

Gulf Bank

Investors Presentation

1st Quarter 2025





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AT A GLANCE

Gulf Bank is one of the leading Conventional banks in Kuwait

1960

Founded

1984

Listed on
Kuwait Stock
Exchange

50+

Branches
across
Kuwait

7.5

KD Billion
Total Assets
31 Mar 2025

Shareholder information

Gulf Bank Index Landscape



Listed in Bursa Kuwait
Under Premier Market



FTSE Russell Emerging
Markets Index since
September 2017

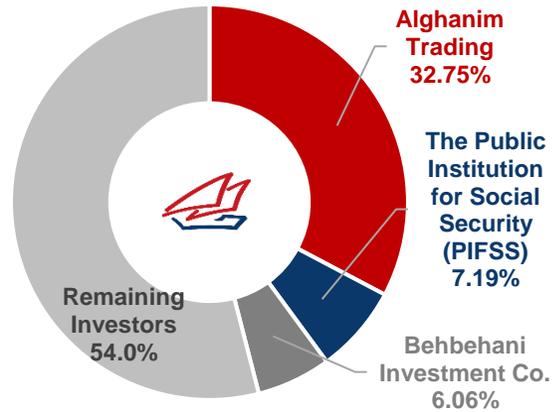


S&P DJI Emerging Market
Index since December 2018



MSCI Emerging Market
Index since November 2020

Ownership Structure as of 31 Mar 2025



Ticker	GBK
ISIN	KW0EQ0100028
Number of Shares Issued	3,802,502,099
Market Cap as of 31 Mar 2025	KD 1,350 Million
Gulf Bank Market Cap Weight in Bursa Kuwait	2.8%

Our Business Model

Consumer Segment

Our Consumer Banking serves a broad range of customer segments, offering customer-centric solutions and a unique experience tailored to each customer segment. Our diversified product offering includes personal loan options, credit and debit cards, and deposits.

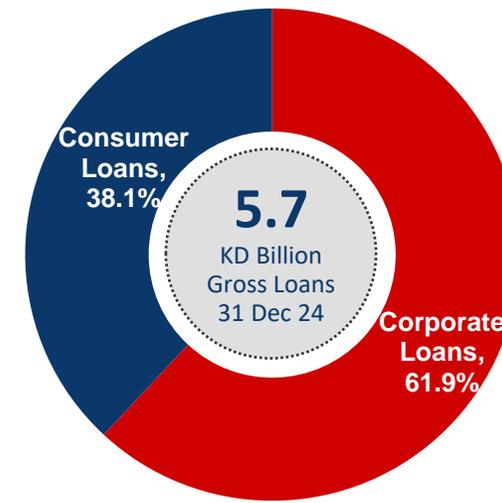
Corporate Segment

Our Corporate and Bank segment has a comprehensive suite of wholesale, commercial and Small and Medium Enterprise (SME) banking products and services. These include structured finance, project finance, transaction banking, Advisory / Corporate Finance and Investment Banking, Merchant Banking and Cards.

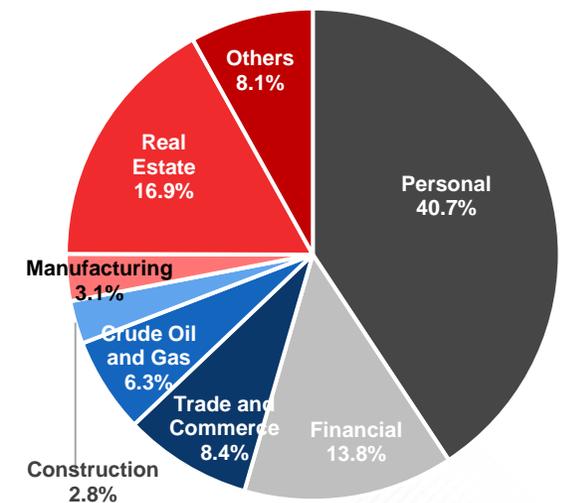
Treasury and Investment

Our Treasury focus is to optimize the balance sheet's efficiency, managing the Bank's liquidity while supporting asset growth and sufficient buffers to meet regulatory requirements. Our Investment Services manages the Bank's proprietary investment and offer investment products to clients.

Gross Loans by Segment⁽¹⁾



Gross Loans by Sector⁽²⁾



(1) Note 24 A in Financial Statement – Credit Quality by class of financial assets and Financial assets individually impaired by segment as of 31 December 2024;

(2) Note 12 A in Financial Statement – Based on the primary purpose of the loans and advances given to customers as of 31 December 2024.



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GULF BANK STRATEGY 2025

Gulf Bank's strategy is based on simple and innovative services that facilitate customers' lives and achieve sustainable growth, with the aim of cementing the Bank's position as the leading Kuwaiti Bank of the Future. The Bank new strategy aims to provide customers with an unprecedented banking experience in Kuwait, based on digital transformation processes already underway both at the customer service level and internal operations level. The focus of Strategy '2025' is on:

- Promoting selective growth in the corporate banking and SME segment by expanding our product range and services;
- Growing Consumer banking market share, while supporting the youth, women and affluent client segments; and
- Developing the Bank's digital banking platforms in order to improve services and increase competitiveness.

