

The GH Bankers' Voice

2025
5th Edition



Ghana Association of Banks

Cross-Border Trade Opportunities

Risk, Regulation & Innovation

ESG & Sustainability

Economic Challenges

EVOLVING DYNAMICS OF GHANA'S BANKING SECTOR

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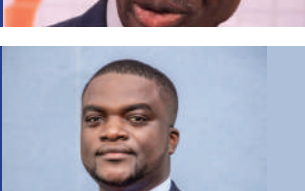
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TABLE OF Contents:

SECTION 01	FOREWORD		4	
	Kwamina Asomaning – President, Ghana Association of Banks	4		
SECTION 02	KEY MESSAGES		8	
	John Awuah – CEO, Ghana Association of Banks	8		
	Andrew Akoto – Country Managing Partner, KPMG in Ghana	13		
	Interview with Dr. Johnson Pandit Asiamah, Governor of Bank of Ghana	22		
SECTION 03	INDUSTRY INSIGHTS		13	
	Ghana Banking Industry Performance Indicators	27		
	Rankings of 19 Banks	28		
	Banking Industry Insights	29		
	Ghana Banking Industry - Non Financials	43		
SECTION 04	FEATURED ARTICLES		22	
	Balancing Risk, Regulation, and Innovation: A Strategic Roadmap for Ghana's Evolving Banking Sector	51		
	Ethical Banking in Ghana: Strengthening Governance, Trust, and Financial Integrity in a Changing Industry Landscape	60		
	Strategic Business Solutions for a Resilient Banking Sector: Navigating the Evolving Dynamics in Ghana's Financial Industry	70		
	The need for regulatory restructuring and policy reforms in the banking sector	74		
	Strengthening Ghana's Banking Sector: The vital role of Insurance	80		
	Historical Economic Challenges, Post-2018 recapitalization and Strategies for overcoming uncertainties.	86		
	Seesaw, Up and Down: Managing the opportunity-risk duality through Enterprise Risk Management	98		
	Fintech-Bank Partnerships in Ghana: Collaborating for Innovation, Inclusion, and Shared Growth	106		
	Unlocking Cross-Border Trade Opportunities: The Role of the Local Banks	112		
	Development Banks & Women's Financial Inclusion – The role of development banks and gender-focused financial products.	118		
SECTION 05	ESG and Sustainability Reporting – BoG's Role In Driving Sustainable Banking Practices	122	86	
	PERSONALITY PROFILE			
SECTION 06	Kwamina Asomaning	128	132	
	INDUSTRY OUTLOOK			
	Resilience and Innovation: Charting the Future of Ghana's Banking Industry	132		



Foreword

“

I am committed to ensuring that our industry remains adaptive, forward-looking, and deeply rooted in principles of integrity and service

”

Kwamina Asomaning

President, Ghana Association of Banks

The Ghanaian banking sector stands at an inflection point, where resilience built over the years now intersects with the demands of innovation, governance, and sustainable growth. It is with great pride and humility that I write this foreword for the 5th edition of the Gh Bankers Voice Magazine, themed “*Evolving Dynamics of Ghana’s Banking Sector*.”

The past decade has been marked by significant transformation. From recapitalization and regulatory reforms to the rapid adoption of digital finance, Ghana’s banking sector has consistently demonstrated its ability to adapt to changing realities. More recently, our resilience has been tested by global and domestic shocks, economic volatility, inflationary pressures, currency depreciation, and evolving fraud typologies. Yet, despite these headwinds, our industry has remained robust, recording strong asset growth,

sustaining profitability, and, most importantly, preserving the trust of millions of customers. These achievements reflect the strength of our foundations, but they also highlight the need for continuous adaptation to remain relevant in a fast-changing world.

At the heart of this adaptation lies digital transformation. While mobile money has accelerated financial inclusion, it has also concentrated systemic risks in a single channel of distribution. This reality compels us to diversify our digital infrastructure. It is here that GhanaPay assumes strategic importance. GhanaPay is more

than a shared wallet platform; it is a critical enabler of financial stability, inclusion, and innovation. By reducing reliance on singular payment ecosystems, it ensures resilience; by reaching underserved segments, it advances inclusion; and by anchoring bank-led digital investments, it protects and amplifies industry value. GhanaPay must be strategically positioned, if we are to build a more balanced, competitive, and future-ready financial system.

As the President of the Association, my vision for the industry rests on five interconnected priorities: advancing digital and inclusive

Despite facing significant headwinds, our industry has remained robust, recording strong asset growth, sustaining profitability, and, most importantly, preserving the trust of millions of customers.



banking; deepening regulatory collaboration to foster stability; expanding access to credit for SMEs and agriculture, which remain the backbone of Ghana's economy; strengthening enterprise risk management and cybersecurity in the face of emerging threats; and investing in people while embedding Environmental, Social, and Governance (ESG) principles into the heart of our operations. These priorities are not abstract ambitions; they are strategic necessities to ensure that the banking sector evolves in ways that align with Ghana's long-term development aspirations.

This edition of the Gh Bankers Voice reflects these priorities through a collection of thought-provoking articles and sectoral analyses. It begins with a forward-looking discussion on balancing risk, regulation, and innovation, offering a strategic roadmap for the future of our industry. This is complemented by insights on strategic business solutions designed to sustain resilience in an evolving financial environment. Contributors also examine the imperative of regulatory restructuring and policy

reforms, underscoring the need for frameworks that support innovation while preserving stability.

Further, this issue emphasizes the role of trust and governance. The feature on ethical banking demonstrates how integrity and accountability remain central to building customer confidence. In parallel, articles on the vital role of insurance in banking and on enterprise risk management highlight how institutions can effectively balance opportunity with risk in an environment of uncertainty.

Given the centrality of innovation, this edition dedicates considerable focus to Fintech-Bank partnerships, exploring how collaboration can unlock new possibilities for financial inclusion and shared growth. The discussion extends beyond national borders, with perspectives on how local banks can seize cross-border trade opportunities to strengthen regional integration. Readers will also find a reflective analysis on Ghana's post-recapitalization journey, drawing lessons from historical economic challenges and strategies for navigating future uncertainties. Importantly,



My vision for the industry is to advance digital and inclusive banking, foster stronger regulatory collaboration for stability, expand credit access for SMEs and agriculture, strengthen risk management and cybersecurity against emerging threats, and invest in people while embedding ESG principles at the core of banking operations.





the edition also shines a light on development banks and gender-focused financial products, reinforcing the sector's role in advancing women's financial inclusion, a key driver of sustainable growth.

Complementing these thematic contributions is a robust banking sector analysis and a dual domestic and global economic review, both of which provide context for understanding the challenges and opportunities shaping our industry. These sections are particularly valuable for practitioners, policymakers, and investors who require a comprehensive grasp of the macro-financial landscape in which we operate.

Taken together, the insights offered in this edition are not merely academic; they are practical guideposts for navigating the evolving dynamics of Ghana's banking sector. They highlight the industry's resilience, point to critical reforms, and outline strategies for unlocking new opportunities. Above all, they reaffirm the central role of banking in advancing Ghana's economic transformation and national development.

As President of the Ghana Association of Banks, I am committed to ensuring that our industry remains adaptive, forward-looking, and deeply rooted in principles of integrity and service. I extend my sincere gratitude to all contributors, partners, and member institutions whose expertise and commitment have made this publication possible. May the perspectives shared in these pages inspire us to continue building a banking sector that is not only resilient but also inclusive, innovative, and aligned with the national development agenda.

Kwamina Asomaning
President, Ghana Association of Banks



Key Messages

CEO - Ghana Association of Banks	8
Country Managing Partner, KPMG in Ghana	13
Interview with Dr. Johnson Pandit Asiama, Governor, Bank of Ghana	22

CEO's Message

“

The next phase of our journey will demand bold thinking, deeper collaboration, and unwavering commitment to Ghana's economic transformation.

”

John Awuah

CEO, Ghana Association of Banks

As we unveil the 5th edition of The GH Bankers' Voice, we are reminded of the evolving role of banks, not just as custodians of capital, but as agents of stability, innovation, and development. The global and domestic financial landscape continues to experience turbulence and transformation in equal measures. According to the International Monetary Fund (IMF), global growth was projected at 3.3 percent in both 2025 and 2026, consistent with the October 2024 World Economic Outlook (WEO). However, major policy shifts are resetting the global trade system and giving rise to uncertainty that is testing the resilience of the global economy. The swift escalation of trade tensions and extremely high levels of policy uncertainty are expected to have a significant impact on global economic activity.

In fact, the IMF's latest forecast projects global growth to drop to 2.8 percent in 2025 and 3 percent in 2026, down from the previous estimate of 3.3 percent for both years. This signals that the global recovery is fragile and uneven, making it imperative for the financial services industry, especially the banking sector, to always have adequate buffers to withstand the inevitable yet unpredictable shocks. In this context, banks must continue to play a critical role in driving stability, innovation, and development, while navigating the complexities of the evolving financial landscape.

For Ghana, 2024 marked a tentative but promising turn toward macroeconomic recovery following a period of fiscal strain and structural adjustments under

the ongoing IMF-supported programme. The economy expanded by 5.7% in 2024, a significant rebound from 3.1% in 2023, driven mainly by a 19.1% surge in the mining and quarrying sector, particularly gold production. Non-oil GDP also grew robustly at 6.0%, underpinned by gains in services and some resilience in the agricultural sector despite climate-related disruptions. Inflation, however, remained elevated, averaging 23.8% in 2024, well above the government's 15% target and the IMF's 18% threshold. The Ghanaian Cedi experienced significant depreciation, losing 19.2% of its value against the US dollar and 17.8% against the British pound, reflecting underlying pressures from external debt servicing and demand for foreign exchange. These dynamics

It would be a perfect strategy for policy makers to consider increasing resource allocations to GIRSAL ; and also ensuring its operational efficiency for continuous and effective de-risking of small-ticket lending and catalyzing access to credit so we can collaboratively make Ghana's Agriculture great again with strategic financing.

form the backdrop against which Ghanaian banks have had to recalibrate their business strategies. With fiscal consolidation remaining central to the IMF programme, the primary balance in 2024 registered a deficit of 3.9% of GDP, falling short of the 0.5% surplus target. While this underscores ongoing fiscal stress, there are green shoots of recovery. Treasury bill rates dropped significantly by the first Quarter of 2025 with 91-day rates fell from 28.19% to 17.72% which is a sign of restored investor confidence. As monetary policy tightens and inflation decelerates; falling to 21.2% by April 2025, banks must strike a delicate balance between prudence and proactivity. Our sector continues to manage foreign exchange risk exposures while adapting to volatility with robust Anti-Money Laundering (ALM) strategies and forward-looking provisioning.

The persistent financing gap for SMEs remains a core challenge and opportunity. Although SMEs constitute over 70% of businesses in Ghana, access to credit remains limited, particularly for those in informal and peri-urban areas. The prevalence of high non-performing loans (NPLs) in the SME portfolio has justifiably made banks cautious. Yet, as an industry, we recognize that developmental lending is not optional. It is essential, and as key stakeholders of the Venture Capital Trust Fund, we remain committed to ensuring that venture capital funds are dedicated to investing in Small and Medium Scale Enterprises (SMEs) as we continue to support with our diverse SME centered financing products as part of core banking. That notwithstanding, Banks are now leveraging risk-based lending frameworks, advanced credit analytics, and strategic partnerships with DFIs and the Ghana Incentive-Based Risk Sharing System for Agricultural Lending (GIRSAL) to mitigate default risks while expanding credit inclusion.

It would be a perfect strategy for policy makers to consider increasing resource allocations of these partial credit guarantee schemes as well as ensuring operational efficiency for continuous and effective derisking of small-

ticket lending and catalyzing access for previously underserved businesses.

Looking ahead to 2026 and beyond, our sector must brace for the next phase of macro-fiscal adjustments. With the IMF programme set to end in 2026 and external debt repayments resuming in earnest by 2027 noting that USD 2.5 billion and USD 2.4 billion are due in 2027 and 2028 respectively, banks must prepare for tighter liquidity conditions and renewed stress on government financing channels. To this end, banks are proactively strengthening capital buffers, diversifying income sources, and reconfiguring their exposure to sovereign instruments. The shift toward new frontiers such as trade finance, diaspora-targeted banking products, and AfCFTA-linked regional services is no longer aspirational—it is strategic and necessary. Ghana's position as a trade hub must be matched by a financial sector ready to underwrite and support that ambition.

Digitization remains another cornerstone of our forward-looking agenda. The banking industry has seen a sharp uptake in digital adoption, not just in channels but



in operations and intelligence. Artificial Intelligence (AI) and machine learning are redefining customer engagement, fraud detection, and credit scoring. Predictive analytics is enhancing risk modeling, while natural language processing tools are transforming service delivery. Equally, the digital asset space is evolving, with ongoing regulatory and strategic conversations around cryptocurrencies, blockchain for payments, and tokenized finance. However, with these opportunities come heightened risks. The cyber threat landscape is becoming more sophisticated, and the financial sector is a prime target. The 2024 fraud report from the Bank of Ghana shows some improvement, yet continued vigilance and investment in cybersecurity infrastructure, awareness training, and real-time monitoring systems are vital.

Sustainability has emerged as a defining challenge of our time. As signatories to the Ghana Sustainable Banking Principles, our commitment to green finance,

gender inclusion, and the broader SDG agenda is unwavering. In 2024, the Ghana Association of Banks have been instrumental in the development of The Ghana Green Finance Taxonomy by the Ministry of Finance. It is a pioneering framework designed to guide investments towards a sustainable and climate-resilient economy. As the first of its kind in West Africa and one of only a few on the African continent, this taxonomy establishes clear criteria for identifying environmentally sustainable economic activity. However, translating policy into pipelines remains a challenge. Many businesses are still adapting to what it means to be ESG-compliant, and banks are navigating how to translate green ambition into bankable projects. Nonetheless, efforts are ongoing: green bonds, renewable energy financing schemes, and support for women-led enterprises are gaining traction. There is also a growing alignment with international ESG disclosure frameworks, such as Tax Force on Climate Related Financial Disclosures (TCFD) and the

One of the promising collective innovations from the banking industry is GhanaPay, our unified mobile wallet platform.

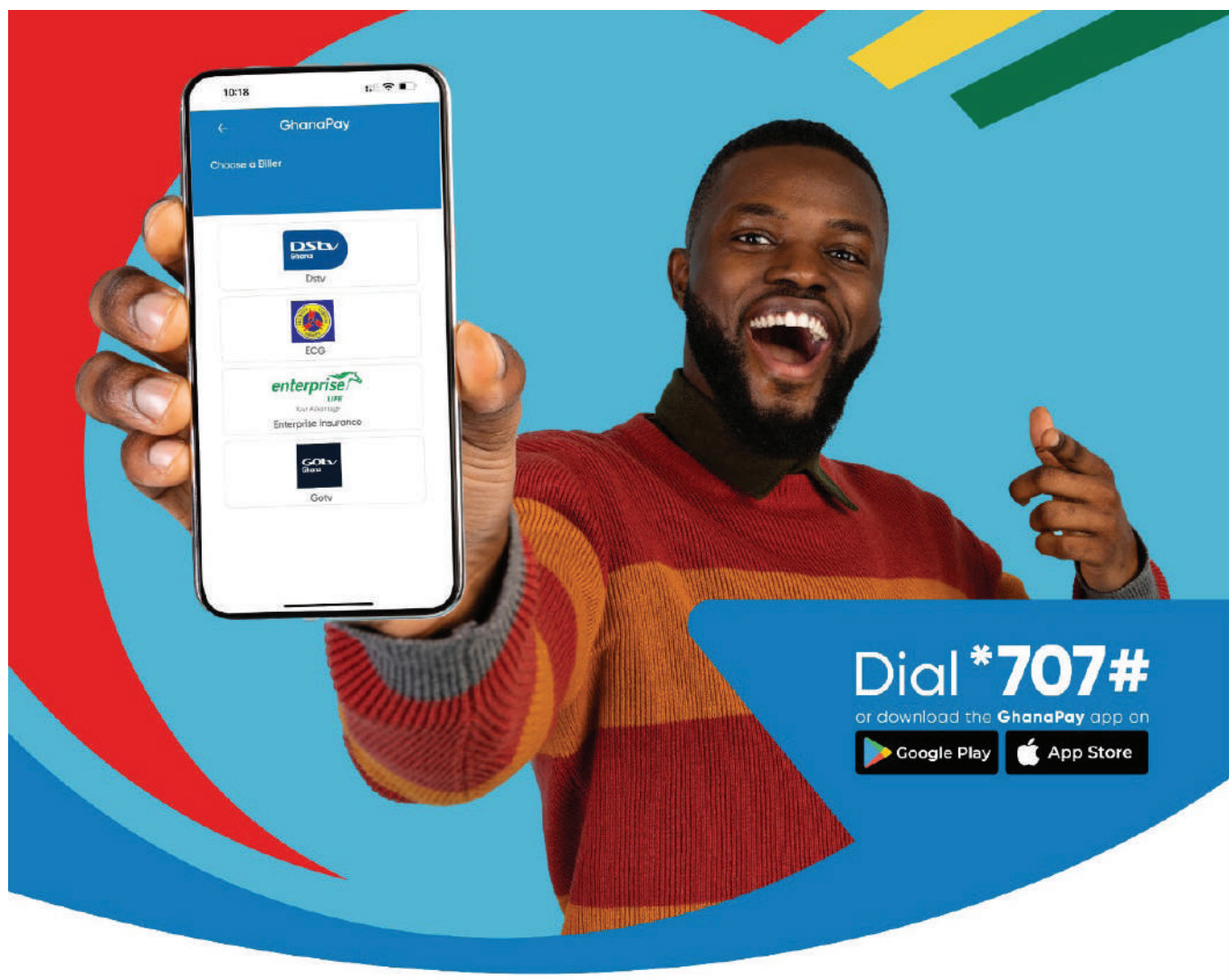
International Sustainability Standards Board (ISSB), to foster transparency and attract green capital.

Equally critical to our long-term success is the restoration and strengthening of trust in the banking system. The scars from previous financial sector reforms are healing, but restoring reputational capital requires sustained effort. The 2023 Ghana Customer Satisfaction Index (GH-CSI) reflects an encouraging trend as customer satisfaction scores have improved across multiple service quality dimensions including reliability, empathy, and responsiveness. Banks are also improving complaint resolution systems, enhancing financial literacy campaigns, and embracing transparent communication on fees, charges, and data privacy. Responsible banking practices and consumer protection must remain a central plank in our strategy.

In that vein, one of the most promising collective innovations from the banking industry is MyGhanaPay, our unified mobile wallet platform. Since its launch, the platform has enrolled over 1 million customers and facilitated over 5.6 million transactions, with a total transaction value exceeding GHS 1.64 billion as of mid-2025. These figures reflect not only growth but immense potential. MyGhanaPay is more than a product, it is a strategic lever for long-term survival and competitiveness of the banking industry. Promoting this platform as a shared industry's asset is imperative, and all banks must continue to invest, promote, and educate, to ensure its scalability and sustainability.

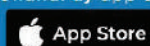
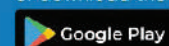
As we look to the horizon, the Ghanaian banking sector must remain anchored in resilience, powered by innovation, and guided by purpose. The next phase of our journey will demand bold thinking, deeper collaboration, and unwavering commitment to Ghana's economic transformation. Let us continue to move forward, together, with clarity, confidence, and collective resolve.

John Awuah
CEO, Ghana Association of Banks



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Message from KPMG in Ghana

Andrew Akoto

Country Managing Partner

Ladies and Gentlemen, it is a pleasure to present this edition of The GH Bankers' Voice, themed, 'Evolving Dynamics of Ghana's Banking Sector'. This theme is a timely reflection as Ghana embarks on a bold economic reset, as reflected in the 2025 Budget. The global banking landscape is undergoing a profound transformation, driven by economic shifts, rapid technological advancements and evolving regulatory frameworks. Against this background, Ghana's banking sector is uniquely positioned to build on its recovery foundation by reinforcing its capacity to withstand future uncertainties while fostering long-term, responsible growth.

The "Economic Reset Agenda" and Banking Sector Outlook

The 2025 Budget, themed "Resetting the Economy for the Ghana We Want," offers a roadmap for the government's reset agenda by emphasising fiscal discipline, economic inclusivity (through policy, financial products or access to finance) and sustainable growth. A key fiscal policy such as the removal of the e-levy on mobile money transactions reduces costs of digital payments while enhancing a "cash-lite" society. This is intended to encourage consumer spending and business growth, leading to increased banking activity from deposits to expanded credit access.

Harnessing Digital Channels to Deliver Tailored Financial Services in Ghana

Digital innovation continues to reshape how Ghanaians interact with financial services as digital channels have become the preferred touchpoints for many customers.

Insights from the KPMG 2024 West Africa Banking Industry Customer Experience Survey revealed a marked shift: Ghanaian customers are more discerning and value-driven, increasingly expecting personalised, seamless, and transparent digital experiences. Notably, the SME segment has emerged as a leader in customer satisfaction, underscoring the vital role of SMEs in Ghana's economic fabric. However, personalisation



remains a challenge. For instance, only 32% of customers in the SME segment reported receiving services tailored to their financial needs, underscoring a significant opportunity for differentiation. Therefore, it is not surprising that some SME customers still perceive banking services as generic rather than tailored to their unique needs. Banks must therefore deepen their understanding of individual customer journeys, leveraging data analytics and ethical AI-driven insights to create empathetic, trust-based relationships.

This is where open banking becomes the next frontier of Banks; gaining a deeper understanding of their customers, thus allowing for more tailored services by securely exchanging data amongst other financial institutions and third parties. Similar to other African countries such as Nigeria, Kenya, Egypt and South Africa who are in various stages of open banking adoption, the Bank of Ghana's Draft Open Banking Directive signals Ghana's preparedness for enabling more customer tailored products and services. The success of this initiative rides on Ghana's payment system interoperability and the

single source of identity verification amongst others.

The Rise of Digital Payments and Fintech Partnerships

The imminent launch of the e-Cedi, Ghana's Central Bank digital currency, represents a transformative milestone. This innovation promises to modernise payments and foster financial inclusion - particularly in underserved communities - while aligning with the government's strategy for implementing effective monetary policies. Furthermore, the e-Cedi is expected to bolster transparency in government transactions, social programmes

and tax collection, and at the same time, enhancing Ghana's competitiveness in regional and global markets.

To fully realise these benefits, banks must embrace strategic partnerships with Fintechs or develop solutions to cater for these changes. Such collaborations can accelerate innovation, improve product offerings and deliver more efficient, customer-centric solutions.

ESG and Sustainable Banking: A Strategic Imperative

Sustainability is currently central to the future of banking. KPMG's recent survey on ESG reporting among listed entities on the Ghana Stock Exchange highlights the growing importance of Environmental, Social and Governance factors in corporate governance and investment decisions.

The Bank of Ghana's enhanced sustainability reporting requirements and the 2025 Budget's focus on green finance underscore this trend. Banks must integrate ESG principles into their risk management frameworks, supporting green projects and responsible banking practices. This commitment to sustainability is



Banks must design innovative products and delivery channels that address the unique challenges faced by these groups to foster greater financial inclusion and economic participation.



essential not only for long-term value creation but also for building stakeholder trust and meeting the expectations of sustainability-minded investors and customers.

Strengthening Internal Audit and Financial Controls: Lessons from Regional Best Practice

Other notable key pillars in strengthening Ghana's banking sector are robust internal audit and financial controls. As the sector embraces the bold economic reset in 2025 and beyond, strong internal audit and financial controls become more than just compliance requirements. They serve as essential strategic levers for resilience, transparency, and sustainable growth.

Observing developments within the sub-region, regulators have implemented frameworks that inspire confidence in the banking sector. For example, a central bank requires banks to undergo annual independent evaluations of their internal audit functions, keeping them forward-looking, aligned with evolving risks, and continuously improving. This is imperative with the release of the refreshed Global Internal Audit Standards in 2024.

Other legislations also require CEOs and CFOs of public companies to certify that financial reports are accurate and internal controls are effective. Boards report annually on the performance of these parameters, and external auditors confirm that control systems exist and operate effectively. These measures formally recognise internal controls over financial

reporting (ICFR) as central to good corporate governance.

Ghanaian regulators could similarly strengthen the financial sector by establishing structured evaluation of internal audit functions and rigorous frameworks for internal controls over financial reporting. These steps will provide reliable and reasonable assurance that banks are managing risks effectively, enhance transparency, and support a more resilient and sustainable financial system.

Development Banks and Inclusive Finance: Empowering Women and SMEs

Another important dimension of Ghana's banking evolution is the renewed focus on inclusive finance. Development banks and specialised financial institutions have a key role in empowering women entrepreneurs and SMEs, who are vital drivers of economic growth and job creation.

Banks must design innovative products and delivery channels that address the unique challenges faced by these groups to foster greater financial inclusion and economic participation. For example, the Development Bank Ghana (DBG) in partnership with the Ghana Enterprises Agency (GEA) has launched a comprehensive capacity-building initiative targeting women-led Micro, Small and Medium Enterprises (MSMEs).

Supporting such targeted programmes not only helps build the capacity of SMEs but also strengthens the broader financial ecosystem by creating more viable, creditworthy businesses that can

access formal financial services and contribute meaningfully to Ghana's economic transformation.

Conclusion

In conclusion, the evolving dynamics of Ghana's banking sector reflect a complex interplay of digital innovation, regulatory reforms and sustainability imperatives. As we navigate this exciting journey, banks must prioritise resilience, inclusivity and responsible growth. By deepening customer-centricity, embracing technological advancements, integrating ESG principles and fostering strategic partnerships, we can build a banking sector that is not only profitable but also sustainable and inclusive. Together, let us seize this moment to shape a banking ecosystem that is resilient, innovative, and inclusive – one that drives prosperity for generations to come.

Thank you.

Andrew Akoto
Country Managing Partner,
KPMG in Ghana





From risk to opportunity. The ESG journey starts here.



About us

KPMG in Ghana, a key member of the global KPMG network, has delivered multidisciplinary professional services since 1927. Our business model seamlessly unites deep industry expertise with innovative approaches, ensuring we deliver tailored solutions and tangible results. We provide an independent, forward-thinking perspective, leveraging our vast network of local and global resources on every project. We are passionate about challenging conventional thinking, utilizing leading-edge technology and data analytics to provide enhanced, customizable solutions that truly address your business needs. Partner with us for proven delivery models, a strong market presence, and proactive communication. We are committed to helping you navigate complex challenges and achieve your strategic objectives.

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- Assurance related work

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- Business Tax
- Indirect Tax
- Personal Tax
- Global Mobility Service
- Transfer Pricing
- Immigration Services
- Customs and Post Clearance Audits

Advisory

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- Risk Consulting
- Deal Advisory
- International Development Advisory Services (IDAS)



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- People and Change
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- Business Intelligence and Analytics
- Shared Services and Outsourced Advisory
- Transformational Programme Management

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- Internal Audit and Risk Compliance
- IT Advisory in Risk Consulting
- Forensic
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- Major Project Advisory and Enterprise Risk Management

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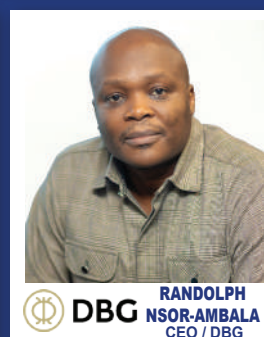
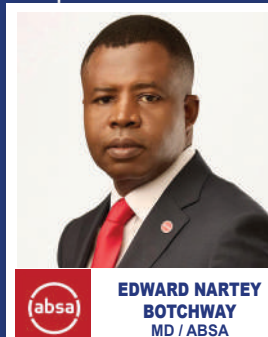


JOHN AWUAH — **MEMBER**



CEO, GHANA ASSOCIATION OF BANKS

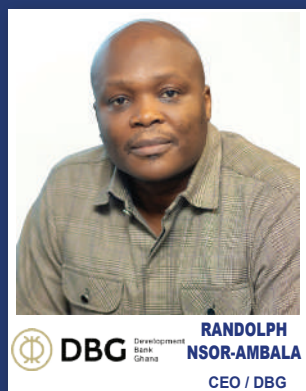
GENERAL COUNCIL OF THE GHANA ASSOCIATION OF BANKS



PROFILES OF NEW MANAGING DIRECTORS



Dr. Naomi Wolali Kwetey is the Managing Director of Consolidated Bank Ghana LTD. (CBG). With over 30 years of experience in banking and finance, she has built an impressive career across various areas of the financial sector, including Corporate Banking, Treasury, Credit Administration, Marketing, and Operational Risk Management. Dr. Naomi is known for her strategic mindset, inclusive leadership style, and deep commitment to fostering sustainable growth. Prior to her appointment as the Managing Director of CBG, she held senior executive positions at Ecobank Ghana Plc, where she managed operations in five West African countries and contributed to excellence and innovation in regional banking. Dr. Naomi holds a Doctorate in Business Administration and Management from the Nobel International Business School (NiBS), an MBA in International Banking and Finance from Birmingham Business School in the UK, and a BA in Economics from the University of Ghana. She is also a Fellow of the Chartered Institute of Bankers (FCIB) and a Chartered Dealer (ACI).



Dr. Nsor-Ambala brings extensive executive leadership experience to his role as CEO of Development Bank Ghana. With a distinguished career spanning FMCG, telecommunications, and development finance, he has held senior positions at Promasidor Ghana Limited, Coca-Cola, Diageo, and MTN. For over fifteen years, he has led transformative development initiatives across multiple sectors including agriculture, manufacturing, education, ICT, and healthcare. Working alongside international development partners, his efforts have strengthened private sector growth, advanced gender equality, and created opportunities for underserved communities. At DBG, Dr. Nsor-Ambala is focused on impact investing to drive Ghana's economic transformation. Under his leadership, the bank is enhancing access to long-term finance, promoting women's economic empowerment, and championing sustainable, ESG-aligned practices for inclusive growth and national resilience.



Dr. Philip Oti-Mensah is a dynamic business leader with over 20 years of experience in banking and development finance across Africa. He has held senior leadership roles including CEO of OmniBank and Union Savings & Loans, Deputy CEO of ProCredit Ghana, and Non-Executive Director at ProCredit Bank Congo. As Executive Director and COO of OmniBSIC Bank, he led the successful post-merger integration and a major customer experience transformation initiative. He holds a BSc and MBA from the University of Ghana Business School, a Doctorate in Business Administration from the Swiss Business School, and executive education credentials from INSEAD and the London Business School. A Fellow of CIMA and Certified International Change Manager, Dr. Oti-Mensah is recognized for his transformative leadership, earning accolades such as the President's Award for Excellence in Banking and Finance (2020) and Private Sector COO of the Year (2023). He is also an international speaker.

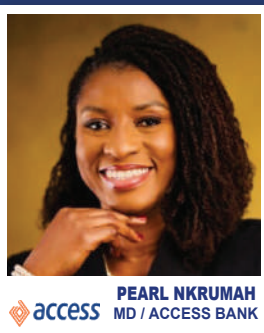


Mr. Farihan Alhassan is a highly accomplished banking executive with over 20 years of experience in retail and business banking. Before joining GCB Bank, he served as Executive Head of Business and Commercial Clients at Stanbic Bank Ghana, where he led the commercial banking strategy and strengthened the bank's market position nationwide. Mr. Farihan's banking career began early, rising swiftly to become Barclays Bank's youngest Regional Manager at age 26. His tenure as Head of Retail and Distribution at Absa was marked by people-centered leadership and strong performance management. Known for driving transformation and sustainable growth, he has successfully led turnarounds of underperforming units and built resilient, customer-focused teams. His expertise spans business development, operational management, credit and risk oversight, and leadership excellence. Respected for his strategic vision and passion for empowering teams, Mr. Farihan continues to play a pivotal role in advancing Ghana's banking sector and supporting business growth.

PROFILES OF NEW MANAGING DIRECTORS



Chief Dr. Doliwura Zakaria is the Managing Director of National Investment Bank PLC and an accomplished leader with over 20 years of experience in governance, public financial management, revenue mobilization, and entrepreneurship. His career spans both public and private sectors, where he has championed fiscal accountability, institutional transformation, and operational excellence. He has worked extensively with MDAs and MMDAs, driving reforms in financial systems and public revenue generation, and serves on the African Union Interfaith Dialogue Forum Steering Committee, promoting interfaith peace and collaboration. Chief Doliwura holds a PhD in Public Policy and Administration from Walden University (USA), an MA in Economic Policy Management from the University of Ghana, and an MBA in Finance from Central University. A Chartered Accountant and multiple Fellow of international professional bodies, he is also a business leader with interests in consultancy, hospitality, and healthcare. At NIB, he leads the bank's transformation agenda, fostering innovation and sustainable growth.



Ms. Pearl Nkrumah is a distinguished banking executive with over 25 years of experience across leading financial institutions in Africa. She recently served as Executive Director of Retail & Digital Banking at Access Bank (Ghana) Plc and Head of Retail & Digital Banking for Access Bank's African subsidiaries, overseeing strategy, innovation, and growth across 14 markets. Renowned for her transformational leadership, Pearl has spearheaded major digital and retail banking innovations, including robotic process automation, fintech partnerships, and retail analytics, driving record growth in profitability, deposits, and customer adoption. Before joining Access Bank in 2022, she held senior roles at Standard Chartered and Stanbic Bank, where she championed SME development and financial inclusion. Pearl chairs the Council of the Ghana Stock Exchange and serves on several strategic committees and advisory boards. She holds an MBA and BSc in Administration from the University of Ghana, an LL.B from GIMPA, and has completed executive programs at Harvard Business School and The Boardroom Africa.



Mr. Edward Ato Sarpong is a seasoned Chartered Accountant and agile business leader with nearly 30 years of experience spanning telecommunications, broadcasting, insurance, and financial services. Before his appointment as Managing Director of the Agricultural Development Bank, he served as Executive Director of Matured Leadership Consult and held senior executive and board positions at Invesco Limited, African Life Assurance, Jospong Group, and Ignite Media Group. A former Deputy Minister for Communications, Mr. Sarpong played a key role in advancing Ghana's telecommunications and broadcasting sectors. He also led Africa Online Ghana for over a decade, transforming it into the leading internet service provider in the country, and later served as Regional Managing Director for Africa Online West Africa. An alumnus of CEIBS and Manchester Business School, Mr. Sarpong is a member of the Institute of Chartered Accountants, Ghana. He is also an accomplished author and leadership consultant passionate about transformation, innovation, and human potential.

Interview with

**Dr. Johnson
Pandit Asiana**

Governor, Bank of Ghana

What at high level, would you say your vision for the Bank of Ghana is?

My vision for the Bank of Ghana is to be a modern, independent, and trusted central bank, one that not only anchors price and financial stability, but also drives resilience, supports innovation, and helps unlock Ghana's long-term economic potential. I see the Bank as a proactive institution: responsive to shocks, rigorous in oversight, and clear in its commitments.

This vision is grounded in trust – trust in the cedi, trust in the Bank's decision-making, and trust in the financial system as a whole. We are building a central bank that is not only technically strong, but also transparent, inclusive, and aligned with the real needs of the Ghanaian economy

What legacy would you want to leave after your tenure of office?

When I think about legacy, I don't think about it in sentimental terms, imagining plaques or portraits. I think about whether the decisions we made, quietly and sometimes under pressure, created a financial system that's more resilient, more honest, and more useful to the Ghanaian economy. Will the foundations we've laid outlast the people who built them? Here's what I hope I'll be remembered for:



A strong banking system cannot depend on silence, secrecy, or selective support.



1. Building a system where local banks can thrive, not just survive

A strong banking system cannot depend on silence, secrecy, or selective support. My legacy, I hope, will be that we didn't just supervise banks, we supported them to meet higher standards. Especially those that were lagging behind. That we created space for well-run, well-governed banks to grow, not through protectionism, but through fair regulation, transparency, and accountability. And that we learned from the sector cleanup that came before us, not to revisit it, but to ensure it never becomes necessary again.

And that we made it possible, even practical, for a yam farmer in Salaga to trade with a buyer in Lagos and settle in cedis.

2. Enabling trade and freeing Ghana from dollar dependence

If I'm remembered for anything, let it be this: that we helped shift how Ghana trades. That we worked with banks to back real traders – from cashew exporters to agro-processors – not just with credit, but with the right tools: reformed collateral frameworks, local currency settlement mechanisms, and better FX conduct. That we challenged the idea that every transaction between Africans must pass through the US dollar.



3. Making innovation safer, broader, and more human

Innovation is not just about apps and APIs. It's about inclusion. I hope I'm remembered as the Governor who made innovation possible, and made it safe. Who built a regulatory space where banks and fintechs could test bold ideas, but within a framework that protected users, not just markets. And who widened the lens beyond the usual players – to include the fishmonger in Elmina, moving GHS 10,000 a week via digital platforms, and doing so without legal clarity or recourse. If our work gave her, and others like her, a safer path forward, then we did something meaningful.

These are the things I hope endure. Not just the stability we restored – in the cedi, in inflation, in interest rates – but what that stability allowed people to do. Because no one remembers the exact exchange rate in ten years. What they remember is whether they could borrow to build, trade with ease, and plan with confidence.

That's the kind of legacy I'd be proud to leave behind.

**Dr. Johnson
Pandit Asiamah**

Governor, Bank of Ghana.



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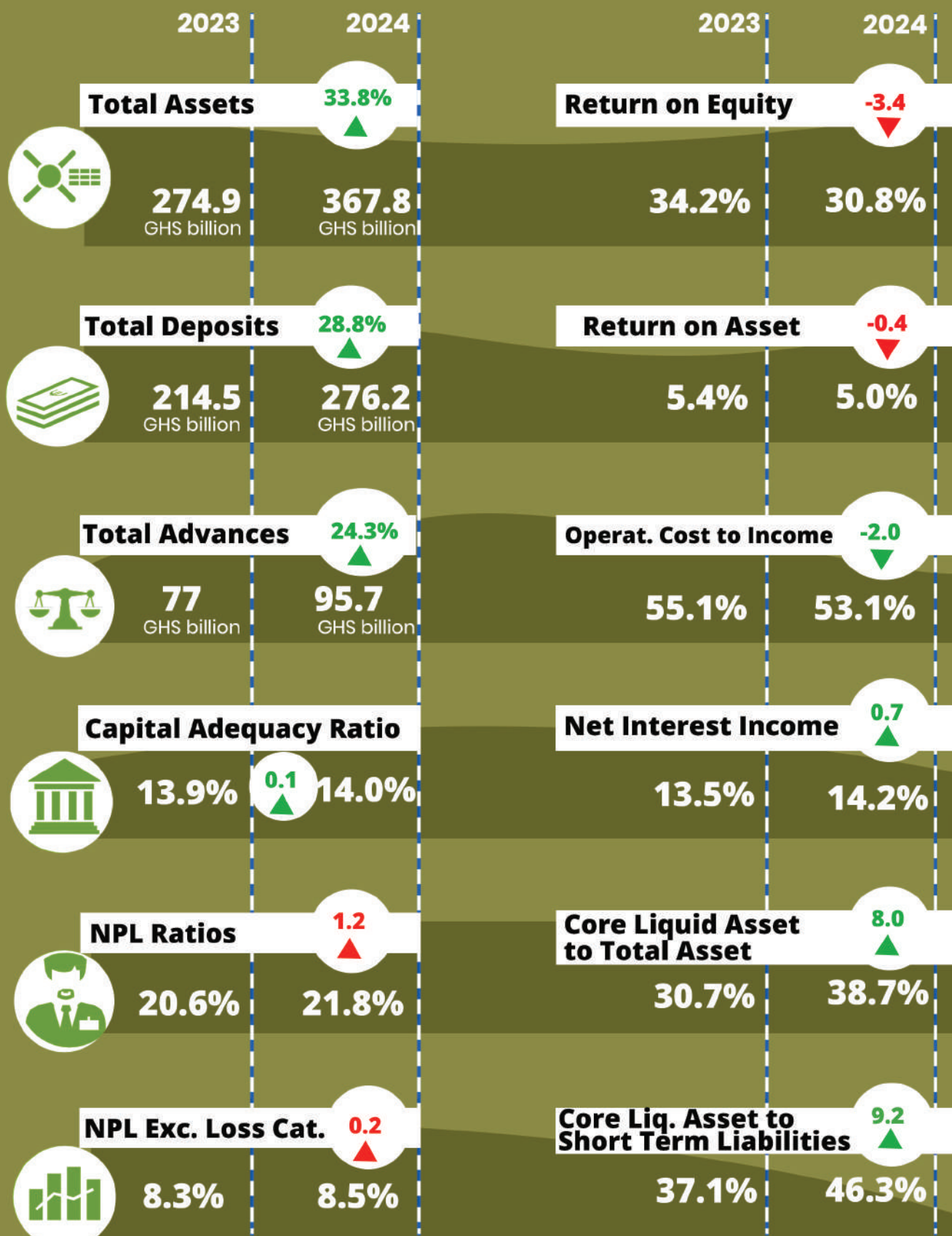




Industry Insights

Ghana Banking Industry Performance Indicators	27
Rankings of 19 Banks	28
Banking Industry Insights	29
Ghana Banking Industry - Non Financials	43

Ghana Banking Industry Performance Indicators



Rankings of 19 Banks in 2024 compared to their positions in 2023

Overview of 19 Banks		Total Assets			Profit Before Tax			Deposits			Loans (Customers)		
		Rank	+/-	GHS mn	Rank	+/-	GHS mn	Rank	+/-	GHS mn	Rank	+/-	GHS mn
1	Ecobank	↔ 1	-	45,651	▲ 1	+8	2,337	▼ 2	-1	31,199	↔ 1	-	10,534
2	GCB Bank Plc	↔ 2	-	42,584	▲ 2	+1	1,911	▲ 1	+1	34,067	↔ 2	-	10,230
3	Stanbic	↔ 3	-	32,591	▼ 4	-3	1,776	↔ 3	-	23,172	↔ 4	-	7,847
4	ABSA	↔ 4	-	27,342	▼ 3	-1	1,873	↔ 4	-	17,631	↔ 3	-	8,345
5	Fidelity	↔ 5	-	22,114	↔ 5	-	1,211	↔ 5	-	17,393	▼ 8	-2	3,143
6	Zenith Bank	↔ 6	-	19,127	▲ 7	+1	1,061	↔ 6	-	15,630	▲ 7	+3	3,414
7	CBG	▲ 7	+1	16,642	↔ 18	-	160	↔ 8	-	12,987	▼ 13	-1	2,057
8	Access Bank	▲ 8	+1	16,562	▼ 9	-2	959	▲ 7	+2	13,042	↔ 6	-	3,699
9	GT Bank	▲ 9	+1	15,366	↔ 6	-	1,171	▲ 9	+1	12,741	▲ 10	+3	2,554
10	Standard Chartered	▼ 10	-3	14,300	▼ 8	-4	1,009	▼ 11	-4	11,320	↔ 11	-	2,306
11	First Atlantic Bank	↔ 11	-	13,323	↔ 11	-	539	▲ 10	+1	11,611	↔ 14	-	1,927
12	CalBank	↔ 12	-	11,659	▲ 13	+6	396	↔ 12	-	9,432	▼ 12	-5	2,102
13	Societe Generale	↔ 13	-	10,396	↔ 10	-	838	↔ 15	-	6,220	↔ 5	-	5,012
14	UBA	↔ 14	-	9,848	▼ 16	-3	254	↔ 14	-	7,285	▼ 19	-4	114
15	Republic Bank	↔ 15	-	9,545	▼ 15	-1	296	▼ 16	-2	6,115	▼ 9	-1	3,054
16	OmniBSIC	↔ 16	-	9,374	▲ 14	+2	314	▲ 13	+3	8,254	▲ 17	+2	1,027
17	First Bank Ghana	▲ 17	+1	6,245	↔ 12	-	422	▲ 17	+2	4,369	↔ 18	-	766
18	First National Bank	▼ 18	-1	6,179	▼ 19	-2	(369)	▼ 18	-1	3,857	↔ 16	-	1,294
19	Bank of Africa	↔ 19	-	4,610	▼ 17	-2	216	▼ 19	-1	3,342	▲ 15	+2	1,386

▲ Increase in rank

▼ Decrease in rank

↔ No change in rank

+/- Change in rank compared to 2023

Source: Audited Bank's Financial Statements

Banking Industry Insights

Ghana's Banking Sector

Ghana's banking sector has undergone sweeping structural changes over the last decade, shaped by a convergence of policy reforms, regulatory action, and macroeconomic turbulence. From the clean-up exercise in 2017–2018, through the COVID-19 pandemic and the 2023 Domestic Debt Exchange Programme (DDEP), to recent digitalization and ESG initiatives, the sector's path has not

been linear. Making use of historic industry data shows a narrative of determined growth, cautious optimism, and evolving resilience. The latest statistics from 2023 to 2024 are particularly revealing.

They indicate a sector that, having absorbed multiple economic shocks, founded its feet again as marked by robust asset and deposit growth, improved liquidity, and resumed credit expansion. This section of

the industry insight takes stock of the banking industry's performance from 2015 to 2024, while giving particular attention to the striking movements between 2023 and 2024 and related industry issues. The analysis makes use of aggregate industry data from the Bank of Ghana, balance panel financial data of 19 out of the 23 banks that had released their audited financial statements for both 2023 and 2024 as of 30 April 2025 and MyGhanaPay report from Ghana Interbank Payment and Settlement Systems (GhIPSS) as of May 13, 2025.

