

# Gulf Bank

## Earnings Presentation

1<sup>st</sup> Quarter 2023

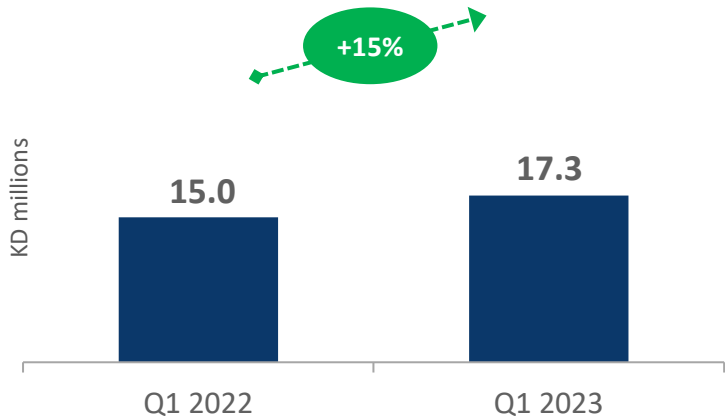
2 May 2023

[GBK Classification: PUBLIC]

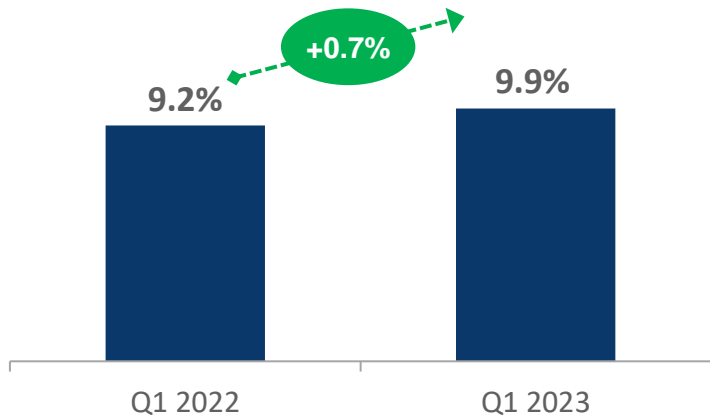


# 1<sup>st</sup> Quarter 2023 Key Highlights

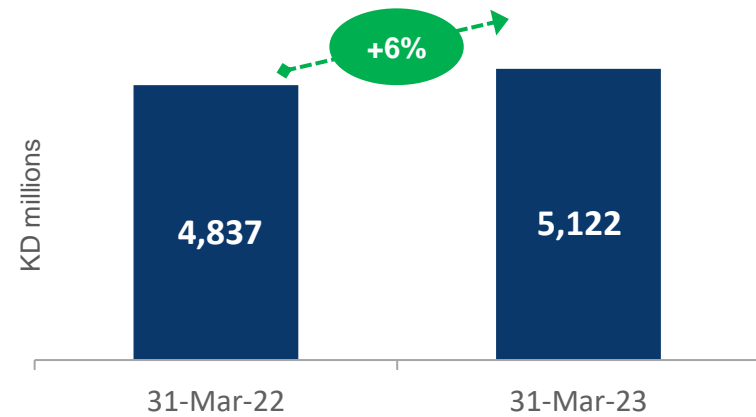
## 1 Net Profit



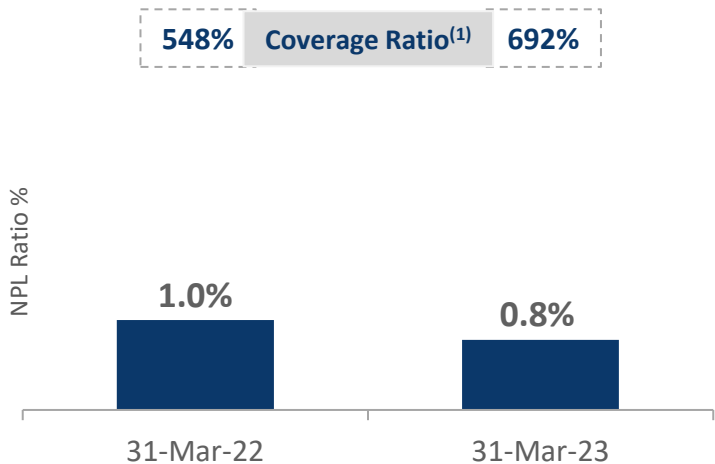
