



Gulf Bank

Earnings
Presentation

1st Half 2020

16 August 2020



H1'20 Net Profit vs. H1'19 Net Profit



(1) Credit Costs includes specific provisions, recoveries and write offs

(2) Taxes/Others includes other provisions & impairments, taxes and contributions.

Income Statement

KD Millions	Q1 2019A	Q1 2020A	Q1 20A vs Q1 19A		Q2 2019A	Q2 2020A	Q2 20A vs Q2 19A		H1 2019A	H1 2020A	H1 20A vs H1 19A	
			Amt	%			Amt	%			Amt	%
1 Interest Income	63.7	58.0	(5.7)	-9%	64.4	55.2	(9.2)	-14%	128.1	113.3	(14.9)	-12%
2 Interest Expense	(26.2)	(29.1)	(3.0)	-11%	(27.5)	(22.8)	4.7	17%	(53.7)	(52.0)	1.7	3%
3 Net Interest Income	37.6	28.9	(8.7)	-23%	36.9	32.4	(4.5)	-12%	74.5	61.3	(13.2)	-18%
4 Fees/ FX	8.9	8.8	(0.0)	0%	9.6	6.3	(3.4)	-35%	18.5	15.1	(3.4)	-18%
5 Other Income	0.8	0.6	(0.2)	-27%	1.8	0.2	(1.6)	-87%	2.6	0.8	(1.8)	-68%
6 Operating Income	47.2	38.3	(8.9)	-19%	48.3	38.9	(9.4)	-20%	95.6	77.2	(18.4)	-19%
7 Operating Expenses	(21.6)	(18.7)	2.8	13%	(18.3)	(14.7)	3.6	20%	(39.9)	(33.5)	6.5	16%
8 Operating Margin	25.7	19.6	(6.1)	-24%	30.0	24.2	(5.8)	-19%	55.7	43.7	(11.9)	-21%
9 Credit Costs ⁽¹⁾	(13.9)	(7.3)	6.6	47%	(16.5)	(21.0)	(4.5)	-27%	(30.4)	(28.4)	2.0	7%
10 General Provisions	0.9	(3.3)	(4.2)	-476%	(0.5)	0.5	1.1	203%	0.3	(2.8)	(3.1)	-893%
11 Other Provisions/Impairments	(0.3)	0.1	0.4	127%	(0.2)	(0.4)	(0.2)	-103%	(0.5)	(0.3)	0.2	39%
12 Taxes/ Other	(0.6)	(0.4)	0.1	27%	(0.6)	(0.1)	0.4	74%	(1.1)	(0.6)	0.6	51%
13 Net Profit	11.8	8.6	(3.2)	-27%	12.2	3.2	(9.0)	-74%	24.0	11.8	(12.2)	-51%
14 Return on Assets (ROA) %	0.8%	0.5%			0.8%	0.2%			0.8%	0.4%		
15 Return on Equity (ROE) %	7.7%	5.3%			7.9%	2.1%			7.8%	3.7%		
16 Net Interest Margin (NIM) %(2)	2.6%	1.8%			2.5%	2.1%			2.5%	2.0%		
17 Cost to Income Ratio (CIR) %	45.7%	48.9%			38.0%	37.9%			41.8%	43.4%		
18 Cost of Risk (COR) % ⁽³⁾	1.3%	0.6%			1.6%	1.9%			1.4%	1.3%		

