

# Gulf Bank

## Earnings Presentation

### Year End 2024



13 Feb 2025

# YEAR 2024 KEY EVENTS



Jan.

- > **Fitch affirms Gulf Bank LT Issuer Default Rating (IDR)** at "A"; Outlook remains Stable.
- > **Gulf Bank Announces Winner of the World's Largest Cash Prize** AIDanah, with Annual Grand Draw Prize of KD 2 million.



Feb.

- > **Gulf Bank Opens Its First Eco-Friendly Branch** in Sabah Al-Ahmad City.



Mar.

- > **Gulf Bank held the 65th AGM and 43rd EGM.**
- > **Gulf Bank launches Neo Kids Savings Account.**



May.

- > **Gulf Bank launched the second phase** of its Core Banking Services system.
- > **Gulf Bank and KAMCO Joint Lead Managers** for Burgan Bank's Bond Issue of KD 150 million.
- > **Gulf Bank launches its 2030 Environmental, Social, and Governance (ESG) Sustainability Strategy.**
- > **Gulf Bank Introduces 'One Trader' App** to Trade in Kuwait and International Markets In Partnership with EFG Hermes One.



Jun.

- > **Capital Intelligence affirms Gulf Bank LT Foreign Currency (LT FCR)** at "A+"; Outlook remains Stable.
- > **Gulf Bank announce** studying the conversion to a Bank compliant with Islamic Sharia.
- > **Gulf Bank Partners with Ottu** to Revolutionize Digital Payments and Deliver Exceptional Customer Services.



Jul.

- > **Gulf Bank AIDanah Account's 22<sup>nd</sup> Millionaire**, wins KD 1 million.
- > **Gulf Bank announce studying the merger** with Boubyan Bank.



Aug.

- > **Gulf Bank Introduces "WAMD" Service** for Easy and Secure Phone Number Money Transfers via Mobile App.



Sep.

- > **Gulf Bank Reopens Three Fully Renovated and Eco-Friendly Branches** in Abdullah Al-Salem, Nuzha, and Jabriya.
- > **Central Bank of Kuwait cut discount rate by 0.25%** from 4.25% to 4.00%, following Federal Reserve cuts interest rate by 0.50% .



Oct.

- > **Gulf Bank celebrates its 64<sup>th</sup> years anniversary** since it was established.
- > **Gulf Bank 10<sup>th</sup> edition** of its 642 Marathon, one of Kuwait's largest and most prominent sports and social events.
- > **Federal Reserve cuts interest rate by 0.25%**, while Central Bank of Kuwait didn't cut its discount rate and kept it at 4.00%.



Nov.

- > **Gulf Bank Partners with Omnifintec** to Support for Small and Medium Enterprises.
- > **Gulf Bank 10<sup>th</sup> edition** of its 642 Marathon, one of Kuwait's largest and most prominent sports and social events.
- > **Federal Reserve cuts interest rate by 0.25%**, while Central Bank of Kuwait didn't cut its discount rate and kept it at 4.00%.

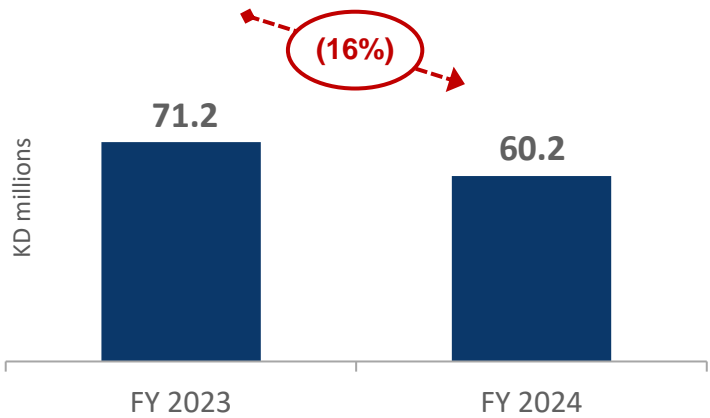


Dec.

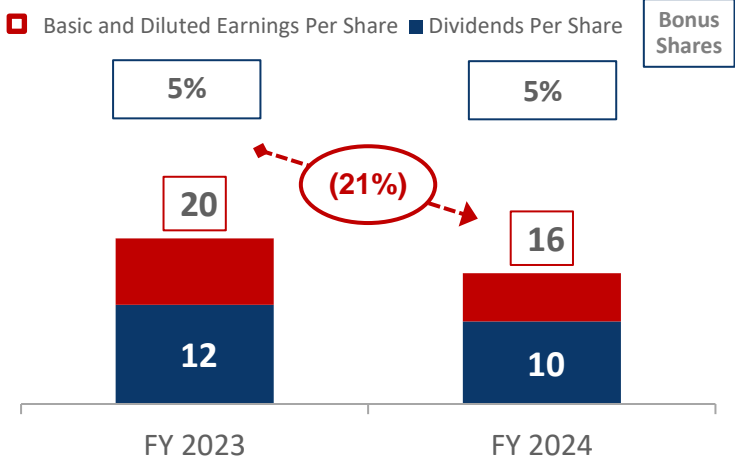
- > **Fitch affirms Gulf Bank LT Issuer Default Rating (IDR)** at "A"; Outlook remains Stable.
- > **InvestGB announces Strategic Partnership** with Ares Wealth Management Solutions.
- > **Gulf Bank Launches Kuwait's Fastest and Most Comprehensive Rewards Program** with an Enhanced Customer Experience.
- > **Federal Reserve cuts interest rate by 0.25%**, while Central Bank of Kuwait didn't cut its discount rate and kept it at 4.00%.

