Artificial Intelligence (AI)/ Generative AI (GenAI) in banking

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Financial Services Industry Leader's message

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Artificial Intelligence (AI) has rapidly become a transformative force across global industries, revolutionising the way businesses operate, make decisions, and engage with customers. From manufacturing, healthcare, telecommunication, construction, education, retail, banking, logistics; AI is enabling unprecedented levels of automation, efficiency, and personalisation. Among the industries experiencing this transformation, the banking sector stands out as one of the most significantly impacted.

That is why this year our focus is on "Artificial Intelligence (AI)/ Generative AI (GenAI) in banking.

In a dynamic banking environment, banks are seeking to differentiate themselves and gain a competitive advantage. GenAI is transforming the banking sector, providing innovative solutions that optimise efficiency, enhance security, and increase customer satisfaction. As the banking industry increasingly moves towards digitisation, the adoption of advanced AI technologies becomes crucial.

We engaged executives of some banks in Ghana especially executives responsible for digital transformation strategy and journey, to get an understanding of the general sense of the industry's views on AI, plans for its adoption, the typical use cases of interest and challenges they are faced with.

Insights from our engagement with bank executives

Insights from our discussion with executives of the banks in Ghana indicate that the banks are emphasising the adoption and use of AI to streamline processes and improve operational efficiency. Customer experience is also being transformed through the integration of AI across the banking landscape. Some of the use cases are the use of AI powered chatbots to enhance interactions with customers and digitising core customer journeys, aiming for end-to-end automation and service facilitation.

The banking community admits that security remains a critical concern as banks integrate AI into their operations. Bank executives emphasise the importance of maintaining strict regulatory limits while using AI through continuous monitoring, penetration testing, and regular independent audits. In addition to the accuracy and reliability of the AI tools which are constantly improving themselves, the banks' need to minimise errors from "hallucinations" are some of the concerns banks have in the adoption of the new technology.

The quality and security of data play a crucial role in the development of GenAI systems to build trust with customers and ensure ease of adoption. The banks plan to build a robust data environment to support the integrity of AI projects by centralising all information to ensure clean and consistent usage across AI models. To avoid data leakages, banks also plan on relying on enterprise-protected AI platforms.

While these insights show great readiness of the banks to adopt GenAI with some already at advanced stages of adoption, old legacy systems need to be replaced by flexible setups that make GenAI integration smooth and easy. Modernising these outdated systems will help banks streamline their operations and enhance service quality with automation and smart data use. Banks also need to focus on skill development and change management to create a supportive environment that fosters innovation and acceptance.

20% ↑

boost in customer satisfaction after integrating AI into customer service

15% ↓

reduction in fraud using AI-driven detection tools

The question remains: “How do banks unlock a strategic pathway for GenAI adoption in Ghana?”

For the banking industry to successfully adopt GenAI, it first needs to build trust in AI-driven digital transformation in Ghana, which requires the establishment of responsible AI policies and secure environments. This includes ethical data use, strong governance, and risk management practices.

Second, the banks need to define an AI Strategy by identifying where GenAI can solve real, local challenges like mobile banking, fraud detection in digital payments and prioritising these high-value use cases. Once high-impact areas are identified, banks in Ghana should begin with pilot projects focused on specific services e.g. automating loan approvals for small businesses, that are tailored to local needs.

After completing pilot projects, the next step for banks is to determine whether their GenAI systems are ready for broader deployment. The real value of GenAI lies in its ability to scale; embedding it into everyday workflows and core applications across the organisation. Even though it automates repetitive processes and makes task completion faster, there is also the need to have continuous quality review to ensure that the GenAI outputs are reliable and accurate.

The benefits of scaling are already evident as some bank executive shared that they have recorded a 20% boost in customer satisfaction after integrating AI into customer service, while another reduced fraud by 15% using AI-driven detection tools.

Conclusion

GenAI is set to revolutionise the banking sector, offering exciting possibilities in operations, customer engagement, and security.

In Ghana and beyond, adopting GenAI promises to boost efficiency through automation, streamlining processes, cutting costs, and speeding up response times. For banks in Ghana, the way forward is to find the right balance; using automation while keeping the human touch, modernising infrastructure without sacrificing compliance, and encouraging innovation while ensuring data integrity.

It is our expectation that banks use this information to tailor their strategy across the various touch points in their digital transformation and GenAI adoption journey.

At PwC, we continue to provide insights drawn not only from our experiences in the Ghanaian market, but globally. Our Financial Services Industry professionals are available to assist you in your journey of developing solutions that address your customers’ and business needs.

As always, we would not have been able to do this without the assistance of the participating banks and other stakeholders who not only shared their financial information but also granted us interviews to discuss their experiences in the adoption of GenAI. To the Ghana Association of banks, we are grateful for your assistance and participation in this year’s survey. I also wish to extend my gratitude to the PwC Banking Survey team who help put together this report. I hope the report enriches the future of GenAI adoption in Ghana’s banking sector. For now, read on and digest this year’s survey report.

Message from Ghana Association of Banks

John Awuah
CEO, Ghana Association of Banks

68%

of Ghanaian CEOs reported some level of GenAI adoption within their organisations over the past year.

47%

of Ghanaian CEOs indicated in the CEO survey that GenAI adoption has contributed to revenue growth.

43%

reported improved profitability.

Source: 28th PwC Annual Global CEO Survey

The Ghanaian banking sector continues to demonstrate remarkable resilience and agility amid shifting macroeconomic conditions, evolving regulatory frameworks, and rapid technological advancements. This year's PwC Ghana Banking Survey highlights a sector that is not only recovering from the impact of the Domestic Debt Exchange Programme (DDEP) but also embracing innovation particularly Artificial Intelligence (AI) and Generative AI (GenAI) as a strategic driver of transformation.

The theme for the 2025 survey, "AI and GenAI in Banking," is both timely and forward-looking. It reflects the sector's growing recognition of AI as a catalyst for operational efficiency, enhanced customer experience, and improved risk management. Increasingly, banks in Ghana are deploying AI to automate routine tasks, streamline compliance processes, and deliver personalised services at scale.

The 28th PwC Annual Global CEO Survey findings reveal that 68% of Ghanaian CEOs reported some level of GenAI adoption within their organisations over the past year. In banking, this adoption is already reshaping both front-office and back-office operations. GenAI-powered tools are enhancing customer service through fast, tailored responses, while internal productivity solutions are helping staff automate repetitive tasks and focus on higher-value activities.

The financial impact of GenAI is also notable. Nearly half (47%) of Ghanaian CEOs indicated in the CEO survey that GenAI adoption has contributed to revenue growth, while 43% reported improved profitability. These figures exceed the continental average and underscore Ghana's leadership in AI-driven transformation.

Beyond automation, banks are now exploring how GenAI can reengineer core business processes, reduce costs in support functions such as operations and compliance, and unlock new levels of efficiency. This marks a shift from traditional automation to intelligent transformation.

While the momentum is encouraging, AI and GenAI adoption in Ghanaian banking is still in its early stages. Most institutions are currently focused on back-office applications such as compliance, fraud detection, and data analytics, with limited customer-facing innovations. Regulatory uncertainty, fragmented data infrastructure, and the absence of unified customer data continue to constrain the full potential of AI. Moreover, while AI tools are becoming more accessible, cost, particularly in foreign currency and the need for upskilling remain significant barriers.

GAB also recognises the importance of collaboration across the ecosystem. Partnerships with regulators, FinTechs, and academic institutions are essential to building a robust and responsible AI framework. The Association is actively engaging with key stakeholders, including the Bank of Ghana and the Data Protection Commission, to shape a supportive policy environment. Additionally, GAB is open to co-developing training and awareness programmes to accelerate AI readiness across the sector.

Looking ahead, the Association remains committed to supporting a future-ready banking industry, one that views digital transformation not as a passing trend, but as a strategic enabler of inclusive growth and financial resilience.

We commend PwC Ghana for once again providing a platform for meaningful industry dialogue and for spotlighting the technologies that will define the next chapter of banking in Ghana.

"The Ghana Association of Banks remains committed to addressing these challenges through advocacy, collaboration, and capacity-building initiatives. Together, we can unlock the transformative potential of AI and GenAI to shape a more innovative, efficient, and inclusive banking sector."

Mr John Awuah (CEO, Ghana Association of Banks)

Tax Leader's message

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Tax Leader
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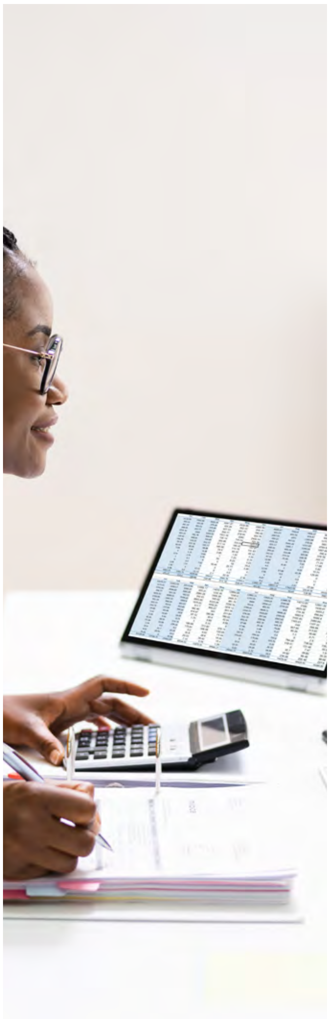


Ghana's tax landscape is going through some changes, and it's an exciting time to be part of this journey. With the new government charting its fiscal future with the 2025 Budget Statement and the reaffirmations from the Mid-Year Budget Review, the focus on improving tax revenue collection and modernising the tax system is clearer than ever.

The 2025 Budget puts a spotlight on several critical areas. The repeal of the electronic transfer levy (E-Levy), the removal of withholding taxes on unprocessed gold and betting (lottery) winnings, adjustments to the Growth and Sustainability Levy (GSL) and extensive VAT reforms are all part of a broader strategy to realign tax policy with national aspirations.

These policy measures are crafted to expand the tax base, simplify and enhance compliance, and promote fair taxation — all essential steps toward sustained economic growth. Yet, the challenge remains: how can Government effectively implement these reforms and ensure they translate into real fiscal gains?

In my view, implementing these reforms in a country where tax compliance is a major challenge cannot rely on traditional methods alone. This is where AI and GenAI come into play as game-changers. Imagine a world where tax compliance is seamless, efficient, and almost effortless. That's the promise AI and GenAI bring to Ghana's tax administration.

AI is transforming tax administration by automating risk assessments and analysing vast amounts of data that tax authorities often struggle to process. It can flag inconsistencies in financial reports, monitor real-time transactions to detect VAT fraud, and assist in identifying underreported income or suspicious deductions in personal and business tax filings. GenAI even goes further by sifting through emails, contracts and other documents to spot signs of tax avoidance, while also powering virtual assistants that help taxpayers navigate complex filing procedures.

In today's digital world, AI can help track online service providers, monitor electronic payments to enforce digital service tax rules, and track cross-border transactions to ensure proper transfer pricing and prevent profit shifting. It can also pull together data on things like energy use or emissions to help calculate environmental taxes more accurately.

By automating and simplifying tax processes using AI, filing becomes easier, quicker and less error prone. Personalised guidance through chatbots or automated reminders helps taxpayers stay compliant without feeling overwhelmed, an important factor in increasing overall tax morale.

Of course, with great power comes great responsibility. To embrace AI, there must be the need to navigate new tax considerations as well as the need to uphold the highest standards of data protection and ethics.

A clear mention was made in Government's mid-year budget review about how AI will be used to enhance compliance.

As you are already aware, we turned our attention to the banking sector. The focus of this publication is to take a critical look at AI / GenAI in banking in Ghana. With the banking sector acting as both a catalyst for economic growth and a trusted partner in revenue mobilisation, I am confident that embracing these emerging technologies will not only enhance the sector's efficiency and resilience but also significantly strengthen Ghana's fiscal framework, paving the way for sustainable development and shared prosperity.

It is my hope that you find the insights shared throughout the publication both enlightening and thought-provoking, and you enjoy the read as much as I have.

01

Overview of the economy of Ghana

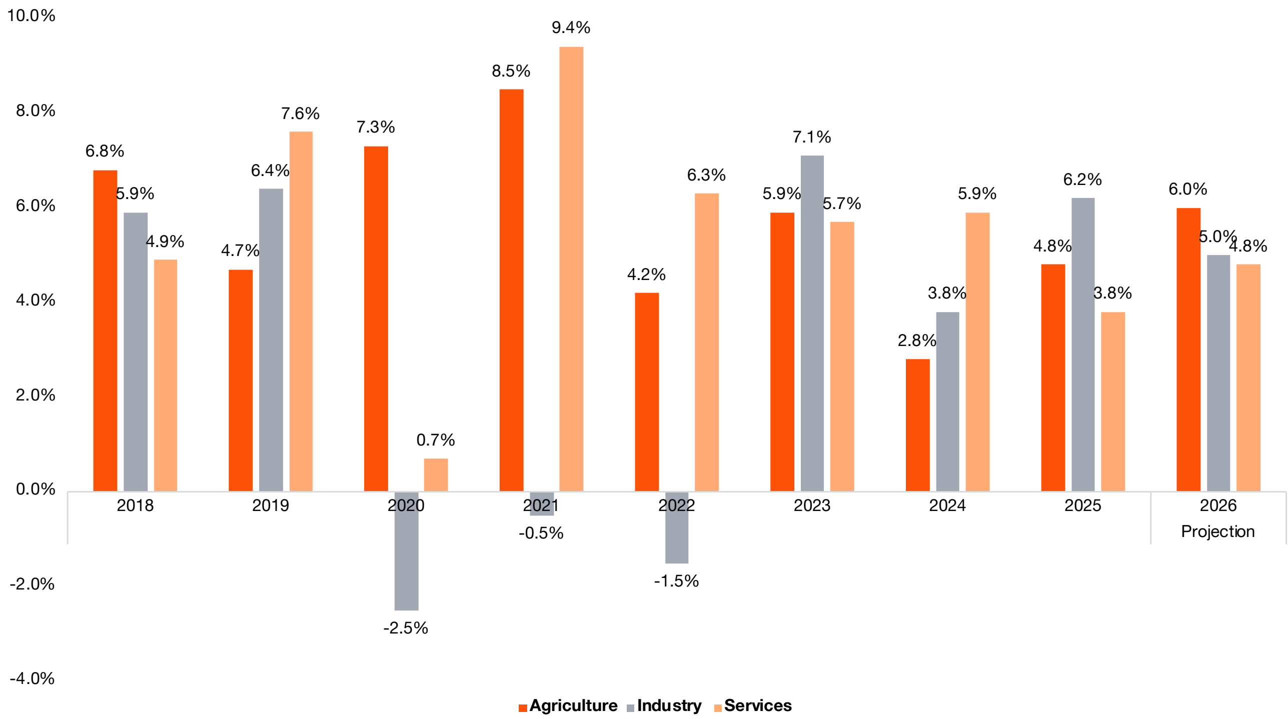
Macro-economic changes from 2024 to June 2025

Gross domestic product (GDP):

In 2024, Ghana recorded GDP growth of 5.7% which was a 2.6% improvement from the 2023 GDP growth rate of 3.1%. Ghana Statistical Service reports that the 2024 growth was largely driven by the services, industry and agriculture sectors. The industry sector recorded the largest year on year growth of 7.1% mainly due to strong growth in the extractives sector (mining and quarry). Improvements in livestock and crop production resulted in Agriculture growing by 2.8%. The services sector growth was supported by the performance of information and communications, financial and insurance, and transport services subsectors.

Looking ahead, the Industry and Agriculture sectors are expected to be key drivers of medium-term economic growth.

Sectoral growth representation

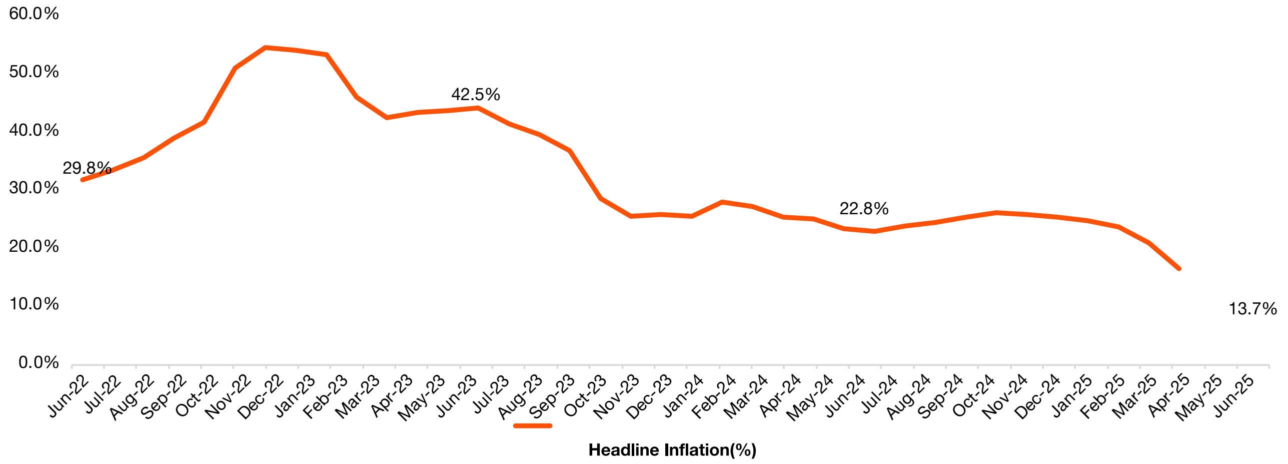


Source: Ghana Statistical Service

Quarter 1 2025: The economy in Q1 of 2025 has shown signs of outperforming 2025 projections and being on course to achieve a 1.5% primary surplus for the year. Ghana statistical service reported that Q1 2025 GDP growth rate was 5.3% which is well above 4.9% reported for the same period in 2024. Non-oil GDP grew by 6.8% year on year in Q1 2025 despite the potential downside risks of fiscal tightening by the Government. The Finance Minister Dr Forson reported that domestic revenue performance in Q1 2025 has been strong with Ghana Revenue Authority (GRA) surpassing its first-quarter target by over 2.4 billion cedis

Inflation

Annual consumer price inflation (%):



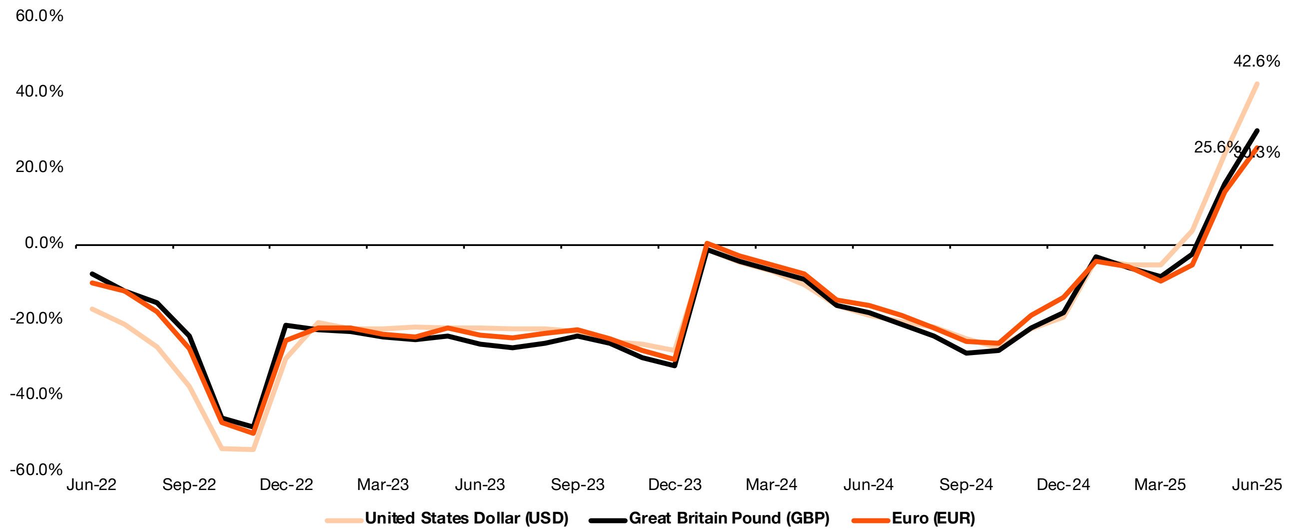
Source: Bank of Ghana

Ghana's headline inflation remained significantly above the Bank of Ghana's medium-term target of 15% in 2024, despite a gradual decline throughout the year. Headline inflation rose slightly to 23.8% in December 2024, mainly due to food inflation and depreciation of the Ghana Cedi. Food inflation was 27.8% largely due to surging prices of vegetables, tubers, plantains. Persistent supply chain disruptions and production costs contributed significantly to price pressures.

Looking ahead, the government aims to reduce inflation to 11.9% by the end of 2025 through substantial fiscal consolidation efforts, including spending cuts and targeted revenue generation measures, to promote economic stability and achieve its ambitious target. The current performance of the local currency relative to major trading currencies is also expected to contribute to easing inflationary pressures in the economy in the rest of the year.

Exchange rates:

Year-to-date Appreciation(+) / Depreciation(-) of GHS Against Foreign Currencies

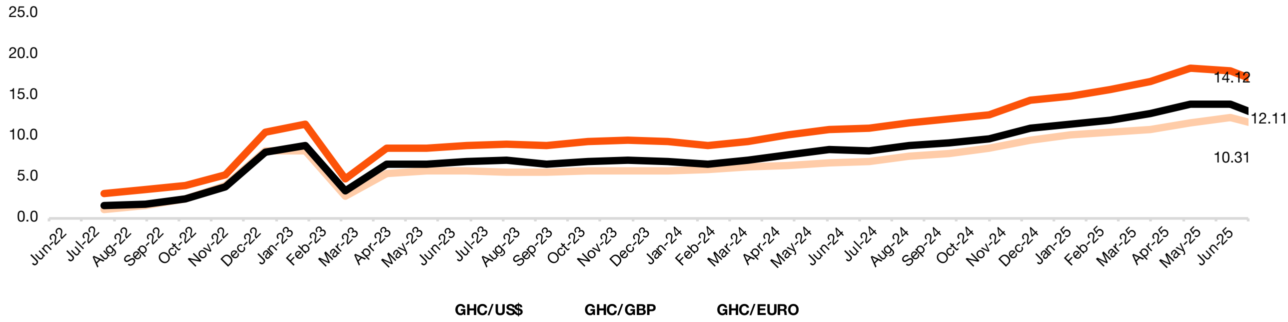


Source: Bank of Ghana

In 2024, the Ghana cedi depreciated by 19.2% against the US Dollar (USD), 17.8% against the British Pound (GBP), and 13.7% against the Euro (EUR). However, in the first quarter of 2025, the depreciation rates reduced to 5.3% (USD), 8.4% (GBP), and 9.5% (EUR).

The Ghana cedi has seen a remarkable turnaround between April and May 2025, emerging as one of the best-performing currencies globally with a 24.1% appreciation against the USD, 16.2% against the GBP and 14.1% against the Euro. This recovery follows a challenging 2024, when the Ghana cedi was among the worst-performing currencies in Sub-Saharan Africa, depreciating by 19.2% against the USD and 13.7% against the EUR.

Interbank Exchange Rate - End Period



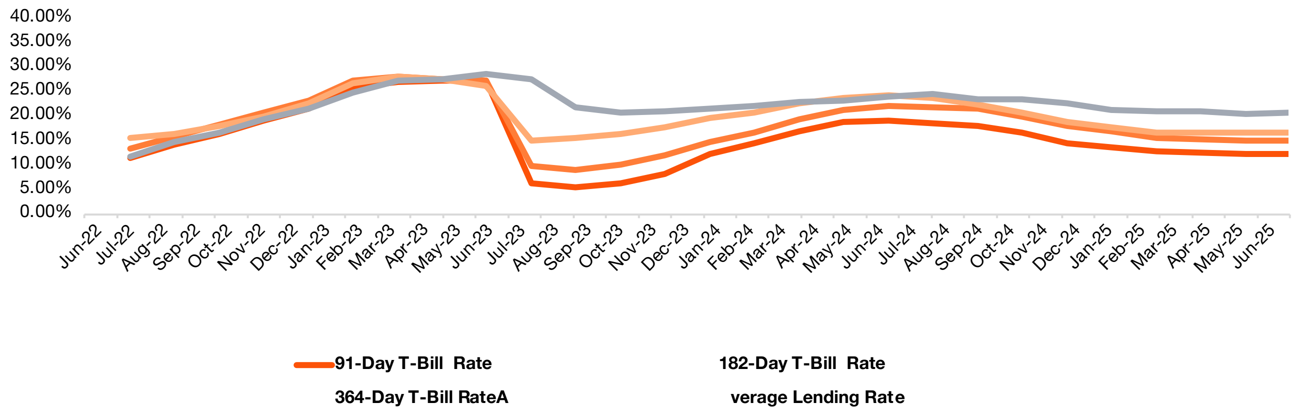
Source: Bank of Ghana

Note: The exchange rates listed in the chart above are in Ghana cedis (15.84), (13.34) and (11.85) respectively.

