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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 فيتش عن البنك التجاري الكويتي. 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.

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	23 October 2024
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 <p>Sovereign Risk to State of Kuwait:</p> <ul style="list-style-type: none"> - Long-Term Foreign-Currency IDR: AA- - Long-Term Local-Currency IDR: AA- - Country Ceiling: AA+
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 higher ratings. - Short-Term (IDR): F1 This rating indicates 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

	<p>In the case of non-subsiary 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.</p> <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 Bank.
<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, improved profitability, high capital ratios and stable funding and liquidity.</p>
<p>Outlook</p>	<p>Stable The Stable Outlook on the Long-Term IDR reflects that on the sovereign rating.</p>
<p>Translation of the press release or executive summary</p>	<p>Moderate Franchise: CBK's franchise in Kuwait is moderate but it has a good presence in corporate banking, particularly trade finance, and benefits from a well-known brand, an adequate branch network and experienced management. CBK's gross loans expanded by 12% in 1H24 (sector loan growth: 3.7%), after muted growth in 2023 (0.4%). Loan growth was largely driven by non-resident lending (+77%) mainly to public sector entities in the GCC region, and project finance in Kuwait and share lending (+32%), Fitch expects a loan growth to slow in 2H24.</p> <p>Stable Asset Quality: CBK had no Stage 3 loans at end-1H24 as it writes off loans as soon as they migrate to Stage 3, while swiftly initiating recovery efforts. Stage 3 loans generation (including gross write-offs) remained at record lows (1H24 annualized: 0.5% of gross loans; 2023: 0.8%). The Stage 2 loans ratio continued to decline to 13.1% of gross loans</p>

(end-2023: 14.5%; end-2022: 15.7%). Fitch expects asset-quality metrics to be stable in 2024-2025.

Healthy Profitability:

CBK's revenues rose by 8% in 1H24, driven by a 9% increase in net interest income (comprising 69% of revenues) and an 8% uptick in fees and commissions (26% of revenues). However, operating profit declined by 10% compared to 1H23 due to lower loan loss recoveries. The bank's annualized operating profit/RWAs ratio was stable at 3.1% in 1H24 (2023: 3%). Fitch projects stable profitability, with an operating profit/RWAs ratio of 2.6% in 2024, supported by healthy revenue generation and low loan loss provision charges.

Adequate Capitalisation:

CBK's CET1 capital ratio declined to 13.7% at end-1H24 from 15.7% at end-2023 (regulatory minimum: 10%), due to interim cash dividends and high loan growth, while interim profits are excluded as per regulatory guidelines, Fitch expects the CET1 ratio to stabilize around 15% by end-2024, driven by healthy profitability.