



**43rd Annual General Meeting of the Ghana Association of Banks (GAB) and
Launch of the 6th Edition of the GH Bankers' Voice Magazine**

Remarks

by

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President, Ghana Association of Banks,
Members of the Governing Council of the Ghana Association of Banks,
Chief Executive Officer, Ghana Association of Banks,
Managing Directors of Banks,
Management and Staff of Banks,
Distinguished Invited Guests,
Ladies and Gentlemen.

It is my utmost pleasure to join you today for the 43rd Annual General Meeting of the Ghana Association of Banks and the launch of the 6th Edition of the GH Bankers' Voice Magazine.

I wish to commend the leadership of the Association for the important role it continues to play in promoting collaboration within the banking industry and in maintaining a constructive relationship with the Bank of Ghana. Over the years, this partnership has been particularly important as we navigate challenges, consolidate the macroeconomic gains, and strengthen the resilience of the banking sector.

I also wish to acknowledge the Managing Directors and senior executives of our banks for their continued efforts in steering their institutions through a period of considerable

change. Our gathering here today provides an opportunity for us to take stock of the progress we have made and also reflect on what the evolving economic and financial environment requires of us, going forward.

The Evolving Economic and Financial Environment

The global economic and financial order is evolving rapidly. We are moving away from an environment characterised by relatively low global interest rates, abundant liquidity and predictable trade and capital flows towards one marked by geopolitical fragmentation, volatile commodity and energy prices, tighter financial conditions, changing patterns of global capital flows, and financial technology innovations, as well as virtual assets that could potentially redefine how banking would be conducted, going forward.

These developments have important implications for Ghana and, in particular, for our banking sector. At the macro-level, we have sustained efforts to respond to these dynamics and shocks through well-coordinated monetary and fiscal policies, as well as through macroprudential regulations to ensure durable price and financial stability. The outcomes of our macroeconomic policies are evident – inflation has been in single digits since September 2025, the exchange rate has remained relatively stable, growth has been robust, the banking sector has become more resilient by all standards, and there is a rebound in confidence in the economy. Ghana's story of macroeconomic stabilisation story is truly compelling.

However, we cannot afford to be complacent. Mitigating macroeconomic risks, while necessary, is not sufficient. Significant residual risks remain within the financial system – across the industry and markets, as well as at the level of individual banks – and these must be actively identified, managed and contained. The appropriate response is not simply to react to individual shocks, but to build institutions that are structurally capable of absorbing shocks while continuing to support economic activity. This requires stronger balance sheets, robust risk-management frameworks, sound governance, adequate capital and liquidity buffers, and business models that are sufficiently diversified and sustainable.

Strengthening of the Banking Sector

Indeed, the banking sector has recorded significant improvement since 2025, reflecting improved macroeconomic conditions and the continued regulatory and supervisory reforms undertaken by the Bank of Ghana. As at the end of August 2026, total banking sector assets had increased by **20.47 per cent** to **GH¢500.20 billion**, compared with **GH¢415.20 billion** a year earlier. The sector remains well capitalised, with the Capital Adequacy Ratio improving from **18.28 per cent** to **19.10 per cent**, significantly above the regulatory minimum of **13 per cent**.

Asset quality has also improved. The Non-Performing Loans ratio declined from **20.77 per cent** in August 2025 to **15.66 per cent** in August 2026. These are important gains. They demonstrate that the banking sector has emerged stronger from the challenges of recent years. However, we must be careful not to interpret the improvement as the end of the reform journey. The task now is to ensure that stronger balance sheets translate into sustainable business models, stronger risk management and greater support for productive economic activity.

From Capital Restoration to Resilience

Capital restoration has been an important priority following the losses suffered during the Domestic Debt Exchange Programme. The 2022 audited financial statements showed that **13 banks** had breached regulatory capital requirements as a result of the economic crisis and financial asset impairments. Through the collective efforts of banks, shareholders, investors, the Association, Government and the Bank of Ghana, all **23 banks** have now met the regulatory capital requirements. **This is a significant achievement.**

But restoring regulatory capital is only the beginning. The focus must now be on ensuring that banks maintain capital commensurate with their risk profiles and build sufficient buffers to withstand future shocks. This is particularly important because the risks confronting banks are becoming increasingly complex. We therefore expect Boards and Senior Management to have a clear understanding of the risks embedded in their institutions' business models and to ensure that these risks are appropriately identified, measured, monitored and managed.

In this regard, the Bank undertook a comprehensive thematic review of the viability and long-term sustainability of banks' business models in 2025. The vulnerabilities identified have been shared with the respective institutions, and engagements with Boards and Senior Management have commenced. The Bank intends to conduct a second round of Business Model Analysis next year.

