

التاريخ	رقم الصادر	الإشارة
2022/01/27	079	ب و ر ت

M/s. Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين

May Allah's peace and blessings be upon you ...

السلام عليكم ورحمة الله وبركاته ...

**Subject: Warba Bank Disclosure on Credit Rating**

**الموضوع: إفصاح من بنك وربة بشأن التصنيف الائتماني**

At the very beginning, we would like to express our sincere greetings.

We refer to the abovementioned subject and as per the requirements of Chapter Four (Disclosure of Material Information) of the Tenth Rule Book (Disclosure & Transparency) of the Executive Regulations of the Capital Markets Authority Law No. 7/2010 as amended.

Please be informed that, Moody's Investors Services has updated Warba Bank's credit rating on 26/01/2022 where it affirmed the Bank's credit ratings and other ratings in addition to affirming the stable outlook in accordance with the following:

1. Outlook, Stable
2. Counterparty Risk Rating, Baa1/P-2
3. Bank Deposits, Baa2/P-2
4. Baseline Credit Assessment, ba3
5. Adjusted Baseline Credit Assessment, ba3
6. Counterparty Risk Assessment, Baa1(cr)/P-2(cr)

Attached herewith the annexure (9) Disclosure of Credit Rating Form.

Best regards ...

Shaheen Hamad Al Ghanem

Chief Executive Officer

بدايةً أتقدم إليكم بأطيب التحيات متمنياً لكم دوام التوفيق والسداد.

بالإشارة إلى الموضوع أعلاه، ووفقاً لمتطلبات الفصل الرابع (الإفصاح عن المعلومات الجوهرية) من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية لقانون هيئة أسواق المال رقم 7 لسنة 2010 وتعديلاته.

نحيطكم علماً أن وكالة موديز للتصنيف الائتماني قد أصدرت بتاريخ 26/01/2022 تحديث على التصنيف الائتماني جرى خلاله تأكيد تصنيفات البنك الائتمانية والتصنيفات الأخرى فضلاً عن تثبيت النظرة المستقبلية المستقرة وذلك على النحو التالي:

1. النظرة المستقبلية مستقرة
2. تصنيف مخاطر الطرف المقابل: Baa1/P-2
3. تصنيف الودائع: Baa2/P-2
4. التقييم الائتماني الأساسي: ba3
5. التقييم الائتماني الأساسي المعدل: ba3
6. تقييم مخاطر الطرف المقابل: Baa1(cr)/P-2(cr)

كما نرفق لكم ملحق رقم (9) نموذج الإفصاح التصنيف الائتماني.

وتفضلوا بقبول فائق التقدير والاحترام ....

شاهين حمد الغانم

الرئيس التنفيذي

Appendix No. (9)

Disclosure of Credit Rating Form

Date	27/01/2022
Name of the listed Company	Warba Bank K.S.C.P.
Entity who issues the rating	Credit Rating Agency "Moody's"
Rating Implications	<p><b>1. Counterparty Risk Assessment: Baa1/p-2</b> Issuers with Obligations rated "Baa" are judged to be medium and are subject to moderate credit risk of inability to meet specific significant operational liabilities and other contractual obligations with counterparties. Number 1 refers to the subcategory in the general rating.</p> <p><b>2. Long Term Deposit Ratings: Baa2/P-2</b> Issuers with Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk. Number two refers to the subcategory in the general rating. Issuers or supporting entities classified under P-2 rating have strong capability for meeting short-term liabilities.</p> <p><b>3. Baseline Credit Assessment (BCA):ba3</b> Issuers with Obligations rated "Ba" are judged to be speculative and are subject to substantial credit risk without taking into account resorting to unusual support from the parent group or government. Number 3 refers to the subcategory in the general rating.</p> <p><b>4. Adjusted Baseline Credit Assessment:ba3</b> Issuers with Obligations rated "Ba" are judged to be speculative and are subject to substantial credit risk taking into account resorting to unusual support from the parent group or government. Number 3 refers to the subcategory in the general rating.</p>
Rating Category	<p>1. Outlook, Stable</p> <p>2. Counterparty Risk Rating, Baa1/P-2</p> <p>3. Bank Deposits, Baa2/P-2</p> <p>4. Baseline Credit Assessment, ba3</p> <p>5. Adjusted Baseline Credit Assessment, ba3</p> <p>6. Counterparty Risk Assessment, Baa1(cr)/P-2(cr)</p>
Rating effect on the status of the company	Affirming the Bank's credit ratings with stable outlook
Outlook	Stable



The press release or the  
Executive summary

**Executive Summary**

On 26 January 2022, Moody's Investors Service ("Moody's") issue update to credit analysis affirmed credit ratings of Warba Bank K.S.C.P. (Warba) Baa2 long-term deposit ratings incorporate four notches of uplift from the bank's ba3 Baseline Credit Assessment (BCA) and Adjusted BCA, based on our assessment of a very high likelihood of support from the Government of Kuwait (A1 Stable) in case of need. The uplift reflects the government's direct and indirect stake in Warba and the Kuwaiti authorities' track record of supporting the country's banks.

The bank's ba3 BCA captures its (1) solid liquid resources with liquid assets representing 23% of tangible banking assets as of September 2021, (2) adequate capitalisation pressured by fast financing growth. The BCA also captures its relatively low profitability reflecting a young and developing franchise. High credit concentration, particularly to the volatile construction and real estate sector, moderates Warba's standalone credit strength. The bank's funding profile is also moderated by reliance on key government related depositors.