



# RESERVE BANK OF VANUATU

## FINANCIAL & ECONOMIC ANALYSIS:

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Issue 298

July 2023

### 1. EXTERNAL DEVELOPMENTS

The International Monetary Fund (IMF) in its July 2023 World Economic Outlook (WEO) projected global growth to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024<sup>1</sup>. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 while underlying inflation is projected to decline more gradually. In terms of global commodity prices relevant to Vanuatu's trade commodities, the following goods recorded price increases over the month of June: cocoa (+7 percent), rice (+6 percent), coconut oil (+3 percent), and sunflower oil (+14 percent), while decreases in prices were noted for tobacco (-17%), beef (-4 percent), sugar (-6 percent) and crude oil (-1.2 percent).

In **Australia**, available economic indicators for June portrayed household spending increasing by 1.7 percent over the month of June from a 0.4 percent change recorded in May. In addition, overall trade balance on goods and services improved further by 2.0 percent in June from May 2023 due to lower imports than exports<sup>2</sup>. The Reserve Bank of Australia (RBA) increased its cash rate to 4.10 percent in June from 3.85 percent in the previous month.

In the **US**, available economic indicators showed that the unemployment rate declined by 3.6 percent in June from 3.7 percent in May. Trade balance improved by 5 percent as imports declined more than exports. Annual inflation eased to 3.0 percent in June from 4.0 percent in May. The Federal Reserve maintained its federal funds rate at 5.25 percent in June.

In **New Zealand**, overseas visitor arrivals increased by 11 percent over the month of June which represented 83.6 percent of the pre-covid19 level in June 2019. Inflation slightly decline to 6.0 percent in the June quarter compared to 6.7 percent recorded in the March quarter of 2023<sup>3</sup>.

In the **Euro area**, the unemployment rate reached 6.5 percent in June from 6.6 percent in May. Annual inflation declined to 5.5 percent in June from 6.1 percent in May. The European Central Bank (ECB) increased its interest rates on its main refinancing operations to 4.0 percent in June from 3.75 percent in May.

At the end of July 2023, the Vatu currency (VUV) appreciated against the USD by 0.9 percent while it depreciated against the AUD, NZD and the EURO by 0.4, 0.9 and 0.1 percent, respectively. The average monthly exchange rate recorded an appreciation of VUV against the USD and AUD by 0.6 and 0.1 percent which showed a stable movement of the VUV against currency pairs.

**Table 1. Exchange rate of Vatu (VUV) against major currencies**

| Exchange rate of the Vatu against Major Currencies |                                |       |       |       |               |       |
|--|--------------------------------|-------|-------|-------|---------------|-------|
| Period   | End Rates                      |       |       |       | Average Rates |       |
|  | USD                            | AUD   | NZD   | EURO  | USD           | AUD   |
| Jul-23   | 117.9                          | 79.1  | 72.9  | 129.4 | 117.4         | 79.1  |
| Jun-23   | 118.9                          | 78.7  | 72.2  | 129.2 | 118.1         | 79.3  |
| % ▲  | - 0.9                          | 0.4   | 0.9   | 0.1   | - 0.6         | - 0.1 |
| Apr-23   | 118.5                          | 78.5  | 72.8  | 130.7 | 117.9         | 78.9  |
| % ▲  | - 0.5                          | 0.6   | 0.1   | - 1.0 | - 0.4         | 0.2   |
| Jul-22   | 116.4                          | 81.3  | 73.2  | 118.6 | 117.6         | 80.6  |
| % ▲  | 1.3                            | - 2.8 | - 0.5 | 9.1   | - 0.1         | - 1.8 |
| % ▲  | Note: (-) Appreciation of Vatu |       |       |       |               |       |

Estimates of Vanuatu's external trade<sup>4</sup> showed overall exports of goods declined by 16 percent while imports of goods increased slightly by 1 percent over the month of June. Comparing to January to June 2022 to January to June 2023, estimated exports of goods declined by 18 percent, while estimated imports of goods increased by 25 percent.

Official foreign reserve estimates recorded approximately VT 72.7 billion in July 2023 from VT 72.5 billion in June. Recent changes in official reserves have noticeably moderated amidst rising external costs.

<sup>1</sup> WEO, July 2023

<sup>2</sup> ABS, June, 2023

<sup>3</sup> NZ Stats

<sup>4</sup> Vanuatu Bureau of Statistics

## 2. DOMESTIC DEVELOPMENTS

Partial monetary indicators relating to consumption and investment showed positive growth. Lending to households for personal consumption and private investment rose by 12.1 percent and 0.7 percent over the year to June 2023, respectively. In addition, lending for business purposes to these economic sectors recorded positive growth: fisheries (+71.1 percent), mining and quarrying (+32.8 percent), wholesale & retail (+20.3 percent), transport (44 percent), entertainment & catering (+18 percent), and professional & other services (+29.4 percent). On the contrary, year-on-year credit reductions were noted for public utilities (-64.2 percent), communications (-47.9 percent), manufacturing (-13.2 percent), agriculture (-13.1 percent), forestry (-4.9 percent), construction (-6.6 percent) and tourism (-1.2 percent).

The demand for employment in the domestic labor market continued to increase relative to a year ago. This is reflected in the increase in the total number of job advertisements<sup>5</sup> by 58 percent over June 2022. The upward trend in the demand for labor reflected annual increases of 56 percent and 167 percent in the number of job vacancies relating to the services and the industry sectors, respectively.

In terms of prices, domestic fuel prices<sup>6</sup> continued to decline in June reflecting reductions in international crude oil prices. The retail price of petrol fell by 4 percent, from VT198/litre to VT191/litre and the retail price of diesel fell by 6 percent, from VT189/litre to VT178/litre from May to June, respectively. Both Port Vila's electricity tariff<sup>7</sup> and Luganville's electricity tariff declined by 2 percent and 5 percent, respectively. These downward trends reflected the fall in the weighted average diesel cost in Vatu/litre by 3.19 percent and a 0.56 percent decline in the material index.

