

Monthly Statistical Release

APR/MAY 2020



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CENTRAL BANK OF ESWATINI
Umntsholi Wemaswati



| HIGHLIGHTS ON MAJOR MONETARY AGGREGATES | MONTHLY | ANNUAL % CHANGE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-----------------|
| Gross official reserves stood at E7.2 billion at the end of May 2020, 11.2 per cent lower than the previous month but 29.1 per cent higher than the previous year. | 11.2 ▼ | 29.1 ▲ |
| Credit extended to the private sector contracted by 0.4 per cent month-on-month and by 5.9 per cent year-on-year to settle at E14.0 billion at the end of April 2020. The month-on-month decrease in private sector was observed in credit to businesses whilst credit to other sectors and households expanded. | 0.4 ▼ | 5.9 ▼ |
| Broad money supply (M2) rose by 5.1 per cent on a month-on-month basis and by 2.9 per cent annually to E17.8 billion in April 2020. The monthly growth was driven by quasi money supply whilst narrow money supply (M1) declined. | 5.1 ▲ | 2.9 ▲ |
| Domestic liquid assets grew by 12.9 per cent month-on-month and 19.8 per cent over the year to E6.2 billion in April 2020. The improvement was driven by an increase in the banks' balances at the Central Bank as well as investment in government securities. | 12.9 ▲ | 19.8 ▲ |
| | PERCENT | |
| Discount Rate: the discount rate was at 4.00 per cent in May 2020. | | 4.00 |
| Prime Lending Rate: the prime lending rate was at 7.50 per cent in May 2020. | | 7.50 |

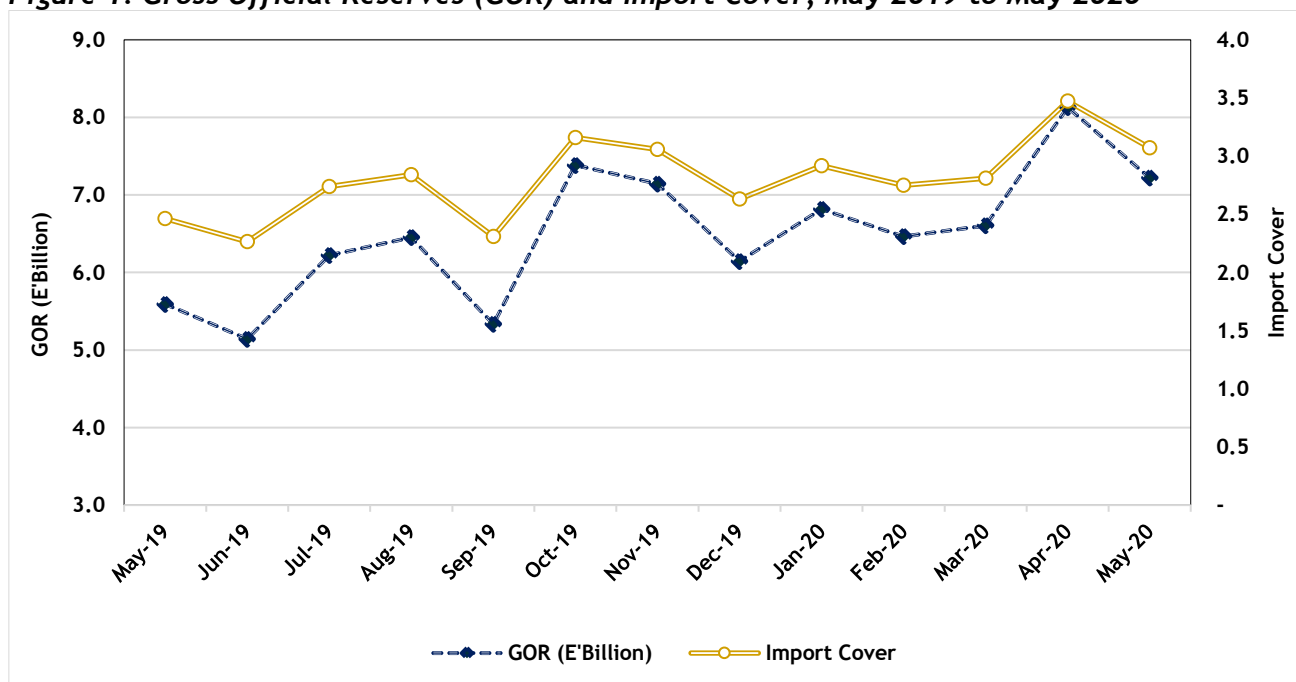
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Gross official reserves stood at E7.2 billion at the end of May 2020, reflecting a decline of 11.2 per cent from April 2020, but grew by 29.1 per cent over the year. In line with the fall in reserves, the import cover went down from 3.5 months recorded in April 2020 to 3.1 months at the end of May 2020.

