

Gulf Bank

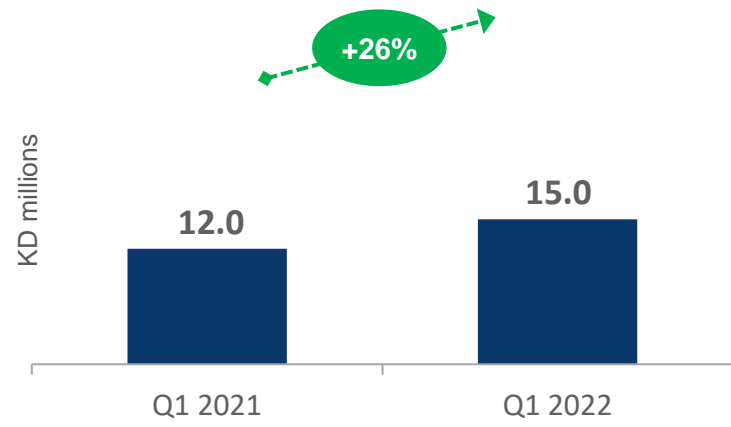
Earnings Presentation

1st Quarter 2022

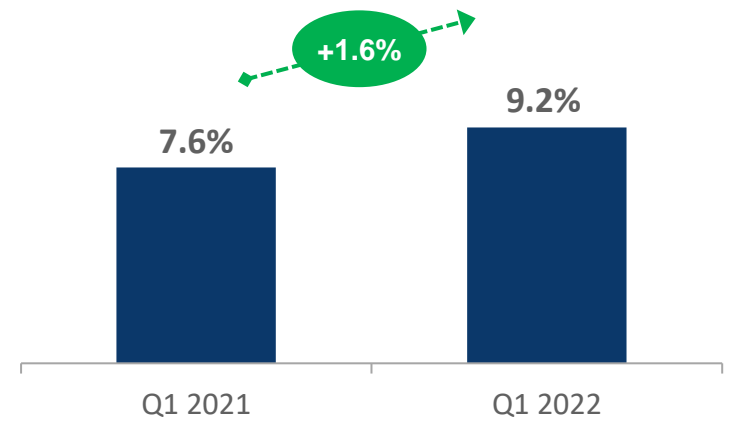
9 May 2022

► 1st Quarter 2022 Key Highlights

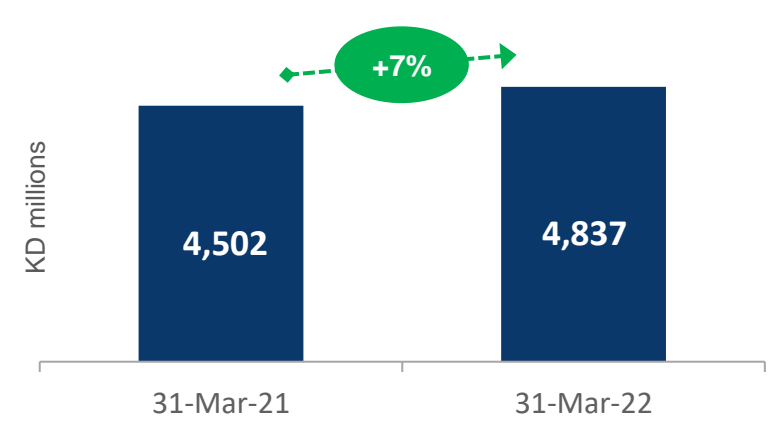
1 Net Profit



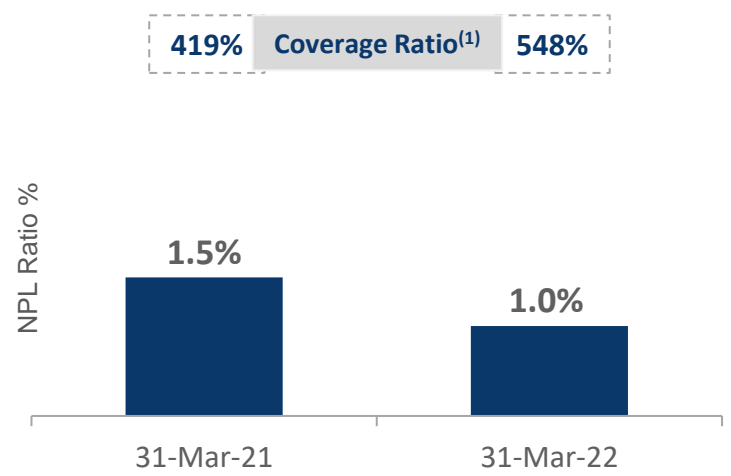
2 Return on Equity



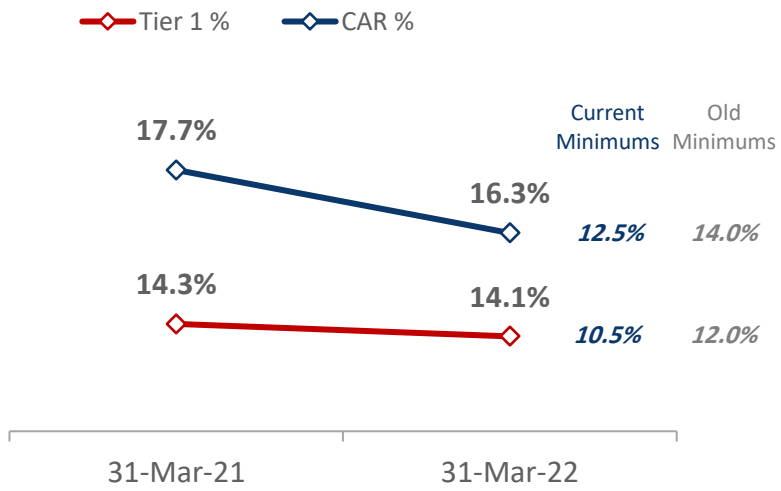
3 Gross Customer Loans



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

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

(1) Coverage ratio includes total provisions and collaterals.



1st Quarter 2022 Net Profit vs. 1st Quarter 2021 Net Profit Evolution



Income Statement

| KD Millions | Q1 2021A | Q2 2021A | Q3 2021A | Q4 2021A | Q1 2022A | Q1 22A vs Q1 21A | |
|---|-------------|-------------|-------------|-------------|-------------|------------------|------------|
| | | | | | | Amt | % |
| 1 Interest Income | 45.3 | 46.0 | 46.7 | 48.0 | 46.7 | 1.4 | 3% |
| 2 Interest Expense | (12.6) | (13.3) | (13.5) | (14.3) | (14.4) | (1.8) | -14% |
| 3 Net Interest Income | 32.6 | 32.7 | 33.3 | 33.7 | 32.2 | (0.4) | -1% |
| 4 Fees/ FX Income | 8.8 | 8.9 | 8.6 | 10.3 | 9.1 | 0.3 | 4% |
