Monthly Statistical Release

February/March 2024

CENTRAL BANK
OF ESWATINI
Umntsholi Wemaswati

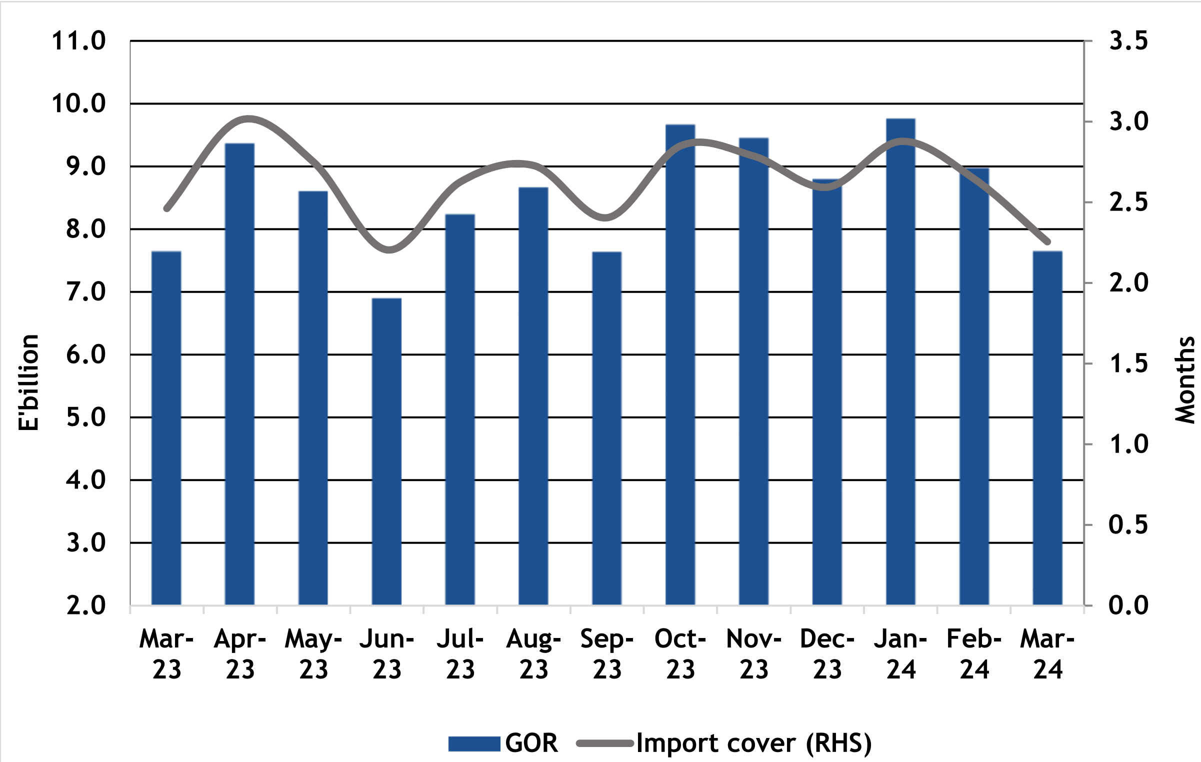
Bek'e-langa
Re-imagining Central Bank for
a sustainable future

HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Preliminary gross official reserves declined by 14.8 per cent month-on-month and grew by 0.1 per cent year-on-year to reach E7.6 billion at the end of March 2024.	14.8 ▼	0.1 ▲
Credit extended to the private sector amounted to E18.7 billion at the end of February 2024, reflecting a decline of 0.02 per cent month-on-month and growth of 7.3 per cent year-on-year.	0.02 ▼	7.3 ▲
Broad money supply (M2) decreased by 2.2 per cent month-on-month and grew by 13.8 per cent year-on-year to settle at E22.7 billion at the end of February 2024.	2.2 ▼	13.8 ▲
Domestic liquid assets increased by 0.5 per cent from the previous month and 9.4 per cent year-on-year to close the month of February 2024 at E7.6 billion.	0.5 ▲	9.4 ▲
	PER CENT	
Discount rate*:* The discount rate was left unchanged at 7.50 per cent in March 2024.	7.50	
Prime lending rate: Similarly, commercial banks' prime lending rate was also unchanged at 11.00 per cent in March 2024.	11.00	

