

The Commercial Bank of Kuwait Group

Consolidated Public Disclosures on Capital Adequacy Standard

31 March 2021





31 March

PUBLIC DISCLOSURES ON CAPITAL ADEQUACY STANDARD

31 March 2021

The following detailed 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. 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) - (93.55% owned) engaged in brokerage services and owns a 32.26% interest in Al Cham Islamic Bank S.A (an associate), a private bank incorporated in Republic of Syria engaged in Islamic Banking activities.

The Bank and its subsidiary are collectively referred to as "the Group".

II Capital structure

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

Share Capital – Share capital comprises of 1,992,056,445 subscribed and fully paid ordinary shares of 100 fils each. As at 31 march 2021, the Bank held 68,834,561 treasury shares.

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

		2021
		KD 000's
a. 1	Fier 1 capital consist of:	
i	Common equity tier 1 (CET1)	
	common equity not 1 (CE11)	
	1. Paid-up share capital	199,206
	Proposed bonus shares	27,107
	3. Share premium	66,791
	Retained earnings	153,792
	5. Investment valuation reserve	133,055
	Property revaluation reserve	24,095
	7. Statutory reserve	115,977
	8. General reserve	17,927
	Treasury shares reserve	
	10 Other intangibles	(3,506)
	11 Treasury shares	(32,340)
	12 Non significant investments in banking, financial and insurance entities	(106,051)
	13 Significant investments in banking, financial and insurance entities	(100,031)
	Total	596,053
		550,005
ii	Additional tier 1	
	1. Non-controlling interests in consolidated subsidiaries	952
	Total	\
	Total	952
T	otal tier 1 capital	597,005
		75 1/252





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			31 March 2021 KD 000's
	b. Tier 2 capital.		
	1. General provisions (subject to a maximum of 1.25% of total credit risk weighted assets)		41,838
	Total tier 2 capital	_	41,838
	Total eligible capital	=	638,843
Ш	I Capital adequacy	-	
	A. Capital requirement	31 March 2021 KD 000's	
	Gross exposures	Net risk weighted assets	Capital requirement
	a. Credit risk	1133013	
	 Claims on sovereigns Claims on international organisations 	4,842	508
	3. Claims on PSEs 161,800 4. Claims on MDBs	2,622	275
	5. Claims on banks 1,640,768	520,777	54,682
	6. Claims on corporates 4,000,491 7. Claims on central counter parties	2,121,175	222,723
	6 C-1 -	350	-
	0 Parallel and 3	-	
	10 RHI's eligible for 35% RW	447,906	47,030
	11 Past due exposure	-	-
	12 Other assets 123,845	126,447	12 270
	13 Claims on securitised assets	-	13,278
	Total 6,760,082	3,223,769	338,496
	b. Market risk		
	Interest rate position risk		
		2	
	2. Equities position risk 3 3. Foreign exchange risk 5.042	6	1
	Foreign exchange risk Commodities risk	5,042	529
	5. Options	•	
	-		
	Total 5,045	5,048	530



c. Operational risk

Total

145,365

6,910,492

259,159

3,487,976

27,212

366,238



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B. Capital ratios		31 March 2021 KD 000's
1. Total capital ratio		18.32%
2. Tier 1 capital ratio		
2. Tel Capital fatto		17.12%
3. CET 1 capital ratio		17.09%
C. Additional capital disclosure		
Common disclosure template		
	31 March 2021 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	153,792	r
 Accumulated other comprehensive income (and other reserves) Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) 	318,161	j+m+n+o+p+q
5 Common share capital issued by subsidiaries and held by third parties (minority interest)		
6 Common Equity Tier 1 capital before regulatory adjustments	737,950	
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	g
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)	32,340	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)		
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)	106,051	f
20 Mortgage servicing rights (amount above 10% threshold of bank's C ET1 capital)		d
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	•	





