

Pillar III Disclosures – 30th June 2019

| Capital Structure as at 30th June 2019 | KD'000 |
|---|----------------|
| Paid-up share capital/common stock | 161,917 |
| Reserves | 412,136 |
| Less: | |
| Treasury Shares | (5,053) |
| Other Intangibles (except Mortgage Servicing Rights) | (14,075) |
| Defined benefit pension fund liabilities | (141) |
| Threshold Deductions arising from Investments in FIs where ownership is <= 10% | - |
| Common Equity Tier I (CET) | 554,782 |
| Additional Tier I | 90,750 |
| General provisions (subject to maximum of 1.25% of total credit risk weighted assets) | 44,454 |
| Threshold Deductions arising from Investments in FIs where ownership is <= 10% | - |
| Tier II | 44,454 |
| Total eligible capital after deductions | 689,988 |

Composition Analysis

The composition of capital in terms of Tiers I, and Tier II is analysed to ensure capital stability and to reduce volatility in the capital structure.

| Capital adequacy as at 30 June 2019 | Required Capital (KD'000) |
|---|---------------------------|
| 1. Claims on sovereigns | 3,446 |
| 2. Claims on public sector entities (PSEs) | 4,260 |
| 2. Claims on banks | 27,169 |
| 3. Claims on corporate | 279,081 |
| 4. Regulatory retail exposures | 81,072 |
| 5. Past due exposures | 5,122 |
| 6. Other exposures | 62,174 |
| Total | 462,324 |
| Less: General provision in excess of 1.25% risk weighted assets | (22,310) |
| Net credit risk weighted exposure | 440,015 |
| Market risk exposure | 1,593 |
| Operational risk exposure | 37,206 |
| Grand Total | 478,815 |

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Capital Adequacy Ratios:

| | |
|--------------|---------------|
| Tier I | 17.53% |
| CET 1 | 15.06% |
| Total | 18.73% |

Additional capital disclosures required by Basel III regulations are shown below.

| Common Disclosure as at 30th June 2019 | Component of Regulatory Capital reported by bank (KD'000) | Reference of the Balance Sheet under the Regulatory Scope of Consolidation |
|---|---|--|
| Common Equity Tier 1 capital: Instruments and Reserves | | |
| Directly issued common share capital plus related stock surplus | 270,814 | c + d |
| Retained earnings | 130,776 | f |
| Accumulated other comprehensive income (and other reserves) | 172,091 | |
| Directly issued capital subject to phase out from CET 1 (only applicable to non -Joint Stock Companies) | - | |
| Common share capital issued by subsidiaries and held by third parties (minority interest) | 372 | |
| Common Equity Tier 1 capital before regulatory adjustments | 574,053 | |
| Common Equity Tier 1 Capital: Regulatory Adjustments | | |
| Dividends | - | |
| Goodwill (net of related tax liability) | - | |
| Other intangibles other than mortgage- servicing rights (net of related tax liability) | (14,075) | |
| Deferred tax assets that rely on future profitability excluding those arising from temporary differences | - | |
| Cash- flow hedge reserve | - | |
| Shortfall of provisions to expected losses | - | |
| Securitization gain on sale | - | |
| Gain and losses due to changes in own credit risk on fair valued liabilities | - | |
| Defined-benefit pension fund net assets | (141) | |
| Investments in own shares(if not netted off paid-in capital on reported balance sheet) | (5,053) | e |
| Reciprocal cross- holdings in common equity of banks, FIs, and insurance entities | - | |
| 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 CET 1 capital) | - | |