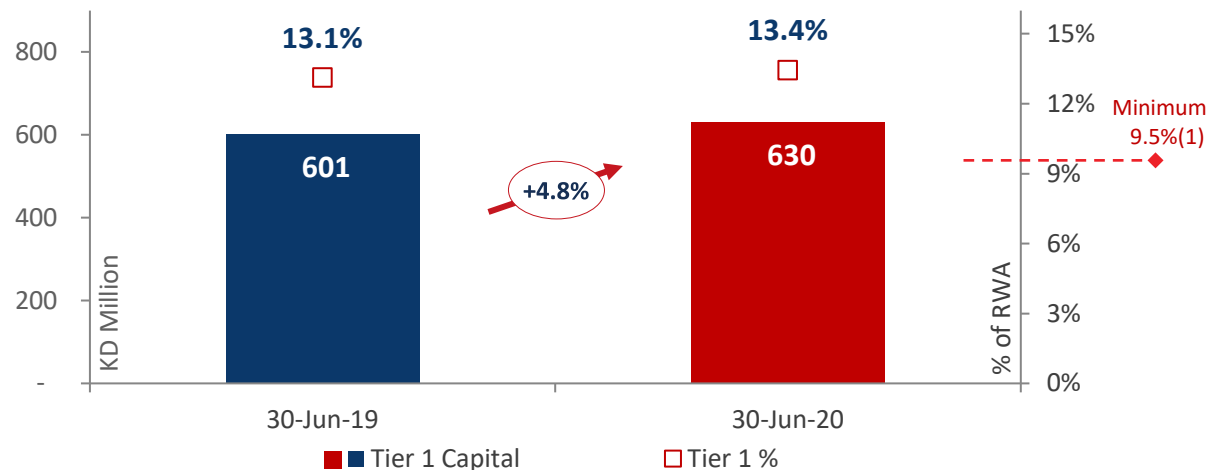
(1) Credit Costs includes specific provisions recoveries and write offs (2) Net Interest Income / Average assets (3) Credit Costs / Average gross customer loans.

Balance Sheet

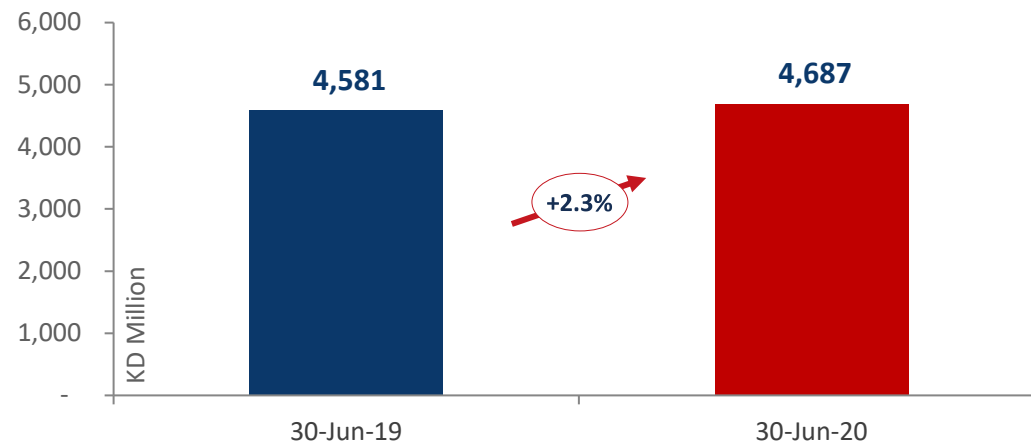
KD Millions	30-Jun-19	% of Total	30-Jun-20	% of Total	Var Jun 20 vs Jun 19	
					Amount	%
ASSETS						
1 Cash and cash equivalents	848	14%	812	13%	-36	-4%
2 Kuwait Government Bonds	327	5%	166	3%	-161	-49%
3 CBK Bills	284	5%	280	5%	-4	-2%
4 Deposits with banks and OFIs	161	3%	56	1%	-105	-65%
5 Liquid Assets	1,619	27%	1,313	22%	-306	-19%
6 Loans and advances to customers	3,955	66%	4,189	70%	234	6%
7 Loans and advances to banks	134	2%	206	3%	72	54%
8 Net Loans	4,089	68%	4,395	73%	306	7%
9 Investment securities	154	3%	165	3%	11	7%
10 Other assets	112	2%	117	2%	5	5%
11 Premises and equipment	37	1%	35	1%	-2	-5%
12 Other assets	149	2%	153	3%	4	2%
13 TOTAL ASSETS	6,011	100%	6,025	100%	14	0%
LIABILITIES						
14 Due to banks	506	8%	434	7%	-71	-14%
15 Deposits from FIs	842	14%	874	15%	32	4%
16 Customer deposits	3,804	63%	3,916	65%	111	3%
17 Subordinated Tier II Bonds	100	2%	100	2%	0	0%
18 Other liabilities	134	2%	102	2%	-33	-24%
19 TOTAL LIABILITIES	5,386	90%	5,426	90%	40	1%
20 Total Equity	625	10%	599	10%	-26	-4%
21 TOTAL LIABILITIES AND EQUITY	6,011	100%	6,025	100%	14	0%
22 Average assets	5,955		6,235		280	5%
23 Average equity	622		634		12	2%
24 NPL ratio (Dec'19 1.1%), (Mar'20 1.5%)	2.7%		2.2%			
25 Coverage ratio (Dec'19 602%), (Mar'20 465%)	288%		325%			

