

Kuwait: 2nd of April 2020

Mr. Mohammad Saud Al-Osaimi
Chief Executive Officer - Boursa Kuwait Company
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 that Credit Rating Agency Moody’s stated in its report dated 1st of April 2020, that there is a review for downgrade on the following ratings of National Bank of Kuwait:

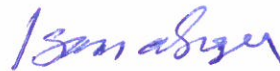
- 1- Long Term Deposit rating: Aa3.
- 2- Counterparty Risk rating: Aa2/Prime-1.
- 3- Counterparty Risk assessment: Aa2 (cr)/Prime-1(cr).

The Agency changed the Outlook from Stable to under Review.

Attached; Disclosure Form of Material Information

Sincerely yours,

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



Isam J. Al-Sager

Group Chief Executive Officer

Appendix No. (9)

Disclosure of Credit Rating Form

Date	2 nd of April 2020
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	<ul style="list-style-type: none"> - Review for downgrade on the following ratings of National Bank of Kuwait: <ol style="list-style-type: none"> 1- Long Term Deposit rating: Aa3. 2- Counterparty Risk rating: Aa2/Prime-1. 3- Counterparty Risk assessment: Aa2 (cr)/Prime-1(cr). - The Outlook changed from Stable to under Review.
Rating implications	<ol style="list-style-type: none"> 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- Counterparty Risk Rating Aa2/Prime-1: reflects the Bank's ability to honor the uncollateralized portion of non-debt counterparty financial liabilities and also the expected financial losses in the event such liabilities are not honored. 3- Counterparty Risk Assessment at Aa2 (cr)/Prime-1(cr): reflects the Bank's rigidity to financial default resulting from counterparties transactions and contractual commitments. 4- Outlook under Review: reflects high likelihood of a ratings change over the medium term.
Rating effect on the status of the company	The Agency review of National Bank of Kuwait's ratings for downgrade and the change in Outlook from Stable to under Review, reflects the impact of the action taken by the Agency in its report dated 30 th of March 2020 to review sovereign rating of State of Kuwait (Aa2) for downgrade.
Outlook	Under Review

<p>The press release or executive summary</p>	<p><u>Executive summary:</u></p> <ul style="list-style-type: none">- Moody's credit rating agency stated in its report dated 1st of April 2020 that a review for downgrade on the following ratings of National Bank of Kuwait:<ol style="list-style-type: none">1- Long Term Deposit rating: Aa3.2- Counterparty Risk rating: Aa2/Prime-1.3- Counterparty Risk assessment: Aa2 (cr)/Prime-1(cr).- The Outlook changed from Stable to under Review.- In its report, the Agency stated that review for downgrade on NBK's ratings and change the Outlook to under Review is mainly due to the review for downgrade the sovereign rating of State of Kuwait (Aa2), which reflects potential weakening in Government support capacity.
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