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الإشارة: 2024/5280

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،،،

**Minutes of the Analysts' Conference call for
the financial year ended December 31st 2023**

**محضر مؤتمر المحللين للسنة المالية المنتهية في
31 ديسمبر 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 and its amendments concerning continuing the obligations of the listed companies classified under the "Premier Market Segment" under which Boubyan Bank is categorized. We attach herewith a copy of the Minutes of the Analysts' Conference call for the financial year ended December 31st 2023 held via Live Webcast at 01:00pm (Local Time) on Monday, February 05th 2024, as per the requirements of the said article.

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 محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2023 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الاثنين الموافق 2024/02/05؛ وذلك وفقا للمتطلبات الواردة في المادة المشار إليها أعلاه.

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
والرئيس التنفيذي للمجموعة

FY 2023 Boubyan Bank K.S.C.P – Earnings Call

Edited transcript of the Boubyan Bank earnings conference call that took place on Monday, 5th February 2024 at 13:00 Kuwait Time

Corporate Participants:

Mr. Abdullah Al Tuwaijri – Chief Executive Officer – Consumer, Private, and Digital Banking

Mr. Abdulsalam Al Saleh – Chief Executive Officer – Corporate Banking, Financial Control, Treasury, and Legal Affairs

Mr. Mohamed Ibrahim – Group General Manager – Financial Control Group

Mr. Fawaz Tawfiqi – Investor Relations

Fawaz Tawfiqi: Good afternoon everyone, and thank you for joining us today. This is Fawaz Tawfiqi from Investor Relations. I am pleased to welcome you all to Boubyan Bank's earnings webcast covering the results for the 2023 year.

Joining me today are Mr. Abdullah Al Tuwajri – Chief Executive Officer – Consumer, Private, & Digital Banking; Mr. Abdulsalam Al Saleh – Chief Executive Officer – Corporate Banking, Financial Control, Treasury, & Legal Affairs; and Mr. Mohamed Ibrahim – Group General Manager – Financial Control. I'd like to commence our call today by reading out a brief disclaimer which you can also find on page 2 of our presentation:

"Certain statements in this presentation may constitute forward looking statements reflecting the banks expectations. Accordingly, these are subject to risk and uncertainty, which may cause actual results to differ materially from the plans reflected within today's presentation. You are cautioned not to rely on such forward looking statements and the Bank does not assume any obligation to update its views of such risks and uncertainties or to publicly announce any revisions to the forward looking statements made herein"

In addition to the disclaimer I have just read, I urge you all to read the full text of our disclaimer on page 2 of the presentation pack.

Our format for today's call will include:

An overview of Boubyan's performance by Mr. Abdulsalam Al Saleh followed by a presentation on the Bank's financial performance by Mr. Mohamed Ibrahim.

Following this, we will have time for a Q&A session with attendees today. We will be receiving your questions through the webcast platform, and we will endeavour to answer all of your questions today, however, if any questions are left unanswered due to time constraints, or you have any further questions you wish to pose, please feel free to contact us through the Boubyan Investor relations email address, which you can find on our website.

With that said, I would like to now hand you over to Mr. Abdulsalam Al Saleh to take you through a brief update on Boubyan's performance during 2023.

Abdulsalam Al Saleh: Thank you Fawaz.

Good afternoon everyone and thanks for joining us.

I will give a quick update on our operating environment before my highlights on the overall financial performance and strategic initiatives.

During 2023, uncertainty persisted - driven primarily by the ongoing Russia-Ukraine war, high inflation, aggressive monetary policies taken by central banks around the world, geopolitical fragmentation caused by the conflict in Gaza, and a property sector crisis in China.

On the other hand, central banks around the world have paused rate hikes in recent months as inflation, despite remaining well above the target rate, is expected to further trend downwards helped by falling energy and food prices (global inflation has more than halved from its 11.6 percent peak in 2022 to 5.3 percent in 2023).

Most equity markets ended 2023 with gains largely driven by lower inflation data and optimism that restrictive monetary policy was nearing its end.

While many parts of the world grapple with economic challenges and weaker growth, the Gulf Cooperation Council (GCC) region remained relatively stable during 2023. This positive outlook is supported by the elevation of oil prices (which averaged at \$83/bbl in 2023) – driven by OPEC+'s measures to tighten oil supplies along with voluntary production cuts actioned in May 2023 by Saudi Arabia, Kuwait, Oman, and the UAE.

In 2023, domestic credit in Kuwait saw a more modest growth of 2.4 percent, a notable slowdown compared to the 8 percent growth observed in 2022. This shift can be largely attributed to higher interest rates. The year commenced with a CBK discount rate of 4.00 percent with an additional 25 bps increase in July 2023, largely higher than the 1.50 percent discount rate as at the start of 2022. It is worth mentioning that as per public sources, government project awards during 2024 are expected to accelerate.

Kuwait inflation has eased to 3.4% in December 2023 and is expected to be in the range of 2.4% in 2024.

Regarding Boubyan's performance, we continued to achieve positive results across all business lines.

Our net profit grew by 39% YoY to reach KD 80.4 million with an earnings per share of 18.8 fils. This reflects a 7% growth in operating profit and reduction in cost of risk by 27%. The board of directors

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proposed a distribution of cash dividends of 8 fils per share and bonus shares of 6%.

Our operating income grew 8% to KD 218 million driven mainly by the growth in Investment and net financing income. Total assets grew 7% year-on-year to reach KD 8.4 billion and total financing portfolio also grew by 7% to KD 6.3 billion. Customer deposits grew by 9% to reach KD 6.5 billion. Our market share of financings also increased to 11.7% while maintaining the Non-performing loans at a very low level of 1.0%.

Moving on now to discuss our strategy. The Bank successfully completed its 5-year strategy and delivered on many of its strategic ambitions and became the third largest bank in Kuwait in terms of total assets and financing portfolios. Both Consumer Banking and Corporate Banking have led the way in terms of bottom-line profitability and outpaced the market despite of the local intense competition and worldwide economic challenges.

Boubyan Bank has achieved more than 2x market growth and built a leading retail franchise in Kuwait with the highest market share within the youth segment, ranked as #1 in terms of mobile app rating, and is the leading bank in terms of customer service and innovation.

