Governor's Opening Remarks

CCBG SUBCOMMITTEE ON BANKING SUPERVISION & FINANCIAL STABILITY MEETING

30 July 2026

The Chairperson of the Subcommittee,

Distinguished Heads of Banking Supervision,

Distinguished Heads of Financial Stability,

Colleagues from our sister central banks,

The CCBG Secretariat,

Ladies and gentlemen,

GOOD MORNING!

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1. Chairperson and delegates, on behalf of the Central Bank of Eswatini, welcome to Eswatini for the CCBG Subcommittee meeting on Banking Supervision and Financial Stability.

2. It is an honour for the Central Bank of Eswatini to host this gathering. Over the next two days, you will find the setting conducive to the frank, technical and constructive exchanges that have become the hallmark of this Subcommittee.

3. We thank the Banque Centrale du Congo for hosting the March Subcommittee meeting and appreciate the Secretariat keeping the Central Bank of Eswatini informed despite our absence.

4. Let me also emphasise at the outset that the work of this Subcommittee does not stand alone: it forms part of the broader regional strategy approved by the SADC Committee of Central Bank Governors, and it is against that strategy that your deliberations over the next two days should be measured. In that spirit, I would urge you to use this platform to foster a practical exchange of information among yourselves, sharing supervisory experience openly, candidly and in a manner that each of you can take back and apply in your own jurisdictions.

5. Congratulations to the Subcommittee for their hard work and collaboration in finalizing regional guidelines on cybersecurity, climate-related financial risk, and cross-border crisis management.

6. We are proud to share that the Central Bank of Eswatini has advanced its sustainability and financial safety-net agendas by finalizing the Eswatini Green Finance Taxonomy to establish clear market standards. We have also drafted a Climate Risk Management Guideline and a Recovery Planning Guideline, both of which are now being finalized in readiness for industry consultation.

7. We have strengthened our financial safety net by establishing a Resolution Function within the Financial Stability Unit and we are currently developing a robust Resolution framework for the orderly resolution of distressed financial institutions.

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8. Preparatory work on Eswatini's Deposit Protection Fund is well underway, with the pilot phase running and full operationalization expected this financial year, supported by regional standards and ongoing legal reforms.

9. Ladies and gentlemen, the work of this Subcommittee has rarely mattered more than it does now.

10. Despite economic pressures like uneven growth, tight external financing conditions, exchange rate volatility, and the lingering effects of successive global shocks, regional banks remain sound and well-capitalized—a condition that requires ongoing supervisory vigilance and early intervention to maintain.

11. Because regional banking systems are deeply interconnected through shared groups, markets, and infrastructure, financial shocks easily cross borders, meaning single-country data is no longer enough for effective supervision. This interconnectivity requires stronger regional collaboration through meaningful supervisory colleges, routine information sharing, and early consultation before local issues escalate.

12. It would be remiss of me not to recognise the role played by the South African Reserve Bank and its Prudential Authority, as home supervisor to a number of the group companies operating across our borders.

13. While the South African Reserve Bank's leadership in supervisory colleges and bilateral agreements has significantly advanced regional cooperation, formal arrangements alone are not enough. Supervisors must ensure these collaborative efforts yield practical results—producing actionable judgments, timely information sharing, and cross-border lessons that directly improve how institutions are supervised.

14. Effective supervision relies less on elegant frameworks and more on firm, timely intervention grounded in Basel standards as our shared anchor. Basel frameworks must be applied proportionally based on each institution's size, complexity, and market context—focusing supervisory effort where risk is highest without lowering standards.

15. With guidelines now finalized, focus must shift from drafting to implementation, guided by two key themes over the next two days.

16. The first theme focuses on consistent regulatory reforms. While implementation paces for Basel standards, IFRS 9 expected credit loss frameworks, and risk-based supervisory approaches vary regionally, inconsistent implementation in an ever-increasing interconnected banking ecosystem, creates gaps that can introduce vulnerabilities into the financial system. Peer learning within this Sub-committee remains our most practical instrument for closing those gaps.

17. The second theme is enforcing the new cybersecurity and climate risk guidelines. While digital services and mobile money expand financial access, they introduce operational, cyber, and third-party risks which require supervisors to extend their oversight to critical outsourced services like cloud hosting and payment processing. AI adoption in credit decisions, fraud detection, and customer service for instance, raises questions around explainability, data governance, and fair customer outcomes that supervisory methods are just beginning to tackle.

18. While climate-related standards are now established, measuring compliance remains a challenge. Supervisors must build the necessary skills, data, and examination methods to hold institutions accountable, which will require long-term effort.

CALL TO ACTION

19. First, institutions must acknowledge their supervisory blind spots—such as unexamined outsourced services and unexplainable AI models—and modernize their skills, data, and methods to supervise today's digital financial system rather than relying on outdated traditional tools.

20. Second, with cross-border crisis management guidelines finalized, the Subcommittee must quickly move to simulate and test these frameworks before a real crisis hits.

21. The upcoming expert panel on "Emerging Technologies and Cybersecurity Resilience" directly addresses key supervisory themes and has the full attention of central bank Governors, who are actively monitoring technology's rapid impact beyond just regulation. I thank the panellists in advance for lending us their expertise, and I trust it will yield rigorous discussion and a generous exchange of knowledge among us all.

22. Governors are seeking early advice from the Subcommittee on key financial stability concerns.

23. Chairperson, I note that a substantial agenda awaits you, together with the matters carried over from the March meeting. I will not detain you further, save to emphasize on the following points:

24. First, focus on open, practical discussions about challenges rather than simple progress reports. The value of this forum lies in the presentation of what each of us has done, and more in the honest discussion of what has not worked and why. Supervisors lean most from each other's difficulties.

25. Second, the meeting's outcomes must be specific, assigning clear actions, responsible owners, and target dates to ensure accountability and follow-through.

26. I can assure you that the work and technical consensus of this Subcommittee directly inform the decisions of the Central Bank Governors and advance broader SADC financial integration—a responsibility that Governors value and rely upon heavily.

27. Finally, I encourage delegates to explore Eswatini outside of the meeting, with local colleagues available to assist with site-seeing ideas.

28. I wish the Subcommittee success in achieving Strategy 2026–2030, realizing its ambitious goals depends directly on your technical work, fully backed by the Governors' confidence and support.

29. It is now my privilege to declare this meeting of the CCBG Subcommittee on Banking Supervision and Financial Stability officially open.

30. I THANK YOU.

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