| 5 Other Income | 0.1 | 0.2 | 0.4 | 0.5 | 0.2 | 0.1 | 52% |
| 6 Operating Income | 41.5 | 41.7 | 42.3 | 44.5 | 41.5 | 0.0 | 0% |
| 7 Operating Expenses | (20.5) | (19.7) | (18.9) | (19.1) | (19.8) | 0.7 | 3% |
| 8 Operating Margin | 21.1 | 22.0 | 23.3 | 25.4 | 21.7 | 0.7 | 3% |
| 9 Credit Costs ⁽¹⁾ | (8.3) | (16.5) | (10.5) | (8.5) | (5.1) | 3.2 | 39% |
| 10 General Provisions | (0.1) | (0.8) | (1.3) | (1.4) | (0.9) | (0.8) | -986% |
| 11 Other Provisions/Impairments | (0.1) | 0.0 | (0.0) | (0.0) | 0.0 | 0.1 | 108% |
| 12 Taxes/ Other | (0.6) | (0.2) | (0.5) | (0.9) | (0.7) | (0.1) | -26% |
| 13 Net Profit | 12.0 | 4.6 | 11.0 | 14.6 | 15.0 | 3.1 | 26% |
| 14 Return on Assets (ROA) % | 0.8% | 0.3% | 0.7% | 0.9% | 0.9% | | |
| 15 Return on Equity (ROE) % | 7.6% | 2.9% | 6.7% | 8.8% | 9.2% | | |
| 16 Cost to Income Ratio (CIR) % | 49.3% | 47.2% | 44.8% | 42.9% | 47.7% | | |
| 17 Net Interest Margin (NIM) bps ⁽²⁾ | 214 | 209 | 209 | 208 | 200 | | |
| 18 Cost of Risk (COR) bps ⁽³⁾ | 76 | 146 | 90 | 71 | 43 | | |

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

(3) Credit Costs / Average gross customer loans.

