



MONEY AND BANKING STATISTICS

JUNE/JULY 2017

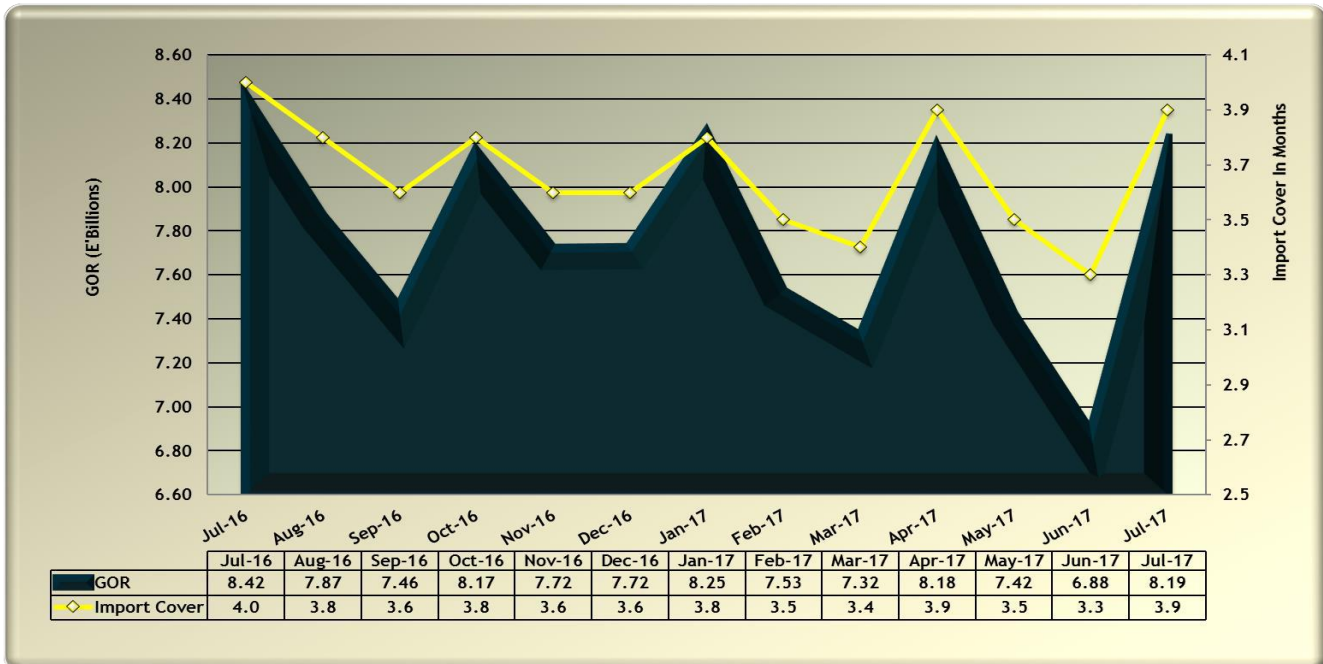
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<i>Gross Official Reserves</i> grew by 18.9 per cent to reach E8.2 billion at the end of July 2017. At this level the Reserves represented an import cover of 3.9 months. Annually the Reserves receded by 2.7 per cent.	18.9	2.7
<i>Credit Extended to the Private Sector</i> was E13.1 billion in June 2017, depicting a 2.5 per cent month-on-month growth. The rise was observed in all sub-sectors namely; credit to Households, Businesses and Other Sectors. Over the year, Private Sector credit rose by 10.2 per cent.	2.5	10.2
<i>Broad Money Supply (M2)</i> rose by 6.8 per cent month-on-month to E16.5 billion. The increase was observed in both components of M2, Narrow Money Supply (M1) and Quasi Money. Year-on-year, M2 expanded by 21.1 per cent.	6.8	21.1
<i>Domestic Liquid Assets</i> declined by 14.4 per cent to E3.7 billion over the review month, due to Other Depository Corporations' balances coupled with their investments in Government Securities. Year-on-year, Liquid Assets accelerated by 15.8 per cent.	14.4	15.8
	PERCENT	
<i>Discount Rate:</i> the discount rate was maintained at 7.25 per cent following the MPCC decision in July 2017.		7.25
<i>Prime Lending Rate:</i> consequently, the prime lending rate was also kept at 10.75 per cent in July 2017.		10.75