	31 March 2021 KD 000's	
	Component of capital disclosure template	Cross reference from consolidated regulatory financial position
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	5	
 National specific regulatory adjustments Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Addition Tier 1 and Tier 2 to cover deductions 	al	
28 Total regulatory adjustments to Common equity Tier 1	141,897	
29 Common Equity Tier 1 capital (CET1) after regulatory adjustments	596,053	
1112 17 16 111		
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 	•	
of which: classified as liabilities 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)	952	S
35 of which: instruments issued by subsidiaries subject to phase-out	-	
36 Additional Tier 1 capital before regulatory adjustments	952	
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 do	oes	
not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	2	
40 Significant investments in the capital of banking, financial and insurance entities that a outside the scope of regulatory consolidation (net of eligible short positions)	are -	
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)	952	
45 Tier 1 capital (T1 = CET1 + AT1)	597,005	
Tier 2 Capital: Instruments and Provisions		
46 Directly issued qualifying Tier 2 instruments plus related stock surplus		
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) issue	ed by	
subsidiaries and held by third parties (amount allowed in group Tier 2) 49 of which: instruments issued by subsidiaries subject to phase-out		
49 of which: instruments issued by subsidiaries subject to phase-out 50 General Provisions included in Tier 2 capital		
51 Tier 2 capital before regulatory adjustments	41,838	e
Tier 2 Capital: Regulatory Adjustments	41,838	
52 Investments in own Tier 2 instruments		
53 Reciprocal cross-holdings in Tier 2 instruments		





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	31 March 2021 KD 000's	
	Component of capital disclosure template	Cross reference from consolidated regulatory financial position
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)	41,838	
59 Total capital (TC = T1 + T2)	638,843	
60 Total risk weighted assets	3,487,976	
Capital Ratios and Buffers		
61 Common Equity Tier 1 (as a percentage of risk weighted assets)	17.09%	
62 Tier 1 (as a percentage of risk weighted assets)	17.12%	
 63 Total capital (as a percentage of risk weighted assets) 64 Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer 	18.32%	
requirement, expressed as a percentage of risk weighted assets)	7.50%	
65 of which: capital conservation buffer requirement		
66 of which: bank specific countercyclical buffer requirement 67 of which: D-SIB buffer requirement	-	
67 of which: D-SIB buffer requirement 68 Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)	0.50% 10.09%	
National Minima		
69 National Common Equity Tier 1 minimum ratio 70 National Tier 1 minimum ratio	7.00%	
71 National total capital minimum ratio excluding CCY and DSIB buffers	8.50% 10.50%	
Amounts below the Thresholds for Deduction (before Risk Weighting)		
72 Non-significant investments in the capital of financials institutions	106,051	f
73 Significant investments in the common stock of financials institutions 74 Mortgage servicing rights (net of related tax liability)	70,530	e
75 Deferred tax assets arising from temporary differences (net of related tax liability)	9	
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)		
77 Cap on inclusion of provisions in Tier 2 under standardized approach	165,097	a+b+h
78 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	41,838	c
79 Cap for inclusion of provisions in Tier 2 under internal ratings-based approach		التجارع الرا
		15



PUBLIC DISCLOSURES ON CAPITAL ADEQUACY STANDARD

31 March 2021

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 of the annual consolidated financial statement. There is no difference between the consolidated financial position and the consolidated regulatory financial position. Consolidated regulatory financial position are as follows;

	31 March KD 00		
	Consolidated regulatory financial position	Component used in capital disclosure template	Cross reference to common disclosure template
Assets			
Cash and short term funds	672,380		
Treasury and Central Bank bonds	187,552		
Due from banks and other financial institutions	544,443	821	а
Loans and advances	2,268,818		
Of which: general provisions on funded exposure eligible for			
inclusion in Tier 2		157,642	b
Of which: Cap on inclusion of general provisions in Tier 2		41,838	c
Investment securities	544,451		
Of which: significant investment in the capital of financial institutions			
(amount above 10% threshold of bank's CET1 capital)		-	d
Of which: significant investment in the capital of financial institutions (amount below 10% threshold of bank's CET1 capital)			
		70,530	e
Of which: non significant investment in the capital of other financial institutions (amounts below the thresholds for deduction)			
Premises and equipment		106,051	f
Intangible assets	29,330	PARTICIPATION OF THE PARTIES.	
Other assets	3,506	3,506	g
Other assets	10,143		
Total assets	4,260,623		
Liabilities and equity		Innestaciones	
Liabilities			
Due to banks	345,260		
Due to other financial institutions	301,129		
Customer deposits	2,243,888		
Other borrowed funds	469,518		
Other liabilities	203,810		
Of which: general provisions on unfunded exposure eligible for inclusion in Tier 2		6,634	h
Total liabilities	3,563,605		





