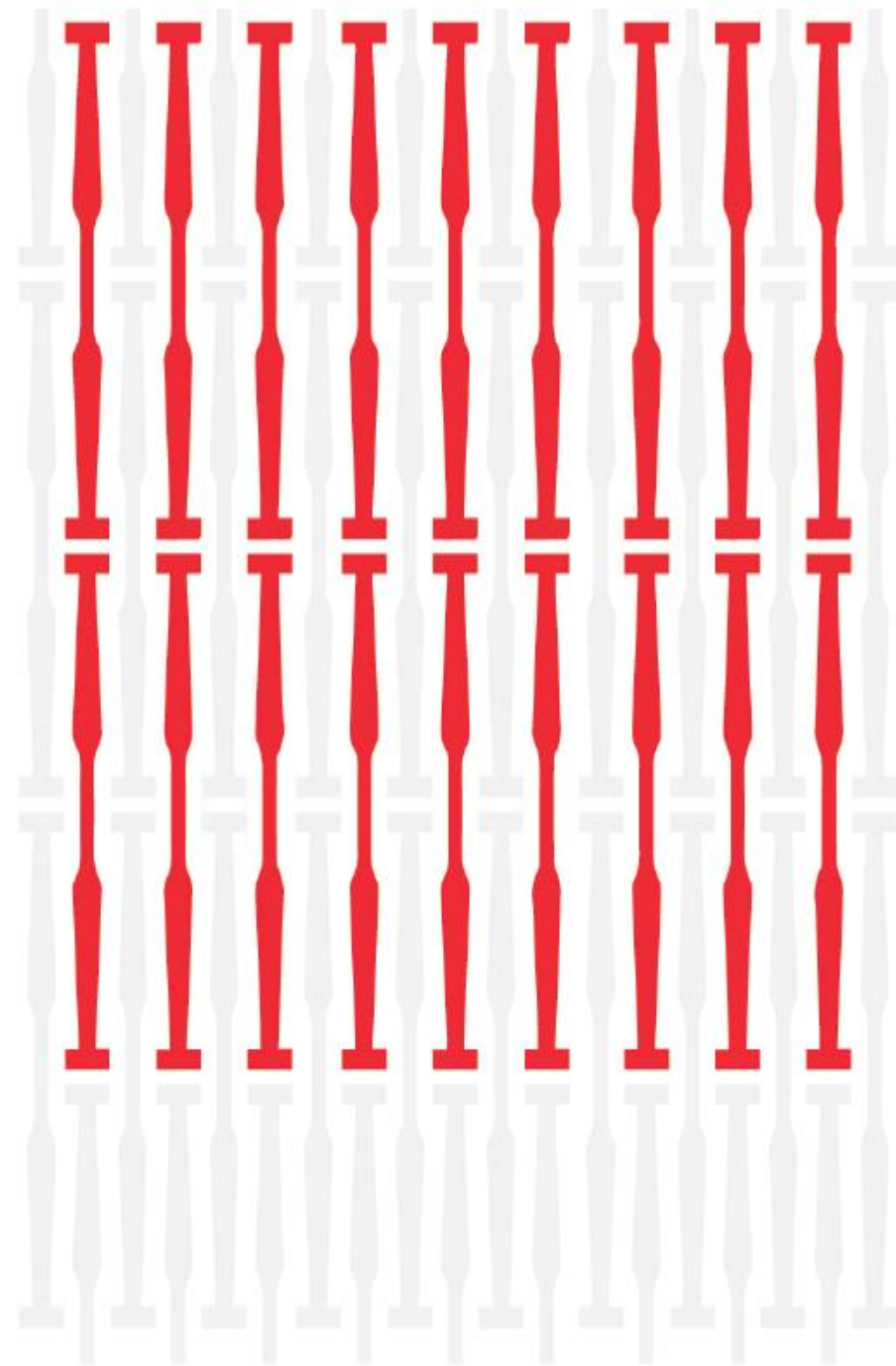




Gulf Bank

Earnings Presentation
1st Quarter 2021

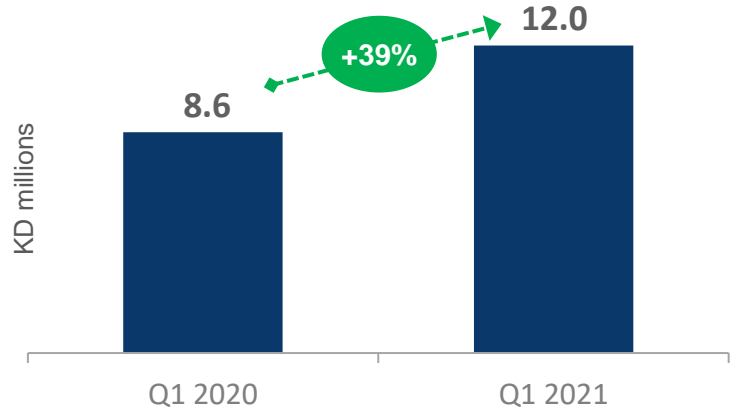
4th May 2021



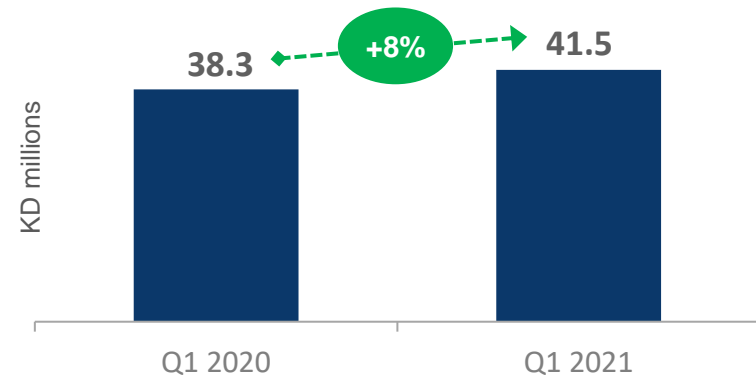
1st Quarter 2021 Key Highlights



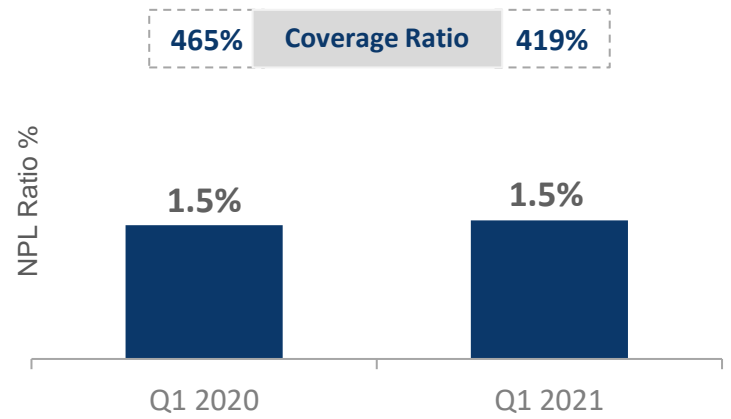
1 Net Profit



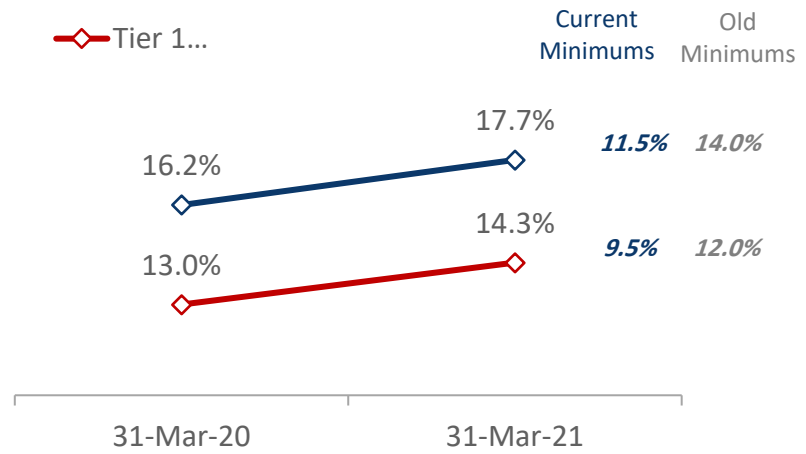
2 Operating Income



3 Asset Quality



4 Capital Ratios



5 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Stable
Fitch Ratings	A+	Negative
S&P Global Ratings	A-	Negative
CI CAPITAL intelligence	A+	Stable



