

# Monthly Statistical Release

JULY/AUGUST











[www.centralbank.org.sz](http://www.centralbank.org.sz)



**CENTRAL BANK  
OF ESWATINI**  
Umntsholi Wemaswati

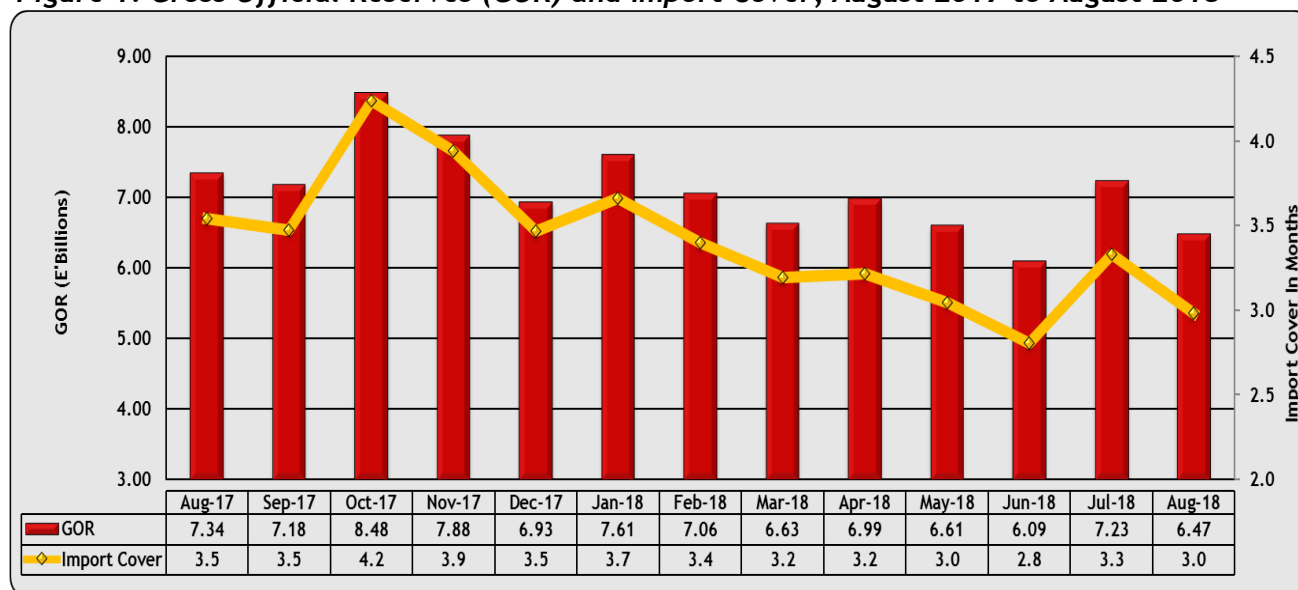


HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY	ANNUAL % CHANGE
<b>Gross Official Reserves</b> stood at E6.5 billion at the end of August 2018, 10.5 per cent lower than the preceding month. The Reserves were sufficient to cover 3.0 months of imports of goods and services. Year-on-year, the Reserves depicted a contraction of 11.8 per cent.	10.5 	11.8 
<b>Credit Extended to the Private Sector</b> grew by 1.1 per cent to reach E14.6 billion at the end of July 2018. Growth was observed in credit to Businesses while credit to Households and Other Sectors contracted. Compared over the year, Private Sector credit expanded by 11.2 per cent.	1.1 	11.2 
<b>Broad Money Supply (M2)</b> amounted to E17.6 billion in July 2018, depicting an increase of 3.6 per cent month-on-month. The increase was observed in both its components, Narrow Money Supply (M1) and Quasi Money Supply. Year-on-year, M2 improved by 6.8 per cent.	3.6 	6.8 
<b>Domestic Liquid Assets</b> accelerated by 17.2 per cent to reach E5.2 billion at the end of the review month. Growth was due to an improvement in all its components. Consequently, the Banks' liquidity ratio rose to 31.2 per cent. Compared over the year, Liquid Assets edged up 29.5 per cent.	17.2 	29.5 
	PERCENT	
<b>Discount Rate:</b> the discount rate was at 6.75 per cent in August 2018.		6.75
<b>Prime Lending Rate:</b> the prime lending rate was at 10.25 per cent in August 2018.		10.25

The content of this publication is intended for general information sharing purposes only and is not intended to serve as financial or other advice. While every precaution is taken to ensure the accuracy of this information the Central Bank of Eswatini shall not be liable to any person for inaccurate information or opinions contained in this publication. For more information on this publication, contact the Research Department at Tel (+268) 2408-2243.