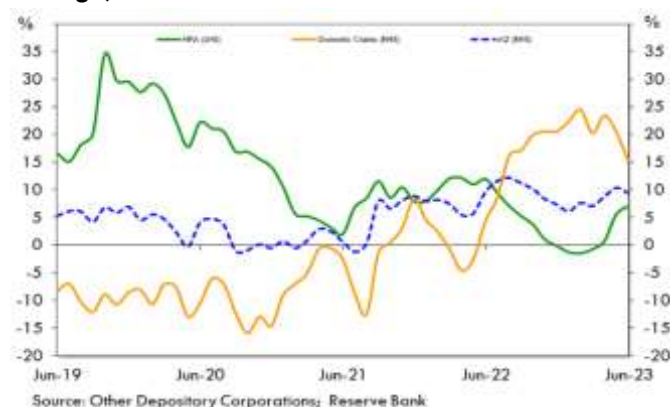
## 3. MONETARY DEVELOPMENTS

Money supply rose by 0.8 percent and 9.4 percent month-on-month and year-on-year, respectively, to reach VT115, 432.3 million in June 2023. The month-on-month trend was determined by the increase in net foreign assets (NFA). Furthermore, the year-on-year growth reflected robust growths in both domestic credit and net foreign assets.

Net Foreign Assets (NFA) rose by 2.2 percent and 7.0 percent month-on-month and year-on-year, respectively to reach VT88, 187.0 million. The month-on-month and year-on-year growths reflected net inflows of foreign currency recorded via both the Reserve Bank and commercial banks.

Domestic credit fell by 2.1 percent month-on-month; but rose by 15.2 percent year-on-year, respectively, to June 2023. The month-on-month trend reflected the decline in net claims on the central government. However, year-on-year growth remained robust due to annual increases in both net claims on the central government and private sector credit. The annual trend in net claims on the central government reflected the decline in government deposits and increases in government domestic debt (bonds) with the commercial banks. Furthermore, consistent positive growths in private sector credit continued to reflect improvements in economic activities.

**Chart 1: Determinants of Money Supply (Y-O-Y% Change)**



Private Sector Credit (PSC)<sup>8</sup> rose by 1.9 percent and 7.1 percent month-on-month and year-on-year, respectively to reach VT63, 985.9 million in June 2023. The monthly and annual growths in PSC were driven by increased credit extended to both individuals and households and businesses. Generally, the gradual improvements in PSC continued to reflect the gradual recovery in the economy.

Loans extended by one of the Other Financial Institutions (OFIs)<sup>9</sup> rose by 1.9 percent month-on-month and 1.6 percent year-on-year, respectively, to record VT713.5 million in June 2023.

Total loans extended by Commercial Banks to various sectors are depicted in table A4.

<sup>5</sup> Vanuatu Daily Post & Vanuatu Wok

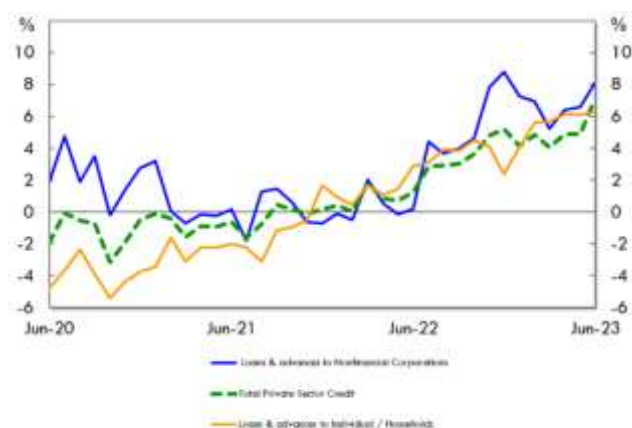
<sup>6</sup> Vanuatu Department of Energy

<sup>7</sup> Utilities Regulatory Authority (URA)

<sup>8</sup> Private Sector Credit comprises of credit to non-financial corporations and other resident sectors

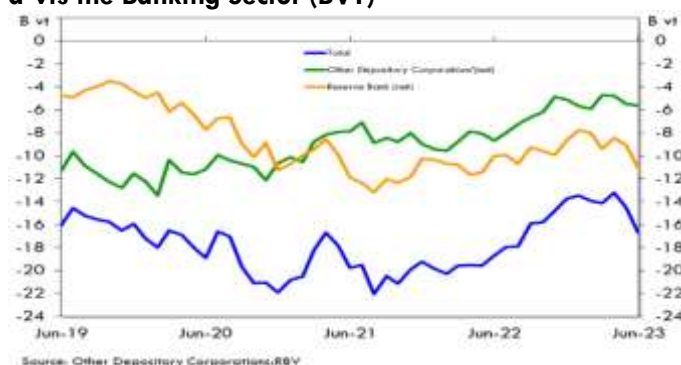
<sup>9</sup> OFI: Other Financial Institutions cover Credit Corporation Vanuatu Ltd; Vanuatu Agriculture Bank; and Vanuatu National Provident Fund. Depending on data availability, monthly reports for March, June, September and December covers two OFIs, while other months covers only one OFI.

**Chart 2: Private Sector Credit (Y-O-Y% Change)**



The Central Government's net credit position vis-a-vis the banking system improved in June 2023; reflecting increases in Government deposits held with both the Reserve Bank and the commercial banks. In contrast, the Governments net credit position further deteriorated over the year to June 2023.

**Chart 3: Net Claims of the Vanuatu Government vis-à-vis the Banking Sector (BVT)**



### Open Market Operations (OMO)

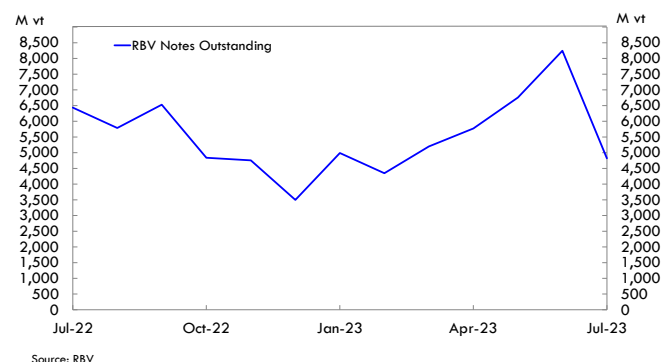
The Bank issued VT1, 600 million worth of RBV notes in July<sup>10</sup> compared to VT6, 000 million issued in June 2023.

Subscriptions for this issue totaled VT3, 531 million compared to VT11, 465 million during the previous month.

Allotments were made as follow:

- 7 days: VT200 million
- 14 days: VT370 million
- 28 days: VT520 million
- 63 days: VT100 million
- 91 days: VT150 million

**Chart 4: Outstanding RBV Notes**  
(Levels, millions of Vatu, Month-End Data)



Matured RBV notes reached VT4, 765 million in July, and outstanding notes totaled VT4, 820 million, compared to VT8, 245 million as reported in June.

