

Kuwait, 14 February 2021

Boursa Kuwait
State of Kuwait

Pursuant to the provisions of Rulebook Ten, Chapter Four of the Resolution No. (72) of 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’s affirmation of Gulf Bank’s credit rating.

Best regards



Jihad Khodr
Assistant General Manager
Head of Compliance & Disclosure Unit



Credit Rating Disclosure Form

Date	14 February 2021
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"> 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"> A weaker ability to support, reflected in a Kuwaiti Sovereign downgrade would lead to downward revision of the bank. A weaker propensity from the Kuwaiti authorities to support the bank would lead to negative rating action.
Outlook	Negative
Translation of the Press Release or the Executive Summary	<p>Fitch Ratings on 11 February, 2021 has affirmed Gulf Bank's rating as follows:</p> <p>Fitch Ratings has revised the Outlook on Gulf Bank's (GB) Long-Term Issuer Default Rating (IDR) to Negative from Stable and affirmed its IDR.</p> <p>The rating actions follow a similar action on Kuwait's sovereign rating on 2 February 2021 reflecting near-term liquidity risk associated with the imminent depletion of liquid assets in the General Reserve Fund (GRF) in the absence of parliamentary authorisation for the government to borrow.</p> <p>The IDR of the bank is driven by its Support Rating Floor (SRF). At the same time, the agency has affirmed the 'A+' Long-Term IDR of GB. The bank's Viability Rating (VR) is unaffected.</p> <p>RATING SENSITIVITIES</p> <p>Factors that could, individually or collectively, lead to negative rating action/downgrade:</p> <p>A downgrade of GB's Long-Term IDR would require a downward revision of its SRF.</p>

Weaker ability to support, reflected in a Kuwaiti sovereign downgrade, would lead to a downward revision of the bank's SRF. A weaker propensity from the Kuwaiti authorities to support the bank would also lead to a negative rating action, but this is unlikely in Fitch's view given the strong record of supporting domestic banks.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

An upgrade of GB's Long-Term IDR could come from an upward revision of its SRF. However, this is unlikely in the near-term given the already high level of the SRF and the Negative Outlook.