# YEAR-END 2024 KEY HIGHLIGHTS

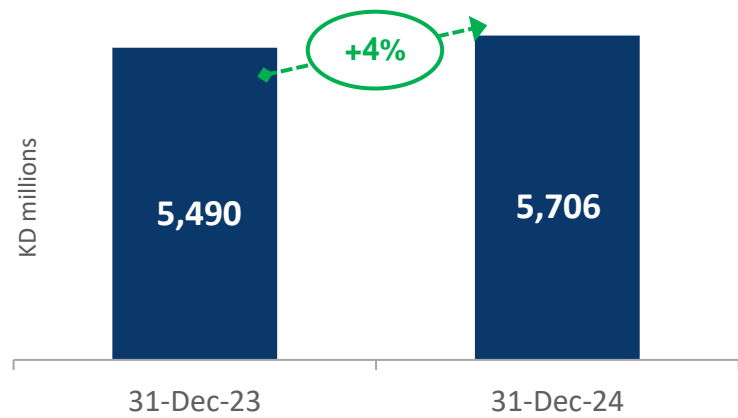
## 1 Net Profit



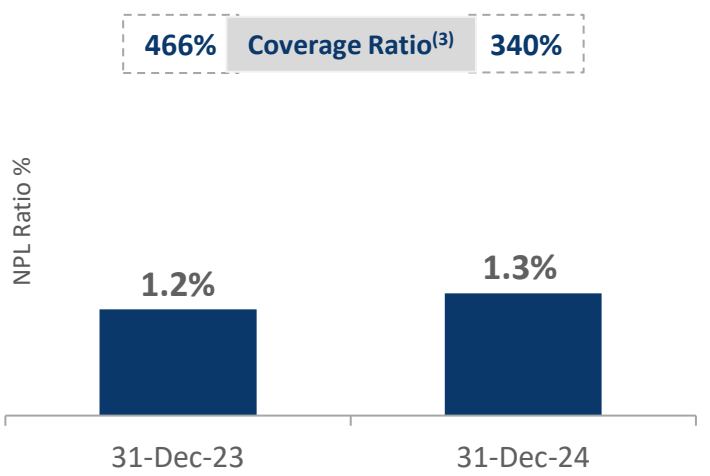
## 2 Earnings and Dividends Per Share<sup>(1)</sup>



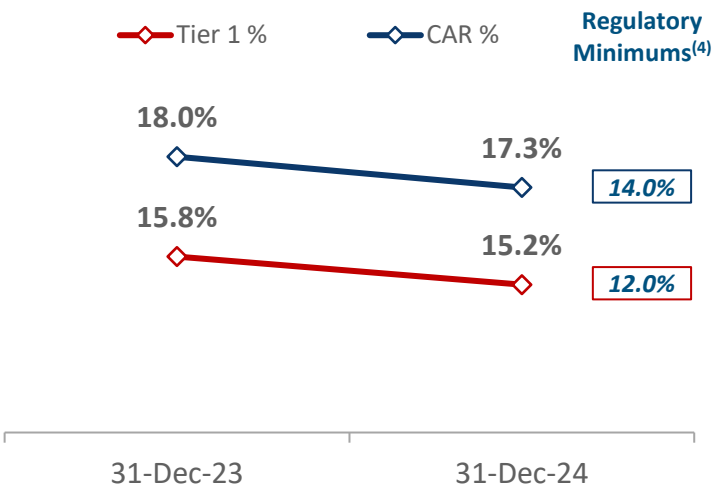
## 3 Gross Loans and Advances<sup>(2)</sup>



## 4 Asset Quality



## 5 Capital Ratios



## 6 Credit Ratings

	Credit Rating	Outlook
<b>MOODY'S</b>	A3	Positive
<b>CI CAPITAL intelligence</b>	A+	Stable
<b>Fitch Ratings</b>	A	Stable

(1) 2024 proposed cash dividends and bonus shares are subject to Annual General Meeting shareholders approval expect to be held in March 2025; (2) Gross loans and advances is consolidated (loans and advances to banks and customers); (3) Coverage ratio includes total provisions and collaterals; (4) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

# YEAR-END 2024 NET PROFIT VS. YEAR-END 2023 NET PROFIT EVOLUTION



(1) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries – excess general provision release.

