

Monthly Statistical Release

AUGUST/SEPTEMBER 2022



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**CENTRAL BANK
OF ESWATINI**
Umntsholi Wemaswati



HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
Preliminary Gross official reserves declined by 3.3 per cent month-on-month and 18.9 per cent year-on-year to reach E7.0 billion at the end of September 2022.	3.3 ▼	18.9 ▼
Credit extended to the private sector stood at E16.7 billion in August 2022, higher by 0.1 per cent from July 2022 and 3.4 per cent over the year.	0.1 ▲	3.4 ▲
Broad money supply (M2) reached E20.4 billion in August 2022, reflecting a decline of 0.4 per cent month-on-month and growth of 1.9 per cent over the year.	0.4 ▼	1.9 ▲
Domestic liquid assets grew by 8.9 per cent month-on-month and fell by 5.6 per cent year-on-year to E7.0 billion in August 2022.	8.9 ▲	5.6 ▼
		PERCENT
Discount Rate: The Central Bank of Eswatini raised the discount rate to 6.0 per cent in September 2022.		6.00
Prime Lending Rate: The commercial banks also raised the prime lending rate to 9.5 per cent in September 2022.		9.50

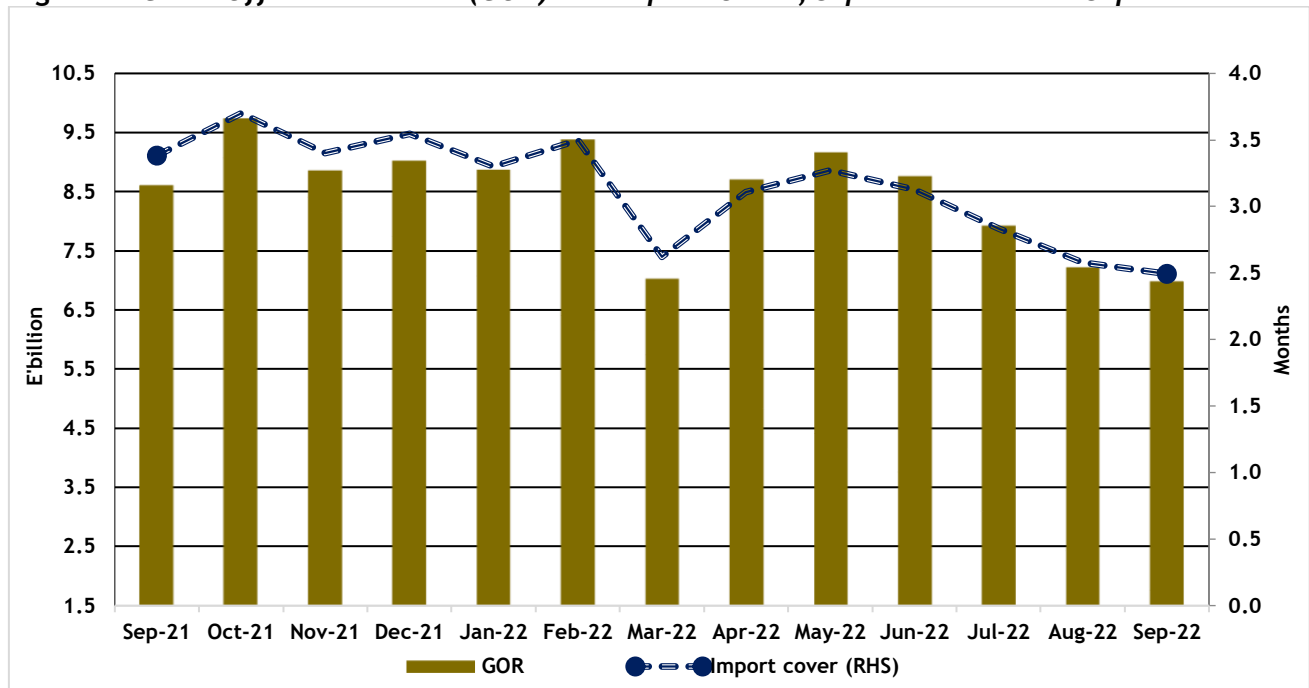
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Preliminary gross official reserves amounted to E7.0 billion at the end of September 2022, reflecting a fall of 3.3 per cent from August 2022 and 18.9 per cent over the year. The decline was mainly attributed to a net outflow of foreign currency from trades with local banks coupled with payment of government's fiscal obligations over the month under review. The reserves were therefore, enough to cover 2.5 months of imports of goods and services, lower than the 2.6 months covered in August 2022.

