

Kuwait, 19 May 2026

Boursa Kuwait
State of Kuwait

Dear Sirs,

This is made pursuant to Module Ten, Chapter Four of the Resolution No. (72) of 2015, concerning the amended Executive Regulations of Law No. 7/2010 on the "Establishment of Capital Markets Authority and the regulation of Securities Activity", pertaining to the "Disclosure of Material Information and the Mechanism of Notification".

Please find attached the duly filled Credit Rating Disclosure Form containing Capital Intelligence's affirmation of Gulf Bank's KD 50M Basel III-Compliant Tier 2 Subordinated Bonds' rating at "BBB+", and its Outlook at "Stable".

Best regards



Mohammad Jasem AlBeloushi
Chief Compliance Officer



[GBK Classification: **PUBLIC**]

Credit Rating Disclosure Form

Date	19 May 2026
Bank's Name	GULF BANK K.S.C.P
Rating Agency	Capital Intelligence Ratings
Rating Category	• KWD50mn Basel III-compliant Tier 2 Subordinated Bond • Long-term issue rating: "BBB+"
Rating Implications	Credit Strength • Systemic importance as fifth-largest bank in terms of total assets in Kuwait, with well- established business franchise and sound market share. • Solid capital ratios; high level of CET1 and Tier 1 components despite declines. • Good loan asset quality metrics. • Fairly good liquidity position supported by large customer deposit base; government blanket guarantee for customer deposits. Credit Challenges • Ongoing regional military conflict between US and Iran; sharp deterioration in the operating environment in GCC and Middle Eastern markets, the severity and duration of which remains uncertain. • Moderately high customer concentration in both the loan book and deposit base, in common with the sector. • Fairly modest profitability metrics; keen competition. • Undiversified Kuwaiti economy and small size of domestic banking market.
Rating effect on the status of the Company	- Affirmed the rating of Gulf Bank's KWD 50 million Basel III-compliant Tier 2 Subordinated Bonds at 'BBB+' - Outlook Rating Action: Affirmed Outlook at "Stable" - No financial impact on the Bank
Outlook	Affirmed Outlook at "Stable"



Press Release /
Executive Summary

Capital Intelligence Ratings (CI Ratings or CI) has affirmed the rating on the KWD50mn Basel III-compliant Tier 2 Subordinated Bond of Gulf Bank at 'BBB+' with a Stable Outlook. The local currency bond comprises a KWD25mn Floating Rate Tranche and a KWD25mn Fixed Rate Tranche. At the same time, CI Ratings has affirmed Gulf Bank's LT FCR and ST FCR at 'A+' and 'A1', respectively. The Bank's BSR of 'a-', CFS rating of 'a-' and ESL of High have also been affirmed. The Outlook on the LT FCR and BSR remains Stable.

The two-notch uplift of the Bank's LT FCR above the BSR is based on an ESL of High. The ESL takes into account Gulf Bank's systemic importance, the Kuwaiti government's strong track record of providing assistance to banks in the event of need, the existence of a state guarantee on all deposits placed inside Kuwait, and the strong financial capacity of the government to provide support, notwithstanding the ongoing regional military conflict.

The ratings on the subordinated unsecured Tier 2 bonds are set one notch below the Bank's BSR due to their contractual subordination. There is no additional deduction for impairment risk since CI believes that the bonds are unlikely to take losses before the Bank has reached the point of non-viability (PONV).

CI consider Gulf Bank to be a well-managed institution and a conservative lender. In August 2025, the Bank obtained the CBK's initial approval for the conversion to a Sharia-compliant compliant Bank. This initial approval is valid for one year subject to specific technical, legal and operational requirements. Nonetheless, the Bank has remained focused on business continuity, which saw a pick-up in lending, supported by credit demand from the corporate segment. This momentum carried into the first three months of 2026. While corporate exposure remained well-diversified, borrower concentration persists, reflecting the small size of the banking market and the undiversified nature of the Kuwaiti economy. The quality of its loan book, however, remained good and better than that of the banking sector. The NPL (Stage 3 Loans) ratio was low, and the more than full loss coverage also strengthened in 2025. Notwithstanding a mild weakening in Q1 26 with the rise in NPLs, the good loan asset quality metrics were largely maintained. Stage 2 loans picked up in 2026, but they remained low as a proportion of gross loans. Consequently, despite the heightened geopolitical risk, CI anticipates Gulf Bank to maintain its good loan asset quality metrics, supported by its prudent lending practices and proactive risk management. Furthermore, the Bank generates a sound level of earnings to cover additional provision if needed, and the fairly solid capital base continues to provide additional buffers.

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The Stable Outlook indicates our expectation that the ratings are unlikely to change over the next 12 months, on the basis that the regional military conflict, at least in so far as it directly affects Kuwait, will be limited in both duration and severity.

The outlook for the subordinated debt rating and the BSR are the same, as the latter is CI's starting point for rating such instruments. Consequently, any change in the BSR would translate into an equivalent change in the issue rating.

