



January 2015



## MONEY AND BANKING STATISTICS

### HIGHLIGHTS ON MAJOR MONETARY AGGREGATES

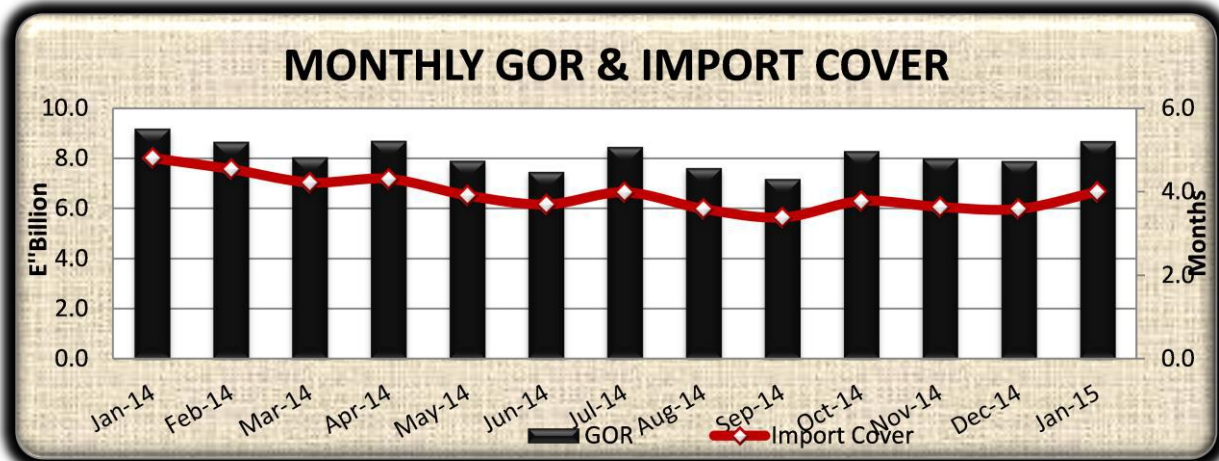
	VARIABLE	PERCENT
<p><b>Gross Official Reserves (GOR) reflected an expansion of 10.4 percent at the end of January 2015.</b> The growth in reserves was propelled by the quarterly inflow of SACU receipts at the beginning of January 2015.</p>	GOR	10.4
<p><b>Months of Import Cover.</b> The reserves covered 4 months of imports, higher than the 3.6 months recorded in the preceding month.</p>	IMPORT COVER	4 months
<p><b>Credit Extended to the Private Sector (PSCE) fell slightly by 0.9 percent during the month of January 2015.</b> The reduction emanated from a reduction in credit extended to industries.</p>	PSCE	0.9
<p><b>Broad Money Supply (M2) receded by 1.1 percent at the end of January 2015.</b> The fall was mainly discernible in a contraction in narrow money supply (M1).</p>	M2	1.1
<p><b>The Liquidity Position of the banking industry contracted by 5.3 percent over the month under review.</b> The slowdown was on account of a decline in the banks' cash holdings and balances with the Central Bank over the review month.</p>	BANKS' LIQUIDITY	5.3
<p><b>Discount rate.</b> The Central Bank of Swaziland maintained its discount rate at 5.25 percent at the end of January 2015.</p>	DISCOUNT RATE	5.25
<p><b>Commercial Banks</b> also maintained their prime lending rate at 8.75 percent at the end of January 2015.</p>	PRIME LENDING	8.75