Government attributes the improvement in the performance of the local currency to a combination of disciplined monetary policy, foreign exchange reforms, and increased inflows.

Interest rates

Average Monthly Interest Rates (%)



Source: Bank of Ghana

Generally, the rates on government securities have trended downward from January 2025 to date. At the end of May 2025, the rates on government securities had declined as follows: the 91-day T-bill rate decreased from 28.19% to 14.93%

- The 182-day T-bill rate fell from 28.92% to 15.55%
- The 364-day T-bill rate dropped from 30.15% to 16.00%

The decline in treasury bill (T-bill) rates in Ghana between January and May 2025 suggests lower government borrowing costs, which could ease fiscal pressures. This reduction may boost investor confidence, stimulate private sector borrowing, and encourage economic growth.

02

AI adoption in the Ghana banking industry

Introduction

In the rapidly shifting landscape of digital information retrieval, the emergence of AI-powered search tools has redefined how users interact with data. Traditional search engines like Google, launched in 1998, and Microsoft Edge, introduced in 2015, have long dominated the space. These platforms index billions of web pages and serve over 14 billion searches per day in Google's case and 900 million in the case of Bing.

Today, however, the landscape is being rapidly reshaped by the AI technologies launched by OpenAI in 2020. At the heart of these innovations lies Machine Learning (ML), the foundational technology that enables AI to "learn" from data. ML is a broad subfield of AI focused on algorithms that identify patterns and make predictions without the need for explicit programming for each scenario. Nearly all modern AI, from the most advanced chatbots to autonomous vehicles, is powered by some form of machine learning.

Generative AI (GenAI), a cutting-edge application of ML, is designed to create new content. It employs deep learning models trained on vast datasets to produce novel and realistic text, images, audio, or code. When you see an AI generate a unique piece of art from a text prompt or write an entire article, you are witnessing generative AI in action. It is a creative tool that is transforming industries ranging from design and media to software development.

AI agents represent the next step in this evolution. Rather than performing a single task, an agent is an autonomous system capable of perceiving its environment, making decisions, and executing a multi-step plan to achieve a goal. For example, an agent might use generative AI to compose an email, then employ other tools to locate and summarise information, all to complete a complex task on your behalf. AI agents embody the concept of proactive, goal-oriented intelligence.

Other approaches, such as Genetic Algorithms, offer a different but equally important path within AI. Rather than learning from a single dataset, these algorithms are inspired by biological evolution. A genetic algorithm begins with a population of potential solutions and "evolves" them over many generations, applying principles like selection, crossover, and mutation to identify the optimal solution. This methodology is particularly effective for tackling complex optimisation challenges, such as designing the most efficient circuit or planning intricate logistics.

Robotics is the interdisciplinary field concerned with designing and building physical machines capable of interacting with the world. While robots can be simple and rule-based, their capabilities are greatly enhanced by AI. AI effectively provides the "brain" for these machines, enabling them to perceive their surroundings through computer vision, make real-time decisions utilising machine learning, and navigate autonomously. AI-powered robots are already employed across manufacturing, healthcare, and logistics, performing tasks with a precision and adaptability that traditional machines cannot match.

The paradigm has begun to shift with the release of ChatGPT in November 2022, which reached one million users in just five days and 100 million in two months, making it the fastest-growing consumer application in history. As of April 2025, ChatGPT boasts 800 million weekly active users, with projections to hit one billion by year-end.[1]

AI has rapidly become a transformative force across industries globally, revolutionising the way businesses operate, make decisions, and engage with customers. From manufacturing through to healthcare, telecommunication, construction, education, retail, banking, logistics, etc., AI is enabling unprecedented levels of automation, efficiency, and personalisation. Among the industries being taken by storm, the banking sector stands out as one of the most significantly impacted.

In a dynamic banking environment, banks are seeking to differentiate themselves and gain a competitive advantage. GenAI is transforming the banking sector, providing innovative solutions that optimise efficiency, enhance security, and increase customer satisfaction. As the banking industry increasingly moves towards digitisation, the adoption of advanced AI technologies becomes crucial. GenAI, with its ability to synthesise and generate content, offers unparalleled opportunities to automate complex processes, provide personalised customer experiences (CX), and strengthen security measures.

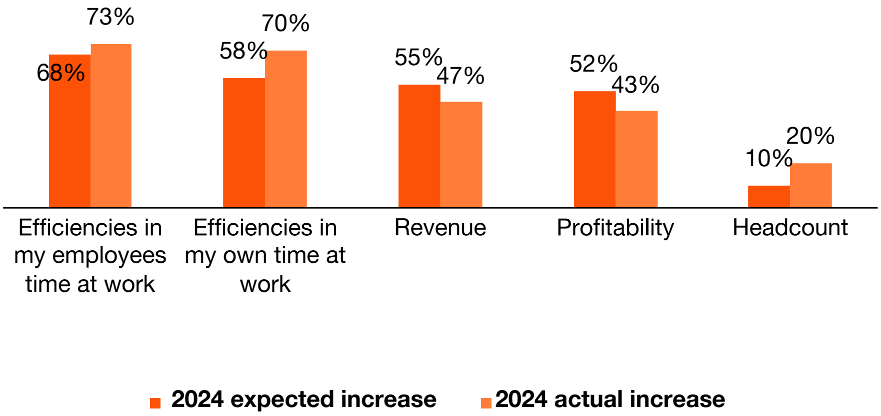
Ghana's banking sector continues to face high levels of Non-Performing Loans (NPLs), posing a serious risk to financial stability and economic growth. As of April 2025, the NPL ratio reached 23.6%. While the Bank of Ghana has introduced regulations to strengthen credit risk frameworks and improve loan recovery, traditional methods alone are unlikely to reverse the trend. GenAI offers a powerful solution by enabling banks to predict borrowers at risk of default early, allowing timely interventions. GenAI can automate loan monitoring, create personalised repayment plans, and improve customer engagement through intelligent chatbots. In an environment dominated by manual processes and outdated systems, GenAI provides a scalable, data-driven approach to reducing NPLs, boosting efficiency, and restoring confidence in Ghana's banking industry. Strategic adoption will help banks meet regulatory targets, such as lowering the NPL ratio to 10% by 2026, while fostering a more resilient and inclusive financial system.

The race among banks globally to put GenAI to work is already underway. We're seeing banks across the globe begin to use GenAI to assist in many mission-critical areas, such as customer due diligence, risk scanning, and reporting. This is all thanks to the technology's ability to extract and aggregate data, automate report preparation, and highlight information gaps across a wide variety of non-standard documents, systems and media.

Indeed, these advances in AI come at a pivotal moment for financial services as an industry, not just banks. Our report on the future of banking examines what we perceive as universal disruption facing banks across the world over the next decade, including shifting customer expectations, rising expenses, regulatory complexities, new sources of risk and talent shortages.

Our latest 28th Annual Global CEO Survey indicated that leaders expect technology including GenAI to be at the centre of optimising efficiencies in their employee time at work and to improve efficiencies in their own time at work. Ghana CEOs are also optimistic about the financial impact of GenAI, with 47% saying the adoption of it in their organisation has increased revenue, while 43% said it increased profitability. This enthusiasm is even higher than that of African counterparts, showing Ghana CEOs expect GenAI to drive growth in their businesses. While these statistics cover various industries, the banking sector specifically has been heavily reliant on technology since its inception.

Figure 2.1: To what extent did generative AI increase or decrease the following in your company in the last 12 months? (showing net increase)

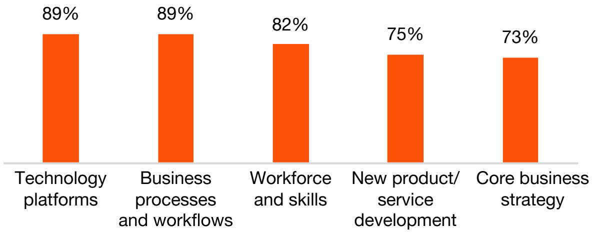


Source: 28th Annual Global CEO Survey (Ghana report)

To further confirm their confidence in and enthusiasm for the transformative potential of GenAI across various aspects of their businesses, 89% of surveyed CEOs and business leaders anticipate GenAI being woven, over the medium-term, into their technology platforms and business processes, revolutionising workflows and enhancing efficiency. Furthermore, 82% foresee GenAI's integration into their workforce and skills development, underscoring the importance of adapting human capital to harness AI capabilities effectively. 75% of CEOs expect GenAI to play a pivotal role in the creation of new products and services, driving innovation and expanding offerings to meet evolving market demands. Perhaps most tellingly, 73% view GenAI as a crucial element in shaping their core business strategies, highlighting its anticipated impact on overall organisational direction and growth.

These insights illustrate the enthusiasm among Ghanaian business leaders for embracing GenAI as a key driver of transformation and competitiveness. As they integrate this cutting-edge technology into various facets of their operations, they are poised to navigate the challenges and seize the opportunities of the AI-driven future.

Figure 2.2: To what extent did generative AI increase or decrease the following in your company in the last 12 months? (showing net increase)



Source: 28th Annual Global CEO Survey (Ghana report)

The banking sector, no stranger to disruption, has had to navigate several waves of innovation from fintech startups, evolving customer expectations, and rapid technological advancements. While some banks are far advanced in their digital transformation strategies integrating AI and other technologies into their core operations over the years, others are still racing to achieve this.

This new wave of disruption, led by GenAI, promises to reshape the banking sector yet again, offering institutions the opportunity to leapfrog innovation and stay at the forefront of the industry.

Perhaps, even more than businesses in other industries, banks in Ghana in recent times arguably continue to deal with unprecedented levels of economic and market volatility, increased regulatory pressures, geopolitical sensitivities and evolving customer expectations. Against this backdrop, the integration of innovative and game-changing technologies has emerged as fundamental to maintaining and increasing market competitiveness. Among these innovative technologies, GenAI stands out as a key enabler of transformation, allowing banks to better meet the needs and expectations of their customers, shareholders and regulators. GenAI is changing the very fabric of the banking and capital markets sector and redefining operating models across the front-to-back office.

In doing so, GenAI is helping to improve customer engagement, enhance operational efficiency, reduce costs in a sustainable manner and increase the robustness of risk management and compliance frameworks. In addition, GenAI is helping to facilitate data-driven decision making with greater confidence and accuracy, leading to improved outcomes for both customers and stakeholders.

That said, the increased use of GenAI does present inherent risks which can be heightened in a banking environment. These include misinformation and inaccuracy, ethical bias, data privacy and security, and a lack of governance. In addition, as GenAI becomes more embedded into our daily lives, questions surrounding accountability, transparency, and regulatory compliance become even more pronounced.

For these reasons and more, the opportunities that GenAI presents to gain efficiencies, improve customer experiences and offer new services could not have come at a better time. However, this is a marathon, not a sprint. Successfully adopting GenAI requires financial institutions to strike the right balance between prudence and urgency. There are real risks in pushing ahead too fast before putting critical skills, tools and capabilities in place. At the same time, going too slow could take organisations out of the running, especially when first movers are already realising value from the technology.

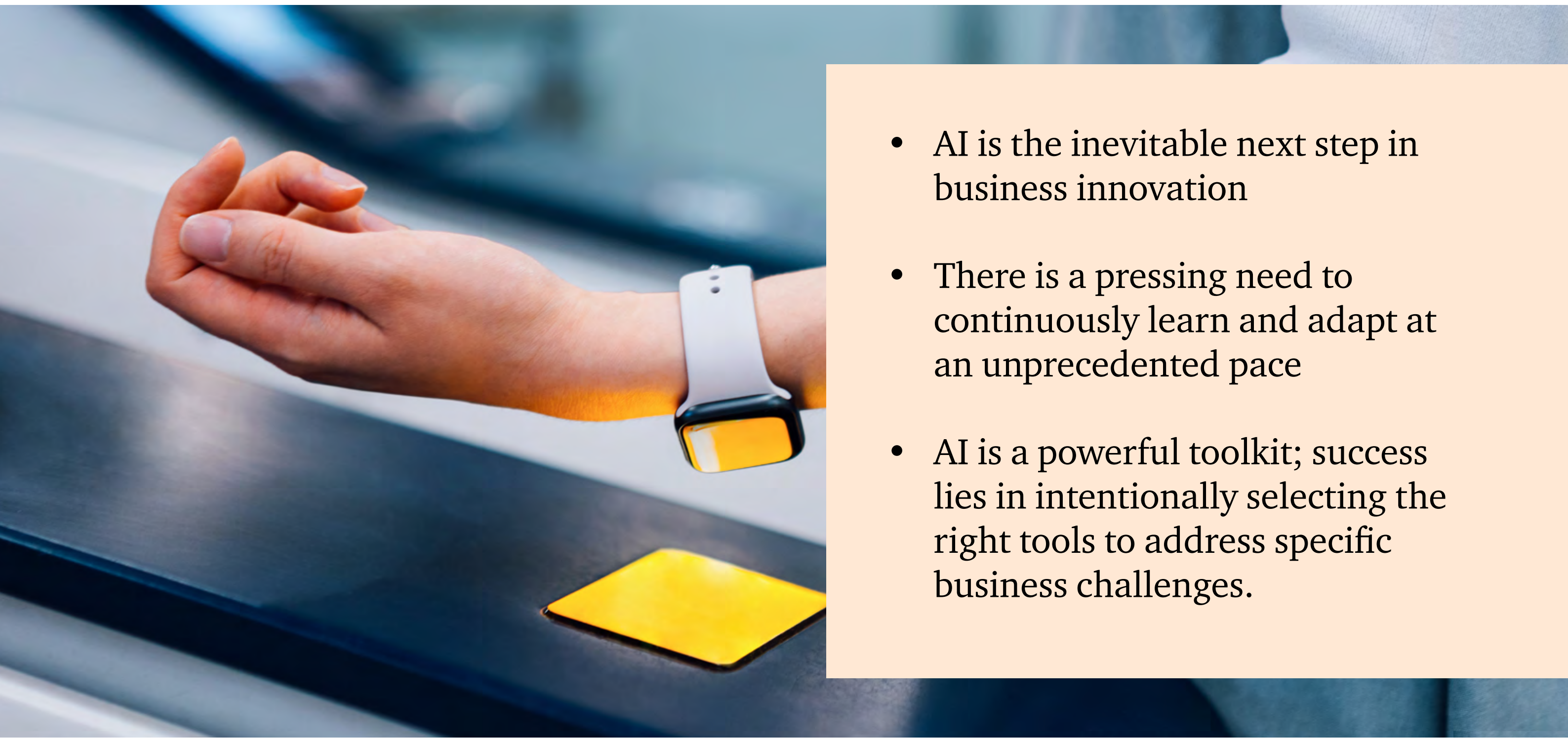
Leaders of financial institutions need to get smart about GenAI; not just generally, but specifically in the context of financial services, and hone their strategies to succeed.

By the end of this decade, banks' potential spending on GenAI is estimated to reach USD85.7 billion, up from a forecasted USD5.6 billion in 2024[2]. As a sector driven by knowledge, expertise and technology, this exponential investment flowing into GenAI highlights new priorities and the scope of influence GenAI holds across the banking industry (see the figure below). It reflects an accelerated transition from legacy systems and the growing recognition of GenAI's transformative potential in the banking sector.

Figure 2.3: Scope of influence

Business Model Disruption	Operating Model Disruption	Competitive Landscape Disruption
Drivers	Drivers	Drivers
1. Evolution of R&D, products and services 2. Innovation in pricing/commercial models 3. Improvement in customer engagement	1. Core operating process improvement 2. Organisational model, people and skills impact 3. Underlying systems and tech transformation 4. Change to internal/external data use	1. Opportunity for first mover advantage 2. Reduction in barriers to entry

Leaders in the banking industry must make critical decisions regarding the technology's adoption, deployment strategies, and scalability. Furthermore, they need to understand the risks associated with GenAI to evaluate its impact on regulatory controls and their overall risk tolerance. Rather than feeling overwhelmed by the rapid pace of AI's evolution, banking leaders should embrace three essential truths:



- AI is the inevitable next step in business innovation
- There is a pressing need to continuously learn and adapt at an unprecedented pace
- AI is a powerful toolkit; success lies in intentionally selecting the right tools to address specific business challenges.

The GenAI revolution in modern banking

Ghana is home to 23 banks operating under the universal banking licence, and the rapid pace of innovation driven by GenAI will significantly impact on their operations and customer service models, as well as their fortunes, based on their respective adoption pace.

For business leaders, the excitement surrounding GenAI is well-founded, owing to its capabilities and ease of use. This enthusiasm is reflected in our CEO survey, which showed that nearly 7 in 10 (68%) said they have adopted GenAI to a degree in the last 12 months, that is, during the year in 2024. Within the banking sector, the technology's potential to transform both front-office and back-office functions is becoming increasingly evident. A clear example of this is the deep technical support presented by GenAI bots, which leverage proprietary information to significantly enhance the customer experience with rapid and tailored responses to queries. Early adopters are also looking to harness solutions such as ChatGPT primarily to drive internal productivity and subsequently, enhance client-facing software solutions.

> The ultimate prize of GenAI is increasing productive value and reducing the cost of traditional support functions (such as operations, finance, HR, legal, compliance, etc.) where the bulk of costs traditionally reside.

For nearly a decade, banks invested heavily in automation technologies, now known collectively as hyper automation. But with GenAI, banking executives are completely rethinking the operational extent of hyper automation programmes and the size of their business impact. GenAI's abilities can transform work – not merely automate it – by combining intelligence with automation. With GenAI, banks may be able to solve today's difficult automation challenges and achieve a radical improvement in front-to-back efficiency. More importantly, GenAI is inspiring a rethinking of fundamental business processes because with GenAI any employee with the right tools and guardrails can reengineer how existing work is done.

Driving efficiency

GenAI enhances automation, unlocking resources for strategic initiatives

Traditional processes, often featuring considerable human involvement, can be slow and error-prone, slowing down decision-making and progress. But here's the plot twist: AI-powered automation is stepping in as the ultimate hero in the quest for efficiency. By taking over those repetitive tasks and standardising workflows, AI trims down the need for manual input, slashes errors, and ensures consistent decision-making. This boost in efficiency lets banks reallocate their resources with precision. Tasks like credit memo creation and financial data analysis can be automated. This means employees can dive into strategic efforts like customer engagement, asset growth, and strategic planning. Simply put, AI makes banks more resourceful and boosts their competitiveness in a jam-packed market.

Retail banks are under increasing pressure to streamline operations and enhance customer experience, all while managing staff shortages. This is where AI steps i; its capacity to automate internal processes and optimize workloads enables banks to deliver faster, more reliable results, helping them stay competitive. Instead of struggling to develop in-house AI solutions, many banks are choosing to tap into third-party platforms for the instant efficiency boosts they need. This savvy move means they can rapidly embrace AI technologies and elevate operations without getting stuck in development roadblocks.

AI-driven initiatives are game-changers, turning resource-heavy tasks into smooth, automated processes. This not only supercharges productivity but also positions banks as frontrunners in innovation. By locking in on internal operations, banks cut down on manual drudgery and drive overall efficiency like never before. Success in this transformative era hinges on leaders' strategies, their adaptability to the evolving work landscape, and their prioritisation of trust.

Now, here's an interesting nugget: 45% of CEOs in Ghana trust AI technology enough to embed it into their company's key processes, with 89% of these CEOs planning to integrate AI into their tech platforms in the next three years(ref. PwC Ghana CEO Survey). Similarly, 73% of those CEOs expect to weave AI into their core business processes. While getting AI onboard is a giant leap, it's just as critical to weave it seamlessly into business models to truly cash in on its benefits.

Use case study

JPMorgan Chase developed COiN (Contract Intelligence) in 2017 as part of its broader push to modernise legal and risk operations through AI. Initially focused on reviewing commercial credit agreements, COiN was designed to tackle one of the most time-consuming bottlenecks in banking: manual contract analysis. By using natural language processing, the platform could identify and extract key data points from dense legal documents, such as termination clauses and risk conditions. What used to take teams of legal analysts and loan officers hours or days could now be done in seconds.

As the platform matured, COiN expanded beyond credit contracts into regulatory filings, vendor agreements and compliance documentation. Today, it flags problematic clauses, identifies non-compliant terms and helps ensure legal consistency across thousands of documents, reducing the risk of oversight that could lead to costly disputes.

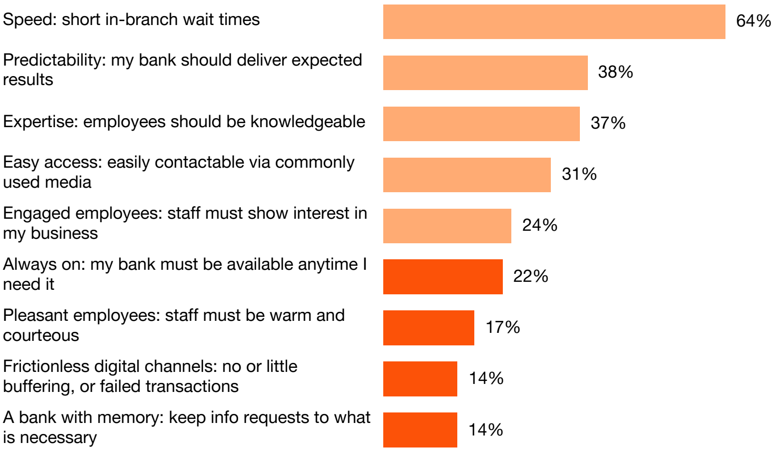
In its first year alone, COiN reviewed 12,000 credit agreements, saving the bank an estimated 360,000 hours of legal work; the equivalent of 170 full-time employees. That shift not only improved accuracy but also freed up legal teams to focus on complex, judgement-heavy tasks rather than routine reviews. The financial and operational benefits have been clear. JPMorgan has saved tens of millions of dollars by cutting down on legal costs, reducing errors and accelerating deal execution.

With each successful deployment, COiN has been extended into new areas, including anti-money laundering, fraud detection and contract lifecycle management. It has become one of the bank's most mature AI systems, treated not as a standalone tool but as core infrastructure that strengthens compliance, speeds up decision-making and safeguards the firm's legal and reputational position.

Insights from conversations with senior bank executives in Ghana

Some banking executives emphasise the use of AI to streamline processes and improve operational efficiency. One executive mentioned the deployment of Robotic Process Automation (RPA) for back-office tasks such as card reconciliation. This implementation reduces manual effort and ensures faster, error-free operations. Another also said their bank has taken a significant step towards centralising its data, creating a single data reservoir that ensures AI models are drawing from a consistent, clean data source, which boosts model accuracy and operational efficiency. The executives acknowledged that managers have been equipped with AI tools designed to automate repetitive tasks and deliver intelligent automation solutions. This integration not only improves efficiency but also allows staff to focus on more strategic and value-added responsibilities.

Figure 2.4: The top 5 most influential factors of differentiated CX for banking customers



Source: 2024 PwC Banking Survey on customer experience

Transforming customer experience

Customer experience ; the art of making customers feel good about your brand at every turn, from the website visit to the product purchase and beyond. Done right, CX transforms customers into loyal fans. But here's the kicker: delivering an amazing CX isn't easy. Customers are demanding more, becoming more sophisticated and banks must continually adapt in this age of technological disruption to meet up with their needs to delight and retain them. In 2024 we conducted a Banking Customer Experience (CX) Survey to better understand what consumers need from their banks and where they want banks to address their pain points. Speed, predictability, employee knowledge, easy access and engaged employees were the top five CX choices by customers.

Customers have openly declared their love for digital. They cherish the ability to manage their financial affairs without stepping foot in a bank branch. Speed is their ultimate obsession: they want to transact in a blink of an eye. 64% of customers crave short wait times in-branch, with 60% wishing to spend ten minutes or less handling their business at the bank. It was no wonder that 53% said they adore their bank apps and 14% their ATMs, finding joy in the quick and convenient services they offer.

Think about it. To really nail CX, banks must read minds (or at least come close), anticipate customer needs, design flawless experiences, and keep it all fresh and exciting. This can be exhausting but not when AI-leveraged technology is deployed. GenAI offers capabilities that redefine how businesses engage with customers—enabling personalised interactions, rapid query resolution, and remarkably accurate product recommendations.

AI needs CX too

Yes, you read that correctly. While AI might seem all-powerful, without a clear connection to CX, it's like a superhero without a mission. Simply put, AI is a tool, and tools are only as effective as the purpose and strategy behind their use. Without CX, AI becomes directionless. The true power of AI lies in how it's intentionally aligned with customer needs and experiences. For this to happen, CX must take the lead and bring the human touch, ethics, empathy, and a focus on solving real-world problems. CX ensures that AI doesn't just wow people with how smart it is but also delivers value in a way that resonates.

