

Sheku Sambadeen Sesay: Economic overview, trends and challenges

Statement by Mr Sheku Sambadeen Sesay, Governor of the Bank of Sierra Leone, at the Governor's annual dinner, Freetown, 28 January 2011.

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His Excellency, The President, Dr. Ernest Bai-Koroma and Mrs Sia Koroma,
Honourable, Vice President, Chief Alhaji Sam Sumana and Mrs Khadija Sumana,
Honourable Cabinet Ministers,
Honorable Speaker and Members of Parliament,
Her Lordship, the Chief Justice,
Your Worship, the Mayor of the Municipality of Freetown,
Your Excellencies, Members of the Diplomatic and Consular Corp,
Chairmen of the Board of Directors and Chief Executives of Commercial Banks and Other
Financial Institutions,
President of the Sierra Leone Chamber of Commerce, Agriculture and Industry,
Representatives of the Private sector,
Members of the Fourth Estate,
Distinguished Ladies and Gentlemen.

On behalf of the Board of Directors, Management and staff of the Bank of Sierra Leone, I am honoured by your presence once again at the Bank's Annual Dinner, my second as Governor of the Bank of Sierra Leone. As our country celebrates 50 years of independence, it is but appropriate that the Bank of Sierra Leone marks this milestone in the company of H.E. The President, the Hon. Vice President, the First Lady and Wife of the Hon. Vice President, along with other dignitaries.

Before I proceed, kindly permit me to request you to stand and join us in observing a moment's silence in memory of our departed colleagues and pensioners who were with us last year. May their souls rest in peace.

Your Excellency, distinguished guests, it is indeed an occasion for all stakeholders of the Bank – the Government, Civil Society and the public at large – to be updated on the progress of the Bank, its diverse contributions to the economic and social development of Sierra Leone and the challenges that lie ahead. This is also a fitting occasion to re-dedicate ourselves to the original mandate that the founding fathers adopted at the inception of the Bank in 1964 namely; to achieve and maintain monetary stability and, without prejudice, to maintain a sound, vibrant and stable financial system.

In this regard, I will be speaking on the theme "Repositioning the Bank of Sierra Leone to Meet the Challenges of the Financial Sector". As part of the global economic and financial system, Sierra Leone has not been entirely insulated from the shocks of the crisis and as the global economy reevaluates and repositions itself to achieve full recovery, it is but fitting, especially as our nation marks its 50th independence anniversary, that the Bank spearheads efforts to ensure that the financial system is robust enough to withstand any future shocks. In doing so, let us recall the developments on the global, regional and sub regional levels before examining the initiatives to reposition the Bank.

Global financial developments

Your Excellency, distinguished guests, as mentioned in my speech last year, the global economy is recovering, though at a slower and unbalanced pace. According to the IMF's World Economic Outlook, global growth was projected at 4.8 percent in 2010 with Asia and Latin America experiencing strong growth. Africa was also expected to experience robust growth, but growth in Europe was sluggish whilst in the United States, it remained subdued.

This uneven scenario in global growth has created several downside risks, including risks to the financial sector. There is no guarantee that the problems in the financial sector have been adequately addressed, but there have been concerted efforts to ensure that they do not recur. The introduction of new rules, in particular Basel III is expected to help in this direction, as Basel III will address issues including strengthening risk coverage of capital for banks, the buildup of capital buffers and the introduction of global minimum liquidity standards. However, countries are now realizing that in addition to these new rules there is the need for better supervision and the creation of crisis resolution mechanisms.

Your Excellency, distinguished guests, despite the down side risks to the global economy, there is room for optimism which stems from the progress being made to repair and reform the financial sector, including developing macro prudential approaches to limit systemic risks. Monetary policy in the developed economies should remain accommodative in order to serve as the first line of defense in the event of a future shock. Exchange rate policies are expected to be designed to support rebalancing of global demand, while structural reforms to enhance access to finance by small and medium scale enterprises (SMEs), should help boost growth and reduce unemployment. Finally, better policy coordination among all stakeholders should help alleviate liquidity constraints and rebuild confidence.

