

Kuwait, 15 February 2026

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

Dear Sirs,

In adherence to the principles of transparency adopted by Gulf Bank with its shareholders, and our continuous keenness to keep them informed of the relevant regulatory rules & regulations, particularly with respect to the principles that define the concept of related interests, as well as direct and indirect ownership. We are pleased to enclose herewith for our shareholders and the companies managing the investment portfolios (Portfolio Managers) the CBK circulars dated 5/2/2026 and 6/4/2004 in this regard.

Accordingly, portfolio management companies (whether the portfolio is managed by the company, or the client, or under custody) and shareholders holding proxies are required to submit a request to the CBK at least twenty working days prior to the date of entitlement to attend the General Assembly, in the event that the aggregate percentage of the portfolio manager and shareholders holding proxies exceeds 5% of Gulf Bank's capital.

Best regards



**Mohammad Jasem AlBeloushi**  
**Deputy General Manager – Corporate Affairs**  
**Head of Compliance & Disclosure Unit**

[GBK Classification: **INTERNAL**]

Date: 5 February 2026

Ref: 2/105/1905/2026

**To: The Chairman,**

**CIRCULAR No. (2/BS/IBS/614/2026) To All Kuwaiti Banks**

This has reference to CBK Circular dated 6/4/2004, enclosing a copy of CBK Board's resolution issued at its meeting held on 4/4/2004 regarding the executive measures regulating the provisions of Item (2) of Article (57) of the Law No. (32) of year 1968 concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, by virtue of the Law No. (28) of Year 2004. Item (2) stipulates that the single acquisition in any Kuwaiti bank may not exceed 5% of the bank's capital without the prior approval of CBK.

The resolution included the principles and rules defining the concept of Indirect Acquisition according to the provisions of item (2) under Article (57) of Law No. (32) of Year 1968, and the amendments thereof. The concept of "Indirect Acquisition" is defined as "ownership by parties economically or legally connected to the investor, be the latter a natural or legal person, and whether such connection derives from joint ownership, joint management or related interests"

As per the resolution, "Related Interests" are interests that allow one party to exercise control or significant influence over another in making financial or operating decisions, or an alliance of a group of parties. The existence of a declared or undeclared alliance between two parties or a group of parties is considered Related Interests.

Based on the above and in respect of portfolio management companies (whether the portfolio is managed by the company, or by the client, or are under custody), the relationship between the portfolio manager and the portfolio shareholders shall be deemed a declared or undeclared alliance in the event where the shareholders have granted authorizations to the portfolio manager to vote on their behalf at Kuwaiti banks' general assembly meetings. Hence, the consolidated acquisition percentage of the portfolio manager and shareholders (granting the authorizations) may not exceed 5% of the capital in any Kuwaiti bank without obtaining CBK's prior approval.

To obtain such approval, the portfolio management company shall submit an application to CBK twenty (20) working days at least before the right of attending the general assembly, whereby such application includes the following:

1. Personal history of the portfolio management company and the portfolio shareholders (name, address, nationality, legal form, ...etc.)
2. Names of all other parties that are related to the portfolio management company or to any of the portfolio shareholders, having equity in the bank's capital, whether such relation is through joint acquisition, joint management, or related interests as per CBK Board resolution dated 4/4/2004.
3. Number of shares of the portfolio manager and its related parties, the number of shares of each portfolio shareholder and their related parties, and the ratio of such shares to the bank's capital.
4. Any other information requested by CBK upon reviewing each case individually.

Therefore, banks are required to share this circular along with CBK's previous circular dated 6/4/2004 with its shareholders and companies managing their portfolios through all possible means of communication.

Moreover, banks are required to ensure that the authorizing party does not exceed the stipulated percentage. If such excess occurs, banks are required to comply with the provisions of Item (3) of CBK Circular dated 6/4/2004.

