



MONEY AND BANKING STATISTICS

DECEMBER 2017/JANUARY 2018

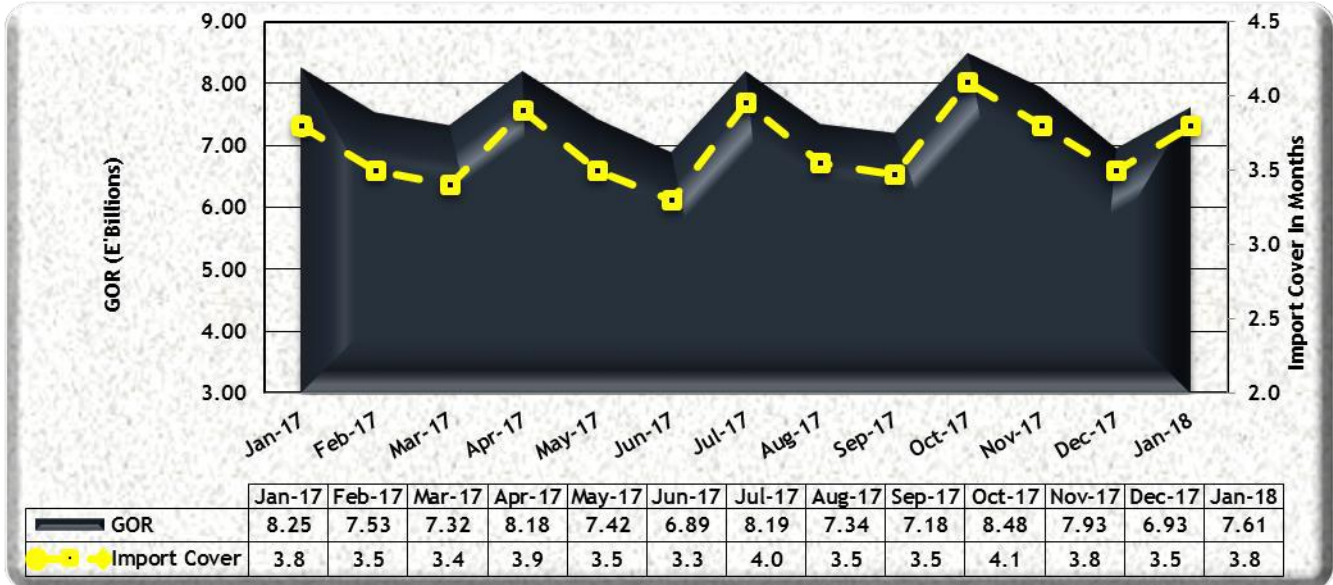
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross Official Reserves increased by 9.7 per cent at the end of January 2018, sufficient to cover 3.8 months of imports. The month-on-month growth in Reserves was largely due to the inflow of the fourth quarter SACU revenues. Year-on-year, Reserves fell by 7.8 per cent.	9.7	7.8
Credit to the Private sector grew by 2.4 per cent month-on-month to E14.2 billion at the end of December 2017. Growth was observed in credit to Other sectors, whilst credit to Businesses and Households contracted. Annually private sector credit rose by 8.9 per cent.	2.4	8.9
Broad Money Supply (M2) reflected a contraction of 3.2 per cent to settle at E17.3 billion at the end of December 2017. The fall in M2 was observed in both its components Quasi Money and Narrow Money Supply (M1). Year-on-year M2 rose by 3.8 per cent.	3.2	3.8
Domestic Liquid Assets shrank by 2.9 per cent to E4.3 billion at the end of December 2017. The decline was a result of lower banks' balances with the Central Bank and investment in Government securities. Year-on-year, Liquid Assets expanded by 2.5 per cent.	2.9	2.5
	PERCENT	
Discount Rate: following the protracted fall in domestic inflation through 2017, and in an effort to support growth, the Central Bank of Swaziland cut the discount rate by 25 basis points to 7.0 per cent during the meeting of the MPCC held on 19 January 2018.		7.00
Prime Lending Rate: following the decision of the Central bank of Swaziland, commercial banks also reduced the Prime lending rate by 25 basis points from 10.75 per cent to 10.50 per cent in January 2018.		10.50



