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السيد / محمد سعود العصيمي  
الرئيس التنفيذي - شركة بورصة الكويت

السلام عليكم ورحمة الله وبركاته وبعد،،،

## العرض التقديمي لمؤتمر المحللين للربع الأول

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.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الأول لسنة 2021 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:45 (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 2021/04/27؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

وتفضلوا بقبول فائق الاحترام،،

بنك بوبیان  
Boubyan Bank  
014

عادل عبد الوهاب الماجد  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي للمجموعة

# Boubyan Bank Investors Presentation

Q1 2021 Results – Analyst Call

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

**2** Income statement analysis

**3** Balance sheet analysis

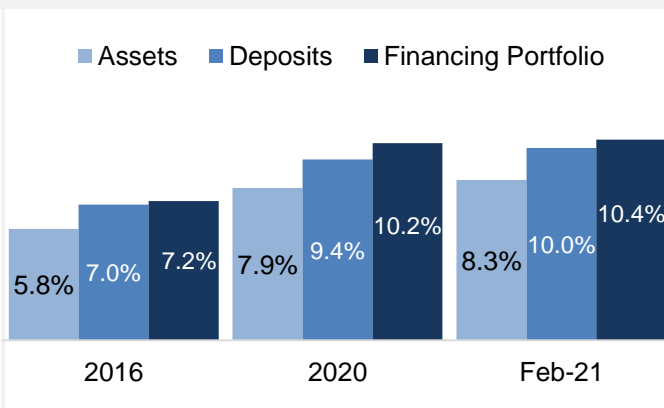
**4** Capitalisation and Leverage

# Financial Highlights

## Financial snapshot

<i>KD million</i>	3M 2021	3M 2020	Growth %
Net Profit to shareholders	12.6	10.2	23%
Operating Income	45.1	41.4	9%
Operating Profit	24.8	22.5	10%
Total Assets	6,772	6,238	9%
Financing Portfolio	4,937	4,577	8%
Customer Deposits	5,238	4,655	13%
Earnings per share (Fils)	3.97	3.22	23%

## Market share (Local Level)



## Key Financial Metrics

	3M 2021	3M 2020	Variance
Return on Average Equity (%)	8.7	6.4	2.3
Return on Average Assets (%)	0.8	0.7	0.1
Cost to Income (%)	45.0	45.6	-0.6
NPL Ratio (%)	1.2	0.9	0.3
Capital Adequacy Ratio (%)	16.2	16.4	-0.2

## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A3	Stable	Dec 2020
STANDARD & POOR'S	A-	Stable	Nov 2020
Fitch Ratings	A+	Negative	Apr 2021

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# The Bank's strategy builds on robust domestic foundations