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| | |
|---|-----------------|
| 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 CET 1 capital) | - |
| Mortgage servicing rights (amount above 10% threshold of bank's CET 1 capital) | - |
| Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | - |
| Amount exceeding the 15% threshold | |
| of which : significant investments in the common stock of financials | - |
| of which : mortgage servicing rights | - |
| of which : deferred tax assets arising from temporary differences | - |
| National specific regulatory adjustments | - |
| Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - |
| Total regulatory adjustments to Common Equity Tier 1 | (19,269) |
| Common Equity Tier 1 capital (CET 1) after regulatory adjustments | 554,784 |
| Additional Tier 1 capital : Instruments | |
| Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | - |
| of which : classified as equity under applicable accounting standards | - |
| of which : classified as liabilities under applicable accounting standards | - |
| Directly issued capital instruments subject to phase out from Additional Tier 1 | 90,750 |
| Additional Tier 1 instruments issued by subsidiaries and held by third parties | - |
| of which : instruments issued by subsidiaries subject to phase-out | - |
| Additional Tier 1 capital before regulatory adjustments | 90,750 |
| Additional Tier 1 Capital : Regulatory Adjustments | |
| Investments in own Additional Tier 1 instruments | - |
| Reciprocal cross-holdings in Additional Tier 1 instruments | - |
| 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 | - |
| Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation | - |
| National specific regulatory adjustments | - |
| Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - |
| Total regulatory adjustments to Additional Tier 1 capital | - |
| Additional Tier 1 capital (AT1) | 90,750 |
| Tier 1 capital (T1 = CET1 + AT1) | 645,534 |

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| | |
|---|-----------|
| Tier 2 Capital: Instruments and Provisions | |
| Directly issued qualifying Tier 2 instruments plus related stock surplus | - |
| Directly issued capital instruments subject to phase-out from Tier 2 | - |
| Tier 2 instruments issued by subsidiaries and held by third parties | - |
| of which : instruments issued by subsidiaries subject to phase-out | - |
| General Provisions included in Tier 2 capital | 44,454 |
| Tier 2 capital before regulatory adjustments | 44,454 |
| Tier 2 Capital : Regulatory Adjustments | |
| Investments in own Tier 2 instruments | - |
| Reciprocal cross-holdings in Tier 2 instruments | - |
| 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 | - |
| Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation | - |
| National specific regulatory adjustments | - |
| Total regulatory adjustments to Tier 2 capital | - |
| Tier 2 capital (T2) | 44,454 |
| Total capital (TC = T1 + T2) | 689,988 |
| Total risk weighted assets | 3,683,182 |
| Capital Ratios and Buffers | |
| Common Equity Tier 1 (as a percentage of risk weighted assets) | 15.06% |
| Tier 1 (as a percentage of risk weighted assets) | 17.53% |
| Total capital (as a percentage of risk weighted assets) | 18.73% |
| 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) | 13.00% |
| of which : capital conservation buffer requirement | 2.50% |
| of which : bank specific countercyclical buffer requirement | 2.50% |
| of which : D-SIB buffer requirement | 0.5-2.0% |
| Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets). | 7.00% |
| National Minima | |
| National Common Equity Tier 1 minimum ratio (i.e. 9.5%) | 349,902 |
| National Tier 1 minimum ratio (i.e. 11%) | 405,150 |
| National total capital minimum ratio (i.e. 13% excluding CCY and D-SIB buffers) | 478,814 |

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| | | |
|--|---------|-----|
| Amounts below the Threshold for Deductions (before Risk Weighting) | | |
| Non -Significant investment in the capital of other financials below the Threshold | - | |
| Significant investments in the common stock of financials | - | |
| Mortgage servicing rights (net of related tax liability) | - | |
| Deferred tax assets arising from temporary differences (net of related tax liability) | - | |
| Applicable Caps on the Inclusion of Provisions in Tier 2 | | |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap) | 215,071 | b-a |
| Cap on inclusion of provisions in Tier 2 under standardized approach | 171,617 | |
| Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap) | - | |
| Cap for inclusion of provisions in Tier 2 under internal ratings-based approach | - | |

Reconciliation as at 30th June 2019

| Item | Balance Sheet as in Published Financial Statements As at period end | Under Regulatory Scope of Consolidation As at period end | Reference to common disclosure |
|---|--|---|--------------------------------------|
| Assets | | | |
| Cash and balances with banks | 769,255 | 769,255 | |
| Kuwait Government treasury bonds | 229,214 | 229,214 | |
| Central Bank of Kuwait bonds | 136,035 | 136,035 | |
| Loans and advances (net of specific provisions) | 3,353,144 | 3,353,144 | |
| General provisions on Loans and advances | (203,882) | (203,882) | a |
| Investment securities | 287,744 | 287,744 | |
| Investment in an associate | 22,405 | 22,405 | |
| Other assets | 57,170 | 57,170 | |
| Intangible Assets | 17,848 | 17,848 | |
| Premises and equipment | 65,448 | 65,448 | |
| Total assets | 4,734,381 | 4,734,381 | |

