

Gulf Bank

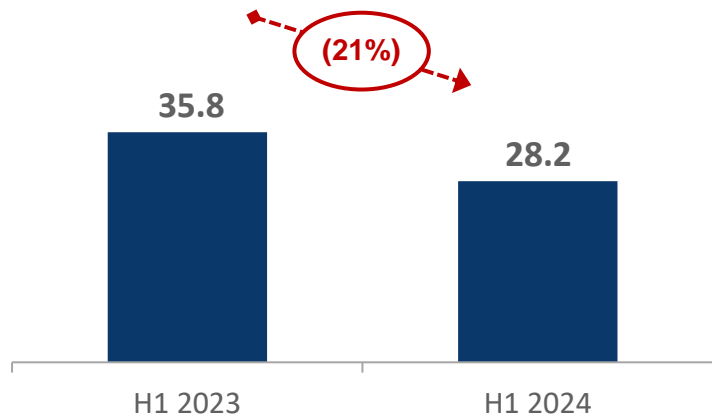
Earnings Presentation

1st Half 2024

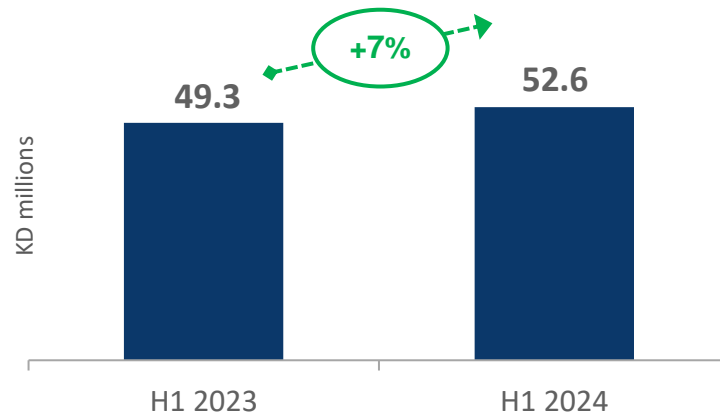
31 July 2024

1st Half 2024 Key Highlights

1 Net Profit



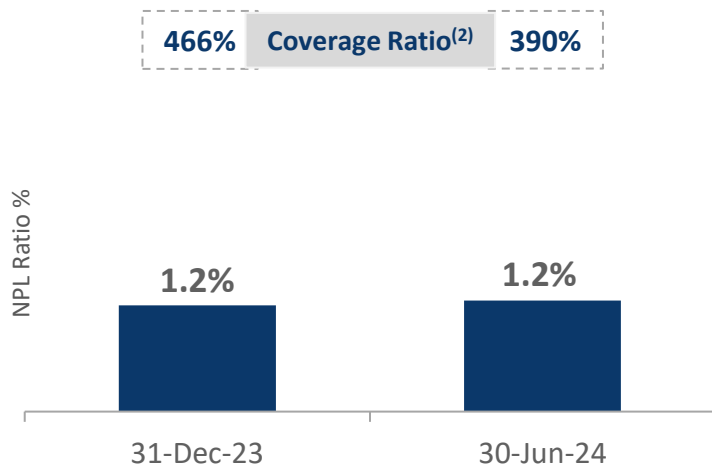
2 Operating Profit before Provisions



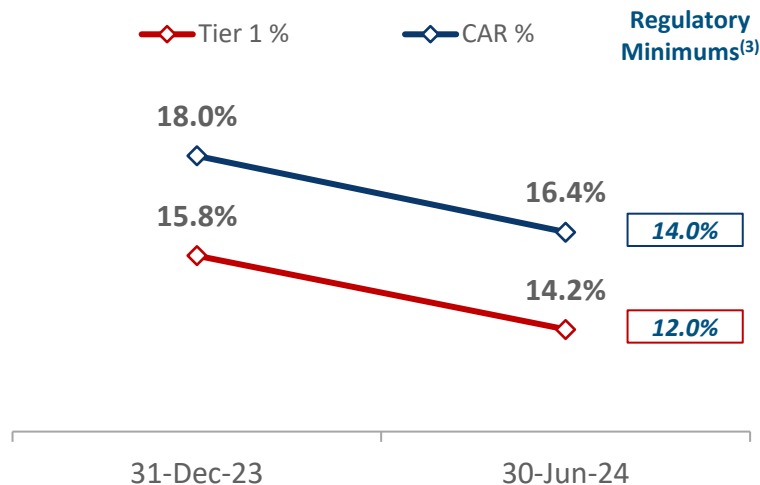
3 Gross Loans and Advances⁽¹⁾



4 Asset Quality



5 Capital Ratios



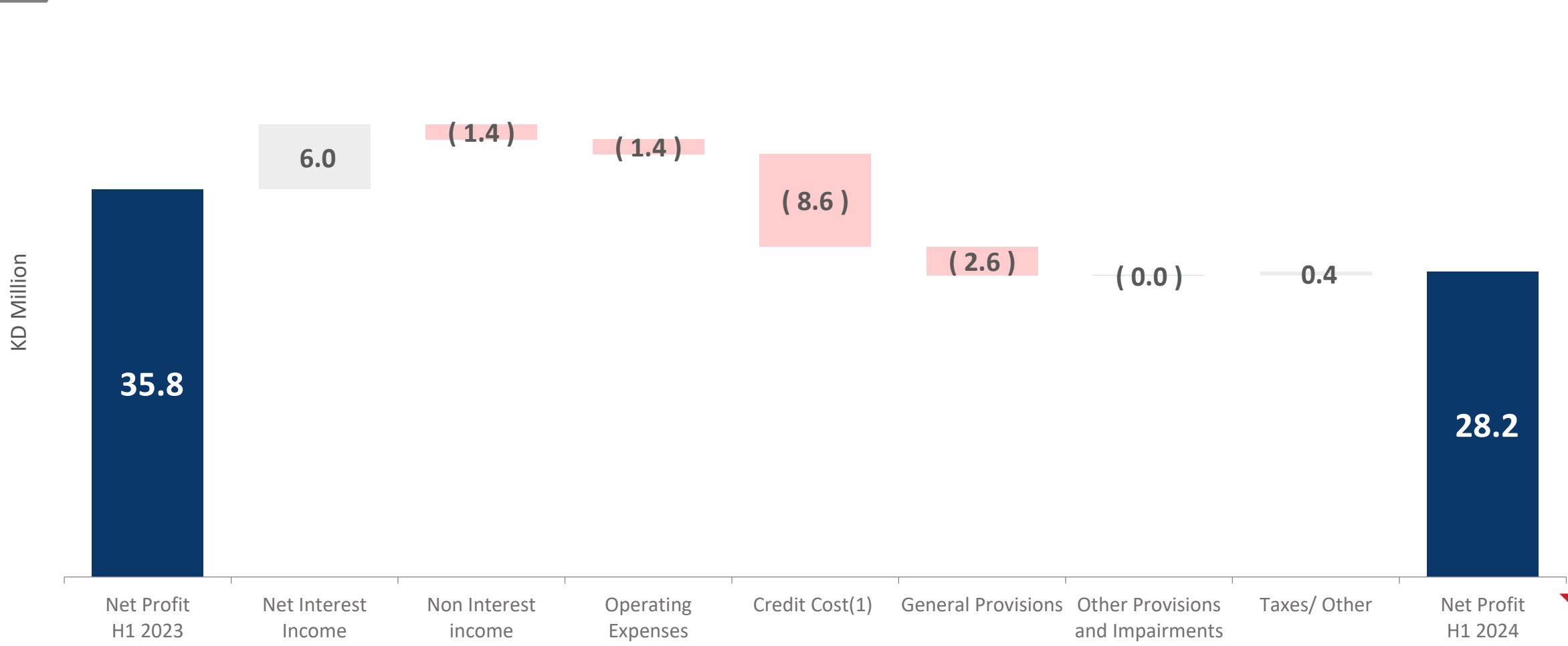
6 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Positive
CAPITAL intelligence	A+	Stable
Fitch Ratings	A	Stable

(1) Gross loans and advances is consolidated (loans and advances to banks and customers); (2) Coverage ratio includes total provisions and collaterals;

(3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

1st Half 2024 Net Profit vs. 1st Half 2023 Net Profit Evolution



(1) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries – excess general provision release.

