

Date: 20 December 2023

التاريخ: 20 ديسمبر 2023

To : Boursa Kuwait Company
Dear Sir,

السادة/شركة بورصة الكويت المحترمين
تحية طيبة وبعد ،،

Subject: Sustainability Report

الموضوع / تقرير الاستدامة

Reference to the regulations of Chapter (1) of Module (12) of the Executive Bylaws of Capital Markets Authority's Law concerning the regulatory rules pertinent to the Sustainability Report of the Listed Companies.

بالإشارة إلى تعليمات الفصل الأول من الكتاب الثاني عشر لللائحة التنفيذية لقانون هيئة أسواق المال بشأن القواعد التنظيمية الخاصة بتقرير الاستدامة للشركات المدرجة.

We would like to advise that KIB has issued its annual report on Sustainability, which demonstrates the impact of the bank's activities and governance practices on environment, society and economy, as well as the risks associated therewith.

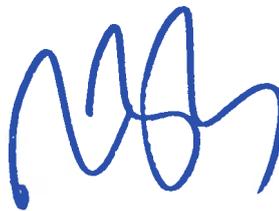
نود الإفادة ان مصرفنا قد أصدر تقريره السنوي حول الاستدامة، الذي يوضح تأثير أنشطة البنك وممارسات الحوكمة الخاصة به على البيئة والمجتمع والاقتصاد والمخاطر المتعلقة بهذه الأنشطة.

Please find attached the Sustainability Report for the year 2022.

مرفق لكم طيه تقرير الاستدامة عن عام 2022

Best regards,

وتفضلوا بقبول فائق الاحترام والتقدير،،



رائد جواد بوخمسين

Raed Jawad Bukhamseen



A Reflection of Our

Environmental, Social, and Governance

Annual Sustainability Report - 2022



His Highness Sheikh

Nawaf Al-Ahmad Al-Jaber Al-Sabah
Amir of the State of Kuwait

May Allah Grant Him Protection



His Highness Sheikh

Mishal Al-Ahmad Al-Jaber Al-Sabah
Crown Prince of the State of Kuwait

May Allah Grant Him Protection

Summary Report Overview

Contact

Please contact us via email for any queries related to the content of this Summary Report or on KIB's sustainability performance and/or practices: ESG@kib.com.kw

For the second year in a row, as we stand on the precipice of a new year of performance, our commitment to Environmental, Social, and Governance (ESG) principles becomes not just a choice, but a necessity.

This ESG Summary Report offers a concise overview of Kuwait International Bank's (KIB) journey towards a sustainable and socially responsible future. Through the lens of ESG, we delve into the main aspects of our 2022 ESG performance that defined our dedication to environmental surroundings, sustained workplace culture, our contribution towards elevating community engagement and how we demonstrated effective and robust governance practices.

As a trusted financial institution, we recognize that our actions reverberate far beyond our balance sheets and financial statements. For this year, we decided to reflect our commitment to ESG principles in a concise manner, disclosing selected information in a straightforward and tailored approach for the purpose of serving our stakeholder needs and the broader audience. For the upcoming years and going forward we will continue to disclose our ESG performance either via annual comprehensive sustainability reports or as ESG summary reports, depending on business needs, regulatory requirements, and the Bank's strategic directions.

We invite you to embark on this journey with us, as we navigate the complex landscape of ESG in banking, demonstrating our unwavering commitment to building a sustainable and prosperous future for our community. Together, we will strive for positive change, knowing that the actions we take today will impact the broader sustainability context of the communities we serve.

Noteworthy, this ESG Summary Report should be read in conjunction with KIB's 2022 Annual Report, which is accessible through the following link: <https://www.kib.com.kw/en/home/Personal/about-us/reports.html>

KIB Highlights for the Year 2022



Operating branches

16



Total GHG emissions

14,554.42
mtCO2e



Total GHG emission
intensity

19.67
mtCO2e/employee



Growth rate percentage
year-on-year of financing offered
to small and medium-size
enterprises (SMEs)

37%



Percentage of ESG Sukuk
investments out of total Sukuk
portfolio

15.8%



Employees who
received training

88%



Kuwaitization percentage
out of total employees

73.9%



Diversity: percentage of
women employed

26.1%



Number of workplace
related injuries

0



Average training hours
provided per employee

6
hours/employee

Table of Contents

Chairman's Message	Vice Chairman and CEO's Message	1. About KIB	2. Conserving our Environmental Surroundings	3. Cultivating a Sustained Workplace Culture	4. Elevating Community Engagement	5. Demonstrating Effective & Robust Governance
Page 5	Page 6	Page 7	Page 19	Page 22	Page 27	Page 35

Chairman's Message



Mohammed Jarrah Al-Sabah
Chairman



Our vision at Kuwait International Bank (KIB) is to lead at the forefront of sustainability practices in Kuwait through robust corporate governance, social inclusion and environmentally friendly operational infrastructure and sustainable practices. KIB embarked on its sustainability journey because we believed that our financial institution has an expansive role to play within our national community that is beyond providing financial services. We aim to provide innovative and sustainable first-class financial products and solutions that continue to guide our current practices and future ambitions. Across our 15 branches, KIB strives to positively contribute to society and mitigate the effects of any potentially negative by-products resulting from our operations and activities. As a result, the Bank has sought to integrate Environmental, Social, Governance (ESG) aspects within our overall practices to advance as a key player in enabling and advancing Kuwait's financial ecosystem. This year has marked another milestone for KIB as it upholds its commitment towards a sustainable future in Kuwait, through the transparent disclosure of our 2022 ESG performance.

In our ongoing pursuit to focus on the 6 key pillars identified in the Bank's Sustainability Strategy 2021, KIB continues to implement its Key Performance Indicators (KPIs) and strategic dimensions that are guided by the New Kuwait Vision 2035 pillars, United Nations Sustainable Development Goals (SDGs), and by the Shari'a Islamic values. We are committed to fostering transparent and accountable engagements and partnerships that positively impact our community and stakeholders. In line with these values, we made a commitment in our sustainability strategy to continue accelerating our ESG practices across the Bank's operations.

The KIB ESG Summary Report aims to provide an update on the Bank's ESG progress by expanding our efforts of transparency and accountability in terms of public disclosures.



Vice Chairman & CEO's Message



Raed Bukhamseen
Vice Chairman & CEO

“

Our goal to become Kuwait's most sustainable Bank remains at the heart of our vision as a Kuwaiti Islamic bank. Since the adoption of our Sustainability Strategy, KIB has proactively sought to ensure that sustainability remains at the core of the Bank's principles and operations, guiding our leaders to maintain the highest ethical standards and practices in ESG. Since sustainability is among KIB's guiding principles and core operating model, this year, as promised, we increasingly focused on achieving strategic goals in various aspects such as sustaining our effective and robust governance, strengthening stakeholder engagement, investing in female empowerment, Kuwaitization, and economic advancements related initiatives. Through our comprehensive integrated Sustainability Strategy, we continue to provide sustainable finance solutions and expand support on environmentally friendly projects and initiatives.

The Bank acknowledges not only its impact, but the employees within its organization, along with businesses and individuals operating within Kuwait's community. With that said, KIB pledges to uphold its social and moral duty to the community and surrounding environment. This ESG Summary Report 2022 presents our commitment to sustainable responsible banking through outlining our activities, practices, and achievements in the past year as we embed ESG across the Bank's operations.

”



1. About KIB

Kuwait International Bank (KIB) was established in 1973 and has been operating as a prominent Islamic Shari'a financial institution since 2007. KIB offers integrated financial solutions, continually expanding its range of retail and corporate banking products and services across Kuwait.

As an Islamic Bank, KIB's business covers all banking services including Acceptance of Deposits, Financing Transactions, Direct Investment, Murabaha (auto, real estate and commodities), Ijara Muntahia Bittamleek (Lease-to-own), Istisna'a, Tawarruq, Credit Cards, Wakala and other Islamic banking solutions and products. KIB further offers financing to corporate projects, treasury services, issuing letters of credit (L/Cs), letter of guarantee (L/Gs), and real estate dealings and management of properties.

This strategic focus on providing holistic financial solutions has been a driving force behind our consistent and rapid growth. It has enabled us to diversify and broaden our customer base, reaching various segments of the population and accommodating their needs through exceptional service.

