

# Gulf Bank

## Earnings Presentation

### 1<sup>st</sup> Quarter 2023

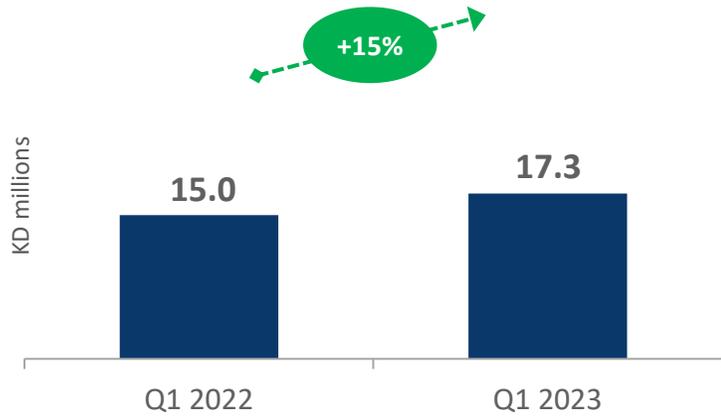
2 May 2023

[GBK Classification: PUBLIC]

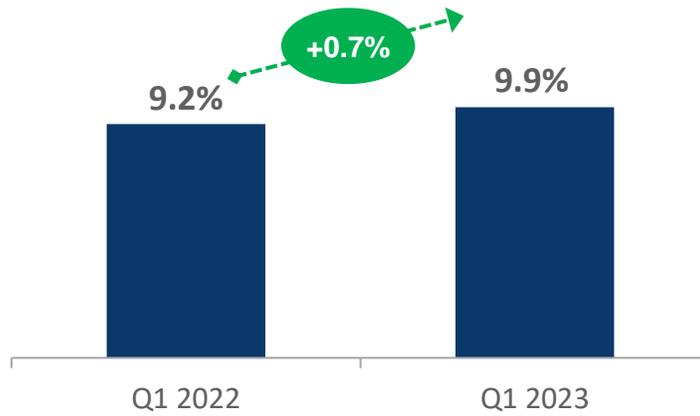


# 1<sup>st</sup> Quarter 2023 Key Highlights

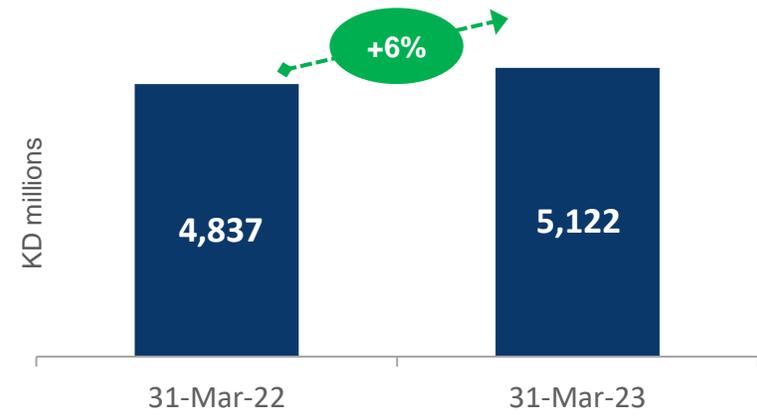
## 1 Net Profit



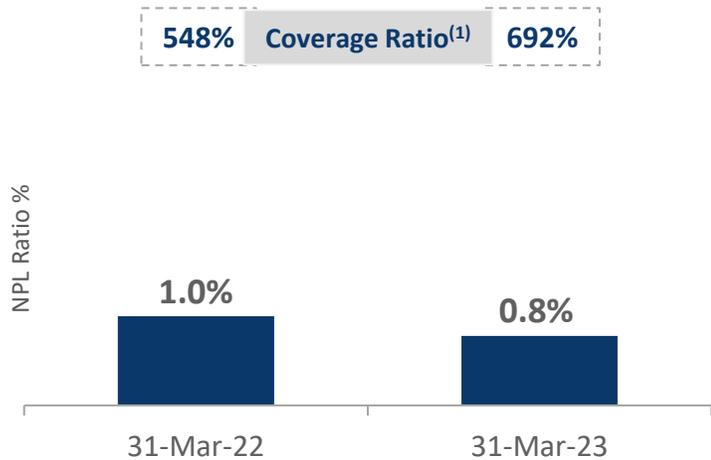
