

## **32- Instructions Concerning Banks Budgets and Future Business Plans**

- A) [Circular issued on 7/5/1995 concerning banks budgets and future Business Plans.](#)
- B) [Circular on amending the reporting data for Banks' Budgets and future business plans.](#)

*Thu-Al-Hijja 7, 1415 H*  
*May 7, 1995*

## **THE GENERAL MANAGER,**

### **Instructions concerning banks' budgets and future Business Plans\***

We have observed, through our study of banks' budgets, future business plans and estimates included therein during the past years, that such data do not include certain basic information which must be available.

In order for us to review such data in the desired manner, your bank is required to provide us with at least the following information, data and forms:

- (1) The bank's future business plan, which should include:
  - Business strategy for the year for which the financial data is submitted, as well as the general policy which will be adopted by the bank to achieve the targets of the strategy.
  - Basic assumptions on which the projections of the budget items were based.
- (2) Explanation of the reasons of the increase or decrease in the target figures against the projected figures of the previous year, taking into account the latest actual figures available with the bank while preparing the budget.
- (3) Detailed schedules in the manner shown in the (enclosed diskette) including the following:
  - Development of the balance sheet components, balances with the banks, loans and advances, investment portfolio and banks' and customers' deposits.
  - Development of income and expenses components.
  - Capital adequacy ratio.

\* Circulated to all local banks.

As you know, the banks are required, pursuant to Central Bank's instructions in this regard, to submit their budgets and future business plans in Arabic language, not later than end of October every year. It is worth mentioning that your bank is required to enter the required data into the enclosed diskette and send it to us along with your bank's future business plan.

Best regards,

**Hamid Ahmed Al-Rasheed**

**Executive Director, Supervision Department**

## Developments of the Balance Sheet Elements

Bank's Name:.....

( KD .000's )

S.No	Description	1989	1990-1991	1992	1993	1994	5 Years Average	Projected 1995	Difference from 1994	% + (-)	Targeted 1996	Difference from 1995	% + (1)
<b>I : ASSETS</b>													
1	Cash												
2	Balances with the Banks & Financial Institutions												
3	Treasury Bills & Bonds												
4	Purchased debt Bonds												
5	G'tee Fund Bonds												
6	Financial Investments												
7	Loans, Advances & Bills Discounted												
8	Bank's Purchased Shares												
9	Fixed Assets												
10	Other Assets												
<b>II: LIABILITIES</b>													
11	Banks & Financial Institutions' Deposits												
12	Customers' Deposits												
13	Bonds & Certificates of Deposit												
14	Shareholders' Equity												
15	Other Liabilities												
<b>Total Liabilities</b>													

## Balances with the Banks

(KD .000's)  
(Attachment 1/1)

Bank's Name: .....

S.N	Description	( Actual ) 1994			( Projected ) 1995			Difference from 1994			( Targeted ) 1996			Difference from 1995					
		KD		FC	Total	KD		FC	Total	KD	FC	Total	KD		FC	Total	KD	FC	Total
		Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	Bal	Av. Int. rate	Bal				Av. Int. rate	Bal	Av. Int. rate	Bal			
1	Balances with CBK																		
2	Balances with Local Banks																		
3	Balances with Local Financial Institutions																		
	<b>I : TOTAL</b>																		
4	Balances with Foreign Banks																		
5	Balances with Foreign Financial Institutions																		
	<b>II : TOTAL</b>																		
	<b>TOTAL (I + II)*</b>																		

\* Should totally equal with Item (2) of the Balance Sheet Table.

## Loans, Advances & Bills Discounted For Customers

(KD .000's)  
(Attachment 2/1)

Bank's Name: .....

S.N	Description	(Actual) 1994					(Projected) 1995					Difference from 1994			(Targeted) 1996					Difference from 1995		
		KD		FC		Total	KD		FC		Total	KD	FC	Total	KD		FC		Total	KD	FC	Total
		Bal.	Av. Int. rate	Bal.	Av. Int. rate	Bal.	Bal.	Av. Int. rate	Bal.	Av. Int. rate	Bal.				Bal.	Av. Int. rate	Bal.	Av. Int. rate	Bal.			
<b>Credit Facilities to Residents</b>																						
1	Oil & Gas																					
2	Agriculture & Fishing																					
3	Industry																					
4	Construction																					
5	Trade & Commerce																					
6	Public Services																					
7	Personal *																					
8	Real -Estate & Real-Estates Transactions																					
9	Others																					
10	Total Credit Facilities to Resident Customers																					
11	Total Credit Facilities to Non-President Customers																					
12	Total Facilities (10+11)**																					

• Including private residence Loans.

\*\* Should totally equal with Item (7) of the Balance Sheet Table.



## Deposits of Banks & Financial Institutions

(KD .000's)  
Attachment No. (4/1)

Bank's Name: .....