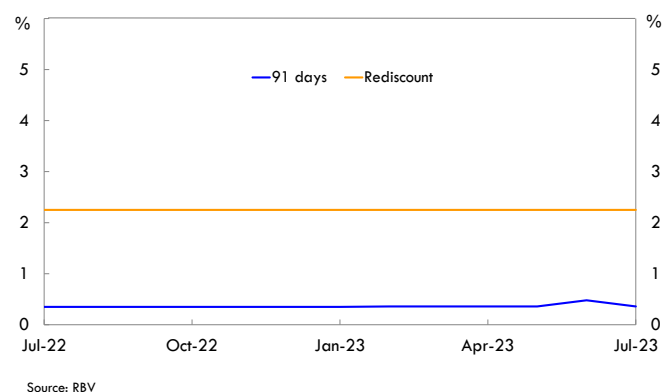
### Yields of RBV Notes

Yields on RBV Notes as of end July 2023:

| Term     | End July.23 | End Jun.23 |
|----------|-------------|------------|
| 7 days   | 0.40%       | 0.40%      |
| 14 days: | 0.35%       | 0.40%      |
| 28 days: | 0.40%       | 0.40%      |
| 63 days: | 0.35%       | 0.40%      |
| 91 days: | 0.36%       | 0.48%      |

**Chart 5: Yield on 91-days RBV Note**

(Levels, Percentage, Month-end Position)



<sup>10</sup> The Bank conducted one OMO in July

TABLE A1 : BALANCE SHEET OF THE RESERVE BANK OF VANUATU

(In Millions VT)

| End of Period                                | Jun-22          | Mar-23          | May-23          | Jun-23          | %Change        |                |                |
|--|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|
|  |                 |                 |                 |                 | 1 Month        | 3 Months       | 12 Months      |
| <b>Claims on nonresidents</b>                | <b>75,732.9</b> | <b>75,460.8</b> | <b>75,563.2</b> | <b>76,340.5</b> | <b>1.0</b>     | <b>1.2</b>     | <b>0.8</b>     |
| Monetary gold and SDR holdings               | 3,959.0         | 4,153.5         | 4,182.0         | 3,806.8         | -9.0           | -8.3           | -3.8           |
| Reserve Assets                               | 71,773.9        | 71,307.3        | 71,381.2        | 72,533.8        | 1.6            | 1.7            | 1.1            |
| <b>Currency and Deposits</b>                 | <b>15.3</b>     | <b>23.0</b>     | <b>25.4</b>     | <b>1,031.9</b>  | <b>3,955.6</b> | <b>4,390.5</b> | <b>6,636.6</b> |
| National currency                            | 15.3            | 23.0            | 25.4            | 31.9            | 25.5           | 39.0           | 108.5          |
| Other deposits                               |                 |                 |                 | 1,000.0         |                |                |                |
| <b>Securities other than shares</b>          | <b>3,323.0</b>  | <b>3,322.6</b>  | <b>3,324.3</b>  | <b>3,324.3</b>  | <b>0.0</b>     | <b>0.1</b>     | <b>0.0</b>     |
| Central government                           | 3,323.0         | 3,322.6         | 3,324.3         | 3,324.3         | 0.0            | 0.1            | 0.0            |
| <b>Loans</b>                                 | <b>249.4</b>    | <b>310.4</b>    | <b>318.2</b>    | <b>318.8</b>    | <b>0.2</b>     | <b>2.7</b>     | <b>27.8</b>    |
| Other depository corporations                |                 |                 |                 |                 |                |                |                |
| Other financial corporations                 |                 |                 |                 |                 |                |                |                |
| Central government                           |                 |                 |                 |                 |                |                |                |
| Other residents sectors                      | 249.4           | 310.4           | 318.2           | 318.8           | 0.2            | 2.7            | 27.8           |
| <b>Other accounts receivable</b>             | <b>4,188.5</b>  | <b>4,666.3</b>  | <b>4,593.6</b>  | <b>4,603.7</b>  | <b>0.2</b>     | <b>-1.3</b>    | <b>9.9</b>     |
| Trade credit and advances                    | 108.8           | 369.2           | 430.6           | 433.0           | 0.5            | 17.3           | 298.1          |
| Settlement accounts                          | <b>194.5</b>    | <b>478.0</b>    | <b>343.1</b>    | <b>357.5</b>    | <b>4.2</b>     | <b>-25.2</b>   | <b>83.8</b>    |
| O/W Items in the process of collection       | 38.8            | 220.3           | 71.1            | 66.5            | -6.4           | -69.8          | 71.3           |
| Miscellaneous Assets                         | 3,885.2         | 3,819.1         | 3,819.9         | 3,813.3         | -0.2           | -0.2           | -1.9           |
| <b>Nonfinancial assets</b>                   | <b>1,752.3</b>  | <b>1,715.8</b>  | <b>1,731.7</b>  | <b>1,728.4</b>  | <b>-0.2</b>    | <b>0.7</b>     | <b>-1.4</b>    |
| <b>TOTAL ASSETS</b>                          | <b>85,261.5</b> | <b>85,498.9</b> | <b>85,556.4</b> | <b>87,347.7</b> | <b>2.1</b>     | <b>2.2</b>     | <b>2.4</b>     |
| <b>Monetary Base</b>                         | <b>55,073.8</b> | <b>55,237.7</b> | <b>53,645.2</b> | <b>52,217.1</b> | <b>-2.7</b>    | <b>-5.5</b>    | <b>-5.2</b>    |
| Currency in Circulation                      | 12,054.2        | 13,317.4        | 13,658.0        | 13,812.7        | 1.1            | 3.7            | 14.6           |
| Currency Other Depository Corporations       | 3,137.3         | 3,796.0         | 3,979.1         | 3,601.0         | -9.5           | -5.1           | 14.8           |
| Liabilities to Other Depository Corporations | <b>39,882.4</b> | <b>38,124.3</b> | <b>36,008.1</b> | <b>34,803.4</b> | <b>-3.3</b>    | <b>-8.7</b>    | <b>-12.7</b>   |
| Reserve Deposits                             | 4,368.1         | 4,493.0         | 4,550.8         | 4,539.0         | -0.3           | 1.0            | 3.9            |
| Other Liabilities                            | 35,514.3        | 33,631.3        | 31,457.3        | 30,264.4        | -3.8           | -10.0          | -14.8          |
| <b>Liabilities to Central Government</b>     | <b>13,340.8</b> | <b>12,722.9</b> | <b>12,372.5</b> | <b>14,377.6</b> | <b>16.2</b>    | <b>13.0</b>    | <b>7.8</b>     |
| Deposits                                     | 13,340.8        | 12,722.9        | 12,372.5        | 14,377.6        | 16.2           | 13.0           | 7.8            |
| Other  |                 |                 |                 |                 |                |                |                |
| <b>Liabilities to non residents</b>          | <b>1,346.3</b>  | <b>1,358.6</b>  | <b>1,363.3</b>  | <b>1,199.2</b>  | <b>-12.0</b>   | <b>-11.7</b>   | <b>-10.9</b>   |
| Deposits                                     | 1,346.3         | 1,358.6         | 1,363.3         | 1,199.2         | -12.0          | -11.7          | -10.9          |
| <b>Deposits</b>                              |                 |                 |                 |                 |                |                |                |
| Other Deposits                               |                 |                 |                 |                 |                |                |                |
| <b>Securities other than shares</b>          | <b>6,233.1</b>  | <b>5,196.8</b>  | <b>6,750.7</b>  | <b>8,239.6</b>  | <b>22.1</b>    | <b>58.5</b>    | <b>32.2</b>    |
| Other Depository Corporation                 | 6,233.1         | 5,196.8         | 6,750.7         | 8,239.6         | 22.1           | 58.5           | 32.2           |
| Other financial Corporation                  |                 |                 |                 |                 |                |                |                |
| <b>Loans</b>                                 | <b>0.0</b>      | <b>59.2</b>     | <b>63.8</b>     | <b>63.8</b>     | <b>0.0</b>     | <b>7.7</b>     |                |
| Liabilities to the IMF- Central Government   | 0.0             | 59.2            | 63.8            | 63.8            | 0.0            | 7.7            |                |
| <b>Other accounts payable</b>                | <b>500.2</b>    | <b>902.8</b>    | <b>977.8</b>    | <b>986.3</b>    | <b>0.9</b>     | <b>9.3</b>     | <b>97.2</b>    |
| Trade credit and advances                    | 416.9           | 441.8           | 434.3           | 427.3           | -1.6           | -3.3           | 2.5            |
| Other Sectors                                | <b>83.3</b>     | <b>461.0</b>    | <b>543.5</b>    | <b>559.0</b>    | <b>2.9</b>     | <b>21.3</b>    | <b>571.1</b>   |
| O/W Settlement Accounts                      | 67.7            | 437.7           | 517.8           | 527.4           | 1.9            | 20.5           | 679.0          |
| <b>Shares and other equity</b>               | <b>3,083.7</b>  | <b>3,823.5</b>  | <b>4,143.3</b>  | <b>4,393.3</b>  | <b>6.0</b>     | <b>14.9</b>    | <b>42.5</b>    |
| <b>SDR Allocation</b>                        | <b>5,683.5</b>  | <b>6,197.4</b>  | <b>6,240.0</b>  | <b>5,870.7</b>  | <b>-5.9</b>    | <b>-5.3</b>    | <b>3.3</b>     |
| <b>TOTAL LIABILITIES</b>                     | <b>85,261.5</b> | <b>85,498.9</b> | <b>85,556.4</b> | <b>87,347.7</b> | <b>2.1</b>     | <b>2.2</b>     | <b>2.4</b>     |

