

Kuwait: 27/10/2020

Ref: 9178/2020

To: The General Manager  
Boursa Kuwait

السيد / محمد سعود العصيمي  
المحترم  
الرئيس التنفيذي - شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ،،،

**PowerPoint Presentation of Third  
quarter 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, as amended, concerning the continuing obligations of listed companies classified under the "Premier Market Segment" under which Boubyan Bank is categorized.

بالإشارة الى أحكام المادة رقم (2-4-8) 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 of Analysts' Conference Call for the Third quarter for the year 2020 held via Live Webcast at 02:00 pm on Tuesday , October 27<sup>th</sup> 2020, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثالث لسنة 2020 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 2020/10/27؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ،،،

**Abdullah Al Najran Al Tuwaijri**  
**Deputy Chief Executive Officer**

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الربع

# Boubyan Bank Investors Presentation

Q3 2020 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

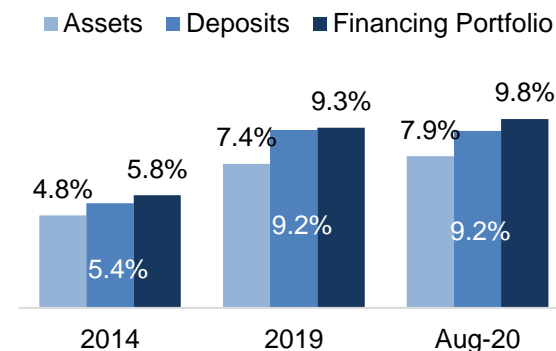
## Financial snapshot

<i>KD million</i>	9M 2020	9M 2019	Growth %
Net Profit to shareholders	23.2	45.2	-49%
Operating Income	123.2	109.4	13%
Operating Profit	70.2	65.2	8%
Total Assets	6,276	5,033	25%
Financing Portfolio	4,648	3,637	28%
Customer Deposits	5,066	4,102	24%
Earnings per share (Fils)	6.8	14.5	-53%

## Key Financial Metrics

	9M 2020	9M 2019	Variance
Return on Average Equity (%)	4.8	11.4	-6.6
Return on Average Assets (%)	0.5	1.3	-0.8
Cost to Income (%)	43.0	40.4	2.6
NPL Ratio (%)	1.2	0.9	0.3
Capital Adequacy Ratio (%)	16.9	20.4	-3.5

## Market share



## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
MOODY'S	A3	Stable	Jun 2020
STANDARD & POOR'S	A-	Stable	Mar 2020
FitchRatings	A+	Stable	Sep 2020

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# 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

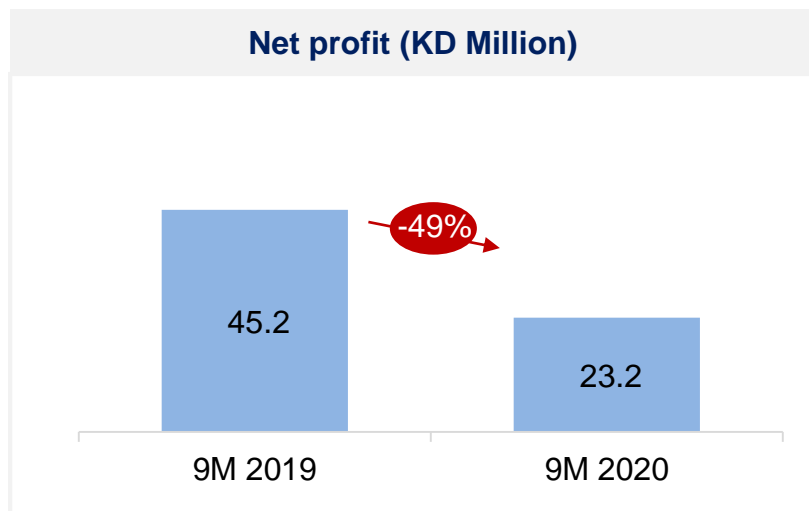
## Private Banking / Wealth Management

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

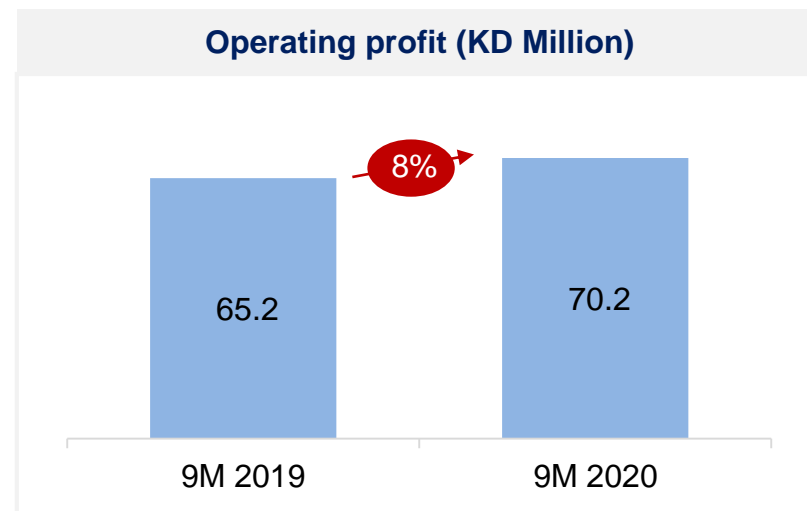
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## Profitability and performance ratio

