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National Bank of Kuwait Group

Capital and Leverage Disclosures (Basel III)

September 2026

PUBLIC

Capital and Leverage Disclosures

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National Bank of Kuwait Group

Capital and Leverage Disclosures: 30th September 2026

I. Composition of Capital

1. Composition of Regulatory Capital

For regulatory purposes, the capital base is divided into: (i) Common Equity Tier 1; (ii) Tier 1 Capital and (iii) Total Capital

Common Equity Tier 1 capital comprises shareholders' equity, retained earnings, eligible reserves and related eligible non-controlling interests. The book values of Goodwill and Intangibles are deducted along with other regulatory adjustments.

Tier 1 Capital consists of Common Equity Tier 1 capital and Additional Tier 1 capital which includes eligible Perpetual Tier 1 Securities and eligible portion of non-controlling interests.

Total Regulatory Capital includes Tier 1 capital and Tier 2 capital which consists of the allowed portions of general provisions and certain additional eligible non-controlling interests.

The below table summarizes the composition of capital and ratios:

Table 1	KD 000s
Common Equity Tier 1 capital (CET1)	3,950,897
Additional Tier 1 capital (AT1)	331,626
Tier 1 capital (T1 = CET1 + AT1)	4,282,522
Tier 2 capital (T2)	653,065
Total capital (TC = T1 + T2)	4,935,588
Total risk-weighted assets	30,962,411
Capital ratios and buffers	
Common Equity Tier 1 (as percentage of risk-weighted assets)	12.8%
Tier 1 (as percentage of risk-weighted assets)	13.8%
Total capital (as percentage of risk-weighted assets)	15.9%
National minima (after release of 1% from Capital Conservation Buffer)*	
Common Equity Tier 1 minimum ratio	8.5%
Tier 1 minimum ratio	10.0%
Total capital minimum ratio excluding CCY and D-SIB buffers	12.0%
Bank Minimum (after release of 1% from Capital Conservation Buffer)*	
Common Equity Tier 1 minimum ratio including D-SIB Buffer	10.5%
Tier 1 minimum ratio	12.0%
Total capital minimum ratio excluding Countercyclical Buffer	14.0%

*In response to the crisis, the Central Bank of Kuwait (CBK) implemented various measures targeted at reinforcing the banking sector's ability to play a vital role in the economy. The measures include releasing 1.0% of the risk weighted assets from the Capital Conservation Buffer included in the CET1. A detailed breakdown of the Group's regulatory capital position under the Common Disclosures template as stipulated under the Pillar 3 section of the CBK Basel III Capital Adequacy framework is presented in Table 7 of the Appendices Section.

2. Reconciliation requirements

The basis for the scope of consolidation for accounting and regulatory purposes is consistent for the Group.

In order to provide a full reconciliation of all regulatory capital elements to the balance sheet in the financial statements, a three step approach has been mandated under the Pillar III disclosures section of the CBK Basel III framework.

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The below Table 2 provides the comparison (Step1) of the balance sheet published in the interim condensed consolidated financial statement and the balance sheet under the regulatory scope of consolidation. Lines have been expanded and referenced with letters (Step 2) to display the relevant items of the regulatory capital.

