The Commercial Bank of Kuwait Group

Public Disclosures on

Net Stable Funding Ratio

30 June 2026

The following qualitative and quantitative public disclosures on Net Stable Funding Ratio (NSFR) are being provided in accordance with Central Bank of Kuwait (CBK) circular no. 2/BS/356/2015 dated 25 October 2015. This disclosure will enable and allow market participants to assess key pieces of information about the stability of the Bank's funding sources and their ability to meet the long term funding needs of the Bank.

The NSFR is a global minimum standard for bank liquidity. It aims to ensure that a bank has an adequate long and medium term funding in order to fund its long and medium term assets. The NSFR is calculated by dividing the amount of Available Stable Funding (ASF) by the amount of Required Stable Funding (RSF). ASF is defined as the portion of capital and liabilities expected to be reliable over the time horizon considered by the NSFR, which extends to one year. The amount of RSF is a function of the liquidity characteristics and residual maturities of the various assets held by that institution as well as those of its off-balance sheet (OBS) exposures. This ratio should be equal to at least 80% as on 30 June 2026.

Different funding sources contribute different percentages to the ASF and similarly different assets need different percentages of stable funding. Essentially funding sources with over one year maturity can be taken in their entirety for ASF and most assets with over one year maturity require 100% funding from ASF.

The Bank's NSFR is at 107.9% as on 30 June 2026. The ASF and RSF for the quarter ended 30 June 2026 amounted to KD 4,001,164 thousand and KD 3,708,181 thousand respectively. The ratio reflects that the Bank has adequate amount of ASF relative to the amount of RSF. Deposits from government entities, deposits from retail customers and equity were the major contributors to ASF.

The Bank holds a balanced mix of funding from the retail and institutional customers. The required amount of stable funding for loans to non-financial corporate clients, retail and small business, sovereign and public sector entities is 71.1%of the total RSF, whereas loans to financial institutions is 6.6% of the RSF. The NSFR range was between 105.0% and 111.0% during the current quarter. The daily average NSFR for the current quarter was 108.2% which reflects that the Bank has maintained a fairly stable liquidity position during this period. The ratio is being monitored by the Risk Management Division of the Bank and is reported to the Senior Management and Board on a periodic basis.

A strong and diversified liabilities profile has been at the helm on Bank's growth strategy. The Bank has consistently maintained a robust funding profile with a significant portion of funding coming through deposits. The stability of these deposit sources has been comfortable and the Bank expects the same going forward given the liquidity profile of the Bank.

The Bank has a liquidity risk management policy in place approved by the Board of Directors. The Bank has an internal governance system wherein Asset Liability Committee (ALCO) oversees the liquidity management function. Roles of different divisions with respect to liquidity risk management are clearly specified in the Bank's liquidity risk management policy. The Bank also has an internal limit for NSFR that is more conservative than the regulatory limit.

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		Table 4: NSFR Common Disclosure				
		For the Period Ending on	30-JUN-2026			"value in KWD 000"
Sr.	**Item**	**Unweighted Values (i.e. before applying relevant factors)**				
		No specified maturity	**Less than 6 months**	**More than 6 months and less than one year**	**Over one year**	**Total weighted value**
	Available Stable Funding (ASF):					
1	**Capital:**					
2	• *Regulatory Capital*	875,267	-	-	100,000	975,267
3	• *Other Capital Instruments*	-	-	-	-	-
4	**Retail deposits and deposits from small business customers:**					
5	• *Stable deposits*	-	-	-	-	-
6	• *Less stable deposits*	-	1,227,422	79,659	10,165	1,186,537
7	**Wholesale funding:**					
8	• *Operational deposits*	-	-	-	-	-
9	• *Other wholesale funding*	-	1,446,681	411,621	881,389	1,686,859
10	**Other liabilities:**					
11	• *NSFR derivative liabilities*		248	11	-	
12	• *All other liabilities not included in the above categories*	187,097	159,579	11,176	152,501	152,501
13	Total ASF					4,001,164
	Required Stable Funding (RSF):					
14	**Total NSFR high-quality liquid assets (HQLA)**					**8,361**
15	**Deposits held at other financial institutions for operational purposes**	-	-	-	-	-
16	**Performing loans and securities:**					
17	• *Performing loans to financial institutions secured by Level 1 HQLA*	-	-	-	-	-
18	• *Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	-	796,005	119,812	173,871	353,178
19	• *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	-	651,574	88,927	220,086	590,336
20	- *With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio – Basel 3 guidelines*	-	-	-	161,229	104,799
21	• *Performing residential mortgages, of which:*	-	-	-	-	-
22	- *With a risk weight of less than or equal to 35% under the CBK Capital Adequacy Ratio – Basel III Guidelines*	-	-	-	-	-
23	• *Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	-	-	-	51,683	43,930
24	**Other assets:**					
25	• *Physical traded commodities, including gold*	-				-
26	• *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
27	• *NSFR derivative assets*		1,551	338	-	-
28	• *NSFR derivative liabilities before deduction of variation margin posted*		50	2	-	-
29	• *All other assets not included in the above categories*	-	60,818	15,917	285,926	324,294
30	**Off-balance sheet items**		**1,959,208**	**633,697**	**852,497**	**172,270**
31	Total RSF					3,708,181
32	NSFR (%)					107.90%

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