



Gulf Bank




Earnings
Presentation

3rd Quarter 2020

9th November 2020



Credit Ratings

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

Income Statement

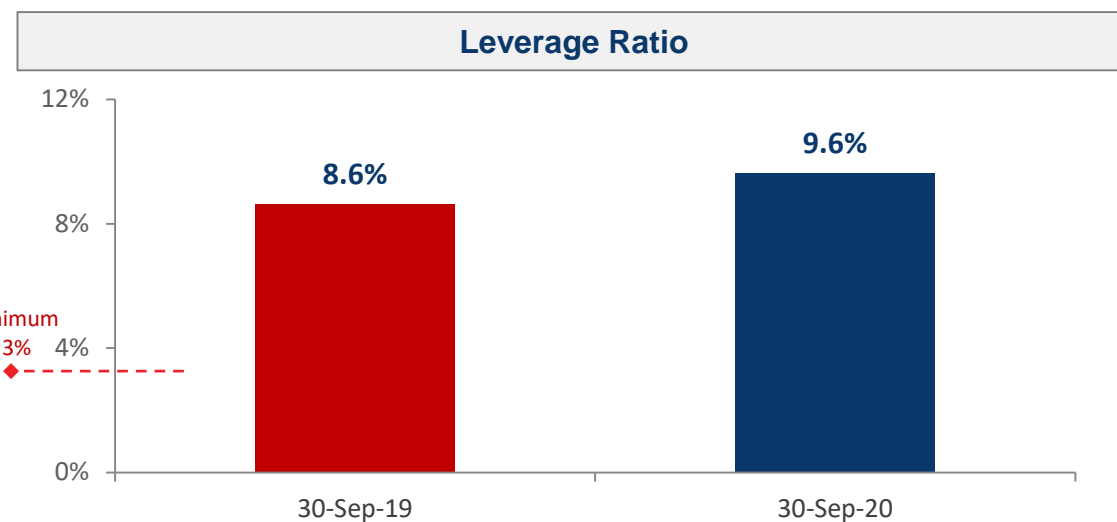
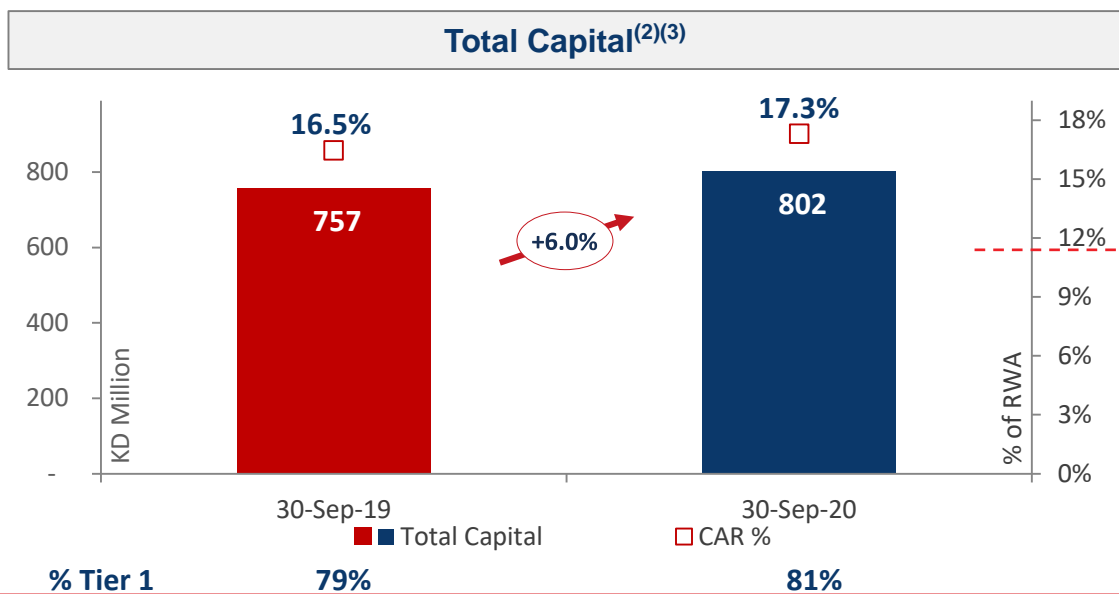
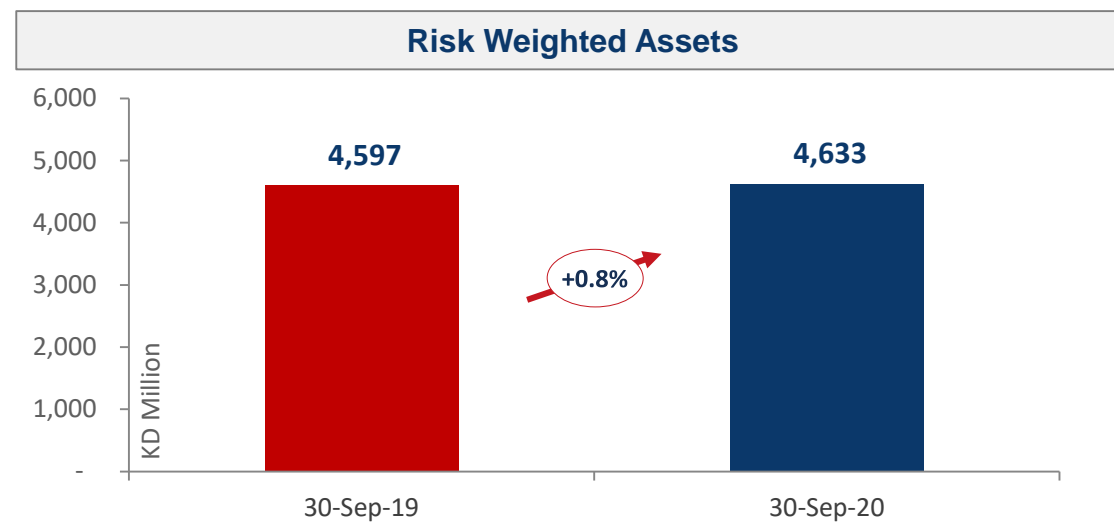
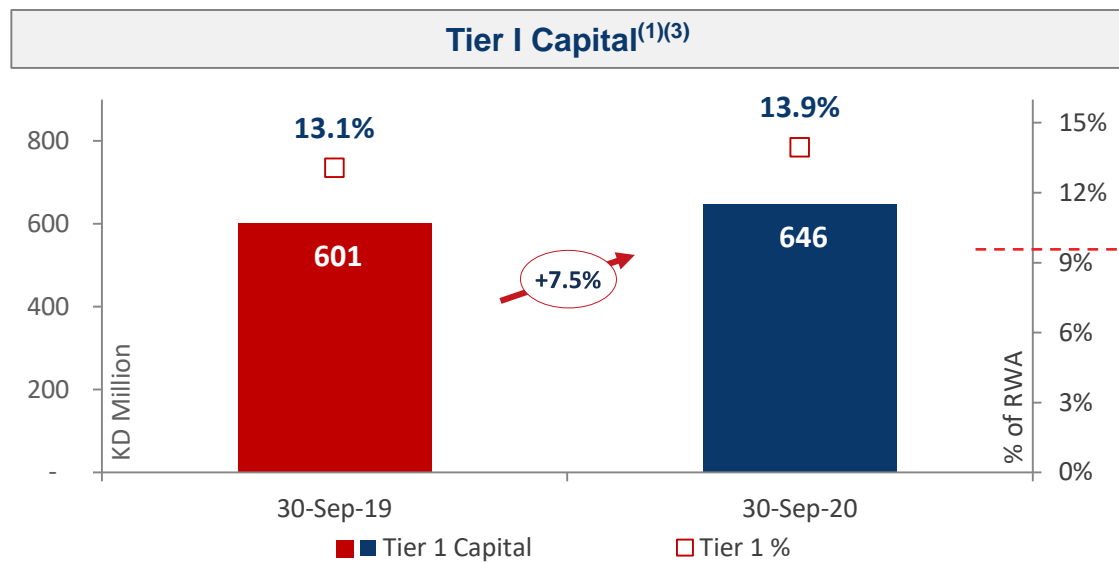
KD Millions	Q1 2019A	Q1 2020A	Q1 20A vs Q1 19A		Q2 2019A	Q2 2020A	Q2 20A vs Q2 19A		Q3 2019A	Q3 2020A	Q3 20A vs Q3 19A		9M 2019A	9M 2020A	9M 20A vs 9M 19A	
			Amt	%			Amt	%			Amt	%			Amt	%
1 Interest Income	63.7	58.0	(5.7)	-9%	64.4	55.2	(9.2)	-14%	64.8	49.3	(15.5)	-24%	193.0	162.6	(30.4)	-16%
2 Interest Expense	(26.2)	(29.1)	(3.0)	-11%	(27.5)	(22.8)	4.7	17%	(28.7)	(17.8)	10.9	38%	(82.3)	(69.8)	12.6	15%