Valued in special drawing rights (SDR), the reserves stood at SDR303.4 million at the end of September 2022, lower by 6.7 per cent month-on-month and 25.1 per cent year-on-year.

Figure 1: Gross Official Reserves (GOR) and Import Cover; September 2021 to September 2022



Source: Central Bank of Eswatini

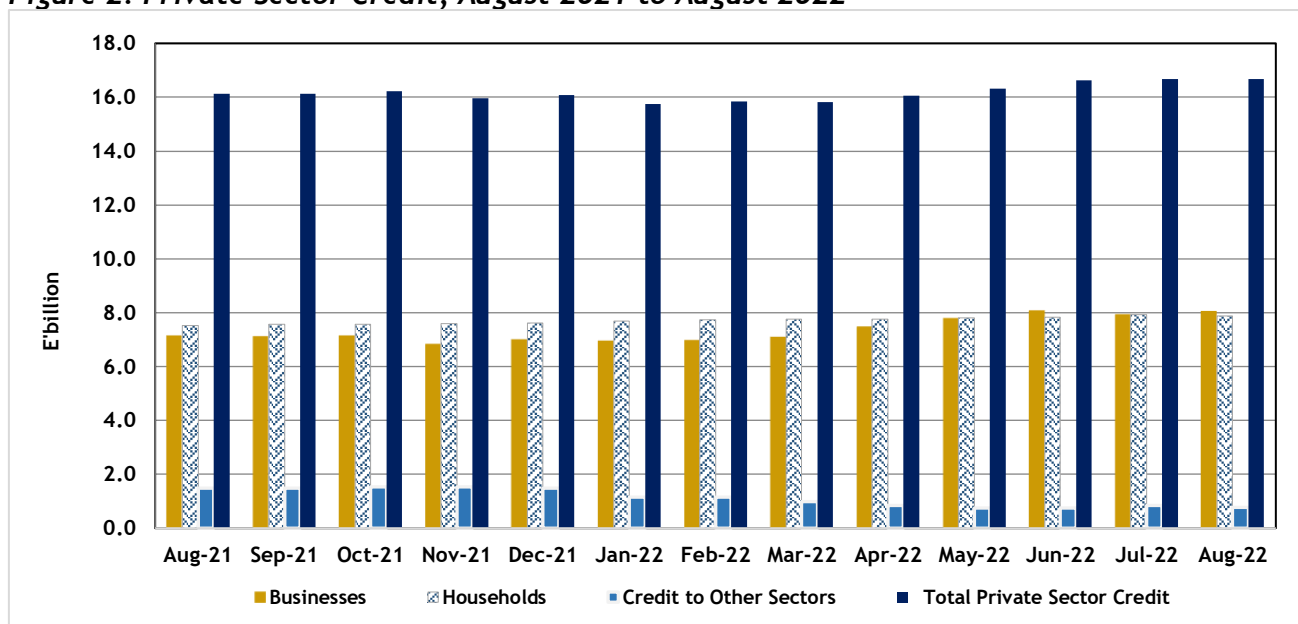
Credit extended to the private sector amounted to E16.7 billion at the end of August 2022, higher by 0.1 per cent from the previous month and 3.4 per cent over the year. Growth was solely driven by credit to businesses while credit to other sectors of the domestic economy and households & non-profit institutions serving households (NPISH) declined.

