

Gulf Bank

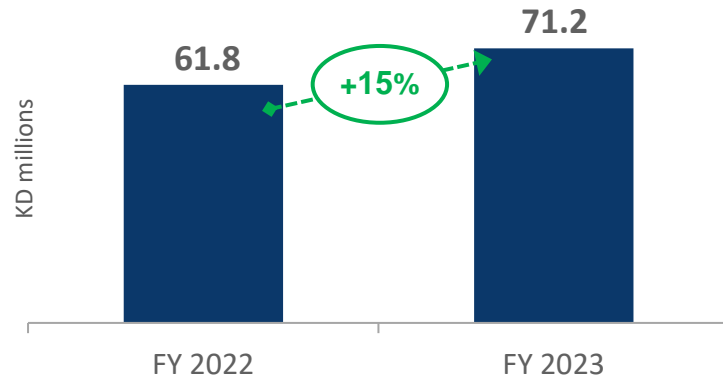
Earnings Presentation

Year End 2023

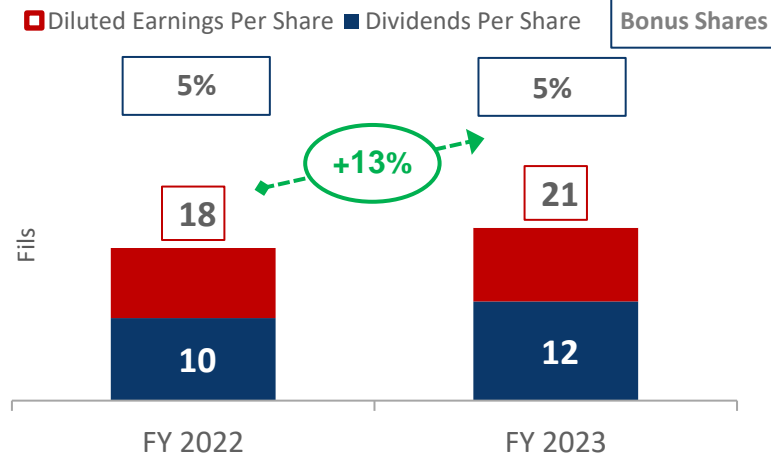
13 February 2024

Year-end 2023 Key Highlights

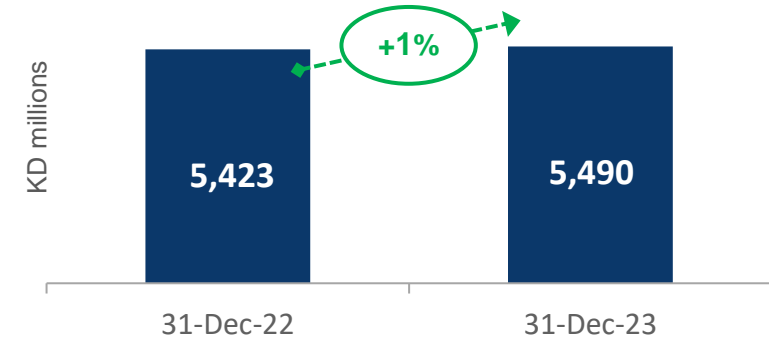
1 Net Profit



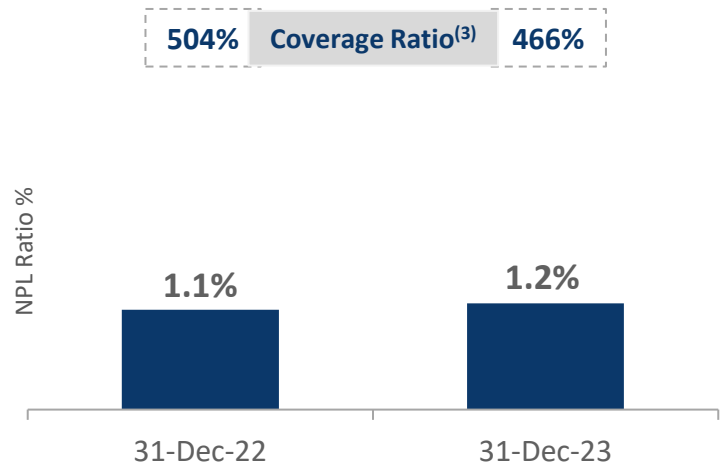
2 Earnings and Dividends Per Share⁽¹⁾



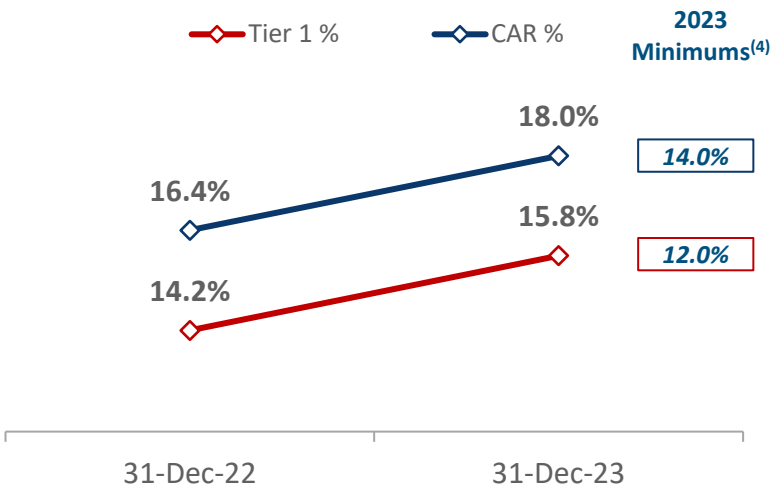
3 Gross Loans and Advances⁽²⁾



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

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

(1) 2023 proposed cash dividends and bonus shares are subject to Annual General Meeting shareholders approval expect to be held in March 2024; (2) Gross loans and advances is consolidated (loans and advances to banks and customers); (3) Coverage ratio includes total provisions and collaterals; (4) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

Year-end 2023 Net Profit vs. Year-end 2022 Net Profit Evolution



Income Statement

KD Millions	Q1 2022A	Q2 2022A	Q3 2022A	Q4 2022A	Q1 2023A	Q2 2023A	Q3 2023A	Q4 2023A	Q4 23A vs Q3 23A		FY 2022A	FY 2023A	FY 23A vs FY 22A	
									Amt	%			Amt	%
1 Interest Income	46.7	52.5	67.0	78.3	85.6	89.8	95.0	99.6	4.6	5%	244.5	370.0	125.5	51%
2 Interest Expense	(14.4)	(19.1)	(29.6)	(39.2)	(50.8)	(53.0)	(56.2)	(59.5)	(3.3)	-6%	(102.3)	(219.5)	(117.3)	-115%
