

Kuwait, 15 February 2021

Boursa Kuwait
State of Kuwait

Subject: Gulf Bank's Disclosure on the details of Analysts/Investors
Conference For the Financial Year ended 31/12/2020

Dear Sirs,

This is made pursuant to the provisions of Clause (4) Article (8-4-2) of Boursa Kuwait rules under Resolution No. (1) of 2018, after Gulf Bank was classified under Primary Markets and is keen to adhere to the requirements of the Boursa, we would like to report the following:

Gulf Bank has conducted the Analysts/Investors Conference for the financial year ended 31 December 2020 via Live Webcast at 1:00 p.m. (Kuwait Local Time) on Monday 15/2/2021, noting that there was no material information related to the Bank circulated during the said conference.

Attached is the Analyst/Investors Conference Call Presentation for the financial year ended 31 December 2020. Gulf bank will disclose the Analyst/Investors Conference Minutes/Script of the Call within 3 working days from the date of the conference.

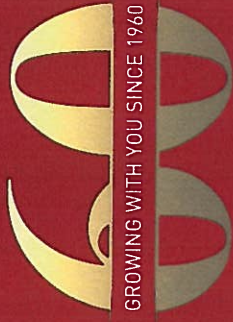
We would like to assure you our continuous cooperation

Best Regards,