3 Net Interest Income	37.6	28.9	(8.7)	-23%	36.9	32.4	(4.5)	-12%	36.1	31.5	(4.6)	-13%	110.6	92.8	(17.8)	-16%
4 Fees/ FX	8.9	8.8	(0.0)	0%	9.6	6.3	(3.4)	-35%	10.0	7.4	(2.5)	-25%	28.4	22.5	(5.9)	-21%
5 Other Income	0.8	0.6	(0.2)	-27%	1.8	0.2	(1.6)	-87%	0.2	0.2	0.0	24%	2.8	1.1	(1.7)	-62%
6 Operating Income	47.2	38.3	(8.9)	-19%	48.3	38.9	(9.4)	-20%	46.3	39.2	(7.1)	-15%	141.9	116.4	(25.5)	-18%
7 Operating Expenses	(21.6)	(18.7)	2.8	13%	(18.3)	(14.7)	3.6	20%	(18.5)	(14.1)	4.4	24%	(58.4)	(47.6)	10.9	19%
8 Operating Margin	25.7	19.6	(6.1)	-24%	30.0	24.2	(5.8)	-19%	27.8	25.1	(2.7)	-10%	83.4	68.8	(14.6)	-18%
9 Credit Costs ⁽¹⁾	(13.9)	(7.3)	6.6	47%	(16.5)	(21.0)	(4.5)	-27%	(13.6)	(16.6)	(3.0)	-22%	(44.1)	(45.0)	(0.9)	-2%