Income Statement

KD Millions	Q1 2023A	Q2 2023A	Q3 2023A	Q4 2023A	Q1 2024A	Q2 2024A	Q2 24A vs Q1 24A		H1 2023A	H1 2024A	H1 24A vs H1 23A	
							Amt	%			Amt	%
1 Interest Income	85.6	89.8	95.0	99.6	98.6	102.3	3.7	4%	175.4	200.9	25.5	15%
2 Interest Expense	(50.8)	(53.0)	(56.2)	(59.5)	(60.2)	(63.0)	(2.8)	-5%	(103.8)	(123.2)	(19.5)	-19%
3 Net Interest Income	34.8	36.8	38.7	40.1	38.4	39.2	0.8	2%	71.7	77.6	6.0	8%
4 Non Interest Income ⁽¹⁾	11.6	9.0	9.1	10.1	9.8	9.4	(0.5)	-5%	20.6	19.2	(1.4)	-7%
5 Operating Income	46.4	45.9	47.9	50.1	48.3	48.6	0.4	1%	92.3	96.9	4.6	5%
6 Operating Expenses	(21.4)	(21.5)	(21.9)	(22.0)	(21.7)	(22.6)	(1.0)	-4%	(42.9)	(44.3)	(1.4)	-3%
7 Operating Profit	25.0	24.3	25.9	28.2	26.6	26.0	(0.6)	-2%	49.3	52.6	3.3	7%
8 Credit Costs ⁽²⁾	(7.2)	(4.9)	(7.2)	(9.9)	(11.4)	(9.3)	2.1	18%	(12.1)	(20.6)	(8.6)	-71%
9 General Provisions	0.3	(0.0)	0.1	0.2	(1.8)	(0.6)	1.1	65%	0.3	(2.4)	(2.6)	994%
10 Other Provisions and Impairments	0.1	0.0	0.0	(0.1)	0.0	0.0	(0.0)	19%	0.1	0.0	(0.0)	61%
11 Taxes/ Other	(0.8)	(0.9)	(0.9)	(1.0)	(0.6)	(0.7)	(0.1)	-17%	(1.7)	(1.4)	0.4	21%
12 Net Profit	17.3	18.5	18.0	17.4	12.9	15.3	2.5	19%	35.8	28.2	(7.6)	-21%
13 Return on Assets (ROA) %	1.0%	1.1%	1.0%	1.0%	0.7%	0.8%			1.1%	0.8%		
14 Return on Equity (ROE) %	9.9%	10.4%	9.8%	8.9%	6.5%	7.8%			10.1%	7.1%		
15 Cost to Income Ratio (CIR) %	46.1%	46.9%	45.8%	43.8%	44.9%	46.6%			46.5%	45.7%		
16 Net Interest Margin (NIM) bps ⁽³⁾	207	215	221	225	214	215			211	214		
17 Cost of Risk (COR) bps ⁽⁴⁾	54	36	52	72	82	65			45	73		

(1) Includes Fees and Foreign Exchange Income and Other Income; (2) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries – excess general provision release;

(3) Net Interest Income / Average assets; (4) Credit Costs / Average gross loans and advances.



Balance Sheet

KD Millions	30-Jun-23	% of Total	31-Dec-23	% of Total	30-Jun-24	% of Total	Var Jun 24 vs Jun 23		Var Jun 24 vs Dec 23	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,079		1,094		1,119		40	4%	25	2%
2 Kuwait Government Bonds	22		17		10		-13	-57%	-7	-42%
3 CBK Bonds	342		338		302		-40	-12%	-36	-11%
4 Deposits with banks and OFIs	66		181		126		60	91%	-55	-30%
5 Liquid Assets	1,509	22%	1,629	23%	1,557	21%	48	3%	-72	-4%
6 Gross loans and advances ⁽¹⁾	5,463		5,490		5,809		346	6%	318	6%
7 Provisions	-289		-294		-256		34	-12%	38	-13%
8 Net Loans and advances	5,174	75%	5,197	72%	5,553	75%	379	7%	356	7%
9 Investment securities	73	1%	191	3%	157	2%	84	114%	-34	-18%
10 Other assets	117		118		123		6	5%	5	4%
11 Premises and equipment	40		39		40		-0	0%	1	2%
12 Other assets	158	2%	158	2%	164	2%	6	4%	6	4%
13 TOTAL ASSETS	6,914	100%	7,175	100%	7,431	100%	517	7%	256	4%
LIABILITIES										
14 Due to banks	318		256		305		-13	-4%	49	19%
15 Deposits from FIs	970		1,149		946		-23	-2%	-202	-18%
16 Customer deposits	4,216	61%	4,219	59%	4,620	62%	404	10%	400	9%
17 Other borrowed funds	539		570		614		75	14%	44	8%
18 Other liabilities	147		164		144		-4	-3%	-20	-12%
19 TOTAL LIABILITIES	6,190	90%	6,358	89%	6,629	89%	439	7%	271	4%
20 Total Equity	723	10%	817	11%	802	11%	78	11%	-15	-2%
21 TOTAL LIABILITIES AND EQUITY	6,914	100%	7,175	100%	7,431	100%	517	7%	256	4%
22 Average assets	6,862		6,946		7,292					
23 Average equity	716		741		802					
24 NPL ratio	1.0%		1.2%		1.2%					
25 Coverage ratio ⁽²⁾	546%		466%		390%					
26 CASA Ratio	34.8%		29.7%		28.5%					