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Equity			
Equity attributable to shareholders of the Bank			
Share capital	199,206	199,206	i
Proposed bonus shares	27,107	27,107	
Treasury shares	(32,340)	32,340	j k
Reserves	357,845		
of which: share premium		66,791	1
of which: statutory reserve		115,977	m
of which: general reserve		17,927	n
of which: treasury share reserve			0
of which: property revaluation reserve		24,095	p
of which: investment valuation reserve		133,055	q
Retained earnings	144,248	153,792	r
	696,066		
Non-controlling interests	952	952	s
Total equity	697,018		
Total liabilities and equity	4,260,623		

3. Main features of capital instrument issued

Cimique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) Cimique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) Cimique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement) Type of Capital (CET1, AT1 or T2)	1	Issuer	Commercial Bank of Kuwait
Regulatory treatment Regulatory treatment A Type of Capital (CET1, AT1 or T2) Common equity tier 1 Eligible at solo/group/group & solo Instrument type Amount recognized in regulatory capital (KD '000') Regulatory treatment A Accounting classification Regulatory capital (KD '000') Regulatory capital (RD '	2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
Regulatory treatment 4 Type of Capital (CET1, AT1 or T2) 5 Eligible at solo/group/group & solo 6 Instrument type 7 Amount recognized in regulatory capital (KD '000') 8 Par value of instrument 9 Accounting classification 100 fils 9 Accounting classification 100 fils 110 Original date of issuance 111 Perpetual or dated 121 Original maturity date 131 Issuer call subject to prior supervisory approval 141 Optional call date, contingent call dates and redemption amount 151 Subsequent call dates, if applicable 152 Coupons / dividends 153 Issuer call subject to prior supervisory approval 164 Optional call dates, if applicable 175 Subsequent call dates, if applicable 176 Coupon rate and any related index 177 Coupon rate and any related index 178 Existence of a dividend stopper 179 Fully discretionary, partially discretionary or mandatory 180 Existence of a dividend stopper 180 Noncumulative or cumulative 181 Existence of sep up or other incentive to redeem 182 Noncumulative or cumulative 183 If convertible, conversion trigger (s) 184 If convertible, conversion trigger (s) 185 If convertible, conversion trigger (s) 186 If convertible, conversion rate 188 If convertible, specify instrument type convertible into 188 If write-down, mitted-down figurer(s) 188 If write-down, full or partial 189 If write-down, full or partial 180 If write-down, unite-down trigger(s) 180 If write-down, unite-down trigger(s) 180 If write-down, full or partial 180 Noncomplicant transitioned features 180 Noncomplicant transitioned features 180 Noncomplicant transitioned features			
Eligible at solo/group/group & solo Group		Regulatory treatment	Kuwan Law
Eligible at solo/group/group & solo Group	4	Type of Capital (CET1, AT1 or T2)	Common equity tier 1
6 Instrument type 7 Amount recognized in regulatory capital (KD '000') 8 Par value of instrument 9 Accounting classification 100 fils 100	5		
7 Amount recognized in regulatory capital (KD '000') 8 Par value of instrument 9 Accounting classification 100 fils 9 Accounting classification 110 Original date of issuance 1111 Perpetual or dated 112 Original maturity date 113 Issuer call subject to prior supervisory approval 114 Optional call date, contingent call dates and redemption amount 115 Subsequent call dates, if applicable 116 Coupons / dividends 117 Coupon rate and any related index 118 Existence of a dividend/coupon 119 June 1960 110 Privation of the individual of	6	Instrument type	1,000,000,40
8 Par value of instrument 9 Accounting classification 10 Original date of issuance 11 Perpetual or dated 12 Original maturity date 13 Issuer call subject to prior supervisory approval 14 Optional call date, ontingent call dates and redemption amount 15 Subsequent call dates, if applicable Coupons / dividends 16 Fixed or floating dividend/coupon 17 Coupon rate and any related index 18 Existence of a dividend stopper 18 Existence of a dividend stopper 19 Fully discretionary, partially discretionary or mandatory 19 Fully discretionary, partially discretionary or mandatory 19 Existence of step up or other incentive to redeem 10 Noncommulative 11 Coupons of the proper of the proper or option of the proper of the	7	Amount recognized in regulatory capital (KD '000')	
9 Accounting classification 10 Original date of issuance 11 Perpetual or dated 12 Original maturity date 13 Issuer call subject to prior supervisory approval 14 Optional call date, contingent call dates and redemption amount 15 Subsequent call date, if applicable Coupons / dividends 16 Fixed or floating dividend/coupon 17 Coupon rate and any related index 18 Existence of a dividend stopper 19 Fully discretionary, partially discretionary or mandatory 20 Existence of a dividend stopper 21 Noncumulative or cumulative 22 Convertible or non-convertible 23 If convertible, conversion trigger (s) 24 If convertible, conversion rate 25 If convertible, mandatory or optional conversion 26 If convertible, specify instrument type convertis into 27 If convertible, specify issuer of instrument it converts into 28 If convertible, specify issuer of instrument it converts into 39 If write-down, permanent or temporary 30 If write-down, permanent or temporary 30 If write-down, description of write-up mechanism 40 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 4 Noncompliant transitioned features 4 Noncompliant transitioned features 4 Noncompliant transitioned features 5 Noncompliant transitioned features 6 Noncompliant transitioned features 7 Noncompliant transitioned features 7 Noncompliant transitioned features 8 Noncompliant transitioned features			Comment of the Commen
