

Gulf Bank

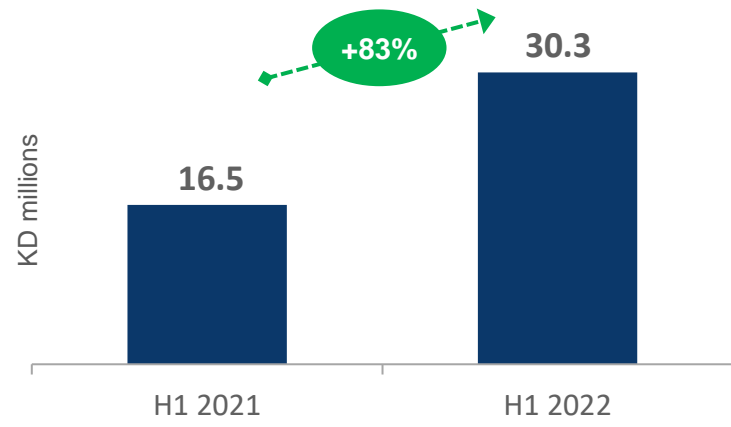
Earnings Presentation

1st Half 2022

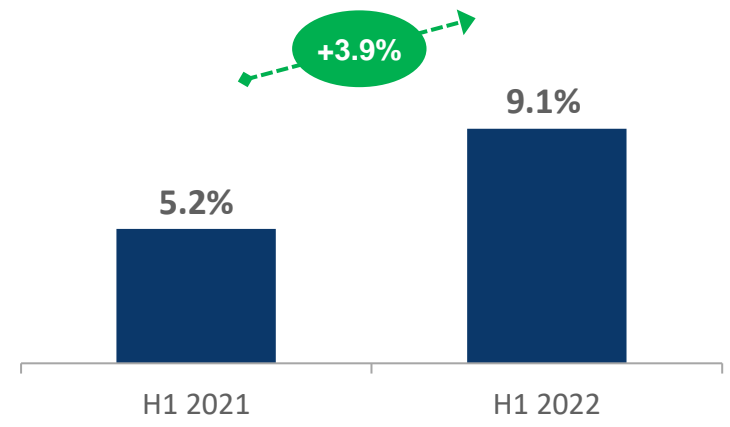
4th August 2022

► 1st Half 2022 Key Highlights

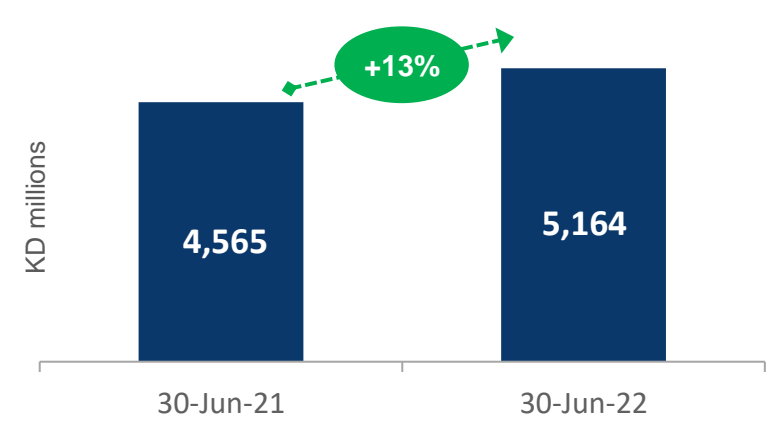
1 Net Profit



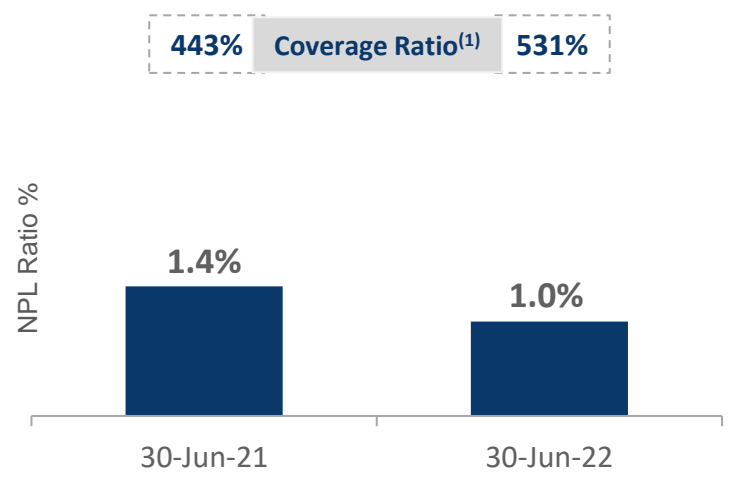
2 Return on Equity



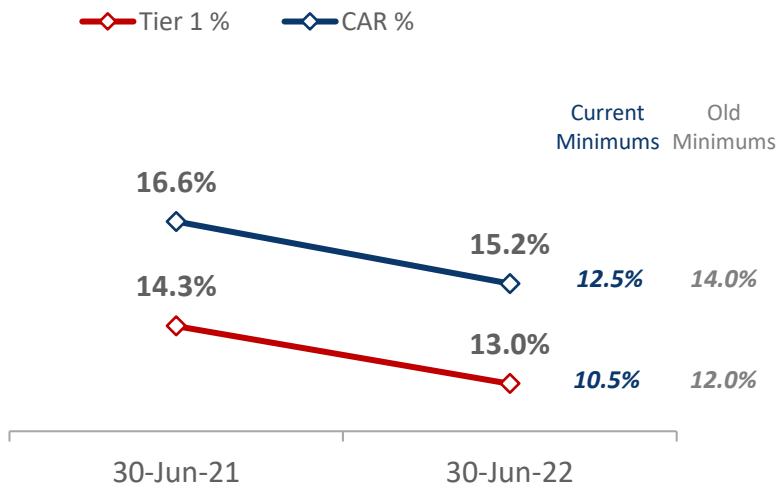