(1) Gross loans and advances is consolidated (loans and advances to banks and customers);

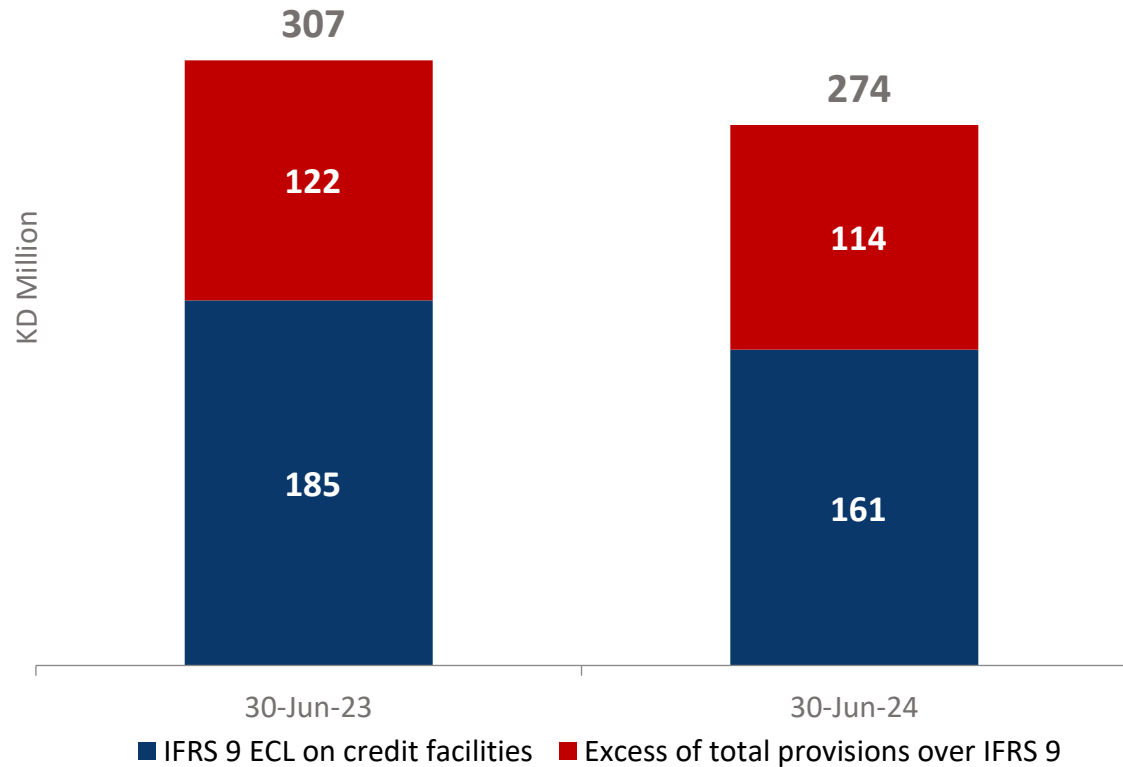
(2) Coverage ratio includes total provisions and collaterals.