**Gross Official Reserves** amounted to E6.5 billion at the end of August 2018, reflecting a month-on-month decline of 10.5 per cent. At this level, the Reserves were equivalent to an import cover of 3.0 months, lower than the 3.3 months observed in July 2018. Year-on-year, Gross Official Reserves declined by 11.8 per cent in Emalangeni terms and by 21.0 per cent in SDR terms.

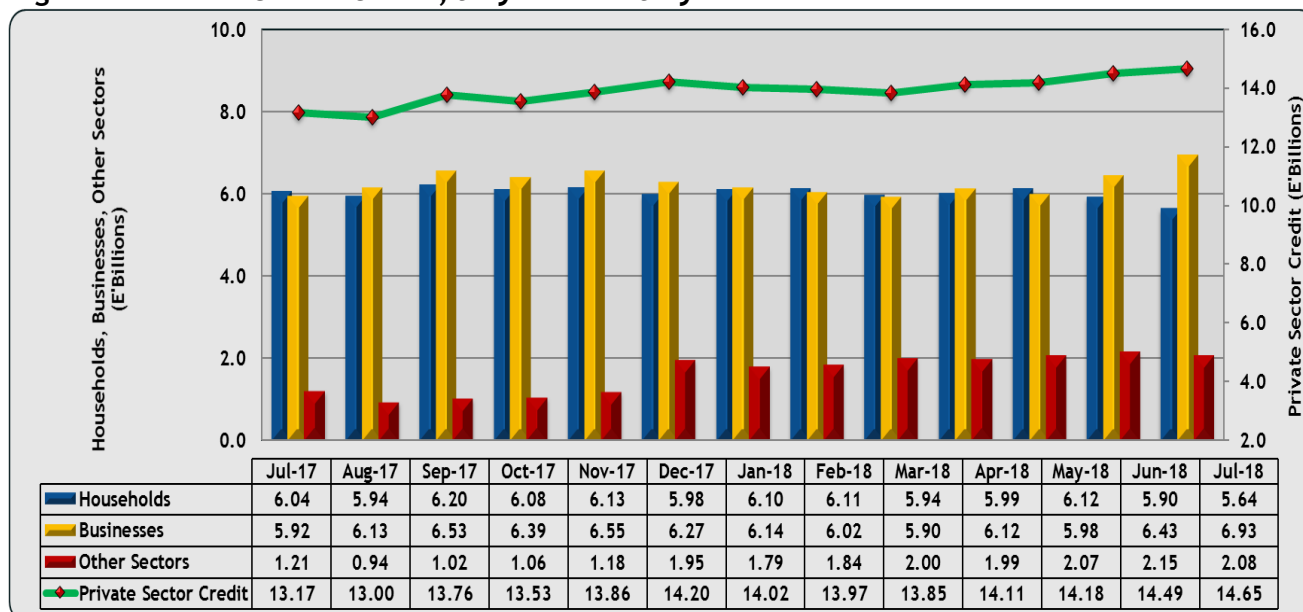
**Figure 1: Gross Official Reserves (GOR) and Import Cover; August 2017 to August 2018**