Best regards

**Basel A. Al-Haroon**

**THE GOVERNOR**

*Safar 16, 1425 H*  
*April 6, 2004*

**The Chairman,**

**Circular No. (2/BS/154/2004) To all local banks  
regarding the executive measures of the provisions of  
amended item (2) of article (57) of the law No. (32) of year 1968<sup>1</sup>**

We inform you that according to the provisions of Item (2) of Article (57) of the Law No. (32) of Year 1968, concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, by virtue of the Law No. (28) of Year 2004, the Board of Directors of the Central Bank of Kuwait issued a decision on 4/4/2004, regarding the executive measures regulating the fulfillment of that Article's provisions. Copy of that decision is attached thereto.

With regard to the mechanism for following up the abidance by the provisions of the mentioned Article, the Board of Directors of the Central Bank of Kuwait has endorsed the following regulations:

- 1) Local banks shall present data on their shareholders (natural or legal persons) whose acquisition – whether direct or indirect – exceeds 5% of the bank's capital, according to the attached form, on a quarterly basis (March, June, September and December). Statement of cases existing before the application of the Law No. (28) of Year 2004 (issued on 15/3/2004) shall be presented within a week of this date.

The following shall be observed in this regard:

- A. Statements shall be prepared according to the records on bank's shareholders and the clearing company's data, and include all information on investors in portfolios managed by third parties owning shares in the bank. The statement shall also be prepared according to the bases and rules issued by the Central Bank of Kuwait with regard to the definition of the concept of indirect acquisition. The bank shall also ascertain cases of indirect acquisition through all means available in this regard, including obtaining declarations from shareholders with over 1% acquisition, to the effect of disclosing all connected parties (according to the above mentioned bases and rules). Banks shall be responsible for verifying all data and information disclosed by shareholders in this regard.

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<sup>1</sup> Circular to all local banks, dated 14/12/2004, concerning the mechanism approved by the Central Bank's Board of Directors for implementing the rules of item (2) of article (57) of law No. (32) of 1968 in connection with all the parties concerned with the provisions.

**17- EXECUTIVE PROCEDURES OF THE PROVISIONS OF ITEM (2) OF ARTICLE (57) CONCERNING THE EXCESS OF ACQUISITION PER A SINGLE PERSON OVER 5% OF THE BANK'S CAPITAL.**

A) Circular No. (2/BS/154/2004) Regarding the Executive Procedures of the Provisions of amended Item (2) of Article (57) of the Law No. (32) of Year 1968.

- B. The Central Bank of Kuwait shall be informed of cases of acquisition by governmental bodies, and bodies with attached and independent budgets, exceeding 5% of the bank's capital, and which necessitate prior approval of the Central Bank of Kuwait, on completion of the acquisition transfer procedure.
- 2) In cases where individual acquisition exceeds 5%, for any reason (debt recovery, inheritance), the concerned bank and individual shall present all relevant data and information on completion of the acquisition transfer procedures, according to the above mentioned form. Excess acquisition above the set limit shall be disposed of during the period defined by the attached decision of the Board of Directors of the Central Bank of Kuwait.
- 3) Banks shall abide by the provisions of Item (2) of the amended Article (57) of the Law No. (32) of Year 1968, according to which a shareholder shall not avail of the excess equity for which no approval was issued by the Central Bank of Kuwait, in regard to voting rights in the bank's General Assembly and directing the bank.
- 4) Banks shall ensure that the Central Bank of Kuwait's approval of acquisition exceeding 5% by those nominated to membership of the Board has been obtained, when presenting the application for approval of these nominees, according to the provisions of Article (68) of the Law No. (32) of year 1968, and the decision of the Board of Directors of the Central Bank of Kuwait in this regard. An item shall be included in the application form for nomination to the Board's membership at the bank's, wherein the nominee shall state his percentage of the bank's acquisition (direct or indirect).

Your bank shall, therefore, abide by the decision of the Board of Directors of the Central Bank of Kuwait, and the regulations concerning the mechanism of following up the abidance by the provision of Item (2) of the above mentioned amended Article (57) of the Law No. (32) of Year 1968.