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| Liabilities | | | |
|---|------------------|------------------|---|
| Due to banks and other financial institutions | 634,132 | 634,132 | |
| Customers' deposits | 3,148,654 | 3,148,654 | |
| Medium Term Borrowings | 151,214 | 151,214 | |
| Other liabilities | 98,589 | 98,589 | |
| Specific provision on contingent liabilities | 6,834 | 6,834 | |
| General provision on contingent liabilities | 12,189 | 12,189 | b |
| Total liabilities | 4,051,612 | 4,051,612 | |
| Shareholders' Equity | | | |
| Share capital | 161,917 | 161,917 | c |
| Share premium | 108,897 | 108,897 | d |
| Treasury shares | (5,053) | (5,053) | e |
| Retained Earnings | 130,776 | 130,776 | f |
| Reserves | 194,523 | 194,523 | |
| Perpetual Tier 1 capital securities | 90,750 | 90,750 | |
| Non-controlling interests | 959 | 959 | |
| Proposed dividend | 0 | 0 | |
| Total shareholders' equity | 682,769 | 682,769 | |

Gross credit risk exposure as at 30th June 2019

| (Gross outstanding before any risk mitigation) | Funded (KD'000s) | Unfunded (KD'000s) | Total (KD'000s) |
|---|-------------------------|---------------------------|------------------------|
| 1. Cash items | 25,027 | - | 25,027 |
| 2. Claims on sovereigns | 857,493 | 10,913 | 868,406 |
| 3. Claims on public sector entities (PSEs) | 96,604 | 1 | 96,605 |
| 4. Claims on banks | 540,724 | 389,456 | 930,180 |
| 5. Claims on corporate | 2,312,813 | 796,913 | 3,109,726 |
| 6. Regulatory retail exposures | 661,812 | 15,886 | 677,698 |
| 7. Past due exposures | 42,988 | 583 | 43,571 |
| 8. Other exposures | 372,628 | 9,374 | 382,002 |
| Total | 4,910,089 | 1,223,127 | 6,133,216 |

Gross credit risk exposure - average balance as of 30th June 2019

| (Gross outstanding before any risk mitigation) | Funded (KD'000s) | Unfunded (KD'000s) | Total (KD'000s) |
|--|-----------------------------|-------------------------------|------------------------|
| 1. Cash items | 27,063 | - | 27,063 |
| 2. Claims on sovereigns | 927,066 | 8,213 | 935,279 |
| 3. Claims on public sector entities (PSEs) | 116,567 | 1 | 116,568 |
| 4. Claims on banks | 522,923 | 405,984 | 928,908 |
| 5. Claims on corporate | 2,211,306 | 759,962 | 2,971,268 |
| 6. Regulatory retail exposures | 645,741 | 15,215 | 660,957 |
| 7. Past due exposures | 28,858 | 420 | 29,278 |
| 8. Other exposures | 369,935 | 1,331 | 371,265 |
| Total | 4,849,460 | 1,191,127 | 6,040,587 |

Geographic distribution – all exposures as of 30th June 2019

(KD'000s)

| | Domestic (Kuwait) | Other Middle East | Europe | USA | Asia Pacific | Rest of World | Total |
|--|------------------------------|------------------------------|----------------|---------------|---------------------|--------------------------|------------------|
| 1. Cash items | 15,793 | 9,234 | - | - | - | - | 25,027 |
| 2. Claims on sovereigns | 611,246 | 230,650 | - | - | - | 26,511 | 868,407 |
| 3. Claims on public sector entities (PSEs) | 11 | 72,044 | - | - | 14,337 | 10,213 | 96,605 |
| 4. Claims on banks | 302,584 | 226,130 | 190,444 | 15,090 | 158,408 | 37,524 | 930,180 |
| 5. Claims on corporate | 2,078,908 | 841,190 | 62,256 | - | 93,535 | 33,836 | 3,109,725 |
| 6. Regulatory retail exposures | 564,122 | 113,449 | 116 | - | 11 | - | 677,698 |
| 7. Past due exposures | 38,630 | 4,941 | - | - | - | - | 43,571 |
| 8. Other exposures | 348,403 | 33,143 | 1 | - | 32 | 423 | 382,002 |
| Total | 3,959,697 | 1,530,781 | 252,817 | 15,090 | 266,323 | 108,507 | 6,133,215 |

