



# MONEY AND BANKING STATISTICS

## MAY/JUNE 2017

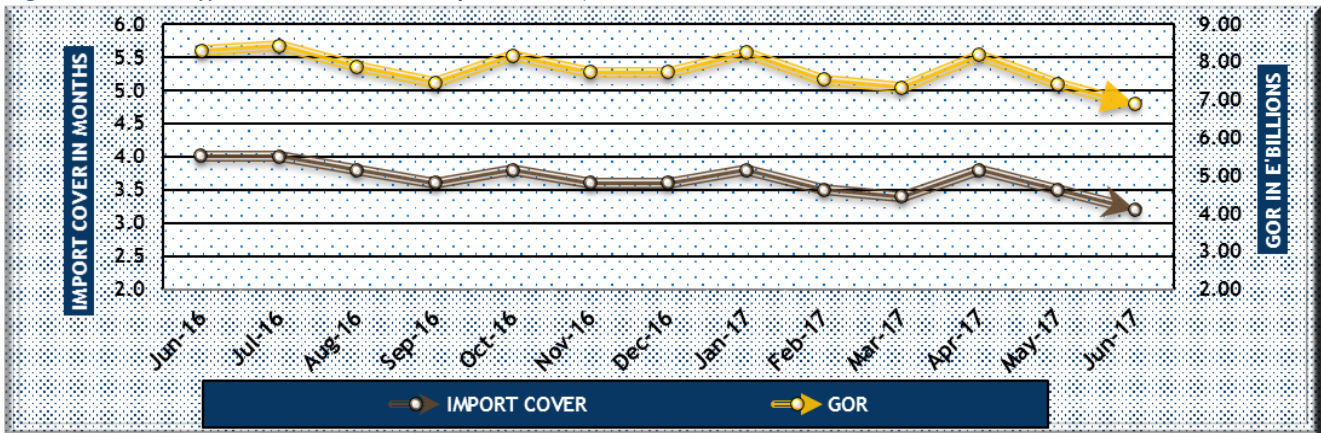
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross Official Reserves</b> contracted by 7.2 per cent to reach E6.9 billion at the end of June 2017. At this level the Reserves represented an import cover of 3.2 months. Annually the Reserves receded by 16.9 per cent.	7.2	16.9
<b>Credit Extended to the Private Sector</b> was E12.8 billion in May 2017, depicting a 1.2 per cent month-on-month growth. The rise was observed in credit to Households and Businesses whilst credit to Other Sectors decelerated. Over the year, Private Sector credit rose by 6.5 per cent.	1.2	6.5
<b>Broad Money Supply (M2)</b> rose by 5.1 per cent month-on-month to E15.4 billion. The increase was observed in both components of M2, Quasi Money and Narrow Money Supply (M1). Year-on-year, M2 expanded by 12.9 per cent.	5.1	12.9
<b>Domestic Liquid Assets</b> grew by 7.7 per cent to E4.3 billion over the review month, due to Other Depository Corporations' cash holdings, balances with the Central Bank and their investments in Government Securities. Year-on-year, Liquid Assets accelerated by 43.1 per cent.	7.7	43.1
	PERCENT	
<b>Discount Rate:</b> the discount rate stood at 7.25 per cent in June 2017.		7.25
<b>Prime Lending Rate:</b> the prime lending rate stood at 10.75 per cent in June 2017.		10.75



## Summary of Movements in Major Monetary Aggregates

**Gross Official Reserves** fell from E7.4 billion observed in May 2017 to E6.9 billion at the end of June 2017, depicting a monthly decrease of 7.2 per cent. At this level, the Reserves continued to be above the international recommendation of 3 months of imports as they represented an import cover of 3.2 months as at the end of June 2017. Compared to the same period the previous year, the Reserves reflected a reduction of 16.9 per cent when valued in Emalangeni terms and a fall of 6.6 per cent in Special Drawing Rights (SDRs) terms.