Best Regards,

**The Governor**  
**Salem Abdul-Aziz Al-Sabah**

**Decision of the Board of Directors of the Central Bank of Kuwait  
on the executive procedures applicable to the Provisions of Item (2)  
under Article (57) of law No. (32) of year 1968, amended  
by law No. (28) of year 2004**

Item (2) under article (57) of law No. (32) of year 1968, concerning Currency, the Central Bank of Kuwait and the Organization of Banking Business, amended by law No. (28) of year 2004, stipulates the following:

“Unless by prior authorization of the Central Bank, the direct or indirect acquisition by any single natural person or legal entity in a Kuwaiti bank shall not exceed five percent of the bank’s capital. Governmental bodies and bodies with independent or attached budgets are exempted from these provisions. Where single acquisition exceeds the above percentage for any reason whatsoever, the concerned natural person or legal entity shall dispose of the excess within the period defined by the Central Bank. Violation of this provision results in the shareholder not availing of the excess equity in regard to voting rights in the bank’s General Assembly and directing the bank. The Board of Directors of the Central Bank shall lay down the bases and rules defining the concept of indirect acquisition. The provisions of this Article do not apply to cases existing before the application of this Law ”.

Accordingly, the Board of Directors of the Central Bank of Kuwait (CBK), in its meeting on 4/4/2004, decided the following:

**First: Principles and rules defining the concept of indirect acquisition, according to the provisions of item (2) under Article (57) of Law No. (32) of Year 1968, and amendments thereof:**

**Within the application of the provisions of Article (57) of Law No. (32) of Year 1968, and amendments thereof, the concept of indirect acquisition is defined as “ownership by parties economically or legally connected to the investor, be the latter a natural or legal person, and whether such connection derives from joint ownership, joint management or related interests”.**

**Joint ownership and joint management signify** any economic or legal connection through joint ownership and joint management. The following are considered cases of joint ownership and joint management:

- 1) Shares held by the investor in one bank, in his personal capacity or in the capacity of natural guardian of his underage children.
- 2) Shares held by individual proprietorships which are owned by the investor, or shares held by companies in which the investor is a joint partner.

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**17- EXECUTIVE PROCEDURES OF THE PROVISIONS OF ITEM (2) OF ARTICLE (57) CONCERNING THE EXCESS OF ACQUISITION PER A SINGLE PERSON OVER 5% OF THE BANK’S CAPITAL.**

- A) Circular No. (2/BS/154/2004) Regarding the Executive Procedures of the Provisions of amended Item (2) of Article (57) of the Law No. (32) of Year 1968.

- 3) Financial companies in which the investor holds more than 50% of the capital and over which it has control, according to International Accountancy Standards.
- 4) Any party with economic or legal connections to the investor that allow the latter the exercise of control, according to International Accountancy Standards.

**Related interests signifies** interests that allow one party to exercise control or significant influence over another in making financial or operating decisions, or an alliance of a group of parties. The following are considered related interests:

- 1) Relationship between board members of the company seeking equity acquisition in the bank, and the company's principal owners and shareholders (that is, those holding over 5% of the investing company's capital).
- 2) Holders of managerial positions in the company seeking equity acquisition in the bank (that is, the company's chief executive officer and deputies and assistants thereof, the company's executive directors and those in equivalent positions).
- 3) Subsidiary companies: companies in which the company seeking equity acquisition in the bank holds over 50% of the capital, or over which it has control.
- 4) Sister companies: companies in which the company seeking equity acquisition in the bank holds 20% of the capital, or over which it exercises significant influence.
- 5) Existence of a declared or undeclared alliance between two parties or a group of parties.