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves amounted to E7.6 billion at the end of January 2018. At this level, the Reserves were 9.7 per cent higher when compared with the December 2017 level. The month-on-month rise was mainly due to the Southern African Customs Union revenue inflow at the beginning of January 2018. The Reserves were enough to cover an estimated 3.8 months of imports, higher than the 3.5 months' cover recorded in December 2017. When valued in Special Drawing Rights (SDRs), the Reserves rose by 11.7 per cent month-on-month to settle at SDR439.7 million. When compared year-on-year however, the Reserves went down by 7.8 per cent in Emalangeni and by 2.5 per cent in SDR terms.

Figure 1 - Gross Official Reserves and Import Cover; January 2017 to January 2018



Source: Central Bank of Swaziland

Credit Advanced to the Private Sector continued to grow steadily reflecting a month-on-month growth of 2.4 per cent at the end of December 2017 to settle at E14.2 billion. The expansion was driven by credit to Other Sectors whilst credit to Businesses and Households & Non-Profit Institutions Serving Households (NPISH) depicted a decline at the end of December 2017. Year-on-year, Private sector credit increased by 8.9 per cent.

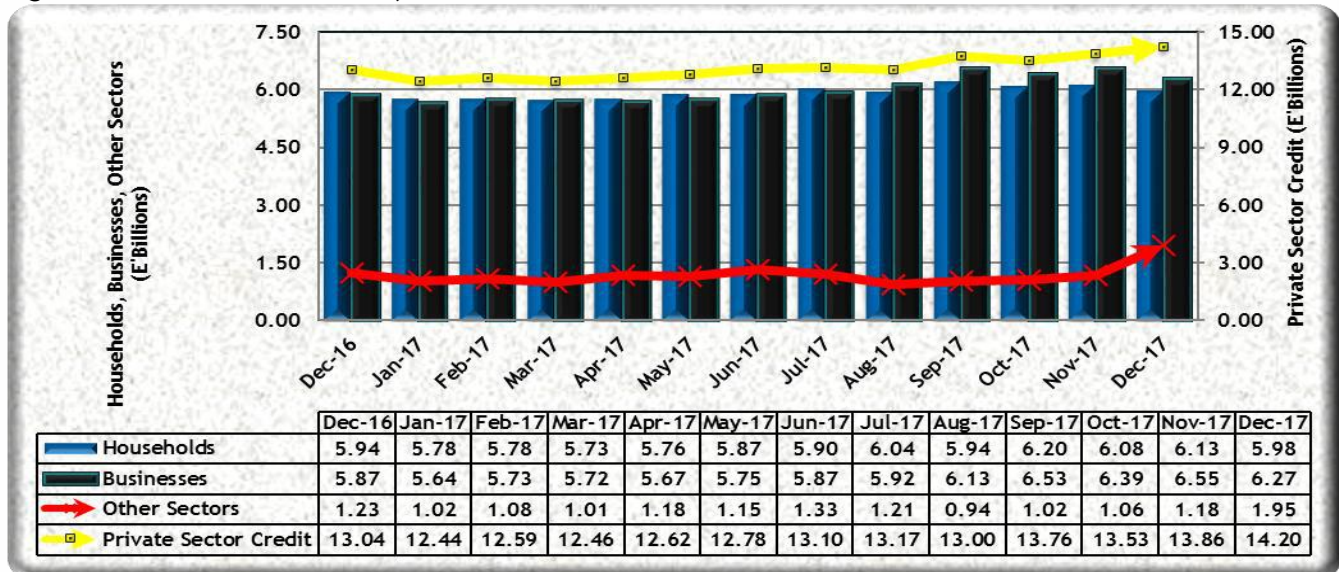
Credit Advanced to Other Sectors improved significantly by 65.3 per cent to E2.0 billion at the end of December 2017, higher than the E1.2 billion observed in the preceding month. Strong credit growth was observed in Other Financial Corporation which grew by 111.0 per cent followed by Public Non-Financial Corporations by 13.2 per cent and lastly Local Government by 3.3 per cent.

