



Gulf Bank

Earnings
Presentation

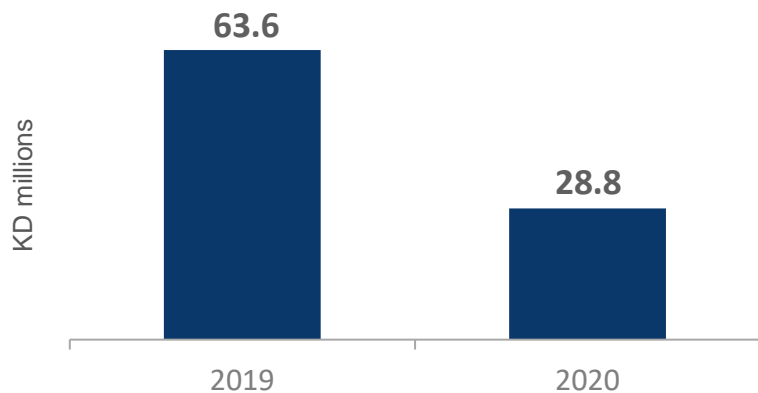
Year End 2020

15 February 2021

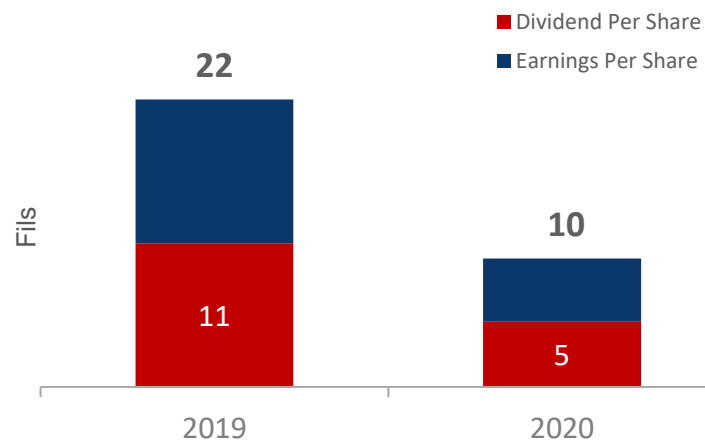


2020 Key Messages

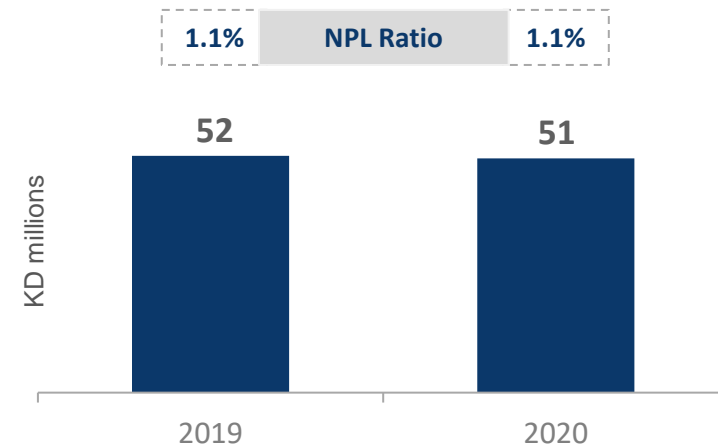
1 Net Profit



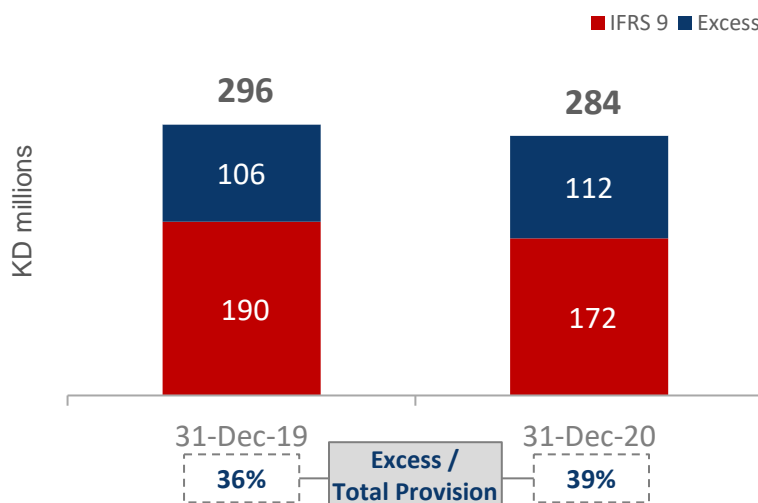
2 Earnings/Dividend Per Share⁽¹⁾



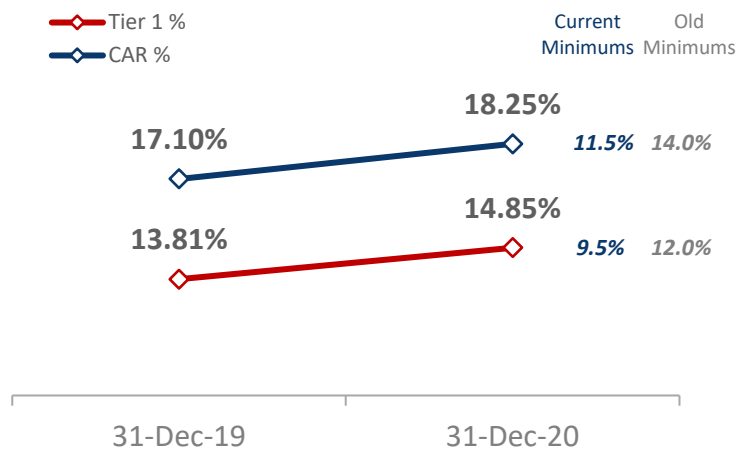
3 Non-Performing Loans



