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Ref: 3947/2023

الكويت: 2023/02/06  
الإشارة: 2023/3947

**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**  
**2022**

**محضر مؤتمر المحللين للسنة المالية المنتهية في**  
**31 ديسمبر 2022**

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.

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.

We attach herewith a copy of the Minutes of the Analysts' Conference call for the financial year ended December 31st 2022 held via Live Webcast at 01:00pm (Local Time) on Thursday, February 02<sup>nd</sup> 2023, as per the requirements of the said article.

نرفق لكم نسخة من محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2022 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الخميس الموافق 2023/02/02؛ 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**

P.O.Box 25507  
Safat 13116 Kuwait  
Tel. (965) 2232 5000  
Fax. (965) 2245 4263  
Call Center (965) 1 82 00 82  
C.R. 104042

ص.ب. 25507  
الصفاءة 13116 الكويت

bankboubyan.com



عادل عبد الوهاب الماجد  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي للمجموعة

نعمل باتقان

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# Boubyan Bank Investor Presentation

FY 2022 Results

February 2023

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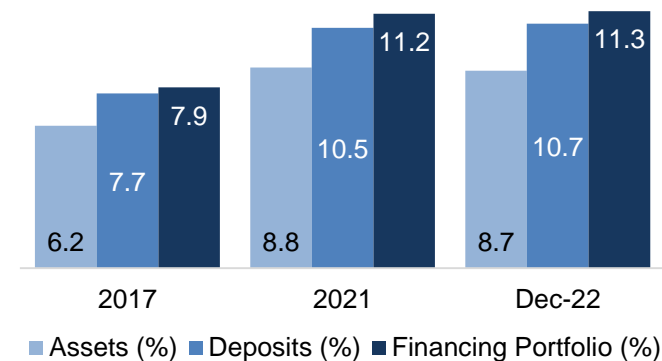
- 1** Boubyan's Performance & Strategy – At a glance
- 2** Income statement analysis
- 3** Balance sheet analysis
- 4** Capitalisation and Leverage

# Financial Highlights

## Financial snapshot

KD million	2022	2021	Growth %
Net Profit to shareholders	<b>57.8</b>	48.5	19%
Operating Income	<b>201.4</b>	187.8	7%
Operating Profit	<b>100.6</b>	100.5	-
Total Assets	<b>7,881</b>	7,352	7%
Financing Portfolio	<b>5,914</b>	5,513	7%
Customer Deposits	<b>5,962</b>	5,619	6%
Earnings per share (Fils)	<b>14.2</b>	12.4	15%

## Market share (%)



## Key Financial Metrics

	2022	2021	Variance
Return on Average Equity (%)	<b>7.6</b>	<b>7.8</b>	-
Return on Average Assets (%)	<b>0.8</b>	<b>0.7</b>	-
Cost to Income (%)	<b>50.1</b>	<b>46.5</b>	3.6
NPL Ratio (%)	<b>1.0</b>	<b>0.9</b>	-
Capital Adequacy Ratio (%)	<b>19.4</b>	<b>16.4</b>	3.0

## 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	Oct 2022

# 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
- 

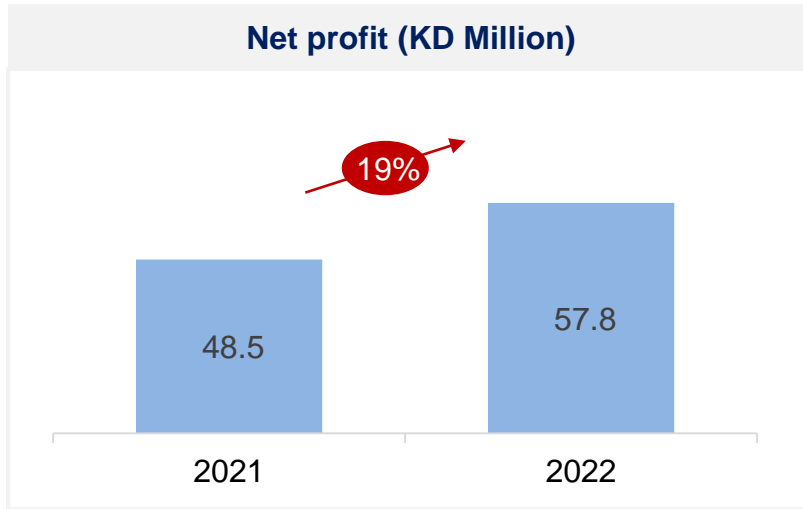
### Private Banking / Wealth Management

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

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## Profitability and performance ratio

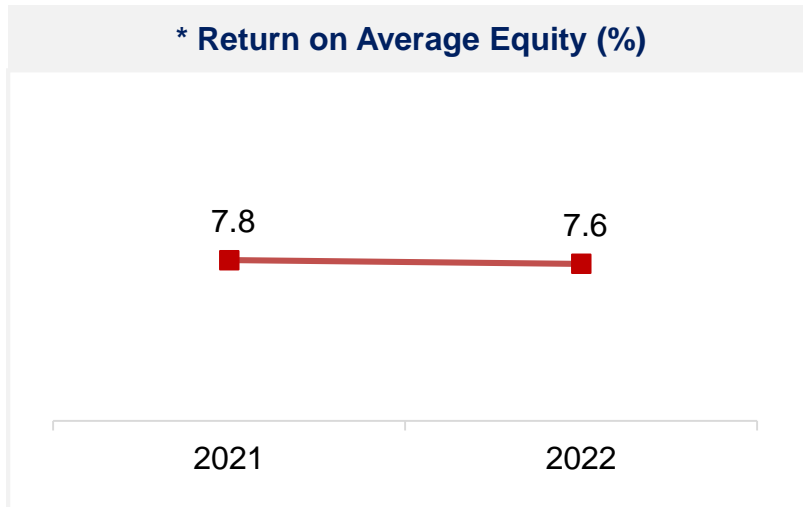
### Net profit (KD Million)



