



# MONEY AND BANKING STATISTICS

## SEPTEMBER/OCTOBER 2017

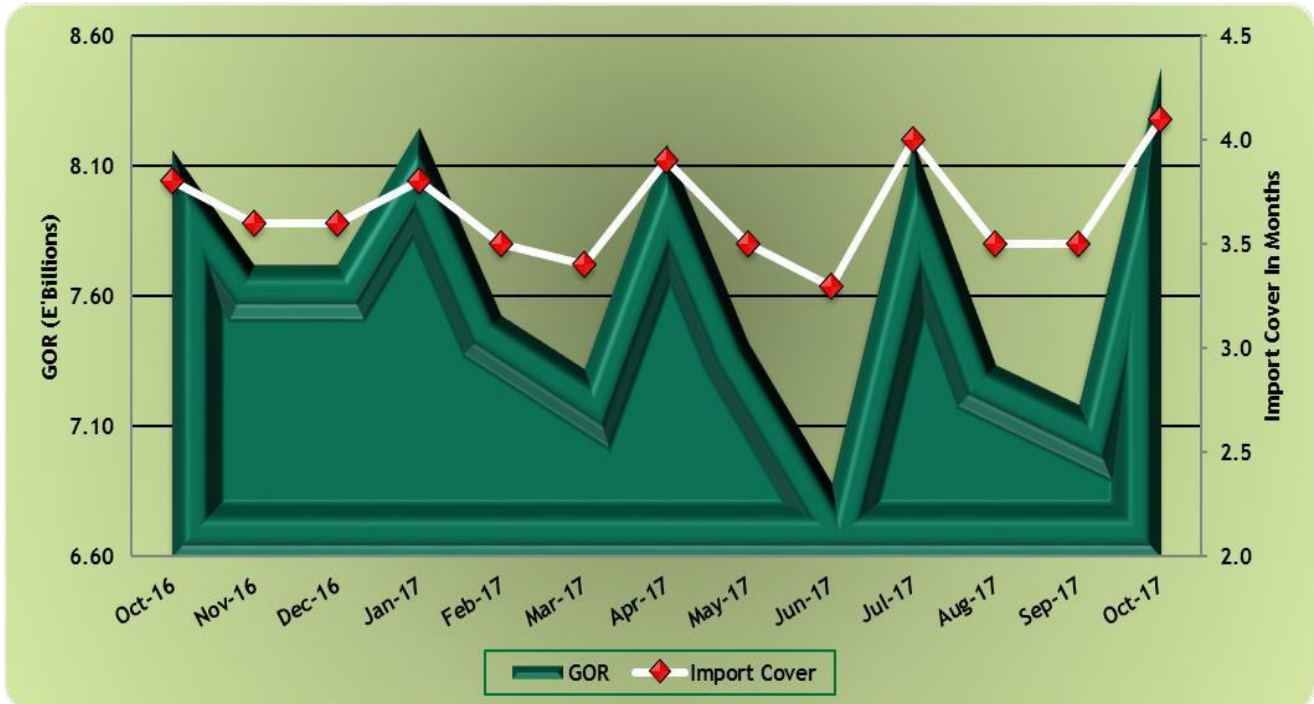
HIGHLIGHTS ON MAJOR MONETARY AGGREGATES	MONTHLY % CHANGE	ANNUAL % CHANGE
<b>Gross Official Reserves</b> grew by 18.0 per cent to reach E8.5 billion at the end of October 2017. At this level the Reserves represented an import cover of 4.1 months. Annually the Reserves grew by 3.8 per cent.	18.0	3.8
<b>Credit Extended to the Private Sector</b> was E13.8 billion in September 2017, depicting a 5.8 per cent month-on-month growth. The rise was in all sub-sectors namely; credit to Other Sectors, Businesses and Households. Over the year, Private Sector credit rose by 10.8 per cent.	5.8	10.8
<b>Broad Money Supply (M2)</b> rose by 2.1 per cent month-on-month to E17.1 billion. The increase was observed in Narrow Money Supply (M1) whilst Quasi Money supply contracted. Year-on-year, M2 expanded by 18.1 per cent.	2.1	18.1
<b>Domestic Liquid Assets</b> declined by 2.8 per cent to E4.4 billion over the review month, due to a fall in balances with Other Depository Corporations and the Central Bank. Year-on-year, Liquid Assets accelerated by 17.9 per cent.	2.8	17.9
	PERCENT	
<b>Discount Rate:</b> the discount rate was maintained at 7.25 per cent in October 2017.		7.25
<b>Prime Lending Rate:</b> the prime lending rate was also kept at 10.75 per cent in October 2017.		10.75



