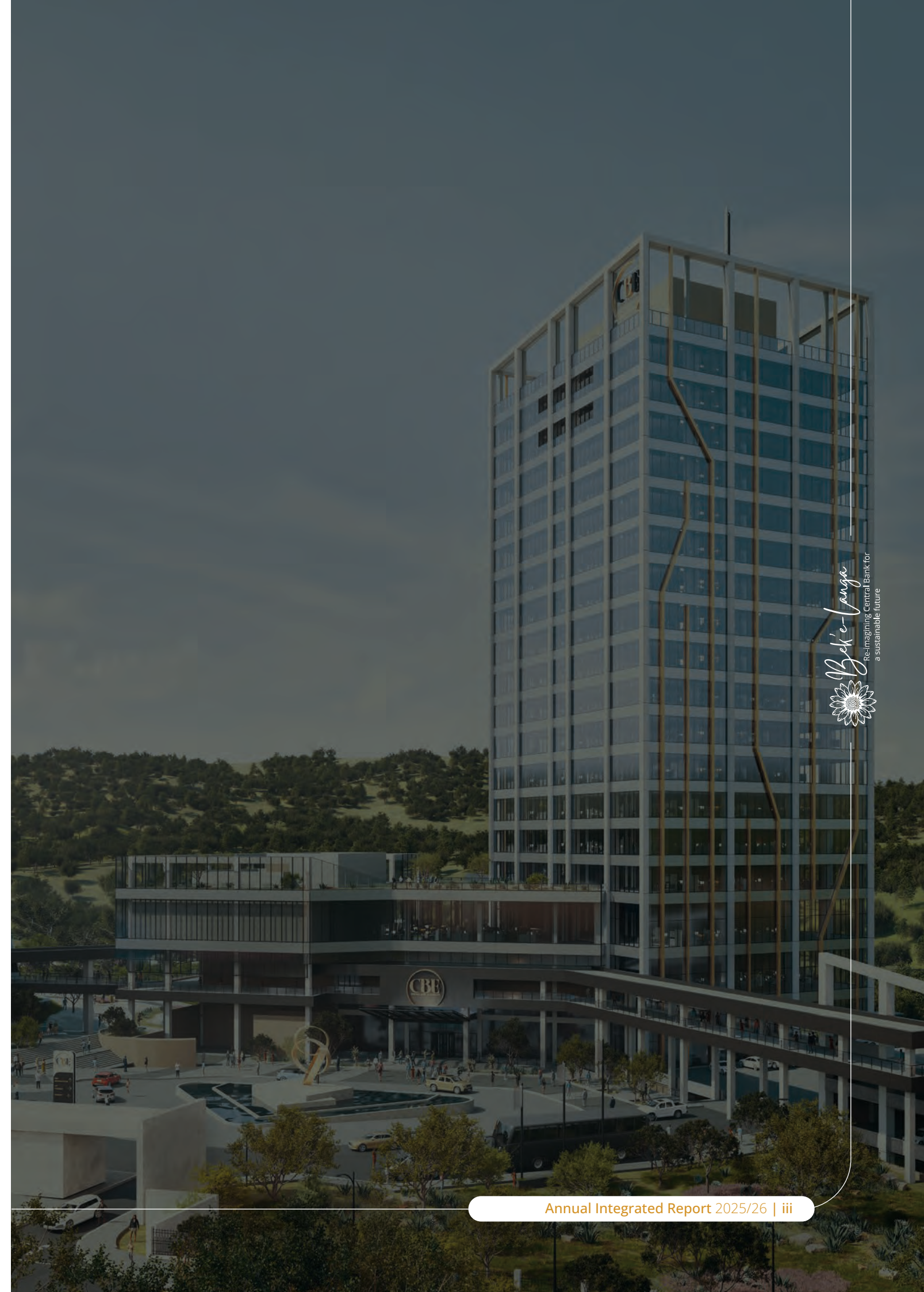




Bek'e-langa
Re-imagining Central Bank for
a sustainable future



Annual Integrated Report | 2025/26



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

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1. Introduction

1.1 About this Report

In line with its commitment to transparency, accountability, and openness to the public, the Central Bank of Eswatini (CBE or Bank) is proud to present its Annual Integrated Report (Report) for the year ended 31 March 2026. This publication represents the 9th edition since the Bank adopted the Integrated Reporting approach.

The structure of this Report is designed to emphasise the CBE's core mandate and statutory responsibilities. It also highlights the Bank's governance framework and the institutional strengths that enable it to contribute meaningfully to the country's economic and social development. As such, the Report serves a dual purpose: to inform stakeholders and to demonstrate the foundation that supports the CBE in effectively delivering on its mandate.

Reporting Scope and Materiality

This Report outlines the Bank's activities during the financial year, undertaken in accordance with the Central Bank of Eswatini Order of 1974 (as amended). The Bank's existence and mandate are grounded in the Constitution of the Kingdom of Eswatini, which also safeguards its independence from external influence.

To provide stakeholders with a comprehensive view of the Bank's performance, the Report includes both financial and non-financial information. This enables stakeholders to assess the Bank's effectiveness in fulfilling its mandate through a single, comprehensive report.

The Executive Management team determines the material information included in the Report, guided primarily by the following considerations:

- **The CBE's Mandate:** Priority is given to the core responsibilities and obligations outlined in the CBE Order and the Constitution of Eswatini
- **Stakeholder Expectations:** The Report acknowledges the importance of addressing the interests, concerns, and expectations of the Bank's stakeholders.

Philosophy and Framework

Over the past nine years, the Bank has continued to apply the Integrated Reporting (IR) Framework, refining its approach to better demonstrate how value is created and sustained over time.

The principles of integrated thinking and reporting remain embedded across the institution, illustrating how strategy, governance, performance, and outlook are aligned to support the Bank's mandate.

Ultimately, the adoption of the IR Framework represents a strategic decision that enables the Bank not only to report on its performance, but also to demonstrate its commitment to ethical, sustainable, and responsible practices for the benefit of all stakeholders.

In addition, the financial statements included in this Report have been prepared, to the greatest extent possible, in accordance with International Financial Reporting Standards (IFRS). However, in instances where the requirements of the CBE Order differ from IFRS, the provisions of the CBE Order take precedence to ensure compliance with Eswatini's legal framework.

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 the 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:** Offers a 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 appointed to refine the Report and strengthen its overall quality.

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 providing unbiased, 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, the Board is 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.

1.2 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.

Values

The corporate identity of the Bank is governed by the following values:



Relevant and performance driven

We pursue our mandate with innovation, excellence, speed and agility to deliver value to stakeholders in our ecosystem.



Accountability

We take ownership and responsibility for all actions and decisions, and we always respond transparently.



Integrity

We are guided by honesty, ethics, uprightness and objectivity, which means that we consistently do the right thing.



Respect

We appreciate every individual's worth, and we conduct ourselves in a way that assures dignity for all.



Open Communication

We give to, and receive feedback from, our stakeholders; and our communication is always transparent, timely, and effective.



2. Performance at a glance

- 01**

Annual headline inflation continued to ease during the 2025/26 financial year, averaging 2.6%, down from 3.9% in the previous financial year. On a calendar-year basis, inflation averaged 3.1% in 2025, compared to 4.0% in 2024. The downward trend was also evident at the end of the period, with inflation moderating to 1.6% in March 2026 from 3.8% in March 2025.
- 02**

Gross official reserves grew by 5.5%, increasing from E9.1 billion in March 2025 to E9.6 billion in March 2026. However, at this level, reserves remained below the benchmark of 3 months of import cover, standing at 2.2 months. In response, the Bank is intensifying strategies aimed at strengthening and rebuilding reserve buffers.
- 03**

Domestic banks demonstrate growth and stability, supported by a robust capital base that exceeds regulatory requirements.
- 04**

Adequate supply of high-quality currency as all cash withdrawal requirements from commercial banks were met.
- 05**

The National Payments Switch Project implementation is on track with the first phase, being the Fast Payments Module. All 8 Participating institutions were live on the system as of November 2025.
- 06**

The financial year marked a major milestone in Eswatini's fintech development with the launch of the National FinTech Strategy (2025–2030), spearheaded by the Ministry of Finance, with the Bank playing a key institutional role alongside other stakeholders. Continuous stakeholder engagement strengthened awareness, accountability, transparency, communication effectiveness, and public trust and confidence in the Bank.
- 07**

The Bank recorded a profit of E40.8 million for the 2025/26 financial year, representing a decline from the E205.7 million profit reported in the previous financial year. After accounting for revaluation losses, the Bank recorded a total comprehensive loss of E266.6 million, compared with a total comprehensive income of E189.5 million in the preceding financial year.

3. Governor's Statement

Introduction

It is my honour to present to the Minister for Finance, the people of Eswatini, and our stakeholders the 9th edition of the Central Bank of Eswatini's Annual Integrated Report for the financial year ended 31 March 2026. The Report forms part of the Bank's public accountability, transparency and responsibility to a broad range of stakeholders.

Materiality

We identified 10 critical internal and external factors that may influence the Bank's ability to create value over the short, medium, and long term. These material risks and opportunities shape our risk

management approach and are central to strengthening stakeholder confidence in the Bank's ability to deliver on its mandate sustainably. 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 Central Bank of Eswatini's business model is anchored on maintaining price and financial system stability while supporting sustainable economic development. Guided by its vision, mission, and strategic priorities, the Bank integrates sound operations, effective governance, and forward-looking strategies to deliver on its responsibilities,

enhance institutional strength, and foster public confidence in the financial system. Through this balanced approach, the Bank continues to contribute meaningfully to macroeconomic stability and inclusive economic growth in Eswatini.

Our Strategy

The Bank conducts annual strategy reviews to ensure its mandate remains relevant, effective, and aligned with both internal priorities and a dynamic external environment. Guided by the *Bek'e-linga Strategy, Re-imagining the Central Bank for a Sustainable Future*, the Bank is transforming into a centre of excellence and a central bank of reference, that values its people.

While maintaining its core mandate of price and financial stability, the Bank is advancing key priorities such as efficient payment systems, modern currency management, digital transformation, business process management, environmental sustainability, and enhanced customer focus. These efforts reinforce stakeholder trust and strengthen institutional credibility.

Overall, the strategy signifies a bold shift towards a future-ready, agile, and responsive Bank, committed to sustainable and inclusive economic growth in an ever-evolving global landscape.

Global Economic Developments

Global GDP Growth Overview

According to the International Monetary Fund (IMF) World Economic Outlook (WEO) published in April 2026, the global growth forecast has been revised downward to 3.1%, a 0.2 percentage-point cut from the January 2026 forecasts. The IMF, meanwhile, has maintained the 2027 outlook at 3.2%, reflecting the economic fallout from the ongoing Middle East conflict. Advanced economies Gross Domestic Product (GDP) grew by an estimated 1.9% in 2025 and growth is projected to stay subdued, growing by 1.8% in 2026 and by 1.7% in 2027.

Meanwhile emerging markets and developing economies (EMDEs) grew by 4.4% in 2025 and are expected to grow by a

lower 3.9% in 2026. Growth at EMDEs is forecast to recover with the bloc expected to grow by 4.2% in 2027.

While the IMF's baseline scenario assumes a contained conflict, the Bretton Woods Institutions has cautioned that prolonged hostilities could further weaken the global economy and destabilise financial markets. The IMF further noted that the energy supply shock from the US-Iran conflict is comparable in severity to the 1974 oil crisis, though the global economy is now more resilient (IMF World Economic Outlook, April 2026).

Global Uncertainty

While lower than the peaks it reached in 2025, world uncertainty remains historically high. Several inflection points in the coming months may trigger spikes. First and foremost, the situation in the Middle East remains fluid. The odds of a range of outcomes, from ceasefire to serious escalation of hostilities, shift by the day. The 2026 global risk outlook indicates crumbling cooperative mechanisms and an expectation of a turbulent landscape. The volatile tensions in the Middle East have driven up gasoline prices, strained household finances, and left many wondering how long it will last (Worlduncertaintyindex.com, March – April 2026).

Global Risks to the Economic Outlook

Overall, risks are decisively on the downside. The IMF highlights that the path forward demands clarity and coordination. Policy makers should restore fiscal buffers

and preserve financial and price stability amid ongoing shifts in the global economic landscape. In addition, they must implement structural reforms and reduce uncertainty. The advancement of artificial intelligence has shifted rapidly from abstract curiosity to an immediate personal threat for millions of workers.

A prolonged conflict, deeper geopolitical fragmentation, disappointment over AI-driven productivity, or renewed trade tensions could weaken growth and unsettle markets. Elevated public debt levels and diminished policy buffers further amplify vulnerabilities. Policies should foster adaptability, enhance credibility, and reinforce international cooperation.

Where inflation is still above central bank targets, a more cautious approach that maintains data dependence is warranted. In economies experiencing adverse supply shocks, policymakers face complex trade-offs in balancing the risk of growth slowdown against the risk of persistent inflation. Current challenges and the possibility of transformative technological advances could open a window of opportunity for structural reform efforts to gain momentum.

Global Inflation

Global inflation was recorded at 4.1% for 2025 and is expected to tick up to 4.4% in 2026. Inflation is projected to resume its decline in 2027, edging lower to 3.7%. Economies around the world face repercussions through the direct impact of

higher commodity prices and indirect second-round effects on inflation expectations. These tend to be especially sensitive to energy and food prices, and amplification effects coming from risk-off sentiment in financial markets (IMF World Economic Outlook, April 2026).

South Africa Economic Developments

For the year 2025, South Africa's economy expanded by 1.1%, the most since 2022, following a downwardly revised 0.5% in 2024. The agriculture sector led growth, with output increasing by 17.4%, followed by trade, catering, and accommodation at 2.3%. The finance sector grew by 1.9%, and the transport sector grew by 0.8%. According to the IMF, the disruptions from the Middle East conflict are projected to slow growth slightly to 1.0% in 2026. The economy is expected to bounce back in 2027, growing by 1.3%, supported by a gradual resumption of structural reform-driven private investment as disruptions from the conflict subside (Statistics South Africa | IMF World Economic Outlook, April 2026).

The South African Reserve Bank (SARB) demonstrated a clear shift in its monetary policy stance, implementing four consecutive rate cuts between late 2024 and early 2025. In March 2026, the SARB held its key repo rate at 6.75% during its last policy meeting in the financial year. This marked a second consecutive pause, with the central bank citing upside risks to the inflation outlook due to the ongoing Middle East conflict.

Higher energy prices are expected to push inflation higher in the near term. Headline inflation is projected to rise to around 4% in Q2-2026, led by fuel inflation before gradually easing back to 3% by late 2027 (South African Reserve Bank, April 2026).

Domestic Economic Developments

GDP Developments

Eswatini's economy demonstrated notable resilience in 2025, supported by strong domestic demand, accommodative monetary conditions, and continued investment in strategic infrastructure projects. Real GDP growth accelerated to an estimated 5.6% in 2025, up from 3.0% in

2024, driven mainly by high performance in the tertiary sector, particularly wholesale and retail trade, financial services, and information and communication technology. Although growth in the primary and secondary sectors moderated due to weaker external demand, subdued mining activity, and the impact of the foot and mouth disease on livestock production, key sectors such as construction remained strong, supported by large-scale public and private sector projects. Economic activity is projected to remain favourable in 2026, with growth forecast at 5.2%, underpinned by expected recovery in agriculture, mining, manufacturing, and infrastructure development.



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Inflation Dynamics

Inflationary pressures remained well contained throughout the financial year, with headline inflation averaging 2.6% and declining to a record low of 1.6% in March 2026. The moderation was largely driven by lower food and transport costs, reflecting favourable international commodity prices, lower oil prices, and a stronger local currency. Core inflation also eased, although price pressures persisted in selected categories such as education, clothing, footwear, and alcoholic beverages. The subdued inflation environment enabled the Bank to maintain an accommodative monetary policy stance during the period under review.

Balance of Payments

Eswatini's external sector performance improved significantly in 2025, as the current account surplus widened to E2.5 billion, equivalent to 2.4% of GDP, from E1.9 billion in 2024. This positive outturn was supported by a sustained trade surplus, continued growth in export earnings, and solid secondary income inflows, notwithstanding lower Southern African Customs Union (SACU) receipts.

Public Finance

Fiscal policy continued to focus on economic recovery and long-term transformation through investments in infrastructure, energy, water security, digitalisation, and industrial development. The 2026/27 National Budget projects stronger revenue growth and a narrower fiscal

deficit, although public debt recorded a high of 40.6% of GDP, reflecting continued financing of strategic infrastructure and development programmes.

Monetary Developments

Monetary conditions remained supportive and stable during the financial year, underpinned by subdued inflation, anchored inflation expectations, and an accommodative monetary policy stance. The Central Bank of Eswatini reduced the policy rate to 6.75%, supporting domestic lending, economic activity, and financial system stability while safeguarding the exchange rate peg to the Rand. Private sector credit rose by 8.1% to E23.2 billion, and broad money supply expanded by 17.1%, driven by increased lending to businesses and households. The external position also improved, as gross official reserves rose to E9.6 billion, supported by SACU inflows, external financing, and reserve diversification through gold acquisitions. Overall, the monetary environment reflected greater robustness, improved liquidity conditions, and continued confidence in the domestic financial system.

Banking Sector

Despite operating in a challenging and uncertain environment, Eswatini's banking sector remained safe and sound during the year under review, continuing to support financial system stability and national economic development. The sector maintained strong capital adequacy, strong liquidity buffers, sustained balance

sheet growth, and improving asset quality, reflecting prudent risk management and effective regulatory oversight.

Notwithstanding these positive developments, one bank continued to face structural challenges. In line with its regulatory and supervisory mandate, the Central Bank has intensified its oversight and support to the affected institution to facilitate the implementation of a structured transformation programme aimed at restoring the individual bank's financial soundness, strengthening governance, and ensuring its long-term sustainability.

Despite a moderation in sector profitability and a slight decline in capital adequacy ratios during the year, the capital adequacy ratios remained comfortably above regulatory minimum requirements.

Monetary Policy

The Governor, in consultation with the Monetary Policy Consultative Committee (MPCC), sets monetary policy through bi-monthly meetings. During the 2025/26 financial year, the MPCC convened six scheduled meetings to assess inflation trends and forecasts, alongside key domestic, regional, and global macroeconomic developments, to guide monetary policy decisions.

During the period under review, the Bank maintained an accommodative monetary policy stance by reducing the discount rate by 25 basis points to 6.75% in May 2025, where it remained through to March 2026. The policy stance was supported by easing global and regional monetary conditions and lower domestic inflation. Over the same period, the policy rate differential with the

South African Reserve Bank narrowed from negative 75 basis points to parity, following rate reductions by both central banks.

Financial Stability

The Bank continued to strengthen its financial stability mandate during the financial year by enhancing crisis preparedness, systemic risk monitoring, and depositor protection frameworks to safeguard the resilience and integrity of the domestic financial system. Supported by strong capitalisation, ample liquidity, and sound financial institutions, the financial sector remained broadly stable despite increasing macro-financial risks arising from fiscal pressures, household vulnerabilities, sovereign exposure, and global market volatility.



The financial year marked a significant milestone in Eswatini's digital finance landscape with the launch of the National FinTech Strategy (2025–2030), the country's first dedicated framework for fintech development.

The Bank further reinforced its institutional capacity through the establishment of the Resolution Function, progress towards implementing the Deposit Protection Fund, the operationalisation of macro stress testing frameworks and Early Warning Systems, and the publication of the ninth Financial Stability Review to strengthen transparency and market confidence.

The financial system outlook remains cautiously stable, underpinned by strong buffers and ongoing policy reforms, although vulnerabilities linked to rising public debt, declining bank profitability, household debt pressures, cyber risks, and market concentration continue to require close monitoring. In response, the Bank advanced key reforms aimed at strengthening macroprudential oversight, enhancing crisis management capabilities, and improving financial sector soundness.

National Payments Systems

During the reporting period, the Bank continued to strengthen and modernise the national payments ecosystem through regulatory reforms, enhanced oversight, and digital infrastructure development. Progress was made towards promulgation of the National Payment Systems Regulations, which will support the licensing of new payment service providers and strengthen the regulatory framework for the sector. The Bank also maintained oversight of payment systems and mobile money services

to ensure safety, efficiency, and public confidence in the financial system. Significant progress was achieved in the implementation of the Eswatini Payment Switch (EPS), with the Fast Payments Module fully operational across participating institutions and transaction volumes continuing to grow steadily.

The EPS is expected to further strengthen interoperability, digital payments, and financial inclusion through the introduction of scan-to-pay merchant and government payment solutions, as well as future card-switching capabilities. At the regional level, the Bank collaborated with other Common Monetary Area (CMA) central banks in issuing a cross-border payments directives aimed at improving the speed, affordability, and accessibility of cross-border transactions within the CMA region.

Financial Technology

The financial year marked a significant milestone in Eswatini's digital finance landscape with the launch of the National FinTech Strategy (2025–2030), the country's first dedicated framework for fintech development. Led by the Ministry of Finance in collaboration with the Central Bank and other stakeholders, the Strategy sets out a vision to position Eswatini as a secure and inclusive regional fintech hub. The framework is anchored on strategic priorities, including digital infrastructure, consumer protection, human capital development, agile regulation,

inclusive finance, and regional integration. Implementation will be undertaken through a phased roadmap coordinated by the Ministry of Finance, with support from the Bank and the Eswatini FinTech Working Group, to drive innovation, financial inclusion, and sustainable economic growth.

The Bank also continued advancing key fintech initiatives through ongoing research, collaboration, and regulatory development. Through the Eswatini FinTech Working Group, the Bank further strengthened stakeholder collaboration, capacity building, and innovation awareness initiatives such as the fifth edition of the IndabaX conference.

Going forward, the Bank will continue supporting the implementation of the National FinTech Strategy, strengthening fintech regulation and oversight, enhancing research and awareness programmes, and promoting an enabling environment for inclusive digital financial innovation.

Information Technology Plan and Governance

During the reporting period, the Bank strengthened technology governance, cyber preparedness, and operational stability in alignment with its corporate strategy. The Information Technology function continued to serve as a strategic enabler of the Bank's mandate by supporting operational continuity, regulatory compliance, and digital transformation initiatives.

The Bank also completed a data centre relocation project to strengthen disaster recovery and business continuity capabilities and to enhance cyber incident response preparedness by establishing and training a Computer Incident Response Team. These initiatives, together with strengthened governance, improved project delivery discipline, and targeted capability development, reinforced the Bank's technological strength and readiness to support future digital transformation priorities.

Infrastructure Development

The Central Bank of Eswatini continued to advance the development of the Ezulwini Complex as a strategic infrastructure investment to support institutional growth, operational efficiency, and national socio-economic development. Phase 1 of the project includes the construction of a 19-storey headquarters tower, parkade, podium, museum, innovation hub, and library, targeting a 4-Star Green Building Council of South Africa rating.

During the year, major milestones were achieved, including the completion of the procurement process and appointment of the Ingcebo Joint Venture as the Engineering, Procurement and Construction (EPC) contractor for the E2.8 billion project, which is scheduled for completion in September 2028. The project continues to promote local empowerment through significant participation

of local contractors, consultants, and the workforce.

In parallel, the Bank successfully relocated its operations from Mbabane to the Ezulwini Complex following extensive infrastructure upgrades and redevelopment works valued at over E117 million. Key developments included the construction and rehabilitation of operational facilities, conference and data centre infrastructure, access roads, parking areas, staff amenities, and utility services, significantly enhancing operational efficiency, institutional capacity, and the Bank's long-term readiness to support its evolving mandate.

Corporate Social Investment

The Bank continued to support sustainable community development through its Corporate Social Investment programme, focusing on education, health, financial literacy, youth empowerment, and support for vulnerable communities. During the year, the Bank contributed over E308,000 towards various social, educational, and community initiatives, reinforcing its commitment to inclusive socio-economic development and national empowerment.

Stakeholder Engagement

The Bank strengthened stakeholder engagement, communication, and institutional visibility through targeted outreach initiatives, strategic partnerships, and participation in national and regional engagements.

The annual Stakeholder Perception Survey showed gradual improvement in overall stakeholder perceptions, with the Stakeholder Perception Score increasing from 57% to 58.5%, supported by stronger communication, transparency, and brand image. The Bank also achieved a significant milestone in stakeholder advocacy, with the Net Promoter Score improving from -67.9 to a positive score of +4. While awareness and accountability remain areas requiring further focus, particularly among indirect stakeholders, the results reflect growing institutional credibility and public confidence in the Bank.

Throughout the year, the Bank hosted and participated in a wide range of engagements aimed at strengthening financial sector collaboration, public education, policy dialogue, and institutional partnerships. The

Bank further strengthened bilateral and strategic relations through several Memorandums of Understanding and regional collaborations. Collectively, these initiatives reinforced the Bank's commitment to transparency, collaboration, innovation, and stakeholder-centred mandate delivery.

Human Capital

During the financial year, the Bank intensified its human capital capability as a strategic enabler of institutional agility and high performance. Guided by a strategic intent to build a future-ready workforce, the Bank maintained strong workforce stability and engagement, reflected in a high retention rate of 96.21%, an employee engagement score of 85%, and a low voluntary turnover of 1.18%. Talent management remained focused on developing internal capability while maintaining external competitiveness,

supported by strategic workforce planning, leadership rotations, graduate trainee and internship programmes, and targeted learning and development initiatives.

As at 31 March 2026, the Bank employed 339 staff members and continued investing significantly in staff development, with the majority of employees pursuing postgraduate qualifications to strengthen institutional capability and succession depth. The Bank also successfully launched the inaugural Staff Excellence Awards and continued enhancing its remuneration and reward frameworks to support talent attraction, motivation, and retention.

The Bank further advanced organisational health and employee well-being through robust wellness, safety, organisational development,

and culture transformation initiatives. Key achievements included the implementation of a comprehensive Culture Transformation Programme, strengthened employee engagement, and sustained focus on leadership alignment, collaboration, and execution excellence.

Our Ethics

The Bank enhanced its culture of ethics, integrity, transparency, and accountability as a cornerstone of sound governance and stakeholder trust. Guided by its core values and Code of Ethics, the Bank strengthened ethical leadership and awareness through initiatives such as the launch of the Ethics Ambassadors Programme, ongoing ethics training and roadshows, and whistleblower protection and reporting mechanisms. The Bank further improved governance processes through

the digitisation of declarations of interest and continuous monitoring of ethical risks to safeguard objectivity and prevent conflicts of interest, misconduct, and undue influence. Supported by strong leadership oversight and continuous engagement with employees and stakeholders, the Bank maintained a proactive and evolving ethics framework that reinforces responsible decision-making, protects institutional credibility, and supports the fulfilment of its mandate with integrity.

Governance

The Central Bank of Eswatini continued to uphold strong governance practices through a robust unitary Board structure established under the CBE Order of 1974 and the Constitution of Eswatini, 2005. The Board, comprising a majority of independent non-executive directors, maintained effective oversight of strategy execution, risk management, institutional performance, and major infrastructure initiatives, while delegating operational implementation to management under clearly defined governance and control frameworks.

Supported by the Audit, Remuneration, and Risk & IT Committees, the Board provided strategic direction and monitored compliance, operational performance, and financial targets through regular reporting mechanisms. The Board has a diverse composition, encompassing expertise in leadership, economics, finance, accounting, and information technology. This diversity, together with a

strong gender representation of 44.4% female membership, strengthened the quality of oversight and decision-making, reinforcing the Bank's commitment to sound governance, accountability, and institutional effectiveness.

Ombudsman

The Ombudsman's Office remained committed to strengthening consumer protection and financial literacy through stakeholder engagement, enhanced complaints-handling processes, and ongoing implementation of the Consumer Protection System (CPS). The CPS, aligned with the Bank's broader Supervisory and Regulatory Technology objectives, progressed significantly through system configuration, process alignment, and collaboration with the Banking Supervision Office support team in Mozambique, positioning the Office for a smooth transition to full implementation.

During the reporting period, the Office recorded 37 complaints, with most matters resolved and 5 referred to the Office of the Ombudsman of Financial Services, reflecting the continued importance of effective consumer protection mechanisms within the financial sector.

Enterprise Risk Management

The Enterprise Risk Management framework remained a key enabler of sound governance, operational stability, and effective mandate delivery.



The Bank adopted an integrated approach linking risk, strategy, and performance management to support informed decision-making, proactive risk monitoring, and institutional sustainability. Key focus areas included monitoring emerging macroeconomic, geopolitical, cybersecurity, technological, Environmental, Social and Governance (ESG), compliance, and operational risks, while embedding risk considerations across strategic initiatives, including the Phase 1 CBE Complex construction project.