## Strategic objectives

### 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

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

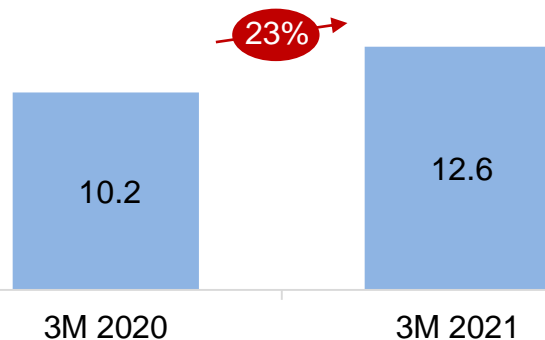
**2** **Income statement analysis**

**3** Balance sheet analysis

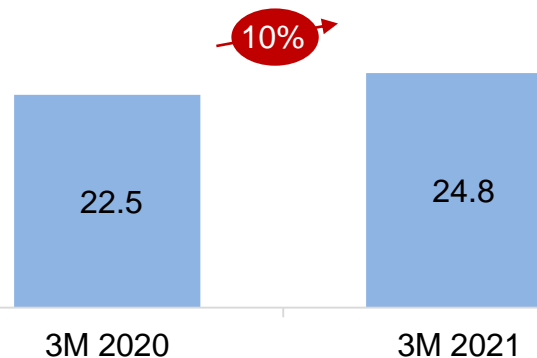
**4** Capitalisation and Leverage

## Profitability and performance ratio

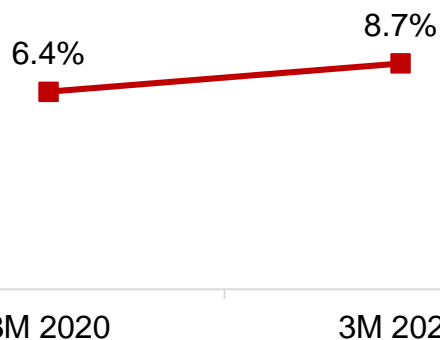
### Net profit (KD Million)



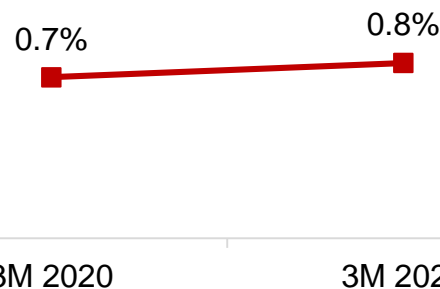
### Operating profit (KD Million)



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



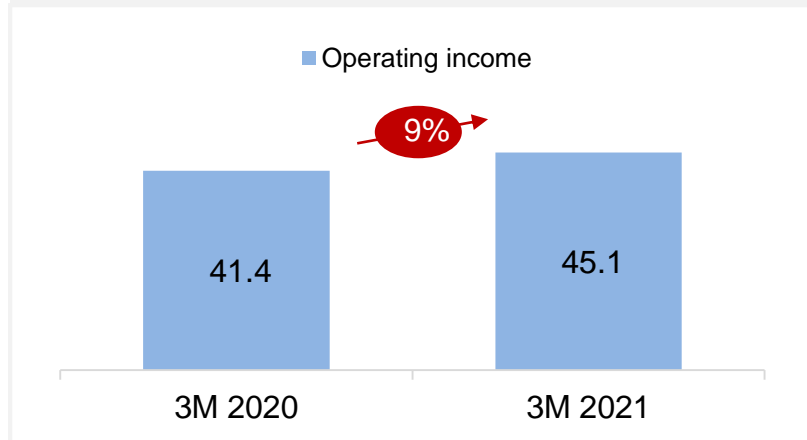
### Return on Average Assets (%)