4 Total Credit Provisions



5 Capital Ratios

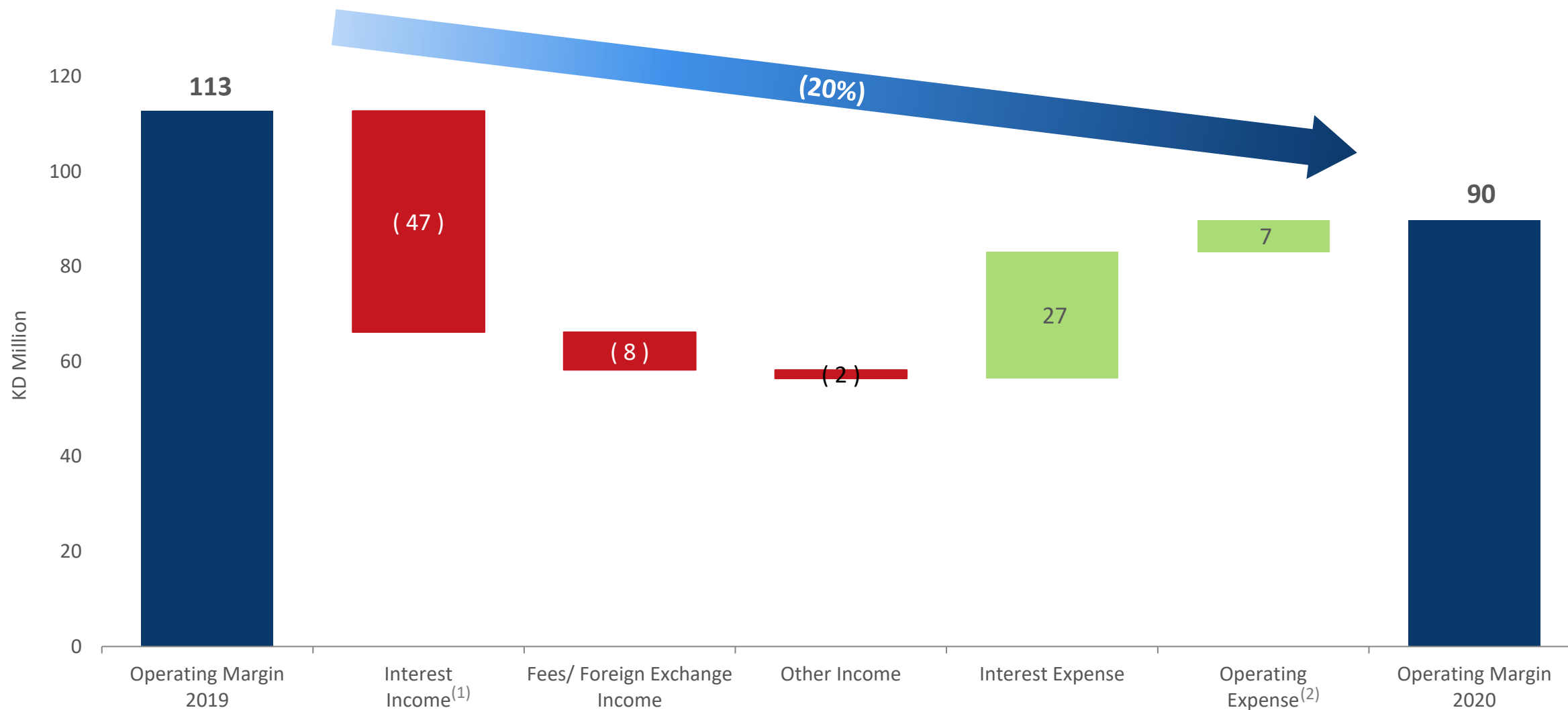


6 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Stable
Fitch Ratings	A+	Negative
S&P Global Ratings	A-	Negative
CI CAPITAL intelligence	A+	Stable

(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

Income Statement

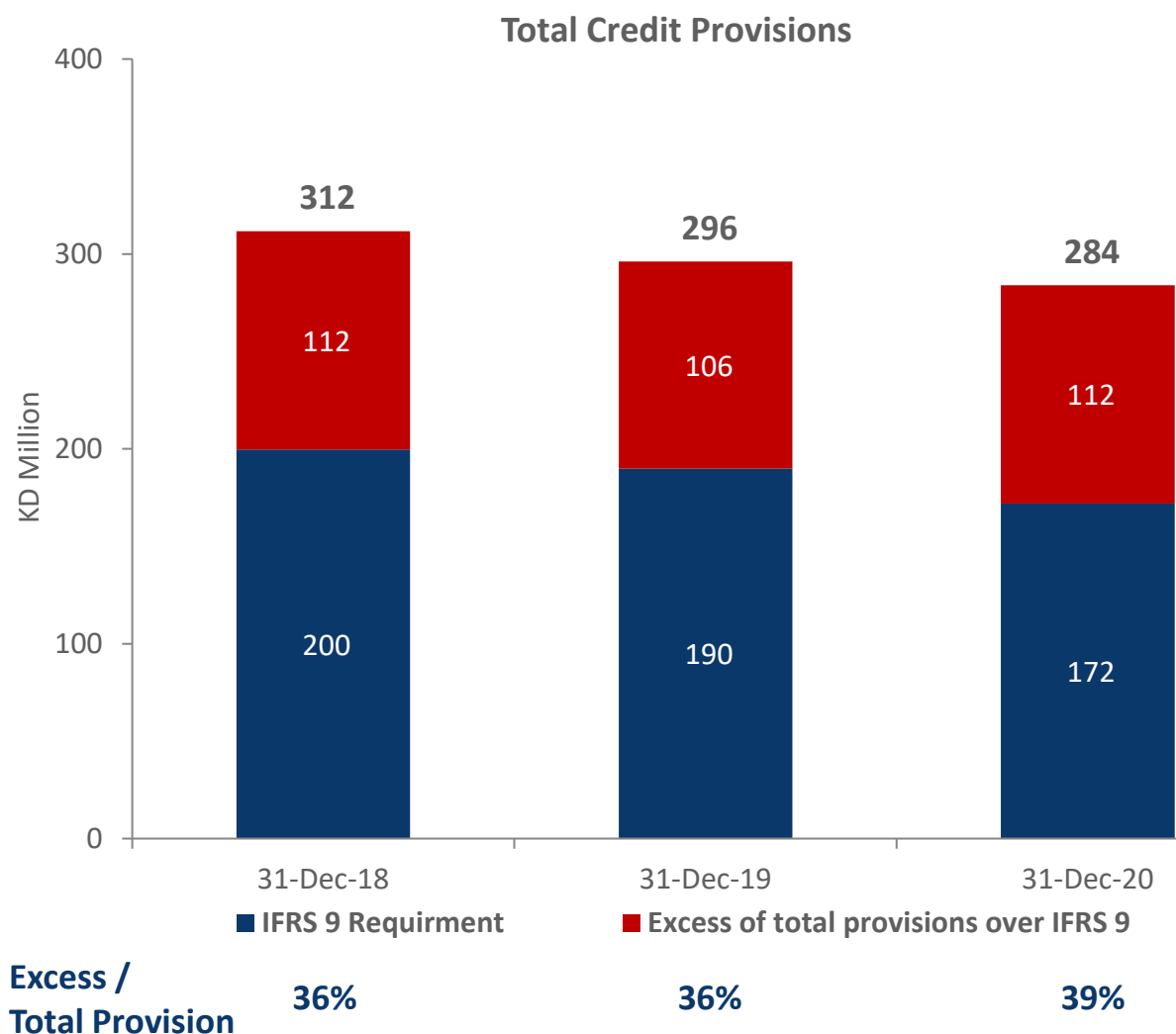
KD Millions	Q1 2020A	Q2 2020A	Q3 2020A	Q4 2020A	FY 2019A	FY 2020A	FY 20A vs FY 19A	
							Amt	%
1 Interest Income	58.0	55.2	49.3	46.8	275.6	209.3	(66.3)	-24%
2 Interest Expense	(29.1)	(22.8)	(17.8)	(14.8)	(111.2)	(84.6)	26.7	24%
3 Net Interest Income	28.9	32.4	31.5	32.0	164.4	124.8	(39.6)	-24%
4 Fees/ 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).

