BANK ĊENTRALI TA' MALTA
EUROSISTEMA
CENTRAL BANK OF MALTA

# STRATEGIC PLAN 2027-2030

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# Foreword by the Governor

As the Central Bank of Malta approaches its 60th anniversary, we do so at a time of profound transformation in central banking. The coming years will be shaped by geopolitics, rapid technological development, climate-change, and an evolving financial system. All these elements will impact inflation dynamics. In such kind of environment, the Bank remains firmly anchored in its statutory mandate while continuing to adapt, innovate and strengthen its institutional capacity in the public interest to achieve its inflation objective and continue fostering financial stability.

The Strategic Plan for 2027-2030 sets out how the Bank will be contributing effectively to the European System of Central Banks (ESCB) and Eurosystem's mandates and its primary objective of price stability, while reinforcing its role as Malta's macroprudential authority and a trusted source of economic, financial and statistical analysis. Through enhanced analytical tools, research-driven policy advice and strong data capabilities, the Bank aims to continue to support sound decision-making within the Eurosystem and to provide independent advice on matters of national economic and financial interest.

A resilient financial system is indispensable for sustainable economic growth and higher living standards. The Plan therefore places particular emphasis on strengthening the Bank's capacity to identify and assess systemic risks, formulate macroprudential policy, and enhance crisis preparedness. It also reaffirms the Bank's commitment to the secure provision of cash and to the integrity, efficiency and resilience of payment systems and services, while embracing the continued evolution of digital and pan-European payment solutions.

The Bank will endeavour to deepen further its engagement with stakeholders and the wider public. By promoting financial literacy, broadening access to high-quality economic and financial analysis and statistics, and through clear and transparent communication, the Bank aims to keep the public well informed of economic and financial developments. This is essential to maintain confidence and accountability in an increasingly complex environment.

Sustainability, sound governance and operational resilience are central to this strategy. The Bank will further integrate environmental and social responsibility considerations into its operations and the management of its financial assets, while maintaining prudent risk management and financial independence. At the same time, it will continue to enhance security, risk mitigation and internal governance frameworks, ensuring full compliance with the law and reinforcing the principles of transparency, accountability and institutional integrity.

The successful delivery of this Plan ultimately depends on all our people. The professionalism, expertise and commitment of the Bank's staff is its most valuable asset. By investing in staff training, skills development, embracing diversity, inclusion and equality, and fostering a culture of collaboration and innovation, the Bank will be better equipped to meet the challenges and serve Malta and the Eurosystem with excellence. I am confident that, together, we will achieve the objectives set out in this Plan, and in advance I thank all staff members for their dedication, resilience and continued service to the Bank through their effort in implementing the Plan.

**Alexander Demarco**

# Introduction

The Central Bank of Malta's Strategic Plan for 2027-2030 sets out the Bank's strategic direction, priorities and major initiatives for the coming four-year period. It provides a coherent framework through which the Bank will continue to fulfil its statutory mandate, to contribute to the objectives of the Eurosystem, and to serve the public interest with independence, integrity and professionalism.

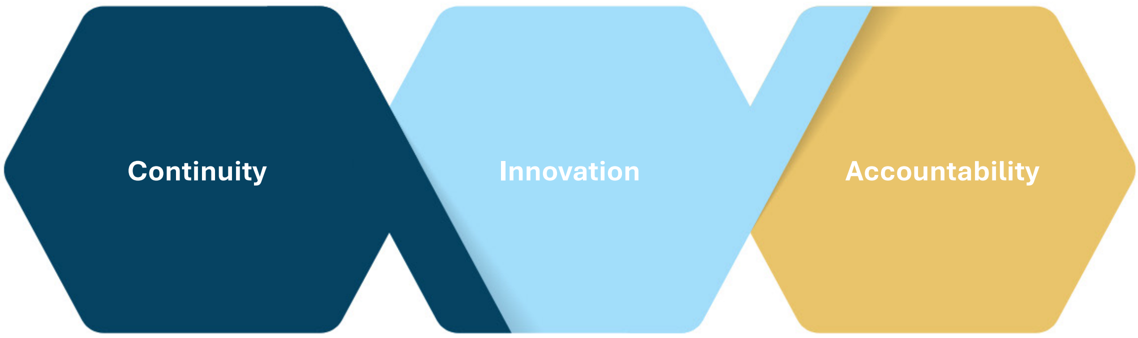
The Plan is launched at a time of significant change for central banks. Elevated geopolitical uncertainty, technological and financial innovation, climate-related risks, cyber threats and evolving expectations from citizens and stakeholders are reshaping the environment in which central banks operate. In this context, strategic clarity and institutional resilience are essential to ensure that the Bank remains effective, forward-looking and responsive.

