

Kuwait, 25 January 2022

**Boursa Kuwait**  
**State of Kuwait**

This is in accordance with Module Ten, Chapter Four of the Resolution No. 72/2015 concerning the amended Executive Bylaw to 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 Gulf Bank’s Credit Rating by Standard & Poor’s.

Best regards



**Mohammad Jasem AlBeloushi**  
**Head of Compliance & Disclosure Unit**



**Credit Rating Disclosure Form**

Date	25 January 2022
Bank's Name	GULF BANK K.S.C.P
Rating Agency	S&P Global Ratings
Rating Category	<p>Issuer Credit Ratings BBB+/Stable/A-2</p> <p><b>SACP:</b> bbb-</p> <p><b>Anchor:</b> bbb</p> <p><b>Business Position:</b> Adequate</p> <p><b>Capital &amp; Earnings:</b> Adequate</p> <p><b>Risk Position:</b> Moderate (-1)</p> <p><b>Funding &amp; Liquidity:</b> Adequate and Adequate</p> <p>Support +2</p> <p>Sovereign Support: +2</p>
Rationale for Rating	The rating action affirmation on Gulf Bank is following a revision to S&P's criteria for rating banks and nonbank financial institutions.
Impact of Rating on the Bank	<p>Credit Rating Action: Affirmation of Bank rating at "BBB+"</p> <p>Outlook Rating Action: Affirmation of Bank "Stable" outlook</p>
Outlook	Stable
Translation of the Press Release or the Executive Summary	<p><b>Key Strengths</b></p> <ul style="list-style-type: none"> <li>• Comfortable capital base.</li> <li>• Robust capitalization and funding profile continues to support the Bank's credit quality.</li> </ul>

### **Key Challenges**

- Financial risk for the state because the government is yet to reach an agreement with the opposition-dominated parliament on a comprehensive fiscal funding strategy.
- Structural risk could constrain the Bank's credit quality.

### **Outlook**

The stable outlook on Gulf Bank reflects S&P's expectations that the bank's business and financial profiles will remain resilient over the next 12-24 months. Although asset-quality indicators might weaken modestly over this period, we do not expect any material change to the bank's existing concentrations metrics.

### **Downside scenario:**

S&P consider a downgrade of Gulf Bank over the next 12-24 months, but the rating could come under pressure if we lower the sovereign rating and the bank's asset-quality indicators deteriorate beyond our expectations.

### **Upside scenario:**

S&P could raise Gulf Bank's ratings in the next 12-24 months if GB materially reduces its single-party and sector concentrations, while improving its asset-quality indicators.