| Geographic distribution – funded exposures as of 30th June 2019 | | | | | | | (KD'000s) | |
|---|----------------------|----------------------|---------------|---------------|-----------------|------------------|------------------|--|
| | Domestic (Kuwait) | Other Middle East | Europe | USA | Asia Pacific | Rest of World | Total | |
| 1. Cash items | 15,793 | 9,234 | - | - | - | - | 25,027 | |
| 2. Claims on sovereigns | 600,332 | 230,650 | - | - | - | 26,511 | 857,493 | |
| 3. Claims on public sector entities (PSEs) | 9 | 72,045 | - | - | 14,337 | 10,213 | 96,604 | |
| 4. Claims on banks | 330,127 | 97,659 | 42,639 | 13,065 | 20,762 | 36,610 | 540,724 | |
| 5. Claims on corporate | 1,612,967 | 596,015 | 34,258 | - | 49,564 | 20,009 | 2,312,813 | |
| 6. Regulatory retail exposures | 556,254 | 105,555 | - | - | 3 | - | 661,812 | |
| 7. Past due exposures | 38,646 | 4,342 | - | - | - | - | 42,988 | |
| 8. Other exposures | 333,850 | 38,322 | 1 | - | 32 | 423 | 372,628 | |
| Total | 3,487,978 | 1,153,822 | 76,898 | 13,065 | 84,560 | 93,766 | 4,910,088 | |

| Geographic distribution – unfunded exposures as of 30th June 2019 | | | | | | | (KD'000s) | |
|---|----------------------|----------------------|----------------|--------------|-----------------|------------------|------------------|--|
| | Domestic (Kuwait) | Other Middle East | Europe | USA | Asia Pacific | Rest of World | Total | |
| 1. Claims on sovereigns | 10,913 | - | - | - | - | - | 10,913 | |
| 2. Claims on public sector entities (PSEs) | 1 | - | - | - | - | - | 1 | |
| 3. Claims on banks | 1,797 | 99,941 | 147,805 | 1,215 | 137,784 | 914 | 389,456 | |
| 4. Claims on corporate | 588,450 | 121,533 | 29,132 | - | 57,798 | - | 796,913 | |
| 5. Regulatory retail exposures | 7,868 | 7,894 | 116 | - | 8 | - | 15,886 | |
| 6. Past due exposures | 129 | 454 | - | - | - | - | 583 | |
| 7. Other exposures | 7,797 | 1,577 | - | - | - | - | 9,374 | |
| Total | 616,955 | 231,399 | 177,053 | 1,215 | 195,590 | 914 | 1,223,126 | |

Gross credit exposure – residual contractual maturity as at 30th June 2019

| | Less than 1 Month (KD'000s) | 1 Month to 1 Year (KD'000s) | 1 Year to 5 Years (KD'000s) | Over 5 Years (KD'000s) | Total (KD'000s) |
|--|-----------------------------|-----------------------------|-----------------------------|------------------------|------------------|
| 1. Cash items | 25,026 | 1 | - | - | 25,027 |
| 2. Claims on sovereigns | 484,591 | 198,380 | 168,117 | 17,318 | 868,406 |
| 3. Claims on public sector entities (PSEs) | 2,088 | 29,052 | 55,731 | 9,734 | 96,605 |
| 4. Claims on banks | 505,613 | 304,661 | 115,649 | 4,258 | 930,181 |
| 5. Claims on corporate | 441,965 | 1,689,649 | 832,279 | 145,832 | 3,109,725 |
| 6. Regulatory retail exposures | 35,787 | 84,748 | 152,225 | 404,938 | 677,698 |
| 7. Past due exposures | 5,127 | 1,537 | 36,721 | 185 | 43,571 |
| 8. Other exposures | 212,138 | 92,453 | 61,177 | 16,234 | 382,002 |
| Total | 1,712,336 | 2,400,481 | 1,421,898 | 598,500 | 6,133,215 |

