CENTRAL BANK OF LIBERIA
ANNUAL REPORT
2022

Central Bank of Liberia
Annual Report
January 1 to December 31, 2022

This Annual Report is in line with part XIII Section 63(1) of the Amendment and Restatement of the Act Establishing the Central Bank of Liberia of October 2020. The contents include: (a) report on the Bank's operations and affairs during the year; and (b) report on the state of the economy, including information on the financial sector, monetary aggregates, financial markets, fiscal sector, and external sector developments, amongst others.

CENTRAL BANK OF LIBERIA

Office of the Executive Governor

March 30, 2023

His Excellency
Dr. George M. Weah
PRESIDENT
Republic of Liberia
Executive Mansion, Capitol Hill Monrovia, Liberia

Dear President Weah:

In accordance with Part XIII Section 63(1) of the Amendment and Restatement Act 2020 of the Central Bank of Liberia (CBL), I have the honor, on behalf of the Board of Governors and Management of the Bank to respectfully submit, herewith, the Annual Report of the CBL to the Government of Liberia for the period January 1 to December 31, 2022.

The Report reflects the activities and achievements of the Bank during the period mentioned.

The Bank wishes to extend its gratitude to your office for all the support.

Respectfully yours,

J. Aloysius Tarlue, Jr.
EXECUTIVE GOVERNOR

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ACRONYMS

AACB	**-**	***ASSOCIATION OF AFRICAN CENTRAL BANKS***
ABLL	-	*Access Bank of Liberia Limited*
ACH	-	*Automatic Clearing House*
AFBLL	-	*Afriland Bank Liberia Limited*
AFDB	-	*African Development Bank*
AFREXIMBANK	-	*African Export and Import Bank*
AFI	-	*Alliance for Financial Inclusion*
AMCP	-	*African Monetary Cooperation Program*
AML	-	*Anti – Money Laundering*
ATI	-	*African Training Institute*
ATMS	-	*Automatic Teller Machines*
AUC	-	*African Union Commission*
BAC	-	*Board Audit Committee*
BIL	-	*Banking Institute of Liberia*
BIC	-	*Board Investment Committee*
BOP	-	*Balance of Payments*
CA	-	*Current Account*
CAMELS	-	*Capital adequacy, Asset quality, Management, Earnings, Liquidity, & Sensitivity to market risk*
CAR	-	*Capital Adequacy Ratio*
CBL	-	*Central Bank of Liberia*
CBN	-	*Central Bank of Nigeria*
CBWA	-	*Central Bank of West Africa*
CDA	-	*Central Depository Act*
CCU	-	*Corporate Communications Unit*
CFT	-	*Combating the Financing of Terrorism*
CIBN	-	*Chartered Institute of Bankers of Nigeria*
CIC	-	*Currency in Circulation*
CIF		*Cost Insurance Freight*
COVID-19	-	*Corona Virus*
CPI	-	*Consumer Price Index*
CPO	-	*Crude Palm Oil*
CRS	-	*Credit Reference System*
DMDI	-	*Diaconia Microfinance Deposit-Taking Institution*
EBI	-	*Egyptian Banking Institute*
EBLL	-	*Ecobank Liberia Limited*
ECF	-	*Extended Credit Facility*
ECOWAS	-	*Economic Community of West African States*
EFT	-	*Electronic Funds Transfer*
EOP	-	*End-of-Period*
EPSS	-	*ECOWAS Payments & Settlement System*
ERAT	-	*Economic Recovery and Accelerated Transformation*
ERMD	-	*Enterprise Risk Management Department*
ESCP	-	*ECOWAS Single Currency Program*
EU	-	*European Union*

FOB		Freight on Board
FISSDAH	-	Financial Sector Super Data Highway
FMD	-	Financial Markets Department
FS	-	Financing Statements
FSI	-	Financial Soundness Indicators
GBLL	-	Global Bank Liberia Limited
GDP	-	Gross Domestic Product
GIR	-	Gross International Reserves
GOL	-	Government of Liberia
GSSD	-	General Support Services Department
GTBLL	-	Guaranty Trust Bank Liberia Limited
HRMD	-	Human Resource Management Department
IAD	-	Internal Audit Department
IBLL	-	International Bank Liberia Limited
IFAD	-	International Fund for Agricultural Development
IFC	-	International Finance Corporation
IFRS	-	International Financial Reporting Standards
IMF	-	International Monetary Fund
IT	-	Information Technology
IPF	-	Investment Project Facility
KA	-	Capital Account
KG	-	Kilogram
KRI	-	Key Risk Indicators
KYC	-	Know Your Customer
LBDI	-	Liberia Bank for Development and Investment
LEDFC	-	Liberian Enterprise Development Finance Company
LIC	-	Low Income Countries
LISGIS	-	Liberia Institute of Statistics and Geo-information Services
LMCL	-	Liberia Merchant Capital Limited
LMDI	-	Liberia Media for Development Initiatives
LOC	-	Letter of Credit
LRA	-	Liberia Revenue Authority
LRD		Liberian dollar
LTA	-	Liberia Telecommunication Authority
LWG	-	Liquidity Working Group
M1	-	Narrowed Money Supply
M2	-	Board Money Supply
MCM	-	Monetary and Capital Markets
MDIS	-	Deposit-taking Microfinance Institutions
MFDP	-	Ministry of Finance and Development Planning
MFIS	-	Microfinance Institutions
MISTD	-	Management Information Systems & Technology Department
MNO	-	Mobile Network Operators
MOU	-	Memorandum of Understanding
MPAC	-	Monetary Policy Advisory Committee
MPC	-	Monetary Policy Committee
MPR	-	Monetary Policy Rate

MT	-	Metric Ton
NASSCORP	-	National Social Security and Welfare Corporation
NBCOS	-	Non-Bank Credit Only Institutions
NDA	-	Net Domestic Assets
NFA	-	Net Foreign Asset
NFES	-	National Financial Education Strategy
NFIS	-	National Financial Inclusion Strategy
NHSB	-	National Housing and Savings Bank
NMFIS	-	Non-deposit taking Microfinance Institutions
NPLS	-	Non-Performing Loans
ODA	-	Oracle Database Appliance
PAPD	-	Pro-Poor Agenda for Prosperity and Development
PAPSS	-	Pan African Payment and Settlements System
PFMRP	-	Public Financial Management Reform Project
POS	-	Point of Sale
PTIA	-	Post Training Impact Assessment
PWC	-	Price Water House Coopers
RBIA	-	Risk-Based Internal Audit
RCFI	-	Rural Community Finance Institutions
RGDP	-	Real Gross Domestic Product
ROA	-	Return on Asset
ROE	-	Return on Equity
RPPD	-	Research, Policy and Planning Department
RR	-	Reserves Requirement
RSD	-	Regulations and Supervision Department
RTGS	-	Real Time Settlement Systems
SCF	-	Standing Credit Facility
SDR	-	Special Drawing Rights
SDOC	-	Significantly Domestic Owned Companies
SIBLL	-	Sapelle International Bank Liberia Limited
SIPS	-	Systematically Important Payments System
SMA	-	Securities Market Act
SME	-	Small and Medium Enterprises
SP	-	Strategy Plan
SSSS	-	Scripless Security Settlement System
TA	-	Technical Assistance
TASU	-	Technical Assistance Supervision Unit
TCCR	-	Technical Committee for Currency Reform
TMU	-	Terms of Memorandum of Understanding
TOZ	-	Troy Ounce
UBALL	-	United Bank of Africa Liberia Limited
UBI	-	Unique Bank Identity
UK	-	United Kingdom
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development
US	-	United States
USD	-	United States Dollar

VSLA	-	*Village Savings and Loan Association*
WACMI	-	*West African Capital Markets Integration*
WAIFEM	-	*West African Institute for Financial and Economic Management*
WAMA	-	*West African Monetary Agency*
WAMI	-	*West African Monetary Institute*
WAMZ	-	*West African Monetary Zone*
WB	-	*World Bank*
WBG	-	*World Bank Group*
WEO	-	*World Economic Outlook*
WHO	-	*World Health Organization*

FOREWORD

I am pleased, on behalf of the Board of Governors and Management, to present the Annual Report of the Central Bank of Liberia (CBL) for the year end-December 31, 2022, pursuant to Section 63 of the Amendment and Restatement of the CBL Act of 2020. This is the third Annual Report since I assumed office as Executive Governor of the Bank.

In this vein, I have taken cognizance of its quality, while recognizing the strides in the level of services that the CBL continues to provide to the public. It is important to acknowledge that the year 2022 was an eventful year for the Bank.

During the year, the CBL continued with its institutional and financial sector reforms in line with the Bank's three-year Strategic Plan (2021-2023), specifically focusing on the implementation of a comprehensive currency reform program in compliance with the mandate of the Joint Resolution by the 54th National Legislature for the full replacement of all existing Liberian dollar currency with a new family of currency.

In response to the logistical constraints faced by the commercial banks and limited bank branches across the country, and to fast-track the implementation of the currency replacement exercise, the Board of Governors approved the Currency Exchange Decentralization Plan, which is well on course. In the same context, the Board approved for the construction of the second cash hub in Fish Town, Rivergee County and renovation of the former Ecobank facility in Lofa County to ease the constraints of cash management, facilitate the collection of government revenue, and enhance financial confidence across the country.

On the global economic front, the uncertainty remained, despite the easing of the COVID-19 pandemic. The global economic developments in 2022 took a downward trend with growth moderating to 3.4 percent from 6.2 percent recorded in 2021, largely on account of the legacy impact of the COVID-19 pandemic, Ukraine - Russia war and tightening financial conditions in response to the high global inflation of almost 9.0

percent.

Although the global macroeconomic situations were anticipated to have adverse implications on the domestic economy, I am glad to report that the Liberian economy remained resilient following the 2019 and 2020 growth recessions, with a rebound of real GDP growth to 5.0 percent in 2021 and the estimated 4.8 percent growth recorded in 2022.

The exchange rate remained broadly stable with single digit inflation achieved throughout 2022 on account of prudent monetary policy and effective liquidity management as well as Government's adherence to sound fiscal policy of nonmonetary financing. However, the current account deficit widened, largely reflecting high import payments, thus requiring further concerted efforts to increase domestic production for both local consumption and exports.

In support of stimulating the real sector and boost production of tradable goods consistent with the Pro-poor Agenda for Prosperity and Development (PAPD), the Board of Governors of the CBL in December 2022, approved the development finance concept note to guide the Bank's plan for increased intermediation. The CBL plans to roll out a development finance program with the aim of attracting external resources from both private, public and external sources, including development partners with the aim of reducing the financing gap in critical growth enhancing sectors of the economy.

Efforts by the CBL to enhance the soundness and efficiency of the banking system in Liberia continued in 2022. The industry accounted for approximately 85.0 percent of the total assets of the financial sector as at end-December 2022 with a Capital Adequacy Ratio (CAR) at 25.3 percent, 15.3 percentage points above the minimum requirement. The sector also maintained a liquidity ratio position of 43.5 percent, far exceeding the minimum liquidity regulatory benchmark of 15.0 percent.

Despite the CBL's concern about NPLs ratio remaining above the tolerable limit of 10 percent, the NPLs recorded considerable reduction during the year occasioned by conscious effort of the Bank to improve asset quality. The Management of CBL, in

2022, encouraged banks to strengthen internal credit recovery strategy and asset quality.

With the aim of deepening financial inclusion, the CBL urged Commercial banks to increase investment in digital financial products, including mobile money operations. The Bank remains cautiously optimistic of favorable financial sector performance with rise in FinTech operations.

Towards building a vibrant financial sector that meets the growing demand of the public, the CBL further strengthened efforts in 2022 for the development of a viable money market, which would serve as a prelude to a full-fleshed financial market development. It is important to note that financial market viability is critical for effective transmission mechanism and financial transactions that may have implication on effective monetary policy implementation.

We remain unwavering in our commitment to enhancing the financial system as a cardinal pillar of support for sustainable economic growth and development in Liberia. In the context of this commitment, the Management of the Bank considers financial inclusion as a top priority. To this end, I am fascinated to report that through the support of our development partners and the broader stakeholders in Liberia, the National Financial Inclusion Rate of Liberia jumped to 52.0 percent from 35.7 percent reported in 2017. This means that Liberia has exceeded the benchmark of 50.0 percent far ahead of the National Financial Inclusion Strategy (NFIS) period 2020-2024.

I am profoundly gratified to recognize members of the Board of Governors, Senior Management and staff of the CBL for their invaluable contributions to the achievements noted in this report. Your expert views, strategic guidance and professional implementation of policy decisions were commanding force for the achievement of the Bank's strategic goals and missions as enshrined in the CBL Strategic Plan. I wish to acknowledge that without your enormous and collective contributions in upholding the Core Values of the Bank through innovation, commitment, and dedication to services, we would not have realized these gains.

On behalf of the Board of Governors, I would like to convey our gratitude to H. E. Dr. George Manneh Weah Sr., The President of the Republic of Liberia for his invaluable support of commitment to the independence of the Bank and the Minister of Finance and Development Planning (MFDP) for the collaborative support extended to the CBL during the review year. Notably, the coordination between the fiscal and monetary authorities contributed to the achievement of relative macroeconomic stability. Our appreciation also goes to all CBL's stakeholders (especially data providers) for the cooperation throughout the year, which has helped the Bank to successfully complete its statutory reports and publications.

Finally, I would like to extend my heartfelt thanks and gratitude to all our partners for their continuous support, both domestic and foreign. My special thanks go to the International Monetary Fund (IMF), World Bank (WB), United States Agency for International Development (USAID), African Development Bank (AfDB) and Economic Community of West African States (ECOWAS) for the collaboration, guidance and advice.

Signed: ______________________________

Hon. J. Aloysius Tarlue, Jr.

The CBL's Vison, Mission, Objectives, Functions, and Autonomy

Vision

"To achieve and maintain price stability by ensuring a sound financial system, thereby contributing to the nation's sustainable economic development."

Mission

"To maintain efficient and affective financial, payments, and information systems, and to formulate and implement a prudent monetary policy."

Objectives

Pursuant to Part II, Articles 3, Section 5 of the Amended and Restated 2020 Act of the CBL, the objectives of the CBL are inter-alia:

i. *Primarily, to achieve and maintain domestic price stability in the Liberian economy;*

ii. *Without prejudice to the above objective, to contribute to fostering and maintain a stable financial system; and*

iii. *Without prejudice to the objectives stated in subsection (I) and (II) under this section, to support the general economic policy of the Government, in keeping with its monetary policy mandate.*

Functions

Pursuant to the Amended and Restated 2020 Act of the CBL, the CBL has functional independence, operation autonomy, power, and exclusive authority to:

1) *Formulate and implement monetary policy;*
2) *Issue domestic banknotes and coins;*
3) *Administer the currency laws and regulate the supply of money;*
4) *Determine the appropriate foreign exchange regime;*
5) *Formulate and implement the exchange rate policy;*
6) *Act as fiscal agent for the Government;*

7. *Administer and enforce the New Financial Institutions Act of 1999 or its successor legislation;*
8. *License, regulate, monitor and supervise and resolve bank and non-bank financial institutions, as well as other specialized-deposit taking institutions;*
9. *Collect and produce statistics relative to its functions;*
10. *Hold and manage the foreign exchange reserves of Liberia, including gold;*
11. *Advise the Government on financial and economic matters;*
12. *Conduct foreign exchange operations;*
13. *Promote a safe, sound, and efficient payments system and provide supervision over payment service providers as further specified in relevant laws and regulations;*
14. *Administer the Securities Exchange Act 2016 to facilitate the establishment of the Securities Exchange Commission in keeping with the provisions of the said Act;*
15. *Adopt and implement the regulatory framework for insurance companies as further specified in relevant laws and regulations;*
16. *Formulate and coordinate macro-prudential policy and supervision; and*
17. *Collaborate with the relevant agencies of Government responsible for enforcing anti-money laundering, counter financing of terrorism and proliferation of weapons of mass destruction laws with regard to bank and non-bank financial institutions as well non-bank financial services institutions.*

Autonomy

1. *In pursuit of its objectives and functions, the CBL shall be autonomous and accountable as provided for in the Amended and Restated Act of the CBL; and*

2. *Subject to constitutional requirement, the CBL and its Governors, Officers and Staff shall not take or seek to take instruction from any person or entity, including entities in the exercise of their functions.*

EXECUTIVE SUMMARY

Uncertainty in global economy remained largely due to tightening financial conditions, ongoing conflict between Ukraine and Russia war and the impact of COVID-19. Global growth moderated to an estimated 3.4 percent in 2022 from 6.2 percent in 2021. In advanced economies, growth was estimated at 2.7 percent in 2022, from 5.4 percent in 2021, while growth in emerging markets and developing economies was estimated at 3.9 percent in 2022, from 6.7 percent in the preceding year. Sub-Saharan Africa recorded a moderation in growth to 3.8 percent in 2022, 0.9 percentage point lower than the growth of 2021.

Global inflationary pressure continued in 2022, with headline inflation increasing to 8.8 percent, from 4.7 percent in the preceding year mainly induced by, amongst other factors, rise in energy prices, especially in advanced economies. Despite tightening in some policy rates in response to rising inflation and global slowdown in economic activity, global financial conditions remained broadly accommodative.

The outlook for the global economy reflects further uncertainty as global growth is forecast to moderate to 2.9 percent in 2023, on account of the anticipated pass-through effect of the global contractionary monetary stance in response to inflationary pressure. Consumer prices are projected to fall to 6.6 percent in 2023, on expectation of declining fuel and nonfuel commodity prices.

On the domestic front, the Liberian economy showed resilience as indicative of the estimated growth of 4.8 percent in 2022, marginally moderating by 0.2 percentage point from the previous year. This resilience was largely driven by strong activity in the mining & panning subsector through gold production, and the services sector through trade and infrastructural projects. Inflationary pressure eased in 2022, as average headline inflation moderated marginally to 7.6 percent, from 7.9 percent recorded in 2021, mainly explained by the relative stability of the Liberian dollar. In terms of outlook, RGDP growth for 2023 is projected at 4.3 percent with expectation of increased activity in the agricultural, manufactural and services subsectors.

During the year, the monetary policy decisions by the MPC was positively impactful with the relative stability of exchange rate and attainment of single digit inflation. The CBL maintained its Monetary Policy Rate (MPR) at 20.0 percent until August when a decision was taken to lower the policy rate by 500 basis points to 15.0 percent with an upper band of +250 basis points for standing credit facility and -500 basis points for standing deposit facility. The policy rate was reduced, informed by the favorable forecast of the economy, including broad exchange rate stability and subdued inflationary pressure, and the need to support the growth forecast of the year.

The stock of broad money (M2) supply grew by 22.6 percent to L$ L$153,724.03 million, largely driven by 36.4 percent increase in net domestic assets due to increased domestic credit in the economy. The stock of Liberian dollar currency in circulation at end-December 2022 grew by 8.8 percent to L$26,198.43 million, primarily induced by 37.3 percent growth in currency in banks. Similarly, commercial banks' credits to subsectors of the economy increased by 16.8 percent to L$77,227.45 million at end-December 2022. Interest rates were broadly stable in 2022, as the rates on mortgages, personal loans, lending, time deposits, certificate of deposits, and saving deposits were unchanged.

In the domestic financial markets, trading gained traction with the total issuance of CBL bills during 2022 increasing by 19.9 percent to L$56,730.00 million. Notably, the number of retail investors that include businesses, insurance companies and individuals within and outside of Monrovia, increased on account of growing confidence in the CBL bills.

Fiscal operations in 2022 reflected sound fiscal discipline, enhanced policy coordination and improved tax administration resulting to surplus of 1.9 percent of GDP in the primary balance. The rise in revenue exceeded the increase in expenditure, signifying sustainability of the government's finances. At end-December 2022, debt distress level was moderate, despite rise in the stock of public debt by 16.6 percent to 51.3 percent of GDP, on account of increases in both domestic and external borrowings.

External sector developments were mixed in 2022. The current account deficit increased by 5.7 percent to US$629.0 million (15.8 percent of GDP) partly due to decline in secondary income receipts, while the capital account balance increased to US$474.3 million (11.9 percent of GDP) on account of growth in investment grants from development partners. In the financial account, net incurrence of liabilities decreased by 53.7 percent to US$177.6 million (4.4 percent of GDP), due to reductions in inflows from both direct and other investments. Consequently, the overall Balance of Payments recorded a deficit of US$0.4 million (0.01 percent of GDP) compared to the surplus of US$365.8 million (10.4 percent of GDP) reported in 2021.

Liberia's gross international reserves (GIR) at end-December 2022 fell to 15.0 percent of GDP (3.6 months of import cover), reflecting decrease in special drawing rights (SDRs) holdings & reserves during the review period. However, the months of import cover was within the ECOWAS threshold of 3.0 months. The Liberian dollar, on an average basis, strengthened against the United States dollar, appreciating by 8.0 percent due mainly to prudent liquidity management by the CBL and sound fiscal discipline by the Government.

The financial system in 2022 remained relatively vibrant with key financial institutions showing signs of recovery from the pandemic. The capital adequacy ratio (CAR) of the financial sector during the review period was 25.34 percent (15.34 percentage points above the minimum requirement). Similarly, the sector recorded a strong liquidity position of 43.54 percent, reflecting 28.54 percentage points above the minimum regulatory benchmark of 15.0 percent. The sector also saw a considerable decrease in nonperforming loans (NPLs), with the NPLs to total loans ratio declining from 22.69 percent in 2021 to 16.41 percent in 2022 due to CBL's policy effort to strengthen asset quality in the financial sector.

During the review period, the number of registered Non-Bank Credit Only Microfinance Institutions (MFIs) rose to nineteen (19), from thirteen (13) in 2021. The number of deposit-taking Microfinance Institutions (MDIs) remained at two (2) with three (3) branches. Also, at the end of 2022, the number of foreign exchange bureaus increased by sixteen (16) to two hundred four (204), from one hundred eighty-eight (188) recorded in 2021.

In 2022, the CBL licensed six (6) Non-Bank Credit Only Microfinance Institutions (NBCOs) and by the end of December 2022, the total number of clients transacting with the NBCOs grew by 31.3 percent to 76,314, from 58,100 in 2021. Reforms in the insurance industry were on course and the sector recorded 14 licensed insurance companies, five (5) licensed brokerage firms and numerous agents.

The CBL Collateral Registry System operation remained vital by allowing for businesses to maximize economic potentials by using diverse movable assets as collaterals to secure loans. The Credit Reference System continued to harness all loans portfolios of bank and nonbank financial institutions to determine current and potential creditworthiness of borrowers to mitigate credit risk management in the financial sector.

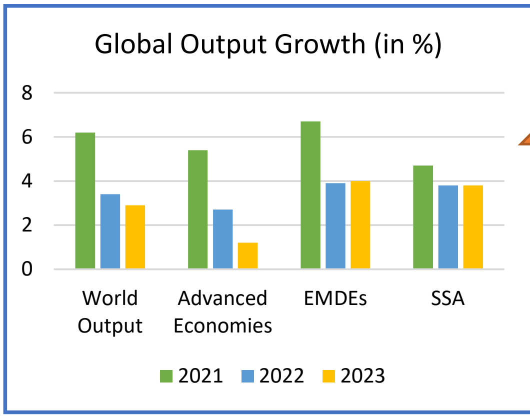
In 2022, with the initiation of the integration its payments system with member central banks in the West African Monetary Zone WAMZ under the Pan-African Payment and Settlement System (PAPSS) to support trading in domestic currencies, the CBL coordinated the integration of four (4) of the nine (9) commercial banks into the PAPSS. Efforts are ongoing to have other financial institutions integrated to the system.

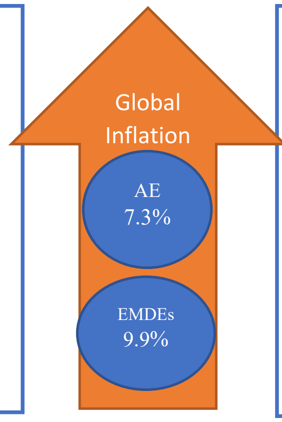
The digital financial service space expanded more than anticipated with expansion in mobile money payments, including inbound transfer terminating into mobile wallet as the dominant means of electronic payments in 2022. The value of mobile money transactions in Liberian dollars rose to L$281.7 billion, from L$251.4 billion recorded in 2021, while the value of United States dollars transactions surged to US$2.2 billion, from US$1.4 billion in 2021.

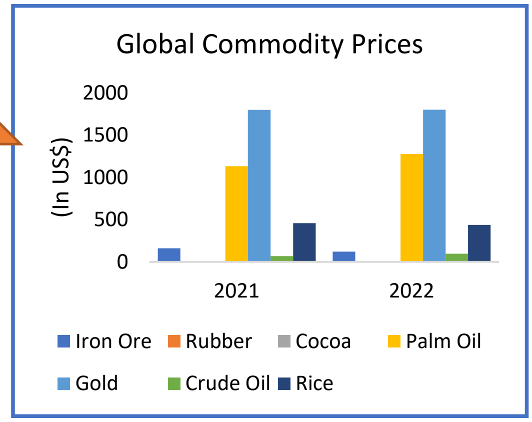
During the year under review, the CBL remained broadly collaborative with its regional and global partners, including regional and multilateral institutions such as the African Development Bank (AfDB), West African Institute for Financial and Economic Management (WAIFEM), the International Monetary Fund (IMF) including AFRITAC

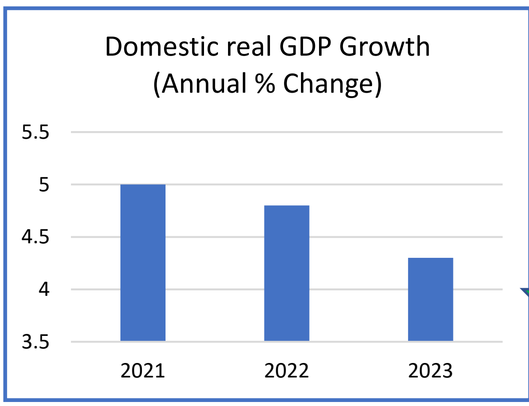
West II and AFRITAC South, the World Bank, the African Export and Import Bank (AFREXIMBANK), African Union Commission (AUC), Alliance for Financial Inclusion (AFI), and ECOWAS Commission, among others.

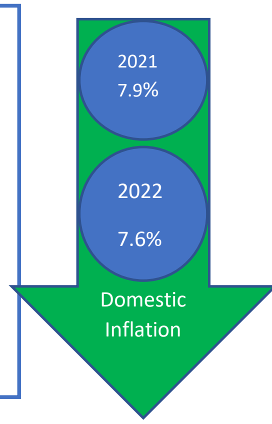
HIGHLIGHTS
The Year 2022 In Data

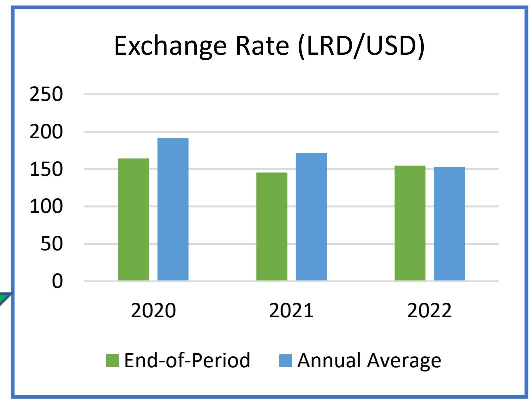


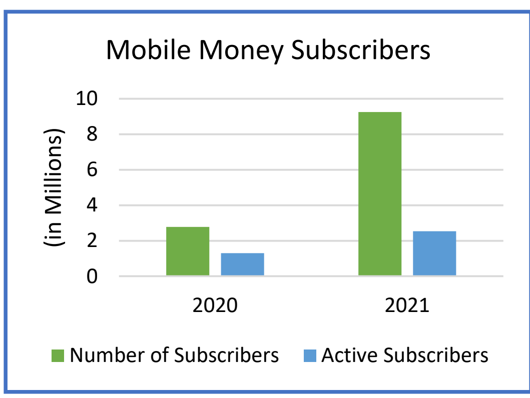


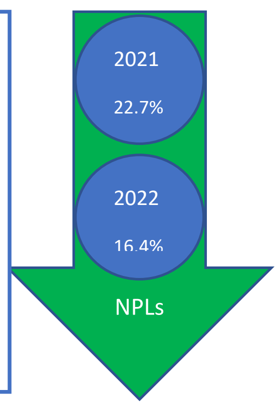


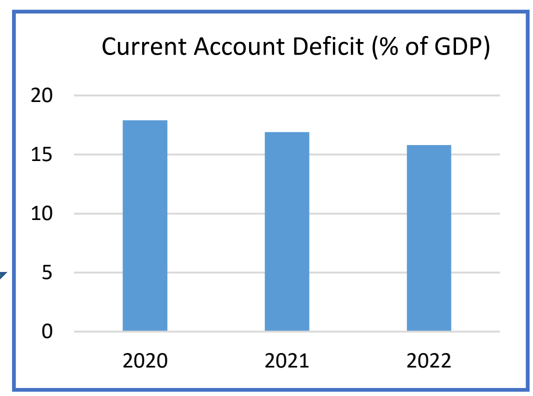


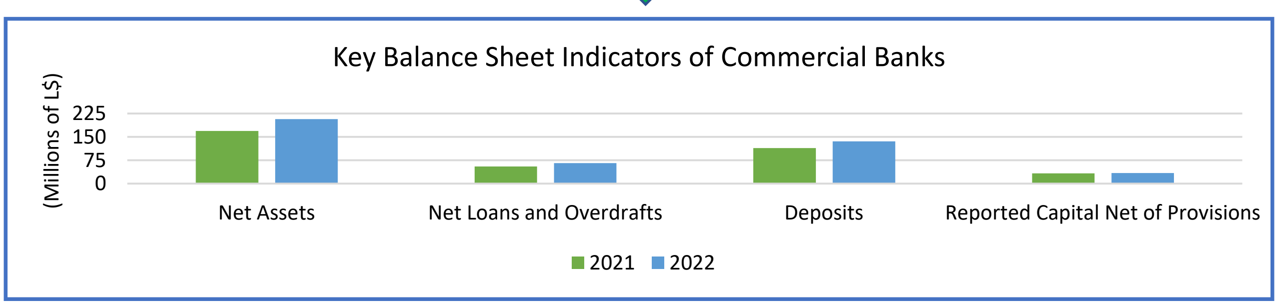












The Board of Governors
As at end-December 2022

Hon. J. Aloysius Tarlue, Jr.
Executive Governor/ Chairman
BOARD OF GOVERNORS

Hon. D. Sheba Brown
Member
BOARD OF GOVERNORS

Hon. A. Richard Dorley
Member
BOARD OF GOVERNORS

Hon. James B. Dennis
Member
BOARD OF GOVERNORS

Hon. Timothy E. Thomas
Member
BOARD OF GOVERNORS

The Management
As at end-December 2022

Hon. J. Aloysius Tarlue, Jr.
EXECUTIVE GOVERNOR

Nyemadi D. Pearson
DEPUTY GOVERNOR / OPERATIONS

Musa Dukuly (PhD)
DEPUTY GOVERNOR / ECONOMIC POLICY

Senior Directors/ Chief of Staff and Advisors

James B. Wilfred
SENIOR DIRECTOR/OPERATIONS

Christopher S. Wallace
SENIOR DIRECTOR/ ECONOMIC POLICY

Bushanda C. George
CHIEF OF STAFF
Office of the Executive Governor

Mussah A. Kamara
SENIOR TECHNICAL ADVISOR
Office of the Executive Governor

Michael B. Ogun
SENIOR ADVISOR/ MULTILATERAL RELATIONS
Office of the Executive Governor

Heads of Departments / Sections

Jefferson S.N. Kambo
DIRECTOR
Research, Policy & Planning Department

Fonsia M. Donzo
DIRECTOR
Regulation & Supervision Department

Euphemia Swen Monmia
DIRECTOR
Financial Markets Department

Maway T. Cooper-Harding
DIRECTOR
Human Resource Department

Mustapha E. Sherman
DIRECTOR
Finance Department

Cllr. Francis L. Yancy
DIRECTOR
General Support Services Department

William G. Jlopleh
DIRECTOR
Banking Department

Miatta Oberly Kuteh
DIRECTOR
Payment Systems Department

Christian N. Allison
DIRECTOR
Enterprise Risk Management Department

John K. Wangolo, Sr.
DIRECTOR
Management Information System Department

Nathaniel C. Gbaba
DIRECTOR
Insurance Department

Edward B. Fahnbulleh
DEPUTY DIRECTOR
Internal Audit Department

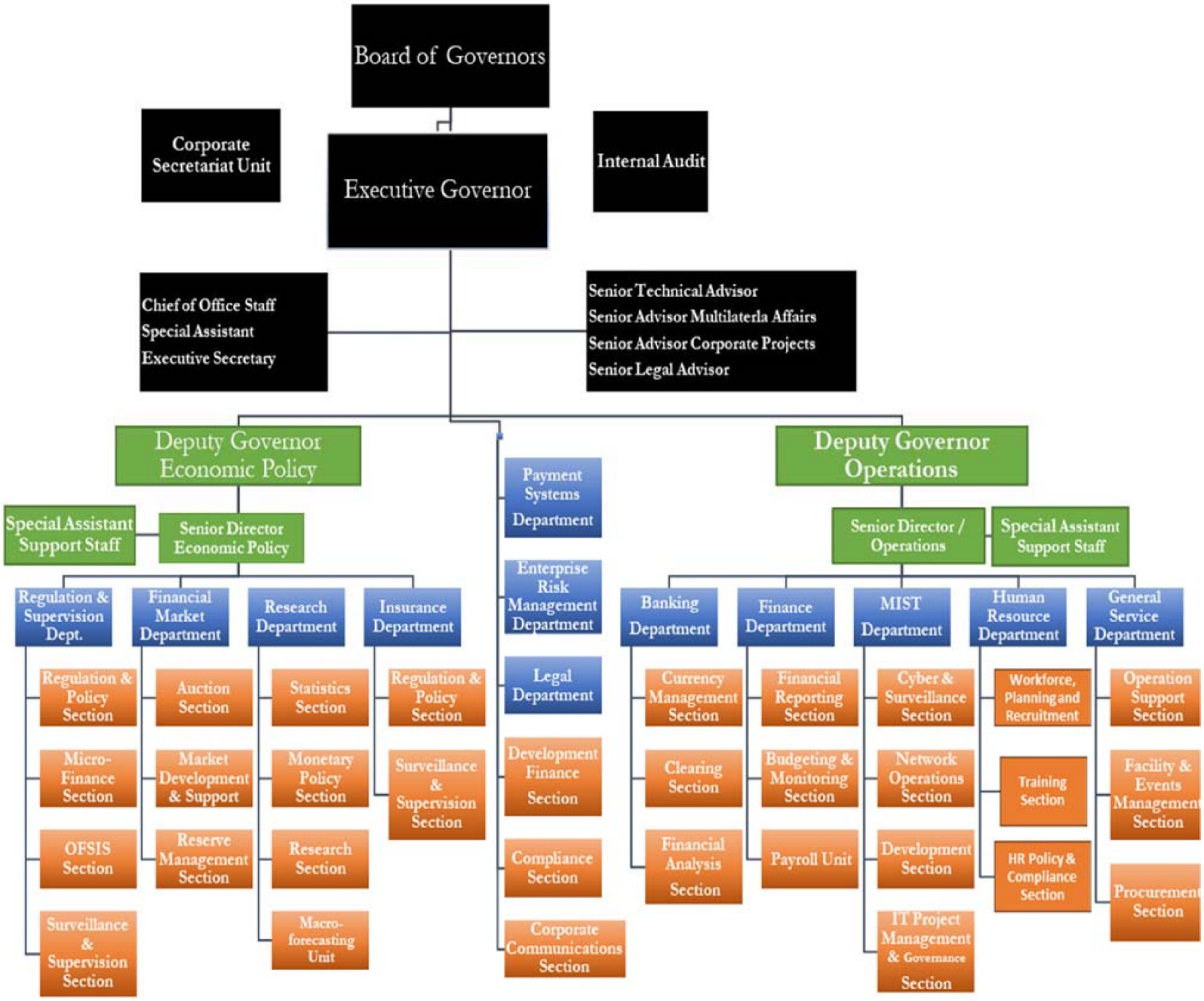
Cllr. Esther H. Barclay
CHIEF LEGAL COUNSEL
Legal Department

Jay G. Brown
HEAD
Development Finance Section

Cyrus W. Badio
HEAD
Communications Unit

Chart 1: Revised Organizational Structure

(As at end-December 31, 2022)



Chapter 1.0: Governance and Organizational Structure

1.1 The Board of Governors

The Board of Governors as stipulated in the Amended and Restated Act of 2020, Part IV Section 10, is the governing body of the Central Bank of Liberia (CBL). The Board has the oversight in the implementations of monetary policy and the strategic plan for realization of the core objectives of the CBL, as set out in the Amendment and Restatement CBL Act of 2020.