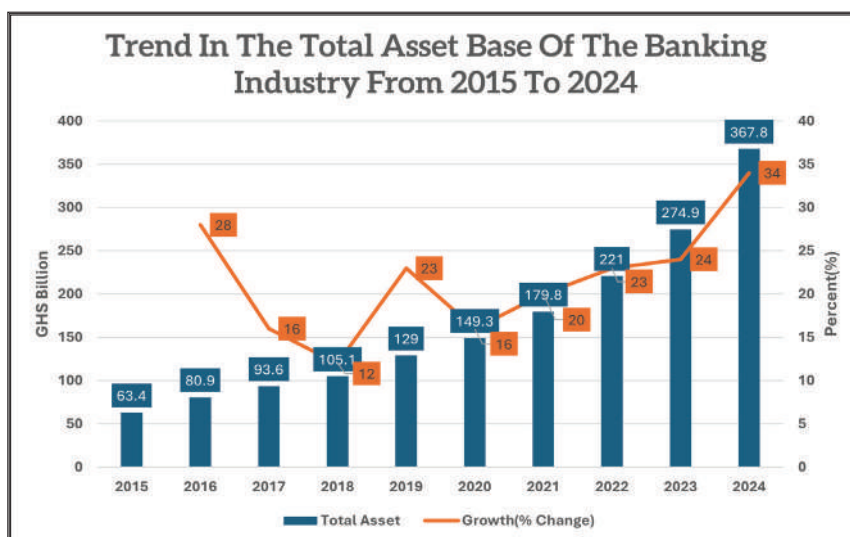
Stronger Foundations: Growth in Assets and Deposits

Over a ten-year span, that is from 2015 to 2024, Ghana's banking sector has seen a transformative expansion in both total assets and deposits. Total assets increased nearly sixfold from GHS 63.4 billion in 2015 to GHS 367.8 billion in 2024, while deposits grew from GHS 41.3 billion to GHS 276.2 billion. These figures not only underscore rising public trust in the banking system but also reflect the sector's growing systemic importance within the Ghanaian economy.

The banking sector experienced solid growth in its balance sheet in 2024, marking a positive recovery trend despite the lingering economic headwinds from previous years. Total assets grew by 33.8% year-on-year, rising from GHS 274.9 billion in December 2023 to GHS

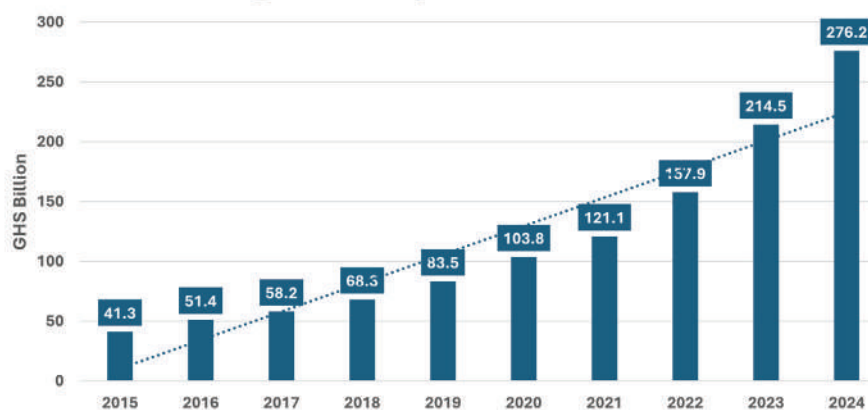
367.8 billion in December 2024. This robust growth reflects confidence in the banking system and continued expansion in deposit-taking and investments. Deposits, which are the primary source of funding for banks, increased by 28.8% in 2024, from GHS 214.5 billion to GHS 276.2 billion. This surge can be attributed to the growing public trust in the banking sector and

the accelerated uptake of digital banking products that make saving easier for individuals. Moreover, this reflects an improvement in credit supply, although lending growth was more moderate compared to deposits, suggesting that banks remain cautious about extending credit considering the elevated NPLs and uncertain macroeconomic conditions.



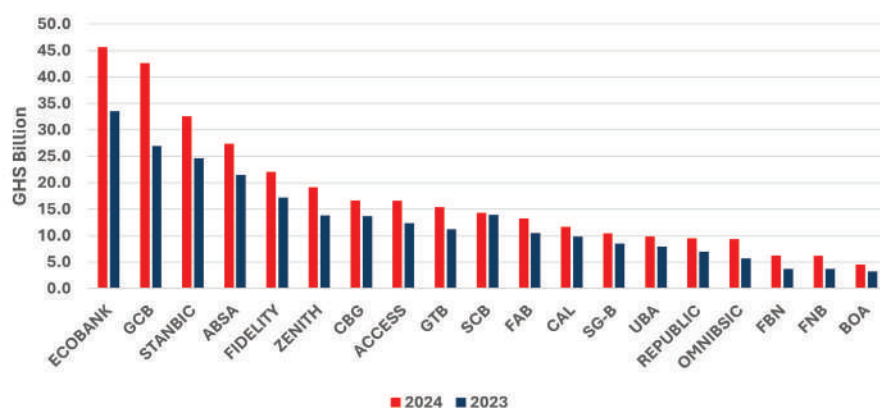
Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)

Trend In The Total Deposits Of The Banking Industry From 2015 To 2024



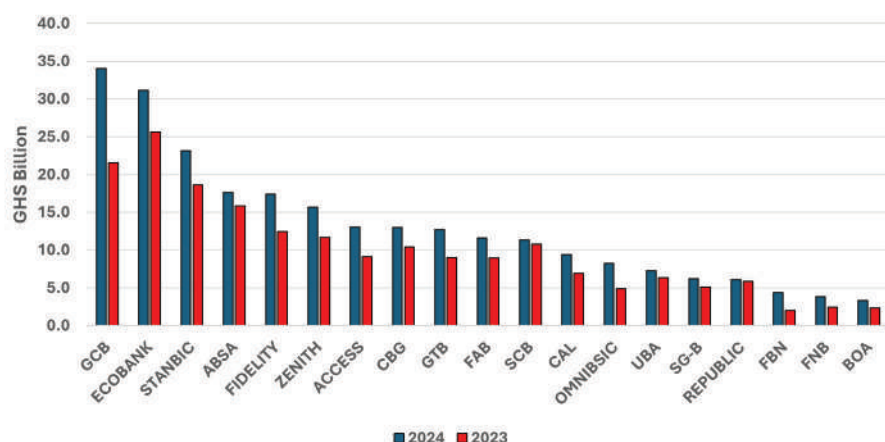
Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)

Total Assets Of Banks Based On End Of Year Financials For 2023 And 2024



Source of Data: Banks' Financials, 2023 and 2024

Total Deposits From Bank Customer Based On End Of Year Financials For 2023 And 2024



Source of Data: Banks' Financials, 2023 and 2024

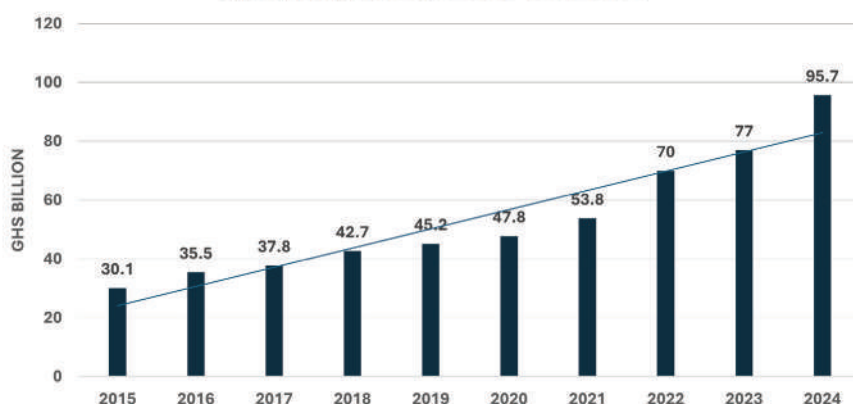
Credit to the Real Economy: Lending Remains Strong

The data on total advances tells a story of cautious progression followed by a notable resurgence. From GHS 30.1 billion in 2015, loans and advances climbed to GHS 45.2 billion by 2019 — a slow build, constrained by credit risk, weak borrower fundamentals, and tighter regulatory standards during the clean-up period. However, lending gradually picked up pace in the 2020s, rising to GHS 95.7 billion by 2024.

The increase of GHS 18.7 billion between 2023 and 2024 represents the strongest year-on-year credit expansion across the decade. This could signal a turning point in banks' willingness to lend, driven by improved liquidity, stronger capital planning, and recovering demand from businesses and households. It may also reflect increased participation in government-related financing schemes and private sector project pipelines that were postponed during DDEP.

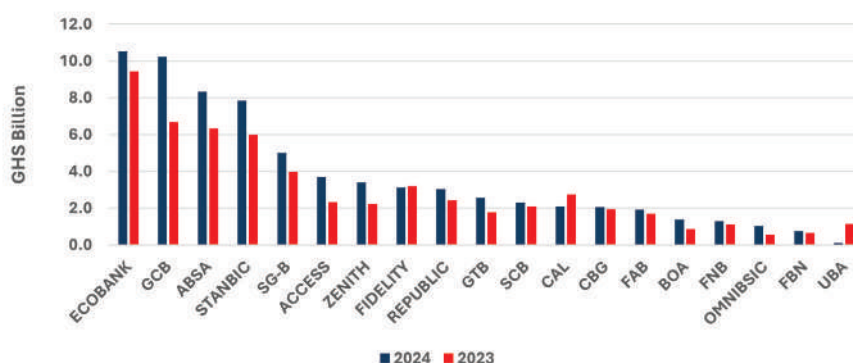
From 2020 to 2022, lending was largely cautious, reflecting legacy impairments and pressure on capital buffers. The recovery seen in 2023, and the acceleration in 2024, suggests growing optimism among financial institutions regarding credit risk outlooks and the macroeconomic recovery trajectory.

Trend In The Total Advances of The Banking Industry From 2015 To 2024



Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)

Total Loans And Advances To Customer Based On End Of Year Financials For 2023 And 2024



Source of Data: Banks' Financials, 2023 and 2024



Liquidity Buffers: A Defensive Asset

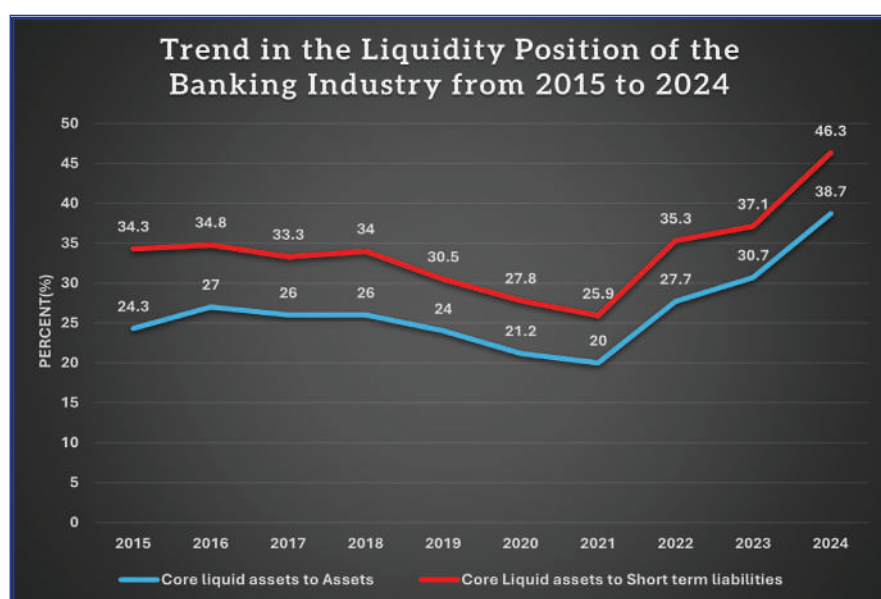
Liquidity has become one of the strongest pillars of banking sector resilience in recent years. Between 2015 and 2018, core liquid assets as a percentage of total assets remained stable around 26%, but this declined sharply to 21.2% by 2020. Similarly,

core liquid assets to short-term liabilities fell from 34% in 2018 to 27.8% in 2020, indicating some liquidity vulnerabilities heading into the pandemic and subsequent fiscal pressures.

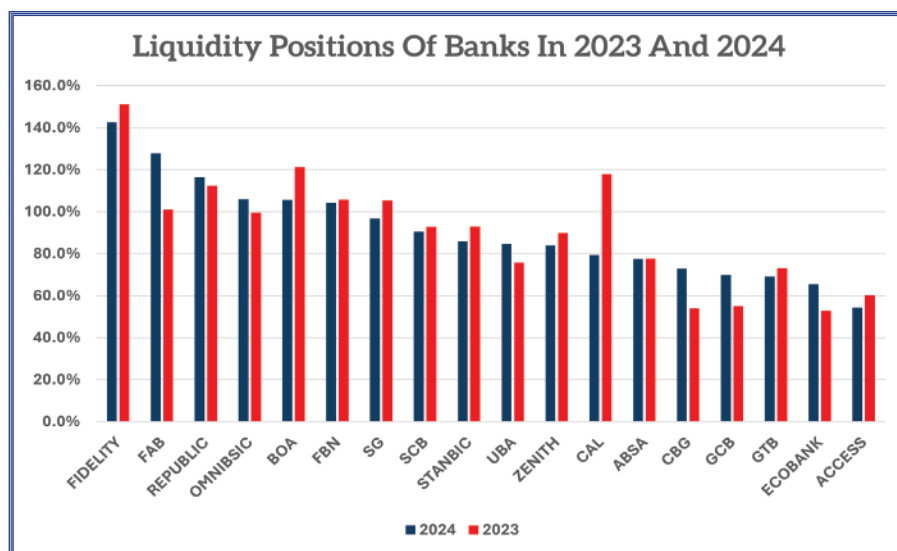
This trend has since reversed decisively. By 2024, core liquid assets to assets had improved to 38.7%, and liquid assets to short-term liabilities had surged to 46.3%. These represent the highest levels across the entire decade. The 2023–2024 gains alone—8 percentage points on asset coverage and 9.2

points on liability coverage—signal deliberate repositioning toward safer and more liquid investments.

This shift may reflect banks' efforts to fortify themselves against market shocks, enhance customer withdrawal confidence, and meet regulatory liquidity thresholds in a more volatile economic climate. With limited appetite for long-dated private sector lending in 2023, many institutions likely increased short-term money market exposure and government bill holdings.



Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)



Source of Data: Banks' Financials, 2023 and 2024



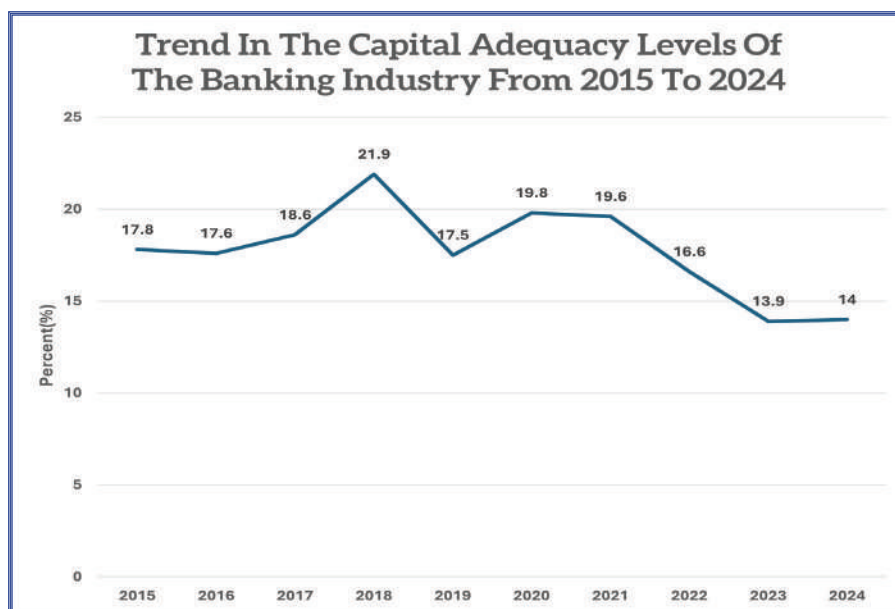
Capital Adequacy: A Slight Rebound Amid Pressure

The Capital Adequacy Ratio (CAR), a key measure of a bank's resilience to credit and operational risk, has seen significant movement over the past decade. In 2015, it stood at 17.8%, peaking at 21.9% in 2018 due to recapitalization and risk de-leveraging following the clean-up exercise. However, CAR has gradually declined since, falling to 13.9% in 2023 amidst DDEP-induced asset erosion.

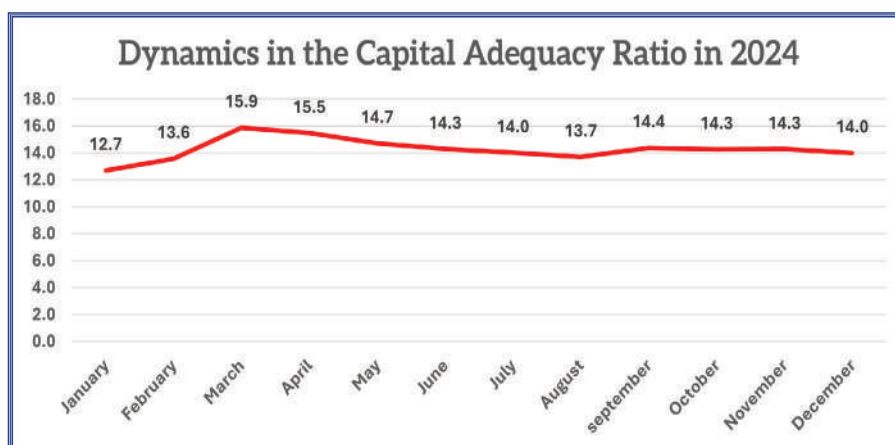
In 2024, CAR recorded a mild recovery to 14%, suggesting the early effects of recapitalization, earnings retention, and balance sheet adjustments. Although this figure is a step in the right direction, it remains well below the post-clean-up high and suggests that capital restoration is still a work in progress.

The broader trend shows that CAR typically improves in reform periods and declines when banks shift back into credit growth or absorb systemic shocks. The next phase will demand strong supervision, profit capitalization, and—potentially—targeted capital raising to support sustainable loan expansion.

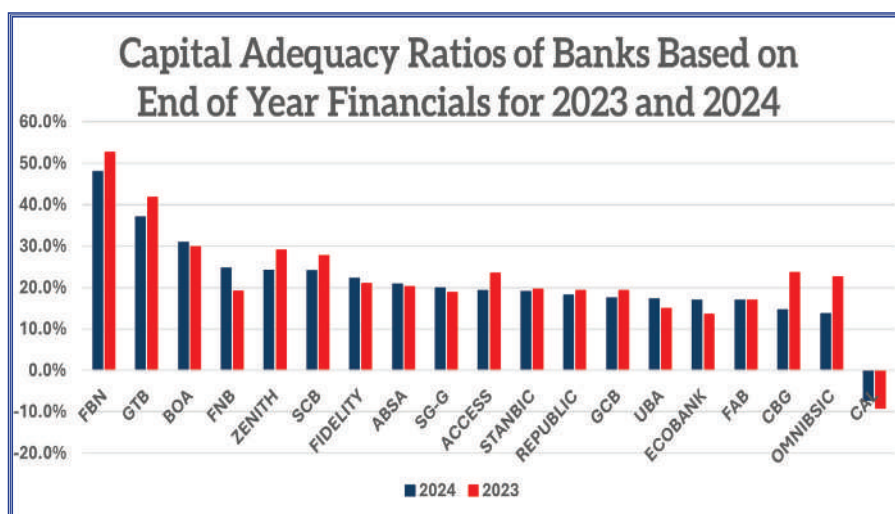
Although well above the regulatory minimum of 13%, this decline suggests that banks are beginning to deploy their capital reserves more actively, particularly in response to the credit expansion seen in the latter half of the year.



Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)

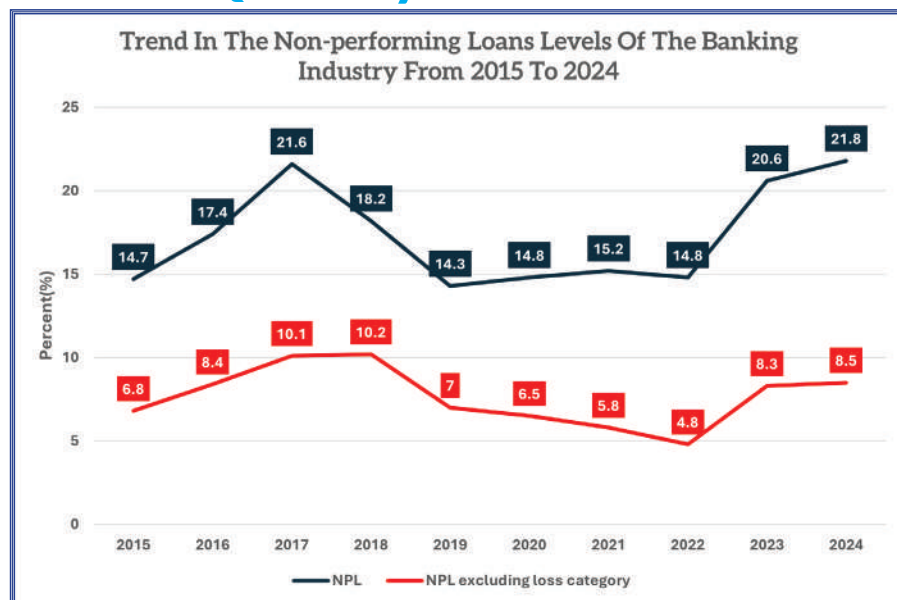


Source of Data: BoG Database Portal, Financial Sector

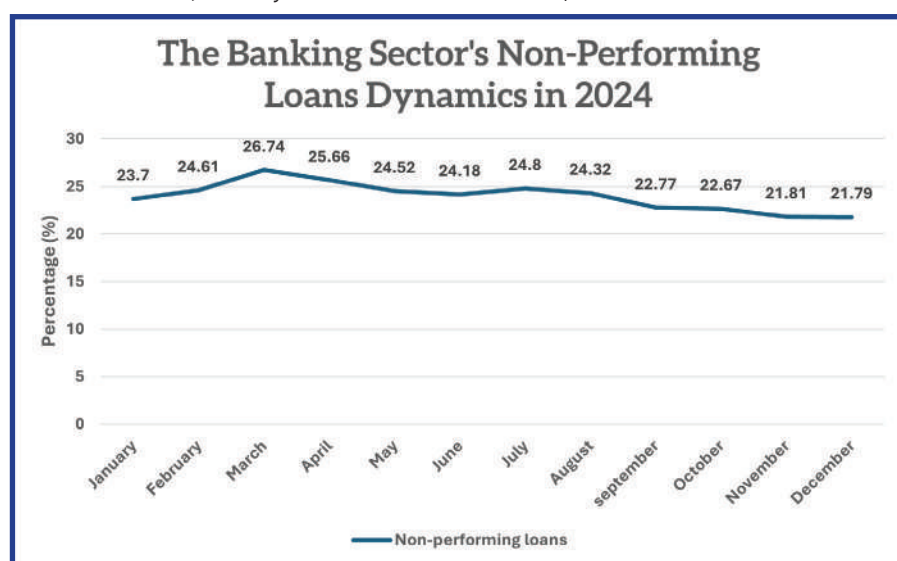


Source of Data: Banks' Financials, 2023 and 2024

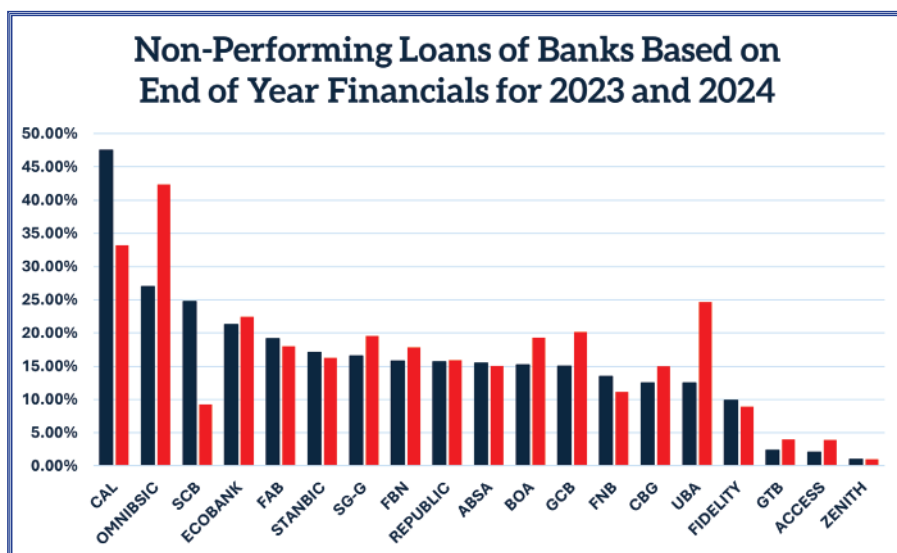
Asset Quality: Persistent Weakness in NPLs



Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)



Source: BoG Database Portal, Financial Sector



Source: Banks' Financials, 2023 and 2024

Non-performing loans (NPLs) remain a persistent structural challenge. After hitting a high of 21.6% in 2017, the NPL ratio moderated to 14.3% by 2019 and hovered around 14.8% through 2022. However, in 2023, NPLs rose sharply to 20.6% and further to 21.8% in 2024; reflecting new pressures from post-restructuring economic dislocations, borrower distress, and lingering repayment challenges among SMEs and legacy exposures.

NPLs excluding the “loss” category; a proxy for early-stage delinquencies; also rose from 8.3% to 8.5% between 2023 and 2024, halting what had been a five-year downward trend from 10.2% in 2018 to 4.8% in 2022.

In 2024, the Non-Performing Loan (NPL) ratio showed persistent weakness, though it declined from a high of 26.7% in March 2024 to 21.8% by December.

The decade-long trend confirms that despite stronger provisioning, sector-wide credit underwriting and monitoring still need systemic upgrades. Going forward, more robust credit scoring models, digitized loan tracking, and sector-specific interventions (especially for agriculture and construction) will be essential. Moreover, the Judicial system can also support the course by ensuring that loan recovery cases are handled swiftly.

Profitability: Cooling Off, But Still Strong

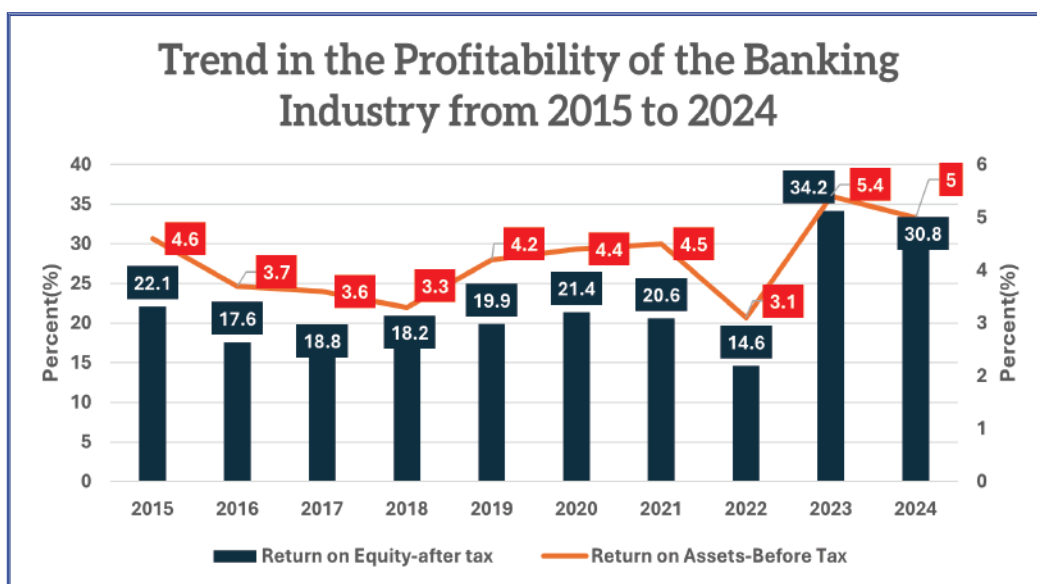
The decade-long profitability story reflects both cyclical factors and structural transformation. ROE hovered between 18.2% and 21.4% between 2017 and 2020, before falling to 14.6% in 2022, largely due to DDEP impacts. A sharp rebound occurred in 2023, with ROE hitting a decade-high 34.2%, driven by balance sheet revaluations, high interest margins, and tighter cost controls. In 2024, ROE eased slightly to 30.8%, still remarkably strong compared to long-term trends.

ROA followed a similar curve, peaking at 5.4% in 2023 and moderating to 5.0% in 2024. These levels indicate that banks continue to generate strong returns on assets even amid ongoing credit challenges. Importantly, the easing of profitability is not due to crisis but rather normalization after an extraordinary recovery year.

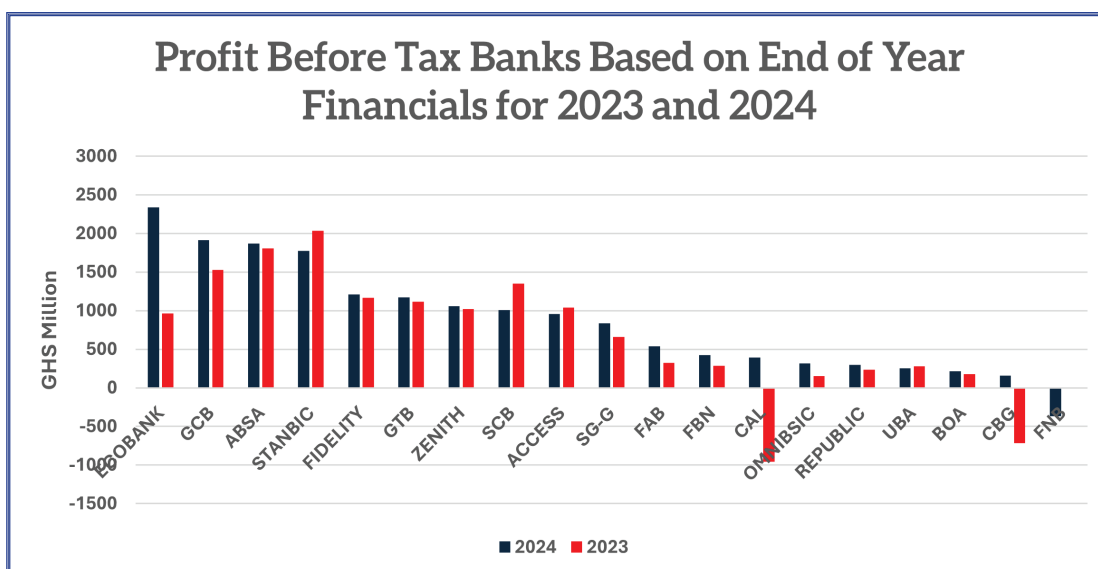
In 2024, ROA started strong in January at 5.5%, reaching a peak of 5.63% in March, reflecting solid asset performance in the first half of the year. However, from

July onward, the figures began to taper off, with the lowest point recorded in November at 4.81%. Encouragingly, December saw a modest recovery to 5.04%, suggesting a slight rebound in asset efficiency.

The Return on Equity (ROE), however, showed a slight decline, from 34.2% in December 2023 to 30.8% by December 2024. This stability is a positive sign, suggesting that Ghanaian banks are learning to optimize income streams while controlling risks more effectively.

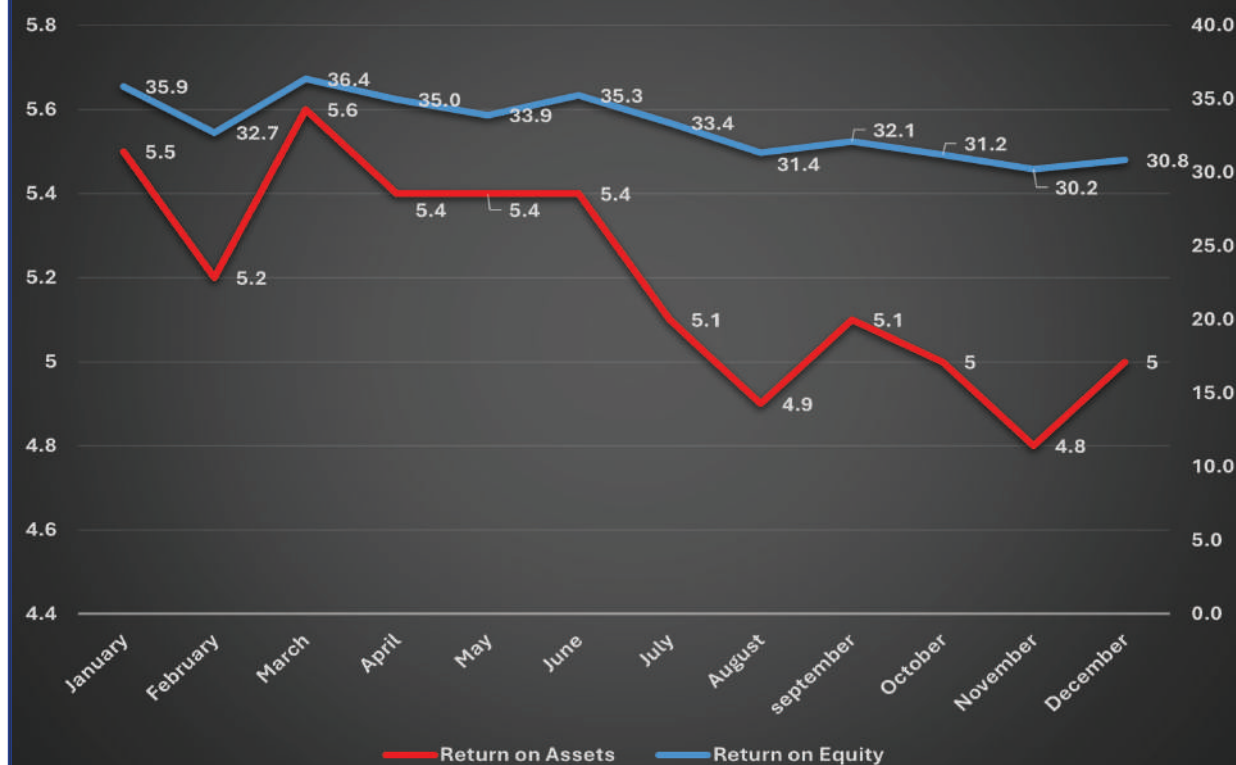


Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)



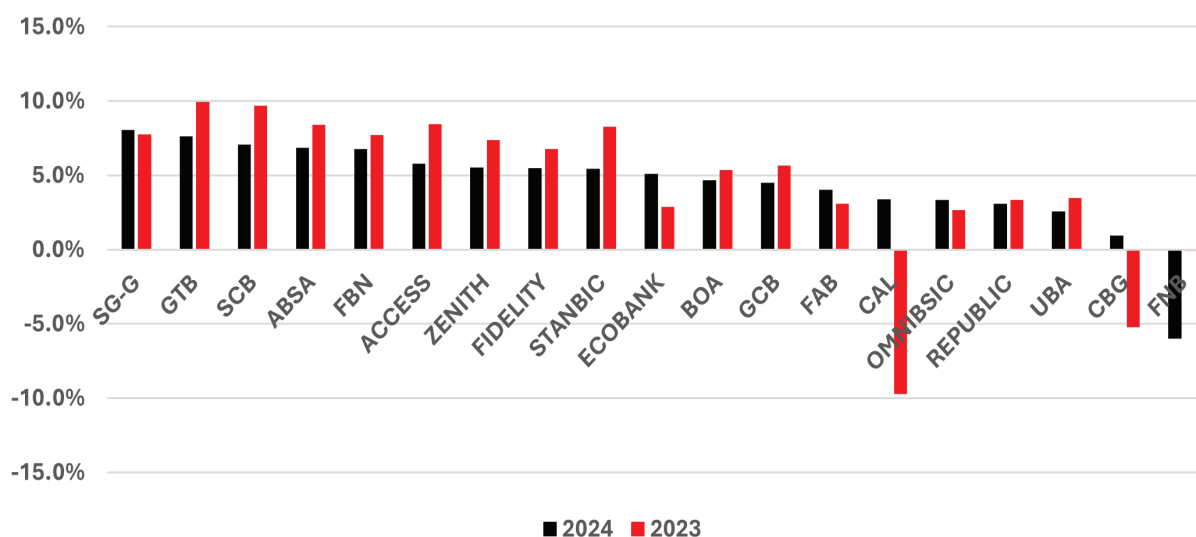
Source of Data: Banks' Financials, 2023 and 2024

Dynamics in Return on Equity and Return on Asset of The Banking Industry in 2024



Source of Data: BoG Database Portal, Financial Sector

Return on Assets of Banks Based on End of Year Financials for 2023 and 2024



Source of Data: Banks' Financials, 2023 and 2024

Operational Efficiency and Net Interest Margin

Operational cost efficiency has remained relatively stable across the decade. From 50.1% in 2017, the cost-to-income ratio rose gradually to 60% in 2022, before improving to 55.1% in 2023 and 53.1% in 2024. This downward shift reflects improved cost discipline, adoption of digital channels, and more efficient branch and personnel deployment.

The Net interest margin data shows a rising trend: 9.6% in 2021 to 16.1% in 2022, then 13.5% and 14.2% in 2023 and 2024, respectively. The peak in 2022 reflects interest income spikes during the DDEP period, while the stabilization in subsequent years indicates improved loan pricing strategies.

In 2024, the cost-to-income ratio (CIR) improved marginally from 80.1% to 79.1%, but it remains above the global benchmark of 50% to 60% for operational efficiency in the banking sector. This indicates that banks are still contending with relatively high operational costs, despite gains in revenue. Moreover, Net interest margins (NIM) were relatively stable, averaging around 13.3% to 14.9% throughout the year, which is higher than many global peers. This is reflective of high lending rates in the market, but there are concerns about how sustainable these margins will be since inflation continues to ease and interest rates adjust downward in 2025.

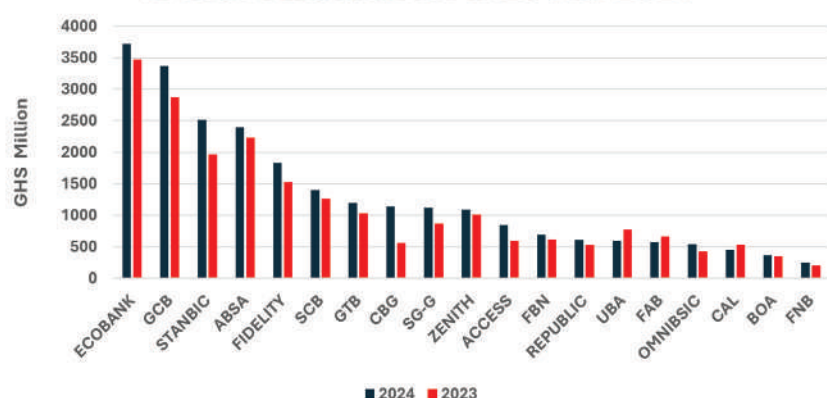
Efficiency remains a critical frontier. As margins normalize, banks must continue investing in digitization and lean operations to protect profitability.

Trend In The Operation Cost To Gross Income Ratio Of The Banking Industry From 2015 To 2024



Source of Data: BoG, Summary of Economic and Financial Data(2016-2025)

Net Interest Income of Banks Based on End of Year Financial for 2023 and 2024



Source of Data: Banks' Financials, 2023 and 2024

OPERATIONAL EFFICIENCY



Assessing Competition in Ghana's Banking Sector in 2024: An Integrated Concentration Analysis

Understanding market competition within the banking sector is fundamental for evaluating efficiency, promoting financial inclusion, assessing stability and informing strategic decisions by both industry players and policymakers. In Ghana, the banking landscape is characterized by a mix of large, mid-sized, and smaller banks operating under a liberalized and increasingly

digitalized environment. The 2024 concentration analysis, based on data from 19 out of 23 licensed banks, uses two widely recognized tools—the Herfindahl-Hirschman Index (HHI) and Concentration Ratios (CRs)—to assess the distribution of market power across three key dimensions: customer deposits, total assets, and loans and advances to customers. These metrics serve as useful proxies for customer

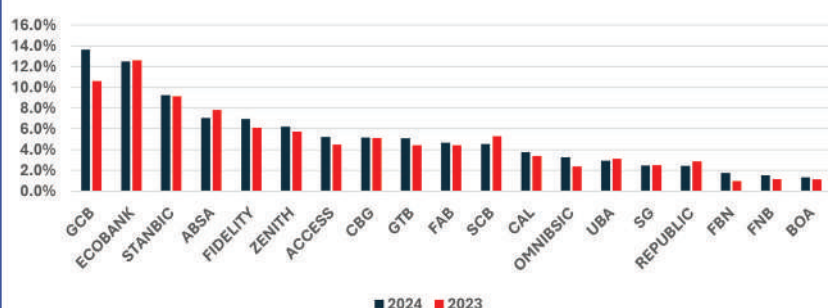
engagement, institutional scale, and lending capacity, respectively. The findings offer critical insights into the nature of competition in Ghana's banking sector, highlighting areas of strength and potential vulnerabilities with important strategic implications.

To begin with, the deposit market emerges as the most competitive among the three indicators. The HHI for customer deposits in 2024 stands at 0.0742, well below the OECD and European Commission thresholds of 0.10 and 0.12, respectively, that signal a shift from low to moderate concentration.

This low HHI value is further corroborated by the concentration ratios: the top three banks account for 35.42% of total customer deposits (CR3), increasing to 42.48% under CR4 and reaching 71.24% by CR9. These figures suggest that while a handful of banks have a noticeable share, the deposit market is widely distributed, allowing ample space for mid-sized and smaller institutions to thrive. Strategically, this level of competition encourages banks to differentiate through customer-centric deposit products, competitive interest rates, and investments in digital channels.

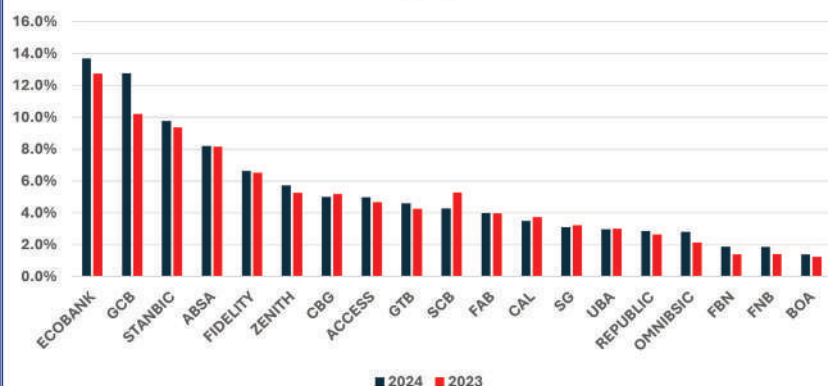
For regulators and policymakers, the structure of the deposit market supports the maintenance of a liberal, innovation-friendly ecosystem that enhances customer choice and mobility.

Share of Industry Deposits from Customers in 2023 and 2024



Source of Data: Banks' Financials, 2023 and 2024

Share of Industry Total Assets in 2023 and 2024



Source of Data: Banks' Financials, 2023 and 2024



Turning to total assets, the competitive environment remains intact, albeit with a slightly more pronounced presence of leading banks. The HHI for total assets is below 0.10, again signaling low concentration. Concentration ratios reveal that the top three banks—Ecobank, GCB, and Stanbic—collectively hold 36.23% of the market (CR3), which rises to 44.43% (CR4) and 71.37% by CR9. While these figures indicate some degree of asset accumulation among the largest institutions, the overall structure is still indicative of a balanced market. Strategically, this offers banks of varying sizes an opportunity to scale through prudent risk management, strategic partnerships, and digital transformation. The asset market's relatively open nature implies that size does not necessarily confer an insurmountable advantage, making room for operational agility and product diversification to serve as key competitive levers. For regulators, the implication is a continued focus on ensuring adequate capital buffers and promoting systemic resilience across all tiers of banks.

The credit market, however, presents a slightly different picture. While still falling within the boundaries of a competitive environment, the HHI for loans and advances to customers is 0.0889—the highest among the three indicators and closer to the 0.10 threshold that denotes the beginning of moderate concentration. The concentration ratios further reflect this trend: CR3 for loans stands at 41.11%, CR4 at 52.19%, and CR8 reaches a substantial 73.75%. This suggests that lending activity is more heavily concentrated in a few large banks—Ecobank, GCB, and Absa—relative to deposits and assets. While the market remains competitive

in a formal sense, this relative concentration in credit distribution raises strategic concerns. It could limit access to credit for certain customer segments and reduce the pricing flexibility for borrowers, particularly SMEs and individuals in underserved areas.

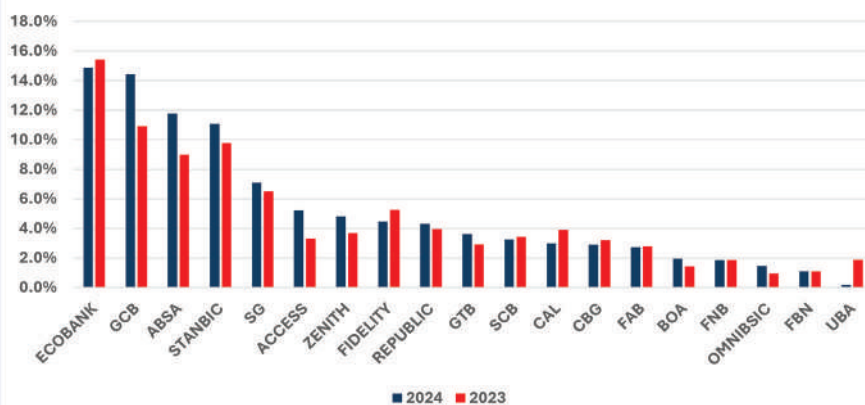
The strategic implications of these findings are multifaceted. For banks, the data underscores the importance of innovation and market differentiation, especially in lending. Mid-sized and smaller banks that can harness data analytics, develop niche lending products, or form partnerships with fintechs may find viable pathways to increase their loan portfolios and reduce credit market concentration. For regulators, the moderately elevated concentration in lending calls for proactive measures—such as encouraging diversified credit portfolios, supporting credit guarantee schemes, and improving transparency in loan origination practices—to ensure that the credit market remains inclusive and competitive.

Bringing these dimensions together, the average HHI across the three indicators is 0.0794, confirming that Ghana's banking sector, on the whole, operates in a low-concentration,

competitive environment. This state of competition is conducive to innovation, service delivery improvements, and overall financial system efficiency. As Ghana's macroeconomic environment continues to stabilize and demonstrate resilience in 2025 and beyond, the opportunity exists for credit expansion in ways that are even more competitive, thus potentially lowering lending concentration further.

