

Kuwait: 15/10/2019
Ref: 6992/2019

الكويت: 2019/10/15
الإشارة: 2019/6992

To: The General Manager
Boursa Kuwait

المحترم السيد / المدير العام
شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ،،،

**Powerpoint presentation of Q3 Analysts'
Conference call**

العرض التقديمي لمؤتمر المحللين للربع الثالث

Reference is made to the provisions of Article no. (8-4-2) of Boursa Kuwait Rulebook issued by virtue of Resolution no. 1 of 2018 and its amendments concerning continuing the obligations of the listed companies classified under the "Premier Market Segment" under which Boubyan Bank is categorized.

بالإشارة الى أحكام المادة رقم (8-4-2) من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 وتعديلاته، والمتعلقة بالالتزامات المستمرة المطلوبة من الشركات المدرجة المصنفة ضمن شريحة -السوق الأول - (Premier Market) والتي تم تصنيف بنك بوبيان ضمنها.

We attach herewith a copy of the PowerPoint presentation for the third quarter 2019 held via Live Webcast at 02:00 pm (Local Time) on Tuesday, October 15th 2019 noting that there were no material information disclosed on the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثالث لعام 2019 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:00 (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 2019/10/15؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ،،،

**Adel Abdul Wahab Al-Majed
Vice-Chairman
& Chief Executive Officer**



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Boubyan Bank Investors Presentation

Q3 2019 Results – Analyst Call

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1 Boubyan's Performance & Strategy – At a glance

2 Income statement analysis

3 Balance sheet analysis

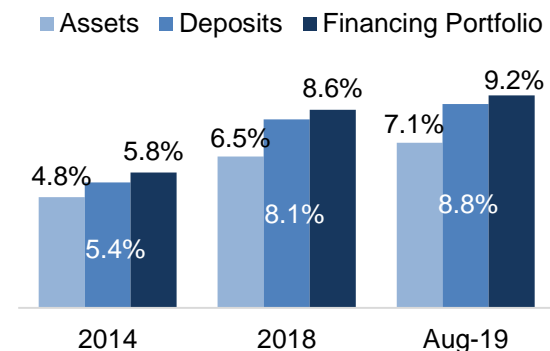
4 Capitalisation and Leverage

Financial Highlights

Financial snapshot

<i>KD million</i>	9M 2019	9M 2018	Growth %
Net Profit to shareholders	45.2	40.3	12%
Operating Income	109.4	104.9	4%
Operating Profit	65.2	63.4	3%
Total Assets	5,033	4,253	18%
Financing Portfolio	3,637	3,193	14%
Customer Deposits	4,102	3,594	14%
Earnings per share (Fils)	15.25	14.20	7%
Book value per share (Fils)	197	166	19%

Market share



Key Financial Metrics

	9M 2019	9M 2018	Variance
Return on Average Equity (%)	11.4	12.7	(1.3)
Return on Average Assets (%)	1.3	1.3	-
Cost to Income (%)	40.4	39.6	0.8
NPL Ratio (%)	0.9	0.8	0.1
Capital Adequacy Ratio (%)	20.4	18.4	2.0

Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
MOODY'S	A3	Stable	Jan 2019
FitchRatings	A+	Stable	Oct 2019

The Bank's strategy builds on robust domestic foundations

Scale up the core domestic business

Retail Banking

- Clear focus on high net worth and affluent clients
- Expand branch footprint
- Maintain leadership in customer experience
- Product and channel innovation
- Grow market share

Corporate Banking

- Primary banker for large and mid-market customers
- Maintain fair share with super large corporate
- Superior service (speed & quality)
- Product and channel innovation

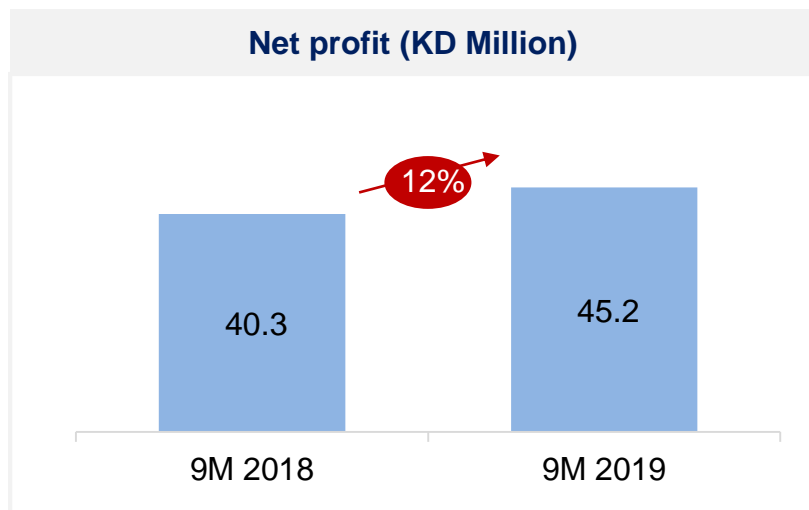
Private Banking / Wealth Management

- Scale the PB/WM management operating model
- Expand product offerings in conjunction with Boubyan Capital
- Grow market share