Making banking personal is no easy task. It's not just about offering the right products at the right time and price for the right people. It's about truly understanding what customers need, like helping them to smoothly navigate mortgage financing, giving them financial advice that fits, and providing support that is tailored to their unique situations. Banks that master this kind of personalisation can turn customers into loyal fans and unpaid salespersons, and boost their profits. Now that GenAI is having all the training on internet data, its strong analytical and language skills can really help banks with personalisation. By looking at customer interactions and transaction data in real-time, GenAI-powered solutions can understand individual customers better, their questions and the banking services that suit them best. As GenAI keeps getting better, its ability to create personalised interactions could change the game for customer service in banking.

Use case study

Wells Fargo announced its virtual assistant, Fargo, in October 2022 as part of its strategy to enhance digital banking and reduce friction in everyday customer interactions. Built on Google Cloud AI and initially powered by Dialogflow with PaLM 2 at its core, Fargo was integrated into the bank's mobile app in March 2023. The launch focused on giving customers an intuitive way to get answers and manage their accounts through natural conversations, either by typing or speaking directly into the app. Over the months following its rollout, Wells Fargo steadily expanded Fargo's capabilities. What began as a tool for basic account enquiries quickly evolved to handle payments, provide transaction histories, and deliver personalised budgeting tips. The assistant is designed to understand context, meaning customers can ask follow-up questions without restating their request. This conversational flow not only improves the user experience but also increases the likelihood that customers will resolve their needs without calling a branch or service centre. The results have been substantial. Fargo has processed more than 20 million customer interactions to date, significantly boosting self-service rates and reducing the volume of routine queries handled by human agents. This has relieved pressure on call centres, allowing staff to focus on complex cases that require empathy and judgement. For customers, it has meant faster response times and around-the-clock access to banking support. For the bank, Fargo has become a critical digital asset, improving operational efficiency, enhancing customer satisfaction, and laying the groundwork for future AI-driven financial services.

Insights from conversations with senior bank executives

Senior executives in the Ghana banking industry acknowledge that the integration of AI is also revolutionising the CX across the banking landscape. One executive said their institution has developed an AI-powered chatbot to enhance interactions with customers. This AI tool is equipped not only to handle customer queries but also to provide personalised service experiences, enhancing the client relationship. Senior executives in Ghana's banking sector say AI is already reshaping customer experience. At ABSA, their initial chatbot, ABI, reached a 5%–10% adoption rate against a 30% target, which taught the team that rules-based bots have limits and that generative AI could unlock greater CX gains. That learning has shifted the focus from simple FAQ automation to richer, context-aware interactions that aim to deliver genuine personalisation and higher adoption.

Another bank is focusing on digitising core customer journeys, aiming for end-to-end automation and service facilitation. Through the development of tools like natural language processing for querying backend product information, customers can access detailed information quickly, leading to reduced turnaround times (TATs) and resulting in improved satisfaction levels. Some executives argue that the personalised recommendations driven by AI models will significantly boost cross-sell ratios and revenue growth, as customers feel increasingly understood and valued by tailored financial product suggestions.

Enhanced security

Emerging technologies like GenAI aren't just strengthening defences across industries, they're also giving cybercriminals new ways to exploit businesses and individuals. In fact, Our 28th Annual Global CEO Survey - Ghana report, highlights cybersecurity risk as a top concern among CEOs in Ghana over the next year, right after economic related threats (inflation and macroeconomic volatility). As digital transformation accelerates, especially for digital business, vulnerabilities such as voice cloning and social engineering attacks become more pronounced. This means banks must evolve their cyber strategies and risk assessments to counter these sophisticated threats, which have increased in volume, variety, and speed even as GenAI adoption rises.

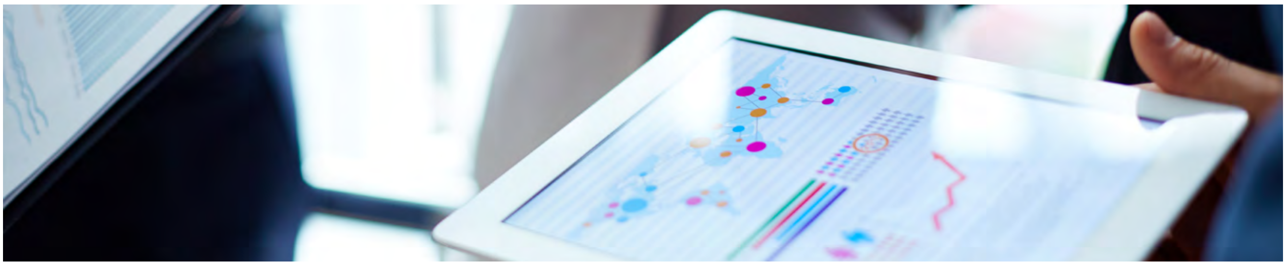
In the hands of a criminal, GenAI isn't just a threat, it offers banks a chance to bolster their defences significantly. By enhancing traditionally manual processes like penetration testing and code reviews, GenAI proves to be a powerful ally, not just a tool for cybercriminals. To tap into GenAI's full potential while safeguarding against its risks, banks need to start their digital transformation and GenAI implementation strategies early. Success hinges on focusing on crafting a clear **AI strategy, ensuring high-quality data**, and **developing the right talent** to stay ahead of this fast-evolving technology.

With GenAI, banks can seriously upgrade cybersecurity practices, like real-time threat detection and response. GenAI continuously scans logs, traffic, user patterns, and system activities using advanced machine learning and data analytics. One key advantage is its ability to learn and adapt in real-time, keeping pace with evolving cyber risks, learning, training, and going ahead of criminals to protect sensitive financial data. For instance, GenAI can spot insider threats by identifying unusual employee behaviour that may signal malicious activity or compromised credentials. Automated features like system quarantines, IP blacklists, and security alerts can limit the impact of cyber-attacks, reducing damage and downtime. By training threat-detection models with thousands of samples, GenAI helps banks to build resilience against new threats, reinforcing their ability to fend off cyber-attacks. Ultimately, GenAI enables financial institutions to reach higher security standards, safeguard vital assets, and most importantly, maintain customer trust. As banks navigate the digital transformation journey, GenAI offers them a dual role; a formidable challenge to future of finance, as well as a powerful ally in securing it.

Use case study

In December 2022, Deutsche Bank partnered with NVIDIA to embed artificial intelligence (AI) across its global operations, marking a major step in its digital transformation. This collaboration was driven by the need to modernise legacy systems, improve operational efficiency, and respond to the increasing complexity of financial services. It aligns with Deutsche Bank's 2025 strategy to become a technology-first institution, with AI and data analytics at its core.

A key innovation from the partnership is the development of Finformers, large language models (LLMs) trained specifically on financial data. These models are designed to detect counterparty risk, extract insights from unstructured documents, and improve data quality. Unlike general-purpose LLMs, Finformers are optimised for financial language, making them highly effective for analysts and compliance teams.



The bank also adopted NVIDIA's accelerated computing infrastructure to replace overnight batch processing with real-time execution of complex models for risk valuation and pricing. This shift has improved responsiveness and reduced operational costs by up to 80%. Additionally, Deutsche Bank is experimenting with 3D avatars using NVIDIA Omniverse Enterprise to assist employees and enhance customer service. GenAI is being used to automate document analysis, speed up onboarding, and support software development.

To scale these innovations, Deutsche Bank established an AI Centre of Excellence, which oversees responsible and explainable AI development. The centre is expanding the bank's AI portfolio to over 100 use cases, including fraud detection, anomaly monitoring, and customer engagement. This partnership has transformed Deutsche Bank's approach to risk management, compliance, and client service. By embedding AI into its infrastructure, the bank is setting a new standard for intelligent, secure, and customer-centric financial services, demonstrating how strategic technology partnerships can redefine the future of banking.

Insights from conversations with senior bank executives

Security remains a critical concern as banks integrate AI into their operations. Executives emphasise the importance of maintaining strict regulatory limits while using AI. For instance, one executive cited that their bank has chosen to keep all infrastructure on-premises or within the country to manage potential risks. The use of enterprise-protected AI platforms has provided a secure environment for sensitive data, supported by continuous monitoring, penetration testing, and regular independent audits. Executives said they are increasingly investing in staff training and have a proactive stance on identifying and mitigating security threats to protect customer data effectively. Security remains a top priority as banks integrate AI into their operations. Executives said they are applying multiple layers of defence to address heightened cybersecurity risks, from strict regulatory compliance to advanced technical safeguards. Many banks are deliberately keeping their AI infrastructure either on-premises or within national borders to reduce exposure, while using enterprise-protected AI platforms that provide controlled environments for sensitive data.

Several executives highlighted their investment in continuous monitoring, penetration testing, and regular independent audits as standard practice. They are also strengthening their incident response protocols and running simulated cyber-attack drills to test system resilience. In parallel, banks are embedding AI-specific security checkpoints into their development workflows so that new tools are reviewed for vulnerabilities before deployment.

Talent development has also emerged as a critical defence measure. Banks are training staff at all levels on secure AI usage, phishing awareness, and compliance obligations. Some are creating cross-functional cybersecurity taskforces that combine expertise from IT, legal, compliance, and operations to anticipate and counter emerging threats. This proactive approach, they emphasised, allows them not only to protect customer data but also to maintain trust and meet evolving regulatory expectations.

Point of view

At PwC, we observe that banks deploying AI to drive efficiency, improve CX, and enhance security are setting a compelling precedent. Drawing from our research and industry insights, we recognise that building a robust data ecosystem is fundamental for AI integration. Ensuring that high-quality data feeds the AI models is crucial. Efforts should also focus on talent development to equip employees with necessary skills, thereby enabling effective AI application.

From a CX standpoint, AI offers opportunities for hyper-personalisation, which could transform how banks interact with and understand their clients. The more personalised services become, the stronger the bank-customer relationship will be, reducing switching appetite[4], and leading to increased loyalty and profitability.

Finally, given the growing complexity of cyber threats, maintaining enhanced security is indispensable. We advocate for a proactive, integrated cybersecurity approach, ensuring banks not only implement AI solutions securely but also monitor and adapt these measures continuously to counteract emerging threats effectively. Through harnessing AI responsibly and strategically, banks can achieve new heights in efficiency, customer satisfaction, and security, setting a notable standard for the entire industry, and perhaps for the broader financial services industry.

Key forces shaping the adoption of GenAI

The adoption of GenAI in banking is influenced by several key forces that shape its integration and effectiveness within banking systems. These forces include:

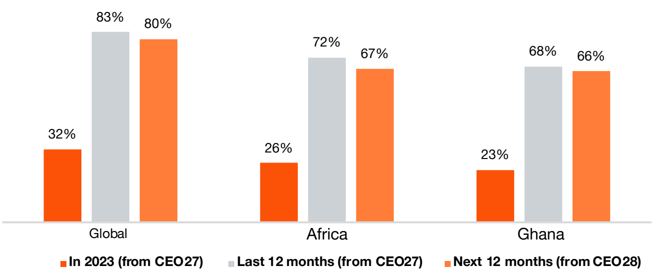
- A global patchwork of regulations, which largely dictates regionalised compliance and country specific data governance standards
- The challenge of integrating with or overhauling model systems, which can determine how seamless a GenAI system implementation will be
- Evolving employee expectations, which demand personalised and efficient services
- The critical importance of data quality and privacy, which underpin the reliability and ethical use of AI
- The extent consumer sophistication, as this definesthe intensity of pressure that market participants face to innovate parts or the whole of their business and operating models.

Understanding and addressing these forces are essential for banks in Ghana to fully leverage the benefits of GenAI. There is no known legal or regulatory framework around AI in Ghana. However, in 2022, Government of Ghana started the formulation of an AI policy to position the country as a leader in AI within Africa. The government has also developed the draft National AI Strategy (2023-2033).

Adoption of AI is picking up pace across all sectors, even in areas you wouldn't immediately think of as tech-heavy. That's what our 2025 Global AI Jobs Barometer is telling us. Our research suggests that GenAI is not just set to shake things up but is doing so in different, unique ways across various industries. Also, our 28th Annual Global CEO Survey is revealing some eye-opening insights, like the fact that 34% of CEOs in Ghana believe their companies might not last another decade if they stick to their current ways. And what's the game-changer here? Technology, undoubtedly. GenAI is emerging as a big player in reshaping work and shaking up markets. Some forward-thinking CEOs have already jumped on board, weaving GenAI into their business models to get ahead of the curve. Based on our knowledge of the adoption of AI in Ghana from 2023 onward, AI adoption has skyrocketed, more than doubled, in fact (see Figure 2.5 below).

But here's the intriguing bit: even though there's a rush to integrate AI, many CEOs are treading carefully. They're being strategic about how they incorporate GenAI into their operations, ensuring they make the most significant impact without overextending themselves.

Figure 2.5: We have adopted GenAI to a degree



Source: 28th Annual Global CEO Survey (Ghana report)

A fragmented regulatory landscape will impact the growth of GenAI

A fragmented global regulatory landscape is shaping the future of GenAI, and Ghana is no exception. As countries race to establish governance frameworks, companies operating across borders must navigate a complex maze of rules, potentially stifling innovation, increasing compliance costs, and impeding collaboration. The European Union leads the way with its AI Act, which came into force on 1 August 2024. It adopts a risk-based approach: the higher the societal risk posed by an AI system, the stricter the regulatory requirements. In contrast, the United States lacks a unified framework, relying instead on a patchwork of federal, state, and judicial guidelines. Across Asia, efforts by ASEAN remain largely national, with limited regional cohesion.

Ghana, meanwhile, is charting its own path. The National Artificial Intelligence Strategy (2023–2033) aims to harness AI for inclusive and sustainable development. Spearheaded by the Ministry of Communications and Digitalisation, the strategy focuses on ethical deployment, digital sovereignty, and building AI systems rooted in local data and cultural context. Legislative reforms are underway to modernise Ghana's tech sector and ensure a transparent, innovation-friendly environment. This proactive stance positions Ghana to benefit from GenAI while mitigating its risks.

However, the absence of a comprehensive AI regulatory framework, still in draft form, means companies must tread carefully. In sectors like banking and finance, where AI tools are increasingly used for credit scoring and risk assessment, Ghana may soon face similar challenges to those outlined in the EU's AI Act. If designated as "high-risk," such systems would require rigorous controls: data quality assurance, human oversight, transparency, and robust risk management. Yet, if navigated wisely, regulation can be a catalyst, not a constraint. Ghana's commitment to digital transformation, supported by initiatives like the One Million Coders Program and strategic partnerships with UNESCO and Smart Africa, could position the country as a regional leader in responsible GenAI adoption.

Insights from conversations with senior bank executives

A fragmented regulatory landscape already constrains how banks plan and scale GenAI. Senior executives say inconsistent rules across jurisdictions force them to redesign model governance, controls and documentation for each market. That work multiplies validation cycles, slows releases and raises the cost of every deployment, so **teams routinely prioritise regulatory certainty over speed**.

One executive described how data residency, privacy and explainability requirements often translate into separate data pipelines, additional masking and bespoke logging and reporting for each regulator. Those measures create real engineering overhead and operational duplication. It is not just a technical problem. Boards become cautious when legal treatment stays unclear, so many projects move forward in small, staged steps rather than bold, cross border launches. Smaller institutions find this particularly painful and risk being left behind by larger banks that can afford the compliance bill.

From our conversations with senior leaders it is clear that banks want to embed GenAI into core processes but will do so on the regulator's terms. They cite cyber security, the right skillsets and clear regulatory guidance as the conditions they need before scaling widely. Executives believe harmonised AI governance would let them reuse validated models and controls across markets and unlock far faster adoption. Until regulators provide that clarity, banks will trade speed for compliance and the growth of GenAI will or even stall in the case of Ghana's banking industry.

Legacy systems can hinder GenAI's potential

Legacy systems further hinder the seamless adoption of GenAI-based solutions. These older systems, despite hosting valuable historical data, often lack the flexibility and scalability required to support advanced AI solutions. They may store data in siloed or proprietary formats, making it difficult to access and retrieve data for training and analysing GenAI models. Meanwhile, GenAI's capabilities in software development also offer potential to simplify the development of integration tools with these legacy systems. Additionally, maintaining these legacy systems is both costly and time-consuming, pulling resources away from pursuing innovative initiatives.

By moving away from centralised legacy technologies like mainframes and siloed environments, banks can redefine their architectural frameworks by adopting cloud-native, AI-driven architectures to enhance their technological agility and significantly reduce their cost of maintaining legacy systems. Successful integration of GenAI-based solutions would necessitate a thorough assessment of current IT infrastructure and strategic planning to ensure compatibility and interoperability. For most banks, this would mean extensive modifications or complete overhauls of existing infrastructure. Indeed, some banking executives we interviewed during this year's banking survey noted that banks may lack sufficient data and inhouse infrastructure to effectively implement ChatGPT or other AI-powered chatbots, highlighting the challenges in leveraging GenAI technologies.

In Ghana's banking sector, legacy systems can be particularly problematic as they hinder the potential benefits GenAI can offer. These outdated systems are resistant to innovation and can stifle attempts to refresh and enhance business models. Thus, banks should consider separating new initiatives, such as those involving GenAI, from their existing operations to avoid being held back by inertia. This is vital for fostering innovation and preparing for future progress. Organisational inertia especially detrimental to business model innovation is, fortunately, manageable with focused managerial action. By addressing these limitations, leaders can unlock the transformative potential of GenAI in their banks, boosting operational efficiency and CX.

Moreover, as banks in Ghana explore GenAI integration[5], they should identify additional advantages that can enhance their competitive edge. These could include economies of scale, scope, and speed, along with network effects and reputational gains. Through testing and piloting these enhancers, banks can strategically leverage GenAI to stand out among competitors, moving faster or growing bigger, or both. Ultimately, overcoming the drag of legacy systems requires a strategic push from leadership. By moving beyond the experimental stages of their GenAI initiatives, banks in Ghana can unlock new efficiencies and innovations, positioning themselves strongly for the future.

Insights from conversations with senior bank executives

Legacy systems often pose significant challenges in the implementation and maximising potential of GenAI within banking institutions. Industry executives consistently highlighted that these outdated infrastructure could act as barriers to achieving operational agility and efficiency with GenAI, leading to its underutilisation.

One bank executive mentioned they are at the foundational stage of digitising customer journeys, as automation, chiefly RPA is prioritised to tackle repetitive tasks. With legacy systems, the transition requires a strategic approach to build necessary infrastructure and digitise processes end-to-end. This gradual transformation unlocks GenAI's potential by removing friction in operations to streamline processing, reduce errors, and free up staff for higher value tasks. Despite these challenges, they expect GenAI to enhance customer interaction quality and scale efficiency once the challenges with legacy systems are addressed.

From our conversations with senior executives, it was clear that banks are willing to weave or have started weaving GenAI into their business processes and models. They admit they are cautious in adopting this approach due to cyber security reasons, finding the right skillset and which areas to integrate to fully see its potential. They have maintained a cautious approach to GenAI adoption and are willing to find the right ways to fully stay ahead and not be left behind by their peers.

Employee expectations will shape GenAI system integration

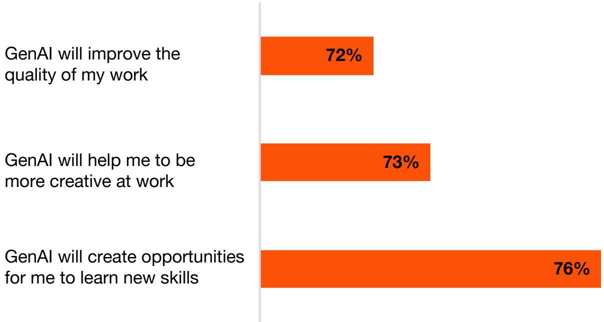
The success of GenAI doesn't just depend on how cool it is but on how well people, both inside and outside a company, accept and adopt it. In banking, where tech meets human interaction, it's vital for employees to embrace GenAI. Ghana is in a good spot for this, with a tech-savvy youth driving the way forward. However, the lack of expertise shows that there's a gap in readiness to fully embrace AI. It's important for employees to see GenAI as a helpful tool that boosts efficiency and aids decision-making, not as a threat to their jobs. Senior management has a duty to be transparent and reassuring, encouraging employees to understand the competitive edge GenAI offers. This should inspire them to learn and engage with the technology. Banks need to invest heavily in training and partnerships to build a skilled workforce in data science and GenAI. These upskilling programmes are crucial for employees to accept and adopt GenAI.

Our Global Hopes and Fears Survey shows that employees and CEOs agree on GenAI's potential to enhance efficiency without putting jobs at risk. Over 80% of workers using GenAI daily expect it to make their work more efficient within the next year.

Similarly, our 2025 Global AI Jobs Barometer asserts that AI is making workers significantly more productive and creating value for companies. As GenAI matures and strategies improve, adoption is expected to speed up, leading to wider use in banking. While employees acknowledge GenAI's strengths, concerns like increased bias or misinformation remain, especially among frequent users. This highlights the need for supportive environments, clear guidelines, training, and a Responsible AI strategy with guardrails in place.

Despite risks, employees generally have a positive view of GenAI. Over 70% of users in our Global Hopes and Fears Survey agree these tools offer opportunities to learn new skills, be more creative, and enhance work quality.

Figure 2.6: GenAI benefits



Source: 2024 PwC Hopes and Fears Survey

Boosting productivity means mixing human creativity with smart tech. It starts with building trust in GenAI through a solid, responsible strategy. Leaders need to focus on accountability and respecting human values. This approach encourages a work culture full of curiosity, experimentation, and learning, helping everyone on the team to see how GenAI can lead to big business breakthroughs.

Leaders also need to figure out where human oversight is crucial and reshape talent strategies to match. This means rethinking hiring, performance reviews, and pay. HR plays a key role here, not just in embracing what GenAI can do, but also in making sure there are skilled people ready to follow through on the company's plans. This involves planning for the future, encouraging learning and development, managing change, and inspiring transformative leadership.

Insights from conversations with senior bank executives

Integrating GenAI systems requires careful consideration of employee expectations and adaptability. Executives reveal how staff reactions can vary, with some employees quickly embracing new technologies while others may need more transition time. The emphasis placed on upskilling and adjusting mindsets is critical, especially for traditionally manual banks moving to digital systems. In one instance, an executive said they have proactively created structured learning pathways and established an automation department to support internal capability-building. They aim to upskill their employees by providing them with training in technical competencies such as Robotics Process Automation (RPA) and programming in Python and Java. This people-centric approach ensures a balance between internal talent utilisation and employee satisfaction, ultimately shaping system integration to drive success.

Data quality and privacy will be essential to GenAI's development

In PwC's Customer Loyalty Survey, 82% of respondents said they would be willing to share personal data in exchange for a better CX. We're living in a world overflowing with data, and banks are right in the middle of it all, generating vast amounts through every transaction and customer interaction. By 2025, global data production is set to hit a whopping 175 zettabytes[6] (according to Forbes)! But here's the catch, without the right data management strategies, banks risk falling behind their data-savvy competitors.

Not all data is created equal, though. For it to be useful, especially for training AI models, data needs to be accurate and reliable. Poor-quality data can lead to biased and skewed results, which is a massive headache for banks. Biases can creep into AI models, potentially leading to unfair treatment of certain groups. But with the right data retrieval and management strategies, these risks can be significantly reduced. The privacy side of things is just as tricky. When banks gather public data for profiling and forecasting, there's a risk of infringing on customers' privacy rights. GenAI can unintentionally expose sensitive info like personal details and account balances. Balancing data access with privacy is a must. Banks that manage this effectively will build trust with both customers and regulators.

While AI doesn't offer a perfect shield against data breaches, it plays a vital role in a multi-layered security approach. GenAI and machine learning can help secure transactions, detect suspicious activities, spot system vulnerabilities, and ensure systems are updated. Data risk is becoming a top concern as data volumes grow and regulations tighten. To manage data risk well isn't just about plugging gaps, it's about building trust and improving decision-making. With proper governance and security in place, technology leaders can tap into AI's full potential while keeping risks in check. According to PwC's 2025 Global Digital Trust Insights survey, 66% of tech leaders rank cyber as the top risk to their organisation in 2024, and are prioritising for mitigation over the next 12 months.

Yet despite this, many organisations still struggle with managing their data, making it hard to implement effective governance and security measures. As data continues to grow, it's crucial for businesses to keep a grip on their data estates and protect the trust they've built with customers.

Insights from conversations with senior bank executives

The quality and security of data play a crucial role in the development of GenAI systems. There is broad consensus on this point among banking executives in Ghana. One executive said, at his bank, they are building a robust data environment to support the integrity of AI projects, starting with warehousing and cataloguing data. They plan to centralise all information within a single data reservoir to ensure clean, consistent data usage across AI models. This approach eliminates discrepancies and enhances model accuracy. Moreover, data privacy and cybersecurity protections are paramount. By relying on enterprise-protected AI platforms, banks ensure no data leaves secured environments. Continuous monitoring, regular penetration testing, and independent audits further bolster security. This strict protection aligns with regulatory limits, providing confidence in GenAI's robust and secure growth without compromising data.