Source: Central Bank of Eswatini

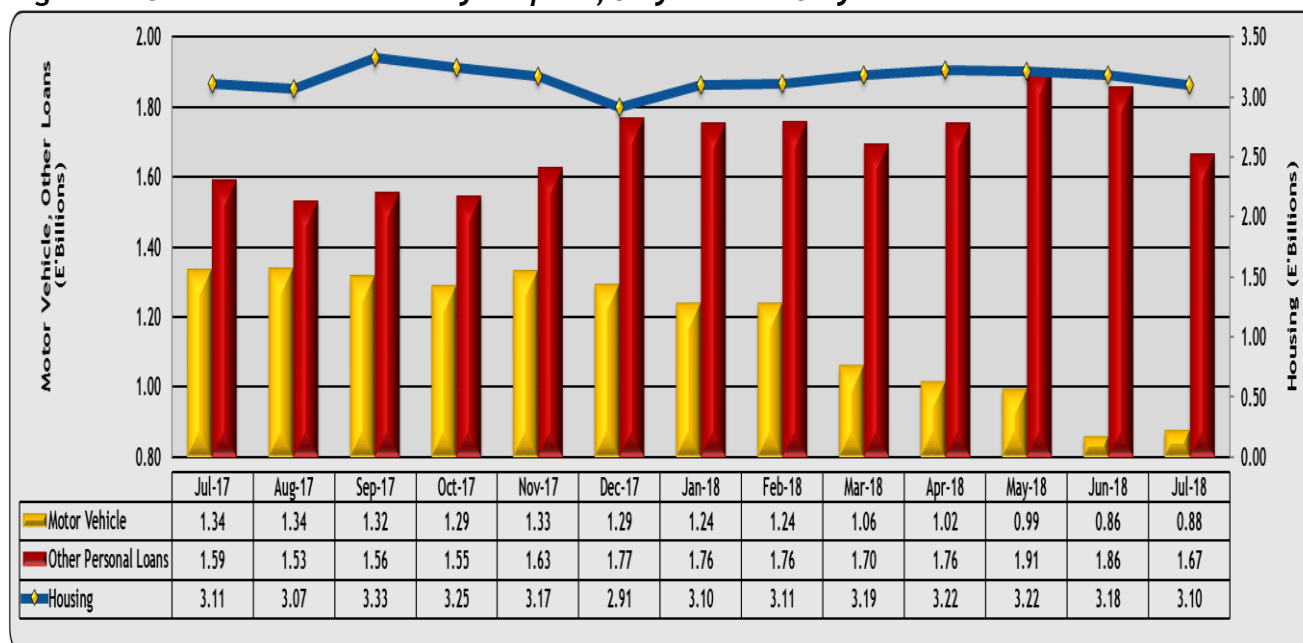
**Credit Extended to the Private Sector** grew by 1.1 per cent month-on-month to reach E14.6 billion at the end of July 2018. Growth was supported by an increase in the demand for credit by the Business sector. However, there was a decline in demand for credit by Households & Non-profit Institutions Serving Households (NPISH) and Other Sectors over the review month. Compared over the year, credit to the Private sector grew by 11.2 per cent.

**Credit Extended to Businesses** amounted to E6.9 billion in July 2018, depicting a month-on-month increase of 7.7 per cent. The rise in credit was observed in Manufacturing (39.7 per cent), Mining & Quarry (17.5 per cent), Construction (9.3 per cent), Real Estate (5.1 per cent), Distribution & Tourism (3.1 per cent) and Transport & Communications (0.3 per cent). The increase was partially offset by a fall in lending to Agriculture & Forestry (-9.3 per cent) and Community, Social & Personal Services (-1.5 per cent). Year-on-year, credit to Businesses accelerated by 16.9 per cent.

**Figure 2: Private Sector Credit; July 2017 to July 2018**

Source: Central Bank of Eswatini

**Credit Extended to Households & NPISH** contracted from E5.9 billion in June 2018 to E5.6 billion at the end of July 2018. The 4.4 per cent decline in credit to Households was due to a fall of 10.3 per cent in Other Personal (unsecured) Loans and 2.7 per cent in Housing Loans. On the other hand, Motor Vehicle Finance recorded a growth of 1.7 per cent at the end of the review month.

