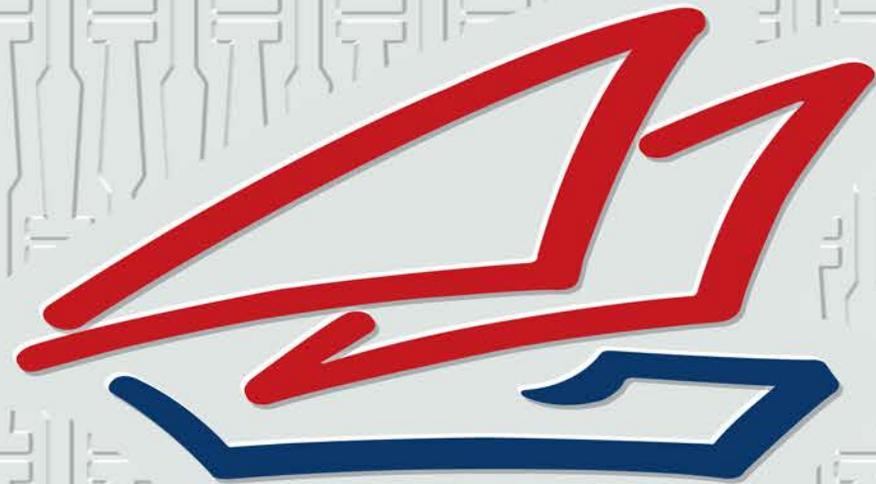


Gulf Bank
Investor Presentation
Earnings Call
Q3-2019



29 October 2019

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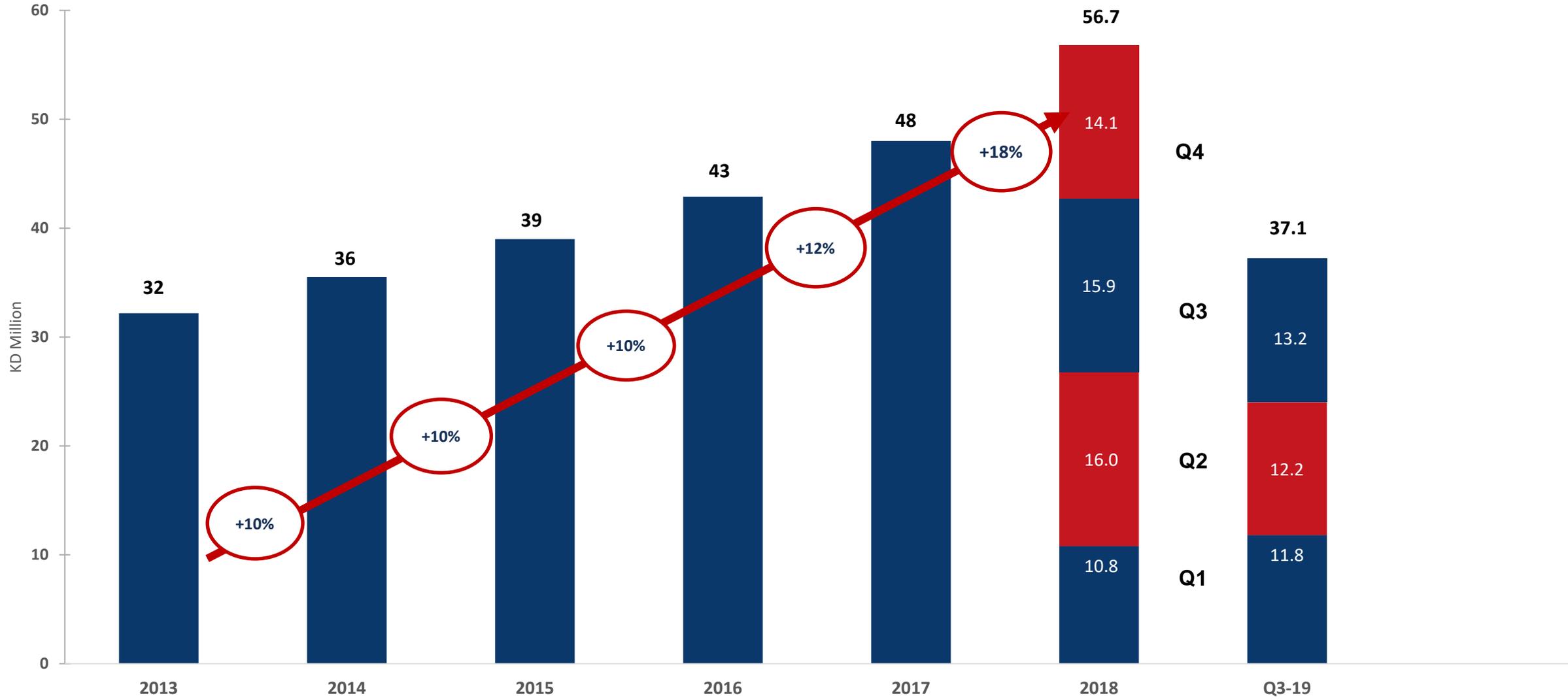
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Reported Net Profit of KD 37 million for the nine months ending 30 Sep 2019



