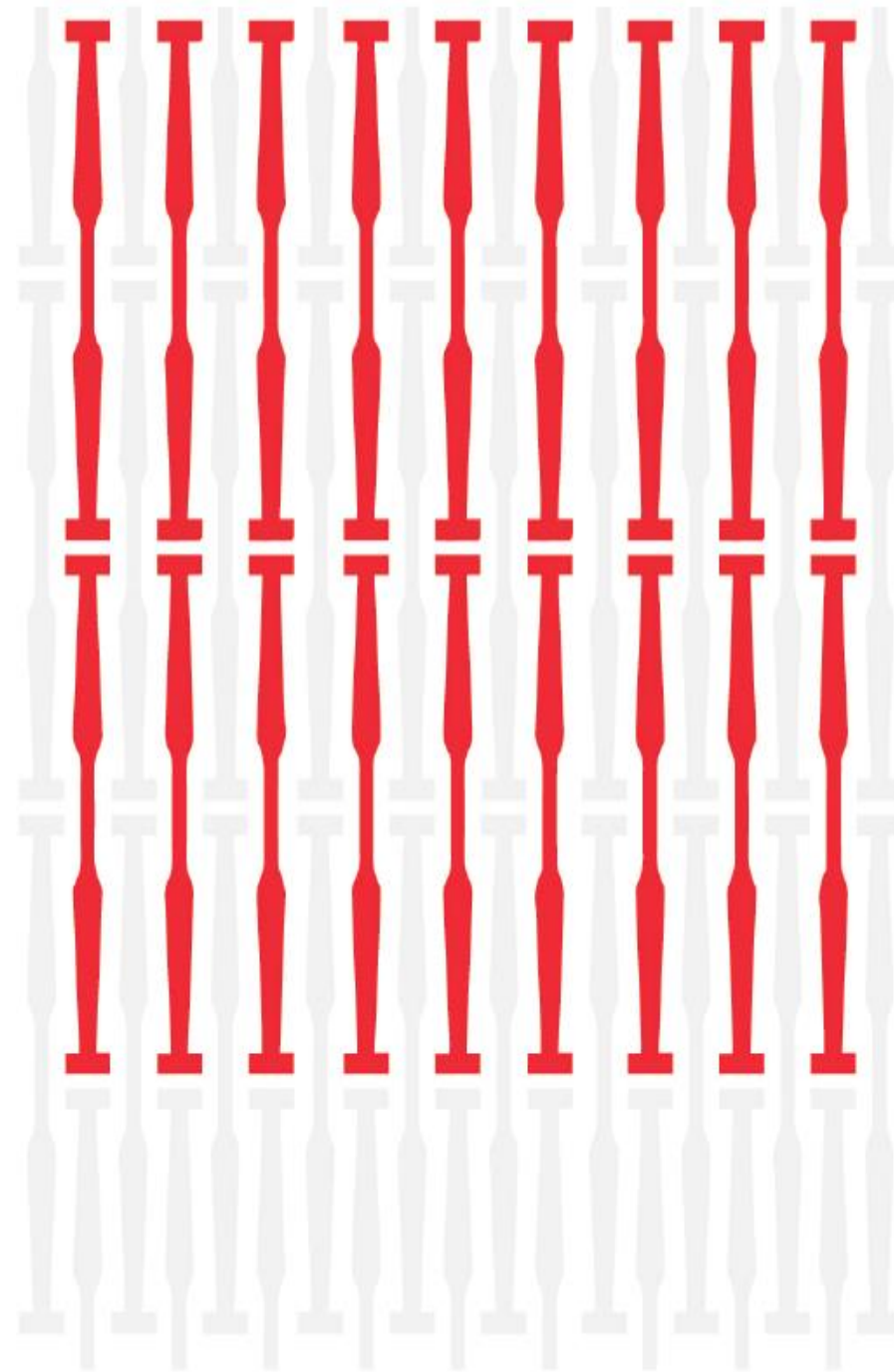




Gulf Bank

Earnings Presentation 1st Half 2021

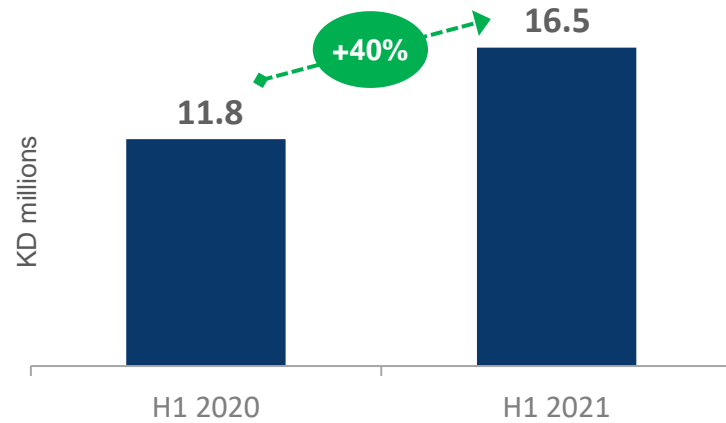
3rd August 2021



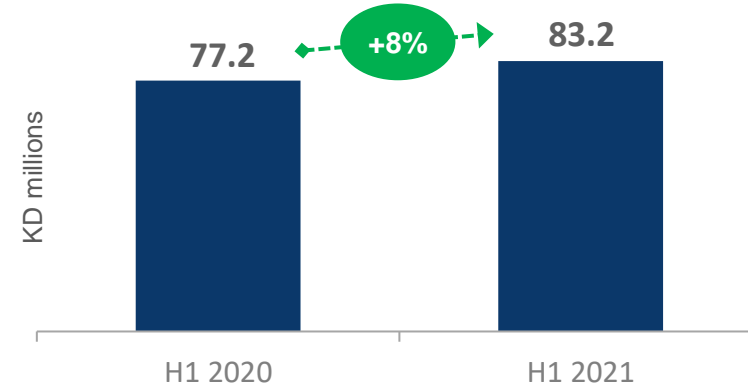
1st Half 2021 Key Highlights



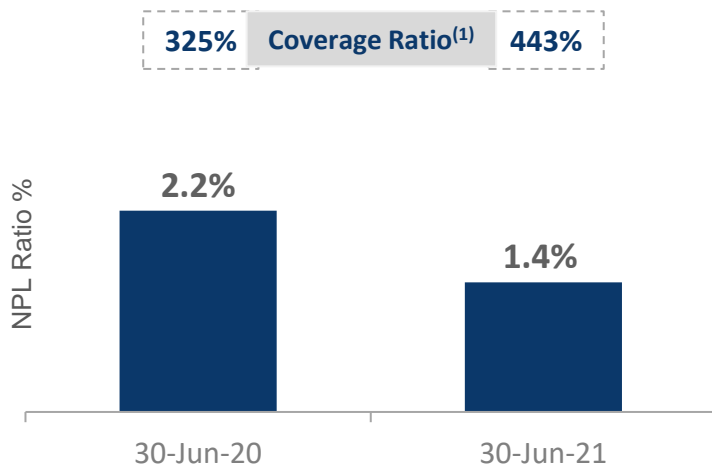
1 Net Profit



2 Operating Income

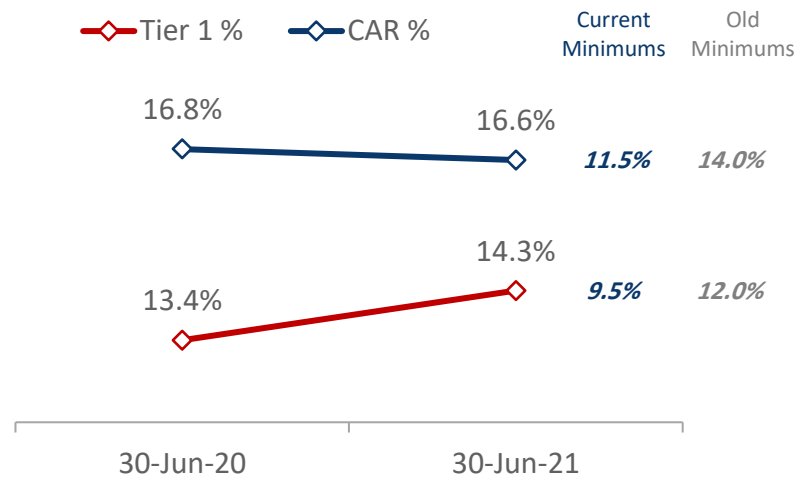


3 Asset Quality



(1) Coverage ratio includes collaterals.