Valued in special drawing rights (SDRs), the reserves amounted to SDR301.1 million at the end of May 2020, 7.6 per cent lower relative to the previous month but 8.6 per cent higher than the previous year.

Figure 1: Gross Official Reserves (GOR) and Import Cover; May 2019 to May 2020



Source: Central Bank of Eswatini

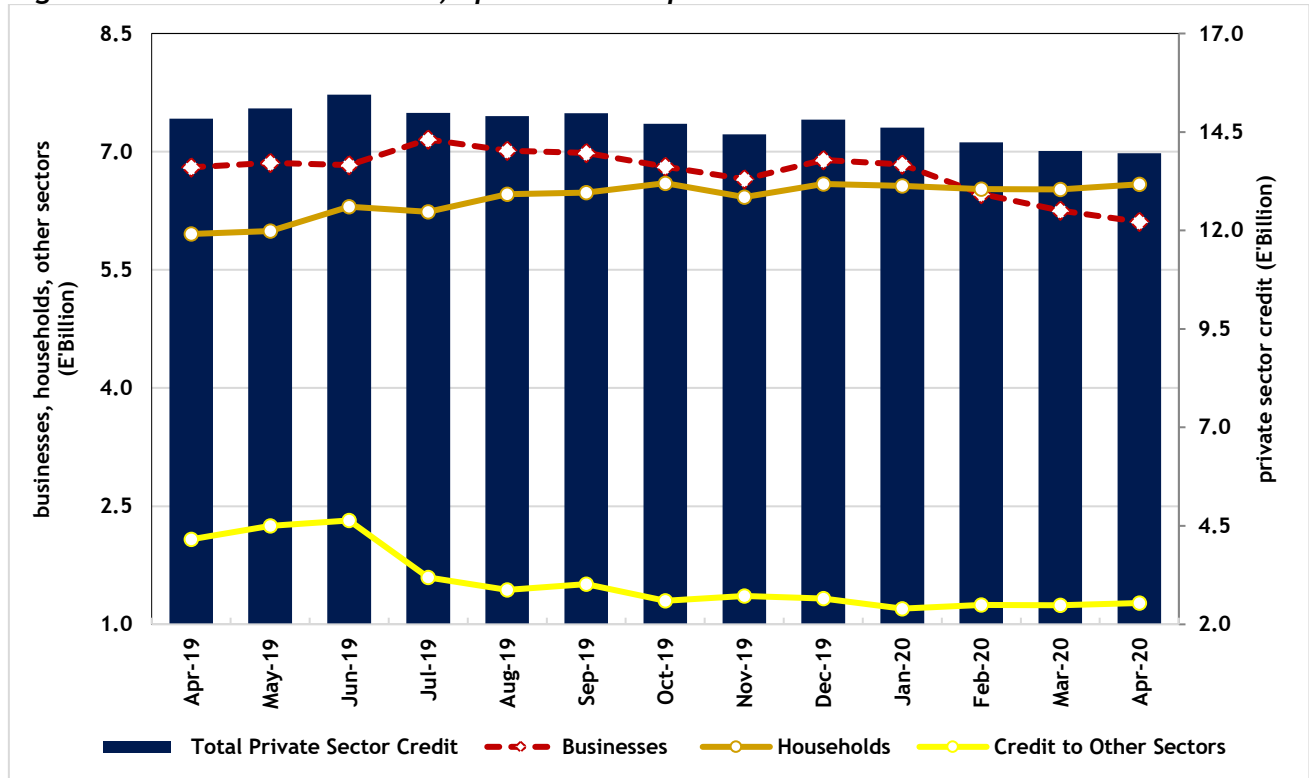
Credit extended to the private sector declined by 0.4 per cent month-on-month and by 5.9 per cent year-on-year to E14.0 billion at the end of April 2020. The monthly fall was due to a decline in credit to businesses while credit to other sectors and households & non-profit institutions serving households (NPISH) expanded.