Credit Advanced to Businesses shrank by 4.2 per cent to E6.3 billion at the end of December 2017, down from the E6.5 billion observed in November 2017. The slowdown in credit to Businesses resulted from negative performances by the Agriculture & Forestry (-37.7 per cent), Real Estate (-9.7 per cent), Mining & Quarrying (-5.8 per cent), Manufacturing (-3.5 per cent) as well as Construction (-2.8 per cent) sectors. However, an improvement in credit to these sectors were observed; Community Social & Personal Services (35.3 per cent), Distribution & Tourism (7.9 per cent), as well as Transport & Communication (4.8 per cent).



Summary of Movements in Major Monetary Aggregates

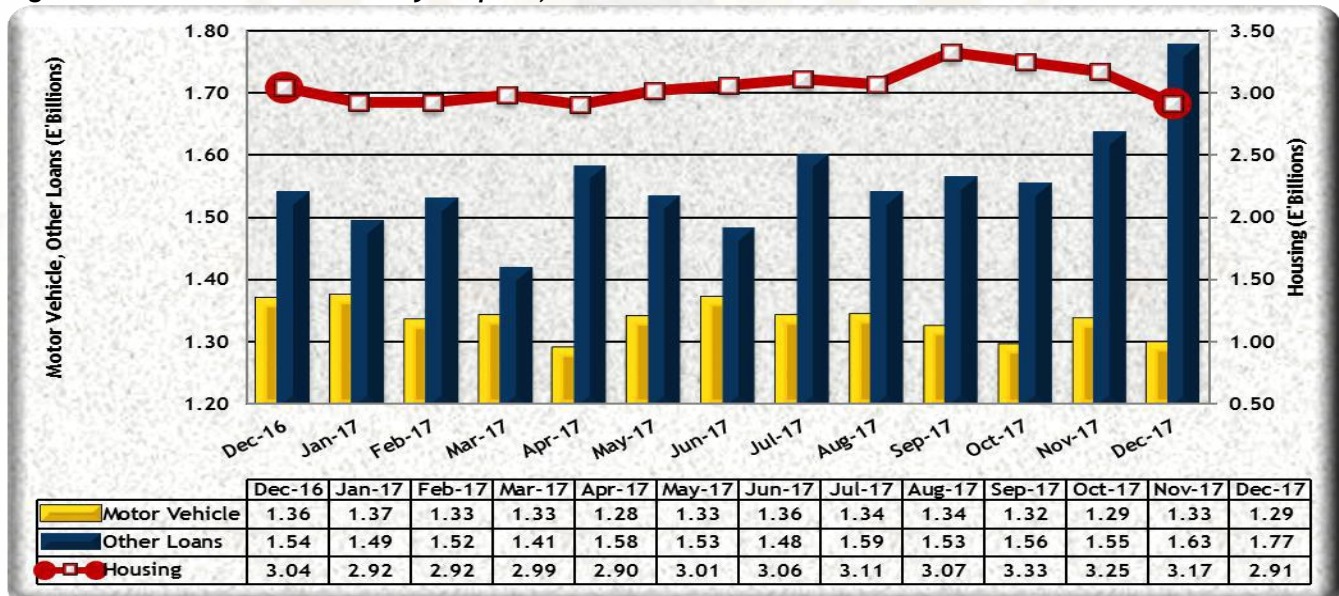
Figure 2: Private Sector Credit; December 2016 to December 2017



Source: Central Bank of Swaziland

Credit Advanced to Households & NPISH went down by 2.5 per cent at the end of December 2017 to settle at E6.0 billion from E6.1 billion recorded in the previous month. The reduction was mainly observed in Housing and Motor Vehicle Finance. Loans. Housing Finance fell by 8.1 per cent to close at E2.9 billion whilst Motor Vehicle Loans declined by a lesser rate of 2.9 per cent to reach E1.3 billion. In contrast, Other (unsecured) Loans reflected a month-on-month growth of 8.6 per cent to settle at E1.8 billion.

