

Kuwait: 22<sup>nd</sup> of April 2018

Head of Disclosure Department  
Capital Markets Authority  
State of Kuwait

Dear Sir,

**Subject: Credit rating**

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 disclosure of Material Information.

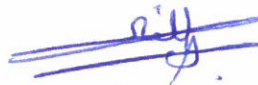
We would like to advise you that credit rating agency Moody’s issued on 18<sup>th</sup> of April 2018 an update to credit analysis of National Bank of Kuwait, ratings mentioned in the report are as follows:

1. Long Term Debt: Aa3 – Outlook stable.
2. Long Term Deposit: Aa3 – Outlook stable.
3. Counterparty Risk Assessment: Aa2(cr)/Prime-1(cr).

Attached; Disclosure Form of Material Information. Our bank has disclosed the same to Boursa Kuwait Company.

Yours faithfully,

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



Salah Yousef Al-Fulaij

Chief Executive Officer Kuwait

Appendix No. (9)

Disclosure of Credit Rating Form

Date	22 <sup>nd</sup> of April 2018
Name of the Listed Company	National Bank of Kuwait (S.A.K.P)
Entity who issues the rating	Credit Rating Agency "Moody's"
Rating category	1- Long term Debt: Aa3 – Outlook stable. 2- Long Term Deposit: Aa3 - Outlook stable. 3- Counterparty Risk Assessment: Aa2(cr)/Prime-1(cr).
Rating implications	1- Long Term Rating (Aa3): Obligations rated in this category are considered to be of high quality and are subject to very low credit risk. 2- Assessment of Counterparty Risk at Aa2(cr)/Prime-1(cr): reflects Bank's rigidity to financial default resulting from counterparties transactions and contractual commitments.
Rating effect on the status of the company	1- Agency ratings reflect bank's strong performance and soundness of its financial ratios. 2- The stable outlook reflects bank's strong asset quality, adequate capitalisation and liquidity, taking into account the stable outlook of the Kuwaiti government's issuer rating.
Outlook	Stable
The press release or executive summary	<p><b>Executive summary:</b> Moody's rating agency on 18<sup>th</sup> of April 2018 issued an update credit analysis of National Bank of Kuwait</p> <p>In its report, Moody's rated NBK's Long Term Debt at (Aa3) and Long Term Deposit at (Aa3) with stable outlook and assigned NBK a Counterparty Risk (CR) assessment of Aa2(cr)/Prime-1(cr). These ratings strengthen NBK's dominant position in the domestic and regional markets, and confirm NBK's stability and ability to achieve its positive operation results.</p> <p>Moody's report rely on number of factors in the assessment process, key factors are as follows:</p> <p>1- NBK benefits from diversification of its foreign operations and geographical distribution in Egypt, Middle East, North America, Europe and Asia.</p>

	<p>2- The bank's asset quality has been consistently stronger than its local peers, where NBK's nonperforming loans (NPLs) /gross loans is 1.4% as of the end of 2017 (year-end 2016: 1.3%). The bank's NPL ratio remains below the 1.9% average for Kuwaiti banks.</p> <p>3- NBK is Kuwait's largest financial institution, with a 35% share of the country's consolidated banking system assets as of 31 December 2016. As of 31 March 2018, the bank reported a consolidated asset base of KWD26.8 billion (around \$89 billion).</p> <p>4- NBK is a pioneer in the field of financial services where NBK provides individuals, corporations and institutional clients with retail, private, corporate, investment services, as well as Islamic banking services through its subsidiary Boubyan Bank.</p> <p>5- NBK has an adequate capitalisation ratios and core profitability. In addition to stable deposits base that is supported by strong liquidity buffers.</p>
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