S.N	Description	(Actual) 1994			(Projected) 1995			Difference from 1994			(Targeted) 1996			Difference from 1995									
		KD		FC	Total	KD		FC	Total	KD	FC	Total	KD		FC	Total	KD	FC	Total				
		Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	KD	FC	Total	Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	KD	FC	Total	
1	Balances Accrued CBK																						
2	Balance Accrued Local Banks																						
3	Balances Accrued to Local Financial Institutions																						
<b>I : TOTAL</b>																							
4	Balances Accrued to Foreign Banks																						
5	Balances Accrued to Foreign Financial Institutions																						
<b>II : TOTAL</b>																							
<b>Total (I + II)*</b>																							

\* Should totally equal with Item No. (11) of the Balance Sheet Table.



## Customers Deposits

(KD .000's)  
Attachment No. (5/1)

Bank's Name: .....

S.N	Description	(Actual) 1994			(Projected) 1995			Difference from 1994			(Targeted) 1996			Difference from 1995									
		KD		FC	Total	KD		FC	Total	KD	FC	Total	KD		FC	Total							
		Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	KD	FC	Total	Bal	Av. Int. rate	Bal	Av. Int. rate	Bal	KD	FC	Total	
1	<b>Government Deposits</b>																						
	A- Sight																						
	B- Forward																						
2	<b>Resident – Customers Deposits</b>																						
	A- Current Accounts																						
	B- Savings Accounts																						
	C- Term Deposits																						
3	<b>Non-Resident Customers Deposits</b>																						
	A- Current Accounts																						
	B- Savings Accounts																						
	C- Time Deposits																						
4	<b>Total (1+2+3) *</b>																						

\* Should totally equal with Item No. (12) of the Balance Sheet Table.

## Development Elements of the Income & Expenditure Account

( KD .000's )  
(Attachment -2)

Bank's Name: .....

S.N	Description	Actual 1994	Projected 1995	Difference from 1994-1995	Targeted 1996	Difference from 1995-1996
	<b>II. Operating Income</b>					
<b>1</b>	Financial Institutions					
	A- Interest :					
	1- CBK					
	2- Banks					
	3- Other Financial Institutions					
	B- Fees & Commissions					
	C- Recovered Bad Loans					
	D- Other Income					
<b>2</b>	Non Financial Institutions					
	A- Interest					
	B- Fees & Commissions					
	C- Loans					
<b>3</b>	Investment Securities					
	A- Interest on Purchased Debt Bonds					
	B- Interest on the Treasury Bills & Bonds					
	C- Profits from capital participation on Investment Securities					
	D- Profits from securities trading					
	E- Other Income					
<b>4</b>	Income from Other Operations					
	A- Gains on FX Trading					
	B- Income from Real-Estate Properties					
	C- Other Income					
	<b>Total Operating Income</b>					

**32- INSTRUCTIONS CONCERNING BANKS' BUDGETS AND FUTURE BUSINESS PLANS.**

A- Circular issued on 7/5/1995 concerning banks budgets and future Business Plans.

## Development Elements of the Income & Expenditure Account

( KD .000's )  
(Attachment -2)

Bank's Name: .....

S.N	Description	Actual 1994	Projected 1995	Difference from 1994-1995	Targeted 1996	Difference from 1995-1996
<b>II. Operating Expenses</b>						
<b>1</b>	Financial Institutions					
	A- Interests Accrued to:					
	1- CBK					
	2- Banks					
	3- Other Financial Institutions					
	B- Fees & Commissions					
	C- Bad Loans					
	D- Other					
<b>2</b>	Financial Instruments					
<b>3</b>	Non Financial Sector					
	A- Interest on Sight Deposits & Savings Accounts					
	B- Interest on time deposits					
	C- Fees & Commissions					
	D- Bad Debts					
	E- Other					
<b>4</b>	Administrative Expenses					
	A- Staff Salaries & Bonuses					
	B- Other Staff Benefits					
	C- Other					
<b>5</b>	Depreciation					
<b>6</b>	Other Operating Expenses					
	A- Securities Trading Losses					
	B- FX Trading Losses					
	C- Other					
	<b>Total Operating Expenses</b>					
	<b>Net Profit (Loss)</b>					

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### Capital Adequacy Ratio as per The Financial Position for 1996

(Attachment 3)

( KD.000's )

<b>First</b>	<u>Ratio's Numerator :</u> Total Capital (Basic + Subordinate)	
<b>Second</b>	<u>Ratio's Denominator :</u>  Risk-Weighed Assets Risk-Weighed Contingent Liabilities Total Risk-Weighed Assets & Contingent Liabilities	
<b>Third</b>	Capital Adequacy Ratio (First / Second)	

*Safar 23, 1427 H*  
*March 23, 2006*

**THE GENERAL MANAGER,**

**“Circular To All Conventional Banks”**

With reference to the Central Bank of Kuwait’s instructions issued on 7/5/1995 regarding the budgets and future business plans for the local banks.

We would like to advise you that your bank is **required to provide us with the data of its budget and future business plan along with the closing financial data at the end of the year**, instead of the currently applied method requiring you to provide us with the mentioned documents not later than the end of October each year. This change in the reporting date is meant to have the data of your budget expressing and based on assumptions closer to reality, and prepared on the basis of the latest actual financial data.

Best Regards,

**Ibrahim Ali Al - Qadhi**

**Manager of Supervision Department**