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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 covering the credit rating report issued by Fitch about Commercial Bank of Kuwait.

مرفق لكم ملحق رقم (8) نموذج الإفصاح عن التصنيف الائتماني، بخصوص تقرير التصنيف الائتماني الصادر من قبل وكالة فيتش عن البنك التجاري الكويتي.

Best regards,

مع أطيب التمنيات،



تميم الميعان
مدير عام الالتزام والحوكمة

Tamim Al-Meean
GM – Compliance & Corporate Governance



Annex (8)

Disclosure of Credit Rating Form

Date	23 January 2025
Name of Listed Company	Commercial Bank of Kuwait (K.P.S.C)
Entity who issues the rating	Fitch Ratings
Rating category	<p>Foreign Currency:</p> <ul style="list-style-type: none"> - Long-Term IDR: A - Short-Term IDR: F1 - Long-Term IDR (xgs): BB+(xgs) - Short-Term IDR (xgs): B(xgs) - Viability Rating: bb+ - Government Support Rating: 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 case for higher ratings. - Short-Term (IDR): F1 This rating indicates strongest intrinsic capacity for timely payment of financial commitments. - Long-Term IDR (xgs): BB+ For non-subsidiary banks with a Viability Rating (VR), the LTIDR(xgs) is assigned at the level of the VR. - Short-Term IDR (xgs): B In the case of non-subsidiary banks and subsidiary banks where ex-government support ratings are driven by VRs, Short-Term IDRs (xgs) reflect the banks' funding and liquidity factor scores.

	<ul style="list-style-type: none"> - 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 financial institution in question.
<p>Rating effect on the status of the company</p>	<p>The (IDRs) reflect potential support from the Kuwaiti authorities, as reflected in its (GSR) of 'a'. CBK's (VR) reflects its moderate franchise and high concentrations. The VR also factors in the bank's stable asset quality, strong profitability, good capital ratios and stable funding and liquidity.</p>
<p>Outlook</p>	<p>Stable</p>
<p>Translation of the press release or executive summary</p>	<p>Moderate Franchise: CBK's franchise in Kuwait is moderate with a 4% market share by sector consolidated assets at end-3Q24. The bank is focused on corporate banking and trade finance, benefiting from its well-known brand and adequate 41-branch network. However, its business profile is constrained by high concentrations with a focus on higher-risk segments. Loan growth picked up rapidly to 12.2% in 9M24, outpacing sector growth (5.4%), after a 0.4% muted growth in 2023. Growth was largely driven by non-resident lending (+93%), and lending to purchase securities (+47%), Fitch expects CBK's loan growth to remain around 12% in 2025.</p> <p>Stable Asset Quality: CBK had no Stage 3 loans at end-3Q24 as it writes off loans as soon as they migrate to Stage 3, while swiftly initiating recovery efforts. This reflects well on the Stage 3 loans generation (9M24 annualised: 0.8% of average gross loans; same as 2023). The Stage 2 loans ratio continued to decline to 12.5% of gross loans (end-2023: 14.5%; end-2022: 15.7%). Fitch expects asset quality to be stable in 2025.</p>

Strong Profitability:

CBK's profitability is one of its rating strengths, supported by adequate business generation, good net interest margin and cost efficiency (both better than peers), in addition to low net provisioning charges due to recoveries of written-off loans.

Good Capitalisation:

CBK's CET1 capital ratio was stable (end-3Q24: 13.9%; the ratio would be 15.5% with 50% of 9M24 interim profits; end-2023: 15.7%; regulatory minimum: 10%), despite interim cash dividend distribution and 6% growth in RWAs. Fitch forecasts CBK's CET1 capital ratio to be around 16% by end-2025, driven by strong profitability.