Credit extended to businesses amounted to E6.1 billion at the end of April 2020, reflecting a decline of 2.3 per cent over the month and 10.2 per cent annually. The monthly reduction in credit to businesses was evident in the following subsectors in order of magnitude: manufacturing (-27.2 per cent), community, social & personal services (-3.6 per cent), construction (2.4 per cent) as well as transport & communication (1.3 per cent).

Credit to other sectors rebounded from a fall of 0.3 per cent recorded in March 2020 to a month-on-month growth of 2.1 per cent but decreased by 39.0 per cent year-on-year to

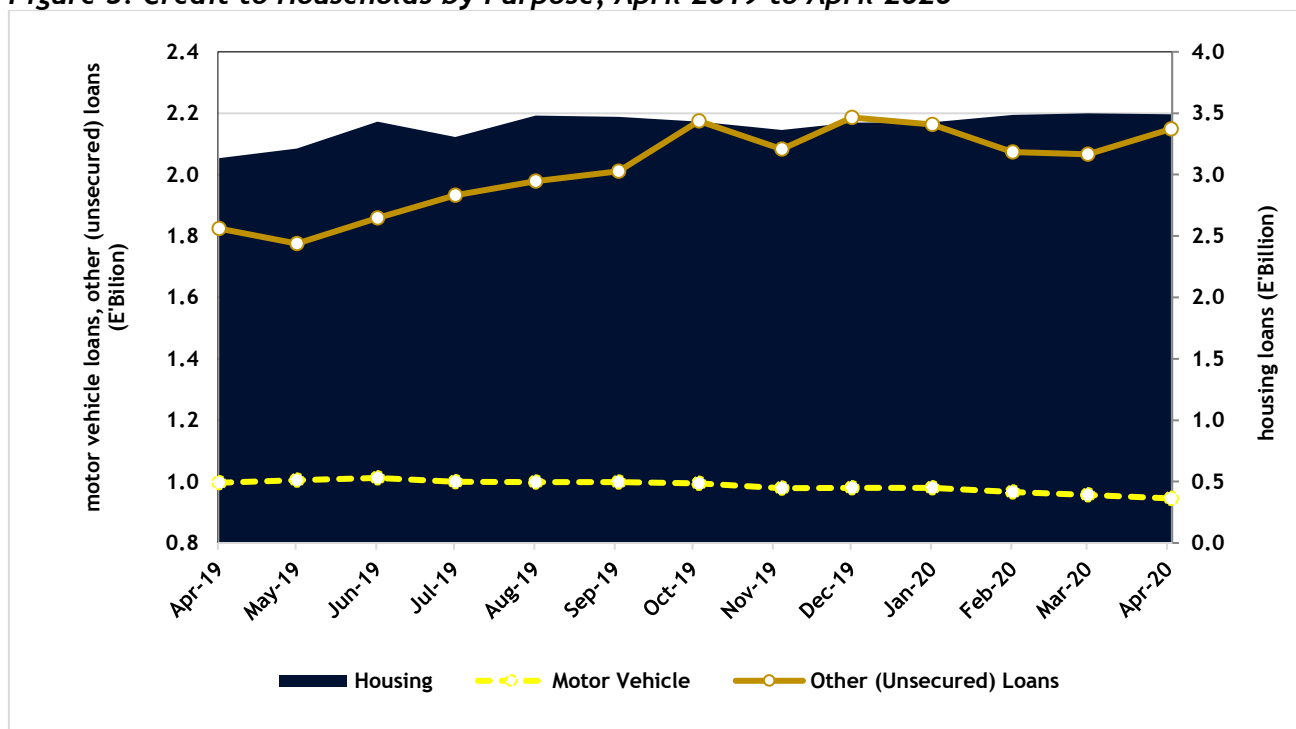
E1.3 billion at the end of April 2020. The improvement was attributed to a 5.7 per cent growth in credit to other financial corporations. Partly offsetting the increase was a fall in credit to local government and public nonfinancial corporations by 3.7 per cent and 1.3 per cent, respectively.