Summary of Movements in Major Monetary Aggregates

Gross Official Reserves depicted growth of 18.9 per cent at the end of July 2017 to close the review month at E8.2 billion. The increase in Reserves was mainly boosted by the quarterly inflow of the Southern African Custom Union (SACU) receipts at the beginning of July 2017. The Reserves were therefore enough to cover 3.9 months of imports of goods and services, higher than the 3.3 months observed in June 2017. Compared over the year, the Reserves decelerated by 2.7 per cent in Emalangeni terms and increased by 2.2 per cent in SDR terms.

Figure 1: Gross Official Reserves and Import Cover; July 2016 to July 2017



Source: Central Bank of Swaziland

Credit Extended to the Private Sector continued to grow steadily reflecting a month-on-month growth of 2.5 per cent at the end of June 2017 to reach E13.1 billion. The rise was a result of increases in Private Sector Credit extended to all the main sub-sectors namely Other Sectors, Businesses and Households & Non-Profit Institutions Serving Households (NPISH). Compared to the previous year, Private Sector credit grew by 10.2 per cent.

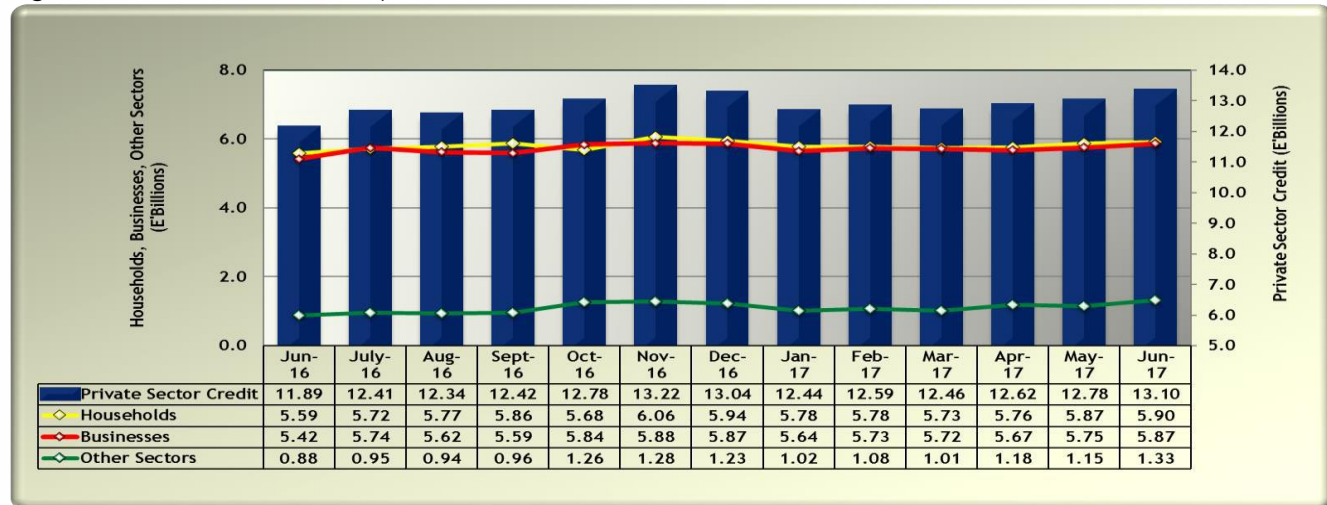
Credit Extended to Other Sectors reached E1.3 billion at the end of June 2017, depicting a month-on-month increase of 15.0 per cent. Growth was driven by Local Government which increased by 41.5 per cent, followed by Public Nonfinancial Corporations at 22.2 per cent, and Other Financial Corporations with 9.1 per cent.