Strategic Foundation

People

Foster a performance-driven culture based on meritocracy and engagement

Technology

Introduce technology solutions to enable a bank wide digital transformation

Risk

Adopt world-class Risk Management practices

Digital Transformation Strategic Focus



1

Digitization of Operations

- ▶ Use Advance Data Science to improve engagement with customers and grow market share.
- ▶ Upgrade of the Core Banking System, which will introduce new products, services and features including Omni-channel initiative.
- ▶ Install new Treasury System to cater for the Full Treasury Trade Cycle and introduce new automation, products, robust credit and market risk limits monitoring, in addition to seamless operational back-office services.
- ▶ Optimize physical branch network utilizing the Banks' digital transformation journey.

2

Tailored Customer Offerings

- ▶ Improve sales and service levels by identifying profitable segments under consumer banking.
- ▶ Develop business with the affluent segment by providing premium services.
- ▶ Expand product range, transaction banking, corporate finance and include small and mid-sized enterprises.
- ▶ Expand footprint outreach in-line with Kuwait Vision 2035 "New Kuwait".

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VALUE CREATION BUSINESS MODEL



(1) All figures are either as of 1st Quarter 2025 or as on 31 March 2025.

(2) All figures are either as of year end 2024 or as on 31 December 2024.



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ESG STRATEGY 2030



Accountable Governance

We exhibit comprehensive sustainable governance practices, sound ESG risk management and foster a culture of integrity, ownership, compliance and ethical conduct.

Equitable Workplace

We strive to foster an equitable workplace culture, one that empowers, develops our people's talents and encourages inclusion, collaboration and fair treatment based on meritocracy.

Empowered Community Engagement

We recognize the value of community engagement and are driven to form collaborative partnerships and deliver impactful initiatives and campaigns that serve our community and enhance its social status and welfare.

Responsible Banking

We seek to develop sustainable banking solutions, catered to our customers' needs and the Bank's market share growth, in a manner that enhances financial inclusion, promotes sustainable financing practices, embraces digital transformation and innovation and that is environmentally conscious.



ESG Initiatives Screening

Screening criteria for selecting the Bank's ESG initiatives to ensure a sustainable ROI



ESG Policy Development

Sets the guidelines, responsibilities, approval metrics, and authority hierarchy for ESG at the Bank



ESG Strategy Roadmap

Provides a clear breakdown and strategic plan for implementing the Bank's ESG strategy across 6 years



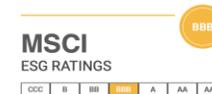
ESG Strategy Refresher

ESG workshops as a refresher exercise prior to the official strategy implementation kick-off

National & Global Frameworks and ESG Rating



28.8



BBB



LSEG

53/100



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STATE OF KUWAIT OPERATING ENVIRONMENT

1 Overview

- ▶ **The State of Kuwait is a sovereign state** on the coast of the Arabian Gulf with a population of 5.0 million as of Dec 2024, of which 31.4% are Kuwaiti Nationals.
- ▶ **Kuwait is a constitutional monarchy**, headed by His Highness the Emir, Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah. Kuwait constitution was approved and promulgated in November 1962 and an elected National Assembly.
- ▶ **Kuwait Vision 2035**, that was launched in 2019 encompasses seven strategic pillars: 1) Sustainable diversified economy; 2) Human Capital Development; 3) Infrastructure Development; 4) Private Sector Growth; 5) Sustainable Living Environment; 6) Social Development; and 7) Governance and Institutional Reform.

2 Economy

- ▶ **Kuwait is an oil driven economy**, however, has witnessed some modest growth from non-oil sectors in recent years.
- ▶ **Kuwait has one of the lowest oil production costs** in the world, making it more resilient to low oil prices. It has one of the world's largest sovereign wealth funds and very low debt, which underpins its investment grade sovereign credit rating.
- ▶ **Kuwait is one of the richest country in the world** by Nominal GDP per capita, reaching \$32,289 for year end 2024e, ranked 37th globally according to the IMF⁽¹⁾.

3 Key Indicators

	2024e	2025f
Sovereign Rating	Fitch: "AA-", Stable Outlook Moody's: "A1", Stable Outlook S&P: "A+", Stable Outlook	
Real GDP ⁽¹⁾	(2.7%)	3.3%
Inflation (%y/y) ⁽¹⁾	2.9%	2.3%
Public Debt (% GDP) ⁽¹⁾	7.2%	12.9%

Public Finance

KD 1.6 bn
Deficit

- ▶ **2023/24 closing account** deficit was lower than the originally budget deficit of KD 6.8 bn due to higher average oil prices.

KD 5.6 bn
Budgeted Deficit

- ▶ **FY24/25 draft budget**, could result in a deficit of KD 5.6 bn due to higher capital expenditure than historical average, plus higher contribution from non-oil revenue.

Major Projects⁽²⁾

KD 0.4 bn
Awarded Projects in Q1'25

- ▶ **An increase of around 200% vs Q1'24.**
- ▶ **The awarded projects during Q1'25** primarily fueled by infrastructure investments, targeting modernization in the Oil, Power, and Transport sectors.
- ▶ **The top 3 segments of awarded projects during Q1'25 were:**
 - Transport, Power and Water, and Oil and Gas.

Real Estate Activity⁽³⁾

KD 0.9 bn
Total Sales in Q1'25

- ▶ **An increase of 24% vs Q1'24.**
 - The increase came from most segments, led by Investment Segment of 49%, followed by Commercial Segment of 23%.
 - Residential Segment remains the dominant segment representing 39%, however it had declined by 2%. Higher interest rates environment, high valuations, and the lack of land availability remains the key challenges.

