

Gulf Bank

Investor Presentation

H1-2019



11 July 2019

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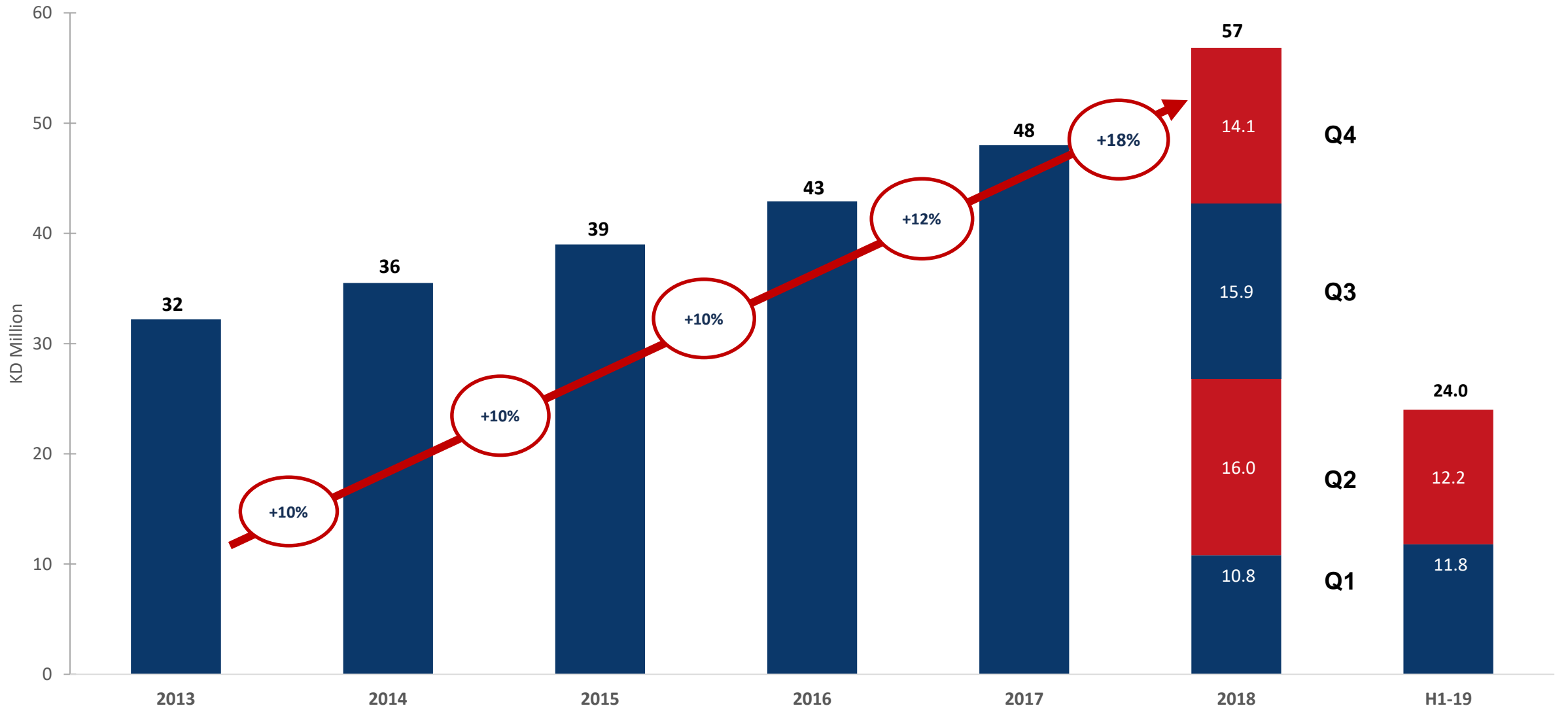
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Reported Net Profit of KD 24 million in H1-2019



