

Gulf Bank

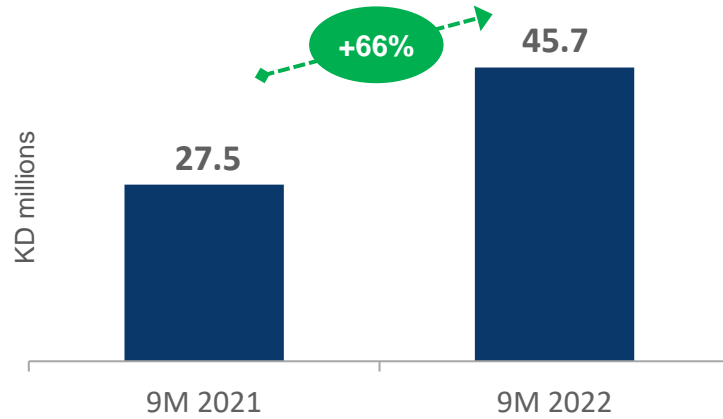
Earnings Presentation

3rd Quarter 2022

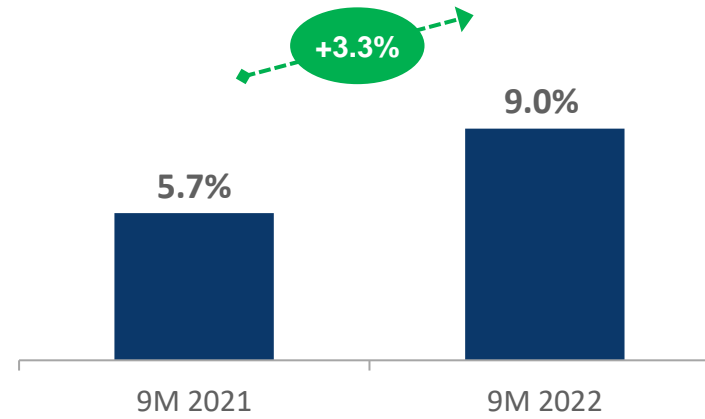
26 October 2022

► 9 Months 2022 Key Highlights

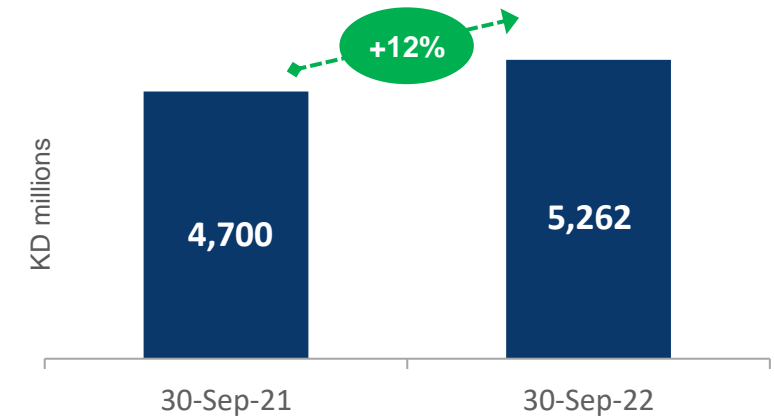
1 Net Profit



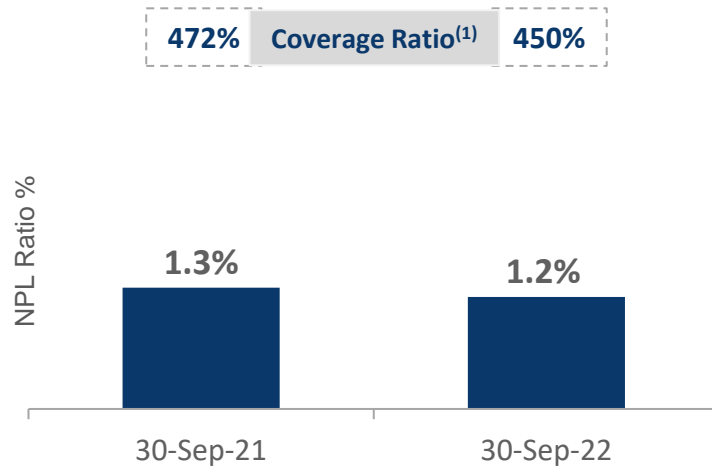
2 Return on Equity



3 Gross Customer Loans

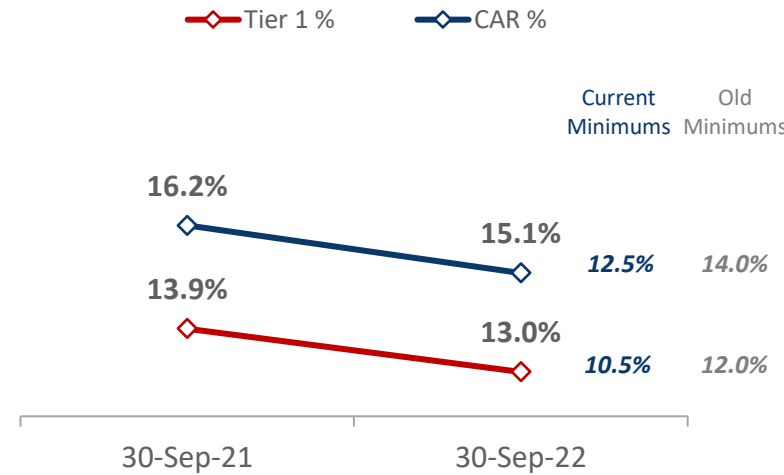


4 Asset Quality



(1) Coverage ratio includes total provisions and collaterals.

