



# MONEY AND BANKING STATISTICS

## OCTOBER/NOVEMBER 2016

### HIGHLIGHTS ON MAJOR ECONOMIC AGGREGATES

MONTHLY %  
CHANGE

ANNUAL %  
CHANGE

**Gross Official Reserves** fell by 5.4 per cent in November 2016 having grown by 12.8 per cent in October 2016. The drawdown in Reserves was on account of payment of Government's budgetary obligations over the month ended November 2016.

5.4



12.8



**Credit to the Private Sector** grew by 2.9 per cent in October 2016. The growth in credit to the private sector was on account of other sectors and the business sector. Credit to households on the other hand declined in the review month.

2.9



11.2



**Broad Money Supply (M2)** was 1.9 per cent higher than recorded at the end of September 2016. The rise in M2 was reflected in both M1 and Quasi Money Supply.

1.9



16.4



**Domestic Liquid Assets** fell by 2.8 per cent month-on-month but grew by 33.4 per cent year-on-year. The month-on-month decline was mainly driven by a contraction in banks' currency holdings (Rands and Emalangeni).

2.8



33.4



PERCENT

**Bank Rate** remained unchanged at 7 per cent at the end of November 2016.

7.0

**Prime Lending Rate** was at 10.5 per cent at the end of November 2016.

10.5

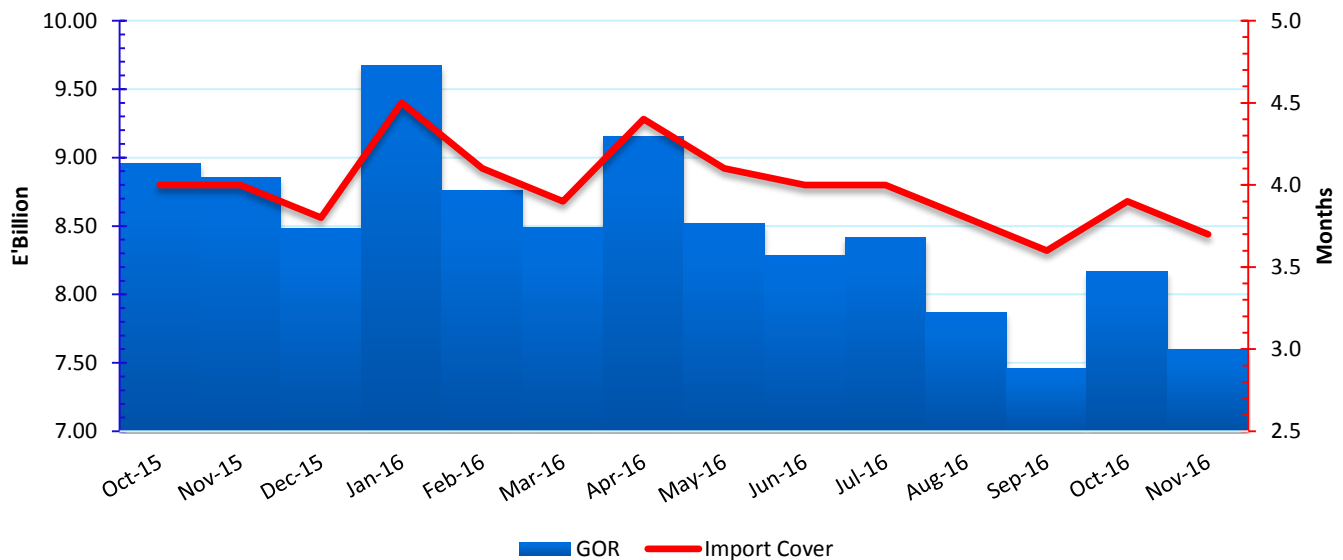
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## Summary of Movements in Major Monetary Aggregates

**Gross Official Reserves** amounted to E7.7 billion at the end of November 2016, lower than the E8.2 billion recorded at the end of October 2016. The drawdown in Reserves was on account of the payment of government's budgetary obligations over the month ended November 2016. The higher Reserve position recorded in October was on account of the Southern African Customs Union (SACU) receipts inflows at the beginning of the month. Import cover amounted to 3.7 months of goods and services at the end of November 2016, lower than the cover of 3.9 months recorded at the end of October 2016. When compared with November 2015, Gross Official Reserves were 14.1 per cent lower.

