

# Driving Innovation and Transformation Pioneering a Sustainable Future

Sustainability Report 2023



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# About this Report ▶▶▶

This report outlines the Bank's Environmental, Social and Governance (ESG) impact, strategy, performance, and the application of sustainability best practices across the Bank's operations covering the reporting year from January 1, 2023, to December 31, 2023.

Prepared in accordance with the Global Reporting Initiative (GRI) standards, this report is aligned to the United Nations Sustainability Development Goals (SDGs), New Kuwait Vision, Boursa Kuwait, and selected ESG indicators, among others.

Gulf Bank believes in maintaining an open and transparent relationship with our stakeholders. By publishing this report on an annual basis, we aim to improve readers' understanding of how we create value and progress towards Gulf Bank's vision – to be the leading Kuwaiti bank of the future.

## Support

Our 2023 Sustainability Report development was supported by RSM Albazie Consulting W.L.L.

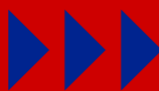
## Contact

We appreciate and welcome your queries and feedback, as this enables us to continue enhancing what we do. Please contact us through:

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# Message from the Chairman

Jassim Mustafa Boodai

Chairman



We take great pride in welcoming you to Gulf Bank's annual sustainability report, for the year 2023. This report is a testament to our unwavering commitment to foundational ESG principles, highlighting bold strides made in our services, operations and ESG initiatives.

The global economic landscape continues to face headwinds of inflation, rising policy rates and ongoing geo-political conflicts. Despite these challenges, Gulf Bank has consistently demonstrated its ability to capitalize on opportunities and remain fully focused on long-term sustainable growth, strengthening its position as Kuwait's leading bank of the future. As we continue to create a positive impact in the near term by providing our loyal customers with simple and innovative services, we are launching a sustainability strategy that is expected to drive positive change for years to come. This long-term strategic approach is aligned with Gulf Bank's corporate strategy, and the New Kuwait Vision is at the heart of everything we do across the Bank.

One of our key operational milestones during 2023 was the implementation of Phase 1 of the new core banking system. This milestone represents a major leap forward in the Bank's digital transformation journey. It empowers us to provide enhanced services by streamlining operations and optimizing processes to deliver seamless customer experiences. In deploying our new core banking system, Gulf Bank reaffirms its commitment to excellence by embracing cutting-edge technology. This significant advancement makes us adaptable and agile, positioning Gulf Bank to be a trusted financial partner in an ever-evolving and competitive landscape. Another major achievement for the Bank this year was the enhancement of customer experience, marked by the launch of our latest mobile banking app. The app incorporates advanced security measures to protect user data and transactions, ensuring we continue to deliver outstanding service to our valued customers.

In alignment with Gulf Bank's strategic goals and Kuwait's Vision, Gulf Bank launched the first edition of the 'Fekrety' Innovation Tournament this year. This initiative was crafted to not only stimulate and drive innovation across all employee levels but to prioritize the adoption of new technologies and the development of creative services to drive economic growth and improve the lives of Kuwaiti citizens. The initiative provided a platform for employees to present their ideas. Through this tournament we have endeavored to enhance customer experience, boost employee satisfaction, and benefit the broader community.

We have continued to uphold our landmark decision to equalize job benefits, in an effort to eliminate gender discrimination from our business practices. Currently, our total female headcount stands at 43% out of our total workforce, and 25% of executive management. Moving beyond equality, we actively took steps to empower women by conducting several initiatives throughout the year, including special workshops and Gulf Bank's Women of Wisdom (WOW) monthly Diwaniya sessions. Learning and continuous talent development is important to us at Gulf Bank, and there has been a marked increase in total training hours for employees largely due to our contracting with a third-party training provider, which was initiated in 2023.

Gulf Bank took strides to advance causes for environmental sustainability, with initiatives that include promotion of reusable bags in partnership with five major Kuwaiti cooperative societies, support of coral conservation at the Jahra Reserve and efforts to recycle electronic waste within the Bank. Participating in the United Nations Conference of Parties (COP) 28, held in Dubai, Gulf Bank was represented at the State of Kuwait Pavilion, joining over 70,000 attendees from 198 countries to address climate change with transition from fossil fuels and biodiversity loss.

Driven by our purpose to seek out projects where we can offer our support and help the broader community, we have partnered with key organizations for CSR initiatives, focused on health and wellness, sports, skills development and charity. During the month of Ramadan, food baskets and meals were distributed to families in need through our key partnership with the Kuwait Food and Relief Bank. We also participated in a campaign aiming to address financial liabilities and distress, organized by the Takaful Charity Foundation. Moreover, sports initiatives included the Gulf Bank Fit sports week held at Al-Shaheed Park, encouraging community exercise with professional trainers and the launch of track and off-road challenges to support youth engagement in sports utility vehicle (SUV) sports. In addition, we held our signature Masterclass series with diverse sessions in areas of public interest.

Celebrating a 17-year partnership, Gulf Bank continues its support of INJAZ Kuwait's efforts to equip young people with job market skills and we sponsored two winning student companies in a regional competition. We also provided supporting sponsorships for The Influencer program by LOYAC Academy, aiming to enhance young individuals' communication and leadership skills. With growing numbers of entrepreneurs and young people increasingly choosing self-employment, supporting economic sustainability has become essential for Kuwait's future. In alignment with our 2025 strategy, Gulf Bank has prioritized Small and Medium-sized Enterprises (SMEs), recognizing their vital role in our economy. This year, we proudly organized the second Oud Fashion Talks conference to elevate Kuwaiti designers on the global stage and foster knowledge-sharing through workshops. Additionally, our hosting of 'Nuqsat Al-Khamees' and our sponsorship of Qout Market—Kuwait's largest market for local farmers and artisans—demonstrate our commitment to supporting SMEs and strengthening community connections through cultural and traditional initiatives.

We are eager to embrace future challenges while delivering best-in-class banking solutions and service experiences to our customers. People are the core of our operations, and engaging, empowering, and developing our team remains central to our commitment to customer excellence and community service. Aligned with Kuwait's Vision, Gulf Bank continues to lead as a premier bank in Kuwait, and I am proud to say we are well-positioned to become a pioneering regional force in the banking industry.

\*Resignation of Mr. Jassim Mustafa Boodai from Board membership and position as Chairman of Board effective end of March 3, 2024.



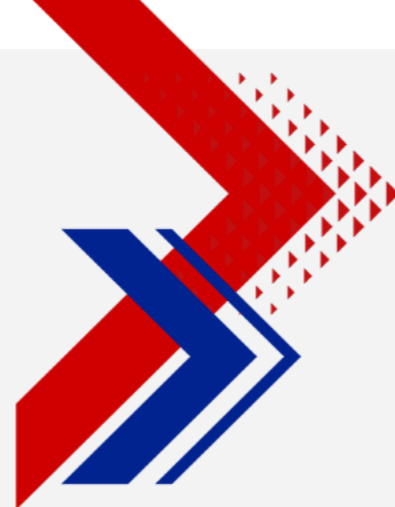
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Our Approach  
To ESG ▶▶▶





## 1.1 Key ESG Performance Highlights in 2023



ESG Aspect	Highlight	Performance
<b>Our People</b>	Female representation in executive management	25%
	Diversity in the workplace	Male - 57% Female - 43%
	Employees with special needs	0.96 %
	Kuwaitization in the workplace	72.3%
	Percentage of employees receiving training	100%
	Total employee training hours	Increased by 64,848.68 hours
	Average training hours per employee	Increased by 32.71 hours per employee
	Employee turnover rate	Reduced by 4.36%
<b>Our Community</b>	Number of internships	60
	Number of students trained through INJAZ initiative between 2022-2023	26,000
<b>Environment</b>	Total GHG emissions	21,907.23 tCO2e
	Total GHG emissions saved due to recycled e-waste in 2023	14.11 tCO2e
<b>Sustainable Growth</b>	Procurement expenditure	Local: 95.92% Foreign: 4.08%
	Number of data breach and data loss incidents	0
	Number of awards received	7

## 1.2 Gulf Bank - At A Glance

Gulf Bank has established itself as an industry leader and a key provider of secure and customer-centric banking services for more than 60 years. With 7.2 billion KD in total assets and over 50 branches across Kuwait, we are the second largest conventional bank in terms of total loans, and in terms of branch network. As a premier listed company playing a central role in supporting Kuwait's progressive agenda for sustainable economic growth through the New Kuwait Vision, Gulf Bank offers a comprehensive range of products and services to corporate and individual customers, emphasizing service excellence and a seamless digital experience.

### Business Model

The core strength of the Bank's business model is derived from a strong franchise presence, diverse talent pool, sound financial performance, solid credit ratings, and the stability of our shareholders.



#### Consumer Banking

Our Consumer Banking serves a broad range of customer segments, offering customer-centric solutions and a unique experience tailored to each customer segment. The Bank's diversified product offering includes personal loan options, credit and debit cards, and deposits.



#### Corporate Banking

Our Corporate Banking has a comprehensive suite of wholesale, commercial and Small and Medium-sized Enterprise (SME) banking products and services. These include structured finance, project finance, transaction banking, Advisory / Corporate Finance and Investment Banking, Merchant Banking and Cards.



#### Treasury and Investment

Our Treasury's focus is to optimize the balance sheet's efficiency, managing the Bank's liquidity while supporting asset growth and sufficient buffers to meet regulatory requirements. Our Investment Services manages the Bank's proprietary investment and offers investment products to clients.

### Credit Ratings

**A3**  
MOODY'S  
Positive Outlook

**A**  
Fitch  
Ratings  
Stable Outlook

**A+**  
CI CAPITAL  
Intelligence  
Stable Outlook

## Awards and Recognition in 2023 >>>

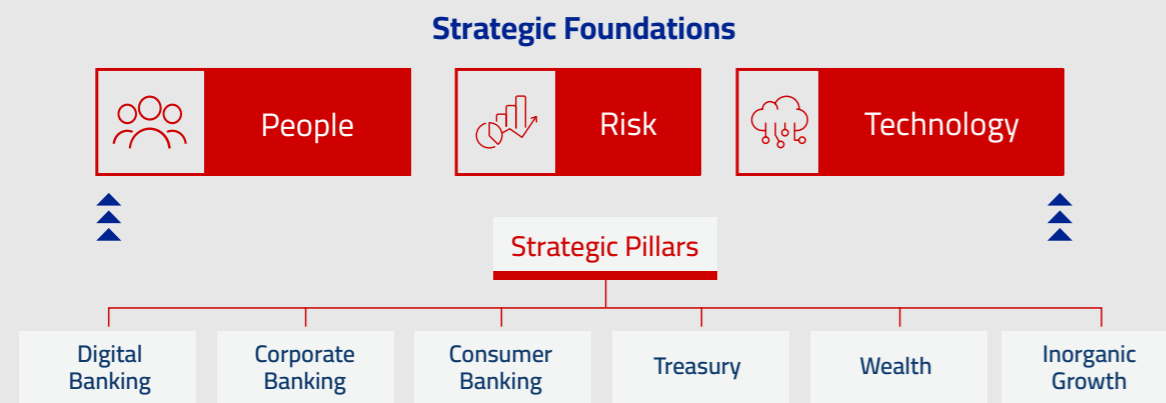


To access Gulf Bank's disclosed financial statements for 2023, please visit the following link here <https://www.e-gulfbank.com/media/e3e2aadf17372ca94290fb75367d17cd.pdf>

## Gulf Bank Strategy 2025 >>>

Founded on Gulf Bank's vision to be the leading Kuwaiti bank of the future and our mission to provide customers with simple and innovative services to enable sustainable growth, the Bank's strategy aims to provide customers with an unprecedented banking experience in Kuwait. As part of our ongoing progression, digital transformation processes are already underway at both the customer service level and internal operations level.

### Gulf Bank 2025 Strategy is based on Three Strategic Foundations and Six Strategic Pillars:



Gulf Bank remains steadfast in its commitment towards its mission, vision, and core values, striving to create sustainable value by adhering to its strategy. We monitor the progress of strategy targets, including several strategy initiatives that have embedded sustainability elements in the areas of Digital Banking, Risk Management, People Development, and Technological Advancement. Regular quarterly data-gathering is conducted across our initiatives and the Chairman is provided with a strategy progress report.

## 1.3 Stakeholder Engagement

At Gulf Bank, we prioritize ongoing engagement with key stakeholders as it allows us to continuously monitor services, build the Bank's business and strengthen capacity to create long-term value. As part of our efforts towards increased disclosure, we publish Gulf Bank's annual sustainability report to highlight our dedication to sustainability and ESG principles and share it with internal and external stakeholders through the Bank's website, social media and press releases.

Gulf Bank's key stakeholders are defined as those who are most significantly impacted by its business activities and who we believe have the potential to influence them. This group encompasses the Bank's customers, investors, employees, peers, and local community, as well as government entities and regulators. We make efforts to actively engage with the Bank's stakeholders through various channels to understand their interests and concerns. The insights gathered from these interactions not only shaped our understanding of factors especially related to ESG that are pertinent to the Bank's business but guided the formulation of strategic priorities and execution of initiatives.

Selected Stakeholders	Customers:	Suppliers and Vendors:	Community:	Investors and Shareholders:	Regulatory Bodies:	Employees:
***	We engage to understand their needs, enabling us to offer tailored financial products and services	We connect to ensure the Bank's procurement needs are fulfilled seamlessly and ethical standards are followed	We interact to better understand societal needs and gaps, envisioning and accomplishing relevant initiatives to meet the Bank's social responsibility	We aim to provide timely and informative disclosure, enabling informed decision-making, and gather their outlook and feedback on the Bank's performance and strategy	We endeavor to be a key financial representative in the region and in enabling the adherence to local laws, regulations and guidelines	We offer open communication to provide a purpose-led, motivated work environment, where they feel valued, trusted and looked after
Estimated Frequency of Engagement	Daily	Project Basis	Daily	Annually, quarterly and daily	Ongoing	Ongoing
Selected Channels of Engagement	<ul style="list-style-type: none"> <li>Social media</li> <li>Email</li> <li>Press releases</li> <li>Campaigns</li> <li>Sponsorships</li> <li>Contests and giveaways</li> <li>Infographics and videos</li> <li>Rewards program</li> <li>Short Messaging Service (SMS) and Push notifications</li> <li>Events</li> <li>Live streams</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>Calls</li> <li>Public disclosures</li> <li>Quarterly meetings</li> <li>Bidding and tendering</li> <li>Contracts</li> </ul>	<ul style="list-style-type: none"> <li>Social media</li> <li>Press releases</li> <li>Campaigns</li> <li>Sponsorships</li> <li>Career fairs</li> <li>Partnerships</li> <li>Events</li> <li>Website</li> <li>In-branch collaterals</li> <li>Interactive Voice Response (IVR) messages, Short Messaging Service (SMS) messages, Push notifications</li> <li>Automatic Teller Machine/Interactive Teller Machine (ATM/ITM) screens</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>Annual General Meetings (AGMs)</li> <li>Public reports and disclosures</li> <li>Quarterly financial statements</li> <li>Emails</li> <li>Events</li> <li>Meetings</li> <li>Press conferences</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly meetings</li> <li>Public reports and disclosures</li> <li>Regulatory reporting and audits</li> </ul>	<ul style="list-style-type: none"> <li>Emails</li> <li>Performance appraisals</li> </ul>
Selected Key Topics of Engagement	<ul style="list-style-type: none"> <li>Brand awareness</li> <li>Customer acquisition</li> <li>Customer retention</li> <li>Brand advocacy</li> <li>Customer satisfaction</li> <li>Financial inclusion</li> <li>Sponsorships and donations</li> <li>Impactful campaigns</li> <li>Support national development plans</li> <li>Effective communication channels</li> </ul>	<ul style="list-style-type: none"> <li>Services requests and outcomes</li> <li>Projects development</li> <li>Sustained engagements and partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Employment opportunities</li> <li>Socioeconomic development</li> <li>Youth empowerment and internships</li> <li>Women empowerment</li> <li>Financial literacy</li> <li>Financial Inclusion</li> <li>Responsiveness to community needs</li> <li>Sponsorships and donations</li> <li>Impactful campaigns</li> <li>Support national development plans</li> <li>Effective communication channels</li> </ul>	<ul style="list-style-type: none"> <li>Financial returns and performance</li> <li>Corporate updates</li> <li>Business overview</li> <li>Shareholder structure</li> <li>Executive management presence</li> <li>Sustainable business model</li> <li>ESG criteria alignment and integration</li> <li>Transparency and disclosure</li> <li>Provision of shareholder and voting rights</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with all legal and regulatory requirements</li> <li>Cyber security and data privacy</li> <li>Support of SMEs and entrepreneurs</li> <li>Resilient risk management approach</li> <li>Effective business continuity planning</li> <li>Policies and standards</li> <li>Strict actions against financial ethics violations</li> <li>Ethical conduct</li> </ul>	<ul style="list-style-type: none"> <li>Performance</li> <li>Training</li> <li>Volunteering opportunities</li> <li>Compliance with all legal and regulatory requirements</li> <li>Cyber security and data privacy</li> <li>Policies and standards</li> <li>Ethical conduct</li> <li>Compensation and benefits</li> <li>Fair and equal opportunities</li> <li>Career development</li> </ul>

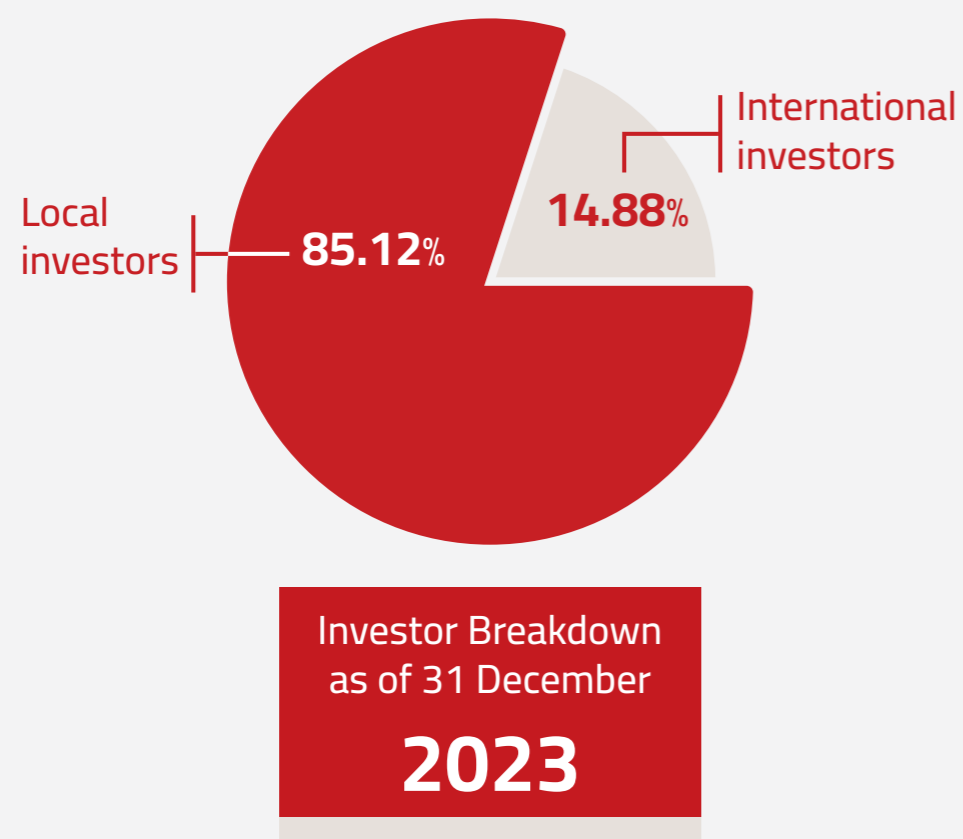


## Strategic Communication and Engagement with Investors

Investor Relations (IR) at Gulf Bank integrates finance, communication, marketing, and securities law compliance to facilitate effective two-way communication with stakeholders. This approach aims to achieve fair valuation of the company's securities by maintaining investor trust and confidence through regular communications.

Gulf Bank utilizes diverse communication channels for stakeholders, including regulatory disclosures, financial press releases, virtual and in-person meetings. The Investor Relations section on the Gulf Bank website serves as a central hub for up-to-date information, offering access to disclosures, financial reports, investor presentations, and announcements. The Bank organizes several one-on-one investor conferences and roadshows facilitated by international and regional brokers or through Boursa Kuwait. These sessions enable discussions on financial performance, operational environments, and corporate developments. Quarterly earnings calls provide a platform for the CEO and CFO to present financial results and address investor queries promptly.

During Annual General Meetings (AGMs), Gulf Bank engages with shareholders to secure approvals on regulatory matters and strategic resolutions, emphasizing transparency and responsiveness in addressing investor concerns. Discussions with investors typically cover various critical areas related to the Bank's performance, strategy, and outlook. Key topics include updates on macroeconomic and operational environments, detailed insights into financial performance such as revenue growth, profitability, margins, provisions, expenses, and key performance indicators. Investors also express interest in understanding Gulf Bank's strategic initiatives, long-term business objectives, including the Bank's digital transformation journey, and environmental, social, and governance (ESG) practices and initiatives.



## 1.4 Materiality Assessment

The materiality assessment and double materiality approach are centered on the principle of sustainability reporting, which helps us to identify key ESG topics that inform the Bank's strategic direction. Additionally, they guide Gulf Bank's approach towards governance, daily operations, and risk management, increasing resilience and ability to provide lasting value. We annually follow a four-step process to finalize Gulf Bank's list of material ESG topics, as detailed in the following.

### 1. Understand and Identify

In 2023, we reviewed the results of our previous 2022 materiality assessment. We used the GRI as the baseline to identify impacts and develop an initial selection of ESG topics. Matters of key relevance were also identified through gaining insight on business activities, Gulf Bank's ESG strategy, followed by an alignment with indicators such as the United Nations Sustainable Development Goals (UN SDGs), New Kuwait Vision and Boursa Kuwait.

### 2. Stakeholder Engagement

Survey forms were developed and distributed to identified internal and external stakeholder groups to understand the priority level they would assign for each of the selected material topics. The stakeholder engagement exercise applied the "double materiality" approach, through which we considered both financial materiality and impact materiality perspectives to assign significance to the selected topics. In 2023, we received a total of 437 responses from our stakeholders.

### 3. Assess and Validate

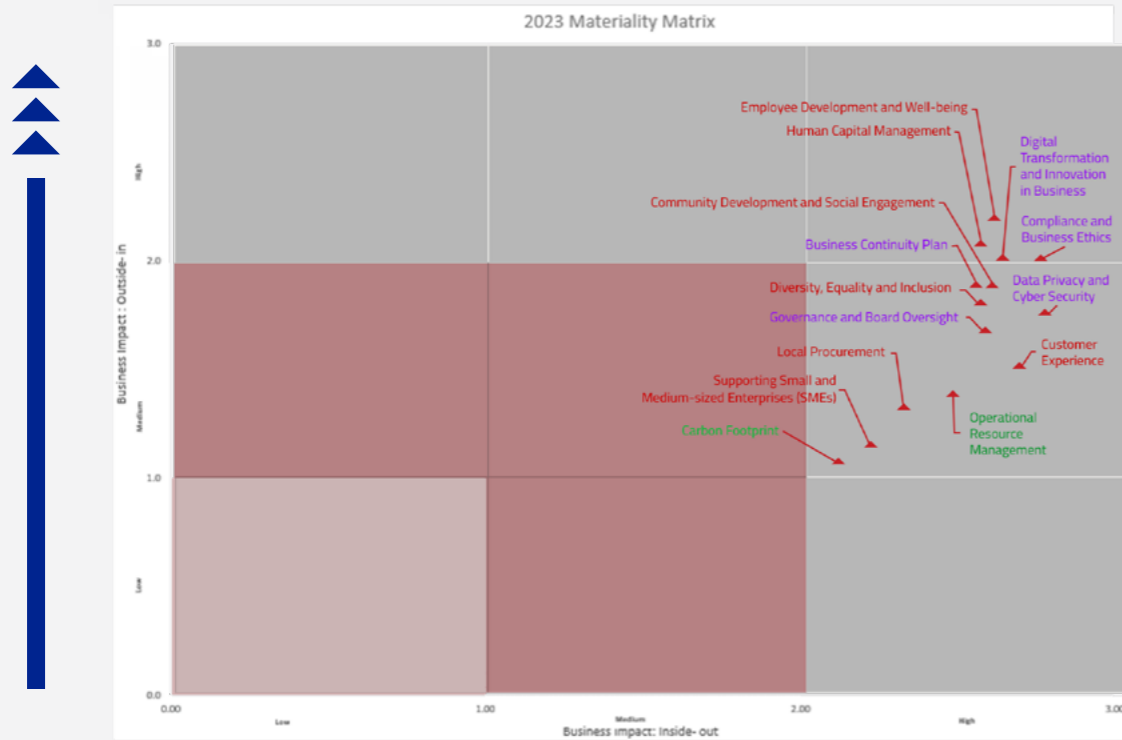
Results were extracted from the feedback acquired from stakeholder engagement, benchmarking against industry peers, best practices, and research. This formed the basis of finalizing Gulf Bank's 14 material ESG topics for 2023.

### 4. Analysis and Report

Survey inputs were analyzed, and the double materiality matrix was developed considering two perspectives: Impact materiality signifying the Bank's outward impacts on the economy, environment, and people was mapped to the x-axis, and financial materiality signifying the impact of selected material topics on economic value was mapped to the y-axis. The color-coded chart area illustrates the Low, Medium, and High materiality levels of the topics.



## Materiality Matrix ▶▶▶



In comparison with the 2022 topics, we have updated three material topics to provide a more precise explanation of their associated risks, impacts and opportunities. Namely:

- **Environmental Aspects was changed to Operational Resource Management.**
- **Human Capital Management and Employee Development and Well-Being was introduced to cover Talent Management, Retention and Development.**
- **Responsible Procurement was changed to Local Procurement.**

Moreover, we added a new topic to highlight the overall work culture at Gulf Bank with Diversity, Equality and Inclusion, which includes the previous topic of Women Empowerment.

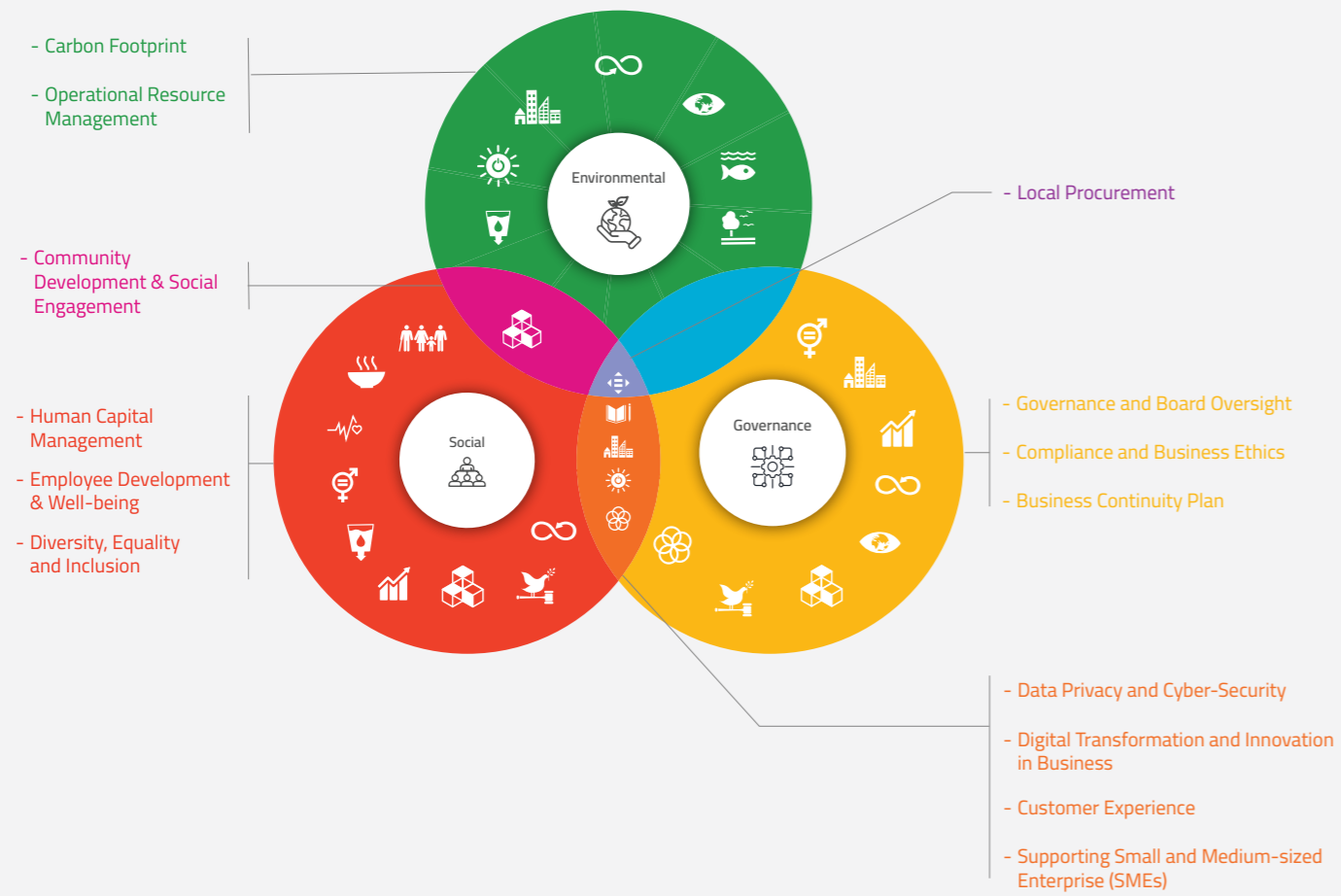
Environmental topics—Operational Resource Management and Carbon Footprint—have gained in significance compared to the previous reporting period, showing as high-medium, whereas Governance and Board Oversight, Data Privacy and Cyber Security, Customer Experience and Business Continuity Plan have shown as high-medium outside-in business impact as compared to 2022. Meanwhile, the topics of Human Capital Management, Employee Development and Well-being, Compliance and Business Ethics, Digital Transformation and Innovation in Business and Local Procurement are at the same level of priority as 2022.

## Material Topics for 2023

#	Material Topics for 2023	Level of Significance (x-y)	Comparison to 2022	Alignment to Gulf Bank's ESG Strategy Pillars
1	Operational Resource Management	High-Medium	Medium-Medium	Responsible Banking
2	Carbon Footprint	High-Medium	Medium-Medium	Responsible Banking
3	Human Capital Management	High-High	High-High	Equitable Workplace
4	Employee Development and Well-being	High-High	High-High	Equitable Workplace
5	Diversity, Equality and Inclusion	High-Medium	N/A	Equitable Workplace
6	Community Development and Social Engagement	High-Medium	High-Medium	Empowered Community Engagement
7	Governance and Board Oversight	High-Medium	High-High	Accountable Governance
8	Compliance and Business Ethics	High-High	High-High	Accountable Governance
9	Data Privacy and Cyber Security	High-Medium	High-High	Responsible Banking
10	Digital Transformation and Innovation in Business	High-High	High-High	Responsible Banking
11	Customer Experience	High-Medium	High-High	Responsible Banking
12	Supporting Small and Medium-sized Enterprises (SMEs)	High-Medium	Medium-Medium	Responsible Banking
13	Local Procurement	High-Medium	High-Medium	Responsible Banking
14	Business Continuity Plan	High-Medium	High-High	Accountable Governance



## Connecting Material Topics with ESG Pillars





02

Looking  
Forward





## 2.1 Gulf Bank ESG Strategy

In recent years, we have observed growing interest among various stakeholders, including the Bank's current shareholders and potential investors in ESG-related issues. Investors are increasingly focused on diversifying their portfolios with sustainable companies. Credit rating agencies have also integrated ESG evaluation metrics into their credit rating analysis of issuers, including regional or country-specific metrics and issuer-specific profiles. Furthermore, we are actively collaborating with regulators to incorporate specific ESG factors into the Bank's business practices in a more defined and measurable manner.

At Boursa Kuwait, where Gulf Bank is listed in the premier market, there has been significant momentum in establishing local sustainability indices and implementing formal ESG reporting requirements within certain market segments as internationally, sustainability and ESG indices are well-established and closely monitored by prominent investors.

**We have been driving our ESG ambitions with the development and finalization of Gulf Bank's ESG Strategy, along with KPIs for monitoring and implementation of the Strategy, as illustrated in the following.**

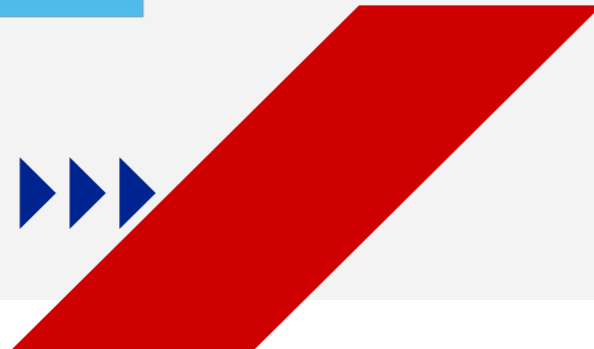


- ▲ Gulf Bank's ESG 2030 Strategy defines our vision for a sustainable future, where responsible banking practices not only drive success, but also contribute to the well-being of the Bank's stakeholders and the wider community.
- ▲ We have aimed to develop a framework grounded on four key pillars that uphold principles steering Gulf Bank's strategic directions - namely, Accountable Governance, Equitable Workplace, Empowered Community Engagement and Responsible Banking.

In pursuit of this vision, we are dedicated to leading the way in providing innovative services and financing solutions that drive sustainable growth for stakeholders. Gulf Bank's commitment includes operating with the highest ethical standards, leveraging technology to enhance customer experience and accessibility. We are focused on creating an equitable work environment that supports the development and well-being of our employees. Additionally, we strive to minimize the Bank's environmental impact through mindful practices and actively contribute to and empower the communities where we operate.

In line with international best practices, we have prioritized integrating sustainability into the Bank's governance framework. We believe that this ensures clear accountability at various levels and that sustainability holds significant weight in strategic decision-making.

**Gulf Bank's oversight of its ESG Strategy places the Board of Directors at the helm, overseeing the alignment of ESG commitments with the Bank's overall corporate strategy and long-term directions.**





# 03

## Disclosing Environmental Performance



Globally, as climate solutions gain ground, the COP28 UAE brought the world together for transformative and ambitious climate action. Gulf Bank participated as a representative at the Kuwait Pavilion, recognizing the importance of pursuing environmental sustainability and lowering organizations' carbon footprint. We continue to plan for climatically responsive branches, leading the way for the future. Within this section, we share how we rise to meet our environmental responsibility through resource management, illustrating Gulf Bank's progress through the year in this area.

