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الإشارة: 2021/1721

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

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

Dear Sir,

**Minutes of the Analysts' Conference call  
for the Second Quarter of 2021**

**محضر مؤتمر المحللين للربع الثاني لسنة 2021**

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 Second quarter ended 30/06/2021 held via Live Webcast at 02:00 pm (Local Time) on Tuesday, July 27<sup>th</sup> 2021 as per the requirements of the said article.

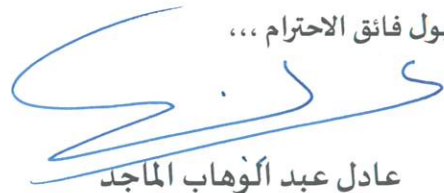
بالإشارة الى أحكام المادة رقم (8-4-2) من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 وتعديلاته، والمتعلقة بالالتزامات المستمرة المطلوبة من الشركات المدرجة المصنفة ضمن شريحة -السوق الأول - (Premier Market) والتي تم تصنيف بنك بوبيان ضمنها.

نرفق لكم نسخة من محضر مؤتمر المحللين للربع الثاني المنتهي في 2021/06/30 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:00 (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 2021/07/27؛ وذلك وفقا للمتطلبات الواردة في المادة المشار إليها أعلاه.

Best regards,

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

وتفضلوا بقبول فائق الاحترام ...



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## **H1 2021 Boubyan Bank K.S.C.P – Earnings Call**

Edited transcript of the Boubyan Bank earnings conference call that took place on Tuesday 27th July 2021 at 14:00 Kuwait time

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### **Corporate participants:**

Mr. Abdul Salam Al-Saleh – Chief Executive Officer

Mr. Mohamed Ibrahim – General Manager, Financial Control Group

Mr. Omar Bouhafs – Head of Investor Relations

Omar Bouhafs: Good afternoon everyone, and thank you for joining us today. This is Omar Bouhafs, Head of Investor Relations. I am pleased to welcome you all to Boubyan Bank's earnings webcast covering the results for the first half of the 2021 year.

Joining me today is Mr. Abdul Salam Al-Saleh Chief Executive Officer 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 two of the presentation pack.

Our format for today's call will include:

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

Following this we will have time for Q&A 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. Abdul Salam Al-Saleh to take you through a brief update on Boubyan's performance for the first half of 2021.

Abdul Salam Al-Saleh:

Thank you Omar.

Good afternoon Ladies and Gentlemen and thank you for joining us.

First of all, I would like to commence by announcing the achievement of a major milestone in our International strategy with the launch of a new Digital bank out of the UK, Nomo bank, through our subsidiary BLME. This sharia compliant digital bank will offer a range of banking and wealth management services digitally in the UK and compliments Boubyan's long-term strategic aspiration of international expansion while leveraging Boubyan's leading digital banking capabilities.

Regarding financial performance, we had very strong business growth during the period which reflected into 15% growth in operating profit which exceeded KD 50 million level. We also strengthened our market share position as the third largest bank in Kuwait with total assets growing at 13% to KD 6.9 billion and total financing portfolio growing at 12% to KD 5.2 billion. Our customers' deposits also grew at 15% to KD 5.4 billion.

Our net profit grew by 25% to reach KD 21.5 million after allocating KD 28 million in provisions as a continuation of our prudent approach to increase our contingent provision level to strengthen the Bank's financial position and manage any unforeseen consequences related to the current pandemic.

With this strong growth, I would like to point out that non-performing loans stood at 1.1% at H1, which is consistent with the same period last year, and remains one of the lowest amongst peers which proves the quality of our portfolio and prudent underwriting strategy.

Furthermore our Ratings from Moody's, S&P and Fitch remain at A3, A- and A+ respectively.

Moving on now to discuss our strategy and operating environment.

Despite the ongoing challenges with the pandemic, the Bank remained committed in implementing its third five-year strategy "Boubyan 2023" which builds on the Group's robust domestic foundations and strengthening our international presence.

We believe we can continue to achieve our strategic aspiration of sustained growth in Kuwait by continuing to provide the highest levels of customer service and affirming our excellence in digital services.

Throughout the first half of 2021, we have maintained strong

momentum in our achievements including the opening of two new branches to continue meeting our customers' needs.

Our excellence in customer service, was again confirmed in 2021 by being named the Best Islamic Bank in Customer Service for the eleventh year in a row since 2010 by Service Hero, an achievement of which we are proud.