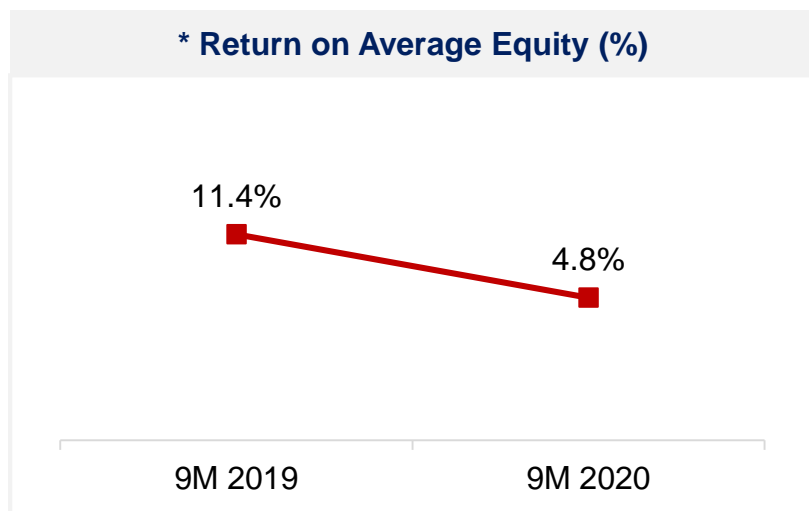
### Net profit (KD Million)



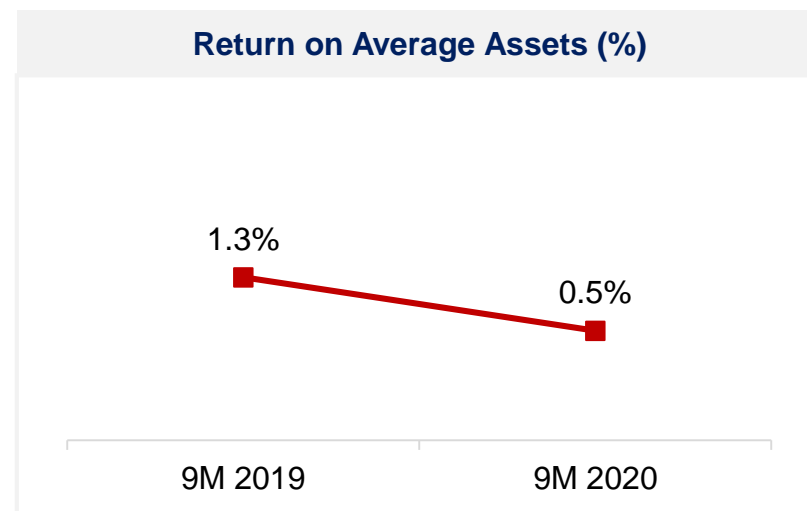
### Operating profit (KD Million)