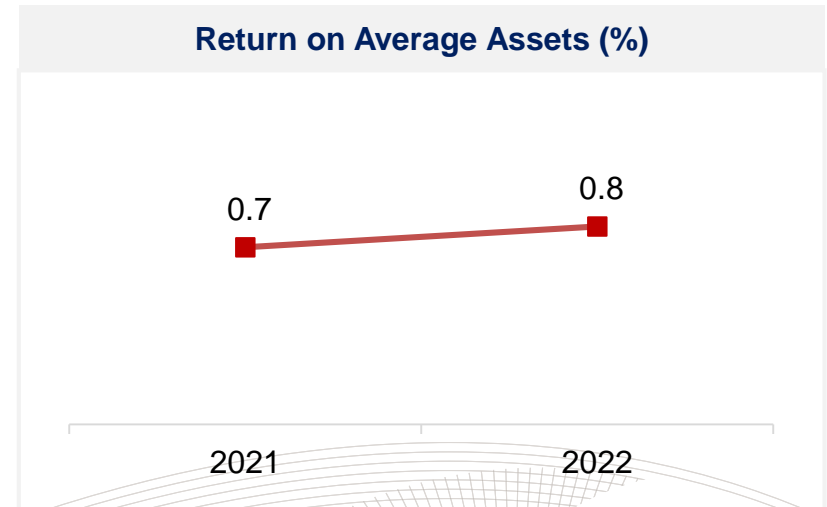
### Operating profit (KD Million)



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



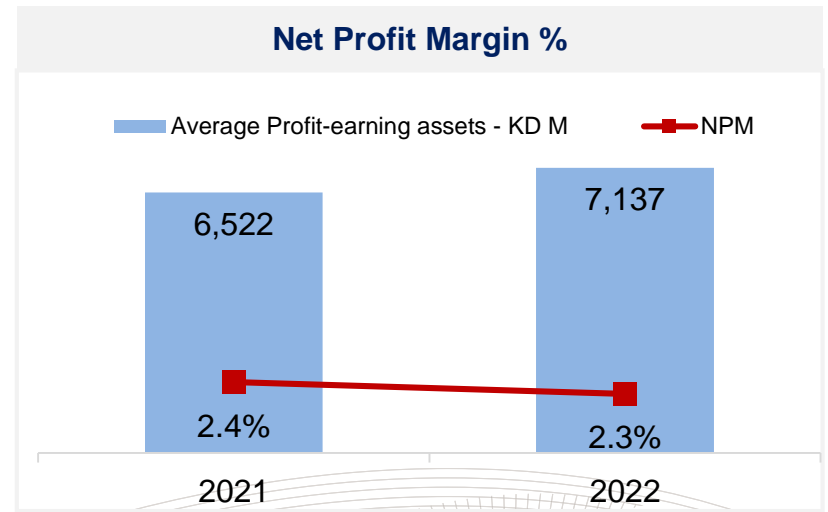
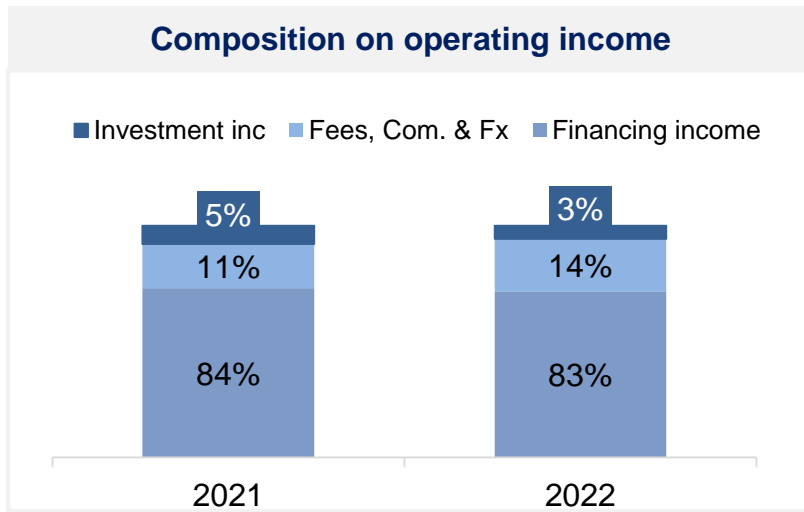
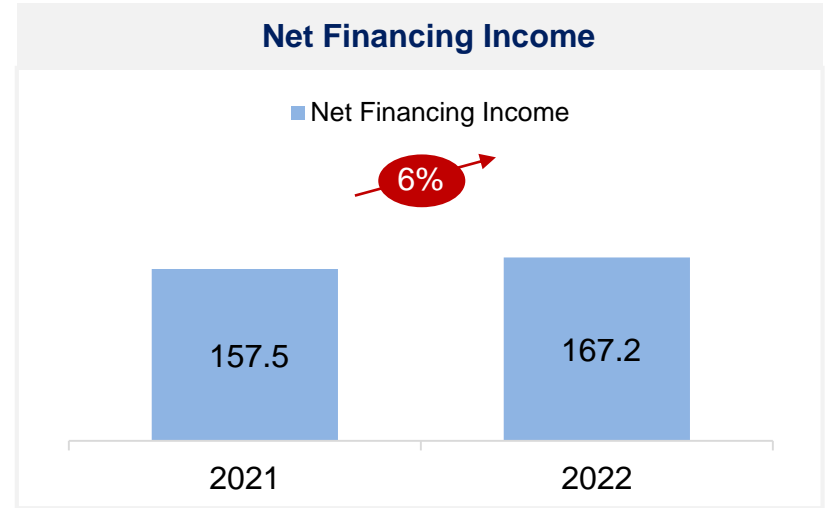
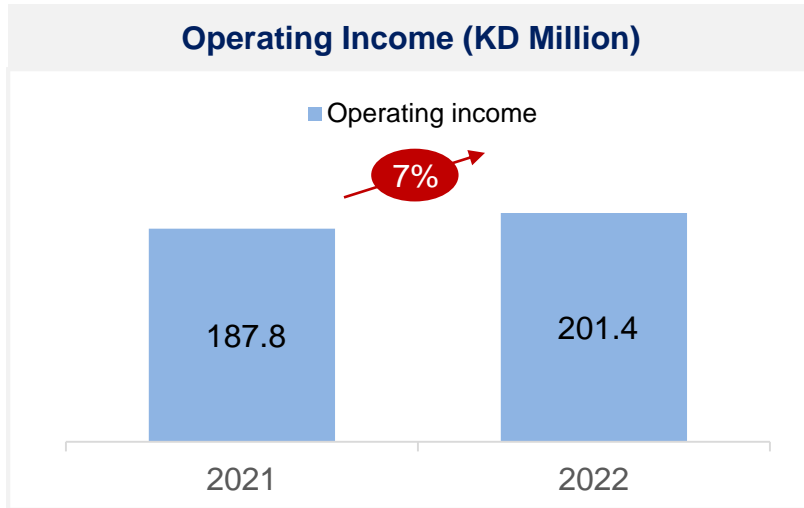
### Return on Average Assets (%)



