

# Gulf Bank

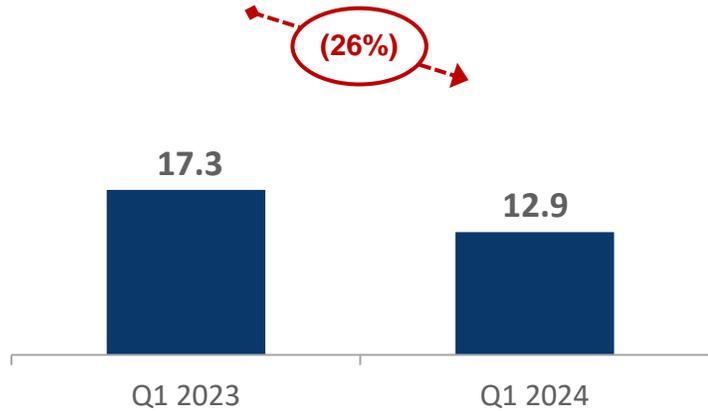
## Earnings Presentation

1<sup>st</sup> Quarter 2024

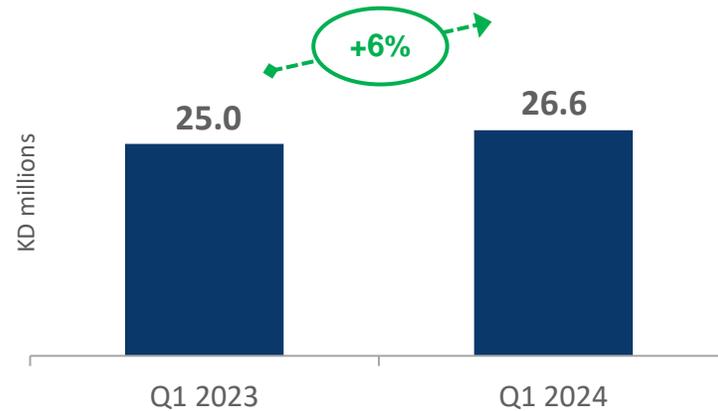
6 May 2024

# 1<sup>st</sup> Quarter 2024 Key Highlights

## 1 Net Profit



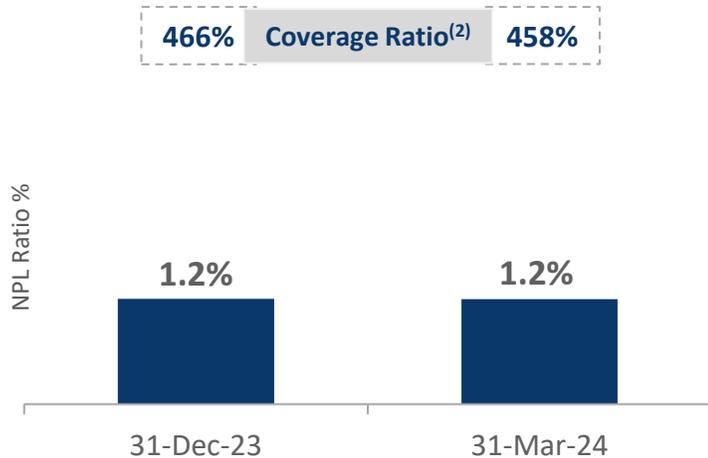
## 2 Operating Profit before Provisions



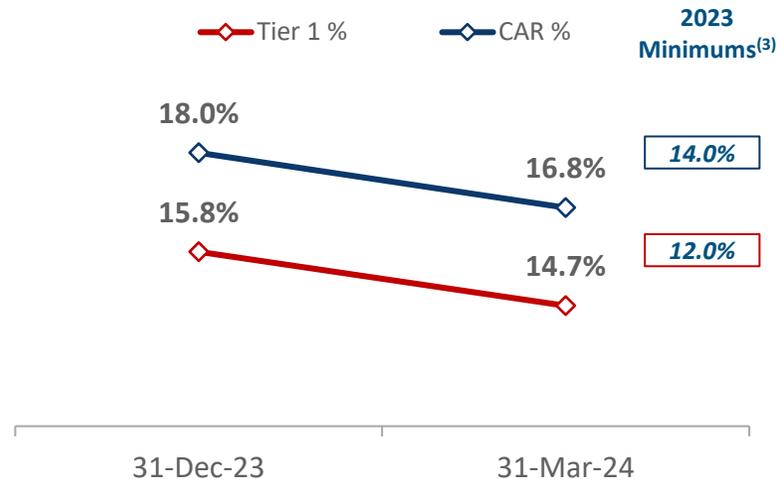
## 3 Gross Loans and Advances<sup>(1)</sup>



