BANK OF SIERRA LEONE

MONETARY POLICY REPORT

DECEMBER 2025

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ACRONYMS

AE	Advanced Economies
BOP	Balance of Payments
BSL	Bank of Sierra Leone
CAR	Capital Adequacy Ratio
CFC	Customers Foreign Currency
CIEA	Composite Index of Economic Activities
CPI	Consumer Price Index
CRR	Cash Reserve Requirement
dmt	Dry Metric Tons
ECB	European Central Bank
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EMDEs	Emerging Market and Developing Economies
FSIs	Financial Soundness Indicators
FOREX	Foreign Exchange
GDP	Gross Domestic Product
GoSL	Government of Sierra Leone
GST	Goods and Services Tax
IMF	International Monetary Fund
M2	Broad Money
MoF	Ministry of Finance
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
NDA	Net Domestic Assets
NEER	Nominal Effective Exchange Rate
NFA	Net Foreign Assets
NPLs	Non-Performing Loans
ODCs	Other Depository Corporations
OECD	Organization for Economic Co-operation and Development
OIN	Other Items Net
OMO	Open Market Operations
OPEC	Organization of the Petroleum Exporting Countries
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
QM	Quasi Money
REER	Real Effective Exchange Rate
RM	Reserve Money
ROA	Return on Assets
ROE	Return on Equity
SDF	Standing Deposit Facility
SLF	Standing Lending Facility
Stats SL	Statistics Sierra Leone
T-bills	Treasury Bills
WB	World Bank
WEO	World Economic Outlook
WTI	West Texas Intermediate

The Report

The December 2025 edition of the BSL Monetary Policy Report reviews global and domestic economic trends for the third quarter of 2025. It also looks at the latest developments in the fourth quarter of 2025, where relevant data is available, and discusses short- and medium-term forecasts to help guide the implementation of appropriate monetary policies that align with the Bank's objectives.

BSL Monetary Policy Objectives

The main goal of the BSL is to ensure and uphold price stability in the Sierra Leone economy. However, the Bank also has other significant objectives, such as maintaining the stability of the financial system, fostering the development of financial markets, and supporting the government's broader economic policies to promote overall macroeconomic stability.[1]

Monetary Policy Strategy

The Bank of Sierra Leone (BSL) serves as the only monetary authority in Sierra Leone, possessing the legal independence necessary to implement monetary policy within the nation. To meet its objectives, the Bank employs various policy tools, including the Monetary Policy Rate (MPR), Open Market Operations (OMOs), Standing Lending and Deposit Facilities, Foreign Exchange Operations, and Cash Reserves Requirement.

Monetary Policy Process

The Bank's monetary policy is crafted by the Monetary Policy Committee (MPC), which is made up of seven members as mandated by law. This committee includes the Bank's Governor, who acts as the chairperson, the Deputy Governor responsible for Monetary Stability, the Deputy Governor in charge of Financial Stability, and four other experts with relevant experience in monetary policy and financial markets. These experts are nominated by the Governor and must be approved by the Board of Directors of the BSL. The MPC convenes quarterly to evaluate recent global and domestic economic trends, as well as to consider short- to medium-term prospects and inflation risks. Based on these evaluations, the committee makes policy decisions, primarily using the Monetary Policy Rate (MPR) to indicate the Bank's stance. During the MPC meetings, each member presents their preferred MPR decision along with supporting reasons. The final decision is reached through a vote, with the chairperson casting the deciding vote in case of a tie. This decision is then published in a monetary policy statement on the Bank's website within forty-eight hours of the meeting. Additionally, the Governor and other authorized staff periodically engage with the public to explain the Bank's policy decisions and clarify emerging economic issues, particularly those related to monetary and exchange rate policies.

[1] *Section 5. (1) of the BSL Act 2019 states: "(b) the objective of the Bank shall be to achieve and maintain price stability. (c) the Bank shall contribute to fostering and maintaining a stable financial system. (d) the Bank shall support the general economic policy of the Government.*

EXECUTIVE SUMMARY

In the October 2025 World Economic Outlook (WEO), global growth is projected to moderate from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026, primarily due to persistent trade policy uncertainties and supply chain disruptions. This represents a slight upward revision from the July 2025 forecast of 3.0 percent for 2025, reflecting greater-than-expected economic resilience supported by accommodative macroeconomic policies and adaptation to trade frictions. The Organization for Economic Co-operation and Development (OECD) December 2025 Economic Outlook presents a more cautious view, forecasting global growth to decline from 3.3 percent in 2024 to 3.2 percent in 2025 and 2.9 percent in 2026, before a modest rebound to 3.1 percent in 2027. In contrast, the World Bank has significantly downgraded its outlook, projecting global growth at 2.3 percent for 2025, a notable reduction from its January 2025 estimate of 2.7 percent. Overall, the global economic outlook remains fragile, with heightened downside risks stemming from escalating geopolitical tensions and potential increases in trade barriers, particularly those affecting critical inputs, which could further impair supply chains and output.

Global inflation is projected to decline to 4.2 percent in 2025 and further to 3.7 percent in 2026, primarily reflecting subdued demand and easing energy prices. Notwithstanding this disinflationary trend, inflation risks remain skewed to the upside, owing to persistent geopolitical tensions, climate-related shocks, and the possibility of policy reversals. Conversely, softer global demand and lower energy prices continue to exert downward pressure on inflation. Sustained policy vigilance will therefore be critical to safeguarding price stability over the medium term.

The domestic economy is projected to expand modestly to 4.4 percent in 2025, from 4.3 percent in 2024, bolstered by an improved macroeconomic environment and increased activity across agriculture, manufacturing, and services sectors. Over the medium term, growth is projected at 4.6 percent driven by continued progress under the Feed Salone Program, higher mineral exports, and further expansion in the services sector. However, the outlook remains susceptible to external downside risks, notably geopolitical tensions, and global trade policy uncertainty, which could impede Sierra Leone's growth prospects.

In 2025Q3, Sierra Leone recorded a trade deficit, driven by a decline in export receipts alongside higher import payments. Gross foreign exchange reserves also reduced but remained adequate to cover 2.0 months of import of goods and services.

The exchange rate remained relatively stable, underpinned by BSL's effort to remove bottlenecks in the foreign exchange market and sustained fiscal consolidation efforts. Nevertheless, fluctuations in demand, liquidity conditions and external economic pressures are risks to the sustained stability of the exchange rate.

The government fiscal operations resulted in a deficit due to lower revenue collection and a slight increase in expenditure. However, the primary balance remained in surplus supported by fiscal consolidation efforts, including reduction in discretionary spending. The government also adopted prudent debt management policies, resulting in a decrease in borrowing cost.

Both Reserve Money (RM) and Broad Money (M2) expanded in 2025Q3. RM growth was driven primarily by a rise in the BSL's Net Domestic Assets (NDA), which more than offset the decline in its Net Foreign Assets (NFA). Similarly, M2 expansion was underpinned by an increase in the NDA of the banking system outweighing the contraction in its NFA. Credit to the private sector moderated as commercial banks adopted a more cautious lending approach in responds to ongoing BSL's efforts to strengthen credit risk management and enforce prudential standards.

Money market developments revealed that liquidity in the banking system increased during 2025Q3 but eased in November 2025. Treasury bill yields continued to decline, with the 364-day rate falling from 19.71 percent in June 2025 to 17.01 percent in September 2025 and further to 16.69 percent by November 2025. Similarly, the interbank rate decreased to 18.77 percent, moving closer to the Standing Lending Facility rate. These developments reflect the impact of policy adjustments and lower government borrowing requirements.

The banking sector is broadly stable and adequately capitalized in 2025Q3, with most key financial soundness indicators remaining within the prudential thresholds. However, the sector remains exposed to cyber-security threats, fraud, and over reliance on government securities.

Inflation continued its downward trajectory in 2025, with a modest uptick observed in November 2025. The forecast indicates that it will remain in single digits throughout the forecast horizon spanning from November 2025 to October 2026. This disinflationary trend is attributable to relative stability in the exchange rate, declining global food and energy prices, enhanced domestic food production, and the effective implementation of macroeconomic policies. Although some fluctuations are anticipated, inflation is expected to stay broadly contained at manageable levels over the medium term.

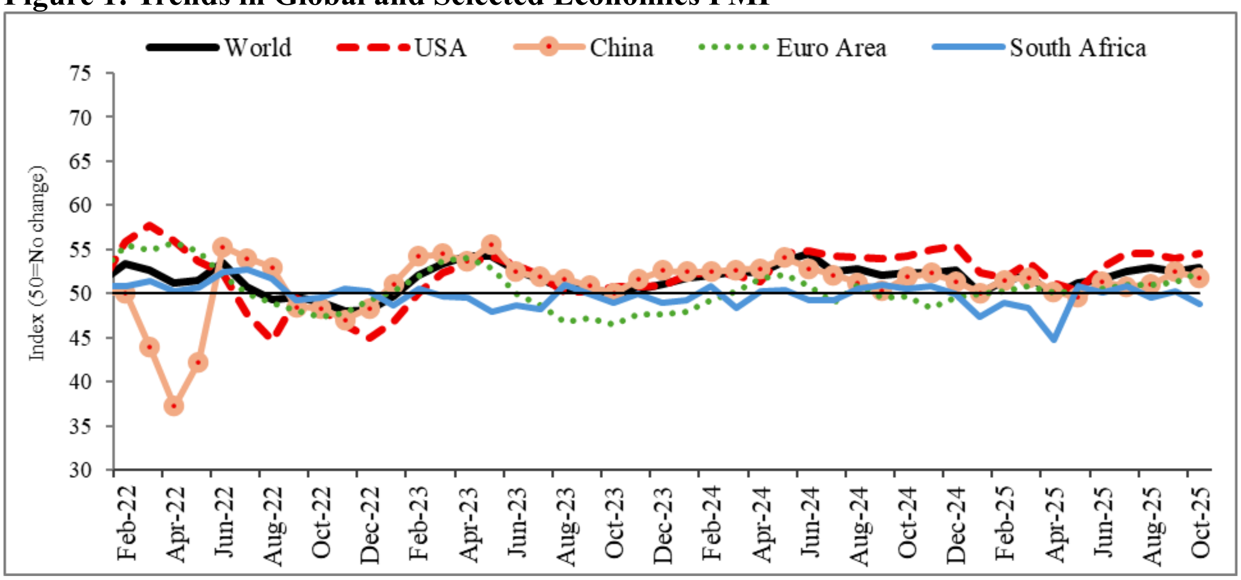
The remainder of this report is organized as follows: Section two discusses global economic and financial market developments, including growth and inflation trends, global commodity prices, development in the global capital market and their implications for the domestic economy. Section three analyzes domestic economic developments and outlooks. The final section details the monetary policy decisions from the December 2025 MPC Meeting and concludes the report.

1. GLOBAL ECONOMIC DEVELOPMENTS AND PROSPECTS

1.1 Global Output

The International Monetary Fund (IMF) in its October 2025 World Economic Outlook (WEO) projected global growth to slow down from 3.3 percent in 2024 to 3.2 percent in 2025 and further to 3.1 percent in 2026. The slowdown reflects the ongoing impact of trade policy uncertainties and disruptions in global supply chains, which continue to constrain output. However, the outlook marks a modest improvement compared to the July 2025 WEO update, which had projected a lower growth of 3.0 percent for 2025. This upward revision suggests that the global economy has been resilient with activity held up across many economies, reinforced by supportive macroeconomic policies and gradual adjustment to trade frictions. Nevertheless, the overall economic activity remains well below the pre-pandemic average growth rate of 3.7 percent. This resilience was mirrored in the Composite PMI, with increased economic activity in the U.S., China, the Euro Area, and South Africa. However, in October 2025, activity in China and South Africa dipped with the latter experiencing a contraction.

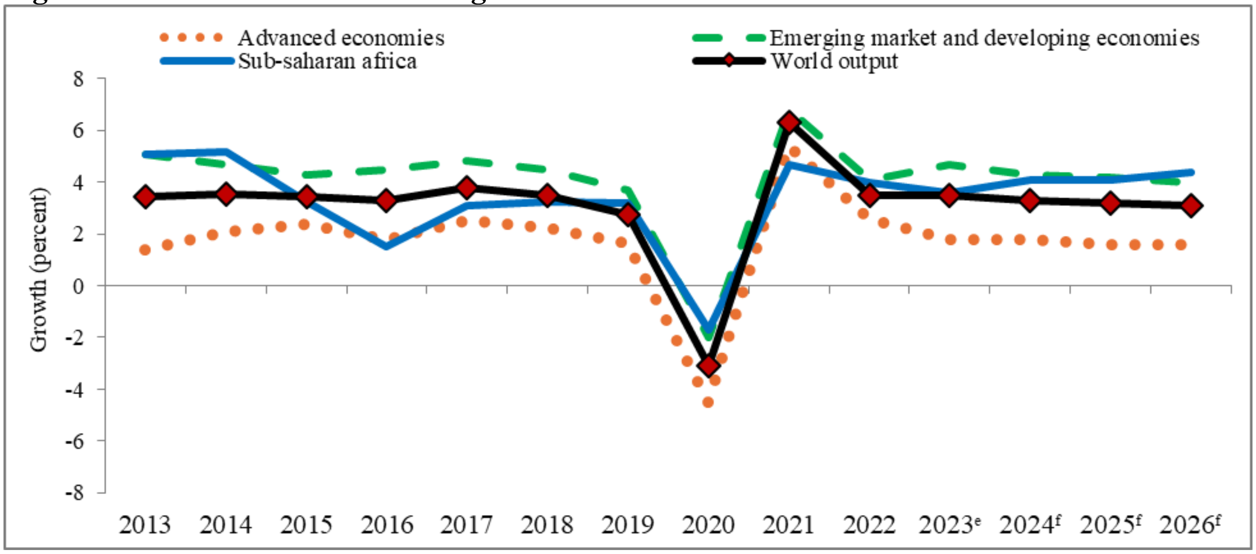
Figure 1: Trends in Global and Selected Economies PMI



Source: Market Economics, through Trading Economics October 2025; Note: PMIs above 50% indicate expansion of the manufacturing sector; below 50% indicate contraction.

The Organization for Economic Co-operation and Development (OECD) Economic Outlook for December 2025 projected global growth to decrease from 3.3 percent in 2024 to 3.2 percent in 2025 and further to 2.9 percent in 2026, before experiencing a modest recovery to 3.1 percent in 2027. The World Bank also projected global growth at 2.3 percent in 2025, a substantial downward revision from 2.7 percent in the January 2025 projection.

Figure 2: Trends in Global and Regional Real GDP Growth Rates



Source: IMF World Economic Outlook, July 2025 database and October 2025 update; Note: e= estimate & f =forecast

The outlook remains fragile. Ongoing geopolitical tensions and a further rise in trade barriers, especially around critical inputs, could inflict significant damage on supply chains and global output.

1.1.1 Advanced and Emerging Market Economies

Growth in advanced economies has been mixed. In the United States of America (USA), growth was revised slightly upwards by 0.1 percentage points from 1.9 percent and 2.0 percent in 2025 and 2026 (IMF July WEO 2025) to 2.0 percent and 2.1 percent in 2025 and 2026 (IMF WEO October 2025 edition), supported by strong investment in information processing equipment and software, and buoyant equity markets which have generated favorable wealth effects for higher-income households. Conversely, growth across the Eurozone remains subdued, with sluggish business investment growth. Meanwhile, GDP growth has been surprisingly resilient in many emerging-market economies with only minor, region-specific adjustments, such as in India and Brazil. Chinese production and demand were boosted by strong front-loading activity early in 2025. However, the outlook continues to be overshadowed by medium-term risks, including rising policy uncertainty and growing trade fragmentation.

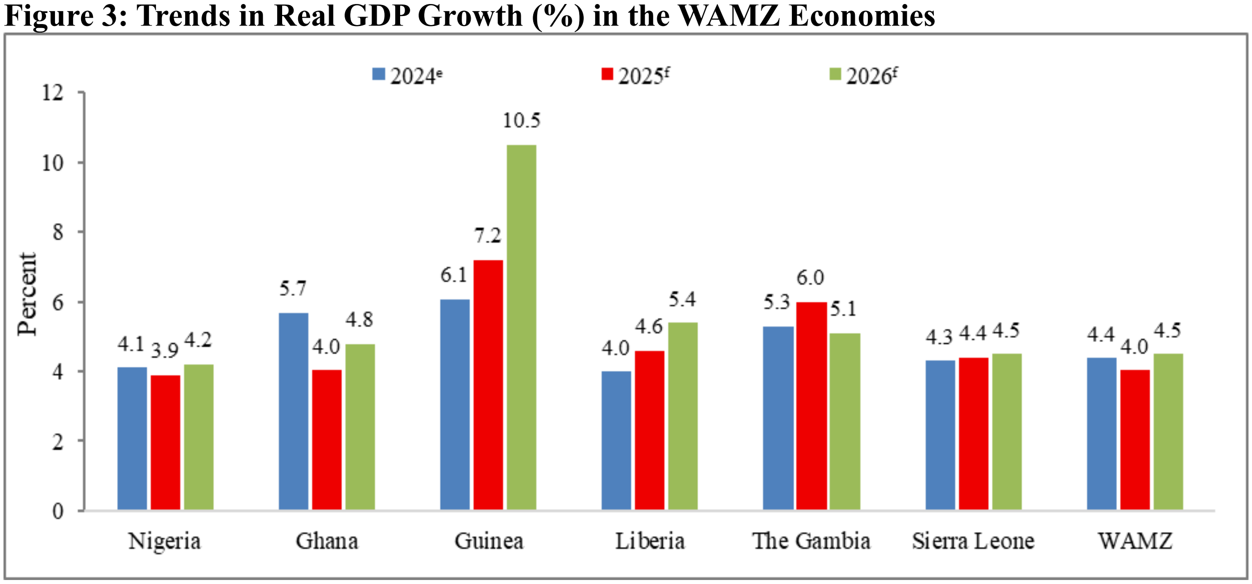
1.1.2 Sub-Saharan Africa (SSA)

Despite a challenging external environment, uneven developments in commodity prices, still tight borrowing conditions, and the uncertainty in global trade and aid landscape, Sub-Saharan Africa is showing resilience with growth projected to hold steady at 4.1 percent in 2025 with a modest pickup of 4.4 percent in 2026, supported by macroeconomic stabilization and reform efforts in key economies. Resource-intensive and several conflict-affected countries continue to face significant headwinds. However, external financing gaps and geopolitical uncertainties remain significant risks.

1.1.3 West African Monetary Zone (WAMZ)

Growth in the WAMZ region is projected at 4.0 percent in 2025, slightly lower than the 4.4 percent achieved in 2024, reflecting slower expansion in the major economies (Nigeria and Ghana), where fiscal tightening, softer activity in extractive industries (especially petroleum), lower global oil prices, and security concerns are weighing on performance. The region's growth is estimated to rebound to 4.5 percent in 2026, supported by fiscal consolidation, improved macroeconomic conditions, stronger commodity exports, and renewed investor confidence. Sierra Leone and Liberia are projected to maintain steady economic growth, while Guinea remains the fastest-expanding economy, underpinned by the USD 11 billion Simandou iron ore project. Gambia's outlook for 2026 is weaker, reflecting reduced investment, soft external demand, and persistent vulnerabilities in agriculture and tourism. Despite the broadly positive outlook, risks persist, including U.S. sanctions-related threats to Nigeria, ongoing global supply chain disruptions that could dampen commodity prices, heightened global policy uncertainty, climate risks, constrained access to external financing, and the continued need for fiscal consolidation to maintain debt sustainability.

Figure 3: Trends in Real GDP Growth (%) in the WAMZ Economies



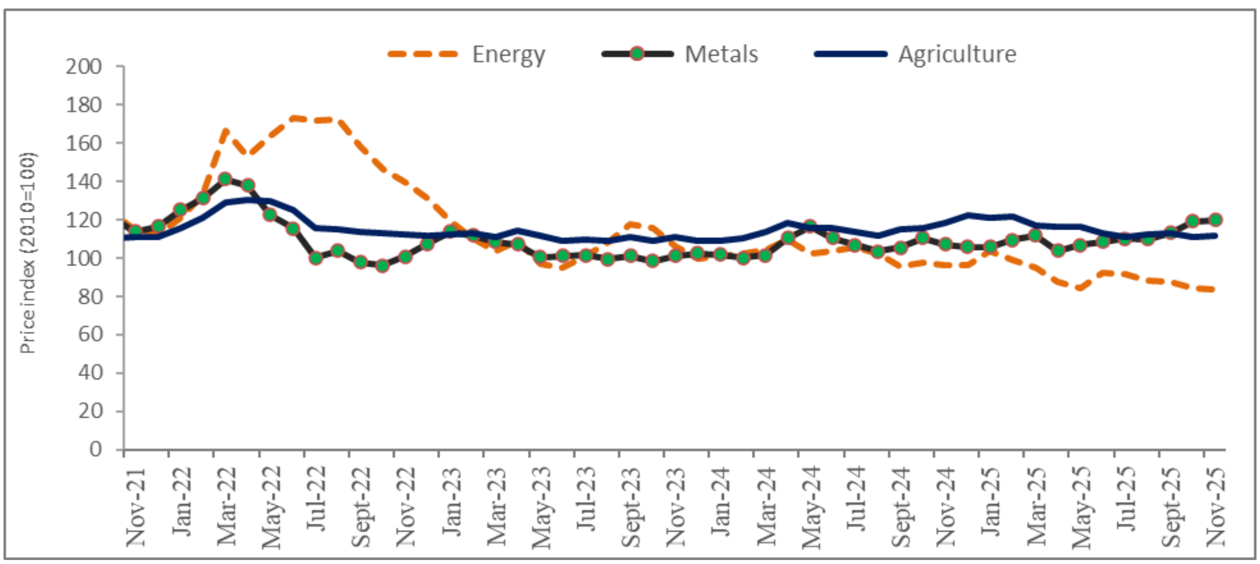
Source: IMF World Economic Outlook, October 2025 Update and selected indicators for Sierra Leone by IMF; Note: e= estimate & f =forecast

1.2 Global Commodity Prices and Inflation

1.2.1 Global Commodity Prices

Global commodity prices continued to decline in 2025Q3, reflecting subdued global economic activity, elevated trade tensions and policy uncertainty, ample global supply of oil, and weather-related supply shocks. Energy prices were volatile but generally trended downward, starting at a high index of 103.5 points in January 2025 before dropping to 92.19 points in June 2025 and 91.67 in July 2025, supported by seasonal demand and temporary OPEC+ production cuts. It declined to 83.95 points as oil surpluses grew and industrial activity weakened. Metal prices indexes fluctuated with early gains in February 2025 (109.64 points) resulting from robust industrial demand, followed by a drop in April 2025 (103.96 points) amid weaker Chinese activity. It increased further in November 2025 (119.89 points) driven by tighter supply, infrastructure spending, and a softer U.S. dollar. Agricultural price index fell sharply from March 2025 (116.31 points) to July 2025 (111.20 points), affected by weaker crop output and seasonal effects. It showed a modest recovery in September 2025 (112.96 points), supported by stronger export demand, before declining slightly in November 2025 (111.71points), driven by improved global crop production, high stock levels, subdue global economic growth and lower input costs.

Figure 4: Trends in Global Commodity Price Indices



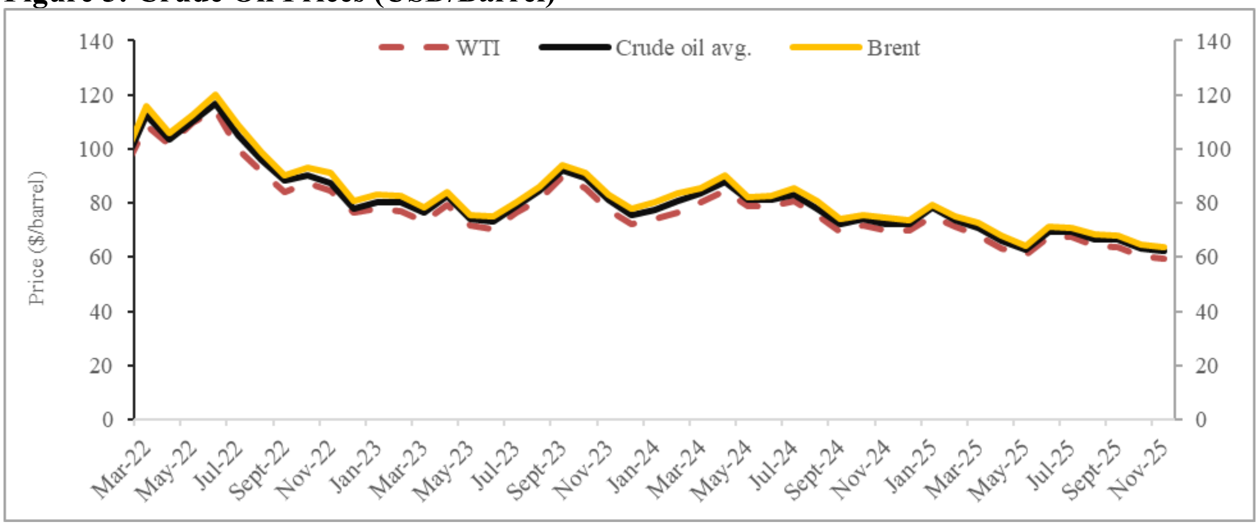
Source: World Bank Commodity Market Outlook database, November 2025

Crude Oil Prices

Average crude oil prices exhibited a downward trajectory from USD69.15/bbl in June 2025 to USD62.34/bbl in November 2025, stemming from softer global demand, inventory adjustments, and increased supply. Brent prices decline gradually from USD71.45/bbl in June 2025 to

USD64.65/bbl in October 2025 and drop further to USD63.61/bbl in November 2025, supported by higher production from OPEC+ and U.S. shale, rising OECD inventories, and moderate demand in China, India, and Europe. This trend was mirrored in WTI prices, recording a consistent decline from USD67.49/bbl in June 2025 to USD60.17/bbl and USD59.57/bbl in October and November 2025. On a quarterly basis, average crude oil prices increased by 2.3 percentage point at USD67.46/bbl in 2025Q3 from USD65.93/bbl in 2025Q2. Brent and WTI prices also pick up by 1.8 percentage points at USD69.03/bbl and USD65.03/bbl in 2025Q3 from USD67.80/bbl and USD63.87/bbl in 2025Q2, respectively, driven by stronger demand in the United States, seasonal refinery maintenance tightening supply, and geopolitical tensions, limiting output.