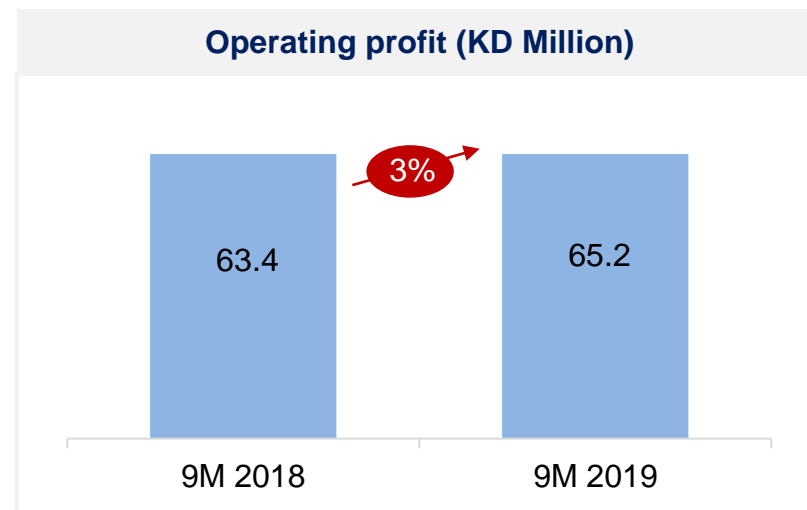
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Profitability and performance ratio

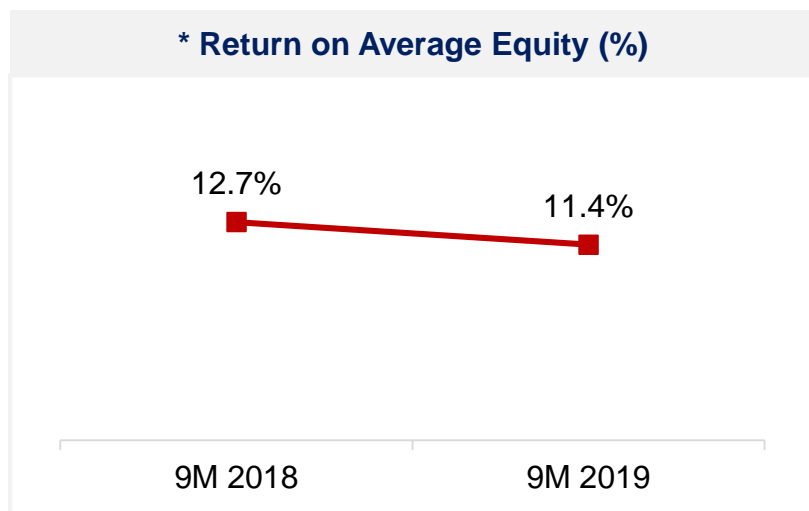
Net profit (KD Million)



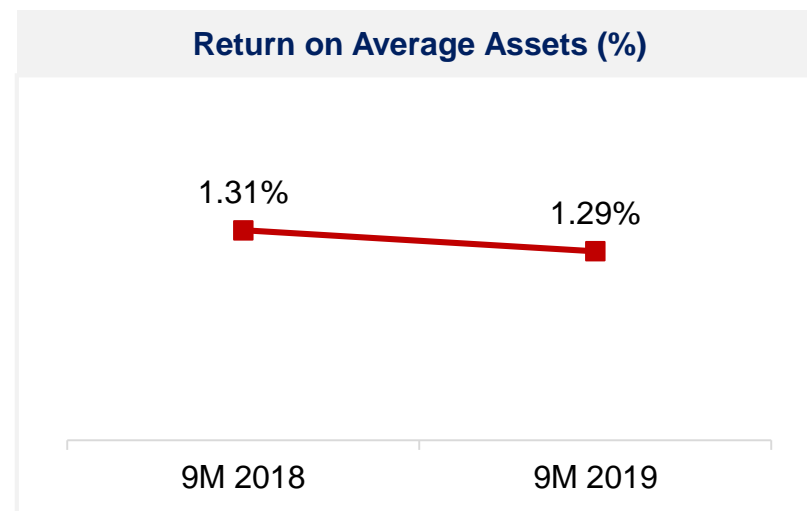
Operating profit (KD Million)