## 2 Return on Equity



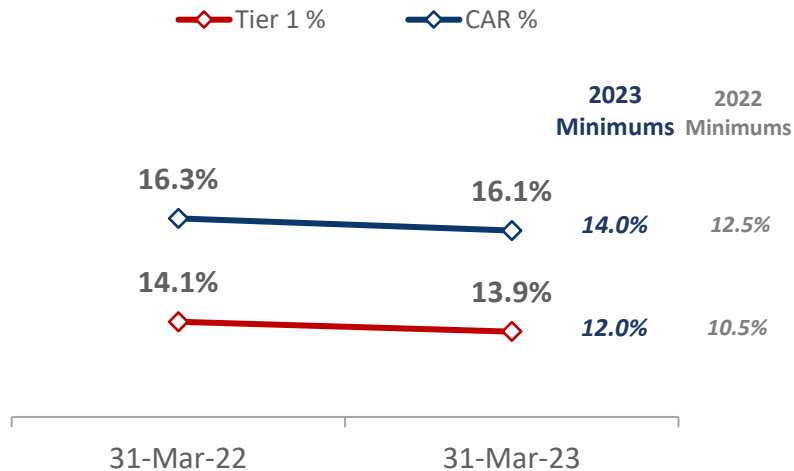
## 3 Gross Customer Loans



## 4 Asset Quality



## 5 Capital Ratios

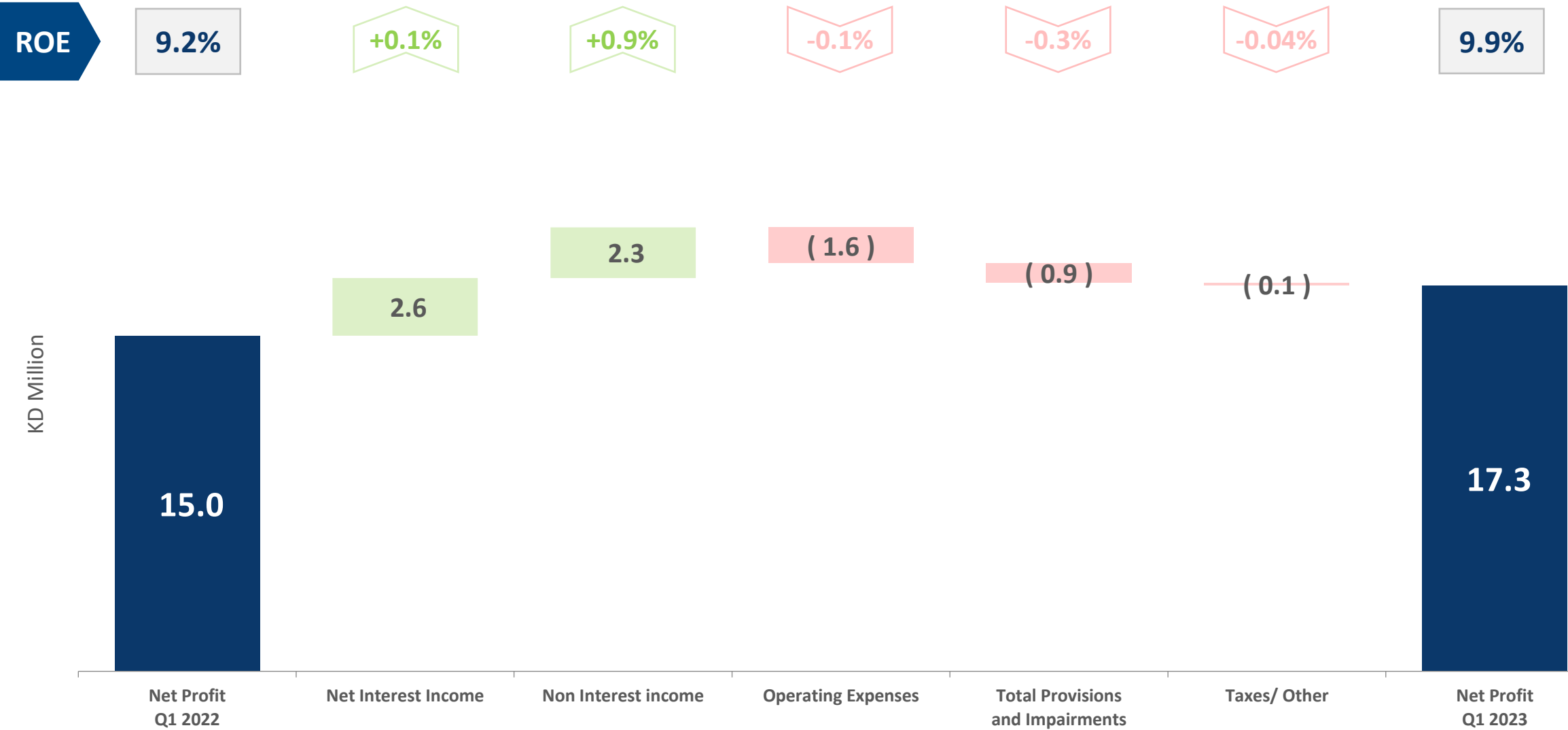


## 6 Credit Ratings

	Credit Rating	Outlook
Moody's	A3	Stable
Capital Intelligence	A+	Stable
Fitch Ratings	A	Stable