3 Gross Customer Loans



4 Asset Quality



5 Capital Ratios



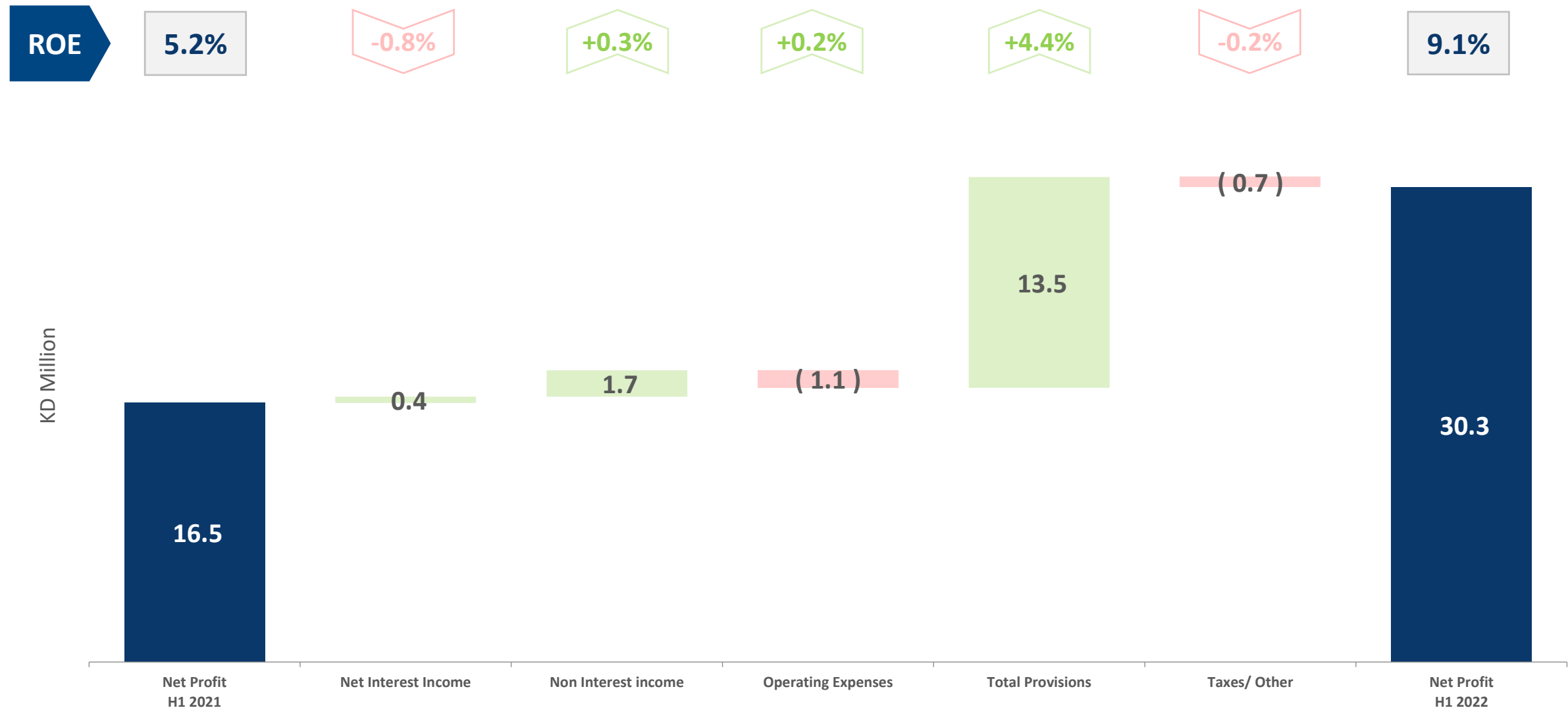
6 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Stable
CAPITAL intelligence	A+	Stable
Fitch Ratings	A	Stable
S&P Global Ratings	BBB+	Stable

(1) Coverage ratio includes total provisions and collaterals.