### \* Return on Average Equity (%)

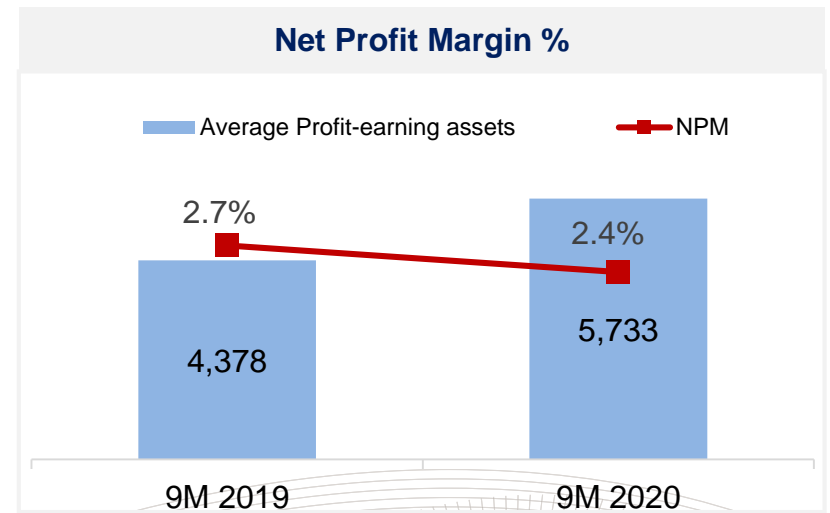
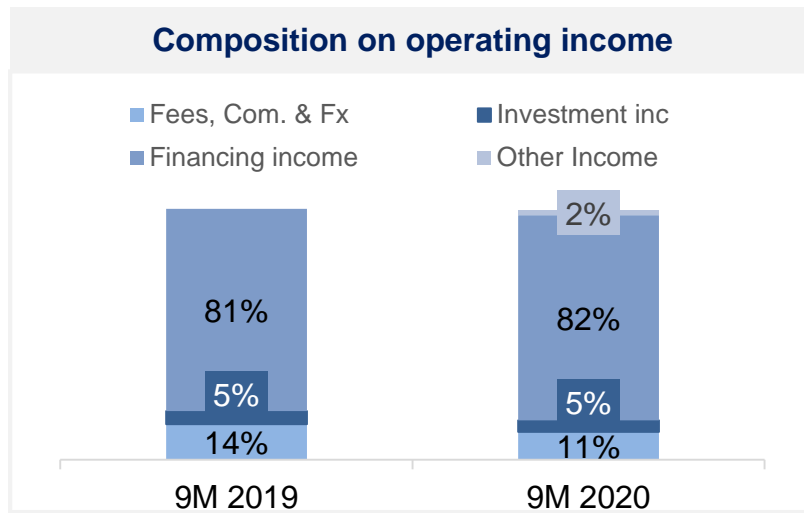
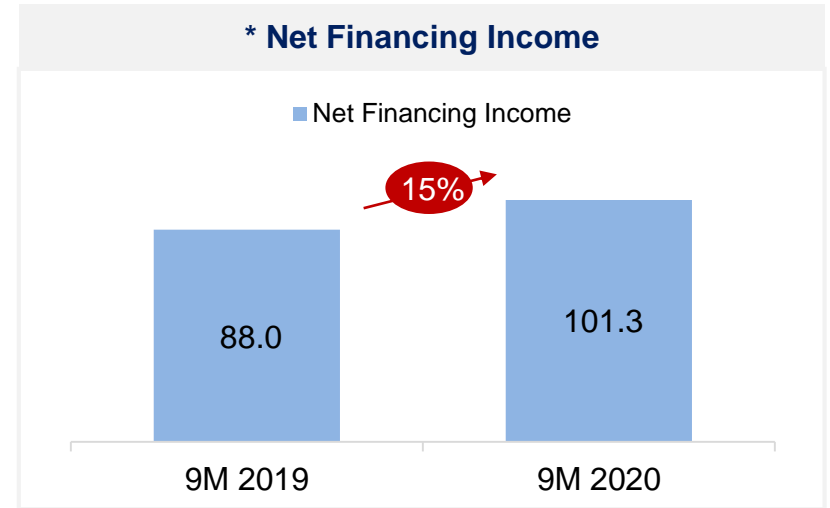
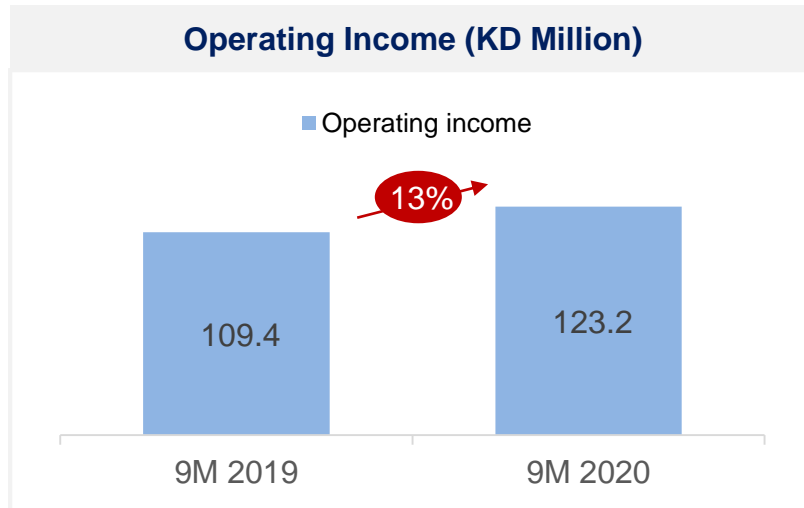