In conclusion, the 2024 analysis of market concentration in Ghana's banking sector reveals a dynamic and broadly competitive environment, with especially strong competition in the deposit and asset markets. However, the lending market shows early signs of concentration that warrant strategic and regulatory attention. For banks, the findings suggest that sustainable growth hinges on agility, innovation, and customer engagement. For regulators and policymakers, maintaining the current competitive structure while addressing emerging pockets of concentration—particularly in credit—will be crucial for ensuring a fair, inclusive, and efficient financial system going forward.

Share of Industry Loans and Advances to Customer in 2023 and 2024



Source of Data: Banks' Financials, 2023 and 2024

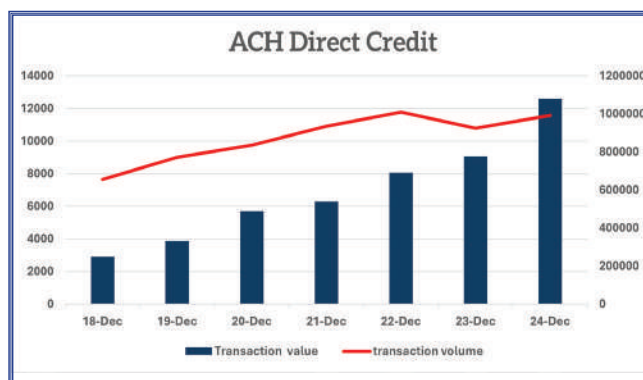
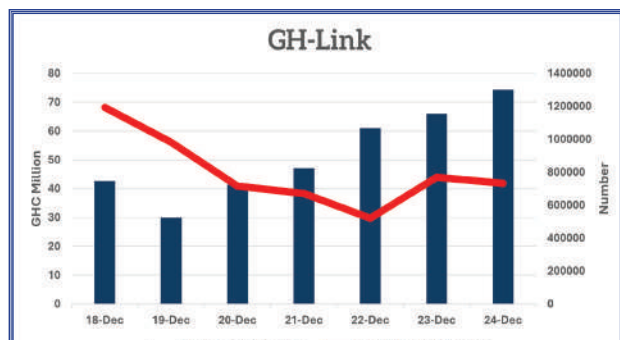
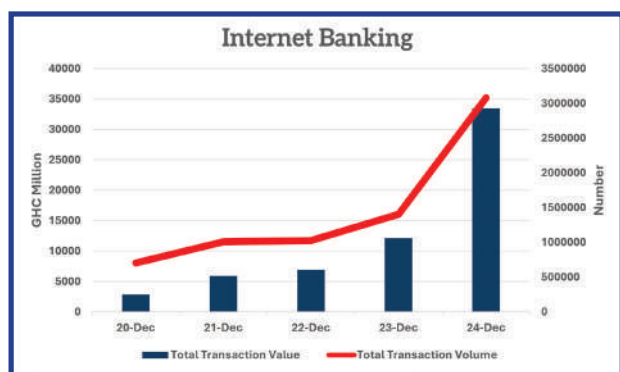
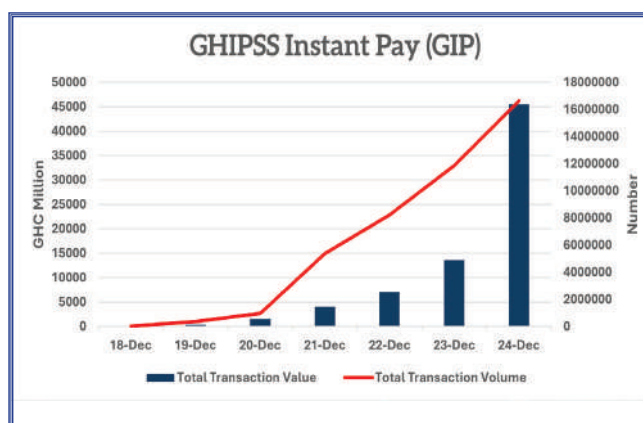
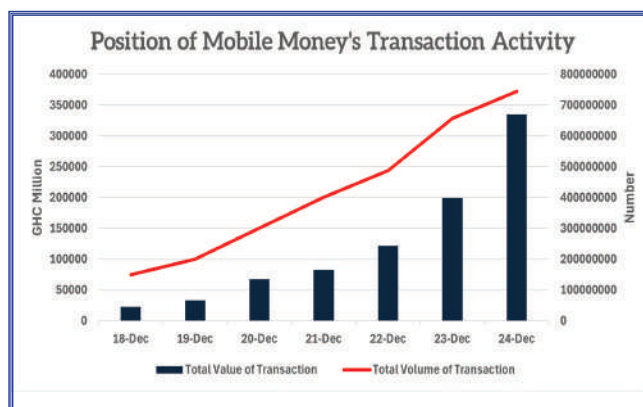
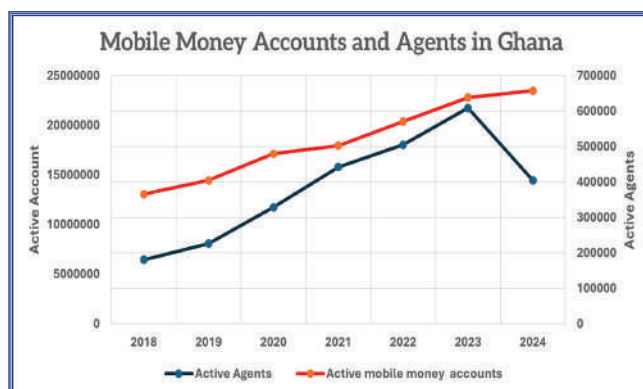
Ghana's Evolving Payment Landscape in 2024

In 2024, Ghana's payment ecosystem advanced significantly, driven by digital innovation, rising consumer trust, and a national shift toward cash-lite systems. Mobile money remained central to financial inclusion, with registered accounts rising to 73 million and transaction values increasing by 68% to GHC 334.8 billion. However, the decline in active agents highlighted operational challenges that call for better support systems.

Real-time payments, particularly through Ghipss Instant Pay (GIP), surged, with transaction value tripling to GHC 45.5 billion—reflecting growing demand for speed and reliability. Traditional instruments like cheques and ACH remained relevant for institutions, with increasing transaction values but stable volumes.

Mobile Money Interoperability (MMI) improved, supporting platform integration and reducing transaction costs. Internet banking also grew rapidly, while card usage showed steady but slower growth, pointing to a shift toward digital channels.

Overall, Ghana's payment space is becoming more digital, inclusive, and dynamic. The strategic focus going forward should be on strengthening digital infrastructure, supporting agent networks, and ensuring interoperability and cybersecurity across platforms.



Source of Data: BoG Database Portal, Financial Sector

GHANAPAY IN MOTION: BANKING SYNERGY FOR THE LAST MILE AND BEYOND

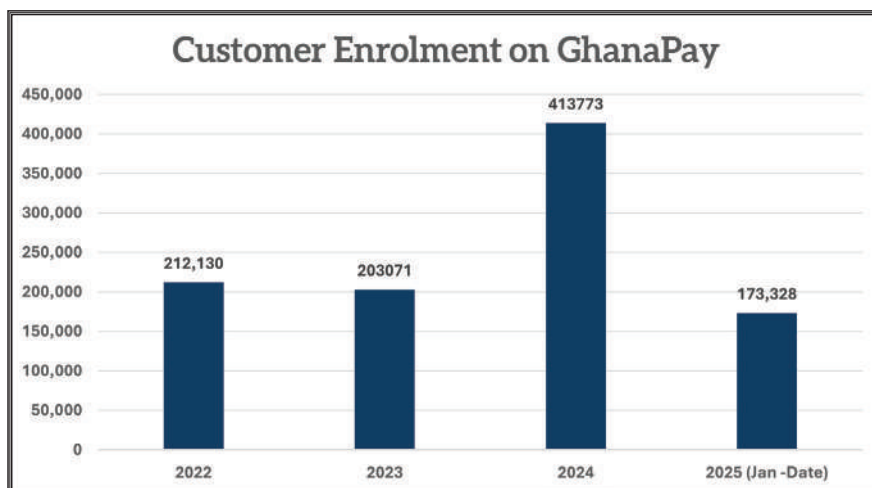
Since its inception, GhanaPay has evolved from a visionary collaboration into a fast-maturing digital banking infrastructure. Between 2022 and May 2025, the platform has shown exceptional growth across all operational indicators; customer enrolment, agent and merchant onboarding, and transaction activity; solidifying its role as a cornerstone for inclusive digital finance in Ghana.

Rapid Adoption and Penetration Trends

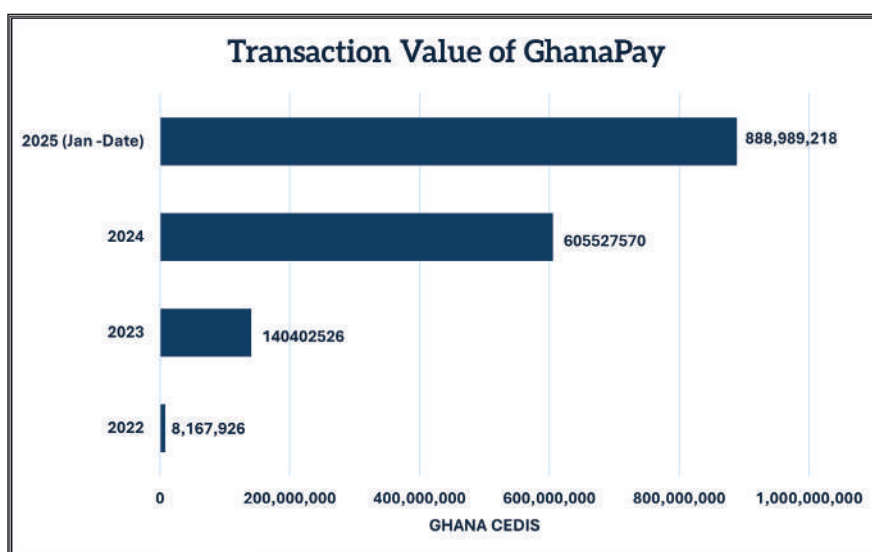
Customer enrolment has climbed from 212,130 in 2022 to over 1 million as of May 2025, representing a 373% increase over the period. Notably, 2024 alone saw more customers onboard than the combined total of the two previous years, with a 104% growth from 2023. Already in 2025, enrolment is pacing strongly, showing that uptake is not only sustained but accelerating.

Transaction volumes and values have followed an even more striking trajectory. Volumes surged from just under 65,000 in 2022 to over 5.6 million by May 2025, a massive 8,600% increase. Transaction value grew from GHS 8.2 million in 2022 to over GHS 1.64 billion, with more than half of this figure recorded in just the first five months of 2025.

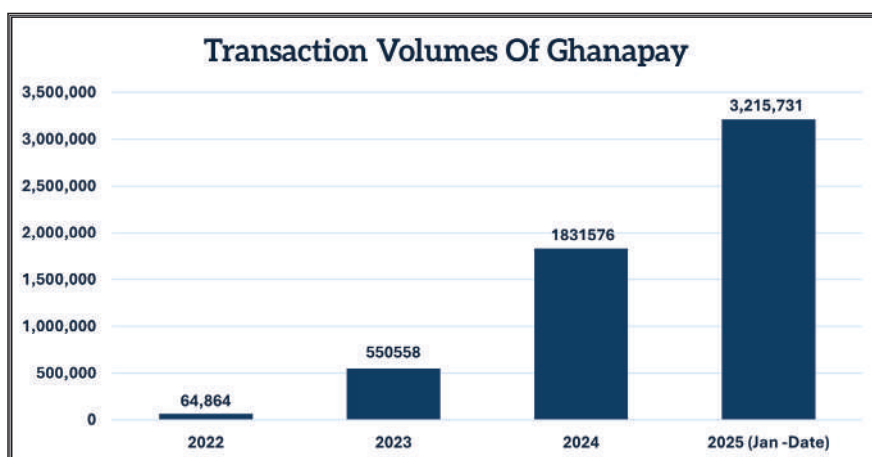
This explosive growth is a clear signal of rising trust, usability, and integration of GhanaPay into everyday financial behavior.



Source of Data: Ghana Interbank Payment and Settlement Systems (GhiPSS), May 2025

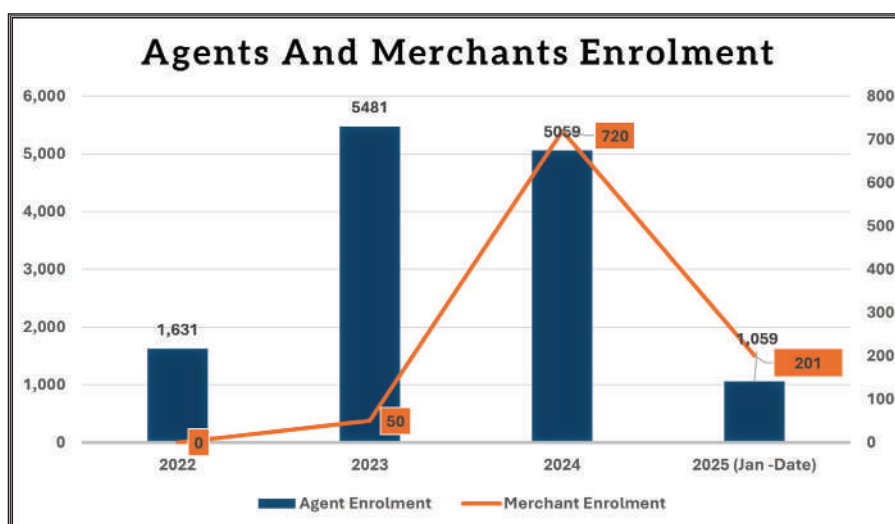


Source of Data: Ghana Interbank Payment and Settlement Systems (GhiPSS), May 2025



Source of Data: Ghana Interbank Payment and Settlement Systems (GhiPSS), May 2025

Merchant and agent onboarding have also expanded the platform's operational footprint. From zero merchants in 2022, GhanaPay now supports nearly 1,000 active business endpoints, enabling retail payments and commercial utility. Agent enrolment has reached over 13,200, reinforcing service reach across both urban and rural landscapes. Though 2025 agent onboarding appears slower than prior years, this may reflect a shift from rapid expansion to optimizing quality and productivity.



Source of Data: Ghana Interbank Payment and Settlement Systems (GhiPSS), May 2025

Strategic Implications

This performance speaks volumes, not just in numbers but in opportunity. MyGhanaPay has proven itself as a shared infrastructure model that works, with both rural and universal banks benefitting from pooled resources, trust capital, and network effects. Yet, the concentration ratios show that a few institutions continue to drive most of the growth, indicating a huge untapped potential among the wider banking community.

Banks that are actively promoting MyGhanaPay are setting good grounds to seeing the returns, through growing wallet activity, transactional income, deeper customer engagement, and operational cost efficiencies. For others, now is the time to position early and build market relevance.

Importantly, the recent removal of the e-levy provides a renewed opportunity to revitalize Ghana's cashlite agenda. Without the added friction of transaction charges, consumers and businesses alike are more open to adopting digital payments. In this context, MyGhanaPay becomes a critical enabler—its zero transfer fees, interoperability, and shared ownership model make it both cost-effective and scalable. It offers a compelling alternative to cash, especially when banks consider the high operational cost of cash-in-transit (CIT) services and cash handling. Leveraging MyGhanaPay more aggressively can thus reduce these expenses while extending reach and convenience.

A Call for Deeper Engagement

The momentum is clear, but scale requires collective ambition. As the platform continues to gain visibility and usage, all member banks have a strategic role to play, not just in riding the wave, but in shaping it. By aligning marketing efforts, bundling MyGhanaPay with core services, integrating merchant solutions, and empowering agent networks, banks can extend their digital value proposition to both new and underserved markets.

MyGhanaPay is not just a product, it is a platform for future-proof banking. With continued collaboration, innovation, and participation, it can become the nation's leading digital channel, delivering on the promise of inclusive, interoperable, and customer-centric financial services. Now is the time to invest in its promotion, not as a compliance requirement, but as a strategic growth engine.



Non-Financial Analysis of Ghana's Banking Industry

Introduction

Beyond the balance sheets and financial ratios, the Ghanaian banking industry continues to demonstrate resilience and progress through its non-financial performance. These softer dimensions; ranging from corporate responsibility to digital innovation, are crucial in shaping the sector's long-term sustainability and public trust. Over the past few years, banks in Ghana have invested heavily not only in strengthening their financial health but also in enhancing their role as responsible corporate entities, employers, innovators, and service providers. The following areas highlight how the sector is positioning itself as a modern, inclusive, and socially responsive industry.

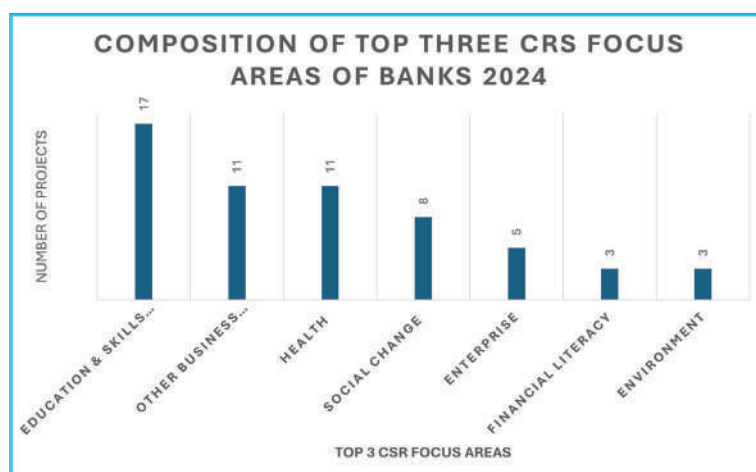
Corporate Social Responsibility (CSR)

Banks in Ghana have expanded their role beyond financial intermediation to become partners in national development. Through targeted CSR initiatives, they have supported education, healthcare, environmental sustainability, and youth entrepreneurship. Many institutions align their programs with the United Nations Sustainable Development Goals (SDGs), and by extension the ESG, demonstrating a forward-looking approach to social impact. These initiatives not only uplift communities but also strengthen the reputation of banks as socially conscious players committed to inclusive growth.

In 2024, banks in Ghana directed most of their corporate social responsibility (CSR) initiatives towards education and skills development involving 17 projects which represents about 29.3% of the 58 top 3 projects areas of focus notably through programs such as ReadytoWork and other Initiatives, aimed at preparing youth for the future of work. Significant attention was also given to health, which recorded eleven projected representing about 19% and other business-related initiatives such as sports, highlighting the sector's commitment to community well-being and national development.

Banks also invested in social change and enterprise support promoting inclusion and entrepreneurship, while financial literacy and environmental initiatives though fewer, reflect growing awareness of sustainability and responsible banking.

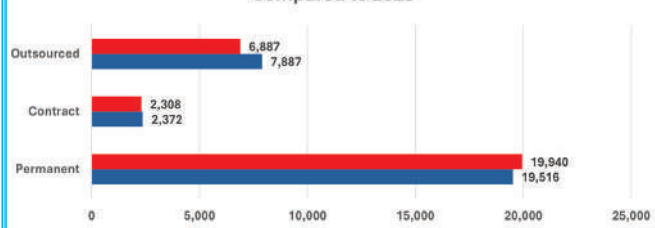
This distribution underscores banks' broader role as agents of social progress, going beyond finance to empower communities, support public health, and drive sustainable development.



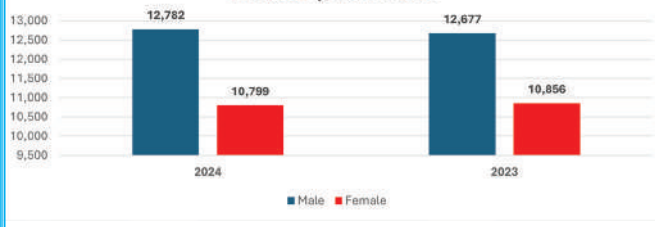
Staffing, employment and Gender Representation

Employment within the banking sector continues to provide opportunities for a wide spectrum of professionals. Increasingly, banks are focusing on diversity and inclusion by promoting women into senior management and leadership positions. Structured training programs, mentorship initiatives, and continuous professional development are ensuring that the industry remains a key driver of human capital development in Ghana. The sector's commitment to gender balance and skills development is positioning it as a model employer within the service industry.

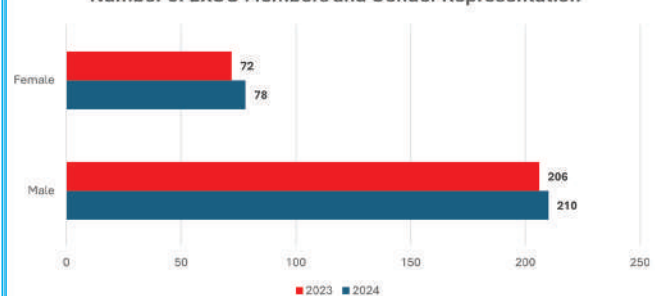
Total Head Count and Types of Bank Staffs in 2024 compared to 2023



Gender Representation - Permanent and contract staffs in 2024 compared to 2023

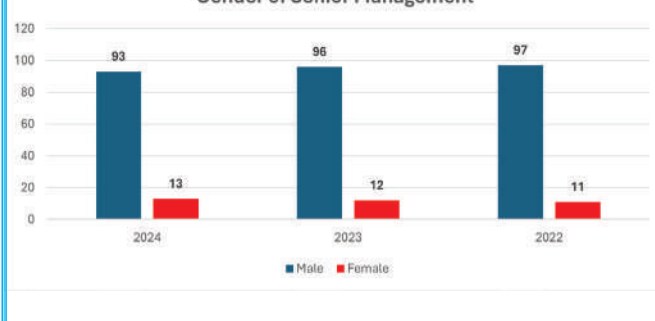


Number of EXCO Members and Gender Representation

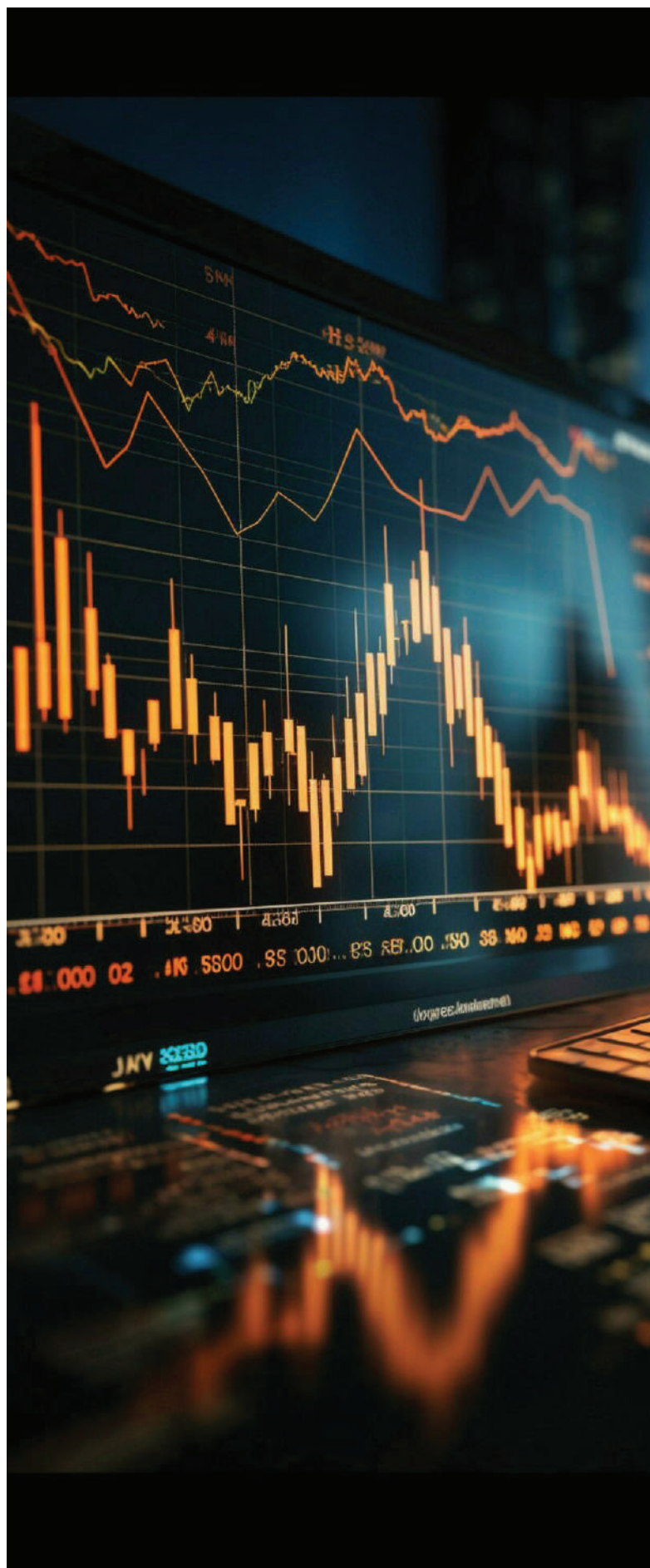
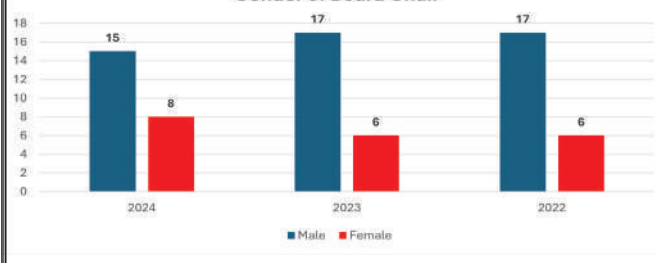


The graphs below present the gender mix of Banks' board and senior management roles, ranging from managing director, Chief Operations Officer

Gender of Senior Management

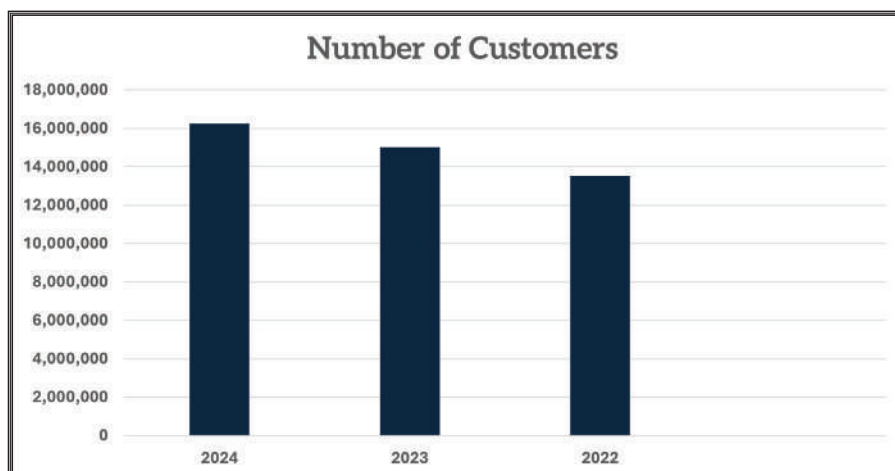


Gender of Board Chair



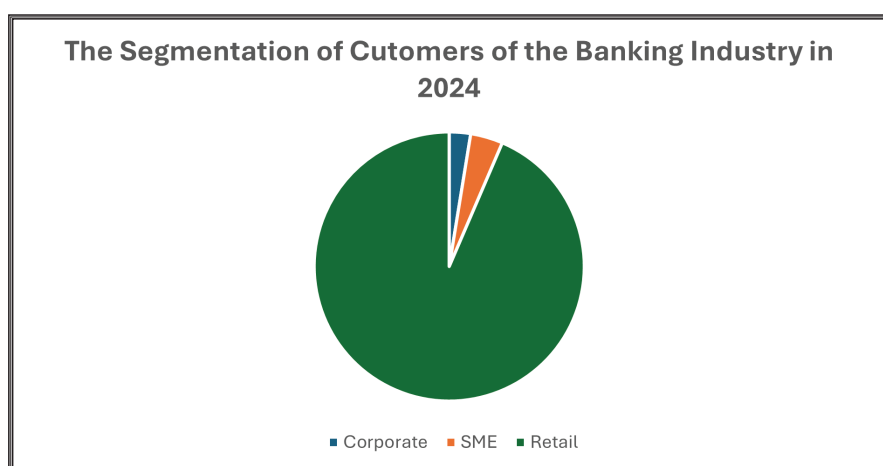
Customer Base and Composition of the Banking Industry

The number of bank customers in Ghana has shown steady growth over the past three years, rising from 13.5 million in 2022 to 15.0 million in 2023, and further to 16.2 million in 2024. This upward trend reflects increasing public confidence in the banking sector, greater access to financial services, and the impact of digital banking innovations that continue to attract and retain customers across the country.



Customer Distribution – 2024

In 2024, Ghana's banking sector served a total of 16.25 million customers, dominated by the retail segment (15.5 million), which underscores the growing reach of banks among individuals. SMEs accounted for 643,326 customers, highlighting their importance as engines of economic growth, while corporate clients numbered 422,782, reflecting the sector's critical role in supporting large businesses and institutions.



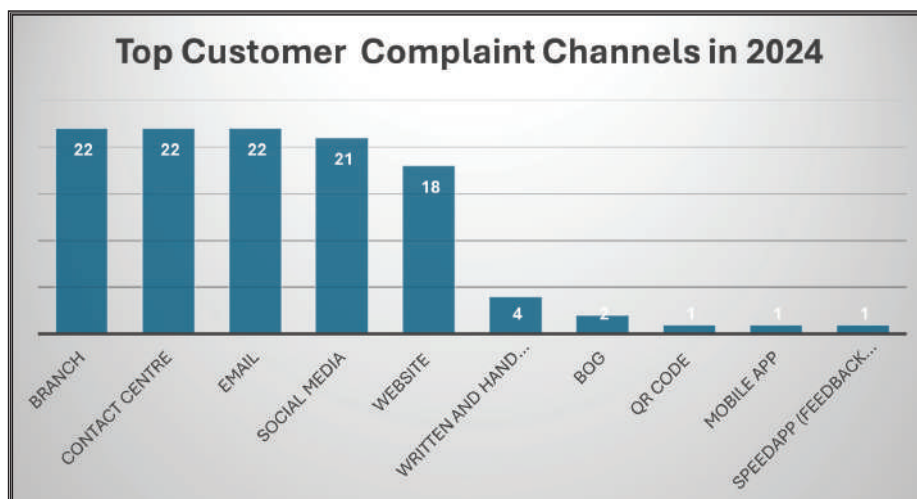
Customer Service and Complaint Management

A defining feature of modern banking in Ghana is its growing customer-centricity. Institutions have established robust complaint management frameworks, enabling clients to have their concerns resolved efficiently. With regulatory guidance from the Bank of Ghana, customer protection standards have improved considerably. Banks are also leveraging multiple service channels; from hotlines to mobile applications and social media platforms; ensuring that customers experience greater convenience and faster resolution of issues. This evolution reflects the industry's responsiveness to client needs and its drive to build stronger customer relationships.

Banks in Ghana have demonstrated openness and willingness to engage customers by providing multiple

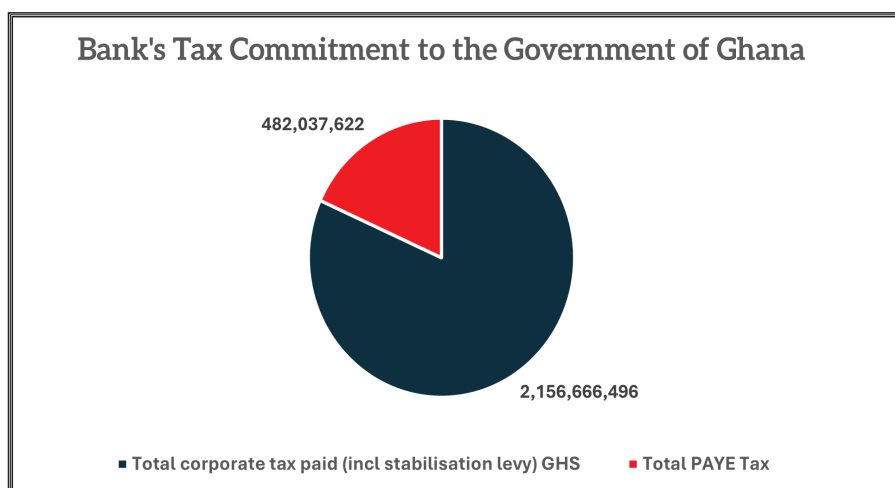
complaint channels. The most widely available are branches (22), contact centres (22), email (22), and social media (21), ensuring both physical and digital accessibility. Many banks also use their websites (18), with a few extending to hand-delivered letters (4) and direct

engagement through the Bank of Ghana (2). Emerging digital tools such as QR codes, mobile apps, and SpeedApp feedback features have also been introduced, though still in their early stages of adoption



Driving Fiscal Stability Through Strong Tax Contributions

The banking sector continues to demonstrate its central role in supporting Ghana's fiscal stability and national development. In the most recent period, banks contributed over GHS 2.1 billion in corporate tax, including the stabilisation levy, reflecting their strong profitability and commitment to meeting statutory obligations. Beyond this, banks also serve as vital partners to government through the collection and remittance of PAYE taxes, amounting to more than GHS 2.6 billion.



Regional Distribution of Banks in Ghana – 2024

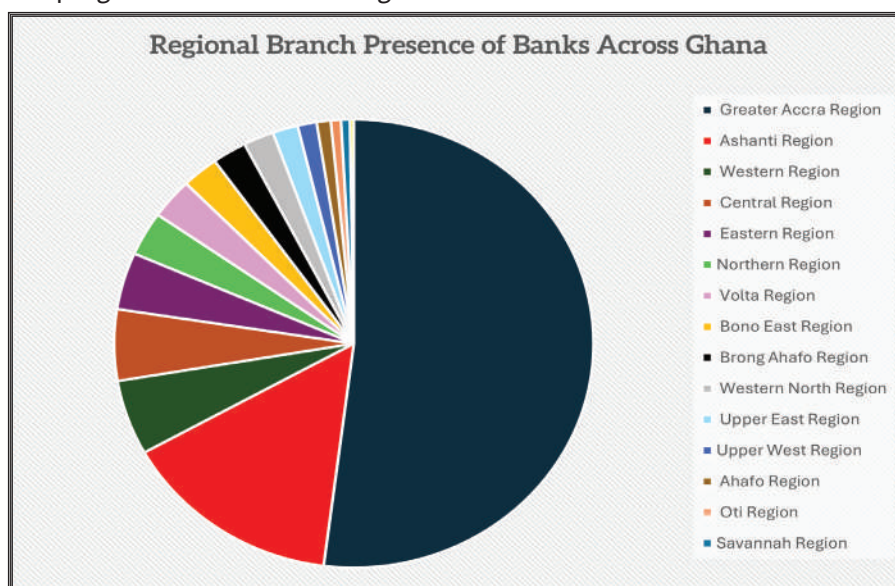
In 2024, Ghana recorded a total of 1,167 bank branches nationwide, with distribution heavily concentrated in urban and commercial hubs. The Greater Accra Region hosts the largest share with 607 branches, reflecting its role as the country's financial and economic center. This is followed by the Ashanti Region with 174 branches, further accentuate Kumasi's significance as a key commercial hub.

Other regions with notable representation include the Western Region (63), Central Region (60), and Eastern Region (48). Meanwhile, emerging regions such as North East (3), Savannah (7), and Oti recorded 8. Banks in Ghana are leveraging on smart solutions like agency banking and digital banking to ensure that banking services are

always available and accessible to customers and potential customers in the regions with less physical branch presence.

This distribution highlights both the progress of Ghana's banking

sector in expanding nationwide coverage and the need for targeted efforts to bridge regional disparities, particularly in the northern and newly created regions.



Ownership and Governance

Ownership structures in Ghana's banking sector reflect a healthy mix of local and international stakeholders, bringing in both capital and expertise. Governance frameworks have been significantly strengthened since the sector reforms, with boards placing greater emphasis on transparency, risk management, and compliance. Increasingly, banks are embedding Environmental, Social, and Governance (ESG) principles into their operations, aligning with global best practices. These governance enhancements have boosted public confidence and reinforced the stability of the financial system.

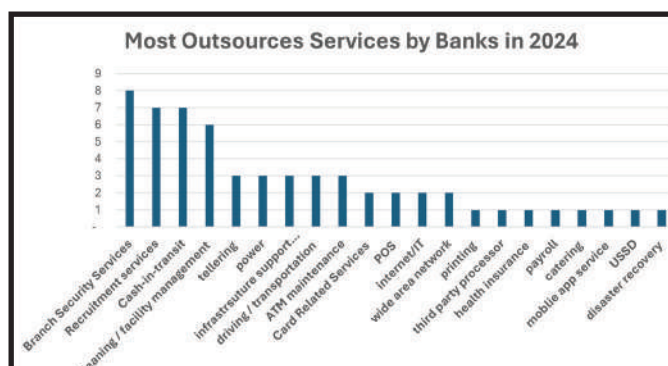
Most Outsourced Services by Banks in 2024

In 2024, banks in Ghana continued to rely on outsourcing to enhance efficiency and focus on core banking operations. The most outsourced service was branch security (8 instances), underscoring the importance of safeguarding staff, customers, and assets. This was followed closely by recruitment services (7) and cash-in-transit (7), reflecting the sector's need for specialized expertise in talent acquisition and safe movement of cash.

Other frequently outsourced functions included cleaning/facility management (6) and tellering, power, infrastructure support, transportation, and ATM maintenance (3 each). Services such as card-related operations, POS, IT

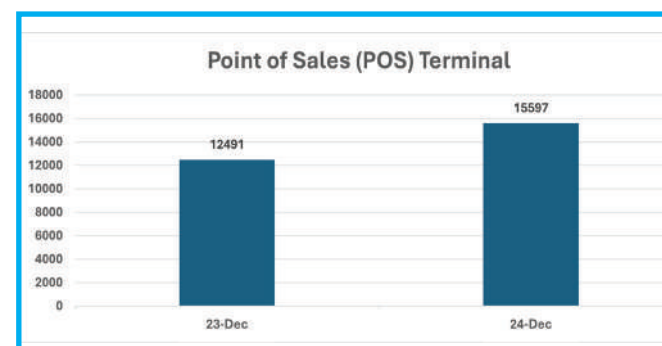
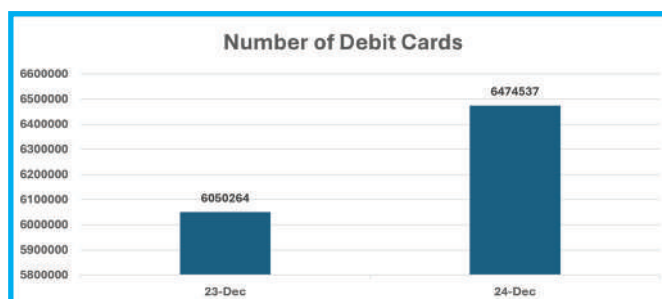
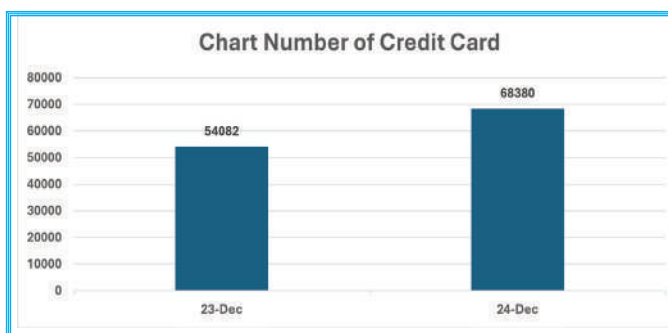
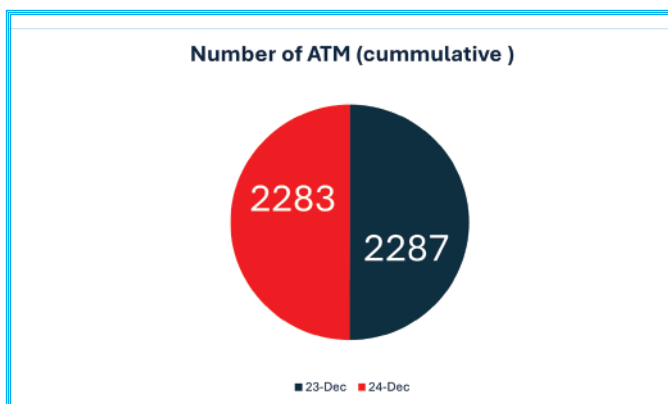
support, and health insurance were also outsourced but on a smaller scale.

Banks in Ghana have demonstrated openness and willingness to engage customers by providing multiple complaint channels. The most widely available are branches (22), contact centres (22), email (22), and social media (21), ensuring both physical and digital accessibility. Many banks also use their websites (18), with a few extending to hand-delivered letters (4) and direct engagement through the Bank of Ghana (2). Emerging digital tools such as QR codes, mobile apps, and SpeedApp feedback features have also been introduced, though still in their early stages of adoption.



Digital Transformation

The Ghanaian banking sector is rapidly embracing digital transformation, with technology becoming central to service delivery. Mobile applications, USSD banking, and integration with mobile money platforms have deepened financial inclusion, extending banking services to previously underserved populations. Partnerships with fintech companies have further accelerated innovation, while investments in cybersecurity are strengthening the protection of customer data. Digital transformation is not only improving efficiency but also reinforcing the sector's role in driving Ghana's digital economy.



Conclusion

The non-financial performance of Ghana's banking industry paints a picture of a sector that is evolving with purpose. From championing social development and workplace diversity to embracing digital transformation and strengthening governance, banks are actively building the foundations for long-term sustainability. These efforts not only complement financial performance but also position the sector as a trusted partner in national development. In an era where reputation, innovation, and inclusivity matter as much as profitability, Ghana's banks are demonstrating that they are ready to deliver on all fronts.



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Balancing Risk, Regulation, and Innovation: A Strategic Roadmap for Ghana's Evolving Banking Sector	51
Ethical Banking in Ghana: Strengthening Governance, Trust, and Financial Integrity in a Changing Industry Landscape	60
Strategic Business Solutions for a Resilient Banking Sector: Navigating the Evolving Dynamics in Ghana's Financial Industry	70
The need for regulatory restructuring and policy reforms in the banking sector	74
Strengthening Ghana's Banking Sector: The vital role of Insurance	80
Historical Economic Challenges, Post-2018 recapitalization and Strategies for overcoming uncertainties.	87
Seesaw, Up and Down: Managing the opportunity-risk duality through Enterprise Risk Management	98
Fintech-Bank Partnerships in Ghana: Collaborating for Innovation, Inclusion, and Shared Growth	106
Unlocking Cross-Border Trade Opportunities: The Role of the Local Banks	112
Development Banks & Women's Financial Inclusion – The role of development banks and gender-focused financial products.	118
ESG and Sustainability Reporting – BoG's Role In Driving Sustainable Banking Practices	122



Balancing Risk, Regulation, and Innovation: A Strategic Roadmap for Ghana's Evolving Banking Sector

Nana Esi Idun-Arkhurst

Divisional Director- Retail & Business Banking,
Fidelity Bank Ghana Limited



regulation, risk management, and innovation, ensuring that sector-wide efforts contribute to long-term, inclusive growth. As Ghana confronts a future defined by global competition, digital transformation, and rising expectations, its regulatory frameworks and innovation strategies must be anchored in a long-term strategic goal.

Ghana's banking and financial services sector has proven resilient, especially in the face of recent macroeconomic and global challenges. However, the next phase of growth will require more than resilience, but intentional alignment between risk management, regulatory evolution, and technological innovation, all guided by a shared national vision for the sector's future.

Ghana's Financial Sector: Transformation and Resilience

Ghana's financial sector underwent significant reforms beginning in the late 1980s. At the time, the sector was characterised by financial repression, widespread distress among state-controlled banks, and macroeconomic instability. To address these challenges, the government implemented

the Financial Sector Adjustment Programs (FINSAP I and II) under the broader Economic Recovery Program (ERP). Key reforms included liberalising interest rates, removing credit ceilings, restructuring insolvent banks, and strengthening regulatory frameworks. The establishment of the Non-Performing Asset Recovery Trust (NPART) was pivotal in recapitalising distressed banks by transferring non-performing assets. These foundational changes paved the way for a more competitive and diversified financial system (World Bank, 1994).

Introduction: A Vision-Driven Future

In an era of sweeping global change, Ghana faces a defining question: What future trajectory will it pursue, and what role must the financial sector play in achieving it? This challenge extends beyond immediate concerns such as risk management or technological advancement. It requires the articulation of a bold, long-term vision that clearly defines the role of finance in national development over the next decade. In the absence of such a vision, well-intentioned policies risk becoming fragmented, reactive, or misaligned with broader developmental objectives.

A strategic vision provides the necessary anchor to align

Ghana's banking and financial services sector has proven resilient, especially in the face of recent macroeconomic and global challenges. However, the next phase of growth will require more than resilience, but intentional alignment between risk management, regulatory evolution, and technological innovation, all guided by a shared national vision for the sector's future.

Over the last two decades, Ghana's financial sector has undergone further structural reforms. The Bank of Ghana's decisive recapitalisation directive in 2017, which increased the minimum capital requirement for universal banks from GHS 120 million to GHS 400 million, was a watershed moment. This bold move, followed by a wider banking sector clean-up, restored confidence, removed undercapitalised and non-compliant institutions from the system, and laid the foundation for stronger governance, risk management, and capitalisation.

Post the banking sector clean-up, a number of new rules and directives have been introduced and implemented to ensure more regulatory and supervisory vigilance to properly safeguard the new banking system after the reforms. These include:

- The Corporate Governance Directive to address fundamental flaws observed in the governance process, drawing on international corporate governance principles developed by the Basel Committee on Banking Supervision.
- The Fit and Proper Person's Directive, which reinforces provisions in the Corporate Governance Directive by assessing the suitability of individuals to serve as directors, significant shareholders, or key management personnel.
- The Capital Requirement Directive, designed to strengthen compliance and risk governance in the banking sector; and
- The adoption and implementation of global credit risk management and financial reporting standards in line with

IFRS 9, using the expected credit loss standard.

