

Kuwait: 19/04/2023

Ref: 4254/2023

**To: The General Manager
Boursa Kuwait**

Dear Sir,

**PowerPoint Presentation of First quarter
Analysts' Conference Call**

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.

We attach herewith a copy of the PowerPoint Presentation of Analysts' Conference Call for the first quarter for the year 2023 held via Live Webcast at 01:00 pm (Local Time) on Wednesday, April 19th 2023, noting that there was no material information disclosed over the call.

Best regards,

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

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السيد / محمد سعود العصيمي
المحترم
الرئيس التنفيذي - شركة بورصة الكويت
السلام عليكم ورحمة الله وبركاته وبعد ...

العرض التقديمي لمؤتمر المحللين للربع الأول

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.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الأول 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 الأربعاء الموافق 2023/04/19 ؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

وتفضلوا بقبول فائق الاحترام ...



عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة
والرئيس التنفيذي للمجموعة

نعمل باتقان

Boubyan Bank Investor Presentation

Q1 2023 Results

19th April 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

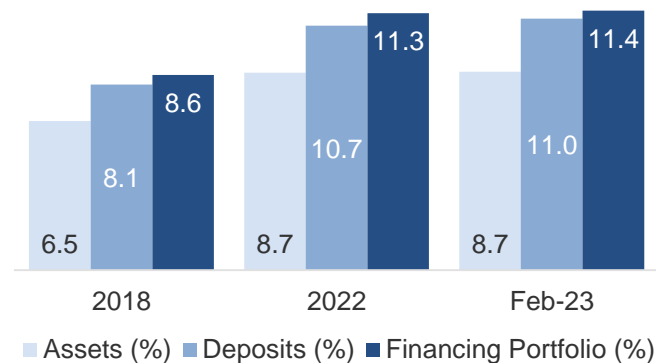
KD million	3M 2023	3M 2022	Growth %
Net Profit to shareholders	20.6	17.0	22%
Operating Income	52.6	49.7	6%
Operating Profit	27.6	26.0	6%
Total Assets	8,031	7,460	8%
Financing Portfolio	5,970	5,671	5%
Customer Deposits	6,220	5,501	13%
Earnings per share (Fils)	4.4	3.7	19%

Key Financial Metrics

	3M 2023	3M 2022	Variance
Return on Average Equity (%)	9.8	11.2	-1.4
Return on Average Assets (%)	1.1	0.9	0.2
Cost to Income (%)	47.6	47.6	-
NPL Ratio (%)	1.1	1.0	0.1
Capital Adequacy Ratio (%)	18.6	15.5	3.1

Source: Financial statements, Boubyan analysis

Market Share (%)



Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A2	Stable	Apr 2022
STANDARD & POOR'S	A	Stable	Nov 2022
FitchRatings	A	Stable	Jan 2023

The Bank's Strategy Builds on Robust Domestic Foundations

Strategic Objectives

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

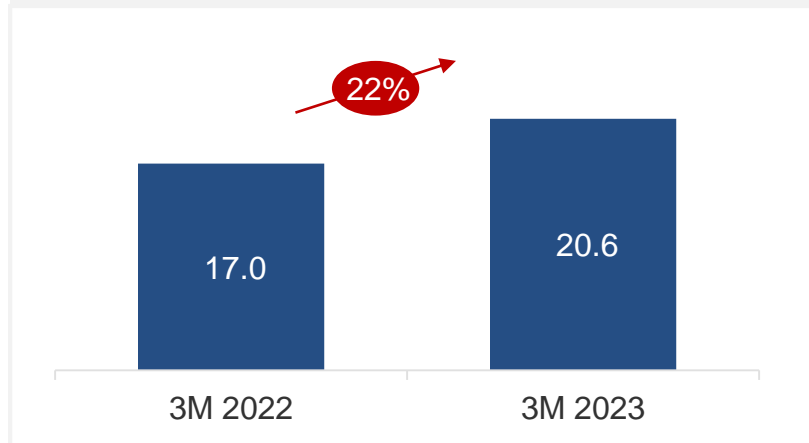
- Scale the PB/WM management operating model
 - Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
 - Grow market share
-

Outline

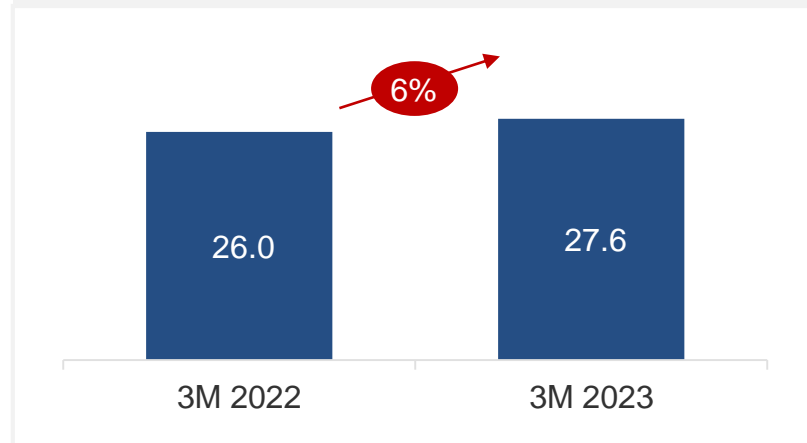
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Profitability & Performance Ratio