Income Statement



KD Millions	Q1 2020A	Q2 2020A	Q3 2020A	Q4 2020A	Q1 2021A	Q1 21A vs Q1 20A	
						Amt	%
1 Interest Income	58.0	55.2	49.3	46.8	45.3	(12.8)	-22%
2 Interest Expense	(29.1)	(22.8)	(17.8)	(14.8)	(12.6)	16.5	57%
3 Net Interest Income	28.9	32.4	31.5	32.0	32.6	3.7	13%
4 Fees/ FX Income	8.8	6.3	7.4	9.1	8.8	(0.0)	0%
5 Other Income	0.6	0.2	0.2	0.9	0.1	(0.5)	-80%
6 Operating Income	38.3	38.9	39.2	41.9	41.5	3.2	8%
7 Operating Expenses	(18.7)	(14.7)	(14.1)	(16.4)	(20.5)	(1.7)	-9%
8 Operating Margin	19.6	24.2	25.1	25.6	21.1	1.5	8%
9 Credit Costs ⁽¹⁾	(7.3)	(21.0)	(16.6)	(14.0)	(8.3)	(1.0)	-13%
10 General Provisions	(3.3)	0.5	(1.5)	0.1	(0.1)	3.2	98%
11 Other Provisions/Impairments	0.1	(0.4)	0.0	(0.6)	(0.1)	(0.2)	U
12 Taxes/ Other	(0.4)	(0.1)	(0.3)	(0.6)	(0.6)	(0.2)	-43%
13 Net Profit	8.6	3.2	6.6	10.4	12.0	3.4	39%
14 Return on Assets (ROA) %	0.5%	0.2%	0.4%	0.7%	0.8%		
15 Return on Equity (ROE) %	5.3%	2.1%	4.3%	6.6%	7.6%		
16 Net Interest Margin (NIM) % ⁽²⁾	1.8%	2.1%	2.1%	2.1%	2.1%		
17 Cost to Income Ratio (CIR) %	48.9%	37.9%	36.0%	39.0%	49.3%		
18 Cost of Risk (COR) % ⁽³⁾	0.7%	1.9%	1.5%	1.2%	0.8%		

(1) Includes specific provisions, recoveries, and write-offs (2) Net Interest Income / Average assets

(3) Credit Costs / Average gross customer loans.

F: Favorable
U: Unfavorable.



Balance Sheet



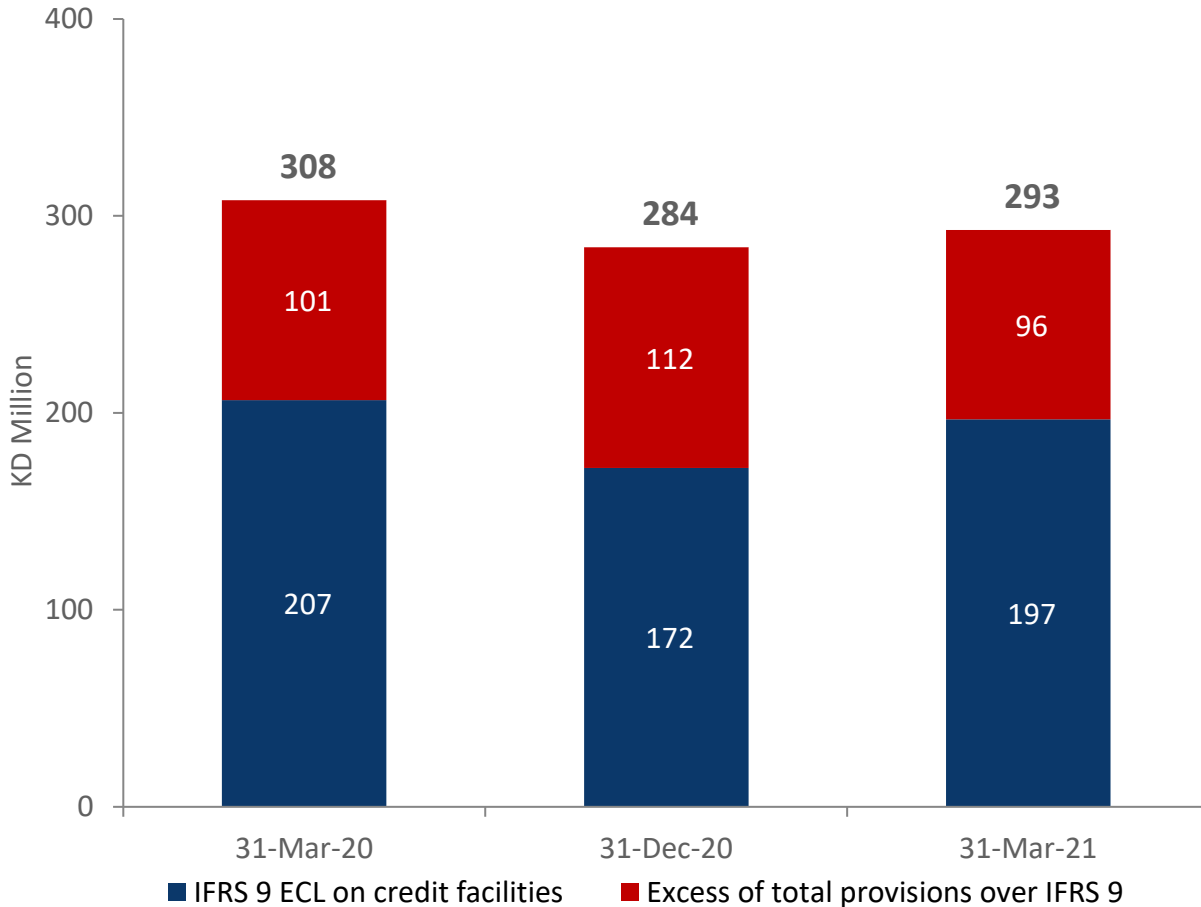
KD Millions	31-Mar-20	% of Total	31-Dec-20	% of Total	31-Mar-21	% of Total	Var March 21 vs March 20		Var March 21 vs Dec 20	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,012	16%	1,106	18%	1,102	18%	89	9%	(4)	0%