# 1<sup>st</sup> Quarter 2023 Net Profit vs. 1<sup>st</sup> Quarter 2022 Net Profit Evolution



# Income Statement

KD Millions	Q1 2022A	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q1 23A vs Q4 22A		Q1 23A vs Q1 22A	
						Amt	%	Amt	%
1 Interest Income	46.7	52.5	67.0	78.3	85.6	7.3	9%	38.9	83%
2 Interest Expense	(14.4)	(19.1)	(29.6)	(39.2)	(50.8)	(11.6)	-30%	(36.3)	-252%
3 <b>Net Interest Income</b>	<b>32.2</b>	<b>33.5</b>	<b>37.4</b>	<b>39.1</b>	<b>34.8</b>	<b>(4.3)</b>	<b>-11%</b>	<b>2.6</b>	<b>8%</b>
4 Non Interest Income <sup>(1)</sup>	9.3	10.3	9.6	9.7	11.6	1.9	20%	2.3	24%
5 <b>Operating Income</b>	<b>41.5</b>	<b>43.8</b>	<b>47.0</b>	<b>48.7</b>	<b>46.4</b>	<b>(2.4)</b>	<b>-5%</b>	<b>4.9</b>	<b>12%</b>
6 Operating Expenses	(19.8)	(21.5)	(21.6)	(23.3)	(21.4)	1.9	8%	(1.6)	-8%
7 <b>Operating Profit</b>	<b>21.7</b>	<b>22.3</b>	<b>25.3</b>	<b>25.4</b>	<b>25.0</b>	<b>(0.4)</b>	<b>-2%</b>	<b>3.2</b>	<b>15%</b>
8 Credit Costs <sup>(2)</sup>	(5.1)	(2.9)	(8.0)	(8.8)	(7.2)	1.7	19%	(2.1)	-41%
9 General Provisions <sup>(3)</sup>	(0.9)	(3.4)	(1.1)	0.4	0.3	(0.1)	15%	1.2	138%
10 Taxes/ Other	(0.7)	(0.7)	(0.7)	(0.9)	(0.8)	0.0	5%	(0.1)	-16%
11 <b>Net Profit</b>	<b>15.0</b>	<b>15.2</b>	<b>15.4</b>	<b>16.1</b>	<b>17.3</b>	<b>1.2</b>	<b>8%</b>	<b>2.3</b>	<b>15%</b>
12 Return on Assets (ROA) %	0.9%	0.9%	0.9%	0.9%	1.0%				
13 Return on Equity (ROE) %	9.2%	9.1%	8.9%	9.0%	9.9%				
16 Cost to Income Ratio (CIR) %	47.7%	49.0%	46.0%	47.8%	46.1%				
17 Net Interest Margin (NIM) bps <sup>(4)</sup>	200	201	213	223	207				
18 Cost of Risk (COR) bps <sup>(5)</sup>	43	24	61	67	56				

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 customer loans.

