



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

- Money Supply in its Broad Sense (M2) increased by 4.7% to KWD 41.98 billion.
- The local banks' total assets grew by KWD 8.70 billion (9.8%).
- The net foreign assets with local banks increased by KWD 1.24 billion (9.3%).
- The utilized cash portion of credit facilities to residents increased by KWD 3.05 billion (6.3%).
- The total residents' deposits with local banks increased by KWD 2.06 billion (4.2%). Likewise, the resident private sector's deposits increased by KWD 1.82 billion (4.7%).
- The total value of transactions using plastic cards declined by KWD 0.62 billion (5.2%) at the end of the second quarter of 2025 compared to last year's comparative quarter, excluding WAMD transactions.

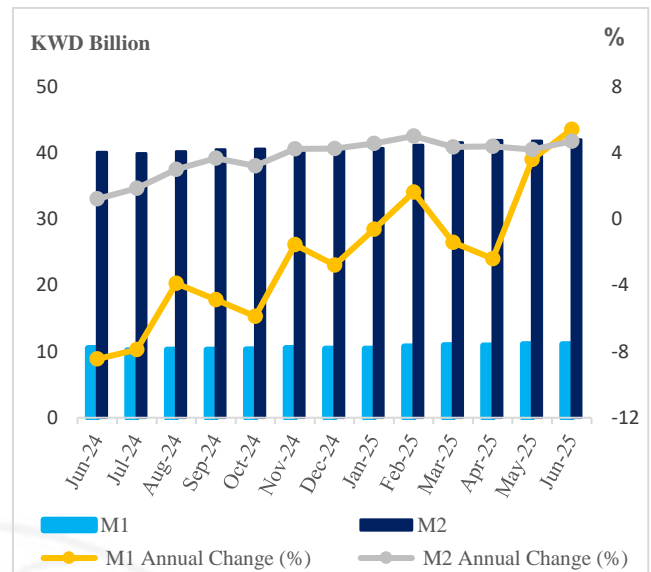
I. Monetary Developments (Money Supply)

1. Money Supply (M1):

Money Supply in its Narrow Sense "Narrow Money" (M1) grew by KWD 0.57 billion (5.4%) to KWD 11.11 billion at the end of June 2025 against KWD 10.54 billion at the end of the comparative month of the previous year.

This was primarily attributed to **increases in both KWD sight deposits** by KWD 0.51 billion (5.7%) to KWD 9.44 billion, and **the currency in circulation outside the local banks** by KWD 0.07 billion (4.1%) to KWD 1.68 billion.

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

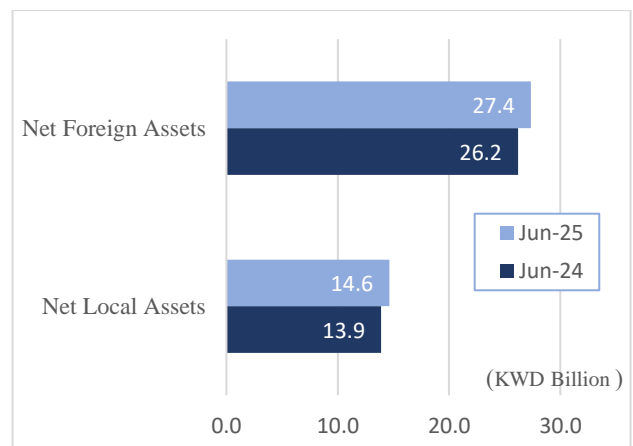


2. Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 1.88 billion (4.7%) to KWD 41.98 billion at the end of June 2025 against KWD 40.10 billion at the end of the comparative month of the previous year. This gain resulted from the rise in Quasi-Money (KWD saving deposits, KWD time deposits and deposits in foreign currency) by KWD 1.31 billion (4.4%), and the growth of Narrow Money (M1) by KWD 0.57 billion (5.4%).