Corporate Vision, Mission and Values

 <p>Our Vision</p> <p>To become the Islamic Bank of choice in Kuwait.</p>	 <p>Our Mission</p> <p>To provide innovative and sustainable first-class financial products and solutions governed by the principles of Islamic Shari'a.</p>	 <p>Our Values</p> <p>To achieve its mission, KIB adheres by the core values outlined herein:</p>		
 <p>Minimalist</p>	 <p>Inventive</p>	 <p>Co-act</p>	 <p>Transparent</p>	 <p>Partnership</p>

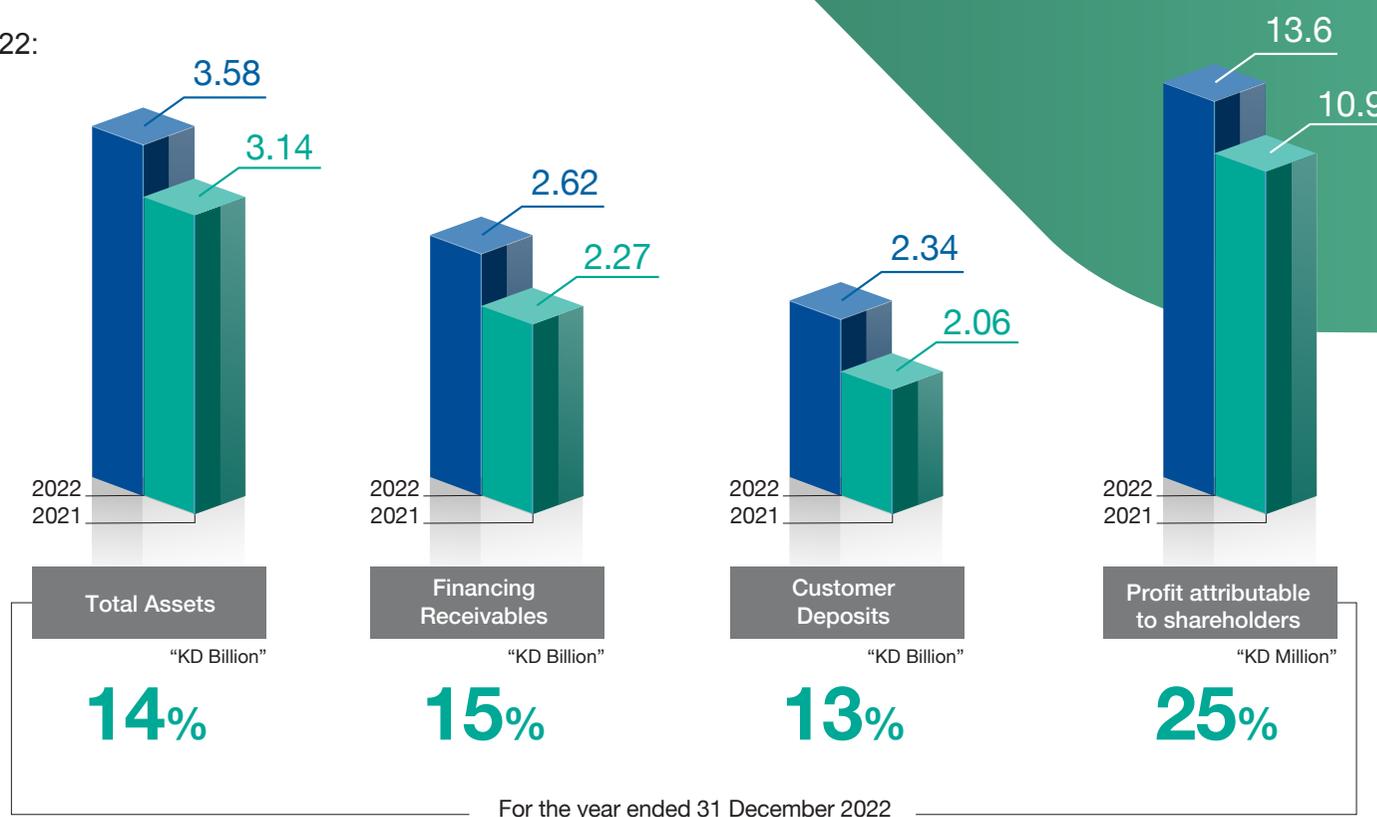
Selected Financial Credentials

The Annual General Assembly Meeting of KIB's shareholders approved the distribution of dividends for the year end 31 December 2022:

Cash dividends 4 Fils
Bonus Shares 4%

Profit attributable to shareholders
KD 13.6 Million

EPS 7.92 Fils



Aligning ESG Impact with Sustainable Development Goals (SDGs)

As a member of the United Nations Global Compact (UNGC), KIB's 2022 ESG journey was focused on continuing to responsibly build its environmental, social, and governance foundation across the sustainability dimensions: environment, community, marketplace, and workplace. This year, the ESG Summary Report 2022, illustrates the Bank's performance and efforts towards a conscious sustainable future for KIB and its community, and highlights KIB's commitment to the Sustainable Development Goals (SDGs).

The SDGs alignment and mapping demonstrates the interconnected nature between the sustainability dimensions and the Bank's ESG performance categories with the SDGs.



Awards and Recognition



Together We Succeed For Life

KIB extends its reach through a network of 16 operating branches strategically located across Kuwait. These branches serve as hubs for a wide array of banking products and services, complemented by cutting-edge digital banking solutions aligned with international best practices and the values of Islamic Shari'a.

KIB Services and Products

Retail Banking

KIB provides a full range of accounts that suit all banking needs. Whether you need to get profit on your savings, or open an account for your child, we have the perfect account that meets your demands.

Accounts



Salary Account



Current Account



Savings Account



Youth Account



Black Account



Al Dirwaza Account



KIB Mubader

Bank Channels



Payment Gateway



KIB ATM Services



POS Terminals



SMS Service



KIB Direct



KIB Online



KIB App



Contact Center

Our suite of Visa credit cards fulfills your financial needs and lifestyle. All cards are equipped with a bundle of exclusive features and benefits that you can enjoy locally and abroad.

Credit cards



Visa Classic



Visa Gold



Visa Platinum



Visa Signature



Visa Infinite



KIB Cashback Reward Program

PrePaid Cards



Visa Prepaid

KIB further offers Shari'a compliant financing solutions, where you will be able to buy your own car, furniture, electronics and various more in a convenient and Shari'a compliant manner.

Murabaha



Vehicle



Construction Material



Goods



Medical Finance



PayTally Service



Liability Transfer

Our customers are offered investment options, where you may invest your money in one of our deposits and choose the time to deliver your earnings governed under Shari'a principles.

Deposits



Wakala Deposit



Flexible Deposit



Long Term Deposit



KIB Term Deposit

Corporate Banking

KIB's corporate banking services are offered at four of our branches located at Salmiya (in Laila Gallery Complex), Khaitan, Al-Ahmadi branches, as well as its head office branch in Kuwait City. The premier corporate financial solutions include Al-Tojjar Corporate Service Cards, the ability to open a Call Account – a Shari'a compliant account designed only for legal entities, companies, and corporate customers, - where they can simultaneously enjoy the advantages of a current and savings account for their business. Our corporate customers may apply for services and financing solutions from KIB through these branches, including project financing services and cash financing for Small and Medium-sized Enterprises (SMEs), as well as real estate financing with a suite of comprehensive services, including real estate appraisal, property management, and much more.

Products



Corporate Online Platform



Tojjar Card



Call Account



PayCard

Finance



Contracting Financing



Project Finance



Wholesale Banking Department



Islamic Deposit

Services



New Salaries Format (MOSAL)



Corporate Banking Branches



Corporate Account Opening



Corporate Forms

Real Estate

KIB continues to provide a full range of real estate services to its clients, through its dedicated multisectoral Real Estate Department (RED). The RED offers real estate financing, advisory and consultancy services, real estate appraisal, and property management. From private housing, investment buildings, complexes, and hotels, to hospitals, schools, and factories, - KIB's RED provides innovative solutions for both individuals and companies alike. These primarily include Islamic financing services for all real estate needs through multiple financing products, such as the Islamic Murabaha, leasing and several others. Other essential services include all forms of real estate appraisal, which entails the inspection of real estate, performing economic feasibility studies for projects, determining the economic rent amounts for various real estate units, as well as estimating the construction cost of various real estate projects.

