

Gulf Bank

Earnings Presentation

1st Half 2023

1st August 2023

[GBK Classification: PUBLIC]



1st Half 2023 Key Highlights

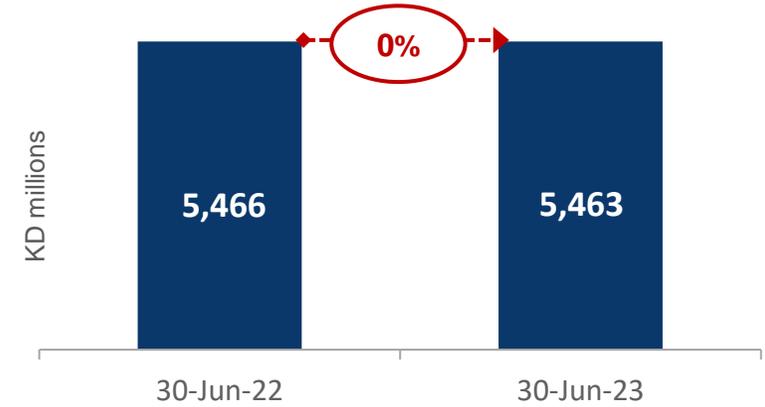
1 Net Profit



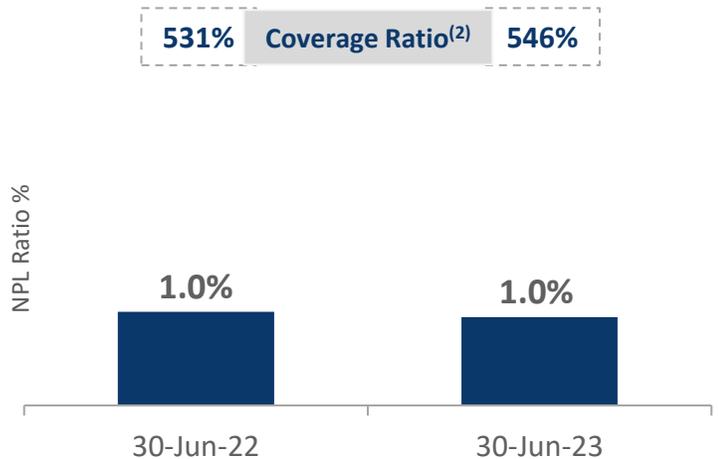
2 Return on Equity



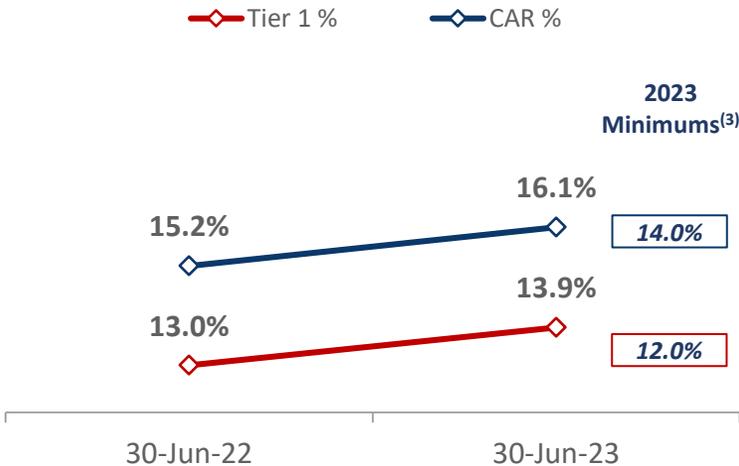
3 Gross Loans and Advances⁽¹⁾



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

1st Half 2023 Net Profit vs. 1st Half 2022 Net Profit Evolution



Income Statement

KD Millions	Q1 2022A	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q2 2023A	Q2 23A vs Q1 23A		H1 2022A	H1 2023A	H1 23A vs H1 22A	
							Amt	%			Amt	%
1 Interest Income	46.7	52.5	67.0	78.3	85.6	89.8	4.3	5%	99.2	175.4	76.2	77%
2 Interest Expense	(14.4)	(19.1)	(29.6)	(39.2)	(50.8)	(53.0)	(2.2)	-4%	(33.5)	(103.8)	(70.3)	-210%
3 Net Interest Income	32.2	33.5	37.4	39.1	34.8	36.8	2.0	6%	65.7	71.7	6.0	9%
4 Non Interest Income ⁽¹⁾	9.3	10.3	9.6	9.7	11.6	9.0	(2.5)	-22%	19.6	20.6	1.0	5%
5 Operating Income	41.5	43.8	47.0	48.7	46.4	45.9	(0.5)	-1%	85.3	92.3	6.9	8%