Credit Extended to Businesses accelerated by 2.1 per cent to E5.9 billion at the end of June 2017, up from E5.8 billion recorded in May 2017. Sectoral contribution to credit growth is as follows: Distribution and Tourism (28.4 per cent) and Agriculture and Forestry (1.3 per cent). Partially offsetting the increase were declines in these sectors; Real Estate (-7.1 per cent), Construction (-2.9 per cent), Transport & Communication (-2.7 per cent) as well as Manufacturing (-1.9 per cent).



Summary of Movements in Major Monetary Aggregates

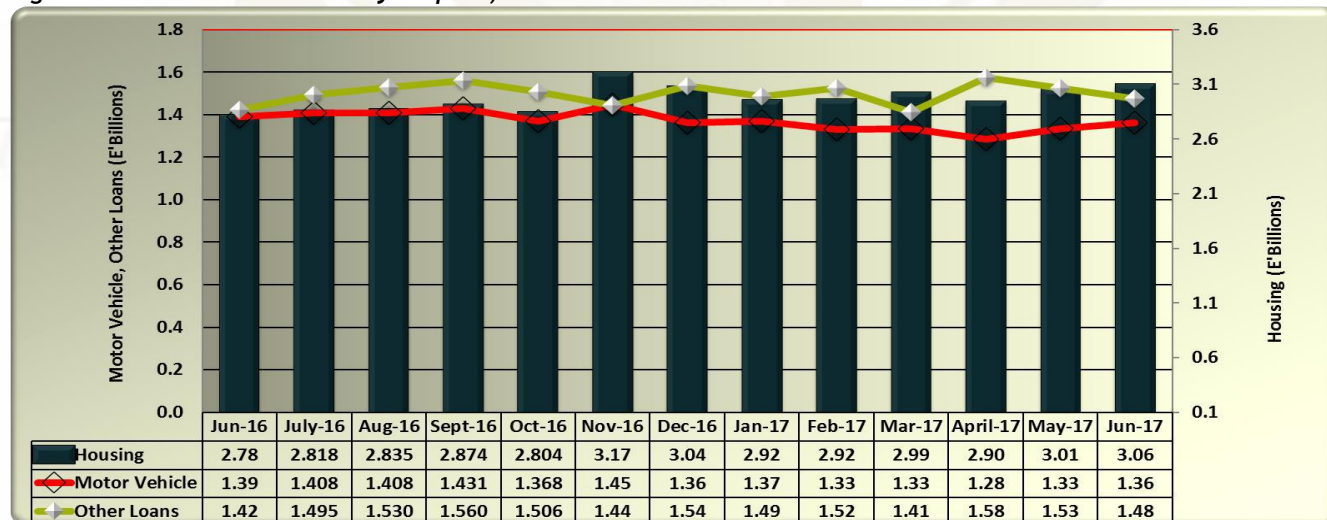
Figure 2: Private Sector Credit; June 2016 to June 2017



Source: Central Bank of Swaziland

Credit Extended to Households & Non-Profit Institutions Serving Households (NPISH) amounted to E5.9 billion at the end of June 2017, reflecting an increase of 0.5 per cent from the previous month. Growth was realised in Motor Vehicle Finance and Mortgage Loans whilst Other (Unsecured) Loans trended downwards. Motor Vehicle Finance rose by 2.3 per cent to reach E1.4 billion at the end of the review period. Mortgage Loans accelerated by 1.6 per cent to E3.1 billion at the end of June 2017 higher than the E3.0 billion posted in May 2017. Other (Unsecured) Loans on the other hand, declined by 3.3 per cent month-on-month to settle at E1.5 billion at the end of June 2017.