Jihad Khodr
Assistant General Manager
Head of Compliance & Disclosure Unit





Gulf Bank

Earnings
Presentation

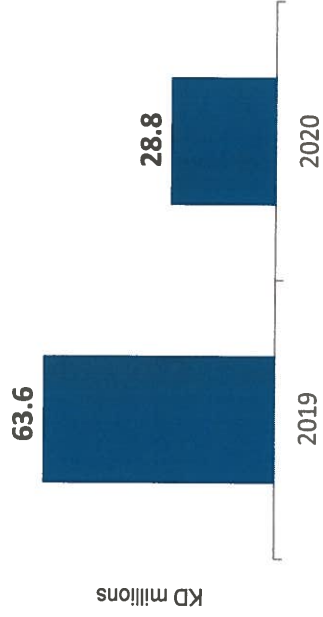
Year End 2020

15 February 2021

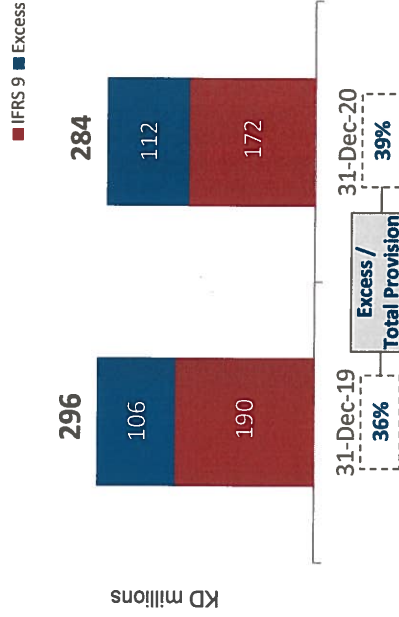


2020 Key Messages

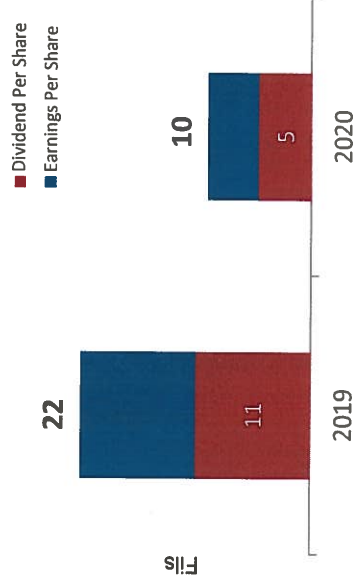
1 Net Profit



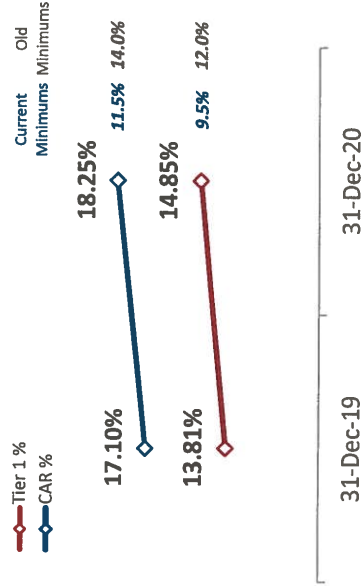
4 Total Credit Provisions



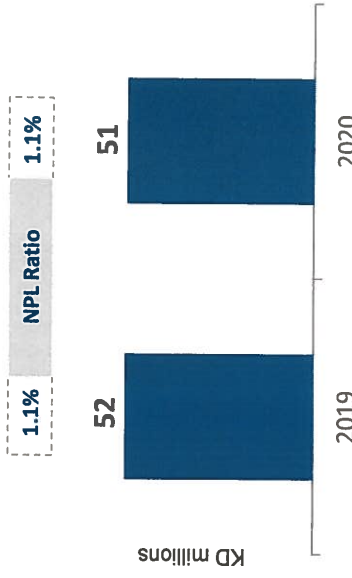
2 Earnings/Dividend Per Share⁽¹⁾



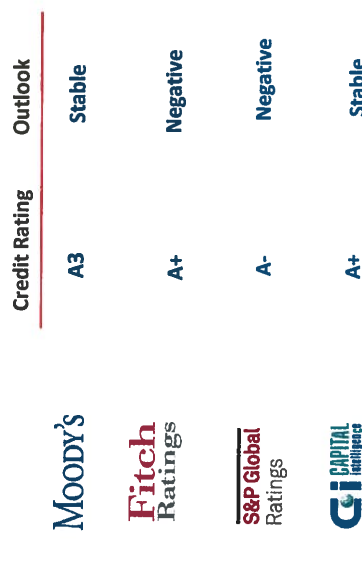
5 Capital Ratios



3 Non-Performing Loans



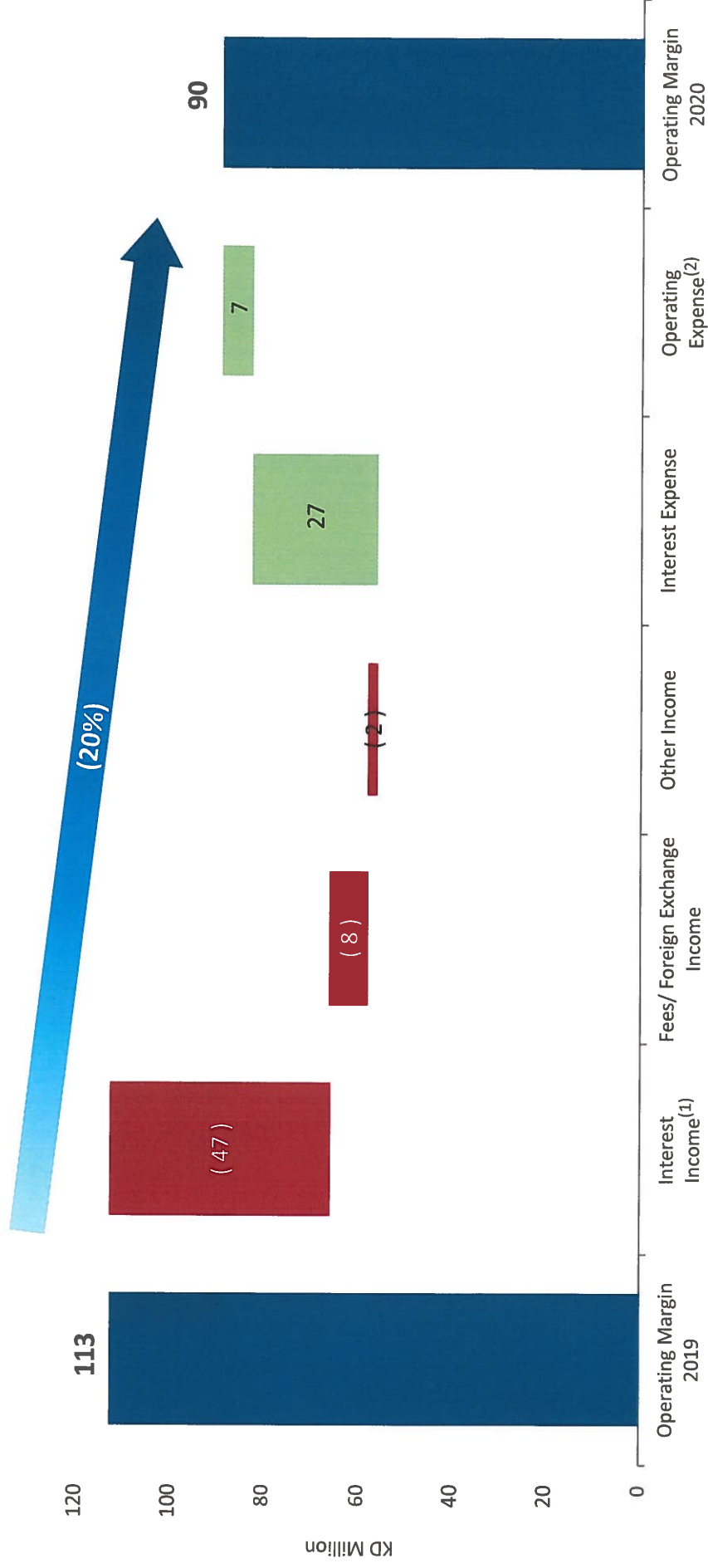
6 Credit Ratings



(1) 2020 Dividend are subject to Annual General Meeting Approval in March 2021.



Normalized operating margin progression 2019 to 2020



(1) Excludes KD 19.7 million of non-recurring income recorded in 2019.

(2) Excludes KD 2.8 million of non-recurring expense recorded in 2019 and KD 4.6 million of non-recurring expense credits recorded in 2020



بنك الخليج
GULF BANK

Income Statement

KD Millions	Q1	Q2	Q3	Q4	FY 2019A	FY 2020A	FY 20A vs FY 19A	
	2020A	2020A	2020A	2020A			Amt	%
