

Gulf Bank

Earnings Presentation

3rd Quarter 2023

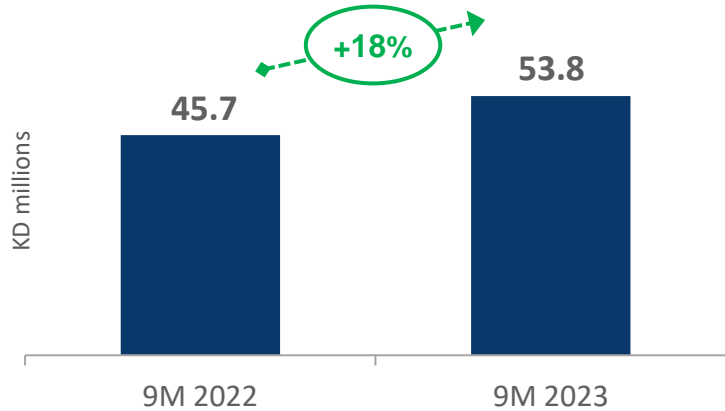
25 October 2023

[GBK Classification: PUBLIC]



9 Months 2023 Key Highlights

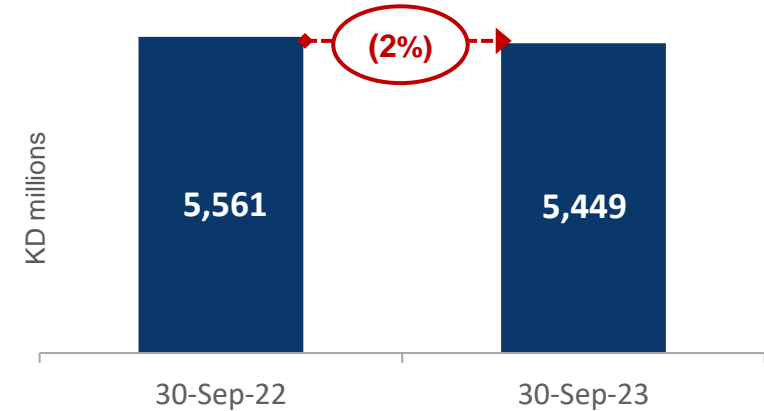
1 Net Profit



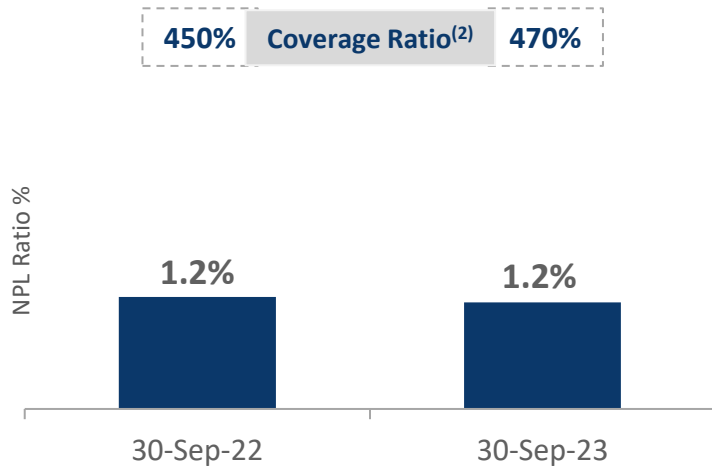
2 Return on Equity



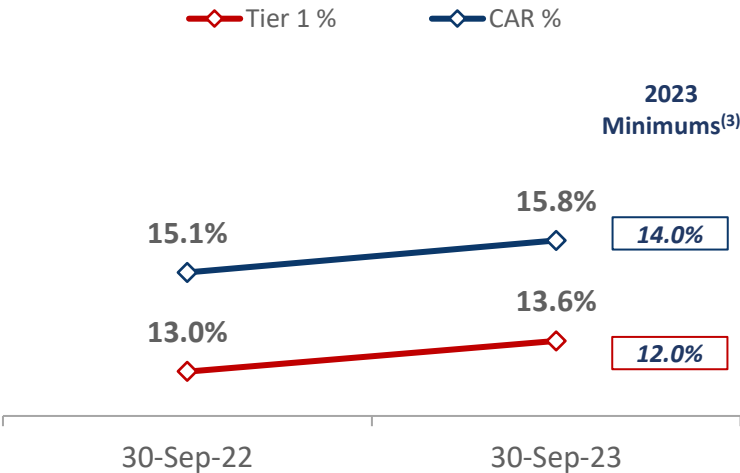
3 Gross Loans and Advances⁽¹⁾



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Stable
CI CAPITAL intelligence	A+	Stable
Fitch Ratings	A	Stable

9 Months 2023 Net Profit vs. 9 Months 2022 Net Profit Evolution



Income Statement

KD Millions	Q1 2022A	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q2 2023A	Q3 2023A	Q3 23A vs Q2 23A		9M 2022A	9M 2023A	9M 23A vs 9M 22A	
								Amt	%			Amt	%
1 Interest Income	46.7	52.5	67.0	78.3	85.6	89.8	95.0	5.1	6%	166.2	270.4	104.2	63%
2 Interest Expense	(14.4)	(19.1)	(29.6)	(39.2)	(50.8)	(53.0)	(56.2)	(3.2)	-6%	(63.1)	(160.0)	(96.9)	-154%
3 Net Interest Income	32.2	33.5	37.4	39.1	34.8	36.8	38.7	1.9	5%	103.1	110.4	7.3	7%
4 Non Interest Income ⁽¹⁾	9.3	10.3	9.6	9.7	11.6	9.0	9.1	0.1	1%	29.2	29.7	0.5	2%
5 Operating Income	41.5	43.8	47.0	48.7	46.4	45.9	47.9	2.0	4%	132.3	140.1	7.8	6%
