



This monthly bulletin recaps on the key monetary and banking developments in the State of Kuwait as at the end of November 2024 compared to November 2023 (comparative month), the most prominent of which:

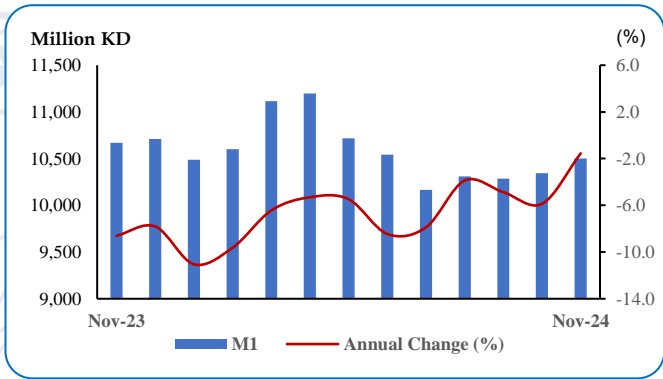
- Money Supply in its Broad Sense (M2) increased by 4.2% to KWD 40.71 billion.
- The local banks' total assets grew by KWD 4.23 billion (4.8%).
- The net foreign assets in the local banks increased by KWD 3.10 billion (12.7%).
- The utilized cash portion of credit facilities to residents increased by KWD 1.54 billion (3.2%).
- The total residents' deposits with local banks went up by KWD 2.0 billion (4.1%). Likewise, the resident private sector's deposits increased by KWD 1.70 billion (4.5%).

I. Monetary Developments (Money Supply)

1. Money Supply (M1):

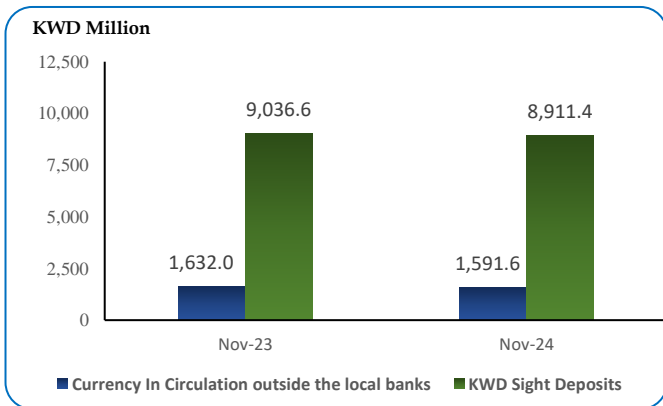
Money Supply in its Narrow Sense "Narrow Money" (M1) contracted by KWD 0.17 billion (1.6%) to KWD 10.50 billion at the end of November 2024 against KWD 10.67 billion at the end of the comparative month.

Figure (1): Developments of Narrow Money (M1)



This was attributed to **the decrease** in both **KWD sight deposits** by KWD 0.13 billion (1.4%) to KWD 8.91 billion, and **currency in circulation outside the local banks** by KWD 0.04 billion (2.5%) to KWD 1.59 billion.

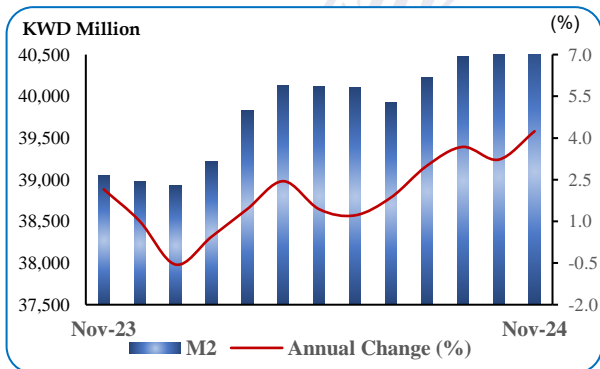
Figure (2): Narrow Money Components



2. Developments and Components of Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 1.66 billion (4.2%) to KWD 40.71 billion at the end of November 2024 against KWD 39.05 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 1.82 billion (6.4%), and the decline in Narrow Money (M1) by KWD 0.17 billion (1.6%).

