

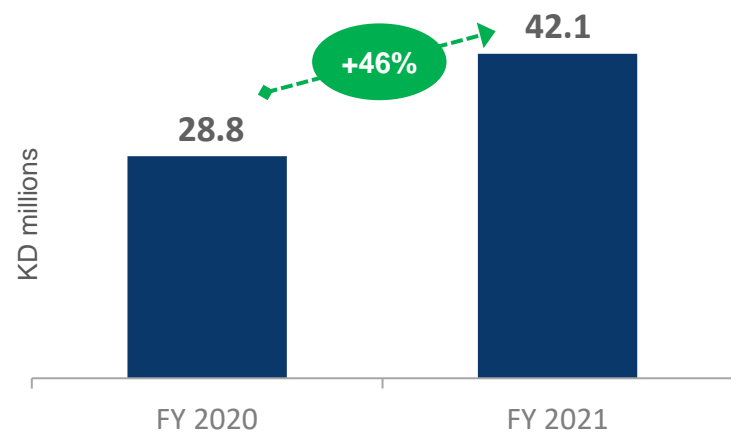
Gulf Bank

Earnings Presentation Year End 2021

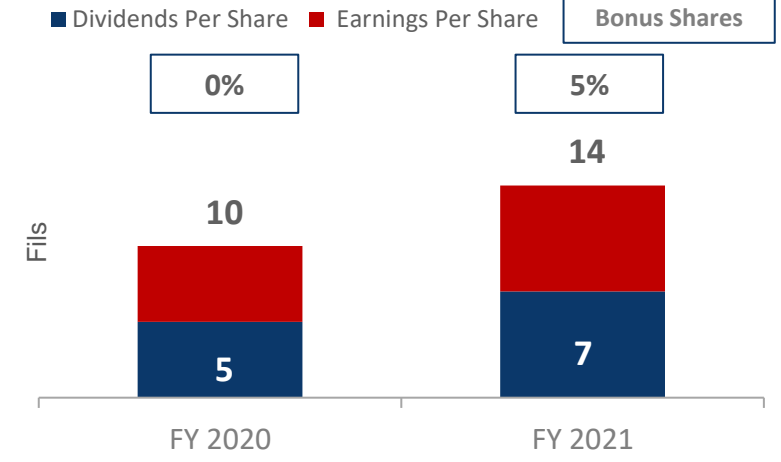
16 February 2022

Full Year 2021 Key Highlights

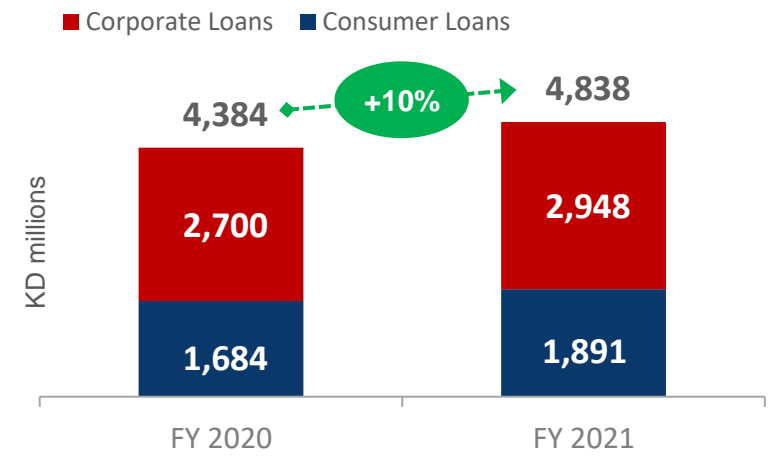
1 Net Profit



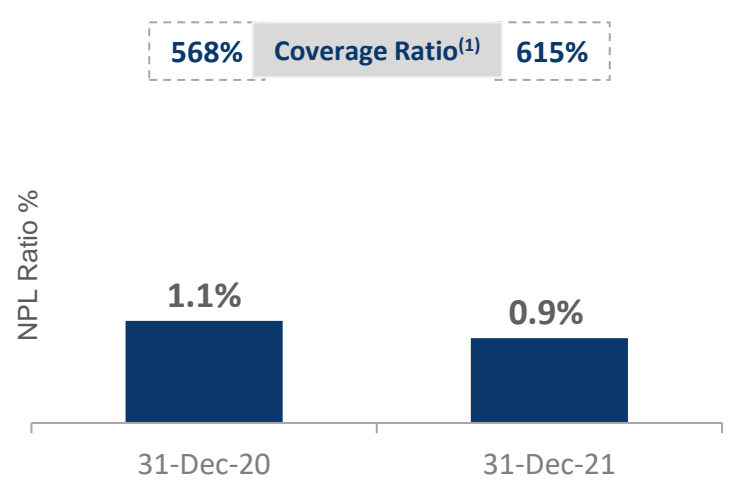
2 Earnings and Dividends Per Share⁽²⁾



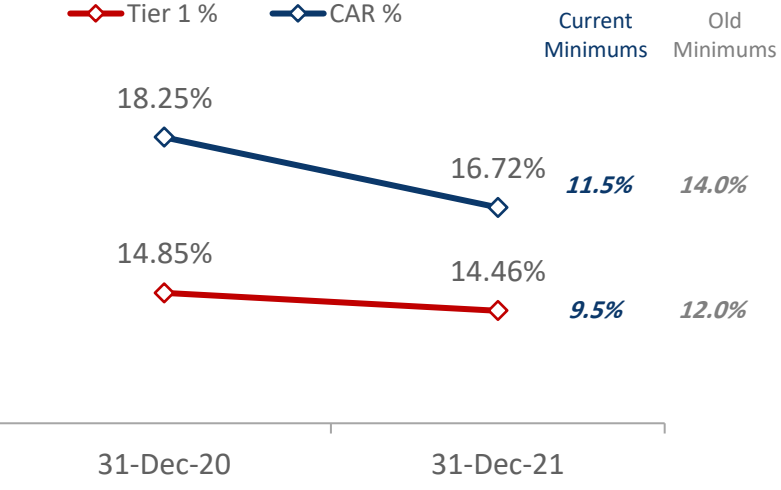
3 Gross Customer Loans