Table 2: Step 1 and 2 of Reconciliation requirements

Item	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
Assets			
Cash and short term funds	5,031,016	5,031,016	
Central Bank of Kuwait bonds	-	-	
Kuwait Government treasury bonds	1,868,106	1,868,106	
Deposits with banks	720,827	720,827	
Loans, advances and Islamic financing to customers	28,193,314	28,193,314	
of which General Provisions(netted above) capped for Tier 2 inclusion	356,867	356,867	a
Investment securities	9,034,474	9,034,474	
Land, premises and equipment	560,206	560,206	
Goodwill and other intangible assets	505,889	505,889	
of which goodwill deducted from CET1 Capital	339,183	339,183	b
of which other intangibles deducted from CET1 Capital	166,706	166,706	c
Other assets	1,004,410	1,004,410	
Assets held for sale	-	-	
Total assets	**46,918,242**	**46,918,242**	
Liabilities			
Due to banks and other financial institutions	8,555,807	8,555,807	
Customers deposits	27,896,832	27,896,832	
Certificates of deposit issued	2,109,001	2,109,001	
Other borrowed funds	1,557,372	1,557,372	
Amount recognised in Tier 2 capital	237,079	237,079	d
Other liabilities	1,330,338	1,330,338	
Liabilities directly associated with assets held for sale	-	-	
Total liabilities	**41,449,350**	**41,449,350**	
Shareholders' Equity			
Share capital	917,990	917,990	e
Proposed bonus shares	-	-	
Statutory reserve	437,140	437,140	f
Share premium account	803,028	803,028	g
Treasury shares reserve	34,961	34,961	h
Other Reserves	2,454,718	2,454,718	
1) of which Retained earnings eligible as CET1 Capital (net of Retail Deferment Loss as below)	2,136,367	2,136,367	i
Retail Loans deferment Loss added back to CET1 Capital	-	-	j
2) of which Interim Profits	481,663	481,663	
3) of which Proposed Dividend	-	-	
4) of which Others eligible as CET1 Capital	(163,312)	(163,312)	k
Equity attributable to shareholders of the Bank	**4,647,837**	**4,647,837**	
Perpetual Tier 1 Capital Securities	244,040	244,040	
of which used for Regulatory Capital	439,032	439,033	l
Non-controlling interests	577,015	577,015	
of which Limited Recognition eligible as CET1 Capital	288,444	288,444	m
of which Limited Recognition eligible as AT1 Capital	87,586	87,586	n
of which Limited Recognition eligible as Tier 2 Capital	59,120	59,120	o
Total equity	**5,468,892**	**5,468,892**	
Total liabilities and equity	**46,918,242**	**46,918,242**	

Table 3 below provides the relevant lines under 'Table 7: Composition of Regulatory Capital' with cross references to the letters in Table 2, thereby reconciling (Step 3) the components of regulatory capital to the published balance sheet.

Table 3: Step 3 of Reconciliation requirements

Relevant Row Number in Common Disclosure Template	Common Equity Tier 1 capital: instruments and reserves	Component of regulatory capital	Source based on reference letters of the balance sheet from step 2
1	Directly issued qualifying common share capital plus related stock surplus	917,990	e
2	Retained earnings	2,138,535	i
3	Accumulated other comprehensive income (and other reserves)	1,111,817	f+g+h+k+j+p
5	Common share capital issued by subsidiaries and held by third parties (minority interest)	288,444	m
6	Common Equity Tier 1 capital before regulatory adjustments	4,456,786	
	Common Equity Tier 1 capital : regulatory adjustments		
8	Goodwill	(339,183)	b
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(166,706)	c
28	Total regulatory adjustments to Common Equity Tier 1	(505,889)	
29	**Common Equity Tier 1 capital (CET1)**	**3,950,897**	
	Additional Tier 1 capital : instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	244,040	l
31	of which: classified as equity under applicable accounting standards	244,040	
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)	87,586	n
36	Additional Tier 1 capital before regulatory adjustments	331,626	
	Additional Tier 1 capital : regulatory adjustments		
44	**Additional Tier 1 capital (AT1)**	**331,626**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**4,282,522**	
	Tier 2 capital : instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	237,079	d
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)	59,120	o
50	General Provisions included in Tier 2 Capital	356,867	a
51	Tier 2 capital before regulatory adjustments	653,065	
	Tier 2 capital: regulatory adjustments		
58	**Tier 2 capital (T2)**	**653,065**	
59	**Total capital (TC = T1 + T2)**	**4,935,588**	

II. Leverage

1. Leverage ratio

In October 2014, CBK issued the regulations on the 'Leverage ratio' introduced by BCBS as part of the regulatory reforms package. This transparent and non-risk based metric supplements the Capital ratio to act as a backstop measure to limit excessive build-up of on and off-balance sheet exposures.

The Leverage ratio is a separate, additional requirement from the risk-based capital requirement. It is defined as the 'capital' measure divided by the 'exposure' measure. The capital measure is made up of Tier 1 capital. The exposure measure is a sum of on-balance sheet assets, derivative exposures; securities finance transactions and off-balance sheet exposures.

The Group complies with the requirements stipulated by CBK for the Leverage ratio set at a minimum of 3%.

The Leverage Ratio for the Group at consolidated level is:

Table 4	
Tier 1 Capital (KD 000s)	**4,282,522**
Total Exposures (KD 000s)	**51,794,751**
Leverage Ratio (%)	**8.3%**

2. Leverage Ratio Exposures

The below Table provides the details of the Total Exposures for Leverage Ratio:

Table 5

Total Exposures	**KD 000s**
On-balance sheet exposures	**46,412,353**
Derivative exposures	**371,965**
Off-balance sheet items	**5,010,433**
Total exposures	**51,794,751**

The details of the Leverage Ratio in the format stipulated for public disclosure under the Pillar 3 framework has been provided in Table 8 of the Appendices Section.

