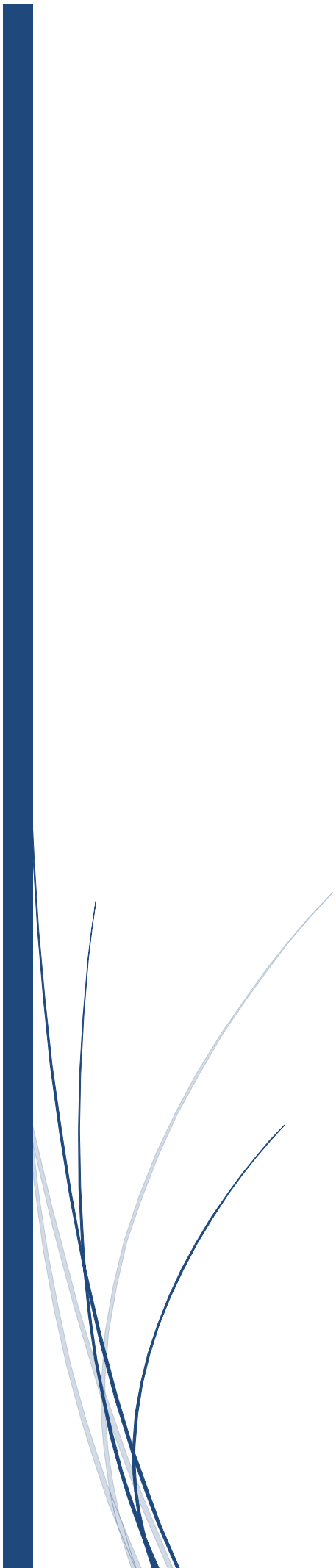




# Pillar III Disclosures

Basel III disclosure

Period Ended 30 June 2024



# Kuwait International Bank K.S.C.P. and Its Subsidiary

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Basel III - Pillar III disclosures

For the period ended 30 June 2024

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## **Kuwait International Bank K.S.C.P. and Its Subsidiary**

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Basel III - Pillar III disclosures

For the period ended 30 June 2024

### **Objective:**

The main objectives of this section are:

1. To allow market participants and investors (especially investment account holders) to assess KIB's exposure to risks as per Basel III general disclosure requirements.
2. To comply with CBK instructions and regulations for Islamic Bank's general disclosures related to Capital Adequacy Standard under Basel III.

### **Bank's Disclosure Approach:**

Consolidated basis (Kuwait International Bank KSCP ("KIB" or "the Bank") and its subsidiaries (together the Group), on a semi-annual basis, reviewed by the external auditors of the Bank. The annual disclosures are audited by external auditors of the Bank.

The disclosures are made relying on calculating the minimum capital required by applying capital adequacy instructions of CBK to cover:

- Credit and Market risks using the Standardized Approach.
- Operational risk using the Basic Indicator Approach.

Under the Framework of Capital Adequacy, Banks must provide timely, accurate, relevant and adequate disclosures of qualitative and quantitative information that enables users to assess their activities and risk profile. The following public disclosures are made in line with the requirements of CBK.

### ***First: Group Structure***

KIB is engaged in providing Islamic banking, finance and investment services that comply with Islamic Shariah. The consolidated subsidiaries of KIB are Al Dawli Takaful Insurance Company KSCC ("KIB Takaful"), the Bank owns 73.6% of issued share capital of KIB Takaful, Kuwait. KIB Takaful is engaged in providing Sharia'a compliant insurance services. In addition, the Bank owns 99.9% of Al Dawli Invest Investment Company KSCC ("KIB Invest"), engaged in sharia compliant investment activities and also 100% of issued share capital of KIB Tier 1 Sukuk Limited and KIB Sukuk Limited, incorporated as special purpose vehicles with limited liability in the Cayman Islands

### ***Second: Capital Structure***

The Group's regulatory capital comprises of Common Equity Tier 1 (CET 1) capital which demonstrates the Group's strength and includes share capital, share premium, reserves, retained earnings less treasury shares and dividends declared. Additional Tier 1 (AT1) capital includes eligible portion of non-controlling interests and additional tier 1 sukuk. Tier 2 (T2) consists of eligible portion of non-controlling interests and general provision up to 1.25% of the total credit risk weighted assets according to rules and regulations.