Alignment with UN Sustainable Development Goals (SDGs):



Alignment with New Kuwait Vision: Sustainable Living Environment



# 3.1 Operational Resource Management

Gulf Bank has consistently aimed to align its business operations with ESG principles, particularly to optimize the broader environmental impact of operational resource consumption. The Bank's focus in 2023 has been a gradual shift towards digital transformation. We have encouraged several sustainable practices, including beach clean-up drives, and the distribution and use of reusable bags among employees, among various others, with the aim of creating a workforce mindful of responsible environmental conduct.

In this section, we take a closer look at three key areas and Gulf Bank's ongoing efforts towards cautious resource management.

## Energy

At Gulf Bank we understand the importance of ensuring monitoring systems are in place and preventive action is taken to optimize the use of energy. Preventive maintenance involves performing regular inspections of HVAC, plumbing, firefighting, and electrical systems to identify and address potential issues related to utilities management. Concurrently, energy audits are conducted through ongoing energy monitoring to pinpoint areas for improvement, with the implementation of sensors in branches to facilitate proactive measures. The primary objective is to ensure the optimal performance of all critical systems. To meet this goal, we have targeted to complete 100% of scheduled maintenance tasks within the designated timelines. The effectiveness of these efforts is assessed by tracking the number of equipment breakdowns.

An active monitoring system is being set up across branches to detect and address issues such as leaks, air conditioning problems, and power failures. Regular energy audits are conducted to assess areas for improvement, and sensors are being added to facilitate timely interventions. As a result of these audits, five air conditioning units were identified for replacement in 2023, and these have been upgraded to new, energy-efficient models across various branches. Our preventive maintenance plan aims to reduce equipment downtime and extend the lifespan of systems, ensuring energy efficiency. The effectiveness of these initiatives is evaluated by monitoring the frequency of maintenance-related breakdowns.

## Water

Across Gulf Bank facilities, water consumption is monitored through installed water meters within the network. Minor outages that occur due to pump failures are promptly addressed through pump repairs, and in the event of water runoff from the municipal supply, portable water tankers are employed to replenish daily tanks. To date, no significant water-related impacts have been reported.

## Waste

Throughout the past years, Gulf Bank has placed initial efforts regarding the management of paper and plastic waste. Although recycling practices are not yet in place, the design for recycling bins has been approved by Gulf Bank, with material samples evaluated and approved by senior management. Gulf Bank has implemented an ERP system to transfer various manual processes requiring paper to a digital platform. This move is estimated to reduce paper usage in daily operations. We have additionally executed a printer management system resulting in the minimized consumption of ink cartridges and associated plastic packaging waste. Moreover, we have developed and incorporated waste management processes and guidelines into the janitorial tender document as part of the Bank's cleaning contract.

For waste-water disposal, sewage drainage is connected directly to the Municipality's sewage manhole. At branches, stormwater is discharged directly to the ground, while at the Head Office, it is directed to the stormwater drainage network. Water quality tests are conducted quarterly to ensure standards are maintained.

### Case Study: Recycling Electronic Waste (E-waste)

Aligned with international standards and guidelines for environmental protection, the Bank securely disposed various units of e-waste in collaboration with a compliant e-waste processing facility. The collected e-waste included items such as printers, monitors, keyboards, phones, servers, switches, wires, and various others as listed in the following table.

Type of Electronics	Number of Recycled Units	Type of Electronics	Number of Recycled Units
Personal computer	377	Steel waste	85
Printer/Scanner/Typewriter	375	Network switch	141
Monitor	339	Security device	20
Keyboard	163	Full cabinet	5
Landline phones	73	SAN switch	3
Laptop	35	KVM	3
Server	101	Chassis	2
Switch	17	Storage	1
Wires	65		

## Total emissions saved in 2023 from E-waste recycling : 14.11 tCO2e

### Case Study: Constructing Gulf Bank's first sustainable branch at Sabah Al Ahmad City

We are excited to pursue LEED certification for the Sabah Al Ahmad branch, aiming to enhance energy efficiency and promote environmentally conscious operational practices. Installed technologies at the branch include solar panels, smart meters, motion sensors, and EV chargers. Focusing on Gulf Bank's commitment towards environmental sustainability, the Bank plans to launch this unit as its first environmentally friendly branch, introducing a new eco-friendly identity for Gulf Bank, and setting the cornerstone to transform our entire branch network into green facilities. These branches are planned to be developed according to a strategic plan and schedule, reflecting a dedication to sustainability and aligning with Gulf Bank's corporate and ESG strategy and Kuwait Vision. The expansion would not only improve banking and financial services in emerging residential areas, making them more accessible, but will also promote green building practices across Kuwait.

### Case Study: Participation in the UN Climate Change Conference (COP28) - Addressing Climate Change and Biodiversity Loss

Gulf Bank took part in the State of Kuwait Pavilion at the 28th meeting of the Conference of the Parties (COP28), part of the United Nations Framework Convention on Climate Change (UNFCCC), held in Dubai from November 30 to December 12, 2023. The conference drew a substantial audience of over 70,000 participants from 198 countries, encompassing heads of state, government leaders, ministers, corporate officials, representatives from international organizations, academics, and media professionals.



## 3.2 Carbon Footprint

At Gulf Bank we are aware of produced carbon emissions and energy consumption due to the Bank's operations across Kuwait. We strive to minimize our environmental footprint and consider continual improvements in key metrics and disclosures. In this part of the report, we look at the total carbon footprint for Gulf Bank through its greenhouse gas (GHG) emissions covering Scope 1, 2 and 3. For 2023, we have disclosed data for Scope 1, which are emissions produced from sources directly owned or controlled by us, Scope 2, which are indirect emissions from the generation of purchased energy, and Scope 3, which covers indirect emissions that are a result of the Bank's operations but are not directly owned or controlled by Gulf Bank.

### 3.2.1 Scope 1 Emissions

Gulf Bank's main source of Scope 1 emissions is from direct emissions due fuel consumption from owned cars and generators used for branch operations.

#### Owned Cars

There has been a slight increase in emissions due to our owned cars even though we have maintained our total number of cars at five since 2022. However, we are showing a downward trend in terms of emission intensity from 2022 to 2023. Detailed information of Scope 1 emissions from owned cars are as follows:

#### GHG Scope 1 Emissions - Owned Cars ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	32.80	31.03	1.77
Intensity (tCO2e/employee)	0.0174	0.0179	-0.0005
Total number of cars	5	5	0
Fuel consumption volume (liters)	14,324	13,573	751
Yearly fuel expenditure (KD)	1,504	1,425	79

#### Generators

During 2023, generator usage showed a significant increase compared to the previous year, even though there has been a drop in the number of generators operated by Gulf Bank. This surge can be attributed to a shortfall in electricity supply from the utility provider during the commissioning phase of the new Sabah al Ahmad branch. Consequently, the completion of the construction works at the branch relied exclusively on generator power, leading to elevated consumption figures for the year in comparison with other branches' consumption. Following the branch's inauguration, the power source was then transitioned to utility lines.

#### GHG Scope 1 Emissions - Generators ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	35.10	4.23	30.87
Intensity (tCO2e/employee)	0.0187	0.0024	0.0163
Total generators	9	36	-27

Accordingly, total Scope 1 emissions including both owned-cars and generator fuel sources are aggregated are as follows:

#### Total GHG Scope 1 Emissions ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	67.90	35.26	32.64
Intensity (tCO2e/employee)	0.0361	0.0203	0.0158

### 3.2.2 Scope 2 Emissions

Gulf Bank has quantified emissions from the generation of acquired and consumed electricity, which falls under the definition for Scope 2 emissions under the GHG Protocol. These emissions are a result of the company's activities, and occur at sources owned by the utility provider. Scope 2 represents one of the largest sources of GHG emissions globally, and accounts for more than 50% of Gulf Bank's total GHG emissions for 2023.

#### Electricity Consumption

Gulf Bank has calculated its Scope 2 GHG emissions due to electricity consumption with data as collected from all its facilities across Kuwait. The detailed breakdown of Gulf Bank's electricity consumption across all the Bank's facilities is given in the following table, along with the associated GHG emissions:

#### GHG Scope 2 Emissions - Electricity ▶▶▶

	2023	2022	Difference
Consumption (kWh)	18,634,346.30	17,595,705.67	1,038,640.63
Total GHG emissions (tCO2e)	11,627.83	11,085.30	542.53
Intensity (tCO2e/employee)	6.1817	6.3782	-0.1965





### 3.2.3 Scope 3 Emissions

Encompassing indirect emissions as a result of various upstream and downstream impacts of Gulf Bank's total value chain, Scope 3 GHG emissions cover water consumption, non-owned cars, business travel, employee commutes, courier services, paper consumption, lubricant oil and refrigerant gas.

#### Water Consumption

Scope 3 GHG emissions due to water consumption have increased; however, the intensity of emissions, which is calculated per employee at Gulf Bank has remained comparatively the same. Further details are shown in the following table with the breakdown of water consumption for 2023 and restated figures for 2022 data.

##### GHG Scope 3 Emissions -Water ▶▶▶

	2023	2022	Difference
Consumption (liters)	16,971,195.67	15,303,936.00*	1,667,259.67
Total GHG emissions (tCO2e)	3.00	2.71*	0.29
Intensity (tCO2e/employee)	0.0016	0.0016*	0.0000

\*Restated data from the 2022 reported data on water consumption.

#### Non-Owned Cars

Gulf Bank's Scope 3 emissions from non-owned cars have increased in 2023 as compared to the previous reporting year. Along with the increase in number of cars by 1 only, annual fuel consumption and expenditure has also increased reflecting elevated use of rented cars. Further details on the intensity and fuel usage statistics are shown in the following.

##### GHG Scope 3 Emissions - Non-Owned Cars ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	71.89	55.09	16.80
Intensity (tCO2e/employee)	0.0382	0.0317	0.0065
Total number of cars	12	11	1.00
Fuel consumption volume (liters)	31,392	24,092	7,300
Yearly fuel expenditure (KD)	3,293	2,529	764

#### Business Travel

Scope 3 emissions due to air travel in 2023 have increased, although the total number of trips were reduced from four to three.

The variation in emissions is due to the flight length and class of travel. In 2023, trips included business class flights to Qatar and economy class flights to the United Kingdom and Spain.

##### GHG Scope 3 Emissions - Business Travel ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	1.84	0.31	1.53
Intensity (tCO2e/employee)	0.0010	0.0002	0.0008
Total number of trips	3	4	-1

#### Employee Commute

Emissions resulting from employee travel between home and the workplace, whether by personal vehicle, public transit, motorcycles, or electric scooters, are classified as part of the carbon footprint from employee commuting.

In 2023 we calculated these emissions by gathering data via an anonymous survey distributed among the Bank's employees. Out of all the responses received, data was extracted and extrapolated to reflect the estimated emissions produced by the total number of employees at Gulf Bank. The results of this exercise are as shown in the following table.

##### GHG Scope 3 Emissions - Employee Commute ▶▶▶

	2023	2022	Difference
GHG emissions (tCO2e)	9,214.99	7,064.31	2,150.68
Intensity (tCO2e/employee)	4.8990	4.0646	0.8344

#### Courier Services

Courier services encompass the transportation of the Bank's packages and envelopes between Gulf Bank's Head Office and branches. The resulting GHG emissions are categorized as Scope 3 and calculated according to the estimated distance travelled by the courier vehicle and the number of trips made through the reporting year. The following table shows a breakdown of the calculated figures for 2023 data only.

##### GHG Scope 3 Emissions - Courier Services ▶▶▶

	2023
GHG emissions (tCO2e)	41.95
Intensity (tCO2e/employee)	0.0223



## Paper

Indirect emissions as a result of consumption of paper for office use can be categorized as Scope 3 GHG emissions, as detailed in the following.

### GHG Scope 3 Emissions - Paper Consumption ▶▶▶

	2023
GHG emissions (tCO <sub>2</sub> e)	8.288
Intensity (tCO <sub>2</sub> e/employee)	0.0044
Total paper consumption (kg)	7,117.5

## Refrigerant Gas and Lubricant Oil

Gulf Bank is disclosing Scope 3 emissions generated from refrigerant gas and lubricant oil consumption across 21 locations including the Head Office. The sources for these indirect emissions, even though operated by Gulf Bank, are procured from and maintained by a third-party vendor.

### GHG Scope 3 Emissions - Refrigerant Gas ▶▶▶

	2023
GHG emissions (tCO <sub>2</sub> e)	868.43
Intensity (tCO <sub>2</sub> e/employee)	0.4617

### GHG Scope 3 Emissions - Lubricant Oil ▶▶▶

	2023
GHG emissions (tCO <sub>2</sub> e)	1.11
Intensity (tCO <sub>2</sub> e/employee)	0.0006

## Total Scope 3 Emissions

Accordingly, the total GHG emissions for scope 3 are aggregated and presented in the following in both total and intensity expressions.

### Total GHG Scope 3 Emissions ▶▶▶

	2023
GHG emissions (tCO <sub>2</sub> e)	10,211.50
Intensity (tCO <sub>2</sub> e/employee)	5.4288

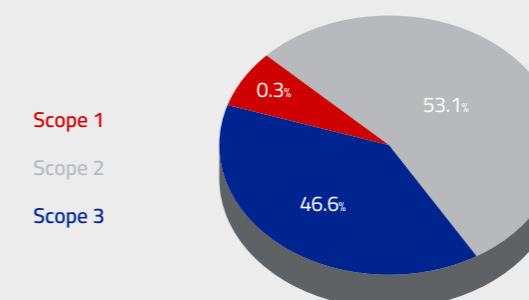
## 3.2.4 Total GHG Emissions in 2023

We have aggregated all reported GHG emissions to calculate the final totals and intensities. Notably, for the first time, Gulf Bank has reported its Scope 3 GHG emissions due to water consumption, paper consumption, refrigerant gas and lubricant oil. The disclosure of additional data has resulted in a more comprehensive understanding of Gulf Bank's total carbon footprint. Shown in the following figures are the total GHG emissions, allocations, as well as intensity figures per employee per year.

### Total GHG Emissions in 2023 ▶▶▶

	2023
Scope 1 emissions (tCO <sub>2</sub> e)	67.90
Scope 2 emissions (tCO <sub>2</sub> e)	11,627.83
Scope 3 emissions (tCO <sub>2</sub> e)	10,211.50
Total GHG emissions (tCO <sub>2</sub> e)	21,907.23

### Distribution of GHG Emissions per Scope ▶▶▶



### Total GHG Emissions Intensity in 2023 ▶▶▶

	2023
Scope 1 intensity (tCO <sub>2</sub> e/employee)	0.0361
Scope 2 intensity (tCO <sub>2</sub> e/employee)	6.1817
Scope 3 intensity (tCO <sub>2</sub> e/employee)	5.4288
Total GHG emission intensity (tCO <sub>2</sub> e/employee)	11.6466



Private

# 04

## Investing In Our People

Our people are at the heart of Gulf Bank. Engaging, empowering, and developing our employees is a core value of the Bank. By investing in our workforce, we not only enhance customer experiences and community service but also advance our commitment to achieving strong ESG performance metrics. This section provides insight into Gulf Bank's workplace environment, commitment to diversity, equality and inclusivity and talent development.



Alignment with UN Sustainable Development Goals (SDGs):



Alignment with New Kuwait Vison:  
Human Capital  
Public Administration  
Sustainable Diversified Economy



# 4.1 Diversity, Equality and Inclusion

## Gender Diversity

Gender diversity across the Bank's employees is a key demographic aspect that we evaluate and report on. As shown in the table, allocation has remained relatively steady in 2023, with a difference of 1% as compared to the previous reporting period.

### Employee Data per Gender ▶▶▶

	2023	2022	Difference
Male	57%	56%	1%
Female	43%	44%	-1%

## Generational Diversity

We aim to maintain a workplace with a diverse range of age groups. The table below illustrates that the largest age category at the Bank is 30-50 years, followed by employees under 30. In 2023, there was a slight increase in the number of employees aged 30-50 and a decrease in the under-30 age group.

### Employee Data per Age Category ▶▶▶

	2023	2022	Difference
Under 30	25.41%	32.04%	-6.63%
30 - 50	70.28%	64.15%	6.13%
Over 50	4.31%	3.79%	0.52%

## Nationalization

Gulf Bank's focus remains on employing nationals at various levels of the Bank as a part of our social commitment. According to regulatory requirements, Gulf Bank is required to maintain a minimum of 70% of Kuwaiti nationals in the Bank's workforce. Given in the following tables is the nationality representation within the Bank's workforce.

### Employee Data by Nationality ▶▶▶

	2023	2022	Difference
Kuwaiti	72.30%	77.80%	-5.50%
Non-Kuwaiti	27.7%	22.2%	5.50%

We remain invested in developing and promoting both Kuwaiti nationals and non-Kuwaiti employees. Accordingly, in 2023, we have maintained almost the same allocations for managerial roles as in the previous reporting cycle.

### Management-Level Data by Nationality ▶▶▶

	2023	2022	Difference
Kuwaiti	60.08%	60.37%	-0.29%
Non-Kuwaiti	39.92%	39.63%	0.29%

## Employee Distribution

We also assess and report the distribution of employees across various levels, from junior to senior management and beyond. This allocation has remained relatively consistent compared to the previous year. Further breakdowns are provided below.

### Employee Distribution ▶▶▶

	Allocation in 2023	Allocation in 2022	Difference
Junior to Manager-Level Positions	85%	86%	-1.00%
Senior Manager and above	15%	14%	1.00%

## Cultivating an Ethical and Non-discriminatory Environment

At Gulf Bank, we consider the Code of Conduct to be central to the workplace environment as it encompasses the application of human rights, the precautionary principle, due diligence, and overall responsible business conduct within the organization. Gulf Bank's policies on Non-Discrimination and Harassment and the Code of Ethics and Conduct are designed to ensure a workplace free of harassment and an environment that does not tolerate discrimination against employees. The Non-Discrimination and Equal Opportunity Policy is aimed at creating a work environment devoid of harassment, discrimination, and bullying. It provides guidance for conducting internal investigations into alleged unlawful and/or unethical discrimination, harassment, and standards of conduct ethics violations. This Policy applies to all staff, including managers and supervisors, full-time, part-time, temporary, and permanent staff, as well as job candidates, student placements, apprentices, contractors, sub-contractors, and volunteers.

The Non-Discrimination and Equal Opportunity Policy prohibits discrimination or harassment in any form based on age, religion, gender, family status, disability, race/color, origin, citizenship, association, or relationships with individuals identified by these characteristics. It also covers the perception of any of these grounds.

The Policy also prohibits retaliation or retribution against any employee who has lodged a related complaint. Gulf Bank is dedicated to providing equal employment opportunities and maintaining a workplace that is free from discriminatory treatment, harassment, or intimidation on any prohibited basis.





The Policy details definitions and examples of sexual and psychological harassment and outlines the process for reporting concerns. Employees are encouraged to report any incidents of discrimination or harassment to their manager or the Human Resources (HR) Department promptly. If an issue is substantiated, Gulf Bank would take appropriate action. The Policy also ensures fair treatment of all employees, prohibiting favoritism and guaranteeing respectful and equitable treatment. Failure to comply with Gulf Bank's Code of Ethics and Conduct Policy may lead to disciplinary measures, including termination, as outlined in the Disciplinary Procedure. This procedure serves as supplementary guidance under the labor law, and details penalties for violations.

An employee may raise a grievance about a colleague or customer to their Line Manager. If unresolved, the grievance can be escalated to the next higher level of authority for further discussion and resolution. If the grievance concerns the individual to whom they report, it would be escalated directly to the Unit Head or HR Business Partner (HRBP). If the case remains unresolved at the Unit Head level, HR convenes an Investigation Committee to investigate the case with the concerned parties. The Committee consequently provides a final recommendation, which would be discussed and agreed upon with the General Managers (GM HR and Group GM) before execution. Grievances would be logged in the new HR system, ensuring privacy and confidentiality, with access restricted to the respective business partners.

As a result of the Bank's efforts, there were no incidents of violations involving the rights of Kuwaiti employees, and no incidents of discrimination were recorded in the workforce in 2023.

## Promoting Equality and Equal Opportunities

Gulf Bank's HR Department has been instrumental in advancing the Bank's 2025 Strategy with a strong focus on gender equality. The Bank has reinforced its commitment to eliminating gender discrimination, ensuring equal employment benefits for both male and female employees. This initiative positions Gulf Bank as a leading institution in Kuwait, aligning with the United Nations Sustainable Development Goals (SDGs) and the emphasis of the Bank's Strategy's on social sustainability.

In 2023, Gulf Bank took a major step towards achieving gender equality by removing gender-based disparities in pay and benefits. This landmark decision established Gulf Bank as the first Kuwaiti bank to fully embrace gender equality in its reward and recruitment strategies. The following table provides a representation of women across various executive and managerial levels within the Bank.

### Women in Managerial Roles ▶▶▶

Employment Levels	2023	2022	Difference
Overall Representation of Women in Executive and Management Levels	33.05%	33.12%	-0.07%



Gulf Bank has consistently empowered women through various training programs, workshops, and development opportunities, supporting their professional growth. The Bank ensures fair promotion opportunities and organizes quarterly workshops for women to discuss work-life balance and other relevant topics.

At Gulf Bank, we see disability as a key component of workplace diversity, equity and inclusion. In addition to increased morale and a positive work culture, Gulf Bank also believes that workers with special needs possess skills and experience that offer the Bank a competitive edge. In 2023, Gulf Bank hired 11 employees with special needs, raising the total number to 18. This included one special needs staff member who was onboarded to the Credit Administration Team, bringing the total to two special needs staff in that team. The Bank has also launched an awareness project to improve understanding of learning differences and disabilities among employees and the community. Moving forward, Gulf Bank remains dedicated to integrating special needs employees into the workplace, providing a supportive environment, and offering workshops on workplace integration. The Bank aims to sponsor a six-month training program for special needs individuals to develop skills in office management and customer service roles.

### "Lead the Way" Conference

“ To mark International Women's Day, Gulf Bank's HR Department organized the "Lead the Way" Conference on March 20, 2023. This one-day event focused on the challenges women face in attaining leadership roles and featured two workshops.

The first workshop, exclusively for women, was led by Dr. Amar Behbehani, Professor at Kuwait University (KU) and founder of a consultancy practice. Dr. Behbehani addressed strategies for women to maintain emotional and physical resilience, while advancing to leadership positions.

The second workshop was conducted by Mr. Steve Brazell, a Global Brand Strategist and Reputation Risk Mitigator. Mr. Brazell shared valuable insights and practical strategies for developing, building, and enhancing a personal brand. The conference, attended by 600 participants, underscores Gulf Bank's ongoing commitment to supporting and empowering women. ”

## 4.2 Human Capital Management

As of December 31, 2023, Gulf Bank employed 1,881 full-time employees and 19 part-time employees —showing a slight decrease in full-time employee percentage by 0.27% and an increase of 0.31% in part-time employees as compared to the previous reporting year.

### Employee Statistics for 2023

	Allocation in 2023	Allocation in 2022	Difference
Full-Time	97.92%	98.19%	-0.27%
Part-Time	0.99%	0.68%	0.31%
Non-Employed Workers	1.09%	1.13%	-0.04%



### Performance Evaluation

Gulf Bank conducts robust employee engagement as a part of its performance evaluations. Each year, one-on-one meetings are held with employees across various departments to gather feedback and address concerns. Managers also utilize an online platform to access and review employee surveys, enhancing the transparency and accessibility of performance evaluations.

To monitor and enhance employee performance, Gulf Bank conducts mid-year check-ins for both executive and non-executive staff. Employees, including executives, are assessed against a Balanced Scorecard (BSC), which incorporates both financial performance and other relevant criteria. Performance appraisals are systematically carried out for employees who have completed at least 100 working days as of September 30, 2023. Employees who have not yet reached this threshold will be reviewed in the subsequent cycle. This approach ensures that performance evaluations are timely and reflective of each employee's contributions.

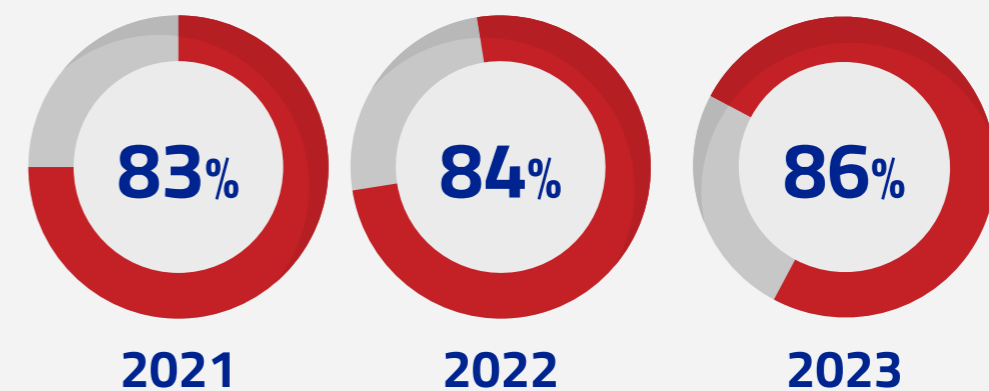
**100%** of Gulf Bank employees have received regular performance and career development reviews in 2023.

We prioritize Board performance through rigorous and structured evaluations. Annually, the effectiveness of the Board is assessed by an independent external party, ensuring objective and comprehensive insights into governance practices.

Recognizing the value of intentional engagement, Gulf Bank seeks to gather regular and meaningful feedback through annual Glint surveys, which measure employee satisfaction. Looking ahead, the Bank plans to increase the frequency of these surveys to further enhance employee engagement and satisfaction, reinforcing its commitment to a supportive and responsive work environment.

The steady increase in survey results reflects the effectiveness of the Bank's efforts, as shown in the following.

### Glint Survey Results







## Remuneration and Compensation

At Gulf Bank, our remuneration framework is designed to uphold fairness and equality across the Bank's workforce. We ensure that salary scales are gender-neutral, with no distinctions made based on gender. Each employee's compensation package is carefully aligned with their qualifications, experience, expertise, and job level, ensuring equitable and competitive pay. Consistently applied across grades, Gulf Bank's remuneration policy aims to not only attract and recruit talent, but to retain employees by maintaining external competitiveness, internal equity and recognizing varying levels of individual performance and responsibility.

Designed to attract, motivate and retain leadership driving strategic growth and sustained shareholder value, the Bank's executive remuneration is based on the principle of 'Distinction' to establish a 'Meritocracy'. This philosophy has led to Board and executive remuneration being linked to specific and measurable objectives, which are integrated into their performance scorecards. These objectives are focused on critical areas, such as talent development, employee retention, and succession planning—all of which aim to ensure long-term business continuity and success. Executive remuneration packages, including fixed and variable rewards, maintain full compliance with the Central Bank of Kuwait (CBK) and the Capital Markets Authority (CMA) guidelines.

Relative job value is established through the Korn Ferry Hay Group Job Evaluation system, which utilizes a structured methodology to ascertain fair remuneration for various roles throughout the Bank. To ensure transparency and fairness, we conduct independent third-party assessments of remuneration practices. These policies, approved by the Board, have been well received by our stakeholders, with no record of adverse public comment.

In addition, we have recorded 96.27% positive votes for Board members' remuneration.

### Details of Remuneration and Compensation

	2023	2022	Difference
Total amount spent on employee compensation and remuneration (executive level)	KD 4,313,000	KD 5,246,000	KD -933,000
Total amount spent on all employee compensation and remuneration	KD 53,871,000	KD 55,550,000	KD -1,679,000

Beyond base salaries, the Bank's compensation structure includes a variable component designed to reward performance and enhance employee satisfaction. The incentives and allowances offered by Gulf Bank include:

- Housing benefits
- Interest-free salary advances
- Club memberships
- Employee leave, including annual, birthday, and family leave

Our compensation and benefits policies are fully compliant with Kuwait Labor Law, and we also provide end-of-service benefits to employees in line with that law. Gulf Bank plans to provide long-term incentives for claw back based on 2023 performance appraisals in the future.

In 2023, the Bank's mindful approach to family needs and supporting employees' work-life balance was evident as 57 male employees and 40 female employees utilized their parental leave benefits, all of whom have successfully returned to their roles. Additionally, we also provide financial assistance for educational purposes and salary advances on case-by-case basis. We preserve the basic rights of employees and constantly endeavor to adopt best practice by providing additional benefits and assistance.

The following table shows the total percentage of employees receiving assistance, salary advances and personal advances.

### Gulf Bank's Assistance for Employees

	2023	2022	Difference
Number of staff receiving education assistance	94	58	36
Number of staff receiving salary advances	122	55	67
Number of staff receiving personal advances	138	241	-103
Total	354	354	0

### Employee Engagement and Retention

We endeavor to promote employee retention through our efforts to boost job satisfaction and stay attuned to employee feedback. Gulf Bank has implemented a Stay Interview Survey for new hires to assess their satisfaction with various aspects of their job, including workplace culture and teamwork. This initiative aims to identify and address any issues affecting employee engagement, and ultimately reduce turnover by enabling timely corrective actions.

Gulf Bank regularly organizes a range of events and engagement activities that aim to increase employee performance and awareness in key areas. These initiatives are designed to provide essential information and support, ensuring that employees are well-informed and capable of excelling in their roles. Employee engagement is facilitated through multiple communication channels, including memos, emails, the Gulf Bank Family Instagram, LinkedIn, WhatsApp, and SMS. To ensure continued employee well-being and engagement, Gulf Bank has established a specialized unit within HR named Employee Branding and Experience. This unit focuses on improving employee satisfaction and reducing turnover. Additionally, the Bank continually monitors turnover rates, analyzes feedback from Glint surveys, and conducts exit interviews to explore possible opportunities for employee retention.

We place high value on the sustainability and continuity of the Bank's operations and recognize employee retention as the foundation of success. Gulf Bank maintains a talent pool that emphasizes high-potential employees across the organization. These individuals, identified as high achievers, are provided with tailored development plans to fast-track their growth within the Bank and leverage their skills in cross-functional roles. Succession plans for critical positions are established, developed, and monitored to ensure effective talent management and continuity. We believe that strong succession planning is crucial for maintaining operational and oversight continuity. Towards this goal, the Board outlines succession plans for replacing executive management members in the event of a vacancy, specifying the qualifications and requirements necessary for these roles.

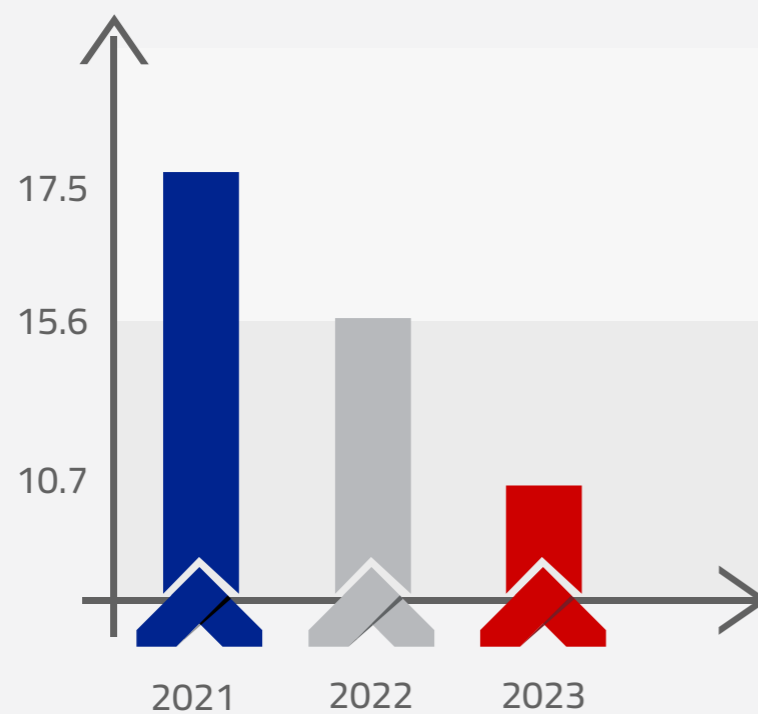
### Talent Pipeline Development and Recruitment

Gulf Bank employs strategies to attract and recruit top talent. In response to the competitive job market, particularly within the banking sector, the Bank actively participates in career fairs and events as a strategic approach to recruitment. These career fairs and events serve as crucial platforms for connecting with potential employees, showcasing the Bank's culture and opportunities, and building a strong talent pipeline. Gulf Bank's involvement in these activities has effectively enhanced its visibility and appeal as an employer, leading to an expanded talent pool.

## New Hires and Turnover Rate in 2023

	2023	2022	Difference
Employee new hires	364	362	2
Employee turnover	192	257	-65
Net employee change	172	105	67
Turnover percentage	10.70%	15.06%	-4.36%

## Gulf Bank Turnover Rate



## Internship Program at Gulf Bank

Gulf Bank maintains strong relationships with top universities in Kuwait, requesting specific numbers of internship placements based on specific student majors, alongside internal employee-driven internship requests. The primary objective is to enhance graduates' employability by bridging the gap between academic knowledge and practical skills, and to integrate them into the corporate environment.

The outcome of these initiatives is twofold. Firstly, it is to equip young graduates with essential banking skills and experiences for successful careers, and secondly it is to position Gulf Bank as a leading institution with a year-round internship program. We believe that this approach has significantly increased employability and generated a steady influx of talent for the Bank.

At the start of each year, the HR Talent Development Team distributes a standard template to Gulf Bank departments to gather their availability and capacity for interns per batch. In 2023, a total of 60 interns participated in the program, which remains open throughout the year.

### Case Study: Ajyal – Flagship Graduate Development Program

Gulf Bank is poised to advance Kuwaiti professionals through its human capital initiatives, with the 'Ajyal' Graduate Development Program being a cornerstone of this effort.

The ninth edition of the Ajyal Program was launched this year, featuring 20 participants selected through a comprehensive evaluation process. Over six months, candidates undergo an intensive training regimen, including a five-day residential bootcamp. This period involves various activities and exercises aimed at enhancing networking opportunities. During the bootcamp, participants have the chance to interact with Gulf Bank's senior management, which assist them in choosing their preferred department for post-program placement.

Since its inception in 2013, Ajyal has been a significant achievement for Gulf Bank's HR Department. The Program focuses on developing key banking skills, fostering holistic bankers with growth potential both personally and professionally. It incorporates global best practices and a thorough understanding of the banking sector, while enhancing individual and institutional capabilities.

Ajyal offers extensive training in several areas, including Risk and Banking, Presentation Skills, Microsoft Office, and Business Ethics. It also aims to build leadership, emotional intelligence, and comprehensive banking knowledge.

Looking ahead, Gulf Bank is preparing to host the tenth cohort of Ajyal in 2024. The Program is instrumental in identifying top local talent and integrating them into various departments, ensuring optimal growth and long-term benefits for the Bank. Many Ajyal alumni have progressed to managerial positions, reflecting the program's success in developing and fast-tracking careers.

