide greater clarity on requirements relating to foreign exchange transactions, including foreign currency accounts, international transfers and trade payments. Let me emphasise that compliance with the Bank's FX requirements remains non-negotiable. Banks must maintain proper documentation, appropriate internal controls, and ensure that funds are used strictly for their stated purposes.
- We are equally paying increased attention to **cyber, technology and fintech-related risks**. Digitalisation has brought significant benefits to the financial sector, but it has also increased operational and cyber risks. The Bank is therefore working with the industry on the implementation of the Cyber and Information Security Directive and will continue to strengthen supervisory expectations around technology, customer-fund safeguarding and third-party risks.

- In the fintech space, we are also developing further guidance on the governance and operational independence of regulated payment service providers within group structures, as well as on the responsible use of **artificial intelligence in the financial sector**. We will continue our efforts to address illegal digital credit providers and strengthen collaboration with relevant stakeholders to protect consumers and preserve confidence in the digital financial ecosystem.
- The Bank is strengthening its payment infrastructure and exploring innovative ways to turn remittances into investment opportunities for the diaspora. To that end, we have formally launched the **National Remittance and Diaspora Savings Strategy**, a joint effort with the Ministry of Finance. We will deliver the strategy within nine months and move swiftly into full implementation by the first quarter of 2027. Your institutions are vital to its success, and we will count on your participation and expertise during both the development and implementation stages.
- Finally, the rapid growth of **mobile money and digital payments** requires us to continually reassess the ecosystem, including the effectiveness of partnerships, safeguards and risk-management arrangements. The Bank will soon engage the industry on measures to strengthen the sustainability and resilience of the digital payments ecosystem.

These initiatives are intended to strengthen regulation, provide greater clarity and ensure that innovation, credit growth and financial-sector development are supported by strong governance and prudent risk management. I count on your continued cooperation as we implement this agenda.

Conclusion

The current environment presents us with both opportunities and challenges. The progress made on inflation, fiscal consolidation, exchange-rate stability and financial-sector resilience provides a stronger foundation for sustainable growth. At the same time, the external environment remains uncertain, with elevated oil prices, geopolitical tensions, tighter global financial conditions and potential weather-related shocks posing risks to the outlook.

For the banking sector, this means that resilience, prudence and innovation must remain at the centre of our collective agenda.

I therefore count on your continued partnership, vigilance and commitment to responsible banking as we work together to strengthen the financial system and support the transformation of the Ghanaian economy.

Thank you.

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