The Plan translates the Bank's mandate into a focused set of strategic objectives designed to strengthen analytical capacity, safeguard financial stability, promote efficient and secure payments, enhance stakeholder engagement, support sustainable investment and operations, and reinforce governance, risk management and organisational effectiveness.

A central feature of this strategy is the clear linkage between high-level institutional priorities and the Bank's divisional, departmental and office-level objectives. This cascading approach ensures that resources are aligned with strategic priorities, responsibilities are clearly assigned, and progress can be monitored against measurable outcomes.

The Plan also places emphasis on coordination, collaboration and effective communication across the Bank. By fostering a culture of continuous improvement, innovation and accountability, the Bank will be better placed to anticipate emerging challenges, deliver high-quality analysis and services, and maintain the trust of the public and its institutional stakeholders.

Overall, the Strategic Plan is both a roadmap for action and an instrument of accountability. It confirms the Bank's commitment to excellence, transparency and prudent stewardship as it continues to serve Malta within the Eurosystem and the wider ESCB.



# Mission Statement


The Central Bank of Malta (the Bank) is an independent institution, which forms an integral part of the Eurosystem and, as a member of the ESCB, has the primary objective of maintaining price stability. It is entrusted with all major central banking tasks, particularly that of ensuring the stability of the financial system. The Bank carries out its statutory responsibilities in the public interest and is committed to performing its functions effectively, efficiently and economically to the highest level of integrity, competence and transparency. In this regard, in accordance with the Central Bank of Malta Act, and in conformity with the Treaty on European Union and the Treaty on the Functioning of the European Union and the Protocol on the Statute of the ESCB and of the European Central Bank (ECB), it:

1. Undertakes economic and financial analysis and research to support the Governor's participation in the decision-making process of the ECB's Governing Council and provides independent advice to the Government on economic and financial policy issues.
2. Implements the ECB's monetary policy through market operations conducted within the operational framework of the Eurosystem.
3. Contributes effectively to the stability of the financial system by identifying and assessing systemic risks and imbalances and making the appropriate policy recommendations.
4. Formulates and implements a macroprudential policy to fulfil its task as the national macroprudential authority.
5. Promotes and supports the development and integration of financial markets in Malta through oversight of market infrastructures and by ensuring the availability of cost-efficient securities settlement and payment systems.
6. Provides an adequate supply of banknotes and coins to meet the demands of the public, while ensuring high quality and authenticity of the currency in circulation.
7. Collects, compiles and publishes economic and financial statistics in line with international standards.
8. Acts as banker to Government and to the banking system.

9. Holds and actively manages financial assets with the aim of optimising returns, subject to prudent risk management practices.
10. Actively participates in the ESCB, the Eurosystem and other relevant European Union bodies, including their sub-structures.
11. Acts as the supervisory authority of credit reference agencies for the purpose of overseeing and regulating the issuance of credit scores.

In addition, as a member of the Eurosystem, the Bank fully subscribes to the Eurosystem's mission, strategic intents and organisational principles.

# Our vision

The Central Bank of Malta's vision is to be a trusted, independent and forward-looking central bank, capable of delivering high-quality economic policy analysis, safeguard financial stability, embracing innovation and sustainability in its operations, and providing an inclusive and rewarding environment for its staff. It aims to be an:

**Evidence-based and research-driven policy maker**
Strengthen our analytical skills and develop appropriate and effective tools to support policy decisions and providing advice both locally and in Eurosystem decision making.

**Open and transparent institution**
Foster a resilient, stable and sound financial system through robust macroprudential oversight with open dialogue with stakeholders, while enhancing public access to economic and statistical information, and promoting greater financial literacy.

**Innovative organisation**
Continue with the implementation of the digital transformation strategy to increase the Bank's efficiency and effectiveness.

**Resilient bank**
Promote operational and financial risk frameworks to ensure that the core functions of the Bank are resilient in delivering their objectives in a timely and cost-efficient way.