## Career Fairs for Young Graduates

Gulf Bank actively supports young graduates by organizing career fairs, conducting on-the-spot interviews, and offering internships across departments. As part of the Bank's commitment to social sustainability and attracting national talent, Gulf Bank participated in the three-day 'Watheefti' career fair, organized by Zone Human Resources. Recognized as Kuwait's largest career fair, this event featured over 80 private sector companies. During the fair, Gulf Bank's representatives distributed reusable bags to promote the reduction of plastic use and small trees as gifts to support environmental sustainability.

Additionally, Gulf Bank sponsored the Kuwait Technical College (KTech) Career Fair from March 6 to 8, 2023, to reinforce economic sustainability and attract new graduates. Throughout the year, Gulf Bank engaged in four major career fairs, including those at KTech, Watheefti, GUST and KU. The Bank also conducted on-the-spot mock interviews at these events to provide immediate feedback and enhance the recruitment experience for attendees.

### Case Study: Financial Literacy Work- shops

Financial literacy workshops were conducted by Gulf Bank at a major career fair held at Kuwait University (KU). The sessions aimed to boost students' financial knowledge through scenario-based budgeting exercises and practical examples relevant to their professional career path in Kuwait. The workshops offered hands-on experience and tailored insights by presenting diverse financial scenarios with varying goals and income levels, enhancing students' understanding of financial management and equipping them with valuable skills.

## Diamond Sponsor at the GUST Career Fair

Gulf Bank served as a diamond sponsor at the 24th Gulf University for Science and Technology (GUST) Career Fair. The event, held over three days, provided Gulf Bank with an opportunity to engage with potential candidates. During the career fair, Gulf Bank representatives provided valuable insights into the Bank's work environment and organizational structure. Available job opportunities were communicated to attending graduates and personal interviews were held with applicants to assess their suitability for various roles. Gulf Bank intends to become a top work destination in the Kuwaiti financial sector for young graduates.



## 4.3 Talent Development and Employee Well-Being

The foundation of Gulf Bank's operational and financial success is tied to the collective knowledge, skills, experience and commitment of our employees. Through ongoing employee development and a focus on health, safety and well-being, we aim to help the Bank's employees thrive both in their work environment and in their everyday lives. Since developing people is a key factor attributed to Gulf Bank's growth, we see training and skills upgradation as a non-negotiable element. In 2023, for departments requiring specialized skills, we offered targeted certification courses, such as the Certified Bank Relationship Manager Program for relationship managers and Certified Credit Manager Program for the Corporate Team.

Our employees are required to complete a mandatory online Anti-Money Laundering (AML) training, which includes passing a test with a minimum grade of 80%. Additionally, first-line staff receive on-site, role-specific training from AML staff to address updates, issues, and requirements. A structured Security Awareness program has been implemented, delivering ongoing awareness throughout the year and regularly testing employees. We also conduct sessions on business ethics, anti-terrorism financing, and specific Internal Audit (IA) and Fraud Awareness for senior management to enhance their understanding. Fraud Awareness sessions are periodically conducted for targeted employees and departments, while dedicated training sessions are held for the Board. The collective knowledge, skills and expertise of the Board in sustainable development is further refined through annual updates and training provided by a professional third party. Additionally, the evolving fields of AML and cyber security are also addressed through specialized training, ensuring that knowledge and skills are continually enhanced.

Identified top performers received management and leadership training, including:



### Credit Risk Management Training Programs

“ The Credit Review Department launched 'In-house Credit Risk Management Training Programs' for Wholesale/Corporate Banking, and other relevant departments, running from September 11 to October 31, 2023. Over 50 employees, ranging from junior staff to executive management, participated in the program. Led by experienced professionals with over 20 years of experience in credit risk, the training aimed to enhance credit risk understanding, best practices, and decision-making skills.

The program covered five key topics:

- Customer Profitability/ Risk-Adjusted Return on Capital (RAROC)
- Facility Structuring/Cashflow-Based Financing
- Provisioning / International Financial Reporting Standards (IFRS) Nine Expected Credit Loss
- Financial Spreading & Relevant Accounting Regulations
- Credit Package Quality Checks

” The training's objective was to improve employees' credit skills and knowledge, aligning their roles with social responsibility and ethical standards. By promoting an equitable workplace, these initiatives are crucial for boosting awareness and performance, thus supporting the organization's long-term sustainability.

A comprehensive list of training and courses conducted throughout the year for our employees can be found in Annex 8.1. In the reporting year, Gulf Bank recorded a total of 69,043.68 training hours, with an average of 36.71 hours clocked per employee. The increase in employee training hours in 2023 can be attributed to contracting with a leading online learning platform. It is remarkable that 100% of the Bank's employees have received training as per individual requirements. The following table provides detailed information on Gulf Bank's overall performance in employee talent development for 2023.

### Details of Employee Training and Development

	2023	2022	Difference
Total employees receiving training	1,881	1,252	629
Total training hours	69,043.68	4,195	64,848.68
Average training hours per employee	36.71	4.00	32.71
Percentage of employees receiving training out of total employees	100.00%	72.04%	27.96%

Total amount spent on employee training and e-learning in 2023

**KD 292,000**

### Average training hours per employee:



## Caring for our Employees

Gulf Bank prioritizes employee health and safety through various initiatives. Although there is currently no designated policy addressing health and safety, the Bank is proactive in this area. We collaborate with Dasman Diabetes to provide CPR and first aid training for employees, and fire wardens are trained to manage evacuation procedures and drills.

Occupational health and safety practices are followed to ensure a safe work environment is maintained. The Bank's employees are covered under comprehensive benefits, including medical insurance, life insurance, and workers' compensation.

To ensure work-life balance, the Bank's HR Manual outlines the required working hours and the latter is communicated through inductions, orientations, and bank-wide memos. Standards regarding working hours are further detailed through an internal campaign via digital platforms, educating employees about standard practice and highlighting what constitutes critical malpractice.

## Initiatives for Employees

Our HR is dedicated to positioning Gulf Bank as the preferred workplace by implementing initiatives that prioritize employee well-being, professional growth, and a positive organizational culture. These initiatives align with the UN Sustainable Development Goals (SDGs), Bursa Sustainability Indicators, and the New Kuwait Vision pillars, among others. The following is a brief overview of selected initiatives from 2023.

**Employee Recognition Award Ceremony** - Celebrating and recognizing the achievements and efforts of Gulf Bank employees through an employee recognition award ceremony is an integral part of the Bank's work culture. These recognition events significantly enhance employee motivation, retention, and job satisfaction, reinforcing a culture of appreciation and empowerment. In addition, HR has introduced the 'Star Award' program to honor employees who have introduced innovative concepts that have financially, operationally, sustainably, or reputationally benefited the Bank. By consistently organizing events where employees feel valued and recognized, we cultivate a positive and productive workplace that drives the long-term success of the organization. Recognition ceremonies have honored over 200 employees from various departments in front of Gulf Bank's management, underscoring the importance of recognizing exceptional performance. Additionally, our HR management conducts regular branch visits, on either a quarterly basis or when a specific recognition ceremony is needed, to ensure smooth workflow and continued employee engagement.

**October Campaigns for Women's Health** - Multiple initiatives for women are held annually by Gulf Bank during October. We offered complimentary health check-ups over a three-day period, including preliminary examinations, to emphasize the importance of early detection of breast cancer. Follow-up examinations, such as mammograms, were provided if recommended by the health practitioner. In partnership with the Diversified Integrated Sports Clinic (DISC) Kuwait, HR organized a workshop featuring discussions on the importance of early screening and breast cancer awareness. Additionally, an event was conducted for women empowerment and self-defense in collaboration with Ultimate Fighting Championship (UFC) Gym Kuwait. During October, Gulf Bank's HR also facilitated a panel discussion with Dr. Mohammed Al-Suwaidan, Medical Director and Consultant Psychiatrist at Mindwell Center Kuwait. This discussion addressed the importance of mental health in the face of life pressures and provided strategies for effectively managing these challenges to achieve positive professional outcomes.

**Men's Health Campaign (Movember)** - In line with the Bank's commitment to gender equality, we marked 'Movember,' which was a campaign targeted at raising awareness about prostate cancer. Gulf Bank distributed pins featuring the event logo to employees and partnered with a private clinic to offer free preliminary examinations for male employees at the workplace. The two-day event witnessed the participation of 50 employees. There were also training sessions conducted on Cardiopulmonary Resuscitation (CPR), equipping employees with first-aid skills.

**Blood Donation Campaign** - Gulf Bank hosted the Kuwait Central Blood Bank on the Bank's premises at the Training Center, where employees were encouraged to donate blood during working hours over a two-day period.

**Kids Workshop** - Hosted at the Bank's Training Center, this event was attended by Children of employees numbering 120 who were invited to participate in a full day of engaging activities, including a financial literacy workshop designed to enhance their understanding of financial concepts and emphasize the importance of money savings.

**Sports Initiatives** - Gulf Bank has organized a variety of sports tournaments, including padel, bowling, and football. The primary objectives of these initiatives are to promote teamwork and enhance interpersonal relationships through team sports. Participation in these activities helps employees build strong relationships, improve communication skills, and develop a cooperative spirit. Cross-departmental interactions during these events break down formal barriers, facilitating better collaboration and innovation in the workplace.

Gulf Bank HR has hosted several padel tournaments for employees, providing opportunities for engagement and team bonding. Additionally, Gulf Bank actively participates in the Kuwait Banks Club (KBC) league, competing in football, bowling, cricket, and padel each year. Notably, our bowling team secured first place in 2023.

### Gulf Bank's 'Women of Wisdom' (WOW) Diwaniya

Gulf Bank hosted monthly sessions of the Women's 'WOW' Diwaniya. This gathering serves as a steadfast platform for networking, sharing experiences, exchanging ideas, and addressing challenges faced by women. The WOW initiative, which was first launched in 2017, is now in its seventh year and was formed from a vision to empower women and cultivate a work environment characterized by fairness and equality. For Gulf Bank, this commitment begins with the recruitment process, and continues through extensive high-level training and development programs, with a significant level of female representation in the workforce. WOW Diwaniya's ultimate purpose is to assist women in their professional paths, especially as they strive for leadership positions.

Total amount spent on employee events, activities, and engagement in 2023

**KD 170,300**



# 05

## Supporting Our Community

We are driven by a vision to positively influence and transform individual lives and the broader community. Through the years, we have focused the Bank's CSR efforts on charity, building awareness, creating opportunities for local youth, and promoting health and wellness through various events and initiatives. As a leading financial institution in Kuwait, we are uniquely positioned to tackle challenges that touch the lives of every part of the community, from young children to upcoming entrepreneurs. Through this section, we cover the Bank's CSR engagements, support for Small and Medium-sized Enterprises (SMEs), and for the local economy through our procurement practices.

Alignment with UN Sustainable Development Goals (SDGs):



Alignment with New Kuwait Vision:  
Sustainable Diversified Economy  
Global Positioning



## 5.1 Community Development and Social Engagement

Gulf Bank aspires to become the leading Kuwaiti bank of the future by implementing impactful initiatives that align with both the United Nations Sustainable Development Goals (SDGs) and Kuwait Vision. These initiatives not only benefit the Bank, but also strengthen our connection with the local community, offering valuable insights and experiences. They provide opportunities for employees to volunteer, engage with the community, and foster a sense of purpose and satisfaction.

This section highlights a selection of the Bank's key community and youth-oriented programs conducted throughout the year.

### Ramadan Initiatives and Events

Recognizing Gulf Bank's deep connection to society, we are committed to supporting underprivileged communities through proactive measures. Gulf Bank's charitable events and community initiatives during the holy month of Ramadan underscore a longstanding involvement with the local community, reflecting the Bank's role over the past 60 years in Kuwait's economic and social development.



To support those in need during Ramadan, Gulf Bank has partnered with the Kuwait Food and Relief Bank to distribute 'Machlat Ramadan' (i.e. food baskets) to families experiencing challenging living conditions. This initiative not only highlights Gulf Bank's commitment to social responsibility but also reflects its role in fostering sustainability within the community. By providing essential food items to these families, the Bank underscores its dedication to supporting the welfare of underprivileged individuals during the holy month. In conjunction with the Kuwait Food and Relief Bank, Gulf Bank undertook the distribution of Iftar meals across various areas of Kuwait. This initiative was designed to bring comfort and joy to individuals facing hardships during Ramadan. Furthermore, Gulf Bank provided water bottles and refreshing cold beverages to worshippers in several mosques following Qiyam prayers during the last ten days of Ramadan.



### Distribution of Electrical Appliances

Gulf Bank actively participated in a humanitarian campaign led by the Kuwait Red Crescent Society (KRCS), focusing on distributing electrical appliances to families struggling with economic challenges throughout Kuwait. This campaign underscores the Bank's commitment to promoting community sustainability and supporting Civil Society Organizations (CSOs) in their efforts to aid underprivileged families. By

providing essential household appliances, Gulf Bank contributes to improving the quality of life for families in need, particularly during the holy month of Ramadan.

### 'Closest First' Campaign

Continuing its tradition of supporting those in financial distress, Gulf Bank engaged in the 'Closest First' campaign organized by the Takaful Charity Foundation for the second consecutive year. This initiative aims to alleviate the financial distress of debtors struggling with economic challenges, providing support to those burdened by debt.

### Nuqsat Al-Khamees

For the third consecutive year, Gulf Bank hosted the 'Nuqsat Al-Khamees' event in collaboration with a variety of Kuwaiti restaurants and bakeries. This event was designed to revive the traditional Kuwaiti custom of Nuqsat Al-Khamees, strengthen the Bank's connections with the local community, and support SMEs by promoting their products. Through this initiative, Gulf Bank not only celebrated a cultural tradition, but also assisted SMEs in gaining greater visibility and market presence.



### Iftar for the Kuwait Ministry of Interior (MoI)

Recognizing the vital role of the Ministry of Interior (MoI) in maintaining community safety, Gulf Bank participated in a special Ramadan Iftar with the General Directorate of the Coast Guard Base in Fintas. This event served as a heartfelt expression of gratitude to the Ministry's personnel for their exceptional service and dedication. The Iftar highlighted the Ministry's unwavering commitment to safeguarding the community and demonstrated Gulf Bank's appreciation for their contributions to national security.

### Gulf Bank 642 Marathon

The Gulf Bank 642 Marathon stands as Kuwait City's premier sports event, showcasing the city's scenic landmarks while attracting runners from various backgrounds. This marathon is distinguished by its Road Race Label accreditation from World Athletics and is listed among international marathons by the Association of International





Marathons and Distance Races (AIMS). Participants in this marathon have the opportunity to earn points for the AbbottWMM Wanda Age Group World Rankings, potentially qualifying them for the World Championship (for those aged 40 and above). Notably, the Gulf Bank 642 Marathon holds a Bronze Label from World Athletics, a prestigious designation given to only 128 marathons globally, and it remains the only marathon in Kuwait with this accreditation. The marathon features four distinct categories designed to accommodate runners of all abilities, and promote a healthy and enjoyable family day out. The categories include 5K Family Fun Walk/Run, 10K Souq Run, 21K Half Marathon and the 42K Full Marathon.

The Gulf Bank 642 Marathon stands as a unique community initiative designed to address rising rates of diabetes, obesity, and heart disease. Through advocating for holistic lifestyle habits and encouraging social support, this marathon serves not only as a sporting event, but also acts as a unifying experience for individuals and families across various sectors of society. Although the Gulf Bank 642 Marathon has been an annual event for the past eight years, the 2023 edition has been postponed and is now scheduled to take place in early 2024 due to global circumstances.

### Sports Week with Technogym

Dedicated to promoting community sustainability and encouraging healthier lifestyles, Gulf Bank successfully ran the Ramadan Gulf Bank Sports Week event at Al-Shaheed Park. The week-long event witnessed a significant turnout from the public, offering them an ideal opportunity to engage in exercise activities under the guidance of highly qualified trainers while enjoying the splendid weather.



### Off-Road and Track Events

Gulf Bank has introduced the second edition of its Off-Road Challenge, designed to foster youth interest in Sports Utility Vehicle (SUV) sports and deliver a thrilling competitive experience. As Kuwait's premier event for four-wheel drive enthusiasts, this year's challenge was held in collaboration with Suffix Sports Events Management Company.



Participants faced a circuit with a mix of natural terrain and artificial obstacles, including sand, rocks, and water basins, with difficulty levels ranging from easy to medium. Throughout the event, Gulf Bank ensured high standards of security and safety. Gulf Bank also served as the primary sponsor for the second Kuwait Track Challenge, which took place at Kuwait Motor City. Featuring 40 competitors, the event was structured into three individual categories based on tire width, along with a special team category comprising three members, including one from the individual categories. A total of 16 prizes were awarded in this challenge: One to the winning team and 15 distributed among the top five contestants in each category.

the winning team and 15 distributed among the top five contestants in each category.

### Environmental Initiatives

Following a commitment to promoting environmental sustainability, Gulf Bank contributed by donating a quantity of corals to the Environment Public Authority (EPA) for recycling. The corals were subsequently transported to the Jahra Reserve, highlighting the significance of their reuse in environmental preservation. This initiative further

enhances the reserve's ability to function as an ideal environment for wildlife. In addition to this, Gulf Bank has actively promoted environmental sustainability through various initiatives. Notably, the Bank has collaborated with five major cooperative societies in Kuwait to launch reusable bags. These efforts reflect Gulf Bank's broader commitment to encouraging environmental sustainability within the community.



### Qout Market

Gulf Bank continued its commitment to support entrepreneurs and SMEs by serving as the main sponsor of Qout Market, the largest market in Kuwait that brings together local farmers, craftsmen, and food enthusiasts in one place. The event successfully attracted more than 15,000 visitors in 2023.

### Fintech Kuwait Conference 2023

“ Kuwait's inaugural Fintech Conference was held in November 2023 and was chaired by Gulf Bank's Data and Innovation Team. It aimed to prepare and position the country to capitalize on rising opportunities with the growing adoption of fintech into the banking and financial sectors. The event saw extensive attendance from more than 140 participants from the region's banking sector, regulators, policymakers, retail merchants, fintechs, venture capitalists, and other key stakeholders. ”

### Gulf Bank Masterclass Series






We have continued to advance the Gulf Bank Masterclass series by partnering with experts across a range of disciplines, including cooking, photography, flower arrangement, design and style, Arabic calligraphy, and other areas of public and customer interest. Each masterclass session lasted two hours.

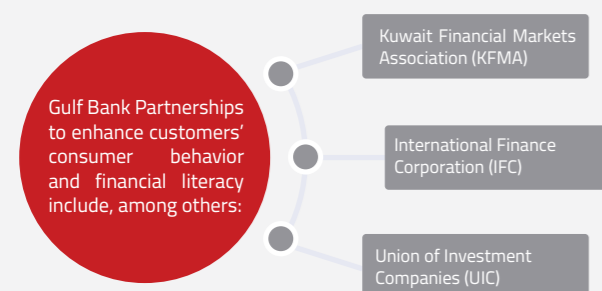
### Gulf Bank's Social Media Community Engagement

According to data collected in 2023, Gulf Bank has amassed a total followers' count of 643,018 across multiple social media platforms showing a significant increase as compared to 2022. Additionally, Gulf Bank has utilized this opportunity for engagement with a higher number of total posts.

Gulf Bank is focused on building stronger relationships with the public through various initiatives. These include regular events as part of its social sustainability efforts and engaging content shared across social and digital media. Additionally, to advance financial education and engagement with stakeholders, we provide a range of programs designed to improve financial literacy among the Bank's customers, including workshops and online modules that promote responsible banking practices. Additionally, we actively connect with stakeholders through various channels and surveys, primarily through social media platforms, to gain insights into their concerns and perspectives. These efforts aim to empower customers to make well-informed financial decisions while ensuring we address their needs effectively. Moreover, the Bank's social media presence keeps followers updated with news and activities that match their interests, including weekly contests, sports news, social and religious events (like the annual Ramadan competitions), and awareness campaigns.

## Gulf Social Media Statistics

		2023	2022
 <b>Twitter</b>	Number of Followers	121,171	120,302
	Number of Posts	1,476	1,317
	Number of Post Likes and Shares	10,063	10,857
 <b>Instagram</b>	Number of Followers	262,845	24,555
	Number of Posts	1,320	1,177
	Number of Post Likes and Shares	368,127	418,817
 <b>Facebook</b>	Number of Followers	120,455	116,742
	Number of Posts	2,969	3,036
	Number of Post Likes and Shares	208,961	12,817
 <b>YouTube</b>	Number of Followers	70,893	65,627
	Number of Posts	61	86
	Number of Post Likes and Shares	15,400,000	16,000,000
 <b>LinkedIn</b>	Number of Followers	67,654	63,246
	Number of Posts	55	145
	Number of Post Likes and Shares	3,160	6,143



### Supporting the "Diraya" 'Let's Be Aware' Campaign

Gulf Bank is dedicated to advancing financial literacy across different segments of society by introducing customers to appropriate savings and investment channels through its social media platforms, website, and various media outlets.

Continuing its support for the third year, Gulf Bank actively participates in the Diraya 'Let's Be Aware' campaign, initiated by the Central Bank of Kuwait (CBK) and the Kuwait Banking Association (KBA). This campaign aims to enhance financial awareness, emphasize the role of the banking sector, and promote the wide range of financial services offered by banks.

## Supporting the Youth

As a leading financial institution, we realize the Bank's immense potential to contribute to youth empowerment in Kuwait. Gulf Bank continues to contribute towards the development of young people through opportunities for education, training and platforms to reach their full potential, positioning them to be a vital part of the nation's economy in the future.

### Gulf Bank's Partnership with INJAZ

In celebration of a 17-year partnership, INJAZ Kuwait recognizes Gulf Bank and other supporting institutions for their contributions to initiatives designed to equip young individuals with essential job market skills. This collaboration is dedicated to fostering a new generation of entrepreneurs.

Gulf Bank's longstanding partnership with INJAZ has significantly impacted youth development, having trained over 120,000 students through various programs focused on job preparation, entrepreneurship, and financial literacy. In 2022 and 2023 alone, this successful partnership resulted in the training of 26,000 students, demonstrating the ongoing effort to prepare young people for future challenges and opportunities.

Gulf Bank's commitment with INJAZ aligns with the Bank's 2025 corporate strategy and Kuwait Vision, emphasizing the importance of youth support.

### The Company Program Competition 2023

INJAZ hosted the Company Program Competition 2023 over two days at the Kuwait Technical College (KTC), where 12 winning projects were announced. The competition featured teams of high school and university students vying for various awards in their respective categories.

During the event, participating students formed teams, developed business ideas, created business plans, and operated their own companies for several months under the mentorship of volunteers from the business community. Teams were evaluated based on their business skills, innovation, and overall performance. The top team received a prize and recognition for their achievements, along with the opportunity to represent Kuwait at the INJAZ AI Arab regional competition.

### Gulf Bank Second Datathon

Gulf Bank organized its second Datathon competition with the aim of fostering youth development by enhancing data analysis and visualization skills through a combination of competition and free workshops. The event featured three distinct tracks: Data Analysis with ChatGPT, Data Visualization, and Digital Analytics, utilizing various tools, such as Python, Tableau, and other coding languages and data visualization tools. Notably, the Digital Analytics track was opened for the first time to participants aged 14 to 18, underscoring Gulf Bank's commitment to social responsibility and preparing the next generation for the data-driven economy.

The Datathon revolves around participants gathering to collaboratively tackle real-world challenges using data science tools and techniques. Teams work together to derive insights and propose solutions, fostering teamwork, deepening understanding, and applying knowledge in real-time scenarios. In conjunction with the competition, Gulf Bank hosted three educational workshops led by its own experts: Data Visualization with Tableau, Digital Analytics with Google, and Data Modeling with Python. These workshops aimed to equip content creators with essential data and analytical skills crucial for success in today's digital landscape.

Through the Datathon, Gulf Bank has actively contributed to building a vibrant data community in Kuwait, promoting the sharing of skills and knowledge while creating new opportunities. The initiative not only addresses the growing significance of data in contemporary society, but also aims to empower individuals to harness data-driven innovation





for informed decision-making. The event strives to raise awareness about the pivotal role of data, attracting top talent and driving innovation in the field of data science and its applications.

In 2023, the Datathon saw significant participation with over 300 individuals gaining valuable data skills. Moreover, many finalists were offered internship opportunities through the Gulf Bank Data & Innovation internship program during the summer of 2023. The Datathon has become a staple event in the calendar for tech enthusiasts, data professionals, and the public alike, offering a platform to acquire new skills, enhance career prospects, and inspire young minds to pursue studies in data science-related fields.

### Data Science and Innovation Program

The Data Science and Innovation Program is a training program that supports digital transformation and promotes a data-driven culture within society. Spanning six weeks, the Program provided participants with an in-depth introduction to data science and related fields, offering practical experience and exposure to industry specialists. This initiative included participants who advanced to the final stage of the second Datathon competition.

The Program also featured guidance from Gulf Bank's Human Resources Department, helping trainees connect their studies with current labor market demands, particularly in data and innovation. It covered essential concepts in data science, including website development, public data analysis, data visualization tools, and digital analysis methods. Additionally, trainees explored the role of data in marketing, planning, and decision-making. In 2023, Gulf Bank continued its 'Data Talk' series by inviting local academic experts to provide guidance to young people who were new to technology. This year's sessions focused on optimal academic pathways for pursuing a career in data science.

### The Influencer Program – LOYAC

In 2023, Gulf Bank concluded its sponsorship of the Influencer Program, organized by the LOYAC Academy of Performing Arts (LAPA), a branch of the non-profit organization LOYAC. This program aims to empower young individuals with mass communication skills, preparing them to become future leaders. Targeting youth aged 15 to 19, the Influencer Program focused on three core areas: effective communication fundamentals, enhancing presentation skills, and creating professional content.

### Oud Fashion Talks

Keen to place young entrepreneurs at the forefront of the Bank's priorities, Gulf Bank orchestrated the second edition of the Oud Fashion Talks conference for the second consecutive year. The occasion extended over a two-day period at the Sheikh Jaber Al-Ahmad Cultural Centre (JACC), showcasing the involvement of both international and Kuwaiti designers. The primary objective of the conference was to enhance the capability of Kuwaiti designers in capturing the attention of their global counterparts through the brilliance and allure of their designs.

This year, Gulf Bank made significant efforts to improve the conference by increasing the number of participating designers and introducing workshops for the exchange of experiences between international and Kuwaiti designers. These efforts are geared towards assisting young designers in gaining fresh insights, ensuring they stay updated on the latest developments in renowned fashion houses worldwide. In line with Gulf Bank's 2025 Strategy and Kuwait Vision, we aim to finance entrepreneurs in the fashion industry who meet the associated SME criteria, helping them to expand. More information about SMEs is given in the next section.

## 5.2 Supporting Small and Medium-Sized Enterprises

Forming the bedrock of an economy, we believe that Small and Medium-Sized Enterprises (SMEs) play a major role in creating economic growth, job opportunities and driving innovation.

Financing of SMEs has consistently increased annually, resulting in a nearly doubled loan portfolio in 2023 for this sector. Social media campaigns have been launched to promote SME products and services, which included an online application option for SME corporate banking. This new feature allows for a streamlined and convenient account opening process, minimizing physical requirements.

Through the past years, Gulf Bank has established several strategic collaborations that continue to provide support for SMEs. These include:

- 1. Wasel Logistics:** In partnership with GOwasel, the Bank offers discounted delivery services featuring a comprehensive range of insured transportation vehicles operated by professionals familiar with all areas of Kuwait. This partnership provides Gulf Bank SME clients with a 20% discount on on-demand orders and a 5% discount on monthly rental contracts.
- 2. Peacock Concierge Services:** Gulf Bank SME clients gain access to Peacock Concierge services, available both locally and internationally, enhancing convenience and support.
- 3. Balance Business Advisory:** The Bank has partnered with an SME advisory company to offer customized financial advisory services to entrepreneurs and SMEs. This collaboration aligns with the Bank's strategy to deliver tailored financial and advisory support to the SME sector. Balance Business Advisory provides a range of services, such as Business and Corporate Financial Valuations, Accounting Services and Feasibility Study Services.

These partnerships reflect Gulf Bank's ongoing commitment to supporting SME growth and development through practical and valuable services. In the coming year, we plan to build on our support for SMEs, expanding special activities and events.

Case Study: SME Support Through Partnership with Transcrate Logistics

In 2023, Gulf Bank has partnered with Transcrate International Logistics to offer discounted logistics services to SME customers, supporting their business growth and development. This collaboration provides SMEs with a range of services, including e-commerce fulfillment, freight management, customs clearance, warehousing, delivery and dispatch, and complete supply chain solutions.

The primary objectives of this partnership are to support SMEs and startups with robust logistics and supply chain management services, enhance Gulf Bank's supplementary offerings to this segment, help increase SMEs' market share by attracting new customers, and provide the necessary exposure for SME growth in alignment with sustainable development goals. By offering these discounted services, Gulf Bank intends to eventually lower operational costs for SMEs, thereby facilitating their expansion and improving operational efficiency. This initiative is in line with Gulf Bank's Strategy to support SME growth and enhance its own market presence.

## 5.3 Local Procurement

As a part of Gulf Bank's commitment towards responsible business practices, the Bank emphasizes local procurement and upholds rigorous ethical standards for suppliers and vendors. Supplier and labor standards at Gulf Bank are governed by the Third-Party Risk Management (TPRM) Policy, Contracts Management Procedure, and Procurement





Manual. The Procurement Manual includes comprehensive guidelines on bribery and anti-corruption. Procurement activities are managed through the Procurement Team or Contracts Team, utilizing a documented digital process to prevent any direct staff interference. Vendors are required to adhere to Gulf Bank's code of conduct, enforced through mandatory onboarding registrations and compliance with the procurement manual. Governmental entity vendors are, however, exempt from the onboarding registration process.

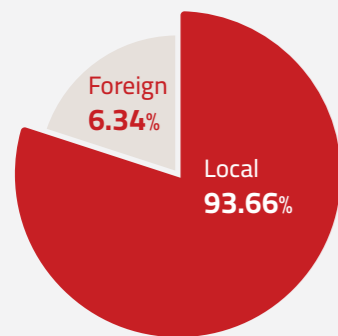
In 2023, Gulf Bank reported no incidents of negative social impact, unethical behavior, human rights violations (such as child labor or forced labor), or corruption within its supply chain or among its suppliers. Significant updates to procurement practices included the implementation of ERP tools and the Vendor Portal, which are now in the final stages of deployment. Furthermore, Gulf Bank plans to incorporate ESG criteria into its supplier selection and evaluation process via the TPRM monitoring tool. We prioritize local suppliers through internal procurement practices, supporting the growth of local businesses, which we believe is fostering strong community relationships and contributing to overall economic development. As a testament to this objective, in 2023, 95.92% of our procurement expenditure can be attributed to local suppliers, who constituted 93.66% of total suppliers. It is noteworthy that the ratio of local to foreign suppliers has been relatively maintained since 2022.

### Gulf Bank Procurement Expenditure

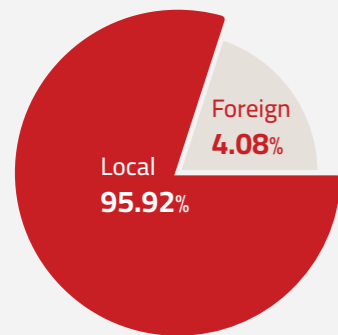
	2023	2022	Difference
Expenditure towards local suppliers	5,179,491.03	5,661,445.35	-481,954.32
Expenditure towards foreign suppliers	220,043.97	155,627.08	64,416.89

### Gulf Bank Supplier Counts

	2023	2022	Difference
Number of local suppliers	192	190	2
Number of foreign suppliers	13	12	1



Percentage of local **VS** foreign suppliers in 2023



Percentage of local expenditure **VS** foreign expenditure in 2023





# 06

# Ensuring Resilience in Governance ▶▶▶

Through clear leadership, robust principles, and a comprehensive risk management approach, we strive to uphold the highest standards of excellence and integrity. We are dedicated to generating value for shareholders by cultivating a collaborative and ethical culture that fuels growth and excellence. While pursuing these ambitions, we remain deeply aware of our responsibilities to stakeholders, the financial community, and society. Within this part of the report, we share the Bank's approach to governance and the progress we have made through the year, with a particular focus on risk management.

Alignment with UN Sustainable Development Goals (SDGs):



Alignment with New Kuwait Vision:  
Global Positioning

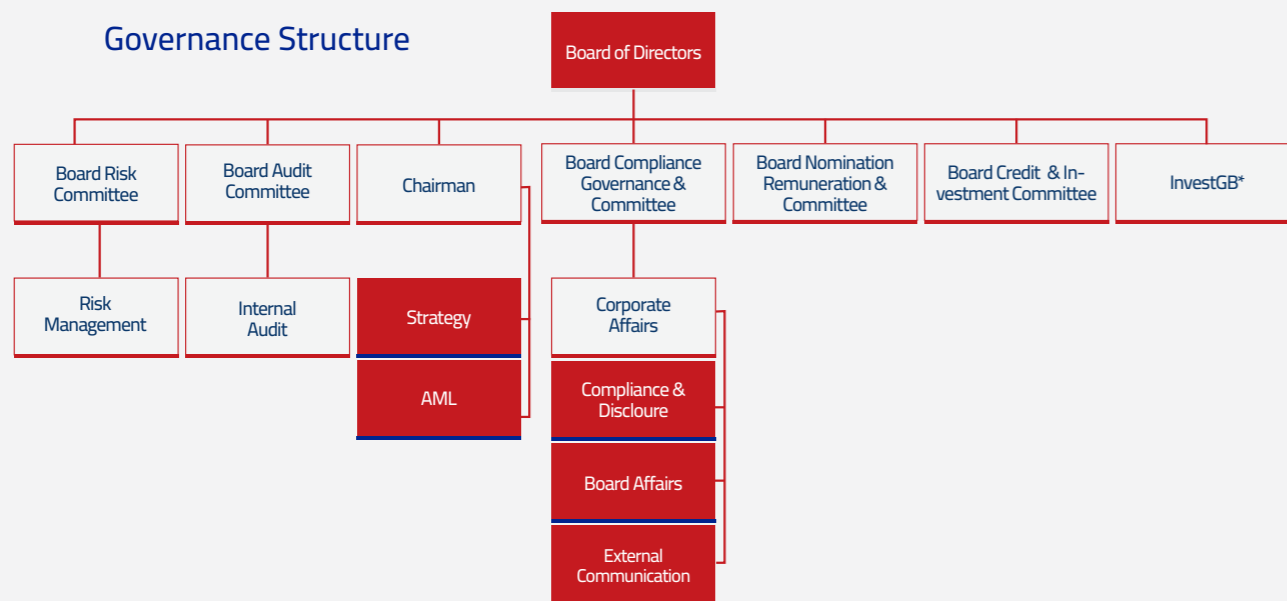




# 6.1 Governance and Board Oversight

Robust corporate governance is the cornerstone of building organizational competence by being responsible for setting Gulf Bank’s strategy, objectives, overall direction and for overseeing and monitoring decision-making. As a leading bank in the region, we are committed to adopting certain best-practice approaches in corporate governance and for ensuring compliance with regulatory requirements— throughout the process of meeting Gulf Bank’s fiduciary responsibilities. We follow a three-tier structure of governance, led by the Board, the Board committees, and the executive management level through multiple committees. The governance structure as shown below maps out the hierarchy of decision-making, reporting lines and the segregation of responsibilities among committees in the Bank.

