

Kuwait, 31 July 2025

Boursa Kuwait
State of Kuwait

Dear Sirs,

This is made 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 the change of Gulf Bank’s Outlook to “Stable” from “Positive”, and affirmation of its Long-Term Deposits Ratings at “A3” by Moody’s Investors Service.

Best regards



Mohammad Jasem AlBeloushi
Deputy General Manager- Corporate Affairs
Head of Compliance & Disclosure Unit



Credit Rating Disclosure Form

Date	31 July 2025
Bank's Name	GULF BANK K.S.C.P
Rating Agency	Moody's Investors Service
Rating Category	<ul style="list-style-type: none"> > Long-term deposit rating: A3/Stable > Short-term deposit rating: P-2 > Counterparty Risk Assessment A2(cr)/P-1(cr) > Counterparty Risk Rating A2/P-1 > Baseline Credit Assessment (BCA) and adjusted (BCA): ba1
Rating Implications	<ul style="list-style-type: none"> > Solid asset quality. > Sound capitalization. > Strong liquidity buffers. > Substantial loan loss reserves > Very high probability of government support which continues to translate into four notches of uplift from the bank's ba1 BCA.
Rating effect on the status of the Company	<ul style="list-style-type: none"> > Affirmed Gulf Bank Long-term deposit rating: A3. > Changed Outlook to "Stable" from "Positive". > No financial impact on the Bank.
Outlook	Outlook Rating Action: Changed outlook to "Stable" from "Positive".
Press Release / Executive Summary	<p>Moody's Ratings (Moody's) has affirmed Gulf Bank K.S.C.P's (Gulf Bank) long-term deposit ratings at A3 and changed the outlook to stable from positive. At the same time, Moody's have also affirmed the bank's Prime-2 short-term deposit ratings, its A2(cr)/P-1(cr) long- and short-term Counterparty Risk (CR) Assessments, its A2/P-1 long- and short-term Counterparty Risk Ratings (CRR) and its ba1 standalone Baseline Credit Assessment (BCA) and Adjusted BCA.</p> <p>The affirmation of Gulf Bank's BCA underscores the bank's solid asset quality and sound capitalization, which are further enhanced by strong liquidity buffers. The BCA also captures relatively moderate and</p>



constrained profitability and significant concentrations on both the asset and liability sides of the balance sheet.

Gulf Bank's solid asset quality is underpinned by its relatively low level of NPL formation despite recent uptick in the retail portfolio. As of March 2025, the bank's stage 3 loans stood at 1.6% of gross loans, up slightly from the 1.4% in December 2024.

Gulf Bank demonstrates sound capitalization relative to its risk profile. As of end-March 2025, the bank reported a tangible common equity to risk-weighted assets ratio of 14.6%, slightly above the average for Kuwaiti banks. The bank's capacity to absorb losses is further supported by substantial loan loss reserves, covering 261% of problem loans. Given moderate loan growth, Gulf Bank is expected to sustain its strong capital position going forward.

The affirmation of the bank's A3 long-term deposit ratings also reflects Moody's assumption of a very high probability of government support which continues to translate into four notches of uplift from the bank's ba1 BCA. The uplift continues to reflect the track record of the Kuwaiti government (A1 stable) in providing support for all banks encountering difficulties and the bank's systemic importance as the fifth-largest bank in Kuwait in terms of assets.

Rationale for Stable Outlook

The stable outlook on the long-term deposit ratings reflects Moody's expectation that the bank will maintain its solid asset quality and strong capital while profitability will remain constrained.

The stable outlook also reflects Moody's expectations that the bank's operations and standalone profile will not change significantly unless the proposed merger with WARBA Bank K.S.C.P. (Warba, Baa1 stable), which is subject to regulatory and shareholder approvals, is completed. We believe the transaction is at the initial due diligence stage and if concluded there will be substantial integration challenges.

Factors that could lead to an upgrade or downgrade of the Ratings

Upward pressure on Gulf Bank's ratings could develop in the event of a significant improvement in bottom-line profitability; a sustained low level of NPLs and credit losses, while maintaining strong provisioning coverage; and stronger capitalization well above regulatory minimums.



	<p>Downward pressure on the ratings could develop from weakening of profitability or significant deterioration in capitalization or asset quality. In addition, downward pressure could also develop if the merger with Warba is concluded and Warba is the surviving entity at which point Moody's will align Gulf Bank's ratings with Warba's.</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