6 Operating Expenses	(19.8)	(21.5)	(21.6)	(23.3)	(21.4)	(21.5)	(21.9)	(0.4)	-2%	(62.9)	(64.9)	(2.0)	-3%
7 Operating Profit	21.7	22.3	25.3	25.4	25.0	24.3	25.9	1.6	7%	69.4	75.2	5.8	8%
8 Credit Costs ⁽²⁾	(5.1)	(2.9)	(8.0)	(8.8)	(7.2)	(4.9)	(7.2)	(2.3)	-47%	(16.1)	(19.3)	(3.2)	-20%
9 General Provisions ⁽³⁾	(0.9)	(3.4)	(1.1)	0.4	0.3	0.0	0.1	0.1	-663%	(5.4)	0.5	5.9	109%
10 Taxes/ Other	(0.7)	(0.7)	(0.7)	(0.9)	(0.8)	(0.9)	(0.9)	0.0	3%	(2.2)	(2.6)	(0.4)	-19%
11 Net Profit	15.0	15.2	15.4	16.1	17.3	18.5	18.0	(0.6)	-3%	45.7	53.8	8.1	18%
12 Return on Assets (ROA) %	0.9%	0.9%	0.9%	0.9%	1.0%	1.1%	1.0%			0.9%	1.0%		
13 Return on Equity (ROE) %	9.2%	9.1%	8.9%	9.0%	9.9%	10.4%	9.8%			9.0%	10.0%		
14 Cost to Income Ratio (CIR) %	47.7%	49.0%	46.0%	47.8%	46.1%	46.9%	45.8%			47.5%	46.3%		
15 Net Interest Margin (NIM) bps ⁽⁴⁾	200	201	213	223	207	215	221			204	214		
16 Cost of Risk (COR) bps ⁽⁵⁾	40	22	58	64	54	36	52			40	47		

4 (1) Includes Fees and Foreign Exchange Income and Other Income; (2) Includes specific provisions, recoveries, and write-offs (3) Includes General Provisions, Other Provisions/Impairments; (4) Net Interest Income / Average assets; (5) Credit Costs / Average gross loans and advances.