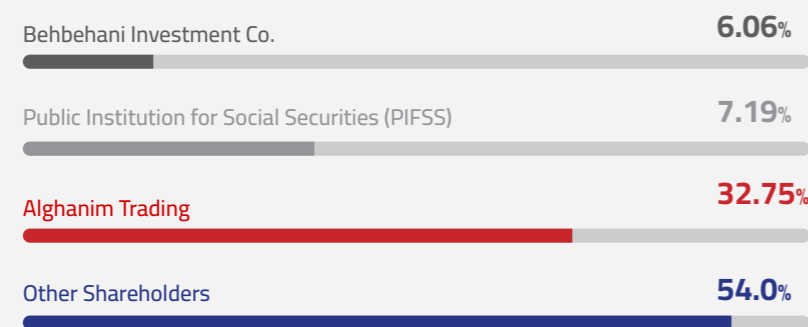
## Governance Structure



\* In 2023, InvestGB, a 100% owned subsidiary, was established and has received CMA initial permission and is working to meet CMA standards.

## Ownership Structure

Moreover, Gulf Bank’s major shareholders as of December 31, 2023 are as shown:



Note.As of 31 Dec 2023

## The Board of Directors (BOD)

The Board holds overall responsibility for the organization, preserving the interests of stakeholders and overseeing the implementation of strategic objectives, risk strategy, and executive management. In accordance with CBK governance regulations, the Board ensures alignment with organizational purposes, objectives, and approved policies and bylaws.

The Board is required to convene a minimum of six meetings annually, with at least one meeting held per quarter as per CBK regulations. Additionally, the Board Audit Committee (BAC) is mandated to meet at least once per quarter. In 2023, the Board conducted a total of eight meetings, while the various Board committees held a combined total of 38 meetings. In terms of representation of women, it is noteworthy that Gulf Bank has a female serving as a Board member in 2023.

## Nomination and Selection of the Board

The process of nominating Board members begins with announcing the opening of the nomination period. The Bank Nomination and Remuneration Committee (BNRC) reviews and filters applications, taking into account diversity, experience, and independence of candidates before the final review by the Board and obtaining the necessary approvals from the Central Bank (CBK) for the candidates. During the general assembly, shareholders vote to elect the candidates.

## Board Responsibilities

As a part of its governance role, the Board of Directors emphasizes the critical evaluation of the impact of risks on depositors’ interests and financial stability, alongside profitability considerations. This approach underscores the Board’s commitment to a balanced oversight role that goes beyond financial outcomes to encompass broader stakeholder interests.

Furthermore, the Board prioritizes board independence and compliance among its members. Each Board member is expected to fulfill their role objectively and without external influence, ensuring transparency and fair decision-making processes that safeguard the rights of all shareholders, especially minority stakeholders.

Additionally, the Board implements rigorous oversight over transactions involving related parties, ensuring thorough scrutiny and validation of their legitimacy. This proactive stance aims to uphold integrity and mitigate risks associated with potential conflicts of interest, thereby reinforcing the Bank’s commitment to ethical practices and accountability in corporate governance.

The Board of Directors ensures comprehensive governance over the Bank’s operations through established written policies covering all banking areas. These policies are circulated organization-wide and regularly reviewed to align with legal changes, economic conditions, and other relevant factors impacting the Bank. Additionally, the Board directs executive management in setting strategic objectives and approving business plans. These plans undergo thorough development involving departments at the Bank to ensure alignment with strategic goals. The Board oversees performance evaluations based on these plans, ensuring adjustments are made as necessary. Special emphasis is placed on budget preparation as part of the planning and performance assessment process, ensuring that long-term business planning is carried out for sustained operational effectiveness.

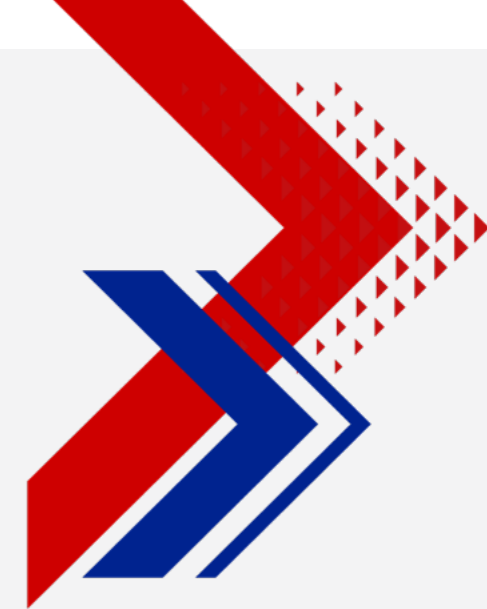
## Oversight of Executive Management

The Board of Directors sets the Bank’s objectives and directs executive management, providing oversight to ensure alignment with the Bank’s purposes and objectives, including approved strategies and policies. A key responsibility of the Board is the appointment of the CEO, ensuring the suitable candidate displays integrity, qualifications, technical



skills, and banking expertise. The Board also approves appointments of the deputy CEO and key executive officers, such as the Chief Financial Officer (CFO), Chief Internal Audit (CIA), Chief Risk Officer (CRO), and the Head of Compliance, ensuring their qualifications and banking sector experience meet the requirements of their roles and responsibilities. Following best practices, the BOD's expertise in sustainable development is continually advanced through annual updates, which include awareness sessions and training conducted by a professional third party. Additionally, training is provided to enhance knowledge and experience in the rapidly evolving fields of AML (Anti-Money Laundering) and cybersecurity.

This structured approach underscores the Board's pivotal role in governance and strategic oversight, ensuring effective leadership and adherence to regulatory standards across various functions of the Bank.



## Gulf Bank's Board



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
11 years, 9 months  
Chairman tenure – 4 years

**Age:**  
59

**Attendance Rate:**  
100%

**Jassim Mustafa Boodai \***  
Chairman of the Board



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
14 years, 8 months  
Deputy Chairman tenure – 10 years

**Age:**  
75

**Attendance Rate:**  
63%

**Ali Morad Behbehani**  
Deputy Chairman



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
3 years, 2 months

**Age:**  
62

**Attendance Rate:**  
92%

**Barrak Abdulmohsen Al-Asfour**  
Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
3 years, 2 months

**Age:**  
61

**Attendance Rate:**  
100%

**Ahmad Mohammad Al-Bahar**  
Independent Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
11 years, 9 months

**Age:**  
46

**Attendance Rate:**  
75%

**Bader Nasser Al-Kharafi \*\***  
Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
2 years, 9 months

**Age:**  
39

**Attendance Rate:**  
83%

**Abdullah Sayer Al-Sayer**  
Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
2 years, 9 months

**Age:**  
40

**Attendance Rate:**  
93%

**Dr. Abdulrahman Mohammad Al-Taweel**  
Independent Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
2 years, 3 months

**Age:**  
55

**Attendance Rate:**  
92%

**Talal Ali Al-Sayegh**  
Independent Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
14 years, 8 months

**Age:**  
59

**Attendance Rate:**  
94%

**Omar Hamad Al-Essa**  
Board Member



**Gender Type:**  
Male

**Tenure of Board Membership (In years/months)**  
4 years, 4 months

**Age:**  
38

**Attendance Rate:**  
91%

**Dr. Fawaz Mohammad Al-Awadhi**  
Board Member



**Gender Type:**  
Female

**Tenure of Board Membership (In years/months)**  
1 year, 6 months

**Age:**  
52

**Attendance Rate:**  
100%

**Reem Abdullah Al-Saleh**  
Independent Board Member

\* Resignation of Mr. Jassim Mustafa Boodai from Board membership and position as Chairman of Board effective end of March 3, 2024.

\*\* Appointment of Mr. Bader Nasser Al-Kharafi as the new Chairman of Gulf Bank, effective March 4, 2024.





## Board's Commitment to Sustainability

In 2023, the Board of Directors approved Gulf Bank's Environmental, Social, and Governance (ESG) Strategy and underwent specialized training in sustainable finance. This initiative underscores Gulf Bank's commitment to integrating sustainability into its operations and decision-making processes. The Board Secretary plays a pivotal role in facilitating reporting to the highest governance body on the Bank's economic, environmental, and social impacts. This ensures transparency and accountability in governance practices.

Regular meetings between the Board of Directors and executive management are essential for comprehensive discussions on the Bank's operations and strategic initiatives. These meetings enable alignment of management actions with the Bank's overarching goals and values. Responsibility for ESG monitoring and reporting has been delegated to Corporate Communication, overseen by the Board Compliance and Governance Committee (BCGC). This delegation emphasizes Gulf Bank's comprehensive approach to sustainability initiatives throughout its operations. This cohesive structure supports Gulf Bank's commitment to governance, sustainability, and strategic oversight, ensuring alignment with the Bank's long-term objectives and responsible banking practices.

The Board Compliance and Governance Committee (BCGC) has been entrusted with overseeing ESG initiatives across the Bank, with ESG monitoring and reporting duties allocated to the Sustainability Unit, alongside broader sustainability efforts. Aligning with hierarchy, ESG-related approvals are secured through the BCGC from the Board.

## Financial Details of Shareholders and Board

	Units Used	2023	2022
Shareholders' equity	KD	816,800,000	720,023,000
Shareholder dividends (not including the additional 5% bonus shares given in each year)	KD	43,457,167	32,005,382
Total remuneration for Board members	KD	295,000	188,000

## Board Committees

The Board establishes Board committees to enhance its oversight of critical operations. Each committee operates under a bylaw periodically reviewed to define its role, scope, expected achievements, and reporting structure to the Board. These committees provide periodic reports to the Board based on their specific responsibilities. It is essential to note that the presence of these committees does not absolve the Board from holding direct responsibility for all Bank-related matters and accordingly undertaking the following actions over the committees:

- Ensuring transparency in committee appointments by disclosing committee members' names, tasks, and responsibilities.
- Appointing an adequate number of non-executive and independent directors to committees handling tasks that may present conflicts of interest.
- Continuous oversight of the Chairman over committee activities, ensuring task execution and obtaining quarterly progress reports.

These measures reinforce governance practices, ensuring effective oversight and transparency in the Board's management of the Bank's affairs.

## Board Committees

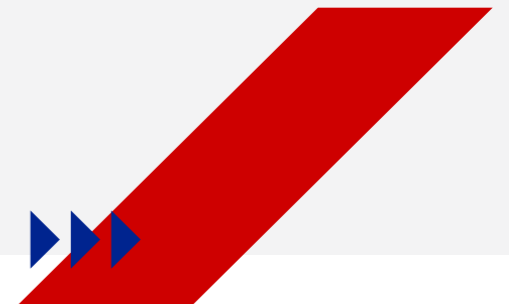
Name of Committee	Key Responsibilities	Committee Chairman and Members
Board Compliance and Governance Committee (BCGC)	<ul style="list-style-type: none"> <li>The BCGC oversees the overall structure of corporate governance in the Bank and ensures compliance with relevant CBK instructions on corporate governance.</li> <li>The Committee ensures that the depositors' and shareholders' interests are protected, and shareholders' obligations are met, taking into account the interest of the other stakeholders by implementing and monitoring processes to report any conflict of interest and related party transactions.</li> </ul>	<p>Mr. Jassim Boodai (Committee Chairman)</p> <p>Dr. Abdulrahman Al Taweel (Committee Deputy Chairman)</p> <p>Mrs. Reem Al Saleh (Committee Member)</p>
Board Audit Committee (BAC)	<ul style="list-style-type: none"> <li>The BAC carries out its duties within the framework of governance principles and practices established by the Board of Directors.</li> <li>The BAC promotes accountability of the key players and ensures that they perform in the best interest of the Bank and its shareholders to enhance shareholder value, considering the interests of other stakeholders.</li> <li>The BAC has been authorized to provide oversight and reasonable assurance on the financial reporting process and highlight the accounting issues of material impact on the financial statements, the integrity and adequacy of the Bank internal control and risk management system, internal and external audit processes, effectiveness and assessment of performance, the Bank process for monitoring compliance with laws, regulations and code of conduct, and the Internal Audit function. The Board Audit Committee appraises the performance of the General Manager (GM) /Chief Internal Auditor (CIA) and recommends to the Board the nomination, termination, appointment and remuneration of the external auditors.</li> </ul>	<p>Mr. Talal Alsayegh (Committee Chairman)</p> <p>Mr. Abdullah Al Sayer (Committee Deputy Chairman)</p> <p>Mrs. Reem Al Saleh (Committee Member)</p>





	<ul style="list-style-type: none"> <li>Since its effectiveness is directly linked to that of the Board, the BAC works closely with executive management to obtain any information required to enhance the Board's performance.</li> </ul>	
Board Risk Committee (BRC)	<ul style="list-style-type: none"> <li>The main duties of the BRC are to provide oversight of the Bank's risk management, ensure autonomy of the risk management function, and enhance the effectiveness of the Board's monitoring of risk issues facing the Bank.</li> <li>The Committee reviews significant risk exposures and provides the Board with an update on the Bank's current and future risk strategy and appetite and oversees the executive management's implementation of the risk strategy. The Committee evaluates the risk exposure, concentration and tolerance limits and has authority to approve the aggregate transactional and trading limits for extraordinary or new risks.</li> <li>Furthermore, the Committee reviews, on a quarterly basis, credit risks rated 6 or worse.</li> <li>The Committee reviews material information and cybersecurity activities and events on an ongoing basis and provides the Board with insights into the status of security program initiatives and activities.</li> <li>In addition, the Committee can review any specific transaction or risk exposures and the impact analysis of any potential risks or changes in external environment that it deems relevant for the management of the risks facing the Bank, and has authority to accept such risks or to instruct actions to be taken to mitigate and manage risks to ensure conformity to the Bank's risk appetite.</li> </ul>	<p>Dr. Abdulrahman Al Taweel (Committee Chairman)</p> <p>Mr. Bader Alkharafi (Committee Deputy Chairman)</p> <p>Mr. Barrak Alasfour (Committee Member)</p>

Board Nomination and Remuneration Committee (BNRC)	<ul style="list-style-type: none"> <li>The BNRC ensures that all components of granting financial remuneration are compliant with the framework for enhancing the effectiveness and management of the Bank's risk management. It also submits recommendations to the Board on the nomination of Board members. The Committee reviews the nominated members' skills, capabilities and qualifications in accordance with the Bank's approved policies and standards, while adhering to CBK's instructions.</li> <li>The Committee conducts an annual review of the Board's structure and draws up recommendations on the changes that can be made in line with the best interests of the Bank.</li> <li>Furthermore, this Committee ensures that Board members are consistently informed about the latest banking updates and vet the soundness of the principles and practices upon which remuneration is granted.</li> <li>The Committee, with the BRC, reviews the compensation and benefits of members of the executive management (as specified by CBK), including the principles and criteria used to assess their annual performance. This also includes an evaluation of the authority of the Board members and their leadership characteristics. In conducting its role, the BNRC annually prepares and reviews a Remuneration Grading Policy for the Board.</li> </ul>	<p>Mr. Ahmad AlBahar (Committee Chairman)</p> <p>Mr. Omar Al Essa (Committee Deputy Chairman)</p> <p>Dr. Fawaz Alawadhi (Committee Member)</p>
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Board Credit and Investment Committee (BCIC)	<ul style="list-style-type: none"> <li>The overall purpose and scope of the BCIC is to review, approve, reject or modify or conditionally approve credit proposals exceeding the authority delegated to the Executive Credit Committee and up to the legal lending limit of the Bank, with the exception of credit facilities extended to the Bank's Board members as per CBK guidelines.</li> <li>BCIC is also empowered to approve all investments or divestments above the delegated authority of lower-level committees and discounts for settlements and write-offs for abandonment and discounts exceeding the authority delegated to the Executive Credit Committee.</li> </ul>	<p>Mr. Jassim Boodai (Committee Chairman)</p> <p>Mr. Omar Al- Essa (Committee Deputy Chairman)</p> <p>Dr. Fawaz Alawadhi (Committee Member)</p>
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## Executive Management

Appointed by the Board, the executive management are designated to carry out their role of providing oversight of the management of the Bank, and contributing to governance through adequate control of operations, placing effective internal control systems and ensuring their alignment with Gulf Bank's corporate strategy, risk appetite and approved policies.

The executive management is additionally responsible for assigning tasks to employees and promoting a structure which encourages accountability and transparency, and therefore responsible for the Bank's performance before the Board. Overall, the executive management conducts oversight and supervision of the Bank's business, and ensures compliance function, risks monitoring, autonomy, and task segregation. Financial statements, in accordance with International Accounting Standards (IAS), CBK instructions, or any other approved standards, are prepared by the executive management. Moreover, financial and administrative reports are presented to the Board by the executive management every two months.

As of the reporting period, 25% of total executive management members are women.

## Executive Management in 2023

Executive Management Member	Title
Waleed Mandani	Acting Chief Executive Officer (CEO)
Sami Mahfouz	Deputy Chief Executive Officer - Customer Service Delivery
David Challinor	Chief Financial Officer (CFO)
Abdulrahman Alsaddah	Acting Chief Risk Officer (CRO)
Ali Al Faras	Chief Internal Auditor (CIA)
Faisal AlAdsani	General Manager- Corporate Banking
Mohammed Al Qattan	General Manager - Consumer Banking
Lamia Karam	General Manager - Treasury
Mona Mansour	General Manager - Customer Service Delivery
Salma Al Hajjaj	General Manager - Human Resources (HR)
Dari Al-Bader	General Manager - Corporate Affairs & Board Secretary
Shahzad Anjum	General Manager - Information Technology (IT)

## Management Committees

Comprising executive and senior management as members, management committees have been formed to oversee key frameworks, review cases of special concern, approve policies and action plans, and provide close management of key functions and operations within the Bank.

### Management Committees

Name of Management Committee	Description of Responsibilities	Secretary of Management Committee	Members
Internal Controls Governance Committee (ICGC)	Overseeing the Bank's control framework, risk profiles, operational risk exposures, residual risk requests, internal control failures, and the effectiveness of business continuity and IT disaster recovery plans.	Head of Operational and Technology Risk Management	<ul style="list-style-type: none"> <li>Chief Risk Officer (CRO) (Chairman)</li> <li>Chief Executive Officer (CEO)</li> <li>Deputy CEO - Customer Service Delivery</li> <li>Chief Financial Officer (CFO)</li> <li>General Manager - Consumer Banking</li> <li>General Manager - Human Resources (HR)</li> <li>General Manager - Information Technology (IT)</li> <li>General Manager - Customer Service Delivery</li> </ul>





<b>Fraudulent Cases Review Committee</b>	Reviewing all types of fraudulent activities, including embezzlement, breach of trust, unauthorized disclosure of confidential information, bribery, insider dealing, illegal activities, forgery, theft, and conflict of interest, and making decisions based on internal audit observations.	Head of Fraud Risk – Risk Management	<ul style="list-style-type: none"> <li>•General Manager – Legal/ General Counsel (Chairman)</li> <li>•Chief Executive Officer (CEO)</li> <li>•Chief Risk Officer (CRO)</li> <li>•General Manager - Human Resources (HR) (Alternate Chairman)</li> </ul>
<b>Remedial Credit Committee</b>	Approving annual and interim reviews, strategy/action plans, restructuring, settlements, and the abandonment of recovery efforts and write-offs of remedial accounts within its delegated authority.	Executive Manager – Credit Review	<ul style="list-style-type: none"> <li>•Deputy General Manager Structured Workout &amp; Remedial Credit (Chairman)</li> <li>•Head of Remedial Credit (Alternate Chairman)</li> <li>•Legal – Structured Workout and Remedial Credit</li> </ul>
<b>Classification and Provisions Committee (CPC)</b>	Governing the classification of the Bank's credit portfolios and provisioning decisions, ensuring compliance with Central Bank of Kuwait (CBK) rules and Gulf Bank's Credit Policy, approving credit provisions, and managing write-offs and memo transfers.	Head of Remedial Credit	<ul style="list-style-type: none"> <li>•Chief Executive Officer (Chairman)</li> <li>•Deputy CEO - Customer Service Delivery</li> <li>•Chief Risk Officer (CRO)</li> <li>•Chief Financial Officer (CFO)</li> <li>•General Manager Corporate Banking</li> </ul>
<b>Management Credit Committee (MCC)</b>	Authority to approve/reject/modify credit applications submitted up to the limit of its delegated authority. Authority to ask for further details, reject or recommend approval or to suspend discussion on any credit application within the delegation of the ECC.	Officer – Credit Review	<ul style="list-style-type: none"> <li>•General Manager – Corporate Banking</li> <li>•Deputy General Manager Institutional Banking</li> <li>•Deputy General Manager Recovery Bank</li> <li>•Deputy General Manager Credit Review (Non-Voting member)</li> </ul>
<b>Wealth Management Governance Committee</b>	Oversight and control over the activities of Gulf Bank's Wealth Management businesses and any business that makes available non-deposit investment products to retail customers (excluding professional, corporate and institutional investors).	Head of Investments Management	<ul style="list-style-type: none"> <li>•Chief Executive Officer (CEO) (Chairman)</li> <li>•General Manager – Consumer Banking (Vice-Chairman)</li> <li>•Chief Finance Officer (CFO)</li> <li>•Chief Risk Officer (CRO)</li> <li>•General Manager Legal</li> <li>•DGM Head of Investments</li> </ul>

<b>Executive Credit Committee</b>	Approving, sanctioning, and amending credit facilities and limits, forming and modifying credit committees, and managing provisioning, write-offs, and discounts within the approved delegated authority.	Head of Credit Review	<ul style="list-style-type: none"> <li>•CEO/ Acting CEO (Chairman)</li> <li>•Deputy CEO – Consumer Banking and Investments/ General Manager – Corporate Banking (Alternate Chairman)</li> <li>•General Manager – Corporate Affairs (Alternate Member)</li> <li>•General Manager Treasury (Alternate Member)</li> <li>•CRO (Non-Voting)</li> </ul>
<b>Policy &amp; Procedure Committee</b>	Operate within the Board-approved Policy and Procedure Standards of the Bank. Enhancing effectiveness of the Bank's policy and procedure framework. Review and approval of the Bank's policy and procedures. Ensure policy and procedures are aligned with the Bank's strategic objectives.	Executive Manager – Policy & Procedures	<ul style="list-style-type: none"> <li>•CEO (Chairman)</li> <li>•CRO (Alternate Chairman)</li> <li>•Deputy CEO – Customer Service Delivery</li> <li>•Chief Risk Officer</li> <li>•General Manager – Customer Service Delivery</li> <li>•General Manager – Corporate Affairs</li> </ul>
<b>Asset Liability Committee (ALCO)</b>	Review and approve strategic and tactical Asset and Liability recommendations. Monitor regulatory ratios and requirements. Supervision of Balance Sheet structure. Oversight of market risks. Monitor, review and manage the Bank's funding requirements and costs.	Treasury Controller	<ul style="list-style-type: none"> <li>•Chief Executive Officer (CEO) (Chairman)</li> <li>•Deputy CEO – Customer Service Delivery (Alternate Chairman)</li> <li>•General Manager – Corporate Banking</li> <li>•General Manager – Treasury</li> <li>•General Manager – Consumer Banking</li> <li>•Chief Risk Officer (CRO)</li> <li>•Chief Financial Officer (CFO)</li> </ul>
<b>Tender Committee</b>	Manage the Bank's tender process. Sealed tenders are required by the Gulf Bank Expenditure Policy for items purchased over KD 5,000 (to include construction and renovation projects). Ensure adequate and effective system of internal controls. Manage disputes, investigations and concerns.	Assistant Manager – Contracts	<ul style="list-style-type: none"> <li>•Deputy General Manager – Facilities (Chairman)</li> <li>•Vendor Manager</li> <li>•Contracts Manager</li> <li>•Procurement Manager</li> </ul>







<b>IT Steering Committee</b>	Management of the Bank's overall IT direction and investments including approving IT budgets (within assigned authorities) and IT initiatives. Reviewing on-going IT elements of major projects and development activities.	Unit Head – IT Governance	<ul style="list-style-type: none"> <li>•Chief Executive Officer (CEO) (Chairman)</li> <li>•Chief Finance Officer (CFO)</li> <li>•Deputy CEO – Customer Service Delivery (Alternate Chairman)</li> <li>•Chief Risk Officer (CRO)</li> </ul>
<b>Executive Product Committee</b>	Oversee approval and amendments of products for the entire Bank. Credit product programs, new or changed, are recommended to the Executive Credit Committee for approval. Products outside the approved Risk Appetite of the Bank require approval of the Board Risk Committee.	Head of Policies & Procedures	<ul style="list-style-type: none"> <li>•Chief Executive Officer (Chairman)</li> <li>•Deputy CEO – Customer Service Delivery</li> <li>•Chief Risk Officer (CRO)</li> <li>•Chief Financial Officer (CFO)</li> <li>•General Manager Legal / General Counsel</li> <li>•General Manager Customer Service Delivery</li> <li>•General Manager IT</li> </ul>
<b>Executive Risk Committee</b>	Act as an apex management committee for risk governance. Contribute to senior management's monitoring of risk issues facing the Bank. Review the Bank's risk profile through dashboards against risk appetite. Discuss outstanding risk issues and propose resolution options.	Head of Risk Analytics	<ul style="list-style-type: none"> <li>•CRO (Chairman)</li> <li>•CEO</li> <li>•Deputy CEO – Customer Service Delivery</li> <li>•Chief Financial Officer (CFO)</li> <li>•General Manager – Consumer Banking</li> <li>•General Manager – Corporate Banking</li> <li>•General Manager – Treasury</li> <li>•General Manager – Investments</li> <li>•General Manager – Corporate Affairs</li> <li>•General Manager Legal / General Counsel</li> <li>•General Manager – Information Technology (IT)</li> <li>•General Manager – Customer Service Delivery</li> <li>•General Manager – Human Resources (HR)</li> <li>•Chief Internal Auditor (CIA)</li> <li>•Head of AML</li> </ul>

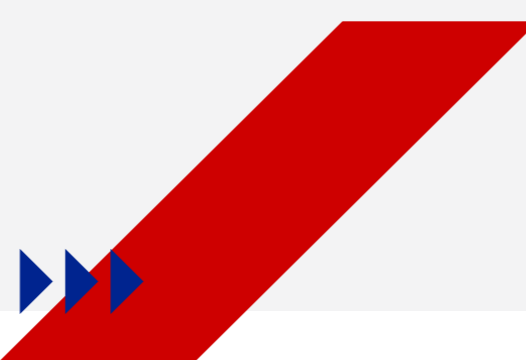
<b>Project Governance Committee</b>	Sole authority to approve Bank-wide projects, subject to following the Expenditure Policy. The governing body reviews and approves project business cases and decides the priority and categorization of new projects. Sole provider of project status reports to the Bank.	The Project Management Office Executive	<ul style="list-style-type: none"> <li>•Chief Executive Officer (Chairman)</li> <li>•Deputy CEO – Customer Service Delivery (Alternate Chairman)</li> <li>•Chief Risk Officer (CRO)</li> <li>•Chief Financial Officer (CFO)</li> <li>•DGM Strategy</li> </ul>
<b>STR Committee</b>	Review all potential Suspicious Transactions Reports (STRs) and approve submission of STRs to the Kuwait Financial Intelligence Unit (KFIU).	AML & CTF Unit Manager	<ul style="list-style-type: none"> <li>•Head of AML &amp; CTF Unit (Chairman)</li> <li>•Deputy General Manager – Consumer Banking – Operation &amp; Digital</li> <li>•General Manager Legal / General Counsel</li> </ul>
<b>TRISCom</b>	Sub-set of Internal Control Governance Committee (ICGC). Oversight over deployment of information and cyber security and technology risk frameworks/controls to ensure management defined policies are implemented, monitored and controlled across Gulf Bank and its branches.	AGM-CISO	<ul style="list-style-type: none"> <li>•Chief Risk Officer (CRO) - Chairman</li> <li>•Deputy CEO – Customer Service Delivery</li> <li>•Chief Finance Officer (CFO)</li> <li>•General Manager - Information Technology (IT)</li> </ul>

## 6.2 Compliance and Business Ethics

We consider compliance with applicable laws and regulations as standard practice. To tackle the complexities of implementing legal requirements, guarding against unethical behavior, and enhancing the Bank's reputation, we have developed a comprehensive compliance framework. In practice, the Compliance Function ensures the Bank's adherence to relevant laws and regulations, aiming to mitigate risks associated with regulatory non-compliance. Positive economic impacts include reduced regulatory sanctions, fines, and penalties, enhancing financial stability through robust adherence to regulations, thereby fostering trust among shareholders and regulators due to transparency in compliance practices.

Benefits include promoting sustainable practices guided by local regulatory frameworks and reflecting corporate responsibility. We believe that regulatory adherence impacts Gulf Bank's stakeholders including shareholders, customers, and suppliers. Therefore, we prioritize compliance through rigorous testing, training, and timely disclosure activities to prevent violations and align with regulatory expectations. In 2023, 14 critical concerns regarding high-risk compliance testing observations were reported to the Board. Ongoing training for policies, procedures and regulatory compliance is provided to stakeholders within Gulf Bank, where applicable, complemented by continuous and timely public disclosure. This reinforces the Bank's commitment to compliance through employee Key Performance Indicators (KPIs) aligned with Gulf Bank's strategic objectives.

Gulf Bank has established a Compliance Manual designed to improve the overall compliance culture and standardize compliance processes throughout the organization. This Manual effectively outlines the policies, procedures, roles, and responsibilities required to adhere to the regulations and guidelines set by CBK and CMA. The Gulf Bank Compliance Manual underwent its last update and approval in October 2023.



Throughout 2023, Gulf Bank did not face any pending or completed legal actions concerning anti-competitive behavior, violations of anti-trust laws, or monopolistic practices. In the same year, Gulf Bank has not been involved in any controversial investments nor did we encounter any issues related to anti-competitive practices or business ethics controversies.

## Conflicts of Interest

The Board is committed to upholding the Bank's integrity in business practices. Consequently, Gulf Bank's code of conduct defines conflict of interests and insider dealings arising from privileged access to insider information. These policies and codes are disseminated to employees and Board members, who are required to sign-off on compliance. The Bank also ensures the effectiveness of its internal control systems concerning related parties, verifying that transactions adhere to approved policies.

## Policies, Procedures and their Implementation

Policies across Gulf Bank are consistently applied with a strong emphasis on accountability and transparency, ensuring alignment with human rights standards, confidentiality, and regulatory compliance where applicable. Each functional area within the Bank implements its own policies and procedures, assigning responsibilities and tasks to employees under the oversight of executive management. Furthermore, policy requirements are integrated into staff Key Performance Indicators (KPIs) to gauge performance, ensuring alignment with Gulf Bank's strategic objectives. A prime example of the Bank's process would be the Environmental Credit Policy, where we advocate for robust compliance measures among businesses in agriculture, power utilities, mining, and oil and gas sectors. This includes conducting thorough due diligence on partners and suppliers, prioritizing transparency, and promoting ethical business practices.

Policies are approved by the Board and are applied across the various activities and business relationships of the Bank. Policies and procedures are accessible to employees through the Bank's Intranet. Also, internal communications ensure changes or updates are shared in a timely manner. Notably, 95.3% of employees acknowledged Gulf Bank policies in 2023.

Effective implementation of policies is assured through the following:

- Incident Reporting Mechanism and whistleblowing
- Code of Conduct
- Penal Code
- Awareness and Training programs
- Fraud Investigation Process
- Internal Control Unit
- Corporate Governance Practices and Framework
- Work Ethical Standards Handbook
- Risk and Control Self-Assessment across departments
- Key risk indicators for departments
- Fraud Officer reporting to Risk Management
- Internal Audit Team investigating potential fraud Incidents (upon detection and upon request)
- Exceptional reporting across departments

Gulf Bank's Code of Ethics and Conduct is the foundation of the Bank's operations and culture. Failure to comply with Gulf Bank's Code of Ethics and Conduct Policy may lead to disciplinary measures, including termination, as outlined in the Disciplinary Procedure. This procedure serves as supplementary guidance under the labor law, detailing penalties for violations.

## Anti-Money Laundering (AML)

We believe that a robust AML Policy in the Bank enhances customer confidence in the financial system and safeguards it against illicit activities, thereby promoting stability and soundness. Customers undergo internal transaction monitoring to scrutinize account behavior, ensuring continuous screening of new and existing customers to prevent involvement with sanctioned individuals, entities, or countries.

The AML Unit stays current with market changes and evolving methodologies in the financial crime sector, ensuring the Bank has effective controls to protect customers from potential money laundering and terrorism financing risks. These measures have proven effective to date.

The AML Unit implements a specific strategy to enforce controls against money laundering and terrorism financing, mitigating reputational, operational, and regulatory risks. Knowledge transfer and compliance extend to Bank staff, including Board members and upper management.

In accordance with regulatory requirements, an annual audit focusing on Anti-Money Laundering (AML) and Combating Financing of Terrorism (CFT) was conducted. The audit scope was comprehensive, aiming to provide a high level of assurance given the critical risks involved. Notably, no concerns were raised pertaining to AML in 2023.

**Incidents of money laundering in 2023 — 0**

**Incidents of corruption in 2023 — 0**

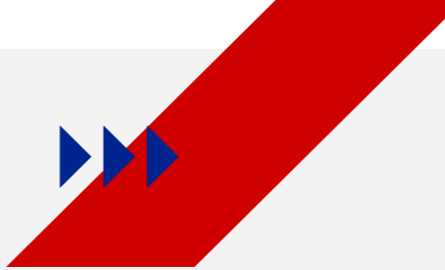
## Grievance Mechanisms

Gulf Bank is committed to the identification and addressing of negative impacts that the Bank's operations may have. The Bank's approach includes impact assessments, clear communication strategies and remediation plans, as required. Meanwhile, internal operations are continuously monitored for actual or for the risk of potential impacts, while encouraging responsible lending practices and actively managing risks associated with financed projects.

Employees have the opportunity to raise grievances with their Line Manager and complex internal complaints are escalated to higher levels of authority, with unresolved cases being directed to an Investigation Committee, which includes relevant parties. Recommendations from the committee are finalized in collaboration with General Managers before implementation. Grievances are confidentially logged in the system, accessible only to respective business partners. In 2023, Gulf Bank handled three cases concerning complaints related to lawful behavior, ethical matters, or legal concerns. The resolution time for these cases ranged from one to two weeks. Additionally, 10 cases involving legal matters were resolved within a timeframe spanning from two weeks to two months. Currently, the HR Team is developing an employee log to systematically track internal complaints. This initiative will be integrated into a new system to facilitate categorization by grievance type, ensuring comprehensive monitoring and recording.