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



Source: Other Depository Corporations and Other Depository Corporations

Net Government Balances placed with Other Depository Corporations rebounded from the 64.4 per cent decline observed in May 2017 to an increase of 56.2 per cent at the end of June 2017. At this level, net Government Balances totalled E757.2 million as at end of June 2017. The recovery was mainly attributed to an increase in Government deposits against a backdrop of a fall in claims on Government. Government deposits as a result grew by 4.9 per cent to offset a 2.4 per cent decline in claims on Government. Year-on-year, net Government balances declined by 58.2 per cent.

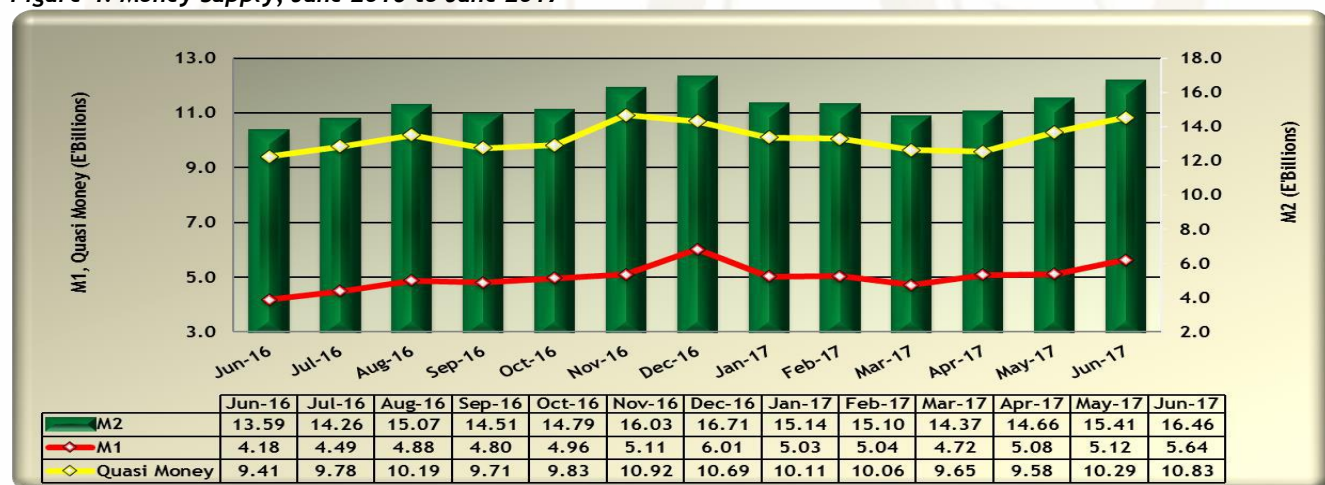


Summary of Movements in Major Monetary Aggregates

M1 grew by 10.1 per cent month-on-month to reach E5.6 billion at the end of June 2017, higher than the E5.1 billion registered in May 2017. Growth was driven by a 13.5 per cent increase in Currency Outside Depository Corporations to settle at E633.1 million and a 9.6 per cent rise in Transferable (Demand) Deposits to E5.0 billion.

Quasi Money Supply reflected an increase of 5.2 per cent from the previous month to E10.8 billion at the end of June 2017. Growth mainly stemmed from a 6.7 per cent rise in Time Deposits to E9.1 billion from E8.5 billion observed in May 2017. Savings Deposits on the contrary, receded by 2.2 per cent to reach E1.7 billion at the end of June 2017.

