2025

YEAR IN REVIEW

Bora
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SUMMARY: 2025 MARKET REVIEW AND OUTLOOK FOR 2026

Ghana is transitioning from crisis to recovery, with improved macroeconomic stability, declining inflation, and stronger reserves expected to attract investment and support economic planning in 2026.

Ghana's economy stabilized in 2025, with moderated growth and sharply falling inflation. Public debt decreased and international reserves improved, supported by monetary and fiscal discipline.

The currency and commodities showed strength, as the cedi appreciated significantly. Gold prices surged over 60%, supporting reserves, while cocoa retreated from record highs but remained elevated.

Financial markets rebounded with improved confidence. Bond yields fell and trading volumes rose, while the banking sector stayed resilient with stronger capital buffers. A new stock exchange listing signaled potential market revival.

The 2026 outlook indicates a continued shift to recovery. Fiscal discipline and monetary easing are expected alongside structural reforms. Inflation should stay on target and currency volatility is forecast to ease.

This sets the stage for a more structured investment environment. Improved macroeconomic stability may boost equities, bonds, and other financial sector assets, though external and fiscal risks remain.

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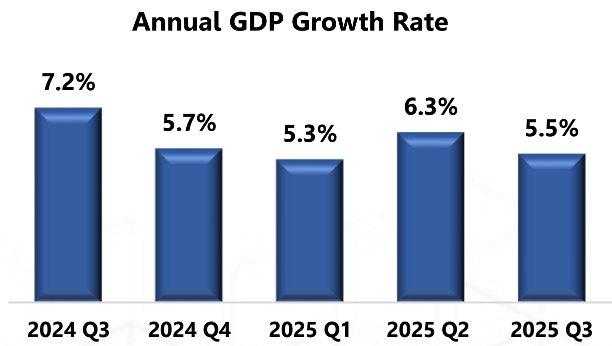
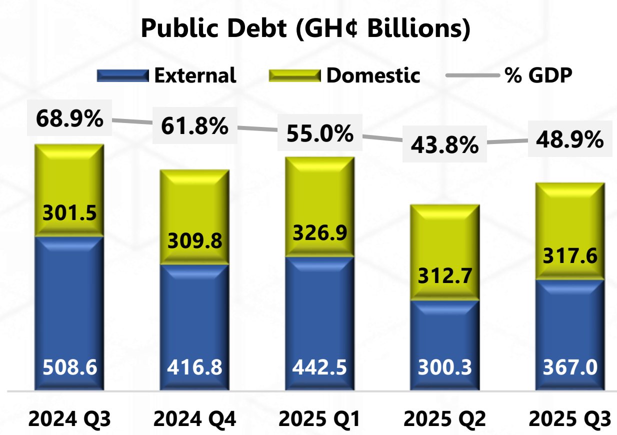
THE MACROECONOMY

ECONOMIC PERFORMANCE IN 2025 SHOWED RECOVERY AND STABILIZATION

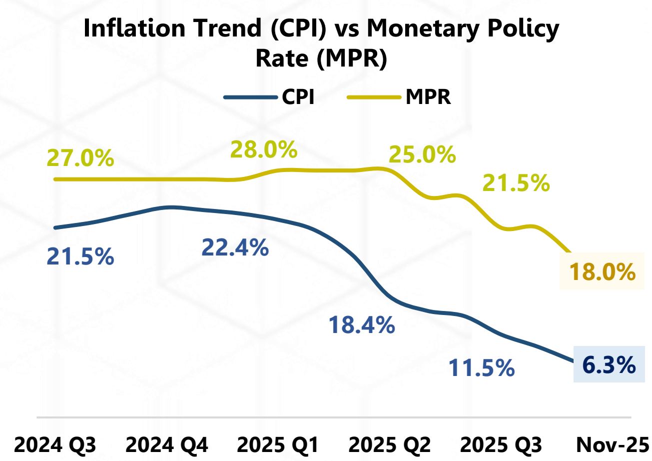
Ghana's economy expanded 5.5% year-on-year in Q3 2025, after a revised 6.5% growth in Q2, marking the slowest pace of expansion since Q3 2024. Industry growth slowed sharply to 0.8% from 2.3%, while services growth eased to 7.6% from 9.6%,. Agricultural activity rose from 7.1% to 8.6%, supported largely by the fishing sector.