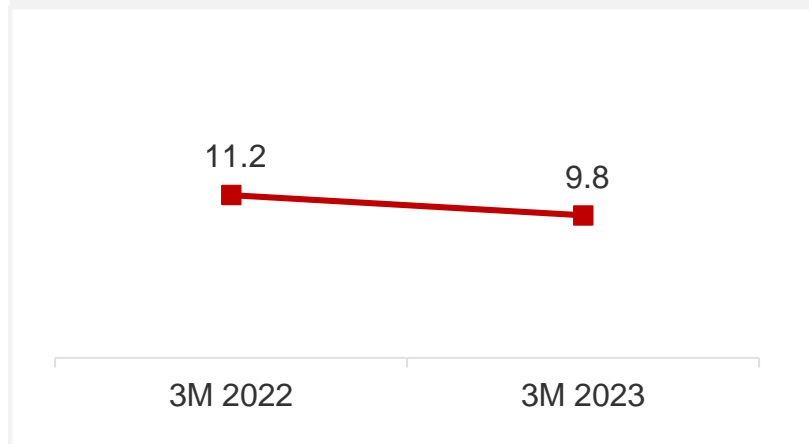
Net Profit (KD Million)



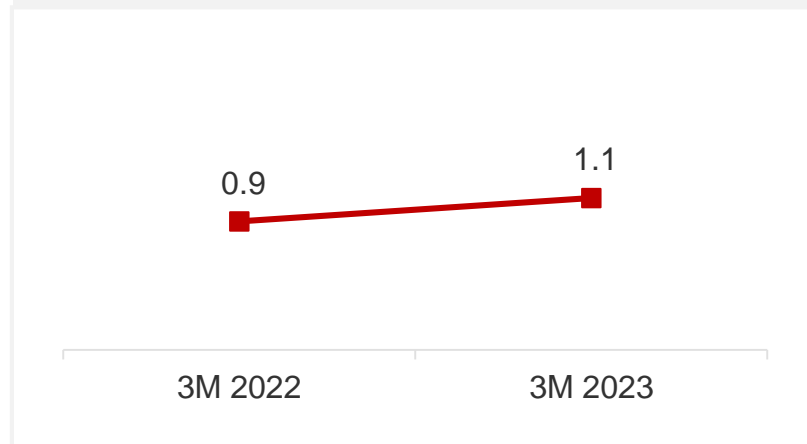
Operating Profit (KD Million)