Figure 5: Crude Oil Prices (USD/Barrel)



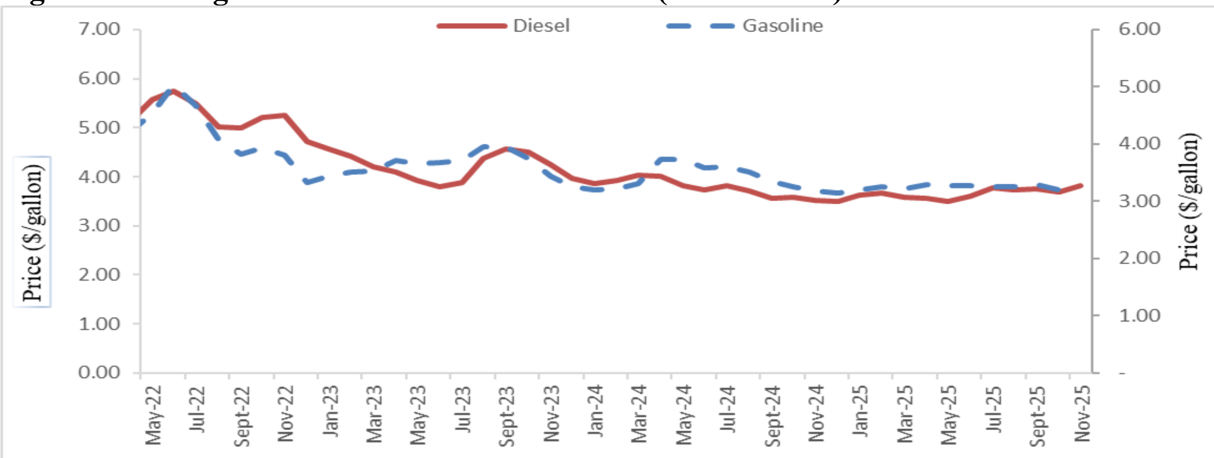
Source: World Bank Commodity Market Outlook database November 2025

Petroleum Products (Retail Prices)

Petroleum product prices showed moderate volatility during the review period, influenced by both seasonal factors and broader market fundamentals. Gasoline prices dropped slightly from USD3.28/gallon in June 2025 to USD3.25/gallon in July 2025, driven by reduced U.S. travel demand following the early summer peak and increased refinery production. It increased to USD3.29/gallon in September 2025 before decreasing to USD3.19/gallon and USD3.18/gallon in October and November 2025 respectively, reflecting lower global crude oil prices and favorable exchange rate movements. Diesel prices rose from USD3.60/gallon in June 2025 to USD3.78/gallon in July 2025 amid tight global supply and high freight charges and input demand, before easing to USD3.68/gallon in October 2025, amid increased export demand. The price of diesel rose again to USD3.82/gallon in November 2025, due to Refinery outages in

Russia and the Middle East, tighter EU sanctions on Russian oil products, and OPEC's decision not to raise output.

Figure 6: Average Prices of Petroleum Products (USD/Gallon)

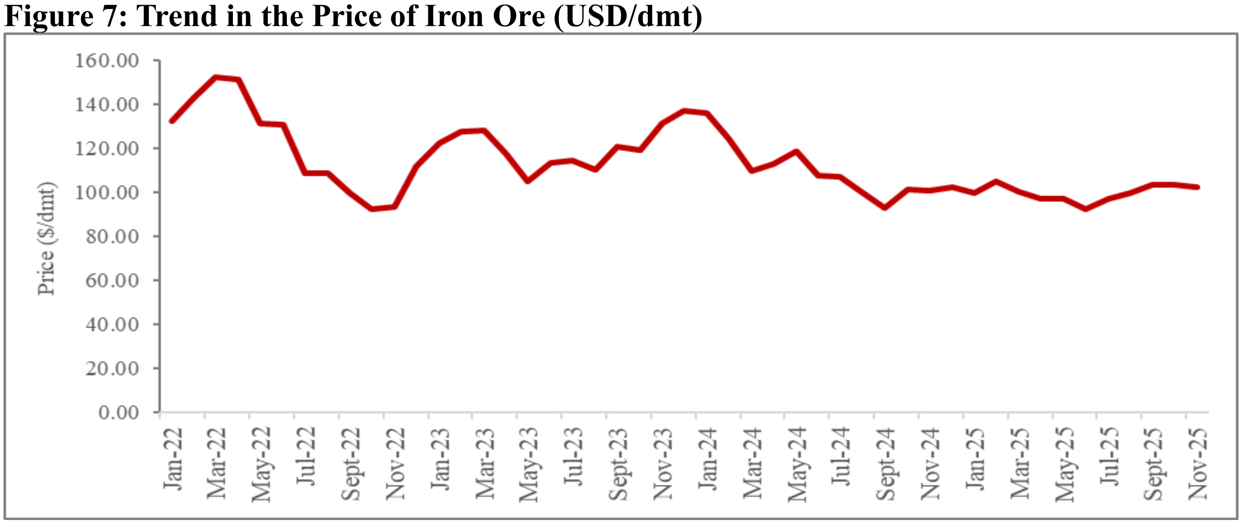


Source: U.S. Energy Information Administration, EIA (November 2025)

Iron Ore Price

Iron ore prices trended upward throughout the review period, increasing from USD99.74/dmt in July 2025 to USD103.28/dmt in August 2025 and further to USD103.53/dmt in October 2025, then stabilized to USD102.48/dmt in November 2025, driven primarily by strong demand from China and India amid sustained infrastructure and construction activity despite global economic headwinds. Quarterly averages also rose by 4.80 percentage points from USD95.51/dmt in 2025Q2 to USD100.09/dmt in 2025Q3, reflecting tightening supply conditions due to weather-related disruptions in Australia and Brazil. Moreover, improved market sentiment and inventory buildup by steelmakers ahead of winter supported prices, contributed to a solid quarterly performance in the iron ore market.

Figure 7: Trend in the Price of Iron Ore (USD/dmt)

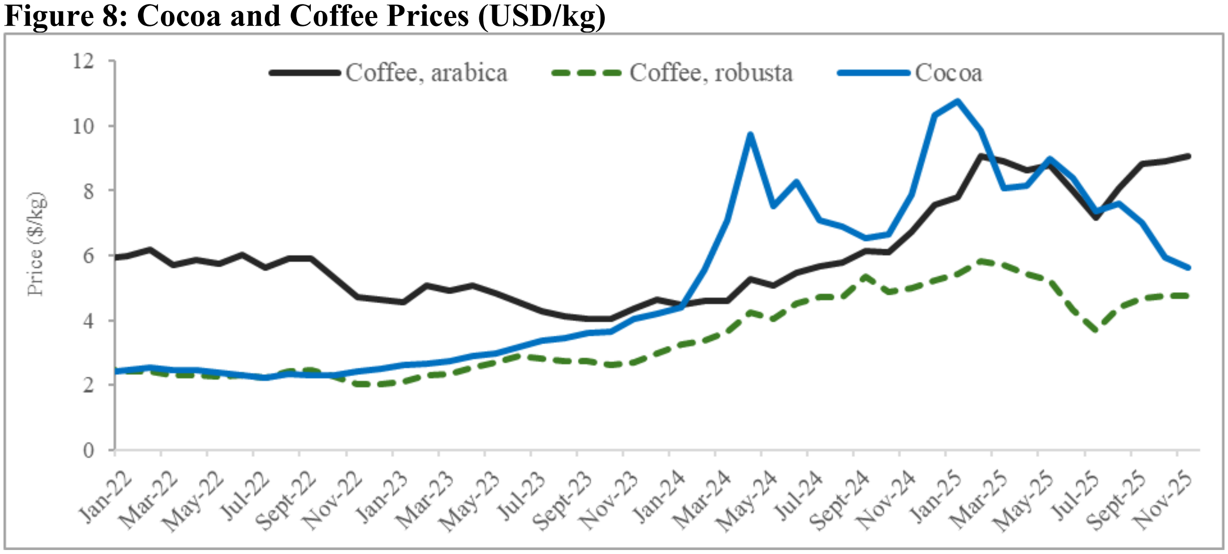


Source: World Bank Commodity Market Outlook database, November 2025

Cocoa and Coffee Prices

Cocoa prices exhibited a downward trend in the review period, declining from USD8.40/kg in June 2025 to USD5.61/kg in November 2025, driven by sufficient harvests in Côte d'Ivoire and Ghana, and improved supply logistics. Arabica coffee prices, after dropping from USD8.0/kg in June 2025 to USD7.18/kg in July 2025, rebounded sharply to USD9.05/kg in November 2025, driven by adverse weather in Brazil and Central America (Honduras and Nicaragua) that constrained output. Robusta coffee followed a more moderate upward trajectory, rising from USD4.33/kg in June 2025 to USD4.66/kg in September 2025, and further rose to USD4.74/kg in both October and November 2025, driven by continued robust demand from instant coffee producers (U.S) and tightening supplies in Southeast Asia. On a quarterly basis, cocoa prices declined by 13.9 percent, falling from USD8.51/kg in 2025Q2 to USD7.33/kg in 2025Q3, while Arabica coffee prices decreased by 5.2 percent from USD8.47/kg to USD8.03/kg, and Robusta coffee prices dropped 15.1 percent from USD5.00/kg to USD4.24/kg over the same period. The market outlook faces risks from weather-related disruptions, supply and logistical challenges, and changes in global demand.

Figure 8: Cocoa and Coffee Prices (USD/kg)



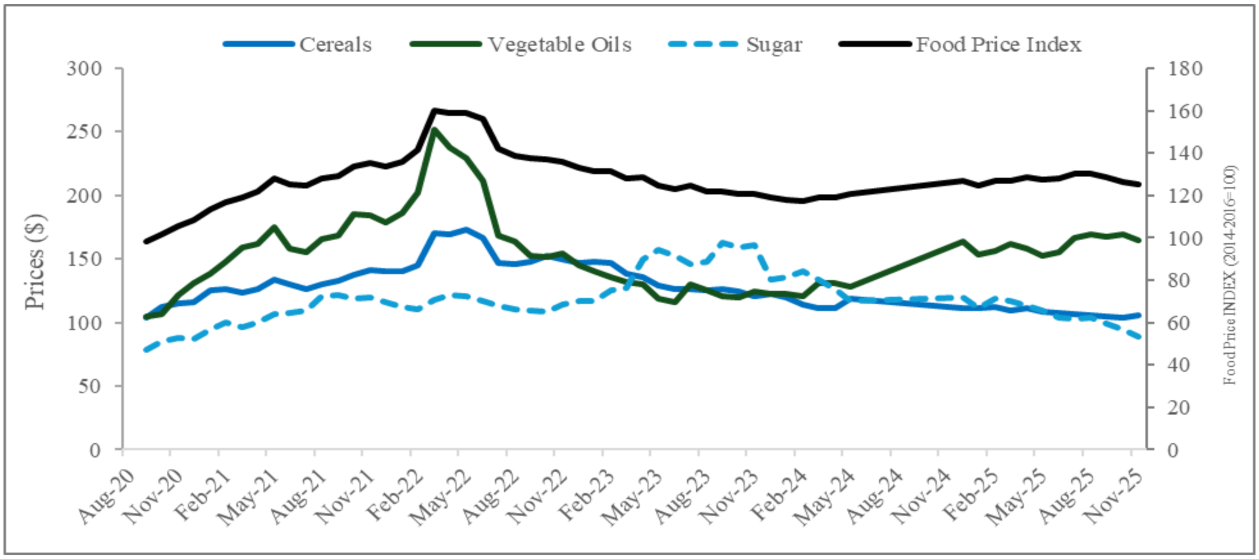
Source: World Bank Commodity Market Outlook database, November 2025

Food Price Index

The FAO Food Price Index increased from 128.0 points in June 2025 to a high of 130.1 points in August 2025, before easing to 125.1 points in November 2025, on the back of a decline in vegetable oil and sugar prices. Cereal prices gradually declined from 107.4 points in June 2025 to 103.6 points in October 2025, driven by abundant harvests in China, India, and the U.S. Cereal prices then rose to 105.5 points in November, due to high Chinese purchases, tensions in the

Black Sea, and expected subdued plantings in Russia. Sugar prices were relatively stable at around 103.7 points in June 2025 and 103.6 points in August 2025, but fell to 88.6 points in November 2025, reflecting higher production from Brazil and India. Vegetable oil prices rose from 155.7 points in June 2025 to 169.1 points in August 2025, then edged down to 167.9 points in September 2025 before climbing again to 169.4 points in October 2025. This was followed by a sharp drop to 165.0 points in November 2025, driven by lower rapeseed, sunflower oils and prices of palm, due to higher-than-expected production in Malaysia

Figure 9: FAO Food Price Indices

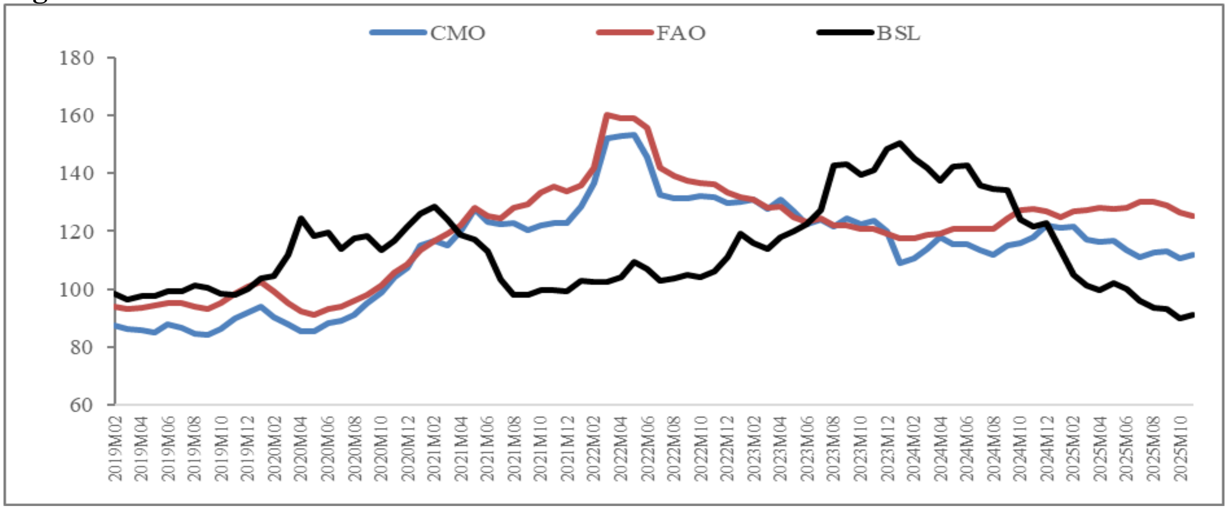


Source: FAO food price index database, October 2025

BSL Food Index

The BSL Food Index declined by 6.4 percentage points to 94.30 points in 2025Q3 from 100.75 points in 2025Q2. This downward trajectory largely reflects the drop in global rice and sugar prices (World Bank Commodity Market Outlook and the Food and Agriculture Organization). This trend is in tandem with the decreasing trend in domestic rice and sugar prices. However, there are potential risks emanating from disruptions due to adverse weather conditions, supply chain challenges, and trade policy uncertainties, given the country's heavy dependence on rice imports.

Figure 10: BSL Global Food Price Indices

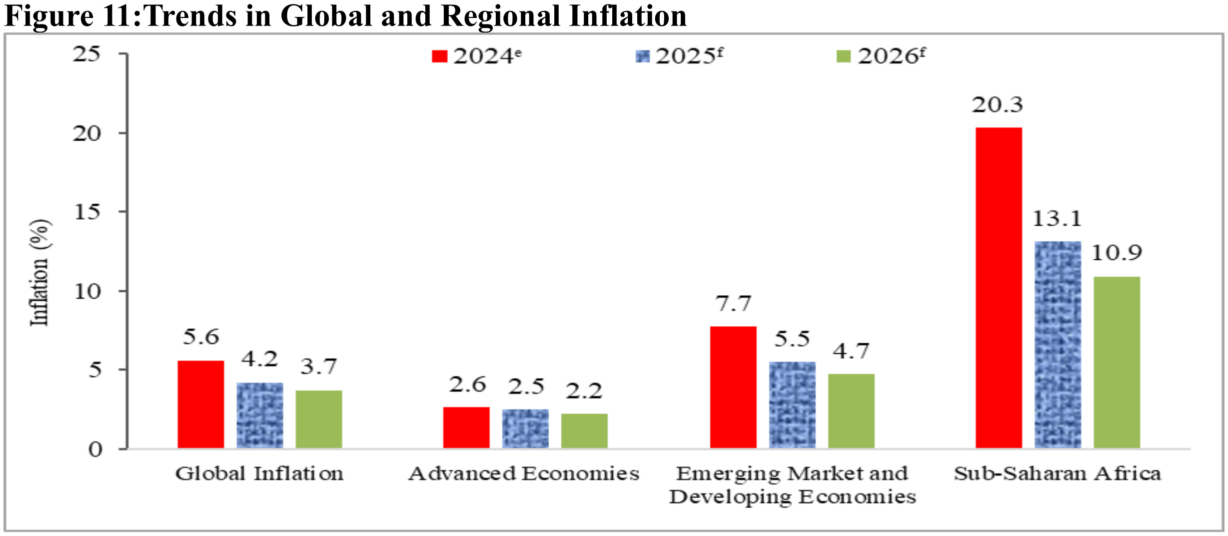


Source: World Bank Commodity Market Database October 2025, FAO Food Price Index October 2025 & BSL

1.2.2 Global Inflation

Global inflation is projected to continue its downward trajectory, with headline inflation rate estimated to decline from 5.6 in 2024 to 4.2 percent in 2025 and 3.7 percent in 2026, driven by weaker demand and moderating food and energy prices. However, inflation projections in October WEO 2025 indicate upward revisions for several economies. Inflation in Advanced economies is projected to increase slightly to 2.2 percent by 2026, representing a slight upward revision of 0.1 percentage point compared to the July 2025 WEO. Moreover, tariff adjustments could generate supply-side shocks that could feed through to consumer prices, exerting upward pressure on inflation toward the end of 2025. At the same time, such tariffs may also dampen demand, helping to offset inflationary pressures. In contrast, inflation in emerging markets and developing economies is projected to decline more gradually, reaching an estimated 4.7 percent.

Figure 11:Trends in Global and Regional Inflation



Source: IMF World Economic Outlook, October 2025.

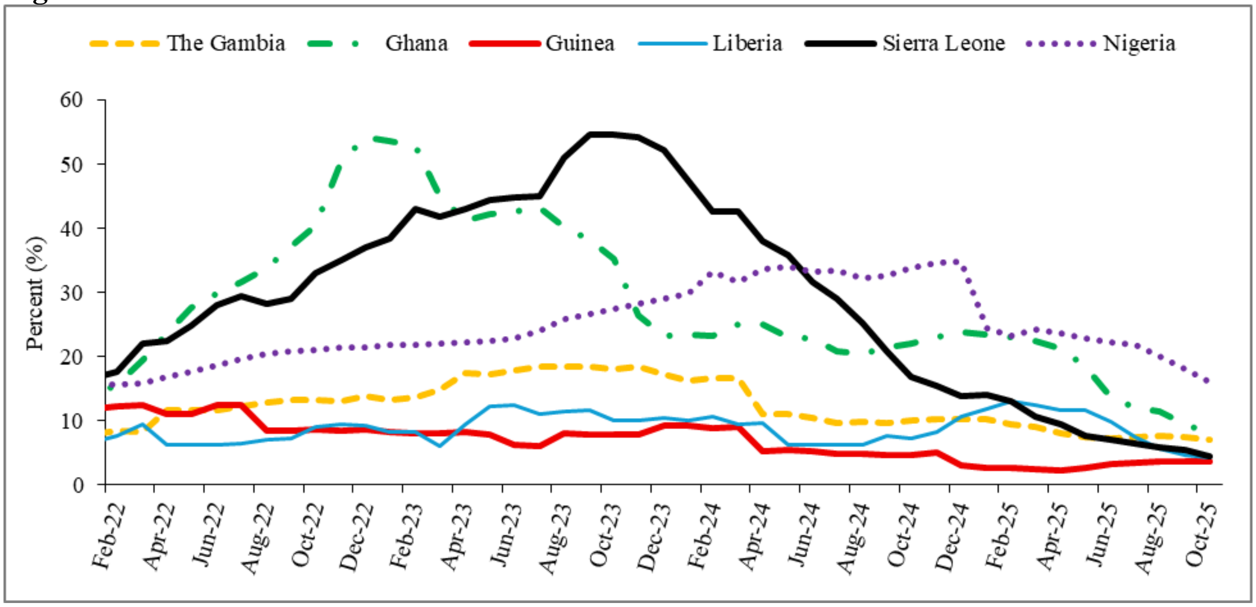
Sub-Saharan Africa (SSA) Inflation

Inflation across Sub-Saharan Africa is projected to ease steadily over the short to medium term, supported by earlier monetary tightening, declining global commodity prices, and exchange rate stability in several countries. Inflationary pressure in the region is expected to continue easing with inflation projected to fall significantly from 20.3 percent in 2024 to 13.1 percent in 2025, and further to 10.9 percent in 2026. This downward trend reflects improving food and energy price conditions. Nevertheless, risks emanating from climate shocks, fiscal imbalances, and currency fluctuations pose a threat to this disinflation trajectory. Maintaining prudent macroeconomic policies will be essential to sustain disinflation and progress toward price stability

Inflation in the WAMZ

Inflationary pressures continued to moderate across the WAMZ region. Nigeria and Ghana recorded double digit annual average inflation rate, while Guinea is the only country to meet the 5 percent annual average inflation rate. In terms of end-period inflation rate (October 2025), Guinea recorded the lowest inflation rate at 3.7 percent, followed by Liberia at 4.3 percent, Sierra Leone at 4.4 percent, The Gambia at 7.0 percent, Ghana at 8.0 percent and Nigeria at 16.05 percent. This notable disinflation in the bloc reflects the relative stability of regional currencies, sustained fiscal and monetary policy measures and improved food supply conditions. However, inflation in Guinea has begun to edge up, driven by rising food prices coupled with increased domestic energy prices. Nigeria experienced its sixth consecutive month of disinflation, supported by continued naira stability, improved forex liquidity, and sustained food supply from the ongoing harvest season. However, unlike other WAMZ member countries, Nigeria is the only country recording double digit end-period inflation.

Figure 12: Inflation Trends in the WAMZ



Source: IMF World Economic Outlook, October update 2025 and Central Banks via Trading Economics November 2025; note: Inflation for Sierra Leone, Nigeria, Ghana and the Gambia, Guinea, Liberia are as of October 2025.