# INCOME STATEMENT

KD Millions	Q1 2023A	Q2 2023A	Q3 2023A	Q4 2023A	Q1 2024A	Q2 2024A	Q3 2024A	Q4 2024A	Q4 24A vs Q3 24A		FY 2023A	FY 2024A	FY 24A vs FY 23A	
									Amt	%			Amt	%
1 Interest Income	85.6	89.8	95.0	99.6	98.6	102.3	103.0	99.6	(3.4)	-3%	370.0	403.5	33.5	9%
2 Interest Expense	(50.8)	(53.0)	(56.2)	(59.5)	(60.2)	(63.0)	(63.3)	(60.7)	2.6	4%	(219.5)	(247.2)	(27.7)	-13%
3 <b>Net Interest Income</b>	<b>34.8</b>	<b>36.8</b>	<b>38.7</b>	<b>40.1</b>	<b>38.4</b>	<b>39.2</b>	<b>39.7</b>	<b>38.9</b>	<b>(0.7)</b>	<b>-2%</b>	<b>150.4</b>	<b>156.2</b>	<b>5.8</b>	<b>4%</b>
4 Non Interest Income <sup>(1)</sup>	11.6	9.0	9.1	10.1	9.8	9.4	9.5	14.3	4.8	51%	39.8	43.1	3.3	8%
5 <b>Operating Income</b>	<b>46.4</b>	<b>45.9</b>	<b>47.9</b>	<b>50.1</b>	<b>48.3</b>	<b>48.6</b>	<b>49.2</b>	<b>53.3</b>	<b>4.1</b>	<b>8%</b>	<b>190.3</b>	<b>199.3</b>	<b>9.1</b>	<b>5%</b>
6 Operating Expenses	(21.4)	(21.5)	(21.9)	(22.0)	(21.7)	(22.6)	(23.1)	(25.2)	(2.1)	-9%	(86.8)	(92.6)	(5.7)	-7%
7 <b>Operating Profit</b>	<b>25.0</b>	<b>24.3</b>	<b>25.9</b>	<b>28.2</b>	<b>26.6</b>	<b>26.0</b>	<b>26.1</b>	<b>28.1</b>	<b>2.0</b>	<b>8%</b>	<b>103.4</b>	<b>106.7</b>	<b>3.3</b>	<b>3%</b>
8 Credit Costs <sup>(2)</sup>	(7.2)	(4.9)	(7.2)	(9.9)	(11.4)	(9.3)	(14.2)	(7.7)	6.4	45%	(29.2)	(42.5)	(13.3)	-46%
9 General Provisions	0.3	(0.0)	0.1	0.2	(1.8)	(0.6)	0.7	0.7	(0.0)	1%	0.6	(1.1)	(1.6)	280%
10 Other Provisions and Impairments	0.1	0.0	0.0	(0.1)	0.0	0.0	0.0	(0.0)	(0.0)	114%	0.0	0.1	0.0	-78%
11 Taxes/ Other	(0.8)	(0.9)	(0.9)	(1.0)	(0.6)	(0.7)	(0.6)	(1.1)	(0.5)	-82%	(3.6)	(3.1)	0.6	16%
12 <b>Net Profit</b>	<b>17.3</b>	<b>18.5</b>	<b>18.0</b>	<b>17.4</b>	<b>12.9</b>	<b>15.3</b>	<b>12.0</b>	<b>20.0</b>	<b>7.9</b>	<b>-22%</b>	<b>71.2</b>	<b>60.2</b>	<b>(11.0)</b>	<b>-16%</b>
13 Return on Assets (ROA) %	1.0%	1.1%	1.0%	1.0%	0.7%	0.8%	0.6%	1.1%			1.0%	0.8%		
14 Return on Equity (ROE) %	9.9%	10.4%	9.8%	8.9%	6.5%	7.8%	5.9%	9.6%			9.6%	7.4%		
15 Cost to Income Ratio (CIR) %	46.1%	46.9%	45.8%	43.8%	44.9%	46.6%	47.0%	47.3%			45.6%	46.4%		
16 Net Interest Margin (NIM) bps <sup>(3)</sup>	207	215	221	225	214	215	212	207			217	212		
17 Cost of Risk (COR) bps <sup>(4)</sup>	54	36	52	72	82	65	97	53			54	75		

(1) Includes Fees and Foreign Exchange Income and Other Income; (2) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries – excess general provision release;

(3) Net Interest Income / Average assets; (4) Credit Costs / Average gross loans and advances.