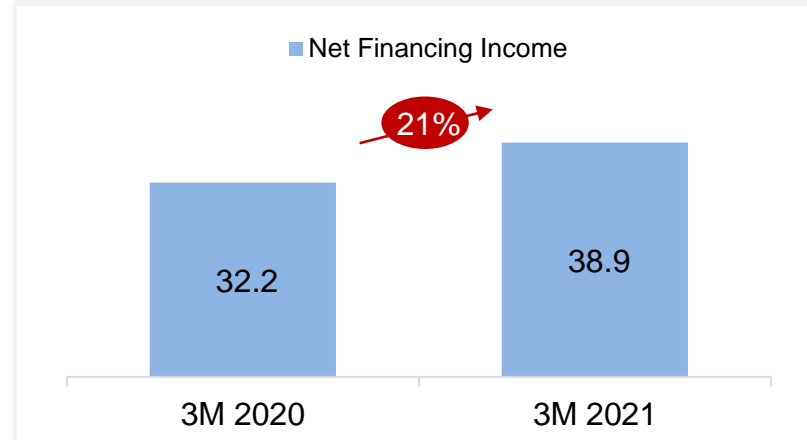


## Operating income components and Net Profit Margins

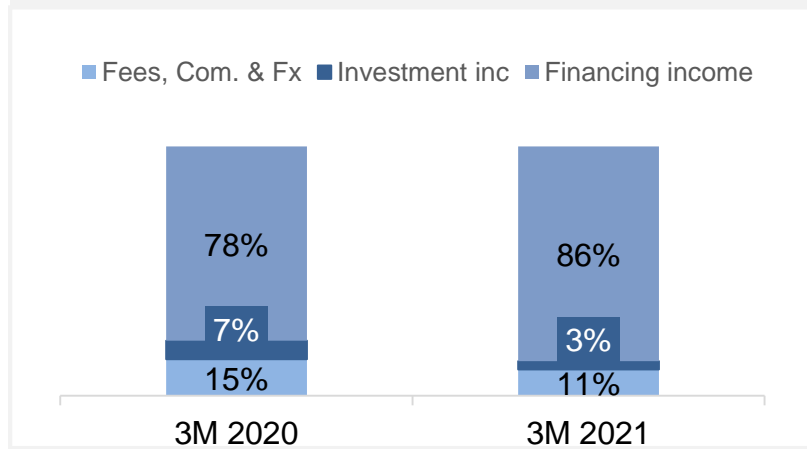
### Operating Income (KD Million)



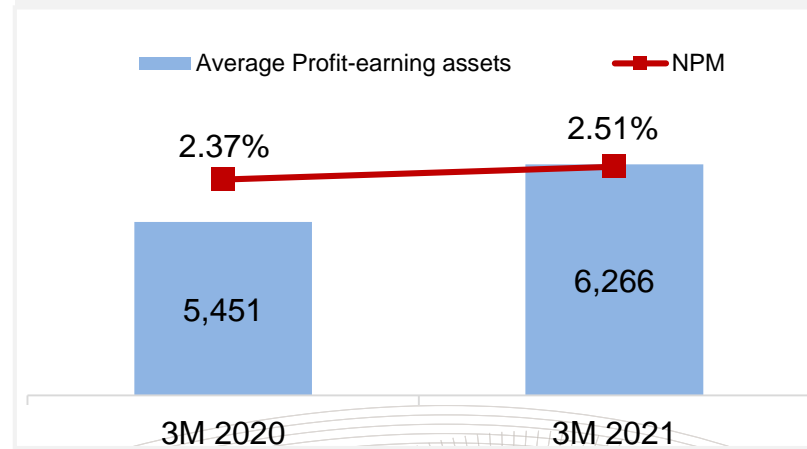
### \* Net Financing Income



### Composition on operating income



### Net Profit Margin %

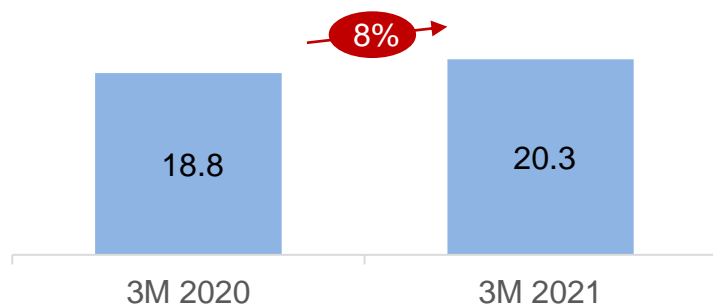


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## Operating costs and efficiency

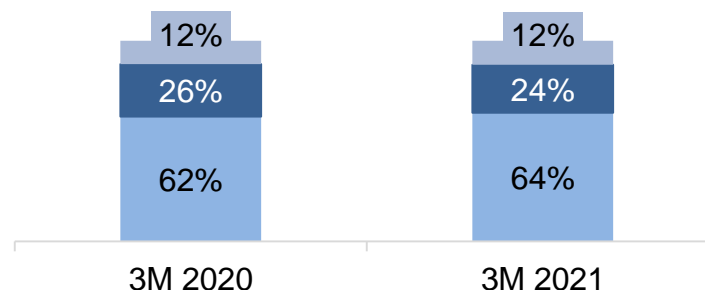
### Operating costs (KD Million)