## Summary of Movements in Major Monetary Aggregates

**Gross Official Reserves** amounted to E8.5 billion at the end of October 2017 depicting a month-on-month growth of 18.0 per cent compared to September 2017. The expansion in Reserves was mainly boosted by the quarterly inflow of the Southern African Custom Union (SACU) receipts at the beginning of October 2017. At this level, the Reserves were enough to cover 4.1 months of imports of goods and services, higher than the 3.5 months observed in September 2017. In Special Drawing Rights (SDRs) the Reserves were worth SDR427.3 million at the end of October 2017, reflecting an increase of 13.2 per cent from the preceding month. When compared over the year, the Reserves grew by 3.8 per cent in Emalangeni terms but receded by 2.6 per cent in SDRs terms.

**Figure 1 - Gross Official Reserves and Import Cover; October 2016 to October 2017**



Source: Central Bank of Swaziland

**Credit Extended to the Private Sector** recovered from a fall of 1.3 per cent observed in August 2017 to a robust growth of 5.8 per cent at the end of September 2017. At this level, the stock of Private Sector credit stood at E13.8 billion, higher than the E13.0 billion observed in August 2017. The month-on-month improvement was evident in all components of Private Sector credit as follows; credit to Other Sectors of the economy grew by 9.0 per cent, credit to Businesses by 6.6 per cent and credit to Households and Non-Profit Making Institutions (NPISH) by 4.5 per cent.

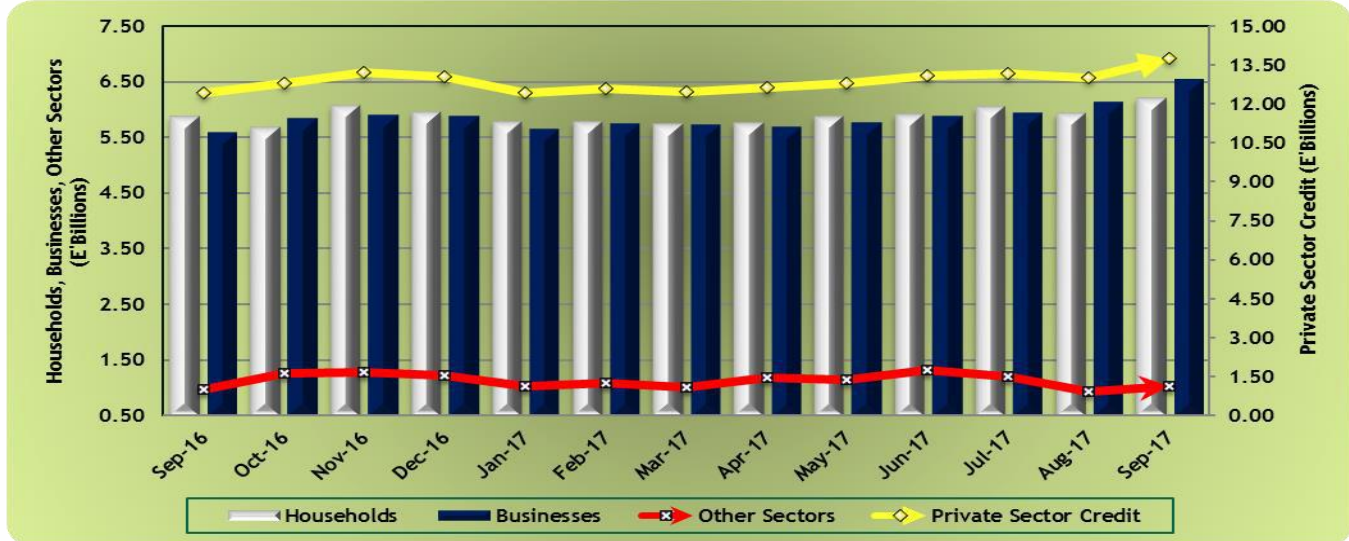
**Credit Extended to Other Sectors** amounted to E1.0 billion at the end of September 2017 depicting a rise of 9.0 per cent from the preceding month. The rise was mainly driven by credit to Other Financial Corporations which grew by 22.0 per cent and Local Government which rose by 3.5 per cent. Credit to Public Non-Financial Corporations on the contrary, receded by 2.1 per cent.