The Board is composed of the Executive Governor, as the Chairman of the Board and four non-Executive Governors who are all appointed by the President of the Republic of Liberia and confirmed by the Liberian Senate.

The Board approves the annual budget, monitors the financial and operational performance, assesses reports from external auditors, and provides policy guidance to the Management of the CBL. As Chairman of the Board, the Executive Governor steers the day-to-day affairs of the CBL.

As at end-December 2022, the Board of Governors comprised of the following members:

1. Hon. J. Aloysius Tarlue, Jr.	Executive Governor/Chairman
2. Hon. D. Sheba Brown	Governor
3. Hon. A. Richard Dorley	Governor
4. Hon. James B. Dennis	Governor
5. Hon. Timothy E. Thomas	Governor

1.2 Committees of the Board

The Board of Governors of the CBL comprises the Audit and Investment Committees. During the year, the Audit Committee was chaired by Governor D. Sheba Brown, while the Investment Committee was chaired by Governor (Asst. Professor) A. Richard Dorley.

1.3 Policy Decisions by the Board

In keeping with its mandate of oversight and approval of policies and procedures in support of the objectives and Strategic Plan of the CBL, as enshrined in Section 2.1 of its Charter, the Board of Governors approved the following policy instruments and decisions in 2022:

Policy Instruments

a) **Amended National Payment Systems Act** – The scope of the amended Act was widened to include the general oversight of the National Payments Systems. The Act also covers clearing, payments, settlement systems, and payment instruments and services necessary for integrating the Liberian economy into the regional and international financial system;

b) **Licensing & Regulatory Requirements for Operating Discount Houses** – This Regulation was approved with the aim of promoting the growth and efficiency of the money market in Liberia. The decision was intended to serve as a legal instrument that governs transactions between the CBL and the licensed financial institutions for open market operations transactions and other eligible money market securities;

c) **Regulations for Non-Bank Credit Only Institutions –** The Regulation for Non-Bank Credit Only Institution was approved to provide legal instrument to govern the licensing, operations, and management of the Non-Bank Credit Only Institutions in Liberia; and

d) **Amended Prudential Regulations for Asset Classification** - The amended Provisions for Loan Losses and Suspension of Interest on Non-Performing Loans (NPLs) and Advances provisions were considered to set the minimum requirements in adherence with the classifications and provisioning of loans of the licensed commercial banks and micro-finance lending institutions.

Decisions

a. The Board approved the granting of license to the Liberian Merchant Capital Limited to operate as discount house for trading and/or discounting of securities in the secondary market to mitigate liquidity problems arising from possible delays in the redemption of matured debts;

b. In response to the logistical constraints faced by the commercial banks and limited bank branches across the country for the implementation of the currency replacement exercise, the Board approved the Currency Exchange Decentralization Plan to guide the currency changeover exercise;

c. In the decentralization of the operations of the CBL, the Board approved the construction of the second cash hub in Rivergee County to ease the constraints of cash movements, facilitate the collection of government revenue and enhance confidence for commercial banks' operations in Southeastern Liberia;

d. With the intent to mitigating systemic effects in the banking system, the Board approved "No Objection" for the divestment of Global Bank Liberia Limited (GBLL) to Oakwood Africa Limited to safeguard depositors' funds and assure financial sector stability;

e. The Board also approved policy decisions to improve asset quality in the banking system, and not only to build confidence in the financial system but also to promote financial intermediation to the productive sectors of the economy, including agricultural and manufacturing subsectors;

f. **Amended Regulation for the Licensing and Supervision of Money Remittance Entities:** The approval of the amended Regulation was done by the Board to promote financial inclusion with the aim of easing access to finance for the underprivileged, especially those in rural communities, through extensive mobile money coverage;

g. **Guidelines Concerning Digital Credit for Financial Institutions**: – These new Guidelines were approved to broaden the scope of financial services and promote financial inclusion for the unbanked and under-banked population without risking the safety and soundness of the financial system and standards of consumer protection to mitigate potential risks of digital credit;

h. **Risk-Based Supervision Framework: –** This Regulation was approved with the objective of identifying, monitoring, and analyzing risks for appropriate response measures to assure the stability of the financial sector;

i. **Anti-Money Laundering/Counter Financing of Terrorism Regime Framework:** This approved Framework outlines the appropriate sanctions to be taken on violators of the CBL Anti-Money Laundering/Counter Financing of Terrorism Regulation. It also seeks to deter criminals from accessing the financial system; and

j. **Beneficiary Ownership Guidelines: -** This Guideline was approved with the aim of identifying ultimate owners of entities operating in Liberia to curtail money laundering.

1.4 Currency Reform

Authorization and Approval

In May 2021, the 54th National Legislature, through the Joint Legislative Resolution and endorsement by the Executive, authorized the CBL to implement a comprehensive currency reform program by printing and minting a new Liberian dollar currency in the tune of L$48.734 billion over three years (2021, 2022 and 2024). The mandate of the National Legislature as enshrined in the Joint Resolution also called for the full replacement of all existing Liberian dollar banknotes and coins with a new family of currency in support of effective monetary policy operations, gradual de-dollarization and confidence in the banking sector.

Delivery and Infusion of the New Currency

The introduction of the new currency began in November 2021 when the first batch of banknotes in the tune of L$4.0 billion was received and infused into circulation to address the short-term liquidity need. The second batch of another L$4.0 billion was received in the country in February 2022 to commence the gradual replacement exercise. The official commencement of the currency exchange exercise was announced by the CBL through the Executive Governor of the CBL in October 2022. It is expected that significant portion of the old Liberian dollar currency would be withdrawn from circulation and replaced with the new currency by the end of 2023.

Amidst all the challenges, the CBL worked with both the printing and minting companies for the timely delivery of 71.81 percent of the total amount approved by the 54th National Legislature in late 2021 and 2022.

The total currency brought into the country during 2021 and 2022 was L$34,996,400,000.00 (thirty-four billion nine hundred ninety-six million four hundred thousand Liberian dollar) comprising L$34,533,500,000.00 (thirty-four billion five hundred thirty-three million five hundred thousand Liberian dollar worth of banknotes) and L$462,900,000.00 (four hundred sixty-two million nine hundred thousand Liberian dollar worth of coins). The Liberian dollar currency brought into the country were reflective of all the denominations, including L$1000, L$500, L$100, L$50, L$20 as banknotes and L$10, L$5 as coins.

The remaining amount of the banknotes and coins, representing 28.19 percent, will be brought into the country in 2024 with adherence to the Joint Legislative Resolution that no new currency should be brought into the country in 2023.

Considering the operational challenges of infusing the new currency and withdrawing the old banknotes, the CBL created additional storage facilities, including a temporary storage facility on Broad Street, and setup a temporary space in the CBL's auditorium for processing and verification of the old banknotes, pending completion of the renovation of the former National Housing and Savings Bank (NHSB) as a permanent storage facility.

Decentralization of the Exchange Exercise

In line with the Bank's approved implementation plan, the currency exchange exercise was being implemented on a gradual basis mainly through the commercial banks. The exchange exercise was extended to the Gbarnga Cash Hub in 2022, whilst work had commenced in Voinjama, Zwedru and Fish Town, to extend the changeover exercise in 2023 with the aim of easing the burdens of cash movement outside Monrovia. The CBL reached an agreement with the commercial banks to speed up the exchange exercise by giving special attention to non-account holders or the unbanked population.

Public Education and Awareness

In September 2022, the CBL officially launched the public awareness campaign in Gbarnga, Bong County, which was attended by several stakeholders, including our external partners, the Liberia Marketing Association, the Traditional Council, the Motorbike and Tricycle Association of Liberia, the National Foreign Exchange Association of Liberia, amongst others. Prior to the official launch of the program, the Bank had engaged with various stakeholders, including the public to educate and sensitize the population on the currency reform program as well as the features of the new currency, and the implementation process.

To further buttress the efforts of its communication strategy and augment the public awareness campaign across the country, the Liberia Media for Democratic Initiative (LMDI) and Public Trust Media Group aided the CBL through the Communication Section and the Technical Committee for Currency Reform (TCCR) of the CBL. By end-2022, the LMDI and CBL team completed 8 of the 15 counties, while the remaining counties are planned for the first quarter of

2023.

The Bank printed and distributed several educational materials, including billboards, posters, flyers, T-shirts, and other souvenir items across the country. There were also jingles, in Liberian pidgin English and the local vernaculars across all segments of the society as part of the public awareness campaign. The famous CBL radio program in partnership with ELBC, the Money Matters Program, was also used in dissemination of the public awareness campaign.

1.5 Monetary Policy Objectives

The objectives of CBL monetary policy are to:

a. primarily achieve and maintain domestic price stability in the Liberian economy;

b. Without prejudice to the above objective, contribute to the fostering and maintaining of a stable financial system; and

c. Without prejudice to the objectives stated in (a) and (b), support the general economic policy of government.

In 2022, the major instruments that the Bank used to ensure achievement of its policy objectives included:

1. The CBL Bill at different tenors: 2 weeks, 1-month, and 3-months. This instrument was offered at interest rates above the quarterly inflation rate in tandem with the prevailing macroeconomic conditions.

2. The Reserves Requirement (RR): The RR was maintained at 10.0 percent for USD and 25.0 percent for LRD during 2022. On account of these and other prudential and safeguard measures, the Bank achieved single digit inflation as well as relative stability of the Liberian dollar in relation to the USD in 2022.

1.6 Monetary Policy Framework and Operations

The monetary policy framework of the CBL is guided by the impossibility principle of simultaneously achieving fixed exchange rate, free capital mobility and independent monetary policy. In the context of this principle, the conduct of monetary policy was guided by the specification of well-defined objectives, clarity on the intermediate and operational targets as well as the monetary policy tools that were used in 2022.

1.7 Mandates of the Monetary Policy Advisory Committee

The Monetary Policy Advisory Committee (MPAC), as the proxy for the Monetary Policy Committee (MPC) in keeping with Part IV, Section 17 of the Amendment and Restatement of the Act Establishing the CBL of 2020, advise the Board of Governors in the decision making of monetary policy.

1.8 Monetary Policy Advisory Committee Meetings

The MPC, represented by the Board of Governors, had its regular quarterly meetings, except the May 2022 meeting. This meeting was not held due to unexpected circumstances that prevented the full conduct of quarter one 2022 assessment to inform and guide policy recommendation to the Board. However, the decisions of previous meetings were maintained for quarter one since the economic indicators did not encounter any significant fluctuation.

1.8.1 February 2022 Monetary Policy Committee Meeting

The Board of Governors held its first MPC meeting on the 16th of February 2022 to assess the performances of key global and domestic economic indicators for the quarter ended December 2021 to inform its monetary policy decisions for quarter one of 2022.

During the meeting, the Board noted relative improvements in the global economy, despite rising inflationary pressure, supply-demand mismatches, and other structural bottlenecks.

The MPC noted the rising trend in global energy prices due to higher demand than anticipated supply and slowdown of activity in manufacturing due to the impact of COVID-19. The Committee recognized the implications of the declines in the prices of export commodities, mainly iron ore, rubber, and round logs on the domestic economy and expressed concern about the estimated 3.8 percent rise in global inflation, largely reflecting rising commodity prices. It was noted that inflation in Sub-Saharan Africa rose to 10.7 percent, from the 10.3 percent in 2020.

Recognizing the risks of slow recovery in the prices of some of the country's major export commodities and rising price of crude oil, the Committee noted with satisfaction the projected 5.0 percent growth in Real GDP in the Liberian economy for 2021 and was equally optimistic that the 3.6 percent growth projection for 2022 was achievable considering the expected levels of positive sectoral performances and policy interventions in the economy.

Inflation in the Liberian economy, as noted by the MPC, moderated to 5.1 percent for quarter four, from the 6.9 percent in the previous quarter, reflecting the broad stability of the Liberian dollar driven by the policy stance of the Bank and favorable inflows of foreign exchange, mainly remittances. The Committee acknowledged the weakness in the external sector, despite trade deficit moderating to 5.0 percent of GDP from the 6.0 percent recorded in the previous quarter.

In terms of monetary developments, the MPC noted the strong performance of the local currency, appreciating by 15.0 percent in December 2021 relative to September 2021, with the banking sector remaining adequately capitalized and liquid. However, there were declines recorded in total loans and advances, assets, capital, and deposits by 16.1 percent, 11.5 percent, 12.7 percent, & 4.6 percent, respectively, compared with the previous quarter. The Commitee further observed 1.1 percentage point decline in the consolidated Capital Adequacy Ratio (CAR) to 29.2 percent, although the CAR was above the tolerable limit.

The MPC recognized the low extension of loans and advances to the agricultural and manufacturing subsectors with credit concentration mainly in five (5) sectors (trade, personal, services, construction, and others). The Committee observed that currency in circulation (CIC) and currency outside banks expanded by 9.0 percent and 8.3 percent, respectively.

During the assessment, the Committee noted that financial markets development was constrained by the non-issuance of GoL securities, however, total CBL Bills issued rose by 23.7 percent, reflective of the 23.6 percent and 27.7 percent rise in institutional and retail investments, respectively.

The Committee also observed that there was only one Liberian dollar swap transaction, while there were no repo transactions in both currencies in the interbank market.

At the end of the deliberations, the MPC considered the inflation forecast of 7.4 percent with a band of +/- 2.0 percentage points, the anticipated pressure on the Liberian dollar in quarter one of 2022, the rise in currency in circulation and the high level of NPLs, as significant risks to economic stability.

Considering these developments, the Committee:

1. maintained the Monetary Policy Rate at 20.0 percent with an upper band of +500 basis points for standing credit facility (SCF) over the next quarter; and

2. maintained the reserve requirement thresholds at 25.0 percent for LRD and 10.0 percent for USD over the next quarter.

1.8.2 August 2022 Monetary Policy Committee Meeting

The Board of Governors of the CBL held its second MPC meeting on August 17, 2022 to assess the status of global and domestic economic indicators for the quarter ended June 2022 to inform the monetary policy decisions for the quarter ahead.

At its second sitting in 2022, the MPC noted the favorable performance of the economy in the first half of the year. This was evidenced by the relative moderation in the inflation rate to 6.3 percent in quarter two, broad stability of the Liberian dollar, favorable inflows of remittances, improvement in the external sector with narrowing trade deficit, and growths in the banking sector main balance sheet items (loans & advances, assets, and deposits). However, the Committee was concerned that the elevated level of NPLs and declines in the global prices of Liberia's main export commodities, were risks to domestic economic stability. The Committee was pleased with the level of public confidence in the CBL policy instruments as the total CBL bills issued recorded growth, whilst observing that financial markets developments remained constrained by the non-resumption of the issuance of GoL securities. The MPC also considered the 7.0 percent +/- 2.0 percentage points inflation forecast for quarter three.

At the end of the deliberations, the MPC took the following decisions:

1. cut the Monetary Policy Rate to 15.0 percent with an upper band of +250 basis points for standing credit facility (SCF) and -500 basis points for standing deposit facility (SDF) over the next quarter;
2. maintained the reserve requirement thresholds at 25.0 percent for Liberian dollar and 10.0 percent for United States dollar over the next quarter; and
3. 1 and 3 months CBL bills were issued for structural liquidity purposes.

1.8.3 November 2022 Monetary Policy Committee Meeting

The third MPC meeting was held on November 16, 2022. The meeting assessed the status of global and domestic economic indicators for the quarter ended September 2022 to inform the monetary policy decisions until the next MPC sitting.

During the deliberations, the MPC acknowledged the satisfactory performance of the domestic economy as shown by the estimated 6.0 percent Real GDP quarterly growth, relative stability of the Liberian dollar, favorable remittances, strong balance sheet indicators of the banking sector as capital, total loans and advances, total assets, and deposits recorded increases, despite the risk of high NPLs and global uncertainty about commodity prices. However, the MPC was concerned that the rise in the inflation rate to 6.9 percent from 6.3 percent in quarter two, the volatile movements in global commodity prices, especially food and fuel prices, the high level of non-performing loans (NPLs) accounting for 23.2 percent of total loans in the financial sector, and the widening of the trade deficit due to increased import payments and decline in export receipts could undermine domestic economic prospects. The Committee expressed satisfaction about the increasing growth and confidence in the CBL bills subscription, noting that the Government of Liberia (GOL) intervention in the money market was strong as its instrument was oversubscribed. The Committee also considered the inflation forecast of 7.5 percent +/- 2.0 percentage points for quarter four.

The Committee took the following decisions at the end of its deliberations:

1. maintained the Monetary Policy Rate at 15.0 percent until its next assessment meeting in first quarter of 2023;
2. maintained the Standing Credit Facility (SCF) at 250 basis points above the monetary policy rate and suspended the Standing Deposit Facility (SDF) until further notice.
3. amended the regulation on reserve requirement (RR) ratios to come into effect on January 1, 2023 as a more active tool of monetary policy to be set by the MPC;
4. suspended the issuance of CBL bills on a fixed-rate full allotment basis until further notice; and
5. adjusted the amount of CBL bills offered to the market to safeguard adequate liquidity conditions and to ensure that monetary aggregates consistency with the CBL price stability and economic growth objectives.

Chapter 2.0: Global Economy

2.1 Global Output

Global economic activity slowed in 2022 on account of tightening financial conditions, Ukraine and Russia conflict, and the lingering impact of COVID-19. According to the World Economic Outlook (WEO) January 2023 update, global output growth was estimated at 3.4 percent in 2022, compared to the 6.2 percent recorded in 2021 due to subdued performance in output growth across all regional economic blocs, with much of the declines attributed to advanced economies, followed by emerging market and developing economies (Table 1). Growth in the advanced economies was estimated at 2.7 percent in 2022, moderating from 5.4 percent in 2021, owing to a negative terms-of-trade shock induced by increase in the price of imported energy. In the emerging markets and developing economies group, growth was estimated to moderate to 3.9 percent in 2022, from 6.7 percent in 2021, mainly due to COVID-19 related restrictions in China.

On the other hand, sub-Saharan Africa growth was estimated at 3.8 percent in 2022, slightly moderating by 0.9 percentage point compared to 2021, mainly explained by worldwide slowdown, tightened financial conditions, and volatile commodity prices affecting resource-intensive countries such as Nigeria, South Africa and Angola.

Growth for the United States (US) moderated to 2.0 percent in 2022, compared with 5.9 percent in 2021, driven by inflationary pressure and high interest rates. Economic growth in Japan slightly moderated by 0.7 percentage point to an estimated 1.4 percent in 2022, from 2.1 percent in 2021 largely due to drop in net exports coupled with COVID-19 related constraints. Similarly, growths in the United Kingdom (UK) and the euro area were estimated at 4.1 percent and 3.5 percent, about 3.5 and 1.8 percentage points lower than growth recorded last year, respectively. The sharp moderation in output growth for the UK was induced by the rise in inflation arising from continued labor and supply shortages, while growth slowdown in the euro area was on account of the conflict in Europe and COVID-19 related uncertainty in China (Table 1).

2.2 Global Inflation

Global headline inflation further elevated in 2022, driven by both factor costs and demand pressure induced by the rise in energy and other commodity prices, especially in advanced economies.

The rise in global inflationary pressure was most pronounced in advanced economies with an estimated 7.3 percent in 2022, from 3.1 percent in 2021, but is projected to moderate at 3.9 percent in 2023. Similarly, inflation for emerging markets and developing economies rose to 9.9 percent in 2022, compared with 5.9 percent in 2021, on account of demand factors. However, forecast for 2023 shows relative easing of inflationary pressure in emerging markets and developing economies partly explained by anticipated decline in international fuel and nonfuel commodity prices.

Table 1: Global Output

	Estimates		Proj	Difference from October 2022	
	2021	**2022**	**2023**	**2022**	**2023**
Global Output	**6.2**	**3.4**	**2.9**	**0.2**	**0.2**
Advanced Economies	5.4	**2.7**	**1.2**	**0.3**	**0.1**
United States	5.9	2.0	1.4	0.4	0.4
Euro Area	5.3	3.5	0.7	0.4	0.2
Japan	2.1	1.4	1.8	-0.3	0.2
United Kingdom	7.6	4.1	-0.6	0.5	–0.9
Canada	5.0	3.5	1.5	0.2	0.0
Other Advanced Economies	5.3	2.8	2.0	0.0	–0.3
Emerging Market and Developing Economies	**6.7**	**3.9**	**4.0**	**0.2**	**0.3**
Emerging and Developing Asia	7.4	4.3	5.3	-0.1	0.4
China	8.4	3.0	5.2	-0.2	0.8
India	8.7	6.8	6.1	0.0	0.0
Emerging and Developing Europe	6.9	0.7	1.5	0.7	0.9
Russia	4.7	-2.2	0.3	1.2	2.6
Latin America and the Caribbean	7.0	3.9	1.8	0.4	0.1
Brazil	5.0	3.1	1.2	0.3	0.2
Mexico	4.7	3.1	1.7	1.0	0.5
Middle East and Central Asia	4.5	5.3	3.2	0.3	-0.4
Saudi Arabia	3.2	8.7	2.6	1.1	-1.1
Sub-Saharan Africa	4.7	3.8	3.8	0.2	0.1
Nigeria	3.6	3.0	3.2	-0.2	0.2
South Africa	4.9	2.6	1.2	0.5	0.1
Consumer Prices	**4.7**	**8.8**	**6.6**	**0.0**	**0.1**
Advanced Economies	3.1	7.3	4.6	0.1	0.2
Emerging Market and Developing Economies	5.9	9.9	8.1	0.0	0.0

Source: World Economic Outlook Update, January 2023: Inflation Peaking amid Low Growth

2.3 Commodity Markets

Developments in global commodity prices were diverged in 2022, reflecting a myriad of factors such as global demand, and depreciation of local currencies. Notably, the cost of energy remained elevated, while non-energy declined, including fall in the demand for metal. In many countries, however, most commodity prices were generally impacted due to depreciation of local currencies relative to the U.S. dollars.

2.3.1 Crude Oil

Crude oil prices increased by 40.6 percent to an average of US$97.10 per barrel in 2022, compared with the average price in 2021. The increase was on account of recovery in business activity that resulted in rise of global petroleum demand, following relaxation of pandemic-related and travel restrictions.

2.3.2 Iron Ore

Globally, metal price fell in 2022 following a partial stability in 2021 with significant divergence between most of the base metals and iron ore prices. The price of iron ore fell by 25.0 percent to an estimated US$121.3 per metric ton in 2022, compared with US$161.7 per metric ton recorded in 2021. The fall in iron ore price partly reflected a uncertainty of global economic activity, including weak investment and slowdown in construction mainly in China.

2.3.3 Rubber

Rubber prices globally declined by 12.6 percent to an average price of US$1,810 per metric tons in 2022, from US$2,071.2 per metric ton in 2021 due to weak demand partly arising from constraints in auto production.

2.3.4 Palm Oil

The estimated global price of palm oil significantly increased to US$1,276.0 per metric ton in 2022, from US$1,130.6 per metric ton in 2021. The strong performance was mainly driven by rising demand for the commodity induced by restriction imposed on Indonesia palm oil export.

2.3.5 Cocoa Beans

The price of cocoa beans fell by 1.4 percent to US$2.39 per kilogram in 2022, from US$2.43 per kilogram recorded in 2021. The slowdown in price reflected weak demand coupled with robust supply of the commodity.

Table 2: Selected Global Commodity Prices (2021-2022)

Commodity	Unit	2020	2021	2022	Percent Change	
		Actual	Revised	Estimate	2021	2022
Iron Ore	USD/MT	108.92	161.71	121.30	48.47	-24.99
Rubber	USD/KG	1.73	2.07	1.81	19.85	-12.59
Cocoa	USD/KG	2.37	2.43	2.39	2.39	-1.38
Palm Oil	USD/MT	751.77	1,130.58	1,275.99	50.39	12.86
Gold	USD/TOZ	1,770.25	1,799.63	1,800.60	1.66	0.05
Crude Oil	USD/BBL	41.26	69.07	97.10	67.41	40.58
Rice	USD/MT	496.75	458.25	436.75	-7.75	-4.69

Source: World Bank Commodity Price Index

2.3.6 Rice

The international price of rice was estimated at US$436.8 per metric ton in 2022, from US$458.3 per metric ton in 2021. The decline in the price of rice was attributed to favorable supply of rice in the world market.

2.3.7 Gold

The global price of gold was estimated at US$1,800.6 per troy ounce in 2022, from US$1,799.6 per troy ounce in 2021. The slight rise was triggered by increased demand due to volatility in other financial assets, economic uncertainty coupled with depreciation of several local currencies.

2.4 Global Financial Markets

Global financial conditions remained broadly elevated but stable, despite the unfolding inflation and monetary stance. With the tightening in some policy rates in response to rising inflation and the global economic uncertainty, global financial condition was accommodative due to changing market conditions.

2.5 Global Economic Outlook

Global economic growth is projected to further slowdown to 2.9 percent in 2023, on account of the expected outcome of the global monetary policy stance to contain inflation in advanced economies. Growth in the advanced economies is projected to moderate to 1.2 percent, mainly due to activity in the U.S. economy. In the U.S., growth is projected to further slowdown to 1.4 percent as a result of steeper path of the Federal Reserve rate to about 5.1 percent, while in Japan growth is projected to expand to 1.8 percent in 2023, largely on account of the continued monetary and fiscal policy support. Growth in the UK is projected at negative 0.6 percent in

2023, reflecting tighter fiscal and monetary policies as well as financial conditions coupled with high energy retail prices (Table 1).

Growth in emerging markets and developing economies is projected to moderately grow by 4.8 percent in 2023, largely to be driven by activity in China with a projected growth of 5.2 percent in 2023, reflecting rapidly improving mobility. The Indian economy is firmly projected at 6.1 percent in 2023 mainly on account of the recovering industrial activity.

In sub-Saharan Africa, growth is projected to remain steady at 3.8 percent in 2023 amid prolonged fallout from the COVID-19 pandemic and the ongoing Russia-Ukraine conflict. This development reflects Nigeria's rising growth projection in 2023 due to anticipated measures by the authorities to address insecurity issues in the oil sector. In South Africa, following the economic rebound in 2022 induced by relaxation of COVID-19 restriction, growth is projected to moderate to 1.2 percent, reflecting weaker external demand, power shortages, and structural constraints.

Global inflation is set to moderate by 2.2 percentage points to 6.6 percent in 2023 above pre-pandemic levels of about 3.5 percent. The projected moderation is partly on expectation of declining international fuel and nonfuel commodity prices due to weaker global demand.

In advanced economies, annual average inflation is projected to moderate to 4.6 percent in 2023. In emerging market and developing economies, projected annual inflation is set at 8.1 percent in 2023. In low-income developing countries, inflation is projected to moderate to 8.6 percent in 2023.

Chapter 3.0: Domestic Economy

3.1 Overview

The Liberian economy moderated slightly by an estimated 4.8 percent in 2022, from the 5.0 percent growth recorded in 2021, driven largely by the mining & panning subsector through gold production and services subsector through construction. Growth for 2023 is projected at 4.3 percent, mainly reflecting developments in the agricultural, manufacturing, and services related activities. Average headline inflation for 2022 marginally moderated to 7.6 percent, from 7.9 percent in 2021, while the end-of-period inflation stood at 9.2 percent, from 5.5 percent at end-December 2021. The moderation in average inflation was partly explained by relative stability of the Liberia dollar through prudent liquidity management and sound fiscal policy.

The stock of broad money (M2) supply grew to L$153,724.03 million, from L$125,416.61 million at end-December 2021, largely driven by expansion in net domestic assets (NDA) through domestic credit. The stock of Liberian dollars currency in circulation at end-December 2022 expanded to L$26,198.43 million, from L$24,086 million recorded in 2021, primarily induced by growth in currency in banks. However, the ratio of currency outside the banking system to the total stock of currency in circulation declined to 90.3 percent, from the 92.3 percent reported at end-December 2021. Credits to the various subsectors of the economy at end-December 2022 rose by 16.8 percent relative to the corresponding period in 2021, mainly on account of increased loans and advances to trade, oil & gas, personal, manufacturing, and the "other" category.

External sector was constrained in 2022 with the overall balance of payment shifting from surplus to a deficit due to unfavorable current account position and contraction in the financial account flows. The current account deficit grew by 5.7 percent to US$629.0 million in 2022, mainly on account of widening trade deficit and reduction in secondary income receipts. Similarly, the financial account inflows declined by 53.7 percent during the review year on account of reductions in both direct and other investment inflows. Conversely, the capital account balance increased to 11.9 percent of GDP, from the 6.1 percent of GDP reported in 2021, driven largely by growth in capital transfers. These developments consequently led to the overall Balance of Payments (BoP) recording a deficit of 0.01 percent of GDP compared to the surplus of 10.4 percent of GDP reported in 2021.

