

Financial leverage Ratio

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

1. On-balance sheet exposures
2. Derivative exposures
3. off-balance sheet exposures

At 30th September 2015, the financial leverage ratio is 10.96% compared to the ratio required by regulatory authorities of 3%, Tier (1) Capital of KD 227,576 thousand and total exposures is KD 2,077,298 thousand.

Disclosure of financial leverage standard is as follow:

30 Sep 2015
KD'000

S. No.	Item	Amount
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	1,784,666
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)	1,784,666
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie 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	390,846
11	(Adjustments for conversion to credit equivalent amounts)	(98,214)
12	Off-balance sheet items (sum of lines 10 and 11)	292,632
Capital and total exposures		
13	Tier 1 capital	227,576
14	Total exposures (sum of lines 3, 9, 12)	2,077,298
Leverage ratio		
15	Basel III leverage ratio (13/14)	10.96%