## 4 Asset Quality



## 5 Capital Ratios

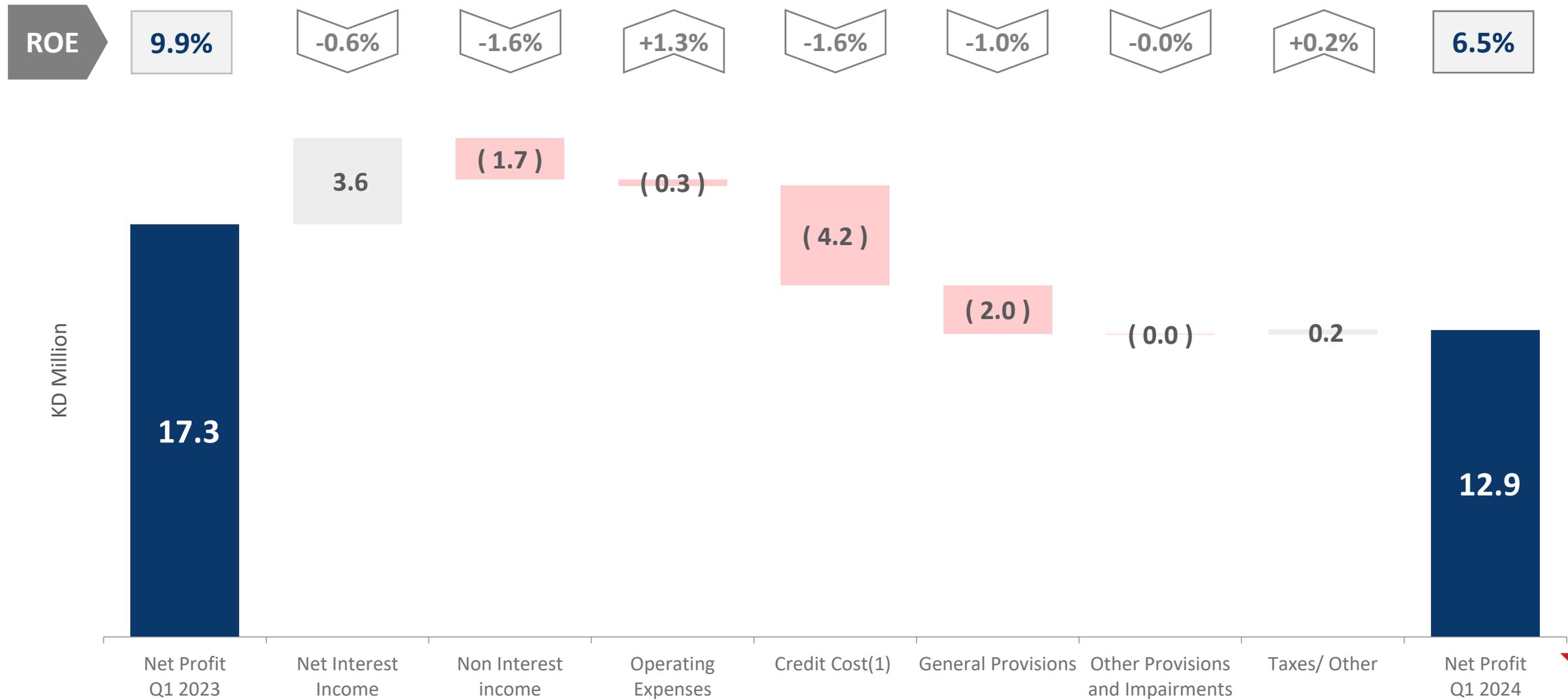


## 6 Credit Ratings

	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.

# 1<sup>st</sup> Quarter 2024 Net Profit vs. 1<sup>st</sup> Quarter 2023 Net Profit Evolution



(1) Includes specific provisions, recoveries, and write-offs.

