

Kuwait, 10 August 2020

Boursa Kuwait
State of Kuwait

Subject: Interim Financial Statements for the Period Ended 30/6/2020

Dear Sirs,

This is pursuant to Module Ten, Chapter Four of the Resolution No. 72 of 2015, concerning the amended Executive Bylaws to Law No. 7/2010 on the “Establishment of Capital Markets Authority and the Regulation of Securities Activity”, pertaining to the “Disclosure of Material Information and the Mechanism of Notification”. We would like to advise you that CBK Board of Directors has approved Gulf Bank’s interim financial statements for the period ended 30/6/2020 as per CBK letter dated 10/8/2020.

Pursuant to the requirements of the Bourse under Resolution No. (1) of 2018 applicable to listed companies classified under Premier Markets, we are pleased to announce that the Quarterly Analysts/Investors Conference will be held through live webcast on Sunday 16/8/2020, at 1:00pm (local timing). Investors, analysts, and interested parties may visit our bank’s website www.e-gulfbank.com under the Investor Relations Section/Investor Presentations to obtain the Invitation link and instructions on how to join the webcast.

Best regards



Antoine Daher
Chief Executive Officer



Enclosures:

- Copy of CBK approval on the Financial Statements
- Copy of Gulf Bank’s Interim Financial Statements for the period ended 30/6/2020
- Announcement Form of the Interim Financial Statements as at 30/6/2020

**Central Bank of Kuwait
Executive Director Supervision Sector**

Date: 10 August 2020
Ref: 2/105/4825

**Chief Executive Officer
Gulf Bank**

Dear Sir,

This has reference to the two letters from your bank, dated 23/7/2020, which enclosed your bank's interim financial statements for the period ended on 31/3/2020 and 30/6/2020 prepared for disclosure purposes as per the requirements of Boursa Kuwait, and further to the clarifications and detailed information sent to us in this regard, latest dated on 9/8/2020.

We would like to advise you that CBK took note of the contents of these statements, and that you may proceed with all necessary actions applicable in this regard.

Best regards

Waleed M. Al-Awadhi

c.c. Boursa Kuwait

Financial Results Form
Kuwaiti Company (KWD)

 نموذج نتائج البيانات المالية
 الشركات الكويتية (د.ك.)

Select from the list	2020-06-30	اختر من القائمة
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Company Name	اسم الشركة
Gulf Bank K.S.C.P.	بنك الخليج ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-07-22	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	فترة الستة أشهر المقارنة	فترة الستة أشهر الحالية	البيان
Change (%)	Six Month Comparative Period	Six Month Current Period	Statement
	2019-06-30	2020-06-30	
-50.9%	23,975,000	11,767,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-51.0%	8.27	4.05	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
0.4%	3,379,004,000	3,392,434,000	الموجودات المتداولة Current Assets
0.2%	6,010,872,000	6,025,277,000	إجمالي الموجودات Total Assets
3.0%	5,098,749,000	5,252,734,000	المطلوبات المتداولة Current Liabilities
0.7%	5,385,943,000	5,425,966,000	إجمالي المطلوبات Total Liabilities
-4.1%	624,929,000	599,311,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
-19.2%	95,583,000	77,213,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-21.4%	55,654,000	43,739,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
--	لا يوجد خسائر متراكمة No accumulated losses	لا يوجد خسائر متراكمة No accumulated losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الثاني المقارن	الربع الثاني الحالي	البيان
Change (%)	Second quarter Comparative Period	Second quarter Current Period	Statement
	2019-06-30	2020-06-30	
-74.0%	12,195,000	3,171,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-74.1%	4.21	1.09	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
-19.5%	48,337,000	38,898,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-19.4%	29,990,000	24,170,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)


• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The Bank's net profit for the period ended 30 June 2020 of KD 12 million is a decrease of 51% over the same period in 2019 due to lower operating revenue offset by lower operating expenses. Refer to disclosure Form on COVID-19 Impact on Financial Statements.	انخفض صافي الربح للبنك للفترة المنتهية في 30 يونيو 2020 إلى 12 مليون د.ك. ، أي بنسبة 51% عن نفس الفترة في عام 2019. ويعزى ذلك إلى الانخفاض في الإيرادات التشغيلية والتي قوبلت بانخفاض في المصروفات التشغيلية. يرجى الرجوع إلى نموذج الإفصاح حول تأثير كوفيد-19 على البيانات المالية.
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 3,163,000	3,163,000 دك
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KD 1,140,000	1,140,000 دك

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
NIL	NIL	توزيعات نقدية	Cash Dividends
NIL	NIL	توزيعات أسهم منحة	Bonus Share
NIL	NIL	توزيعات أخرى	Other Dividend
NIL	NIL	عدم توزيع أرباح	No Dividends
NIL	NIL	زيادة رأس المال	Capital Increase
NIL	NIL	تخفيض رأس المال	Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مر قب الحسابات بإبداء ملاحظات أو تحفظات
No comments were raised by the auditors.	لا توجد أية ملاحظات من قبل مراقب الحسابات

التوقيع	المسمى الوظيفي	الاسم
Signature	Title	Name
	Chief Executive Officer الرئيس التنفيذي	Antoine Daher أنطوان ضاهر

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مر قب الحسابات المعتمد



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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF GULF BANK K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Gulf Bank K.S.C.P. (the "Bank") as at 30 June 2020, and the related interim condensed statement of income and interim condensed statement of comprehensive income for the three months and six months periods then ended and the related interim condensed statement of cash flows and interim condensed statement of changes in equity for the six months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 2020 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any material violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organization of banking business, and its related regulations, during the six months period ended 30 June 2020 that might have had a material effect on the business of the Bank or on its financial position.