2 Kuwait Government Bonds	188	3%	109	2%	109	2%	(79)	-42%	0	0%
3 CBK Bills	279	4%	281	5%	281	4%	2	1%	0	0%
4 Deposits with banks and OFIs	164	3%	3	0%	76	1%	(88)	-54%	73	2396%
5 Liquid Assets	1,643	26%	1,498	25%	1,567	25%	(77)	-5%	69	5%
6 Loans and advances to customers	4,561	71%	4,384	72%	4,502	72%	(59)	-1%	118	3%
7 Loans and advances to banks	201	3%	193	3%	186	3%	(16)	-8%	(8)	-4%
8 Provisions	(294)	-5%	(269)	-4%	(276)	-4%	18	-6%	(7)	3%
9 Net Loans	4,469	69%	4,309	70%	4,412	70%	(57)	-1%	103	2%
10 Investment securities	166	3%	175	3%	167	3%	1	0%	(8)	-5%
11 Other assets	119	2%	97	2%	93	1%	(25)	-21%	(4)	-4%
12 Premises and equipment	36	1%	34	1%	33	1%	(3)	-8%	(1)	-2%
13 Other assets	155	2%	131	2%	127	2%	(28)	-18%	(4)	-3%
14 TOTAL ASSETS	6,433	100%	6,113	100%	6,272	100%	(161)	-3%	159	3%
LIABILITIES										
15 Due to banks	478	7%	551	9%	590	10%	112	24%	40	7%
16 Deposits from FIs	924	14%	705	12%	665	11%	(260)	-28%	(41)	-6%
17 Customer deposits	4,144	64%	4,034	66%	4,178	68%	34	1%	144	4%
18 Subordinated Tier II Bonds	100	2%	100	2%	100	2%	0	0%	0	0%
19 Other liabilities	148	2%	86	1%	102	2%	(46)	-31%	17	19%
20 TOTAL LIABILITIES	5,794	90%	5,475	90%	5,635	92%	(159)	-3%	160	3%
21 Total Equity	639	10%	637	10%	637	10%	(2)	0%	(1)	0%
22 TOTAL LIABILITIES AND EQUITY	6,433	100%	6,113	100%	6,272	103%	(161)	-3%	159	3%
23 Average assets	6,339		6,150		6,192		(147)	-2%	42	1%
24 Average equity	652		632		637		(15)	-2%	5	1%
25 NPL ratio	1.5%		1.1%		1.5%					
26 Coverage ratio ⁽¹⁾	465%		568%		419%					