Credit extended to businesses closed the review month at E8.0 billion, higher by 1.7 per cent relative to July 2022 and 12.7 per cent year-on-year. The rise in credit to businesses was recorded in the following subsectors; distribution & tourism (12.8 per cent), real estate (3.4 per cent), construction (0.6 per cent) and community, social & personal service (0.6

per cent). However, a decline was observed in the following subsectors; agriculture & forestry (-10.6 per cent), mining & quarrying (-3.8 per cent), transport & communications (-1.8 per cent) as well as manufacturing (-1.4 per cent).

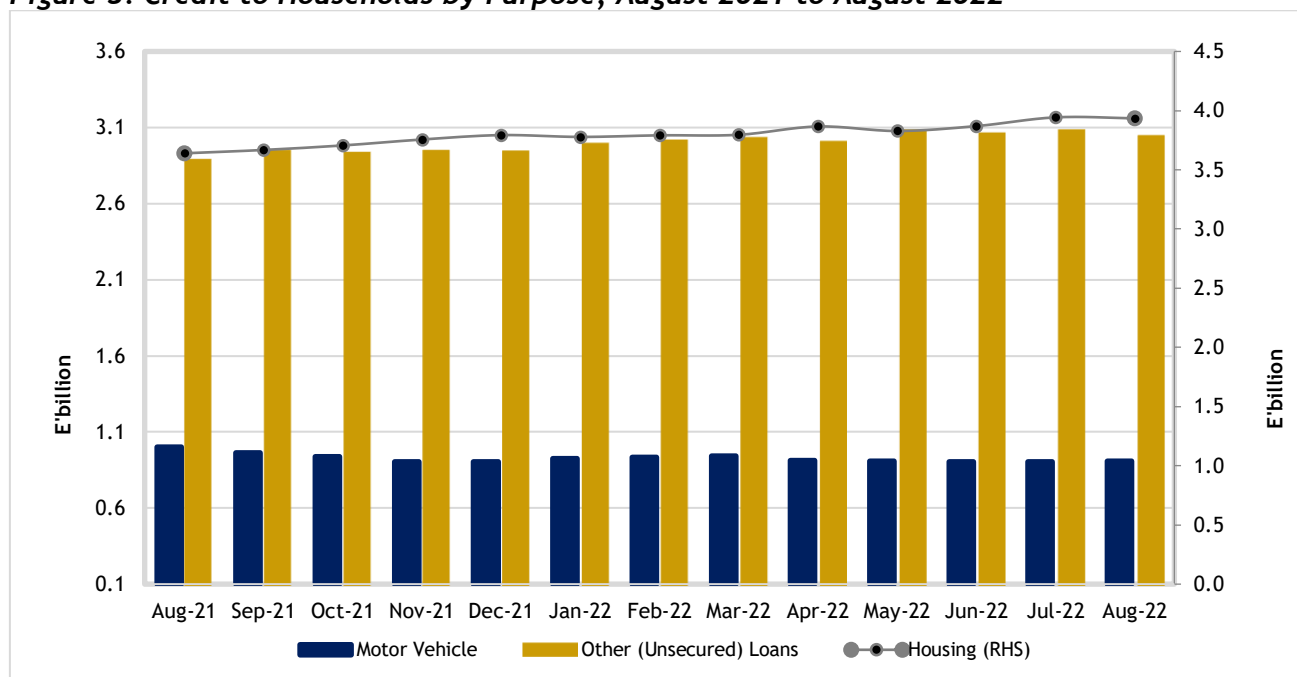
Credit extended to other sectors contracted by 8.4 per cent month-on-month and 48.0 per cent year-on-year to settle at E773.8 million at the end of August 2022. The decrease was observed in credit to other financial corporations and public nonfinancial corporations, which fell by 12.1 per cent and 3.5 per cent, respectively. Credit to local government on the contrary, improved by 9.7 per cent.

Figure 2: Private Sector Credit; August 2021 to August 2022



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH receded by 0.5 per cent month-on-month and grew by 4.8 per cent year-on-year to E7.9 billion at the end of August 2022. The month-on-month contraction was recorded in other personal (unsecured) and housing loans, which fell by 1.3 per cent to E3.0 billion and 0.2 per cent to E3.9 billion, respectively. Motor vehicle loans, on the other hand, expanded by 0.5 per cent to reach E908.1 million at the end of August 2022.

