The Commercial Bank of Kuwait Group

Consolidated Public Disclosures on Capital Adequacy Standard

31 December 2025

RSM Albazie & Co.
Public Accountants
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By: RSM

Commercial Bank of Kuwait
البنك التجاري الكويتي

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The following detailed qualitative and quantitative public disclosures are being provided in accordance with Central Bank of Kuwait (CBK) rules and regulations on Capital Adequacy Standard Basel III issued through Circular No. 2/BS/IBS/336/2014 on June 24, 2014. The purpose of these disclosures is to complement the capital adequacy requirements (Pillar 1) and the supervisory review process (Pillar 2). Moreover, these disclosure requirements shall enable and allow market participants to assess key pieces of information about a licensed bank's exposure to risks and provides a consistent and understandable disclosure framework that enhances comparability.

I Subsidiaries and significant investments

The Commercial Bank of Kuwait K.P.S.C (the "Bank") has a subsidiary, Al-Tijari Financial Brokerage Company K.S.C (Closed) - (98.16% owned) engaged in brokerage services and owns a 32.00% interest in Al Cham Islamic Bank S.A (an associate), a private bank incorporated in Arabic Republic of Syria engaged in Islamic banking activities.

The Bank and its subsidiary are together referred to as "the Group" in this public disclosure on Capital Adequacy Standard.

II Capital structure

The authorised share capital of the Bank comprises of 2,500,000,000 (2024: 2,500,000,000) shares of 100 fils each.

Share Capital – Share capital comprises of 2,191,262,089 (2024: 1,992,056,445) subscribed and fully paid ordinary shares of 100 fils each. As at 31 December 2025, the Bank held 217,989,569 treasury shares (2024: 198,171,829 treasury shares).

The Group has the following components of Tier 1 and Tier 2 capital base:

		2025 KD 000's	2024 KD 000's
a. Tier 1 capital consist of:			
i	Common equity tier 1 (CET1)		
	1. Paid-up share capital	**219,127**	199,206
	2. Proposed bonus shares	**-**	19,921
	3. Share premium	**66,791**	66,791
	4. Retained earnings	**329,076**	274,161
	5. Investment valuation reserve	**65,859**	54,450
	6. Property revaluation reserve	**18,921**	24,100
	7. Statutory reserve	**115,977**	115,977
	8. General reserve	**17,927**	17,927
	9. Treasury shares reserve	**49**	49
	10. Other intangibles	**(3,506)**	(3,506)
	11. Treasury shares	**(98,890)**	(98,890)
	12. Non significant investments in banking, financial and insurance entities	**-**	-
	13. Significant investments in banking, financial and insurance entities	**-**	-
	Total	**731,331**	670,186
ii	Additional tier 1		
	1. Non-controlling interests in consolidated subsidiaries	**335**	279
	Total	**335**	279
Total tier 1 capital		**731,666**	670,465

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		2025 KD 000's	2024 KD 000's
b. Tier 2 capital.			
1.	Directly issued qualifying Tier 2 instruments	**100,000**	100,000
1.	General provisions (subject to a maximum of 1.25% of total credit risk weighted assets)	**58,340**	52,686
Total tier 2 capital		**158,340**	152,686
Total eligible capital		**890,006**	823,151

III Capital adequacy

The Standardised Approach has been adopted for computation of capital charge for credit risk, market risk and operational risk. Assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to CBK. The Group has in place a framework for planning, assessing and reporting for capital adequacy and to ensure that the present and future operations of the Group are supported by adequate capital at all times. The Group monitors its capital adequacy against higher internal floor limits. In addition, evaluation of any strategic initiative necessarily includes appraisal of capital adequacy requirements. Internal assessment of capital has been enhanced through introduction of a framework for measuring economic capital for each risk type and on an enterprise-wide basis.

A. Capital requirement

		2025 KD 000's			2024 KD 000's		
		Gross exposures	**Net risk weighted assets**	**Capital requirement**	Gross exposures	Net risk weighted assets	Capital requirement
a.	Credit risk						
	1. Claims on sovereigns	**737,296**	**88,418**	**11,494**	579,452	56,987	7,408
	2. Claims on international organisations	-	-	-	-	-	-
	3. Claims on PSEs	**306,589**	**99,364**	**12,917**	259,181	110,782	14,402
	4. Claims on MDBs	**173,225**	**39,836**	**5,179**	91,207	30,839	4,009
	5. Claims on banks	**1,897,992**	**724,304**	**94,160**	1,404,243	509,225	66,199
	6. Claims on corporates	**5,098,396**	**2,818,721**	**366,434**	4,615,422	2,652,732	344,855
	7. Claims on central counter parties	-	-	-	-	-	-
	8. Cash items	**20,941**	-	-	38,495	-	-
	9. Regulatory retail	**565,499**	**541,872**	**70,443**	547,540	544,723	70,814
	10. RHLs eligible for 35% RW	-	-	-	-	-	-
	11. Past due exposure	**10,519**	**10,218**	**1,328**	218	-	-
	12. Other assets	**205,749**	199,469	**25,931**	142,817	142,799	18,564
	13. Claims on securitised assets	-	-	-	-	-	-
	Total	9,016,206	**4,522,202**	**587,886**	7,678,575	4,048,087	526,251

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		2025 KD 000's			2024 KD 000's		
		Gross exposures	**Net risk weighted assets**	**Capital requirement**	Gross exposures	Net risk weighted assets	Capital requirement
b.	Market risk						
	1. Interest rate position risk	-	-	-	-	-	-
	2. Equities position risk	**1**	-	-	254	506	66
	3. Foreign exchange risk	**10,693**	**10,694**	**1,390**	4,582	4,583	596
	4. Commodities risk	-	-	-	-	-	-
	5. Options	-	-	-	-	-	-
	Total	**10,694**	**10,694**	**1,390**	4,836	5,089	662
c.	Operational risk	**179,499**	**320,428**	**41,656**	163,242	290,088	37,711
	Total	**9,206,399**	**4,853,324**	**630,932**	7,846,653	4,343,264	564,624

B. Capital ratios

		2025	2024
1.	Total capital ratio	**18.34%**	18.95%
2.	Tier 1 capital ratio	**15.08%**	15.44%
3.	CET 1 capital ratio	**15.07%**	15.43%

C. Additional capital disclosure

1. Common disclosure template

	2025 KD 000's	
	Component of capital disclosure template	**Cross reference from consolidated regulatory financial position**
Common Equity Tier 1 capital: Instruments and Reserves		
1 Directly issued qualifying common share capital plus related share premium	285,918	i+l
2 Retained earnings	329,076	r+j
3 Accumulated other comprehensive income (and other reserves)	218,733	m+n+o+p+q
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5 Common share capital issued by subsidiaries and held by third parties (minority interest)	-	
6 Common Equity Tier 1 capital before regulatory adjustments	833,727	
Common Equity Tier 1 Capital: Regulatory Adjustments		
7 Prudential valuation adjustments	-	
8 Goodwill (net of related tax liability)	-	

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	2025 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	3,506	f
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11 Cash-flow hedge reserve	-	
12 Shortfall of provisions to expected losses (based on the Internal Models Approach, if applied)	-	
13 Securitization gain on sale	-	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15 Defined-benefit pension fund net assets	-	
16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	98,890	k
17 Reciprocal cross-holdings in common equity of banks, FIs, and insurance entities	-	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold of bank's CET1 capital)	-	d
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold of bank's CET1 capital)	-	
20 Mortgage servicing rights (amount above 10% threshold of bank's CET1 capital)	-	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22 Amount exceeding the 15% threshold	-	
23 of which: significant investments in the common stock of financials	-	
24 of which: mortgage servicing rights	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments	-	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28 Total regulatory adjustments to Common equity Tier 1	102,396	
29 Common Equity Tier 1 capital (CET1) after regulatory adjustments	731,331	
Additional Tier 1 Capital: Instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31 of which: classified as equity under applicable accounting standards	-	
32 of which: classified as liabilities under applicable accounting standards	-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	335	s
35 of which: instruments issued by subsidiaries subject to phase-out	-	
36 Additional Tier 1 capital before regulatory adjustments	335	

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	2025 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Additional Tier 1 Capital: Regulatory Adjustments		
37 Investments in own Additional Tier 1 instruments	-	
38 Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10%of the issued common share capital of the entity (amount above 10% threshold)	-	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41 National specific regulatory adjustments	-	
42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43 Total regulatory adjustments to Additional Tier 1 capital	-	
44 Additional Tier 1 capital (AT1)	335	
45 Tier 1 capital (T1 = CET1 + AT1)	731,666	
Tier 2 Capital: Instruments and Provisions		
46 Directly issued qualifying Tier 2 instruments	100,000	g
47 Directly issued capital instruments subject to phase-out from Tier 2	-	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49 of which: instruments issued by subsidiaries subject to phase-out	-	
50 General Provisions included in Tier 2 capital	58,340	c
51 Tier 2 capital before regulatory adjustments	158,340	
Tier 2 Capital: Regulatory Adjustments		
52 Investments in own Tier 2 instruments	-	
53 Reciprocal cross-holdings in Tier 2 instruments	-	
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55 Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56 National specific regulatory adjustments	-	
57 Total regulatory adjustments to Tier 2 capital	-	
58 Tier 2 capital (T2)	158,340	
59 Total capital (TC = T1 + T2)	890,006	
60 Total risk weighted assets	4,853,324	