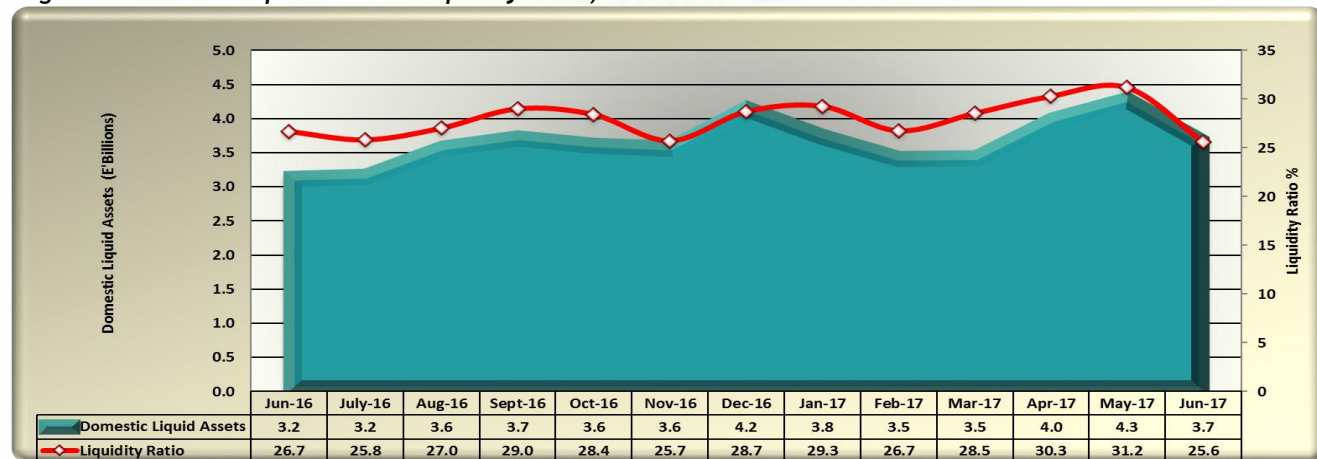
Figure 4: Money Supply; June 2016 to June 2017



Source: Other Depository Corporations & Central Bank of Swaziland

Liquidity Position of Banks stood at E3.7 billion at the end of June 2017 reflecting a decrease of 14.4 per cent from the level recorded in May 2017. The contraction emanated from a decline in Other Depository Corporations' balances coupled with their investment in Government securities during the month under review. Consequently, the banks' liquidity ratio fell from 31.2 per cent recorded in the previous month to 25.6 per cent at the end of June 2017. Year-on-year, the banks' liquid assets were 15.8 per cent higher.

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



Source: Other Depository Corporations

	<i>Jun-17</i>	<i>May-17</i>	<i>Jun-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>	<i>8,198,756</i>	<i>8,732,176</i>	<i>9,761,055</i>
<i>Claims on Domestic Economy</i>	<i>1,197,473</i>	<i>1,147,093</i>	<i>583,367</i>
Government	<i>1,124,211</i>	<i>1,117,274</i>	<i>558,355</i>
Other Depository Corporations	<i>45,667</i>	<i>2,017</i>	<i>669</i>
Other Resident Sectors	<i>27,595</i>	<i>27,802</i>	<i>24,344</i>
<i>Other Assets</i>	<i>468,754</i>	<i>443,781</i>	<i>443,698</i>
<i>Total Assets/Liabilities</i>	<i>9,864,983</i>	<i>10,323,050</i>	<i>10,788,119</i>
OTHER DEPOSITORY CORPORATIONS			
<i>Cash and Deposits with CBS</i>	<i>1,551,573</i>	<i>2,030,088</i>	<i>1,300,529</i>
<i>Net Balances with Banks Outside Swaziland</i>	<i>2,535,959</i>	<i>1,624,823</i>	<i>944,000</i>
<i>Loans and advances</i>	<i>12,301,098</i>	<i>12,041,271</i>	<i>11,346,235</i>
<i>Government Securities</i>	<i>2,233,044</i>	<i>2,319,893</i>	<i>1,917,085</i>
Treasury Bills	<i>1,339,413</i>	<i>1,410,360</i>	<i>1,313,542</i>
Government Bonds	<i>893,631</i>	<i>909,534</i>	<i>603,543</i>
<i>Other</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total Deposits</i>	<i>15,998,322</i>	<i>15,115,881</i>	<i>13,216,351</i>
Transferable/Demand	<i>5,024,427</i>	<i>4,642,579</i>	<i>3,710,238</i>
Savings	<i>1,763,487</i>	<i>1,799,910</i>	<i>1,730,119</i>
Time	<i>9,210,408</i>	<i>8,673,393</i>	<i>7,775,994</i>
<i>Capital and Reserves</i>	<i>3,283,639</i>	<i>3,372,158</i>	<i>3,010,359</i>
<i>Total Assets/Liabilities</i>	<i>21,268,999</i>	<i>20,827,664</i>	<i>18,730,393</i>
<i>Total Liquid Assets (Banks only)</i>	<i>3,657,439</i>	<i>4,273,843</i>	<i>3,159,759</i>
<i>Required Liquidity (Banks only)</i>	<i>3,522,704</i>	<i>3,374,583</i>	<i>2,333,011</i>
<i>Surplus/ Deficiency (-) (Banks only)</i>	<i>134,736</i>	<i>899,260</i>	<i>826,748</i>
RATIOS (%)			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	<i>25.6</i>	<i>31.2</i>	<i>26.7</i>
<i>Loans and Advances to Deposits</i>	<i>76.9</i>	<i>79.7</i>	<i>85.8</i>