1st Half 2022 Net Profit vs. 1st Half 2021 Net Profit Evolution



Income Statement

KD Millions	Q1 2021A	Q2 2021A	Q3 2021A	Q4 2021A	Q1 2022A	Q2 2022A	Q2 22A vs Q1 22A		H1 2021A	H1 2022A	H1 22A vs H1 21A	
							Amt	%			Amt	%
1 Interest Income	45.3	46.0	46.7	48.0	46.7	52.5	5.9	13%	91.2	99.2	8.0	9%
2 Interest Expense	(12.6)	(13.3)	(13.5)	(14.3)	(14.4)	(19.1)	(4.6)	-32%	(25.9)	(33.5)	(7.6)	-29%
3 Net Interest Income	32.6	32.7	33.3	33.7	32.2	33.5	1.3	4%	65.3	65.7	0.4	1%
4 Fees/ FX Income	8.8	8.9	8.6	10.3	9.1	10.0	0.8	9%	17.6	19.1	1.4	8%
5 Other Income	0.1	0.2	0.4	0.5	0.2	0.4	0.2	103%	0.3	0.6	0.3	87%
6 Operating Income	41.5	41.7	42.3	44.5	41.5	43.8	2.3	6%	83.2	85.3	2.1	3%
7 Operating Expenses	(20.5)	(19.7)	(18.9)	(19.1)	(19.8)	(21.5)	(1.7)	-8%	(40.1)	(41.3)	(1.1)	-3%
8 Operating Margin	21.1	22.0	23.3	25.4	21.7	22.3	0.6	3%	43.1	44.1	1.0	2%
9 Credit Costs ⁽¹⁾	(8.3)	(16.5)	(10.5)	(8.5)	(5.1)	(2.9)	2.1	42%	(24.8)	(8.0)	16.8	68%
10 General Provisions	(0.1)	(0.8)	(1.3)	(1.4)	(0.9)	(3.4)	(2.5)	-282%	(0.9)	(4.2)	(3.4)	-385%
11 Other Provisions/Impairments	(0.1)	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.1)	656%	(0.1)	(0.0)	0.0	47%
12 Taxes/ Other	(0.6)	(0.2)	(0.5)	(0.9)	(0.7)	(0.7)	(0.0)	-1%	(0.8)	(1.5)	(0.7)	-81%
13 Net Profit	12.0	4.6	11.0	14.6	15.0	15.2	0.2	1%	16.5	30.3	13.8	83%
14 Return on Assets (ROA) %	0.8%	0.3%	0.7%	0.9%	0.9%	0.9%			0.5%	0.9%		
15 Return on Equity (ROE) %	7.6%	2.9%	6.7%	8.8%	9.2%	9.1%			5.2%	9.1%		
16 Cost to Income Ratio (CIR) %	49.3%	47.2%	44.8%	42.9%	47.7%	49.0%			48.2%	48.3%		
17 Net Interest Margin (NIM) bps ⁽²⁾	214	209	209	208	200	201			212	199		
18 Cost of Risk (COR) bps ⁽³⁾	76	146	90	71	43	24			112	33		

(1) Includes specific provisions, recoveries, and write-offs (2) Net Interest Income / Average assets;

(3) Credit Costs / Average gross customer loans.

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[GBK Classification: PUBLIC]