Today, Ghana's financial sector comprises a broad spectrum of institutions, including 23 commercial banks, 26 savings and loans institutions, 147 rural and community banks, 172 microfinance and financial NGOs, and 18 non-banking financial institutions, such as finance houses, leasing, and mortgage firms (Bank of Ghana, 2023). This diversity reflects both the sector's resilience and its potential for inclusive financial service delivery.

Alongside regulatory reforms, the rapid rise of mobile money, fintech solutions, and digital financial services has transformed how Ghanaians interact with banks and financial institutions. With 59 licensed Payment Service Providers (PSPs) currently operating under the supervision of the Bank of Ghana, the fintech ecosystem has become a vital pillar of the sector's transformation. These providers, ranging from mobile money operators to payment aggregators and fintech startups, are driving innovations in access, convenience, and affordability (Bank of Ghana, 2024).

Ghana has emerged as a leader in financial inclusion in Africa, with millions of previously unbanked individuals now participating in the formal economy. According to the World Bank Global Findex Report (2021), financial inclusion in Ghana increased from 29% in 2011 to 68.23% in 2021. This represents a remarkable leap, even when compared to the global average of 76%. Additionally, the percentage of adults with mobile money accounts grew from 13% in 2011 to 60% in 2021. These figures highlight how the widespread



adoption of digital platforms and mobile financial services has driven a transformative expansion of economic opportunities and enhanced financial inclusion.

To support and accelerate these gains, the Government of Ghana, in collaboration with key stakeholders, launched a suite of strategic policies in 2020 aimed at deepening financial inclusion and advancing digitalisation. These include:

- The National Financial Inclusion and Development Strategy (2018–2023), which addressed structural barriers to financial access for underserved populations;
- The Digital Payments Roadmap, which outlined actionable steps to build an inclusive, interoperable digital payment ecosystem;
- And the Digital Financial Services Policy, which served as a blueprint for leveraging digital finance to meet national inclusion goals.

This evolution — though remarkable — has introduced new challenges

and highlighted the urgent need for strategic coordination between innovation, risk oversight, and regulatory policy.

The Current Landscape: Complex, Competitive, and Interconnected

Today, Ghana's financial sector operates within a much more intricate ecosystem. Domestically, banks must navigate inflation volatility, currency fluctuations, and rising non-performing loans in the wake of macroeconomic shocks. Internationally, global interest rate shifts, geopolitical tensions, and the lingering effects of COVID-19 continue to influence capital flows and risk appetites.

Meanwhile, technological disruption is reshaping financial services in ways not seen before. The smartphone is becoming our bank, allowing people to consume financial services on the go. We have unprecedented connectivity, where interactions are real-time and unconstrained by physical boundaries. Coupled with unprecedented computing power, this shift is changing the very nature of financial transactions, broadening access, and redefining customer expectations. This has created new business models. From fintech startups offering seamless credit and payments to cross-border digital remittance platforms, innovation is moving faster than regulation.

Polymakers, regulators, and supervisors worldwide are finding themselves in a regulatory dilemma



when trying to achieve the right balance between enabling financial innovation and safeguarding the financial system.

Technology is changing the paradigm of financial services and putting pressure on financial sector authorities: pressure to adapt to innovations already advanced in their market, and pressure to foster financial innovation so that their market does not lag behind peer countries. Recent years have shown that regulations must evolve to address novel activities and business models introduced by FinTech, which is actively disintermediating traditional financial services and transforming the entire landscape.

In this environment, vision becomes the anchor. To manage complexity and remain competitive, all players in the industry including regulators must define where we want to be and work backwards to ensure that risk frameworks, regulatory structures, and innovation policies are fully aligned.

Risk Evolution: From Compliance Culture to Digital Finance Challenges

Traditionally, risk management in Ghana's banking sector has centered on regulatory compliance—meeting capital adequacy ratios, observing liquidity thresholds, and adhering to reporting requirements. While these remain essential, today's risk environment demands a broader, more integrated approach.

Banks must now embed risk culture at the heart of their operations—a mindset where risk awareness permeates every decision, from boardroom strategies to frontline operations. This requires moving beyond checklists and frameworks toward fostering an institutional culture of proactive risk thinking, where risks are not just identified but anticipated, stress-tested, and continuously monitored.

At the intersection of traditional banking and innovation lies the emerging risk landscape of Financial Technology and Digital Finance. While financial technology brings

numerous benefits, financial sector players including regulators, must be cognizant of the risks to consumers and, more broadly, to financial stability as they navigate this unfamiliar territory.

As the financial system adapts, multiple concerns arise: consumer and investor protection; clarity and consistency of regulatory frameworks; potential for regulatory arbitrage and contagion; adequacy of existing financial safety nets, including central banks' lender-of-last-resort functions; and threats to financial integrity.

Vulnerable population groups often lack the skills and experience to appropriately use digital financial products. This vulnerability amplifies risks like digital Ponzi schemes and data breaches from peer-to-peer platforms, particularly for first-time financial service users. Insufficient disclosure, redress mechanisms, and transparency from new providers, further expose depositors and investors to heightened risks.

As financial products and services migrate to digital platforms, the susceptibility to cyber-attacks increases dramatically. The greater interconnectivity between entities and the proliferation of open or shared platforms expand potential entry points for malicious actors. These digital activities increase the vulnerability of both individual consumers and the financial systems.

The rise of open banking, BigTech, and alternative data sources give newer players unprecedented access to customer information. Finding the right balance between privacy (crucial for building trust) and transparency (necessary for reducing transaction costs) remains

difficult. Questions around data ownership, usage rights, and jurisdictional authority continue to challenge regulators.

When innovative payment and settlement services evolve into critical Financial Market Infrastructures, they introduce stability risks and general business losses could impair essential services and complicate recovery or orderly wind-down procedures. The risk intensifies when critical services are provided by parent companies with potentially conflicting business lines in technology or data aggregation.

Digital finance activities often outpace existing legislation, requiring legal and regulatory frameworks to adapt quickly. This challenge becomes more pronounced in cross-border activities. The novelty of products, services, and players makes determining the appropriate regulatory response difficult, potentially leading jurisdictions to adopt approaches that may not be optimal for their context.

To address these multifaceted risks, Ghana's banking sector must evolve beyond viewing risk management as merely a compliance exercise. Financial institutions need to develop comprehensive approaches that integrate traditional prudential

Digital finance activities often outpace existing legislation, requiring legal and regulatory frameworks to adapt quickly.

measures with emerging digital risk considerations. This transformation requires investment in both technology and human capital, creating teams that understand both regulatory requirements and technological innovations.

The future of effective risk management lies in creating an institutional ecosystem where risk awareness is embedded in organizational DNA and where every employee, from the CEO to the frontline staff, approaches decisions with a clear understanding of potential risks and appropriate mitigation strategies. Only through this cultural transformation can financial institutions navigate the increasingly complex landscape of traditional and digital financial risks.

Regulation: Enabler or Inhibitor?

In the dynamic landscape of

Ghana's financial sector, one of the most critical questions for policymakers, regulators, and financial institutions alike is whether regulation serves as an enabler of innovation or a barrier to progress. This question is particularly pressing as the sector grapples with digital transformation and the rapid rise of fintech solutions.

At its core, regulation plays a vital role in safeguarding the interests of consumers and maintaining systemic stability. In a sector as vital as banking, where trust is a cornerstone, regulations can create the conditions needed for innovation to thrive. When financial institutions operate under a clear,

predictable regulatory framework, it fosters confidence among investors and consumers alike, which in turn promotes the growth of new financial products and services.

The Bank of Ghana has played a pivotal role in ensuring that the country's financial regulations remain relevant in the context of global financial technology developments. By introducing targeted guidelines and engaging with international regulators, Ghana has positioned itself as a growing fintech hub in Africa. The Bank of Ghana's introduction of the Electronic Money Issuer Guidelines and The Payment Systems and Services Act, 2019 (Act 987) represents a comprehensive response to the quest for an enabling regulatory environment that permits diverse service providers in the ecosystem including banks, Specialized Deposit-Taking Institutions, Electronic Money Issuers, and FinTechs.

The establishment of the FinTech and Innovation Office (FIO) in 2020 to nurture a vibrant, safe, and efficient digital financial services ecosystem has been instrumental in promoting financial inclusion and innovation. The FIO oversees the licensing and supervision of Dedicated Electronic Money Issuers, Payment Service Providers, and FinTechs, while also shaping policies that promote interoperability and innovation. We have also seen a collaborative effort between the Bank of Ghana and Singapore's Monetary Authority in terms of regulatory knowledge sharing and adoption of cooperative projects such as the Ghana Integrated Financial Ecosystem and Cross-Border payments enablement—all aimed at adapting our regulatory environment to meet the pace of

innovation and build a financial sector of the future.

However, regulation can become overly restrictive or inflexible, potentially stifling innovation. In the fast-paced world of digital finance, regulation that fails to keep up with technological developments can create unnecessary barriers. Excessive licensing requirements or overly complex compliance processes can deter new market entrants and slow down the adoption of novel technologies. If regulatory frameworks do not sufficiently accommodate emerging business models around digital wallets, peer-to-peer lending, or blockchain-based systems, they risk hindering these innovations or driving them underground.

Furthermore, over-regulation can lead to regulatory arbitrage, where businesses might exploit gaps in the regulatory landscape. This can create systemic risks and lead to market fragmentation, as businesses opt for regulatory loopholes rather than adhering to a uniform, risk-mitigating approach.

There is no 'blanket approach' to regulating digital finance, and different authorities have employed various methods when responding to developments. Many countries, including Ghana, have been exploring new regulatory approaches aimed at promoting innovation and experimentation. These emerging approaches include Innovation Hubs that provide support and guidance to firms navigating the regulatory environment, and Regulatory Sandboxes that enable live testing of new products in controlled environments.

Following a successful pilot implementation, Bank of Ghana

launched its Regulatory and Innovation Sandbox in August 2022, in line with the national digitalisation agenda and the Bank's commitment to fostering innovation, financial inclusion, and financial stability. This Sandbox is open to licensed financial institutions and unlicensed FinTech start-ups with innovative offerings that meet the requirements.

The development of Supervisory Technology (SupTech) and Regulatory Technology (RegTech) represents another significant approach to enhancing regulatory efficiency. SupTech enables financial regulators to automate routine tasks, process vast amounts of data, and identify patterns that might indicate emerging risks. Advanced analytics and artificial intelligence can help detect unusual transaction patterns that might signal money laundering or fraud, while real-time monitoring systems provide early warnings of liquidity issues or excessive risk-taking. This shifts supervision from reactive to proactive, potentially preventing crises before they materialize.

RegTech helps financial institutions streamline compliance processes, reduce operational risks, and lower compliance costs. Automated reporting tools ensure accurate and timely submission of regulatory reports, while identity verification and KYC technologies enhance customer onboarding while ensuring compliance with anti-money laundering regulations. Smart contracts and blockchain technology can enforce regulatory requirements automatically, reducing human error and increasing transparency.

For Ghana's financial sector, strategic adoption of SupTech and RegTech creates a win-win

situation. Regulators enhance oversight capabilities without necessarily increasing compliance burdens, while financial institutions achieve regulatory compliance more efficiently, freeing resources for innovation and customer service. The ultimate beneficiaries are consumers, who gain from both stronger protections and more innovative financial products.

The debate of whether regulation is an enabler or inhibitor of innovation is not one of extremes. Regulation can be both a shield and a catalyst—a tool that safeguards the financial system while allowing it to grow and evolve. For Ghana's banking sector, the key to success lies in designing regulations that are flexible, forward-thinking, and aligned with the country's long-term vision for a modern, inclusive, and competitive financial ecosystem. Only then will regulation truly become a powerful enabler of digital finance and innovation.

Strategic Roadmap: Aligning for the Long Term

What then should our roadmap look like?

At its core, it must begin with a shared national vision for Ghana's financial sector — one that clearly defines what success looks like in the next 10 years. Is it a sector that drives inclusive economic growth? A regional financial hub? A digital-first ecosystem with universal access to financial services?

Once this vision is established, the next step is to align all stakeholders around four key pillars:

1. Vision-Led Regulation

Regulation is not just about control; it is about enabling progress in a way that is aligned with long-term goals. To achieve this, regulators must adopt a long-term lens, integrating market foresight into their supervisory frameworks. Regulations should be forward-thinking, adaptable to future trends, and designed to create an environment where innovation can flourish while protecting consumer interests.

Regulation must not front-run innovation. Introducing regulation prematurely may stifle innovation and potentially derail the adoption of useful technology. But the regulator must run alongside innovation. That is, keeping pace with developments, assessing potential risks, and continually evaluating whether to regulate or allow things to evolve further.

This approach applies a materiality and proportionality test, where regulation comes in only when the risk posed by new technology becomes material or crosses a threshold, and the weight of regulation remains proportionate to the risk posed. Many technologies mitigate existing risks but may create new ones. The regulatory approach must seek to incentivise the risk mitigation aspects while restraining the new risks.

Key Actions:

- **Sandbox Initiatives:** Expand on existing regulatory sandboxes to allow fintechs, banks, and

startups to experiment with new ideas in a controlled environment. This approach fosters innovation while ensuring that emerging risks are properly managed.

- **Dynamic Licensing Regimes:**

Licensing regimes should evolve to accommodate the changing landscape of financial services. A dynamic licensing framework that supports fintech growth and the entry of diverse players in the ecosystem is critical.

- **Foresight in Regulation:** Regulators need to develop more anticipatory regulatory models that can respond to shifts in technology, consumer behavior, and financial market trends.

- **Regulatory Perimeter Assessment:** Regulators should be agile when responding to fast changes in innovation, and implement a process to review the regulatory perimeter regularly.

2. Risk-Responsive Culture

A risk-conscious culture should permeate every facet of Ghana's banking system. As the financial sector becomes more digitized and interconnected, the integrated management of risks becomes even more crucial. Banks must institutionalise a risk-responsive culture that evolves in tandem with the business environment, ensuring that systemic risks — particularly in cybersecurity, operational resilience, and credit — are effectively mitigated.

Key Actions:

- **Cyber Risk Management:** Capacity building in cyber risk should become a standard



practice for all financial institutions. With increasing digitisation, understanding and mitigating cybersecurity threats is crucial for consumer trust and financial stability. Cooperation at the global level can minimise fragmentation of cyber-security efforts and raise awareness of cyber risks. Ex-ante contingency plans, information sharing, and incorporating cyber-security in early system design could lower the probability of adverse cyber events.

- **Environmental, Social, and Governance (ESG):** Emphasising ESG criteria in risk assessments is crucial to managing long-term risks, particularly in financing projects related to sustainable development and climate change.

- **Stress Testing:** Regular stress testing for various market shocks — financial, environmental, and technological — should be institutionalised as part of the standard risk management framework.

- **Macro-financial Risk Monitoring:** While there are currently no compelling signs of these risks materialising, experience shows they can emerge quickly if left unchecked.

- **Staff Capacity Building:**

Supervisors and regulators should place greater emphasis on ensuring they have adequate resources and skill-sets to deal with emerging risks and technologies.

3. Innovation Enablement

For Ghana to remain competitive in the evolving global financial ecosystem, significant investment in digital infrastructure is essential. By embracing open APIs, cross-sector collaboration, and innovation hubs, we can create an ecosystem where new technologies thrive, financial products become more accessible, and customer experiences are enhanced.

We need an ecosystem where people can connect and collaborate, and ideas can flow and multiply. Common standards and inter-operable systems are essential so that innovations can be scaled up quickly and their potential benefits fully realized. While we want a hundred flowers of innovation to bloom, we must also ensure they make a coherent garden.

The larger picture behind our FinTech initiatives is about fostering

a culture of innovation. In an industry facing headwinds of lower economic growth and heavier regulatory burdens, innovation must be the way to refresh and re-energise the business model. Innovation is not always about high-tech—it's about seeking newer and better ways to do things, about a spirit of enterprise and hope in the future.

Key Actions:

- **Digital Infrastructure:** Continued investment in high-speed internet, mobile broadband, and payment infrastructure will ensure that all Ghanaians can access digital financial services, even in remote areas.
- **Open APIs and Interoperability:** Open APIs must be promoted to ensure that financial services are easily integrated across platforms, facilitating a more inclusive and seamless financial ecosystem.
- **R&D and FinTech Incubation:** Policymakers must incentivise research and development (R&D) and create supportive environments for fintech incubation. This would include offering grants, tax incentives, and facilitating partnerships between banks, universities, and fintechs.
- **Talent Pipelines:** Building digital talent pipelines through education, mentorship, and training programs will help nurture the next generation of innovators in fintech, data science, and digital finance.

4. Ecosystem Collaboration

For the financial sector to succeed in achieving long-term goals, effective collaboration between all stakeholders is crucial. The public

and private sectors, regulators, and development partners must coordinate to create a cohesive vision and implement a strategic framework that fosters sustainable growth.

Key Actions:

- **National Financial Sector Forum:** A national financial sector council or forum could formalise collaboration between government, regulators, banks, fintechs, and other industry players. This would ensure alignment with the national vision, regular feedback, and adjustments to the roadmap as necessary.
- **Public-Private Partnerships:** Collaboration between the government and private sector can address large-scale financial inclusion goals, infrastructure development, and sustainable finance initiatives.
- **Global Partnerships:** Ghana must leverage international partnerships to tap into global best practices in digital finance, regulatory innovation, and capacity building, ensuring that the sector is internationally competitive.
- **Open Communication Channels:** Further develop lines of communication across relevant authorities. Due to the growing importance of Digital Finance activities and interconnections across the financial system, authorities should develop robust communication channels to ensure preparedness.
- **Knowledge Sharing:** Support innovation through shared learning and greater access to information. Authorities should improve communication channels with the private sector and share their experiences.

• International Cooperation:

Increased cooperation is particularly important to mitigate the risk of fragmentation or divergence in regulatory frameworks, which could impede beneficial innovations and limit the effectiveness of financial stability efforts.

By implementing this strategic roadmap with a focus on vision-led regulation, risk-responsive culture, innovation enablement, and ecosystem collaboration, Ghana can position its financial sector for sustainable growth and global competitiveness in the digital age.

Conclusion: A Call to Intentional Action

Ghana's financial sector stands at a defining moment. We have weathered storms, rebuilt trust, and laid a strong foundation. But future progress will not be automatic — it must be intentional, strategic, and unified.

Balancing risk, regulation, and innovation is not a zero-sum game. When aligned under a clear national vision, these forces become mutually reinforcing. Risk management strengthens confidence, regulation guides growth, and innovation expands opportunity.

It is time for Ghana to articulate — and commit to — a long-term vision for its financial sector. This vision should not just be a policy document, but a guiding compass for every institution, regulator, entrepreneur, and policymaker in the ecosystem.

Only by working backwards from where we want to be, can we truly shape a sector that is resilient, competitive, inclusive, and future-ready.

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Ethical Banking in Ghana: Strengthening Governance, Trust, and Financial Integrity in a Changing Industry Landscape

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Bankers, like pilots, kill people when mistakes are committed. Sadly, the people that are killed by unethical bankers or rent-seeking financial managers of an economy are not counted. The cost of lack of ethics can be very high to society. For example, the number of pensioners who died quietly in their homes due to the impact of Ghana's recent domestic debt exchange programme (DDEP) which impaired their ability to buy BP medications will never be known. Similarly, while we know the financial cost (circa USD3bn, the equivalent of what IMF is advancing to Ghana under its current ECF arrangements) of the 2017-2019 banking sector clean-up, the true cost to

Ghana will never be known. For example, how many children's education came to a halt or how many divorces occurred in families due to bankers losing their jobs or customers' deposits lock-up?

Therefore, strengthening governance, trust, and financial integrity in this ever-evolving landscape is a must. This is an imperative due to the rising staff fraud (46% in 2024 according to Bank of Ghana Fraud Report), high non-performing loans (currently at 21.8%), cyber security risks and the rise of AI.

In this article, I share my perspective on the need to dial up ethics and give voice to values in the banking industry and in Ghana as a whole. I discuss the state of ethics in the banking industry, what Chartered Institute of Bankers, Ghana is doing to dial up ethics,

and why we need more than the traditional approach to resolving banking sector crises. I conclude with a suggested pathway forward to a safe, sound and sustainable future.

Trust: The True Currency in Banking

To my mind, banking is a business of trust. Trust comes from character (moral excellence or ethics), competence (intellectual excellence and professionalism), conduct (regulatory excellence and the law) and consequence (accountability). Trust is an asset difficult to acquire but easy and costly to lose. As Mark Carney puts it: "trust comes on foot but leaves in a Ferrari." The true currency in banking is trust, not cash. Cash is to bankers as inventory is to manufacturers.

Banking is also, essentially, risk management wrapped in products and customer-experience. Ghana's banking sector, a crucial engine for economic growth and stability, operates within an increasingly dynamic and complex landscape. There are several megatrends

Strengthening governance, trust, and financial integrity in this ever-evolving landscape is a must.

(global geopolitical tensions, macroeconomic discontinuities, demographic shifts, cyber security and digital acceleration, emergence of artificial intelligence, regulatory developments etc) that complicate the risks that banks and bankers face today. Even more puzzling in the ethical dilemmas bankers and banks face on daily basis.

The Case for Ethics or Where Trust Dies

Ethics, at its core, is the practical application of moral principles and values. Ethics is about right versus wrong, the courage to do the right thing even when no one is watching and the courage to challenge the wrong thing being done! When values such as integrity, transparency, courage, fairness, justice and protection of the minority interest are not deeply ingrained and enforced within the financial system, then the opposite values breed. The culture of self-interest, short-termism, greed, irresponsibility and blatant disregard for governance, policies, directives and control become the order of the day. In such a financial system, trust dies.

Where “trust dies, mistrust blossoms” (Sophocles, 496-406 BC). The financial cost of lost trust due

to unethical financial conduct is high. The cost of lost trust, as seen in 2008/2009 global financial crisis was colossal. In the case of Ghana, there are parallels between the 1988/89 financial sector reforms in Ghana and the 2017-2019 financial sector clean-up. The factors (including lack of ethical conduct) that led to pre 1988/89 financial reforms in Ghana have repeated themselves thirty years thereafter. Both crises resulted in significant burdens to society at individual, institutional, industry and macro levels. Both crises saw significant NPLs or non-performing assets (NPAs). In 1988, NPAs amounted to GHS62 billion (\$170 million or 4.4% of GDP), with 47% due to state-owned enterprises and 53% to private sector debts. In the 2017-2019 crisis, the total assets of 420 defunct institutions amounted to GHS26.05 billion (7.45% of GDP), with the Government of Ghana spending GHS18.99 billion (5.49% of GDP) to cover depositors’ repayments (MOF website, 6 February 2024).

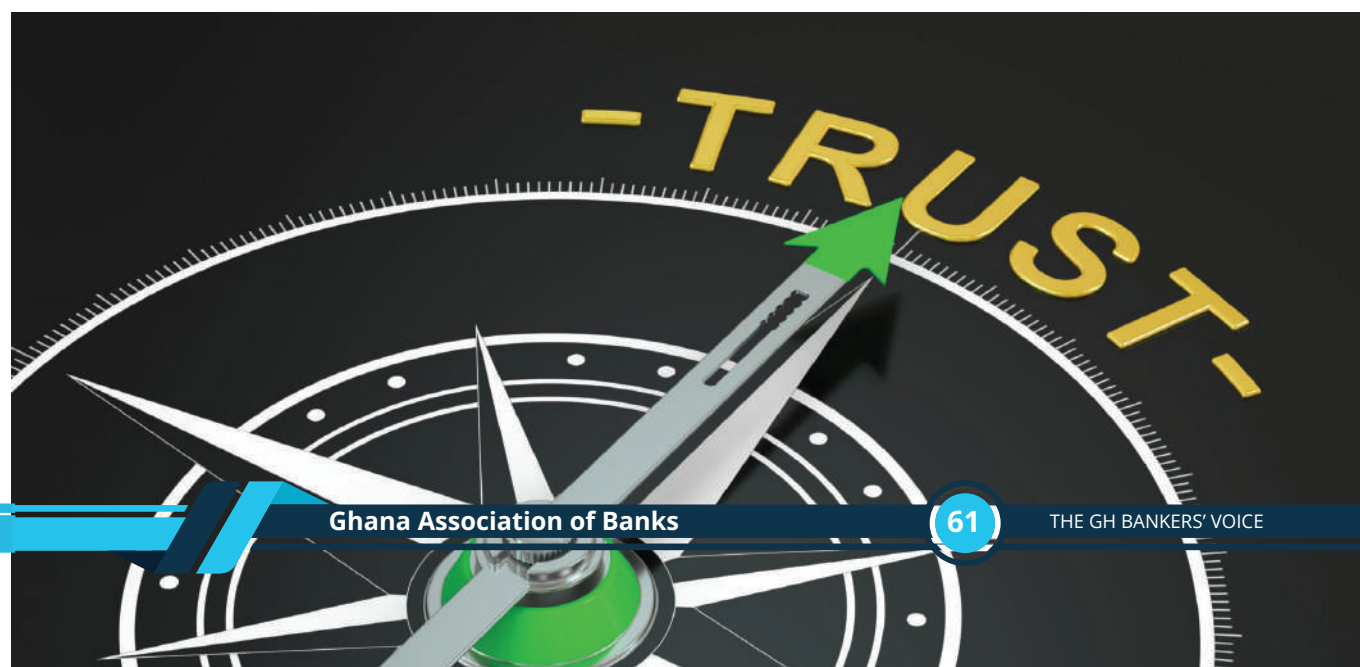
Failure of ethical conduct at any level poses a significant risk to the financial system. Failure of ethical financial conduct destroys value (investments of innocent customers and pensioners) and dismantles local champions. For example, several local financial institutions in

Ghana have disappeared since and pre-2017. This also places undue burden on the public purse (cost of resolution of the infamous DDEP attendance) and destroys investor and customer confidence in the financial system. For example, since 2022, Ghana’s ability to access the international financial market has been restricted, hence IMF current ECF arrangements with Ghana.

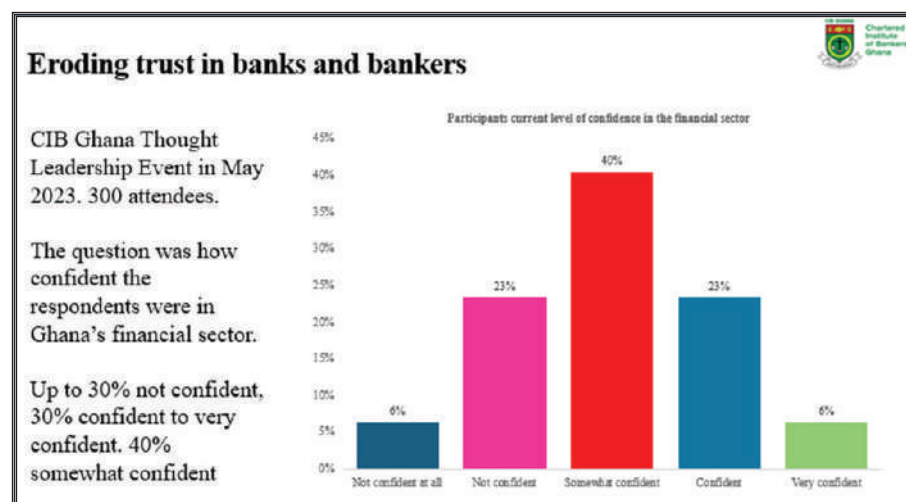
The State of Ethics in the Industry: Impact on Public Confidence

As highlighted by Saha (2013), ethics is crucial for successful financial intermediation and, by extension, for robust financial systems and market economies. The importance of ethical conduct in Ghana’s financial sector cannot be overstated. The Ghanaian banking sector has faced periods of turbulence in recent years, with instances of regulatory breaches, alleged staff fraud cases and corporate governance lapses. Simply put, the headlines don’t inspire customer confidence and public trust. These events have inevitably impacted public trust in banks and bankers.

Chartered Institute of Bankers, Ghana in a survey (2023), asked

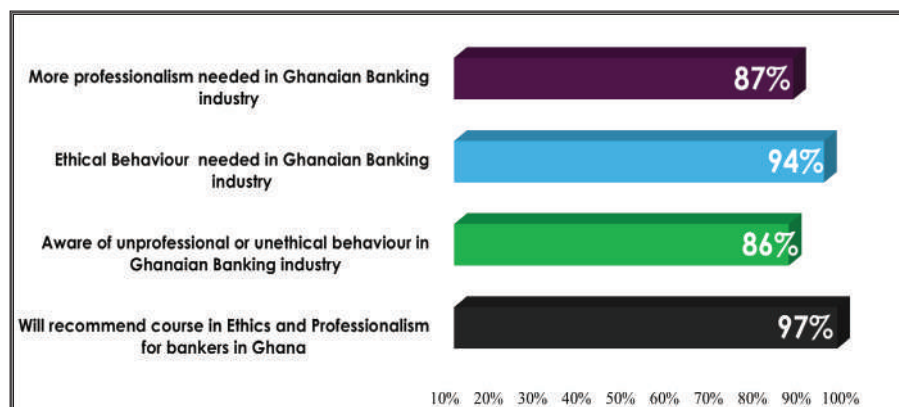


respondents how confident they were in the financial system. Circa 30% were not confident and while a similar percentage were confident, leaving about 40% of respondents as neutrals.



About a decade ago, Chartered Institute of Bankers asked me to write a manual on ethics and professionalism for the Institute. To gain a better insight into the need for such a book, some customers of banks, bankers, accountants, investors and the public were surveyed. Interestingly, a high number (upwards of 85%) agreed that ethics and professionalism were necessary imperatives for the banking industry at the time to prevent financial crises. Sadly, we saw the impact of this in 2017-2019. Has the situation improved since then?

What the respondents said (in 2015) about need for Ethics and Professionalism



Correlations between Banking Industry Developments and Lack of Ethics

Indeed, I dare say that there is a strong correlation between unethical conduct or lack of professionalism in the banking industry (or society as a whole) and developments such as banking sector clean-up, DDEP, rising staff fraud, high NPLs in Ghana. In a speech delivered by Patrick Awuah, Founder and President of Ashesi University at the 2023 Chartered Institute of Bankers, Ghana National Banking and Ethics Conference, he argued that there was a strong connection between national development and ethics. In his analogy, he suggested that a medical student who lacked



moral excellence and able to cheat his way through university education is most likely to lack intellectual excellence as well. The result will be death of his patients in hospital. The correlation between the ethical compass of bankers and banks couldn't be more direct, judging from the above analogy.

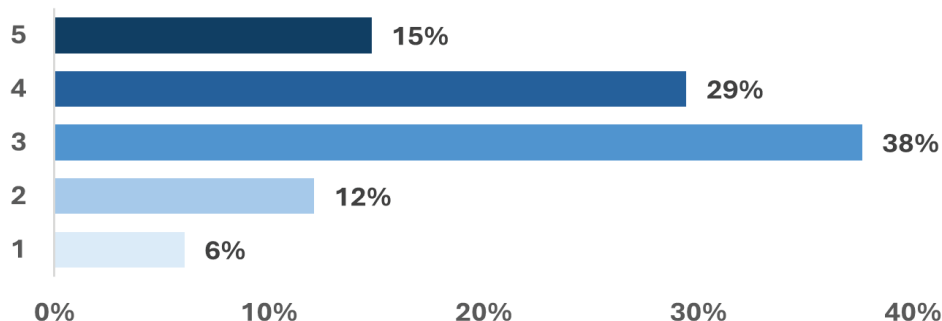
Ethics and Non-Performing Loans (NPLs)

A strong correlation exists between ethical banking practices and the rising NPLs in the banking industry in Ghana. Unethical lending practices, driven by personal gain or undue influence, disregard for proper credit origination and loan portfolio management procedures leads to a surge in NPLs. This can threaten the financial health of individual banks and the stability of the entire system.

For example, it has been speculated that there are relationship managers who demand a percentage of loan granted to customers. We can all see that this is an NPL ab initio. How then do you expect that customer to pay back, you may ask? That behaviour of a banker is like a politician or a public servant who demands a 20% cut before awarding a contract. That is ab initio, a national hospital or educational project that will never be completed. That simply means a whole community, if not generations, will be denied healthcare or education.

Conversely, banks with a strong ethical culture are more likely to adhere to sound lending practices, conduct thorough due diligence, and prioritise the long-term viability of their loan portfolios. Ethical loan officers are less likely to engage in practices that compromise loan quality for short-term and personal gains. Therefore, fostering an ethical environment is a crucial element in mitigating the risk of escalating NPLs.

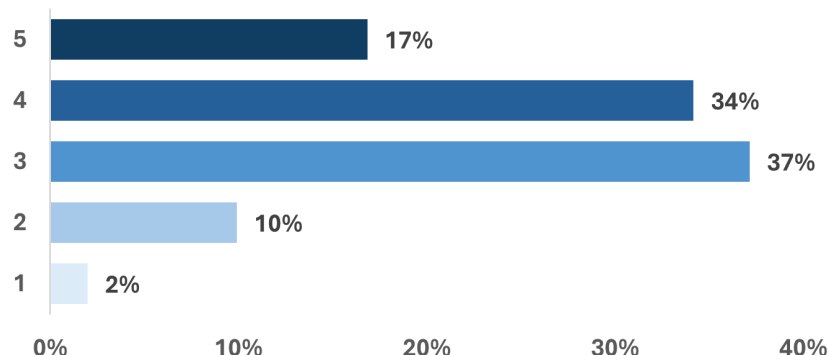
Indicate the extent to which unethical conducts are responsible for NPL



A survey undertaken in 2024 in the banking and financial services industry by Chartered Institute of Bankers, Ghana showed that, about **44%** of junior staff in the industry are aware that unethical issues are responsible for non-performing loans.

Source: CIB Ghana Research and Consulting Department, 2024

Indicate the extent to which unethical conducts are responsible for NPL



Source: CIB Ghana Research and Consulting Department, 2024

51% of respondents who are senior managers or executives in the banking industry in Ghana revealed that unethical issues are responsible for non-performing loans in Ghana

Ethics and Sustainability

Ethics is intrinsically linked to the long-term sustainability of the banking sector. Banks that prioritise ethical conduct are more likely to adopt responsible business practices that consider the interests of all stakeholders, including customers, employees, communities, and the environment. By embedding ethical principles into their operations, banks contribute to a more sustainable and equitable financial system.

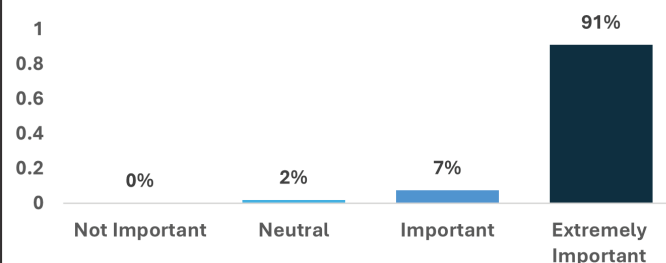
Sustainable banking goes beyond simply generating profits; it encompasses environmental, social, and governance (ESG) considerations. Ethical banks are more inclined to:

- **Promote Financial Inclusion:** Offering accessible and fair financial services to all segments of society.
- **Support Sustainable Development:** Financing projects that have positive social and environmental impacts.
- **Practice Responsible Lending:** Avoiding predatory lending practices and ensuring borrowers can repay their loans.
- **Foster Ethical Workplace Practices:** Treating employees fairly and promoting a culture of respect and integrity.

Below is bankers' perspective on the importance of

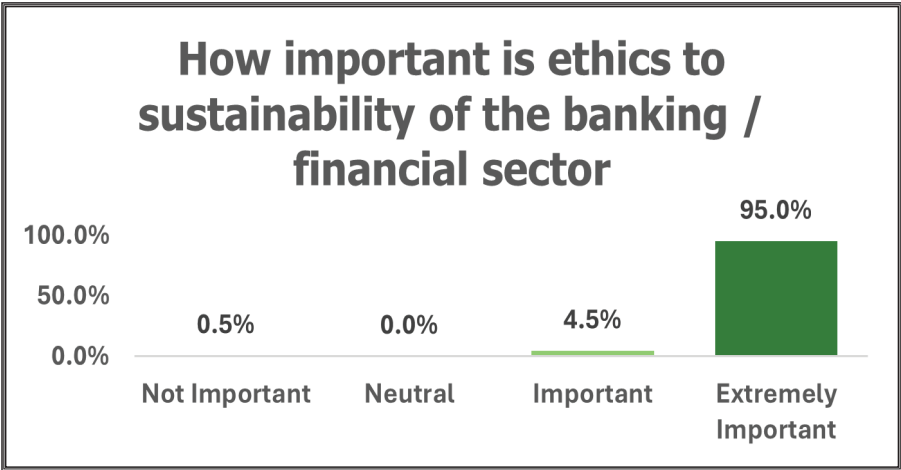
ethics to the sustainability of the financial sector. This insight is from the Institute's survey of bankers who completed the CIB Ghana 2024 Ethics 1.0. Over 6,800 bankers completed this survey.

How important is ethics to sustainability of the banking / financial sector



98% of Junior staff in banks acknowledged the importance of ethics to sustainability of the banking/ financial sector

Source: CIB Ghana Research and Consulting Department, 2024



Source: CIB Ghana Research and Consulting Department, 2024

99.5% of senior level managers acknowledged the importance of ethics to sustainability of the banking/ financial sector

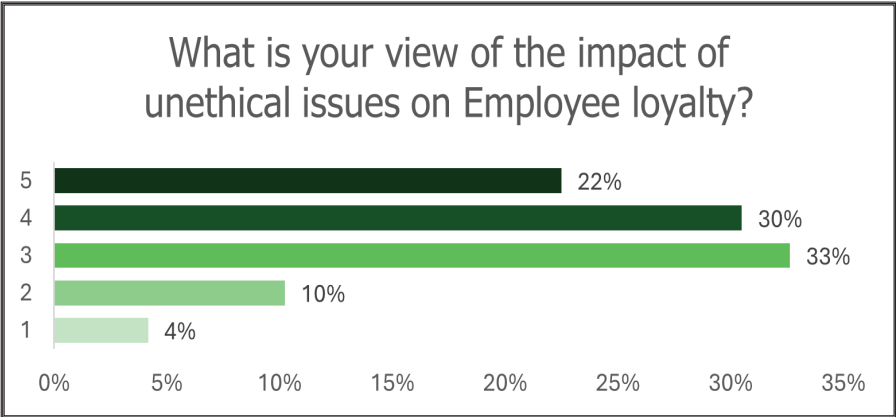
Staff Fraud and Unethical Practices

Staff fraud and other unethical practices pose a significant threat to the integrity and stability of the banking sector. These actions can range from petty theft to sophisticated financial crimes, resulting in substantial financial losses, reputational damage, and a breach of public trust. The 2024 Bank of Ghana Fraud report indicate an alarming 46% cases in staff related fraud. This is quite worrying of an industry expected to uphold trust.

While staff fraud may be occasioned by many factors, employee loyalty or disloyalty is key consideration. This may result from unfair remuneration practices. For example, contract versus non-contract staff. From the Institute’s survey, bankers admit that unethical conduct at every level in banks impacts negatively on employee loyalty.

Addressing staff fraud requires a multi-pronged approach:

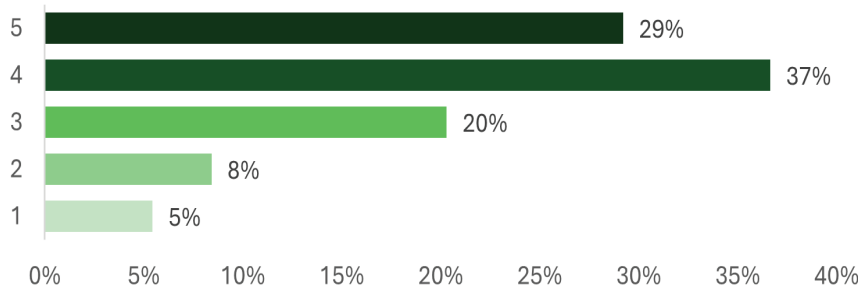
- 1. Strong Internal Controls:** Implementing robust systems and processes to prevent and detect fraudulent activities.
- 2. Ethical Training and Awareness Programs:** Educating staff on ethical principles, code of conduct, and the consequences of unethical behaviour.
- 3. Whistleblowing Mechanisms:** Establishing safe and confidential channels for employees to report suspected wrongdoing without fear of retaliation.
- 4. Fair Compensation and Working Conditions:** Ensuring employees are treated fairly and adequately compensated to reduce the motivation for engaging in unethical behaviour.
- 5. Strong Leadership and Tone at the Top:** Leaders must champion strong ethical conduct and set a clear example for all employees.



Source: CIB Ghana Research and Consulting Department, 2024

52% of middle level managers concur that the unethical conduct highly impacts employee loyalty

What is your view of the impact of unethical issues on Employee loyalty?



Source: CIB Ghana Research and Consulting Department, 2024

66% of senior executives in the banking and financial services industry concur that the unethical conduct highly impact employee loyalty

A pathway forward

For the important socio-economic role of banks, all countries need safe, sound and secured banking systems. If Ghana is to be developed, strong indigenous local champions are required. That is like stating the obvious, albeit this important fact so easily eludes industry players, policy makers, sometimes in pursuit of short-term performance indicators at both micro and macro levels. That is short-termism. Other times, it is the desire of managers of the economy to make the macroeconomic indicators look good at the expense of the micro outlook.

Globally, financial institutions are heavily regulated; and rightly so because of their important utility functions in the economies where they operate. Indeed, the evidence suggests that as a banking industry, we must all commit to doing something dramatic about the state of ethics in our industry, an industry where the currency is trust. But there is much more than regulations and compliance, to creating safe, sound and stable banking systems. In my view, regulators and regulations alone have not prevented financial crises that have happened in the past. I dare say, they will not prevent future ones. This is because the natural factor in banking is people. This is true whether one looks at it from employees or customers' perspective.

The traditional approach to resolving financial crises

In my view, the traditional approach of regulatory compliance is necessary to address immediate crises and to strengthen the regulatory environment. As we have seen the global financial crises of 2008/2009 and in the

banking sector clean-up in Ghana between 2017 and 2019, these crises necessitated more regulation of banks.

In response to past challenges and instances of unethical conduct, traditional solutions in the Ghanaian banking sector have often focused on:

- **Rebuilding Capital:** Injecting capital into struggling banks to improve their solvency and resilience. For example, minimum capital for banks in Ghana was increased to GHS400mn in 2019.
- **Reforming Regulations:** Strengthening regulatory frameworks and enhancing supervisory oversight to prevent future misconduct. For example, Bank of Ghana issued Corporate Governance Directives in 2018.
- **Resolving Banks:** Implementing measures to resolve insolvent banks, such as mergers, acquisitions, or liquidation. For example, a number of banks and Specialised Deposit-Taking Institutions (circa 420) in Ghana were resolved between 2017-2019.
- **Reducing Risk:** Implementing stricter risk management practices and controls across the industry. For example, several regulatory compliance and risk management directives have been issued by Bank of Ghana to banks in response to the banking sector crisis in Ghana.

These regulatory responses often fall short of fundamentally addressing the underlying cultural and ethical issues that contribute to unethical behaviours that lead to the crises. Law and regulation are meant

for men of good conscience. Where good conscience is lacking, it takes one or two evil-minded men to set the laws and rules aside. The heart of man is deceitful and desperately wicked according to the Good Old Book.

A More Sustainable Approach: Dialling Up Ethics

Indeed, President Barack Obama must be right when he addressed the Ghanaian Parliament in 2009 and said that Ghana needed strong institutions not strong men. I think we need both. Both ethically strong men and ethically strong institutions are needed in our country, if the era of impunity or too powerful to regulate individuals must come to an end.

To foster a truly ethical and sustainable banking sector in Ghana, a more proactive and cultural transformation is needed. We need to transform the mindset, the heart-set and the skillset of the Ghanaian. This involves “dialling up” ethics through initiatives that go beyond increasing compliance burden, albeit necessary.

1. Dialling Up Ethics Education: Industry-wide ethics certification programme for banking professionals is currently being spearheaded by Chartered Institute of Bankers, Ghana supported by the Bank of Ghana and Ghana Association of Banks. The programme involves training focused on ethical decision-making, professional conduct, and the values underpinning sound banking practices. Certification must be a prerequisite for all those working in the banking industry. It must be and continue to be part of the Bank of Ghana fit and proper requirement for all those employed in our sector. Annual recertification is required. Sadly, in 2024 only 11 banks enrolled for this programme.

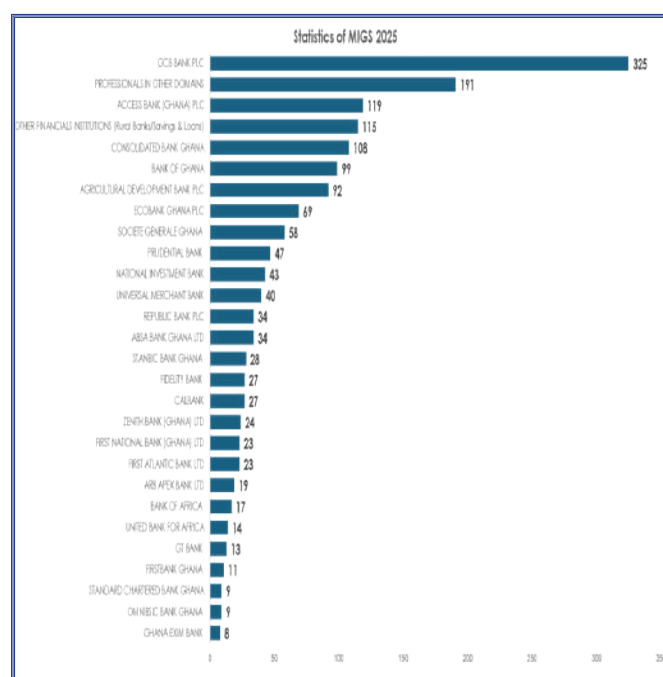
2. Giving Voice to Values (GVV): Encouraging and empowering employees at all levels to speak up when faced with ethical dilemmas. Implementing GVV workshops and training can equip staff with the skills and confidence to challenge unethical practices constructively. This fosters a culture where ethical considerations are actively discussed and addressed. The Ashesi University Honour Code approach may be necessary for not just bankers but for us all as Ghanaians.

