

Kuwait, 4th June 2025

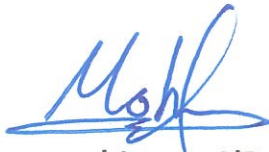
Boursa Kuwait
State of Kuwait

Dear Sirs,

This is made pursuant to Module 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 Capital Intelligence’s affirmation of Gulf Bank’s Long-Term Foreign Currency Rating at “A+”, and its Outlook at “Stable”.

Best regards



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



[GBK Classification: **PUBLIC**]

Credit Rating Disclosure Form

Date	4 th June 2025
Bank's Name	GULF BANK K.S.C.P
Rating Agency	Capital Intelligence Ratings
Rating Category	<ul style="list-style-type: none"> > Long-term Foreign Currency (LT FCR) 'A+' > Short-term Foreign Currency (ST FCR) 'A1' > Bank Standalone Rating (BSR) 'a-' > Core Financial Strength (CFS) 'a-' > Extraordinary Support Level (ESL) 'High'
Rating Implications	<p>Credit Strength</p> <ul style="list-style-type: none"> • Systemic importance as fifth-largest bank in terms of total assets in Kuwait with well- established business franchise and sound market share. • Solid capital ratios; high level of CET 1 and Tier 1 components. • Good loan asset quality metrics notwithstanding recent slippage. • Fairly good liquidity position supported by large customer deposit base; government blanket guarantee for customer deposits. <p>Credit Challenges</p> <ul style="list-style-type: none"> • Moderately high customer concentration in both the loan book and deposit base, in common with the sector. • Declining profitability metrics; keen competition. • Undiversified Kuwaiti economy and small size of domestic banking market. • Ongoing regional geopolitical risk.



Rating effect on the status of the Company	<ul style="list-style-type: none"> > Affirmed the rating of Gulf Bank's Long-Term Foreign Currency at 'A+'. > Outlook Rating Action: Affirmed Outlook at "Stable" > No financial impact on the Bank.
Outlook	Affirmed Outlook at "Stable"
Press Release / Executive Summary	<p>Capital Intelligence Ratings (CI Ratings or CI) has affirmed the LT FCR and ST FCR of Gulf Bank at 'A+' and 'A1', respectively. At the same time, CI Ratings has affirmed Gulf Bank's BSR of 'a-', CFS rating of 'a-' and ESL of High. The Outlook on the LT FCR and BSR remains Stable.</p> <p>The two-notch uplift of the Bank's LT FCR above the BSR is based on an ESL of High. The ESL takes into account Gulf Bank's systemic importance, the Kuwaiti government's strong track record of providing assistance to banks in the event of need, the existence of a state guarantee on all deposits placed inside Kuwait, and the strong financial capacity of the government to provide support.</p> <p>The BSR is derived from a CFS rating of 'a-' and an OPERA of 'bbb'. The latter indicates modest risk, reflecting the substantial financial buffer of the sovereign and its capacity to support the banking system in case of imbalances. It also reflects the economy's limited diversification, including high reliance on hydrocarbon exports, and slow – albeit improving – reform progress. In March 2025, Kuwait saw the approval of a long-awaited new borrowing law aimed at addressing fiscal pressures and financing domestic infrastructure projects. The law, which will see Kuwait return to the international debt markets after an eight-year absence, allows the government to issue up to KWD30bn in local or foreign currency debt instruments with long-term maturities. This will strengthen Kuwait's fiscal flexibility and support long-term growth.</p> <p>The BSR and CFS are supported by the Bank's well-established business franchise, especially in retail banking, solid capital position, and good asset quality and liquidity metrics notwithstanding marginal slippage in recent periods. The CFS also reflects Gulf Bank's size as the fifth-largest bank in Kuwait in terms of total assets, with one of the largest distribution networks in the country and a sound market share of both loans and deposits. As in previous years, the main constraints for Gulf Bank, in common with its peers, are the moderately high customer</p>



concentrations in both deposits and loans – with these being a function of Kuwait’s relatively small and undiversified economy.

CI consider Gulf Bank to be a well-managed institution and conservative lender. Reflecting the challenging operating environment alongside the contraction in the economy in 2024, loan growth was subdued, but this picked up in the first three months of 2025 with the economic rebound and improving operating environment. The loan book has remained fairly well-diversified by customer segment and economic sector. In line with the Bank’s ongoing effort to further clean up the loan book, NPLs rose in both periods, especially in 2024, albeit from a fairly low base. Nonetheless, both the Bank’s NPL and loss coverage ratios remained better than that of the banking sector average in 2024. Another positive is the continued and sizeable decline in Stage 2 loans which represented a very low proportion of gross loans at end-Q1 25, which was also the lowest among its peers. Going forward, expected stronger economic growth, anticipated improved pace of reform and the introduction of a Kuwait mortgage loan scheme (although not formally announced by the government) should provide better lending opportunities. CI also anticipates that the Bank will continue to maintain its good loan asset quality metrics, which are also likely to remain better than the sector average given its good risk management and conservative lending policy.

The Stable Outlook indicates that the ratings are unlikely to be altered in the next 12 months and reflects our expectation that Gulf Bank will maintain its fairly good overall financial profile given Kuwait’s better economic growth forecast and improving operating environment.