In addition to internal grievance mechanisms, we collaborate with external stakeholders to address broader societal concerns influenced by the Bank's operations. We actively seek input from stakeholders through focus groups, surveys, and workshops to enhance the accessibility, effectiveness, and user-friendliness of the Bank's grievance processes.





External grievances can be reported through online channels via direct messages or comments which are promptly addressed by Gulf Bank’s Customer Care Team through a comprehensive monitoring system that covers the Bank’s social media platforms. To gauge the effectiveness of implemented external grievance mechanisms, we monitor resolution rates, response times, and stakeholder satisfaction. We regularly report on successful resolutions and improvements based on stakeholder feedback.

## Whistleblowing

Whistleblowing at Gulf Bank involves raising awareness or alerting authorities to perceived wrongdoing, misconduct, or unethical activities. Examples include actions that may negatively impact the Bank, breaches of internal rules, criminal offenses, fraud, threats to health and safety, deliberate concealment of malpractice, and legal or regulatory non-compliance. The Whistleblower Policy plays a crucial role in fostering the highest ethical standards and promoting a robust culture of corporate governance within Gulf Bank.

Implementing a Whistleblower Policy helps mitigate fraud, prevents reputational damage to Gulf Bank, addresses issues before they escalate, reduces financial losses, and enhances awareness. It also promotes an open culture within the organization, supported by campaigns to educate employees on whistleblowing protocols and reporting procedures.

Gulf Bank mandates compliance with applicable legal and regulatory requirements, reinforcing this expectation in its code of ethics and good conduct. Executive management ensures thorough communication of the Whistleblower Policy, emphasizing that employees should feel empowered to raise concerns without fear of retaliation. Oversight and implementation of the whistleblowing mechanism are managed by the Board Affairs Unit.

The Bank provides three reporting channels—letter, email, and Intranet—where employees can submit concerns which are accessed by the Chairman and Board secretary, ensuring prompt action within 24 hours and acknowledgment of receipt. Review and investigation timelines are dependent on the nature and severity of each concern, ensuring Gulf Bank conducts thorough examination and resolution. Gulf Bank’s Corporate Governance Manual, available on our website, includes details about the Whistleblower Policy, ensuring transparency and accessibility regarding this critical governance measure.

## Product and Service Labelling

In banking, we believe that adherence to stringent regulatory frameworks is essential to safeguard the financial system’s stability and integrity. Regulatory requirements encompass capital adequacy standards, risk management practices, anti-money laundering measures, and compliance with applicable laws and regulations. We believe that banks must meticulously navigate these regulations to ensure compliance, thereby maintaining stakeholder trust and confidence.

Transparency in product information is crucial as it provides customers with clear, detailed descriptions, benefits, costs, and potential risks. Transparent disclosures significantly influence customer decision-making processes.

At Gulf Bank we aim to deliver timely updates on product details like the renewal of Fixed Deposits (FDs) and interest rates as a part of the Bank’s service culture and to maintain accuracy of provided data. Updated customer contact information ensures timely and accurate communication regarding product information.

# 6.3 Risk Management

The Board-approved Risk Management policies and risk appetite framework establish the guiding principles for the Bank’s approach to managing risks, defining objectives, and organizing oversight structure. These policies and

procedures undergo periodic reviews and are adjusted as necessary to accommodate changes in products and market conditions.

Gulf Bank aims to enhance the effectiveness of risk oversight through the Board Risk Committee (BRC). The BRC plays a crucial role in monitoring risk issues facing the Bank and submits periodic reports to the Board. It ensures the autonomy and independence of the Group’s Risk function and reviews and recommends risk management policies and risk appetite to the Board for approval. The BRC specifically reviews high-risk and large exposures, as well as any exposures that deviate from normal lending criteria.

The Chief Risk Officer (CRO) heads the Risk Management Department and reports directly to the Board Risk Committee. Additionally, an Executive Risk Committee (ERC), chaired by the CRO, serves as the apex committee for Risk Governance at the executive management level. The Risk Management Department provides regular reports to both the BRC and ERC to ensure committee members are well-informed about risk exposures within the Group.

The following is an overview of the various categories of risk that may be faced at Gulf Bank:

- Market Risk
- Currency Risk
- Interest Rate Risk
- Equity Risk
- Liquidity Risk
- Operational Risk
- Credit Risk Exposure
- Gross Credit Risk Exposure
- Cyber and Information Security Risk

### Customer Risk Assessment Methodology

“ The Anti-Money Laundering (AML) Unit developed the Customer Risk Assessment Methodology (CRAM) to enhance the accuracy of risk assessment of the Bank’s customers. Previously, reliance was primarily on customer nationality. However, through collaboration between the AML and Data Teams, a more comprehensive approach has been established. This includes assessing risks based on factors such as occupation, industry, and account behavior. The objective was to implement a more accurate and robust customer risk assessment framework. This initiative has resulted in improved transaction monitoring and a focused approach on high-risk customers. Know-Your-Customer (KYC) updates now align more closely with the Bank’s processes, moving away from the previous practice of annual data collection based solely on nationality. ”

In accordance with CBK and CMA guidelines on sustainable finance, an official Request for Proposal (RFP) was issued by the Bank in Q2-2023 to engage experienced consultancy services for developing and implementing an ESG Risk Assessment Framework.

This initiative involved developing methodologies and a platform for assessing ESG risks, focusing on the evaluation of potential credit risks associated with a borrower’s ESG performance as part of ESG due diligence, particularly in credit risk assessments. The process involves reviewing the borrower’s ESG policies, performance, and their potential impact on the environment and society. A scoring methodology is being developed through a specialized platform to assess the borrower’s risk profile across Transitional, Physical, Social, Environmental, and Governance Risks.



The framework included developing models for ESG financing and establishing ESG lending programs and products along with monitoring tools. It also encompasses Climate-Change-Associated Risks and ICAAP requirements. Additionally, existing policies, procedures, and processes were updated to align with CBK's sustainability guidelines.

The risk assessment methodologies are designed to align with industry standards, such as the Sustainability Accounting Standards Board (SASB), Partnership for Carbon Accounting Financials (PCAF) Standards, and Kuwait's National Adaptation Plan (NAP). The scope of the management system covers geographical areas, business divisions, products and services, borrower types, and regulatory requirements. Implementation of these frameworks is scheduled for the future as currently there is no formalized system for assessing ESG risks.

ESG due diligence remains an integral part of the Bank's lending and capital market approval process. Key triggers are carefully set to encompass various parameters, such as the evaluation of the borrower's industry or sector and associated guidelines and geographical scope of the transaction. We also evaluate specific ESG concerns raised during an engagement with internal or external stakeholders. With the appointment of the Head of ESG in 2023, these triggers are being incorporated into the due diligence process. Gulf Bank has strengthened its commitment to ESG risk assessment through the BCGC to oversee the governance and oversight structures that will manage ESG risks. This proactive approach enables us to identify potential ESG risks and opportunities associated with transactions, facilitating informed decision-making and agreement on mitigating measures, promoting a culture of sustainability within Gulf Bank's operations. Finalization of these processes will follow the implementation of the ESG risk and assessment framework.

<p><b>Developing an ICAAP Integrated Climate Risk Assessment Framework</b></p> <p>▶▶▶</p> <p>The Risk Management Group has engaged an external vendor/consultant to develop a climate risk assessment framework, specifically integrated with the Bank's Internal Capital Adequacy Assessment Process (ICAAP) assessment framework, in alignment with the Bank's ESG strategy and regulatory mandates. The objective is to comprehensively evaluate how ESG factors impact the Bank's performance, financial stability, and risk appetite. Anticipated to commence implementation in the upcoming period, the designed model will also determine capital allocation for climate risk.</p>	<p><b>Credit Risk Framework for Sustainable Financing</b></p> <p>▶▶▶</p> <p>Through the Credit Risk Framework, Gulf Bank seeks to establish a comprehensive governance framework for sustainable financing initiatives, develop a credit risk assessment model specifically tailored to sustainable financing, and create a sustainable financing portfolio with clearly defined criteria, continuous monitoring, and periodic review.</p>
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Gulf Bank's exposure to these industries has not encountered any corruption-related charges. The Bank actively encourages businesses operating in these sectors to adopt robust compliance measures, conducts thorough due diligence on partners and suppliers, and prioritizes transparency and ethical business practices. Gulf Bank's exposure to regions scoring lower on transparency and corruption perception indices is minimal, accounting for less than 1% of the Bank's total portfolio.

Environmental risk within loan portfolio is evaluated using a weighted average approach based on industry-specific environmental considerations. Gulf Bank is planning to integrate environmental factors into its lending practices to support sustainable development and mitigate potential adverse impacts. We are currently developing

frameworks and models for systematically assessing environmental risks associated with industries categorized by North American Industry Classification System (NAICS) codes. Each client is assigned an ESG score reflecting their environmental risk profile. We additionally use a weighted average approach to calculate the environmental impact of the Bank's portfolio.

Operational Risk Management at Gulf Bank is structured around an Incident Reporting Framework aimed at effectively managing operational risks. This framework ensures timely reporting and assessment of incidents across the Bank's operations. Within the operational risk framework, Employment Practices and Safety is considered a crucial category under this domain. These risks are systematically assessed using the Risk Control Self-Assessment (RCSA) tool, which helps in identifying, evaluating, and mitigating potential risks proactively.

Business Continuity Planning (BCP) plays a pivotal role in response to identified hazards within the Bank's premises, ensuring preparedness and resilience in critical situations. Dedicated to conducting rigorous safety reviews and ensuring compliance with established safety protocols across various facilities, responsibilities are also managed by the Insurance Team to uphold the highest standards of safety and operational continuity within Gulf Bank.

Gulf Bank's Information & Cyber Security strategy roadmap has been updated to address the latest industry threats, ensuring ongoing implementation of a risk-averse strategy.

In 2023, Consumer Risk was considered in a comprehensive overhaul of the loan origination system as well as Cards, Loans (simple interest, Consumer and Housing), Portfolio purchase as part of Gulf Bank's core transformation strategy. The objective is to enhance monitoring capabilities throughout the entire end-to-end process, thereby strengthening risk management frameworks and improving operational efficiencies in consumer lending practices.

Additionally, Corporate Banking collaborates with Risk Management to assess the credit worthiness of the client, providing the relevant documents to evaluate potential risks and determine the conditions of financing, considering various criteria including ESG factors.

The debt collection procedure is managed by the Remedial Division within the Corporate Banking Department. This procedure outlines the legal steps necessary to recover outstanding debts owed to Gulf Bank. Alternatively, the Bank may seek to resolve debts through amicable settlements directly with clients. The Remedial Division comprises an advanced team with extensive experience and training in debt recovery procedures, ensuring adherence to established protocols.

A robust Third-Party Risk Management (TPRM) Policy has been implemented at Gulf Bank, covering suppliers and vendors. The TPRM Unit consistently conducts scheduled reviews of both new and existing third parties in accordance with established policy to minimize the Bank's risk through its supply chain and from dependent infrastructure supporting these vendors.

### Audit Function

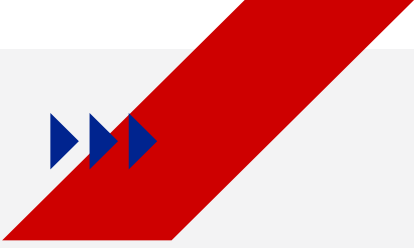
The Bank has established an Audit Committee composed of independent directors as required by regulatory standards. The Audit Committee consists of selected members from the Board, with executive management attending as invitees and not serving as Audit Committee members. The Audit Committee includes members who possess expertise in accounting and financial management, as well as substantial industry knowledge. Additionally, one independent Audit Committee member serves on the board of other companies.

Currently, the Internal Audit Team is involved in various external assurances, including the annual External Financial Audit, Internal Control Review (ICR), Cyber Security Framework Audit, and External Quality Assurance Assessment conducted every five years. Non-assurance services provided by external auditors are also managed upon request.

These functions are overseen by the Head of Internal Audit in coordination with the Board Audit Committee. When selecting, recommending, or nominating external assurance service providers, governance considerations include evaluating their reputation, experience, competencies, credentials, objectivity, and independence. Ensuring avoidance of conflicts of interest and maintaining communication with regulators, especially concerning appointment and







termination, are also integral to the process, guided by regulatory instructions and Basel Directives.

The audit scope in the routine assurance audit encompasses evaluating data management procedures to ensure data protection and privacy, integrated within the overall assurance audit framework. The frequency and scope of audits are as per regulatory requirements. Specialized assessments focusing on fraud risks and integrated risk assessments encompassing fraud-related aspects are currently underway. Conduct risks were reviewed in 2023, and additional audits in areas such as Corporate Credit Governance, and Customer Protection are planned to enhance operational integrity and regulatory adherence in the upcoming period.

As part of the Bank's internal audit process, it conducts investigations and special reviews on matters received through official channels of the Bank, such as whistleblowing, customer complaints, incident reports, or issues identified during routine assurance audits. Furthermore, other departments seeking internal audit insights and recommendations in selecting external assurances are encouraged to formally request advice from the Head of Audit.

## 6.4 Business Continuity Plan

We believe that business continuity planning is a critical process for banks to ensure the continuity or swift recovery of prioritized operations at predefined level, including customer services, in the face of adverse events such as natural disasters, technological failures, human error, or acts of terrorism. The primary objectives of a Business Continuity Plan (BCP) are to minimize financial losses, maintain services to customers and financial markets, and reduce the negative impacts that disruptions can have on strategic plans, reputation, operational integrity, liquidity, credit quality, market position, and regulatory compliance.

Disruptions to operations can occur suddenly and unpredictably, with varying degrees of impact. Given the pivotal role financial institutions play, it is essential that Gulf Bank's business operations are resilient and capable of minimizing the impact of service disruptions. This resilience is crucial for upholding public trust and confidence in Gulf Bank's ability to navigate and recover from such challenges effectively.

The Bank's Business Continuity Planning (BCP) Policy mandates regular execution of various BCP activities, including Business Impact Analysis (BIA), Threat and Risk Assessment (TRA), and continuous testing of continuity plans to evaluate their efficacy. Governance of the BCP program is overseen by the Internal Control Governance Committee (ICGC), which ensures ongoing development, implementation, and enhancement of the Bank's BCP initiatives.

To enhance operational readiness, we regularly update and test the Bank's BCP plans, ensuring employee readiness to activate BCP protocols during disruptions and maintain uninterrupted critical services for our customers. The Bank's approach includes conducting BCP testing, IT Disaster Recovery (DR) drills, and tabletop exercises on a regular basis. Issues identified through automated processes are promptly addressed to capture lessons learned and improve resilience.

We have implemented Key Performance Indicators (KPIs) to monitor critical aspects of the BCP program, tracking these metrics quarterly and reporting results to the Internal Control Governance Committee (ICGC). We consistently achieve established KPIs, reflecting Gulf Bank's commitment to maintaining robust business continuity capabilities. Efforts are underway to automate manual processes to enhance tracking and monitoring of gaps identified during BCP program implementation, further strengthening the Bank's ability to manage and mitigate operational disruptions effectively.





# 07

# Driving Sustainable Growth

Gulf Bank's central mission is founded on pursuing innovation that enables its customers to enjoy services, while sustaining the Bank's continued growth. As we continue to work towards delivering best-in-class experience for our customers, we also explore internal initiatives to boost innovation in the Bank's operations and service offerings. Alongside providing exceptional customer service, Gulf Bank considers cyber security as paramount to guarding stakeholder trust. In this section we look at Gulf Bank's comprehensive data privacy and cyber security measures, the Bank's range of products and services, digital transformation in operations, and innovation pathways.

Alignment with UN Sustainable Development Goals (SDGs):



Alignment with New Kuwait Vison:  
Global Positioning  
Sustainable Diversified Economy





## 7.1 Data Privacy and Cyber Security

Information security and data privacy and protection policies encompass Bank assets, data, staff, subcontractors, and third parties engaged by the Bank. Policies and procedures related to IT, data privacy, information security, and cyber security are accessible to Gulf Bank employees through the Intranet. The Bank conducts both internal and external audits of Information Security policies and systems, following a structured plan throughout the year. Policies at Gulf Bank include Information & Cyber Security Policy, Data Classification Policy, Email Security Policy and the Data Privacy Policy. The Bank's risk appetite for Cyber and Information Security risk is low, with the Bank's environment being structured to follow the management approved strategy of highly risk-averse to Cyber and Information Security risk.

The Data Protection Policy at Gulf Bank governs the processing of personal data, whether stored electronically or in physical records, across any media. This Policy applies universally, encompassing personal data managed both as a data controller and as a processor on behalf of the Bank's customers. Gulf Bank's Data Protection principles are fair, allowing for lawful, transparent and secure processing, limiting the purpose for the use of personal data, minimizing volume of data stored and ensuring accuracy of data.

Within the Bank's Data Privacy Policy framework, individuals are granted specific rights regarding the control of their personal data.

Firstly, individuals have the right to be informed about how their data is processed, ensuring transparency in data-handling practices. Secondly, individuals possess the right of access to data upon request, enabling them to obtain confirmation of whether their personal data is being processed or not. Additionally, individuals maintain the right to rectify any inaccuracies or incomplete information within their personal data. Furthermore, individuals have the right to request the erasure of their personal data, allowing individuals to request the deletion or removal of their data when there is no compelling reason for its continued processing. Lastly, individuals hold the right to restrict the processing of their personal data, placing limitations on how their data is processed under specific conditions. These rights underpin Gulf Bank's commitment to safeguarding individuals' privacy and ensuring compliance with data protection regulations, promoting trust and transparency in data-handling practices. The following selection of standards and frameworks to which Gulf Bank adheres, demonstrates its dedication to data security, regulatory compliance, and operational excellence in the banking sector:

1. Central Bank of Kuwait's (CBK) Cybersecurity Framework
2. Payment Card Industry's Data Security Standard 3.2.1 (PCI-DSS)
3. ISO 27001: Information Security Management System
4. ISO 20000:2018 Service Management Certification
5. Society for Worldwide Interbank Financial Telecommunication (SWIFT) Customer Security Program
6. Central Bank of Kuwait's (CBK) Capital Adequacy Standard - Basel III
7. International Financial Reporting Standards (IFRS)-9

### Data Protection Impact Assessment

Data Protection Impact Assessments (DPIAs) are utilized to identify and evaluate the risks associated with the processing of personal data, as well as the measures and controls that can be implemented to mitigate these risks effectively. Currently, these DPIAs are conducted for ongoing and new projects to ensure these projects remain risk free and to mitigate areas of high or medium risk.

In addressing concerns surrounding customer data privacy, Gulf Bank has developed a comprehensive Data Processing agreement aligned with CBK's Privacy Framework and CBK's Customer Protection Manual. This agreement delineates

the protocols and safeguards for processing and protecting customer data. Similarly, recognizing employee data as a sensitive area, we have established specific guidelines and procedures outlined in the Employee Privacy Notice.

The Bank's systems are structured with Maker/Authorize levels, ensuring strict access controls. Gulf Bank staff members are well informed about the confidential nature of the data they handle.

Gulf Bank's commitment to Data Protection and Privacy extends to the Bank's suppliers through a robust Third-Party Risk Management (TPRM) process integrated into supplier management protocols. Every third-party agreement undergoes a Data Privacy Impact Assessment, a process coordinated among the Bank's Data Office, Legal Team, and Facilities Department.

Utilized Data Protection Impact Assessments encompass any external or third-party involvement in data processing and handling, adhering to the Bank's comprehensive Data Protection Policy that covers aspects of data privacy and security.

To increase awareness and compliance, Gulf Bank conducts multiple rounds of annual training on data protection and customer confidentiality security. The training content is tailored to the specific roles of staff members and suppliers, ensuring comprehensive coverage across various topics pertinent to their responsibilities.

### Access Control and Cyber Incident Response Plan

Access control and protection of sensitive data at Gulf Bank is ensured through Role Based Access Control (RBAC), where core and peripheral systems are structured and controlled according to access permissions defined by business owners. Data encryption technologies are employed to encrypt information within these systems, adhering to data classification policies that dictate the level of encryption based on data sensitivity.

The Bank maintains a tested Cyber Incident Response Plan to promptly address alerts of malicious or potentially malicious activity. This plan is executed regularly by the Cyber and IT Teams, who respond to incidents based on their severity. Vulnerabilities identified within the Bank's systems are managed through a defined procedure by Information Security (IS) Teams, prioritizing fixes based on severity and urgency. IT Teams fix these vulnerabilities in compliance with the agreed Service Level Agreement (SLA). Progress on addressing these vulnerabilities is tracked and escalated by the IS Team as necessary during management steering forums.

To strengthen its cyber security readiness, the Bank has established a structured Cyber Incident Response and Data Breach Plan aligned with Central Bank reporting requirements. A crisis committee, led by the Chief Information Security Officer and Cyber Security Head, oversees incident management and response efforts, ensuring a coordinated approach to handle cyber security incidents effectively.

In 2023, Gulf Bank detected eight attack vectors, primarily involving reconnaissance activities on external networks. Despite these events, there were no privacy breaches or data security incidents reported during the period. Regular reviews are implemented to track the effectiveness of data privacy and cyber security measures. These reviews involve a thorough assessment and evaluation of the current policies and procedures in place to ensure they are aligned with the evolving threats and regulatory requirements.

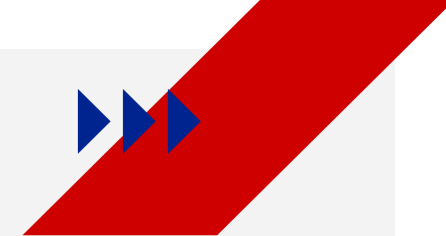
### Highlighted Achievements

Gulf Bank oversees privacy and data security matters through the Technology Risk and Information Security Committee (TrisCom). Moreover, the Data Protection Officer position was filled by the Bank in 2023.

**Percentage of customer data lost** —————>>> **0%**

**Number of incidents of data breach or loss of customer data** —————>>> **0 incidents**





## 7.2 Digital Transformation and Innovation in Business

We aim to be truly ahead of the curve, and as part of this vision, we are going through a digital transformation where the Bank's core banking system has been upgraded, allowing not only high efficiency levels and efficient operating costs- but also positioning the Bank to integrate new technologies to modern systems.

### Strategy for Business Innovation

Gulf Bank seeks to drive change through innovation, aiming to capture customers by aligning innovation efforts with strategic opportunities and threats. We foster a culture of innovation across the organization, encouraging employees to contribute ideas through open channels and an annual innovation tournament. The Bank's focus is on developing strategies and prototype ideas that enhance existing and potential customer experiences across channels. This includes leveraging new technologies, services, or products to reduce transaction friction and create new value propositions that may lead to innovative revenue models. The Bank's various initiatives include:

1. Optimizing and personalizing digital experiences across various channels using data-driven insights and advanced tools.
2. Exploring innovations in branchless distribution channels, making Gulf Bank accessible on emerging technologies and platforms to better serve customers.
3. Engaging customers effectively on digital platforms, ensuring an optimized user experience that meets evolving expectations.
4. Future-proofing skills and encouraging widespread participation in innovation, with pathways established for Bank-wide involvement.

### Gulf Bank's Innovation Initiatives

Innovation is crucial at Gulf Bank as it drives the development of cutting-edge ideas, digital solutions, and enhanced customer experiences. Embracing innovation allows the Bank to stay competitive, streamline operations, and meet the evolving expectations of customers in an increasingly digital world. Here are some of the key innovation initiatives launched by Gulf Bank in 2023.

**Fekrety Innovation Tournament** - Gulf Bank launched the first edition of the tournament, an initiative which was designed to stimulate and drive innovation across all employee levels. By providing a platform for employees to present their ideas, regardless of their stage of development, the objectives of this tournament have been to enhance customer experience, boost employee satisfaction and engagement, and benefit the broader community.

This initiative aligns with Gulf Bank's strategic goals and Kuwait's Vision, which prioritizes the adoption of new technologies and the development of creative services to drive economic growth and improve the lives of Kuwaiti citizens. Empowering employees to actively contribute to the Bank's innovation efforts, participants receive comprehensive support, including an 'Innovation 101' workshop, an innovation playbook, and access to video training via a Quick Response (QR) code. They also receive guidance on idea development and coaching on how to effectively pitch and present their ideas.

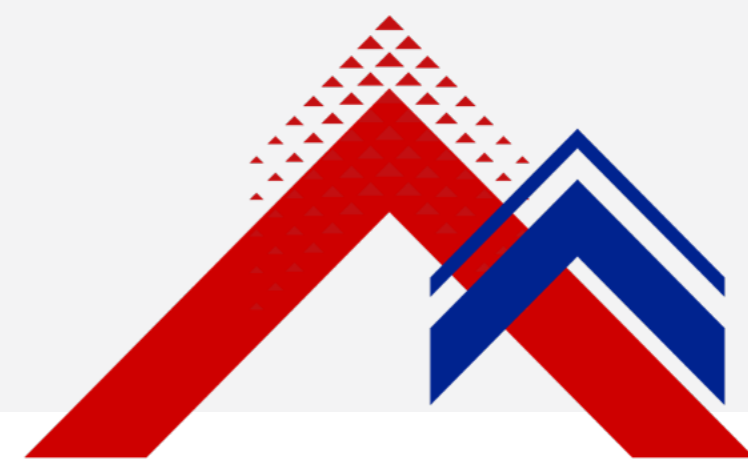
The tournament is structured to encourage broad participation, demonstrating Gulf Bank's commitment to fostering a decentralized innovation pipeline. It emphasizes collaboration and agility, particularly among frontline staff, to create an empowered workforce. In 2023, the tournament received 140 submissions, with 30 ideas selected as finalists. Attendees had the opportunity to vote on which ideas they wished to see developed and implemented.

Gulf Bank plans to conduct this initiative annually, underscoring its vision to become Kuwait's leading bank of the future and in alignment with Kuwait's Vision goals of digital transformation and innovation. Currently, we have two ideas already implemented and six in active development.

**Digitization Initiative** – In March 2023, Gulf Bank's Credit Review Department initiated the electronic distribution of Credit Committee proposals as part of the Bank's digitization efforts and to eventually become paperless. This transition aims to reduce paper consumption and energy costs, while supporting environmental sustainability goals by minimizing carbon footprint and ecological impact. Beyond cost savings, the move enhances data security and enables automated tracking and reporting capabilities. Furthermore, these initiatives contribute to improved operational efficiency, data security, compliance, and are aligned with the Bank's digital transformation strategy and stakeholder expectations.

**Digital Library (Phase One)** - The digital library initiative stemmed from the Fekrety innovation tournament, and aims to transform how Gulf Bank employees access information about the Bank's products and services. Previously, employees relied on a dense and hefty manual that posed challenges in navigation and usability. The digital library now offers a streamlined and user-friendly interface, consolidating essential information and scattered resources into a single, easily accessible platform. This enhancement enables employees to swiftly retrieve and understand vital details about the Bank's offerings, thereby improving customer service efficiency.

To ensure a centralized repository for Gulf Bank's products, services, resources, and relevant information, a dedicated section has been integrated into the Intranet. This digitized resource is updated regularly by page owners or stakeholders, with automated reminders for updates and clear visibility of modification dates. This real-time accessibility ensures that Gulf Bank employees have quick and efficient access to up-to-date information, enhancing service delivery and transaction efficiency. Currently, phase two of the digital library is under development, incorporating additional features based on user feedback. These include embedded calculators, a resource calendar, and other functionalities identified through ongoing user engagement sessions. This evolution aims to further streamline access to information and empower employees with the tools they need to serve customers effectively.





## Enhancing Data-driven Decision-making with Tableau



Gulf Bank has successfully implemented Tableau, a leading data analytics and visualization tool, across its workforce to empower employees in making informed, data-driven decisions. This initiative is part of Gulf Bank's broader commitment to invest in its people by enhancing their data literacy and aligning with the Bank's Data Analytics Framework.

The adoption of Tableau represents a significant step forward in advancing the Bank's data science and innovation capabilities. By equipping employees with interactive dashboards and comprehensive reports, Tableau facilitates quick and effective decision-making. This move supports the Bank's goal of fostering a data-centric culture and driving value through robust data practices.

To complement the roll out of Tableau, Gulf Bank organized 'Tableau Days,' featuring workshops led by Tableau executives and industry experts. These sessions provided valuable training, addressed queries, and reinforced best practices, encouraging employees to embrace and excel in a data-driven environment.



### Case Study: New Gulf Bank Mobile App

The launch of the new Gulf Bank mobile app on September 9, 2023 marked a significant milestone in the Bank's commitment to advancing mobile banking technology. This ambitious project aimed not only to keep pace with technological developments, but also to exceed expectations by introducing enhanced services, expanding transaction capabilities, and ensuring a seamless user experience.

#### Key improvements included:

1. Elevating the customer service experience on the mobile app.
2. Enriching the app with additional features and services.
3. Adding new layers of security, such as biometrics, Personal Identification Number (PIN) codes, patterns, integration with Kuwait mobile identification (ID), One Time Password (OTP) generation, and a new beneficiary cool-off period.
4. Introducing personalized features including nickname customization and enabling profile picture changes.
5. Optimizing performance by fixing issues, with 2023 having a total of 6 new releases to achieve better user feedback and significantly improve app ratings.

The redesign of the Gulf Bank mobile app focused on reducing transaction times and simplifying user journeys based on extensive usability studies and feedback gathered from employees internally and from the community through social media. As a result, we have not only increased user count, but the application's rating has increased from 1.8 stars to 4.8 stars on the AppStore, giving an indication of user satisfaction and approval. The mobile app introduced the Pre-Login and Pay link feature allowing users to send and pay links swiftly without needing to log in to their account, thereby streamlining transactions. Currently, Gulf Bank stands out as the sole provider of this service, ensuring users set their primary account initially for security before accessing the pre-login pay link.

The app successfully hosted the pre-login pay link, fulfilling Gulf Bank's promise to provide a simple, rapid, and convenient transaction method that can be completed in under a minute. Gulf Bank is pioneering in offering this unique feature, which was extensively promoted through tutorials and feature posts across social media platforms.

Additionally, the pre-login pay link feature includes clear limits, empowering clients to check and utilize the feature with ease. This achievement aligns with the Bank's goal of not only delivering swift, easy, and secure transactions through the Gulf Bank mobile app, but leading the way in business innovation and digitization.

### Case Study: Selected Initiatives in Consumer Banking

In 2023, Gulf Bank introduced a series of innovative initiatives aimed at enriching its product offerings and enhancing customer engagement. Among these were Google Pay, Easy Pay Plus, and exclusive Rose Gold offers tailored for women. Furthermore, new payment solutions like Dynamic Currency Conversion (DCC), the CyberSource Payment Gateway, and Mobile Payments on the Master Payment Gateway Services (MPGS) were integrated to enhance convenience and security across transactions. Notably, Gulf Bank pioneered the Point of Sales (POS) contactless Europay, Mastercard, and Visa (EMV) refund service, distinguishing itself as the sole provider in the market offering this instant refund capability.

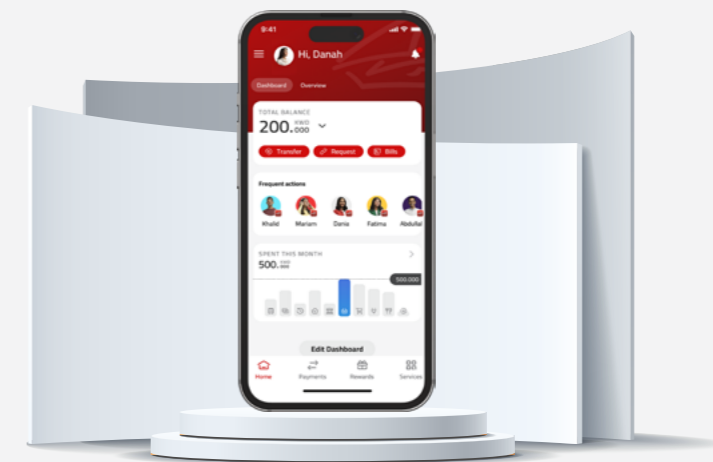
The objectives behind these initiatives were multifaceted as Gulf Bank aimed to stay competitive by offering innovative products and services while generating interest and increasing positive word-of-mouth. These efforts were designed to amplify the value proposition of Gulf Bank's Credit Card products, boosting their usage and expenditure among customers. The initiatives were geared towards increasing customer engagement, overall customer experience and satisfaction. Additionally, the Bank sought to expand its merchant acquisitions by providing added value through enhanced services. Ensuring full transparency in customer transactions, especially when opting for features like DCC, was prioritized to maintain trust and loyalty. Finally, Gulf Bank focused on enhancing payment security across its platforms, reflecting its commitment to providing safe and reliable financial solutions.

To promote digitization in daily operations and enhance brand presence, Gulf Bank's marketing and Corporate Communications function utilizes a cloud-based customer experience management solution. The platform provides capabilities, such as real-time market insights, risk mitigation, reduction in content cost, and enhancement of social engagement as part of its suite, thereby driving revenue growth and delivering superior customer experiences.