Services



KIB Aqari
Platform



Property
Management



Real Estate
Appraisal



Real Estate
Finance



Retail banking

Performance and Data Category	Metric	Unit	2022 Performance
	List of all available KIB Retail banking services offered to customers	Qualitative	<ul style="list-style-type: none"> • Accounts: Salary account, Current account, Savings account, Black account, Youth account, Al Darwaza account, Kids account, Al Amil account. • Cards: Visa classic card, Visa gold card, Visa platinum card, Visa signature card, Visa infinite card, MasterCard world card, KIB cashback reward program, Visa prepaid card. • Finance: Vehicle financing, Construction material financing, Goods murabaha, medical finance, PayTally service, Liability transfer to KIB service. • Deposit: Wakala deposit, Flexible deposit, Long term deposit, KIB term deposit. • Bank channels: Payment gateway, KIB ATM, POS Terminals, SMS service, KIB direct, KIB online, KIB Mobile, Contact Center, KIB pay service, Tap & Pay service for KIB cards, Black concierge, KIB rewards program, Digital payments. • Other services: Travel insurance, Safety deposit boxes, customs bills payment service, update customer information, Qmatic service, special needs branches, KIB mubader. https://www.kib.com.kw/en/home/Personal.html
	Number of KIB's operating branches	#	16
	Location of KIB's operating branches	Qualitative	Location of branches can be found in the link below: https://www.kib.com.kw/en/home/Personal/atm-branches.html
	Number of operating Automatic Teller Machines (ATMs)	#	123
	Number of operating Interactive Teller Machines (ITMs)	#	5
	Mechanisms in place to ensure KIB's retail product's safety and quality	Qualitative	KIB policies and procedures are followed in order to ensure the safety of offered products and services and to ensure no controversies arise.



Corporate banking

Performance and Data Category	Metric	Unit	2022 Performance
	Approach towards increasing the awareness of KIB's customers' financial knowledge and responsible banking behavior	Qualitative	As part of Diraya awareness campaign organized by CBK, KIB continues to focus on spreading awareness through various social media platforms, press releases, brochures, posters, and banners, on tips for responsible financial behavior and financial ethics for various customer segments and employees. Additionally, KIB engages in collaboration with universities and partners for in-person events, online competitions, and paid-ads among other engagement events to increase awareness on financial ethics and responsible practices.
	Approach towards increasing the awareness of KIB's customers against financial ethics (i.e., fraud)	Qualitative	
	List of available KIB corporate banking services offered to customers (including SMEs)	Qualitative	Available corporate banking services offered: <ul style="list-style-type: none"> • Project Finance • Working Capital Facilities • Capex Finance • POS and Payment Gateway Services https://www.kib.com.kw/en/home/Business.html
	Do clients have financing modification options?	Yes/No	Yes. Requests for financing modifications are dependent on the client's needs and updated cashflows, and may be submitted accordingly.
	Does the Bank support the community through services and infrastructure investments?	Yes/No	Yes. Services and infrastructure investments support the community through financing of infrastructure projects in various sectors like telecommunications, aviation, automobiles, real estate, hospitals, and logistics among others.
	Percentage of financing directed to large corporations	%	93%
	Percentage of financing directed to large corporations (as a financing growth rate % year-on-year)	%	23%

Performance and Data Category

Metric

Unit

2022 Performance

Percentage of large corporation clients out of KIB's total corporate clients

%

62%

Total sustainable financing portfolio (Green, Social and Sustainability linked transactions)

Kuwaiti Dinars (KD)

53,499,642

Total investment portfolio for social and environmental linked transactions

Kuwaiti Dinars (KD)

KIB is invested in Al Najah holding, which is a company in the education sector across the GCC and Asia, and it has a carrying value of KD 0.27 million.

ESG sukuk investments

US Dollars (\$)

ESG Sukuk Investments: \$111 Million Nominal out of Sukuk Portfolio of \$704 Million (Representing 15.8%).

Percentage of financing offered to small and medium-size enterprises (SMEs) (As a % of total financing)

%

7%

Financing growth rate percentage year-on-year of financing offered to SMEs

%

37%

Initiatives conducted specifically for SME clients

Qualitative

Wholesale Banking Department and KIB Mubader are currently in the process of tailoring an investment product to serve the local SME companies with a new channel for disposing inventory along with multi offerings, training programs and coaching.

Customer Satisfaction Index (CSI)

%

84%



Customer satisfaction and complaints



Customer satisfaction and complaints

Performance and Data Category	Metric	Unit	2022 Performance
	Number of received customer complaints	#	46
	Percentage complaint growth	%	Decreased by 16%.
	Board oversight on the Bank's customer complaint resolution process	Qualitative	Annual complaints reports are presented to BoD for their acknowledgement. They are also presented to EMC on a quarterly basis.
	Turnaround time for resolving customer complaints	Days	6 to 10 days.
	Available channels where customers may raise a complaint	Qualitative	KIB complaint channels for customers are available at: <ul style="list-style-type: none">- KIB Branches- Website- KIB mobile App- Complaints & Customer Protection Location



2. Conserving our Environmental Surroundings

In an effort to contribute to the conservation and preservation of our environmental surroundings, KIB continues to integrate environmentally conscious practices across our initiatives, operations and day to day activities. In the following, we unveil the summarized overview of our environmental performance, encompassing Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, as well as the Bank's utilities consumption, and other key metrics. Our pledge to environmental sustainability is deeply rooted in our corporate DNA, and we believe that transparency and accountability in this domain are paramount. By examining our environmental footprint, we endeavor to not only fulfill our environmental obligations but also inspire meaningful change within our industry and beyond.

Performance and Data Category		Metric	Unit	2022 Performance
    Environmental oversight and performance	Does the Bank have a formal Environmental Policy?	Yes/No	No	
	Does the Management Team oversee and/or manage sustainability issues, specifically concerning the environment?	Yes/No	No	
	Does the Board oversee and/or manage sustainability issues, specifically concerning the environment?	Yes/No	No	
	KIB's initiatives towards water consumption reduction	Qualitative	Sensory mixers are utilized across operations for tap water.	
	KIB's initiatives towards energy efficiency and reduction	Qualitative	All lighting at KIB premises is replaced with LED lights.	
  Facilities Management	Number of KIB's special-needs branches, categorized per area / district	#	6 branches that have special needs ATM cabinets located at: • The Head Office • Zahra • Farwaniya • Fintas • Ahmadi • Saad Al-Abdullah branches	
	Does the Bank have a fully special-needs branch with advanced facilities offered (i.e., for the hearing impaired, visually impaired, etc.)	Yes/No	No	
  Scope 1 CO2 emissions from owned cars	GHG emissions from KIB's owned cars and vehicles (as a result of fuel consumption, fuel source gasoline)	mtCO2e	47.44	
	Scope 1 emissions intensity (emission's source KIB's owned cars and vehicles)	mtCO2e/employee	0.06	
  Scope 1 CO2 emissions from generators' fuel	GHG emissions from KIB's generators	mtCO2e	5.73	
	Scope 1 emissions intensity (emission's source generators)	mtCO2e/employee	0.01	

Performance and Data Category		Metric	Unit	2022 Performance
		GHG emissions as a result of electricity consumption	mtCO2e	12,464.34
 	Scope 2 CO2 emissions	Scope 2 emissions intensity (emission's source electricity consumption)	mtCO2e/employee	16.84
		GHG emissions from KIB's non-owned cars and vehicles (as a result of fuel consumption, fuel source gasoline)	mtCO2e	53.68
 	Scope 3 CO2 emissions from non-owned cars	Scope 3 emissions intensity (emission's source KIB's non-owned cars and vehicles)	mtCO2e/employee	0.08
		GHG emissions as a result of KIB's courier services, covering Head Office and branches	mtCO2e	1,983.23
 	Scope 3 CO2 emissions from courier services	Scope 3 emissions intensity (emission's source courier services)	mtCO2e/employee	2.68
 	Total GHG emissions	Total GHG emissions from KIB's scope 1, scope 2 and scope 3 sources	mtCO2e	14,554.42
		Total GHG emissions intensity	mtCO2e/employee	19.67
 	Water Usage	Total consumption	Liters	1,832,832.63
	Electricity Usage	Total consumption	KwH	19,784,662.26
 	Materials and Waste	Total plastic waste	Kg	84.42



3. Cultivating a Sustained Workplace Culture

Among KIB's key pillars to cultivating a sustained workplace culture is ensuring a fair and safe work environment to empower all employees. This vision is embedded into KIB's practices through HR policies, Code of Conduct, and social initiatives that drive innovation, ensure employee engagement, and inclusivity. Throughout the current year, the Bank has notably prioritized what it has consistently regarded as its most valuable assets — its workforce. KIB has taken proactive steps to drive both the personal and professional development and well-being of its employees. This commitment has materialized through a wide range of events, initiatives, and sustainable practices designed to uplift and support its dedicated team.