Figure 3: Credit to Households by Purpose; August 2021 to August 2022

Source: Central Bank of Eswatini & Other Depository Corporations

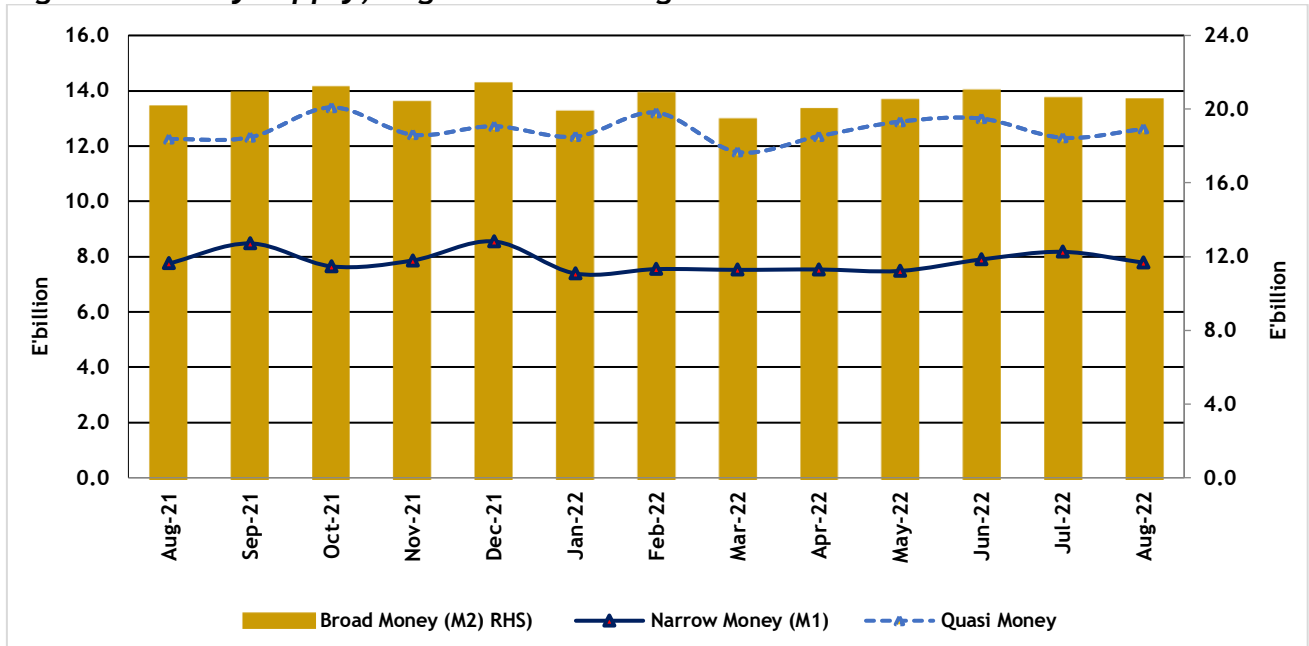
Net claims on government held by the banking sector reached E2.9 billion at the end of August 2022 from E2.0 billion in July 2022. Accounting for the increase was an advance from the Central Bank over the month under review. Therefore, claims on government rose by 9.3 per cent month-on-month to E7.3 billion. Government deposits on the other hand, contracted by 6.9 per cent from July 2022 to E4.4 billion at the end of August 2022.

Broad money supply (M2) closed the review month at E20.4 billion, representing a reduction of 0.4 per cent relative to the previous month and growth of 1.9 per cent over the year. The contraction was driven by narrow money supply (M1) while quasi money supply increased.

Narrow money supply (M1) stood at E7.8 billion at the end of August 2022, lower by 4.8 per cent compared to July 2022, however, grew by 0.4 per cent year-on-year. The decline was evident in both components of M1; Emalangi outside depository corporations and transferable (demand) deposits, which receded by 12.0 per cent to E673.6 million and 4.1 per cent to E7.1 billion, respectively.

