

REF: ABK/BA/21

Date: 3 February 2026

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 Fitch 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,



**Fawzy Al-Thunayan**  
GM, Board Affairs



## Appendix 8

### Disclosure of Credit Rating Form

Date	3 February 2026
Name of Listed Company	Al Ahli Bank of Kuwait (K.S.C.P)
Rating issuer	Fitch Ratings Agency
Rating category	<p><b>Long Term IDR:</b> <b>A</b></p> <p><b>Short Term IDR:</b> <b>F1</b></p> <p><b>Viability Rating (VR):</b> <b>bb</b></p> <p><b>Government Support Rating:</b> <b>a</b></p> <p><b>Outlook:</b> <b>Stable</b></p>
Rating Implications	<p>ABK's IDRs reflect potential support from the Kuwaiti authorities, as underlined in its Government Support Rating (GSR) of 'a'. The Stable Outlook on ABK's Long-Term IDR mirrors that on the Kuwaiti sovereign (AA-/Stable).</p> <p>The Viability Rating (VR) reflects ABK's high loan concentrations, moderate capitalisation and exposure to a volatile Egyptian market. The VR also considers ABK's moderate franchise, stable asset quality, improved profitability, and stable funding and liquidity.</p> <p>ABK's 'F1' Short-Term IDR is the lower of two options mapping to an 'A' Long-Term IDR because stress for ABK is likely to come at a time when the sovereign is also experiencing stress.</p>
Rating effect on the status of the company	<b>No financial effect</b>
Outlook	<b>Stable</b>
Translation of the press release or executive summary	<p><b>KEY RATING DRIVERS</b></p> <p>ABK's IDRs reflect potential support from the Kuwaiti authorities, as underlined in its Government Support Rating (GSR) of 'a'. The Stable Outlook on ABK's Long-Term IDR mirrors that on the Kuwaiti sovereign (AA-/Stable).</p> <p>The Viability Rating (VR) reflects ABK's high loan concentrations, moderate capitalisation and exposure to a volatile Egyptian market. The VR also considers ABK's moderate franchise, stable asset quality, improved profitability, and stable funding and liquidity.</p> <p><b>Government Support Rating (GSR) of 'a':</b> The Kuwaiti authorities have a strong ability and willingness to support domestic banks, irrespective of their size, franchise, funding and level of government ownership. This view considers Kuwait's record of supporting domestic banks and its willingness to maintain market confidence and stability, given high contagion risk among domestic banks.</p>



**Stable Operating Environment:**

Fitch expects the Kuwaiti operating environment to remain stable in 2026, due to higher forecast real GDP growth of 2.7% (2025E: 1.7%) and real non-oil GDP growth of 2.2% (2%). The ratified public debt law and very strong external assets will continue to support government spending despite volatile oil prices, creating appropriate operating conditions for banks. Fitch Ratings expects reasonable bank credit growth at 7%-8% in 2026 (9M25: 8.7%).

**Regional Operations Support Franchise:**

ABK is a medium-sized bank in Kuwait, with a moderate 5.7% share of total sector assets at end-3Q25. The bank's franchise and business model are underpinned by its regional diversification in the UAE and Egypt.

**Market and Concentration Risks:**

ABK's exposure to the volatile Egyptian market and its associated risks weigh on the bank's VR. Concentrations by sector and obligor remain high, albeit similar to domestic peers. However, we believe such risks are mitigated by the bank's high provisioning and focus on large corporates and government-related entities (GRES).

**Low Stage 3 Ratio:**

ABK's Stage 3 loans ratio remained low at 1.3% at end-3Q25 on write-offs (9M25: 0.6% of average loans, non-annualised; 2024: 1%) and notwithstanding loan book shrinkage (9M25: -0.4%) on repayments. Stage 3 loan origination was moderate (9M25: non-annualised 0.7%; 2024: 0.9%). The Stage 2 loans ratio remained moderate (4.8%).

ABK's provisioning is the highest in Kuwait, covering 6.8% of gross loans, 112% of Stage 2 and 3 loans combined, and 530% of Stage 3 loans. Fitch expects asset quality to remain stable, with a Stage 3 loans ratio of 1.3% by end-2026, with lower interest rates, write-offs and growth.

**Improved Profitability:**

ABK's operating profit increased (9M25: annualised 1.5% of risk-weighted assets (RWAs); 2024: 1.3%), supported by improved net interest margins (NIMs) and good cost efficiency. Loan impairment charges remained high at about 40% of pre-impairment operating profit, due to write-offs and provisioning. Fitch expects profitability to remain stable, with operating profit at 1.5% of RWAs in 2025-2026 as asset-liability management, funding cost optimisation and higher volumes should offset lower interest rates.

**Moderate Capitalization:**

ABK's common equity Tier 1 (CET1) capital ratio was stable at 12% at end-3Q25 (12.5% including 9M25 interim profits post-dividends), on muted RWA growth and improved profitability. Capital remains sensitive to concentration and market risks. Fitch expects capitalisation to decline slightly on moderate growth, but for the CET1 capital ratio to remain around 12% by end-2026. High loan provisioning protects ABK's capital.

**Stable Funding:**

ABK's gross loans/customer deposits ratio was 118% at end-3Q25 (end-2024: 113%), reflecting moderate reliance on non-deposit wholesale funding (29% of total non-equity funding). Deposits are concentrated but have proven stable. Liquidity is good.

**RATING SENSITIVITIES**

**Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:**



ABK's Long-Term IDR would be downgraded if its GSR was downgraded. This would result either from a weaker ability of the government to provide support, reflected in a sovereign downgrade, or a lower propensity to support.

The VR could be downgraded if ABK's risk profile and asset quality weaken, for example, as a result of rapid lending growth, especially if impairment charges erode the bank's profitability to the extent that it affects capitalisation.

**Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:**

An upgrade of ABK's Long-Term IDR would come from an upgrade of its GSR. The latter would result from a stronger ability of the government to support, reflected in a sovereign upgrade.

An upgrade of the VR would require a sustained strengthening in the bank's risk profile, combined with stable asset-quality performance and capitalisation. A CET1 capital ratio above 13% on a sustained basis would also support a VR upgrade.

**OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS:**

ABK's 'F1' Short-Term IDR is the lower of two options mapping to an 'A' Long-Term IDR because stress for ABK is likely to come at a time when the sovereign is also experiencing stress.

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.