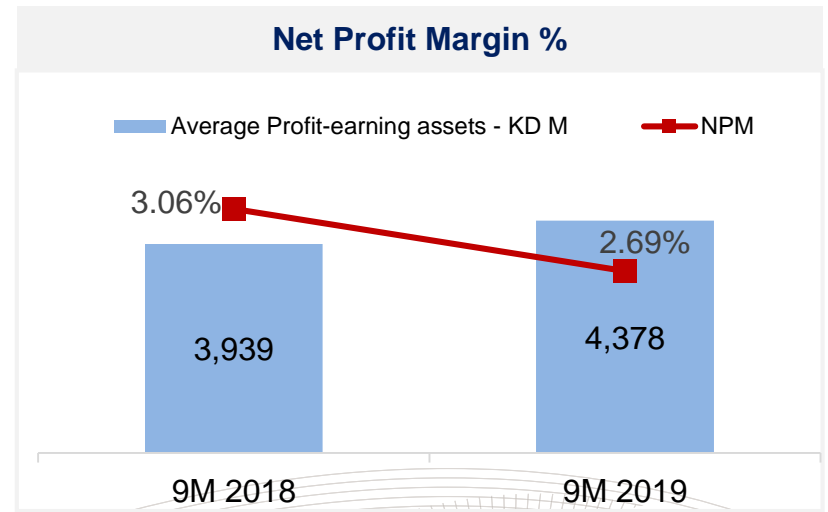
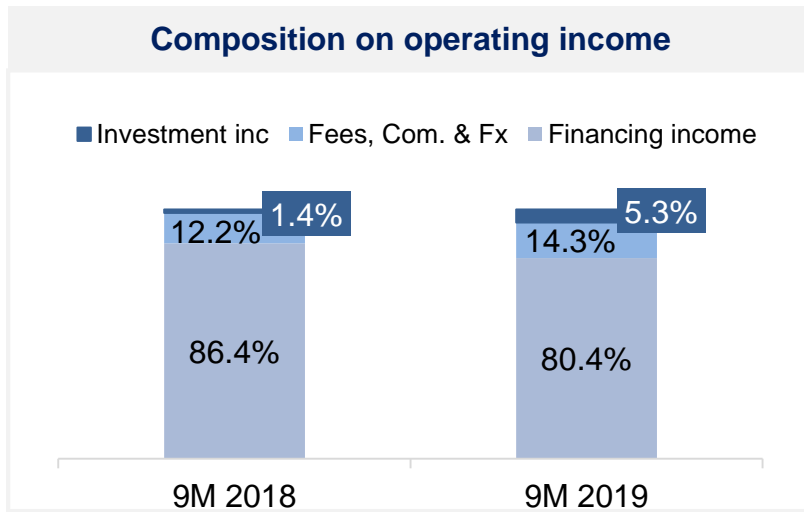
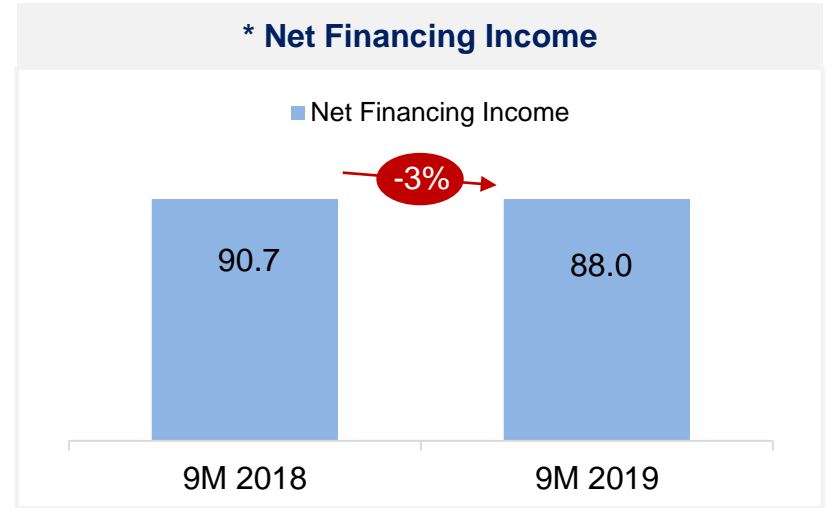
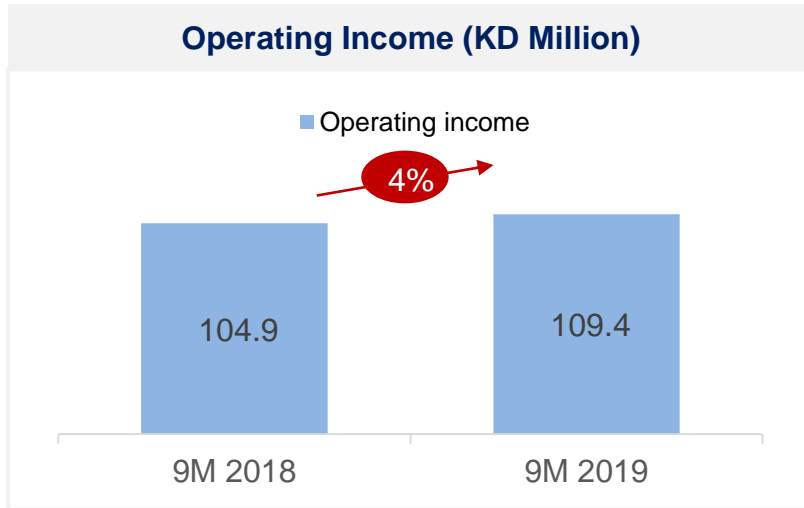
* Return on Average Equity (%)