4 Capital Ratios

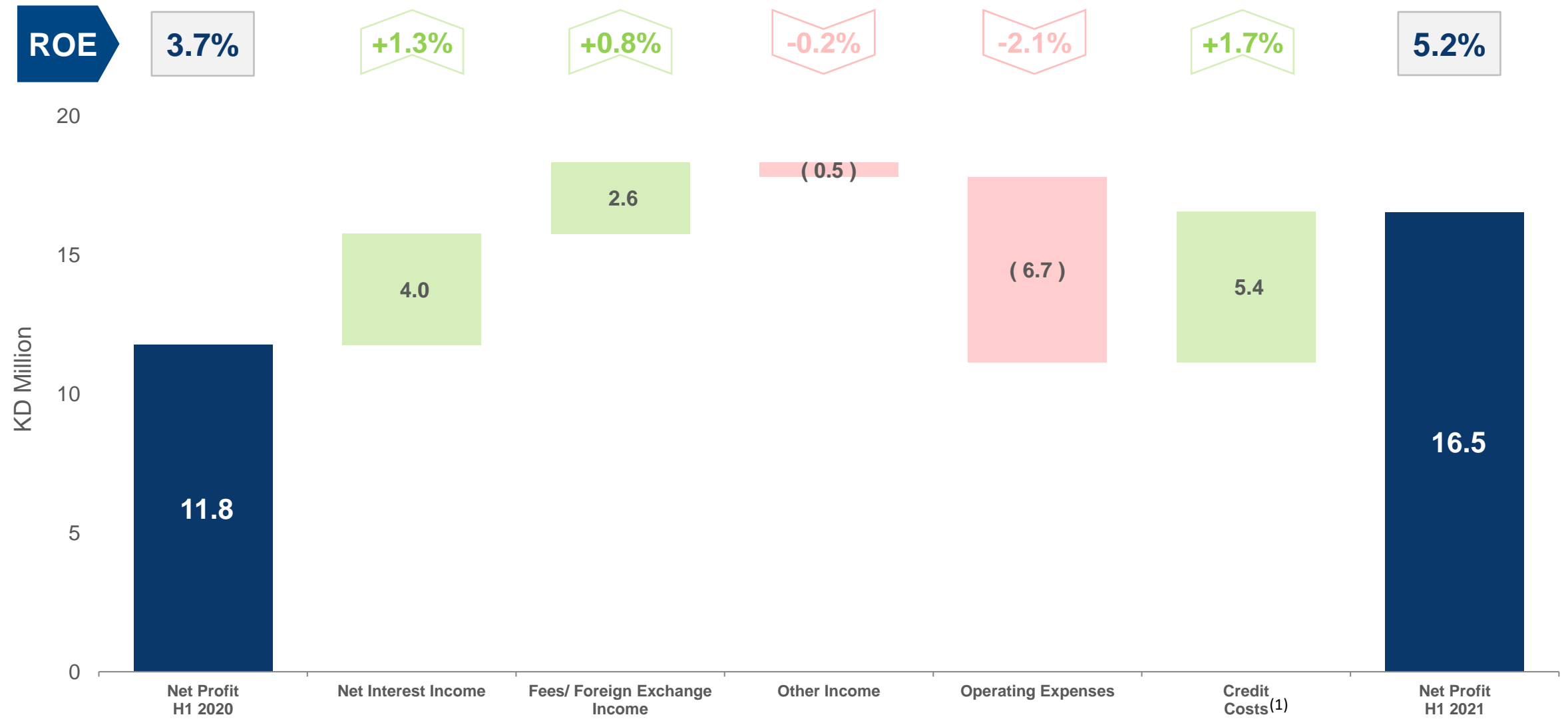


5 Credit Ratings

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



1st Half 2021 Net Profit vs. 1st Half 2020 Net Profit Evolution



(1) Credit Costs includes specific provisions(excluding pre-emptive provisions), general provisions, recoveries and write offs.

Income Statement



KD Millions	Q1 2020A	Q2 2020A	Q3 2020A	Q4 2020A	Q1 2021A	Q2 2021A	Q2 21A vs Q2 20A		H1 2020A	H1 2021A	H1 21A vs H1 20A	
							Amt	%			Amt	%
1 Interest Income	58.0	55.2	49.3	46.8	45.3	46.0	(9.3)	-17%	113.3	91.2	(22.0)	-19%
2 Interest Expense	(29.1)	(22.8)	(17.8)	(14.8)	(12.6)	(13.3)	9.6	42%	(52.0)	(25.9)	26.0	50%
3 Net Interest Income	28.9	32.4	31.5	32.0	32.6	32.7	0.3	1%	61.3	65.3	4.0	7%
4 Fees/ FX Income	8.8	6.3	7.4	9.1	8.8	8.9	2.6	42%	15.1	17.6	2.6	17%
5 Other Income	0.6	0.2	0.2	0.9	0.1	0.2	(0.1)	-23%	0.8	0.3	(0.5)	-64%
6 Operating Income	38.3	38.9	39.2	41.9	41.5	41.7	2.8	7%	77.2	83.2	6.0	8%
7 Operating Expenses	(18.7)	(14.7)	(14.1)	(16.4)	(20.5)	(19.7)	(5.0)	-34%	(33.5)	(40.1)	(6.7)	-20%
8 Operating Margin	19.6	24.2	25.1	25.6	21.1	22.0	(2.1)	-9%	43.7	43.1	(0.6)	-1%
9 Credit Costs ⁽¹⁾	(7.3)	(21.0)	(16.6)	(14.0)	(8.3)	(16.5)	4.5	21%	(28.4)	(24.8)	3.6	13%
10 General Provisions	(3.3)	0.5	(1.5)	0.1	(0.1)	(0.8)	(1.3)	-245%	(2.8)	(0.9)	1.9	68%
11 Other Provisions/Impairments	0.1	(0.4)	0.0	(0.6)	(0.1)	0.0	0.4	111%	(0.3)	(0.1)	0.2	73%
12 Taxes/ Other	(0.4)	(0.1)	(0.3)	(0.6)	(0.6)	(0.2)	(0.1)	-55%	(0.6)	(0.8)	(0.3)	-46%
13 Net Profit	8.6	3.2	6.6	10.4	12.0	4.6	1.4	43%	11.8	16.5	4.8	40%
14 Return on Assets (ROA) %	0.5%	0.2%	0.4%	0.7%	0.8%	0.3%			0.4%	0.5%		
15 Return on Equity (ROE) %	5.3%	2.1%	4.3%	6.6%	7.6%	2.9%			3.7%	5.2%		
16 Cost to Income Ratio (CIR) %	48.9%	37.9%	36.0%	39.0%	49.3%	47.2%			43.4%	48.2%		
17 Net Interest Margin (NIM) bps ⁽²⁾	183	209	209	211	214	209			198	212		
18 Cost of Risk (COR) bps ⁽³⁾	65	186	146	125	76	146			126	112		