Balance Sheet

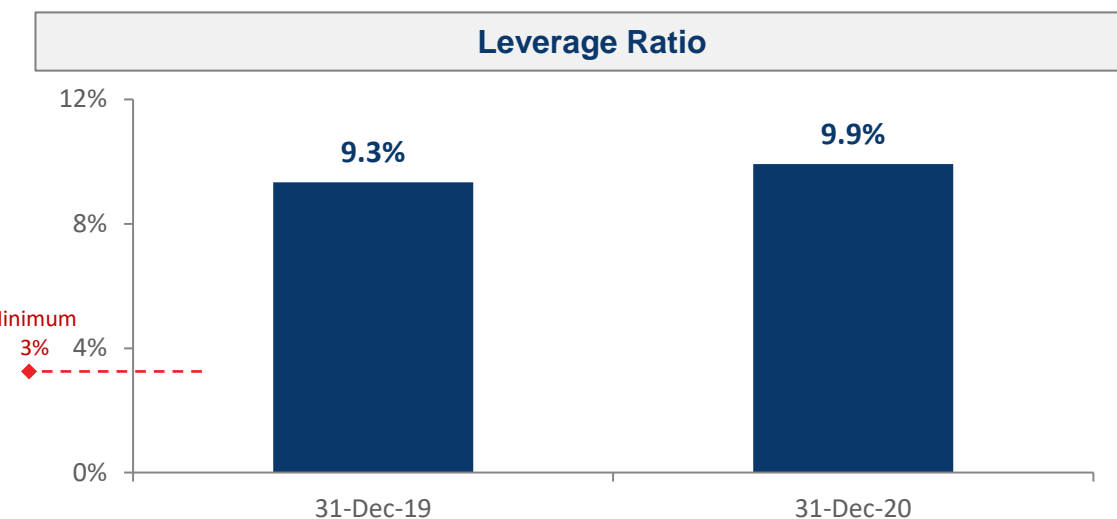
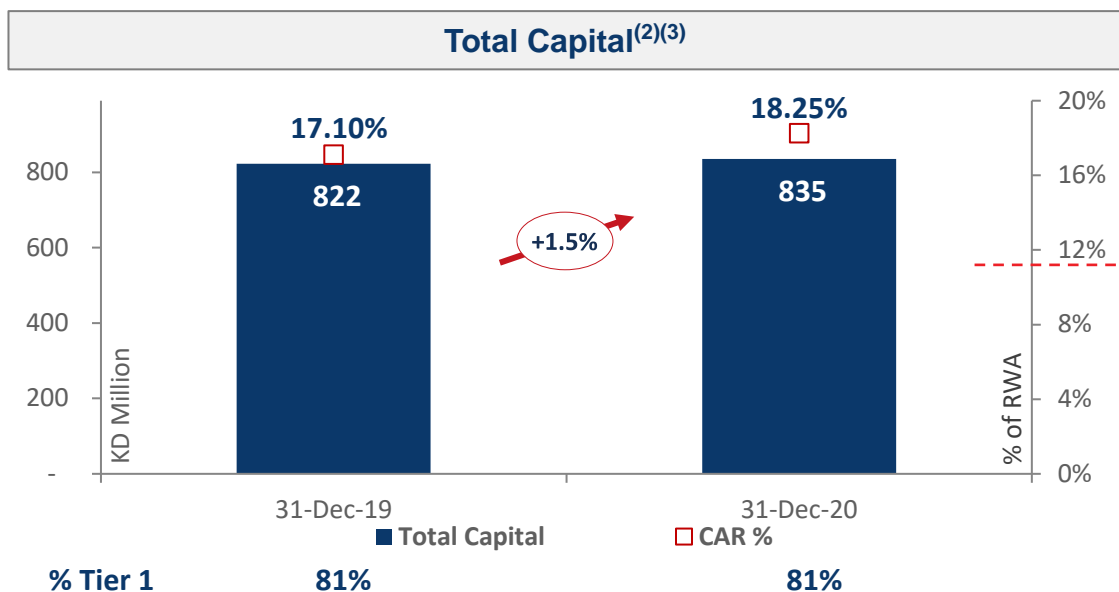
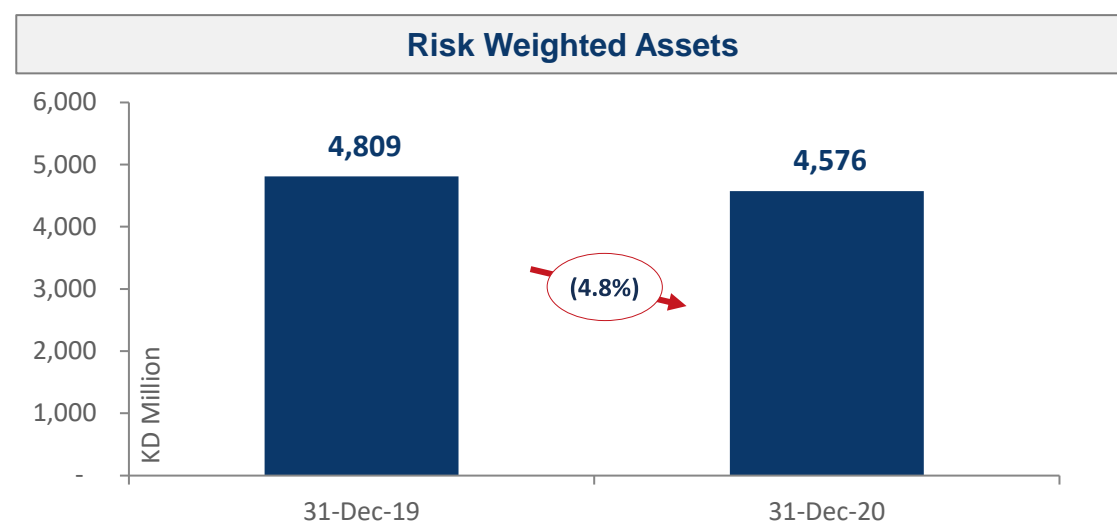
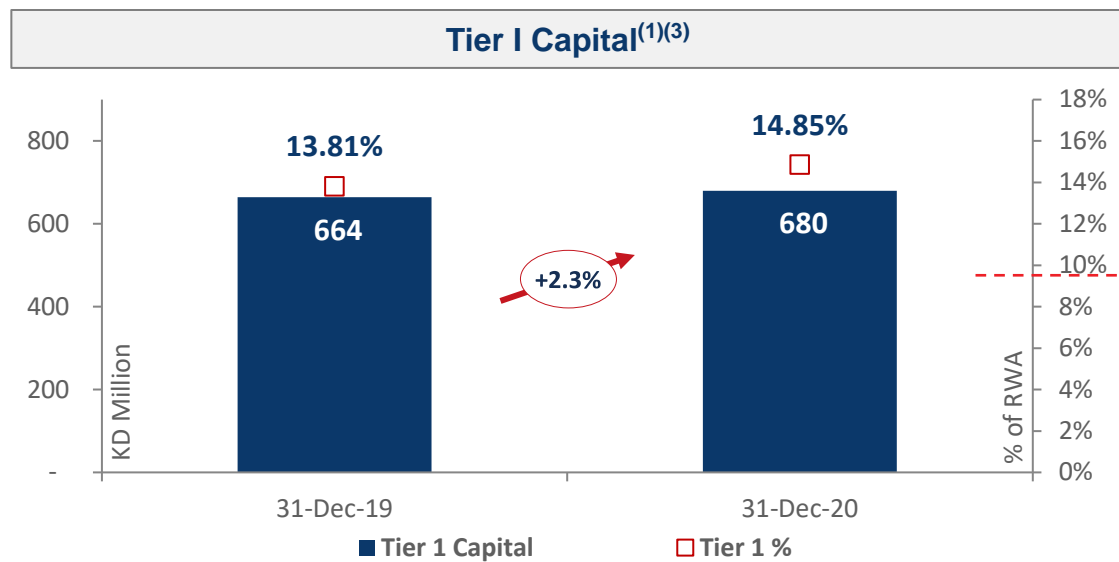
	KD Millions	31-Dec-19	% of Total	31-Dec-20	% of Total	Var Dec 20 vs Dec 19	
						Amount	%
ASSETS							
1	Cash and cash equivalents	848	14%	1,106	18%	258	30%
2	Kuwait Government Bonds	232	4%	109	2%	(124)	-53%
3	CBK Bills	279	4%	281	5%	2	1%
4	Deposits with banks and OFIs	128	2%	3	0%	(125)	-98%
5	Liquid 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