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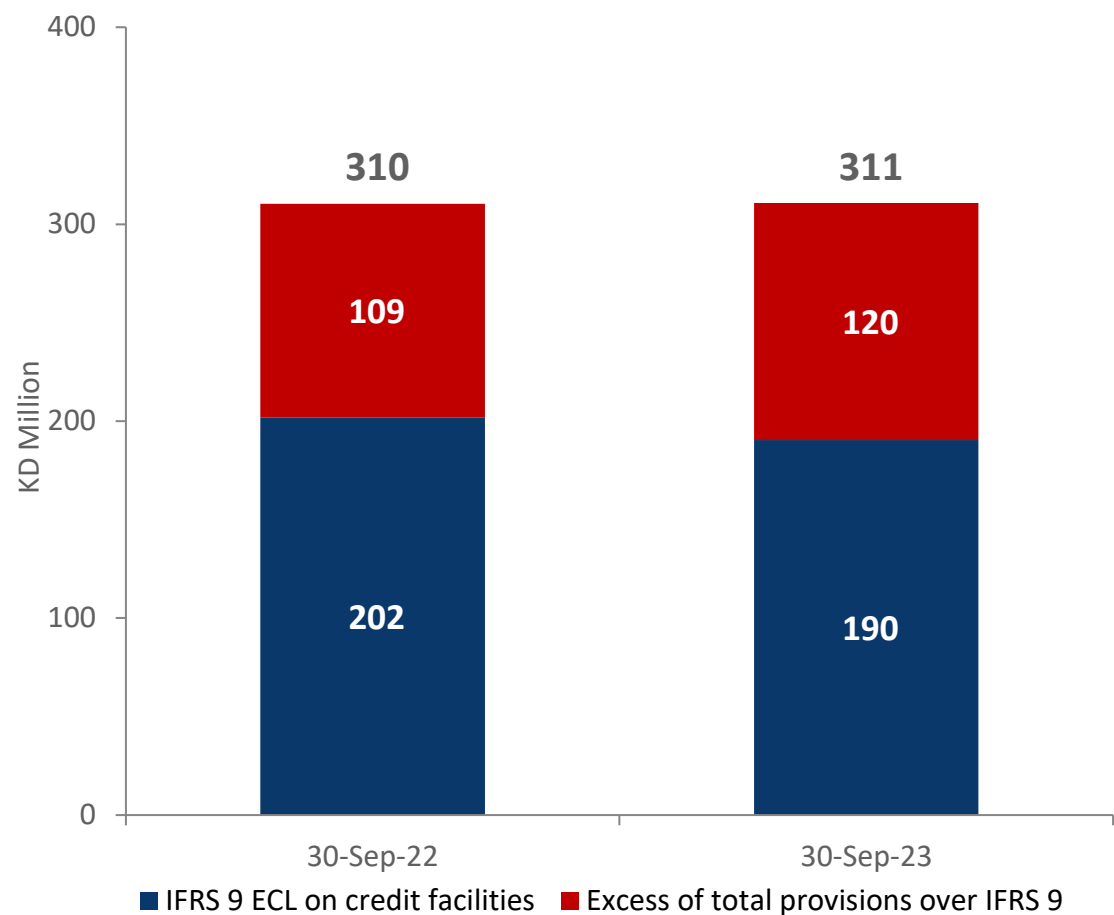
Balance Sheet