3 Net Interest Income	32.2	33.5	37.4	39.1	34.8	36.8	38.7	40.1	1.3	3%	142.2	150.4	8.2	6%
4 Non Interest Income ⁽¹⁾	9.3	10.3	9.6	9.7	11.6	9.0	9.1	10.1	0.9	10%	38.9	39.8	1.0	2%
5 Operating Income	41.5	43.8	47.0	48.7	46.4	45.9	47.9	50.1	2.3	5%	181.1	190.3	9.2	5%
6 Operating Expenses	(19.8)	(21.5)	(21.6)	(23.3)	(21.4)	(21.5)	(21.9)	(22.0)	(0.0)	0%	(86.2)	(86.8)	(0.6)	-1%
7 Operating Profit	21.7	22.3	25.3	25.4	25.0	24.3	25.9	28.2	2.2	9%	94.9	103.4	8.6	9%
8 Credit Costs ⁽²⁾	(5.1)	(2.9)	(8.0)	(8.8)	(7.2)	(4.9)	(7.2)	(9.9)	(2.7)	-37%	(24.9)	(29.2)	(4.2)	-17%
9 General Provisions/Other ⁽³⁾	(0.9)	(3.4)	(1.1)	0.4	0.3	0.0	0.1	0.1	(0.0)	9%	(5.0)	0.6	5.6	112%
10 Taxes/ Other	(0.7)	(0.7)	(0.7)	(0.9)	(0.8)	(0.9)	(0.9)	(1.0)	(0.2)	-17%	(3.1)	(3.6)	(0.6)	-18%
11 Net Profit	15.0	15.2	15.4	16.1	17.3	18.5	18.0	17.4	(0.6)	-3%	61.8	71.2	9.4	15%
12 Return on Assets (ROA) %	0.9%	0.9%	0.9%	0.9%	1.0%	1.1%	1.0%	1.0%			0.9%	1.0%		
13 Return on Equity (ROE) %	9.2%	9.1%	8.9%	9.0%	9.9%	10.4%	9.8%	8.9%			9.0%	9.6%		
14 Cost to Income Ratio (CIR) %	47.7%	49.0%	46.0%	47.8%	46.1%	46.9%	45.8%	43.8%			47.6%	45.6%		
15 Net Interest Margin (NIM) bps ⁽⁴⁾	200	201	213	223	207	215	221	225			210	217		
16 Cost of Risk (COR) bps ⁽⁵⁾	40	22	58	64	54	36	52	72			47	54		