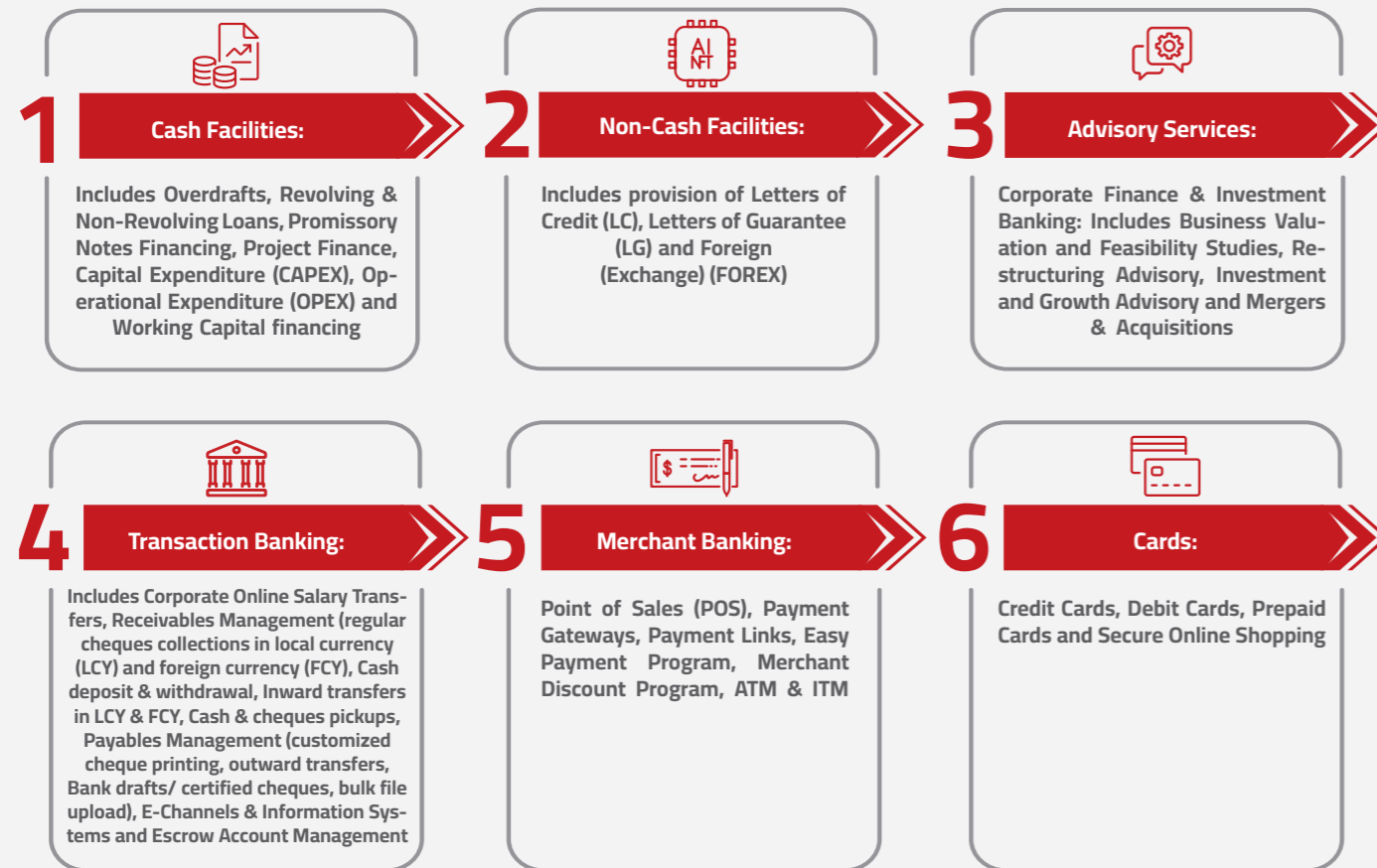
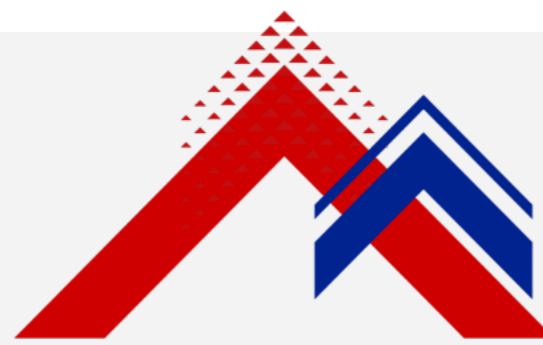
## 7.2.1 Products and Services

In Gulf Bank's mission to provide simple and innovative services for customers, the Bank boasts an extensive network of 51 branches strategically located across Kuwait. Ensuring unparalleled accessibility, we have 230 Automated Teller Machines (ATMs), 14 Interactive Teller Machines (ITMs) and 71 Cash Deposit Machines (CDMs) installed, enhancing convenience for our valued customers. These branches are thoughtfully designed to meet the diverse needs of the Bank's clientele, delivering personalized services that are tailored to their specific requirements.

In this part of the report, we showcase Gulf Bank's comprehensive range of products and services across multiple business segments, encompassing Corporate Banking, Consumer Banking, Investment Banking, and Treasury.



## Corporate Banking



### Support for Contracting Sector Companies:

Gulf Bank has established an industry-focused relationship team to cater to companies within the contracting sector. Alongside comprehensive Corporate Banking services, these companies benefit from:

1. Project Support Services: Including bonding and guarantees, Letter of Credit (L/C) refinance, and specialized contract financing to facilitate tender bidding and project execution.
2. Technical Advisory Team: Comprising Engineers and Technical Consultants who offer tailored advisory services. They assess project risks and assist clients in risk mitigation strategies.

This initiative aims to empower contracting sector companies with tailored financial tools and strategic advisory support for enhanced project success and risk management.

### Strategic Partnerships in Green Financing

In the Bank's efforts to support sustainability and community development, Gulf Bank has facilitated green loans for several prominent companies, including Ulker, Bapco Energies, Bahrain Steel, and Qatar Holding. These initiatives represent substantial partnerships that underscore the Bank's dedication to environmental responsibility. Gulf Bank has collaborated on syndicated loans alongside a consortium of regional and local banks, fostering increased job opportunities, engagement, and collaborative efforts within the community.

### Case Study: Corporate Banking Financing Program – Support for Kuwait National Mega Projects

Corporate Banking at Gulf Bank actively contributes to community development through its robust financing initiatives. The Bank has supported numerous Kuwait National Mega projects that significantly benefit the community, including:

1. Soil Remediation Project: This project addresses the aftermath of the Gulf War's environmental impact, specifically the cleanup of over two million square meters of oil spills and contaminated soil in Kuwait. It aims to restore natural beauty through environmentally friendly and cost-effective methods.
2. Construction of Oil Flowline Network Projects: Improvements to the oil flowline network in Umm Niqa and South Ratqa include underground piping and corrosion-resistant materials, reducing emissions and enhancing operational safety while adhering to ESG principles.
3. Civil works for the Ministry of Electricity and Water's (MEW) project in Sabah Al Ahmad and Khairan areas to enhance electrical infrastructure for new housing developments.
4. Construction, Upgrading and Maintenance of Roads and Bridges: Conducted on AIMutlaa main road, to improve connectivity, accessibility to emergency services, general road safety and boosting economic development
5. Infrastructure Projects: Infrastructure works including construction of underground freshwater tanks to support large-scale mixed-use initiatives in Ahmadi, Jaber Al Ahmad City, Southeast Sabah Al Ahmad, and AIMutlaa.
6. Construction of residential facilities for construction workers.
7. Construction of Al Shaheed Park Phase 3: Featuring diverse attractions aimed at local engagement and community entertainment, Phase 3 of Al Shaheed Park focuses on climate resilience and sustainability, incorporating renewable energy solutions and biodiversity preservation to enhance CO2 rehabilitation and withstand extreme weather.
8. Al Fahaheel Sports Club: Construction, completion and maintenance of football stadium and sport hall at Al Fahaheel sport club.
9. Kuwait International Airport Terminal 2: Consultancy services for construction of the new passenger building (T2), parking and tunnels at Kuwait international airport

The Bank's financing primarily supports initiatives that adhere to regulatory frameworks and contribute positively to national development goals. These initiatives also underscore Gulf Bank's commitment to improving community well-being and quality of life through strategic financing partnerships.

## Consumer Banking

Consumer Banking at Gulf Bank focuses on enhancing the banking experience through innovative products and payment services. The Bank's offerings include competitive and rewarding debit and credit cards, prepaid cards, and corporate cards. Additionally, Gulf Bank provides a wide array of account options tailored to specific needs, including accounts designed for youth and children. As a part of encouraging customers to lower their GHG emissions, we specifically offer auto loans for electric cars. Various other loans options include consumer loans, Al-Afdal loans, and Cash collateral loans.

Digital Banking within Consumer Banking prioritizes seamless, personalized, and secure banking experiences. Central to this strategy is Gulf Bank's mobile app, which is designed to deliver an intuitive and secure banking experience tailored to individual customer needs.



**Case Study:**  
**Gulf Bank Introduces Interactive Self-Service Banking**

As part of its 2025 strategy and digital transformation initiative, Gulf Bank has entered a strategic partnership with NCR to introduce self-service banking through Interactive Teller Machines (ITMs) and ATMs. These services will enable customers to perform a wide range of transactions traditionally handled at branches, enhancing their interactive banking experience.

Gulf Bank aims to revamp its network of ATMs and ITMs to be self-managed. This transformation includes implementing an in-house ATM Driving Payment Switch, utilizing CX Banking and NCR ATM Marketing solutions from NCR.

NCR's solutions will empower Gulf Bank ATM users with comprehensive digital services throughout the day, simplifying access to banking services and saving time. These services encompass updating civil ID data, bill payments, depositing bank cheques, PIN changes, debit card activation, intra-bank and interbank transfers (both locally and internationally), and credit card payments. Customers using cards issued by other banks will also be able to perform select transactions such as cash withdrawals and balance inquiries. Additionally, the NCR ATM Marketing solution enables Gulf Bank to conduct targeted and personalized marketing campaigns on a larger scale through the self-service machines. This capability allows the Bank to identify user segments and deliver promotional messages directly on the ATM and ITM screens, ensuring customers receive relevant services and solutions tailored to their needs.

### AIDanah Millionaire Grand Prize Raised to KD 2 Million

“ In celebration of the 25th anniversary of the AIDanah account, Gulf Bank has increased the annual grand prize for the AIDanah account from KD 1.5 million to KD 2 million, establishing it as the world's largest cash prize linked to a bank account.

Since its inception in 1998, the AIDanah Millionaire account has been demonstrating Gulf Bank's commitment to promoting a culture of savings. It is widely regarded as one of the most rewarding and prestigious savings accounts in Kuwait, offering draws on a monthly, quarterly, semi-annual, and annual basis. This initiative, in line with CBK's directions, has successfully promoted a culture of saving, creating numerous millionaires throughout the years.

”

### Treasury

The Treasury Department optimizes the Bank's balance sheet efficiency, ensuring robust liquidity management, supporting asset growth, and maintaining adequate buffers to comply with regulatory requirements. It oversees cash flows, liquidity, and strategic fund allocation at competitive rates. A key priority is securing sufficient funding to sustain loan growth while adhering to the Central Bank of Kuwait (CBK) regulations and internal limits. To achieve this, Treasury has diversified funding sources through active engagement in local and regional markets, resulting in the acquisition of new Gulf Bank customers.

Products and services include:

1. Foreign Exchange: Spot transactions, Outright Forward transactions and foreign exchange (FOREX) swap transactions
2. Services for financial institutions: Competitive pricing for local and major currencies in the spot, forward, and swap markets, money market - borrowing and lending, including Islamic Murabaha and Wakala and Issuance of Bonds

As a part of Gulf Bank's digital transformation initiative, Treasury upgraded its Front Office System to a state-of-the-art platform and have improved the straight-through processing function which is an automated payment processing system. We believe that these enhancements have not only led to improved efficiency, streamlined processes, and increased overall productivity but also laid the foundation for the future launch of new products and risk management tools.

### Investments

Gulf Bank Investments provide comprehensive fiduciary services, including portfolio management, custody services, investment advisory, and acting as a licensed selling agent under the Kuwait Capital Markets Authority.

We believe ESG criteria to be integral to the Bank's investment strategy. Currently the target is for 0.5% of all investments to fulfill these criteria. This target will be reassessed annually, allowing for adjustments as needed. Real estate portfolios marketed to clients typically feature financing ranging from 61% to 63%, aligning with market norms. Current investments do not have Building Research Establishment Environmental Assessment Method (BREEAM) or Leadership in Energy and Environmental Design (LEED) certifications due to the specific type and strategy of the Bank's real estate portfolio.

### Selected Achievement in 2023

“ Gulf Bank announced the completion of the subscription period of the Bank's capital increase through rights issue successfully, with a 686.3% subscription coverage, totaling KD 411.8 million in comparison to issuance size of KD 60 million.

”

## 7.3 Customer Experience

At the heart of Gulf Bank's mission is a steadfast commitment to customer-centricity. The Bank aims to prioritize the needs and aspirations of customers in the decisions we make. Customer satisfaction serves as a paramount indicator of success and to achieve this end, we try to actively engage with our customers, continuously seeking their feedback on the Bank's services, products, and channels to drive ongoing improvements.

### Customer Satisfaction

Customer satisfaction metrics are gathered through various channels including phone surveys. These surveys target priority, preferred and new customers who have red and salary accounts. Additionally, an annual Customer Experience (CX) survey assesses satisfaction across different service channels. Customer satisfaction with Gulf Bank's online mobile banking app is evaluated through reviews and ratings on App Store and Play Store platforms,

supplemented by an internal feedback feature for direct customer input. Oversight of financial product and customer service reviews falls under the purview of the Product and Procedure Committee, along with the Executive Product Committee which regularly monitors both pending and resolved cases.

**In 2023, the average waiting time for customer center contacts was 14 sec.**

**Net Promoter Score (NPS) for Products and Segments for 2023 is 42**

## Communication with Customers and Complaint Handling

Clients can raise complaints through branches or the Call Center, which are then forwarded to the Complaint Hub for follow-up and escalation is shared to relevant departments. Complaints are managed centrally by the Complaint Hub, ensuring swift resolution with automated escalation for any delays. The average turnaround time for resolving issues including K-net and salary related issues, which are received by the Complaint Hub, is five working days.

Information provided to customers via the website, flyers, and social media regarding products and services adhere strictly to CBK requirements, including details on fees and commissions, minimum opening balances, and salary requirements for loans and credit cards. Comprehensive information on fees and commissions is accessible both in branches and on the website, while loan criteria are outlined clearly on the website. Customers are fully informed of product details by staff during the application process. The Bank has maintained full compliance with product and service information and labeling requirements, with zero incidents of non-compliance reported.

## Loan Modification

The Bank currently provides options for loan modifications to assist clients facing exceptional financial challenges. These options include reducing interest rates to lower monthly or quarterly payments, extending the loan term if clients are unable to meet specified payment periods, deferring principal payments and adjusting repayment plans. Additionally, the Bank can restructure facilities to further support clients facing financial difficulties. Customers always have access to escalation options, allowing them to raise concerns to the relevant Division Head or General Manager.

The 2023 Annual Report has provided additional disclosures, covering the Bank's Business Model, shareholder information, CEO message, expanded corporate governance disclosures, sustainability initiatives and employee activities.

## Defining Customer Experience through Digital Banking

Gulf Bank's digital banking mobile app has a profound impact on the customer experience, enhancing convenience and playing a relevant role in the current digital environment, thereby boosting the Bank's reputation. The ratings garnered by the Bank's mobile app on app stores, social media platforms, and word of mouth have shown that personalization and efficiency are crucial for elevating customer satisfaction levels. Security concerns remain a focal point for customers, although Gulf Bank ensures compliance with CBK regulations and employs customized security layers to safeguard financial interests.

Gulf Bank maintains consistent policies aimed at enhancing customer experience through its comprehensive digital transformation initiatives. These efforts focus on optimizing services, improving features, and reinforcing security measures in line with CBK guidelines. Effective communication ensures that Bank departments are well-informed about app functionalities and updates promptly.

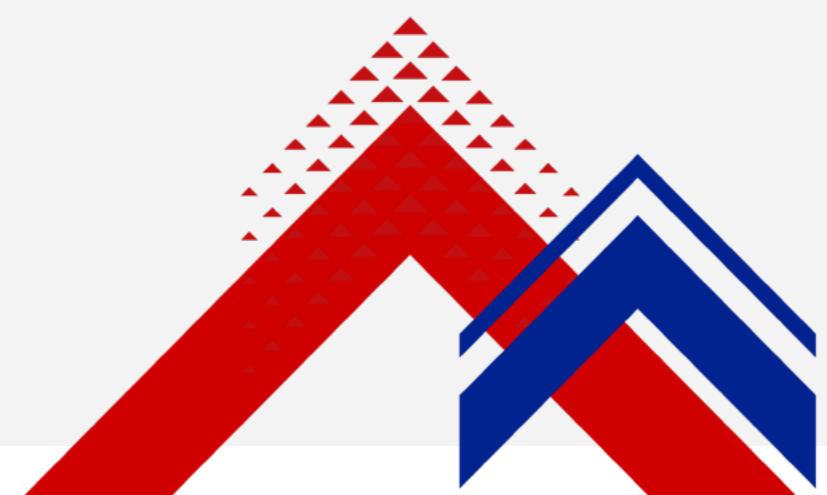
Additionally, the Digital Banking Team actively engages with customers to address feedback and resolve issues promptly. They value positive feedback and actively seek suggestions for further improvement, continuously striving to enhance customer satisfaction and refine service delivery. Regular monitoring of app ratings and feedback across social media platforms, feedback as collected by Relationship Managers and customer care channels ensures quick and professional responses to customer concerns and queries.

## Gulf Bank's Focus on Accessibility - Sign Language Interpreting Services

“ In alignment with the CBK's directives and its commitment to integrate sustainability principles into society, Gulf Bank has partnered with SignCom. This collaboration introduces instantaneous sign language translation services and Video Relay Services (VRS) at six branches, enhancing communication accessibility for individuals with special needs. ”

Providing customers with a superior experience has built Gulf Bank's strong brand reputation and we believe that integrating ESG initiatives with the Bank's core values, ensuring transparency in communications and fulfilling commitments will take us further in Gulf Bank's sustainable growth. We aim to actively involve customers, employees, and communities in discussion, especially with an ESG focus, to not only foster the Bank's brand image but to serve customers as well. Gulf Bank's Data and Innovation Team plays a pivotal role in achieving customer-centricity across channels and products, leveraging data and insights to develop new products and tailored service offerings. The Bank's strategic focus includes maintaining an innovation framework, fostering a culture of innovation, and utilizing digital analytics to identify new opportunities for innovation.

In an interconnected world, Gulf Bank's initiative towards digital transformation is crucial. Banks must either adapt or risk falling behind. This transformation positively impacts the economy by promoting sustainable technology, the environment by reducing paper usage and moreover, enhances customer satisfaction through personalized, connected experiences. Innovation drives economic growth, particularly in sustainability and environmental sectors, fostering advancements in renewable energy and efficient technologies.





08

Annex ▶▶▶







## 8.1 Employee Training Courses Provided in 2023

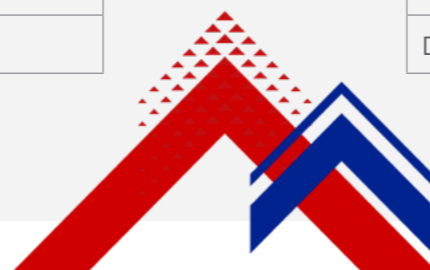
Training Courses provided in 2023
Anti-Fraud Awareness
CSE Branches Induction- February
2023 SOC Survey-Highlights and Deep Dive with Speaker Christopher Crowley
Accelerating Women's Leadership with HEC Paris
Accounting for Non-Accountants
ACI Dealing Certificate Course
Agile Auditing Vs. Traditional Auditing
Ascending to the C-Suite; from Theory to Practice
Aspiring Leaders
ATD Training & Facilitation: The ATD Premier Train the Trainer Program
AUM Global Symposium for Entrepreneurship Educators
Azure: Security Operations Management
Banking Confidentiality
Basel III/Basel IV
Basic Business English Course - Intro
Basic Business English Course - Level 1
Basic Business English Course - Level 2
Basic Business English Course - Level 3
Become A Certified Global Human Resources Implementer (Core HR) Certification
Blockchain Essentials
Branches CSR Induction
Branches SCSR Certification
Business Decisions
Business English Program - Virtual
Business Strategy
Business Writing

Calculus for Machine Learning and Data Science
CCC Rotation
Car Transport App in Figma
CCC SCSR certification
Certificate in Credit Management Program-CCM 2023
Certified Bank Relationship Manager for High-Net-Worth Customers (CBRM)
Certified Bank Branch Manager (CBBM)
Certified Anti Money Laundering and Financial Crimes Prevention Professional (CAMLFC)
Certified Assistant Bank Branch Manager (CABBM)
Certified Bank Wealth Manager Program (CBWM)
Certified Bank Branch Operations Manager (CBBOM)
Certified Compensation & Benefits Professional
Certified Forensic Accounting
Certified Quality & Accreditation Manager
Certified Islamic Specialist in Risk Management
Certified Forensic Accounting Analyst (CFAA)
CIPD – Strategic Workforce Planning
Certified Internal Auditor (CIA) Exam Preparation Training Program "Recap"
Championing Women's Leadership: Empower, Excel & Elevate Masterclass
Chief Risk Officer Program - Wharton Executive Education
Combating Money Laundering and Terrorist Financing
Cloud Computing Basics (Cloud 101)
Cloud Application Security
Cloud Technologies and Services
Corporate Governance
Corporate Credit Analysis
Communication, Coordination and Leadership



Combating Money Laundering and Terrorist Financing Law
Core Products
Consolidated Financing Processes and its Applications in Accordance with Approved Sharia Standards
Combating Money Laundering and Terrorist Financing Law
Corporate Online Banking Platform Workshop
Corporate Orientation
Coursera: Adaptability and Resiliency
Coursera: Auditing I: Conceptual Foundations of Auditing
Coursera: Auditing II: The Practice of Auditing
Coursera: Accounting for Decision Making
Coursera: A Start Guide: Product Marketing Using G Suite
Coursera: Data Visualization with Tableau
Coursera: Brand Management: Aligning Business, Brand and Behavior
Coursera: Successful Presentation
Coursera: Applying Data Analytics in Accounting
Coursera: Oracle Database Foundations
Coursera: Oracle Database Platform
Coursera: Oracle SQL Basics
Coursera: Emotional and Social Intelligence
Coursera: Design Thinking for Innovation
Coursera: Building Your Leadership Skills
Coursera: Optimization for Decision Making
Coursera: Risk governance: Manage the Risks
Coursera: Data Analysis and Visualization
Coursera: Introduction to Risk Management
Coursera: Business Strategy
Coursera: Marketing Analytics
Coursera: Building Deep Learning Models with TensorFlow
Coursera: Leadership Skills
Coursera: Create a budget with Microsoft Excel

Coursera: Derivatives - Options and Futures
Coursera: OKR Certification: Leadership and Goal Setting
Coursera: Excel for Beginners: Beginner Functions
Coursera: Excel Skills for Business: Advanced
Coursera: Strategic Planning and Execution
Coursera: Essentials of Entrepreneurship: Thinking and Action
Coursera: Excel Basics for Data Analysis
CPM - Chartered Portfolio Manager
Crisis Management & Business Resilience and Continuity
CROs technical & Soft Skills Workshop
Cryptocurrencies and Blockchain (Artificial Assets) Awareness
Cyber Security Challenges Conference
CPR & 1st Aid
CRO Certification
Cyber Security Leaders
CRO Certification
Creative Problem Solving
Credit Risk Management: Frameworks and Strategies
Dealing with Customer Complaints
Digital Marketing Professional Diploma (DMI)
Driving Sustainable Finance: Green Bonds/Sukuk, ESG Insights, and Financing Solutions
Dynamic Presentations in English
English for Customer Service
Digital Mindset - HEC Paris
Data Analytics & Visualization
Economics for Bankers
Financial Acumen Workshop: Understanding the Budgeting Cycle
Enhancing Your Leadership
Executive Strategy Program
Drafting and Negotiating Contracts





Data Analytics Manager Using Excel
EQ (Emotional Intelligence) Leadership Certificate
Environmental, Social and Governance Risk (ESG)
Design Driven Innovation
Digital Innovation and Transformation
English for Career Development
Digital Transformation & Emerging Technologies
Diversity & Women in Leadership
Franklin Covey Emerging Leaders Program
FINTECH
Financial Statements Analysis
Financial Institution Relationship Management Academy
Financial Statements Analysis
FLTP - Modern Funds & Liquidity Transfer Pricing – Design & Implementation workshop
Foreign Exchange (FX)and Money Markets (Online)
Fixed Income and Repo Workshop
Forex - Trading Around the World
GAFM
ICA International Advanced Certificate in Anti Money Laundering
IFC Corporate Directors Program
Innovative Thinking
Internship
Get Started with Figma
Governance and Strategy
How to Innovate
How Will AI Influence Banking seminar
IE Graduate Summer School
Influence & Negotiations Workshop
IFRS (International Financial Reporting Standards) 9 for Credit Professional
Investment Analysis

Introduction to Quality Control & ISO 9001/2015
Introduction to Public Speaking
Introduction to Cloud Identity
Introduction to Tokenization, NFTs, and the Metaverse
Introduction to Digital Transformation
Islamic Corporate Banking and Structured Finance
ITIL 4 Managing Professional Foundation
KGDP10
KGDP11
Key Performance Indicators Professional Certification (KPI-P)
KFAS High Potential Leadership Program
Kuwait Diversity & Inclusion Summit
Kuwait Labor Law
Leadership Reimagined Retreat Workshop.
Litigation in Kuwaiti Courts
Kuwait Sign Language - G2
Law and Development Conference
Linear Algebra for Machine Learning and Data Science
Leadership Skills
Kuwait New Tender Law
LDR521 - Leading Cybersecurity Change: Building Security Based Culture
Kuwaiti Labor Law
Leadership Development
Lego Serious Play
Leading Organizations
Kuwait Agile Transformation Conference
MIT Sloan - Executive Certificate in Management and Leadership (A breakthrough approach to creative problem solving, innovation, and change)
Mathematics for Machine Learning and Data Science
MGT514: Security Strategic Planning, Policy, and Leadership
MGT415: A Practical Introduction to Cyber Security Risk Management





MGT433: Managing Human Risk
Managing Change and Uncertainty in Crisis Time
Management Contracts for Investment Portfolios - In the Light of Legal Texts, Executive Regulations, and Disciplinary Board Provision.
Microsoft Excel Power Bi
Microsoft Excel
Product Innovation
Professional Board Secretary
Probability & Statistics for Machine Learning & Data Science
Neural Networks and Deep Learning
PMP - Project Management Professional
PCT-Practitioner Round Course
Presentations: Speaking so that People Listen
PRMIA Associate Professional Risk Manager (Virtual)
Reading Skills in English
SHRM Certification Preparation
Reading Skills in English Level 2- Virtual
Real Estate Investment
SEC530: Defensible Security Architecture and Engineering: Implementing Zero Trust for the Hybrid Enterprise – GDSA Certification
Security+ Certification Exam Objectives
Risk Management Certificate (RMC) G13
Sign Language
SEC301: Introduction to Cyber Security
SEC401: Security Essential - Network, Endpoint and Cloud
SEC540: Cloud Security and DevSecOps Automation
RO Certification
Small & Medium Enterprises (SMEs) workshop
Strategic Leadership in a Changing World
The Automated Systems for Applying Murabaha Contracts
Strategic Planning

Strategic Planning Principles
Technical Analysis Foundations Workshop
TechNext Bootcamp
Strategic HR – Business Partnership and Beyond
Stepping Up: Preparing Yourself for Leadership
SWIFT Security Awareness Training
Speaking to Inform: Discussing complex ideas with clear explanations and dynamic slides
Take Your English Communication Skills to the Next Level
The Law and Economics of Mergers and Acquisitions
Train the Trainer Certification Program
University of Oxford - Impact Investing
Workshop on Marketing Derivatives and Capital Markets Related to Debt Capital Markets
The supervisory instructions issued by the Central Bank for Islamic banks
The Effective Management of Financial Crime Risks in Contemporary Banking
Transforming Business Using AI
Treasury Certificate in Islamic Banks
The Leadership and Due Diligence for Investment Companies
Treasury Awareness Session
URDG Master - Comprehensive Training
Writing for Business Communication
Effective Communication Skills
You 2.0 by Steve 'The Hitman' Brazell
International Certified Corporate Governance Officer (ICCGO)
Disclosure and Transparency Provisions
Data Analytics
Innovation
Training Conducted within each unit by Customer Service Department- Knet and Payment, Salary, CIF, Clearing and Retail and Corporate Loans
Google Pay Training for Cards and Payments
Easy Pay Plus Training for Cards and Payments



## 8.2 GRI Content Index

Statement of use	Gulf Bank has reported in accordance with GRI Standards for the period starting from January 1 <sup>st</sup> , 2023, to December 31 <sup>st</sup> , 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards(s)	Not Applicable

GRI STANDARD/OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF NO
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-1 Organizational details	a. Gulf Bank's legal name is disclosed in Section 1.2 b. Gulf Bank's nature of ownership and legal form is disclosed in Section 6.1 c. Location of operations has been mentioned in Section 1.2 d. Countries of operation has been mentioned in Section 1.2				N/A

	2-2 Entities included in the Bank's sustainability reporting	The entity included in sustainability reporting is Gulf Bank itself. Gulf Bank discloses audited consolidated financial statements in its Annual Report. Location of operations as a focus of this Report is Kuwait				N/A
	2-3 Reporting period, frequency and contact point	The reporting period is from January 1, 2023, to December 31, 2023. Annual Report and the Sustainability Report are published annually. Publication date is in 2024. Contact information provided in "About this Report"				N/A
	2-4 Restatements of information	Yes, refer to Section 3.2, Under Scope 3 emissions due to water consumption. Subsequent to publishing the 2022 Sustainability Report, the Bank received updated information about water consumption statistics for 2022, and calculations indicate exceedances in the reported figure, warranting a restatement for 2022 data.				N/A



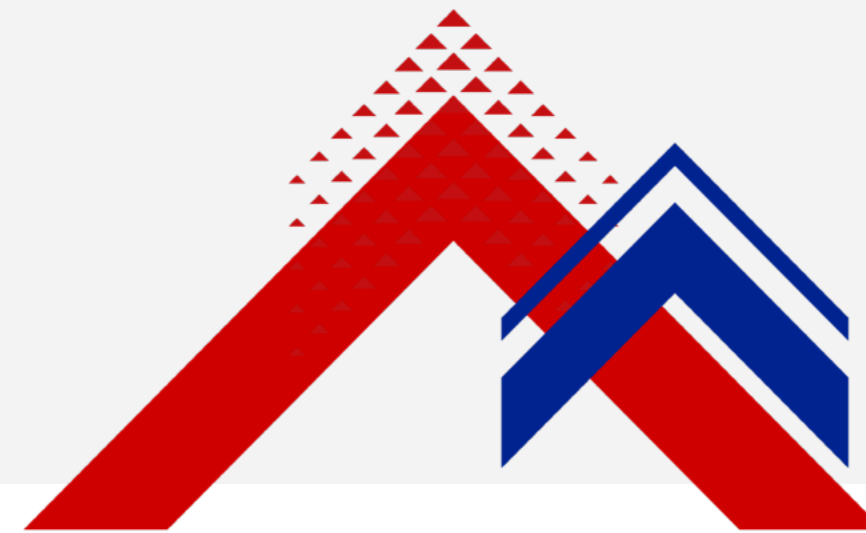
	2-5 External assurance	No sustainability report assurance conducted				N/A
<b>GRI 2: Activities and Workers</b>	2-6 Activities, value chain and other business relationships	a. Sectors in which Gulf Bank is active is disclosed in Section 2.1 b. Customers and markets served are disclosed in Section 7.2				N/A
<b>GRI 2: Activities and Workers</b>	2-7 Employees	a. The total number of employees, and a breakdown of this total by gender and by region is disclosed in Section 4.1 b.i) Permanent employees are disclosed in Section 4.2 b.ii) Temporary employees are disclosed in Section 4.2 c. Employee data compilation methodology is based on Head count Contextual information on the above is represented in Section 4.2 d. Refer to Section 4.2 e. There have been no significant fluctuations in the number of employees during the reporting period and between reporting periods				N/A

<b>GRI 2: Activities and Workers</b>	2-8 Workers who are not employees	a. Information about total number of workers who are not Employees provided in Section 4.2 b. Non-employed workers data compilation methodology is based on Head count and data is reported in Section 4.2 c. Significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods – None as per data in Section 4.2				N/A
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GRI 2: Governance	2-9 Governance Structure and Composition	<p>a. Governance structure is disclosed in Section 6.1</p> <p>b. Board committees are presented in Section 6.1</p> <p>c. i. Composition of the highest governance body and its committees by executive and non-executive members is reported in Section 6.1</p> <p>c. ii. Board independence is reported in Section 6.1</p> <p>c.iii. Tenure of members on the governance body is reported in Section 6.1</p> <p>c. iv. Number of other significant positions and commitments held by each member is reported in Section 6.1</p> <p>c.v. Gender is disclosed in Section 6.1</p> <p>c. vi. No employee is from underrepresented social groups</p> <p>c.vii. Competencies relevant to the impacts of the Bank are disclosed in Section 6.1</p> <p>c. viii. Stakeholder representation is disclosed in Section 6.1</p>				N/A
	2-10 Nomination and selection of the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees is reported in Section 6.1</p> <p>b. Criteria is disclosed in Section 6.1</p>				N/A

	2-11 Chair of the highest governance body	a. The chair of the highest governance body and senior executives of the Bank are disclosed in Section 6.1				N/A
	2-12 Role of the highest governance body in overseeing the management of impacts	<p>a. The role of the highest governance body and of senior executives in developing, approving, and updating the Bank's purpose, value or mission is disclosed in Section 6.1</p> <p>b. The role of the highest governance body in overseeing the Bank's due diligence and other processes to identify and manage the Bank's impacts on the economy, environment, and people are disclosed in Section 6.1</p> <p>c. The role of the highest governance body in reviewing the effectiveness of the Bank's processes are disclosed in the Section 6.1</p>				N/A





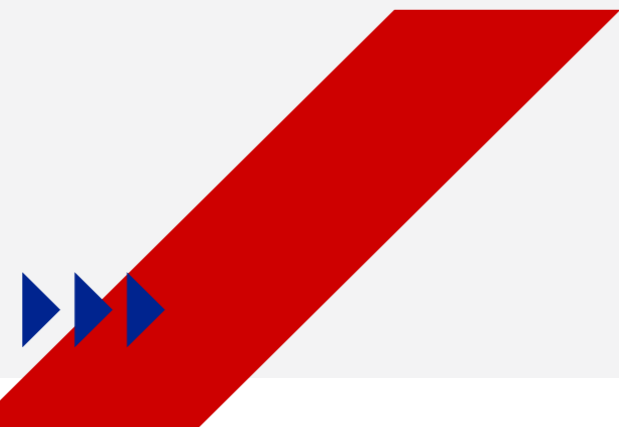
	2-13 Delegation of responsibility for managing impacts	a. The highest governance body's delegation of responsibility for managing the Bank's impacts on the economy, environment, and people is disclosed in Section 6.1 b. The process and frequency for senior executives or other employees to report back to the highest governance body on the management of the Bank's impacts on the economy, environment, and people is disclosed in Section 6.1				N/A
	2-14 Role of the highest governance body in sustainability reporting	a. Reporting and periodic updates of i) implementation of sustainability KPI's are disclosed in Section 6.1 and Section 2.1 Gulf Bank's Corporate Communications team spearheads the effort for sustainability reporting assigning ESG champions in every department for data collection and collation.  b. Prevention or mitigation of impacts and reporting of critical concerns are disclosed in Section 6.3				N/A

	2-15 Conflicts of interest	a. The processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated are disclosed in Section 6.1				N/A
	2-16 Communication of critical concerns	a. Conflicts of interest and communication of critical concerns are disclosed in Section 6.1 and 6.3 b. Total number of critical concerns that were communicated to the highest governance disclosed in Section 6.2				N/A
	2-17 Collective knowledge of the highest governance body	a. Measures disclosed in Section 4.3				N/A
	2-18 Evaluation of the performance of the highest governance body	a. Evaluation disclosed in Section 4.2 and Section 6.1 b. Evaluation is conducted once annually	c. Actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	c. Not applicable as none of the evaluation results warranted change in structure of the Board of Directors	c. Not applicable	N/A



