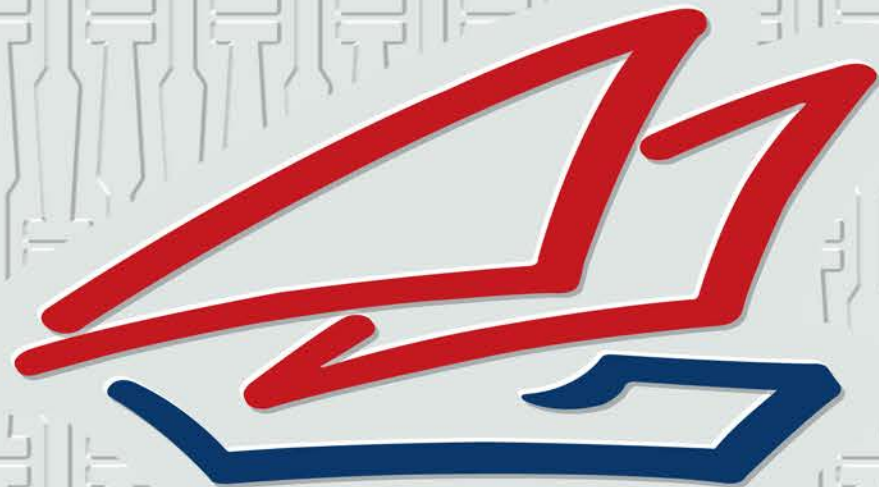


Gulf Bank
Investor Presentation

Year- End 2018



February 2019

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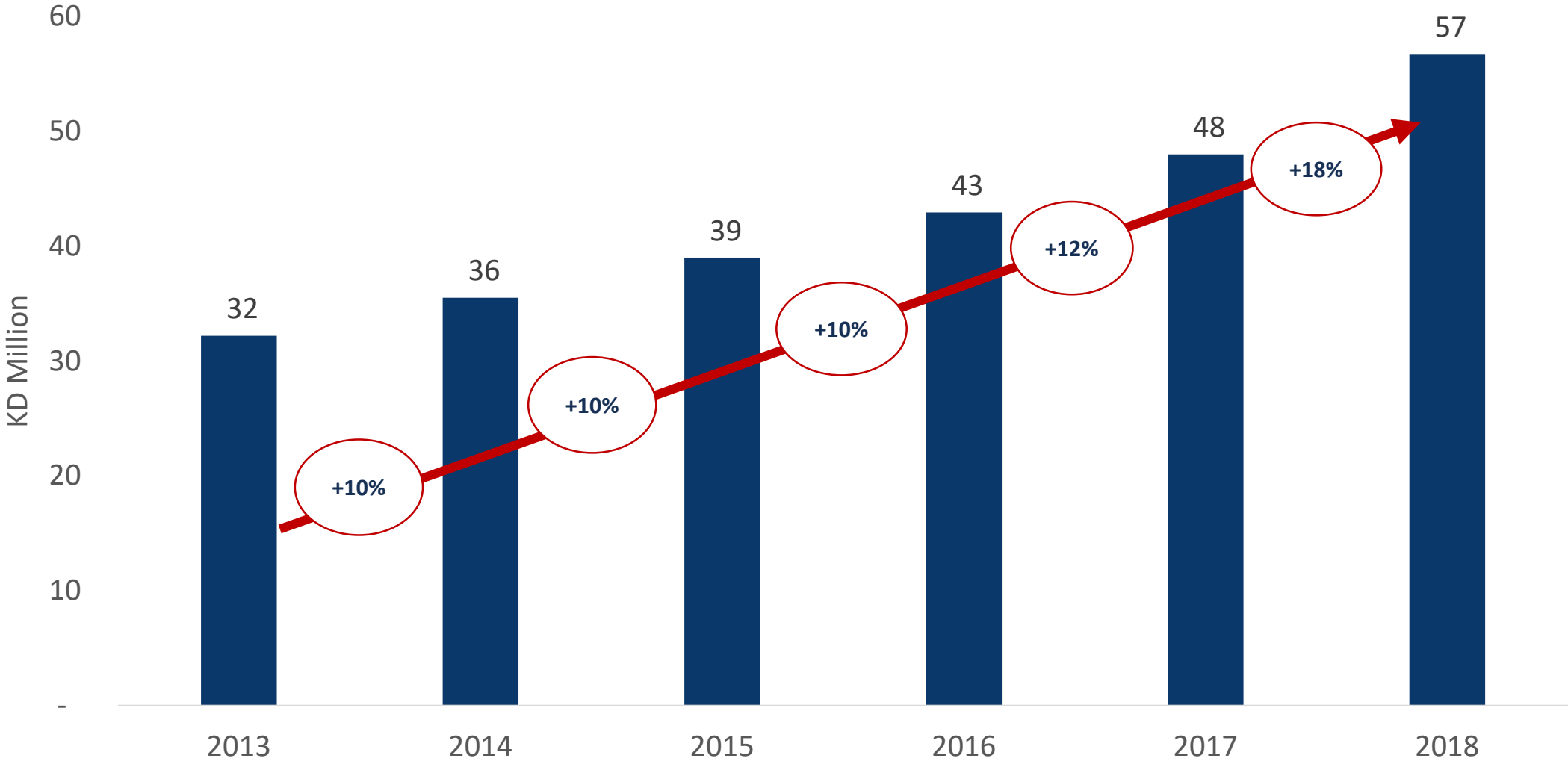
