

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	31/03/2023 E'000	31/03/2022 E'000	Percentage change	Commentary
Interest income	453,111	336,586	35%	Interest income increased relative to the previous financial year due to higher interest rates and better portfolio holdings.
Interest expense	-193,180	-124,337	55%	Interest paid rose relative to the previous financial year on the back of higher liability holdings on local banks' call accounts and higher interest rates compared to the last year.
Non-interest income	609,311	367,154	66%	About 71 per cent is compensation for ZAR in circulation within the country and is paid by the Government of South Africa. Non-interest income in 2022/23 also include impairment reversal on financial assets of E172.6 million.
Net-interest income	869,242	579,403	50%	
Operating expenses	-483,393	-397,101	22%	The Bank has partnered with CBDC technical consultants, Giesecke+Devrient (G+D) to advance its research and exploration of CBDCs and is now entering the experimentation phase of its CBDC project. In 2022/23 the CBE has continued to invest in professional services towards this on-going project.
Profit/(Loss) for the year	385,849	182,302	112%	Profit for the year has been arrived at after charging staff costs, repairs & maintenance, board members and audit fees, depreciation, and all other operating expenses.
	627,446	166,333	277%	Foreign exchange gains realised on translation of foreign currency balances at the year-end rate. The gains are mainly the result of the Lilangeni (SZL) depreciating against major currencies during the financial year.
Total	1, 013,295	348,635	191%	Attributable to the depreciation of SZL against major trading currencies, which caused a profit on the revaluation of foreign denominated assets.

- Reflects a worsening position
- Reflects an improvement

Current Year

	Threshold	Budget	Actual
Personnel expenses as per cent of income	45%	31%	37%
Personnel expenditure as per cent of total expenditure	55%	46%	53%
Total expenditure as per cent of total income (excluding credit impairment gain)	80%	68%	69%

Summary Statement of Financial Position

	31/03/2023 E'000	31/03/2022 E'000	Percentage Change	Commentary
Assets				
External Investments	5,513,673	3,535,548	56%	The increase reflects the position following investments in various currencies after a drawdown in SDR Holdings.
IMF Quota Subscription Account	1,869,048	1,585,605	18%	The International Monetary Fund Quota Subscription of SDR78.50 million held by the Bank on behalf of the Government of Eswatini was revalued at a gain of E283 million in the current year due to the SDR rate of 23.8095 on 31 March 2023 being higher than the previous year rate of 20.9205.
Cash and Cash Equivalents	1,265,137	732,490	73%	The E533 million positive movement in cash and cash equivalents reflects the positive cash inflow realised as earnings from the CBE's investment portfolio less operating and investing cash flows for the year.
Amounts due from Government of Eswatini	3,075,007	2,835,218	8%	Amounts due from the Government of Eswatini comprise Treasury bills and bonds amounting to E1.346 billion a short-term advance of E1.801 billion less an allowance of E71 million for credit losses, in line with IFRS 9. The year-on-year movement reflects the net effect of repayments by Government as well as re-advances by the Bank during the year.

Holdings of Special Drawing Rights (SDR)	466,540	2,490,916	81%	Special Drawing Rights are an interest-bearing international asset created by the International Monetary Fund to supplement existing rights for member countries. There was a drawdown in SDR which was re-invested in various currencies (USD, EURO, GBP and CYN).
Liabilities				
Currency in Circulation	1,240,001	1,239,866	0.01%	The increase reflects an improvement in economic activity
Domestic Deposits	3,438,302	4,091,986	16%	Commercial banks drew down on call accounts relative to the prior year whilst Government accounts also decreased as she continued to service her financial obligations.
Allocation of Special Drawing Rights	2,941,033	2,495,422	18%	The increase reflects a revaluation gain of E446 million emanating from a higher SDR conversion rate of 23.8095 on 31 March 2023 compared to 20.9205 in previous year end.
Amounts Payable to the Consolidated Fund	445,461	173,237	157%	The amount payable to the Consolidated Fund in terms of Section 8(3) of the Central Bank Order 1975 as amended, was E445 million, comprising 25% of realised profit and 20% of the balance in the revaluation gains account at year end. The revaluation account closed with a higher net gain as opposed to previous financial year due to favourable movements in exchange rates.
IMF Securities Account	1,712,975	1,453,432	18%	The E260 million increase represents accumulated revaluation gains on the International Monetary Fund Quota Subscription Account during the year.

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Current year ratio

	2022/23 Actual	2022/23 Target	2021/22 Actual
Capital to Asset ratio	14.79%	10%	11.72%