



Bek'e-langa
Re-imagining Central Bank for
a sustainable future



Annual Integrated Report 2024/25



CENTRAL BANK OF ESWATINI

Annual Integrated Report 2024/25

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Introduction



About this Report

In keeping with its dedication to being open, transparent, and accountable to the public, the Central Bank of Eswatini (CBE) is pleased to present its Annual Integrated Report for the year ended 31 March 2025. This Report marks the 8th edition since the Bank adopted integrated reporting.

The structure of this Report is crafted to highlight the CBE's core responsibilities and legal duties. It also integrates the Bank's governance framework and the key strengths that enable it to significantly contribute to the country's economic and social prosperity. Thus, the Report is dual in function: it is informative and reflects the foundation that empowers the CBE to effectively serve the public.

Reporting Scope and Materiality

The Report details the Bank's activities throughout the year, which are conducted in accordance with the Central Bank of Eswatini Order of 1974 (as amended). The foundation for the Central Bank of Eswatini's existence and mission; is laid by the National Constitution, which also guarantees its independence from external pressure.

To offer a comprehensive understanding, the Report incorporates key financial and non-financial information. This enables our stakeholders – a diverse group encompassing the public, financial institutions, and the government – to assess the Bank's effectiveness in fulfilling its mandate. The CBE's executive team determines the significant information to be included, primarily considering two key factors:

- **The CBE's mandate**
The primary duties and obligations specified in the CBE Order and the Constitution of Eswatini are prioritised above all directives.
- **Stakeholder expectations**
The Report recognises the significance of meeting the needs and concerns of the stakeholders the Bank serves.

Reporting Philosophy and Framework

For eight years, we have embraced the Integrated Reporting (IR) Framework, evolving our approach to better communicate how we can create and sustain value. Our commitment to integrated

thinking and reporting persists across the Bank, demonstrating how we connect strategy, governance, performance, and outlook to deliver on our mandate.

Our adoption of the Integrated Reporting Framework aims to:

- **Enhance Reporting Efficiency:** In the long term, this framework will lead us to a more unified and streamlined reporting method; improving internal operations, and providing stakeholders with transparent, easy-to-understand information.
- **Uphold Accountability:** Integrated Reporting boosts our accountability by providing a full picture of the Bank's operational performance. It goes beyond just monetary matters, demonstrating how we carefully manage the resources entrusted to us.
- **Foster Integrated Strategic Thinking:** The framework encourages strategic, all-encompassing thinking. We consider financial, environmental, social, and governance factors in our decision-making. This comprehensive approach helps us build lasting value for our stakeholders.
- **Address Stakeholder Expectations:** This framework enables us to track and assess our performance in line with stakeholder needs and concerns. By including non-financial data, we can show how our efforts tackle significant social and environmental issues that matter to our stakeholders.
- **Build on Experience for Future Success:** Integrated Reporting prompts us to leverage historical performance data to shape our future strategies and vision. This approach ensures our plans are grounded

in a strong foundation, reflecting both previous achievements and obstacles.

- **Embrace Good Governance:** By embracing this framework, we show our dedication to robust governance principles. Integrated reporting motivates us to act with transparency, accountability, and responsibility in everything we do.

Ultimately, adopting the IR framework is a deliberate choice that enables us to not only report on our performance, but also to showcase our dedication to ethical and sustainable practices for the benefit of our stakeholders.

Similarly, the financial statements in this Report are fully compiled in line with International Financial Reporting Standards (IFRS) to the greatest extent possible. However, where the CBE Order deviates from IFRS, the CBE Order takes precedence, to comply with Eswatini's legal requirements.

Reporting Suite

This Report is CBE's main publication, providing a comprehensive summary of the year's operations. It is part of a collection of reports we publish, all accessible on our website: <https://www.centralbank.org.sz>.

Below is a description of components of the CBE's reporting suite:

- **Annual Integrated Report:** This is the foundation of the reporting collection, providing a holistic overview of the CBE's performance and strategy.
- **Annual Economic Review Report:** Analyses economic developments on the international, regional and domestic fronts.
- **Financial Stability Report:** It offers detailed analysis of the stability of Eswatini's financial sector.
- **Governor's Annual Monetary Policy Statement:** Outlines the Bank's monetary policy stance, achievements and future direction.
- **Annual Financial Statements:** Presents audited financial accounts of the Bank, adhering to international standards, ensuring transparency.

To gain a complete understanding of the CBE's activities, we suggest reviewing this Report alongside the other reports mentioned above.

Your Feedback Matters!

To enhance our ongoing engagement with stakeholders, the CBE encourages feedback on this Report. We value your comments, questions, or recommendations, which can be sent to Mr. Mandla Luphondvo, Head Strategy and Communication, mandlalu@centralbank.org.sz.

Accuracy and Reliability

The Strategy and Communication department leads the preparation of this Report, collaborating closely with Directors and Heads across the Bank to collect and validate information.

To guarantee accuracy and relevance, the Report undergoes a thorough multi-stage review process. Initially, the Executive Committee examines the content for factual correctness and significance. Subsequently, an external editor is brought in to refine the document.

To ensure the reliability of the financial data, the annual financial statements have been reviewed by an independent auditing firm, SNG Grant Thornton. Additionally, the Bank's Internal Audit department plays a key role by delivering unbiased and objective evaluations of the Bank's governance, risk management, and internal control frameworks.

Approval

The Board holds ultimate accountability for the accuracy and completeness of this Report. Prior to giving final approval, the Board's Audit Committee conducts a detailed review of the Report. The Board members affirm that they have carefully assessed the Report's content and the outcomes of the reporting process. In their view, the Report provides an accurate and equitable representation of the Bank's performance, critical matters, and strategic priorities. Additionally, they are confident that the Report complies with the IR Framework and effectively captures the Bank's integrated performance. With this assurance, the Board authorises the Report for publication.



Dr. Phil Mnisi
Governor and Chairman of the Board



A Note on Forward-Looking Assessments

This Report may include projections regarding CBE's future performance, which are based on the Bank's current assessments and expectations. However, it is crucial to recognise that unexpected events and uncertainties could lead to actual outcomes significantly differing from these forecasts. Numerous risks, both within and outside the Bank's control, could adversely affect the Bank and Eswatini's economy.

About CBE





Our Vision

To be a centre of excellence and a central bank of reference that values its people.



Our Mission

To foster price and financial stability that is conducive to the economic development of Eswatini.

Mandate of the Bank

The mandate of the Bank is derived from Section 206 of the Constitution of the Kingdom of Eswatini, 2005 . The Constitution gives the CBE powers to, among other things:

- ▶ Be the only authority to issue the currency of the Kingdom.
- ▶ Be the sole custodian of public funds both in and outside the Kingdom, with power by appropriate instrument, to delegate such custody of funds as may be specified in that instrument.
- ▶ Maintain adequate external reserves in the Kingdom.
- ▶ Supervise the operations of financial institutions in the Kingdom.
- ▶ Issue securities on its own accounts.
- ▶ Promote monetary stability and a sound financial structure in Eswatini.
- ▶ Foster financial conditions supportive of an orderly balanced economic development of Eswatini.



Performance Highlights

Annual Headline Inflation

3.9%

Annual headline inflation averaged 3.9% for the 2024/25 financial year from 4.7% in the previous financial year. It averaged 4.0% for the calendar year 2024 from 5.0% for the previous calendar year. Inflation moderated to 3.8% at the close of the 2024/25 financial year.

Import Cover

2.1 Months

Gross official reserves grew by 16.5% – from E7.8 billion in March 2024 to E9.1 billion in March 2025. Despite this increase, reserves' import cover closed the year at 2.1 months, slightly weaker than the 2.2 months recorded the previous year, due to higher levels of imports in the year under review.

Currency

Adequate supply of high-quality currency – all cash withdrawal requirements from commercial banks were met.

National Payments Switch

National Payments Switch Project implementation on track with the first phase – being the Fast/Instant Payments Module went live in December 2024, with 5 Participating institutions live on the system as of 31st March 2025.

Financial System

Domestic banks demonstrate stability, supported by a robust capital base that exceeds regulatory requirements.

Financial Performance


Profit for the year

E205.7m

The Bank recorded a profit of E205.7 million, a decline from the E251.5 million profit recorded the previous year.

Governor's Statement



 Governor, Dr. Phil Mnisi

It is with great honour that I present to the Honourable Minister for Finance, Eswatini citizens, and all stakeholders the 8th edition of the Central Bank of Eswatini's Annual Integrated Report for the financial year ended 31 March 2025.

The Report comprehensively outlines the CBE's operations, performance, and strategic initiatives for the 2024/25 financial year. It highlights the Bank's role in promoting economic stability and growth, underscoring its enduring legacy and commitment to its stakeholders.

Coverage

The matters presented in this Report are intended to inform stakeholders and provide assurance regarding the Bank's ability to effectively fulfil its mandate. They reflect our commitment to maintaining long-term, sustainable relationships with our stakeholders and upholding the principles of responsible corporate citizenship. The issues identified as material are closely linked to the Bank's core objectives—namely, ensuring the stability of the financial sector and maintaining price stability. These elements are fundamental to creating a macroeconomic environment that supports inclusive and sustained economic growth.

Materiality


We have identified ten (10) critical factors - comprising both internal and external dynamics - that could significantly impact our ability to create value in the short,

medium, and long term. These factors, recognised as both potential risks and opportunities, shape the Bank's overall risk landscape and play a pivotal role in informing its integrated risk management strategy. Addressing these material issues is therefore critical not only to meeting current stakeholder expectations but also to building confidence in the Bank's capacity to deliver even in the foreseeable future.

Business Model

The CBE operates by balancing efficient daily functions with the effective pursuit of its long-term strategic goals. This equilibrium is maintained across its operations, strategy, and business departments. Well-established processes and robust systems ensure the smooth and efficient running of daily activities. Simultaneously, carefully designed initiatives guide the Bank in achieving its strategic objectives and in driving meaningful change. Each business department actively implements these operational processes, aligning their efforts with the overall strategy. Ultimately, the CBE's organisational structure demonstrates how it strategically allocates financial resources, utilises departmental expertise, and conducts diverse activities, to effectively fulfil its core mandate.



 Governor, Dr. Phil Mnisi

Key outcomes include a refined vision, increased focus on stakeholder perception, and the adoption of a Leadership Statement supported by development programmes.

Our Strategy

The Bank undertook its Annual Strategy Review for the 2023-2028 **Bek'e-Langa strategy** in February 2024. This review reaffirmed the strategy's relevance and led to key updates for the 2024/25 financial year. Key outcomes include a refined vision, increased focus on stakeholder perception, and the adoption of a Leadership Statement supported by development programmes. The Bank also streamlined its strategic initiatives, prioritising 16 initiatives for the 2025/26 financial year to enhance agility and optimise resource allocation.

Global Economic Developments

Global GDP Growth Overview

The April 2025 International Monetary Fund (IMF) World Economic Outlook (WEO) Report indicates that global growth is projected to fall from an estimated 3.3% in 2024 to 2.8% in 2025, before recovering to grow by 3% in 2026. The downgrades are broad-based across countries. They reflect mainly the direct effects of the new trade measures and their indirect effects through trade linkage spillovers, heightened uncertainty,

and deteriorating sentiment. The unpredictability with which the tariff measures from the West have been unfolding, has a negative impact on economic activity and the overall outlook.

Divergent and swiftly changing policy positions or deteriorating sentiment could lead to even tighter global financial conditions. An intensifying trade war and heightened trade policy uncertainty may further hinder both short-term and long-term growth prospects. Scaling back international cooperation could jeopardise progress toward a more resilient global economy. The lingering effects of the recent cost-of-living crisis, coupled with depleted policy space and dim medium-term growth prospects, could reignite social unrest.

The resilience shown by many large emerging market economies may be tested as servicing high debt levels becomes more challenging in unfavourable global financial conditions. More limited international development assistance may increase the pressure on low-income countries, pushing them deeper into debt or necessitating significant fiscal adjustments, with immediate consequences for growth and living standards.

On the upside, a de-escalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth. The path forward demands clarity and coordination. The IMF highlights that the world economy is at a critical juncture, which requires countries to work constructively to promote a stable and predictable trade environment. There is a need to facilitate international cooperation while addressing policy gaps and structural imbalances at respective country level. This will help secure both internal and external economic stability. To stimulate growth and ease fiscal pressures, policies that promote healthy ageing and enhance the labour force must be put in place.

Global Inflation

According to the IMF, global headline inflation was recorded at 5.7% in 2024 and is expected to decrease to 4.3% in 2025 and edge lower to 3.6% in 2026. The latest global inflation forecasts represent significant downward revisions for Japan, the United Kingdom, Canada and the United States, with an upward revision for Spain. Global Inflation is projected to converge back to target quicker in advanced economies, reaching 2.2% in 2026. Meanwhile, for emerging markets and developing economies, inflation will decrease to 4.6% over the same time horizon. The trajectory is, however, mixed: inflation in China will remain subdued, while it is expected to rise in other developing Asian economies and in Russia.

The priority for central banks is to modify their respective monetary policy stances to achieve their mandates. They need to ensure price and financial stability in an environment characterised by even more difficult trade-offs. Restoring fiscal space and putting public debt on a sustainable path remain important priorities, while meeting critical spending needs to ensure national and economic security. This requires credible medium-term fiscal consolidation plans. Structural reforms in labour, product, and financial markets would complement efforts to reduce debt and narrow cross-country disparities (IMF World Economic Outlook, April 2025).

South Africa Domestic Developments

The South African economy grew by 0.6% in 2024, the slowest growth rate since 2020, following a revised 0.7% increase in 2023. There was a negative contribution from three main sectors, besides agriculture. These included the manufacturing, construction and mining, all of which experienced a slump amid headwinds emanating from power challenges at utility supplier Eskom, and subdued global demand. The South African Reserve Bank (SARB) in projections published in April 2025, forecast GDP to grow by 1.7% in 2025. For 2026-2027, GDP growth is forecast to edge up to around 2%. Risks to economic growth remain high, largely attributed to lingering supply-side fragilities and subdued demand.

Meantime, the IMF's April 2025 forecasts show that the South African economy will grow by 1.0% in 2025, and by 1.3% in 2026. The IMF highlights weaker-than-expected 2025 outturn and deteriorating sentiment due to heightened uncertainty. In addition, there is the intensification of protectionist policies and deeper slowdown in major economies that pose a contagion effect (Statistics South Africa | SARB | IMF World Economic Outlook, April 2025).

The South African Reserve Bank kept its benchmark interest rate unchanged at 7.5% during its March 2025 meeting, with risks to economic stability calling for caution. The inflation rate has fallen below the lower bound of SARB's 3-6% target. The central bank sees headline inflation at 3.6% this year and at a higher 4.5% next year (South African Reserve Bank | Statistics South Africa, 25 April 2025).

Domestic Economic Developments

GDP Developments

Eswatini's real GDP growth slowed to 2.1% in Q4 2024 from 2.8% in Q3, driven by a tertiary sector decline of 0.2%, compared to 2.9% growth in Q3: with weaknesses in wholesale & retail, financial services, and real estate. The primary sector rebounded, growing by 5.0%, led by a recovery in livestock

(6.1%) and mining & quarrying (13.5%), supported by coal and quarried stone production. The secondary sector grew strongly by 6.2%, driven by manufacturing (19.7% in food processing) and slight recoveries in construction and electricity. For the full year, GDP growth decelerated to 2.6% in 2024 from 3.4% in 2023, with the tertiary sector slowing to 1.2% growth, while primary (4.2%) and secondary (6.4%) sectors showed resilience.

Medium-term GDP growth is projected at 5.4% (2025-2027), peaking at 7.9% in 2025, driven by large-scale projects like dam construction and energy initiatives. However, risks include geopolitical tensions, trade disputes, climate impacts, and potential fiscal constraints from declining Southern African Customs Union (SACU) receipts.

Inflation Dynamics

Consumer price inflation in Eswatini decreased from an average of 4.7% in the financial year ended March 2024 to an average of 3.9% in the financial year ending March 2025. Inflationary pressures were subdued due to reduced supply-side inflation, primarily from stable global and regional food and fuel prices. This stability contributed to lower imported inflation. Favourable exchange rate movements also supported the moderation of inflation. Overall, these factors led to a significant easing of inflation during the 2024/25 financial year.

Public Finance

The 2025/26 Eswatini Budget, themed **"Transformation for Growth,"** projects a widened deficit of E2.8 billion (3.0% of GDP), up from E1.8 billion in 2024/25, due to declining SACU receipts and rising expenditure pressures. Total revenue and grants are budgeted at E29.7 billion, a 7.8% increase from E27.6 billion, driven by a 14.3% rise in domestic revenue to E17.7 billion, while SACU receipts drop by 20.4%. Total expenditures are set at E32.6 billion, up 10.9%, with capital expenditures increasing by 14.4% for projects. Recurrent expenditures rise by 9.9%, driven by wages and interest.

Public debt reached E36.1 billion (37.8% of GDP) by March 2025, with domestic



 Governor, Dr. Phil Mnsi, alongside former Governors, Majosi Sithole and Martin Dlamini during the Bank's 50th Anniversary Celebrations

and external debt growing by 6.2% and 3.7%, respectively, driven by ongoing project loans and domestic bond issuances. External debt, at E16.2 billion, is dominated by multilateral loans (66.5%). Debt remains below the 50% GDP threshold due to GDP rebasing and improved growth.

Balance of Payments

In 2024, Eswatini's current account surplus was E1.202 billion, down from E1.849 billion in 2023, driven by a doubled trade balance from faster export growth. A 23.7% rise in secondary income, led by increased SACU inflows, further supported the surplus. As a share of GDP, the surplus fell from 2.2% to 1.4%. The financial account recorded a net outflow of E1.151 billion, lower than E1.923 billion in 2023. Outflows stemmed from increased portfolio and reserve assets, while direct and other investments saw net inflows. This reflects a varied balance of payments performance.

Private Sector Credit

Private sector credit in Eswatini grew by 10.8% to E21.4 billion by March 2025, up from 10.3% the previous year,

driven by strong growth in sectors like manufacturing, agriculture, and tourism. Business credit surged by 18.3%, compared to 13.8% the prior year, signalling robust economic activity. Household credit increased by 3.8%, slower than the previous year's 5.7%, indicating modest consumer spending recovery.

External Reserves

Eswatini's gross official reserves increased by 16.5%, rising from E7.8 billion in March 2024 to E9.1 billion in March 2025. However, the import cover slightly decreased from 2.2 months to 2.1 months due to higher import levels during the period. This is below the 3 months ideal threshold.

To build up reserves, the Central Bank persists in seeking new initiatives to (a) improve open market operations to manage domestic liquidity and its impact on reserves. (b) build reserves through the accumulation of foreign currency export proceeds from local commercial banks; (c) implement an optimised portfolio for Special Drawing Rights (SDRs) holdings; and (d) push for more diverse trading products to capture all export flows.

Banking Sector

The domestic banking sector remains resilient, with strong capital adequacy and stable asset quality. The Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET 1) ratio slightly declined to 17.41% and 15.44%, respectively in March 2025, yet both exceed regulatory minimums by wide margins.

Non-Performing Loans (NPLs) ratio rose marginally to 7.2%, indicating stable credit risk management. Balance sheet growth was robust, with assets up 11.4% to E31.43 billion, loans up 14.1% to E18.48 billion, and deposits up 12.9% to E21.89 billion. The loan-to-deposit ratio increased to 84.4%, signalling tighter liquidity. After-tax profits dipped 2.5% to E142.5 million due to narrower margins or higher provisions. Liquidity ratio fell to 32.9% but remains above regulatory thresholds. Overall, the sector is well-positioned to handle economic challenges.

Monetary Policy

The Governor sets monetary policy after consulting the MPCC, which held six (6) meetings in 2024/25 to review inflation

and macroeconomic indicators. The Bank cut the discount rate by 50 basis points from 7.5% to 7.0% (September 2024: 7.25%; November 2024: 7.0%), maintaining 7.0% in January and March 2025. This accommodative stance supported lower domestic inflation and global easing trends. Global geopolitical and trade uncertainties pose risks to disinflation. The negative differential with South Africa's repo rate narrowed from -75 to -50 basis points by January 2025. The policy balances inflation control, capital flight prevention, and economic growth.

Financial Technology

To stay aligned with the rapidly changing financial environment shaped by technological advancements, the Central Bank will prioritise:

- ▶ Supporting the completion and implementation of the National Fintech Strategy to create an enabling environment for fintech innovation.
- ▶ Enhancing monitoring of crypto asset developments to inform potential regulatory approaches.
- ▶ Continuing research on cross-border Central Bank Digital Currency (CBDC) applications through regional collaboration within the Common Monetary Area (CMA).
- ▶ Conducting research and producing knowledge papers to support the Bank's innovation projects.

Financial Stability

The financial system in Eswatini remained broadly stable and resilient over the past year, benefiting from improving global and domestic conditions. Despite ongoing concerns around sovereign debt and currency volatility, reduced load shedding in South Africa and a more stable political environment positively influenced Eswatini. Domestically, financial conditions improved, and fiscal pressures eased slightly due to stronger government revenues.

The Bank has finalised the Deposit Protection Fund (DPF) Implementation Framework, which is critical for enhancing public confidence and safeguarding depositors, particularly in the event of bank failures. The DPF is designed

to protect depositors by providing limited compensation in the event of a bank failure, thereby promoting public confidence and financial system stability.

National Payments Systems

The Central Bank of Eswatini is implementing the Eswatini Payments Switch (EPS), featuring Fast Payments, Open Banking, and Card-based PoS and ATM modules to enhance interoperability among banks and non-bank payment providers. The system promotes near real-time payments, domestic card transaction switching, and financial inclusion through digitalisation, supporting e-commerce integration.

The Fast Payments Module launched in December 2024, with five institutions live by March 31, 2025, and two more in final testing for onboarding in Q1 2025/26. Public awareness roadshows promoted the EPS brand and Fast Payments Module. Open Banking preparations began in the last quarter of the 2024/25 financial year, with the CBE and technical partners finalising the framework and specifications.

IT Plan

In 2024/25, the IT department prioritised the modernisation of the Central Bank's technological infrastructure, aligning its efforts with strategic objectives through robust governance. By collaborating closely with the Central Banking community and key stakeholders, it delivered critical projects that kept the Bank at the forefront of innovation. Partnering with various CBE departments, the IT team advanced initiatives outlined in the Strategy section, driving improvements in financial processes and operational efficiency.

Cybersecurity was prioritised, with the Bank thwarting cyber-attacks and completing the Cyber Security Operations Centre (CSOC). Ongoing efforts are in place to further strengthen security measures as cyber risks continuously evolve.

Financial Risk

The CBE faces financial risks due to its statutory functions, including implementing monetary policy, managing foreign exchange reserves, and operating payment and settlement systems.

Cybersecurity was prioritised, with the Bank thwarting cyber-attacks and completing the Cyber Security Operations Centre (CSOC).

The GT Programme continues to address youth unemployment by equipping graduates with practical skills and improving their employability.

These activities subject the Bank to risks associated with foreign exchange, credit, interest rate, and liquidity. The CBE proactively manages and mitigates these risks in its daily operations to ensure financial stability.

Stakeholder Engagement

The Bank is focused on stakeholder engagement as a core part of the Beke-Langa Strategy (2023-2028). To measure this, we conducted an annual Stakeholder Perception Survey in March 2025 - assessing public views on awareness, accountability, transparency, image, communication as well as customer service.

The 2024/25 survey done using a new methodology, established a new baseline - with the Bank scoring 57% overall, indicating slightly positive perceptions. The model enabled broader engagement across all four regions of the Kingdom and extended to external CBE stakeholders. This approach of conducting annual surveys allows the Bank to gain critical insights into how it is perceived and to strategically allocate resources for targeted initiatives to enhance its relationships with stakeholders.

Pulse Survey

Achieving strong performance requires deliberate effort, and the CBE conducts annual Pulse Surveys to assess employee morale, motivation, engagement, and overall fulfilment. These insights guide the Bank's efforts to enhance its talent value proposition, improve satisfaction, and support retention through targeted interventions.

The 2025 Pulse Survey saw an impressive 95% participation rate. It focused on five key engagement indicators: culture index, engagement index, change readiness, strategy index, and performance index. The overall average score across all indicators was 77%, slightly down from 78% the previous year. However, notable progress was seen in the engagement index, which improved to 80%, reflecting positive momentum in critical areas.

Culture Transformation

Organisational culture is the core of how employees work, interact, and make

decisions. For the Bank to achieve its strategic goals, a fully engaged workforce is essential.

Recognising that a weak or toxic culture hinders progress, while a strong, positive one drives collaboration, motivation, and innovation, the Bank introduced a Culture Transformation Programme. This initiative aims to embed five key behaviours: Speed in execution, Excellence, Intentionality, Teamwork (Oneness), and Big Thinking—ensuring the culture supports and accelerates the Bank's strategic objectives.

Leadership Development

During the year under review, the Bank completed the "Leadership Mindset Programme", which began the previous year to equip leaders with the right mindset to effectively execute the CBE strategy. Although the formal programme has ended, leadership development remains an ongoing priority, reflected in the Bank's leadership statement: **"We are intentional leaders, anchored on trust, professionalism, and empathy, driven by high performance and accountability."** Leadership continues to actively pursue these values, aiming to elevate leaders from good to great and keep them motivated in fulfilling the Bank's mandate.

Governance

The Board underscores governance as the cornerstone to the Bank's performance, compliance, and strategy. It sets direction, policies, and investments, ensuring management accountability within risk appetite. The Board provides constructive input to align decisions with the Bank's mandate and values. It has established committees with defined charters to support governance. The Board confirms it met its charter obligations in 2024/25.

Ombudsman

The Ombudsman's Office received 34 new complaints in the 2024/25 financial year. While some complaints were resolved, 5 were referred to the Financial Services Ombudsman (FSRA-regulated). Scamming complaints rose notably, alongside loan restructuring requests. Limited funding hindered independent awareness campaigns, relying on external invitations.



 His Majesty King Mswati III, with the Governor, Dr. Phil Mnisi after unveiling the CBE Logo during the Bank's 50th Anniversary celebration on 10 May 2024.

Our Ethics

Integrity is fundamental to all operations at the Bank. We cultivate a culture that emphasises ethical conduct and safeguards the interests of all stakeholders. Our dedication extends beyond mere compliance, as we actively encourage ethical decision-making and diligently work to prevent and resolve any unethical behaviour.

Assurance

The Bank uses a combined assurance model to make sure its assurance activities are as efficient and effective as possible across all three lines of defence. This model has been continuously improved by refining how assessments are done. Its main goal is to unify, coordinate, and align processes for risk management and control, while also improving oversight in risk, governance, and internal control.

Our People

Throughout the review period, the Bank focused on optimising its human capital through various initiatives aimed at fostering a culture of high performance,

agility, and rapid, high-quality delivery. This was accomplished by streamlining the organisational structure, providing competitive compensation and benefits, promoting talent development, effectively managing change and prioritising employee health and safety. These efforts led to a more engaged workforce, and enhanced overall efficiency. As of March 2025, the CBE had 362 total staff positions, with 316 positions filled.

Graduate Trainee Programme

Our Graduate Trainee (GT) Programme remains an integral part of the Bank's skills development efforts. The programme provides recent graduates with foundational work experience and a pathway to potential employment at the Bank or the broader financial sector. Many past participants have secured permanent roles at the Bank, with some advancing to managerial positions. In the latest intake, the Bank received 2,059 applications. An online aptitude test was used to shortlist candidates fairly, leading to the selection of 27 trainees. The new cohort, which now includes Psychologists for the first time, will undergo a 24-month attachment across various Bank functions. The GT Programme continues

to address youth unemployment by equipping graduates with practical skills and improving their employability.