	2-19 Remuneration policies	a. Remuneration policies are disclosed in Section 4.2 b. Remuneration policies and KPI's for members of highest governance body and executive members are mentioned in Section 4.2				N/A
	2-20 Process to determine remuneration	a. Remuneration policies are disclosed in Section 4.2 b. Approval of remuneration policies are disclosed in Section 4.2				N/A

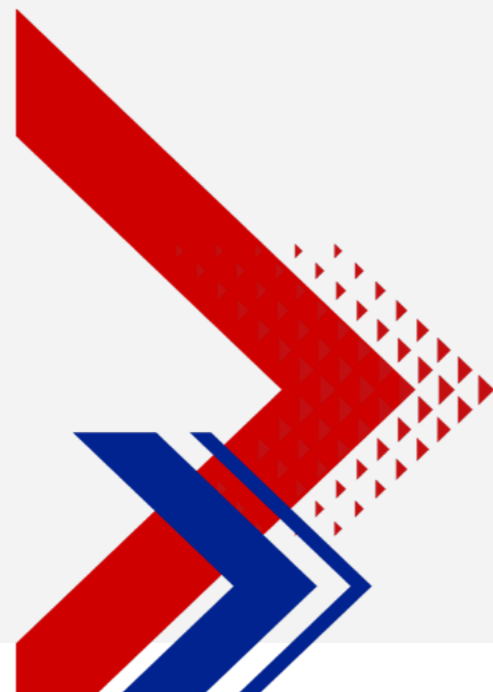
	2-21 Annual total compensation ratio	N/A	a. The ratio of the annual total compensation for Gulf Bank's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) is N/A b. The ratio of the percentage increase in annual total compensation for Gulf Bank's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. Report contextual information necessary to understand the data and how the data has been compiled.	a. Information is confidential to Gulf Bank b. Information is confidential to Gulf Bank c. Not applicable	a. Information is confidential to Gulf Bank b. Information is confidential to Gulf Bank c. Not applicable	N/A
	2-22 Statement on sustainable development strategy	a. Statement from the highest governance body is provided in Sustainability Report: Message from our Chairman				N/A





	2-23 Policy commitments	a. Policy commitments for responsible business conduct are reported in Section 6.2 b. Specific policy commitment to respect human rights are reported in Section 4.3 d. Policies approval process is reported in Section 6.2 e. The extent to which the policy commitments apply to the Bank's activities and to its business relationships are provided in Section 6.2 f. Communication of Policy commitments to workers, business partners, and other relevant parties are reported in Section 6.2	c. Links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this.	c. Not available	c. Policy documents are considered confidential documents to Gulf Bank and for internal use only	N/A
	2-24 Embedding policy commitments	Embedding policy commitments, are reported in the Section 6.2				N/A

	2-25 Processes to remediate negative impacts	a. Commitments to provide for or cooperate in the remediation of negative impacts that the Bank identifies it has caused or contributed to is described in Section 6.2 b. Details on grievance mechanisms for internal and external stakeholders are provided in Section 6.2 c. Other processes for the remediation of negative impacts identified are disclosed in Section 6.2 d. How the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms are described in Section 6.2 e. How Gulf Bank tracks effectiveness of mentioned processes is reported in Section 6.2				N/A
	2-26 Mechanisms for seeking advice and raising concerns	Mechanisms for seeking advice on implementing policies and practices for responsible business conduct and raising concerns are disclosed in Section 6.2 and Section 4.2				N/A



	2-27 Compliance with laws and regulations	The total number of significant instances of non-compliance with laws and regulations during 2023 is 3. Of these, 2 incurred financial penalty of KWD 20,000 total monetary value and 1 warning penalty				N/A
	2-28 Membership associations	Industry and membership associations include the Kuwait Red Crescent Society (KRCS), Takaful, Kuwait Food Bank, LOYAC, Injaz				N/A
	2-29 Approach to stakeholder engagement	A. Approach and details of stakeholder engagement are disclosed in Section 1.3 and Section 4.2				N/A
	2-30 Collective bargaining agreements	None				N/A
<b>Material Topics</b>						
<b>GRI 3: Material Topics 2021</b>	3-1: Process to determine material topics	a. The process followed to determine material topics is provided in Section 1.4 b. The stakeholders and experts whose views have informed the process of determining its material topics are listed in Section 1.3				N/A

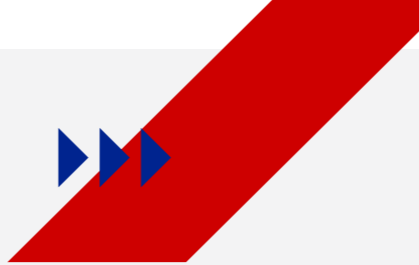
<b>GRI 3: Material Topics 2021</b>	3-2: List of material topics	a. List of material topics can be found in Section 1.4b. Changes to the list of material topics compared to the previous reporting period are disclosed in Section 1.4				N/A
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics for each material topics reported under Disclosure 3-2	Information disclosed in the subsequent GRI 3-3 Table.				N/A
<b>Economic Impact</b>						
	201-1 Direct economic impact	Refer to Section 1.2				N/A
	201-2 Financial implications and other risks and opportunities due to climate change	N/A	Financial implications and other risks and opportunities due to climate change	Not available	Information is not being measured. For future plans refer to Section 6.3	N/A
	201-3 Defined benefit plan obligations and other retirement plans	Refer to Section 4.2				N/A
	201-4 Financial assistance received from government	None				N/A
	203-2 Indirect economic impact	Refer to Section 5.1, 5.3 and 7.2				N/A
	205-1 Operations assessed for risks to corruption	Refer to Section 6.3				N/A





	205-3 Confirmed instances of corruption	Refer to Section 6.2				
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Refer to Section 6.3				
<b>Operational Resource Management</b>						
<b>GRI 301: MATERIALS 2016</b>	301-1 Materials used by weight or volume	Plastic and paper waste generated disclosed in Section 3.1 and 3.2				N/A
	301-2 Recycled input materials used		Recycled input materials used	Not available	No information was available	N/A
	301-3 Reclaimed products and their packaging materials		Reclaimed products and their packaging materials	Not available	No information available	N/A
<b>GRI 306: WASTE 2020</b>	306-1 Waste generation and significant waste related impacts	Section 3.1				N/A
	306-2 Management of significant waste related impacts	Section 3.1				N/A
	306-3 Waste generated	Section 3.1 and 3.2				N/A
	306-4 Waste diverted from disposal	N/A	Waste diverted from disposal	Not available	No information was available	N/A
	306-5 Waste directed to disposal	Section 3.1 and 3.2				N/A

<b>Carbon Footprint</b>								
<b>GRI 302: ENERGY 2016</b>	302-1 Energy consumption within the Bank	Section 3.2				N/A		
	302-2 Energy consumption outside of the Bank	Section 3.2				N/A		
	302-3 Energy Intensity	Section 3.2				N/A		
	302-4 Reduction of energy consumption	Section 3.2				N/A		
	302-5 Reductions in energy requirements, products, and services	Section 3.2				N/A		
<b>GRI 303: WATER AND EFFLUENTS 2018</b>	303-1 Interactions with water as a shared resource				a. Interaction with water as a shared resource and water-impacts b. Approach used to identify water-related impacts c. Addressing water related impacts d. Process for setting water goals or targets	a. Not applicable b. Not applicable c. Not applicable d. Not applicable	a. Water source is from utility provider b. Not applicable c. Not applicable d. Not applicable	N/A
	303-2 Management of water discharge related impacts	Section 3.1						N/A
	303-3 Water withdrawal	N/A	Water withdrawal	Not applicable	Water source is from utility provider		N/A	



GRI 303: WATER AND EFFLUENTS 2018	303-4 Water discharge	Section 3.1				N/A
	303-5 Water consumption	Section 3.2				N/A
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Section 3.2				N/A
	305-2 Energy indirect (Scope 2) GHG emissions	Section 3.2				N/A
	305-3 Other indirect (Scope 3) GHG emissions	Section 3.2				N/A
	305-4 GHG emissions intensity	Section 3.2				N/A
	305-5 Reduction of GHG emissions	Section 3.2				N/A
	305-6 Emissions of ozone depleting substances	N/A	Emissions of ozone depleting substances	Not avail- able	Data is not available	N/A
<b>Local Procurement and Compliance and Business Ethics</b>						
GRI 308: SUP- PLIER ENVI- RONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	N/A	New suppli- ers that were screened using environmental criteria	Not avail- able	Data is not available	N/A
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A	Negative environmental impacts in the supply chain and actions taken	Not avail- able	Data is not available	N/A

GRI 204: PROCUEMENT PRACTICES 2016	204-1 Proportion of spending on Local Suppliers	Section 5.3				N/A
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not avail- able	Data is not available	N/A
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor		Operations and suppliers at significant risk for incidents of child labor	Not avail- able	Data is not available about risks, though zero incidents have been reported.	N/A
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		Operations and suppliers at significant risk for incidents of forced or com- pulsory labor	Not avail- able	Data is not available about risks, though zero incidents have been reported.	N/A
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 Percentage of suppliers that were screened using social criteria	Section 5.3 (Implied at 100%)				N/A
	414-2 Percentage of new suppliers that were screened using social criteria	Section 5.3 (Implied at 100%)				N/A





Diversity, Equality and Inclusion, Human Capital Management, Employee Development and Well-Being						
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Section 4.1				N/A
	401-2 Benefits provided to full time employees that are not provided to temporary or part time employees	Section 4.1				N/A
	401-3 Parental Leave	Section 4.2				N/A
GRI 402: EMPLOYMENT 2016	402-1 Minimum notice periods regarding operational changes	No set notice period as it varies per project according to change management strategy				N/A
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Section 4.3				N/A
	403-3 Occupational health services	N/A	Occupational health services	Not Applicable	Not applicable to our sector	N/A
	403-4 Worker participation, consultation and communication on occupational health and safety	Section 4.3				
	403-5 Worker training on occupational health and safety	Section 4.3				N/A

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-6 Promotion of worker health	Section 4.3				N/A
	403-8 Workers covered by occupational health and safety management system	Section 4.3				N/A
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Section 4.3				N/A
	404-2 Programs for upgrading employee skills and transition assistance programs (includes severance pay)	Disclosed in Sustainability Report: Annex 8.1				N/A
	404-3 Percentage of employees receiving regular performance and career development reviews	Section 4.2				N/A
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	a. Refer to Section 6.1 b. Refer to Section 4.1				N/A
GRI 411: RIGHTS OF INDIGENOUS PEOPLE	411-1 Incidents of violations involving rights of indigenous peoples	None				

Community Development and Social Engagement						
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Section 5.1				N/A
	413-2 Operations with significant actual and potential negative impacts on local community	Disclosed in Section 7.2 and Section 6.2				N/A
Compliance and Business Ethics						
	415-1 Total monetary value of financial and in-kind political contributions made directly or indirectly	No financial or in-kind political contributions were made				N/A
	416-1 Assessment of the health and safety impacts of product and service categories	None				N/A
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Section 6.2				N/A
	417-1 Product and Service Information Labelling	Section 6.2 and 7.3				N/A

	417-2 Incidents of non-compliance concerning product and service information labelling	Section 7.3				N/A
	417-3 Incidents of non-compliance concerning marketing communications	Section 7.2				N/A
	205-1 Operations assessed for risks related to corruption	Section 6.2 and Section 6.3				N/A
	205-2 Communication and training about anti-corruption policies and procedures	Section 6.2 and 4.3 Details of AML training in Annex 8.1				N/A
	205-3 Confirmed incidents of corruption and actions taken	Section 6.2				N/A
Data Privacy and Cyber Security						
	418-1 b Number of incidents (identified leaks, thefts, data breaches or losses of customer data)	Section 7.1				N/A
	418-1 c Any substantiated complaints of data breaches or loss of customer data	Section 7.2				N/A



## 8.3 GRI 3-3: Impacts, Actions and Policies per Material Topic

Material topic	Actual and potential, negative and positive impacts	Gulf Bank's involvement with the negative impacts through its activities or business relationships	Policies/Commitments regarding material topic	Actions taken to prevent or mitigate negative impacts regarding the material topic	Actions taken to address actual negative impacts, including actions to provide for or cooperate in their remediation	Actions taken to manage actual and potential positive impacts	The processes used to track the effectiveness of the aforementioned actions	The goals, targets, and indicators used to evaluate progress of the aforementioned actions	The effectiveness of the actions, including progress toward the goals and targets	The lessons learned and how these have been incorporated into the Bank's operational policies and procedures
Operational Resources Management	Refer to Section 3.1	Refer to Section 3.1	N/A	Preventive maintenance: Conducting routine checks on heating, ventilation, and air conditioning (HVAC), plumbing, firefighting, and electrical systems to identify and address issues.	N/A	Energy Audits: Conducting regular energy monitoring to identify areas for improvements and implementing preventive actions by adding sensors in our branches.	N/A	Goal: Ensuring all critical systems are functioning well.  Target: Completing 100% of scheduled maintenance tasks on time  Indicator: Number of equipment break-down.	N/A	N/A

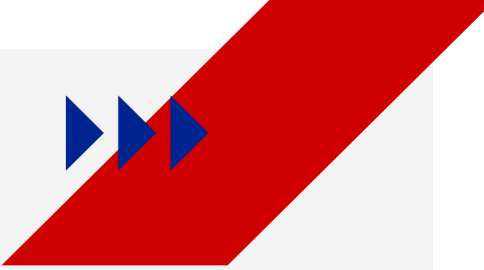
Carbon Footprint	Refer to Section 3.2	Refer to Section 3.2	N/A	Replacing old air conditioning (AC) units with more energy efficient units.	Monitor system: Establishing monitoring systems in our branches to monitor and check for problems such as leakage, AC issues and power failure.	Green Solutions: Introducing green building tools, such as solar panels.  Preventive Maintenance: Establishing preventive maintenance plans to minimize downtime and extend the lifespan of equipment.	By monitoring the number of maintenance break-downs.	Goal: Ensure all critical systems are functioning well.  Target: Completing 100% of scheduled maintenance tasks on time  Indicator: number of equipment break-down.	N/A	N/A
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<b>Diversity, Equality and Inclusion (DEI)</b>	Diversity and inclusion are prioritized in our talent acquisition efforts to drive innovation and serve our diverse customer base well. Attracting and retaining local talent, while adhering to the CBK's 75% Kuwaitization requirement, presents challenges. We address this by ensuring our hiring processes— from job postings to interview panels—are inclusive and diverse, using competency-based interviews to align with our culture and values.	Section 4.1 reports on female representation in the workforce, particularly in leadership positions.	Non-Discrimination Policy	Continuously revising HR recruitment strategies to ensure a diverse candidate pool, as well as regular audits of our policies and practices to promote equality.	The Talent Acquisition Team hosts and participates in numerous career fairs to target a wide-ranging audience for a diverse pool of candidates	The HR established inclusive workplace policies and practices that promote equality and respect for all employees. This includes anti-discrimination policies, equal opportunity initiatives, and accommodations for individuals with special needs.	By tracking diversity metrics, such as demographic data (e.g., Gender, race, ethnicity, age), as well as providing channels for employees to share feedback	To cultivate a diverse, equitable, and inclusive workplace where Gulf Bank employees feel valued, respected, and empowered to contribute to the Bank's success.	Yes. Refer to Section 4.1 for more details.	Implement initiatives aimed at fostering an inclusive workplace culture, such as celebrating diverse cultural events, creating safe spaces for dialogue, and promoting inclusive communication practices.
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<b>Human Capital Management</b>	Gulf Bank's HR invests in human capital through training and development programs, which lead to the creation of new roles and opportunities within the Bank. As well as ensuring a well-managed workforce giving the Bank a competitive edge in the market.	Gulf Bank HR strives to ensure positive impacts through its human capital management practices.	Code of conduct	Code of conduct, as well as regular audits and assessments	Employee training feedback mechanism	Career planning Comprehensive training programs Wellness initiatives Employee engagement	Setting specific and measurable KPI's Employee engagement surveys	Enhance employee skills and career growth. Promote physical and mental well-being.	Yes. Refer to Section 4.2.	Fostering a culture of continuous improvement to adapt to changing needs and challenges.
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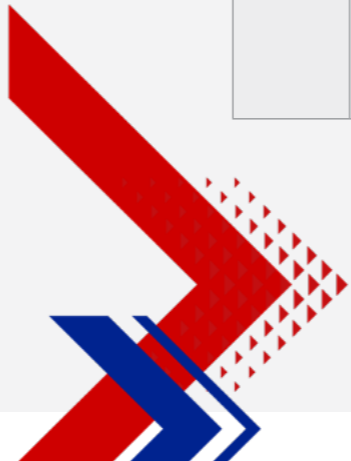






<b>Employee Development and Well-being</b>	Gulf Bank HR is highly regarded for its appealing culture among employees. At HR, we strongly believe in prioritizing mental well-being and job satisfaction to cultivate a positive work environment.	In order to go beyond simply enhancing engagement, HR continuously organizes events that have a positive impact on employee engagement. So far in 2023, we have achieved a record number of events, focusing on enhancing engagement and employees' satisfaction. - Recognition ceremonies: Various employees from various departments have been awarded at recognition ceremonies in the presence of Gulf Bank's management. - Branch visits: HR Gulf Bank's management visits several branches per week to ensure smooth workflow	N/A	HR provides continuous learning opportunities through comprehensive training programs.  Gulf Bank ensures a positive workplace to promote a healthy work-life balance.	HR conducts regular employee surveys and feedback sessions to understand and connect with our employees.	Through promoting employee wellbeing initiatives. Through recognition and rewards programs.	By conducting regular employee surveys to gather feedback on various aspects of employee development and wellbeing.  Tracking employee retention rates as a measure of employee satisfaction and engagement.	To enhance the development and wellbeing of employees through comprehensive training programs, wellness initiatives, and supportive workplace practices, thereby fostering a healthy, productive, and engaged workforce.	Yes. Refer to Section 4.3	Expand and diversify career development opportunities to adequately meet employees' needs at various stages of their careers. Introducing specialized training programs, mentorship opportunities, and leadership development initiatives.
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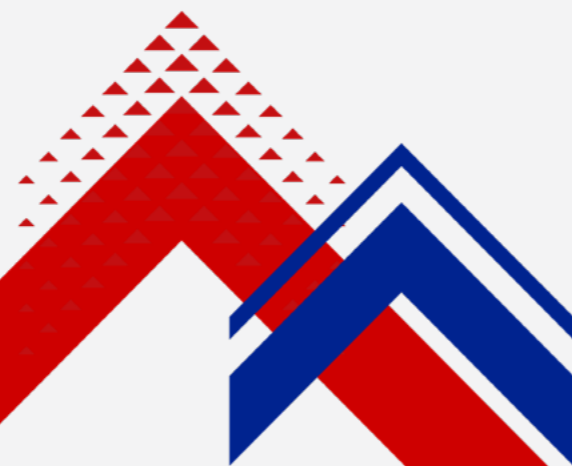
<b>Community Development and Social Engagement</b>	Refer to Section 5.1 for the list of community engagement events conducted through the year	Refer to Section 5.1	N/A	HR encourages and facilitates employee volunteering through the Sawa'ed Al Khaleej Program; this helps build a strong community and fosters a culture of giving back. - HR regularly launches awareness campaigns on critical issues such as health and environmental sustainability. These campaigns are to inform and empower our employees to make positive changes.	Offering training programs to build local capacity and resilience. Incorporating sustainable practices in HR projects.	HR establishes robust monitoring and evaluation mechanisms to track the progress, effectiveness, and the impact of our initiatives. This allows us to learn from our experiences, measure outcomes against objectives and make evidence-based decisions to optimize our interventions.	Collecting both quantitative and qualitative data to measure the impact of our initiatives. -Fostering a culture of continuous learning.	To promote social engagement through active involvement, collaboration, enhancing the quality of work life balance and fostering sustainable development	Yes	Expand our employee volunteering programs to encourage greater participation. Develop and implement initiatives that have a significant and lasting impact on local communities.
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<b>Governance and Board Oversight</b>	Refer to Section 6.1	Refer to Section 6.1	Related Party Policy  Conflict of Interest Policy  Whistleblowing Policy	Refer to Section 6.1	Refer to Section 6.1	Refer to Section 6.1	Track sheet used for Board actions and follow ups	Refer to Section 6.1	Refer to Section 6.1	Refer to Section 6.1
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<b>Compliance and Business Ethics</b>	<p>Examples of negative potential economic impacts may include:</p> <ol style="list-style-type: none"> <li>Potential increased costs due to compliance measures.</li> <li>Stringent regulation may stifle innovation.</li> <li>Limited access to banking on certain customer segments.</li> </ol> <p>Examples of negative potential environmental impacts may include:</p> <ol style="list-style-type: none"> <li>Extensive compliance activities may result in resource consumption.</li> <li>Conservative compliance function may inhibit sustainable endeavors.</li> </ol> <p>It is important to note that the has not been observed in Gulf Bank.</p>	<p>We believe that regulatory adherence, or non-adherence, of the Bank trickles down to our shareholders, customers, and suppliers. Hence, we strive to ensure regulatory compliance via our activities of testing, training, and timely disclosure.</p> <p>Positive and negative impact would be as mentioned previously.</p>	<ol style="list-style-type: none"> <li>Compliance Manual</li> <li>Disclosure procedure (covers disclosure of related activities to the public).</li> <li>Code of Conduct and Ethics policy that is under the HR Department.</li> <li>AML-CFT Policy under AML Unit.</li> <li>Whistleblowing Policy under Board Affairs Dept.</li> <li>Fraud risk under operations risk management (Risk Management).</li> </ol>	<p>Continuous compliance testing on Bank wide departments to avoid violations of laws/regulations issued from the regulators, as well as timely disclosure to the public in line with regulatory requirements.</p>	<ol style="list-style-type: none"> <li>Ongoing training for related stakeholders in GB, where applicable.</li> <li>Continuous timely disclosure to the public.</li> </ol>	<p>Compliance reinforces its position in continuous training, compliance testing, and timely disclosure.</p>	<p>Staff KPIs that are in line with the Bank's strategy.</p>	<p>Yes. Compliance Testing, ongoing training, and timely disclosure to the public.</p>	<p>Yes. Refer to Section 6.2</p>	<p>To keep abreast of any developing regulatory requirements.</p>
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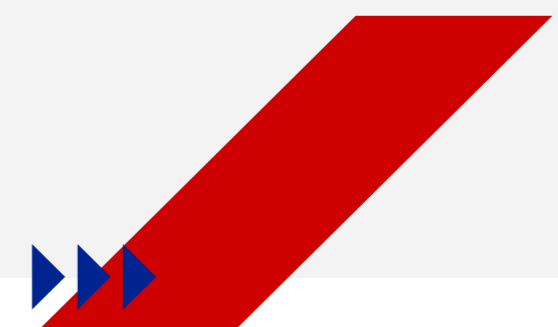






<p>Examples of potential positive economic impacts may include:</p> <ol style="list-style-type: none"> <li>1. Reduced regulatory sanctions/ fines/ violations/ penalties.</li> <li>2. Financial stability due to regulatory adherence.</li> <li>3. Shareholder/ regulator trust and confidence due to robust compliance framework and transparency.</li> </ol> <p>Examples of potential positive environmental impacts:</p> <ol style="list-style-type: none"> <li>1. Promoting sustainable practices, especially those issued by the local regulators.</li> <li>2. Corporate responsibility.</li> </ol>									
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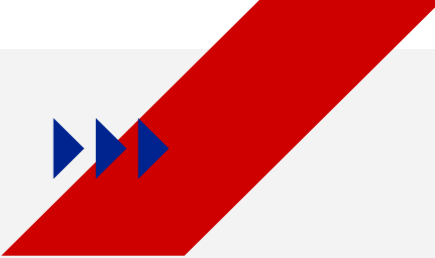
<p>Data Privacy and Cyber Security</p>	<p>N/A</p>	<p>N/A</p>	<p>Information &amp; Cyber Security Policy</p> <p>Information Classification Policy</p> <p>Data Privacy Policy</p>	<p>N/A</p>	<p>N/A</p>	<p>Annual Implementation plan related to Information &amp; Cyber Security</p>	<p>N/A</p>	<p>Multiple KPIs for Information and Cyber Security</p>	<p>Tracked and on target as per the TrisCom Management body</p>	<p>Annual Security Strategy roadmap to be implemented to continually improve information and cybersecurity as per the aligned Board-approved Security Strategy</p>
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<b>Digital Transformation and Innovation in Business</b>	Gulf Bank's digital transformation boosts efficiency and reduces costs, while expanding market reach, and increasing publicity and customer interest. However, we believe that maintaining strong security measures is crucial, though it may sometimes affect user engagement. We believe that transparent communication about products and services across platforms helps minimize negative experiences. Innovative payment methods, and increased financial inclusion enhance the customer experience. We believe that a digital banking app improves convenience, personalization, and efficiency, though security layers can impact overall service.	As part of Gulf Bank's digital transformation, strict adherence to security levels and CBK regulations is crucial. Although this may lead to reduced customer engagement due to multiple authentication steps, it ultimately serves the clients' benefit by ensuring strong security.	The Digital Banking team ensures both convenience and security as its policy is to optimize the mobile banking platform to overcome any potential loss of engagement.	The actions taken by the Digital Banking team include increasing awareness through lectures provided to branch, Customer Care Center (CCC), and other department employees, who then pass this information to clients. The team also works closely with the development team to continuously enhance user journeys, fix defects, and ensure app security. Additionally, the Digital Banking team ensures that clients can execute transactions with a high level of satisfaction by explaining the benefits of having multiple security levels in the mobile app.	Testing is conducted daily, and new builds are issued whenever the team identifies issues, even before clients encounter them. The team also collaborates with the development team through joint testing sessions, meetings, and other communication methods to ensure all issues are resolved and the app functions efficiently.	The Digital Banking team works and collaborates with various departments, using feedback to maintain a high standard of customer service. Maintenance and development are essential for keeping up with market demands and the digital era.	The team listens, discusses, communicates, and takes action to resolve issues and prevent them from recurring. Additionally, the team presents the Board with daily statistics of issues raised and resolved through the Jira platform, and conducts usability studies with a third-party to gauge customer reactions to different transactions in the app. The statistics and findings are taken very seriously to ensure a user-friendly, secure, and professional app.	In addition to increasing the number of Gulf Bank mobile app users, another target is to develop the team through training courses, which ensure that the team maintains a high level of professionalism. The number of releases with fixed issues is also a target that Digital Banking came up with (6 releases).	The Digital Banking team's KPIs were met as of 2023. The team is taking this achievement as a starting point to raise the bar and develop constantly. Digitization is constantly changing as the KPIs would change accordingly to keep up and stand out in the market.	By taking the initiative to completely change the mobile app and come up with a new one, the improvement plans are surely to master efficiency and security for positive outcomes. Also, the aim is to become a leading bank in presenting a professional Digital mobile app that ensures that customers' transactions are executed with a high security standard, and user-friendly experience, as well as coming up with innovative ideas and solutions to present the Gulf Bank mobile app in an optimal way.
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<b>Customer Experience</b>	We believe that transparent communication about our products and services across various platforms minimizes negative customer experiences. Innovative payment methods, reduced paper currency usage, and increased financial inclusion contribute positively to the customer experience. A digital banking mobile app enhances convenience, personalization, and efficiency, which are crucial for customer satisfaction. However, while robust security measures are essential for protection, they may sometimes impact the overall service experience.	Minimizing negative experiences, reducing attrition, and increasing acquisition are key priorities. Gulf Bank's mobile ratings, social media presence, and word of mouth can be adversely affected by declining customer engagement, particularly concerns about security. To address this, Gulf Bank adheres to CBK regulations and implements customized security measures to enhance financial safety for customers.	Established a digital library that front staff can access to get updated information. Customer Privacy and Data Security	Ensuring the front staff have the correct information. Enhanced data security measures.	Grievance mechanisms	Complaints were solved within the turnaround time (TAT), improvements on the mobile banking helped customers to conduct many transactions and services instantly without delay.	Less negative experiences with our customers	Attrition/acquisition/ Increase in Net Promoter Score (NPS) and channel satisfaction.	Meeting targets for customer satisfaction, complaints, and financial objectives. The increase of Gulf Bank mobile app users, app rate in the app stores, as well as positive comments received from social media platforms.	More initiatives on the digital platforms to reduce waste, branches, and communication with customers. Providing different benefits and features to meet customers' needs.
			Responsible Marketing and Advertising	Responsible lending practices.	Regarding Customer experience, the Digital Banking team is taking various comments and issues very seriously.	Develop and promote responsible products.	Attrition reduced	Number of employees trained in data security.	The indicators for the targets were met.	Launching innovative cards campaigns.
			Responsible Pricing and Fee Structure.	Reporting and transparency. Ensuring that all departments at Gulf Bank know how the mobile app works and communicate changes as soon as they are applied.	The team collaborates with various parties to ensure that customers receive the right information and have their issues fixed. Moreover, the team tries to take feedback from every customer, colleague, or relative regarding the app as well as communicate with other employees to assist in case of any issues or clarifications needed.	Marketing Campaigns.	Established clear objectives and KPIs.	Digital Banking usually gets the statistics of new users, new Customer Information Files (CIF's) and compares them to the year before. The target for the Digital Banking team is to get more customers to use and engage with the mobile app.	Launching new products and services. Analyzing feedback and data.	
			Gulf Bank's policies regarding Customer experience remain constant; the whole digital transformation project, including features, services, and security levels are to enhance the customer experience.	Moreover, Digital Banking provide the Marketing team with materials to help create tutorials and feature posts to educate customers and help them optimize their user experience	More feedback from every customer, colleague, or relative regarding the app as well as communicate with other employees to assist in case of any issues or clarifications needed.	The Digital Banking team appreciates positive customer feedback and new suggestions, ideas, or requests from the clients. As a result, the team works constantly on maintaining the current level as aiming towards development.	Periodic reporting.	The Digital Banking team ensures that every client's issue is fixed, as well as coming up with new ways to avoid such issues in the future. The team checks the app rating, listens to the clients through social media platforms, as well as get feedback from Relationship Managers (RM's), CCC, and the management to deal with them as fast and professionally as possible.	Continuous improvement.	
			The policies taken regarding this are to optimize various services and features, increase security layers, and apply CBK rules and regulations to protect clients' financials.				Internal and external audits.	The Digital Banking team usually gets the statistics of new users, new Customer Information Files (CIF's) and compares them to the year before. The target for the Digital Banking team is to get more customers to use and engage with the mobile app.	The plan regarding customer experience is to maintain its successes and overcome any issues to ensure a high level of customer satisfaction.	