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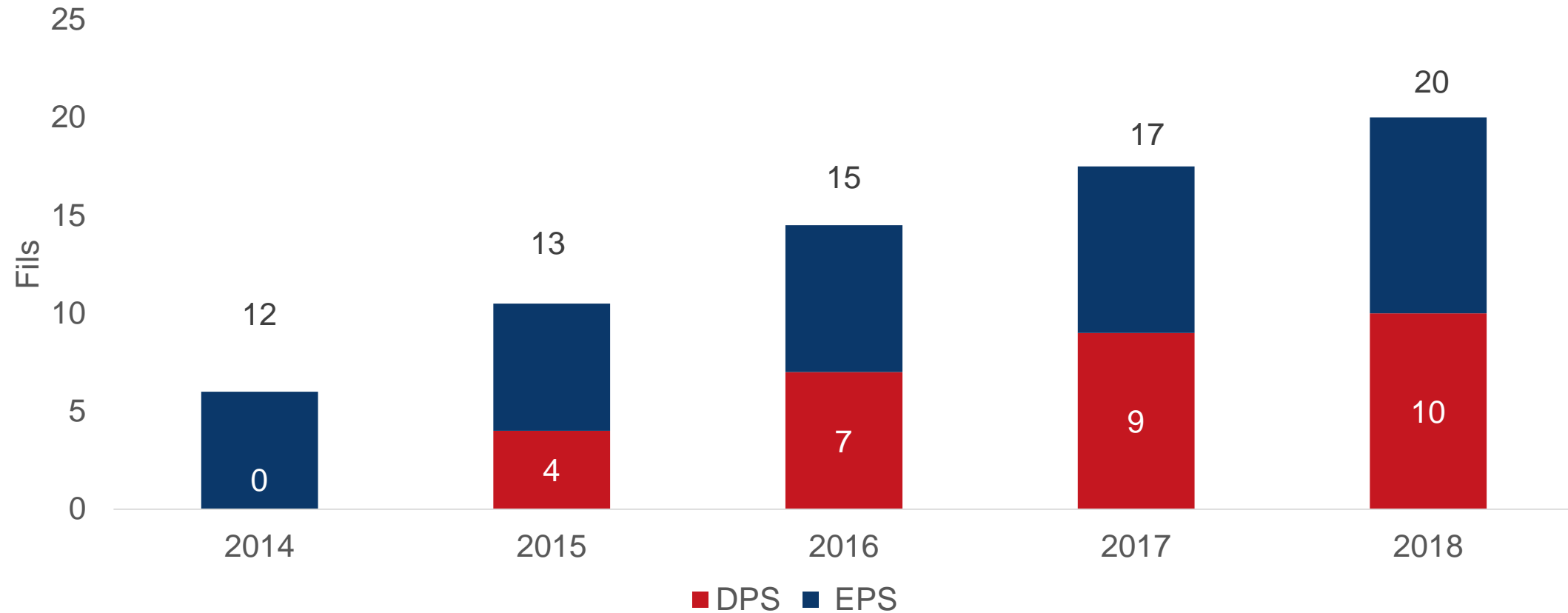
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1. Net profit up 18%, fifth straight year of double digit net profit growth.