6 Operating Expenses	(19.8)	(21.5)	(21.6)	(23.3)	(21.4)	(21.5)	(0.1)	-1%	(41.3)	(42.9)	(1.7)	-4%
7 Operating Profit	21.7	22.3	25.3	25.4	25.0	24.3	(0.6)	-3%	44.1	49.3	5.2	12%
8 Credit Costs ⁽²⁾	(5.1)	(2.9)	(8.0)	(8.8)	(7.2)	(4.9)	2.2	31%	(8.0)	(12.1)	(4.0)	-50%
9 General Provisions ⁽³⁾	(0.9)	(3.4)	(1.1)	0.4	0.3	0.0	(0.3)	94%	(4.3)	0.3	4.6	108%
10 Taxes/ Other	(0.7)	(0.7)	(0.7)	(0.9)	(0.8)	(0.9)	(0.1)	-7%	(1.5)	(1.7)	(0.3)	-19%
11 Net Profit	15.0	15.2	15.4	16.1	17.3	18.5	1.2	7%	30.3	35.8	5.6	18%
12 Return on Assets (ROA) %	0.9%	0.9%	0.9%	0.9%	1.0%	1.1%			0.9%	1.1%		
13 Return on Equity (ROE) %	9.2%	9.1%	8.9%	9.0%	9.9%	10.4%			9.1%	10.1%		
14 Cost to Income Ratio (CIR) %	47.7%	49.0%	46.0%	47.8%	46.1%	46.9%			48.3%	46.5%		
15 Net Interest Margin (NIM) bps ⁽⁴⁾	200	201	213	223	207	215			199	211		
16 Cost of Risk (COR) bps ⁽⁵⁾	40	22	58	64	54	36			31	45		

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 loans and advances.

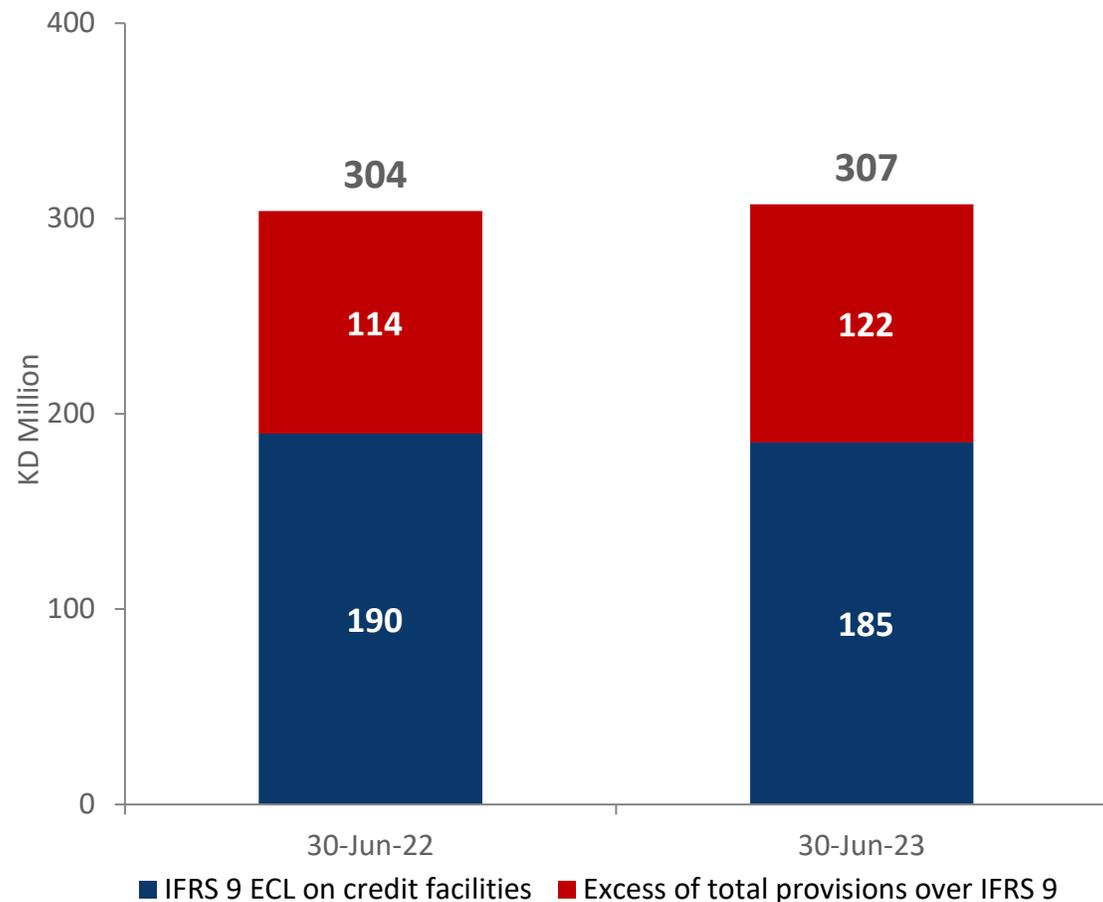
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Balance Sheet