Regional financial trends

Your Excellency, distinguished guests, Africa has been reasonably unaffected by the crisis due to the low level of exposure of its economies to international trade and financial flows. The continent experienced encouraging growth in 2010 not only on account of a recovery in exports and commodity prices, but also due to implementation of prudent policies by some of our economies prior to the global down turn. In addition, the effect of reduced foreign inflows from aid, foreign direct investments and remittances was far less than originally anticipated. The increase in global demand and hike in oil prices benefitted oil-producing African countries with Nigeria and Angola, the two largest oil producers experiencing strong growth of around 6 percent.

In spite of the encouraging trends, risks to Africa's economic prospects remain, particularly given the faltering global economy. It was recognized that the crisis originated from the financial systems and this has underscored the need for a more robust and effective financial sector supervision framework in African countries that can withstand potential future shocks.

At a meeting of the Association of African Central Banks held in Dakar, Senegal, in August 2010, it was generally recognized that African central banks should adopt policies which should ensure a move towards macro prudential surveillance of the whole financial system and ensure that there are early warning signals and adequate remedial measures to deal with any crisis.

Sub regional financial developments

Your Excellency, distinguished ladies and gentlemen, as you are aware, the West African Monetary Institute (WAMI) is spearheading efforts to establish the Eco as the single currency, with a West African Central Bank and common monetary and financial policies for the Zone. However, as a result of the recent financial crisis, member states could not meet the macroeconomic convergence criteria which are part of the requirements, and a decision was taken by Heads of State and Government to postpone the launch of the single currency and the establishment of a West African Central Bank to not later than 1st January 2015.

In spite of these difficult conditions, the West African Sub region has shown remarkable resilience to the onslaught of the crisis mainly due to the region's low integration with global financial markets. However, in the post crisis period, indications are that economic growth would continue to remain robust, averaging around 7 percent for countries of the West

African Monetary Zone. In spite of this, lessons should be learnt from the effects of the crisis in other regions and, going forward as a single monetary zone, policies are being designed and implemented to prepare us to cope better with any threats to our financial systems. We must also recognize that there are peculiar risks to our zonal financial sector which are being addressed through new initiatives. Since the signing of a joint memorandum on cross border supervision, as I informed you in my speech last year, Governors' of the West African Monetary Zone have signed an additional memorandum for the establishment of a College of Banking Supervisors in July 2010.

In 2010, Liberia attained full membership of the West African Monetary Zone (WAMZ), increasing the membership from five countries to six, and has now been integrated into a number of projects including the Payments System, Financial Sector Integration, and Trade Policies.

Developments on the domestic front

Economic developments in 2010

Your Excellency, distinguished guests, on the domestic economic front, projected real GDP growth in 2010 was higher at 4.5 percent, compared to 3.2 percent in 2009, a reflection of government's effort to stimulate economic activities through investments in agriculture, energy and infrastructure. There was also an increased global demand for agricultural commodities and mineral exports which also improved the country's balance of payments position. Furthermore, new mining lease agreements have been signed with foreign companies which would increase returns in this sector in the medium term. Also, government's drive towards improving electricity supply and distribution, with the completion of the Bumbuna Hydroelectric Power Plant and additional thermal plants, contributed to increased productivity particularly in the manufacturing sector. However, going forward, there is a need to achieve a higher growth rate to stimulate economic activities and create more employment.

Your Excellency, ladies and gentlemen, the state of the economy was presented by the Honourable Minister of Finance and Economic Development, in his statement of Economic and Financial policies for 2011. During 2010, fiscal policy was geared towards enhancing revenue mobilisation to support government's expanded capital expenditure requirements. Emphasis was therefore placed on improving tax administration by reducing inefficiencies in tax collection and increasing the levels of compliance. The performance of the newly introduced Goods and Services Tax (GST) was encouraging, with a compliance rate of 60 percent. This is an indication of hope for future revenue performance in Sierra Leone.