(1) Coverage ratio includes collaterals.

Total Credit Provisions exceed IFRS 9 accounting requirements by KD 96 million



Total Provisions on Credit Facilities



Excess / Total Provision

33%

39%

33%

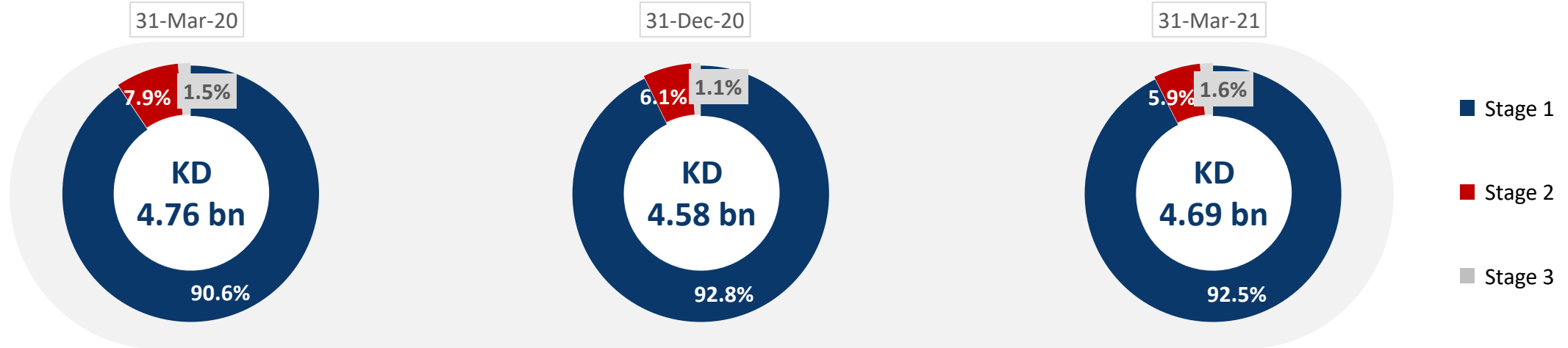
Comparison between total provisions and IFRS 9 Expected Credit Loss (ECL) on credit facilities

