



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

- Money Supply in its Broad Sense (M2) increased by 5.7% to KWD 42.18 billion.
- The local banks' total assets grew by KWD 10.72 billion (12.2%).
- The net foreign assets with local banks increased by KWD 1.66 billion (12.3%).
- The utilized cash portion of credit facilities to residents increased by KWD 3.65 billion (7.5%).
- The total residents' deposits with local banks increased by KWD 2.10 billion (4.2%). Likewise, the resident private sector's deposits increased by KWD 2.20 billion (5.7%).

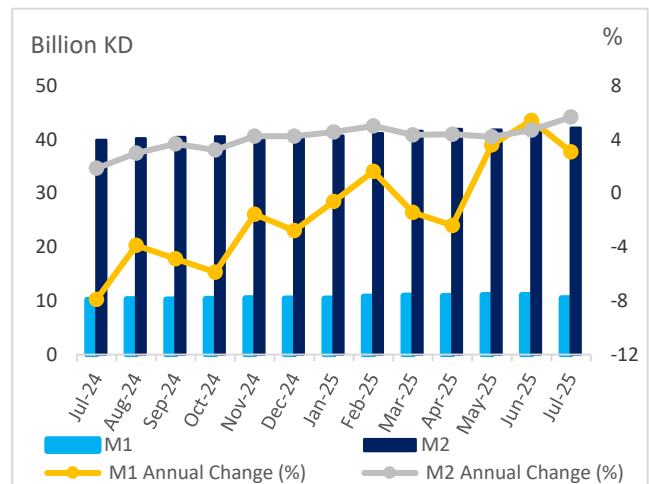
## I. Monetary Developments (Money Supply)

### 1. Money Supply (M1):

Money Supply in its Narrow Sense "Narrow Money" (M1) grew by KWD 0.31 billion (3.1%) to KWD 10.48 billion at the end of July 2025 against KWD 10.17 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 0.25 billion (2.9%) to KWD 8.85 billion, and **the currency in circulation outside the local banks** by KWD 0.07 billion (4.4%) to KWD 1.63 billion.

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



### 2. Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 2.26 billion (5.7%) to KWD 42.18 billion at the end of July 2025 against KWD 39.92 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 1.95 billion (6.6%), and the growth of Narrow Money (M1) by KWD 0.31 billion (3.1%).

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 July 2025 was driven by **the increase in net foreign assets** by KWD 0.57 billion, i.e., 2.2% (as net foreign assets with local banks increased by KWD 1.66 billion (12.3%), while net foreign assets with CBK declined by KWD 1.15 billion, i.e., 8.8%), on one hand, and **the decline in net local assets** by KWD 1.69 billion, i.e., 12.3% on the other.

Figure (3): Broad Money Components

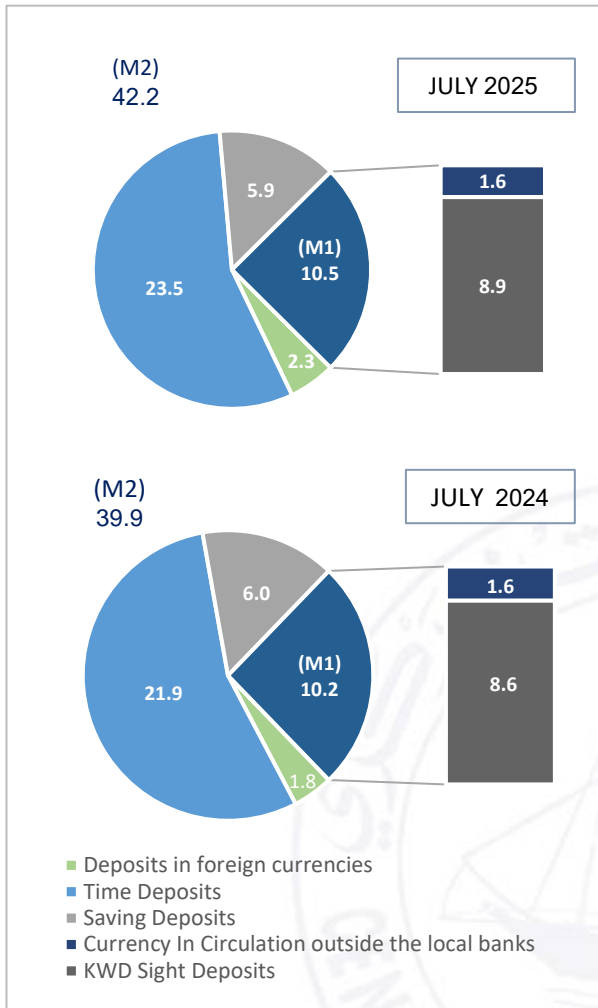
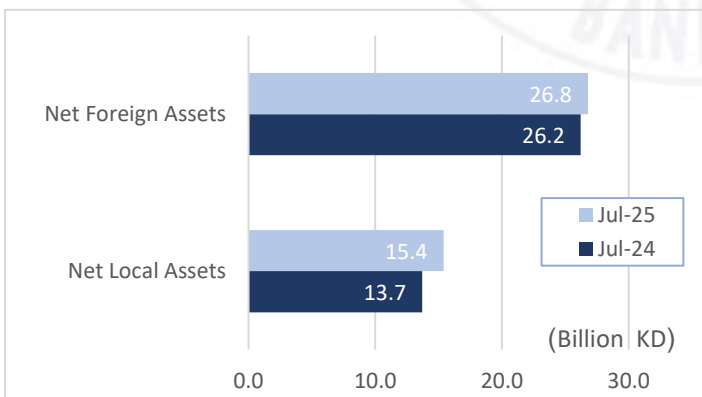