5 Capital Ratios

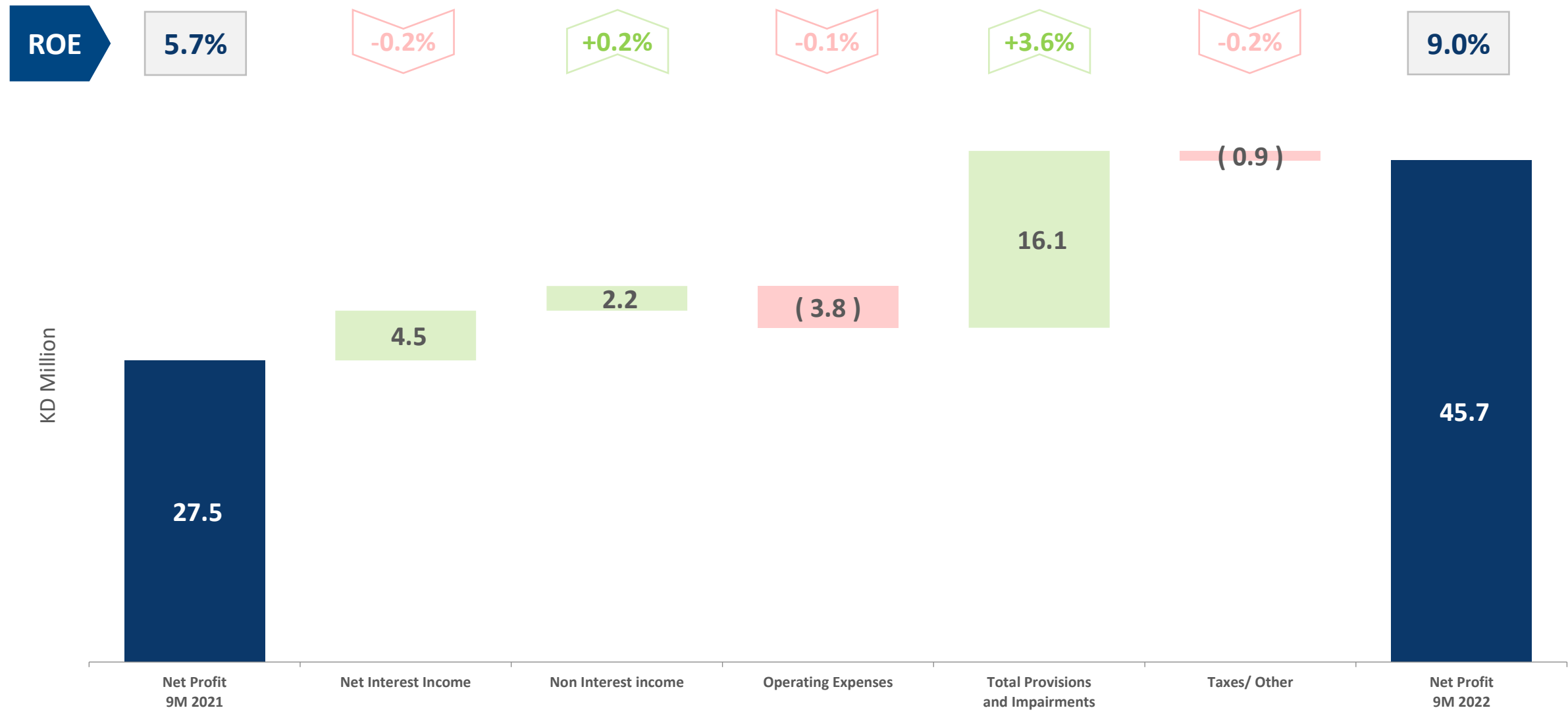


6 Credit Ratings

	Credit Rating	Outlook
MOODY'S	A3	Stable
CAPITAL intelligence	A+	Stable
Fitch Ratings	A	Stable