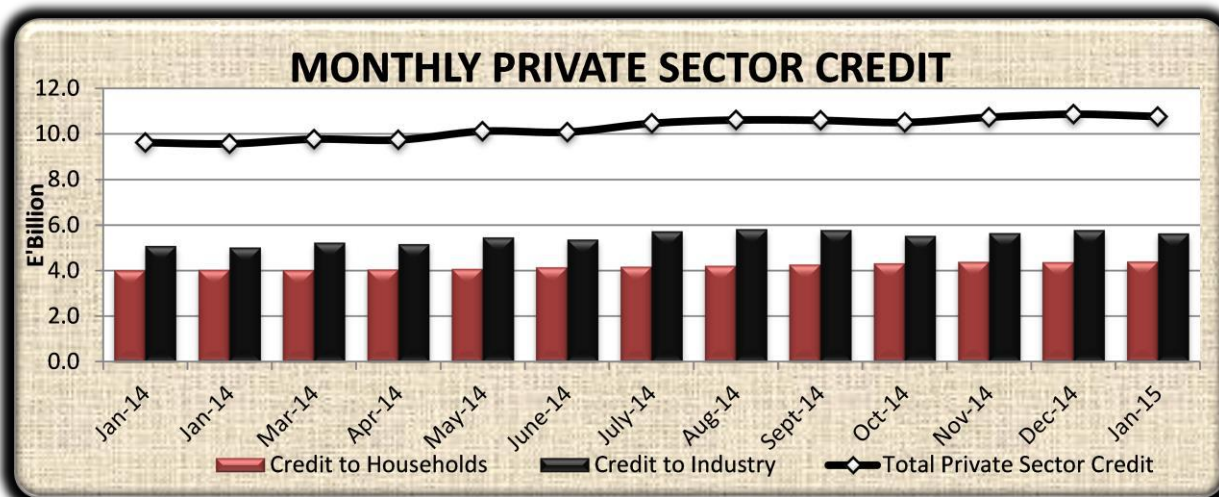
## Summary of Movements in Major Monetary Aggregates

**Gross Official Reserves** depicted a notable increase of 10.4 percent to settle at E8.7 billion over the month of January 2015. The rise was mainly propelled by the quarterly inflow of the Southern African Customs Union (SACU) revenue at the beginning of January 2015. At this level, the reserves were sufficient to cover an estimated import cover of 4 months, higher than the 3.6 months cover recorded at the end of December 2014. When Valued in Special Drawing Rights (SDRs), the reserves rose markedly by 13.3 percent to SDR535.2 million. Year-on-year, the reserves fell by 4.8 percent in Emalangeneni terms, but grew by 0.9 percent when valued in SDRs terms.



Source: Other Depository Corporations

**Domestic Claims (net)** amounted to E6.6 billion depicting a contraction of 16.3 percent from the preceding month. The slowdown in domestic claims was attributed to a decline in credit extended to the private sector coupled with a significant rise in net government balances with the banking sector. Credit extended to the private sector decreased marginally by 0.9 percent to E10.8 billion, mainly driven by a fall in credit extended to other nonfinancial corporations (industry). Credit extended to industry (mainly the manufacturing and construction sectors) decelerated by 2.5 percent to settle at E5.6 billion at the end of January 2015. Credit extended to other sectors (mainly public nonfinancial corporations and other financial corporations) on the other hand expanded by 2.6 percent to E732.1 million over the review month.