KD Millions	30-Jun-22	% of Total	31-Dec-22	% of Total	30-Jun-23	% of Total	Var Jun 23 vs Dec 22		Var Jun 23 vs Jun 22	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,028		930		1,079		149	16%	51	5%
2 Kuwait Government Bonds	48		22		22		0	0%	(26)	-54%
3 CBK Bills	299		338		342		4	1%	43	14%
4 Deposits with banks and OFIs	58		131		66		(65)	-50%	8	14%
5 Liquid Assets	1,433	21%	1,421	21%	1,509	22%	88	6%	76	5%
6 Gross loans and advances ⁽¹⁾	5,466		5,423		5,463		40	1%	(3)	0%
7 Provisions	(285)		(294)		(289)		5	-2%	(4)	2%
8 Net Loans and advances	5,182	75%	5,129	75%	5,174	75%	45	1%	(8)	0%
9 Investment securities	111	2%	129	2%	73	1%	(55)	-43%	(38)	-34%
10 Other assets	116		134		117		(17)	-13%	1	1%
11 Premises and equipment	36		39		40		2	4%	5	13%
12 Other assets	152	2%	173	3%	158	2%	(16)	-9%	6	4%
13 TOTAL ASSETS	6,878	100%	6,851	100%	6,914	100%	62	1%	36	1%
LIABILITIES										
14 Due to banks	682		490		318		(172)	-35%	(364)	-53%
15 Deposits from FIs	599		775		970		195	25%	371	62%
16 Customer deposits	4,571	66%	4,247	62%	4,216	61%	(31)	-1%	(356)	-8%
17 Other borrowed funds	246		494		539		46	9%	294	120%
18 Other liabilities	103		126		147		21	17%	45	44%
19 TOTAL LIABILITIES	6,201	90%	6,131	89%	6,190	90%	59	1%	(10)	0%
20 Total Equity	677	10%	720	11%	723	10%	3	0%	46	7%
21 TOTAL LIABILITIES AND EQUITY	6,878	100%	6,851	100%	6,914	100%	62	1%	36	1%
22 Average assets	6,642		6,767		6,862					
23 Average equity	669		686		716					
24 NPL ratio	1.0%		1.1%		1.0%					
25 Coverage ratio ⁽²⁾	531%		504%		546%					
26 CASA Ratio	37.2%		35.2%		34.8%					