**An attractive and rewarding workplace**
Provide opportunities for staff to acquire the necessary skills that enable them to reach their potential and fulfil their aspirations, while promoting diversity and inclusion.

# The mandate

The Central Bank of Malta's mandate is derived from the Central Bank of Malta Act, Cap. 204, and from its role as a member of the ESCB and the Eurosystem. The Bank's primary objective is to maintain price stability. In pursuing this objective, the Bank acts independently and in accordance with the Treaties of the European Union and the Statute of the ESCB and of the ECB.

Within this legal and institutional framework, the Bank performs a broad set of central banking functions that support monetary policy, financial stability, payment systems, currency circulation, production of statistics and policy advice. These functions include:

- Supporting the Governor in his role as a member of the Governing Council of the ECB and in other European and international fora.
- Implementing the monetary policy decisions of the ECB within the operational framework of the Eurosystem.
- Holding and managing financial assets in accordance with prudent risk-management principles, taking into account environmental sustainability factors.
- Contributing to the stability of the financial system and assessing risks to its resilience.
- Formulating and implementing macroprudential policy as Malta's national macroprudential authority.
- Promoting sound, efficient and resilient payment and securities settlement systems.
- Ensuring the circulation, quality and authenticity of euro banknotes, as well as euro coins issued for and on behalf of the Government.
- Advising the Government on financial and economic matters, without prejudice to the Bank's independence and the prohibition of monetary financing.
- Collecting, compiling and publishing statistics necessary for the performance of its tasks.

By fulfilling these responsibilities, the Bank contributes to Malta's economic and financial resilience, while supporting the broader objectives of the Eurosystem. The Bank also maintains direct relations with credit and financial institutions, cooperates with national and international authorities, and participates actively in European Union and international fora.

# How we operate

The Central Bank of Malta operates through a governance and management framework designed to ensure independence, accountability, sound decision-making and effective execution. Clear lines of responsibility, structured committees and robust control functions support the Bank in fulfilling its statutory mandate and strategic priorities.

### Management Structure

The Bank's management structure is organised across three levels:

- Strategic leadership and policy formulation
- Governance and oversight
- Operational management

### Board of Directors

The Board of Directors is ultimately responsible for the Bank's policy direction and the overall administration of its affairs, except for functions assigned to the Bank under the Treaty on the Functioning of the European Union, and the Statute of the ESCB and ECB. The Board is composed of the Governor, two Deputy Governors, and four non-executive directors.

### Executive Committee

The Executive Committee, chaired by the Governor and composed of the Deputy Governors and Chief Officers, provides strategic direction, policy coordination and operational oversight. It ensures that the Bank's strategic priorities are translated into coherent institutional action and that major cross-cutting issues are considered at senior management level.

### Management Committee

The Management Committee, composed of Heads of Department, supports the effective day-to-day management of the Bank's operations. It facilitates coordination across departments, monitors implementation priorities and promotes operational efficiency and consistency.

### Audit Committee

The Audit Committee, established under Article 13 of the CBM Act, supports the Board by providing independent (non-executive) oversight and advice in the areas of governance, financial reporting, audit processes, risk management, and internal controls.

### Supporting Committees

Specialised committees support the Bank's governance, policy and operational capabilities by providing focused oversight, expert advice and coordination in key areas:

- **Investment Policy Committee**
  Sets the investment policy guiding the management of the Bank's financial assets, with a focus on optimising returns within prudent risk parameters, taking into account environmental considerations.

- **Financial Stability Committee**
  Serves as a consultative forum for the assessment of risks to financial stability and the formulation of policy recommendations aimed at safeguarding the resilience and stability of the financial system.
- **Risk Committee**
  Provides oversight of the Bank's risk profile and the adequacy of risk mitigation processes across all activities to ensure business continuity.
- **Payment Systems Committee**
  Defines oversight policy and regulation for payment systems under the CBM Act and guides the development of domestic payment infrastructure.
- **Statistics Committee**
  Sets policy on statistical data collection, recommends legislative updates, and authorises the dissemination of new statistical outputs.