Operational resilience was reinforced through the successful Southern African Development Community (SADC) peer review of the Business Continuity Management System, which achieved an 80.74% conformance rating under the ISO 22301:2019 Standard, as well as the review of the Crisis Management Response Plan and Crisis Management Team structures. Collectively, these initiatives strengthened the Bank's preparedness, governance, and readiness in navigating an increasingly complex and uncertain operating environment.

On financial risk, the Bank maintained a strong financial risk management framework to manage market, credit, liquidity, and currency risks arising from its core operations. Oversight is provided by the Board of Directors through approved risk appetite and investment policies, while specialised functions manage reserves, liquidity, compliance, and risk assurance.

Environment, Social and Governance Considerations

The Central Bank of Eswatini continued to strengthen its commitment to ESG principles and climate resilience in response to increasing climate-related risks facing the country. Guided by national and international climate commitments, including Eswatini's Nationally Determined Contribution (NDC) 3.0, the Bank advanced initiatives to integrate climate risk into financial sector regulation, institutional responsiveness and sustainable finance development. Key achievements included progress on the draft Green Finance Taxonomy, development of Climate Risk Management Guidelines for regulated entities, and expanded participation in the Network for Greening the Financial Sector (NGFS).

Internally, the Bank continued embedding ESG considerations into its operations through digitisation, resource efficiency, improved governance practices, and sustainability-focused initiatives, reinforcing its long-term commitment to inclusive and sustainable economic development.

Assurance

Internal Audit continued to provide independent assurance on the effectiveness of the Bank's governance, risk management, and internal controls, supporting operational effectiveness and sustainable value creation. During the year, the function executed risk-based audits and advisory reviews aligned

to the Bank's strategic priorities, while strengthening capability through professional development, technology adoption, and collaboration with peer central banks. The Bank also advanced its combined assurance approach in line with King IV™, reinforcing integrated oversight, accountability, and sound governance practices.

CBE Financial Performance

The Bank made a profit of E40.8 million in the 2025/26 financial year - a decrease from the E205.7 million profit reported in the previous financial year.

The Road Ahead

As we look ahead, the Central Bank of Eswatini remains committed to fostering price and financial stability that is conducive to the economic development of Eswatini while positioning the country for a safer, inclusive, and digitally enabled future. The Bank will continue pursuing prudent and forward-looking monetary policy, safeguarding financial stability, and enhancing crisis preparedness to sustain confidence in the financial system amid an evolving global and domestic environment.

The Bank will further accelerate the modernisation of the national payments' ecosystem and implementation of the National FinTech Strategy (2025-2030) to deepen financial inclusion, promote innovation, and support sustainable economic growth. At the same time, continued investment in digital transformation, cyber resilience-building, technology infrastructure and financial

sustainability will remain central to enhancing operational efficiency and institutional readiness.

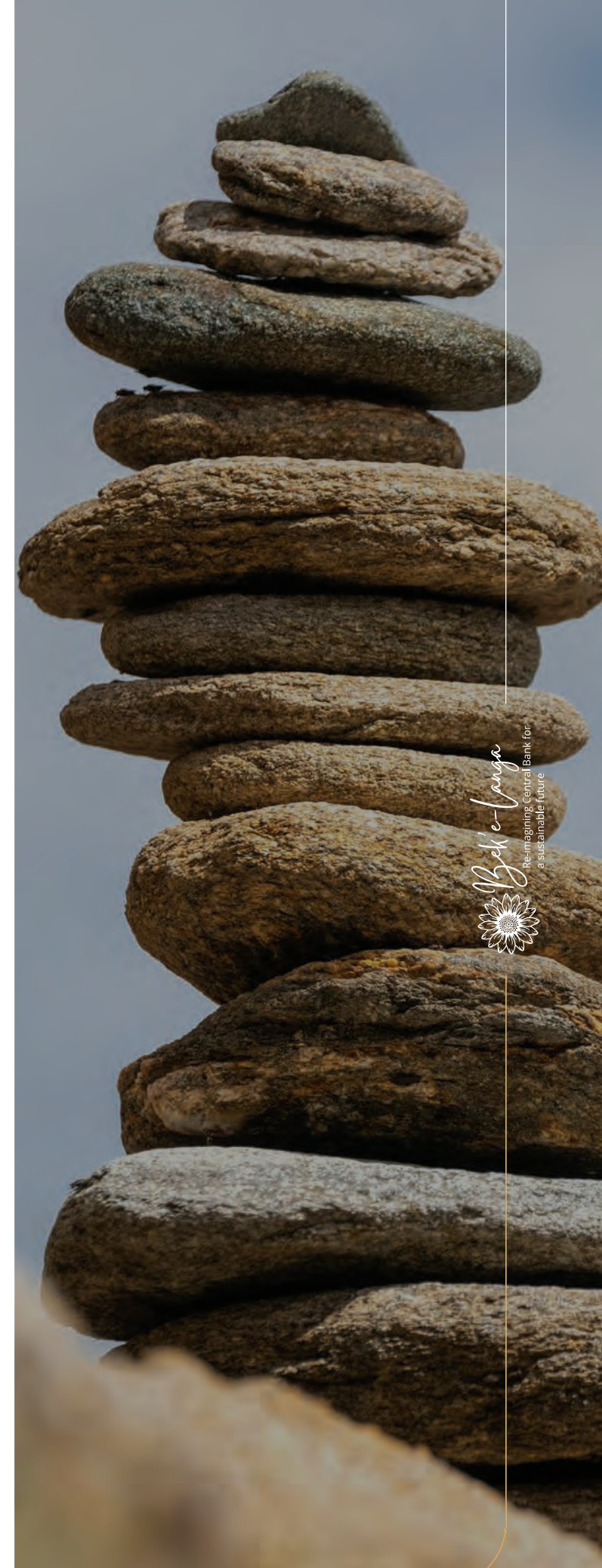
Infrastructure development, including the ongoing Ezulwini Complex project, will continue to strengthen the Bank's long-term operational capacity while contributing to national socio-economic development and local empowerment. In parallel, the Bank will maintain focus on strengthening governance, ethics, stakeholder engagement and human capital development to ensure effective delivery of its mandate.

Guided by its strategic priorities and commitment to excellence, the Bank remains well-positioned to navigate emerging risks and opportunities while supporting long-term economic stability, financial sector soundness and national development.

Conclusion

I want to extend my profound thanks to everyone who played a part in our achievements. This includes the 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



4. Our Strategy

The Bank continues to undertake annual Strategy Reviews to reaffirm the performance, relevance,

and strategic alignment of its mandate with both internal priorities and the rapidly evolving external environment. Anchored in the *Bek'e-langa Strategy*; Re-imagining the Central Bank for a Sustainable Future, the Bank is positioning itself as a centre of excellence and a central bank of reference, underpinned by a strong commitment to people, innovation, and institutional excellence.

While its primary mandate remains price and financial stability, the Bank also prioritises key strategic imperatives, including efficient payment systems, effective currency management, digital transformation, and greening the environment, while also strengthening customer centricity and stakeholder trust and confidence.

Overall, the strategy reflects a deliberate shift towards a forward-looking, agile, and dynamic institution, committed to sustainable and inclusive economic growth and responsive to both domestic and global developments.

Bek'e-Langa strategy cycle and evolution

The *Bek'e-Langa* Strategy draws inspiration from the sunflower, symbolising attributes aligned with the Bank's identity. These attributes are agility, resilience, stability, and trust, while maintaining a constant orientation towards the "sun," which represents vision and purpose. Throughout the five-year strategy cycle, the Bank progressively embeds integrated thinking to continuously refine and evolve its strategic direction through the following phases:

2023 - Strategy Reset

The Bank reimagined its purpose and redefined its strategic goals in response to global trends and shifts within its ecosystem.

2024 - Strategy Review

The Bank assessed strategic performance through a contextual lens, with a focus on identifying root causes rather than addressing symptoms. This approach fostered a culture of learning, reflection and continuous improvement.

2025 - Strategy Realignment

Without changing the overall strategic direction, the Bank focused on strengthening

strategic coherence by enhancing alignment between purpose, processes, people and performance.

2026 - Strategy Conversation: What Next?

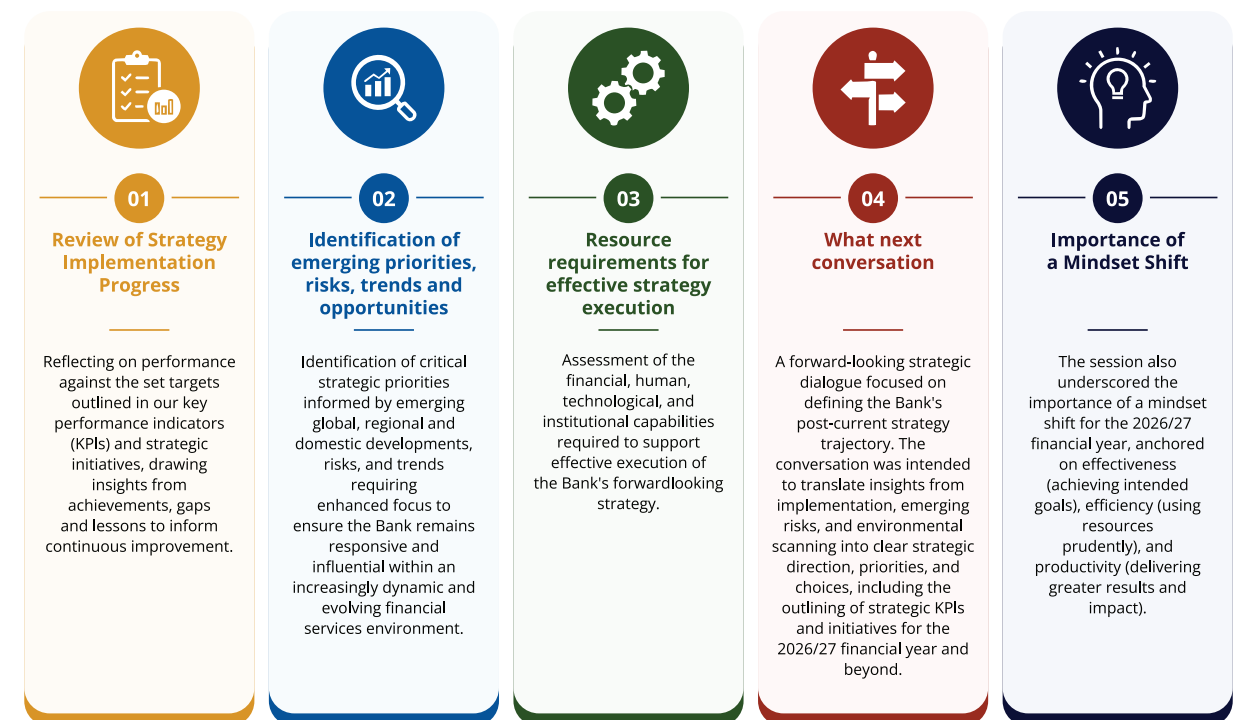
Launched in 2023, the 2025/26 financial year marked the third year of implementation of the Bek'e-Langa Strategy. Guided by the theme Strategy Conversation: What Next?, the conversation focused on defining a future-oriented trajectory beyond the current strategy cycle, enabling the Bank to reassess priorities, identify emerging opportunities and risks and align the Bank's strategy with evolving

economic, regulatory, and stakeholder expectations. The theme further reinforced

the importance of fostering innovation, organisational agility, and a proactive mindset

to ensure the Bank remains responsive, forward-looking and strategically relevant.

During the session, the key focus areas included;



Building on the outcomes of the Strategy Conversation,

the Bank reassessed existing strategic initiatives and identified new strategic initiatives to strengthen execution and future readiness. A comprehensive prioritisation

exercise, guided by an effectiveness, efficiency, and productivity-based model, resulted in the categorisation of initiatives into 13 Super Priority projects and 5 Secondary Priority projects aimed at enhancing strategic focus, optimising resource allocation, and improving execution outcomes for the 2026/27 financial year and beyond.

Overall, the Strategy Conversation reinforced the need for enhanced agility, effectiveness, and impact to ensure the Bank remains

adaptive, and strategically relevant in a rapidly evolving environment. The session enabled the Bank to proactively position itself for the future by strengthening institutional resilience and refining its strategic direction beyond the current strategy horizon. Through this shared dialogue, the Bank seeks to shape an agile, and future-focused Central Bank that continues to deliver sustainable client and stakeholder value.



Our Strategy Map

The Bank's Strategy Map articulates a comprehensive and integrated pathway for delivering on the Bank's mandate, linking institutional capabilities to national impact. Anchored in the Bek'e-langa Strategy, the framework reflects an intentional shift towards integrated thinking, ensuring alignment between people, processes, performance, and long-term outcomes. At its core, the strategy is structured around three overarching focus areas being: long-term financial sustainability, socio-economic development of Eswatini, and clients and stakeholder perception of the Bank's value proposition.



STRATEGIC OUTCOMES

1

Long-Term Financial Sustainability of CBE



Long-term financial sustainability focuses on maintaining a strong and self-sustaining institution. This is underpinned by achieving and maintaining a healthy financial position through sustainable income generation and disciplined cost efficiency. These elements ensure that the Bank remains operationally independent and well-positioned to deliver consistently on its mandate over the long term.

2

Socio-Economic Development of Eswatini



Reflects the Bank's central role in supporting the Kingdom of Eswatini's stability and growth. Through its monetary policy, regulatory, and financial sector oversight functions, the Bank contributes to price and financial stability and an enabling environment for inclusive and sustainable economic growth. This reinforces the Bank's primary role as a key institution in advancing the country's economic development agenda.

3

Client and Stakeholder perception of our value proposition



Underscores the importance of trust, credibility, and service excellence. The Bank continues to strengthen its positioning as a customer-centric, responsive, and agile institution, delivering sound regulatory outcomes while serving as a trusted and independent advisor to the Government. These efforts enhance stakeholder confidence and reinforce the Bank's reputation as a regulator and a centre of excellence.



EXECUTION PILLARS



Operation Excellence

Focuses on enhancing efficiency and agility across the Bank's functions.



Effective Enablement

Supports broader economic outcomes through strengthening foreign reserves, promoting financial inclusion, enabling private sector credit extension, maintaining stable inflation, and advancing priorities such as infrastructure development, green finance, and digital transformation.



ORGANISATIONAL ENABLERS



People-focused culture



Effective leadership



Aligned resources



Robust data and analytical capabilities



Collaboration and stakeholder engagement



Execution discipline



These pillars are underpinned by strong organisational enablers, including a people-focused culture, effective leadership, aligned resources, and reliable data and analytical capabilities. Continued emphasis is placed on collaboration, enhancing execution discipline and deepening stakeholder engagement to support consistent delivery of strategic objectives.

Overall, the Strategy Map demonstrates how the Bank translates its capabilities into meaningful outputs and outcomes. By strengthening execution and maintaining a forward-looking and agile approach, the Bank is well-positioned to deliver sustainable value, enhance client and stakeholder trust, and contribute to the long-term stability and prosperity of the Kingdom of Eswatini.

2025/26 Performance on Strategic Key Performance Indicators

To support the effective execution and monitoring of its strategic objectives, the Bank maintained a set of KPIs aligned to its strategic focus areas. These KPIs continued to

serve as key management tools for tracking performance, measuring institutional impact, and supporting informed decision-making. The performance outcomes presented below provide an overview of the Bank's strategic progress during the reporting period, highlighting key achievements, emerging priorities, and areas requiring continued management focus.

Focus Area 1 – Ensure Long-Term Financial Sustainability

Output	Measure	Target	Actual	Comment
Sustainable Income	Net Interest Income (NII)	E332 million	E325.626 million	NII fell below projection mainly due to higher-than-anticipated expenditure, largely driven by increased interest paid on commercial bank call balances. Average daily call balances reached E3.19 billion against a projected balance of E1.8 billion, resulting in elevated interest costs during the period.
	Profit on disposal of unproductive assets	E2 million	E1,500,963	Proceeds realised from the disposal of vehicles and furniture amounted to E1,500,963. The relatively subdued returns were attributable to the aged condition and residual value profile of most assets disposed. Revenue performance was predominantly underpinned by the auction of the Bank's vehicle fleet, while certain assets, initially identified for disposal, were subsequently approved for donation in accordance with internal governance processes.
Healthy Financial Position	Foreign exchange purchases	USD15 million / month	USD21,440 / month	Fluctuations in the Lilangeni against major currencies resulted in increased foreign exchange sales by banks during periods of the local currency depreciation, particularly against the US dollar.
	FX resources to hedge Foreign Exchange Reserves	E500 million	Zero	The year ended with negotiations still ongoing and at an advanced stage for R 1.3 billion loan from a South African Bank to cushion the reserves.. Also, negotiations with a local institutional investor for another SWAP are ongoing.
	Capital to asset Ratio	10%	9.53%	The capital-to-asset ratio is slightly below the 10% threshold primarily due to revaluation losses recorded during the year.
Cost Efficiency	Personnel cost to Income	45%	43%	Personnel expenses within defined threshold.
	Expenditure to Budget	100%	105%	Expenditure pressures during the year were largely attributable to the transitional operational costs associated with simultaneously maintaining the Mbabane and Ezulwini facilities, resulting in the dual incurrence of utilities and related operating expenses. In addition, machine maintenance costs exceeded budget following significant maintenance requirements on the currency note counting machine. Software licenses also surpassed budget provisions due to increased digital and system support requirements, while employee emoluments were higher than anticipated because of additional recruitments undertaken to strengthen institutional capacity.
	Total cost to total income	80%	91%	Total income after interest was 8% below budget, while expenditure was 5% above budget. Consequently, the ratio was adversely impacted by the combined effect of lower than anticipated income performance and expenditure pressures.

Overall Performance analysis

The Bank remained financially stable, although profitability and cost-efficiency indicators were negatively impacted by elevated operational expenditure, exchange rate movements, and increased interest costs arising from higher

commercial bank balances. The lower-than-targeted capital-to-asset ratio and expenditure overruns highlight the need for continued focus on cost optimisation, balance sheet capacity to absorb shocks, and sustainable revenue generation.

Focus Area 2 – Ensure Socio-Economic Development in the Kingdom of Eswatini

Output	Measure	Target	Actual	Comments
Price Stability	Average inflation range	3% – 7%	2.6%	Inflation averaged 2.6% (i.e., below the lower bound of 3%) in 2025/26 compared to 3.9% in 2024/25. Lower food and transport inflation were the main drivers of the decline.
	Average months of Import cover	≈ 3 months	2.6 months	Reserves were under pressure throughout the year due to the ongoing Government’s cashflow challenges, a drastic 20.4% fall in SACU receipts, and persistently rising import bill. Most recently, the reserves position has also been negatively affected by exchange rate losses from the appreciation of the Lilangeni against its major trading currencies amidst Middle East war. In the financial year 2025/2026, the average import cover was recorded at 2.6 months compared to 2.7 months in 2024/25.
Financial Stability	Average minimum Liquidity range	22% - 33%	38.4%	Liquidity and funds management continue to show sufficient buffers and banks complied with the minimum statutory requirements. As at the end of March 2026, the industry liquidity ratio increased to 38.4%, up from 32.9% in 2025. At this level, the liquidity ratio remained well above the regulatory minimums of 22.0% for Commercial Banks and 20.5% for Development and Savings Banks, highlighting the sector’s continued ability to meet short-term obligations and reflect overall financial stability.
	% Currency availability	≥99.95%	100%	All currency orders were met throughout 2025/26.
	Payments and settlement systems uptime	≥98%	98.07%	Although the annual average performance of 98.07% slightly exceeded the target of 98%, the decline in performance to 94% in Quarter 4 remains a concern. The downward trend at year-end indicates emerging performance pressures that require close monitoring and timely corrective interventions to support stabilization and a return to the desired performance levels.
	Non-performing Loans (NPLs) ratio	≤6.5%	6.8%	Asset quality improved slightly over the period under review, as reflected by the decline in the NPLs ratio to 6.8% in March 2026, from 7.2% recorded a year earlier. The improvement was supported by the continued growth in the overall loan portfolio which outpaced the 3.5% growth in non-performing loans.
	Capital adequacy ratio (CAR) aggregate for the banking sector	≥8%	15%	The domestic banking sector continued to demonstrate resilience and strong health, underpinned by adequate capital reserves, notwithstanding a slight decline compared to the previous year. CAR declined to 15.0% by end of March 2026. Notwithstanding this decrease, the ratio remained comfortably above the regulatory minimum of 8%.
	Establish a fully Functional and Credible Resolution Regime	100%	50%	The Executive Committee (EXCO) approved the establishment of the Function within the Financial Stability Unit. However, approval of the Resolution Framework, as well as related operational policies and procedures, remains outstanding.
	Fully established Deposit Protection Fund (DPF)	100%	95%	The DPF remains at the implementation stage, pending enactment of the enabling legislation, and is currently assessed at 95% completion. During the year, key milestones achieved include EXCO approval of the DPF Implementation Framework, completion of industry consultations, and commencement of the testing and simulation phase.

Output	Measure	Target	Actual	Comments
Economic Development	Finalize and launch financial inclusion framework	100%	100%	The Financial Inclusion Framework was submitted to and approved by EXCO in December 2025.
	Level of financial inclusion of adult population of the country	≥90%	87%	Results are based on the 2018 survey. During the year, engagements continued between the Bank, FinMark Trust, the Central Statistical Office, and ESEPARC to advance preparations for the next FinScope Survey. The Concept Paper was finalised in January 2026, and budgetary provision has been allocated in the 2026/27 financial year to support implementation.
Infrastructure Development	Complete EPC Tender Award by 31 December 2025	100%	100%	Target achieved, with the EPC tender successfully awarded on 1 October 2025, ahead of the planned completion date of 31 December 2025.
	EPC Silver Book contract signed by 28 February 2026	100%	100%	The EPC Silver Book contract was successfully signed on 24 October 2025, well ahead of the targeted completion date of 28 February 2026.
	Progress on the EPC Contractor scope of works	10%	5.33%	A performance score of 5.33% was achieved against the EPC Contractor scope of work, compared to the target of 5.59%. The achieved progress includes completion of detailed design works, site clearing, site establishment, earthworks, and piling activities.
	% implementation of Domestic Switch strategic initiative	≥65%	54%	The five-phased initiative was rebased during the year to prioritize additional Fast Payments features, with overall implementation progress at 54%. Governance and Shared Features and Fast Payments have been completed, resulting in the onboarding of 8 major financial service providers. Current efforts are focused on enhancing additional Fast Payment features, after which implementation will progress to the POS and ATM Switching Phase, while Open Banking (Phase 4) now repositioned as the final phase of the initiative.
	Operational failure rate of less than 10% on Fast Payments Module	<10%	5%	All licensed operators are operational on the Fast Payments module, with overall performance failure for the 2025/26 financial year at 5%, reflecting steady and sustained improvement by participants throughout the year.
	Conclude feasibility study for deployment of an e-Commerce gateway by 31 March 2026	100%	100%	The target was achieved, with the feasibility study for the deployment of an e-Commerce gateway concluded in February 2026, ahead of the planned completion date of 31 March 2026.

Summary

The Bank maintained overall financial sector stability, with strong banking sector liquidity, adequate capitalisation, stable payment systems, and full availability of currency. However, pressure on foreign reserves and import cover remains a key macroeconomic vulnerability, driven by SACU receipt volatility, rising import demand, and Government cashflow constraints. Progress on the Domestic Switch, Deposit Protection Fund, and Resolution Regime reflects meaningful advancement in financial sector modernization and crisis preparedness, although several initiatives remain dependent on enabling legislation and completion of final implementation phases.

Focus Area 3 – Client and Stakeholder Perception

Output	Measure	Target	Actual	Comments
Customer centricity	Achieve at least 57% stakeholder perception index by 31 March 2026	≥57%	58.5%	The Bank achieved an overall stakeholder perception score of 58.5% in 2025, reflecting a marginal increase of 1.5% compared to 2024. The Stakeholder Perception Index (SPI) for direct stakeholders stood at 75%, while the SPI for indirect stakeholders, comprising the public, was 42%.
	Net Promoter Score	≥0	+4	Overall, the Bank achieved a positive Net Promoter Score (NPS) of +4, reflecting a significant improvement from the 2024 score of -67.9. This improvement is attributed to the implementation of the Stakeholder Engagement and Communication Plan, which included nationwide roadshows.
	Critical Bank systems uptime - whilst realizing nil successful incidence of cybersecurity	95%	99.33%	The target was exceeded, with critical Bank systems achieving 99.33% uptime against the target of 95%, while no successful cybersecurity incidents were recorded during the period.
Independent, reliable, trusted, reputable and credible institution	Audit findings passing issues assurance	≥95%	95%	19 Findings were validated, of which 18 findings passed assurance and 1 finding failed, resulting in a 95% pass rate.
	70% completion of ESG Transition Plan development by 31 March 2026	70%	80%	The Project is at 80%, being completion of 20 tasks of the targeted 25. The report is in draft which covers the gaps (final discussions being held with the remaining business units). The draft highlight gaps and provide recommendations on how these can be closed through the departmental strategic workplans initiatives impacting ESG Principles.
	Quarterly policy advisory engagements with the Ministry of Finance and Ministry of Commerce	4	4	Continuously engaging the Ministry of Finance and providing advice on various aspects including debt management on securities issued by government to avoid settlement failures, Taxonomy development, legislative review.
	Compliance to regulations, policies, and standards	100%	100%	The Bank is 100% compliant with only minor housekeeping issues identified.
	Maturity level for Risk & Business Continuity Management processes	Mid 4	Level 4-upper	Based on BCM score performed by central banks under CCGB- The score was 8-P at 80.7% = Level 4 upper. The. Risk Function Assessment is pending.

Output	Measure	Target	Actual	Comments
Centre of Excellence - Central Bank of Reference	Implementation of prioritised strategic initiatives	≥80%	83%	The average implementation score for strategic initiatives was 83.24%, reflecting an upper-good performance rating.
	Accelerate full operationalization of the Centre of Excellence and Innovation	100%	50%	The Centre of Excellence and Innovation is currently operational. However, full operationalisation remains outstanding as the Skills Consultant position is being temporarily filled by a Graduate Trainee.
	Develop & Deliver Thought Leadership & Policy Interventions	4-5	12	A total of 12 interventions were undertaken during the year, with at least 2 interventions implemented under each of the four-pillar structure / model.
	Build & Enhance Strategic Relationships	2	5	Strategic partnership established during the period include MoUs with; Eswatini TV for various initiatives including digital archiving of the CBE's history, Banco de Moçambique, Royal Eswatini Police Service (REPS), AfricaNenda, Eswatini Youth Empowerment Programme (EYEP).
A people focused organization	Pulse survey outcomes	≥78%	79.2%	The overall average score across all indicators was 79.2%, representing an increase of 1.2 percentage points from the 78.0% recorded in the previous year. Notable progress was observed in the engagement, performance management, change management, and culture indices, reflecting positive organizational momentum during the period.
	Review of Short-Term Incentives	100%	100%	The model was reviewed and approved by EXCO in December 2025 and subsequently submitted to the Remuneration Committee (REMCO) where it was partially adopted. An enhanced motivation will be presented to REMCO in June 2026, for adoption, prior to submission to the Board.
	Review Performance Recognition Structure by 31 December 2025	100%	100%	- Structure reviewed and recognition awards separated from End-of-Year Staff Party Celebrations. - Inaugural Excellent Awards successfully conducted in December 2025, under the reviewed structure. - Per decision of the Bank, End-Of-Year Staff Party deferred to December 2026, also in line with the new structure.

Summary

Performance under Client and Stakeholder Perception reflects notable improvement in public confidence and institutional reputation. The positive Net Promoter Score, improved stakeholder perception results, and high systems uptime indicate strengthened stakeholder engagement, operational reliability, and institutional credibility. Governance, compliance, audit assurance, and risk maturity outcomes further reinforce the Bank's position as a trusted and resilient institution. Under the Centre of Excellence and People Focused Organisation pillars, the Bank continued to strengthen strategic execution capability, institutional partnerships, innovation, and employee engagement. The strong implementation rate of strategic initiatives, enhanced thought leadership interventions, and improved pulse survey outcomes demonstrate growing organizational maturity and alignment.

Update on 2025/26 Prioritised Strategic Initiatives

The Bank continued to make significant progress in the implementation of its 2025/26 strategic initiatives, reflecting consistent performance and steady execution despite the complexities associated with some initiatives. Most initiatives are implemented over a two-to three-year timeframe, with annual performance measured against planned milestones for the year, the majority of which were successfully achieved. Overall, the Bank marginally exceeded expectations, attaining an average actual performance of 83% against the set target of 80%.

Key achievements during the year included the successful implementation of the ISO 20022 Migration project, strengthening of foreign exchange reserves, advancement of the National Payment Switch, and significant progress on the Deposit Protection Fund and legislative reform agenda. The year also saw notable progress in strategic infrastructure and institutional transformation initiatives, including the Ezulwini Complex project, digital transformation programme, culture transformation initiative, and establishment of the Centre of Excellence.