Financial Performance

The Bank made a profit of E205.7 million in 2024/25 – a decrease from the E251.5 million recorded the previous year. A total of E278.2 million was paid to the Government of Eswatini as dividend in line with CBE Order of 1974.

Conclusion

I want to extend my heartfelt thanks to everyone who played a part in our achievements. This includes the Honourable Minister of Finance and his team, the Central Bank Board, our committed staff, financial institutions, and all our stakeholders. Your collaboration, dedication, and tireless efforts have been key to securing price and financial stability, which are vital for Eswatini's economic growth. With your ongoing support, I am confident we will continue to meet our mandate and goals for the benefit of all Emaswati.

Dr. Phil Mnisi,
Governor



Our Strategy



The period marked the second year of implementation of our 2023 – 2028 Bek'e-Langa strategy, which is aimed at ensuring that the Bank delivers effectively on its mandate while contributing meaningfully to the economic development of Eswatini.

As part of our commitment to effective enablement and operational efficiency, supported by periodic performance and relevance reviews, the Bank held its Annual Strategy Review session in February 2024. The session brought together the Bank's leadership to reflect on progress, refine the strategic direction and recalibrate focus for the year ahead. The key objectives of the session were to:

1

Assess the continued alignment of the Bek'e-Langa Strategy with the Bank's mission, values, emerging trends, and an evolving external environment.

2

Evaluate progress made in the implementation of the strategy since its launch.

3


Re-prioritise strategic initiatives for the 2024/25 financial year to remain responsive to emerging priorities and ensure optimal use of resources.

4

Foster a strategic mindset across the Bank's leadership, reinforcing collective ownership and commitment to successful strategy execution.





 Governor's Strategy Townhall

This review reaffirmed the relevance of the Bek'e-Langa Strategy and strengthened our collective resolve to achieve our strategic objectives. The session served as a critical reflection point and produced several key outcomes that shaped our strategic focus for the 2024/25 financial year.

These were:

a. Reaffirmation of Mission and Values

The Bank's mission and values were revisited and confirmed as still aligned with our strategic direction. Consequently, they remained unchanged.

b. Review of the Bank's Vision

To reflect the Bank's aspirations of being people-centred and performance-driven and to encapsulate our ambition to be locally impactful and globally respected, a refined vision was adopted as follows: **"To be a centre of excellence and a central bank of reference that values its people."**

c. Refining our strategic focus weights

To better reflect our commitment to delivering meaningful value to our stakeholders and to ensure that our efforts are clearly seen, understood, and appreciated, the Bank increased the strategic weight allocated to the **'Clients and Stakeholder Perception'** focus area by 10%. This adjustment reinforces our dedication to trust, transparency, institutional credibility, agility and public confidence.

d. Leadership Development

In our pursuit to foster a cohesive and intentional leadership culture, a Leadership Statement was developed and formally adopted. This statement articulates the Bank's core values and expected behaviours from its leaders. The statement reads: **"We are intentional leaders, anchored on trust, professionalism, and empathy, driven by high performance and accountability."**

e. Re-prioritisation of Strategic Initiatives

The Bank refined and prioritised 16 critical strategic initiatives for implementation in 2024/25. This focused approach aimed to enhance the Bank's agility and ensure optimal deployment of resources towards high-impact, priority initiatives.

Our Strategy Map

Our Strategy Map, which we refer to as our **“strategy in one page”** provides a clear blueprint for the delivery of the Bank’s strategy. It outlines the Bank’s direction and priorities across two integrated areas which are Strategic Inputs and Strategic Outputs. The strategic inputs are structured into Internal Levers and Enablers, which collectively underpin the successful execution of the Bank’s two strategic outcomes, **operational excellence** and **effective enablement**.

Our strategic outputs are anchored on the following key focus areas:

1. Long-Term Financial Sustainability of CBE

The Bank strives to remain financially self-sufficient through sustainable income, a healthy financial position, and operational cost efficiency.

2. Socio-Economic Development of Eswatini

This encompasses the Bank’s contribution to national development, with primary output on price and financial stability and long-term economic sustained economic growth as a secondary output.

3. Clients and Stakeholders perception of our value proposition

This reflects how the Bank seeks to be perceived by its clients and stakeholders. The aim is to deliver value through excellent service, sound regulation, and effective advisory support to the government. The Bank aims to be seen as a credible, responsive and trusted.

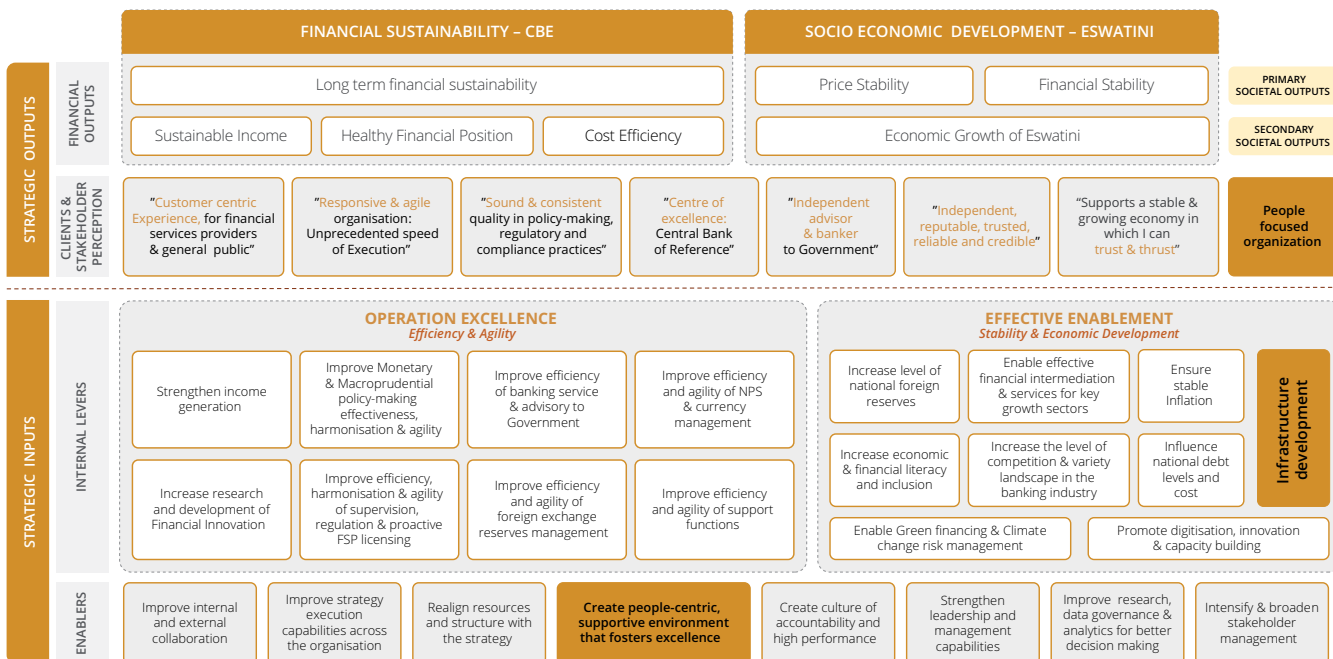
Each of the focus areas is underpinned by targeted objectives and Key Performance Indicators (KPIs) that guide our decision-making and actions. By aligning these

components, the Strategy Map translates our mission and vision into clear coordinated action that guides the Bank’s strategic direction.

In January 2025, the Bank held a strategy realignment session aimed at ensuring that our strategic direction remains relevant and responsive to emerging challenges and risks. One of the key outcomes of this session was a revised strategy map that reinforces our commitment to valuing our people, i.e. CBE staff, as articulated in our vision. Accordingly, a **“people-focused organisation”** was introduced as a strategic objective under the Clients and Stakeholders focus area. To support the achievement of this objective, an enabler of a **“people-centric, supportive environment”** was added.

Additionally, **“infrastructure development”** was incorporated under the strategic inputs and internal levers to reflect the ongoing infrastructure projects the Bank has identified as its super priority / key strategic initiatives.

Realigned Strategy Map



Live the VALUES!

Update on Strategic Key Performance Indicators

To monitor the effective execution of our strategic objectives, the Bank set a series of KPIs aligned with its focus areas. These KPIs serve as critical tools for tracking progress, measuring impact, and informing decision-making. The performance outcomes summarised below present a balanced view of the Bank’s strategic achievements, highlighting areas of notable success, as well as those that require targeted interventions for improvement.



Focus Area – Ensure Long-term Financial Sustainability

Focus area	Weight	Output	KPI	2024/25 Actual	Comments
Ensure long-term financial sustainability of the CBE	20	Sustainable Income	Outperform budgeted Net Interest Income (NII) by at least 5% for the year ending March 2025.	-0.53%	NII is -0.53% below the revised budget but up 8% year-on-year which is +3.8% above the original forecast. Gross interest income is at record high; however, this is counteracted by higher interest expense - mainly driven by a surge in costs related to monetary policy implementation.
		Healthy Financial Position	Raise an equivalent of at least USD25 million per month through foreign exchange purchases for the year ending 31 March 2025.	USD 30.08 million	Competitive pricing provided to commercial banks resulted in a higher forex accumulation for the financial year 2024/25.
			Raise at least E2 billion worth of FX assets through swaps by 31 March 2025.	E1 billion	Achieved 50% of target – An asset swap agreement to raise E2 billion was successfully concluded with a local counterpart. However, adverse movements in the financial markets constrained the full execution of the transaction.
			Achieve a capital to assets ratio of at least 10% by 31 March 2025.	12.45%	The strong capital position provides a substantial buffer against market volatility and ensures continued compliance with regulatory standards.
		Cost Efficiency	Achieve a total cost to total income ratio of not more than 80% for the year ending March 2025.	74%	Operational costs were well contained within the set threshold.

Overall Performance

This pillar, which reflects the Bank's financial health, achieved an 'Upper Good' performance rating. In the period, the Bank demonstrated financial resilience by maintaining a strong capital base and cost efficiency. However, our revenue-generating efforts, notably the FX swaps target, fell short largely due to adverse market conditions. In overall, the performance reflects prudent financial management but also signals a strategic imperative to enhance sustainable income sources for long-term financial sustainability of the Bank.



Focus Area – Ensure Socio-economic development in the Kingdom of Eswatini

Focus area	Weight	Output	KPI	2024/25 Actual	Comments
Ensure the socio-economic development of the Kingdom of Eswatini	30	Price Stability	Annual average inflation to be maintained between 3-7% for the financial year ending 31 March 2025.	3.90%	Consumer price inflation moderated significantly from an average of 4.7% in the 2023/24 financial year to an average of 3.9% in the 2024/25 financial year.
			Foreign exchange reserves to be equivalent to at least 3 months of import cover by 31 March 2025.	2.2 months	Import cover fell below the threshold due to the rising costs of imports. However, in nominal terms, gross official reserves grew from E7.8 billion in March 2024 to E9.1 billion as of 31st March 2025.
	Financial Stability	Achieve an average of 22-33% minimum liquidity ratio for banks by 31 March 2025.	32.9%	The banking industry's liquidity ratio stood at 32.9%, compared to 33.4% recorded in March 2024, surpassing the minimum liquidity ratios set at 22.0% for commercial banks and 20.5% for development and savings banks.	
		Achieve at least 99.5% currency availability for the year ending 31 March 2025.	100%	All currency orders met. As at end of March 2025, currency in circulation was at E1.482 billion, indicating a 10.2% increase from the E1.345 billion reported in the previous year.	
		Achieve at least 98% uptime of all payments and settlement systems for the year ending March 2025.	98.6%	Reliable payment systems maintained operational efficiency and financial infrastructure stability.	
		Achieve an aggregate non-performing loans ratio of not more than 5% by 31 March 2025.	7.2%	As of March 2025, the NPL ratio slightly increased to 7.2%, compared to 7.1% in 2024, indicating ongoing credit risk challenges. Despite this minor rise, asset quality remains relatively stable and within historical norms.	
		Achieve an aggregate of at least 8% in capital adequacy ratio (CAR) for the banking sector by 31 March 2025.	17.41%	CAR declined to 17.41% in March 2025, down from 18.38% in March 2024 but remained above the minimum regulatory requirement of 8%.	
		Remediate 100% of ESAAMLG Mutual Evaluation exceptions by January 2025.	40%	The Bank initially had 33 issues ("exceptions") identified in the ESAAMLG Mutual Evaluation Report that needed addressing. They've successfully implemented 28 of these, leaving 5 unresolved. Of these 5, 2 related to inspection improvements have since been completed. The remaining 3 exceptions are related to Authorised Dealers with Limited Authority Guidelines, and work is underway to implement them, with guidelines developed and currently undergoing quality assurance.	
	Economic Development	Facilitate creation of lending capacity of at least E600 million for exports oriented indigenous SMEs by 31 March 2025.	25%	A concept paper that outlines the measure has been developed. In addition, the Bank has commenced engagements with relevant stakeholders to facilitate effective collaboration on this initiative.	
		Achieve at least 90% level of financial inclusion of adult population of the country by 31 March 2025.	87%	The current financial inclusion data is based on the 2018 National Financial Inclusion Survey. As this measure is driven at the national level, the Bank, in collaboration with key stakeholders, has initiated discussions to facilitate the implementation of the next National Financial Inclusion Survey.	
		Issue an additional of at least 1 new bank license by 31 March 2025 whilst implementing actions to ensure safety and soundness of the financial system.	90%	<ul style="list-style-type: none"> During 2024/25, the Bank received three (3) banking license applications on the various types of licenses available, including one (1) digital bank, one (1) development bank and one (1) investment bank. The application process is on track, with the Bank anticipating its conclusion in the first quarter of the 2025/26 financial year. There is also an anticipated license application from Swaziland Building Society that will be preceded by finalisation of the conversion process led by the Tripartite comprising of the Ministry of Finance, FSRA and CBE. 	

Overall Performance

During the 2024/25 financial year, the Bank upheld its mandate to support socio-economic development through robust monetary and financial sector oversight. In this focus area, the Bank attained a 'Mid-good' performance rating. Notable progress was made in areas of price and financial stability, indicating effective policy implementation and system resilience. The Bank further noted that greater focus is required to accelerate progress on economic development indicators, particularly those requiring structural or strategic partnerships/collaboration interventions.

Focus Area – Client and Stakeholder Perception

Focus area	Weight	Output	KPI	2024/25 Actual	Comments
Clients and Stakeholder perception	50	Customer centricity	Achieve at least 74% stakeholder perception index by 31 March 2025.	57.02%	The Bank recorded a 57.02% score. This was due to the introduction of a new stakeholder perception survey methodology. The model enabled broader engagement across all four regions of the Kingdom and extended to external CBE stakeholders. Because of methodology change, the new score of 57.02% will serve as a baseline for the next survey.
			Attain at least 78% average in the Pulse survey outcomes by 31 March 2025.	77.40%	<ul style="list-style-type: none"> The overall score of 77.4% constitutes the following averages: Culture - 73%, Employee Engagement - 95%, Change Readiness - 72%, Strategy - 80%, and Performance Management - 67%. The 1.15% decline from the previous year's score of 78.55% is primarily attributed to changes in the survey methodology. Notably, a new indicator, the Performance Management Index was introduced, bringing the total number of indicators to five, from the previous four. This addition has contributed to a reduction in the overall average score.
			Achieve at least 95% uptime in all critical Bank systems whilst realising nil incidence of cybersecurity for year ending March 2025..	99.98%	Critical systems experienced no major downtime incidents during the reporting period. The minimal 0.02% downtime recorded was attributed solely to scheduled maintenance. Additionally, no cybersecurity incidents were reported, reflecting strong system resilience and effective risk management protocols.
	Independent, reliable, trusted, reputable and credible institution		Ensure at least 95% of all audit findings pass issues assurance for the year ending March 2025.	91%	A total of 23 internal audit findings were marked as implemented and validated by our Internal Audit. Of these, 21(91%) findings passed validation and were closed, while 2 (9%) findings failed.
			Ensure 100% compliance to regulations, policies, and standards by 31 March 2025.	100%	No breach on laws and regulations reported.
			Achieve mid - 4 maturity level for our Risk & Business Continuity Management processes by 31 March 2025.	4.0	Achieved Level 4 maturity based on risk maturity assessment results of June 2024.
	Centre of Excellence - Central Bank of Reference		Ensure implementation of at least 80% of prioritised strategy initiatives by 31 March 2025.	83%	Strategic initiatives reached an 83% implementation rate, reflecting a 6% improvement from the previous year's score of 77%. Initiatives impacted by external dependencies were excluded from the measurement.
			Ensure 100% implementation and stabilisation of fast payment module with at least 6 participants enrolled by 31 March 2025.	80%	5 Participants live with customers by this date.
			Ensure that at least 80% of Phase 1 CBE HQ project activities are delivered in line with signed off programme for the year ending March 2025.	88%	Initiative on course.
			Ensure that Phase 1 CBE HQ project budget is signed off by the Board by 31 March 2025.	100%	Budget estimates have been approved by the Board.
			Ensure that a contract is signed with the EPC contractor for the Phase 1 CBE HQ project by 31 January 2025.	90%	The contract was drafted and issued to vendors alongside the RFP. However, the Bank intentionally deferred contract signing to prioritise thorough preparatory work before entering into a formal agreement.

Overall Performance analysis

During the 2024/25 financial year, the Bank made meaningful progress in fostering stakeholder engagements and building institutional credibility through targeted initiatives under the Clients and Stakeholder Perception focus area. This focus area reflects the Bank's commitment to enhancing its institutional credibility, operational excellence, and public trust, as well as strengthening internal stakeholder engagement and positioning itself as a Centre of Excellence and central bank of reference. Performance in this area was rated at mid-good. While the Bank sustained exceptional system uptime and demonstrated strong cybersecurity resilience, stakeholder perception and pulse survey scores experienced a decline, with the contributing factors well-substantiated. The Bank, however, acknowledges the perception survey results as a valuable opportunity for reflection, learning, and targeted improvement in stakeholder engagement and service delivery. By adopting a more inclusive and research-driven approach, we now have a clearer picture of where we stand in the eyes of our stakeholders. Internally, engagement levels, reflected in high employee engagement and strategic alignment scores remained robust.

Strategic Insight and Outlook

While the Bank demonstrated resilience in maintaining price stability and institutional credibility, significant challenges remain in improving income generation and stimulating broader economic development. These areas will be prioritised in the upcoming year through targeted strategic initiatives and enhanced operational alignment.

Looking ahead, the Bank seeks to:

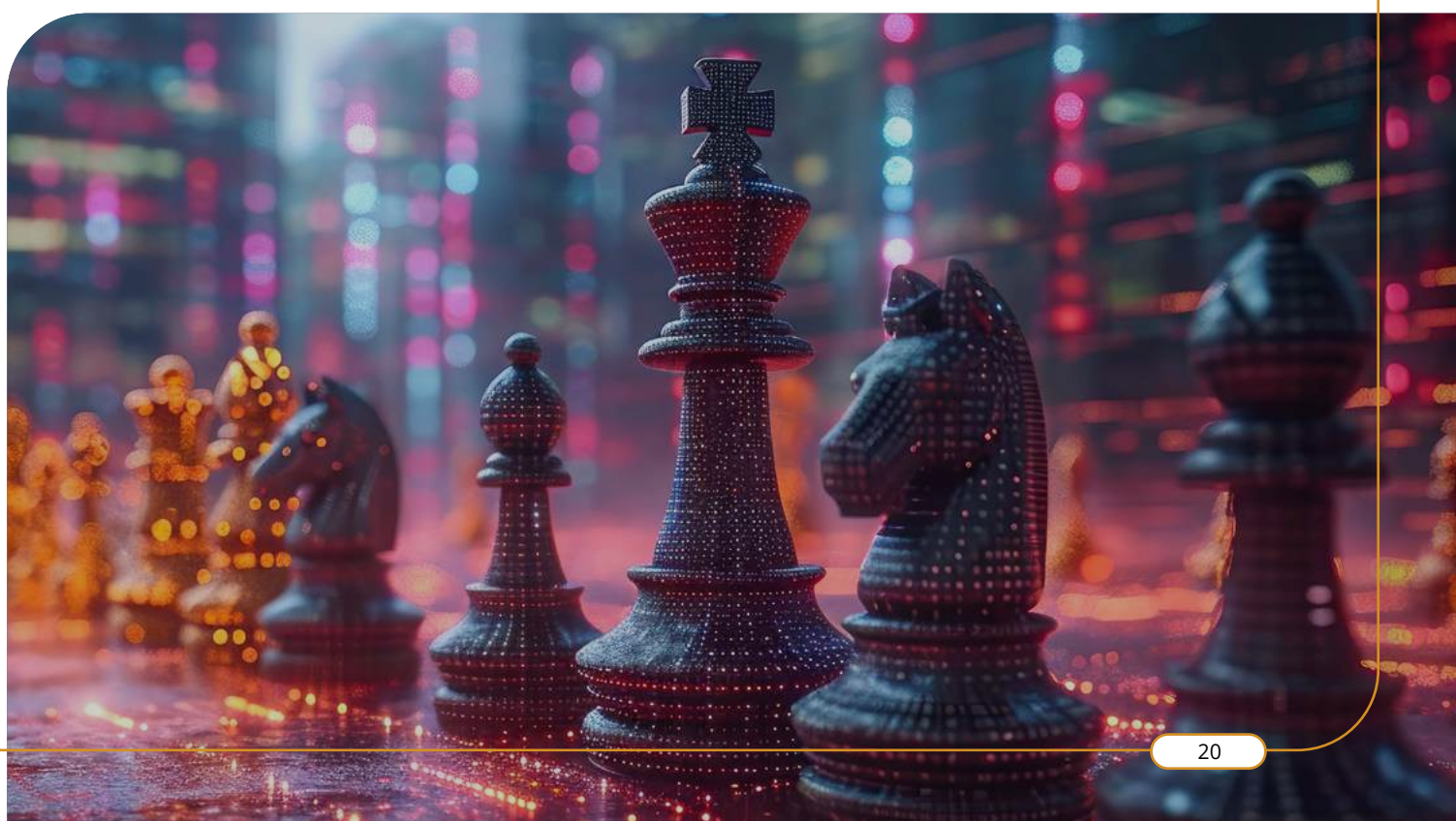
- Intensify efforts to diversify and grow revenue streams.
- Strengthen external reserve buffers.
- Enhance stakeholder engagement through improved communication, service delivery, and visibility.
- Deepen integration between operational initiatives and developmental impact.

Strategic Initiatives

The Bank undertook a comprehensive review of its strategic initiatives identified at the beginning of the strategy cycle in 2023. Initially, the Bank identified 34 strategic initiatives to support the Bank's 2023-2028 strategy. However, following the re-prioritisation exercise, only 16 were classified as strategically significant. The classification was informed by the completion of some initiatives, evolving operational realities, and the need to focus resources on initiatives with the greatest potential impact. These 16 initiatives have been grouped by priority level: super, secondary, and low; based on their strategic importance, urgency, and anticipated impact on value creation. The table below presents the outcomes of the strategic initiative re-prioritisation exercise.

Overview of Strategic Initiatives by Priority Level

Priority Level	Description	Number of Initiatives	Initiatives
Super Priority Initiatives	Critical for immediate implementation due to their high impact and strong alignment with the Bank's strategic objectives. Critical for immediate implementation due to their high impact and strong alignment with the Bank's strategic objectives.	10	<ol style="list-style-type: none"> 1. National Payment Switch 2. Bolstering FX reserves 3. Process re-engineering – BPM Programme 4. Developing and Implementing a Business Intelligence (BI) Framework 5. Legislative reform 6. Government Retail Bond 7. Matsapha Cash Centre Improvements 8. FSRA and CFI harmonisation / integration 9. Ezulwini CBE Complex 10. Establish a Bureau of Economic Research and Centre of Excellence (BERCE) -including partnerships.
Secondary Priority Initiatives	Important initiatives to be pursued as necessary resources become available.	5	<ol style="list-style-type: none"> 1. Digital Transformation 2. Influence the National Digital Ecosystem 3. CBE greening and capacity building on climate change 4. Ensure diversification on banking services 5. Culture Transformation.
Low Priority Initiatives	Of lower strategic urgency or impact within the current strategic cycle.	1	<ol style="list-style-type: none"> 1. Develop risk instruments to support effective lending to specific key sectors.



Despite these constraints, the overall performance reflects strong operational delivery on initiatives within the Bank's control and highlights opportunities to enhanced collaboration and better management of initiative dependencies in the coming year.

Prioritised Strategic Initiatives

The performance of the Bank's strategic initiatives is assessed using the project management triple constraint framework, which evaluates delivery across time, cost, and scope parameters. The table below presents a summary of the initiatives targets for 2024/25, the actual achievements and the overall health status of each initiative, providing insight into the Bank's progress in executing its strategic initiatives in the period under review.

In overall, the Bank marginally exceeded expectations by attaining an actual average performance of 83% against the set target of 80%. This reflects steady progress and resilience despite the complexities associated with some initiatives.

Five of the Bank's priority initiatives successfully met their targets. These include the Bolstering of Foreign Exchange Reserves, which was marked by the successful conclusion of a E1 billion asset swap agreement with a local counterpart; the Process Re-engineering Programme, which saw the complete mapping and definition of institutional processes; the CBE Ezulwini Complex initiative, which advanced through key preparatory milestones for implementation of phase 1; the Greening and Capacity Building on Climate Change, where a national green finance taxonomy was developed and stakeholder training completed; and the culture transformation where a culture diagnosis was conducted, followed by the formulation of a transformation programme and a detailed implementation plan.

Several other initiatives, while not meeting their set targets for the year, recorded substantial progress. The Business Intelligence Framework, for example, reached 90% completion despite challenges related to data quality and reporting complexities. Similarly, the Legislative Reforms initiative advanced with Bills to the Attorney General's Office for parliamentary submission, albeit delays during the Bills review process. The Government Retail Bond initiative completed the first phase of implementation, paving the way for digital issuance through mobile platforms.

The National Payment Switch, though significantly advanced through a soft launch and enrolment of initial participants, achieved 56% implementation due to onboarding setbacks. Only three initiatives—FSRA and CFI Harmonisation, Influence National Ecosystem, and Digital Transformation—recorded no activities during the year. Their lack of progress was primarily due to external dependencies.



Detailed performance

We monitor the execution of our strategic initiatives in terms of budget, time and task completion. The focus for the period is the implementation of our Super priority initiatives. A summary report is presented below.

