

Kuwait: 2<sup>nd</sup> of March 2023

Chief Executive Officer - Boursa Kuwait Company  
State of Kuwait

Dear Sir,

**Subject: Credit Rating**

As per Chapter No. 4 of the “Disclosure and Transparency” Module of the Capital Markets Authority’s Executive Bylaws and its Law No.7/2010 and amendments regarding disclosure of Material Information.

We would like to advise that Credit Rating Agency Moody’s has affirmed National Bank of Kuwait ratings as the following:

1. Long-Term Deposit Rating: A1
2. Short-Term Deposit Rating: P-1
3. Long-Term Counterparty Risk Rating: A1
4. Short-Term Counterparty Risk Rating: P-1
5. Long-Term Counterparty Risk Assessment: A1(cr)
6. Short-Term Counterparty Risk Assessment: P-1(cr)
7. Baseline Credit Assessment: a3
8. Adjusted Baseline Credit Assessment: a3

With Stable outlook.

Attached; Disclosure of Credit Rating Form

Sincerely yours,

**On behalf of National Bank of Kuwait (S.A.K.P)**

**Shaikha K. Al-Bahar**

**Deputy Group Chief Executive Officer**

Appendix No. (8)

Disclosure of Credit Rating Form

Date	2 <sup>nd</sup> of March 2023
Name of the Listed Company	National Bank of Kuwait (S.A.K.P)
Entity who issues the rating	Credit Rating Agency "Moody's"
Rating category	<ol style="list-style-type: none"> <li>1. Affirmed Long-Term Deposit Rating: A1</li> <li>2. Affirmed Short-Term Deposit Rating: P-1</li> <li>3. Affirmed Long-Term Counterparty Risk Rating: A1</li> <li>4. Affirmed Short-Term Counterparty Risk Rating: P-1</li> <li>5. Affirmed Long-Term Counterparty Risk Assessment: A1(cr)</li> <li>6. Affirmed Short-Term Counterparty Risk Assessment: P-1(cr)</li> <li>7. Affirmed Baseline Credit Assessment: a3</li> <li>8. Affirmed Adjusted Baseline Credit Assessment: a3</li> </ol> <p>With Stable Outlook.</p>
Rating implications	<ol style="list-style-type: none"> <li>1. <b><u>Long-Term Rating Scale (A):</u></b> Obligations rated (A) are judged to be upper-medium grade and are subject to low credit risk.</li> <li>2. <b><u>Short-Term Rating Scale (P-1):</u></b> Issuers rated (P-1) have a superior ability to repay short-term debt obligations.</li> <li>3. <b><u>CR Assessment Long-Term Scale A(cr):</u></b> Issuers assessed A(cr) are judged to be upper-medium grade and are subject to low risk of defaulting on certain senior operating obligations and other contractual commitments.</li> <li>4. <b><u>CR Assessment Short-Term Scale P-1(cr):</u></b> Issuers assessed P-1(cr) have a superior ability to honor short-term operating obligations.</li> <li>5. <b><u>Baseline Credit Assessment Scale (a):</u></b> Issuers assessed (a) are judged to have upper-medium-grade intrinsic, or standalone, financial strength, and thus subject to low credit risk absent any possibility of extraordinary support from an affiliate or a government.</li> </ol>

Rating effect on the status of the company	No effect
Outlook	Stable
The press release or executive summary	<p><b><u>Executive summary:</u></b></p> <p>Moody’s credit rating agency has affirmed National Bank of Kuwait ratings as the following:</p> <ol style="list-style-type: none"> <li>1. Long-Term Deposit Rating: A1</li> <li>2. Short-Term Deposit Rating: P-1</li> <li>3. Long-Term Counterparty Risk Rating: A1</li> <li>4. Short-Term Counterparty Risk Rating: P-1</li> <li>5. Long-Term Counterparty Risk Assessment: A1(cr)</li> <li>6. Short-Term Counterparty Risk Assessment: P-1(cr)</li> <li>7. Baseline Credit Assessment: a3</li> <li>8. Adjusted Baseline Credit Assessment: a3</li> </ol> <p>With Stable outlook.</p> <p>Moody’s report rely on number of factors in the assessment process, key factors are as follows:</p> <ol style="list-style-type: none"> <li>1- In affirming the Bank’s Baseline Credit Assessment (BCA), Moody’s acknowledges the consistent strength of the bank’s financial profile through different economic cycles, supported by a long track record of strong earnings, a dominant franchise in Kuwait and well-established participation in the credit market in the wider GCC region.</li> <li>2- The Bank’s profitability benefits from its strong lending market share in Kuwait (around 34% in December 2022), with a credit portfolio broadly diversified among individuals and companies, which has supported steady recurring earning generation even during difficult economic conditions.</li> <li>3- The Bank’s large share of around a third of low-cost current and saving account deposits in the system, also provides NBK with stable access to core funding, another credit strength.</li> <li>4- The stable outlook acknowledges NBK’s capacity to manage risks in respective markets, track record of generating pre-provision earnings, stabilization of capital levels while also accounting to the stable outlook on the Government of Kuwait.</li> </ol>