BANK CENTRALI TA' MALTA

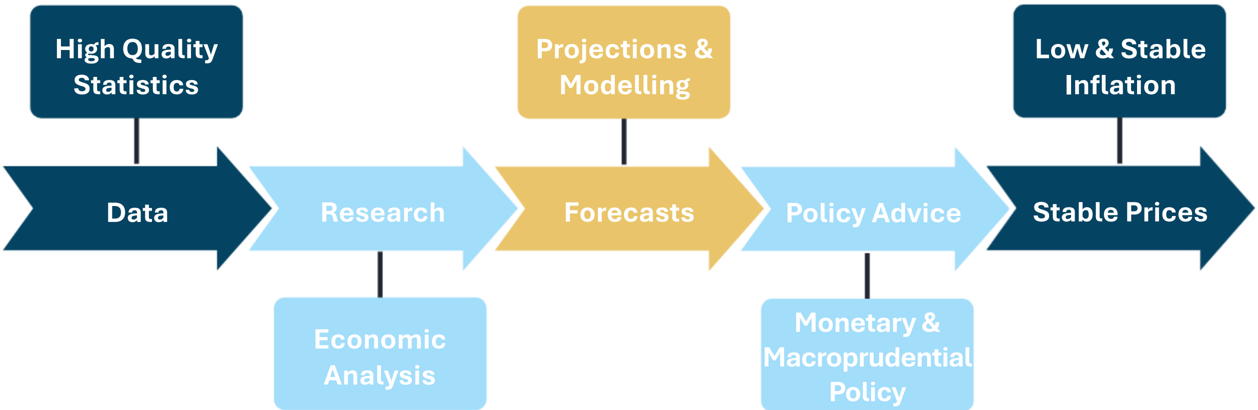
# The strategic pillars

The Strategic Plan is structured around eight mutually reinforcing building blocks. Together, they translate the Bank's mandate and vision into concrete areas of strategic focus for the period 2027-2030.

1. Contribute effectively to the ESCB, the Eurosystem's mandate and its price stability objective, through enhanced analytical tools and research driven policy advice.
2. Enhance the integrity and efficiency of payment systems and services, while facilitating the adoption of pan-European solutions, as well as ensuring the secure provision of cash.
3. Improve our engagement with stakeholders and continue to be a centre of excellence in economic, financial and statistical analysis and research in Malta.
4. Optimise the return on the Bank's financial assets while further aligning with environmental and social responsibility criteria.
5. Foster financial stability, strengthening the framework for assessing the resilience of the domestic financial sector and formulating macroprudential policy through data driven, research-based policy making.
6. Enhance risk mitigation and security measures to fully safeguard the systems' integrity, according to appropriate governance frameworks.
7. Maintain strong internal governance and strategy execution, in full compliance with the law.
8. Enhance overall efficiency and effectiveness, embracing digital transformation. Actively promote staff skills development, equality, inclusiveness, and diversity.

## 1. Contribute effectively to the ESCB, the Eurosystem's mandate and its price stability objective, through enhanced analytical tools and research driven policy advice.

The Bank will continue to strengthen its analytical and policy capabilities in support of the Eurosystem's primary objective of price stability through the development of cutting-edge tools in conducting its economic analysis, forecasting, scenario design and spillover assessments, enabling the Bank to better appraise sectoral and domestic, euro area and global developments with greater depth and timeliness. These capabilities will support the Governor's contribution to Eurosystem deliberations and enhance the quality of the Bank's independent policy advice.