1 Interest Income	58.0	55.2	49.3	46.8	275.6	209.3	(66.3)	-24%
2 Interest Expense	(29.1)	(22.8)	(17.8)	(14.8)	(111.2)	(84.6)	26.7	24%
3 Net Interest Income	28.9	32.4	31.5	32.0	164.4	124.8	(39.6)	-24%
4 Fees/ FX Income	8.8	6.3	7.4	9.1	39.5	31.6	(7.9)	-20%
5 Other Income	0.6	0.2	0.2	0.9	3.7	1.9	(1.8)	-48%
6 Operating Income	38.3	38.9	39.2	41.9	207.6	158.3	(49.4)	-24%
7 Operating Expenses	(18.7)	(14.7)	(14.1)	(16.4)	(78.0)	(63.9)	14.1	18%
8 Operating Margin	19.6	24.2	25.1	25.6	129.6	94.3	(35.3)	-27%
9 Credit Costs ⁽¹⁾	(7.3)	(21.0)	(16.6)	(14.0)	(59.6)	(59.0)	0.6	1%
10 General Provisions	(3.3)	0.5	(1.5)	0.1	(2.1)	(4.2)	(2.1)	U
11 Other Provisions/Impairments	0.1	(0.4)	0.0	(0.6)	(1.3)	(0.9)	0.4	F
12 Taxes/ Other	(0.4)	(0.1)	(0.3)	(0.6)	(3.1)	(1.5)	1.6	52%
13 Net Profit	8.6	3.2	6.6	10.4	63.6	28.8	(34.8)	-55%
14 Return on Assets (ROA) %	0.5%	0.2%	0.4%	0.7%	1.1%	0.5%		
15 Return on Equity (ROE) %	5.3%	2.1%	4.3%	6.6%	10.0%	4.6%		
16 Net Interest Margin (NIM) % ⁽²⁾	1.8%	2.1%	2.1%	2.1%	2.7%	2.0%		
17 Cost to Income Ratio (CIR) %	48.9%	37.9%	36.0%	39.0%	37.6%	40.4%		
18 Cost of Risk (COR) % ⁽³⁾	0.6%	1.9%	1.5%	1.3%	1.4%	1.3%		