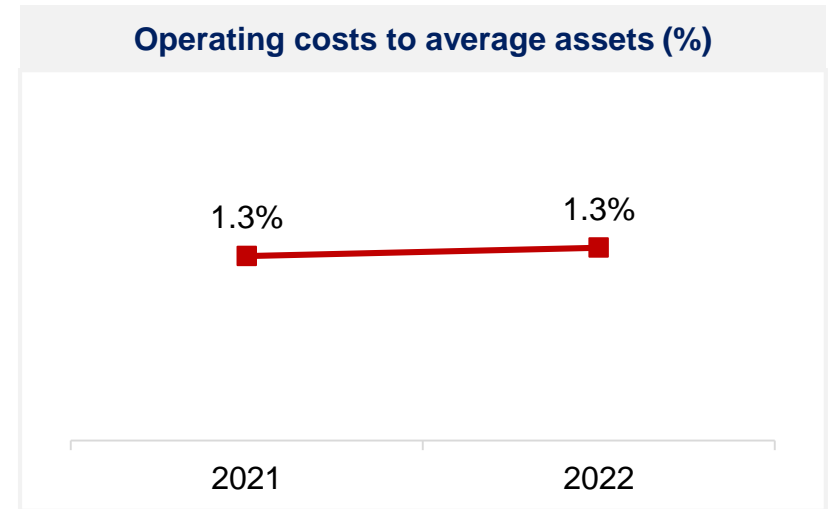
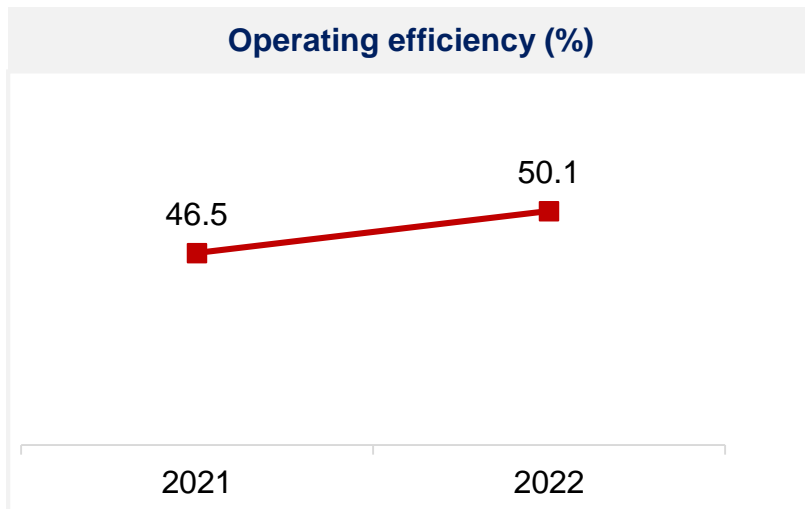
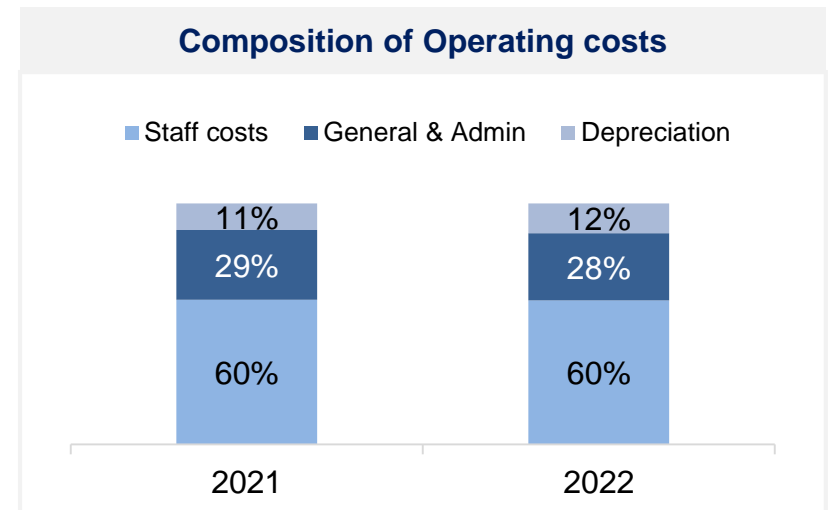
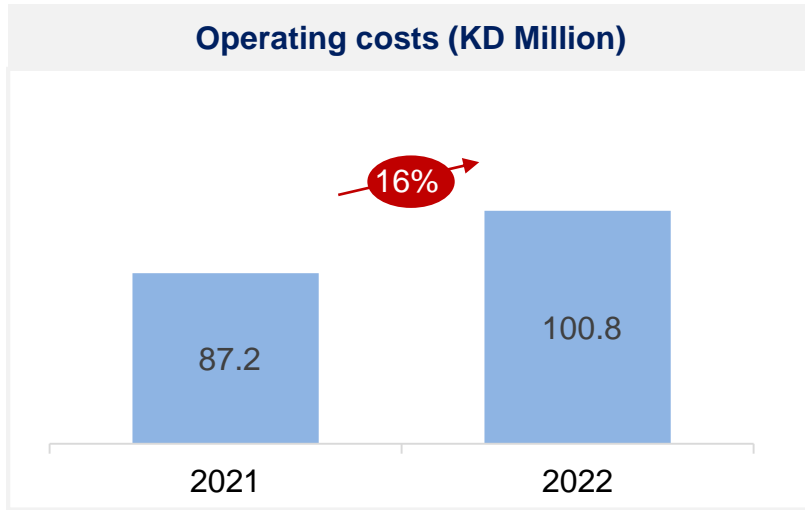
\* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.  
 Source: Financial statements, Boubyan analysis