Rated “A” by all four Credit Rating Agencies

MOODY'S

Rating	2018
Long Term Deposits	A3
Outlook	Positive

Fitch
Ratings

Long Term IDR	A+
Outlook	Stable

S&P Global
Ratings

Issuer Credit Rating	A-
Outlook	Stable

Gi CAPITAL
intelligence

Long Term Foreign Currency	A+
Outlook	Stable

Balance Sheet

KD Millions	30-Jun-18	% of Total	30-Jun-19	% of Total	30-Jun-19 vs 30-Jun-18	
ASSETS						
1 Cash and cash equivalents	593	10%	848	14%	255	43%
2 Kuwait Government Bonds	481	8%	327	5%	(154)	-32%
3 CBK Bills	359	6%	284	5%	(75)	-21%
4 Deposits with banks and OFIs	<u>111</u>	<u>2%</u>	<u>161</u>	<u>3%</u>	<u>50</u>	<u>45%</u>
5 Liquid Assets	1,543	26%	1,619	27%	76	5%
6 Loans and advances to customers	3,879	66%	3,955	66%	77	2%
7 Loans and advances to banks	<u>142</u>	<u>2%</u>	<u>134</u>	<u>2%</u>	<u>(9)</u>	<u>-6%</u>
8 Net Loans	4,021	69%	4,089	68%	68	2%
9 Investment securities	120	2%	154	3%	34	28%
10 Other assets	126	2%	112	2%	(14)	-11%
11 Premises and equipment	<u>31</u>	<u>1%</u>	<u>37</u>	<u>1%</u>	<u>6</u>	<u>20%</u>
12 Other assets	157	3%	149	2%	(8)	-5%
13 TOTAL ASSETS	5,841	100%	6,011	100%	170	3%
LIABILITIES						
14 Due to banks	336	6%	506	8%	170	50%
15 Deposits from FIs	988	17%	842	14%	(146)	-15%
16 Customer deposits	3,712	64%	3,804	63%	92	2%
17 Subordinated Tier II Bonds	100	2%	100	2%	-	0%
18 Other liabilities	<u>105</u>	<u>2%</u>	<u>134</u>	<u>2%</u>	<u>29</u>	<u>28%</u>
19 TOTAL LIABILITIES	5,241	90%	5,386	90%	144	3%
20 Total Equity	600	10%	625	10%	25	4%
21 TOTAL LIABILITIES AND EQUITY	5,841	100%	6,011	100%	170	3%
22 Average assets	5,744		5,955			
23 Average equity	595		622			
24 NPL Ratio (2.8% as of 31 March 2019)	2.1%		2.7%			
25 Coverage Ratio (267% as of 31 March 2019)	379%		288%			

Income Statement (H1-19 vs H1-18)

	KD Millions	2018	% of Avg. Assets	18 vs 17	H1-18	% of Avg. Assets	H1-19	% of Avg. Assets	H1-19 vs H-18
1	Interest Income	242.7	4.2%	37	118.7	4.2%	128.1	4.3%	9.4
2	Interest Expense	(90.1)	-1.5%	(16)	(41.9)	-1.5%	(53.7)	-1.8%	(11.8)
3	Net Interest Income	152.6	2.61%	20	76.9	2.70%	74.5	2.52%	(2.4)
4	Non Interest Income	41.8	0.7%	(7)	20.2	0.7%	21.1	0.7%	0.9
5	Operating Income	194.4	3.3%	13	97.1	3.4%	95.6	3.2%	(1.5)
6	Operating Expenses	(67.0)	-1.1%	(3)	(32.0)	-1.1%	(39.9)	-1.4%	(7.9)
7	Operating Margin	127.4	2.2%	10	65.1	2.3%	55.7	1.9%	(9.4)
8	Credit Costs*	(1.4)	0.0%	81	(14.0)	-0.5%	(30.4)	-1.0%	(16.4)
9	Other provisions	(49.7)	-0.9%	(69)	(16.7)	-0.6%	0.0	0.0%	16.7
10	Impairments	(16.8)	-0.3%	(13)	(6.3)	-0.2%	(0.1)	0.0%	6.2
11	Taxes/Other	(2.8)	0.00%	0	(1.3)	0.0%	(1.1)	0.0%	0.1
12	Net Profit	56.7	0.97%	9	26.8	0.94%	24.0	0.81%	(2.8)
13	ROA	0.97%			0.94%		0.81%		
14	ROE	9.37%			9.08%		7.77%		
15	Cost to income ratio	34.5%			33.0%		41.8%		
16	Average Assets	5,839			5,744		5,955		
17	Average Equity	606			595		622		