Credit Risk and Asset Quality

Closely linked to capital adequacy is asset quality. Asset quality remains one of the most important vulnerabilities within the banking sector. The Bank of Ghana issued the Notice on Non-Performing Loans in August 2025 to strengthen governance arrangements for credit risk management, establish prudential limits on NPLs, and provide remedial measures in respect of wilful defaulters. **Let me use this opportunity to remind all banks of the requirement to reduce their NPL ratios to the prudential limit of 10 per cent by the end of December 2026.**

Banks must also strengthen underwriting standards, credit administration, loan monitoring, restructuring practices, collateral management, write-offs and recovery processes. The increasing regulatory attention to NPLs therefore represents a shift from simply provisioning for problem loans to ensuring that banks actively prevent, manage, recover and resolve problem assets.

To complement the NPL Notice, the Bank is also in the process of issuing a Directive on Credit Risk Management. The Directive will strengthen the credit risk environment within regulated financial institutions, including credit origination, credit administration, risk measurement, monitoring and recovery.

Liquidity and Forward-Looking Risk Management

The changing global financial environment also underscores the importance of liquidity resilience. Accordingly, the Bank is in the process of publishing the Liquidity Coverage Ratio(LCR) Directive. This will establish the prudential liquidity requirement for banks and will be an important milestone in strengthening liquidity regulation.

The LCR should not, however, be viewed as merely another regulatory ratio. It should form part of a broader liquidity risk-management culture, supported by appropriate

contingency funding arrangements, diversified funding sources and effective asset-liability management.

Stress Testing and Systemic Resilience

The events of recent years have reminded us that financial institutions must prepare not only for the risks that are visible today, but also for risks that may materialise tomorrow. The Bank has therefore strengthened its macroprudential stress-testing framework and has been engaging banks on the results of stress tests conducted under severe, but plausible economic and financial scenarios.

These exercises help identify vulnerabilities and assess the resilience of the banking system to shocks. The Guideline on Stress Testing establishes minimum expectations for banks, and we expect institutions to use stress-testing results to inform capital planning, liquidity management, risk appetite and strategic decision-making.

Digitalisation, Cybersecurity and Operational Resilience

Digitalisation is transforming financial services. It has improved efficiency, convenience and financial inclusion, but it has also created new channels through which risks can emerge. Cybersecurity, digital fraud, data protection, third-party dependencies, cloud computing and operational resilience are therefore receiving increasing supervisory attention.

Following the publication of the revised Cyber and Information Security Directive, the Bank has continued to work closely with GAB and the industry to facilitate implementation.

The Bank also intends to undertake thematic reviews focusing on implementation of the revised Directive. We expect Boards and Senior Management to treat cybersecurity and operational resilience as core business risks and not simply as technology issues.

Artificial Intelligence

Artificial Intelligence will increasingly shape the future of financial services. AI has the potential to improve credit assessment, fraud detection, customer service, risk

management and operational efficiency. At the same time, it introduces new risks relating to data quality, model risk, cybersecurity, and consumer protection.

The Bank of Ghana is therefore developing a Directive on the Use of Artificial Intelligence in the Financial Sector. Our approach will seek to promote responsible experimentation and innovation while ensuring appropriate governance throughout the AI lifecycle.

Conclusion

The question before us, therefore, is not whether the Ghanaian banking sector has recovered from the crisis that led to the Domestic Debt Exchange Programme and emerged more resilient – it clearly has. The more important question is whether we are doing enough to preserve these gains and build a banking sector that is even stronger and better equipped to withstand future shocks. The global environment is changing, technology is transforming financial services, and risks are becoming more interconnected. Our regulatory and supervisory frameworks must therefore continue to evolve.

At the same time, we recognise that regulation alone cannot create a resilient banking sector. The ultimate responsibility lies with Boards, Management and the institutions themselves to build strong risk cultures, sustainable business models and institutions that can serve their customers through both good times and periods of stress. Our ambition should be to build a banking sector that is strong enough to absorb shocks, innovative enough to adapt to change, and capable of financing Ghana's long-term economic transformation.

The Bank of Ghana remains committed to open and constructive engagement with the industry. We count on your continued cooperation as we work together to build a sound, resilient, innovative and sustainable banking sector – one that not only withstands shocks but also plays its full role in Ghana's economic transformation. On this note, and on behalf of the Management and Staff of the Bank of Ghana, as well as on my own behalf, I wish the Ghana Association of Banks a successful 43rd Annual General Meeting and continued success in the years ahead.

Thank you, and may God bless us all.