Figure 3: Credit to Households by Purpose; December 2016 to December 2017



Source: Other Depository Corporations

Net Government Balances with the banking sector stood at E62.6 million at the end of December 2017, depicting a month-on-month fall of 88.4 per cent. The contraction was predominantly driven by Government deposits which fell by 11.5 per cent alongside a decrease of 0.8 per cent in claims on Government. When compared over the year, Net Government balances with the banking sector depicted a decline of 92.5 per cent.

Broad Money Supply (M2) receded by 3.2 per cent month-on-month to settle at E17.3 billion at the end of December 2017. The decline was mainly attributed to Quasi Money Supply. When compared annually, however, M2 grew by 3.8 per cent.

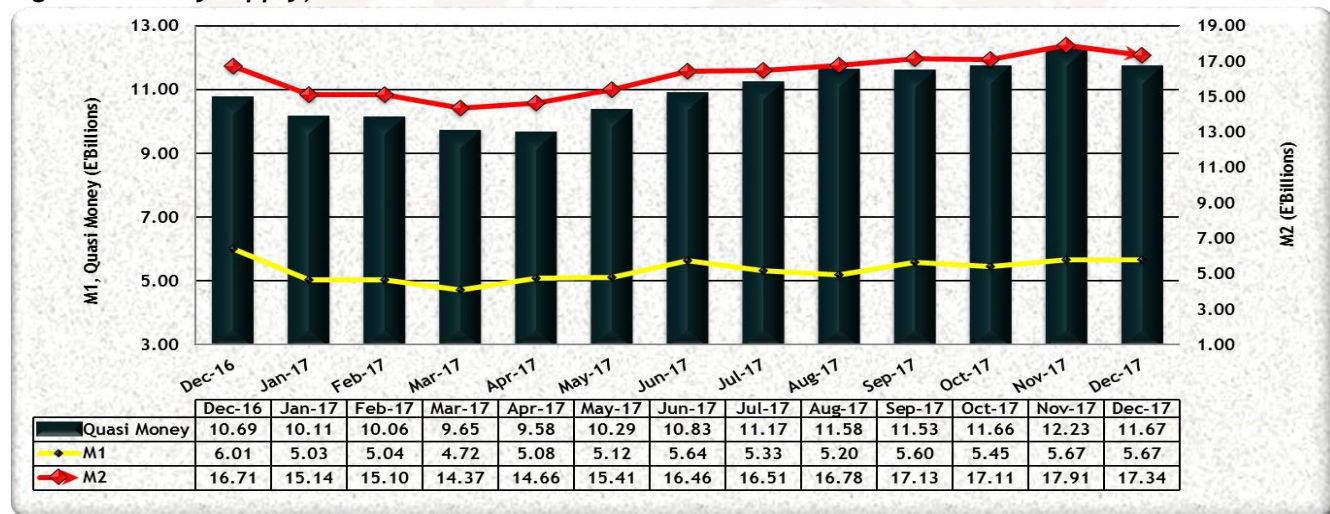


Summary of Movements in Major Monetary Aggregates

Quasi Money Supply receded by 4.6 per cent month-on-month to settle at E11.7 billion at the end of December 2017, mainly driven by both its components, Time and Savings Deposits. Time Deposits declined by 5.0 per cent to E10.0 billion while Savings Deposits decreased by 2.2 per cent to E1.7 billion.

Narrow Money Supply (M1) stood at E5.7 billion at the end of December 2017, relatively unchanged from the level observed in the previous month. Amongst its components, however, Currency Outside Depository Corporations receded while Transferable Deposits trended upwards. Consequently, Currency Outside Depository Corporations fell by 21.1 per cent to reach E607.9 million whilst Transferable deposits grew by 3.3 per cent to E5.1 billion.