While some initiatives experienced delays due to budgetary constraints, project rescoping, and evolving implementation requirements, corrective measures and recalibrated delivery timelines were undertaken to maintain alignment with the Bank's long-term strategic objectives. Overall, the Bank's initiatives remained largely on track during the financial year, with recurring initiatives completed within planned timelines. Below is the summary of the progress of the initiatives.

Strategic Initiatives' Detailed Performance

Strategic Initiatives	2025/26 Actual Performance	Comments
National Payment Switch	54%	The five-phased initiative was rebased during the year, and additional Fast Payments features were prioritized. Phase 1 on Governance and Shared Features and Phase 3 on Fast Payments have been completed, resulting in the onboarding of eight major financial service providers, comprising of five (5) banks and three (3) mobile money service providers. This set the stage for interoperability, whilst promoting efficiency and financial inclusion.
Bolstering FX Reserves	100%	The Bank successfully implemented its planned 2025/26 strategic initiatives aimed at strengthening foreign exchange reserves and maintaining adequate liquidity buffers to mitigate the impact of net capital flow fluctuations. Key achievements during the period included; - the introduction of a gold investment strategy, with the Bank acquiring 2,500 ounces of gold as part of its reserve asset portfolio to support long-term financial sustainability. - average monthly foreign exchange purchases of USD21.4 million during the period, further strengthening reserve accumulation. - the signing of a reserves hedging financing term sheet with a South African Bank. - Board approval of initiatives relating to foreign exchange swaps, listed funds, asset swaps, and term funding.
Government Retail Bond	69%	Progress continued on the initiative aimed at the design, development, and launch of a digital platform for issuing retail bonds. Key milestones achieved during the reporting period included the upgrade of the Central Securities Depository, engagements with MTN on a potential strategic partnership and Memorandum of Understanding, and consultations with the Ministry of Finance in December 2025. Further progress was made through engagements with internal developers on the issuance software, finalisation of the flow of funds model aligned to the Electronic Payment System settlement route, and revision of the project charter to align with the updated delivery timeline. The initiative is currently focused on completing the issuance software to support operational readiness and implementation.

BUSINESS

STRATEGY

Legislative Reforms	88%	During the year under review, the Bank intensified efforts to advance the legislative reform agenda and expedite the promulgation of the Central Bank Bill, Financial Stability Bill, and Financial Institutions Bill. While the Bank recognises the multi-tiered nature of the legislative process, significant progress was achieved against planned milestones. As at year-end: - the Central Bank Bill had received Cabinet approval and was awaiting tabling before Parliament. - the Financial Stability Bill and Financial Institutions Bill were awaiting Cabinet approval. - The National Payments System Bill regulations had been approved by Cabinet and were awaiting tabling before Parliament.
Matsapha Cash Centre Improvements	70%	Tasks concluded during the period included the implementation of Heating, Ventilation, and Air Conditioning systems, installation of a loading dock lift, completion of electrical works, and construction of a roof cover. However, due to budgetary constraints, progress on the construction of the warehouse was delayed, with implementation standing at 5% by the end of the financial year.
Eswatini ISO 20022 migration	100%	This initiative is structured into four phases, with the target for the period being the achievement of 100% implementation of Phase 1 (Cross-Border Payments) by 31 March 2026. During the year under review, both Phase 1 and Phase 2 (SADC-RTGS) were successfully concluded, and the systems are now fully operational.
Ezulwini Complex	110%	The initiative met and exceeded its target for the year, which focused on site preparation for construction activities. Milestones achieved beyond the planned scope included the construction of a conference hall, conversion and modernisation of hotel rooms into functional office spaces, construction of a gym facility, and full implementation of bulk services comprising stormwater, potable water, and sewer reticulation infrastructure. In addition, the EPC tender was awarded, contracts signed, the site handed over to the contractor, and Phase 1 construction of the high-rise building commenced, reaching 5.33% completion by year-end.

Strategic Insight and Outlook (Performance Review)

The Central Bank once again delivered a strong performance against its strategic objectives for the 2025/26 financial year, underpinned by strong institutional execution, financial system stability, and sustained stakeholder confidence. The year reflected continued progress in strengthening institutional credibility, operational resilience, and stakeholder trust.

Key priorities for 2026/27 will focus on strengthening institutional capacity and advancing strategic transformation through targeted initiatives and enhanced operational alignment. **These include;**

- Strengthening income and capital adequacy.
- Reinforcing reserve buffers.
- Completing the financial safety net architecture (resolution regime and DPF).
- Accelerating the Centre of Excellence and Innovation operationalisation and innovation capability.
- Consolidating stakeholder trust gains into measurable institutional impact.

Overall, the Bank remains financially sound, operationally effective and well-positioned to deliver on its mandate, while continued structural strengthening will be essential to sustain its long-term strategic goals.



Establish Bureau of economic research and Centre of Excellence (COE) (including partnerships)	60%	Initiative target of 80% not met and initiative working on reviewing its charter in line with Strategy conversation resolution. However, during the period, the COE was able to deliver 12 training programmes across its four strategic pillars. In addition, engagements on potential partnership collaborations were undertaken with the Bank of England and the Swiss National Bank.
Digital Transformation (DTX)	50%	All milestones set for 2025/26 achieved. This includes; • DTX operating model developed and approved. • Alignment engagement with APPS and Data plus innovation team. • Development of Automation Boiler template. • Developed tool & established Bank maturity baseline. • Developed roadmap.
Eswatini Deposit Protection Fund	95%	The initiative is nearing completion, with implementation standing at 95% by year-end. Key milestones achieved during year included the completion of the legislative review, establishment of the DPF Steering Committee, development of the implementation framework, and progression to the testing and pilot phase.
CBE Greening and Capacity Building on climate change	35%	The initiative, which had a target of 60% completion, did not achieve its planned milestone due to budgetary constraints that affected implementation progress during the year. Notwithstanding these challenges, the Project Steering Committee endorsed the way forward for the initiative, including the Eswatini Green Finance Taxonomy (EGFT) validation exercise, Cabinet approval process, and taxonomy launch. In addition, a draft climate risk guidance note was developed as part of the broader implementation process.
Culture Transformation	40%	The initiative achieved its 40% implementation target for the year. Key milestones attained included the launch of the initiative, completion of a culture diagnosis exercise, identification and appointment of CBE Influencers, facilitation of core creation workshops for influencers, and the embedding of two culture behaviours across the Bank through the influencer programme.
Develop risk instruments to support effective lending to specific key sectors	38%	Target 60%. Initiative delayed due to rescoping and review. Milestones achieved: Reviewed the Export Credit and Small-Scale Enterprise Loan Guarantee Schemes. Review of participation agreement. Incentives to support Priority Sector Lending.

5. Mandate Delivery and Outcomes

The Bank remained focused on delivering its core mandate during the 2025/26 financial year by implementing strategic

objectives and regulatory, operational, and institutional initiatives. These initiatives are aimed at supporting monetary and financial stability, strengthening the financial sector, enhancing operational efficiency, and advancing innovation and digital transformation. The period also reflected the Bank's continued commitment to strengthening governance and risk management frameworks, and positioning the institution to respond effectively to emerging economic and technological developments.

Key Performance Targets and Indicators

	Objective	2025/26 Target	2025/26 Actual
1.	Maintain adequate foreign reserves.	Achieve import cover of 3.0 months by financial year-end.	Recorded an average, 2.6 months of imports for the year ended March 2026.
2.	Build foreign reserves.	Average monthly accumulation of an equivalence of USD15 million.	Achieved monthly average of an equivalence of USD21.44 million foreign exchange purchases for the financial year.
3.	Optimise returns on investments.	Achieve target of 25 basis points outperformance of portfolio versus benchmark.	Realised 70 basis points performance over the benchmark for the financial year.
4.	Enhance income.	Net interest income to exceed budget by 2% annually.	A -4% variance of net interest income versus budget was realised.
5.	Treasury Bonds Issuance.	Target to raise E1.4 billion.	E1.877 billion was raised exceeding target by 34%.
6.	Availability of quality currency in circulation.	To achieve at least 99.5% of currency orders.	100% currency orders met. Currency in circulation increased by 5% from last financial year.
7.	Issuance and redemption of currency.	To issue the reprinted E20 and E10.	The Bank issued reprinted of the E20 and E10 notes, encompassing the country's name change from Swaziland to Eswatini and the signatures of the Governor and Minister for Finance including enhanced security features.
8.	Monetary Policy Implementation.	Implement monetary policy to meet policy objectives and to prevent outflows of Rands.	Monetary policy implementation tools were utilized at a reasonable cost, and excessive Rand outflows were prevented.
9.	Effective stakeholder engagement.	Continuous engagement with stakeholder groups.	Continuous stakeholder engagement strengthened awareness, accountability, transparency, communication effectiveness, and public trust and confidence in the CBE.
10.	Coin Management efficiencies.	Improve re-circulation of coins to contain monetisation costs.	Coin deposits increased by 4.7% signifying a marked improvement in coin recirculation year-on-year.

11.	Bank Licencing.	Improve the efficiency and effectiveness of Bank licensing processes to support regulatory compliance and financial sector stability.	The Bank evaluated five (5) banking licence applications across various licence categories. Two (2) applications were approved for provisional licenses (Letshego Bank Eswatini and SBS Bank Eswatini), one (1) was rejected, and two (2) are still being reviewed at year end.
12.	Supervisory Oversight through AML/CFT Onsite Inspections.	Enhanced AML/CFT supervisory effectiveness to strengthen financial system integrity and support financial stability.	Four (4) on-site inspections were conducted, two of which were undertaken jointly with other regulatory authorities. These inspections form a critical component of the Bank's mandate to safeguard financial stability and uphold the integrity of the financial system.
13.	Financial Surveillance Application System.	To implement a Financial Surveillance System.	Successfully implemented a digital platform to automate the submission, review, and approval of foreign exchange applications, improving processing efficiency, transparency, compliance monitoring, and regulatory oversight.
14.	Credit Guarantee Scheme Application System.	To implement a Credit Guarantee Scheme Application System.	The System was successfully launched and implemented to a live environment in March 2026 for the automated submission, review, and approval of credit guarantee applications, thus improving processing efficiency, transparency, accountability with complete audit trails, security, and monitoring.
15.	CBE Financial Inclusion Framework.	To develop CBE Financial Inclusion Framework.	CBE Financial Inclusion Framework was developed and peer reviewed by the Alliance for Financial Inclusion (AFI).
16.	Increase uptake on (Small Scale Enterprise Loan Guarantee Scheme) SSELGS performance and utilisation of Export Cover Guarantee Scheme (ECGS).	Target Leverage Ratio was 4.0 times the Fund balance.	The Leverage Ratio for the SSELGS continued to rise over the year and reached 5.26 times the Fund balance. The ECGS was not utilized during the year and a study is currently underway to identify opportunities to revitalize the scheme.

Future Focus Areas



1. To continue strengthening financial sector stability through enhanced supervisory and regulatory reforms, including Basel III implementation, improved risk-based supervision, and the development of integrated frameworks for emerging areas such as cooperative banking, fintech, and virtual assets, supported by Supervisory Technology adoption and continuous supervisory capacity building.
2. To advance the digital transformation and payments modernisation agenda through key system upgrades and integrations, including ISO 20022 migration, domestic payment switch enhancements and CPS implementation. There will also be an integration with the Integrated Financial Management Information System platform, alongside participation in regional innovation initiatives such as CBDC exploration.
3. To continue strengthening financial stability through active treasury and reserve management, including hedging strategies, asset optimisation, and liability management initiatives aimed at improving returns and enhancing financial buffers.
4. To improve operational efficiency and sustainability through the modernisation of cash management infrastructure, including expanded coin deposit solutions and environmentally sustainable banknote destruction systems aligned with ESG objectives.
5. To enhance cybersecurity and operational resilience through the establishment of a dedicated Financial Industry Cyber Security Operations Centre and broader initiatives to strengthen protection against emerging digital risks.
6. To advance our climate risk supervisory agenda, with a focus on developing a comprehensive framework for climate related risk supervision and disclosure. This initiative aims to strengthen banks' identification, management, and disclosure of climate related financial risks, while aligning the supervisory approach with emerging international best practices.
7. Continue to explore opportunities to build reserves including diversification into gold holdings.

8. Development of a Cooperative Banking Framework that will incorporate the licensing and supervision of cooperative banks in our regulatory framework.
9. Support the implementation of the National FinTech Strategy in collaboration with the Ministry of Finance and the Technical Implementation Team, to translate strategic commitments into a concrete, funded, and time-bound action plan for all stakeholders.
10. Continuing active participation in Project Sunbird and contributing to the CMA-level exploration of wholesale CBDC applications for cross-border payment efficiency.
11. Conducting research and producing knowledge papers to support the Bank's fintech and innovation mandate.
12. Creating awareness through webinars and other platforms to promote a culture of innovation across the financial sector.
13. Continue with the implementation of the digital transformation strategy and initiatives that seek to automate and enhance efficiencies in various operations in the Bank's value chain.
14. To modernize the foreign exchange market by implementing a Capital Flow Management Framework and gradually relaxing selected foreign exchange controls to improve market efficiency and the ease of doing business
15. To introduce a Trade Verification System, in partnership with the Eswatini Revenue Service and CMA members, to automate the verification of trade and foreign exchange transactions, combat illicit financial flows, strengthen compliance, and facilitate trade.
16. To strengthen coordination of the gender-disaggregated data system/ framework for collecting, sharing, and active use of the data among CBE, FSRA, financial institutions and Mobile Money Operators to ensure tracking, reporting, and policy action on women's financial inclusion thus enabling targeted interventions and better inclusion outcomes.
17. To initiate capacity building initiatives for CBE and key stakeholders to pave the way on how to design and operationalise a movable collateral registry framework to support MSME financing in Eswatini.
18. Continue to collaborate with Centre for Financial Inclusion and the Ministry of Education and Training through the Curriculum Centre in implementing the National Financial Literacy Strategy.
19. To continue producing inflation forecasts to inform monetary policy decisions using the recently developed Quarterly Projection Model.

while safeguarding macroeconomic and financial stability.



6. Our Business Model

The Central Bank of Eswatini operates within a business model designed to fulfil its core mandate of maintaining price stability, safeguarding financial system stability, and supporting sustainable economic development in the Kingdom of Eswatini. These objectives form the foundation of the Bank's policies, operations, and strategic priorities.

Translating Vision into National Impact

The Bank's vision is translated into a clear mission and strategic objectives that guide policy formulation, operational execution, and institutional development. Through this framework, the CBE delivers on its statutory responsibilities while contributing to macroeconomic stability, financial sector soundness, and public confidence in the financial system.

The Bank's long-term strategies align with national development priorities and aim to foster a stable monetary and financial environment conducive to inclusive and sustainable economic growth.

Balancing Operational Excellence with Strategic Delivery

The Bank's operating model is anchored on maintaining an appropriate balance between operational efficiency and strategic effectiveness. This enables the Bank to respond effectively to evolving domestic and global economic conditions while ensuring sound governance and institutional capacity.

This balance is achieved through the following key pillars:

- **Operations**
The Bank maintains rigorous operational processes, systems, and controls that support efficient execution of core central banking functions, including monetary operations, currency management, reserves management, and financial system oversight.
- **Strategy**
Strategic programmes and policy initiatives are developed to advance the Bank's mandate, strengthen institutional capacity, and promote financial and economic stability.
- **Business Departments**
The Bank's departments and functional units implement operational activities and strategic initiatives within an integrated governance framework that promotes accountability, coordination, and performance excellence.

Through the effective deployment of resources, the Central Bank of Eswatini continues to deliver on its mandate, promote confidence in the national financial system, and contribute to the country's economic stability and development.

7. Monetary Policy

Objective

Eswatini's monetary policy objective, as stated in Section 4 (a) of the CBE Order of 1974 (as amended), 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 to the CMA. To influence monetary conditions in the country and achieve its mandate, the Bank uses the following tools: the 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 enough to sustain the peg.

Conduct

Under the CMA framework, Eswatini has limited scope to undertake discretionary monetary policy to respond to economic developments and external shocks. With that level of monetary policy discretion, the Bank has the liberty to use the discount rate as a major policy instrument to promote economic growth and to control inflationary pressures, and the call rate to curb capital flight. The discount rate can be at par or at different levels with that of South Africa, depending on the prevailing domestic macroeconomic fundamentals.

If a negative differential between the discount rate and the South African repo rate is maintained, the Bank uses the call rate to prevent capital outflows, particularly to the South African markets. The call rate is the rate at which commercial banks are remunerated for keeping their excess liquidity at the Central Bank. Despite the reduced scope to independently conduct its monetary policy, Eswatini's membership to the CMA has benefited the country in supporting macroeconomic stability as well as dampening the effects of 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 2025/2026, the MPCC held six (6) ordinary meetings as per schedule. In these meetings, the MPCC reviews developments on inflation (including inflation forecasts) as well as other macroeconomic indicators of the domestic, regional and international economies to inform monetary policy decisions.

The Bank pursued an accommodative monetary policy stance in the period under review and reduced the discount rate by 25 basis points from 7.0% to 6.75% in May 2025, a stance that has been maintained through to March 2026. This stance was broadly in line with the easing global and regional monetary policy conditions, coupled with the lower domestic

inflation outcomes. However, the domestic monetary policy outlook remains highly uncertain, influenced by heightened global instability arising from geopolitical tensions, particularly the Middle East War, and trade tariffs. The fluid geopolitical environment continues to exert upward pressure on energy prices, while disruptions to farm input supplies, notably fertiliser, risk amplifying food inflation.

Given the volatility and the absence of a clear resolution to the conflict, inflationary pressures are expected to persist, and the war weighs on global growth prospects. The resulting environment presents significant challenges for monetary authorities, who must balance the imperative of containing inflation against the need to safeguard economic growth. The Bank remains committed to maintaining price stability and supporting sustainable growth. Policy

decisions will be guided by evolving global, regional and domestic conditions, with a focus on mitigating inflationary risks while preserving financial stability. Flexibility and vigilance will be maintained to respond appropriately to the uncertain and volatile outlook.

Over the reporting period, the negative policy rate differential against the South African Reserve Bank (SARB) repo rate narrowed from -75 basis points to 0 basis points. This narrowing broadly came as a result of the CBE reducing the discount rate once by 25 basis points in May 2025 to 6.75%, while the SARB reduced the repo rate by a cumulative 100 basis points to the same level over the reporting period. The policy rates were at par from November 2025 through to March 2026 as the interest rates were kept steady by both countries.

MPCC Terms of Reference

The MPCC was established under Section 43 of the CBE Order. During the year under review, the MPCC comprised of the Governor (Chairman), Deputy Governor, Chief Operations Officer, and five (5) additional members (appointed by the Minister of Finance) with recognised experience in monetary and financial matters. Bound by the CBE 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. The statement states the considerations that led to the decision on the discount rate. It is released simultaneously on the Bank's social media platforms and website on the same day and published in the

local print media the following day.

Inflation Outlook

Despite the recent moderation in headline inflation, Eswatini's inflation outlook is expected to trend upwards in the near term as underlying pressures begin to emerge. These pressures are largely driven by ongoing geopolitical developments, particularly the Middle East War which has contributed to a markable increase in global oil prices.

As of the end of March 2026, Brent crude oil prices had risen sharply to US\$106.9 per barrel, up from US\$61.5 per barrel in December 2025. This increase reflects supply-side disruptions associated with geopolitical instability. The resulting supply shock is expected to transmit to the domestic economy through higher fuel costs, directly impacting transport inflation, with second-round effects affecting food prices and overall inflation. Exchange rate developments also present a key upside risk to domestic

inflation. The Rand/Lilangeni has depreciated notably in recent months, amplifying imported inflation pressures given Eswatini's heavy reliance on imports, particularly for fuel and food.

Notwithstanding these pressures, inflation has remained relatively contained, supported in part by the soft approach to increases in administered price adjustments and lower food inflation. In March 2026, the Bank forecasted domestic inflation at 3.1% in the second quarter of 2026, rising to 4.0% in the third quarter and 4.2% in the fourth quarter. On an annual basis, inflation is forecasted to average 3.3% in 2026.

Over the medium term, the inflation outlook for 2026 and 2027 remains tilted to the upside, largely reflecting uncertainties surrounding global oil price developments, potential adjustments in administered prices, and base effects arising from price movements in 2026.



Frequency and Attendance of MPCC Meetings in 2025/26

	31 May 2025	1 Aug 2025	19 Sept 2025	21 Nov 2025	30 Jan 2026	27 Mar 2026
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.

8. Economic Review

This section provides a brief overview of key trends in the domestic economy. For in-depth analysis, please refer to the 2025/26 Annual Economic Review Report on the Bank's website.

GDP Developments

Quarterly Developments

Economic activity, as measured by the Quarterly Gross Domestic Product (QGDP), grew by 5.7% year-on-year (seasonally adjusted) in the fourth quarter of 2025, slightly lower than the revised 5.9% recorded in the previous quarter. The moderation in growth largely reflected weaker performance in the primary and secondary sectors, while the tertiary sector remained resilient on a year-on-year comparison.

Following a strong rebound in the third quarter of 2025, the primary sector slowed markedly from 13.7% year-on-year growth to 2.6% in the fourth quarter of 2025. The softening growth reflected weak performance in the 'mining & quarrying' and 'agriculture & forestry' subsectors. Similarly, the secondary sector fell from 10.3% growth year-on-year, in the third quarter of 2025 to record a marginal decline of 0.5% in the last quarter of 2025. All subsectors of the secondary sector receded except the construction subsector, which rose by 11.8%, year-on-year, in the fourth quarter of 2025, supported by the ongoing

implementation of public and private sector projects. The manufacturing subsector contracted by 0.3%, a sharp decline from the 10.5% growth recorded in the third quarter. The decline was largely attributable to weaker performance in the manufacturing of sugar, concentrates and textiles & wearing apparel subsectors, reflecting weak external demand for the locally produced export-oriented products. Electricity and water supply also declined by 4.2% and 3.5%, respectively, during the last quarter of 2025.

The tertiary sector, accounting for the largest share of total industry output at 56.3%, was the main driver of overall economic growth, increasing by 9.9% in the fourth quarter of 2025, compared to 4.5% in the previous quarter. Growth was supported by the 'wholesale & retail', 'financial & insurance services' and 'information, communication & technology' subsectors.

On a quarter-on-quarter basis, economic activity expanded at a slower rate of 0.3% (seasonally adjusted) in the fourth quarter of 2025, compared to a revised growth of 1.8% in the third quarter of 2025.



Annual Developments

Preliminary estimates of economic activity, as measured by annual Gross Domestic Product, indicate a notable improvement in 2025 relative to 2024. As of January 2026, the Macro-Forecasting Team estimated that real GDP grew by 5.6% in 2025, up from 3.0% in the previous year. The growth broadly benefitted from positive developments in the tertiary sector. The services sector is projected to have rebounded strongly, growing by 7.6% in 2025. This growth was driven by stronger private consumption following increases in public sector real wages in the second half of 2025, which supported activity mainly in the 'wholesale & retail trade' and selected 'financial services' subsectors. In addition, the information, communication and technology subsector continued to benefit from increasing demand for data services and the ongoing rollout of more affordable packages by service providers, sustaining double-digit growth in 2025.

The primary and secondary sectors also recorded growth, albeit at a slower pace compared to the previous year. The primary sector is estimated to have grown by a slower 2.8% in 2025, down from 3.1% observed in 2024, mainly due to subdued performance in the 'mining & quarrying' subsector. In addition, the animal production subsector performed poorly due to the outbreak of the foot and mouth disease, which caused supply disruptions, particularly in cattle, and resulted in a ban on beef exports to the European market from May 2025. Meanwhile, modest growth was recorded in 'crop production' and 'forestry & logging' subsectors.

Following strong growth, in 2024, the secondary sector is estimated to have expanded at a slower 4.4% in 2025, compared to 6.6% in the previous year. The moderation was largely driven by a slowdown in manufacturing

activity, reflecting weaker external demand.

Nonetheless, other subsectors within the secondary sector are estimated to have recorded strong growth in 2025. The construction subsector is estimated to have rebounded strongly, supported by the implementation of major public and private infrastructure projects, including the Mpakeni Dam and Lower Maguduza hydropower projects, among others. In addition, favourable rainfall conditions supported increased hydro-power generation, contributing to improved electricity supply.

Projections

Domestic economy activity is projected to grow by 5.2% in 2026, and to average 3.8% over the medium term (i.e., 2027 – 2030). The sustained growth expected in 2026 is anticipated to be driven by the primary and secondary sectors, while the tertiary sector is projected to moderate. Favourable weather conditions, together with land

expansion, are expected to support crop production. In addition, an anticipated easing of the challenges in the ferrochrome industry is expected to support a strong rebound in mining activity. Activity in the secondary sector is forecast to benefit from a strong 'manufacturing' sector, particularly manufacture of sugar, manufacture of textiles, manufacture of chemical products and manufacture of cocoa, chocolate and sugar confectionery, which are all export oriented. In addition, the construction sector is projected to grow significantly by 31.4% in 2026, benefitting from the accelerated implementation of large-scale public and private sector projects. These include dam construction, the strategic oil reserve, road infrastructure (mainly MR14 and MR21) and major energy-related projects.

However, there are downside risks to this positive outlook. These include intensifying geopolitical tensions, which have disrupted global supply chains, increased input and logistic costs, and weighed negatively on productivity in some sectors. Other risks stem from the negative effects of climate change, constrained fiscal space to finance large public projects, and heightened uncertainty that could weigh negatively on private investment.

Price Developments

Inflationary pressures were contained during the 2025/26 financial year, with inflation staying below 3.0% for most of the period and closing the year at a record low of 1.6% in March 2026. Headline consumer inflation averaged

2.6% in 2025/26 compared to 3.9% in the previous financial year. Favourable food and transport inflation were the main drivers for the notable deceleration in consumer prices. Food inflation declined from 3.7% in 2024/25 to 1.3% in 2025/26, while transport inflation remained muted, averaging 0.2% compared to 1.3% in the previous financial year.

Both food and transport inflation benefitted from favourable developments in international commodity prices. According to the Food and Agriculture Organisation Food Price Index, global cereal prices followed a sustained downward trend in 2025, particularly in the second half of the year. Rice prices fell sharply following the lifting of an export ban on Indian exports that led to an increase in global supply. These deflationary pressures were transmitted to domestic food prices, with rice prices falling by an average of 7.4% in 2025/26, compared to an increase of 13.0% in the previous financial year. Most food commodities recorded a slower price increase during the review period, except for 'bread' and 'meat products'. Bread prices increased following the approval of a 7.0% increase by the Ministry of Commerce, Industry and Trade effected in November 2025, while meat prices were driven by supply disruptions caused by the foot and mouth disease outbreak. Transport inflation, on the other hand, benefitted from relatively lower international oil prices, coupled with an appreciation of the local currency against major trading currencies. Although international oil

prices ended the financial year above the US\$100/barrel mark, they were on average 10.8% lower in 2025/26 compared to the previous year. The local currency also appreciated on average by 4.6% over the same period. As a result, domestic fuel prices remained broadly unchanged, contributing to the overall containment of inflation.

Core inflation, measured as the Consumer Price Index (CPI) excluding food, fuel and energy, also moderated, averaging 3.0% in 2025/26 compared to 3.8% in 2024/25. This was largely on account of a moderation in CPI for services, which rose by 2.3% during the review period, down from 3.7% in the previous financial year. Notably, the index for 'hotels & restaurants' recorded zero growth in 2025/26, compared to a high base of 21.0% in the previous year.

However, inflationary pressures persisted in some selected categories, including 'education', 'alcoholic beverages & tobacco' and 'clothing & footwear'. The price index for education rose by 4.2% in 2025/26, up from 3.7% in 2024/25, driven by an average fee increase of 8.7% in pre-primary education and 5.0% in secondary education. The index for 'alcoholic beverages & tobacco' grew by 8.2% in 2025/26, compared to 7.8% in 2024/25, largely reflecting new levies introduced by the Ministry of Finance in September 2025. Meanwhile, prices for 'clothing and footwear edged higher, averaging 5.7% during the period under review, up from 4.2% in the previous year.

External Sector Developments

Eswatini's current account surplus widened to E2.5 billion in 2025 (2.4% of GDP), up from E1.9 billion in 2024. The improvement was supported by a sustained trade surplus, reflecting growth in export earnings alongside strong secondary income inflows, despite lower SACU receipts.

