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Ref: 4836/2023

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الإشارة: 2023/4836

**Mr. Mohammad Saud Al-Osaimi**  
**CEO**  
**Boursa Kuwait**

السيد/ محمد سعود العصيمي المحترم  
الرئيس التنفيذي  
بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ،،،

**PowerPoint Presentation of Third Quarter  
of 2023 Analysts' Conference Call**

**العرض التقديمي لمؤتمر المحللين للربع الثالث  
لسنة 2023**

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 third quarter for the year 2023 held via Live Webcast at 01:00 pm (Local Time) on Monday, 23October 2023 , noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثالث لسنة 2023 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الأثنين الموافق 23 أكتوبر 2023 ؛ 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**  
**& Group Chief Executive Officer**



عادل عبد الوهاب الماجد  
نائب رئيس مجلس الإدارة  
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# **Boubyan Bank Investor Presentation**

## **Q3 2023 Results**

23rd October 2023

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## Outline

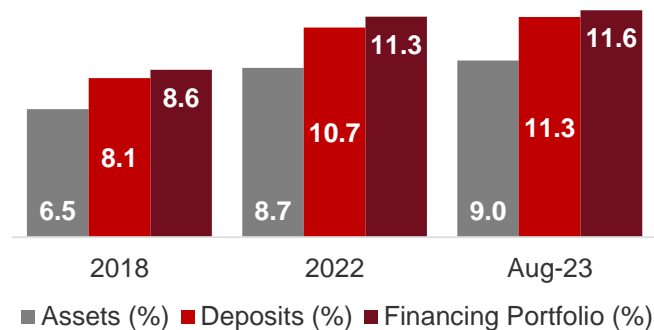
- 1** Boubyan's Performance & Strategy – At a Glance
- 2** Income Statement Analysis
- 3** Balance Sheet Analysis
- 4** Capitalization & Leverage

# Financial Highlights

## Financial Snapshot

<i>KD million</i>	9M 2023	9M 2022	Growth %
Net Profit to shareholders	61.1	48.6	26%
Operating Income	163.2	153.1	7%
Operating Profit	82.7	79.1	5%
Total Assets	8,201	7,757	6%
Financing Portfolio	6,088	5,814	5%
Customer Deposits	6,287	5,807	8%
Earnings per share (Fils)	13.89	11.07	25%

## Market Share (%)



## Key Financial Metrics

	9M 2023	9M 2022	Variance
Return on Average Equity (%)	9.3	8.7	0.6
Return on Average Assets (%)	1.0	0.9	0.1
Cost to Income (%)	49.3	48.3	1.0
NPL Ratio (%)	1.1	1.0	0.1
Capital Adequacy Ratio (%)	17.8	19.2	(1.4)

Source: Financial statements, Boubyan analysis

## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A2	Stable	May 2023
STANDARD & POOR'S	A	Stable	Nov 2022
FitchRatings	A (xgs: BBB)	Stable	Sep 2023

# The Bank's Strategy Builds on Robust Domestic Foundations

## Strategic Objectives

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**Scale up the core business both domestically and internationally**

### 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

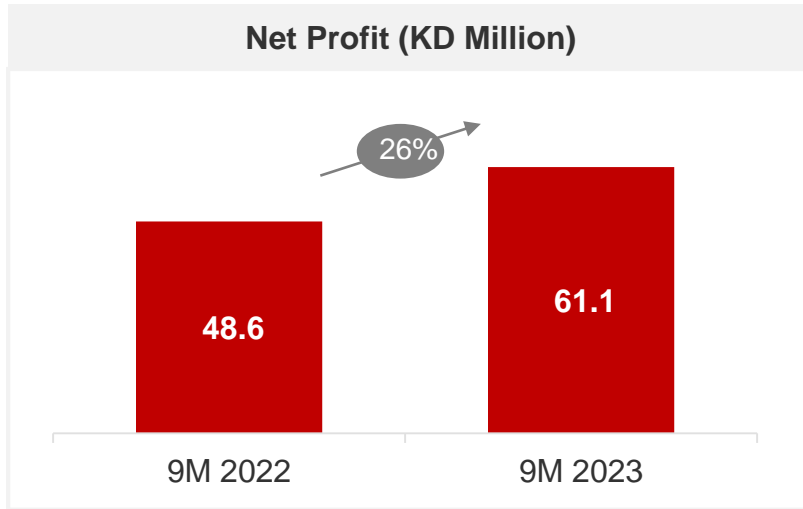
- Scale the PB/WM management operating model
  - Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
  - Grow market share
-

## Outline

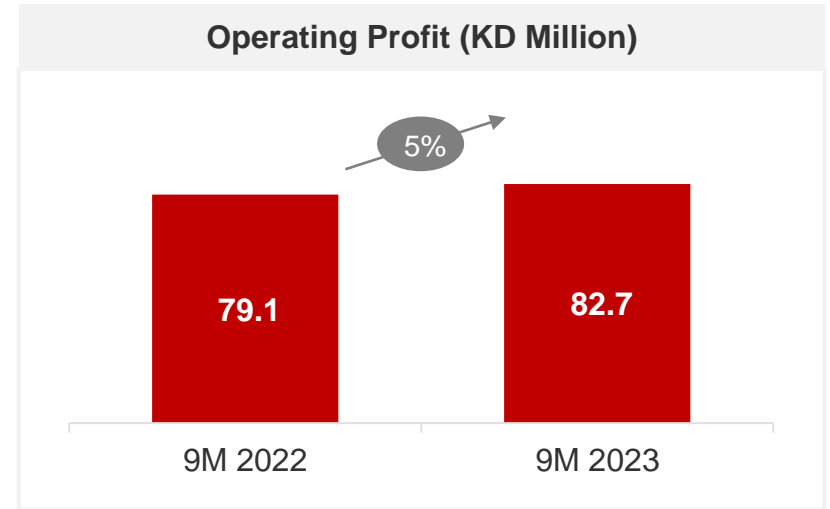
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## Profitability & Performance Ratio