Total Credit Provisions exceed IFRS 9 accounting requirements by KD 122 million

Total Provisions on Credit Facilities

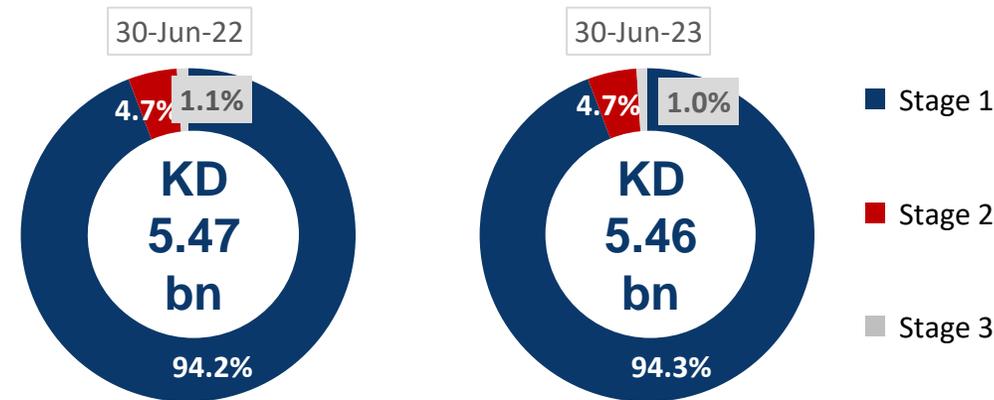


Excess / Total Provision

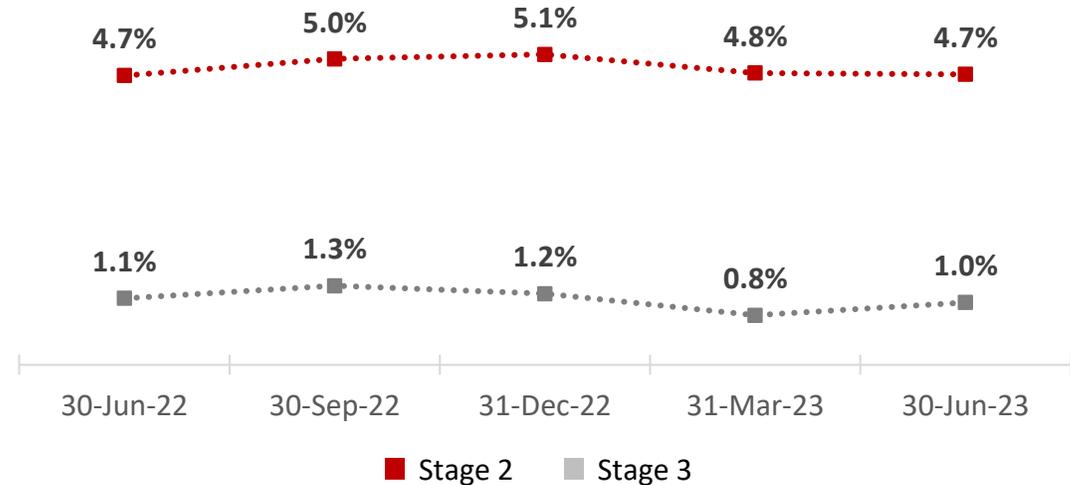
37%

40%

Gross Loans by Stages %⁽¹⁾



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