TABLE A2a : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU

(In Millions VT)

| END OF PERIOD                       | Jun-22           | Mar-23           | May-23           | Jun-23           | %Change     |             |              |
|-------------------------------------|------------------|------------------|------------------|------------------|-------------|-------------|--------------|
|                                     |                  |                  |                  |                  | 1 Month     | 3 Months    | 12 Months    |
| <b>Monetary gold and SDR</b>        |                  |                  |                  |                  |             |             |              |
| <b>Currency and deposits</b>        | <b>62,229.8</b>  | <b>60,565.3</b>  | <b>63,375.9</b>  | <b>62,330.2</b>  | <b>-1.7</b> | <b>2.9</b>  | <b>0.2</b>   |
| <b>Currency</b>                     | <b>3,819.9</b>   | <b>4,880.4</b>   | <b>5,058.9</b>   | <b>4,664.5</b>   | <b>-7.8</b> | <b>-4.4</b> | <b>22.1</b>  |
| National                            | 3,137.3          | 3,796.0          | 3,979.1          | 3,601.0          | -9.5        | -5.1        | 14.8         |
| Foreign                             | 682.7            | 1,084.4          | 1,079.8          | 1,063.4          | -1.5        | -1.9        | 55.8         |
| <b>Transferable deposits</b>        | <b>43,691.1</b>  | <b>41,331.0</b>  | <b>40,107.6</b>  | <b>39,224.6</b>  | <b>-2.2</b> | <b>-5.1</b> | <b>-10.2</b> |
| <i>In Local currency:</i>           | <b>39,699.1</b>  | <b>38,299.6</b>  | <b>36,129.1</b>  | <b>34,685.9</b>  | <b>-4.0</b> | <b>-9.4</b> | <b>-12.6</b> |
| Central Bank                        | 39,690.8         | 38,277.6         | 36,108.9         | 34,656.1         | -4.0        | -9.5        | -12.7        |
| Other depository corporations       | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Other financial corporation         |                  |                  |                  |                  |             |             |              |
| Nonresidents                        | <b>8.3</b>       | <b>22.0</b>      | <b>20.2</b>      | <b>29.8</b>      | <b>47.6</b> | <b>35.6</b> | <b>259.3</b> |
| Head offices and Branches           | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Other depository corporations       | 8.3              | 22.0             | 20.2             | 29.8             | 47.6        | 35.6        | 259.3        |
| <i>In foreign currency:</i>         | <b>3,992.0</b>   | <b>3,031.4</b>   | <b>3,978.4</b>   | <b>4,538.7</b>   | <b>14.1</b> | <b>49.7</b> | <b>13.7</b>  |
| Other depository corporations       |                  |                  |                  |                  |             |             |              |
| Other financial corporation         |                  |                  |                  |                  |             |             |              |
| Other depository corporations       | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Nonresidents                        | <b>3,992.0</b>   | <b>3,031.4</b>   | <b>3,978.4</b>   | <b>4,538.7</b>   | <b>14.1</b> | <b>49.7</b> | <b>13.7</b>  |
| Head offices and Branches           | 1,049.4          | 647.5            | 1,082.9          | 415.0            | -61.7       | -35.9       | -60.4        |
| Other depository corporations       | 2,942.6          | 2,383.9          | 2,895.5          | 4,123.7          | 42.4        | 73.0        | 40.1         |
| <b>Other deposits</b>               | <b>14,718.8</b>  | <b>14,353.9</b>  | <b>18,209.5</b>  | <b>18,441.1</b>  | <b>1.3</b>  | <b>28.5</b> | <b>25.3</b>  |
| <i>In Local currency:</i>           |                  |                  |                  |                  |             |             |              |
| Other depository corporations       | 146.5            | 148.6            | 148.6            | 148.6            | 0.0         | 0.0         | 1.5          |
| Other financial corporation         |                  |                  |                  |                  |             |             |              |
| Nonresidents                        | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Head offices and Branches           |                  |                  |                  |                  |             |             |              |
| Other depository corporations       | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| <i>In foreign currency:</i>         |                  |                  |                  |                  |             |             |              |
| Other depository corporations       |                  |                  |                  |                  |             |             |              |
| Other financial corporation         |                  |                  |                  |                  |             |             |              |
| Other depository corporations       | 1,101.9          | 0.0              | 0.0              | 0.0              |             |             | -100.0       |
| Nonresidents                        | <b>13,470.4</b>  | <b>14,205.3</b>  | <b>18,060.8</b>  | <b>18,292.5</b>  | <b>1.3</b>  | <b>28.8</b> | <b>35.8</b>  |
| Head offices and Branches           | 0.0              | 35.3             | 153.2            | 474.9            | 209.9       | 1,244.9     |              |
| Other depository corporations       | 13,470.4         | 14,170.0         | 17,907.6         | 17,817.6         | -0.5        | 25.7        | 32.3         |
| <b>Securities other than shares</b> | <b>7,233.1</b>   | <b>7,496.8</b>   | <b>10,050.7</b>  | <b>11,539.6</b>  | <b>14.8</b> | <b>53.9</b> | <b>59.5</b>  |
| Central Bank                        | 6,233.1          | 5,196.8          | 6,750.7          | 8,239.6          | 22.1        | 58.5        | 32.2         |
| Central Government                  | 1,000.0          | 2,300.0          | 3,300.0          | 3,300.0          | 0.0         | 43.5        | 230.0        |
| <b>Loans</b>                        | <b>61,832.1</b>  | <b>65,089.5</b>  | <b>65,078.2</b>  | <b>66,234.4</b>  | <b>1.8</b>  | <b>1.8</b>  | <b>7.1</b>   |
| Central bank                        | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Other depository corporations       | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| Other financial corporations        | 211.3            | 489.2            | 449.9            | 308.6            | -31.4       | -36.9       | 46.1         |
| Central government                  | 394.0            | 367.0            | 353.7            | 356.6            | 0.8         | -2.8        | -9.5         |
| State and local government          | 30.2             | 24.7             | 24.7             | 22.7             | -7.8        | -8.1        | -24.8        |
| Public nonfinancial corporations    | 1,111.9          | 1,153.9          | 1,140.0          | 1,219.7          | 7.0         | 5.7         | 9.7          |
| Other nonfinancial corporations     | 26,499.1         | 28,256.9         | 28,158.8         | 28,652.7         | 1.8         | 1.4         | 8.1          |
| Other residents sectors             | 32,997.9         | 34,166.5         | 34,301.0         | 35,014.4         | 2.1         | 2.5         | 6.1          |
| Nonresidents                        | 587.6            | 631.4            | 650.2            | 659.7            | 1.5         | 4.5         | 12.3         |
| <b>Interbank Funds sold</b>         | <b>0.0</b>       | <b>0.0</b>       | <b>0.0</b>       | <b>0.0</b>       |             |             |              |
| <b>Shares and Other Equity</b>      | <b>0.0</b>       | <b>0.0</b>       | <b>0.0</b>       | <b>0.0</b>       |             |             |              |
| Other depository corporations       | 0.0              | 0.0              | 0.0              | 0.0              |             |             |              |
| <b>Other accounts receivable</b>    | <b>5,273.5</b>   | <b>5,629.3</b>   | <b>5,393.3</b>   | <b>5,244.8</b>   | <b>-2.8</b> | <b>-6.8</b> | <b>-0.5</b>  |
| Trade credit and advances           | 185.3            | 185.6            | 192.3            | 178.6            | -7.1        | -3.8        | -3.6         |
| Settlement accounts                 | 3,497.6          | 3,496.3          | 3,641.4          | 3,676.5          | 1.0         | 5.2         | 5.1          |
| Miscellaneous assets items          | 1,590.6          | 1,947.5          | 1,559.6          | 1,389.6          | -10.9       | -28.6       | -12.6        |
| <b>Nonfinancial assets</b>          | <b>6,334.9</b>   | <b>6,687.3</b>   | <b>6,669.7</b>   | <b>6,678.6</b>   | <b>0.1</b>  | <b>-0.1</b> | <b>5.4</b>   |
| <b>TOTAL ASSETS</b>                 | <b>142,903.4</b> | <b>145,468.3</b> | <b>150,567.8</b> | <b>152,027.4</b> | <b>1.0</b>  | <b>4.5</b>  | <b>6.4</b>   |

TABLE A2b : CONDENSED BALANCE SHEET OF OTHER DEPOSITORY CORPORATIONS IN VANUATU

( In Millions VT)