4

[GBK Classification: PUBLIC]

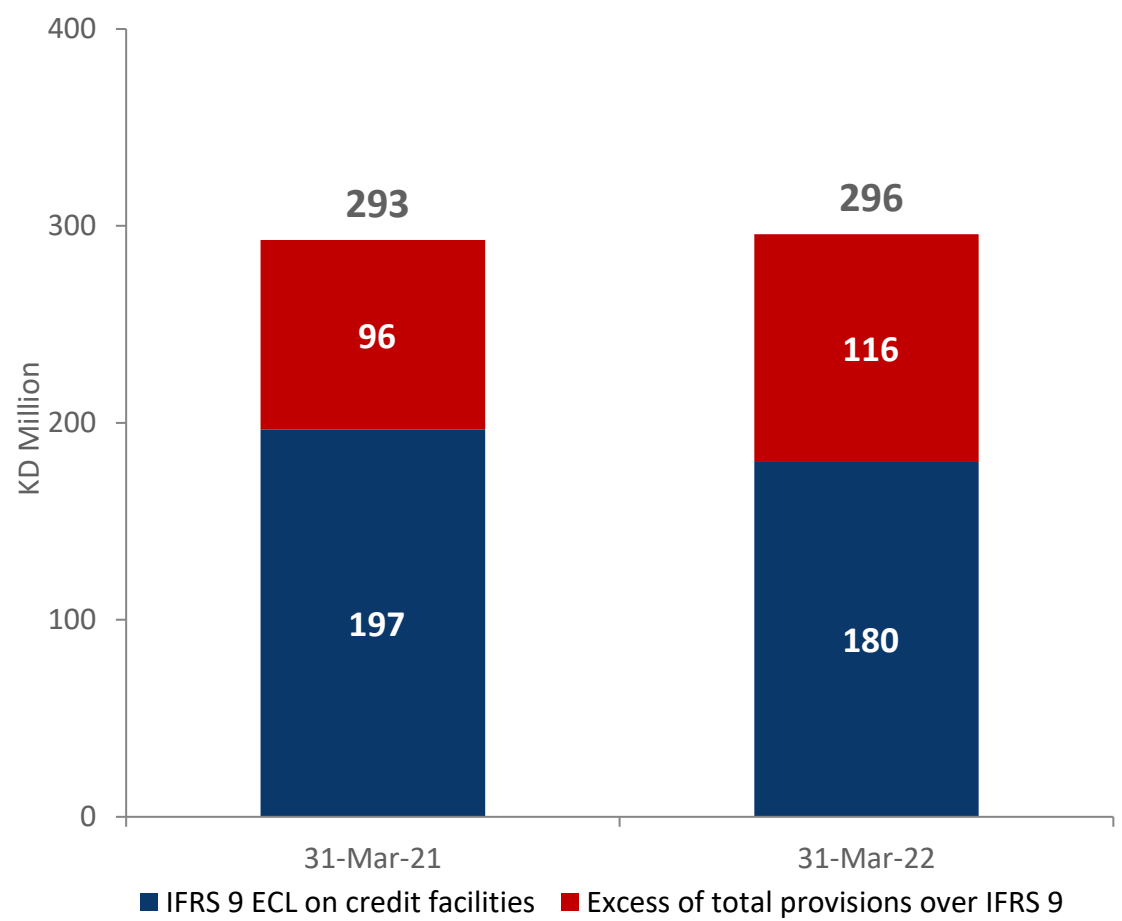
Balance Sheet

| KD Millions | 31-Mar-21 | % of Total | 31-Dec-21 | % of Total | 31-Mar-22 | % of Total | Var March 22 vs March 21 | | Var March 22 vs Dec 21 | |
|--|--------------|-------------|--------------|-------------|--------------|-------------|--------------------------|-------------|------------------------|------------|
| | | | | | | | Amount | % | Amount | % |
| ASSETS | | | | | | | | | | |
| 1 Cash and cash equivalents | 1,102 | | 942 | | 1,026 | | (76) | -7% | 83 | 9% |
| 2 Kuwait Government Bonds | 109 | | 74 | | 48 | | (61) | -56% | (26) | -35% |
| 3 CBK Bills | 281 | | 281 | | 282 | | 1 | 0% | 1 | 0% |
| 4 Deposits with banks and OFIs | 76 | | 125 | | 0 | | (76) | -100% | (125) | |
| 5 Liquid Assets | 1,567 | 25% | 1,422 | 22% | 1,356 | 21% | (211) | -13% | (67) | -5% |
| 6 Loans and advances to customers | 4,502 | | 4,838 | | 4,837 | | 335 | 7% | (2) | 0% |
| 7 Loans and advances to banks | 186 | | 280 | | 292 | | 106 | 57% | 12 | 4% |
| 8 Provisions | (276) | | (282) | | (277) | | (1) | 0% | 5 | -2% |
| 9 Net Loans | 4,412 | 70% | 4,837 | 74% | 4,852 | 75% | 440 | 10% | 15 | 0% |
| 10 Investment securities | 167 | 3% | 142 | 2% | 129 | 2% | (38) | -23% | (13) | -9% |
| 11 Other assets | 93 | | 121 | | 122 | | 29 | 31% | 1 | 1% |
