



Gulf Bank

Investors Presentation

Q1 – 2018 Earnings Call



Gulf Bank

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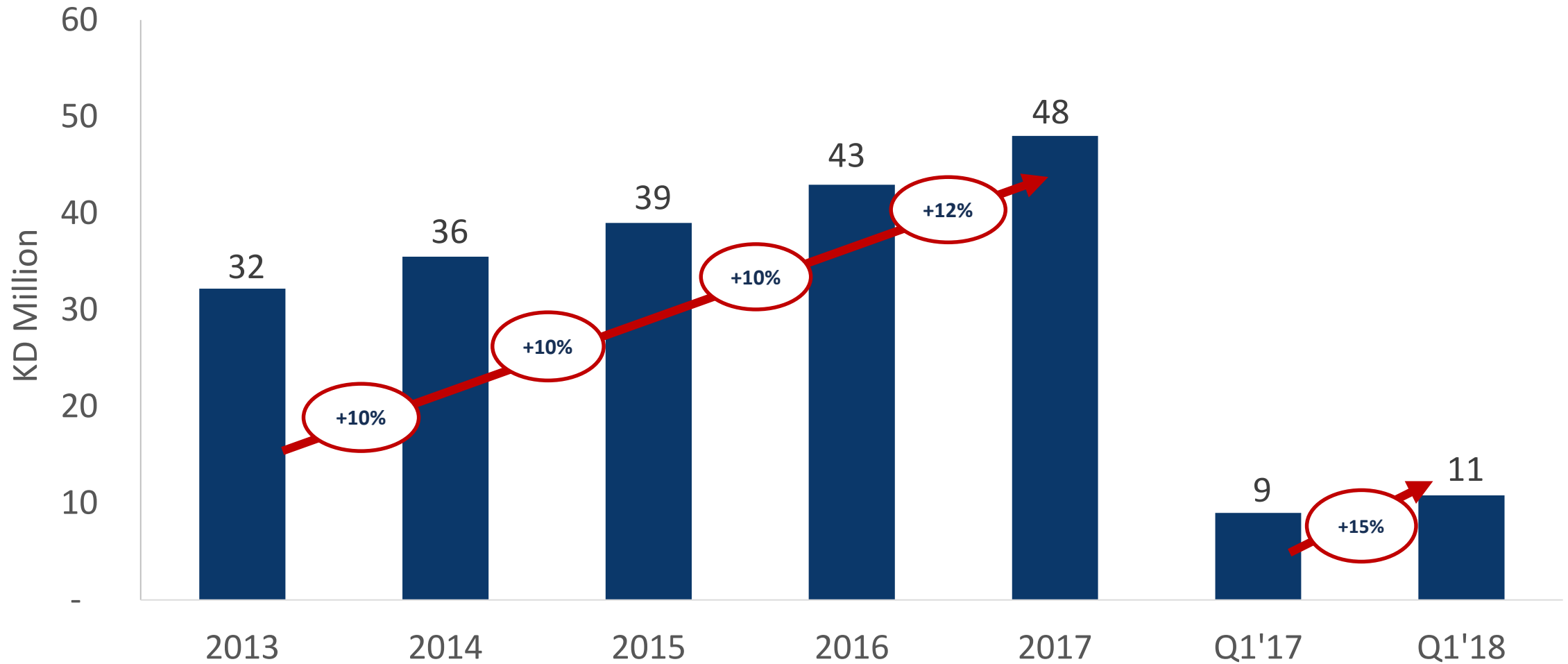