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



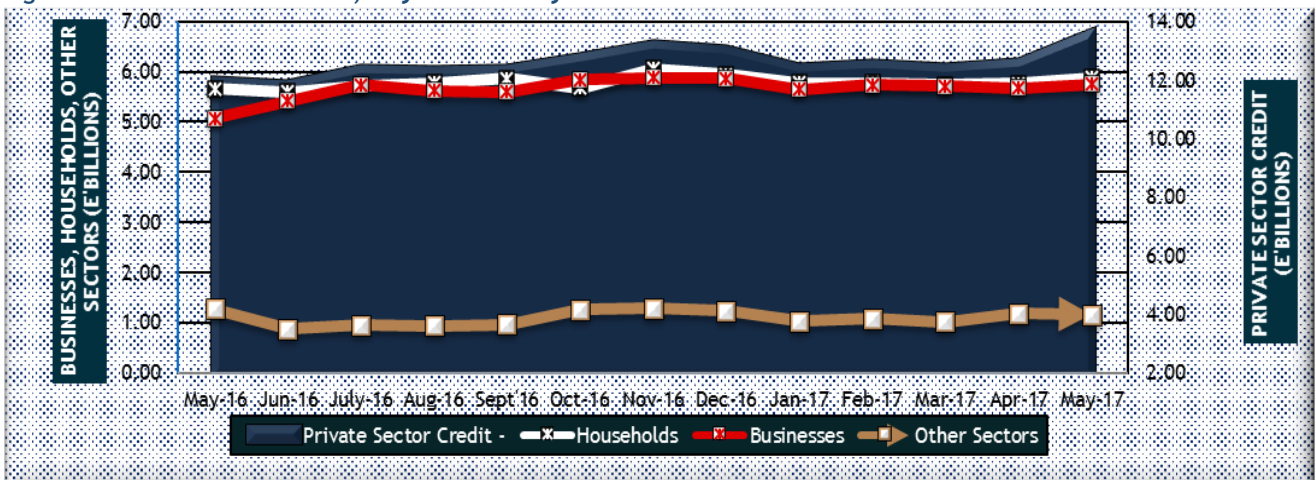
Source: Central Bank of Swaziland

**Credit Extended to the Private Sector** increased by 1.2 per cent from the previous month to settle at E12.8 billion at the end of May 2017. The enhanced performance in credit to the Private sector was mainly due to credit to Households & Non-Profit Institutions Serving Households (NPISH) and credit to Businesses over the month under review. However, credit to Other Sectors depicted a contraction over the same review period. Year-on-year, Private Sector Credit grew by 6.5 per cent.

**Credit Extended to Businesses** amounted to E5.8 billion at the end of May 2017, depicting growth of 1.3 per cent from the previous month. The rise in credit to Businesses was predominantly absorbed by these sectors: Real Estate (3.2 per cent), Distribution and Tourism (2.5 per cent) Agriculture and Forestry (1.9 per cent).

**Credit Extended to Other Sectors** receded by 2.7 per cent month-on-month to reach E1.2 billion at the end of May 2017. The reduction in Credit to Other Sectors was observed in the State and Local Government (-24.6 per cent) and Other Financial Corporations (-9.0 per cent). Credit to the Public Non-Financial Corporations on the other hand depicted a rise of 18.3 per cent when compared with the previous month.