On the other hand, expenditures exceeded the budgetary targets due to salary increases, expenditure on the health sector and infrastructural outlays. In this regard, the Bank would like to stress that the global financial crisis has resulted in global austerity measures worldwide, and Sierra Leone should not be left behind in making difficult financial choices. Compared to 2009, the year 2010 reflected a wider deficit which was financed mainly from the drawdown of Multilateral Debt Relief Initiative (MDRI) resources, some external financing and domestic borrowing mainly through Ways and Means Advances. Despite this accommodating monetary policy, we have not lost sight of our key mandate of maintaining price and exchange rate stability, thus the need to strike an elusive golden balance. On this note, the Bank continues to pursue an active monetary and exchange rate policy to achieve these objectives.

The inflation rate remained in double digits in 2010 with a year-on-year rate of 18.3 percent in November 2010. This was attributable to the impact of the introduction of the Goods and Services Tax (GST) in January 2010 coupled with the increases in fuel prices as a result of the gradual withdrawal of subsidies and the depreciation of the Leone. However, on the back

of enhanced liquidity management by the Bank of Sierra Leone, and given that the impact of the introduction of the GST is a one off, which took us to a higher platform, inflation is now expected to decline to single digit in 2011. Current transient increases in global food prices are expected to subside as the domestic supply situation improves and are therefore not expected to impact significantly on prices in Sierra Leone.

Your Excellency, ladies and gentlemen, in order to ensure more efficient monetary policy management, the Bank intensified efforts to deepen inter-bank market activity and also developed a benchmark interest rate which would guide the commercial banks in fixing their various interest rates.

Despite the above developments, monetary policy management was significantly challenged in 2010, owing to delays in external donor disbursements and government's expansionary fiscal policies which had to be accommodated by the Bank. The weekly foreign exchange auctions were utilised to complement monetary operations in order to sterilize liquidity, in addition to providing much needed foreign exchange to businesses. The amount allocated for private sector support through the weekly auction in 2010 was US\$47.6 million, which was lower than the US\$67.7 million in 2009. This reduction was necessary to cater for government's infrastructural development needs whilst maintaining the required level of reserves to absorb endogenous and exogenous shocks.

As you are aware, the Bank has been providing foreign exchange through the auction system but with our import bill increasingly higher than our export earnings, pressure on the Leone has intensified. There is therefore the need for a concerted effort in ensuring that export proceeds are repatriated into the country to ease these pressures. The Bank will therefore be embarking on a drive to ensure maximum compliance with the laid down procedures with exports and its attendant receivables from abroad. The depreciation of the Leone in 2010 was only 7.7 percent compared to almost 30 percent in 2009. It is expected that with the promotion of an interbank foreign exchange market, stability of the Leone will be enhanced in 2011.

In addition to the above, I am pleased to inform you that our external reserves are comfortable and our external debt is manageable. Gross external reserves increased to US\$345.23 million at end 2010 compared to US\$336.3million at end 2009, which could cover six months of imports and cushion the country against external shocks. External borrowing was directed towards highly concessional loans that met rigorous criteria. The level of external debt increased from US\$680.0mn in 2009 to US\$722.1mn in 2010 but remains at modest risk and is sustainable compared to levels before our eligibility to the Highly Indebted Poor Countries Initiative (HIPC) in 2006.

Following the successful completion of the IMF's Poverty Reduction and Growth Facility (PRGF) – supported Programme in December 2009, the country adopted a successor Extended Credit Facility (ECF) programme beginning July, 2010 and was able to successfully complete the first review on 6th December 2010.