Despite the mixed performance in the major export products, total exports for the year grew by 4.0% year-on-year, resulting in a surplus of E4.9 billion. Soft drink concentrates posted a year-on-year contraction of 0.8% from 2024 and remained the largest export commodity. Sugar exports also declined due to lower global prices, whilst wood products recorded strong growth during the year, supported by favourable international prices. The primary income deficit narrowed significantly, driven by lower investment income outflows, particularly reduced dividend payments to non residents. These gains offset a markedly wider services account deficit, as services outflows grew faster than inflows, notwithstanding strong recoveries in transport and travel exports.

The financial account recorded a wider net outflow of E2.1 billion in 2025, compared to a net outflow of E1.8 billion in 2024, largely reflecting increased portfolio investment outflows and the accumulation of foreign reserve assets, which strengthened external buffers. Net foreign direct investment inflows moderated but remained positive, while substantial inflows

under 'other investment' were driven by increased foreign loan disbursements to the government, mainly for large infrastructure projects. Foreign reserve assets rose by E2.8 billion, reflecting higher holdings of currency, deposits, and foreign securities. Consistent with these developments, Eswatini's international investment position improved further, with the net asset position increasing to E25.9 billion, underscoring a resilient external position supported by faster asset accumulation relative to liabilities.

Monetary Developments

The domestic monetary conditions maintained positive momentum during the 2025/26 financial year, demonstrating greater ability to withstand shocks from both domestic and global headwinds. Money and credit conditions were largely supported by benign inflation and well-anchored inflation expectations. In response, the Central Bank of Eswatini maintained the accommodative monetary policy stance adopted since mid-2023. The Bank cut the policy (discount) rate by 25 basis points to 6.75% in May 2025, the lowest level since April 2023, and maintained it through March 2026. The policy stance was considered supportive of domestic lending and economic activity, while preserving financial stability and maintaining the peg to the Rand. The 50 basis-point interest rate differential between the local policy rate (discount rate) and the South African policy rate (repo rate) was gradually eliminated, as the Bank continued to utilise the

bank call rate as the key policy tool to manage potential capital outflows to South Africa. In a similar trend, commercial banks reduced the prime lending rate by 25 basis points to 10.25% and maintained it at that level through March 2026. Similarly, market interest rates adjusted downwards, with yields on short-term, and savings deposit rates falling by between 9 and 25 basis points. Yields on government securities recorded a larger decline of 123 basis points over the financial year.

The net foreign assets position strengthened in 2025/26, increasing by 3.5% to E7.6 billion in March 2026, driven by a rise in net foreign assets of the official sector, while those of the banking industry declined. The net foreign assets of the official sector were boosted by SACU receipts, foreign exchange net inflows from trades with banks, proceeds from external loans for Government projects, and the Johannesburg Stock Exchange (JSE) Listing Programme. Consequently, gross official reserves increased by 5.5% from E9.1 billion in March 2025 to E9.6 billion at the end of March 2026. At this level, the reserves were sufficient to cover 2.2 months of imports at the end of March 2026. In addition, the Bank acquired 2,500 ounces of gold in July 2025 to diversify its reserves portfolio and hedge against global risks.

Credit to the private sector increased by 8.1% to E23.2 billion in March 2026, supported by sustained economic growth and the accommodative monetary

policy stance. The expansion in credit was reflected in increased lending to businesses and households, while credit to the other (unclassified) sectors of the economy fell. Business credit growth was largely underpinned by the manufacturing, mining and agriculture sectors, while household credit was driven by higher uptake of motor vehicle and other personal loans. The government's financial position with the banking industry improved during 2025/26, with net claims on government declining by 15.9% to E1.9 billion, due to lower claims on government alongside a slight increase in government deposits.

Broad money supply (M2) accelerated by 17.1% to E27.8 billion in March 2026, supported by increased net foreign assets and private sector credit extension. The rise in M2 was driven by growth in both its components, with quasi-money and narrow money supply increasing by 27.5% and 1.5%, respectively.

Fiscal Developments

The 2026/27 National Budget, presented under the theme "Agape Love—Love in Action for Economic Transformation," emphasises accountability, responsibility, and prudent use of public resources. It is structured around three pillars: pro-growth, pro-discipline, and pro-investment, all aimed at supporting economic recovery and long-term transformation, with a focus on infrastructure, energy and water security, digitalisation, and industrial development.

The Budget is set against a

challenging global environment marked by geopolitical tensions and trade fragmentation. Total revenue and grants are projected at E31.9 billion, up 7.6% from 2025/26, driven mainly by higher SACU receipts and improved domestic revenue collection.

Total expenditure is budgeted at E36.9 billion, increasing by 3.5%, largely due to higher recurrent spending on wages and interest payments, while capital expenditure is projected to decline.

The fiscal deficit is expected to narrow to E5.0 billion (4.8% of GDP) from E6.0 billion in the previous year, supported by stronger revenue growth. However, it remains above the SADC target of 3.0% of GDP.

Public debt stood at E42.3 billion (40.6% of GDP) as of March 2026, rising from E36.2 billion (38.0% of GDP) in March 2025, due to increased domestic borrowing and external loan disbursements, including funding from international financial institutions for infrastructure and budget support.

Fiscal Risks

The Government continues to face significant fiscal challenges, characterized by persistent cash flow constraints arising from revenue collections that have consistently fallen short of expectations, while expenditure pressures remain elevated. Although efforts have been made to rationalise spending and strengthen revenue mobilization and collection efficiencies, these measures have yet to yield sufficient results. As a result, the fiscal

position has deteriorated, with the fiscal deficit widening from the budgeted 3.0% of GDP in 2025/26 to an estimated outturn of 6.4% of GDP. The larger-than-anticipated deficit reflects both revenue underperformance and continued expenditure pressures, highlighting the need for sustained fiscal consolidation measures to restore fiscal sustainability and strengthen public sector resilience.

Reflecting the widening fiscal deficit, public debt has continued on an upward trajectory as Government increasingly relies on borrowing to finance its funding requirements. Consequently, the public debt stock increased from 38.0% of GDP in March 2025 to 40.6% of GDP in March 2026, underscoring the growing reliance on debt-financed spending. The continued accumulation of debt has heightened debt-serving obligations, with rising interest costs and principal repayments placing additional strain on fiscal resources. This development has further constrained fiscal space, limiting Government ability to respond to emerging economic and social priorities while maintaining macroeconomic stability.

Going forward, restoring fiscal sustainability will require a combination of stronger revenue mobilization, enhanced expenditure efficiency, prudent debt management, and structural reforms aimed at broadening the domestic tax base and supporting sustainable economic growth.

9. Banking Sector

During the year under review, the domestic banking ecosystem operated within a challenging environment characterised by heightened risks and uncertainty.

Notwithstanding these conditions, the sector remained safe and sound, thereby underpinning overall financial system stability. This resilience was supported by strong capital adequacy, ample liquidity buffers, and sustained balance sheet growth. Collectively, these fundamentals continue to provide a solid foundation for financial intermediation, supporting credit extension and contributing meaningfully to the achievement of national development objectives.

Likewise, regulatory and supervisory frameworks governing the banking sector were further enhanced, leading to strengthened oversight and notable improvements in banks' risk management practices and internal control environments.

Capital adequacy ratios are trending above the minimum statutory requirements under the Basel Capital Framework, notwithstanding

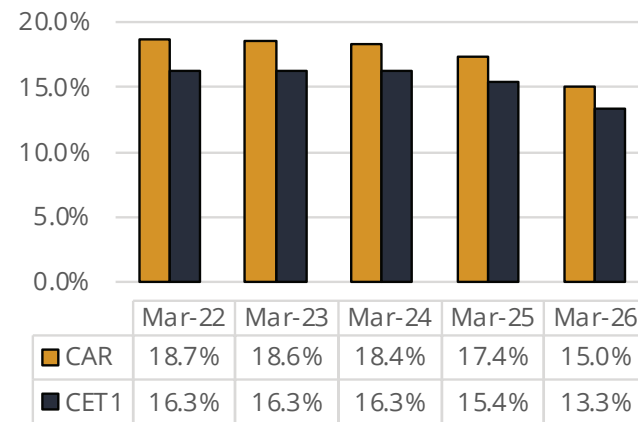
a comparative decline from the prior year. Consequently, the sector's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET 1) ratio both declined slightly in March 2026, continuing the marginal downward trend observed since 2022. CAR declined to 15.0%, down from 17.41% in March 2025. Similarly, the CET 1 ratio decreased to 13.3%, from 15.44% the previous year. Despite this decrease, both ratios remain well above regulatory thresholds of 8% and 4.5%, respectively.

Asset quality shows an improving trajectory, with the non-performing loans ratio decreasing to 6.8% in March 2026 from 7.2% in 2025. The NPL ratio reflects efforts by both the CBE and supervised entities to maintain prudent credit risk management across the industry, amid observable challenges in the external environment.

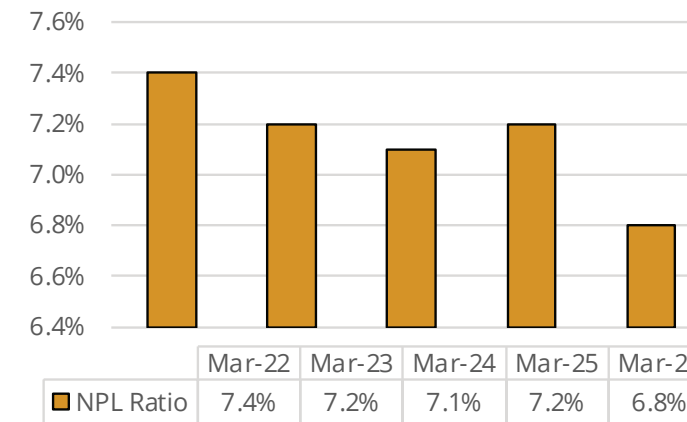
Notably, while the banking sector performance exhibited a healthy position, there are specific risks and vulnerabilities stemming from individual bank performance. Accordingly, the Bank took the necessary remedial measures for some institutions whose financial condition demonstrated structural vulnerabilities with the ultimate objective of restoring their safety and soundness in line with the appropriate legal and regulatory frameworks.

Banking Sector Indicators

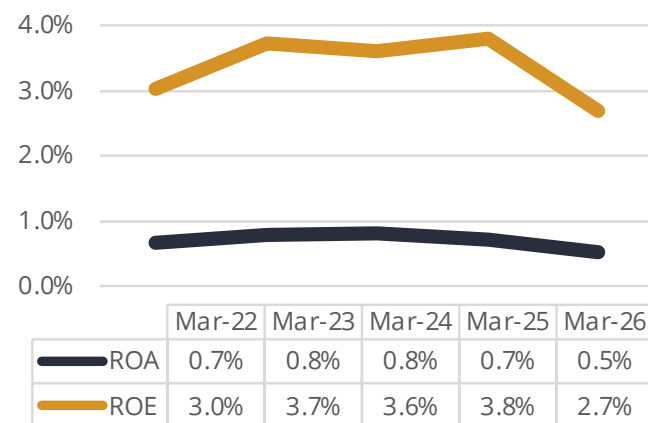
Capital Adequacy



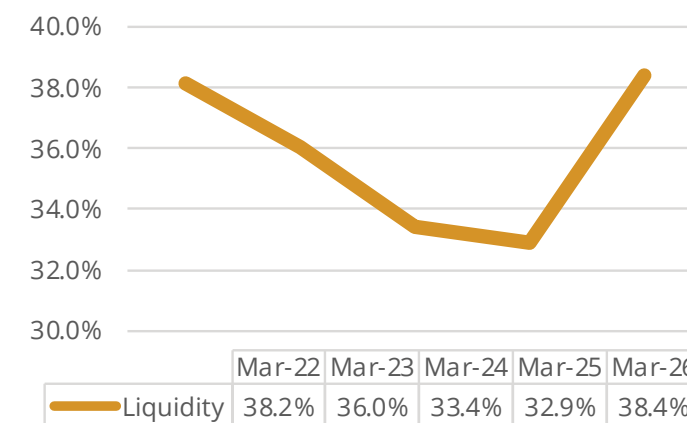
Asset Quality



Earnings and Profitability



Liquidity



Source: Central Bank of Eswatini

The aggregate balance sheet size for the sector has shown strong growth, with assets expanding by 16.6% to E36.6 billion in March 2026. Similarly, loans and advances reflected an 8.7% growth to E20.1 billion, while deposits also increased by 20.5% to E26.4 billion. Consequently, the loans-to-deposits ratio decreased to 76.1% in March 2026, down from 84.4% recorded in March 2025.

In terms of earnings performance, the industry's year-to-date after-tax profits were recorded at E623.2 million in March 2026, a decrease of 6.7% from

E667.9 million recorded in the previous year.

Liquidity and funds management continue to show sufficient buffers, and banks complied with the minimum statutory requirements. As at the end of March 2026, the industry liquidity ratio increased to 38.4%, up from 32.9% in 2025. At this level, the liquidity ratio remained well above the regulatory minimum of 22.0% for Commercial Banks and 20.5% for Development and Savings Banks.

Strengthening of regulatory and supervisory frameworks

The Central Bank, in the year under review, made significant strides with its steadfast endeavours to strengthen the regulatory and supervisory frameworks governing banking supervision. Regulatory and supervisory frameworks were further enhanced, leading to measurable improvements in banks' risk management practices and control environments. A key focus during the period was the continued implementation of the Internal Capital Adequacy Assessment Process (ICAAP), through which banks articulated risk aligned capital planning and management processes commensurate with their individual risk profiles. In parallel, the Bank strengthened its Supervisory Review and Evaluation Process, enabling a more robust assessment of banks' risk profiles, governance practices, and the adequacy of their capital resources.

Building on these developments, the Bank enhanced its off-site surveillance through the introduction of Business Model Analysis as part of ongoing supervision. This forward looking assessment evaluates the viability and sustainability of banks' business models, their competitive positioning, and the coherence of strategic planning, thereby complementing risk based capital assessments and strengthening the Bank's ability to identify emerging structural and strategic vulnerabilities.

Further reinforcing its risk based supervisory approach, the Bank introduced an Early Warning System (EWS) into its supervisory toolkit. The EWS enables the timely identification of outliers and emerging risks through periodic analysis of banks' operational metrics. This has supported more targeted supervisory responses, including enhanced supervisory engagement, peer comparisons, and the conduct of targeted or full scope examinations where warranted. Importantly, the EWS has improved supervisory effectiveness by facilitating the optimal allocation of limited supervisory resources towards institutions and activities where weaknesses are most likely to arise.

In addition, the Bank commenced the development of a Recovery Planning Framework

as a key element of strengthening banks' crisis preparedness. Well-designed recovery plans are intended to enable banks to restore financial soundness in the event of severe economic or financial stress. The Bank is in the process of finalising Guidelines on Recovery Planning over the short to medium term.

Collectively, these initiatives have significantly enhanced the Bank's risk-based, forward-looking supervisory framework, strengthened the banking sector, and reinforced the sector's capacity to support sustainable economic growth and financial stability.

10. Financial Stability

The Central Bank of Eswatini remains committed to promoting long-term economic prosperity by safeguarding the integrity and efficiency of the domestic financial system. Through continuous surveillance of systemic risks, timely policy interventions, and strengthened crisis preparedness frameworks, the Bank works to ensure the stability of the financial sector and maintain public confidence in financial institutions.

In fulfilling this mandate, the Central Bank enhances the financial system's ability to mobilize savings, facilitate efficient allocation of capital, and support sustainable and inclusive economic growth. The Bank also collaborates closely with domestic and international stakeholders

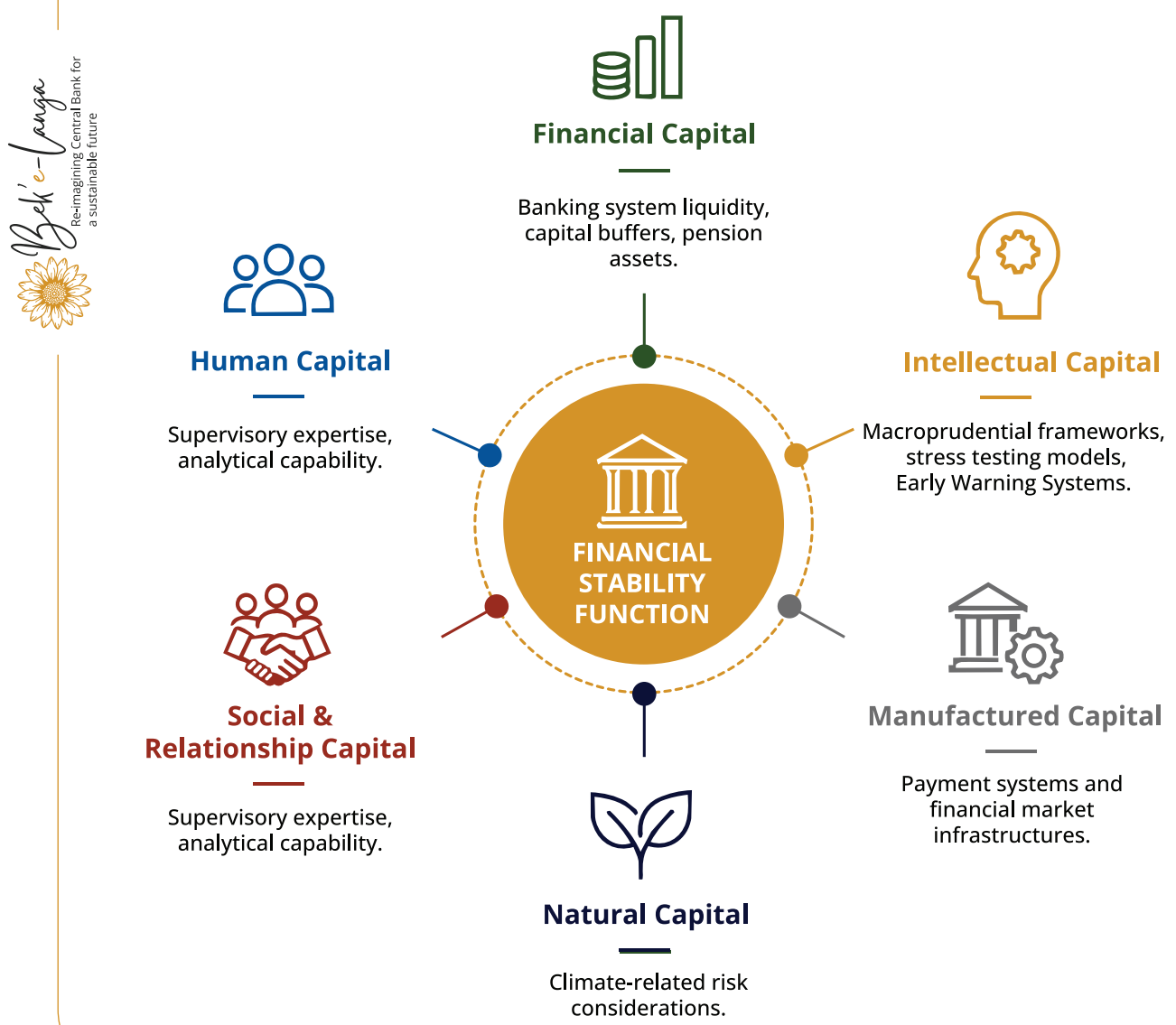
to strengthen financial sector oversight, improve regulatory effectiveness, and mitigate vulnerabilities that may threaten macro-financial stability.

By fostering a stable and sound financial environment, the Bank contributes to economic development, investment confidence, and the overall welfare of the nation.

Value Creation Model

The Financial Stability function relies on a broad set of institutional, financial, and technological resources. These capitals collectively enable the Bank to identify vulnerabilities early, assess systemic risks, and implement timely policy responses.

Key Capitals Supporting the Financial Stability Function



Achievements for 2025/26

During the reporting period, the Bank strengthened the institutional foundations of financial stability, with a clear focus on enhancing crisis preparedness, early risk detection, and depositor protection. These achievements, outlined below, reflect a deliberate shift toward a more proactive and forward-looking stability framework.

- Established the Resolution Function,

strengthening crisis management capability.

- Advanced the Deposit Protection Fund towards implementation.
- Developed and operationalised the Macro Stress Testing Framework.
- Implemented an Early Warning System for systemic risk monitoring.
- Published the 9th Financial Stability Review to enhance transparency.

Financial Stability Dashboard

The following indicators provide a snapshot of key systemic conditions, highlighting areas of strength as well as emerging vulnerabilities requiring policy attention.

Indicator	Ratio	Signal
Capital Adequacy	15.0%	Strong
Liquidity Ratio	40.0%	High and Acceptable
Credit Growth	8.7%	Moderate
NPL Ratio	6.8%	Improving
Bank Profitability	↓51.9%	Weakening
Public Debt	40.6% of GDP	Rising risk
Pension Assets	63.3% of GDP	Systemically significant

Overview of Financial Sector Stability

The financial system remained broadly stable during the reporting period, supported by strong capital buffers and ample liquidity.

This stability, however, is increasingly tested by evolving macro-financial risks, including fiscal pressures, household vulnerabilities, and external market volatility.

These dynamics underscore the importance of strengthening forward-looking surveillance tools, macroprudential policy frameworks, and coordinated regulatory responses to preserve financial stability.

Macro-Financial Environment

External Environment

Global financial conditions remained mixed, with improved liquidity supporting funding conditions while heightened market volatility and SACU revenue uncertainty introduced downside risks. Regional vulnerabilities, particularly in South Africa, continue to pose spillover risks through trade, financial linkages, and investor sentiment.

Domestic Economy

Domestic conditions were broadly supportive, with monetary policy easing, stimulating credit growth. Inflation has moderated. However, fiscal pressures intensified, with public debt rising, reinforcing sovereign-financial sector linkages as a key stability concern.

Sectoral Stability Assessment

Households

Household credit growth reflects continued demand for credit, particularly unsecured lending. However, rising debt service (33.9%) burdens indicate increasing financial strain and reduced capacity to withstand to income or interest rate shocks.

Banking Sector

The banking sector remains a core anchor of financial stability, supported by strong capitalization and high liquidity. Balance sheet expansion reflects sustained

intermediation capacity.

However, profitability declined significantly, reflecting rising costs and provisioning pressures. While asset quality remains manageable, increased sovereign exposure reinforces bank-sovereign interconnectedness risks.

Non-Bank Financial Institutions

Building Society: The institution remains stable, supported by a strong capital base and mutual structure. Total assets of E3.5 billion and improved asset quality (NPLs at 10.3%) reflect sound performance. However, concentration in mortgage lending continues to expose the institution to property market risks and cyclical downturns.

Insurance & Pensions: The sector remains a critical long-term stability anchor, with pension assets increasing to E61.5 billion (63.3% of GDP). Despite strong growth, exposure to government securities and foreign assets creates market, sovereign, and external risk transmission channels. Climate and cost pressures further add to emerging vulnerabilities in the insurance sector.

Financial Markets: Financial markets recorded strong growth, with assets under management increasing by 16.3% to E45.2 billion, supported by favourable global market conditions and strong external equity performance, including the Johannesburg

Stock Exchange.

Despite this performance, structural constraints such as low liquidity and limited participation continue to limit market depth. Concentration in collective investment schemes (23.3% / E10.5 billion) increases interconnectedness risk and sensitivity to external shocks.

Financial Market Infrastructures

Financial market infrastructures remained operationally stable, with no significant disruptions recorded. The rollout of real-time payment systems has significantly improved efficiency, inclusion, and system connectivity.

However, rapid digitalization has heightened exposure to cyber and operational risks, with cybercrime losses reaching E8.5 million, underscoring the need for stronger monitoring frameworks.

Top Systemic Risks

The following risks are considered most material to financial stability going forward:

- Fiscal-sovereign risk and debt sustainability pressures.
- Household financial stress and rising debt burdens.
- Declining bank profitability and earnings capacity.
- Cybersecurity and digital financial system risks.

- Market concentration and external exposure risks.

Financial System Outlook

The financial system is expected to remain broadly stable in the near to medium term, supported by strong capital and liquidity buffers and ongoing policy reforms. However, the outlook is shaped by structural vulnerabilities and evolving risks, requiring continued vigilance and proactive policy action.

The operating environment will remain uncertain, reflecting global volatility, domestic fiscal pressures, and

increasing financial system interconnectedness. Sustaining stability will depend on progress in the following areas:

- **Fiscal consolidation will be critical to reduce systemic risk:** Rising public debt and fiscal deficits reinforce the sovereign-financial sector nexus, given banks' exposure to government securities. A credible fiscal path is essential to contain these risks.
- **Household resilience must improve to sustain credit quality:** Elevated debt service burdens and weak income growth continue to strain households, increasing the risk of credit deterioration.
- **Digital risk management will be central to maintaining trust:** Expanding digital financial services heightens exposure to cyber and operational risks, requiring stronger frameworks.
- **Market deepening reforms are needed to enhance shock absorption:** Limited market liquidity and participation constrain the system's ability to absorb shocks and allocate capital efficiently, underscoring the need for continued reforms.



Policy Developments to Enhance Financial Stability

During the review period, the Bank implemented strategically aligned reforms aimed at strengthening its financial stability mandate thereby improving crisis preparedness across the financial system.

i. Legislative Framework Review

The review of financial sector legislation is strategically significant in expanding the Bank's macroprudential policy toolkit, enabling timely and targeted intervention to address systemic risks. This strengthens the Bank's ability to fulfil its mandate of maintaining financial stability through proactive risk mitigation.

ii. Deposit Protection Fund

Progress towards establishing the DPF represents a critical enhancement of the financial safety net. By protecting depositors and reinforcing public confidence, the DPF reduces the likelihood of bank runs and systemic contagion, thereby supporting financial system stability and trust.

iii. Resolution Function

The formal establishment of the Resolution Function enhances the Bank's capacity to manage failing institutions through orderly resolution mechanisms, minimizing disruption to the financial system and protecting critical functions. This is central to crisis management and financial system continuity.

iv. Macroprudential Surveillance Tools

The development of stress testing frameworks and Early Warning Systems significantly strengthens forward-looking risk identification and policy calibration, enabling pre-emptive action to contain systemic vulnerabilities.

v. Financial Stability Communication

The publication of the Financial Stability Review enhances transparency, market discipline, and stakeholder awareness, supporting informed decision-making and reinforcing confidence in the financial system.

The Financial Stability function continues to play a central role in preserving systemic resilience, with a clear shift toward forward-looking, risk-based supervision and policy intervention. While the system remains stable, emerging vulnerabilities require continued vigilance, policy agility, and coordinated reforms to sustain confidence and long-term economic stability.

11. Payments Systems

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

Payments Regulatory Framework and Reform

a) Legal Framework

The CBE, in conjunction with the Ministry of Finance and the Eswatini payments industry, continues to engage with various national structures to drive the promulgation of the National Payments Systems regulations. The regulations have been endorsed by the Ministry of Finance's legal team and have also been endorsed by the Attorney General's Office. The regulations are still to be taken through Cabinet and Parliament before promulgation. These regulations are critical to enabling the licensing of new types of payment service providers.

b) Payments Oversight/ Supervision

Payment systems, by their very nature, play a central role in the economy. They also involve significant exposures and risks for participants and provide a channel for shocks to be transmitted across the financial system. The Bank continued with its principal function of being the guardian of public confidence in the financial system, and this confidence depends crucially on the ability of economic agents to transmit money and other financial instruments smoothly and securely through payment, clearing

and settlement systems.

Supervision/oversight of payment systems is a mandatory function of central banks that is more formal and systematic whereby public objectives of safety and efficiency are promoted by monitoring existing and planned systems, assessing them against these objectives and, where necessary, cause or induce change. In this regard, supervision/ oversight 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.

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, thus the public objectives of supervision and oversight were met.

Eswatini Payments Switch

The Bank continued to implement the Eswatini Payment Switch (EPS) featuring a Fast Payments, Open Banking, Card-based Point of Sale, and Card-based Automated Teller Machine (ATM)

Modules. This Payments Switch will facilitate system interconnectedness and interoperability amongst and between banks and non-bank payment service providers, enhancing customer experience through heightened digitalization and extending financial inclusion to the underserved sectors.

The Fast Payments Module went live in December 2024, and all 8 Participating Institutions were live as of November 2025. The volumes processed on the Eswatini Payment Switch have shown significant growth over the reporting period. The EPS is now processing an average of more than 3,500 transactions per day. This is expected to increase further as more enhancements are put in place to make digital payments more accessible to Emaswati.

The EPS's current focus for the year ahead is enabling Merchant and Government payments through QR Code enablement, which will provide an affordable digital payment option to Account and Wallet holders. This is expected to drive significant volume growth and financial inclusion for Small & Median Enterprises.

The EPS will also embark on the Card Switching phase for Point-of-Sale devices and Automated Teller Machine towards the end of the financial year.

CMA Cross-Border Directive

The Central Bank of Eswatini, along with CMA member states, issued a joint directive in March

2025. The objective of the directive was to improve customer experience associated with CMA cross-border payments. Specifically, the objective is to address the elements of speed, cost and

availability of CMA cross-border payments. Industry structures have been set up domestically and regionally to coordinate this implementation, with an expected completion date of 31 March 2027.