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Total Credit Provisions exceed IFRS 9 accounting requirements by KD 114 million

Total Provisions on Credit Facilities

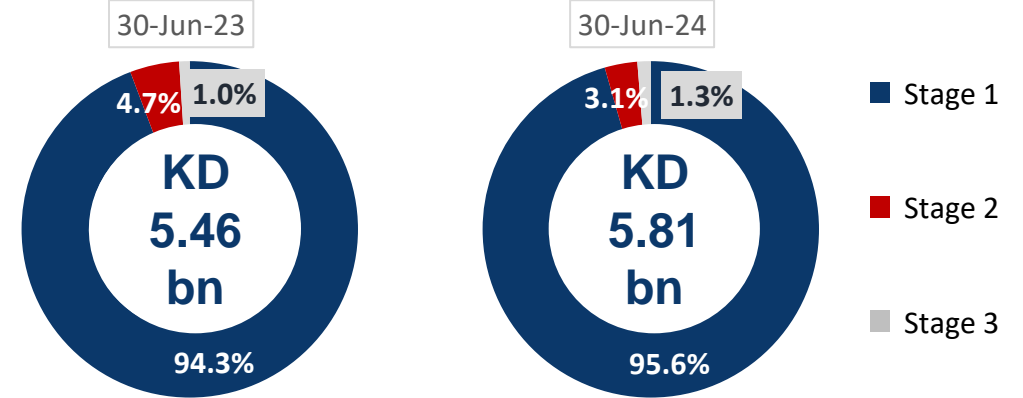


Excess / Total Provision

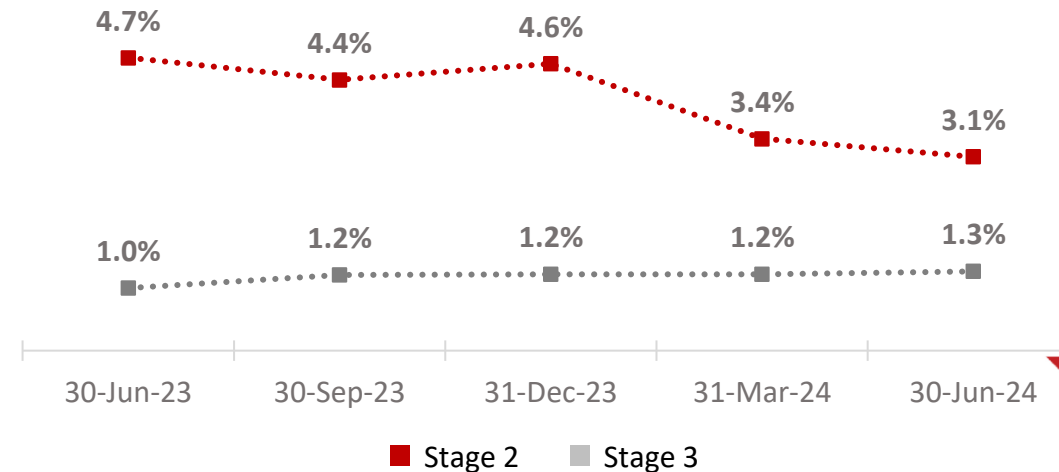
40%

42%

Gross Loans by Stages %⁽¹⁾