As we navigate the ever-evolving landscape of responsible business practices, fostering a dynamic, inclusive, and safe work environment stands as a foundational pillar of our corporate ethos. We are committed to upholding our role as a socially responsible and financially inclusive Islamic institution in Kuwait. The Bank has focused on key areas that are considered material to our workplace performance, such as diversity and inclusion, retention, employee benefits, training and development, well-being, special needs and human rights.

The following outlines the intricacies of our workplace initiatives, examining the measures we have taken to empower our employees and accordingly retain their talents.



Human rights

Does KIB follow a human rights policy?

Yes/No

Yes

Does the Bank follow a child and/or forced labor policy?

Yes/No

No, we do not employ any person under the age of 18.

Mechanisms in place to ensure the rights of KIB employees and suppliers

Qualitative

Under the Bank's Code of Conduct, each employee of the Bank regardless of position or title shall ensure to deal with all other KIB employees, customers, suppliers and competitors in an honest and ethical manner during business engagements and act as an ambassador on behalf of the Bank.

Does KIB follow a non-discrimination policy?

Yes/No

There is no specific non-discrimination policy in place. However, the Bank's Code of Conduct states that employees must deal with current and prospective customers and colleagues without any discrimination because of race, color, religion, gender, and creed. Hence, the work environment is to be free from disruptive influences, which can interfere with or interrupt the Bank's work, as such behavior or attitude may lead to termination.

Number of special needs employed at KIB

#

1



Health and safety

Number of workplace related injuries

#

0

Does the Bank follow an occupational health and/or global health and safety policy?

Yes/No

No



Training and development

Has the Bank incorporated links to sustainability performance in its current executive pay policies?

Yes/No

No

Performance and Data Category	Metric	Unit	2022 Performance
 Training and development	Percentage of employees who received training	%	88%
	Total number of training hours conducted	#	4,143
	Total number of offered training courses	#	110
	Percentage of employees who received performance and career development review	%	100
	Average training hours provided per employee	Hours/Employee	6
 Benefits and inclusiveness	List of employee benefits	Qualitative	Benefits provided to employees include: • Health insurance • Life insurance • Flight tickets
	Frequency of conducting employee satisfaction survey	Yearly	Once per year
	Does the Bank conduct employee engagement related surveys?	Yes/No	Yes
	List of all conducted employee events / activities	Qualitative	• KIB Stadium • Ethix • Retail Banking Department gathering
	Does the Bank conduct employee related recognition ceremonies?	Yes/No	Yes
 Employee profile broken down by career level	Senior management	#	16
	Middle management	#	249
	Non-management	#	475

Performance and Data Category		Metric	Unit	2022 Performance
 Employee profile broken down by age	Age 18-30	#	242	
	Age 31-50	#	453	
	Age 50+	#	45	
 Employee profile broken down by gender	Total number of male employees	#	547	
	Total number of female employees	#	193	
	Entry and mid-level positions held by men	#	532	
	Entry and mid-level positions held by women	#	192	
	Senior and executive level positions held by men	#	15	
	Senior and executive level positions held by women	#	1	
	Gender pay ratio (male average pay: female average pay)	Ratio	1.62	
 Employee turnover	Year-over-year change for full-time employees	%	7.8%	
	Year-over-year change in voluntary turnover	%	6.5%	
	Year-over-year change in involuntary turnover	%	+1.7%	
	Year-over-year change in retention rate	%	-4.8%	

Performance and Data Category

Metric

Unit

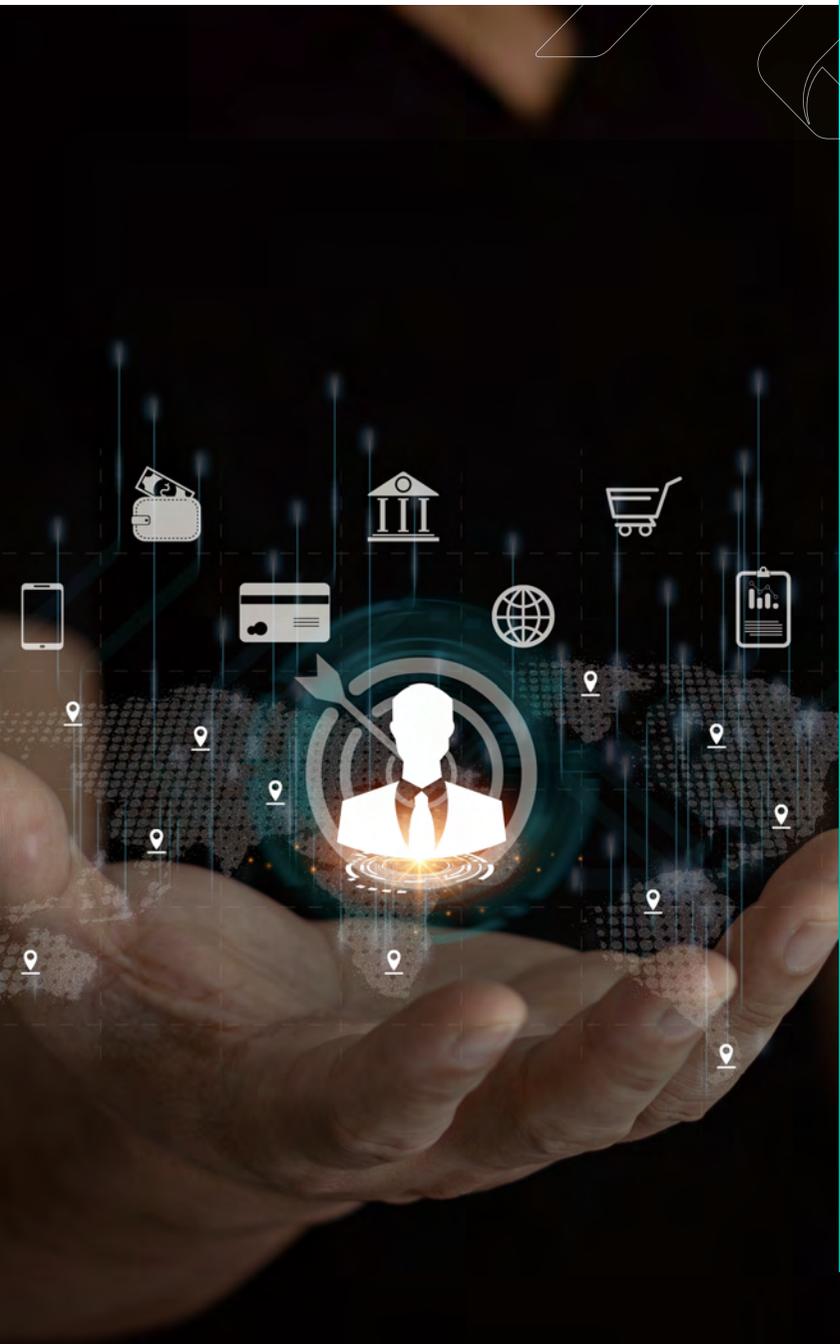
2022 Performance



Nationalization

Total number of Kuwaiti employees	#	510
Total number of Kuwaiti employees in managerial levels	#	170





4. Elevating Community Engagement

Throughout the decades, and continuing today, KIB has consistently prioritized the active participation in sustainable development initiatives within the local society. We constantly leverage the Bank's resources and platforms to spearhead impactful transformations addressing the broader context of the community, including but not limited to financial literacy and awareness campaigns, youth empowerment, and championing sustainability, health, and environmental consciousness.

KIB's Corporate Social Responsibility (CSR) objectives are strategically designed to achieve multiple goals simultaneously. These objectives not only aim to solidify KIB's standing as a distinctive digital banking provider in the market, catering effectively to both retail and corporate clients but also seek to elevate the Bank's profile, identity, and reputation. This is accomplished through the utilization of a diverse array of media channels, featuring digitally-savvy, content-rich tactics. Furthermore, these CSR initiatives reaffirm KIB's commitment to corporate citizenship by actively increasing community engagement through unique and targeted initiatives owned by the Bank.