3. Reconciliation

The below Table provides the reconciliation of the balance sheet assets from the published financial statement with total exposure amount in the calculation of leverage ratio.

Summary comparison of accounting assets vs leverage ratio exposure measure

Table 6

	Item	KWD 000s
1	Total consolidated assets as per published financial statements	46,918,242
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
4	Adjustments for derivative financial instruments	371,965
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	0
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	5,010,433
7	Other adjustments	(505,889)
8	**Leverage ratio exposure**	**51,794,751**

Appendices

1. Regulatory Capital Composition: Common Disclosure Template

Table 7

Row Number	Description	KD 000s
1	Directly issued qualifying common share capital plus related stock surplus	917,990
2	Retained earnings	2,138,535
3	Accumulated other comprehensive income (and other reserves)	1,111,817
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)	288,444
6	Common Equity Tier 1 capital before regulatory adjustments	4,456,786
	Common Equity Tier 1 capital : regulatory adjustments	
7	Prudential valuation adjustments	
8	Goodwill (net of related tax liability)	(339,183)
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	(166,706)
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	Securitisation 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)	
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 (amount above 10% threshold)	
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 , where the bank does not own more than 10% of the issued share capital(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	(505,889)
29	Common Equity Tier 1 capital (CET1)	3,950,897

Row Number	Description	KD 000s
	Additional Tier 1 capital : instruments	
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	244,040
31	of which: classified as equity under applicable accounting standards	244,040
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)	87,586
35	*of which: instruments issued by subsidiaries subject to phase out*	-
36	Additional Tier 1 capital before regulatory adjustments	331,626
	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 does not own more than 10% of the issued common share capital of the entity(amount above 10% threshold)	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation(net of eligible short positions)	
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)	331,626
45	Tier 1 capital (T1 = CET1 + AT1)	4,282,522
	Tier 2 capital : instruments and provisions	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	237,079
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)	59,120
49	*of which: instruments issued by subsidiaries subject to phase out*	-
50	General Provisions included in Tier 2 Capital	356,867
51	Tier 2 capital before regulatory adjustments	653,065
	Tier 2 capital: regulatory adjustments	
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(amount above 10% threshold)	
55	Significant investments in the capital of 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)	653,065
59	Total capital (TC = T1 + T2)	4,935,588

Row Number	Description	KD 000s
60	Total risk-weighted assets	30,962,411
	Capital ratios and buffers	
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	12.8%
62	Tier 1 (as percentage of risk-weighted assets)	13.8%
63	Total capital (as percentage of risk-weighted assets)	15.9%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus DSIB buffer requirement expressed as a percentage of risk-weighted assets)	9.0%
65	of which: capital conservation buffer requirement	
66	of which: bank specific countercyclical buffer requirement	-
67	of which: DSIB buffer requirement	2.0%
68	Common Equity Tier 1 available to meet buffers (as percentage of risk-weighted assets)	4.3%
	National minima	
69	Common Equity Tier 1 minimum ratio	8.5%
70	Tier 1 minimum ratio	10.0%
71	Total capital minimum ratio excluding CCY and D-SIB buffers	12.0%
	Amounts below the thresholds for deduction(before risk weighting)	
72	Non-significant investments in the capital of other financials	31,922
73	Significant investments in the common stock of financial entities	-
74	Mortgage servicing rights (net of related tax liability)	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	
	Applicable caps on the inclusion of provisions in Tier 2	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	761,891
77	Cap on inclusion of allowances in Tier 2 under standardised approach	356,867
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 on inclusion of allowances in Tier 2 under internal ratings-based approach	

Leverage Ratio: Common Disclosure Template

Table 8

	Item	KWD 000s
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	46,918,242
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(505,889)
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**46,412,353**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	54,990
5	Add-on amounts for PFE associated with all derivatives transactions	316,975
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	-
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)**	**371,965**
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales 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	19,721,400
18	(Adjustments for conversion to credit equivalent amounts)	(14,710,967)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**5,010,433**
Capital and total exposures		
20	**Tier 1 capital**	**4,282,522**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**51,794,751**
Leverage ratio		
22	**Basel III leverage ratio**	**8.3%**

Regulatory Capital: Main Features Template

The Bank's share capital comprised 9,179,903,298 issued and fully-paid-up equity shares, and is eligible as Common Equity Tier 1 Capital at Group and Solo level. (Refer Note 7: Shareholders' equity of the Notes to Interim Condensed Consolidated Financial Information for details)