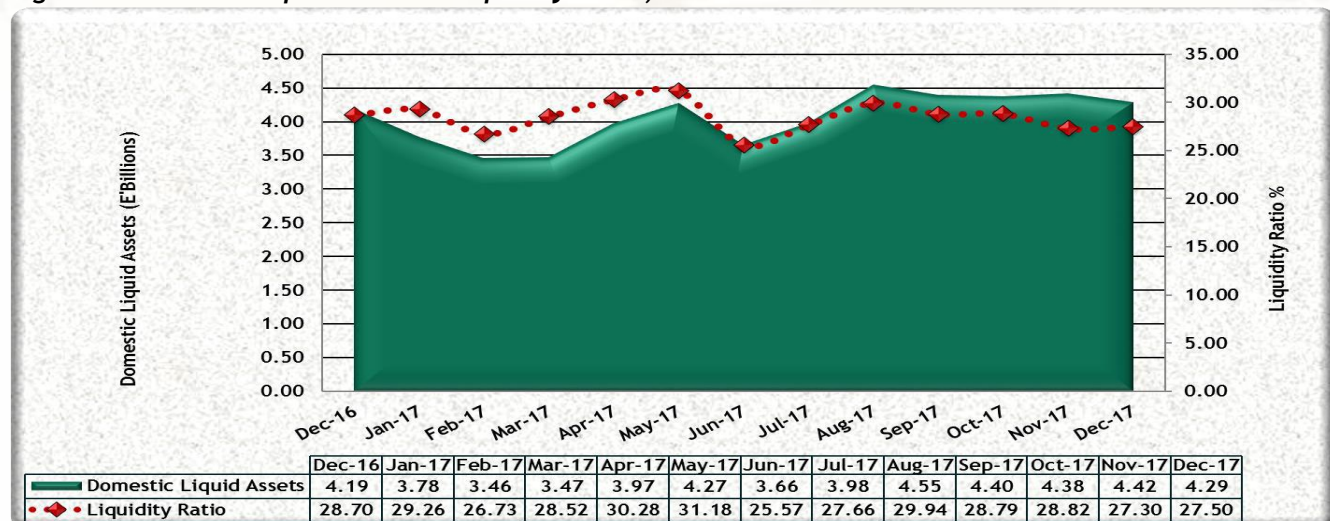
Figure 4: Money Supply; December 2016 to December 2017



Source: Other Depository Corporations & Central Bank of Swaziland

Domestic Liquidity Assets receded by 2.9 per cent month-on-month to reach E4.3 billion at the end of December 2017, down from the E4.4 billion observed in November 2017. The reduction was largely attributed to banks' balances held with the Central Bank of Swaziland and investment in Government securities. The liquidity ratio however, rose from 27.3 per cent observed in November 2017 to 27.5 per cent at the end of December 2017. Compared year-on-year, the bank's liquid assets expanded by 2.5 per cent.

