



بنك بوبيان  
Boubyan Bank

الكويت: 2021/07/27

الإشارة: 2021/1704

Kuwait: 27/07/2021

Ref: 1704/2021

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 Q2 Analysts'  
Conference Call**

**العرض التقديمي لمؤتمر المحللين للربع الثاني**

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 second quarter for the year 2021 held via Live Webcast at 02:00 pm (Local Time) on Tuesday, July 27<sup>th</sup> 2021, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثاني لسنة 2021 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 2021/07/27؛ 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**  
CEO – Consumer Banking & Digital

عبد الله النجران التويجري

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# Boubyan Bank Investors Presentation

H1 2021 Results

Analyst Call

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## **1** Boubyan's Performance & Strategy – At a glance

**2** Income statement analysis

**3** Balance sheet analysis

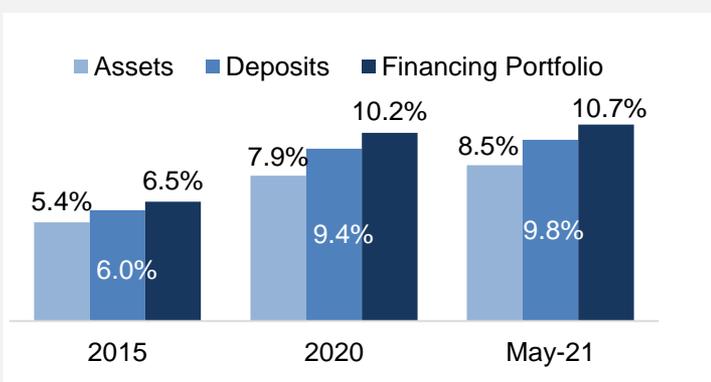
**4** Capitalisation and Leverage

# Financial Highlights

## Financial snapshot

<i>KD million</i>	6M 2021	6M 2020	Growth %
Net Profit to shareholders	21.5	17.1	25%
Operating Income	92.6	79.5	17%
Operating Profit	50.2	43.8	15%
Total Assets	6,945	6,131	13%
Financing Portfolio	5,152	4,616	12%
Customer Deposits	5,417	4,720	15%
Earnings per share (Fils)	6.00	4.57	31%

## Market share



## Key Financial Metrics

	6M 2021	6M 2020	Variance
Return on Average Equity (%)	6.9	5.5	1.4
Return on Average Assets (%)	0.6	0.6	0.0
Cost to Income (%)	45.8	44.9	0.9
NPL Ratio (%)	1.1	1.1	0.0
Capital Adequacy Ratio (%)	17.0	16.8	0.2

## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A3	Stable	Jun 2021
STANDARD & POOR'S	A-	Stable	Nov 2020
FitchRatings	A+	Negative	Feb 2021

Source: Financial statements, Boubyan analysis

# The Bank's strategy builds on robust domestic foundations

## Strategic objectives

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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
- 

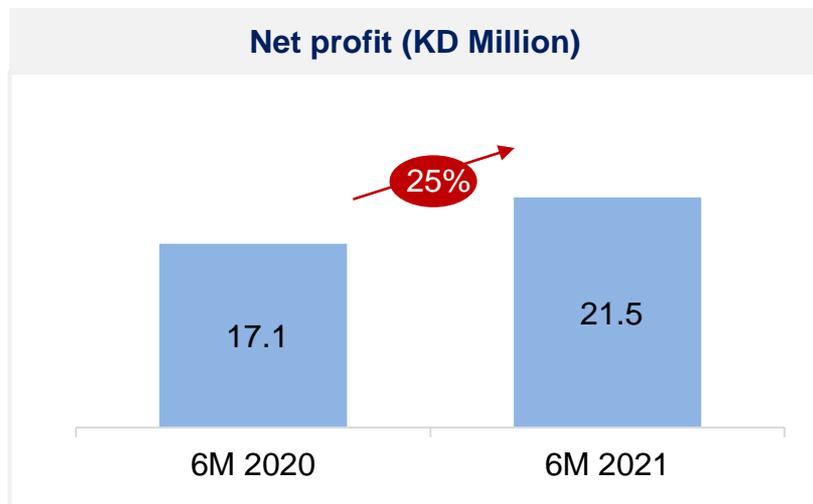
### Private Banking / Wealth Management

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

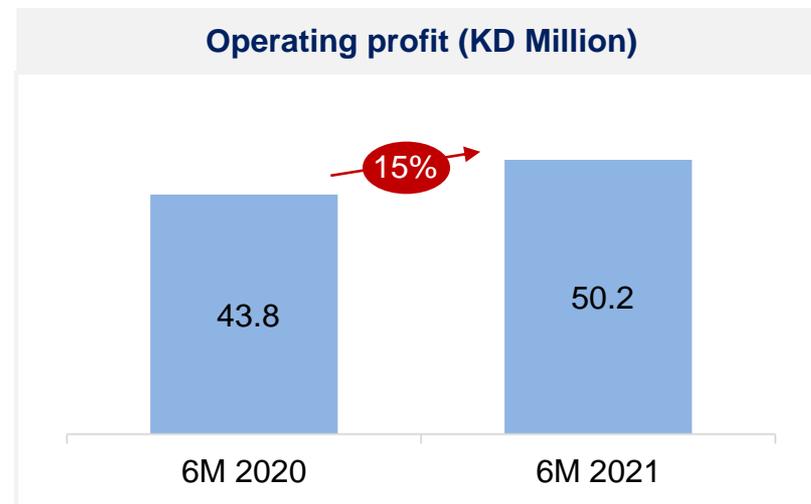
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## Profitability and performance ratio