Figure (3): Broad Money (M2)



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 includes 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 November 2024 was driven by **the increase in net foreign assets** by KWD 3.18 billion, i.e. 13.1% (as net foreign assets with local banks increased by KWD 2.99 billion, i.e. 25.3%, and net foreign assets with CBK grew by KWD 0.19 billion, i.e. 1.5%), whereas **net local assets decreased** by KWD 1.53 billion, i.e. 10.4%.

Figure (4): Quasi-Money and Components

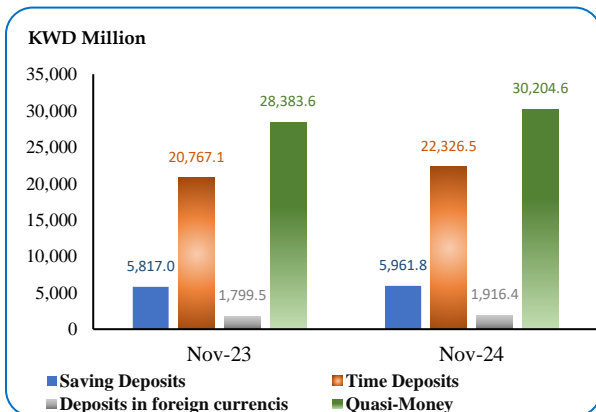
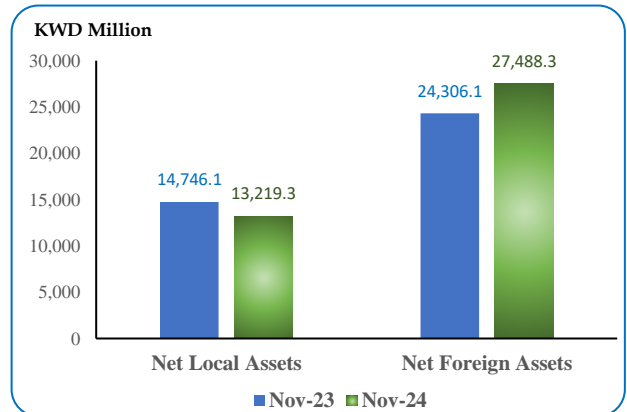


Figure (5): Factors Affecting Broad Money (M2)



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

1. Local Banks' Assets:

Local banks' total assets grew by KWD 4.23 billion (4.8%) to KWD 91.41 billion at the end of November 2024 against KWD 87.19 billion at the end of the comparative month. This was driven by **the rise in foreign assets** by KWD 3.10 billion (12.7%) to KWD 27.53 billion, claims on private sector by KWD 1.84 billion (4.1%) to KWD 47.07 billion, and other assets by KWD 0.49 billion (17.4%) to KWD 3.33 billion. On another front, claims on government, loans to banks, cash (cash in local banks vaults), local interbank deposits, claims on CBK, and claims on public institutions **declined** by 32.0%, 20.1%, 18.9%, 10.8%, 5.5%, and 5.3, respectively.

Claims on the private sector represents the main source of local banks' assets. These claims accounted for 51.5% of the local banks' total assets in November 2024 against 51.9% at the end of the comparative month. **Foreign assets** came next accounting for 30.1% of the local banks' total assets at the end of November 2024 against 28.0% at the end of the comparative month.

It is worth mentioning that the rise in total foreign assets came from the rise in the balances of credit facilities to non-residents, loans to foreign banks, foreign investments, and other assets by 41.9%, 26.4%, 24.2% and 13.2%, respectively on one hand, and the decline in deposits with foreign banks by 26.8% on the other.