**Credit Extended to Businesses** closed the review month at E6.5 billion depicting a month-on-month expansion of 6.6 per cent. The increase was largely discernible in these sectors; Mining & Quarrying (71.5 per cent); Distribution & Tourism (30.3 per cent); Agriculture & Forestry (14.7 per cent); Manufacturing (8.3 per cent); Construction (8.1 per cent) and Transport & Communications (3.6 per cent). Partly offsetting these increases were reductions in these sectors; Community, Social & Personal Services (-2.7 per cent) and Real Estate (-2.2 per cent).



## Summary of Movements in Major Monetary Aggregates

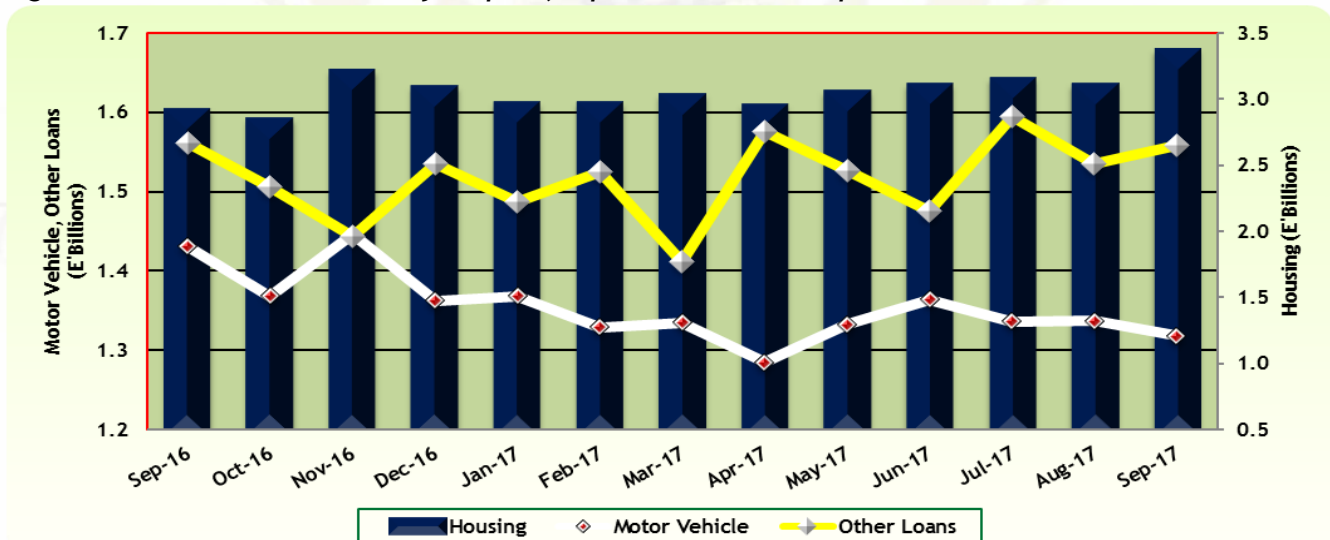
Figure 2 - Private Sector Credit; September 2016 to September 2017



Source: Central Bank of Swaziland

**Credit Extended to Households & NPISH** went up from E5.9 billion registered in August 2017 to E6.2 billion at the end of September 2017. At this level, credit to Households depicted a month-on-month growth of 4.5 per cent. The expansion was underpinned by Mortgage Loans and Other (unsecured) Loans whilst Motor Vehicle Finance contracted. Mortgage Finance grew by 8.5 per cent month-on-month to settle at E3.3 billion whilst Other (unsecured) Loans increased by 1.6 per cent to close the review month at E1.6 billion. On the contrary, Motor Vehicle Finance fell by 1.4 per cent to reach E1.3 billion at the end of September 2017.