| 12 Premises and equipment | 33 | | 34 | | 35 | | 1 | 3% | 0 | 0% |
| 13 Other assets | 127 | 2% | 155 | 2% | 157 | 2% | 30 | 24% | 2 | 1% |
| 14 TOTAL ASSETS | 6,272 | 100% | 6,556 | 100% | 6,493 | 100% | 221 | 4% | (63) | -1% |
| LIABILITIES | | | | | | | | | | |
| 15 Due to banks | 590 | | 596 | | 602 | | 12 | 2% | 7 | 1% |
| 16 Deposits from FIs | 665 | | 673 | | 610 | | (55) | -8% | (64) | -9% |
| 17 Customer deposits | 4,178 | 67% | 4,304 | 66% | 4,255 | 66% | 77 | 2% | (49) | -1% |
| 18 Other borrowed funds | 100 | | 215 | | 245 | | 145 | 145% | 30 | 14% |
| 19 Other liabilities | 102 | | 102 | | 118 | | 16 | 15% | 16 | 16% |
| 20 TOTAL LIABILITIES | 5,635 | 90% | 5,889 | 90% | 5,830 | 90% | 195 | 3% | (59) | -1% |
| 21 Total Equity | 637 | 10% | 666 | 10% | 662 | 10% | 25 | 4% | (4) | -1% |
| 22 TOTAL LIABILITIES AND EQUITY | 6,272 | 100% | 6,556 | 100% | 6,493 | 100% | 221 | 4% | (63) | -1% |
| 23 Average assets | 6,192 | | 6,312 | | 6,524 | | | | | |
| 24 Average equity | 637 | | 647 | | 664 | | | | | |
| 25 NPL ratio | 1.5% | | 0.9% | | 1.0% | | | | | |
| 26 Coverage ratio ⁽¹⁾ | 419% | | 615% | | 548% | | | | | |
| 27 CASA Ratio | 37.4% | | 38.5% | | 41.0% | | | | | |

(1) Coverage ratio includes total provisions and collaterals.

▶ Total Credit Provisions exceed IFRS 9 accounting requirements by KD 116 million