Financial sector developments in 2010

Your Excellency, distinguished ladies and gentlemen, allow me to take you through the status of financial sector developments during 2010:

- On the banking sector, the number of commercial banks was reduced from 14 to 13 with Procredit Bank being taken over by EcoBank, due to an increase in the capital requirements which did not fit in with the Procredit Bank's business model.
- Provisional figures for the banking industry in November 2010, reveal an 18 percent increase in total assets in the last twelve months to almost Le2.0 trillion.
- The industry profits increased by 238 percent based on unaudited figures, with five of the commercial banks recording a loss compared to seven last year.

- The total deposit base of the banking system increased by 23 percent to Le1.7 trillion as of November 2010.
- Total private sector credit increased by 30.4 percent in 2010, lower than the 46.2 percent recorded for 2009, with non-performing loans declining, albeit slightly, to about 16 percent of total loans by November 2010.
- Domestic interest rates remained generally stable, with the exception of interest rates on government securities, which rose due to increased borrowing by Government. This development, which is currently being addressed by the Bank of Sierra Leone and the Ministry of Finance and Economic Development could have a rippling effect on commercial banks' lending rates.

Your Excellency, distinguished ladies and gentlemen, in the early part of 2010, I summoned a series of meetings with board members and managing directors of all commercial banks to review various aspects of their operations, including profitability and corporate governance. The aims of these meetings were to ensure that all commercial banks were brought on board the central bank's plan to reinvigorate the financial sector by creating stronger, more profitable and efficient institutions and to ensure that individual bank practices do not pose risks to the entire banking system as has been the case in other parts of the globe. On the whole, our discussions were quite fruitful, with some of the issues raised such as governance structure, compliance with statutory requirements, prudence in lending operations, capitalization, and others related to deposit and credit concentration were deeply discussed. The commercial banks also gave valuable comments which were very useful in resolving some of the effects of the global financial crisis on our economy.

Your Excellency, distinguished ladies and gentlemen, you may recall that six pilot community banks were established by the Bank of Sierra Leone. However, given the problems encountered by the community banks, a committee comprising the chairmen of the community banks was setup by the Bank of Sierra Leone to review the poor performance of these banks. As a result of the study, corrective action was taken by the central bank in collaboration with the International Fund for Agricultural Development (IFAD) to develop a rescue plan of action to comprehensively address distressed community banks and enhance the efficiency of their operations.

As part of our currency management drive, the Bank of Sierra Leone issued on 14th May 2010, a new four-note series of resized banknotes to improve security features and help denomination-recognition for the visually impaired and illiterate. The design themes and portraits of the previous series (which date back to early 1990s) have been retained, but the Bank has taken the opportunity to make the notes more secure. By resizing the notes, the Bank of Sierra Leone has also addressed the problem of criminal bleaching of genuine notes and their redenomination to higher values. Durability has also been enhanced in the form of a post-print vanish, to provide a defense against the rigours of Sierra Leone's tropical climate, heavy usage in a cash-dependent society, and poor handling by the public.

In this regard, the Bank of Sierra Leone has expressed concern over the manner in which the nation's currency is handled and we have cautioned the public that although the new series of notes have been treated with vanish to enhance their durability, it is the responsibility of the Public to observe "proper handling" to increase their circulation life. Furthermore, it is the nation's civic responsibility to know their bank notes and to handle them properly. During the introduction of the notes, we allowed a 12-month transition period during which the old and the new notes co-circulated. The Bank will shortly advise the public as regards the deadline for the co-circulation of these notes. In the meantime, I am pleased to inform you that over 93% of the old notes have already been withdrawn and Sierra Leoneans now have notes they can be proud of.

During 2010, the Bank made substantial progress in setting up a credit reference bureau which will allow the banks to exchange information on customers in an effort to reduce the

incidence of nonperforming loans, reduce the interest rates on loans and stimulate private sector credit flows. The relevant bill has been drafted and forwarded to parliament for enactment, and draft guidelines have been developed. Staff of the Bank have also been trained in the management of the credit reference bureau and an office has been established.

Your Excellency, distinguished guests, the Bank continues to be vigilant in the supervision of the financial system and I shall now outline policies geared towards repositioning the Bank to meet the challenges of the financial sector.