Sophisticated customer demands will accelerate GenAI adoption

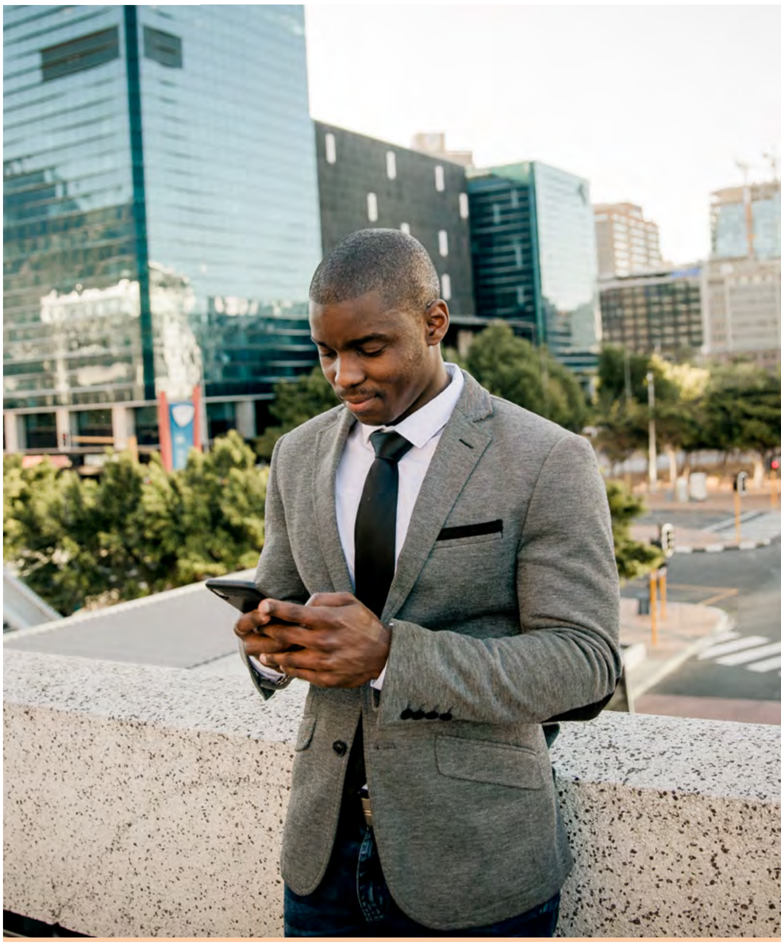
Growing customer sophistication is reshaping the competitive landscape of banking. Today's customers are more informed, digitally skilled, and comfortable exploring alternative providers if their needs are not met. They increasingly expect seamless, personalised, and responsive services across both digital and in-branch channels. These expectations are not static; they evolve rapidly as customers encounter new technologies and service standards in other industries, from retail to entertainment. In this environment, the gap between customer demands and traditional banking service models keeps widening, creating a powerful incentive for banks to adopt GenAI solutions.

GenAI empowers banks to deliver fast, precise, and hyper-personalised services, from instant support via intelligent chatbots to predictive insights that anticipate customer needs. It raises the bar for customer engagement and reshapes expectations across the sector. To keep pace, banks must move beyond incremental changes and fully integrate GenAI into their operations by retraining staff, redesigning customer journeys, and aligning product development with AI-driven speed and capabilities. In the banking sector, these shifts are already becoming visible. Customers are increasingly comparing their banking experiences to global digital benchmarks, demanding the same immediacy, transparency, and personalisation they see elsewhere. Banks that fail to respond risk losing high-value clients to more agile competitors, such as fintechs. Conversely, those that move early and integrate GenAI strategically can redefine their customer experience, positioning themselves as innovators and building stronger loyalty in a competitive market.

Ultimately, sophisticated customer demands are not a challenge to be managed in isolation; they are a signal of where the banking industry is headed. By embracing GenAI, banks can not only meet these demands but use them as a catalyst for broader transformation. The winners will be those who leverage customer sophistication as a driving force for innovation, ensuring that every interaction is smarter, faster, and more valuable, both for the customer and the bank.

Insights from conversations with senior bank executives

Some bank executives told us that rising customer sophistication is forcing GenAI from theory into practice. One executive said an early chatbot reached only 5% to 10% adoption against a 30% target, prompting a shift to GenAI and voice pilots to deliver faster, more personalised interactions. They linked GenAI's promise of speed and precision to measurable operational gains, citing earlier digitisation that cut manual approval times from 5 hours to 30 minutes and the automation of multiple processes. Some executives emphasised that scaling these benefits depends on clean data and tight controls, including plans for an AI ready data lake, rigorous negative testing to catch hallucinations and keeping models within enterprise protected platforms subject to penetration testing and independent audits.



Point of view

From our standpoint, bringing GenAI into banking could revolutionise the industry, but only if certain hurdles are tackled first. To start, old legacy systems need a rethink; they should be replaced by flexible setups that make GenAI integration smooth and easy. Modernising these outdated systems will help banks to streamline their operations and enhance service quality with automation and smart data use. Moreover, meeting employee expectations is crucial; banks need to focus on skill development and change management to create a supportive environment that fosters innovation and acceptance. Data quality and privacy can't be left out of the equation. Ensuring consistent data management and strong privacy measures is vital to protect against risks, building trust in AI advancements. As banks continue to integrate GenAI, these elements will be pivotal in shaping the future of the industry.

In essence, bank executives need to recognise that modernising systems, addressing employee needs, and ensuring meticulous data management are crucial to transforming banking with GenAI. With thoughtful planning and effective strategies, banks can overcome challenges and seize substantial opportunities for efficiency and growth through AI.

Unlocking a strategic pathway for GenAI adoption

GenAI holds significant promise for Ghana's banking sector, but realising its full potential requires more than just access to the technology. According to PwC's 2024 AI Business Prediction report, many businesses fall short because they overlook the need for a strategic, structured approach. For banks, successful integration of GenAI depends on strong leadership that aligns AI initiatives with business goals and regulatory frameworks. Early engagement with stakeholders, both internal and external, is crucial to ensure buy-in and manage risks effectively.

Rather than adopting generic solutions, banks must focus on tailored applications that address local challenges, such as enhancing fraud detection, improving customer service, and refining credit risk assessments. Building internal capabilities through talent development and training is essential to sustain these efforts. A phased roadmap, starting with governance and capability assessments, followed by pilot projects and scaling successful use cases, ensures that GenAI initiatives are both impactful and sustainable.

Ultimately, GenAI can transform banking in Ghana by driving efficiency and elevating CX, but only if deployed with clear intent, local relevance, and disciplined execution.

Establish responsible AI policies and a secure environment to build a foundation of trust

To build trust in AI-driven digital transformation in Ghana, it's essential to establish responsible AI policies and secure environments. This includes ethical data use, as well as strong governance and risk management practices. For institutions in Ghana, especially in finance, healthcare, and public services, this means aligning AI initiatives with the country's Data Protection Act, 2012 (Act 843) and ensuring systems are transparent and secure.

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- Strategy (data and AI ethics): In the banking sector, ethical, legislative and regulatory frameworks are essential for guiding how customer data is collected and utilised. AI can enhance mobile banking services and streamline operations, but it requires a commitment to ethical data use. By adopting global best practices and tailoring them to local contexts, banks can ensure that their data-driven strategies do not compromise customer privacy. This is particularly important as mobile money services and digital transactions grow in popularity[7].

- Control (governance): Strong governance is the backbone of AI-driven banking. It requires oversight at both strategic and operational levels to ensure compliance with local laws and to build public trust. Banks must implement comprehensive governance structures that monitor AI systems and their outcomes, ensuring they align with Ghanaian regulations and ethical standards. This not only prevents misuse but also fosters a culture of transparency and accountability, which is vital for customer confidence.

- Core practices (problem formulation): To effectively deploy AI in banking, institutions must first identify local challenges they aim to address. From improving financial inclusion to enhancing customer service, AI can play a pivotal role. By targeting AI solutions toward specific issues, such as expanding access to banking services in underbanked areas or optimising credit scoring models, banks can drive meaningful change and foster trust among Ghanaian citizens.

- Responsible practices (interpretability and explainability): For AI to be trusted in banking, decisions made by algorithms must be understandable. In Ghana, where digital literacy varies, banks need to ensure that AI processes are transparent and easily interpretable by both customers and staff. This includes providing clear explanations for automated decisions, such as loan approvals or transaction monitoring. Building this layer of interpretability helps to demystify AI, making it more accessible and trusted by Ghana's diverse banking population.

Define an AI strategy to prioritise high-value use cases

In Ghana, defining a strong AI strategy starts with identifying where GenAI can solve real, local challenges. This could include improving customer service in mobile banking, streamlining government services, or enhancing fraud detection in digital payments. Banks and institutions should assess their operations to find pain points, like long queues, manual processes, or high fraud rates, and prioritise AI use cases that can address them effectively.

For example, a GenAI-powered chatbot could be deployed on a bank's WhatsApp channel to handle customer queries in commonly or widely spoken local languages. Similarly, AI could be used to analyse mobile money transaction patterns to detect fraud or credit risk in underserved communities.

Governance is key. Banks in Ghana must ensure that AI strategies align with local laws such as the Data Protection Act, 2012 (Act 843), while also promoting transparency and fairness. This includes addressing bias in AI models and ensuring that solutions are inclusive and accessible to most segments of the population.

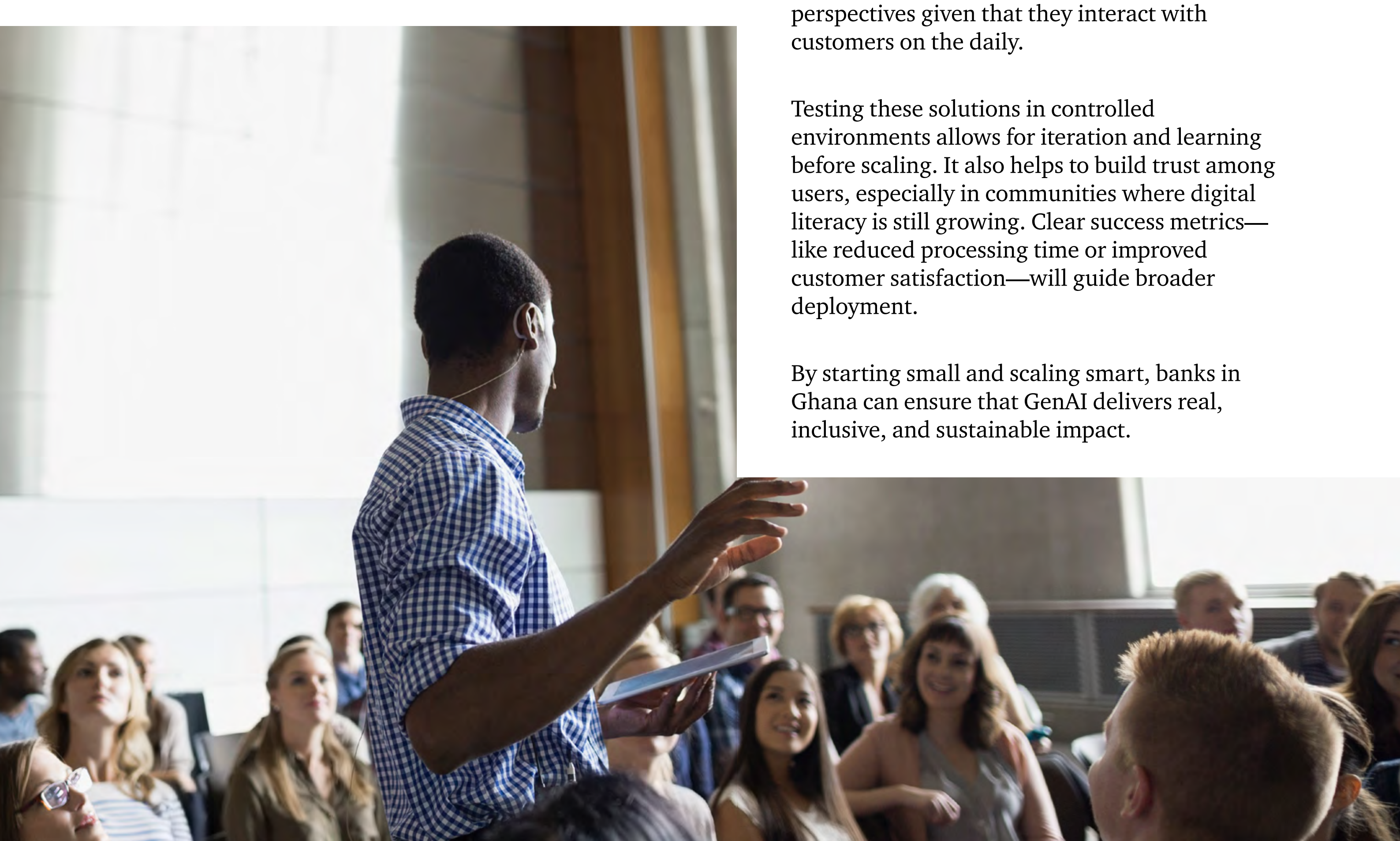
Build initial use cases by identifying scalable patterns

Once high-impact areas have been identified, banks in Ghana and businesses should begin with pilot projects tailored to local needs. These pilots could focus on specific services, like automating loan approvals for small businesses or detecting fraud in account operation/ activity or digital or mobile wallet transactions. For instance, during our study, we interacted with one bank that already runs an in-house "Fraud Fabric" engine to identify suspicious patterns, supported by NetReview, a machine learning platform that applies transaction threshold rules. They also develop their own UiPath and Microsoft Power Automate bots and leverage a partnership with a local business solutions provider, to automate high-volume tasks such as VISA, Mastercard, and Amex reconciliation. This setup reduces manual errors, speeds up transaction processing, and allows analysts to concentrate on investigating genuine anomalies.

Cross-functional teams should include local domain experts who understand the cultural and operational contexts. For instance, in a pilot project to deploy a GenAI assistant in a banking branch to help staff manage customer onboarding more efficiently, the team should include the customer service persons and the tellers so that they can bring their rich perspectives given that they interact with customers on the daily.

Testing these solutions in controlled environments allows for iteration and learning before scaling. It also helps to build trust among users, especially in communities where digital literacy is still growing. Clear success metrics—like reduced processing time or improved customer satisfaction—will guide broader deployment.

By starting small and scaling smart, banks in Ghana can ensure that GenAI delivers real, inclusive, and sustainable impact.



Scaling use cases to unlock value across the value chain

After completing pilot projects, the next step for banks is to determine whether their GenAI systems are ready for broader deployment. The real value of GenAI lies in its ability to scale, embedding it into everyday workflows and core applications across the organisation. This includes areas like compliance monitoring, risk assessment, and loan underwriting.

Scaling isn't just about expanding use; it requires integrating GenAI with existing systems through Application Programming Interfaces (APIs) and data pipelines. This often means upgrading tools and training staff to ensure seamless interaction with core banking platforms. A major focus is on achieving data interoperability to support smooth and efficient operations.

To succeed, banks must adopt a mindset of continuous improvement. This involves regular reviews of GenAI initiatives, fostering collaboration across departments, and ensuring alignment with business goals. A practical approach is to establish three key work streams:

1. A delivery programme that empowers "digital champions" in each business unit.
2. A capabilities team focused on building new GenAI functionalities.
3. An innovation lab dedicated to exploring future opportunities.

The benefits of scaling are already evident. For instance, one bank saw a 20% boost in customer satisfaction after integrating AI into customer service, while another reduced fraud by 15% using AI-driven detection tools.

Refining AI governance to stay aligned with evolving regulations

As GenAI becomes more embedded in banking, institutions must continuously refine their AI governance frameworks. This is essential not only for managing risks but also for ensuring safe and responsible deployment across the organisation.

Effective governance starts with clear policies that prioritise privacy and fairness. AI systems must be designed to meet or exceed regulatory standards, such as General Data Protection Regulation (GDPR) and the European Union (EU) Artificial Intelligence (AI) Act, which emphasise transparency, robustness, and bias mitigation. These systems should be demonstrably fairer than human decision-making, especially under regulatory scrutiny.

To achieve this, banks need trained professionals who understand both the technical and ethical dimensions of AI. Human oversight must be embedded at every level to ensure that AI tools operate transparently and without hidden mechanisms. The use of GenAI on autopilot is increasingly popular in workflow automation with agents. However, inherent risks and the absence of effective implementation frameworks mean organisations must carefully assess the risks of full automation. Responsible AI practices remain crucial, and organisations currently rely on rule-based systems for high-risk workflows as the safest approach.

Ultimately, strong governance builds trust with customers, regulators, and stakeholders. It's not just about compliance; it's about creating a foundation for long-term success in a rapidly evolving digital landscape.

Conclusion

GenAI is set to revolutionise the banking sector, offering exciting possibilities in operations, customer engagement, and security. In Ghana and beyond, adopting GenAI promises to boost efficiency through automation, streamlining processes, cutting costs, and speeding up response times. It allows banks to offer highly personalised, always-available customer service and enhances cybersecurity by catching and stopping threats in real time. However, banks face a tricky landscape to make the most of these benefits.

Especially in Ghana, banks must pick their way through a market which is dominated by a consumer or customer population that lacks sufficient sophistication as to demand "service now" and which, as a result, complicates the business case for heavy investments in advanced or emerging technologies despite the obvious benefits of such technologies. Banks must also navigate fragmented regulations, changing employee expectations, outdated legacy systems, and concerns about data quality and privacy. Tackling these challenges thoughtfully is key to successful and sustainable GenAI implementation.

For banks in Ghana, the way forward is to find the right balance i.e. using automation while keeping the human touch, modernising infrastructure without sacrificing compliance, and encouraging innovation while ensuring data integrity. By achieving this balance, they can unlock new value for their operations and customers, establishing themselves as leaders in the future of banking.

In Ghana, AI adoption within banking is still emerging, as noted by the Ghana Association of Banks (GAB). Banks are cautiously exploring AI, focusing on customer-facing processes and back-office operations, amidst strict regulatory environments. They are awaiting clearer guidelines before fully embracing and scaling up AI solutions. AI adoption is primarily driven by the search for operational efficiency, as banks use AI to enhance internal processes, reduce risk, and boost performance. Even though customer demand is still modest, market pressure is increasing. Clients now expect more engaging digital experiences, pushing banks to explore AI, especially to improve cost efficiency and workforce productivity.

Interestingly, local banks are more agile in adopting AI innovations compared to foreign ones, often experimenting and integrating AI independently, without being held back by the bureaucracy and restrictions imposed by a parent or group. International banks with links to Europe or America leverage global knowledge and innovation, speeding up local AI adoption in Ghana. Currently, back-office functions dominate AI use cases, focusing on areas like compliance, fraud detection, and data analytics for customer insights. These areas offer quick returns by mitigating risks and providing a deeper understanding of customer behaviour. In contrast, customer-focused applications are still developing, but they hold potential for transforming banking experiences by offering tailored services and better customer interactions.

Regulations significantly influence AI adoption. The Bank of Ghana supports experimentation via a regulatory sandbox, but the existing Data Protection Act, 2012 (Act 843) limits GenAI's full potential due to its restrictive nature. A review of this legislation is essential to meet AI applications' advanced needs. Collaboration among various regulatory bodies is also vital for creating a supportive environment for AI integration. Despite progress, the industry remains cautious about the risks of AI adoption. Ethical and transparency concerns can arise from mishandling personal data or inaccurate AI outputs, potentially harming operations and reputations. To counter these risks, banks enforce strict data-remediation processes, ensuring continuous data review and validation to maintain accuracy and trust.

In the competitive landscape, fintech companies and telecom providers are rapidly advancing in AI, free from the heavy regulations binding banks. Banks should view these tech players as collaborators in co-developing solutions to enhance the entire financial ecosystem. To make the most of AI, banks need to focus on championing data interoperability. This involves using national ID systems to link customer profiles and unify credit histories, employment, and asset records, creating reliable data sources. Collaboration with regulators and industry peers is crucial for success in this area.

Most importantly, banks must adopt a growth mindset. AI promises to be disruptive, but it also promises significant rewards for companies that can build their futures with AI.

03

Banking industry

Banking industry

In 2024, the banking industry demonstrated resilience amid a recovering economy, supported by strategic regulatory interventions from the Bank of Ghana (BoG) and a focus on digital transformation and financial inclusion. This is evidenced by the continuing rebound of the sector, following the Domestic Debt Exchange Programme (DDEP).

The banking sector remained profitable, well-capitalized, and liquid in 2024, with total industry assets growing by 33.8%. Although profits increased compared to 2023, the growth rate slowed, marking a period of steady profitability. Credit risk remained a significant concern, with the Non-Performing Loans (NPL) ratio increasing to 21.8% in December 2024 from 20.6% in December 2023. The introduction of a unified Cash Reserve Requirement (CRR) tied to Loan-to-Deposit Ratio (LDR) and the completion of Eurobond exchange, which marked the last stage of the government's debt restructuring programme were key among the developments in the industry. The regulator also implemented several important measures, including guidelines on outsourcing, climate-related financial risks, open banking, bancassurance, and credit concentration limits. These initiatives were designed to enhance governance, reduce systemic risks, and promote greater financial inclusion.

Key developments in the banking industry:

Revision of Cash Reserve Ratio

The Bank of Ghana (BoG) introduced a CRR regime which tied the CRR tied to LDR. This significantly impacted banks and, by extension, consumers. Under this mechanism, the CRR for financial institutions is tiered as follows:

a. LDR below 40% = 25% of total deposits (both cedi and foreign currencies),

b. LDR between 40% and 55% = 20% of total deposits

c. LDR exceeding 55% – 15% of total deposits.

This revision encouraged banks to give out more loans, making credit available to various institutions, individuals and SMEs to support business expansion and economic growth.

While this policy works to improve lending activities across banks, it may also affect the industry's liquidity and profitability as more liquid funds will be kept as reserves with the regulator. Additionally, it creates room for increased credit risk and a higher non-performing loan ratio.

Non-performing loans (NPLs) marginally increased from 20.6% to 21.8% over the year, prompting banks to enhance their risk management frameworks. Measures such as strengthening credit assessments and intensified loan recovery efforts are underway to mitigate further deterioration in asset quality.

Eurobond Exchange

The Government of Ghana, through the Ministry of Finance, exchanged approximately US$13 billion of its old Eurobond for US$9.4 billion new bonds as part of Ghana's debt restructuring programme. This involved reducing coupon rates, extending tenures and taking a haircut on principal and unpaid accrued interest. In effect, most banks had to recognise additional haircut and derecognition losses on their Eurobond holdings.

Sustainable Banking Principles

BoG in its pursuit to incorporate sustainability in its regulatory structure published the Climate-Related Financial Risk Directive to outline how regulated financial institutions should integrate environmental, social and governance (ESG) principles in their operations. This encouraged banks incorporating banking practices, aimed at sustainable economic development.

Outsourcing Directive

The directive outlines the risk management procedures for outsourcing by regulated financial institutions to ensure operational resilience and compliance. This directive also mandates that all regulated financial institutions notify the BoG about existing outsourcing arrangements and identify any non-compliant contracts. This pushed banks to adopt a more robust due diligence and monitoring approach.

Bancassurance Directive

The Bancassurance Directive aims to formalise bancassurance practices, enhance risk management, and protect consumers by allowing regulated financial institutions to engage with life and general insurance companies to offer insurance products to their customers. The directive emphasises the Distribution Partnership Model, where regulated financial institutions act as intermediaries without underwriting responsibilities.

In hindsight, 2024 has demonstrated the resilience and gradual recovery of Ghana's banking sector amid ongoing macroeconomic reforms and regulatory shift. The industry made notable progress in strengthening risk management, enhancing transparency, and aligning with global standards. The increasing alignment with ESG principles and digital innovation signals a forward-looking transformation, positioning banks to play a pivotal role in Ghana's sustainable economic development.