Balance Sheet



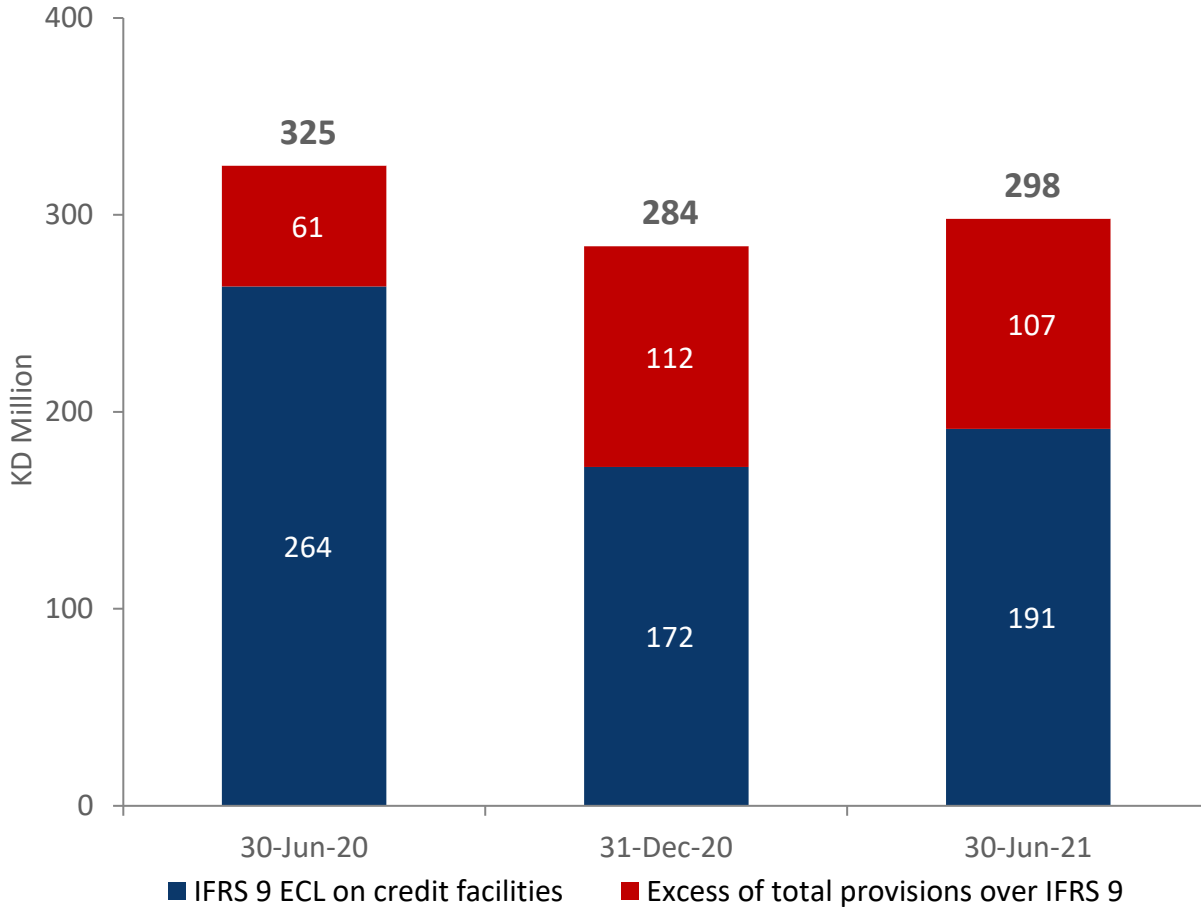
KD Millions	30-Jun-20	% of Total	31-Dec-20	% of Total	30-Jun-21	% of Total	Var June 21 vs June 20		Var June 21 vs Dec 20	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	812		1,106		1,101		289	36%	(5)	0%
2 Kuwait Government Bonds	166		109		91		(75)	-45%	(18)	-16%
3 CBK Bills	280		281		281		1	0%	(0)	0%
4 Deposits with banks and OFIs	56		3		0		(56)	-100%	(3)	-100%
5 Liquid Assets	1,313	22%	1,498	25%	1,472	23%	160	12%	(26)	-2%
6 Loans and advances to customers	4,498		4,384		4,565		68	2%	181	4%
7 Loans and advances to banks	207		193		233		26	13%	40	21%
8 Provisions	(310)		(269)		(281)		29	9%	(12)	4%
9 Net Loans	4,395	73%	4,309	70%	4,518	72%	123	3%	210	5%
10 Investment securities	165	3%	175	3%	153	2%	(12)	-7%	(22)	-13%
11 Other assets	117		97		115		(3)	-2%	18	18%
12 Premises and equipment	35		34		33		(2)	-5%	(1)	-2%
13 Other assets	153	3%	131	2%	148	2%	(5)	-3%	17	13%
14 TOTAL ASSETS	6,025	100%	6,113	100%	6,291	100%	266	4%	179	3%
LIABILITIES										
15 Due to banks	434		551		635		200	46%	84	15%
16 Deposits from FIs	874		705		604		(270)	-31%	(102)	-14%
17 Customer deposits	3,916	65%	4,034	66%	4,167	66%	251	6%	133	3%
18 Other borrowed funds	100		100		150		50	50%	50	50%
19 Other liabilities	102		86		93		(9)	-8%	8	9%
20 TOTAL LIABILITIES	5,426	90%	5,475	90%	5,649	90%	223	4%	173	3%
21 Total Equity	599	10%	637	10%	643	10%	43	7%	5	1%
22 TOTAL LIABILITIES AND EQUITY	6,025	100%	6,113	100%	6,291	100%	266	4%	179	3%
23 Average assets	6,235		6,150		6,225					
24 Average equity	634		632		639					
25 NPL ratio	2.2%		1.1%		1.4%					
26 Coverage ratio ⁽¹⁾	325%		568%		443%					

(1) Coverage ratio includes collaterals.