■ Operating costs



### Composition of Operating costs

■ Staff costs ■ General & Admin ■ Depreciation



### Operating efficiency (%)

■ Cost to Income Ratio

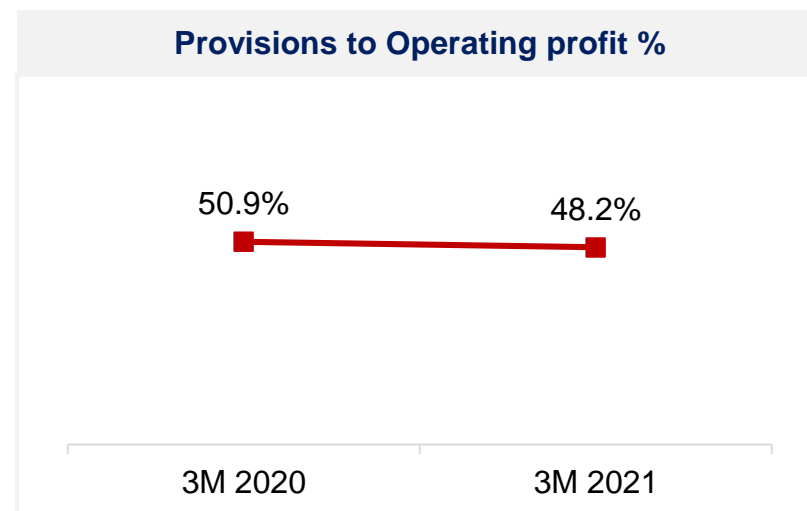
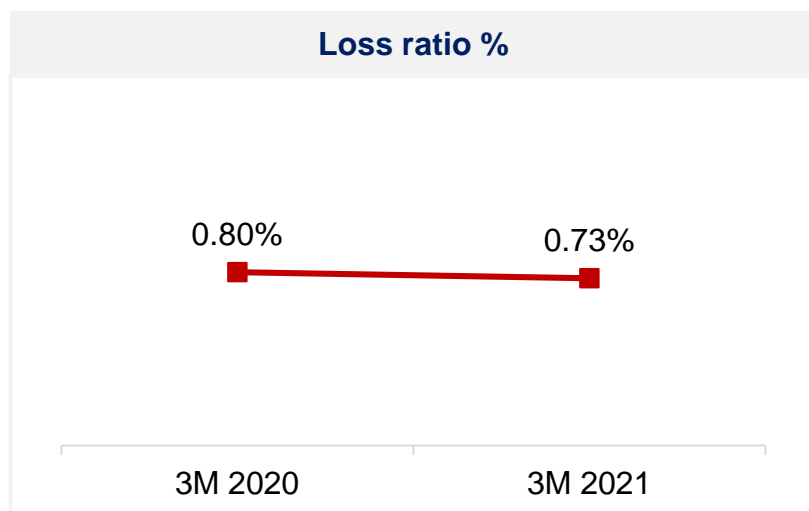
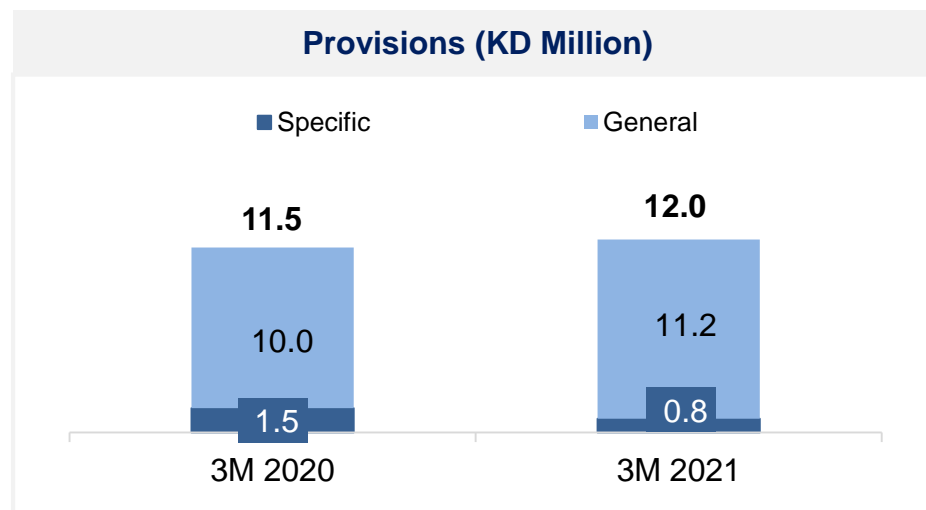


### Operating costs to average assets (%)



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## Provisions and related ratios

