

EXECUTIVE SUMMARY SIGNIFICANT ANNOUNCEMENTS

COVERAGE: CENTRAL BANK OF KUWAIT

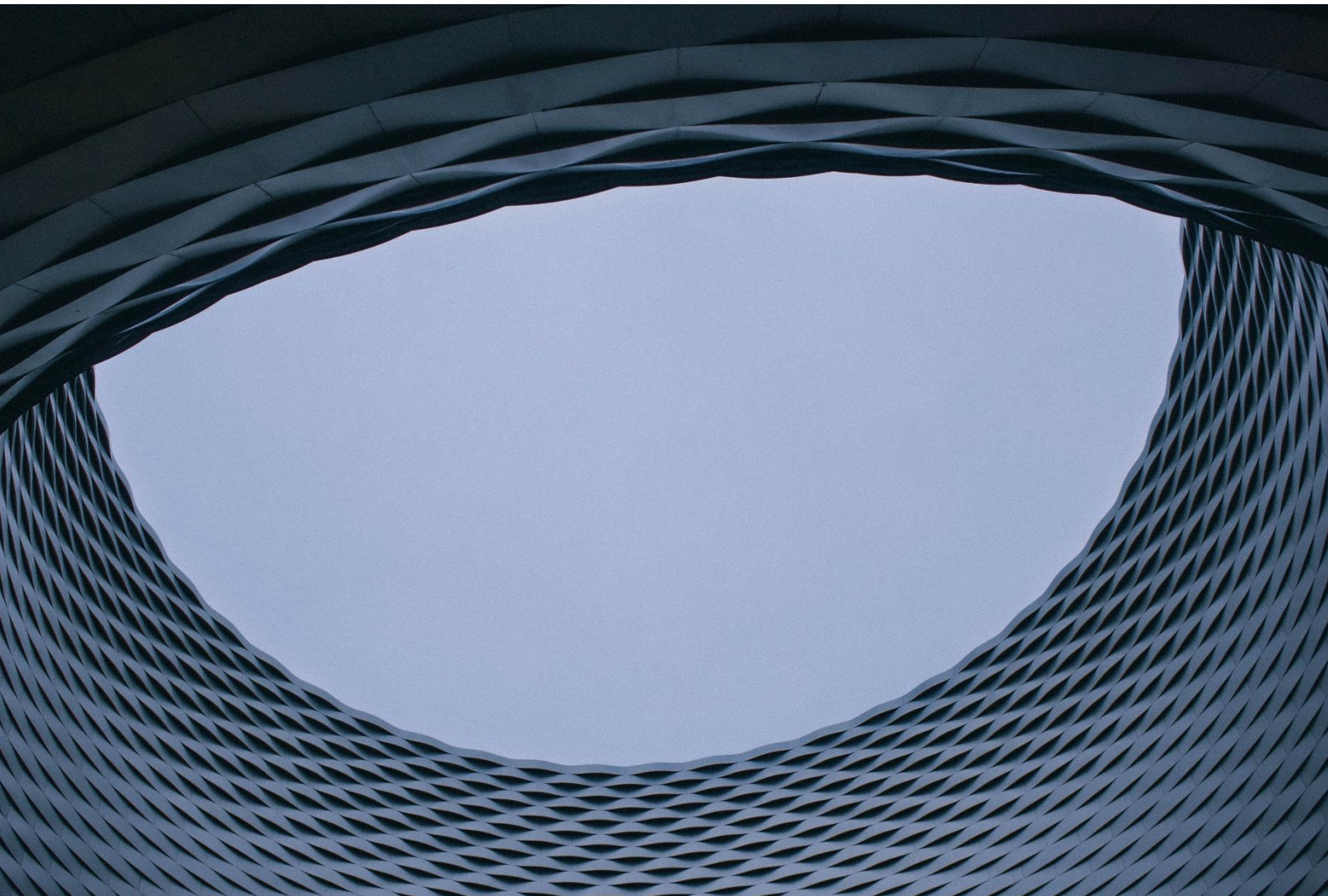
LOCATION: KUWAIT

ISSUE: JULY '22 TO SEPT '22



INTRODUCTION & SUMMARY

During the period from July 2022 to September 2022, Central Bank of Kuwait issued total 11 announcements on different matters. These regulatory instructions were predominantly in the areas of Banking Regulations.



DETAILS OF ANNOUNCEMENTS

Key instructions/regulations disseminated by Central Bank of Kuwait during the 3rd quarter 2022 are summarized below:

CBK Raises the Discount Rate by a Quarter Percentage Point dated July 07, 2022

The CBK decided to raise the discount rate by a quarter percentage point from 2.25% to 2.50% effective July 28, 2022, and change the rates of monetary policy instruments by varying percentages for the entire interest rate yield curve including repurchases (Repo), CBK bonds and Tawarruq, term deposits, direct intervention instruments, as well as public debt instruments.