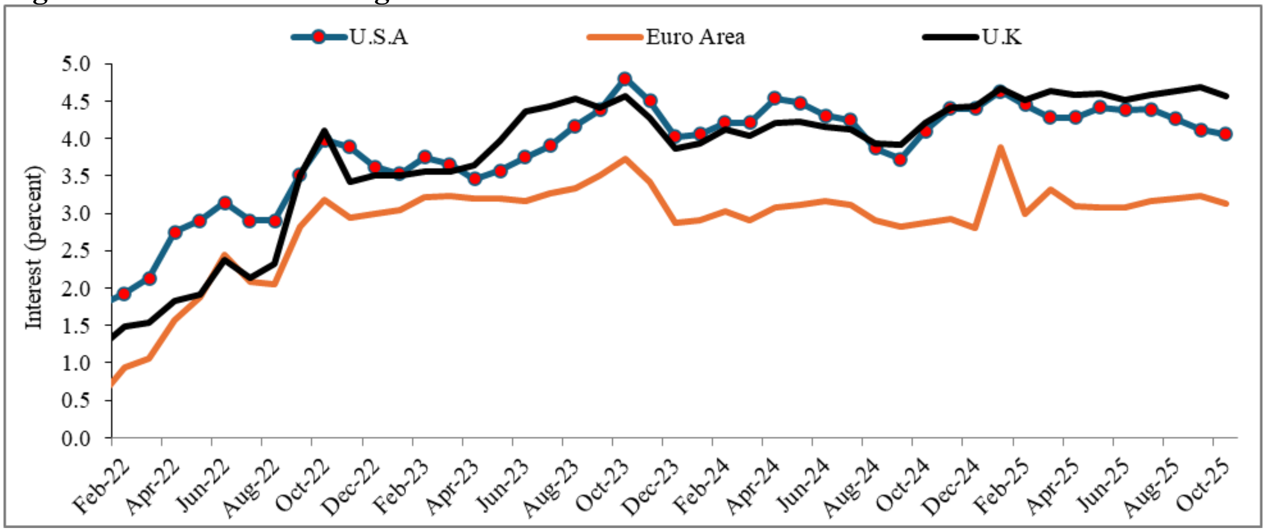
1.3 Monetary Policy and Financial Market Developments

The Bank of England, the ECB, and China upheld their policy rates to maintain equilibrium between slowing economic growth and ongoing inflationary pressures, as well as maintaining financial System stability and evaluating the impact of previous tightening cycles. In contrast, the U.S. Federal Reserve implemented modest rate cuts to bolster economic activity, which lowered borrowing costs as well as marking a shift toward a more supportive stance that sustains growth while keeping inflation under control. Meanwhile, WAMZ countries, including Sierra Leone, Ghana, Liberia, and The Gambia, reduced their policy rates, whereas Nigeria, and Guinea kept theirs unchanged to reinforce growth and maintain the disinflation trend.

Sovereign Bond Yield

Bond yields in the Euro Area and U.K. are projected to remain largely stable, reflecting central banks' cautious approaches amid slowing growth and easing inflationary pressures. U.S. yields recorded a slight decline, following the Fed's modest rate reductions, while the ECB's decision to keep rates steady supports stable yields in the Euro Area. Similarly, in the U.K., yields are expected to increase slightly as the Bank of England maintains its policy rates, balancing persistent inflation with slower economic activity. Overall, subdued growth and continued inflation monitoring are keeping yields within a relatively narrow range across these major economies.

Figure 13: Selected Sovereign Bond Yields

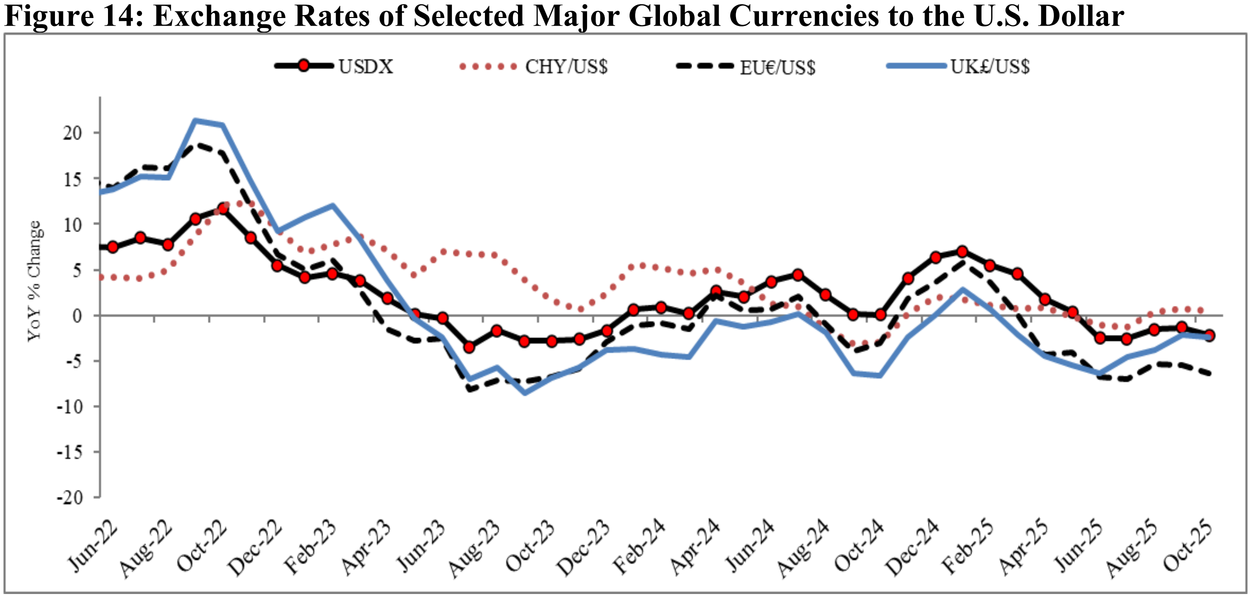


Source: Federal Reserve Economic, FRED Data (October 2025)

Exchange Rate

The US Dollar showed a slight appreciation in August 2025 before weakening against major global currencies in September and October 2025, influenced by Fed rate cuts, easing inflation, and slower growth, which lowered demand for dollar assets. Meanwhile, the Euro and British Pound strengthened modestly against the U.S dollar, supported by their Central Banks holding rates amid still elevated but declining inflation. In contrast, the Chinese Yuan remained largely stable against the dollar, reflecting the People's Bank of China's commitment to rate stability and careful currency management.

Figure 14: Exchange Rates of Selected Major Global Currencies to the U.S. Dollar

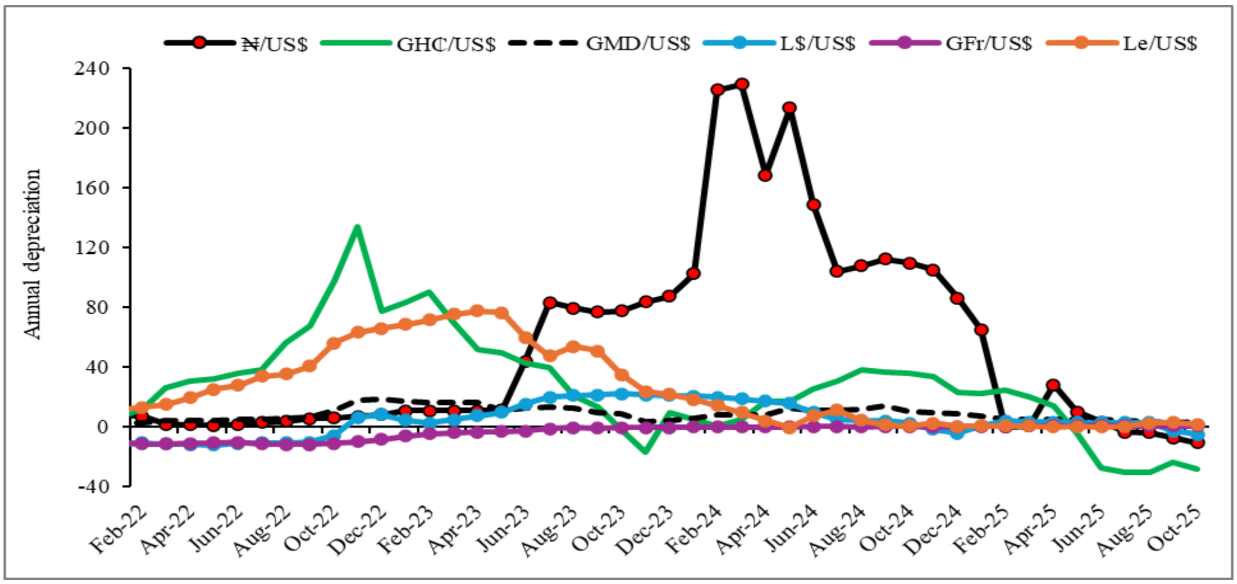


Source: Federal Reserve Economic Data (FRED), November 2025. Note: a positive change indicates depreciation against the U.S. dollar and a negative change indicates an appreciation against the U.S. dollar.

WAMZ Exchange Rate

WAMZ currencies have remained generally stable, though performance varies across countries. The Leone and most regional currencies have followed a steady but stable path. The Nigerian Naira remains the weakest due to persistent pressure from low global oil prices and reduced foreign-exchange earnings. The Ghanaian Cedi has appreciated, supported by stronger investor confidence and improved macroeconomic conditions. However, renewed foreign-exchange demand and slower export receipts create occasional pressures. Overall, the block showed mixed but mostly stable currency movements.

Figure 15: Exchange rates in the WAMZ Block



Source: Trading Economics and WAMZ Central Bank websites, October 2025

1.4 Implications for the Outlook of the Sierra Leone Economy

Geopolitical tensions and changes in the global aid environment are reducing traditional Official Development Assistance (ODA) flows, making it increasingly challenging for Sierra Leone to attract foreign direct investment and secure development financing. Elevated global uncertainty further compounds these risks, with potential implications for Sierra Leone's short- to medium-term economic performance. Trade policy uncertainty and subdued global economic sentiment may weaken external demand for the country's exports and dampen investor confidence, thereby slowing economic growth.

Despite these challenges, several external developments could provide some relief. A weakening U.S. dollar would help ease foreign exchange pressures by lowering the domestic cost of servicing dollar-denominated debt, supporting reserve stability, and strengthening both fiscal and external positions. Additionally, the continued decline in global food and energy prices is expected to reduce petroleum costs, ease inflationary pressures, and improve the trade balance for oil-importing countries such as Sierra Leone. Furthermore, strong prices for key export commodities particularly iron ore and cocoa, could boost export revenues, enhance the current account position, and help alleviate depreciation pressures in the foreign exchange market.

2. DOMESTIC ECONOMIC DEVELOPMENTS

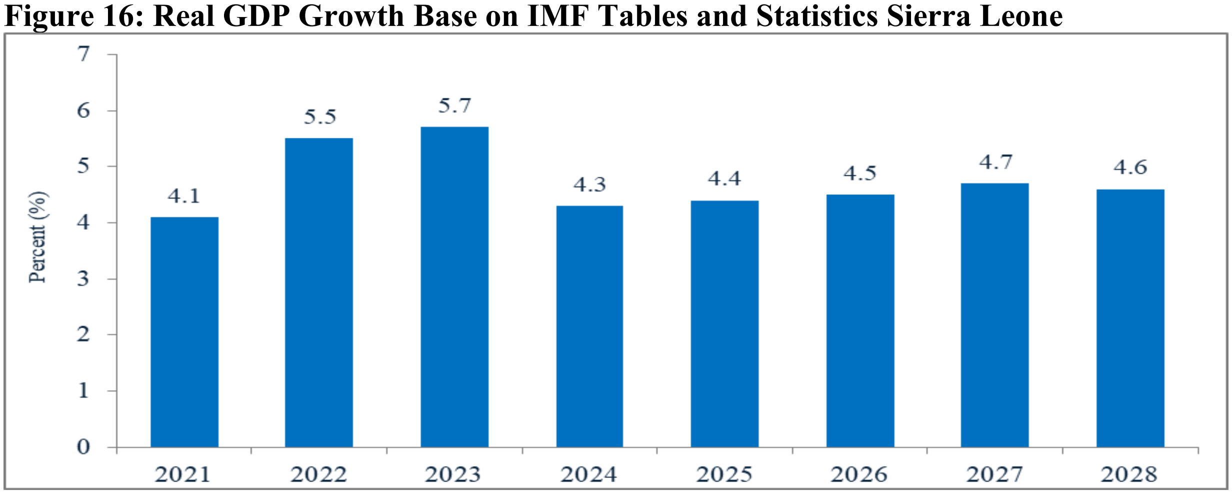
2.1 Real GDP Developments

2.1.1 Real GDP Growth

Real GDP growth is projected at 4.4 percent in 2025, up from 4.3 percent in 2024, driven by improved macroeconomic conditions and increased activities in the agriculture, manufacturing and services sectors. This expansion reflects increased activity in wholesale and retail trade, public administration and defense, as well as sustained improvements in construction. Sierra Leone's agricultural sector experienced moderate but uneven growth, supported by improvements in input supply, public policy support, and favorable weather patterns, which translated into increased food and tree crops production as well as livestock development. The Feed Salone Programme continued to guide investments in the agriculture sector supported by enhanced rural infrastructure development.

Growth in the medium-term (2026–2028) is projected to average 4.6 percent, underpinned by continued expansion in the services sector, stronger agricultural, manufacturing, and construction activities, and a stable macroeconomic environment. However, the outlook is subject to external risks, including escalating global trade policy uncertainty and geopolitical tensions, which could weigh on Sierra Leone's growth prospects.

Figure 16: Real GDP Growth Base on IMF Tables and Statistics Sierra Leone

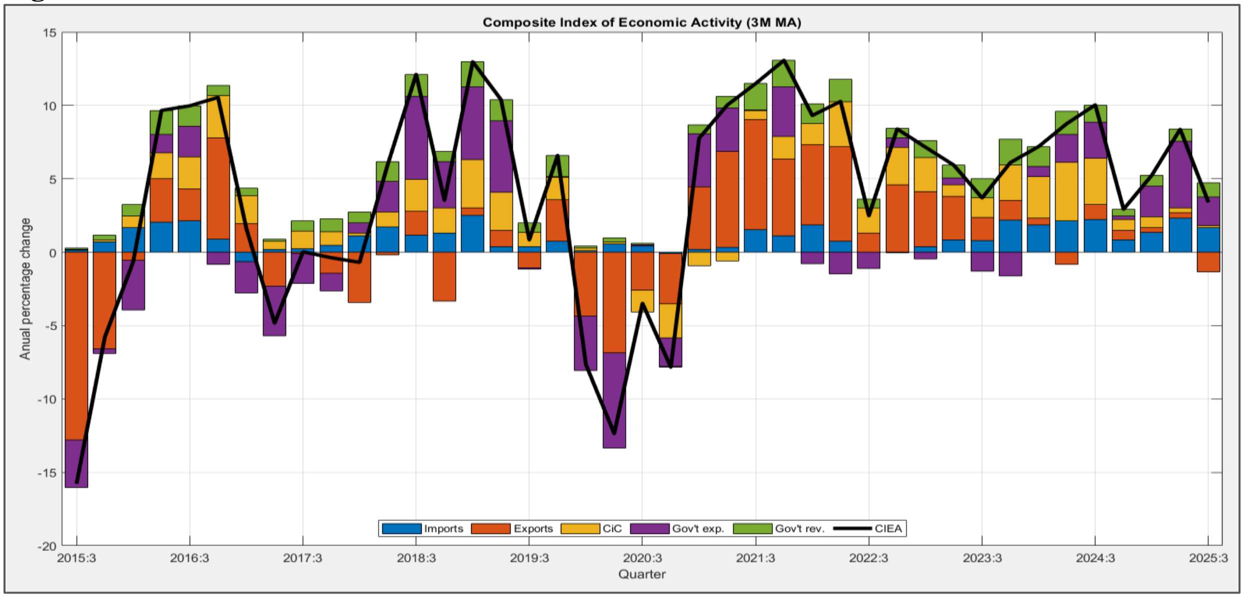


Source: Statistics SL & IMF

2.1.2 Composite Index of Economic Activity (CIEA)

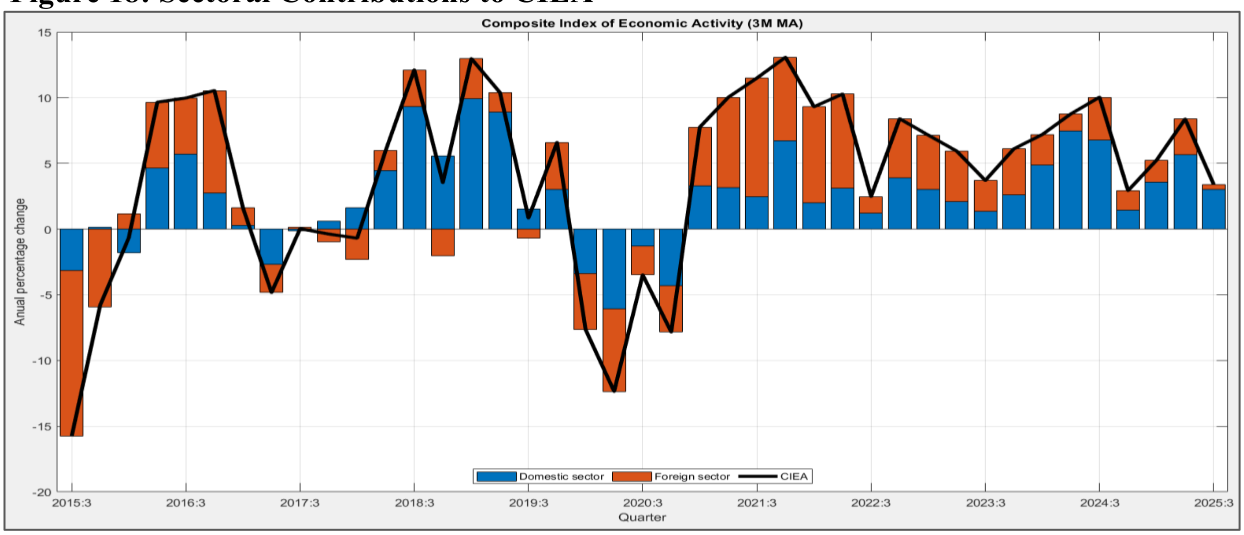
The Bank's Composite Index of Economic Activities (CIEA) indicated a slowdown in economic activities in 2025Q3 compared to the preceding quarter. There was a decrease in the CIEA's annual percentage growth from 8.37 percent in 2025Q2 to 3.39 percent in 2025Q3. The decline in the CIEA was largely due to decrease in exports and government revenue. On sectoral basis, the foreign sector remained the main driver of economic activities, while the domestic sector recorded a marginal decrease during the review quarter.

Figure 17: Contributions to CIEA



Source: BSL Staff Estimation

Figure 18: Sectoral Contributions to CIEA

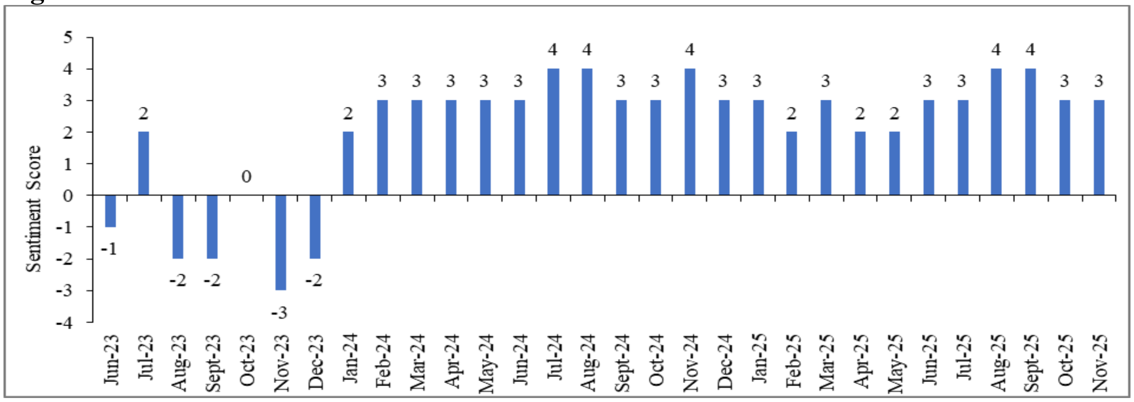


Source: BSL Staff Estimation

Box 1: Business Sentiment[2]

Business sentiment continues to be positive in November 2025, signalling growing confidence within the business community. Survey findings attribute this optimism to the sustained stability of the Leone over the past year and the gradual easing of inflationary pressures. These factors have provided businesses with greater predictability and assurance in their pricing decisions.

Figure 19: Business Sentiment Scores



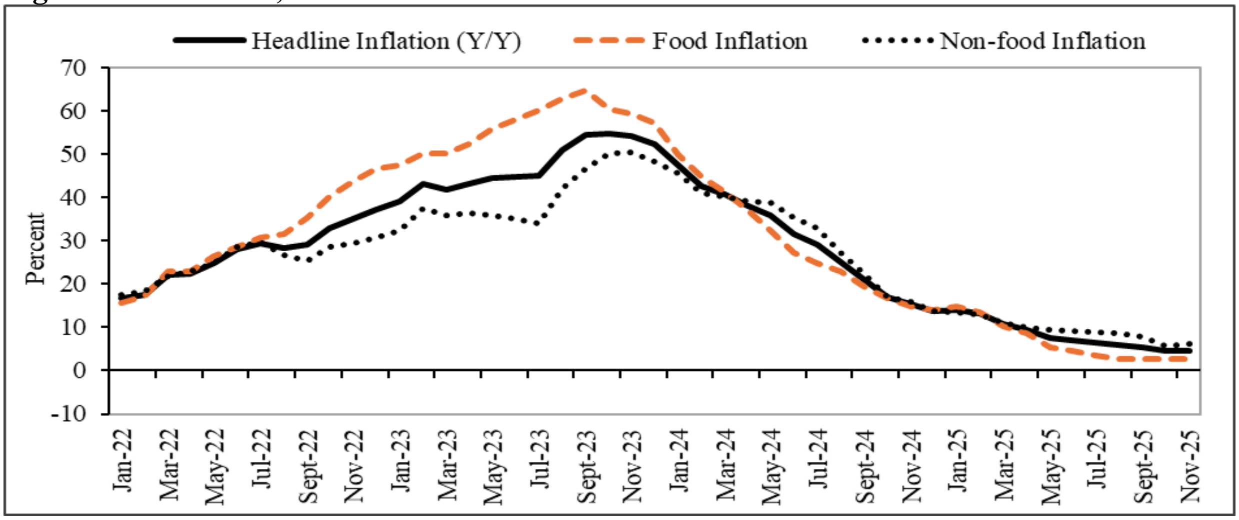
Source: BSL Staff Survey

2.1.3 Price Developments

Inflation continued to trend downwards in 2025, with headline inflation easing from 7.10 percent in June 2025 to 5.36 percent in September 2025 and further to 4.57 percent in November 2025. Similarly, both food and non-food inflation decreased in tandem with headline inflation. Food inflation fell from 4.63 percent in June 2025 to 2.56 percent in September 2025 but increased marginally to 2.70 percent in November 2025. Non-food inflation also declined significantly, from 9.12 percent in June 2025 to 7.73 percent in September 2025 and further to 6.08 percent in November 2025. The sustained decline in inflation is attributed to the impact of the prudent monetary policy measures, fiscal consolidation efforts, relative stability of the exchange rate, stable domestic fuel prices, subdued global commodity prices and adjustments of essential commodities prices by government.

2 The business sentiment is still experimental.

Figure 20: Headline, Food and Non-food Inflation

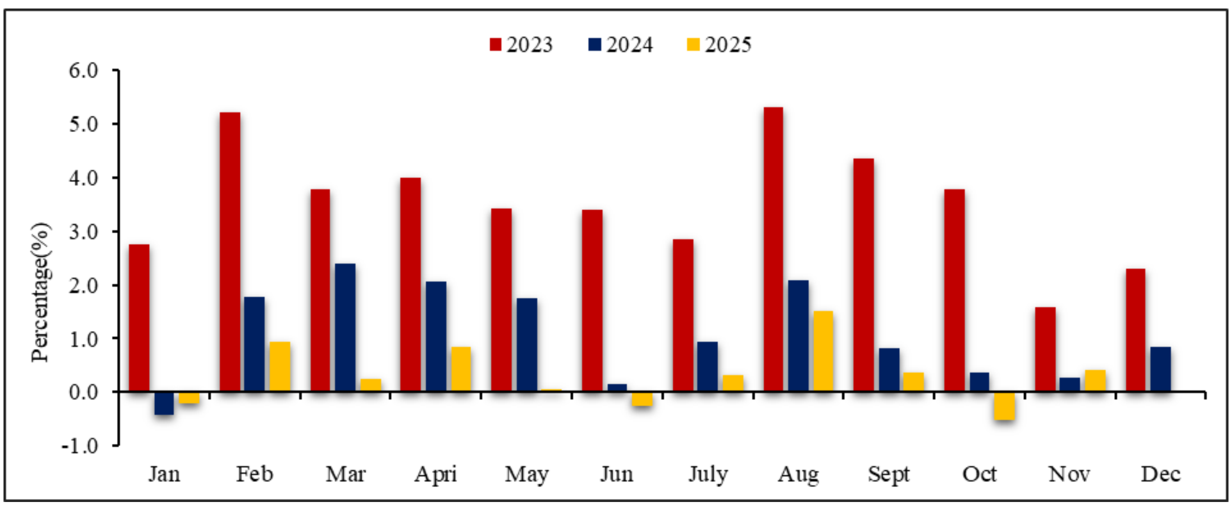


Source: Statistics SL

Monthly Inflation

On a month-on-month basis, inflation recorded a negative 0.26 percent in June 2025 and peaked to 0.36 percent in September 2025. It further rose to 0.40 percent in November 2025. The surge in monthly inflation mirrors the increase in non-food inflation. This development partly reflects the implementation of tax policies by the government to boost revenue.