(1) Includes specific provisions, recoveries, and write-offs (2) Net Interest Income / Average assets
(3) Credit Costs / Average gross customer loans. (4) Variances are shown as better / (worse).

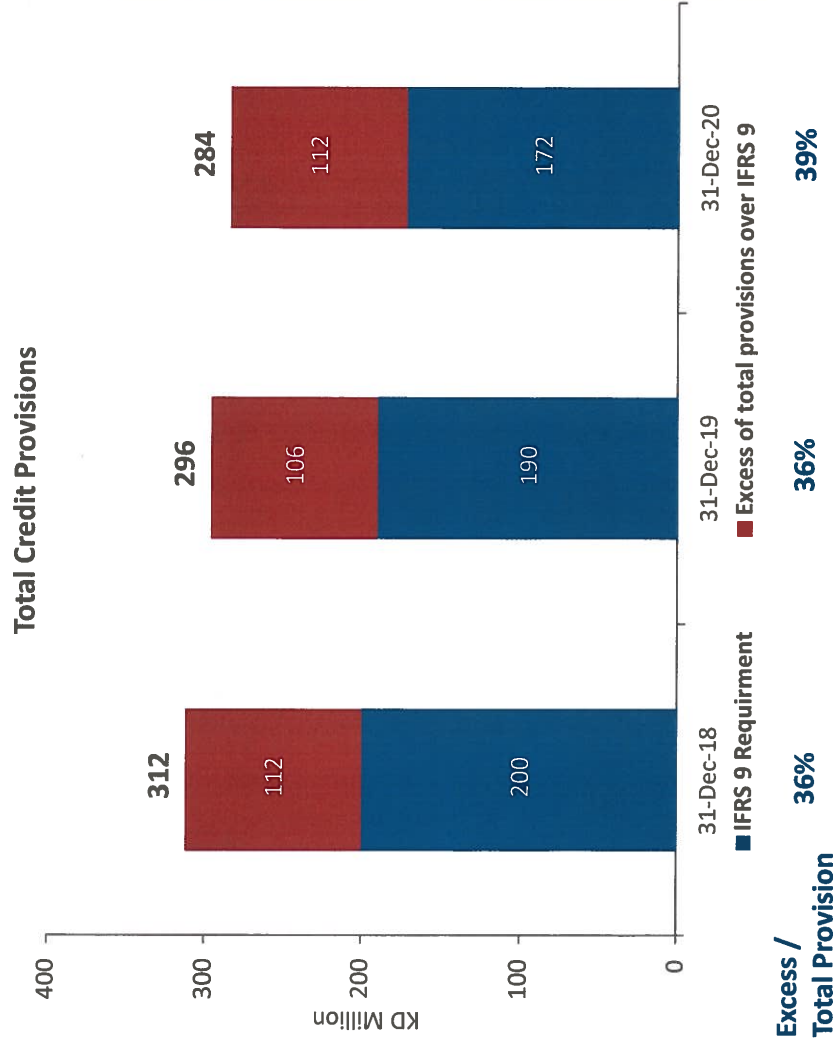
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F: Favorable
U: Unfavorable.