Repositioning the Bank of Sierra Leone to meet the challenges of the financial sector

Your Excellency, distinguished guests, before I start on the current activities of repositioning the Bank, I would like to acknowledge the efforts of past Governors in reforming the financial sector through the implementation of various IMF/ World Bank programmes, since this dinner coincides with the 50th Independence anniversary. In this regard, we pay tribute to Mr. Gordon Hall, the very first Governor and Mr. Sylvanus Nicol-Cole, the first Sierra Leonean Governor. We also want to remember two former Governors who sadly passed away whilst in active service; late Messrs. Sam Bangura and Victor Bruce (may their souls rest in peace). Permit me to pay tribute to all other former Governors who have contributed immensely to our institutional development over the years. I want to take this opportunity to thank them all for their contributions in reforming the Bank and upholding the dignity and effectiveness of our noble institution.

Your Excellency, distinguished guests, the recent global economic and financial crisis was a wake-up call to the realisation that low and stable inflation, a sound banking system, as well as high and sustainable economic growth, though necessary, are not sufficient conditions for financial stability. As you are aware, the Bank had developed the Financial Sector Development Plan (FSDP) which was approved by cabinet in 2009, to address the shortcomings in the financial sector. It is expected that funding for the FSDP would be provided under a basket fund arrangement with development partners, including KfW, GTZ, and AfDB, with the World Bank assuming a leading role. The Bank is in the process of setting up a secretariat for successful implementation of the FSDP for which the Head has been appointed.

Your Excellency, distinguished ladies and gentlemen, permit me to proceed with the discussion on the highlights of the reform policies to reposition the Bank and the current state of their implementation.

Strengthening the supervisory role of the Bank of Sierra Leone

Your Excellency, distinguished guests, even though the Bank was granted legal sanction by the Bank of Sierra Leone Act 2000, its powers and operational autonomy are limited. In order to strengthen its powers in the conduct of monetary policy, its supervisory role and to ensure financial stability especially with the multiplicity of banks, the Bank of Sierra Leone Act is being reviewed with technical assistance from the IMF. The Banking Act 2000 is also being reviewed to protect the interests of depositors and shareholders and to further strengthen the Bank's supervisory and enforcement powers. The Bank of Sierra Leone has broadened its regulatory and supervisory frameworks to include a number of "other financial institutions" in accordance with the provisions of the Other Financial Services Act 2001, which is also being amended to ensure compliance with international regulatory standards.

The Bank has issued revised prudential guidelines governing the operations of commercial banks. These guidelines have clearly specified requirements to address issues relating to capital adequacy, asset quality, liquidity, corporate governance, market risks, etc, which will be strictly enforced. The Bank has also adopted the International Financial Reporting

Standards (IFRS) as its financial reporting framework and has requested the commercial banks to do likewise.

Furthermore, the Bank of Sierra Leone has adopted two complementary approaches to address governance and risk management issues. Firstly, the Bank has focused on risk factors originating within the financial system and secondly, mechanisms are being adopted and implemented to address risks originating mainly from unlicensed financial institutions. Therefore, the Bank's supervisory strategy is shifting from compliance – based to risk – focused supervision.

Your Excellency, distinguished guests, with the increase in the number of banks, the Bank of Sierra Leone has taken steps to ensure that commercial banks are adequately capitalized to absorb shocks and enhance their capacity to extend credit. In this regard, the Bank has increased the required minimum paid-up capital from Le15 billion in 2009 to Le30 billion over a five year period and preliminary indications are that most commercial banks have met this minimum capital as at end December 2010.