04

Quartile analysis

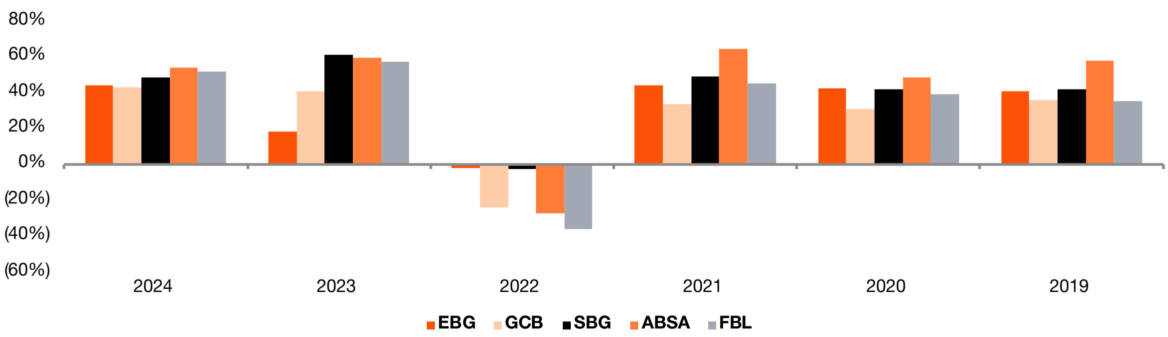
Profit before tax (PBT) margin

Profit Before Tax (PBT) margin is a key financial metric that reflects a bank's ability to generate profit from its core operations, excluding the effects of tax strategies or benefits. This makes it a clearer indicator of operational health.

The quartile analysis for 2024 shows that the banking sector is continuing its rebound, following the Domestic Debt Exchange Programme (DDEP), with the industry's average PBT margin increasing by 23.5%. Notably, this improvement occurred alongside a significant decline in inflation, from a peak of 38.1% in 2023 to 22.9% in December 2024. While inflation remains high, its decline has had a positive impact on banks, contributing to cost stabilization and supporting the recovery in profitability.

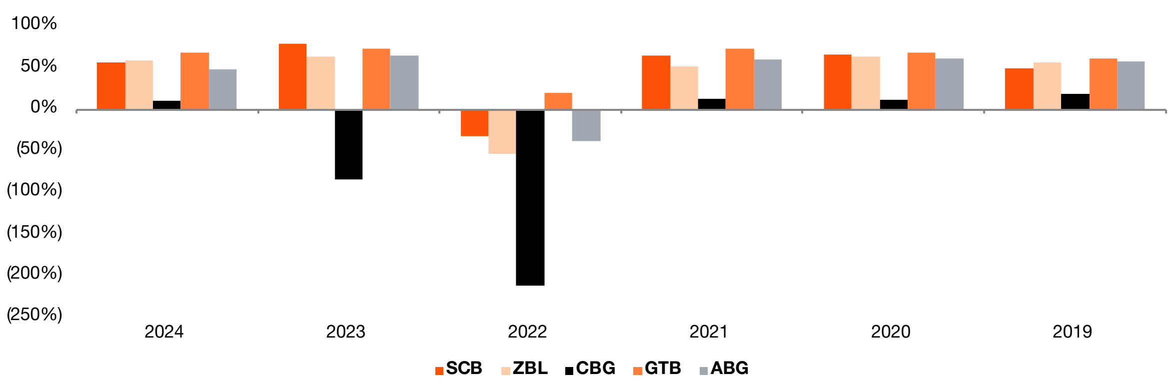
However, the quartile breakdown reveals that the recovery has not been uniform. While some top quartile banks saw a decline in margins year-on-year, several banks in the third and fourth quartiles outperformed the industry average. This divergence underscores a sector still in the process of recalibration, where recovery is evident, but remains uneven.

First Quartile - Profit before tax margin



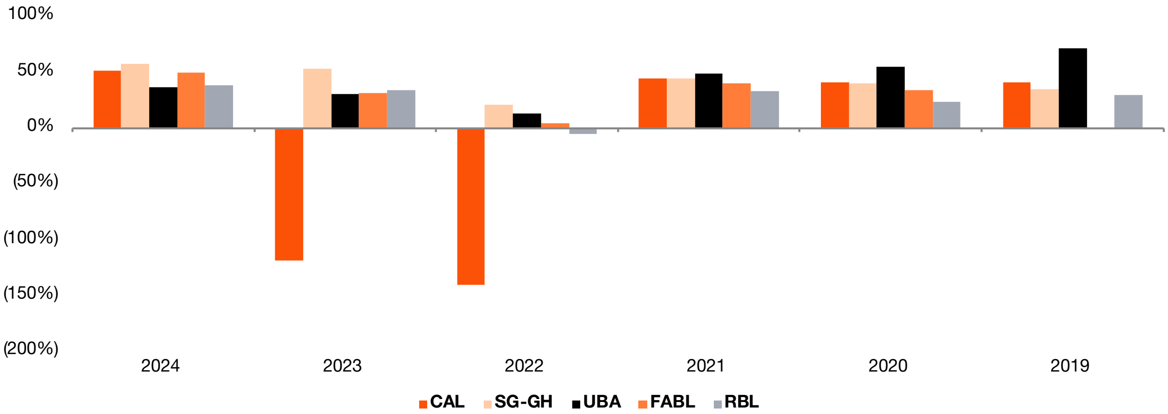
Banks in the first quartile led the industry in PBT margins, achieving an average of 48.4%. While this reflects strong relative performance, several banks in this group reported lower margins compared to 2023, suggesting that profitability pressures persisted despite signs of macroeconomic stabilization. Their continued top-quartile status likely reflects the benefits of early post-DDEP restructuring efforts. Notably, Ecobank Ghana (EBG) recorded a significant improvement, with its PBT margin rising to 44.3% from 18.4% in 2023. This sharp increase underscores the bank's ongoing efforts to strengthen its financial performance and align with the broader industry recovery, which still requires keeping an eye on cost control.

Second Quartile - Profit before tax margin



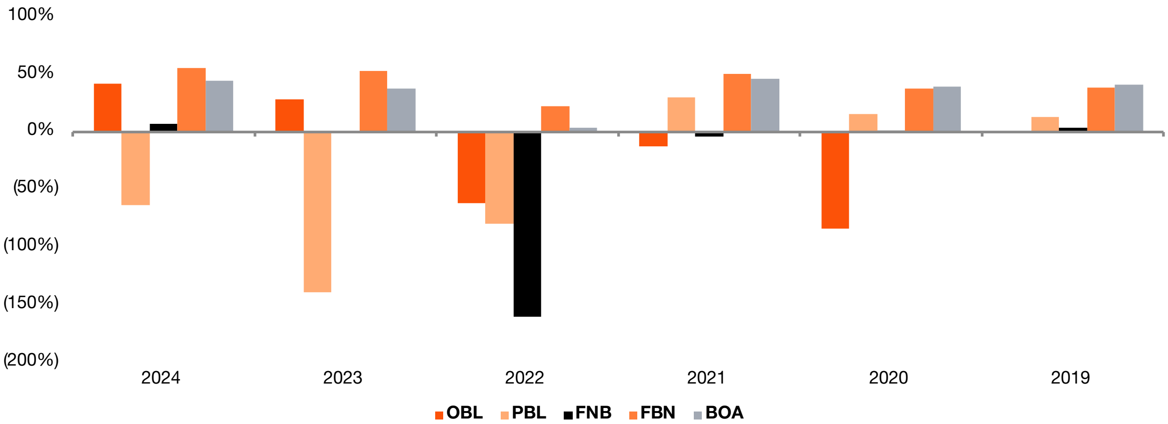
Similar to the first quartile, most second quartile banks recorded slightly lower PBT margins compared to the previous year. A notable exception was Consolidated Bank Ghana Ltd. (CBG), which staged a sharp turnaround, recovering from a deep loss in 2023 with a PBT margin of (83.6%) to 10.1% in 2024, marking a remarkable 93.7 percentage point improvement. While this reflects a return to profitability, CBG's margin remains well below the industry average of 46.3%, underscoring persistent structural pressures. Notably, operating expenses rose by 39%, even as total income increased by 65%, highlighting a growth driven recovery which still requires keeping an eye on cost control.

Third Quartile - Profit before tax margin



All banks within this quartile recorded year-on-year improvements in PBT margins, with some delivering remarkable turnarounds from prior losses. CAL Bank's move from (118.4%) to 51.2% is particularly impressive driven by a 115.7% swing in impairment charges, from a huge charge in 2023 to a modest release in 2024. While this group ranks third overall, its performance reflects a quiet resilience, marked by improving balance sheets and increasing revenue streams in the aftermath of the DDEP.

Fourth Quartile - Profit before tax margin



The bottom quartile exhibited the most striking contrasts. Prudential Bank Ltd. (PBL) remained non-profitable, despite a significant improvement in PBT margin from (138.6%) in 2023 to (63.3%). In contrast, First Bank Ghana Ltd. (FBN) and Bank of Africa (BOA) achieved PBT margins above the estimated industry average. Their placement in the bottom quartile reflects relative ranking rather than absolute underperformance.

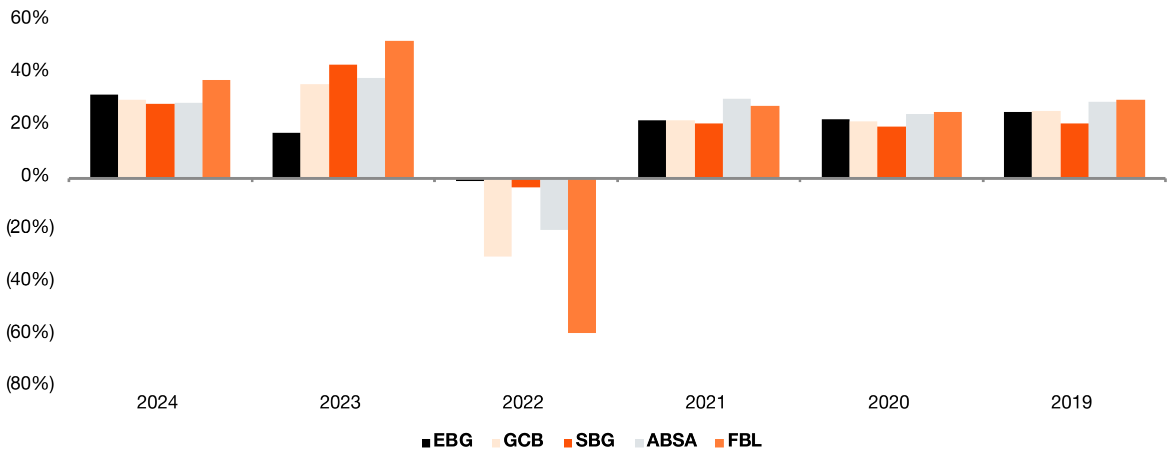
Return on Equity

Return on Equity (ROE) measures how effectively a bank turns shareholders' equity into net profits, serving as a key indicator of financial health and value creation.

In 2024, banks exhibited signs of capital recovery, though ROE performance varied significantly across quartiles. The top two tiers achieved strong averages of 31.1% and 24.8%, driven by healthier earnings and improved operational efficiency. The third quartile, affected by Calbank, declined from 88.5% in 2023 to 38.4% in 2024. Meanwhile, the fourth quartile average plunged to (179.5%), largely due to Prudential Bank Ltd.'s significant loss.

Overall, ROE reflected the post-DDEP recovery: top performers are building on their gains, middle-tier banks are stabilizing, while a few continue to navigate the challenging path to full recovery.

First Quartile - Return on equity

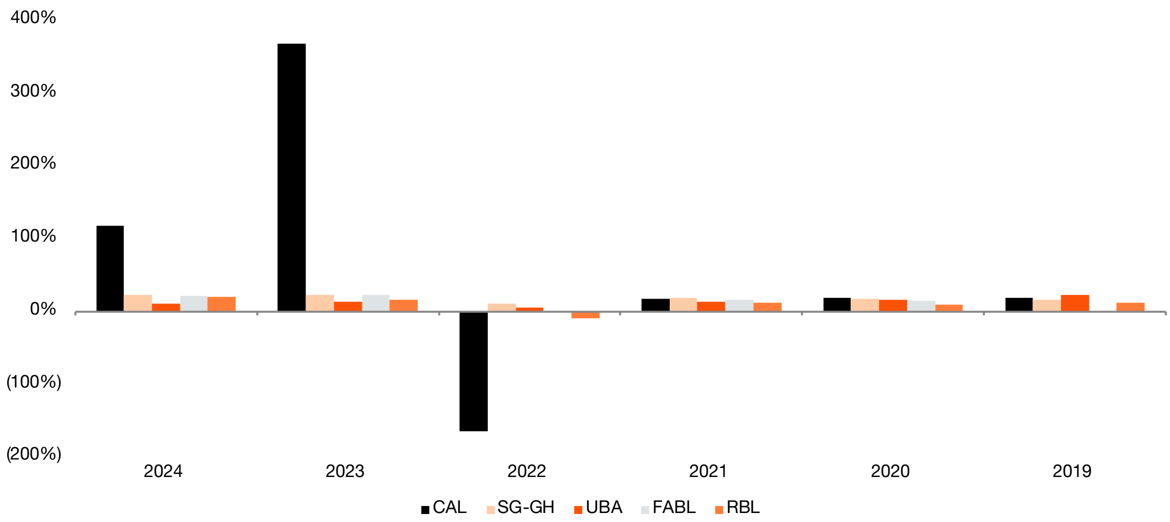


These banks recorded an average ROE of 31.1% in 2024, up from 27.32% in 2023, reflecting improved profitability. Notably, EBG more than doubled its ROE from 17.2% in 2023 to 31.7%, while FBL recorded the highest return across all banks.

Second Quartile - Return on equity

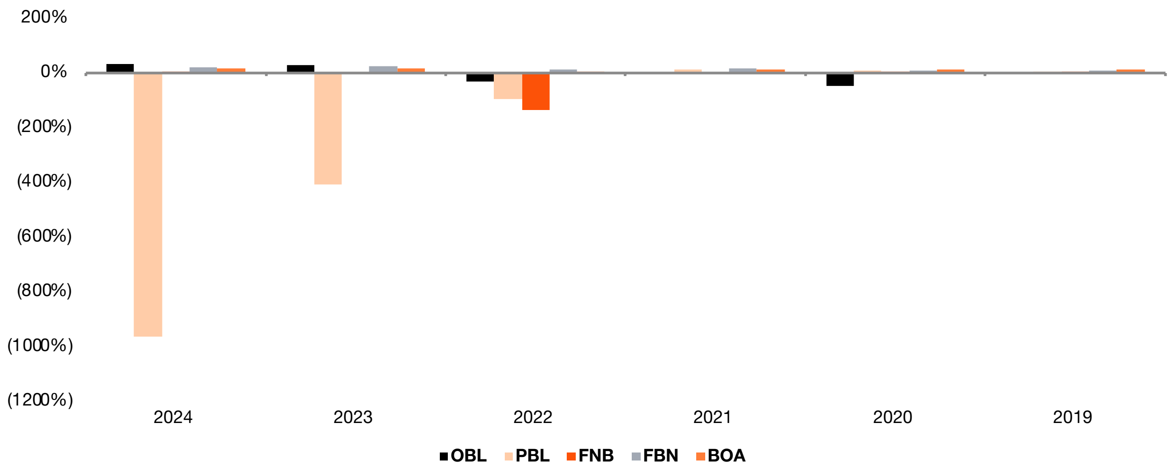
Banks in the second quartile achieved an average ROE of 24.8% in 2024, up marginally from 24.3% in 2023. While most banks saw year-on-year declines, CBG delivered a remarkable turnaround from (43.6%) in 2023 to 6.9% showing continued efforts to recover from impairment losses caused by the Domestic Debt Exchange Programme (DDEP).

Third Quartile - Return on equity



In the third quartile, banks achieved an average ROE of 38.4%, down from 88.5% in 2023. This reduction can largely be attributed to Cal Bank experiencing a decline in ROE from 367.9% in 2023 to a still elevated ROE of 118.0% in 2024.

Fourth Quartile - Return on equity



The fourth quartile banks continued to battle profitability and capital challenges. Their 2024 average ROE stood at –179.5%, even worse than the already distressing (69.8%) in 2023, due to PBL's outsized negative return of (965.4%). Excluding PBL, the group recorded a more modest average of 16.9%, reflecting ongoing but uneven recovery. OBL showed steady year-on-year improvement, while FNB nudged back into positive territory.

05

Market share analysis

Share of industry deposits

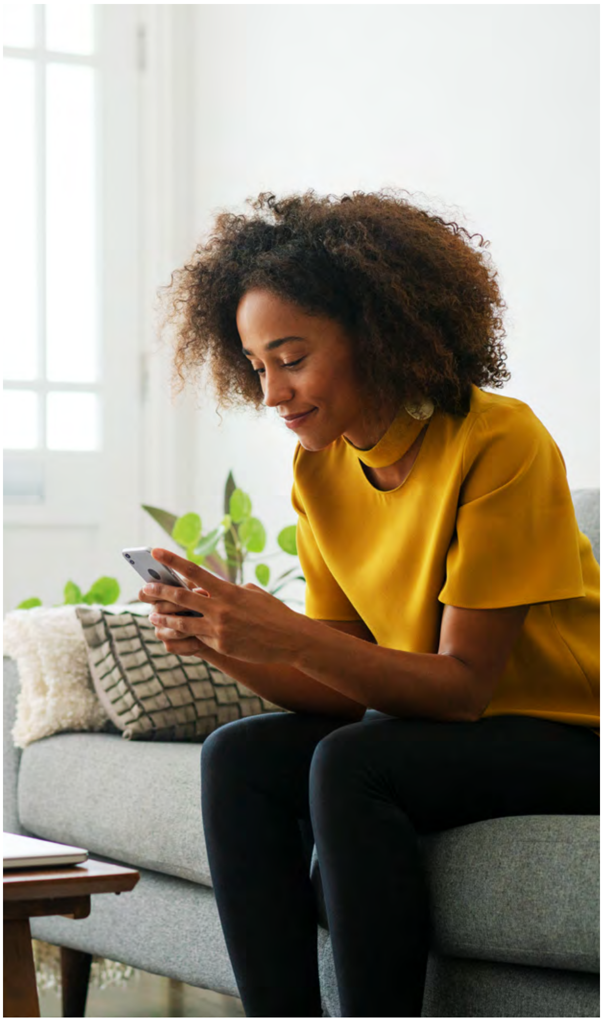
In 2024, Ghana's banking sector recorded a significant increase in total industry deposits, rising to GH₵266.73 billion, up 32.2% from GH₵201.73 billion in 2023. This growth underscores the sector's resilience and reflects the success of ongoing efforts to enhance financial inclusion and digital transformation. The competitive landscape remained vibrant, with established players like EBG, GCB, and SBG retaining market share through expansive outreach and robust digital strategies. Simultaneously, emerging institutions such as ZBL and ABG made noticeable strides, adopting agile, customer-centric approaches to broaden their market reach and increase competitiveness.

EBG and GCB strengthened their market positions with a combined deposit market share of 27.3%, a rise from 25.1% in the previous year. This expansion highlights the high level of trust these institutions enjoy among retail and corporate clients. Their success in deposit mobilization can be attributed to a variety of strategic initiatives. These included leveraging extensive physical branch network, each operating more than 250 outlets nationwide, to improve accessibility in both urban and rural areas. Additionally, their sustained investment in digital banking infrastructure significantly enhanced convenience for clients, particularly the younger, tech-oriented demographic. Their rollout of targeted savings and investment products further attracted clients such as SMEs and salaried professionals seeking flexible and secure financial solutions. Finally, their longstanding reputations for reliability and service excellence continued to inspire confidence, especially in a macroeconomic environment that emphasized financial security.

SBG and ABSA consolidated their standings as the third and fourth largest banks by total deposits, expanding their combined deposit base by GH₵6.9 billion. In the mid-tier category, banks such as ZBL, CBG, and FABL remained steady in the 6th, 8th, and 10th positions respectively. ABG rose from ninth to seventh place, while GTB improved its standing from 11th to 9th. Conversely, SCB dropped from 7th to 11th, suggesting competitive or operational headwinds.

Overall, the ten leading banks captured over 50% of the industry's total deposits, affirming their influence in shaping sector dynamics. Across deposit types, there was broad-based growth: current accounts surged by 37.4%, savings accounts rose by 44.2%, and both certificates of deposit and call deposits showed marked increases. Deposits from other banks also increased sharply by nearly 50%, indicating a rise in interbank confidence and activities to support the new cost to deposit ratio requirements. Notably, time and fixed deposits declined by 6.2%, likely driven by changing interest rate expectations and a growing preference for more flexible financial instruments.

The broad expansion in deposits reflects, in part, the Bank of Ghana's updated policy on Cash Reserve Ratios (CRR), which now ties reserve requirements to banks' Loan-to-Deposit Ratios (LDR). This framework may be prompting institutions to grow deposits strategically to manage liquidity buffers and optimize CRR tiers. However, without proportionate lending growth, banks could face profitability pressures linked to higher reserve requirements.



Share of industry deposits

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
EBG	14.3%	1	14.2%	1	13.6%	1	11.9%	1	11.9%	1	13.4%	1
GCB	13.0%	2	10.9%	2	10.9%	2	11.4%	2	11.0%	2	12.1%	2
SBG	9.2%	3	9.6%	3	9.4%	3	9.3%	3	9.3%	3	9.0%	3
ABSA	6.8%	4	8.1%	4	6.9%	4	6.8%	4	6.3%	5	6.8%	6
FBL	6.6%	5	6.3%	5	6.0%	6	6.8%	5	6.0%	6	6.4%	7
ZBL	5.9%	6	5.8%	6	5.2%	7	5.3%	8	5.4%	8	5.5%	8
ABG	4.9%	7	4.6%	9	4.6%	9	4.3%	10	3.8%	11	4.0%	12
CBG	4.9%	8	5.4%	8	6.1%	5	6.8%	6	7.6%	4	7.1%	4
GTB	4.8%	9	4.5%	11	3.4%	13	3.1%	14	2.8%	14	2.9%	15
FABL	4.4%	10	4.5%	10	3.9%	11	3.2%	13	2.5%	17	0.0%	-
SCB	4.3%	11	5.5%	7	5.1%	8	6.3%	7	5.4%	7	6.9%	5
CAL	3.6%	12	3.7%	12	4.1%	10	5.2%	9	4.1%	9	4.8%	9
OBL	3.15%	13	2.5%	16	1.6%	19	1.3%	18	1.1%	23	0.0%	-
UBA	2.7%	14	3.1%	13	2.9%	14	3.4%	12	2.6%	15	4.4%	10
SG-GH	2.4%	15	2.5%	15	2.6%	15	2.8%	15	3.2%	12	3.9%	13
RBL	2.3%	16	2.9%	14	2.5%	16	2.6%	16	2.6%	16	3.2%	14
PBL	2.2%	17	2.3%	17	2.1%	18	2.4%	17	2.3%	18	2.6%	16
FBN	1.9%	18	1.3%	18	1.0%	22	1.0%	21	1.1%	20	0.9%	18
FNB	1.5%	19	1.2%	19	1.2%	21	1.1%	20	1.1%	22	0.6%	19
BOA	1.3%	20	1.2%	20	1.3%	20	1.2%	19	1.1%	21	1.4%	17
Industry	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	

Share of industry loans and advances

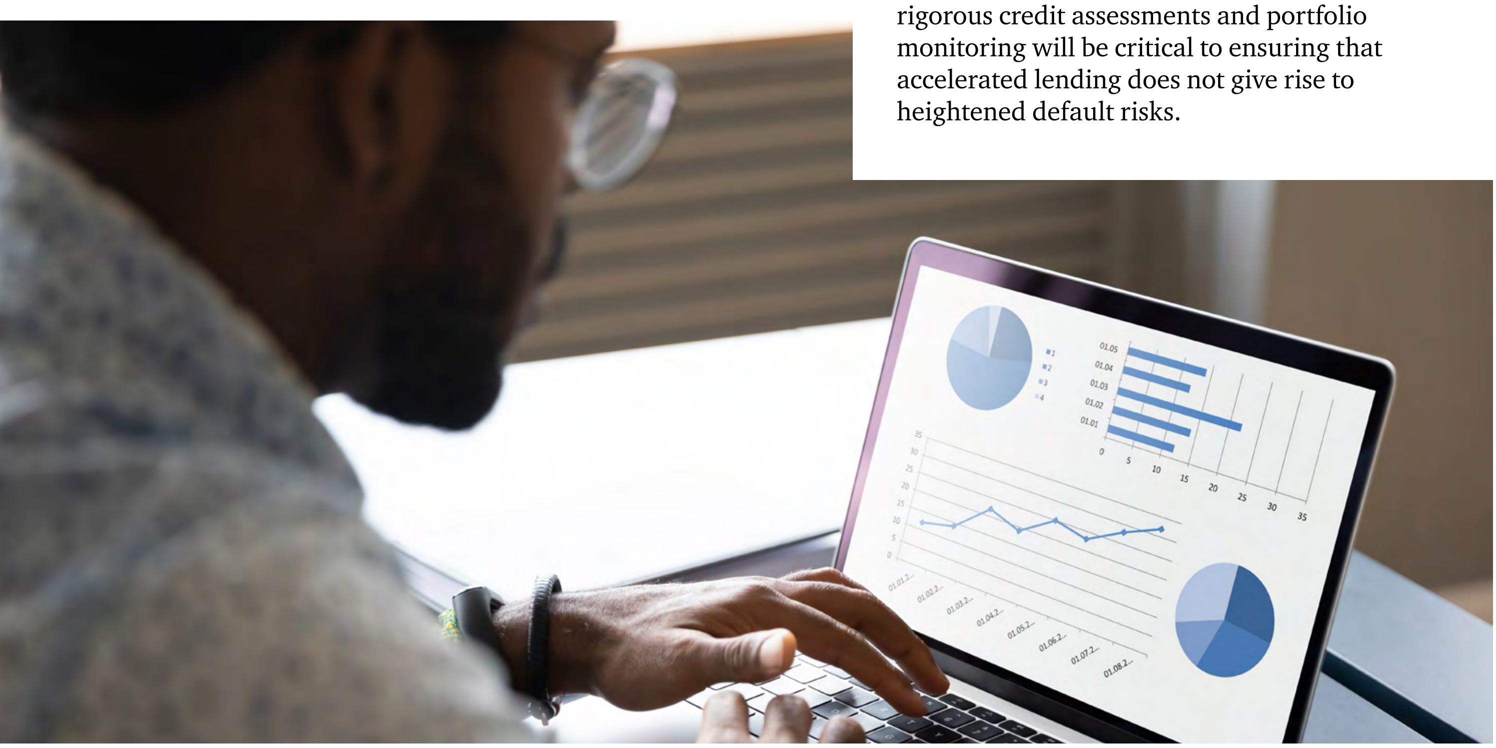
Ghana’s banking sector registered a notable uptick in gross loans and advances in 2024, which increased to GH₵85.18 billion, representing a 26.6% increase from GH₵67.26 billion in the preceding year. This upward trend signified growing confidence in the lending environment, following a period of economic recalibration under the Domestic Debt Exchange (DDE) Program. Net loans and advances also saw a significant rise, reaching GH₵73.7 billion from GH₵58.8 billion in 2023. The steady growth in credit extension, despite lingering economic caution, signals a sector that is regaining momentum while maintaining a prudent approach to credit risk.