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



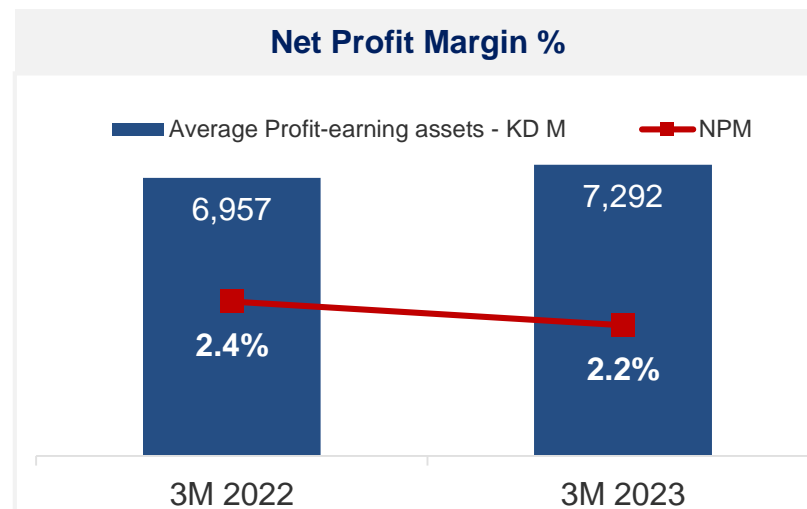
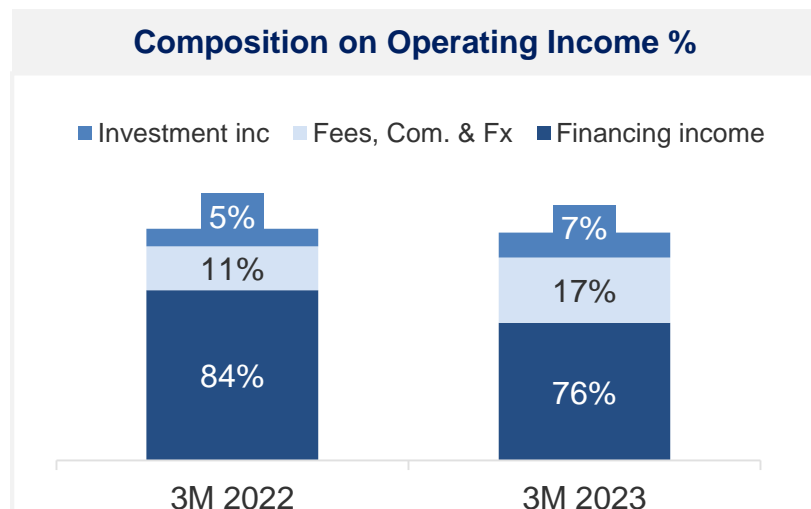
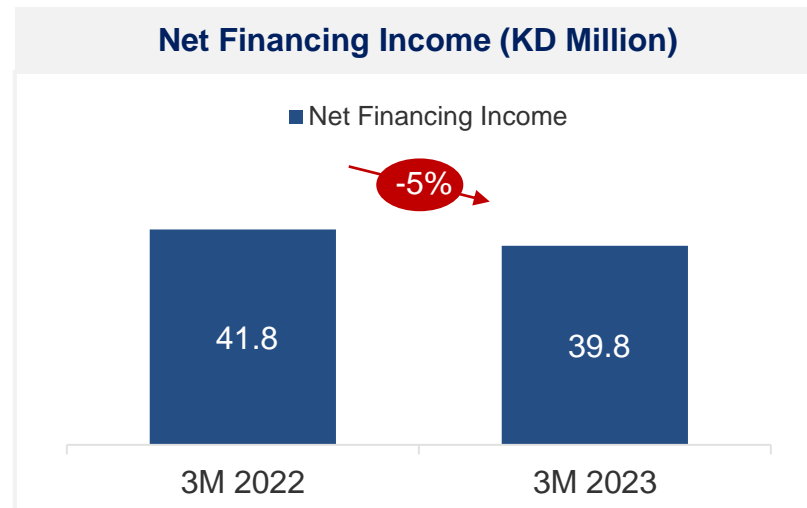
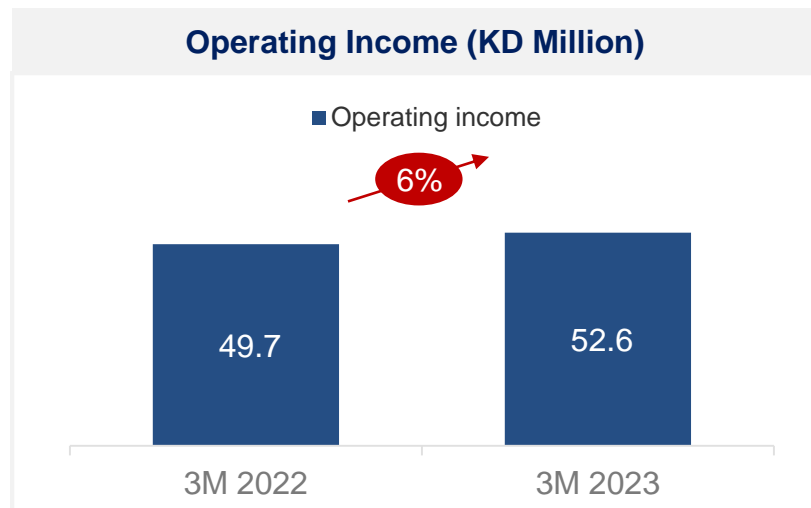
Return on Average Assets (%)



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

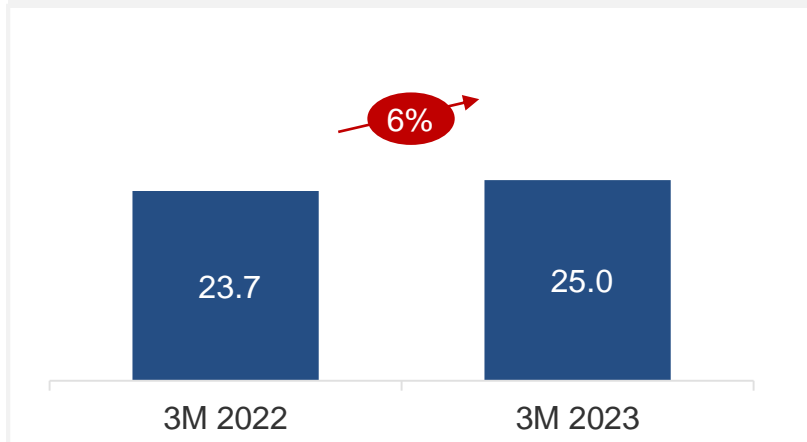
Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins

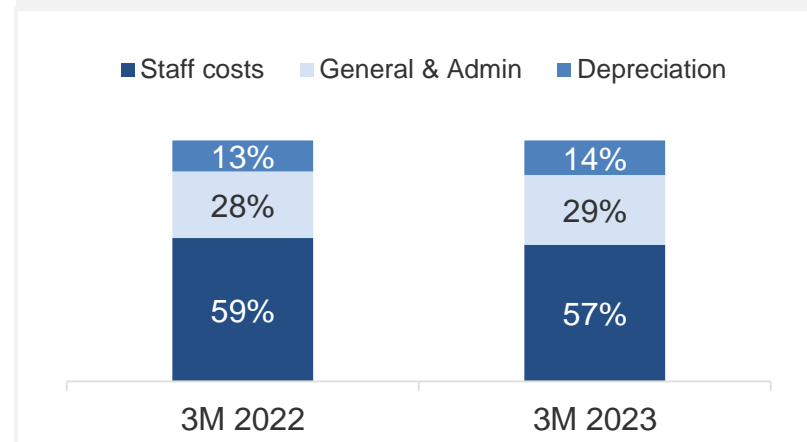


Operating Costs & Efficiency

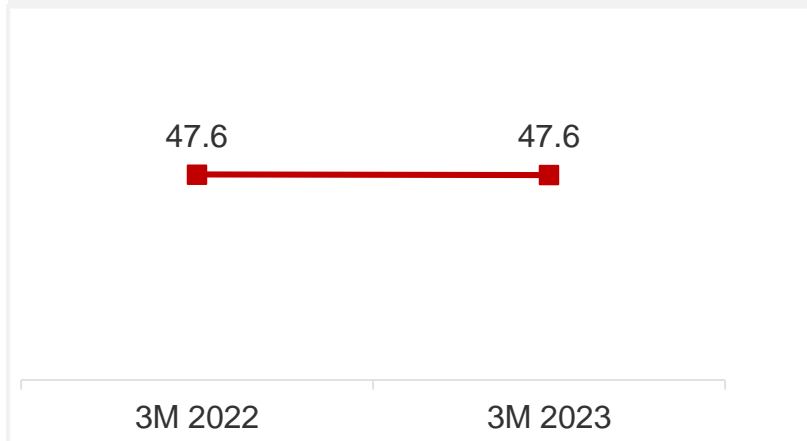
Operating Costs (KD Million)



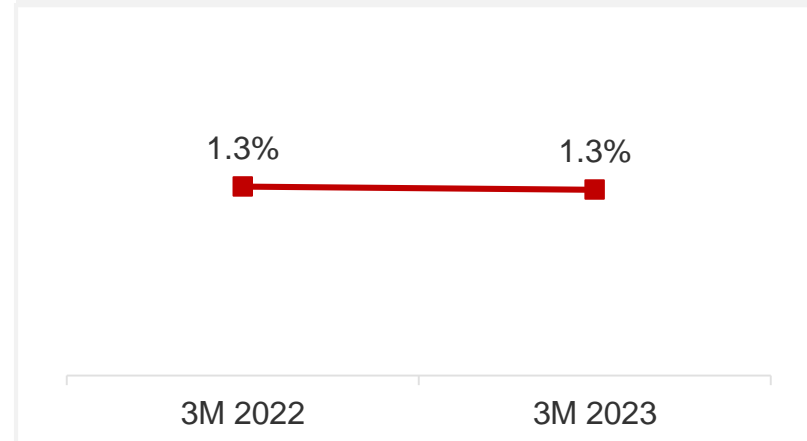
Composition of Operating Costs %



Operating Efficiency (%)

