



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

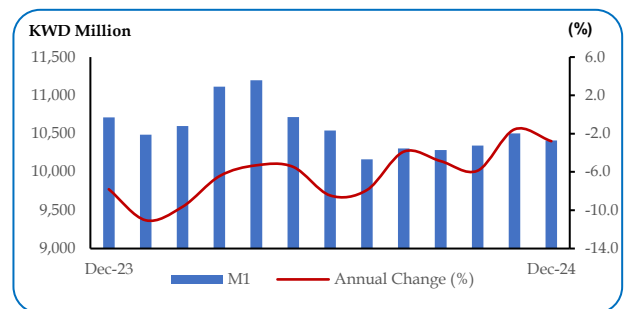
- Money Supply in its Broad Sense (M2) increased by 4.3% to KWD 40.63 billion.
- The local banks' total assets grew by KWD 4.02 billion (4.6%).
- The net foreign assets in the local banks increased by KWD 2.95 billion (24.2%).
- The utilized cash portion of credit facilities to residents increased by KWD 1.74 billion (3.7%).
- The total residents' deposits with local banks went up by KWD 1.77 billion (3.6%). Likewise, the resident private sector's deposits increased by KWD 1.66 billion (4.5%).
- The Total value of transactions made using plastic cards increased to approximately KWD 0.20 billion (1.7%) by the end of Q4 2024, compared to the same quarter of the previous year.

I. Monetary Developments (Money Supply)

1. Money Supply (M1):

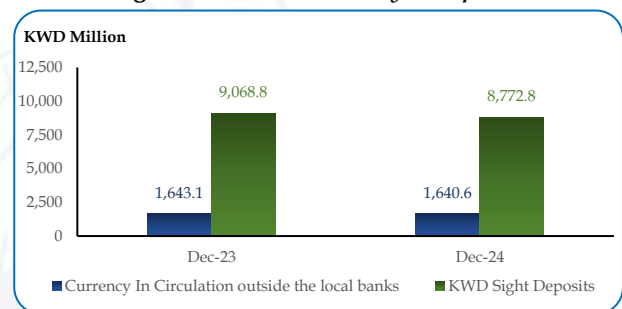
Money Supply in its Narrow Sense "Narrow Money" (M1) contracted by KWD 0.30 billion (2.8%) to KWD 10.41 billion at the end of December 2024 against KWD 10.71 billion at the end of the comparative month.

Figure (1): Narrow Money (M1)



The decline in the money supply (M1) is primarily attributed to **the decrease** in both **KWD sight deposits** by KWD 0.30 billion (3.3%) to KWD 8.77 billion, and **currency in circulation outside the local banks** by KWD 2.5 billion (0.2%) to KWD 1.64 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 (4.3%) to KWD 40.63 billion at the end of December 2024 against KWD 38.97 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 1.96 billion (6.9%), and the decline in Narrow Money (M1) by KWD 0.30 billion (2.8%).

Figure (3): Broad Money (M2)

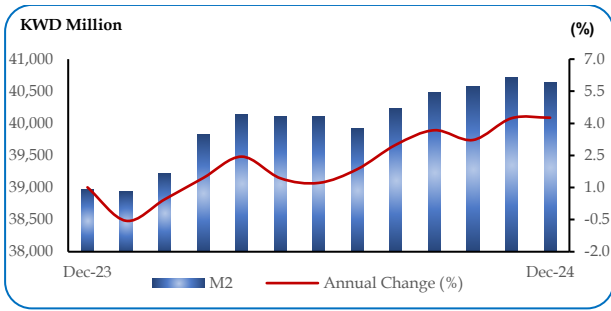
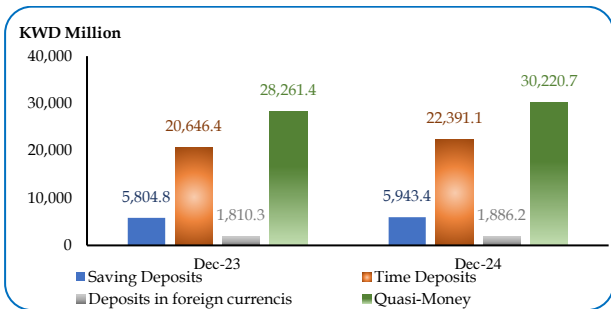