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

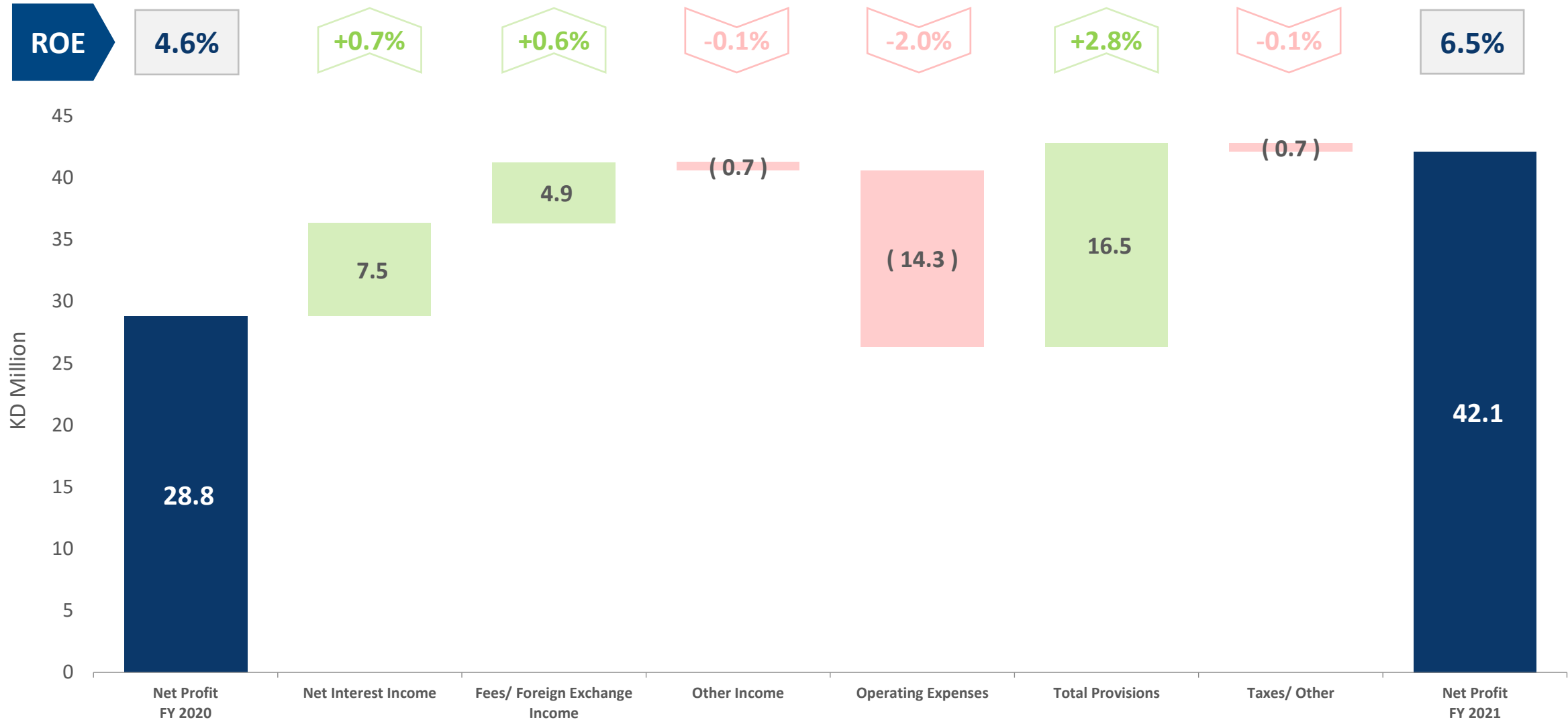
	Credit Rating	Outlook
MOODY'S	A3	Stable
CI CAPITAL intelligence	A+	Stable
Fitch Ratings	A	Stable
S&P Global Ratings	BBB+	Stable

(1) Coverage ratio includes total provisions and collaterals;

(2) 2021 cash dividends and bonus shares are subject to Annual General Meeting Approval in March 2022.