As showcased in the following, various community engagements were conducted throughout 2022 marketing KIB as a value driven community partner.

Performance and Data Category	Metric	Unit	2022 Performance
 Community initiatives	Total number of conducted CSR initiatives	#	1. Sustainability campaign 2. KLAU University expo 3. United Nations Habitat Day 4. Kuwait Society of Engineers 5. Derasty Expo 6. College of Architecture 7. Food Buzz 8. The Stadium 9. GUST University expo 10. Institute of Telecommunication and Navigation
	Total number of employee volunteering hours	Hours	64 hours
	Total volunteering hours per employee	Hours / Employees	1.73 volunteering hours per employee (considering 37 employees)
	Does KIB have a CSR strategy?	Yes/No	Yes
 Disclosure practices	Does KIB focus on specific UN Sustainable Development Goals (SDGs)?	Yes/No	Yes. KIB is committed to specific UN Sustainable Development Goals. We ensure that these goals are not only met but also aligned with some of the CBK requirements. This is reflected in the following: <ul style="list-style-type: none"> • Empowering individuals with limited income and education • Providing tailored support for the elderly and people with special needs, without any gender-based discrimination • Investing in training and development opportunities of youth • Good Health and Well-being: promoting the well-being of all community members throughout our activities, events, social media and CSR campaigns • Partnerships: Collaborating with organizations like the United Nations and UN Habitat for a better sustainable community • Gender Equality: Achieve gender equality and empower all women internally and externally throughout our activities, events, social media, and CSR campaigns.



Responsible procurement and supply chain

Performance and Data Category	Metric	Unit	2022 Performance
Responsible procurement and supply chain	List of all communication channels that KIB utilizes	Qualitative	<ul style="list-style-type: none"> • Website • Instagram • Twitter • Threads • YouTube • Linked in • News Papers • Press releases • Radio • TV • Billboards
	Percentage growth in social media channels followers / subscribers	%	15% growth across all social media channels.
	Criteria used for assessing suppliers / vendors	Qualitative	In 2022, vendors were required to share their trade license, company profile and audit financials.
	Are there available policies that address suppliers / vendors?	Yes/No	Yes. The Procurement Policy & Procedure address suppliers and vendors.
	Percentage of local suppliers	%	70%
	Percentage of foreign suppliers	%	30%

Selected Corporate Social Responsibility initiatives conducted during 2022



Food Buzz Event, sponsored for two years in a row to support local businesses and entertain different segments

Under the umbrella of KIB's expansive four-month social responsibility program, which is dedicated to ESG practices, the Bank has committed to supporting Kuwait's small and medium sized businesses through this interactive booth which covers sustainability and environmental awareness. At the 'Brew a Seed' booth, Food Buzz visitors are encouraged to bring their empty cups of coffee to turn them into small plant pots. Through this simple, three-step planting activity, KIB aims to spread awareness on the multiple health benefits of incorporating nature into our daily lives as well as the importance of nurturing and preserving the environment.



Ongoing sponsorship of the Marketing Club at GUST, to support and encourage youth in universities

As part of KIB's ongoing efforts to support and encourage Kuwait's youth, the Bank recently sponsored The Marketing Club at the Gulf University for Science and Technology (GUST) for a full academic year. Through this sponsorship, a live show was launched, 'The Marketing Club Powered by KIB,' which hosts success stories of young successful Kuwaiti talents per episode. The aim of the show is to focus on motivating and inspiring ambitious university students to pursue their passion. Since October 2022, KIB and GUST Marketing Club have hosted three young media personalities, social media influencers and entrepreneurs on the show, namely: Marshoud Al-Marshoud, Muhammad Mirza and Asrar Al-Ansari. Guests have provided insight on their innovative process, and the pursuit of new, creative ideas in their career paths.



Kuwait National Day TVC and CSR campaign

Within the Bank's series of initiatives to celebrate national holidays, KIB has integrated environmental awareness into its campaigns as a strategy to raise awareness on environmental presentation while also celebrating national pride. The Bank launched the "Celebrate it, but preserve it" campaign, which aimed to spread the importance of preserving the environment during national celebration and highlight the importance of community contribution. The goal was to raise awareness on reducing waste production, rationalizing the use of resources such as electricity and water, and following health and environmental guidelines. This campaign, is one of several under the Bank's social responsibility program, which falls under the national holiday slogan "No Country Like Kuwait." Additionally, the Bank had released a supporting ad, featuring a patriotic song with the same title to highlight the pride Kuwaiti people share for their country, while also preserving their environment during celebrations for the National and Liberation Day holidays.





Eco Man TVC (launched in world environmental day)

Part of The Bank's year-long comprehensive environmental campaign, inspired by KIB's commitment to the United Nations Global Compact (UN GC) principles, is a focused effort on producing informative initiatives on environmental and social priorities through an environmental awareness television ad. As a result, the ad was strategically launched in tandem with World Earth Day to promote and spread awareness on the importance of preserving the environment. The ad showcases Eco Man, a Kuwait hero, who discovers environmental violations committed by a group of people and appears to them to spread ecological awareness about the dangers and effects of these violations.



All year Diraya campaign

The Bank is a major industry player, and a leading financial and banking institution, that continues to focus on social programs which seek to spread financial literacy among all customer segments. This has been done through support and participation in the 'Let's Be Aware' campaign, also known as Diraya campaign, launched for the second year in a row, in line with the instructions and directives of CBK to spread awareness and promote financial literacy among all members of society. Strongly believing in the social awareness objectives of Diraya, KIB is keen on sharing its extensive industry experience through educational content and awareness material published across the Bank's various communication channels and media platforms. The Bank will also be supporting the awareness campaign at various social events, such as conferences, seminars, and forums, organized in collaboration with several educational and commercial institutions.



Yousef Alabdulrazzaq Sponsorship (Jet-ski champion)

The Bank is deeply committed to supporting local talents in the fields of sports through empowering them to compete internationally at more advanced levels. As such, KIB recently renewed its one-year sponsorship agreement with Kuwaiti jet-ski champion, Yousef Al-Abdulrazzaq. This collaboration is part of the Bank's community development initiatives, related to promoting sports culture within the community, while encouraging its members to lead a healthy and purposeful lifestyle.





PadelCourtKW Partnership

KIB sponsored PadelCourtKW stadiums to support and encourage Kuwait small business owners in their success, as well as to provide the best offer for the community's youth segment and promote healthy lifestyles.



Knights of Industry project

The Bank announced the sponsorship of the Kuwait Industries Union's Knights of Industry project as part of its social responsibility initiatives focused on supporting youth and national talent. The Bank has been supporting the Union's project with the aim of providing Kuwaiti high school students with the tools and guidance necessary to enhance their personal journey and gain better understanding of the labor market to choose the most suitable academic and professional path.



Breast Cancer awareness campaign

In October, for Breast Cancer Awareness Month, KIB launched its successful campaign that included exclusive offers for women and promoted the early detection of breast cancer. The offer gave all KIB female employees and KIB female customers a 30% discount during the month that included a comprehensive package for mammogram scans, examinations of any symptoms or indicators of breast cancer, and a surgical oncologist consultation. This initiative was in partnership with Alia International Hospital and Jarallah German Specialized Clinic.





UN Habitat Day

In an effort to continue to cement the Bank's societal role as a member of the UN Global Compact, while integrating sustainability into all its practices, KIB has participated in the United Nations Day annual celebratory event that took place at the Kuwait University International Cultural Center in Al-Shedadiya. This year's event, "Youth Driving Ambition 4 Climate Change – Inspiration, Action, Transformation," shed light on the Kuwaiti youth's environmental efforts while recognizing the local environmental initiatives that raise awareness on climate change. Moreover, along with contributing to education activities in the event, KIB showcased its top achievements and contributions to supporting the UN Global Compact goals, and Sustainable Development Goals (SDGs.)



Atyab Almarshood Horse Riding jumping show

With the Eighth "Atyab Al Marshoud" International horse jumping Championship successfully concluded, KIB reaffirms its commitment as a platinum sponsor to empowering Kuwaiti sports talents and supporting the various activities and tournaments they take part in.