12. Financial Technology Development



National FinTech Strategy

The 2025/26 financial year marked a defining milestone in Eswatini's fintech journey with the official launch of the National FinTech Strategy (2025–2030). The development of the Strategy was led by the Ministry of Finance, with the Central Bank serving as a key institutional partner alongside a broad coalition of public and private sector stakeholders. The Strategy represents the country's first comprehensive, fintech-specific policy framework.

The Strategy sets out a clear and ambitious vision to position Eswatini as a leading, resilient hub for dynamic and inclusive fintech innovation in Africa, fostering a digital financial ecosystem that drives sustained economic growth, deepens regional integration, and ensures broad-based financial inclusion across all segments of society.

In pursuit of this vision, the Strategy defines seven national outcomes to be achieved by 2030: a digitally enabled and inclusive financial ecosystem; robust digital and financial infrastructure; a trusted, secure, and well-regulated fintech environment; skilled and innovative human capital; an enabling policy, regulation, and coordination framework; Eswatini positioned as a competitive regional fintech hub; and sustainable and inclusive economic growth driven by fintech.

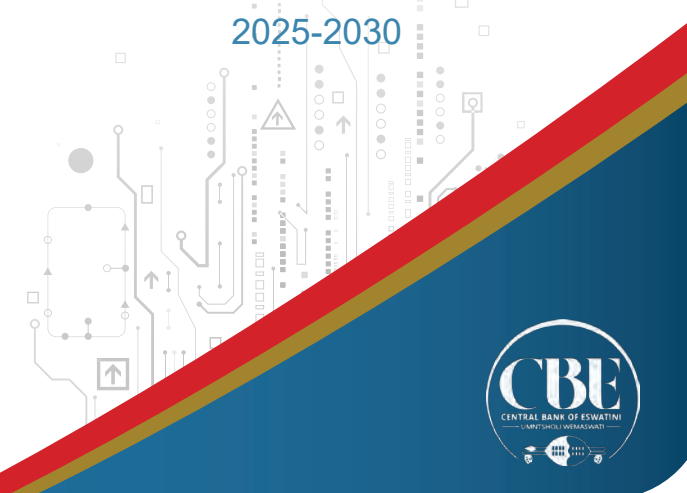


KINGDOM OF ESWATINI

NATIONAL FINTECH STRATEGY

Kingdom of Eswatini

2025-2030



These outcomes are anchored on six mutually reinforcing strategic pillars:

01

Inclusive Technology Infrastructure
 Focused on expanding broadband access, interoperable digital payments, and foundational enablers such as digital identity and e-KYC.

02

Trust and Financial Safeguards
 Addressing consumer protection, cybersecurity, and data privacy.

03

Human Capital and Expertise
 encompassing regulator capacity building, fintech talent development, and national digital and financial literacy.

04

Agile Policy and Regulation
 Centred on institutional coordination, a multi-sector regulatory sandbox, and the modernisation of financial sector laws;

05

Inclusive and Sustainable Finance
 Targeting underserved segments including women, youth, and Micro Small & Medium Enterprises through tailored digital financial products and the digitisation of government payments.

06

Regional FinTechHub
 Positioning Eswatini as a central node for fintech within the Southern African Development Community and beyond through regional harmonisation and cross-border payment corridors.

The Strategy will be implemented through a phased roadmap with over 40 initiatives ranked across four priority tiers: foundational and immediate actions within the first 18 months, catalytic high-impact initiatives within 12 to 36 months, essential and sustaining capacity-building initiatives over 24 to 60 months, and longer-term transformative programmes. The Ministry of Finance will oversee the Strategy's implementation, supported by the Bank and the Eswatini FinTech Working Group.

Central Bank Digital Currency

Following the conclusion of the Bank's Digital Lilangeni Pilot and the publication of the Digital Lilangeni Design Paper in August 2024, which outlined the key design features for a potential retail Central Bank Digital Currency (rCBDC) in Eswatini, the Bank continues

to monitor developments in the CBDC space. The Bank is also actively participating in Project Sunbird, a collaborative initiative among the CMA central banks, aimed at exploring the potential for cross-border CBDC within the CMA. Having concluded its diagnostic study of cross-border retail CBDC applications, the initiative has transitioned to investigating the potential of a wholesale Central Bank Digital Currency (wCBDC) as a mechanism to address cross-border payment frictions within the CMA.

This work remains firmly in the exploratory phase and is being pursued collectively at the CMA level with the shared goal of enhancing the efficiency and cost-effectiveness of regional financial transactions. These ongoing research and engagement efforts position the Bank to make informed, evidence-based decisions

on future digital currency initiatives as the broader payment ecosystem continues to develop.

Virtual Assets Developments

The CBE has maintained its ongoing monitoring of virtual asset activity among Emaswati throughout the 2025/26 financial year. Observations indicate that participation in digital asset markets has remained consistent, broadly tracking global market conditions and performance cycles. This engagement spans a diverse range of demographic groups and business sectors, reflecting the growing mainstream interest in digital assets both regionally and globally.

The Bank recognizes the importance of maintaining vigilance over this evolving sector amid the absence of a specialized regulatory

framework in Eswatini. The cross-border dimension of this activity presents supervisory considerations that require careful monitoring to safeguard the integrity of the domestic financial system while preserving appropriate space for responsible innovation.

In response to these developments, and consistent with its regulatory mandate, the Bank is currently developing a Virtual Assets and Virtual Assets Service Providers (VASP) Regulatory framework. This framework is focused on the areas within the Bank's regulatory scope and is designed to establish clear requirements for consumer protection, enhance oversight, support financial stability, and promote market integrity

within the digital asset space. The development of this framework reflects the Bank's measured and deliberate approach to emerging financial technologies, ensuring that any regulatory response is proportionate, evidence-based, and aligned with international best practices.

Regulatory Sandbox

The Bank continues to administer the Regulatory Sandbox as a structured framework for testing innovative financial products and services within a controlled supervisory environment. This mechanism allows innovators to refine their solutions while ensuring compliance with regulatory requirements prior to full market entry.

During the reporting period, the Sandbox recorded a significant milestone with one participant, DeltaPay, successfully graduating from the Sandbox and now pursuing full licensing under the Practice Note for Mobile Money Service Providers. This graduation demonstrates the Sandbox's effectiveness as a pathway from innovation to regulated market participation.

The Sandbox currently has one admitted participant, Black Solutions, and one participant under conditional admission. The admitted participant offers a mobile money service with low transactional fees, supported by a network of physical kiosks across Eswatini to serve clients directly. The participant under conditional admission offers a digital payment platform that enables cashless transactions using card tap, scanning codes, and mobile phone commands. Together, these participants reflect the growing diversity and ambition of fintech innovation in the country.

Engagement from prospective applicants has continued to grow, reflecting both the increasing visibility of the platform and the broader momentum of innovation within Eswatini's financial sector. To ensure the framework remains responsive and effective, the Bank is actively reviewing and updating the Sandbox's guidelines and procedures. This ongoing refinement is designed to improve the applicant experience, strengthen governance, and enhance the quality of innovations entering the Sandbox.



By combining regulatory oversight with a supportive environment for experimentation, the Sandbox continues to play a pivotal role in advancing an inclusive and forward-looking financial ecosystem.

Eswatini FinTech Working Group

The Bank continues to rely on the Eswatini FinTech Working Group (EFWG) as a central mechanism for advancing innovation within the financial sector. This multi-stakeholder forum provides a structured platform for collaboration among regulators, academia, and industry participants, enabling coordinated responses to the evolving opportunities and risks associated with fintech development.

During the review period, the EFWG reinforced its role through targeted knowledge sharing and capacity building initiatives. The IndabaX conference was successfully convened for its fifth edition, serving as a flagship programme that promotes youth-driven technological innovation. The event emphasises practical applications of artificial intelligence and machine learning in financial services and related sectors, while simultaneously creating a pipeline for nurturing local talent and solutions tailored to Eswatini's financial inclusion priorities. Its continued success illustrates the value of public-private collaboration in translating emerging technologies into real-world impact.

In addition to these initiatives, the EFWG played a pivotal role in shaping the National FinTech Strategy, ensuring that the perspectives of diverse stakeholders were incorporated into the country's long-term fintech roadmap. Looking ahead, the Working Group intends to broaden its reach and expand activities to benefit a wider segment of Emaswati. This contribution

underscores the importance of inclusive dialogue in building a strong and forward-looking digital financial ecosystem.

Key Fintech Focus Areas

The Bank will continue to advance its work in fintech development through several key initiatives across its core areas of focus:

- Supporting the implementation of the National FinTech Strategy in collaboration with the Ministry of Finance and the Technical Implementation Team, to translate strategic commitments into a concrete, funded, and time-bound action plan for all stakeholders.
- Continuing active participation in Project Sunbird and contributing to the CMA-level exploration of wholesale CBDC applications for cross-border payment efficiency.
- Enhancing the monitoring of virtual asset developments to inform the Bank's evolving regulatory approach and ensure continued alignment with international standards.
- Advancing the development of the VASP framework to establish proportionate and effective oversight of virtual asset service providers within the Bank's regulatory mandate.
- Strengthening the Regulatory Sandbox to attract quality applicants and sustain its role as a gateway for responsible fintech innovation in Eswatini.
- Conducting research and producing knowledge papers to support the Bank's fintech and innovation mandate.
- Creating awareness through webinars and other platforms to promote a culture of innovation across the financial sector.

13. Information Technology Plan and Governance





During the reporting period, the Bank strengthened technology governance, risk oversight, and delivery discipline in alignment with the Board-approved corporate strategy and the oversight direction of the Board Risk and IT Committee (BRIT). Key priorities included sustaining the operational resilience of national financial market infrastructures, enhancing cybersecurity maturity, and preparing the technology landscape for large-scale transformation initiatives planned over the medium term.

The Information Technology (IT) function continued to operate as a strategic enabler of the Bank's mandate, ensuring that technology investments delivered measurable business value, regulatory compliance, and risk reduction, while remaining aligned to the Bank's strategic objectives.

IT Governance and Oversight

IT governance arrangements remained robust throughout the period, supported by regular oversight from the Board Risk and IT Committee. The Committee monitored IT performance, major risks, cybersecurity posture, and progress on strategic initiatives, providing guidance on risk tolerance, investment prioritisation, and control effectiveness.

Key governance outcomes for the period

- Continued alignment of IT initiatives with the approved corporate strategy and enterprise risk management framework.
- Strengthened reporting on IT risks, cyber incidents, project delivery status, and control maturity.
- Improved assurance over compliance with regulatory, payment system, and information security standards.

These measures ensured accountable decision-making and reinforced management's responsibility for the effective use and protection of IT resources.

IT Risk and Cybersecurity Management

IT risk management remained a central focus area under Board Risk and IT Committee oversight. The Bank maintained a proactive approach to identifying, assessing, and mitigating technology and cyber risks that could impact the institution's operations or the stability of the financial system.

Cybersecurity capabilities were sustained and incrementally enhanced through:

- Continuous monitoring and incident response through established cybersecurity operations capabilities.

- Ongoing compliance with SWIFT Customer Security Programme mandatory controls and independent assurance requirements.
 - Continued collaboration with supervisory and regulatory stakeholders on sector-wide cyber defence capabilities.
- No material technology incidents were recorded that adversely impacted critical systems during the reporting period.

Progress in Delivering Key IT Objectives

During the reporting period, the Bank recorded steady progress in advancing its key technology objectives across the following areas:

- **Operational stability:** High availability of critical systems, including payment and settlement platforms.
- **Risk reduction:** Ongoing strengthening of preventative and detective controls across infrastructure and applications.
- **Delivery discipline:** Improved planning and prioritisation of projects to reduce execution risk.
- **Value realisation:** Clearer linkage between IT initiatives and business outcomes, as reported to the Board Risk and IT Committee.

Project Achievements

- **Eswatini Payment Switch Go Live Milestones Achieved.**
- **Successful ISO 20022 (CBPR+) Migration** - The Bank achieved a successful go-live of SWIFT CBPR+, ensuring compliance with international payment messaging standards and strengthening cross-border payment interoperability.
- **SWIFT Infrastructure Strengthened and Independently Assured** - Key upgrades were completed, including the SWIFT Hardware Security Module upgrade and successful SWIFT attestation, with Internal Audit providing independent assurance over control effectiveness.
- **Business Intelligence Platform Successfully Launched** - The Business

Intelligence project was successfully launched, improving analytical capability and supporting data-driven decision-making across multiple Bank functions.

- **Digital Transformation Operating Model Approved** - The operating model, which provides a structured framework to guide prioritisation, governance, and execution of digital initiatives across the Bank, was approved.
- **Core Financial Systems Enhancements Delivered** - The FinServ Loans Management System supporting Public Sector External Debt and Credit Guarantee Schemes operations was successfully launched, improving automation and control.
- **Datacentre Relocation Successfully Completed** - The Bank completed its datacentre relocation project, significantly strengthening infrastructure reliability disaster recovery readiness, and operational continuity.
- **Cyber Incident Response Capability Strengthened** - A Computer Incident Response Team was appointed and trained, improving preparedness, coordination, and response capability to cyber security incidents.
- **Resource Optimisation and Capability Development** - The Bank continued to focus on optimizing the use of financial, human, and technology resources. Emphasis was placed on:
 - Prioritizing high-impact initiatives within available budget envelopes
 - Building internal capability through targeted skills development and knowledge transfer.
 - Leveraging strategic partnerships and shared services where appropriate.

These actions supported sustainable delivery while managing cost and operational risk.

14. Infrastructure Development

Following the acquisition of a 21-hectare site in Ezulwini in November 2023, the Bank commenced the development of a new Central Bank Headquarters complex. The project represents a significant strategic investment aimed at providing a modern, secure, and fit-for-purpose environment that will support the Bank's evolving operational requirements and long-term institutional objectives.

The new Headquarters is more than a construction project. It reflects the Bank's commitment to strengthening its institutional capacity, enhancing operational efficiency, and creating a modern workplace that supports employee wellbeing, collaboration, and productivity. Upon completion, the facility will serve as a visible symbol of the Bank's stability, growth, and confidence in its future role in promoting monetary and financial stability.

The project continues to inspire a sense of pride and collective responsibility among staff, reinforcing the understanding that the new Headquarters is being developed not only to support current operations but also to serve future generations of central bankers. As construction advances, the Bank remains committed to delivering a world-class facility that reflects its values, supports its mandate, and contributes to its long-term sustainability and institutional excellence. Through this development, the Bank is strategically leveraging its assets to promote socio-economic development, support job creation, and foster local empowerment.

CBE Complex Phase 1 Project

Phase 1 of the Central Bank of Eswatini Complex project involves the development of a portion of the 20-hectare property acquired for the construction of its new headquarters. The project comprises of a 19-storey office tower with a roof services floor, a three-storey parkade, a three-storey podium, and a two-storey museum that will also accommodate an innovation hub and library. The buildings are interconnected by a skywalk to ensure seamless movement across the complex. The project is targeting a 4-Star Green Building Council of South Africa rating.

Project Milestones

Expression of Interest

The Expression of Interest (EOI) was published on 19 December 2024 through the Bank's website, local and South African newspapers, and the Eswatini Public Procurement Regulatory Agency online portal. The EOI invited contractors with proven experience in high-rise developments to partner with local contractors under a minimum works participation ratio of 70% to 30%. Eight (8) joint ventures submitted EOIs. From these, five (5) joint ventures were shortlisted and subsequently issued with the Request for Proposals (RFP).

Request for Proposals

The RFP was issued to the five

(5) shortlisted joint ventures on 7 April 2025. Upon request from the joint ventures, the submission deadline was extended by two months, with final submissions due on 2 August 2025. Three (3) joint ventures submitted proposals by the closing date. Abako International Partner Consultants were appointed as independent experts to assess and adjudicate the submitted proposals.

EPC Contractor Appointment

The Ingcebo Joint Venture, comprising Stefanutti Stocks (Pty) Ltd and Stefanutti Stocks Construction Eswatini, was awarded the EPC contract on 1 October 2025 after being evaluated

as the most advantageous bidder. The contract value is E2,798,836,626.69. The award followed a compulsory 10-day intention-to-award standstill period, during which no objections were lodged. The contract was formally signed on 24 October 2025. The project duration is 34 months and is scheduled for completion in September 2028.

CECI Engineering Consultants was awarded the contract as the Employer's Representative, while IC Development Consultants was awarded the contract for Environmental Assessment and monitoring services.

EPC Contractor Projects Statistics as of 31 March 2026

Field	Number
Number of Contractor's Employees in project	140
Number of Sub-Contractors' Employees in project	97
Local (Eswatini) Sub-Contractors	6
International (South Africa) Sub-Contractors	4
Local Sub-Consultants	4
International Sub-Consultants	8

Employer's Representative's Sub-Consultants

Field	Number
Local Sub-Consultants	6
Foreign Sub-Consultants	2

Project Progress

Task/Milestone	Planned Progress (%)	Actual Progress (%)	Variance	Comment
Inception	100	100	0	Complete
Concept and Viability	96	100	4	Complete
Design Development	90	100	10	Complete
Issued for Construction (IFC) Issuing	68	70	2	Ahead of Schedule
Procurement	10.6	19	8.4	Ahead of Schedule
Construction	0.41	0.37	-0.04	Delays Experienced on the Tower
Tower	0.4	0.22	-0.18	Delays due to weather and incident on-site
Parkade	1.29	1.91	0.62	Ahead
Podium	0.3	0.16	-0.14	Delays due to slow progress on Tower as it is linked
Museum	0	0.08	0.08	Ahead
Auditorium	0	0.28	0.28	Ahead
OVERALL	5.59	5.33	-0.26	



2026/27 Outlook

Building	Building Component	Schedule of works
High Rise Office Tower	Retaining Wall	Earthworks
		Civils Works
	Piling - 97 Piles	Complete
	Structure	Foundation & Ground Floor 1 st Floor to 6 th Floor
	Wet Work & Finishes	Ground Floor to 2nd Floor
Parkade	Retaining Wall	Earthworks
		Civils
	Piling	Complete
	Structure	Foundation & Ground Floor 1 st Floor to 3 rd Floor
Podium	Piling	Complete
	Structure	Foundation & Ground Floor 1 st Floor to 3 rd Floor
Museum	Piling	Complete
	Structure	Foundation & Ground Floor
Auditorium	Structure	Foundation & Ground Floor
		1 st Floor to 2 nd Floor

Other Developments

During the 2025/26 financial year, the Central Bank of Eswatini relocated from its Mbabane headquarters to the Ezulwini Complex. This relocation required various developments within the Ezulwini Complex, which previously accommodated the Ezulwini Sun Hotel.



The developments entailed the following projects:

Project Location	Development	Amount (E)	Status	Vendor Residence Status
Ezulwini	Conference Hall Superstructure Construction	44,606,376.57	100%	Eswatini
	Construction of Asphalt Access Road, Staff parking and Ablution block	17,475,454.60	100%	
	Bulk Works - Ezulwini Complex	6,855,840.07	98%	
	Rehabilitation of Internal Works	9,858,052.48	100%	
	Construction of Pizza and Grill	2,023,914.90	95%	
	Construction of Gym, Walkways and Ablution Block	11,510,027.20	100%	
	Data Centre & Banking Hall	2,242,473.36	100%	
	Construction of Walkway, Entry Patio and carports	12,505,370.27	100%	
	Decommissioning of Diesel Tanks and New Diesel Tanks	1,339,534.71	100%	
	Bulk works professional fees	666,899.85	100%	
	Conference hall professional fees	3,244,998.30	100%	
	Conference hall environmental consultant fees	43,685.28	100%	
	Pizza & Grill Area Design	255,983.29		
	MCC Slab Shelter	1,122,026.28	100%	
Matsapha	Forklift Doc	978,075.00	100%	
	MCC Warehouse drawing design	288,146.30	100%	
	Design of Slab Shelter	288,007.00	100%	
Mbabane	Replacement of Imfumbe lifts	1,978,874.00	100%	South Africa
	TOTAL	E117,283,637.58		



15. Corporate Social Investment

The Bank continued with its Corporate Social Investment (CSI) programme, which focuses on creating sustainable, high-impact community development beyond financial aid, to address education, health, and community needs.



Key Focus Areas of the Programme

I) Community and Health

- Feeding of Orphans and Vulnerable Children in the Community – Community Kitchens establishment and maintenance.
- Feeding of drought-stricken Communities.
- Community gardens to feed People Living with HIV and AIDS.
- Home-Based Care, and Community-Based Voluntary Counselling & Testing.
- Initiatives aimed at addressing chronic illnesses.

II) Education

Primary and High School Education

- Sponsoring of High School Projects, including Computer Education Projects with a focus on Commerce, Accounting, Economics, and other subjects relevant to the functions of the Bank.
- Job shadowing programmes.

Tertiary Education

- Internship Programme.
- Research programmes at the post-graduate level, likely to influence national economic policy or any function of the Bank.
- Programmes aimed at encouraging actuarial, economic research, entrepreneurial and any other skills considered by the Bank as scarce and priority for national economic growth.

National and Research Institutions

- Sponsoring research on topical issues likely to affect the national economic policy or any other function of the Bank.
- Sponsoring seminars, workshops, meetings debating on current economic and financial issues.

III) Disaster Relief Funding

Given that disasters can happen at any time, the Bank, through the CSI, makes contributions to local national disaster relief programmes.

2025/26 CSI Donations

Organisation	Amount (E)
Junior Achievement Financial Literacy Program Ka Ching	30 000.00
Albinism Care Campaign Eswatini TV	30 000.00
KaNdinda Primary School (Desks & chairs)	48 850.00
UNESWA Economics Society	25 000.00
Eswatini Conference of Churches (empowerment for young girls and women)	20 000.00
Nsulutane Primary School (Shoes)	70 000.00
Maryward Primary School (Paint)	4 699.93
Journey of Hope	20 000.00
Enactus	50 000.00
Voice of the Church Yesuka Twe Half Marathon	5 000.00
Eswatini Autism	5 000.00
Total	E308,549.93





16. Stakeholder Engagement



Stakeholder Perception Survey

The Stakeholder Perception Survey, conducted annually, is a key instrument to inform the Bank's strategic direction on stakeholder management. It assesses stakeholder awareness, accountability, communication effectiveness, transparency, brand image and overall trust and confidence in the Bank.

In March 2025, the Bank adopted a methodology-based approach to measure stakeholder perceptions through the 2024/25 Stakeholder Perception Survey. The survey introduced a new Stakeholder Perception Index, setting an initial baseline at 57%, informed by survey perceptions of both direct and indirect stakeholders of the Bank.

A Stakeholder Register exercise was conducted to recategorise stakeholders based on three key attributes: power, legitimacy, and urgency.

In March 2026, another survey was conducted through a collaborative business partnering approach between Strategy & Communication, Research and Human Capital departments. The survey results indicated a modest improvement in the overall Stakeholder Perception Score, increasing from 57% in 2024/25 to 58.5% in 2025/26. This reflects a steady but gradual progress in strengthening stakeholder perceptions of the Bank.

Improvements were observed in communication, transparency and brand image, reflecting strengthened stakeholder engagement, visibility and institutional credibility. However, declines were recorded in awareness and accountability, highlighting

these as areas requiring focused strategic intervention. The stakeholder base was further segmented into direct and indirect stakeholders, which revealed clearer differentiation in perception gaps, with weaker performance largely concentrated among indirect stakeholders (general public).

The Net Promoter Score (NPS) results indicated a shift to overall positive stakeholder advocacy, with CBE Banking Hall services recording a strong positive score, while dispute resolution with other banks, investment opportunities and economic data services reflected mixed perceptions. Overall, the Bank achieved a positive NPS of +4, a significant improvement from -67.9 the previous financial year. This showed a milestone as the Bank achieved its short-term strategic target of achieving a positive NPS.

Overall, the results demonstrate steady progress in stakeholder perceptions and a marked improvement in stakeholder advocacy, while underscoring the need to strengthen institutional awareness and accountability, particularly among our indirect stakeholders.

Stakeholder Engagement

In the year under review, the Bank hosted national and regional events that directly contributed to strengthening its stakeholder management, bilateral relations, public education and regulatory oversight. The table below outlines various activities undertaken in the review period.

Activity	Description
Quarter 1	
EPS Roadshows	This formed part of the drive to educate the public about the Eswatini Payment Switch-Fast Payment module, allowing transactions between commercial banks and money pockets. The roadshows covered all the four regions of the country.
Media Engagement & Annual Training	Editors and journalists were hosted for a training session on Artificial Intelligence (AI) and Central Banking.
Governor's Town Hall	CBE staff had a chance to engage with the Governor on an array of issues relating to the progress update on the execution of the Bank's Strategy as well as operations.
Job Shadowing	Five (5) pupils were attached to the Bank under the Job Shadow programme.
CBE, Eswatini TV MoU	The Bank and Eswatini TV signed a Memorandum of Understanding (MoU) to collaborate on a range of initiatives, including digital archiving of the CBE's history as <i>Umntsholi WemaSwati</i> , with special emphasis on its under-construction landmark headquarters.
Governor, CBE meet IMF Chief of Mission	The Governor and CBE delegation met with the new IMF Chief of Mission to Eswatini, Ms. Xiangming Li, on the sidelines of the IMF/World Bank Group Spring Meetings held in Washington, DC.
Shortlisted contractors tour CBE	The Bank hosted a site inspection session at Ezulwini for the shortlisted contractors from the expression of interest, who are competing in the second stage of the new Central Bank of Eswatini Complex project.
CBE partakes in National Fintech Strategy workshop	Stakeholders in the fintech space, including CBE, officially commissioned the National Fintech Strategy workshop. The workshop was supported by the Alliance for Financial Inclusion.
Monnaie de Paris Chairman and CEO visit CBE	A delegation from the Monnaie de Paris, led by the Chairman and CEO, Marc Schwartz, visited the Bank, participating in a series of engagements and meetings.
CBE partakes in MEFMI Training	CBE staff participated in a workshop on Ethics, Governance, and Risk Management organized by the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI).
German experts train Currency & Banking personnel	The Currency and Banking team received specialized training conducted by German currency experts from Giesecke+Devrient (G+D).
CBE soccer legends host CEOs in friendly match	The CBE soccer legends took to the field for a friendly match against CEOs from financial institutions and other corporates.
CBE Executives engages with AFI CEO	The Bank welcomed Dr. Alfred Hannig, CEO of the Alliance for Financial Inclusion (AFI). Along with his delegation. Dr. Hannig participated in a symposium focused on the role of data in advancing financial inclusion.
World Bank Executive Director pays courtesy call to Governor	The Governor met with Dr. Zarau Wendeline Kibwe, the World Bank Executive Director Africa Group 1 Constituency. Their discussion focused on recent economic developments in Eswatini.

Activity	Description
Governor presents the GAMPS	The Governor presented his Annual Monetary Policy Statement to the Bank's stakeholders.
CBE, MPs undertake legislative benchmarking	The Legal and Board Secretariat department went on a benchmarking exercise to Namibia, Tanzania, South Africa, and Mauritius with some Members of Parliament (MPs).
School tours of the CBE	The Bank hosted various schools which had an interest in learning about central banking. These were Bulunga High, Pigg's Peak Central High, Swazi National High, Maphilongo High, Charles Wesley High, Ndzangu High, Waterford High, Hawane High, Lozitha High and Mpatheni High schools.
Tinkhundla Outreach Programmes	Taking the Central Bank to Emaswati, the Bank visited various Constituencies, including, Pigg's Peak, Dvokodweni, Nkhaba, Mhlume, Nhlambeni, Mtsambama, Siphofaneni, Ntfonjeni and Big Bend.
CBE Trains ESRIC on Customer Service	The Centre of Excellence and Innovation trained the Eswatini Royal Insurance Corporation staff members to enhance their communication skills, effectively manage tasks, and relationships with their clients.
Market Conduct and Consumer Protection Unit Trains Nedbank Staff	The Market Conduct and Consumer Protection Unit conducted an in-person training for Nedbank (Eswatini) Limited, focusing on fee regulation.
Quarter 2	
CBE welcomes 20 EYEP Interns	The Bank hosted 20 interns for six months, where they gained diverse skills and hands-on experience in their respective fields of study under the Eswatini Youth Empowerment Programme (EYEP).
Bank releases updated Banknotes to the public	The Bank announced the release of updated E10 and E20 banknotes into circulation.
Bank trains stakeholders on Anti-Money Laundering	The CBE Centre of Excellence and Innovation, in conjunction with the Financial Integrity division, hosted a training on Anti-Money Laundering (AML) and Counter Financing of Terrorism (CFT) to equip participants on AML/CFT guidelines.
CBE team learns from Dutch National Bank	The CBE team concluded a two-day engagement with the Dutch National Bank. The team was taken on a tour of the Bank's state-of-the-art cash centre.
AFI hosts MSMEs workshop	The CBE joined hands with AFI in hosting a workshop for MSMEs.
CBE attends Biggest Braai	The Currency division attended the Biggest Braai to sensitise the public about some of the products offered by the Bank.
CBE Host a Technical Exchange Visit for Mozambique Delegates	The Bank hosted a delegation from Banco de Moçambique for a Technical Exchange Visit, consisting of seven experts in various areas.