Impaired credit facilities and provision – by category as at 30th June 2019

| | NPL (KD'000s) | Specific provision (KD'000s) | General provision (KD'000s) | Specific provision charge (KD'000s) |
|--------------------------------|---------------|------------------------------|-----------------------------|-------------------------------------|
| 1. Claims on banks | - | - | 1,787 | - |
| 2. Claims on corporate | 63,962 | 12,518 | 208,798 | 22,587 |
| 3. Regulatory retail exposures | 9,464 | 4,546 | 5,486 | 3,580 |
| Total | 73,426 | 17,064 | 216,071 | 26,167 |

Impaired credit facilities and provision – by geographic area as at 30th June 2019

| | NPL (KD'000s) | Specific provision (KD'000s) | General provision (KD'000s) |
|-------------------|---------------|------------------------------|-----------------------------|
| Domestic (Kuwait) | 62,266 | 10,925 | 201,674 |
| Other Middle East | 11,160 | 6,139 | 12,931 |
| Europe | - | - | 588 |
| USA | - | - | 6 |
| Asia Pacific | - | - | 329 |
| Rest of World | - | - | 543 |
| Total | 73,426 | 17,064 | 216,071 |

Movement in provisions for credit facilities impairment as at 30th June 2019

| | Funded (KD'000s) | Unfunded (KD'000s) | Total (KD'000s) |
|---|---------------------|-----------------------|-----------------|
| Provisions as on 1st January 2019 | 236,238 | 18,560 | 254,798 |
| Exchange difference | 523 | 73 | 596 |
| Amounts written off during the year (net of recoveries) | (50,576) | - | (50,576) |
| Charge for the year | 27,424 | 393 | 27,117 |
| Provisions as at 30th June 2019 | 213,609 | 19,026 | 231,935 |

Risk weighted exposure post credit conversion and risk mitigation as at 30th June 2019

| | Rated (KD'000s) | Unrated (KD'000s) | Total (KD'000s) |
|--|-----------------|----------------------|------------------|
| 1. Claims on sovereigns | 24,036 | 2,475 | 26,511 |
| 2. Claims on public sector entities (PSEs) | 8,379 | 24,394 | 32,773 |
| 3. Claims on banks | 201,667 | 7,324 | 208,991 |
| 4. Claims on corporate | 19,431 | 2,127,343 | 2,146,774 |
| 5. Regulatory retail exposures | - | 623,634 | 623,634 |
| 6. Past due exposures | - | 39,403 | 39,403 |
| 7. Other exposures | - | 478,261 | 478,261 |
| Total | 252,513 | 3,302,834 | 3,556,347 |

Collateralized Credit Exposure with eligible collateral as at 30th June 2019

| | Gross Credit Exposure (KD'000s) | Collateralized Exposure (KD'000s) | Financial Collaterals (KD'000s) | Bank Guarantees (KD'000s) | Real Estate (KD'000s) |
|--|---------------------------------------|---|---------------------------------------|---------------------------------|--------------------------|
| 1. Cash items | 25,027 | - | - | - | - |
| 2. Claims on sovereigns | 868,406 | - | - | - | - |
| 3. Claims on public sector entities (PSEs) | 96,605 | 1 | 1 | - | - |
| 4. Claims on banks | 930,180 | - | - | - | - |
| 5. Claims on corporate | 3,109,726 | 1,131,368 | 510,585 | 16,447 | - |
| 6. Regulatory retail exposures | 677,698 | 57,076 | 42,308 | - | - |
| 7. Past due exposures | 43,571 | 6,059 | 3,444 | - | - |
| 8. Other exposures | 382,002 | 31,395 | 7,923 | - | - |
| Total | 6,133,216 | 1,225,899 | 564,261 | 16,447 | - |