Total Credit Provisions exceed IFRS 9 accounting requirements by KD 107 million



Total Provisions on Credit Facilities



Excess / Total Provision

19%

39%

36%

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

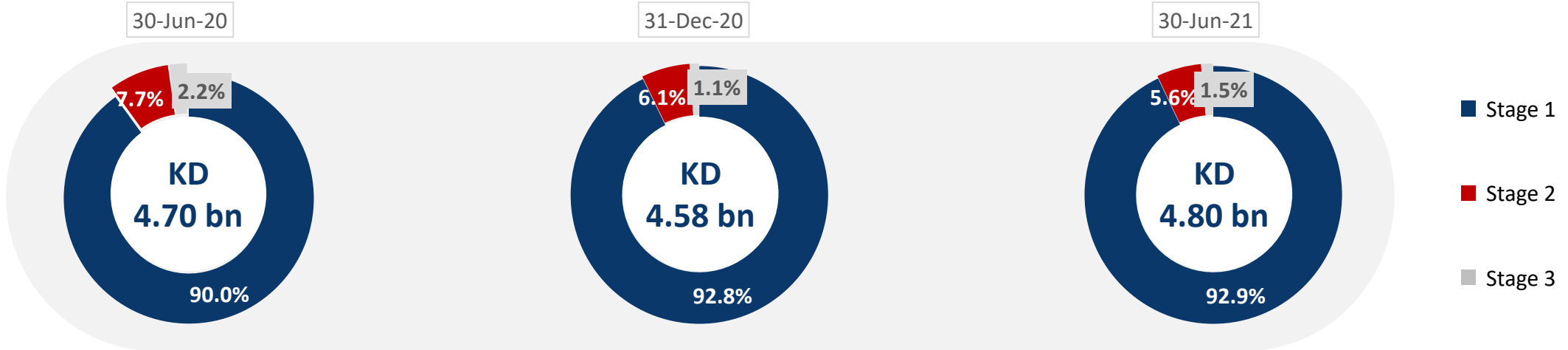
(KD Millions)	30 June 2020	31 Dec 2020	30 June 2021
Provision on cash facilities	310	269	281
Provision on non-cash facilities	15	15	18
Total provisions on credit facilities (A)	325	284	298
IFRS 9 ECL on credit facilities (B)	264	172	191
Excess of total provisions over IFRS 9 ECL on credit facilities (A-B)	61	112	107