Figure 2: Private Sector Credit; April 2019 to April 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH expanded by 1.0 per cent month-on-month and 10.6 per cent year-on-year to settle at E6.6 billion at the end of April 2020. The rise was driven by other personal (unsecured) loans which grew by 4.0 per cent month-on-month to E2.1 billion. Partially offsetting the increase was a month-on-month reduction in motor vehicle loans by 1.2 per cent to E1.0 million whilst mortgage loans fell by a lesser margin of 0.2 per cent to E3.5 billion.

Figure 3: Credit to Households by Purpose; April 2019 to April 2020

Source: Central Bank of Eswatini & Other Depository Corporations

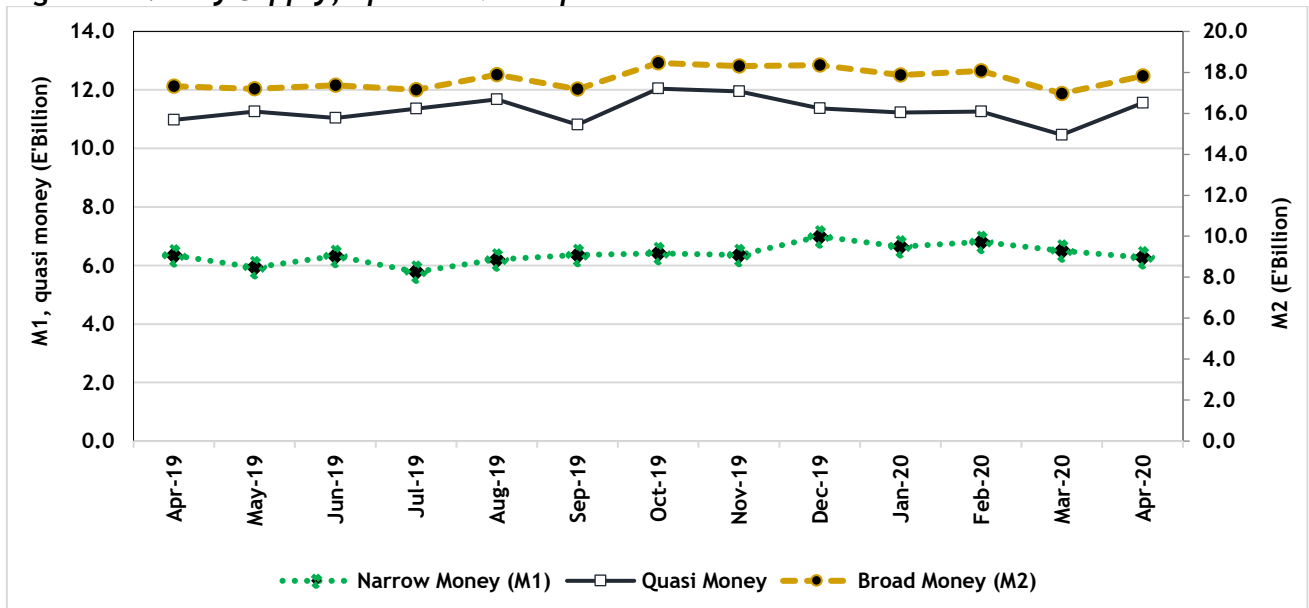
Net claims on government with the banking sector fell by 68.4 per cent month-on-month and 63.4 per cent over the year. This was attributed to claims on government, which fell by 15.1 per cent as government partly settled its advance from the Central Bank. Government deposits on the other hand, rose by 17.6 per cent mainly boosted by the Southern African Customs Union (SACU) receipts at the beginning of April 2020.