The Bank's strategy was built on capturing growth opportunities and scaling up the core businesses both domestically and internationally. The Bank focused on accelerating fee income generating initiatives, which has grown since 2018. Furthermore, the Bank was able to strengthen its international presence by establishing a leading wealth management proposition and entering into unique strategic partnerships within the GCC.

The Bank has activated the Group Wealth Management Plan and successfully entered into strategic partnerships within the GCC market. BLME established a subsidiary in Riyadh while Nomo Bank continued growing its business base through regional partnerships. The Bank focused on strengthening its relationship with its customers, which resulted in further growth in customer deposits and lending volume for retail and corporate businesses. Strong customer engagement and deeper relationships will continue to underpin the growth and performance.

The Bank completed the roll out of the new premium segment to provide affluent clients with a distinctive and dedicated set of services and products to suit their needs. In addition, and as part of the continued focus on the segment of local entrepreneurs, the Bank enhanced its business banking offerings by providing them with integrated financial solutions and exceptional benefits that allows them to manage their banking transactions smoothly and conveniently.

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With steady steps, Boubyan Bank managed to be among the top Islamic financial institutions as it concluded the year with many awards and international rankings received by the bank from a group of prestigious institutions, among which are Euromoney, Global Finance, and Service Hero. The bank received more than 20 awards and rankings in various business areas such as digital transformation, consumer banking, corporate finance, CSR, and SMEs support, whether locally or internationally, thus, reinforcing its leadership and status as a leading Islamic and digital financial institution.

Having embarked on the sustainability reporting journey and transparently disclosing our ESG metrics, we have gradually evolved to ingrain and integrate sustainability elements across our overall corporate strategy and business practices. This has enabled us to review, evaluate our ESG maturity and establish and prioritize our ESG agenda and roadmap. Our investments and efforts in innovation, digital transformation, commitment towards our employees and communities and the surrounding environment would enable us to lead ESG towards a cleaner and brighter future.

With that, I will conclude my briefing and now, Mohamed will take you through the Bank's financial performance with more details.

Mohamed Ibrahim: Good afternoon everyone. It is my pleasure to take you through our financial results for 2023.

The bank has reported a net profit of KD 80.4 million, a growth of 39% compared to 2022, with an earnings per share of 18.8 fils. This growth reflects the growth in operating profit and a reduction in the cost of risk.

Operating profit grew by 7% to reach KD 107.5 million. This will be discussed in more details throughout the next slides.

The bank's RoAE and RoAA increased compared to last year to 9.0% and 1.0% respectively which reflects the growth in net profit.

Now moving on to the operating income components, The operating income increased by 8% to reach around KD 218 million. This was mainly driven by the increase in core businesses and investment income.

Regarding net financing income, the growth of 3% YOY reflecting the growth in average profit earning assets by 5% offset by a reduction in net profit margin by 5 Bps (i.e. from 2.35% during 2022 to 2.30% during 2023) as a result of the unparalleled shift in benchmarking rates during the second half of last year. It's worth to mention that the net profit margin during Q4 2023 was stabilized at 2.35%.

Investment income increased by KD 6.8 million to reach KD 15.2 million due to the growth in our investment portfolio and the improvement of its performance.

Fees and commissions income grew by 8% year on year reaching KD 29.5 million reflecting the growth in business activities across retail, corporate and wealth management segments.

Now, we will move to slide 9 and discuss operating expenses. Operating expenses grew by 10% compared to last year for the scaling of operations and the continued investments in technology and products offering to continue providing the desired level of customer experience. This has resulted into a cost to income ratio of 50.7% and the cost to average assets of 1.4%.

We will now move onto provisions on slide 10, we can see that the total impairment provision was KD 31.7 million which was lower than 2022 by 27% and resulted into the reduction in the bank's loss ratio and provisions as a percentage of operating profit to 0.4% and 30% respectively.

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As a result of the conservative provisioning policy during the last three years, the bank accumulated a sizable buffer which resulted into total provisions in excess of IFRS 9 provision requirements by over KD 137 million. This has strengthened the bank balance sheet and increased its ability to absorb shocks that might result from the challenges in the overall economic environment.

Now moving on to slide 12 regarding our Balance sheet.

Overall, our total assets grew by 7% during the year which was mainly driven by the growth in the Bank's financing portfolio, fixed income and investment portfolio.

Looking into the composition of total assets, we can see the financing portfolio still represents 75% of total assets and liquid assets to total assets maintained at a comfortable level of 19%.

Customer deposits grew 9% year on year and now represents 77% of our sources of funding. The loan to deposit ratio was maintained at less than 88%.

We now move on to slide 13 to discuss the performance of our financing portfolio. Our net financing portfolio grew by KD 407 million during the year or 7% against the growth in the overall market by 2.4% which driven mainly by the growth in corporate segment. The growth in retail financing was 2.1% against the market growth of 1.6%.

Non-performing loans was maintained at 1.0% and lower than the industry average which reflects our strict underwriting standards and the quality of our assets. Coverage ratio was also maintained at a very comfortable level of 319%.

We now move on to our last section on Capital Ratios on page 15.

Our capital adequacy ratio stands at 18.0% against a minimum requirement of 14% (including D-SIB of 1%).

Risk Weighted Assets reported a year-on-year growth of 8% to reach KD 5.6 billion, which was driven mainly by asset growth.

The leverage ratio at 10.6% is in line with the market and well above the regulatory minimum.

Before I hand over for the Q&A session, I would like to make some remarks on our guidance for the 2024 year.

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As you might be aware, Kuwait has joined the G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) in late 2023, committing to the global minimum corporate tax of 15% under Pillar 2.0. While official legislation has not been enacted as of yet, a business tax of 15% on multinational companies operating in Kuwait including Boubyan Bank might be considered as per the requirement of the framework. The exact timeline and implementation details are yet to be announced.

Regarding the expected credit growth in Kuwait, with an expectation of a potential reduction in interest rates in 2024 along with an anticipated increase in government-led capital investments and corporate projects, we forecast a likely acceleration in credit growth, possibly around mid-single digit.

With regard to loan growth for Boubyan, we expect to achieve mid to high single digit growth at the group level considering our expectation for the overall growth in credit market in Kuwait.