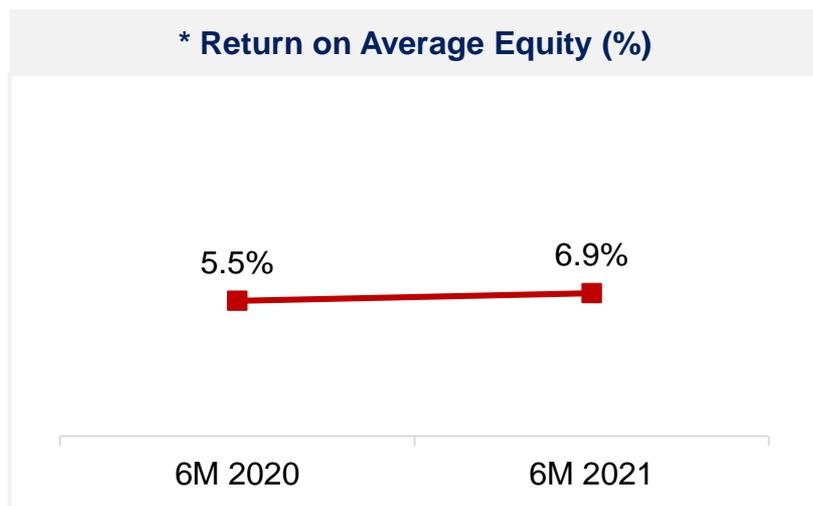
### Net profit (KD Million)



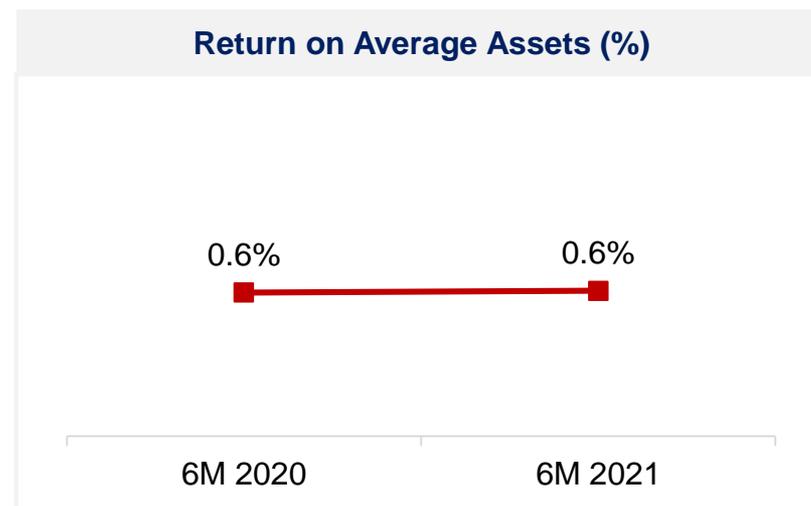
### Operating profit (KD Million)