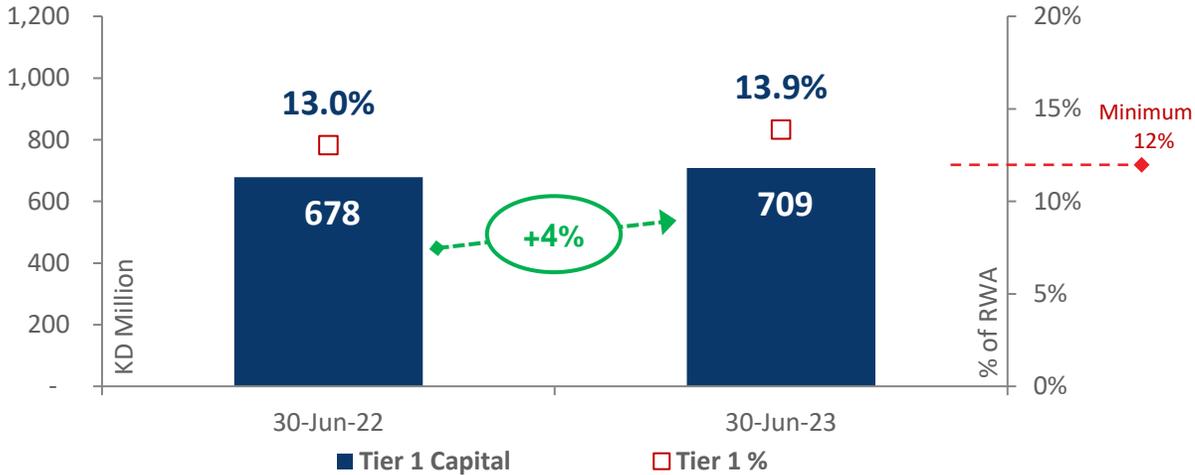


(1) Stage 3 loans are marginally higher than the credit impaired loans due to qualitative and quantitative factors as per IFRS 9;

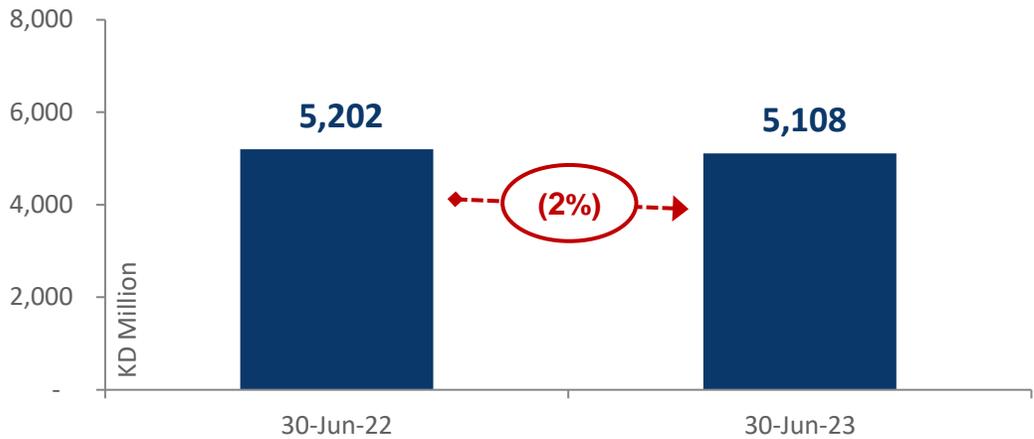
(2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.