(1) Includes Fees and Foreign Exchange Income and Other Income; (2) Includes specific provisions, recoveries, and write-offs (3) Includes General Provisions, Other Provisions/Impairments; (4) Net Interest Income / Average assets; (5) Credit Costs / Average gross loans and advances.

[GBK Classification: PUBLIC]



Balance Sheet

KD Millions	31-Dec-22	% of Total	31-Mar-23	% of Total	30-Jun-23	% of Total	30-Sep-23	% of Total	31-Dec-23	% of Total	Var Dec 23 vs Dec 22		Var Dec 23 vs Sep 23	
											Amount	%	Amount	%
ASSETS														
1 Cash and cash equivalents	930		1,047		1,079		1,130		1,094		164	18%	-36	-3%
2 Kuwait Government Bonds	22		22		22		17		17		-6	-25%	0	0%
3 CBK Bonds	338		343		342		332		338		0	0%	6	2%
4 Deposits with banks and OFIs	131		56		66		74		181		50	38%	107	144%
5 Liquid Assets	1,421	21%	1,468	22%	1,509	22%	1,553	22%	1,629	23%	208	15%	76	5%
6 Gross loans and advances ⁽¹⁾	5,423		5,394		5,463		5,449		5,490		68	1%	41	1%
7 Provisions	-294		-285		-289		-293		-294		0	0%	-1	0%
8 Net Loans and advances	5,129	75%	5,109	75%	5,174	75%	5,157	74%	5,197	72%	68	1%	40	1%
9 Investment securities	129	2%	92	1%	73	1%	109	2%	191	3%	62	48%	83	76%
10 Other assets	134		112		117		114		118		-16	-12%	4	4%
11 Premises and equipment	39		39		40		39		39		1	2%	1	2%
12 Other assets	173	3%	151	2%	158	2%	153	2%	158	2%	-15	-9%	5	3%
13 TOTAL ASSETS	6,851	100%	6,821	100%	6,914	100%	6,971	100%	7,175	100%	323	5%	204	3%
LIABILITIES														
14 Due to banks	490		322		318		416		256		-233	-48%	-159	-38%
15 Deposits from FIs	775		908		970		855		1,149		374	48%	293	34%
16 Customer deposits	4,247	62%	4,191	61%	4,216	61%	4,265	61%	4,219	59%	-28	-1%	-46	-1%
17 Other borrowed funds	494		539		539		540		570		76	15%	30	6%
18 Other liabilities	126		156		147		155		164		37	29%	9	6%
19 TOTAL LIABILITIES	6,131	89%	6,116	90%	6,190	90%	6,231	89%	6,358	89%	226	4%	127	2%
20 Total Equity	720	11%	705	10%	723	10%	740	11%	817	11%	97	13%	77	10%
21 TOTAL LIABILITIES AND EQUITY	6,851	100%	6,821	100%	6,914	100%	6,971	100%	7,175	100%	323	5%	204	3%
22 Average assets	6,767		6,836		6,862		6,889		6,946					
23 Average equity	686		712		716		722		741					
24 NPL ratio	1.1%		0.8%		1.0%		1.2%		1.2%					
25 Coverage ratio ⁽²⁾	504%		692%		546%		470%		466%					
26 CASA Ratio	35.2%		35.3%		34.8%		32.3%		29.7%					

(1) Gross loans and advances is consolidated (loans and advances to banks and customers);