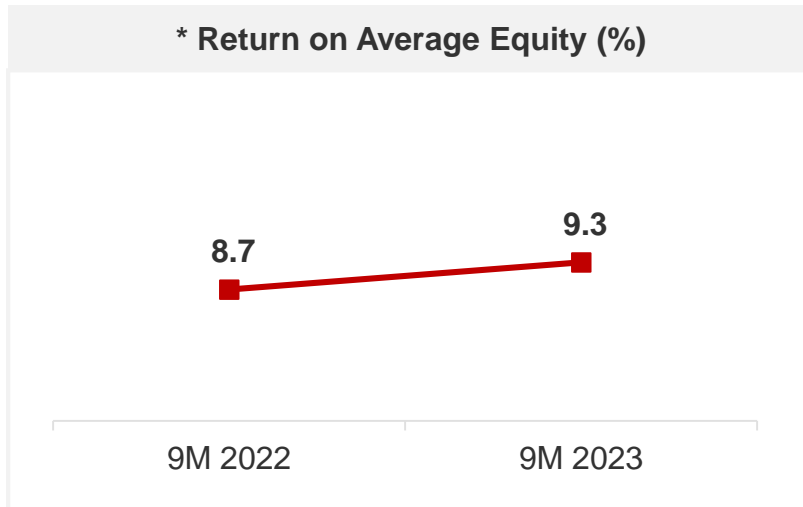
### Net Profit (KD Million)



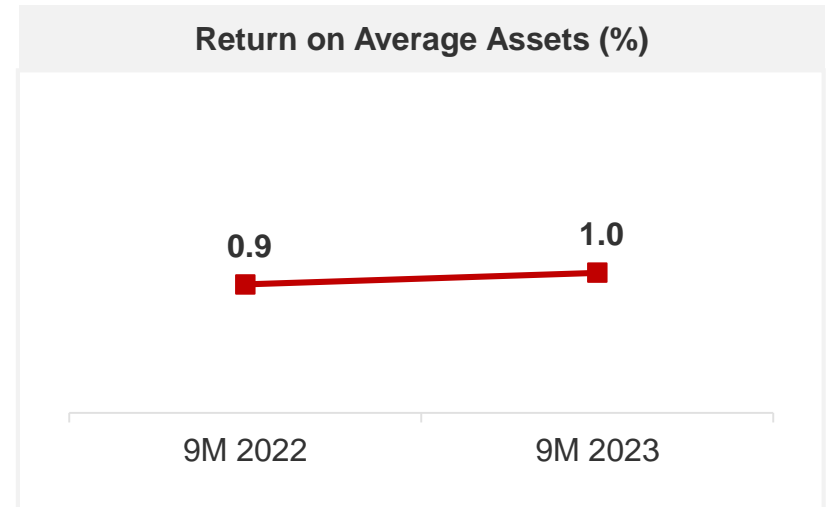
### Operating Profit (KD Million)



