

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

Financial Leverage Ratio

For the period ended 31 March 2022

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 31 March 2022, the financial leverage ratio is 8.24% (31 March 2021: 10.72%) compared to the ratio required by regulatory authorities of 3%, Tier (1) Capital of KD 330,976 thousand (31 March 2021: KD 356,456 thousand) and total exposures is KD 4,015,384 thousand (31 March 2021: KD 3,325,268 thousand).

Summary comparison of accounting assets vs leverage ratio exposure measure:

				(KD' 000)
S. No.	Item	31 March 2022	31 March 2021	
1.	Total consolidated assets as per published financial statements	3,456,213	2,867,299	
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)	559,171	457,969	
6.	Other adjustments	-	-	
7.	Leverage ratio exposure	4,015,384	3,325,268	

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Leverage ratio common disclosure template:

		(KD' 000)	
S. No.	Item	31 March 2022	31 March 2021
On-balance sheet exposures			
1.	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	3,456,213	2,867,299
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)	3,456,213	2,867,299
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	762,265	632,534
11.	(Adjustments for conversion to credit equivalent amounts)	(203,094)	(174,565)
12.	Off-balance sheet items (sum of lines 10 and 11)	559,171	457,969
Capital and total exposures			
13.	Tier 1 capital	330,976	356,456
14.	Total exposures (sum of lines 3, 9, 12)	4,015,384	3,325,268
Financial leverage ratio			
15.	Basel III leverage ratio (13/14)	8.24%	10.72%