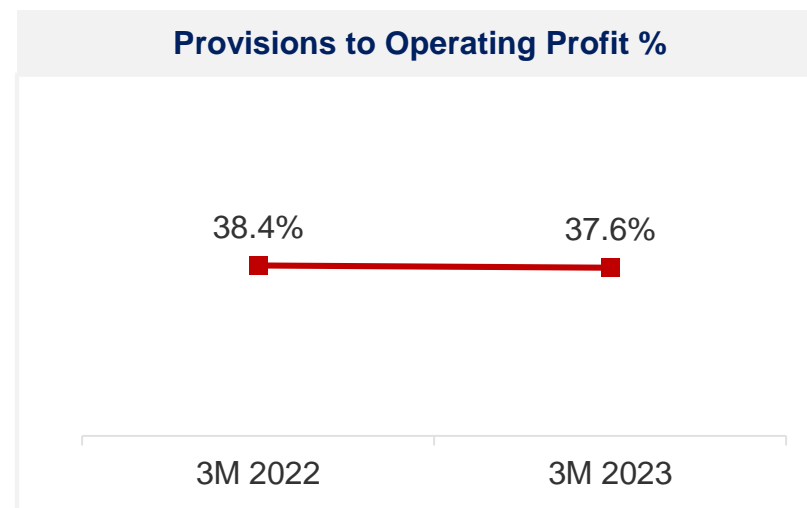
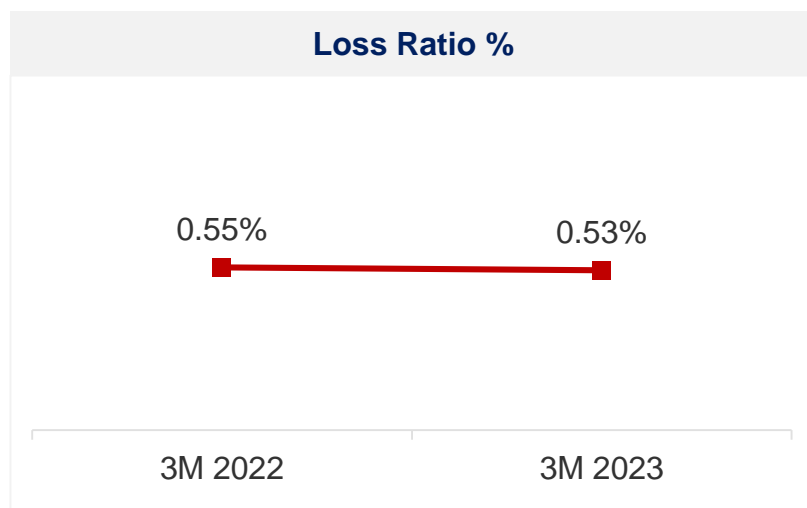
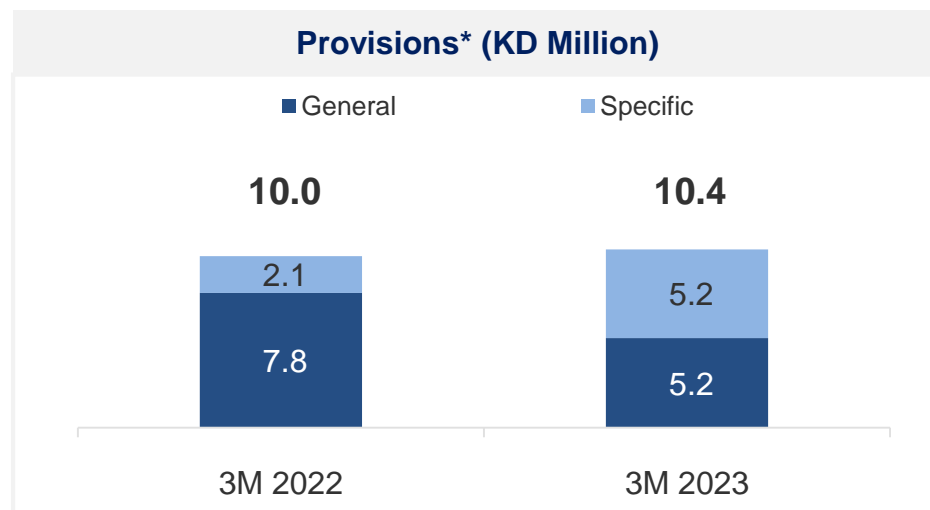


Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

Provisions & Related Ratios



* General Provisions are shown inclusive of contingent provisions

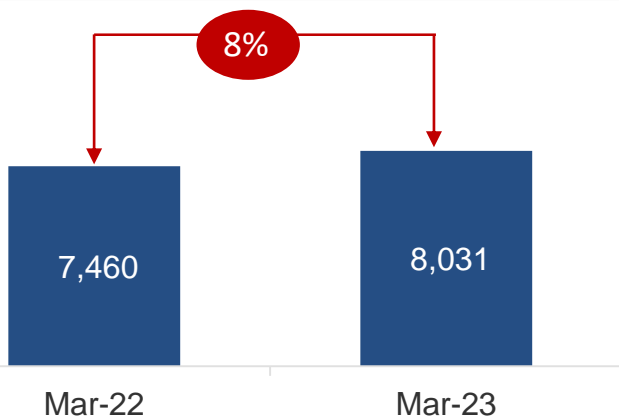
Source: Financial statements, Boubyan analysis