# Balance Sheet

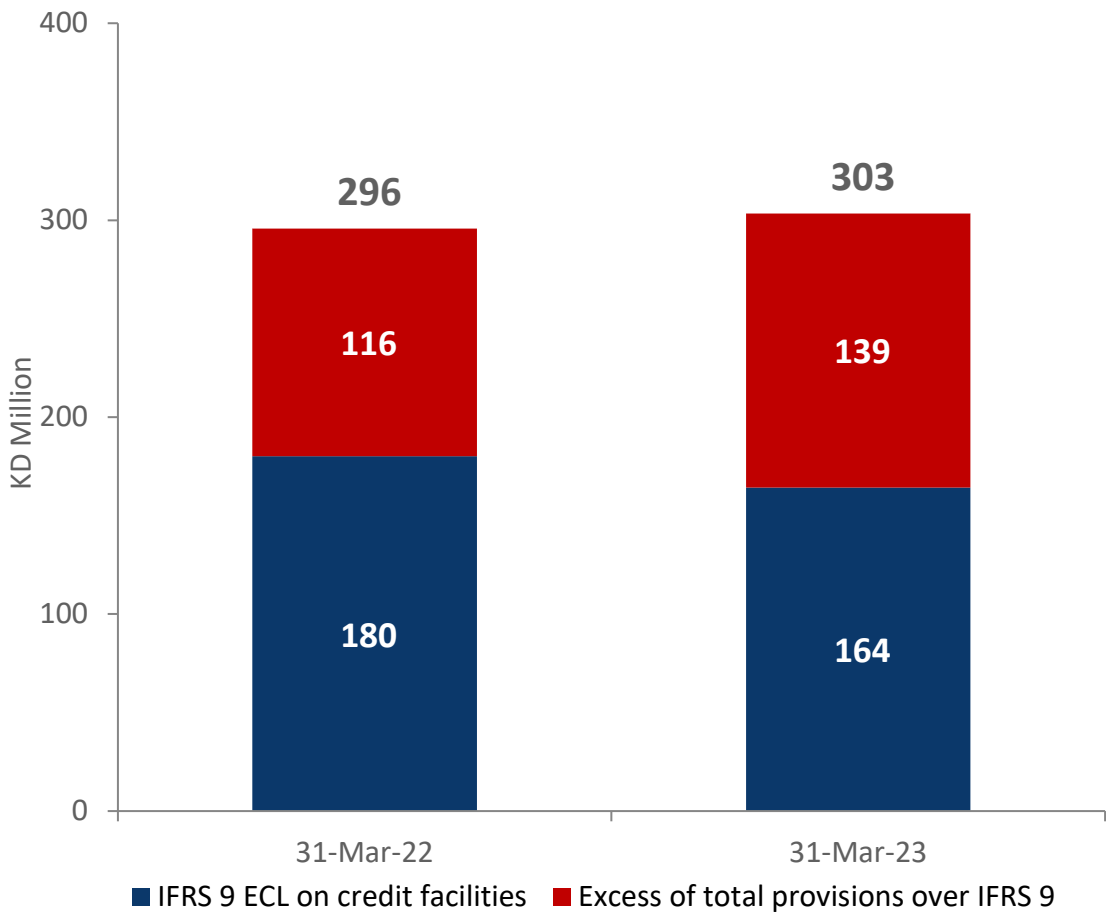
KD Millions		31-Mar-22	% of Total	31-Dec-22	% of Total	31-Mar-23	% of Total	Var Mar 23 vs Dec 22		Var Mar 23 vs Mar 22	
								Amount	%	Amount	%
ASSETS											
1	Cash and cash equivalents	1,026		930		1,047		117	13%	22	2%
2	Kuwait Government Bonds	48		22		22		0	0%	-26	-54%
3	CBK Bills	282		338		343		5	2%	61	22%
4	Deposits with banks and OFIs	0		131		56		-75	-57%	56	#DIV/0!
5	Liquid Assets	1,356	21%	1,421	21%	1,468	22%	48	3%	113	8%
6	Loans and advances to customers	4,837		5,158		5,122		-35	-1%	286	6%
7	Loans and advances to banks	292		265		271		6	2%	-21	-7%
8	Provisions	(277)		(294)		(285)		9	-3%	-8	3%
9	Net Loans	4,852	75%	5,129	75%	5,109	75%	-20	0%	257	5%
10	Investment securities	129	2%	129	2%	92	1%	-37	-28%	-36	-28%
11	Other assets	122		134		112		-22	-16%	-10	-8%
12	Premises and equipment	35		39		39		0	1%	4	13%
13	Other assets	157	2%	173	3%	151	2%	-22	-13%	-5	-3%
14	TOTAL ASSETS	6,493	100%	6,851	100%	6,821	100%	-31	0%	328	5%
LIABILITIES											
15	Due to banks	602		490		322		-168	-34%	-280	-47%
16	Deposits from FIs	610		775		908		133	17%	298	49%
17	Customer deposits	4,255	66%	4,247	62%	4,191	61%	-56	-1%	-65	-2%
18	Other borrowed funds	245		494		539		45	9%	294	120%
19	Other liabilities	118		126		156		30	24%	38	32%
20	TOTAL LIABILITIES	5,830	90%	6,131	89%	6,116	90%	-16	0%	285	5%
21	Total Equity	662	10%	720	11%	705	10%	-15	-2%	43	6%
22	TOTAL LIABILITIES AND EQUITY	6,493	100%	6,851	100%	6,821	100%	-31	0%	328	5%
23	Average assets	6,524		6,767		6,836					
24	Average equity	664		686		712					
25	NPL ratio	1.0%		1.1%		0.8%					
26	Coverage ratio <sup>(1)</sup>	548%		504%		692%					
27	CASA Ratio	41.0%		35.2%		35.3%					

5 (1) Coverage ratio includes total provisions and collaterals.



