

الكويت: 2020/07/28

الإشارة: 2020/8508

Kuwait: 28/07/2020

Ref: 8508/2020

To: Mr. Mohammad Saud Al-Osaimi  
CEO - Boursa Kuwait

السيد / محمد سعود العصيمي  
الرئيس التنفيذي - شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ...

**Interim Financial Statements for the Period  
Ended March 31<sup>th</sup> 2020**

**البيانات المالية المرحلية للفترة المنتهية في 2020/03/31**

With reference to the above subject, attached is the quarterly financial statements results form for the period ended March 31<sup>th</sup> 2020 after obtaining Central Bank of Kuwait's approval as per the attached letter.

بالإشارة إلى الموضوع أعلاه، نرفق لكم طيه نموذج نتائج البيانات المالية المرحلية لمصرفنا عن الفترة المنتهية في 2020/03/31، وذلك بعد الحصول على موافقة بنك الكويت المركزي بشأنها وفقا للكتاب المرفق.

On the other hand, and in line with the requirements of the Boursa' rules issued by virtue of resolution no. 1 of 2018 which apply to listed companies classified under the Premier Market, Boubyan bank is pleased to announce that the Analyst Conference call will be held through (Live webcast) session 02:30 pm on Wednesday, August 05<sup>th</sup> 2020. Interested analysts may send an email to: [Investor-Relations@bankboubyan.com](mailto:Investor-Relations@bankboubyan.com) in order to provide them with the Call instructions for attendance.

من جهة أخرى وعملاً بمتطلبات قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 والتي تنطبق على الشركات المدرجة التي تم تصنيفها ضمن السوق الأول، يسر بنك بوبيان الإعلان عن مؤتمر المحللين والذي تقرر انعقاده عن طريق بث مباشر عبر شبكة الإنترنت (Live webcast) في تمام الساعة 02:30 من بعد ظهر يوم الأربعاء الموافق 2020/08/05 حيث يمكن للمحللين المهتمين التواصل مع مصرفنا على البريد الإلكتروني: [Investor-Relations@bankboubyan.com](mailto:Investor-Relations@bankboubyan.com) ليتم تزويدهم بالرابط الخاص بالمؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ...

Abdullah Al Najran Al Tuwaijri  
Deputy Chief Executive Officer



عبد الله النجران التويجري  
نائب الرئيس التنفيذي

**Financial Results Form**  
**Kuwaiti Company (KWD)**

نموذج نتائج البيانات المالية  
الشركات الكويتية (د.ك.)

First Quarter Results Ended on

2020-03-31

نتائج الربع الاول المنتهي في

Company Name

اسم الشركة

Boubyan Bank K.S.C.P

بنك بوبيان (ش.م.ك.ع) عامة

Board of Directors Meeting Date

تاريخ اجتماع مجلس الإدارة

2020-07-12

Required Documents

المستندات الواجب إرفاقها بالنموذج

☒ Approved financial statements

☒ نسخة من البيانات المالية المعتمدة

☒ Approved auditor's report

☒ نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	فترة الثلاث اشهر المقارنة	فترة الثلاث اشهر الحالية	البيان
Change (%)	Three Month Comparative Period	Three Month Current Period	Statement
	2019-03-31	2020-03-31	
-30%	14,618,573	10,226,658	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-35%	5.21	3.38	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
51%	2,706,207,487	4,083,477,501	الموجودات المتداولة Current Assets
37%	4,553,884,960	6,238,496,755	إجمالي الموجودات Total Assets
24%	3,867,185,113	4,787,325,100	المطلوبات المتداولة Current Liabilities
37%	4,069,804,134	5,580,856,295	إجمالي المطلوبات Total Liabilities
36%	406,372,920	551,096,142	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
11%	37,214,389	41,363,187	إجمالي الإيرادات التشغيلية Total Operating Revenue
-2%	22,868,051	22,515,592	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
--	Nil لا يوجد	Nil لا يوجد	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%) Change (%)	الربع الاول المقارن First Quarter Comparat Period 2019-03-31	الربع الاول الحالي First Quarter Current Period 2020-03-31	البيان Statement
Not Applicable لا ينطبق	Not Applicable لا ينطبق	Not Applicable لا ينطبق	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
Not Applicable لا ينطبق	Not Applicable لا ينطبق	Not Applicable لا ينطبق	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
Not Applicable لا ينطبق	Not Applicable لا ينطبق	Not Applicable لا ينطبق	إجمالي الإيرادات التشغيلية Total Operating Revenue
Not Applicable لا ينطبق	Not Applicable لا ينطبق	Not Applicable لا ينطبق	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)



• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
يعود الانخفاض في صافي الربح لفترة الثلاثة أشهر المنتهية في 31 مارس 2020 مقارنة بفترة الثلاثة أشهر المنتهية في 31 مارس 2019 بشكل رئيسي إلى زيادة في مخصص إنخفاض القيمة بمبلغ 3,862,990 د.ك. وانخفاض صافي إيرادات الأتعاب والعمولات بمبلغ 1,220,001 د.ك. بالإضافة إلى زيادة باقي بنود الإيرادات التشغيلية بمبلغ 5,368,599 د.ك. والذي قابله بشكل عام زيادة في المصروفات التشغيلية بمبلغ 4,500,957 د.ك.	The decrease in net profit for the three months period ended 31 March 2020 as compared to the three months period ended 31 March 2019 was primarily due to the increase in the provision for impairment by <b>KD 3,862,990</b> and decrease in the net fees and commission income by <b>KD 1,220,001</b> ; in addition to the increase in the other operating income items by <b>KD 5,368,599</b> which was broadly offset by the increase in operating expenses by <b>KD 4,500,957</b> .
بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Revenue realized from dealing with related parties (value, KWD)
847,488 د.ك	KWD 847,488
بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	Total Expenditures incurred from dealing with related parties (value, KWD)
820,006 د.ك	KWD 820,006

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
لا يوجد Nil	لا يوجد Nil	توزيعات نقدية Cash Dividends	
لا يوجد Nil	لا يوجد Nil	توزيعات أسهم منحة Bonus Share	
لا يوجد Nil	لا يوجد Nil	توزيعات أخرى Other Dividend	
لا يوجد Nil	لا يوجد Nil	عدم توزيع أرباح No Dividends	
لا يوجد Nil	لا يوجد Nil	زيادة رأس المال Capital Increase	
لا يوجد Nil	لا يوجد Nil	تخفيض رأس المال Capital Decrease	

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
There are no comments raised by the auditors	لا يوجد أي ملاحظات أبدتها مراقب الحسابات

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب الرئيس التنفيذي	عبد الله النجران التوبجري

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب إرفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد



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# Deloitte.

**Deloitte & Touche  
Al-Wazzan & Co.**

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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN BANK K.S.C.P.**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively "the Group") as at 31 March 2020, and the related interim condensed consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flow for the three months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

### **Report on other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.

ABDULKARIM AL SAMDAN  
LICENCE NO. 208 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

BADER A. AL-WAZZAN  
LICENCE NO. 62A  
DELOITTE & TOUCHE  
AL-WAZZAN & CO.

12 July 2020  
Kuwait

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT**  
**OF PROFIT OR LOSS (UNAUDITED)**



For the period from 1 January 2020 to 31 March 2020

		Three months ended 31 March	
		2020	2019
	Notes	KD'000's	KD'000's
<b>Income</b>			
Murabaha and other Islamic financing income		57,854	48,775
Finance cost and distribution to depositors		(25,617)	(20,168)
<b>Net financing income</b>		<b>32,237</b>	<b>28,607</b>
Net investment income	4	3,084	2,697
Net fees and commission income		3,755	4,975
Net foreign exchange gain		2,287	935
<b>Operating income</b>		<b>41,363</b>	<b>37,214</b>
Staff costs		(11,711)	(8,993)
General and administrative expenses		(4,938)	(3,408)
Depreciation		(2,198)	(1,945)
<b>Operating expenses</b>		<b>(18,847)</b>	<b>(14,346)</b>
<b>Operating profit before provision for impairment</b>		<b>22,516</b>	<b>22,868</b>
Provision for impairment	5	(11,464)	(7,601)
<b>Operating profit before deductions</b>		<b>11,052</b>	<b>15,267</b>
Taxation	6	(712)	(643)
<b>Net profit for the period</b>		<b>10,340</b>	<b>14,624</b>
<b>Attributable to:</b>			
Equity holders of the Bank		10,227	14,619
Non-controlling interests		113	5
<b>Net profit for the period</b>		<b>10,340</b>	<b>14,624</b>
<b>Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)</b>	7	<b>3.38</b>	<b>5.21</b>

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENT  
OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020



	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
<b>Net profit for the period</b>	<b>10,340</b>	<b>14,624</b>
<b>Other comprehensive (loss)/ income:</b>		
<b>Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</b>		
Change in fair value of debt investments at fair value through other comprehensive income	(32,954)	1,897
Foreign currency translation adjustments	(606)	337
<b>Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</b>		
Change in fair value of equity investments at fair value through other comprehensive income	(1,019)	181
<b>Other comprehensive (loss) / income for the period</b>	<b>(34,579)</b>	<b>2,415</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(24,239)</b>	<b>17,039</b>
<b>Attributable to:</b>		
Equity holders of the Bank	(24,352)	17,034
Non-controlling interests	113	5
<b>Total comprehensive (loss) / income for the period</b>	<b>(24,239)</b>	<b>17,039</b>

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION (UNAUDITED)**  
As at 31 March 2020