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

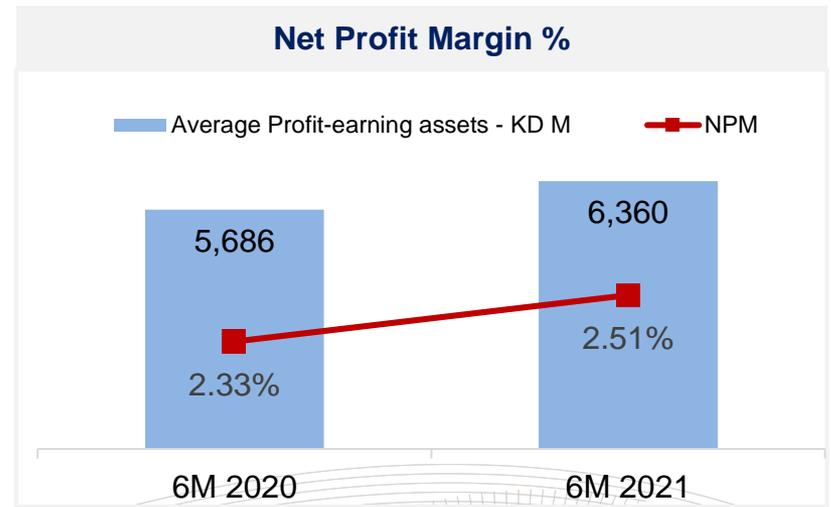
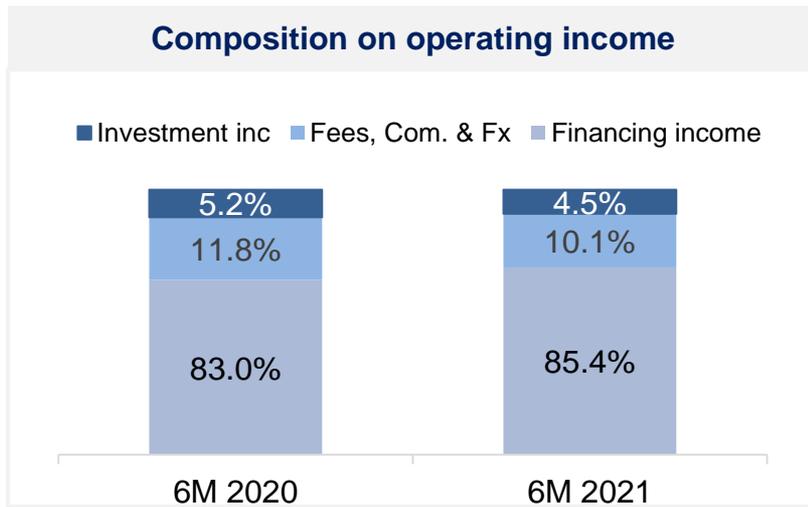
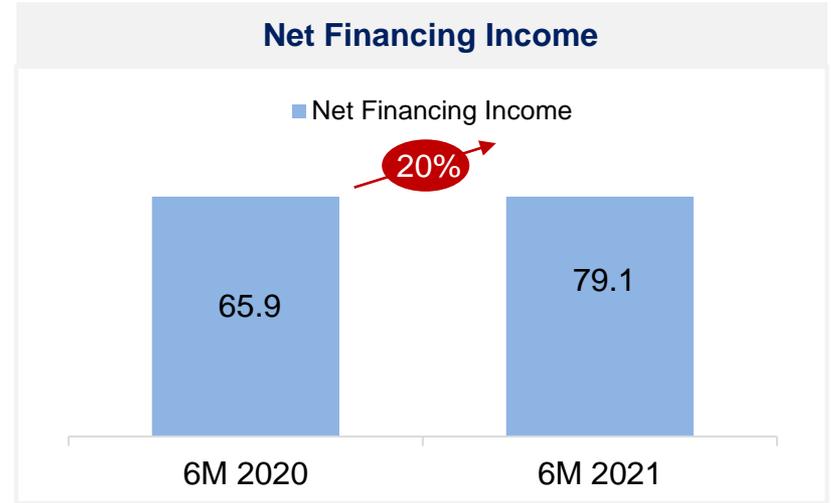