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



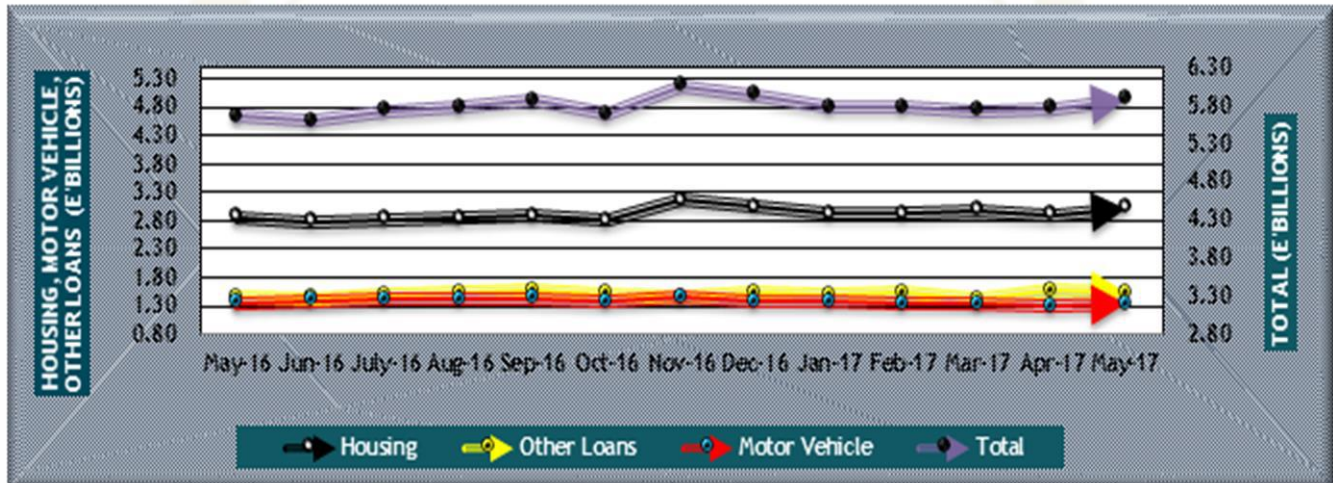
Source: Central Bank of Swaziland



## Summary of Movements in Major Monetary Aggregates

**Credit Extended to Households & NPISH** stood at E5.9 billion at the end of May 2017, registering a monthly growth of 1.9 per cent. The rise was mainly on account of Mortgage Loans and Motor Vehicle Finance whilst Other (unsecured) Loans recorded a reduction when compared with the previous month. Consequently, Mortgage Loans accelerated by 3.9 per cent month-on-month to reach at E3.0 billion and Motor Vehicle Finance by 3.8 per cent to E1.3 billion. Credit to Other (Unsecured) Loans on the other hand reflected a reduction of 3.1 per cent month-on-month to reach E1.5 billion.

**Figure 3: Credit to Households by Purpose; May 2016 to May 2017**



Source: Other Depository Corporations and Other Depository Corporations

**Net Government Balances** held by Other Depository Corporations decelerated by 64.4 per cent compared with the previous month to close the month under review at E484.9 million. This development was due to a drawdown on Government deposits held with the banking system. On a monthly comparison, Government deposits fell by 18.1 per cent, offsetting a 0.2 per cent growth in claims on Government. When compared to the same period the previous year, Net Government balances receded by 75.7 per cent.

**Broad Money Supply (M2)** reached E15.4 billion at the end of May 2017 higher than the E14.7 billion recorded at the end of April 2017. This development is in line with the growth in credit extended to the Private Sector over the month of May 2017. As a result, both components of Broad Money increased over the month of May 2017. Compared over the year, M2 expanded by 12.9 per cent.

**Quasi Money Supply** amounted to E10.3 billion at the end of May 2017, expanding by 7.4 per cent on a month-on-month basis. The growth was observed in both components of Quasi money, with Time deposits accelerating by 8.5 per cent to E8.5 billion and Savings Deposits by 2.5 per cent to E1.8 billion.