With regards to margins – we expect a slight recovery from the current level of 2.35% to 2.40% on average for 2024.

Our cost-to-income is expected to be slightly lower than the current levels in 2024.

Loss ratio is also expected to be lower than current level in 2024.

With this, I would like to conclude my briefing on the financial performance. Now, I would like to handover to Fawaz for the Q&A session.

Fawaz Tawfiqi

Thank you Mr. Mohamed.

We will now start our Q&A session. Ladies and gentlemen, if you wish to participate in our Q&A, please type your question using the question box on screen. Then click the submit button. Thank you for holding.

Fawaz Tawfiqi

Thank you for holding. Our first question asks: how do you look at the margin for 2024e? What are the drivers behind it? And will you be able to share the sensitivity of NIM to a 25bps rate cut?

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- Mohamed Ibrahim For the margin, during 2024, we are expecting an improvement from the Q4-23 margins of 2.35% to an average of 2.40% for 2024. Regarding the drivers, this is a reflection of the repricing of our assets to the latest increases which happened during 2022 and 2023 and are not currently being reflected in our financing portfolio as of yet, especially the consumer finance portfolio which has a relatively longer term while most of our liabilities have already been repriced during the previous periods. Regarding sensitivity, each 25bps rate cut, will negatively impact our net financing income by approximately KD 2 million.
- Fawaz Tawfiqi Second question: how do you see projects spending going into 2024e vs 2023? What sort of growth are you expecting for 2024e and where do you see this coming from?
- Abdulsalam Al Saleh In 2024, we are optimistic to see better awards, or faster awards, let's say. The size of the projects is expected to exceed what we have seen in 2023. Primarily, the Oil & Gas sector will take the lead, followed by other housing and infrastructure projects here in Kuwait.
- Fawaz Tawfiqi Next question: can we take 2023 CoR as a reference point for 2024e as well? Are there any sectors you are concerned about in terms of NPL formation or stage 2?
- Mohamed Ibrahim As I mentioned, our guidance for CoR is to see a downwards trend compared to 2023 levels. It is very early to give a specific guidance. However, the expected trend is that it will be downwards. So far, we do not have any concerns about specific sectors regarding NPLs and stage 2.
- Fawaz Tawfiqi Next question: there was quite a sizeable amount of overseas tax credit this year. Can you explain where this came from and is it going to be recurring for 2024?
- Mohamed Ibrahim Actually, this tax credit was a consolidation of the numbers related to our subsidiary in the UK reflecting their reassessment of their deferred tax assets resulting in gains after the realization of that tax credit. This was a one-off and we're not expecting a material tax credit to impact our 2024 profitability.
- Fawaz Tawfiqi Could you give us an update on what are the main discussions in Kuwait around the Housing Law; and CASA to total deposits as of Dec-23, compared to Dec-22.

- Abdullah Al Tuwajri For the housing law, the topic is open again between the government and parliament along with Kuwait Banking Association. The discussions are still going on to find the best solutions that suits Kuwait's situation.
- Mohamed Ibrahim CASA as of December 2023 was 29% against approximately 32% as of December 2022.
- Fawaz Tawfiqi A follow up on the housing law discussion - were the discussions referred to held under the new cabinet in 2024?
- Abdullah Al Tuwajri It started with the old cabinet and is continuing with the new cabinet.
- Fawaz Tawfiqi Next couple of questions: could you also provide some guidance on fee income growth for 2024? And can you please explain the increase in specific provisions in 2023?
- Mohamed Ibrahim For fee income growth, fee income is expected to grow at a high single digit or low double digit for 2024. This reflects the expected growth in our wealth management business as well as continued growth from our corporate and retail business. For specific provisions, this increase during 2023 is a continuation of our conservative provisioning policy and our precautionary standards that we write off some of the corporate customers on a conservative basis.
- Fawaz Tawfiqi Next question: what explains the higher investment income and other income? Are there any one-offs?
- Mohamed Ibrahim Yes, the Other Income is a one-off as it reflects an accounting for the recovery of some of the assets. For investment income, the increase was reflecting the growth in asset size as well as an improved performance of some of the portfolios as well as an improvement in the overall market conditions. I can say that 80 - 85% are recurring and the remaining can be positioned as a one-off income.
- Fawaz Tawfiqi Ladies and gentlemen, we'd like to thank you all for your attendance today and remind you that should you wish to ask any follow up questions you may do so through the investor relations email address listed on our website.
- A reminder that the presentation slides and transcripts of this call will be published on both the Boubayan and the Kuwait Boursa Websites within the coming days.
- Thank you.

Boubyan Bank Investor Presentation

FY 2023 Results

5th February 2024

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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

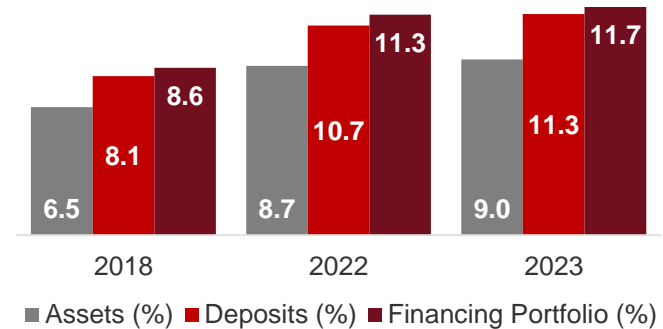
KD million	2023	2022	Growth %
Net Profit to shareholders	80.4	57.8	39%
Operating Income	218.0	201.4	8%
Operating Profit	107.5	100.6	7%
Total Assets	8,405	7,881	7%
Financing Portfolio	6,321	5,914	7%
Customer Deposits	6,479	5,962	9%
Earnings per share (Fils)	18.79	13.40	40%

Key Financial Metrics

	2023	2022	Variance
Return on Average Equity (%)	9.0	7.6	1.4
Return on Average Assets (%)	1.0	0.8	0.2
Cost to Income (%)	50.7	50.1	0.7
NPL Ratio (%)	1.0	1.0	0.0
Capital Adequacy Ratio (%)	18.0	19.4	(1.4)

Source: Financial statements, Boubyan analysis

Market Share (%)



Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A2	Stable	May 2023
STANDARD & POOR'S	A	Stable	Dec 2023
FitchRatings	A (xgs: BBB)	Stable	Jan 2024