Credit risk exposure after credit conversion factor and CRM as at 30th June 2019

| | Before CRM (KD'000s) | CRM (KD'000s) | Net exposure (KD'000s) |
|--|-------------------------|------------------|---------------------------|
| 1. Cash items | 25,027 | - | 25,027 |
| 2. Claims on sovereigns | 857,602 | - | 857,602 |
| 3. Claims on public sector entities (PSEs) | 96,605 | (1) | 96,604 |
| 4a. Claims on banks - rated | 620,848 | - | 620,848 |
| 4b. Claims on banks - unrated | 21,112 | - | 21,112 |
| 5. Claims on corporate | 2,683,078 | (527,034) | 2,156,044 |
| 6. Regulatory retail exposures | 669,338 | (42,308) | 627,030 |
| 7. Past due exposures | 43,280 | (3,445) | 39,835 |
| 8. Other exposures | 377,542 | (7,923) | 369,619 |
| Total | 5,394,432 | (580,710) | 4,813,721 |

Capital requirements for market risk exposures as at 30th June 2019

| | Required Capital (KD'000s) |
|---|----------------------------|
| 1. Equities position risk | 1,316 |
| 2. Foreign exchange risk | 276 |
| Minimum capital required for market risk | 1,592 |

Capital requirements for operational risk exposures as at 30th June 2019

| | Required Capital (KD'000s) |
|--|----------------------------|
| 1. Trading and sales | 7,312 |
| 2. Commercial banking | 22,572 |
| 3. Retail banking | 7,297 |
| 4. Asset management | 25 |
| Minimum capital required for operational risk | 37,207 |

Total value of investments disclosed in the consolidated statement of financial position as at 30th June 2019

| | Total (KD'000s) | Quoted (KD'000s) | Unquoted (KD'000s) |
|--|--------------------|---------------------|-----------------------|
| Investment securities – available for sale | 246,388 | 126,584 | 119,804 |

Total Investment gains as at 30th June 2019

| | Total (KD'000s) |
|--|--------------------|
| Realised gains recorded in the consolidated statement of income | 704 |
| Unrealised gains recorded in the consolidated statement of changes in shareholders' equity | 9,271 |
| 100% of the above included in Tier 1 Capital | 9,271 |

Capital requirement for the investments as at 30th June 2019

| | Capital requirement (KD'000s) |
|--|-------------------------------|
| Investment securities–available for sale | 2,209 |

Interest rate risk in banking book (IRRBB) as at 30th June 2019

| | (KD'000s) |
|-----------------------------|-----------|
| 1bp sensitivity in KD book | - |
| 1bp sensitivity in USD book | - |

Total Value of Remuneration Awards for the Half Year 2019

| | No of Employees | Unrestricted (In KD'000s) | Deferred (In KD'000s) |
|------------------------------|--------------------|------------------------------|--------------------------|
| Fixed remuneration | | | |
| – Cash-based | 59 | 2,373 | Nil |
| – Other | 59 | 404 | Nil |
| Variable remuneration | | | |
| – Cash-based | 59 | 829 | 276 |

| | Senior Management | | | Material Risk Takers | | | Financial & Control Function | | |
|------------------|-------------------|-----|-----|----------------------|-----|-----|------------------------------|------|-----|
| | No | % | KD | No | % | KD | No | % | KD |
| Variable | 18 | 31% | 333 | 27 | 46% | 542 | 14 | 24% | 230 |
| Guaranteed Bonus | 18 | 31% | 72 | 27 | 46% | 111 | 14 | 24% | 48 |
| Sign-on Awards | - | - | - | - | 0% | - | 2 | 100% | 139 |