In terms of our operating environment, despite the on-going pandemic, we are optimistic about the upcoming period, in light of the large vaccination level achieved by the health authorities and yesterday's decision by the Government to reopen all sectors which pave the way for gradual return to normal life.

This is an overview about Boubyan and our major achievements. Now, Mohamed will take you through the Bank's financial performance in more detail.

Mohamed Ibrahim: Thank you Mr. Abdul Salam and good afternoon everyone. It is my pleasure to take you through our financial results for the first half of 2021.

As briefed by Mr. Abdul Salam, we had very strong business growth during the period which reflected into 15% growth in operating profit to KD 50.2 million. This reflects the growth in the bank's operating income, particularly net financing income.

As you can see on the top left of Page 7, the bank reported a net profit of **KD 21.5 million** with an earnings per share of **6 fils**. We continued our prudent provisioning policy during the period by recording a considerable amount of precautionary provisions which I will discuss in details in a coming slide.

The bank's ROAE increased to **6.9%** while our return on average assets was stable at **0.6%**

Now moving to the operating income components on Page 8, we can see that Operating income increased by **17%** to reach **KD 92.6 million**.

As I mentioned this was mainly driven by the Bank's net financing income, which grew by **20%** reaching **KD 79.1 million**. This growth is a result of strong volume growth in the Bank's average profit earning assets, and improved margins. As you can see the Bank's net profit margin increased to **2.5%** from 2.3% at the same period last year.

This growth in net financing income has contributed into increasing the

percentage of net financing income to total operating income to **85%** compared to Q1 2020 of 83%.

Fees and commissions income showed some continued signs of recovery during 2021 and reached KD 7.3 million compared to 6.3 million during the same period in 2020. This growth being achieved across retail, corporate and wealth management segments.

FX income was back to its regular level of KD 2.1 million considering some extraordinary FX volume we had during H1 2020.

Investment income a similar level to 2020, reaching **KD 4.2 million**, reflects improved performance of our investment portfolio, while 2020 includes a one-off gain on the acquisition of BLME of **KD 2.2 million**.

Now, we will move to slide 9 and discuss operating expenses. Operating expenses on a consolidated level grew by **19%** during the period compared to 17% growth in operating income which resulted into increasing the cost to income ratio to **45.8%** while cost to average assets was stable at **1.3%**.

It's worth to mention that for our operations in Kuwait, the growth in operating expenses was only 4% and cost to income ratio on Kuwait level was reduced to our aspired level of 40%. This was a result of strong operating income growth and cost optimization program we are running.

The increase in the consolidated cost to income ratio reflects the increased spending on our international strategy which includes international wealth management proposition and our new international digital bank through BLME. This strategy still in the investment stage which resulted into the growth in operating expenses specially G&A expenses on the consolidated level.

We will now move onto provisions on slide 10, we can see that the total impairment provision was **KD 28 million**. This amount includes provisions related to other assets and subsidiaries amounted KD 6.6 million. The majority of the general provision for Boubyan's financing portfolio amounting KD 20.3 was precautionary to manage any consequences that might arise from the COVID-19 pandemic

Although the bank's loss ratio and provisions as a percentage of operating profit was stable at **0.86%** and **56.6% respectively**, it's still lower than full year 2020 of 1.01% and 63.4%.

I would like to highlight that IFRS 9 provision was lower than the

provision as per CBK by **KD 85 million** and accordingly we have reported the CBK provision in our financials as the higher of the two.

Now moving on to slide 12 let us look at our Balance sheet.

Overall, our total assets grew by **13%** Year on Year. This increase was mainly driven by the strong organic growth in the Bank's financing portfolio.

Liquid assets to total assets ratio was maintained at a comfortable level of around **22%**. In general, the composition of total assets has been consistent with last year, with the share of the financing portfolio representing **74%** of total assets.

Customer deposits also increased by **15%** Year on Year mainly from the growth in core retail deposits.

The bank has maintained its domestic loan to deposit ratio at a comfortable level of approximately **85.5%**.

We now move on to slide 13 to discuss the performance of our financing portfolio. Our net financing portfolio grew by **KD 536 million** Year-on-Year or **12%** against a broader market growth of less than **5%**.

Our Retail financing grew by **25%** driving much of the growth year-on-year. Our Corporate financing grew at 7% while BLME portfolio increased by 4% during this time mainly due to the increase in GBP exchange rate.