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

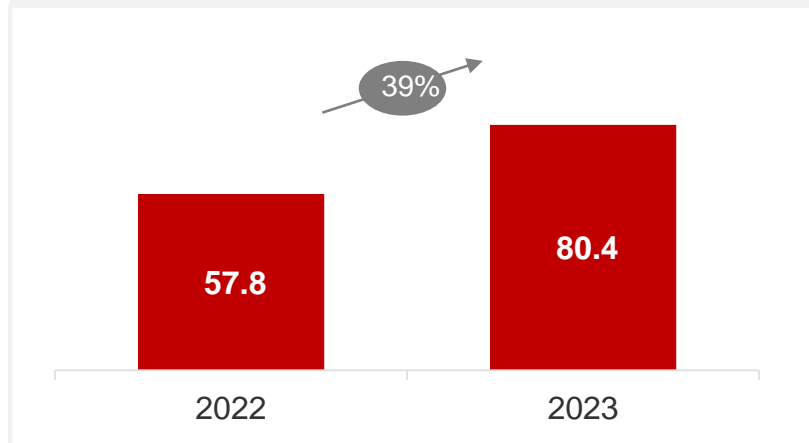
- Scale the PB/WM management operating model
- Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
- Grow market share

Outline

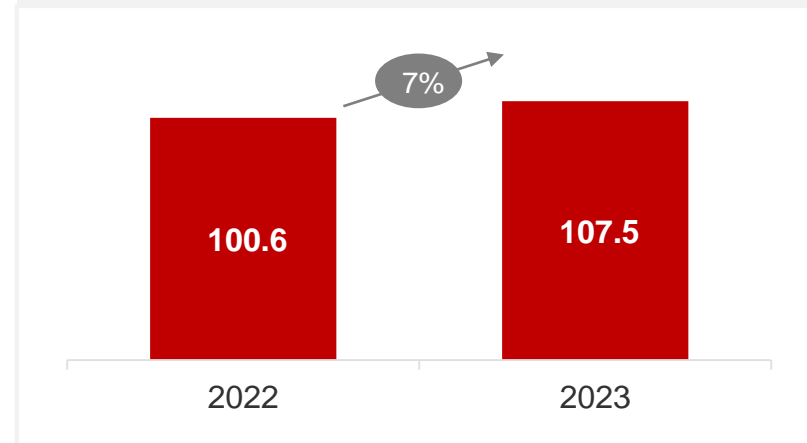
- 1 Boubyan's Performance & Strategy – At a Glance
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Profitability & Performance Ratio

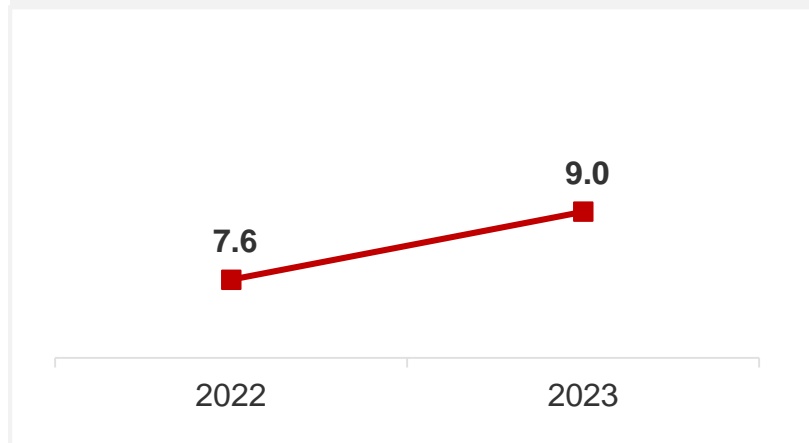
Net Profit (KD Million)



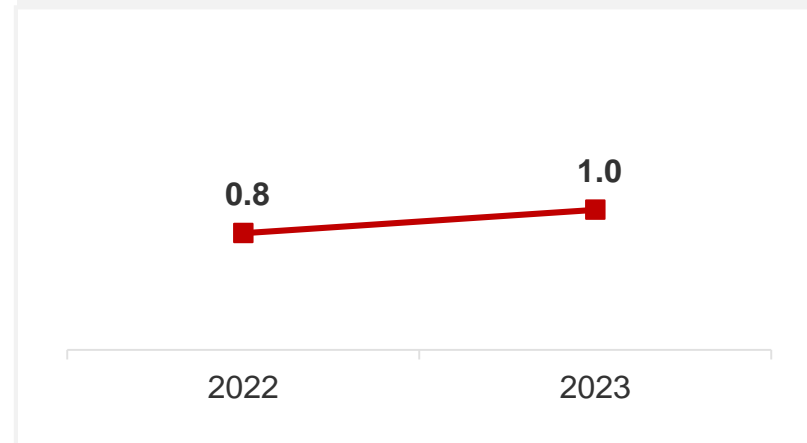
Operating Profit (KD Million)



* Return on Average Equity (%)



Return on Average Assets (%)



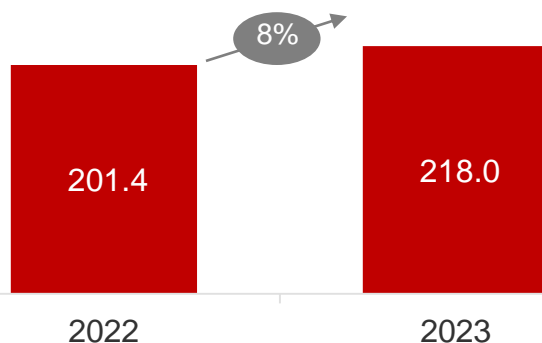
* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.

Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins

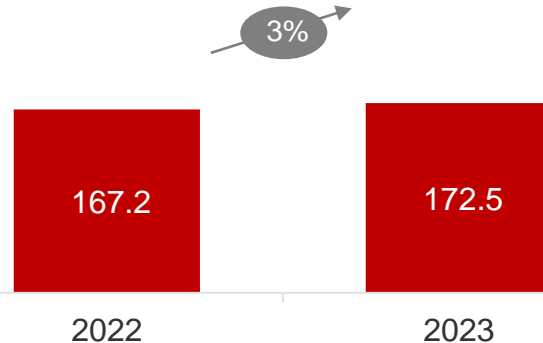
Operating Income (KD Million)

■ Operating income



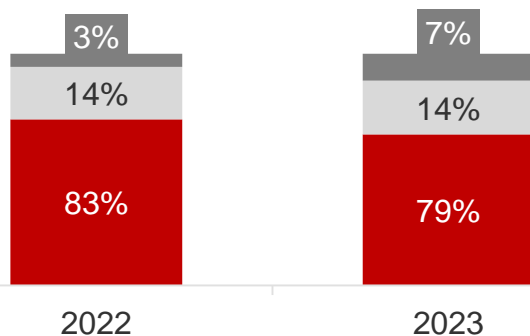
Net Financing Income (KD Million)

■ Net Financing Income



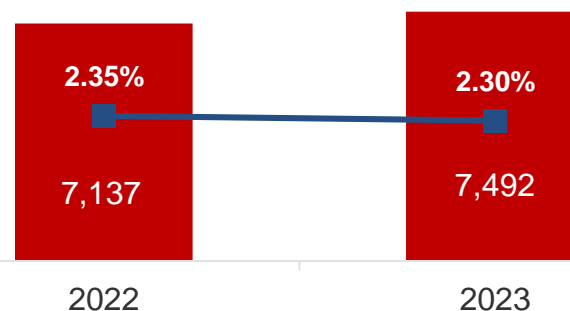
Composition of Operating Income (%)

■ Investment inc ■ Fees, Com. & Fx ■ Financing income



Net Profit Margin %

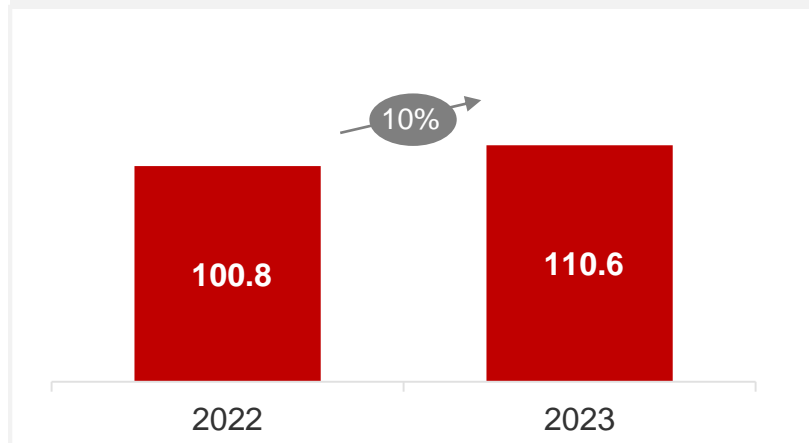
■ Average Profit-earning assets - KD M ■ NPM



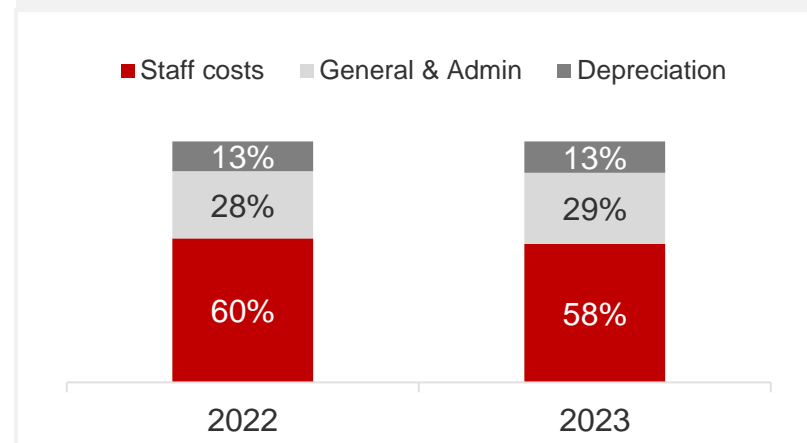
Source: Financial statements, Boubyan analysis

Operating Costs & Efficiency

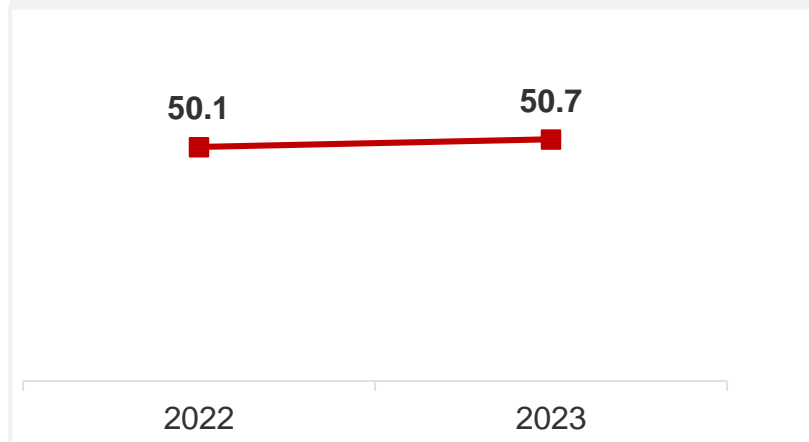
Operating Costs (KD Million)



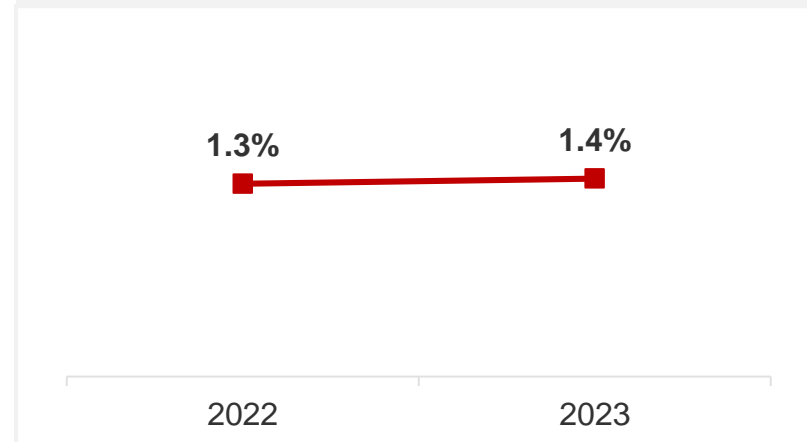
Composition of Operating Costs (%)