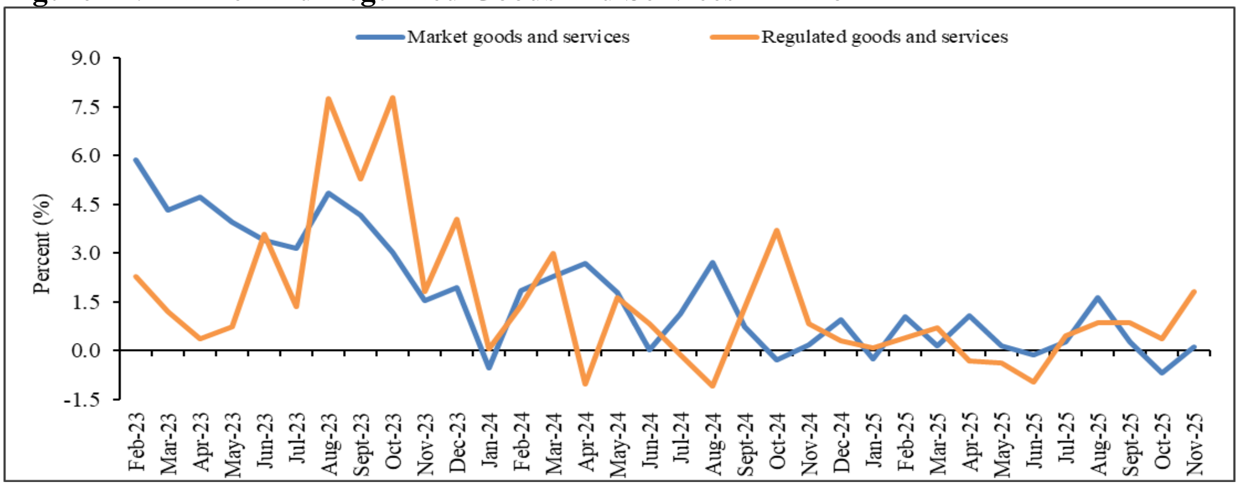
Figure 21: Path of Monthly Inflation within the Years of 2023-2025



Source: Statistics SL

Market Goods and Services inflation increased marginally in 2025Q3 but declined in November 2025. The main drivers for the uptick in market goods and services inflation in 2025Q3 were local processed food, imported raw food, and manufactured goods. Likewise, regulated goods and services inflation rose in the review quarter but eased in October 2025. The surge in regulated goods and services inflation was largely influenced by increase in the costs of regulated services & medicines and energy.

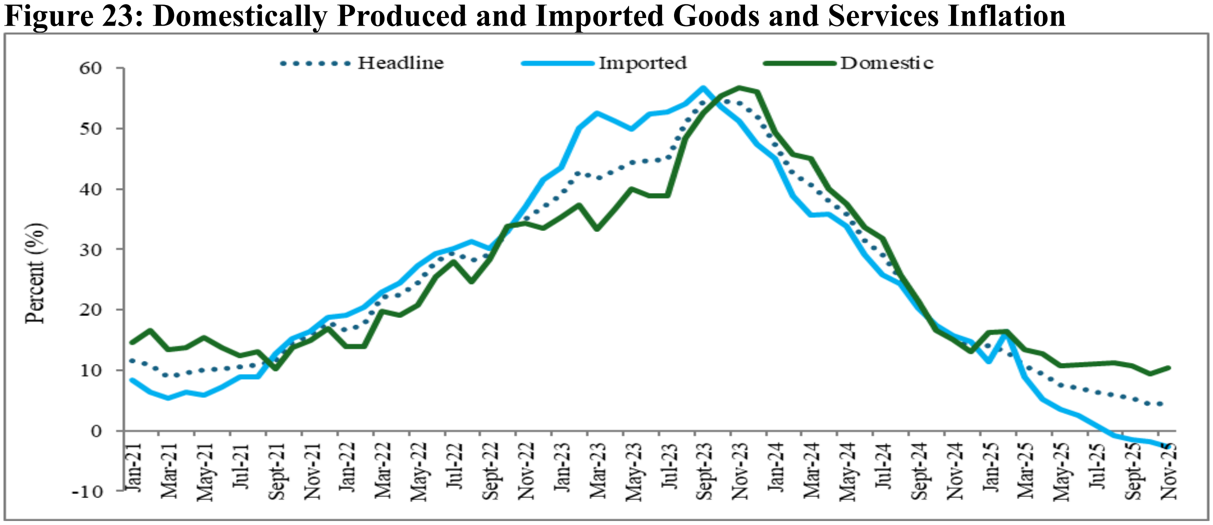
Figure 22: Market and Regulated Goods and Services Inflation



Source: BSL Staff Estimations

Consistent with the decline in headline inflation, both imported and domestic inflation moderated in 2025Q3. The moderation in imported inflation was mainly driven by lower global food and energy prices, while domestic inflation eased due to improved domestic food supply and relative stability of the exchange rate. Overall, inflation is projected to maintain its downward trend throughout 2025.

Figure 23: Domestically Produced and Imported Goods and Services Inflation

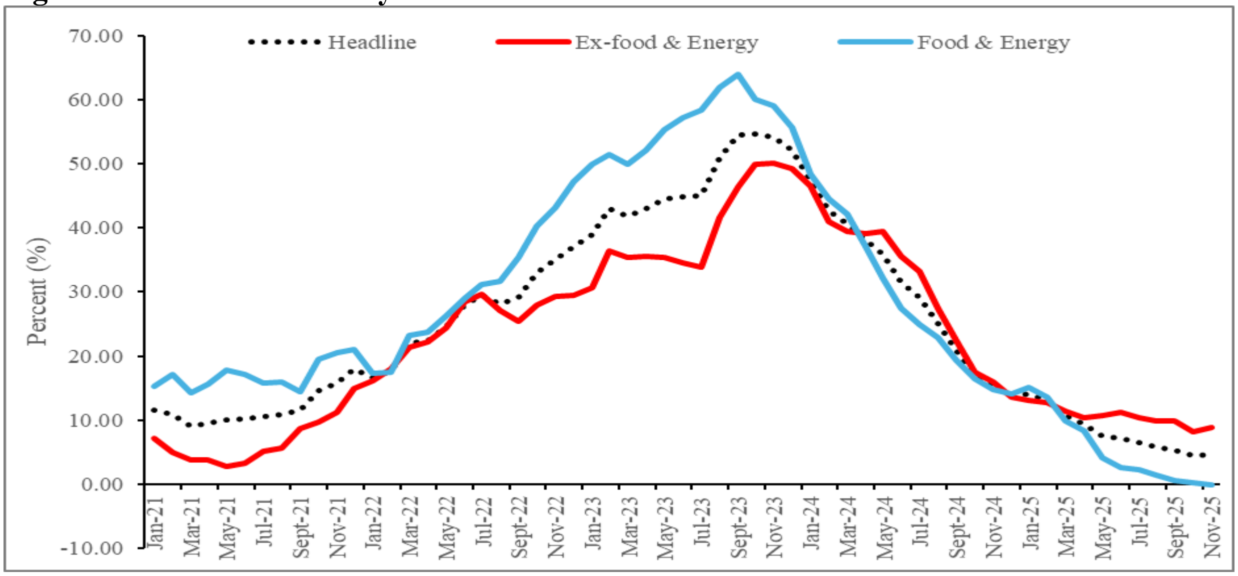


Source: Statistics SL & BSL Staff Estimation

Core Inflation

Core inflation declined from 11.20 percent in June 2025 to 9.91 percent in September 2025, and eased further to 8.83 percent in November 2025, consistent with the decline in food & energy inflation, while headline inflation increased slightly in November 2025. The moderation in core inflation reflects the impact of prudent monetary policy, exchange rate stability and decrease in food and energy prices, lowering the cost of businesses.

Figure 24: Core Inflation Dynamics



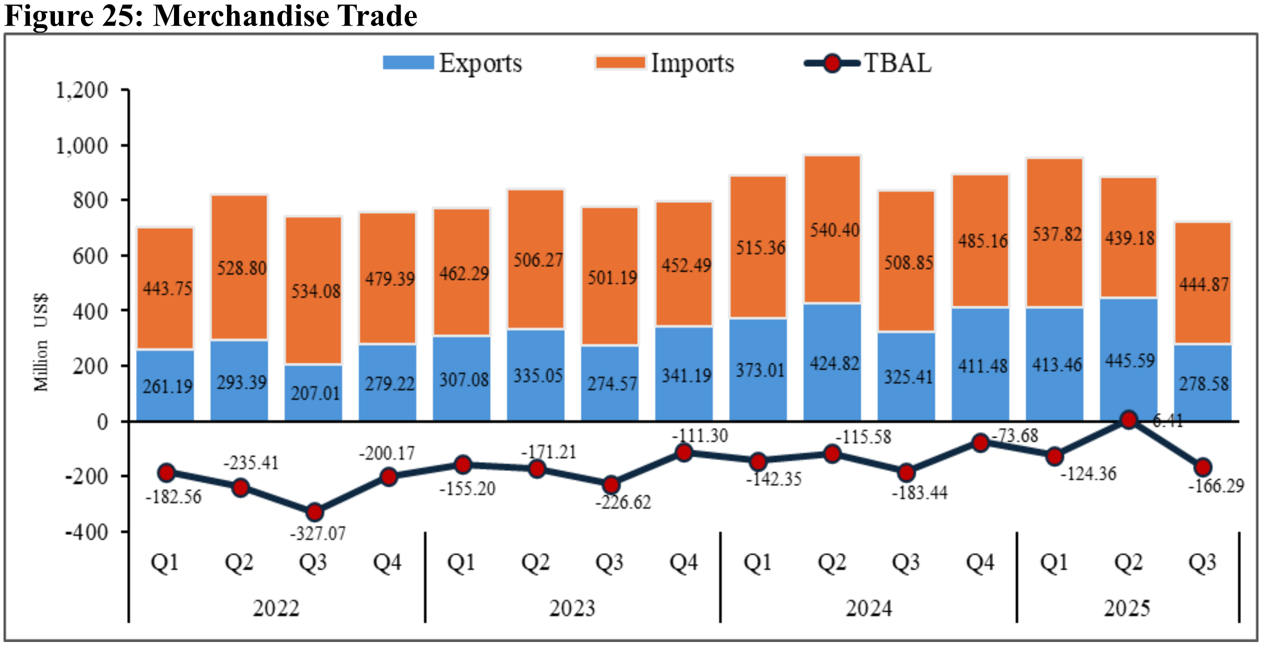
Source: BSL Staff Estimation

2.2 External Sector Developments

2.2.1 Merchandise Trade

Sierra Leone's trade balance with the rest of the world recorded a deficit of USD166.29 million in 2025Q3 from a surplus of USD6.41 million in 2025Q2. This reflects the combined effects of a decrease in export receipts (7.02 percent) coupled with an increase in import bills (1.28 percent).

Figure 25: Merchandise Trade



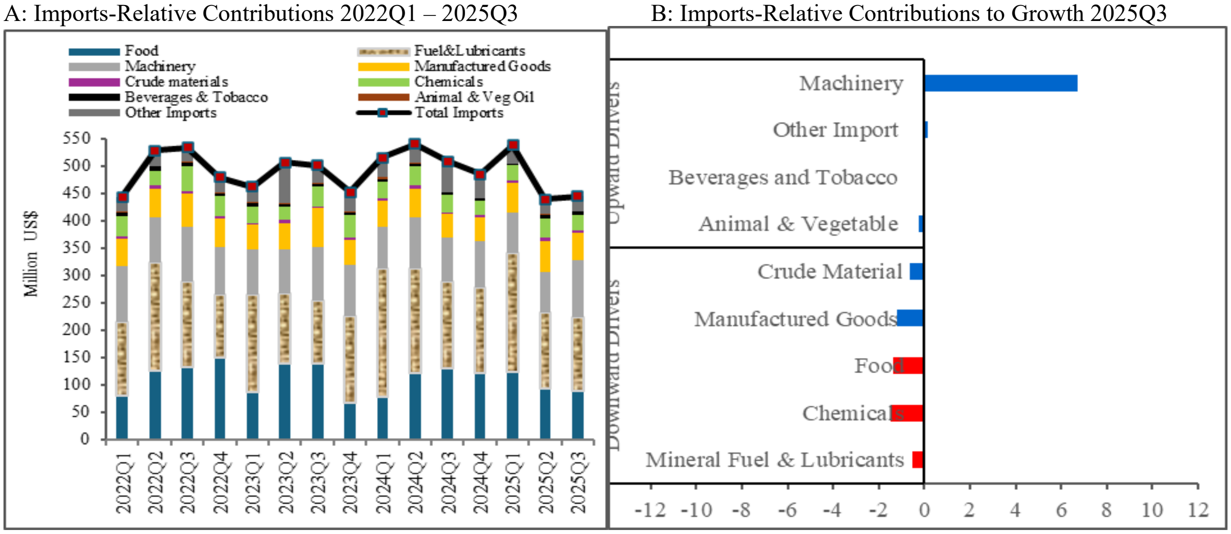
Source: NRA/Customs & BSL

Components of Import

The total value of Merchandise Imports increased by 1.28 percent to USD444.87mn in 2025Q3, from USD439.18mn in 2025Q2. The increase in Merchandise Imports was largely driven by Machinery and Other imports.

Figure 26: Components of Import

A: Imports-Relative Contributions 2022Q1 – 2025Q3 B: Imports-Relative Contributions to Growth 2025Q3



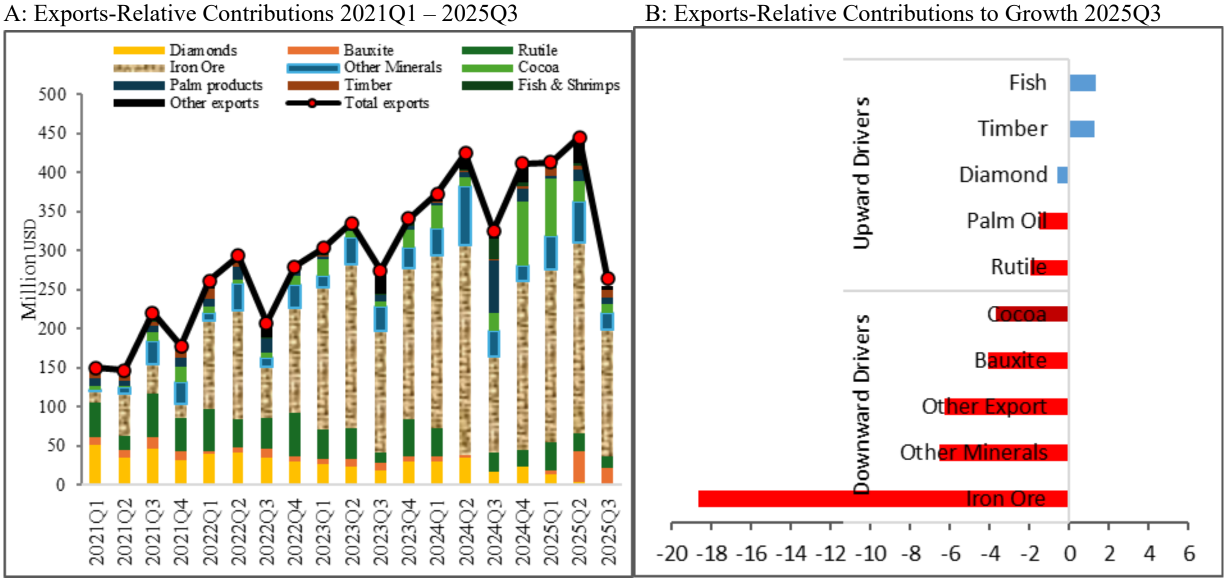
Source: NRA/Customs & BSL

Components of Export

The total value of merchandise exports declined by 37.48 percent to USD278.58mn in 2025Q3 from USD445.59mn in 2025Q2. The lower merchandise exports earned was driven by reductions in receipts from bauxite, iron ore, rutile, other minerals, palm oil, cocoa, and other exports.

Figure 27: Components of Export

A: Exports-Relative Contributions 2021Q1 – 2025Q3 B: Exports-Relative Contributions to Growth 2025Q3

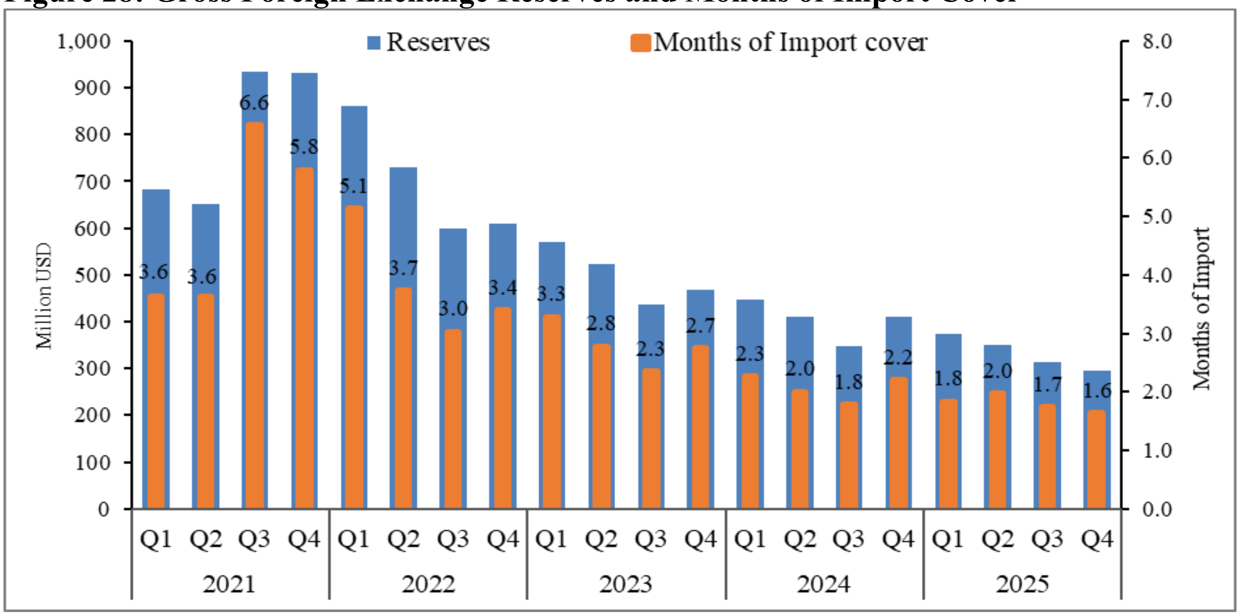


Source: NRA/Customs & BSL

2.2.2 Gross Foreign Exchange Reserves

Gross Foreign Exchange Reserves of the Bank of Sierra Leone decreased by 10.77 percent, to USD312.72 million in 2025Q3, from USD350.45 million in 2025Q2, due to outflows being higher than inflows during the review period. Major outflows included payments for goods and services as well as debt service payments. The Gross Foreign Exchange Reserves was sufficient to cover 1.7 months of imports of goods and services in 2025Q3 and is projected to decline further to 1.6 months of import cover in 2025Q4.

Figure 28: Gross Foreign Exchange Reserves and Months of Import Cover

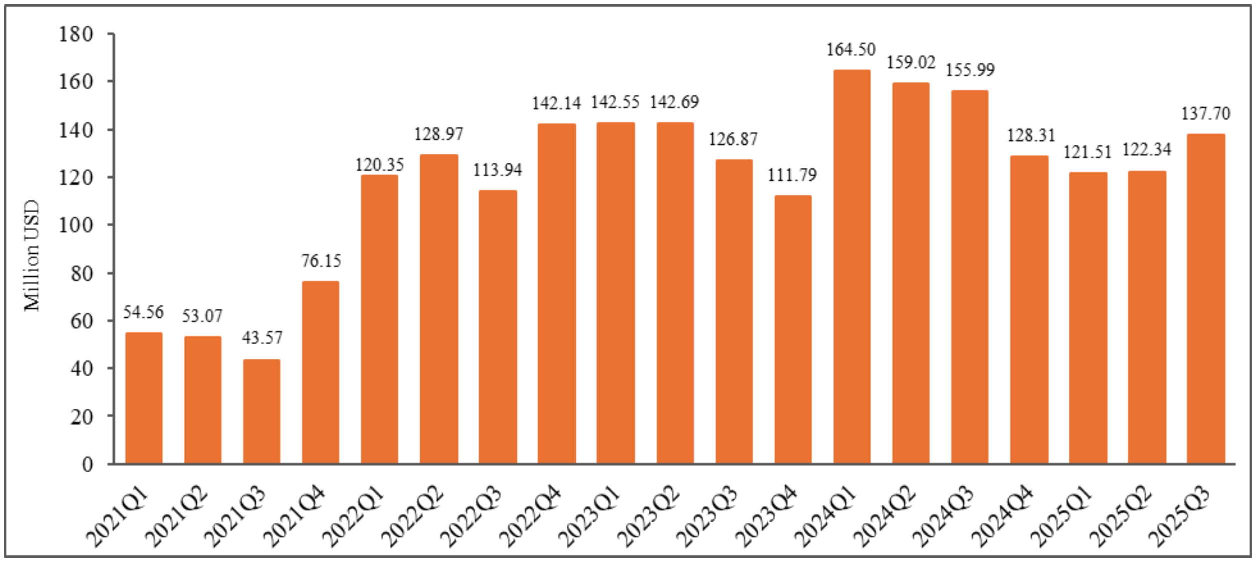


Source: Bank of Sierra Leone

2.2.3 Diaspora Remittances

Diaspora remittance inflows increased by 12.55 percent to USD137.70 million in 2025Q3 from USD122.34 million in 2025Q2. This can be attributed to diaspora members remitting money to families and friends back home to fund the cost of school fees and other related expenditure and livelihood support during the rainy season.

Figure 29: Diaspora Remittances into Sierra Leone

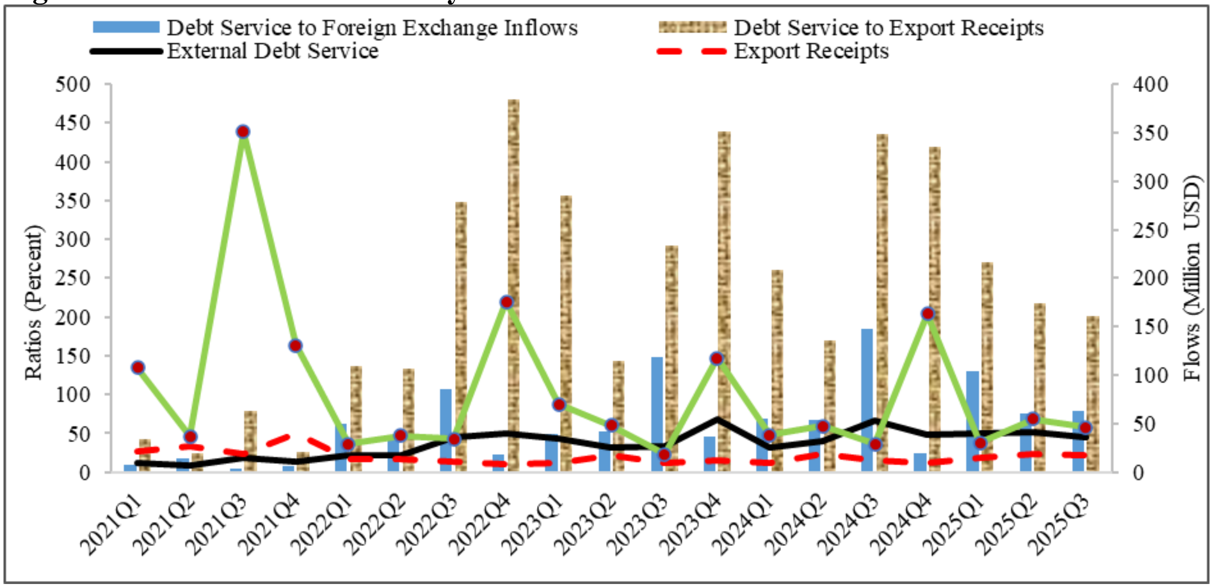


Source: Bank of Sierra Leone

2.2.4 External Vulnerability Ratios

External debt service payments dropped by 13.72 percent to USD36.07 million in 2025Q3, from USD41.81 million in 2025Q2. Export tax receipts also declined by 7.02 percent to USD17.88 million from USD19.23 million. Similarly, foreign exchange inflows fell by 15.94 percent to USD46.12 million, from USD54.87 million in 2025Q2. Consequently, the ratio of debt service to foreign exchange inflows increased by 2.64 percent, reaching USD78.21 million in the review period, from USD76.20 million, while the ratio of debt service to export receipts declined by 7.20 percent to USD201.76 million in 2025Q3, compared to USD217.42 million in 2025Q2. This development reveals that even though the ratio of debt service to export receipts declined, the ratio of debt service to foreign exchange inflows increased, indicating that overall debt situation is assessed as sustainable but at a high risk.

