

**CAPITAL ADEQUACY -  
Summary  
Total Risk based Capital Requirements  
For the financial period ending / /  
1 of 16**

No	Summary	Table	Amount
A	<b>Available (Eligible) Regulatory Capital</b>		
B	<b>Required Regulatory Capital (Sum)</b>		
B1	Market Risk Capital Requirement	1	
B2	Operational Risk Capital Requirement	2	
B3	Investment Risk Capital Requirement	3	
B4	Credit Risk Capital Requirement	4	
B5	Counterparty Credit Risk Capital Requirement	5	
B6	AUM Capital Requirement	6	
B7	Other Exposures Capital Requirement	7	
B8	FMI "Winding down" Capital Requirement	8	
	<b>Capital Adequacy % (A / B)</b>		

**Table 1**  
**Regulatory Capital Calculation**  
**For the financial period / /**  
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Capital Components	CET 1	AT 1	T2
	A	B	C
Common Shares			
Stock Surplus (Share Premium)			
Eligible Minority Interest of third parties in Consolidated Subsidiaries			
Retained earnings			
Revaluation reserve			
Fair Value reserve			
Statutory Reserve			
Voluntary Reserve			
Other Disclosed Reserves			
Treasury share reserve			
Other 1			
Other 2			
Other 3			
Other 4			
Other 5			
<b>Total Qualifying Capital</b>			
Regulatory Adjustments	CET 1	AT 1	T2
	A	B	C
Treasury shares			
Dividends (Proposed but not incurred)			
Goodwill			
Other Intangibles			
Reciprocal cross holdings in capital of FIs			
Deductions from Capital Base arising from Investments in FIs			
Other Adjustments 1			
Other Adjustments 2			
Other Adjustments 3			
Other Adjustments 4			
Other Adjustments 5			
Total Deductions			
<b>Total Eligible Regulatory Capital (post deductions)</b>			

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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**Market Risk Capital Requirements / Summary**

No	Market Risk Capital Requirement	Specific	General	Total Capital Requirement
		A	B	C
1	Interest rate risk			
2	Equities risk			
3	Foreign exchange risk			
4	Commodities risk			
5	Options risk			
	<b>Total</b>			
	<b>Multiplier</b>			<b>1.875</b>
	<b>Market Risk Capital Requirement</b>			

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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**INTEREST RATE RISK**

**SPECIFIC RISK**

Category of Debt Instrument	Credit Quality Grades	Remaining Maturity	Risk Charge	Current Market Value	Capital charge
			A	B	A x B=C
	1	N/A			
Government Debt instruments	2 & 3	6 months or less	0.25%		
		Over 6 to 24 months	1.00%		
		Over 24 months	1.60%		
	4, 5 & 6	N/A	12.00%		
Fully Guaranteed Debt Instruments issued by PSEs (Qualifying)		6 months or less	0.25%		
		over 6 to 24 months	1.00%		
		over 24 months	1.60%		
Other Debt instruments		N/A	12.00%		
<b>Total Specific Risk Charge</b>					

**Notes**

1. Current market value (B)

Report the total market value ( sum of absolute value of long and short positions ) of debt instruments broken down by obligor, i.e., government, qualifying (broken down further by residual term to maturity), and others.

All currencies are combined on a single schedule.

To arrive at the total for each category, (i.e., total of government, qualifying and others ) express all values, whether representing long or short positions, as positive amounts.

2. Capital Charge (C )

Multiply the current market value in each obligor category (Column B) by the associated risk charge (Column A).

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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General Risk

**Please repeat table for each currency**

Use separate schedule for each currency where position is KD 30,000 or more, and one total schedule for other insignificant currencies where position is less than KD 30,000

Time Band	Long Position	Short Position	Gross Position*	Risk charge	Capital Requirement
	A	B	A+ B =C	D	C X D
1 month & under					
Over 1-3 months				0.20%	
Over 3-6 months				0.40%	
Over 6 months-1 yr				0.70%	
Over 1-1.9 years				1.25%	
Over 1.9-2.8 years				1.75%	
Over 2.8-3.6 years				2.25%	
Over 3.6-4.3 years				2.75%	
Over 4.3-5.7 years				3.25%	
Over 5.7-7.3 years				3.75%	
Over 7.3-9.3 years				4.50%	
Over 9.3-10.6 years				5.25%	
Over 10.6-12 years				6.00%	
Over 12-20 years				8.00%	
Over 20 years				12.50%	
<b>Total</b>					

\* Gross Position is based on Long Position (A) and the absolute value of the short Position (B)

**Notes to Table**

1. Allocate the market value of all debt instruments, together with other instruments that are subject to interest rate exposure ( such as derivatives ), into the time bands shown on the return. Show long and short positions separately (column A and B ).
2. Sum the absolute value of long position and the absolute value of short position to produce a gross positions figure ( column C ).
3. Multiply the gross positions amounts by the respective risk charge (column D) to arrive at the risk charge figures which should be summed to give the capital requirement for general market risk.