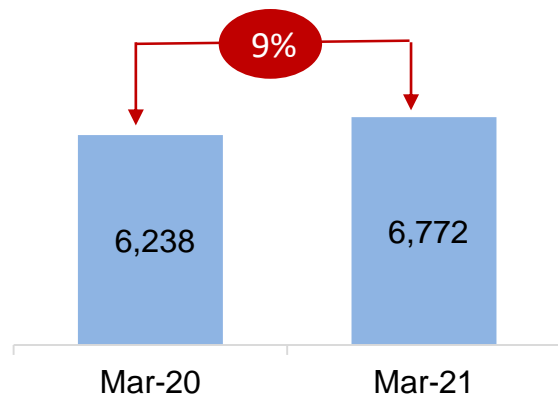


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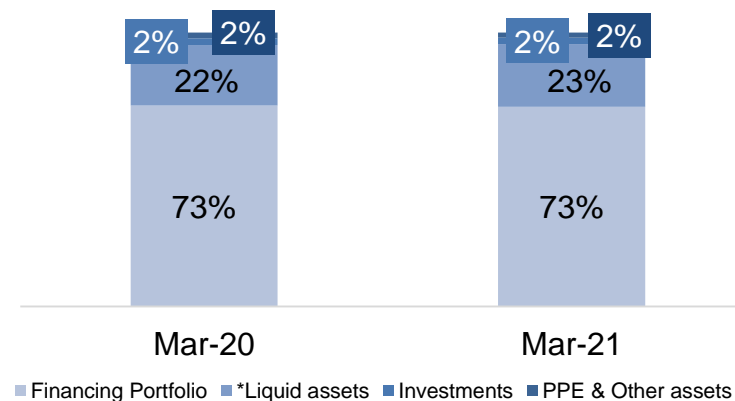
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis
- 3 Balance sheet analysis**
- 4 Capitalisation and Leverage

# Assets and Sources of Funding

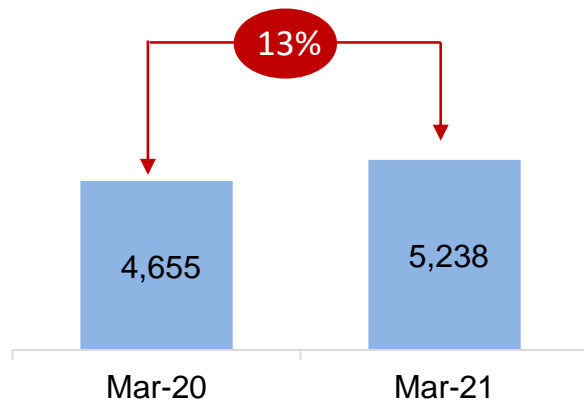
### Total assets (KD Million)



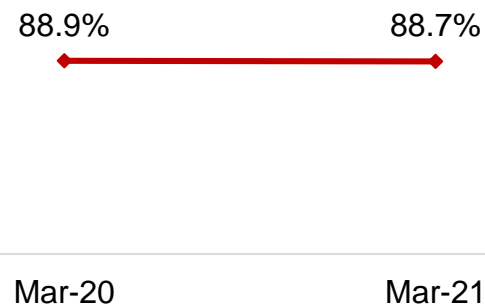
### Composition of assets



### Total deposits (KD Million)



### Financing Portfolio to Deposit Ratio (Local Level)



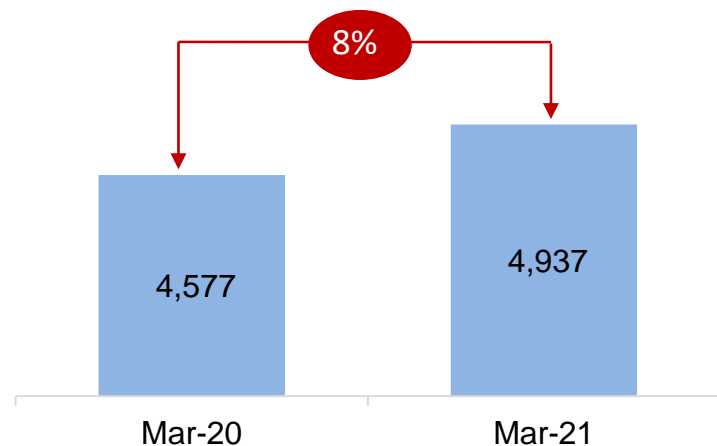
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

