



MONEY AND BANKING STATISTICS

DECEMBER 2016/JANUARY 2017

HIGHLIGHTS ON MAJOR ECONOMIC AGGREGATES

MONTHLY %
CHANGE

ANNUAL %
CHANGE

Gross Official Reserves amounted to E8.2 billion at the end of January 2017, 6.8 per cent higher than recorded at the end of December 2016. The growth in Reserves was primarily driven by the inflow of the quarterly revenue from SACU at the beginning of January 2017. When compared on an annual basis, the Reserves fell by 14.8 per cent.

6.8



14.8



Private Sector Credit fell when compared month-on-month but grew when compared year-on-year. The month-on-month fall in credit to the Private Sector was observed in credit to Other Sectors, Households and Businesses. Credit to households grew by 14.2 per cent year-on-year.

1.4



14.2



Broad Money Supply (M2) expanded by 4.2 per cent month-on-month and 26.4 per cent year-on-year. The monthly rise was driven by narrow money supply (M1). Quasi money supply on the other hand fell in the review month.

4.2



26.4



Domestic Liquid Assets depicted an improvement of 16.4 per cent on a month-on-month and 30 per cent year-on-year comparison. The month-on-month increment was on account of higher currency holdings by Commercial Banks and their balances with the Central Bank.

16.4



30.0



PERCENT

Bank Rate increased by 25 basis points to 7.25 per cent with effect

7.25

Prime Lending rate increased to 10.75 per cent in January 2017.

10.75

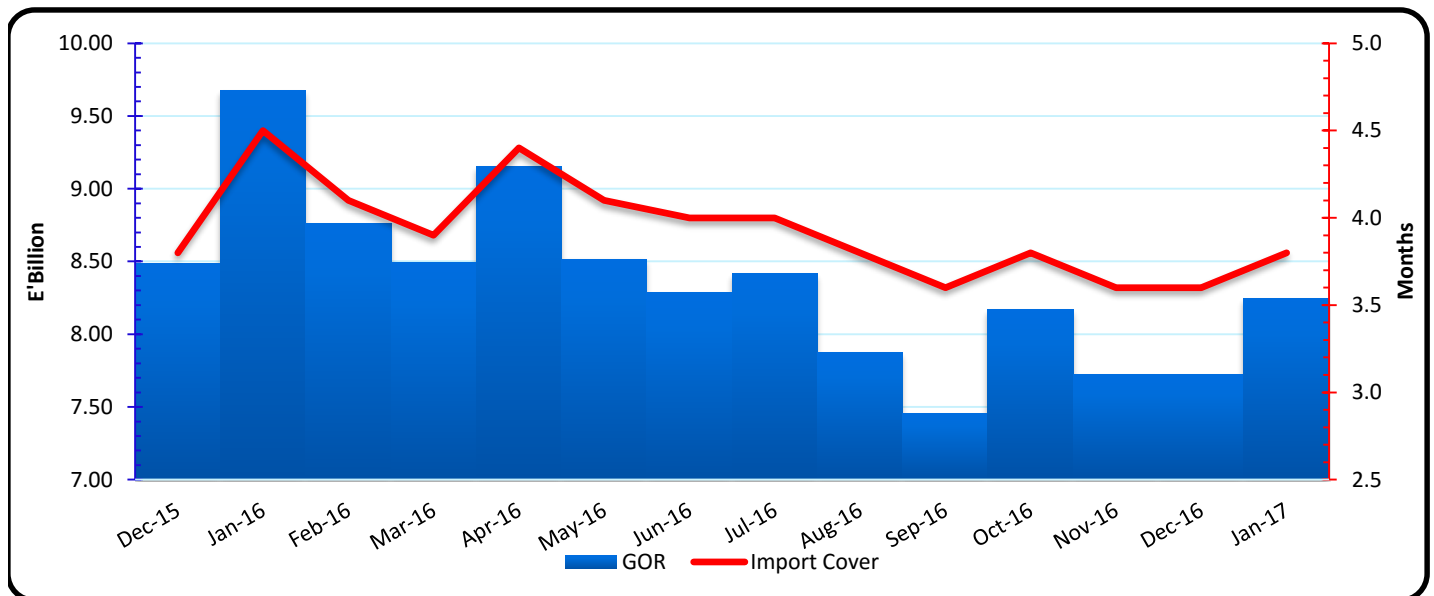
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Summary of Movements in Major Monetary Aggregates