	Strategic Initiatives	2024/25 Target	2024/25 Actual	Comments
1	National Payment Switch	Achieve at least 80% implementation of the National Domestic Switch initiative by 31 March 2025 (based on actual and not fast tracking).	56%	<ul style="list-style-type: none"> The initiative features fast payments, open banking, card-based point of sale, and card-based ATM modules. 5 participants enrolled between December 2024 and March 2025, are already offering the fast payment solution to the public.
2	Bolstering FX Reserves	100% implementation of initiative by March 2025.	100%	The tasks set for 2024/25, aimed at exploring mechanisms to strengthen and cushion the Bank's FX reserves position, were successfully concluded and marked by a notable milestone of a E1 billion asset swap. As the Bank continues to explore avenues to strengthen its reserves, new measures will be identified and implemented in the 2025/26 financial year.
3	Process re-engineering-BPM Programme	Achieve 100% completion of initiative by June 2024.	100%	All initiative tasks were successfully completed, achieving 100% in the mapping and definition of the Bank's processes. In addition, the initiative team developed a comprehensive process management framework to support ongoing process governance and optimisation efforts.
4	Develop and Implement BI framework	100% implementation of BI initiative by 31 March 2025.	90%	Although this initiative missed its deadline, it is now nearing completion. All initiative tasks have been completed, with only the final deployment process remaining. The solution is currently 90% deployed in the production environment, indicating it is nearly ready to deliver tangible business value.
5	Legislative Reforms	Achieve 100% implementation of initiative by March 2025.	88%	<ul style="list-style-type: none"> The Bank submitted draft Bills to the Ministry of Finance for review and subsequent referral to the Attorney General's Office. However, the review process took longer than expected, resulting in a missed deadline. The Bills have since been forwarded to the Attorney General for subsequent presentation to Parliament. Also, the Bank has commenced a stakeholder engagement process, which includes benchmarking of the relevant legislations, and this is done in close collaboration with Parliament.
6	Government Retail Bond	100% Implementation of initiative by 31 March 2025.	65%	A gradual 2-step approach was taken in implementing this initiative; Stage 1 was to develop a mechanism to settle retail T-Bills under the current issuance programme via MOMO. This stage has been successfully completed after collaboration with MTN and the Bank's IT department. Migration of all Retail Issuances to MOMO settlement will pave the way for Stage 2, which is issuance of retail government securities on Mobile Platforms.
7	Matsapha Cash Centre Improvements	Achieve 75% implementation of initiative by 31 March 2025.	75%	The initiative is progressing well - Part 1 Building Alterations – i.e., turning space for trucks, loading bay, relocation of fuel intake point, permanent seal of existing manhole, upgrading of electrical system, design of roof covering has been concluded.
8	FSRA & CFI harmonisation/ integration	Achieve at least 60% implementation of initiative by June 2024.	N/A	All internal tasks including the establishment of a working group, drafting of terms of reference were concluded.

	Strategic Initiatives	2024/25 Target	2024/25 Actual	Comments
9	Ezulwini Complex	Achieve at least 100% preparations for implementation of phase 1 of new site by June 2025.	88%	The initiative realised its target for the year. Preliminary design, Geotechnical assessment, Traffic study, Expression of interest (EOI), request for proposal (RFP) issuance and budget estimates completed. Environmental approval stands at 80% and EPC procurement is at 30% completion. Site handover is expected to take place by September 2025.
10	Establish Bureau of economic research and Centre of excellence (including partnerships)	Achieve 100% implementation of initiative by March 2025	60%	Despite falling short of the set target, the initiative made meaningful strides, with several Leadership, Banking, and Central Banking interventions successfully delivered. Partnership agreements in place with Taiwan Academy of Banking & Finance, Kenya School of Monetary Studies, Deutsche Bundesbank and Bank of Mauritius.
11	Digital Transformation	Achieve 50% implementation of initiative	N/A	The implementation of this initiative was dependent on the successful completion of the BPM strategic initiative, originally slated for June 2024. However, with the BPM timeline revised to March 2025, the Digital Transformation initiative could not commence within the reporting period.
12	Influence National ecosystem	Achieve 60% implementation of initiative.	N/A	The Bank's attempt to facilitate strategic alignment with the Ministry of ICT and RSTP by identifying CBE's potential role in the broader national digital economy strategy, particularly within the digital payments space, faced constraints. As a result, progress was limited, and the initiative remained at a standstill during the reporting period.
13	CBE Greening and Capacity Building on climate change	Achieve 80% initiative implementation by 31March 2025.	90%	Diagnostic study done and Eswatini Green Finance Taxonomy (EGFT) successfully developed. The CBE team and stakeholders have been capacitated on Greening, and phase 1 of the initiative has been concluded - The proposal is that CBE will take EGFT for peer review with AFI network.
14	Ensure diversification of Banking Services	Achieve 100% implementation of initiative.	42%	Although initiative is behind schedule, the implementation of the marketing communication plan (for guiding campaigns) continued. Face to face presentations at identified forums were done. The team continues to hold periodic Pre-filing meetings with interested license applicants.
15	Culture Transformation	At least 60% Implementation of initiative by 31March 2025.	33%	The Culture Transformation initiative was launched in February 2025, and thereafter, a three-year implementation plan was developed. During the 2024/25 reporting period, key milestones including a forward-looking culture diagnostic and definition of the Bank's desired culture were achieved. The next phase will focus on identification of CBE influencers and use them to embed the desired cultural behaviours.
16	Develop risk instruments to support effective lending to specific key sectors	Achieve 60% implementation of initiative by 31March 2025.	16%	Rescoped initiative and Redefined stakeholders done. Throughout the period, only minimal progress has been made by the initiative.



Our Business Model

The Central Bank of Eswatini operates with a central purpose: to safeguard both price stability and financial stability; recognising these as essential pillars for the nation's economic prosperity. This core objective underpins all the Bank's decisions and activities.

From Vision to Tangible Outcomes

The Bank transforms its overarching vision into a concrete mission statement that clearly defines its key deliverables. Moreover, this vision serves as a continuous source of inspiration, driving the Bank to formulate and execute long-term strategies aimed at fostering sustainable economic growth for Eswatini.

Harmonising Operational Efficiency with Strategic Impact

The CBE's operational framework is built upon a crucial equilibrium: ensuring efficiency in its day-to-day functions while maintaining effectiveness in the pursuit of its long-term strategic goals. This balance is evident in the following key areas:

- **Operations:** Well-established processes and robust systems are the bedrock of the CBE's daily activities, ensuring smooth and efficient operation.
- **Strategy:** Through carefully designed programmes, the CBE strategically charts its course to realise its objectives and drive meaningful change.
- **Business Departments:** The Bank's various departments actively implement the established operational processes, channelling their efforts towards the successful execution of the defined strategy.

In essence, the CBE's organisational structure illustrates how it strategically deploys its financial resources, leverages the expertise of its departments, and conducts its diverse activities to effectively fulfil its core mandate.

The Bank strategically utilises a combination of **financial resources** (managing both expenditure and revenue), **capital resources** (maintaining healthy asset and liquidity ratios), and **social resources** (cultivating a strong reputation and nurturing positive relationships with stakeholders) as key inputs that power its business model and enable it to achieve its objectives.

Process Reporting

Critical Factors, Key Performance Targets and Indicators

The critical factors influencing the Bank's success, along with their associated KPIs, are summarised below. These strategic priorities are actively pursued across all relevant departments within CBE.

Critical Factors	Key Performance Targets and Indicators	
	2024/25 Target	2024/25 Actual
Produce research papers and compile the research bulletin.	To produce five research papers.	Six papers were produced and published in the research bulletin, including policy brief.
Compile and produce the Governor's Annual Monetary Policy Statement (GAMPS).	To produce GAMPS document and host the GAMPS address.	GAMPS document produced and hosted.
Compile and produce the economic review and inflation report, and the MPCC press statement.	Compile and produce the Economic and Inflation Report, and the MPCC press statement for all meetings.	Economic Review and Inflation Report, and the MPCC press statement produced for all meetings.
Maintaining Banking Sector Adequate Liquidity Ratios.	Achieve 100% compliance with minimum liquidity ratio set by all licensed institution by 31 March 2025.	All licensed institution achieved 100% compliance with the minimum liquidity ratio by 31 March 2025. Notably, the banking industry's liquidity ratio stood at 32.9%, aligning with the minimum statutory liquidity ratios set at 22.0%.
Keep Low Levels of Banking Sector Non-Performing Loans (NPLs).	Attain an aggregate non-performing loans ratio of not more than 5% by 31 March 2025.	As of March 2025, the NPLs ratio slightly increased to 7.2% compared to 7.1% in 2024, indicating ongoing credit risk challenges. Despite this minor rise, assets quality remains relatively stable and within historical norms.
Maintaining Adequate Banking Sector Capital Adequacy Ratio for the Financial Sector.	Achieve an aggregate capital adequacy ratio of at least 8% for financial sector by 31 March 2025.	The sector maintained strong capitalisation, with a Capital Adequacy Ratio (CAR) of 17.41% as at March 2025 which is 9.41% points above the regulatory minimum. The Common Equity Tier 1 (CET1) ratio also stood at 15.44%, reflecting a solid capital buffer and resilience against potential shocks.
Maintain adequate foreign reserves.	Achieve import cover of 3.0 months by financial year-end.	As at 31 March 2025, import cover marginally declined to 2.1 months from 2.2 months the previous year, on account of high import levels.
Build foreign reserves.	Average monthly accumulation of an equivalence of USD25 million.	Achieved monthly average of an equivalence USD 30.084 million foreign exchange purchases for the financial year.
Monetary Policy Implementation.	Implement monetary policy to meet policy objectives and to prevent outflows of Rands.	Monetary policy implementation tools were utilised at a reasonable cost and excessive Rand outflows were prevented.
Treasury Bonds Issuance.	Target to raise E1.200 billion.	E3.763 billion was raised exceeding target by 214%. Maturities amounted to E2.930 billion indicating a positive net financing of E833 million.
Availability of quality currency in circulation.	To achieve at least 99.5% of currency orders.	100% currency orders met.
Issuance and redemption of currency.	To issue commemorative currency in celebration of the bank's 50th Anniversary.	The bank issued an E50 circulating commemorative banknote and an E50 non-circulating commemorative coin this financial year, in commemoration of its 50th Anniversary.
Increase uptake on SSELGS performance and utilisation of ECGS.	Target Leverage Ratio was 3.5 times the Fund balance.	The Leverage Ratio continued to rise and exceeded the target to reach 4.66 times the Fund balance at the end of March 2025. The number of loans increased by 15.9% from 126 in March 2024 to 146 in March 2025 whilst the value increased by 24.5% from E32.3 million in March 2024 to E40.2 million in March 2025 during the year. ECGS remained unutilised during the year.

Future focus area and outlook

- To continue producing research papers for contribution to the Research Bulletin.
- To continue producing inflation forecasts to inform monetary policy decisions.
- To host two seminars where research papers will be presented.
- Supporting the completion and implementation of the National Fintech Strategy to create an enabling environment for fintech innovation.
- Continuing research on cross-border CBDC applications through regional collaboration within the CMA.
- Supporting implementation of the Eswatini Payment Switch to ensure readiness for integration with future fintech innovations.
- Assigning and embedding Combined Assurance Oversight Committee responsibilities and actions.
- Continue to explore opportunities to build reserves.
- Discussions to get an additional E1 billion asset swap from local market when market conditions improve.
- Exploring on the feasibility of Sovereign Wealth Fund for Eswatini ongoing
- Enhanced oversight of commercial banks on the quality of currency circulated (i.e. ensuring currency integrity and compliance).
- Ensure data driven insights from the Business Intelligence (BI) project.
- Improve SSELGS performance from current Leverage Ratio of 4.66 times the fund balance to at least 4.8 times.
- Promotion and awareness of ECGS and SSELGS in various fora like use of social media, radio and trade fair to increase visibility and improve performance of the schemes.
- Pursue CBE Financial Inclusion strategic objectives as per the CBE Financial Inclusion Framework.
- Implementation of the open-banking and local card switching phases of the national domestic payment switch.
- Implementation of the digital transformation strategy and initiatives that seek to automate and enhance efficiencies in various operations in the Bank's value chain
- Implementing the ISO 2022 Migration Project.
- Integration of the Bank's systems with the Ministry of Finance's Umsebe Integrated Financial Management Information System.
- Hardening the Bank's cyber security resilience posture.



Monetary Policy

Objective

The Bank's primary objective is to maintain price stability as well as a stable and sound financial system that will ensure sustainable economic growth. Eswatini's monetary policy objective, as stated in Section 4 (a) of the CBE Order, 1974 is to ensure price and financial stability that is conducive to economic growth and development. Monetary policy formulation is largely influenced by the country's membership in the CMA. To influence monetary conditions in the country and achieve its mandate, the Bank uses the following tools: discount rate (which is the main tool), reserve requirement, liquidity requirement, call rate, and open market operations.

Goal

Given the CMA Agreement, the intermediate goal of monetary policy in Eswatini is to maintain the parity peg between the Lilangeni and the South African Rand. This requires that the country's currency in circulation be backed by the South African Rand, as well as keeping an adequate level of reserves to sustain the peg.

Conduct

Under the CMA framework, Eswatini has little scope to undertake discretionary monetary policy in response to domestic developments and other prudential measures. With that level of monetary policy discretion, the Bank has the liberty to use the discount rate as a major policy instrument to fight domestic

inflationary pressures and to influence financial intermediation and uses the call rate to curb capital flight. The call rate is the rate at which commercial banks are remunerated for keeping their excess liquidity in a call account at the Central Bank to curtail capital flight. The discount rate can either be fixed at par or at different levels with the SA repo rate, depending on the prevailing domestic macroeconomic fundamentals.

In the event a negative differential between the discount rate and the South African repo rate is maintained to promote credit extension for economic growth, the Bank uses the call rate to prevent capital outflows particularly to the South African markets. Despite the reduced scope to independently conduct its monetary policy, Eswatini's membership in the CMA has benefited the country in supporting macroeconomic stability as well as dampening the effects of external shocks to the domestic economy.

Monetary Policy Decisions

The Governor makes monetary policy decisions in consultation with the Monetary Policy Consultative Committee (MPCC) in meetings held bi-monthly. In 2024/25, the MPCC held 6 ordinary meetings as per schedule. In these meetings, the MPCC reviews developments on inflation (including inflation forecasts) as well as other macroeconomic indicators on the domestic, regional and international economies.

The Bank pursued an accommodative monetary policy stance over the

financial year 2024/25, reducing the discount rate by a cumulative 50 basis points. The Bank reduced the discount rate by 25 basis points to 7.25% in September 2024 and another 25 basis points to 7.0% in November 2024. This stance was broadly in line with the easing of global and regional monetary policy conditions, the lower domestic inflation outcomes and the improved inflation outlook for the domestic economy.

The Bank maintained the discount rate at 7.0% in its January and March 2025 meetings, in line with prevailing domestic macroeconomic conditions and the increased economic policy uncertainty at a global level. The short to medium term monetary policy outlook remains highly uncertain with a downward bias. The global environment remains highly fluid with elevated geopolitical tensions and heightened trade policy uncertainty, both of which have the potential to cause supply chain disruptions and reversals to the disinflation path. In executing its mandate, the Bank remains cognisant of the need to strike a balance between anchoring inflation, curbing capital flight, and supporting the domestic economic growth. Over the reporting period, the Bank kept a negative differential against the South African repo rate as it tried to support domestic economic growth. The Bank first kept a negative 75 basis points differential from April to December 2024, after which it reduced the differential to negative 50 basis points from January 2025 to March 2025.

Frequency and attendance of MPCC meetings in 2024/25

MPCC Member	30 May 2024	19 Jul 2024	20 Sept 2024	22 Nov 2024	31 Jan 2025	21 Mar 2025
Dr. Phil Mnisi (Governor and Chairperson)	+	+	+	+	+	+
Ms. Felicia Dlamini (Deputy Governor)	+	+	+	+	+	+
Mr. Mfanfikile Dlamini (Chief Operations Officer)	+	-	+	+	+	+
Mr. Masotja Vilakati	+	+	+	+	+	+
Dr. Dumsile Dlamini	+	+	+	+	+	+
Ms. Busi Dlamini	+	+	+	+	+	-
Ms. Khetsiwe Dlamini	+	+	+	+	+	+
Mr. Nathi E. Dlamini	+	+	+	+	+	+

Note: (+): Present; (-): Apologies.

MPCC Terms of Reference

The MPCC was established under Section 43 of the CBE Order. During the year under review, the MPCC comprised the Governor (Chairman), Deputy Governor, Chief Operations Officer, and five additional members (appointed by the Minister of Finance) with recognised experience in monetary and financial matters. Bound by the Code of Conduct, the MPCC acts as an advisory body to the Governor on the appropriate monetary policy stance. Taking the final monetary policy decision remains the prerogative of the Governor. Effectively, the Governor is the sole legal determiner and public announcer of interest rates. The Governor announces the MPCC decisions on the monetary policy stance through a media statement released a day after the MPCC meeting. The statement states the considerations that led to the decision on the discount rate. The statement is released in local media and in the Bank's website.

Inflation Outlook

The Bank's forecasts for the short-term have been markedly revised downwards on account of sustained moderation in food, and housing and utilities components of the consumer basket, which account for a combined weight of 47.8%. As a result, the inflation

outturn for the month of April 2025 was recorded at 3.3%, significantly lower than the Bank's forecast. Externally, the slowdown in oil prices is expected to continue in the short-to-medium term mainly driven by an anticipated increase in supply and the negative impact of US tariffs on global growth, amid a muted demand outlook.

Although the factors supporting a moderation in headline inflation have been effective, inflationary pressures persist, primarily driven by a relatively weaker exchange rate. The Rand/Lilangeni exchange rate has been under stress mainly due to unfavourable policy developments in South Africa, and pressure coming from the 30% tariff on all South African exports to the US. Consequently, the Rand/Lilangeni fell to a low of E18.91 to the US Dollar in April 2025, much lower than the E18.50 recorded at the time of the previous meeting.

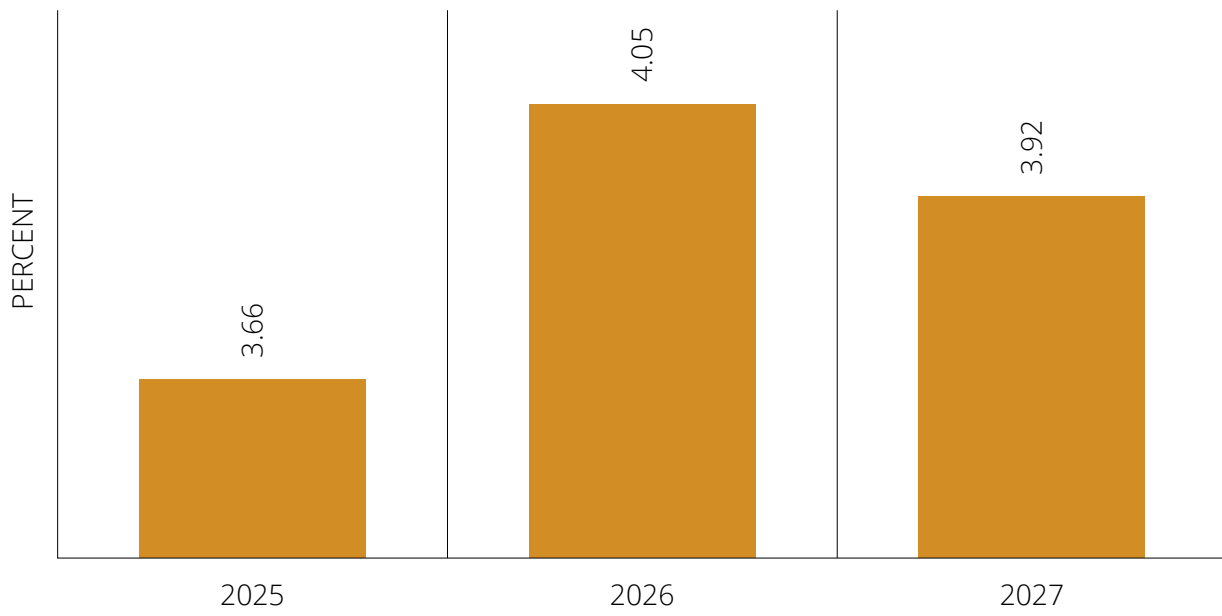
Developments in core inflation (CPI excluding volatile items such as food, auto-fuel, and energy) have seen it move in tandem with headline inflation, albeit at a lower rate. The outcome for month of April 2025 came out marginally lower (at 3.4%), than the Bank's forecast of 3.6%. Moderation in services and food inflation, key indicators of the movements in core

inflation, has situated the outlook towards the downside in the short-term.

The South African headline inflation is forecast to slowdown, mainly on account of expected lower core and food inflation in the near term. The lower inflation in South Africa, which mainly transmit via import of finished goods, is therefore expected to influence overall Eswatini's inflation to the downside. As a result, the second quarter of 2025 is revised down to 3.31% (from 5.26%). The third quarter is also revised down to 3.85% (from 5.15%). Consequently, the annual inflation forecast for 2025 is revised down to 3.66%, from 4.91% forecasted in March 2025.

In the medium term, the oil price assumption has been slightly revised downwards while the Rand exchange rate is expected to depreciate. From the Bank's assessment, the decrease in oil prices is expected to exert downward pressure on domestic headline inflation, particularly the transport and food component. Domestically, the lower than anticipated increase in the multi-year electricity tariffs also contribute to lower inflation forecast. As a result, the forecast for 2026 is revised down 4.05% (from 4.58%), while the forecast for 2027 is revised down to 3.92% (from 4.34%).

Annual Inflation Projections: 2025 - 2027



Source: Central Bank of Eswatini



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Economic Review





This section provides a brief overview of key trends in the domestic economy. For in-depth analysis, please refer to the 2024/25 Annual Economic Review Report on the Bank's website.

GDP Developments

Quarterly Developments

Economic activity for Eswatini slowed during the fourth quarter of 2024, with real gross domestic product (GDP) growing by 2.1% year-on-year on a seasonally adjusted basis. This represented a decline from 2.8% in the previous quarter. The slowdown was largely driven by poor performance in the tertiary sector. However, the primary sector registered a rebound, and the secondary sector continued to show strong growth in the last quarter of 2024.

Annual Developments

Preliminary estimates indicate that Eswatini's real GDP growth slowed to 2.6% in 2024, down from a revised provisional estimate of 3.4% in 2023. The deceleration was largely driven by a significant slowdown in the tertiary sector, which is estimated to have grown by only 1.2% in 2024, compared to 6.5% in the previous year. In contrast, the primary and secondary sectors demonstrated strong resilient growth, helping to partially offset the overall slowdown.

Projections

GDP is projected to average 5.4% in the medium term (i.e., 2025 – 2027), with a peak growth of 7.9% anticipated in 2025. This growth is expected to

slow to 5.0% in 2026 and further to 3.3% in 2027. The strong performance forecast for 2025 will be driven by the commencement and acceleration in the implementation of large-scale public and private sector projects, particularly in dam construction and major energy-related projects.

However, there are notable downside risks to the projected medium growth outlook. These include ongoing geopolitical tensions, trade disputes – primarily involving the US and its key trade partners – which could heighten uncertainty, disrupt global supply chains, and further strain already fragile trade relationships. Such developments may lead to increased production costs, reduced investor confidence, and delays in planned investments, all of which could dampen economic growth prospects.

Additionally, climate-induced erratic weather patterns pose significant risks to agricultural output, agro-processing, and hydro-power generation. The potential for fiscal tightening – particularly due to the decline in SACU receipts – could constrain the pace of implementation of publicly funded projects, especially in the 2025/26 fiscal year. Moreover, unforeseen delays in the execution of private sector-led initiatives, particularly energy projects by independent power producers (IPPs), could further undermine growth momentum.



 Manzini Interchange Road Network

The surplus in the account was attributable to a positive trade balance that more than doubled from the previous year as the country's merchandise exports grew faster than imports.

Price Developments

Consumer price inflation (CPI) moderated significantly from an average of 4.7% in the financial year ended March 2024 to average 3.9% in the financial year ended March 2025. Inflationary pressures were broadly subdued during the 2024/25 financial year, driven by a softening of supply-side inflation, particularly due to stable food and fuel prices globally and regionally, which led to lower imported inflation. Exchange rate movements were also generally favourable during the period under review.

Core inflation, which is CPI excluding food & non-alcoholic beverages, auto fuel and energy, averaged 3.8% in the financial year under review, up from 2.7% in the previous financial year. This increase reflected a rise in demand-side inflation, with both services and durable goods inflation trending upward during the financial year under review. Additionally, prices for administered prices were contained, averaging 2.9% in 2024/25 compared to 4.1% in the previous financial year.

External Sector Developments

Preliminary data shows that the current account, in 2024, posted a surplus amounting to E1.202 billion after a surplus of E1.849 billion in 2023. The surplus in the account was attributable to a positive trade balance that more than doubled from the previous year as the country's merchandise exports grew faster than imports. Additionally, the current account surplus was buoyed by an improved positive secondary income account balance, which grew by 23.7% from the previous year, driven by an increase in the volume of SACU inflows. As a share of GDP, the surplus was equivalent to 1.4% following a surplus equivalent of 2.2% of GDP in 2023.

The financial account, on the other hand, posted a net outflow amounting to E1.151 billion in 2024, albeit lower compared to the E1.923 billion outflow in the previous year. The net outflow in the financial account was on account of net increases in assets held in portfolio and reserve assets accounts, whilst the direct investment and 'other investment' accounts posted net inflows.

Monetary Developments

The Central Bank pursued an accommodative monetary policy stance during the review period, supported by easing inflationary pressures and a benign inflation outlook. The policy (discount) rate was reduced by a cumulative 50 basis points, with a 25-basis point cut implemented in both September and November 2024, bringing the rate down to 7.0%. In response, commercial banks lowered the prime lending rate by a similar margin to 10.5% over the year.

The country's net foreign assets expanded significantly by 20.7%, rising from E6.1 billion in March 2024 to E7.4 billion in March 2025, a strong recovery from the 6.0% decline recorded in the previous year. This rebound was driven by higher SACU revenues in the



2024/2025 financial year compared to 2023/2024. Additionally, the Central Bank secured a R1.0 billion asset swap with one of the local pension funds to bolster reserves.

In line with the expansion in net foreign assets, the country's gross official reserves grew by 16.5% - from E7.8 billion in March 2024 to E9.1 billion in March 2025, marking a notable improvement over the 2.6% growth recorded the previous year. Despite this increase, the import cover declined slightly from 2.2 months in March 2024 to 2.1 months in March 2025 due to higher import levels during the year under review.

The accommodative monetary policy stance contributed to a broad-based reduction in market interest rates, which in turn supported an increase in private sector credit. Over the year ended March 2025, credit to the private sector increased by 10.8% year-on-year to E21.4 billion, compared to growth of 10.3% the previous year. A notable expansion in credit to key industries of the economy was observed in 2024/2025, signalling a rebound in economic activity and improved business confidence.

Credit to businesses recorded a robust growth of 18.3% year-on-year, up from 13.8% the previous year. Within this sector, double digit growth was recorded in credit to the following industries: manufacturing, distribution & tourism, agriculture & forestry, mining & quarrying, and community, social & personal services. Additional growth was also noted in the construction and transport & communications sectors.

Credit to the household sector also increased, signalling a modest recovery in consumer spending. Household credit recorded year-on-year growth of 3.8% in March 2025, although this was slower than the 5.7% rise recorded the previous year.

Reflecting the overall expansions in both net foreign assets and private sector credit, broad money supply (M2) recorded strong growth over the review period. M2 recorded a notable growth of 13.4% to E23.7 billion in March 2025, a notable increase compared to the 4.1% registered in March 2024. This growth was supported by increases in both narrow and quasi money.

Fiscal Review

The Minister of Finance tabled the 2025/26 Budget themed "Transformation for growth", having a widened deficit of E2.9 billion, equivalent to 3% of GDP, relative to the 2024/25 budget deficit of E1.8 billion. The widened deficit was on account of an expected decline in SACU receipts considering increasing expenditure pressures in attempts to grow the economy.

Government revenue and grants were budgeted at E29.7 billion in the financial year 2025/26, reflecting a growth of 7.6% from the previous budget of 27.6 billion in the financial year 2024/25. The improvement in revenue collections is anticipated to emanate from domestic revenue streams through improved efficiency measures coupled with increased economic activity. Domestic revenue collection is forecasted to amount E17.7 billion depicting a growth of 14.3% driven by all the major domestic revenue lines. On the contrary, SACU receipts are anticipated to decrease by 20.4% from the record E13.02 billion in 2024/25 necessitating withdrawal from the Revenue Stabilisation fund to cushion the gap.

Total expenditures were budgeted at E32.6 billion in financial year 2025/26 showing an increase of 10.9% from the previous budget of E29.4 billion in financial year 2024/25. The growth in expenditures was underpinned by a 14.4% increase in capital expenditures coupled with a 9.9% growth in recurrent expenditures.

