



MONEY AND BANKING STATISTICS

AUGUST/SEPTEMBER 2017

HIGHLIGHTS ON MAJOR MONETARY AGGREGATES

MONTHLY
% CHANGE

ANNUAL %
CHANGE

Gross Official Reserves fell by 2.1 per cent to settle at E7.2 billion at the end of September 2017. The Reserves were sufficient to cover 3.4 months. Compared over the year, the Reserves fell by 3.6 per cent.

2.1



3.6



Credit Extended to the Private Sector amounted to E13.0 billion at the end of August 2017, 1.3 per cent lower than the preceding month, mainly due to a slowdown in credit to Households and Other Sectors. Year-on-year, Private Sector credit grew by 5.4 per cent.

1.3



5.4



Broad Money Supply (M2) increased by 1.6 per cent to reach E16.8 billion at the end of August 2017. Growth was observed in Quasi Money Supply whilst Narrow Money Supply (M1) contracted. Annually, M2 went up by 11.3 per cent.

1.6



11.3



Domestic Liquid Assets stood at E4.5 billion at the end of August 2017, 14.2 per cent higher than in July 2017. There were notable improvements in all assets, particularly Government Securities. Year-on-year, Domestic Liquid Assets grew by 26.3 per cent.

14.2



26.3



PERCENT

Discount Rate: the discount rate was maintained at 7.25 per cent following the MPCC decision in September 2017.

7.25

Prime Lending Rate: the prime lending rate was maintained at 10.75 per cent following the MPCC decision in September 2017.