Figure (2): Factors Affecting Broad Money (M2)



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

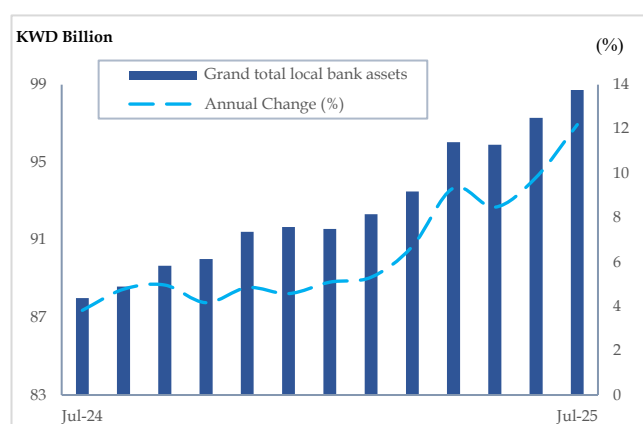
### 1. Local Banks' Assets:

Local banks' total assets grew by KWD 10.72 billion (12.2%) to KWD 98.72 billion at the end of July 2025 against KWD 88.00 billion at the end of the comparative month of the previous year. This was driven by **the rise in foreign assets** by KWD 6.33 billion (25.0%) to KWD 31.64 billion, claims on private sector by KWD 3.08 billion (6.6%) to KWD 49.37 billion, local interbank deposits by KWD 1.25 billion (107.0%) to KWD 2.43 billion, claims on government by KWD 0.83 billion (212.1%) to KWD 1.22 billion, claims on public institutions by KWD 0.23 billion (6.4%) to KWD 3.81 billion, and loans to banks by KWD 0.45 billion (55.2%) to KWD 1.26 billion. On another front, **claims on CBK** (which include cash in local banks' vaults, sight deposits, time deposits & related tawarruq, and CBK bonds & related tawarruq) **declined** by 22.9%.

**Claims on the private sector** represent the main source of local banks' assets. These claims accounted for 50.0% of the local banks' total assets at the end of July 2025 against 52.6% at the end of the comparative month of the previous year followed by the foreign assets accounting for 32.1% of the local banks' total assets at the end of July 2025 against 28.8% at the end of the comparative month of the previous year.

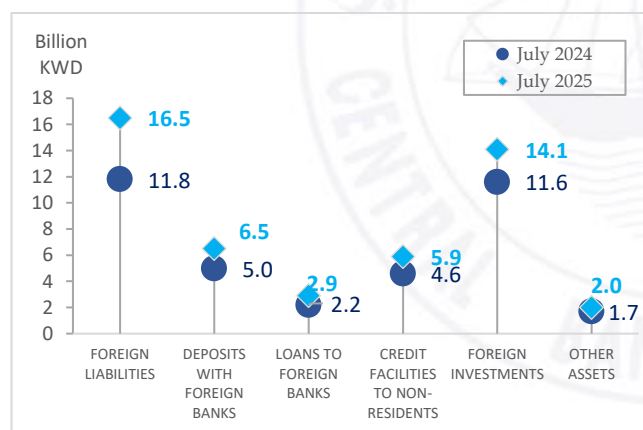
It is worth mentioning that the rise in foreign assets came from the rise in loans to foreign banks, deposits with foreign banks, credit facilities to non-residents, foreign investments, and other assets by 34.6%, 30.0%, 27.9%, 21.3% and 15.2%, respectively.