## 2 Return on Equity



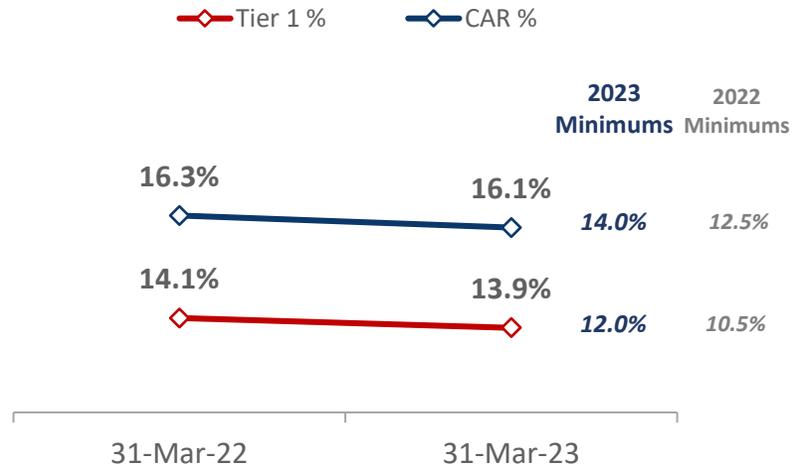
## 3 Gross Customer Loans



## 4 Asset Quality



## 5 Capital Ratios

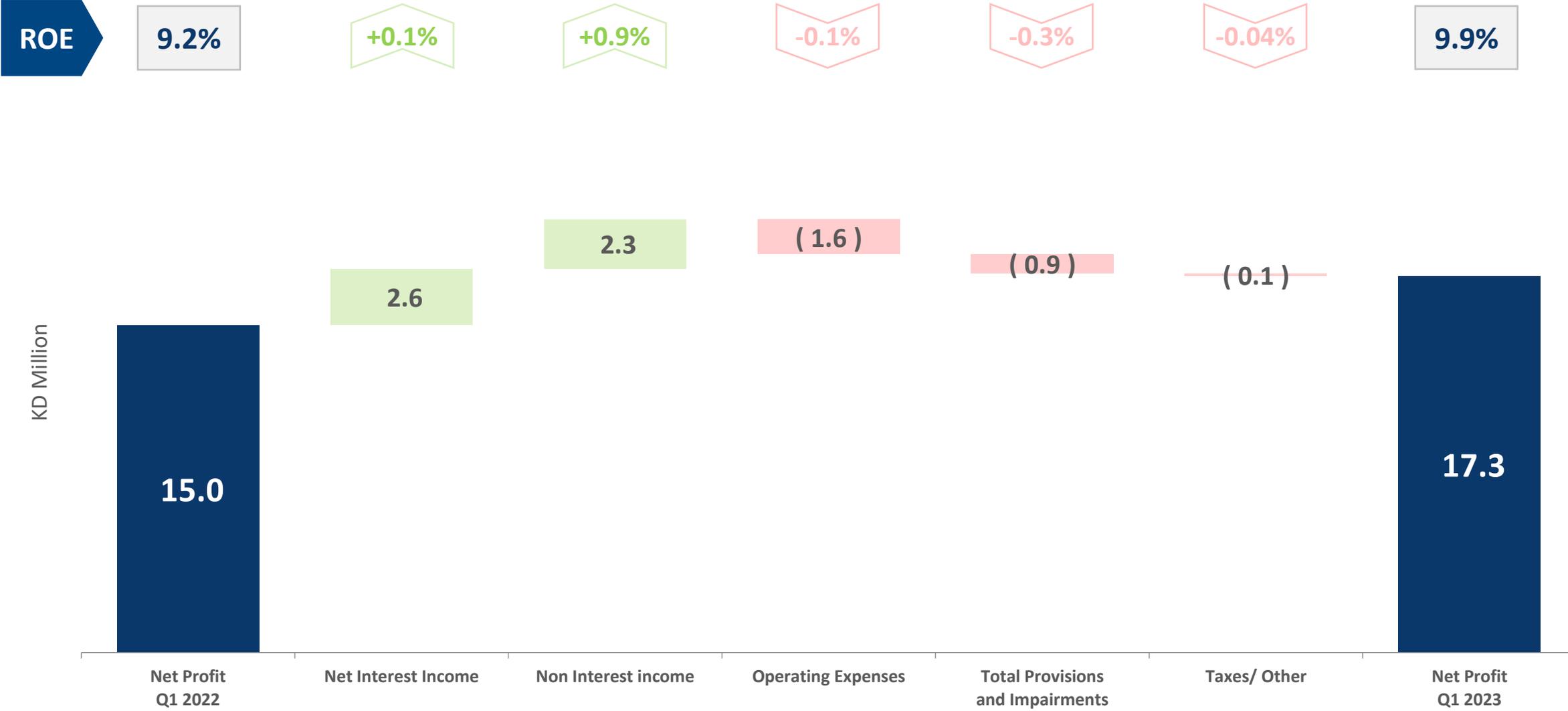


## 6 Credit Ratings

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

2 (1) Coverage ratio includes total provisions and collaterals.