3. Financial Literacy and Ethical Consumerism: Promoting financial literacy among the public empowers bank customers to make informed decisions and demand

ethical conduct from financial institutions. Educated consumers are more likely to hold banks accountable for their actions and support those with a strong ethical reputation. Financial literacy, ethical literacy and digital literacy must go hand in hand. Ethical conduct must start from our schools and must be embedded in our curricula at every level. CIB Ghana is already leading the park in this regard through our financial, ethical and digital literacy programmes in secondary schools. So far, over 9000 students have been reached, much more is required.

4. Re-professionalising Banking: Is banking a profession? If the answer is yes, which I suspect it is, then where are the professionals in banking? None of us will go to Korle-Bu and will be happy to see a medical doctor who has no medical education, does not subscribe to a code of ethical conduct of the medical profession. Similarly, I am not aware of lawyers, properly so called, who have no legal education or certified to practice the law in Ghana. How come that in banking, anything goes? Should we therefore be surprised about the unethical issues in our industry. Of course, the Institute must do more to professionalise banking.

That more trusted professionals are needed in the financial sector is stating the obvious. Of the over 27,000 staff working in the banking industry as at 2023 (GH Bankers' Voice), less than 6% are Chartered Bankers in good standing.



5. Collaboration between the Tripod of the Financial Sector: The banking sector rests on a tripod- the regulator (Bank of Ghana), the operators (Banks) and the educator (CIB Ghana). Alignment between these three pillars will be critical to inspire trust back better in the financial sector, of which banking accounts for circa 80% of industry assets.



Conclusion

The economy requires a strong financial sector. Advancing credit to the real sector (SMEs) is an imperative, even at a time of high NPLs. Customer confidence and public trust in the financial sector need restoration. This shift towards a deeply ethical foundation will not only benefit individual institutions but also contribute to a more stable, resilient, and trustworthy financial system for the entire nation. A reset of Ghana will fail without a reset of the financial sector. That reset must be built on strong ethical foundations. And if the foundations be destroyed, what can the righteous do (King James Bible, Proverbs 11:3).





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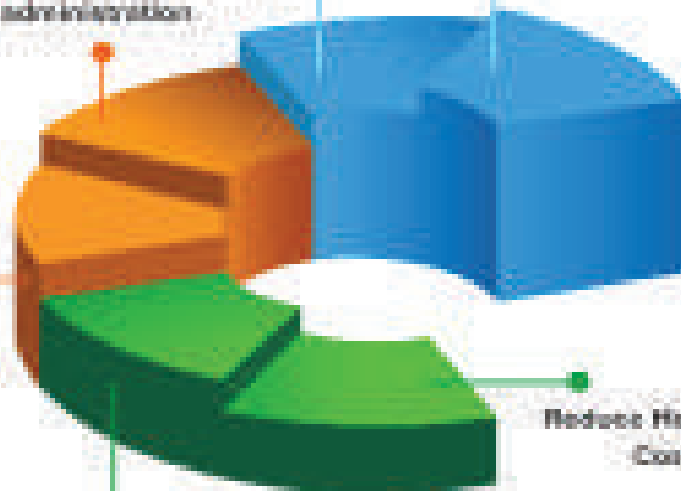
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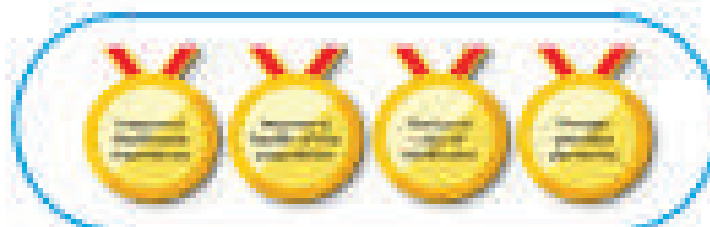


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Strategic Business Solutions for a Resilient Banking Sector: Navigating the Evolving Dynamics in Ghana's Financial Industry

Jonathan Prince Cann

FCCA, MBA, CERM, BCom, Dip. Ed.



Understanding the Evolving Dynamics

Several key factors are reshaping Ghana's financial landscape including:

- **Climate-Related Risks:** Ghana is increasingly becoming vulnerable to climate change impacts, including rising sea levels, extreme weather events, and changes in rainfall patterns. These risks pose significant threats to agricultural lending, infrastructure projects, and the overall stability of the financial eco-system.

- **Sustainable Banking Practices:** Growing awareness of environmental and social issues is driving demand for sustainable financial products and services. Banks are expected to integrate ESG principles into their operations and lending practices.

- **Digital Transformation:** The surge in mobile money adoption, the rise of fintech startups, and the increasing demand for digital banking services are driving a rapid shift towards digital financial solutions. Banks must embrace digital innovation to remain competitive and enhance customer experience.

- **Regulatory Reforms:** The Bank of Ghana's (BoG) ongoing reforms, including the recapitalization

exercise and the implementation of Basel II / III frameworks, aim to strengthen the sector's stability and promote sound risk management practices.

- **Economic Volatility:** Global economic uncertainties, coupled with domestic challenges such as inflation and currency fluctuations, pose risks to the banking sector's performance.

- **Financial Inclusion:** Whilst recognizing the progress being made within the financial industry, significant gaps remain in financial inclusion, in the rural areas and among the underserved population.

- **Cybersecurity Risks:** The increasing reliance on digital technologies has heightened the risk of cyberattacks, necessitating robust cybersecurity measures.

Strategic Business Solutions for Resilience

To navigate these dynamics, Ghanaian banks must adopt strategic business solutions that focus on:

1. Integrating Climate-Related Risk Management

- **Climate Risk Assessment:** Conduct thorough climate risk assessments to identify and quantify the potential impacts of climate change on their loan portfolios and operations.

Ghana's banking sector, a cornerstone of its economic progress, is undergoing a profound transformation. This evolution, driven by technological leaps, regulatory shifts, and changing customer demands, presents both opportunities and challenges. Building resilience in this dynamic environment necessitates strategic business solutions that leverage international best practices, tailored to the unique context of the Ghanaian market, with a critical focus on climate-related risks and sustainable banking practices.

- **Stress Testing for Climate**

Scenarios: Incorporate climate-related scenarios into stress testing exercises to assess the bank's resilience to climate shocks.

- **Develop Climate-Smart Lending**

Policies: Integrate climate risk considerations into lending policies and procedures.

- **Support Green Finance:** Offer financial products and services that support climate mitigation and adaptation projects, such as renewable energy, energy efficiency, and sustainable agriculture.

- **Disclosure of Climate Risks:**

Transparently disclose climate-related risks and opportunities in accordance with international standards, such as the Task Force on Climate-related Financial Disclosures (TCFD).

2. Promoting Sustainable Banking Practices

- **ESG Integration:** Integrate ESG principles into all aspects of the bank's operations, including lending, investment, and procurement.

- **Develop Sustainable Financial Products:** Offer green bonds, sustainability-linked loans, and other sustainable financial products.

- **Support Sustainable Businesses:** Provide financing and advisory services to businesses that are committed to sustainability.

- **Reduce Environmental Footprint:** Implement measures to reduce the bank's own environmental footprint, such as energy efficiency and waste reduction.

- **Community Engagement:** Engage



with local communities to support sustainable development initiatives.

3. Digital Transformation and Innovation

- **Embrace Fintech Partnerships:** Collaborating with fintech startups can accelerate innovation and expand the reach of financial services. This could involve partnerships for mobile lending, digital payments, and other innovative solutions.

- **Invest in Digital Infrastructure:** Banks must invest in robust and secure digital infrastructure to support online and mobile banking services.

- **Enhance Customer Experience:** Digital channels should be user-friendly, accessible, and personalized to meet the evolving needs of customers.

- **Data Analytics and AI:** Leverage data analytics and artificial intelligence to gain insights into customer behaviour, improve risk management, and personalise service offerings.

- **Cybersecurity Enhancement:**

Implement robust cybersecurity measures, including multi-factor authentication, data encryption, and regular security audits, to protect against cyber threats. International best practices like ISO27001 should be considered.

4. Strengthening Risk Management and Compliance

- **Implement Basel II/III Frameworks:** Adhere to the BoG's regulatory requirements and adopt international best practices in risk management, including credit risk, market risk, and operational risk.

- **Enhance Corporate Governance:** Strengthen corporate governance structures and processes to ensure transparency, accountability, and ethical conduct.

- **Improve Credit Risk Management:** Employ robust credit scoring models and risk assessment tools to mitigate credit risk.

- **Anti-Money Laundering (AML) and Know Your Customer (KYC):** Enforce strict AML and KYC procedures to prevent financial crime. Leveraging technology for automated KYC and AML checks is a global standard.

Digital channels should be user-friendly, accessible, and personalized to meet the evolving needs of customers.

• **Stress Testing:** Regularly conduct stress tests to assess the bank's resilience to adverse economic scenarios, including those related to climate change.

5. Enhancing Financial Inclusion

• **Expand Branchless Banking:** Leverage mobile money platforms and agency banking networks to reach underserved populations in rural areas.

• **Develop Tailored Financial Products:** Offer financial products and services that are tailored to the specific needs of low-income individuals and small businesses, including climate-resilient agricultural products.

• **Financial Literacy Programs:** Invest in financial literacy programs to educate customers about financial products and services, including climate risk awareness.

• **Partnerships with Microfinance Institutions:** Collaborate with microfinance institutions to expand access to credit and other financial services.

6. Building Human Capital

• **Invest in Training and Development:** Provide employees with the necessary skills and knowledge to navigate the evolving financial landscape, including climate risk management and sustainable finance.

• **Attract and Retain Talent:** Create a conducive work environment that attracts and retains top talent.

• **Promote a Culture of Innovation:** Foster a culture of innovation and encourage employees to generate new ideas, especially in sustainable solutions.

International Best Practices and Local Adaptation

While adopting international best practices is essential, Ghanaian banks must tailor these practices to the local context. This involves:

• **Understanding the Local Market:** Conducting thorough market research to understand the specific needs and preferences of Ghanaian customers, including their vulnerability to climate risks.

• **Adapting Technology:** Adapting digital technologies to the local infrastructure and connectivity challenges.

• **Building Trust:** Building trust with customers by providing reliable and transparent services, including information on climate risks.

• **Working with Regulators:** Maintaining a close working relationship with the BoG to ensure compliance and support regulatory reforms, especially those related to climate risk and sustainable finance.



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Conclusion

Building a resilient and sustainable banking sector in Ghana requires a proactive and strategic approach. By integrating climate-related risk management, promoting sustainable banking practices, embracing digital transformation, strengthening risk management, enhancing financial inclusion, and investing in human capital, Ghanaian banks can navigate the evolving

dynamics of the financial industry and contribute to the country's economic growth and climate resilience. Continuous innovation, adaptation, and a commitment to international best practices, tailored to the Ghanaian context, will be crucial for long-term success.

Profile of Jonathan Prince Cann

Mr. Jonathan Prince Cann is an astute Management Consultant specializing in Governance, Risk Management and Compliance (GRC). He also has expertise in Organizational & Business Development, supporting SMEs and other corporates in structuring, restructuring, and developing management systems and capacities across various industries.

He is a Chartered Accountant by profession and holds an MBA in Financial Services from the University of East London (UEL) and a Bachelor of Commerce (BCom) from the University of Cape Coast (UCC), Ghana. He also holds several professional certifications in ISO Standards and Risk Management.

Mr. Cann is the founder and Managing Director of JPCann Associates Limited and its subsidiaries, a management consulting firm headquartered in Accra, Ghana. The firm specializes in business advisory, business process outsourcing, and training & capacity building.

In the financial sector in Ghana, Mr. Cann was appointed as the new Board Chairman of Republic Bank (Ghana) PLC effective February 20, 2025, following the approval of the Bank of Ghana. He had joined the Board in June 2024 as an Independent Non-Executive Director of Republic Bank (Ghana) PLC. He served as Chair of the Audit Committee. His appointment is seen

as a move to strengthen corporate governance and drive sustainable growth within the bank.

In 2022, he was recognized as the 'Outstanding Business Leadership Personality of The Decade – Management Consultancy' at the National Brands Innovation Awards.



The need for regulatory restructuring and policy reforms in the banking sector.

Janet E. A. Damalie & Hannah A. Tutu



23 savings and loans companies, and 347 microfinance institutions, cumulatively impacting over 4.6 million depositors and freezing assets exceeding GH¢11 billion. These failures, far from isolated incidents, highlight structural deficiencies in the country's regulatory architecture and the urgent need for comprehensive reforms.

The financial sector cleanup that began in 2017 revealed long-standing governance failures, regulatory forbearance, and political interference. Notable among these was the unravelling of Capital Bank and UT Bank, both of which had operated with significantly impaired capital for years. Investigations by the Bank of Ghana (BoG) cited insider lending, falsified accounts, and regulatory non-compliance as key drivers of their collapse.

Similarly, the Securities and Exchange Commission's delayed response to the insolvency of Gold

Introduction

The banking sector has been one of the main drivers of boosting economic growth in the country. The Bank of Ghana is the regulator of this industry. According to the Bank of Ghana Act, 2002 (Act 612) as amended and Banking Act, 2004 (Act 673), the Bank of Ghana has the mandate to:

1. Regulate, supervise and direct the banking and credit systems to ensure the smooth operation of a safe and sound banking system.
2. Consider and propose reforms of the laws relating to banking business.

As such, the Bank of Ghana is responsible for ensuring that the financial system in Ghana is stable to ensure it serves as a facilitator of

wealth creation, economic growth and development. These mandates are provided in the Constitution of Ghana and the Bank of Ghana Act, 2002 (Act 612) as amended. Over the past decade, Ghana's financial sector has wavered between expansion and crisis, marked by episodes of systemic regulatory failures which has exposed the fragility of oversight institutions. Between 2017 and 2019 alone, Ghana witnessed the collapse of nine universal banks,



Coast Fund Management (now Black Shield Capital) left over 55,000 investors stranded, some of whom had retirement savings trapped in speculative fixed-income products. The regulator's lack of early intervention and weak investor education mechanisms contributed to a widespread loss of confidence in the capital markets.

Ghana's regulatory bodies continue to struggle with inadequate resources, both in staffing and technological capacity. A 2022 IMF diagnostic study revealed that only 42% of licensed financial institutions had undergone full on-site inspections in the previous three years - a glaring gap in oversight. This lack of rigorous supervision has allowed weak and insolvent institutions to operate unchecked, often until it is too late for corrective action. Compounding the problem is the risk of regulatory capture, particularly in cases where politically connected financial entities delay or evade scrutiny. Without timely interventions, these vulnerabilities fester, ultimately leading to systemic instability, as witnessed in the banking sector clean-up of 2017–2019.



The lack of a cohesive regulatory framework means risks can go undetected until they escalate into a full-blown crisis.



The regulatory landscape in Ghana is crowded, with multiple agencies- including the Bank of Ghana (BoG), the Securities and Exchange Commission (SEC), the National Insurance Commission (NIC), and the National Pensions Regulatory Authority (NPRO) - operating with overlapping and sometimes conflicting mandates. This fragmentation has created jurisdictional ambiguities, leaving gaps that some institutions exploit for regulatory arbitrage. For instance, certain fintech firms have engaged in quasi-banking activities without clear licensing, operating in a grey area between banking and mobile money regulations. The lack of a cohesive regulatory framework means risks can go undetected until they escalate into a full-blown crisis.

Current supervisory approaches remain overly compliance-focused rather than risk-sensitive. While larger banks undergo periodic stress tests, many non-bank financial institutions (NBFIs)- which hold nearly 20% of the financial sector's assets- operate with minimal forward-looking risk assessments. Thin capitalization, weak governance, and inadequate liquidity buffers make these institutions particularly vulnerable to shocks. Without robust scenario analysis and proactive stress testing, regulators are often caught off guard by failures, as seen in the collapse of several savings and loans companies and fund management firms in recent years.

Further, the slow pace of justice in financial crimes further undermines regulatory effectiveness. As of 2024, less than 30% of cases filed against directors of collapsed institutions had reached a conclusive judgment, prolonging uncertainty for depositors and investors. Asset

recovery processes are equally sluggish, with some depositors waiting years for reimbursements. These delays erode public trust in the financial system and weaken deterrence against malfeasance. Without expedited court processes and stronger enforcement mechanisms, regulatory actions will continue to lack the necessary teeth to prevent future crises.

The scars from the 2017–2019 banking crisis are still visible. Depositors lost life savings. Investors were left adrift. Institutions once seen as stable crumbled under the weight of poor governance and regulatory complacency. These challenges highlight the urgent need for a regulatory overhaul— one that strengthens supervision, clarifies mandates, enhances risk monitoring, and ensures swift justice. Without these reforms, Ghana’s financial sector will remain vulnerable to recurring instability, with severe consequences for economic growth and public confidence.

To unlock the potential of Ghana’s banking sector, it is essential to address these regulatory bottlenecks. By tackling the constraints identified above, the sector can be better positioned for growth, leading to enhanced financial inclusion, reduced cost of credit, and greater overall socio-economic impact. Here are some proposed solutions:

1. Streamlining Regulatory Oversight:

A consolidated regulatory body could address the fragmentation in the regulatory landscape, creating a more coherent and unified system of oversight. This regulatory consolidation could follow models such as the “Twin Peaks” system used in Australia,

which clearly separates prudential supervision from conduct and consumer protection.

2. Adopting Modern Regulatory Tools and Approaches:

The Bank of Ghana should embrace technological advancements and invest in modern tools to monitor and supervise financial institutions. This could include the use of AI and data analytics to predict financial risks, automate compliance checks, and improve decision-making processes. This would enhance the

Bank of Ghana’s ability to regulate effectively while reducing the administrative burden on banks.

3. Regulating Emerging Technologies:

As the Bank of Ghana prepares to implement regulations on cryptocurrency trading, it must also prioritize the regulation of AI-driven services and fintech solutions. Clear guidelines should be developed to govern digital assets, ensure consumer protection, and

Without expedited court processes and stronger enforcement mechanisms, regulatory actions will continue to lack the necessary teeth to prevent future crises.

safeguard against illicit activities such as money laundering and fraud.

4. Lowering the Cost of Credit:

To make credit more affordable for businesses, especially SMEs, the Bank of Ghana can consider introducing interest rate caps, promoting competition within the banking sector, and encouraging innovative financial products tailored to underserved segments. Additionally, regulations supporting digital financial services could help drive down transaction costs and improve financial inclusion, ultimately benefiting traders and small businesses.

5. Enhancing Enforcement Mechanisms:

The regulatory framework should include more robust enforcement mechanisms to ensure that financial institutions adhere to compliance standards. This can include the establishment of specialized courts or fast-track

procedures to deal with financial crimes and the introduction of more severe penalties for violations.

While the 2017–2019 reforms were essential in averting a full-scale systemic collapse, they were inherently reactive. Ghana now stands at a critical juncture where only deep structural reforms can anchor long-term stability.

A resilient financial sector is foundational to inclusive economic growth, efficient capital allocation, and macroeconomic stability. The cost of regulatory complacency is unacceptably high. With the AfCFTA expanding trade volumes and digital finance disrupting traditional models, Ghana must realign its regulatory framework to meet the demands of a rapidly evolving financial ecosystem. The time for fragmented interventions is over; systemic resilience requires bold, coordinated reform.



In addition to addressing the existing challenges, Ghana must also look to the future of banking by focusing on emerging trends such as cryptocurrency trading, artificial intelligence (AI), and anti-money laundering (AML) frameworks. The regulatory framework must evolve to accommodate these innovations while ensuring that the financial system remains secure and transparent.

Cryptocurrency Regulations:

As the Bank of Ghana rolls out cryptocurrency regulations, it is important to create a legal and regulatory framework that not only protects consumers but also allows innovation to thrive. Clear policies on the taxation of digital currencies, anti-money laundering (AML) controls, and the integration of digital currencies into the formal financial system will ensure that the sector develops in a safe and regulated environment.

Artificial Intelligence in Banking: AI has the potential to revolutionise

the banking sector by improving decision-making, enhancing risk management, and automating customer services. However, regulators must ensure that AI technologies are used ethically, with robust safeguards to protect data privacy and prevent discrimination. Regulations that promote transparency in AI algorithms and ensure accountability for their outcomes will be vital for fostering trust in AI-driven banking services.

Anti-Money Laundering (AML) and Digital Finance: As financial transactions increasingly move online, there is a need to strengthen anti-money laundering regulations and the enforcement of KYC (Know Your Customer) standards. The Bank of Ghana should consider integrating blockchain technology into its regulatory framework, which offers enhanced transparency and traceability of transactions, to better combat money laundering and illicit financial flows.

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A large offshore oil rig is shown in the foreground, with its complex steel structure and platforms extending over the ocean. A crane arm is visible on the left side of the rig. The background features a vast blue sea and a sky filled with soft, white clouds. The overall scene conveys a sense of industrial scale and maritime operations.

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STRENGTHENING GHANA'S BANKING SECTOR: THE VITAL ROLE OF INSURANCE

Lena Adu-Kofi

BA, JD, LUTCF, HFCIIG



1.0 Introduction

Insurance may commonly be viewed as an arrangement by which a company or the State undertakes to provide a guarantee of compensation for specified loss, damage, illness, or death in return for payment of a specified premium. Banking, on the other hand, refers to the system of financial institutions, like banks and credit unions, that provide financial services, including accepting deposits, lending money, facilitating transactions, and offering various financial products. In Ghana, the banking sector is regulated by the Bank of Ghana (BoG), and comprises commercial banks, which are licensed to conduct the business of banking, and non-bank financial institutions, which are licensed to conduct business of a financial nature, under the Banks and Specialised Deposit-Taking Institutions Act, 2016, Act

930. The insurance sector, on the other hand, is regulated by the National Insurance Commission (NIC), and it is made up of insurance, reinsurance companies, and insurance intermediaries that are licensed under Ghana's Insurance Act, 2021, Act 1061. In Ghana's regulatory framework for the insurance sector, health insurance is overseen by a separate national body—the National Health Insurance Authority—established under the National Health Insurance Act, 2012 (Act 852).

The insurance and banking sectors are increasingly getting intertwined, with banks offering insurance products and insurance companies acting as financial intermediaries, leading to a complex nexus of risk management, financial stability, and economic growth.

2.0 The Role of Insurance in Strengthening the Banking Sector

The insurance sector plays a crucial role in enabling the banking sector to fulfill its responsibilities within the Ghanaian economy. It provides essential risk-mitigating solutions to help banks manage the significant exposures they face. Handling money or engaging in trade inherently involves risk, and effective management of these risks is vital to maintaining public trust and business sustainability.

Risk Management

Risk management is the process of identifying, evaluating, and controlling potential risks that could affect a company's operations, earnings, and capital. An effective risk management strategy involves risk mitigation (Ahmed, 2017). Banks face various risks



Handling money or engaging in trade inherently involves risk, and effective management of these risks is vital to maintaining public trust and business sustainability.

such as hazard risk, operational risk, credit risk, and many others. If these risks are not properly managed, they could lead to the downfall of a successful banking business in Ghana. Fortunately, the insurance industry plays a crucial role by offering traditional insurance products that provide essential protection against these risks.

Hazard risk in banking typically stems from physical threats that can cause direct damage to a bank's property, operations, personnel, or assets. These risks include events like fires, natural disasters, cyberattacks, terrorism, and other dangerous situations or potential harm related to internal processes, bank buildings, systems, or external events that could disrupt operations and result in financial losses. To mitigate hazard risks, the insurance industry offers various coverage options for banks, including Assets All Risks Insurance and Fire and Allied Perils (covering risks such as fire, flood, earthquake, storm, vandalism, etc.) to protect assets like buildings, branches, ATMs, equipment, and furnishings. Other available coverages include Electronic Equipment Insurance, Motor Insurance, Business Interruption (BI) Cover, Cyber Insurance, Crime Insurance, and Bankers Blanket Bond (BBB) with Professional Indemnity. Additionally, Public Liability insurance is offered to protect third parties who visit the bank.

Operational risk in banks refers to the potential for loss arising from

errors, disruptions, or damages caused by people, systems, or processes. Banks face various operational risks, including cyber threats, system failures, fraud, and employee errors. To mitigate these risks, the insurance sector offers products like Cyber Liability Insurance, Bankers Blanket Bond (BBB), Professional Indemnity Insurance, Business Interruption Insurance (BI), Directors and Officers Liability Insurance, and Keyman Insurance. Additionally, for worker-related injuries, policies like Workmen's Compensation Insurance, Group Life Insurance, and Health Insurance are offered. These coverages provide financial protection against disruptions, ensuring business operations continue smoothly and helping banks manage risks without incurring significant losses.

Credit risk is a major challenge for banks, especially when it comes to loans and advances. Insurance

products such as credit insurance, loan protection schemes, mortgage insurance, guarantees, and surety bonds play a vital role in mitigating the risk of borrower defaults and their underlying causes. By safeguarding banks against these defaults, these products help alleviate financial strain during periods of economic instability, ensuring the smooth operation of banks. Additionally, insurance contributes to boosting consumer confidence in the banking sector.

Boosting Consumer Confidence

Insurance plays a crucial role in strengthening customer confidence in the banking sector by promoting trust and security. This is achieved through various product offerings that protect customers' deposits and ensure business continuity for banks in the event of a claim. For instance, customers are more likely to trust that their funds are safe if they know that their banks have cyber insurance and a Bankers Blanket Bond (BBB) in place to safeguard their savings. Additionally, insurance policies that cover outstanding mortgage or loan payments in the event of death or permanent disability



help reassure customers that their families will not face financial hardship. In Ghana, all deposits held by banks and Specialised Deposit-Taking Institutions (SDI) licensed by the Bank of Ghana are insured, except for those that fall under the exclusions outlined in Section 13 of Act 931, as amended (Ghana Deposit Protection Corporation, 2025). This system encourages public trust in banks, promotes financial stability, and helps prevent panic withdrawals during periods of economic instability.

Banks partner with insurance companies through Bancassurance to serve as distribution channels for products such as life, accident, health, property, motor, loan protection, and travel insurance. These product offerings provide additional security for customers, such as mortgage insurance that protects both parties in the event of death or loss of income, thereby enhancing customer experience and fostering loyalty.

Financial Stability

Insurance plays a crucial role in ensuring the financial stability of the banking sector by assisting banks in managing both individual and corporate risks. This starts with banks purchasing necessary insurance policies to cover various potential risks. These policies help banks protect their capital reserves by transferring large, unexpected risks through reinsurance, ensuring they maintain sufficient capital levels. Insurance also acts as a safety net, enabling banks to continue operations without depleting their reserves. In the event of external disruptions such as political instability, natural disasters, or economic shocks, insurance helps banks recover and maintain stability. The loss of assets

by a bank can impact its capital adequacy, portfolio at risk, and cash flows, potentially sending a negative signal to the market. This was evident in Ghana after the June 3, 2015, Flood Disaster (Asumadu-Sarkodie, Owusu, & Rufangura, 2015) and during the Financial Sector Clean-Up Exercise of 2017-2019 (Kwami, 2023).

According to the Bank of Ghana, a key factor in stabilising the financial sector of Ghana during the recent banking crisis (2017-2019), was the resilience and improved performance of the insurance industry (See Bank of Ghana, 2023: 17). Apart from the industry saving its client base with strict contract-retention and life product non-variation directives, enough reserves were strictly maintained in the system to cushion financial stability (See Bank of Ghana, 2023: 17-18). The net effect of these intentional measures was to shore up confidence in the banking and financial sectors to forestall collateral damage in the financial sector of Ghana (Ministry of Finance, 2023). Insurers also help the banking industry and the wider economy to achieve **Financial Inclusion**.

Financial Inclusion

Financial inclusion is the availability and equality of opportunities to access financial services. According to the World Bank, “financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs - transactions, payments, savings, credit and insurance - delivered in a responsible and sustainable way” (World Bank Group, 2025). Affordable financial products and services - such as

transactions, payments, savings, credit and insurance - help people manage risks, build wealth, and invest in businesses. Inclusive insurance and risk-financing approaches are designed to make financial protection accessible to underserved populations to bolster their resilience against various risks arising from natural disasters and economic shocks.

In Ghana, low-income earners are often concerned about the safety of their money in banks, especially after the forced closure of several financial institutions between 2017 and 2019. (Bank of Ghana, 2019). Insurance helps alleviate these fears and uncertainties by providing a hedge against potential risks. When consumers and depositors are assured of the partnership between banks and insurance companies to protect their deposits and financial investments, they are more likely to continue doing business with the banks. This increased consumer confidence fosters greater financial inclusion, assuming other factors remain constant (Sammy, 2024). The synergistic relationship



between insurers and banks also helps the banking sector bridge the gap and reach the low-income population through *Microinsurance*.

Bridging the Gap to Reach Low Income Population Through Microinsurance Products

Microinsurance is insurance specifically designed to protect low-income individuals and households, offering affordable coverage for common risks like illness, injury, or death, and is typically delivered through easily understood contracts and efficient channels (Dror & Piesse, 2014). Through microinsurance, affordable and accessible insurance products are offered to low-income individuals, helping them cover health, life, and agricultural risks. By partnering with insurance companies, banks provide bundled products that combine banking services with insurance coverage, such as life, accident or health insurance alongside savings accounts and loans. This approach not only improves access

to insurance but also encourages financial literacy and inclusion, helping individuals engage with both the banking and insurance systems.

In Ghana, microinsurance has seen rapid growth over the past decade as more and more insurance providers have expanded their services to the low-income market. And in this, the collaboration between banks and insurance companies is commendable. For instance, Opportunity International and The Development Bank of Ghana (DBG) have devised a collaborative scheme to support farmers in Ghana. Alongside its local offshoots of Opportunity International Savings and Loans Limited and Sinapi Aba Savings and Loans Limited, microinsurance and microfinance services are being rendered to connect more than 1.5 million clients with savings accounts or microloans; provide loans to over 5,000 low-cost non-government, reaching 1.4 million children; and support over 250,000 smallholder farmers (See Opportunity International, 2025).

or life insurance alongside their banking services. Additionally, collaboration allows banks and insurance companies to reach underserved populations, especially the unbanked, by using mobile agency banking platforms to deliver insurance products in rural areas where access to traditional banking services is limited.

3.0 Conclusion

In developing economies, strategic partnerships between bankers and insurers can significantly boost financial inclusion, economic growth, and effective risk management.

Insurance plays a pivotal role in strengthening the banking sector in Ghana today by mitigating risks, ensuring financial stability, and enhancing consumer confidence. Through strategic partnerships and the provision of comprehensive insurance products, banks can better manage operational, credit, and hazard risks, which help protect their capital and ensures business sustainability. Moreover, insurance products offer customers added security, fostering trust and encouraging financial inclusion, particularly among underserved populations. By continuing to collaborate and innovate, the banking and insurance sectors can work together to create a more resilient and inclusive financial system, driving growth and stability in the banking sector ultimately (Bhave, 2014; Maison & Maison, 2019). Banks are the prominent face of Ghana's financial sector. However, to instill greater confidence in the public regarding financial products, collaborative offerings between insurers and banks can enhance financial inclusion and expand market reach as espoused in this paper.

Diversification of revenue streams through collaboration

Banks and insurance companies are expanding their customer base and diversifying revenue streams through partnerships and collaboration. By offering insurance products such as mortgage insurance, credit life insurance, and health insurance, banks can provide more comprehensive services and differentiate themselves in a competitive market. These partnerships also create opportunities for cross-selling, where banks offer insurance products like loan protection



4.0 Recommendations

This paper recommends regulatory flexibility, collaborative banking, joint-public financial education, and consumer sensitisation, along with customised products to meet the unique needs of Ghanaian financial consumers. Regulatory flexibility allows agencies to assess and adjust rules to minimise burdens while achieving their goals. Collaborative banking fosters partnerships between banks, insurers, and other stakeholders to strengthen the ecosystem and expand the market. Joint-public financial education and consumer sensitisation enhance consumer protection, especially in digital contexts, by improving disclosures, complaint handling, and financial literacy. Ultimately, collaboration between the insurance and banking sectors will support economic growth and stability in Ghana.

Profile of Author:

Mrs. Lena Adu-Kofi brings over 38 years of experience in management, leadership, and the insurance industry. She is the co-founder and CEO of Safety Insurance Brokers Ltd (SIBL). Mrs. Adu-Kofi made history as the first woman to be licensed as an insurance broker in Ghana and the first female president of the Insurance Brokers Association of Ghana (IBAG). She was also honored as one of the AIO-PILA Top50 women in insurance in Africa 2022. She holds a BA in Social Science from Kwame Nkrumah University of Science & Technology, as well as a Juris Doctor of Law (JD) from New England Law | Boston, MA, USA. Additionally, she is a Life Underwriter Training Council Fellow (LUTCF) and an Honorary Fellow of the Chartered Insurance Institute of Ghana (HFCIIG). Mrs. Adu-Kofi

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Historical Economic Challenges, Post-2018 recapitalization and Strategies for overcoming uncertainties.

Dr. Sam Mensah

Chief Executive Officer, SEM Capital



Commission, both of which have resulted in significant losses in the values of financial assets held by institutional and individual investors.

Historically, the sector has evolved through phases of development usually through government-supported reform and developmental initiatives. The sector has evolved through a dialectical process whereby the status quo becomes unsustainable, leading to reforms and stabilization.

dealt with through well targeted reforms. After taking stock of where we are in the development of the sector, we proffer some thoughts on some short- and medium-term interventions to address the current challenges, borrowing from historical experience.

The financial sector of Ghana has evolved in reasonably distinct phases as follows:

1. The Colonial Era (prior to 1957)
2. The Centrally Planned Economy (1957-1987)
3. Financial Sector Adjustment Plan and Liberalization (1988 – 2017)
4. Financial Sector Clean-Up (2017 – 2022)

Financial markets are essential to facilitate the efficient allocation of capital to the real economy either directly or through intermediaries. For savers, markets provide higher risk-adjusted returns allowing for the accumulation of wealth. For governments and companies, issuance of securities provides an efficient alternative to bank borrowing for short-term working capital needs and long-term fixed investment in infrastructure and business expansion.

Currently, Ghana's financial system is challenged in many ways. Key among the challenges is a low level of trust in the system resulting from the Domestic Debt Exchange Program (DDEP) and a marked-to-market directive issued by the Securities and Exchange

The process of reform led by government has worked very well. However, there has not been a holistic look at the sector since the Financial Sector Strategy (FINSSP) II ended in 2016. This paper documents the evolution of Ghana's financial sector and shows how the historical challenges been



The Colonial Era

During this era, the colonial government restricted itself to monetary stability, and monetary growth was tied to export performance. Banking was established with the object of providing banking services for the British trading enterprises and the British Colonial Administration. Prior to 1958, the West African Currency Board (WACB) functioned as a central bank, operating a Sterling Exchange Standard through a guaranteed convertibility of the West African pound to sterling. There were no exchange controls. The WACB did not have any central banking functions. It did not exercise control over the volume of currency or issue; nor could the Colonial Administration exercise any control over the currency supply. It invested its surpluses in approved sterling securities. There were virtually no non-bank financial institutions. While there were insurance companies, they were established by British companies, trading houses and banks to support their trade with the U.K. The focus of the industry was generally on commercial risk coverage. There was no life insurance industry. In summary the colonial financial system played a passive and limited role in promoting economic development.

Until 1952, the two main banks in the then Gold Coast were Barclays Bank and Standard Chartered Bank. In 1952 the colonial government created the Bank of the Gold Coast (later to be re named Ghana Commercial Bank). The rationale for creating the bank was to have a bank that would cater to indigenous businesses.

In the early 1960s, the government promoted the establishment of

development banks in response to the view that commercial banks – with their policies of “borrowing short and lending short” were not suited to the task of mobilizing funds to finance medium and long-term investments for a rapidly developing economy. The National Investment Bank, Agricultural Credit and Cooperative Bank (subsequently renamed Agricultural Development Bank) and Bank for Housing and Construction were incorporated to undertake the financing of specific projects in industry. The Merchant Bank was established in 1972 to offer one-stop corporate banking services including providing venture capital, term lending to the corporate sector, dealing in stocks and shares, financing of imports and exports and financial consultancy and advisory services. The development banks obtained long-term credit from the Bank of Ghana to support their lending operations. In addition, the Bank of Ghana provided credit guarantees to the banks to cover loans and advances to industrial and agricultural enterprises.

The Centrally Planned Economy

In the immediate post-independence era, the government of Kwame Nkrumah adopted a socialist development strategy under which the state was to be predominant in all aspects of economic policymaking and implementation. For the financial sector, the key developments were a comprehensive system of import licensing, quantitative restrictions on interest rates and forced lending programs, including requirements for banks to lend to sectors of the economy that were considered priority sectors by the government.

From a regulatory perspective the following developments were taking place:

1. The Bank of Ghana became the pivot of all international banking activities,
2. The Bank of Ghana was empowered to set ceilings on advances or investments by commercial banks.
3. New credit control measures were introduced in 1964 to control and direct the granting of credit to be in accordance with the government's economic policy.

For nearly three decades after independence, Ghana's financial system was bank dominated with the non-bank financial sector was relatively undeveloped. The State Insurance Corporation (SIC) was set up in 1962 and given a monopoly over the government sector. The National Trust Holding Company (NTHC) was established by legislative instrument in 1976 to operate as a national mutual fund to be used to support the government's indigenization

program. NTHC acquired the shares of foreign companies and sold them to Ghanaians in what was essentially an over-the-counter market, the first and only one of its kind in Ghana at the time.

The financial sector was adversely affected by the regime of state control as indicated by the following:

- The majority of banking institutions were either directly fully owned by the state or indirectly by agencies of the state.
- Nearly 70% of the credit granted by the banks was earmarked either to meet the Public Sector Borrowing Requirement or to satisfy the credit requirements of the state enterprises. Credit for the private sector was less than one-third of the total.

Evidence of financial repression was reflected in the following.

- The high inflation rate had eroded the capital base of most banks.
- Demand deposits constituted 64% of total deposits, thus constraining long-term lending.

- Banking system net assets / gross domestic product (GDP) declined from 0.25 in 1970 to 0.16 in 1983.
- M2 / GDP declined from 0.19 in 1970 to 0.13 in 1983.

By 1983, the large state-owned enterprises had run up large overdrafts, most of which had become non-performing with the state banking institutions

The Financial Sector Adjustment Plan and Liberalization 1988-1997

By the late 1980s, the World Bank and the Ghana Government had agreed that a reform and restructuring of the financial system was indispensable to a successful economic recovery program. With technical and financial assistance from the World Bank, the government embarked upon a far-reaching financial sector reform program, the Financial Sector Adjustment Plan in 1988, as part of an economywide Structural Adjustment Plan (SAP). For the financial sector, the objectives of the program were to:

- undertake the restructuring of financially distressed banks.
- enhance the soundness of the banking system through an improved regulatory and supervisory framework.
- improve the mobilization and allocation of financial resources – including the development of money and capital markets; and
- promote the development of non-bank financial institutions.

A follow-up Financial Sector Adjustment Programme – known as

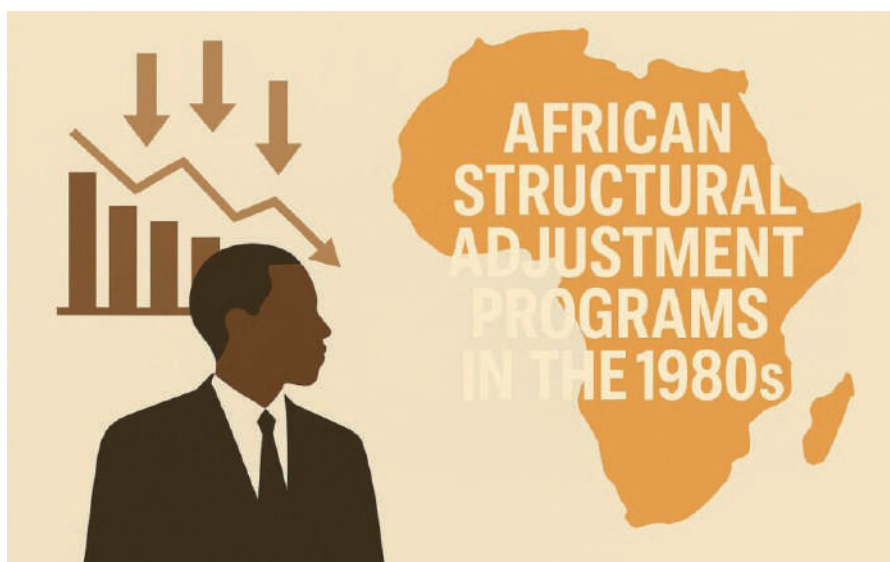
FINSAC II – was launched in 1989 to deepen the initial reforms. Its objectives were:

- To reduce state shareholding in Ghanaian banks.
- To intensify the recovery of non-performing loans by the Non-Performing Assets Recovery Trust; and
- To enhance the effectiveness of a broad range of non-bank financial institutions

By 1990, the FINSAP/FINSAC programs started showing some good results. Banks were meeting capital adequacy standards because of recapitalization and offloading of non-performing assets. The privatization of state-owned banks was underway. The Social Security Bank (SSB) was listed on the Ghana Stock Exchange in 1995. Prior to that, in 1994, another state-owned bank, the National Savings and Credit Bank had been merged with SSB. Ghana Commercial Bank, the largest of the state-owned banks, was listed on the Ghana Stock Exchange in May 1996.

As a follow-up to FINSAP, the Financial Sector Strategic Plan (FINSSP) was launched in 2003 for implementation through 2008. Unlike FINSAP which was primarily a structural adjustment plan, FINSSP went beyond the reforms of FINSAP and articulated a far-reaching vision for the financial sector. FINSSP envisaged a financial sector that would be:

- Efficient in the mobilization and allocation of funds from savers to users
- Fully integrated with the global financial system
- Supported by a regulatory system that provides participants with a high degree of confidence.



To realize this vision, five key objectives were identified:

- To be the preferred source of finance for domestic companies
- To promote efficient savings mobilization
- To enhance the competitiveness of Ghana's financial institutions within a regional and global setting.
- To ensure a stronger and more facilitative regulatory regime
- To achieve a diversified domestic financial sector within a competitive environment.

The FINSSP objectives were translated into 98 recommendations for implementation. A new Financial Sector Division was established at the Ministry of Finance to oversee the implementation of FINSSP. Development partners were mobilized to provide implementation support. An impact Assessment of FINSSP prepared by PriceWaterhouseCoopers in 2009 noted the following achievements of FINSSP I:

1. The banking system witnessed significant changes in the size, structure, outreach and financial health during 2003 - 2008. Nominal

assets of the banking sector registered almost a three-fold increase to reach GH¢10,692 million in 2008, up from GH¢2,467.59 million in 2003, showing a robust average annual growth rate of 55.5 %, which outpaced the annual growth in nominal GDP. Concomitantly, the banking sector assets-to-GDP ratio grew from about 37 % in 2003 to 62 % in 2008.

2. Various indicators of bank concentration showed that during the period 2003-2008, there was a decline in bank concentration, decreasing market power and increasing bank competition.

3. During this period, bank branch expansion showed an annual average growth of 15.7%. Bank penetration increased by 11.4 branches per million population, meaning that banks were better placed to serve their clients.

4. The insurance industry in Ghana showed consistent progress during 2003 - 2008 spurred on by macroeconomic stability, higher economic growth and continuation of the implementation of FINSSP. This improvement was clearly visible in the exceptional growth of the insurance industry in terms of

numbers of companies, insurance brokerages and premium growth for all classes of insurance.

As at the end of 2008, an estimated 80% of the FINSAP I recommendations had been implemented. A significant area of change has been the rapid growth of non-bank financial institutions. From 1987, several nonbank financial institutions were licensed as discount houses, finance houses, leasing and hire purchase companies, venture capital funds, mortgage finance companies, savings and loan companies, stock exchange and stock brokerage companies. In 1993, the Financial Institutions (Non-Banking) Law was passed to provide a legal framework for the emerging non-bank financial institutions.

In November 1990, trading commenced on the Ghana Stock Exchange. Legislation was passed in 1993 to cover all facets of the securities industry. Prior to the enactment of the Securities Industry Law, 1993 (PNDCL 333) [SIL], dealings in securities were unregulated unless the dealer was a company, in which case the Companies Code, 1963 (Act 179), applied; or the dealings occurred on the Ghana Stock Exchange where regulations had been enacted to regulate trading and the conduct of members of the Exchange.

Although the stock market had been established, the notable absence of the trading of bonds was a source of concern. The government's borrowing needs were being satisfied mainly through 91-Day Treasury bills which provided no possibilities for long-term portfolio planning. The lack of long-term instruments meant weekly rollovers of the

government's treasury bills at increasingly higher interest costs to the government. Businesses also had no access to long-term funds. In response these needs, the then Minister of Finance Hon. Yaw Osafo-Mafo established the National Bond Market Committee, a technical committee to prepare recommendations for activating a bond market leading to the first major bond issue, the Government of Ghana Index Linked Bond in 2001.

Following the success of FINSSP I, FINSSP II was launched in 2012 to be implemented over a five-year period (2012-2016). FINSSP II was focused on addressing the problems of the banking industry which included:

- Low banking depth
- Low ratio of private sector credit to GDP
- Low access to banking especially by SMEs and the informal sector
- High lending rates
- Negative real deposit rates

Unlike the FINSAP, FINSAC, and FINSSP I, FINSSP II did not get the same implementation support from the Ministry of Finance and development partners. However, by the end of 2016 Ghana had a well-diversified financial system as indicated in the table below.

Financial Institutions as at December 2016	Number of Firms
Banking Sector	
Deposit money banks	33
Non-Bank Financial Institutions	64
Rural & Community Banks	141
Microfinance Institutions	564
SECURITIES	
Broker-Dealers	26
Fund Managers	145
Collective Investment Schemes	53
INSURANCE	
Non-Life	27
Life	24
Reinsurance	3
Brokerage	78
PEINSIONS	
Corporate Trustees	19
Pension Fund Managers	75
Custodians	17

Table 1 Financial Institutions as at December 2016

The Financial Sector Clean-Up

Despite the proliferation of financial institutions, all was not well with the sector. Not surprisingly, the Finance and Insurance component of GDP registered negative growth of -17.7% and -8.2% in 2017 and 2018 respectively compared to economywide GDP growth rates of 8.1% and 6.2% (figure 1). This reflects the period during which licences of several banks, finance houses, savings and loans and microfinance institutions were revoked.