Cost-to-Income (%)

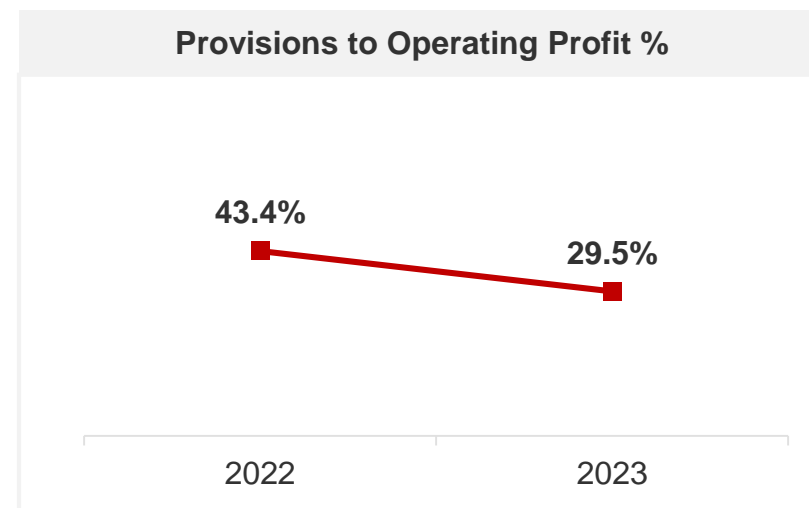
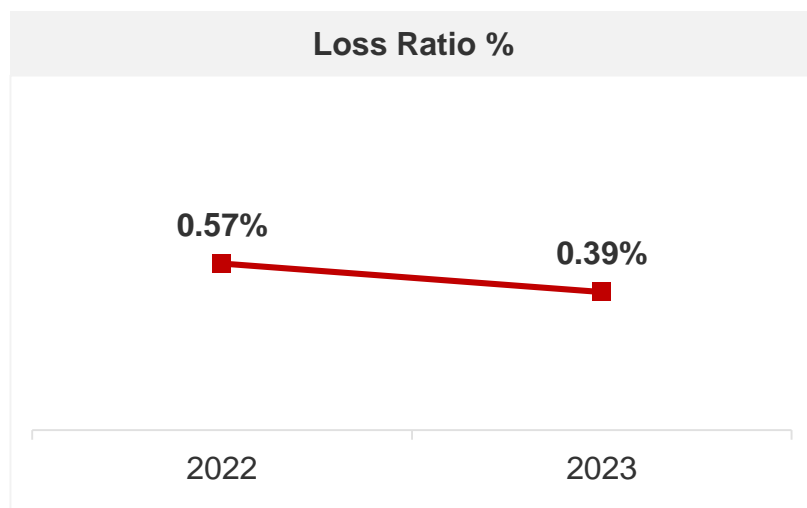
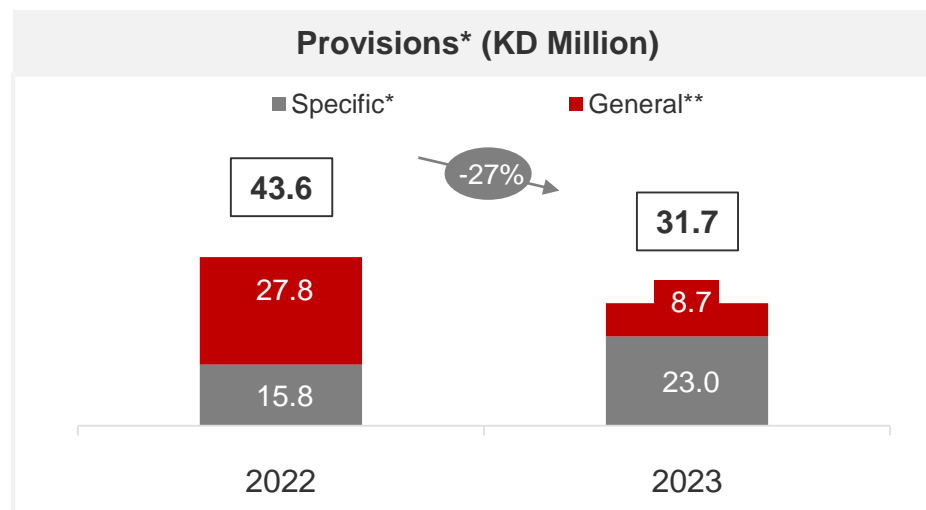


Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

Provisions & Related Ratios



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

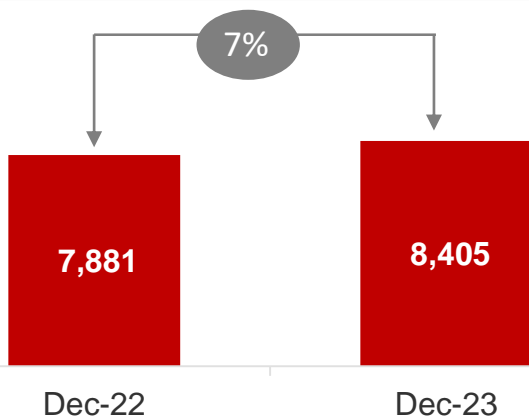
** General Provisions are shown inclusive of Contingent Provisions

Outline

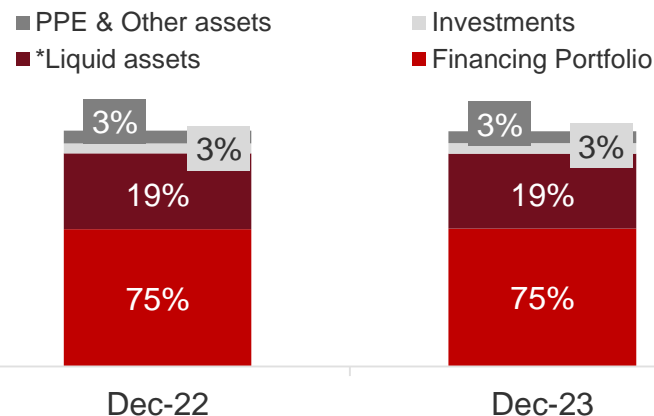
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- 4 Capitalization & Leverage