KD Millions	30-Sep-22	% of Total	31-Dec-22	% of Total	30-Sep-23	% of Total	Var Sep 23 vs Dec 22		Var Sep 23 vs Sep 22	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,035		930		1,130		200	22%	95	9%
2 Kuwait Government Bonds	22		22		17		-6	-25%	-6	-25%
3 CBK Bonds	370		338		332		-6	-2%	-38	-10%
4 Deposits with banks and OFIs	77		131		74		-57	-43%	-3	-4%
5 Liquid Assets	1,504	21%	1,421	21%	1,553	22%	132	9%	49	3%
6 Gross loans and advances ⁽¹⁾	5,561		5,423		5,449		27	0%	-112	-2%
7 Provisions	-291		-294		-293		1	0%	-1	0%
8 Net Loans and advances	5,270	75%	5,129	75%	5,157	74%	28	1%	-113	-2%
9 Investment securities	106	2%	129	2%	109	2%	-20	-16%	2	2%
10 Other assets	140		134		114		-21	-15%	-26	-19%
11 Premises and equipment	36		39		39		0	0%	3	9%
12 Other assets	176	2%	173	3%	153	2%	-20	-12%	-23	-13%
13 TOTAL ASSETS	7,056	100%	6,851	100%	6,971	100%	119	2%	-85	-1%
LIABILITIES										
14 Due to banks	618		490		416		-74	-15%	-203	-33%
15 Deposits from FIs	807		775		855		81	10%	49	6%
16 Customer deposits	4,469	63%	4,247	62%	4,265	61%	18	0%	-204	-5%
17 Other borrowed funds	321		494		540		46	9%	219	68%
18 Other liabilities	137		126		155		28	22%	18	13%
19 TOTAL LIABILITIES	6,352	90%	6,131	89%	6,231	89%	99	2%	-121	-2%
20 Total Equity	704	10%	720	11%	740	11%	20	3%	36	5%
21 TOTAL LIABILITIES AND EQUITY	7,056	100%	6,851	100%	6,971	100%	119	2%	-85	-1%
22 Average assets	6,746		6,767		6,889					
23 Average equity	678		686		722					
24 NPL ratio	1.2%		1.1%		1.2%					
25 Coverage ratio ⁽²⁾	450%		504%		470%					
26 CASA Ratio	34.3%		35.2%		32.3%					

5 (1) Gross loans and advances is consolidated (loans and advances to banks and customers); (2) Coverage ratio includes total provisions and collaterals.

