

REF: ABK/BA/105
Date: 15 May 2025

To: Boursa Kuwait

Dear Sirs,

Subject: Credit Rating Disclosure

Reference is made to the above-mentioned subject, and in compliance with chapter four (Disclosure of Material Information) of Rule Book (Disclosure and Transparency) of CMA executive bylaws of Law No. 7 of 2010 regarding the establishment of the Capital Markets Authority and Regulating Securities Activity and its amendments.

Please be informed that Moody's Credit Ratings Agency has issued its credit rating report for Al Ahli Bank of Kuwait,

Attached is the Appendix (8) 'Disclosure of credit rating form.

Best Regards,


Abdulla M. Al Sumait
Acting Group Chief Executive Officer



Appendix 8
Disclosure of Credit Rating Form

Date	15 May 2025
Name of Listed Company	Al Ahli Bank of Kuwait (K.S.C.P)
Entity who issues the rating	Moody's Investors Service
Rating category	Long Term CRR: A1 LT Bank Deposits: A2 Outlook: Stable
Rating Implications	<p>Al Ahli Bank of Kuwait K.S.C.P.'s (ABK) Long Term Counterparty Risk Rating – Foreign Currency (A1), and Long-Term Deposit Rating (A2), reflect Strong asset quality with low NPLs and very high provisioning coverage, comfortable liquidity with a good deposit base, and very high probability of government support in the event of need.</p> <p>The stable outlook of Al Ahli Bank of Kuwait's long-term deposit ratings reflects the bank's strong asset quality metrics and high provisioning coverage.</p>
Rating effect on the status of the company	No financial effect
Outlook	Stable
Translation of the press release or executive summary	<p>Al Ahli Bank of Kuwait K.S.C.P.'s (ABK) A2 long-term deposit ratings benefit from four notches of government support uplift from the bank's baa3 Baseline Credit Assessment (BCA), which reflects our assessment of a very high probability of support from the Government of Kuwait (A1 stable) in the event of need.</p> <p>ABK's standalone BCA of baa3 reflects its low asset risk profile, with a nonperforming loans (NPL) ratio of 1.2% in 2024, although downside risks remain stemming from significant exposures to single-party borrowers and certain high-risk sectors. In addition, substantial loan loss reserves and a stable funding base with good liquidity buffers, are also supportive towards the bank's standalone credit profile.</p> <p>The bank's BCA also takes into consideration its still relatively weak profitability, although improving on the back of robust loan growth. High deposit concentrations pose downside risks to its funding profile and reliance on market funding continues to increase. In addition, the bank needs to demonstrate that it can generate sufficient capital internally to continue growing its business.</p> <p>Credit strengths:</p>



- » Strong asset quality with low NPLs and very high provisioning coverage.
- » Comfortable liquidity with a good deposit base.
- » Robust business loans growth support revenues.
- » Very high probability of government support in the event of need.

Credit challenges:

- » The bank needs to achieve sufficient internal capital generation to continue growing its business.
- » High loan and deposit concentrations pose downside risks.
- » Still weak, although improving, profitability metrics.
- » Egyptian operations expose the group to a relatively weaker operating environment.

Outlook:

The stable outlook on ABK's long-term deposit ratings reflects our expectation that the bank's asset quality is expected to remain solid and liquidity buffers are expected to remain healthy. We also expect limited downside pressure on capital as loan growth is expected to moderate and profitability is expected to improve.

Factors that could lead to an upgrade:

Positive pressure on the bank's ratings could develop if ABK significantly (1) reduces its balance-sheet concentrations while maintaining strong through the cycle asset quality, and (2) improves its profitability to support and sustain higher capitalisation compared to peers.

Factors that could lead to a downgrade:

The bank's ratings could come under downward pressure if (1) there is a significant deterioration in Kuwait's or Egypt's operating environment (as captured in the Macro Profile scores for these countries), or (2) if the bank's capital metrics declines further despite high provisioning coverage, or (3) if there is material strain on asset quality or further increase in reliance on market funding.

The issuer of this disclosure bears the full responsibility for the correctness, accuracy, completeness of the information herein provided, and acknowledges that they have exercised due diligence to avoid any misleading, incorrect or incomplete information, without any liability on the part of either Capital Markets Authority or Boursa Kuwait regarding the contents of this disclosure, and without any liability, whatsoever, on their part for any damages that may be incurred by any person as a result of publishing this disclosure or allowing it to be published through their electronic systems or website or as a result of using this disclosure in any other manner.