The robust deposit base accumulated across the industry in 2024 played a pivotal role in strenthning banks’ capacity to lend. Further strengthening this momentum was the Bank of Ghana’s recalibrated monetary policy framework, which tethered Cash Reserve Requirements (CRR) to Loan-to-Deposit Ratios (LDR). Under this new structure, banks with higher LDRs benefitted from reduced reserve obligations—creating an incentive to scale up lending activity to optimize liquidity usage and regulatory compliance. This interplay between liquidity management and regulatory design was instrumental in catalysing the sector’s credit expansion.

Additionally, banks increasingly leveraged digital channels and FinTech partnerships to improve credit accessibility, especially for underserved segments. These collaborations enabled the seamless rollout of small and medium-sized loan products via mobile platforms, USSD codes, and streamlined digital onboarding tools. A deliberate push toward financial inclusion was evident, with banks tailoring lending solutions for individuals, informal traders, SMEs, and women-led enterprises; sectors typically underserved by traditional credit frameworks.

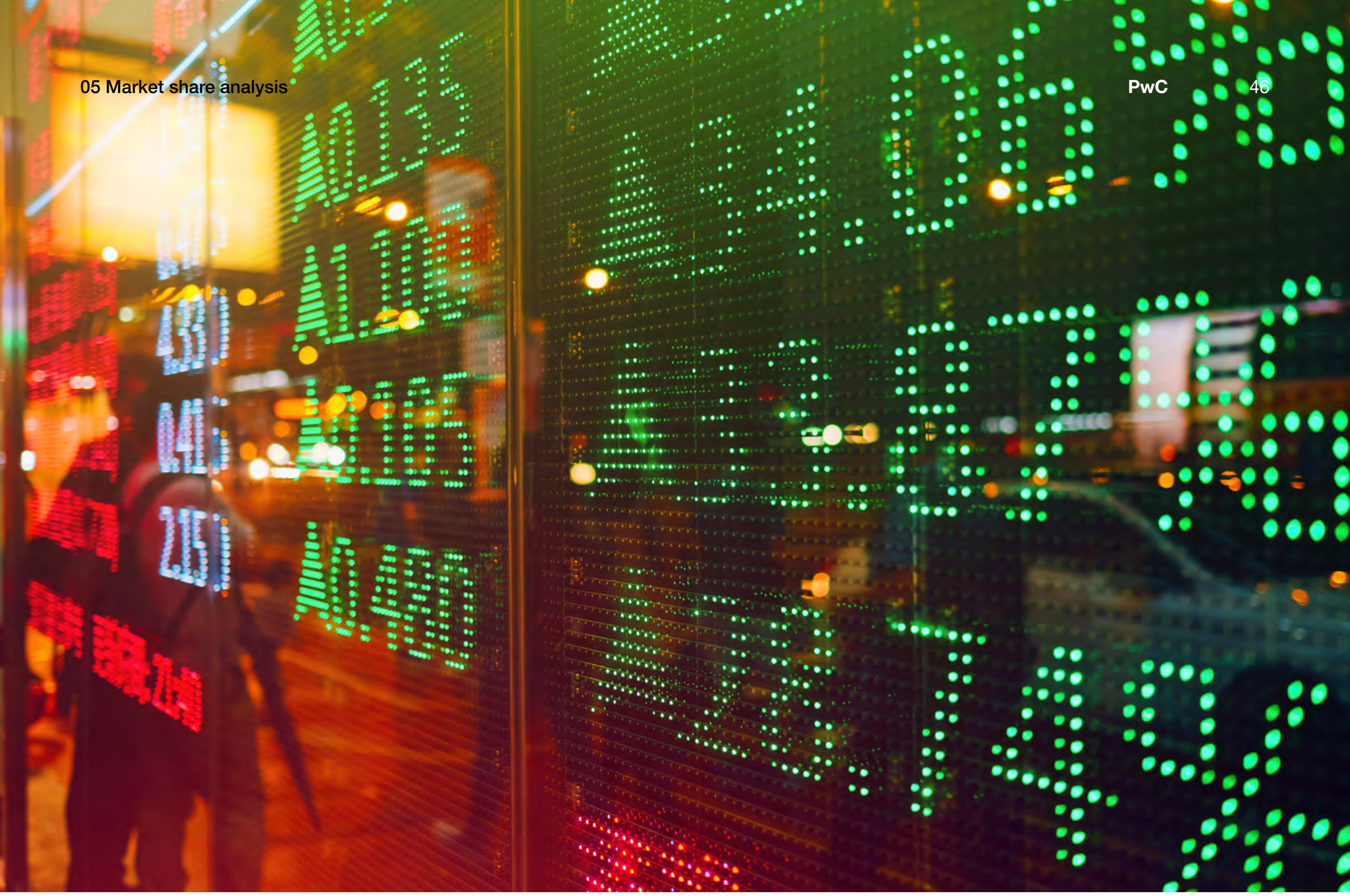
From a sectoral lens, the services industry commanded the largest proportion of loans, accounting for 16.7% of total credit extended during the year. Close behind was the commerce and finance sector, which represented 15.8% of loans. These figures reflect the increasing penetration of short-term, digitally enabled credit products across SME-dominated segments and underscore the ongoing relevance of working capital financing in supporting Ghana’s entrepreneurial ecosystem.

Institution-specific performance further highlighted notable trends. GCB, ABG, and ABSA delivered exceptional credit growth, expanding their loan portfolios by 60.3%, 57.8%, and 33.6%, respectively. This rise in loan book growth not only augmented their market shares but also mirrored broader improvements in borrower confidence and credit appetite. However, while the sector’s lending trajectory is undeniably strong, continued vigilance around asset quality remains essential. Maintaining rigorous credit assessments and portfolio monitoring will be critical to ensuring that accelerated lending does not give rise to heightened default risks.



Share of industry advances

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
GCB	15.4%	1	12.0%	2	9.5%	4	9.9%	4	8.9%	4	10.4%	4
EBG	14.3%	2	16.1%	1	14.7%	1	12.4%	1	11.7%	1	14.6%	1
ABSA	11.5%	3	10.8%	3	9.8%	3	11.7%	2	11.2%	2	11.8%	2
SBG	10.6%	4	10.2%	4	10.7%	2	11.4%	3	10.4%	3	10.8%	3
SG-GH	6.8%	5	6.8%	5	5.2%	7	5.5%	5	6.1%	5	7.3%	6
ABG	5.0%	6	4.0%	9	2.7%	15	2.6%	15	2.7%	13	3.5%	12
ZBL	4.6%	7	3.8%	10	3.1%	13	3.3%	13	2.5%	16	1.8%	15
FBL	4.3%	8	5.5%	6	4.7%	8	5.0%	7	5.7%	7	6.7%	7
RBL	4.1%	9	4.1%	8	3.3%	12	3.8%	10	3.6%	11	3.9%	11
GTB	3.5%	10	3.0%	13	3.4%	11	3.6%	11	2.5%	15	1.6%	16
SCB	3.1%	11	3.6%	11	3.4%	10	4.2%	9	4.0%	10	4.9%	8
CAL	2.9%	12	4.7%	7	5.3%	6	4.9%	8	5.7%	6	8.0%	5
FABL	2.6%	13	2.9%	14	2.5%	17	2.2%	17	1.4%	20	0.0%	-
CBG	2.5%	14	3.3%	12	3.4%	9	2.9%	14	2.0%	17	0.6%	18
BOA	1.9%	15	1.5%	18	1.7%	19	1.9%	18	1.8%	19	2.0%	14
FNB	1.8%	16	1.9%	16	1.6%	20	1.7%	19	1.8%	18	0.3%	19
UBA	1.5%	17	1.9%	15	2.6%	16	2.3%	16	2.6%	14	2.6%	13
OBL	1.4%	18	1.0%	20	1.1%	21	0.8%	21	0.7%	23	0.0%	-
PBL	1.2%	19	1.7%	17	2.8%	14	3.3%	12	4.1%	9	4.5%	9
FBN	1.0%	20	1.1%	19	0.9%	22	1.3%	20	1.3%	22	0.7%	17
Industry	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	



Share of industry operating assets

In 2024, Ghana's banking sector recorded a significant expansion in operating assets, which grew from GH₵230.3 billion in 2023 to GH₵308.4 billion, a substantial increase of GH₵78.1 billion. This growth reflects renewed sectoral confidence, increased liquidity, and a more proactive approach to balance sheet management. The expansion was primarily driven by remarkable growth in cash holdings, which surged by 68.5% from GH₵75.2 billion to GH₵126.7 billion. Liquid assets also rose, albeit at a slower pace, increasing by 12.1% to reach GH₵107.7 billion. Net loans and advances contributed significantly to this growth as well, jumping by 25.3% from GH₵58.8 billion to GH₵73.7 billion—indicating a measured rebound in lending.

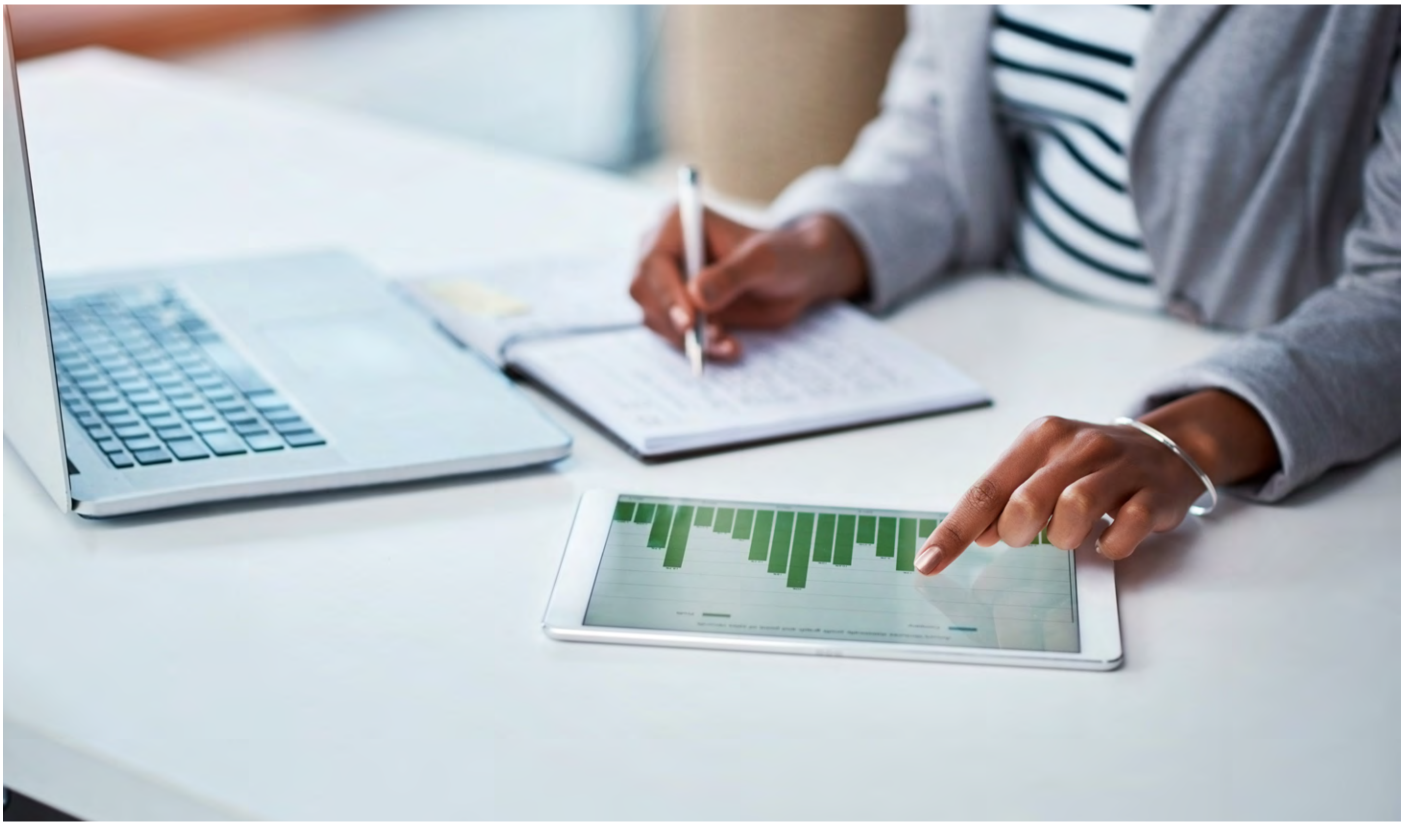
The waning effects of the Domestic Debt Exchange Program (DDEP) have created space for a more normalized asset allocation strategy across the industry. While banks continued to prioritize liquidity in 2024, the moderation in liquid asset growth, from 40.5% in 2023 to 12.1% in 2024, suggests a shift toward a more balanced and strategic deployment of financial resources. Institutions appear to be transitioning from defensive cash accumulation to more growth-oriented asset structures, in line with improving macroeconomic conditions.

Longstanding market leaders, particularly EBG and GCB, continued to maintain their positions as the largest holders of operating assets. EBG recorded a 36.5% year-on-year increase, while GCB also posted robust growth of 60.3%. Alongside these, ABSA and FBL remained firmly in the top five, reinforcing their strength in asset consolidation. Mid-tier banks, including ZBL, CBG, GTB, ABG, and SCB, sustained their presence within the top ten. However, SCB slipped from sixth to tenth position, signalling potential shifts in asset strategy or market competitiveness.

A key underpinning of this asset growth remained the strong performance in deposit mobilization. Customer deposits not only accounted for a major portion of total funding but also served as the foundation for asset accumulation across the sector. The ability to mobilize stable, cost-effective deposits has thus become increasingly vital in supporting lending operations and investment portfolios, positioning banks to respond more flexibly to both regulatory pressures and market opportunities.

Share of industry operating assets

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
EBG	13.6%	1	13.3%	1	12.3%	1	10.2%	2	10.6%	1	10.8%	1
GCB	13.0%	2	10.8%	2	10.2%	2	10.7%	1	10.3%	2	10.6%	2
SBG	10.1%	3	10.1%	3	9.2%	3	8.1%	4	8.6%	3	7.5%	5
ABSA	8.1%	4	8.5%	4	8.3%	4	9.4%	3	8.6%	4	10.3%	3
FBL	6.8%	5	7.0%	5	6.7%	5	8.0%	5	6.4%	6	9.2%	4
ZBL	5.7%	6	5.4%	7	4.6%	9	5.2%	9	5.5%	7	5.8%	9
CBG	4.8%	7	5.4%	8	5.1%	6	6.5%	6	6.9%	5	6.0%	7
GTB	4.6%	8	4.6%	9	3.3%	12	2.8%	14	2.7%	14	2.8%	15
ABG	4.4%	9	4.6%	10	4.8%	8	4.3%	10	3.9%	10	4.0%	11
SCB	4.3%	10	5.7%	6	5.1%	7	5.9%	7	5.3%	8	6.4%	6
CAL	3.2%	11	3.5%	11	4.2%	10	5.8%	8	5.3%	9	5.8%	8
SG-GH	3.0%	12	3.4%	12	3.3%	13	3.2%	12	3.4%	12	3.7%	13
RBL	3.0%	13	2.9%	15	2.6%	16	2.5%	16	2.5%	16	2.9%	14
UBA	3.0%	14	3.2%	13	3.1%	14	3.0%	13	2.7%	13	4.0%	10
FABL	3.0%	15	3.0%	14	2.7%	15	2.1%	17	2.0%	18	0.0%	-
OBL	2.8%	16	2.3%	16	1.5%	20	1.1%	21	0.9%	23	0.0%	-
FBN	2.0%	17	1.5%	19	1.4%	22	1.2%	20	1.3%	22	1.1%	18
PBL	1.7%	18	1.8%	17	2.5%	17	2.6%	15	2.7%	15	2.6%	16
FNB	1.6%	19	1.5%	18	1.5%	21	1.4%	19	1.6%	20	0.8%	19
BOA	1.4%	20	1.3%	20	1.8%	19	1.9%	18	1.4%	21	1.7%	17
Industry	100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	



06

Profitability and efficiency

Profit before tax margin

In 2024, Ghana's banking sector recorded notable improvements in operational efficiency and profitability. The industry's profit before tax (PBT) margin rose from 37.5% in 2023 to 46.3%, representing a substantial 24.6% increase. This performance underscores the sector's enhanced ability to generate earnings despite a moderation in overall growth momentum.

Total income within the banking industry increased to GH₵35.5 billion in 2024, representing a 12.2% rise from GH₵31.7 billion in 2023. While this growth is less aggressive compared to the 39.2% expansion recorded in the prior year, it underscores the sector's ongoing financial strength and resilience. Profit before tax also rose significantly, from GH₵11.8 billion in 2023 to GH₵16.5 billion in 2024, a 40% increase. This reflects a moderation in earnings growth following the exceptional 248.5% rebound recorded in 2023, which was driven by recovery from the Domestic Debt Exchange Programme–related losses.

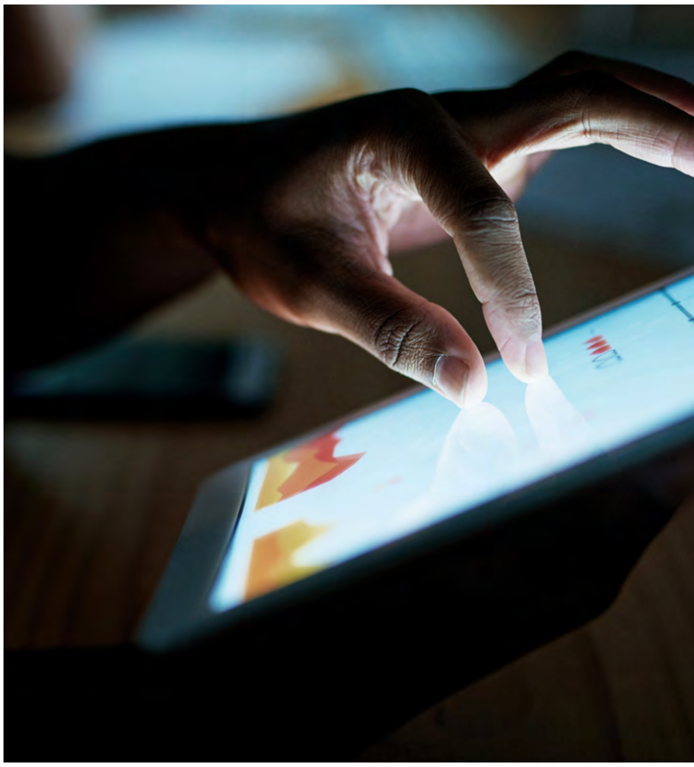
The increase in the PBT margin in 2024 was primarily attributable to higher interest income and substantial impairment recoveries. Interest income rose by 17%, from GH₵30.9 billion in 2023 to GH₵36.2 billion in 2024. Investment income continued to dominate the industry's earnings composition, accounting for 47.7% of total income, followed by interest on loans at 44.2% and interest on cash balances at 8.1%. Investment income grew by 5.3%, from GH₵16.4 billion in 2023 to GH₵17.3 billion in 2024. However, this marked a moderation from the 28.1% increase observed in 2023, largely reflecting a decline in interest rates on short-term government securities. By December 2024, the 91-day and 182-day Treasury bill rates had dropped to 27.7% and 28.4%, respectively, from 29.4% and 31.7% a year earlier.

The revised cash reserve ratio implemented in 2024 appears to have supported a notable expansion in gross lending activity, which in turn contributed positively to interest income from loans. Gross loans increased by 26.6%, rising from GH₵67.3 billion in 2023 to GH₵85.2 billion in 2024, a sharp contrast to the marginal 0.15% growth recorded in the previous year. As a result, interest income on loans, the industry's second-largest revenue stream, grew by 20.4%, from GH₵13.3 billion to GH₵15.9 billion over the same period.

The industry made notable progress in impairment management, recording impairment write-backs of GH₵4 billion, a 47% improvement. Among the surveyed banks, 11 out of 20 exceeded the industry's average profit before tax (PBT) margin, while 9 underperformed, highlighting variations in operational strategies across institutions.

The profitability performance of Ghana's banking sector in 2024 indicates a steady recovery from the macroeconomic disruptions of 2022. In a context of declining short-term interest rates and continued dominance of investment income as the primary earnings source, banks may need to pivot toward less conservative strategies and explore innovative income-generating avenues. Additionally, the appreciation of the Ghanaian cedi is expected to ease operating costs and dampen net trading income volatility, while the elimination of the Electronic Transfer Levy (E-Levy) is anticipated to boost participation in mobile and digital banking, enhancing fee and commission-based revenues.

Looking forward, the sector's profitability outlook remains positive, supported by expectations of continued growth and strengthened financial stability. While challenges persist, the performance delivered in 2024 provides a strong foundation for sustained expansion, resilience, and innovation in the years ahead.



Profit before tax margin

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
GTB	68.0%	1	73.3%	2	19.8%	3	73.6%	1	68.8%	1	61.3%	2
ZBL	59.5%	2	64.1%	4	-52.9%	15	52.5%	5	63.8%	3	56.8%	5
SG-GH	57.6%	3	53.4%	8	21.0%	2	44.3%	13	40.4%	10	34.7%	14
SCB	56.4%	4	78.1%	1	-31.7%	12	64.9%	2	65.6%	2	49.7%	6
FBN	55.3%	5	52.9%	9	22.5%	1	50.9%	6	37.3%	13	38.9%	11
ABSA	54.3%	6	59.7%	6	-27.2%	11	64.6%	3	48.8%	6	58.1%	3
FBL	51.7%	7	57.4%	7	-36.2%	13	45.6%	10	39.0%	12	35.6%	13
CAL	51.2%	8	-118.4%	19	-140.6%	20	44.6%	11	40.7%	9	41.2%	9
FABL	49.4%	9	30.9%	13	4.3%	5	39.9%	14	33.7%	14	0.0%	-
ABG	48.7%	10	64.3%	3	-38.3%	14	60.2%	4	60.9%	4	57.4%	4
SBG	48.6%	11	61.0%	5	-2.5%	8	49.3%	7	41.9%	8	42.2%	7
BOA	44.4%	12	39.2%	11	3.8%	6	46.5%	9	39.4%	11	41.3%	8
EBG	44.3%	13	18.4%	16	-1.8%	7	44.4%	12	42.8%	7	41.1%	10
GCB	43.0%	14	40.8%	10	-23.8%	10	33.9%	15	31.1%	15	36.1%	12
OBL	42.1%	15	28.2%	15	-61.7%	17	-12.7%	21	-83.3%	23	0.0%	-
RBL	38.4%	16	34.1%	12	-5.3%	9	33.1%	16	23.6%	16	29.9%	15
UBA	36.6%	17	30.5%	14	13.4%	4	48.7%	8	54.9%	5	71.5%	1
CBG	10.1%	18	-74.6%	18	-211.9%	22	13.2%	19	12.2%	20	18.2%	16
FNB	7.2%	19	-0.8%	17	-160.1%	21	-4.1%	20	0.3%	22	3.8%	19
PBL	-63.3%	20	-133.3%	20	-79.8%	18	30.5%	17	15.9%	18	12.9%	17
Industry	46.3%		37.2%		-32.9%		45.2%		40.2%		41.6%	

Net interest margin

The banking sector experienced a modest decline in net interest margin (NIM), which fell from 9.3% in 2023 to 8.4% in 2024. This contraction occurred despite strong growth in net interest income and total assets, which increased by GH₵3.05 billion (13.9%) and GH₵86 billion (33.8%), respectively. The disparity in growth rates between net interest income and interest-bearing assets contributed to the downward pressure on NIM.