Full Year 2021 Net Profit vs. Full Year 2020 Net Profit Evolution



Income Statement

KD Millions	Q1 2021A	Q2 2021A	Q3 2021A	Q4 2021A	Q4 21A vs Q3 21A		FY 2020A	FY 2021A	FY 21A vs FY 20A	
					Amt	%			Amt	%
1 Interest Income	45.3	46.0	46.7	48.0	1.3	3%	209.3	186.0	(23.4)	-11%
2 Interest Expense	(12.6)	(13.3)	(13.5)	(14.3)	(0.8)	-6%	(84.6)	(53.7)	30.9	37%
3 Net Interest Income	32.6	32.7	33.3	33.7	0.5	1%	124.8	132.3	7.5	6%
4 Fees/ FX Income	8.8	8.9	8.6	10.3	1.7	20%	31.6	36.5	4.9	16%
5 Other Income	0.1	0.2	0.4	0.5	0.1	19%	1.9	1.3	(0.7)	-34%
6 Operating Income	41.5	41.7	42.3	44.5	2.3	5%	158.3	170.1	11.8	7%
7 Operating Expenses	(20.5)	(19.7)	(18.9)	(19.1)	(0.2)	-1%	(63.9)	(78.2)	(14.3)	-22%
8 Operating Margin	21.1	22.0	23.3	25.4	2.1	9%	94.3	91.9	(2.5)	-3%
9 Credit Costs ⁽¹⁾	(8.31)	(16.5)	(10.5)	(8.5)	2.0	19%	(59.0)	(43.9)	15.1	26%
10 General Provisions	(0.1)	(0.8)	(1.3)	(1.4)	(0.1)	-8%	(4.2)	(3.6)	0.6	15%
11 Other Provisions/Impairments	(0.1)	0.0	(0.0)	(0.0)	0.0	82%	(0.9)	(0.1)	0.8	87%
12 Taxes/ Other	(0.6)	(0.2)	(0.5)	(0.9)	(0.4)	-75%	(1.5)	(2.2)	(0.7)	-46%
13 Net Profit	12.0	4.6	11.0	14.6	3.6	33%	28.8	42.1	13.3	46%
14 Return on Assets (ROA) %	0.8%	0.3%	0.7%	0.9%			0.5%	0.7%		
15 Return on Equity (ROE) %	7.6%	2.9%	6.7%	8.8%			4.6%	6.5%		
16 Cost to Income Ratio (CIR) %	49.3%	47.2%	44.8%	42.9%			40.4%	46.0%		
17 Net Interest Margin (NIM) bps ⁽²⁾	214	209	209	208			203	210		
18 Cost of Risk (COR) bps ⁽³⁾	76	146	90	71			131	95		

(1) Includes specific provisions, recoveries, and write-offs (2) Net Interest Income / Average assets;

(3) Credit Costs / Average gross customer loans.