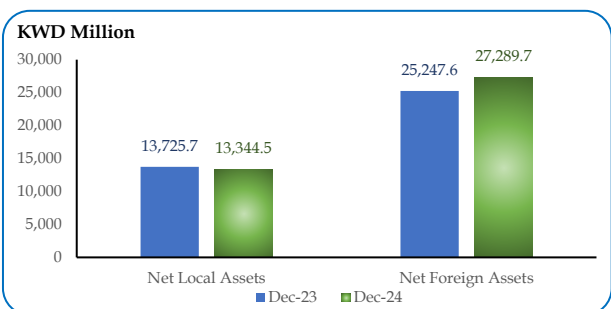
Figure (4): Quasi-Money Developments and Components



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 December 2024 was driven by **the increase in net foreign assets** by KWD 2.04 billion, i.e., 8.1% (as net foreign assets with local banks increased by KWD 2.95 billion (24.2%), and net foreign assets with CBK grew by KWD 0.90 billion, i.e., 6.9%), while the **net local assets decreased** by KWD 0.38 billion, i.e. 2.8%.

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

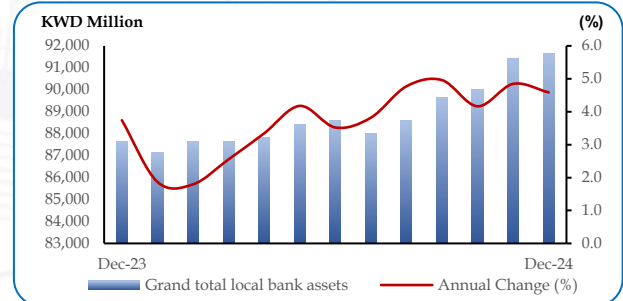


II. Banking Developments (at the Activity Level of Local Banks and their Branches inside the State of Kuwait)

1. Local Banks' Assets:

Local banks' total assets grew by KWD 4.02 billion (4.6%) to KWD 91.67 billion at the end of December 2024 against KWD 87.65 billion at the end of the comparative month. This was driven by **the rise in foreign assets** by KWD 3.04 billion (12.2%) to KWD 27.91 billion, claims on private sector by KWD 2.10 billion (4.7%) to KWD 47.25 billion, local interbank deposits by KWD 0.40 billion (23.6%) to KWD 2.11 billion, and other assets by KWD 0.08 billion (2.6%) to KWD 3.05 billion. On another front, claims on government, loans to banks, claims on CBK, claims on public institutions and cash (cash in local banks vaults), **declined** by 32.6%, 23.2%, 12.7%, 6.2%, and 3.9%, respectively.

Figure (6): Total Local Banks' Assets

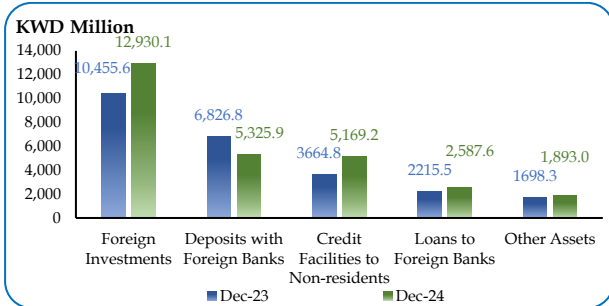


Claims on the private sector represents the main source of local banks' assets. These claims accounted for 51.5% of the local banks' total assets in December 2024, the same rate was recorded at the end of the comparative month. **Foreign assets** came next accounting for 30.4% of the local banks' total assets at the end of December 2024 against 28.4% 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, loans to foreign banks, and other assets by 41.1%, 23.7%, 16.8% and

11.5%, respectively on one hand, and the decline in deposits with foreign banks by 22.0% on the other.