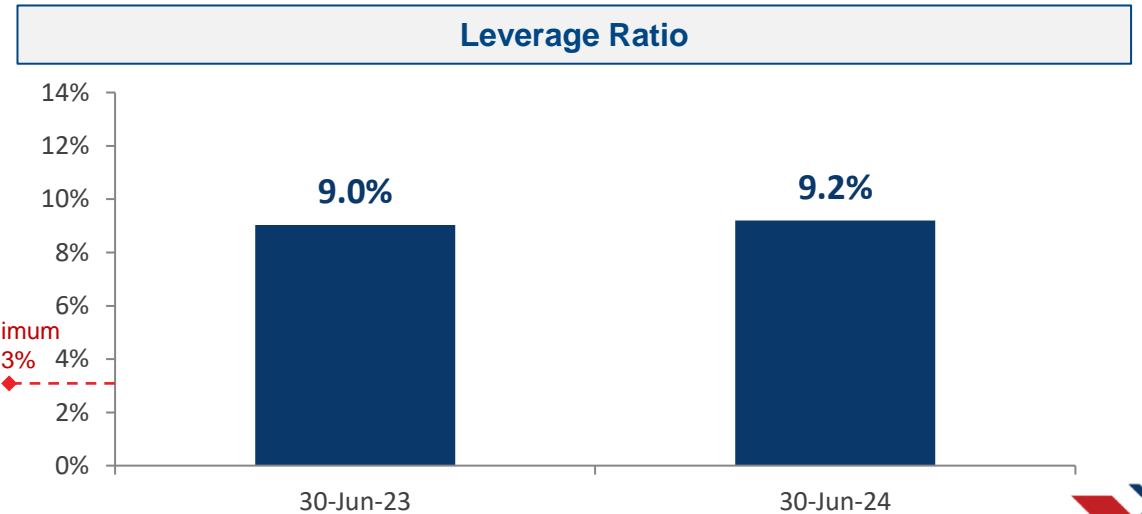
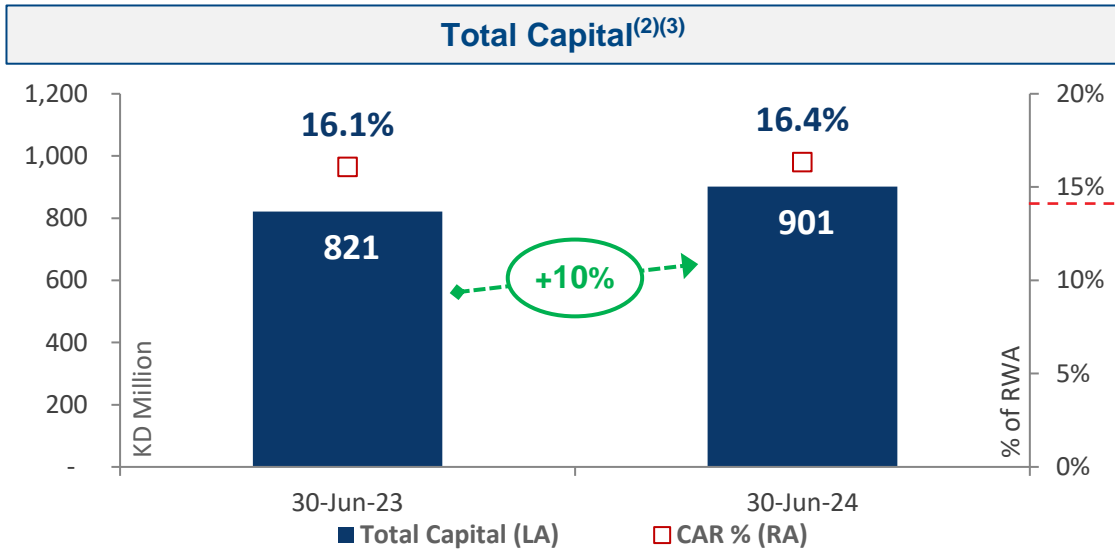
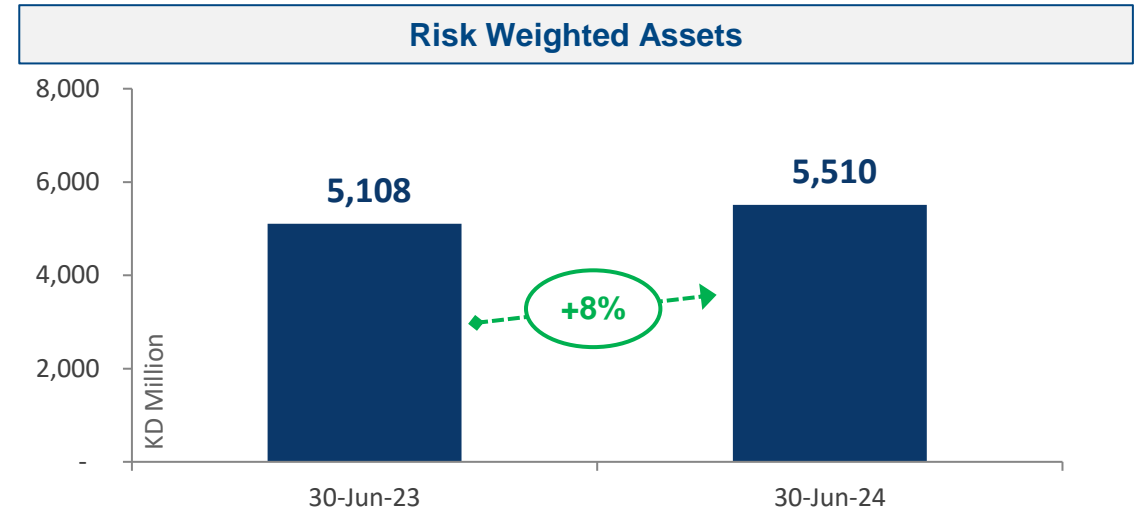
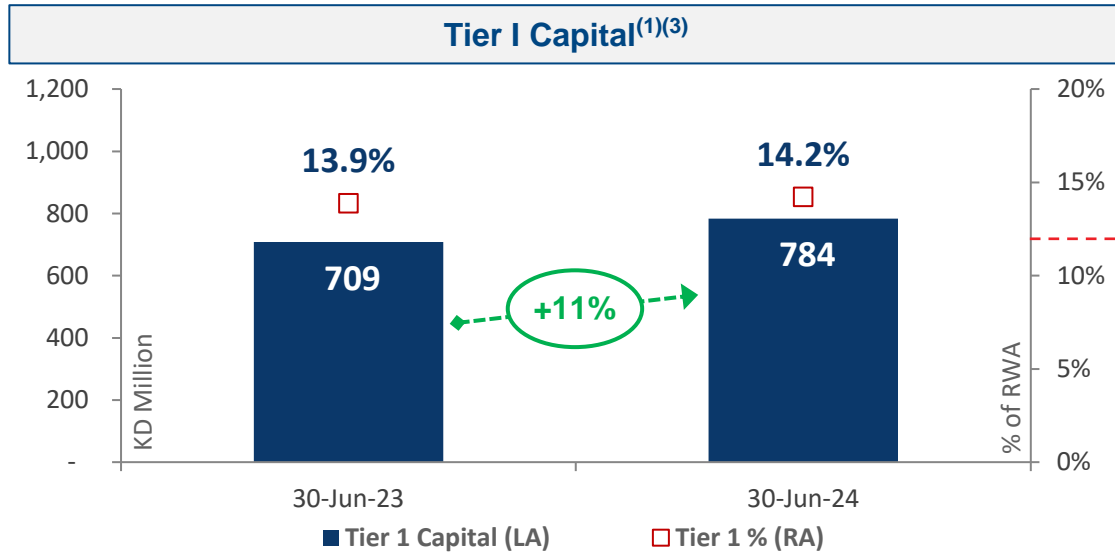


