To: Boursa Kuwait

Peace, Mercy and Blessings of Allah

Subject: Response to News

Turkey asks banks to write off bad loans

In reference to the above, and in interest of Kuwait Finance House “KFH” at adhering to the requirements of Article 4-4-1 ‘Dealing with Rumours and News’ of Chapter 4 ‘Disclosure of Material Information’ of CMA Executive Bylaws Book 10 ‘Disclosure and Transparency’, KFH would like to report the following in response to the Article published on 19 September 2019 in Al Jarida Newspaper:

- KFH-Turkey enjoys robust financial position and very strong liquidity ratios as per the regulatory authority’s requirements in Turkey and Kuwait. The capital adequacy ratio (CAR) of KFH-Turkey exceeds the authorities’ requirements. The coverage ratios of the NPF is valued at 128% compared to the average ratios of Turkish banks valued at 68%.
- KFH emphasizes that it aligns its Group banking businesses with prudent polices and scenarios capable of dealing with any potential negative repercussions.
- KFH will announce in a timely manner for any new or material development(s) related to the above subject and there is no impact on the KFH Group financial position.

Best Regards,

Mazin S Al Nahedh