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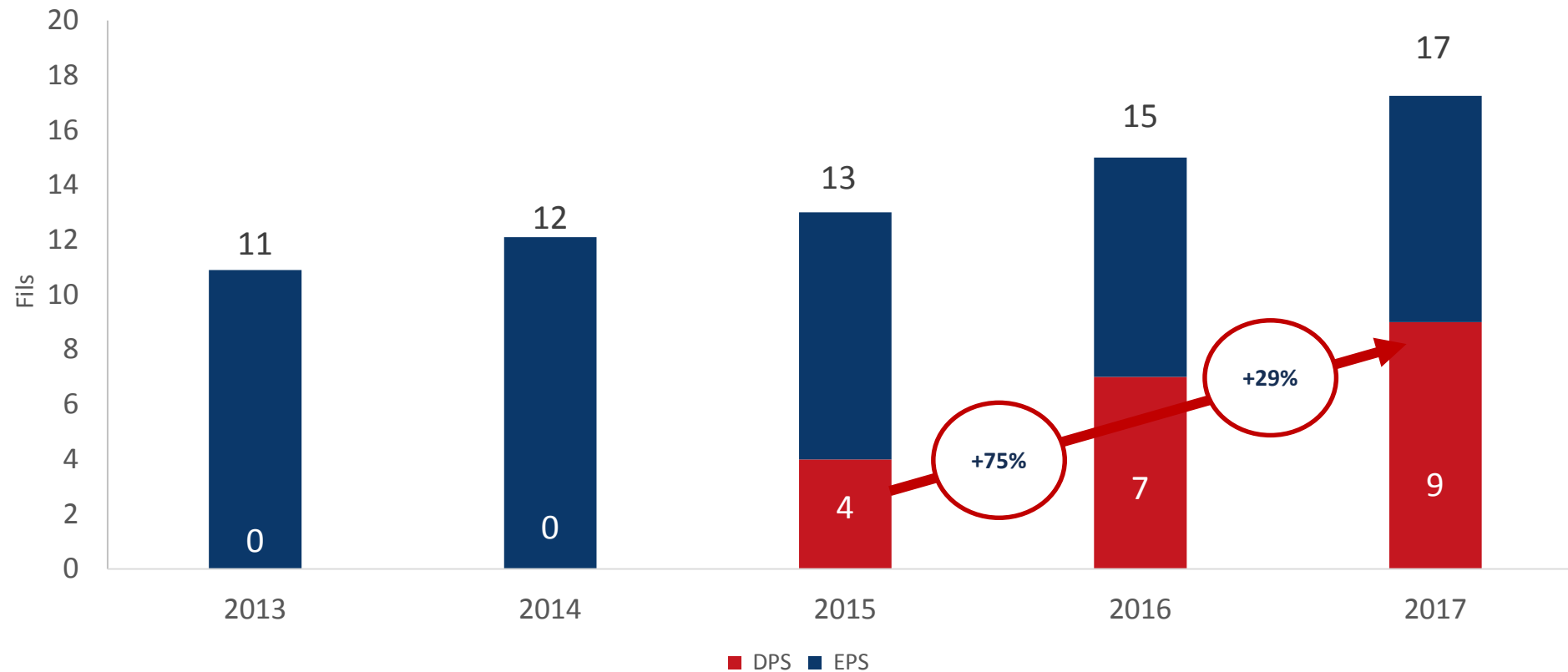
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Double Digit Net Profit Growth



