

LOAN MONITOR

Still overshooting guidance, despite some retreat

Banking system's total loans expanded by 0.3% within the week ended February 8. Accordingly, ytd and annual growth reached 1.1% and 19.1%, respectively.

- According to weekly BRSA loan data, total loans (TRL; unadjusted) rose by 0.3% in the mentioned period. However, annual loan growth edged back to 19.1% from 19.2% a week ago.
- Total loans (FX-adjusted), a parameter closely monitored by the CBT as well, grew by 18.5% in annual terms, also slightly lower than the previous week.
- Moreover, trend growth (annualised 13-week average) of total loans (FX-adjusted) eased somewhat to 19.8% from 21.5% a week ago.

Despite some retreat, both unadjusted and adjusted annual loan growth remained above the CBT's guidance of 15% for 2013. Besides, recent trend growth continued to indicate some overshoot of the target for 2013.

We think weekly figures may **continue to be perceived as a supporting argument for an upward adjustment to FX/TRL reserve requirement ratios (RRRs)** ahead of the MPC meeting tomorrow.

Exhibit 1: Total Loans, yoy % change



Source: BRSA, Burgan Securities

Exhibit 2: Trend Growth of Total Loans, FX adjusted 13w avr, annualised



Source: BRSA, Burgan Securities

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