Banking Sector

9 Banks
5 Conventional & 4 Islamic

- ▶ **Prudent regulation and supervision** by the Central Bank of Kuwait who have helped maintain a resilient banking system.
- ▶ **CBK discount rate is 4.0%**, compared to FED target rate of 4.25% to 4.50%.

KD 92 bn
System⁽⁴⁾
Total Assets Feb 25

- ▶ **An increase of 5.3% y/y.**
- ▶ **The system total credit facilities** reached KD 57.2 bn, up 5.3% y/y.
- ▶ **Banking sector market capitalization** reached KD 30.0 bn⁽⁵⁾, up 15.3% y/y.

(1) IMF Database(WEO October 2024); (2) MEED Projects, Kamco Invest GCC Projects Market; (3) Kuwait Ministry of Justice (MOJ); (4) Central Bank of Kuwait Monthly Statistical Release;

(5) Boursa Kuwait Market Summary by Company Report for the month of March 2025.



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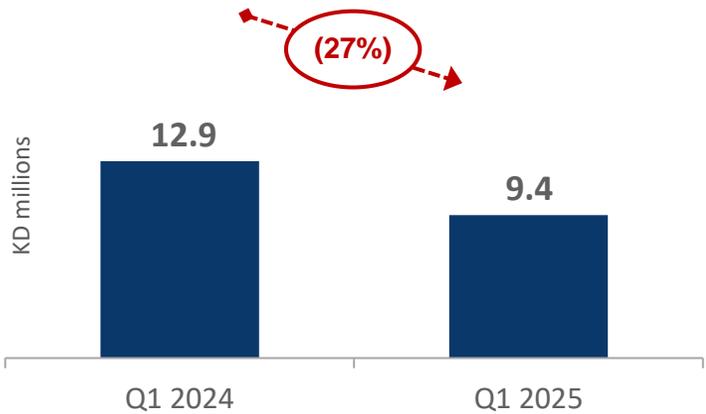
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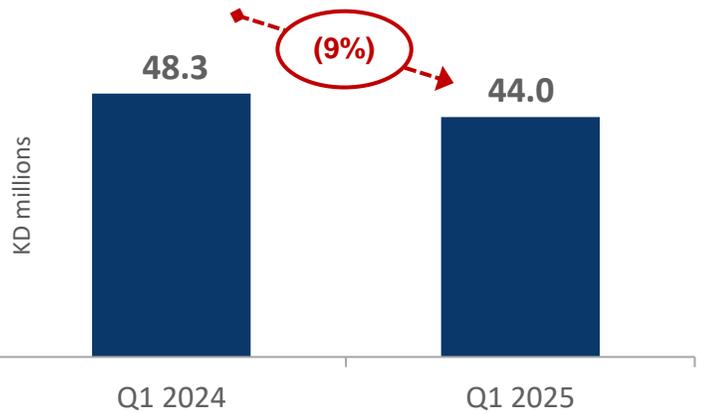
➤ **1ST QUARTER 2025 FINANCIAL PERFORMANCE**

1ST QUARTER 2025 KEY HIGHLIGHTS

1 Net Profit



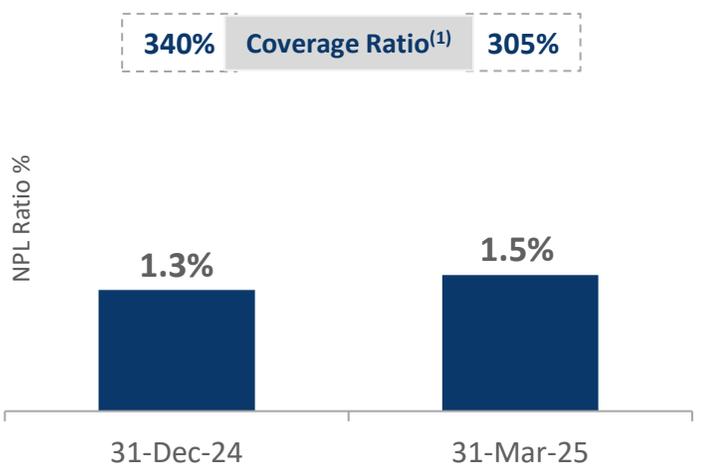
2 Operating Income



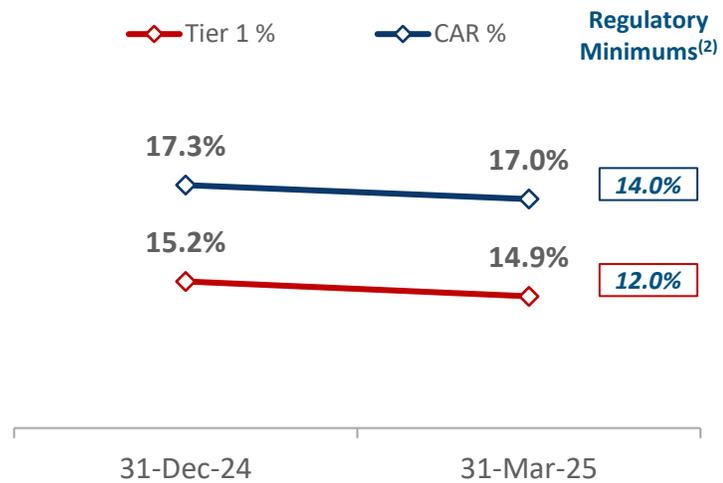
3 Gross Loans and Advances



4 Asset Quality



5 Capital Ratios



6 Credit Ratings

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

(1) Coverage ratio includes total provisions and collaterals; (2) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

1ST QUARTER 2025 NET PROFIT VS. 1ST QUARTER 2024 NET PROFIT EVOLUTION



(1) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries - excess general provision movement.