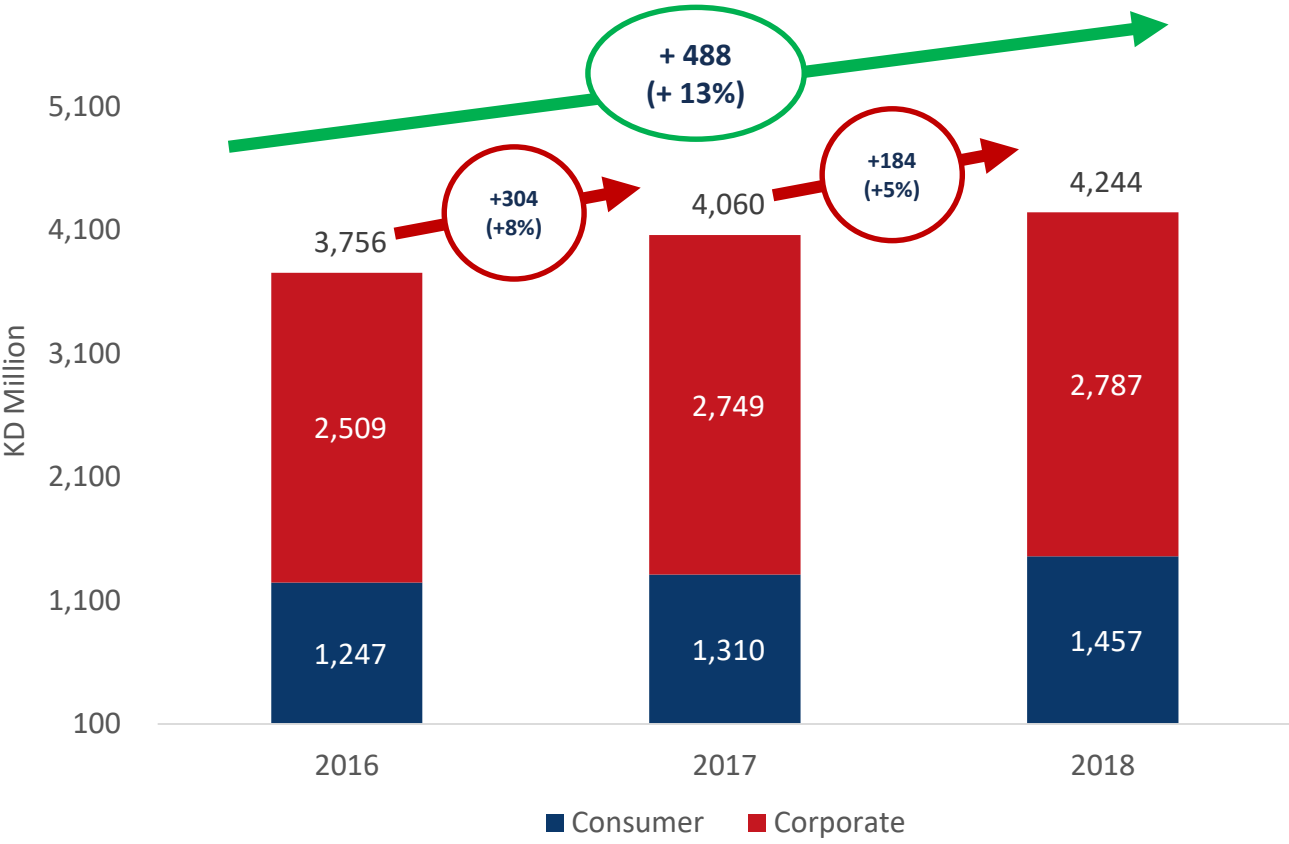


2. Earnings per share up to 20 fils. Recommending dividend of 10 fils per share (51% payout ratio)



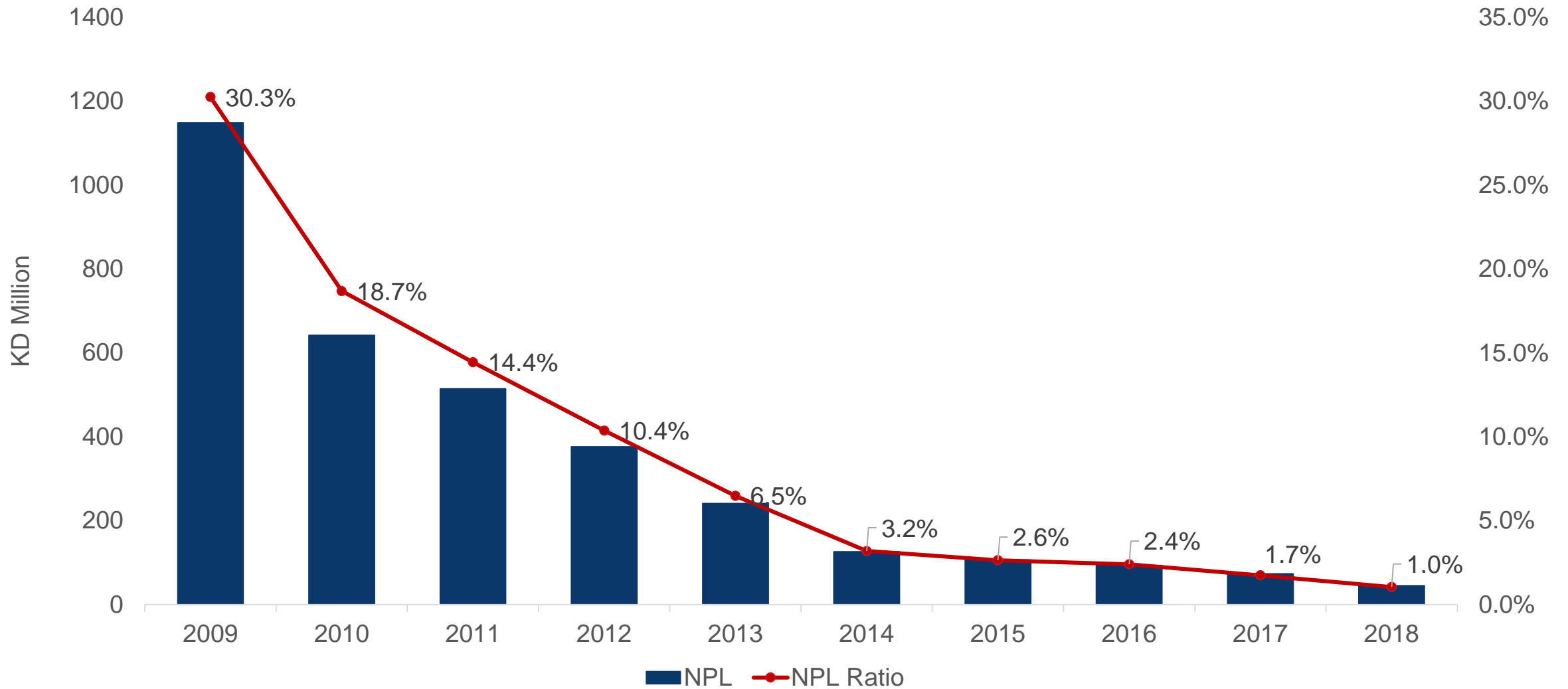
Payout Ratio	2014	2015	2016	2017	2018
	0%	31%	47%	55%	51%

3. Customer Loans have reached an all-time high of KD 4.2 billion



KD Million	Growth over last 2 years	
	Corporate	278
Consumer	210	43%
	488	100%

4. Non-Performing Loan ratio reached an all-time low of 1%



5. Achieved `A` ratings from all four major credit rating agencies.

MOODY'S

	2013	2014	2015	2016	2017	2018
Long Term	Baa2	Baa1	A3	A3	A3	A3
Outlook	Positive	Positive	Stable	Stable	Stable	Positive