### Return on Average Assets (%)

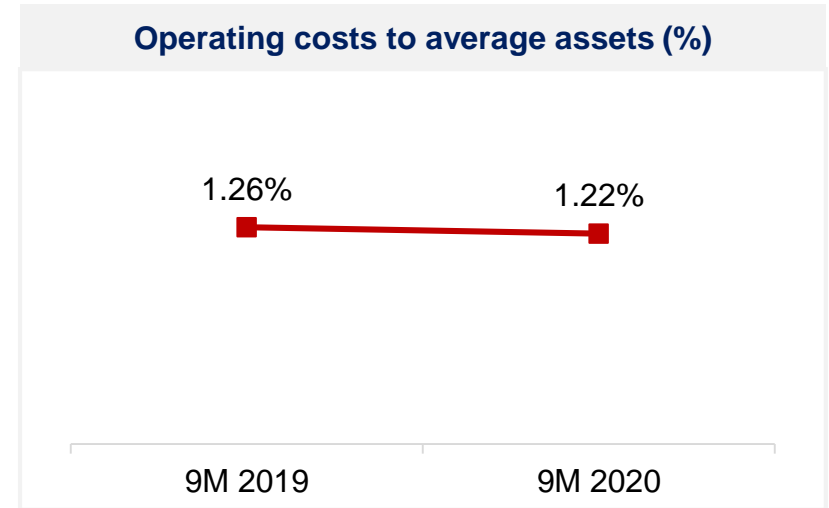
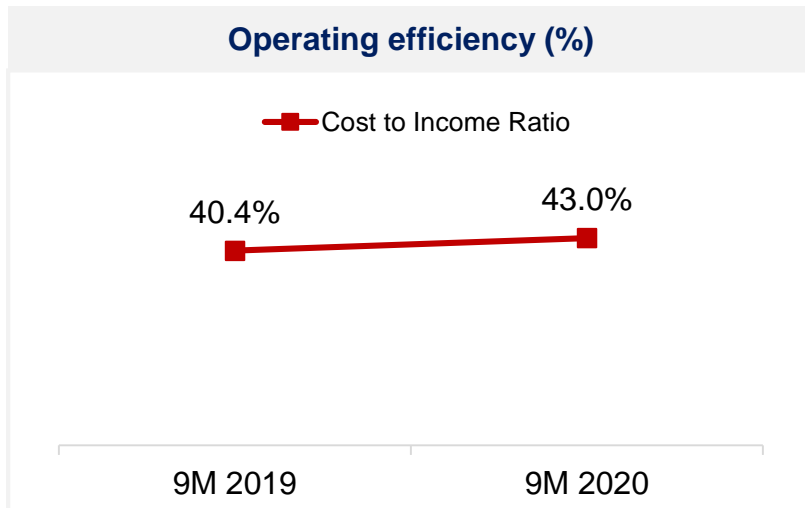
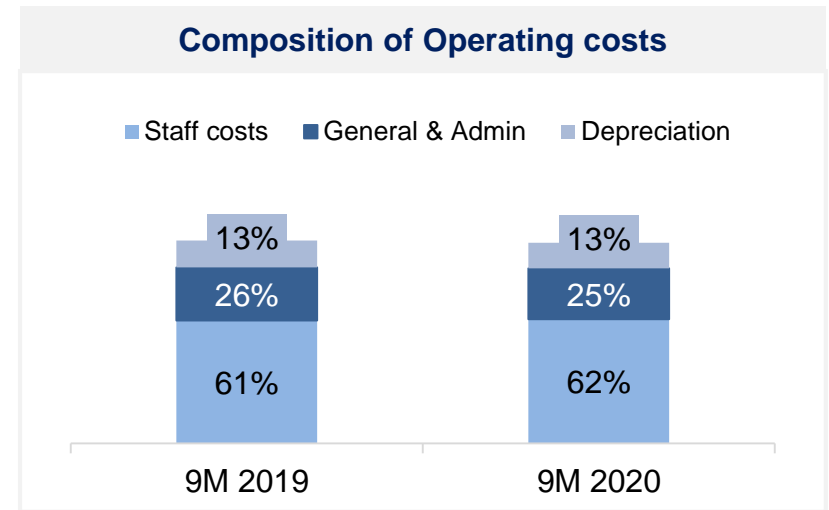




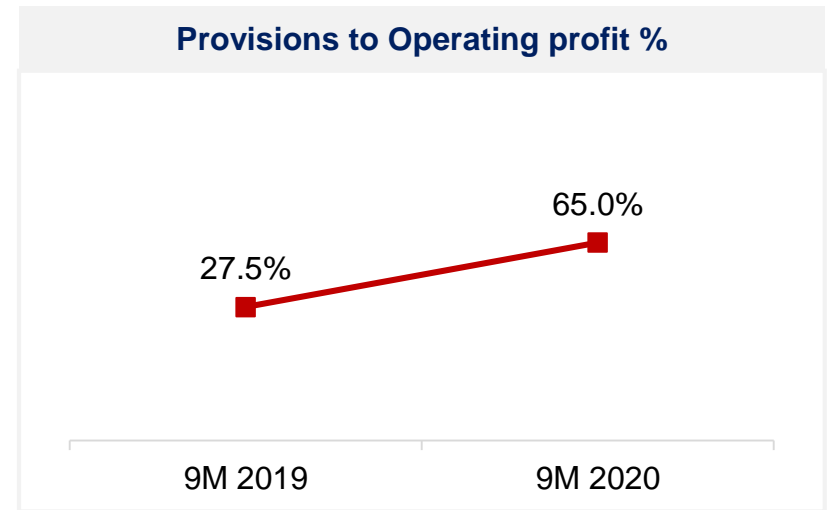
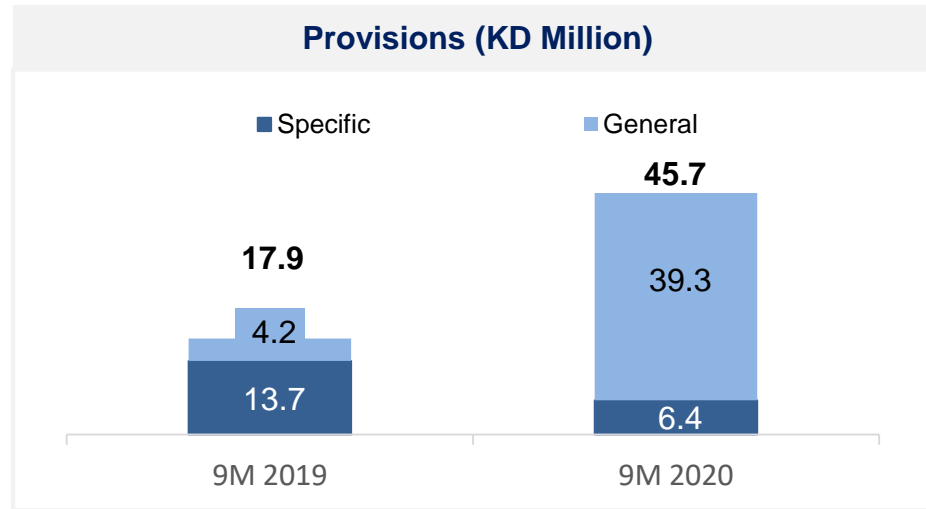
## Operating income components and Net Profit Margins



