



This monthly bulletin recaps on the key monetary and banking developments in the State of Kuwait as at the end of May 2025 compared to the comparative month of the previous year, the most prominent of which:

- Money Supply in its Broad Sense (M2) increased by 4.2% to KWD 41.80 billion.
- The local banks' total assets grew by KWD 7.50 billion (8.5%).
- The net foreign assets with local banks increased by KWD 1.32 billion (9.7%).
- The utilized cash portion of credit facilities to residents increased by KWD 2.66 billion (5.5%).
- The total residents' deposits with local banks increased by KWD 1.80 billion (3.7%). Likewise, the resident private sector's deposits increased by KWD 1.68 billion (4.4%).

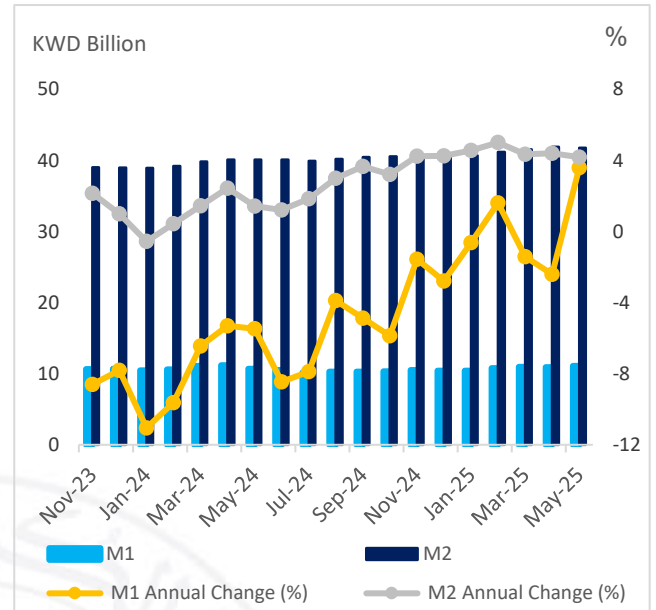
I. Monetary Developments (Money Supply)

1. Money Supply (M1):

Money Supply in its Narrow Sense "Narrow Money" (M1) grew by KWD 0.40 billion (3.6%) to KWD 11.10 billion at the end of May 2025 against KWD 10.72 billion at the end of the comparative month.

This was mainly attributed to **the increase in KWD sight deposits** by KWD 0.40 billion (4.4%) to KWD 9.42 billion, and **the decrease in currency in circulation outside the local banks** by KWD 0.01 billion (0.7%) to KWD 1.68 billion.

Figure (1): M1 & M2 Annual Change (%)



2. Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 1.68 billion (4.2%) to KWD 41.80 billion at the end of May 2025 against KWD 40.11 billion at the end of the comparative month. This gain resulted from the rise in Quasi-Money (KWD saving deposits, KWD time deposits and deposits in foreign currency) by KWD 1.30 billion (4.4%) and the growth of Narrow Money (M1) by KWD 0.40 billion (3.6%) on the other.

Considering the combined monetary survey of CBK and the local banks, (M2) can be calculated according to the factors affecting it, namely (a) **Net Local Assets** (that include net claims of CBK and local banks on government, public institutions and private sector less government's deposits and accounts, and other "net"), and (b) **Net Foreign Assets** with CBK and local banks.

The relevant data indicate that the rise in (M2) by the end of May 2025 was driven by **the increase in net foreign assets** by KWD 0.80 billion, i.e., 3.0% (as net foreign assets with local banks increased by KWD 1.32 billion (9.72%), while net foreign assets with CBK declined by KWD 0.52 billion, i.e., 4.0%), and **the net local assets** increased by KWD 0.87 billion, i.e., 6.5%.

Figure (2): Factors Affecting Broad Money (M2)