EPS and Dividend Payout Ratio



Payout Ratio	2013	2014	2015	2016	2017
	0%	0%	31%	47%	55%

“A” ratings from all four major credit rating agencies, plus “Positive” outlook by S&P Ratings

		2013	2014	2015	2016	2017	2018
MOODY'S	Long Term	Baa2	Baa1	A3	A3	A3	A3
	Outlook	Positive	Positive	Stable	Stable	Stable	Stable
S&P Global Ratings	Long Term	BBB+	BBB+	A-	A-	A-	A-
	Outlook	Positive	Positive	Stable	Stable	Positive	Positive
Fitch Ratings	Long Term	A+	A+	A+	A+	A+	A+
	Outlook	Stable	Stable	Stable	Stable	Stable	Stable
CAPITAL intelligence	Financial Strength	BB+	BBB-	BBB	BBB+	BBB+	A-
	Outlook	Positive	Stable	Positive	Stable	Positive	Stable

Business Segments

Consumer Banking

KWD 1.3 bil
Loans ¹

57 Branches

Overview:

- Offers full suite of loan & deposit products.
- Segments served:
 - Private
 - Priority
 - Preferred
 - Retail Mass
- Alliances with 3rd party retailers to offer financing programs for their customers

Products & Services:

- Consumer loans, installment loans, cards, and auto loans
- Al Danah millionaire draw
- Red account for Kuwaiti students.
- Wise Investments
- Gulf Bank Rewards
- Blink-to-Bank mobile application.

Corporate Banking

KWD 2.7 bil
loans ¹

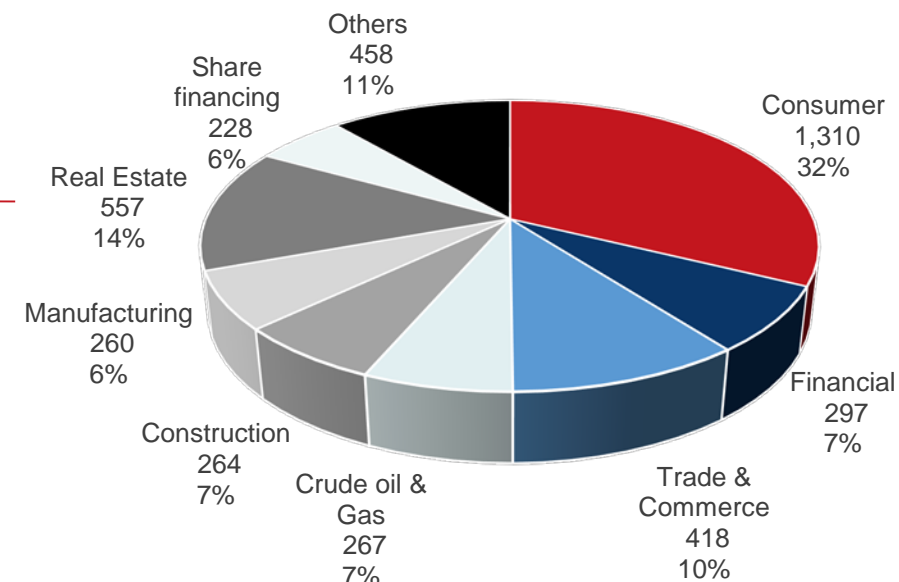
Overview:

- Commercial lending** to mid-size and large scale companies based in Kuwait
- Cash and non-cash facilities to local and international **contractors** undertaking mid-size and large scale projects in Kuwait
- International **trade finance** companies importing in / exporting out of Kuwait
- Foreign currency lending** to large companies, financial institutions and sovereign entities based outside of Kuwait

Products & Services:

- Overdraft, revolving, and installment loans
- Non recourse loans
- Advance Payment Guarantees
- Performance Guarantees
- Letters of Credit
- Payroll Processing Services
- Automated transaction banking solutions including trade finance and cash management
- Advisory and investment banking services