**Figure 1: Gross Official Reserves and Import Cover: October 2015 to November 2016**



Source: Central Bank of Swaziland

**Credit Extended to the Private Sector** grew by 2.9 per cent in the review month, reflecting a more robust growth than the 0.6 per cent growth recorded at the end of September 2016. The growth in credit extended to the private sector was primarily observed in credit to other sectors and businesses. Credit to households and non-profit institutions serving households (NPISH) on the other hand fell in the review month.

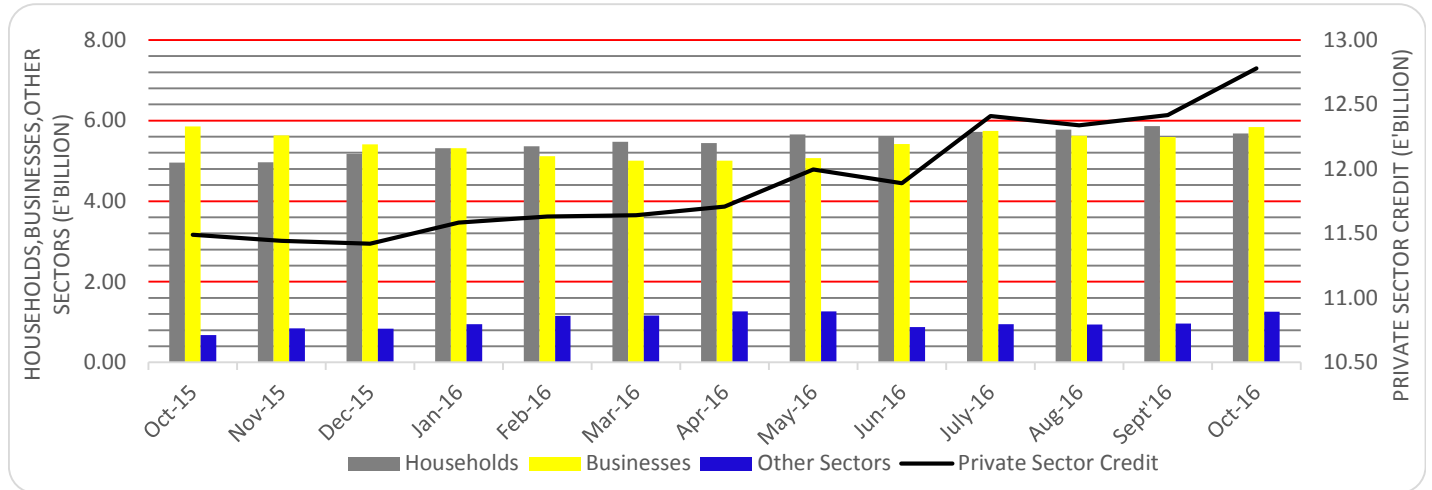
**Credit Extended to Other Sectors** settled at E1.3 billion at the end of October 2016 from E961.8 million recorded at the end of September 2016. The growth was driven by growth in credit to other financial corporations (45.4 per cent) and public non-financial corporations (7.3 per cent).

**Credit Extended to Businesses** amounted to E5.8 billion at the end of October 2016, 4.5 per cent higher than recorded at the end of September 2016. The rise in credit to businesses was primarily observed in credit to the distribution and tourism sector which grew by 31.8 per cent month-on-month to close at E1.4 billion.



## Summary of Movements in Major Monetary Aggregates

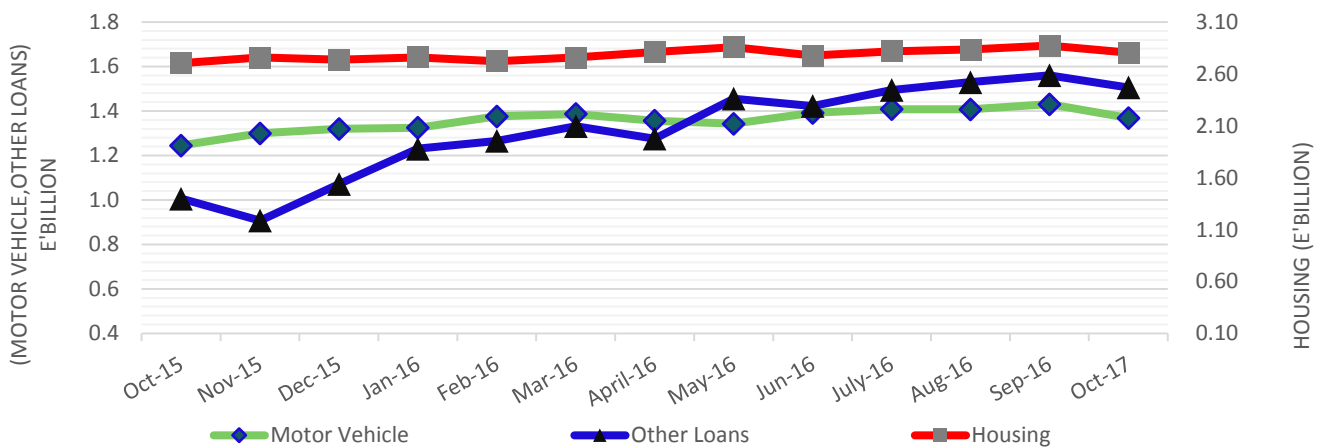
**Figure 2: Private Sector Credit; October 2015 to October 2016**