9 Months 2022 Net Profit vs. 9 Months 2021 Net Profit Evolution



Income Statement

KD Millions	Q1 2021A	Q2 2021A	Q3 2021A	Q4 2021A	Q1 2022A	Q2 2022A	Q3 2022A	Q3 22A vs Q2 22A		9M 2021A	9M 2022A	9M 22A vs 9M 21A	
								Amt	%			Amt	%
1 Interest Income	45.3	46.0	46.7	48.0	46.7	52.5	67.0	14.5	28%	138.0	166.2	28.2	20%
2 Interest Expense	(12.6)	(13.3)	(13.5)	(14.3)	(14.4)	(19.1)	(29.6)	(10.5)	-55%	(39.4)	(63.1)	(23.7)	-60%
3 Net Interest Income	32.6	32.7	33.3	33.7	32.2	33.5	37.4	3.9	12%	98.6	103.1	4.5	5%
4 Fees/ FX Income	8.8	8.9	8.6	10.3	9.1	10.0	9.0	(1.0)	-10%	26.2	28.0	1.8	7%
5 Other Income	0.1	0.2	0.4	0.5	0.2	0.4	0.6	0.2	65%	0.7	1.2	0.4	60%
6 Operating Income	41.5	41.7	42.3	44.5	41.5	43.8	47.0	3.2	7%	125.5	132.3	6.8	5%
7 Operating Expenses	(20.5)	(19.7)	(18.9)	(19.1)	(19.8)	(21.5)	(21.6)	(0.2)	-1%	(59.1)	(62.9)	(3.8)	-6%
8 Operating Margin	21.1	22.0	23.3	25.4	21.7	22.3	25.3	3.0	13%	66.4	69.4	3.0	4%
9 Credit Costs ⁽¹⁾	(8.3)	(16.5)	(10.5)	(8.5)	(5.1)	(2.9)	(8.0)	(5.1)	-173%	(35.3)	(16.1)	19.2	54%
10 General Provisions	(0.1)	(0.8)	(1.3)	(1.4)	(0.9)	(3.4)	(1.1)	2.3	67%	(2.2)	(5.4)	(3.2)	-145%
11 Other Provisions/Impairments	(0.1)	0.0	(0.0)	(0.0)	0.0	(0.1)	(0.0)	0.0	72%	(0.1)	(0.1)	0.1	48%
12 Taxes/ Other	(0.6)	(0.2)	(0.5)	(0.9)	(0.7)	(0.7)	(0.7)	(0.0)	-1%	(1.3)	(2.2)	(0.9)	-65%
13 Net Profit	12.0	4.6	11.0	14.6	15.0	15.2	15.4	0.2	1%	27.5	45.7	18.2	66%
14 Return on Assets (ROA) %	0.8%	0.3%	0.7%	0.9%	0.9%	0.9%	0.9%			0.6%	0.9%		
15 Return on Equity (ROE) %	7.6%	2.9%	6.7%	8.8%	9.2%	9.1%	8.9%			5.7%	9.0%		
16 Cost to Income Ratio (CIR) %	49.3%	47.2%	44.8%	42.9%	47.7%	49.0%	46.0%			47.1%	47.5%		
17 Net Interest Margin (NIM) bps ⁽²⁾	214	209	209	208	200	201	213			211	204		
18 Cost of Risk (COR) bps ⁽³⁾	76	146	90	71	43	24	61			104	43		

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

(3) Credit Costs / Average gross customer loans.

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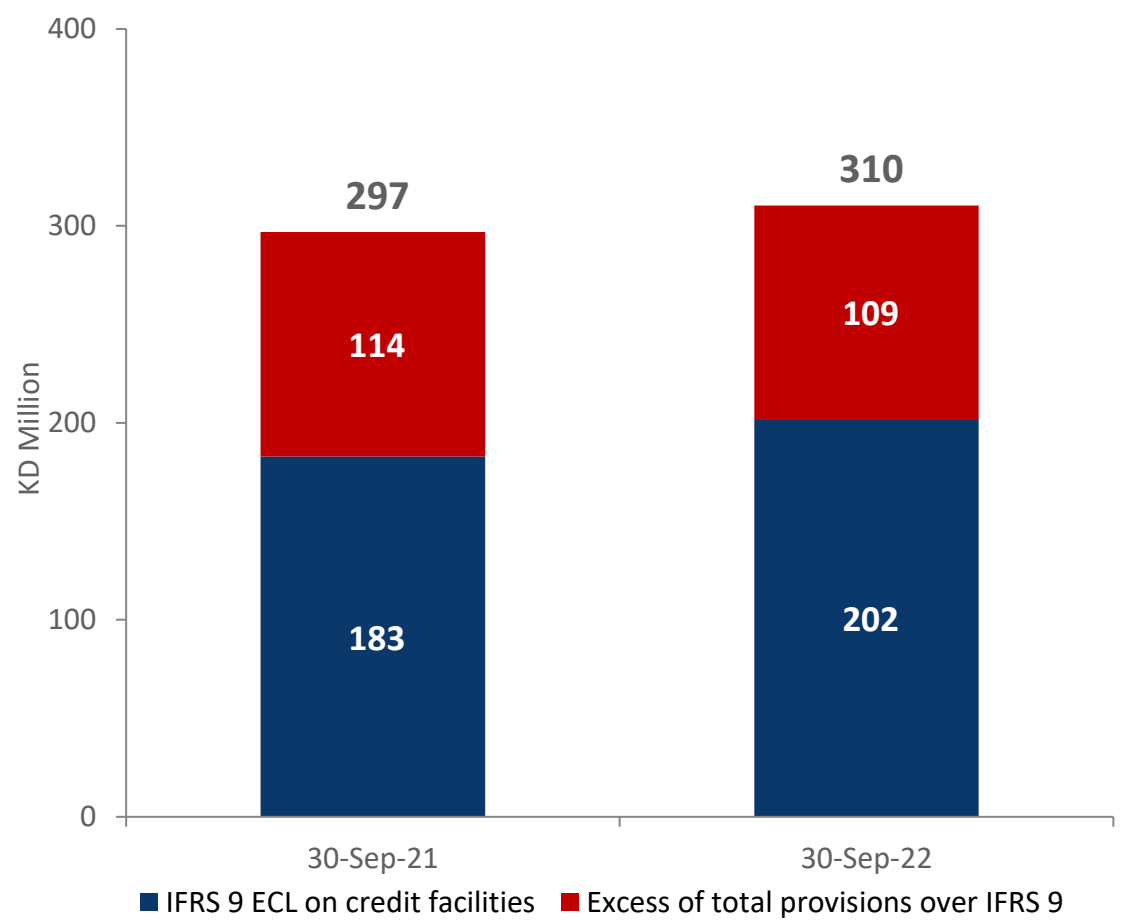
Balance Sheet