Fiscal policy direction

The budget adopted an expansionary fiscal policy stance, presented as a "Pro-Growth National Budget" developed through an inclusive process with Emaswati across the country. Aligned with the "NKWE" declaration from the Sibaya People Parliament, it aims to grow the economy, create jobs, improve service delivery, and uplift Eswatini's people, focusing on fighting corruption and prioritising youth, the elderly, and the unemployed. Delivered during uncertain times, it faces challenges from U.S. trade tariffs and the potential withdrawal of donor assistance, threatening budget implementation.

Financing

In his 2025/26 budget speech, the Minister announced that the budget is fully financed through a combination of domestic and external sources, successfully covering the E2.9 billion deficit, equivalent to 3% of GDP. The government will issue domestic securities through the bond programme, including an infrastructure bond, and use external project loans. A Johannesburg Stock Exchange (JSE) bond will also help finance the budget gap.

Total Public Debt

As of March 2025, total public debt was E36.1 billion, or 37.8% of GDP, up by 5.1% from the previous year - due to 6.2% growth in domestic debt (from treasury bills, bond, and Central Bank advances) and 3.7% in external debt (from international loan disbursements for projects like Mkhondvo-Ngwavuma Water Augmentation Project Phase I, LUSIP II, Manzini water supply, and others). Despite nominal growth, the debt-to-GDP ratio moderated due to GDP improvements and rebasing, remaining below the 50% international threshold.

Banking Sector Supervision

The domestic banking sector continues to exhibit resilience and stability, underpinned by strong capital adequacy levels, a stable asset quality profile, and sustained growth in core balance sheet components.

The sector's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET 1) ratio both declined slightly in March 2025, continuing the marginal downward trend observed since 2022. CAR declined to 17.41%, down from 18.38% in March 2024 and 18.60% in 2023. Similarly, the CET 1 ratio decreased to 15.44%, from 16.25% the previous year. Despite these reductions, both ratios remain well above regulatory thresholds. The CAR exceeds the minimum requirement of 8% by 9.41 percentage points, while the CET 1 ratio stands 10.94 percentage points above the 4.5% benchmark. This continued surplus signals robust capital buffers, positioning the sector to absorb potential shocks and maintain financial system stability.

The Non-Performing Loans (NPL) ratio experienced a minor uptick, increasing to 7.2% in March 2025 from 7.1% in March 2024. While this represents a slight reversal of the previous improvement, the ratio remains below the 7.4% recorded in 2022, suggesting relative stability in asset quality. The consistent containment of NPL levels reflects prudent credit risk management across the industry, despite prevailing economic headwinds.

The banking sector's balance sheet posted strong expansion in the year to March 2025: Assets surged by 11.4% to E31.43 billion, Gross Loans climbed by 14.1% to E18.48 billion, reflecting recovering credit demand. Deposits rose by 12.9% to E21.89 billion, underpinning stable funding structures. Despite these positive trends, the loan-to-deposit ratio has reached 84.4%, up from 83.5% in 2024 and 78.7% in 2023. This marks a gradual tightening of liquidity cushions, as deposit growth struggles to keep pace with lending.

The banking sector saw a slight dip in after-tax profits, which declined to E142.5 million in March 2025 from E146.1 million the previous year, continuing the downward trend from the peak of E149.4 million in 2023. This 2.5% year-on-year decline could be attributed to narrowing interest margins or increased provisioning for credit risk in the industry.

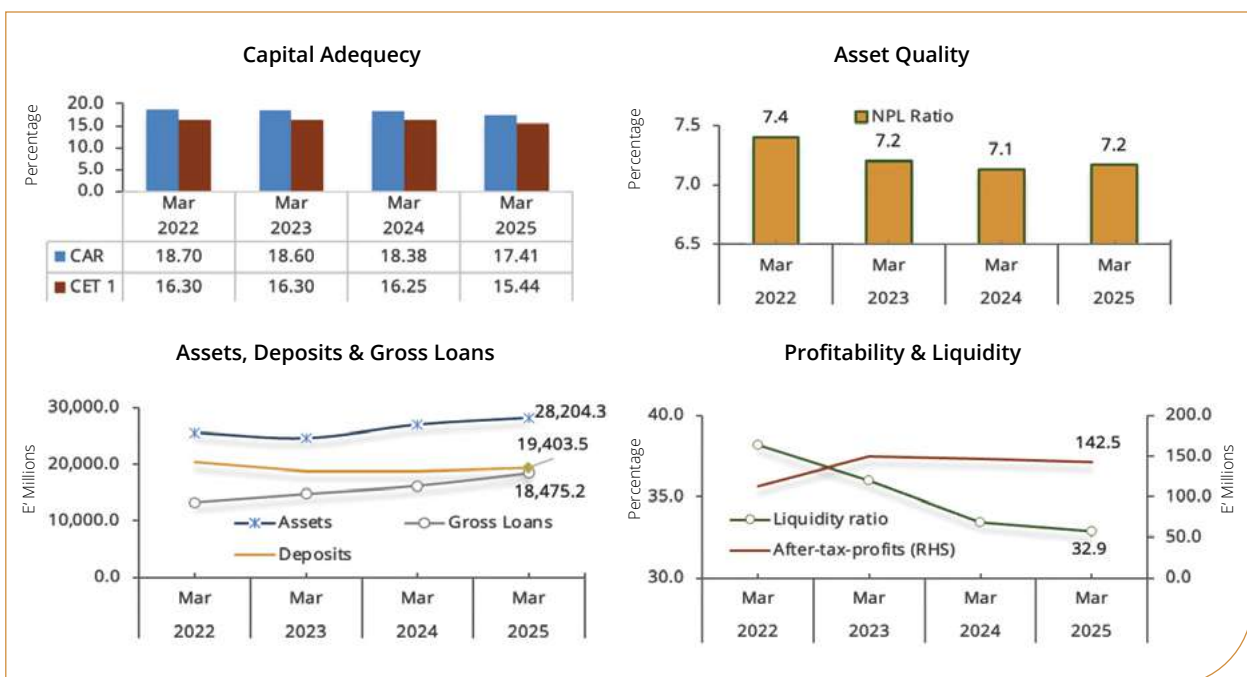
In terms of liquidity, the industry liquidity ratio declined further to 32.9%, down from 33.4% in 2024 and 36.0% in 2023. Despite the downward trend, the ratio remains well above the regulatory minimums of 22.0% for commercial banks and 20.5% for development and savings banks. This robust position ensures that banks maintain adequate short-term buffers to meet withdrawal demands and liquidity contingencies.

Basel II/III Implementation

The banking sector has made significant progress in implementing Basel II/III regulations, while also incorporating key components of Basel III, particularly in areas concerning risk transparency and regulatory compliance. The sector has demonstrated consistent commitment by submitting their Internal Capital Adequacy Assessment Process (ICAAP) reports and fulfilling Pillar III disclosure requirements. These actions underscore the sector's dedication to transparency, sound risk management, and enhanced market discipline.

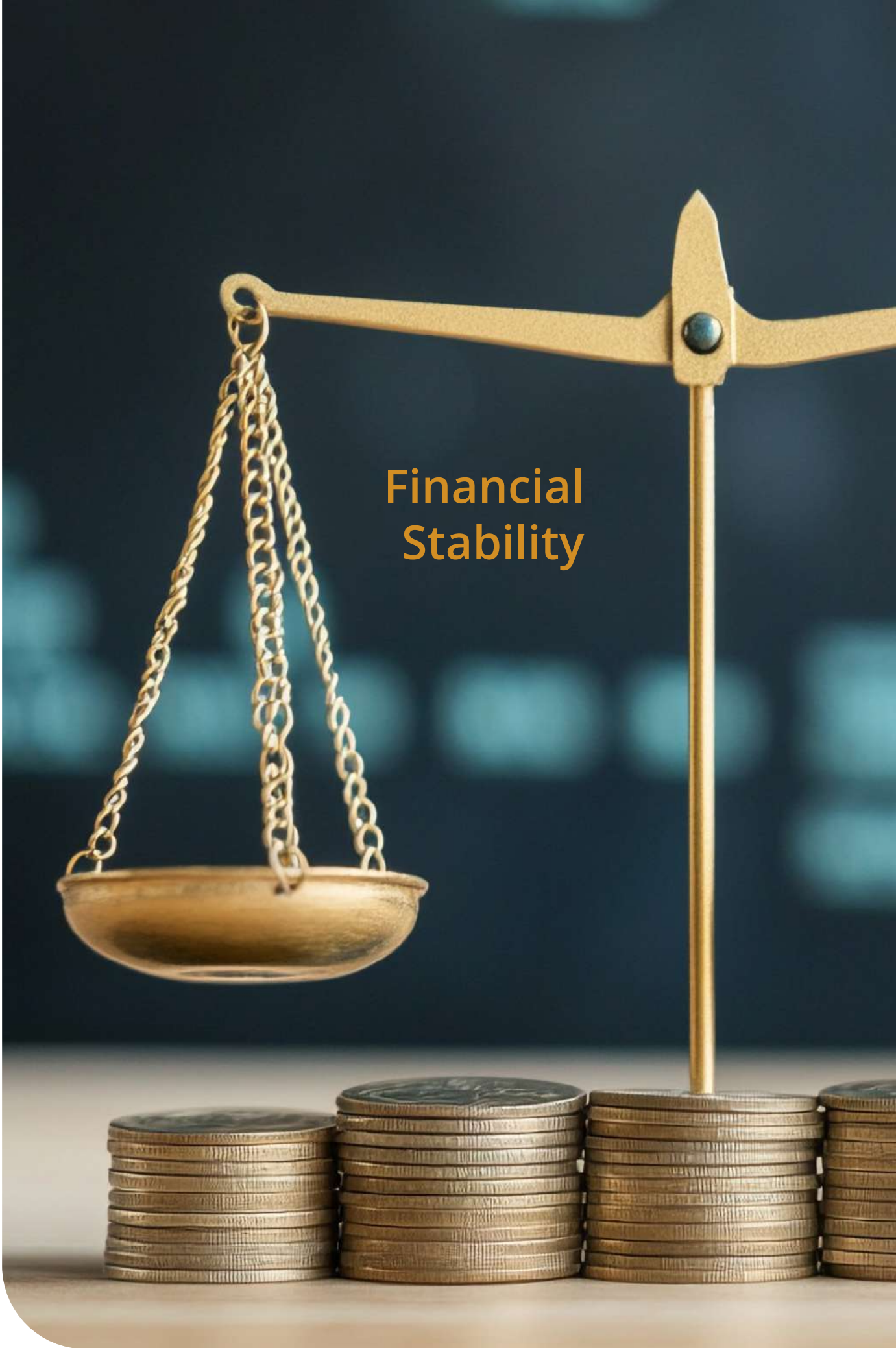
To uphold sector stability, the deployment of the Bank Supervision Application System Version 5 played a pivotal role. This system is enabling efficient monitoring and oversight, ensuring regulatory compliance and early detection of potential stress points.

Banking Sector Indicators




Source: Central Bank of Eswatini





Financial Stability



The Central Bank of Eswatini continues pursuing its financial stability mandate by fostering a robust, resilient, and inclusive financial system. A stable financial system forms the bedrock of sustainable economic growth and development in Eswatini.

Objective

The objective is to identify emerging risks and vulnerabilities within the financial system, monitor trends across financial institutions and economic agents, including banks, non-bank financial institutions (NBFIs), households, and corporates and, most importantly, reinforce stakeholder trust in our financial infrastructure. At its core, financial stability is defined as a condition wherein financial intermediaries, markets, and market infrastructures are resilient enough to withstand shocks while maintaining confidence among participants. This principle guides our commitment to fostering a financial system that is resilient, adaptive, and inclusive.

Key Highlights of the 2024 Financial Stability Assessment

Aggregate Financial Stability Index

The Aggregate Financial Stability Index, a composite indicator of financial sector stability, demonstrated a positive trajectory in June 2024, reaching 0.50 index points compared to 0.02 in June 2023. This increase was supported by improved bank asset quality, strong growth in private sector credit, and a rise in Gross Official Reserves. The capital adequacy ratio in the banking sector remains robust, despite profitability pressures.

In the household sector, financial stress indicators improved as indebtedness declined, and disposable incomes rose. These trends support financial stability by lowering default risks. However, challenges persist, particularly with the continued growth of unsecured lending. Within the corporate sector, heightened

leverage and declining profitability, especially among Small and Medium Enterprises (SMEs), pose material risks. NBFIs, including pensions and insurance entities, continue to play a stabilising role, though exposure to concentrated and foreign assets requires increased vigilance.

Global Developments

In 2024, a shift toward accommodative monetary policies among advanced economies helped ease global financial conditions. Declining inflation, with the UK and Euro Area signalled stabilising macroeconomic conditions.

Nonetheless, vulnerabilities remain. Global corporates are under strain due to persistent debt servicing challenges, especially in high-interest environments. Moreover, NBFIs worldwide are increasingly exposed to liquidity mismatches and leverage risks, underscoring the importance of macroprudential oversight. Improved credit spreads and liquidity support cautious optimism, though geopolitical tensions and elevated sovereign debt continue to pose risks.

Regional Developments

Within the CMA, financial conditions eased moderately in 2024. South Africa, Eswatini's largest trading partner, reduced its repo rate reflecting lower inflation. However, its debt-to-GDP ratio remains elevated at 73.7%, posing sustainability concerns. The formation of South Africa's Government of National Unity improved investor sentiment, strengthening the rand and boosting investments. Nevertheless, the country's continued greylisting by the Financial Action Task Force presents reputational risks with implications for Eswatini.

Domestic Financial Stability Developments

Macroeconomic and Fiscal Trends

Domestic financial indicators show encouraging trends. The credit-to-GDP gap narrowed from -16.03% in June 2023 to -11.04% in June 2024, indicating improving credit alignment with long-term economic trends. Inflation was on a downward trend, reflecting macroeconomic stability. Public debt improved modestly, though infrastructure spending remains a source of fiscal pressure.

Household Sector

The household sector showed signs of recovery, with household indebtedness falling to 74.3% from 79.1%, driven by improved disposable income. The debt-service ratio also declined slightly to 54.8%. However, the predominance of unsecured loans continues to pose risks, and although non-performing loans have improved marginally, the sector remains vulnerable to interest rates and income shocks.

Corporate Sector

The corporate sector, particularly SMEs, remains under strain. SMEs have experienced consistent losses and rising leverage, with deteriorating interest coverage ratios. Larger corporations are similarly affected, with a 74.1% decline in profitability due to rising operational costs and falling revenue. While debt-to-equity ratios decreased slightly, key profitability metrics like ROE and ROA weakened, reflecting ongoing financial stress.

Banking Sector

Eswatini's banking sector remains stable and adequately capitalised. Capital adequacy ratio remained above regulatory thresholds. However, profitability declined. Rising operational costs highlight areas for caution.

Non-Bank Financial Institutions

The NBFIs sector remains a vital pillar of financial stability. Pension assets grew by 11.6% to E50.1 billion. However, concentration risks and foreign exposure are increasing. While long-

term insurers remained resilient, the short-term insurance segment faces profitability challenges. Unsecured household debt continues to pose a risk to both banking and non-banking sectors, especially as NBFIs account for over half of household lending.

Financial Market Infrastructures

The country's financial market infrastructures, including the Swaziland Payment Settlement System (SWIPSS), performed well in 2024. SWIPSS processed over 55,000 transactions worth E320.1 billion, a growth of 11.1% in value. The transition to mobile and electronic payments continues, but this shift brings heightened cybersecurity concerns that necessitate continued investment in digital resilience.

Policy Initiatives and Institutional Developments

In response to identified risks and vulnerabilities, the Central Bank of Eswatini has introduced several policy measures:

- A Macroprudential Policy Framework will take effect in April 2025, aimed at managing systemic risks and strengthening overall financial system stability; Revised Memoranda of Understanding (MoUs) with the FSRA and SARB will enhance regulatory coordination.
- Legislative updates to the Central Bank Bill, Financial Stability Bill, and Financial Institutions Bill are underway to

align with global standards and extend oversight.

- A Deposit Protection Fund, to be implemented in 2025, will provide a safeguard for depositors; and
- Technical assistance from the IMF (2024–2026) will support the development of early warning systems, stress testing, and liquidity frameworks.

Summary of Key Financial Sector Risks

Despite recent improvements, several risks persist. The public debt trajectory may worsen due to infrastructure financing. The sovereign-bank nexus also poses concerns as rising government debt could strain banking sector resilience. Financial pressures are mounting in the household sector due to unsecured debt and mortgage defaults. Similarly, elevated debt and weakening profitability among corporates increase default risks.

The banking sector's profitability pressures remain a challenge, even as capital adequacy and asset growth continue. The rising volume of non-performing loans, though marginally improved, signals latent risks. In the pension sector, concentration risk and funding shortfalls may necessitate difficult adjustments. The insurance sector faces similar issues, alongside growing exposure to climate-related losses. Meanwhile, the increased use of digital financial services brings heightened risks of cyber-attacks and potential loss of public confidence if disruptions occur.





Payments Systems

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The CBE continued to monitor, coordinate, and participate in payment systems developments in the Eswatini payments ecosystem.

Legal Framework

The Bank in conjunction with the Ministry of Finance and the Eswatini payments industry has finalised regulations to operationalise this law, and industry contributions have also been considered. The draft regulation is now following normal promulgation procedures through the Ministry of Finance, to attain and serve as legitimate secondary legislation.

Payments Oversight/Supervision

Payment systems by their very nature and the central role they play in the economy also involve significant exposures and risks for participants and provide a channel for shocks to be transmitted across the financial system. To ensure safety and efficiency, the Bank continued to monitor payment operations in the Eswatini ecosystem and conducted inspections on designated payment systems and mobile money transfer services. Based on the regulatory framework, no material exceptions were observed, and the public objectives of supervision and oversight were met. Payment’s oversight and supervision is a transparent public policy activity focused on the efficiency and safety of

the whole national payments system as opposed to focusing on individual participants.

Eswatini Payments Switch

The CBE continued to implement the Eswatini Payments Switch featuring: Fast Payments, Open Banking, Card-based Point of Sale and Card-based Automated Teller Machine Modules. This Payments Switch will facilitate system interconnectedness and interoperability among and between banks and non-bank payment service providers; enhance customer experience through heightened digitalisation and extend financial inclusion to the under-served sectors. In the process, the switch will facilitate near real-time payments and provide for domestic switching of card-based transactions. This will allow an inclusive economy for payment service providers and users, including enabling interfacing with e-commerce gateways and related digital products.

The Fast Payments Module went live in December 2024, and 5 Participating institutions were live as of 31st March 2025, with 2 further Participants finalising Production pilot testing for Go live early in the following quarter. Public awareness roadshows were also conducted towards the end of the year to build the EPS brand and broaden Fast Payments knowledge with the public. Open Banking phase preparation commenced during the last quarter of the financial year under review, with work on finalising the Open Banking Framework, and Functional Specification being undertaken by the internal CBE team with the support of our Technical Assistance partners.

CMA Directive - Low-value Cross-border Electronic Funds Transfers

The CBE issued a directive to direct payment service providers routing low-value cross-border electronic funds transfer transactions to and receiving cross-border electronic funds transfer transactions from, the CMA. The objective is to regularise the execution of these transactions through an appropriate retail payment system designed for low-value cross-border electronic funds transfers; and direct payment service providers to ensure that the execution of low value cross border electronic funds transfers to and from the CMA does not have a negative impact on the transparency, efficiency and cost effectiveness of payments to consumers and businesses.

To ensure that low-value cross border electronic funds transfers within the CMA are regularised and routed correctly, the Bank prescribed that: with effect from 31st March, 2027, all Payment Service Providers that are presently routing low-value cross-border electronic funds transfers within the CMA through the SADC-RTGS system, should finalise the process to migrate all of low-value cross-border electronic funds transfers within the CMA to a regional low-value payment system designed for low-value cross border electronic funds transfers (e.g. the Transactions Cleared on an Immediate Basis payment scheme), and cease executing the transactions through the SADC-RTGS system.





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IT Plan and Governance

The IT department has continued to prioritise the modernisation and enhancement of the Bank's technological infrastructure.

Through strategic planning and collaboration with Central Banking community as well as industry stakeholders, several key projects have been implemented successfully, ensuring that the Bank remains at the forefront of technological innovation. Governance practices have been strengthened to ensure that all projects align with the Bank's overall strategic objectives and comply with industry standards.

Major Projects

During the reporting period, the IT department collaborated with other departments across the CBE to advance several key projects, achieving significant progress. The status of these completed and ongoing projects is detailed in the Strategy section of this Report. These efforts highlight the Bank's dedication to technological innovation and efficiency, ultimately enhancing financial processes and systems for stakeholders and the wider economy.

Cyber Security Initiatives

Cyber security remains a top priority for the IT department. The Bank has successfully thwarted numerous cyber-attacks and completed the CSOC project, significantly enhancing its defences. Ongoing efforts are in place to further strengthen security measures as cyber risks continuously evolve. Throughout the reporting period, the Bank met its obligations under the SWIFT Customer Security Programme mandatory controls, satisfying the expectations for independent assurance set forth by the Internal Audit team. Collaborative efforts between the Bank Supervision and Information Security teams included inspections of financial institutions' compliance with the Cyber Security Guidelines issued in 2021. This proactive approach highlights the Bank's commitment to maintaining the stability and security of the financial system.





Financial Technology Development

Central Bank Digital Currency

Following completion of the Central Bank Digital Currency Research & Development project, the Bank published its Digital Lilangeni Design Paper in August 2024. This comprehensive paper outlines key features of the potential Digital Lilangeni, including accessibility for all Eswatini citizens, legal tender status, appropriate balance between privacy and regulatory oversight, non-interest-bearing characteristics, and interoperability with existing payment systems. The publication of this design paper demonstrates the Bank's commitment to thoughtful exploration of innovative financial technologies, while maintaining open communication with stakeholders about potential future developments.

Cross-border CBDC – CMA Project Sunbird

The Bank continues to participate actively in Project Sunbird, a collaborative initiative where CMA central banks are conducting research on cross-border applications of CBDCs. The first phase of this project, a Diagnostic Report, has been completed and the project is now transitioning to Phase 2, which will develop specific use cases with technical assistance from the IMF scheduled for mid-2025. The focus is on wholesale CBDC for cross-border transactions. This engagement ensures that Eswatini remains connected to regional developments in digital currencies while building valuable institutional knowledge. Through Project Sunbird, the Bank contributes to and benefits from shared insights on the

technical, regulatory, and economic considerations of cross-border digital currencies, positioning Eswatini to make informed decisions about future digital currency initiatives and cross-border payment efforts within the CMA.

Crypto-asset Developments

The Bank continued to monitor crypto-asset developments in the country throughout the 2024/25 financial year. This ongoing assessment reveals sustained and growing interest in crypto-asset investments, primarily through Virtual Asset Service Providers (VASPs) based in neighbouring countries like South Africa. The transaction patterns observed demonstrate increasing participation across diverse demographic segments and business sectors, reflecting alignment with broader global trends in digital asset adoption. In the absence of a regulatory framework for virtual assets and VASPs in the country, the Bank continuously educates the consumers to empower them on crypto assets and associated risks as well as general guidance on avoiding digital financial services scams.

Regulatory Sandbox

The Bank's Regulatory Sandbox continues to serve as a framework for promoting innovation in financial services, maintained through collaboration among various regulatory divisions within the Bank. This cross-divisional approach ensures adequate oversight and proper guidance to innovations and applicants, balancing the needs for innovation and regulatory compliance. Currently, the Bank has one participant in the Sandbox, a digital wallet service provider whose platform is built on blockchain technology. The wallet supports multiple functions like peer-to-peer transfers and merchant payments.

The Sandbox continues to receive applications from diverse innovators and serves as a gateway for responsible fintech innovation in Eswatini. To create awareness, the Bank hosted internal and external webinars. Two staff webinars were conducted during the financial year and in February 2025, the Bank hosted an industry webinar to promote the Regulatory Sandbox. This initiative was designed to draw in top-tier applications to the Sandbox, helping





innovators gain a clearer understanding of the regulatory requirements for financial innovation and providing a pathway for developing compliant financial solutions. Moving forward, the Bank will continue to enhance awareness of this framework to attract quality applications that contribute to an innovative and inclusive financial system.

Eswatini Fintech Working Group

The Bank continued to leverage the strategic alliance of the Eswatini Fintech Working Group (EFWG) to promote innovation in the financial sector. This collaborative platform brings together regulators, financial institutions, and academic institutions to address challenges and opportunities in fintech development.

A key initiative supported by the EFWG is the annual IndabaX event, which focuses on artificial intelligence and machine learning applications in financial services and other sectors. Beyond simply showcasing technology, this flagship event creates a structured pipeline for developing local talent and innovative solutions that address Eswatini's unique financial inclusion challenges.

National Fintech Strategy

The development of Eswatini's National Fintech Strategy is well underway, being led by the Ministry of Finance and supported by key stakeholders, including the Bank. The development of the Strategy benefits from technical support by the Alliance for Financial Inclusion (AFI).

Upon completion, the Strategy will establish a comprehensive framework for fintech development in Eswatini, addressing

key areas such as regulatory approaches, innovation support mechanisms, financial inclusion initiatives, and digital infrastructure requirements.

This structured and coordinated approach will create a more conducive environment for fintech innovation while ensuring alignment with broader national economic development goals.

Looking Ahead

The Bank will continue to create an enabling environment for financial innovation while ensuring that such innovations contribute positively to financial inclusion, economic growth, and financial stability in Eswatini. The focus will be on the following initiatives:

- Supporting the completion and implementation of the National Fintech Strategy to create an enabling environment for fintech innovation.
- Enhancing monitoring of crypto asset developments to inform potential regulatory approaches.
- Strengthening the Regulatory Sandbox framework to foster responsible innovation.
- Supporting implementation of the Eswatini Payment Switch to ensure readiness for integration with future fintech innovations.
- Continuing research on cross-border CBDC applications through regional collaboration within the CMA.
- Conducting research and producing knowledge papers to support the Bank's innovation projects.
- Creating awareness through webinars and other platforms to promote innovation in the financial sector.

Infrastructure Development



Back-Stage

Engineering Central Authority
Ensuring the Future

The Central Bank of Eswatini acquired land at Ezulwini in November 2023, measuring about 21 Hectares for the purpose of undertaking a development to construct a new Central Bank complex, which will be the New Bank's Headquarters.



About the CBE Complex Development

The Central Bank of Eswatini acquired land at Ezulwini in November 2023, measuring about 21 Hectares for the purpose of undertaking a development to construct a new Central Bank complex, which will be the New Bank's Headquarters.

