



MONEY AND BANKING STATISTICS

JUNE/JULY 2016

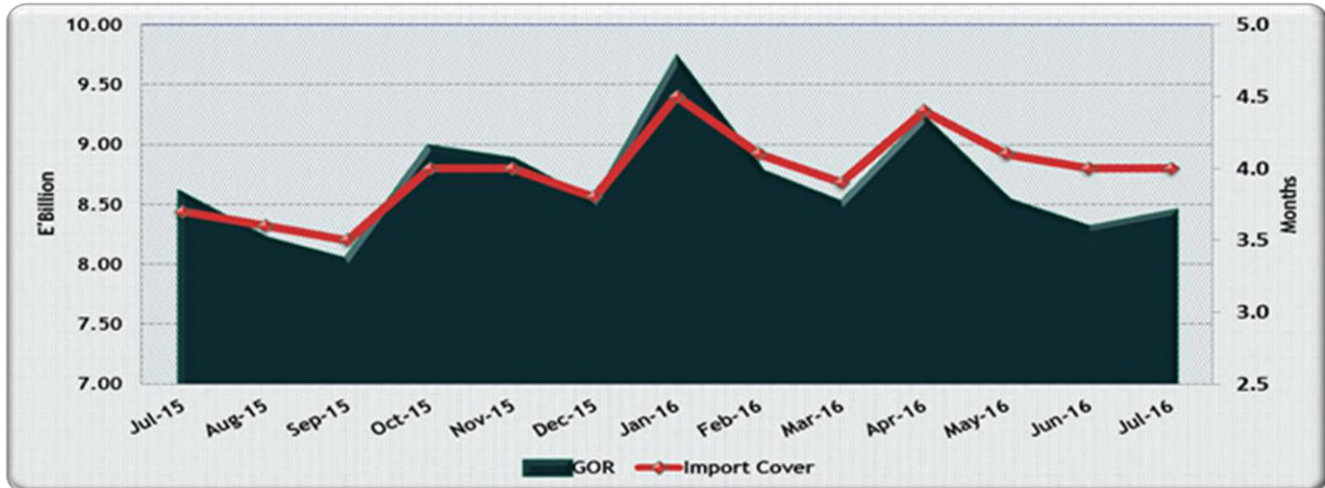
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
Gross Official Reserves amounted to E8.4 billion at the end of July 2016, 1.6 per cent higher than in June 2016. The Reserves were sufficient to cover 4 months of imports of goods and services.	1.6	1.6
Credit Extended to the Private Sector contracted by 0.9 per cent over the month ended June 2016, largely on account of a fall in credit to Other Sectors and Households.	0.9	5.0
Broad Money Supply (M2) stood at E13.6 billion in June 2016, 0.5 per cent lower than recorded in May 2016. The rise in M2 was mainly driven by a rise in Narrow Money Supply (M1).	0.5	16.5
Domestic Liquid Assets improved by 5.8 per cent to E3.2 billion over the review month. The increase was attributed to Commercial Banks' vault cash holdings and investment in Government securities over the month under review.	5.8	26.0
PERCENT		
Discount Rate: The discount rate remained unchanged at 7.0 per cent at the end of July 2016.	7.0	
Prime Lending Rate: The prime lending rate was at 10.5 per cent at the end of July 2016.	10.5	



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves improved by 1.6 per cent from June 2016 to close at E8.4 billion in July 2016. The improvement in the Reserves was primarily due to the inflow of the Southern African Customs Union (SACU) receipts which were partly offset by payment of Government's obligations over the month. Import cover amounted to 4 months, maintaining the same level as at the end of June 2016. The value of the Reserves in Special Drawing Rights (SDRs) amounted to E431.4 million, reflecting an increase of 6.8 per cent from the preceding month. When compared over the year, the Reserves decreased by 1.6 per cent in Emalangeni terms and by 11 per cent in SDR terms.