Gross Customer Loans by Industry- KWD 4.1 bil ¹

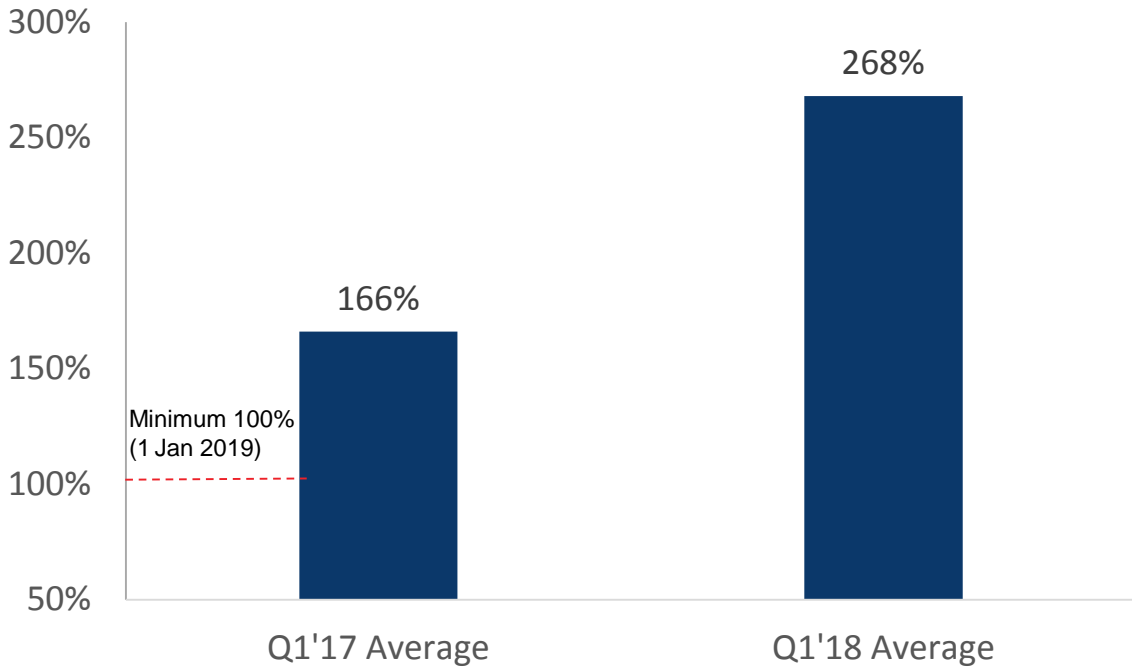


Balance Sheet

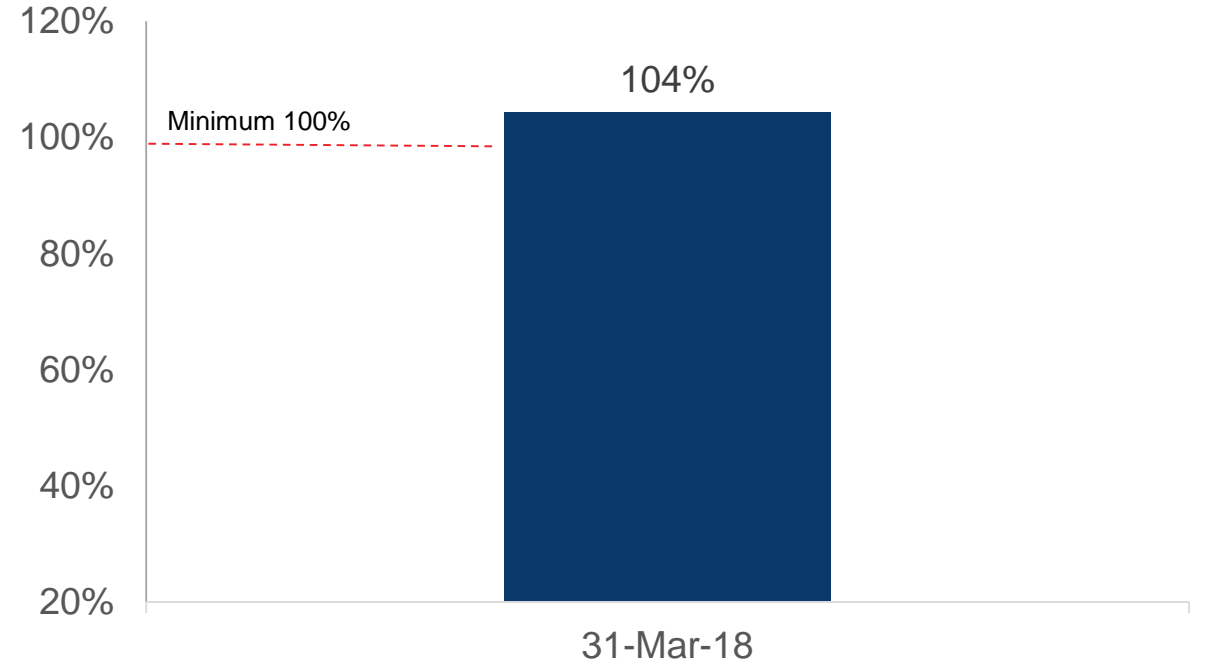
KD Millions	31-Mar-17	% of Total	31-Mar-18	% of Total	31-Mar-18 vs 31-Mar-17	
ASSETS						
1 Cash and cash equivalents	869	16%	558	10%	(311)	-36%
2 Kuwait Government Bonds	418	7%	538	9%	120	29%
3 CBK Bills	375	7%	388	7%	13	3%
4 Deposits with banks and OFIs	72	1%	15	0%	(57)	-79%
5 Liquid Assets	1,734	31%	1,499	26%	(235)	-14%
6 Loans and advances to banks	149	3%	113	2%	(36)	-24%
7 Loans and advances to customers	3,386	61%	3,820	67%	435	13%
8 Net Loans	3,535	63%	3,933	69%	399	11%
9 Investment securities	119	2%	116	2%	(3)	-2%
10 Other assets	169	3%	128	2%	(41)	-24%
11 Premises and equipment	29	1%	30	1%	1	3%
12 Other assets	199	4%	158	3%	(40)	-20%
13 TOTAL ASSETS	5,586	100%	5,706	100%	120	2%
LIABILITIES						
14 Due to banks	353	6%	366	6%	12	4%
15 Deposits from FIs	886	16%	930	16%	43	5%
16 Customer deposits	3,595	64%	3,591	63%	(4)	0%
17 Subordinated Tier II Bonds	100	2%	100	2%	-	0%
18 Other liabilities	87	2%	135	2%	47	54%
19 TOTAL LIABILITIES	5,022	90%	5,121	90%	99	2%
20 Total Equity	564	10%	585	10%	21	4%
21 TOTAL LIABILITIES AND EQUITY	5,586	100%	5,706	100%	120	2%
22 Average assets	5,527		5,695		168	3%
23 Average equity	569		593		25	4%