Figure 30: External Vulnerability Ratios



Source: Bank of Sierra Leone

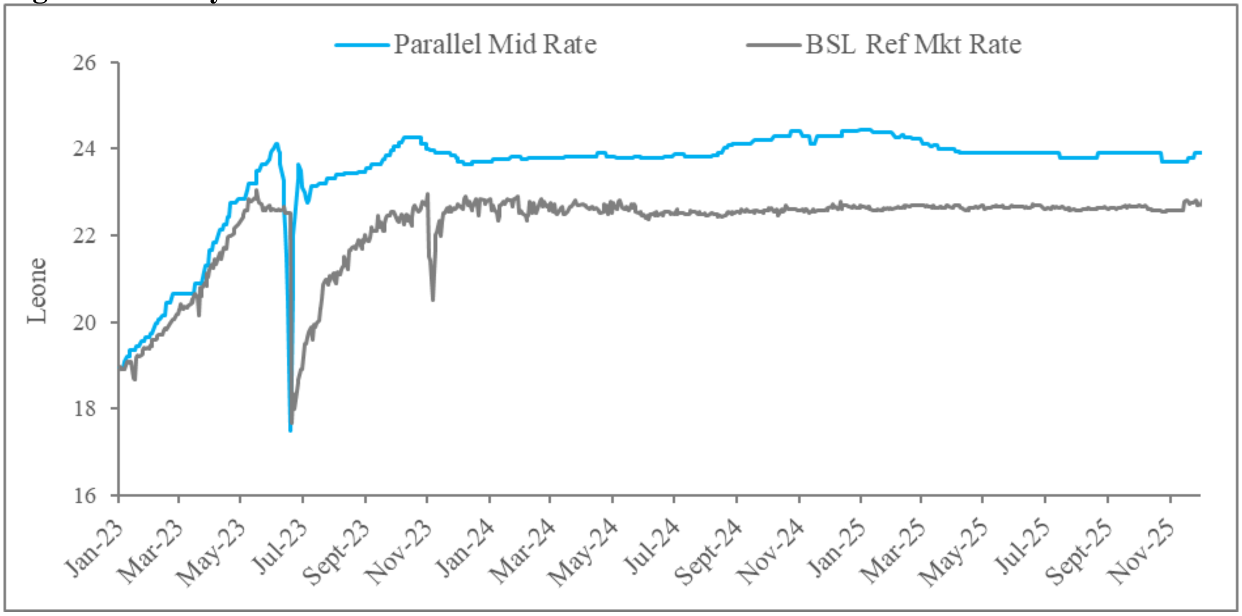
2.3 Exchange Rates and Foreign Exchange Market Developments

2.3.1 Bilateral Rates and Foreign Exchange Market Developments

As of November 2025, the exchange rate displayed clear signs of relative stability, supported by BSL's effort to remove bottlenecks in foreign exchange market, prudent monetary policy actions, and ongoing fiscal consolidation efforts. Over the period from end-June to end-November 2025, the Leone exhibited modest appreciation in the parallel market, while the BSL reference market rate remained broadly stable. Both BSL reference market rate and parallel market rate exhibited low volatility, with only minor day-to-day fluctuations, confirming a period of relative calm and enhanced stability in the second half of 2025. This favorable performance was underpinned by improved market confidence and sustained implementation of fiscal and monetary policy measures.

However, potential risks to this outlook persist, including heightened market demand, evolving liquidity conditions, and external factors such as global trade tensions and fluctuations in international commodity prices.

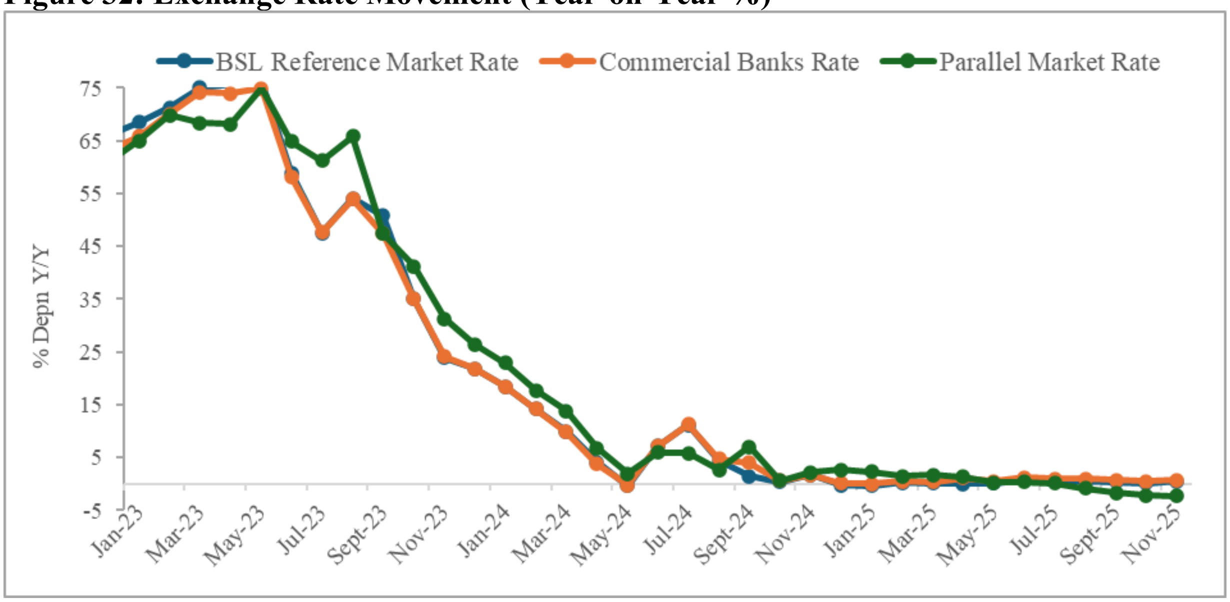
Figure 31: Daily NLe/USD Mid Rates in the Official and Parallel Market



Source: Bank of Sierra Leone

On a year on year basis, exchange rate depreciation continues to slowdown as reflected below.

Figure 32: Exchange Rate Movement (Year-on-Year %)



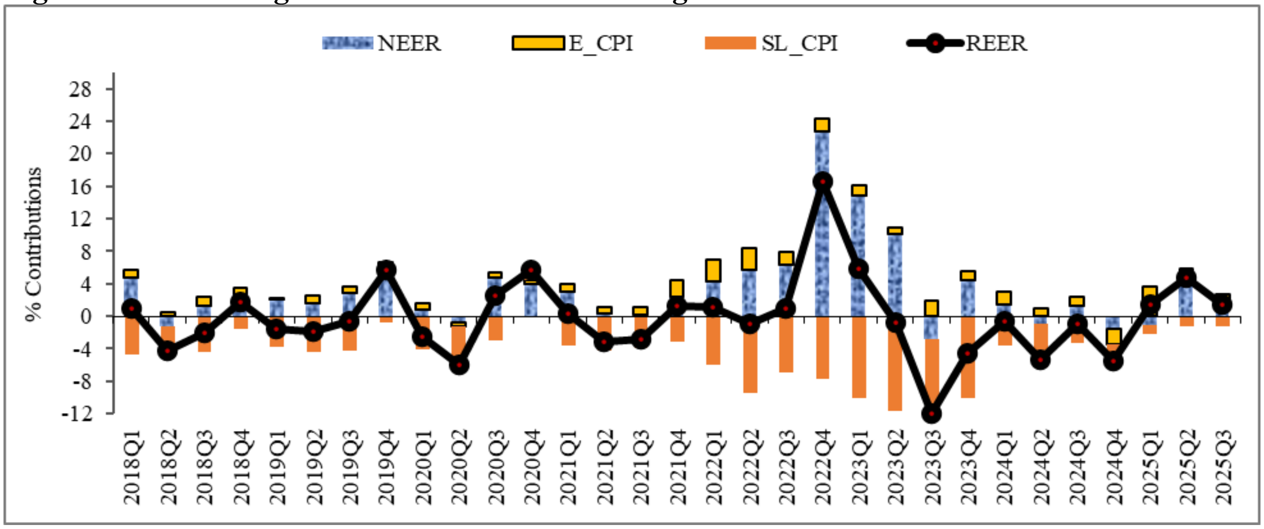
Source: Bank of Sierra Leone

2.3.2 Effective Exchange Rates

The Nominal Effective Exchange Rate (NEER) depreciated by 2.0 percent in 2025Q3, compared to 5.2 percent in 2025Q2. This development reflects the weakening of the Leone against the Euro (3.0 percent), Pound Sterling (0.9 percent), and Chinese Yuan (0.9 percent), which outweighed the modest appreciation of the US dollar (0.1 percent) and Indian Rupee (2.1 percent).

Similarly, the Real Effective Exchange Rate (REER) depreciated by 1.4 percent in 2025Q3, compared to 4.7 percent in the previous quarter, indicating a decline in Sierra Leone's domestic prices relative to those of its trading partners.

Figure 33: Percentage Contributions to the Change in REER

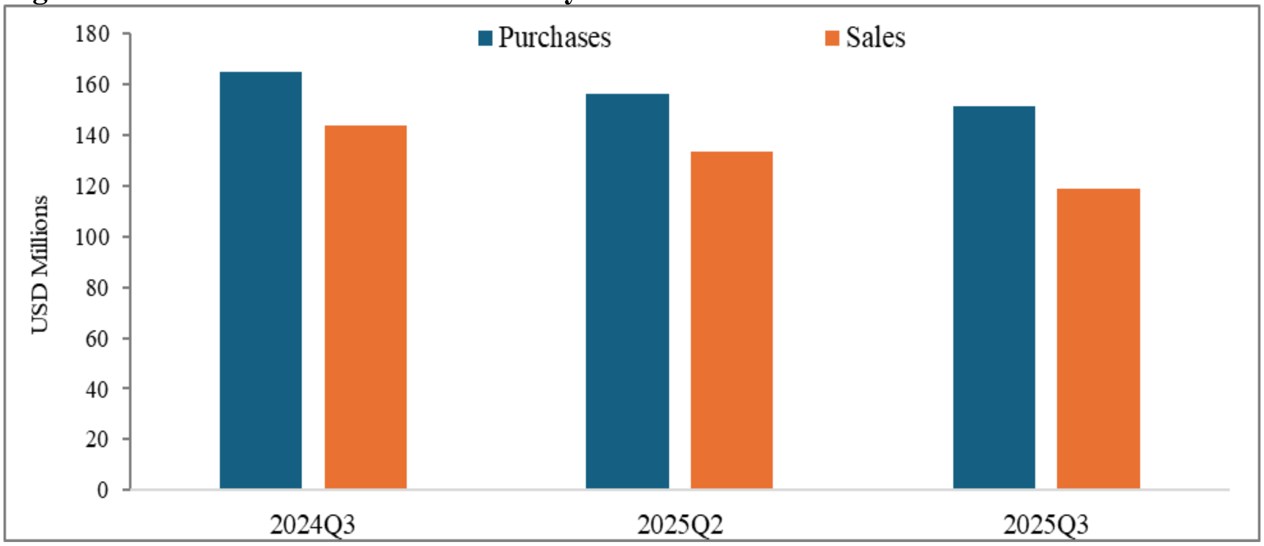


Source: World Bank, World Development Indicators, BSL Data Warehouse, Federal Reserve Economic Data

2.3.3 Foreign Exchange Market Turnover

Total turnover by commercial banks in the foreign exchange market contracted by 6.61 percent on a quarter-on-quarter basis, declining to USD270.46 million in 2025Q3 from USD289.61 million in 2025Q2. This contraction was primarily demand-driven, reflecting reduced import financing requirements rather than supply-side constraints, which supports the modest appreciation observed during the review period. On a year-on-year basis, foreign exchange turnover fell by 12.34 percent from USD308.55 million in 2024Q3, largely attributable to the reduction in inflows from international organizations, service sectors and migrant remittances.

Figure 34: Purchase and Sales of Forex by Commercial Banks



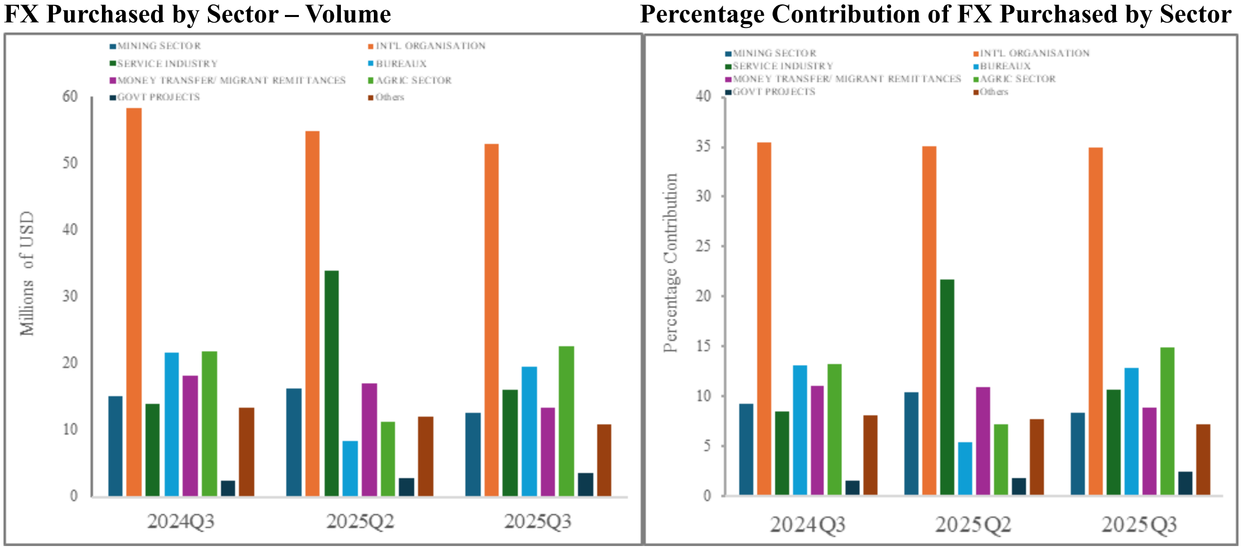
Source: Bank of Sierra Leone

Purchase of Forex by Commercial Banks

The total forex purchased by commercial banks declined by 3.16 percent on quarterly basis, from USD156.33 million in 2025Q2 to USD151.39 million in 2025Q3. This reduction was primarily attributable to lower inflows from the mining sector, service industry, and migrant remittances. However, increased purchases were realized from the agricultural sector and forex bureaux. On a year-on-year basis, forex purchased fell by 8.11 percent, driven mainly by reduction in contributions from international organizations and migrant remittances.

Figure 35: Commercial Banks' Forex Purchases from Selected Sectors

FX Purchased by Sector – Volume | **Percentage Contribution of FX Purchased by Sector**



Source: Bank of Sierra Leone; Note: Others include purchases from manufacturing sector, int'l brokerage firms, religious organizations, logistics & construction companies

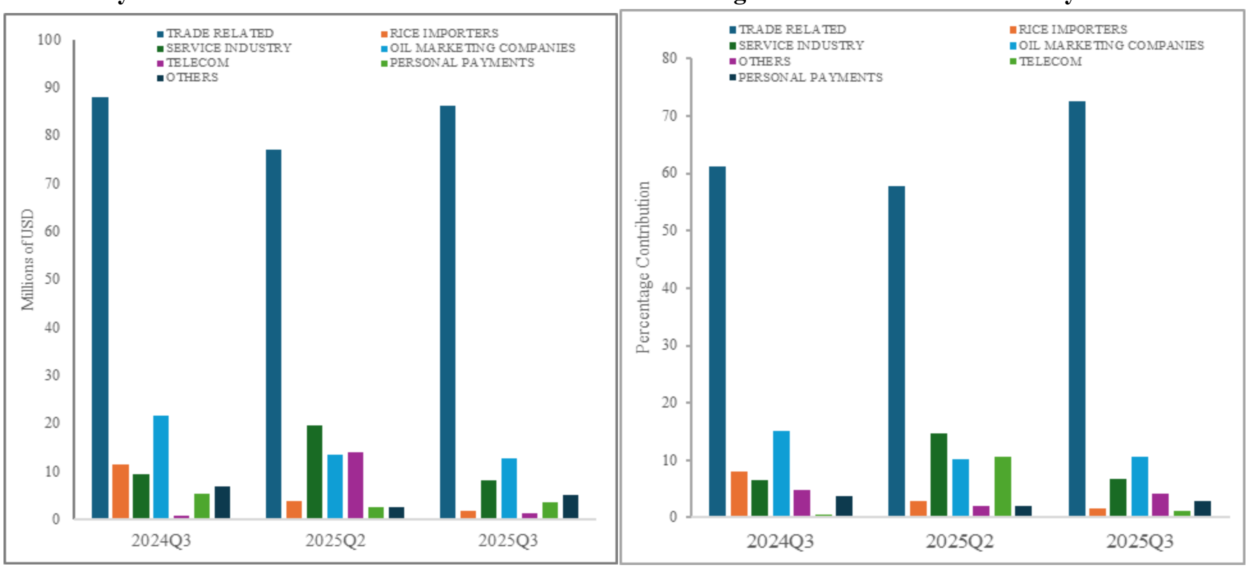
Sale of Forex by Commercial Banks

Foreign exchange sales by commercial banks registered declines for both quarterly and annual basis. On Quarter-on-quarter, sale of forex fell by 10.66 percent from USD133.28 million in 2025Q2 to USD119.07 million in 2025Q3. On a year-on-year basis, forex sales decreased by 17.19 percent from USD143.79 million in 2024Q3.

These contractions were predominantly driven by reduced import financing requirements for rice, fuel and telecommunications equipment. Notwithstanding the overall decline, trade-related forex sales continued to dominate the market, accounting for 72.5 percent of total outflows and underscoring the country's persistent reliance on imported essential commodities.

Figure 36: Commercial Banks Sale of Forex to Selected Sectors

FX Sold by Sector – Volume **Percentage Contribution of FX Sold by Sector**



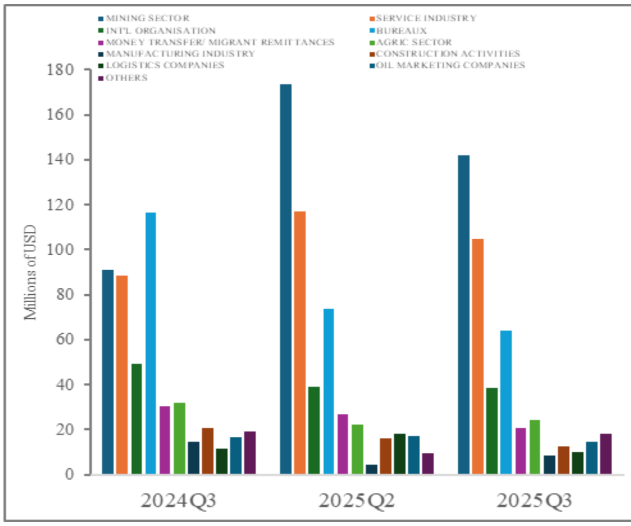
Source: Bank of Sierra Leone; Note: Others include sale of forex to fishing companies, investment related, logistics & construction companies.

Receipt for Forex by Commercial Banks

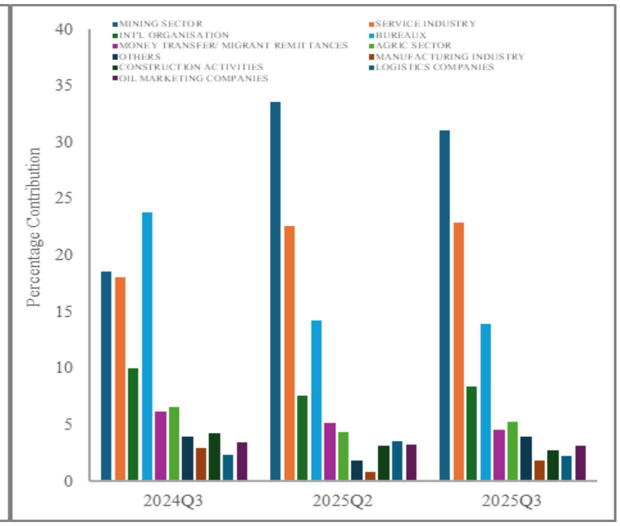
In 2025Q3, forex receipts into commercial banks' foreign currency (CFC) accounts amounted to USD 457.89 million, representing a contraction of 11.33 percent relative to USD516.39 million recorded in 2025Q2. This decline was broad-based, with particularly sharp reductions recorded in the mining sector, logistics companies, and migrant remittances. On a year-on-year basis, receipts decreased by 6.63 percent compared with USD490.39 million in 2024Q3.

Figure 37: FX Receipts into CFC Accounts – Selected Sectors

FX Receipts by Sector – Volume



Percentage Contribution of FX Receipts by Sector



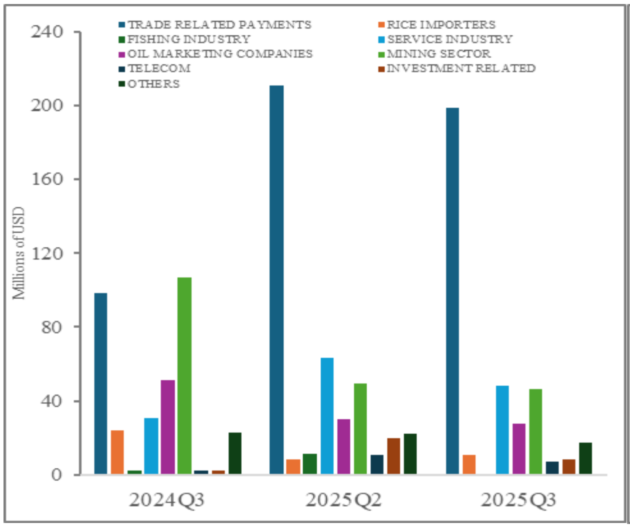
Source: Bank of Sierra Leone; Note: Others include receipt of FOREX for fishing companies, telecommunication companies, int'l brokerage firms, religious organizations and manufacturing companies.

Forex Payments by Commercial Banks

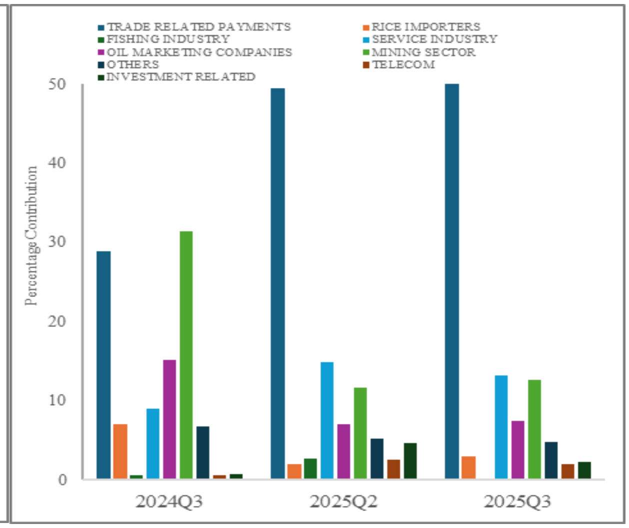
In the 2025Q3, forex payments from commercial banks' foreign currency accounts amounted to USD365.57 million, indicating a moderation in outflows relative to the preceding quarter. Quarter-on-quarter, payments contracted by 14.21 percent, with the decline being broad-based and particularly pronounced in investment-related outflows, service industry payments, and telecommunications. Trade-related payments, the dominant category, experienced a more modest reduction during the quarter. On a year-on-year basis, forex payments rose by 7.35 percent, driven primarily by a surge in trade-related outflows, which reflected heightened import demand for essential commodities. The chart below highlights the percentage contribution of forex outflows by selected sectors.

Figure 38: FX Payments by Selected Sectors

FX Payment by Sector – Volume



Percentage Contribution of FX Payments by Sector



Source: Bank of Sierra Leone; Note: Others include FOREX payment for fishing companies, int'l brokerage firms, religious organizations, manufacturing and construction companies.

2.3.4 Outlook of the Foreign Exchange Market

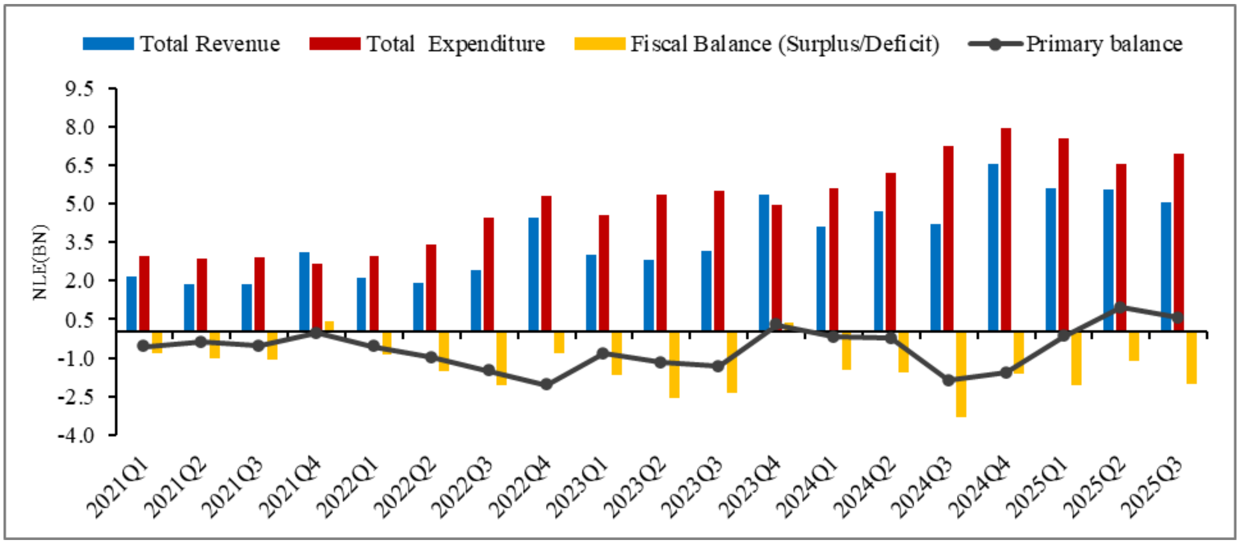
The foreign exchange market outlook remains cautiously optimistic, characterized by continued relative stability of the exchange rate. This trajectory is underpinned by low exchange rate volatility and demand-driven contraction in forex turnover. While the market exhibited resilience throughout the second half of 2025, it remains vulnerable to domestic economic conditions and global developments. Therefore, sustained monitoring of key indicators and timely policy interventions will be critical to preserving stability and supporting Leone's positive trajectory.