Total Provisions on Credit Facilities

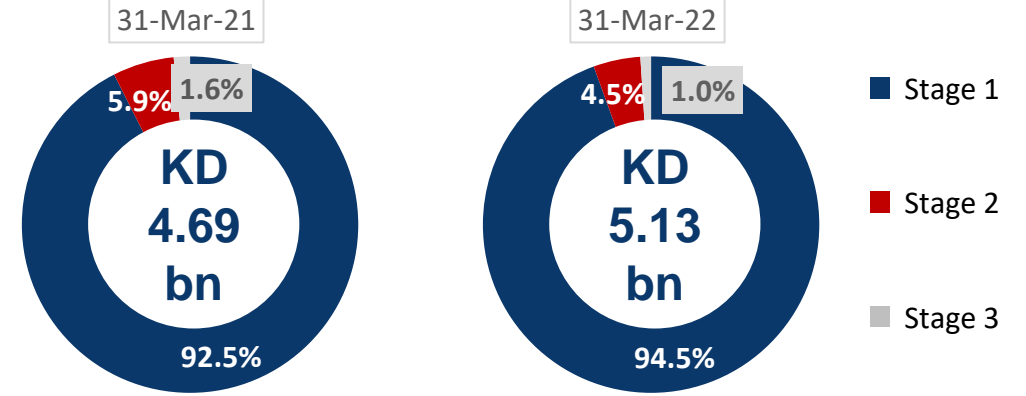


Excess / Total Provision

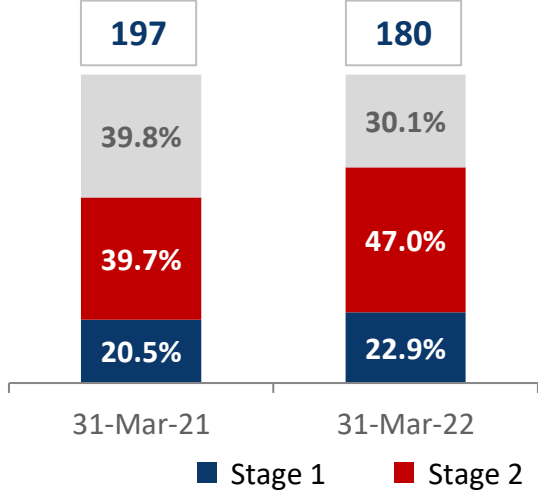
33%

39%

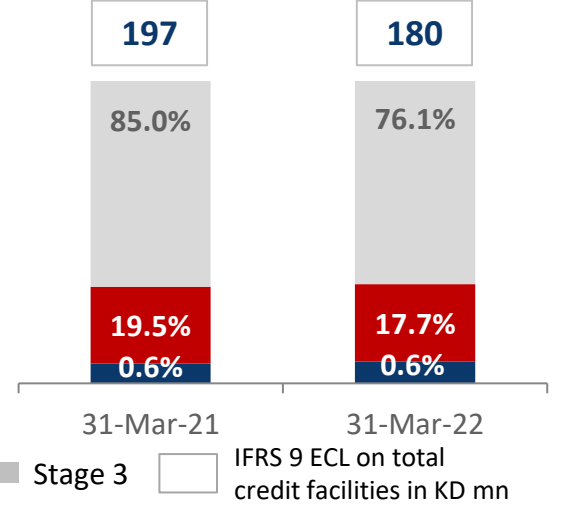
Gross Loans by Stages %⁽¹⁾