| END OF PERIOD                               | Jun-22           | Mar-23           | May-23           | Jun-23           | %Change      |              |              |
|---|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
|   |                  |                  |                  |                  | 1 Month      | 3 Months     | 12 Months    |
| <b>Deposits</b>                             | <b>107,633.0</b> | <b>109,316.6</b> | <b>114,547.7</b> | <b>115,504.1</b> | <b>0.8</b>   | <b>5.7</b>   | <b>7.3</b>   |
| <b>Transferable deposits</b>                | <b>75,374.5</b>  | <b>79,731.7</b>  | <b>83,955.3</b>  | <b>84,188.6</b>  | <b>0.3</b>   | <b>5.6</b>   | <b>11.7</b>  |
| <i>In Local currency:</i>                   | <b>53,195.9</b>  | <b>57,690.9</b>  | <b>58,058.3</b>  | <b>57,912.1</b>  | <b>-0.3</b>  | <b>0.4</b>   | <b>8.9</b>   |
| Central Bank                                | 0.4              | 1.2              | 2.0              |                  | 1.8          | 59.6         | 349.1        |
| Other depository corporation                | 375.1            | 232.0            | 147.5            | 67.0             | -54.6        | -71.1        | -82.1        |
| Other financial corporations                | 3,953.5          | 3,922.7          | 2,894.5          | 2,721.0          | -6.0         | -30.6        | -31.2        |
| Central government                          | 3,176.2          | 2,760.2          | 2,866.6          | 2,383.4          | -16.9        | -13.7        | -25.0        |
| State and local governments                 | 282.7            | 196.7            | 148.3            | 109.2            | -26.4        | -44.5        | -61.4        |
| Public nonfinancial corporations            | 359.6            | 380.1            | 279.6            | 256.2            | -8.4         | -32.6        | -28.8        |
| Other non financial corporations            | 20,454.9         | 23,067.8         | 23,872.8         | 24,201.2         | 1.4          | 4.9          | 18.3         |
| Other residents sectors                     | 24,632.4         | 27,350.7         | 27,918.2         | 28,238.8         | 1.1          | 3.2          | 14.6         |
| <b>Non-residents</b>                        | <b>1,952.7</b>   | <b>2,399.6</b>   | <b>2,517.4</b>   | <b>2,708.3</b>   | <b>7.6</b>   | <b>12.9</b>  | <b>38.7</b>  |
| Head office and Branches                    |                  |                  |                  |                  |              |              |              |
| Other Depository and financial corporations | 11.8             | 180.4            | 168.0            | 180.3            | 7.3          | -0.1         | 1,431.5      |
| Other non residents                         | 1,940.9          | 2,219.2          | 2,349.4          | 2,528.0          | 7.6          | 13.9         | 30.2         |
| <i>In Foreign currency:</i>                 | <b>19,053.9</b>  | <b>18,529.5</b>  | <b>22,147.4</b>  | <b>22,449.6</b>  | <b>1.4</b>   | <b>21.2</b>  | <b>17.8</b>  |
| Other depository corporation                | 45.5             | 29.0             | 25.9             | 24.2             | -6.4         | -16.4        | -46.7        |
| Other financial corporations                | 665.1            | 897.3            | 781.6            | 661.3            | -15.4        | -26.3        | -0.6         |
| Central government                          | 856.4            | 782.6            | 1,670.5          | 2,343.6          | 40.3         | 199.5        | 173.7        |
| State and local governments                 |                  |                  |                  |                  |              |              |              |
| Public nonfinancial corporations            | 105.3            | 127.4            | 210.2            | 191.2            | -9.0         | 50.0         | 81.5         |
| Other non financial corporations            | 11,945.3         | 13,421.9         | 15,739.8         | 15,299.8         | -2.8         | 14.0         | 28.1         |
| Other residents sectors                     | 3,491.8          | 3,104.2          | 3,448.0          | 3,656.2          | 6.0          | 17.8         | 4.7          |
| <b>Non-residents</b>                        | <b>1,172.0</b>   | <b>1,111.7</b>   | <b>1,232.1</b>   | <b>1,118.6</b>   | <b>-9.2</b>  | <b>0.6</b>   | <b>-4.6</b>  |
| Head office and Branches                    | 13.6             | 31.4             | 126.0            | 108.9            | -13.6        | 246.4        | 701.5        |
| Other Depository and financial corporations | 2.8              | 38.0             | 74.6             | 0.3              | -99.6        | -99.3        | -89.9        |
| Other non residents                         | 1,155.6          | 1,042.2          | 1,031.5          | 1,009.4          | -2.1         | -3.1         | -12.6        |
| <b>Other deposits</b>                       | <b>32,258.5</b>  | <b>29,584.9</b>  | <b>30,592.4</b>  | <b>31,315.5</b>  | <b>2.4</b>   | <b>5.8</b>   | <b>-2.9</b>  |
| <i>In Local currency:</i>                   | <b>17,898.8</b>  | <b>15,511.0</b>  | <b>15,666.7</b>  | <b>16,340.5</b>  | <b>4.3</b>   | <b>5.3</b>   | <b>-8.7</b>  |
| Central bank                                | 0.03             | 0.03             | 0.03             | 1,000.03         | 3,225,806    | 3,225,806    | 3,225,806.5  |
| Other depository corporation                | 697.4            | 702.1            | 703.2            | 703.7            | 0.1          | 0.2          | 0.9          |
| Other financial corporations                | 712.6            | 743.4            | 751.1            | 742.6            | -1.1         | -0.1         | 4.2          |
| Central government                          | 5,053.5          | 2,833.4          | 3,553.5          | 3,553.5          | 0.0          | 25.4         | -29.7        |
| State and local governments                 | 48.0             | 47.7             | 45.7             |                  | 0.0          | -4.1         | -4.7         |
| Public nonfinancial corporations            | 378.6            | 397.5            | 397.6            | 397.6            | 0.0          | 0.0          | 5.0          |