Liquidity Ratios

Liquidity Coverage Ratio



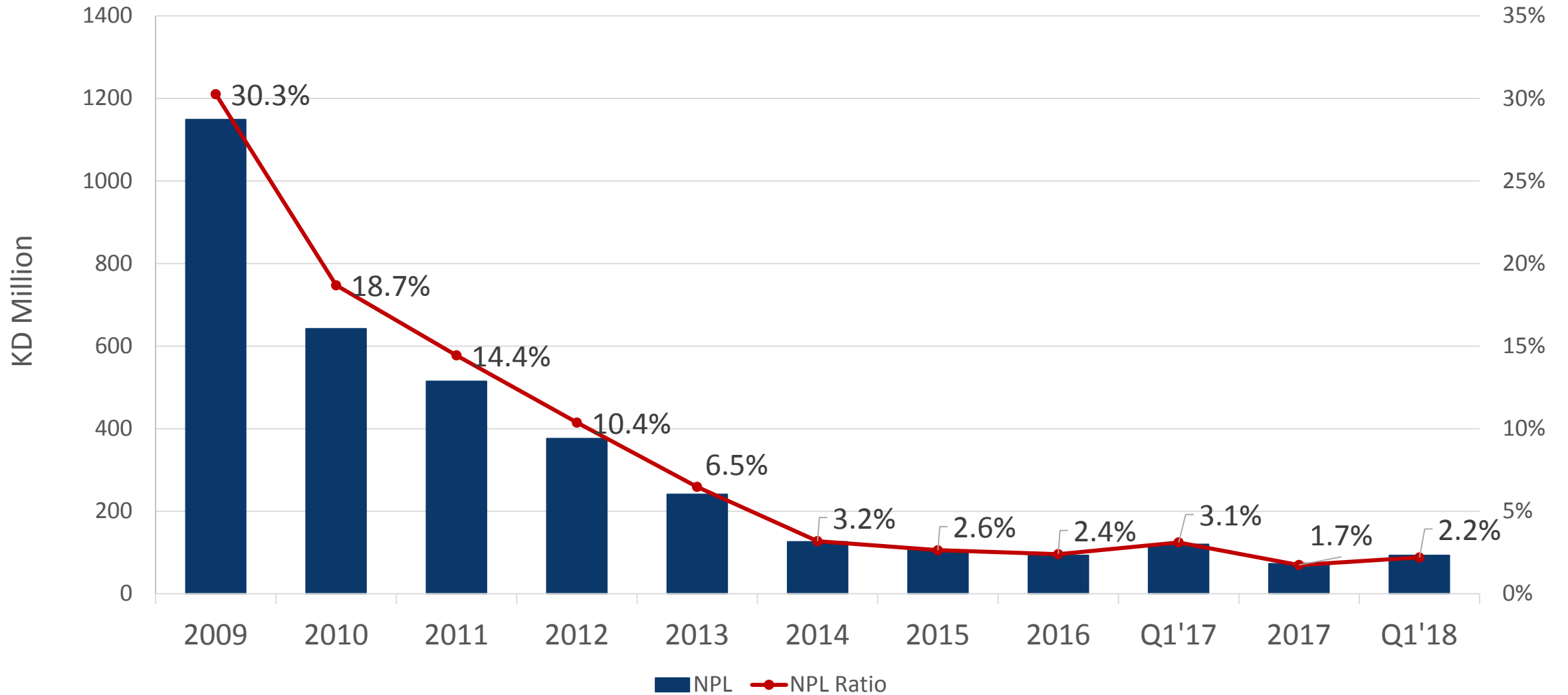
NSFR



Income Statement

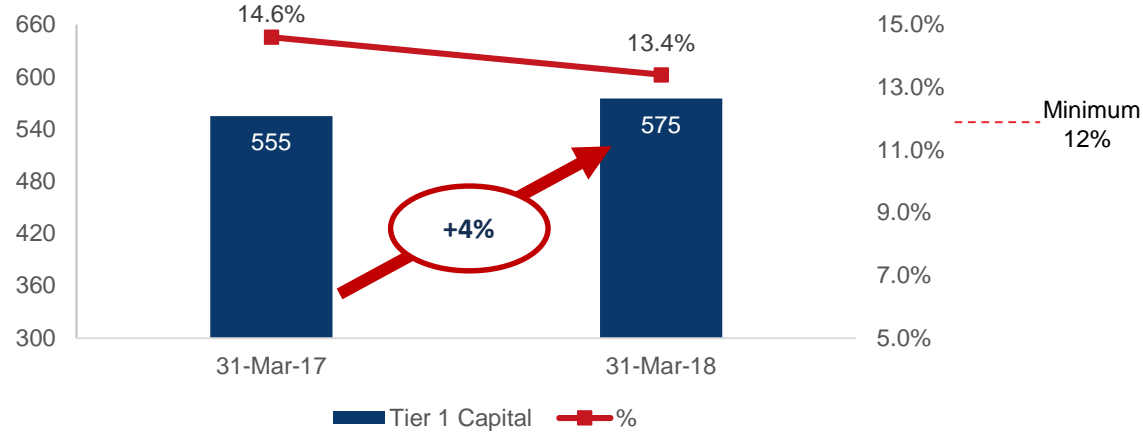
	KD Millions		2016		16 vs 15		2017		17 vs 16		Q1'17		% of Avg. Assets		Q1'18		% of Avg. Assets		Q1'18 vs Q1'17	
1	Interest Income	180	7%	206	15%	47	3.5%	57	4.1%	21%										
2	Interest Expense	(63)	30%	(74)	17%	(17)	-1.3%	(20)	-1.4%	17%										
3	Net Interest Income	117	-2%	132	13%	30	2.20%	37	2.62%	23%										
4	Non Interest Income	52	5%	49	-5%	14	1.1%	11	0.8%	-21%										
5	Operating Income	169	0%	181	8%	44	3.3%	48	3.4%	9%										
6	Operating Expenses	(63)	5%	(64)	2%	(15)	-1.1%	(16)	-1.1%	7%										
7	Operating Margin	105	-3%	117	11%	30	2.2%	33	2.3%	9%										
8	Provisions/ Impairments	(60)	-10%	(67)	10%	(20)	-1.5%	(21)	-1.5%	6%										
9	Taxes/ Other	(2)	9%	(2)	11%	(0)	0.0%	(1)	0.0%	16%										
10	Net Profit	43	10%	48	12%	9	0.69%	11	0.77%	15%										
11	ROE	7.8%		8.3%		6.7%		7.4%												
12	Cost to Income Ratio	37.5%		35.4%		32.7%		32.3%												