### Return on Average Assets (%)

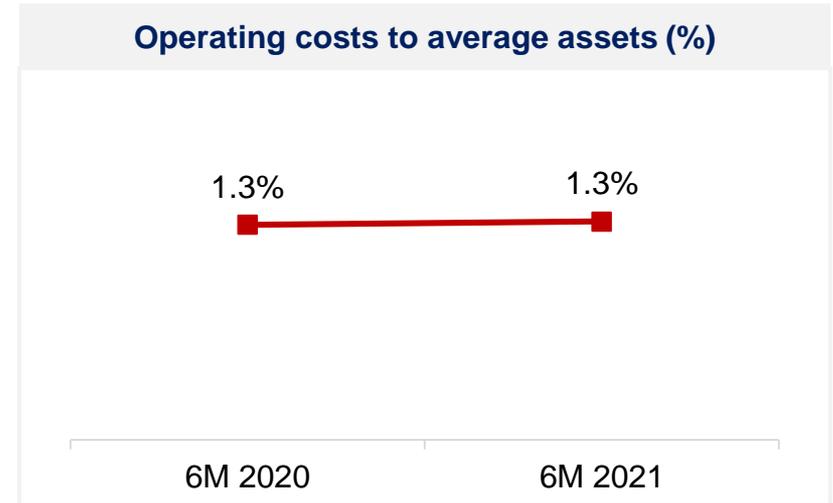
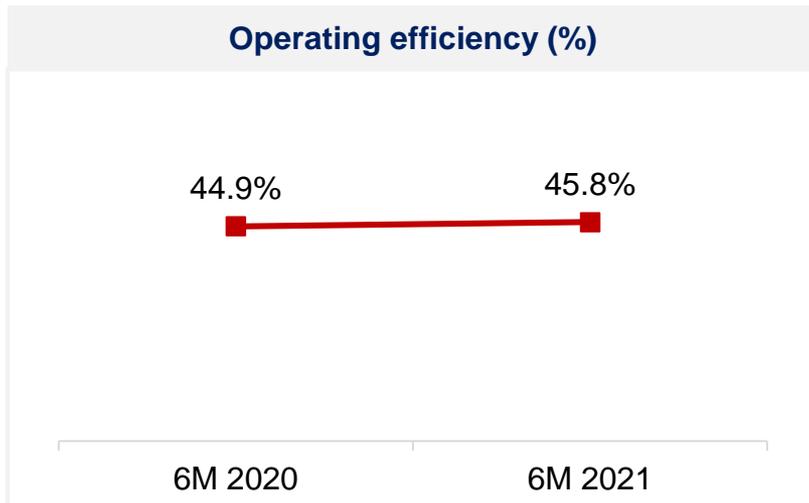
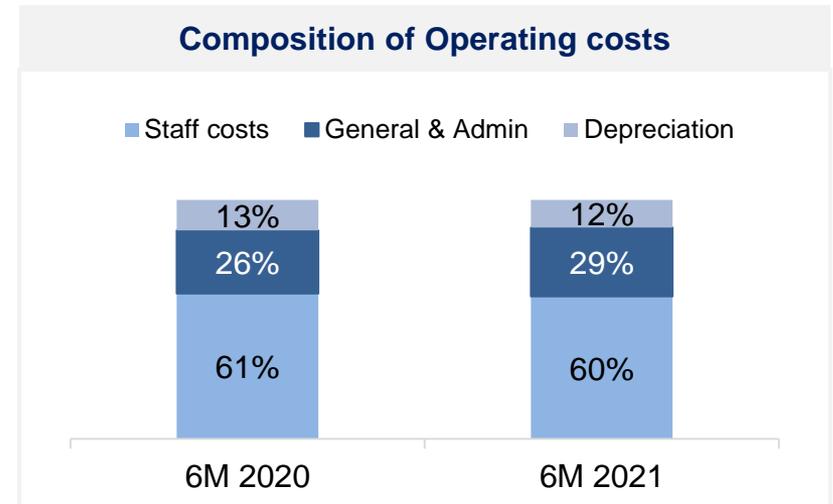
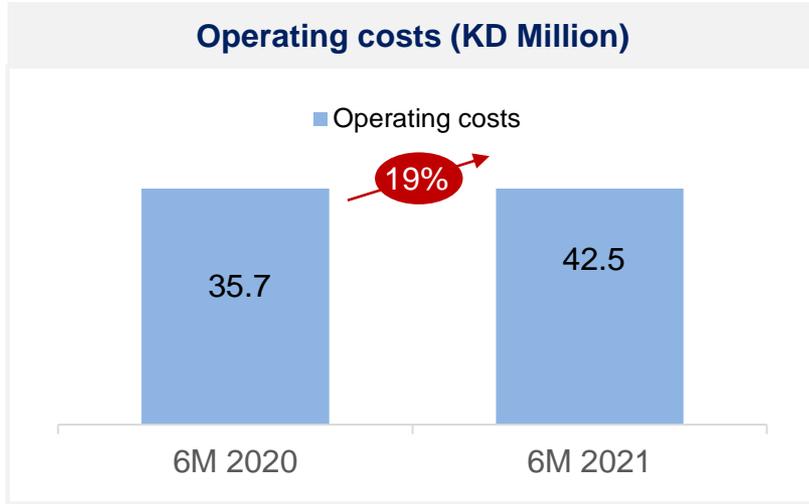


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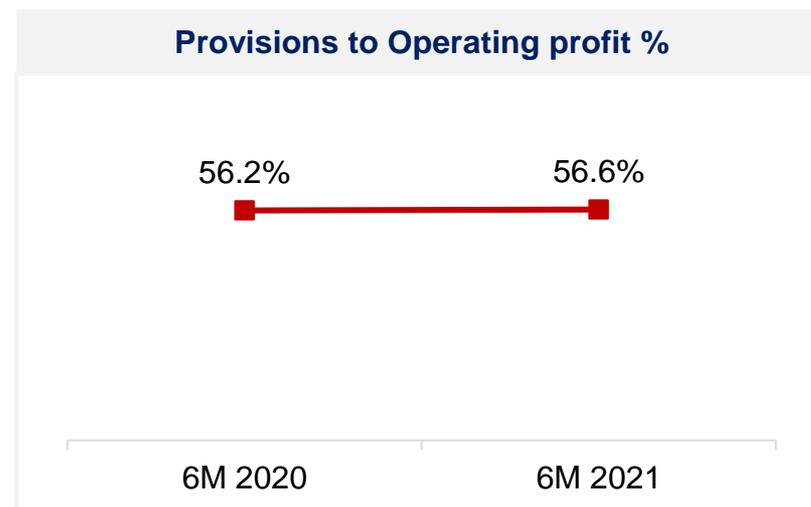
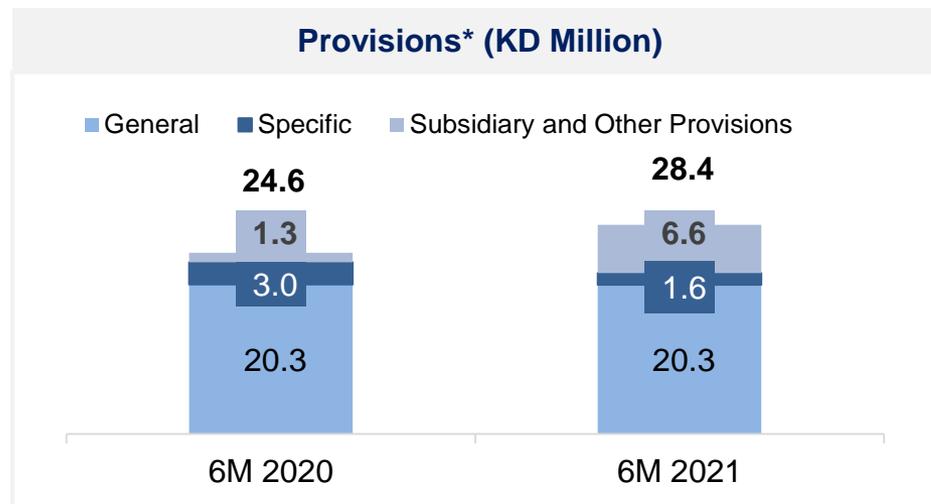
## Operating income components and Net Profit Margins