**Second: Requirements to be met by the applicant, for obtaining Central Bank of Kuwait's authorization to acquire over 5% of a Kuwaiti bank's capital, according to the amended text of Article (57) of law No. (32) of Year 1968:**

Any single person, natural or legal, Kuwaiti or non-Kuwaiti (other than government bodies and bodies with independent or attached budgets) seeking to hold an equity share of over 5% in any Kuwaiti bank, shall submit to Central Bank of Kuwait, 60 days ahead of the date of the share acquisition process (calculated from the date of fulfilling all required data and information), **an application presenting all data of relevance to the equity acquisition process, and the equity share sought to be held in the bank, along with the following attachments:**

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**17- EXECUTIVE PROCEDURES OF THE PROVISIONS OF ITEM (2) OF ARTICLE (57) CONCERNING THE EXCESS OF ACQUISITION PER A SINGLE PERSON OVER 5% OF THE BANK'S CAPITAL.**

- A) Circular No. (2/BS/154/2004) Regarding the Executive Procedures of the Provisions of amended Item (2) of Article (57) of the Law No. (32) of Year 1968.

- 1) Statement of personal history and data concerning the applicant (name, address, nationality, activity, legal form, educational qualifications and practical experience of the natural person, ...etc.) and information on other personal aspects, according to a form established for that purpose.
- 2) Statement of names of all other parties that are shareholders of the bank in which equity acquisition is sought, and that are connected to the applicant, whether such connection is through acquisition, joint management or related interests (according to the principles and rules approved by the Central Bank of Kuwait's Board of Directors regarding the definition of the acquisition concept). The statement shall also highlight all details concerning the equity held by the above mentioned parties in the bank, such as the number of shares, the ratio of their value to the bank's capital, and dates and means of their acquisition (establishment stage, public subscription, purchase from secondary market, debt recovery, inheritance, will, etc.), along with full details on connected parties (name, address, nationality, activity, etc.).

**The statement shall also disclose all alliances between the applicant and any other party, be that alliance declared or undeclared. Where such alliance does not exist, the applicant shall submit a statement to that effect, including a commitment to inform Central Bank of Kuwait of any alliances it may form with any other party in the future.**

- 3) Judicial persons shall submit audited financial statements regarding their financial position, based on the last three years financial statements endorsed by the regulatory authority (if available).
- 4) Detailed study clarifying the purpose of equity acquisition, and providing information on planned structural changes (financial and administrative) in the bank where equity acquisition is sought, and the justifications for such changes.
- 5) Any other information requested by Central Bank of Kuwait upon reviewing each case individually.

**Third: Period during which the excess single acquisition of a Kuwaiti bank's capital above the defined maximum limit (5%) shall be disposed of:**

- 1) In cases where exceeding the single acquisition limit was unintentional, due to unobtainable Central Bank of Kuwait's prior permission, such as in cases where such excess acquisition resulted from debt recovery, or was through a will or by inheritance, any excess single acquisition (whether direct or indirect)

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A) Circular No. (2/BS/154/2004) Regarding the Executive Procedures of the Provisions of amended Item (2) of Article (57) of the Law No. (32) of Year 1968.



of a Kuwaiti bank's capital in breach of item (2) under Article (57) of Law No. (32) of year 1968 and amendments thereof, shall be disposed of **within two years as of the date of acquisition**. The owner may, during that period, apply for Central Bank of Kuwait's permission –according to the established rules- to exceed the 5% acquisition limit of the bank capital. It is noted that disposal of excess acquisition during the set time limit shall be abided by, in case Central Bank of Kuwait's permission is not granted.

- 2) For other cases of excess single acquisition, such as those resulting from purchase or merger operations, etc, the excess single acquisition (whether direct or indirect) of a Kuwaiti bank's capital must be disposed of **within a year of the date of acquisition**.

In all cases of excess acquisition (intentional or unintentional), the concerned shareholder shall not avail of the excess equity in regard to voting rights in the bank's General Assembly and directing the bank, during the allowed time limit for disposal of excess acquisition.

04/04/2004

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**17- EXECUTIVE PROCEDURES OF THE PROVISIONS OF ITEM (2) OF ARTICLE (57) CONCERNING THE EXCESS OF ACQUISITION PER A SINGLE PERSON OVER 5% OF THE BANK'S CAPITAL.**

- A) Circular No. (2/BS/154/2004) Regarding the Executive Procedures of the Provisions of amended Item (2) of Article (57) of the Law No. (32) of Year 1968.