Standard & Poor's Affirms State of Kuwait Ratings at 'A+'; Outlook Stable dated July 16, 2022.

According to the Standard & Poor's Global Ratings: State of Kuwait Ratings affirmed at 'A+'; Outlook changed from negative to stable.

CBK Honors Winners of the "Kuwaiti Economic Researcher Award" and "Kuwaiti Economic Student Award" dated July 05, 2022.

The Central Bank of Kuwait held a ceremony to honor the winners of the "Kuwaiti Economic Researcher Award" and "Kuwaiti Economic Student Award" the CBK Governor and Chairman of the Institute of Banking Studies (IBS), Basel Ahmed Al-Haroon, and a host of elite banking sector figures attended the event on Tuesday, 05 July, 2022, at CBK Headquarters.

CBK to Test a First-of-its Kind Product for Open Banking within the Regulatory Sandbox dated August 25, 2022.

Keen to enable the new FinTech and support the Open Banking to help bring about innovative business models in the field of financial services, the Central Bank of Kuwait (CBK) has given the green light to test a first-of-its kind product by launching thereof in the local market within the Regulatory Sandbox and applying the same to banking transactions of volunteer customers to fully assess and evaluate the product before the final launch in the market.

CBK Raises the Discount Rate by a Quarter Percentage Point dated August 10, 2022.

The Central Bank of Kuwait (CBK) decided to raise the discount rate by a quarter percentage point from 2.50% to 2.75% effective August 11, 2022, and change the rates of monetary policy instruments by varying percentages for the entire interest rate yield curve including repurchases (Repo), CBK bonds and Tawarruq, term deposits, direct intervention instruments, as well as public debt instruments.

CBK Raises the Discount Rate by a Quarter Percentage Point dated September 21, 2022.

The Central Bank of Kuwait (CBK) announced to raise the discount rate by 0.25% from 2.75% to 3.00% effective September 22, 2022. The CBK also decided to change the rates of monetary policy instruments by varying percentages for the entire interest rate yield curve, including repurchases (Repo), CBK bonds and tawarruq, term deposits, direct intervention instruments, as well as public debt instruments.

CBK Sets to Launch an Advanced Portal to Process Banking Sector Requests Digitally dated September 06, 2022.

- In accordance with its digital strategy to create a business environment that underpins the fast-paced advancements in the banking industry and to ensure the banking system ability to fulfil its duties in a highly competitive atmosphere, the Central Bank of Kuwait (CBK) announced that it sets to launch an advanced and improved banking sector digital portal.
- The CBK Governor, Basel A. Al-Haroon, said that the planned digital portal will speed up request processing between the CBK and the banking sector to improve efficiency and quality of service offerings. The launch of the improved portal is scheduled to take place gradually over the coming period.

CIRCULARS

Circular to all Banks, Financing Companies and Investment Companies issued dated 28th July, 2022

CBK would like to inform you that the Central Bank of Kuwait's Board of Directors has resolved to raise the discount and rediscount rate of the commercial papers with the Central Bank of Kuwait by 25 basis points to become 2.50% instead of 2.25%. This Resolution shall be effective 28/07/2022.

Circular to all Banks, Financing Companies and Investment Companies issued dated 11th August, 2022

CBK would like to inform you that the Central Bank of Kuwait's Board of Directors has resolved to raise the discount and rediscount rate of the commercial papers with the Central Bank of Kuwait by 25 basis points to become 2.75% instead of 2.50%. This Resolution shall be effective 11/08/2022.

Circular to all Banks, Financing Companies and Investment Companies issued dated 22nd September, 2022

We would like to inform you that the Central Bank of Kuwait's Board of Directors has resolved to raise the discount and rediscount rate of the commercial papers with the Central Bank of Kuwait by 25 basis points to become 3.00% instead of 2.75%. This Resolution shall be effective 22/09/2022.

Circular to Exchange Companies Regarding Controls and Measures for Opening New Branches for Exchange Companies dated 7th September, 2022.

CBK inform you that within the framework of the Central Bank of Kuwait's routine revision of its regulating controls of exchange companies' business, the Central Bank of Kuwait (CBK) has resolved to amend Items "Second, Third, Fourth and Seventh" of the above-mentioned controls and measures as attached herewith. Therefore, all exchange companies are requested to comply with these amendments as of the date hereof. Previous controls and measures on this regard shall be repealed.

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