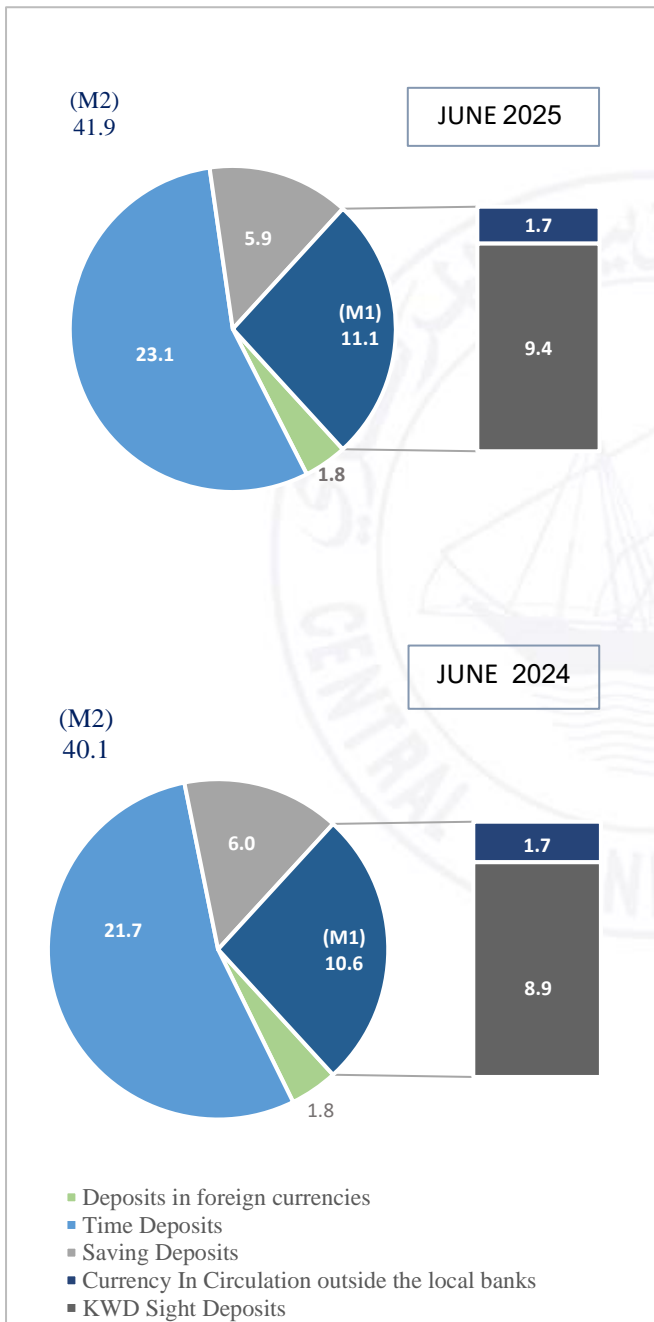
Considering the combined monetary survey of CBK and the local banks, (M2) can be calculated according to the factors affecting it, namely (a) **Net Local Assets** (that include net claims of CBK and local banks on government, public institutions and private sector less government's deposits and accounts,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

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



The relevant data indicate that the rise in M2 by the end of June 2025 was driven by **the increase in net foreign assets** by KWD 1.15 billion, i.e., 4.4% (as net foreign assets with local banks increased by KWD 1.24 billion (9.3%), while net foreign assets with CBK declined by KWD 0.09 billion, i.e., 0.7%), and **the net local assets** by KWD 0.73 billion, i.e., 5.2%.

Figure (3): Broad Money Components



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

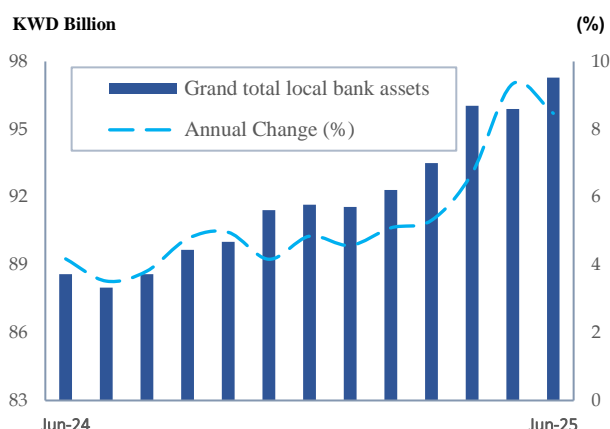
1. Local Banks' Assets:

Local banks' total assets grew by KWD 8.70 billion (9.8%) to KWD 97.28 billion at the end of June 2025 against KWD 88.59 billion at the end of the comparative month of the previous year. This was driven by **the rise in foreign assets** by KWD 5.04 billion (19.8%) to KWD 30.54 billion, claims on private sector by KWD 2.97 billion (6.4%) to KWD 49.11 billion, local interbank deposits by KWD 0.62 billion (40.2%) to KWD 2.16 billion, claims on government by KWD 0.45 billion (114.0%) to KWD 0.84 billion, claims on public institutions by KWD 0.13 billion (3.6%) to KWD 3.73 billion, and loans to banks by KWD 0.07 billion (7.1%) to KWD 1.11 billion. On another front, **claims on CBK** (which include cash in local banks vaults, sight deposits, time deposits and related tawarruq, and CBK bonds and related tawarruq) **declined** by 10.2%.

Claims on the private sector represent the main source of local banks' assets. These claims accounted for 50.5% of the local banks' total assets at the end of June 2025 against 52.1% at the end of the comparative month of the previous year followed by the foreign assets accounting for 31.4% of the local banks' total assets at the end of June 2025 against 28.8% at the end of the comparative month of the previous year.

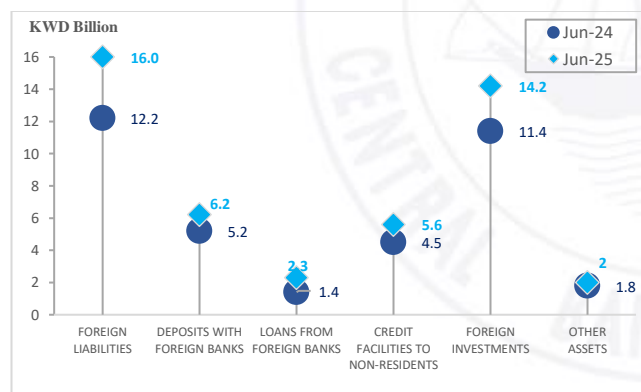
It is worth mentioning that the rise in foreign assets came from the rise in foreign investments, the balances of credit facilities to non-residents, deposits with foreign banks, and other assets by 24.7%, 23.9%, 19.2%, 16.6%, respectively, on one hand, and the decline in loans to foreign banks by 5.3%, on the other.

Figure (4): Total Local Banks' Assets



On another front, data indicate that **net foreign assets with local banks increased** by KWD 1.24 billion (9.3%) to KWD 14.57 billion at the end of June 2025 against KWD 13.33 billion at the end of the comparative month of the previous year due to the increase in foreign assets by KWD 5.04 billion (19.8%), on one hand, and the decrease in foreign liabilities by KWD 3.80 billion (31.2%), on the other.

Figure (5): Components of Foreign Assets & Liabilities



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 3.05 billion (6.3%) to KWD 51.69 billion at the end of June 2025 against KWD 48.65 billion at the end of the comparative month of the previous year. The utilized cash of the credit facilities to businesses and personal credit facilities accounted for 78.6% and 21.4%, 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 (62.1% of the

overall facilities to residents) increased by KWD 2.39 billion (8.1%) to KWD 32.12 billion at the end of June 2025 against KWD 29.72 billion at the end of the comparative month of the previous year.

This increase was mainly driven by the rise in the utilized portion of credit to the purchase of securities "individuals, companies and institutions" (KWD 0.87 billion, i.e. 24.3%), real estate and construction (KWD 0.75 billion, i.e. 6.0%), other services (KWD 0.41 billion, i.e. 11.8%), trade (KWD 0.30 billion, i.e. 8.4%), and non-bank financial institutions (KWD 0.07 billion, i.e. 4.6%)

Conversely, there was a decline in the cash portion of credit allocated to crude oil & gas (KWD 0.08 billion or 4.7%), in addition to a contraction in public services by 5.2% at the end of June 2025 compared to the comparative month of the previous year.