INCOME STATEMENT

KD Millions	Q1 2024A	Q2 2024A	Q3 2024A	Q4 2024A	Q1 2025A	Q1 25A vs Q1 24A		Q1 25A vs Q4 24A	
						Amt	%	Amt	%
1 Interest Income	98.6	102.3	103.0	99.6	92.6	(6.0)	-6%	(7.0)	-7%
2 Interest Expense	(60.2)	(63.0)	(63.3)	(60.7)	(57.5)	2.7	5%	3.2	5%
3 Net Interest Income	38.4	39.2	39.7	38.9	35.1	(3.3)	-9%	(3.8)	-10%
4 Non Interest Income ⁽¹⁾	9.8	9.4	9.5	14.3	8.9	(1.0)	-10%	(5.5)	-38%
5 Operating Income	48.3	48.6	49.2	53.3	44.0	(4.3)	-9%	(9.3)	-17%
6 Operating Expenses	(21.7)	(22.6)	(23.1)	(25.2)	(23.1)	(1.5)	-7%	2.1	8%
7 Operating Profit	26.6	26.0	26.1	28.1	20.9	(5.7)	-22%	(7.2)	-26%
8 Credit Costs ⁽²⁾	(11.4)	(9.3)	(14.2)	(7.7)	(10.1)	1.3	11%	(2.4)	-31%
9 General Provisions	(1.8)	(0.6)	0.7	0.7	(1.0)	0.8	46%	(1.6)	246%
10 Taxes/ Other	(0.6)	(0.7)	(0.6)	(1.2)	(0.5)	0.2	25%	0.7	60%
11 Net Profit	12.9	15.3	12.0	19.9	9.4	(3.5)	-27%	(10.5)	-53%
12 Return on Assets (ROA) %	0.7%	0.8%	0.6%	1.1%	0.5%				
13 Return on Equity (ROE) %	6.5%	7.8%	5.9%	9.6%	4.6%				
14 Cost to Income Ratio (CIR) %	44.9%	46.6%	47.0%	47.3%	52.6%				
15 Net Interest Margin (NIM) bps ⁽³⁾	214	215	212	207	190				
16 Cost of Risk (COR) bps ⁽⁴⁾	82	65	97	53	71				

(1) Includes Fees and Foreign Exchange Income and Other Income; (2) Credit costs = Specific Provision Charge + P&L write off on settlements – recoveries - excess general provision movement;

(3) Net Interest Income / Average assets; (4) Credit Costs / Average gross loans and advances.