2.4 Fiscal Developments

2.4.1 Government Budgetary Operations

Outturn of government fiscal operations in 2025Q3, based on provisional data, resulted in a widened deficit of NLe2.00 billion compared to NLe1.14 billion in 2025Q2, but was lower than the quarterly target of NLe2.68 billion and a deficit of NLe2.08 billion in the corresponding quarter in 2024. The expansion in the deficit was largely due to low revenue mobilization coupled with a marginal increase in expenditure. Despite this, the primary balance decreased but remained in surplus, recording NLe0.55 billion in 2025Q3 from NLe0.95 billion in 2025Q2.

Figure 39: Fiscal Deficit

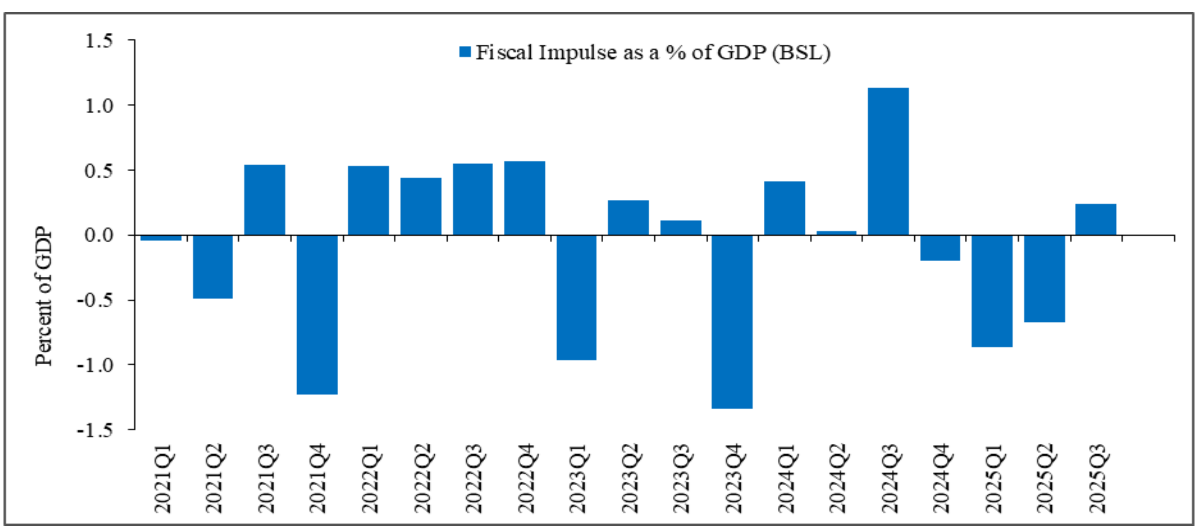


Source: Ministry of Finance

2.4.2 Fiscal Policy Stance

The government fiscal policy in 2025Q3 was moderately expansionary relative to a contraction in 2025Q2, reflecting a slight increase in government expenditure and lower domestic revenue mobilization. The rise in spending was largely directed towards socio-economic activities such as the school feeding program and transfers to local council to support devolved activities. Although discretionary spending increased, it was somewhat controlled as expenditure on certain goods and services were cut down, such as the payments to security sector, and reduction in subsidies and transfers (e.g. transfers to TSA, etc.)

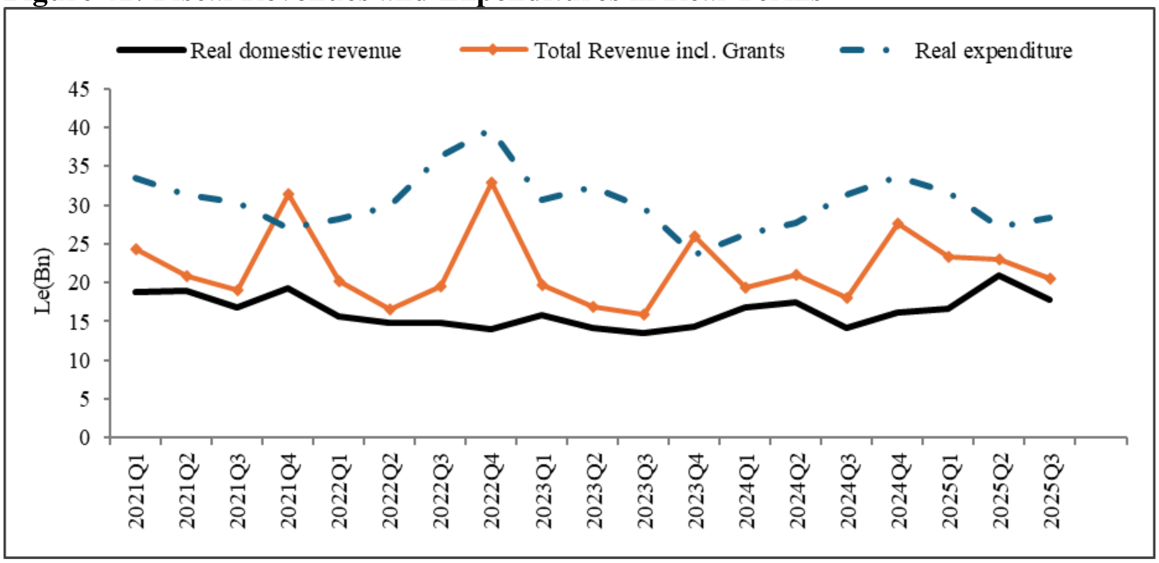
Figure 40: Fiscal Indicators



Sources: BSL Staff Estimation

Total revenue including grants and domestic revenue performance in real terms declined reflecting underperformance in revenue mobilization. Meanwhile real expenditure increased slightly in the review quarter as a result of increases in both recurrent and capital spending.

Figure 41: Fiscal Revenues and Expenditures in Real Terms



Sources: BSL Staff Estimation

2.4.3 Government Revenues and Grants

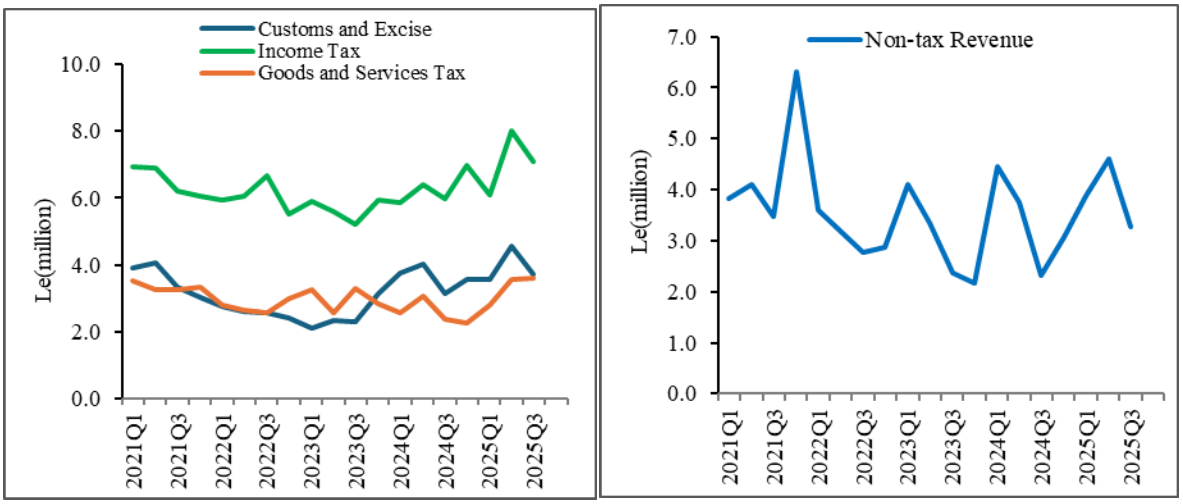
Total revenue and grants contracted by 9.1 percent to NLe5.04 billion in 2025Q3, from NLe5.54 billion in 2025Q2, and was below the quarterly target of NLe5.41 billion by 6.9 percent. Despite the drop, total revenue was higher than NLe4.18 billion in the corresponding quarter. The decline in total revenue was mainly due to the decrease in domestic revenue mobilized. Foreign grants received increased slightly in the quarter under review.

Domestic revenue declined by 13.7 percent to NLe4.37 billion in 2025Q3, from NLe5.06 billion in 2025Q2, but surpassed both the quarterly target of NLe4.24 billion and NLe3.26 billion recorded in the corresponding quarter. The decline in domestic revenue was broad-based as both tax and non-tax revenue fell, reflecting weaker performance of corporate tax, reduced customs and excise receipts on petroleum products, less-than-expected revenue from the mining sector and other departments, including fisheries, TSA, parastatals dividend etc.

Tax revenue declined to NLe3.52 billion in 2025Q3, compared to NLe3.90 billion in 2025Q2, yet was above the budgeted target of NLe3.33 billion. Receipts from income tax, customs and excise duty accounted for the drop in tax revenue. Meanwhile, receipts from goods and services tax increased in 2025Q3. Non-tax revenue also reduced to NLe0.80 billion in 2025Q3, from NLe1.11 billion in 2025Q2, and was below the anticipated target of NLe0.84 billion. Receipts from road user charges and vehicle licenses also decreased to NLe0.05 billion in 2025Q3, from NLe0.06 billion in 2025Q2.

Total foreign grants received increased to NLe0.66 billion in 2025Q3 from NLe0.47 billion in 2025Q2 but was below the target of NLe1.17 billion. This amount was exclusively project grant. No program grants were received in the review quarter.

Figure 42: Components of Domestic Revenue in Real Terms



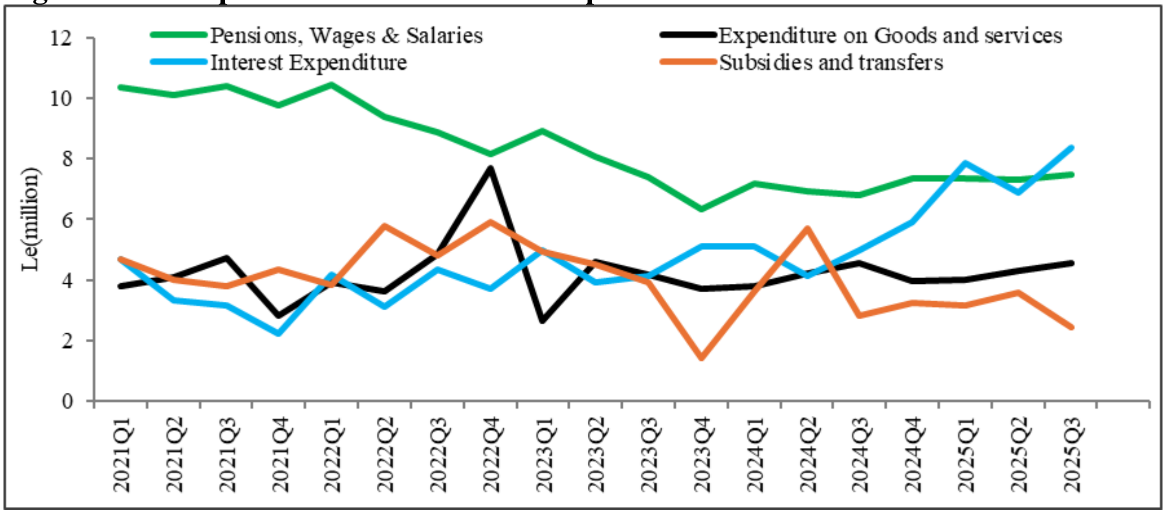
Source: BSL Staff Estimation

2.4.4 Government Expenditures

Government expenditures and net lending expanded by 5.48 percent to NLe6.92bn in 2025Q3, from NLe6.56bn in 2025Q2, but remained well below the quarterly ceiling of NLe8.07bn and NLe7.23bn in the corresponding quarter of 2024. The increase in both recurrent and capital expenditure accounted for the expansion in total expenditure during the review period.

Recurrent expenditure rose to NLe5.58bn in 2025Q3, from NLe5.33bn in 2025Q2, though below the target of NLe5.76bn. Increased debt service payments and wage bill contributed to the expansion in recurrent spending. However, non-salary, non-interest expenditure declined owing to reduction in subsidies and transfers. Capital expenditure increased to NLe1.34bn in 2025Q3 from NLe1.23bn in 2025Q2 but was lower than the budgeted ceiling of NLe2.30bn. This development was primarily driven by a surge in foreign-financed capital outlays, while domestic capital spending declined.

Figure 43: Components of Government Expenditure in Real Terms



Source: BSL Staff Estimation

2.4.5 Financing

The overall fiscal deficit of NLe2.00 billion was financed by domestic and other sources of financing. Domestic deficit financing amounted to NLe0.92 billion, while other sources of deficit financing summed up to NLe1.21 billion. On the other hand, foreign financed deficit amounted to a repayment of 0.13 billion.

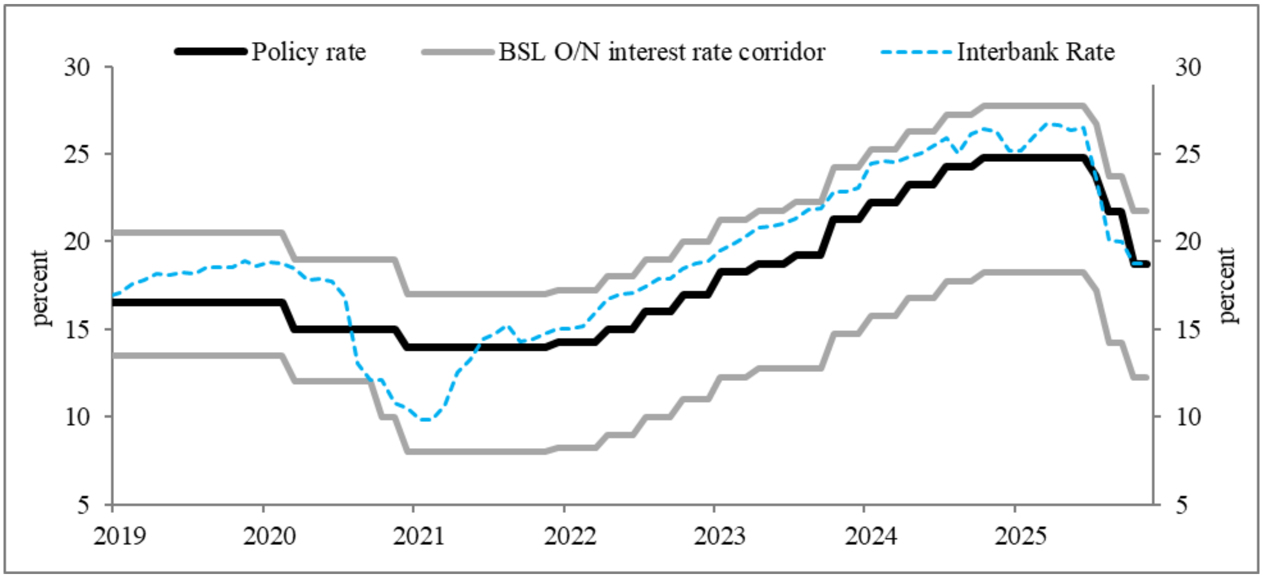
2.5 Money Markets Developments and Monetary Aggregates

2.5.1 Interest Rates Developments

Monetary Policy Stance

The Monetary Policy Committee (MPC) of the Bank of Sierra Leone met on September 23, 2025, and decided to lower the Monetary Policy Rate (MPR) by 3 percentage points, from 21.75 percent in July 2025 to 18.75 percent in September 2025. The decision reflected the Bank's assessment of easing inflationary pressures and the need to support economic activity. Accordingly, the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) rates were also reduced by 2 percentage points from 23.75 percent and 14.25 percent in July 2025 to 21.75 percent and 12.25 percent, respectively, in September 2025. Consistent with the accommodative policy stance, the interbank rate declined from 23.59 percent in July 2025 to 20.01 percent in September 2025 and further declined to 18.77 percent in November 2025.

Figure 44: Policy rates and Interbank rates



Source: Bank of Sierra Leone

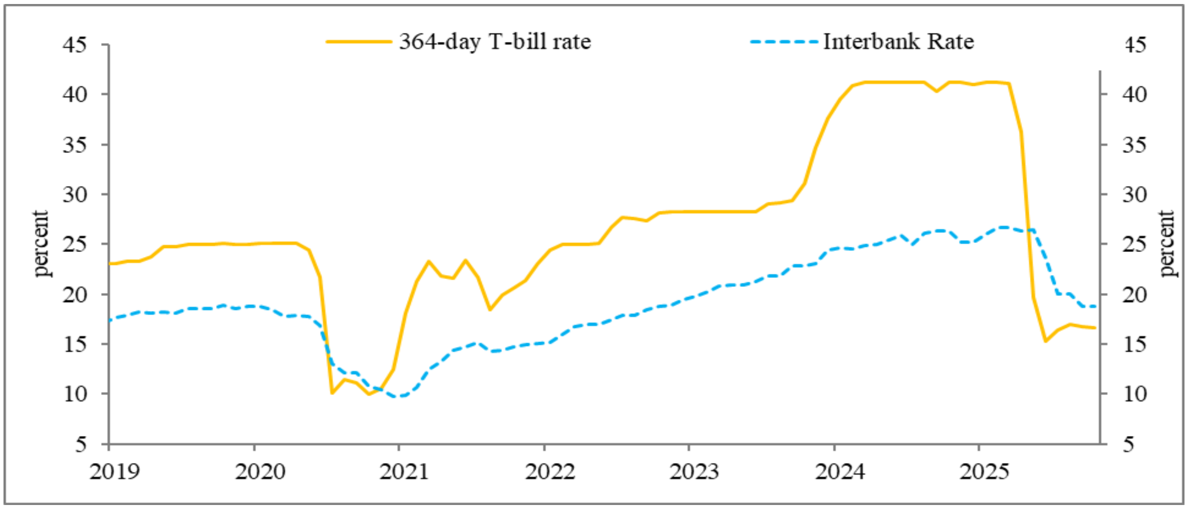
Treasury Bills (T-bills) Rates

The yield on 364-day Treasury bills stood at 19.71 percent in June 2025, subsequently declining to 17.01 percent in September 2025 and further easing to 16.69 percent by November 2025. This downward trend was primarily attributable to the sustained reduction in inflation, BSL's continued prudent monetary policy stance, ongoing fiscal consolidation efforts, and moderation in the government's borrowing requirements.

No 182-day Treasury bills were issued in June or July 2025, reflecting yields that were misaligned with prevailing market conditions. Issuance resumed in August 2025 at a yield of 14.19 percent, which subsequently rose to 15.00 percent in September 2025, before declining to 14.35 percent in November 2025. The observed volatility in 182-day yields stems largely from the government's annual borrowing plan, which prioritizes longer-tenor instruments, resulting in limited issuance volumes.

In contrast, the 91-day Treasury bill market continued to display pronounced illiquidity, with yields remaining disconnected from underlying economic and financial conditions.

Figure 45: Yield on the 364-day T-bill and Interbank Rates



Source: Bank of Sierra Leone

Interbank Money Market

During the review period, the interbank money market recorded a significant improvement in intermediation, reflecting enhanced liquidity conditions across the banking system. Interbank transaction volumes surged by 510.32 percent to NLe9,570.65 million in 2025Q3 from NLe1,568.13 million in 2025Q2. This substantial increase highlights robust liquidity availability, facilitating more efficient peer-to-peer funding and reducing the banking system's dependence on BSL's standing facilities.

Access to the Bank of Sierra Leone's Standing Lending Facility (SLF) declined by 12.27 percent, from NLe97,056.77 million in 2025Q2 to NLe85,147.50 million in 2025Q3. The lower recourse to the SLF underscores improved liquidity positions among commercial banks, diminishing the need for emergency borrowing from BSL. This development is consistent with broader easing trends, including the decline in Treasury bill yields and a moderation in government borrowing requirements.

For the first time in 2025, activity was recorded in the Standing Deposit Facility (SDF) window, amounting to NLe65 million in 2025Q3. This modest uptake signals a positive step in strengthening monetary policy transmission, as commercial banks begin to place surplus funds with BSL.

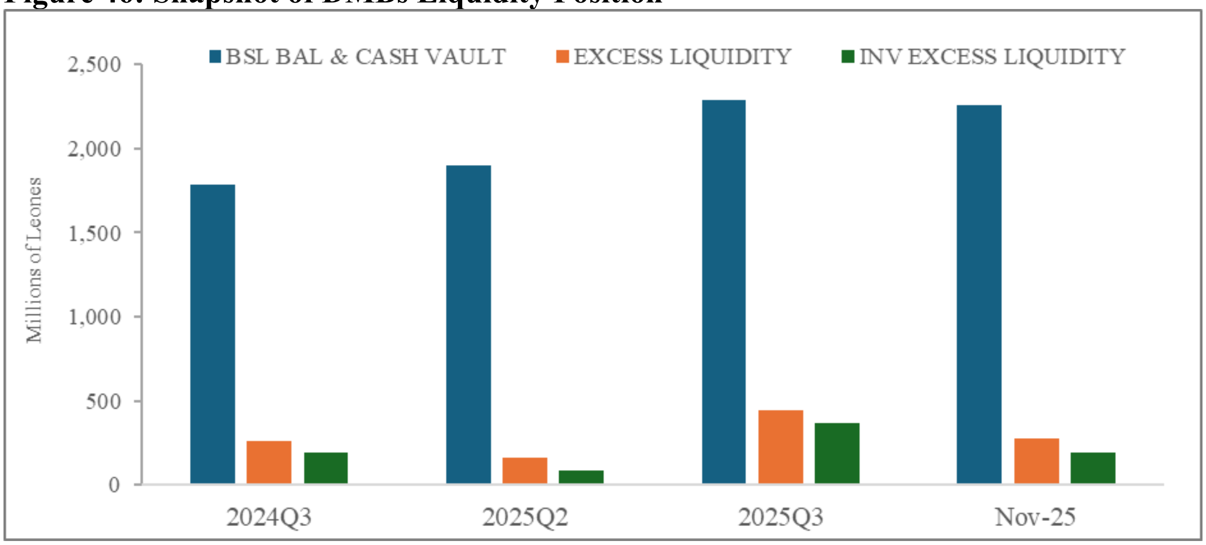
2.5.2 Liquidity in the Banking System

Total liquidity in the banking system increased by 20.56 percent on quarterly basis, rising from NLe1,898.77 million at the end of 2025Q2 to NLe2,289.20 million by the end of 2025Q3. In November 2025, however, liquidity moderated to NLe2,260.19 million, reflecting typical month-end adjustments.

Aggregate excess liquidity expanded significantly during 2025Q3, surging by 178.36 percent from NLe160.47 million in 2025Q2 to NLe446.69 million at the end of the quarter. However, this was partially reversed in November 2025, when excess liquidity contracted to NLe277.14 million.

The marked improvement in banking system liquidity during 2025Q3 is primarily attributable to prudent monetary policy adjustments by BSL and a moderation in government borrowing requirements, which collectively eased pressure on domestic liquidity conditions.

Figure 46: Snapshot of DMBs Liquidity Position



Source: Bank of Sierra Leone

Holdings of marketable government securities

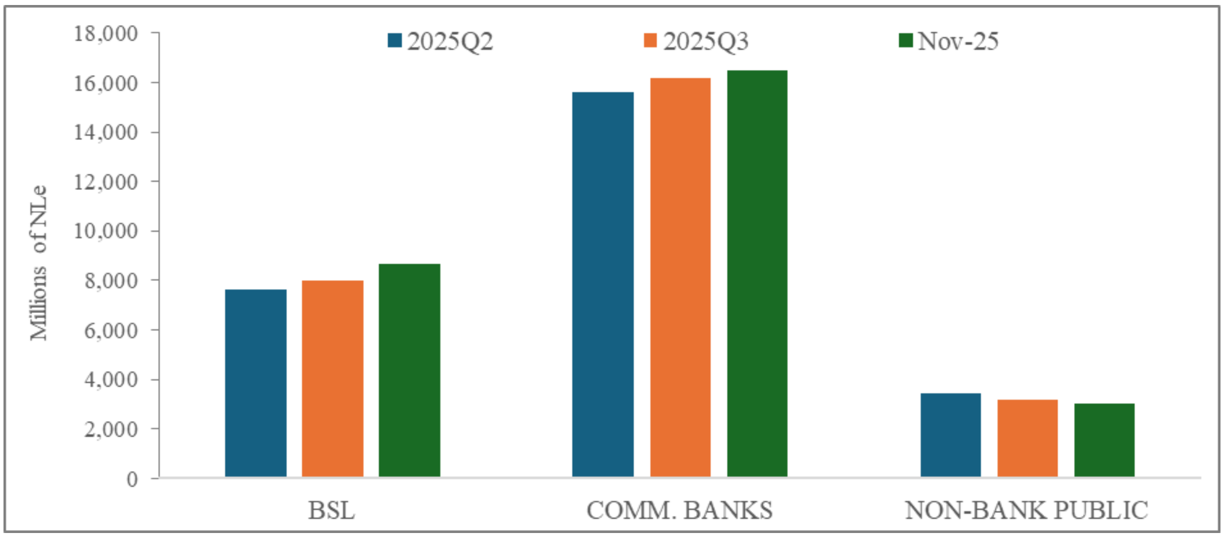
During 2025Q3, holdings of marketable government securities by BSL and commercial banks rose, while those of the non-bank public declined compared with the preceding quarter.