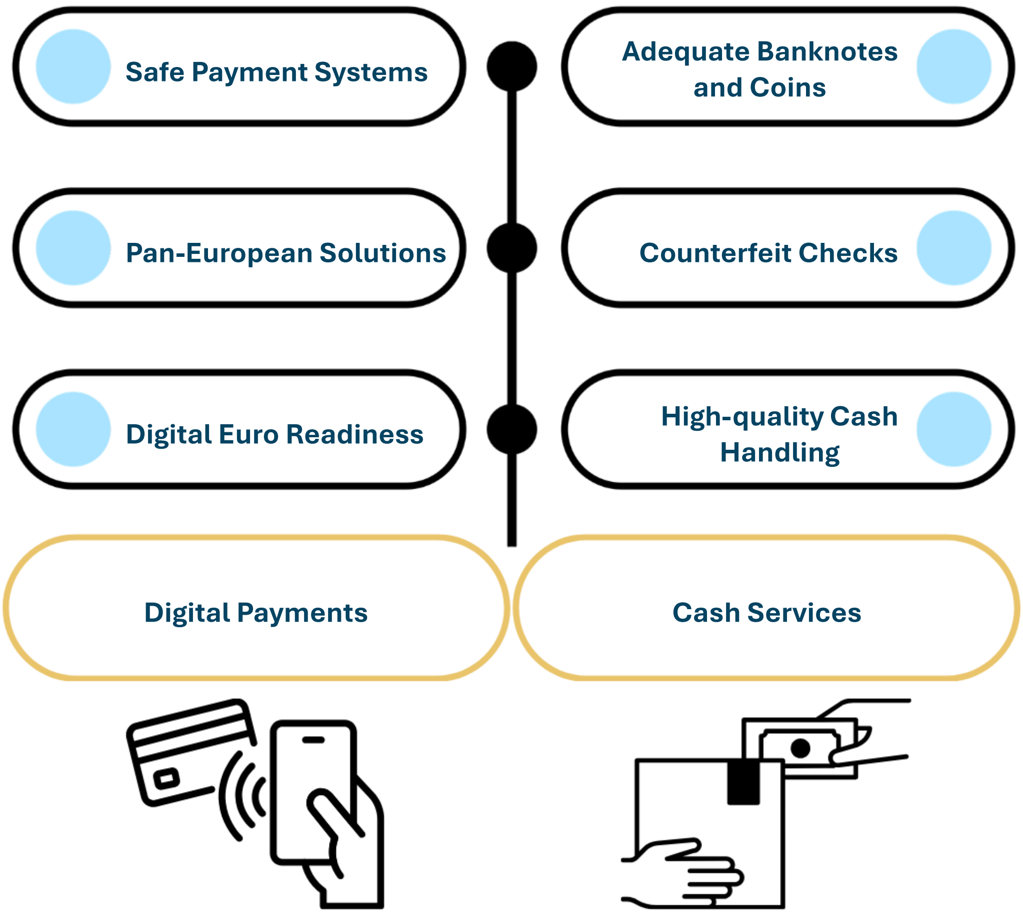



- Enhance capabilities for Eurosystem monetary and macroprudential policy decision making.
- Develop further financial sector risk analysis and policy tools for macroprudential policy making in line with the Bank's mandate as the national Macroprudential Authority.
- Produce high-quality publications on economic and financial developments in Malta and the euro area.
- Strengthen banking-sector preparedness for effective access to critical central bank facilities and Eurosystem monetary policy operations.
- Ensure the production of high-quality statistics on the Maltese economy, covering money and banking, finance, the balance of payments and public finances, to support internal and external stakeholders.
- Foster cooperation across the EU to harmonise and simplify reporting requirements.
- Maintain up-to-date insights into Maltese, euro area and international developments, while strengthening engagement and coordination with local and international institutions.

## 2. Enhance the integrity and efficiency of payment systems and services, while facilitating the adoption of pan-European solutions, as well as ensuring the secure provision of cash.

The Bank will continue to support a secure, efficient and innovative payments landscape. This includes contributing to Eurosystem work on the digital euro, encouraging the adoption of pan-European payment solutions, supporting domestic payment resilience and ensuring that cash remains available, authentic and of high quality. The Bank will also continue to strengthen the operational arrangements that underpin currency services, payment reporting, settlement functions and related back-office activities.