## Operating costs and efficiency



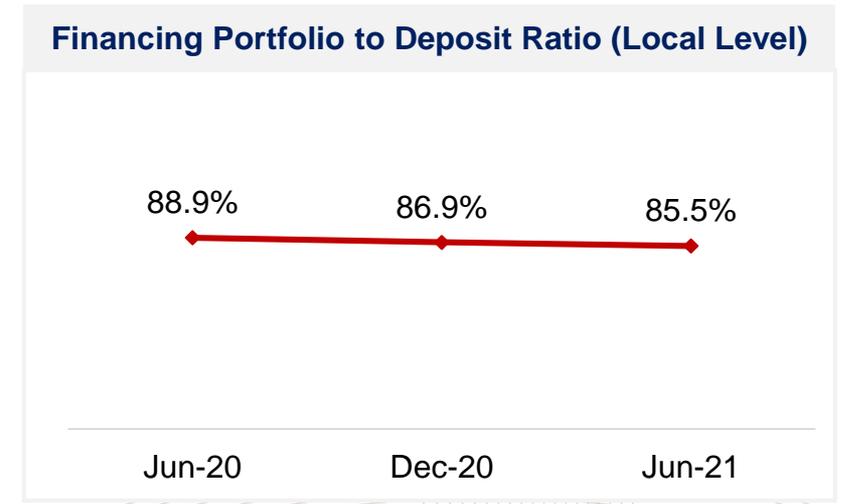
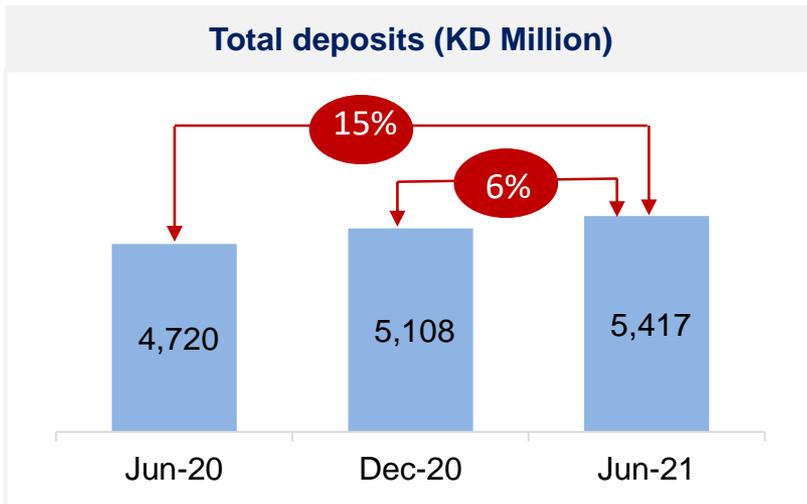
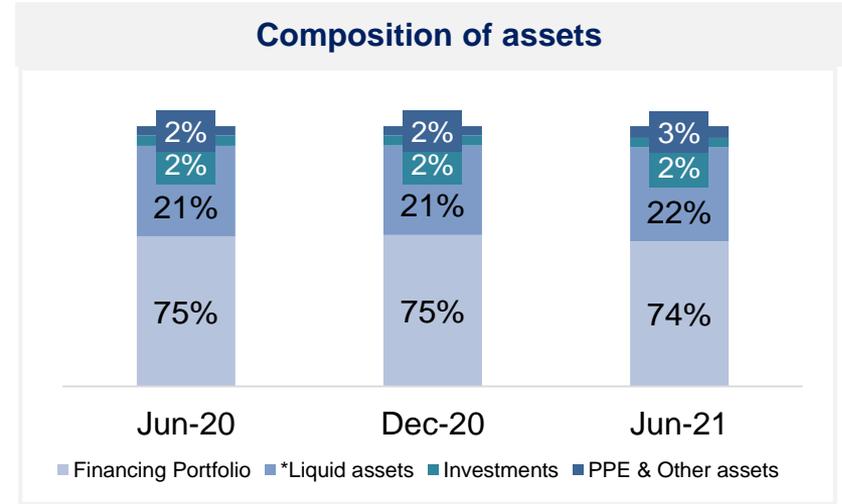
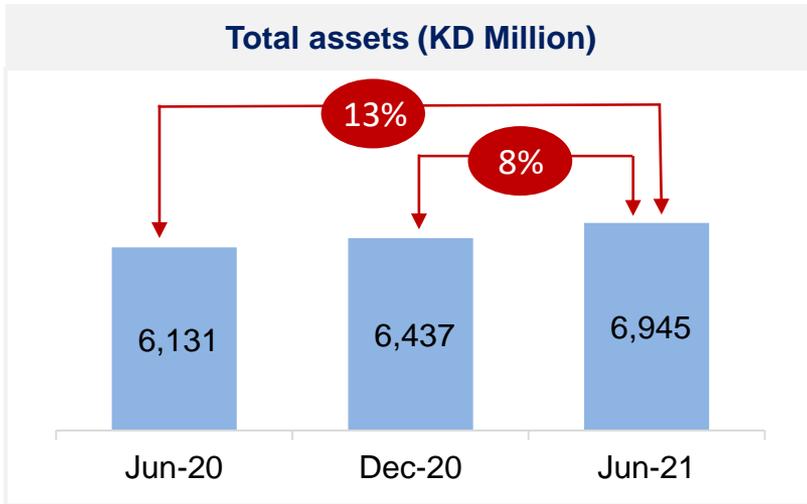
## Provisions and related ratios