**Figure 3: Credit to Households by Purpose; July 2017 to July 2018**

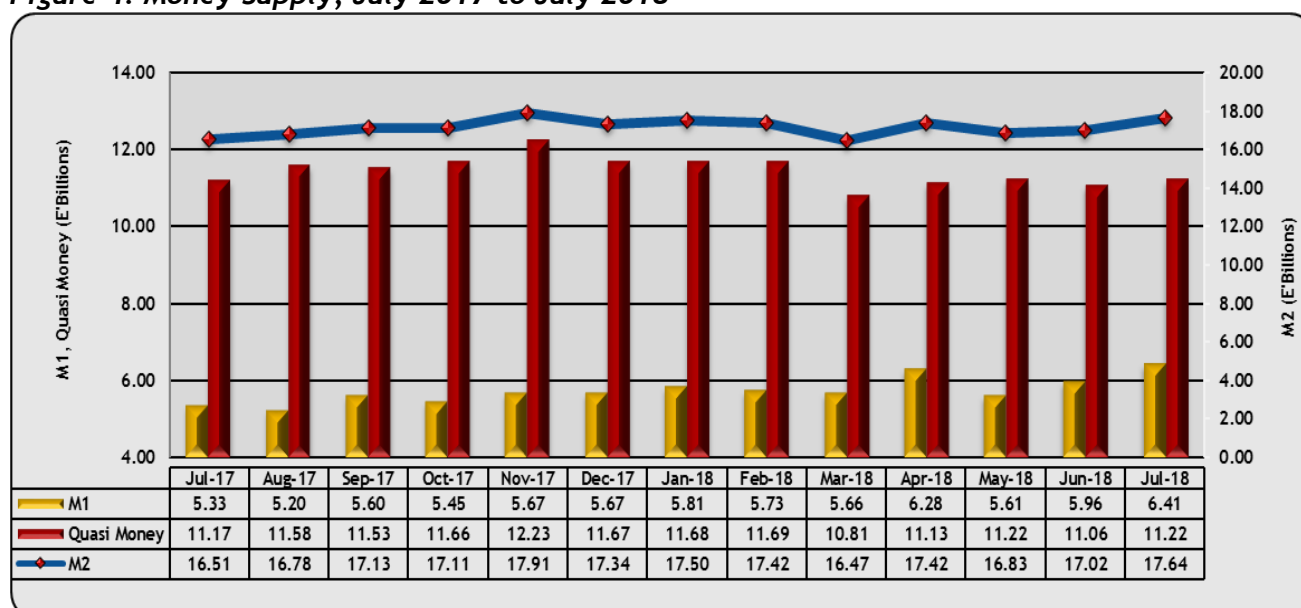
Source: Other Depository Corporations

**Credit Extended to Other Sectors** stood at E2.1 billion at the end of July 2018, reflecting a decline of 3.5 per cent month-on-month. The contraction was a result of a reduction in lending to Local Government and Public Non-Financial Corporations. In contrast, credit to Other Financial Corporations trended upwards over the review month.

**Net Government Balances** placed with the banking sector decelerated by 1.2 per cent month-on-month to close at E1.5 billion at the end of July 2018. The fall was due to a larger increase in claims on Government vis-à-vis Government deposits over the review month. Compared to July 2017, net Government balances were significantly lower.

**Broad Money Supply (M2)** stood at E17.6 billion at the end of July 2018, depicting a month-on-month increase of 3.6 per cent. The rise in M2 was discernible in both Narrow Money Supply (M1) and Quasi Money Supply. Compared over the year, M2 was 6.8 per cent higher than in July 2017.

