

Business



Gulf Bank Chairman
Jasem Mustafa Boodai

- Our results of 2022 demonstrate excellent strategic progression with Gulf Bank delivering strong net profit, sustained by our growth momentum in our core businesses
- We reap the fruits of our strategy by maintaining our focus locally and dealing with the changing needs of our customers



Gulf Bank Deputy CEO and Acting
CEO Waleed Khaled Mandani

- Gulf Bank's net profit up 47% to KD 61.8 million for year-end 2022
- Asset quality, the non-performing loans (NPL) ratio stood at 1.1% with non-performing loans coverage ratio of 504%

Gulf Bank approves distributing cash dividends of 10 fils per share for 2022

Bank to distribute 5% bonus shares • General Assembly held with 76.79 quorum

KUWAIT: Gulf Bank concluded its Ordinary Annual General Meeting (AGM) No 64, and Extraordinary General Meeting (EGM) No 41, held at the bank headquarters, Mubarak Al-Kabir Street - Kuwait on March 18, 2023, with a 76.79 quorum. Electronic voting was conducted during the general assembly for the first time.

Gulf Bank's Chairman Jasem Mustafa Boodai commenced the meeting by welcoming the shareholders and highlighting the bank's major business and strategic accomplishments throughout 2022. He added: "The bank's 2022 results demonstrate excellent strategic progress with Gulf Bank delivering strong net profit, sustained by the growth momentum in our core businesses. We are reaping the benefits of our strategy to stay locally focused and addressing the changing needs of our customers through digital innovation, continued investment in differentiated customer solutions and human capital. We made tremendous strides towards our key strategic priorities centered around digital transformation initiatives to improve the customer experience, accelerate development and further drive operational efficiencies. We are aiming to generate strong and sustainable long-term value to all our stakeholders."



KUWAIT: Gulf Bank holds its Annual General Meeting (AGM) on Saturday.

- We made tremendous strides towards our key strategic priorities centered around digital transformation initiatives to improve the customer experience
- Kuwait's economy has shown resilience and positive indications despite global market challenges and uncertainty
- Gross customer loans reached KD 5.2 billion. Up KD 319 million or 7% compared to 2021
- Total credit provisions exceeded the requirements of IFRS 9, reaching KD 124 million
- The bank's regulatory capital ratios remained comfortable, with a capital adequacy ratio (CAR) of 16.4%

loans coverage ratio of 504 percent including total provisions and collaterals. The bank ended the year 2022 with a total credit provision at KD 313 million whereas IFRS 9 accounting requirements (i.e., ECL or expected credit losses) were KD 190 million, resulting in a very healthy excess provisioning level of KD 124 million."

Waleed added: "The bank's regulatory capital ratios remained comfortable as the Tier 1 ratio of 14.2 percent was 3.7 percent above our regulatory minimum of 10.5 percent and the Capital Adequacy Ratio (CAR) of 16.4 percent was 3.9 percent above our regulatory minimum of 12.5 percent."

On the credit worthiness front, Waleed indicated that Gulf Bank continues to be well recognized in terms of its creditworthiness and financial strength internationally. During the year 2022, Fitch Ratings has upgraded Gulf Bank's Viability Rating to 'bbb-' from 'bb+' and affirmed the Bank's Long-Term Issuer Default Rating at 'A' with a Stable Outlook. In addition to Fitch Ratings' Viability Rating upgrade and affirmation of Gulf Bank's Long-Term Issuer Default Rating at 'A' with a 'Stable' Outlook, the Bank has a Long-term Foreign Currency Rating of 'A+' with a 'Stable' Outlook by Capital Intelligence Ratings and a Long-Term Deposits rating of 'A3' with a 'Stable' Outlook by Moody's Investor Services during the year 2022.