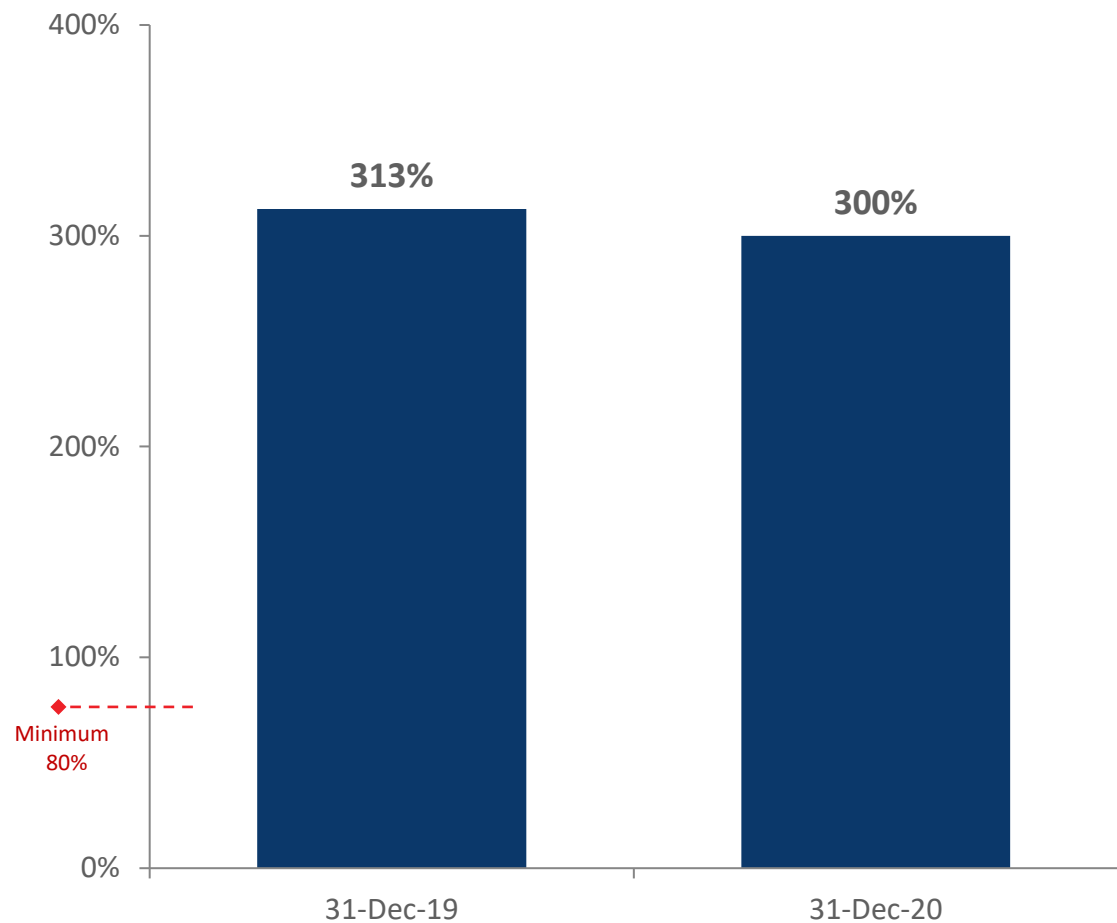
(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%;