Broad money supply (M2) amounted to E17.8 billion at the end of April 2020, depicting a month-on-month growth of 5.1 per cent and 2.9 per cent over the year. The month-on-month increase was largely driven by an inflow of export proceeds which increased quasi money supply whilst narrow money supply (M1) contracted.

Quasi Money Supply trended upward by 10.4 per cent on a monthly basis and 5.2 per cent year-on-year to E11.6 billion at the end of April 2020. With regard to the components of quasi money supply, time deposits expanded by 11.1 per cent to E9.5 billion and savings deposits by 7.4 per cent to E2.0 billion.

Narrow money supply (M1) depicted a contraction of 3.5 per cent month-on-month and 1.2 per cent year-on-year to settle at E6.3 billion at the end of April 2020. The reduction was on account of transferable deposits which fell by 5.5 per cent to E5.5 billion. In contrast, Emalangeni outside depository corporations grew by 13.8 per cent to E762.0 million.

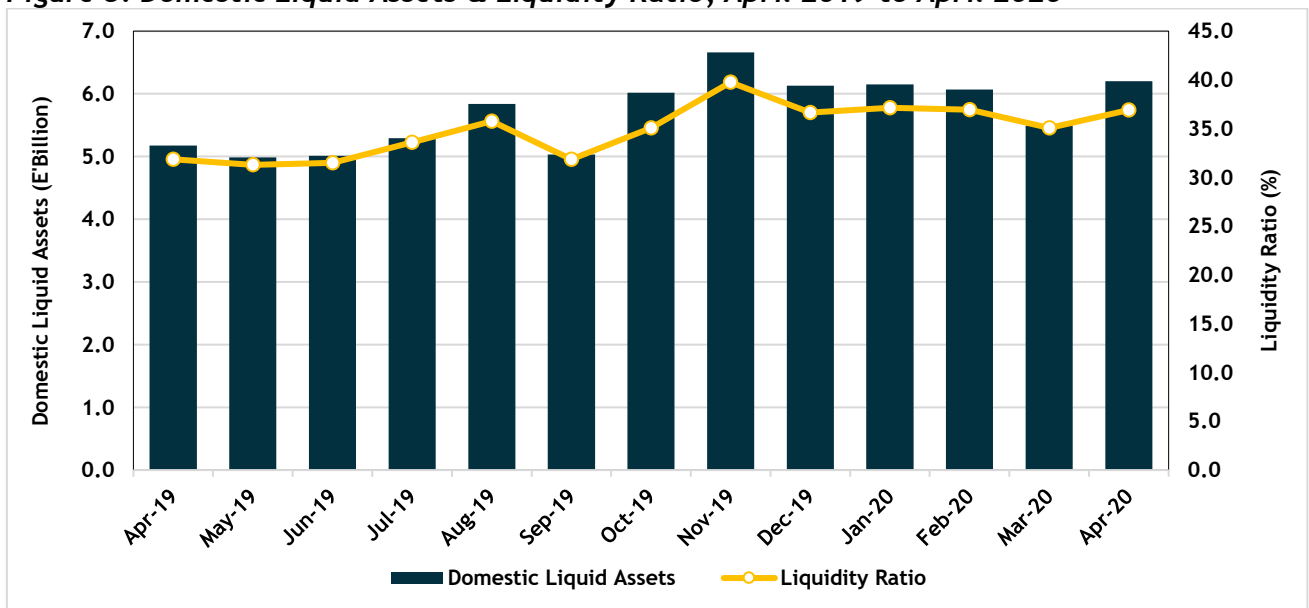
Figure 4: Money Supply; April 2019 to April 2020