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



### Return on Average Assets (%)

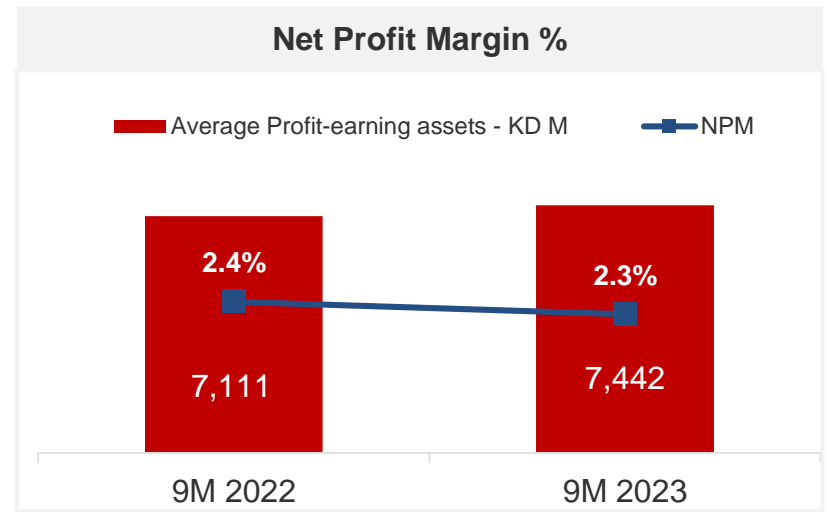
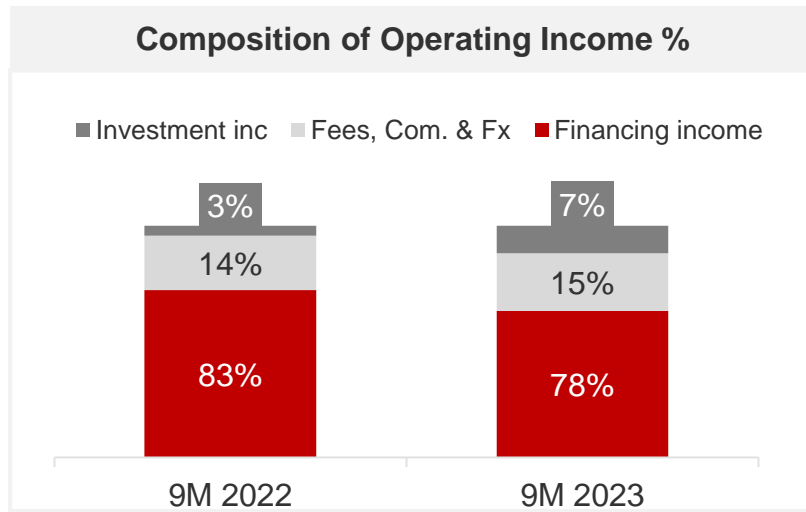
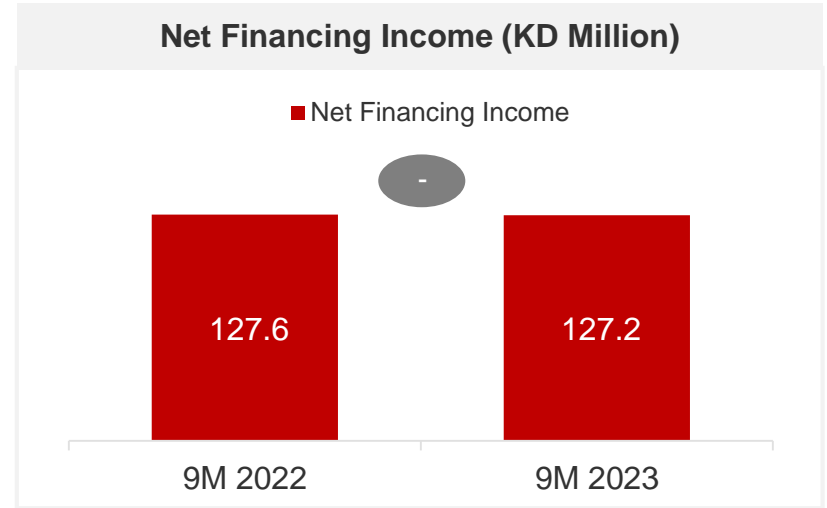
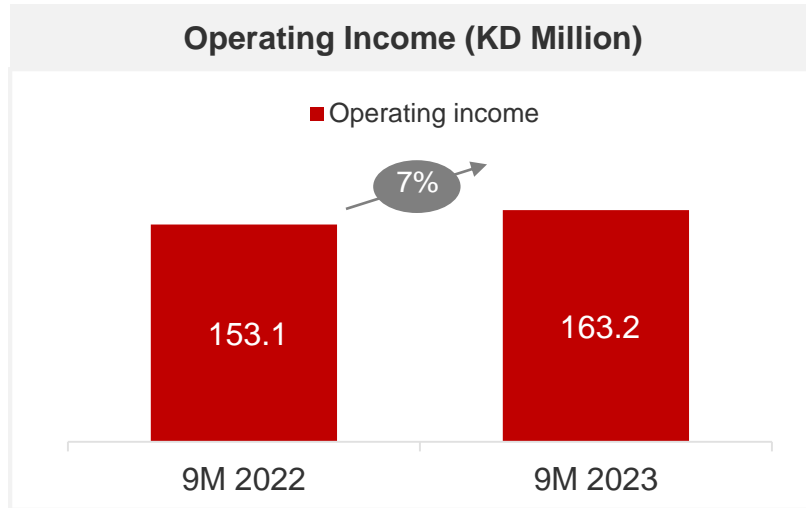


\* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.

Source: Financial statements, Boubyan analysis

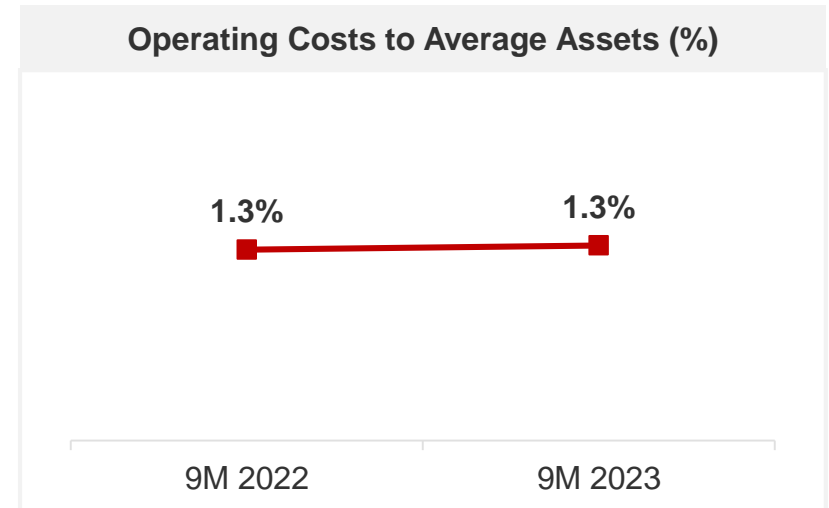
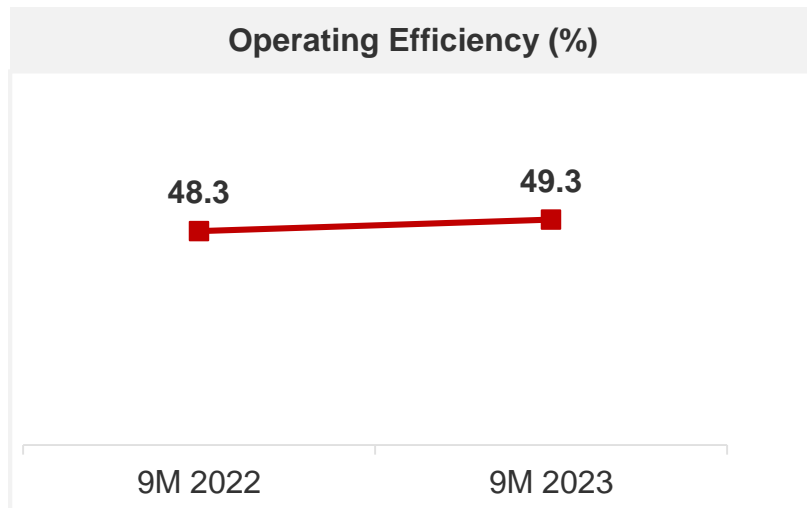
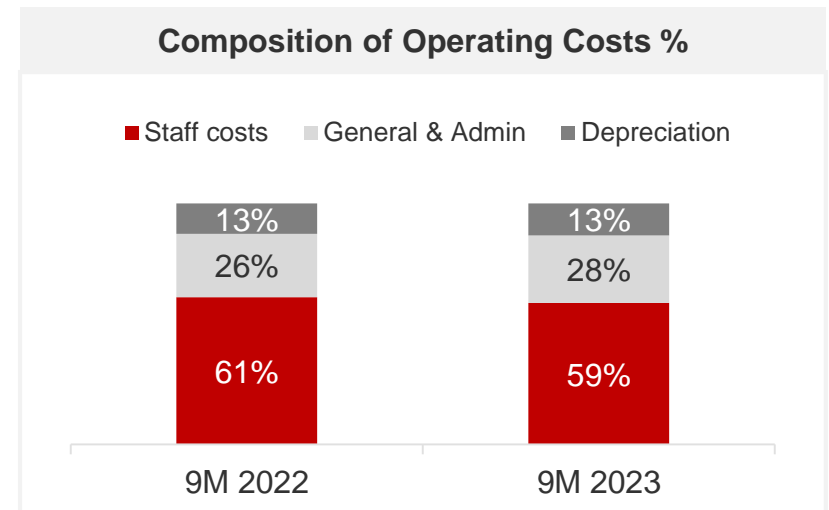
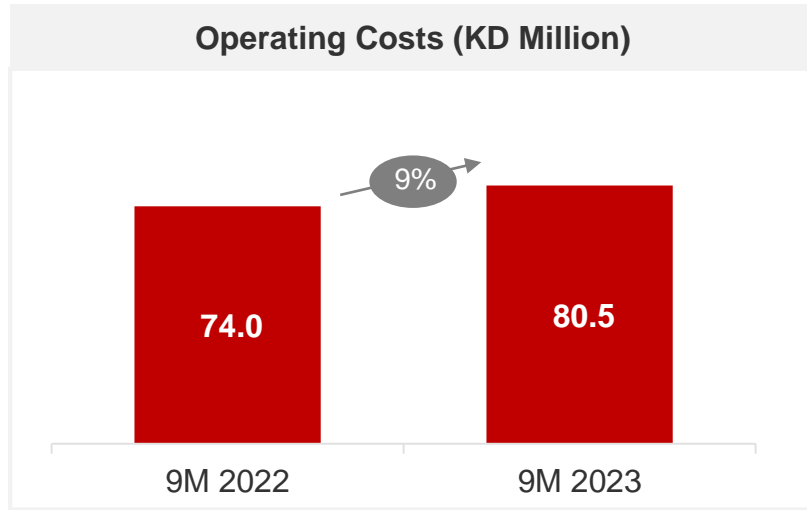