# Income Statement

KD Millions	Q1 2023A	Q2 2023A	Q3 2023A	Q4 2023A	Q1 2024A	Q1 24A vs Q1 23A		Q1 24A vs Q4 23A	
						Amt	%	Amt	%
1 Interest Income	85.6	89.8	95.0	99.6	98.6	13.0	15%	(1.0)	-1%
2 Interest Expense	(50.8)	(53.0)	(56.2)	(59.5)	(60.2)	(9.4)	-19%	(0.7)	-1%
<b>3 Net Interest Income</b>	<b>34.8</b>	<b>36.8</b>	<b>38.7</b>	<b>40.1</b>	<b>38.4</b>	<b>3.6</b>	<b>10%</b>	<b>(1.6)</b>	<b>-4%</b>
4 Non Interest Income <sup>(1)</sup>	11.6	9.0	9.1	10.1	9.8	(1.7)	-15%	(0.2)	-2%
<b>5 Operating Income</b>	<b>46.4</b>	<b>45.9</b>	<b>47.9</b>	<b>50.1</b>	<b>48.3</b>	<b>1.9</b>	<b>4%</b>	<b>(1.9)</b>	<b>-4%</b>
6 Operating Expenses	(21.4)	(21.5)	(21.9)	(22.0)	(21.7)	(0.3)	-1%	0.3	1%
<b>7 Operating Profit</b>	<b>25.0</b>	<b>24.3</b>	<b>25.9</b>	<b>28.2</b>	<b>26.6</b>	<b>1.6</b>	<b>6%</b>	<b>(1.6)</b>	<b>-6%</b>
8 Credit Costs <sup>(2)</sup>	(7.2)	(4.9)	(7.2)	(9.9)	(11.4)	(4.2)	-59%	(1.5)	-15%
9 General Provisions	0.3	(0.0)	0.1	0.2	(1.8)	(2.0)	734%	(2.0)	978%
10 Other Provisions and Impairments	0.1	0.0	0.0	(0.1)	0.0	(0.0)	65%	0.1	125%
11 Taxes/ Other	(0.8)	(0.9)	(0.9)	(1.0)	(0.6)	0.2	25%	0.4	38%
<b>12 Net Profit</b>	<b>17.3</b>	<b>18.5</b>	<b>18.0</b>	<b>17.4</b>	<b>12.9</b>	<b>(4.4)</b>	<b>-26%</b>	<b>(4.5)</b>	<b>-26%</b>
13 Return on Assets (ROA) %	1.0%	1.1%	1.0%	1.0%	0.7%				
14 Return on Equity (ROE) %	9.9%	10.4%	9.8%	8.9%	6.5%				
15 Cost to Income Ratio (CIR) %	46.1%	46.9%	45.8%	43.8%	44.9%				
16 Net Interest Margin (NIM) bps <sup>(3)</sup>	207	215	221	225	214				
17 Cost of Risk (COR) bps <sup>(4)</sup>	54	36	52	72	82				

(1) Includes Fees and Foreign Exchange Income and Other Income; (2) Includes specific provisions, recoveries, and write-offs;  
(3) Net Interest Income / Average assets; (4) Credit Costs / Average gross loans and advances.