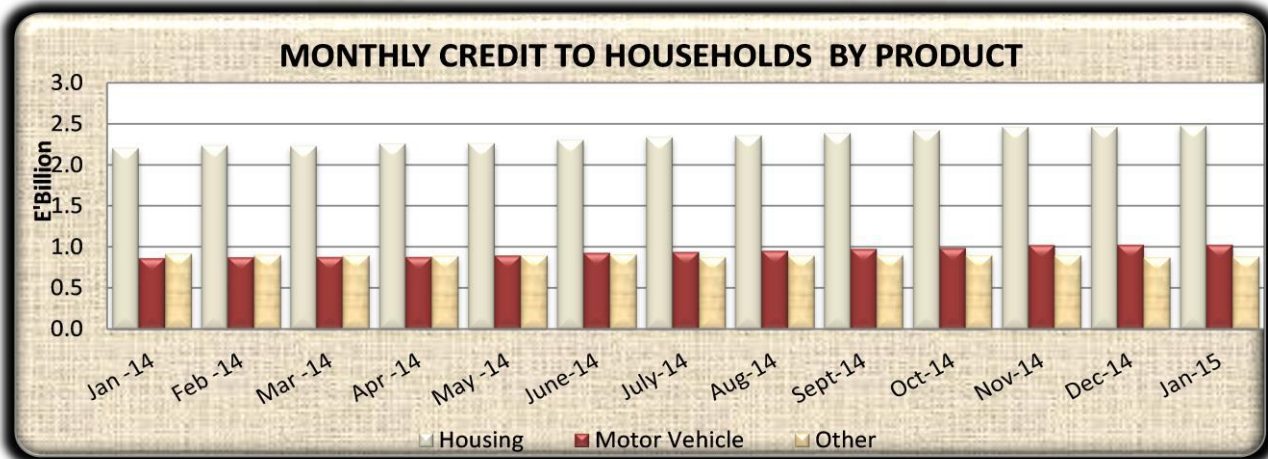


Source: Other Depository Corporations



## Summary of Movements in Major Monetary Aggregates

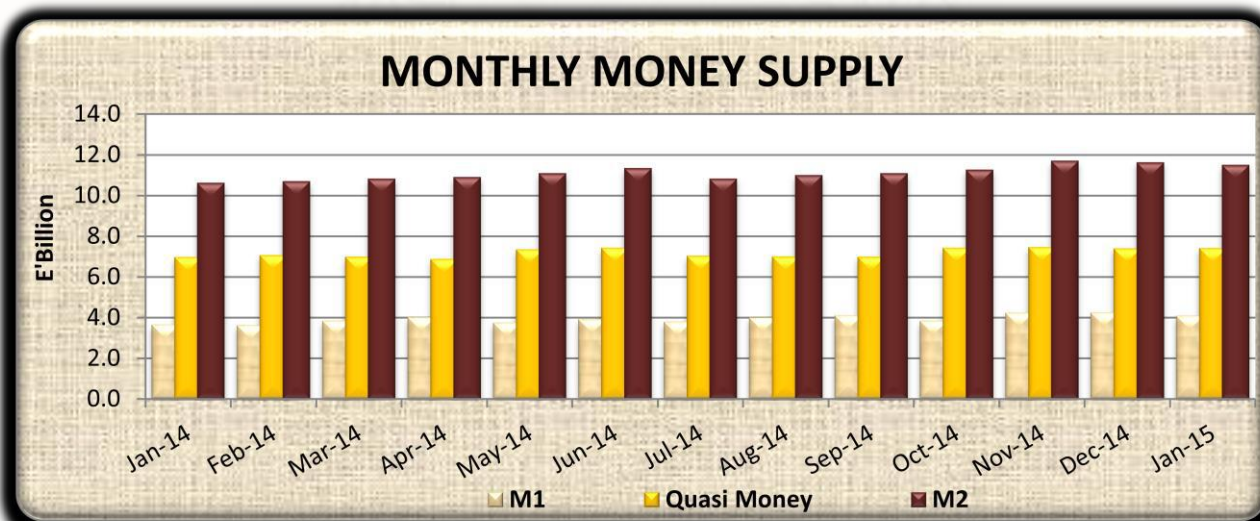
Credit extended to the household sector grew sluggishly by 0.5 percent to E4.4 billion in the review month, due to a rise in all credit categories. Other household loans had the largest increase of 1.2 percent to E883.6 million, followed by housing finance by 0.5 percent to E2.5 billion and motor vehicle finance by 0.1 percent to E1 billion respectively. Compared on an annual basis, credit extended to the private sector expanded by 11.9 percent.



Source: Other Depository Corporations

At the end of January 2015, net government balances with the banking sector recorded a marked growth of 39.9 percent to settle at E4.1 billion. The notable improvement in net government balances was due to the SACU revenue mentioned above. Annually, net government balances decreased by 4.1 percent.