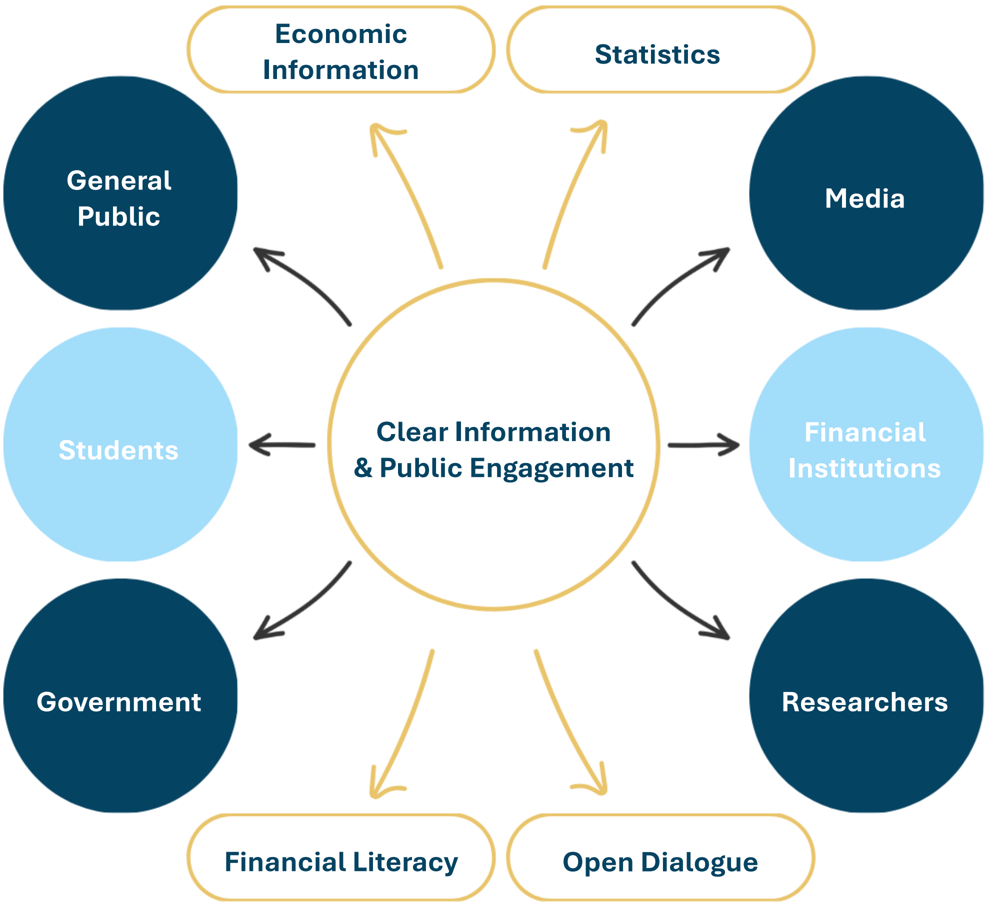
- Forecast currency needs and monitor stock levels to ensure that supply is adequate to meet public demand.
- Examine suspected counterfeit banknotes and coins to protect the integrity of the currency.
- Provide banking services efficiently and economically.
- Drive digital adoption and innovation in payments and currency-related services. Implement the Digital Euro and the Eurosystem's distributed ledger technology (DLT) solutions.
- Report Central Bank of Malta payments data in line with ECB payment statistics requirements.



## 3. Improve our engagement with stakeholders and continue to be a centre of excellence in economic, financial and statistical analysis and research in Malta.

The Bank will deepen its engagement with institutions, market participants, academia, students, the media and the wider public. By improving access to economic, financial and statistical information, enhancing financial literacy and communicating with clarity, the Bank will strengthen public understanding of economic and financial developments and reinforce its role as a credible and independent source of analysis.

- Wider diffusion of economic, statistical data and financial literacy among the public.
- Uphold transparency and institutional accountability through regular reporting and engagement with Parliament, in line with the provisions of the Central Bank of Malta Act.



## 4. Optimise the return on the Bank's financial assets while further aligning with environmental and social responsibility criteria.

The Bank will continue to manage its financial assets prudently, balancing return, liquidity and capital preservation within a robust risk-management framework. It will further integrate environmental, social and governance considerations into investment processes, enhance climate-related financial analysis and disclosures, and reduce its operational environmental footprint in line with broader sustainability objectives.

- Develop further economic and financial sector analysis framework to account for climate and nature-related risks.
- Further alignment of the Bank's financial asset portfolio with ESG principles and Paris-aligned targets.
- Continue to actively reduce the carbon footprint of the Bank.
- Maximise the Bank's return on financial assets within prudent risk parameters.
- Embed responsible investment as a key element in the management of financial assets, alongside liquidity, capital preservation and return.
- Increase transparency in investment methodologies and lead by example through climate-related financial disclosures and engagement with local and international institutions.

### 5. Foster financial stability, strengthening the framework for assessing the resilience of the domestic financial sector and formulating macroprudential policy through data driven, research-based policy making.