Assets & Sources of Funding

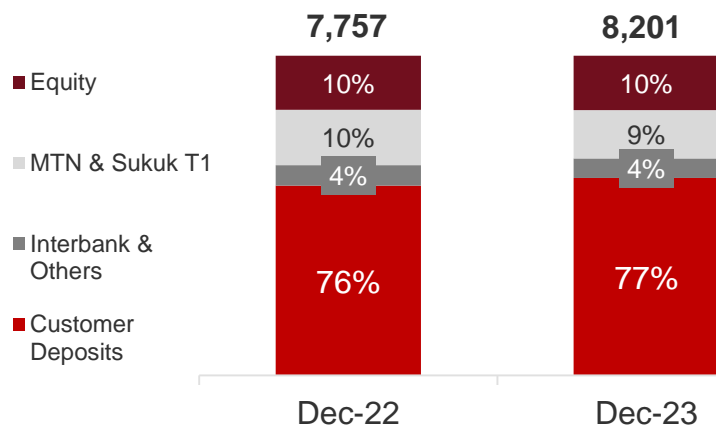
Total Assets (KD Million)



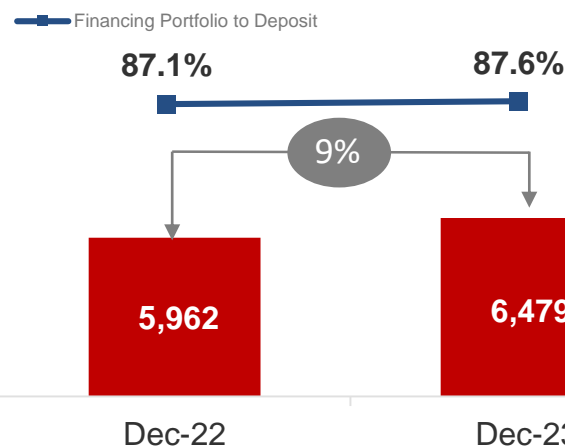
Composition of Assets %



Sources of Funding (KD Million & %)



Customer Deposits (KD Million)

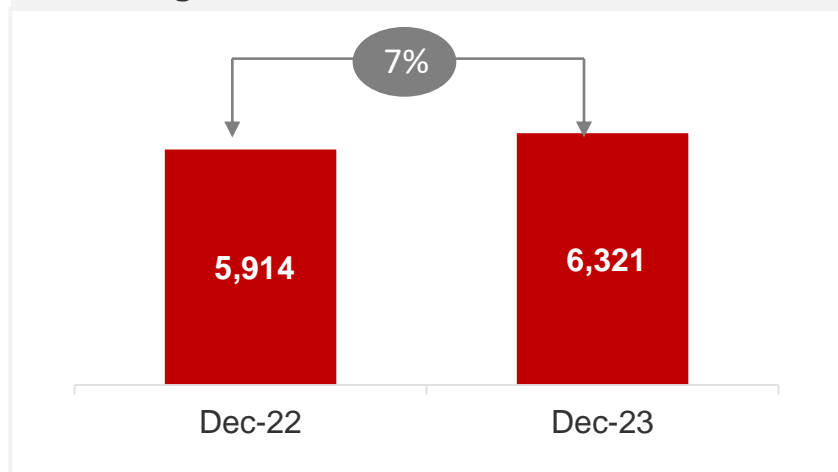


* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

Financing Portfolio & Asset Quality

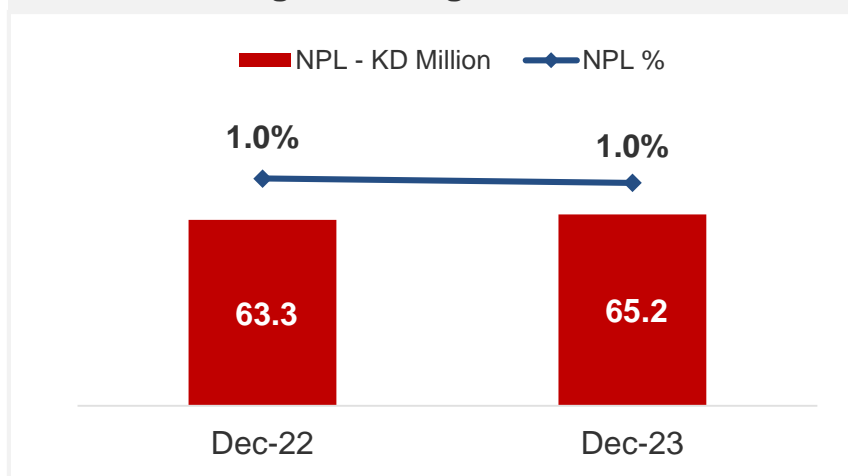
Financing Portfolio – KD Million



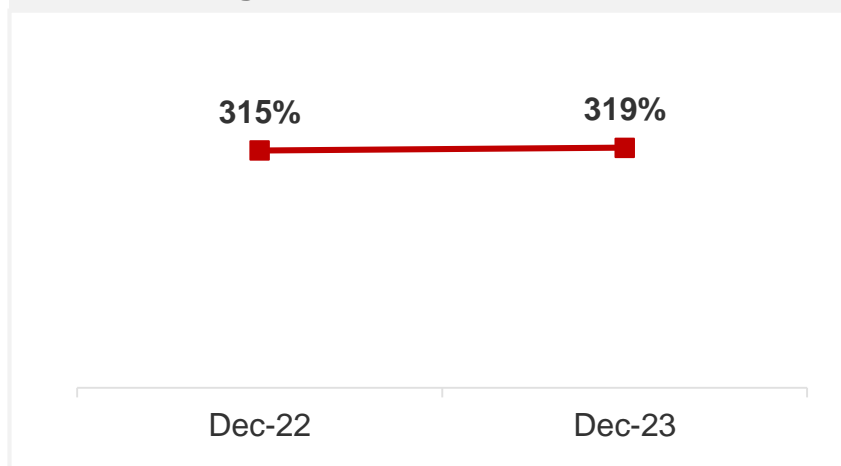
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