# Balance Sheet

KD Millions	31-Mar-23	% of Total	31-Dec-23	% of Total	31-Mar-24	% of Total	Var Mar 24 vs Mar 23		Var Mar 24 vs Dec 23	
							Amount	%	Amount	%
<b>ASSETS</b>										
1 Cash and cash equivalents	1,047		1,094		1,034		-14	-1%	-60	-5%
2 Kuwait Government Bonds	22		17		17		-6	-25%	0	0%
3 CBK Bonds	343		338		339		-4	-1%	1	0%
4 Deposits with banks and OFIs	56		181		157		101	180%	-24	-13%
5 <b>Liquid Assets</b>	<b>1,468</b>	<b>22%</b>	<b>1,629</b>	<b>23%</b>	<b>1,546</b>	<b>21%</b>	<b>78</b>	<b>5%</b>	<b>-83</b>	<b>-5%</b>
6 Gross loans and advances <sup>(1)</sup>	5,394		5,490		5,667		273	5%	176	3%
7 Provisions	-285		-294		-282		2	-1%	11	-4%
8 <b>Net Loans and advances</b>	<b>5,109</b>	<b>75%</b>	<b>5,197</b>	<b>72%</b>	<b>5,384</b>	<b>74%</b>	<b>275</b>	<b>5%</b>	<b>188</b>	<b>4%</b>
9 <b>Investment securities</b>	<b>92</b>	<b>1%</b>	<b>191</b>	<b>3%</b>	<b>172</b>	<b>2%</b>	<b>80</b>	<b>87%</b>	<b>-19</b>	<b>-10%</b>
10 Other assets	112		118		128		15	14%	10	8%
11 Premises and equipment	39		39		40		1	2%	0	1%
12 <b>Other assets</b>	<b>151</b>	<b>2%</b>	<b>158</b>	<b>2%</b>	<b>167</b>	<b>2%</b>	<b>16</b>	<b>11%</b>	<b>10</b>	<b>6%</b>
13 <b>TOTAL ASSETS</b>	<b>6,821</b>	<b>100%</b>	<b>7,175</b>	<b>100%</b>	<b>7,270</b>	<b>100%</b>	<b>450</b>	<b>7%</b>	<b>96</b>	<b>1%</b>
<b>LIABILITIES</b>										
14 Due to banks	322		256		243		-79	-24%	-13	-5%
15 Deposits from FIs	908		1,149		1,026		118	13%	-123	-11%
16 <b>Customer deposits</b>	<b>4,191</b>	<b>61%</b>	<b>4,219</b>	<b>59%</b>	<b>4,414</b>	<b>61%</b>	<b>224</b>	<b>5%</b>	<b>195</b>	<b>5%</b>
17 Other borrowed funds	539		570		615		75	14%	45	8%
18 Other liabilities	156		164		185		28	18%	21	13%
19 <b>TOTAL LIABILITIES</b>	<b>6,116</b>	<b>90%</b>	<b>6,358</b>	<b>89%</b>	<b>6,483</b>	<b>89%</b>	<b>367</b>	<b>6%</b>	<b>125</b>	<b>2%</b>
20 <b>Total Equity</b>	<b>705</b>	<b>10%</b>	<b>817</b>	<b>11%</b>	<b>788</b>	<b>11%</b>	<b>83</b>	<b>12%</b>	<b>-29</b>	<b>-4%</b>
21 <b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,821</b>	<b>100%</b>	<b>7,175</b>	<b>100%</b>	<b>7,270</b>	<b>100%</b>	<b>450</b>	<b>7%</b>	<b>96</b>	<b>1%</b>
22 Average assets	6,836		6,946		7,223					
23 Average equity	712		741		802					
24 NPL ratio	0.8%		1.2%		1.2%					
25 Coverage ratio <sup>(2)</sup>	692%		466%		458%					
26 CASA Ratio	35.3%		29.7%		30.5%					

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

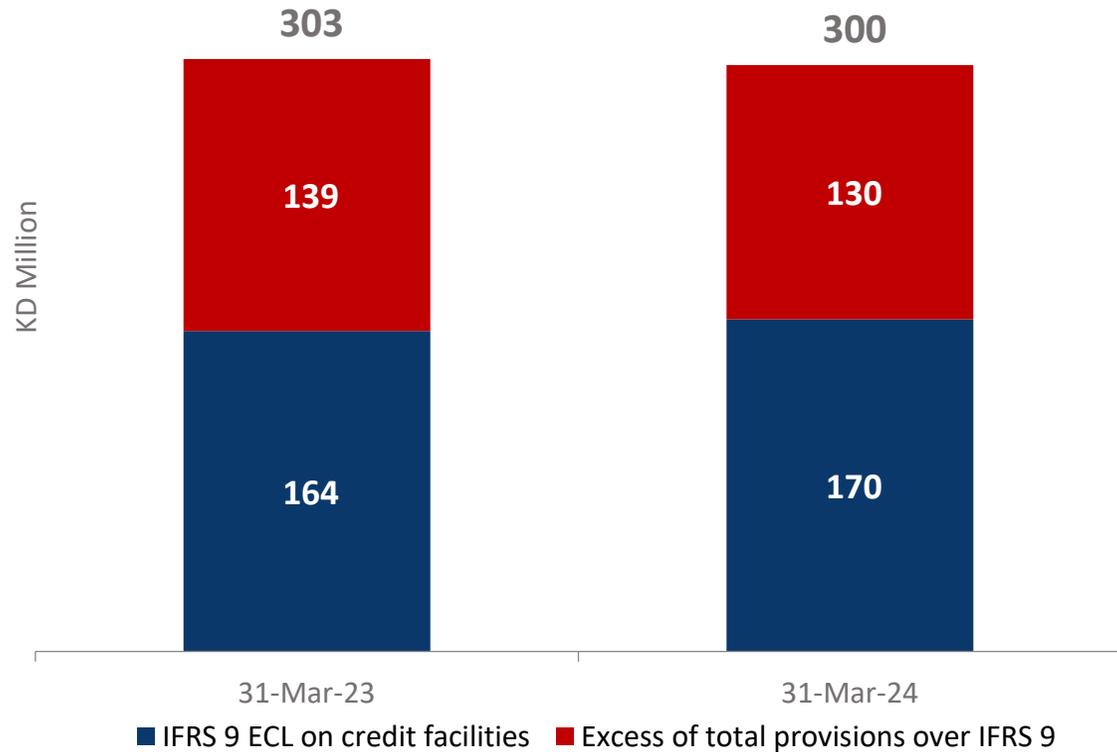
(2) Coverage ratio includes total provisions and collaterals.