With stable Gross Loans stage composition and coverage

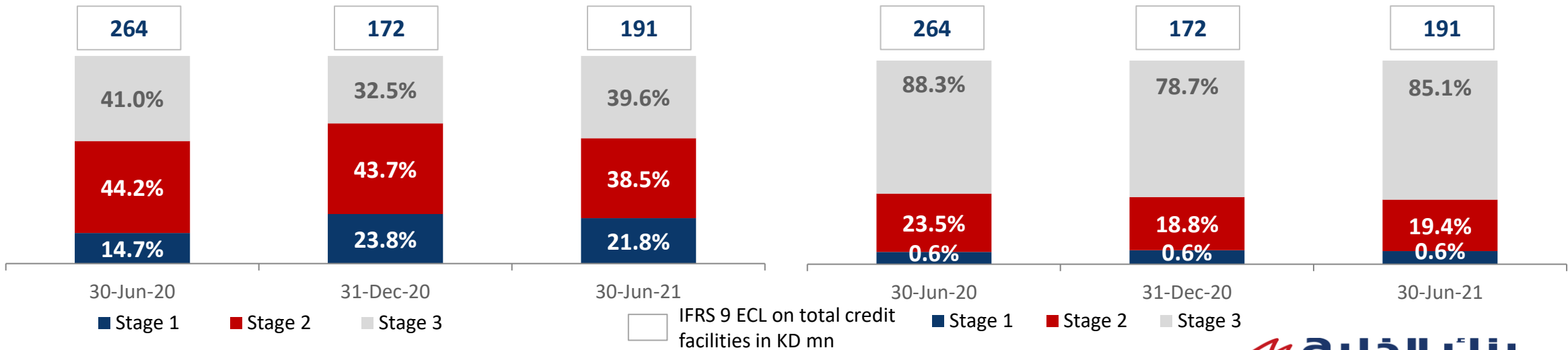


Gross Loans by Stages %⁽¹⁾



IFRS 9 ECL by Stages %

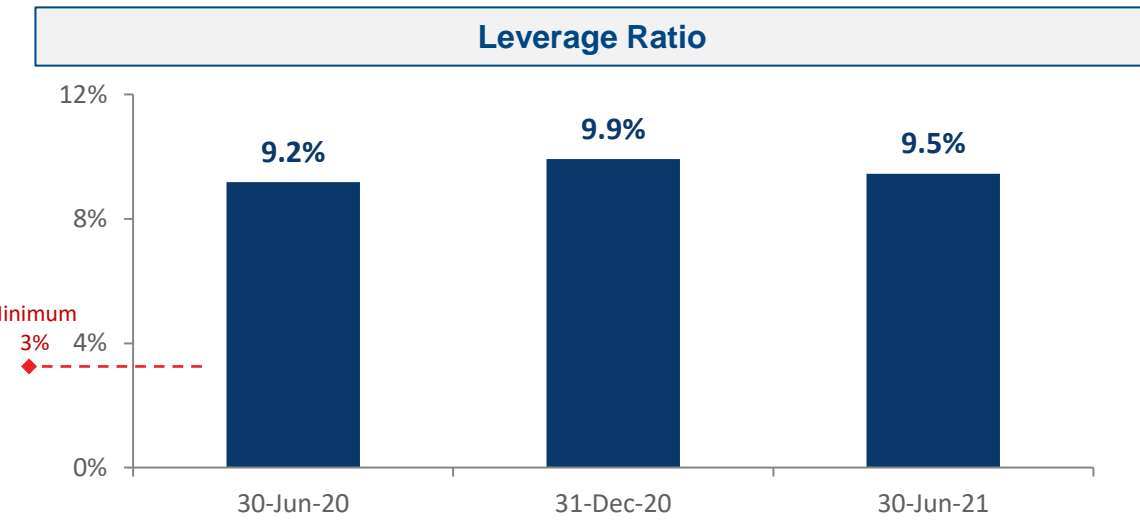
