

Kuwait: 9th of May 2021

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

Dear Sir,

Subject: Commenting on Rumors and 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 in social media regarding “Judicial decision to seize properties of Al-Kharafi’s family, Al Khair National Company and all joint sons in favor of National Bank of Kuwait, and the impact of this matter on the Banking system”.

Kindly be advised by the following:

First: National Bank of Kuwait has a strong financial and credit position under its prudent management and the supervision of Central Bank of Kuwait. The initiatives taken by the Bank concerning legal proceedings against group of customers (Individuals and companies) based on execution notes (Official authenticated contracts) are according to normal banking procedures taken by the Bank to collect customer’s debts who are in default or breach of contractual terms, in order to force those customers to pay off Bank’s debt.

Second: A large part of the indebtedness are listed as off-balance sheet items and are fully provisioned, the remaining part of the indebtedness listed on the balance sheet are fully covered by sufficient collaterals. In case it is required from the Bank to build additional provisions, it is not expected that this will have a material impact on Bank’s financial position.

Third: National Bank of Kuwait adopts strict policies and procedures to manage credit risks that Banks are exposed to, this is in line with the precautionary policies adopted by Central Bank of Kuwait in the past years, specifically the request from Banks and National Bank of Kuwait to build precautionary provisions against any unexpected credit risks. In addition National Bank of Kuwait took all proactive measures that preserve Bank's rights and keep its sound financial and credit position.

Sincerely yours,

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


Isam J. Al-Sager

Group Chief Executive Officer