# Total Credit Provisions exceed IFRS 9 accounting requirements by KD 139 million

Total Provisions on Credit Facilities

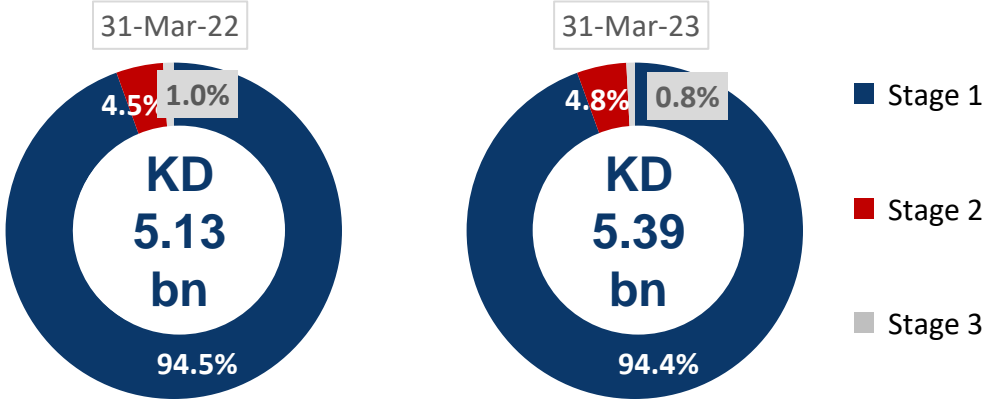


Excess /  
Total Provision

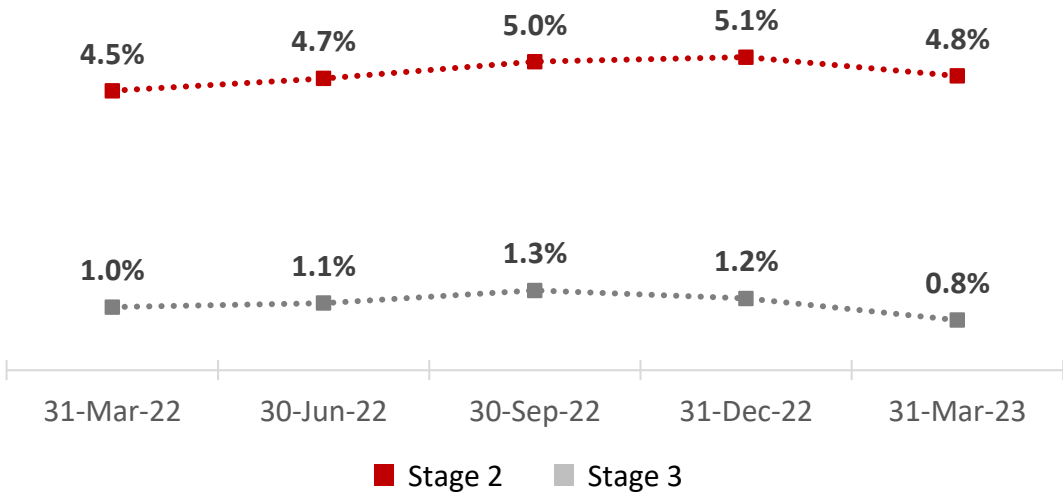
