

**TRANSLATION**

Date: 8 February 2022  
REF: CCG/13/2022

**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 raised the Outlook on Commercial Bank of Kuwait's (CBK) Long-Term Issuer Default Rating (IDR) to Stable from Negative.
- Fitch has downgraded The Long-Term IDR rating from A+ to A, and this reflects the downgraded done by Fitch on the State of Kuwait's sovereign rating.
- Fitch has assigned Government Support Rating (GSR) of "a" to CBK.
- Fitch affirmed CBK Viability Rating at "bb".

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

<b>Date</b>	8 February 2022
<b>Name of Listed Company</b>	Commercial Bank of Kuwait (K.P.S.C)
<b>Entity who issues the rating</b>	Fitch Ratings
<b>Rating category</b>	<ul style="list-style-type: none"> <li>- Long-Term Issuer Default Rating (IDR): A</li> <li>- Short-Term Issuer Default Rating (IDR): F1</li> <li>- Viability Rating (VR): bb</li> <li>- Government Support Rating (GSR):a</li> </ul>
<b>Rating implications</b>	<p>"Fitch" applies special methodology when rating banks, the same can be found on the agency website.</p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- Short-Term (IDR): F1 This rating indicates intrinsic capacity for timely payment of financial commitments.</li> <li>- 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.</li> <li>- 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.</li> </ul>
<b>Rating effect on the status of the company</b>	The revised Outlook by Fitch on CBK's Long-Term IDR reflects the revised action on Kuwait's sovereign rating by them as they Downgrades Kuwait to AA- with stable Outlook.
<b>Outlook</b>	Raised the Outlook on Commercial Bank of Kuwait's (CBK) Long-Term Issuer Default Rating (IDR) to Stable from Negative.
<b>Translation of the press release or executive summary</b>	<p>Fitch Ratings has raised the Outlook on CBK's Long-Term Issuer Default Rating (IDR) to Stable from Negative.</p> <p>The rating actions reflect the action done by Fitch on the State of Kuwait's sovereign rating on 27 January 2022, when downgraded it to AA- from AA with</p>

Stable outlook.

CBK's GSR of "a" reflects Fitch's view of an extremely high probability of support for the Bank, if needed, from the Kuwaiti authorities.

Fitch also said that 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.

At the same time, The bank's Viability Rating (VR) is unaffected.