S&P Global Ratings

Long Term	BBB+	BBB+	A-	A-	A-	A-
Outlook	Positive	Positive	Stable	Stable	Positive	Stable

Fitch Ratings

Long Term	A+	A+	A+	A+	A+	A+
Outlook	Stable	Stable	Stable	Stable	Stable	Stable

CI CAPITAL intelligence

Long Term	BB+	BBB-	BBB	BBB+	BBB+	A-
Outlook	Positive	Stable	Positive	Stable	Positive	Stable

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2018 Key Messages

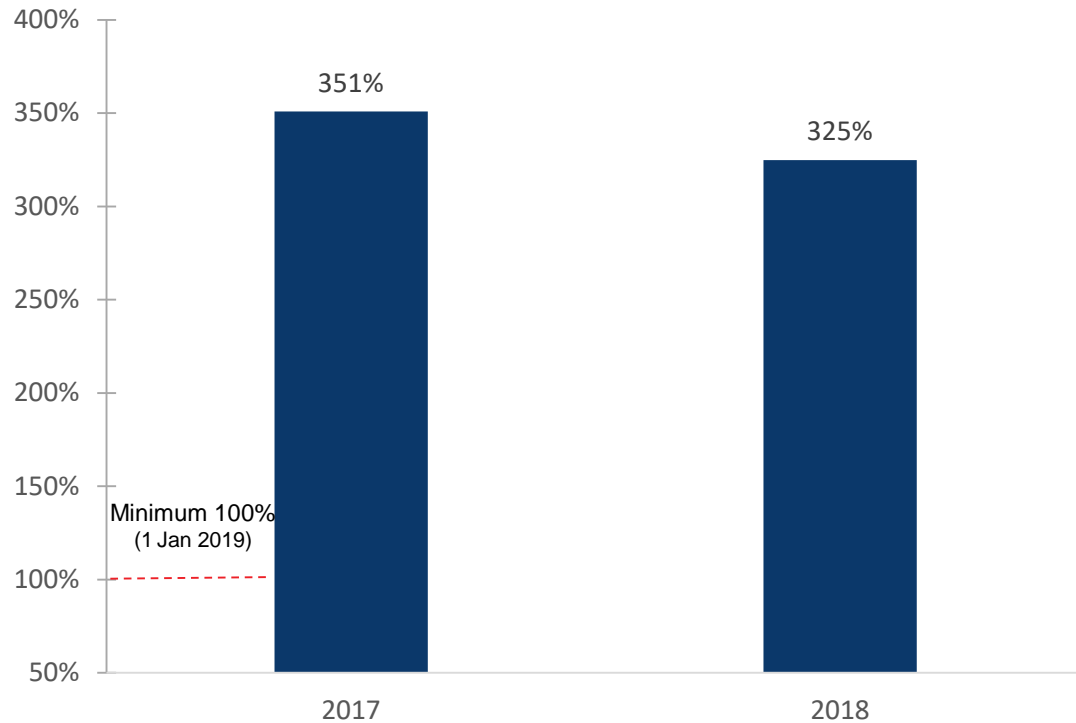
1. Net profit up 18%, fifth straight year of double digit net profit growth.
2. Earnings per share up to 20 fils. Recommending dividend of 10 fils per share (51% payout ratio).
3. Customer Loans have reached an all-time high of KD 4.2 billion.
4. Non-Performing Loan ratio reached an all-time low of 1%.
5. Achieved `A` ratings from all four major credit rating agencies.