	Notes	31 March 2020 KD'000's	(Audited) 31 December 2019 KD'000's	31 March 2019 KD'000's
<b>Assets</b>				
Cash and balances with banks	8	236,322	232,393	122,767
Deposits with Central Bank of Kuwait		264,198	306,156	249,183
Deposits with other banks		585,722	427,347	213,797
Islamic financing to customers		4,479,338	3,728,772	3,404,764
Investment in Sukuk	9	390,578	306,315	322,584
Other investment securities	9	94,894	101,215	91,873
Investments in associates		4,941	33,144	31,846
Investment properties		47,159	46,555	24,499
Other assets		45,705	32,422	23,040
Property and equipment		89,640	86,229	69,532
<b>Total assets</b>		<b>6,238,497</b>	<b>5,300,548</b>	<b>4,553,885</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		594,022	236,480	204,654
Depositors' accounts		4,654,680	4,347,226	3,793,921
Sukuk issued	16	232,110	-	-
Other liabilities		100,044	63,661	71,229
<b>Total liabilities</b>		<b>5,580,856</b>	<b>4,647,367</b>	<b>4,069,804</b>
<b>Equity</b>				
Share capital		288,407	288,407	250,789
Share premium		156,942	156,942	62,896
Proposed bonus shares	17	14,420	14,420	-
Treasury shares	11	(54)	(54)	(54)
Statutory reserve		31,848	31,848	25,251
Other reserves	12	(12,465)	22,114	21,165
Retained earnings		46,044	35,817	46,326
Proposed cash dividends	17	25,954	25,954	-
<b>Equity attributable to equity holders of the Bank</b>		<b>551,096</b>	<b>575,448</b>	<b>406,373</b>
Perpetual Tier 1 Sukuk		75,388	75,388	75,388
Non-controlling interests		31,157	2,345	2,320
<b>Total equity</b>		<b>657,641</b>	<b>653,181</b>	<b>484,081</b>
<b>Total liabilities and equity</b>		<b>6,238,497</b>	<b>5,300,548</b>	<b>4,553,885</b>

Mahmoud Yousef Al-Fulaij  
Chairman

Adel Abdul Wahab Al Majeed  
Vice Chairman & Chief Executive Officer

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.



الإشارة : ..... /105/2 : 4564 Ref.

التاريخ : 7 ذوالحجّة 1441 : Date

الموافق : 28 يوليُو 2020

السيد نائب رئيس مجلس الإدارة والرئيس التنفيذي  
بنك بوبيان

تحية طيبة وبعد ،

بالإشارة إلى كتاب مصرفكم المؤرخ 2020/7/12 المرفق بهما البيانات المالية المرحلية المجمعة لمصرفكم عن الفترة المنتهية في 2020/3/31 و 2020/6/30 والتي تم إعدادهما لأغراض النشر وفقاً لمتطلبات بورصة الكويت ، وعطفاً على الإيضاحات والبيانات التفصيلية الواردة إلينا في هذا الشأن والتي كان آخرها بتاريخ 2020/7/22.

نفيدكم بأن بنك الكويت المركزي قد أُحيط علماً بما جاء في البيانات المشار إليها ، وعليه فإنه يمكنكم اتخاذ كافة الإجراءات الضرورية المتبعة في مثل هذا الخصوص .

وتفضلوا بقبول فائق الاحترام ،،،

وليد محمود العوضي

4565 - نسخة إلى بورصة الكويت .

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**



**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
AND INDEPENDENT AUDITORS' REVIEW REPORT FOR THE PERIOD  
FROM 1 JANUARY 2020 TO 31 MARCH 2020  
(UNAUDITED)**

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION  
(UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020

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Interim condensed consolidated statement of changes in equity (unaudited)	5
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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN BANK K.S.C.P.**

### *Introduction*

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### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

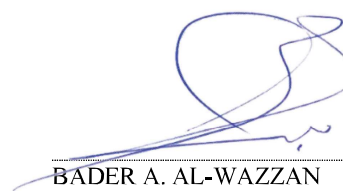
### **Report on other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank’s Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.



ABDULKARIM AL SAMDAN  
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**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENT  
OF PROFIT OR LOSS (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020



		Three months ended 31 March	
		2020	2019
		KD'000's	KD'000's
<b>Income</b>			
Murabaha and other Islamic financing income		57,854	48,775
Finance cost and distribution to depositors		(25,617)	(20,168)
<b>Net financing income</b>		32,237	28,607
Net investment income	4	3,084	2,697
Net fees and commission income		3,755	4,975
Net foreign exchange gain		2,287	935
<b>Operating income</b>		41,363	37,214
Staff costs		(11,711)	(8,993)
General and administrative expenses		(4,938)	(3,408)
Depreciation		(2,198)	(1,945)
<b>Operating expenses</b>		(18,847)	(14,346)
<b>Operating profit before provision for impairment</b>		22,516	22,868
Provision for impairment	5	(11,464)	(7,601)
<b>Operating profit before deductions</b>		11,052	15,267
Taxation	6	(712)	(643)
<b>Net profit for the period</b>		10,340	14,624
<b>Attributable to:</b>			
Equity holders of the Bank		10,227	14,619
Non-controlling interests		113	5
<b>Net profit for the period</b>		10,340	14,624
<b>Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)</b>	7	3.38	5.21

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENT  
OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020