Activity	Description
Bank joins Waterford Career Fair	The Bank took part in the 18th Annual Eswatini Careers Fair at Waterford KaMhlaba.
CBE receives prestigious CIPS certificate	The CBE was awarded a certificate from the Chartered Institute of Procurement and Supply (CIPS).
CBE onboards Letshego Eswatini Bank	The Bank conducted an onboarding training for Letshego Eswatini Bank's Board and senior management.
Governor Reports on Bank's 3-year Milestones	The Governor presented the 2024/2025 Annual Integrated Report (AIR), which covered the Bank's milestones over the previous three years.
Governor Guest of Honour at UNESWA first year orientation	The Governor was the Guest of Honour during the orientation exercise of UNESWA first-year students.
CBE attends Trade Fair	The CBE Team attended the Trade Fair, with six departments taking part. The Bank hosted seminars and activations throughout the Trade Fair and won two awards, including the overall award.
Staff celebrate the start of Spring season	CBE staff was ushered into the Spring season with words of encouragement from the Governor, who urged everyone to pursue excellence in all they do.
Linda Dlamini bags AFI Technical Leadership Award	Deputy Director-Fintech and Innovation, Linda Dlamini bagged the Technical Leadership Award, conferred by the AFI. The award recognizes individual staff members from AFI member institutions who have shown exceptional technical leadership within AFI Working Groups.
Stakeholders meet on progress of three bills	The Legislative Reform strategic initiative team, led by the Head - Legal and Board Secretariat, Sikhumbuzo Fakudze, held a stakeholder engagement with drafters from the Attorney General's Office and the Ministry of Finance's Legal Advisory Office.
CBE Team meets with Africa Finance Corporation representatives	The CBE, alongside key stakeholders, met with representatives from the Africa Finance Corporation to explore Eswatini's potential membership in the organization.
CBE hosts SADC RTGS End User Conference, 2025	Representatives of various financial institutions converged at the CBE Complex for the two-day SADC RTGS End User Conference, 2025.
Quarter 3	
CBE hosts Commonwealth Meridian team	The Bank collaborated with the Commonwealth's Meridian Team, to complete the User Acceptance Testing for the automation of the FinSurv Division's Form G, Private Sector External Debt, and Development Finance Division's Credit Guarantee Scheme applications.
Bank engages in Customer Service Week	The Bank engaged in Customer Service Week under the theme "Mission: Possible". Some of the initiatives that the Bank had successfully implemented were highlighted during the commemoration week.

Activity	Description
CBE hosts Supplier Day for vendors	The Bank hosted local and international vendors to the Supplier Day to give them an overview of the e-Procurement platform.
CBE Hosts Stakeholder Consultation Meeting on Draft Open Banking Framework	The Bank hosted a stakeholder consultation meeting to review the draft Open Banking Framework, set to create a more "innovative, inclusive, transparent, and dynamic financial ecosystem."
Legal Department engages MPs on pending CBE Bills	MPs convened at the CBE Complex to deliberate on key legislative matters, including proposed licensing regulations submitted by the CBE.
CBE, REPS formalise strategic partnership	The CBE strengthened its partnership with the Royal Eswatini Police Service (REPS) through the signing of a Memorandum of Understanding (MoU), outlining three key objectives.
Stakeholders meet on Proposal for Cooperative Banking Framework	The CBE met with the Ministry of Commerce, Industry and Trade, the German Confederation of Raiffeisen Cooperatives (DGRV) to look into establishing a Cooperative Bank.
CBE hosts AfricaNenda delegation	The Bank partnered with AfricaNenda for the launch of the State of Inclusive Instant Payment Systems (SIIPS) 2025 Report launch.
CBE onboards SBS Bank Eswatini	As part of its responsibility to support SBS Bank Eswatini obligation to fully operationalize its business by the end of 12 months, the CBE conducted an onboarding training for the new entrant.
CBE, Bank of Mozambique sign MoU on technical assistance	The CBE and the Bank of Mozambique signed a MoU. The Bank of Mozambique will provide technical support, including expertise in civil/ structural engineering, technology, and project management, for the construction of the new CBE Head Office in Ezulwini, set to be the country's tallest building.
CBE shares notes with Lesotho on guarantee schemes	The CBE hosted a Peer Learning Engagement session with a delegation from the Lesotho National Development Corporation centred on exchanging experiences and strategies to strengthen the effectiveness of their guarantee schemes.
Centenary Group visits CBE	Centenary Group, widely recognized for its banking services, met with CBE officials, who expressed their interest in establishing Centenary Bank of Eswatini.
Bank embarks on 'Cultivating a Greener Future' initiative	The Bank launched the 'Cultivating a Greener Future' initiative in partnership with the Ezulwini Municipality and surrounding schools.
CBE achieves CIPS Corporate Ethics Standards	The CBE has been congratulated for reaching a significant milestone in achieving the Chartered Institute of Procurement and Supply (CIPS) Corporate Ethics Standard for the first time.
Governor presents 2025 Financial Stability Review	The Governor presented the 2025 Financial Stability Review, which reflects the Bank's commitment to transparency, evidence-based oversight, and the pursuit of sustainable financial stability.

Activity	Description
CBE hosts ERS Peer Learning	CBE hosted a peer-learning workshop with the Eswatini Revenue Service (ERS). The session, hosted by the IT – Applications & Data Analytics Division, was meant to share insights from each institution's Data Analytics journey, including data governance frameworks, tools, and enabling technologies.
Quarter 4	
Strategy Conversation: What Next Sessions	The Bank held a Strategy Review session for EXCO and management.
Governor meets Standard Bank CEOs from Southern Africa	The Governor welcomed seven CEOs from Standard Bank's Southern African operations. The visit formed part of an information-sharing mission.
Governor meets IMF AFRITAC South representative	The Governor met with Mr. Vern McKinley of IMF AFRITAC South, who was visiting the country on a Technical Assistance Mission providing training on recovery planning for banks and assisting in the development of a recovery planning framework.
CBE engages Mozambique on Payment Switch	The Bank visited Mozambique's national payment switch operator, Sociedad Interbancária de Moçambique, on a learning visit.
CBE hosts successful Post-Budget Seminar	Industry experts shared their perspectives during a live engagement streamed on YouTube and the Bank's Facebook page during the Post Budget Seminar.
CBE hosts Family Fun Day	CBE staff and their families came together to celebrate in a day filled with fun.
Currency division hosts SARB team	The Currency division hosted a team from the SARB for an information-sharing session
CBE, JV appoint Dispute Resolution Board	To ensure efficient and timely resolution of disputes in the CBE Headquarters construction project, the Bank and Ingcebo Joint Venture established a Disputes Avoidance/Adjudication Board.
Global Money Week commemoration	The Bank was joined by other stakeholders to celebrate Global Money Week.
CBE wins Bond Award	At the Global Banking and Markets Africa 2026 event in Cape Town, South Africa, the Bank was honoured with the Local Currency Bond Deal of the Year – Supranational, Sovereign, and Agency 2026 Award. This recognition was earned for the Bank's innovative R786 million Protea Bond, listed on the JSE.
Governor's Town Hall	The Governor addressed staff in his Town Hall where he presented the Bank's high-level strategic direction.
CBE and Bank of Tanzania strengthen ties through IT peer exchange	A delegation from the Bank of Tanzania concluded their peer learning visit with CBE where they partnered with the IT team to identify areas for improvement.

Highlights of stakeholder engagement

i. Eswatini International Trade Fair

The Bank's participation in the Eswatini International Trade Fair 2025 earned it accolades, after winning two awards, including the Best Exhibitor Overall Award for 2025. The Bank's participation at the Trade Fair was marked by symposiums and various engagements with stakeholders. The Bank was represented by six departments.

ii. Peer-learning engagements

At least four peer-learning engagements were undertaken by the Bank during the period under review. These include the IT's department partnering with the Bank of Tanzania on IT-related skills transfer, knowledge exchange with the Bank of Mozambique on Payment Switch, insights on operating a guaranteed credit scheme between the CBE and Lesotho National Development Cooperation, and peer learning on various areas of expertise with the Bank of Mozambique.

iii. Awards

The Bank was awarded the Local Currency Bond Deal of the Year – Supranational, Sovereign, and Agency 2026 Award. This recognition was earned for the Bank's innovative R786 million Protea Bond, listed in August last year on the Johannesburg Stock Exchange. In addition, Deputy Director Fintech and Innovation, Linda Dlamini, received an award for her contribution to

the AFI working group for her leadership, expert technical inputs, active participation, and overall advocacy for financial inclusion policies in the working group. The Bank was also awarded a certificate from the Chartered Institute of Procurement and Supply (CIPS). The certification affirms that the CBE's procurement practices are aligned with internationally recognised standards.

iv. Memorandums of Understanding

Three MoUs were signed by the Bank during the period under review.

- Eswatini TV to collaborate on a range of initiatives, including digital archiving of the CBE's history as Umntsholi WemaSwati, with special emphasis on its under-construction landmark headquarters.
- Bank of Mozambique to collaborate on Technical Expertise relating to the construction of CBE Headquarters.
- Royal Eswatini Police Service on various security initiatives.

v. AfricaNenda Report Launch

The Bank hosted various participants of the AfricaNenda organisation, for the launch of the State of Inclusive Instant Payment Systems 2025 Report.

vi. Construction Project

The stakeholder engagement process for the construction

project demonstrates broad institutional coverage, incorporating regulatory authorities, service providers, government ministries, and the local community. Engagement activities are largely active, with most critical stakeholders either fully engaged or in ongoing consultation phases

Other Stakeholder groups engaged in the overall Bank operations throughout the year include the Eswatini Government, State-Owned Enterprises; Regulators; Banks, Service Providers, International Partners (World Bank Group, IMF, AfDB, BIS, COMESA, SACU, MEFMI, 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.

Stakeholder Engagement in Pictures





17. Human Capital



Strategic Intent

The strategic intent of the Human Capital function of the Bank is to build a high-performance and future-ready workforce that enables the Bank to deliver on its mandate with agility, integrity, and sustained excellence. This intent positions Human Capital as the architect of institutional capability, ensuring that people, culture, leadership, and systems are deliberately aligned to the Bank's long-term strategy.

Talent Management

As defined in the Talent Management Policy of the Bank, the Bank adopted a dual philosophy of internal development and external competitiveness. There is strong emphasis on nurturing internal talent and succession pipelines but with no entitlement. This means though we grow our own timber, we reward excellence through fair competition. The Bank continued to manage talent through an implementation of the cycle below:

Talent Management Cycle



Talent Metrics

The table below presents metrics that demonstrate how the Bank has managed its talent during the period under review.

Workforce analytics	Performance feedback
Retention rate	96.21%
Voluntary turnover rate	1.18%
Involuntary turnover rate	1.77%
Vacancy rate	7.92%
Employee engagement	85%
Workforce growth rate	0.29%

The Bank's 2025/26 workforce metrics reflect a stable, engaged, and well-retained talent base, with only moderate structural pressures requiring targeted attention. A retention rate of 96.21% indicates strong success in keeping critical talent, supported by a high employee engagement score of 85%, suggesting that employees remain committed, motivated, and aligned to the Bank's strategic objectives.

Turnover levels remain low and well-controlled, with voluntary turnover at 1.18% signalling minimal unwanted attrition and a positive employee value proposition. The involuntary turnover rate of 1.77% reflects ongoing performance management discipline, ensuring that workforce quality and accountability standards are upheld.

A vacancy rate of 7.92% points to resourcing gaps. While not excessive, this suggests an opportunity to further strengthen workforce planning and recruitment efficiency to ensure optimal capacity in key areas.

The workforce growth rate of 0.29% indicates a stable headcount, reflecting a deliberate approach to controlled growth and organisational optimisation, rather than expansion.

Overall, these results demonstrate a well-managed workforce, characterised by high retention and engagement, disciplined talent management, and a measured approach to growth. The focus going forward will be on closing critical vacancies, sustaining engagement levels, and enhancing workforce agility to support the Bank's evolving strategic priorities.

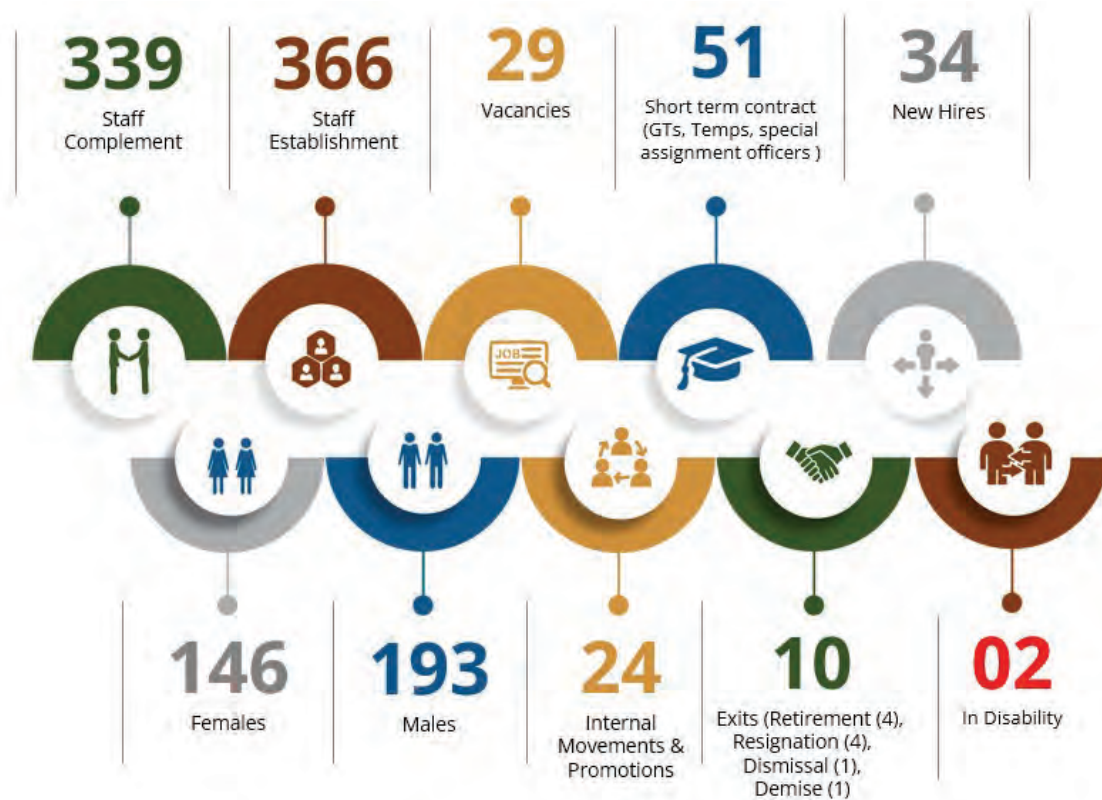
Headcount

As of 31 March 2026, the Bank's total staff complement stood at **339**, against an approved staff establishment of **366**. Total vacancies closed at **29**.

Additionally, the Bank's workforce included **51** staff members on short-term contracts, a category that encompasses **31** Graduate

Trainees (GTs) and **20** Fixed-term contract employees.

From a diversity and inclusion perspective, the staff complement consisted of **193** males and **146** females, with **2** employees enrolled in the disability programme. Below is a graphical presentation of the headcount.



Human Capital Risk Management

Human Capital collaborated with its strategic business partner, Risk Management to manage human capital risk within the Bank risk management framework. The risk register was updated quarterly and all people related risks were within the acceptable thresholds.

Learning and Development

The Bank continued to leverage skills development and addressed skills gaps, learning needs and employee competence. The position of the Bank is that levels of competence have a direct link to levels of productivity, hence the interventions.

Staff Training

The table below presents the number of members of staff who are pursuing various programmes ranging from Certificate qualifications to Doctorate degrees.

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

Most of the Bank staff currently pursuing studies are enrolled in master's degree programmes, representing 55% population on study programmes through the Bank. This is largely due to the requirements for most non-entry-level positions, which demand a master's degree, while the majority of staff recruited by the Bank hold bachelor's degrees.

This is followed by bachelors' degrees and post-graduate diplomas at 13% and 9% respectively. Doctorate programmes account for 5% representation, with 67% of participants in these programmes being members of executive management.

CBE Centre of Excellence and Innovation

The year witnessed muted action from the centre. Of the four (4) pillars of the centre,

the most active was the Centre for Central Banking and Finance Pillar. 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 the Bank 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. Efforts are ongoing to accelerate development and delivery of initiatives under the centre.



In the previous financial year, the mode (highest frequency) was on good performer upper recorded at 76%, while in the 2023/24 financial year, the highest frequency was 70.50% which indicated an almost normal curve. The results reflect improved workforce capability, strong alignment with strategic objectives, enhanced leadership effectiveness, sustained employee engagement and continued organisational maturity.

In addition, the Bank maintained a strong values culture, achieving an average values score of 98%, while task performance improved from 79% to 80%, demonstrating incremental gains in strategic execution, operational effectiveness and delivery against agreed objectives. Overall, the performance outcomes affirm the Bank's commitment to excellence, accountability and the development of a high-performing workforce capable of supporting the successful achievement of its mandate and strategic priorities.

Strategic Workforce Planning

In line with the Bank's 2024–2029 Strategic Workforce Planning, CBE continued the identification of possible gaps in its workforce and the systematic monitoring of the existing plan. The objective of the plan is to ensure that, during this period, the Bank has the right talent, adequate skills, and suitable knowledge to effectively implement the strategy and the mandate of the Bank. The Bank remains confident that it has the right talent to execute its mandate and strategy.

Executive Rotations

During the year under review, the Bank implemented a targeted rotation of selected senior executives as part of its deliberate workforce planning and leadership development strategy. This strategic intervention is designed to build a versatile, enterprise-wide leadership cadre with a deep

understanding of the Bank's operations, risks, and strategic priorities across functions. By broadening executive exposure and accountability, the rotation strengthens succession depth for critical roles, enhances decision-making agility, and mitigates key-person dependency risks. At an individual level, the initiative accelerates leadership growth by expanding competencies, fostering cross-functional collaboration, and reinforcing a holistic, systems-thinking approach to management. Collectively, this positions the Bank to sustain high performance and institutional agility in an increasingly dynamic operating environment.

Reward and Recognition

The Central Bank of Eswatini's remuneration philosophy is anchored on a total rewards approach that positions reward as a strategic enabler of performance, talent sustainability, and institutional strength. The Bank seeks to attract, motivate, and retain high-calibre talent through a balanced and competitive remuneration framework that integrates base pay, performance incentives, benefits, and development opportunities.

Staff Excellence Awards

Flowing from the CBE Strategy Alignment that was conducted in the previous financial year, the Bank produced a People Focus strategic initiative which sought to make people (staff) the focus of the strategic direction of the Bank. Under this initiative, the Bank decided to separate the End-of-Year staff party from the Staff Excellence Awards. Motivation for this separation was that instead of combining the two, the End-of-year Staff Party should concentrate on informal staff celebrations for the festive season and thanksgiving. The Staff Excellence Awards on the other hand should be a formal celebration of excellence and meritorious service. Towards this end, the inaugural Staff Excellence Awards were conducted in December 2025 with resounding success.

Graduate Trainee Programme

The Bank's Graduate Training (GT) Programme, comprising 31 trainees as of 31 March 2026, remains a strategic investment in building a sustainable talent pipeline and strengthening institutional continuity. The programme enables the Bank to attract high-potential young professionals and systematically develop critical skills aligned to its mandate, ensuring continuity in key roles and reducing long-term recruitment risks. By combining structured learning, exposure, and on-the-job experience, the GT Programme accelerates capability development while embedding the Bank's culture, values, and governance standards early in employees' careers. This not only enhances workforce agility and innovation but also supports national development by equipping graduates with scarce and future-ready skills, positioning the Bank as an employer of choice and a key contributor to human capital development in Eswatini.

Internship Programme

During the period July to December 2025, the Bank hosted 20 internship students under its structured Learning and Development programme, with 13 successfully completing the programme. The seven (7) that did not complete the programme were either consumed by the Bank or by the Eswatini economy. The internship initiative continues to serve as a critical platform for bridging academic learning with practical, work-based experience, enabling students to develop relevant technical, professional, and behavioural competencies.

For the Bank, the programme provides an opportunity to identify and nurture emerging talent, with several interns being absorbed into the Bank's structure, thereby strengthening the internal talent pipeline and reducing future recruitment lead times. For the students, the exposure enhances employability and career readiness, while those who transition into opportunities outside the Bank contribute to the broader skills base of the economy. In this way, the programme not only supports institutional capability building but also advances national human capital development by equipping young professionals with market-relevant skills that drive productivity and economic participation in Eswatini.

Performance Management

For the 2025/26 financial year, the Central Bank of Eswatini maintained a strong and stable high-performance culture, achieving an overall institutional performance score of 80%, resulting in an "Above Average Performer" classification.

Following a rigorous three-stage calibration process designed to ensure fairness, consistency and governance integrity, the Bank recorded strong performance outcomes across the workforce, with 0.5% employees rated Top Performers, 42% rated as Above Average Performers, 55% of employees rated as Good Performer – Upper, 2.5% rated as Good Performer – Lower, while no employees fell within the Needs Improvement or Poor Performer categories.

Compensation and Benefits

Pay-scales

In the previous financial year, the Bank conducted a salary review exercise. Part of the resolutions of the salary review was the decision to adjust pay scales annually, instead of every three years.

Prior to the introduction of the revised pay scales, the number of red-circled employees

stood at 101. The implementation of the new pay-scales resulted in a significant reduction to 53 employees, reflecting the effectiveness of the revised pay-scales.

Additionally, the adoption of scale ageing aligned with average inflation has helped to moderate the growth of red-circled cases by gradually adjusting salary bands upward.

CBE Retirement Fund Membership Statistics

Membership as of 1 st April 2025	305
New Entrants	34
Resignations	(3)
Retirements	(4)
Dismissal	(1)
Deaths	(1)
Active Members as of 31st March 2026	330

A total of three (3) employees are expected to retire in the 2026/27 financial year.

Employee Wellness

Employee wellness at the Bank is a strategic approach aimed at creating and maintaining a safe, healthy, and supportive work and social environment, complemented by individual commitment to wellness. This enables employees to perform optimally while ensuring compliance with health and safety legislation and the adoption of relevant wellness best practices in support of the Bank's organisational objectives. The strategy is implemented through two sub-functions: Safety, Health, Environment, Risk, and Quality (SHERQ), and Health.

Safety

Greening Initiative: Tree planting

During the period under review, the Bank launched its 'Cultivating a Greener Future' initiative through a strategic partnership with the Ezulwini Municipality and local schools (Ezulwini Catholic Primary School, Somnjalose High School, and St. Mary's High School). This collaborative effort was designed to actively combat the pressing challenges of climate change and foster environmental sustainability within our communities and among young citizens. A total of 65 indigenous trees were planted and donated.

First Aid Training

The Bank capacitated its employees and members of the Operational Support Services Unit (OSSU) of the Royal Eswatini Police Service on First Aid. The objective of the training was to equip employees and OSSU team members with essential life saving skills. A total of 57 employees and eight (8) OSSU personnel were trained and certified. The training also aimed at enhancing workplace safety, ensuring preparedness for medical emergencies, and complying with occupational health and safety standards.

Fire Risk Assessment

During the year under review, the Eswatini Fire, Rescue and Emergency Services also carried out a comprehensive fire risk assessment at the Bank's premises. The exercise focused on identifying potential hazards, reviewing existing safety measures, and ensuring compliance with national fire safety regulations. Key aspects of the assessment included inspection of fire detection and alarm systems, accessibility of emergency exits, adequacy of firefighting equipment, and staff preparedness in case of an emergency.

Health

Wellness initiatives continued to be guided by the four (4) pillars: mental health, spiritual health, physical health and social health. Various activities were undertaken to promote these pillars. The activities included the inaugural mental health walk, the parenting circle (an initiative implemented to support CBE parents through expert guidance and practical parenting skills), the Family Fun Day 2026 and webinars addressing various topical issues throughout the year, church services and various sporting activities. All these were targeted at the holistic wellness of employees.

Medical surveillance

The Bank conducts Occupational Medical Surveillance as a statutory requirement to monitor and safeguard the health and well-being of its workforce. The findings indicate that employees generally maintain good overall health; however, emerging risk factors associated with lifestyle-

related conditions have been identified. These insights inform the Bank's ongoing commitment to strengthening preventive health measures and promoting a safe, healthy, and productive working environment.

Overall, the report concluded that with structured occupational medical governance, proactive wellness interventions, and targeted monitoring of at-risk groups, the Bank can prevent progression to chronic disease, protect workforce productivity, and reduce long-term medical and disability costs.

Employment Relations Management

The Bank continued with the management of individual and collective relationships through the implementation of good practices that enable the achievement of the Bank's objectives compliant with the legislative framework and socio-economic conditions of the country.

The table below captures an update of grievances, disciplinary enquiries, conciliations, arbitrations and court cases as of 31 March 2026.

Grievances	0
Disciplinary Enquiries	7
Conciliation, Mediation and Arbitration Commission (CMAC)	3
Arbitration	0
Industrial court	5
Industrial Court of Appeal	0
High court	1
Court of appeal	0
Ludzidzini Royal Council	1

This represents a stable employment relations environment in the Bank. The five (5) cases that are pending in the Industrial Court are all from previous financial years.



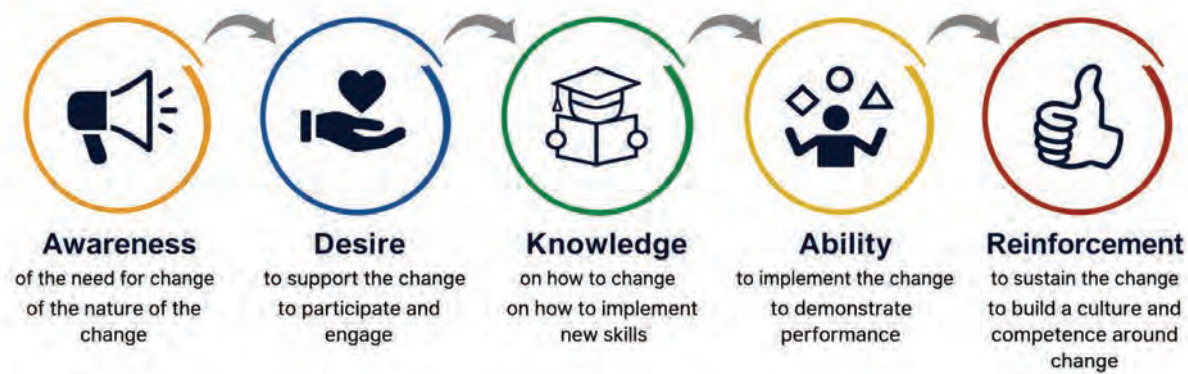
Organizational Development

The Bank's Organizational Development function continued to play its role of enhancing CBE's capabilities through an effective management of change, successful employee engagements, and implementation of the culture transformation programme.

Managing Change

The Bank continued to ensure that all change that is introduced is properly managed, its acceptance achieved, and the desired objective of the change is realized in line with the ADKAR model.

ADKAR Model



During the year under review, the Bank's change management activities were dominated by the relocation of the CBE headquarters from Mbabane to Ezulwini. The Bank successfully executed its relocation through a well-structured and deliberate change management process. The transition was underpinned by proactive stakeholder engagement, clear communication, and strong leadership alignment, ensuring minimal disruption to operations. The relocation has not only enhanced the Bank's operational environment but also strengthened organisational cohesion and adaptability, demonstrating the institution's capability to manage complex transformation initiatives with discipline.

Employee Engagement

The Bank recorded strong and sustained progress in employee engagement during Pulse Survey for the year under review, reflecting the success of its ongoing culture and people initiatives. Overall engagement increased from 80% to 85%, continuing a positive upward trend from prior years, with a notable rise in the proportion of fully engaged employees, indicating deeper levels of commitment and discretionary effort. This improvement is underpinned

by gains in key drivers such as employee commitment, pride, and motivation, with more employees expressing willingness to go beyond expectations, recommending the Bank as a great place to work, and believing in its future success.