The BSL holdings of marketable government securities increased by 4.58 percent quarter-on-quarter, rising from NLe7,651.20 million at the end of 2025Q2 to NLe8,001.91 million at the end of 2025Q3. This upward trend continued into November 2025, with holdings expanding by a further 8.43 percent to NLe8,676.70 million.

Commercial banks' holdings of marketable government securities increased by 3.38 percent quarter-on-quarter, rising from NLe15,630.85 million at the end of 2025Q2 to NLe16,159.83 million at the end of 2025Q3. In November 2025, holdings grew modestly by a further 2.13 percent, reaching NLe16,503.52 million.

Non-bank public holdings of marketable government securities declined by 7.75 percent on quarterly basis, falling from NLe3,440.45 million at the end of 2025Q2 to NLe3,173.76 million at the end of 2025Q3. The reduction continued into November, albeit at a moderate pace of 4.01 percent, bringing holdings to NLe3,046.57 million.

Figure 47: Holdings of Marketable Government Securities by Sector



Source: Bank of Sierra Leone

2.6 Monetary Aggregates

Monetary aggregates were expansionary during the third quarter of 2025, as reflected by increase in both Broad Money (M2) and Reserve Money (RM).

Reserve Money (RM)

Reserve Money (RM) expanded by 5.77 percent in 2025Q3, compared to a marginal decline of 0.001 percent in the preceding quarter. The growth in RM was primarily driven by an increase in the Net Domestic Assets (NDA) of the Bank of Sierra Leone (BSL), which more than offset the contraction in its Net Foreign Assets (NFA) position.

The Net Domestic Assets (NDA) of the Bank of Sierra Leone (BSL) expanded by 6.32 percent in 2025Q3, following a 4.74 percent growth in the preceding quarter. The growth in the NDA was primarily driven by a significant increase in net claims on government to 17.77 percent in 2025Q3, compared to 2.65 percent increase in 2025Q2. The sharp rise in net claims on government mainly reflected higher holdings of government securities by the BSL (15.19 percent) coupled with the expansion in the utilization of ways and means facility (5.24 percent).

The Net Foreign Assets (NFA) of the Bank of Sierra Leone contracted by 7.15 percent in 2025Q3 following a 12.90 percent decline in the preceding quarter. The continued contraction was mainly attributed to drawdowns in foreign reserves arising from the government's settlement of external financial obligations.

On the liabilities side, the expansion in Reserve Money (RM) largely reflected a 23.08 percent increase in commercial banks' reserves held with the Central Bank, coupled with the 3.27 percent rise in currency issued during the review period.

On a year-on-year basis Reserve Money (RM) grew by 18.64 percent in 2025Q3, which is a moderation from a 19.87 percent increase recorded in the preceding quarter. The actual RM outturn remained within the agreed program target of 18.60 percent for 2025Q3 under the IMF-supported program.

Broad Money (M2)

Broad Money (M2) recorded a growth of 3.80 percent in 2025Q3, compared to 2.16 percent increase in the preceding quarter. The growth in M2 was mainly underpinned by the expansion in Net Domestic Assets (NDA) of the banking system, which more than offset for the decline in Net Foreign Assets (NFA) of the banking system.

The Net Domestic Assets (NDA) of the banking system expanded by 5.01 percent in 2025Q3, slightly above the 4.69 percent growth recorded in 2025Q2. This increase was largely driven by a 9.81 percent rise in net claims on government by the banking sector, compared to a 3.34 percent expansion in the preceding quarter. Net claims on government by the BSL grew significantly by 17.77 percent in 2025Q3, relative to a 2.65 percent increase in the preceding quarter. The net claims on government by commercial banks rose by 3.38 percent in 2025Q3, following a 3.91 percent expansion in the preceding quarter. Meanwhile, growth in credit extended to the private sector by commercial banks moderated to 2.92 percent in 2025Q3, from 3.55 percent increase in the preceding quarter, reflecting a more cautious lending approach in response to ongoing BSL efforts to strengthen credit risk management and enforce prudential standards.

The Net Foreign Assets (NFA) of the banking system contracted by 5.44 percent in 2025Q3, compared to a 13.72 percent decline in the preceding quarter. The contraction was primarily driven by a 7.15 percent deterioration in the NFA of the Bank of Sierra Leone (BSL). However, there was a 2.33 percent increase in the NFA of commercial banks during the same period. The decline in NFA reflected external sector pressures.

On the liabilities side, the growth in Broad Money (M2) in 2025Q3 was primarily driven by expansions in both Narrow Money (M1) and Quasi Money. M1 grew by 4.06 percent, relative to a 0.97 percent contraction in the preceding quarter, supported by increases in both demand deposits (5.97%) and currency outside banks (2.00%). Quasi Money expanded by 3.58 percent in 2025Q3, slightly lower than the 4.95 percent growth recorded in the preceding quarter, underpinned by a 10.74 percent increase in time and savings deposits and a 0.19 percent rise in foreign currency deposits.

On an annual basis, Broad Money (M2) growth moderated to 18.46 percent in 2025Q3, from 22.99 percent increase in the preceding quarter, but remained above the program target of 8.7 percent for 2025Q3, as agreed with the IMF.

On a year-on-year basis, growth in credit to the private sector by commercial banks moderated to 37.85 percent in 2025Q3, from 39.75 percent in 2025Q2. Despite this moderation, the pace of credit expansion remained well within the agreed program target of 37.8 percent for 2025Q3.

3. FINANCIAL STABILITY ANALYSIS

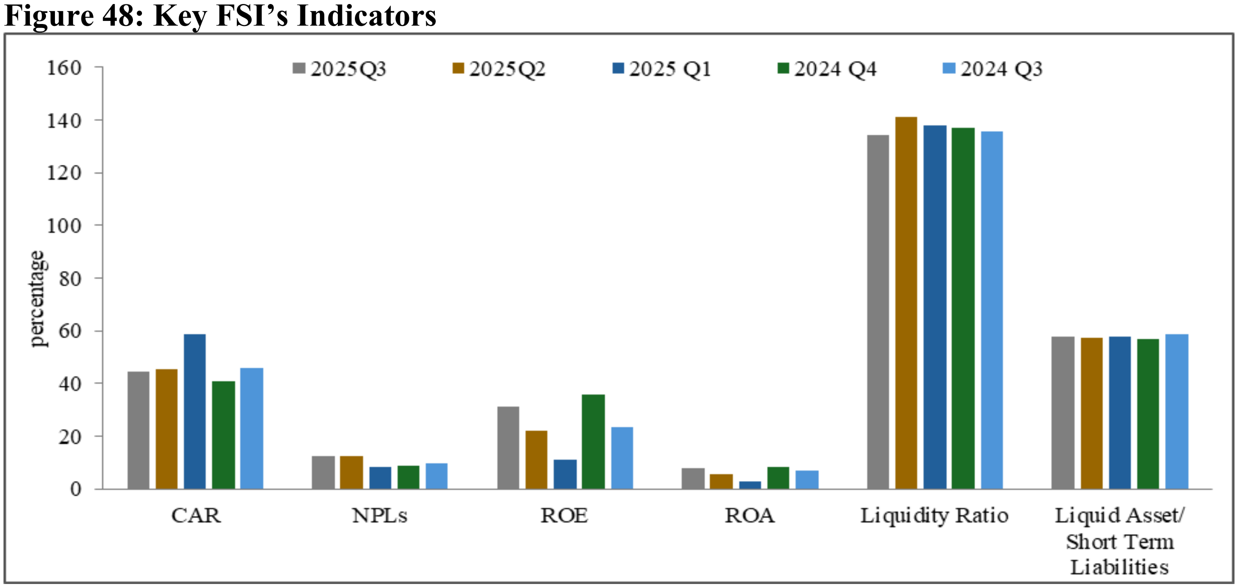
3.1 Financial Soundness Indicators

The banking sector remained stable and adequately capitalized in 2025Q3, with most key Financial Soundness Indicators (FSIs) remaining within the prudential limits prescribed by the BSL. The regulatory capital-to-risk-weighted assets ratio i.e. Capital Adequacy Ratio (CAR) edged up to 47.62 percent in 2025Q3, from 45.3 percent in 2025Q2, and continued to remain well above the regulatory minimum of 15 percent. This indicates that banks maintain strong capital buffers sufficient to absorb potential losses and support financial stability.

Asset quality, however, showed further signs of deterioration. The Non-Performing Loans (NPL) ratio decreased marginally from 12.4 percent in 2025Q2 to 12.1 percent in 2025Q3 but remained above the 10 percent prudential limit. Despite this, banks continued to record strong profitability. Return on Assets (ROA) improved to 8.0 percent and Return on Equity (ROE) rose to 31.0 percent in 2025Q3, up from 5.6 percent and 22.0 percent, respectively, in the previous quarter.

Liquidity conditions remained robust, although the overall Liquidity Ratio declined to 134.1 percent in 2025Q3 from 141 percent in 2025Q2. Meanwhile, Liquid Assets to Short-Term Liabilities increased slightly to 58 percent from 57.4 percent, indicating continued high liquidity supported by a more than proportionate rise in short-term funding. The Loan-to-Deposit Ratio edged down to 24.2 percent in 2025Q3 from 24.4 percent in 2025Q2, remaining significantly below the 80 percent regulatory ceiling and reflecting persistently low levels of financial intermediation b y commercial banks to support economic activity.

Figure 48: Key FSI's Indicators



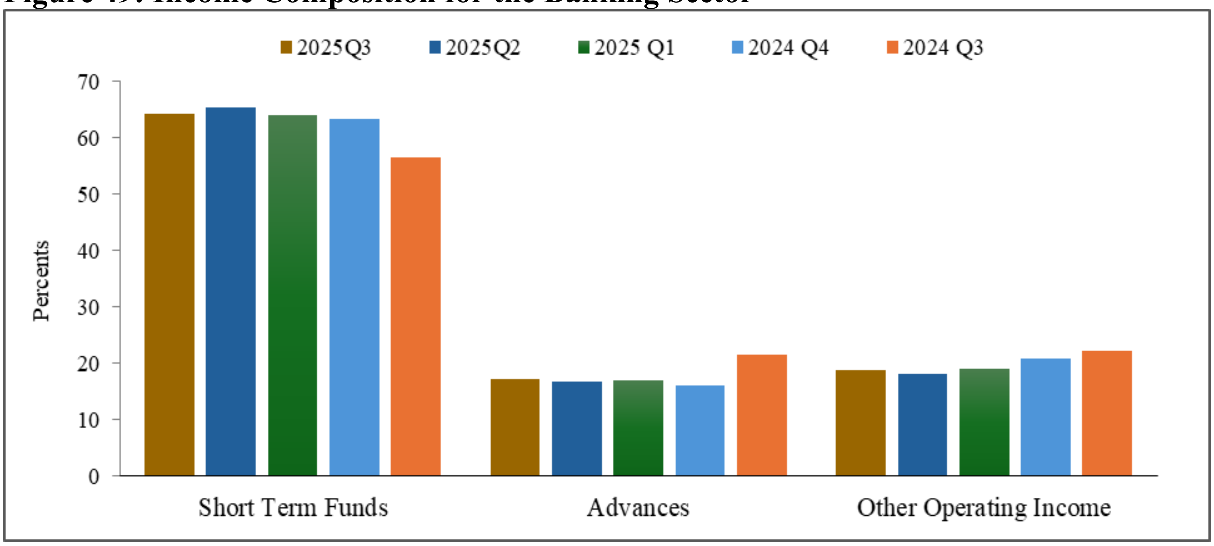
Source: Bank of Sierra Leone

3.2 Income Composition

The banking sector continued to depend largely on government securities as its primary source of income. This reliance was initially driven by comparatively higher yields on government securities relative to average lending rates, supported by the absence of credit risk. However, this trend is likely to shift as yields on government securities continue to decline.

As of 2025Q3, the yield on the 364-day Treasury bill stood at 16.7 percent, slightly above the 15.8 percent recorded at end-2025Q2 for the same maturity. The share of income derived from short-term funds fell marginally to 64.2 percent in 2025Q3 from 65.3 percent in 2025Q2. Conversely, income from loans and advances increased to 17.1 percent in 2025Q3, up from 16.6 percent in the previous quarter. Other operating income comprising mainly commissions, fees, and foreign exchange gains also rose slightly to 18.7 percent in 2025Q3 from 18.1 percent in 2025Q2.

Figure 49: Income Composition for the Banking Sector



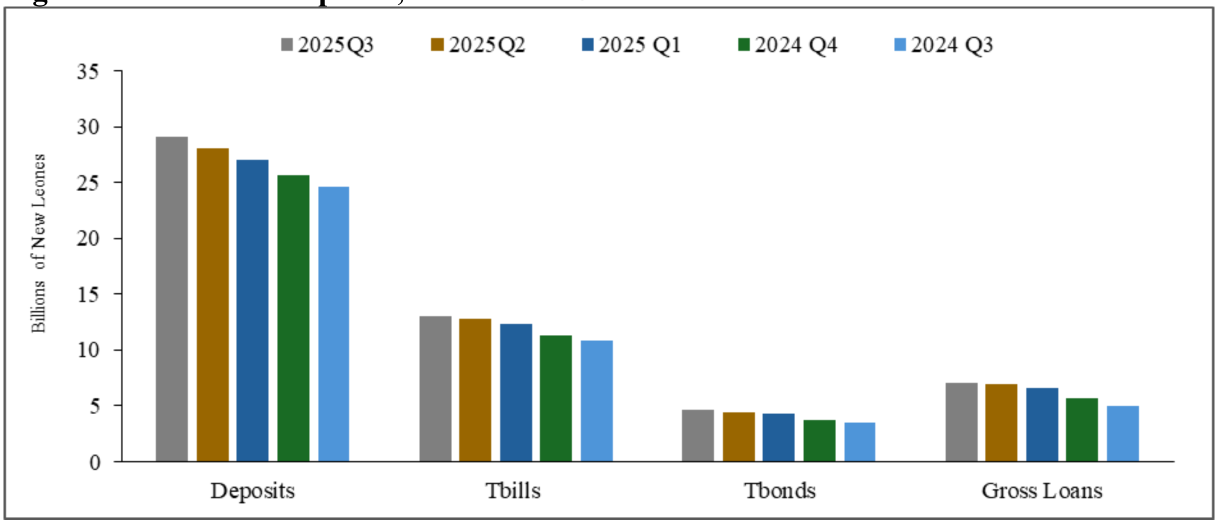
Source: Bank of Sierra Leone

3.3 Sources and Utilization of Funds

- Total deposits, the primary funding source for banks, rose by 3.6 percent in 2025Q3 to NLe29.1 billion, up from NLe28.1 billion in 2025Q2. In 2025Q3, demand, savings, and time deposits accounted for 74.8 percent, 21.1 percent, and 4.1 percent, respectively, compared with 76.7 percent, 20.0 percent, and 3.3 percent in 2025Q2.
- T-Bill holdings by the banking sector increased slightly by 2.1 percent, from NLe12.8 billion in 2025Q2 to NLe13.07 billion in 2025Q3, reflecting the recent decline in T-Bill interest rates.

- T-Bond holdings also recorded a modest increase of 4.6 percent, rising from NLe4.4 billion in 2025Q2 to NLe4.6 billion in 2025Q3.
- The Loan-to-Deposit Ratio (LDR) declined marginally to 24.2 percent in 2025Q3 from 24.4 percent in the previous quarter. This remains well below the prudential ceiling of 80 percent, highlighting continued low levels of financial intermediation within the banking sector.
- Gross loans and advances grew moderately by 2.8 percent, increasing from NLe6.9 billion in 2025Q2 to NLe7.1 billion in 2025Q3.

Figure 50: Trend in Deposits, T-bills and Gross Loans

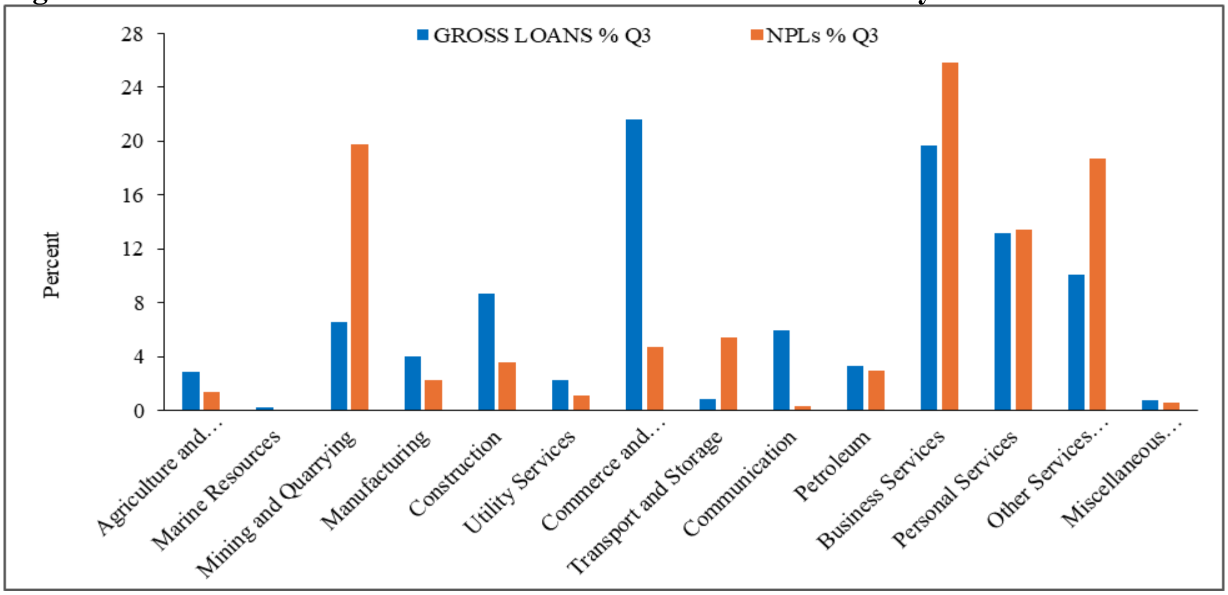


Source: Bank of Sierra Leone

3.4 Sectoral Distribution of Gross Loans & Advances and NPLs

In 2025Q3, the banking sector's loan portfolio remained concentrated in Commerce & Finance, Business Services, Personal Services, Other Services, and Construction, which together accounted for 73.2 percent of total gross loans. In contrast, Business Services, Mining & Quarrying, Other Services, and Personal Services were the main contributors to non-performing loans (NPLs), collectively representing 77.8 percent of the sector's total NPL stock. At the sectoral level, Business Services recorded the highest share of NPLs at 25.8 percent, followed by Mining & Quarrying at 19.8 percent. Combined, these two sectors accounted for 45.6 percent of total NPLs in the banking industry.

Figure 51: Sectoral Distribution of Gross Loans and NPLS Share by Sector

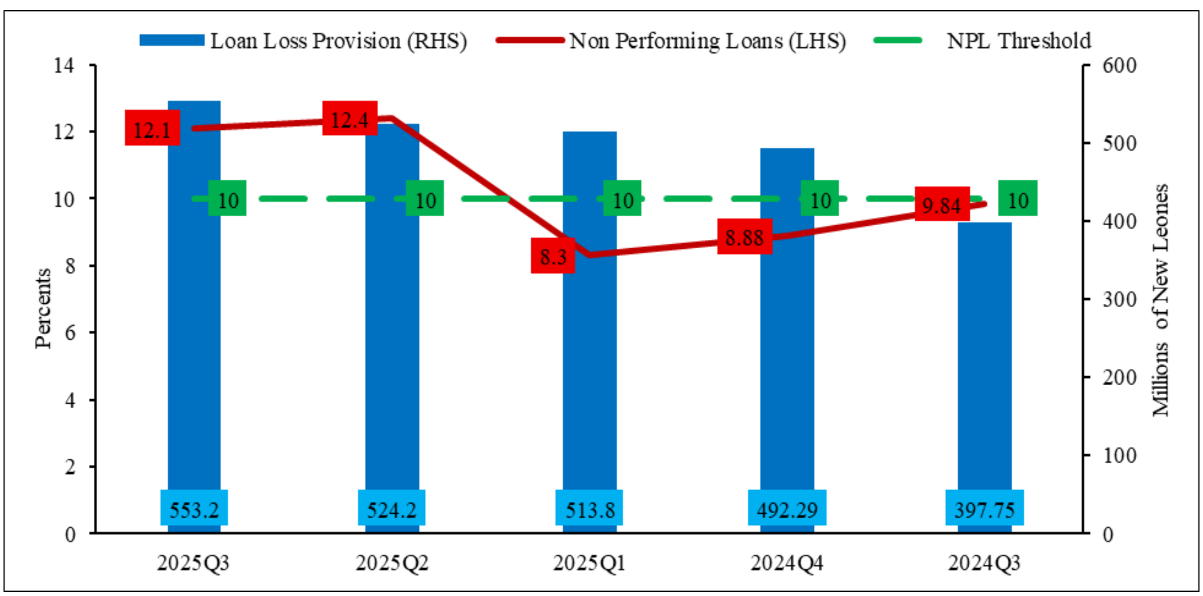


Source: Bank of Sierra Leone

3.5 NPL Trends and Loan Loss Provisions

The Non-Performing Loans (NPLs) ratio showed a slight improvement during the 2025Q3 review period, declining by 0.3 percentage points from 12.4 percent in 2025Q2 to 12.1 percent in 2025Q3. Correspondingly, loan loss provisions increased by 5.5 percent, rising from NLe524.2 million in 2025Q2 to NLe553.2 million in 2025Q3.

Figure 52: Trend of NPLs and Loan Loss Provision



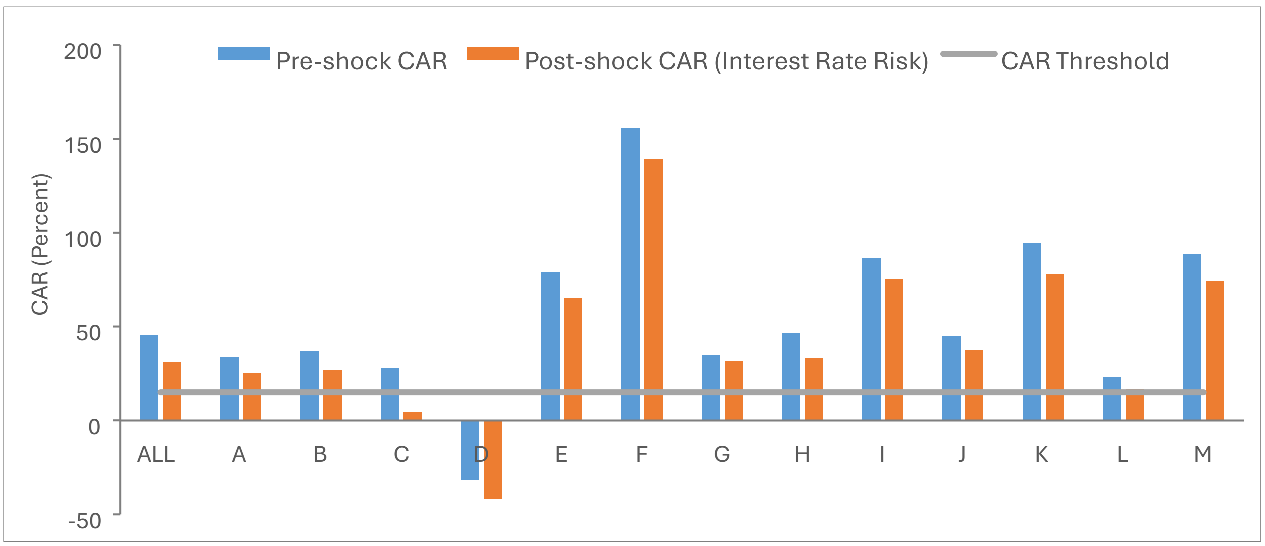
Source: Bank of Sierra Leone

3.6 Resilience of the Banking Sector

The banking sector exhibited strong resilience under the interest rate shock scenario, which assumed a 50 percent reduction in the yield of 364-day Treasury Bills (T-Bills) from the 15.8 percent recorded at end-June 2025. Although the sector's overall CAR declined from 45.3 percent to 31.2 percent, it remained well above the 15 percent regulatory minimum. However, the CARs of two individual banks fell below the required threshold under this scenario.