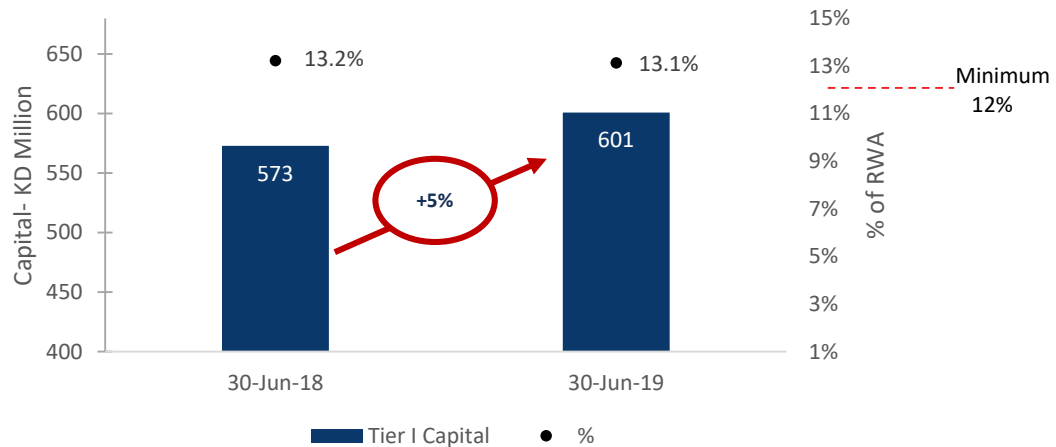
Income Statement (Q2-19 vs Q1-19)

	KD Millions	2018	% of Avg. Assets	18 vs 17	Q1-19	% of Avg. Assets	Q2-19	% of Avg. Assets	Q2-19 vs Q1-19
1	Interest Income	242.7	4.2%	37	63.7	4.4%	64.4	4.4%	0.7
2	Interest Expense	<u>(90.1)</u>	<u>-1.5%</u>	<u>(16)</u>	<u>(26.2)</u>	<u>-1.8%</u>	<u>(27.5)</u>	<u>-1.9%</u>	<u>(1.3)</u>
3	Net Interest Income	152.6	2.61%	20	37.6	2.57%	36.9	2.50%	(0.7)
4	Non Interest Income	<u>41.8</u>	0.7%	<u>(7)</u>	<u>9.7</u>	<u>0.7%</u>	<u>11.4</u>	<u>0.8%</u>	<u>1.8</u>
5	Operating Income	194.4	3.3%	13	47.2	3.2%	48.3	3.3%	1.1
6	Operating Expenses	<u>(67.0)</u>	<u>-1.1%</u>	<u>(3)</u>	<u>(21.6)</u>	<u>-1.5%</u>	<u>(18.3)</u>	<u>-1.2%</u>	<u>3.2</u>
7	Operating Margin	127.4	2.2%	10	25.7	1.8%	30.0	2.0%	4.3
8	Credit Costs*	(1.4)	<u>0.0%</u>	81	(13.9)	-1.0%	(16.5)	-1.1%	(2.6)
9	Other provisions	(49.7)	-0.9%	(69)	0.6	0.0%	(0.6)	0.0%	(1.2)
10	Impairments	(16.8)	-0.3%	(13)	-	0.0%	(0.1)	0.0%	(0.1)
11	Taxes/Other	<u>(2.8)</u>	0.00%	<u>0</u>	<u>(0.6)</u>	<u>0.0%</u>	<u>(0.6)</u>	<u>0.0%</u>	<u>0.0</u>
12	Net Profit	56.7	0.97%	9	11.8	0.81%	12.2	0.83%	0.4
13	ROA	0.97%			0.81%		0.83%		
14	ROE	9.37%			7.69%		7.90%		
15	Cost to income ratio	34.5%			45.7%		38.0%		
16	Average Assets	5,839			5,927		5,924		
17	Average Equity	606			621		619		