In addition, the following instruments qualify as eligible Regulatory Capital

1	**Issuer**	NBK Tier 1 Limited	NBK Tier 1 Financing (2) Limited	National Bank of Kuwait S.A.K.P.	NBK Tier 2 Limited
2	**Unique identifier**	XS2306962841	XS3076918419	KW0DI0190655 (Fixed) KW0DI0190648(FLT)	XS3223314017
3	**Governing law(s) of the instrument**	English law (other than the Issuer subordination provisions which are governed by the laws of the Dubai International Financial Centre)	English law (other than the Issuer subordination provisions which are governed by the laws of the Dubai International Financial Centre)	Laws of the State of Kuwait	Laws of the State of Kuwait
	Regulatory treatment				
4	Type of Capital	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
5	Eligible at solo/ group / group & solo	Group and Solo	Group and solo	Group and solo	Group and solo
6	Instrument type	Capital Securities by Issuer Irrevocably guaranteed by National Bank of Kuwait S.A.K.P. on Subordinated basis	Capital Securities by Issuer Irrevocably guaranteed by National Bank of Kuwait S.A.K.P. on Subordinated basis	Subordinated Debt	Subordinated Debt
7	Amount recognised in Regulatory Capital	USD 700,000,000 (KD 211,295,000)	USD 800,000,000 (KD 244,040,000)	KD 150,000,000/-	USD 300,000,000/-
8	Par value of instrument	USD 1,000/-	USD 1,000/-	KD 50,000/-	USD 200,000/-
9	Accounting classification	Shareholders' equity	Shareholders' equity	Liability-Amortised Cost	Liability-Amortised Cost
10	Original date of issuance	24th February 2021	10th July 2025	18th November 2025	10th November 2025
11	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
12	Original maturity date	No maturity	No maturity	18th February 2036	10th February 2036
13	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
14	Optional call date, contingent call dates and redemption amount	Optional Call date: Six months prior to the First Reset Date: 24th February 2027, outstanding principal together with interest accrued (in whole)	Optional Call date: Six months prior to the First Reset Date: 10th July 2031, outstanding principal together with interest accrued (in whole)	Optional Call date: 18 November 2030 or any Interest Payment hereafter; Capital Event or Taxation Reasons Principal (in whole or in part) plus Accrued Interest	Optional Call date: 10 November 2030 or any Interest Payment hereafter; Capital Event or Taxation Reasons Principal (in whole or in part) plus Accrued Interest
15	Subsequent call dates, if applicable	Semi-Annually	Semi-Annually	Semi-Annually	Semi-Annually
	Coupons / dividends				

16	Fixed or floating dividend /coupon	Fixed for first 6-year period; thereafter reset every year to a new rate to be the aggregate of the margin and the interpolated 6-year US Treasury rate.	Fixed for first 6-year period; thereafter reset every 6 years, to be the aggregate of the margin and the Relevant Six-Year Reset Rate.	Fixed Tranche: Fixed for first 5 years and 3 months and reset thereafter to a new fixed rate for subsequent period. Floating Tranche: Floating rate determined semi-annually subject to a cap.	Fixed for first 5- year period, thereafter, reset to prevailing 5-year US Treasury rate plus margin.
17	Coupon rate and any related index	3.625% p.a. Fixed-Rate up to (but excluding), 24th February'2027, there-after reset every 6 years to a new rate equal to the interpolated 6-year US Treasury rate plus 2.875% margin	6.375% p.a. Fixed-Rate up to (but excluding), 10th July 2031, there-after reset every 6 years to a new rate equal to the interpolated 6-year US Treasury rate plus 2.403% margin	Fixed Tranche: 5.25% p.a. Fixed for 5 years and 3 months and reset thereafter to a new fixed rate of the then CBK Discount Rate plus 1.50% p.a. for subsequent period. Floating Tranche: CBK Discount Rate plus 2.00% determined semi-annually subject to a cap of prevailing Fixed Interest Rate plus 1%	5.25% p.a. Fixed rate for first 5-year and 3 month period, thereafter, reset to 150.0 bps over the prevailing 5-year interpolated US Treasury rate.
18	Existence of a dividend stopper	Yes	Yes	No	No
19	Fully discretionary, partially discretionary or mandatory	Payment of Interest may be cancelled at the sole-discretion of the Issuer and the Guarantor.Mandatory cancellation upon:- Insufficient Distributable Funds on a consolidated basis-Breach of any applicable capital requirements-Regulatory requirement to cancel	Payment of Interest may be cancelled at the sole-discretion of the Issuer and the Guarantor.Mandatory cancellation upon:-Insufficient Distributable Funds on a consolidated basis-Breach of any applicable capital requirements-Regulatory requirement to cancel	Payment of Interest is Mandatory.	Payment of Interest is Mandatory.
20	Existence of step-up or other incentive to redeem	No	No	No	No
21	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Not Applicable	Not Applicable
22	**Convertible or non-convertible**	**Non-convertible**	**Non-convertible**	**Non-convertible**	**Non-convertible**
23	If convertible, conversion trigger (s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
24	If convertible, fully or partially	Not Applicable	Not Applicable	Not Applicable	Not Applicable
25	If convertible, conversion rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable
26	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable	Not Applicable	Not Applicable
27	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable	Not Applicable	Not Applicable
28	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable	Not Applicable	Not Applicable
29	**Write-down feature**	**Yes**	**Yes**	**Yes**	**Yes**