(KD Millions)	31 March 2020	31 Dec 2020	31 March 2021
Provision on cash facilities	294	269	276
Provision on non-cash facilities	14	15	17
Total provisions on credit facilities (A)	308	284	293
IFRS 9 ECL on credit facilities (B)	207	172	197
Excess of total provisions over IFRS 9 ECL on credit facilities (A-B)	101	112	96

With stable Gross Loans stage composition and coverage

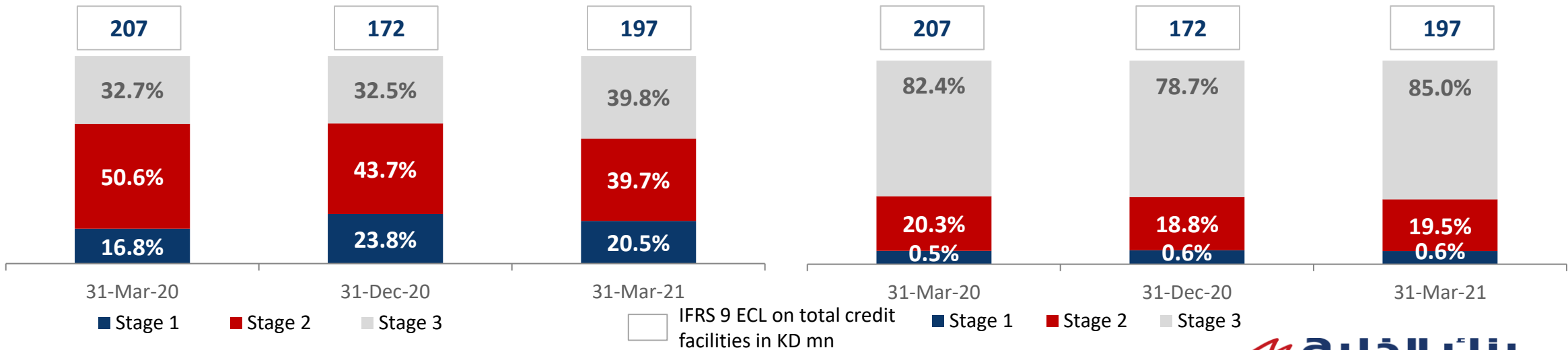


Gross Loans by Stages %⁽¹⁾



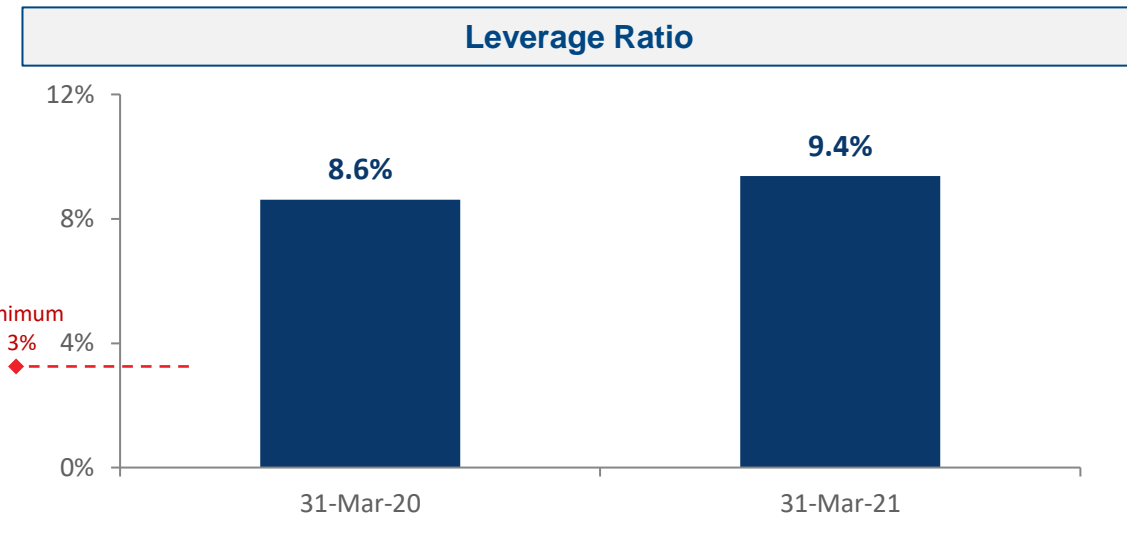
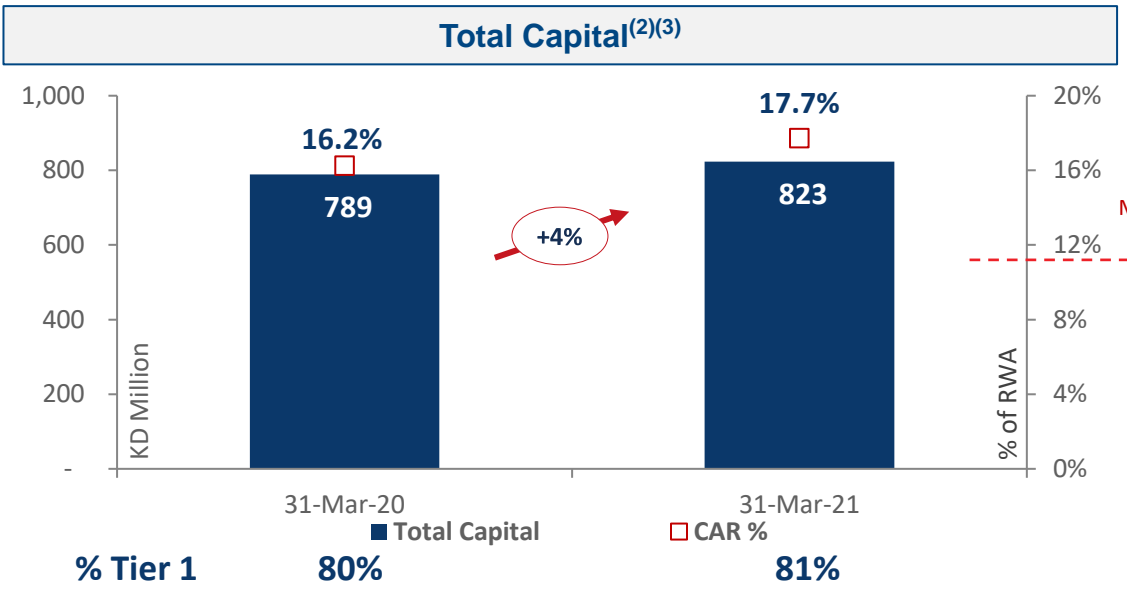
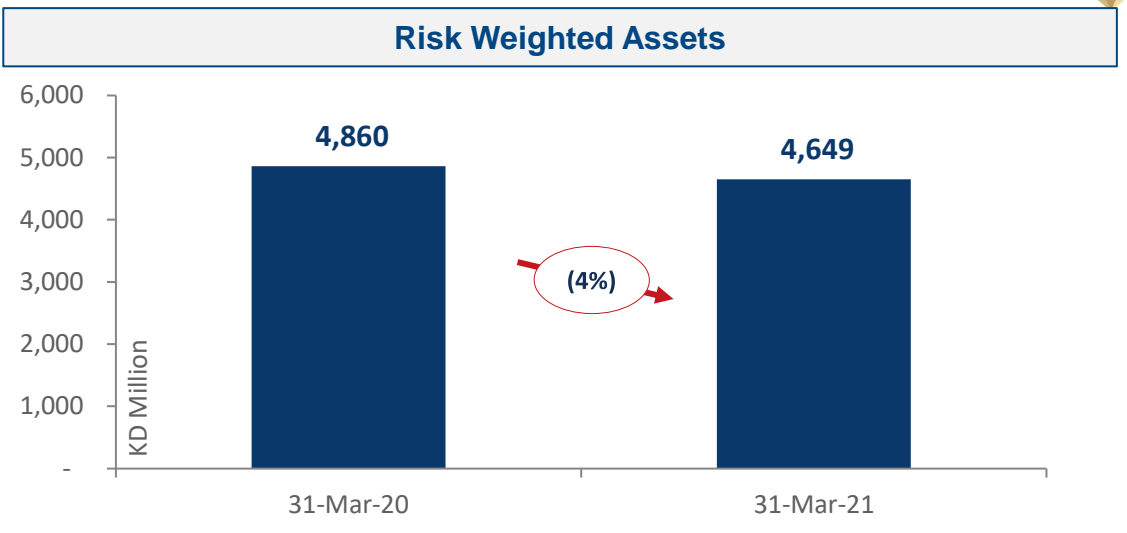
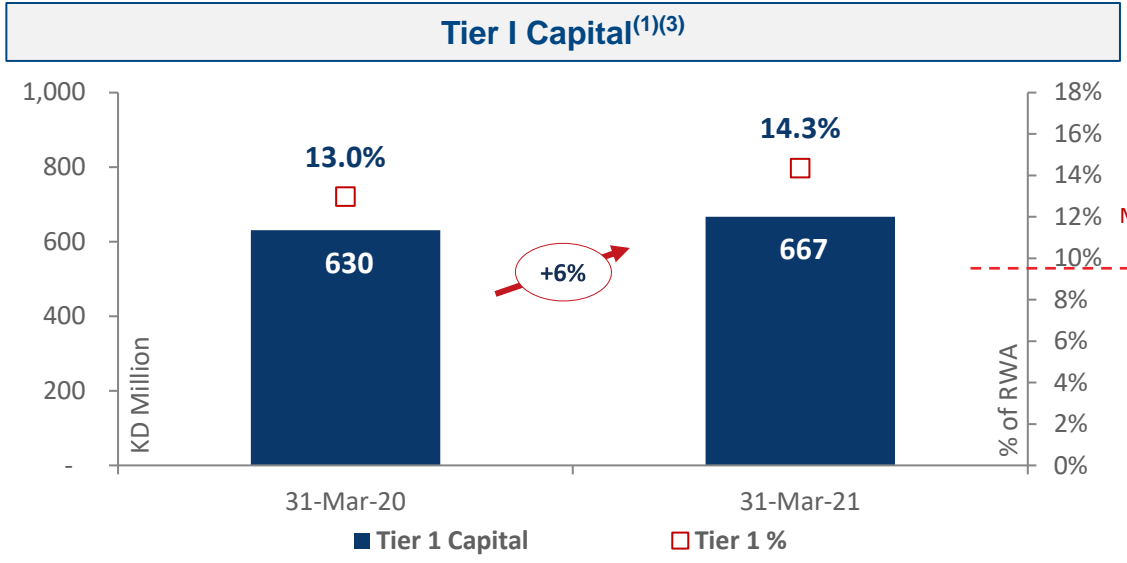
IFRS 9 ECL by Stages %