## Operating income components and Net Profit Margins



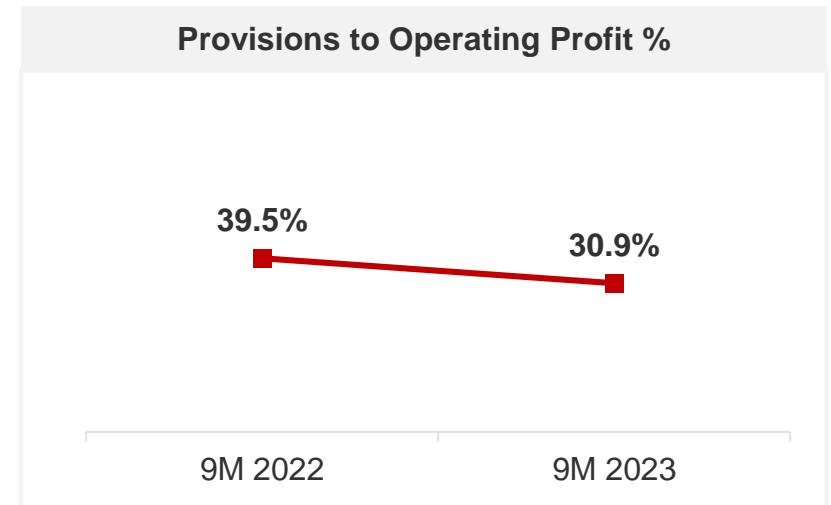
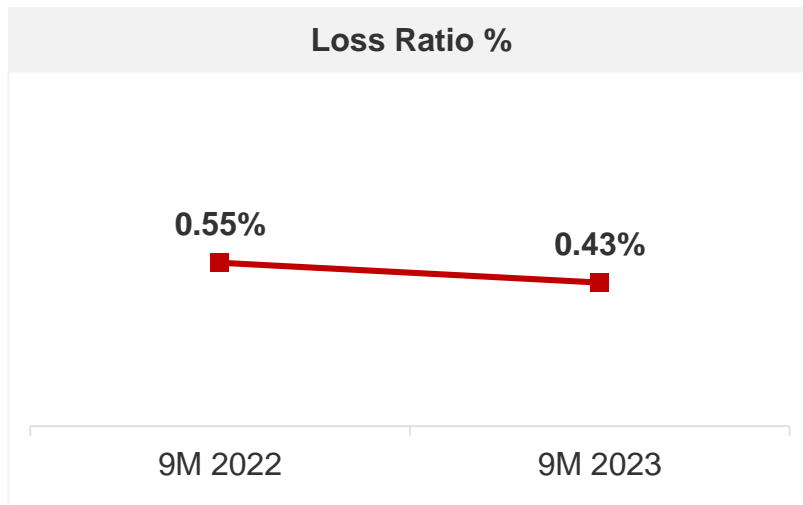
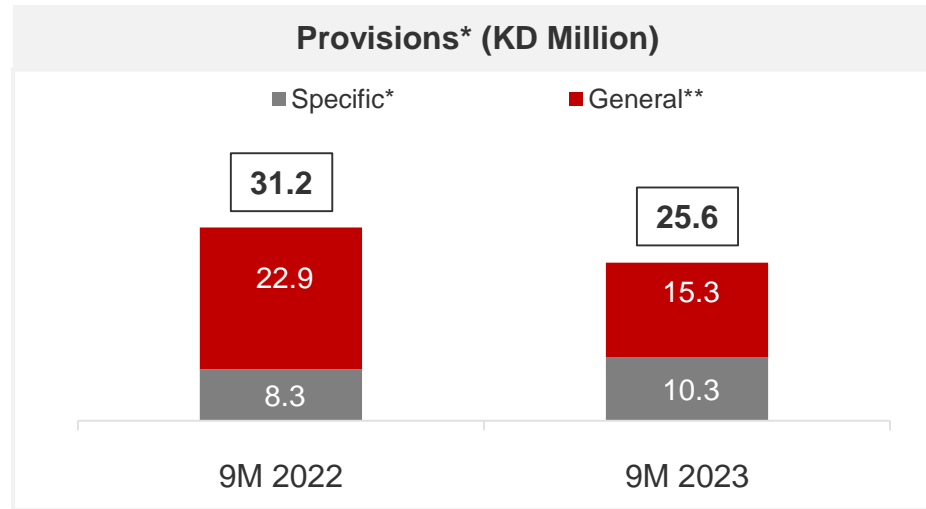
Source: Financial statements, Boubyan analysis