The survey further highlights strong alignment with the Bank's values and strategy, as well as a culture characterised by collaboration and a shared sense of purpose. Importantly, high participation levels and positive employee sentiment reinforce a workforce that is increasingly engaged, connected, and invested in the Bank's long-term success, providing a solid foundation for continued organisational performance and cultural transformation.

Culture Transformation

During the 2025/26 financial year, the Bank successfully advanced its Culture Transformation Programme through a structured, inclusive, and behaviour-driven approach that embedded culture into everyday organisational practices. Anchored on clearly defined behavioural pillars being teamwork, intentionality, excellence, and speed of execution, the programme moved beyond design into execution through co-creation workshops, early adopter mobilisation,

and sustained internal activation initiatives. A deliberate focus on empowering a network of culture champions and influencers enabled a grassroots movement that reinforced desired behaviours across departments, supported by ongoing engagement platforms such as monthly check-ins, internal communications, culture campaigns, and visible recognition mechanisms.

The introduction of structured recognition systems, visible culture initiatives, and

leadership-supported initiatives ensured that culture became integrated into daily operations rather than remaining a conceptual framework. This comprehensive and participatory change management approach has strengthened alignment, enhanced employee ownership of the Bank's values, and fostered a more collaborative, agile, and high-performing organisational environment, demonstrating the Bank's capability to drive sustainable cultural transformation at scale.



18. Our Ethics Approach

The CBE continued to recognise and attach great importance to the fact 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, relevant and performance-driven, accountability, respect and integrity across all levels of the Bank. Over the past year, we have made significant strides in fostering a culture of integrity, transparency and accountability and continued to build trust and engagement.



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 of Directors, supported by the Remuneration Committee, ensures that our ethical standards are integrated into our corporate governance framework.

Ethics Ambassadors Initiative

The Bank has adopted a proactive and structured approach to embedding ethics, integrity, and responsible conduct into its organisational culture and daily operations through the appointment of Ethics Ambassadors. This group was drawn from various departments in the Bank to ensure broad representation and ownership of ethical standards at all operational levels.

The Ethics Ambassadors group was formally launched in November 2025 as a strategic operation aimed at translating the Bank's ethical values into practical, day-to-day conduct. By positioning ambassadors within their respective departments, we seek to strengthen ethical awareness, promote integrity, and support responsible decision-making where it matters most. The intention of having Ethics

Ambassadors is to have them as trusted points of reference for colleagues, reinforcing the Code of Ethics, and fostering a culture of openness and accountability.

To ensure sustainability and wider reach, we will continue to expand the ethics programme through periodic refresher trainings and awareness initiatives, ensuring that ethical expectations remain clearly understood and relevant.

Ethics Code and Ethics Policies

We have established a comprehensive Ethics Code that outlines expected behaviours for the Board, employees, management, suppliers and stakeholders. The Bank has also improved on its responsiveness, and as a result, we have seen more colleagues and stakeholders seeking guidance from the Ethics Office, helping to protect both the Bank and its people. These efforts reinforce our commitment to continuous improvement, recognising that an ethical culture is never static; it requires ongoing vigilance and dedication. Regular roadshows and training sessions reinforce our commitment to ethical practices, ensuring awareness and compliance with relevant legislation, regulations, and international best practices.

Whistleblower 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 whistleblower protection programme has been

enhanced to encourage employees to voice their concerns without fear of retaliation. 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 unethical or illegal conduct.



Digitised Declaration Process

As part of our governance initiative in ethics, the Ethics office manages declarations that now run through a digitised process. Going forward, mandatory annual declarations of Interest will be requested, with specific emphasis on external engagements. These annual declarations will be conducted in April of each year, aligning with the commencement of the Bank's first month of the financial year. This approach ensures timely identification, assessment, and management of potential conflicts of interest at the outset of each financial cycle.

We continue to encourage ongoing declarations throughout the year to mitigate the potential risks of undue influence, misconduct, conflicts of interest, favouritism, bribery, or compromised objectivity. This helps the Ethics office to enhance its ability to identify emerging ethical risks early and to implement appropriate safeguards where necessary. Steps and guidelines on how to declare are shared from time to time for the benefit of all staff members.

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. We will continue to engage with employees through programming and messaging to ensure that our actions reflect our commitment to ethical practices and social responsibility.

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 Bank 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 and 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.

The CBE remains committed to upholding the highest standards of ethical conduct and integrity in all our business activities. Continuous improvement, transparency and accountability will continue to guide our efforts to ensure we have an organizational culture that promotes such an environment. Looking ahead, we are committed to building a culture of trust and accountability – one that safeguards CBE's reputation and enables us to fulfil our mandate with integrity.

19. Governance



Overview

The Bank is established under the Central Bank of Eswatini Order of 1974 (as amended) and the Constitution of Eswatini, 2005. Whilst the latter establishes the autonomous nature of the Bank, the former sets out amongst others, the basic governance framework of the institution. The Bank has a unitary Board structure that comprises both executive and non-executive directors. The latter form a majority of the directors.

The Governor serves as Chairman of the Board and is responsible for ensuring its effective functioning. He also serves as the Chief Executive Officer responsible for the execution of the strategy and policy implementation, as well as overall management of the Bank.

The Board retains full and effective control over the Bank and is responsible for monitoring management in respect of the implementation of the Board-approved strategy and plans. The Board gives strategic direction to the Bank, and with the guidance of the company secretary, it has a duty to ensure that the Bank complies with all the relevant laws, regulations, and applicable codes of business practice.

The Board delegates execution to management while ensuring adherence to risk guidelines and existing frameworks of prudent and effective controls. It monitors performance and compliance through quarterly management reports on strategy execution, operations, and performance against financial targets.

The Board has met its responsibilities and provided ongoing monitoring and oversight into the implementation and delivery of the strategy, as well as the important infrastructure works throughout the year under review.

Board Composition

Board Structure

The Bank operates under a unitary Board structure comprising **nine (9) members**.

During the first five (5) months of the year, the Board functioned with **eight (8)** members until **1 September 2025**, when it reached its full complement following the appointment of Dr. Loretta Mkhonta.

Board Composition



Board Appointment

Governor
appointed by the Head of State, His Majesty King Mswati III

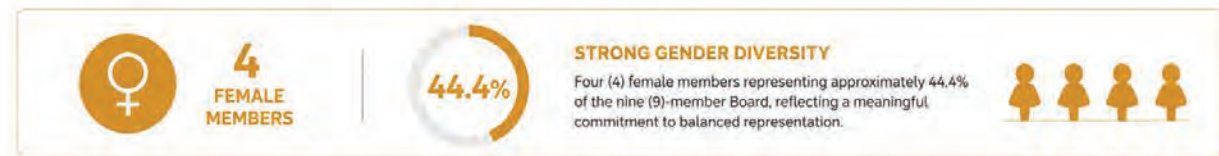
Other Board Members
appointed by the Honourable Minister of Finance

INDEPENDENCE & OVERSIGHT
Most of the Board members are non-executive directors who maintain an arm's-length relationship with management and exercise independent judgment on matters of strategy, risk management, performance, and resource allocation.

BALANCED SKILLS & EXPERTISE
The Board comprises a balanced mix of skills, experience, and technical expertise, which enhances the quality of its decision-making and strengthens effectiveness through constructive challenge, insight, sound advice, and meaningful support.

BROAD RANGE OF EXPERTISE
Collectively, the Board brings expertise in leadership, economics, accounting, finance, and information technology to address a wide range of issues with comprehensive insight.

SUB-COMMITTEE GOVERNANCE
Through its various sub-committees, the Board ensures well-informed decisions that contribute to the Bank's overall performance.



Our Board

Individual Members' Attendance at the Board and Board Sub-Committees' Meetings for the Financial Year 2025/26

Board Member	Date Appointed	Board	Audit Committee	Risk and IT Committee	Remuneration Committee
Dr. P. Mnisi Governor	1 st July 2022	6/6	N/A	0/3	3/3
Ms. F. Dlamini-Kunene Deputy Governor	1 st July 2019	5/6	4/4	3/3	3/3
HRH Prince Sicalo ¹	2 nd June 2022	5/6	N/A	N/A	3/3
Dr. P. Mashwama ²	1 st July 2022	6/6	N/A	3/3	3/3
Dr. N. Curle	1 st Sept 2022	6/6	4/4	N/A	3/3
Ms. N. Dlamini	1 st Oct 2022	6/6	4/4	3/3	N/A
Ms. O. Sons	1 st Feb 2023	6/6	4/4	3/3	N/A
Mr. V. Dlamini	1 st Aug 2024	5/6	N/A	2/3	N/A
Dr. L. Mkhonta ³	1 st Sept 2025	4/4	N/A	2/2	1/1

N/A - Not Applicable

- 1 Re-appointed 1st June 2025
- 2 Re-appointed 1st July 2025
- 3 Appointed 1st September 2025



Executive



Dr. Phil Mnisi (PhD)

Governor and Chairman of the Board

Phil Mnisi 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.

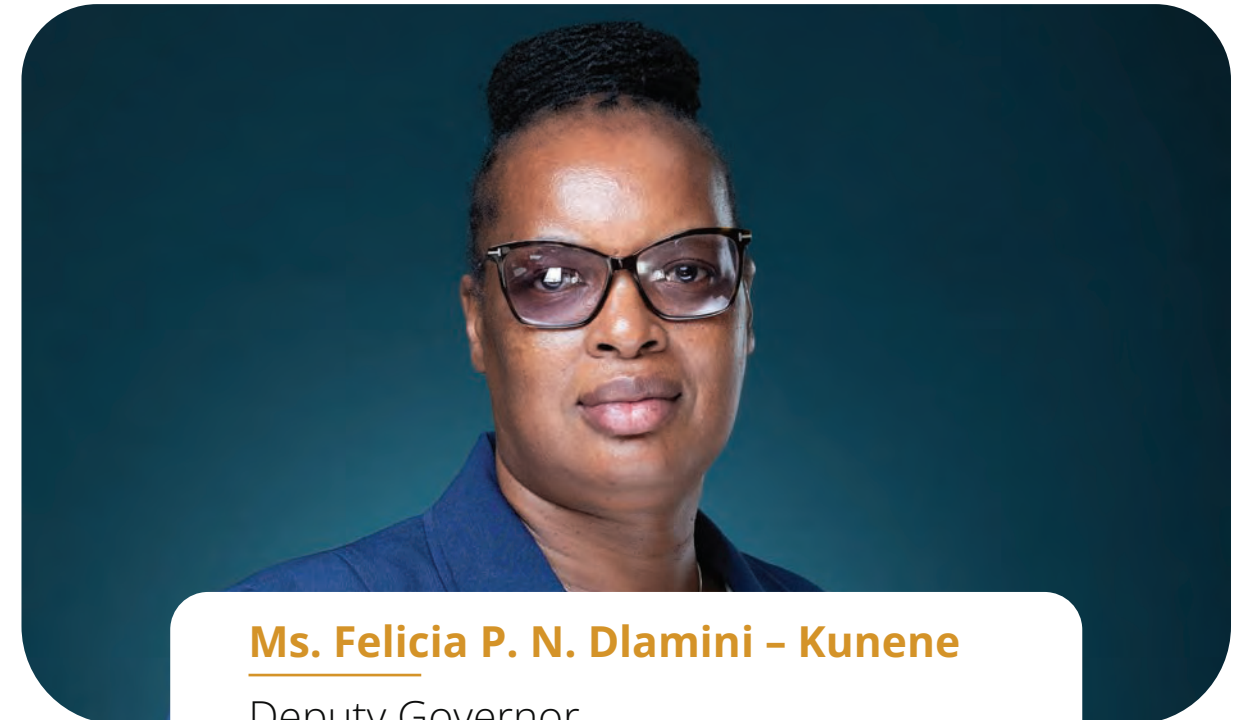
His corporate leadership experience spans more than 30 years in Eswatini and abroad. In South Africa, he worked for ABSA as Head of Group Talent Management and also held the position of

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 also serves 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.

Non-Executive



His Royal Highness (HRH) Prince Sicalo
Non-Executive Board Member Principal Secretary Ministry for Defence

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 Mistrata 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.

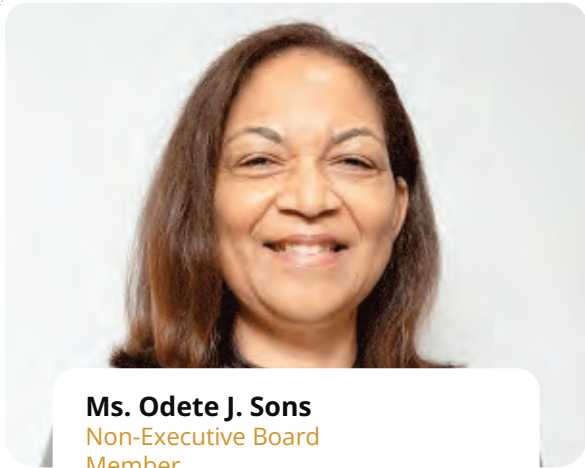


Mr. Ephraem V. Dlamini
Ex-Officio Member, Principal Secretary Ministry for Finance
Non-Executive Board Member

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 J. Sons
Non-Executive Board Member

Ms. Odete J. 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

Petros M. 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.

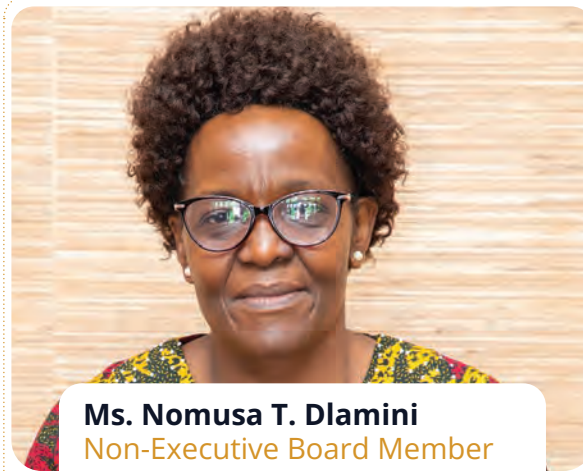


Dr. Neville I. Curle
Non-Executive Board Member

Dr. 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.

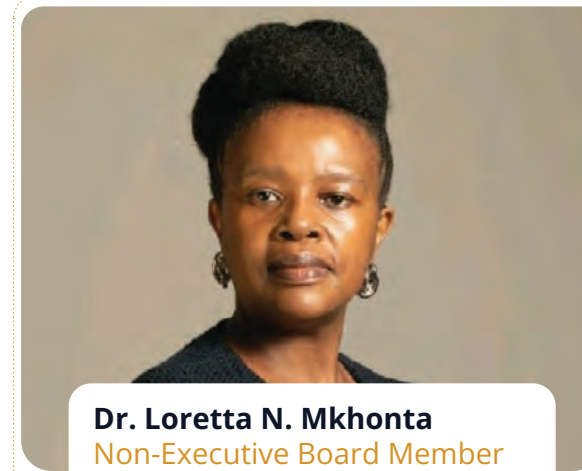
As a direct result of the AIDS pandemic in South Africa and particularly in Eswatini, he did significant part time research into the sociological reasons that underpinned the extensive spread of the HIV virus and qualified firstly with a Master's and then a Doctorate in Practical Theology through the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



Dr. Loretta N. Mkhonta
Non-Executive Board Member

Dr. Loretta N. Mkhonta is an accomplished executive leader with over 15 years of senior leadership experience across public sector institutions, international non-governmental organisations, and regional education systems in Southern Africa and Eswatini.

Dr. Mkhonta has extensive expertise in governance, strategic leadership, institutional transformation, policy development, stakeholder engagement, and financial stewardship. She most recently served as Chief Executive Officer of the Eswatini Higher Education Council, the statutory higher education regulator. She previously served as National Director of SOS Children's Villages Eswatini and as Education Capacity Building Specialist for the World Vision Southern Africa Regional Office. Prior to this, she was the Education Specialist at the Deputy Prime Minister's Office (National Children's Coordination Unit). She has served on a number of national and institutional boards and committees.

Dr. Mkhonta holds a PhD in Education (Curriculum Studies) from the University of KwaZulu-Natal, South Africa, and has further executive training in Strategic Leadership from the Gordon Institute of Business Science, University of Pretoria. She brings to the Board strong analytical capability, sound governance insight, policy and risk management experience, and a deep commitment to institutional excellence, accountability, and sustainable development.



Mr. Sikhumbuzo G. 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.

Our Executive Committee

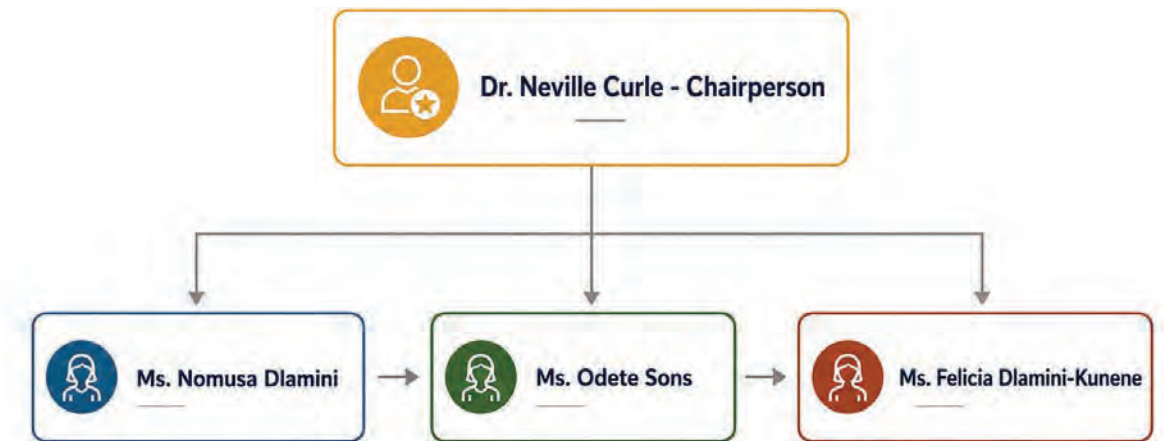
To assist the Governor in discharging his duties, there is an Executive Committee (EXCO)

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.

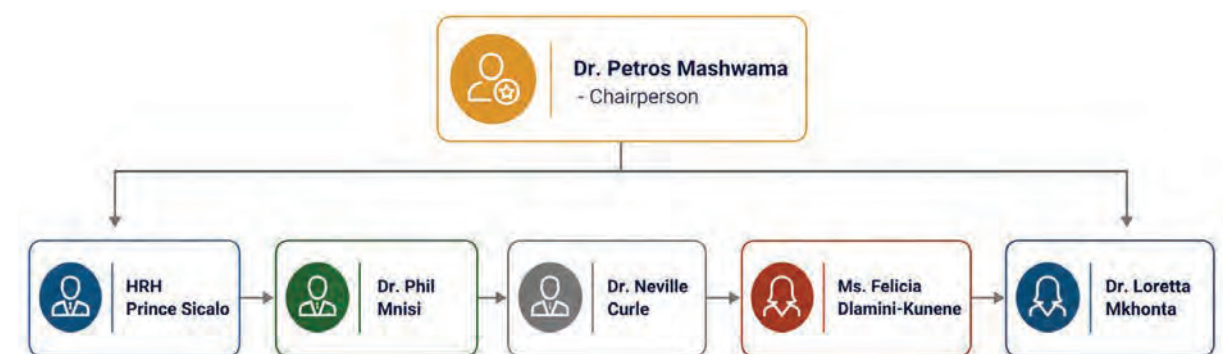
Board Audit Committee



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 Deputy Governor, Chief Operations Officer, the Head Internal Audit, Financial Markets Director 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.

Remuneration Committee



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

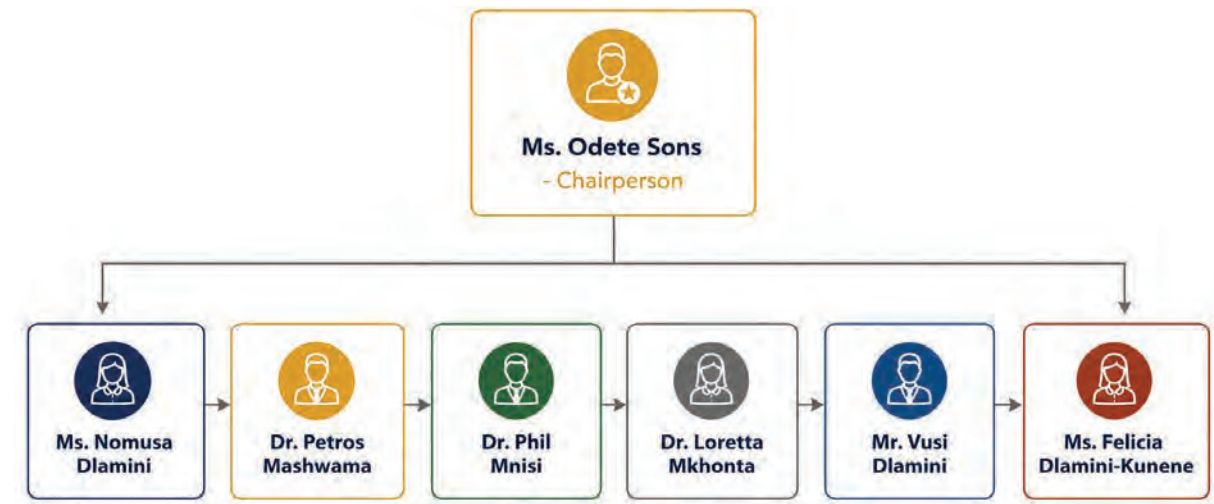
The Governor, Deputy Governor, Chief Operations Officer and the Director of Human Capital attended the meetings along with other members of management as required.

Risk & IT Committee

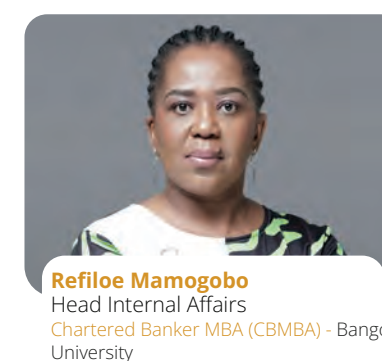
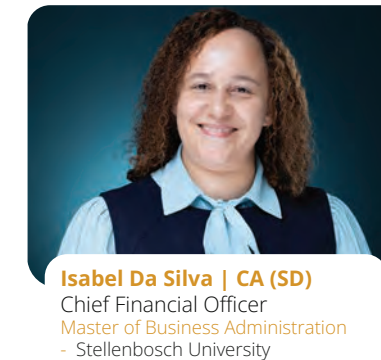
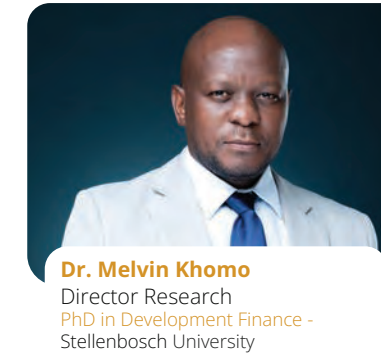
The Risk & IT Committee focuses on ensuring technological infrastructure effectively supports the Bank's business goals and delivers value. They also manage IT risks and promote a comprehensive approach to risk management for informed decision-making. This includes proactive identification of both existing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

The Governor, Deputy Governor, Chief Operations Officer, Head Risk & Compliance, and the Head IT attended the meetings along with other members of management as required.

Risk & IT Committee



Our Executive Committee



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.



Muzi Mavuso
Bank Supervision



Helder da Silva
Risk & Compliance



Zandile Mabundza
Financial Surveillance



Zodwa Nkambule
Currency & Banking



Sidney Jele
Legal & Advisory Counsel



Sindi Manyatsi
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



Mayibongwe Nkambule
Information Security



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



Sipho Skosana
Balance of Payments (BOP) & International Affairs

20. Office of the Ombudsman

During the reporting period, the Ombudsman's Office maintained an active role in promoting consumer awareness and financial literacy through strategic engagements and outreach initiatives. These initiatives reflect the Bank's continued commitment to strengthening consumer protection, enhancing public awareness, and fostering effective stakeholder collaboration.

Consumer Protection System Implementation Update

Through the Banking Ombudsman Office, the Bank continues to prioritise the implementation of the Consumer Protection System as a key initiative to strengthen complaints handling, enhance consumer protection, and promote fairness and transparency within the banking sector.

The CPS is also aligned with broader SupTech and RegTech objectives, aimed at digitising consumer protection processes and improving data-driven oversight of market conduct risks.

During the period under review, the CPS remained in the implementation phase. Progress has been made in system configuration, process alignment, and ongoing stakeholder engagement to ensure that the platform effectively supports the Ombudsman's complaints-handling mandate.

Although the system is not yet operational, preparatory work has advanced significantly, positioning the Office for a controlled and well-

coordinated transition to full implementation once all requirements are met.

A key milestone in the implementation process has been the collaboration with the Banking Supervision Office (BSO) support team in Mozambique. This partnership has provided critical technical support, guidance, and practical insights drawn from regional experience in consumer protection and complaints management systems.

Strengthening Complaints Handling Processes

In preparation for CPS implementation, the Office has continued to enhance its complaints-handling framework. This includes the standardisation of procedures, improved case management processes, and reinforcing principles of fairness, transparency, and timeliness in complaint resolution.

Once operational, the CPS will enable improved tracking, monitoring, and reporting of complaints, thereby enhancing efficiency and accountability. The system will further support data analytics on complaint trends, root cause identification, and early

detection of systemic consumer protection issues across institutions.

Capacity Building and Readiness

The Office is undertaking initiatives to ensure institutional readiness, including planned training programmes for internal staff and participating financial institutions. These efforts are aimed at ensuring effective adoption and utilisation of the CPS platform upon rollout.

This will strengthen the Office's ability to contribute to market conduct supervision and policy development. Training will cover system usage, case management workflows, reporting functionalities, and data governance requirements.

The CPS will serve as a foundational platform for data-driven consumer protection, enabling improved transparency, accountability, and supervisory insight into market conduct risks. It is expected to significantly strengthen the Banking Ombudsman Office's ability to deliver efficient, transparent, and consistent complaints resolution services.

Complaints Received from April 2025 to March 2026

Period	Number of complaints	Comment
Q1: Apr-June 2025	9	Moderate
Q2: Jul-Sep 2025	6	Lowest
Q3: Oct-Dec 2025	12	Highest activity quarter
Q4: Jan-Mar 2026	10	Strong increase

Total new matters recorded during the year were 37. Of these, a total of 5 matters were referred to the Office of the Ombudsman of Financial Services, whilst others were resolved.

21. Enterprise Risk Management

The Bank recognises Enterprise Risk Management (ERM) as a critical enabler of sound governance, informed decision making, and effective delivery of its constitutional and statutory mandate. The objective of risk management is to ensure that risk exposures are managed within the Bank's risk appetite and tolerance levels, while enabling the Bank to identify and leverage opportunities in a controlled manner within its regulatory ambit.

ERM supports the Bank's ability to remain resilient, responsive, and accountable in an increasingly complex and uncertain operating environment, ensuring continuity in the execution of its core functions.

Risk Management Objective

The risk management objective for the 2025/26 financial year was to further embed enterprise risk management into the Bank's strategic, operational, and performance processes. This included strengthening the integration of risk, strategy, and performance; enhancing risk awareness across the organisation; and monitoring emerging risks arising from global, regional, and domestic developments that may affect the Bank's mandate.

Our Risk Management Approach

The Bank adopted an integrated approach to risk management that aligns risk, strategy, and performance. This approach enhances decision making across governance, strategy formulation, objective setting, and day to day operations by ensuring that risks and opportunities are considered holistically.

Key components of the approach include:

- Environmental scanning and analysis.
- Enterprise wide risk assessment and prioritisation.
- Risk monitoring, communication, and reporting.
- Integration with strategy and performance management.

This integrated approach also informed the governance and oversight of strategic initiatives undertaken during the year, including Phase 1 of the CBE

Complex construction project, which was monitored from a risk perspective to ensure appropriate governance, cost control, and alignment with long term institutional sustainability.

The Risk and Compliance Office provide assurance support aimed at promoting efficiency in operations, responsiveness and agility, and sound and consistent regulatory compliance practices. This is achieved through effective collaboration, clear accountability, and strengthened leadership and management capability.

Integration of Risk, Strategy, and Performance

Enterprise risk management is embedded in the Bank's strategic planning and performance management framework. Material risks and emerging issues inform strategic focus areas, objectives, and initiatives and are reflected in the corporate risk register.

The corporate scorecard incorporates risk informed objectives and indicators, which cascade into individual performance scorecards, enabling monitoring of performance in support of effective mandate delivery.

Operating Environment and Emerging Risks

During the year under review, the global operating environment remained characterised by heightened uncertainty and volatility.

Geopolitical tensions, shifts in international trade and Donor Aid arrangements, energy supply constraints, and global economic pressures continued to shape the Bank's risk landscape.