This interest rate risk sub-scenario assesses the potential impact of declining T-Bill yields on the valuation of government securities held by commercial banks. This analysis is particularly important given that most institutions maintain substantial exposures to 364-day T-Bills, which are traditionally viewed as low-risk assets, offering comparatively higher returns than alternative investment opportunities.

Figure 53: Interest Rate Risk Stress Test



Source: Bank of Sierra Leone

3.7 Risks and Vulnerabilities to the Stability of the Banking Sector.

Despite the stability of the financial system, there are some risks and vulnerabilities, which could pose threats to the banking sector as follows:

High levels of NPLs pose a Financial Stability Risk

Capital adequacy ratios remaining strong and comfortably above the regulatory minimum, but asset quality continues to present a key challenge for the banking sector. The industry-wide non-performing loans (NPL) ratio remains above the prudential ceiling of 10 percent, with four domestic banks recording NPL levels that significantly exceed this threshold. In addition, credit exposures to the Mining and Quarrying, Other Services, and Business Services sectors remain particularly susceptible to elevated NPL risks.

Limited Intermediation to Support Economic Growth

Credit extension to the private sector remains subdued, partly reflecting crowding-out effects associated with banks' significant holdings of government securities. Lending activity remains skewed to a few sectors and predominantly among large corporate borrowers. During the review period, only three of the thirteen commercial banks recorded loan portfolios exceeding 25 percent of their total deposit base.

Banking Sector Earnings Heavily Reliant on Government Securities Investments

Banks continue to rely heavily on customer deposits to fund their investments in government securities, which remain their primary source of income. This concentration heightens vulnerability to potential declines in interest earnings, particularly in the context of reduced government borrowing, as is the case over the past two quarters of 2025.

Fraud, Cybersecurity and Information Technology Threat

The ongoing transition from traditional banking models to more technology-driven operations has increased the sector's exposure to cybersecurity and fraud risks. Incidences of cybercrime and fraudulent activities have been rising across the banking industry, underscoring the growing importance of robust risk management and security frameworks.

Credit Reference Bureau Challenges

The absence of an automated identification system within the Credit Reference Bureau (CRB) continues to constrain accurate customer verification and impede the timely and efficient processing of requests.

3.8 Banking Sector Outlook

An increase in NPLs is anticipated if banks do not implement stringent measures to enhance credit management and strengthen internal controls. Bank profitability may also decline if yields on government securities continue to fall, given the sector's substantial exposure to these instruments. The Prudential Committee, established to monitor compliance with internal controls in response to rising fraud cases, will play a critical role in enhancing regulatory oversight, ensuring adherence to standards, and safeguarding the integrity of financial operations. Regulatory strengthening efforts will focus on improving governance structures, enhancing risk management frameworks, and establishing guidelines for systemically important banks to reinforce sector resilience.

Finally, ongoing stress tests will support the supervision of systemically important banks by evaluating their capacity to withstand losses during periods of financial stress.

4. CONCLUSION AND DECISION OF THE MPC

4.1 Conclusion

Inflation maintained a downward trajectory in 2025, with headline inflation decelerating from 7.10 percent in June to 5.36 percent in September, and further easing to 4.57 percent in November 2025. This sustained disinflation reflects the combined effects of prudent monetary policy implementation, ongoing fiscal consolidation, relative exchange rate stability, stable domestic fuel and food prices, subdued global commodity prices, and government-led adjustments to the prices of essential commodities. Notwithstanding this favorable trend, uncertainties related to evolving trade policies, geopolitical tensions, and climate-related challenges pose potential upside risks to the inflation outlook and broader economic growth. These developments highlight the need for continued vigilance, close monitoring of macroeconomic conditions, and the timely deployment of appropriate policy measures.

Real GDP growth is projected to edge up to 4.4 percent in 2025, from 4.3 percent in 2024, reflecting an improved macroeconomic environment and increased activity in the agriculture, manufacturing, and services sectors. In line with this outlook, the business sentiment survey indicates stronger economic conditions and improved business confidence in 2025Q3 compared to the 2025Q2. On the other hand, the CIEA contracted, mainly due to declines in exports and government revenue. Against this backdrop, the MPC emphasized that sustaining economic stability and growth will require the continued implementation of sound macroeconomic policies and structural reforms.

The overall fiscal deficit widened, primarily reflecting weak revenue mobilization alongside a marginal increase in government expenditure. Notwithstanding this outcome, the modest deviation of expenditure from its target underscores the government's continued commitment to fiscal consolidation. In addition, the MPC noted a decline in the 364-day Treasury bill rate between end- September and end-November 2025, signaling ongoing efforts to lower domestic borrowing costs. This development enhances fiscal space and contributes to a more sustainable public debt profile.

The MPC noted that the banking system remains stable, underpinned by strong capital adequacy, improved profitability, and ample liquidity. Notwithstanding these strengths, the Committee identified potential risks to financial stability, including elevated non-performing loans, rising cybersecurity threats, and incidents of fraud. In response, the MPC called on BSL to further strengthen regulatory and supervisory oversight to safeguard the continued stability of the financial system.

In conclusion, the Committee observed that persistent geopolitical tensions and an uncertain trade policy landscape present risks of disrupting global supply chains, which could result in higher commodity prices and increased inflationary pressures. However, robust domestic macroeconomic fundamentals are expected to cushion the economy against these external shocks. Inflation expectations remain firmly anchored, with combined forecasts projecting that inflation will stay in single digits throughout the forecast horizon. In addition, the Leone has exhibited relative stability against major trading partner currencies, government borrowing costs have declined substantially, and the banking sector has continued to display resilience.

4.2 Decision of the MPC

The Committee acknowledged the positive contributions of BSL's prudent monetary policy, the relative stability of the exchange rate, and increased domestic food production in moderating inflationary pressures. The headline inflation rate of 4.57 percent recorded in November 2025 fell below the 7.00 percent target for 2025 under the new IMF ECF program, and it is projected to remain in single digits over the near term. However, the Committee emphasized uncertainties surrounding the inflation outlook, including persistent geopolitical tensions, potential shifts in trade policies, and associated disruptions to global supply chains, which could jeopardize the attainment of the medium-term inflation objective.

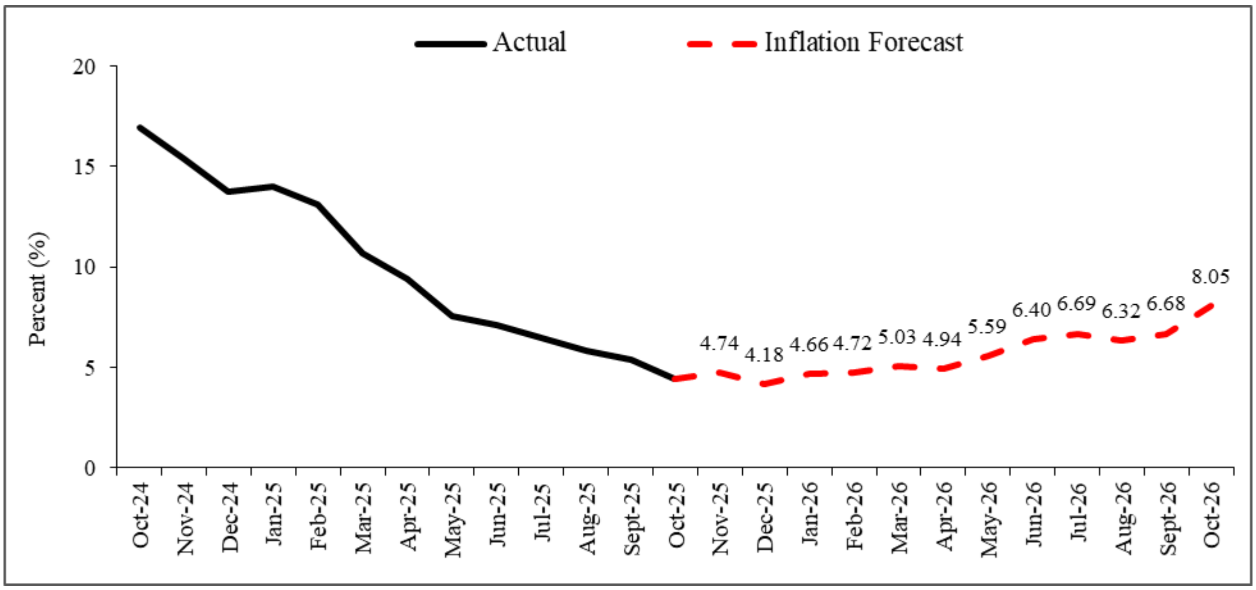
After a comprehensive assessment of prevailing global and domestic macroeconomic and financial market developments, the Monetary Policy Committee recommended to the Board of Directors of the Bank of Sierra Leone for consideration and approval a reduction in the Monetary Policy Rate by 2 percentage points to 16.75 percent. The Committee further proposed decreasing the Standing Lending Facility rate and the Standing Deposit Facility rate by 1 percentage point each, to 20.75 percent and 11.25 percent, respectively. The Board of Directors subsequently endorsed and approved these recommendations.

5. APPENDIX

Inflation forecast

The inflation forecast points to a benign environment in the near term, with low and stable rates persisting through the first half of 2026. However, a distinct upward trajectory is anticipated from mid-2026 onward, with inflationary pressures intensifying and culminating in a notable increase by October 2026. These developments highlight the importance of vigilant monitoring and timely policy adjustments to address emerging risks and safeguard medium-term price stability.

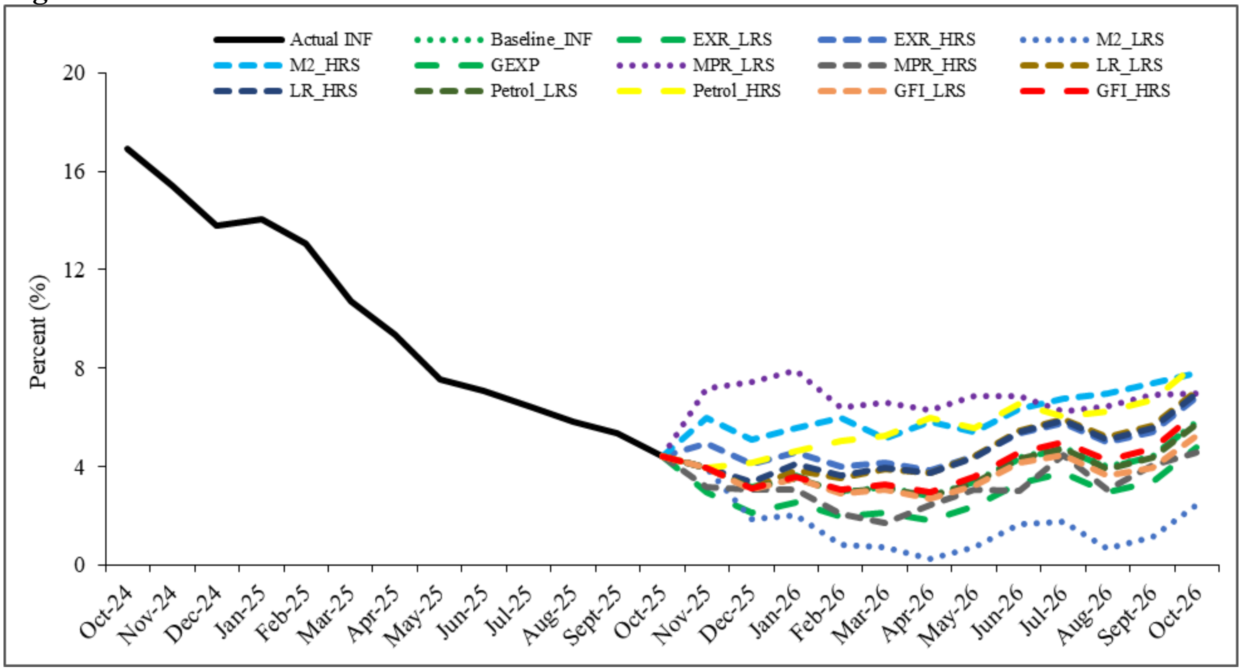
Figure 54: Combined Inflation Forecast



Source: Bank of Sierra Leone

In high-risk scenarios, key factors including an accommodative monetary policy stance, rapid growth in broad money, and abrupt increases in fuel prices are expected to amplify inflationary pressures, constituting the most pronounced upside risks to inflation. Conversely, restrained expansion in the broad money supply would help contain price pressures and keep inflation anchored toward the lower bound of the projected range.

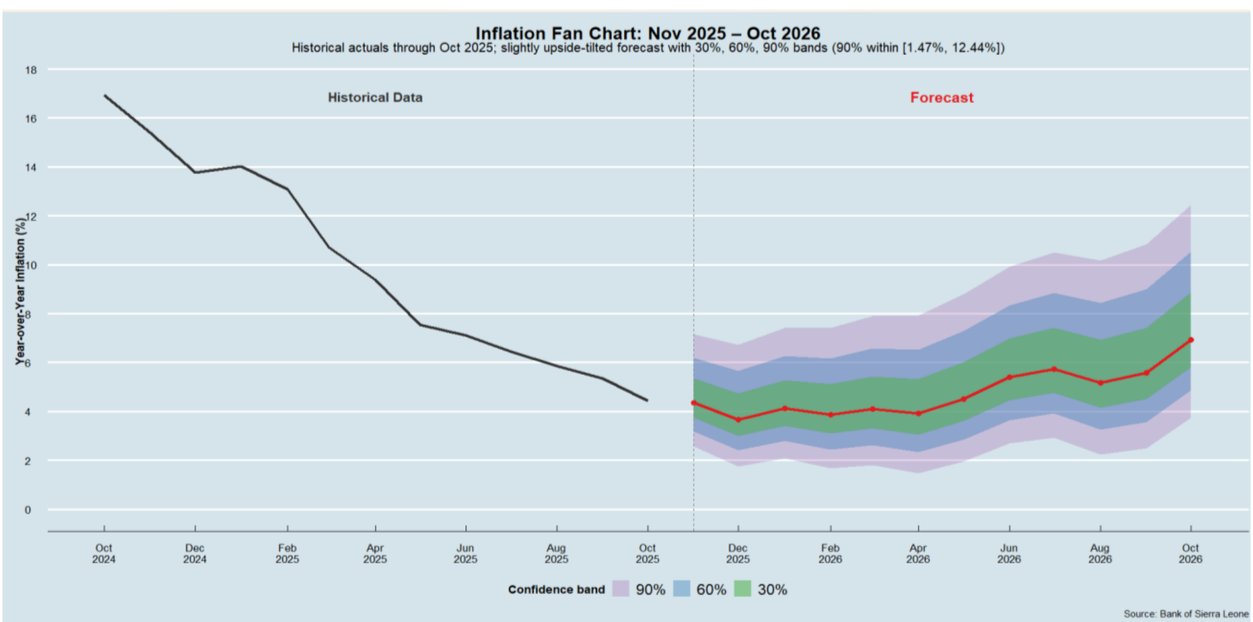
Figure 55: Combined Scenario Forecast



Source: Bank of Sierra Leone

The fan chart displays a 90% confidence interval for the inflation forecast, indicating that inflation is expected to range between 1.47 percent and 12.44 percent over the forecast period.

Figure 56: Inflation Fan Chart



Source: BSL Staff Estimations

Risks to inflation outlook are largely tilted to the downside due to factors such as:

1. Prudent Monetary Policy Stance may reduce excess liquidity and demand-driven pressures.
2. Continued fiscal consolidation will ease domestic financing needs.
3. Sustained exchange rate stability may limit imported inflation.
4. Falling global energy prices may lower domestic fuel and transport costs.
5. Moderate broad money growth might curb excess demand and monetary-driven inflation.

However, some of the risks to inflation on the upside could be:

1. Excessively accommodative monetary policy stance may allow persistent excess liquidity and demand pressures.
2. Sharp acceleration in broad money growth would intensify aggregate demand and risk overheating.
3. Sudden surge in global fuel and energy prices due to geopolitical tensions or supply disruptions may trigger broad-based cost-push inflation.
4. Renewed depreciation of the Leone would elevate cost of imports and amplify imported inflation.

Table 1: Summary of Global Growth Projections (Percent)

		Est.	WEO July 2025 Updates		WEO October 2025 Projection		Change in Projections	
	2024	2025	2025	2026	2025	2026	2025	2026
World Output	**3.3**	**3.2**	**3.0**	**3.1**	**3.2**	**3.1**	**0.2**	**0.0**
Advanced Economies	**1.8**	**1.6**	**1.5**	**1.6**	**1.6**	**1.6**	**0.1**	**0.0**
United States	2.8	2.0	1.9	2.0	2.0	2.1	0.1	0.1
Euro Area	0.9	1.2	1.0	1.2	1.2	1.1	0.2	-0.1
United Kingdom	1.1	1.3	1.2	1.4	1.3	1.3	0.1	-0.1
Japan	0.1	1.1	0.7	0.5	1.1	0.6	0.4	0.1
Emerging Market and Developing Economies	**4.3**	**4.2**	**4.1**	**4.0**	**4.2**	**4.0**	**0.1**	**0.0**
Brazil	3.4	2.4	2.3	2.1	2.4	1.9	0.1	-0.2
Russia	4.3	0.6	0.9	1.0	0.6	0.1	-0.3	-0.9
India	6.5	6.6	6.4	6.4	6.6	6.2	0.2	-0.2
China	5.0	4.8	4.8	4.2	4.8	4.2	0.0	0.0
Sub-Saharan Africa	**4.1**	**4.1**	**4.0**	**4.3**	**4.1**	**4.4**	**0.1**	**0.1**
Nigeria	4.1	3.9	3.4	3.2	3.9	4.2	0.5	1.0
South Africa	0.5	1.1	1.0	1.3	1.1	1.2	0.1	-0.1

Source: IMF World Economic Outlook (WEO) July projection and October 2025 update.

Table 2: Monetary Policy Stance of Selected Central Banks

Country	Recent Inflation (%)		Previous (%)		Monetary Policy Rates (%)				
					Current		Previous		Change
WAMZ									
Sierra Leone	4.57	Nov.25	4.44	Oct.25	18.75	Sep.25	21.75	Jul.25	↓3.00
Nigeria	15.15	Dec.25	14.45	Nov.25	27.00	Nov.25	27.00	Sep.25	0.00
Ghana	5.40	Dec.25	6.30	Nov.25	18.00	Nov.25	21.50	Sep.25	↓3.50
Guinea	3.70	Oct.25	3.70	Sep.25	10.25	Oct.25	10.25	Jul.25	0.00
Liberia	4.00	Dec.25	4.80	Nov.25	16.25	Oct.25	17.25	Jul.25	↓1.00
The Gambia	6.60	Dec.25	6.90	Nov.25	16.00	Dec.25	17.00	Oct.25	↓1.00
Major Economies									
USA	2.7	Dec.25	2.7	Nov.25	3.75	Dec.25	4.00	Nov.25	↓0.25
China	0.8	Dec.25	0.7	Nov.25	3.00	Dec.25	3.00	Nov.25	0.00
Euro Area	2.0	Dec.25	2.1	Nov.25	2.15	Dec.25	2.15	Nov.25	0.00
UK	3.2	Nov.25	3.6	Oct.25	3.75	Dec.25	4.00	Nov.25	↓0.25

Source: Country Central Banks Via Trading Economics data pool October and December 2025

Table 3: Interest Rates

	2025										
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
91-day Treasury bill rate	22.84	0	0	0	0	0	0	0	0	0	0
182-day Treasury bill rate	29.25	29.16	29.19	29.22	28.71	0	0	14.19	15	15.41	14.35
364-day treasury bill rate	41.06	41.18	41.22	41.09	36.23	19.71	15.25	16.44	17.01	16.75	16.69
Interbank rate	25.17	25.98	26.70	26.68	26.32	26.49	23.59	20.04	20.01	18.74	18.77
Standing Lending Facility	27.75	27.75	27.75	27.75	27.75	26.75	23.75	23.75	21.75	21.75	21.75
Standing Deposit Facility	18.25	18.25	18.25	18.25	18.25	17.25	14.25	14.25	12.25	12.25	12.25
MPR	24.75	24.75	24.75	24.75	24.75	23.75	21.75	21.75	18.75	18.75	18.75
Average Lending rate	22.90	22.98	22.98	22.98	21.21	21.21	21.21	21.21	20.48		
Lending (Prime)	22.11-23.68	22.11-23.85	22.11-23.85	22.11-23.85	20.41-22.01	20.41-22.01	20.41-22.01	20.41-22.01	20.44-20.51		
Savings deposits	2.16	2.16	2.16	2.16	1.83	1.83	1.83	1.83	1.85		
Interest rate spread	20.74	20.82	20.82	20.82	19.38	19.38	19.38	19.38	18.62		

Source: Bank of Sierra Leone

Table 4: Monetary Survey

	2024	2025		Quarterly % Change		Yearly % Change	
Millions of Leones	**2024Q3**	**2025Q2**	**2025Q3**	**2025Q2**	**2025Q3**	**2025Q2**	**2025Q3**
Reserve money	**8,527.04**	**9,564.94**	**10,116.74**	**(0.001)**	**5.77**	**19.87**	**18.64**
Broad Money (M2)	**29,337.07**	**33,480.28**	**34,752.31**	**2.16**	**3.80**	**22.99**	**18.46**
Narrow money (M1)	**13,565.91**	**15,306.23**	**15,927.34**	**(0.97)**	**4.06**	**24.57**	**17.41**
Currency outside banks	6,300.75	7,362.69	7,509.77	**(3.63)**	**2.00**	**20.82**	**19.19**
Demand deposit	7,265.16	7,943.54	8,417.57	**1.63**	**5.97**	**28.25**	**15.86**
Quasi money	**15,771.16**	**18,174.05**	**18,824.97**	**4.95**	**3.58**	**21.69**	**19.36**
o.w. Foreign currency deposit	10,642.96	12,304.08	12,327.36	**5.64**	**0.19**	**24.36**	**15.83**
Time and saving deposit	5,114.54	5,857.26	6,486.46	**3.63**	**10.74**	**16.42**	**26.82**
Net Foreign Asset	**3,394.94**	**3,894.46**	**3,682.79**	**(13.72)**	**(5.44)**	**(9.81)**	**8.48**
BSL	(6200.08)	(6267.65)	(6715.77)	**12.90**	**7.15**	**27.69**	**8.32**
ODCs	9595.02	10162.11	10398.56	**0.96**	**2.33**	**10.14**	**8.37**
Net Domestic Assets	**25,942.14**	**29,585.82**	**31,069.50**	**4.69**	**5.01**	**29.17**	**19.76**
Net Domestic Credit	**30,473.12**	**36,220.21**	**39,199.25**	**3.47**	**8.22**	**34.71**	**28.64**
Government (Net)	25,216.72	29,074.18	31,924.96	**3.34**	**9.81**	**32.97**	**26.60**
BSL	12122.06	12990.64	15298.45	**2.65**	**17.77**	**26.89**	**26.20**
ODCs	13094.66	16083.53	16626.50	**3.91**	**3.38**	**38.33**	**26.97**
Private Sector Credit	5582.15	7473.49	7691.66	**3.57**	**2.92**	**39.63**	**37.79**
o.w ODC	5557.30	7443.25	7660.64	**3.55**	**2.92**	**39.75**	**37.85**
Other Sectors (Net)*	(325.75)	(327.46)	(417.36)	**(4.54)**	**27.45**	**(0.42)**	**28.12**
Other Items (Net)	**-4,530.98**	**-6,634.39**	**-8,129.76**	**(1.66)**	**22.54**	**66.55**	**79.43**
Money Multiplier	**3.44**	**3.50**	**3.44**				

Source: Bank of Sierra Leone

Table 5: Central Bank Survey

Millions of Leones	2024	2025		Quarterly % Change		Yearly % Change	
	2024Q3	2025Q2	2025Q3	2025Q2	2025Q3	2025Q2	2025Q3
1. Net Foreign Assets	**(6,200.08)**	**(6,267.65)**	**(6,715.77)**	**12.90**	**7.15**	**27.69**	**8.32**
2. Net Domestic Assets	**14,727.12**	**15,832.58**	**16,832.52**	**4.74**	**6.32**	**22.85**	**14.30**
Government Borrowing (net)	**12,122.06**	**12,990.64**	**15,298.45**	**2.65**	**17.77**	**26.89**	**26.20**
o.w. Securities	5,686.81	6,672.65	7,686.36	**2.30**	**15.19**	**17.47**	**35.16**
Ways and Means	-	544.26	572.75	**4.71**	**5.24**	**39.73**	
GoSL/IMF Budget financing	4,177.47	5,230.59	5,230.59	**-**	**-**	**25.21**	**25.21**
GoSL/WB Budget financing	2,131.59	129.73	815.83		**528.87**		**(61.73)**
3. Reserve money	**8,527.04**	**9,564.94**	**10,116.74**	**(0.001)**	**5.77**	**19.87**	**18.64**
o.w. Currency issued	7,141.16	8,337.69	8,610.75	**0.11**	**3.27**	**21.51**	**20.58**
Bank reserves	1,372.21	1,214.54	1,494.86	**(0.34)**	**23.08**	**9.67**	**8.94**

Source: Bank of Sierra Leone