## Operating Costs & Efficiency



Source: Financial statements, Boubyan analysis

## Provisions & Related Ratios



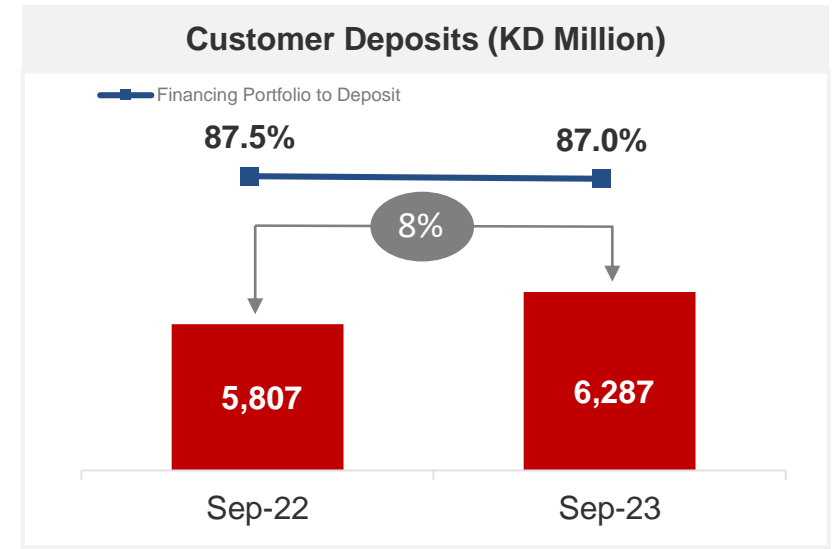
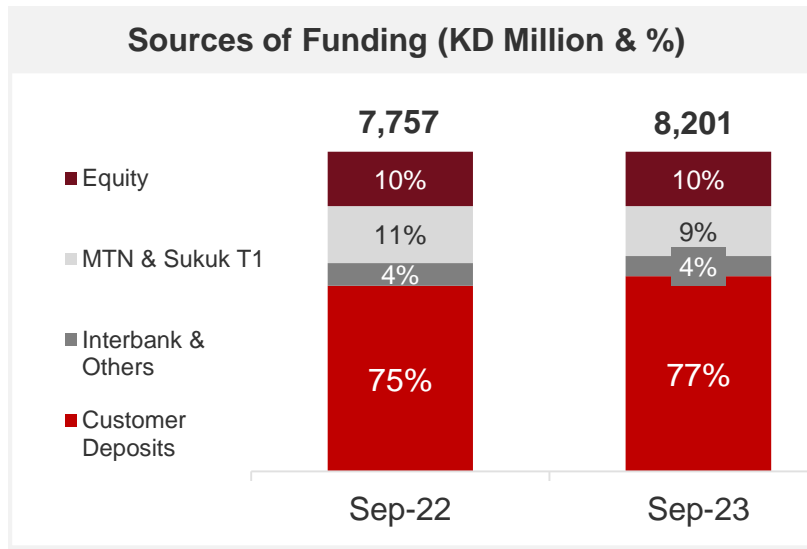
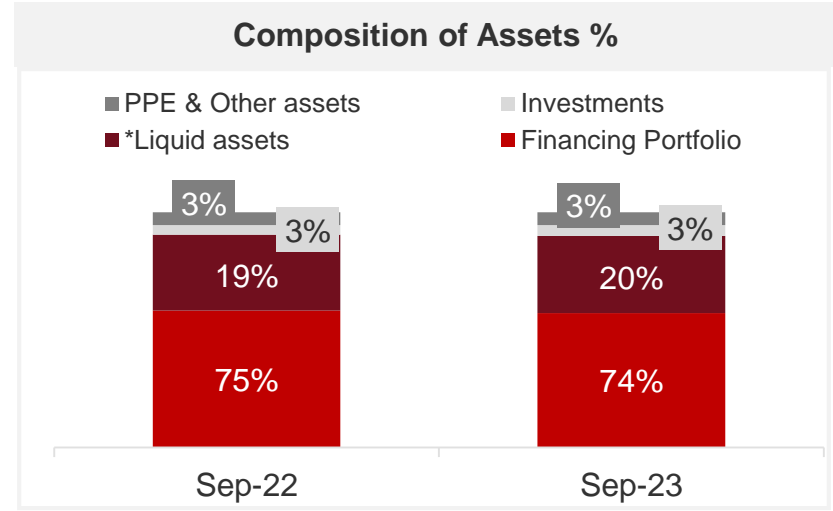
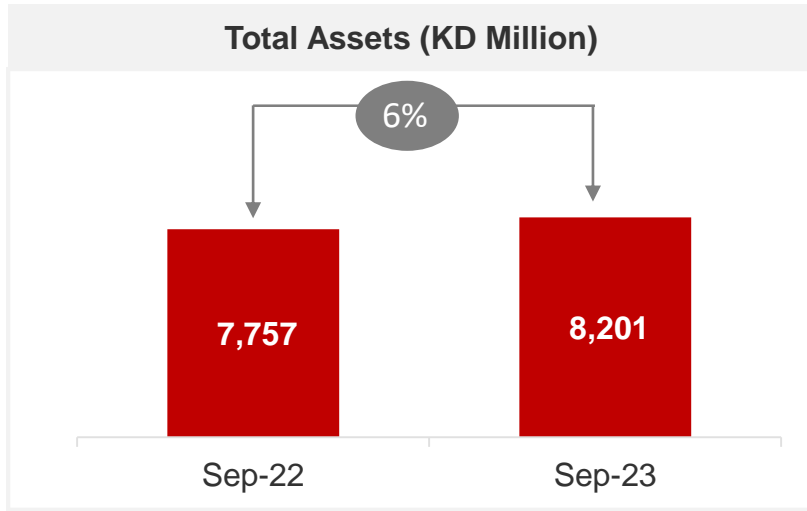
\* Specific Provisions are shown inclusive of ECL – Other Financial Assets