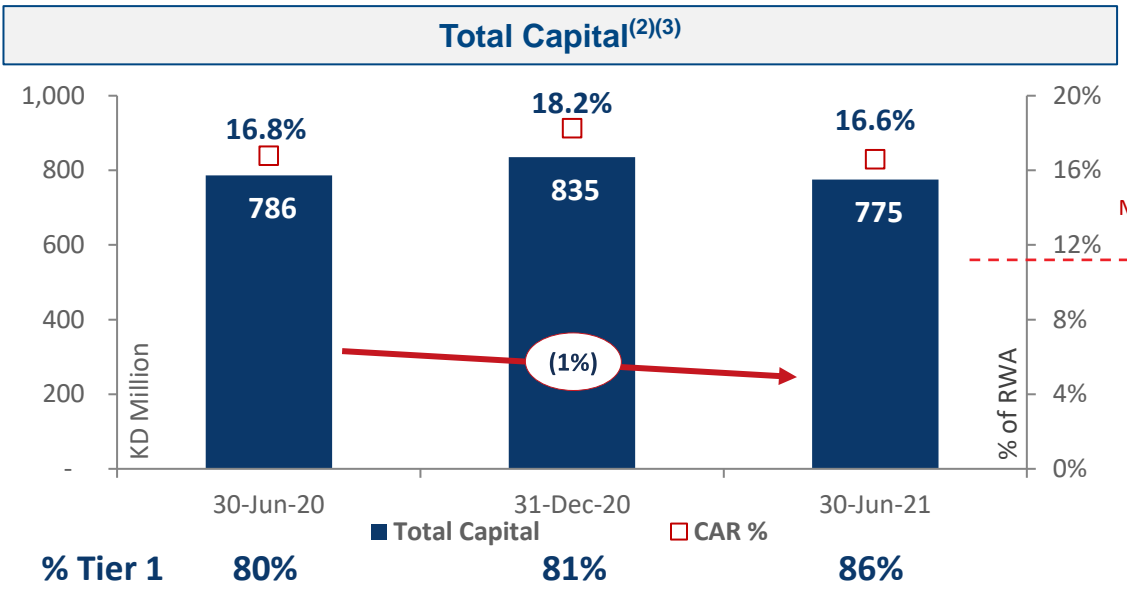
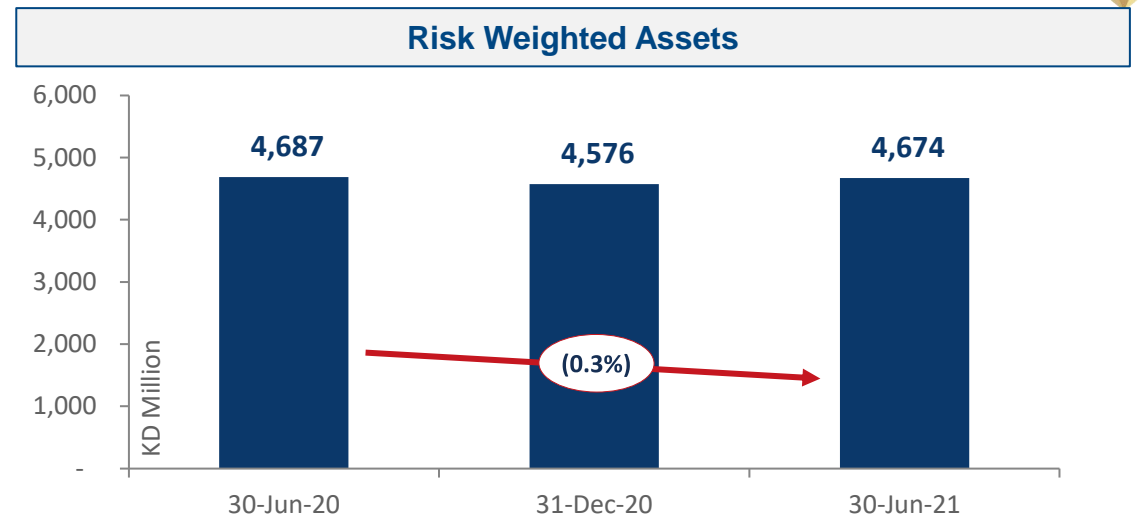
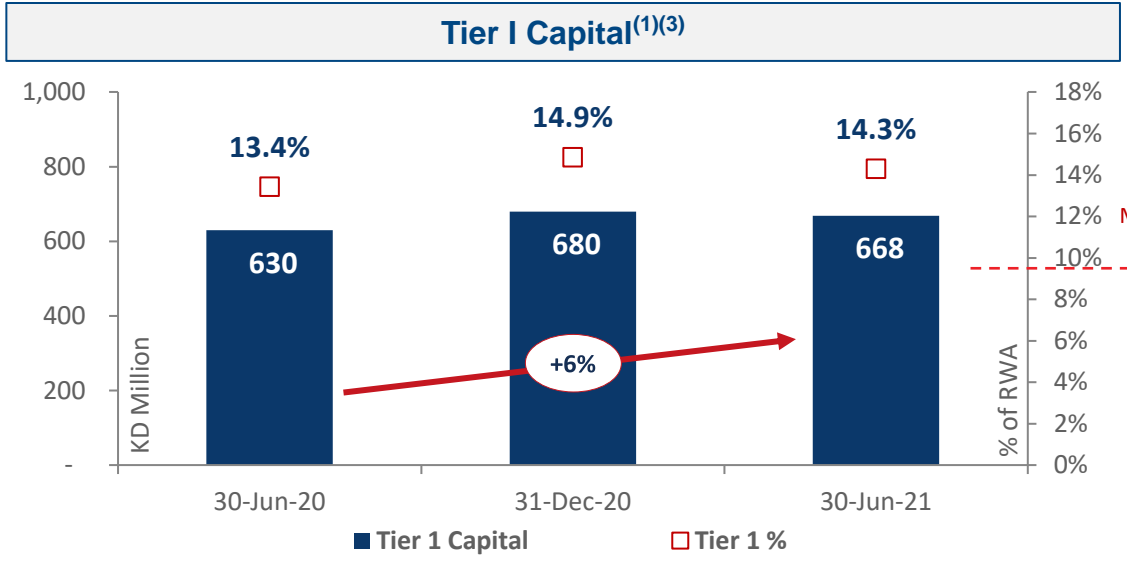
IFRS 9 ECL Coverage by Total Credit Facilities Stages %⁽²⁾