[GBK Classification: PUBLIC]



# Total Credit Provisions exceed IFRS 9 accounting requirements by KD 130 million

Total Provisions on Credit Facilities

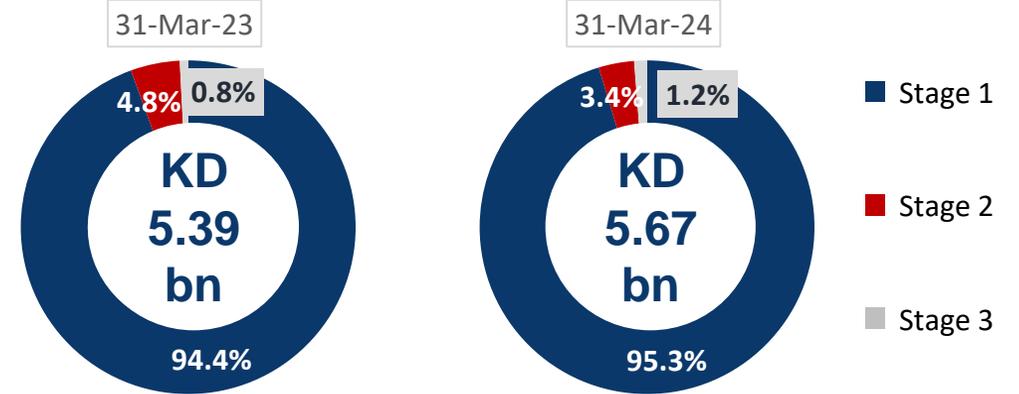


Excess / Total Provision