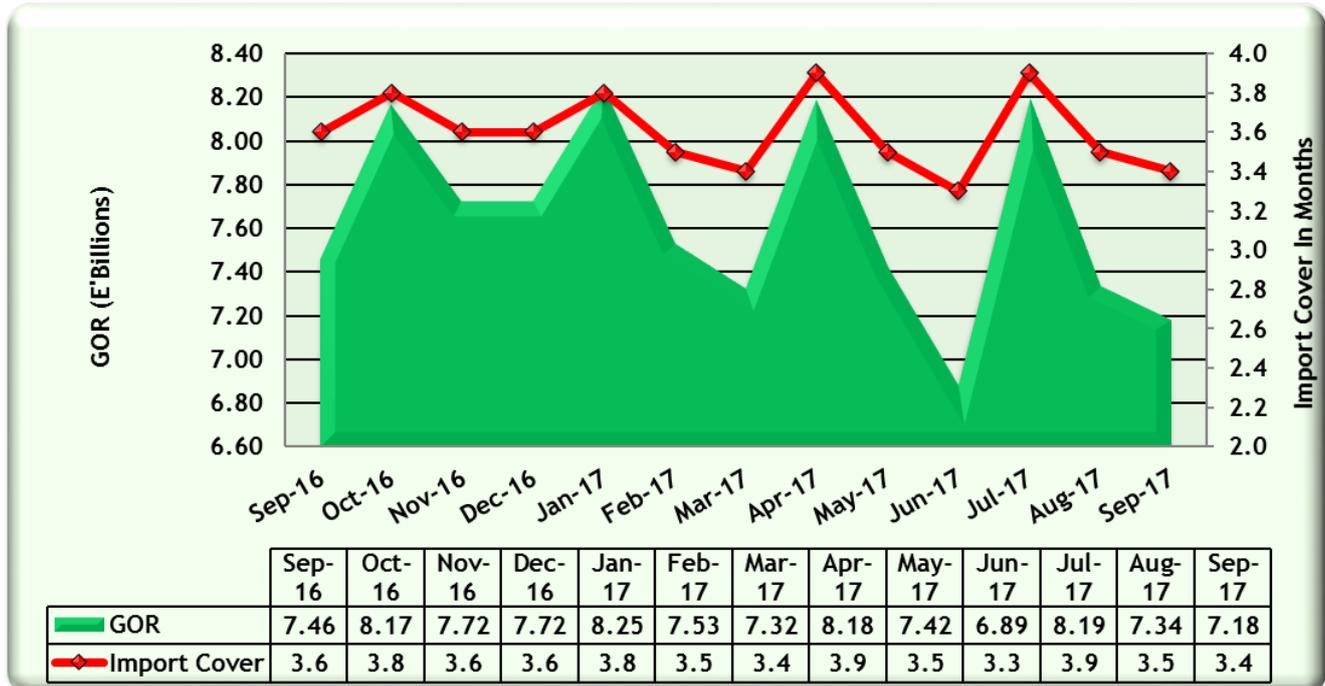
10.75



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves declined by 2.1 per cent to settle at E7.2 billion at the end of September 2017. The Reserves were sufficient to cover 3.4 months of imports of goods and services, lower than the 3.5 months observed the previous month. When valued in Special Drawing Rights (SDRs), the Reserves amounted to SDR377.3 million, reflecting a fall of 5.5 per cent month-on-month. When compared over the year, Reserves declined by 3.6 per cent in Emalangeni terms and 2.3 per cent in SDR terms.

Figure 1: Gross Official Reserves and Import Cover; September 2016 to September 2017



Source: Central Bank of Swaziland

Credit Extended to the Private Sector amounted to E13.0 billion at the end of August 2017, 1.3 per cent lower than the previous month. The decline was mainly due to a drop in credit extended to 'Other Sectors' and 'Households & Non-Profit Institutions Serving Households (NPISH)'. In contrast, credit to Businesses expanded over the review period. Compared over the year, credit to Private Sector was 5.4 per cent higher than that recorded in August 2016.

Credit Extended to Other Sectors fell by 22.8 per cent to E936.5 million at the end of the review month. The poor performance was due to a contraction in lending to Other Financial Corporations from E698.0 million in July 2017 to E412.8 million at the end of August 2017, and lending to Local Government from E82.9 million to E78.5 million over the same period. The fall was partially offset by a 3.1 per cent rise in lending to Public Non-Financial Corporations from E431.9 million in July 2017 to E445.3 million over the review period.

Credit Extended to Households & NPISH amounted to E5.9 billion at the end of August 2017, 1.7 per cent lower than the preceding month. The month-on-month fall in credit to Households was on account of a decline of 3.8 per cent in Other (Unsecured) Loans from E1.6 billion in July 2017 to reach E1.5 billion in August 2017. As well as a 1.4 per cent decrease in Mortgage Loans from