3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 2.06 billion (4.2%) to KWD 51.35 billion at the end of June 2025 against KWD 49.30 billion at the end of the comparative month of the previous year amid the increase in the **total private sector's "deposits (resident)** by KWD 1.82 billion (4.7%) to KWD 40.31 billion at the end of June 2025 against KWD 38.49 billion at the end of the comparative month of the previous year, **public institutions' deposits** by KWD 0.79 billion (13.5%) to KWD 6.65 billion at the end of June 2025 against KWD 5.86 billion at the end of the comparative month of the previous year, on one hand, and the decline in **government's deposits** by KWD 0.55 billion (11.2%) to KWD 4.40 billion at the end of June 2025 against KWD 4.95 billion at the end of the comparative month of the previous year, on the other hand.

Private sector deposits are the primary source of financing for local banks (41.4% of the local banks' total liabilities at the end of June 2025). Nevertheless, public institution deposits and government deposits accounted for 6.8% and 4.5% of the local banks' total liabilities, respectively, at the end of June 2025.

Figure (6): Developments of Deposits

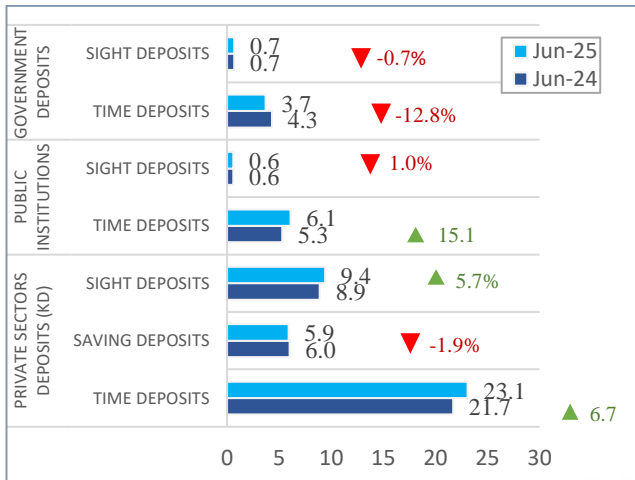
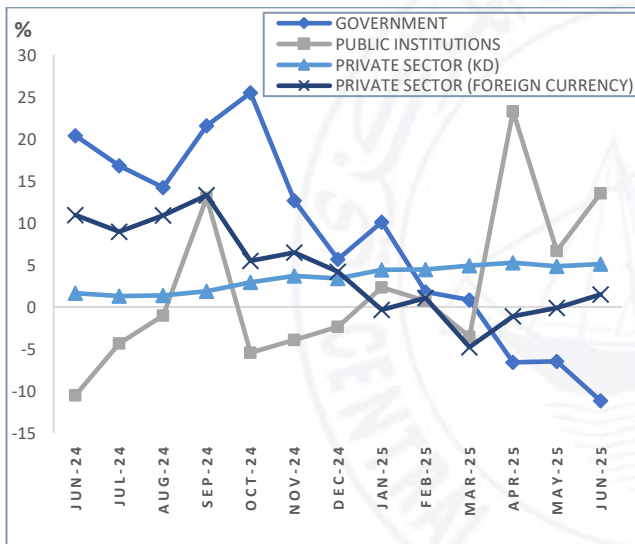


Figure (7): Annual Change in Deposits



4. Value of Transactions Using Plastic Cards:

The total value of transactions using plastic cards reached KWD 11.47 billion at the end of the second quarter of 2025 (of which, KWD 10.72 billion by using plastic cards in the State of Kuwait, and KWD 0.75 billion abroad) against KWD 12.10 billion at the end of the comparative quarter of the previous year, i.e., a decline of KWD 0.62 billion (5.2%).

This is mainly attributed to the decline in **online transactions** (by KWD 0.44 billion, i.e., 9.0% to KWD 4.42 billion), **Automatic Teller Machines (ATMs) transactions** (by KWD 0.27 billion, i.e., 10.5% to KWD 2.26 billion) on one hand, and the

rise in **point of sales transactions** (by KWD 0.08 billion i.e., 1.7% to KWD 4.79 billion) on the other.

The value of **WAMD transactions** reached KWD 2.0 billion at the end of the second quarter of 2025 with an increase of KWD 0.04 billion, i.e., 24.8% compared to the first quarter of 2025.

Figure (8): Value of Transactions Using Plastic Cards