Source: Central Bank of Swaziland

**Credit Extended to Households & NPISH** shrank by 3.2 per cent in October 2016 having grown by 1.6 per cent in September 2016. The reduction was driven by all components of household credit. Motor vehicle finance reflected the highest decline of 4.3 per cent, other (unsecured) loans fell by 3.5 per cent while mortgage finance declined by 2.4 per cent in October 2016.

**Figure 3: Credit to Households by Purpose; October 2015 to October 2016**



Source: Other Depository Corporations

**Net Government Balances** grew to E1.6 billion in October 2016, from E453.8 million in September 2016. The improvement in net government balances was reflected in a month-on-month growth in government's deposits held at the Central Bank which were boosted by the inflow of SACU receipts. The banking sector's claims on government fell by 2.3 per cent to close at E3.3 billion at the end of October 2016. When compared on an annual basis, net government balances with the banking sector contracted by 59.3 per cent.

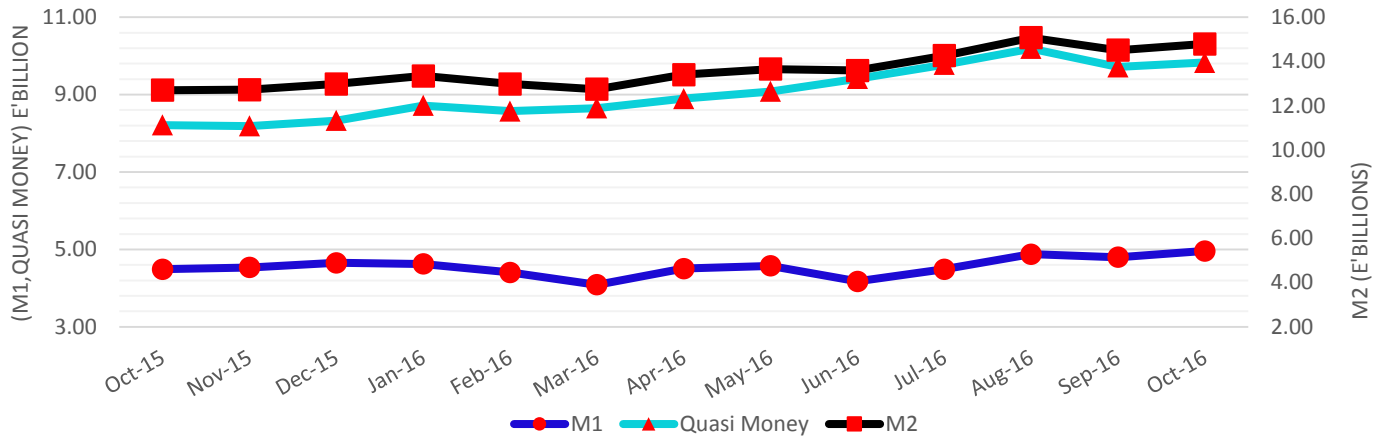
**Broad Money Supply (M2)** rose by 1.9 per cent in October 2016 having fallen by 3.7 per cent in September 2016. The month-on-month growth in M2 was reflected in both narrow money (M1) and quasi money supply. Quasi money supply was 4.7 per cent lower than recorded at the end of September 2016. The monthly decline in quasi money supply was primarily reflected in time deposits which contracted by 5.8 per cent month-on-month. Savings deposits on the other hand grew by 0.4 per cent over the review month. M1 was 1.6 per cent lower than recorded at the end of September 2016. The decline in M1 was on



## Summary of Movements in Major Monetary Aggregates

account of a fall in transferable deposits (-2.8 per cent). Currency outside depository corporations on the other hand increased by 7 per cent over the month ended October 2016.