IFRS 9 ECL by Stages %



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

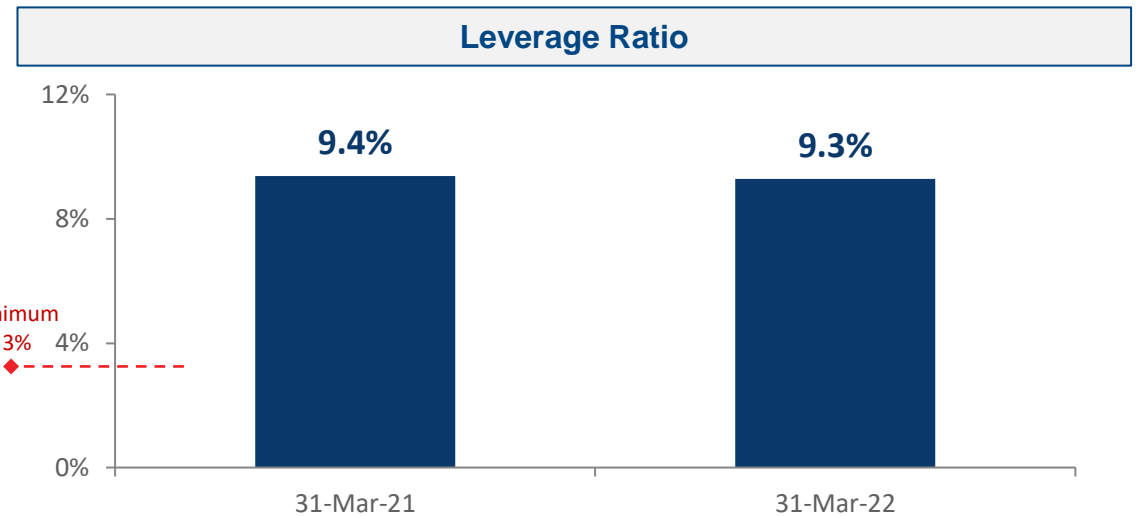
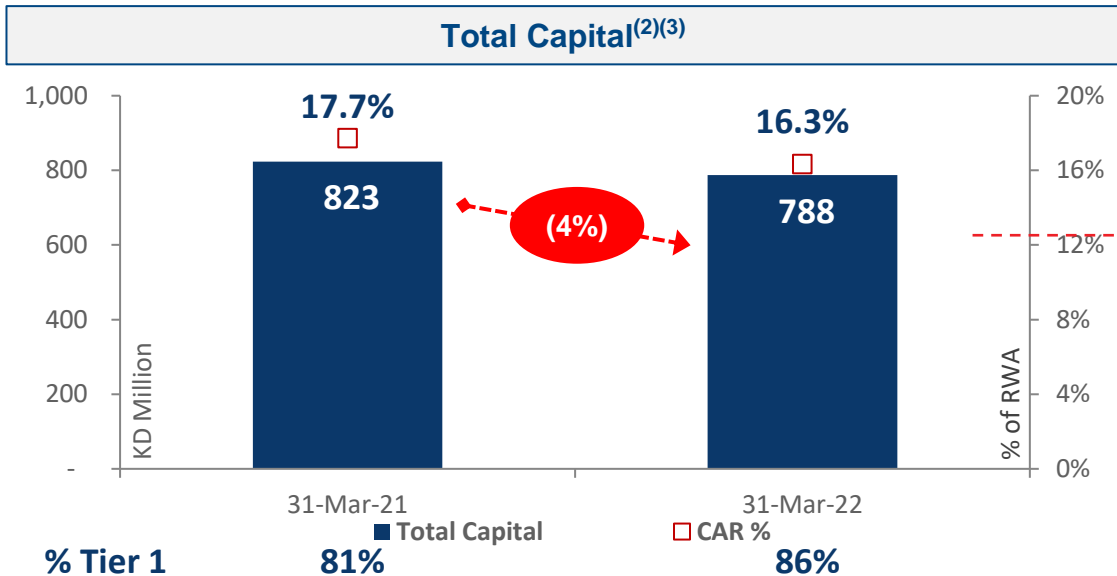
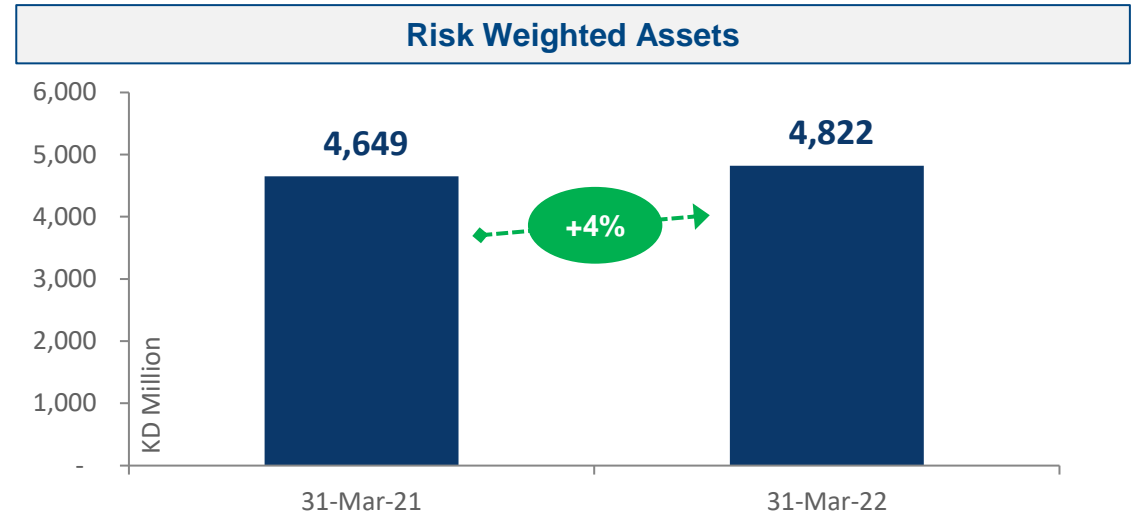
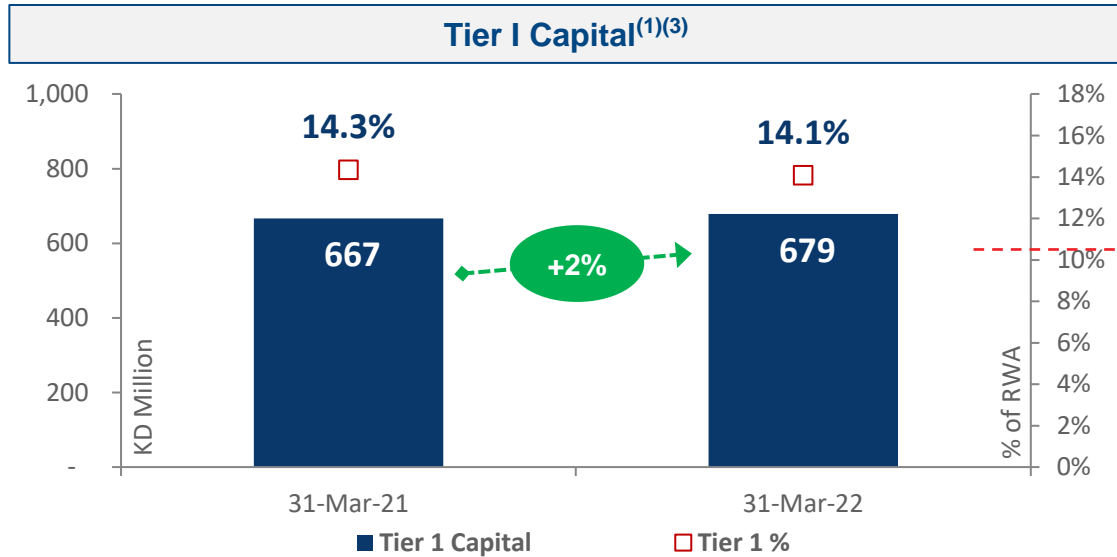


