



This monthly bulletin recaps on the key monetary and banking developments in the State of Kuwait as at the end of February 2025 compared to February 2024 (comparative month), the most prominent of which:

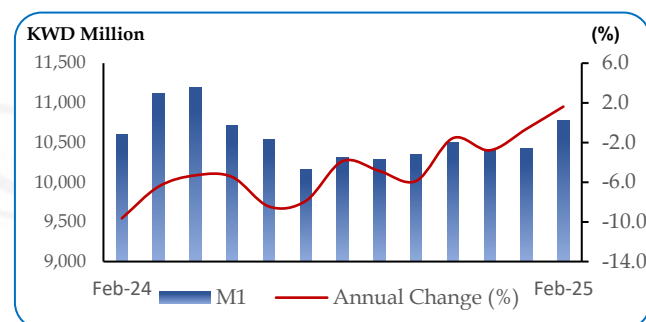
- Money Supply in its Broad Sense (M2) increased by 5.0% to KWD 41.18 billion.
- The local banks' total assets grew by KWD 4.66 billion (5.3%).
- The net foreign assets in the local banks increased by KWD 2.81 billion (21.9%).
- The utilized cash portion of credit facilities to residents increased by KWD 1.83 billion (3.8%).
- The total residents' deposits with local banks went up by KWD 2.04 billion (4.1%). Likewise, the resident private sector's deposits increased by KWD 1.90 billion (5.1%).

## I. Monetary Developments (Money Supply)

### 1. Money Supply (M1):

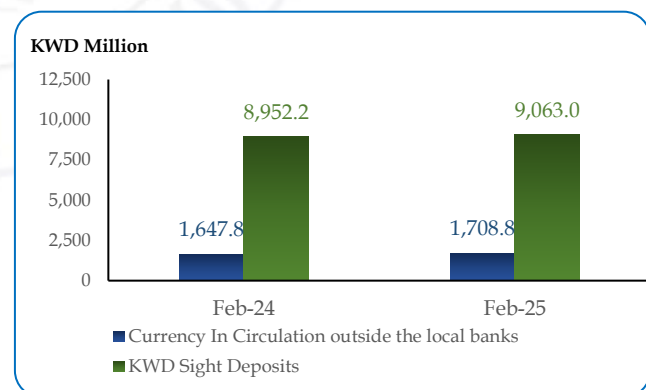
Money Supply in its Narrow Sense "Narrow Money" (M1) grew by KWD 0.17 billion (1.6%) to KWD 10.77 billion at the end of February 2025 against KWD 10.60 billion at the end of the comparative month.

Figure (1): Narrow Money (M1)



The rise in the money supply (M1) is primarily attributed to **the increase** in both **KWD sight deposits** by KWD 0.11 billion (1.2%) to KWD 9.06 billion, and **currency in circulation outside the local banks** by KWD 0.06 billion (3.7%) to KWD 1.71 billion.

Figure (2): Narrow Money Components



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

Money Supply in its Broad Sense (M2) increased by KWD 1.97 billion (5.0%) to KWD 41.18 billion at the end of February 2025 against KWD 39.21 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 1.79 billion (6.3%), and the increase in Narrow Money (M1) by KWD 0.17 billion (1.6%).

Figure (3): Broad Money (M2)