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	2025 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Capital Ratios and Buffers		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	**15.07%**	
62 Tier 1 (as a percentage of risk weighted assets)	**15.08%**	
63 Total capital (as a percentage of risk weighted assets)	**18.34%**	
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	**10.00%**	
65 of which: capital conservation buffer requirement	**2.5%**	
66 of which: bank specific countercyclical buffer requirement	**-**	
67 of which: D-SIB buffer requirement	**0.50%**	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	**8.07%**	
National Minima		
69 National Common Equity Tier 1 minimum ratio	**9.50%**	
70 National Tier 1 minimum ratio	**11.00%**	
71 National total capital minimum ratio excluding CCY and DSIB buffers	**13.00%**	
Amounts below the Thresholds for Deduction (before Risk Weighting)		
72 Non-significant investments in the capital of financials institutions	**-**	**e**
73 Significant investments in the common stock of financials institutions	**-**	
74 Mortgage servicing rights (net of related tax liability)	**-**	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	**-**	
Applicable Caps on the Inclusion of Provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	**203,351**	**a+b+h**
77 Cap on inclusion of provisions in Tier 2 under standardized approach	**58,340**	**c**
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	**-**	
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	**-**	

	2024 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Common Equity Tier 1 capital: Instruments and Reserves		
1 Directly issued qualifying common share capital plus related share premium	265,997	i+l
2 Retained earnings	294,082	r+j
3 Accumulated other comprehensive income (and other reserves)	212,503	m+n+o+p+q
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	
5 Common share capital issued by subsidiaries and held by third parties (minority interest)	-	
6 Common Equity Tier 1 capital before regulatory adjustments	772,582	

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	2024 KD 000's	
	Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Common Equity Tier 1 Capital: Regulatory Adjustments		
7 Prudential valuation adjustments	-	
8 Goodwill (net of related tax liability)	-	
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	3,506	f
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11 Cash-flow hedge reserve	-	
12 Shortfall of provisions to expected losses (based on the Internal Models Approach, if applied)	-	
13 Securitization gain on sale	-	
14 Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15 Defined-benefit pension fund net assets	-	
16 Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	98,890	k
17 Reciprocal cross-holdings in common equity of banks, FIs, and insurance entities	-	
18 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold of bank's CET1 capital)	-	d
19 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold of bank's CET1 capital)	-	
20 Mortgage servicing rights (amount above 10% threshold of bank's C ET1 capital)	-	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22 Amount exceeding the 15% threshold	-	
23 of which: significant investments in the common stock of financials	-	
24 of which: mortgage servicing rights	-	
25 of which: deferred tax assets arising from temporary differences	-	
26 National specific regulatory adjustments	-	
27 Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28 Total regulatory adjustments to Common equity Tier 1	102,396	
29 Common Equity Tier 1 capital (CET1) after regulatory adjustments	670,186	
Additional Tier 1 Capital: Instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31 of which: classified as equity under applicable accounting standards	-	
32 of which: classified as liabilities under applicable accounting standards	-	
33 Directly issued capital instruments subject to phase out from Additional Tier 1	-	
34 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	279	s
35 of which: instruments issued by subsidiaries subject to phase-out	-	
36 Additional Tier 1 capital before regulatory adjustments	279	

	2024 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Additional Tier 1 Capital: Regulatory Adjustments		
37 Investments in own Additional Tier 1 instruments	-	
38 Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10%of the issued common share capital of the entity (amount above 10% threshold)	-	
40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41 National specific regulatory adjustments	-	
42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43 Total regulatory adjustments to Additional Tier 1 capital	-	
44 Additional Tier 1 capital (AT1)	279	
45 Tier 1 capital (T1 = CET1 + AT1)	670,465	
Tier 2 Capital: Instruments and Provisions		
46 Directly issued qualifying Tier 2 instruments	100,000	g
47 Directly issued capital instruments subject to phase-out from Tier 2	-	
48 Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49 of which: instruments issued by subsidiaries subject to phase-out	-	
50 General Provisions included in Tier 2 capital	52,686	c
51 Tier 2 capital before regulatory adjustments	152,686	
Tier 2 Capital: Regulatory Adjustments		
52 Investments in own Tier 2 instruments	-	
53 Reciprocal cross-holdings in Tier 2 instruments	-	
54 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55 Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56 National specific regulatory adjustments	-	
57 Total regulatory adjustments to Tier 2 capital	-	
58 Tier 2 capital (T2)	152,686	
59 Total capital (TC = T1 + T2)	823,151	
60 Total risk weighted assets	4,343,264	

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	2024 KD 000's Component of capital disclosure template	Cross reference from consolidated regulatory financial position
Capital Ratios and Buffers		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	15.43%	
62 Tier 1 (as a percentage of risk weighted assets)	15.44%	
63 Total capital (as a percentage of risk weighted assets)	18.95%	
64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	10.00%	
65 of which: capital conservation buffer requirement	2.5%	
66 of which: bank specific countercyclical buffer requirement	-	
67 of which: D-SIB buffer requirement	0.50%	
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	8.43%	
National Minima		
69 National Common Equity Tier 1 minimum ratio	9.50%	
70 National Tier 1 minimum ratio	11.00%	
71 National total capital minimum ratio excluding CCY and DSIB buffers	13.00%	
Amounts below the Thresholds for Deduction (before Risk Weighting)		
72 Non-significant investments in the capital of financials institutions	-	e
73 Significant investments in the common stock of financials institutions	-	
74 Mortgage servicing rights (net of related tax liability)	-	
75 Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable Caps on the Inclusion of Provisions in Tier 2		
76 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	219,454	a+b+h
77 Cap on inclusion of provisions in Tier 2 under standardized approach	52,686	c
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	

2. Consolidated financial position under financial accounting and regulatory scope of consolidation

The basis of consolidation used to prepare consolidated financial position under International Financial Reporting Standards (IFRSs) is consistent with those used for regulatory purpose. The basis of consolidation is explained in note 2(b) of the consolidated financial statement. There is no difference between the consolidated financial position and the consolidated regulatory financial position.

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Consolidated regulatory financial position are as follows;

	2025 KD 000's		
	Consolidated regulatory financial position	Component used in capital disclosure template	Cross reference to common disclosure template
Assets			
Cash and short term funds	672,278		
Treasury and Central Bank bonds	182,579		
Due from banks and other financial institutions	598,121	1,652	a
Loans and advances	2,973,935		
Of which: general provisions on funded exposure eligible for inclusion in Tier 2		192,782	b
Of which: Cap on inclusion of general provisions in Tier 2		58,340	c
Investment securities	760,381		
of which: non significant investment in capital of financial institutions (amount above the threshold for deduction)		-	d
Of which: non significant investment in the capital of financial institutions (amounts below the thresholds for deduction)		-	e
Premises and equipment	22,989		
Intangible assets	3,506	3,506	f
Other assets	149,317		
Total assets	5,363,106		
Liabilities and equity			
Liabilities			
Due to banks	364,210		
Due to other financial institutions	72,990		
Customer deposits	2,610,884		
Certificates of deposit	226,232		
Other borrowed funds	1,039,148	100,000	g
Other liabilities	265,138		
Of which: general provisions on unfunded exposure eligible for inclusion in Tier 2		8,917	h
Total liabilities	4,578,602		

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	2025 KD 000's		
	Consolidated regulatory financial position	**Component used in capital disclosure template**	**Cross reference to common disclosure template**
Equity			
Equity attributable to shareholders of the Bank			
Share capital	**219,127**	**219,127**	**i**
Proposed bonus shares	**-**	**-**	**j**
Treasury shares	**(98,890)**	**98,890**	**k**
Reserves	**285,524**		
of which: share premium		**66,791**	**l**
of which: statutory reserve		**115,977**	**m**
of which: general reserve		**17,927**	**n**
of which: treasury share reserve		**49**	**o**
of which: property revaluation reserve		**18,921**	**p**
of which: investment valuation reserve		**65,859**	**q**
Retained earnings	**329,076**	**329,076**	**r**
	734,837		
Proposed dividend	**49,332**		
	784,169		
Non-controlling interests	**335**	**335**	**s**
Total equity	**784,504**		
Total liabilities and equity	**5,363,106**		

	2024 KD 000's		
	Consolidated regulatory financial position	Component used in capital disclosure template	Cross reference to common disclosure template
Assets			
Cash and short term funds	1,024,854		
Treasury and Central Bank bonds	86,461		
Due from banks and other financial institutions	227,640	1,544	a
Loans and advances	2,806,909		
Of which: general provisions on funded exposure eligible for inclusion in Tier 2		209,140	b
Of which: Cap on inclusion of general provisions in Tier 2		52,686	c
Investment securities	423,166		
Of which: non significant investment in capital of financial institutions (amount above the threshold for deduction)		-	d
Of which: non significant investment in the capital of other financial institutions (amounts below the thresholds for deduction)		-	e
Premises and equipment	28,698		
Intangible assets	3,506	3,506	f
Other assets	64,667		
Total assets	4,665,901		