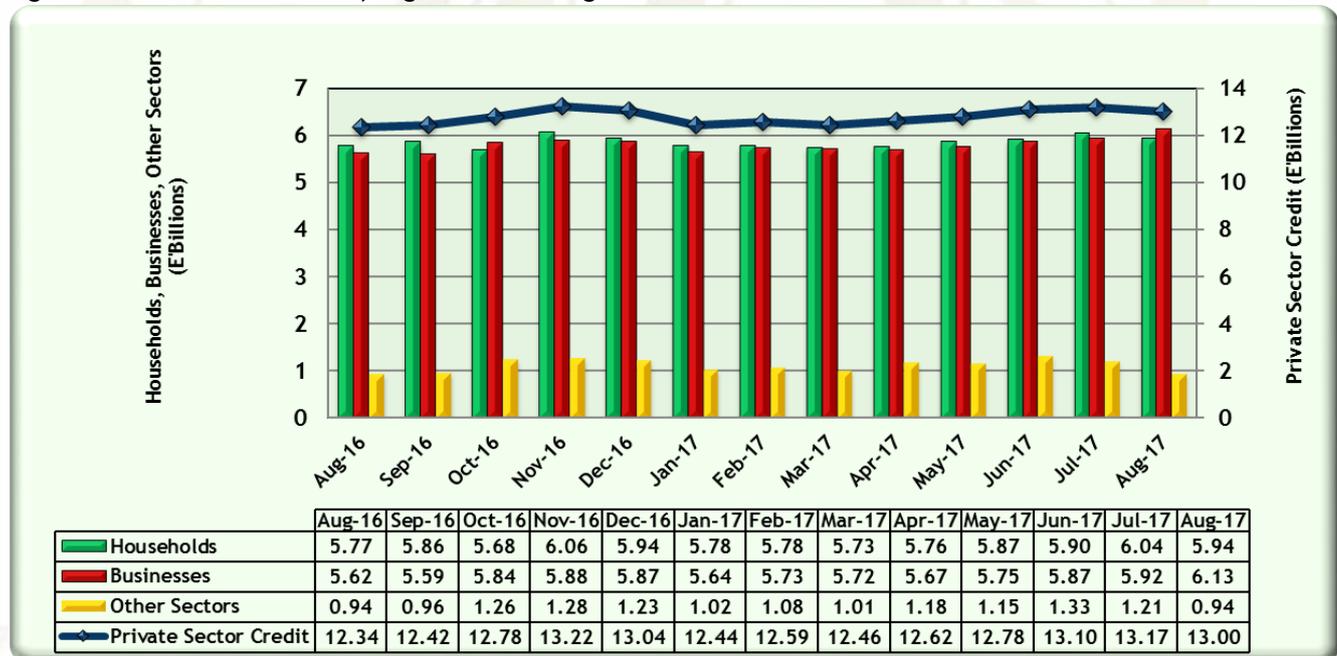


Summary of Movements in Major Monetary Aggregates

E3.11 billion to E3.07 billion over the same period. On the contrary, Motor Vehicle Finance increased by 0.04 per cent over the review month to settle at E1.3 billion.

Credit Extended to Businesses improved by 3.5 per cent to reach E6.1 billion at the end of August 2017. Growth was realized in the following sectors, 'Community, Social and Personal Services' (39.6 per cent), 'Mining & Quarrying' (33.7 per cent), 'Agriculture & Forestry' (33.6 per cent), 'Transport & Communications' (6.2 per cent) and 'Construction' (5.8 per cent). There was, however, a decline in credit extended to the following sectors, 'Distribution & Tourism' (-15.3 per cent), 'Manufacturing' (-4.4 per cent) and 'Real Estate' (-4.1 per cent).

Figure 2: Private Sector Credit; August 2016 to August 2017



Source: Central Bank of Swaziland

Net Government Balances with the banking sector receded by 54.7 per cent to reach E602.9 million at the end of August 2017. The decrease was on account of a 7.2 per cent fall in Government deposits with the banking sector. When compared over the year, Net Government Balances decelerated by 51.3 per cent.

Broad Money Supply (M2) amounted to E16.8 billion at the end of August 2017, 1.6 per cent higher than the previous month. Growth was supported by Quasi Money Supply, while Narrow Money Supply receded. Year-on-year, Broad Money Supply grew by 11.3 per cent.

Quasi Money Supply improved by 3.6 per cent from E11.6 billion in July 2017 to E11.6 billion in August 2017, due to an increase of 4.5 per cent in Time Deposits to reach E10.0 billion. On the other hand, Savings Deposits fell by 1.5 per cent to settle at E1.6 billion at the end of the review month.

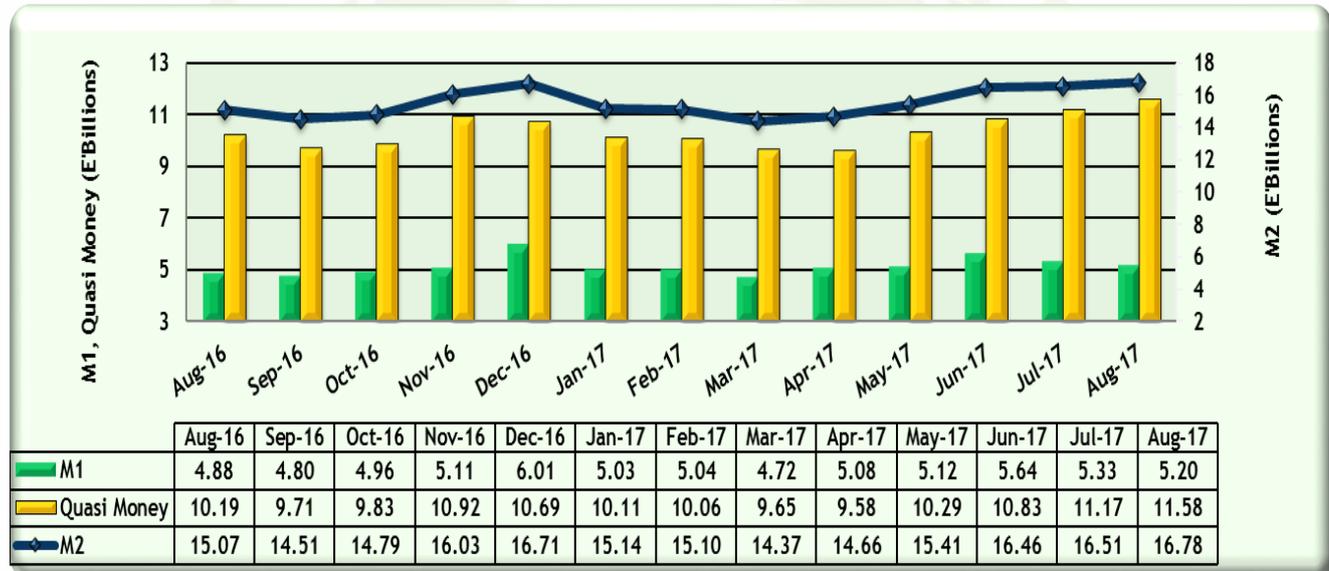
Narrow Money Supply (M1) trended downwards for the second month in a row, from E5.3 billion in July 2017 to E5.2 billion at the end of August 2017, reflecting a decline of 2.5 per cent.



