

TRANSLATION

Date: 14 February 2021

**Sirs, Capital Markets Authority
Sirs, Boursa Kuwait**

Greetings,

According to chapter four (Disclosure of Material Information) of the rulebook number ten (Disclosure and Transparency) of CMA Executive Bylaws of the Law No. 7/2010 and its amendments.

Kindly find attached the Annex No. (9) Disclosure of Credit Rating Form covering the credit rating report issued by Fitch about Commercial Bank of Kuwait.

In this regard, we would like to advise that:

- Fitch has revised the Outlook on Commercial Bank of Kuwait's (CBK) Long-Term Issuer Default Rating (IDR) to Negative from Stable.
- The revised Outlook by Fitch on CBK's Long-Term IDR reflects the revised Outlook by them on the State of Kuwait's sovereign rating.
- The Bank's other ratings were affirmed.

Best Regards,



Tamim Khaled Al-Meaan
GM - Compliance and Cooperate Governance



NOTE: This is a translation of the original for and binding Arabic text. In case of any difference between the Arabic and the English text, the Arabic text will be prevailing.

Annex (9)

Disclosure of Credit Rating Form

Date	14 February 2021
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 - Support Rating (SR): 1 - Support Rating Floor (SRF): 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+ This rating illustrating credit high quality and low possibility of default of fulfillment of obligations towards others. Long-Term IDR is driven by support from the State of Kuwait. - Short-Term (IDR): F1 This rating indicate the bank self-utility to fulfill its liabilities towards others on timely basis. - Viability Rating (VR): bb This rating illustrating the strong financial position and its ability to continue ongoing concern basis without reliance on external support and without availing from exceptional events. - Support Rating (SR): 1 - Support Rating Floor (SRF): A+ These ratings reflecting extremely high probability of support being provided by the State of Kuwait's authorities if needed.
Rating effect on the status of the company	The revised Outlook by Fitch on CBK's Long-Term IDR reflects the revised Outlook by them on the State of Kuwait's sovereign rating.
Outlook	Fitch has revised the Outlook on Commercial Bank of Kuwait's (CBK) Long-Term Issuer Default Rating (IDR) to Negative from Stable and affirmed its IDR.
Translation of the press release or executive summary	<p>Fitch Ratings has revised the Outlook on CBK's Long-Term Issuer Default Rating (IDR) to Negative from Stable and affirmed its IDR.</p> <p>The rating actions follow a similar action by Fitch on the State of Kuwait's sovereign rating on 2 February 2021, when revised the State of Kuwait's Outlook to Negative and Affirmed the rating at 'AA', reflecting near-term liquidity risk associated with the imminent depletion of liquid assets in the General Reserve</p>

Fund (GRF) in the absence of parliamentary authorization for the government to borrow. The IDR of the bank is driven by its Support Rating Floor (SRF).

At the same time, the agency has affirmed the 'A+' Long-Term IDR of CBK. The bank's Viability Rating (VR) is unaffected.

The Central Bank of Kuwait operates a strict regime with active monitoring to ensure the viability of banks and has acted swiftly in the past to provide support when needed. Our view of the authorities' continued high propensity to provide support considers high contagion risk given the small number of banks and the high concentration and interconnection of banks in the system, as well as the importance of maintaining the soundness and reputation of the sector.