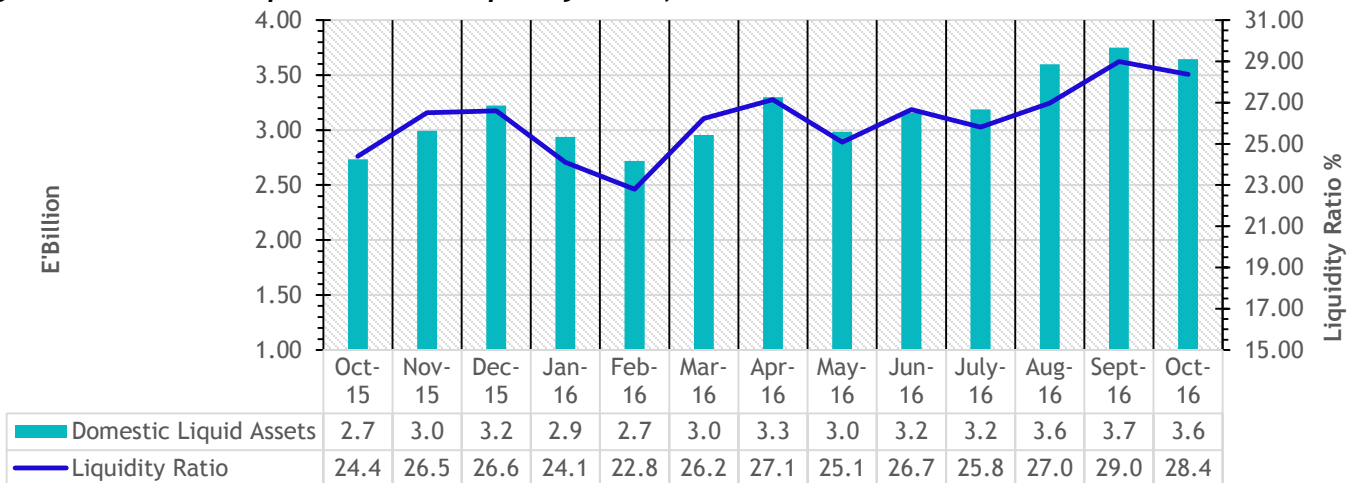
**Figure 4: Money Supply; October 2015 to October 2016**



Source: Other Depository Corporations & Central Bank of Swaziland

**Domestic Liquid Assets** contracted by 2.8 per cent over the review month reflecting a slowdown from the 4.1 per cent growth recorded at the end of September 2016. The fall in banks' domestic liquid assets was driven by a decline in banks' holdings of Rand and Emalangeni notes and coins, holdings of Government securities as well as balances held with the Central Bank. When compared over the year however, banks' domestic liquid assets depicted growth of 33.4 per cent.

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



Source: Other Depository Corporations

RELEASE OF MONEY AND BANKING STATISTICS

Notes:

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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 Central Bank's Quarterly Review.

ITEM	Oct-16	Sep-16	Oct-15
	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>CENTRAL BANK OF SWAZILAND</b>			
Claims on Non-residents	9,505,065	8,843,416	9,811,714
Claims on Domestic Economy	1,189,541	1,148,441	25,555
Government	1,128,235	1,122,620	2,543
Other Depository Corporations	36,847	1,313	1,843
Other Resident Sectors	24,458	24,509	21,170
Other Assets	463,259	433,118	439,530
Total Assets/Liabilities	11,157,864	10,424,975	10,276,800
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	1,507,559	1,569,869	1,157,585
Net Balances with Banks Outside Swaziland	996,897	1,285,134	1,454,990
Loans and advances	11,916,654	11,845,773	11,258,999
Government Securities	2,195,321	2,276,325	1,695,293
Treasury Bills	1,521,316	1,620,419	1,115,951
Government Bonds	674,005	655,907	579,342
Other	0	0	0
Total Deposits	14,210,357	14,104,036	12,579,763
Transferable/Demand	4,343,984	4,205,187	3,858,177
Savings	1,829,109	1,827,482	1,664,819
Time	8,037,264	8,071,367	7,056,767
Capital and Reserves	3,229,031	3,184,269	2,819,755
Total Assets/Liabilities	19,810,453	19,374,935	17,146,616
Total Liquid Assets (Banks only)	3,646,001	3,749,899	2,734,092