Source: Central Bank of Eswatini & Other Depository Corporations

Domestic liquid assets of the banking industry amounted to E6.2 billion at the end of April 2020, depicting a rise of 12.9 per cent month-on-month and 19.8 per cent annually. The improvement in banks' liquid assets stemmed from a rise in their balances with the Central Bank and investment in government securities at the end of April 2020. The liquidity ratio stood at 36.9 per cent reflecting an expansion of 1.8 percentage points when compared to March 2020.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; April 2019 to April 2020



Source: Other Depository Corporations



RELEASE OF MONEY AND BANKING STATISTICS

| ITEM | Apr-20 | Mar-20 | Apr-19 |
|-------------------------------------------------------|---------------------|---------------------|-------------------|
| | Amount (E'000) | Amount (E'000) | Amount (E'000) |
| CENTRAL BANK OF ESWATINI | | | |
| Claims on Non-residents | 9,923,812 | 8,355,649 | 7,182,164 |
| Claims on Domestic Economy | 1,945,047 | 3,039,604 | 3,037,025 |
| Government | 1,915,727 | 3,010,406 | 3,007,258 |
| Other Depository Corporations | 2,082 | 2,082 | 2,064 |
| Other Resident Sectors | 27,238 | 27,116 | 27,703 |
| Other Assets | 530,194 | 546,124 | 502,584 |
| Total Assets/Liabilities | 12,399,053 * | 11,941,377 * | 10,721,772 |
| OTHER DEPOSITORY CORPORATIONS | | | |
| Cash and Deposits with CBE | 3,289,046 | 2,762,629 | 2,438,591 |
| Net Balances with Banks Outside Eswatini | 1,566,247 | 1,190,638 | 1,801,903 |
| Loans and advances | 13,314,319 | 13,400,821 | 13,356,676 |
| Government Securities | 3,222,419 | 3,046,252 | 3,030,414 |
| Treasury Bills | 2,307,689 | 2,132,592 | 2,001,013 |
| Government Bonds | 914,730 | 913,660 | 1,029,402 |
| Other | - | - | - |
| Total Deposits | 18,258,707 | 17,220,106 | 17,630,708 |
| Transferable/Demand | 5,863,865 | 5,933,592 | 5,913,188 |
| Savings | 2,071,805 | 1,932,502 | 1,909,275 |
| Time | 10,323,037 | 9,354,012 | 9,808,245 |
| Capital and Reserves | 4,183,299 | 4,189,996 | 3,872,462 |
| Total Assets/Liabilities | 25,026,075 | 23,907,518 | 23,930,593 |
| Total Liquid Assets (Banks only) | 6,203,671 | 5,493,024 | 5,176,518 |
| Required Liquidity (Banks only) | 3,325,940 | 3,656,195 | 4,004,868 |
| Surplus/ Deficiency (-) (Banks only) | 2,877,730 | 1,836,829 | 1,171,651 |
| RATIOS (%) | | | |
| Actual Liquidity to Domestic Liabilities (Banks Only) | 36.9 | 35.1 | 31.9 |
| Loans and Advances to Deposits | 72.9 | 77.8 | 75.8 |