The Kuwait Girl's Guides Association sponsorship, supporting young girls

Stemming from the strong belief in empowering women in the Kuwaiti society, across all sectors and industries, KIB recently sponsored the Annual Girl Guides' Peace Summer Camp in its 25th edition. Organized by the Kuwait Girl Guides Association over a period of three days, the Camp also hosted the Bank's Executive Manager of Card Services, Deema Al-Mulifi, to present an awareness lecture on KIB's youth account and how to best benefit from its numerous features and regular offers.



Nursing Home Visit

KIB visited the Ministry of Social Affairs and Labour's nursing home, represented by its Marketing and Corporate Communications Department. During this visit, the Bank's team spent time with senior residents, sharing stories, having conversations, spreading a positive atmosphere of friendliness – in addition to distributing gifts to the residents.



Disabled Fencing Championship final

KIB sponsored the Disabled Fencing Championship final which was organized by the Kuwait Disabled Sports Club. KIB's pioneering social responsibility program has long focused on empowering people with disabilities, supporting them and sponsoring the activities and initiatives offered to them.



KIB | The Stadium Event

KIB partnered with leading service providers and market experts who specialize in sporting events management to guarantee topnotch planning, organization, and execution of the Padel tournament. Accordingly, The Stadium, was commissioned by the Bank to serve as the tournament's hosting grounds. The Stadium tournament spanned two weeks and was divided into two parts. First, a Padel competition for Kuwait and GCC's top Padel male and female athletes – in addition to a children's competition – which was held under the supervision of the Kuwait Padel Federation. Second, a multi-sport fitness challenge, organized in collaboration with FDT GYM, that was open to the top sporting clubs in Kuwait and comprised 12 different competitions. The competitions included kayaking, rowing, sync burpees, running, and many other exciting competitions. KIB marks the first initiative of this nature to be sponsored by a Kuwait-based company or bank.

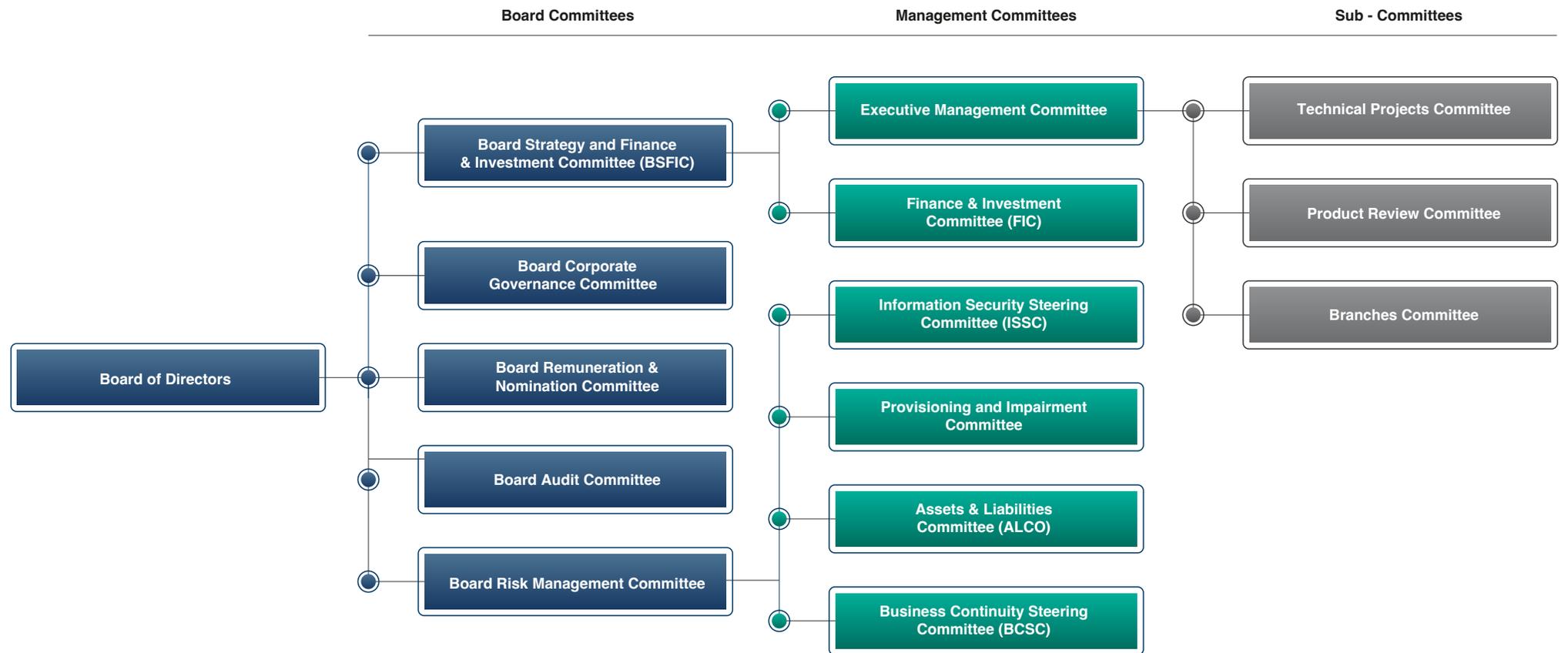


5. Demonstrating Effective and Robust Governance

Effective and robust governance is imperative to KIB's success. Guided by the Central Bank of Kuwait and international standards, the Bank consistently exercises sound governance, accountable disclosure, compliance, proactive risk management among its Board of Directors (BoD), committees, and executive management. Governance serves as the backbone of our organization, guiding our decision-making processes, due diligence while ensuring the highest standards of ethics, transparency, integrity and accountability.

Through policies, procedures, compliance, and Code of Conduct, KIB continues its efforts to emphasize a robust governance framework that protects stakeholder rights, avoids conflict of interest, aligns with the principles of Islamic Shari'a and regulatory requirements. Our commitment to strong governance is not just a compliance requirement; it's a fundamental element of our corporate culture. With that said, the following data displays our endeavours within our governance infrastructure that underpin our responsible business practices and conduct.

KIB Governance Structure



KIB Governance Structure

Board of Directors



Sheikh Mohammed Jarrah Al-Sabah
Chairman



Mr. Raed Jawad Bukhamseen
Vice Chairman and
Chief Executive Officer



Mr. Anwar Jawad Bukhamseen
Board Member



Mr. Jassem Hassan Zainal
Board Member



Mr. Saleh Sulaiman Al Trad
Board Member



Mr. Marzook Khaled Yousef Al Marzook
Board Member



Dr. Abdullah Abdul Samad Marafi
Board Member



Mr. Ahmed Abdulmohsen Al Melaifi
Independent Board Member



Dr. Reyadh Yousef Faras
Independent Board Member



Mr. Abdulrazzaq Salah Al Mutawa
Independent Board Member



Mr. Jassim Mohamed Al Wazzan
Independent Board Member

Shari'a Supervisory Board



Sheikh Dr. Khalid Mathkour Al-Mathkour
Chairman of Shari'a
Supervisory Board



Sheikh Ali Mohammed Hejji Al-Jady
Vice Chairman of Shari'a
Supervisory Board



Sheikh Dr. Abdulaziz Khalifa Al-Qassar
Executive Member of Shari'a
Supervisory Board

KIB Governance Structure

Executive Management



Mr. Raed Jawad Bukhamseen
Vice Chairman and
Chief Executive Officer



Mr. Mohamed Said El Saka
Deputy Chief Executive Officer



Mr. Jamal Al-Barrak
General Manager of
Investment Department



Mr. Hesham Al Mubarak
General Manager of Wholesale
Banking Department



Mr. Othman Tawfiq
General Manager of
Retail Banking Department



Mr. Jassim Al-Abdulhadi
General Manager of
Real Estate Department



Mr. Mohamed Khadiri
General Manager of International Banking
and Large Corporate Department



Mr. Barrak AlMatar
General Manager of
Information Technology Department



Mr. Fahad Othman AlBader
General Manager of
Operations Department



Mr. Ajai Thomas
General Manager of Financial
Control & Planning Department



Mr. Feras Al-Darmi
General Manager of Human
Resources Department



Mr. Feroz Noorani
General Manager of
Risk Management Department



Mr. Basil A. Al-Suwaidan
General Manager of Information Security,
Privacy and Anti-Fraud Department



Ms. Khlood Alsalem
Head of Legal Affairs Department



Mr. Osama Alramadan
Executive Manager, Acting General Manager
of Treasury Department