Quasi money supply stood at E12.6 billion at the end of August 2022, representing an increase of 2.6 per cent month-on-month and 3.0 per cent year-on-year. Growth was driven by time deposits, which grew by 3.2 per cent month-on-month to E10.6 billion. Savings deposits, on the other hand, fell by 0.4 per cent month-on-month to E2.1 billion.

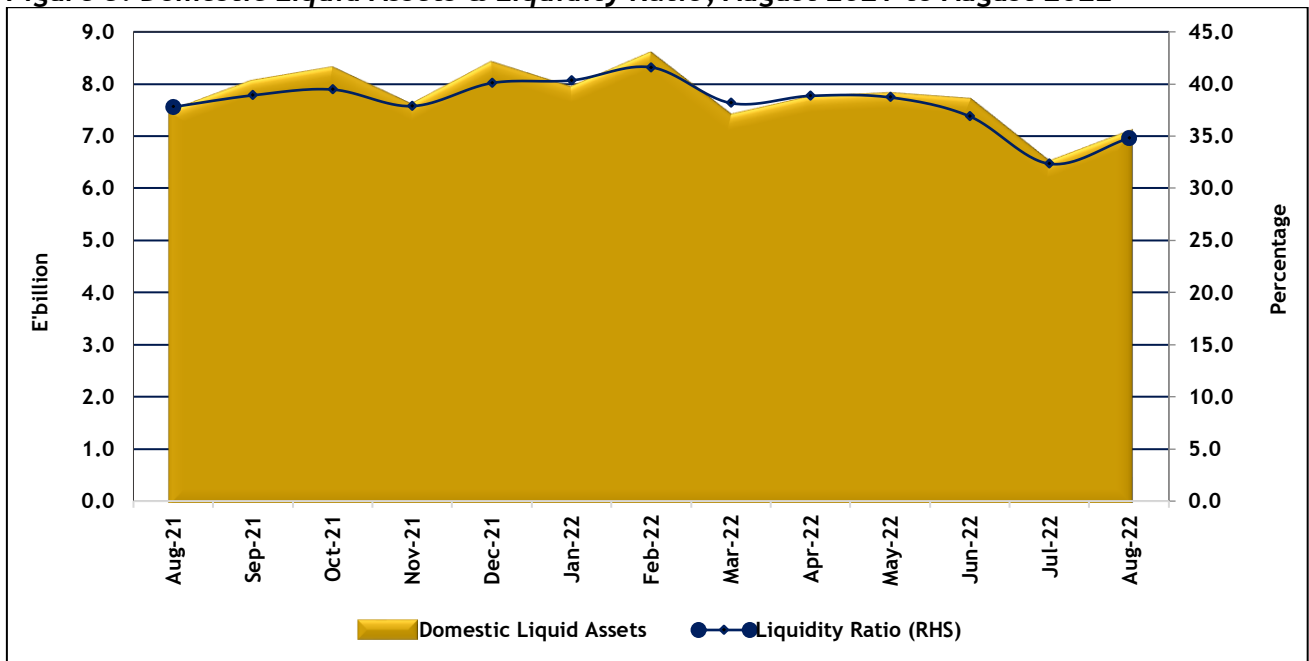
Figure 4: Money Supply; August 2021 to August 2022



Source: Central Bank of Eswatini & Other Depository Corporations

Overall liquidity position of banks amounted to E7.0 billion at the end of August 2022, higher by 8.9 per cent from the previous month and lower by 5.6 per cent year-on-year. The month-on-month growth was on account of an increase in the banks’ balances held with the Central Bank, cash holdings in tills as well as investments in government securities. Consequently, the banks’ liquidity ratio rose to 34.8 per cent at the end of August 2022 from 32.3 per cent in July 2022.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; August 2021 to August 2022



