

This monthly bulletin recaps on the key monetary and banking developments in the State of Kuwait as at the end of June 2026 compared to the comparative month of the previous year, the most prominent of which:

- Money Supply in its Broad Sense (M2) increased by 1.7% to KWD 42.74 billion.
- The local banks' total assets grew by KWD 7.01 billion (7.2%).
- The net foreign assets with local banks increased by KWD 2.18 billion (14.9%).
- The utilized cash portion of credit facilities to residents increased by KWD 3.06 billion (5.9%).
- The total residents' deposits with local banks increased by KWD 4.81 billion (9.4%), including the resident private sector's deposits that increased by KWD 0.64 billion (1.6%).
- The total value of transactions through WAMD increased by KWD 0.88 billion (43.7%) during the second quarter of 2026 compared to the corresponding quarter of the previous year.

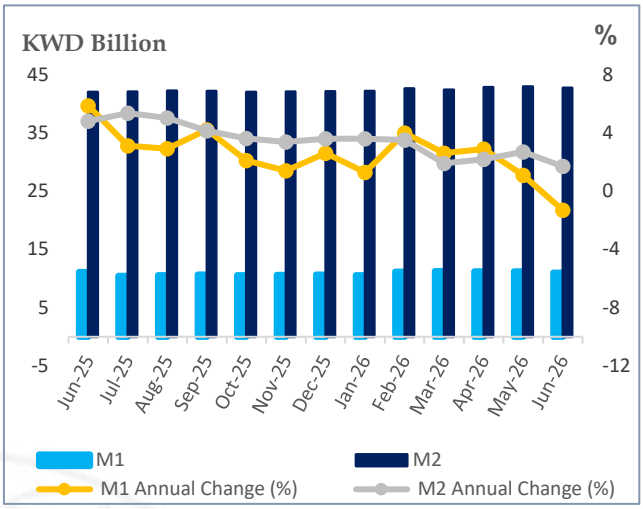
I. Monetary Developments (Money Supply)

1. Money Supply (M1):

Money Supply in its Narrow Sense "Narrow Money" (M1) decreased by KWD 0.15 billion (1.3%) to KWD 11.01 billion at the end of June 2026 against KWD 11.16 billion at the end of the comparative month of the previous year.

This decline was attributed to the **decrease in KWD sight deposits** by KWD 0.22 billion (2.3%) to KWD 9.26 billion, and the **increase in currency in circulation outside local banks' vaults** by KWD 0.07 billion (4.5%) to KWD 1.75 billion.

Figure (1): M1 & M2 Annual Change

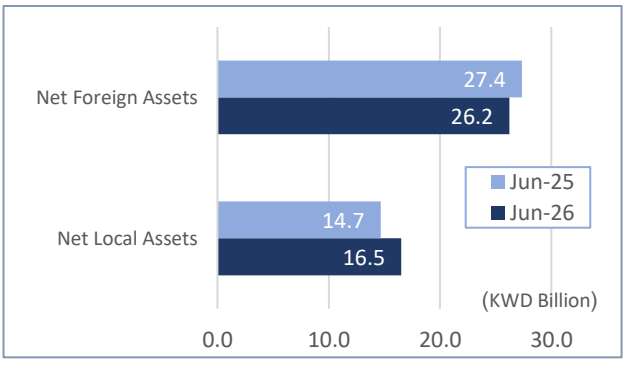


2. Money Supply (M2):

Money Supply in its Broad Sense (M2) increased by KWD 0.71 billion (1.7%) to KWD 42.74 billion at the end of June 2026 against KWD 42.03 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 currencies) by KWD 0.86 billion (2.8%), and the decline of Narrow Money (M1) by KWD 0.15 billion (1.3%).

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 the government, public institutions and private sector less the government's deposits and accounts, and other "net"), and **(b) Net Foreign Assets** with CBK and local banks.