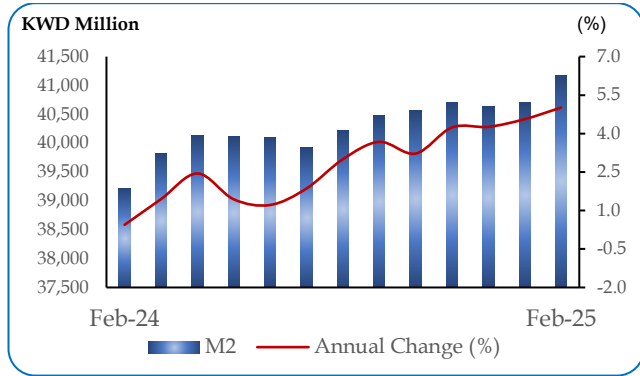
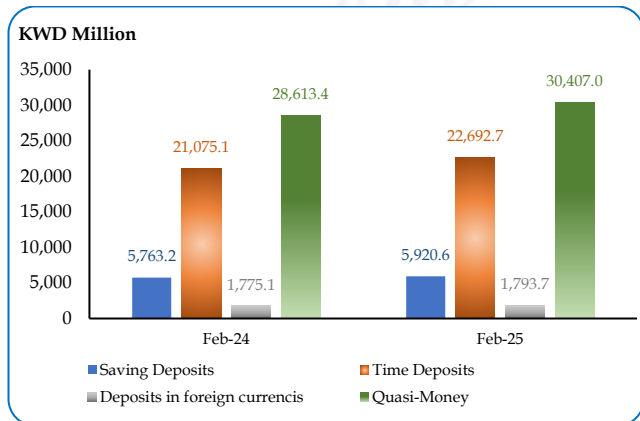


Figure (4): Quasi-Money Developments and Components

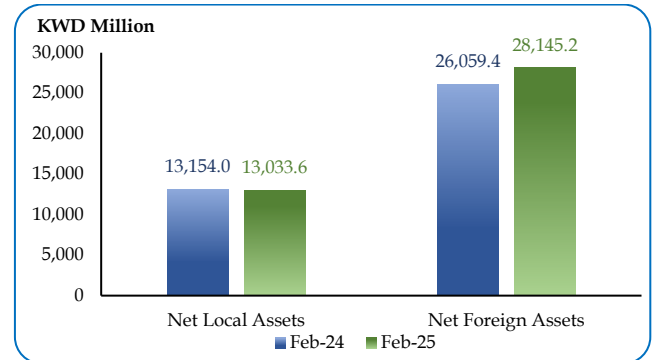


Considering the combined monetary survey of CBK and the local banks, (M2) can be calculated according to the factors affecting it, namely (a) **Net Local Assets** (that includes net claims of CBK and local banks on government, public institutions and private sector less government's deposits and accounts, 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 February 2025 was driven by **the increase in net foreign assets** by KWD 2.09 billion, i.e., 8.0% (as net foreign assets with local banks increased by KWD 2.81 billion (21.9%), while net foreign assets with CBK declined by KWD 0.71 billion, i.e., 5.3%),

and the **net local assets** decreased by KWD 0.12 billion, i.e., 0.9%.

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

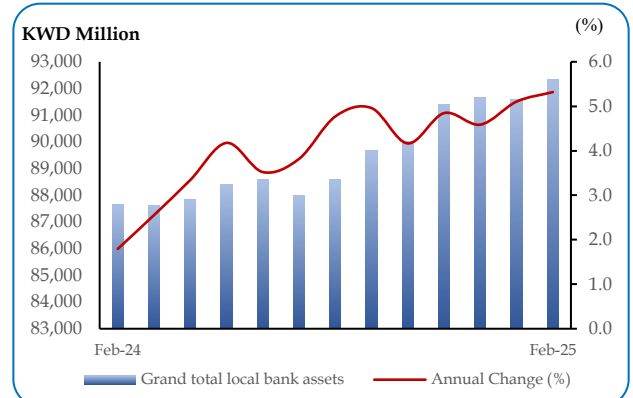


## II. Banking Developments (at the Activity Level of Local Banks and their Branches inside the State of Kuwait)

### 1. Local Banks' Assets:

Local banks' total assets grew by KWD 4.66 billion (5.3%) to KWD 92.32 billion at the end of February 2025 against KWD 87.66 billion at the end of the comparative month. This was driven by **the rise in foreign assets** by KWD 3.51 billion (14.2%) to KWD 28.25 billion, other assets by KWD 0.52 billion (17.9%) to KWD 3.42 billion, and local interbank deposits by KWD 0.28 billion (22.3%) to KWD 1.55 billion. On another front, claims on government, cash (cash in local banks vaults), loans to banks, claims on CBK, claims on private sector, and claims on public institutions **declined** by 30.5%, 27.8%, 27.4%, 9.6%, 3.8%, and 2.8%, respectively.