Preliminary gross official reserves figure stood at E7.6 billion at the end of March 2024, depicting a contraction of 14.8 per cent month-on-month and growth of 0.1 per cent year-on-year. The month-on-month decline in reserves was largely on account of a net outflow of Rands from trades with commercial banks combined with payment of government's fiscal obligations. Consequently, the import cover fell to 2.3 months from 2.6 months recorded in February 2024.

Valued in special drawing rights (SDR), the reserves contracted by 13.2 per cent month-on-month and 5.0 per cent year-on-year to close the month of March 2024 at SDR305.1 million.

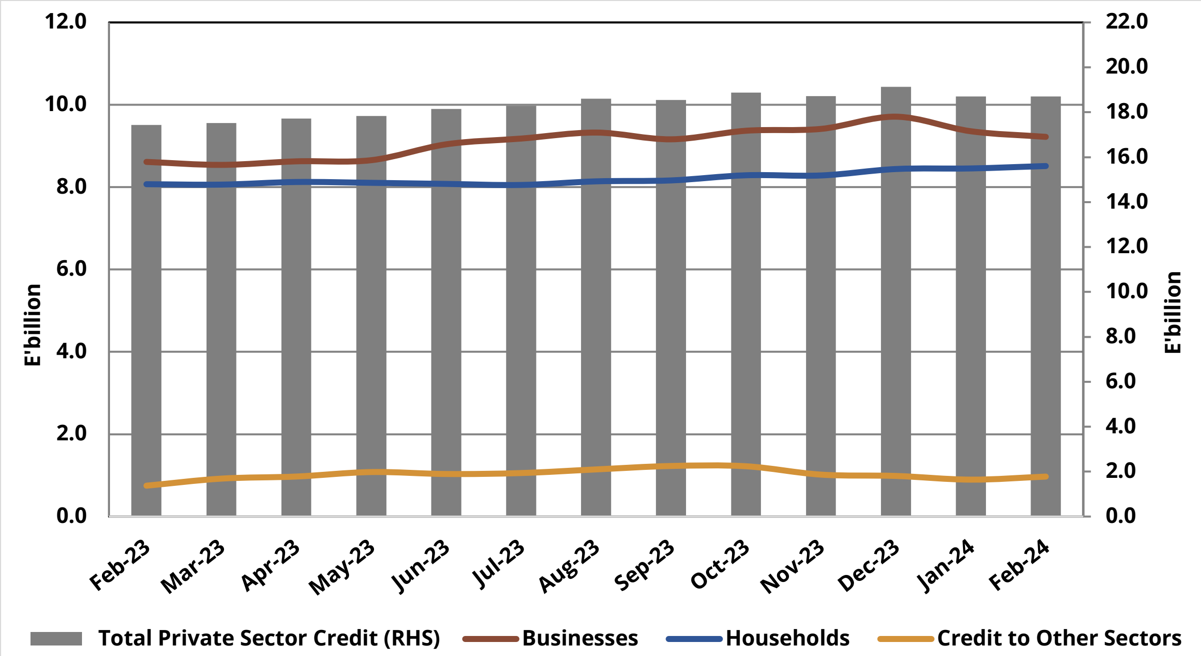
Figure 1: Gross Official Reserves (GOR) and Import Cover; March 2023 to March 2024



Source: Central Bank of Eswatini

Credit extended to the private sector closed the month under review at E18.7 billion, reflecting a slight decline of 0.02 per cent month-on-month, but grew by 7.3 per cent year-on-year. The month-on-month contraction in private sector credit was evident in credit to businesses whilst credit to other sectors of the domestic economy and households & non-profit institutions serving households (NPISH) increased.