| Other non financial corporations            | 2,720.3          | 2,498.7          | 2,448.1          | 2,432.6          | -0.6         | -2.6         | -10.6        |
| Other residents sectors                     | 8,288.4          | 8,288.2          | 7,767.6          | 7,464.9          | -3.9         | -9.9         | -9.9         |
| <b>Non-residents</b>                        | <b>473.5</b>     | <b>455.1</b>     | <b>460.0</b>     | <b>379.5</b>     | <b>-17.5</b> | <b>-16.6</b> | <b>-19.8</b> |
| Head office and Branches                    | 0.0              | 0.0              | 0.0              | 0.0              |              |              |              |
| Other Depository and financial corporations | 0.0              | 0.0              | 0.0              | 0.0              |              |              |              |
| Other non residents                         | 473.5            | 455.1            | 460.0            | 379.5            | -17.5        | -16.6        | -19.8        |
| <i>In Foreign currency:</i>                 | <b>13,433.1</b>  | <b>13,299.4</b>  | <b>14,082.9</b>  | <b>14,219.7</b>  | <b>1.0</b>   | <b>6.9</b>   | <b>5.9</b>   |
| Other depository corporation                | 0.0              | 0.0              | 0.0              | 0.0              |              |              |              |
| Other financial corporations                | 2,167.3          | 1,661.6          | 1,651.0          | 1,730.7          | 4.8          | 4.2          | -20.1        |
| Central government                          |                  |                  |                  |                  |              |              |              |
| State and local governments                 |                  |                  |                  |                  |              |              |              |
| Central government                          | 994.8            | 1,011.3          | 1,030.7          | 1,021.9          | -0.9         | 1.1          | 2.7          |
| Public nonfinancial corporations            | 74.6             | 75.3             | 76.8             | 76.2             | -0.8         | 1.3          | 2.1          |
| Other non financial corporations            | 5,183.7          | 6,018.7          | 6,356.9          | 6,408.2          | 0.8          | 6.5          | 23.6         |
| Other residents sectors                     | 5,012.7          | 4,532.5          | 4,967.4          | 4,982.7          | 0.3          | 9.9          | -0.6         |
| <b>Non-residents</b>                        | <b>453.1</b>     | <b>319.5</b>     | <b>382.8</b>     | <b>375.7</b>     | <b>-1.9</b>  | <b>17.6</b>  | <b>-17.1</b> |
| Head office and Branches                    |                  |                  |                  |                  |              |              |              |
| Other Depository and financial corporations | 0.0              | 0.0              | 0.0              | 0.0              |              |              |              |
| Other non residents                         | 453.1            | 319.5            | 382.8            | 375.7            | -1.9         | 17.6         | -17.1        |
| <b>Loans</b>                                | <b>2,113.2</b>   | <b>1,227.4</b>   | <b>849.8</b>     | <b>1,085.6</b>   | <b>27.7</b>  | <b>-11.5</b> | <b>-48.6</b> |
| Central bank                                |                  |                  |                  |                  |              |              |              |
| Other depository Corporations               | 1,101.2          | 0.0              | 0.0              | 0.0              |              |              |              |
| Other financial corporations                |                  |                  |                  |                  |              |              |              |
| Central government                          |                  |                  |                  |                  |              |              |              |
| <b>Non residents</b>                        | <b>1,012.0</b>   | <b>1,227.4</b>   | <b>849.8</b>     | <b>1,085.6</b>   | <b>27.7</b>  | <b>-11.5</b> | <b>7.3</b>   |
| Head office and Branches                    | 1,000.4          | 1,194.4          | 823.1            | 1,073.2          | 30.4         | -10.1        | 7.3          |
| Other financial corporations                | 11.6             | 33.0             | 26.8             | 12.4             | -53.5        | -62.3        | 7.5          |
| Other non residents                         |                  |                  |                  |                  |              |              |              |
| <b>Interbank Funds Purchased</b>            |                  |                  |                  |                  |              |              |              |
| <b>Other accounts payable</b>               | <b>14,393.3</b>  | <b>14,970.5</b>  | <b>14,896.6</b>  | <b>14,802.4</b>  | <b>-0.6</b>  | <b>-1.1</b>  | <b>2.8</b>   |
| Trade credit and advances                   | 148.5            | 280.9            | 363.0            | 247.9            | -31.7        | -11.8        | 66.9         |
| Settlement accounts                         | 3,269.1          | 3,233.5          | 3,304.6          | 3,326.2          | 0.7          | 2.9          | 1.7          |
| Provisions for losses                       | 3,051.0          | 3,146.1          | 3,216.1          | 3,062.5          | -4.8         | -2.7         | 0.4          |
| Accumulated depreciation                    | 4,085.5          | 4,427.1          | 4,453.7          | 4,471.3          | 0.4          | 1.0          | 9.4          |
| Dividends payable                           | 302.7            | 302.7            | 302.7            |                  | 0.0          | 0.0          | 0.0          |
| Miscellaneous liability items               | 3,536.5          | 3,580.2          | 3,256.6          | 3,391.8          | 4.2          | -5.3         | -4.1         |
| <b>Shares and other equity</b>              | <b>18,763.9</b>  | <b>19,953.8</b>  | <b>20,273.7</b>  | <b>20,635.3</b>  | <b>1.8</b>   | <b>3.4</b>   | <b>10.0</b>  |
| <b>TOTAL LIABILITIES</b>                    | <b>142,903.4</b> | <b>145,468.3</b> | <b>150,567.8</b> | <b>152,027.4</b> | <b>1.0</b>   | <b>4.5</b>   | <b>6.4</b>   |