Outline

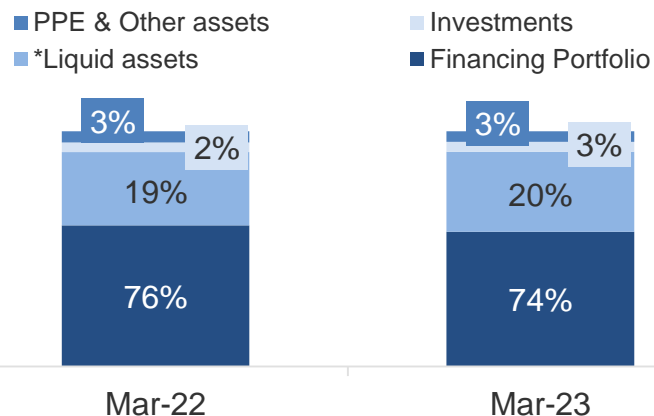
- 1 Boubyan's Performance & Strategy – At a Glance
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Assets & Sources of Funding

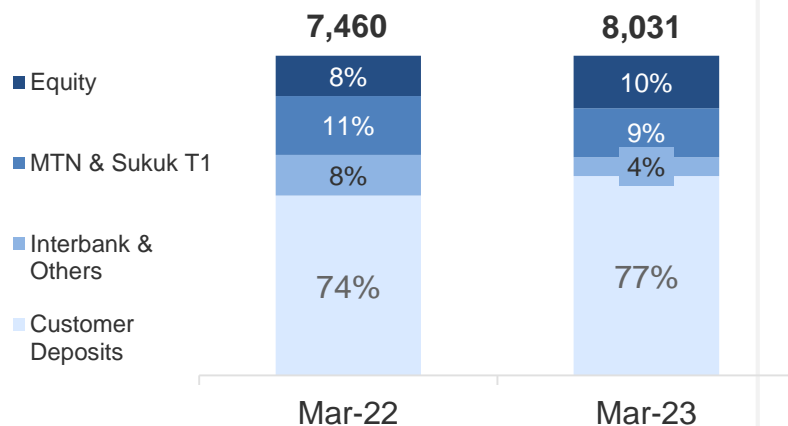
Total Assets (KD Million)



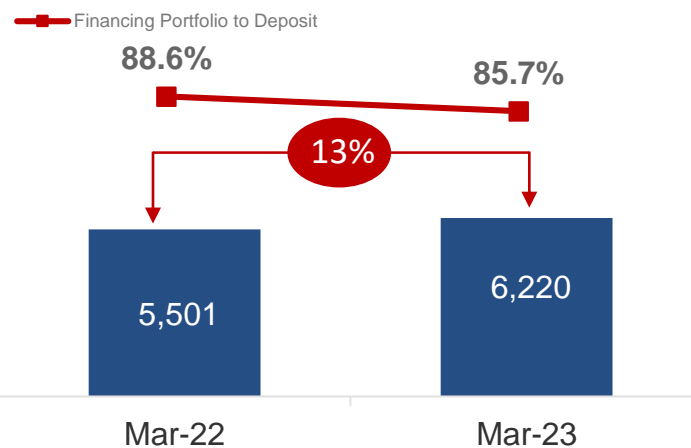
Composition of Assets %



Sources of Funding (KD Million & %)



Customer Deposits (KD Million)

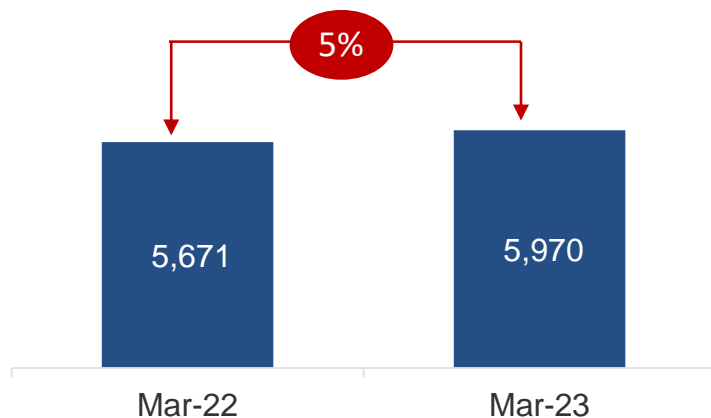


* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

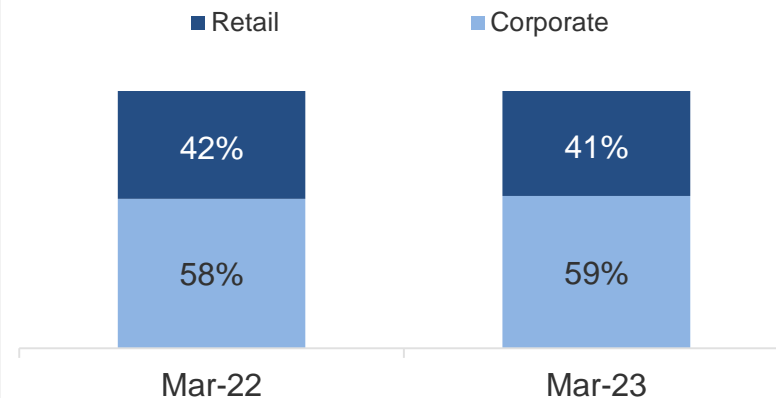
Source: Financial statements, Boubyan analysis