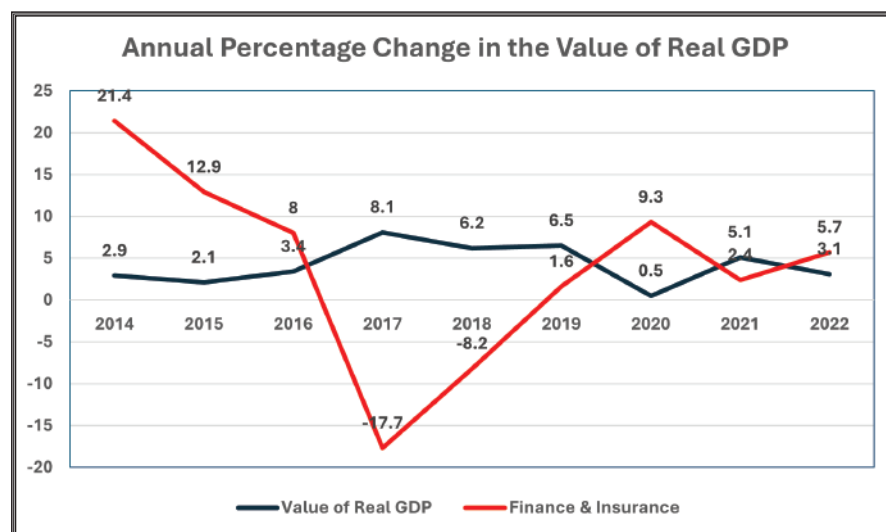
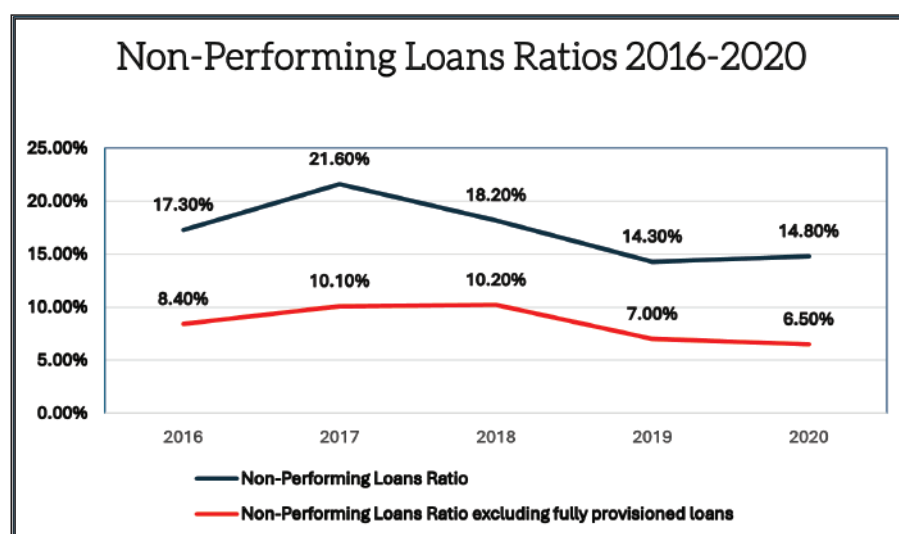


Figure 1 Annual GDP Growth Rates

Asset quality reviews indicated depreciating asset quality and a number of banks were fingered as being illiquid, insolvent or both. In 2017, non-performing loans ratio in the banking sector had reached a high level of 21.60%. (Figure 2).

At this time the attention of regulators had shifted to failing banks and other financial institutions.



In August 2017, the Bank of Ghana (BoG) took over UT Bank and Capital Bank due to severe impairment of their capital. The central bank cited liquidity challenges and a significant capital deficit as the reasons for their insolvency. Subsequently, the assets and liabilities of these banks were transferred to GCB Bank Limited under a purchase and assumption agreement.

The Bank of Ghana subsequently revoked the licences of nine (9) universal banks, 347 microfinance companies (of which 155 had already ceased operations), 39 micro credit companies / money lenders (10 of which had already ceased operations), 15 savings and loans companies, eight (8) finance house companies, and two (2) non-bank financial institutions that had already ceased operations.

In 2018, the Bank of Ghana implemented a recapitalization policy for banks. The aim was to strengthen the banking sector, enhance financial stability, and protect depositors' funds. Under the recapitalization policy, banks in Ghana were required to increase their minimum capital requirements significantly. Initially set at GHS120 million the minimum capital requirement was raised to GHS400 million for existing banks. New banks were required to meet a minimum capital requirement of GHS400 million from the outset. The recapitalization exercise led to various mergers, acquisitions, and closures within the banking sector. Some banks merged to meet the new capital requirements, while others were unable to raise the necessary funds and had their licenses revoked by the Bank of Ghana.

On 8 November 2019, the Securities

and Exchange Commission revoked the licences of 53 fund management companies for various infractions that included:

- Guaranteeing of returns contrary to the directive of the Commission.
- Failure to honour client redemption requests.
- Failure to honour payment terms agreed at Complaints Hearings.
- Failure to place client funds with proper due diligence and the requisite standard of professional conduct, evidenced by over concentration of portfolios in high-risk institutions and related party transactions resulting in severe liquidity challenges.
- Failure to segregate client funds from operational funds and in some cases using client funds to pay for operational activities.
- Corporate governance weakness with weak board oversight, poor accountability, and override of Investment guidelines; and
- Failure to monitor and inject liquidity to comply with required levels.

The Government promised to protect depositors' funds and was able to do this for depositors of banks who could get their balances validated. It is estimated that some GHS21 billion was expended by government for the bail out of depositors. However, investors who had deposited their funds with nonbank financial institutions such as finance houses, fund managers and collective investment schemes were not so protected and are still waiting for the fund management

companies to go through a formal liquidation so that they can be paid from the proceeds of liquidation.

The failure of many banks and fund management companies and the resultant delays in compensating depositors and investors created a crisis of confidence in the financial system. Unpaid depositors still go on public demonstrations to demand payment.

The Debt Exchange Program

The crisis of confidence in the financial system was worsened by a public debt crisis which engulfed the government in during 2022-23. The elements of the debt crisis are summarized below:



- Increase in public debt from 63 percent of GDP in 2019 to 88.1 percent of GDP at end-2022. Domestic debt reached 45.7 percent of GDP in 2022, of which 16 percent of GDP was held by the Bank of Ghana, while public external debt stood at 42.4 percent of GDP making the total public debt 88% of GDP compared to a sustainability threshold of 55%.

- The debt service-to-revenue ratio reached an all-time high of 127 percent in 2020, the highest among the SSA countries and among the highest in the world.

Ghana defaulted on its external and domestic debt and had to negotiate a \$3 billion Enhanced Credit Facility with the IMF. One of the core requirements of the IMF program was for Ghana to restructure its debt to a sustainable level of 55% of GDP by 2028.

In December 2022, the Government of Ghana launched a Domestic Debt Exchange Program (DDEP) under which government bonds with face value of approximately GHC 157 billion were to be exchanged for new bonds with longer maturities and lower coupon rates. This was intended to reduce government debt service costs and improve debt sustainability.

The impact of the DDEP was severe for the banking system. Because of the significant holdings of government securities by banks, the DDEP severely impacted liquidity and capital adequacy of banks. By some estimates, the DDEP resulted in 30-40% losses in the value of government portfolios. Atuahene (2022) has identified the following impacts of the DDEP on banks.

- Estimated 30% drop in the value of bonds surrendered

under DDEP

- DDEP impairment losses estimated at GHc19.4 billion.
- Only 6 out of 22 banks managed to capture the DDEP losses without impairing their capital.
- Before tax losses of GHS 8 billion in 2022 compared with profit of GHS 7 billion in 2021

The Mark-to-Market Directive

Almost concomitantly with the launch of the DDEP, the Securities and Exchange Commission issued a directive to all market operators (fund managers, investment advisers, custodians, broker-dealers and trustees of collective investment schemes) to comply with International Financial Reporting Standard (IFRS) 9 which requires fair value reporting for financial assets. This required that all financial assets should be marked-to-market. Prior to this directive, and in the absence of an active secondary market for fixed income instruments, government securities were recorded at amortized value. The unintended

consequence of the mark-to-market directive was that the value of fixed income portfolios dropped significantly. Collective investment portfolios were decimated leading to widespread redemption of investments.

Current Challenges

The financial sector crisis has eroded trust in the financial sector. There are depositors and investors who feel aggrieved by inconsistencies in the rules for the compensation of depositors of banks and fund management companies as well as the haircuts that came with the Domestic Debt Exchange.

Financial markets cannot function efficiently without TRUST. For the individual investor, trust may take several forms, including:

- **Predictability of behaviors (based on historical experience) from markets that are efficient, open,**

stable and sound and result in returns commensurate with risk.

- **Confidence that the rules and oversight of market interactions support the soundness, fairness and integrity of markets.**

- **That, both within and beyond the established rules market participants' behaviours will be ethical in serving the interest of customers.**

Trust plays an important role in the financial services sector because of product characteristics, consumer characteristics and market-related factors. With respect to product characteristics, there is a high degree of opacity and complexity in terms of features, benefits and especially pricing. Risk is present in the case of many financial services and is most significant in relation to savings and investment products. The financial services consumer is most often portrayed as lacking in expertise, uninformed and not particularly involved in the decision-making process.

The existence of trust depends on many antecedents. Customers who perceive that they have been treated

Trust plays an important role in the financial services sector because of product characteristics, consumer characteristics and market-related factors.

fairly are likely to develop higher levels of trust. Other factors are expertise and competence, integrity and consistency, communication, shared values and concern and benevolence. Certain types of market events that can affect trust. These include:

- Failure of banks and other financial institutions
- Defaults on financial obligations to investors
- Government default on principal and interest payments of bonds held by the public.
- Liquidity crunch (financial institutions unable to meet withdrawal requests)
- Arbitrary change of the terms and conditions of previously issued bonds

The consistent failure of markets to return positive real rates of return undermines trust in the financial system. What this means is that financial markets cannot be trusted for wealth creation and preservation. Analysis of market returns indicates that financial assets in Ghana consistently yield negative real returns. Figure 3 depicts the annual real rates of return on a selection of financial assets, namely, 91-Day Treasury Bill, average savings deposit rates, average 3-month retail time

deposits and the GSE Composite Index. With the exception of the 91-Day Treasury Bill, all the other financial assets yielded negative compounded real returns during 2013 – 2023. The positive real return

on Treasury Bills is not surprising because of the government's high appetite for borrowing which tends to keep treasury bill rates at an elevated level.

A practical manifestation of negative real rates is reflected in the negative return on pension investments during 2018-2021. The 2021 Annual Report of the National Pensions Regulatory Authority shows that real returns on pension investments were negative in all years except 2021 (Figure 4).

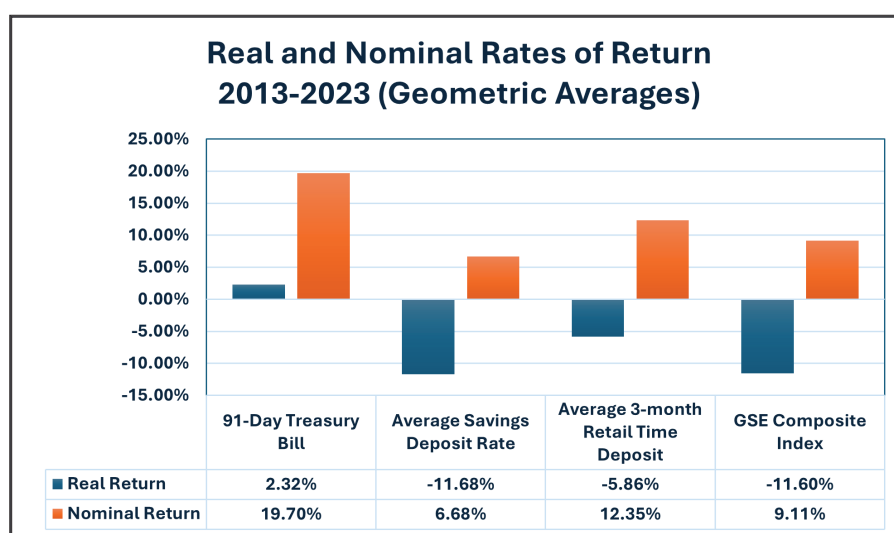


Figure 3: Real and Nominal Rates of Return (2013 - 2023)

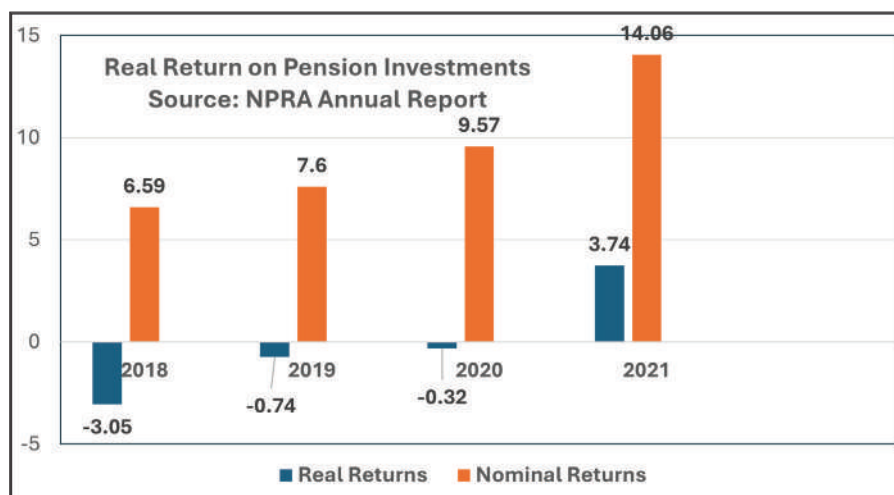


Figure 4: Real Return on Pension Investments



There are many symptoms of a financial system with low levels of trust.

- **Savers would rather keep their surplus funds at home or acquire real assets rather than deposit their funds with formal savings vehicles such as bank deposits and securities.**
- **Savers are only interested in holding short-term assets.**
- **Good projects are not financed because lenders are unwilling to bear the risk of lending.**
- **Lenders are only willing to lend for short periods of time.**
- **Low levels of financial inclusion**

These symptoms can be observed on our markets.

Repairing broken trust is a slow and painful process. In 1979, the then military government confiscated bank balances that were considered excessive, a measure that led to a large-scale avoidance of banks repositories of value. Not surprisingly, bank customers chose to leave their cash at home. Low levels of trust lead to market failure, a condition which under which free markets, operating without any government intervention, fail to deliver an efficient allocation of resources.

Recent developments indicate that rebuilding trust in the financial system must be a national priority. Three possibilities for achieving this are a Financial Trust Index, an Ombudsman Scheme and a sustained financial literacy program.



Develop a Financial Sector Trust Index

A Financial Trust Index measures the level of trust consumers have in banks, the stock market, mutual funds, and large corporations, and examines how that trust changes over time. Pioneering work on the design and application of

Financial Trust Indexes has been undertaken at the University of Chicago Booth School of Business (USA) and Nottingham University Business School (U.K.) with the support of financial sector regulators. The index periodically measures customer confidence in the private institutions in which they invest their money. On a periodic basis, data is analyzed from a sample of households, randomly chosen and surveyed. The results are widely published.

Such an Index would have the benefits of providing guidance to regulators codes of ethics and professional conduct standards. As the overall overseer of the financial system, Bank of

Ghana could initiate a Trust Index that can monitor trends in trustworthiness of financial services providers.

Financial Ombudsman

Ombudsman schemes operating as independent, out-of-court (external) dispute resolution mechanisms in banking, investments, insurance, credit, financial advice are a widely used trust-building mechanism in many countries. Indeed, the dominant form of dispute resolution in the financial sector in Western Europe is the ombudsman approach. Many started covering a single sector (such as banking or insurance) but there is now a trend towards a single financial ombudsman

covering all financial sectors. There are at least 30 countries with financial ombudsman regimes including the United Kingdom, Canada, Australia, the Netherlands and South Africa

A financial services ombudsman scheme provides benefits for consumers, financial service providers, financial services regulators and the wider economy. For consumers an ombudsman scheme provides redress if something goes wrong; financial service providers benefit from an increase in trust in financial services; regulators are freed from individual complaints. Overall, the economy benefits from an increase in amounts available for investment.

Financial Literacy

Financial literacy is an indispensable skill in today's economies. It empowers individuals, reduces stress and fosters a sense of security. Financial literacy enhances trust in the financial system by providing participants with knowledge on savings, investments, retirement planning, debt and risk



A financial services ombudsman scheme provides benefits for consumers, financial service providers, financial services regulators and the wider economy.



Financial literacy enhances trust in the financial system by providing participants with knowledge on savings, investments, retirement planning, debt and risk management

management. Research indicates that compared to the financially illiterate, financially literate people are more likely to trust financial institutions, their managers and regulators.

FINSSP III?

Ghana's financial system has changed dramatically since the reform program was initiated in the 1980s. The reforms were achieved by taking a holistic approach that aligned the needs of all sectors, notably, banking, securities, insurance, pensions and other non-bank financial institutions. There are challenges in the sector which include the following:

- Low levels of trust
- Financial illiteracy
- High levels of credit risk
- Market risk arising from volatile interest rates and the lack hedging options for both issuers and investors.
- Misalignment of interest rates reflected in the persistence of negative real rates for savers and investors.

- Lack of access to medium and long-term finance especially for small and medium scale enterprises

- Improving coordination among the regulators of the sector.

FINSSP ended in 2016. Since then, there has not been a holistic evaluation of the financial sector. The experience from the FINSAP/FINSSP policies that systematically reshaped the financial suggests that such a holistic review of the financial system and the development of a medium-term strategy plan for the sector with government support would help address the current challenges.

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Seesaw, Up and Down: Managing the Opportunity-risk Duality through Enterprise Risk Management.

Mr. Theo Aryee

Chief Risk Officer, GCB Bank Ghana



valuable lessons for banks in Ghana today – banks must continue to seize opportunities while managing the associated risks to sustain their relevance. They must strive not to lose their grip of the factors that drive change, nor yield to conquests by the competition.

The opportunity and risk duality

Banks necessarily pursue business opportunities to generate profits. They seek deposits and lend them at rates determined to generate healthy net margins. They also facilitate payments and provide vehicles to serve customers' investment needs. However, this pursuit brings risks that banks can neither evade, nor permit to pervade the organization unmanaged.

Banking is characterised by maturity transformation and a highly leveraged balance sheet, which comes with the management of obligations to and from customers on the balance sheet. This is the essence of what asset and liability management is about, and when done poorly, can impact the bank's financial performance, reputation, and sustainability. The risks banks face can fall into two broad categories. First, there are self-inflicted wounds that emanate

from compromises in conduct and disregard for time-tested principles which lead to avoidable losses. And second, market-inflicted woes that result from customer demands, competitor incursions, compliance requirements, community concerns, and climate-related challenges.

In a nuanced sense, the opportunity-risk duality can be likened to a seesaw. At one end is a low opportunity-low risk situation that reflects stable levels of safe play on short fulcrums, with reduced fun of minimal returns. On the other, high opportunity-high risk scenarios create wider swings with potentially greater rewards and higher probabilities of losses. The essence of risk management lies not in avoiding the seesaw, but in understanding how to calibrate the fulcrum and shift the weights for both growth and risk mitigation.

To succeed, a bank must recognise that banking is essentially a risk management exercise and raise credible bankers who embrace risk management as central to their roles. It needs a robust risk management framework to enable and constrain business efforts to optimize outcomes. A strong risk culture must permeate the organization, with ethical leadership driving appropriate conduct from the top. An effective risk management architecture

The Portuguese Analogy

Portuguese explorers led by Don Diego D' Azambuja landed in Elmina, Gold Coast in 1471. They had recognised gold, new trade routes to India, and territorial expansion for geopolitical gain. They leveraged on their competitive advantages, which lay in their superior naval prowess, military might and mastery of diplomacy. Over time, they faced risks in the form of economic decline and discontent from the locals. After 150 years, they finally fell to the Dutch conquest.

This Portuguese story demonstrates the dual nature of pursuing opportunities while managing the risks that accompany them. It offers

comprises governance structures, policies and procedures, and an execution regime that work harmoniously to align the pursuit of opportunities with prudent risk management.

The business of banking – an overview

Banks have long remained relevant by supporting the financial system and promoting economic development through financial intermediation. They receive deposits from households, businesses and governments, and offer safe custody and access to funds. They also offer lending, payments and investment solutions. Lending is a bank's primary activity for generating income. Payment transactions involve cheques, cards, and electronic transfers, and investment products such as savings accounts, fixed deposits and bonds support customers to build wealth.

By adapting to market shifts and responding to technological changes, banks have survived by diversifying their offerings beyond traditional products and serving large corporates, SMEs and governments. They meet capital markets and treasury needs of customers, offer project finance and promote financial inclusion. In addition, banks help implement monetary policy through interest rate transmission, liquidity management and credit supply. The regulatory bodies have played a key role in preserving the safety and soundness of the industry. Banking is evolving, and it is uncertain whether banks, in their current shape and form will survive over the long term.



The opportunity landscape

Although there are opportunities for banks to deepen existing business lines, rapid changes in technology, demographics and customer sophistication present new opportunities for growth. As Ghana's affluent population grows, it creates avenues for growth in financial planning, wealth and asset management, private banking and advisory services. With the rise in fintechs, digital solutions and mobile money, banks can explore the related avenues for value creation through automated lending, digital wallets and online banking platforms. Ghana's increasing integration into the global economy presents ample channels for trade finance, foreign

exchange services, structured trade finance, correspondent banking initiatives and partnership engagements. Ethical considerations and Environmental, Social and Governance (ESG) initiatives are motivating products related to renewable energy, sustainability and Islamic banking. With the large unbanked population of youth and low-income earners comes a substantial market for micro finance and financial inclusion. The digital platforms are cost-effective and over time these customers will transition into higher earners category.

The relatively low level of economic development in Ghana, present opportunities for banks to build capacity in project finance, development finance and public-private partnerships. The structures

To succeed, a bank must recognise that banking is essentially a risk management exercise, and raise credible bankers who embrace risk management as central to their roles.

of our broad economy make agriculture and SMEs key pillars for development and banks could specialize in serving them with targeted financing. Ghanaians in the diaspora who regularly remit home constitute a niche market to be served with tailored products and services.

Partnerships with FinTech's offer a pathway for banks to enter the digital space and tap into the growing mobile money ecosystem. These partnerships could offer footholds that could grow into marketing strongholds.

The risks landscape

While the pursuit of opportunities could lead to desired growth, it

also exposes banks to various risks. Ghana's current economic condition adds to the complexities of risk management as the effects of the recent financial sector clean-up and the Domestic Debt Exchange programme, linger. The while the country remains saddled with a weak sovereign credit risk profile driven by a high debt-GDP ratio and remains a net importer with a history of currency instability and inflationary pressures. Businesses are grappling with high borrowing costs and limited access to capital, while households face depressed real value of savings and disposable incomes. There is also a growing shift towards digitalization with the attendant high cyber risk concerns. The banking sector faces a relatively high Non-Performing Loan (NPL) ratio above 20%, which drops to below 10% when adjusted for

classified loans in loss category with full provisions. This level of NPLs could rise even higher if banks increase their risk appetites for portfolio growth, without a commensurate strengthening of the credit risk management processes. Banks are having difficulties establishing and managing corresponding bank relationships, with wider implications for liquidity and profitability pressures. The increasing use of digital platforms by banks has increased the risk of cyber threats.

The regulatory regime is evolving with increased robustness and activity levels. It is possible that the minimum capital requirements will be revised to increase the loss absorption capacity of banks, and the regulatory framework for foreign exchange transactions



intensified to extinguish arbitrage and drive compliance with prudential limits. Also, a review of the Cash Reserve Ratio may be conducted to evaluate the broader impact on liquidity and lending. Banks need to review their internal processes to ensure compliance and avoid penalties.

There are liquidity management concerns stemming from the current regime of cash reserve ratio requirements. This challenge is significant, especially in a business environment characterized by a perceived lack of clear and sustained economic policy, and the now normal changes in the governance of state institutions that come with changes in government. Meantime, while the sector remains exposed to potential global economic downturn or recession and geopolitical risks.



A case for an Enterprise Risk Management (ERM) Framework.

The complex and volatile business environment makes it necessary for banks that desire long-term sustainability to embrace an effective Enterprise Risk Management (ERM) framework. This must be embedded at the core of the bank's governance and operations, and serve as the basis for corporate resilience, sustainable performance, and stakeholder confidence. It will align risk with strategy, guide growth within a defined risk appetite, and promote risk-mindedness in the top echelons of the organization. In addition, it will strengthen board and executive oversight, offering them a comprehensive, integrated and holistic view of key risks from an enterprise-wide perspective. This breaks down the silos between

risk types, and improves accountability, performance management and the environment of controls.

The effective implementation of an ERM framework sets and enforces thresholds for risk types, drives internal consistency within and across business lines, and puts in place tools to monitor and enforce agreed limits. The systematic monitoring and reporting pillars of the framework supports the early identification of risks to enable timely mitigation and

Partnerships with FinTech's offer a pathway for banks to enter the digital space and tap into the growing mobile money ecosystem. These partnerships could offer footholds that could grow into marketing strongholds.

response. When done properly, the process enhances optimal risk-reward decisions, through risk-based pricing, capital allocation and impairment for improved credit portfolio management. It also supports capital and liquidity planning. Here is where ICAAP and ILAAP come in to ensure adequate buffers of capital and liquidity under stressed situations.

As a bank pursues digital initiatives, partner with fintechs, and embed ESG initiatives, an ERM programme fosters a controlled innovation and transformation agenda. This enhances operational resilience through a robust control regime and continuity planning to position the bank against system failures, cyber-attacks and other business disruptions. The process of implementing the ERM framework comes along with an improved risk-aware culture because it defines risk ownership, clarifies roles, facilitates collaboration, and promotes risk-based conversations across functions. These make it easier for the bank to comply with regulatory requirements. In addition, they build trust among stakeholders as they associate the bank with strong governance, responsible behaviour and sustainable business performance. Through scenario analysis, stress testing and risk monitoring, the bank that embeds ERM is more likely to be better prepared for the future.

How should we manage risk?

Before diving into some nuts and bolts of managing risk, it is important to consider its definition. One traditional perspective of bank management ties risk to the notional amount lost. However, a satisfactory explanation transcends this narrow view to include volatility, typically measured by the standard deviation of expected outcomes, and correlation, which considers the interactions and movements between risk exposures. Other critical concepts include probability, (the likelihood of an event occurring) and severity (the likely impact of an event on the bank). In credit risk terms, severity differs from Exposure-at-Default, as it factors in elements such as Loss Given Default (LGD), the ranking of debt, Probability of Default (PD), and volatility. Furthermore, time horizon—the duration of an exposure—is a crucial consideration. Generally, risk is directly proportional to exposure, probability, severity, and the time horizon. From a portfolio perspective, higher exposure weights and correlations suggest heightened risk profiles. The correlation between risk categories has an impact on diversification benefits and should be carefully analyzed.

So, what is risk? Risk may be defined as uncertainty associated with the pursuit of opportunity. In this sense, risk is not solely a downside constraint but also an upside enabler of value creation.



Skillful management of both perspectives—upside and downside—within the bank's size, complexity, strategic objectives, and regulatory framework is a key differentiator for sustainable performance. This is what separates mature risk management from immature versions.

Effective risk management should be formal, integrated, continuous, and enterprise wide. It seeks to minimize deviations from expected outcomes while driving optimal performance. This approach should inform governance, policy, risk appetite, and analytics, all grounded in proactive management, monitoring, and reporting. It must recognize the relationships between risk types, allowing for strategic alignment across business segments while acknowledging relevant

interdependencies.

A satisfactory grasp of the distribution of outcomes and their related probabilities is crucial, often modeled through the bell curve as a satisfactory assumption. Properly executed, this framework equips both the Board and management to have clear conversations and make bold, risk-aligned decisions—such as dividend policy, the setup of new subsidiaries, and investments in large credit exposures.

A well-structured risk management framework provides a disciplined approach to identifying, analyzing, and mitigating risk. It ensures that all opportunities are effectively identified and prioritized, while potential threats to strategic objectives are addressed in a structured manner.

Banks should establish a properly

composed Board to drive risk responsibility and accountability from the top. The Board must allocate sufficient budget to risk management initiatives and support them with a robust risk management strategy and a risk appetite Statement. The risk management strategy should outline the approach for managing each risk type, demonstrating how the bank effectively identifies, assesses, mitigates, and monitors risks to protect earnings, capital, reputation, and stakeholder interests. The Risk Appetite Statement should specify the level of risk the bank is willing to accept, with clear linkages to strategic pillars, thresholds, and warning signals for approaching breaches.

It is necessary to have well-defined policies for each material risk category, outlining the principles and rationale for managing those risks. These policies should



be complemented by detailed procedures that define the steps for executing critical tasks, with clear roles, responsibilities, and control measures. The roles should be founded on appropriate segregation principles, and there should be documentation that highlight tasks that are ripe for process enhancement and potential automation. Policies and procedures must be communicated as necessary and periodically reviewed to reflect changes in the risk landscape.

These activities should be supported by a strong risk-aware culture and accountability, fostering employee understanding and adherence to sound risk management practices. Here is where, indeed, the “rubber hits the road.” There should also be an independent risk oversight function led by the Chief Risk Officer (CRO). Depending on organizational dynamics and reporting lines, the independence of the risk function could be challenged. The CRO should have sufficient seniority and

authority to have direct access to the Board to promote transparency and ensure objectivity.

Conclusions

The essence of the Risk Management Framework (RMF) is to drive risk activities from concepts to application, converting information into actionable insights that transform the bank. For each risk type—credit, market, operational, compliance, and cyber—subject matter experts must translate framework requirements into specific risk measures that support the bank’s strategic objectives. The business of banking is fundamentally a risk management exercise, to the extent that any credible banker must also be a risk manager.

Navigating the seesaw of risk and opportunity brings both value creation and the possibility of capital erosion. In the hands of the unskilled, risk management is disjointed and detached from strategy. However, in capable

hands, it unlocks value and builds resilience. Just as the Portuguese leveraged naval prowess and geopolitical ambition to pursue wealth along the Gold Coast, banks must harness their competitive advantages to pursue strategic opportunities. Poor risk management and weak leadership, as demonstrated in the Portuguese decline, serve as reminders that the path to value creation is fraught with uncertainties—risks. When effectively managed, a robust risk management framework transforms these uncertainties into opportunities for growth and resilience.

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Fintech-Bank Partnerships in Ghana: Collaborating for Innovation, Inclusion, and Shared Growth

Daniel Amponsah-Asante & Ezekiel Akpan.



and non-financial institutions. Enabled by mobile money, Ghana's fintech ecosystem recorded a 21.6% year-on-year growth in transaction volumes, rising from 1.53 billion in Q1 2023 to 1.86 billion in Q1 2024. This growth is accelerating competition and raising new questions:

Are fintech companies taking a bite out of the banks' pie? Will traditional financial institutions be relegated to the back office, losing relevance to more customer-centric challengers?

Introduction

Today's consumers are increasingly benchmarking their financial service experiences against the ease of ordering food, booking travel, receiving instant and intelligent responses from ChatGPT, or enjoying personalised content on streaming platforms. As technology adoption deepens across market segments, most customers now expect instant access to services, real-time support, and seamless digital experiences regardless of industry.

This evolution in customer expectations is pushing banks to rethink how they innovate and deliver value. It has also prompted banks to consider the need for deeper collaboration with fintech companies, which are more agile,

digitally fluent, and focused on user-centric design. These companies are ideal partners for financial institutions looking to modernise.

In 2024, the global fintech market was valued at approximately \$218.8 billion and is projected to reach \$828.4 billion by 2033, reflecting a compound annual growth rate (CAGR) of 15.82% (Statista, 2025). In Africa, fintech revenue reached \$10 billion in 2023, with forecasts indicating growth to \$47 billion by 2028. This momentum is fuelled by a young, tech-savvy population, rising mobile penetration, and the urgent drive for financial inclusion.

According to the Bank of Ghana, fintech companies are helping blur traditional boundaries in the provision of financial services by creating synergies between financial

While fintech adoption is growing, many Ghanaian customers remain cautious. Awareness and trust in solutions like virtual cards, investment apps, insurance solutions, etc., are still developing. Cases of failed transactions, unreversed debits, and fraud have deepened scepticism around the adoption of some fintech solutions. Some customers who are cautious about fintech solutions value the trust and structure offered by traditional banks and increasingly desire the innovation and digital experiences offered by fintech companies. This dual demand presents a compelling case for deeper collaboration between fintech companies and banks, one that delivers digital convenience, customer-centric innovation, and institutional trust.



Challenges with a Siloed Approach

While some banks and fintech companies have made strides independently, the lack of collaboration between both players exposes key limitations in customer trust, access to infrastructure, market reach, and regulatory resilience.

1. Customer Trust and Market Credibility

Fintech companies, while agile and customer-focused, often struggle to build trust for high-value or savings-related transactions without a bank partnership. This is because banks benefit from decades of credibility, robust risk controls, and long-standing customer relationships.

2. Restricted Access to Core Infrastructure

Direct and cost-friendly access to core banking infrastructures like GhIPSS, SWIFT, settlement platforms, and direct debit capabilities often requires partnerships with regulated financial institutions. Fintech companies operating independently may incur higher transaction costs and face scaling challenges.

3. Limited Market Reach

Banks have broad national footprints, omnichannel marketing, and multi-platform reach (branches, agents, call centres). Fintech companies, especially early-stage ones, often rely on digital campaigns and may have difficulty reaching non-urban or less digitally savvy populations.

4. Governance and Regulatory Exposure

Banks are subject to rigorous regulatory oversight and internal controls, which are designed to boost financial system stability, protect customers' funds, and reduce systemic risks, etc., in a growing digital economy. Some fintech companies without bank partnerships may lack the governance maturity needed to manage compliance risks, particularly in a rapidly evolving digital finance environment.

5. Future Risk of Disintermediation

As Banking-as-a-Service (BaaS) and embedded finance models grow, banks risk being reduced to commoditised infrastructure providers unless they embrace proactive collaboration. KPMG

Are fintech companies taking a bite out of the banks' pie? Will traditional financial institutions be relegated to the back office, losing relevance to more customer-centric challengers?



(2023b) warns that traditional institutions must unbundle and distribute services through partnerships to remain competitive.

To bridge these gaps, the ecosystem must shift toward intentional collaboration to build a resilient, inclusive, and customer-centric financial system that is fit for the future.

Unlocking the Future: Strategic Directions for Fintech-Bank Partnerships in Ghana

Shifts in customer channel preferences, maturing fintech capabilities, and progressive regulatory reforms signal a critical moment for fostering more strategic and purposeful collaboration between banks and fintech companies.

1. The Imperative for Collaboration

According to KPMG's 2024 Banking Industry Customer Experience (BICX) Survey, mobile money, mobile apps, and USSD are the top three channels used weekly by Ghanaian banking customers. Digital service quality has become the leading driver of customer loyalty. Fintech companies bring innovation and agility; banks bring scale, trust, and regulatory credibility. Together, they can better meet the demands of Ghana's increasingly digital customer base.

2. Fintech Capabilities Driving Transformation

Ghanaian fintech companies operate across Business-to-Business (B2B), Business-to-Consumer (B2C), and Business-to-Business-to-Consumer (B2B2C) models. Players like Hubtel, ExpressPay, eTranzact, and Cellulant are delivering services ranging from API-based payments to transaction fraud monitoring, merchant collections, etc. Fintech companies are also embedding finance into sectors like agriculture, energy, education, and transport, creating new use cases and customer touchpoints. These innovations present clear

opportunities for banks to extend their relevance beyond traditional product offerings.

3. Open Banking as a Catalyst

The Bank of Ghana's draft Open Banking Framework aims to accelerate collaboration by mandating API standardisation and secure, consent-based data sharing between banks and licensed third parties. This will reduce technical and compliance barriers, enable fintech companies to build affordable and tailored products, and promote financial inclusion. Clear licensing, data governance, and interoperability guidelines will create a level playing field and unlock the next phase of fintech-bank collaboration.

Inclusive, tech-driven growth in Ghana will be shaped by open banking, embedded finance, and interoperable infrastructure.

Strategic Models of Collaboration

Successful collaboration models around the world offer useful insights that Ghanaian banks can adapt. These strategic collaboration models reflect a shift from transactional partnerships to more integrated, innovation-driven approaches that leverage the strengths of both parties.

1. In-House Fintech-Specific Teams

Banks are forming in-house fintech or digital innovation units that consolidate IT, innovation, and customer experience (CX) functions. These units lead internal transformation while shaping external fintech strategies.

Use Case – Global: JPMorgan Chase (USA) created a Digital Innovation team and an in-house fintech development arm known as JPMorgan Chase Digital, which oversees projects like the launch of Chase UK, a cloud-native digital bank.

Use Case – Africa: Standard Bank (South Africa) established a fintech unit to drive digital lending and payments.

2. Spin-Off Ventures

Some banks are launching fintech subsidiaries or digital-only entities that operate with startup agility, enabling experimentation without legacy constraints.

Use Case – Global: Marcus by Goldman Sachs (USA) was launched as a digital-only bank, offering consumer loans and savings outside of Goldman's traditional model.

Use Case – Africa: Wema Bank (Nigeria) launched ALAT in May 2017 as Africa's first fully digital

bank. Designed to deliver a seamless, mobile-first banking experience without reliance on physical branches, ALAT offers a comprehensive suite of services, including savings, loans, bill payments, and investment options, all accessible through a user-friendly mobile app and web platform.

3. Acquisitions and Accelerator Programs

Banks are increasingly acquiring fintech startups or establishing accelerator programs to gain early access to innovation, tap into new customer segments, and attract digital talent. These strategies help banks stay competitive in a fast-evolving digital finance landscape.

Use Case – Global: BBVA (Spain) has actively pursued acquisitions of fintech firms such as Simple (USA) and Holvi (Finland), expanding its digital banking capabilities and customer base.

Use Case – Africa: The Ecobank Fintech Challenge exemplifies a successful African accelerator model that has enabled fintech companies to grow beyond local markets and engage in commercial pilots with the bank.

4. API-Based Partnerships

Through secure API integrations, banks and fintech companies can co-create customer-centric solutions. This approach enables seamless service delivery and positions banks as platforms for innovation.

Use Case – Global: DBS Bank (Singapore) has emerged as a global leader in API-based banking. Through its DBS Developers Portal, the bank offers over 200 open APIs that enable fintech companies and third-party developers to integrate

services such as payments, fund transfers, identity verification, and account management. This has accelerated the co-creation of innovative digital solutions, positioning DBS as a platform for banking innovation across Asia and beyond.

Use Case – Africa: First National Bank (FNB), South Africa, launched an API gateway that enables secure integration with third-party fintech companies. Through its FNB Connect platform, the bank provides access to APIs for payments, account verification, and transaction services. This initiative supports an open banking ecosystem, allowing fintech partners to build innovative, customer-focused solutions while enhancing FNB's reach and relevance in the digital economy.

Whether through in-house teams, spin-offs, acquisitions, or API-based partnerships, banks and fintech companies must evolve together to meet the future demands of financial services. The real value lies not in selecting a single model but in designing a flexible and collaborative strategy that aligns with the bank's vision, responds to market dynamics, and meets rising customer expectations within a future-ready financial ecosystem.

Practical Recommendations for Key Stakeholders

Maximizing the impact of bank-fintech collaboration requires clear, actionable steps from all stakeholders. These targeted recommendations outline how

banks, fintech companies, and regulators can each contribute to building a more innovative, inclusive, and secure financial ecosystem.

For Banks

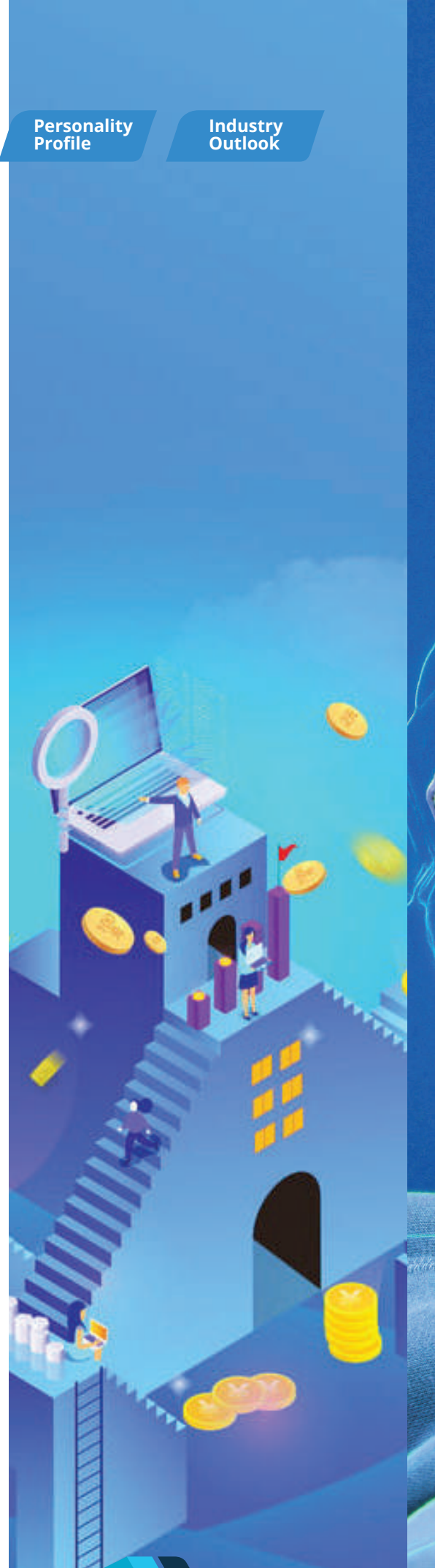
- Establish innovation hubs and secure API platforms to promote agile development and integration.
- Partner with fintech companies to improve mobile, digital, and embedded finance capabilities.
- Leverage customer data and AI to create hyper-personalised, predictive service experiences.

For Fintech Companies

- Ensure compliance and cybersecurity readiness to build trust and scale responsibly.
- Design inclusive products that address the needs of underserved populations.
- Build for interoperability with banks' legacy systems to ease onboarding and operations

For Regulators:

- Finalise and publish the Open Banking Framework to provide clarity and encourage innovation.
- Promote sandbox environments to support safe experimentation and accelerate time to market.
- Facilitate dialogue platforms between banks, fintech companies, and policymakers to align on emerging risks and opportunities.



Conclusion: A Pathway to Shared Value and National Progress

Fintech–bank partnerships offer a powerful avenue for innovation, financial inclusion, and sector resilience. In Ghana’s dynamic financial ecosystem, success will depend on strategic collaboration that merges agility with trust, innovation with compliance, and digital speed with institutional scale.

Looking ahead, the future of Ghana’s financial ecosystem will be defined by how effectively banks and Fintech companies embrace their respective strengths. The winners will be those who harness real-time data, deliver secure customer-centric products, and forge purposeful partnerships that serve the evolving needs of the Ghanaian population.

The journey requires bold choices, but the reward, a digitally inclusive and globally competitive financial sector, is worth every step.

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UNLOCKING CROSS-BORDER TRADE OPPORTUNITIES: THE ROLE OF THE LOCAL BANKS

Dr. Effah Adu



INTRODUCTION

In international trade, buyers and sellers exchange goods and services for payment across borders. The trade can be visible (in the form of goods) or invisible (in the form of services). For international trade to happen, goods and services must be exchanged between countries. Usually, the seller (exporter) may not know the buyer (importer). To lower the risk of payment default, the parties often rely on a third party, typically a bank. When goods are exported, the seller sends documents like the invoice, packing list, bill of lading, and bill of exchange to its bank, which then forwards them to the importer's bank for payment based on the terms of trade. Banks play a crucial role in making international trade smooth and reducing risks for

everyone involved. They can also act as a communication link for payments, hold control of goods for the seller, offer financial support for transactions, guarantee payments, and follow international standards like documentary collection and letters of credit. Banks mainly use two trade finance tools—letters of credit and documentary collections—to support their clients in international trade, governed by the Uniform Customs and Practice (UCP 600).

Subregional Trade

The subregion comprises 15 member countries that form the Economic Community of West African States (ECOWAS) block. The block is designated as a free-trade zone and is in the process of harmonizing standard external tariffs. Regarding currencies, the regional bloc has the UEMOA zone, which uses the CFA as its currency; Nigeria uses the Naira, Gambia uses the Dalasi, and Ghana uses the Cedi. There have been attempts to harmonize the currencies into a standard unit called the ECO, but none of the member countries have met the convergence criteria. International trade exists to foster relationships and address the unequal distribution of resources among countries (Zannon, 2010). According to Tian et al. (2018), international trade helps both developed and developing nations pursue economic development.

Available data indicate opportunities for cross-border trade within the subregion (ECOWAS). Ghana is part of West Africa, which includes 15 countries. Besides Ghana, Gambia, and Nigeria—English-speaking countries—the other 12 are francophone and operate in the CFA zone. Trade in goods and services has been ongoing among these countries for a long time. Most traded goods are non-traditional products, such as agricultural items like bananas, plantains, shea nuts, yams, mangoes, pineapples, onions, and fish, along with steel, plastics, and artifacts.

Role of Local Banks in International Trade

Let us review some essential products that banks offer to their customers in international trade. Banks play a vital role in global commerce. When international trade takes place, settlements are made either through open accounts or advance payments. Among the traditional products provided by banks in international trade are letters of credit and documentary credits. Banks use these to guarantee payments on behalf of their clients. It should be noted that these transactions are governed by the Uniform Customs



Export trade has no bearing on Ghana's balance of trade because the foreign exchange is not repatriated to Ghana through the banks



and Practice (current version UCP 600), published by the International Chamber of Commerce (ICC).

Payments are processed through a settlement platform called the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

However, despite the rising volumes of intra-regional trade in the sub-region, available statistics indicate that banks are not capitalizing on these opportunities. A survey conducted by the writer reveals that Ghanaian banks tend to avoid sub-regional trading, and the growth in export trade does not affect Ghana's balance of trade because the foreign exchange is not repatriated to Ghana through the banks for the following reasons.