TABLE A3 : DEPOSITORY CORPORATION SURVEY

(In Million VT)

| END OF PERIOD                               | Jun-22           | Mar-23           | May-23           | Jun-23           | %Change      |              |             |
|---|------------------|------------------|------------------|------------------|--------------|--------------|-------------|
|   |                  |                  |                  |                  | 1 Month      | 3 Months     | 12 Months   |
| <b>1. Net Foreign Assets</b>                | <b>82,380.8</b>  | <b>81,365.9</b>  | <b>86,307.2</b>  | <b>88,187.0</b>  | <b>2.2</b>   | <b>8.4</b>   | <b>7.0</b>  |
| Monetary Authorities (Net)                  | 68,703.1         | 67,904.8         | 67,959.9         | 69,270.7         | 1.9          | 2.0          | 0.8         |
| Other Depository Corporations (Net)         | 13,677.7         | 13,461.1         | 18,347.3         | 18,916.3         | 3.1          | 40.5         | 38.3        |
| <b>2. Net Domestic Claims</b>               | <b>23,174.1</b>  | <b>29,594.8</b>  | <b>28,184.9</b>  | <b>27,245.4</b>  | <b>-3.3</b>  | <b>-7.9</b>  | <b>17.6</b> |
| <b>(a) Domestic Claims</b>                  | <b>42,395.2</b>  | <b>50,280.9</b>  | <b>49,876.8</b>  | <b>48,837.8</b>  | <b>-2.1</b>  | <b>-2.9</b>  | <b>15.2</b> |
| <b>(i) Net claims on central government</b> | <b>-18,704.7</b> | <b>-14,120.7</b> | <b>-14,515.8</b> | <b>-16,699.1</b> | <b>-15.0</b> | <b>-18.3</b> | <b>10.7</b> |
| Monetary Authorities                        | -10,017.8        | -9,400.3         | -9,048.2         | -11,053.4        | -22.2        | -17.6        | -10.3       |
| Other Depository Corporations               | -8,686.9         | -4,720.4         | -5,467.6         | -5,645.8         | -3.3         | -19.6        | 35.0        |
| <b>(ii) Claims on other Sectors</b>         | <b>61,099.9</b>  | <b>64,401.6</b>  | <b>64,392.5</b>  | <b>65,536.9</b>  | <b>1.8</b>   | <b>1.8</b>   | <b>7.3</b>  |
| Other Financial Corporations                | 211.3            | 489.2            | 449.9            | 308.6            | -31.4        | -36.9        | 46.1        |
| State and local government                  | 30.2             | 24.7             | 24.7             | 22.7             | -7.8         | -8.1         | -24.8       |
| Public nonfinancial corporations            | 1,111.9          | 1,153.9          | 1,140.0          | 1,219.7          | 7.0          | 5.7          | 9.7         |
| Other nonfinancial corporations             | 26,499.1         | 28,256.9         | 28,158.8         | 28,652.7         | 1.8          | 1.4          | 8.1         |
| Other residents sectors                     | 33,247.4         | 34,476.9         | 34,619.2         | 35,333.2         | 2.1          | 2.5          | 6.3         |
| <b>(b) Other items (net)</b>                | <b>-19,221.1</b> | <b>-20,686.1</b> | <b>-21,691.9</b> | <b>-21,592.4</b> | <b>-0.5</b>  | <b>4.4</b>   | <b>12.3</b> |
| <b>3. Broad Money (M2)</b>                  | <b>105,554.9</b> | <b>110,960.7</b> | <b>114,492.1</b> | <b>115,432.3</b> | <b>0.8</b>   | <b>4.0</b>   | <b>9.4</b>  |
| <b>(a) Money (M1)</b>                       | <b>80,271.4</b>  | <b>85,995.0</b>  | <b>89,326.7</b>  | <b>89,447.4</b>  | <b>0.1</b>   | <b>4.0</b>   | <b>11.4</b> |
| (i) Currency in circulation                 | 12,054.2         | 13,317.4         | 13,658.0         | 13,812.7         | 1.1          | 3.7          | 14.6        |
| (ii) Transferable deposits                  | 68,217.2         | 72,677.6         | 75,668.7         | 75,634.7         | 0.0          | 4.1          | 10.9        |
| <b>(b) Quasi-money</b>                      | <b>25,283.5</b>  | <b>24,965.6</b>  | <b>25,165.4</b>  | <b>25,984.9</b>  | <b>3.3</b>   | <b>4.1</b>   | <b>2.8</b>  |
| Other Deposits                              | 25,283.5         | 24,965.6         | 25,165.4         | 25,984.9         | 3.3          | 4.1          | 2.8         |