Public debt stood at GH¢684.6 Bn (US$55.1 Bn) in September, of which 46.4% was domestic debt. Public debt stood at 48.9% of GDP over the same period, decreasing from 68.9% of GDP as at Q3 2025. The country maintained significant buildup in international reserves, with Gross International Reserves increasing to US$11.4 Bn (4.8 months import cover) in October, from US$7.6 Bn in October 2024 (3.5 months import cover).



Annual consumer inflation decelerated for the 11th month running to 6.3% in November 2025, the steepest in more than a decade. There were broad-based declines across both food and non-food categories. This disinflation has been driven primarily by tight monetary policy, relative more stable local currency and ongoing fiscal consolidation efforts. Thus, the Monetary Policy Committee reduced the policy rate by 33.3% on a year-to-date basis.

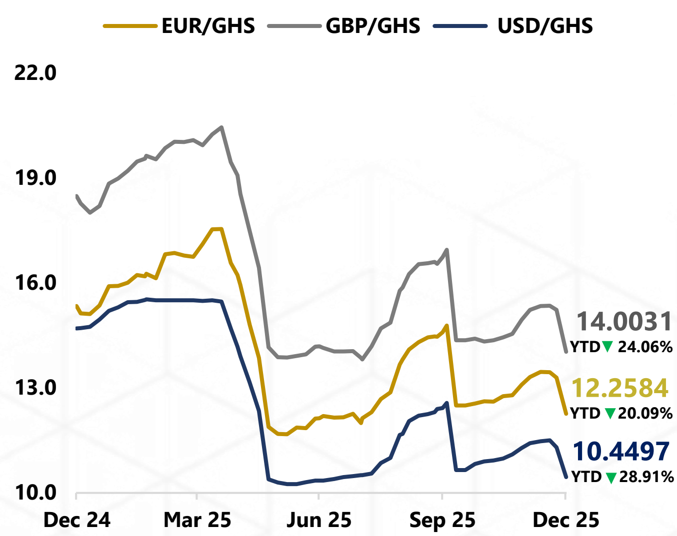


CURRENCY AND COMMODITIES

GHANA'S CURRENCY SHOWED VOLATILITY BUT OVERALL APPRECIATION

The local currency experienced a relatively steady appreciation in the course of the year. The cedi came under pressure in the month of August due to both demand and supply factors. Demand pressures picked up sharply in August and early September 2025. However, the cedi appreciated by 28.9%, 20.0%, and 24.1% against the dollar, pound, and Euro, respectively, on a year-to-date basis. This is against a depreciation of 23.1%, 21.9% and 23.0%, against the dollar, pound, and euro, respectively, during the same period in 2024.

GH¢ vs. Major Currencies



Brent crude oil prices were volatile in 2025 but declined overall, falling from early-year highs near US$80 per barrel to around US$60–70 per barrel amid weaker demand and oversupply concerns.

52-week Low	Current Price (US$)	52-week High
58.40	60.85	82.63

Cocoa prices were highly volatile in 2025 but declined sharply from record highs above US$12,000 per tonne earlier in the year to around US$6,000 per tonne, though they remained elevated relative to historical averages.

52-week Low	Current Price (US$)	52-week High
4,810.06	5,897.73	11,510.37

Gold prices surged strongly, rising over 60% to record highs above US$4,300 per ounce as safe-haven demand, central bank buying, rate-cut expectations, and geopolitical uncertainty drove a powerful rally.

52-week Low	Current Price (US$)	52-week High
2,649.08	4,315.09	4,532.63

FIXED INCOME MARKET

PERFORMANCE WAS STRONG, MARKED BY ROBUST INVESTOR DEMAND

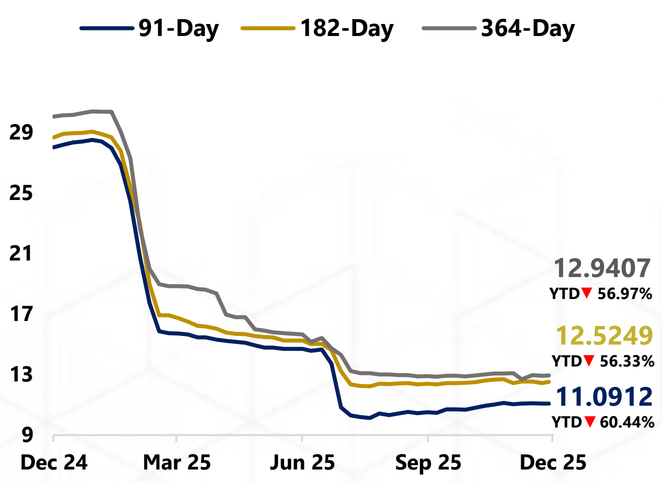
On the money market, interest rates broadly trended downwards in 2025 compared to the end of 2024. Treasury bill rates realized a major dip from a high of 28.04%, 28.68%, 30.07% as at end of 2024 to a low of 10.13%, 12.23% and 13.09% in August 2025 across the 91-day, 182-day and 364-day bills respectively. The bills tapered and began to gradually trend upwards the last few weeks of the year, ending the year at 11.09%, 12.52% and 12.94% across the 91-day, 182-day and 364-day bills respectively.