\* General Provisions are shown inclusive of contingent provisions  
Source: Financial statements, Boubyan analysis

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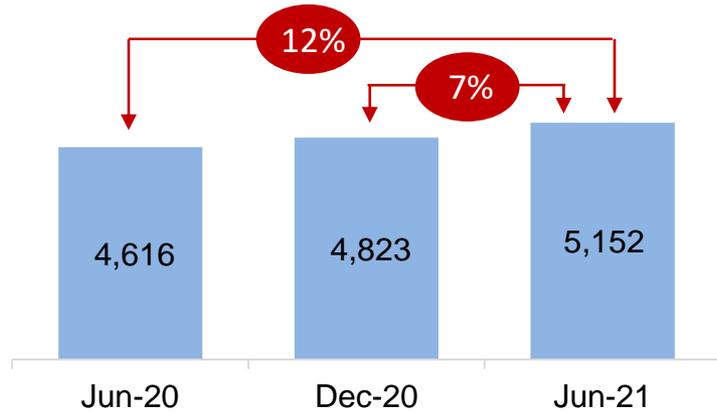
# Assets and Sources of Funding



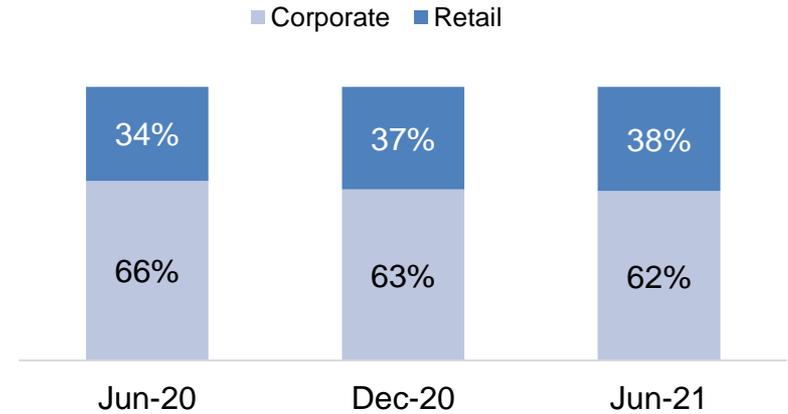
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments  
Source: Financial statements, Boubyan analysis