Emerging risks monitored during the year included uncertainty surrounding preferential trade arrangements for the country under the African Growth Opportunity Act (AGOA), environmental and health related shocks, supply chain disruptions linked to escalating geopolitical tensions, fuel supply constraints, and rising travel and operating costs. These developments were monitored due to their potential macroeconomic, financial stability, and operational implications.

Material Matters

The Bank continued to identify and monitor material matters that have, or may have, a substantive influence on its ability to create value. Material matters represent issues that may give rise to both risks and opportunities affecting the Bank's strategy, governance, performance, and prospects over the short, medium, and long term.

The identification of material matters is informed by enterprise wide risk assessments, consideration of the Bank's mandate and strategic objectives, and ongoing analysis of the internal and external operating environment.

Material Matters for the Financial Year 2025/26

2025/2026	Description
Macroeconomic and Geopolitical Uncertainty	Global and regional geopolitical developments and changes in trade and donor aid arrangements continue to heighten economic uncertainty and external sector risks.
Financial System Stability and Liquidity Risks	Economic pressures and sector-specific shocks increase the risk of financial stress, requiring strengthened oversight to maintain system stability.
Cyber Security and Data Protection	Increased digitalisation heightens exposure to cyber and data security threats that could disrupt operations and undermine confidence.
Digital Disruption, New Technologies, and Artificial Intelligence	Rapid technological change introduces both opportunities and risks, requiring appropriate capability, governance, and oversight.
Human Capital Sustainability and Specialist Skills	Competition for specialised skills and rising costs increase the risk of skills gaps in critical functions.
ESG Considerations	Environmental, social, and governance developments may give rise to financial stability, reputational, and systemic risks.
Supply Chain, Outsourcing and Third-Party Risk	Escalating global geopolitical tensions heighten the risk of supply disruptions, cost pressures, and delays in access to critical goods and services.
Cost Pressures and Operating Expenditure Volatility	Rising fuel, travel, and inflationary costs increase expenditure volatility and require prudent financial management.
Regulatory Change and Compliance Complexity	Evolving legal and regulatory requirements increase compliance obligations across the Bank's operations.
Governance, Reputation, and Public Confidence	Strong governance and transparent reporting remain critical to sustaining institutional credibility and public trust.

These material matters continued to guide the Bank's enterprise risk management priorities, strategic focus, and performance monitoring during the year.

Combined Assurance

The ERM framework is supported by a combined assurance approach encompassing management assurance, compliance monitoring, internal audit, and other internal and external assurance providers. Assurance activities provide confidence regarding the effectiveness

of key controls and support continuous strengthening of governance and risk management practices.

Compliance

Through the Compliance Unit, the Bank ensured full adherence to all applicable regulations and standards, with no breaches of law

reported. In advancing international best practices, International Organization for Standardization (ISO) compliance frameworks such as the Compliance Risk Management Plan were rolled out through departmental engagements.

To mitigate compliance risks, the department closely monitored all legal obligations related to the construction of the CBE Phase 1 Project, ensuring adherence to environmental, municipal, construction industry regulatory requirements, and national building laws.

In addition, the Bank's Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Policy was reviewed and aligned with the new AML/CTF (Miscellaneous Amendments) Act, 2024, reinforcing the Bank's commitment to integrity, accountability, and sustainable governance.

The Bank maintained continuous monitoring of legislative developments impacting the Bank's activities, such as the Disaster Risk Management Act of 2025.

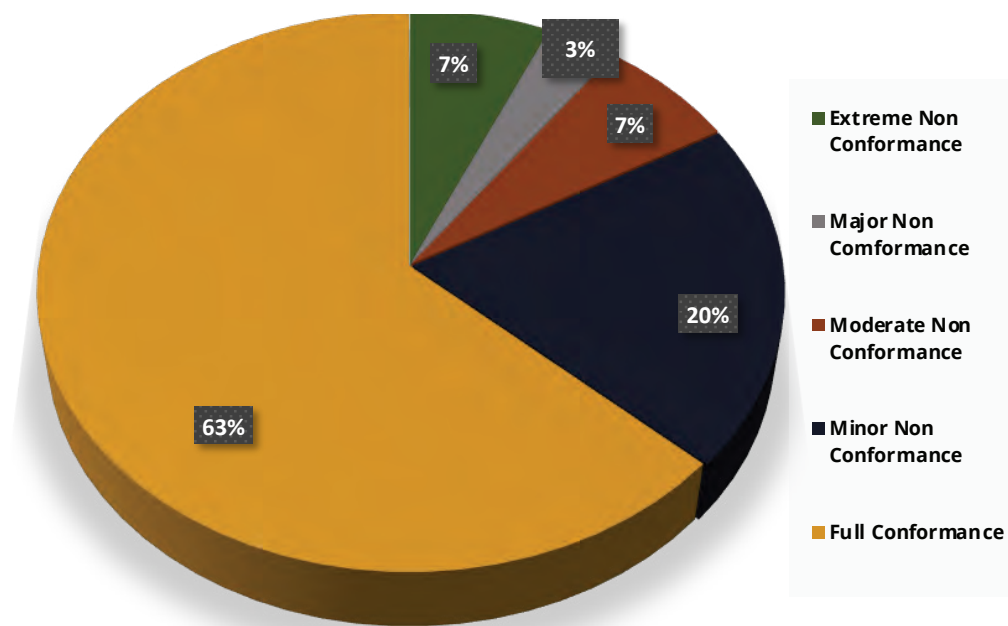
Business Continuity Management

During the financial year, the Bank underwent a Peer Review Exercise conducted by the SADC Committee of Central Bank Governors (SADC CCBG) under the ICT Business Resilience Subcommittee. The sole mission of the review was to assess the conformity and effectiveness of its Business Continuity Management System (BCMS) against the ISO 22301:2019 Standard. This independent evaluation forms

part of the Bank's ongoing commitment to strengthening institutional capacity, enhancing operational continuity, and aligning with regional and international best practices.

Based on the outcome of the review, CBE achieved an overall conformance rating of 80.74%, corresponding to Level 4 upper maturity. This rating signifies that the ISO 22301 standard is substantially implemented by the Bank, with identified opportunities for further enhancement. The result reflects the Bank's robust approach to ensuring preparedness and stability in the face of potential disruptions.

Level of Conformance



These achievements underscore the Bank's unwavering commitment to operational efficiency, sound governance, and financial system stability. The Bank will continue to enhance its BCMS to address identified gaps

and reinforce its readiness to safeguard critical functions in an evolving risk environment.

Crisis Management and Operational Resilience

The Bank reviewed and updated its Crisis Management

Team (CMT) and Crisis Management Response Plan (CRMP). The CRMP establishes a structured framework for strategic leadership, decision-making, and coordinated communication during periods of major disruptions. The

plan enables a coordinated, Bank-wide response to threats affecting people, operations, reputation, or strategic objectives.

The CMT, comprising members of the Executive Committee and chaired by the Governor, provides oversight and direction in managing crises, reinforcing the Bank's commitment to resilience, continuity, and effective stakeholder engagement.

The Bank remains committed to maintaining a robust and responsive enterprise risk management framework that supports effective governance, enhances institutional strength and enables the Bank to navigate emerging challenges in a dynamic operating environment while fulfilling its mandate.

Financial Risk

Financial risk refers to the possibility of financial loss and includes market, credit, liquidity, and currency risks. The Bank is exposed to these risks through its roles in monetary policy implementation, foreign reserve management, and payment and settlement operations.

The Board of Directors has overall responsibility for risk management, including setting the Bank's risk appetite and investment policies. These are implemented through various departments. The Financial Markets Department manages foreign reserves and international payments, while the Bank Supervision division monitors liquidity in local banks. The Finance department oversees

accounting and financial reporting. The Enterprise Risk division develops and monitors risk policies, and Internal Audit provides assurance on governance and controls using a risk-based approach.

The Bank manages foreign reserves through an Investment Policy, Investment Guidelines, and Strategic Asset Allocation process. Risk management measures include counterparty due diligence, policy compliance monitoring, and ongoing assessment of operational and financial risks. 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 arises from the failure of borrowers, issuers, or counterparties to meet obligations. The Bank's main exposure comes from foreign reserve investments and holdings of Government of Eswatini securities. To mitigate this risk, investments are limited to investment-grade counterparties (AAA to BBB-), with limited exceptions for South Africa due to the natural exposure of the reserves' holdings to the Rand currency. Credit limits are guided by external ratings and an internal credit assessment model. The Bank also conducts regular credit reviews and recognises expected credit losses in line with IFRS 9.

Liquidity Risk

Liquidity risk is the inability to meet obligations or sell investments quickly without loss. The Bank mitigates this

by maintaining liquid assets in designated liquidity portfolios aligned with projected liabilities. Reserves are largely invested in highly marketable securities, while issuer and counterparty limits reduce concentration risk. The reserves portfolio is divided into a Liquidity Tranche for short-term obligations and an Investment Tranche for longer-term investments.

Interest Rate Risk

Interest rate risk results from adverse movements in interest rates affecting investment values. The Bank manages this through investment policies, strategic asset allocation, and continuous monitoring of portfolio duration. Modified duration is used to measure sensitivity to interest rate changes, and portfolios are maintained within approved limits. A hold-to-maturity strategy is also applied to certain investments, including Eswatini Government securities, to reduce exposure.

Foreign Exchange Risk

Foreign exchange risk arises from fluctuations in exchange rates. The Bank manages this using an asset-liability matching approach to align reserve currency allocations with projected liabilities. Currency allocation is reviewed annually through the Strategic Asset Allocation process. At the end of the 2025/26 financial year, reserves were mainly held in US Dollars and South African Rand, with smaller holdings in Euro, Pound Sterling, and Chinese Yuan. The Bank also maintained an open exposure to the IMF Special Drawing Rights.

22. Environmental, Social, Governance and Climate Resilience

Eswatini faces increasing climate-related risks, including drought, erratic rainfall, tropical storms, rising temperatures, and water stress, with implications for livelihoods, infrastructure, and financial stability.

In response to these growing risks, Eswatini's climate action is guided by its climate and development commitments to the global community, including the NDC 3.0, which sets out the country's emissions-reduction ambition to 2035, adaptation to the impacts of climate change, and highlights the importance of international support.

Against this national backdrop, the Central Bank of Eswatini has positioned climate risk and Environmental, Social and Governance as part of sound regulation, institutional resilience, and long-term financial sector development. This is being advanced in two-fold. Through the Greening of the Central Bank of Eswatini Project, implemented with support from the NDC Partnership Action Fund and United Nations Development Programme (UNDP) Eswatini. This work has included a diagnostic assessment and development of the draft Eswatini Green Finance Taxonomy. In the current financial year, the Bank has drafted and reviewed the Climate Risk Management guidelines, a structured framework to identify, assess, mitigate, and monitor climate-related vulnerabilities for regulated entities.

The Bank has also strengthened its climate response through strategic affiliations and peer-learning platforms. The CBE became a member of the NGFS in 2024. As of 31 March 2026, the Bank is a participating plenary member, joining the ranks of 152 members and 24 observers within the network (System, 2026). In February 2026, the Bank

expanded its participation by joining the Supervision Work Stream and the Net Zero for Central Banks Work Stream. The NGFS asserts that climate change and ESG factors are material financial and macroeconomic risks (System, 2025). Participation in these forums supports the Bank's efforts to align with emerging international practice, deepen technical capacity, and advance proportionate approaches to climate risk regulation and sustainable finance development.

The Bank recognises that embedding ESG principles within its internal operations is essential to maintaining institutional credibility, strengthening resilience, and supporting the effective delivery of its mandate. While the development of a formal ESG strategy is underway, the Bank has already begun integrating ESG considerations into its daily operations, policies and decision-making processes.

At the foundational stage, the Bank is taking steps to minimise the environmental impact of its operations through a growing focus on resource efficiency and responsible consumption, alongside the adoption of improved waste management practices. The Bank's digitisation strategy supports its ESG goals by reducing paper consumption and physical infrastructure requirements. It also lays the foundational level to build from, enabling real-time climate risk data collection, improving financial inclusion through accessible digital financial services and enhancing governance transparency through efficient reporting. These efforts reflect a deliberate and progressive approach to aligning internal practices with evolving sustainability expectations and global best practices.

23. Assurance

Internal Audit Activities (IAA) focused on providing independent and objective assurance on the adequacy and effectiveness of the Bank's governance, risk management, and internal control systems, extending beyond financial risks to include matters relating to organisational performance, reputation, and the Bank's impact on the environment and society. The Board Audit Committee reviewed Internal Audit's activities through quarterly reports and was satisfied that the function remains independent, appropriately resourced, and sufficiently positioned to provide effective assurance over the Bank's internal control environment.

Annual Internal Audit Plan

The Annual Internal Audit Plan for 2025/26 financial year was approved by the Board. In developing the Plan, Internal Audit considered the Bank's strategic objectives, risk universe, external and emerging risks, and coordinated with other assurance providers to promote an integrated and efficient assurance approach across the three lines of defence. The Plan prioritises key risk themes, including cybersecurity, business continuity, strategic change initiatives, and governance, supported by proper resourcing and targeted skills development to enhance assurance quality and support value creation.

As part of the ongoing risk assessment process, one amendment was made to the approved Annual Internal Audit Plan during the financial year, which involved the deferral of an audit to Q1 of the 2026/27 financial year. This adjustment was necessitated by a dynamic operating environment that required Internal Audit to prioritize the review of controls in response to changes in operational processes.

By the close of the financial year, Internal Audit had completed twenty-one (21) assignments comprising nine (9) planned audits and twelve (12) special assignments which were performed at management's request and whose objective was advisory in nature and aimed at safeguarding assets, strengthening controls, and supporting value creation.

Continuous Professional Development

During the year, the Internal Audit department strengthened its human and intellectual capital through targeted professional development. A team member attained the Institute of Internal Auditors (IIA) Certificate in Internal Audit for a Sustainable Organization, strengthening the department's capability to support the Bank's strategic objective of integrating ESG principles into its operations. Another team member attained the Quality Assessor Certificate Programme, through the IIA, enhancing the department's quality assurance proficiency and reinforcing its ability to deliver high-quality, standards-aligned assurance.

Collaboration and Knowledge Sharing

Pursuant to a Memorandum of Understanding between the Central Bank of Eswatini and the Central Bank of Seychelles, the Internal Audit department participated in structured knowledge-sharing engagements aimed at enhancing professional collaboration, staff mentoring, and mutual learning between the internal audit functions of the two institutions. During the 2026/27 financial year, the Internal Audit department will undertake a Quality Assurance Peer Review of the Central Bank of Seychelles' Internal Audit Division, in accordance with the Global Internal Audit Standards (GIAS) and guided by the GIAS 2024 Quality Assurance Manual.

Audit Transformation

In the period under review, Department aligned its activities to the Bank-wide strategy through the introduction of targeted departmental initiatives aimed at improving the quality, scope, and speed of assurance and advisory services. These initiatives focused on the adoption of agile auditing methodologies through leveraging technology and automation; optimising the use of the Teammate auditing system; and adopting data analytics to enable deeper insights.

Combined Assurance and Integrated Oversight

In line with King IV™, the Bank applies a combined assurance approach to strengthen coordinated and effective assurance across the three lines. During the year, progress was made in maturing the model through enhanced engagement among assurance providers, efforts to align assessment methodologies, and advancement towards integrated assurance reporting. The Board, through the Audit Committee, approved the Combined Assurance Plan for the 2025/26 financial year. The execution of assurance plans under this framework reinforced effective oversight, improved risk management, and sound governance practices.

24. Financial 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	31/03/2026 E'000	31/03/2025 E'000	Percentage change	Improvement/ Worsening	Commentary
Interest income	744 668	787 364	(5%)	●	Interest income declined due to lower interest rates, reduced investment holdings following ZAR outflows, and a stronger Lilangeni against the US Dollar.
Interest expense	(412 948)	(419 686)	(2%)	●	Interest paid decreased due to lower balances held in the Government Reserves Stabilization Fund.
Non-interest income	333 067	439 851	(24%)	●	Decrease due to a decline in the Rand compensation receipts for the year.
Total operating income	664 787	807 529	(18%)	●	
Operating expenses	(623 944)	(601 850)	4%	●	Increase mainly due to continued building and fixture maintenance costs, COLA implementation, inflationary increases across key expenditure lines, and revisions to existing contractual agreements.
Profit for the year	40 843	205 679	(80%)	●	
Revaluations losses on foreign exchange activities	(307 451)	(16 152)	(2003%)	●	Exchange rate movements resulted in the revaluation loss as the Lilangeni strengthened against major reserve currencies, reducing the value of foreign holdings.
Total comprehensive (loss)/income for the year	(266 608)	189 527	(240%)	●	

● Reflects a worsening position
● Reflects an improvement

Current Year

	Threshold	Budget	Actual
Personnel expenses as per cent of income	45	33	46
Personnel expenditure as per cent of total expenditure	55	46	49
Total expenditure as per cent of total income (excluding credit impairment gain)	80	72	94

Summary Statement of Financial
Position

	31/03/2026	31/03/2025	Percentage Change	Improvement/ Worsening	Commentary
	E'000	E'000			
Assets					
External Investments	7 951 006	7 389 505	8%	●	The increase reflects the net effect due to placements with fund managers and investments in term deposits and gold holdings.
International Monetary Fund (IMF) Quota Subscription Account	1 810 842	1 919 315	(6%)	●	The IMF Quota Subscription of SDR 78,500,000, held by the Bank on behalf of the Government of Eswatini, was revalued at a loss of E108 million during the current year. This resulted from the decrease in the SDR exchange rate from 24.4499 at 31 March 2025 to 23.0681 at 31 March 2026.
Cash and Cash Equivalents	3 114 048	2 631 524	18%	●	The E483m movement in cash and cash equivalents reflects a positive cash inflow from foreign-currency trades and matured investments.
Amounts due from Government of Eswatini	2 968 398	3 589 979	(17%)	●	The government continued to use the advance on a revolving basis as SACU inflows were received. The position reflected is a snapshot in time.
Holdings of Special Drawing Rights (SDR)	38 190	130 050	(71%)	●	SDRs are interest-bearing reserve assets created by the IMF for member countries. The decrease was mainly due to the combined impact of the revaluation loss and interest expense exceeding interest income as a result of the non-replenishment of the SDR holdings.

	31/03/2026	31/03/2025	Percentage Change	Improvement/ Worsening	Commentary
Liabilities					
Currency in Circulation	1 560 652	1 482 156	5%	●	The E78m increase in demand for cash is attributed to positive economic growth.
Domestic Deposits	7 555 194	5 774 712	31%	●	This reflects the Government's net cash position after meeting its obligations, together with higher commercial bank balances driven by competitive interest rates.
Allocation of Special Drawing Rights	2 849 444	3 020 132	(6%)	●	The movement in the allocation of SDRs reflects fluctuations in the exchange rates.
Amounts Payable to the Consolidated Fund	68 039	278 208	(76%)	●	The amount is payable in terms of Section 8(3) of the Central Bank of Swaziland Order, 1974, as amended, was E68 million. The lower allocation was mainly attributable to lower profits resulting from reduced interest income arising from geopolitical developments.
IMF Securities Account	1 659 634	1 759 046	(6%)	●	The IMF Quota Subscription Account incurred a revaluation loss of E99 million during the year, mainly due to the depreciation of the SDR exchange rate against the Lilangeni compared to the previous year-end.

- Reflects a worsening position
- Reflects an improvement

Current Year Ratio

	2025/26 Actual	2025/26 Target	2024/25 Actual
Capital to Asset ratio	8.55%	10%	11.06%

25. CBE Abridged Financial Statements

Statement of Financial Position

as at 31 March 2026

	2026 E'000	2025 E'000
ASSETS		
Cash and cash equivalents	3 114 048	2 631 524
Currency inventory - notes and coins	169 347	155 901
Non-current assets held for sale	121 204	27 996
Other assets	583 227	674 828
Amounts due from Government of Eswatini	2 968 398	3 589 979
Loans and advances	90 432	116 854
Holdings of Special Drawing Rights	38 190	130 050
IMF Quota subscription account	1 810 842	1 919 315
Claims on private sector	2 082	2 082
External investments	7 951 006	7 389 505
Intangible assets	73 483	73 297
Property, plant and equipment	874 320	500 524
Total assets	17 796 579	17 211 855
EQUITY		
Capital and reserves		
Capital contribution	185 768	185 768
Revaluation reserve	143 107	486 339
Buildings revaluation reserve	106 163	154 423
Building fund reserve	50 000	50 000
Contingency reserve	73 817	73 817
General reserve	896 546	885 794
SDR/IMF underwriting reserve	66 868	66 868
Total equity	1 522 269	1 903 009
Liabilities		
Currency in circulation	1 560 652	1 482 156
Allocation of Special Drawing Rights	2 849 444	3 020 132
Domestic deposits	7 555 194	5 774 712
Foreign deposits and liabilities	1 346 331	1 328 281
Other liabilities	89 179	617 749
Financial liability at fair value through profit or loss	1 137 340	1 037 244
Provisions	8 497	11 318
Amounts payable to the Consolidated Fund	68 039	278 208
IMF Securities Account	1 659 634	1 759 046
Total liabilities	16 274 310	15 308 846
Total equity and liabilities	17 796 579	17 211 855

Statement of Comprehensive Income

for the year ended 31 March 2026

	2026 E'000	2025 E'000
Interest income		
Interest income	744 668	787 364
Interest expense	(412 948)	(419 686)
Net interest income	331 720	367 678
Non-interest income		
Impairment reversal- financial assets	7 266	72 778
Other Revenue	325 801	367 073
Total operating income	664 787	807 529
Operating expenses		
Property occupation expenses	(30 619)	(24 589)
Salaries and employee benefits	(319 659)	(282 840)
Depreciation and amortization expense	(40 656)	(40 328)
Currency expenses	(28 471)	(21 699)
Other expenses	(204 539)	(232 394)
Total operating expenses	(623 944)	(601 850)
Profit for the year	40 843	205 679
Other comprehensive income		
Revaluation losses on foreign exchange activities	(307 451)	(16 152)
Total comprehensive (loss)/ income	(266 608)	189 527

Statement of Changes in Equity

for the year ended 31 March 2026

	Capital	General reserve	Building Fund re-serve	SDR/IMF Underwrit-ing reserve	Contin-gency reserve	Buildings Reval-uation reserve	Reval-uation reserve	Appro- priation account	Total
	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000	E'000
Balance at 31 March 2025	185 768	885 794	50 000	66 868	73 817	154 423	486 339	-	1 903 009
Net loss for the year including revaluation of foreign currency activities	-	-	-	-	-	-	-	(266 608)	(266 608)
Revaluation of foreign currency activities transferred to Revaluation Reserve in terms of Section 35(1) of the Order	-	-	-	-	-	-	(307 451)	307 451	-
Revaluation (loss) on property plant and equipment	-	-	-	-	-	(46 093)	-	-	(46 093)
Transfer of depreciation on revaluation surplus to appropriation account	-	-	-	-	-	(2 167)	-	2 167	-
Transfer to general reserve as provided under section 8 (1) of the Order	-	10 752	-	-	-	-	-	(10 752)	-
Transfer to the Consolidated Fund as provided under Section 8(3) of the Order	-	-	-	-	-	-	-	(32 257)	(32 257)
Transfer to the consolidated fund in terms of Section 35(4) of the Order	-	-	-	-	-	-	(35 781)	-	(35 781)
Balance at 31 March 2026	185 768	896 546	50 000	66 868	73 817	106 163	143 107	-	1 522 270

Statement of Changes in Equity *(Continued)*

for the year ended 31 March 2026

	Capital	General reserve	Building Fund re-serve	SDR/IMF Underwrit-ing reserve	Contin-gency reserve	Buildings Reval-uation reserve	Reval-uation reserve	Appro- priation 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	-	-	-	-	-	-	-	189 527	189 527
Revaluation of foreign currency activities transferred to Revaluation Reserve in terms of Section 35(1) of the Order	-	-	-	-	-	-	(16 153)	16 153	-
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	-	-	-	-	-	-	-	(156 624)	(156 624)
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 Cash Flows

for the year ended 31 March 2026

	2026	2025
Cash flows from operating activities		
Operating (loss)/ Profit	(266 608)	189 527
Adjusted for:		
IMF balances	98 723	29 878
Depreciation and amortisation	40 657	40 328
(Profit)/Loss on disposal	(1 941)	830
Unrealised losses	(168 217)	60 385
Revaluation gains on foreign exchange activities	307 451	16 152
Interest income	(744 668)	(787 364)
Interest expense	412 948	419 686
	(321 653)	(30 578)
Changes in funds from operating activities		
Increase in foreign deposits and liabilities	18 050	129 778
Increase in other liabilities and provisions	(531 390)	1 474 724
Decrease/(Increase) in loans and advances	26 422	(55 923)
Decrease/(Increase) in other assets	91 601	(431 693)
Increase in notes and coins	(13 446)	(38 320)
Decrease/(Increase) in amounts due from Government	598 160	(515 443)
Increase in currency in circulation	78 496	137 708
Increase in external investments	(561 501)	(1 092 791)
Increase in domestic deposits	1 780 482	1 761 226
Net increase in operating assets and liabilities	1 486 874	1 369 266
Cash generated from operations	1 165 221	1 338 688
Interest received	618 096	683 422
Interest paid	(400 795)	(412 730)
Net cashflows from operating activities	1 382 522	1 609 380
Cash flows from investing activities		
Purchase of property, plant and equipment and software equipment	(554 214)	(123 239)
Proceeds from disposal of property, plant, and equipment	2 215	48
Net cash outflows from investing activities	(551 999)	(123 191)
Cash flows from financing activities		
Amounts paid to the Government through the consolidated fund	(278 208)	(347 076)
Net cash outflows from financing activities	(278 208)	(347 076)
Net movement in cash and cash equivalents	552 314	1 139 113
Cash and cash equivalent at the beginning of the year	2 631 524	1 512 302
Effects of exchange rate changes on cash balances	(69 790)	(19 891)
Cash and cash equivalent at the end of the year	3 114 048	2 631 524

Abbreviations

AACB	Association of Central Bank Governors	HRH	His Royal Highness
AFI	Alliance for Financial Inclusion	HVAC	Heating, Ventilation, and Air Conditioning
AI	Artificial Intelligence	IFRS	International Financial Reporting Standards
AML	Anti-Money Laundering	IMF	International Monetary Fund
AML/CFT	Anti-Money Laundering / Combating the Financing of Terrorism	IR	Integrated Reporting
BCM	Business Continuity Management	ISO	International Organization for Standardization
BIS	Bank for International Settlement	IT	Information Technology
CAR	Capital Adequacy Ratio	KPIs	Key Performance Indicators
CBE	Central Bank of Eswatini	MoU / MoUs	Memorandum / Memorandums of Understanding
CBDC	Central Bank Digital Currency	MPCC	Monetary Policy Consultative Committee
CCBG	Committee of Central Bank Governors	MSME	Micro, Small and Medium Enterprises
CFT	Combating the Financing of Terrorism	NBFIs	Nonbank Financial Institutions
CMA	Common Monetary Area	NDC	Nationally Determined Contribution
COE	Centre of Excellence	NII	Net Interest Income
CPI	Consumer Price Index		
CPS	Consumer Protection System	NPLs	Non-performing Loans
CSI	Corporate Social Investment	NPS	Net Promoter Score
CSOC	Cyber Security Operations Centre	POS	Point of Sale
DPF	Deposit Protection Fund	QGDP	Quarterly Gross Domestic Product
DTX	Digital Transformation	QPM	Quarterly Projection Model
ECGS	Export Credit Guarantee Scheme	REMCO	Remuneration Committee
EGFT	Eswatini Green Finance Taxonomy	REPS	Royal Eswatini Police Service
EMDEs	Emerging Markets and Developing Economies	RTGS	Real-Time Gross Settlement
EPC	Engineering, Procurement and Construction	SACU	Southern African Customs Union
EPS	Eswatini Payment Switch	SADC	Southern African Development Community
ERM	Enterprise Risk Management	SARB	South African Reserve Bank
ESEPARC	Eswatini Economic Policy Analysis and Research Centre	SDRs	Special Drawing Rights
EXCO	Executive Committee	SME	Small Medium Enterprises
EYEP	Eswatini Youth Empowerment Programme	SPI	Stakeholder Perception Index
Fintech	Financial Technology	SSELGS	Small Scale Enterprise Loan Guarantee Scheme
		SWP	Strategic Workforce Planning
		UNESWA	University of Eswatini
FX	Foreign Exchange	USA	United States of America
GDP	Gross Domestic Product	USD	United States Dollar
GT	Graduate Trainee	VAT	Value Added Tax
HC	Human Capital	WEO	World Economic Outlook

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