Figure (6): Local Banks' Total Assets

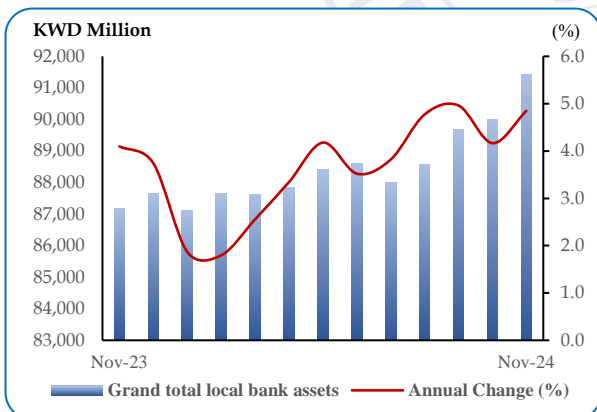
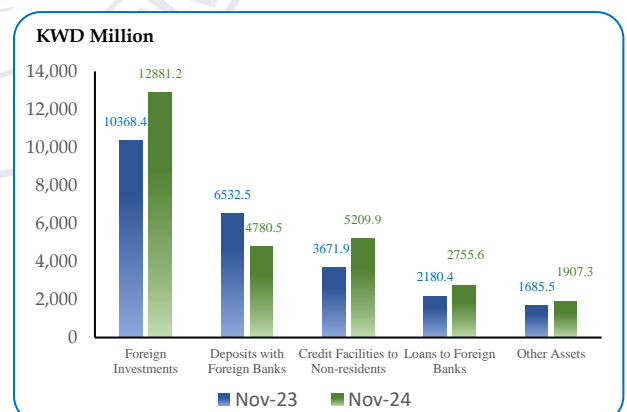


Figure (7): Components of Foreign Assets



Data indicate that **net foreign assets** with local banks **increased** by KWD 2.99 billion (25.3%) to KWD 14.79 billion at the end of November 2024 against KWD 11.80 billion at the end of the comparative month. This rise was due to the increase in foreign assets by KWD 3.10 billion (12.7%), and foreign liabilities by KWD 0.11 billion (0.8%).

Figure (8): Net Foreign Assets in Local Banks

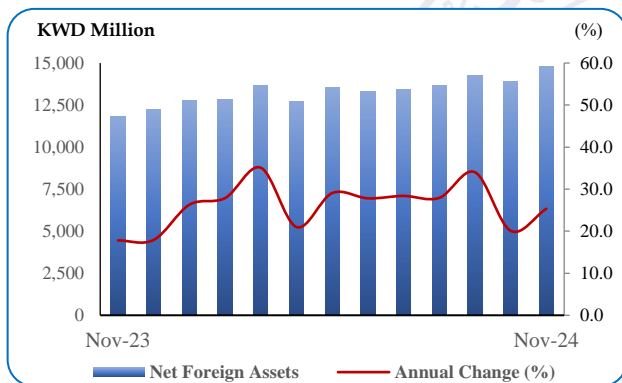
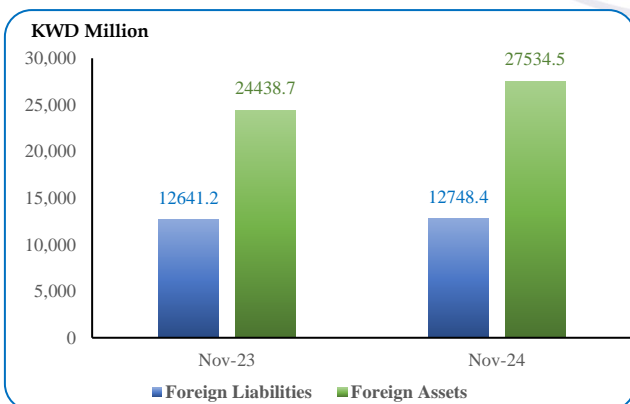


Figure (9): Foreign Assets & Liabilities



2. Cash Portion of the Credit Facilities extended to Residents:

The **utilized cash portion of the credit facilities to residents increased** by KWD 1.54 billion (3.2%) to KWD 49.15 billion at the end of November 2024 against KWD 47.61 billion at the end of the comparative month. The utilized cash portion of the credit facilities to businesses and personal credit facilities accounted for 69.9% and 30.1%, 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** (60.8% of the overall facilities to residents) increased by KWD 1.08 billion (3.7%) to KWD 29.88 billion at the end of November 2024 against KWD 28.80 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 0.64 billion, i.e. 5.3%), purchase of securities “individuals, companies and institutions” (KWD 0.37 billion, i.e. 11.4%), non-bank financial institutions (KWD 0.27 billion, i.e. 23.0%), trade (KWD 0.22 billion, i.e. 6.5%), and other services (KWD 0.19 billion, i.e. 5.6%), in addition to a limited growth in agriculture & fishing by (KWD 4.3 billion, i.e. 15.2%), at the end of November 2024 against the comparative month.