10 General Provisions	0.9	(3.3)	(4.2)	U	(0.5)	0.5	1.1	F	(0.6)	(1.5)	(0.9)	U	(0.3)	(4.3)	(4.0)	U
11 Other Provisions/Impairments	(0.3)	0.1	0.4	F	(0.2)	(0.4)	(0.2)	U	0.3	0.0	(0.2)	U	(0.2)	(0.3)	(0.1)	U
12 Taxes/ Other	(0.6)	(0.4)	0.1	27%	(0.6)	(0.1)	0.4	74%	(0.6)	(0.3)	0.3	50%	(1.7)	(0.9)	0.9	51%
13 Net Profit	11.8	8.6	(3.2)	-27%	12.2	3.2	(9.0)	-74%	13.2	6.6	(6.6)	-50%	37.1	18.4	(18.8)	-51%
14 Return on Assets (ROA) %	0.8%	0.5%			0.8%	0.2%			0.9%	0.4%			0.8%	0.4%		
15 Return on Equity (ROE) %	7.7%	5.3%			7.9%	2.1%			8.3%	4.3%			7.9%	3.9%		
16 Net Interest Margin (NIM) % ⁽²⁾	2.6%	1.8%			2.5%	2.1%			2.4%	2.1%			2.5%	2.0%		
17 Cost to Income Ratio (CIR) %	45.7%	48.9%			38.0%	37.9%			40.0%	36.0%			41.2%	40.9%		
18 Cost of Risk (COR) % ⁽³⁾	1.3%	0.6%			1.6%	1.9%			1.3%	1.5%			1.4%	1.3%		