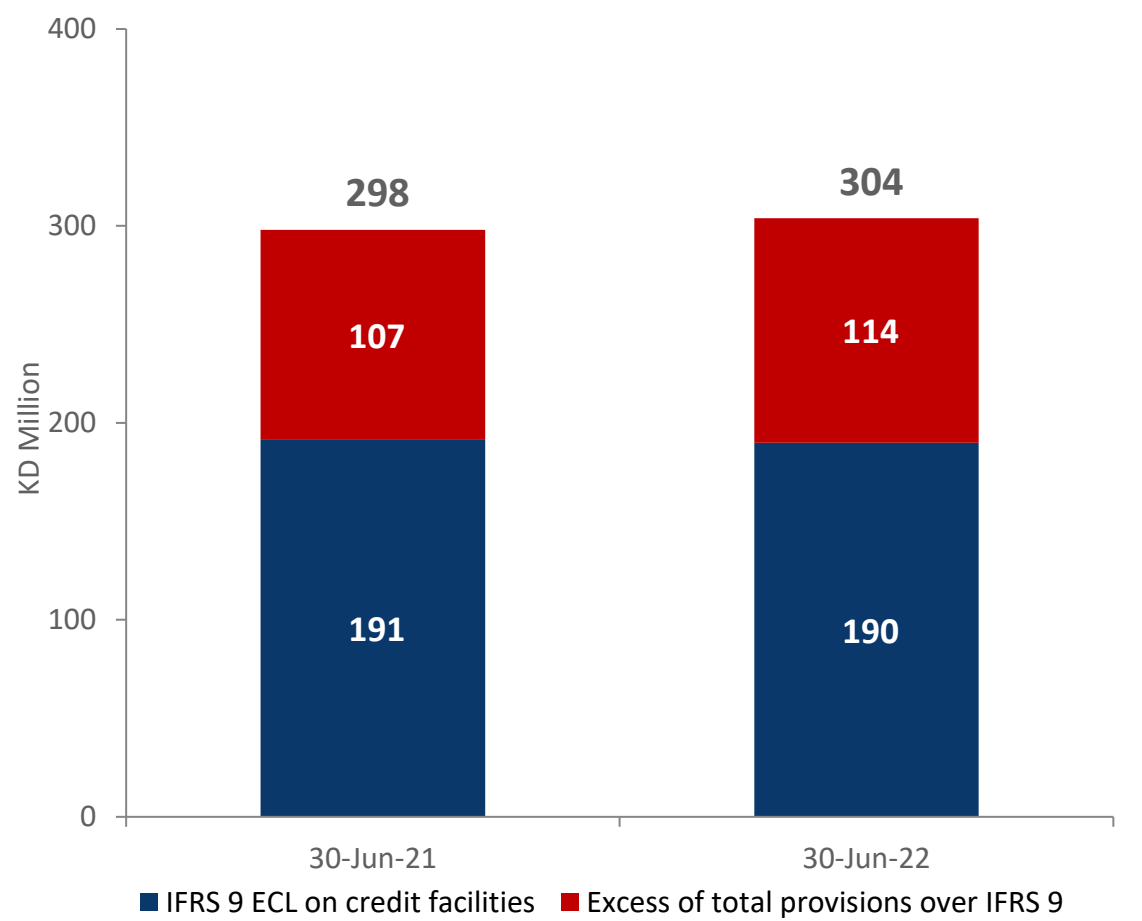
Balance Sheet

KD Millions	30-Jun-21	% of Total	31-Dec-21	% of Total	30-Jun-22	% of Total	Var June 22 vs June 21		Var June 22 vs Dec 21	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,101		942		1,028		-73	-7%	85	9%
2 Kuwait Government Bonds	91		74		48		-43	-47%	-26	-35%
3 CBK Bills	281		281		299		19	7%	18	6%
4 Deposits with banks and OFIs	0		125		58		58		-67	-53%
5 Liquid Assets	1,472	23%	1,422	22%	1,433	21%	-39	-3%	11	1%
6 Loans and advances to customers	4,565		4,838		5,164		599	13%	326	7%
7 Loans and advances to banks	233		280		302		69	29%	22	8%
8 Provisions	-281		-282		-285		-4	2%	-3	1%
9 Net Loans	4,518	72%	4,837	74%	5,182	75%	663	15%	345	7%
10 Investment securities	153	2%	142	2%	111	2%	-42	-27%	-31	-22%
11 Other assets	115		121		116		2	1%	-4	-4%
12 Premises and equipment	33		34		36		2	7%	1	4%
13 Other assets	148	2%	155	2%	152	2%	4	3%	-3	-2%
14 TOTAL ASSETS	6,291	100%	6,556	100%	6,878	100%	586	9%	322	5%
LIABILITIES										
15 Due to banks	635		596		682		47	7%	87	15%
16 Deposits from FIs	604		673		599		-5	-1%	-75	-11%
17 Customer deposits	4,167	66%	4,304	66%	4,571	66%	404	10%	267	6%
18 Other borrowed funds	150		215		246		96	64%	31	14%
19 Other liabilities	93		102		103		9	10%	1	1%
20 TOTAL LIABILITIES	5,649	90%	5,889	90%	6,201	90%	552	10%	311	5%
21 Total Equity	643	10%	666	10%	677	10%	34	5%	11	2%
22 TOTAL LIABILITIES AND EQUITY	6,291	100%	6,556	100%	6,878	100%	586	9%	322	5%
23 Average assets	6,225		6,312		6,642					
24 Average equity	639		647		669					
25 NPL ratio	1.4%		0.9%		1.0%					
26 Coverage ratio ⁽¹⁾	443%		615%		531%					
27 CASA Ratio	37.4%		38.5%		37.2%					

(1) Coverage ratio includes total provisions and collaterals.