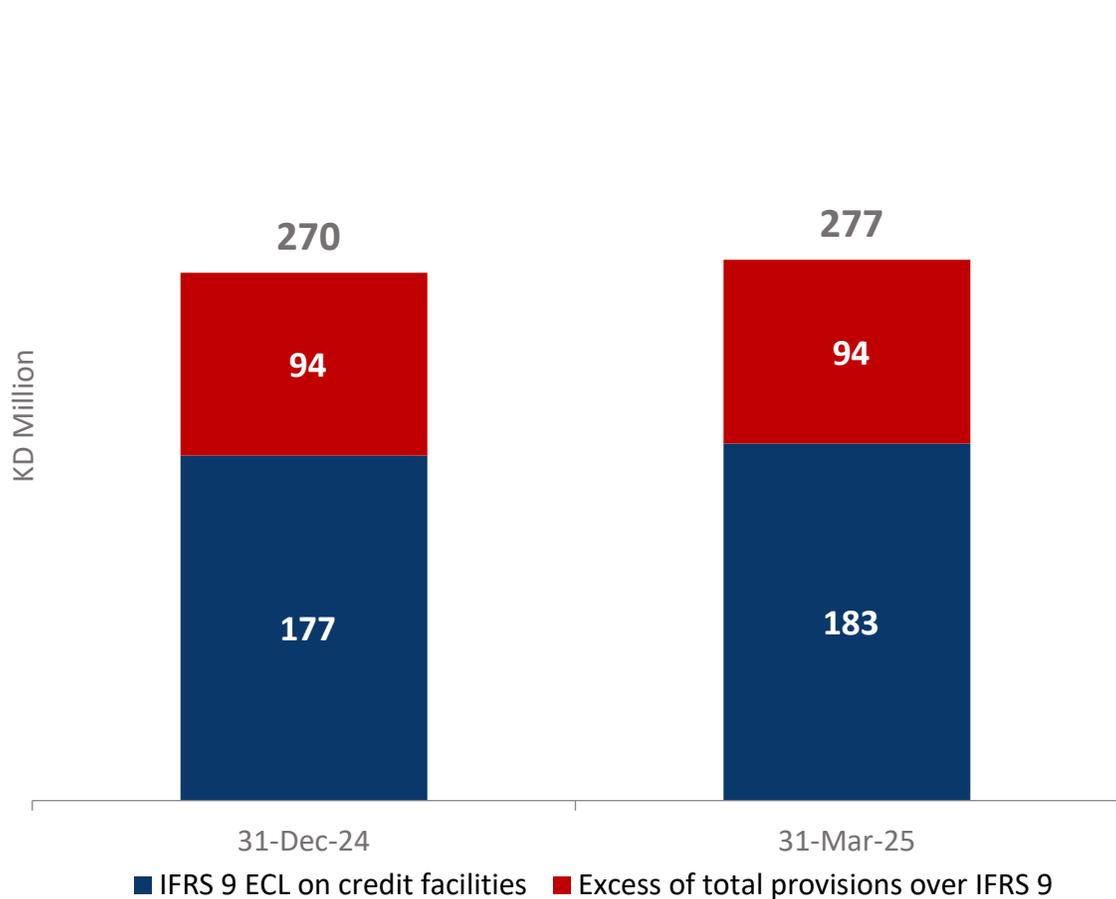
BALANCE SHEET

KD Millions	31-Mar-24	% of Total	31-Dec-24	% of Total	31-Mar-25	% of Total	Var Mar 25 vs Mar 24		Var Mar 25 vs Dec 24	
							Amount	%	Amount	%
ASSETS										
1 Cash and cash equivalents	1,034		1,388		1,159		125	12%	-229	-17%
2 Kuwait Government Bonds	17		3		3		-14	-85%	0	0%
3 CBK Bonds	339		140		136		-203	-60%	-4	-3%
4 Deposits with banks and OFIs	157		135		214		57	36%	79	58%
5 Liquid Assets	1,546	21%	1,666	22%	1,512	20%	-35	-2%	-154	-9%
6 Gross loans and advances	5,667		5,706		5,864		197	3%	158	3%
7 Provisions	-282		-239		-246		36	-13%	-7	3%
8 Net Loans and advances	5,384	74%	5,467	73%	5,618	75%	233	4%	151	3%
9 Investment securities	172	2%	205	3%	251	3%	79	46%	46	22%
10 Other assets	128		102		106		-21	-17%	5	5%
11 Premises and equipment	40		41		41		1	2%	-0	-1%
12 Other assets	167	2%	143	2%	147	2%	-20	-12%	4	3%
13 TOTAL ASSETS	7,270	100%	7,480	100%	7,527	100%	257	4%	47	1%
LIABILITIES										
14 Due to banks	243		365		272		29	12%	-93	-26%
15 Deposits from FIs	1,026		945		955		-71	-7%	11	1%
16 Customer deposits	4,414	61%	4,657	62%	4,565	61%	150	3%	-92	-2%
17 Other borrowed funds	615		520		720		106	17%	201	39%
18 Other liabilities	185		160		207		22	12%	47	29%
19 TOTAL LIABILITIES	6,483	89%	6,647	89%	6,719	89%	236	4%	73	1%
20 Total Equity	788	11%	834	11%	808	11%	21	3%	-25	-3%
21 TOTAL LIABILITIES AND EQUITY	7,270	100%	7,480	100%	7,527	100%	257	4%	47	1%
22 Average assets	7,223		7,366		7,504					
23 Average equity	802		811		821					
24 NPL ratio	1.2%		1.3%		1.5%					
25 Coverage ratio ⁽¹⁾	458%		340%		305%					
26 CASA Ratio	30.5%		27.7%		29.2%					

(1) Coverage ratio includes total provisions and collaterals.