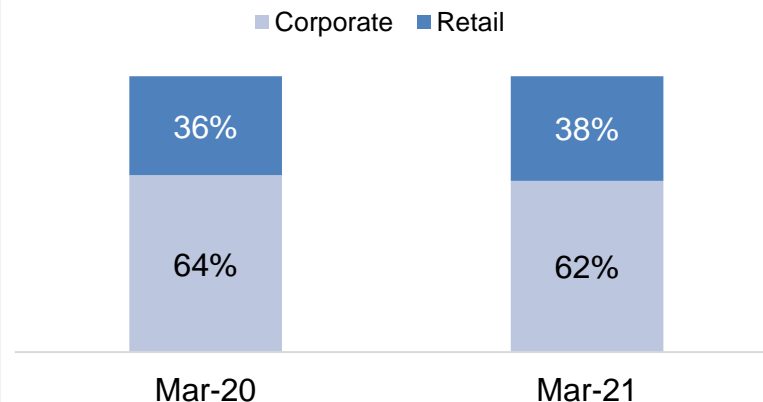
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# Financing Portfolio and asset quality

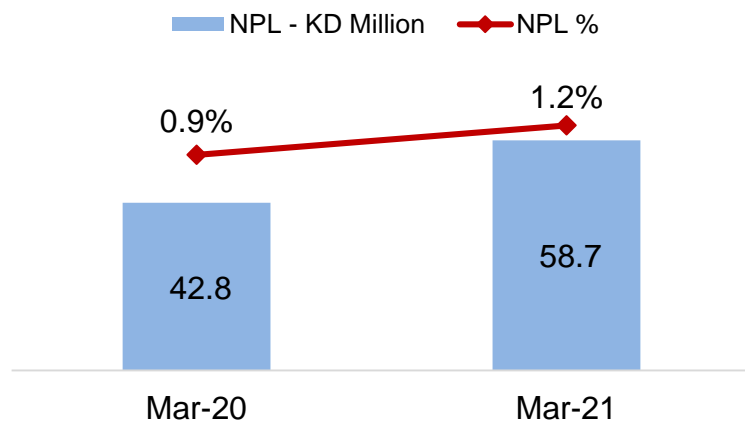
## Financing Portfolio – KD Million



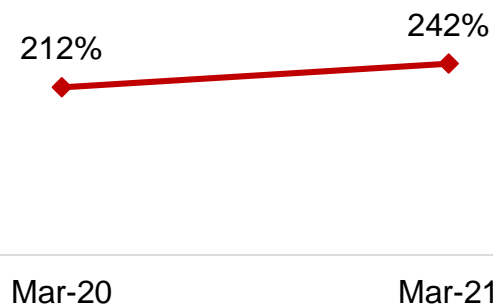
## Composition of Financing Portfolio



## Non performing Financing Portfolio



## Loss Coverage ratio

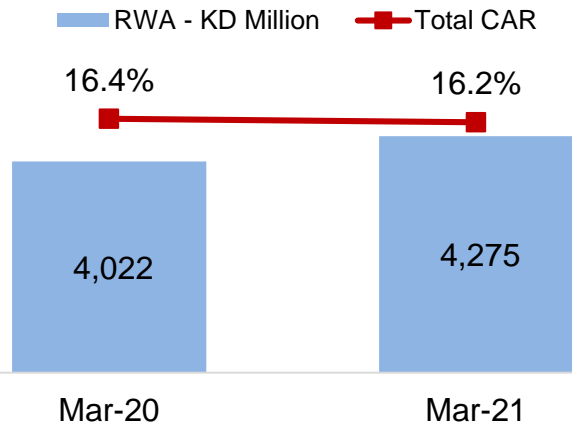


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# Capital Adequacy

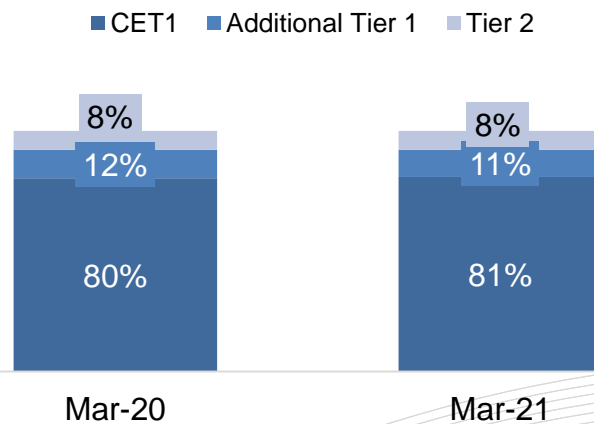
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital





Questions ?

# Appendix

# Consolidated Financial Statements – 3M 2021

CONSOLIDATED STATEMENT OF INCOME	31-Mar	31-Mar
KD Million	2021	2020
<b>Income</b>		
Islamic financing income	54.8	57.9
Financing cost	(16.0)	(25.6)
<b>Net finance income</b>	<b>38.9</b>	<b>32.2</b>
Net investment income	1.5	3.1
Net fees and commission income	3.7	3.8
Net foreign exchange gain	1.1	2.3
<b>Operating Income</b>	<b>45.1</b>	<b>41.4</b>
<b>Expenses</b>		
Staff cost	(13.0)	(11.7)
General and administrative expenses	(4.8)	(4.9)
Depreciation	(2.4)	(2.2)
<b>Total Expenses</b>	<b>(20.3)</b>	<b>(18.8)</b>
<b>Profit before provision for impairment</b>	<b>24.8</b>	<b>22.5</b>
Provision for impairment	(12.0)	(11.5)
<b>Profit before taxes</b>	<b>12.9</b>	<b>11.1</b>
Taxes and board remuneration	(0.5)	(0.7)
Non-Controlling Interests	0.3	(0.1)
<b>Net Profit for the year</b>	<b>12.6</b>	<b>10.2</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Mar	31-Mar
KD Million	2021	2020
<b>Assets</b>		
Cash and balances with banks	291.5	236.3