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# BALANCE SHEET

KD Millions	31-Dec-23	% of Total	31-Mar-24	% of Total	30-Jun-24	% of Total	30-Sep-24	% of Total	31-Dec-24	% of Total	Var Dec 24 vs Sep 24		Var Dec 24 vs Dec 23	
											Amount	%	Amount	%
<b>ASSETS</b>														
1 Cash and cash equivalents	1,094		1,034		1,119		1,184		1,388		204	17%	294	27%
2 Kuwait Government Bonds	17		17		10		3		3		0	0%	-14	-85%
3 CBK Bonds	338		339		302		260		140		-120	-46%	-198	-59%
4 Deposits with banks and OFIs	181		157		126		167		135		-32	-19%	-46	-25%
5 <b>Liquid Assets</b>	<b>1,629</b>	<b>23%</b>	<b>1,546</b>	<b>21%</b>	<b>1,557</b>	<b>21%</b>	<b>1,613</b>	<b>22%</b>	<b>1,666</b>	<b>22%</b>	<b>53</b>	<b>3%</b>	<b>37</b>	<b>2%</b>
6 Gross loans and advances <sup>(1)</sup>	5,490		5,667		5,809		5,793		5,706		-87	-2%	215	4%
7 Provisions	-294		-282		-256		-240		-239		1	0%	55	-19%
8 <b>Net Loans and advances</b>	<b>5,197</b>	<b>72%</b>	<b>5,384</b>	<b>74%</b>	<b>5,553</b>	<b>75%</b>	<b>5,554</b>	<b>74%</b>	<b>5,467</b>	<b>73%</b>	<b>-87</b>	<b>-2%</b>	<b>270</b>	<b>5%</b>
9 <b>Investment securities</b>	<b>191</b>	<b>3%</b>	<b>172</b>	<b>2%</b>	<b>157</b>	<b>2%</b>	<b>147</b>	<b>2%</b>	<b>205</b>	<b>3%</b>	<b>58</b>	<b>40%</b>	<b>13</b>	<b>7%</b>
10 Other assets	118		128		123		120		102		-18	-15%	-16	-14%
11 Premises and equipment	39		40		40		41		41		-0	0%	1	4%
12 <b>Other assets</b>	<b>158</b>	<b>2%</b>	<b>167</b>	<b>2%</b>	<b>164</b>	<b>2%</b>	<b>161</b>	<b>2%</b>	<b>143</b>	<b>2%</b>	<b>-18</b>	<b>-11%</b>	<b>-15</b>	<b>-9%</b>
13 <b>TOTAL ASSETS</b>	<b>7,175</b>	<b>100%</b>	<b>7,270</b>	<b>100%</b>	<b>7,431</b>	<b>100%</b>	<b>7,474</b>	<b>100%</b>	<b>7,480</b>	<b>100%</b>	<b>6</b>	<b>0%</b>	<b>306</b>	<b>4%</b>
<b>LIABILITIES</b>														
14 Due to banks	256		243		305		256		365		109	43%	109	43%
15 Deposits from FIs	1,149		1,026		946		956		945		-12	-1%	-204	-18%
16 <b>Customer deposits</b>	<b>4,219</b>	<b>59%</b>	<b>4,414</b>	<b>61%</b>	<b>4,620</b>	<b>62%</b>	<b>4,781</b>	<b>64%</b>	<b>4,657</b>	<b>62%</b>	<b>-124</b>	<b>-3%</b>	<b>437</b>	<b>10%</b>
17 Other borrowed funds	570		615		614		499		520		21	4%	-50	-9%
18 Other liabilities	164		185		144		169		160		-9	-5%	-3	-2%
19 <b>TOTAL LIABILITIES</b>	<b>6,358</b>	<b>89%</b>	<b>6,483</b>	<b>89%</b>	<b>6,629</b>	<b>89%</b>	<b>6,661</b>	<b>89%</b>	<b>6,647</b>	<b>89%</b>	<b>-14</b>	<b>0%</b>	<b>289</b>	<b>5%</b>
20 <b>Total Equity</b>	<b>817</b>	<b>11%</b>	<b>788</b>	<b>11%</b>	<b>802</b>	<b>11%</b>	<b>814</b>	<b>11%</b>	<b>834</b>	<b>11%</b>	<b>20</b>	<b>2%</b>	<b>17</b>	<b>2%</b>
21 <b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,175</b>	<b>100%</b>	<b>7,270</b>	<b>100%</b>	<b>7,431</b>	<b>100%</b>	<b>7,474</b>	<b>100%</b>	<b>7,480</b>	<b>100%</b>	<b>6</b>	<b>0%</b>	<b>306</b>	<b>4%</b>
22 Average assets	6,946		7,223		7,292		7,338		7,366					
23 Average equity	741		802		802		805		811					
24 NPL ratio	1.2%		1.2%		1.2%		1.3%		1.3%					
25 Coverage ratio <sup>(2)</sup>	466%		458%		390%		334%		340%					
26 CASA Ratio	29.7%		30.5%		28.5%		28.1%		27.7%					