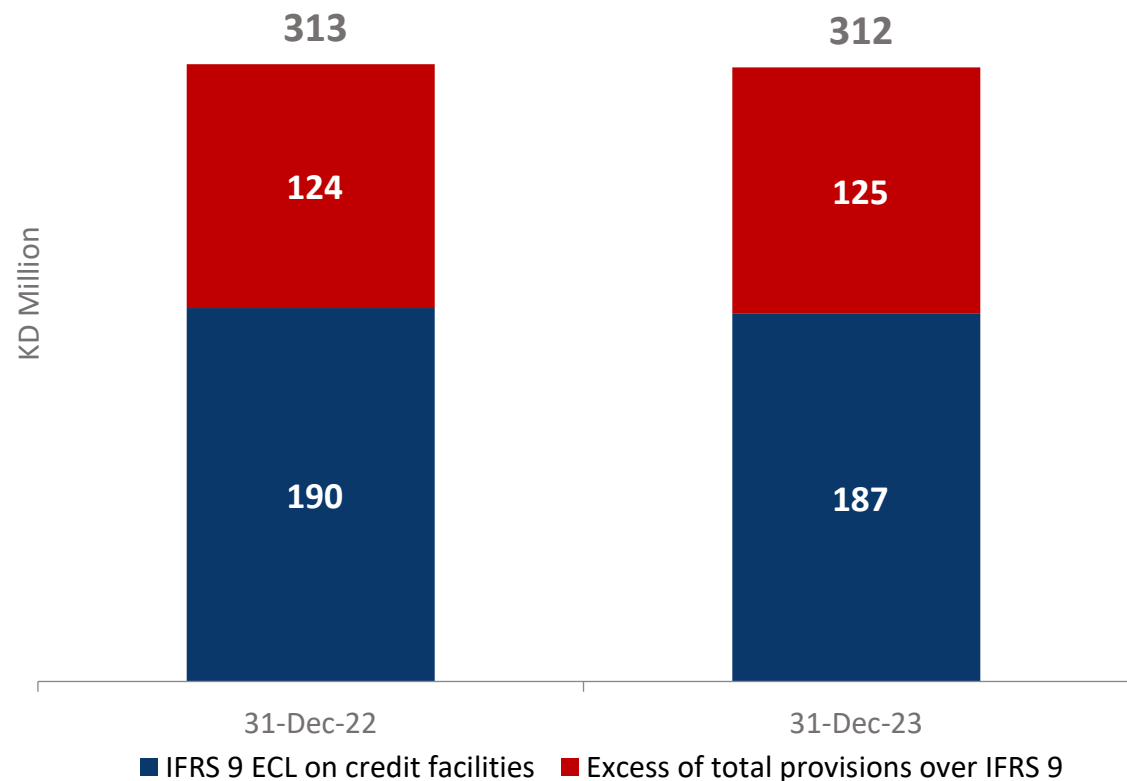
(2) Coverage ratio includes total provisions and collaterals.

[GBK Classification: PUBLIC]