Deposits with Central Bank of Kuwait	287.0	264.2
Deposits with other banks	478.4	488.3
Islamic financing to customers	4,936.8	4,576.7
Investments in Sukuks	492.1	390.6
Other investment securities	102.7	94.9
Investments in associates	3.9	4.9
Investment properties	47.4	47.2
Other assets	38.8	45.7
Property and Equipment	93.0	89.6
<b>Total Assets</b>	<b>6,771.5</b>	<b>6,238.5</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	477.9	594.0
Depositors' accounts	5,238.3	4,654.7
Medium Term Financing	303.1	232.1
Other liabilities	109.3	100.0
<b>Total liabilities</b>	<b>6,128.6</b>	<b>5,580.9</b>
<b>Equity</b>		
Share capital	302.8	288.4
Share premium	156.9	156.9
Treasury shares	(0.1)	(0.1)
Statutory reserve	35.5	31.8
Voluntary reserve	30.5	30.5
Other Reserves	(18.7)	(42.9)
Accumulated retained earnings / (losses)	26.8	86.4
<b>Equity attributable to equity holders of the bank</b>	<b>533.8</b>	<b>551.1</b>
Perpetual Tier 1 Sukuk	75.4	75.4
Non-controlling interest	33.7	31.2
<b>Total equity</b>	<b>642.9</b>	<b>657.6</b>
<b>Total liabilities and equity</b>	<b>6,771.5</b>	<b>6,238.5</b>

# 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	523.0	318.4	309.3
Other investment securities	99.1	89.2	73.5
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
Treasury shares	(0.1)	(0.1)	(0.6)
Statutory reserve	35.5	31.8	25.3
Voluntary reserve	30.5	30.5	24.2
Other Reserves	(22.0)	(8.4)	(5.0)
Accumulated retained earnings / (losses)	14.1	76.2	62.7
<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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