Capital and Leverage Ratios

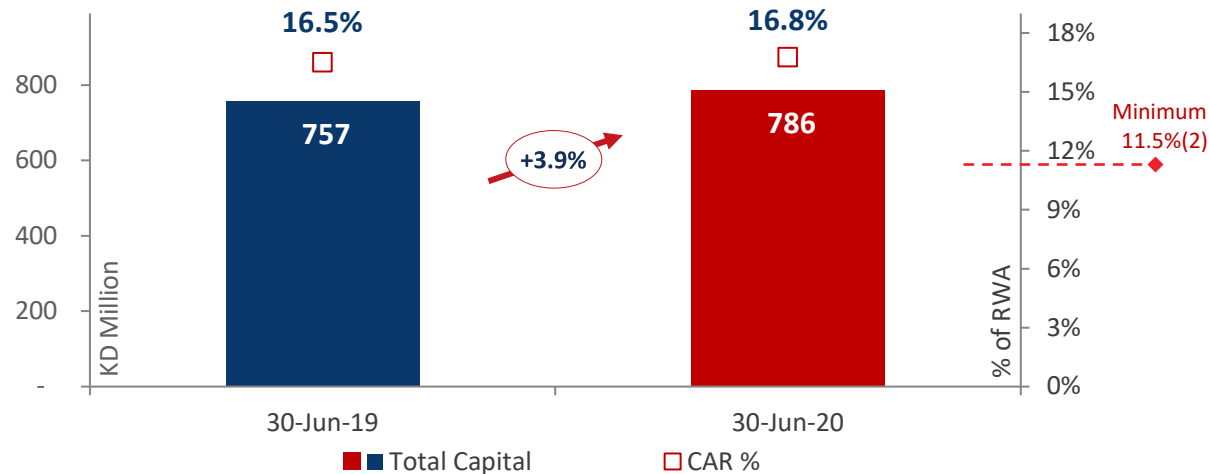
Tier I Capital⁽³⁾



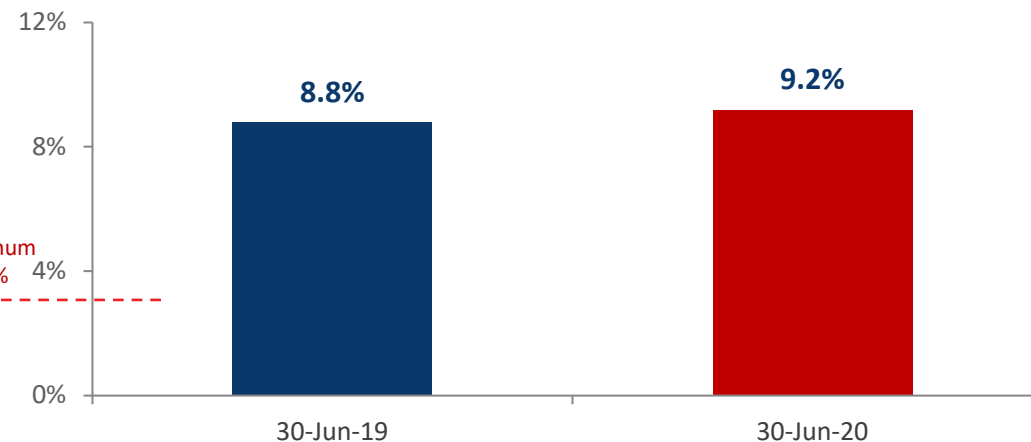
Risk Weighted Assets



Total Capital⁽³⁾



Leverage Ratio