(1) Stage 3 loans are marginally higher than the credit impaired loans due to qualitative and quantitative factors as per IFRS 9;

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



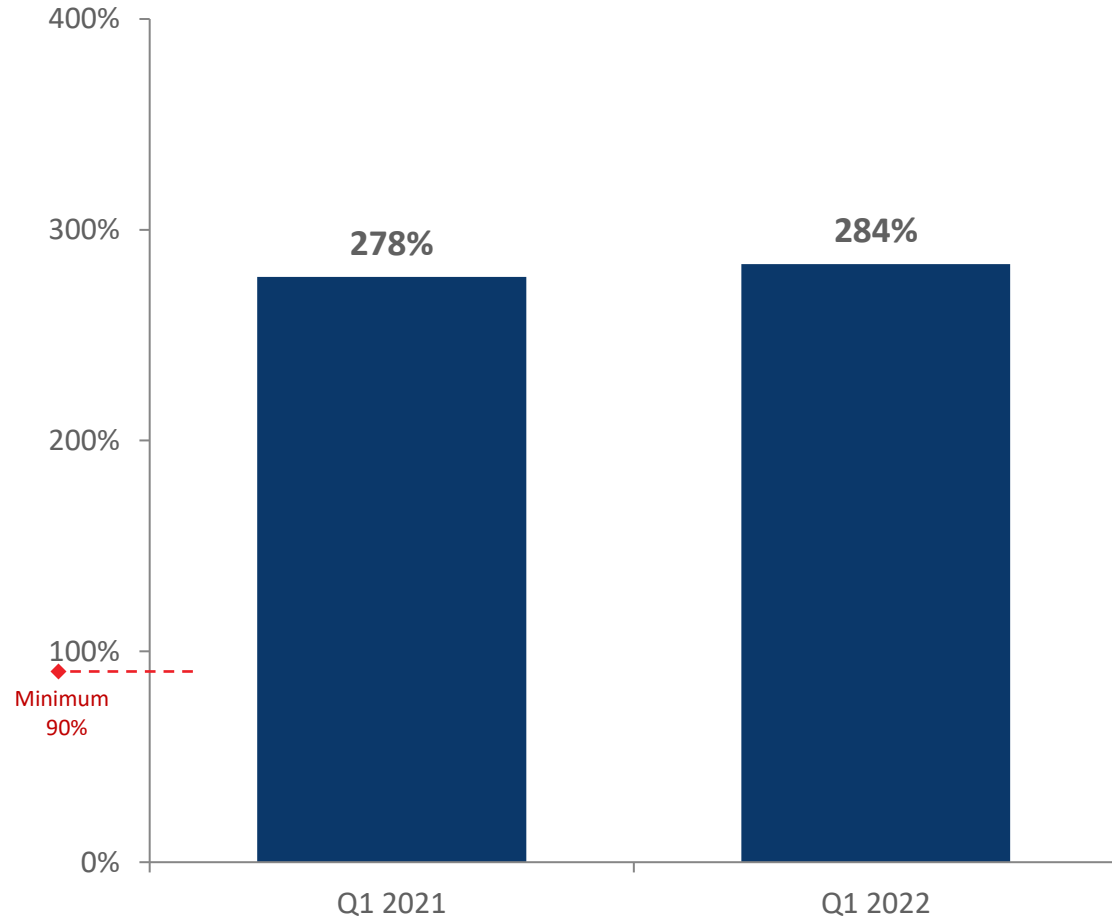
► Capital and Leverage Ratios



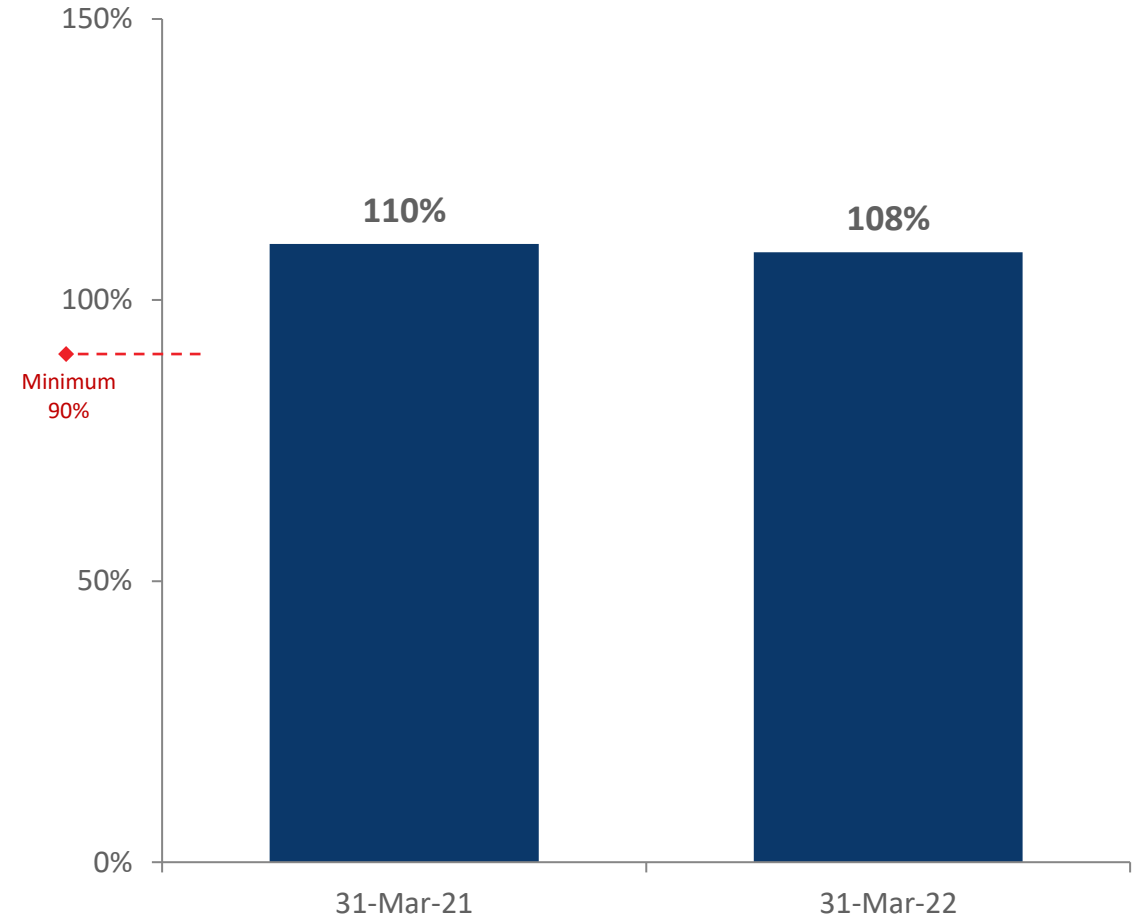
(1) Tier 1 Ratio regulatory minimum has been partially restored from 9.5% to 10.5%; (2) CAR regulatory minimum has been partially restored from 11.5% to 12.5%; (3) Tier 1 and Capital Adequacy Ratio (CAR) regulatory minimums include 1% DSIB. Note: The partial restoration in the regulatory minimums were 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

Gulf Bank

Investor Relations Team

Tel : +965 2244-9501

Fax : +965 2243-7872

P.O. Box 3200, Safat, 13032 Kuwait

Investor.relations@gulfbank.com.kw

► Guidance for the year 2022

| | | |
|---|----------------------|--|
| 1 | Loan Growth | Grow faster than the market |
| 2 | Margins | Short-term downside, until interest rate hike fully materializes |
| 3 | Cost to Income Ratio | Improvement |
| 4 | Cost of Risk | Under the normalized estimates of 100 bps |
| 5 | NPL Ratio | Under 2% |

► Disclaimer

THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR.

This presentation has been prepared by (and is the sole responsibility of) GULF BANK K.S.C.P. (the “Bank”). The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent. The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice.

All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction. Past performance is not indicative of future results. GULF BANK is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation.

No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

THANK
YOU ▶

