



**TRANSLATION**

Date: 19/10/2016  
REF: CCG/187/2016

**TO: Mr. Khaled Abdulrazaq Al-Khaled**  
Vice Chairman and CEO  
Boursa Kuwait Securities Company

Greetings,

According to item No. (18) Of the Article No. (4-1-1) of Chapter four (Disclosure of Material Information) of Rulebook ten (Disclosure and Transparency) of CMA Executive By-laws, kindly find attached the Annex No. (9) Disclosure of Credit Rating Form covering the updated credit rating report issued by Fitch on 18/10/2016.

Please note that Fitch has **affirmed** the Long-term (IDRs) of CBK at (A+) with stable outlook. Fitch also has **upgraded** the Viability Ratings (VR) to (bb) from (bb-) due to improving financial profiles following the successful execution of strategic objectives and business reorganization.

Best Regards,

**Yaqoub Habib Al-Ebrahim**  
Official Spokesman of CBK  
GM, Compliance & CG

Copy to:  
CMA / Manager, Disclosure Department

*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.*



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## Annex (9)

### Disclosure of Credit Rating Form

Date	19/10/2016
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"> <li>- Long-term IDR affirmed at 'A+'; Outlook Stable</li> <li>- Short-term IDR affirmed at 'F1'</li> <li>- Viability Rating upgraded to 'bb' from 'bb-'</li> <li>- Support Rating affirmed at '1'</li> <li>- Support Rating Floor affirmed at 'A+'</li> </ul>
Rating implications	<ul style="list-style-type: none"> <li>- Long-term IDR: 'A+' This rating illustrating credit high quality and low possibility of default of fulfillment of obligations towards others</li> <li>- Short-term IDR: 'F1' This rating indicate the bank self utility to fulfill its liabilities towards others on timely basis</li> <li>- Viability Rating: '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.</li> <li>- Support Rating: '1'</li> <li>- Support Rating Floor: 'A+' Support ratings reflecting strong possibilities of getting support from the government authorities when needed.</li> </ul>
Rating effect on the status of the company	A positive effect on the bank reputation and the strength of its financial position.
Outlook	Stable.
Translation of the press release or executive summary	<p>According to Fitch Ratings report that issued on 18/10/2016, Fitch has affirmed Commercial Bank of Kuwait (CBK) Long-Term Issuer Default Rating (IDR) at 'A+'. The Outlook is Stable.</p> <p>Fitch has also upgraded CBK's Viability Ratings (VR) to 'bb' (from 'bb-'), due to improving financial profiles following the successful execution of strategic objectives and business reorganization.</p> <p>CBK's VR reflects improved execution under its renewed and clearer strategy, expected improvement in earnings and adequate capitalization. We weigh these factors against a higher risk appetite and pressure on asset quality due to above average borrower concentrations.</p>



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# التجاري Al-Tijari



CBK's VR could be upgraded further if its company profile continues to improve, including further diversification of the franchise and business model. Downside pressure on the VR would arise from a higher risk strategy being deployed or the bank incurring material losses internationally.