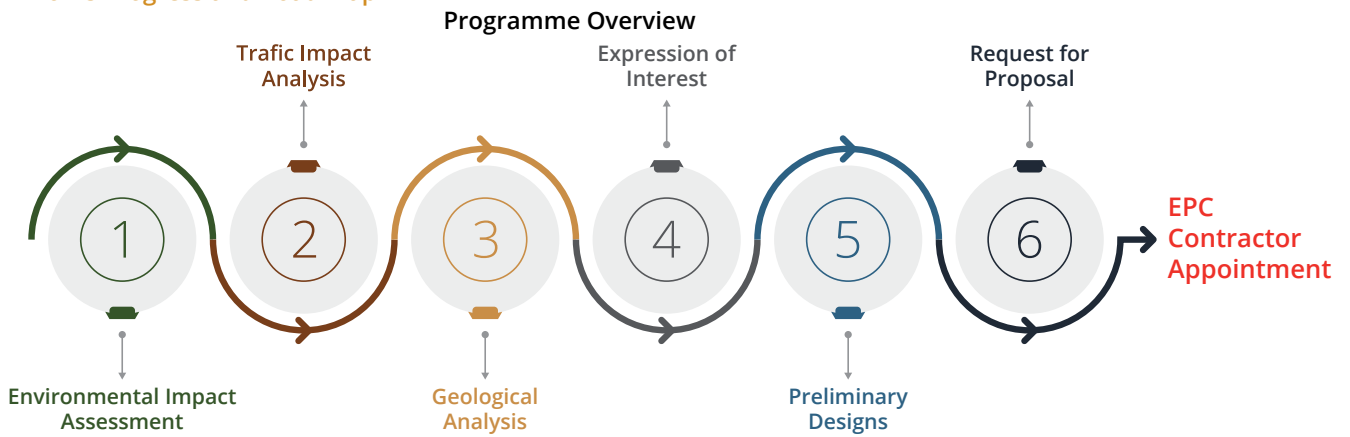
The project has been divided into four phases. Phase I is a monumental structure set to become a beacon within the country and the region, catering to a potential future workforce of 1,000 employees. This phase will see the creation of a cutting-edge, 21-floor smart building equipped with advanced technology, while adhering to green

building standards. It will also include parking, a Museum, an Innovation hub, and a Library. The various buildings in this phase will be linked by a skywalk aiding flawless functionality of work and creating a seamless commute between the buildings.

Phase II of the project will comprise a training and conferencing centre, a wellness centre and the centre of excellence. Under this phase, the construction of the conference facility is already at an advanced stage and earmarked to be completed by the end of August 2025. Phase III will comprise sporting facilities, staff apartments and additional parking, whilst the final phase will comprise a multipurpose hall.



Works Progress and Road Map



Progress Update

Activities fully undertaken were Traffic Impact Assessment, Geotechnical Analysis, Expression of Interest and Preliminary Designs. Environmental Impact Analysis and Requests for Proposals are still ongoing and are anticipated to be completed by May 2025 and August 2025, respectively.

	Activity	Target/Actual Date
1	Preliminary Designs	9 April 2025
2	Traffic Study	14 February 2025
3	Environmental Impact Assessment	23 May 2025
4	Geo Technical Survey	8 April 2025
5	Expression of Interest	25 March 2025
6	Request for Proposals (RFP) – Issue	7 April 2025
7	RFP - Closing	August 2025
8	RFP - Evaluation	21 August 2025
9	Engineering, Procurement and Construction (EPC) Contractor Appointment	28 August 2025
10	Site Hand Over to EPC	1 September 2025
11	Building Handover to the Bank	June 2028



Stakeholder Management Plan

Stakeholder	Engagement Strategy		Communication Plan
	Communication Methods	Engagement Activities	
INTERNAL			
Board of Directors	Meetings	Meetings	Bi-monthly Progress Reports
MPCC	Meetings		Bi-monthly MPCC Statements
Executive Management	Meetings		Bi-weekly Executive Reports
Various Committee Meetings	Meetings		Reports to EXCO
Staff	Newsletters, email updates, Town Hall Meetings	Townhalls and Feedback surveys	Intranet Updates, daily newsletters
Project Teams	Regular Meetings	Meetings	Progress Reports
EXTERNAL			
Construction Industry Council	Ad-hoc meetings and letters	Workshops and meetings	Ad-hoc meetings as needed, Compliance reports
Contractors & Consultants	Workshops, periodic meetings		Ad-hoc meetings as needed, training content, and site and progress reports
Suppliers of Material	Workshops, ad-hoc meetings		Ad-hoc meetings as needed and training content
Local Community	Townhall meetings, local media publications	Meetings, public announcements	Ad-hoc Townhall meetings
Media	Ad-hoc media briefing	Meetings and publications	Ad-hoc meetings as needed, update presentations
General Public	Public announcements and social media updates	Media communication	Periodic publications
Neighbouring Entities	Ad-hoc meetings	Meetings	Update presentations
GOVERNMENT & REGULATORY BODIES			
Ministry of Finance	Letters and meetings as needed	Letters and meetings	Update reports
Ministry of Public Works & Transport			
Ministry of Housing & Urban Development			
Municipal Council of Ezulwini			
Eswatini Environmental Authority			
Eswatini Aviation Authority			
Eswatini Fire & Emergency Services	Meetings	Update reports	
Eswatini Royal Police Services			
Eswatini Communication Commission	Ad-hoc meetings as needed	Meetings	Update reports
SERVICE PROVIDERS			
Eswatini Electricity Company	Ad-hoc meetings and workshops	Meetings and workshops	Progress Updates and service requests
Eswatini Posts & Telecommunications			
Eswatini Water Services Corporation			



Corporate Social Investment





The Bank has embedded Corporate Social Investment (CSI) as a key enabler of its socio-economic impact in Eswatini communities, underpinned by its vision “to be a centre of excellence and central bank of reference that values its people.”

The CSI Committee, consisting of a cross-departmental team, meets quarterly to evaluate requests, and provide governance oversight, including seeking the necessary approvals from the Executive Committee and the Board.

As part of its stakeholder engagement mandate, this year the Bank sustained its social responsibility through allocating resources to initiatives that improve the welfare of Eswatini guided by the following objectives:

- Supporting sustainable initiatives and making good business sense to the Bank.
- Contributing to the overall corporate strategy of the Bank and creating a strong national value proposition.
- Addressing local community needs.
- Joining hands with local non-profit making organisations and other corporations in pursuit of similar objectives to give back to the community.
- Align with the Bank’s mission by supporting programmes that foster financial sector stability and promote economic development in the Kingdom of Eswatini.

Key Areas Supported in 2024/25

Beneficiary	Donation	Amount (E)
CBE Staff members	Compensation of two staff members affected by fires.	35,120.00
Maryward Primary School	Construction of durable, and health-compliant school kitchen for primary pupils.	55,306.82
St. Marks High School	Donation of 40 desktops computers and computer networking support.	151,682.50
WomEng	Contribution towards management of the WomEng programme focused on creating awareness about STEM careers among girls in primary and high schools.	40,000.00




Deputy Governor, Felicia Dlamini-Kunene handing a cheque during a CSI Handover Ceremony



Stakeholder Engagement



 CBE Sports Club Chairperson Raymond Mamba posing with pensioners after a lunch with the Governor.

Stakeholder engagement is a key component of the Banks mandate and is therefore integral to the successful implementation of our Beke-Langa Strategy. Healthy relationships with our stakeholders help us fulfil our mission to foster price and financial stability, conducive to economic development of the Kingdom of Eswatini.

Stakeholder Management Measurement

Cementing our commitment to stakeholder relationship, in March 2025, the Bank adopted a methodology-based approach to measure stakeholder perceptions through an annual Stakeholder Perception Survey. The survey assessed public perception of awareness, accountability, transparency, communication, and the Bank's image. The Survey specifically considered perceptions in the following areas: customer service, policy-making function, role as banker and advisor to Government, as well as the financial system.

The survey established a new stakeholder perception index, which will serve as a baseline, informed by a reliability statistic (Cronbach's alpha). The outcome of the survey results will form a new baseline for the next survey. The CBE was scored at 5.75 (57%), indicating that stakeholder perceptions are slightly positive towards the Bank. Contributing to the overall outcome of the perception was a somewhat positive average rating on 'transparency', coupled with a slightly positive rating on 'communication' and 'brand image'. On the negative side,

the CBE was rated slightly negative on 'accountability' and 'awareness', implying that perceptions on 'accountability' and 'awareness' were close to indifferent, but with a slight bias towards a negative view.

Outlined below are the objectives of the survey and overall score for 2024/25.

- **Awareness** to assess the level of stakeholders' perceptions about the existence of CBE and its mandate. (Awareness Score: 44%)
- **Accountability** to assess the level of accountability of the CBE as perceived by its stakeholders. (Accountability score: 50%).
- **Transparency** to measure the level of transparency of the CBE as perceived by its stakeholders. (Transparency score: 70.5%).
- **Communication** to gauge the level of communication by the CBE using its stakeholder perceptions. (Communication score: 61.3%).
- **CBE Image** to assess the level of reputation the CBE portrays using stakeholder perceptions. (Brand image score: 59.0%).
- **Customer service** - to evaluate the stakeholder perceptions of the Bank. (Net Promoter Score: -68%).

The survey results delivered a clear warning about stakeholder perceptions of the Central Bank. This valuable feedback underscores the urgent need for the Bank to strategically allocate its resources and refine targeted initiatives focused on rebuilding stakeholder trust, enhancing communication, and improving institutional effectiveness. In response, a comprehensive Stakeholder Engagement and Communication Plan has been developed to directly address these concerns, specifically aiming to improve public awareness of the Banks mandate and activities, strengthen accountability, enhance the Banks image, and elevate the quality of customer service.

Stakeholder Management Framework

The Bank uses the Salient Stakeholder Framework to classify and prioritise its

stakeholders. In the review period, the Bank updated its Stakeholder Register and re-classified its stakeholders according to the Framework's three key attributes (power, legitimacy and urgency), and ultimately the three main stakeholder classes (latent, expectant and definitive).

Both the Framework and the Stakeholder Perception Survey results will assist the CBE to prioritise resources when making decisions on the proposed interventions outlined in the Bank's Stakeholder Engagement and Communication Plan which seeks to achieve the following strategic outputs of the Beke-Langa Strategy (2023-2028):

- Customer-centric experience.
- Responsive and agile organisation.
- Centre of excellence and central bank of reference.
- Independent, reputable, trusted, reliable and credible institution
- People-focused organisation.

Stakeholder Engagement Overview

In the review period, the Bank periodically engaged stakeholders at various levels using multiple platforms. By prioritising stakeholder engagement, we aim to build stronger strategic relationships and better serve all of Eswatini.

Throughout the year, the Bank engaged with the following stakeholder groups: Eswatini Government, State-Owned Enterprises; Regulators; International Partners (World Bank Group, IMF, AfDB, BIS, COMESA, SACU, MEPMI, Commonwealth Secretariat as well as Central Banks Governors - CMA, SADC, AACB); Internal Stakeholders (All departments); Commercial banks and Building societies; Independent Audit & Consultancy Service Providers; Fund Managers; Law Enforcement Agencies; Public / Financial Services Consumers; and the Media. The table below outlines various activities undertaken in the review period.

Stakeholder Engagement Overview in 2024/25

Activity	Description
1st Quarter	
COMESA Clearing House Users Group Meetings	Hosted central bank representatives from COMESA member states. The meeting was focused on trade, cross border trade and payments.
Tee and Coffee with the Governor	The Governor held a meeting with the Editor’s Forum, dubbed ‘Tee and Coffee with the Governor’.
SADC CCBG Meetings	Hosted SADC CCBG meetings attended by Governors and officials from the 16-member states.
AFI Working Group Meetings	Hosted AFI Working Groups focusing on policy development and trends in financial inclusion.
CBE 50th Anniversary Celebration	The Bank hosted its 50th anniversary, an event that was graced by His Majesty King Mswati III.
CMA Exchange Control Quarterly Meeting	Hosted CMA countries whose discussions focused on various issues related to exchange control and financial stability within the CMA.
2nd Quarter	
Waterford KaMhlaba Career Fair	Participated in a career fair where the Bank engaged with future Central Bankers on programmes targeted to the youth related to exposure and job opportunities.
Governor’s Lecture	Governor delivered a public lecture at UNESWA.
Scoping Meeting	Hosted over 200 stakeholders where the construction of the CBE Headquarters was unpacked.
Currency Retailers’ Training	Townhall meetings, local media publications
Ombudsman Office at the Eswatini International Trade Fair	Trained external stakeholders (retailers) on issues related to currency handling.



CBE staff captured with students during the Global Money Week. 

Activity	Description
3rd Quarter	
BOLESWA Friendly Games	Hosted central bank representatives from COMESA member states. The meeting was focused on trade, cross border trade and payments.
Customer Service Week	The Bank celebrated Customer Service Week where its internal and external stakeholders were treated to a different customer experience.
COMESA Committee of Governors of Central Banks Meeting	Hosted the COMESA Committee of Governors' Meeting where over 10 COMESA member states attended.
AFI Working Group Meetings	Hosted AFI Working Groups focusing on policy development and trends in financial inclusion.
Beneficiaries' Brunch	Hosted the CBE Beneficiaries' Brunch dubbed "Legacy Lives On".
Retire in Dignity Training	Held a training on the Retire in Dignity.
Eswatini Payment Switch Soft Launch	Hosted a soft launch of the EPS for both internal and external stakeholders.
4th Quarter	
Bank of Zambia Peer Learning Sessions	Hosted the Bank of Zambia for peer learning sessions.
Green Financing Training	Hosted the Green Financing Training both for internal and external stakeholders.
SARB Benchmarking Exercise on Coin Vending Machine	Hosted the SARB for their benchmarking exercise on the Coin Vending Machine and other currency-related matters.
Exchange Control Regulations and Compliance Training	Trained Nedbank Eswatini.
Consumer Education, Market Awareness Campaign	The Bank in collaboration with CFI and FSRA conducted its first consumer education awareness campaign.
Financial Sector Conduct Authority of South Africa Peer Learning Visit	Hosted peer learning visit.
Post Budget Seminar	Hosted the Post Budget Seminar where all sectors of society deliberated and brainstormed on the 2025/26 National Budget.
Reserve Bank of Zimbabwe Benchmarking	The Bank hosted delegates from Zimbabwe for a benchmarking exercise.
CMA Governors' Meeting	Hosted the CMA's Governors' Meeting.
Global Money Week Fair	Hosted the Global Money Week Fair for primary, secondary and tertiary institutions who were equipped with financial literacy skills.
Eswatini Payment Switch Roadshows	Hosted a series of roadshows countrywide as part of sensitising the public about the EPS.



 Some SADC Central Bank Governors and other top officials posing after a CCBG Meeting.

Key Events

50th Anniversary Celebration

On May 10, 2024, the Bank hosted over 1,000 guests at the CBE Complex in Ezulwini to celebrate its 50th Anniversary. The event was graced by His Majesty King Mswati III, who delivered the keynote address and urged the Bank to uphold its mandate. Among the distinguished guests were His Excellency the Prime Minister Russel Dlamini, Cabinet, Members of Parliament and several Governors from the SADC region. A highlight of the celebration was the unveiling of an E50 commemorative coin, presented to VIP guests. Additionally, the Bank issued E50 circulating notes in recognition of the milestone. The event commenced with His Majesty performing the ceremonial sod-cutting, symbolising Royal approval to begin construction of the Bank's new headquarters.

Scoping Meeting

One of the Bank's key initiatives is the construction of its new headquarters at the CBE Complex in Ezulwini. The Bank acquired a 21-hectare plot of land, formerly occupied by the Ezulwini Sun. In line with regulatory requirements, the Bank engaged a wide range of stakeholders, both those directly involved and those potentially affected by the project. To facilitate this, the Bank convened a meeting with approximately 200 stakeholders, providing an overview of the development and creating a platform for questions and feedback. Participants included contractors, residents, service providers, the Ezulwini community and Municipality, as well as members of the business sector.

Customer Service Week

A key highlight of the Bank's stakeholder engagement efforts was the successful hosting of Customer Service Week from October 7-11, 2025. Both internal and external stakeholders enjoyed a memorable experience, receiving quality service throughout the week-long activation. Adding a special touch, members of senior management stepped away from their regular duties to personally serve customers, gaining first-hand experience into the daily responsibilities of frontline and customer service staff. The initiative offered stakeholders a clear demonstration of the Bank's appreciation for their continued support and partnership.

Eswatini Payment Switch Roadshows

Following the soft launch of the EPS - Fast Payment Module, the Bank, in collaboration with key stakeholders in the financial services sector, conducted a nationwide series of roadshows to raise public awareness about the convenience and benefits of the new system. Major towns across the country - including Mbabane, Manzini, Siteki, Nhlengano, Pigg's Peak, and Matsapha— were visited as part of the campaign. Participating stakeholders included all commercial banks, InstaCash, MTN Eswatini, Eswatini Mobile, ESCCOM, and the Swaziland Building Society. The public was educated on how to use mobile banking, make quick payments, and keep transactions safe without falling for scams. Comedians - Gogo and Slwane, as well as The Scientist, spiced up the roadshows with entertainment and music. The two-week campaign

made a big difference, helping our stakeholders understand and use digital financial services. It was a key step towards making financial services accessible for everyone in Eswatini.

International and Regional Meetings

High level meetings were hosted by the Bank. These include the AFI User Group, SADC CCBG, COMESA Governors of Central Banks, as well as CMA Governors. These meetings discussed issues related to financial inclusion, payments systems, cross border payments, cyber security, monetary and financial integration, economic developments, as well as issues in purview of central banks.

Governor's Lecture

At the invitation of the University of Eswatini, the Governor delivered a public lecture on the "Impact of Financial Friction on Innovation and Entrepreneurship in Developing Economies". The lecture pointed out the barriers to accessing finance for innovative and entrepreneurial projects and how these can be overcome.

Media Engagement

The Governor hosted media sessions as part of his commitment to transparency and open communication - sharing not only critical information that is of public interest but also addressing pertinent queries that journalists raised in relation to the CBE. The media is a valuable stakeholder to the Bank as it is responsible for communicating its monetary policy stance to the public.



 R-L: Minister of Finance, Hon. Neal Rijkenberg, UNDP Resident Representative, Henrik Franklin, and CBE Deputy Governor, Felicia Dlamini-Kunene listening attentively during the presentation of the 2025 Governor's Monetary Policy Statement

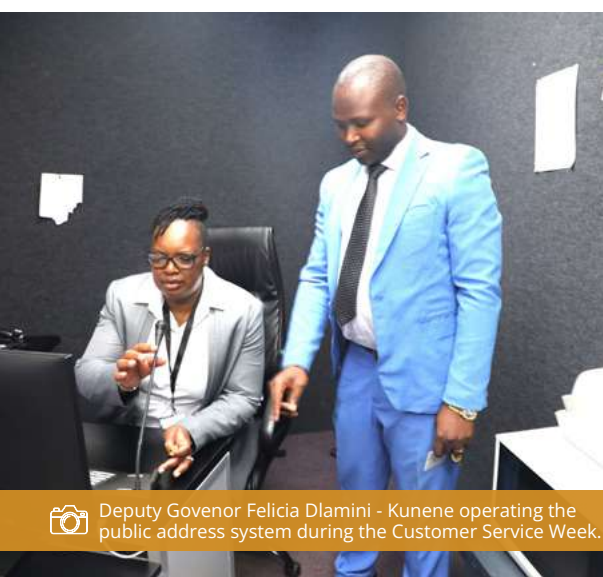
STAKEHOLDER ENGAGEMENT
THROUGH THE LENS



Governor, Dr. Phil Mnisi making a presentation during a public lecture at the University of Eswatini



Editors from the various media houses with the Governor and Chief Operations Officer after a media engagement.



Deputy Governor Felicia Dlamini - Kunene operating the public address system during the Customer Service Week.



Governor Dr. Phil Mnisi, and some EXCO members, in a moment of celebration as they welcomed the Graduate Trainees.



Students listening attentively during an Educational Tour of the Bank.



Governor, Dr. Phil Mnisi with other panelists during a COMESA Committee of Governors Meeting hosted by Eswatini.



Minister of Finance Honourable Neal Rijnbergen with other panelists during a Post Budget Seminar



Human Capital Management



Strategy alignment

During the year under review, the Bank conducted a strategy realignment which placed its talent at the pinnacle of its strategic focus. Though most of the deliverables of the strategy will be achieved in the next financial year, some were realised in the 2024/25 financial year, and they are discussed below.

Strategic Workforce Planning

The Strategic Workforce Planning (SWP) is a process of identifying possible gaps in the CBE workforce and developing a methodical human capital plan for ensuring that from April 2024 to March 2029, the Bank has the right talent, adequate skills, and suitable knowledge to fully implement the strategy and the mandate of the Bank. The objectives of the SWP are to:

- understand the correct profiling of CBE employees in terms of age demographics, skills currently available at the Bank, and skills that may be required in the next five years.
- ensure that the CBE workforce has adequate capacity to meet business requirements that may emerge over the next five years.

- confirm if the CBE structure is suitable to deliver on the mandate of the Bank in the next five years; and
- make relevant recommendations for addressing any gaps identified or possible areas that may require the intervention of the Bank.

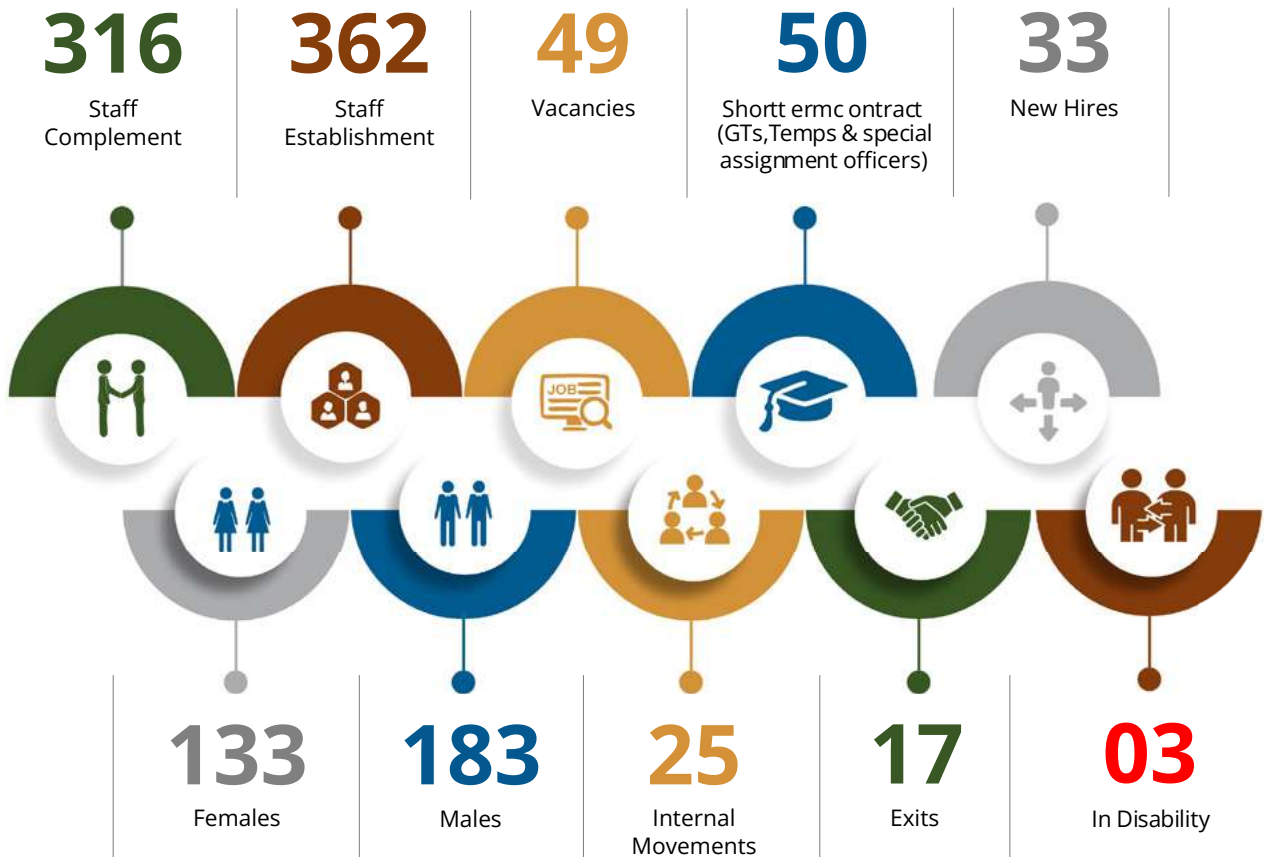
The action plans of the SWP are already being implemented. There are actions for each year from 2024 until 2029.

Staff complement

Monitoring and maintaining an accurate record of employee numbers within an organisation is essential for effective planning, including optimising workforce levels and preventing understaffing. Additionally, precise headcount data helps in allocating budgets for salaries, benefits and other labour-related expenses.

The Bank closed the year with a total staff complement of 316, including Executive members on long-term contracts. Approved positions stood at 362 (Establishments) with 49 vacancies. The workforce also comprised 22 fixed-term contract employees and 3 Graduate Trainees from the previous cohort.

The following presents the Bank's headcount as of the end of the 2024/25 financial year, which also reflects employee movements during the reporting period:



Compensation and benefits

Total Rewards

Compensation and benefits are one of the Bank's critical processes for promoting a favourable Employee Value Proposition (EVP) for employees of the CBE.

The Bank has embraced the total rewards approach, continually seeking the optimal mix of rewards elements to not only attract, motivate and retain staff but also to enhance employee satisfaction and engagement. This fosters the achievement of the Bank's Strategy and Vision.

Compensation

- › Fixed Pay
 - a) Basic Salary
 - b) Housing Allowance
 - c) Managerial Allowances
 - d) Leave Allowance
- › Variable Pay
 - a) Meritorious award
 - b) Bonus
 - c) Incentives

Benefits

- › Health & Welfare
 - a) Medical Aid
 - b) Gap Cover
 - c) Funeral
 - d) Personal Accident
- › Income Protection
 - a) Group Life Assurance (GLA)
 - b) Personal Health Insurance (PHI)
- › Retirement/Gratuity

Development

- › Training
- › Attachments
- › Personal growth

Well-being

- › Physical
- › Emotional/Mental
- › Financial
- › Work environment

Recognition

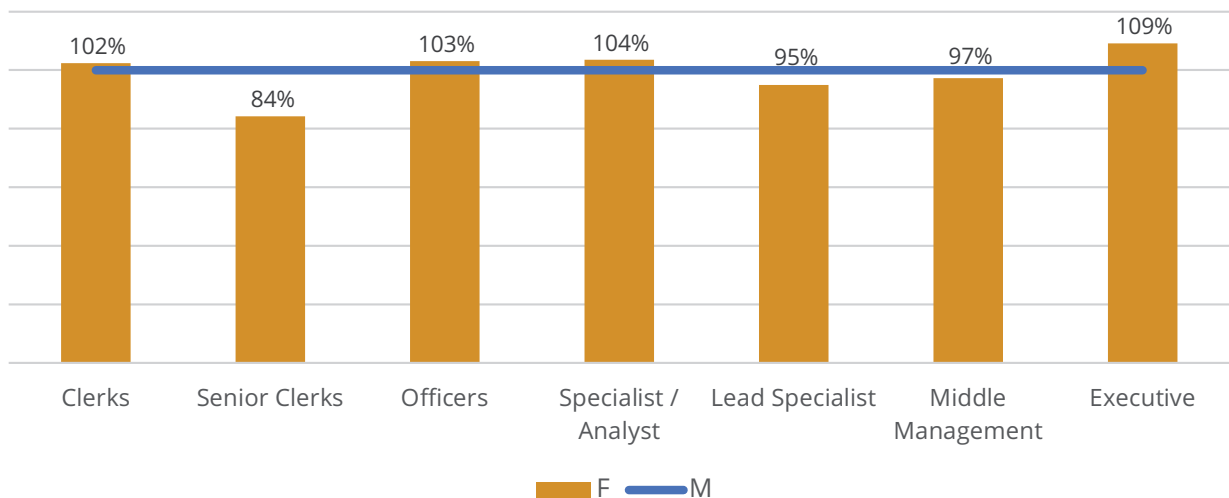
- › Formal
- › Informal



Compensation

The Bank's compensation approach aims to maintain fairness internally while staying competitive in the market. To uphold this goal, the Bank regularly evaluates its fixed pay structure to ensure alignment with industry standards, i.e. basic pay and allowances. The median base pay level for men and women shows only a marginal difference, owing to disparities in service time. Executive female officers, for example, are paid 109% of what male executives are paid, implying that female executives earn around 9% more on average.