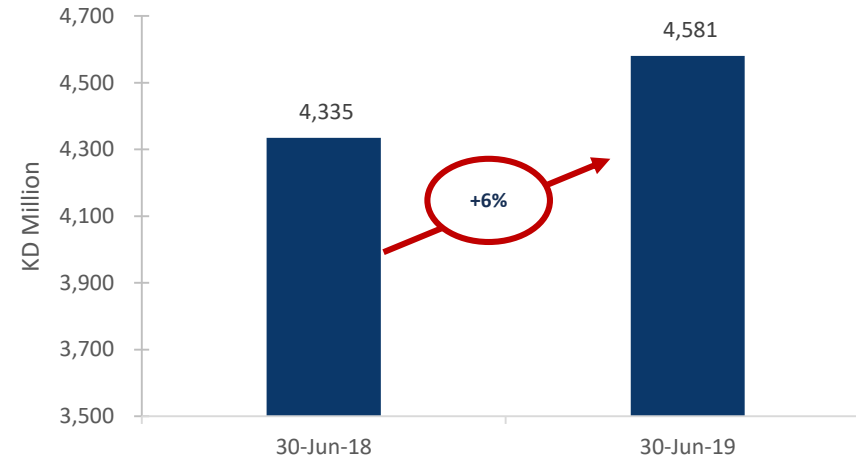
*Specific Provisions + Write-offs - Recoveries

Capital & Leverage Ratios

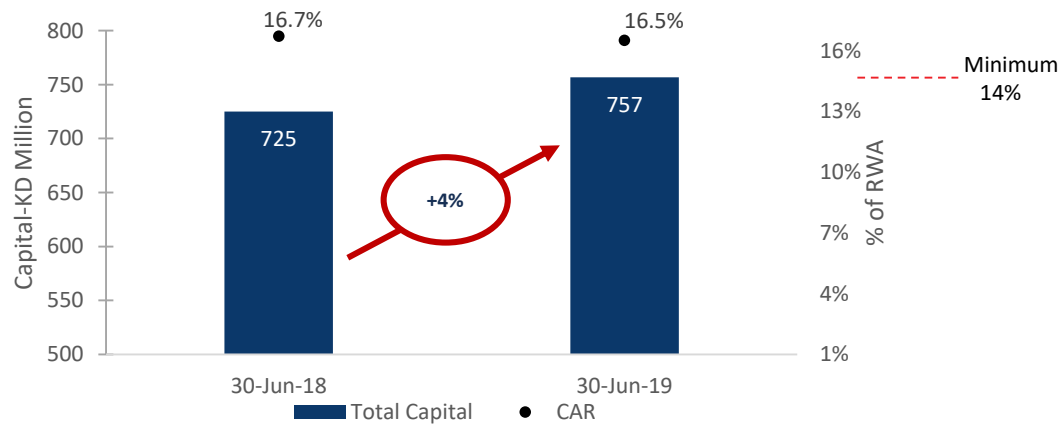
Tier 1 Capital



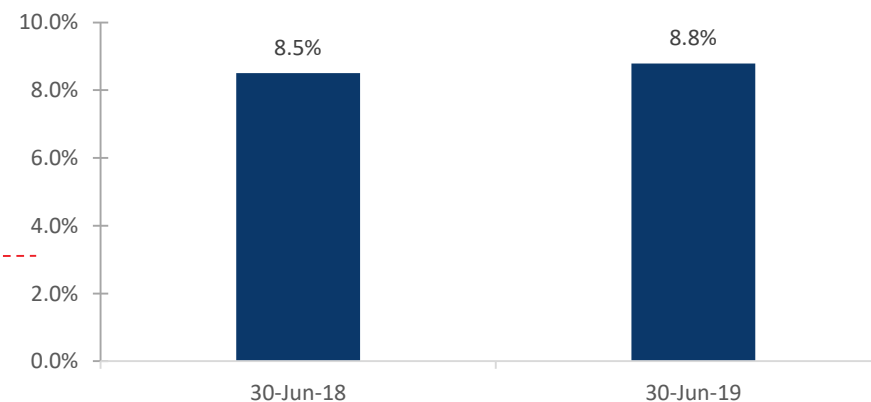
Risk Weighted Assets (RWA)