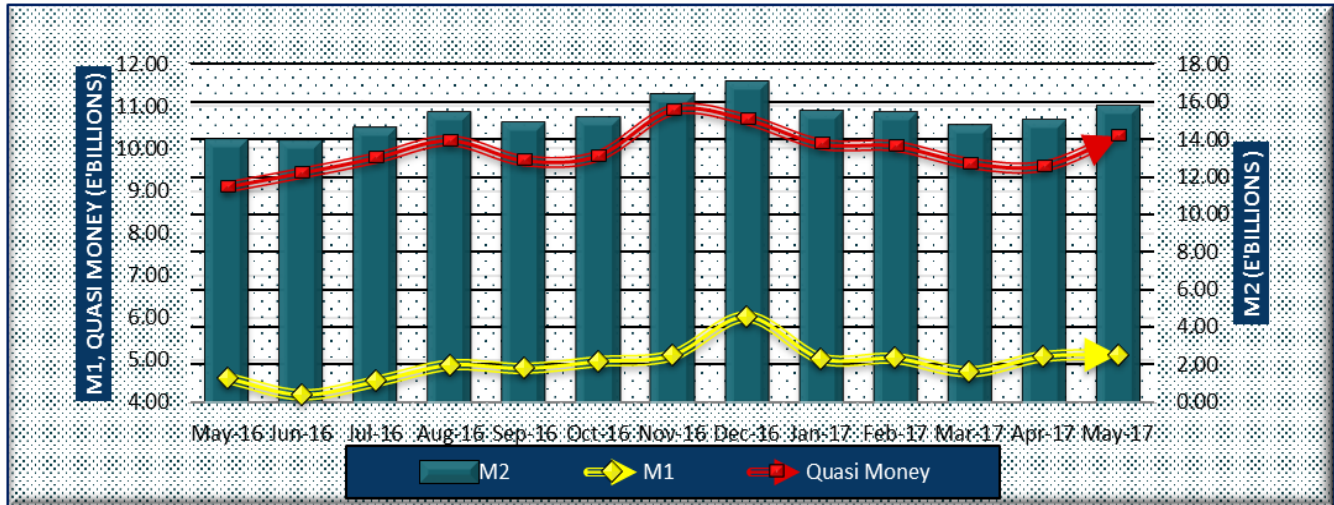
**M1** increased by 0.8 per cent over the month under review to reach E5.1 billion. An analysis of the components of M1 revealed that Transferable deposits grew by 1.7 per cent over the month to E4.6 billion whilst Currency Outside Depository Corporations shrank by 6.1 per cent to E557.8 million at the end of May 2017.





## Summary of Movements in Major Monetary Aggregates

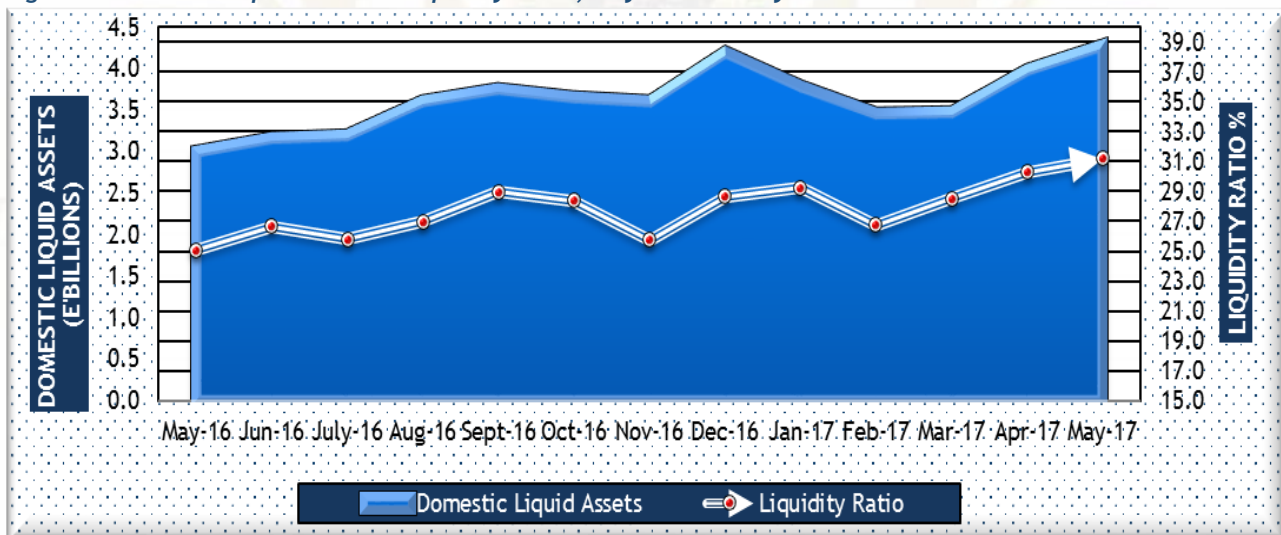
Figure 4: Money Supply; May 2016 to May 2017