Total Credit Provisions exceed IFRS 9 accounting requirements by KD 120 million

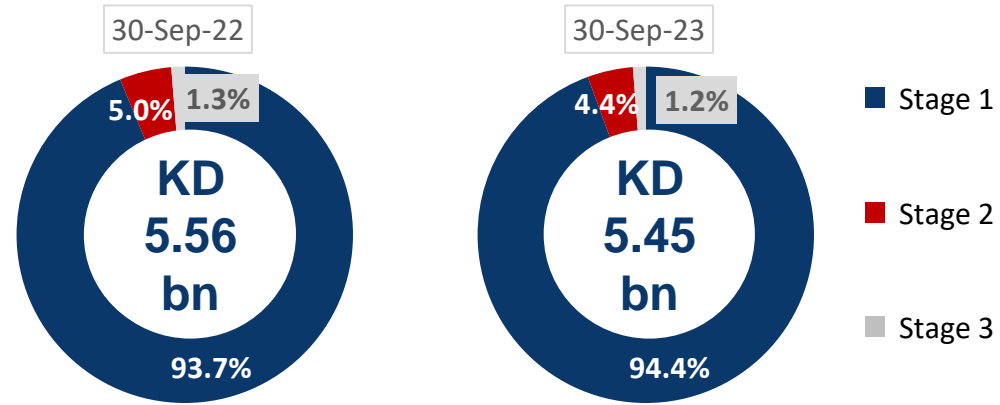
Total Provisions on Credit Facilities



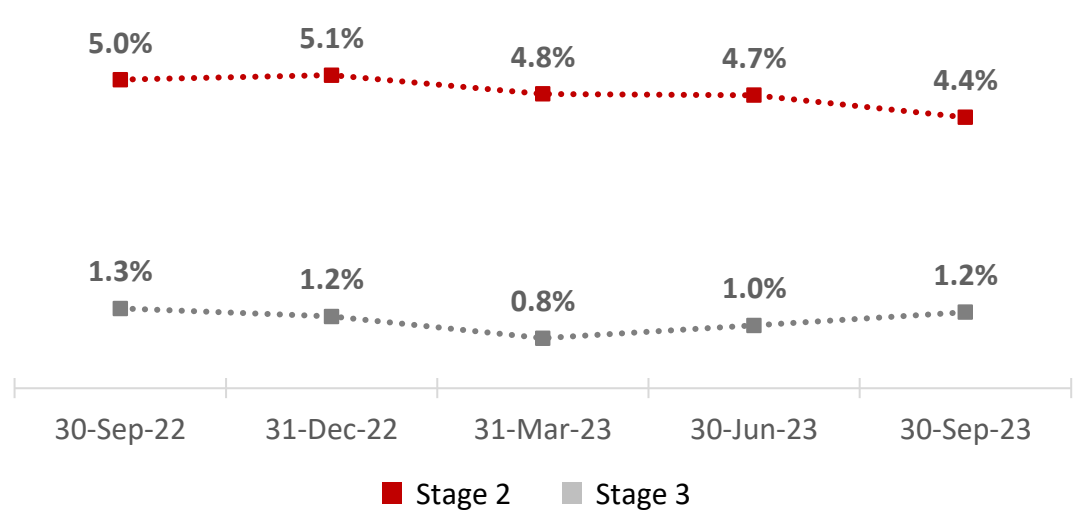
Excess / Total Provision

35% (30-Sep-22) 39% (30-Sep-23)

Gross Loans by Stages %⁽¹⁾



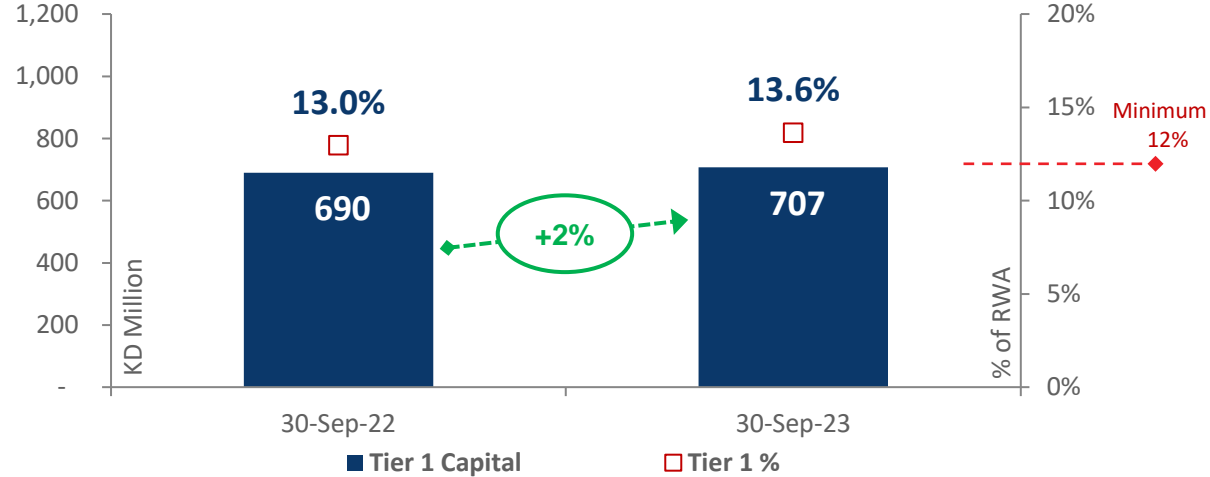
Evolution of Gross Loans Stages 2 and 3 (%)⁽¹⁾