The gross international reserves (GIR) at end-December 2022 stood at US$600.1 million, from US$666.3 million at end-December 2021, largely reflecting reduction in special drawing rights (SDRs) holdings & reserves. The months of import cover also fell to 3.6 months due to growth in imports coupled with the decline in GIR but remained above the ECOWAS regional macroeconomic convergence benchmark by 0.6 month.

Fiscal operations were implemented with enhanced policy coordination and prudent fiscal administration that resulted to surplus in the primary balance via robust domestic revenue mobilization. The debt distress of the Government remained moderate in the context of ECOWAS Convergence Benchmark and the IMF target, despite the rise in total stock of public debt by 16.6 percent to US$2,018.7 million at end-December 2022 relative to the stock reported at end-December 2021, driven by growths in both domestic and external borrowings.

3.2 Real Sector

Real gross domestic product (RGDP) in the Liberian economy was estimated at 4.8 percent in 2022, from the 5.0 percent recorded in 2021. This development was mainly driven by relatively strong performance in the mining & panning subsector through increased gold production and the services subsector through increased construction hotel related services.

Table 3: Sectoral Origin of Growth
(GDP at 2018 Constant Prices)
(2020-2023)

	2020	2021	2022	2023*
Agriculture & Fisheries	959.3	997.7	1,009.30	1,043.00
Forestry	285.3	285.2	292.9	296.5
Mining & Panning	463.7	545.3	621.8	650.5
Manufacturing	186.1	194.8	199.1	208.8
Services	1,193.30	1,216.40	1,275.30	1,347.30
Real GDP	3,087.70	3,242.40	3,398.40	3,546.20

Source: Liberian Authorities & IMF staff estimates
All figures are expressed in millions of U.S. dollars. *Projection

In the primary sector (agriculture & fisheries, forestry, and mining & panning), growth was estimated to moderate to 5.1 percent in 2022, from 7.2 percent in 2021, mainly on account of declines in rubber and cocoa outputs of the agriculture sub-sector. Rubber and cocoa volumes decreased by 26.5 percent and 25.6 percent to an estimated 64, 516 and 4,099 metric tons, from 87,777 and 5,511 metric tons, respectively in 2021. Growth in the agriculture & fisheries subsector was estimated at 1.2 percent in 2022, from 4.0 percent in 2021.

Estimates of key commodities in the agriculture sub-sector declined during the review period due to uncertainty. Rubber production declined by 26.5 percent to 64,516 metric tons, from the 87,777 metric tons reported in 2021, on account of decreased harvest by small farmers as well as the largest producers.

Cocoa output in 2022 was estimated to decline to 4,099 metric tons, from the 5,511 metric tons produced in 2022 mainly on account of unfavorable harvest conditions. The production of crude palm oil (CPO) decreased by 4.1 percent to 24,019 metric tons, from 25,041 metric tons produced in the preceding year mainly due to low harvest from small farm holders. Round logs produced during the year rose by an estimated 4.0 percent to 695,252 cubic meters, from 668,512 cubic meters in 2021, reflecting strong global demand. Sawn timber output was estimated to rise to 191,790 pieces in 2022, from the 179,243 pieces produced in 2021, largely due to improved plant capacity coupled with demand for construction activities (Table 4). However, the growth in forestry subsector was estimated at 1.6 percent in 2022 compared to the 1.0 percent for 2021, largely reflecting increases in logs and timber production.

Table 4: Agriculture & Forestry Sector Output (2020-2022)

Commodity	Unit	2020	2021+	2022**
Rubber	Mt.	63,734	87,777	64,516
Cocoa Beans	Mt.	5,916	5,511	4,099*
Crude Palm Oil (CPO)	Mt.	22,286	25,041	24,019
Round Logs	M3	655,404	668,512	695,252*
Sawn Timber	Pcs.	169,097	179,243	191,790*

Sources: Ministry of Commerce & Industry (MOCI); Liberia Agricultural Commodities Regulatory Authority (LACRA); Forestry Development Authority (FDA); Mano Palm Oil
(Note: + Revised/Actual, ** Projection, *Estimate)

Growth in the mining & panning subsector was estimated at 14.0 percent in 2022, from 17.6 percent in 2021 on account of low diamond output. the volume of iron ore produced in 2022 remained flat at 5.0 million metric tons, same as in 2021. Gold production rose significantly by 49.1 percent during the year to 376,754 ounces, from the 252,708 ounces produced in the preceding year on account of increased production from industrial mines arising from expansion of mining activities. However, diamond output decreased by 12.1 percent to 55,391 carats, from 63,027 carats produced in the previous year on account of unfavorable mining conditions.

Table 5: Mining Output (2020-2022)

Commodity	Unit	2020	2021+	2022**
Gold	Ounce	141,342	252,708	376,754
Diamond	Carat	54,599	63,027	55,391
Iron Ore	Mt.	4,874,409	5,000,000	5,000,000

Source: Ministry of Mines & Energy; (Note: + Revised/Actual, ** Projection)

The secondary sector (manufacturing) moderated by 2.2 percent, from 4.7 percent in 2021, mainly on account of reduction in non-alcoholic beverage production. Production in the manufacturing subsector was somewhat mixed in 2022. Cement production by the major cement producing company during the year reduced by 11.4 percent to 474,187 metric tons, from the 534,993 metric tons reported during the previous year. However, it is important to note that data from the new cement-producing companies, which would have offset the 11.4 percent reduction in 2022, were not included at the time of concluding this report due to constraint. Beverage production (both alcoholic & non-alcoholic) decreased by 5.1 percent to 16.4 million liters in 2022, from 17.2 million liters produced in 2021. The decline was largely due to reduced demand, especially for non-alcoholic beverages. Total paint production (both oil & water paints) rose by 13.4 percent to 233,862 gallons, from 206,223 gallons produced in 2021 on account of availability of raw materials.

Candle production during the year fell to 44,121 kilograms, from 48,416 kilograms produced in 2021. The reduction in output was underpinned by decrease in the demand for the commodity precipitated by improvement in national electricity supply. However, the production of chlorox increased by 9.7 percent to 909,282 liters, from the 829,241 liters produced in 2021, mainly driven by increased demand for the commodity. Additionally, total volume of rubbing alcohol production decreased by 35.2 percent to 198,485 liters, from the 306,268 liters produced in 2021 due to weak demand for the product.

Table 6: Key Manufacturing Output (2020-2022)

Commodity	Unit	2020	2021+	2022**
Cement	Mt.	416,444	534,993	474,187
Beverages	Liter	14,164,563	17,239,963	16,366,299
Paints	Gal.	213,166	206,223	233,862
Candle	Kg.	71,274	48,416	44,121
Chlorox	Liter	1,246,431	829,241	909,282
Rubbing Alcohol	Liter	493,786	306,268	198,485
Mattresses	Pcs.	103,353	129,454	130,047
Finished Water	Gal.	1,433,941,441	1,120,947,013	1,054,208,161*
Services				
o/w Electricity	Kw	242,168,960	272,691,852	267,661,175*

*Sources: Ministry of Commerce & Industry (MOCI); Liberia Water and sewer Corporation. (Note: + Revised/Actual, ** Projection, *Estimate)*

The tertiary sector grew by 4.8 percent in 2022, from 1.9 percent in 2021, due to expansion in government related services as well as trade, construction, transportation & communication, and financial institution services. However, services related to electricity recorded a marginal decline, but remained relatively high at more than 267,000 kilowatts.

Sectoral Share and Contribution to Real GDP

An analysis of the sectoral shares of real GDP as well as contribution to real GDP growth showed that the services sector accounted for the single-largest share of GDP (37.5 percent), followed by agriculture & fisheries (29.7 percent) in 2022. In terms of sectors contribution to real GDP growth, the mining & panning subsector was the largest contributor (2.4 percentage points) to the 4.8 percent estimated growth recorded in 2022, followed by the services sector with contribution of 1.8 percentage point to real GDP growth. However, agriculture, forestry and manufacturing subsectors had contributions of less than 0.5 percent to real GDP growth (See Table 7).

Table 7: Sectoral Share and Contribution to Real GDP (In Percent)

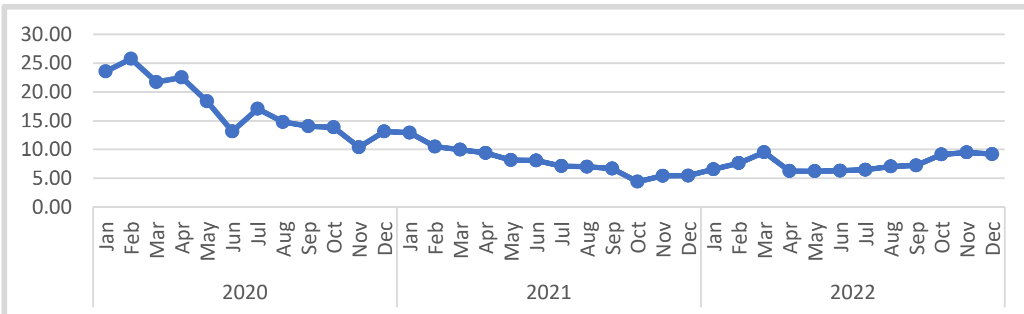
REAL RATE OF ECONOMIC GROWTH	Sectoral Share of Real GDP (2018=100)			Percentage Contribution to Real GPD Growth (2018=100)		
	2020	2021	2022	2020	2021	2022
Agriculture & Fisheries	31.1	30.8	29.7	1.8	1.2	0.4
Forestry	9.2	8.9	8.6	0.4	0.1	0.1
Mining & Panning	15	16.8	18.3	0.3	2.6	2.4
Manufacturing	6	6	5.9	0	0.3	0.1
Services	38.6	37.5	37.5	-5.4	0.8	1.8
Real GDP	**100**	**100**	**100**	**-3**	**5**	**4.8**

Source: IMF and Liberian Authorities

3.2.1 Price Developments

Average headline inflation moderated slightly to 7.6 percent in 2022, from 7.9 percent in 2021. The moderation in average inflation was largely explained by the year-on-year appreciation of the domestic currency and the moderation in food prices.

Chart 2: Year-on-year Rates of Inflation 2020-2022 (December, 2005=100)



Source: Central Bank of Liberia

Analysis of the major groups of the CPI basket showed that food & non-alcoholic beverages inflation moderated to negative 1.6 percent (from 0.5 percent). Inflation rates on furnishings, household equipment & routine maintenance of house narrowed to negative 2.1 percent (from 0.8 percent); health to 5.7 percent (from 29.8 percent); recreation and culture narrowed to negative 0.4 percent (from 2.6 percent); education to 14.6 percent (from 27.9 percent); and restaurants and hotels to 19.6 percent (from 23.7 percent). However, alcoholic beverages, tobacco and narcotics increased to 3.4 percent (from negative 8.4 percent); clothing and footwear to negative 2.2 percent (from negative 7.7 percent); housing, water, electricity, gas & other fuel to 8.0 percent (from 2.9 percent); transport to 32.8 percent (from 3.7 percent); communication to negative 0.3 percent (from negative 1.5 percent); and miscellaneous goods and services increased to 8.7 percent (from negative 8.5 percent).

Core inflation, the underlying inflation excluding food and transport, moderated to 9.8 percent from 13.2 percent in 2021. The downward trend in core inflation was mainly reflecting activities in health and education as well as the pass-through effect from the appreciation of the Liberian dollar.

Chart 3: Headline and Core Inflation, 2020-2022
(In Percent)

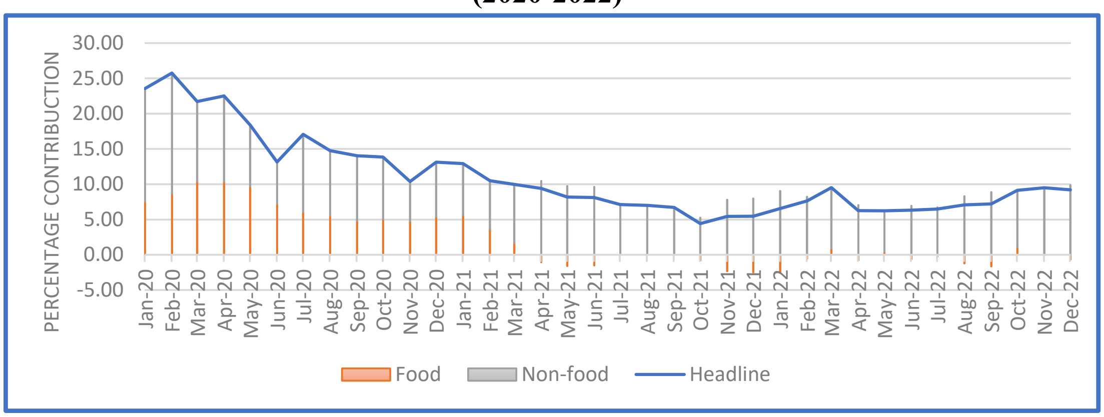
Source: Central Bank of Liberia

3.2.1.1 Food and Non-food Inflation

Average food inflation for 2022 stood at negative 1.6 percent, from 0.5 percent in 2021. This development was mainly explained by the relative strengthening of the Liberian dollar as well as the decline in the prices of both imported and domestic food items in the economy.

Non-food inflation remained relatively stable at 12.2 percent in 2022, from 12.1 percent in 2021, largely on account of appreciation of the Liberian dollar. On average, non-food category contributed more to headline inflation than food category, largely due to its weight in the CPI basket (non-food accounts for 65.9 percentage points, while food contributed 34.1 percentage points). Relative to the 7.6 percent rate of inflation, food inflation in 2022 had a contribution of negative 0.5 percentage point, while non-food category accounted for 8.1 percentage points.

Chart 4: Food, Non-food and Headline Inflation
(2020-2022)

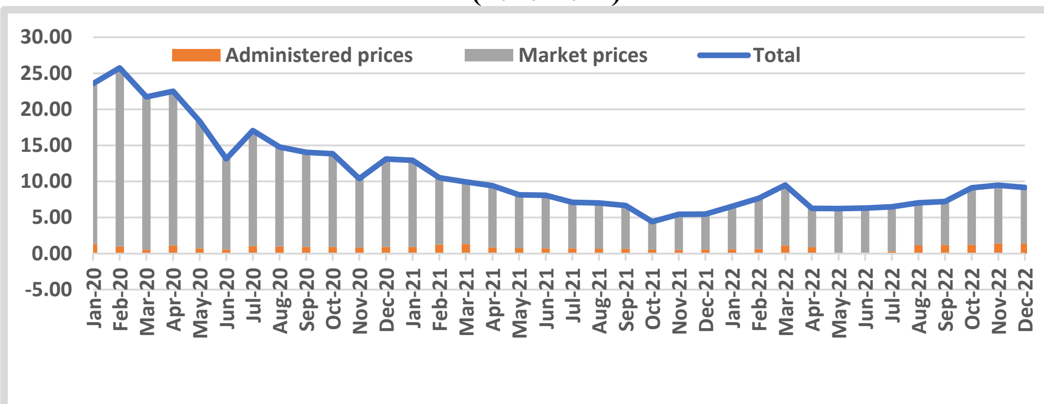


Source: Central Bank of Liberia

3.2.1.2 Administered versus Market Prices

Analysis of administered and market prices for 2022 showed that the moderation in average inflation for 2022 was driven mainly by market prices, which fell largely due to the relative Liberian dollar appreciation and favorable domestic harvest of rice and cassava. In 2022, market prices contributed 6.8 percentage points to the 7.6 percent of the average rate of inflation, while administered prices accounted for the remaining 0.8 percentage point.

Chart 5: Administered versus Market Prices (2020-2022)



Source: Central Bank of Liberia

Real Sector Outlook

In terms of outlook, RGDP growth for 2023 is projected at 4.3 percent, mainly reflecting anticipated developments in agricultural, manufacturing, and services related activities. In anticipation of increased economic activity, growths in all sectors are expected to remain on a positive trend.

Government's commitment to agricultural expansion through duty exemptions, anticipated expansion in energy supply, additional investment in road construction and priority focus on other social protection programs are expected to further support growth in 2023. In addition, deepening financial inclusion through intermediation and financial efficiency through digital services would be significant underpinning for enhancing economic activity in various sectors.

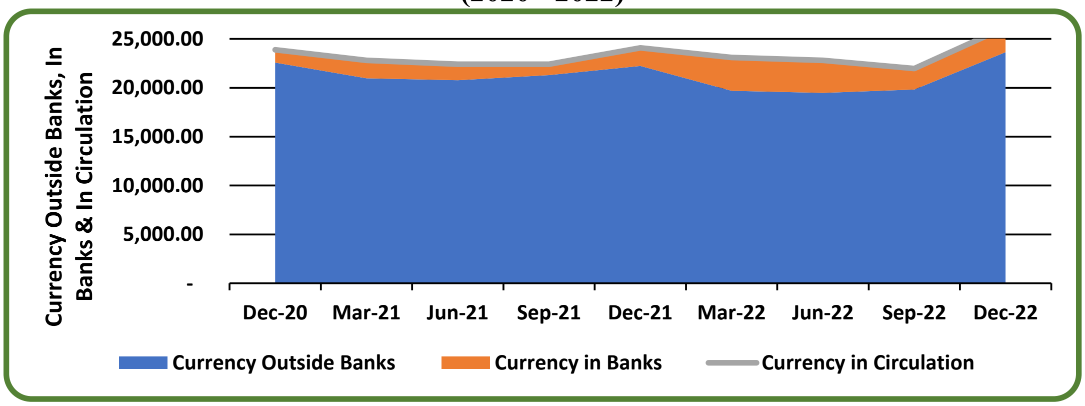
Despite expectation of relative inflationary pressure arising from uncertainty in the prices of global commodities, average consumer prices are expected to remain in single digit mainly on account of liquidity management, anticipated fiscal discipline and remittances inflows. Hence, the exchange rate volatility is expected to remain within manageable threshold, even though the current account deficit will continue.

3.3 Monetary Developments

3.3.1 Monetary Aggregates

The stock of Liberian dollar currency in circulation at end-December 2022 grew by 8.8 percent to L$26,198.43 million, from the L$24,085.95 million recorded at end-December 2021. This development was primarily induced by 37.3 percent growth of currency in banks. Currency outside the banking system accounted for 90.3 percent of the total stock of currency in circulation, down from the 92.3 percent reported at end-December 2021. This high level of currency outside banks was attributed to increased economic activity and the ease of access to deposits in the financial sector.

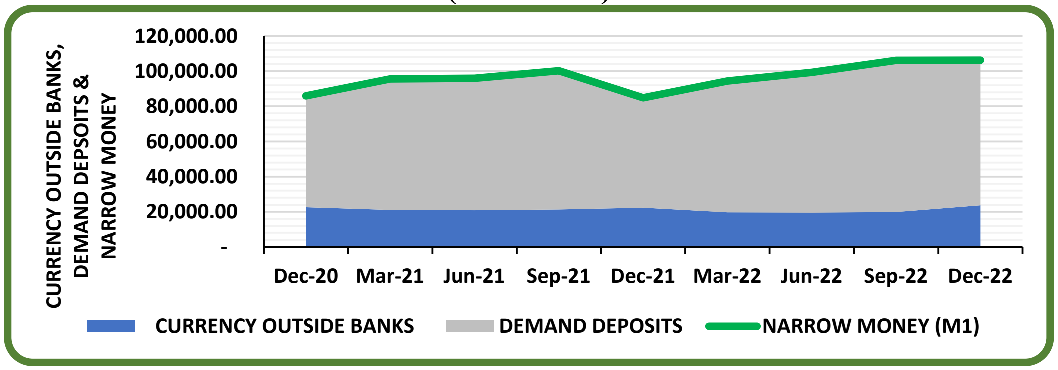
Chart 6: Liberian Dollar in Circulation (2020 - 2022)



Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars

At end-December 2022, the stock of narrow money supply (M1) increased by 25.2 percent to L$106,234.68 million, from the L$84,831.99 million reported at end-December 2021. The increase was triggered by 31.9 percent and 6.4 percent growths in demand deposits and currency outside banks, respectively. Quasi money expanded by 17.0 percent to L$47,489.35 million, primarily induced by 82.2 percent and 16.5 percent increases in other deposits and time & savings deposits, respectively.

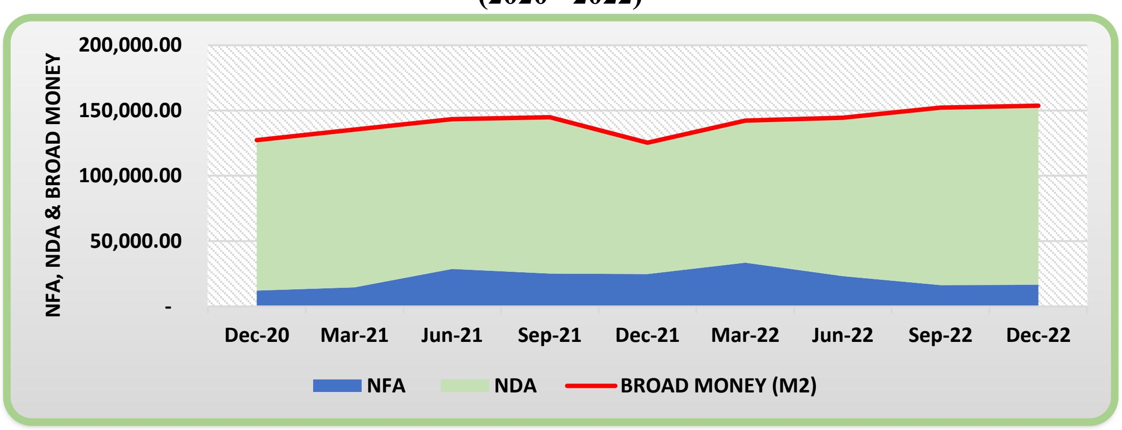
Chart 7: Narrow Money Supply (M1)
(2020 - 2022)



Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars

At end-December 2022, the stock of broad money supply (M2) rose by 22.6 percent to L$153,724.03 million, from the L$125,416.61 million reported at end-December 2021, largely driven by 36.4 percent increase in net domestic assets (NDA), which offset the 33.6 percent decline in net foreign assets (NFA). The expansion in NDA was mainly explained by growth in net claims on private sector, which accounted for more than 95 percent of total credit to the economy.

Chart 8: Broad Money (M2)
(2020 - 2022)



Source: Central Bank of Liberia
Note: All figures are expressed in millions of Liberian dollars.

At end-2022, reserve money grew by 10.8 percent to L$49,476.73 million, mainly on account of growths in cash reserves of commercial banks held at the CBL, currency in circulation, and other deposits at the CBL (Table 8). Based on the foregoing, the US dollar component of broad money supply at end-2022 accounted for 68.9 percent (L$105,888.58 million), from 68.1 percent (L$85,457.11 million) recorded at end December 2021. However, the Liberian dollar share of broad money constituted 31.1 percent, compared to 31.9 percent recorded in 2021.

Table 8: Money Supply and its Sources (2020 - 2022)

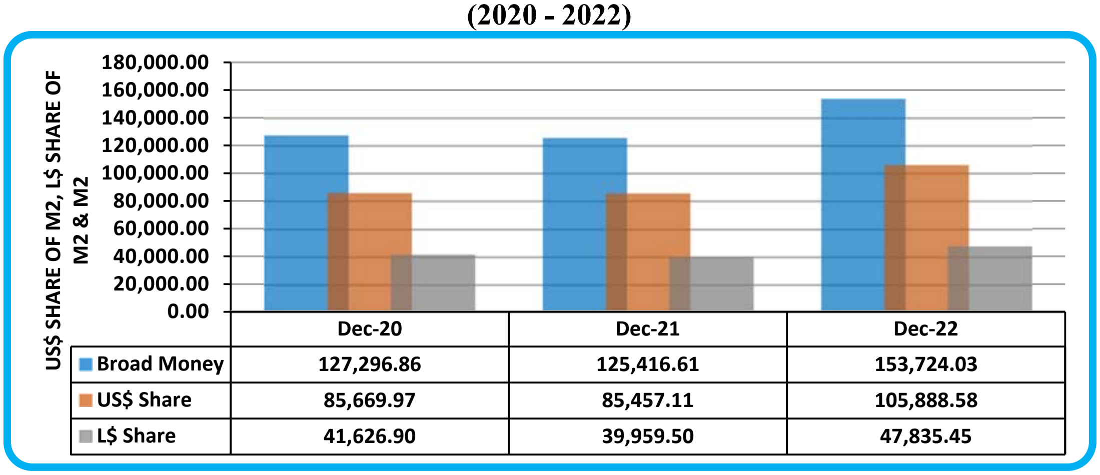
Monetary Aggregates	Dec-20	Dec-21	Dec-22	Percent Change	
				2020-2021	2021-2022
1.0 Money Supply M2 (1.1 + 1.2)	127,296.86	125,416.61	153,724.03	(1.5)	22.6
1.1 Money Supply M1	85,918.32	84,831.99	106,234.68	(1.3)	25.2
1.1.1 Currency outside banks	*22,591.32*	*22,233.22*	*23,654.45*	*(1.59)*	*6.39*
1.1.2 Demand deposit 1/	*63,327.00*	*62,598.76*	*82,580.22*	*(1.15)*	*31.92*
1.2 Quasi Money	41,378.54	40,584.63	47,489.35	(1.9)	17.0
1.2.1 Time & Savings deposits	40,900.93	40,249.44	46,878.66	(1.59)	16.47
1.2.2 Other deposits 2/	*477.62*	*335.19*	*610.69*	*(29.82)*	*82.19*
2.0 Net Foreign Assets	12,099.55	24,753.39	16,440.34	104.6	(33.6)
2.1 Central Bank	(6,688.45)	(952.20)	(3,046.20)	(85.76)	219.91
2.2 Banking Institutions	18,788.00	25,705.59	19,486.54	36.82	(24.19)
3.0 Net Domestic Assets (1 - 2)	115,197.32	100,663.22	137,283.69	(12.6)	36.4
3.1 Domestic Credit	191,684.66	158,864.75	195,591.81	(17.12)	23.12
3.1.1 Government (net)	105,309.94	82,300.37	102,981.33	(21.85)	25.13
3.1.2 Pvt. Sector & Other Pvt. Sector	86,374.72	76,564.38	92,610.48	(11.36)	20.96
3.2 Other assets Net (3 - 3.1)	76,487.34	58,201.53	58,308.12	(23.91)	0.18
Memorandum Items					
1. Overall Liquidity	127,296.86	125,416.61	153,724.03	(1.48)	22.57
2. Reserve Money	42,927.49	44,651.93	49,476.73	4.02	10.81
Currency in Circulation	*23,902.53*	*24,085.95*	*26,198.43*	*0.77*	*8.77*
Banks Reserves	*18,547.34*	*20,230.80*	*22,667.61*	*9.08*	*12.05*
Other Deposits at CBL	*477.62*	*335.19*	*610.69*	*(29.82)*	*82.19*
Currency in Banks	*1,311.21*	*1,852.72*	*2,543.98*	*41.30*	*37.31*

Source: Central Bank of Liberia

Note: All figures are expressed in millions of Liberian dollars.

1/ Excludes managers' checks from commercial banks; 2/Includes official and manager's checks issued by the CBL

Chart 9: Broad Money (M2) Composition by Currency (2020 - 2022)



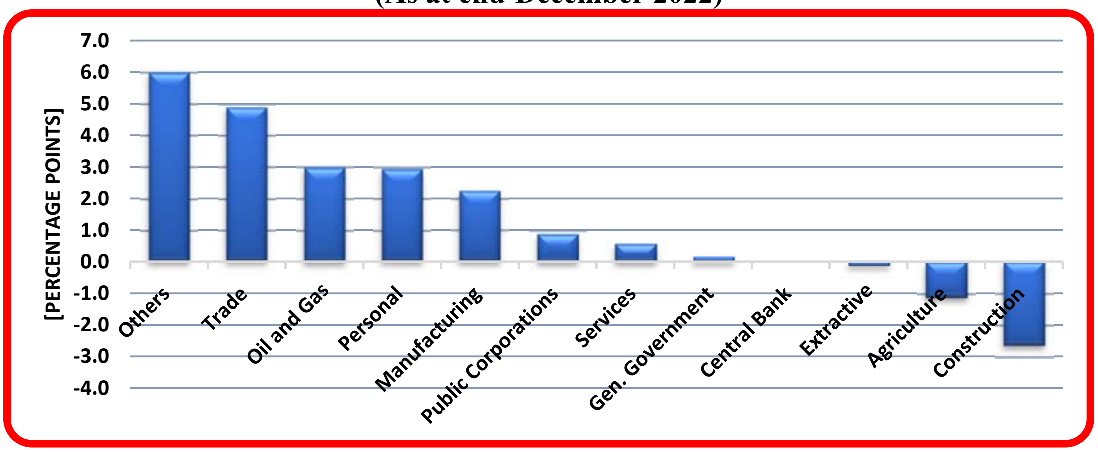
Source: Central Bank of Liberia

Note: All figures are expressed in millions of Liberian dollars.

3.3.2 Commercial Banks' Credits to the Economy

Commercial banks' credits to the various subsectors of the economy at end-December 2022 summed up to L$77,227.45 million, representing 16.8 percent increase compared with the amount reported at end-December 2021. The contributing subsectors to the growth in credits were trade (4.9 percentage points); oil & gas (3.0 percentage points); loans & advances to individuals (2.9 percentage points); manufacturing (2.3 percentage points); loans & advances to public corporations (0.9 percentage point); services (0.6 percentage point); general government (0.2 percentage point); extractive (negative 0.1 percentage point); agriculture (negative 1.1 percentage point); construction (negative 2.7 percentage points); and "the others" subsector category (6.0 percentage points) (see Chart 10).

Chart 10: Sectoral Contribution to Credit Growth
(As at end-December 2022)



Source: Central Bank of Liberia

The growth in sectoral credits was largely driven by stability in the domestic economy, reflecting increased credit conditions amid relative exchange rate stability in 2022, despite the challenging global economic conditions. Similarly, total credits converted to United States dollar in 2022 also expanded by 9.9 percent to about US$499.9 million, from US$455.0 million in 2021. Credit to the private sector as percent of GDP stood at 12.9 percent (1.1 percentage point), from 14.0 percent of GDP reported for 2021, which partly reflected the GDP base effect. The private sector share of total credits at end-2022 accounted for 98.2 percent of the total credit stock for the period (Table 9).