39%

46%

Gross Loans by Stages %<sup>(1)</sup>

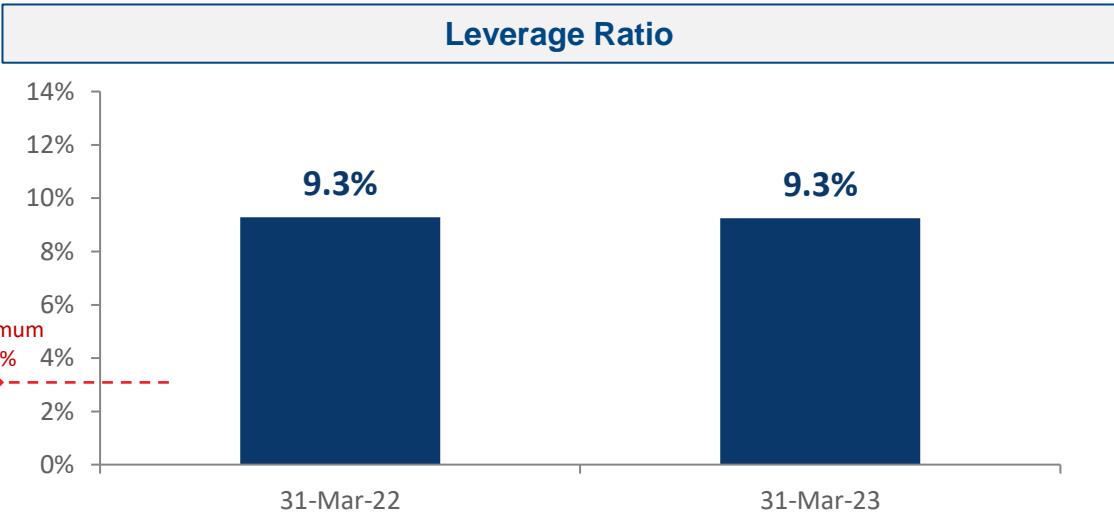
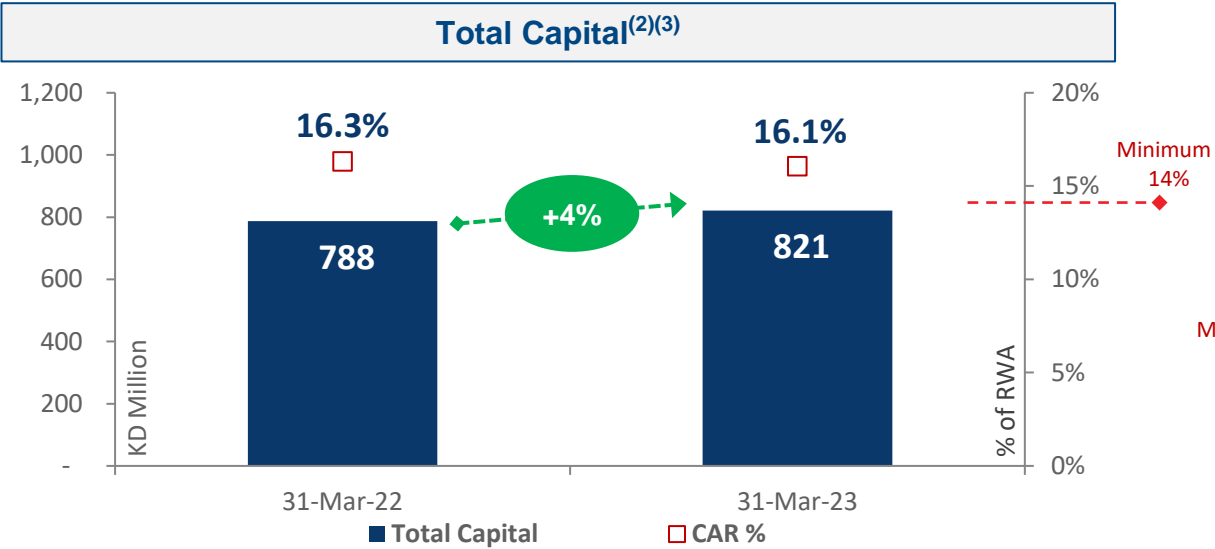
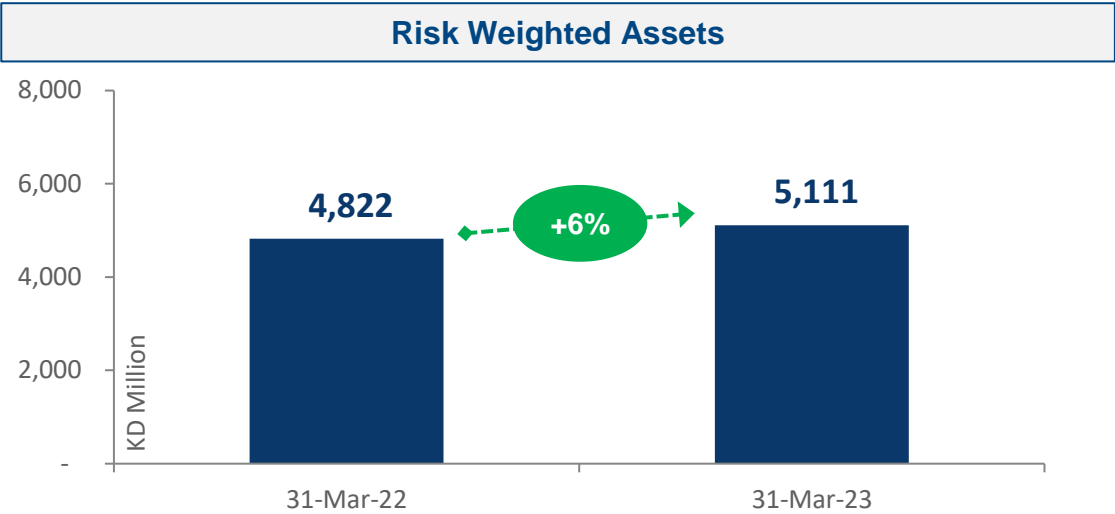
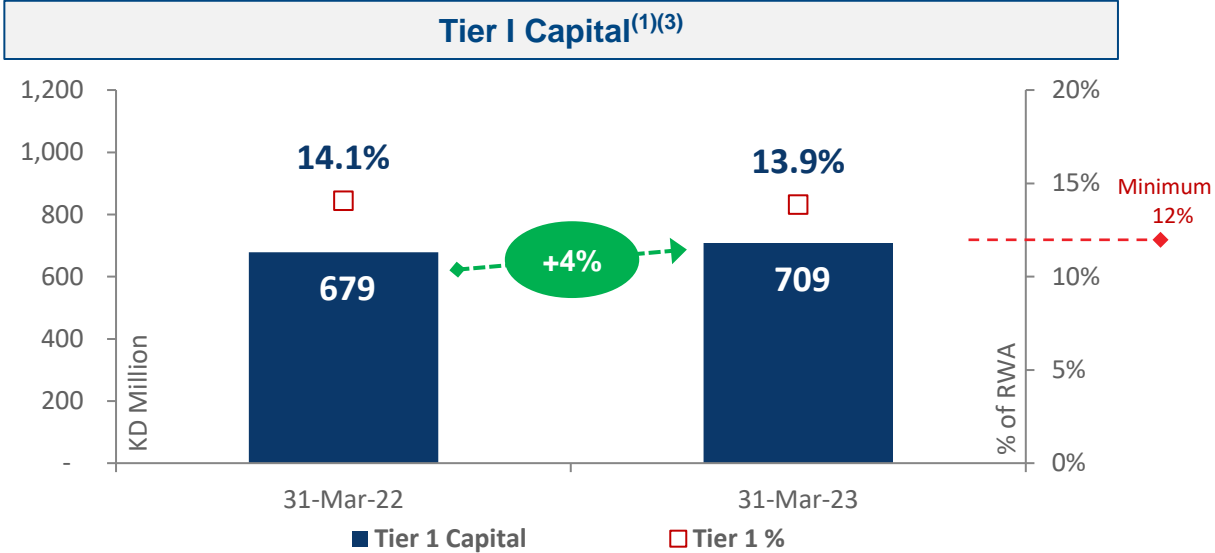