▶ Total Credit Provisions exceed IFRS 9 accounting requirements by KD 114 million

Total Provisions on Credit Facilities

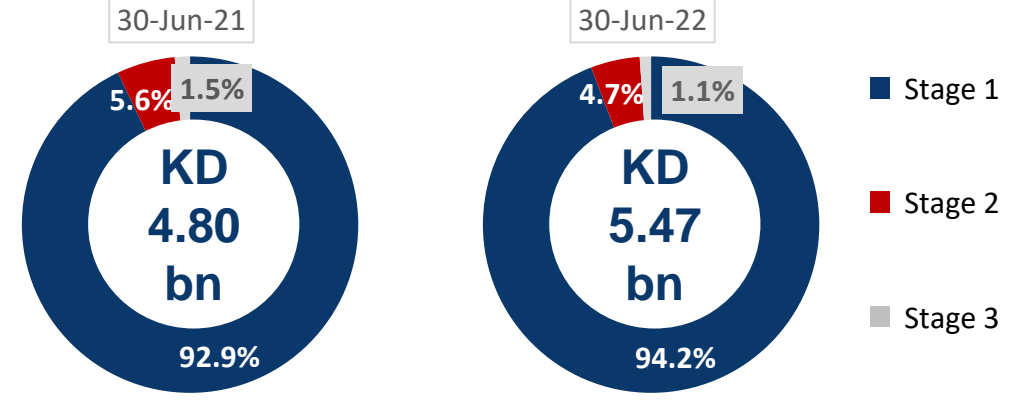


Excess / Total Provision

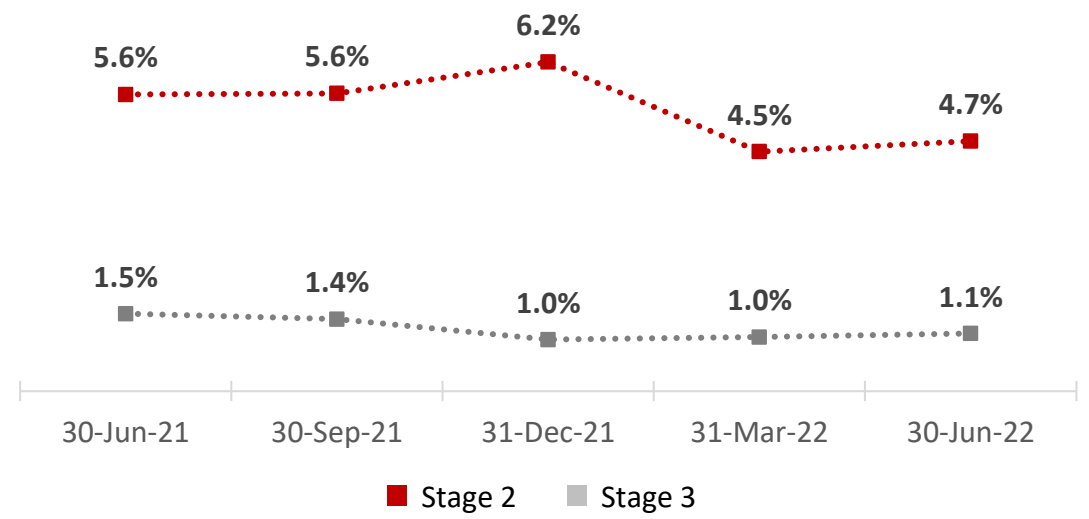
36%

37%