Rated “A” by all four Credit Rating Agencies

MOODY'S

Criteria	Rating
Long-Term Deposits	A3
Outlook	Positive

**Fitch
Ratings**

Long-Term Issuer Default Rating	A+
Outlook	Stable

**S&P Global
Ratings**

Issuer Credit Rating	A-
Outlook	Stable

**ci CAPITAL
intelligence**

Long-Term Foreign Currency	A+
Outlook	Stable

Balance Sheet

	KD Millions	30-Sep-18	% of Total	30-Sep-19	% of Total	30-Sep-19 vs 30-Sep-18
ASSETS						
1 Cash and cash equivalents		805	14%	1,055	17%	250
2 Kuwait Government Bonds		396	7%	252	4%	(144)
3 CBK Bills		350	6%	279	5%	(72)
4 Deposits with banks and OFIs		177	3%	118	2%	(59)
5 Liquid Assets		1,729	29%	1,704	28%	(25)
6 Loans and advances to Customers		3,821	64%	3,992	65%	171
7 Loans and advances to Banks		128	2%	154	3%	26
8 Net Loans		3,949	66%	4,146	67%	197
9 Investment securities		123	2%	162	3%	38
10 Other assets		117	2%	108	2%	(9)
11 Premises and Equipment		31	1%	36	1%	5
12 Other assets		148	2%	144	2%	(4)
13 TOTAL ASSETS		5,949	100%	6,155	100%	206
LIABILITIES						
14 Due to banks		380	6%	549	9%	169
15 Deposits from FIs		1,056	18%	940	15%	(116)
16 Customer deposits		3,697	62%	3,788	62%	90
17 Subordinated Tier II Bonds		100	2%	100	2%	-
18 Other liabilities		102	2%	140	2%	38
19 TOTAL LIABILITIES		5,336	90%	5,517	90%	182
20 Total Equity		614	10%	638	10%	24
21 TOTAL LIABILITIES AND EQUITY		5,949	100%	6,155	100%	206
22 Average assets		5,795		6,005		
23 Average equity		600		626		
24 NPL Ratio (2.7% as of 30 June 2019)		1.5%		2.6%		
25 Coverage Ratio (288% as of 30 June 2019)		478%		314%		

Income Statement (9M-19 vs 9M-18)

	KD Millions	2018	% of Avg. Assets	18 vs 17	9M-18	% of Avg. Assets	9M-19	% of Avg. Assets	9M -19 vs 9M -18	
1	Interest Income	242.7	4.2%	37	180.4	4.2%	193.0	4.3%	12.5	7%
2	Interest Expense	(90.1)	-1.5%	(16)	(65.1)	-1.5%	(82.3)	-1.8%	(17.3)	-27%
3	Net Interest Income	152.6	2.61%	20	115.4	2.66%	110.6	2.46%	(4.8)	-4%
4	Fees/FX	39.0	0.7%	(1)	28.9	0.7%	28.4	0.6%	(0.5)	-2%
5	Other Income	<u>2.8</u>	0.0%	(6)	<u>1.4</u>	0.0%	<u>2.8</u>	0.1%	<u>1.4</u>	94%
6	Operating Income	194.4	3.3%	13	145.7	3.4%	141.9	3.2%	(3.9)	-3%
7	Operating Expenses	(67.0)	-1.1%	(3)	(48.3)	-1.1%	(58.4)	-1.3%	(10.1)	-21%
8	Operating Margin	127.4	2.2%	10	97.4	2.2%	83.4	1.9%	(14.0)	-14%
9	Credit Costs*	(1.4)	0.0%	81	(29.1)	-0.7%	(44.1)	-1.0%	(15.0)	-52%
10	Other provisions	(49.7)	-0.9%	(69)	(16.1)	-0.4%	(0.3)	0.0%	15.8	F
11	Impairments	(16.8)	-0.3%	(13)	(7.6)	-0.2%	(0.2)	0.0%	7.4	F
12	Taxes/Other	(2.8)	0.0%	0	(2.0)	0.0%	(1.7)	0.0%	0.3	13%
13	Net Profit	56.7	0.97%	9	42.7	0.98%	37.1	0.83%	(5.6)	-13%
14	ROA	0.97%			0.98%		0.83%			
15	ROE	9.4%			9.5%		7.9%			
16	Cost to income ratio	34.5%			33.0%		41.0%			
17	Cost of Risk**	0.03%			0.95%		1.38%			