Non Performing Loans

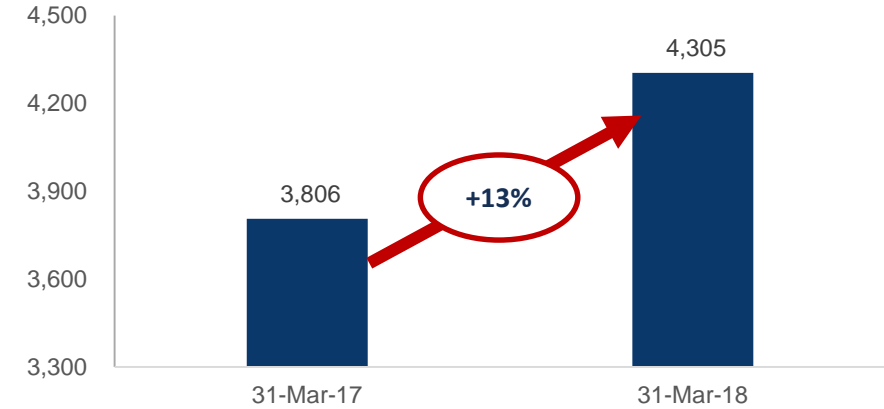


Capital & Leverage Ratios

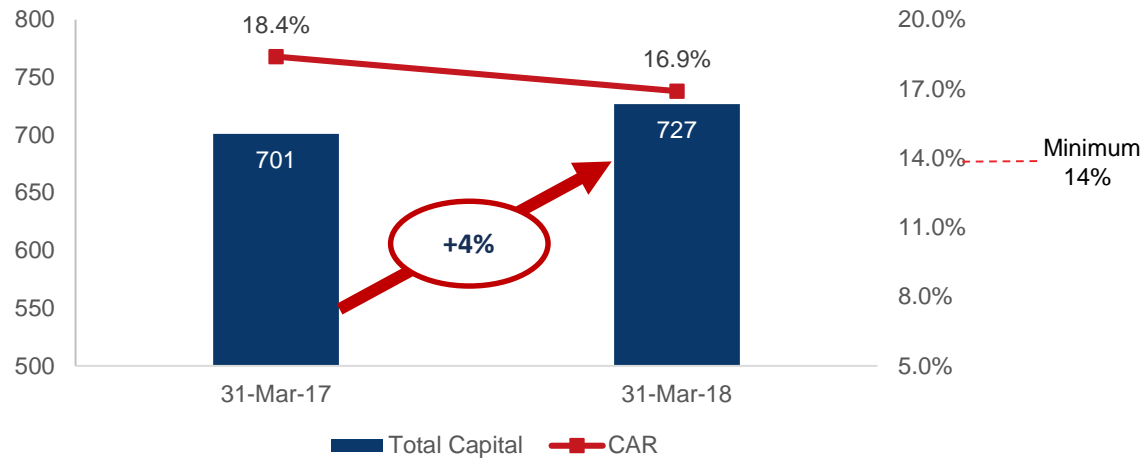
Tier 1 Capital (KWD mil)