Figure 1 - Gross Official Reserves and Import Cover



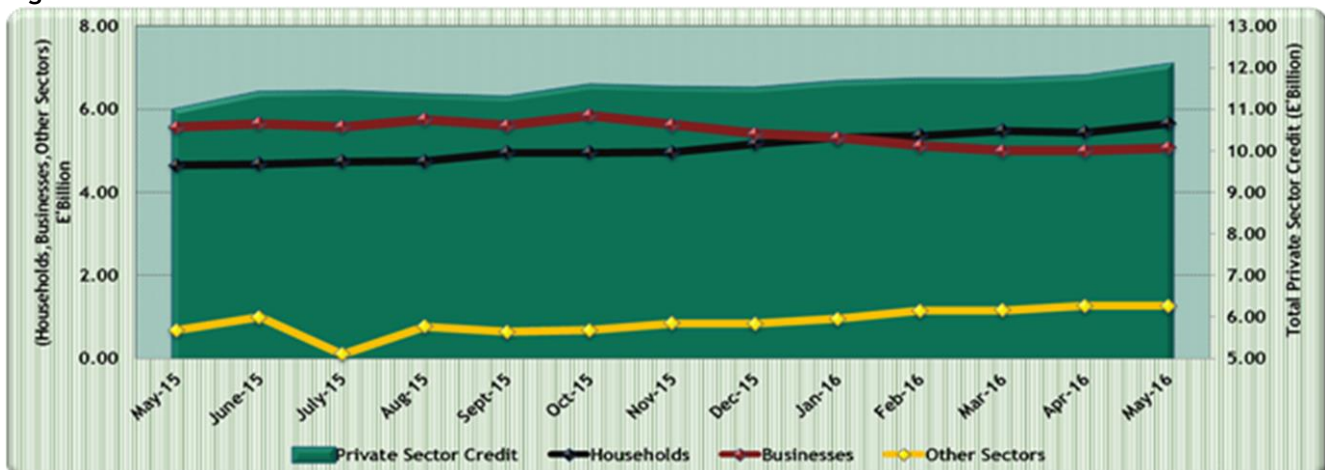
Source: Central Bank Of Swaziland

Claims on the Private Sector amounted to E11.9 billion depicting a month-on-month fall of 0.9 per cent but growth of 5 per cent year-on-year. The month-on-month contraction was largely driven by Claims on Other Sectors (mainly Other Financial Corporations and Public Non-Financial Corporation) and Other Resident Sectors (Households and NPISH). Claims on Businesses however, depicted an increase over the month under review.

Claims on Other Sectors amounted to E875.3 million at the end of June 2016 reflecting a decline of 30.9 per cent from growth of 0.3 per cent observed last month. The decrease was primarily attributed to Claims on Other Financial Corporations (-39 per cent) and Public Non-Financial Corporations (-7.2 per cent).

Claims on Businesses registered growth of 6.9 per cent to settle E5.4 billion over the month under review. The increase was predominantly observed in the Manufacturing (39.5 per cent), Real Estate (8.1 per cent), Construction (6.2 per cent), Community, Social and Personal Services (4.7 per cent) as well as Mining and Quarrying (4.3 per cent) sectors.

Figure 2 - Private Sector Credit



Source: Other Depository Corporations & Central Bank of Swaziland



Summary of Movements in Major Monetary Aggregates

Claim on Households & NPISH contracted by 1.1 per cent from the previous month to settle at E5.6 billion. The fall was mainly observed in Housing Finance which fell by 2.8 per cent to E2.8 billion and Other (Unsecured) Loans which contracted by 2.3 per cent to E1.4 billion. In contrast, Motor Vehicle Finance grew by 3.7 per cent to E1.4 billion at the end of June 2016.

