

Kuwait, 6 July 2020

**Boursa Kuwait**  
**State of Kuwait**

**Comment on CBK Circular No. (2/BS/IBS/461/2020) dated 5/7/2020**

Dear Sirs,

This is pursuant to Chapter 4 of the Disclosure & Transparency Module of the Executive Bylaw to Law No. 7 of 2010 as amended, issued by Capital Markets Authority on 9/11/2015, and with reference to our disclosure, dated 30 March 2020, regarding the resolution of installment deferral of consumer and housing loans, and credit card payments for all customers for a period of six months, and based on your request and the Circular of the Central Bank of Kuwait Circular, issued on 5 July 2020, regarding the accountancy treatment of the installment deferral according to IFRS9.

We would like to advise you that the total loss impact resulting from the six month installment deferral of consumer and housing loans, and credit card payments on Gulf Bank will be approximately KD 42 M, which will lead to the decrease of the retained earnings under the equity item by this amount during Q2 of 2020, with possible impact on the Capital Base under Basel III Instructions during the four coming years starting 2021, for the purpose of calculating the Capital Adequacy Ratio as per the relevant instructions issued by the Central Bank of Kuwait.

Best regards



**Jihad Khodr**  
**Assistant General Manager**  
**Head of Compliance & Disclosure**