The bond market in 2025 faced notable increase in local bond trading volumes.

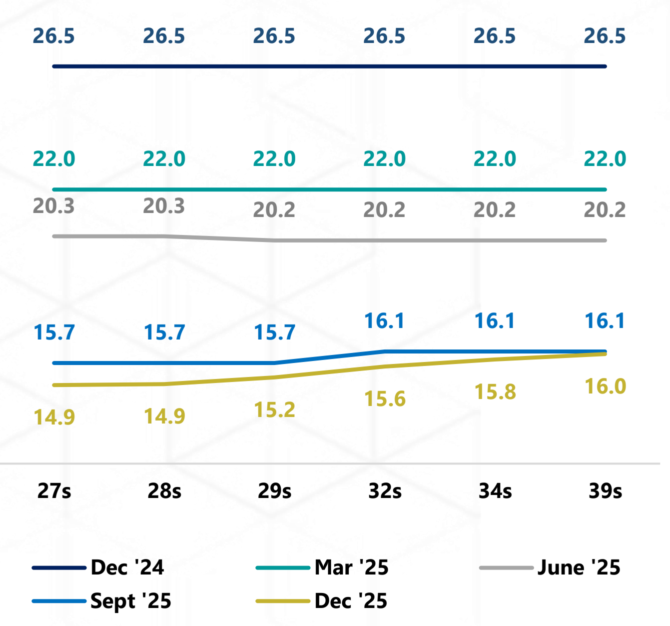
The bond market performed strongly in 2025, with improving macroeconomic conditions restoring investor confidence. With moderating yields attracting strong demand, trading activity on the government securities rose sharply despite restructuring-related risks.

Interest rate on the bond market realized a significant decline between the end of 2024 and the end of 2025. However, the rates averaged 15.5% across the curve, as at the end of 2025 from an average 26.5% in the previous year.