Loss Coverage Ratio



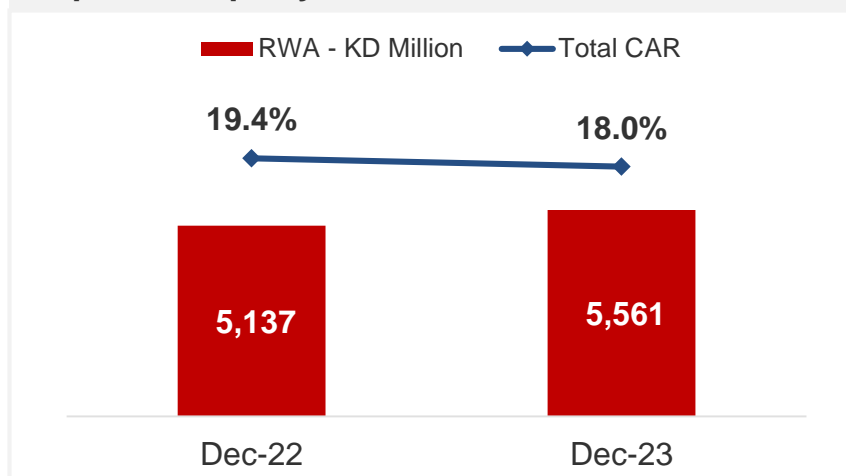
Source: Financial statements, Boubyan analysis

Outline

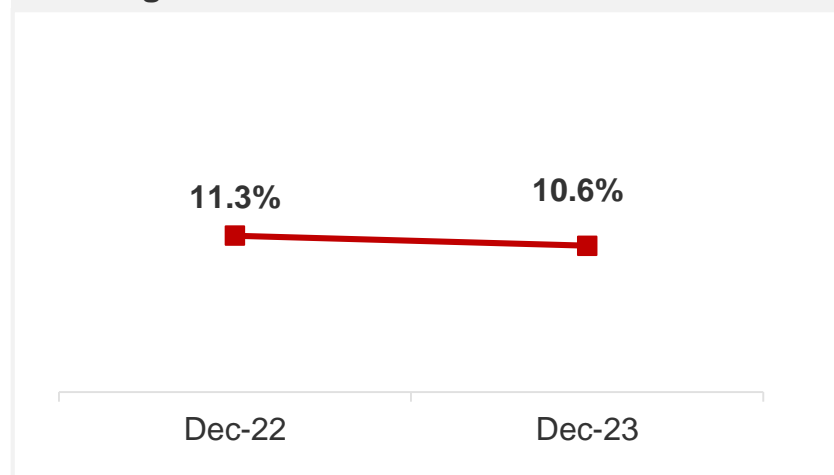
- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis
- 3 Balance Sheet Analysis
- 4 Capitalization & Leverage**

Capital Adequacy

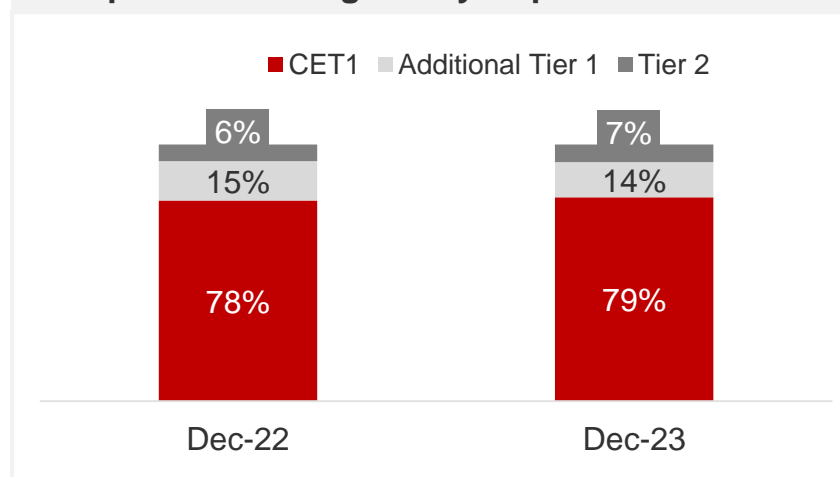
Capital Adequacy Ratio



Leverage Ratio



Composition of Regulatory Capital



Questions?

Appendix

Consolidated Financial Statements – FY 2023

CONSOLIDATED STATEMENT OF INCOME	31-Dec	31-Dec
KD Million	2023	2022
Income		
Islamic financing income	396.8	283.7
Financing cost	(224.3)	(116.5)
Net finance income	172.5	167.2
Net investment income	15.2	6.8
Net fees and commission income	22.9	21.1
Net foreign exchange gain	6.6	6.2
Other Income	0.9	0.0
Operating Income	218.0	201.4
Expenses		
Staff cost	(63.7)	(60.3)
General and administrative expenses	(32.6)	(28.2)
Depreciation	(14.3)	(12.4)
Total Expenses	(110.6)	(100.8)
Profit before provision for impairment	107.5	100.6
Provision for impairment	(31.7)	(43.6)
Profit before taxes	75.7	57.0
Taxes and board remuneration	2.5	(2.7)
Non-Controlling Interests	2.2	3.5
Net Profit for the year	80.4	57.8

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Dec	31-Dec
KD Million	2023	2022
Assets		
Cash and balances with banks	399	533
Deposits with Central Bank of Kuwait	219	248
Deposits with other banks	96	132
Islamic financing to customers	6,321	5,914
Investments in Sukuks	886	610
Other investment securities	157	155
Investment properties	74	34
Other assets	104	128
Property and Equipment	149	129
Total Assets	8,405	7,881
Liabilities and Equity		
Liabilities		
Due to banks	187	199
Depositors' accounts	6,479	5,962
Medium Term Financing	592	638
Other liabilities	118	103
Total liabilities	7,376	6,901
Equity		
Share capital	396	374
Share premium	317	317
Reserves	71	58
Retained earnings	71	50
Equity attributable to equity holders of the bank	855	799
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	24	31
Total equity	1,029	980
Total liabilities and equity	8,405	7,881

Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
Income			
Islamic financing income	283.7	223.2	223.1
Financing 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 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
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	(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