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
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**EQUITY RISK**

Country	Long Position Securities	Short Position Securities	Long Position Derivatives	Short Position Derivatives	Gross Position*	Net Position	Specific Charge	General Charge	Total Capital Charge
	A	B	C	D	$A+(B)+C+(D)=E$	$A+B+C+D=F$	$E \times 8\%=G$	$F \times 8\%=H$	$G+H=I$
Kuwait									
United States									
United Kingdom									
Germany									
Switzerland									
Japan									
Others									
<b>Total</b>									

\* Gross Position is based on long position (A+C) and the absolute value of the short position (B+D)

**Notes**

1. Equity positions, in securities as well as those arising either directly or indirectly through derivatives, should be allocated to the country in which each equity is listed.
2. The calculations outlined above should be applied to each country. Blank rows are left for licensed persons to mention countries not outlined in the return. For purposes of reporting, the terms "country " and " national market " are synonymous.
3. In case an equity is listed in more than one country, one country should be chosen. Matched positions in each identical equity or stock index in each country may be fully offset, resulting in a single net short or net long position to which the specific and general market risk charges will apply.
4. Long Positions (A) & (C) :  
For each national market (country), the long positions should be reported for both securities and derivatives.
5. Short Positions (B) & (D) :  
For each national market (country), the short positions should be reported for both securities and derivatives.
6. Gross Positions (E):  
The gross position represents the absolute sum of the value of all long positions and the absolute value of all short position i.e.,  $A+(B)+C+(D)$ .
7. Net position (F):  
Sum the long positions and the short positions and report the absolute value i.e.,  $A+B+C+D$ .
8. Specific Capital Charge (G):  
Multiply the gross positions in Column E by 8%.
9. General Capital Charge (H):  
Multiply the net position in Column F by 8%.
10. Total Capital Charge (I):  
Record the sum of capital charges reported in G and H.

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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**FOREIGN EXCHANGE RISK**

Currency	Net Spot Position	Net Forward Position	Guarantee and similar instruments	Net Unearned Income / Expenses	Net Open Position E=A+B+C+D
	A	B	C	D	E
US dollar					-
UK pound					-
Euro					-
Swiss franc					-
Japanese yen					-
Others - Long					-
Others - Short					-
Gold					-
<b>Sum of net open long position</b>					F
<b>Sum of net open short position (expressed in absolute value)</b>					G
<b>Greater of box F and box G</b>					H
<b>Absolute value of open position in gold</b>					I
<b>Sum of box H and box I</b>					J
<b>Capital charge ( 8% of box J )</b>					K

**Notes**

1. All on and off-balance sheet items denominated in a foreign currency are subject to this charge.
2. License persons should report separately their exposure in each foreign currency where the exposure is greater than KD 30,000. The calculation of positions in all other currencies should be performed separately and then aggregated. Structural positions should be excluded.
3. Net Spot Position (A):  
For each currency, report the difference between all assets items and liabilities items. Include the accrued interest and accrued expenses.
4. Net Forward Position (B):  
For each currency, report all net amounts under forward foreign exchange transactions, including currency futures and the principal on currency swaps not included in the net spot position. Value the position at spot market exchange rates using mid-market rates.
5. Guarantees (C):  
For each currency, report guarantees and other similar instruments. Guarantees must be certain to be called and likely to be irrecoverable.
6. Net unearned Incomes and Expenses (D):  
For each currency, report any net unearned incomes or expenses.
7. Net Open Position (E):  
For each currency, report the sum of net open positions in Column E.
8. Gold:  
Record the net long or net short position in gold.
9. Required Capital Calculation:
  - In box (F): record sum of the absolute value of the total net long positions reported in Column (E).
  - In box (G): record sum of the absolute value of the total net short positions reported in Column (E).
  - In box (H): record the greater of the absolute values of the total net long positions (F) or the total net short positions (G).
  - In box (I): record the absolute value of the open positions in gold.
  - In box (J): record the sum of box (H) and box (I).