(1) As per IFRS 9 regulations for retail loans, the stage 3 loans are 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



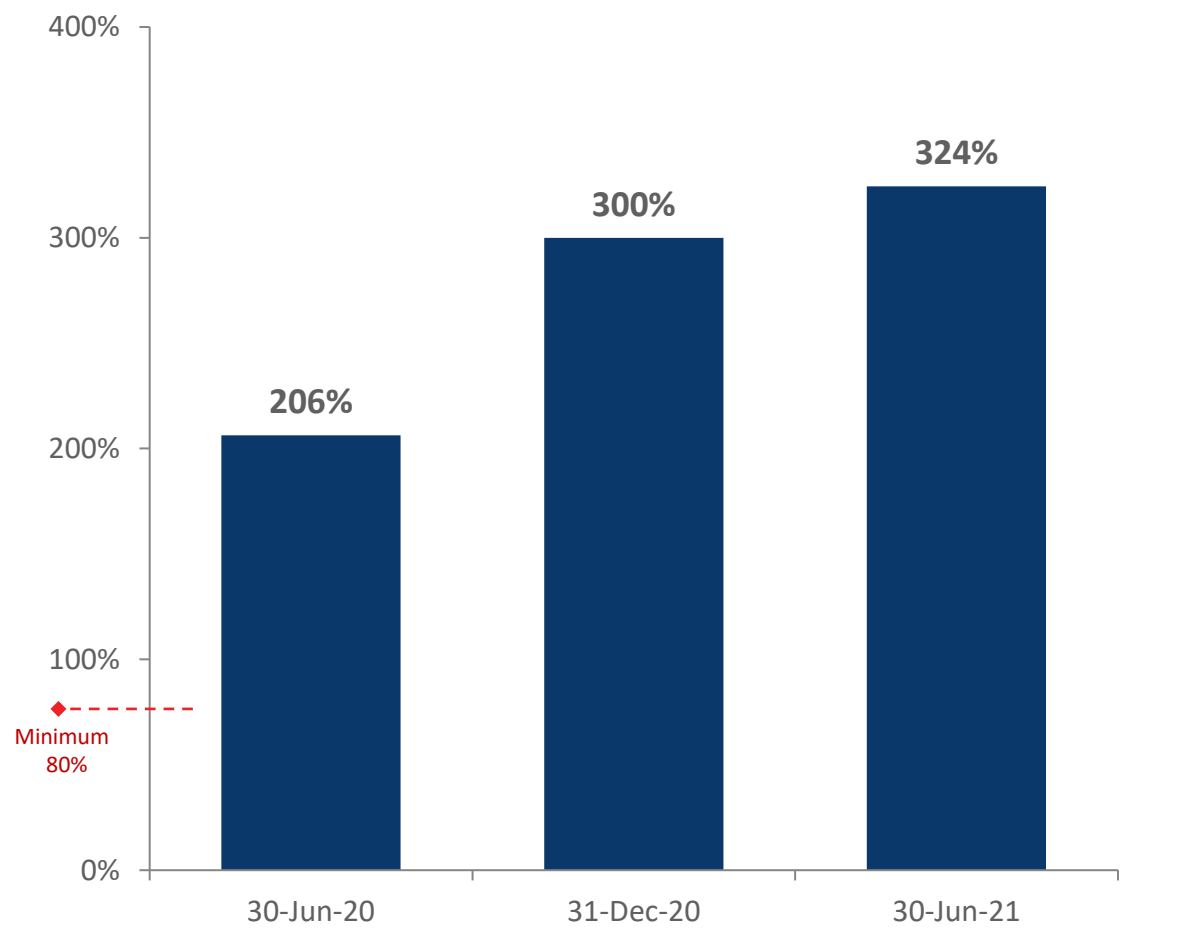
(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%; (2) CAR regulatory minimum has been changed from 14% to 11.5%; (3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB. Note: The changes in the regulatory minimums were instructed by CBK in April 2020 and are currently effective until 31 December 2021.