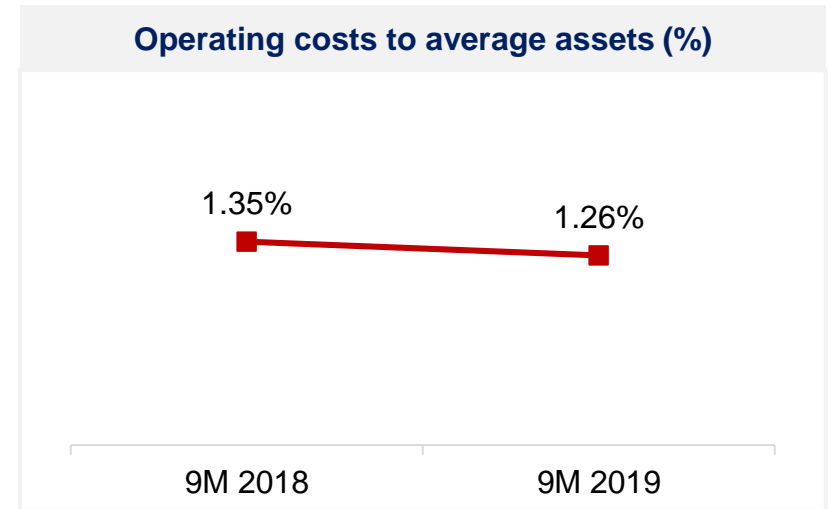
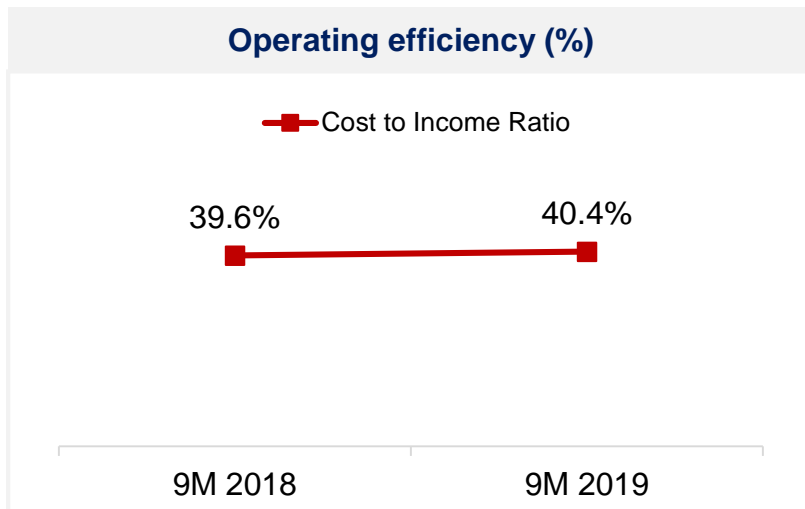
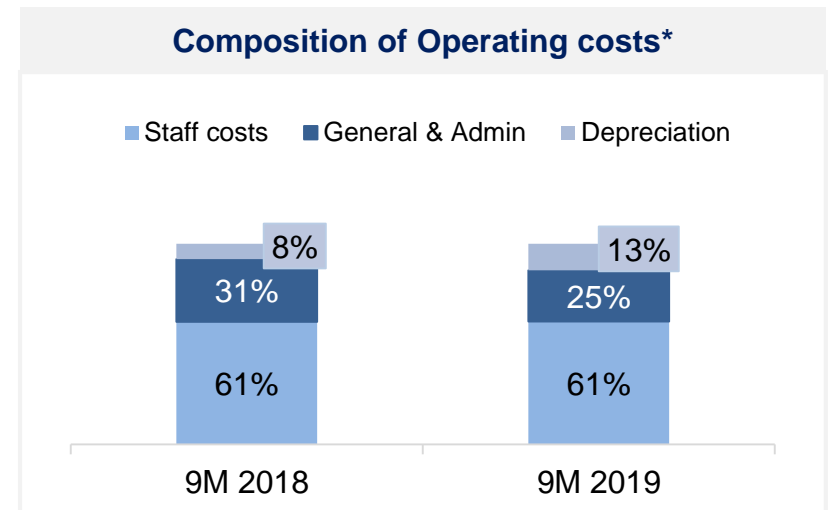
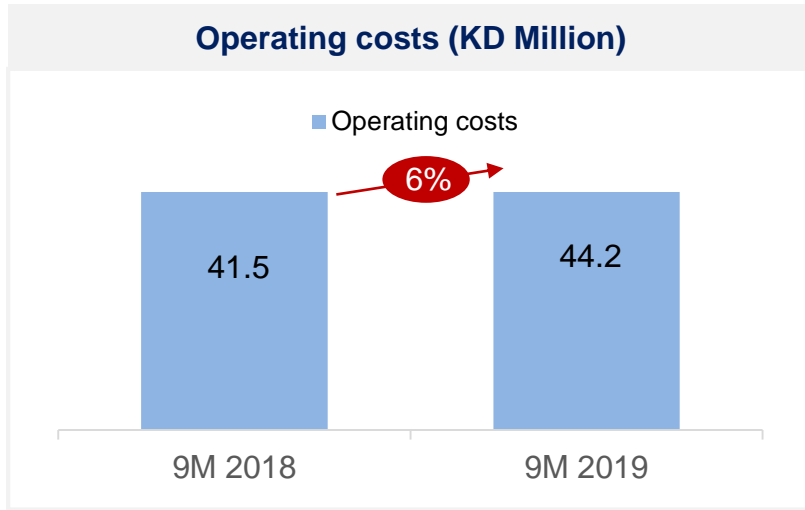
Return on Average Assets (%)