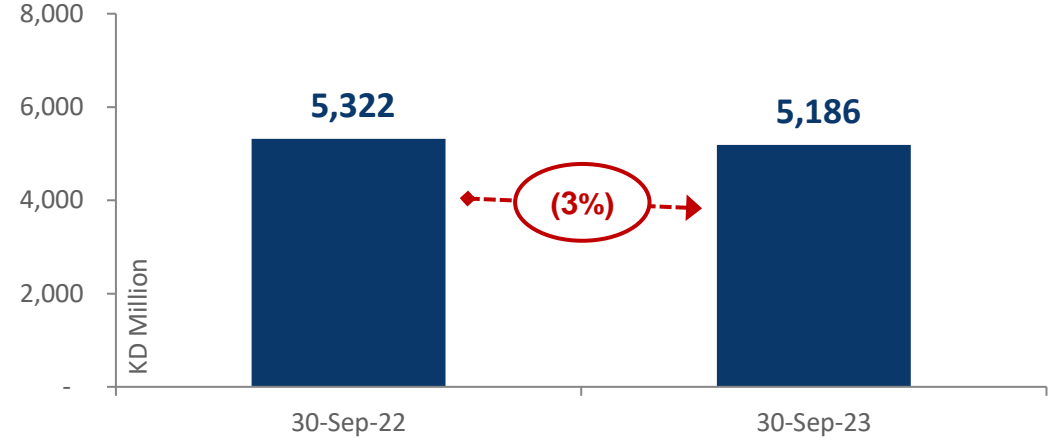
(1) Stage 3 loans are marginally higher than the credit impaired loans due to qualitative and quantitative factors as per IFRS 9;
 (2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.