	Oct-16	Sep-16	Oct-15		
	Amount (E'000)	Amount (E'000)	Amount (E'000)		
<b>Required Liquidity (Banks only)</b>	<b>3,164,491</b>	<b>3,189,665</b>	<b>2,203,465</b>		
<b>Surplus/ Deficiency (-) (Banks only)</b>	<b>481,510</b>	<b>560,233</b>	<b>530,627</b>		
<b>RATIOS (%)</b>					
<b>Actual Liquidity to Domestic Liabilities (Banks Only)</b>	<b>28.4</b>	<b>29.0</b>	<b>24.4</b>		
<b>Loans and Advances to Deposits</b>	<b>83.9</b>	<b>84.0</b>	<b>89.5</b>		
<b>DEPOSITORY CORPORATIONS SURVEY</b>					
<b>Net Foreign Assets</b>	<b>7,691,771</b>	<b>7,049,175</b>	<b>9,547,021</b>		
<b>Net Official Assets</b>	<b>6,671,246</b>	<b>5,743,852</b>	<b>8,093,129</b>		
Foreign Assets - Central Bank of Swaziland	9,534,178	8,872,529	9,846,111		
Foreign Liabilities - Central Bank of Swaziland	2,862,932	3,128,676	1,752,981		
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>	<b>1,020,525</b>	<b>1,305,322</b>	<b>1,453,892</b>		
Foreign Assets - ODC	1,773,578	1,739,418	1,947,838		
Foreign Liabilities - ODC	753,052	434,095	493,946		
<b>Net Domestic Claims</b>	<b>11,185,051</b>	<b>11,962,807</b>	<b>7,574,963</b>		
Net Claims on Government	(1,594,417)	(453,800)	(3,915,106)		
Claims on Central Government	3,336,679	3,415,918	1,702,555		
Government Deposits	4,931,097	3,869,718	5,617,661		
Claims on other sectors	12,779,469	12,416,607	11,490,069		
Other nonfinancial corporations (Industry)	5,839,948	5,589,979	5,857,376		
Other resident sectors (Households & NPISH)	5,678,714	5,864,873	4,955,212		
Other sectors	1,260,807	961,755	677,481		
<b>Broad Money Supply (M2)</b>	<b>14,788,251</b>	<b>14,510,253</b>	<b>12,701,932</b>		
<b>Narrow Money Supply (M1)</b>	<b>4,960,267</b>	<b>4,797,878</b>	<b>4,490,115</b>		
Currency outside depository corporations (E)	693,107	620,687	642,663		
Transferable (Demand) deposits	4,267,160	4,177,192	3,847,452		
<b>Quasi Money</b>	<b>9,827,984</b>	<b>9,712,374</b>	<b>8,211,817</b>		
Savings Deposits	1,799,792	1,798,748	1,638,377		
Time Deposits	8,028,192	7,913,626	6,573,440		
<b>Shares and other equity</b>	<b>5,022,907</b>	<b>4,993,891</b>	<b>4,821,827</b>		
Central Of Swaziland	1,342,328	1,366,578	1,617,597		
Other Depository Corporations	3,680,579	3,627,313	3,204,230		
<b>Other Items (net)</b>	<b>-934,335</b>	<b>-492,162</b>	<b>-401,775</b>		
<b>SWAZILAND'S INTERNATIONAL RESERVES</b>	<b>Nov-16</b>	<b>Oct-16</b>	<b>Sep-16</b>	<b>Oct-15</b>	<b>Nov-15</b>
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>Total Official (Gross) - Emalangeni E</b>	<b>7,721,490</b>	<b>8,165,597</b>	<b>7,455,239</b>	<b>8,959,948</b>	<b>8,852,537</b>
<b>- Special Drawing Rights (SDR)</b>	<b>407,262</b>	<b>438,546</b>	<b>386,346</b>	<b>464,304</b>	<b>448,321</b>
<b>Central Bank</b>	<b>7,721,490</b>	<b>8,165,597</b>	<b>7,455,239</b>	<b>8,959,948</b>	<b>8,852,537</b>
<b>Government</b>	<b>28,326</b>	<b>26,745</b>	<b>29,113</b>	<b>34,396</b>	<b>35,074</b>
Import Cover (Reserves to months of estimated imports)	3.7	3.9	3.6	4.0	4.0
<b>Net Bank Holdings</b>	<b>1,020,525</b>	<b>1,305,322</b>	<b>1,453,892</b>		

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- 5.Import cover figures are subject to revision as import figures used have a 3 month lag.