Table 9: Commercial Bank Loans by Economic Sub-Sectors (2020 - 2022)

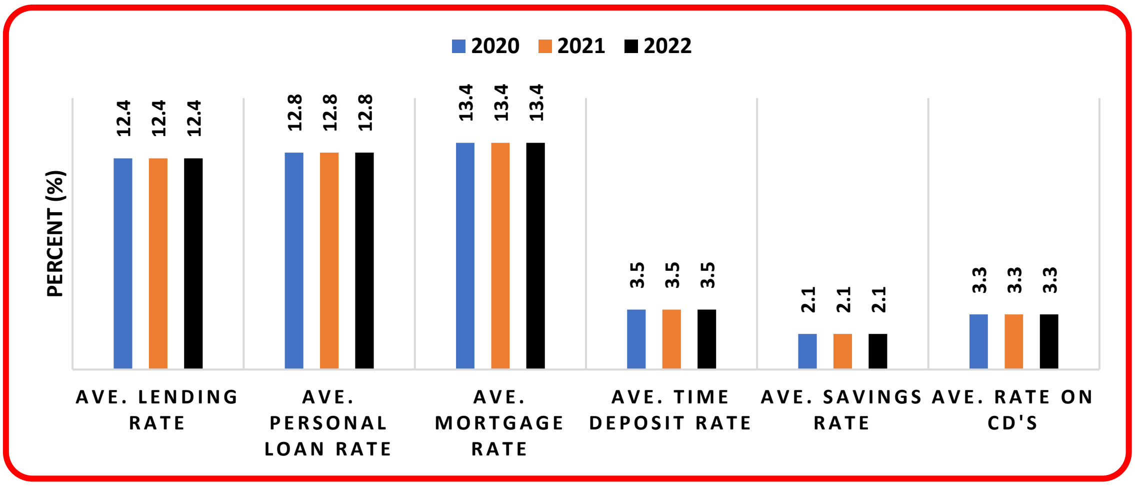
	Dec-20		Dec-21		Dec-22		Percentage Change	
	L$	Share	L$	Share	L$	Share	2020-21	2021-22
Agriculture	2,761.57	3.82	3,064.14	4.63	2,311.00	2.99	10.96	(24.58)
Extractive (Mining & Quarrying)	237.04	0.33	321.23	0.49	236.64	0.31	35.52	(26.34)
Manufacturing	2,340.32	3.24	2,880.37	4.35	4,369.52	5.66	23.08	51.70
Construction	6,853.71	9.48	6,956.54	10.52	5,201.09	6.73	1.50	(25.23)
Services	9,922.45	13.73	10,053.78	15.20	10,434.29	13.51	1.32	3.78
Trade	23,432.94	32.42	20,768.61	31.40	24,005.97	31.08	(11.37)	15.59
Personal	14,019.27	19.40	12,642.79	19.11	14,589.59	18.89	(9.82)	15.40
Gen. Government	15.19	0.02	14.12	0.02	120.82	0.16	(7.01)	755.55
Central Bank	-	-	-	-	-	-	-	-
Public Corporations	2,662.36	3.68	689.44	1.04	1,272.15	1.65	(74.10)	84.52
Oil and Gas	4,720.94	6.53	3,603.09	5.45	5,576.61	7.22	(23.68)	54.77
Others	5,309.14	7.35	5,147.54	7.78	9,109.77	11.80	(3.04)	76.97
Total Loan (All Sectors)	**72,274.93**	**100.0**	**66,141.66**	**100.0**	**77,227.45**	**100.0**	**(8.49)**	**16.76**
TOTAL (Private Sector)	***69,597.38***	***96.30***	***65,438.10***	***98.94***	***75,834.48***	***98.20***	***(5.98)***	***15.89***

Source: ***Central Bank of Liberia***
Note: ***All figures are expressed in millions of Liberian dollars, unless otherwise indicated.***

3.3.3 Interest Rates

Average interest rates generally remained stable in 2022 relative to the rates in 2021. The average interest rates on mortgages, personal loans, lending, time deposits, certificate of deposits, and saving deposits stabilized at 1,340.0, 1,280.0, 1,240.0, 350.0, 330.0, and 210.0 basis points, respectively, compared with the rates reported at end-December 2021. The stability in the savings rate coupled with the constant lending rate partly demonstrated the weak interest rate transmission in the economy (Chart 11).

Chart 11: Average Commercial Banks' Interest Rates



Source: Central Bank of Liberia

3.4 Financial Market Operations

Central Bank Bills

The CBL has remained committed to developing the money market as part of its broad strategy for capital markets development. The issuance of the CBL bills to retail investors (businesses, insurance companies and individuals) through the commercial banks is intended to attract more currency into the banking system as well as mobilize a diverse pool of investors for secondary market transactions. The number of retail investors gained traction with 25.2 percent increase to 814 subscribers in 2022, from 650 subscribers in 2021. Similarly, the total issuance at end-2022 increased by 19.9 percent to L$56,730.00 million, relative to the amount reported in 2021.

Inter-bank Market Transactions

Swap and Repo transactions by banks during the year were valued at about L$1,245.9 million and US$139.71 million, from L$1,345.72 million and US$73.59 million in 2021.

Government Securities

During the year, the CBL, on behalf of the Government of Liberia (GoL), issued Treasury bills totaling US$118.00 million and Treasury bonds of US$2.5 million. As at end-December 2022, the total outstanding principal and interest on US dollar Treasury bills stood at US$104.09 million, while US dollar Treasury bond stood at US$49.01 million. Additionally, the total GoL US dollar debt stock stood at US$153.1 million at end-December 2022. The total Liberian dollar Treasury bills issued was L$6,521.0 million, while the outstanding Treasury bills was L$8,247.6 million.

Foreign Exchange Auction

The CBL, on behalf of the GoL in 2022, purchased United States dollars in the foreign exchange auction through a competitive bidding process from the market. The US dollar purchased amount offered was US$36.98 million, which translated into full subscription.

As a way of strengthening the primary and secondary money market transactions in the debt market, the Board of Governors of the CBL approved the final license to Liberia Merchant Capital Limited (LMCL) to own and operate a discount house in Liberia with the aim of building confidence in the debt market.

On the regional front, Liberia along with The Gambia, Guinea, and Sierra Leone became beneficiaries of the WAMI domestic debt market development project funded by the African Development Bank through the CBL's engagement with the West Africa Monetary Institute (WAMI). The project was awarded to West Africa Institute for Financial Economic Management (WAIFEM) through the project implementation Unit of WAMI to provide consultancy services on Debt Management, Liquidity Forecasting, and the preparation of a Harmonized Debt Market Development Roadmap. The Team (WAIFEM/WAMI) paid a five-day visit to Liberia with the aim to discuss with designated stakeholders and partners, including the Minister of Finance and Development Planning, the Governor of the CBL, Liberia Maritime Authority, Money deposit banks, insurance companies, National Port Authority, large mining corporations, telecommunication companies, and other stakeholders.

The project outcome is expected to assist Liberia in the development of its domestic debt markets at the level obtainable for Regional Capital Markets Integration. The first component of the project is to fund the upgrade of the debt securities market/management IT infrastructure to automate varying interbank, money, and debt market transactions. It will also include technical training and capacity building on the use of the upgraded IT system. The project, which started in 2021, is expected to end in December 2023.

Additionally, Liberia received a Pension Sector Reform project sponsored by AfDB through WAMI to strengthen the pension sector and increase institutional investors to facilitate the development of the country's domestic debt market. The project is aimed at formulating a regulatory framework that provides for the extension of pension scheme coverage from the formal to the informal sector, and effectively supports the distribution of social welfare benefits to vulnerable populations including women. Capacity building for existing and future pension services will be provided by the project team. The WAMI Project Implementation Unit will undertake a three-day appraisal mission to Liberia in March 2023.

Reserves Management

In the first quarter of its Regular Meeting held on March 10, 2022, the Board Investment Committee (BIC) approved the establishment of a custodial account at the Federal Reserve Bank of New York for the trading of US Treasury bills. In adherence to the BIC decision, Executive Management has established a custodial account on behalf of the CBL at the Federal Reserve Bank of New York.

In September 2022, the IMF Mission presented to the CBL the Aide Memoire of its technical assistance on Reserves Management with several recommendations on governance and policy framework, investment management framework, risk management framework, system enhancements, and staff capacity building. As a result of these recommendations, the CBL through the Financial Market Department reviewed the existing FX reserve management policies and drafted revised versions. The CBL also developed new policies to strengthen the foreign exchange reserve management framework.

3.5 External Sector Developments

3.5.1 Overview

External sector developments were generally challenged in 2022. The current account deficit increased by 5.7 percent to US$629.0 million compared to the deficit recorded in preceding year, mainly on account of increased trade deficit and reduction in receipts of secondary income. Net inflows from the financial account declined by 53.7 percent to US$177.6 million in 2022 against the net inflows reported in 2021 due to decreases in direct and other investment inflows. However, the capital account balance increased to 11.9 percent of GDP, from the 6.1 percent of GDP reported in 2021, mainly driven by growth in capital transfers. Consequently, the overall Balance of Payments (BoP) recorded a deficit of US$0.4 million (0.01 percent of GDP) compared to the surplus of US$365.8 million (10.4 percent of GDP) reported in 2021.

The Country's Gross International Reserves (GIR) at end-December 2022 fell by 9.9 percent to US$600.1 million (15.0 percent of GDP), from US$666.3 million (19.0 percent of GDP) at end-December 2021, mainly reflecting depreciation of the Special Drawing Rights (SDRs) and reduction in SDRs holdings & reserves. Similarly, the months of import cover reduced to 3.6 months due to rise in imports coupled with the reduction in GIR but remained above the ECOWAS regional convergence benchmark by 0.6 month.

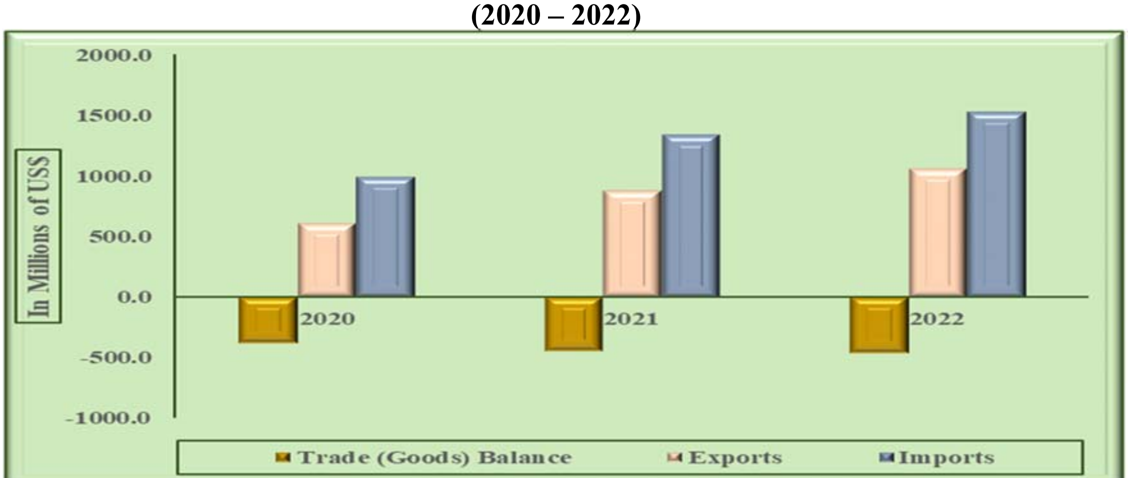
3.5.2 Current Account (CA)

The current account deficit widened by 5.7 percent to US$629.0 million in 2022, from US$595.1 million in 2021, largely on account of decrease in the secondary income balance coupled with expansion in the primary income (net) deficit. However, when measured in percentage of GDP, the current account deficit narrowed to 15.8 percent, from the 17.0 percent recorded in 2021 indicating increased output growth during the period.

3.5.2.1 Goods Account (net)

The merchandise trade deficit grew by 2.9 percent to US$469.8 million, from US$456.6 million in 2021 mainly explained by growth in import payments, which outweighed the increase in export proceeds during the review period. When measured in percent of GDP, the current account deficit narrowed to 11.8 percent of GDP in 2022, from 13.0 percent of GDP in 2021, reflecting rise in output growth during the period. Total merchandise trade (with imports on fob basis) increased by 16.5 percent to US$2,585.8 million in 2022, from the US$2,218.9 million reported in the previous year. Similarly, total merchandise trade (with imports on cif basis) rose by 17.8 percent to US$2,777.8 million against the US$2,358.8 million in 2021. These developments were driven by increases in both merchandise exports and imports.

Chart 12: Merchandise Trade Balance (2020 – 2022)



Source: Central Bank of Liberia

3.5.2.1.1 Exports

Export earnings grew by 20.1 percent to US$1,058.0 million (26.5 percent of GDP), from the US$881.2 million (25.1 percent of GDP) reported in 2021, led primarily by increases in receipts from key export commodities including gold, round logs, and diamond. Receipts from gold and round logs increased by US$202.6 million to US$542.9 million, and US$29.5 million to US$34.8 million, from the US$340.3 million and US$5.3 million reported in 2021. Additionally, proceeds from diamond and the "other exports" category rose by 48.5 percent to US$22.5 million, and 42.8 percent to US$35.8 million, from the US$15.2 million and US$25.1 million recorded in 2021, respectively. Export commodities, which recorded declines in 2022, included iron ore by 17.6 percent to US$285.7 million from US$346.9 million; rubber by 8.1 percent to US$101.1 million from US$110.0 million; cocoa beans by 39.3 percent to US$3.6 million from US$5.9 million; and palm oil by 3.1 percent to US$31.5 million from US$32.5 million.

3.5.2.1.2 Imports (FOB & CIF)

Payments for imports on Freight on Board (FOB) basis increased by 14.2 percent to US$1,527.8 million (38.3 percent of GDP) in 2022, from the US$1,337.7 million (38.1 percent of GDP) recorded in the previous year. This development was explained by increases in payments for food & live animals (including vegetable oil) by 2.5 percent to US$391.0 million, and minerals, fuel & lubricants (mostly petroleum products) by 122.8 percent to US$494.6 million in 2022. Conversely, payments for machinery & transport equipment, and chemicals & related products fell by 13.1 percent to US$309.0 million and 16.7 percent to US$122.2 million in 2022, respectively. Similarly, payments for manufactured goods classified chiefly by materials and the "other imports" category decreased by 8.0 percent to US$141.0 million and 11.0 percent to US$69.9 million, respectively, during the year under review.

On Cost Insurance and Freight (CIF) basis, payments for imports also grew during the year by 16.4 percent to US$1,719.8 million (43.1 percent of GDP), from the US$1,477.6 million (42.1 percent of GDP) recorded in 2021.

3.5.2.1.3 Direction of Trade

Estimates of merchandise trade statistics revealed that Europe and Asia were the main destination of Liberia's exports in 2022, while Asia and Africa were the major sources of the country's imports.

Merchandise exports to Europe and Asia increased by 9.2 percent and over 100.0 percent in 2022 against the levels reported in 2021 and accounted for 74.8 percent and 11.0 percent of total merchandise exports, respectively. Additionally, exports to North America & the

Caribbean, and Africa grew by 11.2 percent and 24.9 percent, and constituted 7.4 percent and 2.5 percent of total exports (Table 9).

Merchandise imports from Africa and Europe grew by 60.9 percent and 4.5 percent in 2022 compared to the imports recorded in 2021 and accounted for 28.9 percent and 15.7 percent of total merchandise imports, respectively. Similarly, imports from North America & the Caribbean rose by 4.5 percent and constituted 6.3 percent of total imports. However, though merchandise imports from Asia declined by 3.9 percent in 2022, it accounted for the highest share of total imports at 42.8 percent (Table 10).

Table 10: Directions of Trade
(2020-2022)
(In Millions of US$, except otherwise indicated)

Direction of External Trade (DOT)	2020		2021*		2022**	
	Exports	Imports	Exports	Imports	Exports	Imports
Total	607.7	998.0	881.2	1337.7	1058.0	1527.8
Africa	7.8	242.4	21.1	274.4	26.3	441.5
O/w: ECOWAS	7.5	186.6	12.0	203.4	8.5	353.2
o/w: Neighboring countries	0.7	168.9	7.8	197.5	5.4	336.1
o/w: Cote D'Ivoire	-	164.7	-	189.8	-	271.6
Asia	65.6	519.4	55.2	679.7	116.7	653.4
O/w: Middle East	20.9	39.5	12.2	85.2	24.7	65.3
O/w United of Arab Emirates	17.3	18.9	10.2	33.5	39.6	30.3
O/w: China	33.4	177.7	3.2	193.2	32.6	151.6
O/w: India	-	175.6	-	302.0	-	118.1
Europe	469.6	135.5	724.1	229.0	790.9	239.4
O/w: Euro Zone	282.7	95.5	66.4	134.7	120.7	111.9
O/w: United Kingdom	36.0	6.0	66.3	9.2	90.7	16.4
O/w: Switzerland	179.6	-	334.3	-	463.9	-
O/w: Spain	-	11.3	-	14.2	-	8.4
North America and Caribbean	42.9	71.6	70.5	91.9	78.4	96.0
O/w: United States of America	42.9	67.5	70.5	74.4	78.4	33.2
South and Central America	1.5	24.9	2.1	54.4	0.9	76.0
O/w: Brazil	-	18.1	-	24.0	-	15.0
O/w: Argentina	-	0.9	-	2.9	-	2.6
Oceania	0.0	4.3	17.7	8.5	0.0	21.5
O/w: Australia	0.0	3.7	17.7	7.2	0.0	0.8
Other Countries (n.i.e)	20.2	-	8.2	-	44.9	-

Source: Central Bank of Liberia

3.5.2.2 Services Account (net)

The deficit in the services account (net) narrowed by 3.8 percent to US$274.7 million (6.9 percent of GDP) in 2022 relative to the US$285.6 million (8.1 percent of GDP) recorded in 2021. The improvement was occasioned by decreases in payments for maintenance & repairs, other business services, and government related services, while payments for insurance & pensions, and transport related services grew largely due to increase in the global price of crude oil.

3.5.2.3 Primary Income (net)

The primary income balance totaled US$106.1 million (2.7 percent of GDP) in 2022 compared to the US$103.5 million (2.9 percent of GDP) recorded in 2021. The nominal increase was largely driven by growth in investment income (net).

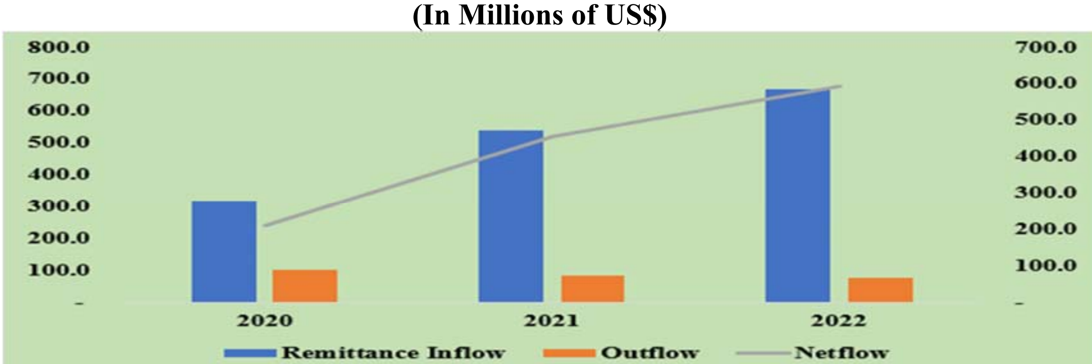
3.5.2.4 Secondary Income (net)

Net inflows from the secondary income account fell by 11.5 percent to US$221.6 million (5.6 percent of GDP) during the review period, from US$250.5 million (7.1 percent of GDP) in 2021, mainly on account of decreases in personal and other current transfers.

3.5.2.4.1 Personal Remittances

Net personal/workers' remittances, including remittances terminated through mobile wallet for 2022, expanded by 30.8 percent to US$594.2 million, from US$454.2 million recorded for the year 2021, primarily explained by 24.1 percent rise in inward personal remittances, despite the 11.6 percent decline in outward personal remittances during the period. The rise in net personal remittances during the review period was primarily occasioned by the increase in personal assistance to Liberian residents from relatives and friends living abroad.

Chart 13: Personal Remittances
(2020 – 2022)
(In Millions of US$)



Source: Central Bank of Liberia

3.5.3 Capital Account (KA)

The balance in the capital account rose to US$474.3 million (11.9 percent of GDP) in 2022, from US$215.6 million (6.1 percent of GDP) in 2021, mainly reflecting growth in investment grants from development partners.

3.5.4 Financial Account (FA)

Based on estimates, the net incurrence of liabilities in the financial account decreased by 53.7 percent to US$177.6 million (4.4 percent of GDP) in 2022, from US$383.6 million (10.9 percent of GDP) in 2021. This development was driven by reductions in inflows from both direct and other investments.

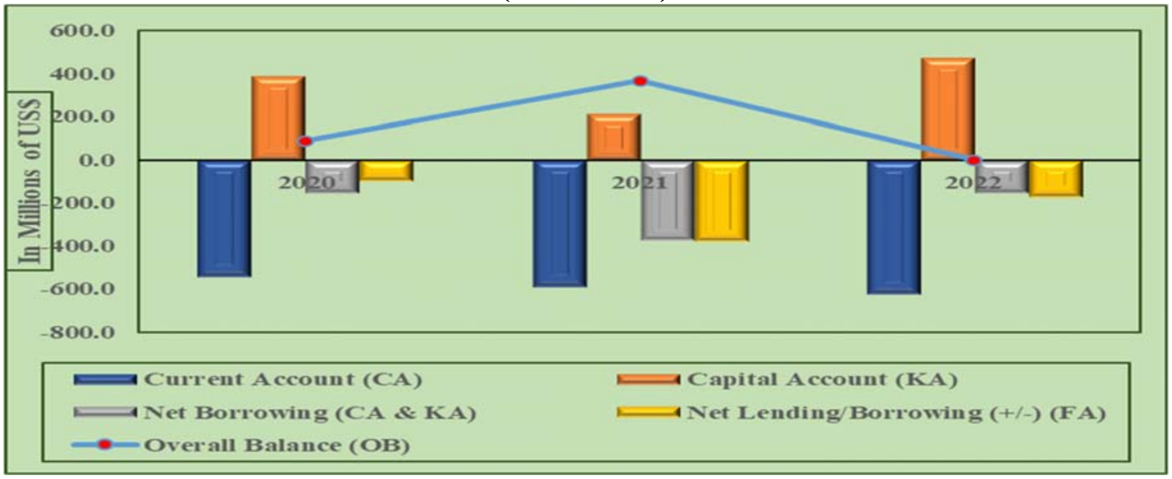
Table 11: Balance of Payments Statistics
(In millions of US$, except otherwise indicated)

Balance of Payments (BoP) Statement	2020	2021r	2022p	%GDP/2020	%GDP/2021	%GDP/2022
Current Account (CA)	-545.1	-595.1	-629.0	-17.9	-17.0	-15.8
Credit	1,007.7	1,265.6	1,444.6	33.2	36.1	36.2
Debit	1,552.8	1,860.7	2,073.6	51.1	53.0	51.9
Goods and services	-693.3	-742.1	-744.5	-22.8	-21.1	-18.6
Credit	619.4	886.2	1,071.8	20.4	25.3	26.8
Debit	1,312.7	1,628.3	1,816.3	43.2	46.4	45.5
Goods (Trade Balance)	-390.3	-456.6	-469.8	-12.9	-13.0	-11.8
Credit (Exports)	607.7	881.2	1,058.0	20.0	25.1	26.5
Iron Ore	*289.0*	*346.9*	*285.7*	*9.5*	*9.9*	*7.2*
Rubber	*82.2*	*110.0*	*101.1*	*2.7*	*3.1*	*2.5*
Minerals	*206.6*	*355.5*	*565.5*	*6.8*	*10.1*	*14.2*
Diamond	*12.1*	*15.2*	*22.5*	*0.4*	*0.4*	*0.6*
Gold	*194.4*	*340.3*	*542.9*	*6.4*	*9.7*	*13.6*
Cocoa Beans	*7.1*	*5.9*	*3.6*	*0.2*	*0.2*	*0.1*
Raw Palm Oil	*3.9*	*32.5*	*31.5*	*0.1*	*0.9*	*0.8*
Round Logs	*2.8*	*5.3*	*34.8*	*0.1*	*0.2*	*0.9*
Other Exports	*16.0*	*25.1*	*35.8*	*0.5*	*0.7*	*0.9*
Debit (Imports)	998.0	1,337.7	1,527.8	32.9	38.1	38.3
Food and Live Animals	*283.8*	*381.6*	*391.0*	*9.3*	*10.9*	*9.8*
Minerals, Fuel, Lubricants1	*189.2*	*222.0*	*494.6*	*6.2*	*6.3*	*12.4*
Chemicals & Related Products	*111.1*	*146.6*	*122.2*	*3.7*	*4.2*	*3.1*
Mfg. Goods classified chiefly by Materials	*106.4*	*153.3*	*141.0*	*3.5*	*4.4*	*3.5*
Machinery & Transport Equipment	*231.3*	*355.7*	*309.0*	*7.6*	*10.1*	*7.7*
Other Imports	*76.3*	*78.6*	*69.9*	*2.5*	*2.2*	*1.8*
General merchandise on a balance of payments basis	-584.7	-796.8	-1011.4	-19.3	-22.7	-25.3
Credit	413.2	540.9	516.5	13.6	15.4	12.9

Debit	998.0	1,337.7	1,527.8	32.9	38.1	38.3
Of which Re-exports (credit)	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
Nonmonetary gold	194.4	340.3	561.2	6.4	9.7	14.1
Credit	194.4	340.3	561.2	6.4	9.7	14.1
Debit	0.0	0.0	0.0	0.0	0.0	0.0
Services (net)	-303.1	-285.6	-274.7	-10.0	-8.1	-6.9
Credit	11.7	5.0	13.8	0.4	0.1	0.3
Debit	314.7	290.6	288.5	10.4	8.3	7.2
Primary Income (net)	-99.5	-103.5	-106.1	-3.3	-2.9	-2.7
Credit	21.0	21.8	20.6	0.7	0.6	0.5
Debit	120.4	125.3	126.7	4.0	3.6	3.2
Secondary Income (net)	247.8	250.5	221.6	8.2	7.1	5.6
Credit	367.4	357.6	352.2	12.1	10.2	8.8
Debit	119.6	107.1	130.6	3.9	3.1	3.3
O/W Workers' remittances	*212.0*	*263.8*	*262.6*	*7.0*	*7.5*	*6.6*
Credit	*316.2*	*349.7*	*338.6*	*10.4*	*10.0*	*8.5*
Debit	*104.2*	*86.0*	*76.0*	*3.4*	*2.4*	*1.9*
Capital Account (KA)	390.5	215.6	474.3	12.9	6.1	11.9
Credit	390.5	215.6	474.3	12.9	6.1	11.9
Debit	0.0	0.0	0.0	0.0	0.0	0.0
Net lending (+) / net borrowing (-) (CA & KA)	-154.5	-379.5	-154.7	-5.1	-10.8	-3.9
Financial Account (FA)						
Net lending (+) / net borrowing (FA) (-) (FA)	-100.4	-383.6	-177.6	-3.3	-10.9	-4.4
Direct Investment (net)	-18.4	-31.8	12.7	-0.6	-0.9	0.3
Net acquisition of financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Net incurrence of liabilities	18.4	31.8	-12.7	0.6	0.9	-0.3
Other Investment (net)	-82.0	-351.8	-190.3	-2.7	-10.0	-4.8
Net acquisition of financial assets	40.4	90.5	-34.3	1.3	2.6	-0.9

Net incurrence of liabilities	122.4	442.3	156.0	4.0	12.6	3.9
Net Errors & Omissions	-35.9	-369.9	-22.4	-1.2	-10.5	-0.6
Overall Balance (OB)	90.0	365.8	-0.4	3.0	10.4	-0.01
Financing	**-90.0**	**-365.8**	**0.4**	**-3.0**	**-10.4**	**0.0**
Changes in Reserve Assets (-increase; +decrease)	*-90.0*	*-365.8*	*0.4*	*-3.0*	*-10.4*	*0.0*
Memorandum Items						
Gross International Reserves	*294.8*	*666.3*	*600.1*	*9.7*	*19.0*	*15.0*
Import cover (In Months)	*2.5*	*4.5*	*3.6*	-	-	-
Imports (cif)	*1,102.2*	*1,477.6*	*1,719.8*	*36.3*	*42.1*	*43.1*
Service Payments	*314.7*	*290.6*	*288.5*	*10.4*	*8.3*	*7.2*
Total Imports of Goods/Services	*1,416.9*	*1,768.1*	*2,008.3*	*46.7*	*50.4*	*50.3*
Current Account Bal. Excl. Grants	*-595.1*	*-601.5*	*-620.0*	*-19.6*	*-17.1*	*-15.5*
Annual Nominal GDP market prices	*3,037.0*	*3,508.9*	*3,792.32*	-	-	-

Chart 14: Balances of the BoP (2020 – 2022)



Source: Central Bank of Liberia

3.5.4.1 Direct Investment

Direct investment (net) outflows amounted to US$12.7 million (0.3 percent of GDP) compared to the US$31.8 million (0.9 percent of GDP) net inflows reported in 2021, suggesting a reduction in investment liabilities during the review period.

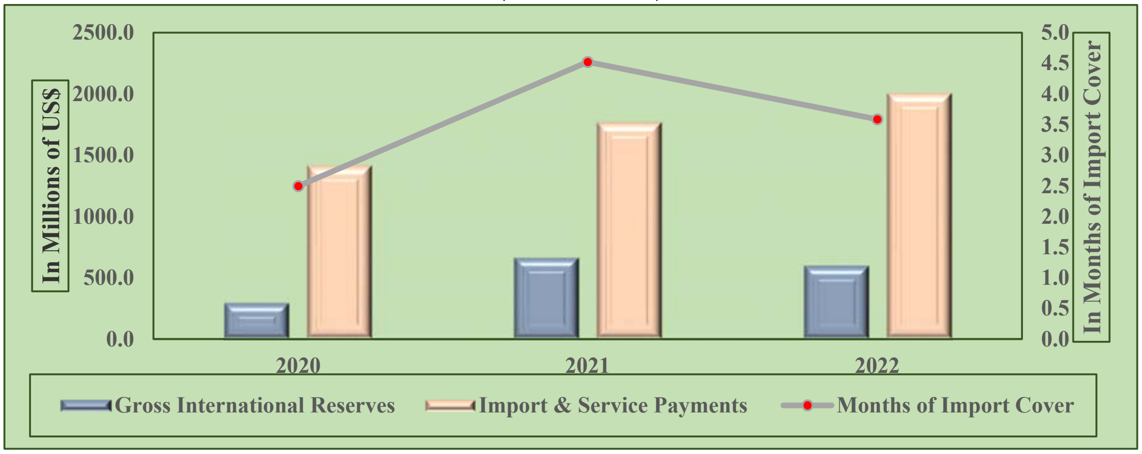
3.5.4.2 Other Investment (net)

Other investment inflows fell to US$190.3 million (4.8 percent of GDP) in 2022, from US$351.8 million (10.0 percent of GDP) in the previous year. Other investment inflows from currency & deposits and loans grew to US$35.8 million and US$153.3 million, respectively, while trade credit & advances fell to US$1.2 million.

3.5.5 Gross International Reserves (GIR)

Liberia's GIR fell by 9.9 percent to US$600.1 million (15.0 percent of GDP) at end-December 2022, from the US$666.3 million (16.0 percent of GDP) at end-December 2021. The decrease was mainly driven by the depreciation of the SDRs and reduction in SDRs holdings & reserves. Similarly, the months of import cover relative to the GIR decreased to 3.6 months, from the 4.5 months reported in 2021, occasioned by reduction in GIR coupled with growth in payments for imports. However, the recorded months of import cover remained above the 3.0 months ECOWAS macroeconomic convergence benchmark by 0.6 month.

Chart 15: Gross International Reserves, Imports & Months of Import Cover (2020 – 2022)



Source: Central Bank of Liberia

3.5.6 Exchange Rate Developments

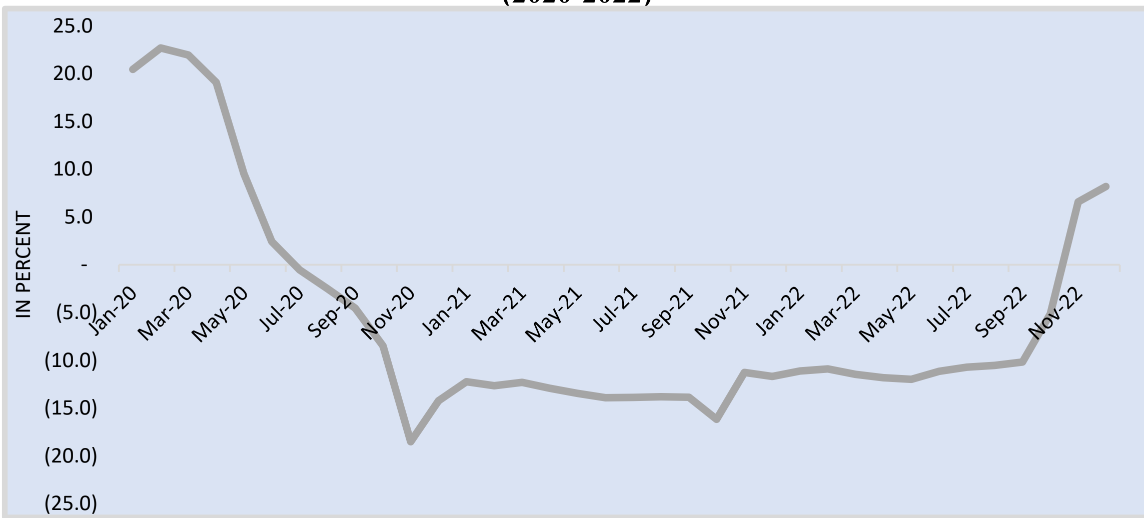
During the year 2022, the Liberian dollar on average appreciated by 8.0 percent to L$152.93 per US$1.00, from L$166.15 per US$1.00 in 2021, despite constraints relating to the external sector. The average annual exchange rate appreciation was largely attributed to the monetary policy stance of the CBL on liquidity management, rising remittance inflows and sound fiscal discipline (Tables 12).