% Tier 1 **79%** **80%**

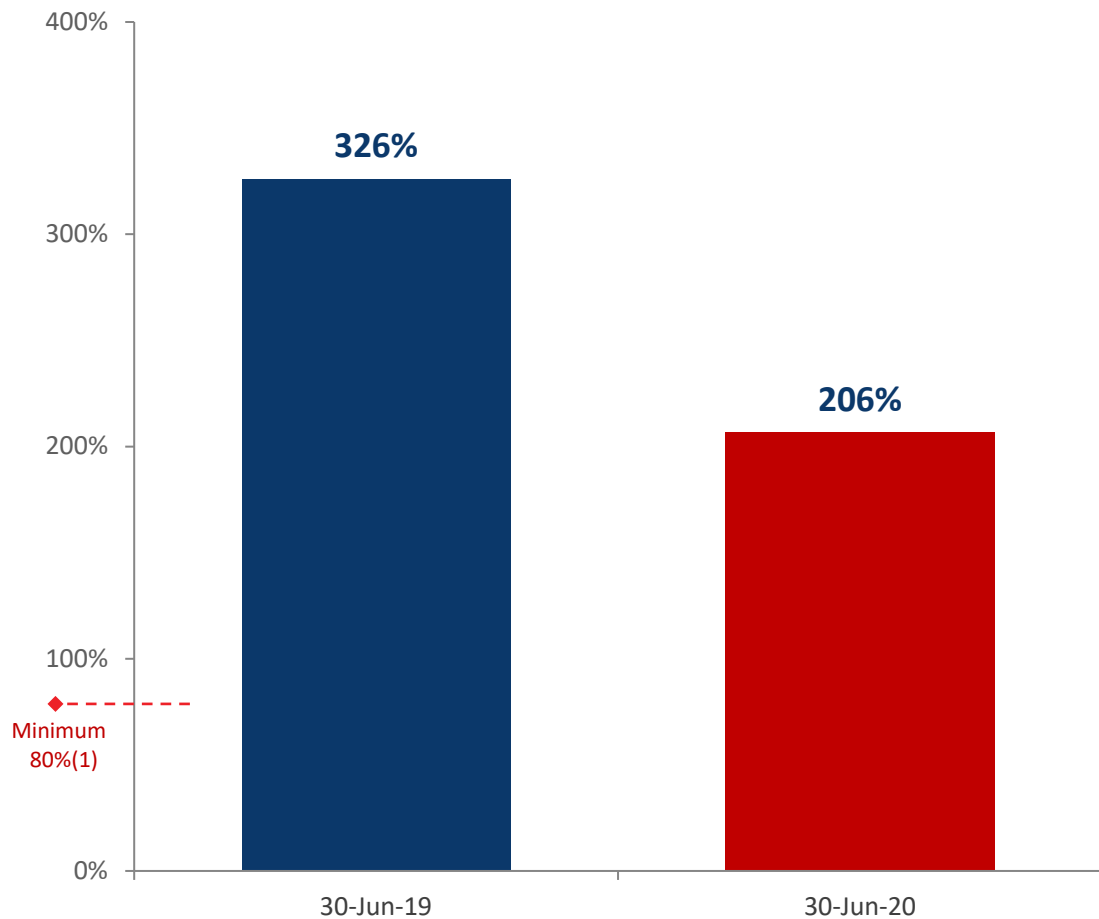
(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%;

(2) CAR regulatory minimum has been changed from 14% to 11.5%;