Gross Official Reserves closed at E8.2 billion at the end of January 2017, higher than the E7.7 billion recorded at the end of December 2016 but lower than the E9.7 billion observed at the end of January 2016. The month-on-month growth in the reserves was primarily on account of an inflow of the quarterly revenue from the Southern African Customs Union (SACU). The reserves were enough for an estimated cover of 3.8 months of imports of goods and services, higher than the cover of 3.6 months recorded at the end of December 2016 but lower than the cover of 4.5 months recorded at the end of January 2016. When valued in Special Drawing Rights (SDR), the reserves closed at SDR451.2 million, higher than the SDR418.3 million recorded end of December 2016 but higher than the SDR437.1 million observed at the end of January 2016.

Figure 1: Gross Official Reserves and Import Cover: December 2015 to January 2017



Source: Central Bank of Swaziland

Credit Extended to the Private Sector stood at E13 billion, 1.4 per cent lower than recorded at the end of November 2016 but 14.2 per cent higher than observed at the end of December 2015. The month-on-month fall in credit to the Private Sector was on account of a fall in credit to all its sub-components.

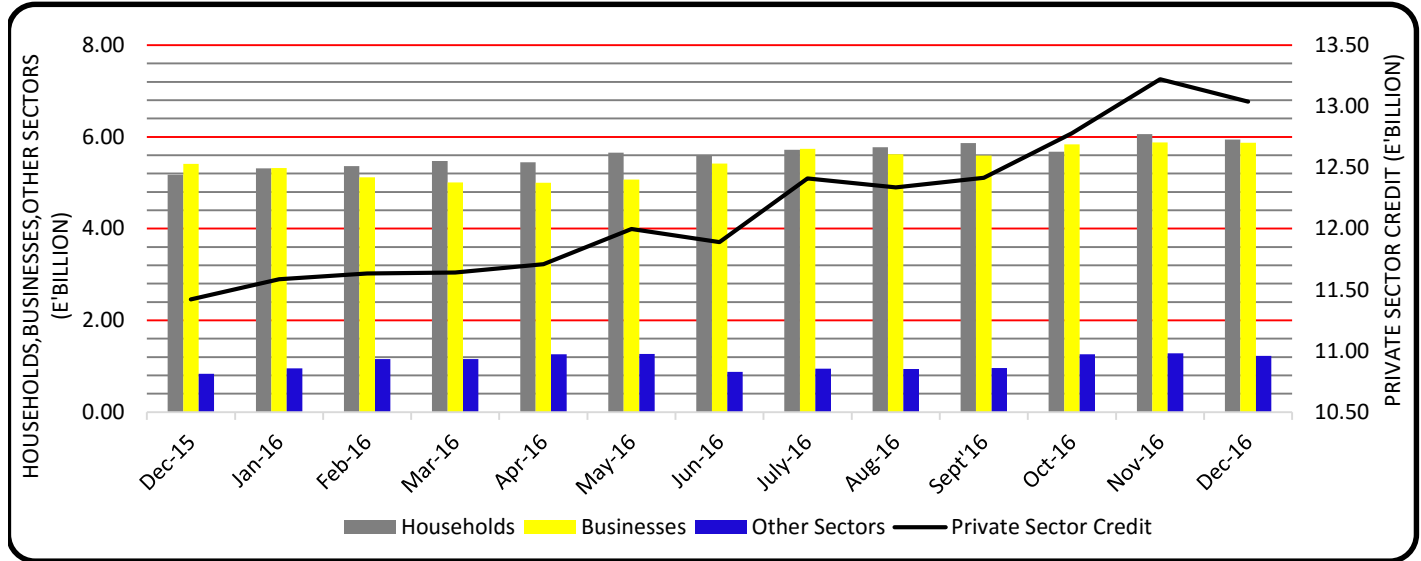
Credit Extended to Other Sectors amounted to E1.2 billion, from E1.3 billion recorded at the end of November 2016. The month-on-month decline in credit to Other Sectors was on account of a fall in credit to Public Non-Financial Corporations (-10.3 per cent), Local Government (-3.7 per cent) and Other Financial Corporations (-2.1 per cent). Over the year however, credit to Other Sectors depicted an improvement of 83.8 per cent.