Balance Sheet

KD Millions	31-Dec-17	% of Total	31-Dec-18	% of Total	31-Dec-18 vs 31-Dec-17	
ASSETS						
1 Cash and cash equivalents	475	8%	742	12%	267	56%
2 Kuwait Government Bonds	567	10%	396	7%	(171)	-30%
3 CBK Bills	395	7%	322	5%	(73)	-18%
4 Deposits with banks and OFIs	39	1%	157	3%	118	301%
5 Liquid Assets	1,476	26%	1,616	27%	141	10%
6 Loans and advances to customers	4,060	71%	4,244	71%	185	5%
7 Loans and advances to banks	130	2%	145	2%	15	11%
8 Provisions	(252)	-4%	(296)	-5%	(43)	17%
9 Net Loans	3,938	69%	4,094	68%	156	4%
10 Investment securities	118	2%	167	3%	50	42%
11 Other assets	122	2%	107	2%	(15)	-12%
12 Premises and equipment	30	1%	32	1%	2	6%
13 Other assets	152	3%	139	2%	(13)	-9%
14 TOTAL ASSETS	5,683	100%	6,016	100%	333	6%
LIABILITIES						
15 Due to banks	412	7%	414	7%	2	1%
16 Deposits from FIs	969	17%	1,006	17%	37	4%
17 Customer deposits	3,490	61%	3,735	62%	245	7%
18 Subordinated Tier II Bonds	100	2%	100	2%	-	0%
19 Other liabilities	111	2%	133	2%	22	20%
20 TOTAL LIABILITIES	5,082	89%	5,388	90%	306	6%
21 Total Equity	601	11%	629	10%	27	5%
22 TOTAL LIABILITIES AND EQUITY	5,683	100%	6,016	100%	333	6%
23 Average assets	5,606		5,839		233	4%
24 Average equity	582		606		24	4%