# 1<sup>st</sup> Quarter 2023 Net Profit vs. 1<sup>st</sup> Quarter 2022 Net Profit Evolution



# Income Statement

KD Millions	Q1 2022A	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q1 23A vs Q4 22A		Q1 23A vs Q1 22A	
						Amt	%	Amt	%
1 Interest Income	46.7	52.5	67.0	78.3	85.6	7.3	9%	38.9	83%
2 Interest Expense	(14.4)	(19.1)	(29.6)	(39.2)	(50.8)	(11.6)	-30%	(36.3)	-252%
3 <b>Net Interest Income</b>	<b>32.2</b>	<b>33.5</b>	<b>37.4</b>	<b>39.1</b>	<b>34.8</b>	<b>(4.3)</b>	<b>-11%</b>	<b>2.6</b>	<b>8%</b>
4 Non Interest Income <sup>(1)</sup>	9.3	10.3	9.6	9.7	11.6	1.9	20%	2.3	24%
5 <b>Operating Income</b>	<b>41.5</b>	<b>43.8</b>	<b>47.0</b>	<b>48.7</b>	<b>46.4</b>	<b>(2.4)</b>	<b>-5%</b>	<b>4.9</b>	<b>12%</b>
6 Operating Expenses	(19.8)	(21.5)	(21.6)	(23.3)	(21.4)	1.9	8%	(1.6)	-8%
7 <b>Operating Profit</b>	<b>21.7</b>	<b>22.3</b>	<b>25.3</b>	<b>25.4</b>	<b>25.0</b>	<b>(0.4)</b>	<b>-2%</b>	<b>3.2</b>	<b>15%</b>
8 Credit Costs <sup>(2)</sup>	(5.1)	(2.9)	(8.0)	(8.8)	(7.2)	1.7	19%	(2.1)	-41%
9 General Provisions <sup>(3)</sup>	(0.9)	(3.4)	(1.1)	0.4	0.3	(0.1)	15%	1.2	138%
10 Taxes/ Other	(0.7)	(0.7)	(0.7)	(0.9)	(0.8)	0.0	5%	(0.1)	-16%
11 <b>Net Profit</b>	<b>15.0</b>	<b>15.2</b>	<b>15.4</b>	<b>16.1</b>	<b>17.3</b>	<b>1.2</b>	<b>8%</b>	<b>2.3</b>	<b>15%</b>
12 Return on Assets (ROA) %	0.9%	0.9%	0.9%	0.9%	1.0%				
13 Return on Equity (ROE) %	9.2%	9.1%	8.9%	9.0%	9.9%				
16 Cost to Income Ratio (CIR) %	47.7%	49.0%	46.0%	47.8%	46.1%				
17 Net Interest Margin (NIM) bps <sup>(4)</sup>	200	201	213	223	207				
18 Cost of Risk (COR) bps <sup>(5)</sup>	43	24	61	67	56				

4 (1) Includes Fees and Foreign Exchange Income and Other Income; (2) Includes specific provisions, recoveries, and write-offs (3) Includes General Provisions, Other Provisions/Impairments; (4) Net Interest Income / Average assets; (5) Credit Costs / Average gross customer loans.