	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
<b>Net profit for the period</b>	<b>10,340</b>	14,624
<b>Other comprehensive (loss)/ income:</b>		
<b>Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</b>		
Change in fair value of debt investments at fair value through other comprehensive income	(32,954)	1,897
Foreign currency translation adjustments	(606)	337
<b>Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:</b>		
Change in fair value of equity investments at fair value through other comprehensive income	(1,019)	181
<b>Other comprehensive (loss) / income for the period</b>	<b>(34,579)</b>	2,415
<b>Total comprehensive (loss) / income for the period</b>	<b>(24,239)</b>	17,039
<b>Attributable to:</b>		
Equity holders of the Bank	(24,352)	17,034
Non-controlling interests	113	5
<b>Total comprehensive (loss) / income for the period</b>	<b>(24,239)</b>	17,039

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

## BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (UNAUDITED)

As at 31 March 2020



	Notes	31 March 2020 KD'000's	(Audited) 31 December 2019 KD'000's	31 March 2019 KD'000's
<b>Assets</b>				
Cash and balances with banks	8	236,322	232,393	122,767
Deposits with Central Bank of Kuwait		264,198	306,156	249,183
Deposits with other banks		585,722	427,347	213,797
Islamic financing to customers		4,479,338	3,728,772	3,404,764
Investment in Sukuk	9	390,578	306,315	322,584
Other investment securities	9	94,894	101,215	91,873
Investments in associates		4,941	33,144	31,846
Investment properties		47,159	46,555	24,499
Other assets		45,705	32,422	23,040
Property and equipment		89,640	86,229	69,532
<b>Total assets</b>		<b>6,238,497</b>	<b>5,300,548</b>	<b>4,553,885</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		594,022	236,480	204,654
Depositors' accounts		4,654,680	4,347,226	3,793,921
Sukuk issued	16	232,110	-	-
Other liabilities		100,044	63,661	71,229
<b>Total liabilities</b>		<b>5,580,856</b>	<b>4,647,367</b>	<b>4,069,804</b>
<b>Equity</b>				
Share capital		288,407	288,407	250,789
Share premium		156,942	156,942	62,896
Proposed bonus shares	17	14,420	14,420	-
Treasury shares	11	(54)	(54)	(54)
Statutory reserve		31,848	31,848	25,251
Other reserves	12	(12,465)	22,114	21,165
Retained earnings		46,044	35,817	46,326
Proposed cash dividends	17	25,954	25,954	-
<b>Equity attributable to equity holders of the Bank</b>		<b>551,096</b>	<b>575,448</b>	<b>406,373</b>
Perpetual Tier 1 Sukuk		75,388	75,388	75,388
Non-controlling interests		31,157	2,345	2,320
<b>Total equity</b>		<b>657,641</b>	<b>653,181</b>	<b>484,081</b>
<b>Total liabilities and equity</b>		<b>6,238,497</b>	<b>5,300,548</b>	<b>4,553,885</b>

Mahmoud Yousef Al-Fulaij  
Chairman

Adel Abdul Wahab Al Majed  
Vice Chairman & Chief Executive Officer

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020

	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Other reserves (note 12)	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Perpetual tier 1 Sukuk	Non-controlling interests	Total equity
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
<b>Balance at 1 January 2020</b>	<b>288,407</b>	<b>156,942</b>	<b>14,420</b>	<b>(54)</b>	<b>31,848</b>	<b>22,114</b>	<b>35,817</b>	<b>25,954</b>	<b>575,448</b>	<b>75,388</b>	<b>2,345</b>	<b>653,181</b>
Profit for the period	-	-	-	-	-	-	10,227	-	10,227	-	113	10,340
Other comprehensive loss	-	-	-	-	-	(34,579)	-	-	(34,579)	-	-	(34,579)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(34,579)	10,227	-	(24,352)	-	113	(24,239)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	28,802	28,802
Other adjustment in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(103)	(103)
<b>Balance at 31 March 2020</b>	<b>288,407</b>	<b>156,942</b>	<b>14,420</b>	<b>(54)</b>	<b>31,848</b>	<b>(12,465)</b>	<b>46,044</b>	<b>25,954</b>	<b>551,096</b>	<b>75,388</b>	<b>31,157</b>	<b>657,641</b>
Balance at 1 January 2019	238,847	62,896	11,942	(643)	25,251	19,165	31,707	19,092	408,257	75,388	2,315	485,960
Profit for the period	-	-	-	-	-	-	14,619	-	14,619	-	5	14,624
Other comprehensive income	-	-	-	-	-	2,415	-	-	2,415	-	-	2,415
Total comprehensive income for the period	-	-	-	-	-	2,415	14,619	-	17,034	-	5	17,039
Dividends paid (note 17)	-	-	-	-	-	-	-	(19,092)	(19,092)	-	-	(19,092)
Issue of bonus shares (note 17)	11,942	-	(11,942)	-	-	-	-	-	-	-	-	-
Sale of treasury shares	-	-	-	589	-	(415)	-	-	174	-	-	174
Balance at 31 March 2019	250,789	62,896	-	(54)	25,251	21,165	46,326	-	406,373	75,388	2,320	484,081