Figure 3 - Credit to Households by Product

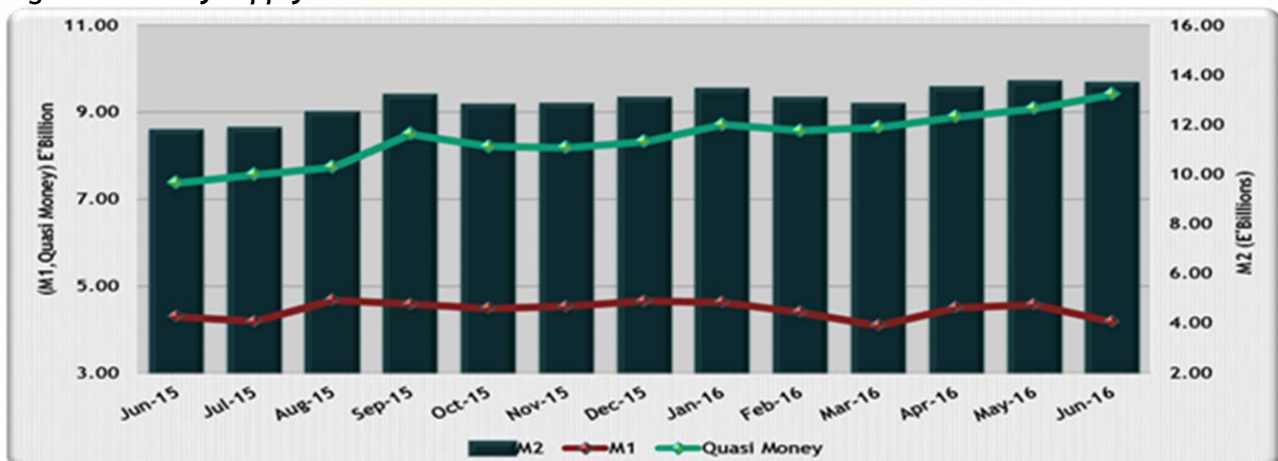


Source: Other Depository Corporations

Net government balances with the banking sector totalled E1.8 billion at the end of the review month reflecting a decline of 9.1 per cent from the preceding month. The fall was largely due to an increase in the banking sector's claims on Government over the review month. Claims on Government rose by 5.4 per cent while Government deposits declined by 1.3 per cent. When compared over the year, net Government balances decelerated by 42.1 per cent.

Broad Money Supply (M2) amounted to E13.6 billion at the end of June 2016, reflecting a contraction of 0.5 per cent from May 2016. The decline was driven by a fall in Narrow Money Supply (M1) which surpassed a rise in Quasi Money Supply. M1 shrank by 8.7 per cent to E4.2 billion underpinned by a reduction in both its components. An analysis of the components of M1 revealed that Transferable Deposits contracted by 9.3 per cent to E3.7 billion and Currency Outside Depository Corporations by 4.3 per cent to E505.9 million. In contrast, Quasi Money Supply edged up by 3.7 per cent to settle at E9.4 billion over the review month. The rise emanated from growth in both its components, Time Deposits and Savings deposits. Time deposits amounted to E7.7 billion increasing by 4 per cent whilst Savings Deposits grew by a lower rate of 2 per cent to E1.7 billion on a month-to-month basis. Over a period of twelve-months, M2 expanded by 16.5 per cent, Quasi Money Supply by 27.6 per cent while M1 fell by 2.7 per cent.

Figure 4 - Money Supply



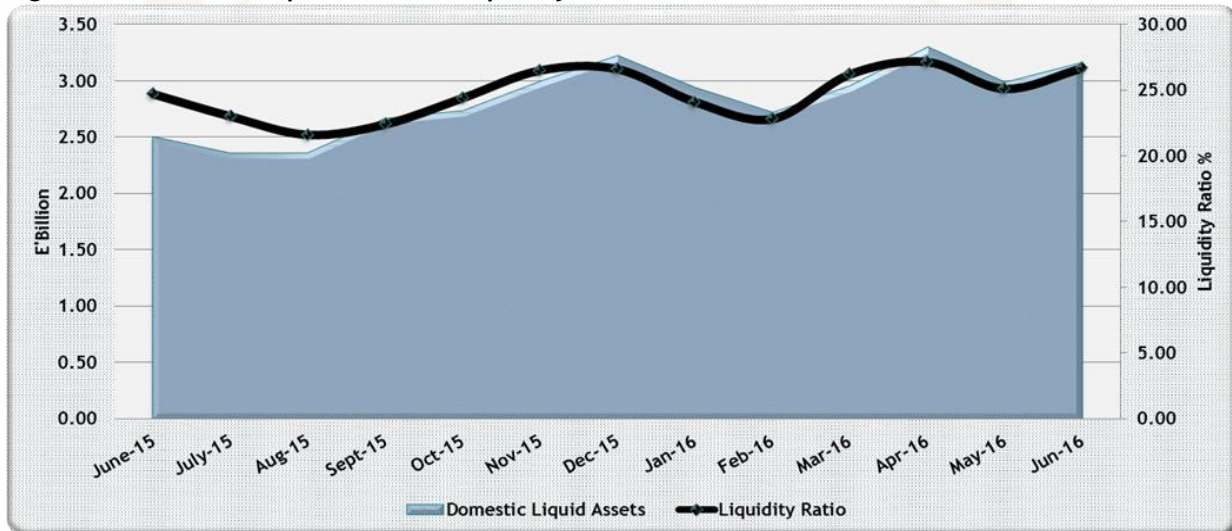
Source: Other Depository Corporations & Central Bank of Swaziland



Summary of Movements in Major Monetary Aggregates

The liquidity position of the banking industry reflected growth of 5.8 per cent during the month of June 2016, to settle at E3.2 billion. The growth emanated from an expansion in commercial banks' holdings of the Lilangeni and Rand and investment in Government securities over the month under review. The banks' liquidity ratio consequently grew to 26.7 per cent in June 2016 from 25.1 per cent in May 2016. Compared on an annual basis, commercial banks' domestic liquid assets expanded by 26 per cent.