Figure 2: Private Sector Credit; February 2023 to February 2024

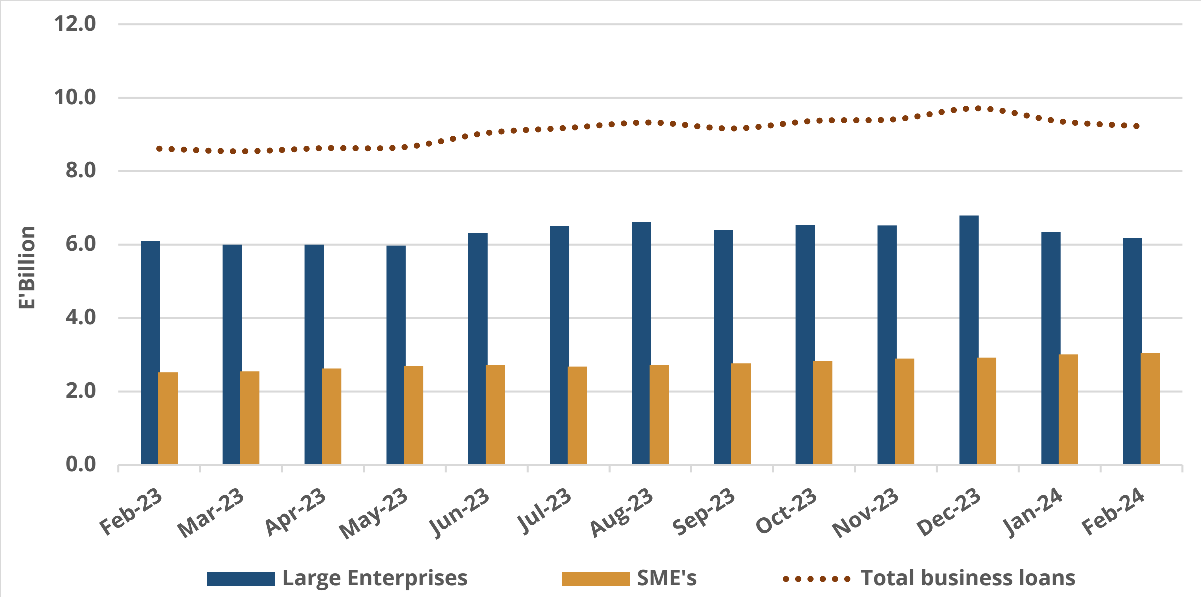


Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to businesses receded by 1.5 per cent month-on-month and rose by 7.1 per cent year-on-year to stand at E9.2 billion at the end of February 2024. Accounting for the month-on-month reduction in credit to businesses were the following subsectors: distribution & tourism (-10.2 per cent), mining & quarrying (-6.3 per cent), agriculture & forestry (-0.7 per cent), and community, social & personal services (-0.7 per cent). However, growth was observed in the following subsectors; manufacturing (2.3 per cent), construction (1.3 per cent), transport & communication (1.2 per cent), as well as real estate (1.2 per cent).

An analysis of credit to businesses by size showed that credit to large enterprises receded by 2.8 per cent month-on-month and rose by 1.2 per cent year-on-year to E6.2 billion at the end of February 2024. Credit to small & medium enterprises (SMEs), on the other hand, expanded by 1.4 per cent month-on-month and 21.2 per cent year-on-year to stand at E3.0 billion at the end of February 2024.