Evolution of Gross Loans Stages 2 and 3 (%)<sup>(1)</sup>



(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



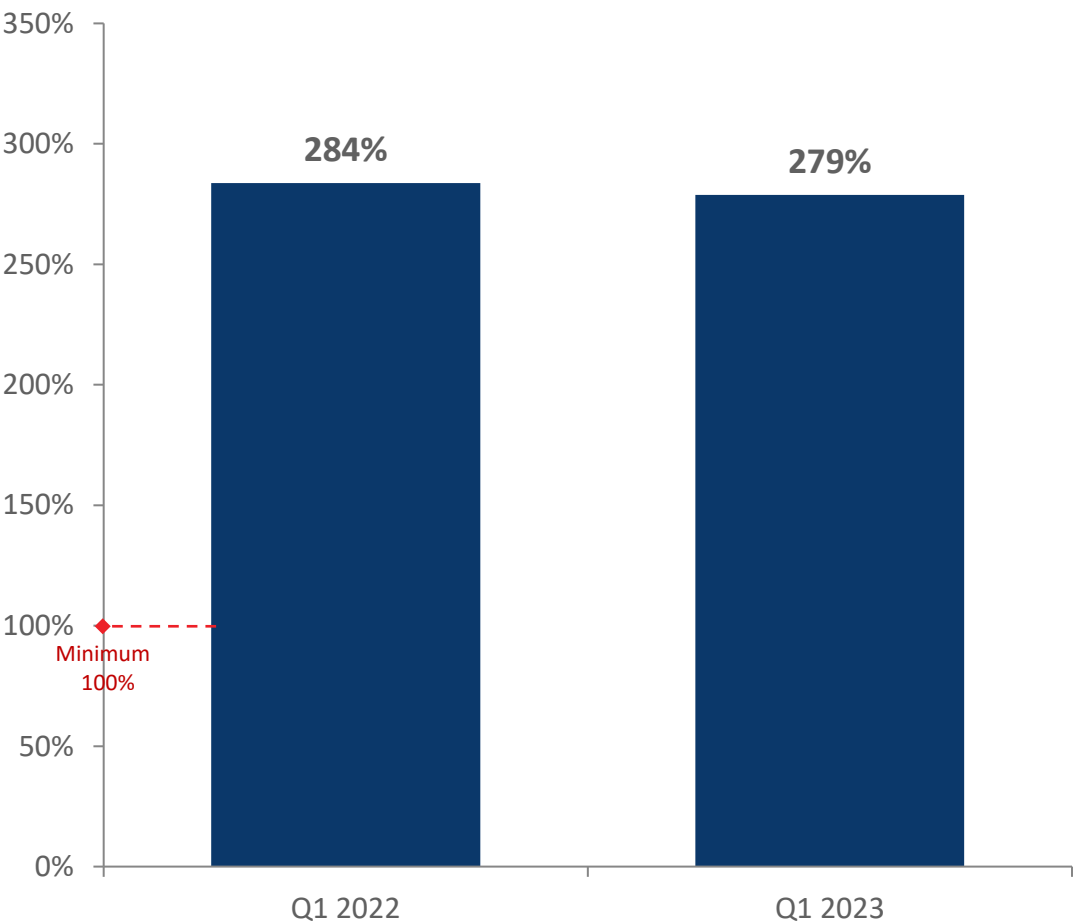
**% Tier 1                      86%                      86%**