10 Original date of issuance 11 Perpetual or dated 12 Original maturity date 13 Issuer call subject to prior supervisory approval 14 Optional call date, contingent call dates and redemption amount 15 Subsequent call dates, if applicable Coupons / dividends 16 Fixed or floating dividend/coupon 17 Coupon rate and any related index 18 Existence of a dividend stopper 19 Fully discretionary, partially discretionary or mandatory 10 Existence of step up or other incentive to redeem 10 Noncumulative or cumulative 11 Convertible, conversion trigger (s) 12 If convertible, conversion rate 13 If convertible, specify instrument type convertible into 14 If convertible, specify instrument type convertible into 15 If write-down, grit and any related index 16 If write-down, grit mandatory or optional conversion 17 If write-down, grit mandatory or optional conversion 18 If write-down, grit partially 19 June 1960 10 Noncumulative 10 No 10 Noncumulative or cumulative 11 If convertible, specify instrument it converts into 12 If write-down, write-down trigger(s) 13 If write-down, permanent or temporary 14 If write-down, permanent or temporary 15 If write-down, description of write-up mechanism 16 No 17 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 18 Noncompliant transitioned features	9	Accounting classification	
11 Perpetual or dated 12 Original maturity date 13 Issuer call subject to prior supervisory approval 14 Optional call date, contingent call dates and redemption amount 15 Subsequent call dates, if applicable Coupons / dividends Coupon rate and any related index 16 Fixed or floating dividend/coupon 17 Coupon rate and any related index 18 Existence of a dividend stopper 19 Fully discretionary, partially discretionary or mandatory 19 Fully discretionary, partially discretionary or mandatory 10 Existence of step up or other incentive to redeem 10 Noncumulative or cumulative 11 Noncumulative or cumulative 12 If convertible or non-convertible 13 If convertible, conversion trigger (s) 14 If convertible, fully or partially 15 If convertible, mandatory or optional conversion 16 If convertible, specify instrument type convertible into 17 If convertible, specify instrument it converts into 18 If write-down, write-down trigger(s) 19 Write-down, permanent or temporary 10 If write-down, description of write-up mechanism 10 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 10 N/A	10	Original date of issuance	
Original maturity date No maturity Issuer call subject to prior supervisory approval Optional call date, contingent call dates and redemption amount Subsequent call dates, if applicable Coupons / dividends Fixed or floating dividend/coupon Fixed or floating dividend stopper Coupon rate and any related index N/A Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, conversion trager (s) If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into If convertible, specify issuer of instrument it converts into N/A If write-down, feature N/A If write-down, permanent or temporary N/A If temporary write-down, description of write-up mechanism N/A N/A N/A N/A N/A N/A N/A N/	11	Perpetual or dated	
Is suer call subject to prior supervisory approval No Optional call date, contingent call dates and redemption amount N/A Subsequent call dates, if applicable Coupons / dividends Coupons / dividends Floating Coupon rate and any related index N/A Existence of a dividend stopper No Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into N/A If write-down, getaure N/A If temporary write-down description of write-up mechanism N/A Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A N/A N/A N/A N/A N/A N/A N/	12	Original maturity date	
Optional call date, contingent call dates and redemption amount Subsequent call dates, if applicable Coupons / dividends Fixed or floating dividend/coupon Fixed or floating dividend/coupon Coupon rate and any related index No Existence of a dividend stopper No Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, conversion rate If convertible, pandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into No If write-down feature No If write-down, full or partial If write-down, permanent or temporary No No No No No No No No No N	13	Issuer call subject to prior supervisory approval	
Subsequent call dates, if applicable Coupons / dividends Fixed or floating dividend/coupon Coupon rate and any related index Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into Write-down feature Write-down, write-down trigger(s) N/A If write-down, permanent or temporary N/A If write-down, permanent or temporary N/A Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A N/A N/A N/A		Optional call date, contingent call dates and redemption amount	
Coupons / dividends Fixed or floating dividend/coupon Floating Coupon rate and any related index N/A Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, specify instrument type convertible into If convertible, specify instrument type convertible into If convertible, specify instrument it converts into If write-down, write-down trigger(s) If write-down, write-down trigger(s) If write-down, permanent or temporary If write-down, permanent or temporary Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	15		IVA
Coupon rate and any related index Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, conversion rate If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into N/A If convertible, specify issuer of instrument it converts into N/A If write-down, write-down trigger(s) N/A If write-down, full or partial If write-down, permanent or temporary If write-down, permanent or temporary N/A If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)			N/A
Coupon rate and any related index Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into N/A If convertible, specify issuer of instrument it converts into N/A If write-down, write-down trigger(s) If write-down, full or partial N/A If write-down, permanent or temporary If write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A N/A	16	Fixed or floating dividend/coupon	Floating