Gross Loans by Stages %⁽¹⁾



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

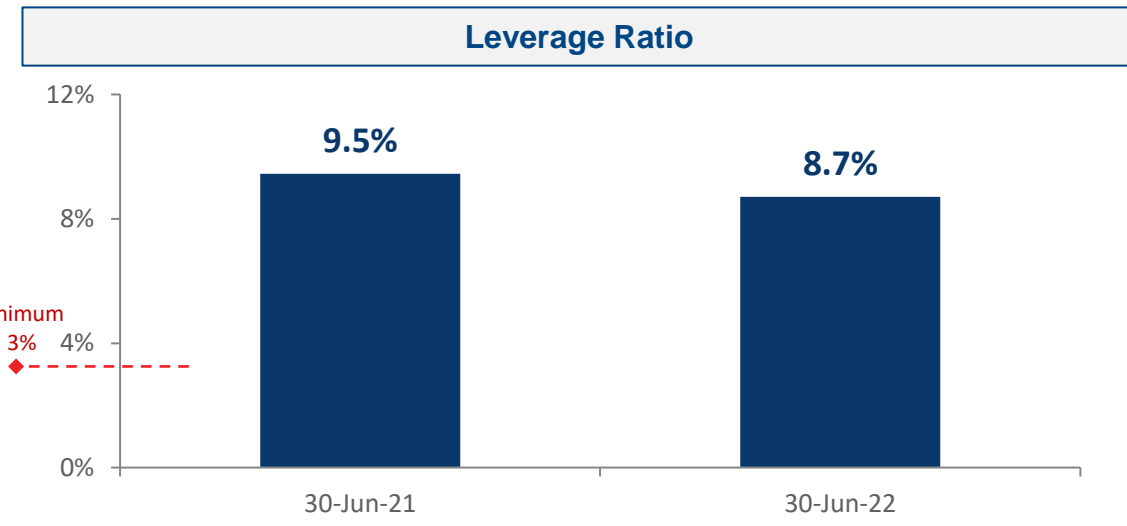
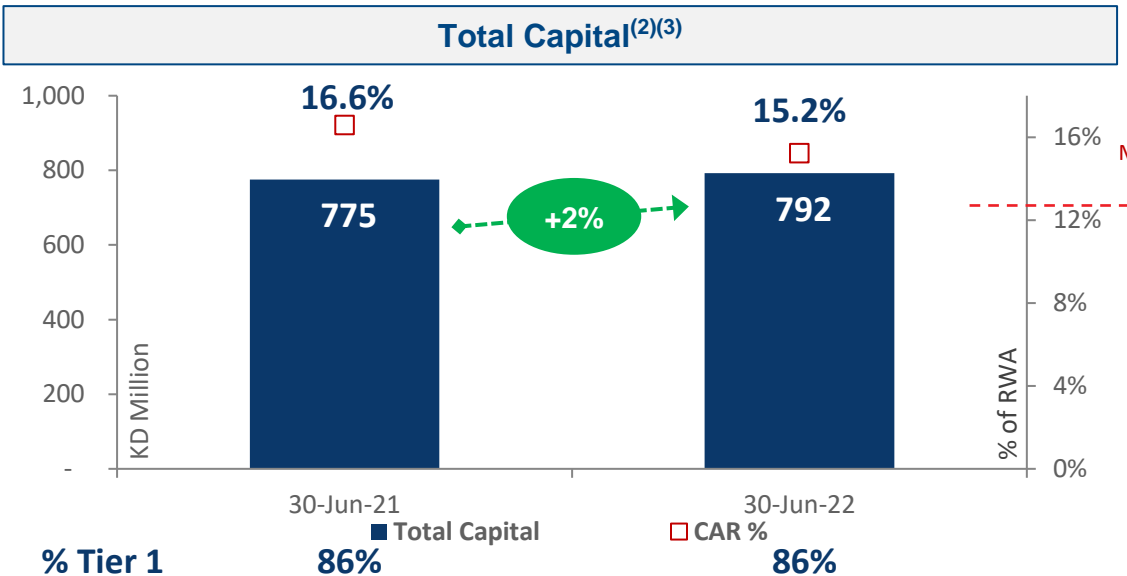
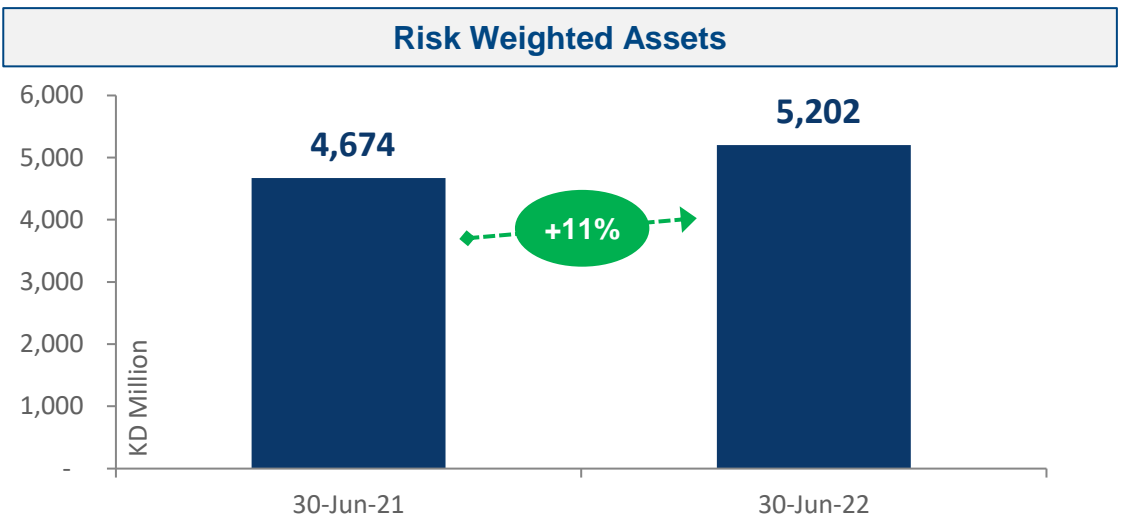
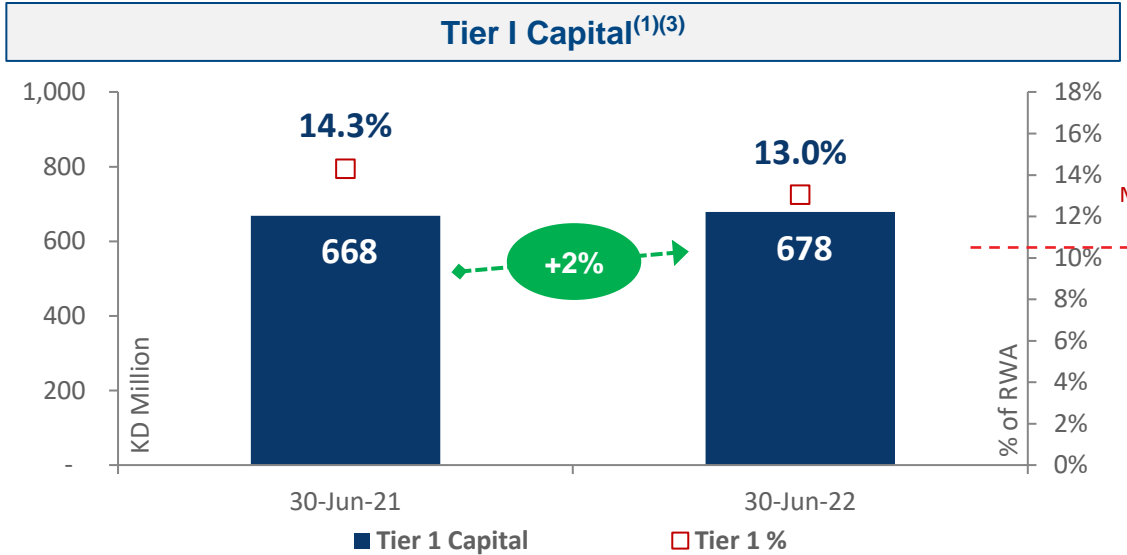