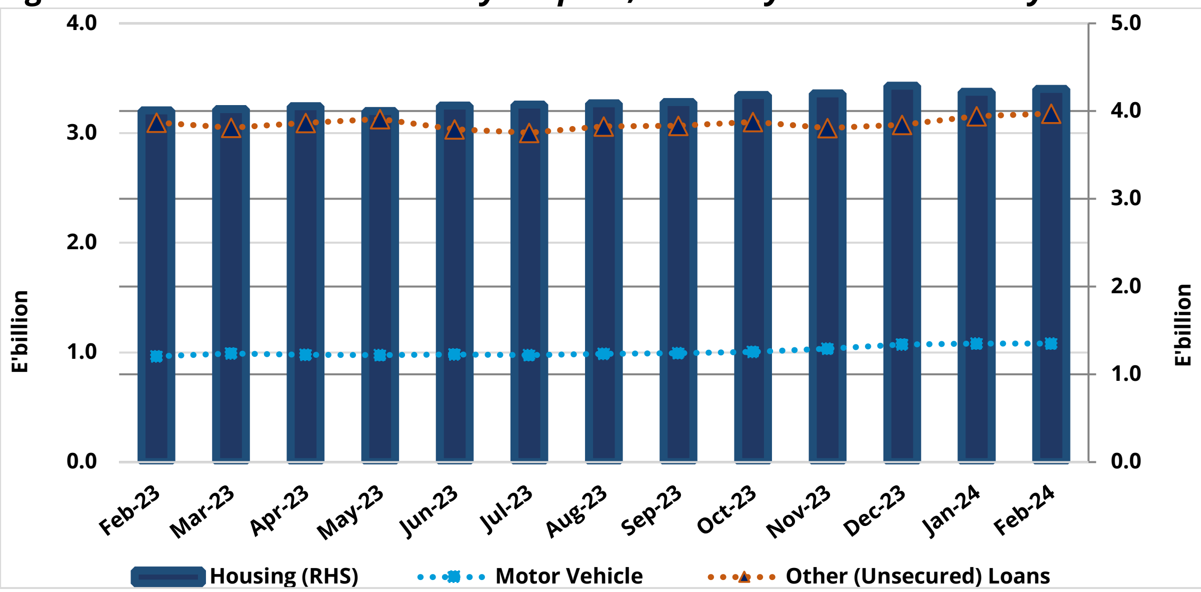
Figure 3: Credit to Large Enterprises & SMEs; February 2023 to February 2024



Source: Central Bank of Eswatini & Other Depository Corporations

Credit extended to households & NPISH closed the month under review at E8.5 billion, higher by 0.7 per cent month-on-month and 5.5 per cent year-on-year. Responsible for the increase were mortgage and other personal (unsecured) loans, which grew by 0.9 per cent to E4.3 billion and 0.7 per cent to E3.2 billion, respectively. In contrast, motor vehicle loans contracted slightly by 0.03 per cent to E1.1 billion at the end of February 2024.