**Figure 4: Money Supply; July 2017 to July 2018**



Source: Other Depository Corporations & Central Bank of Eswatini

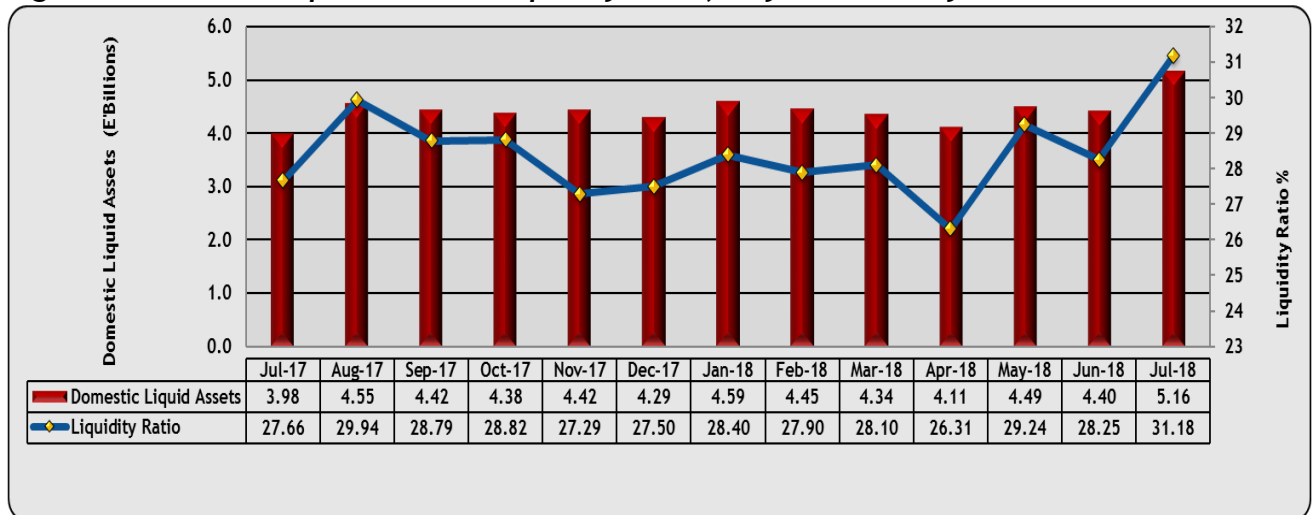
**Narrow Money Supply (M1)** increased by 7.7 per cent to settle at E6.4 billion at the end of July 2018. Growth was supported by Transferable (Demand) Deposits which rose by 9.6 per cent over the review month. However, the increase in M1 was partially offset by a 7.0 per cent fall in Emalangeneni Outside Depository Corporations.

**Quasi Money Supply** grew 1.4 per cent to close at E11.2 billion at the end of July 2018, supported by both its components. Time Deposits increased by 1.7 per cent to reach E9.6

billion while Savings Deposits grew by 0.2 to settle at E1.6 billion at the end of the review month.

**Liquidity Position of Banks** improved from E4.4 billion in June 2018 to E5.2 billion at the end of July 2018. Growth was observed in all its components. As a result, the banks' liquidity ratio also improved from 28.3 per cent in the preceding month to 31.2 per cent at the end of July 2018. Year-on-year, the banks' liquid assets were 29.5 per cent higher.

**Figure 5: Domestic Liquid Assets & Liquidity Ratio; July 2017 to July 2018**



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 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.

ITEM	Jul-18	Jun-18	Jul-17
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF SWAZILAND</b>			
Claims on Non-residents	8,559,698	7,491,605	9,525,332
Claims on Domestic Economy	1,357,271	1,355,249	1,160,808
Government	1,323,918	1,322,329	1,130,028
Other Depository Corporations	2,038	2,088	1,981
Other Resident Sectors	31,314	30,832	28,798
Other Assets	505,956	506,734	443,212
<b>Total Assets/Liabilities</b>	<b>10,422,925</b>	<b>9,353,588</b>	<b>11,129,351</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	2,427,466	1,911,860	1,964,676
Net Balances with Banks Outside Swaziland	1,984,713	1,750,373	2,262,473
Loans and advances	13,933,578	13,766,352	12,459,607
<b>Government Securities</b>	<b>2,921,465</b>	<b>2,707,776</b>	<b>2,152,046</b>
Treasury Bills	1,997,195	1,753,667	1,222,393
Government Bonds	924,271	954,108	929,653
Other	0	0	0
<b>Total Deposits</b>	<b>17,419,155</b>	<b>16,809,548</b>	<b>16,037,989</b>
Transferable/Demand	5,847,270	5,301,527	4,706,274
Savings	1,676,007	1,672,073	1,627,573
Time	9,895,878	9,835,948	9,704,142
<b>Capital and Reserves</b>	<b>3,721,432</b>	<b>3,715,437</b>	<b>3,328,981</b>
<b>Total Assets/Liabilities</b>	<b>23,953,490</b>	<b>22,809,612</b>	<b>21,408,979</b>
<b>Total Liquid Assets (Banks only)</b>	<b>5,156,294</b>	<b>4,397,759</b>	<b>3,980,568</b>
<b>Required Liquidity (Banks only)</b>	<b>4,079,161</b>	<b>3,838,332</b>	<b>3,544,218</b>
<b>Surplus/ Deficiency (-) (Banks only)</b>	<b>1,077,132</b>	<b>559,427</b>	<b>436,349</b>
<b>RATIOS (%)</b>			
<b>Actual Liquidity to Domestic Liabilities (Banks Only)</b>	<b>31.2</b>	<b>28.3</b>	<b>27.7</b>
<b>Loans and Advances to Deposits</b>	<b>80.0</b>	<b>81.9</b>	<b>77.7</b>