(1) Stage 3 loans are marginally higher than the credit impaired loans due to qualitative and quantitative factors as per IFRS 9;

(2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.



Capital and Leverage Ratios

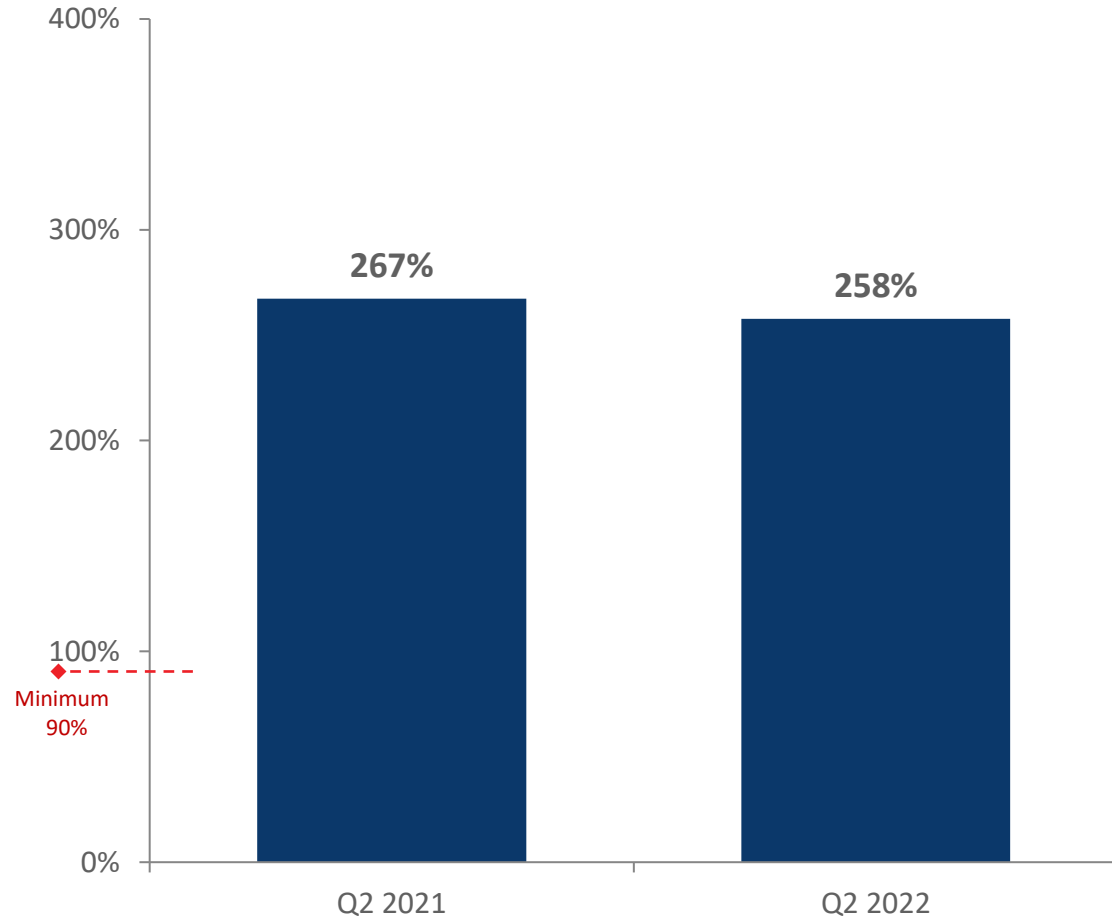


(1) Tier 1 Ratio regulatory minimum has been partially restored from 9.5% to 10.5%; (2) CAR regulatory minimum has been partially restored from 11.5% to 12.5%; (3) Tier 1 regulatory minimums include 1% DSIB.
 Note: The partial restoration in the regulatory minimums were instructed by CBK in October 