30	If write-down, write-down trigger(s)	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.	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.
31	If write-down, full or partial	Can be partial or full	Can be partial or full	Can be partial or full	Can be partial or full
32	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent
33	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable	Not Applicable	Not Applicable
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior only to Ordinary Equity shares, i.e. qualifying CET1 instruments	Senior only to Ordinary Equity shares, i.e. qualifying CET1 instruments	Senior only to Ordinary Equity shares and qualifying Tier 1 instruments	Senior only to Ordinary Equity shares and qualifying Tier 1 instruments
35	Non-compliant transitioned features	No	No	No	No
36	If yes, specify non-compliant features	Not Applicable	Not Applicable	Not Applicable	Not Applicable

GLOSSARY OF TERMS

Term	Definition
Additional Tier 1 Capital (AT1)	Additional Tier 1 Capital is a Basel III defined concept and consists of high quality capital. It essentially includes providing a permanent and unrestricted commitment of funds, is freely available to absorb losses at the point of non-viability, ranks behind the claims of depositors and other more senior creditors in the event of a wind-up, and provides for fully discretionary capital distributions.
Basel III	Refers to the "Capital Adequacy Ratio-Basel III for conventional banks" regulations issued by Central Bank of Kuwait Circular number 2/RB, RBA/A336/2014 dated 24 June 2014
Capital Conservation Buffer (CCB)	A capital conservation buffer of 2.5% (expressed as a percentage of risk-weighted assets) has been subsumed in the Minimum Common Equity Tier 1 Capital requirement level.
Countercyclical Buffer(CCY)	A countercyclical buffer requirement that varies from 0% to 2.5% which, when triggered as a requirement at the discretion of Central Bank of Kuwait, is required to be met from Common Equity Tier 1 capital.
Common Equity Tier 1 Capital (CET1)	Common Equity Tier 1 Capital is the highest quality of capital available reflecting the permanent and unrestricted commitment of funds that are freely available to absorb losses. It essentially includes ordinary share capital, retained earnings and reserves less prescribed deductions.
Domestic Systemically-Important Bank Buffer(D-SIB)	A Domestic Systemically-Important Bank Buffer that varies from 0.5% to 2% required to be met in the form of Common Equity Tier 1 capital which will be determined at the level of each bank identified as systemically important by Central Bank of Kuwait on an annual basis.
ECAI	An External Credit Assessment Institution (ECAI) as recognised by Central Bank of Kuwait from time to time for the purposes of the assigning risk-weights to obligors under the Standardised Approach.
Significant Investments	Significant Investments in capital of banking, financial and insurance entities are those where the bank owns more than 10% of the issued common share capital of the issuing entity or where the entity is an affiliate of the bank.
Tier 2 Capital(T2)	Tier 2 Capital consists of eligible capital instruments that provide an unrestricted commitment of funds for a defined period that is available to absorb losses at the point of non-viability, subordinated to claims of depositors in the event of wind-up. Limited recognition of general provisions held against future, presently-unidentifiable losses are eligible for inclusion in Tier 2 capital.
Leverage Ratio	Calculated in accordance with the requirements of CBK Circular number 2/BS/342/2014 dated 21 October 2014. Leverage ratio is defined as the "capital" measure (being Tier 1 capital) divided by the "exposure" measure (being the sum of on-balance sheet assets, derivative exposures and off-balance sheet exposures).