## Operating costs and efficiency



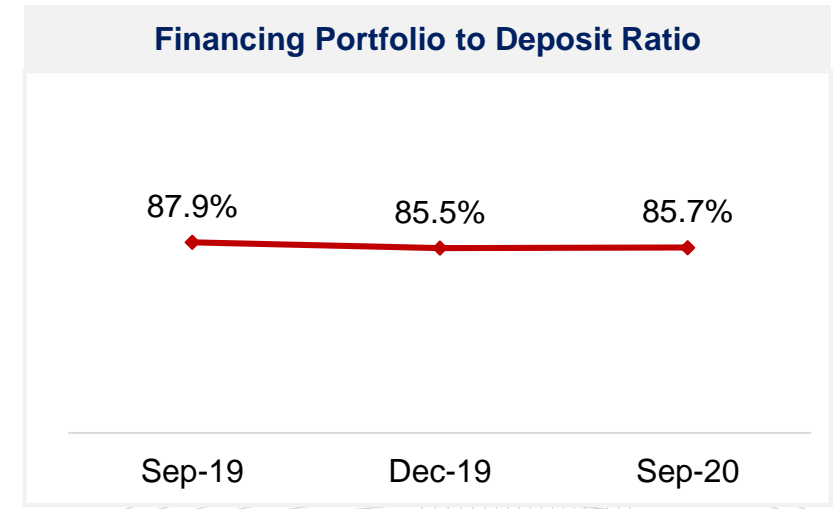
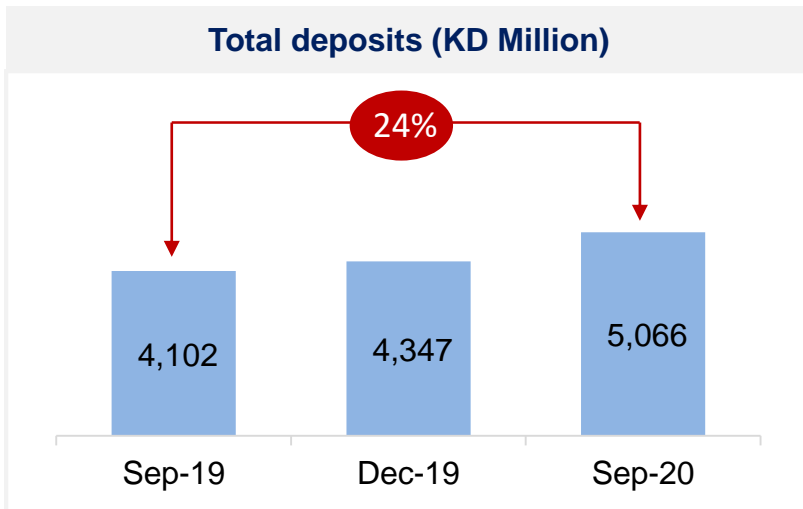
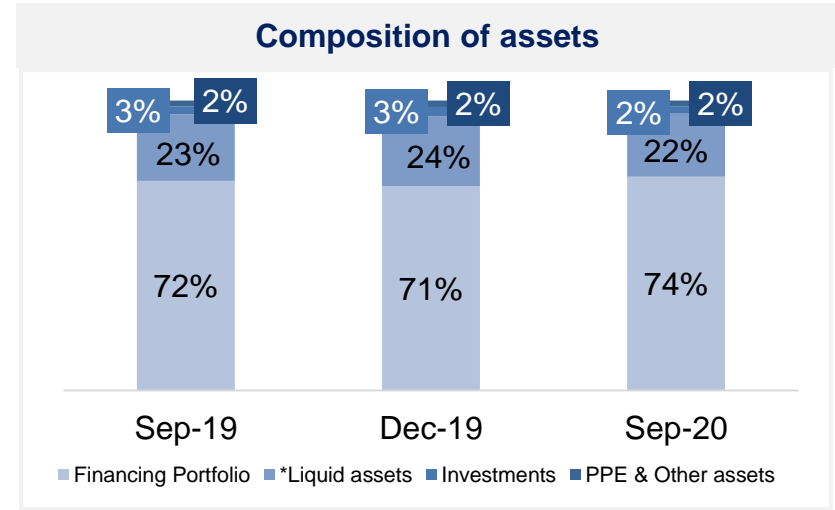
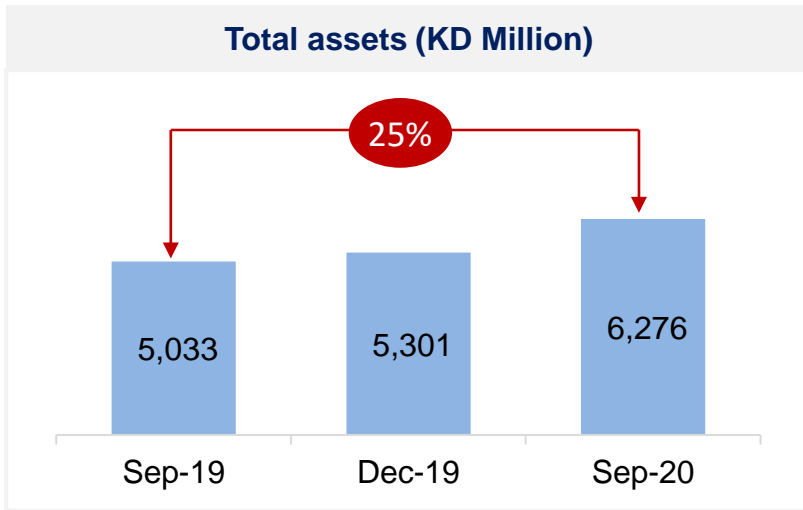
## Provisions and related ratios