Cross-border challenges

Your Excellency, distinguished ladies and gentlemen, as investors extend their investment outreach across national frontiers, the Bank of Sierra Leone has in addition to signing a memorandum of understanding for information sharing last year in the WAMZ member states, has also seen the need for further action to enhance cooperation with other supervisory bodies in the sub region. To this end, Sierra Leone became a member of The College of Supervisors of the West African Monetary Zone in 2010, an institution set up to coordinate and harmonize supervisory information and practices among central banks of WAMZ member countries. At its recent meeting held in Accra, the College agreed, amongst others that:

- Capacity building through training to be delivered by WAIFEM, should be central to its future operations;
- A common supervisory framework for member countries should be established;
- Financial Stability Reporting should be standardized and uniform; and
- Regional corporate governance guidelines should be developed.

Your Excellency, distinguished guests, given the menace of the growing trend in drug trafficking in the sub-region, the Bank, under its obligation to comply with all international standards on Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), has in collaboration with its partners, reviewed the Anti-Money Laundering Act 2005 to address its inadequacies. The AML/CFT Bill 2009 has been approved by Cabinet and is now awaiting legislative enactment. In the meantime, the Bank is enforcing the current Anti-Money Laundry Act through its Financial Intelligence Unit (FIU). In this regard, the Bank in close collaboration with the Anti Corruption Commission is examining the possibility of signing a Memorandum of Understanding for investigation and prosecution in relation to money laundering and other financial crimes that involve suspicious transactions and politically exposed persons.

Oversight of the payments and settlement system

Your Excellency, distinguished guests, the Bank, with the support of its development partners, has embarked on modernization of the payments, clearing and settlement systems by implementing A SWIFT FIN Copy Service in April 2010. This will enable the settlement of large value interbank transactions faster and reduce the risk element.

With supervision by WAMI and funding from the African Development Bank (AfDB), the following payments system reforms are at various stages of implementation:

- The infrastructure of the Bank is being upgraded to state-of-the art IP-based data communication networks, supported by a reliable uninterrupted power supply;
- The state of preparedness of the commercial banks for connectivity to BSL in a bid to ensure the efficiency of the payments system is in the process of being reviewed;
- The payments system components of core banking application, automated cheque processing (ACP), automated clearing house (ACH), real time gross settlement and scriptless security settlement are currently being deployed;
- The proposed deployment, by a private company, of fibre optic for connectivity between the commercial banks and the Bank of Sierra Leone is in progress.

Financial Inclusion for poverty reduction and growth promotion

Your Excellency, distinguished ladies and gentlemen, the Bank seeks in its operations to go beyond monetary policy to promote poverty reduction, create employment and growth through enhancing access to finance in the rural areas which constitute a significant proportion of the economy. The Bank welcomes the growth in the number of microfinance institutions (MFIs), Financial Services Associations (FSAs), the opening of new branches of banks and the introduction of mobile banking in a move to improve rural financial intermediation. As the number of these institutions increases, the challenge would be to effectively supervise and regulate them.

Other financial sector issues

Your Excellency, distinguished guests, one of the major limitations to investment in Sierra Leone is the non availability of medium to long term funds. The Bank in the context of the FSDP intends to address this issue in consultation with insurance companies, NASSIT and other potential medium to long term fund holders to see how such funds could be mobilized. Also, the establishment of the stock exchange could serve as a source of funds through the collective investment scheme. In the mean time, the Bank is working closely with the Ministry of Finance and Economic Development for the issuance of long term bonds to assist Government in financing its development programmes. We hope that when these bonds are issued, the public will respond positively to our development initiatives. Another area of concern is the absence of specialized institutions that finance activities in key sectors that contribute to growth. This is being addressed by the Bank in consultation with the relevant ministries. Furthermore, the Bank is also considering options on how funds from the formal sector can be used to assist the informal sector.

Strengthening the regulator

Your Excellency, distinguished ladies and gentlemen, the Bank has made notable progress in strengthening its governance structure and corporate management system. There is also broad harmony and genuine cooperation among all stakeholders of the Bank as well as among the various regulatory bodies of the commercial banks.