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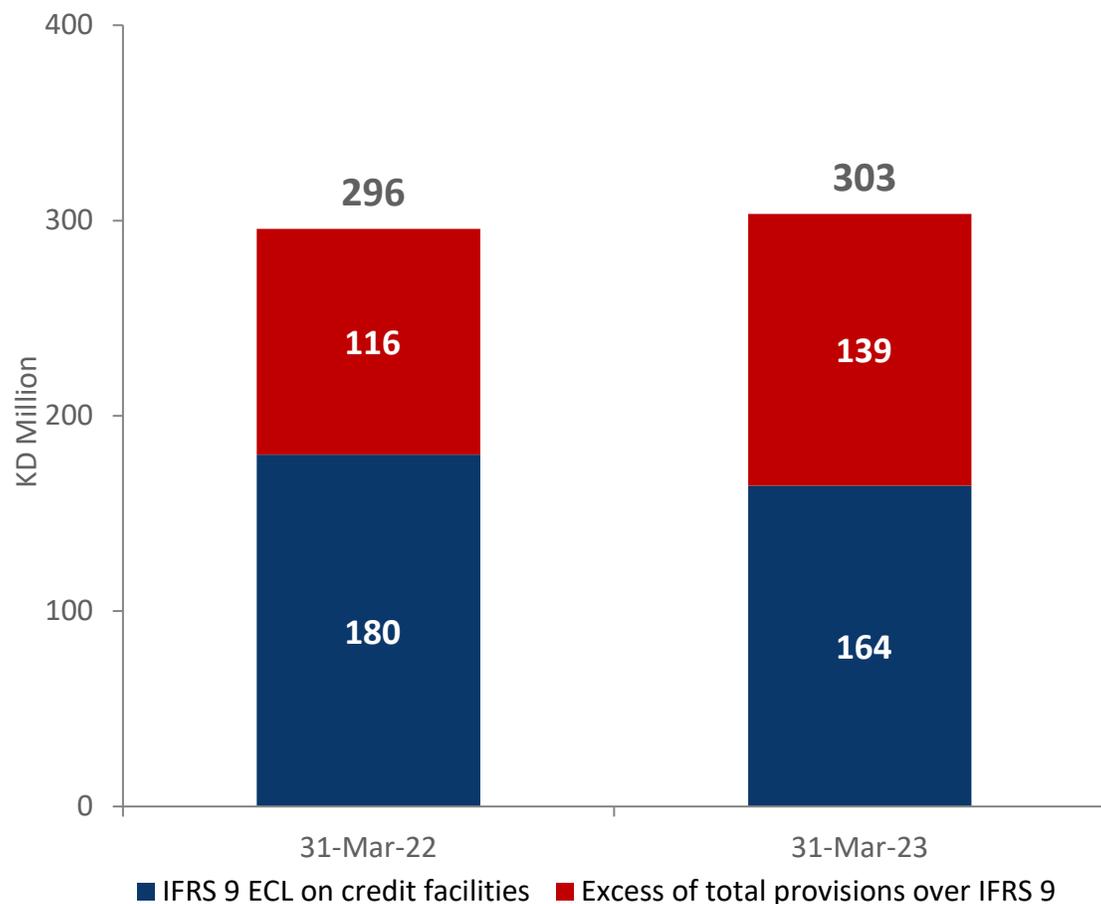
# Balance Sheet