Summary of Movements in Major Monetary Aggregates

Both Emalangeni in Circulation and Transferable (Demand) Deposits decreased over the review month. Emalangeni in Circulation dropped by 5.8 per cent to reach E629.7 million whilst Transferable Deposits contracted by 2.1 per cent to settle at E4.6 billion at the end of August 2017.

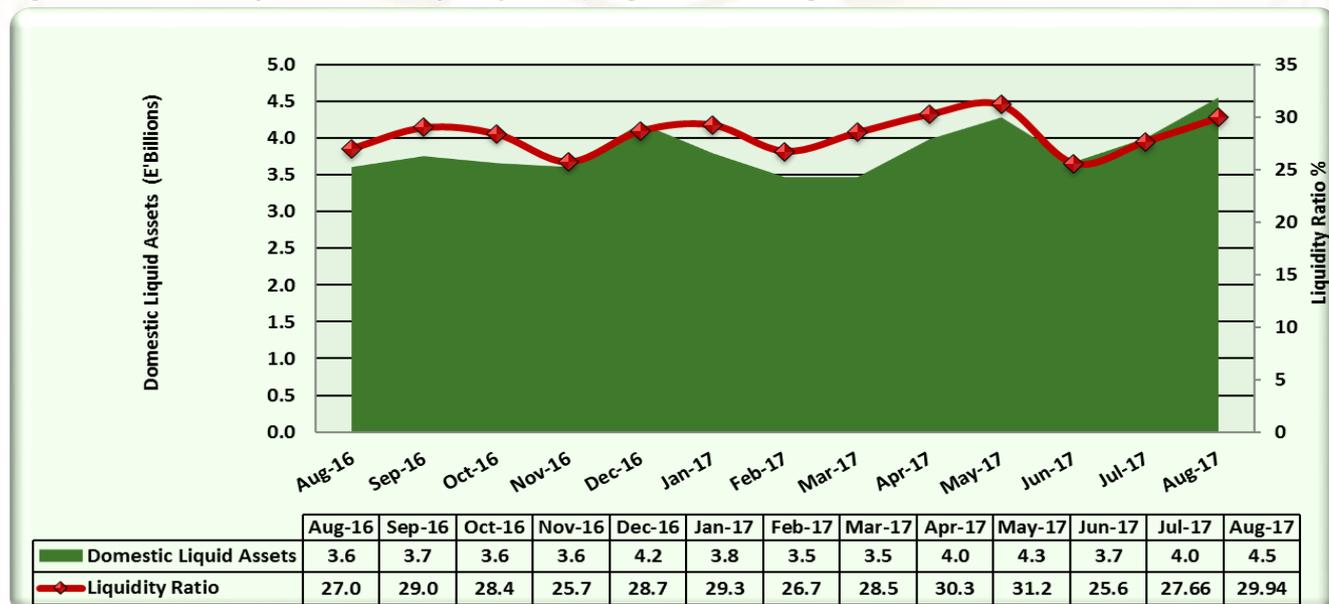
Figure 3: Money Supply; August 2016 to August 2017



Source: Other Depository Corporations & Central Bank of Swaziland

Liquidity Position of Commercial Banks edged up by 14.2 per cent from E4.0 billion in July 2017 to E4.5 billion at the end of August 2017. Growth was observed in all liquid assets, but was most prominent in Government securities. Consequently, the banks' liquidity ratio improved from 27.7 per cent to 29.9 per cent. Compared over the year, domestic liquid assets grew by 26.3 per cent.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; August 2016 to August 2017