Figure 3 - Credit to Households by Purpose; September 2016 to September 2017



Source: Other Depository Corporations

**Net government balances** with the banking sector declined notably to reach E2.7 million at the end of the review month. The fall was predominantly driven by a rise in the banking sector's claims on Government coupled with a decrease in Government deposits over the review month. Government deposits declined by 5.8 per cent whilst claims on Government increased by 9.7 per cent over the review month. When compared over the year, net Government balances also decelerated significantly.

**Broad Money Supply (M2)** edged up by 2.1 per cent at the end of September 2017 to close the review month at E17.1 billion. An analysis of the components of M2 revealed that both components moved in different directions, with Narrow Money Supply increasing and Quasi Money Supply falling over the review month. However, over a period of twelve months, M2 increased by 18.1 per cent.

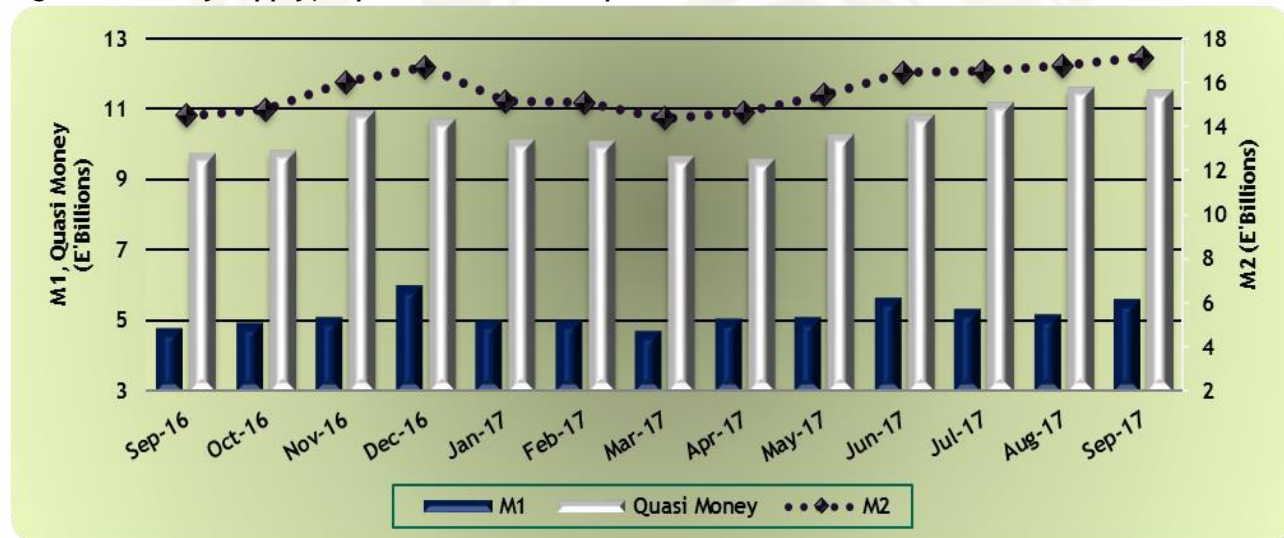


## Summary of Movements in Major Monetary Aggregates

**Narrow Money Supply (M1)** stood at E5.6 billion at the end of September 2017, showing an improvement from the E5.2 billion recorded in August 2017. This development in M1 was equivalent to a month-on-month growth of 7.7 per cent. The rise in M1 emanated from Currency Outside Depository Corporation accelerating by 10.9 per cent to E698.1 million and Transferable (Demand) Deposits by 7.3 per cent to reach E4.9 billion.

**Quasi Money Supply** totalled E11.5 billion at the end of September 2017 reflecting a month-on-month decline of 0.4 per cent, underpinned by a reduction in Time Deposits. Time Deposits therefore, declined by 0.8 per cent month-on-month to settle at E9.9 billion at the end of September 2017. Savings Deposits on the other hand, rose by 1.9 per cent over the review month to close at E1.6 billion.