\*\* General Provisions are shown inclusive of Contingent Provisions

## Outline

- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis
- 3 Balance Sheet Analysis**
- 4 Capitalization & Leverage

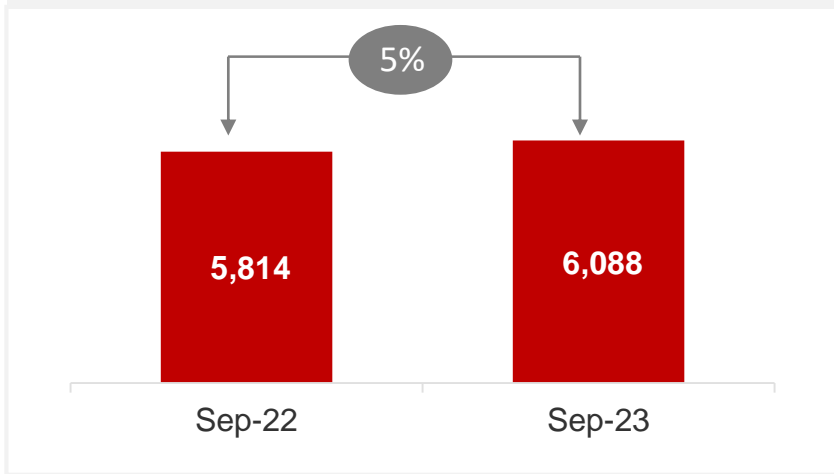
# Assets & Sources of Funding



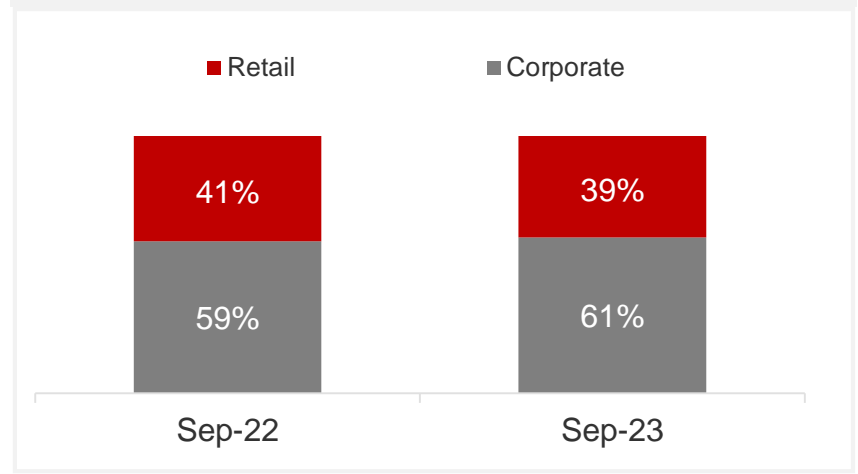
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments  
 Source: Financial statements, Boubyan analysis