4

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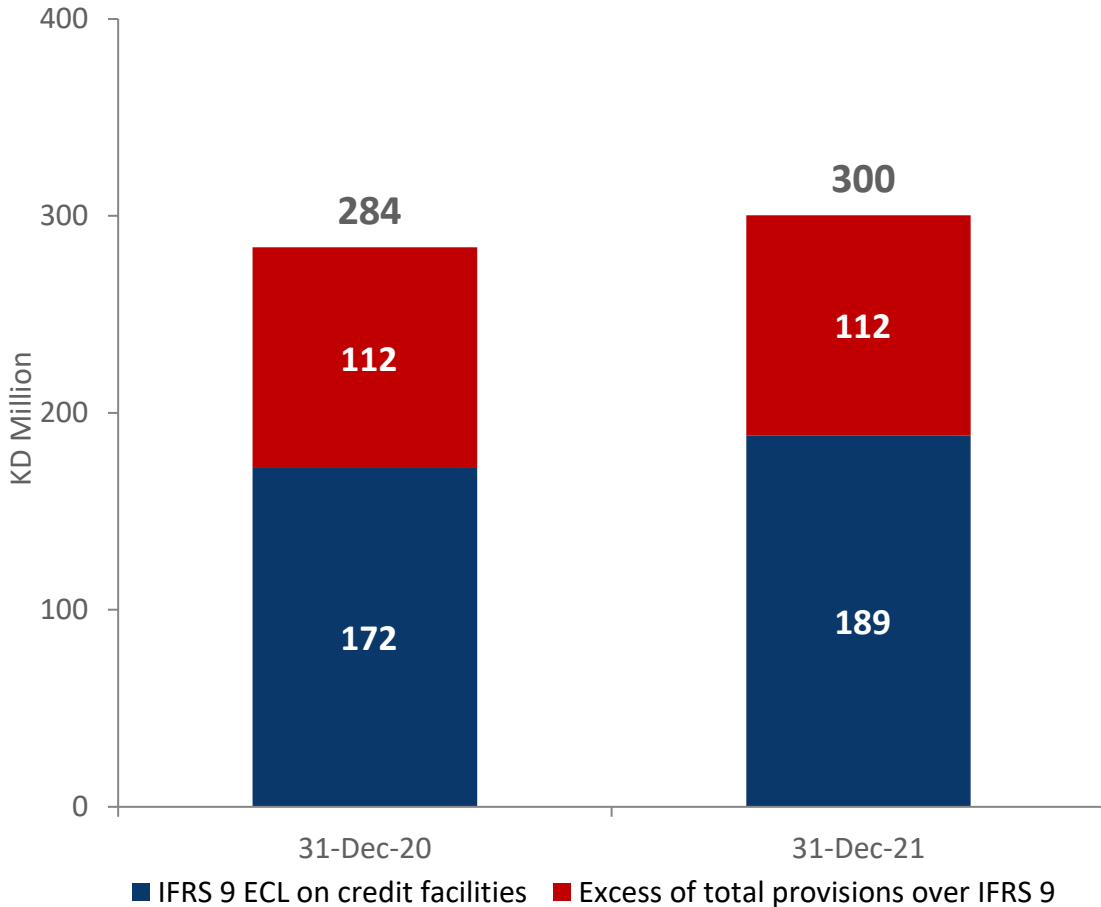
Balance Sheet

KD Millions	31-Dec-20	% of Total	31-Mar-21	% of Total	30-Jun-21	% of Total	30-Sep-21	% of Total	31-Dec-21	% of Total	Var Dec 21 vs Dec 20		Var Dec 21 vs Sep 21	
											Amount	%	Amount	%
ASSETS														
1 Cash and cash equivalents	1,106		1,102		1,101		876		942		(163)	-15%	66	8%
2 Kuwait Government Bonds	109		109		91		91		74		(35)	-32%	(17)	-19%
3 CBK Bills	281		281		281		281		281		0	0%	(0)	0%
4 Deposits with banks and OFIs	3		76		0		113		125		122		12	
5 Liquid Assets	1,498	25%	1,567	25%	1,472	23%	1,361	22%	1,422	22%	(76)	-5%	61	4%
6 Loans and advances to customers	4,384		4,502		4,565		4,700		4,838		454	10%	139	3%
7 Loans and advances to banks	193		186		233		248		280		87	45%	32	13%
8 Provisions	(269)		(276)		(281)		(279)		(282)		(13)	5%	(3)	1%
9 Net Loans	4,309	70%	4,412	70%	4,518	72%	4,669	74%	4,837	74%	528	12%	168	4%
10 Investment securities	175	3%	167	3%	153	2%	150	2%	142	2%	(33)	-19%	(8)	-5%
11 Other assets	97		93		115		116		121		24	24%	5	4%
12 Premises and equipment	34		33		33		33		34		0	1%	1	3%
13 Other assets	131	2%	127	2%	148	2%	149	2%	155	2%	24	18%	6	4%
14 TOTAL ASSETS	6,113	100%	6,272	100%	6,291	100%	6,330	100%	6,556	100%	443	7%	226	4%
LIABILITIES														
15 Due to banks	551		590		635		564		596		45	8%	32	6%
16 Deposits from FIs	705		665		604		719		673		(32)	-5%	(45)	-6%
17 Customer deposits	4,034	66%	4,178	67%	4,167	66%	4,154	66%	4,304	66%	270	7%	150	4%
18 Other borrowed funds	100		100		150		150		215		115	115%	65	43%
19 Other liabilities	86		102		93		90		102		16	19%	12	13%
20 TOTAL LIABILITIES	5,475	90%	5,635	90%	5,649	90%	5,676	90%	5,889	90%	414	8%	213	4%
21 Total Equity	637	10%	637	10%	643	10%	654	10%	666	10%	29	5%	13	2%
22 TOTAL LIABILITIES AND EQUITY	6,113	100%	6,272	100%	6,291	100%	6,330	100%	6,556	100%	443	7%	226	4%
23 Average assets	6,150		6,192		6,282		6,310		6,312					
24 Average equity	632		637		640		648		647					
25 NPL ratio	1.1%		1.5%		1.4%		1.3%		0.9%					
26 Coverage ratio ⁽¹⁾	568%		419%		443%		472%		615%					
27 CASA Ratio	37.4%								38.5%					

(1) Coverage ratio includes total provisions and collaterals.