Figure (7): Components of Foreign Assets



Data indicate that **net foreign assets** with local banks increased by KWD 2.95 billion (24.2%) to KWD 15.16 billion at the end of December 2024 against KWD 12.21 billion at the end of the comparative month. This rise was due to the increase in foreign assets by KWD 3.04 billion (12.2%), and foreign liabilities by KWD 0.09 billion (0.7%).

Figure (8): Net Foreign Assets with Local Banks

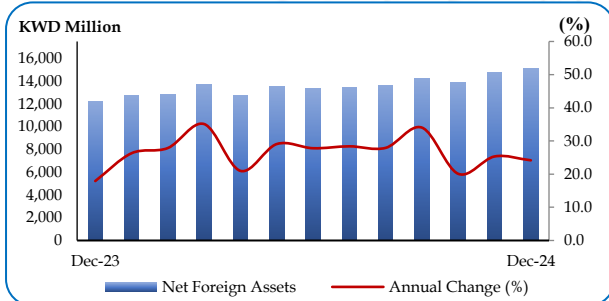
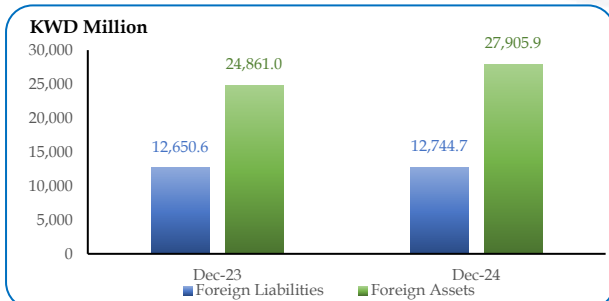


Figure (9): Foreign Assets & Liabilities



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 1.47

billion (3.7%) to KWD 49.42 billion at the end of December 2024 against KWD 47.68 billion at the end of the comparative month. The utilized cash of the credit facilities to businesses and personal credit facilities accounted for 67.8% and 32.2%, 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** (60.9% of the overall facilities to residents) increased by KWD 1.18 billion (4.1%) to KWD 30.10 billion at the end of December 2024 against KWD 38.92 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 0.84 billion, i.e. 7.0%), purchase of securities “individuals, companies and institutions” (KWD 0.33 billion, i.e. 9.5%), trade (KWD 0.25 billion, i.e. 7.3%), non-bank financial institutions (KWD 0.18 billion, i.e. 14.9%), and other services (KWD 0.15 billion, i.e. 4.2%), in addition to the increase in agriculture & fishing by (31.1%), at the end of December 2024 against the comparative month.

Conversely, there was a **decline in the cash portion of credit to loans to banks** (KWD 0.25 billion or 23.2%), crude oil & gas (KWD 0.20 billion or 10.4%), industry (KWD 0.12 billion or 5.2%), in addition to a limited slowdown in public services by 3.3% at the end of December 2024 compared to the comparative month.

3. Residents' Deposits with Local Banks:

The **total residents' deposits** increased by KWD 1.77 billion (3.6%) to KWD 50.49 billion at the end of December 2024 against KWD 48.73 billion at the end of the comparative month. This rise was driven by the increase in **total private sector's deposits (resident)** by KWD 1.66 billion (4.5%) to KWD 38.99 billion at the end of December 2024 against KWD 37.33 billion at the end of the

comparative month, government’s deposits by KWD 0.26 billion (5.7%) to KWD 4.89 billion at the end of December 2024 against KWD 4.63 billion at the end of the comparative month. On the other hand, **public institutions’ deposits** declined by KWD 0.16 billion (2.3%) to KWD 6.61 billion at the end of December 2024 against KWD 6.77 billion at the end of the comparative month of last year. Private sector deposits are the primary source of financing for local banks (42.5% of the local banks’ total liabilities at the end of December 2024). Nevertheless, public institution deposits and government deposits accounted for 7.2% and 5.3% of the local banks’ total liabilities, respectively, at the end of December 2024.