ABDULKARIM AL SAMDAN
LICENCE NO. 208 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

TALAL YOUSEF AL-MUZAINI
LICENCE NO. 209 A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

09 August 2020
Kuwait

GULF BANK K.S.C.P.
Interim Condensed Statement of Income
(Unaudited)

PERIOD ENDED 30 JUNE 2020

	<i>3 months ended</i>	<i>3 months ended</i>	<i>6 months ended</i>	<i>6 months ended</i>
	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>	<i>30 June</i>
	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
<i>Notes</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Interest income	55,245	64,403	113,269	128,139
Interest expense	22,836	27,490	51,967	53,650
Net interest income	32,409	36,913	61,302	74,489
Net fees and commissions	4,734	7,229	11,491	13,898
Net gains from dealing in foreign currencies and derivatives	1,524	2,392	3,593	4,581
Dividend income	-	-	352	575
Other income	231	1,803	475	2,040
Operating income	38,898	48,337	77,213	95,583
Staff expenses	8,882	11,515	20,389	23,250
Occupancy costs	678	652	1,411	1,289
Depreciation	1,932	1,730	3,870	3,448
Other expenses	3,236	4,450	7,804	11,942
Operating expenses	14,728	18,347	33,474	39,929
OPERATING PROFIT BEFORE PROVISIONS / IMPAIRMENT LOSSES	24,170	29,990	43,739	55,654
Charge (release) of provisions:				
- specific	23,979	22,313	32,246	35,317
- general	(547)	531	2,752	(346)
Loan recoveries, net of write-off	(2,948)	(5,802)	(3,867)	(4,890)
Net provision on other financial assets	(5)	41	(84)	332
Impairment loss on other assets	372	140	372	140
OPERATING PROFIT	3,319	12,767	12,320	25,101
Contribution to Kuwait Foundation for the Advancement of Sciences	32	128	123	252
National Labour Support Tax	84	316	307	622
Zakat	32	128	123	252
PROFIT FOR THE PERIOD	3,171	12,195	11,767	23,975
BASIC AND DILUTED EARNINGS PER SHARE (Fils)	1	4	4	8

The attached notes 1 to 13 form part of the interim condensed financial information.

GULF BANK K.S.C.P.
Interim Condensed Statement of Comprehensive Income
(Unaudited)

PERIOD ENDED 30 JUNE 2020

	<i>3 months ended</i> <i>30 June</i> <i>2020</i> <i>KD 000's</i>	<i>3 months ended</i> <i>30 June</i> <i>2019</i> <i>KD 000's</i>	<i>6 months ended</i> <i>30 June</i> <i>2020</i> <i>KD 000's</i>	<i>6 months ended</i> <i>30 June</i> <i>2019</i> <i>KD 000's</i>
Profit for the period	3,171	12,195	11,767	23,975
Other comprehensive income				
<i>Items that will not be reclassified subsequently to interim condensed statement of income :</i>				
Net changes in fair value of investment securities-equity	(607)	(918)	(4,459)	1,254
<i>Items that are reclassified or may be reclassified subsequently to interim condensed statement of income:</i>				
Net changes in fair value of debt instruments at FVOCI	1	(7)	1	(12)
Other comprehensive income for the period	(606)	(925)	(4,458)	1,242
Total comprehensive income for the period	2,565	11,270	7,309	25,217

The attached notes 1 to 13 form part of the interim condensed financial information.

GULF BANK K.S.C.P.
Interim Condensed Statement of Financial Position

	<i>(Unaudited)</i> 30 June 2020 <i>KD 000's</i>	<i>(Audited)</i> 31 December 2019 <i>KD 000's</i>	<i>(Unaudited)</i> 30 June 2019 <i>KD 000's</i>
ASSETS			
Cash and cash equivalents	811,826	847,881	847,848
Treasury bills and bonds	165,500	232,000	326,500
Central Bank of Kuwait bonds	279,634	278,675	283,992
Deposits with banks and other financial institutions	55,855	128,368	160,966
Loans and advances to banks	206,102	212,978	133,736
Loans and advances to customers	4,188,995	4,224,608	3,955,333
Investment securities	164,855	170,694	153,702
Other assets	117,315	113,549	111,920
Premises and equipment	35,195	36,664	36,875
	6,025,277	6,245,417	6,010,872
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	434,474	398,713	505,504
Deposits from financial institutions	873,851	1,018,487	841,527
Customer deposits	3,915,754	3,949,901	3,804,447
Subordinated Tier 2 bonds	100,000	100,000	100,000
Other liabilities	101,887	113,993	134,465
	5,425,966	5,581,094	5,385,943
EQUITY			
Share capital	304,813	304,813	304,813
Statutory reserve	39,106	39,106	32,429
Share premium	153,024	153,024	153,024
Property revaluation reserve	18,425	18,425	17,983
Treasury share reserve	22,926	24,111	24,111
Fair valuation reserve	2,714	7,522	8,348
Retained earnings	128,885	190,927	157,826
	669,893	737,928	698,534
Treasury shares	(70,582)	(73,605)	(73,605)
	599,311	664,323	624,929
	6,025,277	6,245,417	6,010,872


Jassim Mustafa Boodai
(Chairman)


Antoine Daher
(Chief Executive Officer)

The attached notes 1 to 13 form part of the interim condensed financial information.