Operating income components and Net Profit Margins



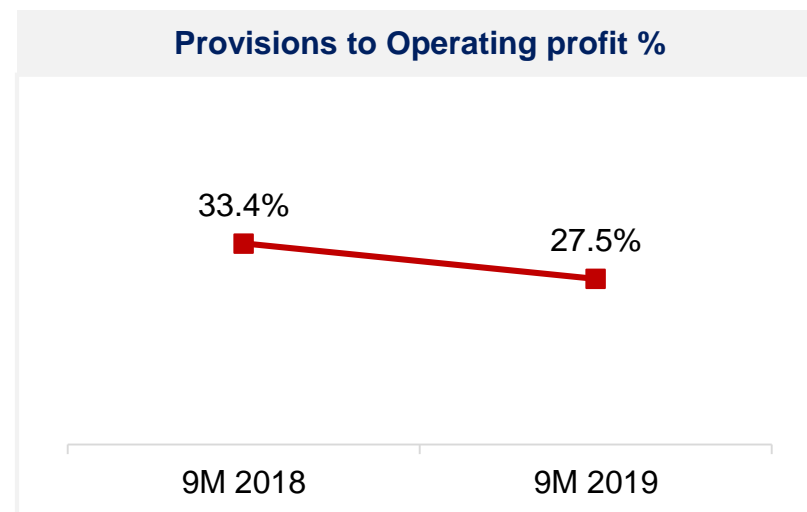
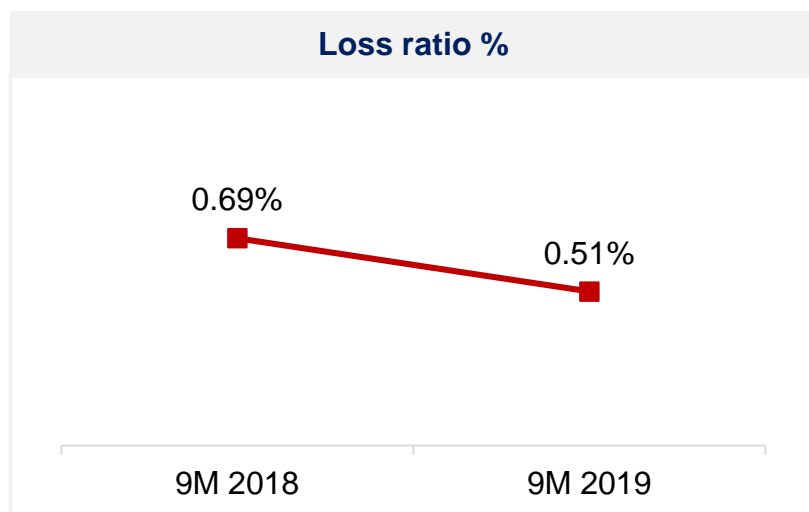
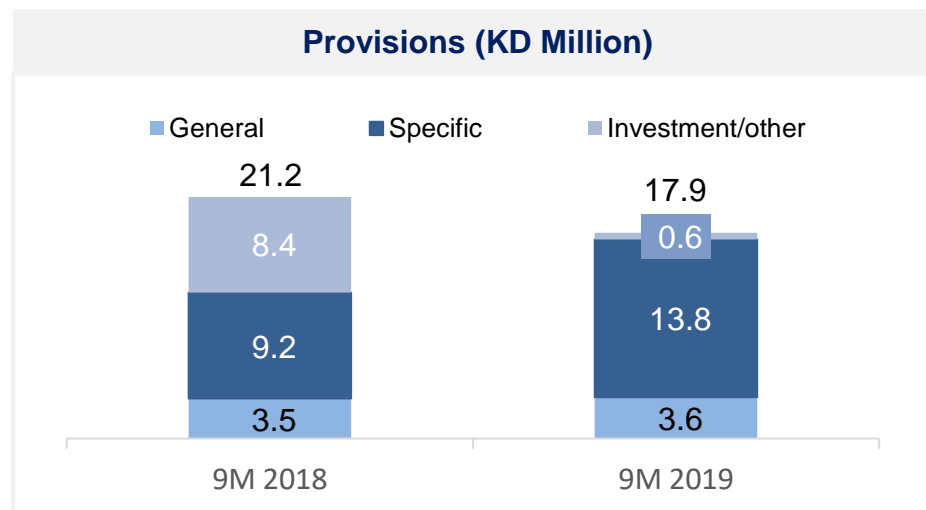
Operating costs and efficiency



* Operating cost composition reflects application of IFRS16 leases, applied prospectively from 1 January 2019