A deeper analysis highlights a notable shift in the sector's cost and yield dynamics. Interest income growth slowed to 17% in 2024, compared to 28% in the prior year, while interest expenses accelerated sharply rising by 24.6% compared to 1.1% in 2023. This growing imbalance between income and funding costs compressed margins, reflecting a rising cost of funds and heightened competition within the interest rate landscape.

Investment securities, which comprise the largest portion of interest-bearing assets, experienced declining yields in 2024 due to a downward trend in interest rates. This dynamic has limited banks' capacity to generate returns through conventional investment channels. Consequently, institutions may need to adopt more progressive income-generation strategies to maintain profitability.

Sector performance remained varied, with half of the surveyed banks achieving net interest margins (NIMs) above the industry average, while the other half underperformed, underscoring differences in operational efficiency, asset-liability structures, and strategic execution.

A recent regulatory change offers a potential boost to margin recovery. The Bank of Ghana's directive now mandates that foreign currency reserves be held in their original denominations rather than in Ghanaian Cedis. This policy releases previously encumbered Cedi liquidity, enabling banks to reallocate funds into higher-yielding domestic investment securities. Given the relatively stronger returns on Cedi-denominated instruments, this shift presents an opportunity to bolster interest income and strengthen NIMs.

In summary, while the industry continues to expand in terms of income and asset base, rising funding costs and a changing interest rate landscape call for a strategic reassessment. Banks must focus on diversifying revenue sources, optimizing asset allocation, and leveraging regulatory developments. Innovation and sound risk management will remain critical in sustaining profitability and navigating the evolving financial landscape.

Net interest margin

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
FBN	13.9%	1	18.9%	1	8.6%	5	9.4%	2	9.7%	3	9.3%	3
SG-GH	11.9%	2	11.2%	6	8.7%	4	7.6%	6	8.5%	6	9.3%	4
SCB	10.0%	3	10.4%	8	7.9%	9	7.1%	15	8.2%	7	8.8%	6
ABSA	9.8%	4	11.6%	4	8.2%	6	7.6%	8	7.9%	10	7.6%	11
GCB	9.7%	5	11.9%	2	10.6%	2	11.2%	1	10.8%	2	10.1%	1
EBG	9.4%	6	11.7%	3	11.3%	1	8.9%	3	9.1%	4	8.7%	7
BOA	9.3%	7	10.2%	9	7.2%	12	7.3%	12	8.8%	5	8.8%	5
FBL	9.3%	8	9.8%	10	6.6%	15	7.5%	10	8.1%	8	7.3%	14
GTB	9.0%	9	11.2%	5	7.8%	10	7.5%	9	7.8%	13	9.7%	2
SBG	8.8%	10	9.1%	12	7.1%	13	4.9%	19	5.6%	22	6.9%	16
CBG	7.5%	11	4.6%	20	5.8%	19	6.0%	17	6.1%	20	6.6%	17
RBL	7.4%	12	8.8%	13	8.0%	8	7.3%	13	7.4%	16	7.1%	15
OBL	7.3%	13	9.7%	11	4.1%	21	3.1%	21	1.7%	23	0.0%	-
UBA	6.7%	14	11.0%	7	9.3%	3	7.2%	14	7.4%	15	7.5%	12
ZBL	6.6%	15	8.6%	14	7.7%	11	7.6%	7	7.9%	12	7.6%	10
ABG	5.8%	16	5.3%	19	6.1%	16	6.9%	16	7.1%	17	4.4%	19
FNB	5.0%	17	6.0%	16	4.3%	20	4.3%	20	5.7%	21	8.6%	8
FABL	4.8%	18	7.4%	15	6.8%	14	7.4%	11	6.4%	19	0.0%	-
CAL	4.2%	19	5.6%	18	6.1%	17	5.2%	18	7.0%	18	8.3%	9
PBL	4.2%	20	5.6%	17	8.1%	7	8.2%	4	7.9%	11	6.6%	18
Industry	8.4%		9.3%		7.9%		7.4%		7.9%		7.9%	

Cost to income ratio

Ghana’s banking sector witnessed a rise in the cost-to-income ratio (CIR) to 45%, up from 40% in 2023, indicating a decline in operational efficiency. This was largely driven by a 25% increase in operating expenses, which rose from GH₵12.8 billion to GH₵16 billion, outpacing the 12.2% growth in operating income (GH₵31.7 billion to GH₵35.5 billion). Elevated inflation (averaging 22.9%) and exchange rate volatility were primary cost drivers. Net interest income contributed GH₵3.1 billion to income growth, a 13.9% year-on-year increase.

Staff costs rose significantly by 30.9%, from GH₵5.9 billion to GH₵7.8 billion, reflecting inflationary pressures and talent retention efforts. Administrative and other operating expenses also climbed by 21.9% (GH₵0.6 billion) and 17.4% (GH₵0.4 billion), respectively.

Among the 20 surveyed banks, eight recorded CIRs below the industry average, eleven exceeded it, and one matched it, highlighting disparities in cost management capabilities.

Looking ahead, the 2025 CIR trajectory will depend on economic conditions and strategic responses. Early signs point to easing inflation and Cedi appreciation, which could alleviate expense pressures. The sector may also benefit from recovering credit demand, supported by accommodative policies, improved macroeconomic indicators, and the government’s 2025 investment plans, including the 24-hour economy initiative and Annual Budget Funding Amount (ABFA) allocations for infrastructure.

While operational cost pressures persist, these developments offer opportunities for improved efficiency. A balanced approach; combining long-term transformation with near-term cost discipline, will be essential for banks aiming to enhance CIR performance and sustain profitability in a changing economic landscape.

Cost income ratio

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
GTB	0.21	1	0.19	1	0.23	1	0.24	1	0.30	2	0.37	3
ABG	0.32	2	0.28	3	0.28	4	0.27	2	0.36	5	0.49	10
ZBL	0.33	3	0.29	5	0.39	7	0.43	6	0.34	4	0.42	5
SG-GH	0.35	4	0.39	10	0.43	9	0.50	13	0.54	12	0.55	13
EBG	0.36	5	0.29	4	0.43	8	0.46	8	0.47	9	0.45	7
UBA	0.37	6	0.27	2	0.27	3	0.30	4	0.30	3	0.27	1
SCB	0.39	7	0.34	6	0.36	6	0.36	5	0.28	1	0.39	4
SBG	0.41	8	0.38	9	0.47	12	0.48	11	0.53	11	0.52	12
FBL	0.45	9	0.44	12	0.46	11	0.49	12	0.51	10	0.52	11
ABSA	0.46	10	0.35	8	0.24	2	0.30	3	0.41	6	0.37	2
GCB	0.46	11	0.48	14	0.53	16	0.53	14	0.58	15	0.59	14
FABL	0.47	12	0.34	7	0.51	13	0.56	16	0.56	14	0.00	-
BOA	0.49	13	0.45	13	0.46	10	0.46	9	0.46	7	0.49	9
FBN	0.54	14	0.43	11	0.31	5	0.47	10	0.55	13	0.49	8
OBL	0.57	15	0.60	16	0.90	20	1.59	21	2.11	23	0.00	-
RBL	0.57	16	0.56	15	0.57	17	0.62	17	0.62	17	0.60	15
CAL	0.74	17	0.67	17	0.53	15	0.44	7	0.46	8	0.45	6
FNB	0.87	18	0.95	19	1.36	22	1.02	20	0.88	21	0.88	18
CBG	0.92	19	1.22	20	0.89	19	0.78	19	0.77	18	0.81	17
PBL	1.18	20	0.87	18	0.52	14	0.55	15	0.61	16	0.75	16
Industry	0.45		0.40		0.46		0.47		0.51		0.51	

07

Return to shareholders funds

Return on Equity

Return on Equity (ROE) serves as a key metric for evaluating profitability and the effective deployment of capital within the banking industry. In the context of Ghana, RoE performance from 2019 to 2024 offers critical insight into the sector's capacity to withstand and adapt to macroeconomic and policy-driven disruptions. This period encompasses notable developments, including the post-recapitalization phase of the banking sector, the global impact of the COVID-19 pandemic, and the rollout of the Domestic Debt Exchange Programme (DDEP).

In 2024, Ghana's banking sector sustained its recovery momentum, as the average RoE increased to 26.4%, compared to 25.0% in 2023. This performance was largely driven by improved macroeconomic conditions, including moderating inflation, a stable exchange rate, and a 3.5% year-on-year expansion in the Composite Index of Economic Activity (CIEA) as of January 2024. This marks a notable turnaround from the 7.6% contraction recorded during the corresponding period in 2023, as reported by the Bank of Ghana Monetary Policy Committee.

The external sector, which encompasses Ghana's trade and financial interactions with global markets, demonstrated notable improvement. This was reflected in a current account surplus of US$2.1 billion, signifying that export earnings and external inflows surpassed import-related outflows. Furthermore, according to the Bank of Ghana (BoG), gross international reserves increased to US$10.7 billion, equivalent to 4.7 months of import cover, serving as a critical safeguard against external vulnerabilities and underscoring enhanced external sector stability.

The International Monetary Fund's (IMF) Extended Credit Facility (ECF), launched in 2023, played a pivotal role in advancing macroeconomic stabilization. The program's fourth review, conducted in April 2024, confirmed Ghana's progress and unlocked US$360 million in additional funding for the year. Key reform areas such as sound monetary policy, electricity tariff adjustments, and improvements in public financial management, contributed to reduced fiscal vulnerabilities and a rebound in investor confidence. These policy measures also enhanced the banking sector's operating environment by lowering risk premiums and improving access to funding, thereby supporting earnings growth.

Ghana's economic growth outperformed projections in 2024, with the economy expanding by 4.7% in the fourth quarter. According to Ghana Statistical Service, this robust performance was primarily supported by the mining and construction sectors, which posted year-on-year growth rates of 6.1% and 5.4%, respectively. The strong activity in these sectors spurred higher loan demand and boosted fee-based income for banks, further strengthening the recovery momentum within the financial sector.

The 2024 national budget underscored the government's continued commitment to fiscal consolidation. Despite revenue underperformance in the first quarter, prudent expenditure rationalization upheld overall fiscal discipline. By the end of 2023, public debt reached GH¢726.7 billion, representing 61.8% of GDP, while early 2024 saw an improvement in the primary fiscal balance. These developments contributed to reduced sovereign risk and a more favorable credit outlook, ultimately supporting asset quality and profitability within the banking sector.

The banking sector's recovery in 2024 was particularly noteworthy when compared to the sharp downturn experienced in 2022, during which the industry recorded a negative RoE of -29.3%. This significant decline was largely attributed to the implementation of the DDEP, which triggered considerable mark-to-market losses on banks' government securities holdings. In response, the BoG enacted regulatory relief measures and tightened monetary policy to contain inflation and stabilize the Ghanaian cedi. These actions were instrumental in setting the stage for the broad-based recovery observed in both 2023 and 2024.

While the sector as a whole exhibited a strong recovery in 2024, RoE outcomes varied considerably across institutions. CAL posted an RoE of 118%, primarily driven by a low equity base and improved profitability. Among banks with positive equity positions, FBL recorded the highest RoE at 37%, underpinned by robust deposit growth and margin expansion. SCB and EBG followed with ROEs of 35% and 32%, respectively, supported by reversals in loan loss provisions and increased revenue from digital channels.

Institutions such as ABG, GTB, and GCB recorded ROE figures of approximately 30%, driven by strong performance in small and medium-sized enterprise (SME) lending and corporate banking. ABSA and SG-GH posted RoEs of 29% and 23%, respectively, capitalizing on trade finance and fee-based revenue streams. Conversely, banks such as PBL and FNB continued to encounter operational headwinds, reflected in negative or subdued RoEs, largely attributable to elevated non-performing loans and undercapitalization.

Between 2019 and 2024, RoE trends in Ghana's banking sector closely reflected the country's broader economic trajectory—from pre-pandemic stability, through periods of crisis, and into gradual recovery. The coordinated interventions of the BoG, IMF, and government fiscal authorities were pivotal in restoring sector profitability and rebuilding investor confidence. While most banks have regained healthy RoE levels, a subset continues to grapple with underlying structural issues. Sustained policy support, robust risk management practices, and continued innovation will be critical to maintaining profitability and reinforcing long-term financial resilience.

Return on equity

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
CAL	118.0%	1	367.9%	1	-164.2%	22	17.1%	10	18.6%	10	18.1%	11
FBL	37.3%	2	52.1%	2	-59.2%	18	27.5%	2	25.2%	3	29.8%	1
SCB	34.8%	3	44.9%	3	-22.6%	12	26.6%	3	32.6%	1	24.2%	6
EBG	31.7%	4	17.2%	14	-1.3%	8	21.8%	7	22.4%	7	25.0%	5
ABG	30.5%	5	44.1%	4	-33.3%	14	23.6%	5	22.9%	6	21.6%	9
GTB	29.8%	6	35.2%	9	8.6%	4	25.8%	4	26.7%	2	26.4%	3
GCB	29.8%	7	35.5%	8	-30.1%	13	21.9%	6	21.4%	8	25.5%	4
OBL	28.8%	8	24.7%	10	-34.4%	15	-2.4%	21	-49.2%	23	0.0%	-
ABSA	28.6%	9	38.2%	7	-20.1%	11	30.1%	1	24.2%	4	28.8%	2
SBG	28.1%	10	43.0%	5	-3.7%	9	20.7%	8	19.4%	9	20.7%	10
SG-GH	22.5%	11	22.3%	12	10.0%	2	17.9%	9	16.7%	11	16.0%	12
ZBL	22.0%	12	40.8%	6	-42.7%	16	14.2%	12	23.2%	5	22.0%	8
FABL	21.1%	13	23.1%	11	0.0%	7	16.3%	11	14.3%	13	0.0%	-
FBN	20.3%	14	21.7%	13	9.5%	3	12.5%	14	7.2%	18	7.4%	16
RBL	19.2%	15	16.5%	15	-10.1%	10	11.8%	15	8.5%	15	11.2%	14
BOA	15.2%	16	13.8%	16	0.8%	6	10.3%	17	10.2%	14	10.9%	15
UBA	11.0%	17	12.9%	17	5.0%	5	12.5%	13	16.4%	12	22.7%	7
CBG	6.9%	18	-43.6%	19	211.2%	1	9.0%	18	8.2%	16	14.0%	13
FNB	3.4%	19	-0.7%	18	-138.4%	21	-0.7%	20	0.1%	22	0.6%	19
PBL	-965.4%	20	-408.3%	20	-96.8%	19	11.6%	16	5.1%	19	4.2%	17
Industry	26.4%		25.0%		-29.3%		19.2%		19.1%		20.0%	

Return on Assets

Ghana's banking sector has demonstrated resilience and strategic realignment, navigating a complex operating environment shaped by macroeconomic stabilization, regulatory tightening, and the residual impact of the 2023 Domestic Debt Exchange Programme (DDEP). Within this context, the sector recorded an average Return on Assets (ROA) of 3.0%, a marginal but meaningful improvement over the 2.9% achieved in 2023, signalling a cautiously optimistic recovery.

The modest improvement in performance was supported by enhanced liquidity conditions, a revitalization of private sector credit extension, and disciplined cost management. Universal banks distinctly outperformed their peers during this recovery period, recording an average RoA of 3.5%. Notably, Societe Generale Ghana (SG-GH) achieved a leading RoA of 5.3%, followed closely by Standard Chartered Bank (SCB) at 5.0% and Guaranty Trust Bank (GTB) at 4.8%. These outcomes were largely attributable to the institutions' diversified income portfolios, continued investments in digital platforms, and strengthened credit risk oversight.

In 2024, the banking industry's asset base expanded by 33.8%, reflecting gains from post-DDEP macroeconomic stabilization and effective liquidity management. However, the Bank of Ghana's (BoG) heightened cash reserve requirements, while bolstering systemic liquidity, also limited access to higher-yielding investment avenues. As a result, banks adjusted their asset allocation strategies, shifting toward more conservative, lower-yield instruments.

One of the key challenges facing the banking sector in 2024 was the persistently high non-performing loan (NPL) ratio, which climbed to 21.8% by the end of the year. In response, the BoG issued a strategic directive requiring banks to reduce their NPL ratios to no more than 10% by December 2026. Institutions that fail to comply will face regulatory constraints on dividend payouts and loan book expansion, measures designed to mitigate systemic risk and rebuild investor confidence.

The RoA for 2024 signaled a full recovery to the pre-pandemic peak of 3.0% last observed in 2019. This milestone followed a turbulent performance path, declining to 2.8% in 2020 due to the pandemic, inching up to 2.9% in 2021, plunging to (2.9%) in 2022 following the DDEP shock, and recovering modestly to 2.9% in 2023. The continued upward movement in 2024 reflects strengthening macro-financial alignment and growing stability within the banking sector.

Amid intensified regulatory oversight and mandated reductions in non-performing loans (NPLs), banks are expected to place greater emphasis on proactive credit risk management and the strengthening of tier-1 capital buffers. Sustained growth in Return on Assets (ROA) will increasingly depend on the strategic utilization of digital platforms, not only to enhance service delivery, but also to drive revenue diversification and operational efficiency. Aligning with evolving regulatory expectations, particularly in areas such as digital assets, consumer protection, and financial inclusion, will be critical to maintaining long-term profitability.

In 2024, Ghana's banking sector exhibited steady progress along the path to post-crisis recovery, with Return on Assets (ROA) performance underscoring both strategic advancements and lingering systemic challenges. Looking ahead, sustained progress will depend on disciplined capital management, effective digital integration, and close adherence to evolving regulatory standards. Institutions that respond to these imperatives with agility and foresight are well-positioned to shape the next era of sectoral leadership and sustained profitability.

Return on assets

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
SG-GH	5.3%	1	4.8%	8	1.7%	2	3.4%	6	3.0%	9	2.9%	11
SCB	5.0%	2	6.2%	2	-2.9%	13	4.3%	3	6.0%	2	3.7%	4
GTB	4.8%	3	6.5%	1	1.6%	3	6.3%	1	6.6%	1	6.4%	1
ABSA	4.4%	4	5.3%	3	-2.5%	10	4.3%	2	3.8%	6	4.0%	3
EBG	3.7%	5	1.8%	16	-0.1%	7	3.2%	7	3.4%	7	3.3%	8
SBG	3.6%	6	5.2%	4	-0.3%	8	2.9%	9	2.6%	13	3.0%	10
FBL	3.5%	7	4.4%	9	-2.8%	12	2.6%	11	2.7%	11	2.5%	13
FBN	3.3%	8	4.9%	6	2.2%	1	3.8%	5	2.1%	15	2.8%	12
ABG	3.2%	9	5.0%	5	-3.4%	14	4.3%	4	4.1%	4	3.7%	5
BOA	2.9%	10	3.4%	11	0.2%	5	2.3%	14	3.2%	8	3.2%	9
GCB	2.8%	11	3.7%	10	-2.6%	11	3.0%	8	2.9%	10	3.4%	7
FABL	2.5%	12	2.8%	12	0.0%	6	2.5%	12	2.6%	14	0.0%	-
ZBL	2.4%	13	4.9%	7	-4.3%	16	2.5%	13	4.2%	3	3.7%	6
CAL	2.2%	14	-6.9%	19	-8.8%	20	2.1%	15	2.6%	12	2.5%	14
OBL	2.1%	15	2.1%	14	-4.1%	15	-0.5%	21	-3.7%	23	0.0%	-
RBL	2.0%	16	1.9%	15	-1.3%	9	1.9%	17	1.4%	16	1.9%	15
UBA	1.7%	17	2.2%	13	1.0%	4	2.6%	10	4.1%	5	4.2%	2
CBG	0.5%	18	-4.0%	18	-14.2%	22	0.7%	19	0.5%	20	1.0%	16
FNB	0.3%	19	-0.1%	17	-11.1%	21	-0.2%	20	0.0%	21	0.3%	19
PBL	-3.9%	20	-7.8%	20	-6.9%	19	2.0%	16	0.8%	18	0.8%	17
Industry	3.0%		2.9%		-2.9%		2.9%		2.8%		3.0%	

08

Liquidity

Liquid funds to total deposits

Liquidity is a measure not only of a bank's ability to meet its short-term obligations but also of its resilience in times of stress. 2024 marked a period of gradual recovery and policy recalibration for the financial sector, particularly following the shocks induced by the Domestic Debt Exchange Programme (DDEP) and broader macroeconomic turbulence in previous years.

There was a notable improvement in the industry-wide liquid funds to total deposits ratio. The ratio increased from 85% in 2023 to 88% in 2024, supported by a GH₵62.4 billion increase in total liquid assets, which grew from GH₵172 billion to GH₵234.4 billion and a growth in total deposits, which increased by 32% to GH₵267 billion over the same period.

The positive result can be attributed to a rebound in deposit mobilisation and moderating inflation. In addition, the Bank of Ghana's implementation of a tiered Cash Reserve Ratio (CRR) regime in April 2024 marked a structural shift in liquidity management. The new CRR ties reserve requirements to each bank's Loan-to-Deposit Ratio (LDR), ranging from 15%-25%, replacing the previous flat rate. This created incentives for more conservative lending practices and prudent balance sheet management.

Despite these improvements, the liquidity landscape remains uneven. Out of the 20 universal banks, 13 exceeded the industry-average ratio, while 7 fell below, underscoring disparities in balance sheet strength across the sector. Additionally, while deposit volumes have surged, there has been a notable preference for short-term over long-term savings, an indication of lingering risk aversion among consumers.

Liquid funds/ total deposits

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
UBA	1.10	1	1.00	4	0.89	7	0.92	11	0.93	11	0.97	9
FBN	1.06	2	1.05	1	1.31	1	1.00	9	0.98	7	1.32	3
FBL	1.01	3	1.02	2	0.95	4	1.27	2	0.98	8	1.46	2
CBG	1.00	4	0.96	7	0.75	12	1.09	7	1.04	4	1.10	6
RBL	1.00	5	0.71	18	0.69	17	0.71	19	0.70	20	0.69	15
SCB	0.95	6	1.00	3	0.90	6	0.99	10	0.95	9	0.93	11
SBG	0.95	7	0.89	10	0.71	15	0.68	20	0.74	18	0.58	18
GTB	0.92	8	0.98	5	0.75	14	0.76	16	0.90	12	1.03	8
OBL	0.91	9	0.95	8	0.82	10	0.92	12	0.73	19	0.00	-
ABSA	0.90	10	0.81	13	0.82	9	1.16	3	1.02	6	1.25	5
FNB	0.90	11	0.98	6	0.90	5	1.14	4	1.16	1	1.65	1
ZBL	0.89	12	0.87	12	0.81	11	1.07	8	1.12	2	1.26	4
BOA	0.89	13	0.90	9	1.04	2	1.40	1	0.95	10	1.05	7
GCB	0.83	14	0.81	14	0.75	13	0.90	14	0.87	13	0.79	14
EBG	0.82	15	0.74	16	0.64	20	0.73	18	0.74	17	0.59	16
CAL	0.79	16	0.72	17	0.70	16	1.10	6	1.07	3	0.89	12
PBL	0.77	17	0.66	19	0.88	8	0.90	13	0.79	15	0.59	17
ABG	0.76	18	0.88	11	0.97	3	1.10	5	1.02	5	0.94	10
SG-GH	0.70	19	0.77	15	0.66	19	0.76	17	0.62	21	0.45	19
FABL	0.62	20	0.58	20	0.58	22	0.62	21	0.77	16	0.00	1
Industry	0.88		0.85		0.77		0.93		0.88		0.89	

Liquid Funds to Interest-Bearing Liabilities

While liquidity-to-deposit ratios remain a core measure of financial resilience, a broader and increasingly relevant lens is the ratio of liquid funds to total interest-bearing liabilities. This metric captures the banking sector's ability to meet both depositor and creditor obligations, providing a more holistic view of liquidity risk management.

The industry-wide ratio of liquid funds to interest-bearing liabilities rose by two percentage points, from 80% in 2023 to 82% in 2024. This modest but significant improvement reflects the industry's cautious recalibration in response to macroeconomic uncertainty and regulatory tightening.

The rise was underpinned by a 36% increase in total liquid assets, which grew from GH₵172 billion to GH₵234 billion, outpacing the 34% increase in interest-bearing liabilities, which expanded from GH₵213 billion to GH₵286 billion over the same period. This suggests that, while banks continued to accumulate liabilities to support their operations, they did so with an increased emphasis on short-term asset coverage and liquidity preservation.