KD Millions	30-Sep-21	% of Total	31-Dec-21	% of Total	30-Sep-22	% of Total	Var Sep 22 vs Sep 21		Var Sep 22 vs Dec 21	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	876		942		1,035		158	18%	92	10%
2 Kuwait Government Bonds	91		74		22		-69	-76%	-52	-70%
3 CBK Bills	281		281		370		89	32%	89	32%
4 Deposits with banks and OFIs	113		125		77		-36	-32%	-48	-38%
5 Liquid Assets	1,361	22%	1,422	22%	1,504	21%	142	10%	81	6%
6 Loans and advances to customers	4,700		4,838		5,262		562	12%	423	9%
7 Loans and advances to banks	248		280		300		52	21%	20	7%
8 Provisions	-279		-282		-291		-13	5%	-10	3%
9 Net Loans	4,669	74%	4,837	74%	5,270	75%	601	13%	433	9%
10 Investment securities	150	2%	142	2%	106	2%	-44	-29%	-36	-25%
11 Other assets	116		121		140		24	21%	19	16%
12 Premises and equipment	33		34		36		2	7%	1	4%
13 Other assets	149	2%	155	2%	176	2%	27	18%	21	13%
14 TOTAL ASSETS	6,330	100%	6,556	100%	7,056	100%	726	11%	500	8%
LIABILITIES										
15 Due to banks	564		596		618		55	10%	23	4%
16 Deposits from FIs	719		673		807		88	12%	134	20%
17 Customer deposits	4,154	66%	4,304	66%	4,469	63%	314	8%	165	4%
18 Other borrowed funds	150		215		321		171	114%	106	49%
19 Other liabilities	90		102		137		47	53%	35	34%
20 TOTAL LIABILITIES	5,676	90%	5,889	90%	6,352	90%	676	12%	462	8%
21 Total Equity	654	10%	666	10%	704	10%	51	8%	38	6%
22 TOTAL LIABILITIES AND EQUITY	6,330	100%	6,556	100%	7,056	100%	726	11%	500	8%
23 Average assets	6,310		6,312		6,746					
24 Average equity	648		647		678					
25 NPL ratio	1.3%		0.9%		1.2%					
26 Coverage ratio ⁽¹⁾	472%		615%		450%					
27 CASA Ratio	38.6%		38.5%		34.3%					

(1) Coverage ratio includes total provisions and collaterals.

► Total Credit Provisions exceed IFRS 9 accounting requirements by KD 109 million