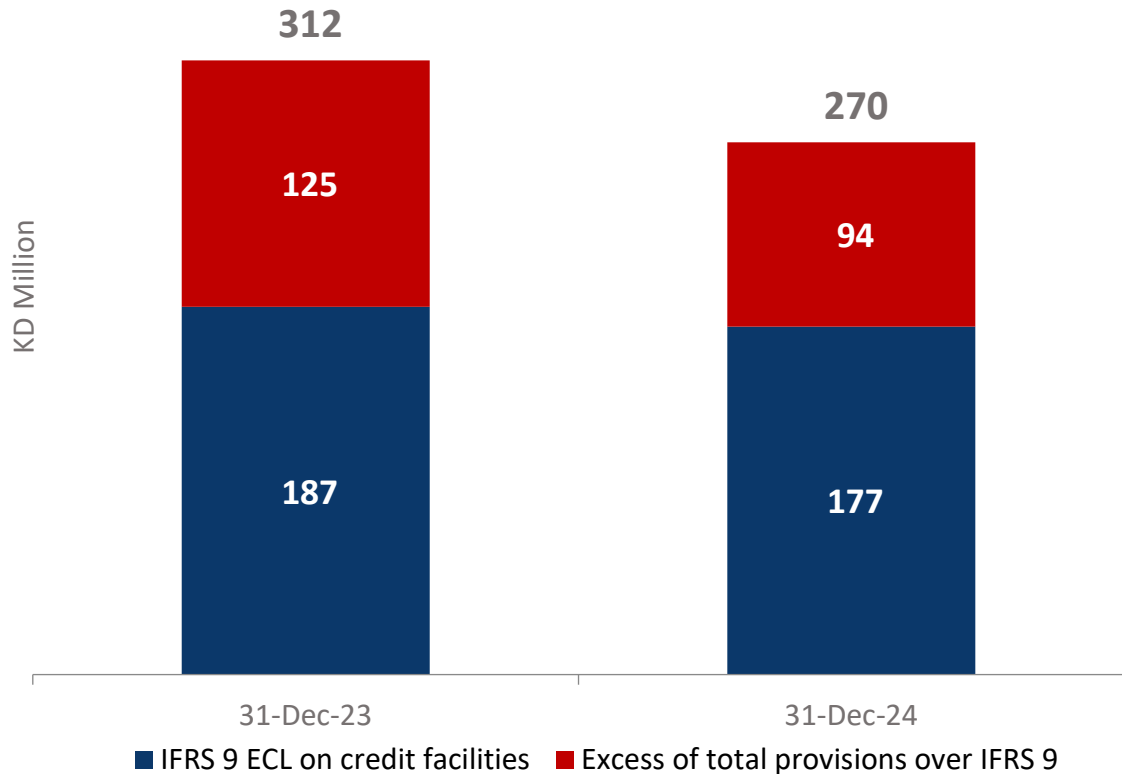
(1) Gross loans and advances is consolidated (loans and advances to banks and customers);

(2) Coverage ratio includes total provisions and collaterals.

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# TOTAL CREDIT PROVISIONS EXCEED IFRS 9 REQUIREMENTS BY KD 94 MILLION