KD Millions	31-Mar-22	% of Total	31-Dec-22	% of Total	31-Mar-23	% of Total	Var Mar 23 vs Dec 22		Var Mar 23 vs Mar 22	
							Amount	%	Amount	%
<b>ASSETS</b>										
1 Cash and cash equivalents	1,026		930		1,047		117	13%	22	2%
2 Kuwait Government Bonds	48		22		22		0	0%	-26	-54%
3 CBK Bills	282		338		343		5	2%	61	22%
4 Deposits with banks and OFIs	0		131		56		-75	-57%	56	#DIV/0!
5 <b>Liquid Assets</b>	<b>1,356</b>	<b>21%</b>	<b>1,421</b>	<b>21%</b>	<b>1,468</b>	<b>22%</b>	<b>48</b>	<b>3%</b>	<b>113</b>	<b>8%</b>
6 Loans and advances to customers	4,837		5,158		5,122		-35	-1%	286	6%
7 Loans and advances to banks	292		265		271		6	2%	-21	-7%
8 Provisions	(277)		(294)		(285)		9	-3%	-8	3%
9 <b>Net Loans</b>	<b>4,852</b>	<b>75%</b>	<b>5,129</b>	<b>75%</b>	<b>5,109</b>	<b>75%</b>	<b>-20</b>	<b>0%</b>	<b>257</b>	<b>5%</b>
10 <b>Investment securities</b>	<b>129</b>	<b>2%</b>	<b>129</b>	<b>2%</b>	<b>92</b>	<b>1%</b>	<b>-37</b>	<b>-28%</b>	<b>-36</b>	<b>-28%</b>
11 Other assets	122		134		112		-22	-16%	-10	-8%
12 Premises and equipment	35		39		39		0	1%	4	13%
13 <b>Other assets</b>	<b>157</b>	<b>2%</b>	<b>173</b>	<b>3%</b>	<b>151</b>	<b>2%</b>	<b>-22</b>	<b>-13%</b>	<b>-5</b>	<b>-3%</b>
14 <b>TOTAL ASSETS</b>	<b>6,493</b>	<b>100%</b>	<b>6,851</b>	<b>100%</b>	<b>6,821</b>	<b>100%</b>	<b>-31</b>	<b>0%</b>	<b>328</b>	<b>5%</b>
<b>LIABILITIES</b>										
15 Due to banks	602		490		322		-168	-34%	-280	-47%
16 Deposits from FIs	610		775		908		133	17%	298	49%
17 <b>Customer deposits</b>	<b>4,255</b>	<b>66%</b>	<b>4,247</b>	<b>62%</b>	<b>4,191</b>	<b>61%</b>	<b>-56</b>	<b>-1%</b>	<b>-65</b>	<b>-2%</b>
18 Other borrowed funds	245		494		539		45	9%	294	120%
19 Other liabilities	118		126		156		30	24%	38	32%
20 <b>TOTAL LIABILITIES</b>	<b>5,830</b>	<b>90%</b>	<b>6,131</b>	<b>89%</b>	<b>6,116</b>	<b>90%</b>	<b>-16</b>	<b>0%</b>	<b>285</b>	<b>5%</b>
21 <b>Total Equity</b>	<b>662</b>	<b>10%</b>	<b>720</b>	<b>11%</b>	<b>705</b>	<b>10%</b>	<b>-15</b>	<b>-2%</b>	<b>43</b>	<b>6%</b>
22 <b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,493</b>	<b>100%</b>	<b>6,851</b>	<b>100%</b>	<b>6,821</b>	<b>100%</b>	<b>-31</b>	<b>0%</b>	<b>328</b>	<b>5%</b>
23 Average assets	6,524		6,767		6,836					
24 Average equity	664		686		712					
25 NPL ratio	1.0%		1.1%		0.8%					
26 Coverage ratio <sup>(1)</sup>	548%		504%		692%					
27 CASA Ratio	41.0%		35.2%		35.3%					

5 (1) Coverage ratio includes total provisions and collaterals.

