

Kuwait International Bank K.S.C.P. and Its Subsidiaries

Financial Leverage Ratio

For the period 30 June 2019

The Group's financial leverage ratio comprises of Tier (1) capital (As defined in the instructions on capital of Islamic banks Standard) divided by total exposures which consists of:

1. On-balance sheet exposures
2. Exposures of hedging contracts compliant with Islamic Sharia'a Standards.
3. off-balance sheet exposures

At 30 June 2019, the financial leverage ratio is 13.14% (30 June 2018: 10.17%) compared to the ratio required by regulatory authorities of 3%, Tier (1) Capital of KD 355,314 thousand (30 June 2018: KD 252,467 thousand) and total exposures is KD 2,704,855 thousand (30 June 2018: KD 2,481,884 thousand).

Summary comparison of accounting assets vs leverage ratio exposure measure:

S. No.	Item	(KD' 000)	
		30 June 2019	30 June 2018
1.	Total consolidated assets as per published financial statements	2,392,677	2,123,697
2.	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-
3.	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
4.	Adjustments for derivative financial instruments	-	-
5.	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	312,178	358,187
6.	Other adjustments	-	-
7.	Leverage ratio exposure	2,704,855	2,481,884

Kuwait International Bank K.S.C.P. and Its Subsidiaries

Financial Leverage Ratio

For the period 30 June 2019

Leverage ratio common disclosure template:

		(KD' 000)	
S. No.	Item	30 June 2019	30 June 2018
On-balance sheet exposures			
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	2,392,677	2,123,697
2.	(Asset amounts deducted in determining Basel III Tier 1 capital)	-	-
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2,392,677	2,123,697
Exposures of hedging contracts compliant with Islamic Sharia'a Standards			
4.	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	-	-
5.	Add-on amounts for PFE associated with all derivatives transactions	-	-
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.	Total derivative exposures (sum of lines 4 to 8)	-	-
Other off-balance sheet exposures			
10.	Off-balance sheet exposure at gross notional amount	459,266	502,200
11.	(Adjustments for conversion to credit equivalent amounts)	(147,088)	(144,013)
12.	Off-balance sheet items (sum of lines 10 and 11)	312,178	358,187
Capital and total exposures			
13.	Tier 1 capital	355,314	252,467
14.	Total exposures (sum of lines 3, 9, 12)	2,704,855	2,481,884
Financial leverage ratio			
15.	Basel III leverage ratio (13/14)	13.14%	10.17%