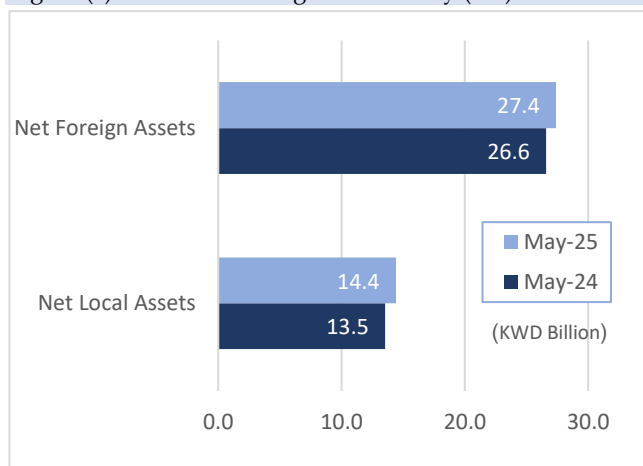
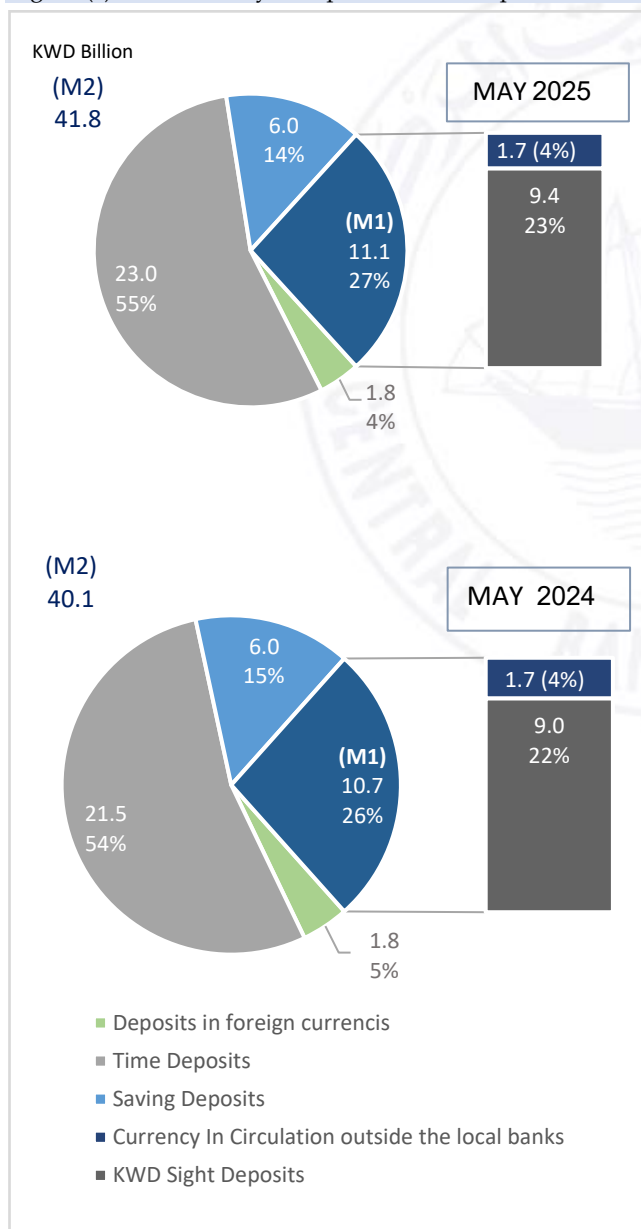


Figure (3): Broad Money Components' Developments



II. Banking Developments (at the Level of Local Banks and their Branches inside the State of Kuwait)

1. Local Banks' Assets:

Local banks' total assets grew by KWD 7.50 billion (8.5%) to KWD 95.90 billion at the end of May 2025 against KWD 88.41 billion at the end of the comparative month. This was driven by **the rise in foreign assets** by KWD 4.37 billion (17.2%) to KWD 29.76 billion, claims on private sector by KWD 2.95 billion (6.4%) to KWD 48.83 billion, local interbank deposits by KWD 0.84 billion (56.2%) to KWD 2.33 billion, claims on public institutions by KWD 0.18 billion (5.1%) to KWD 3.78 billion. On another front, loans to banks **decreased** by KWD 0.20 billion (19.0%) to KWD 0.87 billion, together with claims on government and claims on CBK (which include cash in local banks vaults, sight deposits, time deposits and related tawarruq, and CBK bonds and related tawarruq), which declined by 9.3% and 9.6%, respectively.

Claims on the private sector represents the main source of local banks' assets. These claims accounted for 50.9% of the local banks' total assets at the end of May 2025 against 51.9% at the end of the comparative month. Foreign assets came next accounting for 31.0% of the local banks' total assets at the end of May 2025 against 28.7% at the end of the comparative month.

It is worth mentioning that the rise in foreign assets came from the rise in the balances of credit facilities to non-residents, foreign investments, other assets, deposits with foreign banks, and loans to foreign banks by 24.1%, 22.5%, 14.8%, 8.6% and 1.1%, respectively.

Figure (4): Total Local Banks' Assets

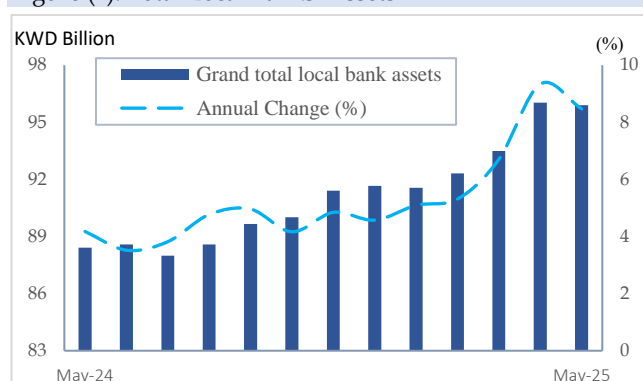
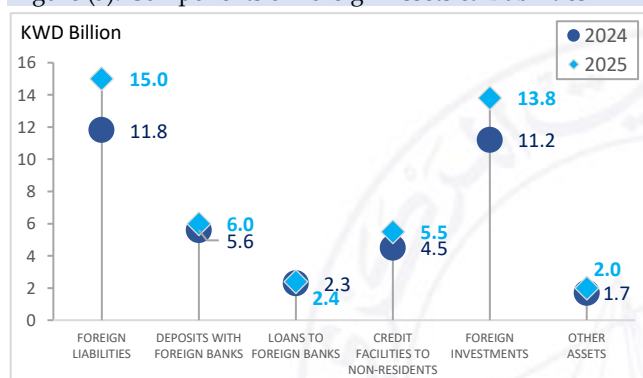