# Total Credit Provisions exceed IFRS 9 accounting requirements by KD 139 million

Total Provisions on Credit Facilities

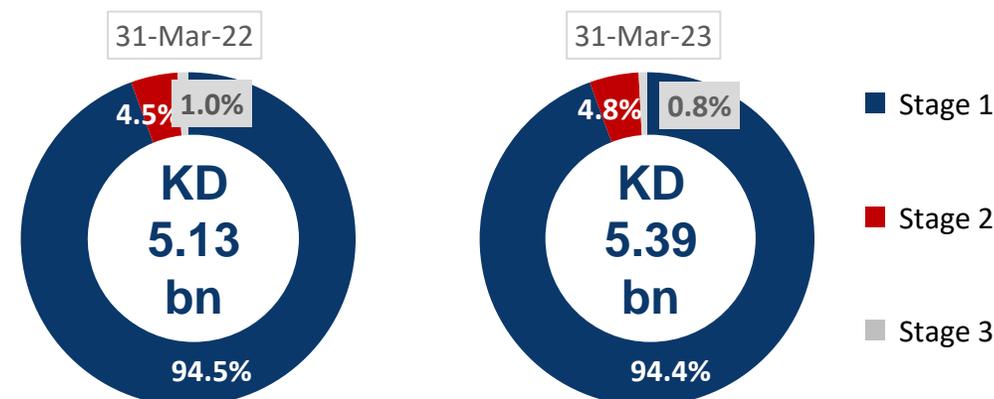


Excess / Total Provision

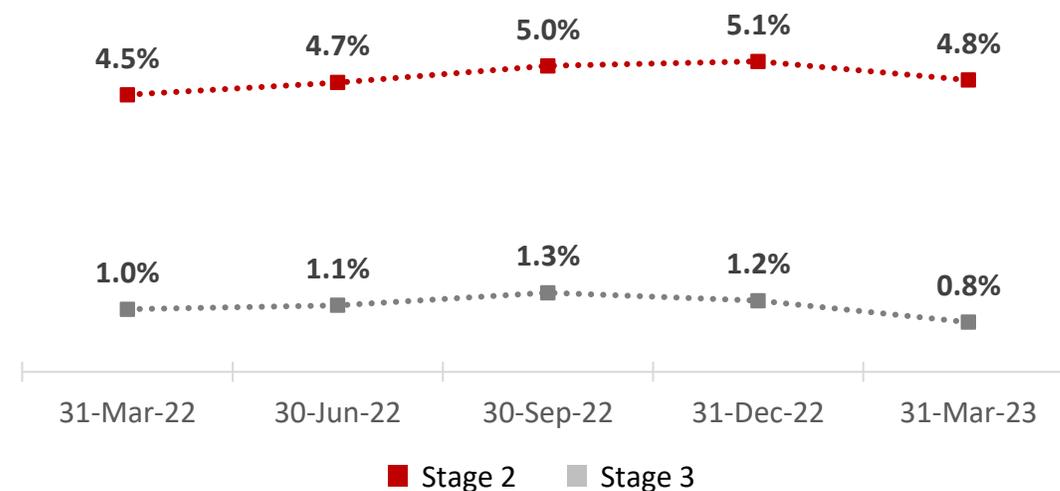
39%

46%

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

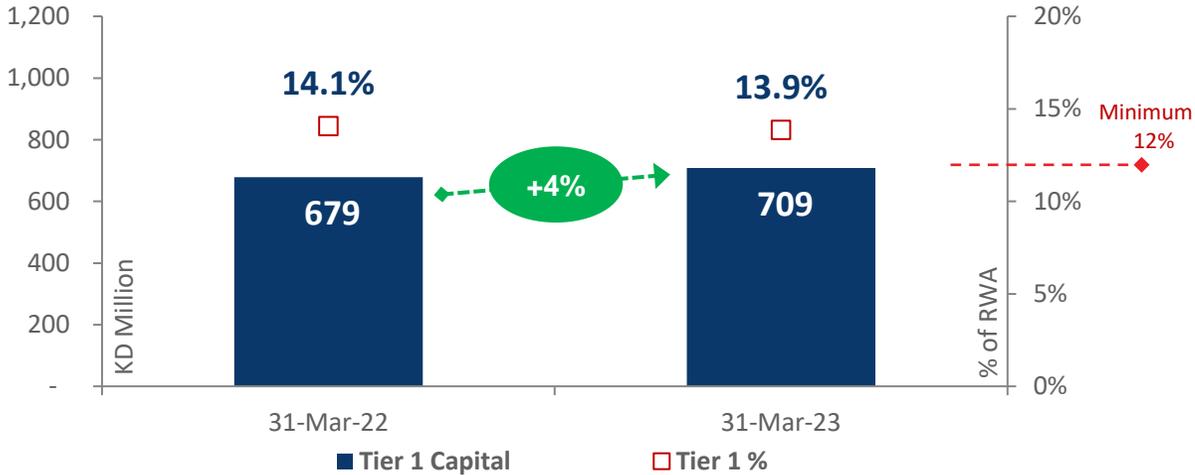


Evolution of Gross Loans Stages 2 and 3 (%)<sup>(1)</sup>



# Capital and Leverage Ratios

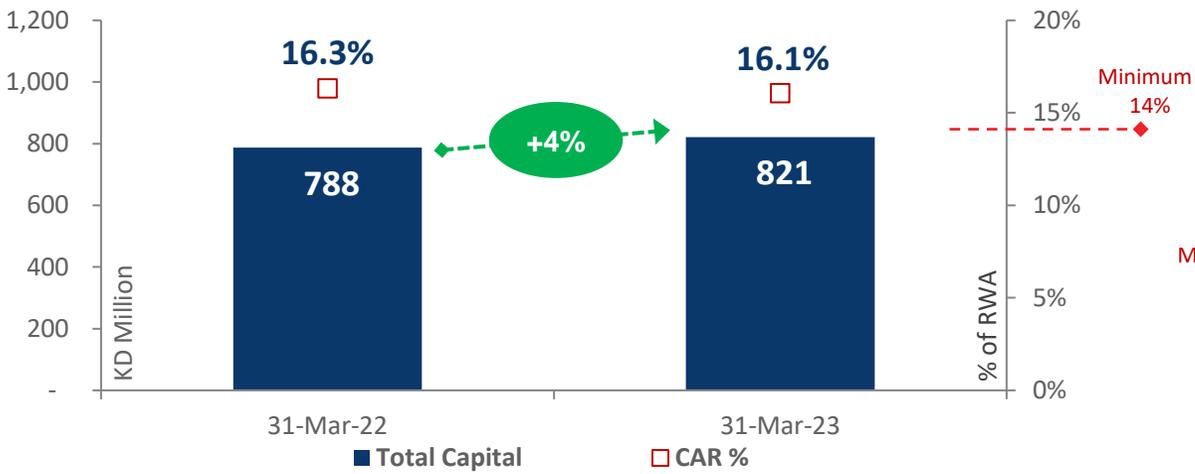