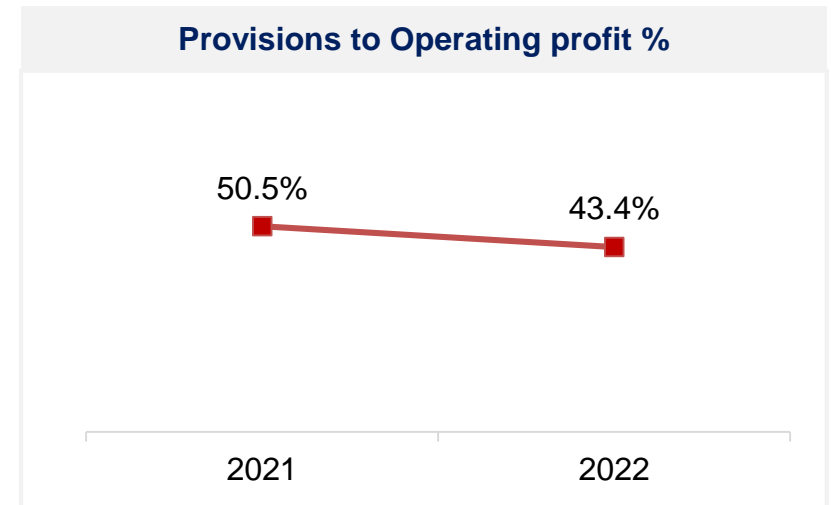
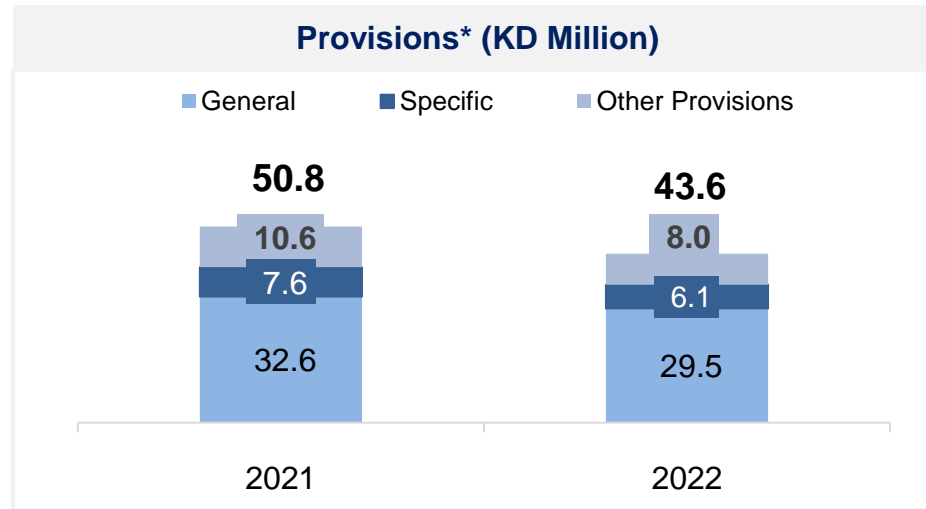
## Operating income components and Net Profit Margins