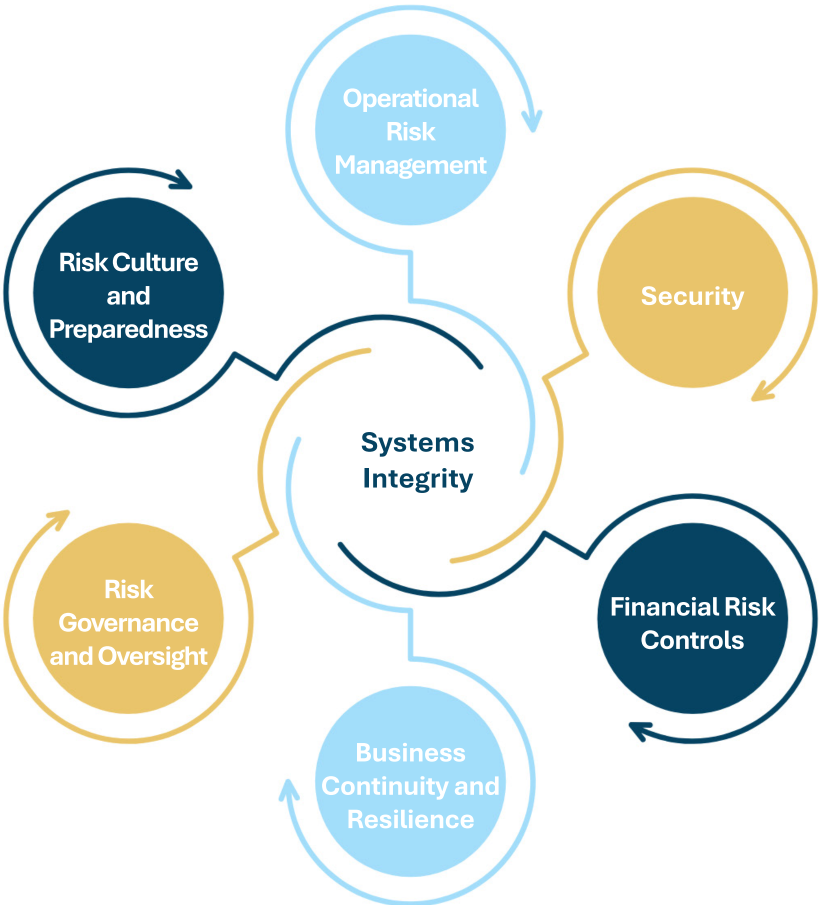
The Bank will further enhance its capacity to identify, assess and respond to systemic risks affecting Malta's financial system. This will involve further enhancing its macroprudential toolkit, strengthening crisis preparedness and broadening its surveillance of emerging risk drivers, including climate change and nature-related risks, cyber risk, digitalisation, artificial intelligence and developments in non-bank financial intermediation. Through these efforts, the Bank will strenghten its role as Malta's national macroprudential authority and contribute to enhancing the resilience of the wider European financial system.

- Strengthen the Bank's capacity to develop scenario and spillover research-based work to anticipate and assess emerging systemic risks, including climate change, network effects, cyber risk, digitalisation and artificial intelligence.
- Macroprudential oversight of bank and non-bank financial institutions, fit also for geopolitical risks, digital operational resilience, and the crypto and stablecoin age.
- Strengthen the Bank's capacity to support evidence-based macroprudential policy decisions.
- Advance the development of financial sector risk analysis and policy tools to support the effective discharge of the Bank's macroprudential mandate.
- Ensure cooperation across relevant departments in maintaining the domestic crisis-management framework, including the emergency liquidity assistance framework.
- Enhance and maintain strong analytical and research capabilities for macroprudential policy implementation.
- Ensure that Malta's macroprudential framework remains fit for purpose.

### 6. Enhance risk mitigation and security measures to fully safeguard the systems' integrity, according to appropriate governance frameworks.

The Bank will strengthen its risk management, security and oversight frameworks to enhance operational resilience, protect critical systems and maintain robust financial risk controls. This will include continued investment in staff capabilities, clearer risk communication and the ongoing refinement of governance arrangements to address an evolving risk landscape.

- Develop further the culture of risk assessments and oversight to strengthen operational resilience, financial risk control, and adherence to payment systems regulations.
- Effective oversight and advice through audit, legal, due diligence processes and transparent financial reporting to all stakeholders.
- Maintain adequate financial risk measurement and capital buffers to absorb potential losses under relevant stress scenarios.
- Ensure comprehensive credit-risk coverage across the Bank.
- Continue improving risk culture and resilience within the Eurosystem through clearer risk communication, knowledge sharing and robust risk-management processes.
- Enhance awareness and operation of resilience frameworks to improve the Bank's overall risk preparedness.