(1) Credit Costs includes specific provisions recoveries and write offs (2) Net Interest Income / Average assets (3) Credit Costs / Average gross customer loans.

Balance Sheet

KD Millions	30-Sep-19	% of Total	31-Dec-19	% of Total	30-Sep-20	% of Total	Var Sep 20 vs Sep 19		Var Sep 20 vs Dec 19	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,055	17%	848	14%	826	14%	-229	-22%	-22	-3%
2 Kuwait Government Bonds	252	4%	232	4%	109	2%	-144	-57%	-124	-53%
3 CBK Bills	279	5%	279	4%	280	5%	1	0%	1	0%
4 Deposits with banks and OFIs	118	2%	128	2%	-	0%	-118	-100%	-128	-100%
5 Liquid Assets	1,704	28%	1,487	24%	1,215	20%	-489	-29%	-272	-18%
6 Net Loans	4,146	67%	4,438	71%	4,400	74%	254	6%	-37	-1%
7 Investment securities	162	3%	171	3%	165	3%	4	2%	-5	-3%
8 Other assets	108	2%	114	2%	119	2%	11	10%	5	5%
9 Premises and equipment	36	1%	37	1%	35	1%	-1	-4%	-2	-6%
10 Other assets	144	2%	150	2%	154	3%	10	7%	3	2%
11 TOTAL ASSETS	6,155	100%	6,245	100%	5,934	100%	-221	-4%	-311	-5%
LIABILITIES										
12 Due to banks	549	9%	399	6%	310	5%	-239	-44%	-89	-22%
13 Deposits from FIs	940	15%	1,018	16%	828	14%	-112	-12%	-190	-19%
14 Customer deposits	3,788	62%	3,950	63%	3,971	67%	184	5%	21	1%
15 Subordinated Tier II Bonds	100	2%	100	2%	100	2%	0	0%	0	0%
16 Other liabilities	140	2%	114	2%	102	2%	-37	-27%	-12	-10%
17 TOTAL LIABILITIES	5,517	90%	5,581	89%	5,312	90%	-205	-4%	-269	-5%
18 Total Equity	638	10%	664	11%	622	10%	-16	-2%	-42	-6%
19 TOTAL LIABILITIES AND EQUITY	6,155	100%	6,245	100%	5,934	100%	-221	-4%	-311	-5%
20 Average assets	6,005		6,053		6,160		155	3%	107	2%
21 Average equity	626		634		631		5	1%	-3	0%
22 NPL ratio (June'20 2.2%)	2.6%		1.1%		1.5%					
23 Coverage ratio (June'20 325%)	314%		602%		462%					

Capital and Leverage Ratios



(1) Tier 1 Ratio regulatory minimum has been changed from 12% to 9.5%;

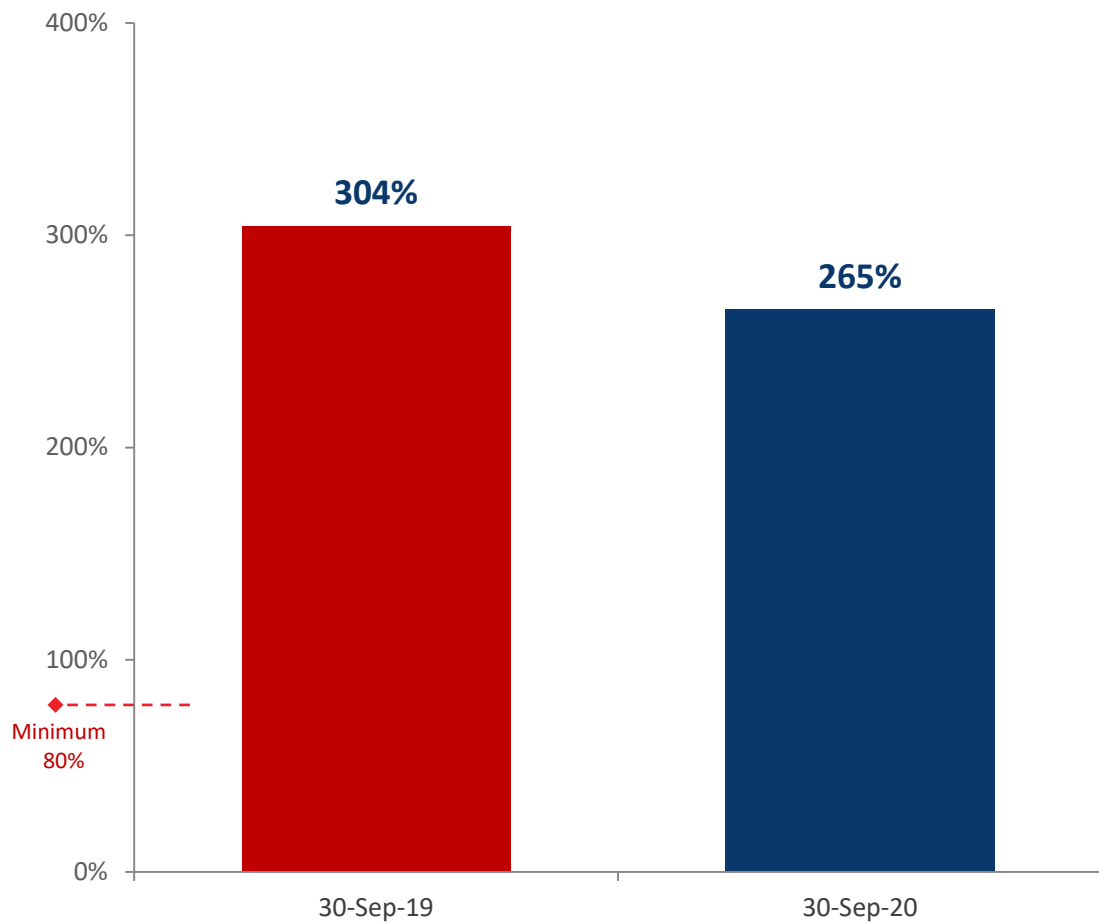
(2) CAR regulatory minimum has been changed from 14% to 11.5%;