(2) CAR regulatory minimum has been changed from 14% to 11.5%;

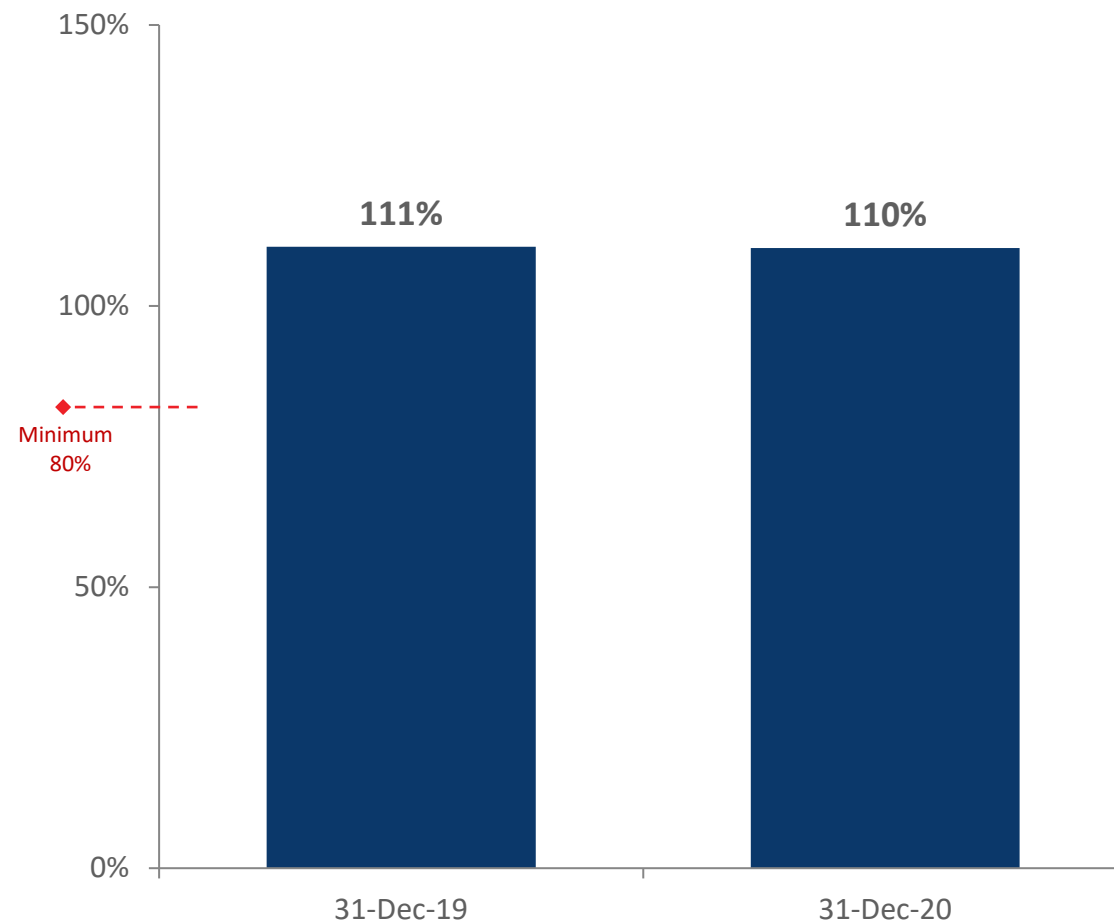
(3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB.

Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾







Net Stable Funding Ratio⁽¹⁾



(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

Investor Relations Team

Tel : +965 22449501

Fax : +965 2243-7872

P.O. Box 3200, Safat, 13032 Kuwait

Investor.relations@gulfbank.com.kw

Disclaimer

THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR.

This presentation has been prepared by (and is the sole responsibility of) GULF BANK K.S.C.P. (the “Bank”). The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent. The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice.

All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction. Past performance is not indicative of future results. GULF BANK is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.