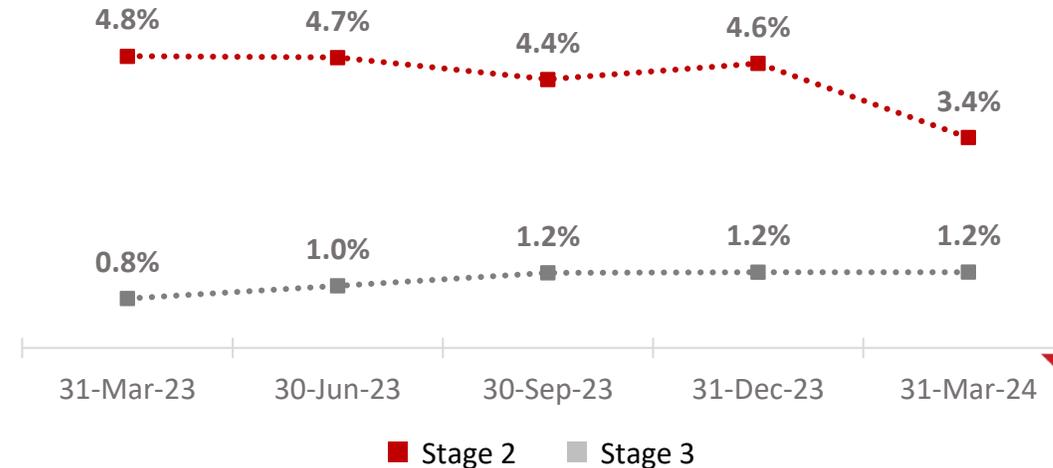
46%

43%

Gross Loans by Stages %<sup>(1)</sup>

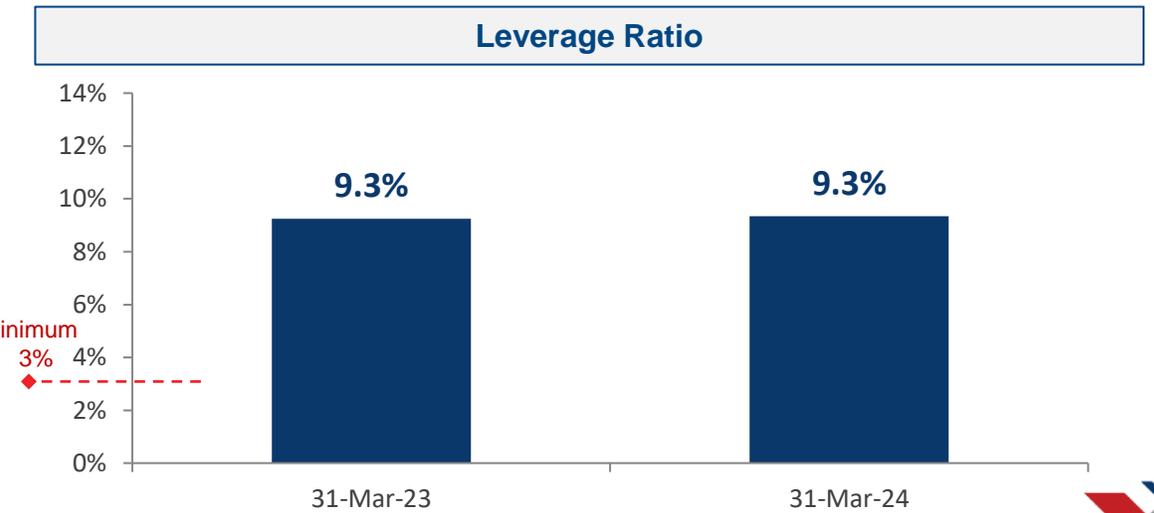
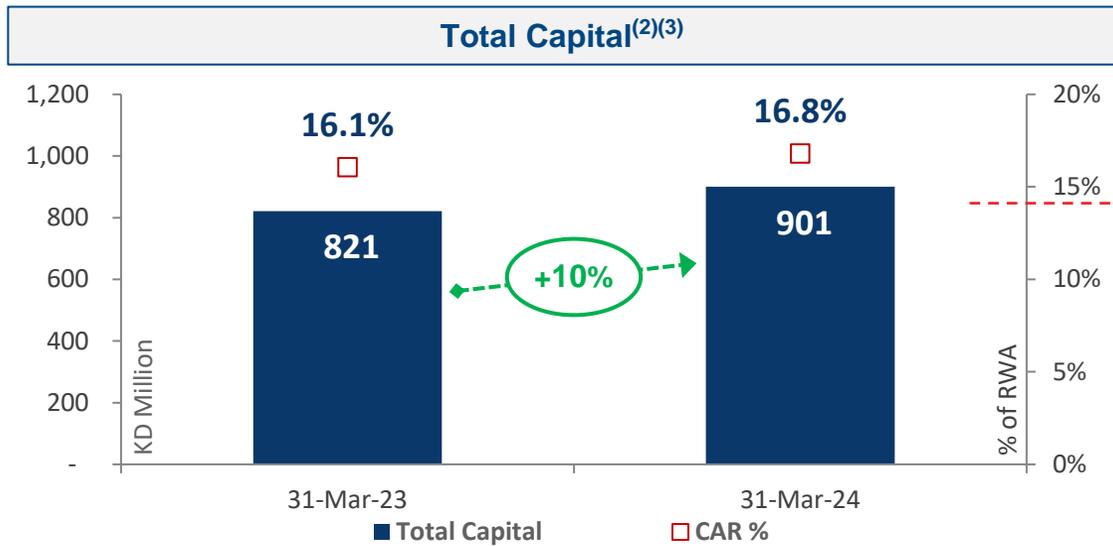
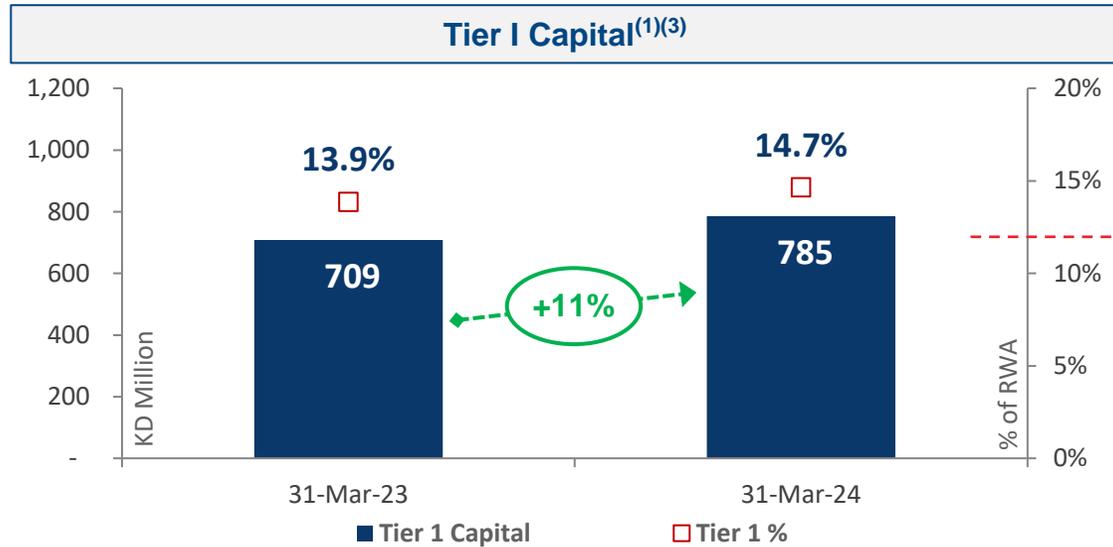


