To: Chief Executive Officer  
Boursa Kuwait

Peace, Mercy and Blessings of Allah be upon you,

Subject: Response to News
Postponement of the Payments of the Installments of Consumer and Personal Installment Financings:

In reference to the above, and in interest of Kuwait Finance House (KFH) at adhering to Article (4-4-1) 'Response to News' of Chapter 4 'Disclosure of Material Information' of CMA Executive Bylaws Book 10 (Disclosure and Transparency), KFH would like to report the following in response to the new published in the daily newspapers concerning 'Postponement of the Payments of the Installments of Consumer and Personal Installment Financings':

- In the light of the directives of His Highness the Amir of the State of Kuwait, it is necessary to consider the economic implications of the measures taken in the fight against COVID-19, in order to reduce the financial burden on citizens, and the subsequent decision of the Kuwait Banking Association's Board of Directors that local banks are to postpone the payments of the installments of Consumer and Personal Installment Financings granted to Kuwaiti customers, as well as other types and categories for a period of six months without recognizing additional commissions or fees for such postponement.

- Kuwait Finance House resolved to delay the payments due on the consumer and personal installment financings, credit cards installments, and financing installments and credit facilities for the small and medium enterprise (SME) for all KFH's customers of citizens and residents for a period of 6 months, with the cancellation of profits resulting from such postponement and any other fees, in line with the directives of His Highness the Amir of the State of Kuwait as well as the decision of the Kuwait Banking Association's Board of Directors.

- In addition, it should be noted that the accounting treatments that will be applied in this regard and their impact on the financial statements in accordance with the International Financial Reporting Standards have not been completed yet. Coordination is also being made between local banks and auditors in this concern. Further, KFH will disclose, in a timely manner, any new or influential related developments.

Best Regards,

Mazen S Al Nahedh