Treasury Bill 1-Year Trend

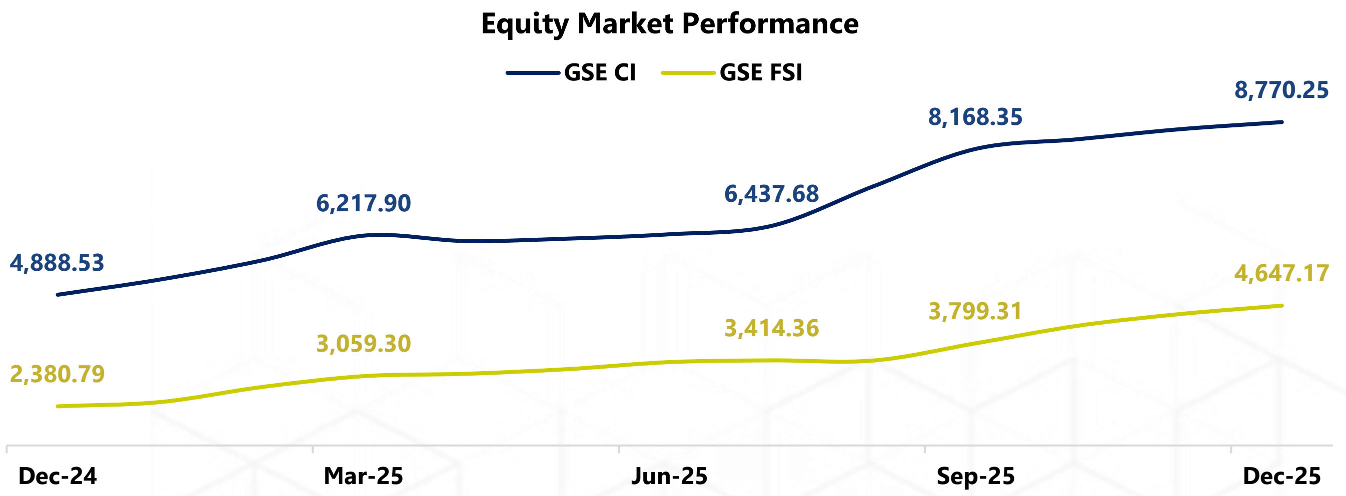


Yield Curve



EQUITY MARKET

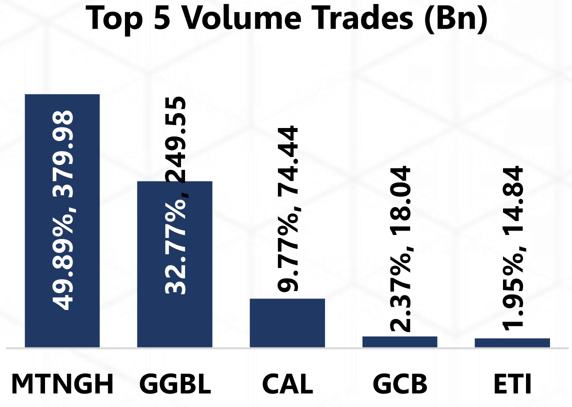
THE EQUITIES MARKET UNDERSCORED STRONGER MOMENTUM AND SUSTAINED INVESTOR CONFIDENCE

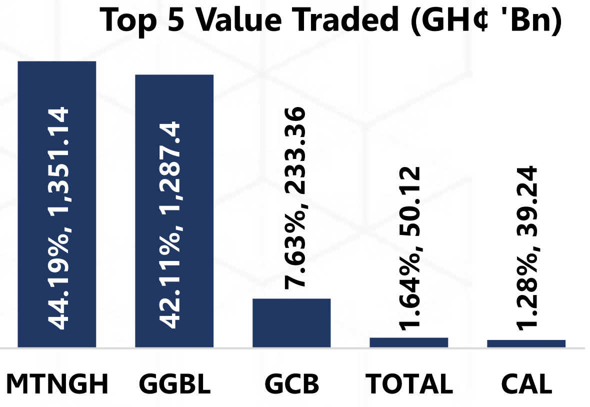


The Ghana Stock Exchange ended 2025 with a return of 79.40%, the highest recorded in a decade. Financial stocks also ended the year with a 95.19% return, from 25.2% in 2024 and a strong recovery from the 7.36% decline recorded in 2023.

The top gainers for the year were CLYD (GH¢0.46; ▲1,433.33%), SIC (GH¢1.20; ▲344.44%), EGH (GH¢25.00; ▲ 284.62%), GCB (GH¢20.11; ▲215.70%), and ACCESS (GH¢16.20; ▲211.51%).

The biggest loser was MAC (GH¢5.20; ▼ 3.35%).





THE BANKING SECTOR

THE BANKING SECTOR SHOWED RESILIENCE AND STRONG ASSET GROWTH

The banking sector showed resilience in the first nine months of 2025, as assets growth remained strong. However, growth in the banking industry assets in September 2025 moderated on the back of appreciation of the Ghana cedi and a decline in foreign borrowings. Total banking sector assets grew by 13.6% to GH¢397.2 Bn as at end-September, relative to 42.5% growth at end-September 2024. Profitability, liquidity, and efficiency indicators also improved over the period. The Capital Adequacy Ratio (CAR) adjusted for reliefs remained at 16.0% as at the end of the third quarter. The industry's NPL ratio was 19.8% in September 2025, down from 22.8% in September 2025.

By the third quarter of the year, the banks' results affirmed stronger industry performance relative to 2024. The industry demonstrated accelerated pace of recovery from the recent restructuring programme as well as its resilience and robustness during the period under review;

Asset Growth
GH¢ 397.24 billion
+ 13.6% Y-o-Y

Shareholder Funds
GH¢ 49.9 billion
+ 32.3% Y-o-Y

Loans & Advances
GH¢ 81.9 billion
+ 8.6% Y-o-Y

Net Profit
GH¢ 10.9 billion
+ 38.5% Y-o-Y

C A R
16.0% (Q3 2025)
13.1% (Q3 2024)

N P L
19.8% (Q3 2025)
22.8% (Q3 2024)

According to a new directive by the Central Bank, banks must reduce their NPL ratios to a prudential limit of 10% by the end of December 2026. Considering this new directive, current NPLs remain elevated. That notwithstanding, the banking sector remained sound, well capitalized and liquid as at end-September 2025. The industry's shareholders' funds (comprising paid-up capital and reserves) grew moderately by 32.3% to GH¢49.9 Bn as at Q3 2025, compared to a growth of 36.9% in the same period last year. The increase in shareholders' funds was due to capital injection by shareholders as well as the ploughing back of profits.