Financing Portfolio & Asset Quality

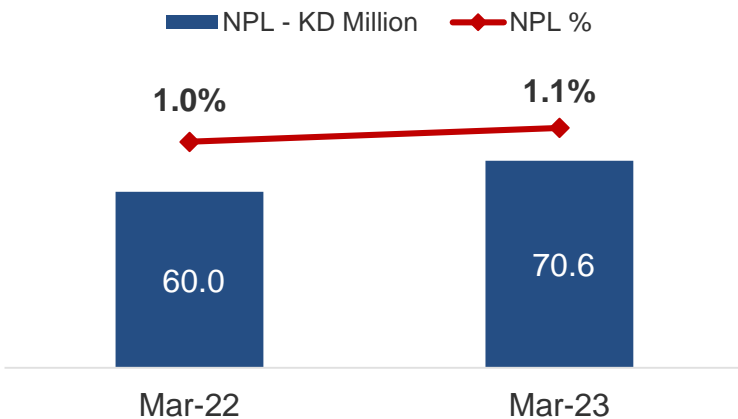
Financing Portfolio – KD Million



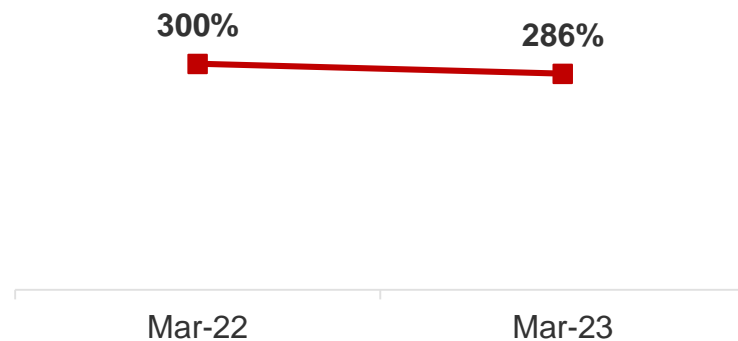
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



Loss Coverage Ratio

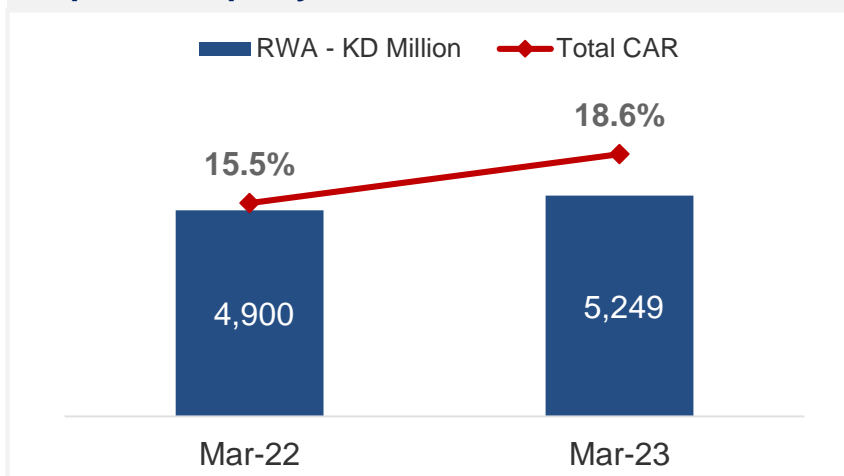


Outline

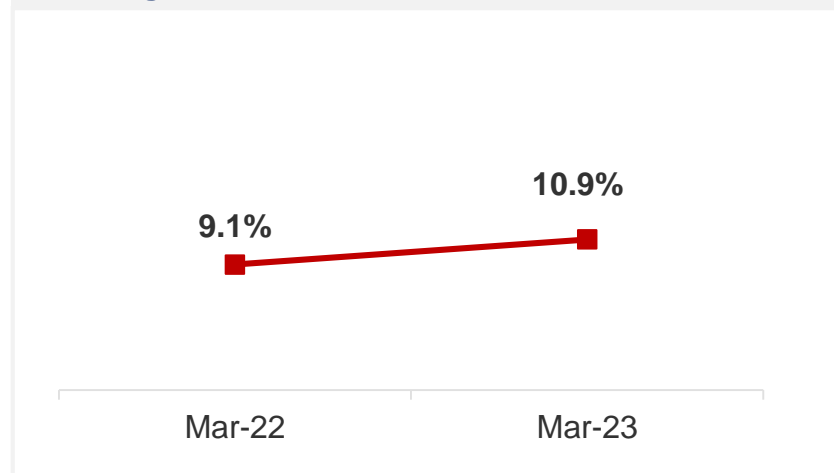
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Capital Adequacy