The Group does not have exposure to derivatives, structured credit product and / or complex equity instruments, which are prohibited by the Islamic Shariah principles.

## Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

Particulars	June 2024 (KD' 000)	June 2023 (KD' 000)
<b><u>Common Equity (CET 1)</u></b>		
Share capital	170,338	165,377
Share premium	66,623	66,623
Revaluation reserve	12,412	12,952
Fair Value reserve	14,966	3,174
Statutory Reserve	43,374	41,339
Voluntary Reserve	37,291	35,256
Treasury share reserve	4,811	4,811
Retained earnings	19,921	24,678
Foreign currency translation reserve	-	1,080
<b><u>Less:</u></b>		
Treasury shares	(45,161)	(45,161)
Proposed Dividends	-	-
Goodwill and other intangibles	-	-
Foreign currency translation reserve	(405)	-
Investments in FIs with ownership of less than 10% and above the threshold	(3,423)	-
Investments in FIs with ownership of more than 10% and above the threshold	-	-
<b>Total Common Equity Tier (1)</b>	<b>320,747</b>	<b>310,129</b>
<b><u>AT (1)</u></b>		
<i>Additional Tier 1 instruments</i>	92,400	91,035
Eligible NCI in consolidated subsidiaries	3,210	456
<b><u>Less:</u></b>		
Reciprocal cross-holdings in Additional Tier 1 instruments	-	(6,027)
Investments in FIs with ownership of less than 10% and above the threshold	(3,620)	-
<b>Total Tier (1)</b>	<b>412,736</b>	<b>395,593</b>
<b><u>Tier (2)</u></b>		
General provision (up to 1.25% of the total credit risk weighted assets)	33,271	31,685
Eligible NCI in consolidated subsidiaries	755	92
Additional Tier II instruments	91,741	91,821
<b>Total Tier (2)</b>	<b>125,767</b>	<b>123,597</b>
<b>Total eligible capital</b>	<b>538,504</b>	<b>519,191</b>

## Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

### *Third: Additional Capital Disclosure requirements*

#### *1. Common Disclosure Template:*

The Group's regulatory capital which consists of the Common Equity Tier 1, AT1 and Tier 2 is as follows:

<b>Common Equity Tier 1 capital: instruments and reserves</b>		<b>June 2024 (KD' 000)</b>	<b>June 2023 (KD' 000)</b>
1	Directly issued qualifying common share capital plus related stock surplus	236,961	232,000
2	Retained earnings	19,921	24,678
3	Accumulated other comprehensive income (and other reserves)	112,449	98,612
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	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>369,331</b>	<b>355,290</b>
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-
9	Other intangibles (net of related tax liability)	-	-
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	-	-
13	Taskeek gain on sale (as set out in para 72 of the guidelines)	-	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15	Defined-benefit pension fund net assets (para 68)	-	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	(45,161)	(45,161)
17	Reciprocal cross-holdings in common equity	-	-
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)	(3,423)	-
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	-	-
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>320,747</b>	<b>310,129</b>

## Kuwait International Bank K.S.C.P. and Its Subsidiary

### Basel III - Pillar III disclosures

For the period ended 30 June 2024

<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	92,400	91,035
31	of which: classified as equity under applicable accounting standards	92,400	91,035
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)	3,210	456
35	of which: instruments issued by subsidiaries subject to phase-out	-	-
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>95,610</b>	<b>91,491</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>			
37	Investments in own Additional Tier 1 instruments	-	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	(6,027)
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)	(3,620)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of	-	-
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)	91,990	85,464
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>412,736</b>	<b>395,593</b>
<b>Tier 2 capital: instruments</b>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	91,741	91,821
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)	755	92
49	of which: instruments issued by subsidiaries subject to phase-out	-	-
50	General provisions included in Tier 2 capital	33,271	31,685
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>125,767</b>	<b>123,597</b>
<b>Tier 2 capital: regulatory adjustments</b>			
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 (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)	125,767	123,597
59	<b>Total capital (TC = T1 + T2)</b>	<b>538,504</b>	<b>519,191</b>
60	<b>Total risk weighted assets (after applying 50% additional weighting)</b>	<b>2,761,560</b>	<b>2,622,886</b>