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Liabilities and equity			
Liabilities			
Due to banks	244,406		
Due to other financial institutions	176,339		
Customer deposits	2,489,763		
Other borrowed funds	759,960	100,000	g
Other liabilities	249,707		
Of which: general provisions on unfunded exposure eligible for inclusion in Tier 2		8,770	h
Total liabilities	3,920,175		
Equity			
Equity attributable to shareholders of the Bank			
Share capital	199,206	199,206	i
Proposed bonus shares	19,921	19,921	j
Treasury shares	(98,890)	98,890	k
Reserves	279,294		
of which: share premium		66,791	l
of which: statutory reserve		115,977	m
of which: general reserve		17,927	n
of which: treasury share reserve		49	o
of which: property revaluation reserve		24,100	p
of which: investment valuation reserve		54,450	q
Retained earnings	274,161	274,161	r
	673,692		
Proposed dividend	71,755		
	745,447		
Non-controlling interests	279	246	s
Total equity	745,726		
Total liabilities and equity	4,665,901		

3. Main features of capital instrument issued

1 Issuer	Commercial Bank of Kuwait
2 Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	CBK
3 Governing law(s) of the instrument	Kuwait Law
Regulatory treatment	
4 Type of Capital (CET1, AT1 or T2)	Common equity tier 1
5 Eligible at solo/group/group & solo	Group
6 Instrument type	Ordinary shares
7 Amount recognized in regulatory capital (KD '000')	KD 219,127
8 Par value of instrument	100 fils
9 Accounting classification	Shareholders' equity
10 Original date of issuance	19 June 1960
11 Perpetual or dated	Perpetual
12 Original maturity date	No maturity
13 Issuer call subject to prior supervisory approval	No
14 Optional call date, contingent call dates and redemption amount	N/A
15 Subsequent call dates, if applicable	N/A
Coupons / dividends	
16 Fixed or floating dividend/coupon	Floating
17 Coupon rate and any related index	N/A
18 Existence of a dividend stopper	No
19 Fully discretionary, partially discretionary or mandatory	Fully discretionary
20 Existence of step up or other incentive to redeem	No

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21 Noncumulative or cumulative	Noncumulative
22 Convertible or non-convertible	Nonconvertible
23 If convertible, conversion trigger (s)	N/A
24 If convertible, fully or partially	N/A
25 If convertible, conversion rate	N/A
26 If convertible, mandatory or optional conversion	N/A
27 If convertible, specify instrument type convertible into	N/A
28 If convertible, specify issuer of instrument it converts into	N/A
29 Write-down feature	No
30 If write-down, write-down trigger(s)	N/A
31 If write-down, full or partial	N/A
32 If write-down, permanent or temporary	N/A
33 If temporary write-down, description of write-up mechanism	N/A
34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
35 Non-compliant transitioned features	No
36 If yes, specify non-compliant features	N/A

IV Financial Leverage ratio

The financial leverage ratio is being provided in accordance with CBK circular No. 2/BS/342/2014 dated October 21, 2014. The application of this disclosure is intended to restrict the build up of financial leverage in the banking sector that leads to stress on the financial system and the economy in general. The financial leverage ratio is measure of Basel III tier 1 capital divided by total on and off balance sheet exposures of the Bank.

(a) Summary comparison of accounting assets vs total leverage ratio exposure:

	2025 **KD 000's**	2024 KD 000's
1 Total consolidated assets as per published financial statements	**5,363,106**	4,665,901
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the bank's operative accounting framework but excluded from total exposures in calculation of leverage ratio	-	-
4 Derivative exposures	**35,284**	39,812
5 Securities Financing Transaction Exposures	-	-
6 Exposures for off-balance sheet items (i.e. credit equivalent amounts)	**1,370,938**	1,219,123
7 Other exposures	**(3,506)**	(3,506)
8 Total exposures in calculation of leverage ratio	6,765,822	5,921,330

(b) Leverage ratio common disclosure:

1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	**5,363,106**	4,665,901
2 (Asset amounts deducted in determining Tier 1 capital)	**(3,506)**	(3,506)
3 Total on-balance sheet exposures (excluding derivatives and SFTs)	5,359,600	4,662,395
4 Replacement cost associated with all derivative transactions (net of eligible cash variation margin)	**25,215**	32,785
5 Add-on amounts for Potential Future Exposure (PFE) associated with all derivative transactions	**10,069**	7,027
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the bank's operative accounting framework	-	-
7 (Deductions of receivables assets for cash variation margin provided in derivative transactions)	-	-
8 (Exempted exposures to Central Counterparties (CCP)	-	-
9 Adjusted effective notional amount of written credit derivatives	-	-
10 Adjusted effective notional offsets and add-on deductions for written credit derivatives	-	-
11 Total derivative exposures	35,284	39,812

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12 Gross SFT assets (with no recognition of netting)	-	-
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
14 CCR exposures for SFT assets	-	-
15 Exposure of the bank in its capacity as gent in the securities finance transaction (SFT)	-	-
16 Total securities financing transaction exposures	-	-
17 Off-balance sheet exposure (before application of credit conversion factors)	**3,462,173**	2,805,748
18 (Adjustments for conversion to credit equivalent amounts)	**(2,091,235)**	(1,586,625)
19 Total Off-balance sheet exposure	**1,370,938**	1,219,123
20 Total exposures	**6,765,822**	5,921,330
21 Tier 1 capital	**731,666**	670,465
22 Leverage ratio (Tier 1 capital / total exposures)	**10.81%**	11.32%

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V Risk management

Risk Governance

The Bank believes in undertaking risks associated with its business only after proper identification, assessment, management, and adequate mitigation of potential risk factors. The material risks to which the Bank is exposed to include credit risk and credit concentration risk, market risk and concentration risk, operational risk and residual operational risk, liquidity risk, interest rate risk, reputational risk, and strategic risk and legal risk.

The Risk Management Division of the Bank is an independent and dedicated function reporting directly to the Board Risk Management Committee and administratively to the Chairman.The division is responsible for assessing, monitoring, and recommending strategies for control of credit and credit concentration, market and market concentration, liquidity, operational, interest rate, reputational, strategic, and legal risks. Specific personnel are assigned within the Risk Management division for overseeing each of these risks. The absence of any direct or indirect reporting lines or arrangements with other internal divisions, and permanent membership in all of the Group's executive committees are amongst the factors which reflect the independent nature of Risk Management's operations and the central role it maintains within the Group.

The Risk Management Division is subdivided into different groups which assess, monitor, and control different risks. The Credit Risk Management Group (CRM) comprises the Obligor Credit Risk Management (OCRM) and Portfolio Credit Risk Management Departments (PCRM) respectively. The Non-Financial Risk Management Group (NFRM) comprises the operational risk management department which also manages fraud risk management, Third-Party Risk Management and information security department. The Enterprise Risk Management (ERM) Group comprises of Risk Oversight and Analytics Department (RO&AD) and Risk Analytics & Simulation Department (RA&SD).

1. Operational Risk Management Department (ORMD) is responsible for monitoring, measuring, and reporting the operational risks the Bank is exposed to, including fraud risks, third-party risks and business continuity. The department collects operational risk data through Risk & Control Self Assessments (RCSA), Key Risk Indicators (KRIs), procedure reviews, and reported risk events. A risk event database is maintained and reported in the periodic risk management reports. ORMD is also responsible for the Bank-wide insurance management and for coordinating the Bank-wide Business Continuity Plan and ensuring regular testing.

2. Information Security Department (ISD) is responsible for identifying, monitoring, measuring and reporting all the Bank's information security risks including internal and external threats whether deliberate or accidental, on all information assets of the Bank. ISD has established and maintains the related policies and procedures; as well as tests the effectiveness of the controls in order to keep the Bank's information assets secure. ISD provides periodic reports to the BRMC and Board of Directors (BOD) on the Bank's capability to manage information security and cybersecurity risks in addition to monitoring the implementation of the information security projects. ISD acts as an advisor to provide inputs to follow mandated compliance requirements across the Bank to safeguard its information assets.

In partnership with Human Resource Division, customized Information Security Awareness programs are developed and mandated for all staff in order to embed an information security awareness culture within the Bank. The Bank maintains its compliance with PCI-DSS, ISO 27001, and SWIFT CSP certification requirements, in addition to compliance with the Central Bank of Kuwait's Cyber Security Framework requirements.