Regional Trade

International trade exists in the subregion; however, most of it is informal due to challenges in formalizing trade along the regional corridor. The main products moving through the ECOWAS corridor include agricultural items (yams, onions, tomatoes, livestock), salt, steel, plastics, and artifacts. Enhancing regional trade is crucial for achieving sustainable development, ensuring food security, and realizing economies of scale. Most studies rely on estimated data from surveys or accounting exercises. Road is the primary mode of transportation

across the subregion because most countries are landlocked. Manufacturing companies are primarily located in Accra and Tema, but other goods, such as artifacts, are produced in the Upper East, Upper West, and Northern regions of Ghana, with products transported by road in containers across the subregions. Trade between Ghana and Nigeria is conducted by sea freight; however, road transport to Nigeria faces security risks along the Ghana-Nigeria corridor.

Despite the growing importance of international trade in the subregion, the export trade is often conducted outside the banking system and, therefore, has no impact on Ghana's Balance of Payments. This article aims to identify some of the challenges related to cross-border trade, explore why banks tend to avoid this sector, and help Ghanaian banks unlock opportunities in cross-border trade, especially within the subregion (ECOWAS). Ultimately, exporters will learn about the critical role banks can play in reducing the risks associated with their trade.

Industry Players in Cross-border Trade

Sub-regional trade is driven by groups and associations that coordinate to protect members from border intimidation and

Non- Traditional Export between Ghana and the World

	2018	2019	2021	2022
ECOWAS	US\$741.7m	US\$836.5m	US\$1.1 bn	US\$1.2 bn
EUROPE	US\$1.1 bn	US\$1.14 bn	US\$1.2 bn	US\$1.2 bn
OTHERS	US\$160.9m	US\$223.6m	US\$700m	US\$800m

Source: GEPA. Report on Analysis of Non-Traditional Export

Ghana's Trade with ECOWAS Countries

COUNTRIES	2018	2019	2021	2022
BURKINA FASO	US\$ 238.2m	US\$ 217.6m	US\$ 366.9 m	US\$ 421.3m
TOGO	US\$ 163.3m	US\$ 199.6m	US\$198.1m	US\$ 198.0m
SENEGAL	US\$ 18m	US\$ 85.2m	US\$123.9m	US\$ 88.3m
COTE D'IVOIRE	US\$ 63.5m	US\$ 74.7m	US\$ 90.6m	US\$ 149.4m
MALI	US\$ 84.3m	US\$ 73.8m	US\$88.2m	US\$ 149.4m
NIGERIA	US\$ 69.8m	US\$ 60.6m	US\$ 57.4m	US\$ 86.7m
NIGER	US\$46.9m	US\$ 51.6m	US\$ 78.7m	US\$ 81.4m
BENIN	US\$ 40.8m	US\$ 42.4m	US\$ 31.9m	US\$ 41.3m
MAURITANIA	US\$ 0.15m	US\$ 16.7m	-	US\$ 0.786m
GUINEA	US\$ 6.4m	US\$ 6.5m	US\$ 10.4m	US\$ 19.0m

Source: GEPA. Report on Analysis of Non-Traditional Export



promote fair trade within the region. In Ghana, we have the Salt Exporters Association, the Tomatoes Importers Association, the Onion Importers Association, and the Livestock Association, among others. Large manufacturing companies, such as B5 Plus (steel), Duraplast, KGM, Blowplast (plastics), Latex Foam, and Ashfoam (Latex), also operate in the Ghana Free Zone in Tema and the North Industrial Area in Accra. These organizations have agents across the region who handle shipments and distribute them to retailers. Some shipments are sent directly to buyers' warehouses in the destination countries.

Payment Settlement System in the Subregion

When export trade takes place under a documentary credit or letter of credit, payments are made through banks after the presentation of the necessary documents. The exporter submits the invoice, bill of lading, and other required documents to its banks. These banks then review the documents for discrepancies. If no discrepancies are found, the records are forwarded to the importer's bank for payment according to the contract terms. In cases where no documents are involved, such as in subregional trade, the export is paid via advance payment into the exporter's account or in cash. Without reliable data, we cannot determine the exact amount of export proceeds flowing through this trade corridor. However, my informal discussions with key players suggest that less than 20% pass through banks. Most transactions are settled in cash and do not affect the BOP, which aligns with Okoro et al.'s (2020) finding



that ECOWAS member states trade more with the rest of the world due to easier transactions.

Problems Associated with Cross-border Trade

1. Infrastructure

There is inadequate infrastructure to support regional trade. Border towns often lack essential facilities, including warehousing, community markets, efficient transportation networks, and adequately trained border staff, which hinders trade facilitation. These shortages lead to delays in transporting goods across the subregion, causing perishable items to spoil and harming both exporters and importers. Additionally, poor access roads make border trade lengthy and

costly. Sometimes, crossing borders takes days, and the costs of clearing goods exceed the value of goods traded informally (Akims, 2014; Tian et al., 2018).

2. Market Information and Custom Procedures

There is limited market information available for exporters interested in entering the subregional market and identifying opportunities. Traders lack access to data on prices, demand, and supply. The Ghana Export Promotion Authority does not have enough market information to fully support regional trade, though efforts are being made to improve its database. Field reports show that customs procedures at the borders are inefficient and cumbersome, which creates opportunities for bribery and corruption. This is evidenced by the numerous customs checkpoints and roadblocks along the trade corridor. Consequently, the costs of products rise, prompting exporters and importers to smuggle goods through illegal routes to save time and money.

3. Limited Access to financial and Payment Systems

Traders have limited access to financial services because transactions depend heavily on cash. They lack the working capital and business assets needed to secure bank financing. Only a few regional banks serve the sub-region, with Ecobank and SG having a regional presence; most other banks in Ghana are local. Some Nigerian banks, such as UBA, Zenith, Guaranty Trust, and FBN, also have regional offices; however, their support remains limited because



the francophone countries are not widely liquid in foreign currencies like the euro and the dollar. Additionally, the absence of an effective payment system between the anglophone and francophone zones hampers subregional trade. As a result, traders often carry large sums of CFA and dollars to pay for goods and services across borders (Akim, 2014).

4. Lack of documentation

A commercial invoice, airway or sea Bill of Lading, customs forms for road transport, and a bill of exchange are necessary to support export trade under documentary collection. Whether for tax reasons or other factors known to the parties, incorrect invoices are issued, causing discrepancies that prevent the supplier's bank from processing payments through the SWIFT platform. As a result, banks are reluctant to provide exporters with

financial instruments to support regional trade. The absence of proper documentation in this trade corridor, combined with banks' refusal to offer financial support, has left this business untapped. Letters of credit are rarely used because traders cannot afford the fees and complex paperwork. The Central Bank of Nigeria enforces strict compliance with dollar flows between the two countries, ensuring banks follow proper documentation procedures.

5. Availability of foreign exchange.

The subregion lacks a single currency. Efforts by ECOWAS governments to establish a unified currency (Eco) have failed because none of the countries have met the convergence criteria. The absence of a common currency has made trade within the subregion less appealing—francophone trade uses CFA, Nigeria (Naira), and Ghana

(Cedis). Except for two banks that hold nostro accounts in CFA, most others do not; they only hold accounts in dollars, euros, and pounds. As a result, these banks cannot issue letters of credit or avalized bills because the CFA zone does not settle its imports in euros or dollars. Trade and settlement are mainly conducted using cash in open accounts.

In most cases, importers cross the border to exchange the CFA for cash and deposit it into the exporter's account in Ghana, allowing them to receive the goods at the border. Others travel with money across borders to the region to buy goods and services. The banks have been given a platform called the Pan African Payment System (PAPS). However, this platform mainly functions as a settlement system rather than a tool for banks' NOSTRO accounts to be credited with export proceeds. As a result, only a few banks have signed onto the platform, leaving significant export proceeds outside the banking system.

Recommendation

To be able to unlock some of the opportunities by the local banks in Ghana I recommend the following:

1. Collaboration between banks and forex bureaus. As of 2023, the Central Bank of Ghana had licensed over 367 foreign exchange bureaus. Many are located in border towns, where they buy and sell foreign exchange, especially CFA and US dollar currencies. When efficient collaboration is established between banks and bureaus, it is supported by the Central Bank. The banks can collect export proceeds in CFA and import the currency for the bureaus, which have ready customers willing to buy the CFA. Alternatively, the bureaus can refer their francophone clients to the

banks to settle their imports from Nostro accounts instead of carrying cash across the border.

2. Workshops for the exporters' association. The exporters have identifiable organizations registered and recognized in their respective countries. In Ghana, there is the Salt Exporters Association, the Tomatoes and Onion Importers Association, the Livestock Importers Association, and others. The Ghana Export Promotion Authority (GEPA) also conducts regular workshops with these recognized groups. Banks can partner with GEPA to host workshops that educate the associations on how banks can facilitate subregional trade to benefit exporters.

3. Supporting facility construction. Banks can also partner to develop specific facilities, such as refrigerated warehouses at border towns. These warehouses would act as transit points where importers and exporters store goods awaiting final delivery. The enclave could be designated as a free zone. Upon delivery, warehouse receipts would be issued to traders, who could then use them to facilitate the remittance of funds without a proper invoice.

4. The Ghana Association of Bankers can facilitate a roundtable discussion with the Bank of Ghana on the path forward. An open dialogue will allow stakeholders to develop a joint statement addressing the issue of tracking all export proceeds in foreign currency into the country to support Ghana's balance of payments.

5. The bank's complaints about their inability to dispose of excess CFA liquidity on their nostro balances can be addressed through stakeholder meetings involving the Ministry of Foreign Affairs, industries, and certain agencies to ensure that all payments to their embassies and agencies are made in CFA, rather than other currencies. This will encourage banks to trade in CFA instead of relying on cash sent to bureaus and the illegal black market.

Conclusion

Available data shows that non-traditional cross-border trade in the subregion in 2022 exceeded US\$1.3 billion (GEPA). However, there is no evidence that the export proceeds were repatriated to Ghana through the banking system. The funds were moved across borders and converted into cedis, which were deposited into export accounts in Ghana. Therefore, the export figures do not affect Ghana's balance of payments because foreign exchange is not available. To stabilize the local currency through exports, stakeholders must ensure that the export proceeds from cross-border trade are tracked and repatriated in foreign exchange.

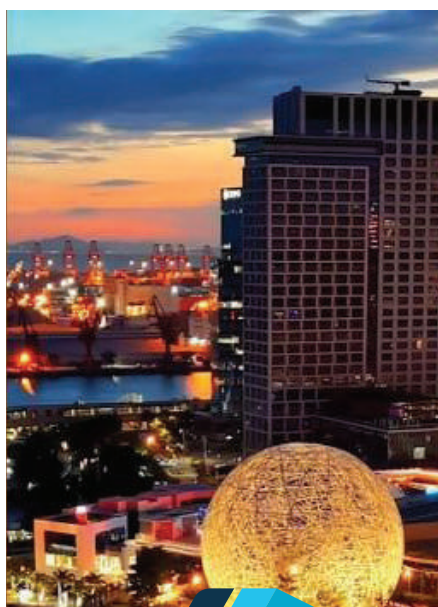
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Development Banks & Women's Financial Inclusion – The role of development banks and gender-focused financial products.

Mildred E. A. Ohene Darko, Prince Annor Antwi



Introduction

In many societies and civilizations, women's economic participation has been foundational yet marginalized throughout history. Despite playing pivotal roles in agricultural labour, small-scale commerce, and community development, women were largely excluded from formal financial systems for most of the pre-twentieth century era. The 1970s however, marked a turning point with Esther Boserup's seminal work: *Woman's Role in Economic Development* exposing how global systems profited from women's unpaid labour. This sparked policy revolutions, from the UN's First World Conference on Women (Mexico, 1975) to the Beijing Declaration (1995), ultimately tasking institutions with

dismantling economic gender gaps. In response, development banks, notably the World Bank took accelerated action for the cause in the 1980s. Gendered financial tools such as microfinance also gained traction.

The 1975 UN World Conference on Women (which officially launched the UN Decade for Women) marked a turning point for gendered financing in Sub-Saharan Africa, catalysing initial efforts made to address financial exclusion. The last five decades and beyond have seen the region's approach evolve from fragmented microcredit projects to comprehensive, gendered financing strategies, albeit with notable systemic inequities.

Research shows improvement in financial inclusion, with more African women having access to

formal financial accounts, an uptick of 11% since 2020. Despite this improvement, barriers still persist. The gender gap has widened over the past decade, with 61% of men holding bank accounts compared to 39% of women. Additionally, women continue to face limited access to capital, receiving only 7% of private equity financing. The constraints faced by women can be categorised into demand side and supply side factors. Supply-side factors include disproportionately high interest rates, stricter collateral requirements, and more rigid lending terms compared to those offered to men. On the demand side, limited financial literacy, heightened risk aversion, and fear of failure often inhibit women's engagement with financial institutions. Together, these structural and behavioural constraints contribute to the persistent gender disparity in financial inclusion.

This irony in progress stems from unintentional bias toward urban and asset-secured lending model, that benefits already-visible female borrowers while neglecting the other 68% of Africa's women who live in rural areas. The result is a financing ecosystem that claims progress while replicating the omissions it aims to resolve.



The future demands bold, systemic action to make financial inclusion a reality



The Problem

Traditional commercial banks typically perceive lending to women as high-risk, creating a financing void that development banks are uniquely positioned to fill given their dual mandates of financial sustainability and socio-economic impact. Their development mandate allows them to de-risk lending to underserved groups through credit guarantees and concessional rates that would be unsustainable for profit-driven banks. Additionally, development banks maintain closer partnerships with policymakers, positioning them to influence regulations that promote financial inclusion.

Development banks and policymakers have placed gendered financing at the forefront of gender inclusion, with multilateral institutions having allocated an estimated \$50.1 billion to gender-specific initiatives between 2017 and 2022. But this momentum begs a deeper question: where is the change—and where is there not? The “new normal” in gendered financing is typically plagued with the following issues:

- The art of box ticking: banks frequently reduce gender inclusion to procedural compliance, prioritizing reporting metrics over outcomes. Gender considerations are often treated as checkboxes

to satisfy institutional or donor requirements rather than as drivers of systemic change. This approach results in superficial interventions such as gender quotas in loan disbursement or symbolic training programs while failing to address structural barriers like collateral policies or unfair risk-assessment models. Consequently, gender initiatives become performative and lack meaningful financial impact.

- Pinkwashing: There is the tendency to engage in gendered marketing strategies that repackage financial offerings as “women-focused” without substantive adjustments to eligibility or lending terms. These products frequently impose restrictive conditions such as mandatory financial literacy prerequisites while maintaining requirements like property collateral, which disproportionately disadvantage women borrowers. By branding such initiatives as progressive, institutions create an illusion of inclusion while perpetuating existing inequities in credit access. This practice undermines genuine financial inclusion efforts.

- Lack of gendered disaggregated data: Operational deficiencies persist in the consistent collection and analysis of sex-disaggregated financial data across lending groups. Without comprehensive gender-disaggregated metrics, development

banks lack the basis to properly assess the effectiveness of their gendered financing initiatives. This data gap spans multiple metrics including repayment rates, fund usage, and business outcomes. The absence of robust gender data infrastructure prevents evidence-based policymaking and enables a cycle of poorly targeted interventions.

The Way Forward

The African Development Bank estimates suggesting that closing Ghana's gender finance divide could boost annual GDP growth by 2.3%. The economic implications of closing this gap would particularly benefit female-dominated sectors like agriculture, retail trade, and small-scale manufacturing that form the backbone of Ghana's informal economy.

According to World Bank data from 2023, only 34% of Ghanaian women have formal bank accounts compared to 48% of men. This disparity becomes even more pronounced in rural areas where cultural norms, limited access to education, and digital exclusion further restrict women's participation in the formal financial sector. These systemic barriers intersect with operational shortcomings in current interventions, particularly the urban bias that sees most financial inclusion programs concentrated in major cities while neglecting rural women who constitute the majority of Ghana's female population. Development banks can take an active role in reversing this reality. They can undertake the following:

Prioritise innovative product design – Moving beyond traditional collateral requirements, financial

institutions could develop credit products that accept movable assets like equipment or inventory as security, or even leverage mobile money transaction histories as alternative forms of credit scoring. A good example is Farm Drive (Kenya), a platform that collects relevant data about smallholder farmers and uses algorithms to create a profile and credit score used by financial institutions to make lending decisions. However, product innovation alone is insufficient without complementary services; bundling loans with financial literacy training, childcare support, and business mentorship could improve outcomes for women borrowers.

Strategic partnerships: This will be critical in expanding the reach of women's financial inclusion initiatives. Collaboration with fintech and emerging digital-first entities could facilitate the distribution of digital microloans to women; especially those in remote communities. Development banks, through other government agencies, such as the Ghana Enterprises Agency (GEA) could work through existing market women associations and agricultural cooperatives that already serve as reliable credit alternatives for Ghanaian women in the informal

sector. Such partnerships would not only improve reach, but also help overcome the trust deficit that often exists between formal financial institutions and underserved populations.

Policy advocacy and improved data systems – Development banks are uniquely positioned to lobby for reforms that address structural barriers. These institutions should invest in building gender-disaggregated data systems that track loan disbursement patterns, repayment rates, and broader economic impacts across demographic segments. Such data would not only enable more targeted product design but also provide the evidence base needed to advocate for broader policy changes.

To realize the full potential of women borrowers, development banks must move beyond isolated interventions and implement complete solutions. Establishing formal gender-lending quotas, would ensure dedicated capital flows to women-led businesses. Simultaneously, this can be supplemented by investing in the development of digital credit scoring models that assess creditworthiness without relying on traditional collateral. targets and



The absence of robust gender data infrastructure prevents evidence-based policymaking and enables a cycle of poorly targeted interventions.





national financial literacy programs tailored to women's needs.

Leavitt (1971) said it best when he posited that the most important clue to a woman's status anywhere in the world is her degree of participation in economic life and her control over the property and product she produces. Today, this perspective finds new expression in the rise of gender-focused financial products that go beyond access to credit. These innovations reflect a growing recognition that financial inclusion alone is not enough; products must be intentionally designed to address systemic barriers such as income volatility, caregiving responsibilities, limited collateral, and digital exclusion.

Leavitt's point remains a strategic remainder for development banks. Development banks must take the lead in demonstrating that lending to women is not just socially responsible but financially viable. Together with policymakers, there is the need to create an enabling environment through legal and regulatory reforms. Most importantly, the voices and experiences of the women themselves must inform every stage of product design and policy formulation.

The future demands bold, systemic action to make financial inclusion a reality and development banks have the tools, the mandate, and now, the urgency to lead this gendered finance transformation.

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ESG and Sustainability Reporting – BoG's Role In Driving Sustainable Banking Practices

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Introduction

The Global banking sector is undergoing a transformative shift toward environmental, social and governance (ESG) principles. This is driven by climate change, social inequalities and governance demands. ESG reporting has improved Sustainable development initiatives and transparency in the sector. The surge in ESG-focused initiatives is mirrored in the financial markets, where sustainable finance instruments are gaining unprecedented traction. In 2024, global sustainable bond issuance topped \$1 trillion, which was a 10% increase above the 2023 bond issuance performance. This marks the second-highest annual issuance since the market began in 2007, with the record high of \$1.126 trillion in 2021. This reflects how investors are prioritizing ESG.

Locally, the Bank of Ghana (BoG) launched the Ghana Sustainable Banking Principles (GSBPs) in 2019 to integrate ESG considerations into the banking sector. The principles were designed to provide a framework for banks to incorporate sustainability into their operations and lending decisions. The principles aimed to guide banks in addressing key global megatrends, including climate change, human security, anti-money laundering, socially responsible governance, transparent information disclosure, and corporate integrity. Twenty-four (24) banks in Ghana, including ARB Apex bank, have committed to the BoG's GSBPs to integrate ESG and sustainability principles into their business and operations in an environmentally and socially responsible manner.

This article aims to explore the key trends in ESG and sustainability reporting, highlight the measures

undertaken by the Bank of Ghana (BoG) to drive change within the banking sector, and provide recommendations for further advancements in this area.

Key Trends

Globally, the number of companies reporting on sustainability are increasing, with 79% of the top 100 companies in 58 countries (N100) reporting on ESG, and 96% of the world's largest 250 companies (G250) reporting on ESG in 2024.

In Ghana, listed companies have made significant progress towards ESG adoption, with 52% of listed companies on the Ghana Stock Exchange (16 out of 31) 5, including banks, disclosing ESG metrics in 2024, up from 25% in 2019. Banks are leading in sustainability reporting with 80% of listed banks reporting on environmental impact, social initiatives, and governance as of 2024. This is driven by investors' pressure and BoG's commitment which has contributed to significant progress in areas such as digital innovation and green finance.

The Bank of Ghana's Role in Driving Sustainable Banking Practices

BoG, through the Ghana Sustainable Banking Principles (GSBPs) is fostering a resilient and inclusive financial ecosystem. BoG's initiatives could transform Ghana's banking sector into a regional leader in sustainable finance. Enhanced ESG compliance could unlock international funding, support national climate goals, and drive economic equity. If sustained, these efforts could position Ghana as a

model for integrating sustainability into financial systems across Africa.

Ghana Sustainable Banking Principles

The GSBPs was launched in 2019 after four years of collaboration with stakeholders, including the Ghana Association of Banks and the International Finance Corporation (IFC). The GSBPs require all commercial banks to integrate ESG considerations into their risk management, lending, and governance structures.

As reported by the Business & Financial Times, during the ESG Certification Program launch by the Chartered Institute of Bankers (CIB), banks in Ghana achieved a 62.5% compliance rate with the Ghana Sustainable Banking Principles by the end of 2023. This compliance has fostered financial inclusion, with banks extending credit to underserved communities, and expanded green lending, such as financing for renewable energy and waste transformation projects. Bank stability has also improved, as ESG integration strengthens risk management and increase investor confidence.

Capacity Building

In 2021, BoG developed training materials on environmental and social risk management (Principle 1 of the SBPs), which was rolled out in 2022. In 2023, the Bank of Ghana organised a workshop for banks in Ghana. The workshop was held in partnership with the Ghana

Association of Banks (GAB) and the Environmental Protection Agency (EPA) to train banks on Principles 3-7 of the GSBPs.

In July 2023, BoG partnered with the IFC and the Swiss Secretariat for Economic Affairs (SECO) to launch the Integrated ESG (IESG) Ghana Programme. This initiative equips bank staff with ESG expertise and enhance their ability to assess risks and identify sustainable lending opportunities. BoG has also collaborated with the Sustainable Banking Network (SBN) to adopt global best practices, while forging domestic partnerships with the Ministry of Finance and the Environmental Protection Agency (EPA) to reinforce green finance and environmental risk management.

To enhance its capacity-building efforts, BoG could complement existing initiatives by collaborating with relevant institutions to establish a structured certification program for banking professionals, modelled on the Monetary Authority of Singapore's (MAS) Sustainable Finance Technical Skills Framework. MAS, in collaboration with the Institute of Banking and Finance Singapore (IBF) launched the Sustainable Finance Technical Skills and Competencies (SF TSCs) framework in February 2022. The

SF TSCs cover a range of thematic and functional knowledge topics. The thematic topics include climate change policy developments, natural capital, green taxonomies, carbon markets and decarbonisation strategies. The Functional knowledge topics cover how sustainability is applied across major functions in the financial sector. 7 BoG could partner with CIB, which launched its ESG certification program in 2024 to facilitate the training and certification of banking professionals in ESG courses.

Climate Risk Management: Challenges and BoG's Support

Beyond the GSBPs, BoG is tackling climate risk head-on with the Climate-Related Financial Risk Directive, which took effect in November 2024. This directive is supported by the Risk-Based Supervision framework, which includes regular audits and reporting requirements to ensure compliance with ESG mandates. However, climate risk management imposes significant costs on banks, particularly in the wake of BoG's Climate-Related Financial

With sustained effort and strategic innovation, Ghana's banking sector can not only strengthen its resilience but also inspire a broader shift toward sustainability across Africa's financial landscape.



Risk Directive. Physical risks, such as floods or droughts, threaten asset values, while transition risks from policy shifts demand investments in new systems. Banks must allocate resources for climate risk assessments, data analytics, and staff training. Smaller institutions, with limited capital, face disproportionate burdens, potentially increasing operational costs by 10-15% annually, based on industry estimates from similar markets.

To ease these burdens, BoG can adopt a multi-faceted support strategy. Financial incentives, such as offering lower interest rates or favourable terms for loans to banks that demonstrate strong ESG performance or meet specific sustainability criteria, would lower compliance costs and encourage sustainable investments. Collaboration with the Ghana Revenue Authority (GRA) and the Ministry of Climate Change and Sustainability to introduce tax credits for climate-focused projects could further incentivize banks, mirroring successful models in leading countries. For example, Germany has introduced Energy Tax

Act that offers reductions and tax exemptions for companies investing in energy-efficient technologies and renewable energy. This has reduced operational costs for banks and corporations adopting sustainable practices. Standardised frameworks are equally critical. Standardised templates for climate risk assessments and reporting could provide cost-effective tools and expertise, particularly for smaller institutions.

Advancing ESG and Sustainability Reporting: KPMG Insights and BoG's Role

The KPMG survey in 2024 on Sustainability Reporting in Ghana provided deeper insights on ESG reporting practices among banks listed on the Ghana Stock Exchange. Among surveyed banks, 80% align their sustainability reports with the Sustainable Development Goals (SDGs), reflecting the influence of GSBPs' Principle 3 on inclusive

finance. Yet only 40% address biodiversity risks, indicating gaps in fully embracing Principle 1's environmental focus. The survey reveals a varied ESG reporting landscape among listed banks. Of those surveyed, 50% produce standalone ESG reports, often titled "Sustainability" or "ESG" reports, while the other 50%, typically subsidiaries, report through parent companies headquartered in countries like Nigeria, Togo, or the UK. This reliance on parent reporting obscures local sustainability efforts, reducing transparency for Ghanaian stakeholders. For instance, banks reporting via parents often fail to highlight region-specific initiatives, such as investments in local renewable energy projects.

Compliance with frameworks like the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) is inconsistent, with only 30% of banks adopting them, and just 20% including formal assurance statements. Materiality assessments also differ, with some prioritizing societal impact over a dual focus on financial and environmental factors. The survey hints at broader challenges: while some banks set carbon reduction targets aligned with the Paris Agreement's 2°C goal, many lack the infrastructure to fully measure or mitigate climate risks, heightening costs and risks.

BoG can bridge these gaps by promoting standalone ESG reporting across all listed banks. BoG's standardised reporting templates, aligned with GSBPs and GSE guidelines, streamline the process and highlight local efforts, but promoting their wider adoption would further enhance transparency. Mandating standalone reports as a compliance

requirement under the GSBPs would enhance accountability, particularly for subsidiaries whose parent reports dilute Ghana-specific insights. To address missing elements such as ESG assurance and biodiversity focus, BoG could expand capacity building through the IESG Ghana Programme, offering training on GRI, SASB, and Task Force on Climate-related Financial Disclosures (TCFD) frameworks.

Collaboration with the GSE could enforce stricter disclosure requirements, while incentives like recognition awards or reduced regulatory fees could motivate banks to excel in reporting.

BoG could further innovate by linking loan portfolios to carbon reduction targets. Requiring banks to assess and disclose the carbon footprint of their lending like the Partnership for Carbon Accounting Financials (PCAF) methodology used by some surveyed banks would align financial flows with national climate goals. Offering lower interest rates or reserve benefits for loans tied to low-carbon projects could drive adoption, reducing the sector's environmental impact. The potential cost implications, such as investments in climate risk infrastructure, could be offset by long-term gains in resilience and market competitiveness.

Conclusion

In a world where sustainable finance is reshaping banking, the Bank of Ghana's efforts to integrate ESG principles through the Ghana Sustainable Banking Principles are both timely and transformative. While significant progress is evident, marked by increased ESG reporting and sector-wide

commitment, challenges such as limited expertise, compliance costs, and climate vulnerabilities persist. To fully realize its potential as a regional leader, BoG must deepen its commitment by enhancing support for ESG reporting, incentivising climate-resilient lending, and expanding capacity-building initiatives. With sustained effort and strategic innovation, Ghana's banking sector can not only strengthen its resilience but also inspire a broader shift toward sustainability across Africa's financial landscape.

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Personality Profile

**Mr. Kwamina
Asomaning**

*Chief Executive, Stanbic Bank, Ghana & President,
Ghana Association of Banks*

Interview with the MD of Stanbic Bank & President of GAB



Mr. Kwamina Asomaning

*MD, Stanbic Bank Ghana &
President, Ghana Association of Banks (GAB)*

1. Could you tell us about your journey in banking and what has shaped your outlook?

My journey began in the fast-paced world of investment banking, where I was immersed in the complexities of capital markets and corporate finance. That early experience taught me the importance of financial discipline, the need to pay attention to detail, and the value of strategic thinking. Over the years, I've had the privilege of leading across a broad spectrum of banking—from corporate and investment to retail, wealth, business, and commercial banking. Each role underscored the importance of

understanding the needs of clients and reinforced my belief in banking as a catalyst for development.

What's shaped my outlook most is the blend of local and international experiences. It's given me the ability to appreciate different cultures, while providing a panoramic view of how financial institutions can drive real change—not just through transactions, but by empowering communities, creating jobs, and building futures. That's why, in my current role, I'm passionate about further shifting the Association's posture from defense to growth. We have an opportunity to lead boldly and reimagine what banking can do for Ghana.

A defining influence on my leadership style was working closely with Alhassan Andani during his tenure as GAB President. He led with a vision that extended beyond

“Leadership in banking isn't just about balance sheets—it's about legacy, impact, and shaping the future.”

individual institutions, viewing the industry as a collective engine for national progress. That perspective continues to guide me. Leadership in banking isn't just about balance sheets—it's about legacy, impact, and shaping the future.

Moving the Association from “defence to growth.” What exactly does that mean?

For years, the turbulence in the external environment has resulted in banks having very limited scope to operate in any other manner other than in a tactical one. Fighting for the survival of our clients and by extension, our very own, we have been reactive to monetary policy. While compliance is essential, this approach has limited the industry’s ability to shape its own future. Moving from defense to growth means shifting our posture. It’s about being more engaged and collaborative with the authorities.

A key part of this shift is strengthening our partnership with the Bank of Ghana. We’re working collaboratively to co-create solutions, share insights, and help shape policies that foster growth while maintaining stability. It’s no longer about waiting for directives—it’s about engaging early and aligning on a shared vision for the financial sector.

This proactive stance also includes scaling initiatives like GhanaPay to drive digital and financial inclusion, deepening collaboration between banks and fintechs, and supporting vital sectors like SMEs and agriculture. We’re investing in cyber resilience and embedding sustainability—not as a checkbox, but as a core business imperative.

Ultimately, growth is about relevance, reach, and responsibility—and it starts with leadership that’s willing to lean forward.

What is your outlook for Ghana’s banking industry over the next five years?

Ghana’s banking sector is entering a transformative era—defined by innovation, inclusion, and growth. Financial services are becoming more embedded in everyday life: faster, more affordable, and increasingly digital. Technologies like open banking, artificial intelligence, and data analytics are revolutionizing how banks understand and serve customers, making financial interactions more intuitive and personalized.

At GAB, our mission is clear: to make financial services safe, accessible, and affordable for every Ghanaian. This vision is grounded in five strategic priorities:

1. Regulatory Compliance and Stability

Collaborating with the Bank of Ghana and other stakeholders to maintain a resilient financial system while advocating for policies that support sustainable, innovation-driven growth.

2. Access to Credit and SME Support

SMEs are the heartbeat of Ghana’s economy. Expanding affordable financing for these businesses is essential to unlocking job creation and long-term development.

3. Financial Inclusion and Digital Transformation

Through platforms like GhanaPay, we’re extending access to underserved communities, ensuring digital innovation promotes both equity and efficiency.

4. Risk Management and Cybersecurity

As digital adoption accelerates, so does the need for robust risk frameworks and cybersecurity investments. Protecting trust and operational integrity is paramount.

5. Capacity Building and Talent Development

The future of banking depends on the strength of its people. We’re committed to nurturing leadership, technical expertise, and innovation across the workforce to keep the sector agile and globally competitive. At the same time,



I don’t see fintechs or digital money issuers as threats; rather, they are partners in expanding access.

we are actively promoting ethical behaviour as the cornerstone of all that we do, in our operations and interactions with stakeholders.

This is more than a strategic plan; it's a commitment to bold leadership, deeper collaboration, and shared progress. The next chapter of Ghana's banking story will be defined not just by how we respond to change, but by how we shape it.

Digital transformation is at the center of banking today. How should Ghanaian banks adapt?

To stay relevant, banking must be simple, fast, and seamlessly integrated into daily life. That means embracing digital tools, using data intelligently, and collaborating with fintechs to deliver solutions that go beyond payments—especially for SMEs and underserved communities.

I don't see fintechs or digital money issuers as threats; they're partners in expanding access. Banks must focus on what we do best; we mobilise savings, and channel them into productive use, anchored in trust and shaped by strong governance.

Working with fintechs on shared platforms like GhanaPay allows us to offer customers greater choice and innovation.

Of course, this requires robust policy frameworks. Clear regulations on open banking, data privacy, and digital assets—combined with stronger consumer protection and risk-based capital

requirements—will help us innovate safely and sustainably.

How would you describe the current regulatory environment, and what does it mean for the industry?

The regulatory landscape is evolving firmly but positively. There's greater clarity, stronger enforcement, and more receptivity to industry concerns. The impending shift toward risk-based capital requirements is especially important for resilience, ensuring banks remain strong even in challenging times.

At GAB, we work closely with regulators to ensure policies safeguard stability while encouraging innovation and growth. Our goal is to make regulation a platform for opportunity—not a constraint.

Governance and sustainability are hot topics globally. How do you see their role in Ghana's banking industry?

Good governance and strong ethics must always be at the heart of banking. That means investing in our people, strengthening internal controls, paying competitively, and holding ourselves to high ethical standards.

Sustainability must also become part of our DNA. Banks have a responsibility to finance inclusive, climate-friendly projects and to be transparent in how we report

on ESG. This isn't just about compliance—it's about positioning Ghana's financial system to support long-term, equitable growth.

Fraud remains a major concern for banks worldwide. How is the industry addressing this?

Fraud is a persistent challenge, especially when insider involvement is at play. We're addressing it through tighter controls, continuous staff training, smarter use of technology, and intelligence-sharing across the industry. Collaboration with the regulator is also key. By pooling insights and responses, we strengthen the resilience of the entire system—not just individual institutions.

What message do you want to leave with stakeholders, and what legacy do you hope to build at GAB?

My message is simple: the future of banking in Ghana rests on three pillars—resilience, innovation, and inclusion. If we get this right, banks will not only serve customers better but also power Ghana's broader economic transformation.

When my tenure comes to a close, I hope to be remembered as the President who brought banks and authorities together around a shared vision — and who strengthened our partnerships so that everything we do is guided by that common purpose.



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Industry Outlook

Industry Outlook

From Stability to Sustainable Growth Amidst Elevated Credit Risks



Introduction:

A Sector Rebuilding and Repositioning

Ghana's banking sector stands at a delicate but promising juncture in 2025. Following years of macroeconomic instability, fiscal overruns, and a complex sovereign debt restructuring process, the landscape is beginning to show signs of measured recovery. As inflation cools, fiscal consolidation gains ground, and investor confidence gradually returns, banks must recalibrate their roles; not only as custodians of liquidity but also as engines of growth and economic stability.

With balance sheets largely rebuilt and profitability restored yet moderating, banks are now poised to shift from survival mode to growth. Yet, the path ahead remains layered with complexities. Chief among these is the persistent challenge of credit risk, which continues to undermine asset quality and constrain the sector's ability to support a broad-based economic recovery. This outlook explores the current state of the banking industry, delves into its key challenges, particularly the credit risk overhang; and presents a forward-looking narrative on how banks can strike a balance between prudence and growth considering the global economic and financial landscape. Moreover, Ghana's position under the IMF programme will be ending in 2026 and its possibility of extension would be accessed and the

implications for the industry going forward, noting Ghana's debt hang in 2027 and 2028.

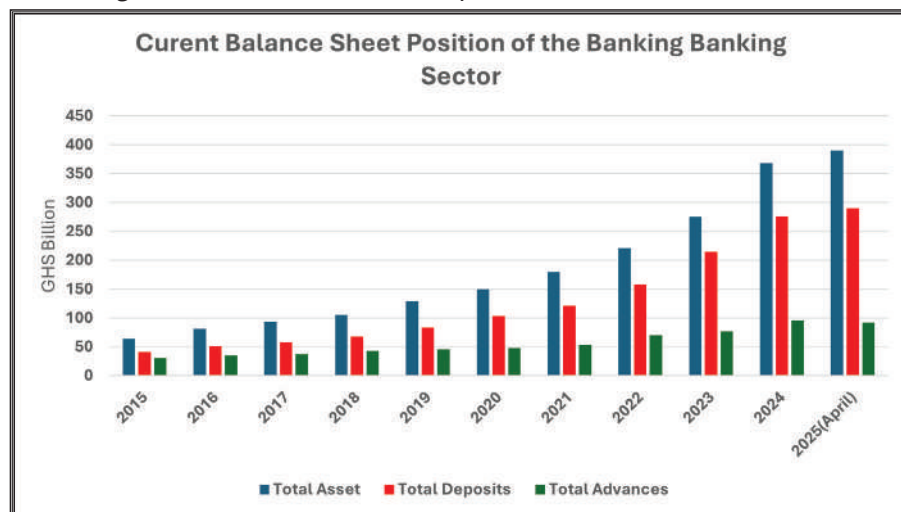
1. THE CURRENT STATE OF THE BANKING SECTOR

Strong Rebound in Assets and Deposits

The banking industry's performance indicators for 2024 reflect remarkable recovery and growing public confidence. The sector's total assets surged to GHS 367.8 billion by year-end, marking an impressive 33.8% increase over the previous year. This growth renewed investor and depositor confidence in the post-DDEP era. Deposits also followed suit, rising by 28.8% year-on-year to reach GHS 276.2 billion. Data available as of July 2025, indicated that the total asset base on the banking sector have already crossed GHS 384 billion with total deposits hitting GHS 280 billion at the end June of 2025. Notably, both metrics have expanded nearly sixfold over the past decade, demonstrating the deepening role of banks in the broader financial system.

Cautious Recovery in Credit Extension

While asset growth has been rapid, lending has resumed with measured caution. Total loans and advances reached GHS 95.7 billion, representing a record annual increment of GHS 18.7 billion between 2023 and 2024. This rebound in credit activity is evidence that banks are gradually regaining confidence in lending, although many remain vigilant in risk appraisal and pricing. From 2015 to 2024, the industry's loan to deposit ratio averaged around 52.9 % with 2015 end of year value of 72.9% compared to the 34.64% recorded at end of 2024. Data have shown that, Post the financial clean up exercise (2017-2018) and the tiered dynamic CRR regime (which was implemented in April 2024), loan to deposit ratio of the sector have continued a downward trend, as credit risk remained elevated as we see in the NPL number. Notably, the total advances have dropped from the GHS 95.7 billion recorded at the end of 2024 to GHS 92.2 billion at the end of April 2025. The cautious approach is shaped by the economic uncertainties that the year 2024 depicted and a still-fragile macroeconomic backdrop.



Liquidity, Capital, and Digital Growth: The New Face of Ghana's Banking Recovery

Ghana's banking sector is showing renewed strength, anchored by robust liquidity, stronger capital buffers, and a fast-paced digital shift. By December 2024, liquidity levels reached decade highs, with core liquid assets accounting for 38.7% of total assets and 46.3% of short-term liabilities. This strong cushion not only ensures banks can absorb shocks and meet withdrawals but also positions them to channel funds into the real economy. From January to April 2025, the ratio averaged 45.4%, significantly higher than the 38.1% recorded a year earlier, despite a slight dip in the first quarter.

Capitalization is also on a firmer footing. After edging up to 14% in 2024, the sector's Capital Adequacy Ratio (CAR) surged to 17.1% in March and 17.5% in April 2025, well above regulatory thresholds. Compared to the same period last year, the improvement is notable and reflects the industry's growing risk-absorbing capacity. This trend has been reinforced by Ghana's sovereign rating upgrade to 'B-' with a stable outlook by Fitch in June 2025, signaling a more supportive macroeconomic environment.

Earnings, however, are settling into a more sustainable rhythm. Following record-breaking profits in 2023, largely from revaluation gains, returns eased in 2024. ROE dipped from 34.2% to 30.8%, while ROA held steady around 5%. Though moderated, these remain healthy by global standards.

At the same time, digital banking is rewriting the competitive landscape. The GhanaPay mobile wallet alone surpassed one million users and GHS 1.6 billion in transactions in early 2025, confirming that digital transformation is no longer optional, it's the future of banking.

Global Outlook and Financial Stability: IMF Projections for 2025-2026

The International Monetary Fund (IMF) projects a global growth rate of 3.0% for 2025 and 3.1% for 2026, according to its July 2025 World Economic Outlook Update. These forecasts represent an upward revision from the April 2025 outlook, driven by factors such as reduced U.S. tariff rates, eased financial conditions, and fiscal expansion in major economies. Despite the recent upward revision, the slow down seen is attributed primarily to the April 2025 introduction of near-universal U.S. tariffs, which sparked a trade war, provoked retaliatory measures, and disrupted investment and supply chains. Advanced economies are expected to expand by just 1.4% in 2025, led by slower U.S. growth at 1.8% and a weak euro area at 0.8%. Emerging and developing economies will grow by 3.7% in

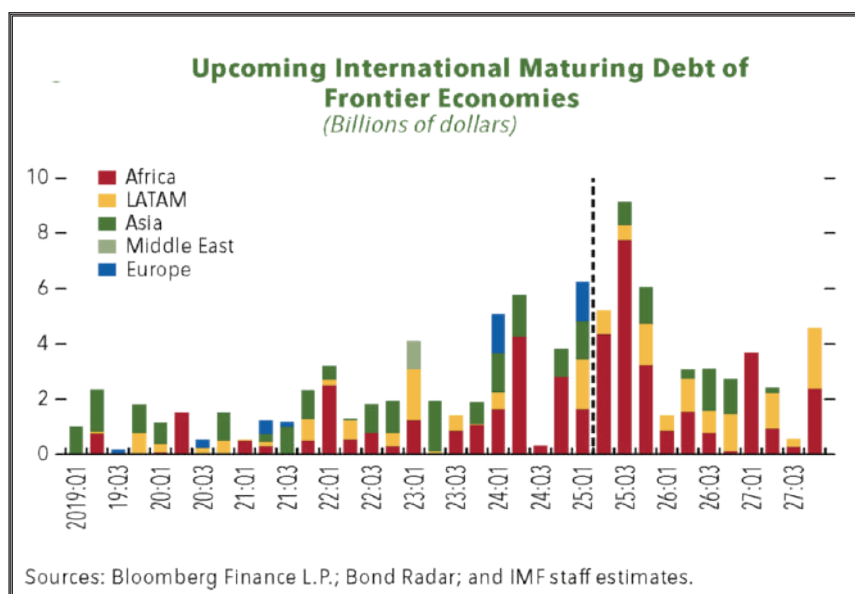
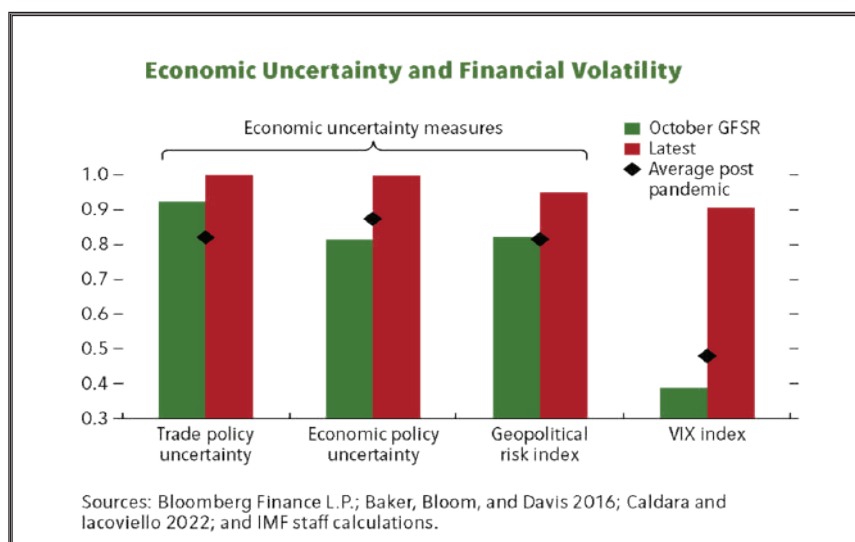
2025 and 3.9% in 2026, but trade-exposed countries, particularly China, face deeper downgrades.

Inflation is projected to ease gradually, reaching 4.3% in 2025 and 3.6% in 2026. While emerging markets benefit from modest downward revisions, advanced economies face upward adjustments, reflecting persistent pressures. Risks remain tilted to the downside, with elevated policy uncertainty, tightening global financial conditions, high sovereign debt burdens, volatile capital flows, and geopolitical tensions adding to vulnerabilities.

October 2024 IMF Global Financial Stability Report underscores mounting fragilities in the financial system. Elevated leverage stretched asset valuations, and the tightening of financing conditions have significantly increased macro-financial risks. Sovereign debt markets are under strain, as countries with high debt loads confront historically high real borrowing costs and refinancing pressures. Nonbank financial intermediaries—such as hedge funds and asset managers propose systemic threats through leverage, margin calls, and redemption risks, given their close links with banks.