*Specific Provisions + Write-offs – Recoveries

** Credit Costs / Average gross customer loans

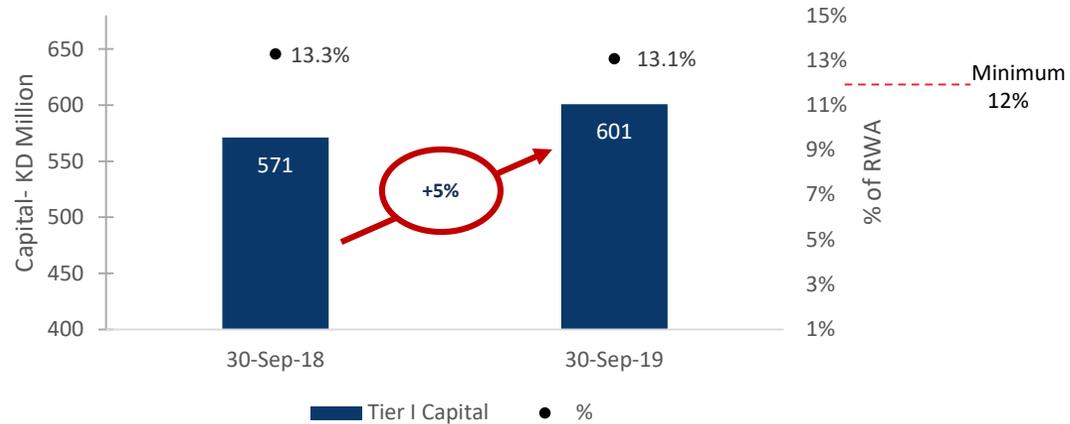
Income Statement (Q3-19 vs Q3-18)

	KD Millions	Q1-19		Q2-19		Q3-19		Q2-19 vs Q1-19		Q3-19 vs Q2-19	
		Amt	% of Avg. Assets	Amt	% of Avg. Assets	Amt	% of Avg. Assets	Amt	%	Amt	%
1	Interest Income	63.7	4.4%	64.4	4.4%	64.8	4.2%	0.7	1%	0.4	1%
2	Interest Expense	(26.2)	-1.8%	(27.5)	-1.9%	(28.7)	-1.9%	(1.3)	-5%	(1.2)	-4%
3	Net Interest Income	37.6	2.57%	36.9	2.50%	36.1	2.36%	(0.7)	-2%	(0.8)	-2%
4	Fees/FX	8.9	0.6%	9.6	0.7%	10.0	0.6%	0.8	9%	0.3	3%
5	Other Income	0.8	0.1%	1.8	0.1%	0.2	0.0%	1.0	F	(1.6)	U
6	Operating Income	47.2	3.2%	48.3	3.3%	46.3	3.0%	1.1	2%	(2.1)	-4%
7	Operating Expenses	(21.6)	-1.5%	(18.3)	-1.2%	(18.5)	-1.2%	3.2	15%	(0.2)	-1%
8	Operating Margin	25.7	1.8%	30.0	2.0%	27.8	1.8%	4.3	17%	(2.2)	-7%
9	Credit Costs*	(13.9)	-1.0%	(16.5)	-1.1%	(13.6)	-0.9%	(2.6)	-19%	2.9	17%
10	Other provisions	0.6	0.0%	(0.6)	0.0%	(0.3)	0.0%	(1.2)	U	0.2	42%
11	Impairments	0.0	0.0%	(0.1)	0.0%	(0.0)	0.0%	(0.1)	-14%	0.1	F
12	Taxes/Other	(0.6)	0.0%	(0.6)	0.0%	(0.6)	0.0%	(0.0)	-3%	(0.0)	-8%
13	Net Profit	11.8	0.81%	12.2	0.83%	13.2	0.86%	0.4	4%	1.0	8%
14	ROA	0.81%		0.83%		0.86%					
15	ROE	7.7%		7.9%		8.3%					
16	Cost to income ratio	46%		38%		40%					
17	Cost of Risk**	1.34%		1.57%		1.26%					

