



December 2014



MONEY AND BANKING STATISTICS

HIGHLIGHTS ON MAJOR MONETARY AGGREGATES

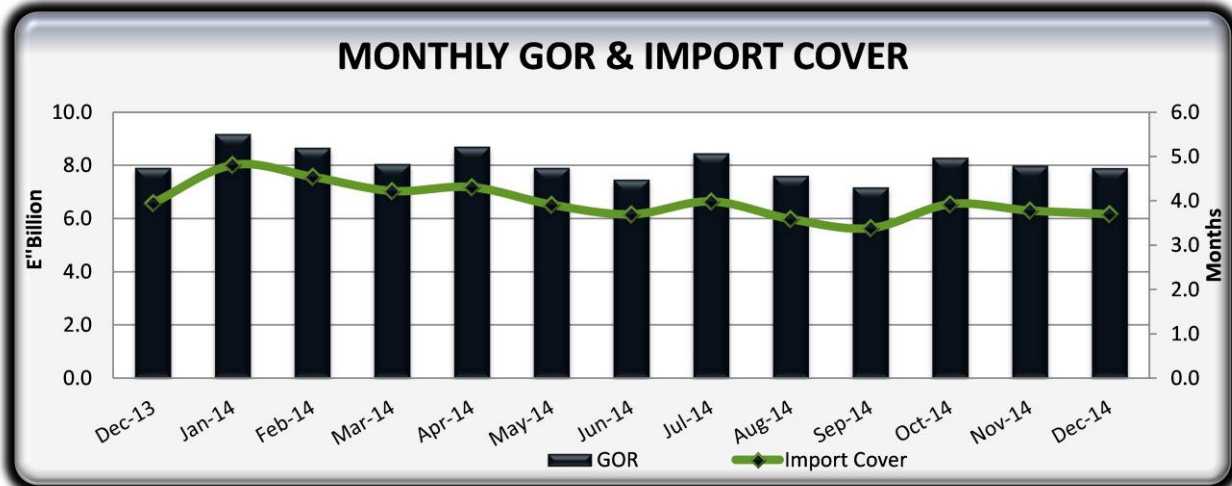
	VARIABLE	PERCENT
<p>Gross Official Reserves (GOR) decelerated by 1.4 percent during the month of December 2014. The contraction in reserves emanated from payments of government's obligations over the month under review.</p>	GOR	1.4↓
<p>Months of Import Cover. The reserves were sufficient to cover 3.6 months of imports at the end of December 2014, maintaining the same level as in the previous month.</p>	IMPORT COVER	3.6 months
<p>Credit Extended to the Private Sector (PSCE) rose by 1.3 percent over the month of December 2014. The growth was mainly propelled by an increase in all credit categories.</p>	PSCE	1.3↑
<p>Broad Money Supply (M2) slowed slightly by 0.6 percent at the end of December 2014. The fall was mainly driven by a decline in quasi money.</p>	M2	0.6↓
<p>Liquidity Position of the banking industry increased by 5.6 percent over the month under review. The growth was on account of a rise in the banks' cash holdings and investment in government treasury bills over the review month.</p>	BANKS' LIQUIDITY	5.6↑
<p>Discount rate. The Central Bank of Swaziland maintained its discount rate at 5.25 percent at the end of December 2014.</p>	DISCOUNT RATE	5.25
<p>Commercial Banks also maintained their prime lending rate at 8.75 percent at the end of December 2014.</p>	PRIME LENDING	8.75





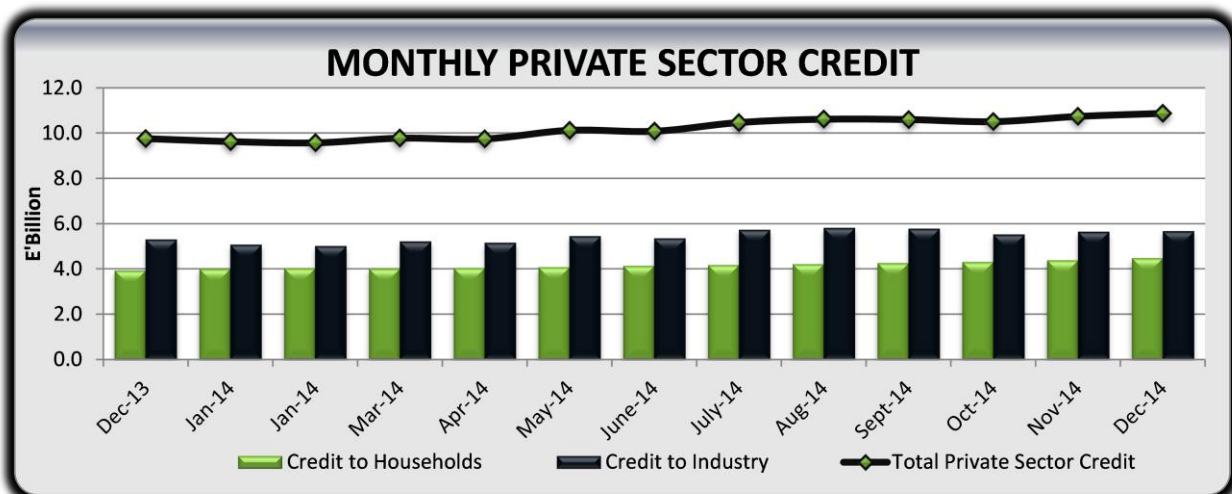
Summary of Movements in Major Monetary Aggregates