Table 12: Buying and Selling Rates of Liberian Dollar per US Dollar (2020 - 2022)

	2020		2021		2022	
Period Average	**Buying**	**Selling**	**Buying**	**Selling**	**Buying**	**Selling**
January	191.24	192.89	167.79	169.32	148.88	150.75
February	195.85	197.67	171.82	173.29	152.87	154.64
March	197.02	198.64	172.76	174.18	152.75	154.38
April	197.41	198.83	171.79	173.22	151.23	152.97
May	197.84	199.10	171.03	172.42	150.31	151.98
June	198.52	199.67	170.69	172.09	151.48	153.09
July	198.64	199.81	170.83	172.24	152.28	154.01
August	198.65	199.84	170.98	172.43	152.77	154.46
September	198.39	199.62	170.63	172.14	153.07	154.78
October	192.59	193.85	161.15	162.75	152.71	154.53
November	162.10	163.47	143.63	145.23	153.03	154.79
December	160.76	162.34	141.81	143.46	153.50	155.17
Memo Items:	**2020**		**2021**		**2022**	
End-of Period	*164.22*		*145.36*		*154.49*	
Period Average	*191.52*		*166.15*		*152.93*	

Source: Central Bank of Liberia

Chart 16: Year-on-year L$/US$ Exchange Rate Variability (2020-2022)



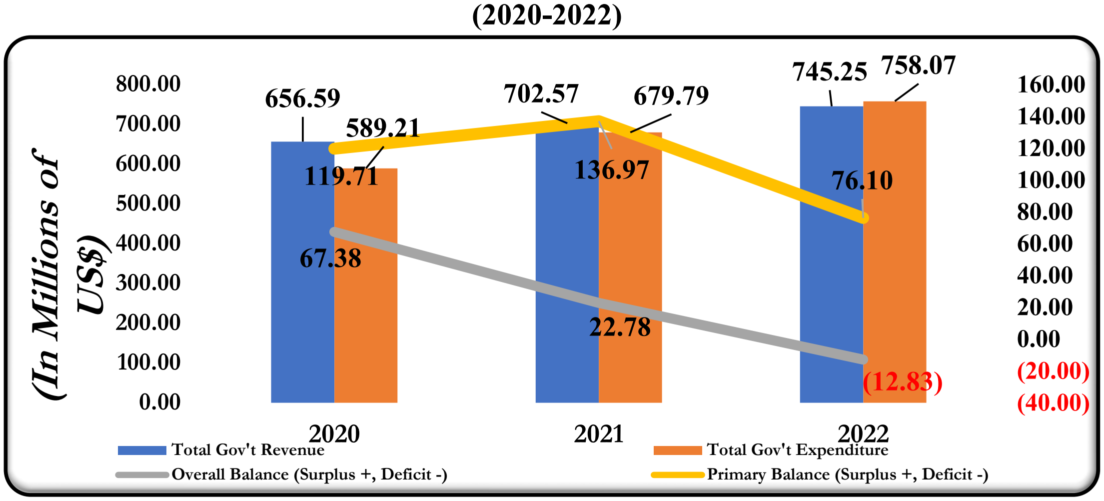
Source: ***Central Bank of Liberia***

3.6 Fiscal Developments

3.6.1 Overview of Government Fiscal Operations

The fiscal operations of the Government in 2022 were characterized by prudent fiscal policy measures and enhanced revenue administration that resulted to increased domestic revenue mobilization. Both government revenue and expenditure increased to US$745.3 million (18.9 percent of GDP) and US$758.1 million (19.3 percent of GDP) respectively resulting to a deficit of US$12.8 million (0.4 percent of GDP) in the Overall Balance (OB). In contrast, the Primary Balance (PB) remained in surplus of US$76.1 million (1.9 percent of GDP), reflecting short-term sustainability of government finances.

Chart 17: GOL's Fiscal Operations (2020-2022)



Source: CBL's Calculation Using MFDP's data

3.6.2 Government Revenue

Based on estimate, GoL total revenue rose to US$745.3 million (18.9 percent of GDP), increasing by 6.1 percent in 2022. The increase was attributed to improvement in non-tax revenue combined with marginal growth in tax receipt by US$117.2 million (3.0 percent of GDP), and US$490.6 million (12.5 percent of GDP), respectively. The tax revenue marginally expanded by 1.5 percent to US$490.55 million (12.5 percent of GDP), largely on account of rise in taxes on income and profits, while non-tax receipt grew by 27.5 percent to 117.18 million (3.0 percent of GDP) mainly due to improvements in both property income and administrative fees & penalties. Income & profit tax and international trade tax (customs) totaled US$211.4 (5.4 percent of GDP) and US$202.2 million (5.1 percent of GDP), respectively; property income and administrative fees & penalties also amounted to US$98.3 million (2.5 percent of GDP) and US$18.9 million (0.5 percent of GDP), respectively. Similarly, other revenue, inclusive of grants, expanded by 7.8 percent to US$137.5 million (3.5 percent of GDP).

Table 13: Government Revenue (2020-2022)

Fiscal Operations	2020	2021[r]	2022[p]	Y-O-Y
	(Millions of USD)			
Total Government Revenue	**656.59**	**702.57**	745.25	6.08
Tax Revenue	**388.51**	**483.11**	490.55	1.54
o/w Taxes on Income & Profits	*171.63*	*210.06*	*211.35*	*0.62*
o/w Taxes on Int'l Trade (Customs)	*164.02*	*209.25*	*202.18*	*-3.38*
Non-tax Revenue	**89.72**	**91.94**	117.18	27.46
o/w Property Income	*76.08*	*74.66*	*98.32*	*31.68*
o/w Administrative Fees & Penalties	*13.24*	*17.25*	*18.86*	*9.34*
Other Revenue (including Grants)	**178.36**	**127.52**	137.52	7.84
Memo Items				
Total Revenue (% of GDP)	21.62	20.02	18.93	
Tax Revenue (% of GDP)	12.79	13.77	12.46	
Non-tax Revenue (% of GDP)	2.95	2.62	2.98	
Other Revenue (Grants & Borrowings)	5.87	3.63	3.49	
GDP (In Millions of USD)	3,037.20	3,508.86	3,937.57	

Source: CBL's calculation using MFDP's data
r: revised
p: provisional

3.6.3 Government Expenditure

In 2022, government expenditure totaled US$758.1 million (19.3 percent of GDP), increasing by 11.5 percent relative to 2021 mainly attributed to a rise in both current and capital expenditures. Current expenditure, during the year, expanded by 15.8 percent to US$643.8 million (16.4 percent of GDP). The increase in current expenditure was supported by 64.7 percent rise in goods & services spending to US$283.9 million (7.2 percent of GDP), despite the reduction in employees' compensation by 18.4 percent and a reduction in payments on loans, interest & other charges by 22.1 percent to US$88.9 million (2.3 percent of GDP) in 2022. Capital expenditure also rose by more than twice during the review period to US$25.3 million (0.6 percent of GDP), reflecting increased infrastructure development.

Table 14: Government Expenditure (2020-2022)

Fiscal Operations	2020r	2021r	2022p	Y-O-Y
	(Millions of USD)			(% change)
Total Expenditure	**589.21**	**679.79**	**758.07**	**11.52**
Current Expenditure	**530.21**	**556.23**	**643.82**	**15.75**
o/w Compensation	*299.56*	*315.49*	*257.57*	*(18.36)*
o/w Goods & Services	*168.87*	*172.42*	*283.92*	*64.67*
Capital Expenditure	**6.67**	**9.37**	**25.33**	**170.27**
Payments Loan & Interest & Other Charges	**52.33**	**114.19**	**88.93**	**(22.12)**
Memo Items				
Total Expenditure (% of GDP)	19.40	19.37	19.25	
Current Expenditure (% of GDP)	17.46	15.85	16.35	
Capital Expenditure (% of GDP)	0.22	0.27	0.64	
Payments on Loan, Interest & Other Charges (% of GDP)	1.72	3.25	2.26	
GDP (In Millions of USD)	3,037.20	3,508.86	3,937.57	

Source: Ministry of Finance and Development Planning and Liberian Authorities
p: provisional
r: revised
Note: the table contains cash expenditure

3.6.4 Public Debt

The country's debt portfolio in the context of debt distress remained moderate in line with the IMF and ECOWAS benchmarks. The stock of public debt rose by 16.6 percent to US$2,018.7 million (51.3 percent of GDP) at end-December 2022 due to both domestic and external borrowings. The stock of domestic debt, which constituted 43.8 percent of the public debt stood at US$884.4 million (22.5 percent of GDP), while the stock of external debt constituted 56.2

percent, expanding by 10.5 percent to US$1,134.3 million (28.8 percent of GDP). Both debts were far below the ECOWAS macroeconomic convergence debt threshold of 70 percent of GDP.

At end-December 2022, a total of US$195.1 million (5.0 percent of GDP) was sourced from domestic financial institutions, of which commercial banks' lending accounted for 59.0 percent, while the remaining 41.0 percent was borrowed from the CBL through the Extended Credit Facility (ECF) program of the IMF.

Similarly, multilateral borrowing expanded by 12.0 percent, while bilateral borrowing declined by 1.3 percent relative to 2021. Multilateral and bilateral borrowings totaled US$1,022.6 million (26.0 percent of GDP) and US$111.7 million (2.8 percent of GDP), respectively, which showed highly concessional borrowing with flexible repayment.

Table 15: Liberia's Public Debt Statistics (2020-2022)

Fiscal Operations	2020	2021	2022	Y-O-Y
	(Millions of USD)			(% Change)
Debt Stock	**1,596.78**	**1,731.63**	**2,018.69**	**16.58**
Domestic	**643.82**	**705.02**	**884.41**	**25.45**
o/w Financial Institutions	**586.02**	**634.88**	**829.96**	**30.73**
o/w CBL	487.48	525.48	605.48	15.22
o/w Commercial Banks	98.53	109.4	224.48	105.2
o/w Other Debts	**57.8**	**70.14**	**54.45**	**(22.37)**
o/w Other Institutions	47.19	68.49	51.11	(25.37)
o/w Claims	10.61	1.65	3.34	102.75
External	**952.97**	**1026.61**	**1,134.27**	**10.49**
o/w Multilateral	*840.29*	*913.37*	*1,022.56*	*11.95*
o/w Bilateral	*112.68*	*113.24*	*111.72*	*(1.34)*
Memorandum Items (% of GDP)				
Stock of Debt	52.57	49.35	51.27	
The Stock of External Debt	31.38	29.26	28.81	
The Stock of Domestic Debt	21.2	20.09	22.46	
GDP (In Millions of USD)	3,037.20	3,508.86	3,937.57	

Source: Ministry of Finance and Development Planning and Liberian Authorities

Chapter 4.0: Developments in the Financial Sector

4.1 Overview

The banking industry was generally stable in 2022, recording increases in key balance sheet indicators compared to the previous year mainly due to the recovery in economic activity. Key balance sheet indicators for the year that recorded increases include: total assets (23.8 percent); total loans (16.6 percent); total deposits (19.8 percent); and total capital (2.1 percent). As at end-December 2022, the banking industry accounted for 95.1 percent of the total assets of the financial sector, which comprises of banks and non-bank financial institutions. In comparison with the corresponding period in 2021, the share of the banking industry increased by 2.0 percentage points. The Capital Adequacy Ratio (CAR) of the industry stood at 25.3 percent, 15.3 percentage points above the minimum requirement. The industry maintained a liquidity ratio of 43.5 percent, 28.5 percentage points above the minimum regulatory benchmark of 15.0 percent but remained challenged by the high NPLs ratio of 16.4 percent, 6.4 percentage points above the acceptable regulatory limit of 10 percent. When compared with end-December 2021, the NPLs ratio decreased by 5.1 percentage points from 22.7 percent, reflecting monetary policy efforts to strengthen asset quality.

4.2 Financial Stability

The financial sector remained relatively stable with key financial institutions showing signs of recovery from the COVID-19 pandemic and lingering effects of the crisis in Ukraine. With speculation of the pass-through effect of the global threats on the financial stability, the central banks introduced both conventional (using policy instruments) and non-conventional policies by relaxing some regulatory requirements as interventions to minimize potential threats. Some of the measures introduced by the central banks included liquidity support, policy rates easing, stimulus support, relaxation or suspension of prudential requirements, capital buffers, restriction on the payment of dividends, etc.

On the domestic front, the stability of the financial sector was relatively on course, as commercial banks and other financial institutions showed signs of recovery. The CBL, in 2022, encouraged banks to develop internal credit recovery strategy and strengthen asset quality. The CBL also created the enabling conditions for banks to increase investment in digital financial products, including mobile money operations. The introduction of these measures witnessed the relative easing of liquidity pressure on commercial banks and widened the usage of digital payments.

4.3 Commercial Banks Branch Network

The banks networks were spread across 9 of the 15 counties in Liberia with no new bank branches opened in 2022. Total number of bank branches, including annexes and windows, remained at eighty-seven (87) in comparison with the previous year. Most of the branches of banks were concentrated in Montserrado County. In terms of individual branches, LBDI and Ecobank maintained the largest share of bank branches, followed by Sapelle International Bank Liberia Limited (SIBLL).

Table 16: Commercial Banks Network

County	No. of Branches		No. of Windows		No. of Annexes		Total	
	2021	2022	2021	2022	2021	2022	2021	2022
Bomi	2	2					2	2
Bong	2	2					2	2
Grand Bassa	6	6					6	6
Grand Gedeh	1	1					1	1
Margibi	7	7			1	1	8	8
Maryland	2	2					2	2
Montserrado	52	52	6	6	1	1	60	60
Nimba	6	6					6	6
Sinoe	1	1					1	1
Total	79	79	6	6	2	2	87	87

Source: Central Bank of Liberia and Commercial Banks

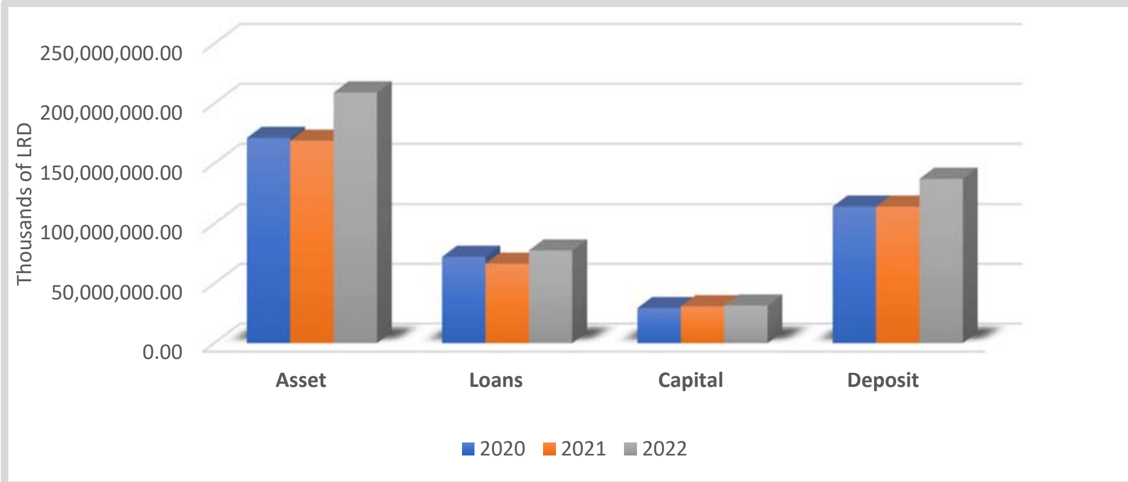
4.4 Banking Industry

The overall performance of the banking industry improved with major balance sheet indicators recording growth through increased intermediation. Despite the declining but high non-performing loans, the industry continued to record profit during the period under review.

4.4.1 Balance Sheet Structure

During the review period, key balance sheet indicators of the industry improved in comparison to end-December 2021. At end-December 2022, total assets increased by 22.5 percent to L$206.84 billion, from L$168.84 billion; total loans and advances increased by 16.7 percent to L$77.6 billion, from L$66.52 billion; total capital increased by 2.1 percent in 2022 to L$31.43 percent, from L$30.79 billion; and deposits rose by 18.5 percent to L$135.51 billion, from L$114.38 billion in 2022.

Chart 18: Selected Balance Sheet Indicators of the Banking Industry (2020 – 2022)

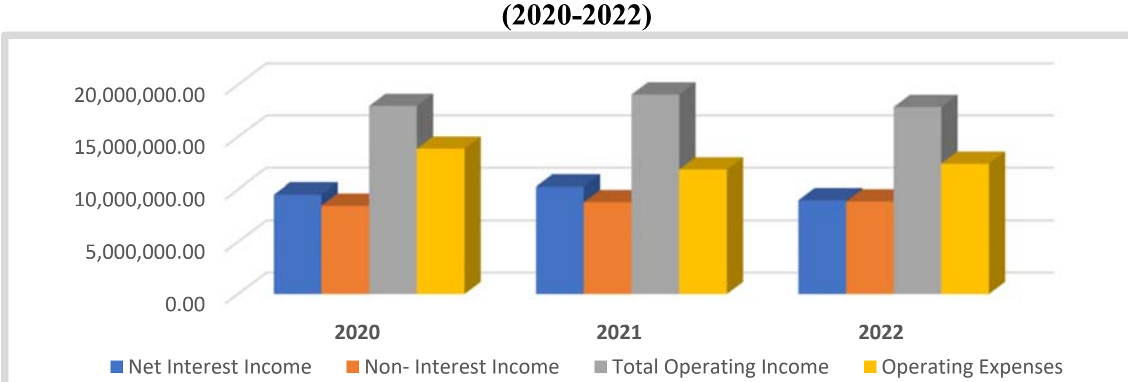


Sources: Central Bank of Liberia and Commercial Banks

4.4.2 Income Statement Structure (Profit and Loss Statement)

The banking industry consolidated comprehensive income statement at end-December 2022 showed a net income of L$4.20 billion. When compared with the previous year, net income declined by 23.6 percent. At end December 2022, total operating income of the sector amounted to L$17.77 billion. Interest income accounted for L$8.91 billion (50.1 percent), while non-interest income constituted L$8.86 billion (49.9 percent). Interest expense of the industry rose by 23.0 percent to L$2.14 billion, from L$1.73 billion at end-2022. Additionally, operating expense stood at L$12.17 billion, reflecting 2.5 percent increase compared to the same period in 2021.

Chart 19: Sources of Income and Expenses (2020-2022)



Sources: Central Bank of Liberia

4.4.3 Financial Soundness Indicators

During the year, the overall performance of the industry, in terms of the financial soundness indicators (FSI), showed resilience and stability against the lingering internal and external threats and shocks.

Table 17: Financial Soundness Indicators
(In L$; otherwise elsewhere mentioned)

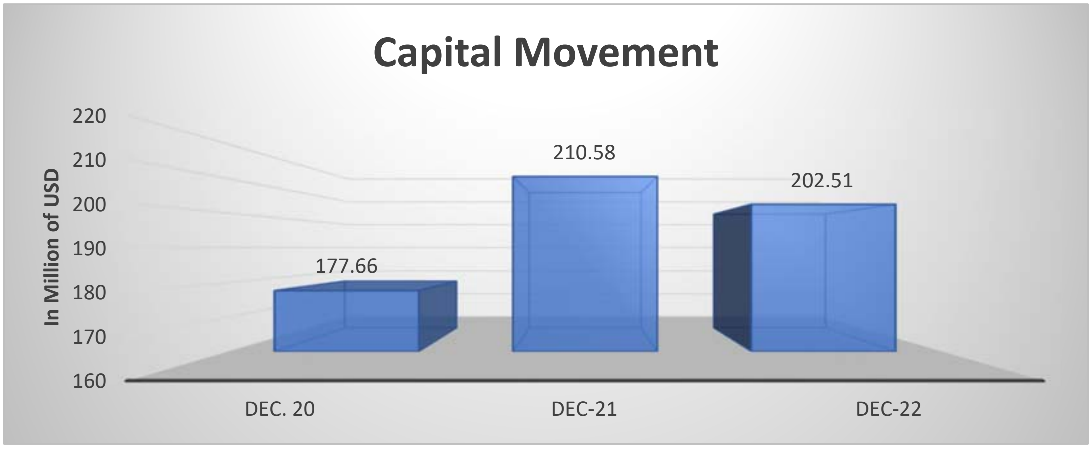
Description	31-Dec-21	31-Dec-22
Gross Assets	189,876,557.76	227,487,669.92
Net Assets	168,898,754.95	206,806,579.14
Net Loans and Overdrafts	54,778,673.58	65,739,756.24
Gross Loans and Accrued Interest on Loans	43,605,744.56	53,687,683.39
Provisions on Gross Loans	7,789,712.89	8,168,790.78
Interest in Suspense on Gross Loans	656,708.25	532,675.08
Overdrafts and Accrued Interest on Overdrafts	23,566,458.33	23,641,962.26
Provisions on Overdrafts	3,510,600.05	2,316,166.32
Interest in Suspense on Overdrafts	436,508.12	572,257.23
Deposits	114,287,068.49	135,454,819.83
Reported Capital Net of Provisions	32,766,565.09	33,697,099.39
Reported Net Capitalization (Billions)	19.4	16.29
Capital Adequacy Ratio (Percent)	31.8	25.34
Classified Loans to Total Loans (Percent)	29.1	19.21
Non-performing Loans to Total Loans (Percent)	22.69	17.58
Provisions to Classified Loans Net of Interest in Suspense (Percent)	56.23	67.98
Provisions to Non-performing Loans Net of Interest in Suspense (Percent)	69.59	76.56
Return on Assets (Billions)	3.33	2.06
Return on Equity (Billions)	18.28	13.13
Non-interest Income to Total Revenue (Percent)	42.07	44.64
Net Interest Margin over Average Assets (Percent)	5.37	4.55
Net Loans to Deposits (Percent)	29.33	29.23
Liquidity Ratio (Percent)	42.62	43.54

4.4.4 Capital Adequacy

The average capital of the industry moderated by 3.5 percent to US$22.5 million at end December 2022, from US$23.32 million reported in 2021 exceeding the minimum regulatory capital requirement of US$10.0 million. The CAR stood at 25.3 percent, which was 15.3

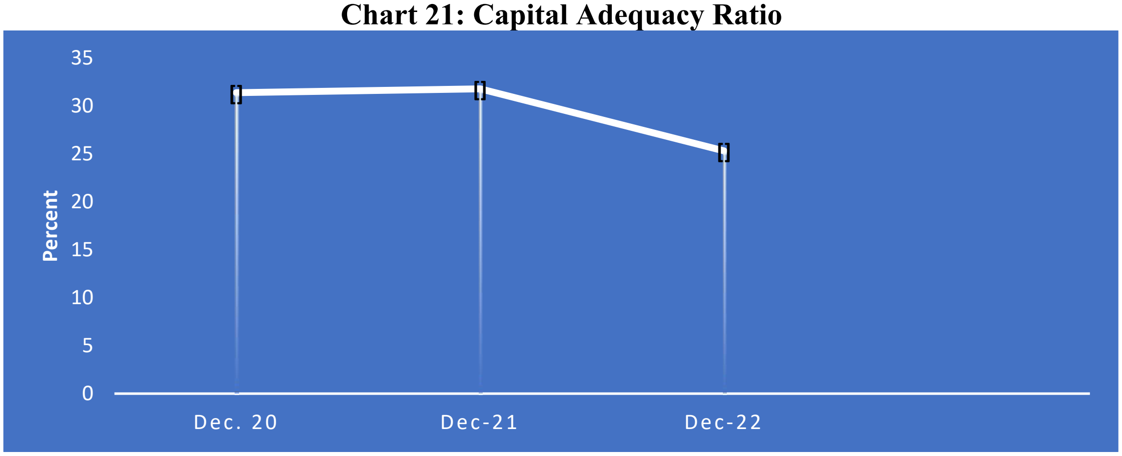
percentage points above the minimum ratio of 10.0 percent. Compared with 2021, CAR moderated by 6.4 percentage points.

Chart 20: Capital Movement



Sources: Central Bank of Liberia and Commercial Banks

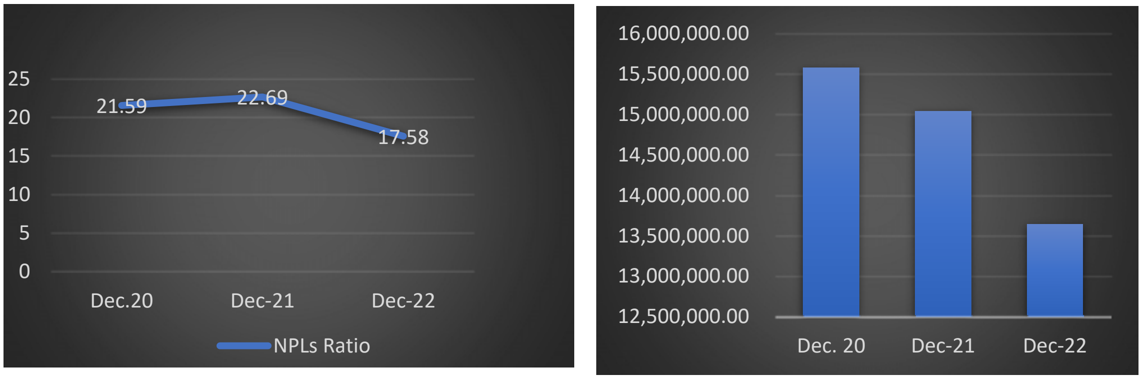
Chart 21: Capital Adequacy Ratio



4.4.5 Assets Quality

Gross loans and overdrafts of the banking industry increased by 16.7 percent to L$77.61 billion, from L$66.52 billion in 2021. The volume of NPLs (L$13.64 billion) to total loans (L$77.61 billion) decreased by 5.1 percentage points to 17.5 percent, from 22.7 percent recorded in 2021, indicating policy focus of the CBL to strengthen asset quality. Similarly, total loan loss provisions declined by 7.2 percent to L$10.48 billion, from L$11.30 billion recorded in 2021.

Chart 22: NPLs Ratio and Volume
(in '000s L$)
(2020 – 2022)



Sources: Central Bank of Liberia and Commercial Banks

4.4.6 Earnings and Profitability

Operating income of the industry for the period ended December 2022 stood at L$17.86 billion, recording a net profit of L$4.09 billion. The industry recorded the following: Return on Equity (ROE) of 13.1 percent; Return on Asset (ROA) of 2.1 percent; and Net Interest Margin of 44.5 percent.

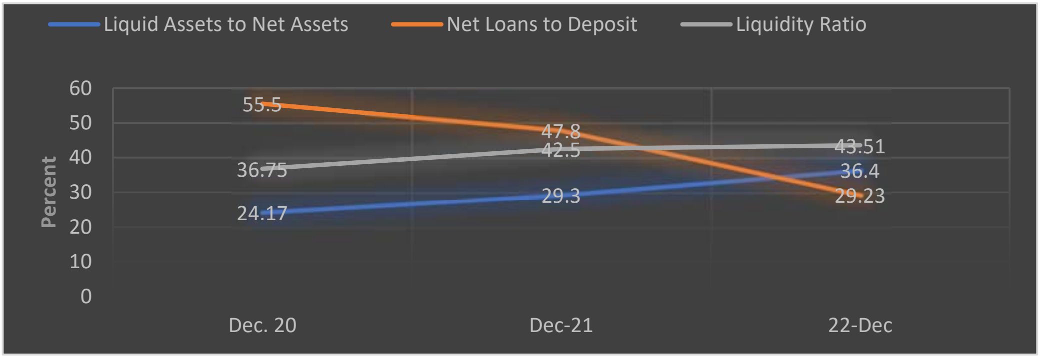
Chart 23: Trend in Earnings and Profit
(2020 – 2022)

Source: Central Bank of Liberia

4.4.7 Liquidity

The banking industry showed a relatively stable liquidity position. Liquidity ratio at end-December 2022 stood at 43.5 percent, exceeding the minimum threshold by 28.5 percentage points. The liquidity ratio increased by 1.0 percentage point in 2022 compared with 42.5 percent reported in 2021.

Chart 24: Liquidity Trend
(2020 – 2022)

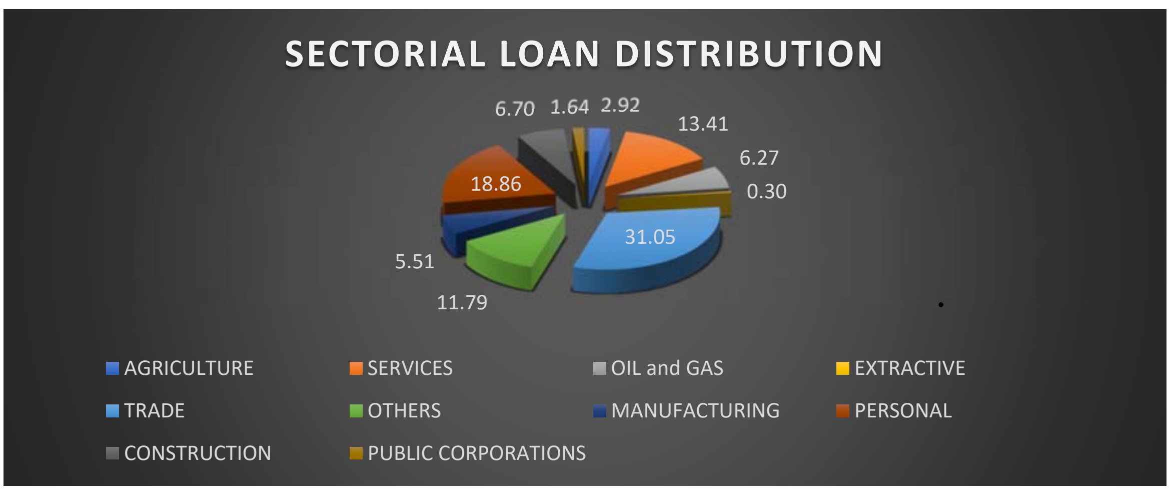


Source: Central Bank of Liberia

4.4.8 Sectoral Loan Distribution

For the year 2022, loans and overdraft stood at L$77.61 billion, reflecting 16.6 percent rise relative to the level recorded in 2021. The credit portfolio of the banking system was diversified, as no sector accounted for more than 50.0 percent of the total loans in 2022. The trade sector, which is the single largest sector, accounted for 31.1 percent of the total industry loans.

Chart 25: Sectoral Distribution of Loans and Advances

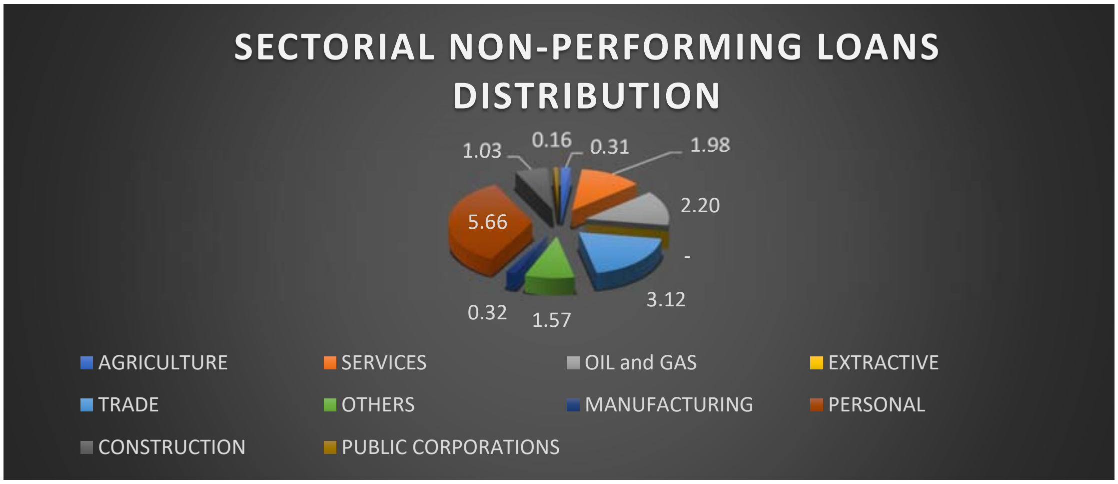


Source: Central Bank of Liberia

4.4.9 Sectoral Distribution of Non-performing Loans and Advances

At end-December 2022, the volume of NPLs and advances stood at L$13.54 billion (16.4 percent of gross loans), represented a decrease of 10.3 percent compared to the corresponding period in 2021. In terms of concentration, NPLs in the personal sector accounted for the highest (5.6 percent), reflecting a decrease of 1.4 percentage point compared with the year 2021. The shares of NPLs relating to the trade as well as oil and gas sectors stood at 3.1 percent and 2.2 percent respectively.