# Financing Portfolio and asset quality

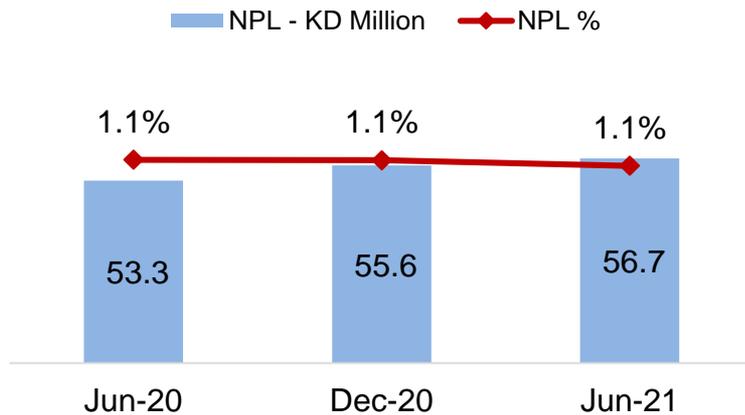
## Financing Portfolio – KD Million



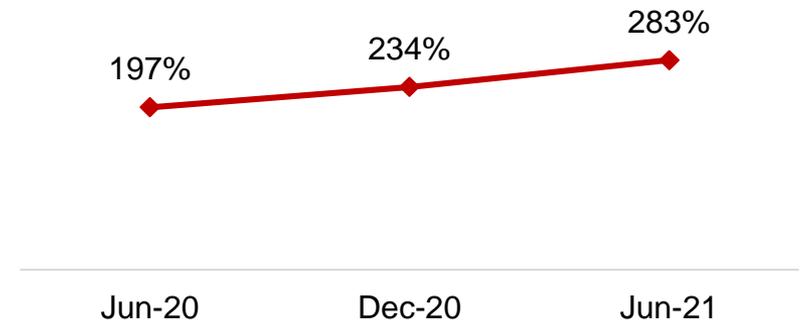
## Composition of Financing Portfolio



## Non performing Financing Portfolio



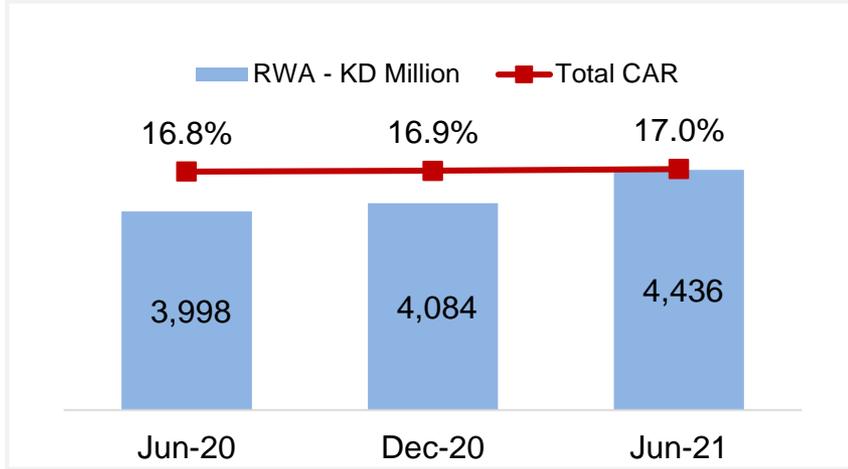
## Loss Coverage ratio



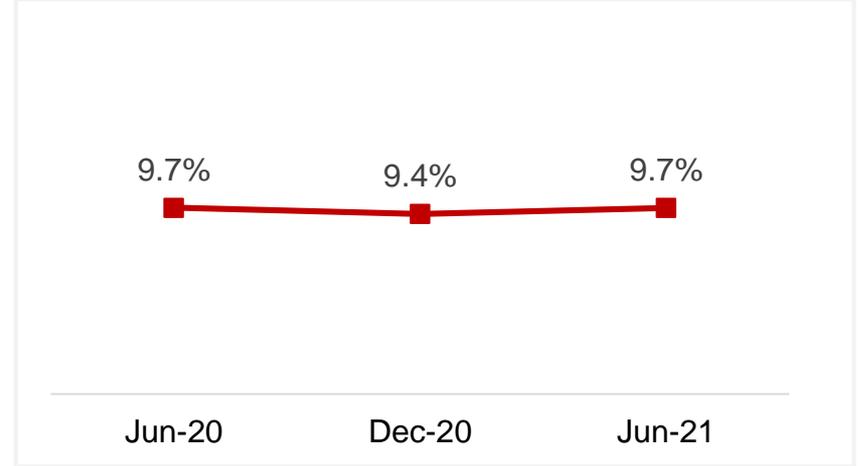
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# Capital Adequacy

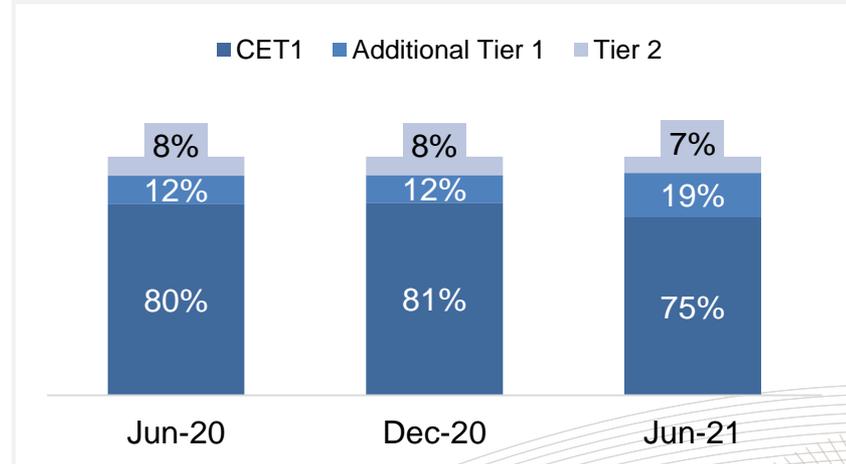
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital



Questions ?