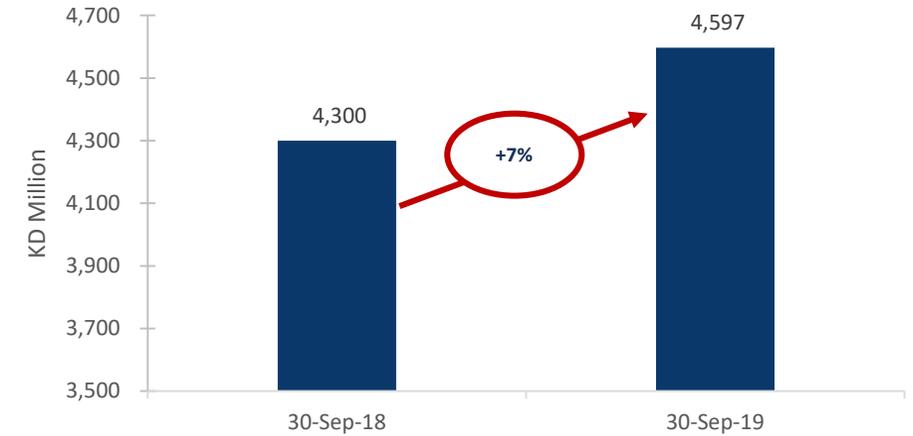
*Specific Provisions + Write-offs – Recoveries
 ** Credit Costs / Average gross customer loans