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

For the period from 1 January 2020 to 31 March 2020

Notes	Three months ended 31 March	
	2020 KD'000's	2019 KD'000's
<b>OPERATING ACTIVITIES</b>		
Net profit for the period	<b>10,340</b>	14,624
<b>Adjustments for:</b>		
Provision for impairment	5 <b>11,464</b>	7,601
Depreciation	<b>2,198</b>	1,945
Foreign currency translation adjustments	<b>(5,157)</b>	(5,728)
Net loss/(gain) from financial assets at fair value through profit or loss	4 <b>462</b>	(288)
Share of results of associates	4 <b>(377)</b>	(1,160)
Net gain on acquisition of subsidiary	3 <b>(2,227)</b>	-
Dividend income	4 <b>(495)</b>	(223)
<b>Operating profit before changes in operating assets and liabilities</b>	<b>16,208</b>	16,771
<b>Changes in operating assets and liabilities:</b>		
Deposits with Central Bank of Kuwait	<b>7,924</b>	33,710
Deposits with other banks	<b>(39,903)</b>	45,433
Islamic financing to customers	<b>(238,428)</b>	(150,037)
Other assets	<b>13,816</b>	1,050
Due to banks	<b>302,774</b>	107,438
Depositors' accounts	<b>(152,084)</b>	72,986
Other liabilities	<b>18,819</b>	1,325
<b>Net cash (used in) / generated from operating activities</b>	<b>(70,874)</b>	128,676
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at fair value through profit or loss	<b>14,055</b>	17,333
Purchase of financial assets at fair value through other comprehensive income	<b>(105,448)</b>	(109,680)
Purchase of financial assets at fair value through profit or loss	<b>(8,008)</b>	(35,249)
Proceeds from sale of financial asset at fair value through other comprehensive income	<b>34,780</b>	102,173
Transaction costs related to acquisition of a subsidiary	3 <b>(1,815)</b>	-
Acquisition of a subsidiary, net of cash acquired	3 <b>(325)</b>	-
Purchase of investment properties	<b>(97)</b>	-
Purchase of property and equipment	<b>(5,899)</b>	(4,339)
Dividend income received	4 <b>495</b>	223
<b>Net cash used in investing activities</b>	<b>(72,262)</b>	(29,539)
<b>FINANCING ACTIVITY</b>		
Proceeds from exercise of share options	<b>-</b>	174
Issue of Global Mid-term Sukuk	16 <b>228,600</b>	-
<b>Net cash from financing activity</b>	<b>228,600</b>	174
Net increase in cash and cash equivalents	<b>85,464</b>	99,311
Cash and cash equivalents at beginning of the period	<b>509,737</b>	164,767
<b>Cash and cash equivalents at end of the period</b>	<b>595,201</b>	264,078

The notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

For the period from 1 January 2020 to 31 March 2020

**1. INCORPORATION AND ACTIVITIES**

Boubyan Bank K.S.C.P. ("the Bank") is a Kuwaiti public shareholding company incorporated on 21 September 2004, in accordance with the Commercial Companies Law in the State of Kuwait, by Amiri Decree No. 88 published on April 18<sup>th</sup> 2004, in accordance with the rules and regulations of the Central Bank of Kuwait ("CBK") (Law No. 30 of 2003).

The Bank's shares were listed on the Kuwait Stock Exchange on 15 May 2006.

The Bank was licensed by the Central Bank of Kuwait to do business on 28 November 2004.

The Bank is principally engaged in providing banking services, in accordance with Codes of the Islamic Sharia'a, as approved by the Bank's Sharia'a Supervisory Board.

The Bank is a subsidiary of National Bank of Kuwait S.A.K.P ("the Parent Company").

This interim condensed consolidated financial information as at and for the three months period ended 31 March 2020 incorporates the financial information of the Bank and its principal operating subsidiaries, BLME Holdings plc, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as "the Group") and the Group's interests in associates.

The address of the Bank's registered office is P.O. Box 25507, Safat 13116, State of Kuwait.

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 12 July 2020.

**2. SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation**

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' except as noted below. The accounting policies used in the preparation of these interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019.

The annual consolidated financial statements for the year ended 31 December 2019 were prepared in accordance with regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. These regulations require expected credit loss ("ECL") to be measured at higher of the ECL on credit facilities computed under IFRS 9 according to the CBK guideline or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB"). The ECL for Islamic financing as at 31 March 2020 is **KD 67,816 thousand** (31 December 2019: KD 53,981 thousand and 31 March 2019: KD 48,432 thousand) which is lower than the provision for impairment of Islamic finance to customers required by CBK.

The interim condensed consolidated financial information does not contain all information and disclosures required for the annual consolidated financial statements prepared in accordance with IFRS as adopted for use by the State of Kuwait, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2019. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

For the period from 1 January 2020 to 31 March 2020

**3. BUSINESS COMBINATION**

During the period, the Group acquired an additional equity interest in BLME Holdings plc ("BLME") (previously classified as "investment in associate"), resulting in an increase in its effective ownership from **27.91%** to **71.08%**. Having obtained control, the Group reclassified its investment in BLME from associate to subsidiary and consolidated the financial statements of BLME from 27 January 2020 ("date of acquisition")

As the business combination was achieved in stages, in accordance with IFRS 3 : Business Combination, the Group re-measured its previously held equity interest in BLME at the acquisition date fair value.

The acquisition of BLME has been accounted based on provisional values of identifiable assets and liabilities on the date of acquisition and the management is in the process of determining the fair values of assets and liabilities acquired.