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- 1 Boubyan's Performance & Strategy – At a glance
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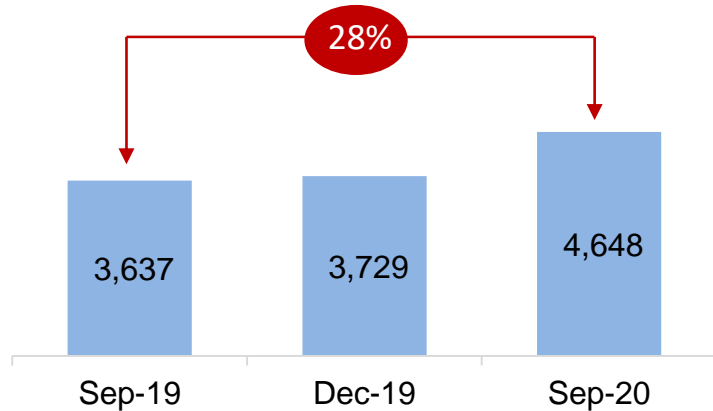
# Assets and Sources of Funding



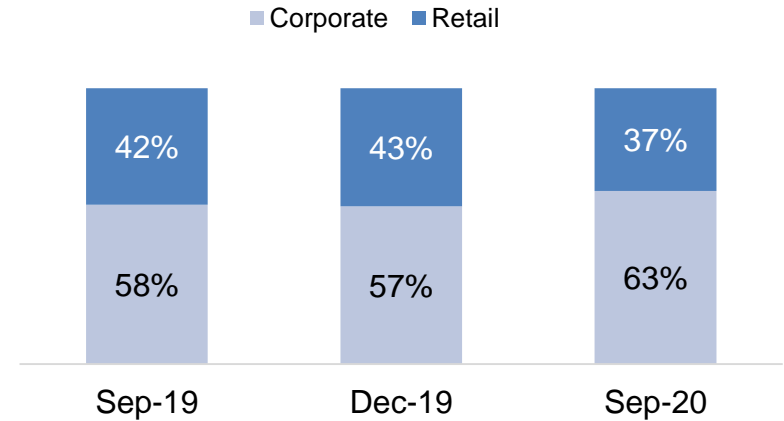
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments  
Source: Financial statements, Boubyan analysis