Total Provisions on Credit Facilities

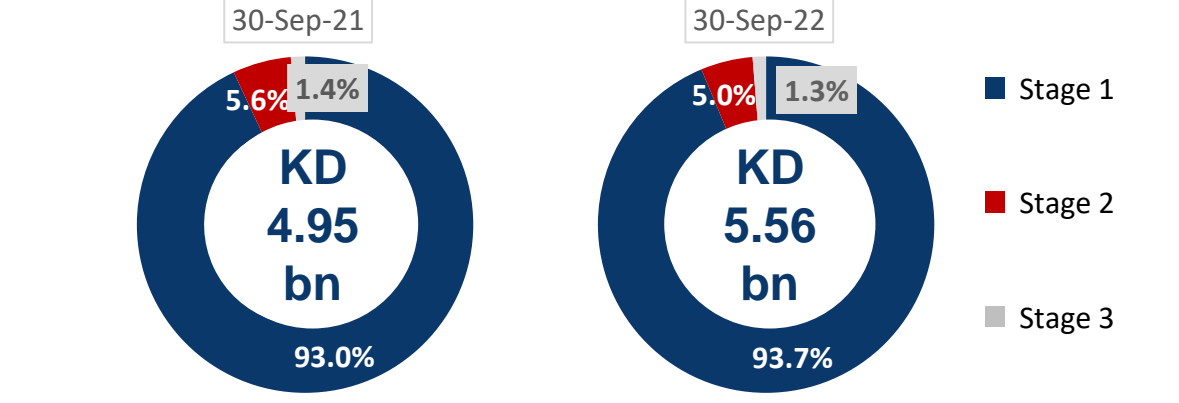


Excess / Total Provision

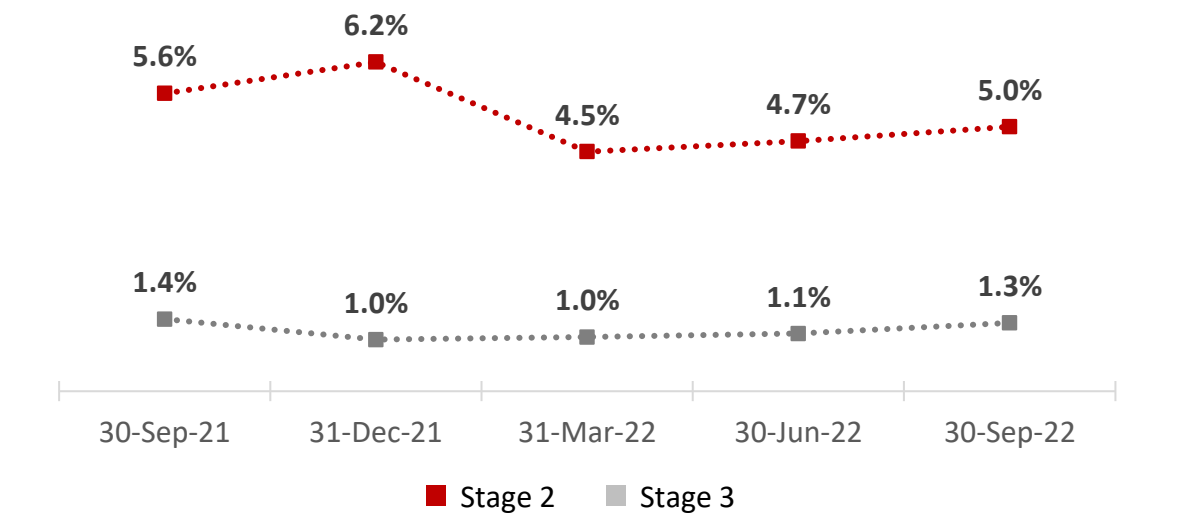
38%

35%

Gross Loans by Stages %⁽¹⁾