Figure 5 - Domestic Liquid Assets & Liquidity Ratio



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	Jun-16	May-16	Jun-15
	Amount (E'000)	Amount (E'000)	Amount (E'000)
CENTRAL BANK OF SWAZILAND			
Claims on Non-residents	9 761 055	10 107 446	8 581 299
Claims on Domestic Economy	583 367	581 298	23 457
Government	558 355	555 307	5 053
Other Depository Corporations	669	1 849	665
Other Resident Sectors	24 344	24 142	17 740
Other Assets	443 698	453 256	420 776
Total Assets/Liabilities	10 788 119	11 142 000	9 025 533
OTHER DEPOSITORY CORPORATIONS			
Cash and Deposits with CBS	1 300 529	1 325 700	1 063 071
Net Balances with Banks Outside Swaziland	944 000	1 273 655	678 866
Loans and advances	11 346 235	11 188 607	10 824 121
Government Securities	1 917 085	1 979 437	1 595 315
Treasury Bills	1 313 542	1 182 558	1 089 219
Government Bonds	603 543	609 972	506 096
Other	0	0	0
Total Deposits	13 216 351	13 281 501	11 640 749
Transferable/Demand	3 710 238	4 079 728	3 778 233
Savings	1 730 119	1 699 943	1 637 893
Time	7 775 994	7 501 831	6 224 623
Capital and Reserves	3 010 359	2 971 471	2 671 156
Total Assets/Liabilities	18 730 393	18 523 218	16 164 199
Total Liquid Assets (Banks only)	3 159 759	2 985 836	2 507 789

	Jun-16	May-16	Jun-15		
	Amount (E'000)	Amount (E'000)	Amount (E'000)		
Required Liquidity (Banks only)	2 333 011	2 343 582	1 986 708		
Surplus/ Deficiency (-) (Banks only)	826 748	642 254	521 081		
RATIOS (%)					
Actual Liquidity to Domestic Liabilities (Banks Only)	26.7	25.1	24.7		
Loans and Advances to Deposits	85.8	84.2	93.0		
DEPOSITORY CORPORATIONS SURVEY					
Net Foreign Assets	7 786 765	8 380 423	7 660 895		
Net Official Assets	6 772 245	7 104 480	7 001 436		
Foreign Assets - Central Bank of Swaziland	9 793 008	10 144 872	8 668 238		
Foreign Liabilities - Central Bank of Swaziland	3 020 763	3 040 392	1 666 802		
Net Other Depository Corporations Foreign holdings (ODC)	1 014 519	1 275 943	659 459		
Foreign Assets - ODC	2 082 150	2 211 980	1 342 832		
Foreign Liabilities - ODC	1 067 630	936 038	683 373		
Net Domestic Claims	10 077 982	10 002 467	8 197 277		
Net Claims on Government	-1 811 453	-1 993 162	-3 130 914		
Claims on Central Government	2 487 317	2 360 857	1 613 035		
Government Deposits	4 298 770	4 354 019	4 743 949		
Claims on other sectors	11 889 435	11 995 630	11 328 191		
Other nonfinancial corporations (Industry)	5 420 754	5 071 405	5 652 676		
Other resident sectors (Households & NPISH)	5 593 398	5 656 783	4 683 533		
Other sectors	875 282	1 267 442	991 982		
Broad Money Supply (M2)	13 589 362	13 655 962	11 667 564		
Narrow Money Supply (M1)	4 176 342	4 575 312	4 293 214		
Currency outside depository corporations (E)	505 936	528 733	527 678		
Transferable (Demand) deposits	3 670 406	4 046 579	3 765 536		
Quasi Money	9 413 020	9 080 650	7 374 350		
Savings Deposits	1 703 833	1 670 664	1 609 538		
Time Deposits	7 709 187	7 409 987	5 764 812		
Shares and other equity	4 912 109	5 059 939	4 355 131		
Central Of Swaziland	1 465 999	1 659 448	1 310 396		
Other Depository Corporations	3 446 110	3 400 490	3 044 735		
Other Items (net)	-636 725	-333 011	-164 523		
SWAZILAND'S INTERNATIONAL RESERVES	Jul-16	Jun-16	May-16	Jun-15	Jul-15
	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)	Amount (E'000)
Total Official (Gross) - Emalangeni E	8 416 752	8 285 322	8 516 181	7 825 495	8 554 759
Special Drawing Rights (SDR)	431 447	403 888	385 001	457 001	484 552
Import Cover (Reserves to months of estimated imports)	4.0	4.0	4.1	3.4	3.7
Net Bank Holdings	1 014 519	1 275 943	659 459	999 477	
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5.Import cover figures are subject to revision as import figures used have a 3 month lag. Import cover from April 2016 has been revised to incorporate the latest quarterly imports data.					