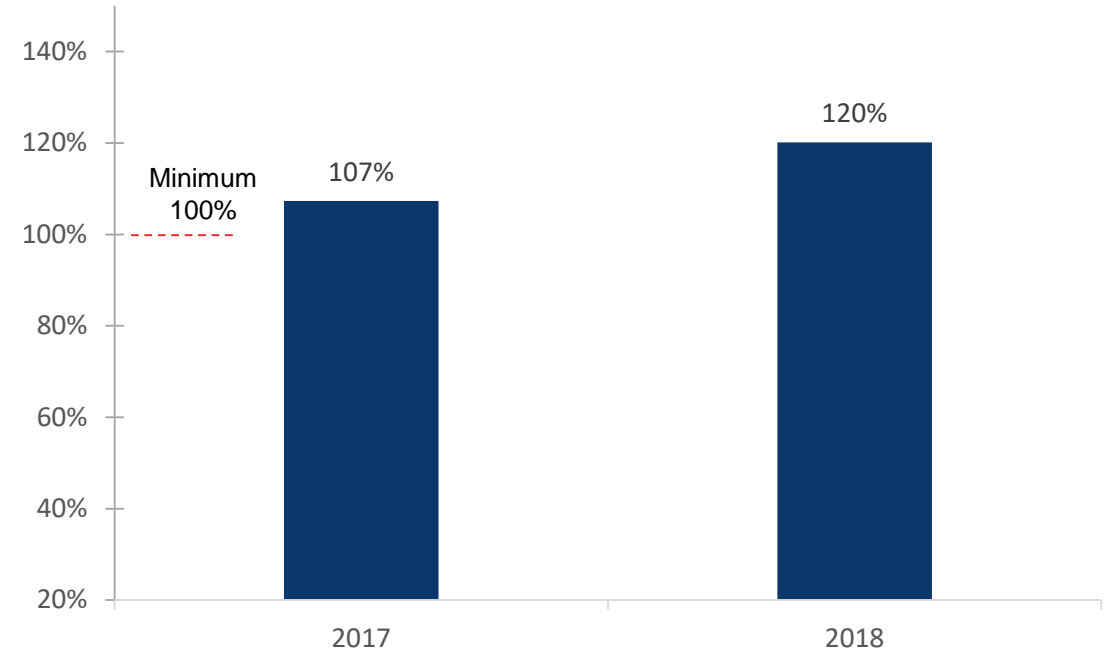
Liquidity Ratios

Liquidity Coverage Ratio



Average Daily Ratios

NSFR

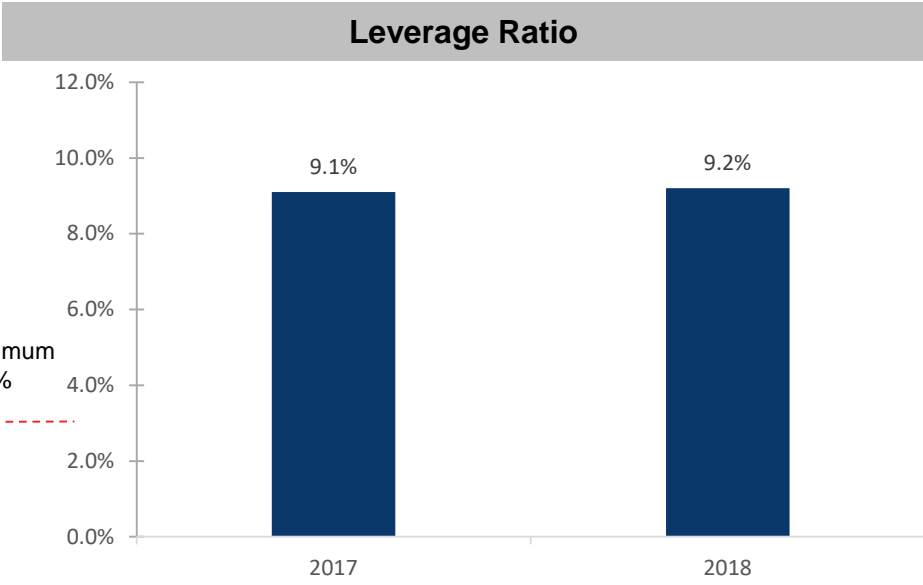
