

Kuwait: 31st of March 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 Standard and Poor’s (S&P) in its report dated 30th of March 2020, lowered National Bank of Kuwait long term credit rating from “A+” to “A”, the outlook is stable.

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	31 st of March 2020
Name of the Listed Company	National Bank of Kuwait (S.A.K.P)
Entity who issues the rating	Credit Rating Agency "Standard and Poor's"
Rating category	Long Term Credit Rating: A
Rating implications	Long Term Credit Rating (A): An obligor rated "A" has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
Rating effect on the status of the company	<ol style="list-style-type: none"> 1- The rating reflects the impact of sovereign rating downgrade of state of Kuwait to (AA-) that was issued by the agency on 26th of March 2020. 2- The stable outlook reflects Agency view that the bank will maintain a stable level of capitalization, with its risk-adjusted capital (RAC) ratio remaining above 10% over the next 12-24 months.
Outlook	Stable
The press release or executive summary	<p><u>Executive summary:</u></p> <p>Standard and Poor's Credit Rating Agency in its report dated 30th of March 2020 lowered National Bank of Kuwait long term credit rating from (A+) to (A), with stable outlook.</p> <p>In its report, the Agency stated that downgrading NBK's rating is mainly due to the sovereign rating downgrade of State of Kuwait from (AA) to (AA-) following the substantial drop in oil prices and the indirect negative impact on Kuwait's balance of payments, therefore Kuwait's capacity to provide extraordinary support to National Bank of Kuwait if needed has reduced.</p>