# Financing Portfolio & Asset Quality

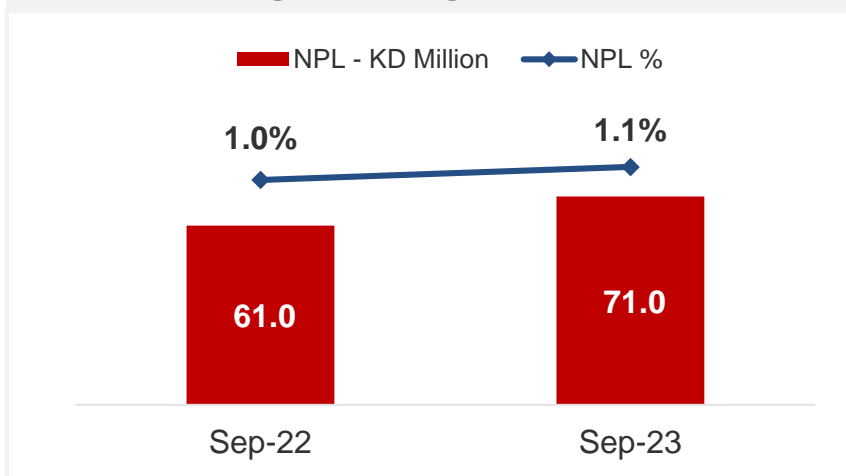
Financing Portfolio – KD Million



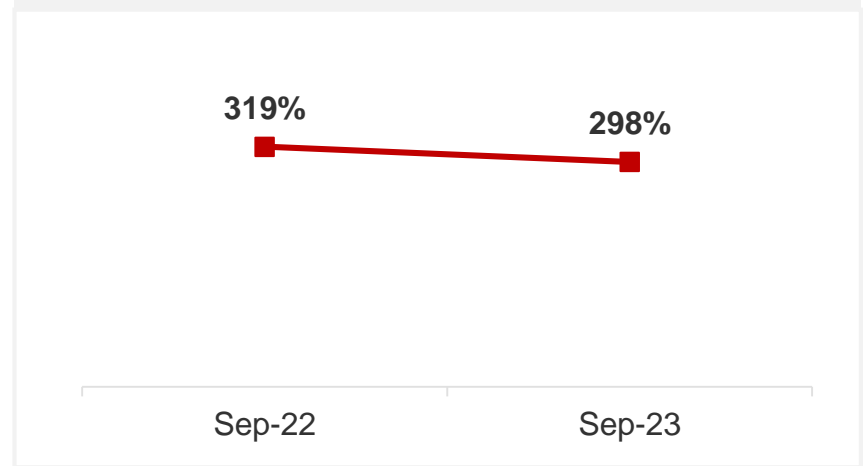
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



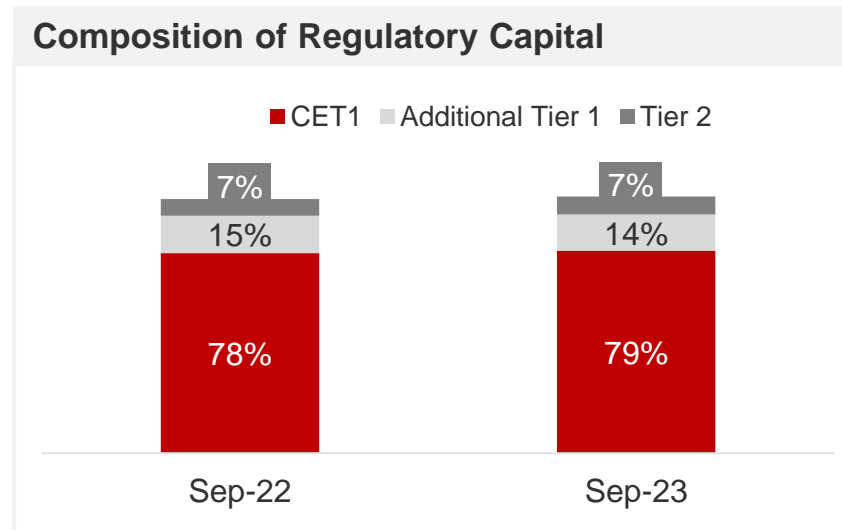
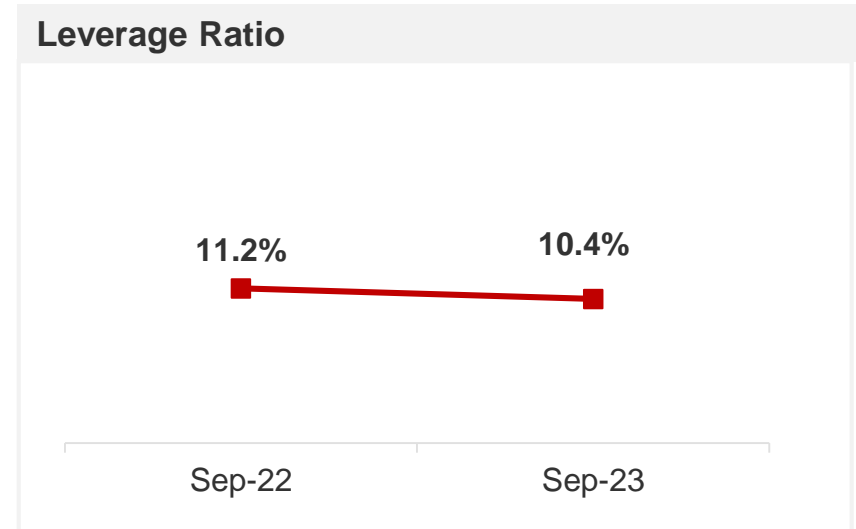
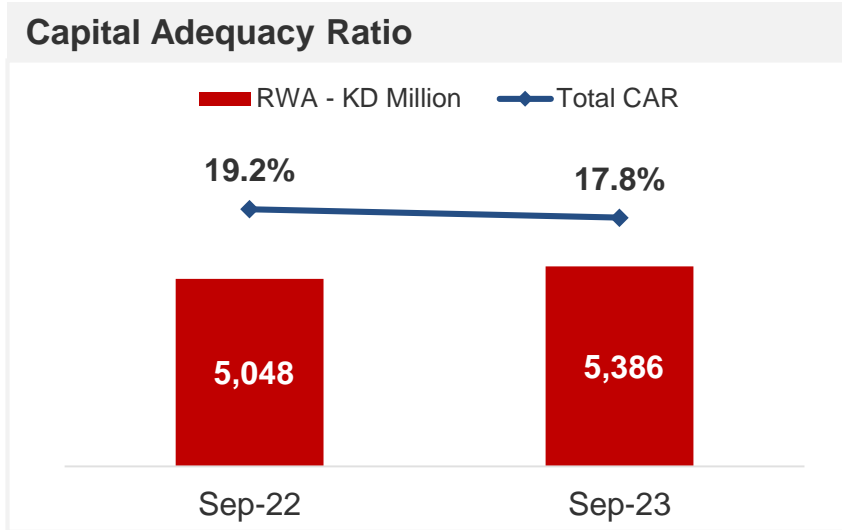
Loss Coverage Ratio