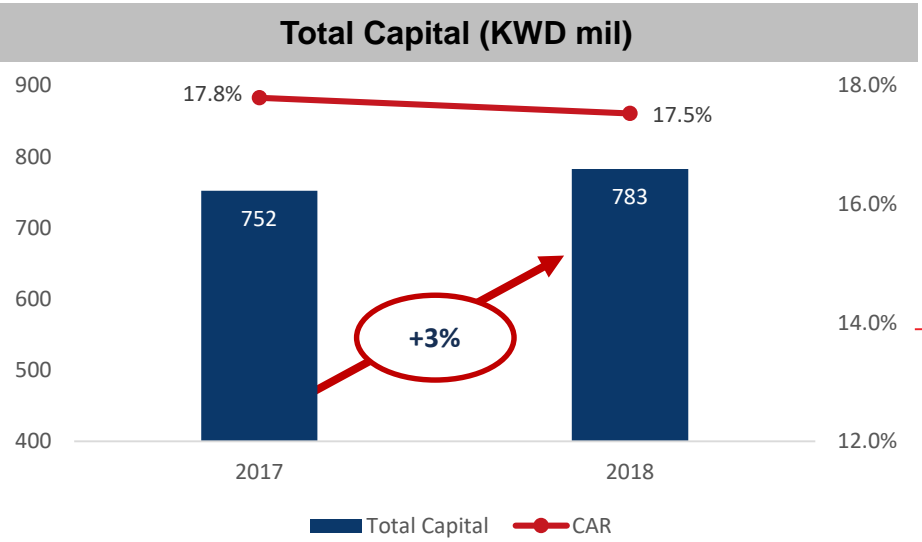
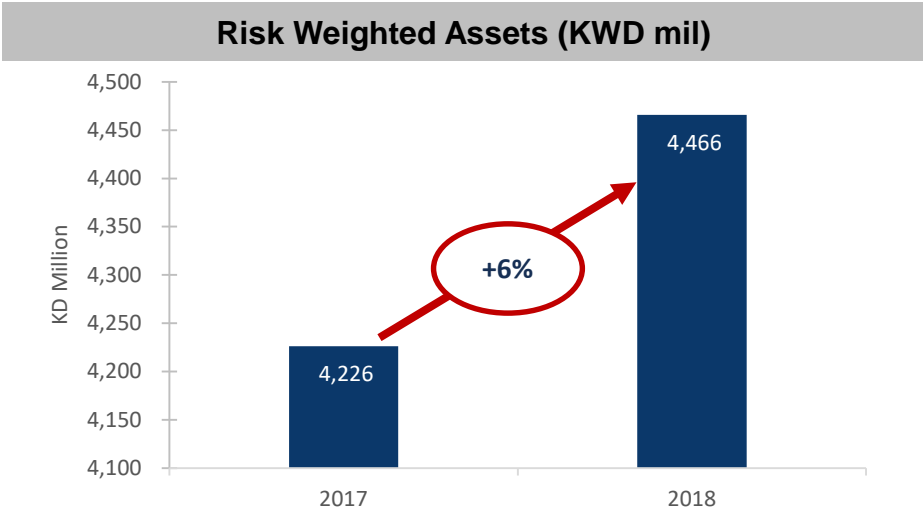
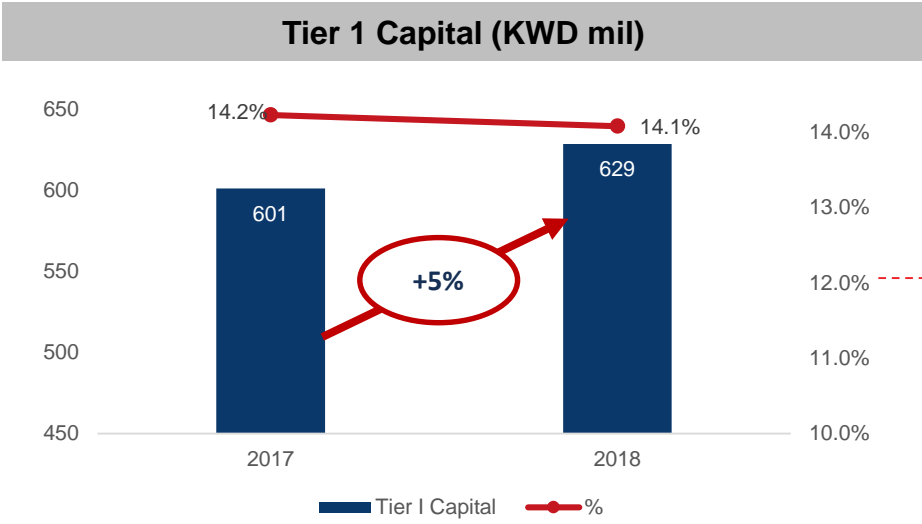


