



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

- Money Supply in its Broad Sense (M2) increased by 4.4% to KWD 41.91 billion.
- The local banks' total assets grew by KWD 8.21 billion (9.3%).
- The net foreign assets with local banks increased by KWD 2.66 billion (20.9%).
- The utilized cash portion of credit facilities to residents increased by KWD 2.46 billion (5.7%).
- The total residents' deposits with local banks increased by KWD 2.92 billion (6.0%). Likewise, the resident private sector's deposits increased by KWD 1.84 billion (4.8%).

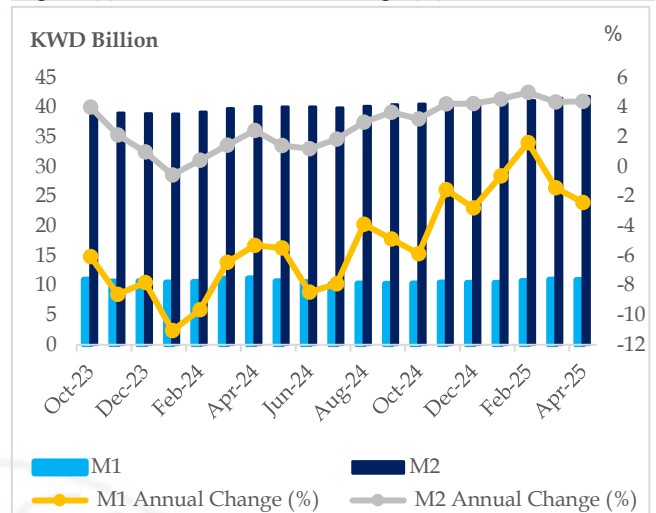
I. Monetary Developments (Money Supply)

1. Money Supply (M1):

Money Supply in its Narrow Sense "Narrow Money" (M1) contracted by KWD 0.27 billion (2.4%) to KWD 10.93 billion at the end of April 2025 against KWD 11.20 billion at the end of the comparative month.

This was mainly attributed to the decrease in both KWD sight deposits by KWD 0.21 billion (2.2%) to KWD 9.28 billion, and currency in circulation outside the local banks by KWD 0.06 billion (3.7%) to KWD 1.65 billion.

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



2. Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 1.78 billion (4.4%) to KWD 41.91 billion at the end of April 2025 against KWD 40.13 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 2.05 billion (7.1%) on one hand, and the decline in Narrow Money (M1) by KWD 0.27 billion (2.2%) 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 April 2025 was driven by the increase in net foreign assets by KWD 2.20 billion, i.e., 8.4% (as net foreign assets with local banks increased by KWD 2.66 billion (20.9%), while net foreign assets with CBK declined by KWD 0.43 billion, i.e., 3.1%), and the net local assets decreased by KWD 0.39 billion, i.e., 2.8%.