# Financing Portfolio and asset quality

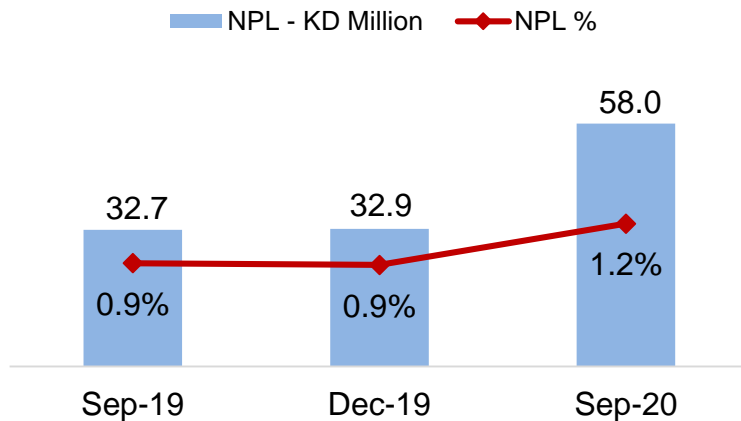
## Financing Portfolio – KD Million



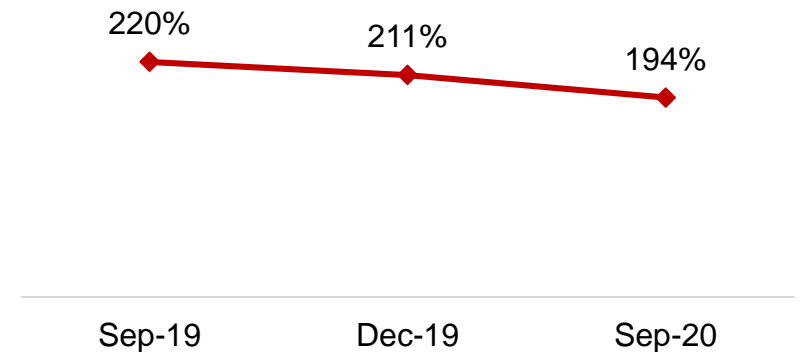
## Composition of Financing Portfolio



## Non performing Financing Portfolio



## Loss Coverage ratio

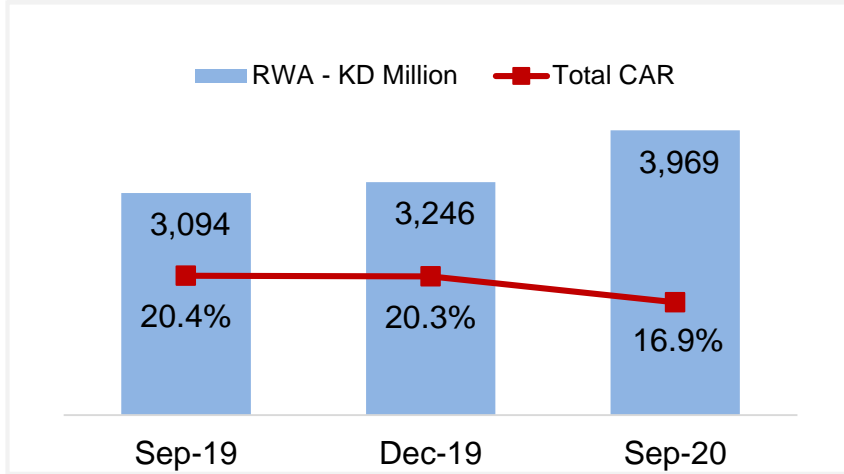


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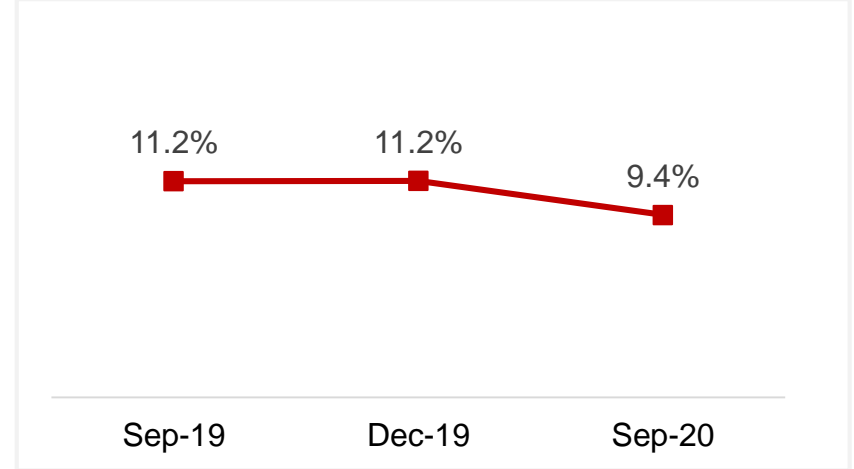
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# Capital Adequacy

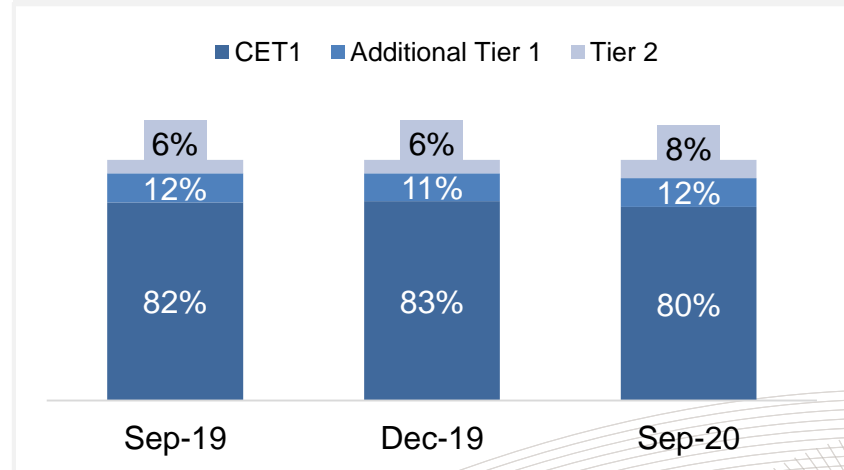
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital





Questions ?