The ERM group through its Risk Analytics and Simulations Department (RA&SD) is responsible for monitoring concentration, market, liquidity, interest rate, strategic, reputational, climate and legal risks. It is also responsible for calculating the economic capital for various risks, conducting stress tests, reporting these to the Asset Liability Committee (ALCO), Board Risk Management Committee (BRMC), Board of Directors (BOD), and the Central Bank. The RA&SD department also calculates the PD and LGD annually associated with the different obligor grades to use in IFRS9 calculations. The department is also responsible for providing ad-hoc risk analysis of new Banking Products. The RO&AD department of the ERM group focuses on keeping the risk management policies up to date and conducting ALCO and Credit & Investment Committee (CIC) for investment items. This department of ERM group also focuses on periodic reporting of risk metrics which includes daily, weekly, and monthly risk reports to the Management. The department also prepares a monthly risk management report comprising of MIS on Credit portfolio, position vis a vis internal limits related to Interest rate risk, Liquidity risk, Market Risk, and Operational risk which is circulated to the ALCO members. The department also functions as a Treasury middle office where it monitors risk limits related to Treasury on a daily basis.

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The risk management framework includes a hierarchy of committees involving the Board of Directors (BOD) and the executive management for approval and reporting purposes. The Board of Directors through its committees has the overall authority for approval of strategies and policies. The Board Loan Committee (BLC) is the apex credit approving authority of the Group which is mainly responsible for approving all credit proposals beyond the authority level of the management and also for reviewing and approving the credit related policies and amendments thereof. The Board of Directors is the apex authority of the Group for approving investments and other executive matters beyond the authority of the management. These include approval of groupwide strategies as well as specific policies pertaining to risk management. The Board Risk Management Committee (BRMC) assists the Board in its oversight of the Bank's risk governance structure, risk management & risk assessment guidelines and policies, risk strategy and appetite and executive management's implementation of the risk strategies and policies.

The Credit & Investment Committee is the executive management decision making body that is empowered to consider all credit & investment related issues within certain limits. The Asset Liability Committee (ALCO) is responsible for the overall asset liability management framework which broadly covers balance sheet structure, maturity profile, interest rate risk, capital adequacy, and foreign currency positions, review of related policies, and approval of exceptions. The ALCO also performs the role of a risk committee whereby it has a high-level oversight over the risk management process. The Provisioning Committee is responsible for the overall evaluation and control of provisions taken by the Group and adherence to the related regulatory requirements.

In order to manage risks in a holistic manner and to measure risks on a consolidated basis, the Group has a formal enterprise-wide risk management policy, which provides detailed guidelines for a sound framework for enterprise-wide risk management. The objectives of risk management are supported by various risk policies that are reviewed and updated regularly. The risk policies, in general, cater to detailed planning for various risks based on business strategies, past performance, future expectations, economic conditions and, internal as well as external regulations. The policies also require a comprehensive analysis of a set of pre-determined parameters prior to the introduction of new products or instruments. The policies have put internal limits (nominal and risk-based) in place for continuous monitoring and ensuring that risks are maintained within the Group's risk appetite. Periodical reporting of risks to various authorities including the ALCO and the Board ensures that the executive management and the Board are continuously kept aware of positions thereby enabling informed decision-making.

The Group also conducts enterprise wide stress test in order to analyse the impact of extreme events on the profitability and capital adequacy.

The treatment of different types of risks by the Bank is elaborated hereunder:

a. Credit Risk

While credits (both on and off-balance sheet) extended to counterparties are approved strictly in accordance with the Central Bank of Kuwait regulations and instructions, Credit Risk Management Group ensures that appropriate policies, guidelines, processes and procedures are in place to thoroughly assess the lending activities with a periodic review and update of credit evaluation processes, mechanisms and techniques.

The Credit Policies of respective business divisions and the Credit Risk Management Policy lay down the guiding principles for lending activities and the basis of measuring, monitoring and managing credit risks. These policies provides guidelines that establish the lending criteria and all credit decisions are made after giving due consideration to the requirements in the respective policies.

The business divisions' policies ~~is~~ are supplemented by the Credit Risk Management Policy which establishes the infrastructure for credit risk management including tools for risk rating, portfolio analysis and independent credit assessment. Internal limits are also established to mitigate credit concentration and improve credit quality. Credit approvals are preceded by detailed due diligence on credit proposals including reviews that are independent from the risk taking units. The due diligence covers assessment of the quality of financial information, historical financial performance, future prospects, structure of facilities, facilities relevance to the business needs, management expertise, identifiable sources of repayment, available collateral, additional credit comfort and support available etc. In addition, comprehensive post sanction reviews at the individual and portfolio levels are conducted to effectively monitor and control the existing credit portfolio.

The Bank uses an obligor risk rating model using both financial and non-financial parameters to generate an obligor risk rating. The model grades obligors with performing assets on a scale of 1 to 8 with 1 being the best risk. Ratings of 9 to 11 apply to non-performing assets. The internal risk rating is used to drive the credit approval process. As required by CBK, our internal risk grades have also been mapped to external grades based on calibrating the probability of default. Non-financial considerations are industry specific and thus allow more fine-tuned risk assessment for different industries. The facility risk rating is also being done. Maximum counterparty/group-wise lending limits are applied to exposures according to regulatory norms for credit concentration.

Appropriate risk analysis ensures that the limits approved are commensurate with the risk profile of the borrower. Apart from individual lending limits, broader portfolio-level exposure limits have been stipulated for perceived higher-risk sectors, and exposure to these segments is continuously monitored. Country limits, based on internal risk assessment and sovereign risk ratings provided by external credit rating agencies, are in place to ensure adequate portfolio diversification in terms of sovereign ratings and geographical exposures. The Division has also implemented a sector risk assessment model allowing more granularity in sector classification.

The Bank also measures economic capital for credit risk including that for name, collateral, sector and geographic concentration under Pillar two of Basel III.

Bank's exposure to derivatives is by way of forex forwards with banks and bank customers and interest rate swaps entered into for hedging fixed rate bonds in the bond portfolio. As the Credit Value Adjustment (CVA) for Counterparty Credit Risk (CCR) is insignificant, separate economic capital is not considered necessary. Credit limits for counterparty credit exposures for, banks, are set up based on due assessment and are reviewed periodically. The counterparties in derivative transactions are mostly banks with ~~and~~ limits ~~are~~ set up on an unadvised basis and hence the bank holds the control of preventing wrong-way exposures. Obtaining and offering collateral securities are governed by the respective ISDA agreements entered into.

The bank does not undertake securitisation of its credit exposures.

b. Market Risk

Market risk exposure for the Bank is evident in portfolios of equities and foreign exchange that are actively traded, as well as in other positions whose fair values are directly derived from market parameters. The Bank uses the standardized method for calculating capital for market risks.

Market risk limits are in place to control equity and foreign exchange risks. Foreign exchange risks are monitored daily and controlled through currency-wise absolute limits as well as stop-loss limits. Overnight regulatory limits that include overall absolute limits are strictly enforced.

The Bank also assesses the market risk through internally developed Value at Risk (VaR) measures. VaR is higher of historical simulation and parametric approaches over the relevant observation period and is computed as the maximum possible loss over the relevant holding period at the 99th percentile. Limits are in place for the maximum permitted VaR for the foreign exchange and equity positions. The VaR models are back-tested annually to confirm their robustness. Economic capital for market risk is calculated using stressed ES (Expected Shortfall) in line with guidance issued by the Basel Committee on Banking Supervision..

Investments are classified under pre-defined asset categories and are subject to pre-approved limits for such categories. Further, the Group's overall investment capacity and individual investments are restricted to stipulated limits and guidelines laid down by the Central Bank.

The market risk management policy also addresses the need for hedging under certain circumstances. The policy lays down principles and guidelines for the establishment of hedges.

c. Liquidity Risk

The Bank manages liquidity risks that are evident in maturity mismatches and liability-side concentrations. Limits are in place for the control of liquidity risk and these include the maximum allowable cumulative mismatches and a limit for the maximum amount allowed for lending. Internal alert limits are also laid down to ensure continued adherence to the regulatory limits. Internal limits for liabilities from significant depositors and from sensitive products/instruments are also in place. Limits were also introduced for mismatches in different time buckets to ensure that maturing assets and liabilities remain largely matched. A detailed liability side analysis is conducted periodically to discern rollover patterns, and identify core deposits, behavioral trends in short-term funds, and correlations with macroeconomic variables.

The Bank's liquidity risk management policy also requires that proper liquidity planning is periodically conducted and that stress tests are performed based on scenario analyses. A detailed contingency plan also forms part of the liquidity management framework. Economic capital for liquidity risk under pillar two of Basel III is also measured regularly.

The Basel Committee for Banking Supervision has introduced the Basel III regulations covering, among others, a global framework for liquidity risk management. The Bank has introduced internal limits for the liquidity ratios introduced in Basel III, i.e. the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These ratios are being measured and monitored regularly against regulatory limits and internal limits.

d. Interest Rate Risk

Interest rate risk is managed as per the guidelines laid down in the interest rate risk management policy. The majority of the assets and liabilities of the Bank mature and/or re-price within one year and hence there is limited exposure to interest rate risk. Interest rate risk is monitored with the help of an interest rate sensitivity monitor (IRSM) in which assets and liabilities are distributed in pre-defined maturity / re-pricing time bands. The Earnings at Risk (EaR) is computed by applying BIS stipulated rate shocks to the IRSM and this is compared against internal limits that define the Bank's appetite for this risk. The changes in EVE based on BIS stipulated rate shocks are also calculated and compared against internal limits. Economic capital under pillar two for interest rate risk is measured regularly using an internally developed methodology.

e. Operational Risk

Operational risk management is focused on identifying, assessing and minimizing the impact of risk events that may arise through inadequate processes, human errors, system failures as well as external factors by using a range of assessment methods including Risk Control Self Assessments (RCSA) and a comprehensive review of group-wide procedures. Key Risk Indicators (KRIs) are also monitored regularly. An objective scorecard is used to assess the different operational risk areas based on pre-defined parameters and to grade them under certain categories.