IFRS 9 ECL Coverage by Total Credit Facilities Stages %⁽²⁾



(1) As per IFRS 9 regulations for retail loans, the stages 3 loans will be slightly higher than the NPL calculation as per Central Bank;
 (2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.

Capital and Leverage Ratios



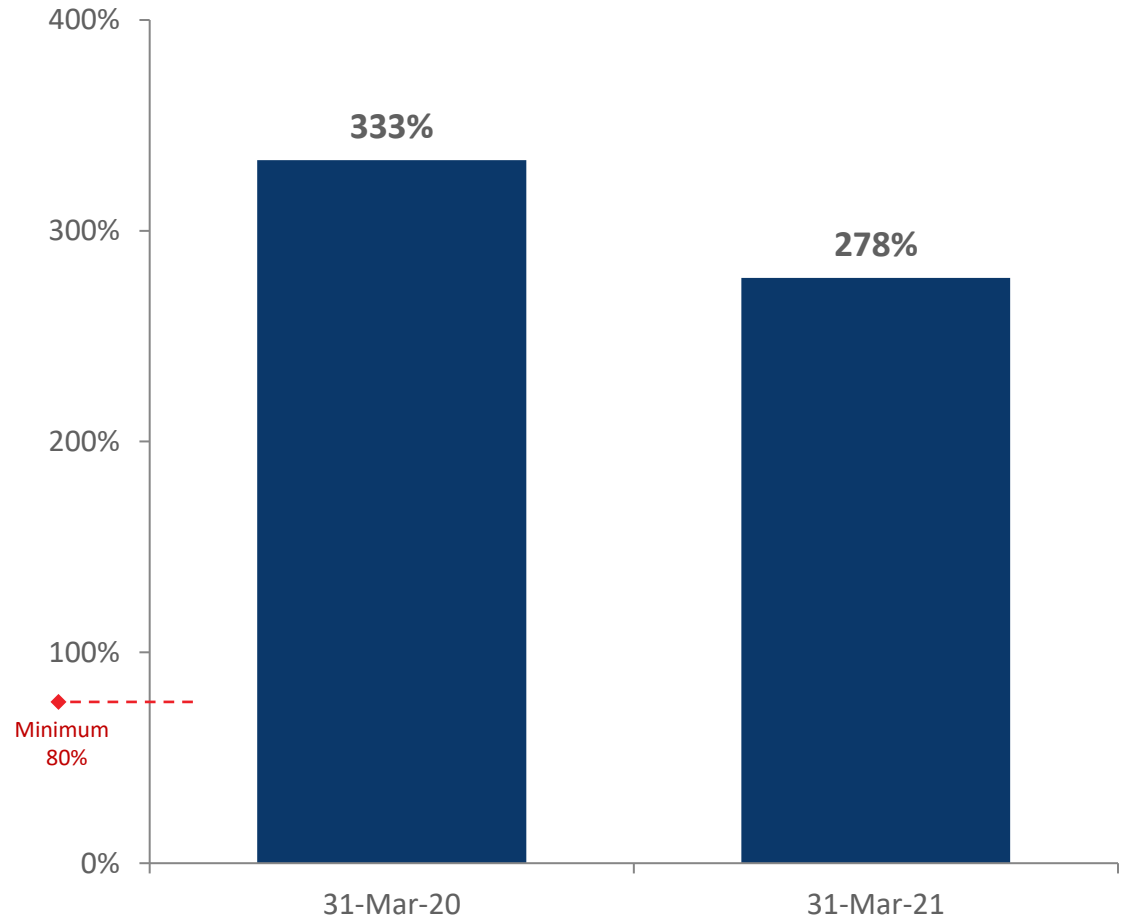
(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%; (2) CAR regulatory minimum has been changed from 14% to 11.5%; (3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB.
 Note: The changes in the regulatory minimums were instructed by CBK in April 2020.