Table (2): Summary comparison of accounting assets vs total leverage ratio exposure as at 30th June 2019

| S.N. | Item | (KD'000s) |
|------|---|-----------|
| 1 | Total consolidated assets as per published financial statements | 4,734,381 |
| 2 | Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | - |
| 3 | Adjustment for fiduciary assets recognized on the balance sheet pursuant to the accounting policy but excluded from the leverage ratio exposure measure (as shown in footnote No 2) | - |
| 4 | Adjustments for derivatives | 3,000 |
| 5 | Adjustment for securities financing transactions. | - |
| 6 | Off-balance sheet exposures (i.e. credit equivalent amounts) | 502,334 |
| 7 | Other exposures | - |
| 8 | Total exposures in the Leverage ratio measure (i.e. total of above-mentioned items) | 5,239,715 |

Table (3): Leverage ratio common disclosure as at 30th June 2019

| S.N. | Item | (KD'000s) |
|------|--|-----------|
| | On-balance sheet exposures | |
| | Total consolidated assets as per published financial statements | |
| | Add: Cash general provision | |
| 1 | On-balance sheet items (excluding derivatives and SFTs, but including collateral) | 4,938,263 |
| 2 | (Asset amounts deducted in determining Basel III Tier 1 capital) | - |
| 3 | Total on-balance sheet exposures (excluding derivatives and SFTs) | 4,938,263 |
| | Derivative Exposures | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 640 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions | 2,360 |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework | - |

Table (3): Leverage ratio common disclosure as at 30th June 2019

| S.N. | Item | (KD'000s) |
|------|---|------------------|
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | - |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | - |
| 9 | Adjusted effective notional amount of written credit derivatives | - |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - |
| 11 | Total derivative exposures (sum of lines 4 to 10) | 3,000 |
| | Securities financing transaction Exposures | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions | - |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - |
| 14 | CCR exposure for SFT assets | - |
| 15 | Agent transaction exposures | - |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | - |
| | Other off-balance sheet exposures | |
| 17 | Off-balance sheet exposure at gross notional amount | 1,252,864 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (750,530) |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 502,334 |
| | Capital & Total Exposures | |
| 20 | Tier 1 capital | 645,534 |
| 21 | Total exposures (sum of lines 3, 11, 16 and 19) | 5,443,597 |
| | Leverage Ratio | |
| 22 | BASEL III Leverage Ratio | 11.86% |

The main features table includes information on the amount recognized in regulatory capital as at 30th June 2019 is shown below.

| Main features of Regulatory Capital Instruments | | |
|--|---|----------------------------------|
| 1 | Issuer | Al Ahli Bank of Kuwait (K.S.C.P) |
| 2 | Unique identified | BBG000BVT854 |
| 3 | Governing law(s) of the instrument | Kuwait Law |
| Regulatory treatment | | |
| 4 | Type of Capital (CET1, AT1 or T2) | CET1 |
| 5 | Eligible at solo/group/group & solo | Group and Solo |
| 6 | Instrument type (types to be specified by each jurisdiction) | Ordinary Shares |
| 7 | Amount recognised in regulatory capital | KD 161,917 thousand |
| 8 | Par value of instrument | 100 Fils |
| 9 | Accounting classification | Share Capital |
| 10 | Original date of issuance | 23/05/1967 |
| 11 | Perpetual or dated | Perpetual |
| 12 | Original maturity date | No Maturity |
| 13 | Issuer call subject to prior supervisory approval | N/A |
| 14 | Optional call date, contingent call dates and redemption amount | N/A |
| 15 | Subsequent call dates, if applicable | N/A |
| Coupons/ dividends | | |
| 16 | Fixed or floating dividend/coupon | N/A |
| 17 | Coupon rate and any related index | N/A |
| 18 | Existence of a dividend stopper | N/A |
| 19 | Fully discretionary, partially discretionary or mandatory | N/A |
| 20 | Existence of step up or other incentive to redeem | N/A |
| 21 | Noncumulative or cumulative | N/A |
| 22 | Convertible or non-convertible | No |
| 23 | If convertible, conversion trigger (s) | N/A |
| 24 | If convertible, fully or partially | N/A |
| 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 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 |

Main features of Regulatory Capital Instruments

| | | |
|----|--|-----|
| 34 | Position in subordinated hierarchy in liquidation (specify instrument type immediately senior to instrument) | N/A |
| 35 | Non-compliant transitioned features | No |
| 36 | If yes, specify non-compliant features | N/A |