**Tier I Capital<sup>(1)(3)</sup>**



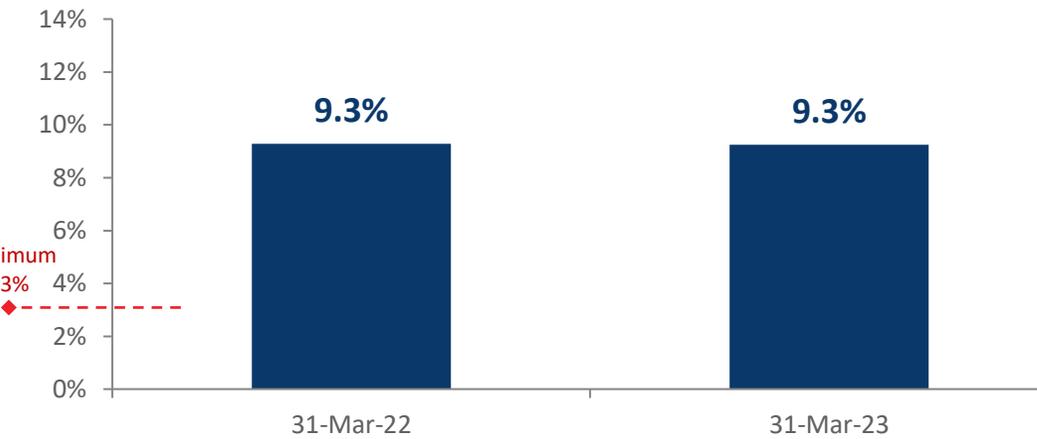
**Risk Weighted Assets**



**Total Capital<sup>(2)(3)</sup>**



**Leverage Ratio**



**% Tier 1                      86%                      86%**

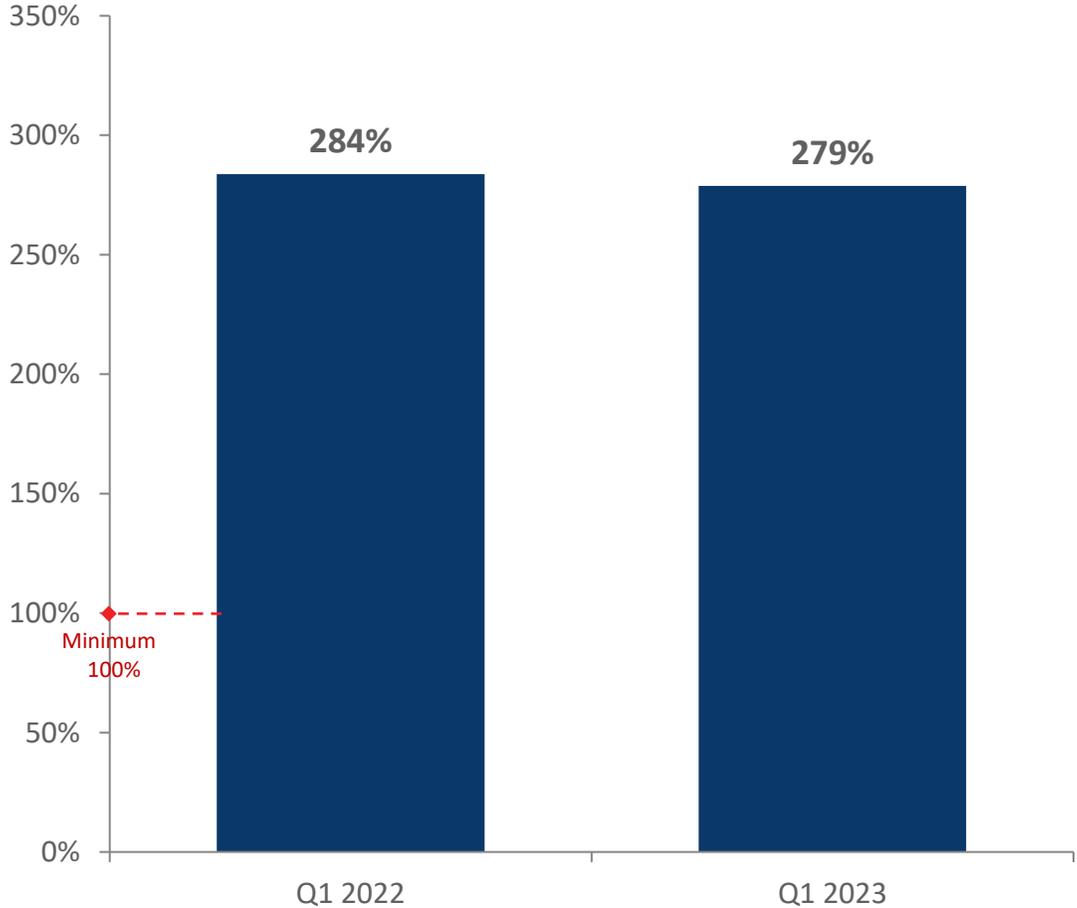
(1) Tier 1 Ratio regulatory minimum has been restored from 10.5% to 12%; (2) CAR regulatory minimum has been restored from 12.5% to 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB.