Capital and Leverage Ratios

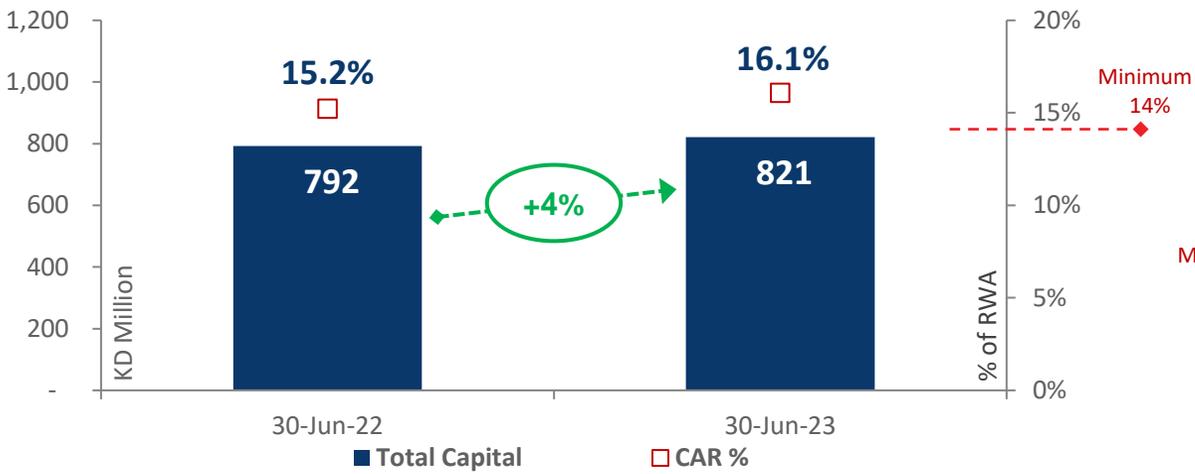
Tier I Capital⁽¹⁾⁽³⁾



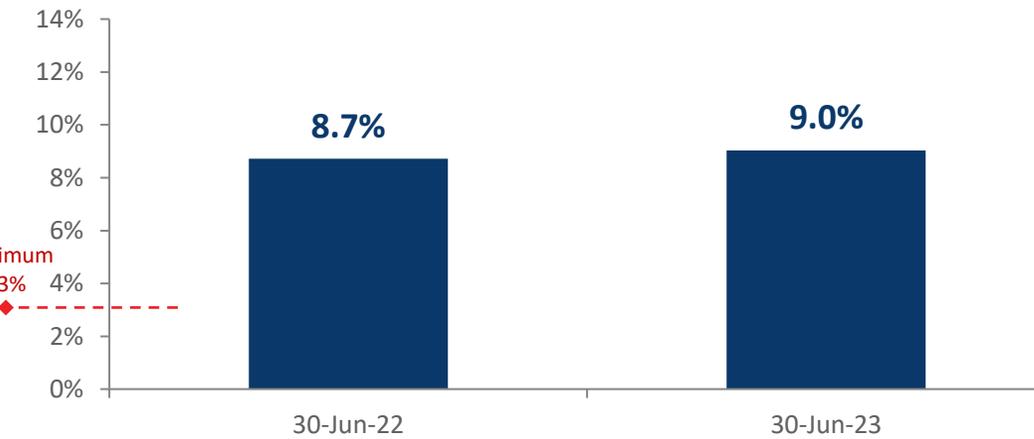
Risk Weighted Assets



Total Capital⁽²⁾⁽³⁾



Leverage Ratio

