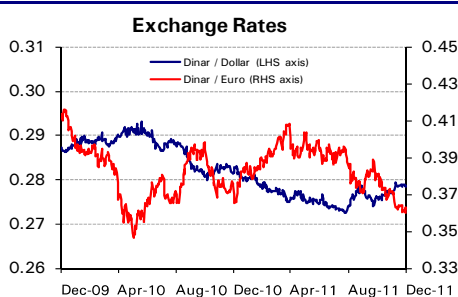
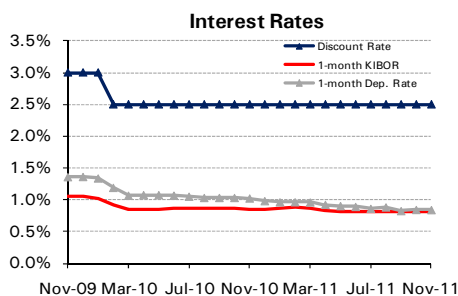
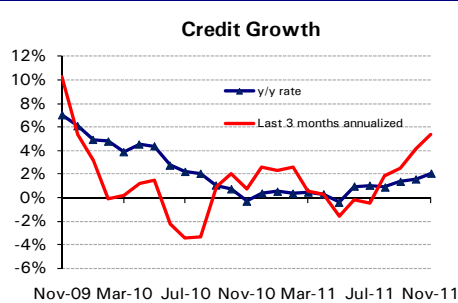
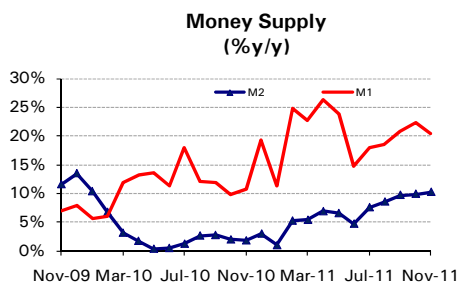


18 January 2012

Monetary Developments

Credit up KD 100 million, led by gains in personal facilities and in productive sectors

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- Money supply M2 expanded KD 135 million or 0.5% m/m in November. On the other hand the narrower measure of money supply, M1, declined KD 178 million, -2.7% m/m. There was a shift away from sight deposits towards term deposits.
- Outstanding credit to residents saw its third strong consecutive monthly gains and was up KD 100 million in November. 11 months into the year, total bank credit is up KD 390 million, +1.5% ytd.
- Personal facilities, excluding loans for the purchase of securities, were up a good KD 53 million in November following a very strong gain of KD 107 million in October. While personal facilities continued to show steady growth, November witnessed notable activity in business sectors as well. Credit to productive sectors (trade, industry and construction) rose a total of KD 56 million. Real estate and loans for the purchase of securities saw modest increases of KD 13 million and KD 12 million respectively.
- Meanwhile, credit to non-bank financial institutions continued to be a drag on credit growth falling KD 25 million in November. So far in 2011, credit to those institutions is down KD 407 million, -14.4%.
- Resident deposits were up KD 135 million in November in both local and foreign currency accounts. Term deposits were up but were partially offset by withdrawals from sight deposits.
- Total bank assets were slightly off in November, down KD 15 million. An increase of KD 192 million in foreign assets along with the increase in credit facilities was offset by a decline in liquid assets. Liquid assets were off KD 366 million mostly from cash and bank balances at the Central Bank of Kuwait (CBK).
- The average rates offered on KD private deposits remained unchanged at 0.84% for the 1-month maturity. Rates fell 1 bp for the 3, 6, 12-month and averaged 1.04%, 1.30%, and 1.60%, respectively.

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Monetary Highlights, November 2011

	Levels	Change					
		1-Month		3-Month		12-Month	
		mn KD	%	mn KD	%	mn KD	%
Total System Liquidity (M2)	27,778	135	0.5	756	2.8	2,340	9.2
Currency in Circulation	1,004	0	0.0	-54	-5.1	208	26.1
Private Sector Deposits	26,774	135	0.5	809	3.1	2,133	8.7
KD Deposits	24,405	92	0.4	489	2.0	1,888	8.4
Sight Deposits	5,464	-179	-3.2	68	1.3	695	14.6
Savings Deposits	3,789	57	1.5	179	4.9	821	27.7
Time Deposits & CDs	15,152	214	1.4	243	1.6	372	2.5
FC Deposits	2,370	43	1.9	320	15.6	244	11.5

Banking Highlights, November 2011

	Levels	Change					
		1-Month		3-Month		12-Month	
		mn KD	%	mn KD	%	mn KD	%
Total Bank Assets	43,490	-15	0.0	955	2.2	1,883	4.5
Liquid Assets	6,640	-366	-5.2	-82	-1.2	803	13.8
Cash and CBK Balances	371	-389	-51.2	-153	-29.2	41	12.4
CBK Bonds	1,495	-8	-0.5	-19	-1.3	151	11.2
Public Debt Instruments	1,884	0	0.0	-5	-0.3	-18	-0.9
Inter-Local Bank Deposits	993	-232	-19.0	-85	-7.9	331	50.1
Time Deposits w/ CBK	1,897	263	16.1	180	10.5	298	18.6
Credit Facilities	25,591	100	0.4	341	1.4	517	2.1
Trade	2,338	32	1.4	87	3.9	-32	-1.4
Industry	1,768	15	0.9	62	3.6	168	10.5
Construction	1,678	8	0.5	-92	-5.2	-90	-5.1
Agriculture and Fishing	11	0	1.9	0	-0.9	-1	-5.4
Non-Bank Fin. Inst.	2,430	-25	-1.0	-149	-5.8	-400	-14.1
Personal Facilities	8,893	65	0.7	283	3.3	484	5.8
Purchase of Securities	2,652	12	0.4	79	3.1	12	0.5
Other Pers. Fac.	6,241	53	0.9	204	3.4	472	8.2
Real Estate	6,750	13	0.2	102	1.5	308	4.8
Crude Oil & Gas	185	-6	-3.2	-17	-8.5	-32	-14.6
Other	1,538	-2	-0.1	65	4.4	112	7.8
Foreign Assets	7,834	192	2.5	628	8.7	356	4.8
Other Assets	3,426	59	1.7	68	2.0	207	6.4
Total Bank Liabilities	37,445	-9	2.4	873	8.9	1,568	-1.3
Total Deposit Liabilities	30,965	-94	-0.3	663	2.2	1,843	6.3
Private Sector Deposits	26,774	135	0.5	809	3.1	2,133	8.7
Gov't Deposits	3,348	3	0.1	-36	-1.1	-492	-12.8
Interbank	993	-232	-19.0	-85	-7.9	331	50.1
Foreign Liabilities	3,150	36	1.2	56	1.8	-4	-0.1
Other Liabilities	3,331	49	1.5	155	4.9	-271	-7.5
Equity	6,045	-6	-0.1	82	1.4	315	5.5



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