Out of the 20 universal banks surveyed, nine institutions recorded liquidity-to-interest bearing liability ratios above the industry average of 82%, while eleven fell below. This disparity reflects variations in balance sheet strength, risk appetite, and access to stable funding sources.

Liquid funds/ total interest bearing liabilities

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
FBN	1.05	1	1.04	1	1.29	1	0.99	2	0.96	3	1.28	2
UBA	0.99	2	0.99	2	0.89	2	0.92	6	0.93	4	0.97	6
SBG	0.95	3	0.88	7	0.71	12	0.68	19	0.73	14	0.57	17
FBL	0.92	4	0.84	10	0.73	9	0.88	7	0.80	11	0.81	9
SCB	0.92	5	0.95	4	0.87	4	0.93	5	0.91	6	0.86	7
GTB	0.92	6	0.97	3	0.74	8	0.75	14	0.88	7	1.03	5
CBG	0.91	7	0.90	6	0.71	10	0.98	3	1.01	2	1.08	4
OBL	0.90	8	0.93	5	0.80	5	0.87	8	0.69	18	0.00	-
ZBL	0.83	9	0.85	9	0.80	6	1.03	1	1.05	1	1.08	3
BOA	0.81	10	0.88	8	0.75	7	0.87	9	0.82	8	0.81	8
EBG	0.81	11	0.74	15	0.64	16	0.73	15	0.74	13	0.58	15
ABSA	0.77	12	0.78	12	0.68	14	0.76	13	0.73	15	0.73	13
RBL	0.77	13	0.70	16	0.68	15	0.68	18	0.67	19	0.65	14
GCB	0.77	14	0.77	13	0.71	11	0.84	10	0.81	9	0.75	12
ABG	0.71	15	0.79	11	0.87	3	0.95	4	0.92	5	0.79	10
PBL	0.69	16	0.61	18	0.63	17	0.73	16	0.60	20	0.49	18
CAL	0.68	17	0.61	19	0.56	20	0.80	12	0.71	16	0.57	16
FNB	0.66	18	0.75	14	0.68	13	0.81	11	0.81	10	1.56	1
SG-GH	0.65	19	0.66	17	0.57	19	0.65	20	0.56	22	0.43	19
FABL	0.62	20	0.58	20	0.58	18	0.62	21	0.77	12	0.00	-
Industry	0.82		0.80		0.70		0.82		0.79		0.76	

Liquid Funds to Total Assets

The ratio of liquid funds to total assets has continued to trend upward in Ghana's banking sector, signalling a deliberate shift toward stronger liquidity management and enhanced balance sheet resilience. Following a downturn in 2022, the ratio has now recorded two consecutive years of steady improvement, driven by both policy reforms and macroeconomic recalibration.

In 2024, the sector saw a substantial rise in cash reserves held with the Bank of Ghana up 59%, from GH₵38.9 billion in 2023 to GH₵62.0 billion. This increase significantly contributed to the improvement in the liquid funds-to-assets ratio, which rose to an industry average of 69% The growth reflects a larger share of bank assets being allocated to highly liquid instruments, reinforcing the sector's capacity to meet short-term obligations and absorb potential shocks. The tiered CCR framework has incentivized conservative lending and encouraged banks to accumulate liquid assets. Banks with LDRs below 40% are required to maintain higher reserves, further driving the buildup in cash holdings and risk-free liquid instruments.

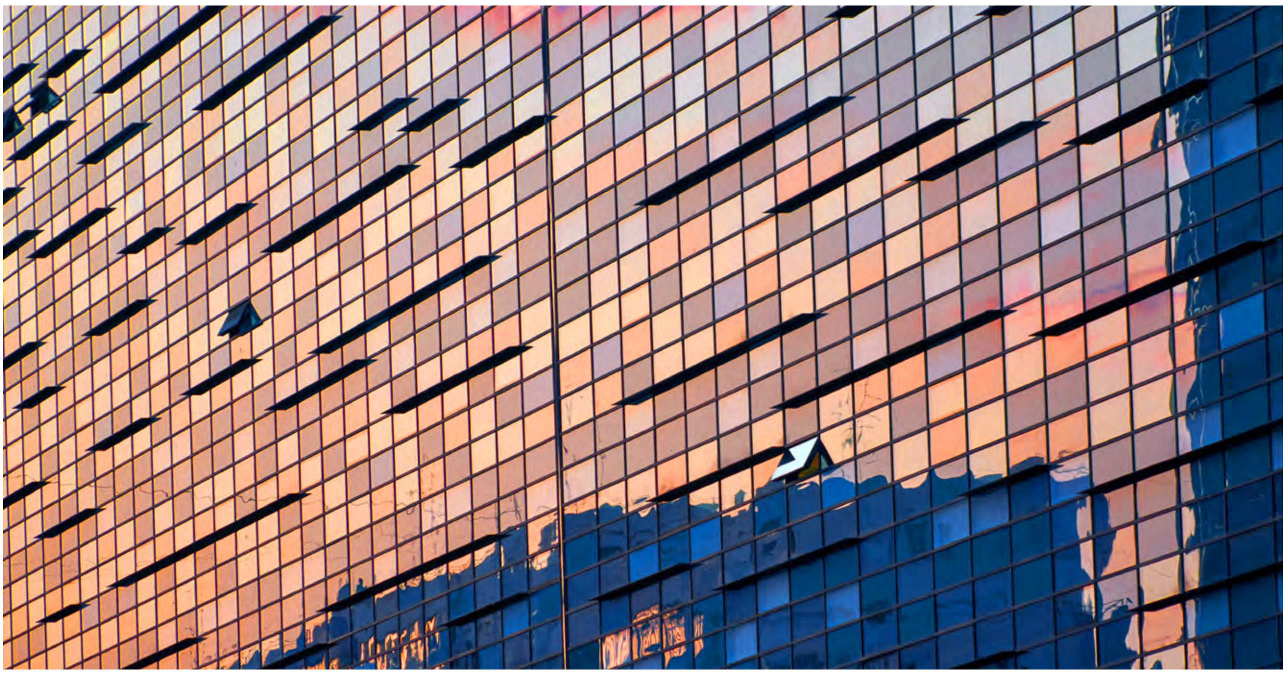
This trend is unfolding in a gradually stabilising macroeconomic environment. Headline inflation declined from 38.1% in September 2023 to 21.5% in September 2024, while improvements in fiscal management under the IMF-supported programme have helped anchor market expectations. In this context, banks have deprioritized aggressive credit expansion in favour of liquidity preservation and regulatory compliance.

The distribution across the industry, however, remains uneven. Of the 20 universal banks surveyed:

- Nine banks reported liquid funds-to-assets ratios above the industry average of 69%
- One bank matched the average
- Ten banks recorded ratios below the benchmark

These figures highlight the varying degrees of risk tolerance and balance sheet strength within the sector, with larger, better-capitalised banks typically maintaining stronger liquidity buffers.

Looking ahead, the CRR policy amendment expected in 2025, which requires banks to maintain reserves in the currency of their respective deposits, is likely to affect foreign currency liquidity, especially for institutions reliant on USD or other foreign-denominated funds for trade finance. While this could temporarily constrain foreign currency liquidity, the policy is expected to support cedi stability, discourage speculative FX transactions, and improve liquidity planning across the system.



Liquid funds/ total assets

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
FBN	0.85	1	0.75	6	0.76	1	0.65	11	0.66	8	0.74	6
UBA	0.82	2	0.80	2	0.69	7	0.71	6	0.68	7	0.77	4
OBL	0.82	3	0.84	1	0.69	6	0.70	7	0.63	11	0.00	-
FBL	0.81	4	0.75	7	0.68	8	0.78	2	0.69	5	0.73	7
CBG	0.78	5	0.76	5	0.71	4	0.84	1	0.87	1	0.91	1
SCB	0.76	6	0.79	3	0.72	3	0.75	5	0.69	4	0.69	8
GTB	0.76	7	0.79	4	0.59	11	0.56	17	0.66	9	0.75	5
ZBL	0.73	8	0.74	8	0.70	5	0.77	3	0.81	2	0.85	2
SBG	0.71	9	0.70	9	0.58	12	0.55	18	0.59	17	0.45	17
EBG	0.69	10	0.63	14	0.55	16	0.60	14	0.60	13	0.49	15
PBL	0.67	11	0.58	17	0.57	13	0.59	15	0.49	21	0.39	18
GCB	0.67	12	0.66	11	0.63	9	0.68	9	0.68	6	0.62	10
CAL	0.66	13	0.55	18	0.51	18	0.69	8	0.60	14	0.49	16
BOA	0.64	14	0.64	13	0.59	10	0.65	10	0.55	19	0.57	13
RBL	0.64	15	0.60	16	0.56	15	0.54	19	0.53	20	0.53	14
ABG	0.60	16	0.67	10	0.73	2	0.76	4	0.73	3	0.65	9
ABSA	0.60	17	0.62	15	0.54	17	0.60	13	0.56	18	0.59	12
FNB	0.57	18	0.65	12	0.57	14	0.61	12	0.59	16	0.82	3
FABL	0.54	19	0.51	19	0.49	21	0.52	20	0.62	12	0.00	-
SG-GH	0.42	20	0.44	20	0.43	22	0.47	21	0.42	22	0.32	19
Industry	0.69		0.67		0.60		0.66		0.64		0.62	

09

Asset quality

Asset quality

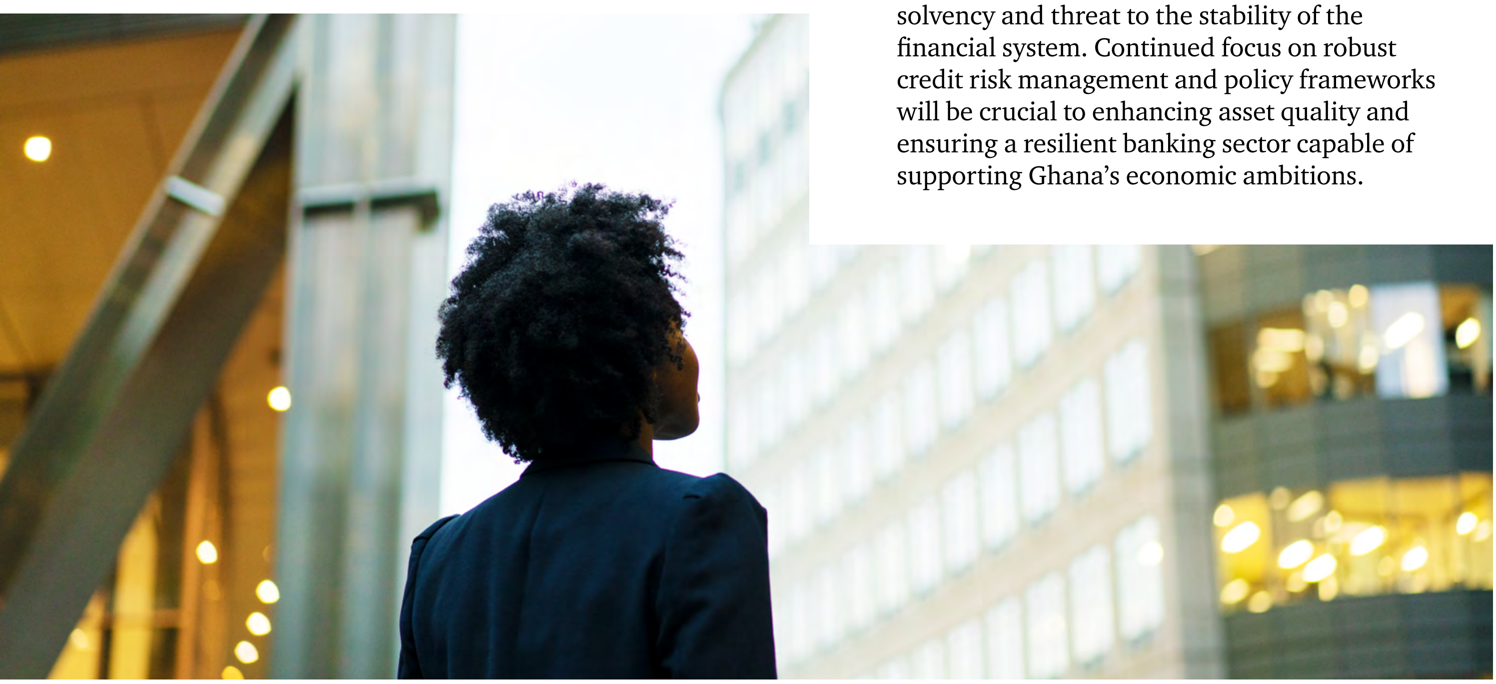
Credit expansion remains a critical driver of Ghana's economic growth through driving investments, supporting infrastructural developments and enhancing productive capacities. The quality of assets, reflected in the creditworthiness of loans, is fundamental to the banks capacity to lend effectively. When asset quality deteriorates, banks become more risk averse, restricting credit flows causing the economy to suffer from reduced business activities, lower employment, and stunted economic growth.

A review of the Bank of Ghana's Monetary Report issued in January 2025 revealed a rather worrying situation. According to the Bank of Ghana (BOG), asset quality risks were elevated in 2024, evidenced in the growth of NPL ratio from 20.7% in 2023 to 21.8% in 2024 and the ratio of impairment allowance to gross loans and advances which increased from 12.2% to 12.4%. The non-performing loan stock stood at GHS20.8 billion in December 2024, a 31.7% increase year on year, mainly contributed by players in the private sector. The private sector accounted for 96.2% of the NPLs, with transportation, storage and communication sectors contributing to 49.1%, followed by manufacturing (19.3%) and services (18%). This development in the NPLs, according to the Bank of Ghana reflects the lingering effect of the 2022 macroeconomic challenges on the banking sector.

These developments have sparked concerns over the government's agenda to resetting the economy with one of the key implementations focus on the private sector, particularly the manufacturing, agro-processing and transports sectors as outlined in the 2025 budget. The banks may respond to the heightened NPLs with tighter conditions including higher interest rates, more stringent credit risk assessments, potentially limiting access to credits especially to players in the affected industries.

The recent Eurobond exchange has had notable implications for the banking sector's asset quality. The Government of Ghana in their bid to restore debt sustainability and maintain macro-economic stability restructured their Eurobonds which achieved a 98.6% participation rate according to the Ministry of Finance. This raises concerns about the asset quality of the participating banks due to the haircuts, valuation complexities, and derecognition losses taken by the banks, which ultimately eroded their asset values. This has the potential of further reinforcing the banks' cautious approach to allocating surplus funds toward government securities.

The Ghanaian banking industry's asset quality in 2024 presents a complex picture of cautious optimism. While improved impairment charges and profitability suggest healthy lending practices, sustained NPL levels across key sectors call for ongoing vigilance. It is in the wake of this that the Bank of Ghana in their recent announcement has come out with an exposure draft with measures to address the increasing risk to the industry's profitability, liquidity and solvency and threat to the stability of the financial system. Continued focus on robust credit risk management and policy frameworks will be crucial to enhancing asset quality and ensuring a resilient banking sector capable of supporting Ghana's economic ambitions.



Impairment charge/ gross loans and advances

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
OBL	-2.9%	1	4.5%	14	-0.2%	1	4.6%	18	-5.4%	1	0.0%	-
CBG	-0.2%	2	-1.0%	2	12.6%	20	1.6%	9	2.0%	10	2.1%	14
FBN	-0.1%	3	0.9%	6	17.3%	21	2.4%	13	2.3%	13	5.5%	18
GTB	0.2%	4	1.2%	8	0.6%	2	0.2%	2	0.7%	5	1.5%	10
ZBL	0.2%	5	0.7%	4	0.9%	4	2.3%	11	0.5%	4	1.5%	9
FBL	1.0%	6	0.9%	5	8.7%	17	3.2%	14	4.4%	19	4.4%	16
RBL	1.0%	7	0.9%	7	3.3%	9	1.0%	5	2.9%	15	2.1%	13
FABL	1.1%	8	1.5%	9	3.2%	8	1.5%	7	-2.6%	2	0.0%	-
BOA	1.5%	9	4.6%	15	2.0%	6	1.6%	10	4.5%	20	0.0%	2
FNB	1.5%	10	2.7%	13	5.0%	12	0.8%	3	2.2%	12	6.4%	19
ABG	1.6%	11	0.0%	3	2.7%	7	7.7%	20	1.7%	9	-1.8%	1
SG-GH	1.9%	12	2.2%	11	5.5%	13	1.1%	6	1.2%	7	0.0%	2
GCB	3.3%	13	2.3%	12	3.9%	10	6.1%	19	5.1%	22	1.8%	11
ABSA	3.6%	14	2.1%	10	7.5%	16	1.6%	8	2.7%	14	1.4%	8
SCB	3.8%	15	-11.1%	1	20.1%	22	-1.1%	1	1.5%	8	5.2%	17
EBG	4.7%	16	5.7%	17	0.6%	3	4.2%	16	3.6%	17	3.8%	15
PBL	5.0%	17	38.9%	20	4.5%	11	3.7%	15	6.3%	23	2.0%	12
SBG	5.1%	18	5.1%	16	5.6%	14	0.9%	4	1.2%	6	1.3%	7
UBA	5.9%	19	9.0%	18	7.2%	15	8.6%	21	4.2%	18	0.5%	6
CAL	7.8%	20	19.6%	19	8.9%	18	4.3%	17	3.2%	16	0.0%	2
Industry	3.1%		4.4%		5.3%		2.8%		2.7%		2.9%	

Impairment allowance/ gross loans and advances

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
PBL	-5.0%	1	33.3%	20	4.5%	4	3.7%	6	10.3%	17	2.4%	8
GTB	1.1%	2	2.2%	1	0.9%	1	0.5%	1	0.4%	1	0.7%	5
ZBL	1.8%	3	3.8%	2	4.6%	5	4.6%	10	3.3%	5	4.8%	12
ABG	2.6%	4	3.8%	3	3.9%	3	14.8%	18	11.5%	18	9.9%	17
OBL	3.8%	5	15.6%	16	13.1%	14	21.2%	21	27.6%	22	0.0%	-
BOA	4.7%	6	5.2%	5	3.1%	2	2.7%	3	3.8%	6	0.0%	1
RBL	6.4%	7	7.9%	8	8.7%	11	7.6%	13	9.7%	15	8.6%	16
FBL	6.8%	8	5.1%	4	6.5%	8	4.9%	11	2.4%	2	2.3%	7
FABL	6.8%	9	6.6%	6	6.1%	6	4.4%	9	4.8%	10	0.0%	-
ABSA	9.9%	10	8.6%	9	10.7%	13	4.3%	8	4.4%	9	3.3%	9
FNB	12.3%	11	11.2%	11	7.7%	9	3.2%	4	2.6%	4	4.3%	11
GCB	13.1%	12	17.6%	18	17.8%	20	15.3%	19	14.9%	19	10.6%	18
FBN	13.4%	13	14.0%	13	15.8%	19	2.0%	2	3.8%	7	7.3%	14
SG-GH	14.2%	14	14.5%	15	14.6%	17	10.7%	17	9.3%	14	0.0%	1
EBG	14.5%	15	10.1%	10	6.2%	7	8.5%	14	6.2%	11	5.7%	13
UBA	15.4%	16	16.0%	17	10.0%	12	9.0%	16	23.7%	21	23.0%	19
SBG	16.4%	17	11.5%	12	8.4%	10	3.8%	7	4.2%	8	4.1%	10
SCB	19.6%	18	7.7%	7	18.5%	21	7.4%	12	9.8%	16	7.3%	15
CBG	22.3%	19	14.2%	14	14.4%	16	3.2%	5	2.5%	3	2.1%	6
CAL	39.4%	20	28.5%	19	14.7%	18	8.7%	15	9.1%	12	0.0%	1
Industry	12.4%		12.2%		10.5%		7.8%		9.9%		9.5%	

Loan portfolio profitability

	2024	R	2023	R	2022	R	2021	R	2020	R	2019	R
ABG	30.0%	1	19.4%	12	18.4%	19	2.7%	20	9.8%	19	13.0%	9
CBG	26.8%	2	26.9%	2	32.2%	4	13.3%	8	9.9%	18	1.2%	19
FBL	26.1%	3	21.0%	5	27.8%	6	10.9%	15	9.0%	20	7.0%	17
OBL	22.1%	4	19.4%	13	13.4%	22	3.7%	19	23.8%	1	0.0%	-
FBN	21.3%	5	20.8%	6	48.1%	1	13.3%	7	7.4%	22	4.6%	18
UBA	21.1%	6	21.7%	4	23.8%	11	2.3%	21	6.0%	23	9.9%	16
SCB	20.9%	7	36.3%	1	44.7%	2	16.7%	1	20.3%	3	11.0%	15
ABSA	20.3%	8	19.7%	11	28.9%	5	15.0%	2	15.3%	9	15.2%	4
GTB	20.1%	9	20.8%	7	18.6%	18	14.7%	4	10.8%	16	13.6%	8
ZBL	18.8%	10	20.3%	8	20.1%	16	11.4%	14	11.3%	15	17.7%	2
SG-GH	18.5%	11	17.4%	16	24.3%	9	14.7%	3	16.5%	5	13.7%	5
EBG	18.4%	12	17.8%	14	17.0%	20	8.9%	18	15.8%	8	11.6%	13
FNB	18.2%	13	16.4%	17	24.2%	10	13.3%	6	7.7%	21	13.7%	7
FABL	17.5%	14	20.0%	9	20.9%	15	14.1%	5	19.5%	4	0.0%	-
RBL	17.5%	15	17.6%	15	21.2%	14	11.9%	11	11.7%	14	12.4%	10
PBL	16.4%	16	-36.0%	20	22.0%	13	11.6%	12	10.0%	17	11.6%	12
BOA	14.3%	17	21.7%	3	19.2%	17	12.7%	9	12.9%	12	11.1%	14
GCB	13.1%	18	16.3%	18	22.9%	12	9.2%	17	12.8%	13	15.7%	3
SBG	13.0%	19	19.9%	10	25.2%	8	11.5%	13	13.2%	11	12.4%	11
CAL	6.1%	20	-6.9%	19	25.3%	7	10.6%	16	16.3%	6	13.7%	6
Industry	18.1%		17.5%		23.9%		11.5%		13.7%		13.2%	

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In our 2024 Ghana Banking Survey, we reported that 37% of survey respondents admitted that, over the preceding 12 months, they had considered switching from their principal banks for reasons related to poor CX. This percentage actually increased by 3% from prior year

GenAI's capabilities in software development offer potential to simplify the development of integration tools with banks' legacy systems.

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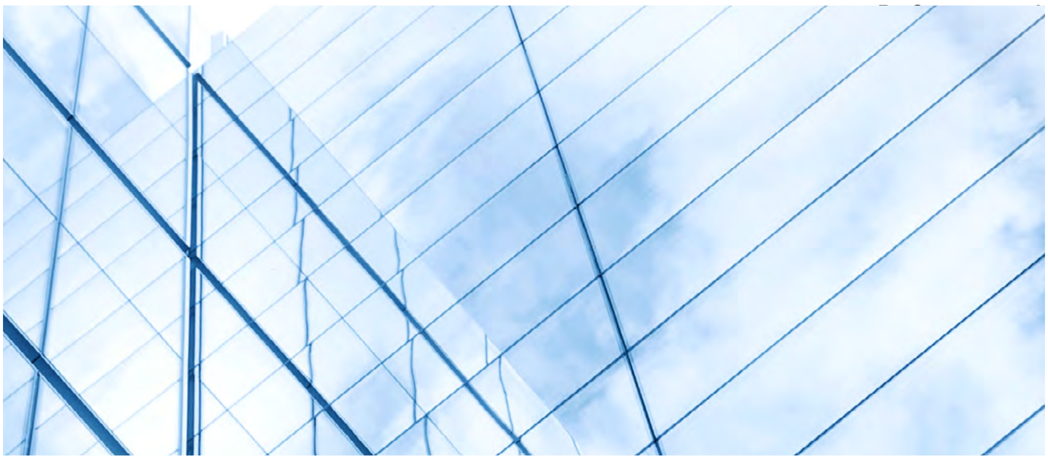
A zettabyte is a unit of digital information storage, equal to one sextillion bytes (1,000,000,000,000,000,000,000 bytes), i.e. 1021. It's a massive quantity, often used to describe the scale of global data generation and storage. To put it in perspective, a zettabyte is equivalent to storing 250 billion DVDs, or 1,000 exabytes.

Bank of Ghana data reveal that the total value of mobile money transactions for 2024 stood at a record GH¢3.0192trillion, about 57.90% growth year-on-year. The previous year (2023), the total value of mobile money transactions was GH¢1.912trillion. Source: Myjoyonline



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This report includes insights and analysis supported by AI tools. These tools were used to enhance data processing, identify patterns, and support the drafting process. All findings and conclusions have been reviewed and validated by human experts to ensure accuracy and accountability.

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