| DEPOSITORY CORPORATIONS SURVEY | | | | <i>Apr-20</i> | <i>Mar-20</i> | <i>Apr-19</i> |
|-----------------------------------------------------------------|------------------|---------------------|--------------------|---------------------|------------------|---------------|
| Net Foreign Assets (E) | | 9,835,631 | 7,597,196 | 6,522,355 | | |
| Net Official Assets | | 7,284,620 | 5,636,570 * | 4,817,336 | | |
| Foreign Assets - Central Bank of Eswatini | | 9,950,055 | 8,381,891 | 7,208,406 | | |
| Foreign Liabilities - Central Bank of Eswatini | | 2,665,435 | 2,745,322 | 2,391,070 | | |
| Net Other Depository Corporations Foreign holdings (ODC) | | 2,551,011 * | 1,960,627 * | 1,705,018 * | | |
| Foreign Assets - ODC | | 2,750,647 | 2,291,923 | 2,011,677 | | |
| Foreign Liabilities - ODC | | 199,636 | 331,296 | 306,659 | | |
| Net Foreign Assets (SDR) | | 394,408 | 312,245 | 328,075 | | |
| Net Domestic Claims | | 14,692,868 | 16,324,088 | 16,835,063 * | | |
| Net Claims on Government | | 729,245 | 2,306,891 * | 2,000,334 * | | |
| Claims on Central Government | | 5,162,510 | 6,078,119 | 6,081,028 | | |
| Government Deposits | | 4,433,265 | 3,771,229 | 4,080,694 | | |
| Claims on other sectors | | 13,963,623 | 14,017,197 | 14,834,730 | | |
| Other nonfinancial corporations (Industry) | | 6,108,578 | 6,253,165 | 6,800,569 | | |
| Other resident sectors (Households & NPISH) | | 6,585,997 | 6,521,338 | 5,954,714 | | |
| Other sectors | | 1,269,048 | 1,242,694 | 2,079,447 | | |
| Broad Money Supply (M2) | | 17,828,125 * | 16,969,577 | 17,329,490 | | |
| Narrow Money Supply (M1) | | 6,273,210 * | 6,502,407 | 6,348,037 | | |
| Currency outside depository corporations (E) | | 761,979 | 669,623 | 650,831 | | |
| Transferable (demand) deposits | | 5,511,232 | 5,832,784 | 5,697,206 | | |
| Quasi Money | | 11,554,914 * | 10,467,170 | 10,981,453 * | | |
| Savings Deposits | | 2,028,981 | 1,889,778 | 1,872,792 | | |
| Time Deposits | | 9,525,934 | 8,577,392 | 9,108,661 | | |
| Shares and Other Equity | | 7,128,022 | 7,633,482 | 6,112,690 | | |
| Central Bank Of Eswatini | | 2,380,740 | 2,873,871 | 1,667,356 | | |
| Other Depository Corporations | | 4,747,281 | 4,759,611 | 4,445,334 | | |
| Other Items (net) | | -427,648 | -681,774 | -84,762 | | |
| GROSS OFFICIAL RESERVES | | | | | | |
| | <i>May-20</i> | <i>Apr-20</i> | <i>Mar-20</i> | <i>Apr-19</i> | <i>May-19</i> | |
| | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | <i>Amount</i> | |
| | <i>(E'000)</i> | <i>(E'000)</i> | <i>(E'000)</i> | <i>(E'000)</i> | <i>(E'000)</i> | |
| Total Official (Gross) - Emalangeni E | 7,220,371 | 8,129,835 | 6,605,328 | 5,751,982 | 5,591,980 | |
| Special Drawing Rights (SDR) | 301,090 | 326,006 | 271,479 | 289,325 | 277,362 | |
| Central Bank | 7,220,371 | 8,129,835 | 6,605,328 | 5,751,982 | 5,591,980 | |
| Government | 26,243 | 26,243 | 26,243 | 26,243 | 26,243 | |
| Import Cover (reserves to months of estimated imports) | 3.1 | 3.5 | 2.8 | 2.5 | 2.5 | |
| Net Bank Holdings | | 2,551,011 | 1,960,627 | 1,705,018 | 1,471,206 | |

NOTES:

- 1.Data supplied in this Monthly Release represent an abstract of those provided regularly in the Central Bank's Quarterly Review.
- 2.This Release is issued every month.
- 3.All figures shown are subject to revision.
- 4.For definitions of concepts used reference should be made to the relevant notes in the Central Bank's Quarterly Review.
- 5.Import cover figures are subject to revision as import figures used have a 3 month lag.
- 6.* Owing to the rounding of figures , the sum of separate items will sometimes differ in the final digit from the total shown.