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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 وتعديلاتها. Amendments.

مرفق لكم ملحق رقم (8) نموذج الإفصاح عن التصنيف الائتماني، بخصوص تقرير التصنيف الائتماني الصادر من قبل وكالة كابيتال إنتليجنس عن البنك التجاري الكويتي. Kindly find attached the Annex No. (8) Disclosure of Credit Rating Form covering the credit rating report issued by Capital Intelligence about Commercial Bank of Kuwait.

وفي هذا الشأن، نود أن ننوه إلى أن كابيتال إنتليجنس قامت بتثبيت التصنيفات الائتمانية للبنك، مع نظرة مستقبلية مستقرة. In this regard, we would like to inform that Capital Intelligence has confirmed the Bank's credit ratings with stable outlook.

Best regards,

مع أطيب التمنيات،

تميم الميعان
مدير عام الالتزام والحوكمة

Tamim Al-Mean
GM – Compliance & Corporate Governance





Annex (8)

Disclosure of Credit Rating Form

Date	13 June 2024
Name of Listed Company	Commercial Bank of Kuwait (K.P.S.C)
Entity who issues the rating	Capital Intelligence
Rating category	<ul style="list-style-type: none"> - Long Term Foreign Currency Rating (LT FCR): A+ - Short Term Foreign Currency Rating (ST FCR): A1 - Bank Standalone Rating (BSR): bbb+ - Core Financial Strength (CFS): bbb+ - Extraordinary Support Level (ESL): High - Operating Environment Risk Anchor (OPERA): bbb
Rating implications	<p>Capital Intelligence applies special methodology when rating banks, the same can be found on the agency website.</p> <ul style="list-style-type: none"> - Long Term Foreign Currency Rating (LT FCR): A+ High credit quality. Strong capacity for timely fulfillment of financial obligations. Possesses many favorable credit characteristics but may be slightly vulnerable to adverse changes in business, economic and financial conditions. The "+" indicates that the strength of the Bank is, respectively, slightly greater than that of similarly rated peers. - Short Term Foreign Currency Rating (ST FCR): A1 Superior credit quality. Highest capacity for timely repayment of short-term financial obligations that is extremely unlikely to be affected by unexpected adversities. - Bank Standalone Rating (BSR): bbb+ This provides a forward-looking view of the standalone credit strength of rated banks – that is, the ability of banks to meet financial obligations on an ongoing basis without requiring extraordinary external support and in the absence of extraordinary interference, including government-imposed transfer, convertibility, and deposit withdrawal restrictions. - Core Financial Strength (CFS): bbb+ Focus on the intrinsic financial, operational and business position of a bank relative to peers, with country risk and external support factors filtered out. - Extraordinary Support Level (ESL): High Indicate its expectation of the likelihood of a bank receiving sufficient and timely extraordinary external assistance from owners or the official



	<p>sector in the event of need.</p> <p>– Operating Environment Risk Anchor (OPERA): bbb This summarizes the strengths, weaknesses, opportunities and threats of the operating environment in a single forward-looking indicator.</p>
<p>Rating effect on the status of the company</p>	<p>The ratings reflect the Bank’s financial credit strengths of excellent asset quality together with a substantial buffer including a high level of provisions, strong capitalisation, good net profitability as well as large stock of liquid assets.</p>
<p>Out Look</p>	<p>Stable. The Stable Outlook indicates that the ratings are unlikely to be altered in the next 12 months and reflects our expectation that CBK will maintain its current good financial profile. The Bank’s FCRs are at the same level as the sovereign’s ratings, also with a Stable Outlook.</p>
<p>Translation of the press release or executive summary</p>	<p>Capital Intelligence Ratings (CI Ratings or CI) announced that it has affirmed the Long-Term Foreign Currency Rating (LT FCR) and Short-Term Foreign Currency Rating (ST FCR) of Commercial Bank of Kuwait (CBK) at ‘A+’ and ‘A1’, respectively. At the same time, CI Ratings has affirmed CBK’s Bank Standalone Rating (BSR) of ‘bbb+’, Core Financial Strength (CFS) rating of ‘bbb+’ and Extraordinary Support Level (ESL) of High. The Outlook for the LT FCR and BSR has been maintained at Stable.</p> <p>The Bank is very prudent in its provisioning policy (and aggressive in write-offs), with an extremely high level of general provisions in place. For the sixth year in a row, CBK had nil NPLs at end-2023, preferring to write off the small level of arising bad debt during the year. Despite nil NPLs, CBK’s general provisions represented a high 7.2% of gross loans at the year end. Taking into account the Bank’s regulatory Tier 1 capital, together with its general provisions, it would have very strong extended coverage were there to be any NPLs in the future; NPLs could rise considerably but CBK’s coverage would still be very good.</p> <p>The Bank returns improved in 2023 on the back of higher net interest income (NII) and a low cost of risk. CBK ROAA was again the highest in the Kuwait peer group, and by some margin. Earnings strength is considered sound. Operating income has strengthened over the past few years as is now at a good level relative to the bank’s asset base. Margins widened again last year as interest rates increased and asset yields rose. Looking ahead, the very low levels of NPL accretion, together with the high level of general provisions, should allow the Bank to keep the cost of risk low – if it so chooses.</p> <p>Net profit was higher in Q1 24, driven by stronger NII. Operating income improved, with increased fee income. The Bank’s returns are expected to remain high this year. We expect CBK to maintain very good loan asset quality. Q1 24 loan details show that the Bank had no Stage 3 loans (i.e. nil NPLs) and Stage 2 loans declined from end-2023. CBK maintained</p>



very strong buffers.