Credit Extended to Businesses was 0.2 per cent lower at the end of December 2016 when compared to the levels at the end of November 2016. The fall in credit to Businesses was primarily driven by a fall in credit to the Distribution and Tourism (-16.6 per cent), Mining and Quarrying (-12.7 per cent) and Construction (-5.3 per cent) sectors. On an annual comparison, credit to Businesses was 8.4 per cent higher at the end of December 2016 than recorded at the end of December 2015.



Summary of Movements in Major Monetary Aggregates

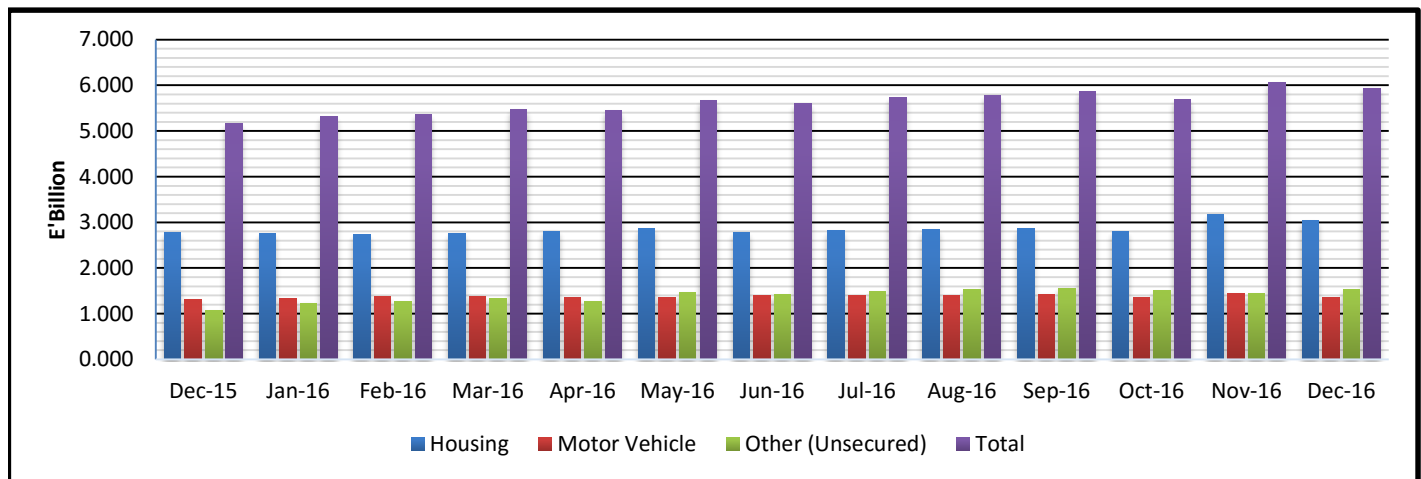
Figure 2: Private Sector Credit; December 2015 to December 2016



Source: Central Bank of Swaziland

Credit Extended to Households & Non-Profit Institutions Serving Households (NPISH) closed at E5.9 billion at the end of December 2016, 2 per cent lower than recorded at the end of November 2016. The fall in credit to Households was driven by a slowdown in credit extended for Motor Vehicle finance (-5.8 per cent) and Mortgage finance (-4 per cent). Other (unsecured) loans on the other hand improved by 6.3 per cent month-on-month. When compared over the year, credit to Households grew by 14.8 per cent.