Gender Median Pay Differentials – Base Pay



Source: Central Bank of Eswatini



Salary Review

In line with the Remuneration Philosophy of the Bank, a salary review exercise was conducted during the year under review. The review is an important process where the Bank tests itself against a comparable market, to determine if its remuneration is still competitive.

This was the first salary review exercise under the 2021 Remuneration Policy which separated a salary review exercise from a job evaluation and grading exercise. The distinction between the two is important because it allows the salary review to focus on the possible adjustment of pay-scales every three (3) years. The job evaluation and grading on the other determines the relative value of jobs, and this is done every 6 years.

New salary scales were adopted to better align with market benchmarks, ensuring that the Bank's compensation remains competitive and supports talent attraction and retention. The Board also approved the aging of the scales with average annual inflation beginning April 2025 to ensure continued market competitiveness.

Additionally, there was a noticeable reduction in red-circled employees (those whose pay was above the maximum of their respective salary bands) from 34% to 17%. In line with the recommendations by the consultant, ongoing plans will be implemented to manage this cluster of employees to an acceptable pay scales standard of 8-12%.

CBE Retirement Fund Membership Statistics

Membership as of 1st April 2024	288
New Entrants	31
Withdrawals	(7)
Retirements	(7)
Retrenchments	0
Deaths	0
Active Members as of 31st March 2025	305

A total of four (4) employees are expected to retire in the 2025/26 financial year.

Talent Management

The foundations of talent acquisition at the Bank involve identifying suitably qualified employees who fit the CBE culture, attracting them, bringing them on board and keeping the most critical talent. During the year under review, the Bank held its inaugural Talent Forum. The forum brought together members of the Executive Committee and Middle Management to address key aspects of talent management within the Bank.

The objectives of the forum were to encourage intentional talent management; align talent plans with the Bank's overall strategy; provide a platform for sharing best practices; promote a unified approach to talent management; and discuss challenges and solutions. Presentations were delivered by Directors and Heads of Departments, covering areas such as talent acquisition, performance management, learning and development, succession planning, employee engagement, diversity and inclusion, compensation and benefits, as well as workforce planning. Key outcomes and action items included conducting a critical analysis of staff and the organisational structure, implementing the Rotation Policy, being intentional about the implementation of recommendations of the Pulse Surveys, addressing skills gap, and being intentional with Performance Development Plans. The forum successfully met its objectives and is expected to encourage leaders to take a more active role in managing talent within their teams.

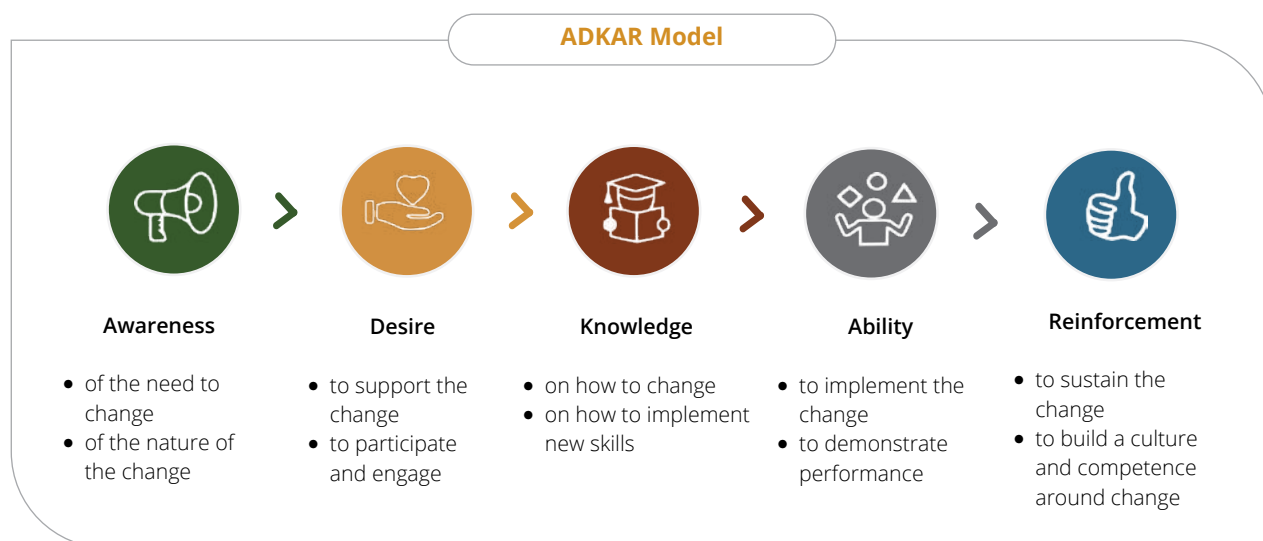
Talent Metrics

Term	Performance feedback
Retention rate	94.6%
Voluntary turnover rate	0.35%
Involuntary turnover rate	0.07%
Vacancy rate	12.3%
Employee engagement	80%
Workforce growth rate	0.5%

The metric shows a retention rate of 94.6% compared to 95.8% in the previous year. There was an improvement in voluntary turnover of 0.35%, compared to 0.4% in the previous year. There was also a slight improvement in vacancy rate at 12.3% compared to 13.6% in the previous year. This means that the Bank still needs to do more in filling vacancies. In the financial year under review, the Bank decided to measure employee engagement as opposed to employee satisfaction. The result was an impressive 80%, which should be maintained or improved going forward.

Managing Change

The Bank remained committed to ensuring that all changes were successfully implemented and their intended goals were achieved, in alignment with the Awareness, Desire, Knowledge, Ability and Enforcement (ADKAR) model framework.



The table below presents the change initiatives that were undertaken during the year under review.

Name of initiative	Objective of initiative	Impact achieved
Change Agent Cohort Review and allocation of change agents to ongoing change initiatives.	To lead the ‘soft side’ of change, allowing project managers to concentrate on the technical aspects. Ensuring customisation of change management plans that are specific to the nature and scope of the change initiative.	Early buy-in from employees as they are represented and engaged in the decision-making. Increased staff engagement. Reduce change resistance.
eProcurement System The project seeks to automate the Bank’s sourcing process from the current manual approach.	An e-Sourcing system will help the Bank secure the best value products and services from the right supplier to optimally meet its needs, with less stress and strain.	Equipping staff with knowledge and skills to navigate the System effectively. Lessening the need to hand-hold staff through the system’s use. This allows the developers to focus on more value adding tasks.
Business intelligence (BI) A change initiative that will provide tools and processes used to gather, analyse, and present data in a way that supports informed business choices.	The BI project aims at harnessing the Bank’s data into a shared repository to allow for reporting at a higher level in a process level than the department level. This will enable better data dissemination across the organisation and enable process improvements to be identified and acted upon.	Enable wide access to fresh and consistent data. Reduce the time spent on report preparation, freeing up more time for in-depth analysis. Provide easy access to quick statistics and trends for quick discussions.
eTravel System The automation of the Bank’s external travel process.	This project aims to produce a customised, web-based digital travel application system to streamline the travel request, review, and approval process for all CBE staff.	Presentations for both Change Agents and EXCO achieving more buy-in and excitement from the users. Enhance operational efficiency and ensure a more seamless experience for all users. Improve travel request turnaround time. Timely and accurate reporting. Training & travel subsistence application tracking. Reduction in paper-based documentation.

Performance Management

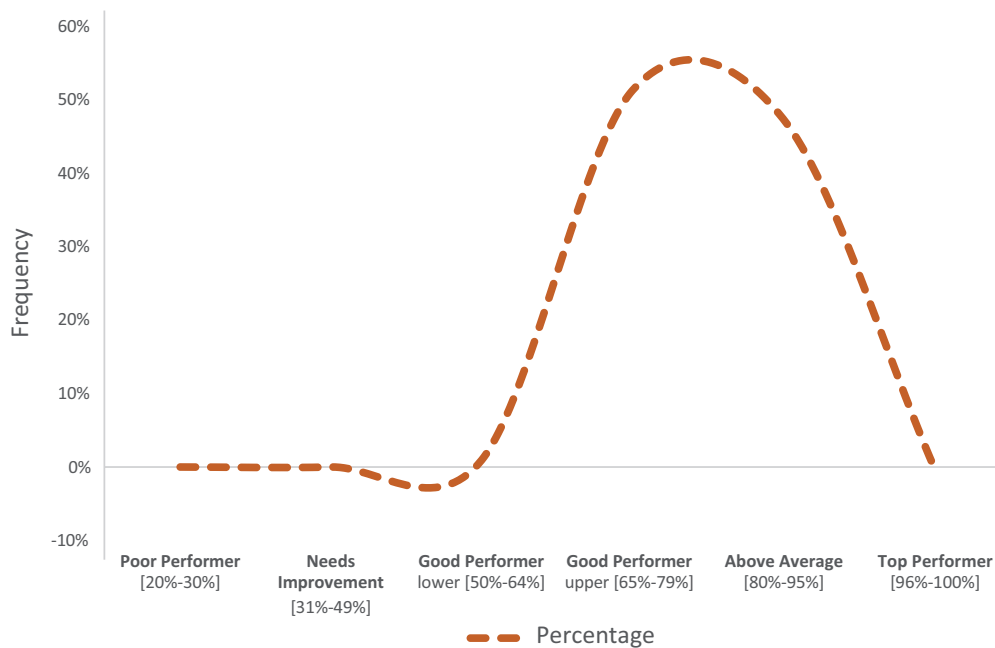
During the year under review, the CBE appraised 310 employees in its end-of-year appraisals. These are staff members who have been in the employ of the Bank for a minimum of 6 continuous months and therefore qualifying for an appraisal per the Performance Management Policy. Those that have been with the Bank for less than 6 months did not qualify for appraisal.

The table below presents the distribution of staff ratings across the different performance categories. According to the table, 1% of the employees were classified as Good Performer Lower and 49% were Good Performer Upper, indicating that their performance scores ranged from 50%-64% and 65%-79% respectively. The Bank recorded a score of 49% for the Above Average Performer and 1% Top Performer categories. Once again, there were no Needs Improvement and no Poor Performers.

Range	Distribution	Percentage
Poor Performer [20%-30%]	0	0%
Needs Improvement [31%-49%]	0	0%
Good Performer-lower [50%-64%]	3	0.97%
Good Performer-upper [65%-79%]	152	49.03%
Above Average [80%-95%]	153	49.35%
Top Performer [96%-100%]	2	0.65%
Total	310	100.00%

The above performance resulted in the curve displayed below, which is almost normally distributed because most staff were rated as good performers. Though the appraisal outcome differs from the performance management philosophy i.e. which depicts that a fair distribution should be a **20:70:10** (i.e. 20 top performer and above average performer: 70 Good Performer: 10 Needs Improvement and Poor Performer), the performance distribution was almost fair, lacking only on the poor performers category.

Performance Appraisal for the financial year 2024/25



The overall assessment of the distribution of the Performance Management System scores in 2023/24 and 2024/25 financial years indicates that there was a slight increase in the average scores from 77% the previous year to 79% in 2024/25.



Leadership Development

During the year under review the Bank concluded the executive leadership journey that began in the last financial year. This is a programme referred to as “*The Leadership Mindset Programme*” that seeks to ensure that the Bank has properly capacitated leaders with the correct mindset to execute the CBE strategy.

Though the official programme came to an end, the continuous improvement of the leadership mindset remains a journey that the CBE leadership is strongly pursuing. This continued journey has culminated in the CBE leadership statement that says, “**We are intentional leaders, anchored on trust, professionalism and empathy, driven by high performance and accountability.**” More work continues to be conducted by leadership on the ground in pursuance of the aspirations of this statement. It is a process of natural progression, aimed at continuously moving all leaders from better to best and keeping them energised in furtherance of the mandate of the Bank.

In addition, a specialised programme titled “**What it means to Lead**” was rolled out to Lead Specialists. All these initiatives aimed to cultivate shared leadership principles anchored in trust, professionalism, empathy, and high performance.

Employee Development

The Bank continued to invest in the capacity development of its staff throughout the year, under the auspices of the Training and Development Policy. The table below presents the number of employees who completed and graduated in their various courses study, and those that are still pursuing their studies. The Bank offers study loans that staff use for courses ranging from undergraduate certificates to doctorates.

Programme	Graduated	Still Studying
Doctorate degree	0	3
Master's degree	6	31
Professional Programmes	4	3
Honours Degree	0	3
Post Graduate Diploma	4	5
Bachelor's degree	4	7
Diploma	0	3
Certificate	5	1
Total	23	56

Graduate Trainee Programme

In line with its policy objectives, the Central Bank of Eswatini's flagship Graduate Trainee Programme, piloted in 2009, continues to be a cornerstone of its skills development agenda. The programme serves a dual purpose: creating a pool of graduates equipped with foundational work experience and training for potential entry-level recruitment at the Bank and providing a clear pathway for their professional advancement through ongoing capacity building.

The GT Programme acts as a vital pipeline for future talent development, accelerating the professional growth of recent graduates. Over its years of successful implementation, the Central Bank has absorbed numerous graduate trainees into permanent positions when vacancies have arisen. Notably, some of these individuals have progressed to managerial roles within the institution, while others have leveraged their experience to join other financial institutions.

During the year under review, the Bank launched the next cohort of GTs. The high unemployment rate, particularly among youth, resulted in a total of 2059 applications received. Given the overwhelming response, the Central Bank committed to ensuring all applicants have a fair opportunity to compete for a place on the traineeship programme. As a result, the Bank conducted an online aptitude test for all applicants. The best performers from this test were shortlisted for final interviews.

After an intensive selection process, a final list of 27 GTs was accepted into the programme. The new Cohort began their 24-months attachment, and they possess skills that cut across the entire functions of the Bank. They include a new category of Psychologists that the Bank has not had before.

Through the GT Programme, the Central Bank is working around the clock to make a meaningful contribution towards mitigating the challenge of unemployment. Most companies lean towards hiring skilled labour, and through this programme, the graduates gain valuable experience that improves their employability.

CBE Centre of Excellence - Centre for Central Banking and Finance Pillar

During the year under review, the Human Capital department provided support to the Centre for Central Banking and Finance Pillar of the Centre of Excellence. This pillar provides specialised central banking and finance learning and development interventions identified by the Bank. This is designed to help employees of the Bank, and the financial sector gain the requisite technical central banking, finance knowledge and understanding that would contribute to CBE staff's ability to perform at a high level, thus enhancing strategy execution and the quality of policymaking, compliance and regulatory practices. This is an environment for the sharing of experiences, knowledge, and insights on important and emerging central banking trends and best practices.



Trainings undertaken during the year

Course	Client	Objective
Fundamentals of Central Banking	Central Bank of Eswatini	Orienting and introducing new CBE Staff the broader world of central banking.
Exchange Control regulations and compliance	Nedbank	Capacity building and alignment to the migration from the Exchange Control regime to Financial Surveillance.
Credit Finance	Eswatini Bank	Capacity building.
Monetary Policy Brainstorming Session	Central Bank of Eswatini	Strengthening the articulation of monetary policy.
Emotional Intelligence for Security	Central Bank of Eswatini	Enhancing the teams' ability to recognise, understand, and manage their own emotions, as well as the emotions of others.
Presentation, Report Writing & Personal Branding for Intern	Central Bank of Eswatini	Capacity building and impartation of employee experience for Internship Students.
Retire & Dignity	Eswatini Revenue Service	Facilitating a seamless transition to retirement.
Job Description Writing & Job Evaluation	Central Bank of Eswatini	Capacity building for MANCO to: <ul style="list-style-type: none"> • draft accurate and concise job descriptions. • properly handle the job evaluation process
Conflict Management for Security	Central Bank of Eswatini	Learning techniques for resolving conflicts both within their team and with management.
Customer Service	Central Bank of Eswatini	Improving clients' experiences.
What it is to lead? – Leadership Development	Central Bank of Eswatini	Leadership capacity building for lower-level managers.
Think Tank	Central Bank of Eswatini	Leadership capacity building for lower-level managers.

Employee Relations

Harmony is critical in the workplace, and equally so is the creation of an enabling environment for continuous meaningful engagements to enhance productivity. In the year under review, the Bank did not experience any disruptions in operations, and this is testament to the industrial harmony that exists.

The table below captures an update of grievances, disciplinary enquiries, conciliations, arbitrations and court cases during the year under review.

Category	Number of Cases Received	Number of Cases Concluded	Pending
Grievances	2	2	0
Disciplinary Enquiries	13	12	1
Conciliations	1	1	0
Arbitrations	1	1	0
Court Cases	6	2	4

Safety and Health

As part of the continuous exploration of opportunities for the optimisation of processes, the Bank merged its Wellness and SHERQ functions. The two were merged because of the close alignment of their objectives, and to maximise the synergies that can be drawn from the resources of this function.

Wellness

The Bank continues to pride itself in delivery of a comprehensive and generous wellness programme that seeks to promote employee wellbeing, as well as provide support to its staff through:

Employee Wellness Programme

The Employee Wellness Programme is a series of preventative/ proactive programmes which focus on maintaining a healthy lifestyle and are aimed at improving the overall health and general well-being (work fitness) of all employees. All programmes, seminars, activities and challenges initiated under the auspices of this programme were by nature generally voluntary. These programmes included the Wellness Champions Programme and other support groups, the Sport Club, and the Christian Fellowship.

Employee Assistance Services

The Employee Assistance Service is remedial, or problem focused. Activities conducted during the year under review were reactive/crisis interventions designed to assist employees in the identification and resolution of personal problems which include but are not limited to the following: Mental Health initiatives with focus on family and domestic matters; Disability Management; Financial Wellness; Emotional Wellness; and Substance abuse challenges. Further activities focused on Physical Wellness – Disease Management and assisting employees to deal with non-communicable medical conditions; Management of acute minor illnesses, especially those that begin while on duty; First Aid Administration; and any other personal problems that adversely impact upon employee health and productivity.

SHERQ

In compliance with the provisions of the Occupational Health and Safety Act, the Bank established a Safety and Health Committee that oversees and closely monitors the provision of a safe working environment and proper support to employees who suffer injuries while at work. During the year under review, the Bank had what could be considered as a relatively safe year, as demonstrated in the following table:

New incidents in the workplace

Nature of Incidents	Employees involved	Severity	Progress
Gas leakage	2	Treated and discharged on the same day for airway irritation	Fully recovered
Ergonomic	1	Successfully managed through medication and physiotherapy	Fully recovered

One case from last financial year remains under medical management by specialists.

Injuries on Duty outside the workplace

Nature of Incidents	Employees involved	Severity	Progress
Road Transport Accident	1	Admitted to the hospital for head injuries for 5 days	Fully recovered
Sports injuries	1	Treated and discharged the same day with crutches	Fully recovered
Slips and falls	2	Treated and discharged the same day and booked off for 10 days or more	Both fully recovered

Part of the intentional interventions for Safety by the Bank in the year under review was the review of the SHERQ Policy and the SHERQ Policy Statement. The Bank also trained 16 officers on Safety and Fire Protection, and 21 First Aiders.

Culture Transformation

Culture is the soul and heartbeat of any organisation – it shapes how talent work, interact, and make decisions.

The Bank's strategic objectives are achieving a sustainable income, a healthy financial position, cost efficiency, price stability, financial stability, economic development, infrastructure development, customer centricity, being an independent, reliable, trusted, reputable and credible institution, becoming a Centre of Excellence - Central Bank of Reference and being a people focused organisation. All these initiatives require fully engaged talent. With a weak or toxic culture, all the above cannot be attained because a bad culture can lead to disengagement and inefficiency. A strong positive culture on the other hand fosters collaboration, motivation, and innovation to achieve all the listed strategic objectives.

To ensure that CBE has a strong and positive culture, the Bank launched its Culture Transformation Programme in February 2025 with a focus on embedding five (5) desired cultural behaviours, being Speed in execution; Excellence; Intentionality; Team or Oneness and Big thinking.

This initiative is in its early stages of implementation, and a three-year plan has been developed to guide its rollout. With the Bank's desired culture now clearly defined, the next phase will focus on identifying CBE influencers and leveraging their influence to embed the desired cultural behaviours across the Bank.

Employee Engagement

The objective of the various initiatives that have been reported above is to continuously sell the Bank's Employee Value Proposition (EVP), to attract and retain the best talent. As per CBE tradition, the Bank conducts a pulse survey in the last month of the financial year. The purpose of the surveys is to ascertain the current culture status quo and measure the extent to which the shared beliefs and values in the organisation enable performance growth.

The table below presents results of the survey, compared with results from the past four years.

Overall Engagement and Index Trends: 2022 - 2025

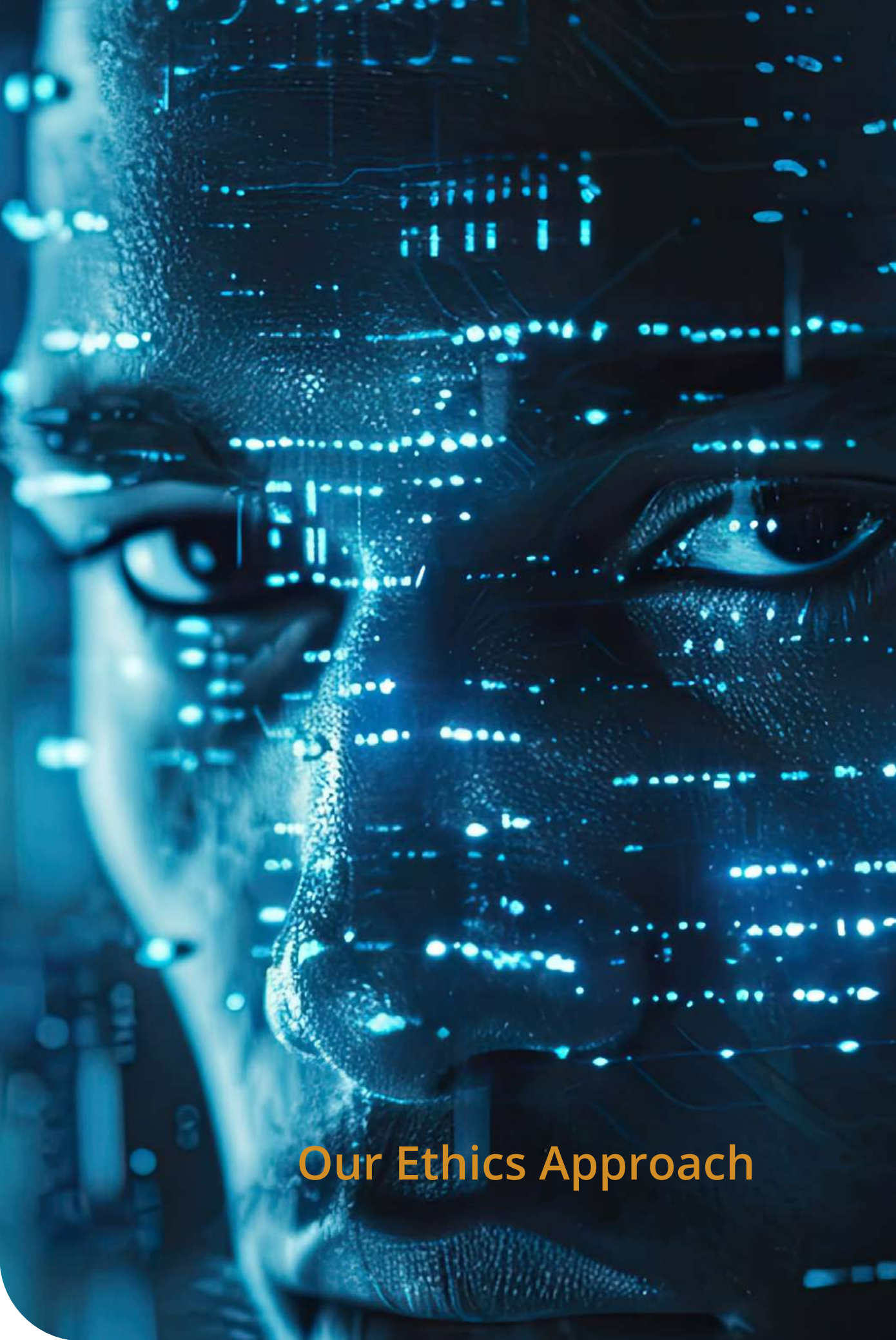
Index	Overall Engagement	2022 scores	2023 scores	2024 scores	2025 scores	Difference 2022/2023	Difference 2023/2024	Difference 2024/2025
Employee Engagement	Overall	64%	69%	78%	80%	+5%	+9%	+2%
	Fully Engaged	28%	28%	39%	41%	0%	+11%	+2%
	Engaged	36%	41%	39%	39%	+5%	-2%	0%
Culture	Willingness	7,2	7,2	7,5	7,7	0	+0,3	+0,2
	Commitment	7,5	7,5	7,9	8,2	0	+0,4	+0,3
	Organisational Average on Culture Drivers	7,2	7,2	7,5	7,3	0	+0,3	-0,2
Culture Drivers	Employee Voice	7,1	6,9	7,4	7,2	-0,2	+0,5	-0,2
	Personal Development	6,5	6,6	7,0	7,0	+0,1	+0,4	0
	Team Relations	7,6	7,7	7,8	7,7	+0,1	+0,1	-0,1
	Team Relations	7,4	7,3	7,4	7,5	-0,1	+0,1	+0,1
	Resilience	7,7	7,4	7,9	7,5	-0,3	+0,5	-0,4
	Value & Purpose**				8,0			
	Diversity and inclusion**				7,1			
Strategy	Organisational Average on Strategy	7,7	7,8	8,0	8,0	+0,1	+0,2	0
	Strategy awareness	7,85	7,95	8,12	8,0	+0,1	+0,17	-0,12
	Strategy Alignment	7,6	7,6	7,9	7,9	0	+0,3	0
Change Readiness	Change readiness and Strategy	6,4	6,4	6,8	7,2	0	+0,4	+0,4
Performance Management Perception	Organisational Average on PM Perception	6,4	6,6	7,1	6,7	+0,2	+0,5	-0,4
	Recognition & Praise	6,1	6,4	6,8	6,0	+0,3	+0,4	-0,8
	Performance management	6,6	6,8	7,4	7,3	+0,2	+0,6	-0,1

** New edition in 2025

Pulse Survey Results

Achieving good performance results does not come automatically. The CBE assesses talent morale, motivation, engagement and overall fulfilment. This involves insights that inform the Bank's talent value proposition to enhance satisfaction as well as retention. It is through such assessments that the Bank comes up with relevant interventions to create a suitable work environment for talent to be productive. This is how the Pulse Survey that the Bank undertakes annually add value to the institution.

The 2025 Pulse Survey published at the end of the period under review had a resounding participation rate of 95%. The Survey focused on five engagement indicators being: culture index, engagement index, change readiness, strategy index and performance index. The average score on all indicators was 77%. This was slightly below the 78% score achieved in the previous year but was still a good score and showed improvements in critical areas like the engagement index where the Bank scored 80%.



Our Ethics Approach

The Code of Ethics is embedded across the Bank and it guides employees to do what is right when faced with ethical dilemmas.

Our Ethics Approach: Holding ourselves to high ethical standards

The CBE recognises that ethical conduct is fundamental in building and maintaining trust with our stakeholders, fostering sustainable growth and maintaining the Bank's values. Guided by our core values, we continuously strive to uphold open communication; to remain relevant and performance driven; ensuring accountability, respect and integrity across all levels of the Bank.

Governance and Leadership

Our leadership sets the tone for ethical behaviour by promoting a culture of responsibility and decision-making that aligns with our ethical principles. The Board, supported by the Remuneration Committee, ensures that our ethical standards are integrated into our corporate governance framework.

Ethics Code and Ethics Policies

We have established a comprehensive Ethics Code that outlines expected behaviours for the Board, employees, management, and stakeholders. Regular roadshows and training sessions reinforce our commitment to ethical practices, ensuring awareness and compliance with relevant legislation, regulations, and international best practices.