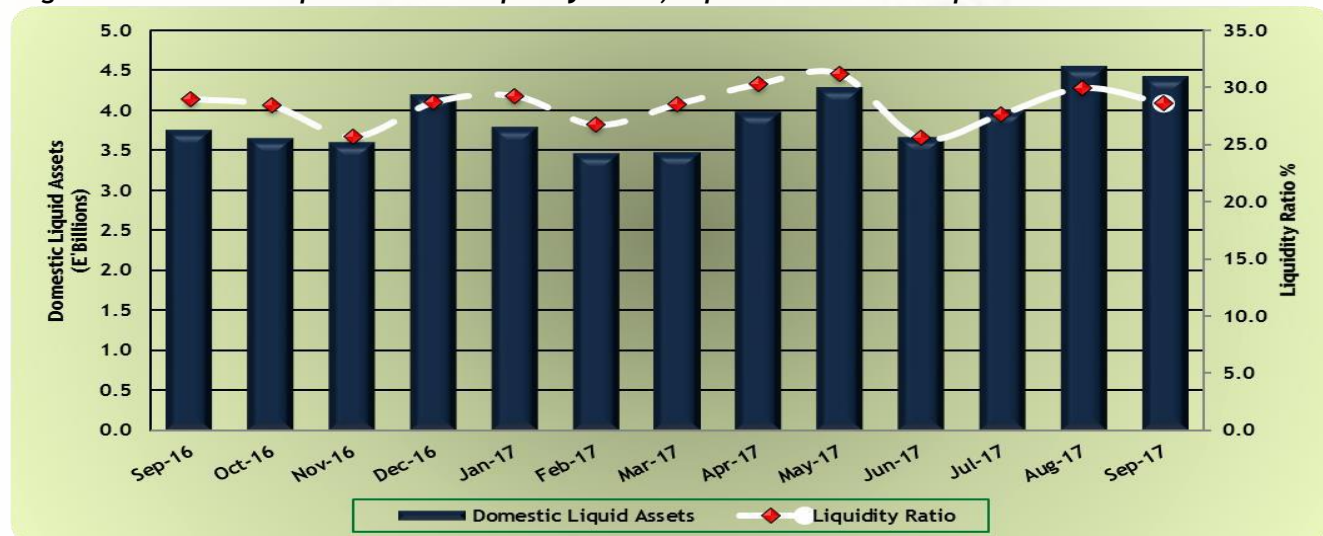
**Figure 4 - Money Supply; September 2016 to September 2017**



Source: Other Depository Corporations & Central Bank of Swaziland

**The liquidity position of the banking industry** stood at E4.4 billion at the end of September 2017 reflecting a fall of 2.8 per cent from the level recorded in August 2017. The contraction emanated from lower Other Depository Corporations and Central Bank balances during the month under review. Consequently, the banks' liquidity ratio fell from 29.9 per cent recorded in the previous month to 28.6 per cent at the end of September 2017. Year-on-year, the banks' liquid assets were 17.9 per cent higher.

**Figure 5 - Domestic Liquid Assets & Liquidity Ratio; September 2016 to September 2017**



Source: Other Depository Corporation

ITEM	Sep-17	Aug-17	Sep-16
	Amount	Amount	Amount
	(E'000)	(E'000)	(E'000)
<b>CENTRAL BANK OF SWAZILAND</b>			
Claims on Non-residents	8 553 290	8 658 708	8 843 416
Claims on Domestic Economy	1 329 558	1 148 041	1 148 441
Government	1 298 403	1 116 945	1 122 620
Other Depository Corporations	2 065	2 015	1 313
Other Resident Sectors	29 090	29 081	24 509
Other Assets	436 303	447 209	433 118
<b>Total Assets/Liabilities</b>	<b>10 319 151</b>	<b>10 253 958</b>	<b>10 424 975</b>
<b>OTHER DEPOSITORY CORPORATIONS</b>			
Cash and Deposits with CBS	1 851 672	2 102 244	1 569 869
Net Balances with Banks Outside Swaziland	2 078 387	2 607 642	1 285 134
Loans and advances	13 299 742	12 575 062	11 847 134
Government Securities	2 737 130	2 561 012	2 276 325
Treasury Bills	1 802 765	1 628 763	1 620 419
Government Bonds	934 364	932 249	655 907
Other	0	0	0
<b>Total Deposits</b>	<b>16 628 867</b>	<b>16 369 134</b>	<b>14 104 036</b>
Transferable/Demand	4 940 478	4 602 489	4 205 187
Savings	1 634 576	1 603 953	1 827 482
Time	10 053 813	10 162 691	8 071 366
Capital and Reserves	3 423 770	3 379 011	3 184 269
<b>Total Assets/Liabilities</b>	<b>22 018 131</b>	<b>21 812 862</b>	<b>19 376 296</b>
<b>Total Liquid Assets (Banks only)</b>	<b>4 420 676</b>	<b>4 546 476</b>	<b>3 749 899</b>
Required Liquidity (Banks only)	3 808 201	3 743 920	3 189 665
Surplus/ Deficiency (-) (Banks only)	612 475	802 555	560 233
<b>RATIOS (%)</b>			
Actual Liquidity to Domestic Liabilities (Banks Only)	28.6	29.9	29.0
Loans and Advances to Deposits	80.0	76.8	84.0
<b>DEPOSITORY CORPORATIONS SURVEY</b>			
	Sep-17	Aug-17	Sep-16
Net Foreign Assets (E)	8 301 179	8 977 785	7 049 175
Net Official Assets	6 205 777	6 348 950	5 743 852
Foreign Assets - Central Bank of Swaziland	8 579 533	8 684 951	8 872 529
Foreign Liabilities - Central Bank of Swaziland	2 373 756	2 336 001	3 128 676
Net Other Depository Corporations Foreign holdings (ODC)	2 095 402	2 628 835	1 305 322
Foreign Assets - ODC	2 175 175	2 864 474	1 739 418
Foreign Liabilities - ODC	79 773	235 639	434 095
Net Foreign Assets (SDR)	436 025	488 473	365 303