Evolution of Gross Loans Stages 2 and 3 (%)⁽¹⁾

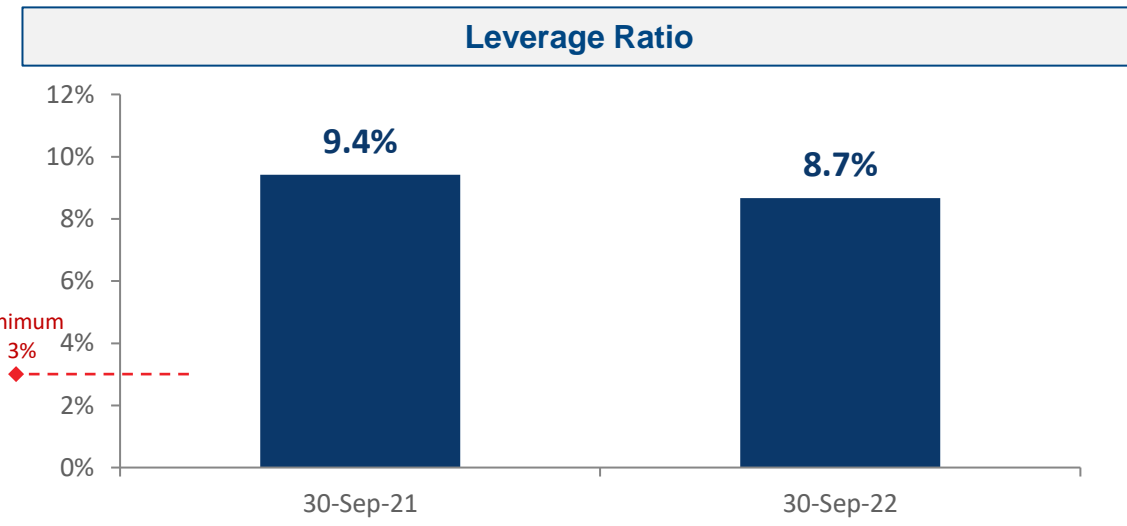
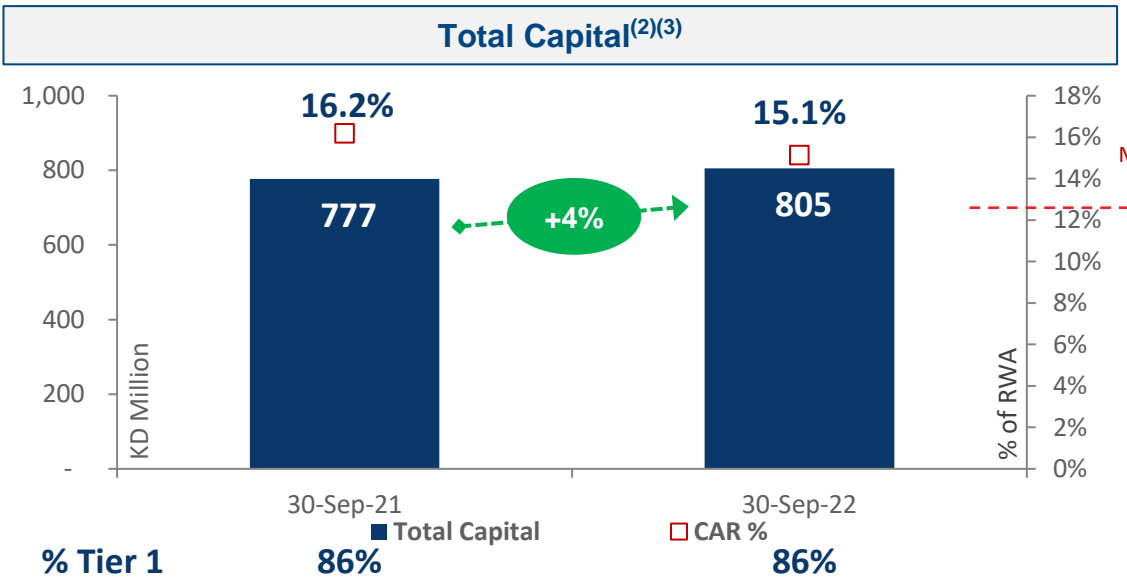
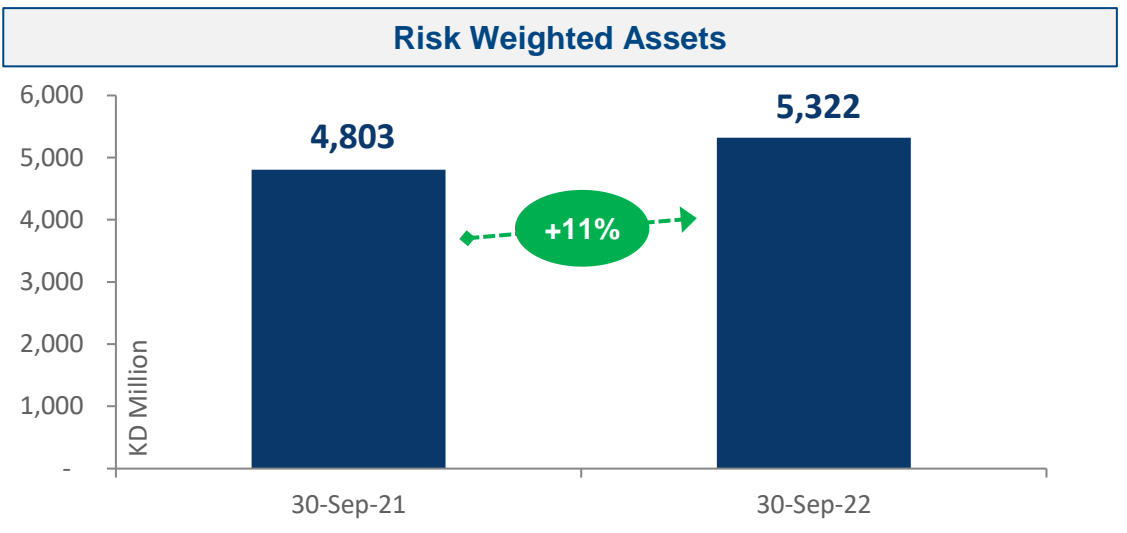
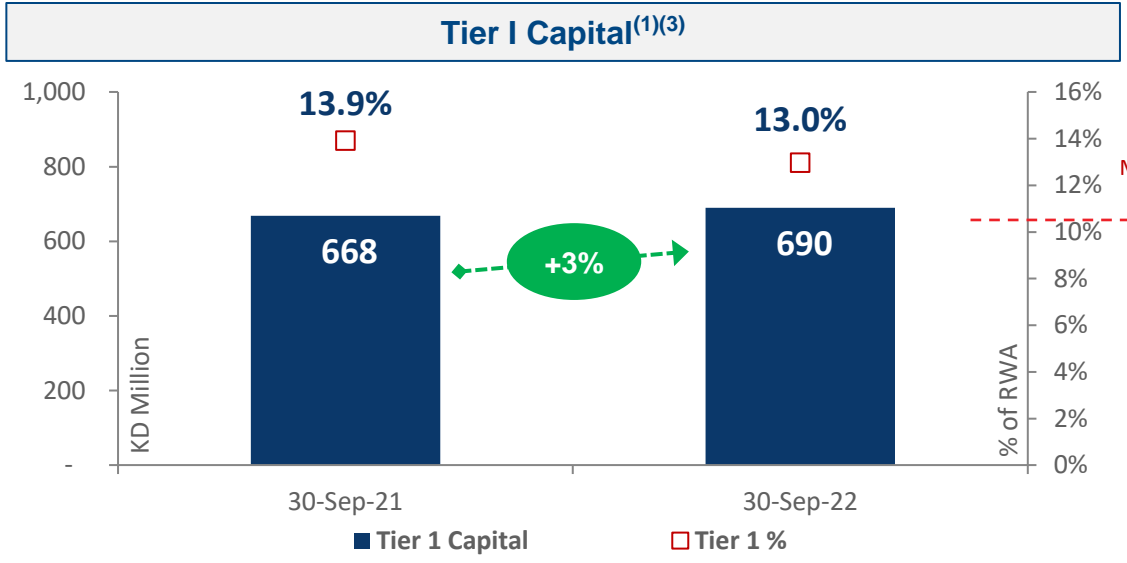