Total Credit Provisions exceed IFRS 9 accounting requirements by KD 112 million ▶

Total Provisions on Credit Facilities

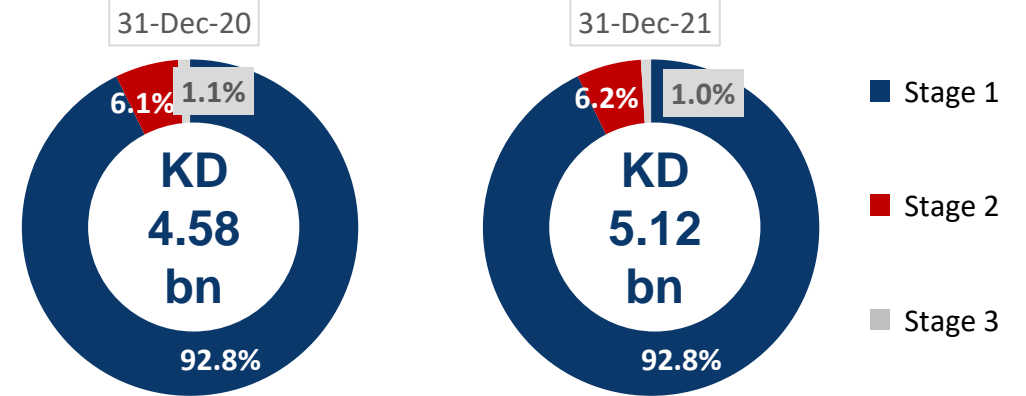


Excess / Total Provision

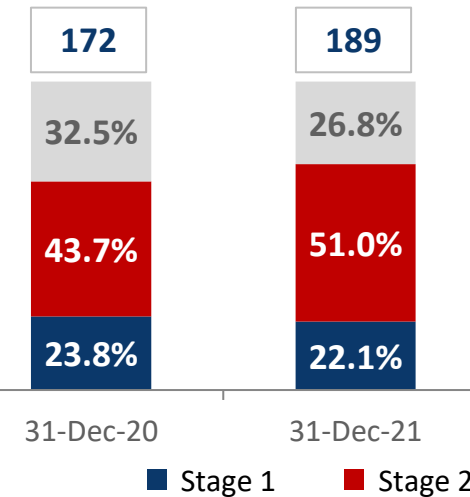
39%

37%

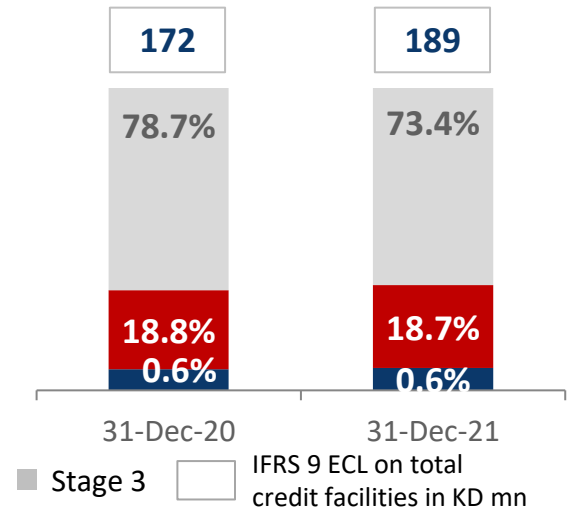