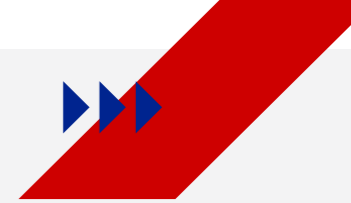




Supporting Small and Medium-sized Enterprises (SME's)	The Bank believes this positively impacts the economy, environment, and people due to several factors, including the support provided to encourage local companies and enhance the local market, which is part of the Bank's social obligations.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Local Procurement	Positive impacts may include: The majority of our suppliers are local suppliers, which contributes to the community in which the Bank operates.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Business Continuity Plan	<p>1. Economy: Positive impacts may include the following: Business Continuity Planning (BCP) ensures uninterrupted business operations and maintains economic stability and resilience. Negative impact: May see high initial costs for developing and maintaining BCP plans. Also, the utilization of limited resources for critical operations might limit the investment on other business areas.</p> <p>2. Environment: BCP implements strategies that can optimize resource use during disruptions, reducing waste and promoting sustainability.</p> <p>3. People:</p> <p>a. Ensures employees' and stakeholders' safety by having clear plans and procedures in place during emergencies.</p> <p>b. It supports the wider community by ensuring critical services remain operational during crises.</p>	N/A	The Bank has a BCP Policy in place, which requires the Bank to conduct various BCP activities on a regular basis, including Business Impact Analysis (BIA), Threat and Risk Assessment (TRA), and testing of business continuity plans on regular basis to assess their effectiveness. In addition, the Bank ensures strong governance of the BCP through a dedicated committee (ICGC) that oversees the development, implementation, and continuous improvement of the BCP program.	N/A	N/A	<p>Economy: engaging in proactive risk management and scenario planning to prepare for potential disruptions to maintain economic stability by ensuring financial services' availability.</p> <p>Environment: Incorporating resource efficiency and sustainability practices into our BCP process.</p> <p>People: regularly updating and testing our BCP plans to ensure that our employees are aware and able to smoothly activate BCP during a disruption and ensure availability and continuity of critical services to our customers.</p>	<p>Conducting BCP testing, BCP/ IT DR drills, and tabletop exercises regularly, monitoring reported issues through automated process, ensuring appropriate resolution of various reported issues and record lessons learned.</p>	<p>We have established KPIs to monitor various key aspects of business continuity programs.</p> <p>These KPIs are tracked quarterly, and results are reported to the BCP Governance Committee.</p>	<p>We have been consistent in meeting KPIs established for BCP</p> <p>- Automate training and awareness programs to ensure that people are involved, ease of access to BCP materials and topics anytime, and ability to deliver important topics effectively and efficiently.</p> <p>Incorporate more scenarios into different drills and exercises to keep our employees more prepared for different and emerging potential threats.</p>	<p>Automate manual processes to improve tracking and monitoring of gaps identified during the BCP program's implementation.</p>
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## 8.4 ESG Disclosures

Indicator	Performance	Related Section
Business or assets mix (property and casualty insurance, life and health insurance, reinsurance, asset management, other)	N/A For Gulf Bank Business Model refer to the Annual Report	Section 7.2 – Digital Transformation and Innovation in Business
Involvement in high-risk lending or investment products	For loans, customers receive a document that highlights the loan and repayment schedule	Section 6.3 – Risk Management
Activities in financing climate-related environmental projects	Activities in financing climate-related environmental projects are detailed within the sustainability report.	Section 7.2 – Digital Transformation and Innovation in Business
Sustainability-related financial product development	As an example, auto loans are provided for electric cars	Section 7.2 – Digital Transformation and Innovation in Business
Percentage of operations in countries with high/medium/low levels of opportunity to provide increased financial access.	N/A	N/A
Safety and quality of products and services	Fees and commissions are available in branches and on the website, criteria for loans are available on the website and customers are informed of all details when applying for these products by staff.	Section 7.3 – Customer Experience
Oversight of financial product or service reviews	Under product and procedure committee and the Executive product committee	Section 7.2 – Digital Transformation and Innovation in Business
Involvement in lending or underwriting activities	Yes, assessment conducted with Risk Management. Consumer Banking provides loans.	Section 6.2 – Compliance and Business Ethics 7.2. Digital Transformation and Innovation in Business
Product innovation for SME's	To reduce the hassle of the physical aspects in applying for financing, SMEs can apply for GB corporate banking facilities through GB website.	Section 5.2 – Supporting Small and Medium-sized Enterprise
Product innovation for Retail and households	Considered by Consumer Banking	Section 7.2 – Digital Transformation and Innovation in Business

Debt collection policy	Under Remedial Division of the Bank	Section 6.3 – Risk Management
Controversial investment controversies	None	Section 6.3 – Risk Management
Formal management system to assess ESG risks in financing activities	Currently, there is no formalized system	Section 6.3 – Risk Management
Involvement of group credit risk in ESG due diligence	External consultant has been appointed to establish ESG Risk Assessment and Framework	Section 6.3 – Risk Management
ESG due diligence triggers and risk-escalation process	Appointment of Head of ESG in 2023 to cover ESG due diligence	Section 6.3 – Risk Management
Oversight of ESG risk management in financing activities	BCGC	Section 6.3 – Risk Management
Climate-related risk analysis	Currently developing a methodology for Climate Risk Assessment	Section 6.3 – Risk Management
Environmental intensity of loan portfolio calculated based on the weighted average of environmental risk associated with industry exposures	Framework and models are under development	Section 6.3 – Risk Management
Exposure to business activities or geographies facing a higher incidence of corruption and involvement in ongoing corruption-related controversies	Very minimal exposure to such geographies, being less than 1% of total portfolio. No involvement in corruption related controversies. Internal Audit conducts investigations if received through the Bank's official channels.	Section 6.3 – Risk Management
Establishment of an audit committee (or audit board) comprising only directors who are independent of management	Yes	Section 6.3 – Risk Management
Presence of company executives serving on the audit committee or audit board	No	Section 6.3 – Risk Management
Presence of at least one non-executive member with general expertise in accounting or financial management in the audit committee	Yes	Section 6.3 – Risk Management
Presence of at least one non-executive member with substantial industry knowledge in the audit committee	Yes	Section 6.3 – Risk Management



Presence of independent members of the audit committee that serve on the boards of three or more additional companies	One independent Audit Committee member is serving as a Board member in other companies.	Section 6.3 -Risk Management
Presence of non-independent members of the audit committee that serve on the boards of two or more additional companies	No	Section 6.3 -Risk Management
Environmental credit policy across four sectors and one theme: - Agriculture - Power utilities - Mining - Oil & gas - Biodiversity (theme)	Gulf Bank encourages businesses operating in these environments to implement robust compliance measures, conduct thorough due diligence on partners and suppliers, and prioritize transparency and ethical business practices. However, biodiversity is not material to us.	Section 6.2 – Compliance and Business Ethics
Cases of investigation against the auditor for issues related to its work on the audit of the company	No	Section 6.2 – Compliance and Business Ethics
Cases of internal investigation regarding the Bank's accounting or investigation from a regulatory body, or received fine, settlement or conviction for issues related to accounting practices	No	Section 6.2 – Compliance and Business Ethics
Allegations regarding access to basic information of the Bank for investors in the process of issuance of new securities or breaches of investor protection requirements	None	Section 7.3 – Customer Experience
Fair advertising policies and procedures for financial products	None, however, Gulf Bank continues to transform digitally and target the community	Section 7.3 – Customer Experience
Breach of debt covenants	None	Section 6.2 Compliance and Business Ethics
Status of the Bank - currently in receivership, under bankruptcy provision or facing liquidation	None	N/A
Any active going-concern assumptions or financial difficulties	None	N/A
Involvement in ongoing tax-related controversies	None	N/A

Concerns in treatment of security holders in relation to the raising and/or return of capital	None	N/A
Specific pay totals for its top executives, including the CEO	Salaries and other short-term benefits – KWD 3,789,000 End of service/termination benefits – KWD 524,000	Section 4.2 – Human Capital Management
Range of total awarded CEO pay figure in relation to pay peer group	N/A - Confidential	N/A
Range of total awarded CEO pay figure in relation to company's pay peer group	N/A - Confidential	N/A
Does CEO prerequisites (perks) and other pay figure exceed common thresholds	N/A - Confidential	N/A
Pension contribution rate made by company on behalf of the CEO excessive relative to the company's pay peer group	N/A - Confidential	N/A
CEO accumulated pension figure in relation to company's pay peer group	N/A - Confidential	N/A
CEO's total awarded pay exceeding median pay for the other executive officers by more than three times	N/A - Confidential	N/A
CEO's potential cash severance pay exceeding five times their annual pay	N/A - Confidential	N/A
Value of CEO held shares in relation to salary	N/A - Confidential	N/A
Adoption of effective stock ownership guidelines or an equity retention policy for the CEO	N/A - Confidential	N/A
Number of shares held by the CEO (after adjustment for any corporate actions) decreased year over year by 10% or more	N/A - Confidential	N/A
Reflection of the company's total shareholder return (TSR) performance over the last three and five years on the CEO's equity pay	N/A - Confidential	N/A





Reflection of total shareholder return (TSR) performance over the last three and five years relative to the Pay Peer Group on the CEO's equity pay	N/A - Confidential	N/A
Current run rate of 2% or more	N/A	N/A
Specific stock ownership guidelines for non-executive directors	N/A	N/A
Percentage of revenue derived from business segments that: o Require collection and/or handling of sensitive personal data. o Have witnessed high cost and frequency of data breaches.	N/A - Confidential	N/A
Eligibility of unvested equity awards for vesting when the CEO's employment is terminated	N/A - Confidential	N/A
Constituency Provision	Covered by applicable law	Section 6.2 – Compliance and Business Ethics
Business Combination Provision	Covered by applicable law	Section 6.2 – Compliance and Business Ethics
Policy on bribery and anti-corruption	Covered in Procurement Manual Code of Conduct	Section 5.3 – Local Procurement
Involvement in anticompetitive and business ethics controversies.	There have been no anti-competitive and business ethics controversies.	Section 6.2 - Compliance and Business Ethics
Whistleblower policy that provides whistleblowers with protection from retaliation.	Whistleblower policy offers protection	Section 6.2 - Compliance and Business Ethics
Updates on formal grievance reporting or escalation procedures	Any grievances are logged on to the new HR system. This will be private and confidential, and only the respective business partners can access and view.	Section 6.2 - Compliance and Business Ethics
Data protection and/or privacy programs cover suppliers and business partners	Gulf Bank's Data Protection and Privacy Policy covers all suppliers via a Third-party Risk Management (TPRM) process	Section 7.1 – Data Privacy and Cyber Security

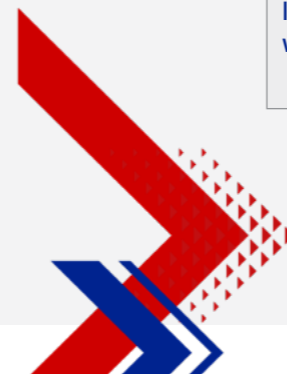
Training on data security and/or privacy-related risks and procedures to employees	Multiple rounds of training are provided annually to employees	Section 7.1 – Data Privacy and Cyber Security
Updated certifications list to widely recognized standards (e.g., ISO 27001, TRUSTe, Privacy Mark, SSAE16 soc2 standards)	<ul style="list-style-type: none"> <li>The Central Bank of Kuwait's (CBK) Capital Adequacy Standard - Basel III for local conventional banks <ul style="list-style-type: none"> <li>International Financial Reporting Standards (IFRS)-9</li> <li>CBK's Cybersecurity Framework</li> <li>Payment Card Industry's Data Security Standard 3.2.1 (PCI-DSS)</li> <li>SWIFT Customer Security Program (CSP)</li> </ul> </li> <li>ISO27001 - Information Security Management System, covering IT, IT Operations, Information &amp; Cyber Security and Data Centers of the Bank</li> <li>ISO20000,</li> </ul>	Section 7.1 – Data Privacy and Cyber Security
Executive body responsible for privacy and data security	Technology Risk and Information Security Committee	Section 7.1 – Data Privacy and Cyber Security
Audits on information security policies and systems	The Bank conducts internal and external audits of the Information Security policies and systems. These follow a structured plan throughout the year.	Section 7.1 – Data Privacy and Cyber Security
Access control and protection of personal/sensitive data	Controlled via Role Based Access Control, defined by the business owners responsible for controlling access to their information. Information within the systems must be encrypted using data encryption technologies depending on the data's classification.	Section 7.1 – Data Privacy and Cyber Security
Minimization of data collection and retention with respect to data and IT	New process, which has not been implemented in 2023	Section 7.1 – Data Privacy and Cyber Security
Privacy enhancing technologies and initiatives	No new technologies introduced in 2023	Section 7.1 – Data Privacy and Cyber Security
Updates on transfer of personal data to third parties and consent requirement	Third party agreements follow the Data Privacy impact assessment procedure	Section 7.1 – Data Privacy and Cyber Security
Data protection and/or privacy programs cover suppliers and business partners	Covered by data protection policy and data privacy impact assessment	Section 7.1 – Data Privacy and Cyber Security
Data privacy and security controversies	None	Section 7.1 – Data Privacy and Cyber Security

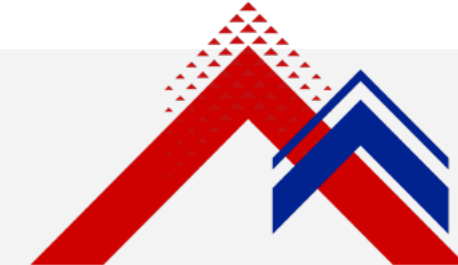




Scope of data protection and information security policy	Information Security and Data Protection policies cover all Bank assets, data, staff, subcontractors and third parties with whom the Bank deals with and shares information.	Section 7.1 – Data Privacy and Cyber Security
Privacy-enhancing technologies and initiatives	Gulf Bank conducts Data Protection Impact Assessments	Section 7.1 – Data Privacy and Cyber Security
Rights provided to individuals regarding the control of their data	Rights are detailed under Gulf Bank Privacy Policy under “Your Rights and Options”	Section 7.1 – Data Privacy and Cyber Security
Data breach/incident response plan	The Bank has a structured Cyber Incident response and data breach plan, following a best-in-class structure aligned with CBK reporting requirements.	Section 7.1 – Data Privacy and Cyber Security
Breach of continuing obligations that apply to the listing of securities, which may threaten the continued listing or trading of those securities	No breaches	N/A
Potential dilution in traded shares 10% or greater	No	N/A
Fair price provisions	The Bank complies with all applicable laws and regulations	Section 6.2 - Compliance and Business Ethics
Investigations for issues related to auditor’s work on the audit of the Bank	None	Section 6.2 - Compliance and Business Ethics
Governance body responsible for business ethics and corruption issues	BCGC and BAC	Section 6.1 – Governance and Board Oversight
Quality of Board Decisions	No questions have been raised	Section 6.1 – Governance and Board Oversight
Presence of distracting situations for the Board	None	Section 6.1 – Governance and Board Oversight
Integrity of actions of Board or Senior executives affecting the Bank’s reputation	No actions contrary to the interests of the Bank or shareholders and none have adversely affected Gulf Bank’s reputation	Section 6.1 – Governance and Board Oversight

Negative vote in excess of 10% on pay policies and practices	No	Section 4.2 - Human Capital Development
Principal shareholders or other large-block holders	No	Section 6.1 – Governance and Board Oversight
Cross-shareholdings with other (related or unrelated) companies	GB Capital is owned by Gulf Bank	Section 6.1 – Governance and Board Oversight
Classes of equity shares and related voting rights	Only one class of equity shares	Section 6.1 – Governance and Board Oversight
Inclusion of a single share class in the capital structure with variation of voting rights based on duration	No	Section 6.1 – Governance and Board Oversight
Capping of voting rights depending on percentage	No	Section 6.1 – Governance and Board Oversight
Difference in voting rights for foreign or non-resident shareholders	No	Section 6.1 – Governance and Board Oversight
Presence of Golden share provision	No	Section 6.1 – Governance and Board Oversight
Plans or provisions as takeover defense	No	Section 6.1 – Governance and Board Oversight
Presence of unilateral rights for the Board to approve bylaws or Articles of Association without shareholder approval	No	Section 6.1 – Governance and Board Oversight
The right of shareholders to requisition an extraordinary general meeting (EGM) exceeding a threshold of 10%	No	Section 6.1 – Governance and Board Oversight
Shareholders ability to make changes at the company	Not limited in their ability	Section 6.1 – Governance and Board Oversight
Implementation of regular say-on-pay votes	N/A in the Bank	Section 6.1 – Governance and Board Oversight





Confidential voting	Yes	Section 6.1 – Governance and Board Oversight
Nomination of directors for election at the annual general meeting by qualified shareholders and inclusion of such nominees in the circulation of meeting agenda.	The nomination phase should be conducted 2 months minimum before the General Assembly to secure all the needed approvals. The shareholders have all the right to vote for any of the approved nominees that are announced in the General Assembly.	Section 6.1 – Governance and Board Oversight
Re-election of shareholder-elected directors	The Board's election is every 3 years, and the shareholder is able to re-elect a director (except for independents members, as they are allowed to join for 2 tenures only)	Section 6.1 – Governance and Board Oversight
Limitations on shareholder rights such as staggered Board in combination with other limitations.	No	Section 6.1 – Governance and Board Oversight
Binding majority voting in the election of directors	Yes	Section 6.1 – Governance and Board Oversight
Plurality vote standard for director elections and cumulative voting	Standard cumulative voting	Section 6.1 – Governance and Board Oversight
Rights of shareholders to remove individual directors without cause	Yes	Section 6.1 – Governance and Board Oversight
Treatment of security holders in relation to the raising and/or return of capital	Received positive response from the market	Section 6.1 – Governance and Board Oversight
Evidence of governance failures	None	Section 6.1 – Governance and Board Oversight
Independence of chair	Yes	Section 6.1 – Governance and Board Oversight
Independence of non-executive chair	All the members are non-executive; we have either a director or an independent director on the Board	Section 6.1 – Governance and Board Oversight

Public criticism from stakeholders of golden hellos provided by the company to its CEO or other senior executives	None	Section 6.1 – Governance and Board Oversight
Trading status as tracking stock	Regular tracking stock listed on Boursa Kuwait	Section 6.1 – Governance and Board Oversight
Group revenue from Variable Interest entities with no to minimal voting stake	N/A	N/A
Eligibility of unvested equity awards for vesting at termination of CEO's employment	No	N/A
Independence of committee members	BAC, BRC, and BNRC committees are chaired by independent members.	Section 6.1 – Governance and Board Oversight
Presence of female directors in Board composition	Yes, we have an independent female member	Section 6.1 – Governance and Board Oversight
Presence of more than 30% female directors in the composition of the Board	No	Section 6.1 – Governance and Board Oversight
Presence of at least one non-executive member of the board who has general expertise in risk management	Yes	Section 6.1 – Governance and Board Oversight
Presence of an audit committee comprising only directors who are independent of management	Yes	Section 6.1 – Governance and Board Oversight
Presence of company executives serving on the audit committee or audit board	No	Section 6.1 – Governance and Board Oversight
Presence of at least one non-executive member with general expertise in accounting or financial management in the audit committee	Yes	Section 6.1 – Governance and Board Oversight
Presence of at least one non-executive member who has substantial industry knowledge in the audit committee	Yes	Section 6.1 – Governance and Board Oversight
Independent members of the audit committee who serve on the boards of three or more additional companies	No	Section 6.1 – Governance and Board Oversight







Non-independent members of the audit committee who serve on the boards of two or more additional companies	Yes, but not listed companies	Section 6.1 – Governance and Board Oversight
Establishment of a pay committee with independent directors	All members are non-executive members and chaired by independent member	Section 6.1 – Governance and Board Oversight
Pay committee with serving company executives	No	Section 6.1 – Governance and Board Oversight
Presence of standing pay committee with current company executives serving on its board	Yes, and all members are non-executive	Section 6.1 – Governance and Board Oversight
Concerns about chair of pay committee	None	Section 6.1 – Governance and Board Oversight
Presence of standing nomination committee	Yes	Section 6.1 – Governance and Board Oversight
Presence of combined CEO/Chair	No	Section 6.1 – Governance and Board Oversight
Leaders with excessive influence	None	Section 6.1 – Governance and Board Oversight
Executive board members who serve on the boards of two or more additional issuers	No	Section 6.1 – Governance and Board Oversight
Presence of one or more directors on the board who received a negative or withheld shareholder vote in excess of 10% in the most recently reported election	No	Section 6.1 – Governance and Board Oversight
Less than a majority of directors independent of other interests	Yes	Section 6.1 – Governance and Board Oversight
30% or more of the board of directors comprising of executive directors	No	Section 6.1 – Governance and Board Oversight
Presence of eight or more executive directors in the management board	No	Section 6.1 – Governance and Board Oversight
High number of directors in the board suggesting obstacles to effective oversight and decision-making	No	Section 6.1 – Governance and Board Oversight
Four or fewer directors on the board of directors	No	Section 6.1 – Governance and Board Oversight

Failure of any member of the Board to attend at least 75% of all board and committee meetings held during the last reported period	Yes	Section 6.1 – Governance and Board Oversight
Board Entrenchment	No	Section 6.1 – Governance and Board Oversight
Board composition comprises of more than 30% of currently active corporate CEOs from other companies.	Yes	Section 6.1 – Governance and Board Oversight
Board composition entirely of directors who do not meet the criteria for independence from management	No	Section 6.1 – Governance and Board Oversight
Disclosure of related-party transactions (RPT) in either of the two most recently reported years	Yes	Section 6.1 – Governance and Board Oversight
Presence of flagged directors in the Board	No	Section 6.1 – Governance and Board Oversight
Non-executive board members serving on the boards of three or more additional issuers	Yes	Section 6.1 – Governance and Board Oversight
Executive board members serve on the boards of two or more additional issuers	No	Section 6.1 – Governance and Board Oversight
Presence of shareholder or shareholder bloc controlling more than 30% of the voting shares, or is able to elect more than 50% of the company's Board	Shareholders exist with more than 30% but are not able to elect more than 50% of the Bank's Board.	Section 6.1 – Governance and Board Oversight
Company's ownership structure or governance arrangements accommodating special concerns for minority public shareholders	No	Section 6.1 – Governance and Board Oversight
External recognition as employer of choice (last three years)	N/A but efforts are in place	Section 4.3 Talent Development and Employee Well-being
Labor management controversies	No; refer to the related section for more details	Section 4.2 – Human Capital Management
Merger and Acquisition (M&A) activity in the last three years that affect more than 10% of workforce or more than 1,000 employees	None	Section 4.2 – Human Capital Development



Incidence of layoffs in the last three years that affect more than 10% of workforce or more than 1,000 employees	None	Section 4.2 – Human Capital Development
Talent pipeline development strategy	Yes	Section 4.3 – Talent Development and Employee Well-being
Employee stock ownership plan (ESOP) or employee stock purchase plan (ESPP)	N/A	Section 4.2 – Human Capital Development
Employee benefits and work/life balance	Yes; refer to related section for more details	Section 4.2 – Human Capital Development
Updates on monitoring employee satisfaction	None	Section 4.2 – Human Capital Development
Adverse public comments from stakeholders regarding pay policies or practices	None	Section 4.2 - Human Capital Development
Claw back policy for variable or incentive pay	Yes	Section 4.2 - Human Capital Development
Variable Pay component	Variable pay takes the form of incentives and allowances	Section 4.2 - Human Capital Development
Collective Bargaining controversies	N/A	Section 4.2 - Human Capital Development
Discrimination and workforce diversity controversies	None	Section 4.1 – Diversity, Equality and Inclusion
Job-specific development training programs	Yes, refer to the related section for more details.	Section 4.3 – Talent Development and Employee Well-being
Leadership training and talent management programs	Yes, refer to the related section for more details.	Section 4.3 – Talent Development and Employee Well-being
Employee training on anti-corruption and business ethics standards	Yes, refer to the related section for more details.	Section 4.3 – Talent Development and Employee Well-being
Employee training on consumer financial protection	Yes, refer to the related section for more details.	Section 4.3 – Talent Development and Employee Well-being
Financial education initiatives and stakeholder outreach	Various programs are offered, and Gulf Bank actively engages with stakeholders through various channels	Section 5.1 – Community Development and Social Engagement

Product Innovation – Retail and household	Strategies and prototype ideas are focused on existing customer experiences, technologies, and products	Section 7.2 – Digital Transformation and Innovation in Business
Innovation in mobile/online distribution channel	Optimize and personalize the digital experience across channels through data and other tools.	Section 7.2 – Digital Transformation and Innovation in Business
Innovation in alternative branchless distribution channels	We enable Bank availability on emerging technology and channels.	Section 7.2 – Digital Transformation and Innovation in Business

## 8.5 Boursa Kuwait Sustainability Disclosures Index

Metric	Calculation	Disclosure / Page Number
<b>Environmental</b>		
<b>GHG Emissions</b>	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	Section 3.2
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	Section 3.2
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	Section 3.2
<b>Emissions Intensity</b>	E2.1) Total GHG emissions per output scaling factor	Section 3.2
	E2.2) Total non-GHG emissions per output scaling factor	Not measured
<b>Energy Usage</b>	E3.1) Total amount of energy directly consumed	Section 3.2
	E3.2) Total amount of energy indirectly consumed	Section 3.2
<b>Energy Intensity</b>	Total direct energy usage per output scaling factor	Section 3.2
<b>Energy Mix</b>	Percentage: Energy usage by generation type	Section 3.2
<b>Water Usage</b>	E6.1) Total amount of water consumed	Section 3.2
	E6.2) Total amount of water reclaimed	N/A







<b>Environmental Operations</b>	E7.1) Does your company follow a formal Environmental Policy? Yes/ No	No
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	No
	E7.3) Does your company use a recognized energy management system? Yes/No	No
<b>Environmental Oversight</b>	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	No
<b>Environmental Oversight</b>	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/ No	Yes
<b>Climate Risk Mitigation</b>	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	N/A
<b>Social</b>		
<b>Gender Pay Ratio</b>	Ratio: Median male compensation to median female compensation	Ratio 1:1
<b>Employee Turnover</b>	S3.1) Percentage: Year-over-year change for full-time employees	Section 4.1 and 4.2
	S3.2) Percentage: Year-over-year change for part-time employees	Section 4.2
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	N/A
<b>Gender Diversity</b>	S4.1) Percentage: Total enterprise headcount held by men and women	Section 4.1
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Section 4.1
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Section 4.1

<b>Temporary Worker Ratio</b>	S5.1) Percentage: Total enterprise headcount held by part-time employees	N/A
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	N/A
<b>Non-Discrimination</b>	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Yes; refer to Section 4.1
<b>Injury Rate</b>	Percentage: Frequency of injury events relative to total workforce time	None
<b>Global Health and Safety</b>	Does your company follow an occupational health and/ or global health and safety policy? Yes/No	N/A - though related information found in Section 4.3
<b>Child and Forced Labor</b>	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	N/A - though related information found in Section 5.3
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	N/A - though related information found in Section 5.3
<b>Human Rights</b>	S10.1) Does your company follow a human rights policy? Yes/No	N/A - though related information found in Section 5.3
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	N/A - though related information found in Section 5.3
<b>Nationalization</b>	S11.1) Percentage of national employees	Section 4.1
	S11.2) Direct and indirect local job creation	Section 4.1 Section 5.2
<b>Governance</b>		
<b>Board Diversity</b>	G1.1) Percentage: Total board seats occupied by men and women	Section 6.1
	G1.2) Percentage: Committee chairs occupied by men and women	Section 6.1
<b>Board Independence</b>	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	N/A - though Gulf Bank does not currently have a combined CEO and Chair
	G2.2) Percentage: Total Board seats occupied by independents	Section 6.1

<b>Incentivized Pay</b>	Are executives formally incentivized to perform on sustainability? Yes/No	No
<b>Collective Bargaining</b>	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	N/A
<b>Supplier code of conduct</b>	G5.1) Are your vendors or suppliers required to follow a code of conduct? Yes/ No	Yes, Section 5.3
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	N/A, refer to Section 5.3
<b>Ethics and Anti-Corruption</b>	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes; refer to Section 6.2
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	N/A - related information in Section 6.2
<b>Data Privacy</b>	G7.1) Does your company follow a Data Privacy policy? Yes/No	Section 7.1
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	No
<b>Sustainability Reporting</b>	G8.1) Does your company publish a sustainability report? Yes/No	Yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	Yes
<b>Disclosure Practices</b>	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/ No	Yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	No
<b>External Assurance (Recommended)</b>	Are your sustainability disclosures assured or validated by a third party? Yes/No	No

## 8.6 Gulf Cooperation Council (GCC) Stock Exchange Index

Category	Metric	Calculation	Corresponding GRI Standard	Notes	Location/ Disclosure
Environment	E1. GHG Emissions	E1.1) Total amount in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016	Actual or estimated atmospheric emissions produced as a direct (or indirect) result of the company's consumption of energy.  Please refer to the WRI/ WBCSD GHG protocol.	E 1.1) Section 3.2 E 1.2) Section 3.2 E 1.3) Section 3.2
	E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emissions 2016	Dividing annual emissions (numerator) by relevant measures of economic output (denominator). Scaling factors set by reporting company. Examples include revenues, sales, production units, employee headcount, and physical floor space.	E 2.1) Section 3.2 E 2.2) Not disclosed
	E3. Energy Usage	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016	Typically measured in megawatt- hours (MWh) or gigajoules (GJ).  Direct energy produced and consumed on company-owned or operated property.  Indirect energy is produced elsewhere (i.e., utilities).	E 3.1) Section 3.2 E 3.2) Section 3.2
	E4. Energy Intensity	Total direct energy usage per output scaling factor	GRI 302: Energy 2016	Dividing annual consumption (numerator) by relevant measures of physical scale (denominator). Examples include revenues, sales, production units, employee headcount, and physical floor space.	Section 3.2



Environ- ment	E5. Energy Mix	Percentage: Energy usage by generation type	GRI 302: Energy 2016	Quantifying the specific energy sources most directly used by the Company. "Generation type" set by reporting company; examples include renewables, hydro, coal, oil, and natural gas.	Section 3.2
	E6. Water Usage	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018	Water consumed, recycled, and reclaimed annually, in cubic meters (m3).	E 6.1) Section 3.2 E 6.2) N/A
	E7. Environmental Operations	E7.1) Does your company follow a formal environmental policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No E7.3) Does your company use a recognized energy management system?	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.  Examples of management systems: ISO14001: Environmental management system. ISO 50001: Energy management system.	E 7.1) No E 7.2) No E 7.3) No
	E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in senior management (as part of the official agenda), or does it have a management committee dedicated to sustainability-related issues?	Yes
	E9. Environmental Oversight	Does your Board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016	Does your company cover sustainability issues in Board meetings (as part of the official agenda) or has a Board committee dedicated to sustainability-related issues?	Yes

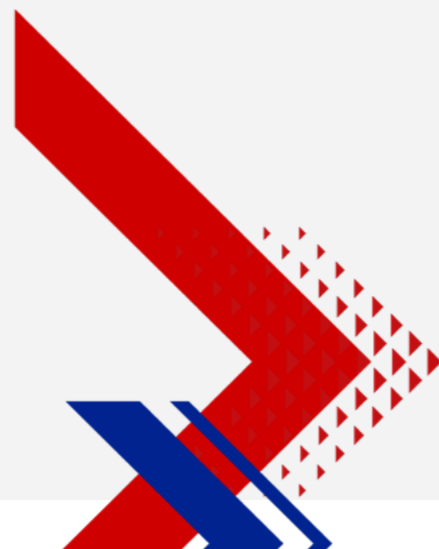
	E10. Climate Risk Mitigation	Total amount invested, annually, in climate- related infrastructure, resilience, and product development		Companies measure the total AED amount invested in climate-related issues, including R&D spend, if any.	N/A
Social	S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation S1.2) Does your company report this metric in regulatory filings? Yes/No	GRI 102: General Disclosures 2016	As a ratio: the CEO Salary & Bonus (X) to Median (FTE - Full Time Equivalent) Salary, is usually expressed as "X:1"  Use total compensation, including all bonus payments and incentives.	S 1.1) N/A S 1.2) N/A
	S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016	As a ratio: the median total compensation for men compared to the median total compensation for women.  Reported for Full Time Equivalent (FTEs) only; Use total compensation, including all bonus payments and incentives.	Ratio 1:1
	S3. Employee Turnover	S3.1) Percentage: Year- over-year change for full-time employees  S3.2) Percentage: Year- over-year change for part-time employees  S3.3) Percentage: Year- over-year change for contractors/ consultants	GRI 401: Employment 2016	Percentage of total annual turnover, broken down by various employment types.  Turnover includes all job changes, whether due to dismissal, retirement, job transition, or death.	S 3.1) Section 4.1 S 3.2) Section 4.1 S 3.3) N/A





Social	S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women S4.2) Percentage: Entry- and mid-level positions held by men and women S4.3) Percentage: Senior- and executive- level positions held by men and women	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	Percentage of male-to- female metrics, broken down by various organizational levels.	S 4.1) Section 4.1 S 4.2) Section 4.1 S 4.3) Section 4.1
	S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016	Percentage of Full-Time (or FTE-equivalent) positions held by non-traditional workers in the value chain.	S 5.1) Section 4.2 S 5.2) N/A
	S6. Non-Discrimination	Does your company follow a non-discrimination policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	Yes
	S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018	Total number of injuries and fatalities, relative to the total workforce.	None
	S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	N/A - though related information is found in Section 4.3

Social	S9. Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No  S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016*	Publish a commitment, position statement, or a policy document that covers this subject.	S 9.1) Gulf Bank is not involved in child/forced labor  S 9.2) Gulf Bank ensures suppliers and vendors follow code of conduct and is not involved in child/forced labor
	S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No  S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016	Publish a commitment, position statement, or a policy document that covers this subject.	S 10.1) No S 10.2) No
Governance	G1. Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women  G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016	Percentage of women at the board. Percentage of committee chairs held by women.	G 1.1) Section 6.1 G 1.2) Section 6.1
	G2. Board Independence	G2.1) Does your company prohibit CEO from serving as Board chair? Yes/No  G2.2) Percentage: Total Board seats occupied by independent Board members		Highlight the separation of the role of Chairman and CEO. Disclose the percentage of independent Board members.	G 2.1) N/A - though currently Gulf Bank does not have a combined Board and CEO G 2.1) Section 6.1
	G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?		Describe links between executive performance and sustainability performance, if any.	No

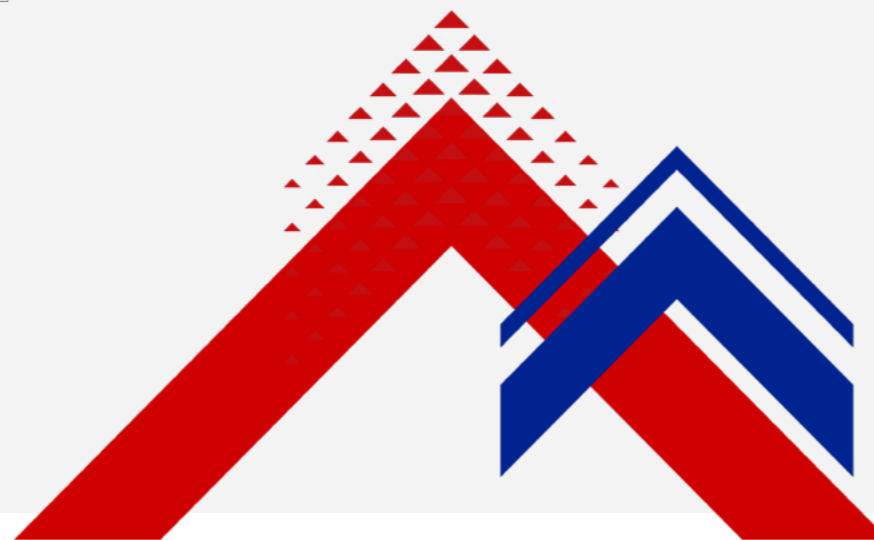






	G4. Supplier code of conduct	G4.1) Are your vendors or suppliers required to follow a code of conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?		Publish a commitment, position statement, or a policy document that covers this subject.	G 4.1) Yes G 4.2) N/A, refer to Section 5.3
Governance	G5. Ethics & Prevention of Corruption	G5.1) Does your company follow an Ethics and/ or Prevention of Corruption policy? Yes/No  G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?		Publish a commitment, position statement, or a policy document that covers this subject.	G 5.1) Yes G5.2) N/A though related information is in Section 6 .2
	G6. Data Privacy	G6.1) Does your company follow a Data Privacy policy? Yes/No  G6.2) Has your company taken steps to comply with GDPR rules? Yes/No		Publish a commitment, position statement, or a policy document that covers this subject.	G 6.1) Yes G 6.2) No
	G7. Sustainability Reporting	Does your company publish a sustainability report? Yes/No		The company can publish a stand-alone sustainability report or integrate sustainability information in our annual report.	Yes

Governance	G8. Disclosure Practices	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/ No  G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No  G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No		Does your company publish a GRI, CDP, SASB, IIRC, or UNGC based report?	G 8.1) Yes G 8.2) Yes G 8.3) No
	G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm? Yes/No	GRI 103: Management Approach 2016 is to be used in combination with the topic--specific standards	Please specify whether your sustainability data has been verified by a third party. Please highlight the Key Performance Indicators (KPIs) that have been verified, if any.	No





## 8.7 Gulf Bank Consumer Banking Products and Services

<b>Saving Accounts</b>
E-Saving
Golden Investor
Gulf Saving
Youth Program
Children Accounts
Red Program
Sight Accounts
Current
Al-Danah
Gulf Premier
Salary Gold Package- Kuwaiti Salary Package
Salary Gold Package – Expat Salary Package
Fixed Deposit Accounts
Interest paid on maturity
Interest in Advance
Monthly Interest
<b>Loans</b>
Al Afdal
Consumer Loan
Auto Loan
Cash Collateral Installment Loan
<b>Business Banking</b>
Business Banking Lending Products
Digital Banking Channels
Online Banking
Mobile Banking
KSE Online Trading
SMS Banking Service

Customer Care Centre
ePayment Gateway
<b>Investment Products</b>
Markaz Mumtaz Fund
Markaz GCC Real Estate Fund
KAMCO Real Estate Yield Fund
<b>Private Banking</b>
<b>Priority Banking</b>
<b>Preferred Banking</b>
<b>Safe Deposit Boxes</b>

## 8.8 Gulf Bank Cards

Mastercard Titanium
Mastercard Titanium Cashback
Mastercard Rose Gold
Mastercard Platinum
Mastercard World
Mastercard World Elite
Visa Platinum
Visa Platinum Cashback
Visa Signature
Visa Business Signature
Visa Infinite
Prepaid Card – Kuwait Flag
MOUJ Prepaid Cashback
Red Plus Prepaid Cashback
Lulu Prepaid Cashback