Whistle-blower Protection and Ethical Reporting Mechanisms

Transparency is key to the Bank's operations. We maintain secure and anonymous channels for reporting unethical behaviour, misconduct, or violations of our ethical policies. Our whistle blower protection programme guarantees that reports are investigated independently, and necessary actions are taken to uphold ethical standards.

As part of our ethics approach, we have a comprehensive ethics reporting system to detect and prevent systemic misconduct. This system includes:

- A dedicated email (ethics@centralbank.org.sz)
- A Hotline (800 6060)
- Postal address: P.O. Box 3221 Mbabane
- Tel: 2408 2114
- Walk-ins and other forums

Our stakeholders (internal and external) are strongly encouraged to make use of these reporting mediums where they suspect or witness an unethical or illegal conduct.

Performance and Continuous Improvement

We regularly evaluate the effectiveness of our ethics programmes through audits and stakeholder feedback. Our dedication to continuous improvement ensures that we adapt to evolving ethical challenges while maintaining accountability at all levels.

Supporting ethical decision-making

The Code of Ethics is embedded across the Bank, and it guides employees to do what is right when faced with ethical dilemmas.

The Internal Affairs department continued to raise awareness on the Code of Ethics on employees through various forums. In addition, individual guidance on the internal Code of Ethics was given to employees to help resolve ethical dilemmas. Continuous assessments are made to ascertain if all declared non-conflict of interest reports made indeed had no actual nor perceived conflicting issues arising and influencing decisions. We confirm that there are currently no conflict-of-interest issues that may influence individual and/or Bank decisions.

Prevention and mitigation actions

Our Code of Ethics is published on our internal website, CentraNet, which is readily available for employees to peruse and be guided accordingly on ethical dilemmas.

The Code of Ethics guides employees in daily decision-making and provides an ethical framework to our ethical risk management approach. A process to introduce Ethics Ambassadors in every department is underway to assist foster ethical culture within departments daily.

As CBE, we are committed to the highest standards of ethical conduct and integrity in all our business activities. We provide an environment which seeks to safeguard the interests of all our stakeholders. We work hard to ensure we have an organisational culture that promotes such an environment.

Governance



 His Majesty King Mswati III pictured with CBE Board members during the Bank's 50th Anniversary Celebration.

Overview

In terms of the Central Bank of Eswatini Order of 1974 (as amended), the Bank is led by a Board, with the Governor serving as both Chairman and Chief Executive Officer responsible for the execution of the strategy and policy implementation, as well as management of the Bank. The CBE is wholly owned by the Government of Eswatini but operates as an autonomous institution as provided for in Section 206 (5) of the Constitution of Eswatini, 2005. The Bank's operations are not profit-driven but serve the best interests of all sectors and people of Eswatini.

In the year under review, the Board met seven (7) times. Six (6) of those meetings were held within the statutorily prescribed periods of at least one (1) meeting in two months; with one (1) being a special meeting. The Governor and Deputy Governor attend Board meetings in their capacity as Executive Members. The Chief Operating Officer, Chief Financial Officer, Director Research, Director Financial Regulation, Director Operations, Director Human Capital, as well as Head Strategy & Communication attend Board meetings, enabling the Board to explore specific issues and developments in greater detail.

Our Board

Providing strategic leadership and ultimate control, the Board sets the Bank's strategy and investment policies. It also establishes a robust corporate structure aligned with the Bank's strategy and mandate. While delegating execution to management, the Board ensures adherence to risk guidelines and effective controls. Performance and compliance are monitored through reports on strategy execution and financial target achievement.

The Board's authority and duties are outlined in the CBE Order and the Board Charter, guiding their use in the established committees for focused oversight. All Board chairpersons prepare an executive report on the proceedings of their Committee meetings and present the same at the Board meetings. Confident in their performance, the Board believes they have met their responsibilities and provided ongoing monitoring and oversight of the implementation and delivery of the strategy throughout the year.

Individual Members' Attendance at the Board and Board Sub-Committees' Meetings for the Financial Year 2024/25

Board Member	Date Appointed	Board	Audit Committee	Risk and IT Committee	Remuneration Committee
Dr. P. Mnisi Governor	1 st July 2022	7/7	n/a	2/2	5/5
Ms. F. Dlamini-Kunene Deputy Governor ¹	1 st July 2019	6/7	5/5	2/2	4/5
HRH Prince Sicalo ¹	2 nd June 2022	4/7	n/a	n/a	2/5
Dr. P. Mashwama	1 st July 2022	7/7	n/a	1/2	5/5
Ms. S. Dlamini ²	1 st Dec 2019	3/7	n/a	1/2	n/a
Dr. N. Curle	1 st Sept 2022	7/7	5/5	n/a	5/5
Ms. N. Dlamini	1 st Oct 2022	7/7	5/5	2/2	n/a
Ms. O. Sons	1 st Feb 2023	7/7	5/5	2/2	n/a
Mr. V. Dlamini ³	1 st Aug 2024	3/7	n/a	1/2	n/a
Dr. S. Gumbi ⁴	1 st June 2018	2/7	1/5	n/a	1/5

¹ Re-appointed | ² Term expired 31st July 2024 | ³ Appointed – 1st August 2024 | ⁴ Term expired – 31st May 2024

Board Composition

The Central Bank follows a Unitary Board structure, with the Board holding final authority as outlined in the Central Bank of Eswatini Order 1974 (as amended). The Board has nine (9) members in terms of the Order, and this includes the Governor (CEO) and Deputy Governor, plus one public official from the Ministry of Finance. The Governor who has been appointed by the Head of State for five years (renewable), chairs the Board. However, the Board itself is appointed by the Minister of Finance for a period of up to three years, renewable.

The Bank operated with eight (8) members during the review period, falling short of a full complement. The term of Dr. Sikhomba Gumbi ended on 31st May, and Ms. Sizakele Dlamini's term expired on 31st August. Subsequently, Mr. Vusi Dlamini – a public official from the Ministry of Finance was appointed as a new member, replacing Ms. Sizakele Dlamini.

62.5%

Males



37.5%

Females



Board Composition Summary

The Board boasts a diverse range of expertise, perspectives and experience, with members qualified in leadership, economics, accounting, finance, and IT. This diversity ensures the Board committees can tackle various issues with a deep understanding and enhance decision making and the Bank's overall performance.

Gender Distribution

Demonstrating a commitment to gender diversity, the Board includes three women, representing 37.5% of its members. This female representation includes the Deputy Governor, signifying the presence of women in key leadership roles. The remaining 62.5% of the Board are male, including the Governor.



Dr. Phil Mnisi
Governor and Chairman of the Board

Phil Mnisi (PhD) is the 7th Governor of the Central Bank of Eswatini appointed by His Majesty King Mswati III on 1st July 2022. Prior to his appointment, he served as the Chief Executive Officer of Eswatini Sugar Association for 6 years, and as Chief Executive Officer of Standard Bank Eswatini for almost 4 years between 2012 and 2016. He was previously the Assistant Governor of the Central Bank of Eswatini, a position he held for 4 years.

A Chartered Marketer Southern Africa (CMSA), and member of the Institute of Directors Southern Africa (IoD), Phil holds a PhD in Leadership and Management from Logos University, USA; a Master's Degree in Business Leadership (MBL) from the University of South Africa; and a Bachelor of Commerce Degree from the University of Eswatini. He has completed an Executive Leadership Development Programme from the Gordon Institute of Business Science (GIBS), South Africa; and a Programme on Investment Appraisal Management, from Harvard University, USA.

His corporate leadership experience spans more than 30 years in Eswatini and abroad. In South Africa, he worked for ABSA as Head of Group Talent Management

and also held the position of Chief Executive Officer of the Institute of Bankers, South Africa.

In Eswatini he has held senior positions at Nedbank, Eswatini Industrial Development Company (EIDC), and the Commonwealth Development Corporation (CDC). Dr. Mnisi is experienced in corporate governance, strategy, and leadership after having served in various companies and organisations locally and internationally as a Board member and/or Chairman. These include the International Sugar Organisation (ISO), Eswatini Electricity Company, Eswatini Revenue Services, Liberty Life Eswatini, Stanlib Eswatini, Eswatini Bank and Swaziland Building Society.

Dr. Mnisi has also served in various national commissions as Chairman, including the national COVID-19 Resource Mobilisation Committee, and the Royal Commission for Reviewing the Terms and Conditions of the 11th and 12th Parliament of the Kingdom of Eswatini.

Dr. Mnisi is the Founder and Senior Pastor at His Harvest Fellowship Church, a businessman, farmer, and an avid golfer who has two hole-in-one under his belt.



Ms. Felicia P.N. Dlamini-Kunene
Deputy Governor

Ms. Felicia P.N. Dlamini has served as the Deputy Governor of the Central Bank of Eswatini since July 2019 and was re-appointed for another 5-year term in December 2024. Prior to her appointment, she held the positions of Senior Advisor to the Executive Director at the African Development Bank; and Senior Advisor to the Executive Director at the IMF, Africa Group 1 Constituency. She also served as Advisor to the Ministry of Finance (Eswatini) and worked at the Central Bank of Eswatini as a Senior Economist.

Felicia holds a Master of Arts in Development Economics obtained from the Williams College, and a Bachelor of Arts in Economics and Demography from the University of Eswatini.

Ms. Dlamini has chaired the Eswatini Tourism Satellite Account Committee (October 2009-2010); co-chaired the IMF Staff Monitored Programme Technical Committee (2010); was Secretary for the Central Bank Staff Association (2009-April 2011); and a member of the SADC Macroeconomic Sub-Committee (2005-2007). Currently, she is serving as the Chair of the Financial Stability Technical Committee; the Chair of the State-Owned Enterprise Reform Task Team; the Chair of the Gender Inclusive Finance Technical Working Group; and the Co-Chair of the Cashflow and Debt Management Committee. She is also serving as a member of the Board of Eswatini Economic Policy Analysis and Research.

Ms. Felicia Dlamini has recently been appointed to serve as a voting member of the Alliance for Financial Inclusion's Gender Inclusive Finance Committee for a two-year term running from September 2024 to September 2026. Her appointment was due to her extensive experience in economic matters and was considered the best candidate amongst other nominees.



His Royal Highness (HRH) Prince Sicalo
Non-Executive Board Member

HRH Prince Sicalo N. Dlamini currently holds the position of Principal Secretary in the Ministry of Defence and is the first-born son of His Majesty King Mswati III of the Kingdom of Eswatini.

HRH previously held the positions of Assistant Director as well as Platoon Commander and Motor & Transport Officer for the Border Guards under the Logistics Department in the Ministry of Defence.

He trained at the Military College of the Armed People in 2007 for a 2-year cadet course, completing with a Bachelor's Degree in Military Science in Libya. He subsequently also trained at Misrata Air Force Base as a fixed wing pilot. HRH later took up the Rotary Wing a year later, majoring in Helicopters. He is a certified helicopter commercial pilot (Licence 47439 CPLH) with instrument Rating (IR) in the United Arab Emirates at the Horizon International Flight Academy (HIFA).

His achievements include formation of "Sicalo Foundation", a charitable organisation; and a Certificate of excellence in technology and rural empowerment Award from the Pan Africa Humanitarian Summit, in Morocco in 2018.

HRH has two medals, the 40th and 50th Anniversaries.



Mr. Vusi E. Dlamini
Ex-Officio Member, Principal Secretary Ministry for Finance
Non-Executive Board Member

Mr. Dlamini has been the Principal Secretary in the Ministry of Finance since July 2024. Prior to her appointment as the Principal Secretary, he held the positions of Head of Policy and Planning / Director of Budget and Economic Affairs within the Ministry of Finance responsible for coordinating the preparation and execution of the National Budget as well as spearheading financial sector issues and public finance management reforms. Prior to joining the Ministry of Finance, Mr. Dlamini was heading the Aid Coordination and Management Section under the Ministry of Economic Planning and Development, wherein, over and above his duties as Principal Economist responsible for coordinating overseas development assistance, he was also appointed Deputy National Authorising Officer for European Union funded development programmes.

He holds a Master's Degree in Economics obtained from the University of London in the United Kingdom and a Bachelor of Social Science Degree in Economics from the University of Eswatini (formerly University of Swaziland).

He has served as a non-executive Director at the Eswatini Electricity Company and currently serving on other Boards such as Eswatini Revenue Services, FINCORP and Public Service Pension Fund.



Ms. Odete Sons
Non-Executive Board Member

Ms. Odete Sons is a former Standard Bank Eswatini employee and began her banking career in 1979 with Barclays Bank Eswatini, which was subsequently taken over by Standard Bank South Africa. She has vast banking experience and in the last 15 years of her career, she held significant and specialised roles in Treasury Management and Global Markets managing the bank's local and foreign currency positions. She later joined the Finance unit where her responsibility included the proactive management of the bank's balance sheet and inherent market, liquidity, and interest rate risks, ensuring its financial soundness to survive economic downturns. The role further ensured that the risk management framework was accurately and effectively rolled out, and best practices were adopted throughout the bank. Following Standard Bank of South Africa's guidelines, Ms. Sons was responsible to develop an Integrated Recovery Plan, which outlines the bank's ability to remain operational following a market crisis.

Ms. Sons holds a diploma in Financial Markets through the ACI Financial Markets Association and completed a Management Development Programme through the University of Stellenbosch as well as a Senior Leadership Programme through the Standard Bank Global Leadership Centre in South Africa.



Dr. Petros M. Mashwama
Non-Executive Board Member

Dr. Petros Mashwama (PhD) obtained his undergraduate degree in mathematics and physics from the University of Eswatini. He proceeded to obtain a Master's Degree in Computer Science, specialising in Mathematical Graphics, at the University of Dundee in Scotland (UK). He later returned to the United Kingdom to study towards his PhD in Computer Science, which he completed at the University of Leeds in 1995.

Dr. Mashwama is a Senior Lecturer at the University of Eswatini. He has taught computer science at the university since 1989 between his Master's and Doctoral Degrees. He served as chair of the department between 2001 and 2012.

Dr. Mashwama has served on various committees at the University of Eswatini. He has also served as a member of the Eswatini National Science Panel and that of Eswatini National ICT panel. Outside the world of academia, he serves as an associate pastor of one of the local prominent churches.



Dr. Neville I. Curle
Non-Executive Board Member

Dr. Neville Curle worked in the forestry industry as a Chief Financial Officer for 19 years before his retirement in 2022. Because of his vast experience in that industry, he still consults with that Group. Prior to his appointment as the Chief Financial Officer, he worked in a Building Supply Group for some 5 years; and before that, was in Road Freight.

Dr. Curle is a Chartered Accountant by profession with extensive experience in Forestry, Cross Border Customs issues and Transport.

As a direct result of the AIDS pandemic in South Africa and particularly in Eswatini, he did significant part time research into the sociological reasons that underpinned the extensive spread of the HIV virus and qualified firstly with a Master's and then a Doctorate in Practical Theology through the South African Theological Seminary.



Ms. Nomusa T. Dlamini
Non-Executive Board Member

Ms. Dlamini is the former Chief Economist for the Ministry of Economic Planning & Development. She has extensive experience in economic development planning with particular emphasis on policy reforms; macroeconomic analysis and budgeting; policy and strategy development; poverty reduction; aid coordination; human capital development; disaster risk; and capacity building. She has the experience of developing and leading high performing teams whilst gaining commitment and driving organisational change. She has served Government in different positions, held the position of Director Macroeconomic Management Programme at MEFMI, and as Senior Advisor at the African Development Bank representing Eswatini, Lesotho and South Africa in the Board, for seven and half years.

She holds an MSc Degree in Agricultural Economics from the University of East Anglia, UK, and a Bachelor of Arts Social Science Degree from the University of Botswana and Eswatini. She has also completed several specialised courses in macroeconomic analysis attained from the IMF and the World Bank. Ms. Dlamini has served in several Statutory Boards including CANGO, FIRNCORP, Minerals Management and ESEPARC. She has led teams that produced the National Development Plans, Poverty Reduction Strategy and Action Plan, as well as the National Adaptation Strategy for the EU sugar reforms.



**Mr. Sikhumbuzo
Fakudze**
Board Secretary

Mr. Fakudze is the Head Legal and Secretary to the Board of the Central Bank of Eswatini. He holds a Bachelor of Laws Degree (LLB) and a Bachelor of Arts Degree (B.A. Law) from UNESWA.

He is a senior admitted attorney of the High Court of Eswatini with over 20 years' experience in the criminal and corporate fields. He has served in the Bank for over 10 years having joined from the Director of Public Prosecutions Chambers as Crown Prosecutor, Crown Counsel, and Principal Crown Counsel where he prosecuted high profile crimes including Money Laundering and related crimes. He is a trained Anti- Money Laundering assessor and has served as the Deputy Chairperson of the Legal Working Group of the Eastern and Southern African Anti-Money Laundering Group.

In the Bank, he has served as the Ethics Officer, Head Internal Affairs & Compliance and Head Internal Affairs & Security before being appointed as Head Legal and Secretary to the Board in April 2024. His expertise has been crucial in guiding the Bank through various investigations and facilitating interactions with law enforcement agencies and other stakeholders.

Equipping the Board for Effective Governance

- » The Governor and Chairperson of the Risk and IT Committee attended the Sub-Saharan- African Forum on Central Bank Governance organised by the IMF and the SARB in October 2025,
- » As part of ongoing Board training, members attended a comprehensive in-house training course for the Engineering Procurement & Construction Contract model which was adopted by the Bank in constructing the new Head Quarters in Ezulwini,
- » Members also undertook exponential learnings / benchmarking exercises in Ghana and Botswana in February and March, respectively.

Our Executive Committee

To assist the Governor in discharging his duties, there is an Executive Committee (EXCO) which comprises the Governor, Deputy Governor, Chief Operating Officer, Chief Financial Officer, Directors and Heads of Departments with the requisite skills and competences to run the various departments of the CBE. EXCO directs the execution of the strategic objectives of the Bank on a day-to-day basis.

Board Committees

To support its role and ensure effective governance, the Board had in place three (3) committees with defined charters; namely, the Audit Committee, Remunerations Committee and Risk & IT Committee.

Board Audit Committee

The Audit Committee focuses on ensuring the accuracy and integrity of the Bank's financial reporting. This includes reviewing key accounting issues, audit results, and internal control effectiveness. It also oversees strategic projects, reserves management, and investment strategies.

The committee met five (5) times during the year. The Deputy Governor, Chief Operations Officer, the Head Internal Audit, Director Financial Markets and the Chief Financial Officer attended the meetings, along with other members of management as required. The Governor as Chairman of the Board does not attend the Board Audit Committee meetings as part of good corporate governance.

Dr. Neville Curle - Chairperson

Ms. Odete Sons

Ms. Felicia Dlamini-Kunene

Ms. Nomusa Dlamini

Mr. Vusi Dlamini

Remuneration Committee

The Remunerations Committee manages pay structures for all Bank employees. It sets and oversees the Bank's compensation policy, ensuring it aligns with strategic goals and motives performance. It also reviews the effectiveness of the policy and ensures a balance between fixed salaries and variable compensation (bonuses, benefits, etc).

The Committee met five (5) times during the year. Four (4) meetings were scheduled, and 2 meetings were special meetings. The Governor, Deputy Governor, Chief Operations Officer and the Director Human Capital attended the meetings along with other members of management as required.

Dr. Petros Mashwama – Chairperson

HRH Prince Sicalo

Dr. Phil Mnisi

Dr. Neville Curle

Ms. Felicia Dlamini-Kunene

Risk and IT Committee

Risk & IT Committee focuses on ensuring technological infrastructure effectively supports the Bank's business goals and delivers value. They also manage IT risks and promote a comprehensive approach to risk management for informed decision-making. This includes proactive identification of both existing and emerging risks.

The Committee met two (2) times during the year. The Governor, Deputy Governor, Chief Operations Officer, Head Risk & Compliance, and the Head IT attended the meetings along with other members of management as required.

Ms. Odete Sons – Chairperson

Ms. Nomusa Dlamini

Dr. Phil Mnisi

Mr. Vusi Dlamini

Dr. Petros Mashwama

Ms. Felicia Dlamini-Kunene



Our Executive Committee



Phil Mnisi (PhD)
Governor



Felicia Dlamini-Kunene
Deputy Governor



Mfanfikile Dlamini
Chief Operations Officer



Sikhumbuzo Dlamini
Director Research



Dr. Melvin Khomo
Director Financial Markets



Lungile Dlamini
Director Operations



Beverly Mavuso
Director Financial Regulation



Isabel Made
Chief Financial Officer



Zithulele Gina
Director Human capital



Lindiwe Mlambo
Head Internal Audit



Sikhumbuzo Fakudze
Head Legal & Board Secretariat



Sinaye Dlamini
Head IT



Refiloe Mamogobo
Head Internal Affairs



Mandla Lumphondvo
Head Strategy & Communication



Wandile Mathonsi
Head Risk & Compliance

Our Management

To assist EXCO, there are Deputy Directors (i.e. Line Managers) who are responsible for day-to-day business operations of the Bank.



Siphos Skosana
Balance of Payments [BOP]
& International Affairs



Bhekizwe Dlamini
Bank Supervision



Helder Da Silva
Risk & Compliance



Zandile Mabundza
Financial Surveillance



Zodwa Nkambule
Currency & Banking



Sidney Jele
Legal & Advisory Counsel



Sindi Manyasi
Financial Accounting



Themba Busika
Financial Stability



Phetsile Khumalo
Human Capital
Operations



Linda Sacolo
IT Operations &
Infrastructure



Brian Sihlongonyane
Application &
Data Analytics



Nhlanhla Mthethwa
International &
Domestic Markets



Sharon Magagula
Talent Management



Qinisile Jele
Management Accounting



Sabelo Gama
Payments Systems



Mduduzi Mathunjwa
Policy, Conduct &
Enforcement



Dr. Patrick Ndzinisa
Policy Research & Macro
Economic Analysis



Nhlanhla Hlatshwayo
Security and Protection
Services



Acute Dlamini
Domestic Economy



Warren Dlamini
Supply Chain



Nondumiso Dlamini
Property Development &
Maintenance



Gcina Nxumalo
Financial Inclusion &
Development Finance



**Nomfanelo
Kunene-Thobela**
Financial Integrity



Linda Dlamini
Fintech and
Innovation



Nothando Nxumalo
IT Governance
& Innovation



Sukulwenkhosi Nxumalo
Treasury Operations



Office of the Ombudsman



The Ombudsman plays a valuable role in advocating for fair treatment and providing a voice for those who might feel unheard by large financial institutions.

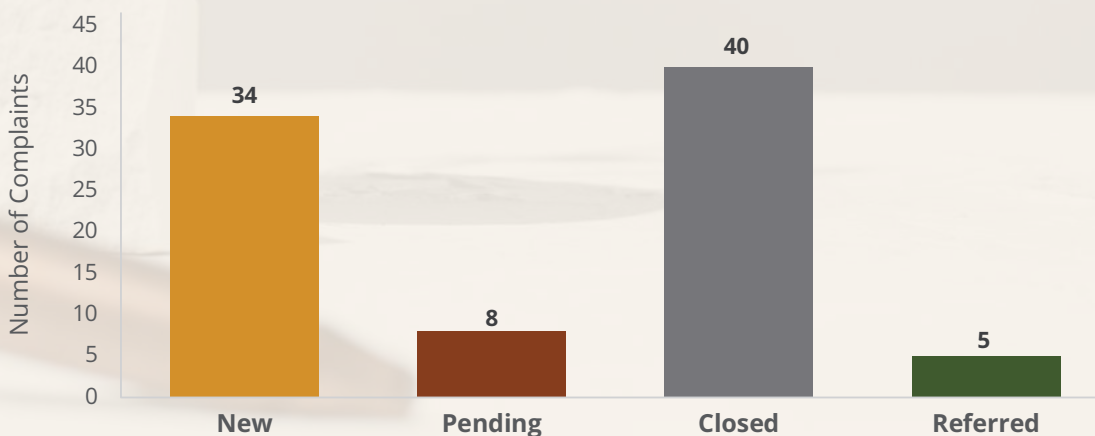
In the year under review, the Office of the Ombudsman received 34 new complaints, in addition to those carried over from the previous year. Out of these, the Ombudsman was able to successfully resolve 40 complaints leaving 8 complaints carried over to the 2025/26 financial year. Five (5) complaints were referred to the

Ombudsman for Financial Services as they were related to institutions regulated by the FSRA. A notable rise in scamming-related complaints occurred this year, while there was also a significant number of complainants seeking intervention for loan facility restructuring.

The Office of the Ombudsman also participated in World Consumer Rights Day through an invitation to a partner-hosted webinar. Awareness campaigns were conducted at armed forces facilities and the Methula and Sithobelweni Constituencies as part of Customer Service Week initiatives. Collaborative efforts with other CBE departments extended these campaigns to the Ngwane Park and Mbabane West Constituencies.

Challenges faced by the Office included limited funding for independent awareness campaigns, necessitating reliance on invitations from other organisations. Enhancements in personnel and professional development are also required. While in-house training on customer centricity was undertaken, further development in alternative dispute resolution skills is needed. Investment in technology, specifically software for file storage and data compilation, is also a priority. Furthermore, membership in international Ombudsman organisations is sought to ensure continued relevance and awareness of contemporary dispute resolution practices.

Complaints from April 2024 to March 2025





Enterprise Risk Management

The CBE Risk Management goal is to ensure that Risk exposure is minimised, and that Opportunities are exploited within the Bank’s Risk Appetite and Tolerance levels, and Regulatory ambit; so that when disaster strikes, the Bank remains resilient, responds, and recovers within acceptable thresholds.

The Risk Management objective for the financial year 2024/25 was to improve the level of Maturity for the Risk, Compliance and Business Continuity Management (BCM) Frameworks and ensure Enterprise Risk Management (ERM) Value Add in the day- to- day decisions and processes of the Bank in line with the Corporate Strategy and to improve the level of risk awareness in the Bank.

Our Risk Management Approach

The Bank adopted an integrated approach to risk management that combines risk, strategy and performance, and thus improves decision-making in governance, strategy, objective-setting, and day-to-day operations. This approach helps to enhance performance by closely linking strategy and business objectives to risk.



The Risk and Compliance Management Department is one of the support functions that provide assurance services to ensure:

- Efficiency in operations.
- Responsiveness and Agility.
- Sound and Consistent Regulatory Compliance Practices.

This is achieved through aligning Strategy, Risk, and Performance; and therefore, ensuring effective collaboration, a culture of accountability, high performance, and strengthened leadership and management capabilities by facilitating the effective implementation of the Risk Management process.

Material Matters

The Bank continued to identify and monitor relevant matters that have or may influence its ability to create value. These could have either negative or positive effects on the Bank's strategy, governance, performance, or prospects in the short, medium, or long-term; and thus, become sources of risks and

opportunities to the Bank. These informed the focus areas, objectives, and strategic initiatives that the Bank is pursuing for the strategy period; the corporate risk register; as well as the corporate scorecard that informs the individual performance scorecard, to monitor effective delivery of the Bank's mandate.

Material Matters for the Year 2024/25

2024/2025	Description
Cyber Security and Data Security.	A highly digitalised operating environment poses a higher risk of cyber and data threats.
Human Capital Diversity and Talent Management.	In response to socio-economic and political dynamics, as well as future skills requirements.
Macro-Economic and Geopolitical Uncertainty.	Global political tension translates to economic uncertainty.
Digital Disruptions, New Technology, and Artificial Intelligence.	A highly digitalised operating environment poses a threat to the efficiency and adequacy of resources to be resilient and respond to the demand.
Climate Change and Environmental Sustainability.	The frequency and severity of weather-related events that are linked to climate change.
Financial, Liquidity, and Insolvency Risks.	Slow economic growth globally presents a threat to financial sustainability.
Supply Chain, Outsourcing and the Third-Party Risk.	The Russia-Ukraine war, US Executive Orders, and the continuous political climate globally present challenges to the supply chain.
Change in Laws and Regulations.	The introduction of new laws requires compliance by all organisations.
Business Continuity, Crisis Management, and Disaster Response.	The prevalence of disasters requires that resilience, response, and recovery plans be up to date.
Organisational Governance and Corporate Reporting.	Poor governance is becoming a common challenge globally with increasing political instability issues.