In the area of human resource management, a more open and transparent system has been introduced. Pay and benefits structures have been adjusted in line with practices of sister institutions to enable the Bank attract high calibre staff. We have also developed a new staff evaluation system which rewards competence and performance. More importantly, the staff and management have, on their own, adopted a set of core values following international standards by developing a Code of Conduct.

Framework for financial stability analysis

Your Excellency, Distinguished Ladies and Gentlemen, even though the Bank, in its response to the global financial crisis, has sought to address numerous issues of concern to the stability of the financial system, many more challenges remain to be addressed. The adoption of a financial stability analysis framework through which potential vulnerabilities in the system can be identified and gauged, is key to safeguarding the long-term stability of the financial system.

The Bank is aware of these requirements, and has set up a unit in the Research Department to monitor and periodically report on financial stability. Efforts are still at a transitory stage but going forward, the Bank is seeking to develop a full-fledged financial stability framework. As part of the risk assessment drive, the Bank, with technical assistance from the IMF, plans to undertake stress assessment of the banking system to determine the resilience of their portfolios to various shocks. This exercise will be conducted in 2011.

With these measures, the bank will be in a better position to detect systemic threats and put in place remedial measures to ensure continued soundness of the financial system.

Conclusion

Your Excellency, distinguished guests, the Bank of Sierra Leone has indeed made much progress since its establishment. While many challenges remain, there can be little doubt that the Bank has over the last years built up its financial, technical and institutional capacity to continue to provide major support to the developmental efforts of Sierra Leone. Today, all stakeholders would find in the Bank of Sierra Leone a unique symbol of their partnership and an institution in which they can take immense pride. In the years ahead, the Bank can be expected to play a critical role including the maintenance of a stable financial system in helping Sierra Leone tackle its many developmental challenges. It is therefore incumbent on all stakeholders to strengthen this unique institution by helping it to grow further and to assume its role as an apex institution.

Your Excellency, ladies and gentlemen, in concluding, I wish to thank our numerous partners with whom we enjoy good relations, especially our international, regional and sub regional partners, for their support and assistance to the Bank. The Bank has benefitted from capacity building, training, technical assistance, and funding from:

- The African Development Bank (AfDB);
- The Association of African Central Banks (AACB);
- The British Department for International Development (DFID);
- The Economic Community of West African States (ECOWAS);
- The European Union (EU);
- The German Technical Cooperation (GTZ);
- The International Monetary Fund (IMF);
- The International Fund for Agricultural Development (IFAD);
- The Reconstruction Credit Institute (KFW);
- The United Nations Development Programme (UNDP);
- The West African Monetary Agency (WAMA);
- The West African Monetary Institute (WAMI);
- The West African institute for Financial and Economic Management (WAIFEM); and

- The World Bank

This list is by no means exhaustive.

We want to assure these organisations of our cooperation at all times and we know that with their continued support we shall maintain the course despite the challenges of our time.

I am most grateful to

- His Excellency, The President Dr. Ernest Bia-Koroma
- The Honourable, Vice President Chief Alhaji Sam Sumana
- The Minister of Finance and Economic Development
- The Honourable Speaker and Members of Parliament
- The President of the Bankers' Association

The many Heads of States and Governments, many former Governors, heads of financial institutions, as well as heads of international and regional organisations that have contributed to enhancing the role of the Bank in promoting economic and social progress, in particular, financial stability in Sierra Leone. Their varied contributions are a testimony to the achievements of the Bank and the high esteem it is held today. They also underscore the major reforms that the Bank, supported fully by all the stakeholders, has implemented since 1964, covering operational, financial, and governance matters.

I would like to thank members of the Board of Directors, the Deputy Governor, Management and Staff of the Bank for the guidance, support and cooperation throughout 2010. Let me also extend my gratitude to my family and friends for their prayers, continued support and guidance, not forgetting the Fourth Estate for the work they have done in sensitizing the public on the role and policies of the Bank.

I thank you for your attention. My very best wishes to you all for a peaceful 2011 and hope that it brings good health and contentment together with prosperity. God bless.