This gradation is used in the measurement of economical capital for operational risk and legal risk. Internally maintained risk events database, provides information on the frequency and impact of operational risk events. A business continuity policy and plan is in place to tackle any unforeseen contingencies that aims to ensure that business continuity is achieved with minimal disruption to critical processes and systems.

Insurance management which is integrated into operational risk facilitates the prudent transfer of risks. Insurance coverage provides partial mitigation for operational risk. The operational risk management policy lays down general guidelines for insurance management including factors to be considered in structuring insurance policies, the definition of policy limits and deductibles, policy reviews, and handling of claims.

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f. Information Security Risk

The objective of Information Security is to ensure the overall security of the Bank's information assets taking into consideration the multiple internal and external threats and the evolving threat landscape, in particular with the rapid changes in technology and digital transformation.

Information Security risk management provides a systematic approach and method to identify the risks and assess the controls to achieve this objective. The Bank has developed a comprehensive Information Security Policy, in addition to the Information Security Risk Management Policy which provides a detailed approach to identifying, analyzing, prioritizing, treating and monitoring Information security risks.

g. Other risks

Policies are in place for other risks including legal risk, climate risk, strategic risk, and reputational risk. These policies establish roles and responsibilities for various stakeholders in managing and controlling these risks. In addition, quantification methodologies have been introduced for measuring the economic capital for these risks.

VI Credit exposures

The credit policy of the Group lays down the general lending standards as well as specific policies pertaining to different lending areas. Among others, the credit policy defines the lending criteria, the approval process for various credit decisions, documentation requirements, margin requirements, etc. The credit policy also includes a formal credit approval hierarchy designed on the basis of amount/tenor and other features of the credit facility(ies) considered is in place for making suitable credit decisions. All credit decisions made at lower levels of the hierarchy are reviewed by the highest approval authority, the BLC.

Provisions for credit losses are recognized on credit facilities based on the Central Bank of Kuwait (CBK) guidelines. As per the guidelines, the provision for credit losses to be recognized is higher of i) Expected credit losses as per CBK's IFRS 9 guidelines and; ii) Provision required by the CBK rules on classification of credit facilities and calculation of their provisions.

For details on ECL methodology please refer financial statement note 2.(d)(x) "impairment of financial asset".

The CBK rules stipulate two-tier approach for credit loss estimation. The total credit loss to be recognized is the sum of the General and Specific provisions. General provision is computed as 1% of the outstanding cash facility balance and 0.5% of non-cash facility balance after netting of certain restricted categories of collateral. Specific provision calculation is based on the categorization of a credit facility into following undermention categories. Credit facilities are classified in the following categories when there is an objective evidence of impairment based on specified criteria, including management judgment of increase in credit risk.

Category	Criteria	Loss %
Watch list	Irregular for a period of upto 90 days	-
Substandard	Irregular for a period of 91 - 180 days	20%
Doubtful	Irregular for a period of 181 - 365 days	50%
Bad	Irregular for a period exceeding 365 days	100%

The External Credit Assessment Institutions (ECAI) used for capital adequacy computation are in accordance with CBK rules and regulations pertaining to the capital adequacy standard. The permissible ECAIs under the regulations are Moody's, Standard & Poor, and Fitch. The ECAI ratings are translated into specific risk weights in line with the mapping process defined in the same regulations. The mapping process involves the application of stipulated risk weights for different ECAI ratings and in the case of claims on banks, into short-term and long-term exposures, as laid down in the regulations.

a. Gross credit exposures

		2025 KD 000's			2024 KD 000's		
		Total gross exposures	**Funded gross exposures**	**Unfunded gross exposures**	Total gross exposures	Funded gross exposures	Unfunded gross exposures
1.	Claims on sovereigns	**737,296**	**736,055**	**1,241**	579,452	579,452	-
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**306,589**	**265,585**	**41,004**	259,181	259,181	-
4.	Claims on MDBs	**173,225**	**112,145**	**61,080**	91,207	91,207	-
5.	Claims on banks	**1,897,992**	**1,461,255**	**436,737**	1,404,243	1,131,486	272,757
6.	Claims on corporates	**5,098,396**	**2,199,154**	**2,899,242**	4,615,422	2,083,297	2,532,125
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**20,941**	**20,941**	-	38,495	38,495	-
9.	Regulatory retail	**565,499**	**544,194**	**21,305**	547,540	546,892	648
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**10,519**	**10,140**	**379**	218	-	218
12.	Other assets	**205,749**	**204,564**	**1,185**	142,817	142,817	-
13.	Claims on securitised assets	-	-	-	-	-	-
		9,016,206	**5,554,033**	**3,462,173**	7,678,575	4,872,827	2,805,748

b. Average gross credit exposures

		2025 KD 000's			2024 KD 000's		
		Total gross exposures	**Funded gross exposures**	**Unfunded gross exposures**	Total gross exposures	Funded gross exposures	Unfunded gross exposures
1.	Claims on sovereigns	**658,373**	**657,752**	**621**	513,177	513,177	-
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**282,885**	**262,383**	**20,502**	218,596	218,596	-
4.	Claims on MDBs	**132,216**	**101,676**	**30,540**	69,688	69,688	-
5.	Claims on banks	**1,651,118**	**1,296,371**	**354,745**	1,369,429	1,098,193	271,236
6.	Claims on corporates	**4,856,909**	**2,141,226**	**2,715,684**	4,271,704	1,995,730	2,275,974
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**29,718**	**29,718**	-	43,439	43,439	-
9.	Regulatory retail	**556,519**	**545,543**	**10,976**	531,470	530,922	548
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**5,369**	**5,070**	**299**	168	-	168
12.	Other assets	**174,283**	**173,691**	**593**	148,099	148,099	-
13.	Claims on securitised assets	-	-	-	-	-	-
		8,347,390	5,213,430	3,133,960	7,165,770	4,617,844	2,547,926

c. Total credit exposures by geographic sector

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		KD 000's					
As at 31 December 2025		**Kuwait**	**Asia**	**Europe**	**USA**	**Others**	**Total**
1.	Claims on sovereigns	**605,110**	**114,101**	**18,085**	-	-	**737,296**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**186,343**	**81,643**	**38,603**	-	-	**306,589**
4.	Claims on MDBs	**61,080**	**32,474**	-	-	**79,671**	**173,225**
5.	Claims on banks	**496,323**	**942,222**	**408,950**	**7,782**	**42,715**	**1,897,992**
6.	Claims on corporates	**4,645,252**	**299,832**	**73,639**	**79,673**	-	**5,098,396**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**20,941**	-	-	-	-	**20,941**
9.	Regulatory retail	**565,499**	-	-	-	-	**565,499**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**10,519**	-	-	-	-	**10,519**
12.	Other assets	**180,096**	**24,362**	**1,291**	-	-	**205,749**
13.	Claims on securitised assets	-	-	-	-	-	-
		6,771,163	**1,494,634**	**540,568**	**87,455**	**122,386**	**9,016,206**
	Percentage of credit exposure by geographical sector	**75.1%**	**16.6%**	**6.0%**	**0.9%**	**1.4%**	**100.0%**

		KD 000's					
As at 31 December 2024		Kuwait	Asia	Europe	USA	Others	Total
1.	Claims on sovereigns	479,589	99,863	-	-	-	579,452
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	129,752	90,610	38,819	-	-	259,181
4.	Claims on MDBs	-	29,529	-	-	61,678	91,207
5.	Claims on banks	421,372	743,095	156,921	9,916	72,939	1,404,243
6.	Claims on corporates	4,014,411	448,371	72,724	79,841	75	4,615,422
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	38,495	-	-	-	-	38,495
9.	Regulatory retail	547,501	6	30	-	3	547,540
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	218	-	-	-	-	218
12.	Other assets	138,082	3,931	804	-	-	142,817
13.	Claims on securitised assets	-	-	-	-	-	-
		5,769,420	1,415,405	269,298	89,757	134,695	7,678,575
	Percentage of credit exposure by geographical sector	75.1%	18.4%	3.5%	1.2%	1.8%	100.0%

d. Funded credit exposures by geographic sector

		KD 000's					
As at 31 December 2025		**Kuwait**	**Asia**	**Europe**	**USA**	**Others**	**Total**
1.	Claims on sovereigns	**605,110**	**112,860**	**18,085**	-	-	**736,055**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**146,643**	**80,339**	**38,603**	-	-	**265,585**
4.	Claims on MDBs	-	**32,474**	-	-	**79,671**	**112,145**
5.	Claims on banks	**488,434**	**797,466**	**129,959**	**6,337**	**39,059**	**1,461,255**
6.	Claims on corporates	**2,144,988**	**38,811**	**15,330**	**25**	-	**2,199,154**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**20,941**	-	-	-	-	**20,941**
9.	Regulatory retail	**544,194**	-	-	-	-	**544,194**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**10,140**	-	-	-	-	**10,140**
12.	Other assets	**178,911**	**24,362**	**1,291**	-	-	**204,564**
13.	Claims on securitised assets	-	-	-	-	-	-
		4,139,361	**1,086,312**	**203,268**	**6,362**	**118,730**	**5,554,033**
	Percentage of funded credit exposure	**74.5%**	**19.6%**	**3.7%**	**0.1%**	**2.1%**	**100.0%**