## Total Provisions on Credit Facilities

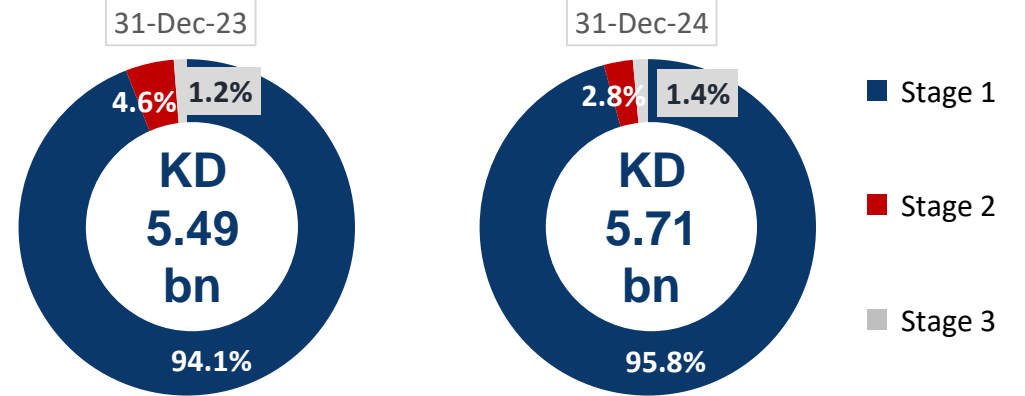


Excess / Total Provision

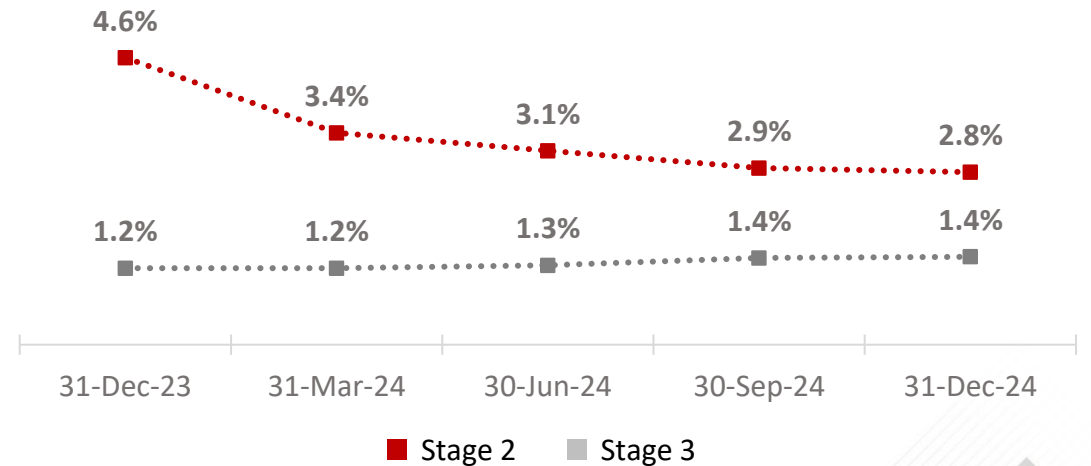
40%

35%

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