TABLE A4 : OTHER DEPOSITORY CORPORATIONS SECTORAL DISTRIBUTION OF LOANS AND ADVANCES IN VATU AND FOREIGN CURRENCY

(In Million VT)

| *SECTOR                                       | Jun-22          |                 |                 | Jun-23          |                 |                 | YOY % Change |             |            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|-------------|------------|
|   | VT              | FC              | Total           | VT              | FC              | Total           | VT           | FC          | Total      |
| Depository Institutions Domestic              | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             | 0.0             |              |             |            |
| Other Financial Corporations Domestic         | 3.4             | 279.1           | 282.5           | 99.4            | 209.2           | 308.6           | 2,832.8      | -25.0       | 9.3        |
| Central Government                            | 396.7           | 0.0             | 396.7           | 356.6           | 0.0             | 356.6           | -10.1        |             | -10.1      |
| Provincial Assemblies & Local Government      | 31.3            | 0.0             | 31.3            | 22.7            | 0.0             | 22.7            | -27.5        |             | -27.5      |
| Statutory Non-financial Corporations Domestic | 706.6           | 293.3           | 999.9           | 873.1           | 346.6           | 1,219.7         | 23.6         | 18.2        | 22.0       |
| Manufacturing                                 | 1,252.6         | 237.2           | 1,489.8         | 1,178.8         | 114.2           | 1,293.0         | -5.9         | -51.9       | -13.2      |
| Agriculture                                   | 1,064.4         | 48.7            | 1,113.1         | 919.7           | 47.6            | 967.3           | -13.6        | -2.4        | -13.1      |
| Public Utilities                              | 0.6             | 26.9            | 27.5            | 0.4             | 9.5             | 9.8             | -42.4        | -64.8       | -64.2      |
| Forestry                                      | 0.0             | 139.4           | 139.4           | 0.8             | 131.8           | 132.7           | 10,362.5     | -5.5        | -4.9       |
| Fisheries                                     | 2.0             | 0.0             | 2.0             | 3.5             | 0.0             | 3.5             | 71.1         |             | 71.1       |
| Mining & Quarrying                            | 80.1            | 0.0             | 80.1            | 106.3           | 0.1             | 106.4           | 32.7         | 186.2       | 32.8       |
| Construction                                  | 2,445.5         | 1,040.4         | 3,485.9         | 2,271.8         | 984.7           | 3,256.5         | -7.1         | -5.4        | -6.6       |
| Distribution (Wholesale and Retail)           | 3,808.3         | 1,459.2         | 5,267.6         | 4,888.5         | 1,450.3         | 6,338.7         | 28.4         | -0.6        | 20.3       |
| Tourism                                       | 2,402.6         | 5,797.0         | 8,199.6         | 2,698.1         | 5,406.3         | 8,104.5         | 12.3         | -6.7        | -1.2       |
| Transport                                     | 886.5           | 274.7           | 1,161.2         | 1,307.6         | 364.4           | 1,671.9         | 47.5         | 32.7        | 44.0       |
| Communications                                | 446.3           | 0.0             | 446.3           | 232.7           | 0.0             | 232.7           | -47.9        |             | -47.9      |
| Entertainment & Catering                      | 265.7           | 160.0           | 425.7           | 360.5           | 141.9           | 502.4           | 35.7         | -11.3       | 18.0       |
| Professional & Other Services                 | 3,057.0         | 1,603.8         | 4,660.8         | 4,599.6         | 1,433.6         | 6,033.2         | 50.5         | -10.6       | 29.4       |
| Housing & Land Purchases                      | 14,477.8        | 2,595.9         | 17,073.7        | 14,759.3        | 2,428.3         | 17,187.6        | 1.9          | -6.5        | 0.7        |
| Other individual                              | 13,509.5        | 2,157.4         | 15,666.9        | 15,694.7        | 1,868.7         | 17,563.4        | 16.2         | -13.4       | 12.1       |
| Non Profit Institutions Serving Households    | 257.3           | 0.0             | 257.3           | 263.4           | 0.1             | 263.5           | 2.4          | 194.1       | 2.4        |
| <b>Grand Total</b>                            | <b>45,094.3</b> | <b>16,113.1</b> | <b>61,207.4</b> | <b>50,637.5</b> | <b>14,937.2</b> | <b>65,574.7</b> | <b>12.3</b>  | <b>-7.3</b> | <b>7.1</b> |

\* As of October 2018 data includes Wanfuteng Bank