The provisional fair values of assets acquired and liabilities assumed are summarized as follows:

	<b>KD 000's</b>
<b>Assets</b>	
Cash and balances with banks	28,602
Deposits with other banks	3,001
Islamic financing to customers	522,700
Investment in Sukuk	33,140
Other investment securities	1,154
Investments in associates	484
Other assets	26,611
	<b>615,692</b>
<b>Liabilities</b>	
Due to banks	118,425
Depositors' accounts	395,881
Other liabilities	10,592
	<b>524,898</b>
	<b>90,794</b>
Non-controlling interests	(3,274)
Provisional fair value of net assets	<b>87,520</b>
 <i>Analysis of cash flows on acquisition</i>	 <b>KD 000's</b>
Cash and cash equivalents in subsidiary acquired	28,602
Less: Consideration paid	(28,927)
<b>Cash outflow on acquisition</b>	<b>(325)</b>

The consideration paid, non-controlling interest and fair value of previous held equity interest relating to the above business combination amounted to **KD 28,927** thousand, **KD 25,312** thousand and **KD 16,735** thousand respectively. The acquisition resulted in a net gain of **KD 2,227** thousand; net of loss of re-measurement of previously held equity interest in BLME of **KD 12,504** thousand and transaction costs of **KD 1,815** thousand which is included under "Net investment income" in the consolidated statement of profit or loss.

The interim condensed consolidated statement of profit or loss of the Group for the three months period ended 31 March 2020, includes operating income of **KD 889** thousand and profit attributable to the equity holders of the Bank amounting to **KD 521** thousand from BLME.

Had the business combinations taken place at the beginning of the year, revenue of the Group and profit attributable to equity holders of the Bank, would have not have been materially different.

**4. NET INVESTMENT INCOME**

	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
Dividend income	495	223
Net (loss)/gain from financial assets at fair value through profit or loss	(462)	228
Net gain from sale of debt instrument at financial assets at fair value through other comprehensive income	59	-
Net gain from investment properties	388	104
Net gain on business combination (Note 3)	2,227	-
Gain on deemed acquisition in an associate	-	982
Share of results of associates	377	1,160
	<b>3,084</b>	<b>2,697</b>

**5. PROVISION FOR IMPAIRMENT**

	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
Provision charge for Islamic financing to customers	10,500	7,601
ECL – Other financial assets	964	-
	<b>11,464</b>	<b>7,601</b>

**6. TAXATION**

	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	101	136
National Labour Support Tax ("NLST")	279	362
Zakat (Based on Zakat law no: 46/2006)	112	145
Overseas tax	220	-
	<b>712</b>	<b>643</b>

**7. BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of share that would be issued on the conversion of all the dilutive potential shares into shares.

	Three months ended 31 March	
	2020	2019
Net profit for the period attributable to the equity holders of the Bank (KD'000)	10,227	14,619
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	3,027,952	2,805,126
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	<b>3.38</b>	<b>5.21</b>

Earnings per share for the prior period were 5.83 fils before retroactive adjustment to the number of shares following the bonus issue (note 17).

For the period from 1 January 2020 to 31 March 2020

**8. CASH AND CASH EQUIVALENTS**

	(Audited)		
	31 March 2020	31 December 2019	31 March 2019
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	236,322	232,393	122,767
Placements with banks maturing within seven days	358,879	277,344	141,311
	<b>595,201</b>	<b>509,737</b>	<b>264,078</b>

**9. INVESTMENT SECURITIES**

	(Audited)		
	31 March 2020	31 December 2019	31 March 2019
	KD'000's	KD'000's	KD'000's
Investment in Sukuk – FVOCI	390,578	306,315	322,584
Financial assets at fair value through profit or loss	74,611	80,440	60,921
Financial assets at fair value through other comprehensive income	20,283	20,775	30,952
	<b>485,472</b>	<b>407,530</b>	<b>414,457</b>

	(Audited)		
	31 March 2020	31 December 2019	31 March 2019
	KD'000's	KD'000's	KD'000's
<b>Financial assets at fair value through profit or loss</b>			
Investment in unquoted equity funds	74,611	80,440	60,921
	<b>74,611</b>	<b>80,440</b>	<b>60,921</b>

	(Audited)		
	31 March 2020	31 December 2019	31 March 2019
	KD'000's	KD'000's	KD'000's
<b>Financial assets at fair value through other comprehensive income</b>			
Investment in unquoted equity securities	20,144	20,624	30,780
Investment in quoted equity securities	139	151	172
	<b>20,283</b>	<b>20,775</b>	<b>30,952</b>

**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020

**10. RELATED PARTY TRANSACTIONS**

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members and the Parent Company including their board member, key management personnel, branches, associates and subsidiaries. Balances with related parties arise from commercial transactions in the normal course of business on an arm's length basis and are included within the following financial information captions:

	Number of board members or executive officers			Number of related parties			(Audited)		
	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 December 2019	31 March 2019
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	5	7	5	1	1	1	1,282	14,469	2,986
Depositors' accounts	5	5	9	11	12	9	4,625	3,801	4,124
Letters of guarantee and letters of credit	-	-	-	1	-	-	356	-	-
Murabaha and other Islamic financing income							12	459	48
Finance cost and distribution to depositors							(13)	(98)	(14)
<b>Parent Company</b>									
Due from banks							214,580	181,080	53,263
Due to banks							286,605	5,735	76,689
Murabaha and other Islamic financing income							835	1,405	422
Finance cost and distribution to depositors							(807)	(1,170)	(117)

**10. RELATED PARTY TRANSACTIONS (continued)****Compensation of key management personnel**

Details of compensation to key management comprise the following:

	Three months ended 31 March	
	2020	2019
	KD'000's	KD'000's
Short-term benefits	656	557
Post-employment benefits	141	129
Deferred compensation	171	156
	<b>968</b>	<b>842</b>

**11. TREASURY SHARES**

The Bank held the following treasury shares:

	31 March 2020	(Audited) 31 December 2019	31 March 2019
Number of treasury shares	331,112	331,112	283,242
Treasury shares as a percentage of total issued shares - %	0.01148%	0.01148%	0.01129%
Cost of treasury shares – KD thousand	54	54	54
Market value of treasury shares – KD thousand	169	212	171
Weighted average of market value per share – KD	0.598	0.578	0.578

**12. OTHER RESERVES**

	Voluntary reserve	Share based payment reserve	Fair value reserve	Foreign currency translation reserve	Total
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
<b>Balance at 1 January 2020</b>	30,468	967	167	(9,488)	22,114
Other comprehensive loss for the period	-	-	(33,973)	(606)	(34,579)
Total comprehensive loss for the period	-	-	(33,973)	(606)	(34,579)
<b>Balance at 31 March 2020</b>	<b>30,468</b>	<b>967</b>	<b>(33,806)</b>	<b>(10,094)</b>	<b>(12,465)</b>
Balance at 1 January 2019	24,158	1,381	3,543	(9,917)	19,165
Other comprehensive income for the period	-	-	2,078	337	2,415
Total comprehensive income for the period	-	-	2,078	337	2,415
Sale of treasury shares	-	(415)	-	-	(415)
Balance at 31 March 2019	24,158	966	5,621	(9,580)	21,165

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2020 to 31 March 2020

**13. CONTINGENCIES AND COMMITMENTS**

At the financial reporting date there were outstanding contingencies and commitments entered in the ordinary course of business in respect of the following:

	31 March 2020	(Audited) 31 December 2019	31 March 2019
	KD'000's	KD'000's	KD'000's
Guarantees	262,614	271,839	265,676
Acceptances and letters of credit	87,609	90,184	97,866
Other commitments	2,032	2,032	9,278
	<b>352,255</b>	<b>364,055</b>	<b>372,820</b>

**14. SEGMENT REPORTING**

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. The operating segments are divided as either business segments or geographical segments.

**Business Segments**

For management purposes, the Bank is organized into the following four major business segments:

**Consumer banking:** Provides a diversified range of products and services to individuals and institutional customers. The range includes consumer finance, credit cards, deposits and other branch related services.

**Corporate banking:** Provides Murabaha, Ijarah, trade service and other related services to business and corporate customers.

**Investment banking:** Principally handling asset and wealth management direct investments, investment in associates, local and international real estate investments.

**Treasury:** Principally handling local and international Murabaha and other Islamic financing, primarily with banks, as well as the management of the Bank's funding operations.

**Group centre:** Includes other group activities and residual in respect of transfer pricing and inter segment allocation.

	Consumer banking	Corporate banking	Investment banking	Treasury	Group centre	Total
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
<b>Three months ended 31 March 2020</b>						
Net financing income	17,946	10,184	923	1,013	2,171	32,237
Operating income	18,757	12,499	5,257	3,300	1,550	41,363
Net profit/(loss) for the period	9,731	8,930	2,217	3,045	(13,583)	10,340
Total assets	1,668,997	2,827,376	783,519	881,373	77,232	6,238,497
Total liabilities	2,400,775	432,322	592,533	1,880,661	274,565	5,580,856
<b>Three months ended 31 March 2019</b>						
Net financing income/(loss)	15,425	7,862	(823)	3,071	3,072	28,607
Operating income	16,784	11,201	3,679	4,007	1,543	37,214
Net profit/(loss) for the period	7,190	3,317	2,628	3,859	(2,370)	14,624
Total assets	1,510,862	2,337,370	179,747	481,618	44,288	4,553,885
Total liabilities	2,132,952	282,994	14,112	1,588,293	51,453	4,069,804