Total Credit Provisions exceed IFRS 9 accounting requirements by KD 125 million

Total Provisions on Credit Facilities

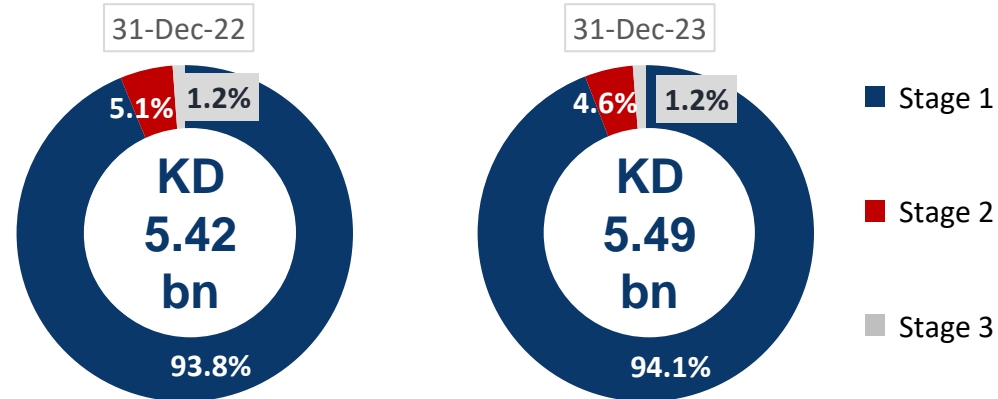


Excess / Total Provision

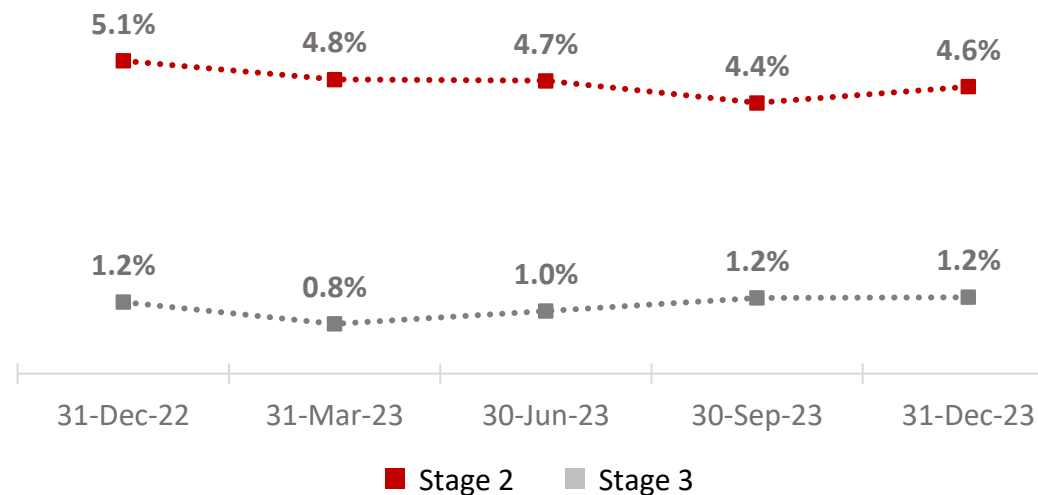