Note: The restoration in the regulatory minimums has reverted to the old minimums (pre-covid) of 12% for Tier 1 and 14% for CAR in 2023.

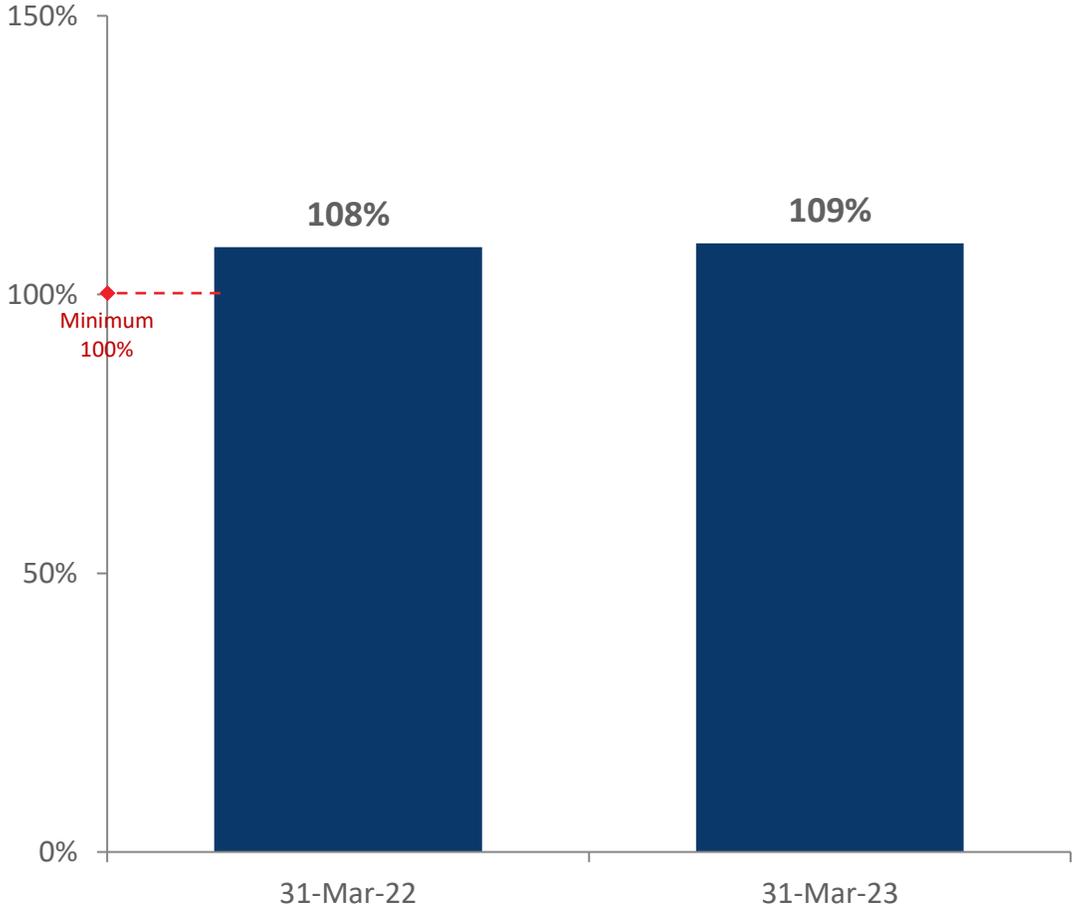


# Liquidity Ratios

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



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



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been restored from 90% to 100% in 2023. Note: The restoration in the regulatory minimums has reverted to the old minimums (pre-covid) in 2023.

# Q&A

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