Evolution of Gross Loans Stages 2 and 3 (%)⁽¹⁾



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

Capital and Leverage Ratios

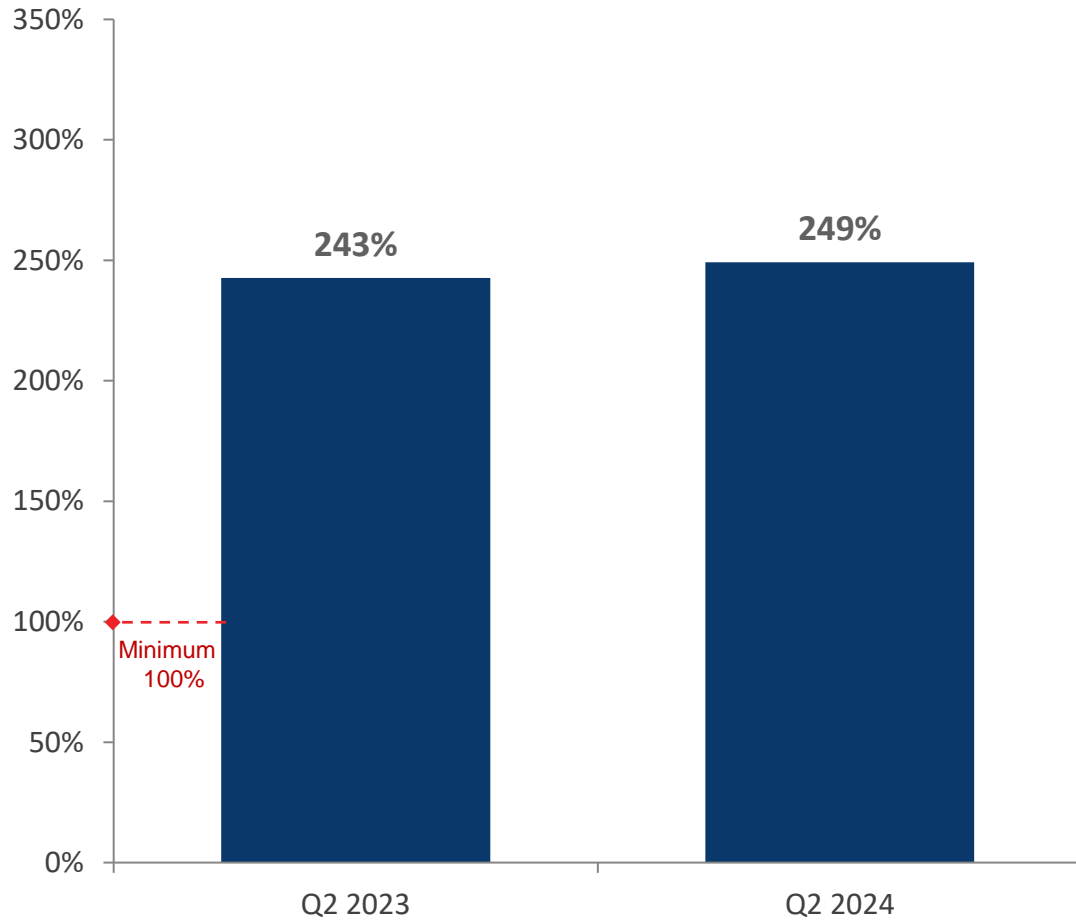


% Tier 1 **86%** **87%**

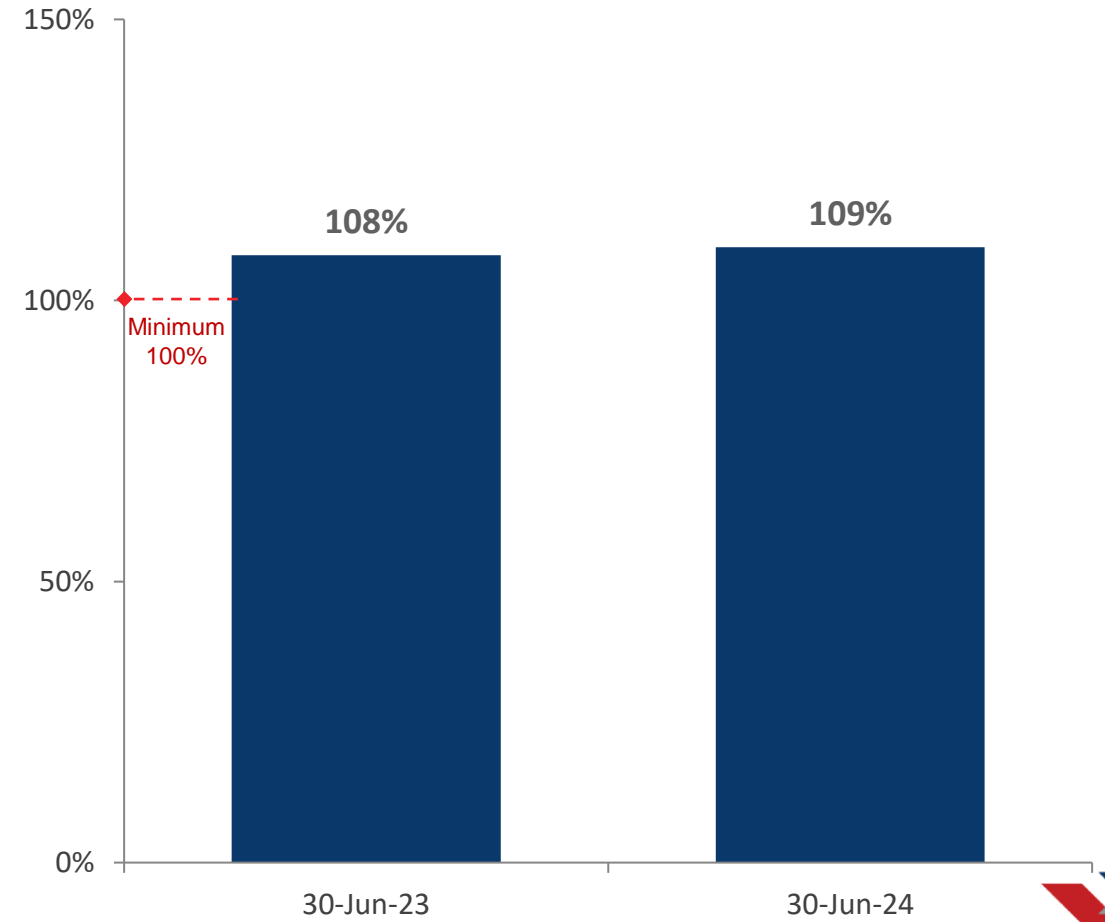
(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums is 100%.

Q&A

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