Source: Financial statements, Boubyan analysis

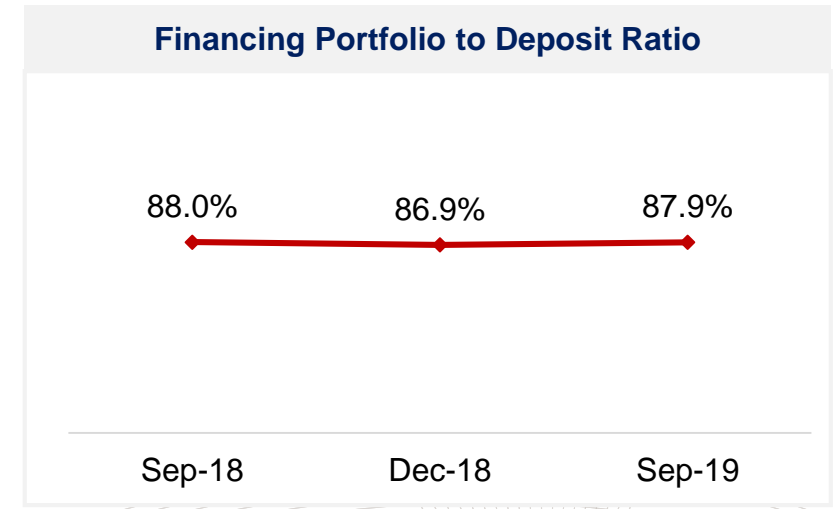
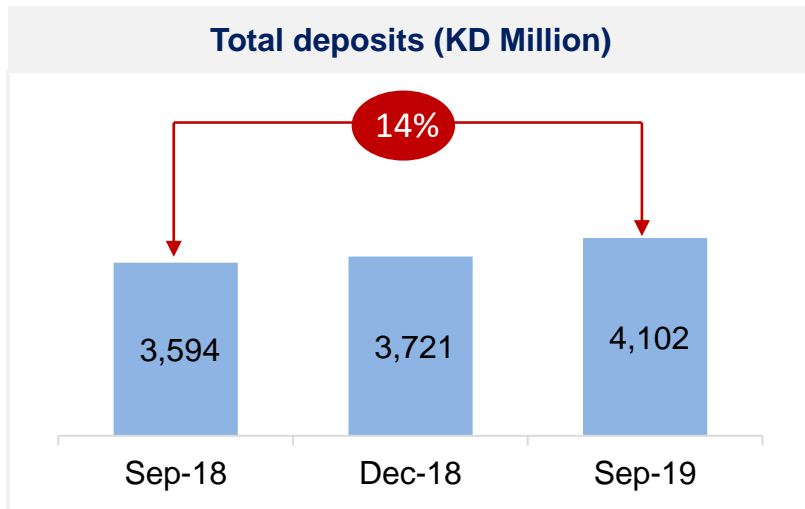
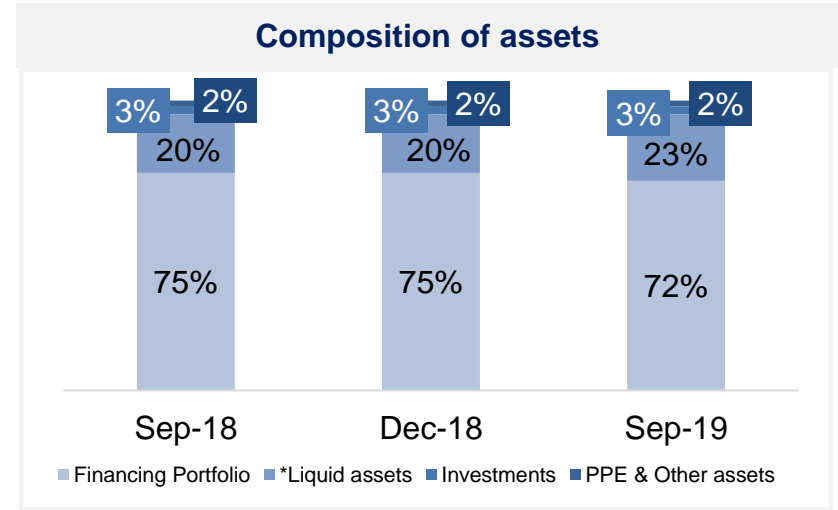
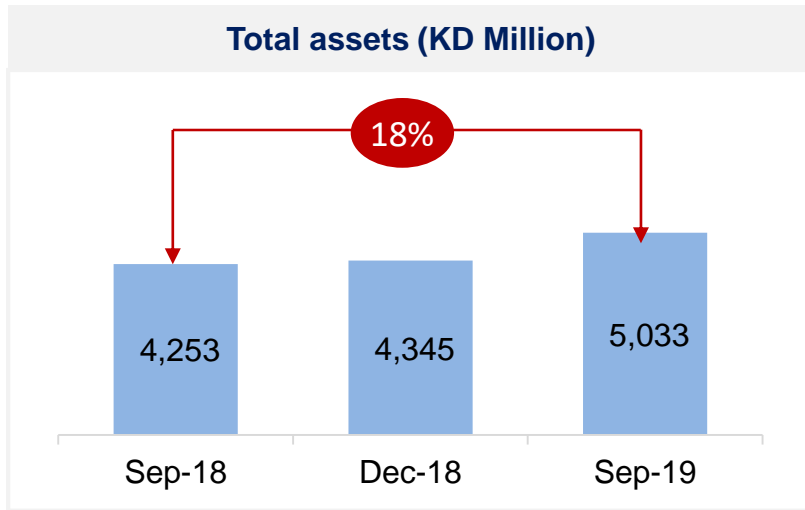
Provisions and related ratios



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- 4 Capitalisation and Leverage

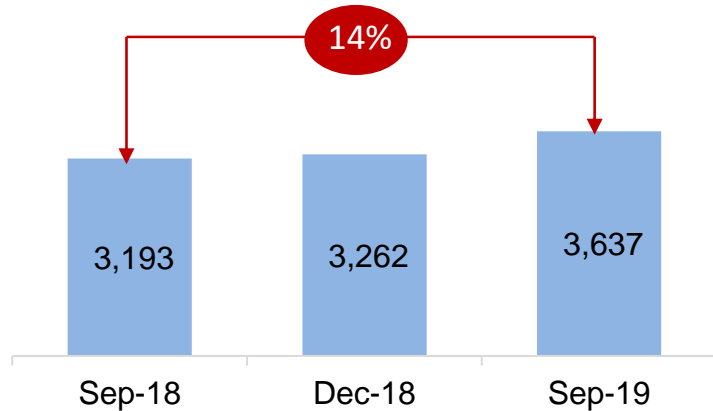
Assets and Sources of Funding



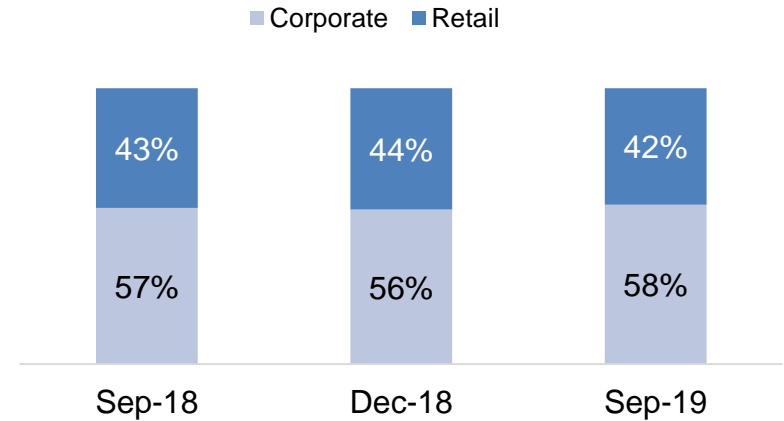
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments
Source: Financial statements, Boubyan analysis