Gross Loans by Stages %⁽¹⁾



IFRS 9 ECL by Stages %



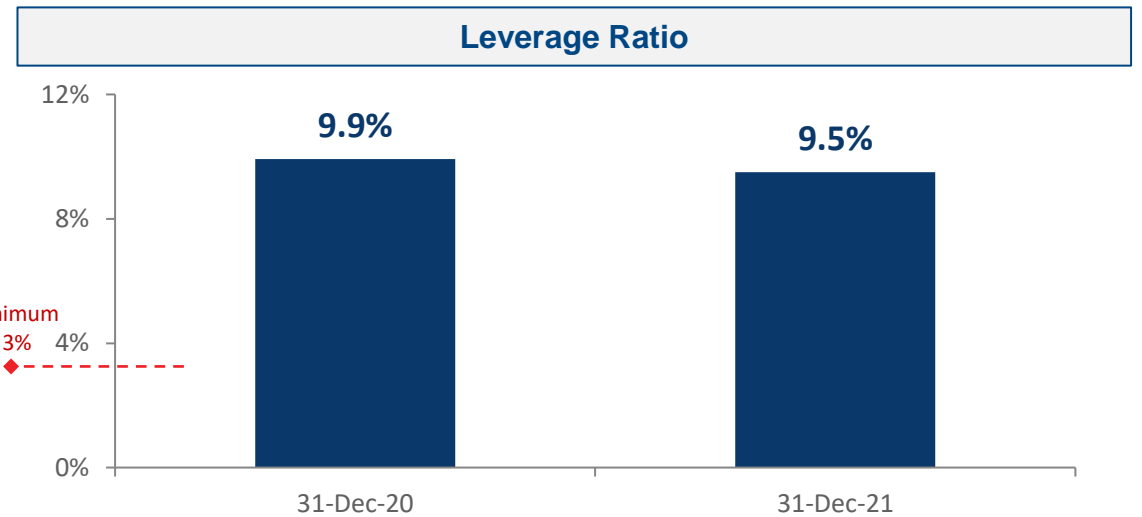
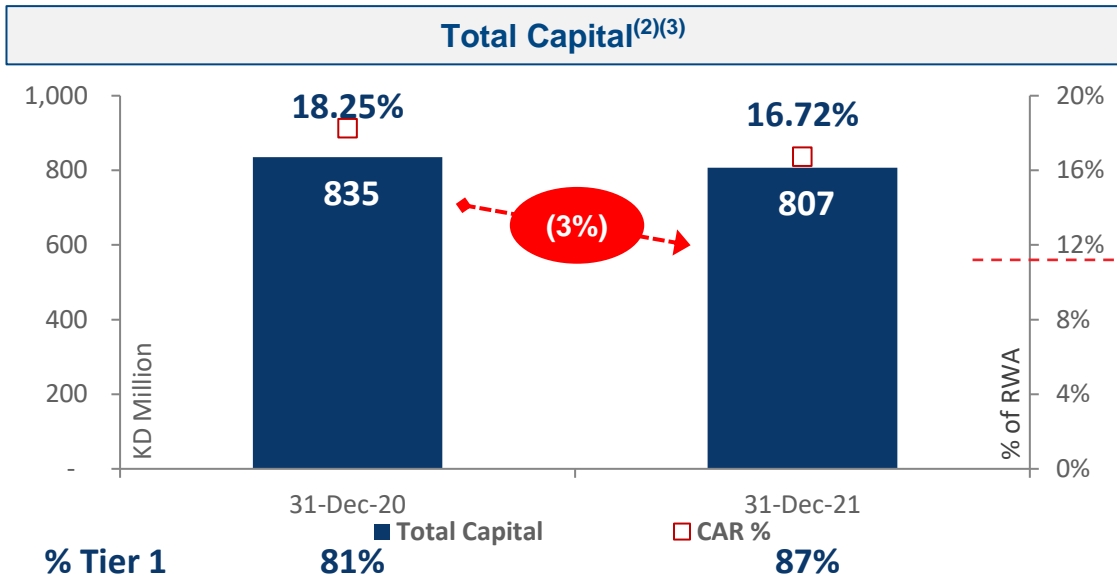
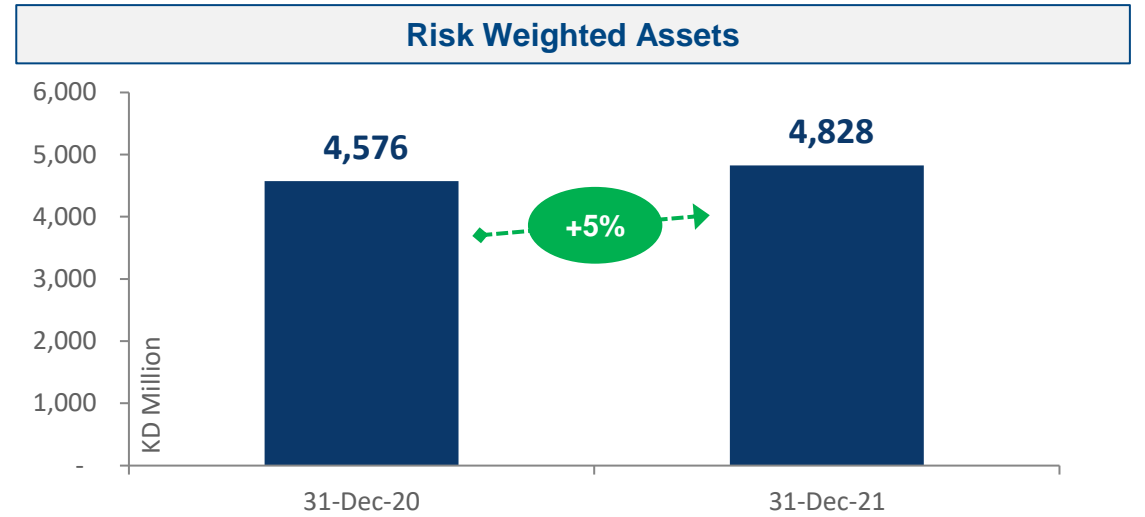
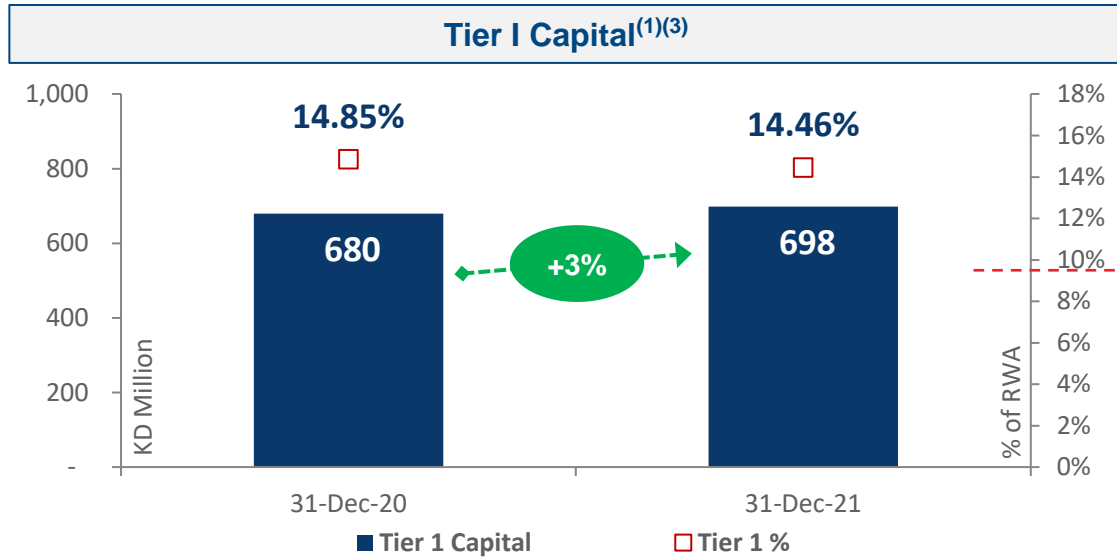
IFRS 9 ECL Coverage by Total Credit Facilities Stages %⁽²⁾



