# National Bank of Kuwait Group

**Net Stable Funding Ratio Disclosure –30th June 2026**

## Introduction

In October 2015, the Board of Directors of Central Bank of Kuwait (CBK) approved the guidelines on the implementation of the Net Stable Funding Ratio (NSFR) to be applied to banks operating in Kuwait. The guidelines were part of the CBK's implementation of Basel III reforms.

The main objective of the NSFR is to promote the resilience of the banking system by ensuring that banks have sufficient level of stable funding in relation to their assets and commitments. The NSFR thus encourages banks to rely on funding from stable sources and long-term borrowing to reduce the risks of disruptions which might impact the bank's liquidity position.

The Available Stable Funding (ASF) figure is measured according to the relative stability of funding, based on their duration and behavioural characteristics of funding sources. For instance, capital and deposits from retail household sources are considered more stable than wholesale funding. Moreover, long-term funding is generally assigned higher stability weights relative to short-term funding.

The Required Stable Funding (RSF) figure is measured based on the liquidity, quality and tenor of assets and contingent exposures. Generally, short-term lending and highly liquid assets require lower levels of stable funding to support.

The NSFR is reported and monitored at three organizational levels: *Local level* (NBK Kuwait excluding its overseas branches), *Bank-wide* level including NBK Kuwait and overseas branches (NBK SAKP) and *Group Level* [including all overseas branches and subsidiaries (NBK Group)].

## Results Analysis and Main Drivers

NBK maintained comfortable stable funding buffers during the period ending 30th June 2026. Available Stable Funding at NBK Group level as of end of 30th June 2026 was around KD 27.329 billion against KD 25.389 billion of Required Stable Funding, resulting in NSFR of 107.64%.

Despite ongoing global and regional geopolitical developments and the resulting pressures on the global economy and financial markets, the Bank has not experienced any material adverse impact on its NSFR position. During the period, the Central Bank of Kuwait (CBK) announced stimulus measures, including a temporary reduction of the minimum NSFR requirement from 100% to 80%, to support the affected economic sectors. NBK's NSFR remains above the standard regulatory threshold.

The main drivers behind the Available Stable Funding are the adequate capital base, sizable Retail deposit base, and long-term funding from non-financial companies and institutional clients. The capital base (including Tier-1 and Tier-2 instruments) formed around 19%, retail deposits (including deposits from small-sized business customers) formed 41%, and wholesale funding formed 36% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding comprised primarily lending to companies, businesses, corporations, retail clients and financial institutions.

The stock of High-Quality Liquid Assets (HQLA), which includes cash and reserve balances with the Central Bank of Kuwait (CBK) and other central banks, government debt issuances in domestic and foreign currencies as well as debt issuances by highly rated companies stood at KD 10.53 billion (before applying the RSF factors). Due to their high quality and liquid characteristic, these assets require no or low amount of stable funding. Accordingly, the HQLA's constituted only 6% of the Required Stable Funding after applying the relevant weights.

"Performing" loans constituted 79% of the total RSF after applying the relevant weights.

Non-HQLA investments, contingent funding obligations, such as committed credit facilities, guarantees and letters of credit (LCs), and other assets, constituted the remaining 16% of the Required Stable Funding.

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Quantitative information on the Net Stable Funding Ratio is provided in the table below. The values are as of 30th June 2026 for NBK Group.

**Table 4: NSFR Common Disclosure Template[12]**
**For the Period Ending on 30/Jun/26**

**"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*** | 5,016,232 | - | - | 239,929 | 5,256,161 |
| 3 | ***• Other Capital Instruments*** | - | - | - | - | - |
| 4 | **Retail deposits and deposits from small business customers:** | | | | | |
| 5 | ***• Stable deposits*** | - | 116,031 | 2,500 | 7,440 | 120,045 |
| 6 | ***• Less-stable deposits*** | - | 10,652,804 | 1,243,566 | 498,178 | 11,204,911 |
| 7 | **Wholesale funding:** | | | | | |
| 8 | ***• Operational deposits*** | - | 1,304,297 | - | - | 652,149 |
| 9 | ***• Other wholesale funding*** | - | 21,712,534 | 2,250,103 | 1,322,743 | 9,156,618 |
| 10 | **Other liabilities:** | | | | | |
| 11 | **• NSFR derivative liabilities** | 10 | - | - | - | - |
| 12 | ***• All other liabilities not included in the above categories*** | 458,252 | 1,943,016 | 185,533 | 493,826 | 938,980 |
| 13 | **Total ASF** | **5,474,494** | **35,728,682** | **3,681,701** | **2,562,116** | **27,328,863** |
| **Required Stable Funding (RSF):** | | | | | | |
| 14 | **Total NSFR high-quality liquid assets (HQLA)** | 10,517,915 | - | 16,789 | - | 1,514,405 |
| 15 | **Deposits held at other financial institutions for operational purposes** | 17,482.04 | - | - | - | 8,741 |
| 16 | **Performing loans and securities:** | | | | | |
| 17 | ***• Performing loans to financial institutions secured by Level 1 HQLA*** | -- | - | - | - | - |
| 18 | ***• Performing loans to financialinstitutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*** | -- | 2,992,115 | 359,572 | 1,369,789 | 1,998,392 |
| 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:*** | - | 11,674,007 | 2,093,081 | 14,478,411 | 17,771,807 |
| 20 | ***With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio – Basel 3 guidelines*** | - | - | - | 315,000 | 204,750 |
| 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** | -- | -- | -- | 869,344 | 738,942 |
| 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*** | 107,852 | -- | -- | -- | 107,852 |
| 28 | ***NSFR derivative liabilities before deduction of variation margin posted*** | 62,796 | -- | -- | -- | 62,796 |
| 29 | ***All other assets not included in the above categories*** | 1,023,817 | 1,775,256 | 291,222 | 596,156 | 2,384,629 |
| 30 | **Off-balance sheet items** | 4,115,037 | 5,769,112 | 3,974,821 | 2,161,340 | 801,015 |
| 31 | **Total RSF** | **15,844,899** | **22,210,490** | **6,735,484** | **19,475,182** | **25,388,723** |
| 32 | **NSFR (%)** | | | | | **107.64%** |

[12] Quarterly statement.