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



Source: Other Depository Corporations

	<i>Dec-17</i>	<i>Nov-17</i>	<i>Dec-16</i>
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
<i>ITEM</i>	<i>(E'000)</i>	<i>(E'000)</i>	<i>(E'000)</i>
CENTRAL BANK OF SWAZILAND			
<i>Claims on Non-residents</i>	8 199 060	9 268 594	9 051 266
<i>Claims on Domestic Economy</i>	1 353 976	1 346 785	1 175 309
Government	1 323 157	1 314 683	1 124 106
Other Depository Corporations	667	2 061	25 670
Other Resident Sectors	30 151	30 042	25 534
<i>Other Assets</i>	1 876 709	1 866 435	431 236
<i>Total Assets/Liabilities</i>	11 429 745	12 481 815	10 657 811
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	1 951 389	2 049 230	2 045 587
<i>Net Balances with Banks Outside Swaziland</i>	2 000 615	2 627 873	2 343 966
<i>Loans and advances</i>	12 850 448	13 257 744	12 187 920
<i>Government Securities</i>	2 538 715	2 580 121	2 222 099
Treasury Bills	1 601 919	1 639 800	1 358 296
Government Bonds	936 795	940 321	863 804
<i>Other</i>	0	0	0
<i>Total Deposits</i>	16 896 543	17 304 043	16 232 590
Transferable/Demand	5 090 387	4 934 660	5 484 212
Savings	1 712 123	1 750 654	1 839 526
Time	10 094 034	10 618 728	8 908 853
<i>Capital and Reserves</i>	3 564 064	3 518 547	3 273 990
<i>Total Assets/Liabilities</i>	22 786 793	23 159 173	21 392 966
<i>Total Liquid Assets (Banks only)</i>	4 292 350	4 420 544	4 188 900
<i>Required Liquidity (Banks only)</i>	3 850 172	3 996 752	3 606 916
<i>Surplus/ Deficiency (-) (Banks only)</i>	442 178	423 792	581 985
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	27.5	27.3	28.7
<i>Loans and Advances to Deposits</i>	76.1	76.6	75.1

DEPOSITORY CORPORATIONS SURVEY	Dec-17	Nov-17	Dec-16
Net Foreign Assets (E)	7,909,497	9,577,028	8,830,410
Net Official Assets	5,882,638	6,930,735	6,434,112
Foreign Assets - Central Bank of Swaziland	8,225,303	9,294,837	9,078,727
Foreign Liabilities - Central Bank of Swaziland	2,342,664	2,364,102	2,644,616
Net Other Depository Corporations Foreign holdings (ODC)	2,026,859	2,646,293	2,396,298
Foreign Assets - ODC	2,464,704	2,862,774	2,893,587
Foreign Liabilities - ODC	437,845	216,481	497,288
Net Foreign Assets (SDR)	449,278	495,998	435,387
Net Domestic Claims	14,138,182	13,320,119	12,204,524
Net Claims on Government	(62,553)	(541,141)	(832,785)
Claims on Central Government	3,864,915	3,897,547	3,349,428
Government Deposits	3,927,467	4,438,688	4,182,213
Claims on other sectors	14,200,734	13,861,260	13,037,309
Other nonfinancial corporations (Industry)	6,273,571	6,549,589	5,868,783
Other resident sectors (Households & NPISH)	5,976,993	6,131,693	5,940,789
Other sectors	1,950,170	1,179,978	1,227,736
Broad Money Supply (M2)	17,343,039	17,907,909	16,708,080
Narrow Money Supply (M1)	5,674,010	5,674,089	6,014,065
Currency outside depository corporations (E)	607,901	769,983	609,116
Transferable (Demand) deposits	5,066,108	4,904,106	5,404,949
Quasi Money	11,669,029	12,233,820	10,694,015
Savings Deposits	1,680,668	1,719,058	1,808,210
Time Deposits	9,988,361	10,514,761	8,885,805
Shares and Other Equity	6,766,079	6,977,078	5,143,119
Central Of Swaziland	2,702,915	2,967,661	1,410,395
Other Depository Corporations	4,063,164	4,009,417	3,732,724
Other Items (net)	-2,061,439	-1,987,839	-816,265

GROSS OFFICIAL RESERVES	31-Jan-18	Dec-17	Nov-17	Dec-16	Jan-17
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	7,605,277	6,932,595	7,879,569	7,723,035	8,246,298
Special Drawing Rights (SDR)	439,739	393,788	408,086	448,287	451,219
Central Bank	7,605,277	6,932,595	7,879,569	7,723,035	8,246,298
Government	26,243	26,243	26,243	27,461	27,577
Import Cover (Reserves to months of estimated imports)	3.8	3.5	3.9	3.6	3.8
Net Bank Holdings		2,026,859	2,646,293	2,396,298	1,512,776

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.