Capital and Leverage Ratios

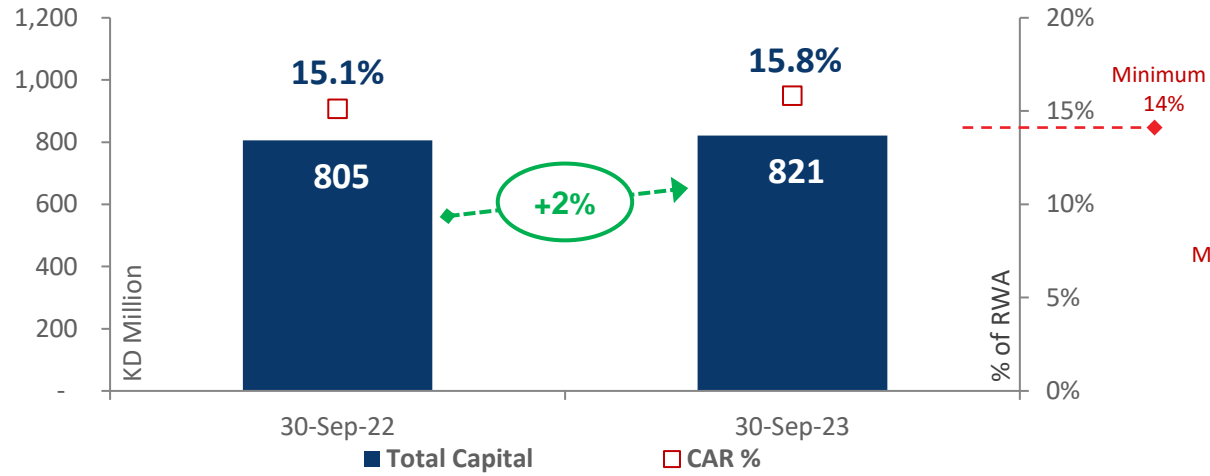
Tier I Capital⁽¹⁾⁽³⁾



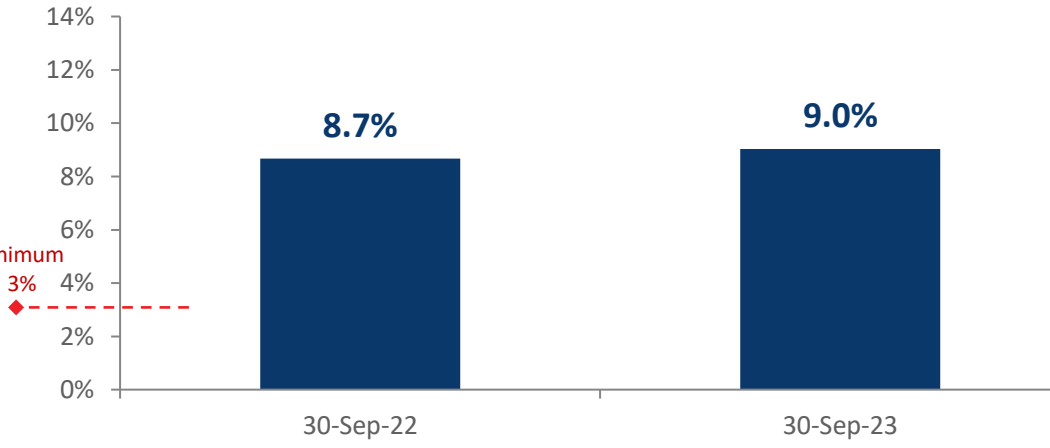
Risk Weighted Assets



Total Capital⁽²⁾⁽³⁾



Leverage Ratio



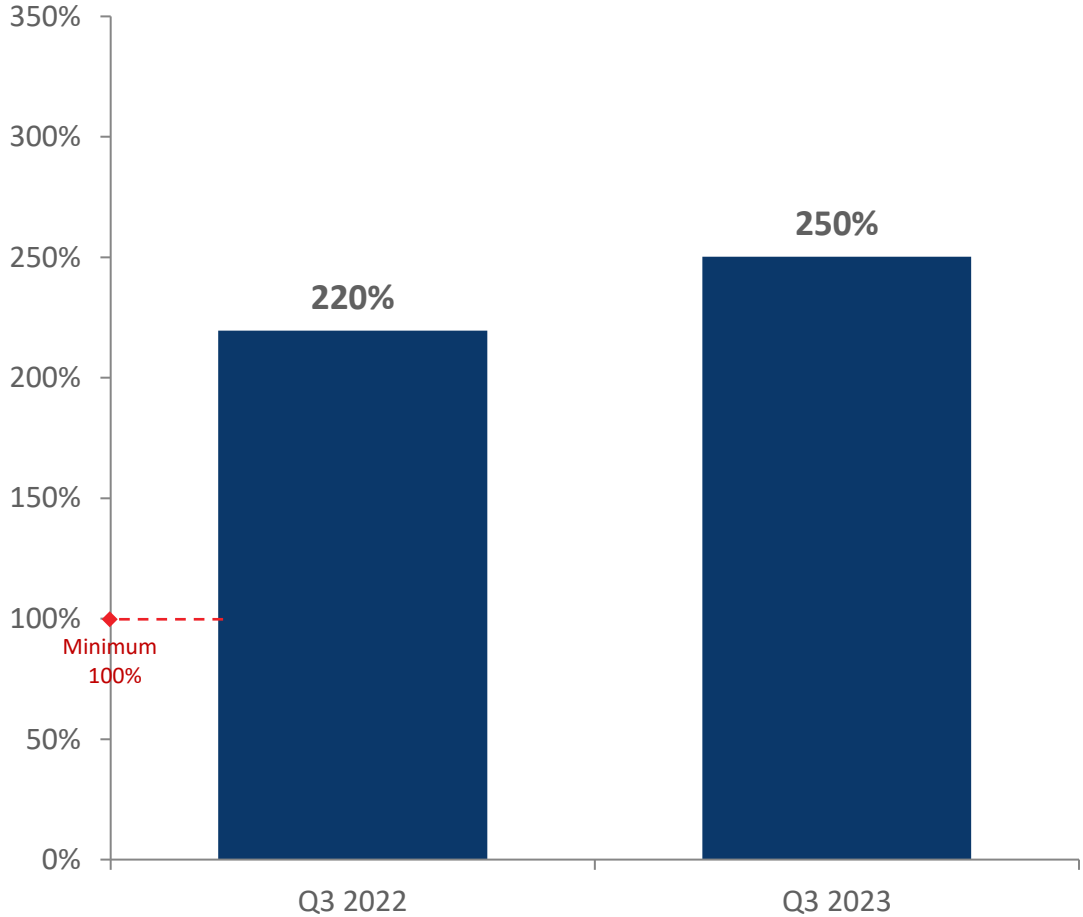