Financing Portfolio and asset quality

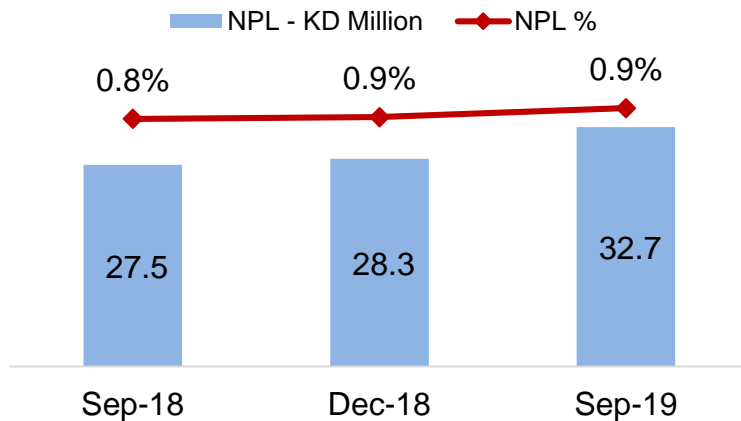
Financing Portfolio – KD Million



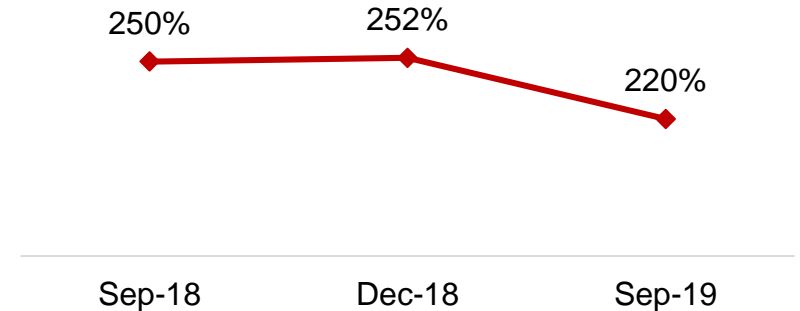
Composition of Financing Portfolio



Non performing Financing Portfolio



Loss Coverage ratio

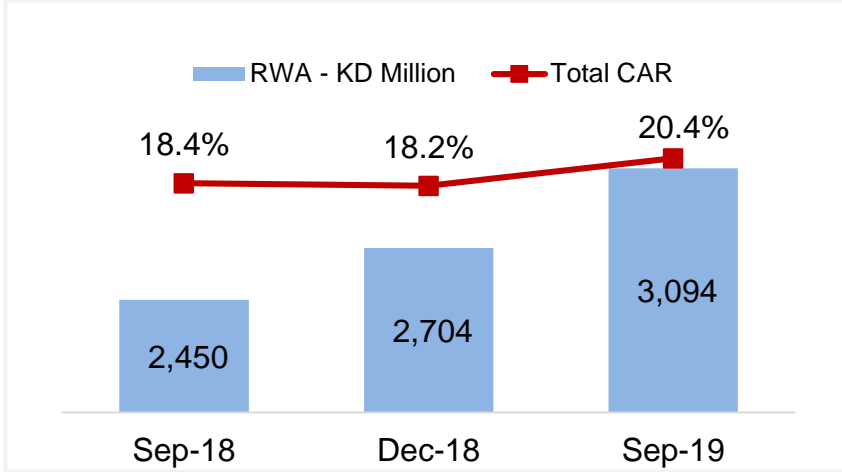


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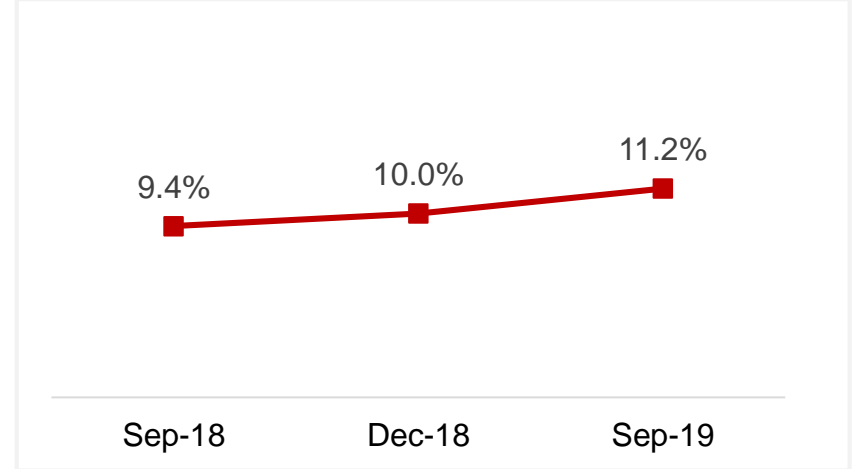
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Capital Adequacy

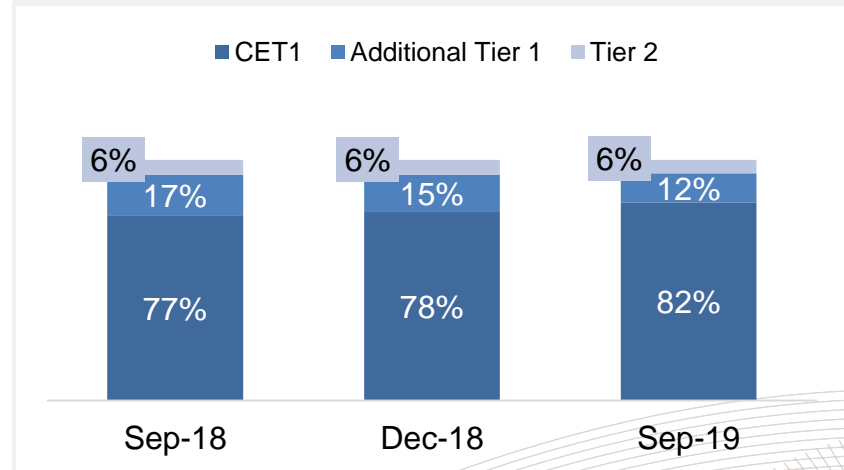
Capital adequacy ratio



Leverage ratio



Composition of regulatory capital



Questions ?