Balance Sheet

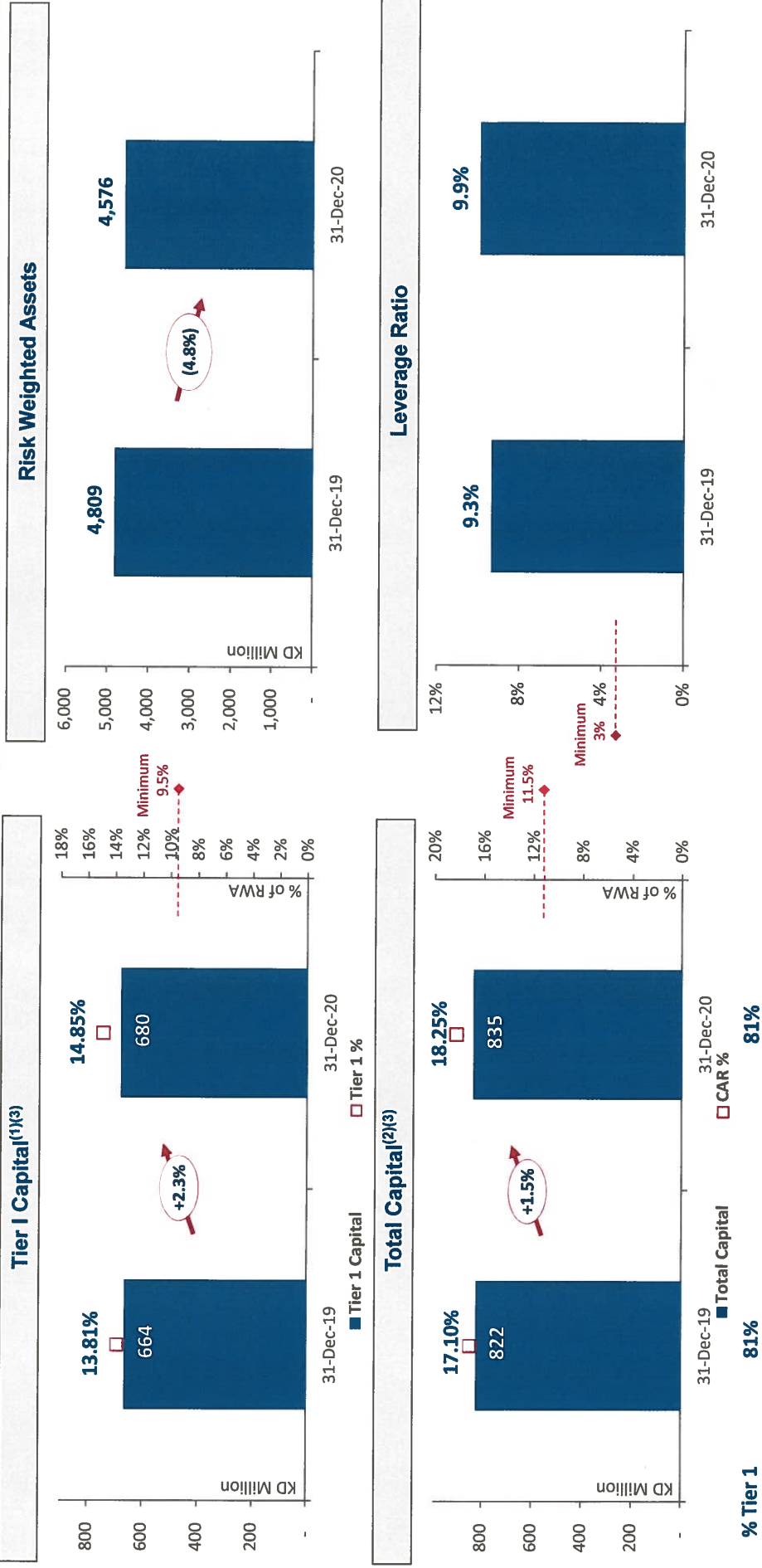
	KD Millions		31-Dec-19	% of Total	31-Dec-20	% of Total	Var Dec 20 vs Dec 19	
	Amount	%					Amount	%
ASSETS								
1 Cash and cash equivalents	848	14%	1,106	18%	258	30%		
2 Kuwait Government Bonds	232	4%	109	2%	(124)	-53%		
3 CBK Bills	279	4%	281	5%	2	1%		
4 Deposits with banks and OFIs	128	2%	3	0%	(125)	-98%		
5 Liquid Assets	1,487	24%	1,498	25%	11	1%		
6 Loans and advances to customers	4,506	72%	4,384	72%	(122)	-3%		
7 Loans and advances to banks	214	3%	193	3%	(21)	-10%		
8 Provisions	(282)	-5%	(269)	-4%	14	5%		
9 Net Loans	4,438	71%	4,309	70%	(129)	-3%		
10 Investment securities	171	3%	175	3%	4	2%		
11 Other assets	114	2%	97	2%	(17)	-15%		
12 Premises and equipment	37	1%	34	1%	(3)	-7%		
13 Other assets	150	2%	131	2%	(19)	-13%		
14 TOTAL ASSETS	6,245	100%	6,113	100%	(133)	-2%		
LIABILITIES								
15 Due to banks	399	6%	551	9%	152	38%		
16 Deposits from Fis	1,018	16%	705	12%	(313)	-31%		
17 Customer deposits	3,950	63%	4,034	66%	84	2%		
18 Subordinated Tier II Bonds	100	2%	100	2%	0	0%		
19 Other liabilities	114	2%	86	1%	(28)	-25%		
20 TOTAL LIABILITIES	5,581	89%	5,475	90%	(106)	-2%		
21 Total Equity	664	11%	637	10%	(27)	-4%		
22 TOTAL LIABILITIES AND EQUITY	6,245	100%	6,113	100%	(133)	-2%		
23 Average assets	6,053		6,150		97	2%		
24 Average equity	634		632		(1)	0%		
25 NPL ratio (Sep'20 1.5%)	1.1%		1.1%					
26 Coverage ratio (Sep'20 462%)	602%		568%					