		KD 000's					
As at 31 December 2024		Kuwait	Asia	Europe	USA	Others	Total
1.	Claims on sovereigns	479,589	99,863	-	-	-	579,452
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	129,752	90,610	38,819	-	-	259,181
4.	Claims on MDBs	-	29,529	-	-	61,678	91,207
5.	Claims on banks	421,202	568,950	92,103	9,725	39,506	1,131,486
6.	Claims on corporates	1,879,314	203,319	551	113	-	2,083,297
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	38,495	-	-	-	-	38,495
9.	Regulatory retail	546,888	4	-	-	-	546,892
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	-	-	-	-	-	-
12.	Other assets	138,082	3,931	804	-	-	142,817
13.	Claims on securitised assets	-	-	-	-	-	-
		3,633,322	996,206	132,277	9,838	101,184	4,872,827
	Percentage of funded credit exposure	74.6%	20.4%	2.7%	0.2%	2.1%	100.0%

e. Unfunded credit exposures by geographic sector

		KD 000's					
As at 31 December 2025		**Kuwait**	**Asia**	**Europe**	**USA**	**Others**	**Total**
1.	Claims on sovereigns	-	**1,241**	-	-	-	**1,241**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**39,700**	**1,304**	-	-	-	**41,004**
4.	Claims on MDBs	**61,080**	-	-	-	-	**61,080**
5.	Claims on banks	**7,889**	**144,756**	**278,991**	**1,445**	**3,656**	**436,737**
6.	Claims on corporates	**2,500,264**	**261,021**	**58,309**	**79,648**	-	**2,899,242**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items						-
9.	Regulatory retail	**21,305**	-	-	-	-	**21,305**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**379**	-	-	-	-	**379**
12.	Other assets	**1,185**	-	-	-	-	**1,185**
13.	Claims on securitised assets	-	-	-	-	-	-
		2,631,802	**408,322**	**337,300**	**81,093**	**3,656**	**3,462,173**
	Percentage of unfunded credit exposure by geographical sector	**76.1%**	**11.8%**	**9.7%**	**2.3%**	**0.1%**	**100.0%**

		KD 000's					
As at 31 December 2024		Kuwait	Asia	Europe	USA	Others	Total
1.	Claims on sovereigns	-	-	-	-	-	-
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	-	-	-	-	-	-
4.	Claims on MDBs	-	-	-	-	-	-
5.	Claims on banks	170	174,145	64,818	191	33,433	272,757
6.	Claims on corporates	2,135,097	245,052	72,173	79,728	75	2,532,125
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	-	-	-	-	-	-
9.	Regulatory retail	613	2	30	-	3	648
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	218	-	-	-	-	218
12.	Other assets	-	-	-	-	-	-
13.	Claims on securitised assets	-	-	-	-	-	-
		2,136,098	419,199	137,021	79,919	33,511	2,805,748
	Percentage of unfunded credit exposure by geographical sector	76.2%	14.9%	4.9%	2.8%	1.2%	100.0%

f. Total credit exposures by residual maturity

		KD 000's					
As at 31 December 2025		**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**Over 1 Year**	**Total**
1.	Claims on sovereigns	**467,200**	**3,313**	**2,596**	**2,100**	**262,087**	**737,296**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**220**	**2,604**	**11,720**	**8,101**	**283,944**	**306,589**
4.	Claims on MDBs	**323**	**52**	**26**	**91,750**	**81,074**	**173,225**
5.	Claims on banks	**776,796**	**268,755**	**149,119**	**197,127**	**506,195**	**1,897,992**
6.	Claims on corporates	**559,662**	**978,059**	**761,742**	**1,109,135**	**1,689,798**	**5,098,396**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**20,941**	-	-	-	-	**20,941**
9.	Regulatory retail	**9,509**	**10,488**	**15,310**	**38,525**	**491,667**	**565,499**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**1,163**	**232**	**324**	**621**	**8,179**	**10,519**
12.	Other assets	**76,136**	-	**1,185**	**101**	**128,327**	**205,749**
13.	Claims on securitised assets	-	-	-	-	-	-
		1,911,950	**1,263,503**	**942,022**	**1,447,460**	**3,451,271**	**9,016,206**
	Percentage of total credit exposures by residual maturity	**21.2%**	**14.0%**	**10.4%**	**16.1%**	**38.3%**	**100.0%**

		KD 000's					
As at 31 December 2024		Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
1.	Claims on sovereigns	316,731	50,666	42,377	12,790	156,888	579,452
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	15	21,632	-	-	237,534	259,181
4.	Claims on MDBs	-	-	-	-	91,207	91,207
5.	Claims on banks	811,288	246,632	36,845	55,056	254,422	1,404,243
6.	Claims on corporates	794,043	726,040	986,953	914,160	1,194,226	4,615,422
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	38,495	-	-	-	-	38,495
9.	Regulatory retail	210	1,006	567	10,340	535,417	547,540
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	9	47	107	17	38	218
12.	Other assets	138,595	196	6	235	3,785	142,817
13.	Claims on securitised assets	-	-	-	-	-	-
		2,099,386	1,046,219	1,066,855	992,598	2,473,517	7,678,575
	Percentage of total credit exposures by residual maturity	27.3%	13.6%	13.9%	12.9%	32.3%	100.0%

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g. Funded credit exposures by residual maturity

		KD 000's					
As at 31 December 2025		**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**Over 1 Year**	**Total**
1.	Claims on sovereigns	**467,200**	**3,313**	**2,596**	**2,100**	**260,846**	**736,055**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	**220**	**2,604**	**11,720**	**8,101**	**242,940**	**265,585**
4.	Claims on MDBs	**323**	**52**	**26**	**30,670**	**81,074**	**112,145**
5.	Claims on banks	**477,300**	**184,715**	**139,274**	**186,040**	**473,926**	**1,461,255**
6.	Claims on corporates	**411,250**	**257,085**	**243,806**	**405,571**	**881,442**	**2,199,154**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	**20,941**	-	-	-	-	**20,941**
9.	Regulatory retail	**9,240**	**9,819**	**14,360**	**27,847**	**482,928**	**544,194**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	**1,163**	**232**	**324**	**621**	**7,800**	**10,140**
12.	Other assets	**76,136**	-	-	**101**	**128,327**	**204,564**
13.	Claims on securitised assets	-	-	-	-	-	-
		1,463,773	**457,820**	**412,106**	**661,051**	**2,559,283**	**5,554,033**
	Percentage of funded credit exposures by residual maturity	**26.4%**	**8.2%**	**7.4%**	**11.9%**	**46.1%**	**100.0%**

		KD 000's					
As at 31 December 2024		Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
1.	Claims on sovereigns	316,731	50,666	42,377	12,790	156,888	579,452
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	15	21,632	-	-	237,534	259,181
4.	Claims on MDBs	-	-	-	-	91,207	91,207
5.	Claims on banks	720,572	116,606	19,426	31,668	243,214	1,131,486
6.	Claims on corporates	449,507	211,505	458,297	436,248	527,740	2,083,297
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	38,495	-	-	-	-	38,495
9.	Regulatory retail	210	358	567	10,340	535,417	546,892
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	-	-	-	-	-	-
12.	Other assets	138,595	196	6	235	3,785	142,817
13.	Claims on securitised assets	-	-	-	-	-	-
		1,664,125	400,963	520,673	491,281	1,795,785	4,872,827
	Percentage of funded credit exposures by residual maturity	34.2%	8.2%	10.7%	10.1%	36.8%	100.0%

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h. Unfunded credit exposures by residual maturity

		KD 000's					
As at 31 December 2025		**Up to 1 Month**	**1 to 3 Months**	**3 to 6 Months**	**6 to 12 Months**	**Over 1 Year**	**Total**
1.	Claims on sovereigns	-	-	-	-	**1,241**	**1,241**
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	-	-	-	-	**41,004**	**41,004**
4.	Claims on MDBs	-	-	-	**61,080**	-	**61,080**
5.	Claims on banks	**299,496**	**84,040**	**9,845**	**11,087**	**32,269**	**436,737**
6.	Claims on corporates	**148,412**	**720,974**	**517,936**	**703,564**	**808,356**	**2,899,242**
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	-	-	-	-	-	-
9.	Regulatory retail	**269**	**669**	**950**	**10,678**	**8,739**	**21,305**
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	-	-	-	-	**379**	**379**
12.	Other assets	-	-	**1,185**	-	-	**1,185**
13.	Claims on securitised assets	-	-	-	-	-	-
		448,177	**805,683**	**529,916**	**786,409**	**891,988**	**3,462,173**
	Percentage of unfunded credit exposures by residual maturity	**12.9%**	**23.3%**	**15.3%**	**22.7%**	**25.8%**	**100.0%**