## Kuwait International Bank K.S.C.P. and Its Subsidiary

### Basel III - Pillar III disclosures

For the period ended 30 June 2024

<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.61%	11.82%
62	Tier 1 (as a percentage of risk weighted assets)	14.95%	15.08%
63	Total capital (as a percentage of risk weighted assets)	19.50%	19.79%
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)	9.50%	9.50%
65	of which: capital conservation buffer requirement	-	-
66	of which: bank specific countercyclical buffer requirement	-	-
67	of which: D-SIB buffer requirement	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	2.11%	2.32%
<b>National minima</b>			
69	National Common Equity Tier 1 minimum ratio	9.50%	9.50%
70	National Tier 1 minimum ratio	11.00%	11.00%
71	National total capital minimum ratio excluding CCY and DSIB	13.00%	13.00%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials	-	-
73	Significant investments in the common stock of financials	-	-
74	Mortgage servicing rights (net of related tax liability)	-	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	61,965	65,817
77	Cap on inclusion of provisions in Tier 2 under standardized approach	33,271	31,685
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	-	-

## Kuwait International Bank K.S.C.P. and Its Subsidiary

### Basel III - Pillar III disclosures

For the period ended 30 June 2024

#### 2. Reconciliation Requirement:

The Group has applied the three-step approach for the reconciliation between the Consolidated Statement of Financial Position items and the regulatory capital elements as outlined in the regulations as follows:

#### Step (1) and (2):

Item	Balance sheet as in published financial statements	June 2024 (KD'000)	
		Under regulatory scope of consolidation	Ref.
<b><u>Asset</u></b>			
Cash	17,915	17,915	
Cash and bank balances at central banks	224,348	224,348	
Items in the course of collection from other banks and FIs	168,204	168,204	
Trading portfolio assets	-	-	
Financial assets at fair value through statement of income	2,918	2,918	
Shariaà compliant hedging contracts	-	-	
Financing and advances to banks	85,931	85,931	
Financing and advances to customers	2,434,931	2,434,931	
of which general provisions (netted above) capped for Tier 2 inclusion	33,271	33,271	(a)
Financial assets at fair value through other comprehensive income	402,261	402,261	
Current and deferred tax assets	-	-	
Prepayments, accrued income and other assets	41,518	41,518	
Investment properties	71,948	71,948	
Investments in associates and joint ventures	1,828	1,828	
Goodwill and other intangible assets (a) + (b)	-	-	
- Goodwill	-	-	
- Intangible assets	-	-	
Property, plant and equipment	43,871	43,871	
<b><u>Total assets</u></b>	<b>3,495,673</b>	<b>3,495,673</b>	
<b><u>Liabilities</u></b>			
Deposits from banks and FIs	774,017	774,017	
Items in the course of collection due to other banks	-	-	
Customer accounts	2,118,603	2,118,603	
Trading portfolio liabilities	-	-	
Financial liabilities at fair value through statement of income	-	-	
Shariaà compliant hedging contracts	-	-	
Financing securities (Sukuk)	91,741	91,741	(q)
Accruals, deferred income and other liabilities	75,215	75,215	
Current and deferred tax liabilities (c) + (d)	-	-	
- Deferred tax liabilities related to goodwill	-	-	
- Deferred tax liabilities related to intangible assets	-	-	
Provisions (non-cash)	3,892	3,892	
Retirement benefit liabilities	-	-	
<b><u>Total liabilities</u></b>	<b>3,063,467</b>	<b>3,063,467</b>	



## Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

### Step (1) and (2) (continued):

Item	June 2024 (KD'000)		Ref.
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	
<b><u>Equity</u></b>			
Share capital	170,338	170,338	(b)
Share premium	66,623	66,623	(c)
Treasury shares	(45,161)	(45,161)	(d)
Revaluation Surplus	12,412	12,412	(e)
Fair Valuation reserve	14,966	14,966	(f)
Statutory Reserve	43,374	43,374	(g)
Voluntary Reserve	37,291	37,291	(h)
Treasury share reserve	4,811	4,811	(i)
Retained earnings	32,081	32,081	
Of which Retained Earnings eligible as CET1 Capital	19,921	19,921	(j)
Of which profit	12,160	12,160	
Foreign currency translation reserve	(405)	(405)	(l)
<b>Attributable to Bank's equity shareholders</b>	<b>336,329</b>	<b>336,329</b>	
Perpetual Tier 1 sukuk	92,400	92,400	(m)
<b>Non-controlling interests</b>	<b>3,477</b>	<b>3,965</b>	
Common Equity Tier (1)	-	-	
- Additional Tier (1)	-	3,210	(n)
- Tier (2)	-	755	(o)
- <b>Total equity</b>	<b>432,206</b>	<b>432,694</b>	
<b>Total liabilities and equity</b>	<b>3,495,673</b>	<b>3,496,161</b>	

Item	June 2023 (KD'000)		Ref.
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	
<b><u>Asset</u></b>			
Cash	18,650	18,650	
Cash and bank balances at central banks	360,736	360,736	
Items in the course of collection from other banks and FIs	109,403	109,403	
Trading portfolio assets	-	-	
Financial assets at fair value through statement of income	2,813	2,813	
Shariaà compliant hedging contracts	-	-	
Financing and advances to banks	61,655	61,655	
Financing and advances to customers	2,411,084	2,411,084	
of which general provisions (netted above) capped for Tier 2 inclusion	31,685	31,685	(a)
Financial assets at fair value through other comprehensive income	305,733	305,733	
Current and deferred tax assets	-	-	
Prepayments, accrued income and other assets	33,130	33,130	
Investment properties	59,867	59,867	
Investments in associates and joint ventures	1,761	1,761	
Goodwill and other intangible assets (a) + (b)	-	-	
- Goodwill	-	-	
- Intangible assets	-	-	
Property, plant and equipment	40,784	40,784	
<b>Total assets</b>	<b>3,405,616</b>	<b>3,405,616</b>	

# Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

## Step (1) and (2) (continued):

June 2023  
(KD'000)

Item	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Ref.
<b><u>Liabilities</u></b>			
Deposits from banks and FIs	932,424	932,424	
Items in the course of collection due to other banks	-	-	
Customer accounts	1,887,388	1,887,388	
Trading portfolio liabilities	-	-	
Financial liabilities at fair value through statement of income	-	-	
Shariaà compliant hedging contracts	-	-	
Financing securities (Sukuk)	91,821	91,821	(q)
Accruals, deferred income and other liabilities	81,464	81,464	
Current and deferred tax liabilities (c) + (d)	-	-	
- Deferred tax liabilities related to goodwill	-	-	
- Deferred tax liabilities related to intangible assets	-	-	
Provisions (non-cash)	3,739	3,739	
Retirement benefit liabilities	-	-	
<b><u>Total liabilities</u></b>	<b>2,996,836</b>	<b>2,996,836</b>	
<b><u>Equity</u></b>			
Share capital	<b>165,377</b>	<b>165,377</b>	(b)
Share premium	66,623	66,623	(c)
Treasury shares	(45,161)	(45,161)	(d)
Revaluation reserve	12,952	12,952	(e)
Fair Value reserve	3,174	3,174	(f)
Statutory Reserve	41,339	41,339	(g)
Voluntary Reserve	35,256	35,256	(h)
Treasury share reserve	4,811	4,811	(i)
Retained earnings	28,821	28,821	
Of which Retained Earnings eligible as CET1	24,678	24,678	(j)
Of which Modification loss on deferral of financing	(1,801)	(1,801)	
Of which profit	5,943	5,943	-
Foreign currency translation reserve	1,080	1,080	(l)
<b><u>Attributable to Bank's equity shareholders</u></b>	<b>314,271</b>	<b>314,271</b>	
Perpetual Tier 1 Sukuk	91,035	91,035	(m)
Non-controlling interests	3,475	547	
- Common Equity Tier (1)	-	-	
- Additional Tier (1)	-	456	(n)
- Tier (2)	-	92	(o)
<b><u>Total equity</u></b>	<b>408,781</b>	<b>405,853</b>	
<b><u>Total liabilities and equity</u></b>	<b>3,405,616</b>	<b>3,402,688</b>	

# Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

## Step 3:

June 2024  
(KD'000)

Common Equity Tier 1 capital: instruments and reserves		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation from Step 2
1	Directly issued qualifying common share capital plus related stock surplus	236,961	(b)+(c)+(k)
2	Retained earnings	19,921	(j)
3	Accumulated other comprehensive income (and other reserves)	112,449	(e)+(f)+(g)+(h)+(i)+(l)
4	Common share capital issued by subsidiaries and held by third parties (minority interest)	-	
5	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>369,331</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
6	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	(45,161)	(d)
7	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)	(3,423)	
8	Proposed Dividend	-	
9	<b>Common Equity Tier 1 capital (CET1)</b>	<b>320,747</b>	
<b>Additional Tier 1 capital: instruments</b>			
10	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	92,400	(m)
11	Additional Tier 1 instruments (and CET1 instruments not included in row 4) issued by subsidiaries and held by third parties (amount allowed in group AT1)	3,210	(n)
12	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
13	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)	(3,620)	
14	Additional Tier 1 capital (AT1)	91,990	
15	<b>Tier 1 capital (T1)</b>	<b>412,736</b>	
<b>Tier 2 capital: instruments and provisions</b>			
16	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 4 or 10) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	755	(o)
17	General provisions included in Tier 2 capital	33,271	(a)
18	Additional Tier II instruments	91,741	(q)
19	<b>Tier 2 capital (T2)</b>	<b>125,767</b>	
20	<b>Total capital (T1+T2)</b>	<b>538,504</b>	

# Kuwait International Bank K.S.C.P. and Its Subsidiary

Basel III - Pillar III disclosures

For the period ended 30 June 2024

June 2023

(KD'000)

Common Equity Tier 1 capital: instruments and reserves		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation from Step 2
1	Directly issued qualifying common share capital plus related stock surplus	232,000	(b)+(c)+(k)
2	Retained earnings	24,678	(j)
3	Accumulated other comprehensive income (and other reserves)	98,612	(e)+(f)+(g)+(h)+(i)+(l)
4	Common share capital issued by subsidiaries and held by third parties (minority interest)	-	
5	Common Equity Tier 1 capital before regulatory adjustments	355,290	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
6	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	(45,161)	(d)
7	Investments in FIs with ownership of less than 10% and above the threshold	-	
8	Proposed Dividend	-	
9	Common Equity Tier 1 capital (CET1)	310,129	
<b>Additional Tier 1 capital: instruments</b>			
10	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	91,035	(m)
11	Additional Tier 1 instruments (and CET1 instruments not included in row 4) issued by subsidiaries and held by third parties (amount allowed in group AT1)	456	(n)
12	Reciprocal cross-holdings in Additional Tier 1 instruments	(6,027)	
13	Investments in FIs with ownership of less than 10% and above the threshold	-	
14	Additional Tier 1 capital (AT1)	85,464	
15	Tier 1 capital (T1)	<b>395,593</b>	
<b>Tier 2 capital: instruments and provisions</b>			
16	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 4 or 10) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	92	(o)
17	General provisions included in Tier 2 capital	31,685	(a)
18	Additional Tier II instruments	91,821	(q)
19	Tier 2 capital (T2)	123,597	
20	Total capital (T1+T2)	519,191	