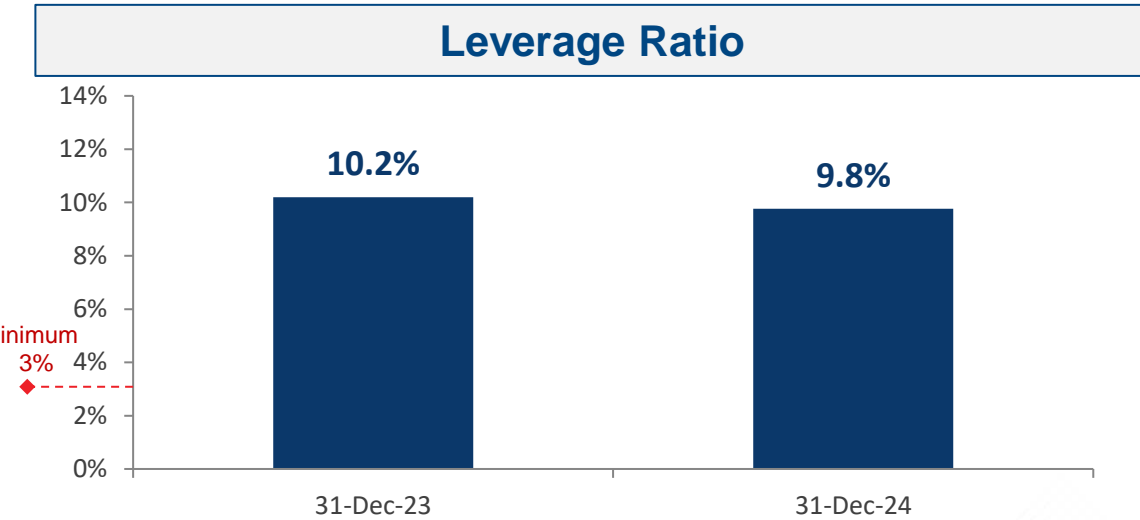
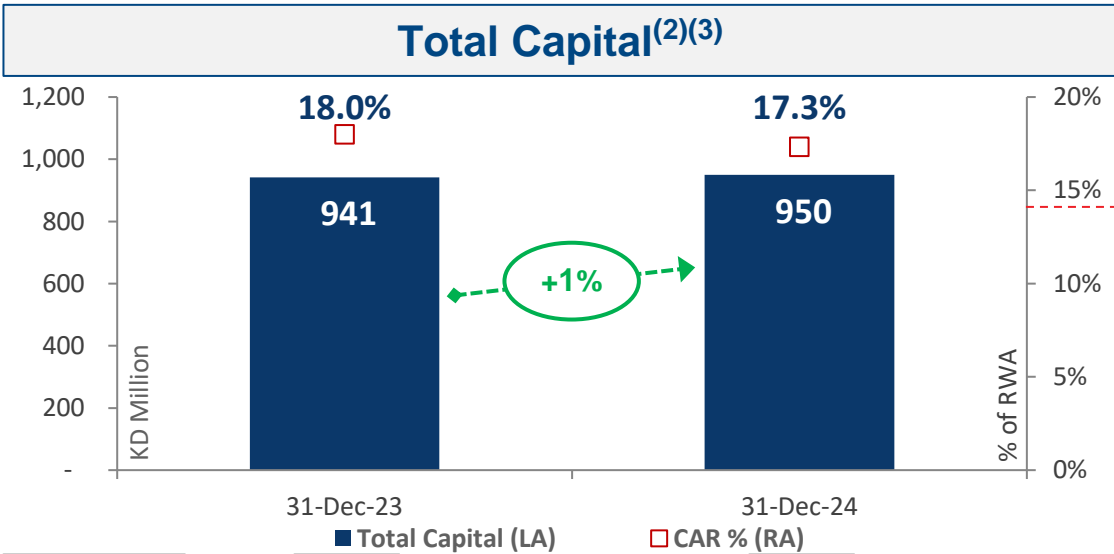
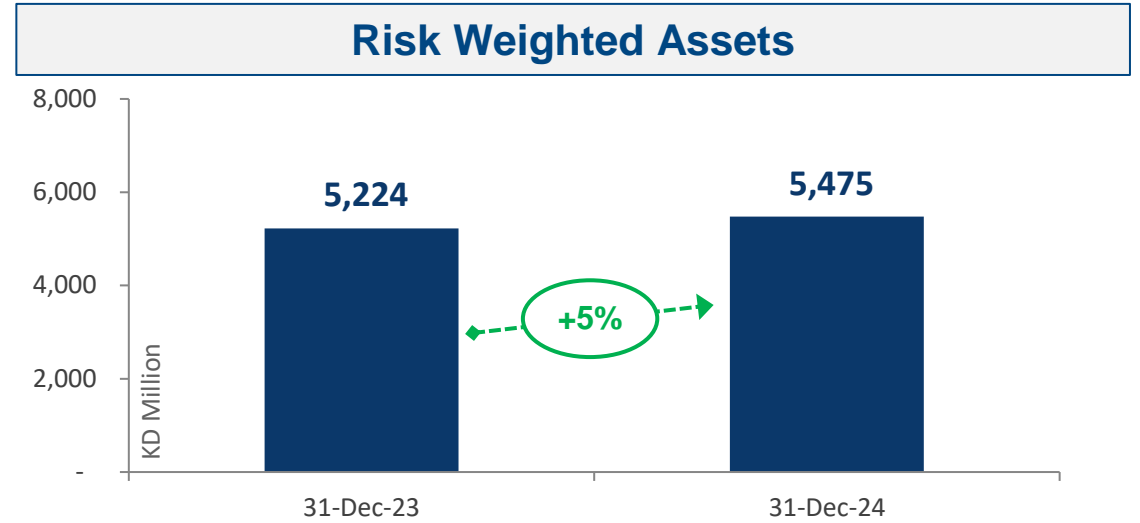
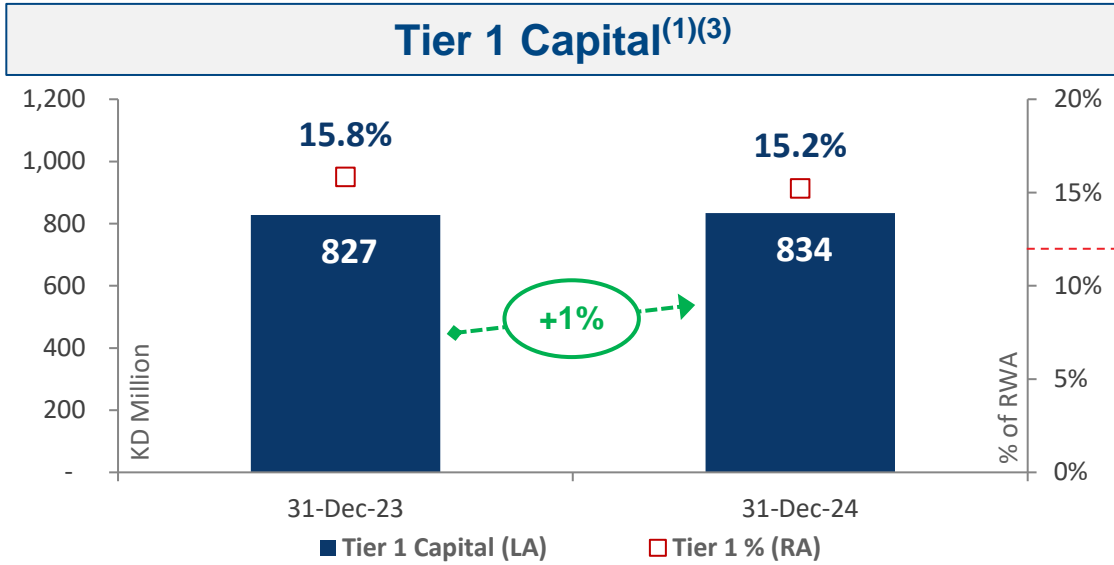