Figure 3: Credit to Households by Purpose; December 2015 to December 2016



Source: Other Depository Corporations

Net Government Balances shrank by 8.8 per cent month-on-month to close at E833.7 million at the end of December 2016. The banking sector's claims on Government rose by 2.4 per cent month-on-month primarily driven by growth in commercial banks' investments in Government securities. Government deposits with the banking sector however fell by 0.05 per cent to E4.2 billion at the end of December 2016.

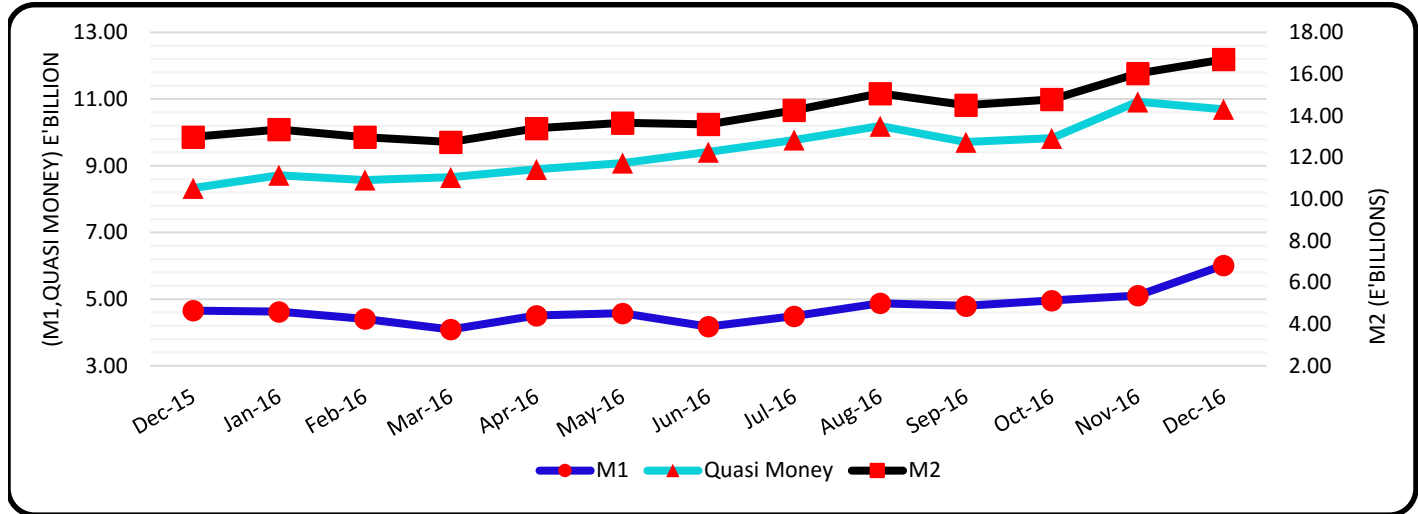
Broad Money Supply (M2) was 4.2 per cent higher at the end of December 2016 than recorded at the end of November 2016. The improvement in M2 was driven by M1 which rose by 17.7 per cent in the review month. The improvement in M1 was driven by an increase in Transferable deposits (21.7 per cent). Currency outside Depository Corporations on the other hand fell by 8.6 per cent in the review month. Quasi Money, comprising Time and Savings deposits contracted by 2.1 per cent month-on-month.



Summary of Movements in Major Monetary Aggregates

Time deposits fell by 2.7 per cent to E8.9 billion while Savings deposits grew by 0.9 per cent to close at E1.8 billion at the end of December 2016.