## Operating costs and efficiency



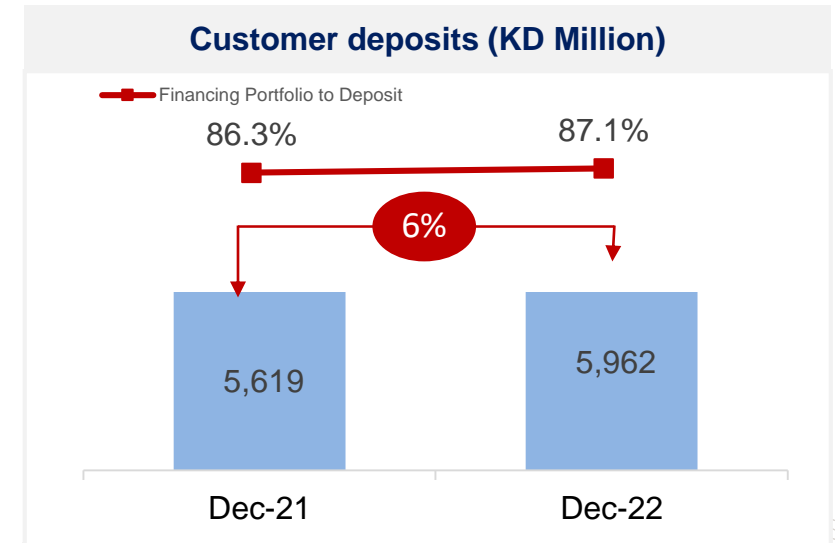
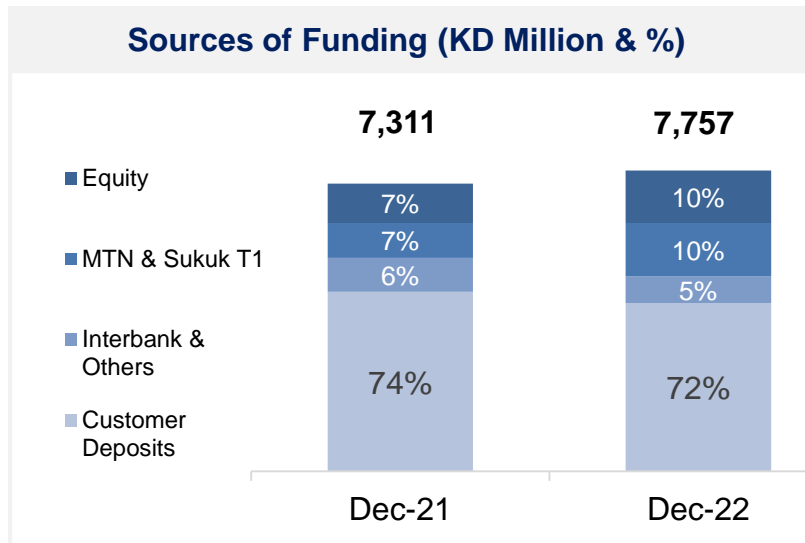
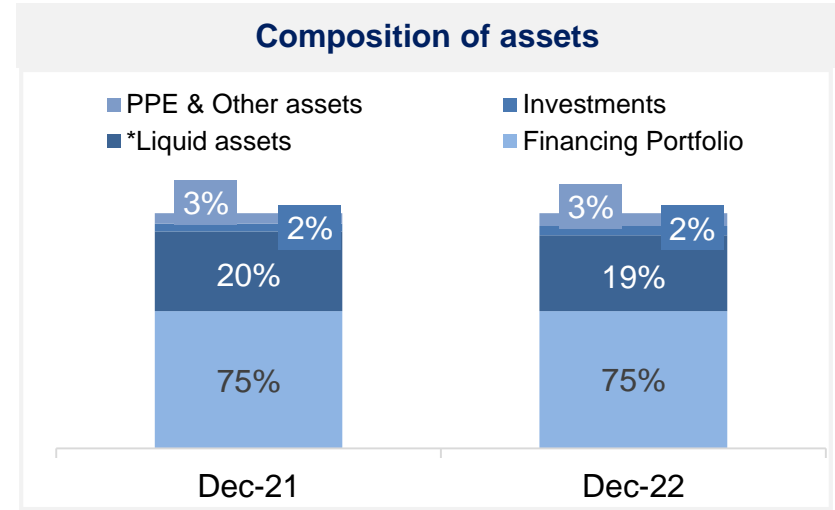
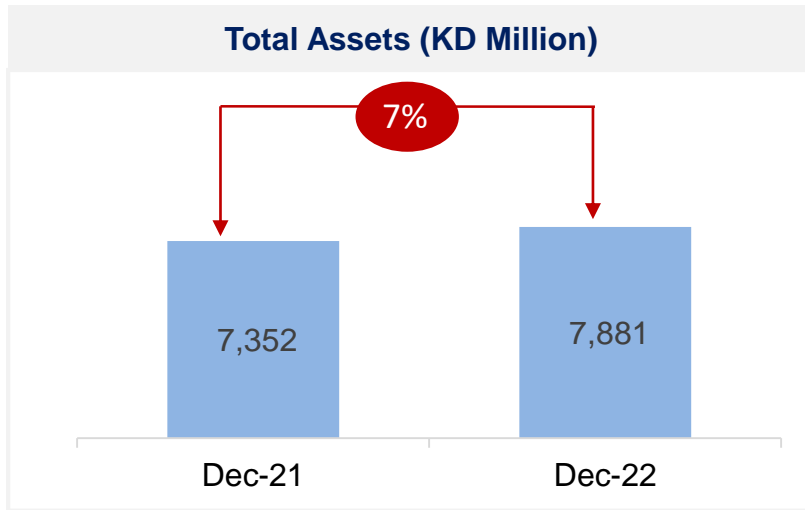
## Provisions and related ratios



