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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 الجهرية) من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية للقانون رقم 2010/7 بشأن إنشاء هيئة أسواق المال وتنظيم نشاط الأوراق المالية وتعديلاتها. 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.

مرفق لكم ملحق رقم (8) نموذج الإفصاح عن التصنيف الائتماني، بخصوص تقرير التصنيف الائتماني الصادر من قبل وكالة موديز حيث قامت الوكالة برفع تصنيف النظرة المستقبلية للبنك التجاري الكويتي من مستقرة إلى إيجابية. Kindly find attached the Annex No. (8) Disclosure of Credit Rating Form covering the credit rating report issued by Moody's, The Agency upgraded the Commercial Bank of Kuwait future outlook rating from stable to positive.

مع أطيب التمنيات،

Best regards,


تميم الميعان
مدير عام الالتزام والحوكمة

Tamim Al-Mean
GM – Compliance & Corporate Governance





Annex (8)

Disclosure of Credit Rating Form

Date	23 November 2023
Name of Listed Company	Commercial Bank of Kuwait (K.P.S.C) CBK
Entity who issues the rating	Moody's
Rating category	<ul style="list-style-type: none"> - Long-term Counterparty Risk Ratings: A2 - Short-term Counterparty Risk Ratings: P-1 - Long-term Bank Deposits: A3 - Short-term Bank Deposits: P-2 - Baseline Credit Assessment: ba1 - Adjusted Baseline Credit Assessment: ba1 - Long-term Counterparty Risk Assessment: A2(cr) - Short-term Counterparty Risk Assessment: P-1(cr)
Rating implications	<p>"Moody's" use principle methodology when rating banks, the same can be found on the agency website.</p> <p><u>Counterparty Risk Ratings:</u> CRRs are opinions of the ability of entities to honor the uncollateralized portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honored.</p> <ul style="list-style-type: none"> - Long-term Counterparty Risk Ratings, affirmed A2: Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. The modifier 2 indicates a mid-range ranking. - Short-term Counterparty Risk Ratings, affirmed P-1: Issuers or supporting institutions rated P-1 have a superior ability to repay short-term debt obligations. <p><u>Bank Deposit Ratings:</u> BDRs are opinions of a bank's ability to repay punctually its foreign and/or domestic currency deposit obligations and also reflect the expected financial loss of the default.</p> <ul style="list-style-type: none"> - Long-term Bank Deposits, affirmed A3 stable:



	<p>Obligations rated A are judged to be upper-medium grade and are subject to low credit risk. The modifier 3 indicates a ranking in the lower end of that generic rating category.</p> <ul style="list-style-type: none"> - Short-term Bank Deposits, affirmed P-2: Issuers or supporting institutions rated Prime-2 has a strong ability to repay short-term debt obligations. <p><u>Baseline Credit Assessment:</u> BCAs are opinions of issuers’ standalone intrinsic strength, absent any extraordinary support from an affiliate or a government.</p> <ul style="list-style-type: none"> - Baseline Credit Assessment, Affirmed ba1: Issuers assessed ba are judged to have speculative intrinsic, or standalone, financial strength, and are subject to substantial credit risk absent any possibility of extraordinary support from an affiliate or a government. The modifier 1 indicates that the obligation ranks in the higher end of its generic assessment category. <p><u>Counterparty Risk Assessment:</u> CRAs are opinions on the likelihood of a default by an issuer on certain senior operating obligations and other contractual commitments.</p> <ul style="list-style-type: none"> - Long-term Counterparty Risk Assessment, affirmed A2(cr): Long-term counterparty risk Assessment reference obligations with an original maturity of one year or more. Issuers assessed A (cr) are judged to be upper-medium grade and are subject to low risk of defaulting on certain senior operating obligations and other contractual commitments. The modifier 2 indicates a mid-range ranking - Short-term Counterparty Risk Assessment, affirmed P-1(cr): Short-term counterparty risk assessments reference obligations with an original maturity of thirteen months or less. Issuers assessed P-1(cr) have a superior ability to honor short-term operating obligations.
<p>Rating effect on the status of the company</p>	<p>The affirmation of CBK’s ratings reflects the bank's strong capitalisation and healthy liquidity buffers which mitigate the risk of large borrower and depositor concentrations. The affirmation also takes into consideration Moody’s unchanged assumption of the very high probability of support from the Government of Kuwait (A1 stable) for CBK’s depositors at times of stress.</p>
<p>Outlook</p>	<p>Positive Upgrading the Bank’s future outlook from stable to positive captures Moody's expectation that the bank's recovering profitability and improved asset quality if sustained could drive an upgrade of CBK’s ratings and assessments.</p>



The press release or executive summary

Moody's has upgraded the outlook of the Commercial Bank of Kuwait K.P.S.C on the long-term deposit ratings to positive from stable, and affirmed the long-term and short-term foreign and local currency deposit ratings. Concurrently, Moody's has affirmed the Baseline Credit Assessment (BCA) and the Adjusted BCA of CBK, long-term and short-term foreign and local currency Counterparty Risk Ratings and long-term and short-term Counterparty Risk Assessments.

The bank's profitability is strong and is supported by improved margins and strong fee-based income. CBK's net interest margin improved to 2.5% for the first six months of 2023 up from 1.7% for the year 2021 supported by higher rates environment and good balance of CASA deposits. Additionally, CBK's fee-based income continues to be a significant contributor to its bottom line contributing 34% of operating income for the first six months of 2023 and compares favorably with domestic peers. CBK's profitability has significantly improved also on the back of lower provisions. The bank's return on assets reached 3.3% for the first six months of 2023.