## Outline

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# Capital Adequacy



Source: Regulatory returns



# Questions?

# Appendix

# Consolidated Financial Statements – Q3 2023

CONSOLIDATED STATEMENT OF INCOME	30-Sep	30-Sep
KD Million	2023	2022
<b>Income</b>		
Islamic financing income	291.1	200.2
Financing cost	(163.8)	(72.5)
<b>Net finance income</b>	<b>127.2</b>	<b>127.6</b>
Net investment income	12.5	3.9
Net fees and commission income	18.9	17.2
Net foreign exchange gain	4.7	4.4
<b>Operating Income</b>	<b>163.2</b>	<b>153.1</b>
<b>Expenses</b>		
Staff cost	(47.3)	(45.2)
General and administrative expenses	(22.5)	(19.5)
Depreciation	(10.7)	(9.3)
<b>Total Expenses</b>	<b>(80.5)</b>	<b>(74.0)</b>
<b>Profit before provision for impairment</b>	<b>82.7</b>	<b>79.1</b>
Provision for impairment	(25.6)	(31.2)
<b>Profit before taxes</b>	<b>57.1</b>	<b>47.8</b>
Taxes and board remuneration	1.5	(2.2)
Non-Controlling Interests	2.4	3.0
<b>Net Profit for the year</b>	<b>61.1</b>	<b>48.6</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Sep	30-Sep
KD Million	2023	2022
<b>Assets</b>		
Cash and balances with banks	458	321
Deposits with Central Bank of Kuwait	302	397
Deposits with other banks	101	236
Islamic financing to customers	6,088	5,814
Investments in Sukuks	754	547
Other investment securities	156	154
Investment properties	72	31
Other assets	125	137
Property and Equipment	144	120
<b>Total Assets</b>	<b>8,201</b>	<b>7,757</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	187	225
Depositors' accounts	6,287	5,807
Medium Term Financing	592	645
Other liabilities	125	107
<b>Total liabilities</b>	<b>7,191</b>	<b>6,784</b>
<b>Equity</b>		
Share capital	396	374
Share premium	317	317
Treasury shares	(0)	(0)
Reserves	63	55
Retained earnings	60	46
<b>Equity attributable to equity holders of the bank</b>	<b>836</b>	<b>793</b>
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	23	29
<b>Total equity</b>	<b>1,010</b>	<b>972</b>
<b>Total liabilities and equity</b>	<b>8,201</b>	<b>7,757</b>

## Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME	31-Dec	31-Dec	31-Dec
KD Million	2022	2021	2020
<b>Income</b>			
Islamic financing income	283.7	223.2	223.1
Financing cost	(116.5)	(65.7)	(84.2)
<b>Net finance income</b>	<b>167.2</b>	<b>157.5</b>	<b>138.9</b>
Net investment income	6.8	8.8	6.8
Net fees and commission income	21.1	16.8	12.3
Net foreign exchange gain	6.2	4.7	5.2
Other Income	0.0	0.0	4.3
<b>Operating Income</b>	<b>201.4</b>	<b>187.8</b>	<b>167.5</b>
<b>Expenses</b>			
Staff cost	(60.3)	(52.4)	(45.2)
General and administrative expenses	(28.2)	(25.2)	(20.0)
Depreciation	(12.4)	(9.6)	(9.2)
<b>Total Expenses</b>	<b>(100.8)</b>	<b>(87.2)</b>	<b>(74.4)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>100.6</b>	<b>93.1</b>
Provision for impairment	(43.7)	(50.8)	(59.0)
<b>Profit before taxes</b>	<b>56.9</b>	<b>49.8</b>	<b>34.1</b>
Taxes and board remuneration	(2.7)	(1.8)	(0.5)
Non-Controlling Interests	3.5	0.5	0.9
<b>Net Profit for the year</b>	<b>57.8</b>	<b>48.5</b>	<b>34.4</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
<b>Assets</b>			
Cash and balances with banks	533.2	533.2	286.7
Deposits with Central Bank of Kuwait	247.8	247.8	336.9
Deposits with other banks	131.7	131.7	180.1
Islamic financing to customers	5,913.5	5,913.5	4,823.3
Investments in Sukuks	609.6	609.6	523.0
Other investment securities	152.6	152.6	99.1
Investment properties	33.6	33.6	47.1
Other assets	130.1	130.1	49.5
Property and Equipment	128.6	128.6	91.4
<b>Total Assets</b>	<b>7,880.8</b>	<b>7,880.8</b>	<b>6,437.1</b>
<b>Liabilities</b>			
Due to banks	198.7	198.7	281.4
Depositors' accounts	5,961.7	5,961.7	5,107.7
Medium Term Financing	637.6	637.6	305.5
Other liabilities	103.0	103.0	115.8
<b>Total liabilities</b>	<b>6,901.1</b>	<b>6,901.1</b>	<b>5,810.4</b>
<b>Equity</b>			
Share capital	373.9	318.0	302.8
Share premium	316.9	156.9	156.9
Proposed bonus share	22.4	15.9	-
Treasury shares	(0.1)	(0.1)	(0.1)
Reserves	58.3	52.8	44.0
Accumulated retained earnings / (losses)	4.7	4.1	14.1
Proposed cash dividends	22.4	15.9	-
<b>Equity attributable to equity holders of the bank</b>	<b>798.6</b>	<b>563.5</b>	<b>517.9</b>
Perpetual Tier 1 Sukuk	150.4	150.4	75.4
Non-controlling interest	30.7	36.2	33.5
<b>Total equity</b>	<b>979.7</b>	<b>750.1</b>	<b>626.7</b>
<b>Total liabilities and equity</b>	<b>7,880.8</b>	<b>7,651.1</b>	<b>6,437.1</b>

**Thank You**