

Kuwait: 21<sup>st</sup> of November 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) *FGA*

  
Isam J. Al-Sager

Vice-Chairman

And Group Chief Executive Officer

Appendix No. (8)

Disclosure of Credit Rating Form

Date	21 <sup>st</sup> of November 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. Consistently strong asset quality, with high loan loss coverage.</li> <li>2. Dominant domestic market position, which underpins a robust income-generating capacity.</li> <li>3. Solid capitalisation providing sufficient loss absorption buffer.</li> <li>4. Stable and low-cost deposit base, supported by solid liquidity buffers.</li> <li>5. Very high probability of government support, in case of need</li> <li>6. The stable outlook on NBK’s long-term ratings reflects its resilient financial fundamentals, while it also considers the stable outlook on the Kuwait government.</li> </ol>

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