

Date: 15 March 2023
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الإشارة: CCG/020/2023

Sirs, Boursa Kuwait
Sirs, Capital Markets Authority


السادة/ بورصة الكويت المحترمين
السادة/ هيئة أسواق المال المحترمين

وفقاً لأحكام الفصل الرابع (الإفصاح عن المعلومات الجوهرية) من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية للقانون رقم 2010/7 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتهما. According to chapter four (Disclosure of Material Information) of module ten (Disclosure and Transparency) of CMA Executive Bylaws of Law No. 7/2010 and its amendments.

نرفق لكم ملحق رقم (8) نموذج الإفصاح عن التصنيف الائتماني، بخصوص تقرير التصنيف الائتماني الصادر من قبل وكالة فيتش عن البنك التجاري الكويتي علماً بأنه لا يوجد تغيير عن التصنيف الائتماني السابق الصادر في 2 مارس 2023 حيث تم تثبيت كافة التصنيفات الائتمانية للبنك، مع نظرة مستقبلية مستقرة. Kindly find attached the Annex No. (8) Disclosure of Credit Rating Form covering the credit rating report issued by Fitch about Commercial Bank of Kuwait. Note that there is no change from the previous credit rating as issued in 2nd March 2023. Please also be advised that according to the mentioned report all Bank's ratings were confirmed, with a stable outlook.

مع أطيب التمنيات،

Best regards,


عنه تميم الميعان
مدير عام الالتزام والحوكمة

Tamim Al-Mean
GM – Compliance & Corporate Governance



Disclosure of Credit Rating Form

Date	15 March 2023
Name of Listed Company	Commercial Bank of Kuwait (K.P.S.C)
Entity who issues the rating	Fitch Ratings
Rating category	<ul style="list-style-type: none"> – Long-Term Issuer Default Rating (IDR): A – Short-Term Issuer Default Rating (IDR): F1 – Viability Rating (VR): bb+ – Government Support Rating (GSR): a
Rating implications	<p>"Fitch" applies special methodology when rating banks, the same can be found on the agency website.</p> <ul style="list-style-type: none"> – Long-Term (IDR): A The rating denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the higher ratings. – Short-Term (IDR): F1 This rating indicates intrinsic capacity for timely payment of financial commitments. – Viability Rating (VR): bb+ The ratings denote moderate prospects for ongoing viability. A moderate degree of fundamental financial strength exists, which would have to be eroded before the bank would have to rely on extraordinary support to avoid default. However, an elevated vulnerability exists to adverse changes in business or economic conditions over time. – Government Support Rating (GSR): a Very high probability of external support being forthcoming. The potential provider of support is very highly rated, and has at least a high propensity to support the Bank.
Rating effect on the status of the company	The VR factors reflects stable operating environment, moderate franchise, high-risk appetite, stable asset quality, recovering

	profitability, strong capital ratios and sound funding & liquidity of Commercial Bank of Kuwait.
Outlook	Stable
Translation of the press release or executive summary	<p>The VR factors in CBK's reflects its moderate franchise and high-risk appetite. The VR also factors in CBK'S stable asset quality, recovering profitability, strong capital ratios, and sound funding & liquidity.</p> <p>The Kuwaiti authorities have strong ability and willingness to provide support to domestic banks, if needed, irrespective of the banks' size, franchise, funding and level of government ownership. This view considers the state's record of supporting domestic banks and the willingness to maintain market confidence and stability given the high contagion risk among domestic banks.</p> <p>Fitch view the bank's risk appetite as high by international standards. This is reflected in high sector and single-obligor concentration in the loan portfolio and above-average share financing.</p> <p>CBK's franchise in Kuwait is moderate but the bank has a good presence in corporate banking, particularly trade finance, and benefits from a well-known brand, adequate branch network and experienced management.</p> <p>CBK has some of the highest capital metrics in the sector with common equity Tier 1 (CET1) and Basel leverage ratios of 17.6% and 12.1%, respectively, at end-3Q22. However, high concentration remains a risk. We expect the bank to maintain its CET1 ratio around 18% in 2023 supported by recovering profitability and adequate internal capital generation.</p>