DEPOSITORY CORPORATIONS SURVEY	Jun-17	May-17	Jun-16		
Net Foreign Assets (E)	8,446,334	7,966,300	7,786,765		
Net Official Assets	5,900,616	6,322,076	6,772,245		
Foreign Assets - Central Bank of Swaziland	8,224,998	8,758,419	9,793,008		
Foreign Liabilities - Central Bank of Swaziland	2,324,383	2,436,343	3,020,763		
Net Other Depository Corporations Foreign holdings (ODC)	2,545,718	1,644,224	1,014,519		
Foreign Assets - ODC	2,861,589	2,132,173	2,082,150		
Foreign Liabilities - ODC	315,871	487,949	1,067,630		
Net Foreign Assets (SDR)	462,534	437,617	379,585		
Net Domestic Claims	12,339,296	12,292,531	10,077,982		
Net Claims on Government	(757,184)	(484,890)	(1,811,453)		
Claims on Central Government	3,360,646	3,441,819	2,487,317		
Government Deposits	4,117,830	3,926,709	4,298,770		
Claims on other sectors	13,096,480	12,777,421	11,889,435		
Other nonfinancial corporations (Industry)	5,869,331	5,750,626	5,420,754		
Other resident sectors (Households & NPISH)	5,901,194	5,874,067	5,593,398		
Other sectors	1,325,954	1,152,727	875,282		
Broad Money Supply (M2)	16,462,608	15,414,086	13,589,362		
Narrow Money Supply (M1)	5,637,439	5,122,603	4,176,342		
Currency outside depository corporations (E)	633,077	557,786	505,936		
Transferable (Demand) deposits	5,004,361	4,564,818	3,670,406		
Quasi Money	10,825,169	10,291,483	9,413,020		
Savings Deposits	1,731,976	1,770,130	1,703,833		
Time Deposits	9,093,194	8,521,353	7,709,187		
Shares and Other Equity Central Of Swaziland	5,070,480	5,135,291	4,912,109		
Other Depository Corporations	1,329,479	1,293,160	1,465,999		
Other Depository Corporations	3,741,001	3,842,131	3,446,110		
Other Items (net)	-747,458	-290,546	-636,725		
GROSS OFFICIAL RESERVES	Jul-17	Jun-17	May-17	Jun-16	Jul-16
	Amount	Amount	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)	(E'000)	(E'000)
Total Official (Gross) - Emalangeni E	8,189,310	6,885,093	7,422,628	8,285,322	8,416,752
Special Drawing Rights (SDR)	440,954	377,038	407,752	403,888	431,447
Central Bank	8,189,310	6,885,093	7,422,628	8,285,322	8,416,752
Government	26,243	26,243	26,243	31,954	29,985
Import Cover (Reserves to months of estimated imports)	3.9	3.3	3.5	4.0	4.0
Net Bank Holdings		2,545,718	1,644,224	1,014,519	1,349,500

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.