**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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**COMMODITY RISK**

Commodity	Long Position	Short Position	Gross Position*	Net Position	Capital Charge on Net Position	Capital Charge on Gross Position	Total Capital Charge
	A	B	A+[B]=C	A+B=D	D×15%=E	C×3%=F	E+F=G
Platinum							
Palladium							
Silver							
Copper							
Natural Gas							
Wheat							
Corn							
Canola							
Other 1							
Other 2							
Other 3							
Other 4							
Total							

\* Gross Position is based on Long Position (A) and the absolute value of the Short Position (B)

**Notes**

1. All on and off-balance sheet commodity positions are subject to this charge. Commodities include any physical product that can be traded on a secondary market, (e.g., agricultural products, minerals (including oil), and precious metals excluding gold) .
2. Licensed persons should report their exposure in platinum, palladium, silver, Oil, natural gas, wheat, corn, canola and each of the other commodities separately. Rows should be added by licensed persons to mention commodities not outlined in the return.
3. Positions in commodities should be based on the respective standard unit of measurement (e.g., barrels, Kilograms, etc.) and converted into Kuwait dinars at spot rates using mid-market prices. Commodity derivatives and other off-balance sheet positions that are affected by changes in commodity prices (excluding options) are to be converted into notional positions using the current spot prices.
4. Long Positions (A):  
For each commodity, record the sum of all long positions, in equivalent Kuwaiti Dinars.
5. Short Positions (B):  
For each commodity, record the sum of all short positions, in equivalent Kuwaiti Dinars.
6. Gross Position (C) :  
For each commodity, record the sum of the absolute values of the long and short positions [ column (A) + column (B) ].
7. Net Position (D):  
For each commodity, record the sum of the long position value (i.e., a positive) and short positions (i.e., a negative value) [column(A) + column(B)].
8. Capital Charge on Net Position (E):  
Multiply the net positions [ in column (D) ] by 15%
9. Capital Charge on Gross Position (F):  
Multiply the gross positions [ in column (C) ] by 3%.
10. Total Capital Charge on Commodity Risk (G):  
Record the sum of the net position requirements [ column (E) ] and the gross position requirements [ column (F) ].



**MARKET RISK**  
**Table 2**  
**Market Risk Capital Requirements**  
**For the financial period ending / /**  
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**OPTIONS RISK**

**Simplified Method**

Position	Risk exposure	Market Value of the Options Underlying	Sum of Specific and General Market risk charges of the Underlying (%)	Market value of option	Amount option is in the money	Capital charge: Long underlying/ Long put or Short underlying /Long call	Capital charge: Long call or Long put	Total Capital Charge
		A	B	C	D	(A X B)-D=E	F	E+F=G
Long underlying/ Long put or Short underlying/ Long call	Interest rate position risk							
	Equity risk							
	Foreign Exchange risk							
	Commodity risk							
	Total							
Long call or Long put	Interest rate position risk							
	Equity risk							
	Foreign Exchange risk							
	Commodity risk							
	Total							
<b>Total Options</b>								

**Notes**

- This Form is to be populated in line with 'Simplified method' for Options as per the applicable section in the guidelines
- Market value of the options underlying (A):  
Report aggregate information on the market value of the options' underlying by position and risk exposure.
- Sum of specific and general market risks percentages (B):  
Report the sum of the appropriate specific risk and general market risk charge by referring to sections on interest rate positions risk, equity risk, foreign exchange risk and commodity risk.
- Market value of option (C):  
Calculate and report the market value of the option.
- Amount option is in the money (D):  
Report the amount by which the option is in the money. In the money means that the exercise level of a " call option " is less than the mark to market value of the underlying instrument, and for "put option" that the mark to market of the underlying is less than the exercise level of the put option.
- Capital Charge (E) and (F):  
Calculate capital charge in accordance with the method described in the directives.
- Total Capital Charge (G):  
The total capital charge is sum of column (E) and column (F).

**OPERATIONAL RISK**  
**Table 3**  
**Operational Risk Capital Requirements**  
**For the financial period / /**  
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Business Line	Yr (-2)	Yr (-1)	Yr (0)
	Capital Charge = Gross Income* Beta	Capital Charge = Gross Income* Beta	Capital Charge = Gross Income* Beta
	A	B	C
Brokerage			
Trading/Investment			
Investment Portfolio / CIS Management & Managing any Client Asset			
Providing Financing			
Payment and settlement, Clearing and Market Making			
Custodian			
All Other			
Max [sum of yearly charges,0]			
3 year average of sum of yearly charges			
Multiplier			1.875
Total Operational Risk Capital Requirement (3 year average of sum of yearly charges * 1.875)			

Notes
1. In any given year, negative capital charges (resulting from negative gross income) in any business line may offset positive capital charges in other business lines. However, where the aggregate capital charge across all business lines within a given year is negative, then the input to the numerator for that year will be zero.