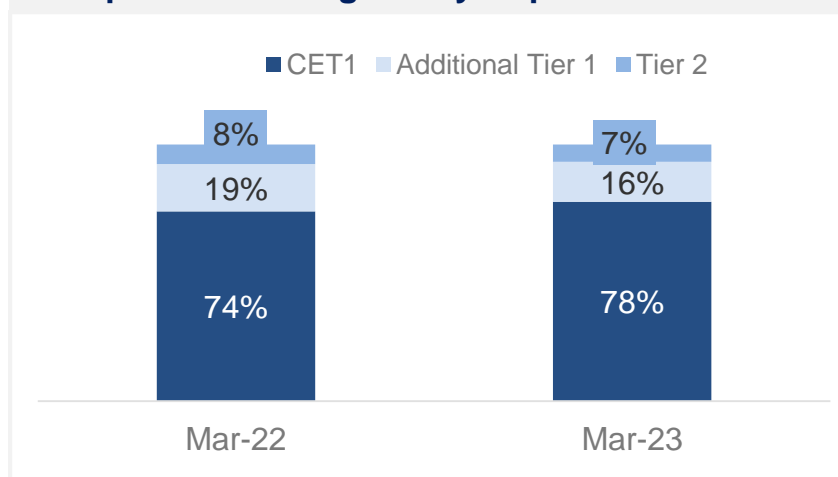
Capital Adequacy Ratio



Leverage Ratio



Composition of Regulatory Capital



Questions?

Appendix

Consolidated Financial Statements – Q1 2023

CONSOLIDATED STATEMENT OF INCOME	31-Mar	31-Mar
KD Million	2023	2022
Income		
Islamic financing income	91.0	59.5
Financing cost	(51.3)	(17.7)
Net finance income	39.8	41.8
Net investment income	3.9	2.2
Net fees and commission income	7.8	4.6
Net foreign exchange gain	1.0	1.1
Operating Income	52.6	49.7
Expenses		
Staff cost	(14.2)	(14.1)
General and administrative expenses	(7.3)	(6.5)
Depreciation	(3.6)	(3.1)
Total Expenses	(25.0)	(23.7)
Profit before provision for impairment	27.6	26.0
Provision for impairment	(10.4)	(10.0)
Profit before taxes	17.2	16.0
Taxes and board remuneration	2.3	1.0
Non-Controlling Interests	1.2	(0.1)
Net Profit for the year	20.6	17.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Mar	31-Mar
KD Million	2023	2022
Assets		
Cash and balances with banks	379	319
Deposits with Central Bank of Kuwait	438	228
Deposits with other banks	145	300
Islamic financing to customers	5,970	5,671
Investments in Sukuks	678	543
Other investment securities	146	164
Investment properties	56	18
Other assets	84	102
Property and Equipment	134	115
Total Assets	8,031	7,460
Liabilities and Equity		
Liabilities		
Due to banks	161	468
Depositors' accounts	6,220	5,501
Medium Term Financing	560	638
Other liabilities	125	102
Total liabilities	7,065	6,710
Equity		
Share capital	374	318
Share premium	317	157
Treasury shares	-0	-0
Reserves	55	53
Retained earnings	45	34
Equity attributable to equity holders of the bank	790	562
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	25	38
Total equity	966	750
Total liabilities and equity	8,031	7,460

Consolidated Income Statement

KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
Income			
Murabaha and other Islamic financing income	283.7	223.2	223.1
Distribution to depositors and Murabaha Cost	(116.5)	(65.7)	(84.2)
Net finance income	167.2	157.5	138.9
Net investment income	6.8	8.8	6.8
Net fees and commissions 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
Operating Income	201.4	187.8	167.5
Expenses			
Staff cost	(60.3)	(52.4)	(45.2)
General and administrative expenses	(28.2)	(25.2)	(20.0)
Depreciation and amortization	(12.4)	(9.6)	(9.2)
Total Expenses	(100.8)	(87.2)	(74.4)
Profit before provision for impairment	100.6	100.6	93.1
Provision for impairment	(43.7)	(50.8)	(59.0)
Profit before taxes	56.9	49.8	34.1
Taxes and board remuneration	(2.7)	(1.8)	(0.5)
Non-Controlling Interests	3.5	0.5	0.9
Net Profit for the year	57.8	48.5	34.4

Consolidated Statement of Financial Position

KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
Assets			
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
Total Assets	7,880.8	7,880.8	6,437.1
Liabilities			
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
Total liabilities	6,901.1	6,901.1	5,810.4
Equity			
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	-
Equity attributable to equity holders of the bank	798.6	563.5	517.9
Perpetual Tier 1 Sukuk	150.4	150.4	75.4
Non-controlling interest	30.7	36.2	33.5
Total equity	979.7	750.1	626.7
Total liabilities and equity	7,880.8	7,651.1	6,437.1

Thank You