(3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB.

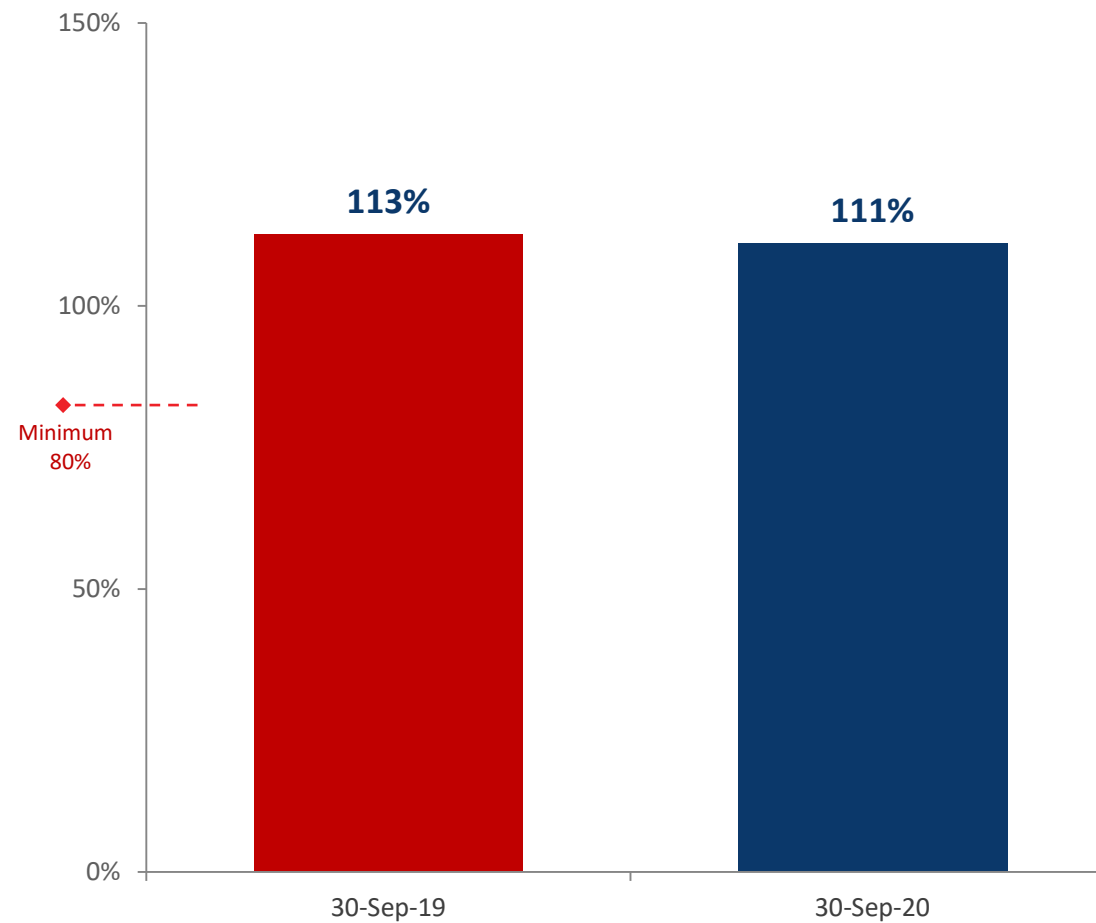
Note: The changes in the regulatory minimums was instructed by CBK in April 2020, and are in place until 31 Dec 2020

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% and are in place until 31 Dec 2020.

Note: The changes in the regulatory minimums was instructed by CBK in April 2020, and are in place until 31 Dec 2020

Q&A

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