

Kuwait: 12/04/2022
Ref: 2785/2022

الكويت: 2022/04/12
الإشارة: 2022/2785

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

السيد/ محمد سعود العصيمي المحترم
الرئيس التنفيذي - 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 Moody's Credit Ratings Agency has recently assessed the bank's position and issued a report wherein it assigned its ratings for the bank's most important elements as per Appendix # 9 pertinent to the Credit Rating Disclosure Form.

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

Best regards,

وتفضلوا بقبول فائق الاحترام ،،،

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



عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة
والرئيس التنفيذي للمجموعة

Credit Rating Disclosure Form

Appendix # 9

Date	12/04/2022
Name of Listed Company	Boubyan Bank K.S.C.P.
Rating Agency	Moody's Credit Rating Agency
Rating Category	<ol style="list-style-type: none"> 1) Long Term Deposit Rating upgraded to "A2" from "A3" while the outlook is affirmed as "Stable". 2) Short Term Deposit Rating upgraded to P-1 from P-2. 3) Baseline Credit Assessment upgraded to baa3 from ba1. 4) Long term Counterparty Risk Assessment upgraded to A1(cr) from A2(cr) 5) Long term Counterparty Risk Rating upgraded to A1 from A2
Rating's Implications	<p><u>Long Term Deposit Rating: "A2"</u> Obligations rated "A2" are subject to low credit risk, thus, considered upper-medium-grade.</p> <p><u>Short Term Deposit Rating: "P-1"</u> Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.</p> <p><u>Baseline Credit Assessment: "baa3"</u> Issuers characterized by medium grade intrinsic, or standalone financial strength are rated under the "baa" and thus subject to moderate credit risk, absent any possibility of extraordinary support form an affiliate or a government.</p>
Rating's Impact on the Company's Positions	Continued and growing confidence in the bank and the robustness of its financial standing.
Outlook	Affirmed as "Stable".

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**Press Release /
Executive Summary**

Executive Summary:

Moody's decision to upgrade Boubyan's BCA to baa3 from ba1 reflects its growing domestic retail and corporate franchise, which supports its solid recurring profitability, strong asset quality and capital buffers with an upcoming capital raising, as well as a stable funding profile. These strengths are somewhat moderated by the downside risks to the bank's asset quality owing to some credit concentrations, combined with a fast growing financing book in recent years. Additional funding will need to keep pace with the bank's expected strong asset growth in coming years.

Boubyan's robust business growth in recent years, has supported its recurring earnings and profitability, with its 2021 bottom-line performance recovering from a decline in 2020 caused by the coronavirus pandemic.

The upgrade in the long term deposit rating to A2 also reflects Moody's view that Boubyan's strategic and financial importance to its parent and to the domestic financial system, warrants a very high likelihood of parental and government support in case of need.