Chart 26: Sectoral Contribution to Non-performing Loans and Advances Growth



Source: Central Bank of Liberia

4.5 Non-Bank Financial Institutions

The number of registered Non-Bank Credit Only Microfinance Institutions ((NBCOs)) rose to nineteen (19) in 2022, from thirteen (13) in 2021. These institutions have thirty-five (35) branches across nine (9) of the fifteen (15) counties of Liberia. The sector constituted two (2) Deposit-taking Microfinance Institutions (MDIs), one (1) Development Finance Company, two hundred four (204) Licensed Foreign Exchange Bureaus, forty-nine (49) Licensed Money Remittance Entities, and twelve (12) Rural Community Finance Institutions (RCFIs).

At the end-2022, the total number of foreign exchange bureaus increased by 9 percent from 188 in December 2021 to 204 in December 2022. Of the total number of bureaus, one hundred twenty-nine (129) were in Category "A" status, while seventy-five (75) were in Category "B". The total licensed Money Remittance Entities increased to 49 in December 2022, from 37 in December 2021, reflecting 32 percent rise.

4.5.1 Key Developments in the Microfinance Sector

In 2022, the CBL licensed six (6) Non-Bank Credit Only Microfinance Institutions (NBCOs). At the end of December 2022, the total number of clients transacting with NBCOs grew by 32.1 percent to 76,724, from 58,100 in 2021. Similarly, the total number of active borrowers increased by 40.8 percent to 68,523 in 2022, from 48, 656 in 2021.

At-end December 2022, microfinance institutions outstanding loans increased to L$ 3.01 billion, from L$2.17 billion reported at end-2021. Total capital in 2022 amounted to L$ 1.36 billion, from L$1.14 billion in 2021. Net income in the industry increased to L$ 50.47 billion in 2022 from L$ 25.26 billion in 2021 reflecting 85 percent growth in the industry.

Table 18: Balance Sheet and Income Statement Performance Indicators (2021-2022)

Description	December 2021	December 2022	(Percent growth)
Total Assets	L$ 2,397,997,703.61	$ 3,490,598,451.33	35
Total Capital	1,144,631,076.68	1,363,174,341.31	10
Net Income/Loss	25,265,354.35	50,470,904.73	85

Source: Central Bank of Liberia

4.5.2 Rural Community Finance Institutions

At end- 2022, the number of Rural Community Finance Institutions (RCFIs) remained at twelve (12) with its presence in eight (8) of the fifteen (15) counties. The RCFIs were largely involved in the provision of salary-based credits and payments of civil servants' salaries across the country as well as money transfer services, including remittances and mobile money services.

During the year under review, human capacity advancement was prioritized by the RCFIs with two weeks training conducted from October 16 to 29 2022 for the Management Team and Board of Directors in Ganta City, Nimba County, as part of the Rural Community Finance Project (RCFP) implementation of Component II.

In 2022, RCFIs deposits increased by 25.0 percent to L$346.95 million, from L$277.56 million. Also, loans and advances of the institutions rose by 46.0 percent to L$270.10 million, from L$185.01 million largely attributed to the increase in customer based of the RCFIs.

Table 19: Financial Performance (2021 – 2022)

Indicator	2021 L$	2022 L$	Percent Change
Deposit	277,566,979.46	346,958,724.33	25.0
Loans & Advances	185,005,477.86	270,107,997.68	46.0

Source: Central Bank of Liberia

4.5.3 Liberia Enterprise Development Finance Company

The Liberia Enterprise Development Finance Company (LEDFC) is currently the only development finance institution in Liberia, legally operating and regulated by the CBL. Since its establishment in 2007, LEDFC has become a major source of funding for Liberian owned

Small & Medium Enterprises in both Montserrado and the leeward counties. The company has invested over US$40 million in about 700 SMEs across key sectors of the economy. In addition to funding for SMEs, the company continued to offer technical assistance for business owners to manage their finances, deploy the latest technology, minimize the environmental impact of operations, amongst others.

Financial Performance

At end-December 2022, LEDFC total assets stood at L$5.02 billion from L$4.65 billion recorded in the previous year. while total liabilities slightly decreased to L$3.53 billion in 2022 from L$3.34 billion recorded in the previous year. The total loan portfolio slightly decreased from L$2.65 billion in 2021 to L$2.64 billion in 2022 and total capital increased to L$1.49 billion in 2022 from L$1.31 billion in 2021. However, net income stood at L$66.95 million in 2022, from L$77.72 million in 2021.

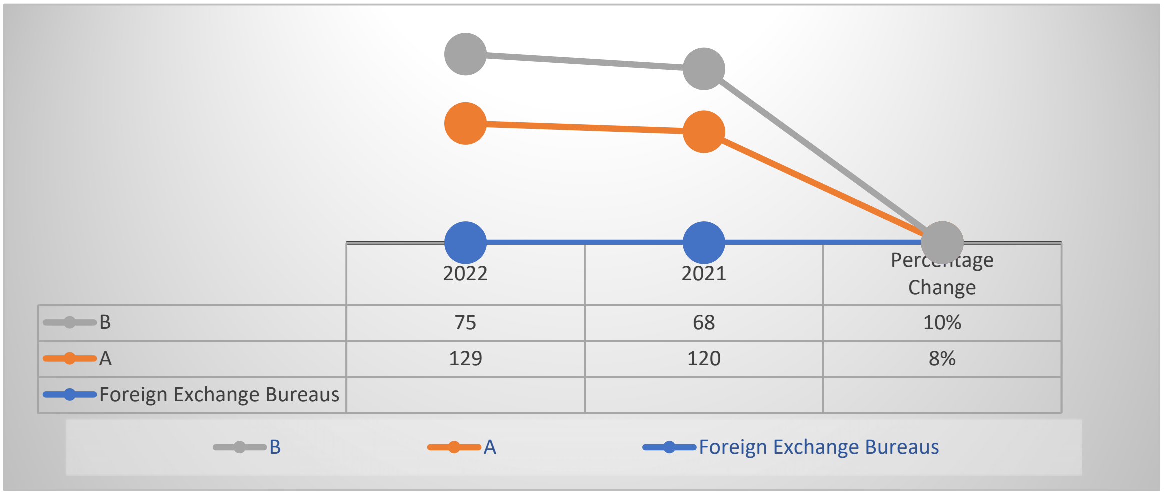
4.5.4 Deposit-Taking Microfinance Institutions

The total number of Deposit-Taking Microfinance Institutions (MDIs) remained at two (2) with three (3) branches operating in two (2) of the fifteen counties during the year 2022. The total assets and deposits stood at L$1.22 billion and L$700.65 million, respectively, compared to 2021.The performance was mainly attributed to MDI branch expansion in 2022.

4.5.5 Foreign Exchange Bureaus

At the end of December 2022, the total number of licensed foreign exchange bureaus stood at two hundred four (204), from one hundred eighty-eight (188) reported in 2021. Of the total, one hundred twenty-nine (129) accounted for category A, while the remaining seventy-five (75) represented Category B (Chart 27).

Chart 27 Foreign Exchange Bureaus



	2022	2021	Percentage Change
B	75	68	10%
A	129	120	8%
Foreign Exchange Bureaus			

4.6 Developments in the Insurance Sector

4.6.1 Introduction

During the year under review, the Liberian Insurance Sector included 14 licensed insurance companies and 5 licensed brokerage firms. The sector remained dominated by domestic owned companies, including 9 companies with significant domestic ownership and 5 companies with significant foreign ownership. The assets and capital of significantly domestic owned companies (SDOC) accounted for 40.1 percent and 47.2 percent. However, it is important to note that SDOCs revenue generated accounted for only 14.7 percent of total premium income.

4.6.2 Financial Performance

At end-December 2022, key financial balance sheet indicators of the insurance industry declined compared to end-December 2021. In terms of capitalization, the sector recorded a decline of capital by 52 percent due to significant declines in total assets and investment by 51.5 percent and 45 percent, respectively. The contractions were largely due to disallowing and discounting of assets of some insurance companies after examination and verification by the CBL.

Liability decreased by approximately 50.0 percent, while gross premium increased by 30.0 percent during the year. However, the operational and administrative expenses of insurance companies increased by 25.0 percent, while claims rose by 28.0 percent in in comparison with 2021 resulting to net losses by some companies in the sector.

Table 20: Key Financial Indicators (2020-2022)

Key Financial Indicators	2020	2021	2022	Percent Change	
				2020-21	2021-22
Capital	6,982,530,119.16	8,292,179,019.66	3,956,668,470.61	18.76	(52.28)
Total Assets	9,356,129,112.57	12,233,859,811.28	5,938,314,826.98	30.76	(51.46)
Investment	2,986,222,585.29	3,565,026,166.99	1,974,607,368.39	19.38	(44.61)
Liabilities	2,368,821,667.63	3,966,592,442.62	1,987,696,035.93	67.45	(49.89)
Outstanding Premium	1,644,987,186.32	2,884,043,046.23	750,084,827.91	75.32	(73.99)
Gross Premium	6,019,452,827.66	6,405,043,531.19	8,347,430,627.91	6.41	30.33
Underwriting Result	2,839,861,275.54	2,164,826,905.23	2,539,802,133.13	(23.77)	17.32
Net Premium	4,634,763,627.75	3,993,855,851.00	5,712,106,165.86	(13.83)	43.02
Net Income	393,518,261.97	309,702,950.22	148,486,912.59	(21.30)	(52.06)
Expenses	2,311,609,880.82	1,829,696,139.47	2,287,360,505.20	(20.85)	25.01
Claims	1,493,452,064.30	1,896,505,573.52	2,420,358,194.12	26.99	27.62
Technical Provision	1,186,030,429.63	1,415,885,528.39	824,248,362.59	19.38	(41.79)

Source: Central Bank of Liberia

4.6.3 Comparative Analysis of Annual Financial Indicators

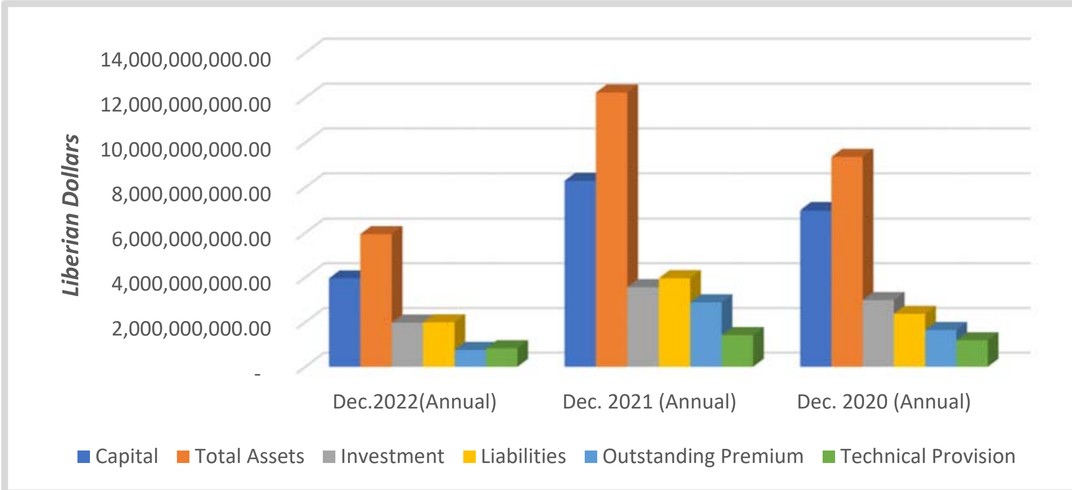
The industry balance sheet indicators reflected declines, as evidenced by 51.5 percent decreased in assets to L$5.94 billion in 2022, from L$12.23 billion at end-2021. Similarly, capital and investment each recorded decreases by 52.3 percent and 44.6 percent, respectively. The decrease in these indicators were mainly explained by disallowing and discounting of assets of some insurance companies after examination and verification by the CBL.

However, revenue in the industry recorded an increase, which was mainly attributed to targeted advertisement and increased public awareness as well as effective enforcement of third-party vehicle insurance in the country. The gross premium revenue of the industry increased by 30.0 percent to L$8.3 billion in 2022, from L$6.4 billion in 2021. Also, net premiums recorded an increase of 43.0 percent to L$5.71 billion in 2022, from L$3.99 billion in the previous year.

However, the industry recorded a reduction in net income of 52.0 percent, mainly attributed to the losses reported by insurers from claims as well as increased expenses induced by operational and administrative costs. Thus, net income significantly reduced to L$148 million in 2022, from L$309 million recorded in 2021.

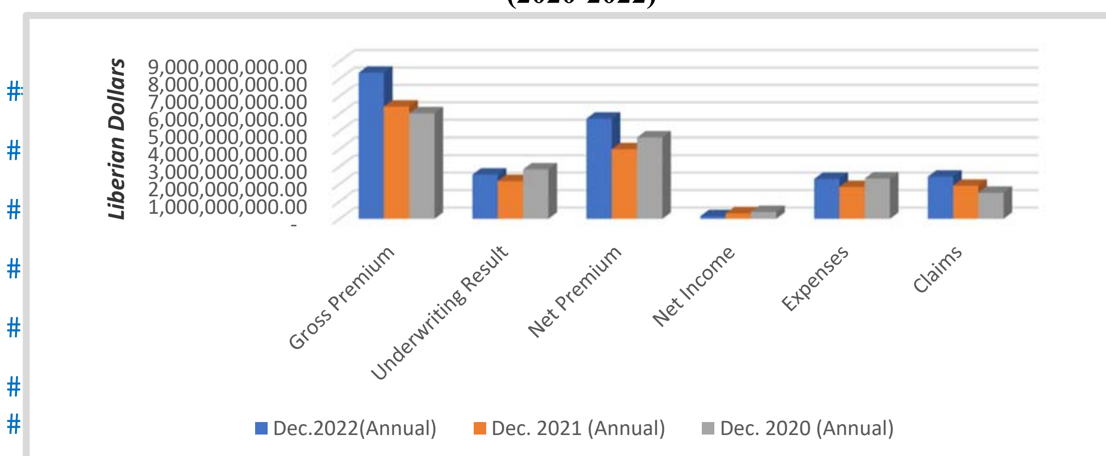
Chart 28: Shifts in Key Balance Sheet Indicators

(2020-2022)



Source: Insurance Department, 2022

Chart 29: Key Income Statement Indicators
(2020-2022)



Source: Central Bank of Liberia

4.6.4 Industry Ratios

In 2022, the expense ratio increased to 25.12 percent, from 10.09 percent in 2021. However, both claims and return on equity ratios decreased to 28.17 percent and negative 1.47 percent, from 63.31 percent and 0.40 percent, respectively.

4.6.5 Other Developments

In compliance with implementation of the mandate of the 54th National Legislature to reform the insurance sector, the CBL through the Insurance Department developed a Road map in 2022 to guide the transition of the Insurance Department at the CBL to an Independent Insurance Commission. To this end, the CBL drafted the Liberia Insurance Regulatory Commission Act, which is currently undergoing review by stakeholders.

As part of the mandate of the Bank, the CBL carried out Comprehensive Full-scope Examination of approximately 50.0 percent of the insurance companies with the goal of completing the other companies in 2023.

This examination included verification of Corporate Governance & Ownership structure, examination of adequacy of IT infrastructure, financial data collation, verification of assets & liabilities, analysis (including Capital Adequacy, Liquidity, and Solvency position), and Compliance with National laws, policies and regulations including AML/CFT laws.

In line with its goal of introducing enhanced transparency and accountability in the insurance sector, the CBL in 2022 issued new "Guidelines on Insurance Company Submission of Returns" which is a comprehensive reporting template intended to improve the timeliness, quality, and content of reporting by insurance companies.
#######

4.7 Collateral Registry and Credit Reference System

4.7.1 Operations of the Collateral Registry

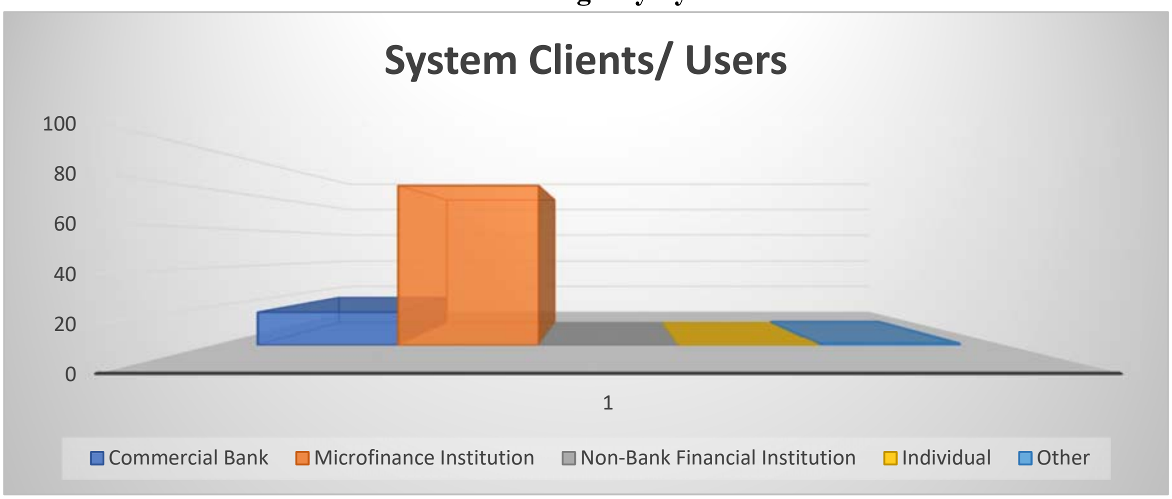
The CBL Collateral Registry System (CRS) remained operational to allow businesses to maximize economic potentials by using diverse movable assets as collateral to secure loans. The system maintained a supportive and transparent credit platform for its users/clients (financial and non-bank financial institutions) on the perfections of security interests on loan collateralized with movable assets along with notification to third party on all existing security interests in the system. These quality norms of the system remained critical for lowering the risk of default by enhancing transparency and formalizing lenders claims.

During the year, the clients /users of the system totaled fifty-five (55) and comprised of seventeen (17) legal entity clients (commercial banks, microfinance institutions and non-bank financial institutions); thirty-one (31) individual clients and seven (7) others. A total of fourteen (14) financing statements (FS) or loans were registered in the year under review compared to forty-five (45) financing statements registered in 2021. The registrations of FS in the system were processed by agents of foreign banks. The value of the FS or loans registered amounted to L$105,000 and US$183 million. Domestically, the usage of the system by banks and non-banks was gradually declining, while exemption of these institutions created more vulnerability and exposure to credit risks. Movable assets registered against the FS or loans were seventy six (76), while ten (10) searches were conducted.

The categories of debtors attracting these FS or loans showed that 50.0 percent and 43.0 percent were loans attributed to large firms and medium firms, respectively, while the remaining 7.0 percent were loans to individuals.

The cumulative performance of the Collateral Registry System disclosed in the value of financing statements and /or loans registered amounted to L$112.0 million and US$4.7 billion (inclusive of domestic and agents of foreign banks) against one thousand eight hundred twenty-seven (1827) borrowers/debtors, while Collateral used by borrowers to collateralize loans totaled three thousand seven ninety-five (3,795). Searches conducted totaled one thousand eight hundred twenty-seven (1827). These indicators showed that the Collateral Registry System remained impactful in the financial sector since its inception (Chart 30).

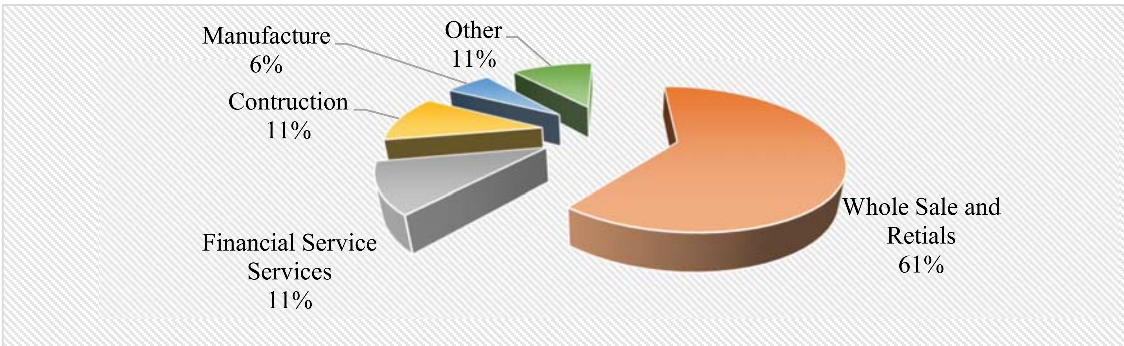
Chart 30: Collateral Registry System's Users



4.7.2 Distribution of Loans to Sectors of Operations

The distribution of loans by subsector in 2022 showed that the Wholesale/ Retail Trade sector attracted the highest concentration of loans accounting for 61 percent (Chart 31). Other credit concentrations were as follow: financial services (11 percent), manufacturing (6 percent), construction (11 percent), and others (11 percent).

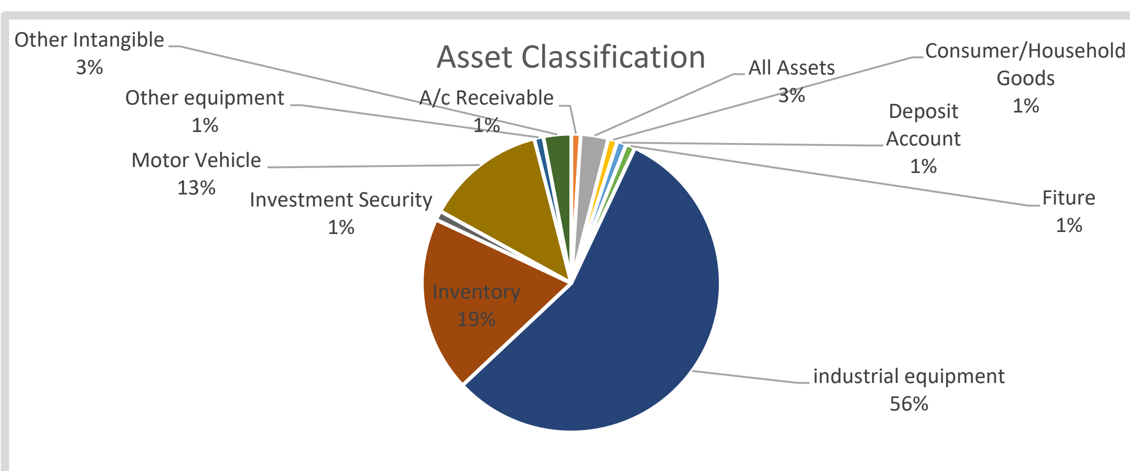
Chart 31: Sectoral Distribution of Loans



4.7.3 Assets Classifications on Movable Collateral

In 2022, industrial equipment was the most widely used collateral by borrowers, accounting for 56 percent of the total movable assets collateral as depicted in (Chart 32). Other movable collaterals used include: All Assets (3 percent), Inventory (19 percent), Account Receivable (1.0 percent), Deposit Account (1 percent), Consumer/Household Goods (1.0 percent), Motor Vehicle (13.0 percent), Investment Security (1.0 percent), Fixture (1.0 percent), Other equipment (1.0 percent) and Other Intangibles (3.0 percent).

Chart 32: Assets Classifications on Movable Collateral



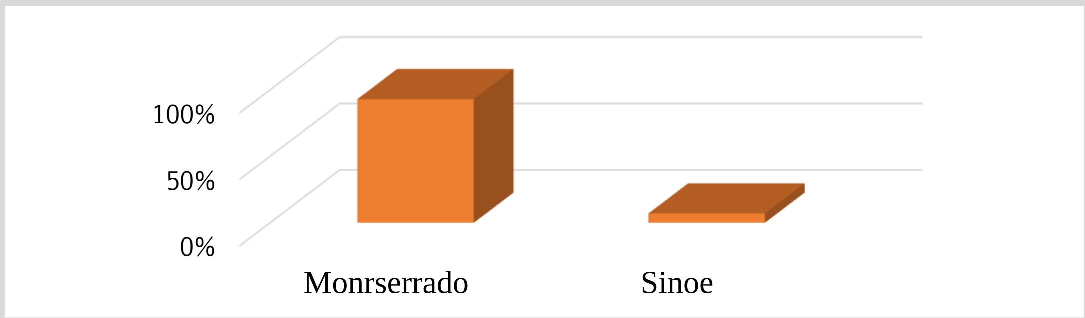
4.7.4 Loan Beneficiary - By Gender

Credit concentration in term of gender showed that male inclusively dominated the entire credit transactions in 2022. There was no female participation in credit transaction in 2022.

4.7.5 Credit concentration by Counties

Out of the 15 political subdivisions of Liberia, the credit concentration by counties showed that most of the credits booked were advanced in Montserrado Country, accounting for 93.0 percent, while the remaining 7.0 percent were advanced to Sinoe County.

Chart 33: Access to Finance by Counties



4.7.6 System Expansion/Usage

The CBL undertook vital steps domestically to encourage bank and non-bank financial institutions on the utilization of the Collateral Registry System. Intensive engagements and trainings were successfully conducted by the CBL for both bank and non-bank financial institutions operating in Montserrado and the Rural Community Finance Institutions (RCFIs) to augment usage of the CBL Collateral Registry System with more emphasis on full disclosure of credit information amongst lending institutions for sound credit decisions.

4.7.7 External Support to the Collateral Registry System

The CBL carried out several consultative meetings with the International Finance Corporation (IFC) on its findings in the assessment report for forward approach on the CBL Collateral Registry System submitted to the banks. The CBL and IFC collaborated and conducted a two-day workshop on the Collateral Registry System for stakeholders in which IFC presented the summary of recommendations and draft action plan to stakeholders to further enhance the effectiveness of the Collateral Registry System as well as the overall ecosystem for movable assets financing. The Bank, in keeping with the action plan, will continue to work with the IFC and the financial institutions on the next steps in the coming years.

4.7.8 Operations of the Credit Reference System

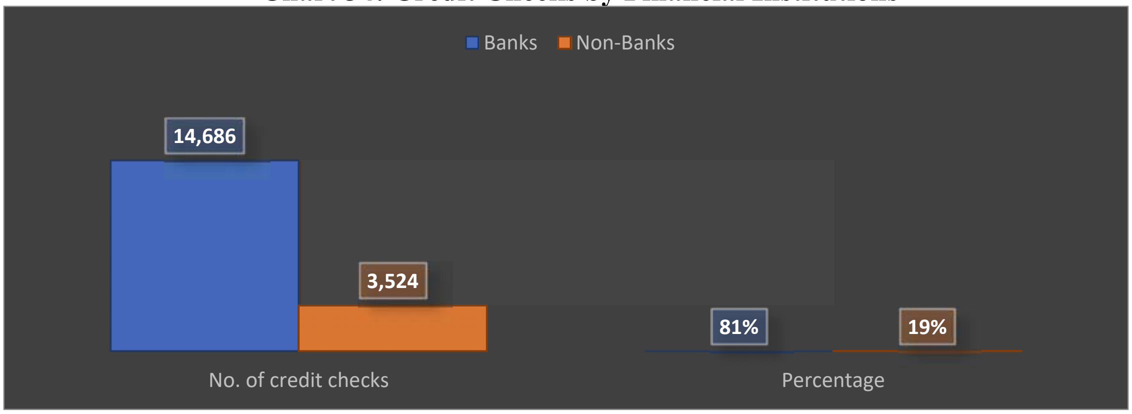
The Credit Reference System (CRS) continued to contribute to the credit risk management in the financial sector. The system remained helpful not only for crosschecking the creditworthiness of potential borrowers, but also management of all loans portfolios of bank and nonbank financial institutions for informed credit decisions. At end-December 2022, the system responded to eighteen thousand three hundred ninety-two (18,392) credit reference checks for bank and non-bank financial institutions compared to seventeen thousand two hundred thirty-four (17,234) of the preceding year.

Inquiries from Commercial banks and nonbank financial institutions relating to the credit worthiness of potential borrowers rose in 2022 (Table 20). From the commercial banks, ABLL recorded the highest inquiries of 48.0 percent of creditworthiness of potential borrowers, followed by IBLL with 17.0 percent and UBALL with 14.0 percent, while Diaconia Microfinance Deposit-taking Institution (DMDTI) recorded 77.0 percent as credit worthy inquiries about its potential borrowers followed by CITITRUST with 23.0 percent. Commercial banks recording the least creditworthy inquiries (less than 6 percent) were LBDI and AFBLL.

Table 21: Number of Credit Checks
(2021-2022)

Bank	No. of Credit Check	Percent		Non-Bank	No. of Credit Check	Percentage
ABLL	7179	48		DMDTI	2705	77
AFBLL	424	3		CITITRUST	819	23
EBLL	1452	10		LEDFC	-	-
GBLL	-	-		Sub-Total	3,524	100
GTBLL	841	6				
IBLL	2574	17				
LBDI	357	2				
SIBLL	-	-				
UBALL	2041	14				
Sub-Total	14,868	100				

Chart 34: Credit Checks by Financial Institutions



4.8 External Support to the Credit Reference System

The CBL continued to collaborate with the International Finance Corporation (IFC) on the enhancement of the Credit Reference System of the Bank. An assessment report relating to the Credit Reference system was conducted by IFC and received by CBL following the technical assessment to the Bank.

The report outlined findings and key recommendation and related deliverables on the enhancement and/or development of the system. Following consultations on the recommendations contained in the report, the CBL and IFC organized and conducted a two-day workshop for stakeholders to review findings in the assessment report for adoption of action plan to implement the recommendations for modernizing the credit reference system in Liberia. In line with the action plan on the Credit Reference System, the CBL and IFC will commence the next steps in the coming years.

4.9 Consumer Protection

The CBL, in 2022, continued to strengthen its oversight responsibilities in the financial sector to keep consumers informed and resolve complaints in accordance with the Consumer Protection and Market Conduct Regulation No. CBL/RSD/004/2017.

4.9.1 Summary of Cases

During the year, the CBL received twelve (12) complaints from the public. All of the complaints were against the commercial banks with five (5) resolved, while the remaining 7 were still ongoing during the period.

Table 22: Complaints of Customers

No.	Description	2020	2021	2022
1.	Number of Complaints	13	6	12
2.	Resolved Complaint	6	3	5
3.	Pending Complaint	7	3	7
4.	Referred for further investigation	0	0	0
5.	Nature of Complaint	Refusal to settle claims, Unapproved Interest Deductions, Failure for the bank to ensure transfer reaches account	Unauthorized withdrawal, Unapproved Interest Deductions, Failure for the bank to ensure transfer reaches account.	Unauthorized withdrawal, Unapproved Interest Deductions, Failure for the bank to ensure transfer reaches account;

Source: Central Bank of Liberia

4.9.2 Complaint Returns from Commercial Banks

In keeping with its mandate, CBL through the Consumer Protection Unit during the year received complaint returns from financial institutions, including those investigated and resolved by financial institutions. A total of one thousand one hundred seventy-two (1,172) complaints were received by the nine (9) commercial banks, of which almost all the complaints were resolved, and 1.02 percent were unresolved.

Table 23: Complaint Returns from Commercial Banks

Banks	Total Complaints	Complaint Unresolved	Complaint Resolved	Percent Shared of Unresolved Complaint	Percent Shared of Resolved Complaint
ABLL	0	0	0	0	0
AFBLL	64	0	64	0	100
EBLL	903	0	903	0	100
GBLL	6	1	5	17	83
SIBLL	54	1	53	2	98
GTBLL	21	2	19	10	90
IBLL	0	0	0	0	0
LBDI	4	4	0	100	0
UBALL	120	4	116	3	97
TOTAL	**1172**	**12**	**1160**	**1.02**	**98.98**

Source: Central Bank of Liberia

4.10 Payments System Developments

4.10.1 Regional Integration and Pan- African Payment and Settlement System (PAPSS)

As reported in 2021, The West African Monetary Institute (WAMI) and the Africa Export and Import Bank (AFREXIM Bank) continued with its fast-tracked efforts to integrate payments systems in the West African Monetary Zone (WAMZ) through the Pan-African Payment and Settlement System (PAPSS)[i] to support trading in domestic currencies among the WAMZ countries.

During the year, CBL coordinated the integration of four (4) of the nine (9) commercial banks on the PAPSS. These Banks have funded their Liberian Dollars Pre-Funded Accounts domiciled at the CBL for test and go-live. Efforts are on-going to have the other financial institutions integrated into the PAPSS in 2023 and beyond.

4.10.2 Unique Bank Identity (UBI) Project

In 2022, the WAMI submitted a request to the African Development Bank for the financing of the Unique Bank Identification (UBI) and Digital Interoperability project in Ghana, The Gambia, Guinea, Liberia, and Sierra Leone.

