

Kuwait, 7 December 2023

**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 "Positive" from "Stable", and affirmation of its Long-Term Deposits Ratings at "A3" by Moody's Investors Service.

Best regards



**Mohammad Jasem AlBeloushi**  
**Deputy General Manager**  
**Head of Compliance & Disclosure Unit**



**Credit Rating Disclosure Form**

Date	<b>7 December 2023</b>
Bank's Name	GULF BANK K.S.C.P
Rating Agency	Moody's Investors Service
Rating Category	<ul style="list-style-type: none"> <li>• Issuer Credit Ratings A3/Positive/p-2</li> <li>• Long-term deposit rating: A3</li> <li>• Short-term deposit rating: P-2</li> <li>• Baseline Credit Assessment (BCA) and adjusted (BCA): ba1</li> <li>• Counterparty Risk Rating A2/P-1</li> <li>• Counterparty Risk Assessment A2(cr)/P-1(cr)</li> </ul>
Rating Implications	<ul style="list-style-type: none"> <li>• Strong asset quality.</li> <li>• Sound profitability.</li> <li>• Loss absorption capacity.</li> <li>• Healthy liquidity buffers.</li> <li>• Stronger capital position</li> <li>• Very high probability of support from the Government of Kuwait (A1 stable) for Gulf Bank's depositors at times of stress.</li> </ul>
Impact of Rating on the Bank	<ul style="list-style-type: none"> <li>• Affirmed the Issuer Long-term deposit rating: A3</li> <li>• Changed Outlook to "Positive" from "Stable".</li> <li>• No financial impact on the Bank.</li> </ul>
Outlook	Outlook Rating Action: changes outlook to "Positive" from "Stable".
Press Release / Executive Summary	Moody's Investors Service ("Moody's") has affirmed the long-term and short-term foreign and local currency deposit ratings of Gulf Bank K.S.C.P (Gulf Bank) at A3/Prime-2 (P-2) and changed the outlook on the long-term



deposit ratings to positive from stable. Concurrently, Moody's has affirmed the Baseline Credit Assessment (BCA) and the Adjusted BCA of Gulf Bank at ba1, long-term and short-term foreign and local currency Counterparty Risk Ratings at A2/P-1, and long-term and short-term Counterparty Risk Assessments at A2(cr)/P-1(cr).

The affirmation of Gulf Bank's ratings reflects the bank's strong asset quality, sound profitability and loss absorption capacity and healthy liquidity buffers. These strengths balance the bank's borrower and depositor concentration risks. The affirmation also takes into consideration Moody's unchanged assumption of the very high probability of support from the Government of Kuwait (A1 stable) for Gulf Bank's depositors at times of stress.

#### **Rationale for Positive Outlook**

The change of outlook to positive captures the agency's expectation that the bank's strong asset quality, recovering profitability and stronger capital position, if sustained could drive an upgrade of Gulf Bank's ratings and assessments.

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

The bank's ratings could be upgraded if it maintains its strong asset quality and low provision costs and at the same time, profitability and capital buffers remain sound.

Given the positive outlook there is currently no downward pressure on Gulf Bank's ratings. The outlook would be revised to stable if the recent improvement in profitability reverses or asset quality weakens, or capital levels decline.