NEW LISTING ON THE GHANA STOCK EXCHANGE

A FLUKE OR A STOCK MARKET REBOUND?

After seven years without a new listing, the Ghana Stock Exchange (GSE) has welcomed First Atlantic Bank Ghana PLC to its roster of publicly traded companies. This marks a rare moment of primary market activity in a market that has, for much of the past decade, experienced limited new listings and muted investor interest.

The debut of First Atlantic Bank offers an intriguing signal to market watchers and investors alike. On one hand, it could be interpreted as a sign of renewed confidence in Ghana's capital markets, suggesting that both companies and investors are warming up to the idea of raising and deploying capital through the stock exchange. The listing may attract attention from institutional and retail investors, expand market liquidity, and provide a fresh avenue for portfolio diversification, after a long period where interest in equities were subdued. On the other hand, some may view this listing as an isolated event rather than a trend, driven by the unique readiness and ambitions of First Atlantic Bank itself rather than a broader resurgence of market activity.

After all, new listings on the GSE have historically been sporadic, and macroeconomic uncertainties, regulatory hurdles, and limited investor appetite have kept many companies on the sidelines. Regardless of whether this is a fluke or the start of a renewed wave of primary market activity, First Atlantic Bank's listing brings the spotlight back to Ghana's stock exchange and raises important questions for investors: Will this spark a new chapter of confidence in Ghanaian equities? Or is it simply a one-off move by a bank prepared to seize the moment?

For investors, the event is an opportunity to observe market sentiment closely, track trading activity, and consider the potential implications for equity allocations.

The next few months will be telling, as the market's response may provide a clue as to whether Ghana is on the cusp of a broader equity revival.

OUR OUTLOOK FOR 2026

THE ECONOMIC LANDSCAPE

Ghana is transitioning from crisis to recovery with declining inflation, stronger fiscal discipline, and improved reserves, creating a more predictable environment likely to attract investors and support portfolio and project planning

- ✓ **The IMF program** has positively influenced fiscal policy and investor confidence and thus, fiscal discipline is expected to continue in the short to medium term.
- ✓ **Fiscal consolidation** aims for a small deficit and primary surplus, while forecasts suggest monetary policy easing (policy rate around ~16.5 % by end-2026), further lowering borrowing costs and improving returns on fixed-income investments.
- ✓ **VAT reforms**, simplification of tax compliance, and higher VAT thresholds per the 2026 Budget are intended to spur activity in SMEs and formal sectors, improving the business climate and potentially attracting new capital.
- ✓ **Local currency** is expected to remain less volatile in the short term (up until Q3 2026) as sustained high gold prices will continue to strengthen the Bank of Ghana's reserves and enhance its ability to support the currency.
- ✓ **Inflation** is expected to continue remain within the Central Bank's target in the short term, helped by a firmer exchange rate, subdued global energy prices, and tighter fiscal policy. This rapid disinflation should give the Bank of Ghana room to further lower interest rates, reducing borrowing cost and financial pressure on households.

OUR OUTLOOK FOR 2026

THE INVESTMENT LANDSCAPE

The investment landscape in 2026 is likely to be more structured and stable than in the immediate past, but not without hurdles as it is largely contingent on the government maintaining rigorous fiscal discipline and successfully navigating the final stages of its debt restructuring.

1. Improved macro stability, tax reforms, and infrastructure spending are boosting investor confidence, supporting a **steady rebound in the equity market**. Sectors like banking, manufacturing, and consumer goods are likely to see improved valuations if earnings strengthen.

2. Fiscal consolidation and declining inflation are **stabilising yields and supporting government's re-opening of the bond market**. Investors may see **more predictable returns**, though revenue risks could still trigger yield volatility.

3. A **more stable cedi** and stronger reserve position **reduce forex volatility and support currency-linked investments**. However, external shocks and global headwinds still pose risks to sustained stability.

4. Banks and financial sectors have showed stronger balance sheets and rising credit growth. We expect **financial sector assets to be more attractive in 2026**. However, profitability will depend on maintaining low NPLs and stable interest rates.

5. Falling inflation and a gradual easing of monetary policy make short-term instruments slightly less lucrative than in previous high-rate years. However, improved fiscal stability keeps them attractive for investors seeking safety and liquidity. We expect **real returns on short-term instruments to remain positive.**

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