(1) Stage 3 loans are marginally higher than the credit impaired loans due to qualitative and quantitative factors as per IFRS 9;

(2) Total Credit facilities includes Loans and advances to banks and customers and Contingent liabilities and commitments.



Capital and Leverage Ratios

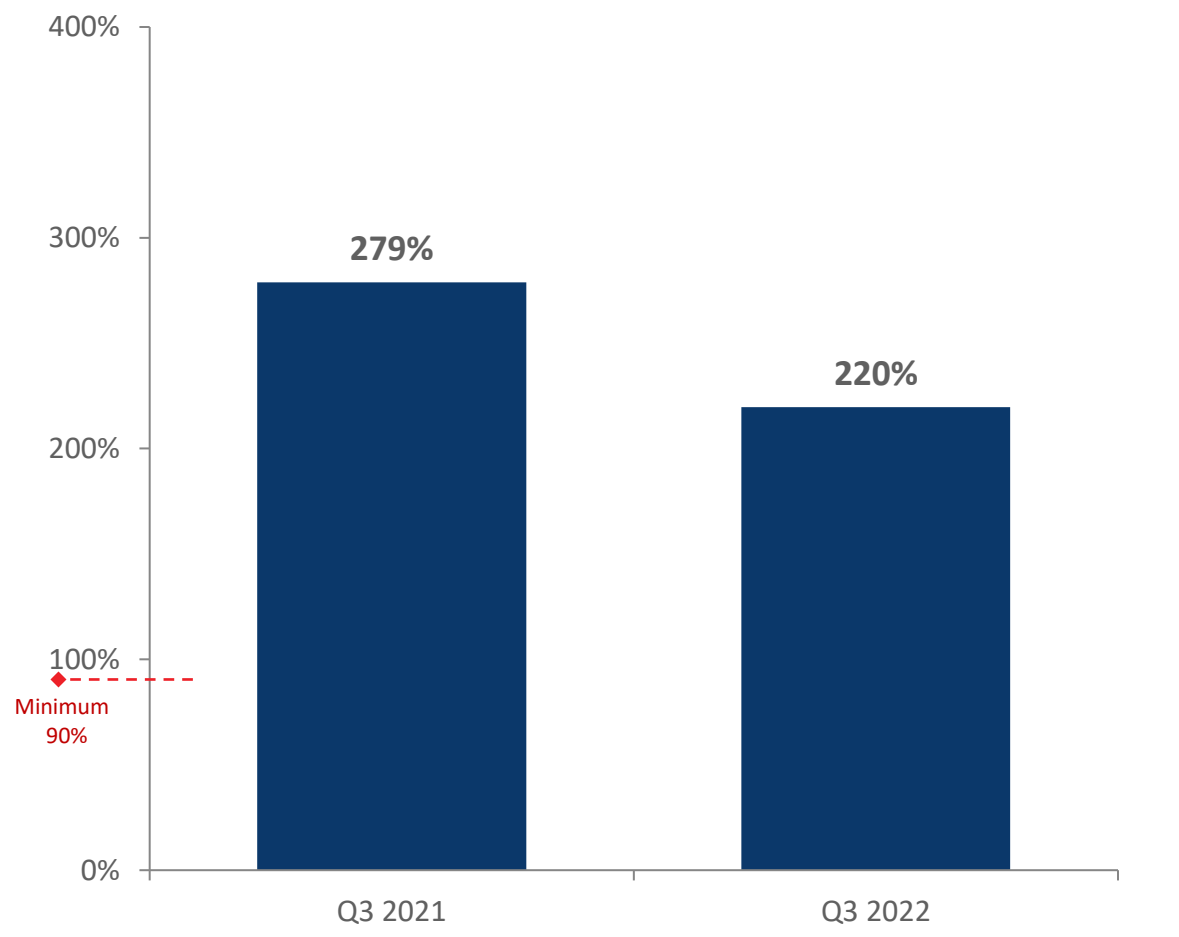


(1) Tier 1 Ratio regulatory minimum has been partially restored from 9.5% to 10.5%; (2) CAR regulatory minimum has been partially restored from 11.5% to 12.5%; (3) Tier 1 regulatory minimums include 1% DSIB. Note: The partial restoration in the regulatory minimums were