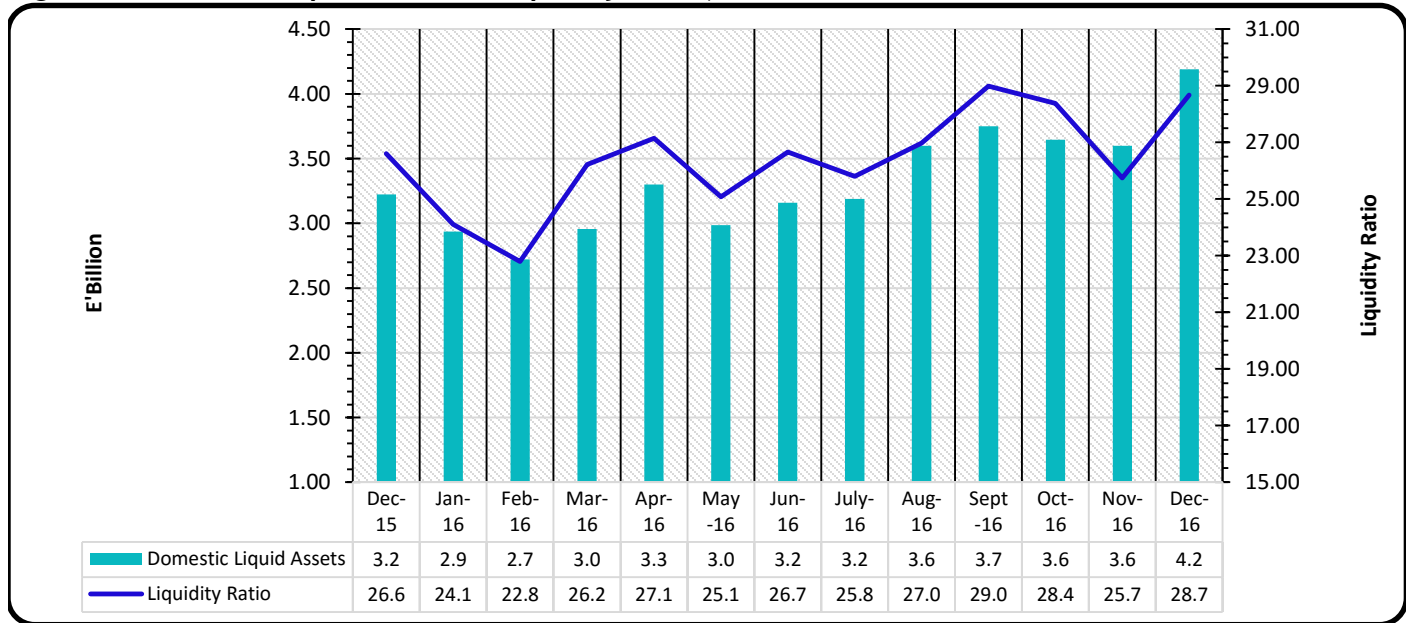
Figure 4: Money Supply; December 2015 to December 2016



Source: Other Depository Corporations & Central Bank of Swaziland

Domestic Liquid Assets rose by 16.4 per cent month-on-month to close at E4.2 billion at the end of December 2016. The improvement in domestic liquid assets was on account of growth in Commercial Banks' holdings of Rands and Emalangeni balances with the Central Bank as well as their investments in Government securities over the month. The liquidity ratio amounted to 28.7 per cent at the end of December 2016, higher than the 25.7 per cent level recorded at the end of November 2016.

Figure 5: Domestic Liquid Assets & Liquidity Ratio; December 2015 to December 2016



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

Notes:

- 1.Data supplied in this Monthly Release represent an abstract of those provided regularly
- 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 therelevant notes in the