# Kuwait International Bank K.S.C.P. and Its Subsidiary

## Basel III - Pillar III disclosures

For the period ended 30 June 2024

### 3. Main features disclosure

Disclosures for main features of regulatory capital instruments

1. Issuer	Kuwait International Bank K.S.C.P.	KIB Tier 1 Sukuk 2 Limited	KIB Sukuk Limited
2. Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	KIB (KW0EQ0100069)	ISIN: XS2768805868	ISIN: XS2262982072
3. Governing laws of the instrument	Law No. 32/1968 and Law No. 1/2016	English Law	English Law
4. Type of Capital (CET1, AT1, T2)	CET1(Share capital)	AT1	T2
5. Eligible at solo/group/group and solo	Group	Group and solo	Group and solo
6. Instrument type	Equity	Subordinated Sukuk Mudaraba	Wakala and Commodity Murabaha
7. Amount recognised in regulatory capital	170,338	USD 300 Million	USD 300 Million
8. Par value of instrument	100 fils	USD 100	USD 100
9. Accounting classification	Equity	Equity (AT1)	Liability
10. Original date of issuance	13May1973 (Incorporation)	1 May 2024	30 November 2020
11. Perpetual or dated	Perpetual	Perpetual	Dated
12. Original maturity date	N/A	No maturity	30 November 2030
13. Issuer call subject to prior supervisory approval	N/A	Yes	Yes
14. Optional call date, contingent call dates and redemption amount	N/A	Optional Call Date: 1 May 2029; Capital event or tax event call: principal + profit	Optional Call Date: 30 November 2025; Capital event or tax event call: principal + profit
15. Subsequent call dates, if applicable	N/A	Semi- Annually after 1 May 2029	Semi- Annually after 30 November 2025
16. Fixed or floating dividend/coupon	N/A	Fixed (Subject to profit-rate reset after every 5 years)	Fixed (Subject to profit-rate reset after every 5 years)
17. Coupon rate and any related index	N/A	6.625% per annum; 5Y UST	2.375% per annum; 5Y UST
18. Existence of a dividend stopper	N/A	Yes	No
19. Fully discretionary, partially discretionary or mandatory	N/A	Fully discretionary	Mandatory
20. Existence of step up or other incentive to redeem	N/A	No	No
21. Noncumulative or cumulative	N/A	Non-cumulative	Non-cumulative
22. Convertible or non-convertible	N/A	Non-convertible	Non-convertible
23. If convertible, conversion trigger	N/A	NA	NA
24. If convertible, fully or partially	N/A	NA	NA
25. If convertible, conversion rate	N/A	NA	NA
26. If convertible, mandatory or optional conversion	N/A	NA	NA
27. If convertible, specify instrument type convertible into	N/A	NA	NA
28. If convertible, specify issuer of instrument it converts into	N/A	NA	NA
29. Write-down feature	N/A	Yes	Yes
30. If write-down, write-down trigger	N/A	Determination by regulator on grounds of non-viability or an immediate injection of capital is required, by way of emergency intervention to remain viable.	Determination by regulator on grounds of non-viability or an immediate injection of capital is required, by way of emergency intervention to remain viable.

## Kuwait International Bank K.S.C.P. and Its Subsidiary

### Basel III - Pillar III disclosures

For the period ended 30 June 2024

31	If write-down, full or partial	N/A	Full or partial (On pro rata basis)	Full or partial (On pro rata basis)
32	If write-down, permanent or temporary	N/A	Permanent	Permanent
33	If temporary write-down, description of write-up mechanism	N/A	NA	NA
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Subordinated, senior only to ordinary shares	Subordinated, senior only to ordinary shares and qualifying Tier 1 instruments
35	Non-compliant transitioned features	N/A	None	None
36	If yes, specify non-compliant features	N/A	NA	NA

#### ***Fourth: Capital Adequacy Ratio***

At 30 June 2024 the total Capital Adequacy Ratio is 19.50% (30 June 2023: 19.79%) compared to the ratio required by regulatory authorities of 13.00% (30 June 2023: 13.00%), Tier 1 Capital of 14.95% (30 June 2023: 15.08%) and Tier 2 Capital of 4.55% (30 June 2023: 4.71%).

- The percentage of the total Capital Adequacy Ratio is derived from dividing the eligible capital (CET 1 + AT 1 + Tier 2) by the total risk weighted exposure.
- The percentage of the Tier 1 Capital Adequacy Ratio is derived from dividing the Tier 1 capital (CET 1 + AT 1) by the total risk weighted exposure.
- The percentage of the Tier 2 Capital Adequacy Ratio is derived from dividing the Tier 2 capital by the total risk weighted exposure.

At 30 June 2024, the minimum capital requirement for the credit risk weighted exposure is KD 342,290 thousand (30 June 2023: KD 325,085 thousand), market risk weighted exposure is KD 304 thousand (30 June 2023: KD 196 thousand) and the operational risk weighted exposure is KD 16,409 thousand (30 June 2023: KD 15,694 thousand).

The Group ensures compliance with CBK requirements in relation to capital adequacy through monitoring the internal limits.