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Sirs, Boursa Kuwait
Sirs, Capital Markets Authority

السادة/ بورصة الكويت المحترمين
السادة/ هيئة أسواق المال المحترمين

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.

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.

Kindly find attached the Annex No. (8) Disclosure of Credit Rating Form regarding Capital Intelligence affirmation of the credit rating of subordinated unsecured bonds (KD 50 million) for each of two issues with Basel III compliant in the second tranche, at (BBB), with a stable outlook.

مرفق لكم ملحق رقم (8) نموذج الإفصاح عن التصنيف الائتماني، بخصوص تقرير التصنيف الائتماني الصادر من قبل وكالة كابيتال إنتليجنس بشأن تأكيد التصنيف الائتماني للسندات المساندة غير المضمونة بقيمة (50 مليون دينار كويتي)؛ لكل من الإصدارين و المتوافقة مع بازل "3" في الشريحة الثانية، في مرتبة (BBB) ، مع نظرة مستقبلية مستقرة.

Best regards,

مع أطيب التمنيات،



تميم الميعان
مدير عام الالتزام والحوكمة

Tamim Al-Meaan

GM – Compliance & Corporate Governance





Annex (8)

Disclosure of Credit Rating Form

Date	12 June 2025
Name of Listed Company	Commercial Bank of Kuwait (K.P.S.C)
Entity who issues the rating	Capital Intelligence
Rating category	<p>Capital Intelligence Ratings (CI Ratings or CI) today announced that it has affirmed the ‘BBB’ issue ratings assigned to the two KWD50mn subordinated unsecured bonds issued by Commercial Bank of Kuwait (CBK or the Bank) under its KWD100mn Subordinated Tier 2 Basel III-compliant Bond Programme.</p> <p>In a separate rating action also published today, CI Ratings has affirmed the Long-Term Foreign Currency Rating (LT FCR) and Short-Term Foreign Currency Rating (ST FCR) of CBK at ‘A+’ and ‘A1’, respectively. Both CBK’s Bank Standalone Rating (BSR) and Core Financial Strength (CFS) rating have been affirmed at ‘bbb+’. The Outlook on the LT FCR and BSR remains Stable.</p>
Rating implications	Capital Intelligence applies special methodology when rating Bonds issuance, the same can be found on the agency website.
Rating effect on the status of the company	No financial effect on the Bank.
Out Look	<p>Stable.</p> <p>The Stable Outlook indicates that the issue ratings for both Tranche 1 and Tranche 2 are likely to remain unchanged over the next 12 months, in line with the same expectation for the Bank’s BSR, which is the starting point for the Bond rating. CBK has good buffers in place, which support the Stable Outlook.</p>
the press release or executive summary	<p>The issue ratings for Tranche 1 and Tranche 2 of the subordinated bond programme are derived from: (i) CBK’s BSR; (ii) the Bond’s contractual subordination to senior unsecured obligations; and (iii) CI’s view that the Bond’s loss absorption mechanism is unlikely to be triggered before the Bank becomes non-viable on a standalone basis. CI’s issue ratings for bank hybrid securities and subordinated debt instruments (especially those with contingent capital features) capture impairment risk (which includes the likelihood of losses due to the activation of any loss absorbing mechanisms) and repayment priority. CI typically uses a bank’s BSR as the starting point for such securities. This is because it is considered more likely that extraordinary support, which is factored into foreign currency issuer ratings, will be made available for senior financial obligations than for subordinated obligations. Consequently, from CBK’s BSR of ‘bbb+’, CI has deducted one notch for contractual subordination. There is no additional deduction for impairment risk since CI believes that the bonds are unlikely to take losses before the Bank has reached the point of non-viability (PONV).</p>



The Bank's investment securities portfolio is small, and a large majority of the portfolio comprises debt securities, nearly all of which are quoted. Apart from government bonds (Kuwait, Qatar and the UAE), nearly all other bonds are generally in high-rated bank paper, particularly banks in the UAE and Qatar.

CBK's funding base and liquidity are viewed as satisfactory. The customer deposit base, including deposits from OFIs, is sizeable and forms a comfortable proportion of liabilities and capital. There is high concentration within the deposit base, which is standard for most Kuwaiti banks. The Bank's liquid assets position is good. Customer deposits rose by a good amount in 2024, as CBK targeted lower-cost time deposits. The net loans to customer deposit ratio is slightly on the high side, but the net loans to stable funds ratio is sound, reflecting the very good capital base. Regulatory liquidity ratios were strong at end-2024 and remained so in Q1 2025.

Rating Dynamics: Upside Scenario

The likelihood of an upward revision in the issue ratings or outlook is low and in line with the expectation for the Bank's BSR. An increase in the BSR and hence issue rating could occur if concentration characteristics in the loan and deposit books were reduced, the franchise was strengthened, and provided the financial profile and metrics were at least maintained.

Rating Dynamics: Downside Scenario

Downward pressure on the issue ratings or outlook would follow that of the Bank's BSR. A downgrade of the issue rating is possible in the event of a significant deterioration of CBK's standalone risk profile connected to the Bank's financial metrics, but with an emphasis on asset quality and liquidity. If the operating environment was to deteriorate, the OPERA might come under pressure; should it be reduced, the issue rating could fall. A downward change to the issue rating could also arise following any clarification on the CBK's stance as to the point at which bond write-off would be triggered, should this indicate that it would be earlier than the PONV of the Bank itself.

The issuer of this disclosure bears full responsibility for the soundness, accuracy, and completeness of the information contained therein. The issuer acknowledges that it has assumed Care of a Prudent Person to avoid any misleading, false, or incomplete information. The Capital Markets Authority and Boursa Kuwait Securities Exchange shall have no liability whatsoever for the contents of this disclosure. This disclaimer applies to any damages incurred by any Person as a result of the publication of this disclosure, permitting its dissemination through their electronic systems or websites, or its use in any other manner.