Conversely, there was a **decline in the cash portion of credit** to crude oil & gas (KWD 0.30 billion, i.e. 15.1%), loans to banks (KWD 0.20 billion, i.e. 20.1%), industry (KWD 0.13 billion, i.e. 5.8%), in addition to a limited slowdown in public services by 1.6%, at the end of November 2024 against the comparative month.

3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 2.0 billion (4.1%) to KWD 50.27 billion at the end of November 2024 against KWD 48.27 billion at the end of the comparative month. This rise was driven by the increase in **total private sector's deposits (resident)** by KWD 1.70 billion (4.5%) to KWD 39.12 billion at the end of November 2024 against KWD 37.42 billion at the end of the comparative month, **government's deposits** by KWD 0.56 billion (12.7%) to KWD 4.98 billion at the end of November

2024 against KWD 4.42 billion at the end of the comparative month, and the decline of **public institutions' deposits** by KWD 0.25 billion (3.9%) to KWD 6.18 billion at the end of November 2024 against KWD 6.43 billion at the end of the comparative month.

Private sector deposits are the primary source of financing for local banks (42.8% of the local banks' total liabilities at the end of November 2024). Nevertheless, public institution deposits and government deposits accounted for 6.8% and 5.4% of the local banks' total liabilities, respectively, at the end of November 2024.

Figure (10): Government Deposits

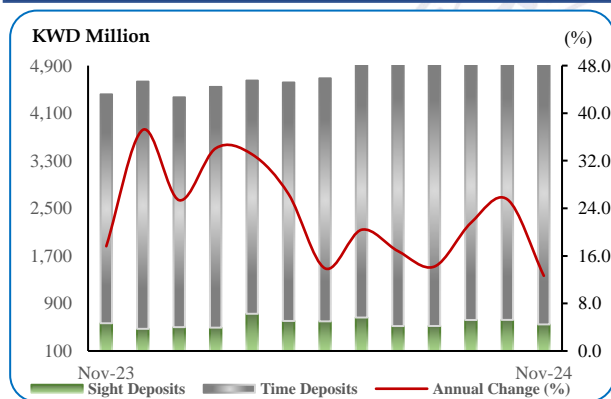


Figure (11): Public Institutions' Deposits

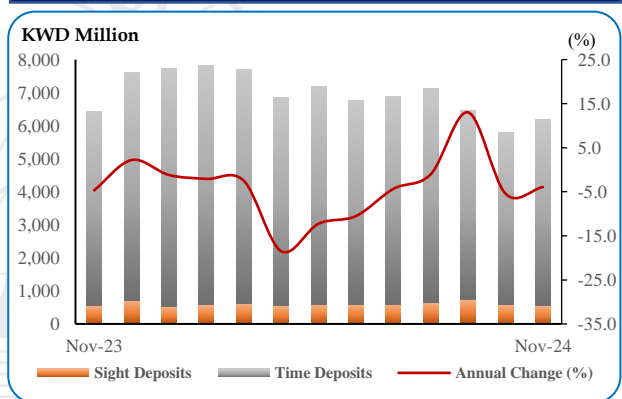


Figure (12): Private Sector's Deposits in Local Currency

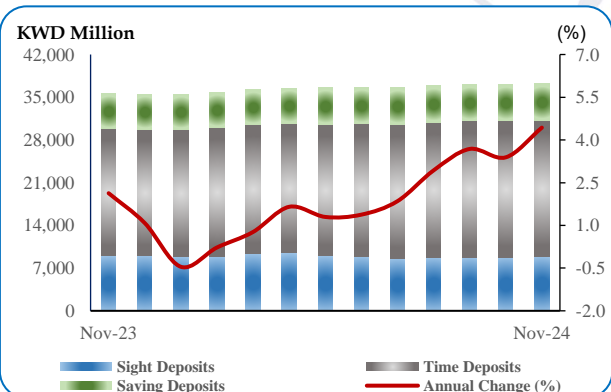


Figure (13): Private Sector's Deposits in Foreign Currency