<b>Net Domestic Claims</b>	<b>13 761 527</b>	<b>12 401 543</b>	<b>11 962 807</b>
<b>Net Claims on Government</b>	<b>2 749</b>	<b>-602 870</b>	<b>-453 800</b>
Claims on Central Government	4 038 954	3 681 047	3 415 918
Government Deposits	4 036 204	4 283 917	3 869 718
<b>Claims on other sectors</b>	<b>13 758 777</b>	<b>13 004 414</b>	<b>12 416 607</b>
Other nonfinancial corporations (Industry)	6 533 804	6 130 140	5 589 979
Other resident sectors (Households & NPISH)	6 203 925	5 937 730	5 864 873
Other sectors	1 021 048	936 544	961 755
<b>Broad Money Supply (M2)</b>	<b>17 131 384</b>	<b>16 777 660</b>	<b>14 510 253</b>
<b>Narrow Money Supply (M1)</b>	<b>5 599 767</b>	<b>5 198 655</b>	<b>4 797 878</b>
Currency outside depository corporations (E)	698 082	629 718	620 687
Transferable (Demand) deposits	4 901 685	4 568 938	4 177 192
<b>Quasi Money</b>	<b>11 531 617</b>	<b>11 579 005</b>	<b>9 712 374</b>
Savings Deposits	1 601 944	1 572 493	1 798 748
Time Deposits	9 929 674	10 006 512	7 913 626
Shares and Other Equity	5 370 246	5 196 942	4 993 891
Central Of Swaziland	1 463 872	1 353 013	1 366 578
Other Depository Corporations	3 906 374	3 843 929	3 627 313
<b>Other Items (net)</b>	<b>-438 925</b>	<b>-592 418</b>	<b>-492 162</b>

<b>GROSS OFFICIAL RESERVES</b>	<b>Oct-17</b>	<b>Sep-17</b>	<b>Aug-17</b>	<b>Sep-16</b>	<b>Oct-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>8 476 361</b>	<b>7 183 709</b>	<b>7 336 534</b>	<b>7 455 239</b>	<b>8 165 597</b>
<b>Special Drawing Rights (SDR)</b>	<b>427 294</b>	<b>377 329</b>	<b>399 174</b>	<b>386 346</b>	<b>438 546</b>
<b>Central Bank</b>	<b>8 476 361</b>	<b>7 183 709</b>	<b>7 336 534</b>	<b>7 455 239</b>	<b>8 165 597</b>
<b>Government</b>	<b>26 243</b>	<b>26 243</b>	<b>26 243</b>	<b>29 113</b>	<b>26 745</b>
<b>Import Cover (Reserves to months of estimated imports)</b>	<b>4.1</b>	<b>3.5</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>
<b>Net Bank Holdings</b>		<b>2 095 402</b>	<b>2 628 835</b>	<b>1 305 322</b>	<b>1 020 525</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.