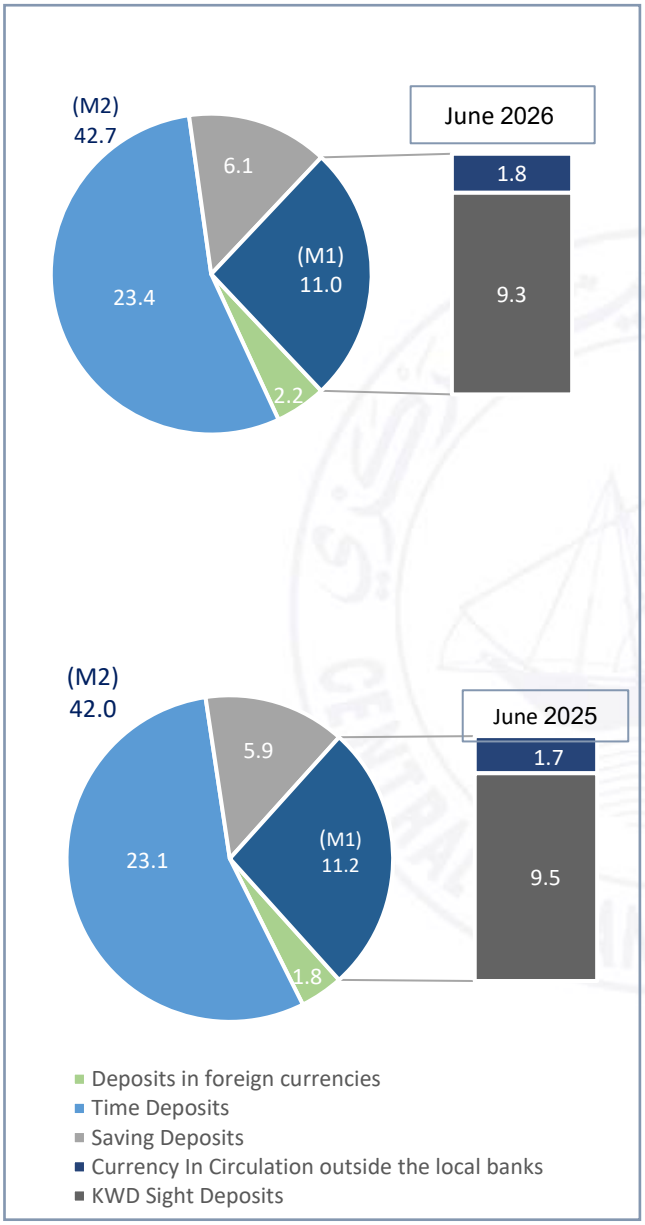
Figure (2): Factors Affecting Broad Money (M2)



The relevant data of the combined monetary survey indicate that the rise in (M2) at the end of

June 2026 was mainly driven by **the increase in net local assets** by KWD 1.85 billion (12.6%) despite the **decline in the net foreign assets** by KWD 1.13 billion (4.1%), as the net foreign assets with CBK declined by KWD 3.31 billion, i.e., 25.9%, and the net foreign assets with local banks increased by KWD 2.18 billion, i.e., 14.9%.

Figure (3): Broad Money Components (KWD Billion)



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

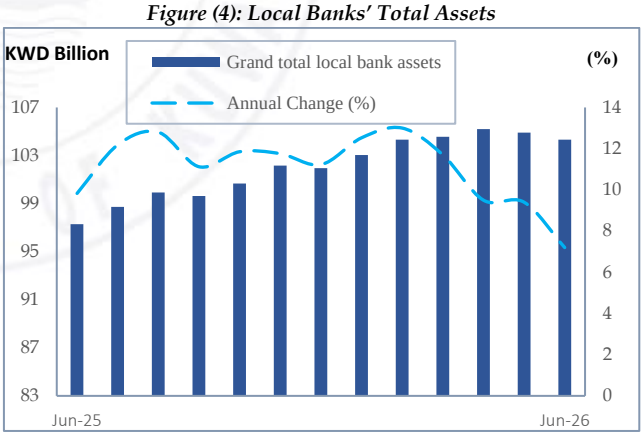
1. Local Banks' Assets:

Local banks' total assets grew by KWD 7.01 billion (7.2%) to KWD 104.31 billion at the end of June 2026 against KWD 97.29 billion at the end of the comparative month of the previous year. This was driven by **the rises in foreign assets** by KWD 3.35 billion (11.0%) to KWD 33.90 billion, claims on the private sector by KWD 2.70 billion (5.5%) to KWD 51.81 billion, claims on the government by KWD 3.24 billion (374.5%) to KWD 4.10 billion. This significant increase came as a result of the rise in the balance of public debt instruments in local and foreign currency following the issuance of the Decree Law No. 60 of 2025 on Financing and Liquidity promulgated on 26 March 2025.

Claims on the private sector represent the main source of local banks' assets accounting for 49.7% of the local banks' total assets at the end of June 2026 against 50.5% at the end of the comparative month of the previous year, followed by the foreign assets accounting for 32.5% of the local banks' total assets at the end of June 2026 against 31.4% at the end of the comparative month of the previous year.

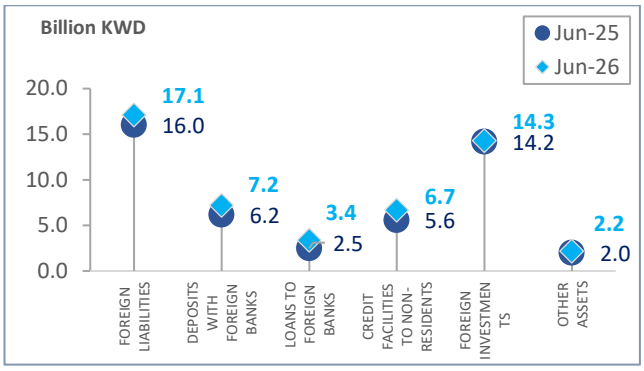
It is worth mentioning that the rise in foreign assets resulted from the increases in loans to foreign banks, credit facilities to non-residents and deposits with foreign banks by 37.6%, 20.3% and 15.4%, respectively.

Figure (4): Local Banks' Total Assets



The increase in foreign assets was matched by a rise in foreign liabilities by KWD 1.17 billion (7.3%). As a result, the **net foreign assets with local banks increased by** KWD 2.18 billion (14.9%) to KWD 16.76 billion at the end of June 2026 against KWD 14.58 billion at the end of the comparative month of the previous year.

Figure (5): Components of 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 3.06 billion (5.9%) to KWD 54.75 billion at the end of June 2026 against KWD 51.69 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 74.9% and 25.1%, respectively, of the increase in the utilized cash portion of the facilities to residents. In more detail, the cash portion of credit facilities to businesses (62.8% of the overall facilities to residents) increased by KWD 2.29 billion (7.1%) to KWD 34.41 billion at the end of June 2026 against KWD 32.12 billion at the end of the comparative month of the previous year. This increase was mainly driven by the rise in the majority of the economic sectors, in particular the cash portion of credit utilized for real estate and construction (KWD 0.71 billion, i.e. 5.4%), other services (KWD 0.48 billion, i.e. 12.6%), the purchase of securities "individuals, companies and institutions" (KWD 0.48 billion, i.e. 10.9%), crude oil & gas (KWD 0.40 billion, i.e. 21.9%), non-bank financial institutions (KWD 0.33 billion, i.e. 22.5%), industry (KWD 0.24 billion, i.e. 10.7%). On another front, the cash portion allocated to agriculture & fishing and trade decreased by 15.1% and 9.0%, respectively, at the end of June 2026.