Evolution of Gross Loans Stages 2 and 3 (%)<sup>(1)</sup>



(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

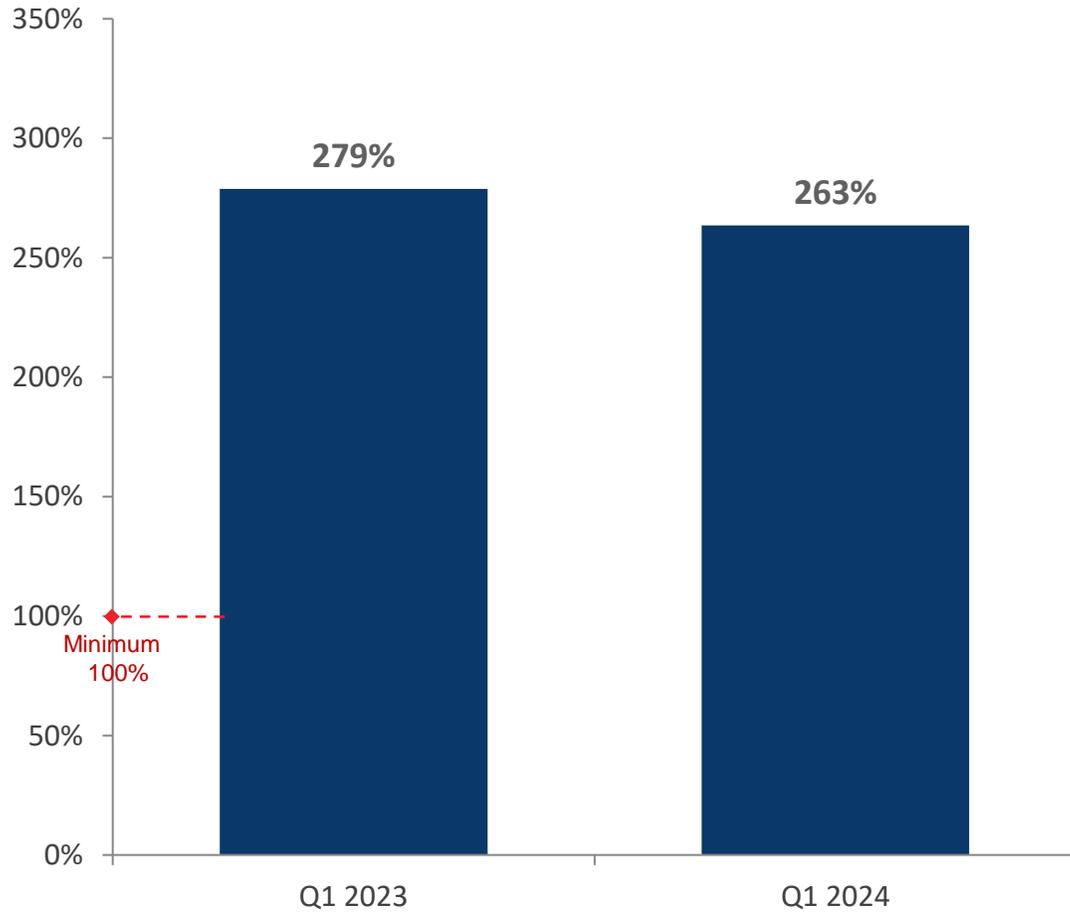


**% Tier 1**      **86%**      **87%**

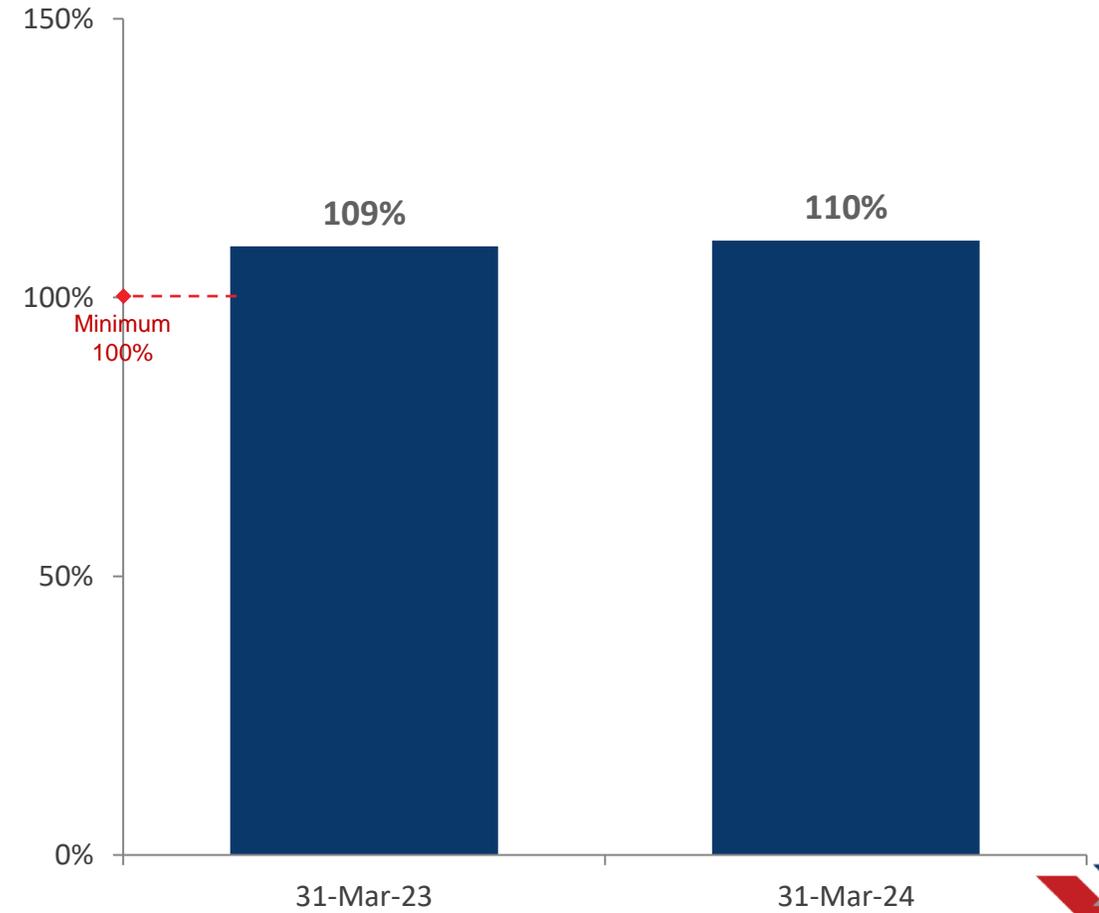
(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

# Liquidity Ratios

Liquidity Coverage Ratio<sup>(1)</sup>



Net Stable Funding Ratio<sup>(1)</sup>



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

# Q&A

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