

Kuwait, 21 July 2020

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



Jihad Khodr
Assistant General Manager
Head of Compliance & Disclosure Unit



Credit Rating Disclosure Form

Date	21 July 2020
Bank's Name	GULF BANK K.S.C.P
Rating Agency	S&P Global Ratings
Rating Category	<p>Issuer Credit Ratings A-/Negative/A-2</p> <p>SACP: bbb-</p> <p>Anchor: bbb</p> <p>Business Position: Adequate</p> <p>Capital & Earnings: Strong (+1)</p> <p>Risk Position: Moderate (-1)</p> <p>Funding & Liquidity: Average and Adequate</p> <p>Sovereign Support: +3</p>
Rationale for Rating Change/ Key Drivers	<p>Strengths</p> <ul style="list-style-type: none"> • Resilient financial profile. • Significant accumulated provisions. • Sound market position. • Comfortable forecasted risk adjusted capital ratio. • Comparable funding and liquidity levels. <p>Challenges</p> <ul style="list-style-type: none"> • Downgrade of sovereign outlook to negative. • Unfavorable economic conditions caused by low oil prices. • Slowdown in the real estate market. • Measures to counter the spread of COVID-19.
Impact of Rating on the Bank	<p>Credit Rating Action: Affirmation of Issuer Credit Ratings at "A-/A-2"</p> <p>Outlook Rating Action: Revised from "Stable" to "Negative" outlook</p>
Outlook	Negative

<p>Translation of the Press Release or the Executive Summary</p>	<p>Rating Action:</p> <p>S&P Global Ratings revised its outlook on Gulf Bank to negative from stable and affirmed the 'A-/A-2' long-and short-term issuer credit ratings.</p> <p>Rationale:</p> <p>The outlook revision follows the same action on Kuwait on July 17, 2020. S&P Global Ratings sovereign action primarily reflects the risks stemming from fiscal pressure, including the likely depletion of the General Reserve Fund, the government's main source of budget funding, while alternative financing arrangements are not yet in place.</p> <p>S&P Global Ratings consider Gulf Bank, to be highly systemically important (holding a market share of 11% at Dec. 31,2019) in the context of the Kuwaiti banking system. As a result, the rating is three notches above the stand-alone credit profile, reflecting S&P Global Ratings view that the government is likely to provide extraordinary support in case of need. The negative outlook on Kuwait, therefore, translates to risk that its capacity to provide extraordinary support to the banking sector could diminish.</p>
--	---