## Kuwait Finance House B.S.C.(c) Liquidity Disclosures - Basel III 30 June 2025

Liquidity Disclosures - Basel III 30-Jun-25

## <sup>2</sup>Liquidity Ratios Disclosures - 30 June 2025

In August 2018, the Central Bank of Bahrain issued the regulations on the implementation of the Net Stable Funding Ratio (NSFR) in the Liquidity Module to be applied to banks operating in Bahrain effective from 31 December 2019. The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability. As per CBB Disclosure requirements, consolidated NSFR is to be published on a quarterly basis.

NSFR is defined as the amount of available stable funding relative to the amount of required stable funding. This ratio must be equal to at least 100 percent.

'Available Stable Funding' is defined as the portion of capital and liabilities expected to be reliable which is determined by various factor weights according to the nature and maturity of liabilities with liabilities having maturity of 1 year or more receiving 100% weight. 'Required Stable Funding' is defined as the portion of on balance sheet and off balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

KFH maintained comfortable stable funding buffers on 30 June 2025. Available Stable Funding at KFH Bahrain was USD 16.3 billion against USD 13.7 billion of Required Stable Funding, resulting in a consolidated NSFR of 118.7%. NSFR as on 31 March 2025 was 122.2%.

The main drivers behind the Available Stable Funding are the adequate capital base, sizeable retail deposit base, and funding from non-financial companies and long term funding from institutional clients. The capital base formed around 33.8%, retail deposits (including deposits from small-sized business customers) formed 25.7%, and wholesale funding formed 39.4% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions. The stock of High-Quality Liquid Assets (HQLA), which includes cash and reserve balances with the CBB and other central banks, government sukuk issuances in domestic and foreign currencies as well as sukuk issuances by highly-rated companies was USD 9.4 billion. Due to their high quality and liquid characteristic, these assets require no or low amount of stable funding. Accordingly, the HQLA constituted only 14.5% of the Required Stable Funding after applying the relevant weights. Performing financing to both non-financial and financial institutions constituted 53.0% of the total RSF after applying the relevant weights while Non-HQLA investments contributed 22.8% of the total RSF. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit (LCs) constituted the remaining 10.2% of the Required Stable Funding.

The NSFR is supplemented by Liquidity Coverage Ratio (LCR) which measures the Bank's availability of HQLA to support short term liquidity stress situation as defined in the CBB rules. As of 30 June 2025, the Bank's consolidated LCR was 485.44% against a minimum limit of 100%.

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Quantitative information on Net stable Funding Ratio is provided in the table below.