(1) Tier 1 Ratio regulatory minimum has been restored from 10.5% to 12%; (2) CAR regulatory minimum has been restored from 12.5% to 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB.

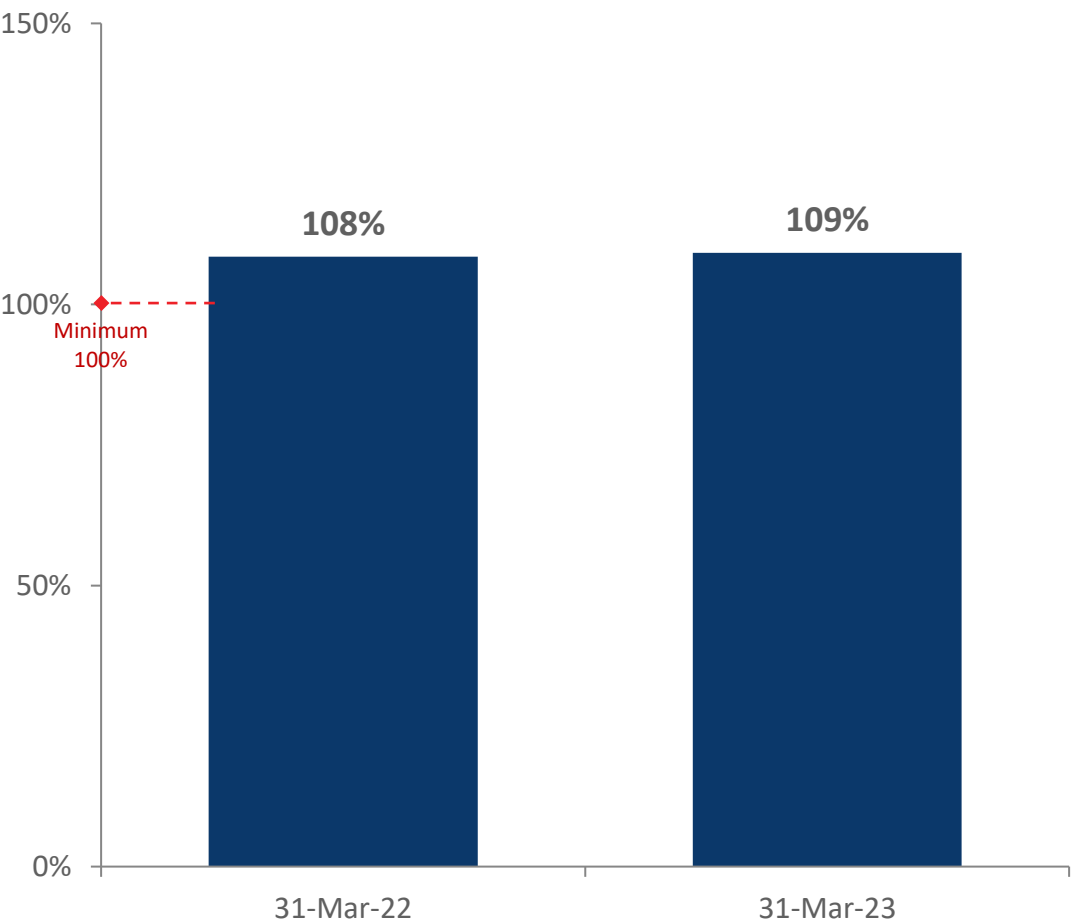
Note: The restoration in the regulatory minimums has reverted to the old minimums (pre-covid) of 12% for Tier 1 and 14% for CAR in 2023.

# Liquidity Ratios

Liquidity Coverage Ratio<sup>(1)</sup>



Net Stable Funding Ratio<sup>(1)</sup>



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been restored from 90% to 100% in 2023.  
Note: The restoration in the regulatory minimums has reverted to the old minimums (pre-covid) in 2023.



# Q&A

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