

Kuwait: 19th of July 2020

**Mr. Mohammad Saud Al-Osaimi
Chief Executive Officer - Boursa Kuwait Company
State of Kuwait**

Dear Sir,

Subject: Commenting on News

As per Chapter No. 4 of the “Disclosure and Transparency” Module of the Capital Markets Authority’s Executive Bylaws and its Law No.7/2010 and amendments issued on 9/11/2015 regarding dealing with rumors and news. Commenting on what is being circulated on social media regarding “Suspicious financial transactions were made through National Bank of Kuwait-London”.

We would like to advise that National Bank of Kuwait – International (NBKI), our UK subsidiary, although being a member of NBK Group is an independent legal entity, and not a branch of National Bank of Kuwait – Kuwait. Accordingly, NBKI is governed by the regulatory instructions and rules of local UK regulatory authorities like Financial Conduct Authority and Prudential Regulation Authority, noting that these regulations are of the best, most prudential and strict controls in the Anti-Money Laundering /Combating Financing of Terrorism area.

Furthermore, National Bank of Kuwait – International adopts strict policies and procedures in implementing Anti-Money Laundering /Combating Financing of Terrorism rules and regulations, in line with the instructions issued by the local regulatory authorities. Moreover, the AML/CFT Unit, reporting to our UK subsidiary’s board of directors, ensures compliance with AML/CFT policies/procedures, and reviews/updates the same on regular basis, to ensure that they are in line with the latest international requirements. It also submits periodic reports to the board of directors in this regard, and implements the most advanced technological systems and software in the AML/CFT practices that generates automatic alerts for transactions executed on customers’ accounts according to various scenarios, for the purpose of monitoring them and ensuring their consistency with the information available about those customers.

Additionally, a very strict and detailed procedures is applied related to “know your customer” standards. These standards include all the necessary requirements and provisions to determine the acceptance of any customer as per stated in the instructions. In case of any suspicious transactions supported by proper evidences, we instantly report it to the local UK concerned authorities who in turn carries out its own relevant procedures in this regard. Noting that head of NBKI AML/CFT unit works with full independence and has all required authorities to solely report to the local UK authorities without getting any internal approvals in case of suspicious transactions, according to what state in the regulatory instructions in this regards.

We would also like to confirm that all the policies and procedures concerning Anti-Money Laundering /Combating Financing of Terrorism are enforced at NBK Group level, taking into account the most stringent regulations applied in countries where the Bank operates.

NBK Group preserves all its legal rights to take necessary actions against anyone who, without right, publish or distribute any inaccurate or distorted information concerning the policies and procedures applied by the bank or any of its subsidiaries, which can negatively affect investment decisions.

Sincerely yours,

On behalf of National Bank of Kuwait (S.A.K.P)



Isam J. Al-Sager

Group Chief Executive Officer