2021 and to be effective from 1 January 2022 until 31 December 2022, before reverting to the old minimums of 12% for Tier 1 and 14% for CAR in 2023.

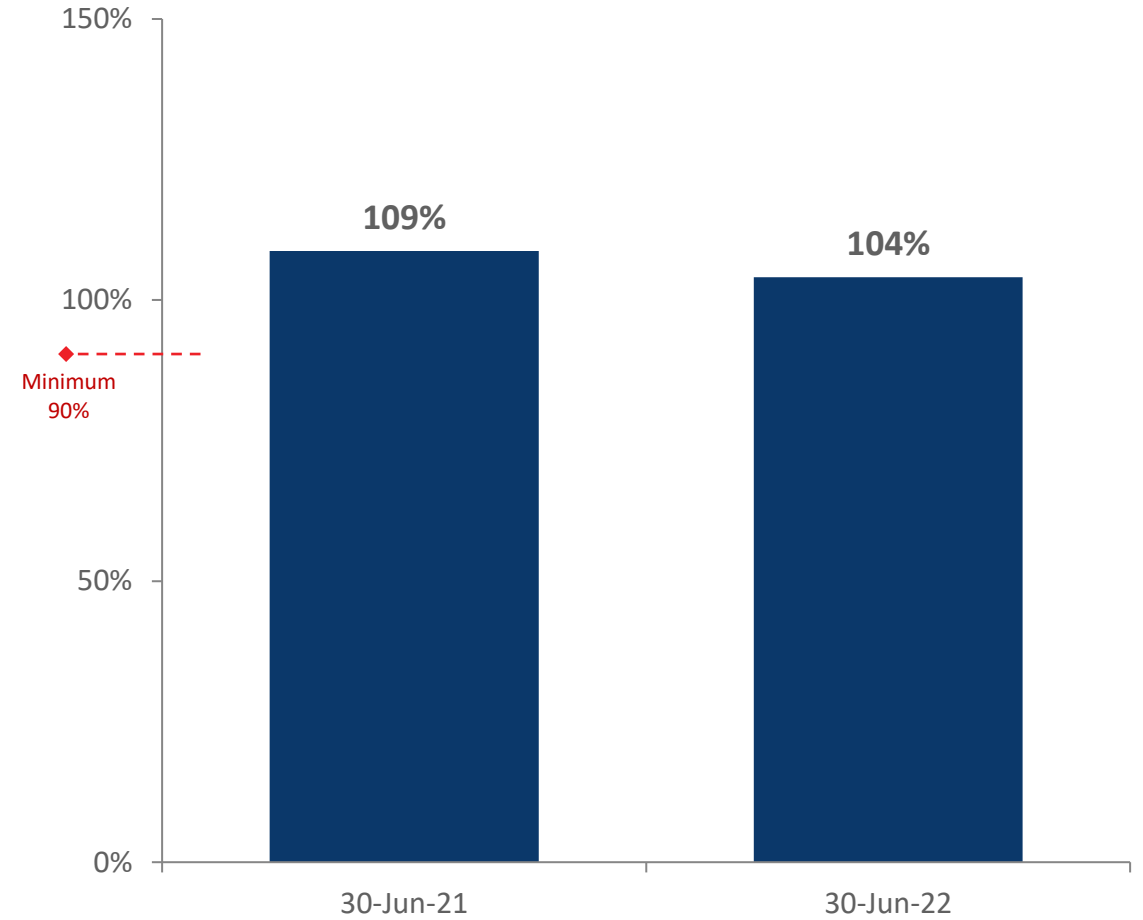


► Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been partially restored from 80% to 90%, before reverting to the old minimum of 100% in 2023.

Note: The partial restoration in the regulatory minimums were instructed by CBK in October 2021 and to be effective from 1 January 2022 until 31 December 2022.

Q&A

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