**15. FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models or other models as appropriate.

**Fair value hierarchy**

The table below analyses financial instruments measured at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	KD'000's	KD'000's	KD'000's	KD'000's
<b>31 March 2020</b>				
Financial assets at fair value through profit or loss	-	38,744	35,867	74,611
Investment in Sukuk – FVOCI	390,578	-	-	390,578
Financial assets at fair value through other comprehensive income	139	-	20,144	20,283
	<b>390,717</b>	<b>38,744</b>	<b>56,011</b>	<b>485,472</b>
<b>31 December 2019 (Audited)</b>				
Financial assets at fair value through profit or loss	-	38,578	41,862	80,440
Investment in Sukuk – FVOCI	306,315	-	-	306,315
Financial assets at fair value through other comprehensive income	151	-	20,624	20,775
	<b>306,466</b>	<b>38,578</b>	<b>62,486</b>	<b>407,530</b>
<b>31 March 2019</b>				
Financial assets at fair value through profit or loss	-	60,921	-	60,921
Investment in Sukuk – FVOCI	322,584	-	-	322,584
Financial assets at fair value through other comprehensive income	172	-	30,780	30,952
	<b>322,756</b>	<b>60,921</b>	<b>30,780</b>	<b>414,457</b>

Fair values of all financial instruments are not materially different from their carrying values.

The movement in Level 3 of financial instrument during the period are as follows:

	At 1 January KD'000's	Change in fair value KD'000's	Additions/ Amortization KD'000's	Sale/ redemption KD'000's	Exchange rate movements KD'000's	At 31 March KD'000's
<b>31 March 2020:</b>						
<b>Assets measured at fair value</b>						
Financial assets at fair value through profit or loss	41,862	(232)	(3)	-	(6,177)	417
Financial assets at fair value through other comprehensive income	20,624	-	-	160	(640)	20,144
	<b>62,486</b>	<b>(232)</b>	<b>(3)</b>	<b>160</b>	<b>(6,177)</b>	<b>(223)</b>
<b>31 March 2019:</b>						
<b>Assets measured at fair value</b>						
Financial assets at fair value through other comprehensive income	30,574	-	-	-	206	30,780
	<b>30,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206</b>	<b>30,780</b>

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of profit and loss and other comprehensive income would be immaterial if the relevant risk variables used to fair value the securities classified under level 2 and level 3 were altered by 5 percent.

**16. GLOBAL MEDIUM TERM SUKUK (SUKUK ISSUED).**

During 2019, the Bank established a USD 1 billion Global medium term Sukuk programme (“GMTN programme”). On 18 February 2020, the Bank issued senior unsecured Sukuk amounting to **USD 750 million** due in February 2025 under the GMTN programmed through a wholly owned special purpose vehicle. These Sukuk were issued at 100 per cent of nominal value and carry a fixed profit rate at **2.593%** per annum payable semi-annually in arrears.

**17. ANNUAL GENERAL ASSEMBLY MEETING**

The Annual General Assembly meeting of the shareholders held on 8 March 2020 approved **5%** bonus shares (2018: 5%) and a cash dividend of **9 fils** per share (2018: 8 fils per share) for the year ended 31 December 2019. The cash dividend payable amounting to **KD 25,954 thousand** (2018: KD 19,092 thousand) is included under equity as at 31 March 2020. The bonus shares increased the number of issued and fully paid up shares by **144,203,973** shares (2019: **119,423,580** shares) and increase in share capital by **KD 14,420 thousand** (2019: KD **11,942** thousand). The approved dividends and bonus shares was distributed on 14 April 2020.

**18. IMPACT OF COVID-19 PANDEMIC**

The COVID-19 pandemic spread rapidly across global geographies causing significant disruption to business and economic activities and bringing unprecedented uncertainty to the global economic environment. Fiscal and monetary authorities worldwide have launched extensive responses designed to mitigate the severe consequences of the pandemic.

**Covid-19 support measures**

In response to the crisis the Central Bank of Kuwait (CBK) implemented a number of measures targeted at reinforcing the banking sectors ability to play a vital role in the economy. These measures, include, but not limited to, the expansion of lending capacity, strengthening financing capabilities, providing direction in lending to productive economic sectors and in the provision of liquidity to impacted customers. Subsequent to the balance sheet date, Kuwaiti banks acted to postpone the collection of consumer and housing finance, credit cards and SMEs financing facilities for a period of six months commencing April 2020 without charging additional profit arising from this postponement. Additionally, recoveries of instalments and profit on finance to corporate customers impacted by Covid-19 are postponed for a period of six months effective from March 2020. The Group determined a loss of **KD 48,232** thousand arising from the modification of contractual cashflows. This will be recognised as a reduction in equity in the interim financial statements for the next period, in accordance with the regulations specified by CBK.

**Expected Credit Loss (ECL) estimates**

The Group considered the potential impact of the uncertainties caused by the Covid-19 pandemic together with the associated economic support and relief measures of governments and central banks in its estimation of ECL requirements for the period ended 31 March 2020, making adjustments to macroeconomic variables as appropriate. The Group has also given specific consideration to the impact of COVID-19 on the relevant qualitative and quantitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

Notwithstanding the above, the ECL requirement for credit facilities estimated as at 31 March 2020 continues to be lower than the provisions required as per CBK instructions. In accordance with Group accounting policy, the higher amount, being the provision required as per CBK instructions, is therefore recognized as the provision requirement for credit losses on credit facilities.

**Other impacts**

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group’s financial and non-financial assets. The reported amounts best represent management’s assessment based on observable information. Markets however remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental and the Group will accordingly continue to reassess its position and the related impact on a regular basis.