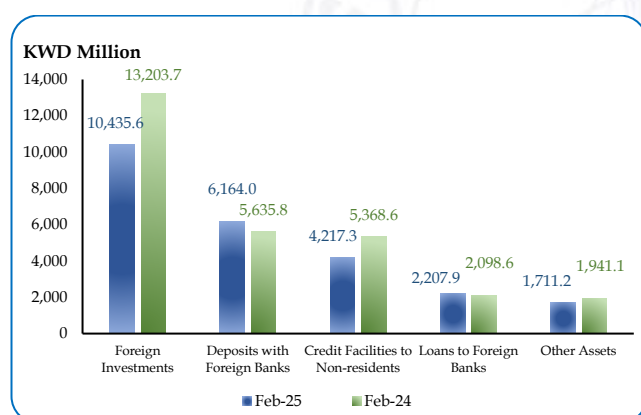
Figure (6): Total Local Banks' Assets



**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 February 2025 against 52.3% at the end of the comparative month. **Foreign assets** came next accounting for 30.6% of the local banks' total assets at the end of February 2025 against 28.2% 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, and other assets by 27.3%, 26.5% and 13.4%, respectively on one hand, and the decline in deposits with foreign banks and loans to foreign banks by 8.6% and 4.9% on the other.

Figure (7): Components of Foreign Assets



Data indicate that **net foreign assets** with local banks increased by KWD 2.81 billion (21.9%) to KWD 15.63 billion at the end of February 2025 against KWD 12.82 billion at the end of the comparative month. This rise was due to the increase in foreign assets by KWD 3.51 billion (14.2%), and foreign liabilities by KWD 0.71 billion (5.9%).

Figure (8): Net Foreign Assets with Local Banks

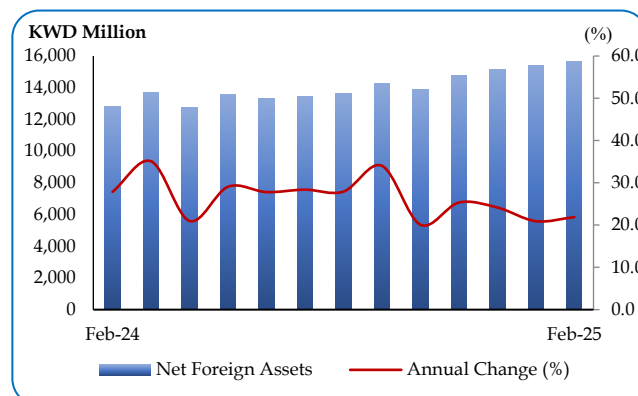
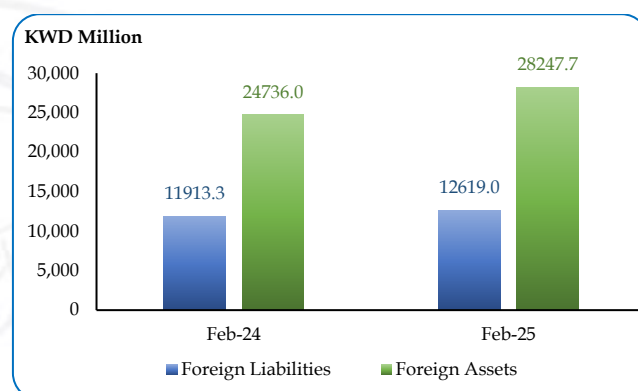


Figure (9): Foreign Assets & Liabilities



## 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 1.83 billion (3.8%) to KWD 49.77 billion at the end of February 2025 against KWD 47.95 billion at the end of the comparative month. The utilized cash of the credit facilities to businesses and personal credit facilities accounted for 70.0% and 30.0%, 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 (61.1% of the overall facilities to residents) increased by KWD 1.28 billion (4.4%) to KWD 30.40 billion at the end of February 2025 against KWD 29.12 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 0.78 billion, i.e. 12.5%), other services (KWD 0.38 billion, i.e. 11.5%), purchase of securities “individuals, companies and institutions” (KWD 0.29 billion, i.e. 8.6%), trade (KWD 0.29 billion, i.e. 8.3%), non-bank financial institutions (KWD 0.15 billion, i.e. 12.0%), in addition to a limited increase in agriculture & fishing by (KWD 8.9 million, i.e. 30.3%), at the end of February 2025 against the comparative month.