Figure 4: Credit to Households by Purpose; February 2023 to February 2024



Source: Central Bank of Eswatini & Other Depository Corporations

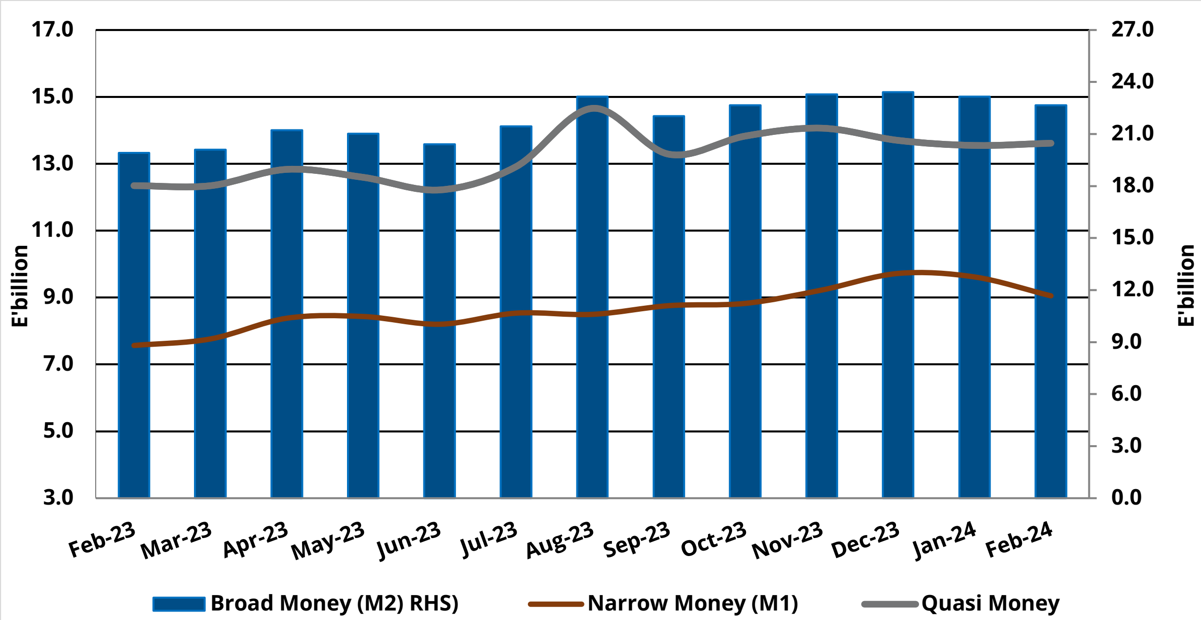
Net claims on government by the banking sector rose by 25.7 per cent month-on-month and fell by 28.2 per cent year-on-year to close the month under review at E2.1 billion. The notable increase in net claims on government was mainly attributed to an advance from the Central Bank received during the month under review. Consequently, claims on government rose by 11.5 per cent to E7.2 billion. Government deposits, however, rose by a margin of 6.7 per cent to reach E5.1 billion at the end of February 2024.

Broad money supply (M2) decelerated by 2.2 per cent month-on-month, however, grew by 13.8 per cent year-on-year to reach E22.7 billion at the end of February 2024, in accordance with the fall in private sector credit and external sector assets. The month-on-month reduction in M2 was recorded in narrow money supply whereas quasi money supply increased.

Narrow money supply (M1) amounted to E9.1 billion at the end of February 2024, lower by 5.9 per cent month-on-month and higher by 19.6 per cent year-on-year. The month-on-month contraction in M1 was recorded in transferable (demand) deposits, which fell by 6.7 per cent to E8.3 billion at the end of February 2024. Emalangeni outside depository corporations, on the contrary, rose by 4.0 per cent to E737.9 million at the end of February 2024.

Quasi money supply improved slightly by 0.5 per cent month-on-month and 10.3 per cent year-on-year to close the month under review at E13.6 billion. The expansion in quasi money was registered in time deposits, which grew by 0.8 per cent to E11.6 billion. Savings deposits, on the other hand, receded by 1.3 per cent to E2.0 billion at the end of February 2024.