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# Appendix

# Consolidated Financial Statements – 6M 2021

CONSOLIDATED STATEMENT OF INCOME	30-Jun	30-Jun
KD Million	2021	2020
<b>Income</b>		
Islamic financing income	110.3	113.7
Financing cost	(31.3)	(47.8)
<b>Net finance income</b>	<b>79.1</b>	<b>65.9</b>
Net investment income	4.2	4.1
Net fees and commission income	7.3	6.4
Net foreign exchange gain	2.1	3.0
<b>Operating Income</b>	<b>92.6</b>	<b>79.5</b>
<b>Expenses</b>		
Staff cost	(25.3)	(21.7)
General and administrative expenses	(12.3)	(9.4)
Depreciation	(4.9)	(4.6)
<b>Total Expenses</b>	<b>(42.5)</b>	<b>(35.7)</b>
<b>Profit before provision for impairment</b>	<b>50.2</b>	<b>43.8</b>
Provision for impairment	(28.4)	(24.6)
<b>Profit before taxes</b>	<b>21.8</b>	<b>19.2</b>
Taxes and board remuneration	(0.7)	(1.6)
Non-Controlling Interests	0.3	(0.5)
<b>Net Profit for the year</b>	<b>21.5</b>	<b>17.1</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Jun	30-Jun
KD Million	2021	2020
<b>Assets</b>		
Cash and balances with banks	215	201
Deposits with Central Bank of Kuwait	309	346
Deposits with other banks	395	199
Islamic financing to customers	5,152	4,616
Investments in Sukuks	530	492
Other investment securities	103	96
Investments in associates	3	4
Investment properties	47	46
Other assets	93	42
Property and Equipment	98	89
<b>Total Assets</b>	<b>6,945</b>	<b>6,131</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	347	470
Depositors' accounts	5,417	4,720
Other liabilities	455	339
<b>Total liabilities</b>	<b>6,219</b>	<b>5,529</b>
<b>Equity</b>		
Share capital	318	303
Share premium	157	157
Treasury shares	-0	-0
Statutory reserve	36	32
Other reserves	14	2
Retained earnings	17	2
<b>Equity attributable to equity holders of the bank</b>	<b>542</b>	<b>496</b>
Perpetual Tier 1 Sukuk	150	75
Non-controlling interest	34	31
<b>Total equity</b>	<b>726</b>	<b>602</b>
<b>Total liabilities and equity</b>	<b>6,945</b>	<b>6,131</b>

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# Consolidated Income Statement

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
<b>Income</b>			
Murabaha and other Islamic financing income	223.1	207.6	182.9
Distribution to depositors and Murabaha Cost	(84.2)	(88.2)	(62.6)
<b>Net finance income</b>	<b>138.9</b>	<b>119.5</b>	<b>120.3</b>
Net investment income	6.8	6.2	3.0
Net fees and commissions income	12.3	16.4	13.4
Net foreign exchange gain	5.2	3.7	3.0
Other Income	4.3		
<b>Operating Income</b>	<b>167.5</b>	<b>145.8</b>	<b>139.7</b>
<b>Expenses</b>			
Staff cost	(45.2)	(36.1)	(33.6)
General and administrative expenses	(20.0)	(17.1)	(18.8)
Depreciation and amortization	(9.2)	(7.9)	(4.3)
<b>Total Expenses</b>	<b>(74.4)</b>	<b>(61.1)</b>	<b>(56.8)</b>
<b>Profit before provision for impairment</b>	<b>93.1</b>	<b>84.7</b>	<b>83.0</b>
Provision for impairment	(59.0)	(18.7)	(23.8)
<b>Profit before taxes</b>	<b>34.1</b>	<b>66.0</b>	<b>59.1</b>
Taxes and board remuneration	(0.5)	(3.3)	(2.9)
Non-Controlling Interests	0.9	(0.0)	(0.1)
<b>Net Profit for the year</b>	<b>34.4</b>	<b>62.6</b>	<b>56.1</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
<b>Assets</b>			
Cash and balances with banks	286.7	232.4	83.8
Deposits with Central Bank of Kuwait	336.9	306.2	244.7
Deposits with other banks	180.1	330.0	237.1
Islamic financing to customers	4,823.3	3,826.1	3,262.3
Investments in Sukuks	504.2	318.4	340.1
Other investment securities	117.9	89.2	42.8
Investments in associates	4.1	33.1	28.9
Investment properties	47.1	46.6	24.0
Other assets	45.4	32.4	24.1
Property and Equipment	91.4	86.2	57.0
<b>Total Assets</b>	<b>6,437.1</b>	<b>5,300.5</b>	<b>4,344.8</b>
<b>Liabilities</b>			
Due to banks	281.4	236.5	97.2
Depositors' accounts	5,107.7	4,347.2	3,720.9
Medium Term Financing	305.5		
Other liabilities	115.8	63.7	40.7
<b>Total liabilities</b>	<b>5,810.4</b>	<b>4,647.4</b>	<b>3,858.8</b>
<b>Equity</b>			
Share capital	302.8	288.4	238.8
Share premium	156.9	156.9	62.9
Proposed bonus share	-	14.4	11.9
Treasury shares	(0.1)	(0.1)	(0.6)
Statutory reserve	35.5	31.8	25.3
Voluntary reserve	30.5	30.5	24.2
Share based payment reserve	-	1.0	1.4
Fair value reserve	(8.4)	0.2	3.5
Foreign currency translation reserve	(10.5)	(9.5)	(9.9)
Actuarial Valuation Reserve	(3.1)		
Accumulated retained earnings / (losses)	14.1	35.8	31.7
Proposed cash dividends	-	26.0	19.1
<b>Equity attributable to equity holders of the bank</b>	<b>517.9</b>	<b>575.4</b>	<b>408.3</b>
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	33.5	2.3	2.3
<b>Total equity</b>	<b>626.7</b>	<b>653.2</b>	<b>486.0</b>
<b>Total liabilities and equity</b>	<b>6,437.1</b>	<b>5,300.5</b>	<b>4,344.8</b>

Thank you

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