Figure (4): Total Local Banks' Assets



On another front, data indicate that **net foreign assets with local banks increased by KWD 1.66 billion (12.3%) to KWD 15.11 billion at the end of July 2025 against KWD 13.46 billion at the end of the comparative month of the previous year** due to the increase in foreign assets by KWD 6.33 billion (25.0%), and foreign liabilities by KWD 4.67 billion (39.4%).

Figure (5): Components of Foreign Assets &amp; 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 3.65 billion (7.5%) to KWD 52.17 billion at the end of July 2025 against KWD 48.52 billion at the end of the comparative month of the previous year. The cash portion of the credit facilities to businesses and personal credit facilities accounted for 79.8% and 20.2%, 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 (62.1% of the overall facilities to residents) increased by KWD 2.91 billion (9.9%) to KWD 32.41 billion at the end of July 2025 against KWD 29.50 billion at the end of the comparative month of the previous year. This increase was mainly driven by the rise in the cash portion of credit utilized for purchase of securities "individuals, companies and institutions" (KWD 0.82 billion, i.e. 23.0%), real estate & construction (KWD 0.74 billion, i.e. 5.9%), loans to banks (KWD 0.45 billion, i.e. 55.2%), other services (KWD 0.39 billion, i.e. 11.1%), and trade (KWD 0.31 billion, i.e. 8.6%), non-bank institutions (KWD 0.14 billion, i.e. 10.1%) and industry (KWD 0.06 billion, i.e. 2.5%), in addition to the rise in agriculture & fishing, and crude oil & gas by 48.5% and 0.2%, respectively at the end of July 2025 compared to the comparative month of the previous year.

On the other hand, the utilized cash portion of the credit facilities to public services decreased by 1.0% at the end of July 2025 compared to the comparative month of the previous year.

## 3. Residents' Deposits with Local Banks:

**The total residents' deposits increased by KWD 2.10 billion (4.2%) to KWD 51.58 billion at the end of July 2025 against KWD 49.48 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 2.20 billion (5.7%) to KWD 40.56 billion at the end of July 2025 against KWD 38.36 billion at the end of the comparative month of the previous year, public institutions' deposits by KWD 0.66 billion (10.9%) to KWD 6.65 billion at the end of July 2025 against KWD 5.99 billion at the end of the comparative month of the previous year, on one hand, and the decline in government's deposits by KWD 0.75 billion (14.7%) to KWD 4.38 billion at the end of July 2025 against KWD 5.13 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 (41.1% of the local banks' total liabilities at the end of July 2025). The public institutions' deposits and government deposits accounted for 6.7% and 4.4% of the local banks' total liabilities, respectively, at the end of July 2025.

Figure (6): Developments of Deposits

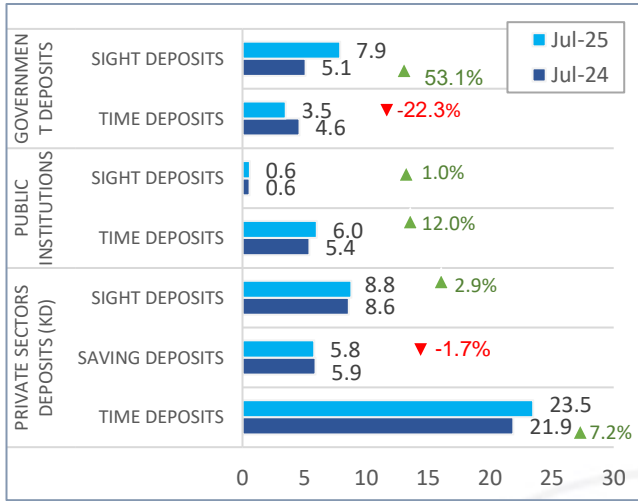


Figure (7): Annual Change in Deposits