3. Residents' Deposits with Local Banks:

The total residents' deposits increased by KWD 4.81 billion (9.4%) to KWD 56.16 billion at the end of June 2026 against KWD 51.35 billion at the end of the comparative month of the previous year due to the increase in the **public institutions' deposits** by KWD 2.93 billion (44.4%) to KWD 9.54 billion at the end of June 2026 against KWD 6.60 billion at the end of the comparative month of the previous year, and the **private sector's deposits (resident)** by KWD 0.64 billion (1.6%) to KWD 40.99 billion at the end of June 2026 against KWD 40.35 billion at the end of the comparative month of the previous year. **Government's deposits** also grew by KWD 1.24 billion (28.2%) to KWD 5.64 billion at the end of June 2026 against KWD 4.40 billion at the end of the comparative month of the previous year.

Private sector's deposits are the primary source of finance in local banks, representing 39.3% of the local banks' total liabilities at the end of June 2026. Public institutions' deposits and government's deposits represented 9.1% and 5.4%, respectively, of the local banks' total liabilities at the end of June 2026.

Figure (6): Developments of Deposits

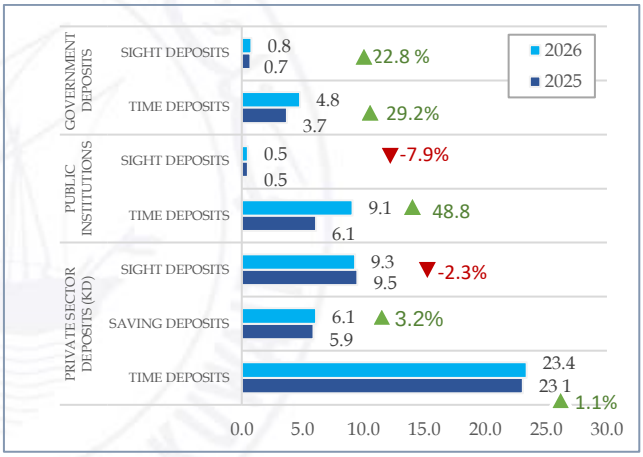
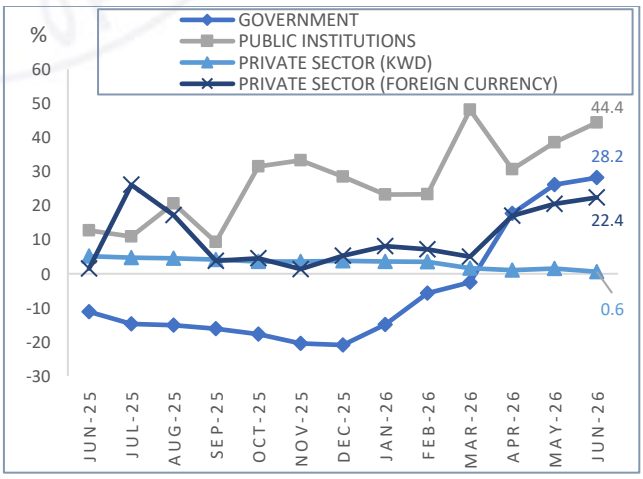


Figure (7): Annual Change in Deposits



4. Developments of Transaction Values Using Plastic Cards:

The total value of transactions using plastic cards reached KWD 10.98 billion at the end of the second quarter of 2026 (of which KWD 10.31 billion were used within Kuwait and KWD 0.66 billion outside Kuwait), compared to KWD 11.47 billion at the end of the same quarter of the previous year, i.e. a decrease of KWD 0.50 billion (4.3%) between the two quarters.

This decrease is attributed to declines in **payment gateway transactions** (by KWD 0.21 billion or 4.8%, to KWD 4.20 billion), **ATM transactions** (by KWD 0.19 billion or 8.5%, to KWD 2.07 billion), point-of-sale **(POS) transactions** (by KWD 0.09 billion or 1.9%, to KWD 4.70 billion).

The value of **WAMD transactions** during the second quarter of 2026 totaled approximately KWD 2.91 billion, i.e. an increase of KWD 0.88 billion (43.7%), compared to the corresponding quarter of the previous year.

Figure (8): Value of Transactions Using Plastic Cards