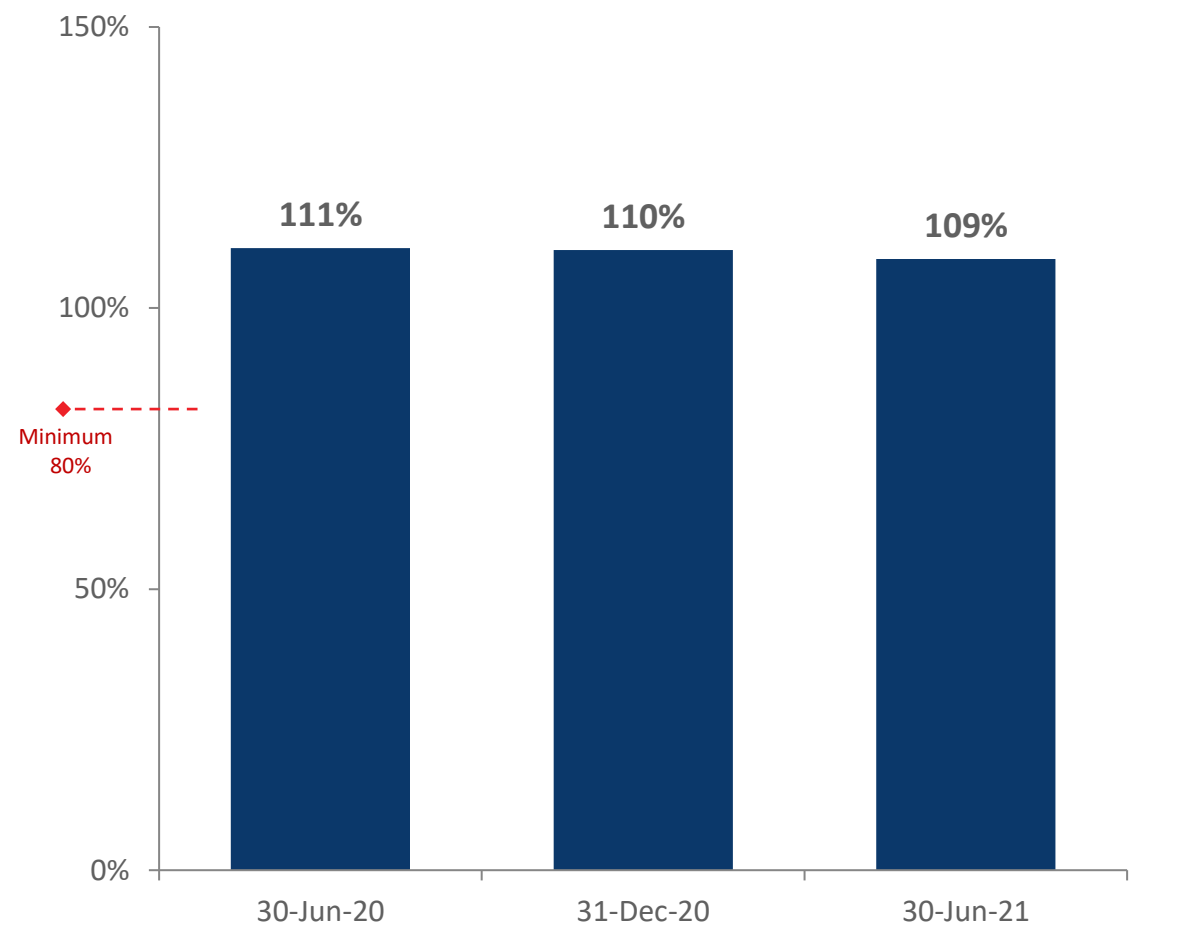
Liquidity Ratios



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 and are currently effective until 31 December 2021.

'A' ratings from three major credit rating agencies



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

Q&A

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