

Process Reporting

Critical factors across the CBE with their key performance indicators are summarised below. These are pursued in the different departments of the Bank. They are further linked to the CBE's strategic objectives, material matters as well as the top 13 risks.

Critical Factors	Key Performance Targets and Indicators	
	2022/23 Target	2022/23 Actual
1. Maintain adequate foreign reserves.	Achieve import cover of 4.0 months by financial year-end.	Recorded 2.5 months of imports at end of March 2023, with 2.7 months average for the year.
2. Build foreign reserves.	Average monthly accumulation of an equivalent of E200 million.	Achieved monthly average of E424 million foreign exchange purchases for the financial year.
3. Optimise returns on investments.	Achieve target of 50 basis points outperformance of the portfolio versus the benchmark.	Realised 51 basis points performance over the benchmark over the financial year.
4. Enhance income.	Net interest income to exceed budget by 5 per cent annually.	Achieved 22 per cent positive variance of actual net interest income versus budget.
5. Raising funds for Government in the domestic market.	Treasury Bills Issuance; Target was to raise E4.94 billion. Treasury Bonds Issuance; Target was to raise E1.4 billion.	E6.787 billion raised exceeding the target by 37 per cent; maturities amounted to E7.236 billion indicating a net financing of negative E449 million. E2.329 billion was raised exceeding target by 94 per cent; maturities amounted to E979 million indicating a net positive financing of E1.35 billion.
6. Open Market Operations (Liquidity Management).	Issuance of CBE bills, Term Deposits, and Call Account rate management to prevent excessive outflow of ZAR.	Open market operations instruments implemented at reasonable cost to the Bank and excessive outflow of ZAR was prevented.
7. Monitoring Incidence of counterfeiting (Number of counterfeits).	Counterfeits to be kept below 2,000 pieces annually.	No incidents for Emalangeneni counterfeit. The only challenge emanates from the Dye Stained banknotes following the bombing of ATMs.
8. Exchange Control Liberalisation Index (ECLI).	Collaborate with SADC countries in developing a model for assessing the liberalisation of exchange controls in the region. Assess the country's position on the liberalisation of the capital and current account, compared to peer member countries.	The Model for assessing the Exchange Control Liberalisation Index (ECLI) in the SADC region has been developed. Eswatini has been onboarded to the ECLI Version 2 (V2) model. Eswatini participated in a workshop hosted by SADC to capacitate member countries on how to complete the ECLI V2 model. The ECLI V2 Model has been updated up to June 2023. By the end of the financial year, SADC countries were in the processes of assessing their country positions on the liberation of exchange controls.

9. Implement the Supervisory Plan for the year 2022/23 based on the anti-money laundering and counter financing of terrorism sectorial risk assessment conducted in March 2022.	Conduct 2 onsite inspections on high-risk institutions. Conduct 2 desk reviews on low to medium risk institution. Review institutional profiles. Monitor the implementation of Action Plans post an onsite inspection.	The Bank conducted two (2) on-site inspections on high-risk institutions and two desk review on medium-low risk institutions to determine the robustness of their AML/ CFT programmes. The CBE closed 2 remedial Action Plans; 1 is in progress. The Bank issued 2 cautionary letters to institutions that did not adhere to timeliness in implementing Action Plans post an inspection.
10. Develop and administer the fintech regulatory sandbox.	Review the sandbox regulatory sandbox to drive its adoption.	Conducted a review of the sandbox and issued recommendations for its development.
11. Scan the local financial sector environment to identify and address regulatory gaps in Fintech developments.	Identify and address regulatory fintech gaps.	Conducted the Eswatini fintech scoping exercise. Established the crypto assets task force to develop the crypto assets regulatory recommendation paper. Commissioned the crypto assets consumer insights survey. Analysed reported consistently crypto assets related transactions. Developed a business case for the digital rulebook project and established the project team. Conducted research and provide recommendations for stablecoins, regtech, NFCs, and BNPL.
12. Central Bank Digital Currency Research and Exploration Project.	Complete industry analysis and design paper of digital Lilangeni.	CBDC Industry analysis report and draft design paper completed.
13. Eswatini Fintech Working Group.	Drive EFWG Fintech Activities.	Renewed the MoU. Expanded membership to include the ERS and RSTP. Co-hosted the Machine Learning Indaba.
14. Increase uptake on SSELGS performance and utilisation of ECGS.	Increase Leverage from 1.67 times the fund balance to at least 2.5 times.	SSELGS fund decreased by 7.3% year-on-year, whilst the Leverage increased from 1.67 times to 2.41 times the Fund balance over the year. The ECGS continued to be stagnant during the year.
15. Produce research papers and compile the research bulletin.	To produce seven research papers.	Seven research papers were produced and published in the Research Bulletin.



16. Compile and produce the Governor's Annual Monetary Policy Statement (GAMPS) address.	To Produce the GAMPS document and host the GAMPS address.	GAMPS document produced and address hosted.
17. Compile and produce the Economic Review and Inflation Reports as well as the MPCC press statements.	Compile and produce the Economic Review and Inflation Reports as well as the MPCC press statements for all meetings.	Economic Review and Inflation Report as well as the MPCC press statements produced for all meetings.
18. Implement Pillars 2 and 3.	All Basel 2 Pillars are live and have been implemented.	Implement Basel enhancements on standardised approach as introduced by the Basel Committee on Banking Supervision.
19. Review of the AML/CFT Risk Based Approach guideline for institutions licensed by CBE.	The guideline was issued to industry in 2022, but the mutual evaluation by the Eastern & Southern Africa Anti-Money Laundering Group revealed some gaps which must be addressed e.g., ultimate beneficial ownership.	The draft amendment was shared with the industry for comments which are currently being reviewed before the Guideline can be finalised.
20. Review of Section 24 of the Financial Institutions Act (FIA), 2005.	This section on single obligor limit being 25 per cent of tier 1 capital, is in the process of being reviewed to remove the threshold from the primary legislation and embedding it in a Legal Notice to enable review from time to time.	The draft amendment to section 24 of the FIA is now being reconsidered following its presentation to Cabinet.