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

ITEM	Aug-22	Jul-22	Aug-21
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF ESWATINI			
Claims on Non-residents	8,807,367	9,488,752	10,212,803
Claims on Domestic Economy	2,926,054 *	2,444,328	2,408,586
Government	2,892,352	2,407,312	2,375,279
Other Depository Corporations	2,082	2,082	2,082
Other Resident Sectors	31,621	34,934	31,225
Other Assets	582,291	915,210	519,659
Total Assets/Liabilities	12,315,712	12,848,290	13,141,048
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBE	2,958,616	2,499,161	3,020,062
Net Balances with Banks Outside Eswatini	2,484,032	3,163,205	1,967,094
Loans and advances	16,278,403	16,194,445	15,247,664
Government Securities	4,350,414	4,214,094	4,590,933 *
Treasury Bills	2,046,775	1,923,603	2,441,484
Government Bonds	2,303,639	2,290,491	2,149,450
Other	-	-	-
Total Deposits	22,009,716	21,831,744	21,845,511
Transferable/Demand	7,592,993	7,771,867	7,460,661
Savings	2,109,319	2,116,636	1,985,641
Time	12,307,404	11,943,241	12,399,209
Capital and Reserves	4,750,792	4,719,124	4,483,876
Total Assets/Liabilities	30,572,366	29,884,392	28,435,574
Total Liquid Assets (Banks only)	7,011,310	6,437,907	7,423,601
Required Liquidity (Banks only)	3,980,795	3,932,691	3,889,098
Surplus/ Deficiency (-) (Banks only)	3,030,515	2,505,217 *	3,534,503
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	34.8	32.3	37.8
Loans and Advances to Deposits	74.0	74.2	69.8

DEPOSITORY CORPORATIONS SURVEY		Aug-22	Jul-22	Aug-21	
Net Foreign Assets (E)		7,705,483	8,744,103	8,533,734	
Net Official Assets		4,821,327 *	5,536,004	6,202,285	
Foreign Assets - Central Bank of Eswatini		8,833,610	9,514,995	10,239,045	
Foreign Liabilities - Central Bank of Eswatini		4,012,282	3,978,991	4,036,760	
Net Other Depository Corporations Foreign holdings (ODC)		2,884,155	3,208,098 *	2,331,449	
Foreign Assets - ODC		4,798,420	4,677,001	2,841,996	
Foreign Liabilities - ODC		1,914,265	1,468,902	510,547	
Net Foreign Assets (SDR)		347,518	401,354	412,607	
Net Domestic Claims		19,584,913	18,619,937	17,082,899	
Net Claims on Government		2,902,850	1,955,344	953,632 *	
Claims on Central Government		7,280,969	6,659,515	7,012,663	
Government Deposits		4,378,119	4,704,171	6,059,032	
Claims on other sectors		16,682,063 *	16,664,593	16,129,267 *	
Other nonfinancial corporations (Industry)		8,031,587	7,900,913	7,125,970	
Other resident sectors (Households & NPISH)		7,876,682	7,919,198	7,516,404	
Other sectors		773,795	844,482	1,486,892	
Broad Money Supply (M2)		20,393,638 *	20,471,587	20,004,417	
Narrow Money Supply (M1)		7,778,874	8,171,439	7,751,470	
Currency outside depository corporations (E)		673,603	765,390	854,884	
Transferable (demand) deposits		7,105,271	7,406,049	6,896,586	
Quasi Money		12,614,765	12,300,148	12,252,947 *	
Savings Deposits		2,061,870	2,070,647	1,910,968	
Time Deposits		10,552,895	10,229,501	10,341,978	
Shares and Other Equity		7,666,207	7,637,206	6,502,559	
Central Bank Of Eswatini		2,219,022	2,214,519	1,346,357	
Other Depository Corporations		5,447,185	5,422,688	5,156,203	
Other Items (net)		-769,449	-744,753	-890,343	
GROSS OFFICIAL RESERVES		Sep-22	Aug-22	Jul-22	Aug-21
		Amount	Amount	Amount	Amount
		(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E		6,975,243	7,212,285	7,921,472	8,724,939
Special Drawing Rights (SDR)		303,423	325,275	363,595	421,851
Central Bank		6,975,243	7,212,285	7,921,472	8,724,939
Government		26,243	26,243	26,243	26,243
Import Cover (reserves to months of estimated imports)		2.5	2.6	2.8	3.4
Net Bank Holdings		2,884,155	3,208,098	2,331,449	2,778,323

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.