

Hon Minister
Board of directors
CEO
Senior Govt officials
Invited guests
Ladies and gentlemen

It is a pleasure for me to be part of this CBS milestone. Not so long ago the Bank facilitated the first Swaziland Economic Conference. Today this Bank of firsts is presenting the first Financial Stability Report. I thank you for honoring us with your presence. It always humbles us and we benefit a lot from your comments and questions during such functions. In a special way I would like to thank our Minister of Finance for taking time to be with us and offer to give a keynote address. We really feel honored Senator and may God bless you.

Financial stability is a long standing responsibility of the Bank as stipulated in the Country's Constitution and the Central Bank of Swaziland Order. A stable Financial System is one where financial institutions, financial markets, and financial infrastructure facilitate the smooth flow of funds between savers and investors. It is a condition where financial intermediaries process functions smoothly and there is confidence in the operation of the key institutions and markets within the economy.

We observe that financial stability is more difficult to define than price stability. For our purpose the Bank defines financial stability as a condition in which the financial system comprising of financial intermediaries, markets and market infrastructure is capable of withstanding internal and external shocks such that participants have confidence in the

system. Identification of risks and ensuring there are clear plans of managing the risks is important.

As part of the report, a lot of energy has been spent on assessing global, regional, and domestic macro financial developments. While secondary source is the main source for global and regional data, it was necessary to collect some primary data for domestic information. For this reason I would like, on behalf of the Bank, to thank all who cooperated with us when we visited, called and even emailed. Thank you to our sister regulator in the sector, i.e. the Financial Sector Regulatory Authority.

As a first report I would like to thank the county's cooperating partners who assisted us. Thanks to IMF for quality assurance. Thanks to consultants who assisted with the editing.

Thanks to the staff and leadership of the Financial Stability Unit in the Bank. You have had to bear with the executive committee at times when it trashed your draft reports. Wellington and your team your hard work is highly appreciated. GM Financial Regulation your leadership and guidance to the team did not go unnoticed.

All this would not have happened if it were not for the Board of Directors of the Bank. I would like to thank you for permitting the Bank to have such a new Department and went on to provide the necessary resources.

Last and certainly not least, thank you Hon Minister because it was during your leadership at the Bank that the request was presented to the Board.

Ladies and gentlemen find time to read the report. It will reveal to you things you never knew about the financial sector. If you thought stress affects only people, you have another thing coming. This report will show results of stress tests we have done on financial institutions. You will also learn that when we explore soundness indicators we are not searching for sound volume. It will tell you how indebted the country is.

It is incumbent upon all of us, i.e. government, policy makers, regulators, market practitioners to be aware and always play a meaningful role in ensuring the safety and stability of our financial system.

As the sector continues innovating let us expect that Fintech is going to significantly change the sector's landscape. Mobile money is already doing so, and in the process addressing inclusion issues. Blockchain Technology is also making waves. We should not stifle this technology but cautiously study and accept it.

Please enjoy the presentation from our internal and external experts. Please make sure that you read the document and become wiser in your decisions.

Thank you for your attention.