Source: Other Depository Corporations & Central Bank of Swaziland

**Liquidity Position of Banks** grew by 7.7 per cent at the end of May 2017 from the level recorded in the previous month to close at E4.3 billion. The rise was on account of Other Depository Corporations' cash holdings, balances with the Central Bank and their investment in Government securities over the month under review. The banks' liquidity ratio therefore closed at 31.2 per cent, higher than the 30.3 per cent recorded at the end of April 2017. Compared annually, the Banks' Domestic Liquid Assets accelerated by 43.1 per cent.

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



Source: Other Depository Corporations

	<i>May-17</i>	<i>Apr-17</i>	<i>May-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>
<b>CENTRAL BANK OF SWAZILAND</b>			
<i>Claims on Non-residents</i>	<b>8 732 176</b>	<b>9 494 806</b>	<b>10 107 446</b>
<i>Claims on Domestic Economy</i>	<b>1 147 093</b>	<b>1 157 821</b>	<b>581 298</b>
Government	1 117 274	1 129 384	555 307
Other Depository Corporations	2 017	1 349	1 849
Other Resident Sectors	27 802	27 088	24 142
<i>Other Assets</i>	<b>443 781</b>	<b>416 303</b>	<b>453 256</b>
<i>Total Assets/Liabilities</i>	<b>10 323 050</b>	<b>11 068 929</b>	<b>11 142 000</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
<i>Cash and Deposits with CBS</i>	<b>2 030 088</b>	<b>1 827 066</b>	<b>1 325 700</b>
<i>Net Balances with Banks Outside Swaziland</i>	<b>1 624 823</b>	<b>1 096 703</b>	<b>1 273 655</b>
<i>Loans and advances</i>	<b>12 041 271</b>	<b>11 876 159</b>	<b>11 188 607</b>
<b>Government Securities</b>			
<i>Treasury Bills</i>	<b>1 410 360</b>	<b>1 386 262</b>	<b>1 182 558</b>
<i>Government Bonds</i>	<b>909 534</b>	<b>914 833</b>	<b>609 972</b>
<i>Other</i>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Deposits</b>			
<i>Transferable/Demand</i>	<b>4 642 579</b>	<b>4 558 215</b>	<b>4 079 728</b>
<i>Savings</i>	<b>1 799 910</b>	<b>1 756 950</b>	<b>1 699 943</b>
<i>Time</i>	<b>8 673 393</b>	<b>7 961 870</b>	<b>7 501 831</b>
<i>Capital and Reserves</i>	<b>3 372 158</b>	<b>3 249 183</b>	<b>2 971 471</b>
<i>Total Assets/Liabilities</i>	<b>20 827 664</b>	<b>19 767 647</b>	<b>18 523 218</b>
<i>Total Liquid Assets (Banks only)</i>	<b>4 273 843</b>	<b>3 969 001</b>	<b>2 985 836</b>
<i>Required Liquidity (Banks only)</i>	<b>3 374 583</b>	<b>3 231 313</b>	<b>2 343 582</b>
<i>Surplus/ Deficiency (-) (Banks only)</i>	<b>899 260</b>	<b>737 689</b>	<b>642 254</b>
<b>RATIOS (%)</b>			
<i>Actual Liquidity to Domestic Liabilities (Banks Only)</i>	<b>31.2</b>	<b>30.3</b>	<b>25.1</b>
<i>Loans and Advances to Deposits</i>	<b>79.7</b>	<b>83.2</b>	<b>84.2</b>