Capital & Leverage Ratios

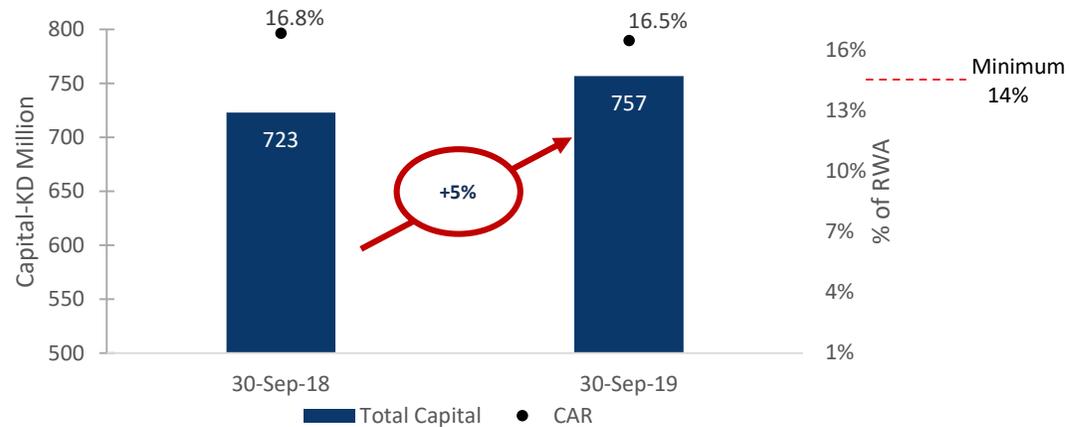
Tier I Capital*



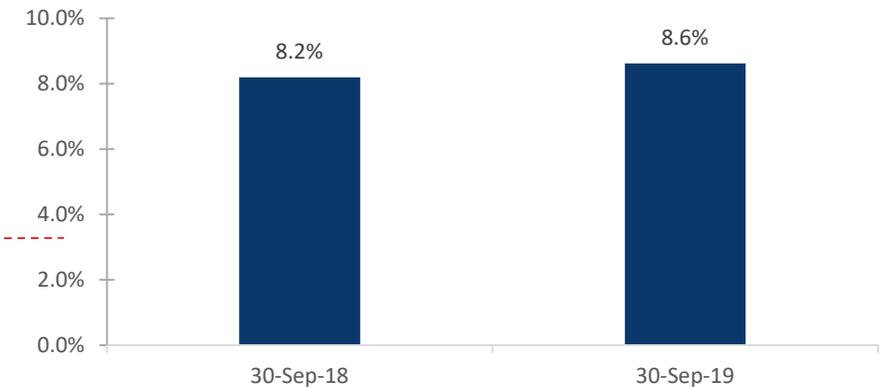
Risk Weighted Assets



Total Capital*



Leverage Ratio



% Tier 1

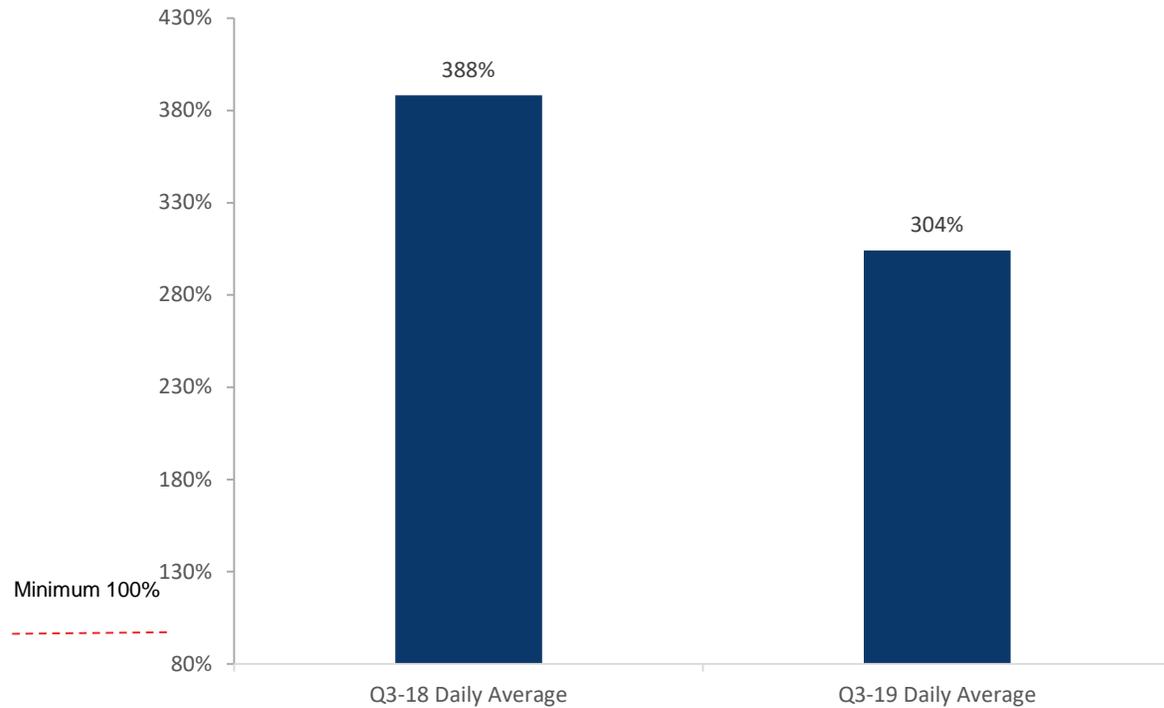
79%

79%

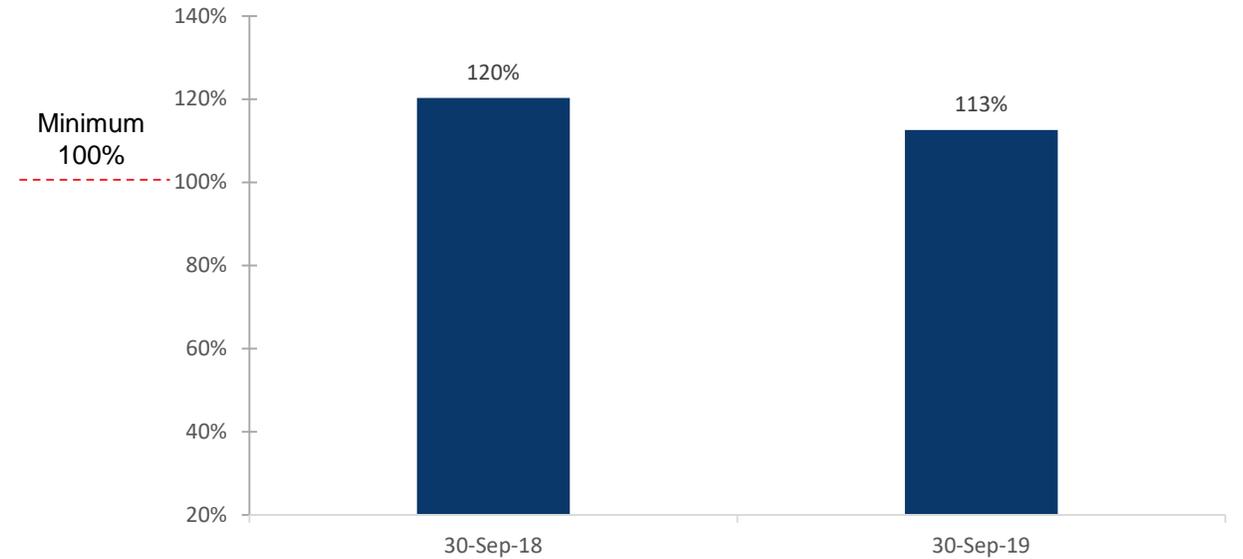
*Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB.

Liquidity Ratios

Liquidity Coverage Ratio



Net Stable Funding Ratio



Q&A

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