Ms. Manal Al Rubaian
General Manager Internal Audit



Mr. Mohamed Atef El-Shareef
General Manager of Digital Transformation
and Innovation Department

Board Committees

Name of Committee	Description of the Committee's Main Responsibilities	Chair of the Committee
Board Strategy, Financing & Investment Committee (BSFIC)	<p>The Committee ensures that the Bank is constantly compliant with CBK instructions and regulations as well as with the Bank's policies and procedures to protect the Bank's assets and ensure their quality. The Committee makes sure that the financing and investment exposures comply with the rules and regulations issued by CBK and the Bank's applicable policies and ensures the highest returns while securing the financial stability of the Bank.</p> <p>The Committee ensures that the Executive Management is fully aware of the exposures to finance and investment risks in the Bank. The Bank continuously monitors such exposures and the non-performing finance and investment transactions and takes all remedial actions necessary to maintain the Bank's interests and the quality of its assets. In addition, the Committee reviews and approves the Bank's strategy. Furthermore, it mandates corrective actions concerning pending issues that are under the committee's purview.</p> <p>The Committee sorts out any non-performing financing / investments referred to by the Board of Directors. The Committee conducts its decisions within the authority delegated to it by the Board and recommends issues to the Board of Directors beyond its authority.</p>	Chaired by the Chairman of the Board of Directors of KIB - Sheikh Mohammed Jarrah Al-Sabah
Board Audit Committee	<p>The Committee is chaired by an independent member in accordance with the Bank's governance instructions. The duties of the Board Audit Committee consist of enhancing the quality of the financial reports; reviewing them on behalf of the Board of Directors; and validating the financial reports' credibility and – subjectivity. This sets the appropriate standards to enhance the working mechanism of internal audit to help assist the Board to fulfill its supervisory responsibilities over regulatory controls according to the regulatory authorities' requirements. The Board, in return, provides the needed support to the Committee to secure complete independence of the Internal Audit Department from the Senior Executive Management. The External Audit Functions are performed in line with the approach that realizes the dual audit principle.</p> <p>On the other hand, the Committee ensures compliance with the Bank's internal policies and other pertinent laws, regulations, and instructions. Furthermore, a report is presented to the Committee that is related to the level of compliance with the Islamic Shari'a laws and principles and the funds for listed investment accounts. It ensures that expenses and profits are distributed according to the Islamic Shari'a provisions and that is approved by Shari'a Supervisory Board.</p> <p>The Committee also evaluates the effectiveness and efficiency of the internal Shari'a audit and its contribution to securing compliance with the Islamic Shari'a provisions and principles and executes all the audit tasks that are related to cybersecurity by an independent third-party approved and authenticated by CBK. The Committee also ensures that the internal control systems related to financial and management issues are characterized by financial comprehensiveness and are controlled and audited in due course.</p> <p>The Committee shall also ensure the adequacy of qualifications and expertise of the external auditors and their independence and shall secure an environment of discipline and internal controls within the Bank.</p>	Chaired by an independent member in accordance with governance instructions - Mr. Ahmed Abdulmohsen Al Melaifi (Independent)

Name of Committee	Description of the Committee's Main Responsibilities	Chair of the Committee
Board Remuneration & Nomination Committee	<p>The role of this Committee is to submit the candidate recommendations to the Board of Directors in accordance with the approved policies, standards, and instructions issued by the Central Bank of Kuwait with regard to controls of nomination to the membership of the Board. The Committee also monitors and ensures transparency in appointing the members of the Shari'a Supervisory Board members and estimates its effectiveness as a whole and each member's effectiveness. The Committee also warrants the placement of transparent policies, rewards, and compensations for the Shari'a Supervisory Board in line with their duties and responsibilities. The Committee also carries out periodic reviews of the requirements of the appropriate skills for the membership of the Board and determine the qualifications; and efficiencies required for the Board membership in accordance with the CBK's instructions.</p> <p>The Committee also conducts an annual assessment of the performance of the Board as a whole and the performance of each member independently, and checks the endorsement of the standards of selection and measures for the appointment of the Chief Executive Officer (CEO) and the Deputy Chief Executive Officer (DCEO) and executive managers. This Committee also determines the framework of remunerations that is granted to CEO and DCEO and executive positions. The Committee also reviews and submits recommendations concerning the matters relevant to the changes in the pay, promotions, and remuneration policy, including the end-of-service policies. The Committee also reviews and verifies the annual increments of the staff within budget limits approved by the Board. Furthermore, the Committee supervises the appointment and evaluation of the performance of the Boards of the Bank's subsidiaries.</p>	<p>Chaired by an independent member who shall act as the Chairman of the Committee - Dr. Reyadh Yousef Faras (Independent)</p>
Board Risk Management Committee	<p>The Committee helps the Board to fulfill its responsibilities by overseeing the tasks of the Risk Management Department in the Bank and ensuring that the Bank's policies embody sound risk management practices and implementation thereof. The Committee also monitors the Risk Management Department's compliance with the standards set by the Central Bank of Kuwait and the IFSB, provided, however, that they should not conflict with the provisions and principles of Islamic Shari'a and with the regulations issued by the Central Bank of Kuwait to this effect. In addition, the Committee conducts revision and assessment of the Bank's capital adequacy and its distribution and the soundness and adequacy of the Risk Management Department Function. It also ensures that Senior Management is aware of and continually oversees the risks encountered by the Bank, such as credit and real estate risks, and the pertinent policies and procedures.</p> <p>The Committee also warrants the safety of the Bank from cybersecurity risks and compliance governance applications in accordance with the Central Bank of Kuwait's instructions. The Committee supports the Board Remuneration and Nomination Committee to evaluate the incentives proposed under the Remuneration Program. The Provisions and Impairments Committee, the Asset and Liabilities Committee, the Business Continuity Steering Committee, the Information Security Steering Committee, the Anti-Money Laundering Department, and Regulatory Compliance Department report to this Committee.</p>	<p>Chaired by an independent member - Dr. Reyadh Yousef Faras (Independent)</p>

Name of Committee	Description of the Committee's Main Responsibilities	Chair of the Committee
Board Corporate Governance Committee	<p>The role practiced by this Committee is signified in assisting the Board of Directors to assume its oversight responsibilities vested in the Board concerning the sound application of good governance, including setting up the Bank's corporate governance standards. The Committee also works on introducing and updating the Governance Manual for approval by the Board and then uploading it on the Bank's website, with close supervision of and reporting to the concerned parties mentioned in the Manual. In addition, the Committee may seek external Sharia advice after obtaining the Board's approval and coordinating with the Sharia Supervisory Board and Board Internal Audit Committee to ensure compliance with the Sharia Audit Manual and Sharia Supervisory Governance. One of the tasks assigned to the Board Governance Committee is to protect the interests of investment account holders and coordinate with the Sharia Supervisory Board and the Internal Audit Committee to ensure compliance with the Sharia Audit Manual.</p>	<p>Chaired by the Chairman of the Board of Directors of KIB - Sheikh Mohammed Jarrah Al-Sabah</p>

Executive Management Committees

Name of Committee	Description of the Committee's Main Responsibilities
Executive Management Committee (EMC)	<p>The Committee's tasks include all administrative matters related to the Bank's businesses other than those dealt with by other Committees. The Committee is also responsible for following up on implementing all administrative and strategic projects and all matters related to HR, IT, purchases, and administrative affairs. As subordinates to this Committee, the following committees were offshoots; Branches committee, Product Development Committee, and Technical Projects Committee. The Committee holds meetings at least once a month or when required and invited by the Committee Chairman.</p>
Financing & Investment Committee (FIC)	<p>The Financing & Investment Committee (FIC) discusses and takes decisions, within the limits of its powers, on reviewing and approving proposals for financing & investments, recommending new financing or investment proposals to the BSFIC or the BOD, on all proposals that are beyond its delegated authority. The Committee reviews and, if thought fit, recommends any proposal for sale, buyouts, mergers, acquisition or liquidation of existing financial or direct investments to BSFIC. FIC presents to BSFIC, for its review those investment proposals approved by the Investment Committee, reviewing the Bank's investment portfolio periodically, including but not limited to, adherence to limits, and recommending appropriate corrective actions to the BSFIC. FIC evaluates investment key performance metrics based on a comparison of actual returns, and with such other benchmarks. FIC is also responsible for reviewing and approving proposals for legal actions and/or any other action plan on problematic financing within its delegated authority and making suitable recommendations to BSFIC. The Committee usually holds meetings on a weekly basis.</p>
Provisions & Impairments Committee	<p>The Provisions & Impairments Committee reviews and evaluates the existing investments and financing transactions of each customer to identify any problems, irregularities or difficulties encountering the financial position of the customer. The Committee is responsible for analyzing and assessing risk exposures to the approved credit facilities and investments to make the required provisions in compliance with Central Bank of Kuwait requirements and IFRS. The Committee also prepares the reports to be presented later on to the Board of Directors and its Committees to take appropriate decisions thereupon. The Committee holds meetings at least once on a quarterly basis.</p>