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

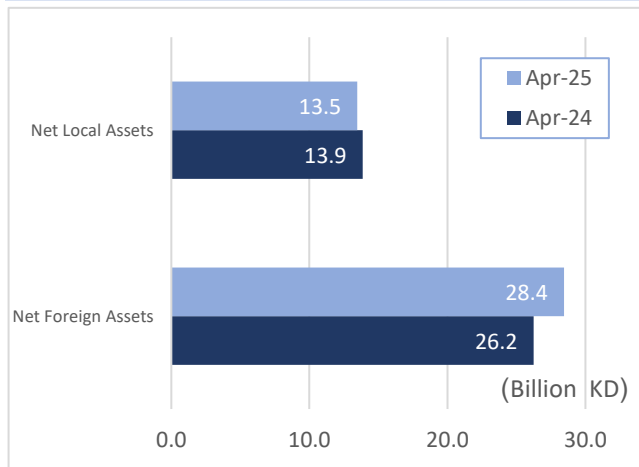
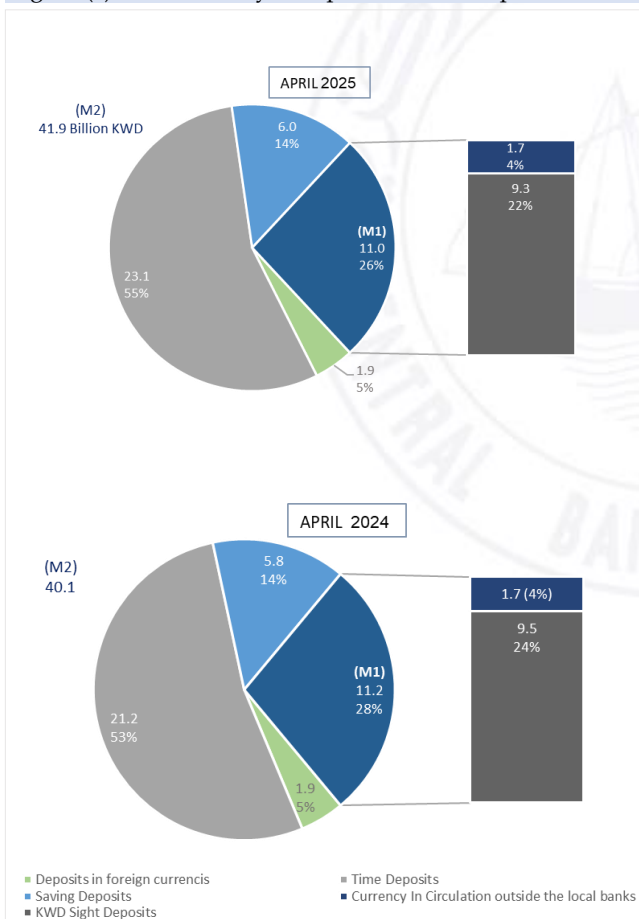


Figure (3): Broad Money Components' Developments



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 8.21 billion (9.3%) to KWD 96.04 billion at the end of April 2025 against KWD 87.83 billion at the end of the comparative month. This was driven by the rise in foreign assets by KWD 4.54 billion (18.2%) to KWD 29.43 billion, claims on private sector by KWD 2.69 billion (5.9%) to KWD 48.43 billion, local interbank deposits by KWD 1.13 billion (71.3%) to KWD 2.71 billion, loans to banks by KWD 0.18 billion (19.0%) to KWD 1.16 billion, and claims on public institutions by KWD 0.11 billion (3.0%) to KWD 3.68 billion. On another front, 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), declined by 24.8% and 4.8%, respectively.

Claims on the private sector represents the main source of local banks' assets. These claims accounted for 50.4% of the local banks' total assets at the end of April 2025 against 52.1% 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 April 2025 against 28.3% 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 foreign investments, deposits with foreign banks, credit facilities to non-residents, and other assets by 22.3%, 21.5%, 21.2%, and 15.1%, respectively on one hand, and the decline in loans to foreign banks by 13.0% on the other.

Figure (4): Total Local Banks' Assets

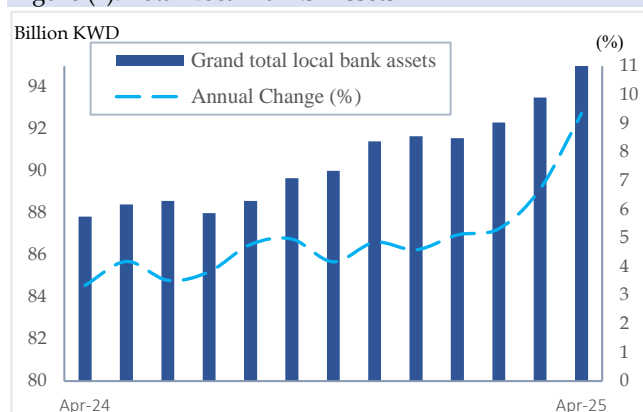
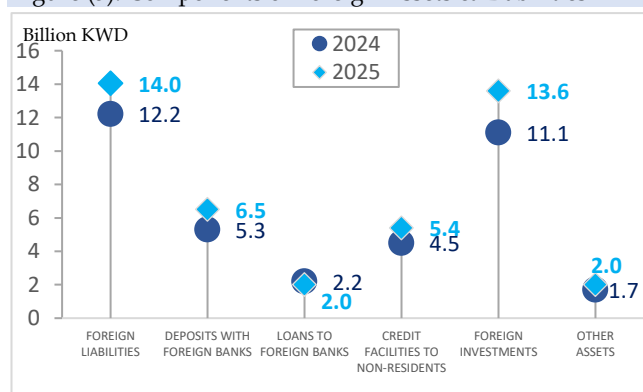