TOTAL CREDIT PROVISIONS EXCEED IFRS 9 REQUIREMENTS BY KD 94 MILLION

Total Provisions on Credit Facilities

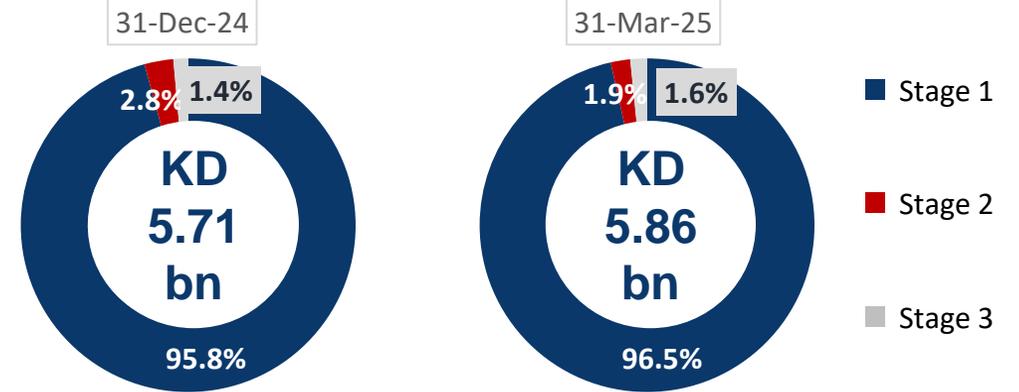


Excess / Total Provision

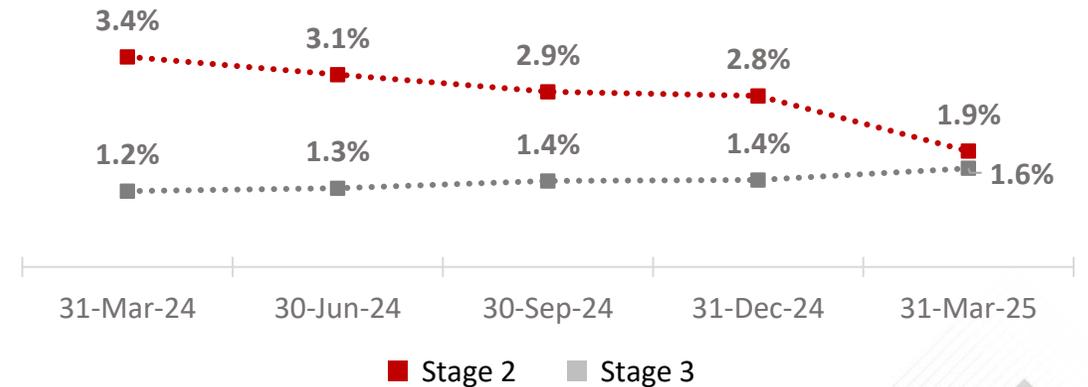