39%

40%

Gross Loans by Stages %⁽¹⁾

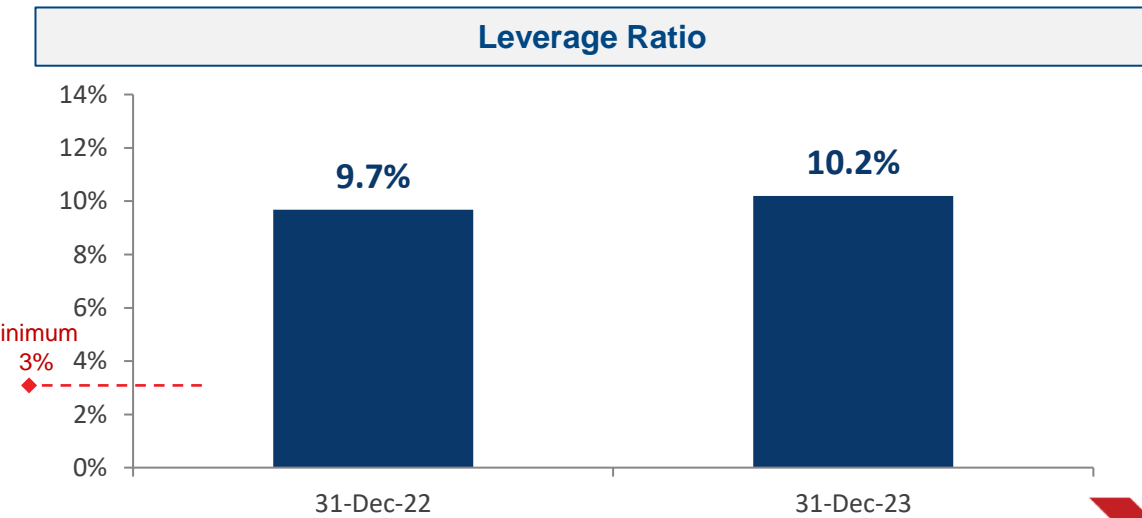
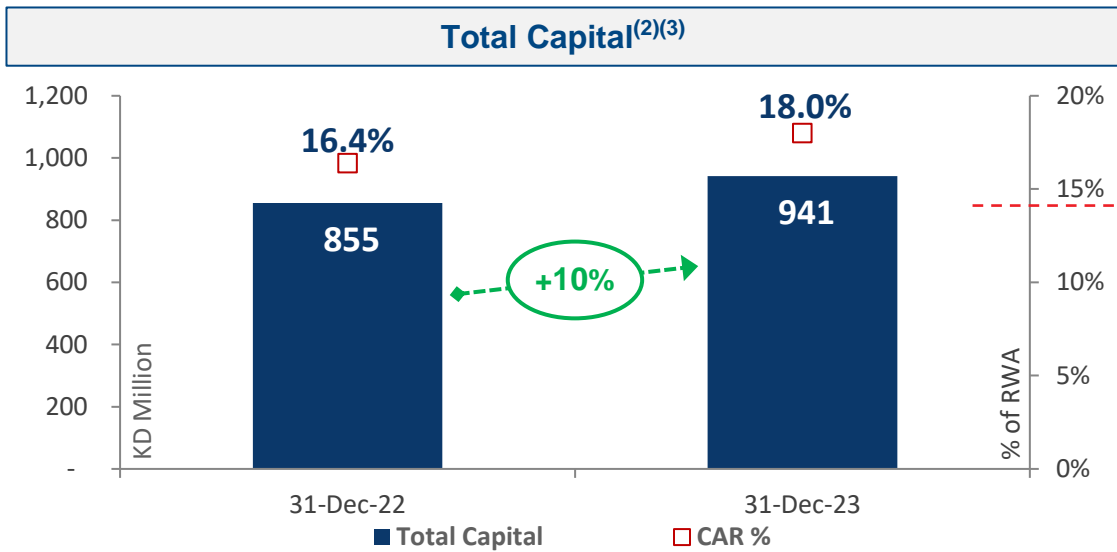
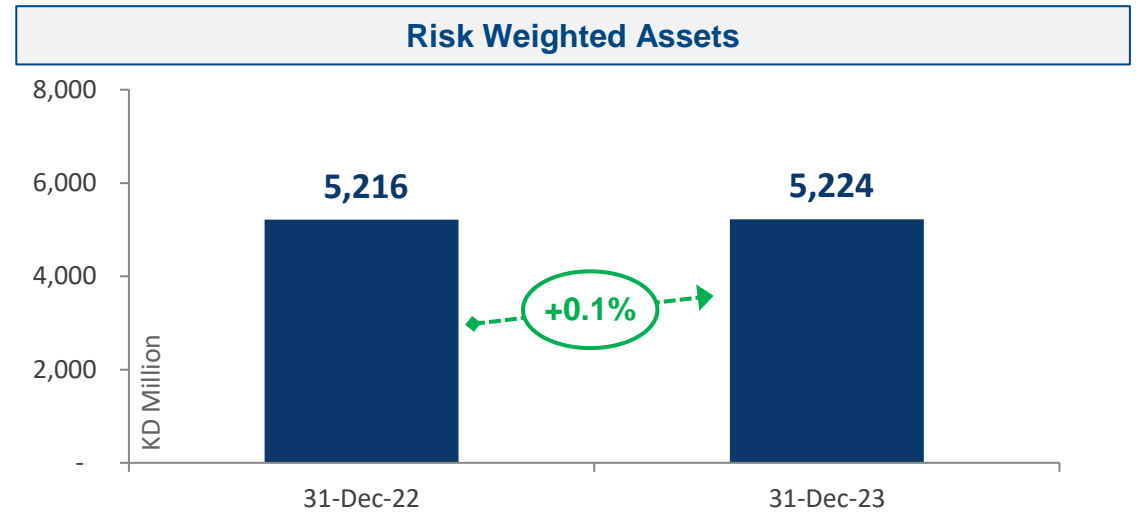
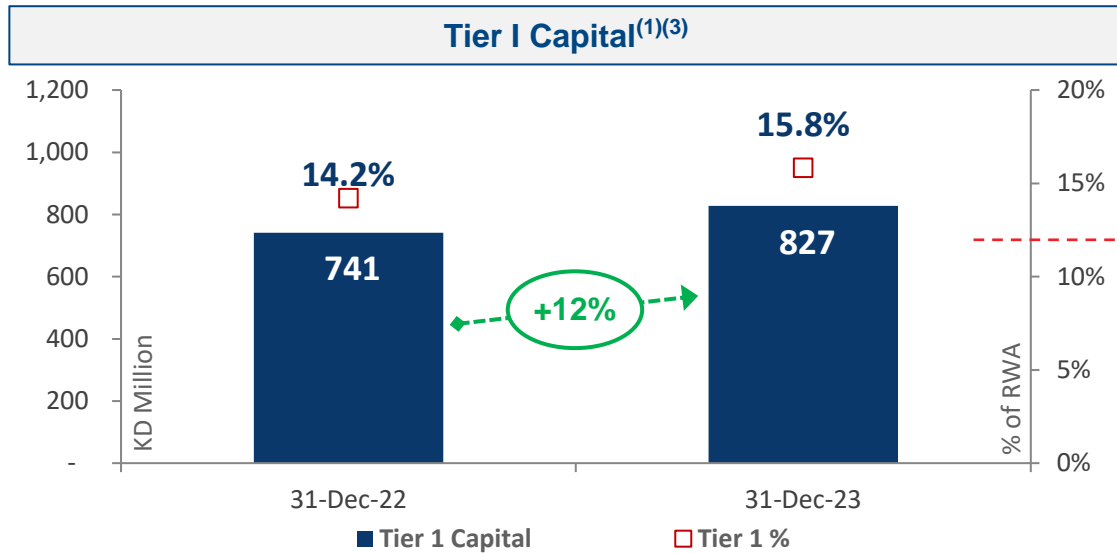


