

**Kuwait: 11<sup>th</sup> of June 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 published in some newspapers concerning (Kuwaiti Banking Association declared that there will not be distributions of cash profit to Banks’ shareholders for the year 2020).

And further to Boursa Company’s email dated 10/6/2020, we would like to advise that in light of the Regulatory Stimulus Package offered by Central Bank of Kuwait to face Coronavirus fallout, specially the reduction in the regulatory requirements of Capital Adequacy Ratio (CAR) and Liquidity Ratios, where Central Bank of Kuwait has adjusted Capital Adequacy Ratio (Basel III) through allowing Banks to release the 2.5% Capital Conservation Buffer, which led to reducing the minimum Capital Adequacy Ratio by the same percentage. Moreover, CBK reduced liquidity requirements such as reduction of Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

Accordingly, in case our Bank benefits from the released Capital Conservation Buffer of Capital Adequacy Ratio and the reduced Liquidity Ratios, there may not be distribution of cash dividends in accordance with “Basel III” standards.

Finally, we confirm that decision of profit distributions (Cash dividends or Bonus shares) for the year 2020 will be taken at the end of year based on year-end financial results, giving the extent the Bank applying the regulatory instructions related to reduction of Capital Adequacy Ratio and Liquidity Ratios, and according to the recommendations raised by the Board of Directors to General Assembly, after attaining the required approvals from Central Bank of Kuwait and Bank's General Assembly.

Sincerely yours,

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



**Isam J. Al-Sager**

**Group Chief Executive Officer**