		KD 000's					
As at 31 December 2024		Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Over 1 Year	Total
1.	Claims on sovereigns	-	-	-	-	-	-
2.	Claims on international organisations	-	-	-	-	-	-
3.	Claims on PSEs	-	-	-	-	-	-
4.	Claims on MDBs	-	-	-	-	-	-
5.	Claims on banks	90,716	130,026	17,419	23,388	11,208	272,757
6.	Claims on corporates	344,536	514,535	528,656	477,912	666,486	2,532,125
7.	Claims on central counter parties	-	-	-	-	-	-
8.	Cash items	-	-	-	-	-	-
9.	Regulatory retail	-	648	-	-	-	648
10.	RHLs eligible for 35% RW	-	-	-	-	-	-
11.	Past due exposure	9	47	107	17	38	218
12.	Other assets	-	-	-	-	-	-
13.	Claims on securitised assets	-	-	-	-	-	-
		435,261	645,256	546,182	501,317	677,732	2,805,748
	Percentage of unfunded credit exposures by residual maturity	15.5%	23.0%	19.5%	17.9%	24.1%	100.0%

i. Analysis of loans past due but not impaired by standard portfolio

		2025 KD 000's		2024 KD 000's	
		Past due but not impaired		Past due but not impaired	
		0-60 days	61-90 days	0-60 days	61-90 days
1.	Claims on sovereigns	-	-	-	-
2.	Claims on international organisations	-	-	-	-
3.	Claims on PSEs	-	-	-	-
4.	Claims on MDBs	-	-	-	-
5.	Claims on banks	-	-	-	-
6.	Claims on corporates	49,069	383	98,170	5
7.	Claims on central counter parties	-	-	-	-
8.	Cash items	-	-	-	-
9.	Regulatory retail	26,889	89	23,576	79
10.	RHLs eligible for 35% RW	-	-	-	-
11.	Past due exposure	-	-	-	-
12.	Other assets	-	-	-	-
13.	Claims on securitised assets	-	-	-	-
		75,958	472	121,746	84

j. General provision and provisions charged to statement of income by standard portfolio

		2025 KD 000's		2024 KD 000's	
		General Provision	Statement of Income	General Provision	Statement of Income
1.	Claims on sovereigns	-	-	-	-
2.	Claims on international organisations	-	-	-	-
3.	Claims on PSEs	-	-	-	-
4.	Claims on MDBs	-	-	-	-
5.	Claims on banks	1,652	108	1,544	(249)
6.	Claims on corporates	183,109	(1,373)	200,104	(1,169)
7.	Claims on central counter parties	-	-	-	-
8.	Cash items	-	-	-	-
9.	Regulatory retail	7,030	(2,529)	7,165	5,554
10.	RHLs eligible for 35% RW	-	-	-	-
11.	Past due exposure	-	-	-	-
12.	Other assets	2,643	(447)	1,871	(51,842)
13.	Claims on securitised assets	-	-	-	-
		194,434	(4,241)	210,684	(47,706)

k. Impaired loans and provisions by geographic sector

	KD 000's			
	Gross Debt	**Specific Provision**	**Past due but not impaired**	
			0-60 days	**61-90 days**
As at 31 December 2025				
Kuwait	-	-	75,958	472
Asia	-	-	-	-
Europe	-	-	-	-
USA	-	-	-	-
Others	-	-	-	-
	-	-	75,958	472

	KD 000's			
	Gross Debt	Specific Provision	Past due but not impaired	
			0-60 days	61-90 days
As at 31 December 2024				
Kuwait	-	-	121,746	84
Asia	-	-	-	-
Europe	-	-	-	-
USA	-	-	-	-
Others	-	-	-	-
	-	-	121,746	84

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l. Movement in provisions

	2025 KD 000's			2024 KD 000's		
	Specific	**General**	**Total**	Specific	General	Total
Provisions 1 January	**-**	**210,684**	**210,684**	-	190,353	190,353
Write-offs	**(97,440)**	**-**	**(97,440)**	(22,197)	-	(22,197)
Exchange differences	**-**	**46**	**46**	-	(19)	(19)
Ceded to Central Bank	**(1)**	**-**	**(1)**	(7)	-	(7)
Statement of income	**106,567**	**(16,296)**	**90,271**	22,204	20,350	42,554
	9,126	**194,434**	**203,560**	-	210,684	210,684

m. Credit exposures after CRM and CCF

		2025 KD 000's Credit Exposures after CRM		2024 KD 000's Credit Exposures after CRM	
		Rated Exposures	**Unrated Exposures**	Rated Exposures	Unrated Exposures
1.	Claims on sovereigns	**736,087**	**-**	579,555	-
2.	Claims on international organisations	**-**	**-**	-	-
3.	Claims on PSEs	**80,340**	**195,579**	129,429	140,997
4.	Claims on MDBs	**79,671**	**32,474**	61,678	-
5.	Claims on banks	**1,277,902**	**494,727**	949,435	441,104
6.	Claims on corporates	**84,208**	**2,880,318**	88,139	2,731,827
7.	Claims on central counter parties	**-**	**-**	-	-
8.	Cash items	**-**	**20,941**	-	38,495
9.	Regulatory retail	**-**	**543,539**	-	545,393
10.	RHLs eligible for 35% RW	**-**	**-**	-	-
11.	Past due exposure	**-**	**10,218**	-	-
12.	Other assets	**-**	**199,630**	-	142,799
13.	Claims on securitised assets	**-**	**-**	-	-
		2,258,208	**4,377,426**	1,808,236	4,040,615

VII Credit risk mitigation

Acceptable collateral includes cash, bank guarantees, shares, real estate, etc. subject to specific conditions on eligibility, margin requirements, etc. laid down in the credit policy. The credit risk mitigation used for capital adequacy computation includes collateral in the form of cash and shares as well as guarantees by 'A' rated Banks in accordance with the CBK's rules and regulations concerning capital adequacy standardsd. The credit policy of the Group lays down guidelines for collateral valuation and management which includes, minimum coverage requirements for different categories of collateral, remargining, frequency and basis of revaluation, documentation, insurance, custodial requirements, etc. According to the credit policy, the frequency of revaluing the collateral depends on the type of collateral. Specifically, daily revaluation is required for share collateral and also in cases where the collateral is in a different currency to the exposure. This process is handled by a department independent of the business divisions to ensure objectivity. An independent annual analysis is conducted by Risk Management Division to categorize the shares acceptable as collateral into different grades for the purpose of stipulating differential margin requirements.

The collateralised credit exposure with eligible collateral by standard portfolio are as follows:

		KD 000's			
		Total gross exposures	**Collateralised Exposures**	**Financial Collaterals**	**Bank Guarantees**
As at 31 December 2025					
1.	Claims on sovereigns	**737,296**	-	-	-
2.	Claims on international organisations	-	-	-	-
3.	Claims on PSEs	**306,589**	-	-	-
4.	Claims on MDBs	**173,225**	-	-	-
5.	Claims on banks	**1,897,992**	-	-	-
6.	Claims on corporates	**5,098,396**	**982,000**	**285,980**	-
7.	Claims on central counter parties	-	-	-	-
8.	Cash items	**20,941**	-	-	-
9.	Regulatory retail	**565,499**	**14,013**	**2,276**	-
10.	RHLs eligible for 35% RW	-	-	-	-
11.	Past due exposure	**10,519**	-	**112**	-
12.	Other assets	**205,749**	**4,619**	**4,934**	-
13.	Claims on securitised assets	-	-	-	-
		9,016,206	**1,000,632**	**293,302**	-

		KD 000's			
		Total gross exposures	Collateralised Exposures	Financial Collaterals	Bank Guarantees
As at 31 December 2024					
1.	Claims on sovereigns	579,452	-	-	-
2.	Claims on international organisations	-	-	-	-
3.	Claims on PSEs	259,181	-	-	-
4.	Claims on MDBs	91,207	-	-	-
5.	Claims on banks	1,404,243	-	-	-
6.	Claims on corporates	4,615,422	838,791	270,868	-
7.	Claims on central counter parties	-	-	-	-
8.	Cash items	38,495	-	-	-
9.	Regulatory retail	547,540	15,726	1,770	-
10.	RHLs eligible for 35% RW	-	-	-	-
11.	Past due exposure	218	-	109	-
12.	Other assets	142,817	47	18	-
13.	Claims on securitised assets	-	-	-	-
		7,678,575	854,564	272,766	-

VIII Capital requirement for market risk

The present market risk exposure comprises of foreign exchange and equity trading portfolio. The capital charge for the entire market risk exposure is computed under the standardized approach.