<b>DEPOSITORY CORPORATIONS SURVEY</b>		<b>May-17</b>	<b>Apr-17</b>	<b>May-16</b>	
<b>Net Foreign Assets (E)</b>		<b>7 966 300</b>	<b>8 219 033</b>	<b>8 380 423</b>	
<b>Net Official Assets</b>		<b>6 322 075</b>	<b>7 092 769</b>	<b>7 104 480</b>	
Foreign Assets - Central Bank of Swaziland		8 758 419	9 521 049	10 144 872	
Foreign Liabilities - Central Bank of Swaziland		2 436 343	2 428 279	3 040 392	
<b>Net Other Depository Corporations Foreign holdings (ODC)</b>		<b>1 644 224</b>	<b>1 126 263</b>	<b>1 275 943</b>	
Foreign Assets - ODC		2 132 173	1 547 386	2 211 980	
Foreign Liabilities - ODC		487 949	421 122	936 038	
<b>Net Foreign Assets (SDR)</b>		<b>437 617</b>	<b>451 370</b>	<b>378 864</b>	
<b>Net Domestic Claims</b>		<b>12 292 531</b>	<b>11 261 168</b>	<b>10 002 467</b>	
<b>Net Claims on Government</b>		<b>-484 890</b>	<b>-1 361 317</b>	<b>-1 993 162</b>	
Claims on Central Government		3 441 819	3 435 305	2 360 857	
Government Deposits		3 926 709	4 796 621	4 354 019	
<b>Claims on other sectors</b>		<b>12 777 421</b>	<b>12 622 485</b>	<b>11 995 630</b>	
Other nonfinancial corporations (Industry)		5 750 626	5 674 835	5 071 405	
Other resident sectors (Households & NPISH)		5 874 067	5 762 898	5 656 783	
Other sectors		1 152 727	1 184 752	1 267 442	
<b>Broad Money Supply (M2)</b>		<b>15 414 086</b>	<b>14 663 407</b>	<b>13 655 962</b>	
<b>Narrow Money Supply (M1)</b>		<b>5 122 603</b>	<b>5 081 000</b>	<b>4 575 312</b>	
Currency outside depository corporations (E)		557 786	593 859	528 733	
Transferable (Demand) deposits		4 564 818	4 487 141	4 046 579	
<b>Quasi Money</b>		<b>10 291 483</b>	<b>9 582 407</b>	<b>9 080 650</b>	
Savings Deposits		1 770 130	1 726 536	1 670 664	
Time Deposits		8 521 353	7 855 871	7 409 987	
Shares and Other Equity		5 135 291	5 025 691	5 059 939	
Central Of Swaziland		1 293 160	1 311 108	1 659 448	
Other Depository Corporations		3 842 131	3 714 583	3 400 490	
<b>Other Items (net)</b>		<b>-290 546</b>	<b>-208 897</b>	<b>-333 011</b>	
<b>GROSS OFFICIAL RESERVES</b>	<b>Jun-17</b>	<b>May-17</b>	<b>Apr-17</b>	<b>May-16</b>	<b>Jun-16</b>
	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>	<b>(E'000)</b>
<b>Total Official (Gross) - Emalangeni E</b>	<b>6 885 093</b>	<b>7 422 628</b>	<b>8 184 876</b>	<b>8 516 181</b>	<b>8 285 322</b>
<b>Special Drawing Rights (SDR)</b>	<b>377 038</b>	<b>407 752</b>	<b>449 494</b>	<b>385 001</b>	<b>403 888</b>
<b>Central Bank</b>	<b>6 885 093</b>	<b>7 422 628</b>	<b>8 184 876</b>	<b>8 516 181</b>	<b>8 285 322</b>
<b>Government</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>	<b>37 426</b>	<b>31 954</b>
<b>Import Cover (Reserves to months of estimated imports)</b>	<b>3.2</b>	<b>3.5</b>	<b>3.8</b>	<b>4.1</b>	<b>4.0</b>
<b>Net Bank Holdings</b>		<b>1 644 224</b>	<b>1 126 263</b>	<b>1 275 943</b>	<b>1 014 519</b>

**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.