Conversely, there was a **decline in the cash portion of credit allocated to loans to banks** (KWD 0.31 billion or 27.4%), crude oil & gas (KWD 0.22 billion or 11.5%), industry (KWD 0.08 billion or 3.7%), in addition to a limited contraction in public services by 2.3% at the end of February 2025 compared to the comparative month.

### 3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 2.04 billion (4.1%) to KWD 51.11 billion at the end of February 2025 against KWD 49.07 billion at the end of the comparative month. This rise was driven by the increase in **total private sector's deposits (resident)** by KWD 1.90 billion (5.1%) to KWD 39.47 billion at the end of February 2025 against KWD 37.57 billion at the end of the comparative month, **government's deposits** by KWD 0.08 billion (1.8%) to KWD 4.62 billion at the end of February 2025 against KWD 4.54 billion at the end of the comparative month, and **public institutions' deposits** by KWD 0.05 billion (0.7%) to KWD 7.02 billion at the end of February 2025 against KWD 6.97 billion at the end of the comparative month of last year. Private sector deposits are the primary source of financing for local banks (42.8% of the local banks' total liabilities at the end of February 2025). Nevertheless, public institution deposits and government deposits accounted for 7.6% and 5.0% of the local banks' total

liabilities, respectively, at the end of February 2025.

Figure (10): Government Deposits

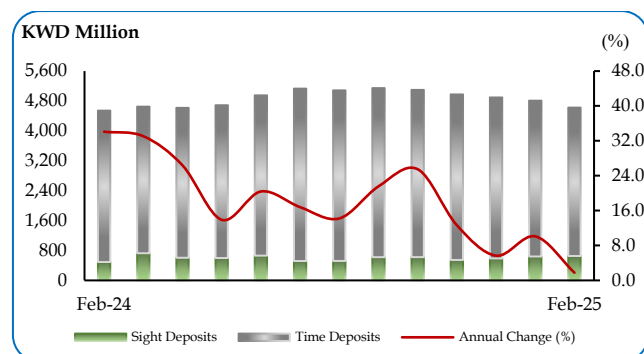


Figure (11): Public Institutions' Deposits

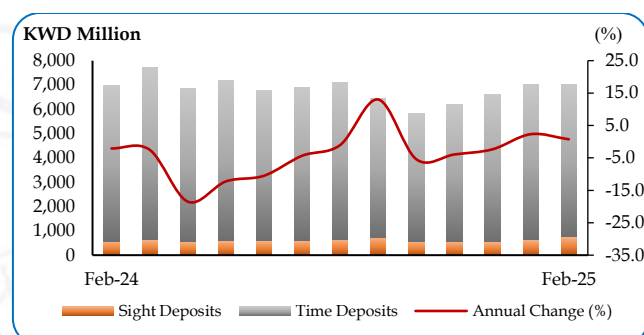


Figure (12): Private Sector's Deposits in Local Currency

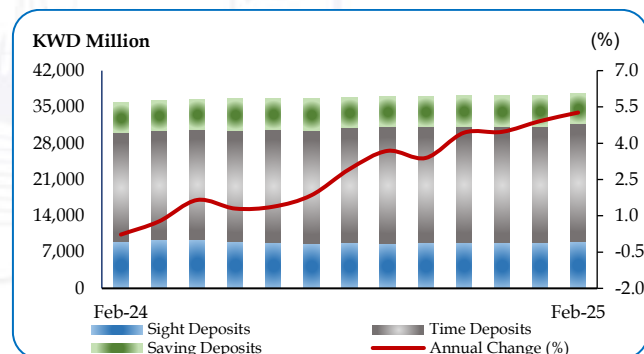


Figure (13): Private Sector's Deposits in Foreign Currencies