The capital requirement for market risk exposure is as follows:

	2025 KD 000's	2024 KD 000's
1. Interest rate position risk	-	-
2. Equity position risk	-	66
3. Foreign exchange risk	1,390	596
4. Commodities risk	-	-
5. Options	-	-
	1,390	662

IX Operational risk

The Group uses the standardized approach for the computation of operational risk capital charge that amounted to KD 41,656 thousand (2024: KD 37,711 thousand) which primarily involves segregating the Group's activities into eight business lines and applying the relevant beta factors to the average gross income for each business line as defined in the CBK's rules and regulations pertaining to capital adequacy standards. However, capital for operational risk is separately calculated for pillar two purposes using a variation of the standardized approach based on the results of the operational risk scorecard.

X Equity position in the banking book

The majority of equity holdings are taken with the expectation of capital gains and dividend income. Strategic equity holdings are taken in financial institutions where the Group expects to develop a business relationship or ultimately gain control of that entity.

Equity investment securities in the Group are classified as FVOCI". These are carried at fair value with any resultant gain or loss arising from changes in fair value taken to the investment valuation reserve through the consolidated statement of comprehensive income in equity.

Fair values are determined by reference to quoted market prices. The fair value for investments in mutual funds, unit trusts, or similar investment vehicles are based on the last published bid price. The fair value for unquoted investments is determined by reference to any recent transaction of shares of the same entity, the market value of a similar investment, or at a conservative discount to its net asset value or book value.

The quantitative information related to equity investment securities in the Group are as follows:

	2025 KD 000's	2024 KD 000's
1. Value of investment disclosed in the balance sheet	59,464	51,735
2. Type and nature of investment securities		
Financial assets at FVOCI		
Equity securities -quoted	34,002	30,980
Equity securities -unquoted	25,462	20,755
	59,464	51,735
3. Cumulative realised gain (net) arising from sales of investment securities	-	-
4. Total unrealised gain / (loss) recognised in the balance sheet but not through profit and loss account	7,791	(6,321)
5. Capital requirements		
Financial assets at FVOCI	7,730	6,726

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XI Interest rate risk in the banking book

Interest rate risk management is governed by the interest rate risk management policy of the Group. The policy lays down guidelines for interest rate risk planning, reporting, and hedging. Various interest rate risk limits are also put in place. The policy also clearly defines the responsibilities of various committees and divisions in the context of interest rate risk management. Ongoing monitoring of interest rate risk within the Group involves the monthly generation of the interest rate sensitivity monitor (IRSM) which classifies all assets and liabilities into pre-defined time bands. The classification of the assets and liabilities is based on guidelines laid down in the policy which reflect the maturity/repricing characteristics of the underlying exposure.

Over a period of one year, the impact on net interest income based on repricing gaps is:

	2025 **Impact on earnings**		2024 Impact on earnings	
	± @ 1% **KD 000's**	**± @ 2%** **KD 000's**	± @ 1% KD 000's	± @ 2% KD 000's
Kuwaiti dinars	**14,760**	**29,520**	17,564	35,128
US dollars	**2,320**	**4,640**	188	376
Other currencies	**16**	**32**	716	1,432
	± 17,096	**± 34,192**	± 18,468	± 36,936

XII Remuneration

Board nomination and remuneration committee (BNRC) is composed of at least three non-executives Board of Directors (BOD) members including the BNRC Chairperson (The BOD Chairman should not be a member of BNRC). The BNRC shall be chaired by an independent member. The BNRC Chairperson and members shall be selected by the BOD . Secretary to the Board acts as the secretary to BNRC. BNRC currently comprises of the following non executive Board members.

Mr. Husam Abdulrahman Al-Bassam
Sh. Talal Mohammed Al Sabah
Mr. Fahad Z B Al Bader
Mr. Manaf M A Al Muhanna

The following are the main roles and responsibilities of BNRC:

1 Prepare this policy and review it on an annual basis at least or as requested by the BOD, and propose the recommendations to the BOD regarding any amendments/updates thereto; such amendments/updates shall be effective only after the BOD approval. This review include evaluation of sufficiency and effectiveness of the remunerations policy to ensure the achievement of its objectives according to the relevant information to work flow of the remunerations scheme presented by the management to the BNRC, and present the same to the BOD.

2 Oversees the implementation of the remunerations policy and scheme through the information and reports provided by the management to the BNRC quarterly, and present the same to the BOD.

3 Propose the recommendations to the BOD regarding the level and components of the proposed remunerations to the CEO, his deputies and assistants as well as who are at the same level of these executive jobs in the Bank, such recommendations shall be effective only after the BOD approval.

4 Coordinate with the Board Risk Management Committee (BRMC) and/or the CRO to evaluate the proposed incentives in the remunerations policy and scheme.

5 Ensure that the executive management has adopted effective systems, procedures and mechanisms to ensure compliance with this policy, and present the same to BOD.

6 Ensure that the remunerations policies and practices of the Bank's financial subsidiaries' and foreign branches (if any) are in line with this policy as well as CB instructions in this regard.

7 Evaluate the practices according to which remunerations are granted against realizing uncertain time-indefinite potential future revenues.

8 Determine the remunerations scheme in line with the sound practices related to granting remunerations.

9 Ensure that an independent annual review of this policy has been conducted. Such review can be done through the Bank's IAD or an external consultant firm. The objective of this review is to evaluate the Bank's compliance with the remunerations policy and practices. The BNRC shall present such evaluation results to the BOD.

BNRC may seek assistance for Internal Audit department or an external consultant in order to effectively accomplish its responsibilities. During the year 2025 BNRC was assisted by Internal Audit Division to review Remuneration Policy.

BNRC met 5 times during 2025. Remuneration paid to BNRC members for 2025 cover their memberships in other Board Committees and any other tasks assigned to them by the Board. Total Board of Directors' remuneration KD 771 thousand (2024: KD 741 thousand).

Remuneration Policy

During 2025 remuneration policy was reviewed by BNRC, which submitted the updated remuneration policy to Board on 08 October 2025. The Board approved remuneration policy as submitted. No material changes were made in the last update presented to the Board.

The remuneration policy is reviewed and updated every year. Further, the remuneration policy is updated to incorporate changes stipulated by the CBK or the Board, as and when such changes are introduced.

The following are the key features and objectives of remuneration policy

a. Key features

The structure of remuneration of all Group's employee consists of combination of fixed and variable remuneration

- Fixed Remuneration - It is made up of basic salary ,allowance and related benefits.

- Variable Remuneration - It represents payment linked to the job requirements and performance.

b. objective

1 Promote effective governance and sound practices of the financial remunerations system consistent with risk strategy.

2 Create a combination of fixed and variable remunerations on various organisation levels and nature of jobs.

3 Attract and retain highly qualified, skilled and knowledgeable employees required to perform banking business.

4 Aligning the remunerations with Bank's risk strategies connected to risk levels and financial soundness, along with providing benefits for progressive career and work life balance.

5 Ensure that financial remunerations are linked to the bank's performance and Risk Timeline, taking into account amending the financial remunerations granted to employees in case of the Bank's weak/negative financial performance and to match risks on the long term.

In order to ensure independence of Risk Management, Compliance and Corporate Governance and Internal Audit functions within Group, head of these functions reports directly to various committees of the Board without having reporting line to CEO. The following table shows the functional and administrative reporting lines of these functions.

Function / Division	Function Reporting Line	Administrative Reporting Line
Risk Management	Board Risk Management Committee	Chairman of the Board
Compliance and Corporate Governance	Board Corporate Governance Committee	Chairman of the Board
Internal Audit	Board Audit Committee	Board Audit Committee

Performance appraisal

As per Group policy all employees are appraised atleast once a year for their individual performance. The appraisal process is used to evaluate employees' contribution in achieving Group objectives and to give them feedback on their performance related strengths and weakness.

Performance evaluation and measurement processes are taken out at least once a year, in compliance with the approved procedures, and considering relevant instructions issued by the management in this regard.

The rating guidelines are applied uniformly across all business lines and individuals.

The annual incentive paid to employees is as follows:

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	2025 KD 000's	2024 KD 000's
Amount paid	3,279	1,924
No. of employees	1,163	1,276

There is no sign on awards made during the year.

During the year, Bank has paid in respect of end of service benefit are as follows:

	2025		2024	
Amount paid to:	No. of Employees	KD 000's	No. of Employees	KD 000's
Kuwaiti employees	36	715	35	623
Non Kuwaiti employees	17	1,321	74	648

The table below shows the value of remuneration paid to senior management and other material risk taker:

	KD 000's			
	2025		2024	
	Unrestricted	Deferred	Unrestricted	Deferred
Fixed				
Cash-based	2,399	-	2,269	-
Shares and share-linked instruments	-	-	-	-
Other	-	-	-	-
Total fixed	2,399	-	2,269	-

There is no variable remuneration was paid during the year.

The table below shows the summary of remuneration paid to senior management and other material risk taker:

	2025		2024	
	No. of Employees	KD 000's	No. of Employees	KD 000's
Senior Management	15	2,399	15	2,269
Material Risk Takers	5	939	5	881
Financial & Control Functions	5	774	5	721

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