Figure (5): Components of Foreign Assets & Liabilities



On another front, data indicate that net foreign assets with local banks increased by KWD 2.66 billion (20.9%) to KWD 15.38 billion at the end of April 2025 against KWD 12.73 billion at the end of the comparative month. This rise was due to the increase in foreign assets by KWD 4.54 billion (18.2%), and foreign liabilities by KWD 1.88 billion (15.4%).

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 2.76 billion (5.7%) to KWD 50.89 billion at the end of April 2025 against KWD 48.13 billion at the end of the comparative month. The utilized cash of the credit facilities to businesses and personal credit facilities accounted for 77.1% and 22.9%, 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 (61.8% of the overall facilities to residents) increased by KWD 2.13 billion (7.3%)

to KWD 31.43 billion at the end of April 2025 against KWD 29.30 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 0.71 billion, i.e. 5.8%), purchase of securities “individuals, companies and institutions” (KWD 0.65 billion, i.e. 19.3%), other services (KWD 0.46 billion, i.e. 13.5%), trade (KWD 0.31 billion, i.e. 8.9%), loans to banks (KWD 0.18 billion or 19.0%), in addition to an increase in agriculture & fishing by 30.1%, and non-bank financial institutions by 35.2% and 2.7% at the end of April 2025 against the comparative month.

Conversely, there was a decline in the cash portion of credit allocated to crude oil & gas (KWD 0.14 billion or 7.6%), industry (KWD 0.10 billion or 4.4%), in addition to a contraction in public services by 5.0% at the end of April 2025 compared to the comparative month.

3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 2.92 billion (6.0%) to KWD 51.89 billion at the end of April 2025 against KWD 48.97 billion at the end of the comparative month amid the increase in the total private sector's "deposits (resident)" by KWD 1.84 billion (4.8%) to KWD 40.26 billion at the end of April 2025 against KWD 38.42 billion at the end of the comparative month, public institutions' deposits by KWD 1.38 billion (23.3%) to KWD 7.32 billion at the end of April 2025 against KWD 5.94 billion at the end of the comparative month on one hand, and the decline in government's deposits by KWD 0.31 billion (6.6%) to KWD 4.31 billion at the end of April 2025 against KWD 4.62 billion at the end of the comparative month on the other hand.

Private sector deposits are the primary source of financing for local banks (41.9% of the local banks' total liabilities at the end of April 2025). Nevertheless, public institution deposits and government deposits accounted for 7.6% and 4.5% of the local banks' total liabilities, respectively, at the end of April 2025.

Figure (6): Developments of Deposits

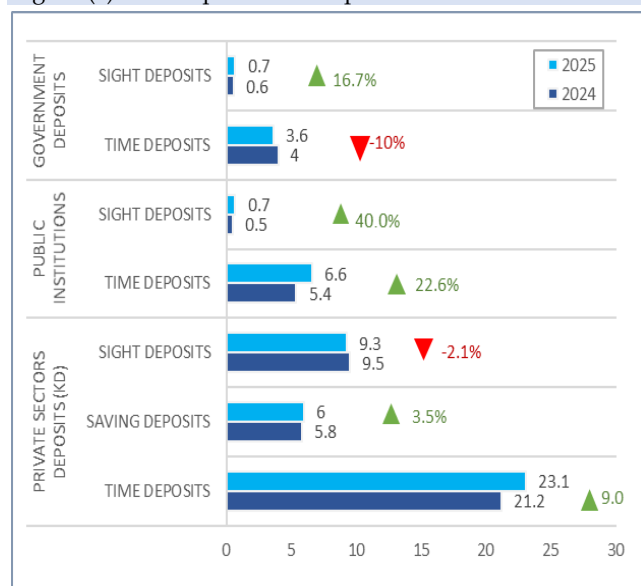


Figure (7): Annual Change in Deposits