Evolution of Gross Loans Stages 2 and 3 (%)⁽¹⁾



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

Capital and Leverage Ratios

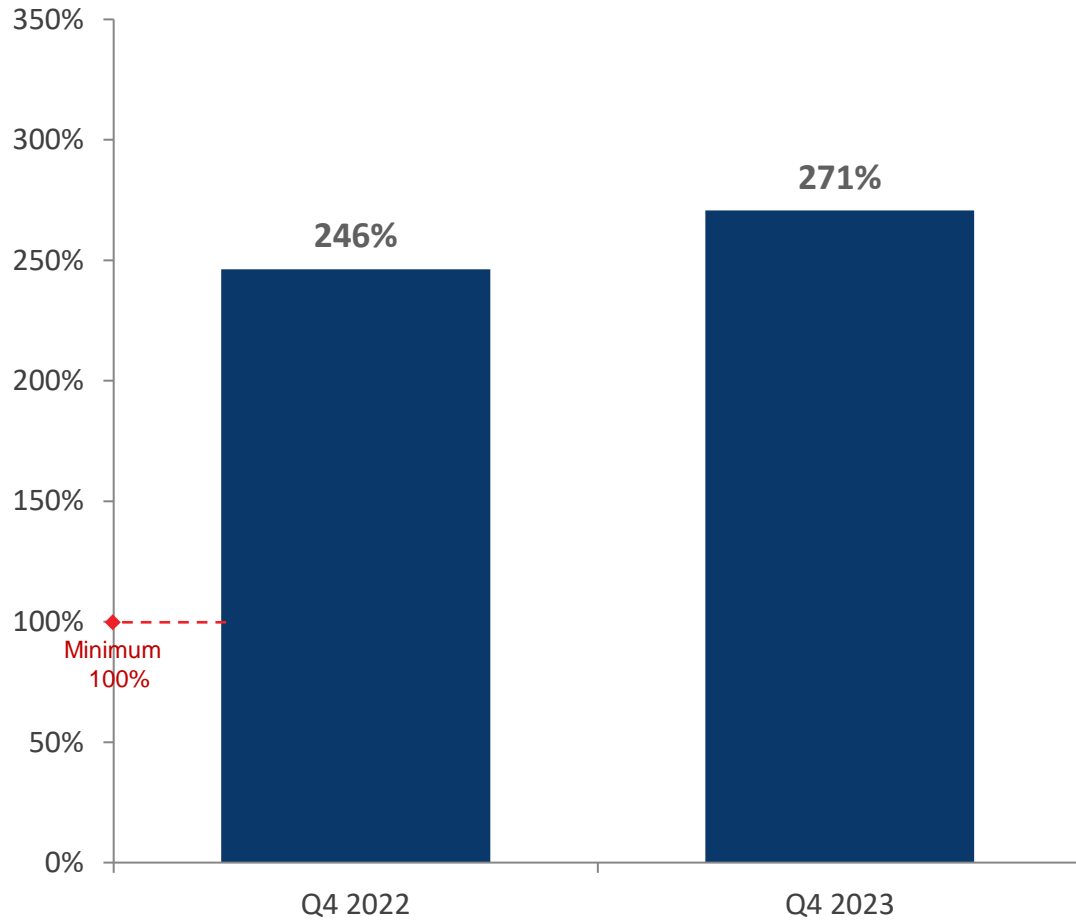


% Tier 1 **87%** **88%**

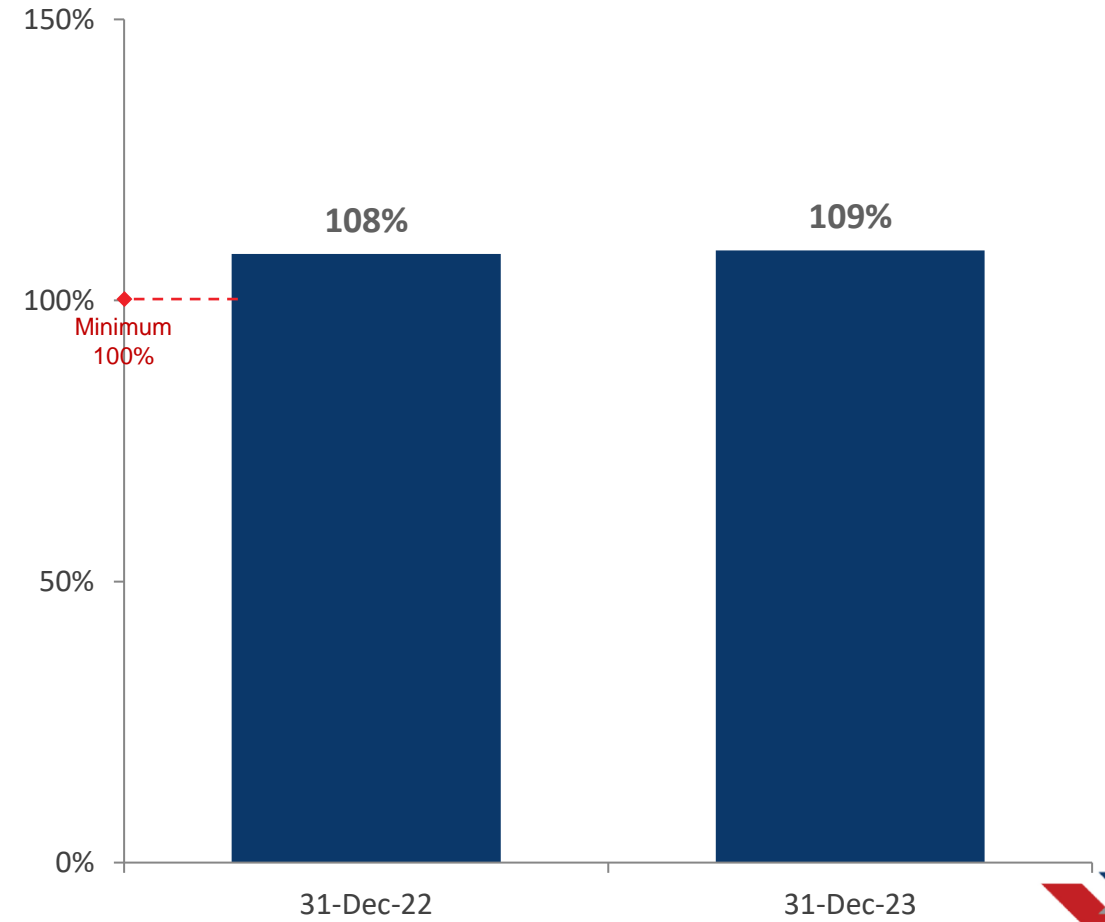
(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

Liquidity Ratios

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



(1) Liquidity Coverage Ratio and Net Stable Funding Ratio regulatory minimums is 100% in 2023.

Q&A

Guidance for the year 2024

Earlier Guidance

Actual Outcome FY 2023

Forward Guidance In 2024

1	Loan Growth	Grow faster than the market in Retail	✓	2.5% vs 1.5% ⁽¹⁾	Mid-single digits for total loans
2	Cost to Income Ratio	Decrease	✓	↓ 200 bps	Decrease
3	Cost of Risk	Under 100 bps	✓	54 bps	50 to 70 bps
4	NPL Ratio	Under 2%	✓	1.2%	Under 2%

(1) Source: Central Bank of Kuwait Monthly Statistics to the end of December 2023.

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