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

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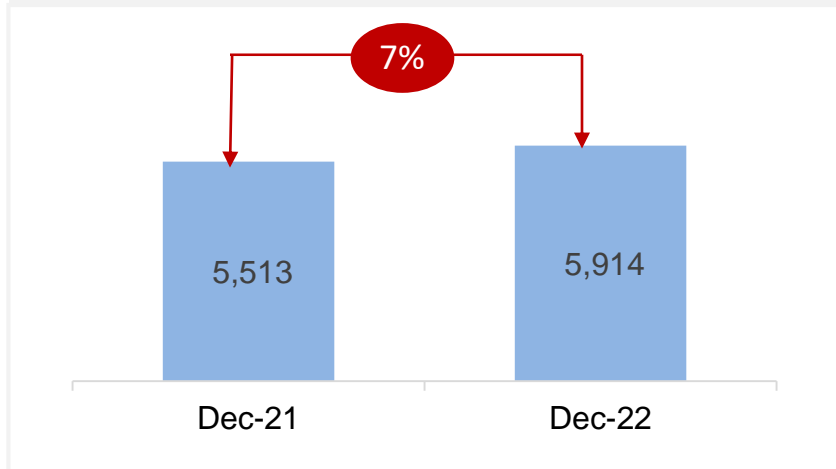
# Assets and Sources of Funding



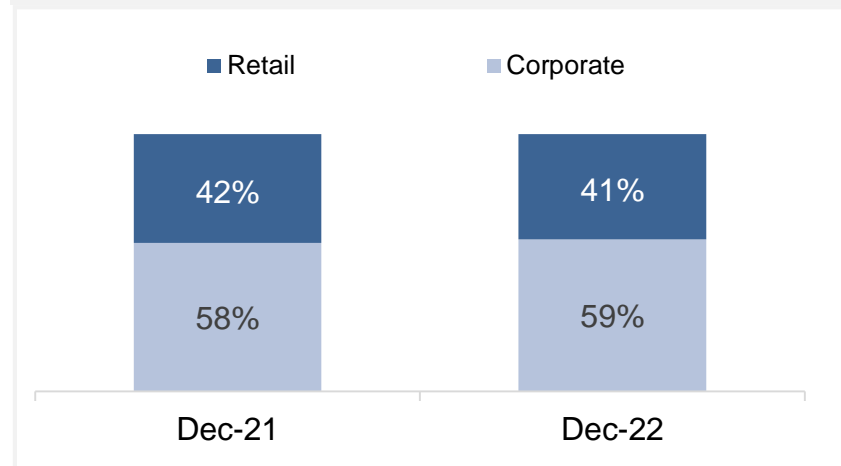
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments  
Source: Financial statements, Boubyan analysis