instructed by CBK in October 2021 and to be effective from 1 January 2022 until 31 December 2022, before reverting to the old minimums of 12% for Tier 1 and 14% for CAR in 2023.

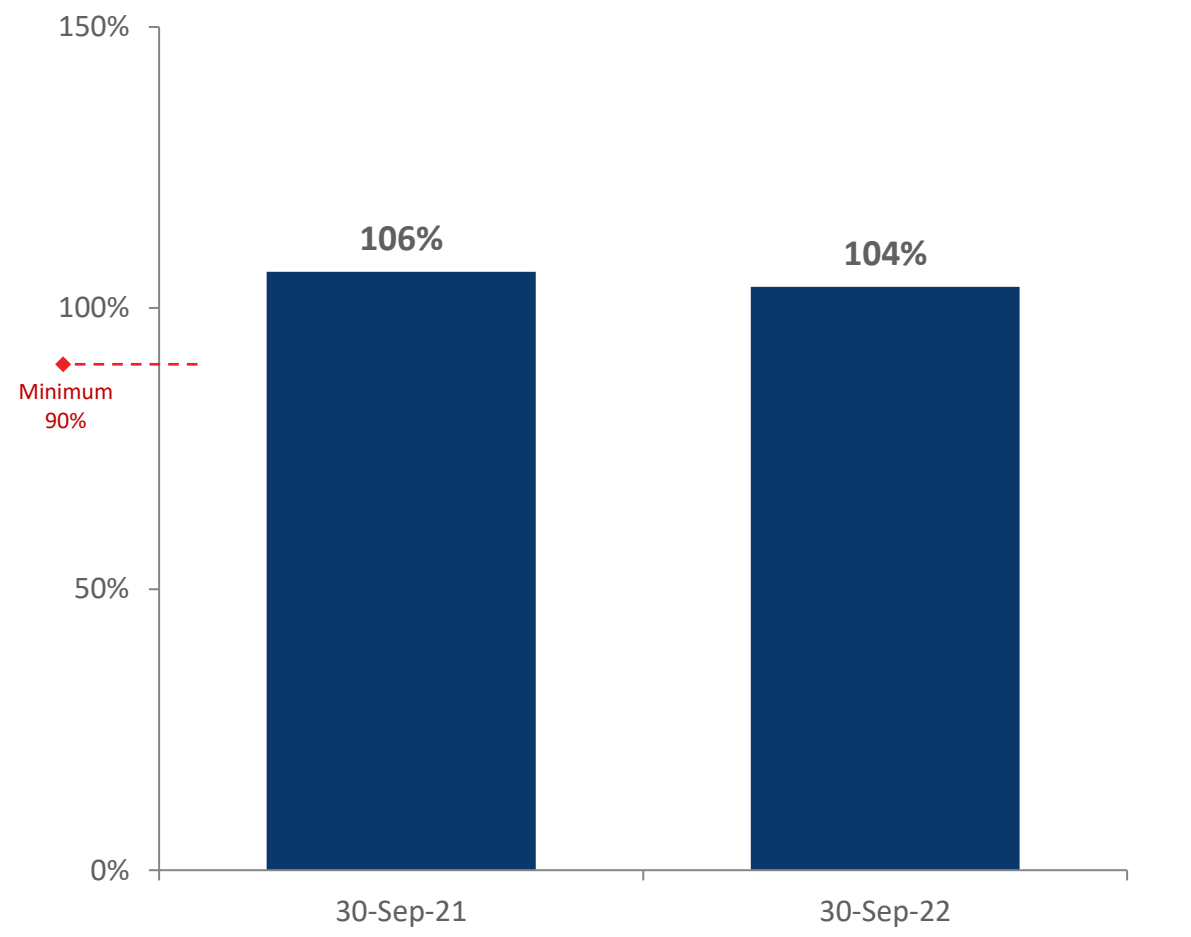


► Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums have been partially restored from 80% to 90%, before reverting to the old minimum of 100% in 2023.

Note: The partial restoration in the regulatory minimums were instructed by CBK in October 2021 and to be effective from 1 January 2022 until 31 December 2022.



Q&A

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