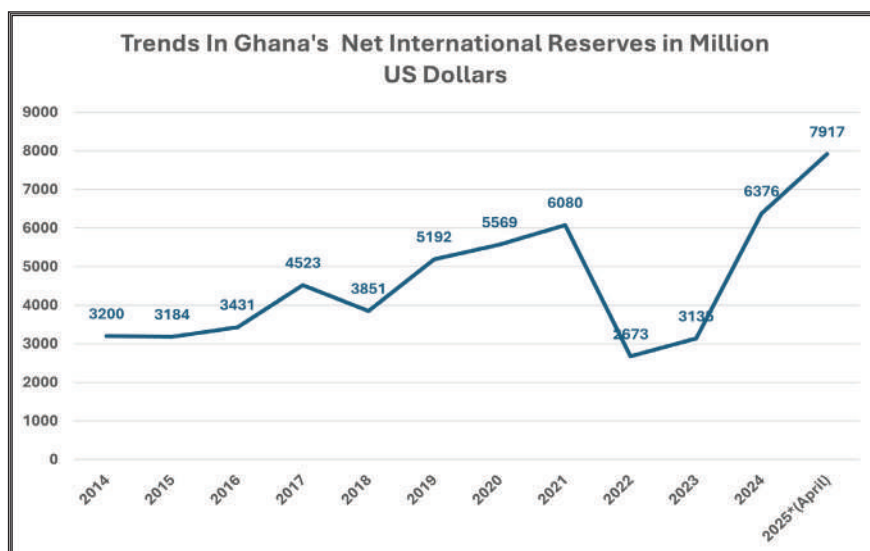
To address these challenges, the IMF calls for urgent global policy coordination. Governments are urged to pursue credible medium-term fiscal consolidation, sustainable debt management, including orderly restructuring where necessary, and enhanced oversight of nonbank institutions and crypto asset markets. Full implementation of Basel III, deployment of macroprudential tools, and stronger liquidity buffers are also emphasized. For vulnerable economies, building reserves,

securing liquidity lines, and early restructuring are critical to avoiding defaults.



2. EXTERNAL SECTOR AND GLOBAL HEADWINDS: RISK AND OPPORTUNITY IN FLUX

Ghana's external sector remains resilient, with gross international reserves rising from USD 8982.5 million as at the end of 2024 to USD 11123.2 million by end of June 2025 making the international reserves in terms of months of import cover increase from 4.0 to 4.8, with a net International Reserve increasing from 2.9 months import cover at the end of 2024 to 3.8 at the end of June 2025, far above the IMF performance benchmark of 3.0. This together with other fundamentals is reflecting in the current rallying of the Ghana Cedi against major trading currencies in recent months of 2025.



Source of Data: Bank of Ghana Database Portal

Yet, global conditions remain volatile. The escalation of US tariffs and retaliatory trade policies in 2025 have shaved 0.8 percentage points off global growth, now forecasted at 3.0% for 2025. This adds uncertainty to commodity prices, capital flows, and FX markets, affecting frontier economies like Ghana disproportionately. Despite these, Ghana's disinflation progress, reserve position, and credibility of reforms would likely help cushion it from abrupt shocks.

Macroeconomic Environment: Stability Gains, but Fragile Anchors

Real GDP growth for 2025 is projected at 4.0%, while non-oil GDP is expected to grow at 4.8%, led by an agricultural rebound and stable activity in services and light manufacturing. The outlook remains exposed to downside risks, especially from external shocks and global trade disruptions, but domestic fundamentals are showing improvement.

As of end-June 2025, Ghana's headline inflation stands at 13.7%, a marked decline from the inflationary peaks experienced in 2022 and 2023. The downward trend is bolstered by a stronger cedi, easing import costs, tight monetary policy, and stable food supply. The disinflation momentum aligns with end-year inflation targets of 12.0% by the Bank of Ghana (BoG) and 11.9% from the Ministry of Finance, signaling strong policy coordination.

Macroeconomic Turning Point: Ghana's Economic and Financial Outlook through the Lens of Key Indicators (2015–2025)

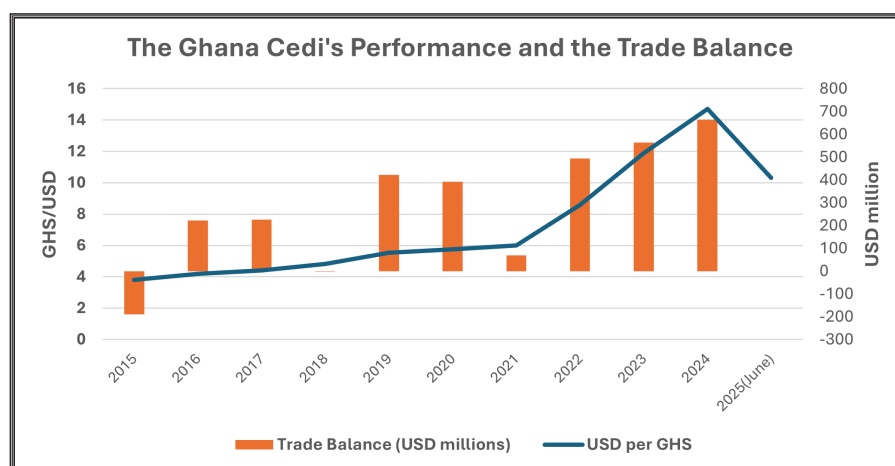
Over the past decade, Ghana's economic trajectory has been shaped by cycles of volatility, resilience, and now an emerging recovery. A review of the exchange rate, trade balance, inflation, interest rates, and fiscal dynamics between 2015 and 2025 highlights a structural shift from instability toward stabilization, supported by reforms under the IMF programme. Together, these indicators present an encouraging, though still cautious, outlook for the economy and the financial sector.

External Sector Resilience: Trade Surpluses and Exchange Rate Stability

Ghana's external sector has strengthened through consistent trade surpluses and a stabilizing exchange rate. From a deficit of USD -189.8 million in 2015, the trade balance improved steadily, peaking at USD 664.29 million in 2024, driven by strong gold, cocoa, and oil exports and moderated imports. These surpluses boosted reserves and cushioned the economy against external shocks.

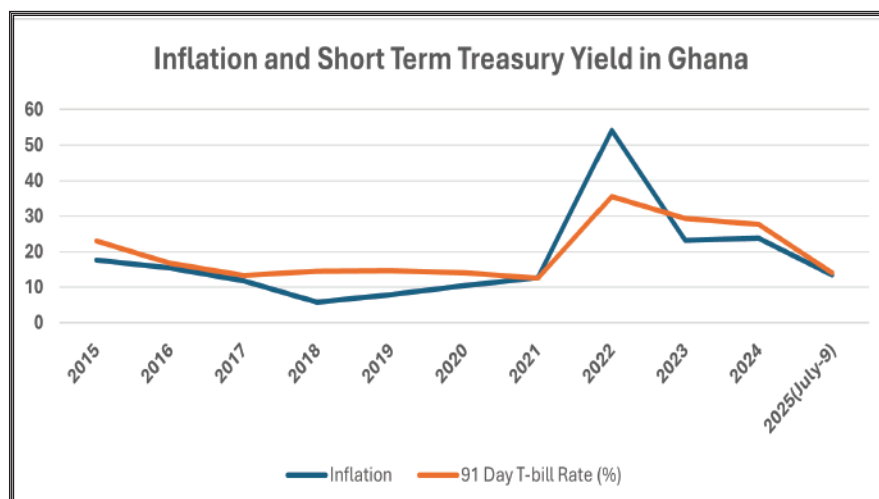
Meanwhile, the cedi, which depreciated sharply from GHS 3.79/USD in 2015 to GHS 14.7/USD in 2024, rebounded to GHS 10.3/USD by mid-2025. This turnaround reflects fiscal consolidation, debt restructuring, improved trade performance, and growing reserves, signaling renewed investor confidence. Together, trade surpluses and exchange rate gains highlight Ghana's improved external resilience and economic management credibility.





Inflation and Interest Rates: Returning to Positive Real Yields

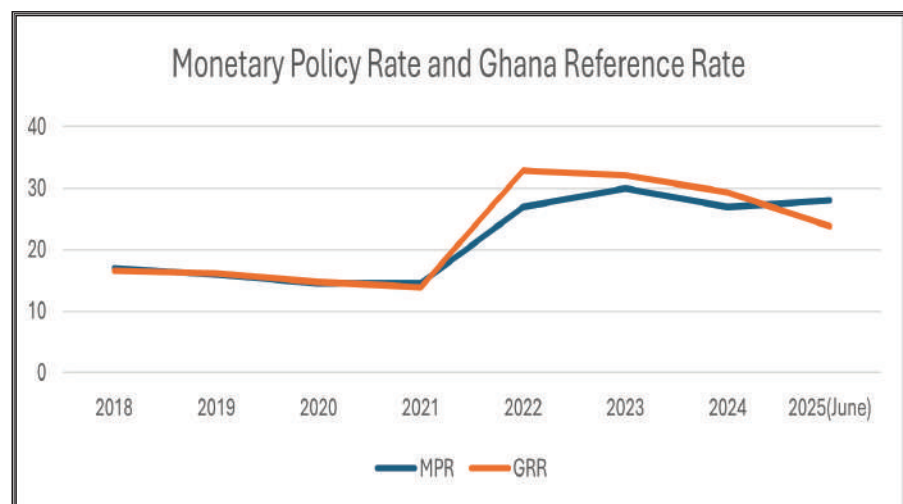
The inflation trajectory underscores both past vulnerabilities and recent stabilization. End of Inflation fell sharply from 17.7% in 2015 to 5.8% in 2018, only to surge to 54.1% in 2022 amid fiscal imbalances and global commodity shocks. Encouragingly, it declined to 23.8% in 2024 and further to 13.37% by July 2025. Meanwhile, the 91-day Treasury bill rate, which spiked to 35.5% in 2022, has since eased to 14.1%. For the first time in nearly a decade, short-term rates now exceed inflation, restoring positive real returns. This shift strengthens domestic savings, encourages fixed-income investments, and supports capital mobilization for growth.



Monetary Policy and Financial Conditions: Anchoring Expectations

To consolidate these gains, the Bank of Ghana has maintained a tight monetary stance, with the policy rate at 28% anchoring inflation expectations. At the same time, the Ghana Reference Rate has declined to 23.69%, suggesting gradually improving lending conditions. The central

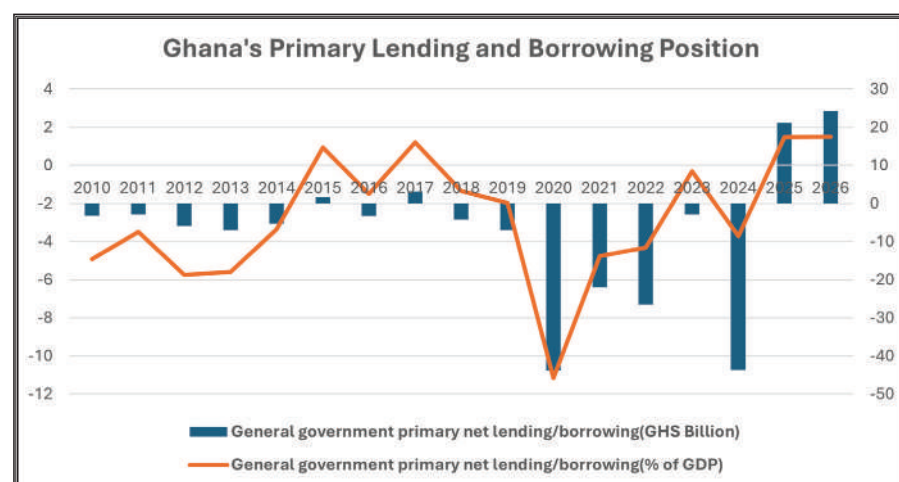
bank is expected to cautiously begin a rate-cutting cycle in the latter half of 2025 to support credit expansion without undermining disinflation progress.



Source: Bank of Ghana Database Portal

Fiscal Consolidation and Debt Sustainability: Stabilizing the Public Ledger

Fiscal Consolidation and Debt Sustainability: Building Stability Amid Risks
Fiscal indicators also reflect progress. The primary balance improved from a deficit of -1.2% in 2024 to a surplus of 0.3% by March 2025, while the overall deficit narrowed from -5.2% to -1.0%. Public debt, though rising in absolute terms, declined as a share of GDP from 61.8% to 55%, reflecting fiscal restraint and strong nominal growth. Nonetheless, the debt burden remains heavy, with debt service obligations exceeding GH¢50 billion annually by 2027–2028. These looming maturities highlight the risks to sustainability and may necessitate IMF support beyond 2026. For banks, this underscores the need for prudent risk management, particularly regarding sovereign exposure and liquidity planning.



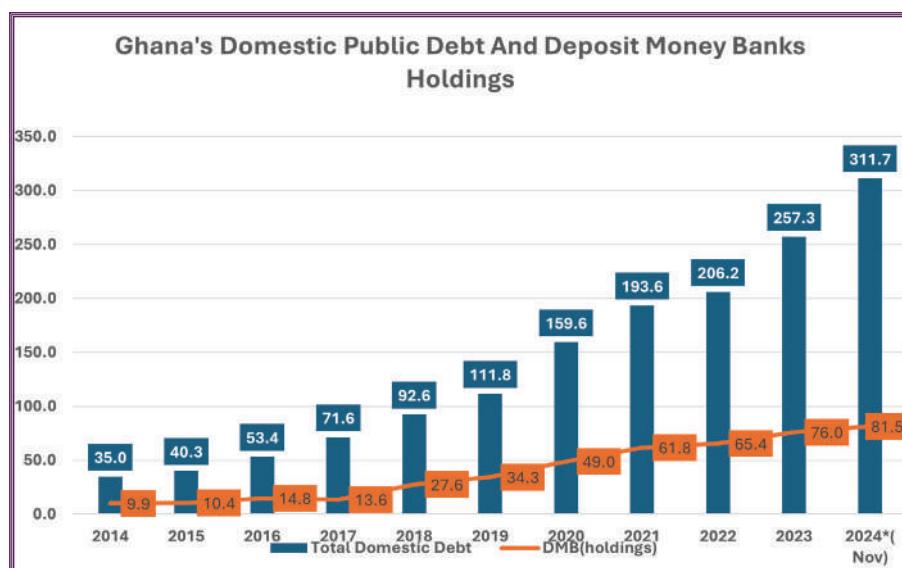
Source: World Economic Outlook Database, July 2025

In sum, Ghana stands at a macroeconomic turning point. Stabilizing currency dynamics, persistent trade surpluses, disinflation, and restored real yields provide a foundation for recovery. Yet, fiscal pressures and debt sustainability challenges remain a constraint. For the banking sector, the evolving outlook offers opportunities in savings mobilization and credit growth but also demands vigilance against sovereign and liquidity risks as the country navigates the final stretch of its IMF programme.

Banking Sector Exposure to Sovereign Debt: Managing Concentration Risk

Deposit Money Banks (DMBs) remain significant holders of government domestic debt. As of November 2024, DMBs held GHS 81.45 billion in domestic government debt, up from GHS 76.05 billion in December 2023 and GHS 65.44 billion in December 2022. This reflects a cumulative increase of 24.5% over two years, driven by improved confidence in debt instruments following the completion of the Domestic Debt Exchange Programme (DDEP) and restoration of coupon payments.

While this provides a stable and profitable income stream for banks, it also amplifies sovereign-bank nexus risks, making the financial sector vulnerable to fiscal policy shocks and potential rollover risks.



Source: Bank of Ghana Database Portal

In a more recent empirical panel study of 20 banks from 2015 to 2024 conducted by the research department of the Ghana Association of Banks titled **“Sovereign Risk Exposure and Its Effect On Non-Performing Loans: A Comparative Analysis of Private and Public Banks In Ghana”** revealed a statistically significant positive relationship between sovereign debt holdings and the rise in NPLs, particularly among state-owned and Tier III banks.

The findings indicate that higher SRE significantly increases NPL ratios, affirming that banks with substantial investments in government securities are more vulnerable to heightened credit risk. The impact is more pronounced in public banks than in private banks. Among bank-specific factors, size, lending rates, and capital adequacy ratio have significant relationships with NPLs, while macroeconomic conditions, particularly real GDP growth, also exert significant influence. Descriptive analysis highlights notable disparities in sovereign exposure across banks, with public banks consistently recording higher levels. Tier I banks hold the largest volumes in absolute terms, whereas Tier III banks display concerning proportional exposures relative to their balance sheets.

The lesson here is sobering: sovereign exposure should no longer be treated as immune to credit risk. Banks must adopt dynamic provisioning regimes that reflect market realities and stress-test liquidity against valuation shocks. Moreover, sovereign paper must be actively managed, not passively held. As sovereign risk improve following the recent upgrade to ‘-B’ outlook by Fitch as at June 2025, which signals that the overall risk profile of the country is improving, banks must remain cautious as the government of Ghana has huge debt obligations coming 2027 and 2028 despite forecasting a primary surplus of 0.5% of GDP in 2025 and 0.9% in 2026 and an overall deficit of 3.6% in 2025 and 3.2% in 2026 by the ministry of Finance. (Contact GAB Research for more Insights on this paper)

3. KEY CHALLENGES OF THE INDUSTRY

Alarming Surge in Non-Performing Loans (NPLs)

The headline Non-Performing Loan (NPL) ratio escalated significantly, climbing from 14.8% in 2022 to 20.6% in 2023, and rising further to 21.8% by the end of 2024. Even more concerning is the fact that this figure peaked at 26.7% in March 2024, a reflection of the then ongoing volatility and persistent repayment distress. This is well above historical norms and reflects structural issues in credit underwriting, borrower capacity, and sector-specific vulnerabilities. From the beginning of this year, 2025, the NPL of the banking sector remains high and rising, despite the cooling that we begin to see in the macroeconomy. The year 2025 began with an alarming npl ratio of 22.6 percent with its respective net of 9.0% (excluding loss category) and rose steadily to 23.6% by end of April 2025.

Ongoing Policy Response to Mitigate Npls in the Banking Sector

In response to the growing systemic risk posed by high Non-Performing Loans (NPLs), the Bank of Ghana’s June 2025 Exposure Draft introduces decisive measures aimed at strengthening credit risk management across the industry. These include a 10% NPL ratio cap by end-2026 with penalties for non-compliant banks, mandatory write-offs for unrecoverable loans, and the establishment of robust arrears management frameworks. Additional provisions target wilful

defaults through tougher sanctions and public disclosure.

The Ghana Association of Banks (GAB) has actively submitted comments on the draft policy to help shape a pragmatic and effective framework for curbing NPLs. Beyond regulatory engagement, GAB continues to work closely with the Judicial Service to fast-track the resolution of banking-related cases, including disputes over interest rate computations on defaults, recovery timelines, and collateral enforcement litigation.

Proactively Combating Fraud to Safeguard Financial Stability: Ghana Association of Banks' Operational tactics

At the Ghana Association of Banks (GAB), safeguarding the integrity and resilience of Ghana's banking sector remains a top priority. In an environment where fraud continues to evolve in both complexity and scale, we recognize that the fight against financial crime must be proactive, data driven and collaborative through information sharing.

While the Bank of Ghana's annual fraud reports provide valuable retrospective insights, the fast-changing nature of fraud demands a more agile and real-time approach. In response, GAB has instituted a confidential industry-wide fraud monitoring initiative. The latest(maiden) report covering 37 documented incidents between March and May 2025, offers a synthesized yet anonymized analysis of dominant fraud typologies, their modus operandi, and the resulting financial and operational risks to the sector.

This initiative is not only about protecting institutions; it is also a strategic intervention to curb one of the silent contributors to Non-Performing Loans (NPLs). By fostering timely fraud intelligence sharing among banks, GAB seeks to minimize borrower impersonation, internal collusion, and syndicated loan fraud—common triggers of loan defaults.

As part of our broader commitment to sector stability, GAB will continue to champion this agenda through quarterly fraud typology updates and real-time industry alerts. Our goal is to make the fight against fraud a near-real-time effort ultimately reducing credit risk, strengthening trust, and reinforcing the soundness of Ghana's banking system.



SME Lending: The Double-Edged Sword

Nowhere is the credit risk dilemma more visible than in the SME lending space. SMEs represent the lifeblood of Ghana's economy, accounting for approximately 70% of GDP and 80% of employment. Yet, paradoxically, they also account for the significant contribution to the elevated NPL levels of the industry.

This duality presents a difficult balancing act. Policymakers expect banks to lend to the real economy to stimulate growth and job creation. However, high default rates among SMEs deter aggressive lending, particularly in an environment of capital constraints and risk aversion. The solution lies in smarter credit models rather than blanket avoidance.

To address this, banks should deepen segmentation of SME borrowers, distinguishing micro from small and medium enterprises through data-driven risk profiling. Risk-sharing tools such as blended finance, partial guarantees (via DBG or GIRSAL), and cash-flow-based underwriting can also support safer lending. Post-disbursement support through digital tools and advisory



services may improve borrower performance and reduce defaults. With the right frameworks, SME lending can transform from a burden to a viable growth engine.

4. OUTLOOK AND STRATEGIC CONSIDERATIONS FOR BANKS

As Ghana approaches the final stages of its three-year IMF-supported programme—set to conclude in 2026—the domestic banking sector must now pivot from a posture of stabilization and risk containment to one of strategic growth and resilience building. The macroeconomic landscape is beginning to normalize, investor confidence is cautiously returning, and fiscal consolidation efforts are yielding tangible results. However, the sector continues to face residual risks from elevated NPLs, legacy debt exposures, and external economic volatility. In this context, banks must proactively reposition themselves for sustainable expansion. The following strategic thrusts will be critical in shaping the sector's trajectory in the medium term.

a) Credit Recalibration: Rebuilding Trust Through Inclusive Lending

A key priority will be the recalibration of credit portfolios to align with Ghana's growth needs. While credit risk remains elevated, the banking industry cannot indefinitely retreat into conservative lending strategies. There is a pressing need to expand lending to productive and underserved sectors, particularly Small and Medium Enterprises (SMEs), agribusiness, and export-oriented ventures, which are vital for job creation and economic transformation.

Moreover, banks should begin to explore innovative risk-sharing mechanisms such as blended finance instruments, public-private co-financing arrangements, and guarantee schemes that can de-risk credit to vulnerable but economically strategic sectors. Collaborations with development finance institutions and impact investors can help unlock concessional capital and catalyze broader market participation.

b) Operational Resilience: Building Smarter, Stronger Institutions

Operational resilience is another cornerstone of the sector's outlook. The shift to digital banking—accelerated by the pandemic and deepened by evolving customer expectations—must now be consolidated through continuous investment in digital infrastructure, cybersecurity, and compliance automation. As fraud risks and cyber threats evolve, banks need to build adaptive IT security systems and digital identity verification tools to maintain customer trust.

In parallel, there is a growing imperative to strengthen capital buffers, especially in anticipation of policy tightening and ongoing adjustments under IFRS 9. This requires not just compliance, but proactive capital planning and scenario testing to ensure solvency under stressed conditions.

c) Liquidity and Investment Management: Balancing Returns with Risk

Liquidity management remains central to financial stability, particularly given the sector's large holdings of government securities. With yields beginning to stabilize and inflation on a downward trend, banks

must optimize their treasury portfolios to strike a better balance between risk, return, and duration. Dynamic portfolio management strategies—such as staggered maturities, coupon reinvestment, and yield curve tracking—will be critical. Equally important is the need to closely monitor concentration risks, especially those arising from significant exposure to sovereign debt. While government securities have traditionally provided a risk-free anchor, the post-DDEP environment calls for more nuanced asset allocation frameworks that recognize and manage correlated risks between fiscal policy and bank balance sheets.

d) Policy and Regulatory Engagement: Co-creating a Resilient Financial Ecosystem

The road ahead will require stronger engagement between the banking sector and policymakers, particularly the Bank of Ghana (BoG) and the Ministry of Finance (MoF). As Ghana works toward deepening its capital markets, restoring access to Eurobond markets, and attracting long-term investments, a more collaborative policy framework is needed to ensure alignment between macroeconomic goals and financial system resilience.

Banks should proactively contribute to regulatory dialogue on issues such as capital adequacy, digital banking regulation, green finance, and financial inclusion strategies. Effective public-private collaboration can foster a more coherent financial ecosystem—one that balances stability, innovation, and inclusive growth.





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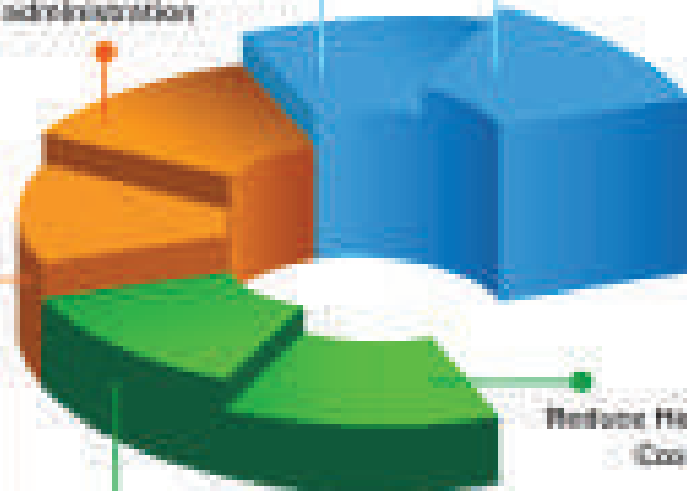
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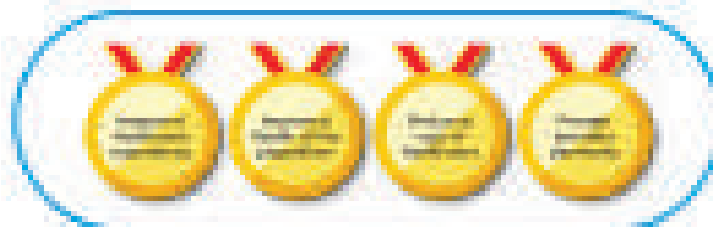


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Glossary of Key Terms

Capital adequacy ratio

Is the ratio of adjusted equity base to risk-adjusted asset base as required by the Bank of Ghana (BoG); and recommended by Basel II and III

Cash assets

Include cash on hand, balances with the central bank; money at call or short notice; and cheques in course of collection and clearing

Cost income ratio

Non-interest operating expenses/ Operating income

Financial leverage ratio

Total assets/ common equity

Liquid assets

Include cash assets and assets that are relatively easier to convert to cash, e.g., investments in government securities; quoted and unquoted debt and equity investments; equity investments in subsidiaries; and associated companies

Loan loss provisions

(General and specific provisions for bad debts + Interest in suspense)/ Gross loans and advances

Loan portfolio profitability

(Interest income attributable to advances - Provisions for bad and doubtful loans)/ Net loans and advances

Loan loss rate: Bad debt provisions/ Average operating assets

Net book value per share: Total shareholder's funds/ Number of ordinary shares outstanding

Net interest income: Total interest income - Total interest expense

Net interest margin: Net interest income/ Average operating assets

Net operating income

Total operating income – Total non-interest operating expenses + Depreciation and amortisation - Loan loss adjustment + Exceptional credits.

Net operating (or intermediation) margin

[(Total interest income + Total non-interest operating revenue)/ Total operating assets] - [Total interest expense/ Total interest-bearing liabilities]

Net profit before tax

Total Operating Income - Total Operating Expenses

Net spread

(Interest income from advances/ Net loans and

advances) - (Interest expense on deposits/ Total deposits)

Non-interest operating expenses

Include employee related expenses; occupancy charges or rent; depreciation and amortisation; directors' emoluments; fees for professional advice and services; publicity and marketing expenses

Non-interest operating revenue

Includes commissions and fees; profit on exchange; dividends from investments and other non-interest investment income; and bank and service charges

Non-operating assets

Comprise net book value of fixed assets (e.g., landed property, information technology infrastructure, furniture and equipment, vehicles); and other assets, including prepayments, sundry debtors and accounts receivable

Operating assets

Include cash and liquid assets; loans and advances; and any other asset that directly generates interest or fee income

Profit after tax margin

Profit after tax/ Total operating income

Profit before tax margin

Profit after extraordinary items but before tax/ Total operating income

Quick (acid test) ratio

(Total cash assets + Total liquid assets)/ (Total liabilities - Long term borrowings)

Return on assets

Profit after tax/ Average total assets

Return on equity

Profit after tax/ Average total shareholders' funds

Shareholders' funds

Comprise paid-up stated capital; income surplus; statutory reserves; and capital surplus or revaluation reserves

Solvency

[(Net Interest Income + Depreciation) / Total Liabilities]

Total assets

Total operating assets + Total non-operating assets

Total debt ratio

Total liabilities/Total assets

Abbreviations

ABSA	ABSA Bank Ghana Limited
ADB	Agricultural Development Bank Limited
AfCFTA	African Continental Free Trade Area
AI	Artificial Intelligence
AML/CFT	Anti-Money Laundering/Countering of the Financing of Terrorism
ATM	Automated Teller Machine
BDCs	Business Development Companies
BOA	Bank of Africa Ghana Limited
BoD	Board of Directors
BoG	Bank of Ghana
CAL	CalBank Limited
CAR	Capital Adequacy Ratio
CAGR	Compound Annual Growth Rate
CBDCs	Central Bank Digital Currencies
CBG	Consolidated Bank Ghana Limited
CEO	Chief Executive Officer
CFLE	Center for Financial Literacy Education
CFO	Chief Financial Officer
CI	Constitutional Instrument
COTVET	Council for Technical and Vocational Training
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
DDEP	Domestic Debt Exchange Programme
DGPP	Domestic Gold Purchase Programme
ECF	Extended Credit Facility
EMDEs	Emerging Markets and Developing Economies
ECB	Energy Commercial Bank Limited
EPA	Environmental Protection Agency
ERP	Economic Recovery Programme
ESG	Environmental, Social, and Governance
FDI	Foreign Direct Investment
Fintech	Financial Technology
FSI	Financial Stock Index
FSIs	Financial Soundness Indicators
GAB	Ghana Association of Banks
GCX	Ghana Commodity Exchange
GDP	Gross Domestic Product
GFSF	Ghana Financial Stability Fund
GIPC	Ghana Investment Promotion Centre
GSA	Ghana Standards Authority

GSBPs	Ghana Sustainable Banking Principles
ICD	Inland Container Depot
IESG	Integrated ESG
IFC	International Finance Corporation
IMF	International Monetary Fund
IMS	Identity Management System
IRENA	International Renewable Energy Agency
IT	Inflationary Targetting
LDR	Loan to Deposit Ratio
LI	Lawful Interception
LICs	Low Income Countries
LLM	Large Language Model
MPC	Monetary Policy Committee
KYC	Know Your Customer
LTFC	Long-Term Foreign Currency
MFIs	Microfinance Institutions
MMI	Mobile Money Interoperability
NFC	Near Field Communication
NFIDS	National Financial Inclusion and Development Strategy
NIB	National Investment Bank
NIRP	National Industrial Revitalisation Programme
MTOs	Money Transfer Organisations
NAP	National Apprenticeship Programme
NIM	Net interest Margin
NPLs	Non-Performing Loans
OCC	Official Credit Committee
PAGE	Partnership for Action on Green Economy
PPP	Public Private Partnerships
ROA	Return on Assets
ROE	Return on Equity
SDIs	Specialised Deposit-Taking Institutions
SAP	Structural Adjustment Programme
SEC	Securities and Exchange Commission
SECO	Secretariat for Economic Affairs
TVET	Technical and Vocational Training
UNCTAD	The United Nations Conference on Trade and Development
VUCA	Volatility, Uncertainty, Complexity and Ambiguity
UBA	United Bank for Africa



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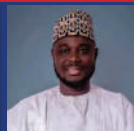
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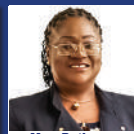
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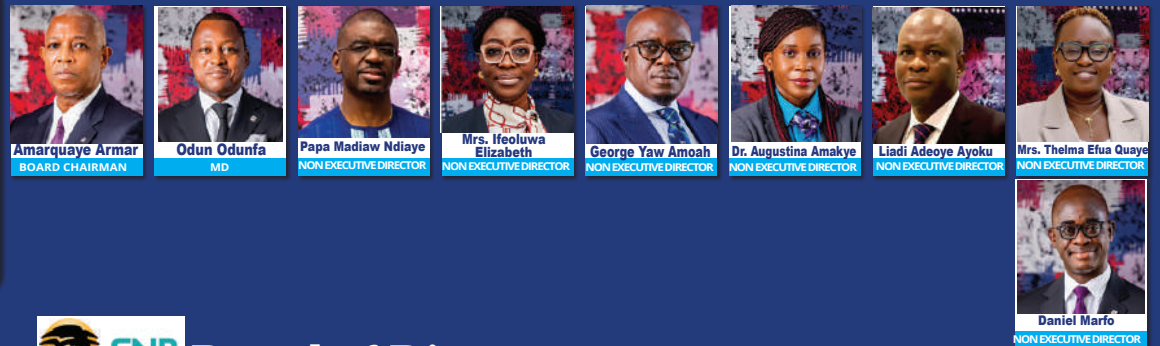
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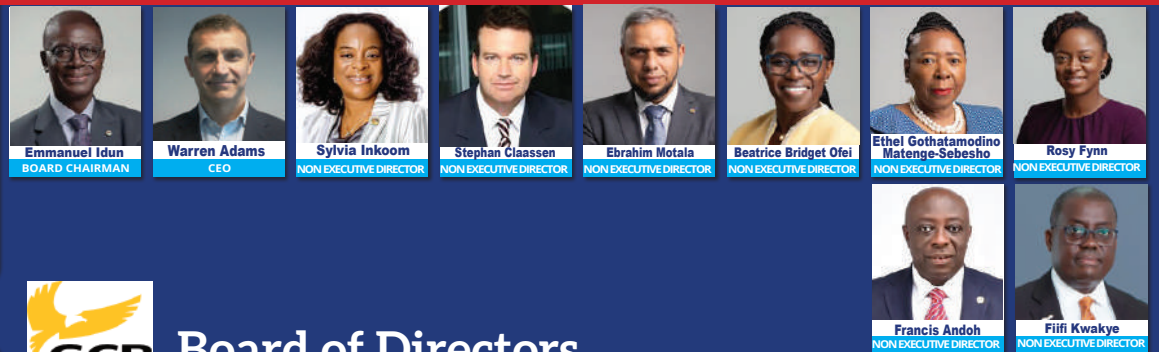
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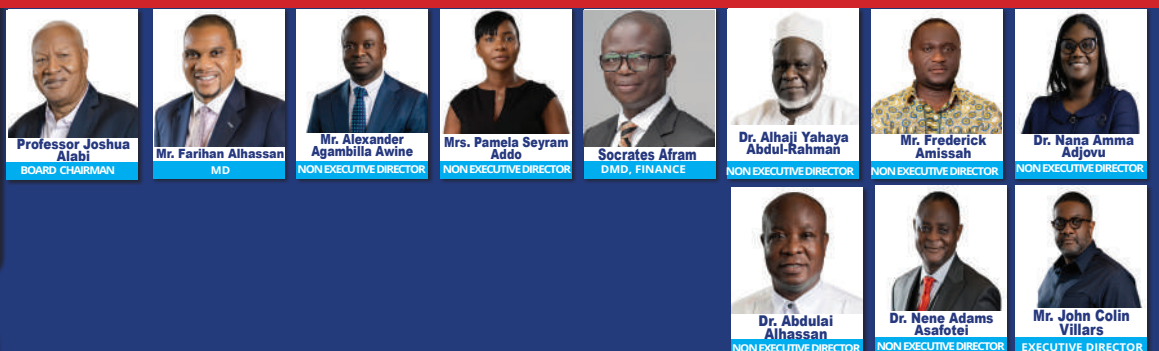
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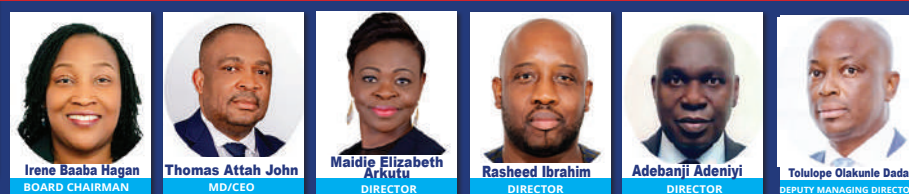
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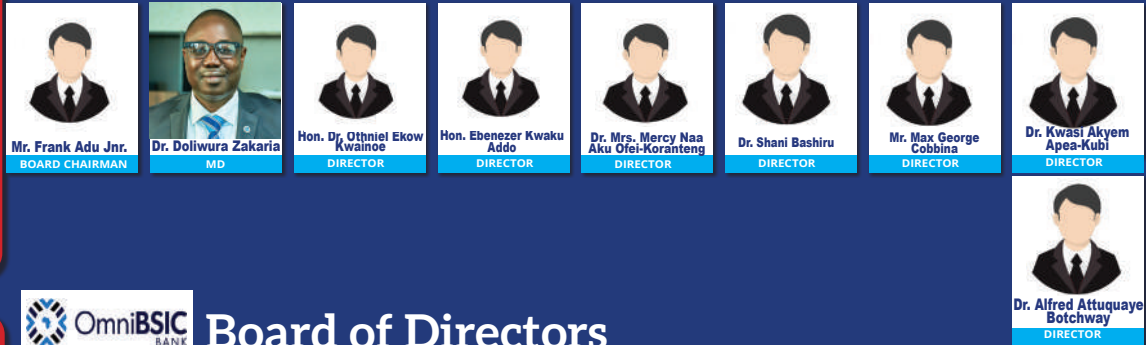
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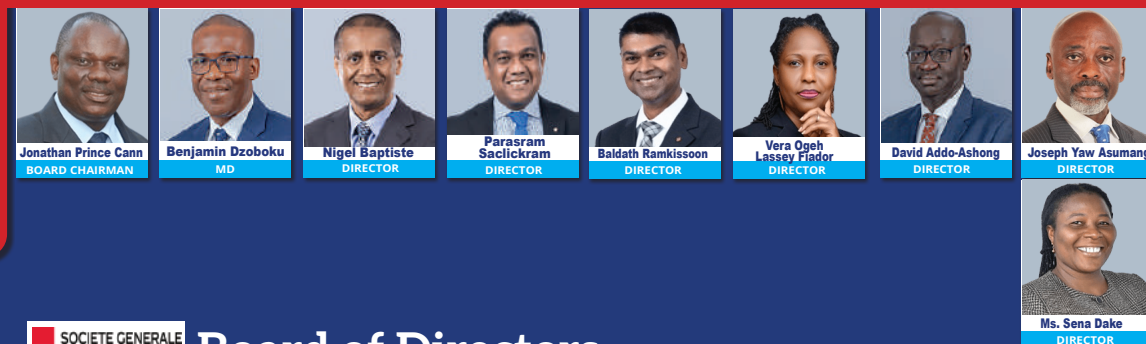
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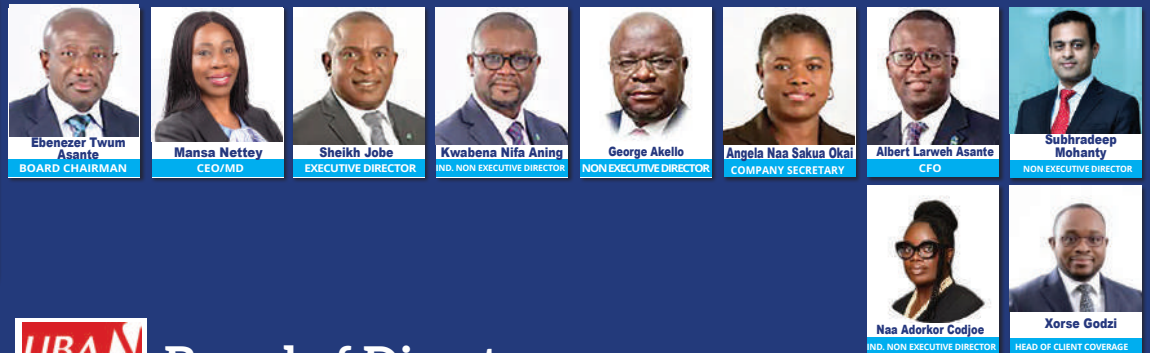
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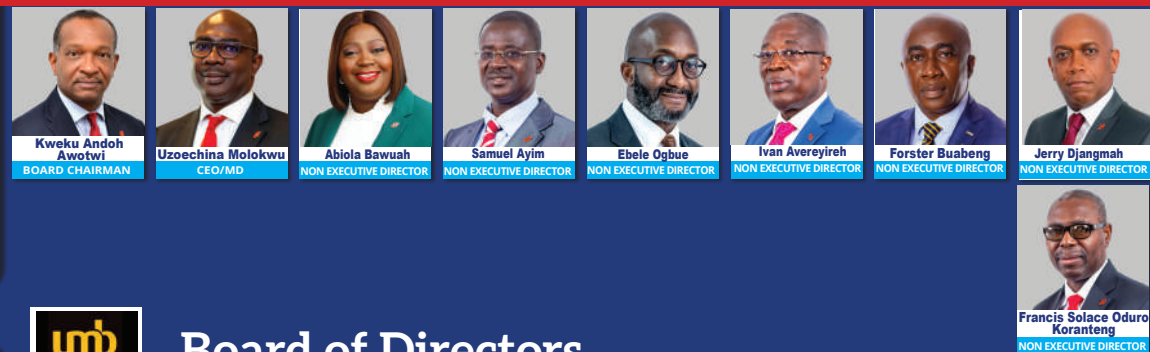
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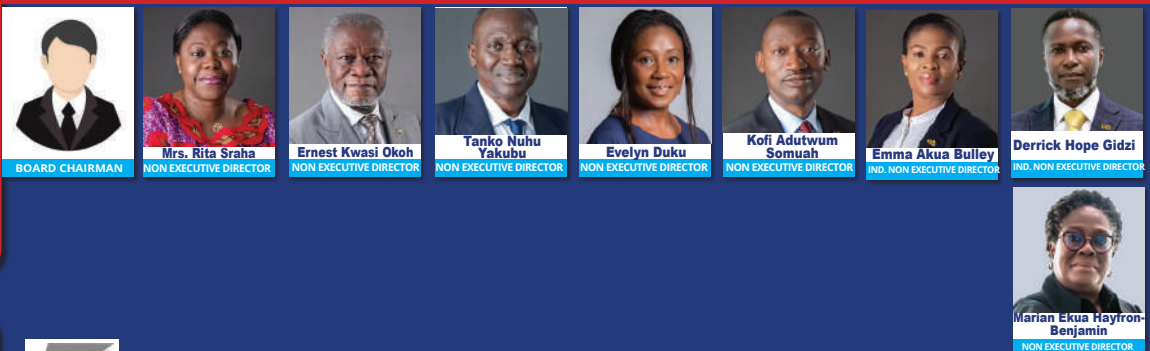
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From risk to opportunity. The ESG journey starts here.



About us

KPMG in Ghana, a key member of the global KPMG network, has delivered multidisciplinary professional services since 1927. Our business model seamlessly unites deep industry expertise with innovative approaches, ensuring we deliver tailored solutions and tangible results. We provide an independent, forward-thinking perspective, leveraging our vast network of local and global resources on every project. We are passionate about challenging conventional thinking, utilizing leading-edge technology and data analytics to provide enhanced, customizable solutions that truly address your business needs. Partner with us for proven delivery models, a strong market presence, and proactive communication. We are committed to helping you navigate complex challenges and achieve your strategic objectives.

Our service offerings

Audit

- Financial Statement Audit
- Statutory Audit
- Internal Audit
- Audit Related Services
- Agreed upon procedures
- Assurance related work

Tax

- International Corporate Tax
- Business Tax
- Indirect Tax
- Personal Tax
- Global Mobility Service
- Transfer Pricing
- Immigration Services
- Customs and Post Clearance Audits

Advisory

- Management Consulting
- Risk Consulting
- Deal Advisory
- International Development Advisory Services (IDAS)



Management Consulting

- Strategy and Operations
- Financial Management
- People and Change
- IT Advisory in Management Consulting
- Business Intelligence and Analytics
- Shared Services and Outsourced Advisory
- Transformational Programme Management

Risk Consulting

- Financial Risk Management
- Accounting Advisory Services
- Internal Audit and Risk Compliance
- IT Advisory in Risk Consulting
- Forensic
- ESG & Sustainability
- Major Project Advisory and Enterprise Risk Management

Deal Advisory

- Transaction Services
- Restructuring
- Corporate Finance
- Public Private Partnerships
- Infrastructure

International Development Advisory Services (IDAS)

- Programme Design
- Fund and Grant Management
- Programme Assurance
- Institutional Strengthening and Capacity Building
- Monitoring and Evaluation

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Empowering Growth

Development Bank Ghana (DBG) was founded to bridge critical financing gaps within Ghana's economic landscape, specifically focusing on MSMEs who need competitive long-term financing. Since commencing operations in November 2021, DBG has made meaningful progress in enabling enterprises to access the finance, tools, and opportunities they need to scale and succeed.



Our Lending Footprint (As of December 2024)

Total Lending Since Inception
GHS 1.62 Billion

Businesses Impacted
650+

IMPACT REACH

13 Regions

Across Ghana



66,000+
Jobs Created

21,600+ Direct Jobs
45,000+ Indirect Jobs

Our Sectors of Focus

DBG supports MSMEs in sectors crucial to Ghana's economic growth and transformation:

Agribusiness



GHS 385.26 Million

High Value Services (Education, Health, Tourism, Transportation)



GHS 782.55 Million

ICT



GHS 27.45 Million

Manufacturing



GHS 426.92 Million

Inclusive & Sustainable Development



GHS 945 M+
Disbursed to 334 women-led/owned businesses.



GHS 271M+
Loans disbursed towards Food Security



6,175 MSMEs
Received technical support through GIFE



GHS 8M
Disbursed through the Ghana Integrated Financial Ecosystem (GIFE)

Beyond Financing: Technical Assistance

DBG supports MSMEs in sectors crucial to Ghana's economic growth and transformation:

- **5,200+** MSMEs made credit-ready through GIFE
- **6,800+** female entrepreneurs empowered through capacity building via LeapHer
- Support in ESG, green financing, and sustainable business practices

The Road Ahead: DBG's Vision for the Future

DBG envisions a future anchored in resilience, sustainability, and growth for Ghana's private sector.

We are committed to:

- Closing Ghana's \$5 billion MSME financing gap
- Deepening inclusive financing in underserved areas
- Embedding ESG principles
- Expanding capacity-building efforts
- Supporting a thriving, competitive private sector

Our Model: Lending Through PFIs

DBG lends to Participating Financial Institutions (PFIs), who then on-lend to MSMEs and businesses across the country.



REACH US

055 575 7577

www.dbg.com.gh

[@devbankghana](https://www.instagram.com/devbankghana)

[Development Bank Ghana](https://www.facebook.com/devbankghana)

Loans, support & partnerships available through our PFIs

Together we grow. We do it different.