Gross Official Reserves stood at E7.9 billion at the end of December 2014, reflecting a decline of 1.4 percent. The contraction in reserves was mainly on account of payments of governments' obligations during the month under review. The reserves however, were enough to cover an estimated 3.6 months of imports, maintaining the same level as in the previous month. Valued in Special Drawing Rights (SDRs), the reserves fell by 5.0 percent to SDR472.5 million at the end of December 2014. When compared over the year, the reserves increased marginally by 0.1 percent in Emalangeni terms and receded by 2.9 percent in SDRs terms.



Source: Other Depository Corporations

Domestic Claims (net) rose by 7 percent to E7.9 billion on account of a combination of a rise in credit extended to the private sector and a fall in net government balances with the banking sector over the month of December 2014. Credit extended to the private sector rose by 1.3 percent to E10.9 billion, mainly discernable in all credit categories. Credit extended to other sectors (mainly other financial corporations) expanded by 1.7 percent to E713.4 million during December 2014. Credit extended to industry also grew, but by a much lower rate of 0.6 percent to E5.7 billion. This rise was attributed to an increase in demand for credit by the 'Manufacturing', 'Construction' and 'Real Estate' sectors over the review month.

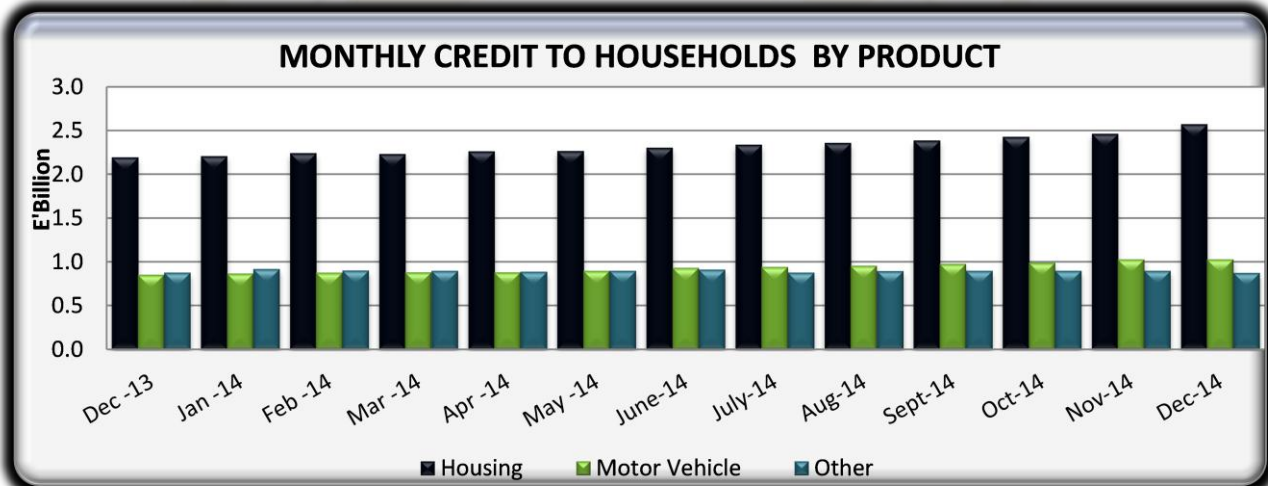


Source: Other Depository Corporations



Summary of Movements in Major Monetary Aggregates

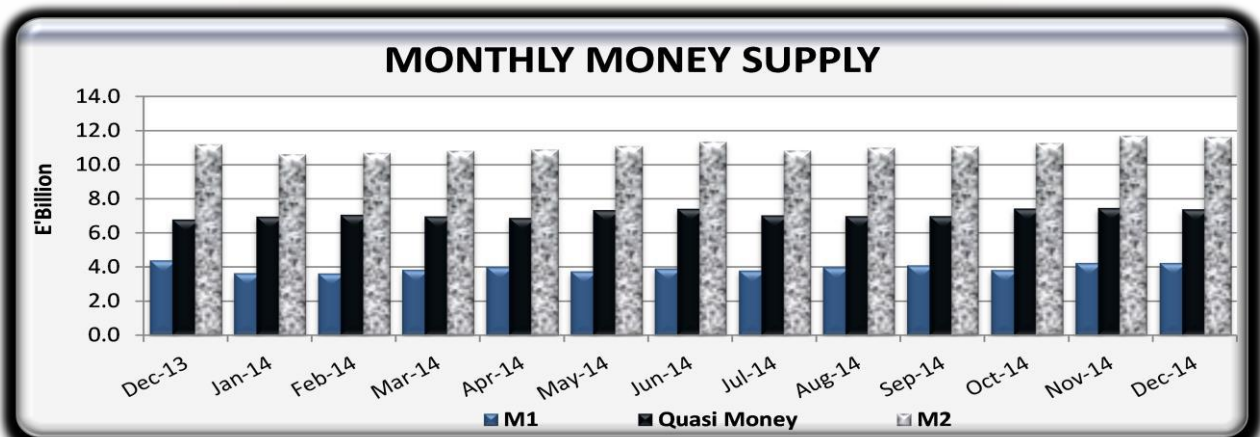