**Broad Money Supply ( $M_2$ )** receded slightly by 1.1 percent to reach E11.5 billion at the end of January 2015. The decrease in  $M_2$  was mainly on account of a decline in narrow money supply ( $M_1$ ) that outweighed an increase in quasi money supply.  $M_1$  contracted by 3.6 percent to E4.1 billion on account of a reduction in both transferable deposits and currency outside depository corporations over the review month. Transferable deposits decelerated by 4 percent to E3.6 billion whilst currency outside depository corporations decreased by a lower rate of 0.8 percent. Quasi money on the contrary, rose marginally by 0.3 percent to E7.4 billion on account of a rise in time deposits which outpaced a decline in savings deposits. Time deposits accelerated by 1.7 percent to E5.9 billion whilst savings deposits decelerated by 4.6 percent to E1.5 billion over the month under review. Compared on an annual basis,  $M_2$  increased by 8.4 percent, quasi money by 6.4 percent and  $M_1$  by 12.3 percent.

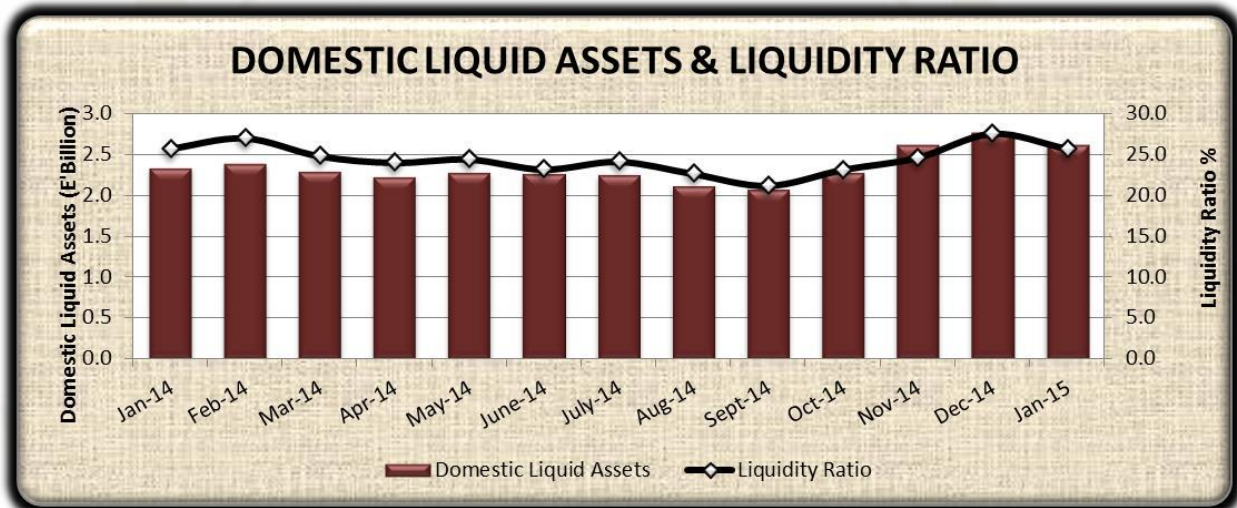


Source: Other Depository Corporations & Central Bank of Swaziland



## Summary of Movements in Major Monetary Aggregates

**Commercial bank's domestic liquid assets** declined by 5.3 percent to reach E2.6 billion during the month of January 2015. The slowdown in banks' domestic liquid assets emanated from a contraction in their cash holdings and balances with the Central Bank. The liquidity ratio stood at 25.7 percent, 1.8 percentage points lower than the level recorded at the end of December 2014. Compared year-on-year, banks' domestic liquid assets increased by 12.3 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.