35%

34%

Gross Loans by Stages %⁽¹⁾

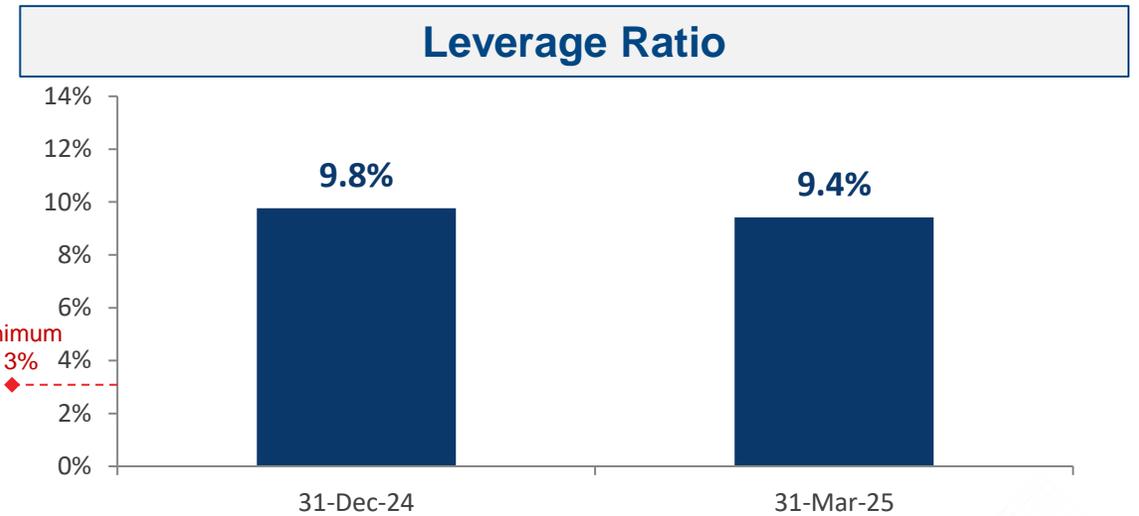
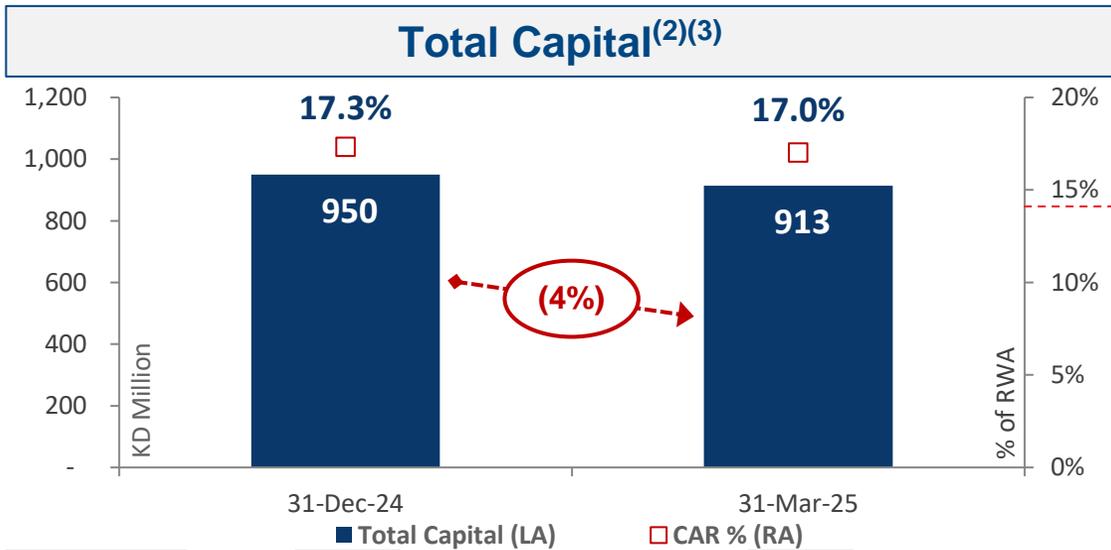
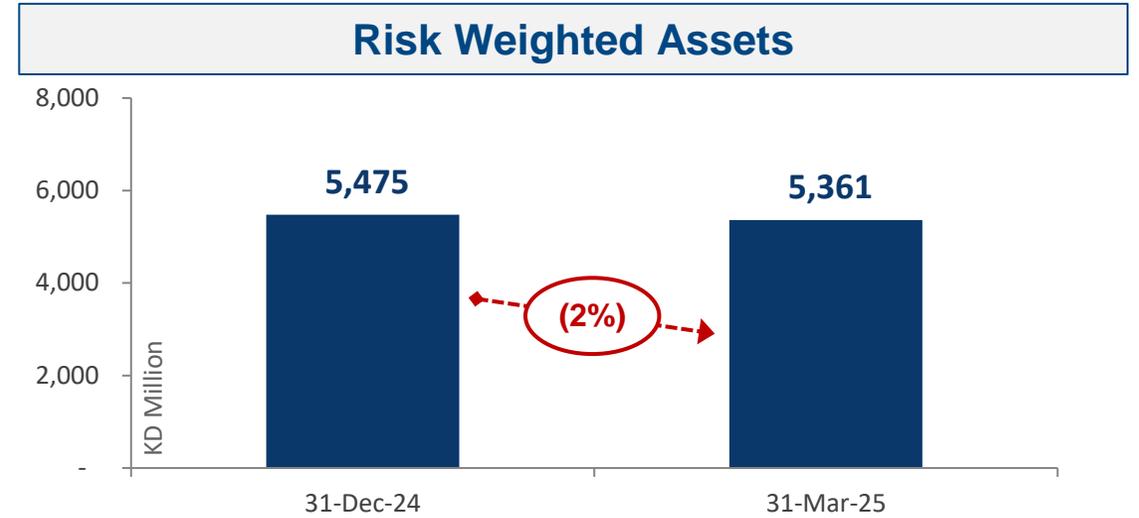
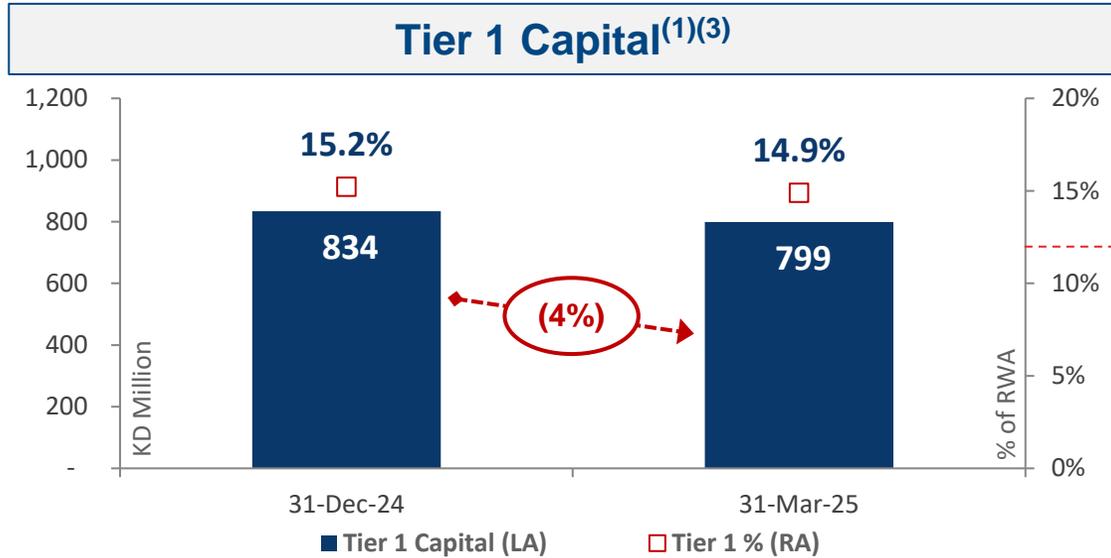