### 7. Maintain strong internal governance and strategy execution, in full compliance with the law.

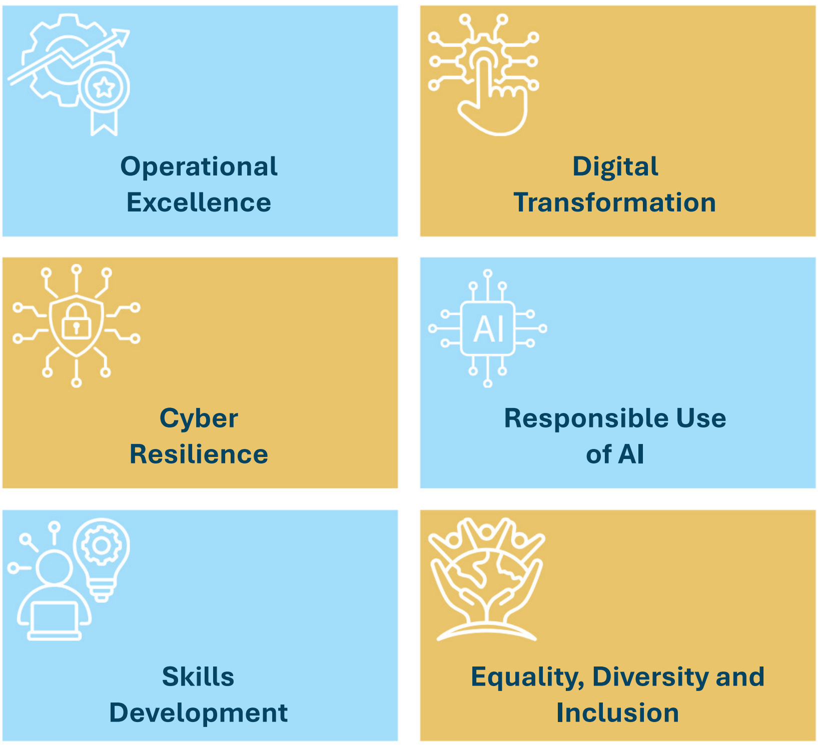
The Bank will continue to strengthen governance, accountability and strategy execution across all areas of activity. Robust audit, legal, due diligence, financial reporting and control functions will provide transparent assurance, independent advice and effective oversight, supporting compliance and institutional integrity.

- Prepare annual financial statements in accordance with the Central Bank of Malta Act, Cap. 204.
- Deliver statutory and management information regularly.
- Ensure the implementation of harmonised Eurosystem accounting rules.
- Safeguard the Bank's financial assets.
- Maintain effective ownership and governance of the Bank's core systems through the development, review, and continuous enhancement of standard operating procedures and associated risk-management processes.

## 8. Enhance overall efficiency and effectiveness, embracing digital transformation. Actively promote staff skills development, equality, inclusiveness, and diversity.

The Bank will continue to modernise its technology, processes and ways of working to improve efficiency, effectiveness and service quality. It will adopt digital and emerging technologies responsibly, strengthen cyber resilience and operational safeguards, and invest in a skilled, agile and diverse workforce. By fostering collaboration, inclusion and continuous learning, the Bank will ensure that its people remain central to the successful delivery of the strategy.

- Promote operational excellence, efficiency and effectiveness across business areas.
- Enable the Bank's digital transformation, upgrading information technology systems and infrastructure to keep pace with innovation.
- Strengthen operational resilience, especially through enhancements in cyber-security systems and surveillance.
- Promote Bank-wide deployment of AI technology in work processes, where feasible.
- Attract, develop, and retain a highly skilled, diverse, and futureready workforce capable of supporting the Bank's strategic priorities.
- Foster an inclusive, collaborative and productive work environment that supports crossteam cooperation and staff wellbeing.
- Equip staff with required skills, especially to adapt to the diffusion of new technologies.
- Promote equality, diversity and inclusion through fair people practices, inclusive leadership, workforce diversity and a culture in which all employees can succeed.



# Services that support the economy

**Economic Analysis and Research**

**Banker to the Government and the Banks**

**Manages Financial Assets**

**Supplies Banknotes and Coins**

**Financial Stability, Policy Making and Advice**

**Supports Payments and Markets**

# How the strategy supports Malta

**Price and Economic Stability**

**Public Confidence and Financial Literacy**

**Secure and Efficient Payments**

**Trusted Economic Intelligence**

**Financial System Resilience**

**Sustainable and Responsible Finance**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