Figure (5): Components of Foreign Assets & Liabilities



On another front, data indicate that **net foreign assets with local banks increased** by KWD 1.32 billion (9.7%) to KWD 14.87 billion at the end of May 2025 against KWD 13.55 billion at the end of the comparative month. This rise was due to the increase in foreign assets by KWD 4.37 billion (17.2%), and foreign liabilities by KWD 3.05 billion (25.7%).

2. Sectoral Allocation of the Cash Portion of Credit Facilities to Residents:

The utilized cash portion of the credit facilities to residents increased by KWD 2.66 billion (5.5%) to KWD 51.10 billion at the end of May 2025 against KWD 48.44 billion at the end of the comparative month. The utilized cash of the credit facilities to businesses and personal credit facilities accounted for 76.2% and 23.8%, respectively, of the increase in the total utilized cash portion of the facilities extended to residents. In more detail, the utilized cash portion of credit facilities to businesses (61.7% of the overall facilities to residents) increased by KWD 2.03 billion (6.9%)

to KWD 31.55 billion at the end of May 2025 against KWD 29.52 billion at the end of the comparative month.

This increase was mainly driven by the rise in the utilized portion of credit to real estate and construction (KWD 0.80 billion, i.e. 6.5%), purchase of securities “individuals, companies and institutions” (KWD 0.71 billion, i.e. 20.6%), other services (KWD 0.52 billion, i.e. 15.2%), trade (KWD 0.38 billion, i.e. 11.0%), in addition to an increase in agriculture & fishing, and non-bank financial institutions by 42.9% and 1.1% respectively at the end of May 2025 against the comparative month.

Conversely, there was a decline in the cash portion of credit allocated to loans to banks (KWD 0.21 billion or 19.0%), crude oil & gas (KWD 0.13 billion or 7.1%), industry (KWD 0.07 billion or 3.1%), in addition to a contraction in public services by 5.6% at the end of May 2025 compared to the comparative month.

3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 1.80 billion (3.7%) to KWD 51.18 billion at the end of May 2025 against KWD 49.37 billion at the end of the comparative month amid the increase in the **total private sector's "deposits (resident)** by KWD 1.68 billion (4.4%) to KWD 40.10 billion at the end of May 2025 against KWD 38.41 billion at the end of the comparative month, **public institutions' deposits** by KWD 0.42 billion (6.7%) to KWD 6.70 billion at the end of May 2025 against KWD 6.30 billion at the end of the comparative month on one hand, and the decline in **government's deposits** by KWD 0.30 billion (6.5%) to KWD 4.38 billion at the end of May 2025 against KWD 4.69 billion at the end of the comparative month on the other hand.

Private sector deposits are the primary source of financing for local banks (41.8% of the local banks' total liabilities at the end of May 2025). Nevertheless, public institution deposits and government deposits accounted for 7.0% and 4.6% of the local banks' total liabilities, respectively, at the end of May 2025.

Figure (6): Developments of Deposits

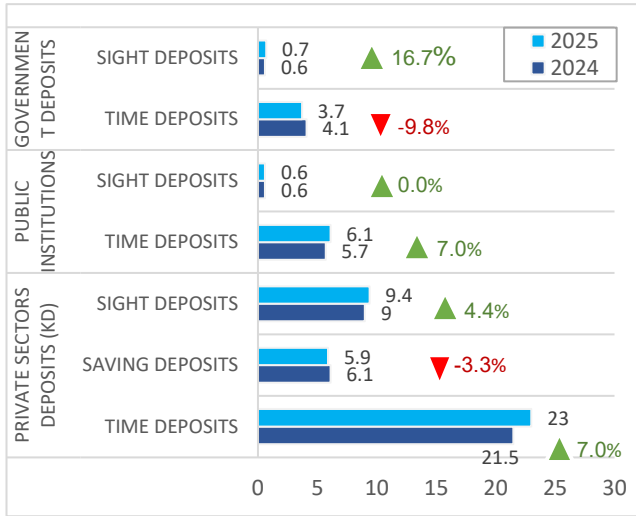


Figure (7): Annual Change in Deposits