Name of Committee	Description of the Committee's Main Responsibilities
Assets and Liabilities Committee (ALCO)	<p>The Committee reviews the assets and liabilities elements and the market risk and makes decisions on all matters, in the short, medium, and long term. The Committee then assesses the impact on the financial position of the Bank, to ensure increases in profitability while complying with the regulatory bodies' requirements. The Committee generally holds meetings on a monthly basis.</p>
Business Continuity Steering Committee	<p>The Committee aims to oversee and maintain compliance with the Bank's BCM policy. With full responsibility and accountability for ensuring that the Business Recovery Plans of its business functions and IT Disaster Recovery are up to date and tested periodically as per the BCM schedule. It shall also ensure that business continuity management practices are effectively implemented within the Bank. The Committee makes its recommendations to the Board Risk Management Committee. The Committee holds meetings at least twice a year.</p>
Information Security Steering Committee	<p>The Committee's role is to review the information security management system and ensure its continuing suitability, adequacy, and effectiveness. The Committee also attends to information security matters and concerns that may potentially impact the business operation or adversely jeopardize the Bank's image and reputation. The Committee raises recommendations to the Board of Directors, through the Board Risk Management Committee, on substantial incidents and events of a critical and immediate threat to the Bank's information security that may require the Board of Directors immediate intervention. The Committee holds meetings at least once every quarter, and whenever deemed necessary by the Chairman of the Committee.</p>

Performance and Data Category

Metric

Unit

2022 Performance



Board disclosures

Criteria used for nominating and selecting Board members

Qualitative

The criteria used for nominating and selecting Board members is implemented as per the Central Bank of Kuwait (CBK) regulations:

- i. Views of stakeholders (including shareholders): Discuss and agree in the general assembly
- ii. Diversity: Yes, already implemented as part of our selection and nomination process
- iii. Independence: Yes
- iv. Competencies relevant to the impacts of the KIB: KIB Board members have diverse set of experiences and come from different specialized fields.

Processes adopted by the Board to ensure that conflicts of interest are prevented and mitigated

Qualitative

Implemented as per CBK regulations. Board members are required to disclose any conflict of interest and whether there are any related parties. All BoD members must acknowledge the Bank's Code of Conduct.

Board oversight on ESG related matters

Qualitative

This is conducted by overseeing the Bank's Sustainability Strategy and adhering with CBK's newly issued sustainability circular.



Board diversity

Does the Bank prohibit the CEO from serving as a Board chair?

Yes/No

No

Total Board seats occupied by independent Board members

#

4 seats

Is the chair of the Board also a senior executive at KIB (other than CEO)?

Yes/No

No, only the CEO is.



Audit committee

Does KIB commit to the regular rotation of auditors / audit partners?

Yes/No

Yes

Is there a banking industry expert in the Audit Committee?

Yes/No

Yes

Is there a financial expert in the Audit Committee?

Yes/No

Yes

Performance and Data Category

Metric

Unit

2022 Performance



Compensation

The median of the annual total compensation (for all employees excluding the highest-paid individual)

Kuwaiti Dinars (KD)

1,517

Incidents of non-compliance with laws and regulations

#

2

Total number of incidents of non-compliance with regulations and/ or voluntary codes concerning product and service information and labeling

#

0

Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship

#

0

Percentage of employees who have access to KIB's policies

%

100%

Process towards ensuring BoD oversight and updates on newly issued regulations by CBK and CMA

Qualitative

The Regulatory Compliance department compiles a compliance report on a quarterly basis to be presented to BRMC and the Audit Committee which includes updates about regulatory circulars once issued. The BoD affairs department circulates all regulatory updates to the BoD.

Frequency of updating the Bank's policies and procedures

#

As per CBK instructions, the Information Security, Privacy and Anti-Fraud Department (ISPAD), Financing and Investment, Risk Management Department (RMD), and Corporate Governance, policies are reviewed on a yearly basis or earlier if required. Anti-Money Laundering (AML) / Combating the Financing of Terrorism (CFT), and Tax Compliance policies are reviewed every two years or earlier if required. All other policies are reviewed once every three years, or earlier if required. Procedures are reviewed on a yearly basis or earlier if required.

Actions taken in case of any non-compliance incident

Qualitative

Upon any case or incident of non-compliance, immediate action is taken to correct and inform the management and committees through the respective communication channels. Internal investigations are conducted accordingly, with prompt follow-up, with the respective regulatory mechanisms. In case of any fraud incidents, an action plan is followed whereas CBK is immediately informed, within 15 working days, along with the appropriate investigative measures and internal audits conducted.



Compliance

Performance and Data Category

Metric

Unit

2022 Performance



Financial ethics

Does the Bank follow an Ethics and/or Prevention of Corruption policy?

Yes/No

Yes

Does the Bank have a code of conduct?

Yes/No

Yes

Percentage of employees who have acknowledged the Bank's code of conduct

%

100%

Indicate whether the Bank has a whistleblower policy that provides whistleblowers with protection from retaliation?

Yes/No

Yes

Is there an available whistleblowing channel?

Yes/No

Yes

Percentage of KIB employees that have received training on anti-corruption / fraud

%

100%

Confirmed incidents of bribery and corruption

#

0

Percentage of employees that have received training on Anti Money Laundering (AML)

%

99%

Total number of confirmed incidents in which employees were dismissed or disciplined for corruption or any incidents linked to financial ethics non-compliance (i.e. fraud, AML, bribery, etc.)

#

0

Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption or any incidents linked to financial ethics non-compliance (i.e. fraud, AML, bribery, etc.)

#

0

Indicate the frequency and scope of audits related to anti-corruption and business ethics

Qualitative

This is based on the Bank's Internal Audit Department's (IAD) yearly risk assessment

Number of anti-competitive and business ethics controversies related incidents

#

0



Data privacy

Does your Bank follow a Data Privacy policy?

Yes/No

Yes

Number of data breach incidents

#

0

Performance and Data Category

Metric

Unit

2022 Performance



Risk assessment & mitigation

Total number of substantiated complaints received concerning breaches of customer privacy

#

0

Are there operations and suppliers at risk of child labor?

Yes/No

No

Are there operations and suppliers at risk of forced or compulsory labor?

Yes/No

No

Are KIB's services assessed for risks related to corruption?

Yes/No

Yes

Does the Bank conduct climate-related risk analysis?

Yes/No

No

Does the Bank integrate climate risk into ICAAP (Internal Capital Adequacy Assessment Process)?

Yes/No

No

Number of training hours provided for risk employees on topics related to risk management

Hours

2,149

List of frameworks and standards that KIB follows for risk management

Qualitative

• CBK regulations • Basel

List of the types of risks identified by KIB

Qualitative

• Credit Risk • Market Risk • Operational Risk
 • Concentrations Risk • Investment Risk • Legal Risk
 • Cyber Risk • Strategic Risk • Reputational Risk

KIB's risk management approach, lines of defense and due diligence

Qualitative

The Risk Management Function reports directly to the Chairman of the Board Risk Management Committee. The responsibility of the Risk Management Function is to identify, measure, monitor, control (where applicable mitigate), and report the overall risks present at the Bank, within the various policies laid down by the Board of Directors and in compliance with CBK's instructions and other applicable regulations. This includes developing the required policies, procedures and guidelines reviews, establishing a process that enables business departments at the Bank to understand measure and monitor the various risks relevant to their respective business lines - and reviewing the capital adequacy thresholds and its allocation in light of the prevailing regulations. The Risk Governance Framework includes well defined regulatory responsibilities for the Risk Management Function which are the three lines of defense where the first line of defense is the Business Line, the second line is the Risk Management Team and Compliance Functions, while the third line of defense is the Internal Audit Function.

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