Source: Other Depository Corporations

	Aug-17	Jul-17	Aug-16
	Amount	Amount	Amount
ITEM	(E'000)	(E'000)	(E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	8,658,708	9,525,332	9,340,681
Claims on Domestic Economy	1,148,041	1,160,808	1,143,159
Government	1,116,945	1,130,028	1,116,425
Other Depository Corporations	2,015	1,981	1,850
Other Resident Sectors	29,081	28,798	24,884
Other Assets	447,209	443,212	432,842
Total Assets/Liabilities	10,253,958	11,129,351	10,916,682
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	2,102,244	1,964,676	1,435,311
Net Balances with Banks Outside Swaziland	2,607,642	2,262,473	2,081,692
Loans and advances	12,575,062	12,459,607	11,751,456
Government Securities	2,152,046	2,233,044	1,993,507
Treasury Bills	1,222,393	1,339,413	1,387,963
Government Bonds	929,653	893,631	605,543
Other	0	0	0
Total Deposits	16,369,134	16,037,989	14,709,393
Transferable/Demand	4,602,489	4,706,274	4,340,032
Savings	1,603,953	1,627,573	1,819,173
Time	10,162,691	9,704,142	8,550,188
Capital and Reserves	3,379,011	3,328,981	3,139,528
Total Assets/Liabilities	21,812,862	21,408,979	19,773,874
Total Liquid Assets (Banks only)	4,546,476	3,980,568	3,598,784
Required Liquidity (Banks only)	3,743,920	3,544,218	3,293,537
Surplus/ Deficiency (-) (Banks only)	802,555	436,349	305,247
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	29.9	27.7	27.0
Loans and Advances to Deposits	76.8	77.7	79.9

DEPOSITORY CORPORATIONS SURVEY		Aug-17	Jul-17	Aug-16	
Net Foreign Assets (E)		8,977,785	9,217,137	8,499,554	
Net Official Assets		6,348,950	6,935,008	6,395,124	
Foreign Assets - Central Bank of Swaziland		8,684,951	9,551,575	9,371,827	
Foreign Liabilities - Central Bank of Swaziland		2,336,001	2,616,566	2,976,703	
Net Other Depository Corporations Foreign holdings (ODC)		2,628,835	2,282,129	2,104,430	
Foreign Assets - ODC		2,864,474	2,746,820	2,522,300	
Foreign Liabilities - ODC		235,639	464,691	417,870	
Net Foreign Assets (SDR)		488,473	496,297	416,025	
Net Domestic Claims		12,401,543	11,844,304	11,098,944	
Net Claims on Government		(602,870)	(1,330,657)	(1,238,296)	
Claims on Central Government		3,681,047	3,284,884	3,400,148	
Government Deposits		4,283,917	4,615,540	4,638,444	
Claims on other sectors		13,004,414	13,174,960	12,337,239	
Other nonfinancial corporations (Industry)		6,130,140	5,921,972	5,623,671	
Other resident sectors (Households & NPISH)		5,937,730	6,040,187	5,772,740	
Other sectors		936,544	1,212,801	940,828	
Broad Money Supply (M2)		16,777,660	16,507,279	15,069,101	
Narrow Money Supply (M1)		5,198,655	5,333,891	4,878,305	
Currency outside depository corporations (E)		629,718	668,377	580,149	
Transferable (Demand) deposits		4,568,938	4,665,514	4,298,156	
Quasi Money		11,579,005	11,173,388	10,190,796	
Savings Deposits		1,572,493	1,595,782	1,791,916	
Time Deposits		10,006,512	9,577,606	8,398,880	
Shares and Other Equity		5,196,942	5,159,963	5,074,298	
Central Of Swaziland		1,353,013	1,369,469	1,493,917	
Other Depository Corporations		3,843,929	3,790,494	3,580,381	
Other Items (net)		-595,273	-605,801	-544,902	
GROSS OFFICIAL RESERVES	Sep-17	Aug-17	Jul-17	Aug-16	Sep-16
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	7,183,709	7,336,534	8,189,310	7,870,955	7,455,239
Special Drawing Rights (SDR)	377,329	399,174	440,954	385,257	386,346
Central Bank	7,183,709	7,336,534	8,189,310	7,870,955	7,455,239
Government	26,243	26,243	26,243	31,146	29,113
Import Cover (Reserves to months of estimated imports)	3.4	3.5	3.9	3.8	3.6
Net Bank Holdings		2,628,835	2,282,129	2,104,430	1,305,322

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.