% Tier 1 86% 86%

(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

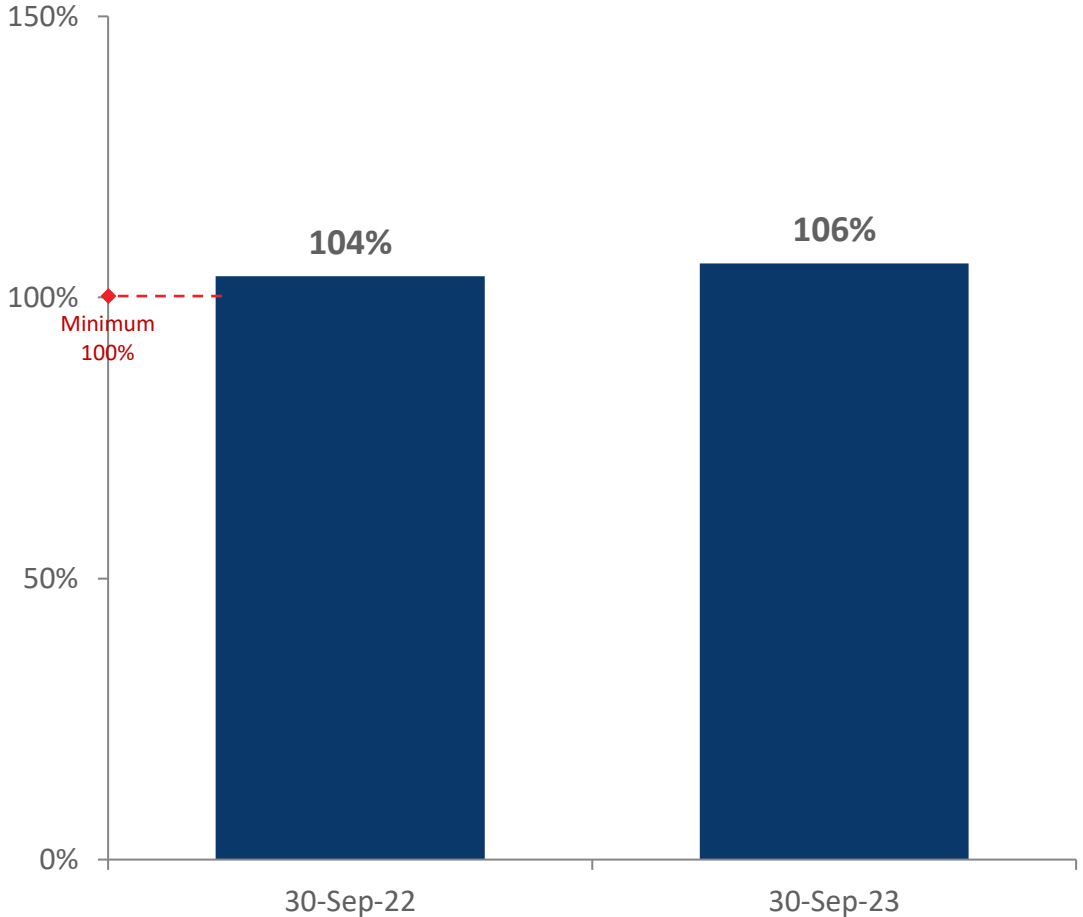


Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums is 100% in 2023.

Q&A

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