

Kuwait, 8 September 2020

Boursa Kuwait
State of Kuwait

This is in accordance with Rulebook Ten, Chapter Four of the Resolution No. 72/2015 concerning the amended Executive Regulations of Law No. 7/2010 on the "Establishment of Capital Markets Authority and the regulation of Securities Activity", pertaining to the "Disclosure of Material Information and the Mechanism of Notification".

Please find attached the duly filled Credit Rating Disclosure Form containing Fitch Ratings' affirmation of Gulf Bank's long-term Issuer Default Rating (IDR) at A+ and "stable" outlook, as well as affirmation of the bank's Viability Rating (VR) at bb+.

Best regards



Jihad Khodr
Assistant General Manager
Head of Compliance & Disclosure

Credit Rating Disclosure Form

Date	8 September 2020
Bank's Name	GULF BANK K.S.C.P
Rating Agency	Fitch Ratings
Rating Category	<p>Long-Term IDR affirmed at 'A+' Short-Term IDR affirmed at 'F1' Viability Rating affirmed at 'bb+' Support Rating affirmed at '1' Support Rating Floor affirmed at 'A+'</p>
Rationale for Rating	<p>Key Strengths</p> <ul style="list-style-type: none"> • Gulf Bank has a good franchise in Kuwait, both in retail and corporate banking. • Large branch network and strong brand support in the bank's distribution capabilities. • The bank has a competent management team, which is highly experienced in local and regional banking, with a good record of strategy implementation in Kuwait. • Extremely high probability of support by the Kuwaiti authorities. • CBK operates a strict regime with active monitoring to ensure the viability of the banks.

	<p>Key Challenges</p> <ul style="list-style-type: none"> • Pressures on the domestic operating environment due to the Coronavirus pandemic and lower oil prices. • Concentration on both sides of the balance sheet.
<p>Impact of Rating on the Bank</p>	<ul style="list-style-type: none"> - Credit Rating Action: Affirmation of bank rating at “A+” and “Stable” outlook - Viability Rating: affirmed at “bb+” - No financial impact
<p>Outlook</p>	<p>Stable</p>
<p>Translation of the Press Release or the Executive Summary</p>	<p>Fitch Ratings has affirmed Gulf Bank's rating as follows:</p> <ul style="list-style-type: none"> • Long-Term Issuer Default Rating (IDR) at 'A+' with a Stable Outlook. • Short Term Issuer Default Rating (IDR) Affirmed at 'F1'. • Viability Rating affirmed at 'bb+' • Support Rating affirmed at '1' • Support Rating Floor affirmed at 'A+' <p>Fitch key rating drivers are as follows:</p> <p>GB Support Rating (SR) of '1' and Support Rating Floor (SRF) of 'A+' reflect Fitch's view of an extremely high probability of support being provided by the Kuwaiti authorities to all domestic banks if needed.</p> <p>The Stable Outlook on GB's Long-Term IDR reflects that on the Kuwaiti sovereign rating.</p> <p>GB's 'F1' Short-Term IDR is the lower of two options mapping to an 'A+' Long-Term IDR. This is because a significant proportion of the Kuwaiti banking sector funding is related to the government and a stress scenario for the banks is likely to come at a time when the sovereign itself is experiencing some form of stress. Fitch judges this "wrong-way" risk to be high in Kuwait, but not likely to happen in the short to medium term.</p>

The VR reflects GB's only adequate capitalization in light of its concentrated balance sheet, also factors in GB's good franchise, experienced management and sound liquidity.

GB business model is domestically lead and is exposed to slower domestic economic growth with fewer financing opportunities. However, Kuwait is more resilient than its Gulf Cooperation Council (GCC) peers, mainly due to its exceptionally strong external balance sheet and the vast assets of Kuwait's Sovereign Wealth Fund.