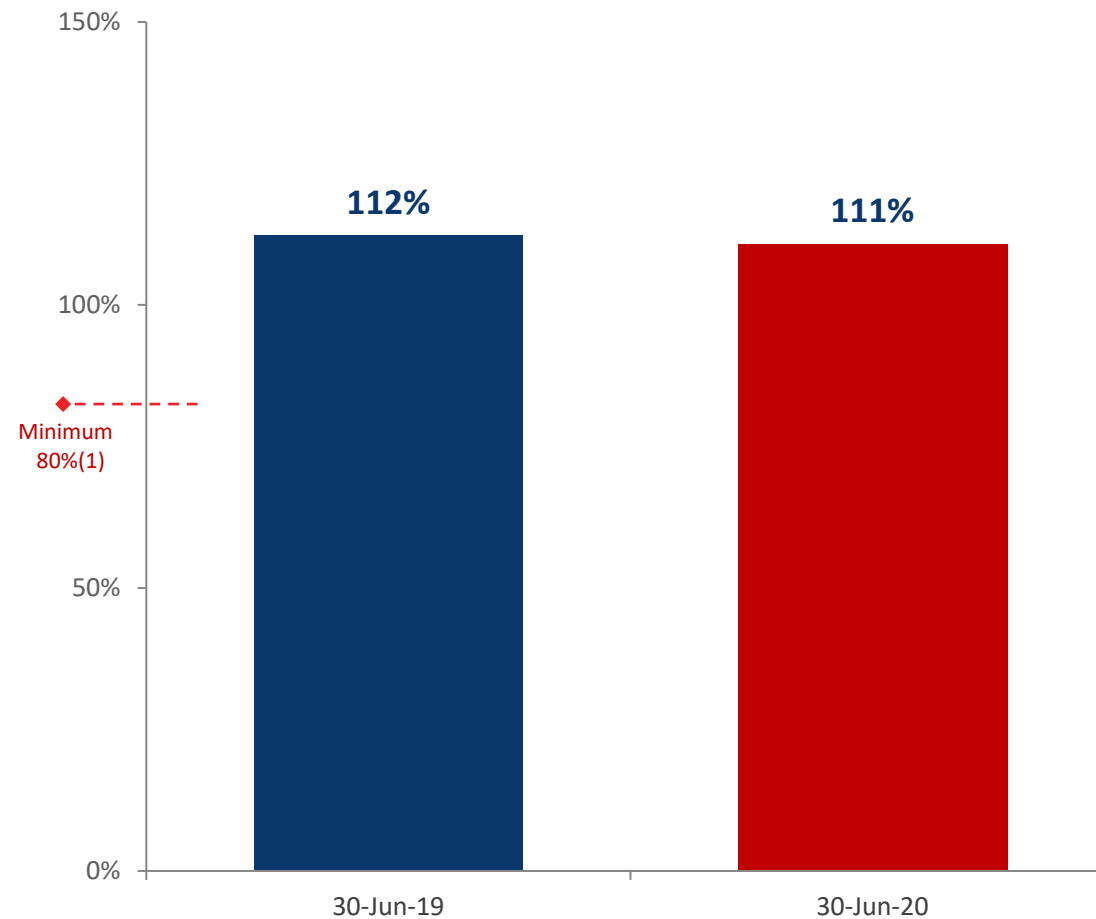
(3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB.

Liquidity Ratios

Liquidity Coverage Ratio







Net Stable Funding Ratio



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been changed from 100% to 80% and are in place until 31 Dec 2020.

Credit Ratings

Rating Agency	Criteria	Rating
	Long-Term Deposits	A3
	Outlook	Stable
	Long-Term Issuer Default Rating	A+
	Outlook	Stable
	Issuer Credit Rating	A-
	Outlook	Negative
	Long-Term Foreign Currency	A+
	Outlook	Stable

Q&A

Gulf Bank

Investor Relations Team

Tel : +965 22449501

Fax : +965 2243-7872

P.O. Box 3200, Safat, 13032 Kuwait

Investor.relations@gulfbank.com.kw

Disclaimer

THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR.

This presentation has been prepared by (and is the sole responsibility of) GULF BANK K.S.C.P. (the “Bank”). The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent. The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice.

All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction. Past performance is not indicative of future results. GULF BANK is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.