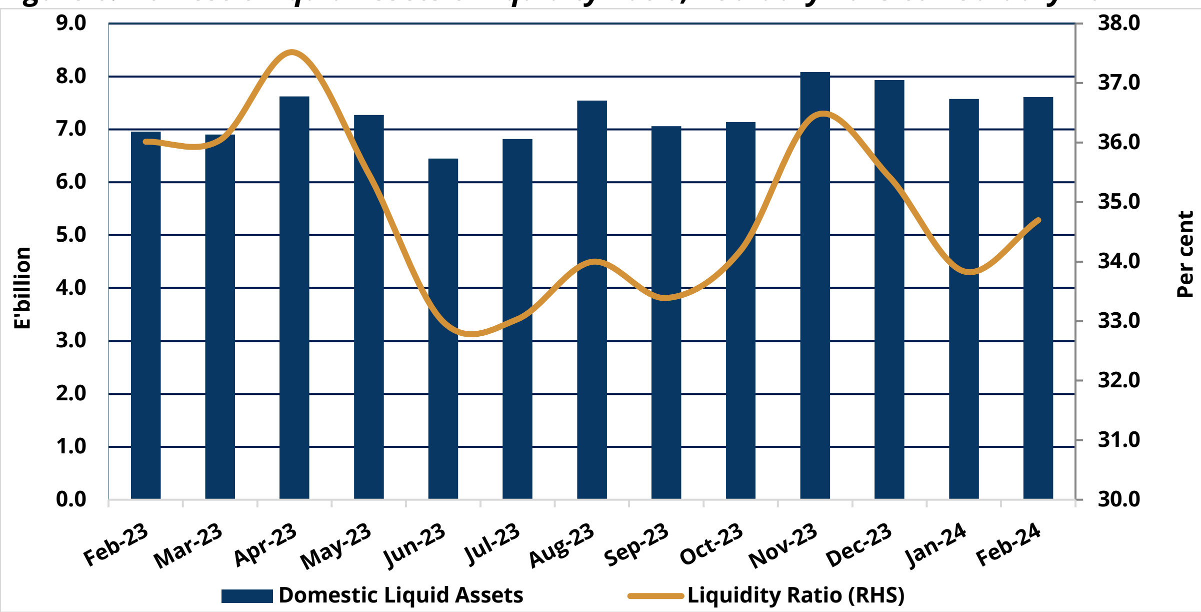
Figure 5: Money Supply; February 2023 to February 2024



Source: Central Bank of Eswatini & Other Depository Corporations

The liquidity position of the banking industry improved by 0.5 per cent month-on-month and 9.4 per cent year-on-year to reach E7.6 billion at the end of February 2024. Growth in domestic liquid assets was due to an increase in the banks' balances held with other local banks, Central Bank as well as government securities. Therefore, the liquidity ratio rose to 34.7 per cent in February 2024 from 33.8 per cent in January 2024.

Figure 6: Domestic Liquid Assets & Liquidity Ratio; February 2023 to February 2024



Source: Central Bank of Eswatini & Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS	Feb-24		Jan-24		Feb-23	
ITEM	Amount (E'000)		Amount (E'000)		Amount (E'000)	
CENTRAL BANK OF ESWATINI						
Claims on Non-residents	***10,804,676***		***11,553,720***		***9,679,108***	
Claims on Domestic Economy	***2,933,748***		***2,273,050***		***2,813,049***	
Government	2,869,303		2,209,011		2,697,585	
Other Depository Corporations	2,082		2,082		82,082	
Other Resident Sectors	62,363		61,957		33,382	
Other Assets	**670,415**		**641,922**		**530,984**	
Total Assets/Liabilities	***14,408,839***		***14,468,693***	*	***13,023,142***	*
OTHER DEPOSITORY CORPORATIONS						
Cash and Deposits with CBE	***3,500,729***		***3,519,774***		***2,534,829***	
Net Balances with Banks Outside Eswatini	***2,846,898***		***3,137,408***		***1,325,962***	
Loans and advances	***18,284,870***		***18,318,874***		***17,133,822***	
Government Securities	***4,261,437***		***4,200,306***		***4,650,240***	*
Treasury Bills	1,681,381		1,643,686		1,985,380	
Government Bonds	2,580,056		2,556,620		2,664,861	
Other	-		-		-	
Total Deposits	***24,015,602***	*	***24,438,402***		***21,296,394***	
Transferable/Demand	8,902,683		9,376,959		7,355,858	
Savings	2,045,203		2,070,179		1,937,547	
Time	13,067,715		12,991,264		12,002,989	
Capital and Reserves	5,571,546		5,534,565		5,169,946	
Total Assets/Liabilities	33,862,172		34,098,822		30,413,583	
Total Liquid Assets (Banks only)	**7,608,952**		**7,573,000**		**6,955,978**	
Required Liquidity (Banks only)	***4,787,471***		***4,886,591***		***4,216,066***	
Surplus/ Deficiency (-) (Banks only)	***2,821,481***		***2,686,409***		***2,739,912***	

RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	***34.7***	***33.8***	***36.0***
Loans and Advances to Deposits	***76.1***	***75.0***	***80.5***

DEPOSITORY CORPORATIONS SURVEYDEPOSITORY CORPORATIONS SURVEY	***Feb-24***	***Jan-24***	***Feb-23***
Net Foreign Assets (E)	***8,906,188***	***9,984,049***	***7,128,338 ****
Net Official Assets	***5,883,193***	**6,680,959 ***	**5,411,241**
Foreign Assets - Central Bank of Eswatini	10,830,919	11,579,963	9,705,351
Foreign Liabilities - Central Bank of Eswatini	4,947,726	4,899,005	4,294,110
Net Other Depository Corporations Foreign holdings (ODC)	**3,022,995**	**3,303,090**	**1,717,097**
Foreign Assets - ODC	5,249,372	5,390,831	3,913,102
Foreign Liabilities - ODC	2,226,377	2,087,741	2,196,005
Net Foreign Assets (SDR)	**349,123**	**399,362**	**291,906**
Net Domestic Claims	***20,770,666***	***20,352,006***	***20,310,482***
Net Claims on Government	*2,066,576*	*1,644,681*	*2,877,335 **
Claims on Central Government	7,210,992	6,466,674	7,388,843
Government Deposits	5,144,416	4,821,993	4,511,507
Claims on other sectors	***18,704,091 ****	***18,707,325***	***17,433,146***
Other nonfinancial corporations (Industry)	9,220,670	9,356,811	8,612,723
Other resident sectors (Households &NPISH)	8,512,523	8,453,964	8,070,930
Other sectors	970,897	896,550	749,493
Broad Money Supply (M2)	***22,666,110***	***23,164,162***	***19,913,069***
Narrow Money Supply (M1)	**9,050,798**	**9,615,729**	**7,567,090**
Currency outside depository corporations (E)	737,930	709,680	690,880
Transferable (demand) deposits	8,312,868	8,906,049	6,876,210
Quasi Money	***13,615,312***	***13,548,433***	***12,345,979 ****
Savings Deposits	1,985,039	2,010,406	1,885,904
Time Deposits	11,630,273	11,538,027	10,460,076
	11,177,301		
Shares and Other Equity	8,197,161	8,516,340	8,389,949
Central Bank Of Eswatini	1,951,225	2,308,215	2,529,877
Other Depository Corporations	6,245,936	6,208,125	5,860,072
Other Items (net)	***(1,186,417)***	***(1,344,447)***	***(864,199)***

GROSS OFFICIAL RESERVES		***Mar-24***	***Feb-24***	***Jan-24***	***Feb-23***	***Mar-23***
		Amount (E'000)	***Amount (E'000)***	***Amount (E'000)***	***Amount (E'000)***	***Amount (E'000)***
Total Official (Gross)	***- Emalangeni E***	***7,646,027***	***8,969,518***	***9,755,266***	***7,922,376***	***7,642,196***
	Special Drawing Rights (SDR)	***305,076***	***351,605***	***390,211***	***324,422***	***320,973***
Central Bank		***7,646,027***	***8,969,518***	***9,755,266***	***7,922,376***	***7,642,196***
Government		***26,243***	***26,243***	***26,243***	***26,243***	***26,243***
Import Cover (reserves to months of estimated imports)		***2.3***	***2.6***	***2.9***	***2.6***	***2.5***
Net Bank Holdings			3,022,995	3,303,090	1,717,097	1,332,181

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.

7. *The figures of total assets/liabilities reflected in this table includes all assets/liabilities however, only selected assets/liabilities are listed in the table above.