Existence of a dividend stopper Fully discretionary, partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible Nonconvertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, conversion rate If convertible, specify instrument type convertible into If convertible, specify instrument type convertible into If convertible, specify instrument it converts into If write-down feature No If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If write-down, permanent or temporary If temporary write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) No	17	Coupon rate and any related index	
Fully discretionary partially discretionary or mandatory Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into If write-down feature No If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If write-down, permanent or temporary If write-down, description of write-up mechanism Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A	18	Existence of a dividend stopper	1217/828
Existence of step up or other incentive to redeem No Noncumulative or cumulative Convertible or non-convertible If convertible, conversion trigger (s) If convertible, fully or partially If convertible, conversion rate If convertible, conversion rate If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument it converts into N/A If convertible, specify issuer of instrument it converts into N/A Write-down feature No If write-down, write-down trigger(s) If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If temporary write-down, description of write-up mechanism A Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A	19	Fully discretionary, partially discretionary or mandatory	
21 Noncumulative or cumulative 22 Convertible or non-convertible 23 If convertible, conversion trigger (s) 24 If convertible, fully or partially 25 If convertible, conversion rate 26 If convertible, mandatory or optional conversion 27 If convertible, specify instrument type convertible into 28 If convertible, specify instrument it converts into 29 Write-down feature 30 If write-down, write-down trigger(s) 31 If write-down, full or partial 32 If write-down, permanent or temporary 33 If temporary write-down, description of write-up mechanism 34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 35 Non-compliant transitioned features	20	Existence of step up or other incentive to redeem	
22 Convertible or non-convertible 23 If convertible, conversion trigger (s) N/A 24 If convertible, fully or partially 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 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	21	Noncumulative or cumulative	
If convertible, conversion trigger (s) If convertible, fully or partially If convertible, fully or partially If convertible, conversion rate If convertible, mandatory or optional conversion If convertible, specify instrument type convertible into If convertible, specify instrument type convertible into If convertible, specify issuer of instrument it converts into If convertible, specify issuer of instrument it converts into If write-down feature No If write-down, write-down trigger(s) If write-down, full or partial If write-down, permanent or temporary If write-down, permanent or temporary If temporary write-down, description of write-up mechanism A Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A	22	Convertible or non-convertible	
24 If convertible, fully or partially 25 If convertible, conversion rate 26 If convertible, mandatory or optional conversion 27 If convertible, specify instrument type convertible into 28 If convertible, specify issuer of instrument it converts into 29 Write-down feature 30 If write-down trigger(s) 31 If write-down, write-down trigger(s) 32 If write-down, full or partial 33 If temporary write-down, description of write-up mechanism 34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 35 Non-compliant transitioned features	23	If convertible, conversion trigger (s)	
25 If convertible, conversion rate 26 If convertible, mandatory or optional conversion 27 If convertible, specify instrument type convertible into 28 If convertible, specify issuer of instrument it converts into 29 Write-down feature 30 If write-down trigger(s) 31 If write-down, write-down trigger(s) 32 If write-down, permanent or temporary 33 If temporary write-down, description of write-up mechanism 34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 35 Non-compliant transitioned features	24	If convertible, fully or partially	
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 N/A N/A	25	If convertible, conversion rate	
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	26	If convertible, mandatory or optional conversion	
28 If convertible, specify issuer of instrument it converts into 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	27		N/A
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	28	If convertible, specify issuer of instrument it converts into	
31 If write-down, full or partial 32 If write-down, permanent or temporary N/A 33 If temporary write-down, description of write-up mechanism N/A N/A N/A N/A N/A N/A N/A N/	29	Write-down feature	
32 If write-down, permanent or temporary 33 If temporary write-down, description of write-up mechanism 34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) 35 Non-compliant transitioned features			N/A
33 If temporary write-down, description of write-up mechanism 34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A N/A			N/A
34 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) N/A N/A	32	If write-down, permanent or temporary	N/A
instrument) N/A 35 Non-compliant transitioned features			N/A
35 Non-compliant transitioned features	34		[:ð'
35 Non-compliant transitioned features No 36 If yes, specify non-compliant features N/A		**************************************	N/A
36 If yes, specify non-compliant features N/A			No
	36	If yes, specify non-compliant features	N/A