# Financing Portfolio and asset quality

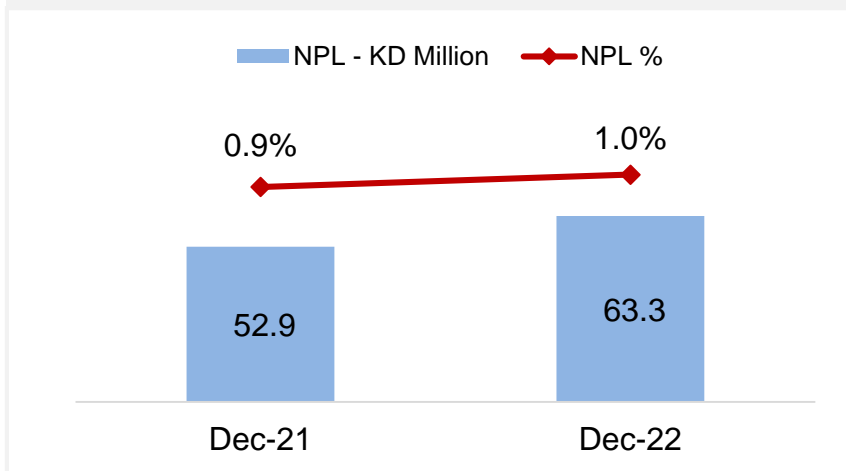
## Financing Portfolio – KD Million



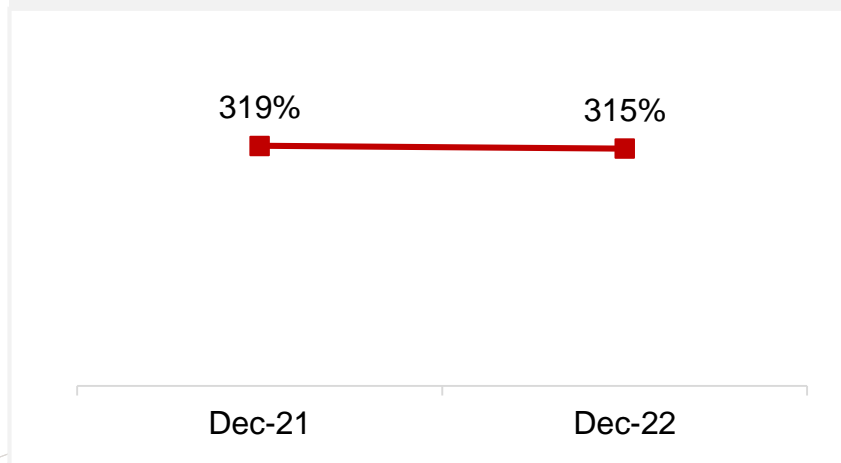
## Composition of Financing Portfolio



## Non performing Financing Portfolio



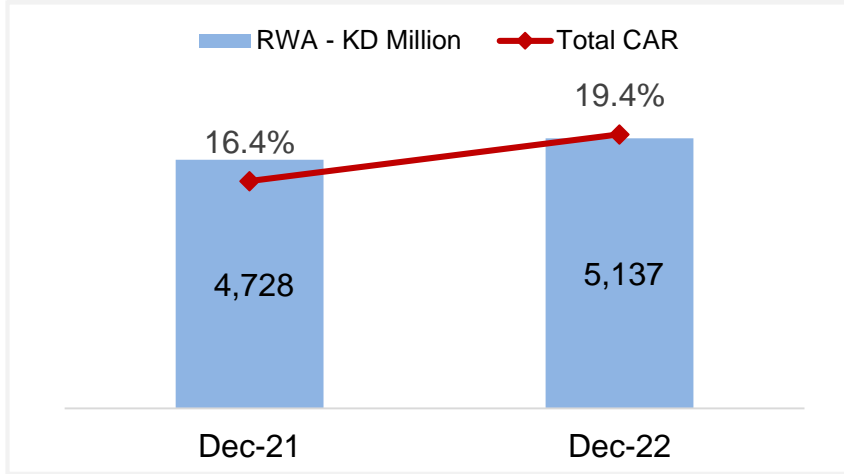
## Loss Coverage ratio



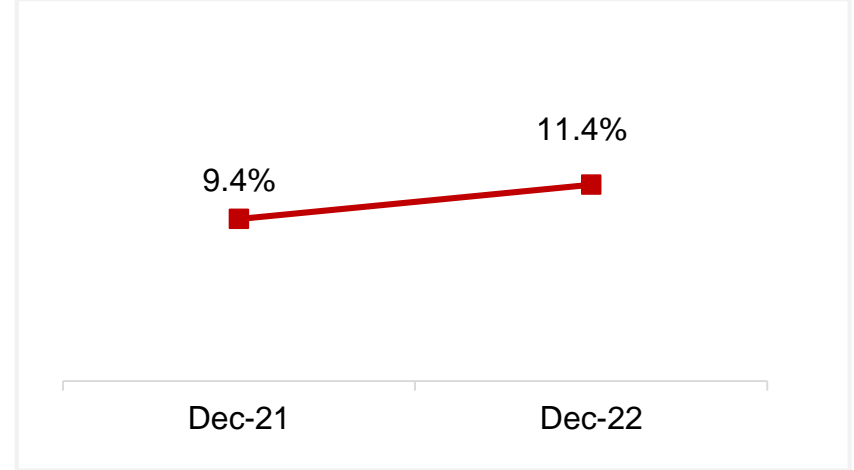
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# Capital Adequacy

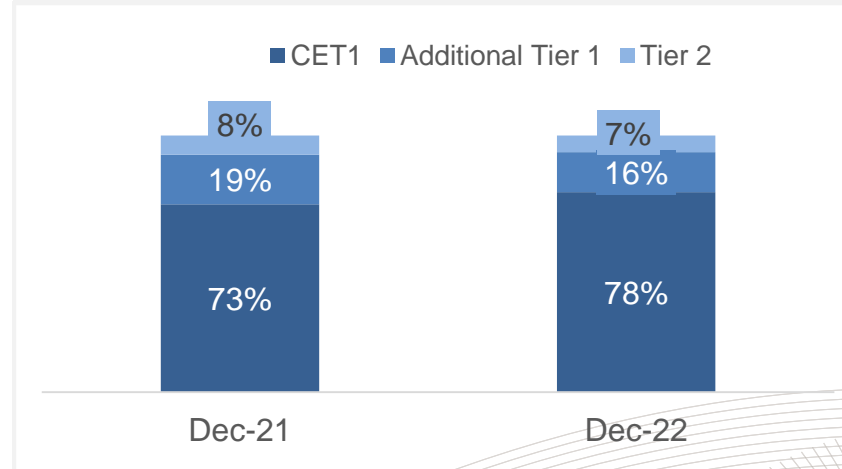
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital





# Questions?

# Appendix

# Consolidated Financial Statements – FY 2022

CONSOLIDATED STATEMENT OF INCOME	31-Dec	31-Dec
KD Million	2022	2021
<b>Income</b>		
Islamic financing income	283.7	223.2
Financing cost	(116.5)	(65.7)
<b>Net finance income</b>	<b>167.2</b>	<b>157.5</b>
Net investment income	6.8	8.8
Net fees and commission income	21.1	16.8
Net foreign exchange gain	6.2	4.7
<b>Operating Income</b>	<b>201.4</b>	<b>187.8</b>
<b>Expenses</b>		
Staff cost	(60.3)	(52.4)
General and administrative expenses	(28.2)	(25.2)
Depreciation	(12.4)	(9.6)
<b>Total Expenses</b>	<b>(100.8)</b>	<b>(87.2)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>100.5</b>
Provision for impairment	(43.6)	(50.8)
<b>Profit before taxes</b>	<b>57.0</b>	<b>49.8</b>
Taxes and board remuneration	(2.7)	(1.8)
Non-Controlling Interests	3.5	0.5
<b>Net Profit for the year</b>	<b>57.8</b>	<b>48.5</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Dec	31-Dec
KD Million	2022	2021
<b>Assets</b>		
Cash and balances with banks	533	351
Deposits with Central Bank of Kuwait	248	226
Deposits with other banks	132	388
Islamic financing to customers	5,914	5,513
Investments in Sukuks	610	36
Other investment securities	155	620
Investment properties	34	22
Other assets	128	90
Property and Equipment	129	108
<b>Total Assets</b>	<b>7,881</b>	<b>7,352</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	199	395
Depositors' accounts	5,962	5,619
Medium Term Financing	638	485
Other liabilities	103	103
<b>Total liabilities</b>	<b>6,901</b>	<b>6,602</b>
<b>Equity</b>		
Share capital	374	318
Share premium	317	157
Reserves	58	53
Retained earnings	50	36
<b>Equity attributable to equity holders of the bank</b>	<b>799</b>	<b>564</b>
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	31	36
<b>Total equity</b>	<b>980</b>	<b>750</b>
<b>Total liabilities and equity</b>	<b>7,881</b>	<b>7,352</b>

# Consolidated Income Statement

KD Million	31-Dec 2021	31-Dec 2020	31-Dec 2019
<b>Income</b>			
Murabaha and other Islamic financing income	223.2	223.1	207.6
Distribution to depositors and Murabaha Cost	(65.7)	(84.2)	(88.2)
<b>Net finance income</b>	<b>157.5</b>	<b>138.9</b>	<b>119.5</b>
Net investment income	8.8	6.8	6.2
Net fees and commissions income	16.8	12.3	16.4
Net foreign exchange gain	4.7	5.2	3.7
Other Income	0.0	4.3	0.0
<b>Operating Income</b>	<b>187.8</b>	<b>167.5</b>	<b>145.8</b>
<b>Expenses</b>			
Staff cost	(52.4)	(45.2)	(36.1)
General and administrative expenses	(25.2)	(20.0)	(17.1)
Depreciation and amortization	(9.6)	(9.2)	(7.9)
<b>Total Expenses</b>	<b>(87.2)</b>	<b>(74.4)</b>	<b>(61.1)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>93.1</b>	<b>84.7</b>
Provision for impairment	(50.8)	(59.0)	(18.7)
<b>Profit before taxes</b>	<b>49.8</b>	<b>34.1</b>	<b>66.0</b>
Taxes and board remuneration	(1.8)	(0.5)	(3.3)
Non-Controlling Interests	0.5	0.9	(0.0)
<b>Net Profit for the year</b>	<b>48.5</b>	<b>34.4</b>	<b>62.6</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2021	31-Dec 2020	31-Dec 2019
<b>Assets</b>			
Cash and balances with banks	350.5	286.7	232.4
Deposits with Central Bank of Kuwait	225.9	336.9	306.2
Deposits with other banks	387.9	180.1	330.0
Islamic financing to customers	5,513.1	4,823.3	3,826.1
Investments in Sukuks	529.3	523.0	306.3
Other investment securities	122.7	99.1	101.2
Investment properties	21.7	47.1	46.6
Other assets	92.7	49.5	65.6
Property and Equipment	108.2	91.4	86.2
<b>Total Assets</b>	<b>7,351.9</b>	<b>6,437.1</b>	<b>5,300.5</b>
<b>Liabilities</b>			
Due to banks	395.1	281.4	236.5
Depositors' accounts	5,618.8	5,107.7	4,347.2
Medium Term Financing	485.4	305.5	
Other liabilities	102.5	115.8	63.7
<b>Total liabilities</b>	<b>6,601.8</b>	<b>5,810.4</b>	<b>4,647.4</b>
<b>Equity</b>			
Share capital	318.0	302.8	288.4
Share premium	156.9	156.9	156.9
Proposed bonus share	15.9	-	14.4
Treasury shares	(0.1)	(0.1)	(0.1)
Reserves	52.8	44.0	54.0
Accumulated retained earnings / (losses)	4.1	14.1	35.8
Proposed cash dividends	15.9	-	26.0
<b>Equity attributable to equity holders of the bank</b>	<b>563.5</b>	<b>517.9</b>	<b>575.4</b>
Perpetual Tier 1 Sukuk	150.4	75.4	75.4
Non-controlling interest	36.2	33.5	2.3
<b>Total equity</b>	<b>750.1</b>	<b>626.7</b>	<b>653.2</b>
<b>Total liabilities and equity</b>	<b>7,351.9</b>	<b>6,437.1</b>	<b>5,300.5</b>

**Thank you**