Total Credit Provisions exceed IFRS9 accounting requirements by KD 112 million



Comparison between total provisions and IFRS 9 Excess Credit Loss (ECL) on credit facilities				
(KD Millions)	31 Dec 2018	31 Dec 2019	31 Dec 2020	
Provision on cash facilities	296	282	269	
Provision on non-cash facilities	16	14	15	
Total provisions on credit facilities (A)	312	296	284	
IFRS 9 ECL on credit facilities (B)	200	190	172	
Excess of total provisions over IFRS 9 ECL on credit facilities (A-B)	112	106	112	

Capital and Leverage Ratios

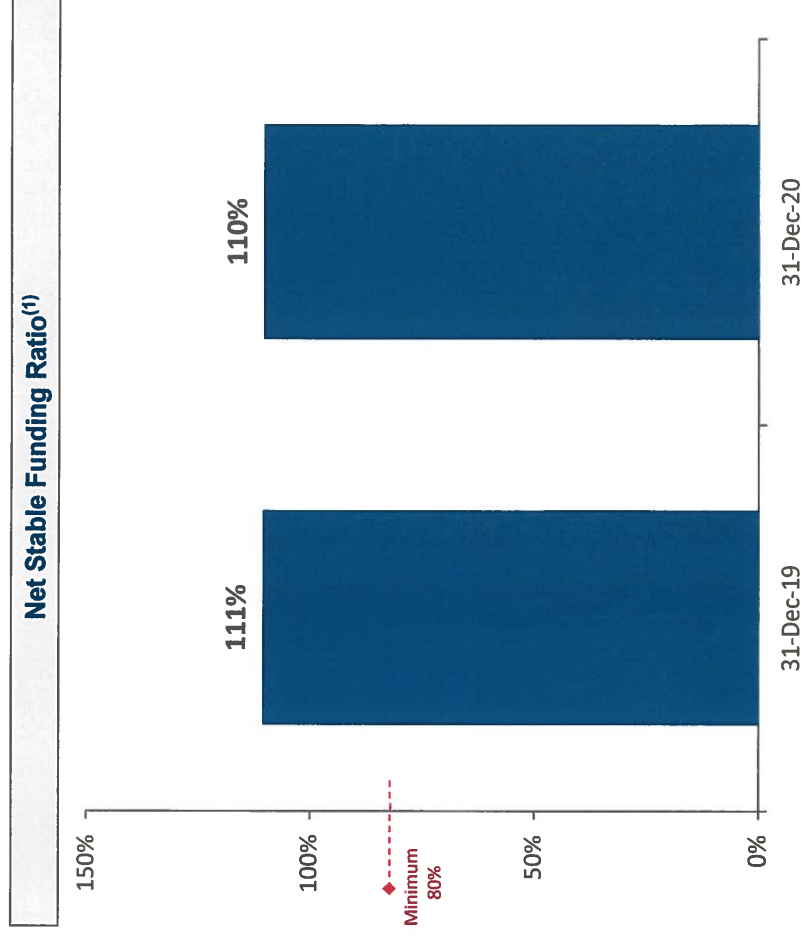
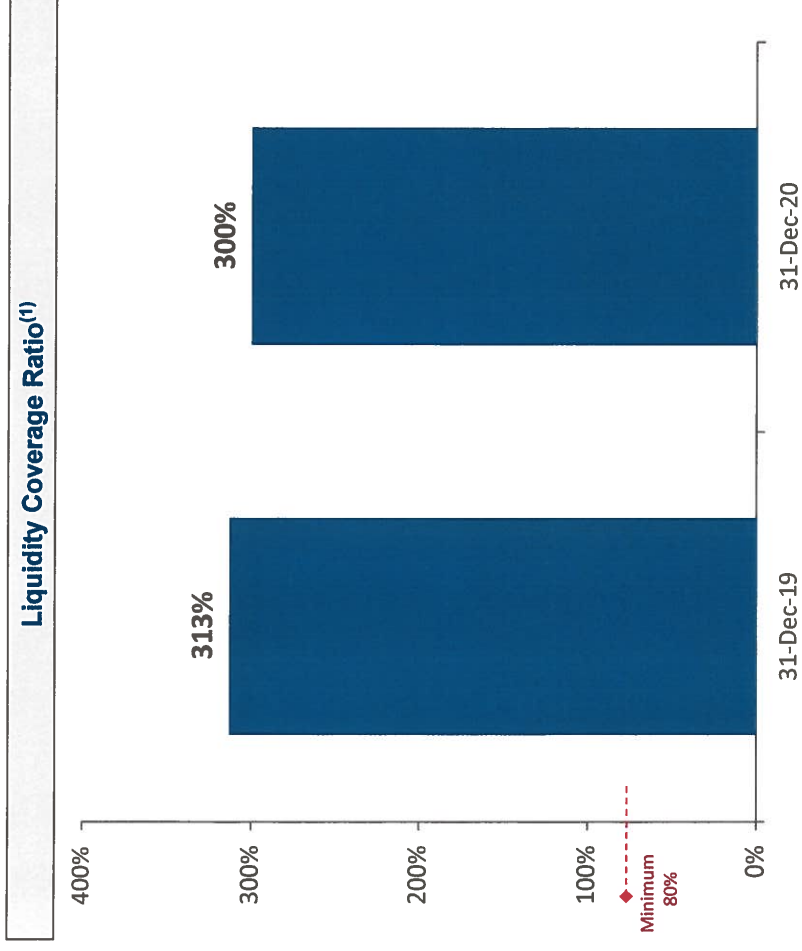


(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%;
 (2) CAR regulatory minimum has been changed from 14% to 11.5%;

Note: The changes in the regulatory minimums were instructed by CBK in April 2020.

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

Liquidity Ratios



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been changed from 100% to 80%.

Note: The changes in the regulatory minimums were instructed by CBK in April 2020.

Maintaining 'A' ratings from all four major credit rating agencies

Rating Agency	Criteria	Rating
	Long-Term Deposits	A3
	Outlook	Stable
	Long-Term Issuer Default Rating	A+
	Outlook	Negative
	Issuer Credit Rating	A-
	Outlook	Negative
	Long-Term Foreign Currency	A+
	Outlook	Stable

Q&A

Gulf Bank

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