

Kuwait, 27 July 2021

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 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 Gulf Bank’s Credit Rating by Standards and Poor’s.

Best regards



Jihad Khodr
Assistant General Manager
Head of Compliance & Disclosure



Disclosure and Transparency

Credit Rating Disclosure Form

Date	27 July 2021
Bank's Name	GULF BANK K.S.C.P
Rating Agency	S&P Ratings
Rating Category	<p>Issuer Credit Ratings BBB+/Stable/A-2 SACP: bbb- Anchor: bbb Business Position: Adequate Capital & Earnings: Adequate Risk Position: Moderate (-1) Funding & Liquidity: Average and Adequate Support +3 Sovereign Support: +3</p>
Rationale for Rating	The rating action on Gulf Bank is following Kuwait Sovereign rating action that was downgraded to "A+" from "AA-".
Impact of Rating on the Bank	<p>Credit Rating Action: Downgrade of Bank rating from "A-" to "BBB+" Outlook Rating Action: Change outlook to "Stable" from "Negative"</p>
Outlook	Stable
Translation of the Press Release or the Executive Summary	<p>The rating action on the bank is in line with that on the sovereign. The sovereign's lower creditworthiness suggests that its capacity to provide support to systemically important banks has weakened.</p> <p>Outlook: The stable outlook on Gulf Bank demonstrates that, in S&P's view, the bank's business and financial profiles will remain resilient over the next 12-24 months. Gulf Bank has adequate capitalization and good asset quality. Although asset quality might weaken modestly over this period, they do not expect any material change to existing concentrations.</p>

Downside scenario:

S&P consider a downgrade of Gulf Bank remote over the next 12-24 months, but the rating could come under pressure if they were to lower the sovereign rating and at the same time, Gulf Bank's asset quality indicators deteriorated beyond our current expectations.

Upside scenario:

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

The long-term rating on Gulf Bank was lowered to 'BBB+' from 'A-' because S&P now expects a lower level of support from the sovereign. The outlook on Gulf Bank is stable.