ITEM	Dec-16	Nov-16	Dec-15		
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Jan-17	Jan-16
CENTRAL BANK OF SWAZILAND					
Claims on Non-residents	9,051,266	9,085,402	9,436,027		
Claims on Domestic Economy	1,175,309	1,144,000	24,307		
Government	1,124,106	1,117,149	1,390		
Other Depository Corporations	25,670	1,853	667		
Other Resident Sectors	25,534	24,998	22,250		
Other Assets	431,236	442,285	418,433		
Total Assets/Liabilities	10,657,811	10,671,687	9,878,767		
OTHER DEPOSITORY CORPORATIONS					
Cash and Deposits with CBS	2,045,587	1,510,405	1,608,496		
Net Balances with Banks Outside Swaziland	2,343,966	1,987,428	1,509,980		
Loans and advances	12,187,920	12,362,643	11,067,200		
Government Securities	2,222,099	2,143,453	1,735,490		
Treasury Bills	1,358,296	1,472,911	1,211,433		
Government Bonds	863,804	670,541	524,057		
Other	0	0	0		
Total Deposits	16,232,590	15,497,971	13,166,665		
Transferable/Demand	5,484,212	4,520,544	4,232,358		
Savings	1,839,526	1,823,037	1,657,976		
Time	8,908,853	9,154,390	7,276,331		
Capital and Reserves	3,273,990	3,256,545	2,763,081		
Total Assets/Liabilities	21,392,966	20,722,812	17,969,131		
Total Liquid Assets (Banks only)	4,188,900	3,598,636	3,222,998		
Required Liquidity (Banks only)	3,606,916	3,445,227	2,381,711		
Surplus/ Deficiency (-) (Banks only)	581,984	153,409	841,287		
RATIOS (%)					
Actual Liquidity to Domestic Liabilities (Banks Only)	28.7	25.7	26.6		
Loans and Advances to Deposits	75.1	79.8	84.1		
DEPOSITORY CORPORATIONS SURVEY					
Net Foreign Assets	8,831,275	8,254,726	9,109,542		
Net Official Assets	6,434,976	6,242,498	7,571,782		
Foreign Assets - Central Bank of Swaziland	9,079,592	9,113,728	9,473,438		
Foreign Liabilities - Central Bank of Swaziland	2,644,616	2,871,229	1,901,656		
Net Other Depository Corporations Foreign holdings (ODC)	2,396,298	2,012,227	1,537,760		
Foreign Assets - ODC	2,893,587	2,476,044	2,239,692		
Foreign Liabilities - ODC	497,288	463,816	701,932		
Net Domestic Claims	12,203,659	12,307,656	8,683,431		
Net Claims on Government	(833,650)	(913,819)	(2,737,663)		
Claims on Central Government	3,349,428	3,271,347	1,747,732		
Government Deposits	4,183,078	4,185,166	4,485,395		
Claims on other sectors	13,037,309	13,221,476	11,421,094		
Other nonfinancial corporations (Industry)	5,868,783	5,881,393	5,412,632		
Other resident sectors (Households &NPISH)	5,940,789	6,059,946	5,172,666		
Other sectors	1,227,736	1,280,137	835,796		
Broad Money Supply (M2)	16,708,080	16,029,433	13,219,080		
Narrow Money Supply (M1)	6,014,065	5,107,523	4,744,543		
Currency outside depository corporations (E)	609,116	666,580	554,715		
Transferable (Demand) deposits	5,404,949	4,440,943	4,189,828		
Quasi Money	10,694,015	10,921,910	8,474,537		
Savings Deposits	1,808,210	1,792,961	1,626,986		
Time Deposits	8,885,805	9,128,949	6,847,551		
Shares and other equity	5,143,119	5,156,997	5,062,791		
Central Of Swaziland	1,410,395	1,446,577	1,907,177		
Other Depository Corporations	3,732,724	3,710,420	3,155,614		
Other Items (net)	-816,264	-624,048	-488,899		
GROSS OFFICIAL RESERVES					
Total Official (Gross) - Emalangeni E Special Drawing Rights (SDR)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
	8,246,298	7,723,035	7,721,490	8,484,845	9,674,796
Central Bank	451,219	418,287	407,262	393,726	437,127
Government	8,246,298	7,723,035	7,721,490	8,484,845	9,674,796
Import Cover (Reserves to months of estimated imports)	28,326	28,326	28,326	37,411	37,191
Import Cover	3.8	3.6	3.6	3.8	4.5
Net Bank Holdings		2,396,298	2,012,227	1,537,760	

NOTES:

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- 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.