## Evolution of Gross Loans Stages 2 and 3 (%)<sup>(1)</sup>



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

# CAPITAL AND LEVERAGE RATIOS



Tier 1 Capital / Total Capital

88%

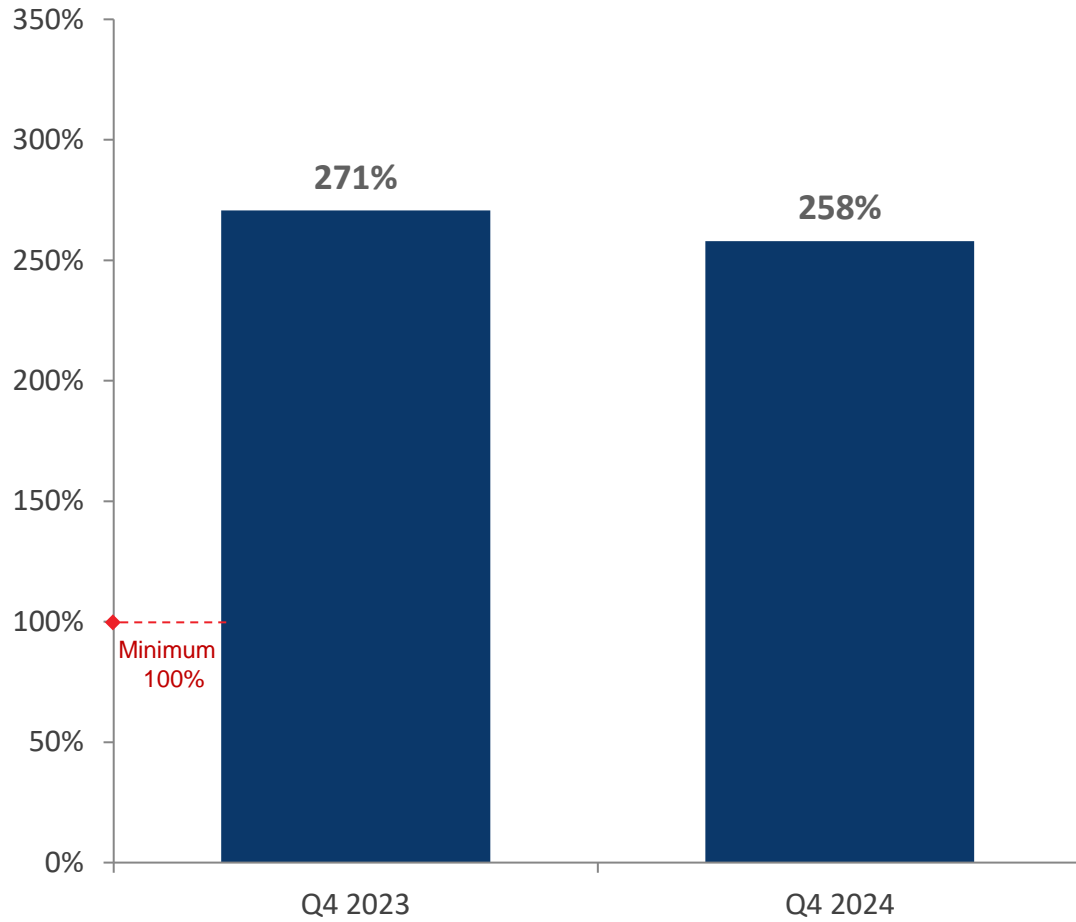
88%

(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.

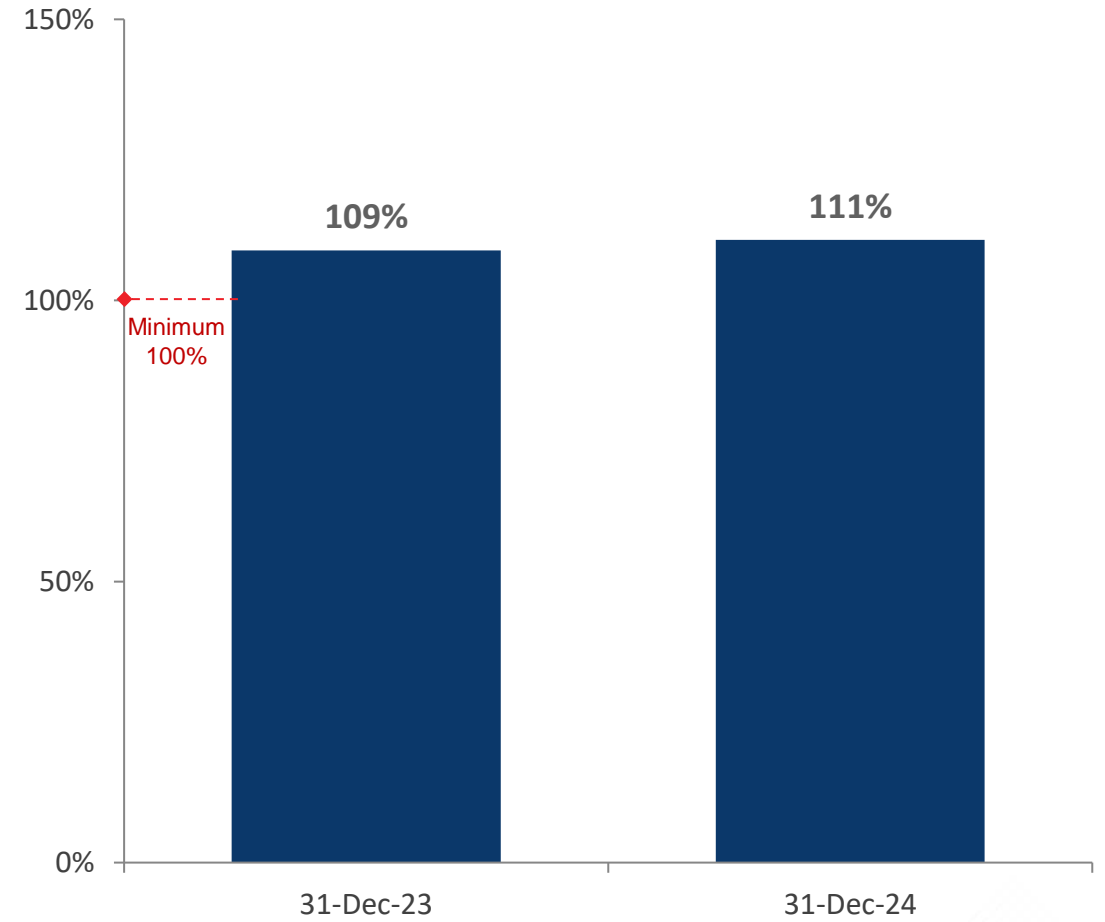


# LIQUIDITY RATIOS

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



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



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

# Q&A

# GUIDANCE FOR THE YEAR 2025

	<i>Earlier Guidance</i>	2024 Actual Outcome	2025 Guidance
1 Loan Growth	Mid-single digits for total loans	3.9% vs 6.8% <sup>(1)</sup>	Mid-single digits for total loans
2 Margins	A function of interest rate cuts	212 bps	Uncertain
3 Cost to Income Ratio	Decrease	↑ 80 bps	Decrease
4 Cost of Risk	50 to 70 bps	75 bps	60 to 70 bps
5 NPL Ratio	Under 2%	1.3%	Under 2%

(1) Source: Central Bank of Kuwait Monthly Statistics to the end of December 2024.

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