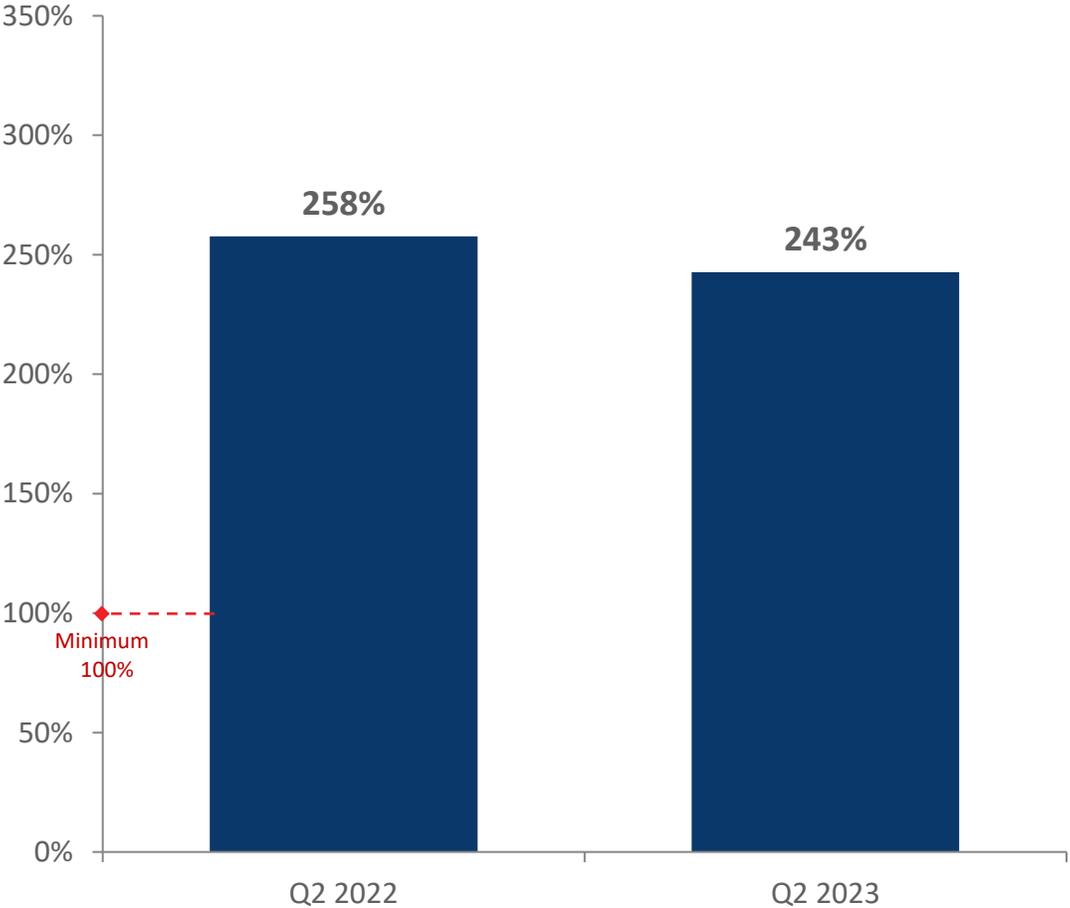


% Tier 1 86% 86%

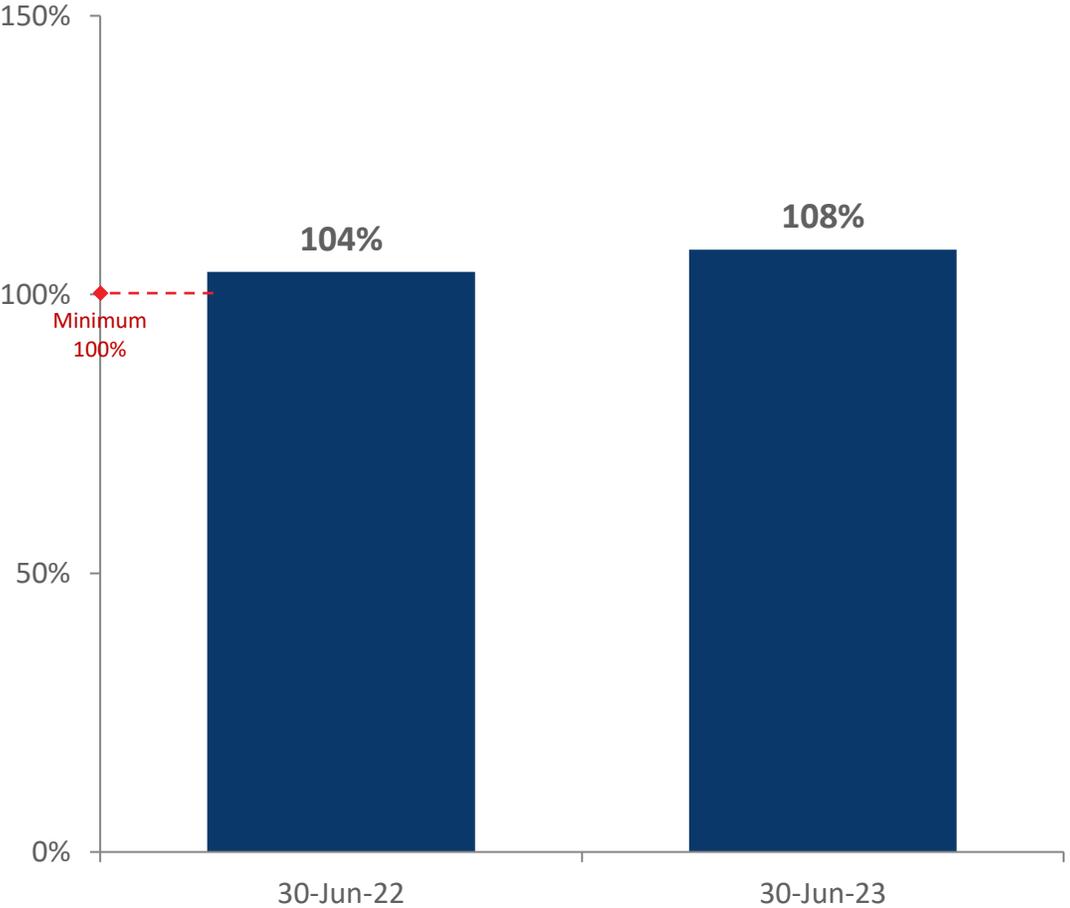
(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums is 100% in 2023.

Q&A

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