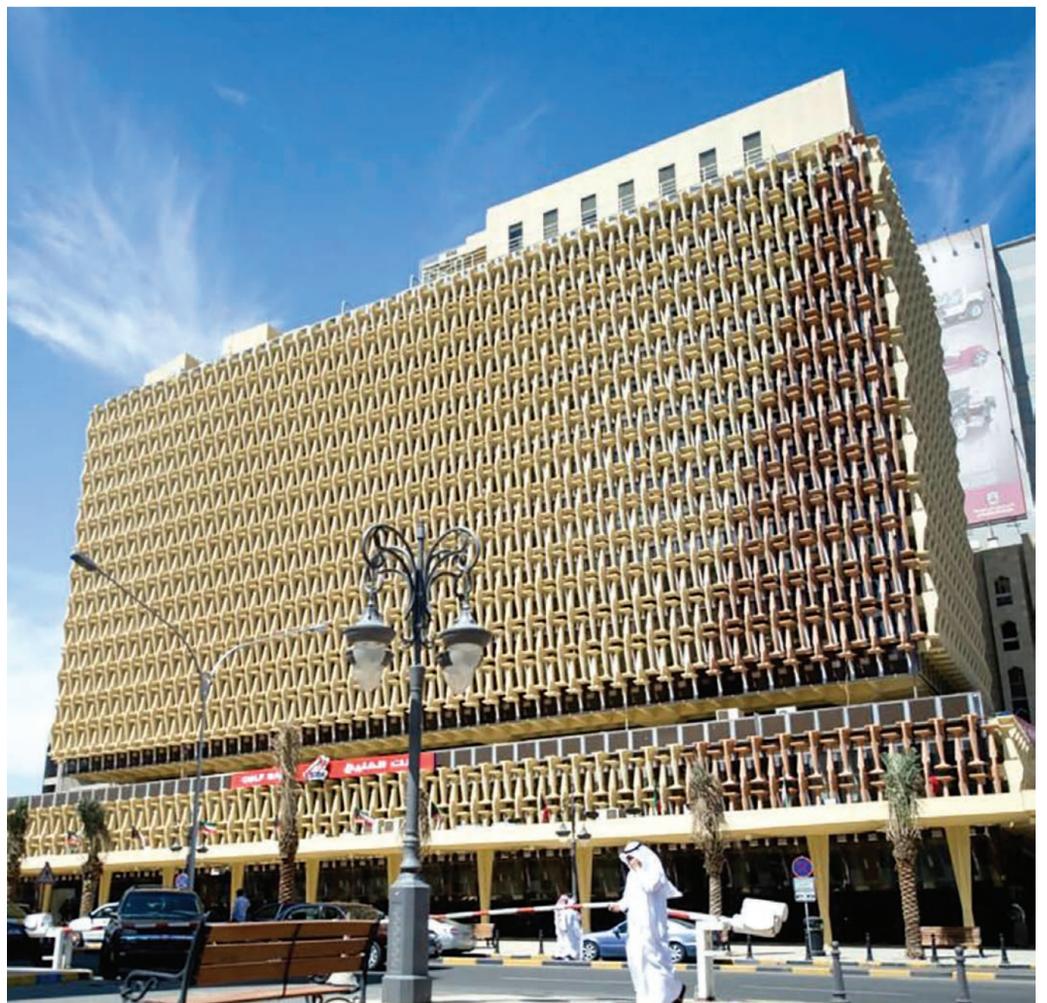
AGM and EGM shareholders approval

After Waleed's presentation, Gulf Bank's Chairman, Jasem Mustafa Boodai went through the rest of the AGM agenda items, including the approval of Gulf Bank's financial statement as on 31 December 2022 and the Board of Directors recommendation to distribute cash dividends of 10 fils per share and 5 percent bonus shares for shareholders representing a 51 percent cash payout ratio. These distributions are entitled to shareholders registered in the bank's shareholders' records; with the due date set for April 13, 2023. The shareholders approved all the AGM agenda items.

Subsequently, Gulf Bank held its Extraordinary General Assembly Meeting No 41 to approve increasing the bank issued and paid-up capital from KD 320,053,429.200 to KD 336,056,100.600 and amend related Articles 2 and 4 of the bank's Memorandum of Association and 2 and 5 of the bank's Articles of Association accordingly. The shareholders approved all of the Extraordinary General Assembly agenda items.

Acknowledgments

Ending his statement, Boodai added: "On behalf of the Board of Directors, I would like to express my appreciation to the Central Bank of Kuwait and the Capital Markets Authority for their dedicated efforts in supporting and promoting Kuwait's banking sector. I would also like to express my deep appreciation to all our customers, partners, and shareholders for their support throughout 2022, and to our board members, management, and employees for contributing to the bank's journey of success."



Boodai noted: "That the economy continued to show resilience and positive signals during the year 2022, despite a challenging global market and an uncertain global economic outlook. These challenges included high inflation levels, tighter monetary policy, and amongst others. However, the local economy remained stable, supported by good oil prices, recovery of economic activity, specifically in the private sector, and ongoing structural reforms."

Growth indicators

Following Boodai's opening remarks, Gulf Bank's Deputy CEO and Acting CEO Waleed Khaled Mandani presented the Bank major key financial highlights of Gulf Bank's performance during 2022. Waleed stated "Gulf Bank delivered a good set of results during 2022, with net profit reaching KD 61.8 million, an increase of 47 percent from last year, reflecting the strong underlying performance of the Bank's core businesses. Loans and advances to customers on the other hand, reached KD 5.2 billion - an increase of KD 319 million or 7 percent, in comparison to the end of 2021. This growth in 2022 came from both the bank's corporate and consumer segments." Waleed continued: "The non-performing loan ratio for the year end 2022 was 1.1 percent, with a strong non-performing