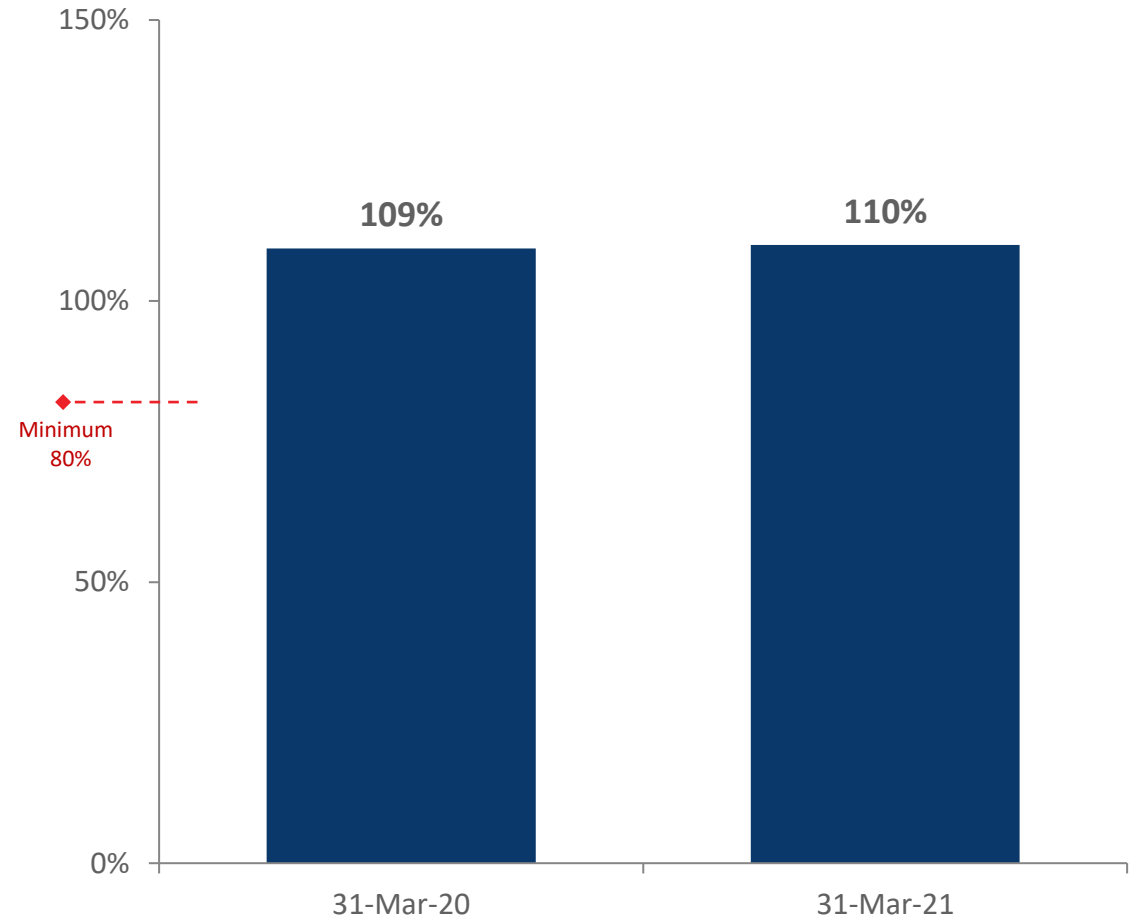
Liquidity Ratios



Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been changed from 100% to 80%. Note: The changes in the regulatory minimums were instructed by CBK in April 2020.



Maintaining 'A' ratings from all four major credit rating agencies



Rating Agency	Criteria	Rating
	Long-Term Deposits	A3
	Outlook	Stable
	Long-Term Issuer Default Rating	A+
	Outlook	Negative
	Issuer Credit Rating	A-
	Outlook	Negative
	Long-Term Foreign Currency	A+
	Outlook	Stable

Q&A

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