PUBLIC DISCLOSURES ON CAPITAL ADEQUACY STANDARD

31 March 2021

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:	
The second control of	31 March
	2021
	KD 000's
1 Total consolidated assets as per published financial statements	1260 622
2 Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated	4,260,623
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	20,257
5 Securities Financing Transaction Exposures	20,237
6 Exposures for off-balance sheet items (i.e. credit equivalent amounts)	860,659
7 Other exposures	(109,556)
Total exposures in calculation of leverage ratio	5,031,983
(b) Leverage ratio common disclosure:	
	31 March
	2021
	KD 000's
1 On-balance sheet items (excluding derivatives and SFTs, but including collateral)	
2 (Asset amounts deducted in determining Tier 1 capital)	4,260,623
Total on-balance sheet exposures (excluding derivatives and SFTs)	(109,556)
(vacuum derruttes and 51 13)	4,151,067
3 Replacement cost associated with all derivative transactions (net of eligible cash variation margin)	15,274
4 Add-on amounts for Potential Future Exposure (PFE) associated with all derivative transactions	4,983
5 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the	1,700
6 bank's operative accounting framework	
Deductions of receivables assets for cash variation margin provided in derivative transactions	
7 Exempted exposures to Central Counterparties (CCP)	
8 Adjusted effective notional amount of written credit derivatives	
9 Adjusted effective notional offsets and add-on deductions for written credit derivatives	<u> </u>
Total derivative exposures	20,257
10 Gross SET greats (with an appropriate of	
10 Gross SFT assets (with no recognition of netting) 11 Netted amounts of cash payables and cash receivables of gross SFT assets	
12 CCR exposures for SFT assets	E
13 Exposure of the bank in its capacity as gent in the securities finance transaction (SFT)	u u u u u
Total securities financing transaction exposures	-
and the state of t	
14 Off-balance sheet exposure (before application of credit conversion factors)	2,514,556
15 Adjustments for conversion to credit equivalent amounts	2.00 C 10 mm (1 80 C) C 10 C
Total Off-balance sheet exposure	(1,653,897) 860,659
	000,000
Total exposures	5,031,983
Tier 1 capital	597,005
Leverage ratio (Tier 1 capital / total exposures)	
Leverage ratio (Tier 1 capital / total exposures)	11.86%
/4	