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

(2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.

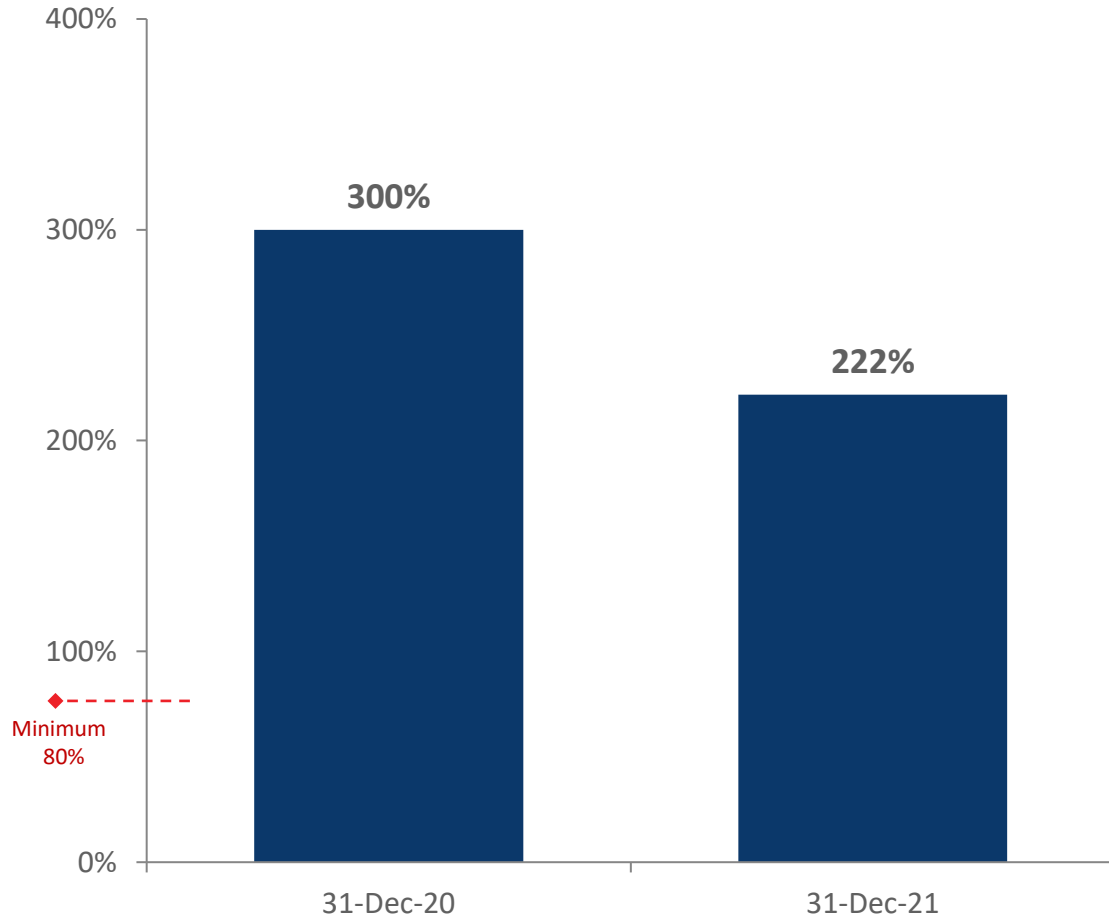
Capital and Leverage Ratios



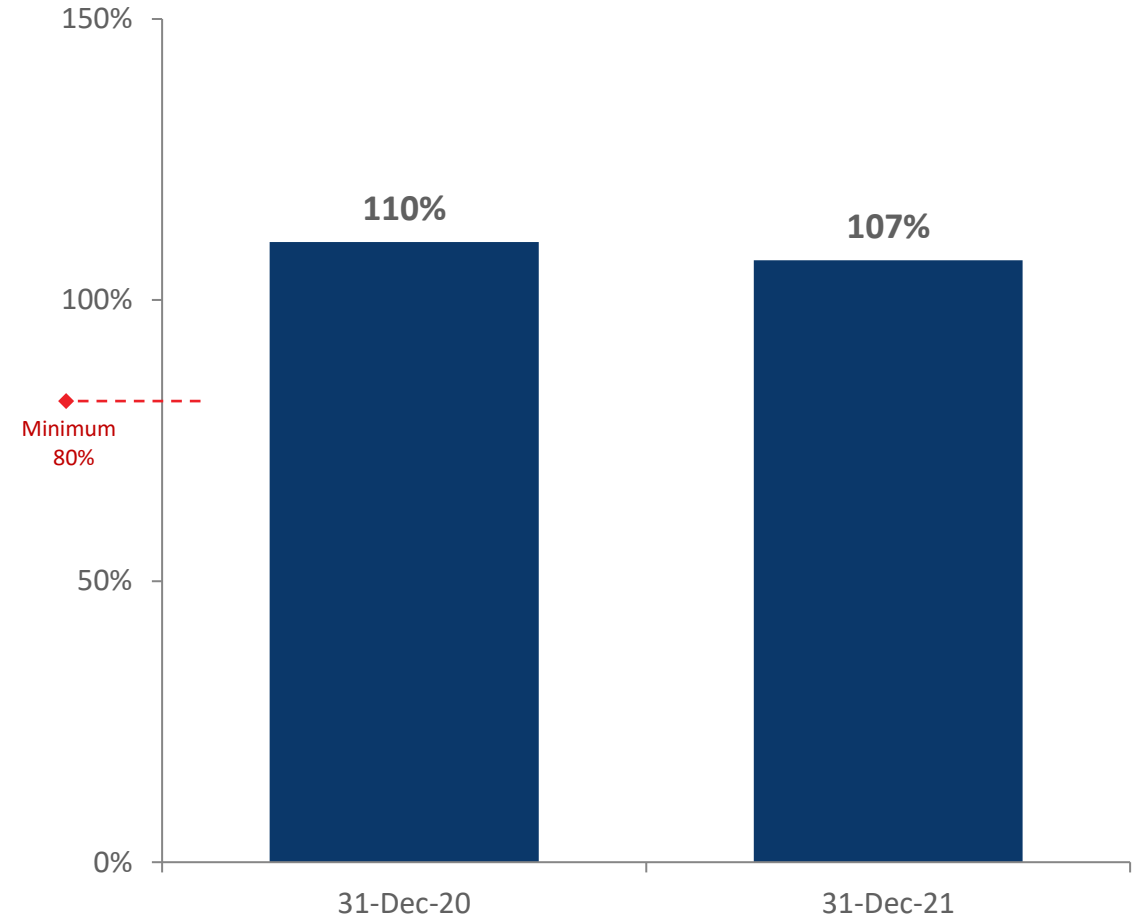
(1) Tier 1 Ratio regulatory minimum has been relaxed from 12% to 9.5%; (2) CAR regulatory minimum has been relaxed from 14% to 11.5%; (3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB. Note: The changes in the regulatory minimums were instructed by CBK in April 2020 and are currently effective until 31 December 2021.

Liquidity Ratios ▶

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



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

Note: The changes in the regulatory minimums were instructed by CBK in April 2020 and are currently effective until 31 December 2021.

Q&A

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Guidance for the year 2022 ▶

1	Loan Growth	Grow faster than the market
2	Margins	Short-term downside, until interest rate hike materializes
3	Cost to Income Ratio	Improvement
4	Cost of Risk	Under the normalized estimates of 100 bps
5	NPL Ratio	Under 2%

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