**INVESTMENT RISK**  
**Table 4**  
**Capital Requirements for Investment Risk**  
**For the financial period ending / /**  
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No	Investments in Real Estate	Total Exposure	Capital Requirement
		A	B
1	Total Investments in Real Estate		

No	Equity investment in Financial Institutions (below threshold for deduction and subject to 37.5% charge)	Total Exposure	Capital Requirement
		C	D
1	Investments in FIs below deduction threshold		

No	Investments in Funds (where information on underlying investments is not available)	Total Exposure	Capital Requirement
		E	F
1	Investment in Funds (60% capital charge)		

No	Investments in Equities (Classified as FVOCI)	Total Exposure	Capital Requirement
		G	H
1	Investment in Unlisted Equities (30% capital charge)		
2	Investment in Listed Equities (15% capital charge)		

Total Investment Risks Capital Requirement (B+D+F+H)	
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**CREDIT RISK**  
**Table 5**  
**Credit Risk Capital Requirements**  
**For the financial period ending / /**  
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No	Asset Categories	On & Off-Balance Sheet Exposures				Credit Risk Capital Requirement
		On Balance Sheet Exposure	Off Balance Sheet Exposure - Credit Equivalent Amount	Eligible CRM	Net Exposure	
		A	B	C	D	
1	<b>Cash Items</b>					
	Notes and Coins					
	Gold bullion held in the vaults					
	Cheques and Drafts Drawn on other Banks and Immediately Payable or in the Process of Collection					
	Receiveable Funds arising from the sale of securities					
	Receiveable Funds arising from the purchase of securities					
2	<b>Exposures to Sovereign</b>					
	CQG 1 (AAA to AA-)					
	CQG 2 (A+ to A-)					
	CQG 3 (BBB+ to BBB-)					
	CQG 4 (BB+ to BB-)					
	CQG 5 (B+ to B-)					
	CQG 6 (Below B-)					
	Unrated					
3	<b>Exposures to PSEs</b>					
	Kuwaiti PSEs - Local Currency					
	Kuwaiti PSEs - Foreign Currency					
	<b>Other GCC PSEs</b>					
	Other GCC PSEs - Local Currency					
	Other GCC PSEs - Foreign Currency					
	<b>Foreign PSEs</b>					
	CQG 1 (AAA to AA-)					
	CQG 2 (A+ to A-)					
	CQG 3 (BBB+ to BBB-)					
	CQG 4 (BB+ to BB-)					
	CQG 5 (B+ to B-)					
	CQG 6 (Below B-)					
	Unrated					
4	<b>Exposures to Banks</b>					
	CQG 1 (AAA to AA-)					
	CQG 2 (A+ to A-)					
	CQG 3 (BBB+ to BBB-)					
	CQG 4 (BB+ to BB-)					
	CQG 5 (B+ to B-)					
	CQG 6 (Below B-)					
	Unrated					
5	<b>Exposures to Corporates</b>					
	CQG 1 (AAA to AA-)					
	CQG 2 (A+ to A-)					
	CQG 3 (BBB+ to BBB-)					
	CQG 4 (BB+ to BB-)					
	CQG 5 (B+ to B-)					
	CQG 6 (Below B-)					
	Unrated					
6	<b>Exposures to Central Counterparties</b>					
	Exposures to Qualifying CCP					
	Exposures to Non-Qualifying CCP (including default fund exposures)					
7	<b>Credit facilities to finance trading in real estate and trading in securities</b>					
8	<b>Other exposure</b>					
9	<b>Grand Total</b>					

**COUNTERPARTY CREDIT RISK**  
**Table 6**  
**Counterparty Credit Risk Capital Requirements**  
**For the financial period ending / /**  
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No	Counterparty credit risk	Capital Requirement
1	CCR Capital Charge	
2	CVA Capital Charge	

CCR and CVA Capital Requirement	
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**AUM RISK CAPITAL REQUIREMENTS**

KD '000s

**Table 7****Capital Requirements for AUM  
For the financial period ending / /  
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No	Assets under Management (AUM)	Rolling Average AUM over last 12 months	Capital Requirement
		A	B
1	Rolling Average AUM over last 12 months		

AUM Risk Capital Requirement (B)	
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**OTHER EXPOSURES CAPITAL REQUIREMENT**

KD '000s

**Table 8****Capital Requirements for Other Exposures****For the financial period ending / /****15 of 16**

No	Other Exposures	Total	Capital Requirement
		A	B
1	Total		

Other Exposure Risk Capital Requirement (B)	
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## FINANCIAL MARKET INFRASTRUCTURE

## Table 9

## FMI "Continuity" Capital Requirements

For the financial period ending / /

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No	Operational Expenses over time period required for "winding down"/"recovery" (Minimum 6 months)	Total	Capital requirement
		A	B
1	Total		

FMI capital requirement (B)	
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## Notes

In line with articles 5-1 to 5-5 this is relevant only to FMIs and stock exchange, and the reporting figure should include the running/operational cost of the entity for a period of 6 months as observed historically.