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Appendix

Consolidated Financial Statements – 9M 2019

CONSOLIDATED STATEMENT OF INCOME			CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
KD Million	30-Sep 2019	30-Sep 2018	KD Million	30-Sep 2019	30-Sep 2018
Income			Assets		
Islamic financing income	152.8	134.4	Cash and balances with banks	212	77
Financing cost	(64.8)	(43.8)	Deposits with Central Bank of Kuwait	285	264
Net finance income	88.0	90.7	Deposits with other banks	316	209
Net investment income	5.8	1.5	Islamic financing to customers	3,637	3,193
Net fees and commission income	12.8	10.6	Investments in Sukuks	344	306
Net foreign exchange gain	2.9	2.2	Other investment securities	80	67
Operating Income	109.4	104.9	Investments in associates	31	30
Expenses			Investment properties	25	28
Staff cost	(27.1)	(25.3)	Other assets	22	24
General and administrative expenses	(11.3)	(13.0)	Property and Equipment	81	55
Depreciation	(5.8)	(3.2)	Total Assets	5,033	4,253
Total Expenses	(44.2)	(41.5)	Liabilities and Equity		
Profit before provision for impairment	65.2	63.4	Liabilities		
Provision for impairment	(17.9)	(21.2)	Due to banks	216	142
Profit before taxes	47.3	42.2	Depositors' accounts	4,102	3,594
Taxes and board remuneration	(2.0)	(1.8)	Other liabilities	70	43
Non-Controlling Interests	(0.0)	(0.1)	Total liabilities	4,388	3,779
Net Profit for the year	45.2	40.3	Equity		
			Share capital	288	239
			Share premium	157	63
			Treasury shares	(0)	(1)
			Statutory reserve	25	19
			Other reserves	23	15
			Retained earnings	74	61
			Equity attributable to equity holders of the bank	567	396
			Perpetual Tier 1 Sukuk	75	75
			Non-controlling interest	2	2
			Total equity	645	474
			Total liabilities and equity	5,033	4,253

Consolidated Income Statement

KD Million	31-Dec 2018	31-Dec 2017	31-Dec 2016
Income			
Murabaha and other Islamic financing income	182.9	149.4	122.7
Distribution to depositors and Murabaha Cost	(62.6)	(46.0)	(34.2)
Net finance income	120.3	103.5	88.5
Net investment income	1.1	7.9	4.4
Net fees and commissions income	13.4	11.1	9.8
Share of results of associates	1.9	0.6	(1.7)
Net foreign exchange gain	3.0	2.5	2.2
Operating Income	139.7	125.6	103.3
Expenses			
Staff cost	(33.6)	(31.0)	(25.4)
General and administrative expenses	(18.8)	(17.9)	(14.7)
Depreciation and amortization	(4.3)	(3.9)	(3.2)
Total Expenses	(56.8)	(52.9)	(43.4)
Profit before provision for impairment	83.0	72.7	59.9
Provision for impairment	(23.8)	(22.4)	(16.4)
Profit before taxes	59.1	50.3	43.5
Taxes and board remuneration	(2.9)	(2.6)	(2.2)
Non-Controlling Interests	(0.1)	(0.1)	(0.2)
Net Profit for the year	56.1	47.6	41.1

Consolidated Statement of Financial Position

KD Million	31-Dec 2018	31-Dec 2017	31-Dec 2016
Assets			
Cash and balances with banks	83.8	48.5	36.9
Deposits with Central Bank of Kuwait	244.7	310.4	292.7
Deposits with other banks	237.1	323.9	329.0
Islamic financing to customers	3,262.3	2,876.8	2,516.8
Investments in Sukuks	309.3	180.9	121.3
Other investment securities	73.5	52.4	58.5
Investments in associates	28.9	53.0	62.2
Investment properties	24.0	53.6	24.7
Other assets	24.1	16.6	13.9
Property and Equipment	57.0	54.4	25.8
Total Assets	4,344.8	3,970.4	3,481.8
Liabilities and Equity			
Liabilities			
Due to banks	97.2	67.5	76.3
Depositors' accounts	3,720.9	3,410.1	2,945.1
Other liabilities	40.7	40.4	37.3
Total liabilities	3,858.8	3,518.0	3,058.7
Equity			
Share capital	238.8	227.5	216.6
Share premium	62.9	62.9	62.9
Proposed bonus share	11.9	11.4	10.8
Treasury shares	(0.6)	(1.1)	(1.4)
Statutory reserve	25.3	19.3	14.3
Voluntary reserve	24.2	18.5	13.7
Share based payment reserve	1.4	1.7	1.5
Fair value reserve	3.5	3.9	3.7
Foreign currency translation reserve	(9.9)	(9.3)	(9.1)
Accumulated retained earnings / (losses)	31.7	24.1	18.9
Proposed cash dividends	19.1	15.9	13.0
Equity attributable to equity holders of the bank	408.3	374.8	345.0
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	2.3	2.2	2.8
Total equity	486.0	452.4	423.2
Total liabilities and equity	4,344.8	3,970.4	3,481.8

Thank you

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