Year Ending Ratios

Income Statement

KD Millions	2016	16 vs 15	2017	17 vs 16	% of Avg. Assets	2018	% of Avg. Assets	18 Vs 17
1 Interest Income	180	7%	206	15%	3.7%	243	4.2%	18%
2 Interest Expense	(63)	30%	(74)	17%	-1.3%	(90)	-1.5%	22%
3 Net Interest Income	117	-2%	132	13%	2.36%	153	2.61%	15%
4 Fees/ FX	41	5%	40	-2%	0.7%	39	0.7%	-2%
5 Core Operating Income	157	0%	172	9%	3.1%	192	3.3%	11%
6 Operating Expenses	(63)	5%	(64)	2%	-1.1%	(67)	-1.1%	4%
7 Core Operating Margin	94	-3%	108	15%	1.9%	125	2.1%	15%
8 Other Income	11	2%	9	-18%	0.2%	3	0.0%	-70%
9 Operating Margin	105	-3%	117	11%	2.1%	127	2.2%	9%
10 Provisions/ Impairments	(60)	-10%	(67)	10%	-1.2%	(68)	-1.2%	2%
11 Taxes/ Other	(2)	9%	(2)	11%	0.0%	(3)	0.0%	17%
12 Net Profit	43	10%	48	12%	0.86%	57	0.97%	18%
13 ROE	7.8%		8.3%			9.4%		
14 Cost to Income Ratio	37.5%		35.4%			34.5%		

Regulatory Capital Ratios



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

Comparison between total provisions and IFRS 9 ECL on credit facilities

(KD Millions)	2018
Provision on cash facilities	296
Provision on non-cash facilities	16
Total provisions on credit facilities (A)	312
IFRS 9 ECL on credit facilities (B)	200
Excess of total provisions over IFRS 9 ECL on credit facilities (A-B)	112

Q&A