The WAMZ UBI Project seeks to harmonize digital identification framework for the financial sector within the Zone and the deployment of a robust digital identification database for Know Your Customer (KYC) as well as Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) in The Gambia, Guinea, Liberia, and Sierra Leone. In November 2022, the regional team cleared the project for appraisal and held a virtual appraisal mission in Liberia. The objective of the UBI project amongst others is to enhance due diligence, improve financial inclusion and strengthen regional integration in the WAMZ.

4.10.3 Payments System Transactions

In 2022, the performance of payments system transactions was mixed compared with the previous year. Table 24 provides data on the Systematically Important Payment Systems (SIPS) transactions processed through the various reporting platforms in both United States and Liberian Dollars. The number of Liberian dollar transactions in 2022 through the RGTS rose by 9.7 percent to 6,437 (with value at L$747.98 billion), from 5,866 (with value at L$0.95 billion). In terms of the United States dollars, the number of payments surged by 12.7 percent to 43,824 (with value at US$1.64 billion) in 2022, from 38,882 (with value at US$0.95 billion) in 2021. However, Liberian dollars direct credit volume of transactions decreased to 8,529 (with value at L$19.115 billion) in 2022, from 8,985 (with value at L$16.0 billion) in 2021. Similarly, the United States dollars payment volume fell from 11,628 (with value at US$519.53 million) in 2021 to 10,272 (US$494.33 million) in 2022.

Table 24: Systematically Important Payment Systems (SIPS) Reports 2021-2022

No	Platform	2021				2022			
		LRD		USD		LRD		USD	
		Vol	Val (In Millions)	Vol	Val (In Millions)	Vol	Val (In Millions)	Vol	Val (In Millions)
1	**RTGS**	5,866	230,852.17	38,882	952.10	6,437	747,980.56	43,824	1,635.75
2	**ACH**	11,772	16.01	59,024	519.53	11,088	19,114.83	51,378	494.33
3	**Direct Credit**	8,985	1,398.48	11,628	0.06	8,529	1,411.85	10,272	55.00
Total		**26,623**	**232,266.66**	**109,534**	**1,471.69**	**26,054**	**768,507.25**	**105,474**	**2,185.07**

Sources: Central Bank of Liberia

4.10.4 Retail Payment Systems

The volume of Automatic Teller Machine (ATM) transactions in USD increased by 51.30 percent to 1,645,206 in 2022, from 1,087,580 recorded in 2021. Similarly, the USD value of transactions significantly rose to US$3,144.99 million at end-2022, from US$225.80 million in 2021. United States dollar transactions via internet banking also increased in 2022 by 27.2 percent to US$2,110.29 million, from US$1,659.46 million recorded in 2021. In terms of volume of transactions, internet banking in US dollar expanded by 46.8 percent at end-2022 to 189,804, from 129,330 transactions in 2021. A comparative analysis of LRD transactions of internet banking showed that at end-2022, Liberian dollar value totaled 908.9 million with the corresponding volume of 304,317, from 9,604.9 million Liberian dollar with corresponding volume of 70,240 in 2021.

During the period under reviewed, no commercial bank reported Liberian dollar payments via Point of Sales (PoSs); however, in terms of USD, the volume of PoS transactions rose to 319,858, from 261,400 reported in 2021, reflecting 22.4 percent expansion. Similarly, the value of transactions conducted on the PoS significantly grew by 362.9 percent to US$134.05 million during the year, from US$28.96 million recorded in 2021.

The value of USD transactions in Debit Cards declined by 0.9 percent during the year to US$873.44 million at end-2022, from US$881.03 million in 2021. Similarly, the volume of Debit Cards transactions fell by 17.8 percent to 238,065 during the year, from 289,510 recorded in 2021.

Table 25: Selected Digital Financial Services Reports (2021 - 2022)
(Value in Millions)

No	Indicator	Year 2021				Year 2022			
		LRD		USD		LRD		USD	
		Vol	Val	Vol	Val	Vol	Val	Vol	Val
1	ATM	147,210	606.33	1,087,580	225.80	395,528	11,692.33	1,645,206	3,144.99
2	POSs	-	-	261,400	28.96	-	-	319,858	134.05
3	Internet Banking	70,240	9,604.98	129,330	1,659.46	48,328	908.98	189,804	2,110.29
4	Mobile Banking	390,100	162,675.48	844,630	1,418.33	304,317	48.42	438,924	149.84
5	E-Money	114,400	4,218.31	93,670	300.64	91,950	521.27	78,266	1.43
6	Debit Cards	302,840	11,239.09	289,510	881.03	91,950	10,521.27	238,065	873.44
7	Prepaid Cards	245,040	216.87	100,350	176.80	36,472	254.03	297,070	6.37
Total:		**1,269,830**	**188,561.06**	**2,806,470**	**4,691.02**	**968,545**	**23,946.30**	**3,207,193**	**6,420.41**

Source: Central Bank of Liberia

4.10.5 Mobile Money Activities

Similar to the performance in 2021, mobile money payments, including inbound transfer terminating into mobile wallet continued to dominate electronic modes of payments in 2022. The value of mobile money transactions in Liberian dollars rose by 12.1percent to L$281.7 billion, from L$251.4 billion recorded in 2021. Similarly, the value of United States Dollars transactions surged by 57.4 percent to US$2.2 billion, from US$1.4 billion in 2021.

The rise in mobile money transactions was reflective of monetary policy reform in support of digital financial services, including the amendment of Regulation Concerning the Licensing of mobile money remittance entities and the approval for bilateral integrations between banks and the Mobile Money Operators (MMOs) for the provision from bank account to Mobile Wallet services (Push and Pull) and the fast tracking of assessment of application from financial institutions to provide digital payments and services.

Similarly, the number of total registered agents increased to 109,081 in 2022, from 52,308 in 2021, mainly on account of approval granted to commercial banks to integrate Mobile Network Operators (MNOs), which created the space for more networks coverage and increased customer based to leverage use of mobile money as alternative and more convenient means of payments.

Table 26: Mobile Money Subscribers and Agents Reports (2021-2022)

Indicator	2021	2022	Percent
Number of Subscribers	2,781,258	9,248,817	232.5
Active Subscribers	1,304,225	2,531,871	94.1
Number of Agent	52,308	109,081	108.54
Active Agent	24,664	36,506	48.0
Total Volume (US$)	13,038,110	21,424,405	64.3
Total Value (US$)	1,403,714,359.07	2,209,843,740.10	57.4
Total Volume (US$)	403,326,156	473,114,511	17.3
Total Value (L$)	251,406,517,405.34	281,717,197,890.32	12.1

Source: Central Bank of Liberia and Mobile Money Operators

Geographical distributions of the number of Automatic Teller Machines (ATMs) and Point of Sales (POSs) in 2022, Montserrado County accounted for 93 and 304, reflecting 79.5 percent and 96.5 percent of total facilities deployed, respectively. In terms of penetration, ATMs and

PoS were operational in nine (9) and three (3) of the fifteen (15) counties, respectively. Disaggregation of each of the facilities according to banks showed that EBLL recorded the highest number of ATMs (39) and POSs (113) deployed across the Country. This was followed by UBALL with ATMs totaled 30 and POS totaled 107.

Table 27: ATMs & POSs deployed within the Country 2022

No	County	EBLL		GTBLL		UBALL		LBDI		IBLL		SIBLL		AFBLL		Total	
		ATM	POS	ATM	POS	ATM	POS	ATM	POS	ATM	POS	ATM	POS	ATM	POS	ATM	POS
		Vol		Vol		Vol		Vol		Vol		Vol		Vol		Vol	
1	Bomi	2						1								**3**	**-**
2	Bong											1				**1**	**-**
3	Grand Bassa	1		2				1								**4**	**-**
4	Grand Cape Mount															**-**	**-**
5	Grand Gedeh							1								**1**	**-**
6	Grand Kru															**-**	**-**
7	Lofa															**-**	**-**
8	Margibi	3	5	3	2		2	1		1						**8**	**9**
9	Maryland	2														**2**	**-**
10	Montserrado	30	108	17	86	29	103	3		6	7	6		2		**93**	**304**
11	Nimba	1		1		1	2	1								**4**	**2**
12	Rivercess															**-**	**-**
13	Sinoe															**-**	**-**
14	Rivergee															**-**	**-**
15	Bopolu											1				**1**	**-**
Total:		**39**	**113**	**23**	**88**	**30**	**107**	**8**	**-**	**7**	**7**	**8**	**-**	**2**	**-**	**117**	**315**

4.11 Outlook of the Financial Sector

The outlook of the financial sector appears favorable on account of increasing economic activity, enhanced reform in risk-based supervision and monetary policy management as well as decentralization of the operations of CBL.

In 2023, the sector will remain relatively stable with NPLs projected to further decline based on the actions by the CBL, while key balance sheet and income statement indicators, including capital, loans, deposits, assets, and profitability are expected to improve, in anticipation of economic recovery. Despite the lingering effects of the pandemic, the CBL will not only continue to enhance monitoring of the financial sector but will also enhance its engagement with commercial banks to strengthen internal credit recovery strategy and asset quality.

Liberia is expected to witness further deepening of financial inclusion due mainly to the increasing acceptability of mobile money operations and other digital financial services, including growth in FinTech operations.

The CBL will also continue to create the enabling environment for banks to increase investment in digital financial products and mobile money operations. This action is anticipated to witness the relative easing of liquidity pressure on commercial banks and widen the usage of digital payments.

Chapter 5.0: Internal Developments

5.1 Overview

Amidst the series of tumultuous challenges on the global economy in 2022 and the difficulties involved in data collection, the CBL delivered on one of its cardinal responsibilities of producing regular publications to inform the public on relevant developments in the Liberian economy. Thus, in accordance with the Bank's mandate(s), the Research, Policy & Planning Department (RPPD) disseminated various statistical information on monetary, financial stability, and general macroeconomic developments to the public, including regional and international partners. Producing a topical paper on Estimating Dynamic Stochastic General Equilibrium Models for Monetary Policy Analysis, the Department also developed a series of working papers in collaboration with other departments.

In collaboration with international and regional partners, the Management through its Human Resource Management Department (HRMD) facilitated the capacity building of staff via a series of development-oriented programs in accordance with the Bank's three (3) years Strategic Plan (SP). Additionally, considering increasing global cyber security threats, the Management Information System Department (MISTD) implemented several initiatives (the deployment of a Threat Defense System (Cisco FTD), completion of SWIFT security Upgrade, completion of SWIFT messaging to ISO-20022 upgrade, etc.) to protect the Bank IT infrastructure.

Additionally, the CBL successfully implemented its currency exchange program via the printing and minting of Liberian dollar banknotes as well as constructed a modern cash hub in Gbarnga, Bong County. To this end, the CBL through the Department of Banking championed the withdrawal of old Liberian dollar currency as well as the infusion of new Liberian dollar banknotes and coins in the economy.

In terms of payments system, the CBL through its Payments System Department (PSD) and in collaboration with partners, implemented a series of reforms to enhance the provision of Digital Financial Services (DFS), including the amendment of legal and regulatory policy frameworks. Also, the CBL initiated a project intended to improve the retail segment of the payments landscape and facilitate interoperability – with Phase-I of the NEPS completed.

With regard to financial markets developments, the CBL through its Financial Markets Department (FMD) continued to improve the country's financial markets by drafting and issuing regulation(s), aimed at enhancing the intermediation between the CBL and the financial sector, notably, the most recent regulation concerning the Licensing and Regulatory Requirements for Discount Houses. Thus, enabling the CBL Board of Governors to provide approval for the Liberia Merchant Capital Limited (LMCL) to own and operate a discount house in Liberia.

In summary, the CBL in 2022, implemented a series of reforms and activities to enhance the financial industry, culminating in relative macroeconomic and financial stability in the Liberian economy, despite the global uncertainty pronounced by the ongoing conflict in Europe and rising inflation.

5.2 Research and Publications

The Research, Policy, and Planning Department (RPPD) is one of the technical arms of the CBL responsible to provide empirical research support towards the achievement of the Bank's mandate. To this end, the Department remained the main fulcrum of CBL Monetary Policy formulation and steered policy advisory to Management aimed at achieving the primary objective of low and stable inflation through evidence-based research.

In accordance with its statutory mandate, the CBL, through RPPD, disseminated statistical information on monetary, financial stability, and general macroeconomic developments to its domestic and international partners. Despite the constraints associated with data accessibility, the weekly, monthly, and quarterly reports under the Extended Credit Facility (ECF) program were submitted in support to multilateral discussions between the Authorities of Liberia and development partners. Additionally, there were monthly IMF (Article IV) submissions as well as semi-annual submissions to WAMI, WAMA, and ECOWAS Commission. The Department provided relevant information to the public through various submissions and publications, namely: the Monthly Economic Review; the bi-monthly Liberia Financial Statistics; the Quarterly Financial and Economic Bulletin; the monthly Monetary Survey; and the quarterly Balance of Payments & International Investment Position Statements of Liberia.

During the year, RPPD also steered the activities of the Secretariat of the MPAC and conducted three quarterly assessments on global and domestic macroeconomic developments to inform the implications for monetary policy recommendation to the Board. In addition, several policy briefs and papers were prepared for the Board of Governors and Management. The Department also developed a Dynamic Stochastic Model for Monetary Policy Analysis using Bayesian Estimation Approach.

Similarly, RPPD maintained partnership with the Liberia Institute of Statistics and Geo-information Services (LISGIS), for weekly market price survey to generate monthly price statistics. The annual Weighted Average Exchange Rate survey to establish the weights of the contributions of various players in the foreign exchange market was conducted by the RPPD. The Department improved on the data warehouse prototype during the year, aimed at mitigating future challenges relating to data compilation, storage, and maintenance for timely analysis.

With significant focus on thematic research, the Department published a research paper on "Estimating Dynamic Stochastic General Equilibrium Models for Monetary Policy Analysis in Liberia: A Bayesian Approach" in the 2022 edition of the West African Financial and Economic Review of the West African Institute for Financial and Economic Management.

The Department represented the Bank at several stakeholder meetings, including the Sectoral and Pillar-two meetings of the Pro-Poor Agenda for Prosperity and Development (PAPD) and coordinated the Liquidity Working Group (LWG) meetings involving the MFDP and the Liberia Revenue Authority (LRA).

5.3 Human Resource Management

The Human Resource Management Department (HRMD) remained committed to ensuring continued capacity development of the employees of the CBL to be adequately prepared in meeting the growing needs of the Bank in 2022. This commitment was motivated by strong belief that the employees constitute the most valuable assets in helping the Management to meet the vision and mission of the CBL. Improved human resource capacity building enhances a resilient workforce and strengthens the muscles of the Bank for demand-driven innovative growth at the workplace.

Several development-oriented programs were initiated in 2022, aimed at aligning learning programs to the CBL goals in accordance with the Institution's three-year Strategic Plan. These programs were offered by the CBL, its development partners and other training vendors. For the period under review, 262 employees participated in several professional training programs (local and foreign) through virtual technologies, and in-person participation. Partners that provided capacity development assistance to the CBL were the IMF (including, African

Training Institute (ATI), AFRITAC West 2, and AFRITAC South), West African Insurance Institute (WAII), , World Bank Group, African Development Bank (AfDB) Group, the West African Institute for Financial & Economic Management (WAIFEM), Central Bank of Nigeria (CBN), Bank of Ghana, Bank of Kenya, Alliance for Financial Inclusion (AFI), Elite Space International, Egyptian Agency of Partnership for Development, Inter Governmental Action Group Against Money Laundering in West Africa (GIABA), amongst others. In fulfilment of the Bank's commitment to enhanced skills development of its staff, two (2) employees benefitted from the CBL Fully Funded Foreign Scholarships, and four (4) employees benefitted from an approved Study Leave to pursue graduate studies related to the financial industry. Towards practical improvement of the professional skills of our staff, two (2) employees were granted approval for Secondment at various regional institutions, including the West African Institute for Financial & Economic Management (WAIFEM) and the West African Monetary Agency (WAMA).

The HRMD periodically run information sessions to educate staff on various HR related Topics. In pursuit of this strategic initiative in 2022, the Department commenced several projects and programs, including the launch of the CBL Human Resource Information interface: an online Performance Management System platform. This project, which was piloted in January 2022, saw employees of the CBL shifting from a manual performance Management System to a digitized system.

This tool is designed to provide supervisors and their staff with a proper channel for communicating goals and expectations as each staff performs his/her respective jobs. The platform assists employees in understanding their personal strengths and weaknesses, helps chart developmental activities to foster professional growth and finally tracks each staff's contributed efforts toward the success of the organization.

Considering the Department's responsible for retention of employees, assurance of equality, and diversity as well as other matters of significance for employee relations, HRMD drafted, and updated several policies, which are being implemented in line with the CBL policy reform exercise that commenced in the latter part of 2021.

In response to the Bank's need assessment report, the CBL through the HRMD recruited 3 staff for various positions during the period under review. These positions include Deputy Director, MISTD Department; Special Assistant, EG Office and HR Assistant, HRMD. Additionally, several contractors and consultants were hired. Furthermore, as part of the

Bank's succession planning and talent management process, three (3) staff were promoted to various senior management level positions. In accordance with the CBL policy, five (5) employees were granted retirement after years of meaningful contribution to the Bank.

5.4 Management Information System & Technology

With the glaring increase of cyber threats to financial institutions, particularly on the African continent and support of senior management, the Management Information System & Technology Department (MISTD) remained focused on strengthening the information security posture of the CBL. This strategy was vital to ensure zero or minimum disruption to the IT infrastructure that supports the financial sector. Several key initiatives were identified and implemented, namely:

a. Implementation of the Universal Payments Confirmation (UPC) to the SWIFT network;

b. Completed SWIFT security Upgrade;

c. Completed SWIFT messaging to ISO-20022 upgrade;

d. Deployed a Threat Defense system (Cisco FTD) to improve the bank's resilience to cyber/external intrusions; and

e. Completed a major information security audit as mandated by the Federal Reserve Bank of New York.

The MISTD also played a pivotal role in operationalizing the Gbarnga cash Hub by installing network connectivity. Another project of the Bank was the GoL Electronic Funds Transfer (EFT), which was in its final stages and is expected to go-live by June 3, 2022. Also, the migration of the RTGS and Temenos (T24) Core Banking system database to the Oracle Database Appliance (ODA) is now earmarked in the Department workplan and scheduled for implementation. The upgrading of the T24 system was aligned with the migration to ODA.

5.5 Banking Operations

During the year, the CBL made meaningful progress in the implementation of the landmarked currency change-over program with successful printing and minting as well as infusion of the new family of Liberian dollar currency. To this end, the CBL, through the Banking Department, successfully met the cash needs of the commercial banks, the Government and its parastatals as well as the general public. To this effect, the Banking Department took delivery of about L$14.27 billion from the Reserve Vault, comprising banknotes (L$14.18 billion) and coins (L$0.084 billion) during the year under review to meet the increasing cash demand in the economy.

Out of the L$14.18 billion banknotes received from the reserve vault into the operational vault, 88.5 percent was infused into the Liberian economy. Similarly, out of the L$84 million coins received into the operational vault, 96.1 percent was also infused into the economy.

In adherence to one of its functions for disintegration and destruction of old Liberian dollar banknotes; the CBL through the Banking Department, in 2022, destroyed the total amount of L$8.73 billion banknotes.

In line with the CBL Strategic Plan relating to access to cash by economic agents, irrespective of location, the CBL, in 2022, built and opened a modern cash hub in Gbarnga, Bong County. The Hub has been helpful in the supply of cash amongst others to Nimba and Margibi Counties. There are plans by the CBL to establish more regional cash hubs in all parts of the Country, including a hub currently under construction in Fish Town, River Gee, County. It is expected that the presence of this cash Hub in Southeastern Liberia will serve as a motivating factor for commercial banks to extend branches in Grand Gedeh, River Gee, Maryland and Grand Kru corridors.

As part of the decentralization, the CBL plans to complete the modernization of three (3) Payment Centers (located in Tubmanburg, Bomi; Voinjama, Lofa, and Zwedru, Grand Gedeh Counties) in 2023 and beyond with the aim of enhancing financial services, including the supply of cash in those parts of the economy.

In 2022, the CBL, through the Banking Department, continued to provide banking services to the GOL through the five (5) revenue collection windows in various locations within Monrovia.

Table 28: Revenue Collection Windows and Locations

No.	Revenue Collection Window	Location
1	MFDP Window	MFDP, Broad Street
2	NPA Window	NPA, Freeport, Bushrod Island
3	Temple of Justice Window	Temple of Justice, Capitol Hill
4	LBR Window	LBR Building, Nelson Street
5	LRA Headquarters Window	ELWA Junction, Paynesville

Revenues collected daily were deposited into GoL Revenue Accounts at the CBL, and bank statements were issued daily. There was also a tripartite reconciliation of revenue conducted quarterly amongst the Liberia Revenue Authority (LRA), MFDP and the CBL.

5.6 Payments System Department Activities

5.6.1 Legal and Regulatory Policy Framework of Digital Financial Services (DFS)

In line with the National Financial Inclusion Strategy, the CBL amended its Regulations Concerning the Licensing and Supervision of Money Remittance Entity and issued Guidelines Concerning Digital Credit for Financial Institutions in Liberia. These Regulations allowed the termination of inbound remittances to bank accounts and mobile wallets.

5.6.2 Updates on National Electronic Payment Switch (NEPS) and legacy payments system infrastructure

The Payment Systems Modernization project, funded by the AfDB and implemented by the West African Monetary Institute, affected the large value payment system. Additionally, the CBL on its own initiated a project intended to improve the retail segment of the payments landscape and completed the interoperability with Phase I of the NEPS project.

The component of phase I completed, includes interoperable Cash withdrawal and balance inquiry of ATM transactions. To have the NEPS redeployed and upgraded as well as the legacy payments infrastructure and systems, the Government of Liberia through the CBL continued to receive support and funding commitments from the World Bank, United Nations Development Program (UNDP) amongst others:

5.6.3 World Bank support towards the NEPS implementation:

The Government of Liberia received financing from the International Development Association (IDA) Credit and Grant towards the cost of implementing the Liberia Investment, Trade and Finance Project: P171997 (LIFT-P). A portion of the proceeds will be used to finance the cost for the procurement of an ICT Infrastructure to the CBL for the-NEPS. The Project component was intended to facilitate the implementation and operationalization of a retail payment infrastructure, NEPS and capacity building.

5.6.4 United Nations Development Program (UNDP) Support to the NEPS

In 2022, the CBL, with support from the United Nations Development Program (UNDP), hired the services of a Payment Systems expert to drive the National Payment Systems Reform for implementation of the NEPS solution and accelerate the National Financial Inclusion targets. The support from the UNDP also resulted in the human resources development of the CBL Payment Systems Department in facilitating peer learning experiences with the Bank of Ghana (BOG) and the Ghana Interbank Payments and Settlement Systems (GhIPSS) and the Central Bank of Kenya (CBK). These visits were aimed at accumulating prior knowledge in preparation for the NEPS implementation as well as enhancing staff capacities in conducting effective oversight and risk management over payment systems and Financial Service Providers (FSPs).

Also, the CBL plans to hire a consultant firm, through the UNDP, to provide the following services in 2023:

1. Review of the legal, regulatory and policy environment toward identifying gaps in the existing legal and regulatory frameworks and recommend changes/amendments; and
2. Development of Regulations and Guidelines required to support the National Electronic Payment Switch.

5.6.5 Automation of Government of Liberia Payments:

For expansion of the payment systems usage to the GoL and ensure electronic payments are leveraged for public good, the CBL in 2022 continued with the integration of its payment systems infrastructure aimed at deploying the Electronic Funds Transfer (EFT) Solution of the MFDP. The Solution aimed to ensure that Government’s payments originate through electronic funds transfers rather than the manual process of cheques. Specifically, the EFT solutions will provide seamless automation and Integration of the GoL Recurrent Payments through Direct Credits to Bank Accounts. It is important to note that the EFT solution has been deployed at the MFDP with appropriate controls for verification and authorizations and is expected to go-live by quarter two of 2023.

5.7 Financial Sector Development Programs

In 2022, development in the financial sector was boosted with favorable national financial inclusion statistics for Liberia. Liberia also bagged international recognition and award for its efforts in promoting financial inclusion.

5.7.1 Financial Inclusion Activities

With the priority given to financial inclusion by the CBL and the broader stakeholders in Liberia, the 2021 Findex Report (a triennial publication of the World Bank) showed that the National Financial Inclusion Rate of Liberia stood at 52.0 percent compared to the 35.7 percent recorded in 2017. This means that Liberia has already exceeded its national financial inclusion target of 50.0 percent as espoused in the NFIS 2020-2024 and a key target in the CBL Strategic Plan.

In 2022, the CBL secured a technical assistance package from the Office of Technical Assistance (OTA) of the United States Treasury Department to support three financial inclusion workstreams: (1) Financial Inclusion Data collection; (2) Transitioning Informal Financial Institutions such as the Village Savings and Loan Associations (VSLAs) into the formal financial sector; and (3) Financial Education and Literacy. During the year, the OTA fielded several missions both virtual and in-person to provide support in agreed areas. The OTA was only providing technical support for the workstreams, while the CBL along with the GoL were to secure funding for the implementation thereof.

Additionally, under the Liberia Investment Finance and Trade (LIFT) project, US$40.0 million financing from the World Bank to the GoL was signed. There are three subcomponents relating to the financial sector and ramping up support to the implementation of the NFIS (2020-2024). The LIFT project will support the procurement and operationalization of NEPS – US$7.5 million; it will also support the modernization of the CRS – US$1.5 million; and it will provide a Line of Credit (LOC), to support access to finance for MSMEs – US$7.0 million.

As part of efforts to further promote financial inclusion by gender, the CBL has developed a concept note on Gender Financial Inclusion and transitioning informal financial institutions into the formal financial sector. The CBL shared the concept note with United Nations Women Liberia Office and held discussions on the need of forging strategic partnership and supporting implementation.

It is important to note that most of the beneficiaries of the informal financial institutions such as VSLAs and SUSU clubs are women. Therefore, an effective program in supporting them and linking them to the mainstream financial sector leveraging digital technology to reduce Liberia's financial inclusion gap as well as further increase the overall national financial inclusion statistics.

Moreover, in September 2022, the CBL participated in the Global Policy Forum (GPF), which was held in the Dead Sea, Jordan under the aegis of the Alliance for Financial Inclusion (AFI) and the Central Bank of Jordan. At the forum, the CBL was recognized and certificated as AFI Gender Inclusive Finance Ambassador. The theme of this award aligns with Sustainable Development Goal (SDG) number 5 – Gender Equality.

5.7.2 Development Finance Initiatives

In December 2022, the Board of Governors of the CBL approved the development finance concept note to guide the CBL's plan of supporting the real sector. The approved concept note recognized that notwithstanding previous interventions, which provided financing for the agriculture, housing and MSME sectors, there is still a huge gap for long-term financing, especially towards supporting growth enhancing and critical sectors of the economy. Thus, the CBL plans to roll out a development finance program in 2023 and beyond that would attract both private and public resources as well as support from development partners to help reduce the financing gap in critical sectors of the economy.

The CBL plans to establish a development finance fund that would be used for lending to participating financial institutions to fund projects that have potential of significantly bolstering the local economy. Resources shall only be channeled through properly regulated and supervised financial institutions that would make independent decisions regarding beneficiaries, with robust monitoring and oversight by the development finance function of the CBL.

5.7.3 Financial Markets Activities

5.7.3.1 Regulatory Activities for Market Development

During the year under review, the CBL, through the Financial Markets Department (FMD), continued to build the regulatory and institutional framework for an organized, liquid, diversified, and transparent financial market, based on the Securities Market Act (SMA) and Central Depository Act (CDA) ratified in 2016. Its research and development efforts focused on establishing newly enforceable parameters and guidelines, revising existing ones, and deepening the debt market.

The most recent regulation concerning the Licensing and Regulatory Requirements for Discount Houses has given birth to Liberia's first discount house, which will not only enhance effective settlement of matured debt but also deepen intermediation between the CBL and the financial sector. The discount house will provide liquidity for debt market instruments such as CBL bills and government securities. It will also support the CBL monetary policy interventions and facilitate lending to banks at a discounted rate without resorting to the CBL as a lender of last resort.

The CBL Board's approval of the final license to Liberia Merchant Capital Limited to own and operate a discount house in Liberia represents a critical step that paves the way for a secondary market deepening by the provision of additional liquidity sources for CBL bills and government securities. The Bank's short-term debt securities have been the most consistently issued in the market in recent years with no admission of private issuances in the absence of a corresponding regulatory framework.

From the demand side of the capital markets, the CBL engaged the financial sector, social welfare, and civil society stakeholders for the reform of the pension sector through legislation and capacity building. To this end, a technical reform committee was set up to work with WAMI consultants to execute the reforms in the pension sector. While social protection remains the primary objective of any pension scheme, the CBL aims to create the legal environment to expand private pension funds with an appetite for long-maturity securities. In partnership with WAMI, efforts ongoing during the year have succeeded in the approval of the project by AfDB to provide funding for the implementation of the project in 2023. WAMI consultants are expected in the country in the first quarter of 2023.

5.7.3.2 Regional Capital Market Integration Activities

The FMD participated in the debt market development needs assessment in July 2021 conducted by the WAMI. The study found the need to upgrade the Scripless Securities Settlement System (SSSS) for the automatic processing of money and interbank market transactions, which has commenced and components for the upgrade of the SSSS have arrived in Liberia. The Department also had collaborative stakeholders' engagements with public and private sector partners on the implementation of Pension Sector Reform. This led to the establishment of a technical committee to work alongside the WAMI consultants in the establishment of a pension sector regulatory authority and the development of a legal and regulatory framework. The initiatives are intended to encourage new private pension providers covering the informal sector while enhancing the capacity of NASSCORP and other existing pension providers as the components of activity required for the project.

WAMI also received a grant from AFDB to fund a project for the development of Domestic Debt Markets in Liberia, which will support the deepening of primary debt markets, improve debt market infrastructure, enhance institutional capacity in relevant agencies and authorities, and broaden the investor base of Liberia. The project will produce a debt management framework, liquidity forecasting, and a harmonized Domestic Debt Market Development Roadmap. Both the West African Institute for Financial & Economic Management (WAIFEM) and WAMI paid a scooping visit to Liberia in December of 2022 and engaged vital stakeholders and partners in both the public and private sectors.

5.8 Regulatory and Supervisory Activities

5.8.1 Regulatory Activities

The CBL continues to strengthen the regulatory and supervisory framework of the banking sector to ensure that the sector remains stable and sound and in conformity with current global banking realities. In this light and as part of the structural benchmarks under the International Monetary Fund (IMF) Extended Credit Facility (ECF) program, the CBL in collaboration with the IMF Legal Department has amended the New Financial Institution Act of 1999.

The amended and restated Act was submitted to the National Legislature, and reflects significant amendments aimed at strengthening the legal framework for the licensing, regulation, supervision and resolution of banks and bank-financial holding companies with the overarching objective of promoting financial and macroeconomic stability.

The Amended Act which when enacted would be termed “The Bank-Financial Institutions & Bank Financial Holding Companies Act, 2022 (BFIA)”, focuses only on banks and bank-financial holding companies. Notwithstanding, any provisions under the New FIA of 1999, its interpretations, operations, and application in respect of non-bank financial institution will continue to remain in force until a designated Act for non-bank financial institutions is enacted.

The CBL, through the Regulation and Supervision department also amended and issued regulations affecting the financial industry as follows: 1) Regulation No. CBL/RSD/005/2016 Concerning Regulations for Money Remittance Entities in Liberia focuses on digital termination of inward international remittances with a focus on mobile money termination.

2) Guideline Concerning Digital Credit for Financial Institutions which prescribes the internal control and complementary consumer protection requirements for financial institutions. It requires them and their respective branches and agents to adhere to the minimum standards set forth and implement effective credit risk management controls and consumer protection procedures in the provision of digital credit that are applicable to all customers. 3) Regulation Concerning Prudential Regulations for Asset Classification Provisions for Loan Losses and Suspension of Interest on Non-Performing loans & Advances consolidates all existing regulations and framework concerning microfinance, and where necessary, aligns usage of terminology, and sets forth a unified approach to regulations and introduces tier risk-based approach to provision of microfinance services. 4) Regulation Concerning Non-Bank Credit Only Institutions sets minimum standards for the licensing and supervision of Non-Bank Financial Institutions engage in the provision of Credit Only services. 5) Beneficial Ownership Guideline strengthens the AML/CFT regime of the financial system with the main objective of promoting and enhancing confidence in the system. 6) issued Revised Risk Based Supervision Framework which incorporates changes resulting from a review of the original approach.