Total Capital



Leverage Ratio



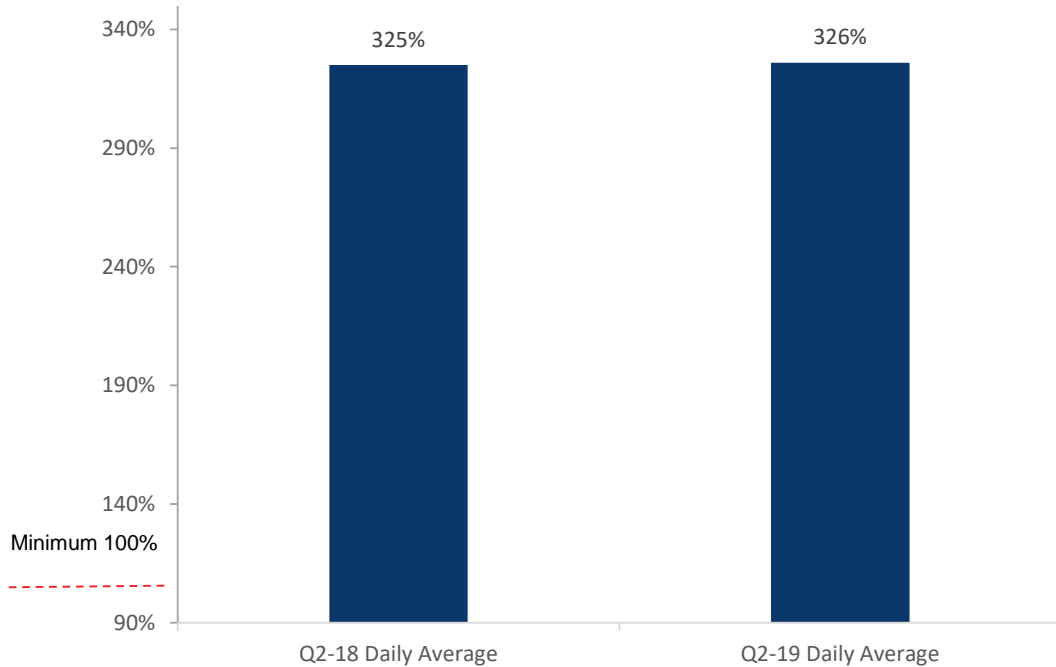
% Tier 1

79%

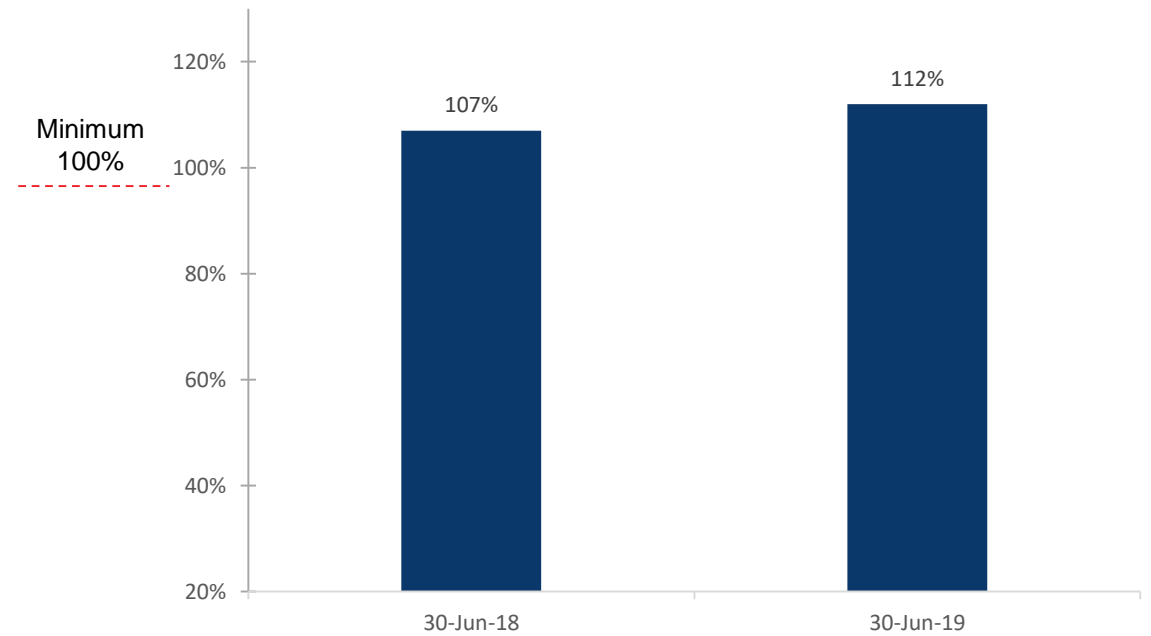
79%

Liquidity Ratios

Liquidity Coverage Ratio



Net Stable Funding Ratio



Q&A