Subject: Response to News
Kuwait Banking Association Announcement
Non-Distribution of Cash Dividends for FYE 2020

In reference to the above, and in interest of Kuwait Finance House “KFH” at adhering to Article (4-4-1) ‘Response to News’ of Chapter 4 ‘Disclosure of Material Information’ of CMA Executive Bylaws Book 10 (Disclosure and Transparency), and in response to the press published in Kuwait News Agency (KUNA) on 10 June 2020 regarding (The non-distribution of dividends for the FYE 2020), KFH would like to report the following:

- Distribute profits or not is based on a recommendation from the Board of Directors to the General Assembly at its annual meeting which is to be held after the end of the financial year, as per the provisions of the Companies Law No. (1) of 2016. Whereas the financial year did not end yet, the Bank is not in a position to hold the Annual General Assembly meeting. Therefore, no recommendation was issued by the Board of Directors in this concern, and the news subject of this comment was not presented to our Bank before its release.

- It is worth mentioning to refer to the statement made by His Excellency the Governor of the Central Bank of Kuwait ‘CBK’, as published in Al-Qabas newspaper on 10 June 2020, when he was asked about this issue, His Excellency emphasized that this issue is optional for every bank. Each bank has the option to decide benefiting from the CBK’s measures pertaining to easing the regulatory requirements or not.

Best Regards,

Ahmed Soud Al Kharji
Acting Group Chief Executive Officer