The main changes from the original framework are: (i) the extension of the risk matrix (risk assessment tool), mainly to focus more closely on the management of risks inherent in the banking institution's significant activities and to assess the capacity of its capital, earnings and liquidity to mitigate the net risks in those activities; (ii) a development of the Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity (CAMELS) approach to align it more closely to risk-based supervision and to focus its usage on off-site supervisory work; and (iii) changes to the range of the Central Bank's supervisory activities to reflect current and developing supervisory practices. 7) Revised Risk-Based Examination Manual that sets out in detail the main supervisory processes that staff of the CBL should follow in undertaking Risk-Based Supervision (RBS). It also provides supervisors/examiners with materials and processes needed to implement the Risk-Based Supervision Policy Framework which summarizes the objectives of CBL's RBS and the main elements and tools of the risk-based approach.

The Sanctioning Regime Framework was developed in compliance with FAFT Recommendations and published. The Sanctioning Regime Framework is intended to strengthen AML/CFT regulatory regime of the financial system with the main objective of ensuring that financial institutions remain in compliance with AML/CFT Requirements as stipulated in the CBL AML/CFT Regulation of 2017 by applying proportionate and dissuasive sanctions for violations.

The Beneficial Ownership Guidelines was also developed and published, which is intended to strengthen the AML/CFT regime of the financial system with the main objective of promoting and enhancing confidence in the system by ensuring that corporate vehicles are not misused by individuals for money laundering and/or terrorist financing as well as aid financial institutions in the process of identifying beneficial owners and beneficial ownership as it relates to legal persons and arrangements.

5.8.2 Supervisory Activities

The Unit participated in Liberia's second round of Mutual Evaluation (ME) which commenced on September 5, 2022 and ended September 15, 2022. GIABA's second round Mutual Evaluation focused primarily on the assessment of the Effectiveness of the country's AML/CFT system in relation to the 40 Recommendations and Liberia's effectiveness on the Eleven (11) Immediate Outcomes as a standard procedure. During the Mutual Evaluation (ME), interviews were held with various stakeholders both in the public and private sectors as well as the competent authorities, which includes the CBL.

5.9 Enterprise Risk Management

The Enterprise Risk Management Department (ERMD) is charged with the responsibility to ensure that business units across the bank adequately identify, measure, monitor, and control risks to which they are exposed. The Department's primary focus is on promoting a risk-smart and risk-aware workforce that will serve as a basis for the development and implementation of risk-sensitive policies and procedures to guide the daily activities across the enterprise.

In this direction, the ERMD, whose activities have a direct implication for the improvement of the CBL's image, one of the cornerstones of the bank's three-year strategic plan, engaged in several key activities during the year 2022. These included:

1. The conduct of two full-scope, enterprise-wide risk assessments, the results of which were risk registers of the CBL's risk profile and measures required to address control gaps;
2. The provision of Key Risk Indicators (KRIs) updates monthly, an activity that is indispensable to monitoring risks identified by the full-scope reviews;

3. The conduct of three compliance reviews to ensure that remedial measures identified during full-scope reviews are addressed by concerned business units;
4. The monthly conduct of in-house risk management training programs for staff of the Department;
5. The conduct of multiple risk awareness and risk culture workshops with various business units at various times of the year;
6. Participating, in an observer capacity, in the shredding of mutilated banknotes; and
7. The conduct of an annual retreat for all staff of the Department, which provided the opportunity to develop our work plan for 2023, conduct training exercises for staff, and review activities and performance for 2022.

5.10 CBL Accounting and Finances

The CBL financial statements for the year ended December 31, 2022, was prepared in accordance with International Financial Reporting Standards (IFRS) and will be audited by Deloitte and Touche in collaboration with Bakertilly, consistent with the provisions of Section 50 of the CBL Act.

5.10.1 Income and Expenditure

The CBL's preliminary un-audited Income Statement for the year ended December 31, 2022, revealed operating income of L$3.7 billion compared with L$8.3 billion in 2021. This represents 55.0 percent decrease in gross revenue. The decrease in gross income in 2022 was mainly due to the decrease in other income, and interest expense relating to CBL bills. The main revenue drivers were net interest income of L$2.7 billion.

Total expenditure for the year 2022 amounted to L$5.1 billion compared with L$4.2 billion in 2021 excluding impairment release/loss. This increase is attributed to the depreciation of the Liberia dollar on December 31, 2022.

5.10.2 Financial Position

The CBL's un-audited Statement of Financial Position including IMF related balances recorded total assets of L$274.0 billion as of December 31, 2022, compared with L$257.0

billion in 2021. This 8.0 percent growth was mainly due to increased deposits with the IMF. Excluding the IMF, approximately 33.0 percent of total assets are represented by claims on the GoL. The loan has been performing based on a memorandum of understanding (MOU) signed between GoL and CBL in 2019.

The CBL's preliminary un-audited total liabilities including IMF related liabilities on December 31, 2022, amounted to L$253.6 billion compared with L$241 billion in 2021. The increase in liabilities of L$12.6 billion was mainly attributed to surge in IMF related liabilities, deposits from banks, market instruments, other liabilities as well as increased currency in circulation.

The CBL's un-audited total owners' equity as at December 31, 2022, was L$20.4 billion compared with L$16.3 billion in 2021, because of the end of year depreciation of the Liberian dollar.

5.10.3 Budget

The Board of Governors approved the sum of US$38,100,000 (including the US$8.0 million cost of monetary policy) for 2022 which is the ceiling agreed under the ECF program against a projected income of US$22,687,391, resulting in a deficit of US$ 15,412,409. During the year 2022, the CBL recorded a year-to-date income of US$24,868,035 which exceeded the projection by US$2,180,444 or 10.0 percent.

On the expenditure side, the CBL incurred a total of US$30,032,885 year-to-date expenditure against the approved allotment of US$30,080,615 resulting in a favorable variance of US$47,731.

5.11 Internal Audit

The Internal Audit Department (IAD), as provided for by the CBL's Amendment and Restatement Act of 2020, is commissioned to conduct audits of the operational activities and accounts of the CBL on a continuous and regular basis in accordance with internationally accepted auditing standards. These services are provided through the delivery of independent, objective assurance and consulting functions intended to improve the Bank's operations through a disciplined approach by evaluating and improving the effectiveness and efficiency of risk management, internal control, and the governance processes of the Bank.

Furthermore, in line with a recommendation of the IMF during its Safeguards Mission in 2019, which calls for the co-sourcing of the Internal Audit function, the CBL recruited

PriceWaterHouseCoopers (PwC) and awarded a contract of three years, renewable annually, to co-source the Internal Audit function. The specific objectives of the co-sourcing arrangement were:

1. To assist the CBL's internal audit function in providing independent and objective assurance on the system of internal controls to the CBL Board of Governors and the Board Audit committee; and

2. Build capacity of the CBL internal audit function.

In line with these objectives, the PwC Ghana has worked with the IAD for the last three years (2020 -2022). Significant achievements of this co-sourcing project are the full migration of CBL's Internal Audit Department to a Risk-Based Internal Audit (RBIA) Approach and transferred knowledge to staff through the performance of audit field work as well as regular classroom trainings.

On the areas of providing assurance, Internal Audit along with its co-sourcing partners (PwC), on an annual basis, has conducted six key audit engagements as agreed in the TMU for the co-sourcing engagement. The areas reviewed every year are:

- Review of Government banking operations in foreign and domestic currencies;
- Review of Compilation of program monetary data at semi-annual dates;
- Review of CBL's Budget formulation, execution and monitoring;
- Review of Management of Foreign Exchange Reserves;
- Review of controls on weekly reports on the movement of foreign exchange; and
- Review of CBL's currency management and vaults;

Audit reports for these assurance engagements are submitted to the Board of Governors' Audit Committee (BAC) for discussion and decisions are made aimed at addressing control issues identified by the audit reports. Reports for the final phase of the co-sourcing audits for 2022 are expected to be presented to the BAC at the end of the First Quarter 2023.

Furthermore, PwC is expected to submit a project closure report to the Management of CBL and the Board on the co-sourcing project after three (3) years. This report will provide the achievement of the project, challenges and will also suggest a future state of the internal audit function.

5.12 Legal Services

The CBL through the Legal Department, in concert with its external counsels from time to time, provided legal opinions/advice and represented the Bank either as a complainant or defendant. In 2022, the CBL's Legal Department accomplishments included the following:

i. Preparation of various contracts and agreements emanating from departments, sections and units of the Bank. Such legal documents include, and not limited to, contracts involving short-term employment, professional service contract, secondment contract, insurance contract, training agreement, maintenance and repairs contracts, consultancy contracts, MOU's, service contracts, IT contracts, security contracts, audit contracts, retainership agreements, armored vehicle rental contracts, lease agreements, cash shipment-in-transit contracts, retirement and benefits of former employees of the Bank;

ii. Drafting of Board Resolutions for the attention of the Board of Governors and Management;

iii. Providing in-house legal opinions on various subject matters affecting the Bank and its operations from time to time;

iv. Participating in in-house internal investigations involving allegations of breach of CBL's Policy and Employee Handbook;

v. Coordinating with Regulations and Supervision Department in investigating complaints regarding consumer protection and commercial bank;.

vi. Coordinating with Insurance Department in investigating and handling matters relating to insurance companies;

vii. Attending a meeting in Lome, Togo in August 2022 with the HR Department at the Sub-Committee on Harmonization of staff benefits and staff Provident Fund Scheme Policies in WAMA, WAMI and WAIFEM;

viii. Reviewing the request from the Financial Market Department on the draft amendment to the Board Investment Charter;

ix. Participating in the Grand Launch of Currency Awareness Campaign in Gbarnga, Bong County;

x. Successfully negotiated for the acquisition of a parcel of land located on Broad Street for the expansion of CBL's facility; and.

xi. Participated in the negotiations between lawyers representing the owners of five stores earmarked for demolition, located along the premises of the erstwhile National Housing & Savings Bank (NHSB) at the Waterside.

5.13 Corporate Communications and Public Relations Activities

The Corporate Communications Unit (CCU) is the public relation arm of the CBL with the mandate to communicate the Bank's policy to the public for the enhancement of public sensitization and awareness of CBL's operations. To strengthen its muscle for effective service delivery, and expansion of its media-related activities and stakeholder engagements, especially in the wake of CBL's Currency Replacement Program, the Bank recruited two additional media consultants. The expansion in the Unit's capacity and with increased responsibilities, the CCU was elevated to a Section during the review period. The Section recorded notable achievements during the year, including:

5.13.1 Stakeholder Engagement Forums

The Stakeholder Engagement Forums that started at the end of 2021 gained momentum in 2022 with the hiring of the Liberia Media for Democratic Initiative (LMDI) to provide support to CBL's Communications Team in preparing the Liberian Public for a full-scale currency exchange exercise throughout 2022.

The Stakeholder Engagement Forums used a town-hall style interactive platform, held in 64 towns throughout the 15 counties over a period of six months. They included speakers from the Technical Committee on Currency Reform (TCCR) and were live streamed on CBL and LMDI Facebook Pages.

5.13.2 Money Matters

The Money Matters Radio Program which started in 2021 continues during the review year. The program is a flagship initiative of the CBL's Corporate Communications Section and is aimed at informing and educating the public on the Bank's monetary policy operations. The Money Matters Radio Program is aired on the first and last Wednesdays of each month on LBS (Liberia Broadcasting System) 99.9 FM.

In 2022, the Money Matters Program was dominated by CBL's Currency Reform Program. Highlights of topics that were discussed during 2022 included updates on the currency infusion process, security features of the new currency and the difference between the legacy banknotes and the new currency which includes the infusion of coins (L$5 and L$10) into the economy.

5.13.3 Monetary Policy Communications

Following the announcements of the quarterly monetary policy decisions, the Corporate Communications Section, throughout the year 2022, organized the reading, recording and broadcasting of the Communique and subsequently drafted Press Releases that were published in the print, broadcast, and social media. Radio talk shows were then organized by the Corporate Communications Section, featuring monetary policy experts who served as panelists, deliberating on the monetary policy decisions for public consumption.

5.13.4 Media Engagement and Currency Awareness Campaign

The CCS convened three media engagement events during 2022, with the aim of updating the media on CBL's currency reform process. At each of the events, at least 30 media executives were brought together. At these events, members of the TCCR of the CBL briefed the media about the ongoing Currency Replacement Exercise, from the bidding process to the delivery and infusion of the new currency.

Prior to the delivery of the second tranche of a new family of Liberian currency in 2022, the CCS led a currency awareness campaign that kicked off in Gbarnga, Bong County on September 1, 2022 at the Bong County Administrative Building. The conference brought together key CBL stakeholders, including our international partners, the Chairman of the Senate Committee on Banking and Currency, the Bong County Legislative Caucus, representatives of commercial banks and an array of local authority officials and prominent citizens. The Campaign included radio talk shows, the airing of jingles, and the production and dissemination of publicity materials. It was followed by a nation-wide public education and sensitization campaign in partnership with the Liberia Media for Democratic Initiatives (LMDI).

5.14 General Support Services

During the year in review, the General Support Services Department (GSSD) provided logistical and operational support services to all departments of the Bank. The support services provided included provision of daily shuttle services to employees, supply of stationery, and maintenance of the facilities and equipment, among others.

In addition to the supra mentioned support services, the Department achieved the following:

- Provided logistical support to the TCCR for the delivery of new Liberian dollar banknotes and minted coins;
- Construction of the container park which serves as storage for shipping containers holding minted coins. The construction of this facility was necessitated by the urgent need for storage given the volume of minted coins being imported with the simultaneous receipt of banknotes;
- Connection of CBL head office to the national grid. This affords the Bank to have an alternative source of electrical power and reduces expenditure on diesel and servicing parts;
- Procurement of vehicles which includes: two (2) new armored vans for the transportation of cash; three (3) Toyota Landcruiser vehicles; one (1) Toyota Coaster bus to increase the shuttle fleet; and one forklift to facilitate the offloading of crates from containers;
- Commenced the renovation of the National Housing and Savings Bank facility located at Water Street. The project is scheduled for completion before the end of second quarter 2023; and
- The acquisition of the former EcoBank facility in Voinjama, Lofa County by the CBL. The facility is being renovated to be used as a cash center.

5.15 Banking Institute of Liberia

The Banking Institute of Liberia (BIL) Short–term Training for the review period commenced on August 1 and ended on November 8, 2022. Prior to the commencement of course facilitation, a Training of Trainers (ToT) was conducted for facilitators in the twelve (12) bank-related courses. A total of eighty-one (81) participants drawn from CBL and commercial banks successfully completed their respective courses and were awarded Certificates of Completion. Additionally, the Institute conducted external training for forty-four (44) staff of the Rural Community Finance Institutions (RCFIs) in Sanniquellie, Nimba County.

5.15.1 Pre-Training Activities

Prior to the commencement of the Training, the BIL embarked on the modernization of its operation process including the digitalization of the BIL Admission form and Post Training Evaluation Survey by the Training Unit. This activity successfully moved the BIL Admission Form and post–training evaluation from a manual paper-based activity to an online platform using a limited free version of JotForm. The Institute also drafted and introduced new regulation to govern the conducts of participants in the training theater.

5.15.2 General Review of Training Participant Data

For 2022 Short-term Training, twelve (12) courses (Systems & Controls, Customer Service, Internal Audit, Regulatory Framework and Compliance, Introduction to Banking Operations, Bank Telling, Credit Analysis, Financial Reporting & Analysis, Bank Branch Management, Marketing Management, Corporate Risk Management, and Treasury Management) were offered in terms. Each term lasted for ten working days with two courses per term. Below is an analysis of successful candidates per bank gender representation during the period under review.

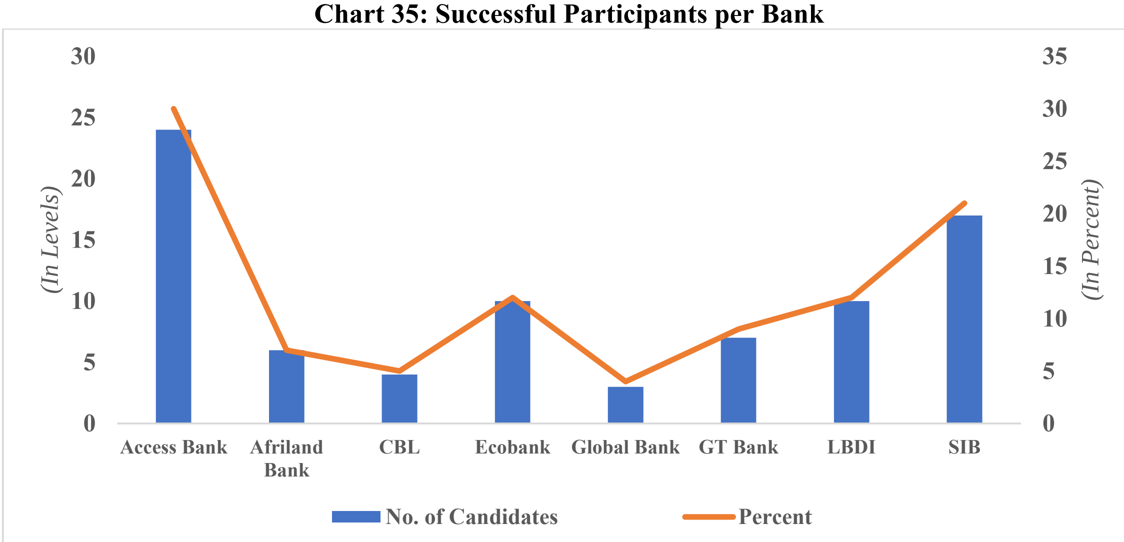
During the review period, 81 of the 82 candidates that were nominated by the various banks successfully completed the training. Access Bank Liberia nominated the highest number of candidates, 24 persons constituting 30.0 percent followed by SIB, 18 persons 17 candidates successfully completing the training constituting 21.0 percent. They were both followed by Ecobank and LBDI with an equal number of participants, 10 successful candidates amounting to 12.0 percent each. On the other hand, Global Bank and CBL were the two banks with the least participants for the 2022 short-term training program with 3 and 4 successful candidates or 4 and 5 percent, respectively.

Table 29: Successful Participants per Bank

Bank	Successful Participants	Percent
Access Bank	24	30
Afriland Bank	6	7
CBL	4	5
Ecobank	10	12
Global Bank	3	4
GT Bank	7	9
LBDI	10	12
SIB	17	21
Total	**81**	**100**

Source: Central Bank of Liberia

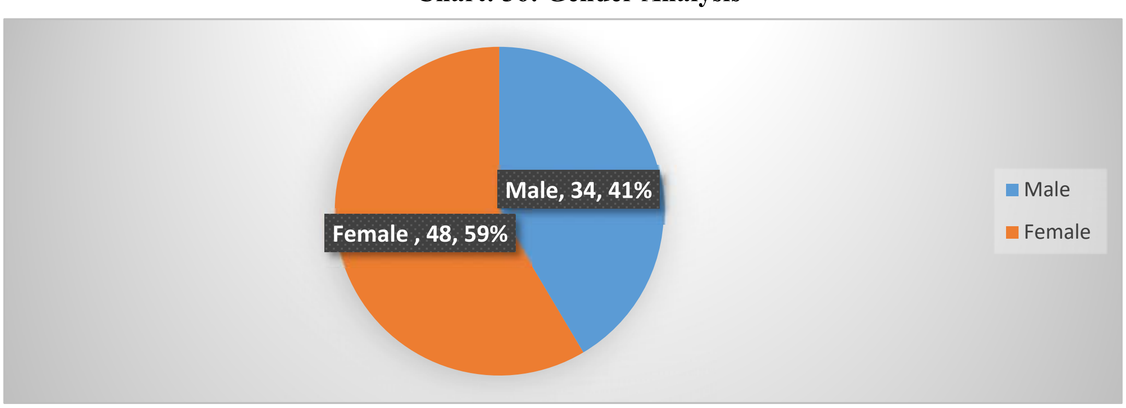
Chart 35: Successful Participants per Bank



5.15.3 Gender Representation

Analysis of gender representation showed that female participants dominated the program during the year. Of the 81 successful candidates, females accounted for 48 constituting 59.0percent while 34 male participants were recorded constituting 41.0 percent.

Chart: 36: Gender Analysis



Source: Banking Institute of Liberia

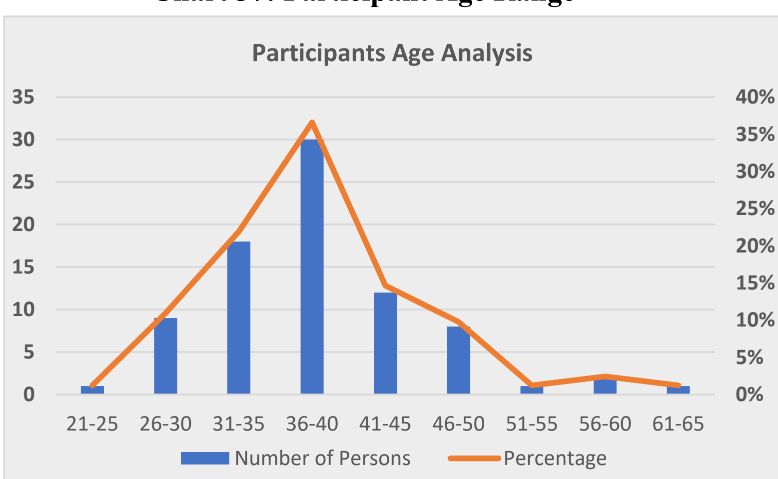
5.15.4 External Training

The Project Implementation Unit (PIU), Programme Management Unit of the IFAD-funded Rural Community Finance Project (RCFP), under the Ministry of Agriculture engaged the services of the BIL to conduct a one-week training workshop on Credit Extension and Administration, Financial Reporting and Ratio Calculations (including Operation Self-Sufficiency (OSS), Financial Self Sufficiency (FSS), Return on Investment (ROI), Portfolio at Risk (PAR), Asset Quality, etc.), and Banking Operations and Procedures.

Table 30: Participants Age Range

Age	Number of Persons	Percent
21-25	1	1
26-30	9	11
31-35	18	22
36-40	30	37
41-45	12	15
46-50	8	10
51-55	1	1
56-60	2	2
61-65	1	1

Chart 37: Participant Age Range



The training was conducted for staffers of the RCFIs in Sanniquellie, Nimba County from August 1 – 5, 2022. The main objective of the training was to upscale the professional, administrative, and managerial skills of the Chairs on the Credit Committee of the Board of Directors (BOD), Managers, and Credit Officers, The training targeted RCFIs Chairs on the Credit Committee of the BOD, Senior Management Personnel and Credit Officers drawn from across the country. A total of 44 participants attended the training for a period of five days.

5.15.5 Post-Training Evaluation Survey

As part of the training activities, we do a post-training evaluation survey to get feedback from participants on course content, the facilitators' presentation, and the training environment among others. For this survey, 90.0 percent of the participants rated the course content excellent. Additionally, feedback from the participants placed almost all of the facilitators between good and excellence.

5.15.6 Stakeholders Support

During the period under review, the CBL and the Liberia Bankers Association (LBA) member institutions made good their annual subscription payments and demonstrated their usual support to BIL Training as reflected in their training nominations above.

Chapter 6.0: External Relations

6.1 Multilateral Relations

In support of the measures pursued by the World Health Organization (WHO) to mitigate the effect of the pandemic, the CBL continued to enhance its commitments through collaborative relationships with regional and international organizations, including the AfDB, the African Export and Import Bank (AFREXIMBANK), African Union Commission (AUC), AFI, AFRITAC West 2, ECOWAS Commission, amongst others. There were also interactions with international development partners, such as the IMF and the World Bank Group (WBG). The CBL through its Multilateral Relations liaised with international development partners, economic regional institutions, bi-lateral and Multilateral institutions, other governmental institutions in executing its fiduciary duties.

6.2 Association of African Central Banks (AACB)

The Assembly of Governors of the Association of African Central Banks (AACB) held its in-person Annual Meetings, from August 22-25, 2022, at the Sir Dawda Kairaba Jawara International Conference Centre, in Kololi, Banjul, The Gambia. The five-day Annual Meetings included the Assembly of Governors' meeting attended by thirty-two (32) member central banks, key regional economic institutions, and other international development partners. The Annual Meetings encompassed several other meetings, including the Technical Committee meeting, the Bureau Meeting, the Governors' symposium, and the Annual Governors' meeting. Decisions reached at the 2022 Statutory meetings included the followings:

- approval of the 2021 report on the implementation of the African Monetary Cooperation Program (AMCP);
- adoption of the draft Multilateral Memorandum of Understanding (MMOU) for cooperation, information sharing, and assistance among AACB Member central banks, which was approved by the Bureau during its ordinary meeting held in February 2022;
- recognition of the implementation status of the decisions of the AACB Bureau during the ordinary meeting held in February 2021;
- strengthening of the coordination of monetary and fiscal policies in the subregions to improve performance that meet the AMCP criteria.

- requisition of the AUC to make relevant arrangements to activate the peer review mechanism adopted by the Assembly of Governors in 2017 with the aim at improving countries' compliance with the convergence criteria;
- authorization of the AACB secretariat to also draw on their African experiences by inviting, if possible, the East African Community Monetary Institute (EAMI) and the West African Monetary Institute (WAMI) to the planned joint meeting with the European Central Bank (ECB) and the AUC, as part of the establishment of the African Monetary institute (AMI);
- recognition of the activity report of the AACB Inter- regional Payment Integration Task Force and its two working groups;
- authorization of the AACB Secretariat to propose a timeline for the implementation of the decisions on collaboration with AFREXIMBANK on the integration of Payment systems in Africa, in consultation with the AACB Task Force;
- authorization of the Task Force to continue discussion with AFREXIMBANK on mechanism of integrating the Pan-African Payment and Settlement System (PAPSS) Project Solutions in the AACB Payment Systems Integration Project; and
- authorization of the Task Force to build on Sub-regional experiences as part of the AACB African Payments Systems Integration Program.

6.3 Pan-African Payment & Settlement System (PAPSS)

The PAPSS, being an enabler in cross-border and a financial market infrastructure enabling payment transactions across Africa, were used for processing, clearing, and settlement of intra-African Trade and Commerce payments. This infrastructure was launched in Accra, Ghana in January 2022 to address the historic challenges of making payments across African borders, adding value through a common African market infrastructure for all stakeholders, from governments, banks and payment providers to corporates, small enterprises, and individuals.

PAPSS is also expected to connect the entire continent and handle instant payments in multiple African currencies and provide a settlement mechanism that creates trust within the ecosystem as well as help participants such as commercial banks, payment service providers and other financial intermediaries to connect to PAPSS from the following activities:

- a simplified process that reduces the costs and complexities of foreign exchange for cross-border transactions between African markets;
- an instant and secure cross-border payment capability to their customers across Africa;
- a platform that enables innovation in cross-border trade and access to new African markets;
- easing the pressure on current accounts and demands for foreign exchange liquidity;
- increasing transparency of cross-border trade activity, bringing greater oversight of cross-border transactions and increased potential to generate revenue;
- enhancing financial inclusion opportunities for improved economic growth through intra-African trade;
- instant/near instant payments of cross-border transactions without the hassle of currency conversion; and
- access to various payment facilitating options through a growing network of financial intermediaries.

6.4 West African Monetary Zone (WAMZ)

The Executive Governor of the CBL, Hon. J. Aloysius Tarlue, Jr., during the WAMZ Statutory meeting held virtually in August 2022, turned over the Chairmanship of the Committee of Governors of the WAMZ to the Governor of the Central Bank of The Gambia, Hon. Buah Saidy, following completion of his tenure from 2021-2022.

According to the macroeconomic development report of the West African Monetary Institute (WAMI) for the WAMZ countries, none of the six Member States/ Countries obtained the full primary criteria for the period 2022. Guinea and Liberia did obtain three (3) of the primary criteria, Ghana and Nigeria obtained two (2), while Sierra Leone and Gambia obtained only one (1). According to the report, Liberia met the budget deficit, central bank financing and gross external reserves in months of import cover but missed out on inflation criterion due mainly to the new threshold of less than or equal to 5 percent. Preliminary projections reveal that none of the Member States /Countries will meet all the primary convergence criteria for two consecutive years (2023-2024).

6.5 West African Monetary Agency (WAMA)

In the first quarter of 2022, the Executive Governor of the CBL, Hon. J. Aloysius Tarlue, Jr., turned over the Chairmanship of the Committee of Governors of WAMA to the Governor of the Central Bank of Nigeria, Hon. Godwin I. Emefiele, following the end of his one-year term as chair.

WAMA, as a key organ of the Economic Community of West African States (ECOWAS), continued to drive the ECOWAS Single Currency Program, including the ECOWAS Payment and Settlement System (EPSS) in collaboration with other institutions like WAMI, the ECOWAS Commission, and member states central banks. The EPSS project had been initiated since 2013 with the aim of promoting integration of payment systems at the zonal and national level and ultimately establish a regional payments system.

The EPSS, which is yet to takeoff, will complement the PAPSS of the Africa Union (AU) for promoting monetary and financial integration as well as facilitating intra-community trade for establishing an economic union.

6.6 ECOWAS Commission and Single Currency Program

At the Sixty-first (61st) Ordinary Session of the Authority of Heads of State and Governments of ECOWAS, held on July 3, 2022, a key decision was taken to elect His Excellency (H. E.) Umaro Sisssoco Embalo, the President of the Republic of Guinea-Bissau as the Chairman of the Authority of ECOWAS Heads of States and Government for the next one year 2022-2023, replacing the Ghanaian President, H. E. Nana Akufo-Addo, who served the Commission for two terms. Also announced at the Session was the appointment of H. E. Dr. Omar Alie Touray of the Republic of The Gambia who replaced H. E. Jean-Claude Kassi-Brou of the Republic of Cote D'Ivoire.

6.7 African Development Bank (AfDB)

From 23rd to 27th of May 2022, the AfDB hosted its 57th Annual Meeting and 48th Annual Meeting of the African Development Fund in Accra, Ghana with representatives from nearly all the African Member Countries, international and national development partners, economic institutions and partnering institutions across the globe. The event took place using a hybrid format, with the physical presence of governors, executive directors, and banks senior management at the Accra International Conference Centre in Ghana.

Additionally, the AfDB has been working through partnership with the WAMI on two key financial infrastructural and operational issues in Liberia, which were simultaneously being implemented in three other WAMI's countries, namely: The Gambia; Sierra Leone; and Guinea. The first issue was the establishment and development of the Domestic Debt Markets in each of the countries where these markets did not exist. The intent of the operationalization of the domestic markets in these countries is to assist governments to raise revenue domestically to finance critical expenditure needs and facilitate development of the capital markets integration project in these listed countries comparable to that of Nigeria and Ghana. The Mission team, which comprised of staff of the AfDB and WAMI, have been working with focal persons nominated by the four countries to ensure proper representation through skillful monitoring and evaluation procedures, acceptable selection process, among others in line with the Bank's policy across the four countries.

According to the AfDB, reforming the Liberian pension sector and institutionalizing the investor base are key building blocks for the establishment of Liberia's capital markets, the development of domestic debt markets and promoting policies to formalize and attract the private and informal sector to the pension sector. Hence, the ongoing project is expected to reform the pension sector by supporting the formulation of regulatory frameworks, provide for the extension of pension scheme coverage from the formal to the informal sector, and effectively establish the framework for the distribution of social welfare benefits to vulnerable populations, including women.

In 2022, the AfDB initiated sponsorship for the development of Unique Bank Identifier (UBI), a credit administration project for the WAMZ Member States, namely: The Gambia; Guinea; Liberia; and Sierra Leone. The project is expected to improve credit administration and reference processes through alpha-numeric characters comprising of 4-character bank code, 2-character country code, 2-character location code and an optional 3-character branch code.

6.8 West African Institute for Financial & Economic Management (WAIFEM)

Given the constraints of COVID-19 on the activity of WAIFEM to carry out in-person human capacity enhancement through training, most of the trainings were cancelled at the inception of the pandemic. In addition to other measures adopted by countries, introduction of the vaccines has helped to slow down the pandemic, thereby contributing to relative normalcy for hosting of programs, symposia, fora, meetings, trainings, etc., with more in-persons participants.

In 2022, WAIFEM hosted several workshops and courses through virtual means during the first half and E-blended plus hybrid format in the second half. Improvement in the containment of the pandemic has created the atmosphere for institutions and organizations to commence in-persons meetings more than that of E-Blended, virtual and hybrid. Of the training programmes implemented by the four departments of WAIFEM: (1) the Fiscal Policy, Debt & Regional Integration; (2) Financial Sector, & Payment Systems Department; (3) Research & Macroeconomic Management Department; and (4) Governance & Institutional Development Department, the CBL successfully participated in more than 70 percent of each of the trainings and other activities.

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[i] The PAPSS is an international payment, clearing and Multilateral Net Settlement System that is expected to provide low-value, high-value, and time critical payments for cross-border trade.