



Preface

It is with great pleasure that we present the Annual Report of the Central Bank of Timor-Leste (BCTL) for the financial year 2023. The BCTL Annual Report summarizes and presents the international and national economic developments in 2023, as well as the range of activities carried out by BCTL throughout the year, including the provision of relevant financial information. The Organic Law of the Central Bank establishes and frames the Central Bank's annual reporting duties to the President of the Republic, the National Parliament, the Prime Minister, and the Minister of Finance.

The Bank remains actively committed to promoting monetary and financial stability, as well as financial inclusion, having developed particularly relevant initiatives in this context. One of the main activities carried out by BCTL was the digital payment system program. In 2023, BCTL, in partnership with financial institutions and P24 service providers, successfully integrated the tax payment system, the electronic wallet system, and BNU POS.

Also in 2023, the Central Bank continued to operationalize its partnership with the Ministry of Education, working together to implement the Financial Literacy Program in the country's public schools. The celebration of the 9th anniversary of National Savings Day, on November 29, 2023, was held at Timor Plaza in the municipality of Dili and included the celebration of the third anniversary of the digital camp.

In the context of the national payment system, the Central Bank continued to make every effort to always maintain sufficient liquidity reserves to meet cash payment needs and ensure the modernization and full functioning of the national payment and interbank settlement system, R-Timor.

BCTL made several decisions throughout 2023, notably the approval of instructions for the implementation of International Financial Reporting Standards (IFRS). In 2023, BNU Timor, in collaboration with Mastercard, BCTL, and its service provider, completed the integration of Mastercard into the P24 system. At the same time, BCTL's collaboration with BCTL and its service provider on the development of Union Pay card issuance (contactless & 3D Secure) made significant progress in 2023 and is expected to be completed in the first half of 2024.

In the 2023 financial year, BCTL's accounts recorded a positive net result of \$17.9 million, primarily generated by interest received from BCTL's reserve applications and revenues from Petroleum Fund management fees.


BCTL continued to work with the Ministry of Finance, as well as with the Investment Advisory Board of the Petroleum Fund in the ongoing reassessment of the Petroleum Fund's investment strategy and its rigorous implementation.

The Bank continued to strengthen its internal policy of enhancing the quality and capacity of its staff, allocating significant financial resources for this purpose.

Finally, as usual, I, as Governor of BCTL, would like to thank all Central Bank employees and our partners and interlocutors at various moments who have continued to actively contribute to the consolidation of the Central Bank and the economic development of our country.

Dili, 30 april 2024



 **Helder Lopes**
Governor