

TRANSLATION

Date: 9 August 2020
REF: CCG/72/2020

Sirs, Capital Markets Authority
Sirs, Boursa Kuwait

Greetings,

According to circular No. (7) For the year 2020 issued by the Capital Markets Authority in 7/7/2020 regarding disclosure of impact the events arising from the novel coronavirus outbreak on the financial statements.

Kindly find attached the required disclosure form on the impact of this exceptional circumstances related to the novel coronavirus on the Bank's financial statements for the period ended 30/6/2020.

Best regards,



Tamim Khaled Al Meaan
GM, Compliance & CG



NOTE: This is a translation of the original for and binding Arabic text. In case of any difference between the Arabic and the English text, the Arabic text will be prevailing.

**Off-site Supervision
Department Supervision**

**“Disclosure of impacts of the events arising from the
Novel Coronavirus Outbreak on the financial statements”
Form**

Serial No.	First: Impact of Novel Coronavirus on the Company’s financial position	
1	Impact on real estate assets whatever its classification	- No material impact.
2	Impact on investments at fair value through profit or loss (FVTPL)	- Not Applicable
3	Impact on investments at fair value through other comprehensive income (FVOCI)	- Net decreased in the fair value of investments amounting to KD 34 million is recognized through other comprehensive income during the six months period ended 30 June 2020. - Reduction in the fair value is mainly due to the consolidated impact of Covid-19 and other market factors.
4	Impact on investments carried at amortized cost	- Not applicable.
5	Impact on associates and joint Ventures	- Not applicable
6	Impact on accounts receivable	- The Group deferred the collection of instalment on consumer, instalments loans and credit card loans falling due from 1 st April 2020 to 30 September 2020 and extended the final maturity of loans by six months. The deferment of instalments resulted in a modification loss of KD 13 million due to the modification of originally contracted cash-flows and recognized it in the retained earnings. - Please refer note 13 to the interim condensed consolidated financial information for the period ended 30 June 2020 for further details.
7	Impact on loans and accounts payable	- No impact.
8	Impact on inventory	- Not applicable.
9	Impact on goodwill and intangible Assets	- No impact.
10	Any other significant impact on the statement of financial position	- No material impact