Figure (10): Government Deposits

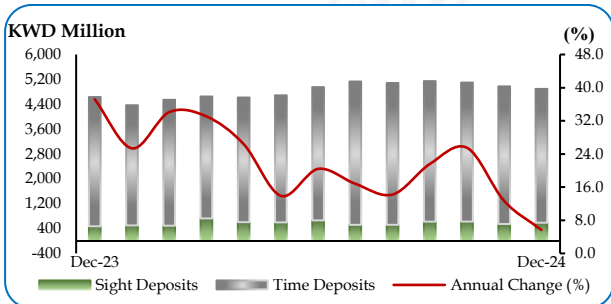


Figure (11): Public Institutions’ Deposits

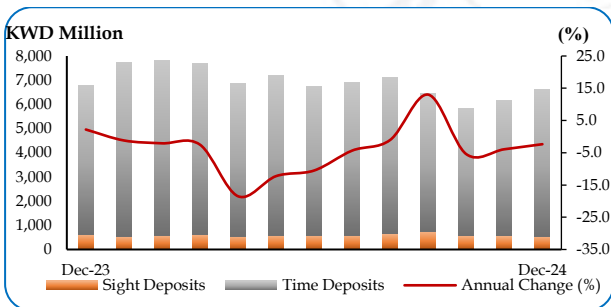


Figure (12): Private Sector’s Deposits in Local Currency

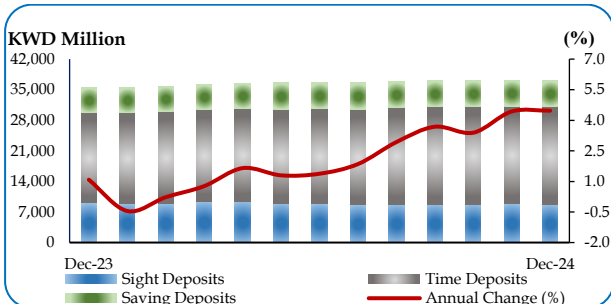
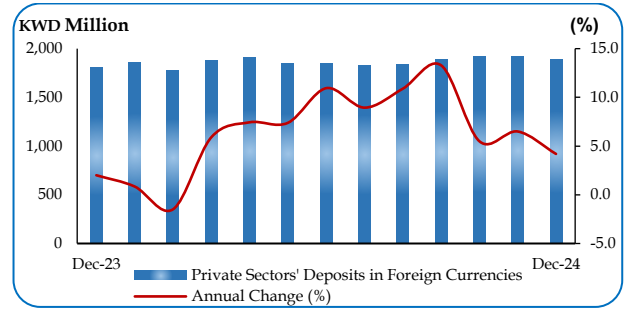


Figure (13): Private Sector’s Deposits in Foreign Currencies



4. Value of Transactions Using Plastic Cards:

The total value of transactions using plastic cards reached KWD 11.78 billion at the end of the Q4 of 2024 (of which, KWD 11.04 billion by using plastic cards in the State of Kuwait, and KWD 0.74 billion abroad) against KWD 11.58 billion at the end of the comparative quarter of the previous year, i.e., an increase of KWD 0.20 billion (1.7%).

This is mainly attributed to the increase in point of sales transactions (by KWD 0.50 billion, i.e., 11.3% to KWD 4.90 billion) on one hand, and the decline in the Automatic Teller Machines (ATMs) transactions (by KWD 0.21 billion, i.e., 7.9% to KWD 2.44 billion) and online transactions (by KWD 0.09 billion, i.e., 1.9% to KWD 4.44 billion), on the other.

Figure (14): Value of Transactions Using Plastic Cards

