

Public Disclosure Requirements – Net Stable Funds Ratio

The qualitative and quantitative public disclosures under this section have been prepared in accordance with the Central Bank of Kuwait (CBK) Rules and Regulations concerning Net Stable Funds Ratio for Islamic Banks licensed in the State of Kuwait, vide circular reference (2/IBS /357/2015) dated 25/10/2015.

Qualitative disclosure on NSFR

The purpose of the Net Stable Funding Ratio (“NSFR”) is to ensure that banks hold a minimum amount of stable funding based on the liquidity characteristics of their assets and activities over a one-year horizon. The objective is to reduce maturity mismatches between the asset and liability items on the balance sheet and thereby reduce funding risk.

The minimum requirement on NSFR is defined as follows

$$\frac{\text{Available Amount of Stable Funding}}{\text{Required Amount of Stable Funding}} \geq 100 \%$$

“Stable funding” is defined as those types and amounts of equity and liability financing expected to be reliable sources of funds over a one-year time horizon under conditions of extended stress. The amount of Available Stable Funding (ASF) is measured based on the broad characteristics of the relative stability of the bank’s funding sources, including the contractual maturity of its liabilities and the differences in the likelihood of different types of funding providers to withdraw their funding. The amount of Required Stable Funding (RSF) is measured based on the broad characteristics of the liquidity risk profile of the bank’s assets and Off-Balance Sheet exposures. Assets that are more liquid and more readily available to act as a source of extended liquidity in the stressed environment identified above receive lower RSF factors (and require less stable funding) than assets considered less liquid in such circumstances and, therefore, require more stable funding.

Warba Bank’s strategy has been to ensure that there is adequate Available Stable Funding to match its Required Stable Funding at all times. In ensuring this the Bank has focused on increasing its funding from long term sources.

As of 31 December 2025, the bank’s NSFR was at 109.33% compared to the minimum requirement of 100%. The total ASF after assigning weights (ASF Factors) was KD 3,981 Million while the RSF after applying weights was KD 3,641 Million.

Quantitative information on Net Stable Funding Ratio (NSFR) is given below:

NSFR common disclosure template as of 31 December 2025

Sr.	Item	Unweighted Values (i.e. before applying relevant factors)				Value in KWD
		No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value '000s
Available Stable Funding (ASF):						
1	Capital					
2	• Regulatory Capital	993,860	-	-	-	993,860
3	• Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits and investment accounts from small business customers:					
5	• Stable deposits	-	-	-	-	-
6	• Less stable deposits	-	941,529	219,919	29,866	1,075,170
7	Wholesale funding:					
8	• Operational deposits and investment accounts	-	-	-	-	-
9	• Other wholesale funding	-	2,823,672	404,008	546,713	1,911,706
10	Other liabilities:					
11	• NSFR Shariah-compliant hedging contract liabilities	-	-	-	-	-
12	• All other liabilities not included in the above categories	82,383	42,023	-	-	-
13	Total ASF					3,980,736
High Quality Liquid Assets (HQLA):						
14	Total NSFR Shariah-compliant high-quality liquid assets (HQLA)	660,403	-	-	-	39,390
15	Deposits and investment accounts held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing financing and securities:					
17	• Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	• Performing financing to financial institutions secured by non-Level 1 HQLA and unsecured performing financing to financial institutions	61,497	330,219	16,897	38,359	96,340
19	• Performing financing to non-financial corporate clients, loans to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	2,493,621	515,575	736,248	2,130,409
20	- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio – Basel 3 guidelines	-	-	-	-	-
21	• Performing residential financing, 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	-	-	-	88,472	75,202
24	Other assets:					
25	• Physical traded commodities, including gold	-	-	-	-	-
26	• Assets posted as initial margin for Shariah-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	• NSFR Shariah-compliant hedging contract assets	-	-	-	-	-
28	• NSFR Shariah-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
29	• All other assets not included in the above categories	1,090,571	47,042	12,311	68,748	1,168,125
30	Off Balance Sheet Items	1,967,712	282,703	83,960	299,467	131,692
31	Total RSF					3,641,158
32	NSFR (%)					109.33%