Credit extended to the household sector recorded a month-on-month growth of 2.0 percent to reach E4.5 billion during the month ending December 2014. The increase in credit extended to households was predominantly reflected in housing finance during the month under review. Housing finance accelerated by 4.5 percent to E2.6 billion whilst motor vehicle finance increased slightly by 0.2 percent to E1 billion at the end of December 2014. Other loans however, decelerated by 2.7 percent to E873.3 million. Compared on an annual basis, credit extended to the private sector expanded by 11.4 percent.



Source: Other Depository Corporations

Net government balances with the banking sector contracted by 11.4 percent to E3 billion, mainly due to a drawdown of government net balances from the banking system during the month of December 2014. Compared over the year, net government balances decreased by 1.4 percent.

Broad Money Supply (M_2) reflected a marginal decline of 0.6 percent to E11.6 billion during the month of December 2014. The slowdown in M_2 was predominantly mirrored in a decline in quasi money which surpassed a rise in narrow money supply (M_1) at the end of December 2014. Quasi money receded slightly by 1 percent to settle at E7.4 billion, mainly driven by a reduction in time deposits. Time deposits fell by 2.1 percent to E5.8 billion, whereas savings deposits trended in the opposite direction and rose by 3.3 percent to E1.6 billion. M_1 on the other hand, grew by a sluggish 0.1 percent to E4.2 billion, mainly on account of a rise in transferable deposits over the review month. Transferable deposits rose by 3 percent to E3.7 billion while currency outside depository corporations decelerated by 16.3 percent to settle at E529.7 million. Annually, M_2 increased by 3.9 percent, quasi money by 8.8 percent whilst M_1 receded by 3.5 percent.

