

Kuwait: 17/11/2020  
Ref: 9292/2020

الكويت: 2020/11/17  
الإشارة: 2020/9292

To: Mr. Mohammad Saud Al-Osaimi  
CEO - Boursa Kuwait

السيد / محمد سعود العصيمي  
المحترم الرئيس التنفيذي - شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ...

Reference is made to the provisions of Chapter 4 of the Tenth Module of the Executive Bylaws of the Capital Markets Authority's Law, pertinent to "Disclosure of Material Information" and the mechanism of disclosure of the same. We would like to inform you that Standard & Poor's Global Ratings Agency has recently reviewed the bank position and issued a report whereby it affirms all of the bank ratings' elements as per Appendix # 9 pertinent to the Credit Rating Disclosure Form.

بالإشارة الى احكام الفصل الرابع من الكتاب العاشر للائحة التنفيذية لقانون هيئة أسواق المال بشأن الإفصاح عن المعلومات الجوهرية وألية الإعلان عنها، نود الإفادة بأن وكالة ستاندرد أند بورز للتصنيف الائتماني قد قامت بمراجعة أوضاع مصرفنا مؤخراً وأصدرت تقريراً تم بموجبه تصنيف لأهم عناصر تصنيفات البنك وذلك وفقاً للملحق رقم (9) الخاص بنموذج الإفصاح عن التصنيف الائتماني.

Best regards,

Adel Abdul Wahab Al-Majed  
Vice-Chairman  
& Chief Executive Officer

وتفضلوا بقبول فائق الاحترام ...

عادل عبد الوهاب الماجد

نائب رئيس مجلس الإدارة والرئيس التنفيذي



P.O.Box 25507  
Safat 13116 Kuwait

ص.ب. 25507  
الصفاة 13116 الكويت

Tel. (965) 2232 5000  
Fax. (965) 2247 7512  
Call Center (965) 1 82 00 82

C.R. 104042

bankboubyan.com

Capital in Million KWD. 238,847,160/300

نعمل باتقان

بنك بوبيان

## Credit Rating Disclosure Form

Appendix # 9

<b>Date</b>	17/11/2020
<b>Name of Listed Company</b>	Boubyan Bank K.S.C.P.
<b>Rating Agency</b>	S&P Global Ratings
<b>Rating Category</b>	<ol style="list-style-type: none"> <li>1) Long-term issuer credit ratings affirmed at 'A-/Stable'</li> <li>2) Anchor and SACP affirmed at 'bbb'</li> </ol>
<b>Rating's Implications</b>	<p><b><u>Long Term Issuer Credit Rating: "A-"</u></b></p> <p>An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.</p> <p><b><u>Outlook "Stable"</u></b></p> <p>Stable means that a rating is not likely to change over the intermediate term.</p>
<b>Rating's Impact on the Company's Positions</b>	Affirming prior rating, which reinforces confidence in the bank and its robust financial position.
<b>Outlook</b>	Affirmed as "Stable".

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**Press Release /  
Executive Summary**

**Executive Summary:**

On 16 November 2020, S&P Global affirmed an 'A-' long-term issuer credit ratings to Boubyan Bank K.S.C.P with a stable outlook.

Boubyan Bank's capitalization will feel pressure in 2020-2022 due to the bank's increased stake in Bank of London and the Middle East, the one-off loss from the Central Bank of Kuwait's deferral of installment, and lower profits. This translated into a risk-adjusted capital ratio of 9% in June 2020, and the ratio will likely remain near that level over the coming two years.

Nonetheless, S&P believes Boubyan's asset will remain strong driven by the bank's access to top tier clients and consumer lending exposure backed by public wages.

S&P's rationale for the rating noted Boubyan Banks' as the fourth largest bank in Kuwait, with a strong and entrenched retail franchise, strong asset quality and good market position.

S&P further noted that Boubyan is exposed to sector and single name concentration like its peers.

S&P consider Boubyan to be a highly systemically important bank in Kuwait and a strategically important subsidiary for NBK

The Anchor and SACP is affirmed at 'bbb'

The stable outlook on Boubyan reflects its good retail entrenchment and our expectations that its business and financial profile will remain resilient to macroeconomic headwinds over the next 12-24 months.

S&P would consider a negative rating action in the next 12-24 months if a pronounced deterioration of the bank's asset quality indicators occurs with the RAC ratio sliding durably below 7%.

An upgrade in the next 12-24 months would be contingent on either a material strengthening of the bank's capitalization or a sovereign upgrade.

2021