<b>DEPOSITORY CORPORATIONS SURVEY</b>		<b>Jul-18</b>	<b>Jun-18</b>	<b>Jul-17</b>	
<b>Net Foreign Assets (E)</b>		<b>8,191,278</b>	<b>6,879,064</b>	<b>9,217,137</b>	
<b>Net Official Assets</b>		<b>6,258,282</b>	<b>5,133,305</b>	<b>6,935,008</b>	
Foreign Assets - Central Bank of Swaziland		8,585,941	7,517,848	9,551,575	
Foreign Liabilities - Central Bank of Swaziland		2,327,659	2,384,543	2,616,566	
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>1,932,996</b>	<b>1,745,759</b>	<b>2,282,129</b>	
Foreign Assets - ODC		2,443,800	2,077,937	2,746,820	
Foreign Liabilities - ODC		510,804	332,178	464,691	
<b>Net Foreign Assets (SDR)</b>		<b>443,967</b>	<b>354,271</b>	<b>437,617</b>	
<b>Net Domestic Claims</b>		<b>16,158,724</b>	<b>16,022,230</b>	<b>11,844,304</b>	
<b>Net Claims on Government</b>		<b>1,511,713</b>	<b>1,530,696</b>	<b>(1,330,657)</b>	
Claims on Central Government		4,284,091	4,030,756	3,284,884	
Government Deposits		2,772,378	2,500,061	4,615,540	
<b>Claims on other sectors</b>		<b>14,647,012</b>	<b>14,491,535</b>	<b>13,174,960</b>	
Other nonfinancial corporations (Industry)		6,925,082	6,432,588	5,921,972	
Other resident sectors (Households & NPISH)		5,642,686	5,904,029	6,040,187	
Other sectors		2,079,244	2,154,918	1,212,801	
<b>Broad Money Supply (M2)</b>		<b>17,637,101</b>	<b>17,019,943</b>	<b>16,507,279</b>	
<b>Narrow Money Supply (M1)</b>		<b>6,413,690</b>	<b>5,955,723</b>	<b>5,333,891</b>	
Currency outside depository corporations (E)		637,314	685,399	668,377	
Transferable (Demand) deposits		5,776,376	5,270,324	4,665,514	
<b>Quasi Money</b>		<b>11,223,411</b>	<b>11,064,221</b>	<b>11,173,388</b>	
Savings Deposits		1,638,187	1,635,572	1,595,782	
Time Deposits		9,585,223	9,428,649	9,577,606	
Shares and Other Equity		6,631,922	6,462,589	5,159,963	
Central Of Swaziland		2,378,683	2,222,969	1,369,469	
Other Depository Corporations		4,253,239	4,239,619	3,790,494	
<b>Other Items (net)</b>		<b>80,979</b>	<b>-581,238</b>	<b>-605,801</b>	
<b>GROSS OFFICIAL RESERVES</b>	<b>Aug-18</b>	<b>Jul-18</b>	<b>Jun-18</b>	<b>Jul-17</b>	<b>Aug-17</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>
<b>Total Official (Gross) - Emalangeni E</b>	<b>6,473,298</b>	<b>7,232,424</b>	<b>6,091,782</b>	<b>8,189,310</b>	<b>7,336,534</b>
<b>Special Drawing Rights (SDR)</b>	<b>315,249</b>	<b>391,997</b>	<b>313,726</b>	<b>440,954</b>	<b>399,174</b>
<b>Central Bank</b>	<b>6,473,298</b>	<b>7,232,424</b>	<b>6,091,782</b>	<b>8,189,310</b>	<b>7,336,534</b>
<b>Government</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>	<b>26,243</b>
<b>Import Cover (Reserves to months of estimated imports)</b>	<b>3.0</b>	<b>3.3</b>	<b>2.8</b>	<b>4.0</b>	<b>3.5</b>
Net Bank Holdings		1,932,996	1,745,759	2,282,129	2,628,835
<b>NOTES:</b>					
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.					