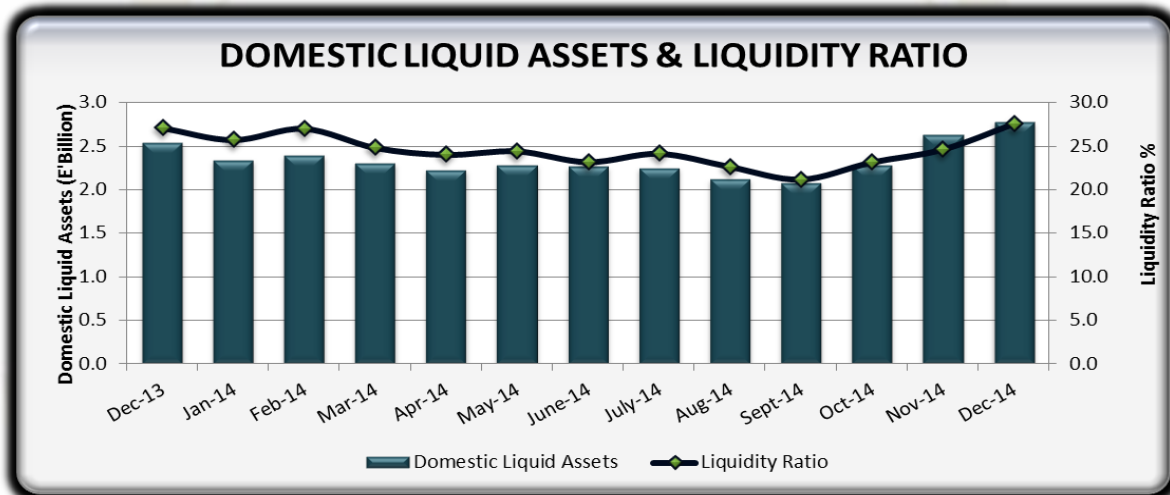


Source: Other Depository Corporations & Central Bank of Swaziland



Summary of Movements in Major Monetary Aggregates

Commercial banks' domestic liquid assets stood at E2.8 billion reflecting a 5.6 percent growth over the month of December 2014. The increase in banks' domestic liquid assets was largely attributed to an accumulation of cash balances in line with higher consumer expenditure during the festive season. The liquidity ratio was at 27.5 percent, 2.9 percentage points higher than the level recorded at the end of November 2014. Compared year-on-year, banks' domestic liquid assets accelerated by 9.3 percent.



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 therelevant notes in the Central Bank's Quarterly Review.

	2014	2014	2013
	Dec-14	Nov-14	Dec-13
ITEM	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF SWAZILAND			
<i>Claims on Non-residents</i>	8 655 509	8 737 316	8 628 531
<i>Claims on Domestic Economy</i>	24 549	24 645	79 896
Government	2 613	2 282	60 363
Other Depository Corporations	1 835	1 844	665
Other Resident Sectors	20 100	20 519	18 868
<i>Other Assets</i>	442 774	413 408	348 059
<i>Total Assets/Liabilities</i>	9 122 831	9 175 369	9 056 486
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	1 295 211	1 218 901	1 056 069
<i>Net Balances with Banks Outside Swaziland</i>	655 683	1 011 733	789 276
<i>Loans and advances</i>	10 580 089	10 444 164	9 606 602
<i>Government Securities</i>	1 582 884	1 503 604	1 679 810
<i>Total Deposits</i>	11 440 076	11 425 848	10 691 677
Transferable/Demand	3 725 645	3 620 474	3 911 262
Savings	1 650 155	1 598 401	1 569 688
Time	6 064 276	6 206 973	5 210 727
<i>Capital and Reserves</i>	2 505 413	2 490 648	2 123 197
<i>Total Assets/Liabilities</i>	15 905 331	16 335 900	14 998 557
<i>Total Liquid Assets (Banks only)</i>	2 772 573	2 624 629	2 535 548

	Dec-14	Nov-14	Dec-13
	Amount (E'000)	Amount (E'000)	Amount (E'000)
Required Liquidity (Banks only)	1 971 729	2 091 876	1 833 982
Surplus/ Deficiency(-)(Banks only)	800 844	532 753	701 566
RATIOS (%)			
Actual Liquidity to Domestic Liabilities (Banks Only)	27.5	24.6	27.1
Loans and Advances to Deposits	92.5	91.4	89.9
DEPOSITORY CORPORATIONS SURVEY			
Net Foreign Assets	7 731 615	8 175 847	7 920 289
Net Domestic Claims	7 903 910	7 389 437	6 748 695
Net Claims on Government	-2 965 024	-3 345 050	-3 008 441
Claims on other sectors	10 868 934	10 734 488	9 757 136
Other nonfinancial corporations(Industry)	5 677 249	5 642 481	5 310 149
Other resident sectors(Households &NPISH)	4 478 314	4 390 341	3 942 141
Other sectors	713 371	701 666	504 847
Broad Money Supply(M2)	11 638 649	11 706 857	11 196 933
Narrow Money Supply(M1)	4 245 377	4 240 567	4 399 201
Currency outside depository corporations(E)	529 671	632 677	499 167
Transferable(Demand)deposits	3 715 706	3 607 890	3 900 034
Quasi Money	7 393 272	7 466 290	6 797 732
Savings Deposits	1 624 575	1 572 695	1 543 024
Time Deposits	5 768 697	5 893 595	5 254 708
Shares and other equity	4 251 489	4 102 853	3 733 208
Other Items (net)	-254 613	-244 426	-261 156
SWAZILAND'S INTERNATIONAL RESERVES			
Total Official (Gross) - E	7 916 084	8 025 389	7 911 012
SDR	472 531	497 560	486 646
Central Bank	7 916 084	8 025 389	7 911 012
Government	77 627	76 175	68 378
Import Cover (Reserves to months of estimated imports)	3.6	3.6	3.9
Net Bank Holdings	635 271	944 087	709 076