Evolution of Gross Loans Stages 2 and 3 (%)⁽¹⁾



(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 Capital / Total Capital

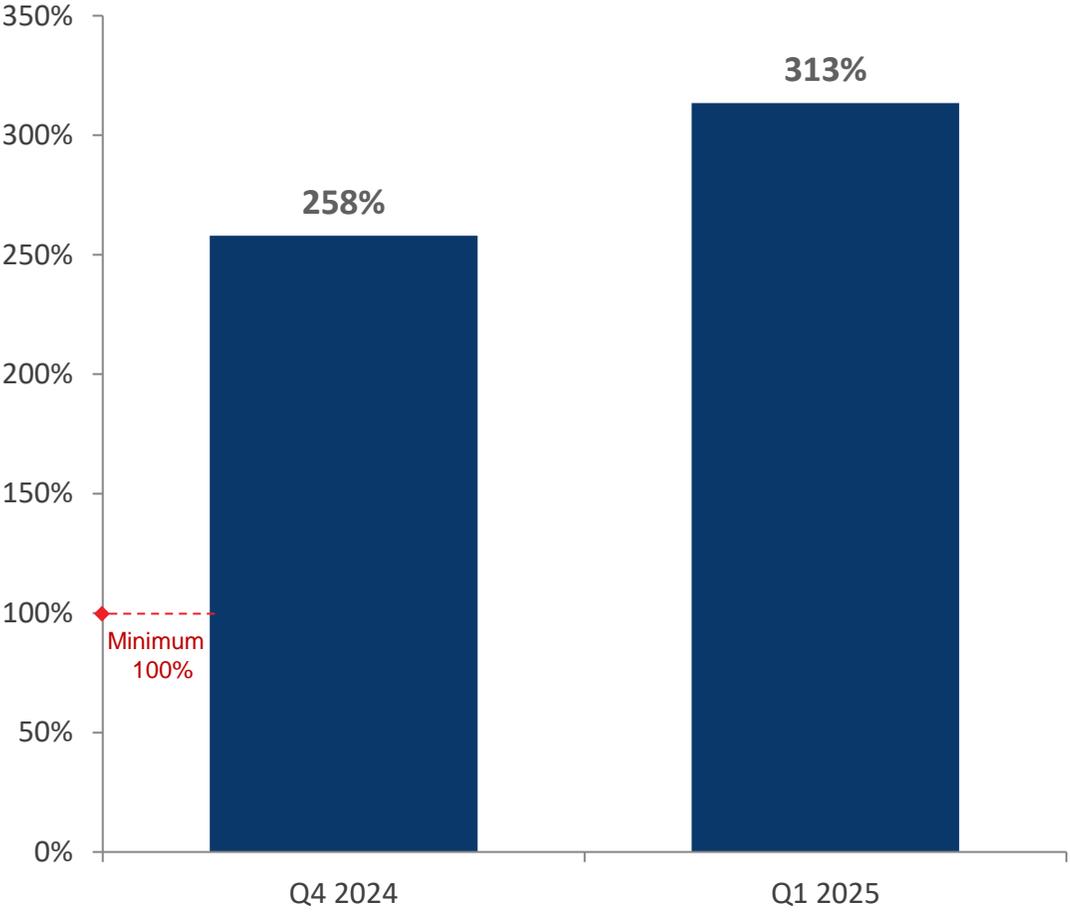
88%

87%

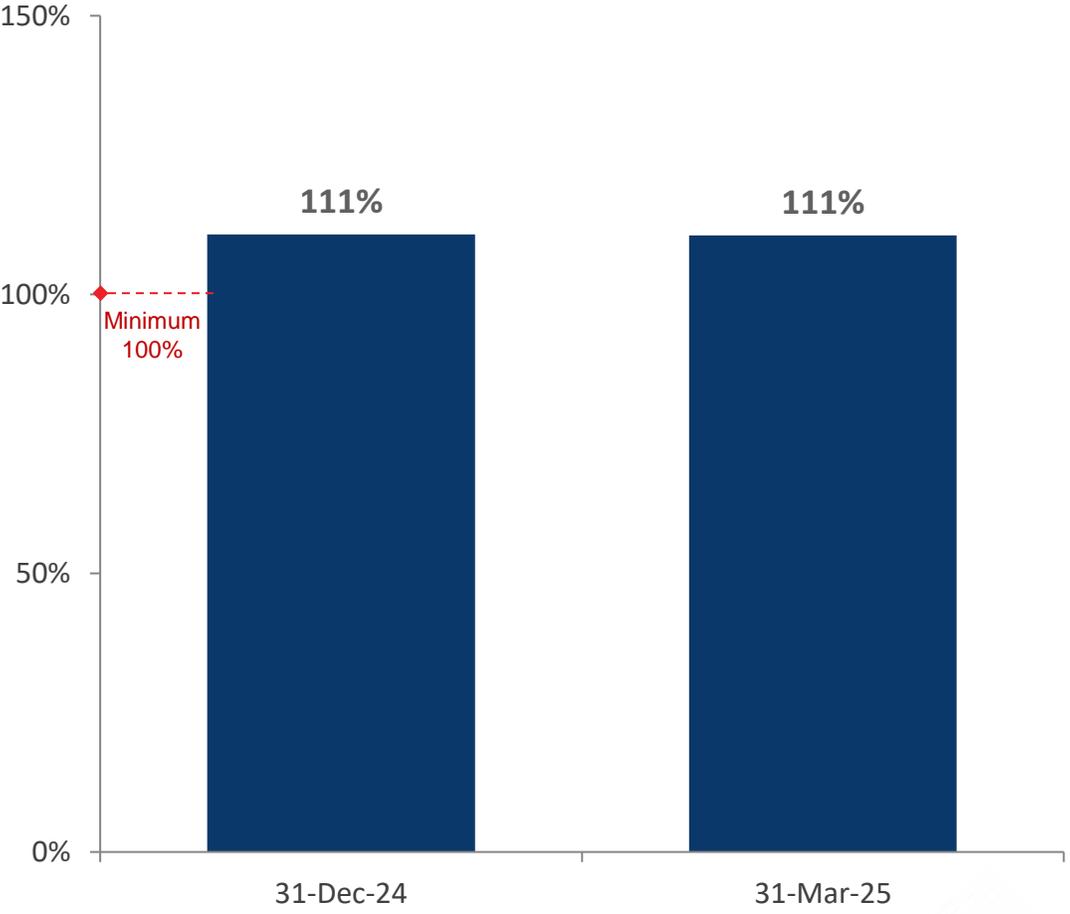
(1) Tier 1 Ratio regulatory minimum is 12%; (2) CAR regulatory minimum is 14%; (3) Tier 1 and CAR regulatory minimums include 1% DSIB charge.

LIQUIDITY RATIOS

Liquidity Coverage Ratio⁽¹⁾



Net Stable Funding Ratio⁽¹⁾



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



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