In the year under review, there has been some unprecedented global change; the risk landscape poses several challenges that might have an impact on the Bank. The new Executive Orders introduced by the US Government pose considerable threats to the country. The freeze in aid-related activities provided by the United States Agency

for International Development will negatively impact the social risks, particularly health-related risks, as several health initiatives were funded by the US Government. The shift in US policy regarding tariffs might have serious implications for the country as far as trading with the USA is concerned.



Business Continuity Management

The Business Continuity Management (BCM) Unit oversees the development, maintenance, and improvement of the Bank's business continuity management system.

The Bank follows the Business Continuity Institute's Good Practice Guidelines, which are based on ISO 22301: Business Continuity Management System standard. An effective and inclusive business continuity programme is critical to the attainment of the Bank's strategic objectives. The Bank's BCM programme is managed and supported by the policy, framework, incident management plan, and the BCM lifecycle activities.

In the period under review, the Bank remained focused on ensuring that robust business continuity activities were maintained, which ensured that core business processes were resilient to incidents and potential disruptions. There was continued engagement on business continuity initiatives such as annual review of business impact analysis, validation of business continuity plans, incident management, and training of champions.

A BCM Maturity Assessment was conducted to assess the Bank's recovery capabilities against best practices and international standards. The results showed an improvement from the previous years' lower Level 4 to upper Level 4.

Compliance Management

The Compliance Unit is tasked with the function of ensuring that the Bank's departments are complying with the legislations and regulations of the Kingdom of Eswatini in so far as they impact the Bank. The Unit is also tasked with the duty of ensuring that functioning control systems are in place to reduce the risk of breaches of laws. Systems have been developed in line with industry guidelines to monitor and control the risks inherent to the Bank's departments.

The Bank continued to capacitate its staff on some of the critical legislations impacting its operations.

Financial Risk

Financial risk refers to the possibility of loss of capital and can be broadly summarised into the categories of market risk, credit risk, liquidity risk, and currency risk. The CBE is exposed to financial risks that arise from its statutory roles in terms of:

- a. Monetary policy implementation within the domestic financial sector,
- b. Management of the foreign exchange reserves,
- c. Operation of payment and settlement activities.

In terms of the governance structure of the Central Bank, the Board holds ultimate responsibility for risk management, which includes setting the overall risk appetite/ tolerance framework and the Investment Policy of the CBE. These frameworks and policies are operationalised through various departments of the Bank that are engaged in the active management of the Bank's financial risks. The Financial Markets department (FMD) carries out investment activities to manage the Bank's foreign exchange reserves, and within the FMD, the Treasury Operations division is responsible for, *inter alia*, international payment settlements, including foreign debt service payments on behalf of the Government.

The Central Bank acts as a lender of last resort within the domestic economy, and through the Financial Markets department, provides liquidity assistance to local banks when needed, while the Bank Supervision division monitors the liquidity position of the local banks. The settlement of transactions relating to the Bank's operations is managed by the Finance department where the Financial and Management Accounting divisions ensure accurate accounting of the financial position and financial reporting.

The Risk and Compliance department, as the second line of defence, is responsible for, amongst other things, defining the risk management policies in addition to assessing and monitoring financial risks in conjunction with the other Departments. Internal Audit uses a risk-based approach to conduct its activities to provide assurance on the effectiveness of governance and internal controls.



In terms of foreign reserves management, the investment limits are defined through an Investment Policy and Investment Guidelines complemented by a Strategic Asset Allocation process. The CBE further conducts periodic counterparty due diligence, monitors both monetary and investment policy compliance, and assesses current and emerging risks within the Bank's operations. The risk management policies and measures applied to each of the Central Bank's principal financial risk exposures are described below.

Credit Risk

Credit risk refers to the risk of loss arising from the failure of a borrower, issuer, or counterparty with obligations to the Bank. The largest exposure of the Bank to credit risk is associated with the investment activities carried out in the function of managing the foreign exchange reserves portfolio and the holdings of securities issued by the Government of Eswatini.

Credit exposure is managed by the implementation and maintenance of an approved Investment Policy. The Policy provides *inter alia*, the minimum credit rating for investment counterparties. Under the current Policy, the Bank can only invest with investment grade counterparties, that is, those with a rating between AAA and BBB-. However, an exception is provided for the Republic of South Africa and South African banks due to the natural exposure of the reserves holdings to the rand currency (ZAR). Credit risk within the Bank's investment portfolios is further mitigated by a system of approved counterparty credit limits guided by external

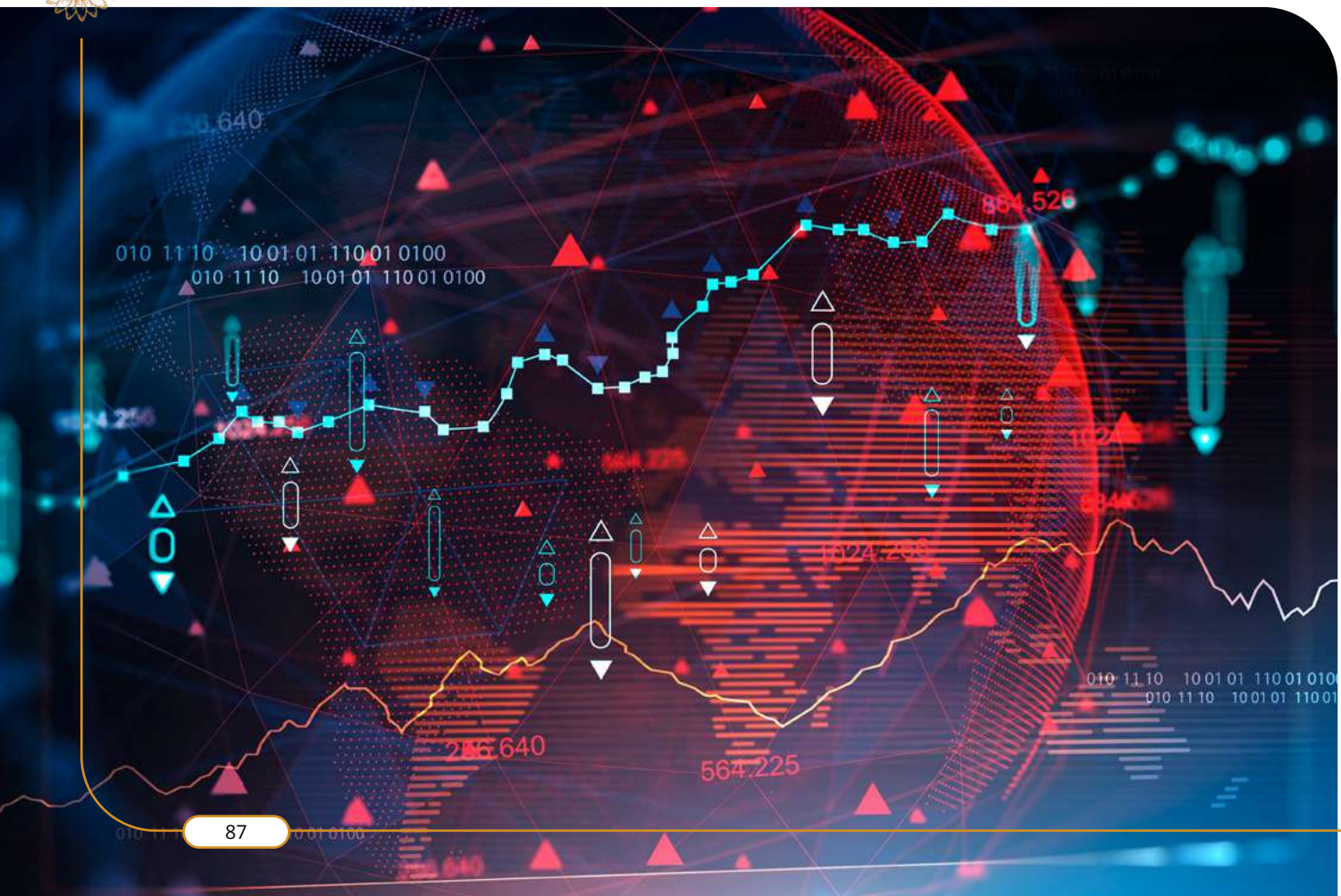
credit ratings provided by selected rating agencies. External credit ratings are complemented by an internally developed credit allocation model which combines these ratings with key financial ratios to determine a credit score for all counterparties. This credit score is used to allocate risk-based credit limits to counterparties.

Liquidity Risk

Liquidity risk is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimise a loss in the event of adverse price changes. Liquidity risk also entails the Bank's ability to meet its obligations when they fall due, which necessitates holding adequately liquid assets to meet such obligations.

Liquidity risk is mitigated through the allocation to liquid assets in specific liquidity sub-portfolios in the Bank's investment tranches. This allocation is based on an analysis of the volume and currency of projected liabilities such that adequate balances are maintained in the necessary currencies to meet all liabilities when they fall due.

To avoid excessive concentration, investments in the liquidity portfolios, issuer (and counterparty) limits are allocated, thereby minimising exposure to any issuer (counterparty) that could create acute liquidity risk in a situation where the asset(s) must be liquidated. In addition, issuer limits are coupled with minimum credit ratings to moderate the likelihood of unscheduled disposals due to the potential of



an issuer being downgraded below the Bank's approved investment grade threshold. The Bank conducts periodic assessments of credit exposure, including semi-annual reviews of the credit limits, as well as provision for expected credit losses in line with IFRS9 standards. The Bank is also exposed to credit risk on its portfolio of Eswatini Government Bonds and Treasury Bills which are acquired from time to time. The overall exposure to Government holdings is governed by the provisions in the CBE Order.

Interest Rate Risk

Interest rate risk refers to the risk of loss arising from adverse changes in interest rates. The Investment Policy and Guidelines, together with the Strategic Asset Allocation, set the target durations and allowable deviations for all the investment portfolios. Risk metrics are monitored on a continuous basis to ensure alignment with the risk management parameters, governance, and control frameworks.

A key source of interest rate risk exposure for the Bank relates to the sensitivity of the value of its investment assets to interest rate changes. The Bank mitigates this interest rate risk exposure on a portion of the investment portfolio through allocation to a hold-to-maturity strategy. Risk management preferences in the investment assets are expressed through an external benchmark, against which the investment portfolios are measured and managed. The interest rate risk of the Bank's investment portfolios is calculated and managed using modified duration which

quantifies the sensitivity of the value of an investment portfolio to changes in bond yields. Portfolios are managed within allowable deviations and corrective action is implemented by the internal (or external) portfolio managers when portfolio duration deviates from the allowable band. The Bank mitigates its interest rate exposure to Eswatini Government securities by implementing a hold-to-maturity strategy.

Foreign Exchange (Currency) Risk

Foreign exchange risk refers to the risk of loss due to changes in exchange rates. The Bank manages currency risk by using an asset-liability matching (ALM) approach in setting the currency allocation of the reserves' portfolio. This is conducted on an annual basis through the Strategic Asset Allocation which informs the currency composition of the assets held in the investment portfolios. The currency composition is established using a combination of quantitative methodologies, future forecasts, as well as a variety of qualitative factors, to ensure that foreign asset balances are adequate to meet projected liabilities in the respective currencies. At the end of the 2024/25 financial year, the Bank's portfolios were predominately denominated in US dollar and South African rand, together with smaller proportions of other currencies, namely Euro, British pound, and Chinese yuan. The Bank maintains an open exposure in terms of the asset position in IMF's Special Drawing Rights (SDR), as the internally managed portion of the funds were not held in the Japanese yen, a currency which forms part of the SDR basket.



Assurance



Overview

Internal Audit (IA) activities focused on providing independent assurance regarding the effectiveness of the Bank's risk management, governance, and systems of internal control. Its scope extends beyond financial risks, addressing broader concerns such as the Bank's growth, reputation, and its influence on the environment and people.

The Board Audit Committee reviewed the Internal Audit activities quarterly through reports and is satisfied that the IA function is independent and appropriately resourced to provide assurance on the adequacy and effectiveness of the Bank's internal control environment.

The Internal Audit department assesses its adherence to internal auditing standards by implementing a quality assurance programme, which operates internally and externally. The internal programme is ongoing and forms an integral part of the Bank's Internal Audit Framework, while the external programme is conducted under the prescribed standards.

Key Activities

The Board approved the Internal Audit three-year Work Plan and the Annual Internal Audit Plan 2024/25, which comprised 13 audits targeting key risk areas identified through a risk assessment conducted at the start of the year. In addition to the execution of the audit plan, which seeks to preserve the value of the Bank, Internal Audit conducted eight (8) special assignments at the request of Management, and

sought to safeguard the Bank's value, as well as create value.

The Board Audit committee (BAC) confirmed the Independence of the Internal Audit department and reviewed quarterly reports on governance, risk and control, submitted by the Head Internal Audit. The BAC also reviewed all significant findings from internal and external audit reports and monitored management's responses to these findings.

Two auditors completed the ISO 27001 Information Security Management Foundation certificate course and obtained certification as Lead Cybersecurity Manager from the Professional Evaluation and Certification Board (PECB). Another auditor completed the Internal Audit Technician (IAT) course.

In the year under review, the CBE and the Central Bank of Seychelles formalised a three-year partnership through a Memorandum of Understanding (MoU). This collaboration focuses on bolstering the capabilities of both institutions' Internal Audit departments.

Forward Looking

Internal Audit function is steadfast in its dedication to adopting progressive audit practices that align with and advance the Bank's strategic priorities. It will continue to improve the use of data analytics, utilise advanced continuous auditing tools, and reinforce the combined assurance framework to ensure optimal effectiveness and value delivery. Furthermore, Internal Audit activities will maintain alignment with the revised Global Internal Auditing Standards (GIAS) of 2024,

which came into effect in January 2025. This will be accomplished through the implementation and refinement of the function's initiatives as outlined in its GIAS 2024 implementation plan.

Statement of Combined Assurance

The implemented combined assurance model is designed to enhance the efficiency and effectiveness of assurance activities across the three lines of assurance. Over time, the model has evolved through continuous improvements and refinement of assessment methodologies across the assurance lines. This approach to risk management and control seeks to unify, coordinate, and align processes while optimising oversight in risk, governance, and control.

The Combined Assurance Forum (CAF) regularly evaluates the combined assurance strategy, framework, and processes, ensuring effective collaboration and information sharing among assurance providers. These efforts play a critical role in maintaining a robust control environment and supporting the reliability of information used for decision-making by those charged with governance.

The CAF seeks to focus on the following improvements:

- Assigning and embedding Combined Assurance Oversight Committee responsibilities and actions.
- Harmonised reporting at both the management and governance levels.
- Combined Assurance provider assessment and validation.



Finance Report

Finance Report

The following analysis provides an overview of the CBE statement of comprehensive income, statement of financial position, selected ratios year-on-year and salient features.

Summary Income Statement

Category	31/03/2025	31/03/2024	Percentage change	Improvement/ Worsening	Commentary
	E'000	E'000			
Interest income	787,364	660,953	19%	●	Higher interest income was driven by improved performance from fund managers, reflecting better returns on invested funds.
Interest expense	(419,686)	(321,998)	30%	●	The increase in interest expense is attributed to consistently high balances maintained in customer call accounts.
Non-interest income	439,851	445,413	(1%)	●	Lower Rand compensation income relative to the previous year reduced non-interest income.
Net-interest income	807,529	784,368	3 %	●	
Operating expenses	(601,850)	(532,841)	13%	●	Increase, mainly due to continued maintenance costs related to the Ezulwini complex, COLA implementation, inflationary increases across key expenditure lines, and adjustments on existing contractual agreements.
Profit for the year	205,679	251,527	(18%)	●	
Revaluations (losses)/gains on foreign exchange activities	(16,152)	171,685	(109%)	●	Exchange rate volatility resulted in the recognition of a revaluation loss, as the local currency strengthened against major reserve currencies, reducing the value of foreign holdings.
Total comprehensive income for the year	189,527	423,212	(55%)	●	

- Reflects a worsening position
- Reflects an improvement

Current Year

	Threshold	Budget	Actual
Personnel expenses as per cent of income	45%	32%	35%
Personnel expenditure as per cent of total expenditure	55%	45%	47%
Total expenditure as per cent of total income (excluding credit impairment gain)	80%	72%	75%

Summary Statement of Financial Position

	31/03/2025	31/03/2024	Percentage Change	Improvement/Worsening	Commentary
	E'000	E'000			
Assets					
External Investments	7,389,505	6,296,714	17%	●	The increase reflects the recognition of a 5-year equity-linked note investment placed with Standard Bank South Africa on behalf of PSPF.
IMF Quota Subscription Account	1,919,315	1,967,419	(2%)	●	The IMF Quota Subscription was revalued at a loss of E48 million due to a lower SDR rate of 24.4499 at 31 March 2025, compared to 25.0627 in the prior year.
Cash and Cash Equivalents	2,631,524	1,512,302	74%	●	The increase is attributed to positive cash inflows from foreign currency trading, SACU receipts, and the placement of excess liquidity.
Amounts due from Government of Eswatini	3,589,979	3,054,004	18%	●	Reflects point-in-time balances of treasury bills, bonds, and revolving advance, which fluctuate as SACU inflows are received, and the advance facility is utilised.
Holdings of Special Drawing Rights (SDR)	130,050	310,892	(58%)	●	The notable decline reflects the net effect of quarterly interest charges and ongoing loan repayments.

Liabilities					
Currency in Circulation	1,482,156	1,344,448	10%	●	The prevailing positive economic growth has resulted to an increase in demand for cash hence the increase.
Domestic Deposits	5,774,712	4,013,486	44%	●	The increase reflects net government SACU inflows and higher commercial bank balances driven by a competitive monetary policy stance.
Allocation of Special Drawing Rights	3,020,132	3,114,726	(3%)	●	The Bank administers SDR 48,284,670 on behalf of the Government. The decline is due to a lower SDR rate of 24.4499 at 31 March 2025, down from 25.0627 the previous year.
Amounts Payable to the Consolidated Fund	278,208	347,076	(20%)	●	This amount remains payable to the Government Consolidated Fund in line with Section 8(3) of the Central Bank Order of 1974 (as amended), with the decline driven by revaluation losses incurred this financial year.
IMF Securities Account	1,759,046	1,803,135	(2%)	●	The decline represents revaluation losses on the International Monetary Fund Quota Subscription Account incurred during the financial year.

- Reflects a worsening position
- Reflects an improvement

Current year ratio

	2024/25 Actual	2024/25 Target	2023/24 Actual
Capital to Asset ratio	17.04%	10%	14.21%



CBE Abridged Financial Statements

Statement of Financial Position

at 31 March 2025

	2025 E'000	2024 E'000
ASSETS		
Cash and cash equivalents	2 631 524	1 512 302
Currency inventory - notes and coins	155 901	117 581
Non-current assets held for sale	27 996	27 996
Other assets	674 828	169 259
Amounts due from Government of Eswatini	3 589 979	3 054 004
Loans and advances	116 854	60 931
Holdings of Special Drawing Rights	130 050	310 892
IMF Quota subscription account	1 919 315	1 967 419
Claims on private sector	2 082	2 082
External investments	7 389 505	6 296 714
Intangible assets	73 297	78 949
Property, plant and equipment	500 524	413 477
Total assets	17 211 855	14 011 606
EQUITY		
Capital and reserves		
Capital contribution	185 768	185 768
Revaluation reserve	486 339	624 076
Buildings revaluation reserve	154 423	157 575
Building fund reserve	50 000	50 000
Contingency reserve	73 817	73 817
General reserve	885 794	833 586
SDR/IMF underwriting reserve	66 868	66 868
Total equity	1 903 009	1 991 690
Liabilities		
Currency in circulation	1 482 156	1 344 448
Allocation of Special Drawing Rights	3 020 132	3 114 726
Domestic deposits	5 774 712	4 013 486
Foreign deposits and liabilities	1 328 281	1 205 459
Other liabilities	567 108	131 503
Financial liability at fair value through profit or loss	1 037 244	-
Provisions	61 959	60 083
Amounts payable to the Consolidated Fund	278 208	347 076
IMF Securities Account	1 759 046	1 803 135
Total liabilities	15 308 846	12 019 916
Total equity and liabilities	17 211 855	14 011 606

Statement of Comprehensive Income

for the year ended 31 March 2025

	2025	2024
	E'000	E'000
Interest income	787 364	660 953
Interest expense	(419 686)	(321 998)
Net interest income	367 678	338 955
Non-interest income		
Impairment reversal - financial assets	72 778	-
Other Revenue	367 073	445 413
	439 851	445 413
Total operating income	807 529	784 368
Operating expenses		
Property occupation expenses	(24 589)	(23 885)
Salaries and employee benefits	(282 840)	(263 327)
Depreciation and amortization expense	(40 328)	(40 682)
Currency expenses	(21 699)	(17 818)
Other expenses	(232 394)	(167 058)
Credit impairment losses - financial assets	-	(20 071)
Total operating expenses	(601 850)	(532 841)
Profit for the year	205 679	251 527
Other comprehensive income		
Revaluation gains on foreign exchange activities	(16 152)	171 685
Total comprehensive income	189 527	423 212

Statement of Changes in Equity

for the year ended 31 March 2025

	Capital	General reserve	Building Fund reserve	SDR/IMF Under-writing reserve	Contingency reserve	Buildings Revaluation reserve	Revaluation reserve	Appropriation account	Total
	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Balance at 31 March 2024	185 768	833 586	50 000	66 868	73 817	157 575	624 076	-	1 991 690
Net profit for the year including revaluation of foreign currency activities	-	-	-	-	-	-	-	189 526	189 526
Revaluation of foreign currency activities transferred to Revaluation Reserve in terms of Section 35 (1) of the Order	-	-	-	-	-	-	(16 153)	16 153	-
Revaluation gain on PPE	-	-	-	-	-	-	-	-	-
Transfer of depreciation on revaluation surplus to appropriation account	-	-	-	-	-	(3 152)	-	3 152	-
Transfer to general reserve as provided under Section 8 (1) of the Order	-	52 208	-	-	-	-	-	(52 208)	-
Transfer to the Consolidated Fund as provided under Section 8 (3) of the Order	-	-	-	-	-	-	-	(156 623)	(156 623)
Transfer to the consolidated fund in terms of Section 35 (4) of the Order	-	-	-	-	-	-	(121 584)	-	(121 584)
Balance at 31 March 2025	185 768	885 794	50 000	66 868	73 817	154 423	486 339	-	1 903 009

Statement of Changes in Equity

for the year ended 31 March 2025 (Continued)

	Capital	General reserve	Building Fund reserve	SDR/IMF Under-writing reserve	Contingency reserve	Buildings Revaluation reserve	Revaluation reserve	Appropriation account	Total
		E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Balance at 31 March 2023	185 768	769 900	50 000	66 868	73 817	153 577	608 410	-	1 908 340
Net profit for the year including revaluation of foreign currency activities	-	-	-	-	-	-	-	423 212	423 212
Revaluation of foreign currency activities transferred to Revaluation Reserve in terms of Section 35 (1) of the Order	-	-	-	-	-	-	171 685	(171 685)	-
Revaluation gain on PPE	-	-	-	-	-	7 214	-	-	7 214
Transfer of depreciation on revaluation surplus to appropriation account	-	-	-	-	-	(3 216)	-	3 216	-
Transfer to general reserve as provided under section 8 (1) of the Order	-	63 686	-	-	-	-	-	(63 686)	-
Transfer to the Consolidated Fund as provided under Section 8 (3) of the Order	-	-	-	-	-	-	-	(191 057)	(191 057)
Transfer to the consolidated fund in terms of Section 35 (4) of the Order	-	-	-	-	-	-	(156 019)	-	(156 019)
Balance at 31 March 2024	185 768	833 586	50 000	66 868	73 817	157 575	624 076	-	1 991 690

Statement of Cash Flows

for the year ended 31 March 2025

	2025 E'000	2024 E'000
Cash flows from operating activities		
Operating profit	189 527	423 212
<i>Adjusted for:</i>		
IMF balances	30	121 781
Depreciation and amortisation	40 328	40 682
Loss on disposal	830	700
Unrealised losses	60 385	198 750
Revaluation gains on foreign exchange activities	16 152	(171 685)
Interest income	(787 364)	(660 953)
Interest expense	419 686	321 998
	(60 426)	274 485
Changes in funds from operating activities		
Increase in foreign deposits and liabilities	129 778	101 776
Increase in other liabilities and provisions	1 474 724	81 396
(Increase) in loans and advances	(55 923)	(28 014)
(Increase)/decrease in other assets	(431 693)	58 774
Increase in notes and coins	(38 320)	(33 276)
Increase in amounts due from Government	(515 443)	(11 731)
Increase in currency in circulation	137 708	104 447
Increase in external investments	(1 092 791)	(783 041)
Increase in domestic deposits	1 761 226	575 185
Net increase in operating assets and liabilities	1 369 266	65 516
Cash generated from operations	1 308 840	340 001
Interest received	683 422	572 846
Interest paid	(412 730)	(62 206)
Net cashflows from operating activities	1 579 532	850 641
Cash flows from investing activities		
Purchase of property, plant and equipment and software equipment	(123 239)	(191 965)
Proceeds from disposal of property, plant, and equipment	48	618
Net cash outflows from investing activities	(123 191)	(191 347)
Cash flows from financing activities		
Amounts paid to the Government through the consolidated fund	(347 076)	(445 461)
Net cash outflows from financing activities	(347 076)	(445 461)
Net movement in cash and cash equivalents	1 109 265	213 833
Cash and cash equivalent at the beginning of the year	1 512 302	1 265 137
Effects of exchange rate changes on cash balances	9 957	33 332
Cash and cash equivalent at the end of the year	2 631 524	1 512 302

Abbreviations



AACB	Association of Central Bank Governors
AML	Anti-Money Laundering
BCM	Business Continuity Management
BIS	Bank for International Settlement
CAF	Combined Assurance Forum
CBE	Central Bank of Eswatini
CBDC	Central Bank Digital Currency
CCBG	Committee of Central Bank Governors
CFT	Combating the Financing of Terrorism
CMA	Common Monetary Area
CPI	Consumer Price Index
CSI	Corporate Social Investment
CSO	Central Statistical Office
CSOC	Cyber Security Operations Centre
DPF	Deposit Protection Fund
ECGS	Export Credit Guarantee Scheme
ERM	Enterprise Risk Management
EXCO	Executive Committee
EPS	Eswatini Payment Switch
Fintech	Financial Technology
GDP	Gross Domestic Product
GT	Graduate Trainee
HC	Human Capital
HRH	His Royal Highness
IT	Information Technology
IFRS	International Financial Reporting Standards
IR	Integrated Reporting
IMF	International Monetary Fund
KPIs	Key Performance Indicators
MPCC	Monetary Policy Consultative Committee
NBFIs	Nonbank Financial Institutions
NPLs	Non-performing Loans
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDRs	Special Drawing Rights
SME	Small Medium Enterprises
SSELGS	Small Scale Enterprise Loan Guarantee Scheme
SWP	Strategic Workforce Planning
UNESWA	University of Eswatini
USA	United States of America
VAT	Value Added Tax
WEO	World Economic Outlook
ZAR	South African Rand

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