## NSFR Common Disclosure Template

As at 30-June-25

No.   Item		110	at 30-June-25	Values G a hafa		rout footowo)	
No.   Item			Unweighted Values (i.e. before applying				
No specified maturity		•					
Maturity   months   year   Over one year   (000)	No.	Item					_
Available Stable Funding (ASF):			-			_	
1   Capital			maturity	months	year	Over one year	(000)
2 Regulatory Capital   5,337,088   183,569   5,520,62	Availa						
3 Other Capital Instruments							
4 Retail deposits and deposits from small business customers:  5 Stable deposits  6 Less stable deposits  7 Wholesale funding:  8 Operational deposits  9 Other wholesale funding:  10 Other flabilities:  11 NSFR derivative liabilities  12 All other liabilities not included in the above categories  13 Total ASF (2+3+5+6+8+9+11+12)  14 Total ASF (2+3+5+6+8+9+11+12)  15 Deposits held at other financial institutions for operational purposes  16 Performing financing to financial institutions secured by non-level HOLA and unsecured performing financing to financial institutions  17 Performing financing to financial institutions secured by non-level HOLA and unsecured performing financial corporate clients, financing to rotal and small business customers, and financing to rotal and small business customers, and financing to sovereigns, central banks and PSEs, of which:  20 - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  21 Performing residential mortgages, of which:  22 With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines  23 Securities that are not in default and do not qualify as HoLA, including exchange-traded equities  24 Other assets:  25 Physical traded commodities, including gold Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs  27 NSFR derivative assets  28 NSFR derivative assets  29 All other assets not included in the above categories  30 OBS items  3,994,958  199,743  31,744,535			5,337,058			183,569	5,520,628
5   Stable deposits   278,625   579,892   393,022   1,208,61     6   Less stable deposits   2,034,457   1,223,709   54,362   2,986,71     7   Wholesale funding   7   Wholesale funding   7   1,077   3,355     8   Operational deposits   7,107   1,575,647   2,923,329   6,422,64     9   Other wholesale funding   10,670,076   1,575,647   2,923,329   6,422,64     10   Other liabilities   21,861   1,575,647   2,923,329   6,422,64     11   NSFR derivative liabilities   21,861   1,575,647   2,923,329   6,422,64     12   All other liabilities included in the above categories   748,489   93,302   175,489   175,489     13   Total ASF (2+3+5+6+8+9+11+12)   16,317,64     Required Stable Funding (RSF):	3	Other Capital Instruments				-	-
Cess stable deposits   2,034,487   1,223,700   54,362   2,986,71	4	Retail deposits and deposits from small business customers:					
Wholesale funding:	5	Stable deposits			579,892	393,022	1,208,613
8 Operational deposits   7,107   3,55   9 Other wholesale funding   10,670,076   1,575,647   2,923,329   6,422,64   10 Other liabilities in the contribution in the	6	Less stable deposits		2,034,457	1,223,709	54,362	2,986,712
9 Other wholesale funding	7						
10   Other liabilities:	8	Operational deposits					3,554
11   NSFR derivative liabilities   21,861	9	Other wholesale funding		10,670,076	1,575,647	2,923,329	6,422,649
12   All other liabilities not included in the above categories   748,489   93,302   175,489   175,48     13   Total ASF (2+3+5+6+8+9+11+12)   16,317,64     Required Stable Funding (RSF):	10	Other liabilities:					
12   All other liabilities not included in the above categories   748,489   93,302   175,489   175,48     13   Total ASF (2+3+5+6+8+9+11+12)   16,317,64     Required Stable Funding (RSF):	11	NSFR derivative liabilities	21,861				-
13   Total ASF (2+3+5+6+8+9+11+12)   16,317,64     Required Stable Funding (RSF):   14   Total NSFR high-quality liquid assets (HQLA)   1,998,42     Deposits held at other financial institutions for operational purposes   16   Performing financing and securities:   17   Performing financial institutions secured by   1,998,42     Level 1 HQLA   Performing financial institutions secured by   1,998,42   1	12			748,489	93,302	175,489	175,489
Required Stable Funding (RSF):   14   Total NSFR high-quality liquid assets (HQLA)   1,998,42	13	· ·		,	·		16,317,643
14 Total NSFR high-quality liquid assets (HQLA)   1,998,42     15 Deposits held at other financial institutions for operational purposes   16     17 Performing financing and securities:   17     18 Level 1 HQLA   1     19 Performing financing to financial institutions secured by Level 1 HQLA and unsecured performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions   - 1,951,977   - 72,424   365,22     18 Performing financing to non-financial corporate clients, financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     19 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     20 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     21 Performing financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     22 Performing financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     23 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     24 Other assets:   10,689   65,44   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689		,					, ,
14 Total NSFR high-quality liquid assets (HQLA)   1,998,42     15 Deposits held at other financial institutions for operational purposes   16     17 Performing financing and securities:   17     18 Level 1 HQLA   1     19 Performing financing to financial institutions secured by Level 1 HQLA and unsecured performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions   - 1,951,977   - 72,424   365,22     18 Performing financing to non-financial corporate clients, financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     19 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     10 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     20 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     21 Performing financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     22 Performing financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     23 Ferforming financing to retail and small business customers, and   - 3,233,919   1,299,324   4,508,772   6,078,94     24 Other assets:   10,689   65,44   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689   10,689	Requi	red Stable Funding (RSF):					
Deposits held at other financial institutions for operational purposes   16   Performing financing and securities:							1,998,420
10   purposes							, ,
16   Performing financing and securities:	15	= -					
Performing financing to financial institutions secured by Level 1 HQLA	16						
Level 1 HQLA   Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions							
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions  Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:  20 - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  21 - Performing residential mortgages, of which:  22 - With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines  23 - HQLA, including exchange-traded equities  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  28 - NSFR derivative liabilities before deduction of variation margin posted  29 - All other assets not included in the above categories  30 - DS items  30 - 1,951,977  - 72,424  365,22  - 1,951,977  - 72,424  365,22  4,508,772  6,078,94	17						
18   level 1 HQLA and unsecured performing financing to financial institutions							
financial institutions  Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:  20 - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  21 Performing residential mortgages, of which:  22 With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines  23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities  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  28 NSFR derivative liabilities before deduction of variation margin posted  29 All other assets not included in the above categories  30 OBS items  30 OBS items  1,299,324 4,508,772 6,078,94  100,689 65,44  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,299,324 4,508,772 6,078,94  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,186,907 771,49  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,186,907 771,49  1,186,907 771,49  1,299,324 4,508,772 6,078,94  1,186,907 771,49  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,94  1,299,324 4,508,772 6,078,	18		_	1 951 977	_	72.424	365 221
Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:    20	10			1,,,,,,,,		72,121	303,221
financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:  20 - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  21 Performing residential mortgages, of which:  22 With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines  23 Securities that are not in default and do not qualify as HQLA, including exchange-traded equities  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  28 NSFR derivative assets  29 All other assets not included in the above categories  30 OBS items  3,233,919  1,299,324  4,508,772  6,078,94  6,080  6,04  6,0							
financing to sovereigns, central banks and PSEs, of which:  20 - With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  21 Performing residential mortgages, of which:  22 With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines  23 Execurities that are not in default and do not qualify as HQLA, including exchange-traded equities  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  28 NSFR derivative liabilities before deduction of variation margin posted  29 All other assets not included in the above categories  30 OBS items  30 OBS items  31 Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)	10			2 222 010	1 200 224	4 509 772	6.079.040
- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines  100,689 65,44  Performing residential mortgages, of which:  With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines  Securities that are not in default and do not qualify as HQLA, including exchange-traded equities  Other assets:  Physical traded commodities, including gold  Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs  NSFR derivative assets  NSFR derivative liabilities before deduction of variation margin posted  All other assets not included in the above categories  All other assets not included in the above categories  3,994,958 199,74  Total RSF  (14+15+17+18+19+22+23+25+26+27+28+29+30)	19		-	3,233,919	1,299,324	4,308,772	0,078,940
the CBB Capital Adequacy Ratio guidelines    21   Performing residential mortgages, of which:   22   With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines   23   Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   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     28   NSFR derivative liabilities before deduction of variation margin posted     29   All other assets not included in the above categories     30   OBS items     30   OBS items     31   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     31   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     31   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     31   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     32   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     33   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     34   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     35   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     36   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)     37   Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)							
21   Performing residential mortgages, of which:   22	20					100.689	65,448
22   With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines   1,186,907   771,49     23   Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   60,801   39,270   3,613,234   3,127,64     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   207,535   207,535   207,535     28   NSFR derivative liabilities before deduction of variation margin posted   20,847   20,847   20,847     29   All other assets not included in the above categories   803,394   -						,	,
22       CBB Capital Adequacy Ratio Guidelines       1,186,907       771,49         23       Securities that are not in default and do not qualify as HQLA, including exchange-traded equities       60,801       39,270       3,613,234       3,127,64         24       Other assets:       25       Physical traded commodities, including gold       202,492       172,11         26       Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs       207,535       207,535         27       NSFR derivative liabilities before deduction of variation margin posted       20,847       20,847         29       All other assets not included in the above categories       803,394       -       -       -       803,39         30       OBS items       3,994,958       -       -       -       199,74         31       Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)       13,745,35	21						
CBB Capital Adequacy Ratio Guidelines   Securities that are not in default and do not qualify as HQLA, including exchange-traded equities   40,801   39,270   3,613,234   3,127,64	22					1,186,907	771,490
HQLA, including exchange-traded equities   S1,27,64						-,-50,>57	,.,00
HQLA, including exchange-traded equities   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   207,535   20	23			60 801	39 270	3.613.234	3,127,641
25       Physical traded commodities, including gold         26       Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs       202,492       172,11         27       NSFR derivative assets       207,535       207,535         28       NSFR derivative liabilities before deduction of variation margin posted       20,847       20,847         29       All other assets not included in the above categories       803,394       -       -       803,39         30       OBS items       3,994,958       -       -       -       199,74         Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)				30,001	37,270	3,013,234	5,127,041
26       Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs       202,492       172,11         27       NSFR derivative assets       207,535       207,535         28       NSFR derivative liabilities before deduction of variation margin posted       20,847       20,847         29       All other assets not included in the above categories       803,394       -       -       -       803,39         30       OBS items       3,994,958       -       -       -       199,74         Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)							
202,492   172,11	25						
27   NSFR derivative assets   207,535   207,	26	1	202.492				172 118
28       NSFR derivative liabilities before deduction of variation margin posted       20,847       20,847       20,847         29       All other assets not included in the above categories       803,394       -       -       -       803,39         30       OBS items       3,994,958       -       -       -       199,74         Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)	20						
28 margin posted 29 All other assets not included in the above categories 30 OBS items 3,994,958 199,74  Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30)  20,847  803,39  3,994,958 199,74	27		207,535				207,535
margin posted     29   All other assets not included in the above categories   803,394   -   -   803,39	28	NSFR derivative liabilities before deduction of variation	20.847				20.847
30 OBS items 3,994,958 199,74  31 Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30) 13,745,35	20	margin posted					
31 Total RSF (14+15+17+18+19+22+23+25+26+27+28+29+30) 13,745,35	29	All other assets not included in the above categories	803,394	-	-	-	803,394
31 (14+15+17+18+19+22+23+25+26+27+28+29+30)	30		3,994,958	-		-	199,748
(14+15+17+18+19+22+25+26+27+28+29+30)	21	Total RSF					13 745 354
32 NSFR (%) 118.71		(14+15+17+18+19+22+23+25+26+27+28+29+30)					
	32	NSFR (%)					118.71%