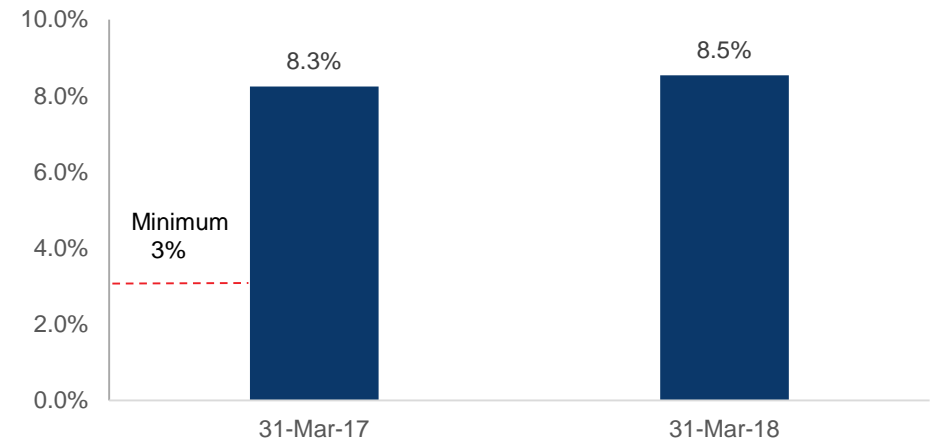
Risk Weighted Assets (KWD mil)



Total Capital (KWD mil)



Leverage



% Tier 1

79%

79%

Q&A

Income Statement

Balance Sheet

Income Statement (KD Thousands)	Q1'17	Q1'18
Interest income	47,109	56,880
Interest expense	(17,122)	(20,072)
Net Interest Income	29,987	36,808
Net fees and commissions	8,156	8,449
Net gains from dealing in FX/ derivatives	2,070	2,284
Realised gains from investments	2,648	-
Dividend income	464	478
Other income	1,099	220
Operating Income	44,424	48,239
Staff expenses	(9,605)	(9,945)
Occupancy costs	(1,022)	(990)
Depreciation	(730)	(906)
Other expenses	(3,180)	(3,758)
Operating expenses	(14,537)	(15,599)
Operating Margin	29,887	32,640
Charge of provisions:		
- specific	(16,633)	(17,655)
- general	(2,644)	(15,736)
Loan recoveries, net of write-off	1,578	18,391
Net provision on other financial assets	-	(9)
Impairment loss on investment securities	(25)	-
Impairment loss on other assets	(2,366)	(6,315)
Operating Profit	9,797	11,316
Contribution to KFAS	(98)	(114)
National Labour Support Tax	(243)	(280)
Zakat	(98)	(114)
Net Profit	9,358	10,808

Balance Sheet (KD Millions)	31-Mar-17	31-Mar-18
Assets		
Cash and cash equivalents	869	558
Kuwait Government Bonds	418	538
CBK Bills	375	388
Deposits with banks and OFIs	72	15
Loans and advances to banks	149	113
Loans and advances to customers	3,386	3,820
Investment securities	119	116
Other assets	169	128
Premises and equipment	29	30
Total Assets	5,586	5,706
Liabilities		
Due to banks	353	366
Deposits from FIs	886	930
Customer deposits	3,595	3,591
Subordinated Tier II Bonds	100	100
Other liabilities	87	135
Sub-total	5,022	5,121
Total Equity	564	585
Total Liabilities and Equity	5,586	5,706