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# Appendix

# Consolidated Financial Statements – 9M 2020

CONSOLIDATED STATEMENT OF INCOME	30-Sep	30-Sep
KD Million	2020	2019
<b>Income</b>		
Islamic financing income	168.1	152.8
Financing cost	(66.8)	(64.8)
<b>Net finance income</b>	<b>101.3</b>	<b>88.0</b>
Net investment income	5.7	5.8
Net fees and commission income	9.7	12.8
Net foreign exchange gain	4.2	2.9
Other Income	2.4	
<b>Operating Income</b>	<b>123.2</b>	<b>109.4</b>
<b>Expenses</b>		
Staff cost	(32.7)	(27.1)
General and administrative expenses	(13.5)	(11.3)
Depreciation	(6.8)	(5.8)
<b>Total Expenses</b>	<b>(53.0)</b>	<b>(44.2)</b>
<b>Profit before provision for impairment</b>	<b>70.2</b>	<b>65.2</b>
Provision for impairment	(45.7)	(17.9)
<b>Profit before taxes</b>	<b>24.6</b>	<b>47.3</b>
Taxes and board remuneration	(1.6)	(2.0)
Non-Controlling Interests	0.2	(0.0)
<b>Net Profit for the year</b>	<b>23.2</b>	<b>45.2</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Sep	30-Sep
KD Million	2020	2019
<b>Assets</b>		
Cash and balances with banks	216	212
Deposits with Central Bank of Kuwait	337	285
Deposits with other banks	277	316
Islamic financing to customers	4,648	3,637
Investments in Sukuks	514	344
Other investment securities	94	80
Investments in associates	5	31
Investment properties	48	25
Other assets	49	22
Property and Equipment	87	81
<b>Total Assets</b>	<b>6,276</b>	<b>5,033</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	258	216
Depositors' accounts	5,066	4,102
Global Mid-term Sukuk	230	0
Other liabilities	108	70
<b>Total liabilities</b>	<b>5,663</b>	<b>4,388</b>
<b>Equity</b>		
Share capital	303	288
Share premium	157	157
Treasury shares	-0	-0
Statutory reserve	32	25
Other reserves	5	23
Retained earnings	9	74
<b>Equity attributable to equity holders of the bank</b>	<b>506</b>	<b>567</b>
Perpetual Tier 1 Sukuk	75	75
Non-controlling interest	32	2
<b>Total equity</b>	<b>613</b>	<b>645</b>

# Consolidated Income Statement

KD Million	31-Dec 2019	31-Dec 2018	31-Dec 2017
<b>Income</b>			
Murabaha and other Islamic financing income	207.6	182.9	149.4
Distribution to depositors and Murabaha Cost	(88.2)	(62.6)	(46.0)
<b>Net finance income</b>	<b>119.5</b>	<b>120.3</b>	<b>103.5</b>
Net investment income	4.2	1.1	7.9
Net fees and commissions income	16.4	13.4	11.1
Share of results of associates	2.0	1.9	0.6
Net foreign exchange gain	3.7	3.0	2.5
<b>Operating Income</b>	<b>145.8</b>	<b>139.7</b>	<b>125.6</b>
<b>Expenses</b>			
Staff cost	(36.1)	(33.6)	(31.0)
General and administrative expenses	(17.1)	(18.8)	(17.9)
Depreciation and amortization	(7.9)	(4.3)	(3.9)
<b>Total Expenses</b>	<b>(61.1)</b>	<b>(56.8)</b>	<b>(52.9)</b>
<b>Profit before provision for impairment</b>	<b>84.7</b>	<b>83.0</b>	<b>72.7</b>
Provision for impairment	(18.7)	(23.8)	(22.4)
<b>Profit before taxes</b>	<b>66.0</b>	<b>59.1</b>	<b>50.3</b>
Taxes and board remuneration	(3.3)	(2.9)	(2.6)
Non-Controlling Interests	(0.0)	(0.1)	(0.1)
<b>Net Profit for the year</b>	<b>62.6</b>	<b>56.1</b>	<b>47.6</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2019	31-Dec 2018	31-Dec 2017
<b>Assets</b>			
Cash and balances with banks	232.4	83.8	122.8
Deposits with Central Bank of Kuwait	306.2	244.7	249.2
Deposits with other banks	427.3	237.1	213.8
Islamic financing to customers	3,728.8	3,262.3	3,404.8
Investments in Sukuks	306.3	309.3	390.6
Other investment securities	101.2	73.5	23.9
Investments in associates	33.1	28.9	31.8
Investment properties	46.6	24.0	24.5
Other assets	32.4	24.1	23.0
Property and Equipment	86.2	57.0	69.5
<b>Total Assets</b>	<b>5,300.5</b>	<b>4,344.8</b>	<b>3,970.4</b>
<b>Liabilities</b>			
Due to banks	236.5	97.2	204.7
Depositors' accounts	4,347.2	3,720.9	3,793.9
Other liabilities	63.7	40.7	52.1
<b>Total liabilities</b>	<b>4,647.4</b>	<b>3,858.8</b>	<b>4,050.7</b>
<b>Equity</b>			
Share capital	288.4	238.8	227.5
Share premium	156.9	62.9	62.9
Proposed bonus share	14.4	11.9	11.4
Treasury shares	(0.1)	(0.6)	(1.1)
Statutory reserve	31.8	25.3	19.3
Voluntary reserve	30.5	24.2	18.5
Share based payment reserve	1.0	1.4	1.7
Fair value reserve	0.2	3.5	3.9
Foreign currency translation reserve	(9.5)	(9.9)	(9.3)
Accumulated retained earnings / (losses)	35.8	31.7	24.1
Proposed cash dividends	26.0	19.1	15.9
<b>Equity attributable to equity holders of the bank</b>	<b>575.4</b>	<b>408.3</b>	<b>374.8</b>
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	2.3	2.3	2.2
<b>Total equity</b>	<b>653.2</b>	<b>486.0</b>	<b>452.4</b>
<b>Total liabilities and equity</b>	<b>5,300.5</b>	<b>4,344.8</b>	<b>3,970.4</b>

Thank you

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