ITEM	2015	2014	2014
	Jan-15	Dec-14	Jan-14
	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>CENTRAL BANK OF SWAZILAND</b>			
Claims on Non-residents	9 460 466	8 655 509	9 943 866
Claims on Domestic Economy	131 874	24 549	124 894
Government	3 174	2 613	59 541
Other Depository Corporations	110 839	1 835	46 839
Other Resident Sectors	17 861	20 100	18 514
Other Assets	428 420	442 774	372 263
Total Assets/Liabilities	10 020 760	9 122 831	10 441 023
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	1 156 513	1 295 211	847 384
Net Balances with Banks Outside Swaziland	1 046 330	655 683	731 064
Loans and advances	10 469 902	10 580 089	9 485 290
Government Securities	1 581 171	1 582 884	1 697 578
Total Deposits	11 368 664	11 440 076	10 152 889
Transferable/Demand	3 577 696	3 725 645	3 187 664
Savings	1 575 033	1 650 155	1 530 223
Time	6 215 935	6 064 276	5 435 002
Capital and Reserves	2 553 121	2 505 413	2 161 915
Total Assets/Liabilities	15 884 032	15 905 331	14 271 153
Total Liquid Assets (Banks only)	2 624 351	2 772 573	2 336 003

	Jan-15	Dec-14	Jan-14
	Amount (E'000)	Amount (E'000)	Amount (E'000)
<b>Required Liquidity (Banks only)</b>	<b>2 000 667</b>	<b>1 971 729</b>	<b>1 778 487</b>
<b>Surplus/ Deficiency(-)(Banks only)</b>	<b>623 684</b>	<b>800 844</b>	<b>557 516</b>
<b>RATIOS (%)</b>			
<b>Actual Liquidity to Domestic Liabilities (Banks Only)</b>	<b>25.7</b>	<b>27.5</b>	<b>25.7</b>
<b>Loans and Advances to Deposits</b>	<b>92.1</b>	<b>92.5</b>	<b>93.4</b>
<b>DEPOSITORY CORPORATIONS SURVEY</b>			
<b>Net Foreign Assets</b>	<b>8 938 255</b>	<b>7 731 615</b>	<b>9 108 396</b>
<b>Net Domestic Claims</b>	<b>6 619 513</b>	<b>7 903 910</b>	<b>5 297 244</b>
Net Claims on Government	-4 147 167	-2 965 024	-4 326 307
Claims on other sectors	10 766 680	10 868 934	9 623 551
Other nonfinancial corporations(Industry)	5 640 207	5 784 250	5 083 459
Other resident sectors(Households &NPISH)	4 394 422	4 371 313	4 011 531
Other sectors	732 052	713 371	528 562
<b>Broad Money Supply(M2)</b>	<b>11 511 364</b>	<b>11 638 649</b>	<b>10 617 834</b>
<b>Narrow Money Supply(M1)</b>	<b>4 094 179</b>	<b>4 245 377</b>	<b>3 645 801</b>
Currency outside depository corporations(E)	525 690	529 671	467 623
Transferable(Demand)deposits	3 568 489	3 715 706	3 178 178
<b>Quasi Money</b>	<b>7 417 185</b>	<b>7 393 272</b>	<b>6 972 033</b>
Savings Deposits	1 549 388	1 624 575	1 503 587
Time Deposits	5 867 797	5 768 697	5 468 446
<b>Shares and other equity</b>	<b>4 275 449</b>	<b>4 251 489</b>	<b>3 973 000</b>
<b>Other Items (net)</b>	<b>-229 045</b>	<b>-254 613</b>	<b>-185 194</b>
<b>SWAZILAND'S INTERNATIONAL RESERVES</b>			
<b>Total Official (Gross) - E</b>	<b>8 739 641</b>	<b>7 916 084</b>	<b>9 179 693</b>
<b>SDR</b>	<b>535 153</b>	<b>472 531</b>	<b>530 214</b>
Central Bank	8 739 641	7 916 084	9 179 693
Government	80 066	77 627	70 247
Import Cover (Reserves to months of estimated imports)	4.0	3.6	4.8
<b>Net Bank Holdings</b>	<b>1 024 722</b>	<b>635 271</b>	<b>641 559</b>