This has resulted into increasing retail financing as a percentage of our portfolio at the consolidated level to **38%** from **34%**, remaining one of the highest ratios in the industry.

Non-performing loans stood at **1.1%** by the end of Q2 2021, consistent with the same period last year. While our coverage ratio has grown to **283%**. It is worth noting that despite the very challenging operating environment, we are still maintaining NPL at that level, which is considered one of the lowest rates amongst local and regional banks.

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

We are maintaining our capital adequacy at a comfortable level of **17.0%** which reflects our successful US \$500 million tier 1 sukuk issuance earlier this year, offset by the deployment of capital required for growth in business.

Risk Weighted Assets reported a year-on-year growth of **11%** to reach **KD 4.4 billion**, which was driven by asset growth as discussed earlier.

As you can see, the majority of our regulatory capital is in Common Equity Tier 1 which represents **75%**. This is followed by additional Tier1 at **19%** which is the recent Boubyan Sukuk issued during the period as I mentioned earlier.

The leverage ratio was **9.7%** which is broadly in line with the market and well above the regulatory minimum.

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

Omar Bouhafs

Thank you 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.

Omar Bouhafs

Our first question asks can you please provide additional details on the decline in cost of funds? Further, for the loan loss provision what is the normalized level that can be expected for the remainder of the year, and how will this be affected in the remainder of the year with the unwinding of the Government's support measures?

Mohamed Ibrahim

For cost of funds, the decrease reflects the improved CASA ratio and the lower profit rate environment we've seen since Q1 2020, and this resulted in the decreased cost of funds and improved net profit margin.

The second question regarding loan loss provision. As I mentioned earlier, although the provisions cost increased, the loss ratio remained stable year-on-year at 0.86%, and similarly provisions as a percentage of operating profit. When comparing these ratios with the full year of 2020, which was approximately 1% for the loss ratio and 63% for provisions as a percentage of operating profit, we are much lower than last year and expect to close this year lower than 2020.

Regarding the unwinding of Government support measures, I don't think it will have an impact on provisioning taking into consideration the quality of our financing portfolio which doesn't show any sign of deterioration from the current pandemic. However, we think the consequences of the Covid-19 pandemic yet to be reflected. Accordingly, the precautionary provisions which is part of the overall loss ratio is to manage any unforeseen consequences.



- Omar Bouhafs Do you think the strong momentum in retail credit growth and whether it will continue in the second half of 2021, and could you provide some guidance for credit growth for the remainder of 2021.
- Mohamed Ibrahim We have seen higher growth in retail lending since last quarter of 2020 which has continued till now. This might continue till year end and will have a positive impact on our guidance for credit growth for the year which remains double digits for Kuwait, BLME to remain flat. However on a consolidated level we expect lower double digits growth.
- Omar Bouhafs What is your view on Cost of Funds and NPMs forward?
- Mohamed Ibrahim Assuming a stable rate environment, we believe we can maintain our COF at the current level of approximately 1% and likewise maintain our NPM around the current level of 2.5%.
- Omar Bouhafs Our next question asks if you can talk a bit about what drove the decline in CET-1 ratio in the first half even as capital adequacy ratio has been stable?
- Mohamed Ibrahim As I mentioned in my presentation, the increase in risk weighted assets resulted in a reduction to capital adequacy and CET-1 as a result of double digit business growth. However, the tier-1 Sukuk issued in the first quarter increased our total capital adequacy to 17%, a little higher than last year, while CET-1 declined due to the business growth.
- Omar Bouhafs Our next question asks about the significant growth in retail loans, is this mainly from Kuwait?
- Mohamed Ibrahim Yes, the growth in retail financing portfolio of 25% year-on-year was all coming from Kuwait operations.
- Omar Bouhafs Our next question asks why 'other assets' increased significantly as compared to December 2020?
- Mohamed Ibrahim As you know the consumer loans for Kuwaiti customers have been deferred for six month as per the deferment law. The Government will bear all the cost arising from this deferral. The provisional calculation of this cost was approximately KD 52 million and is now receivable from the Government of Kuwait, pending the finalisation of process with the Central Bank of Kuwait and Ministry of Finance and has been recorded as part of other assets.
- Omar Bouhafs Our next question asks on our outlook on NPMs and cost of funds which we believe we have already answered, so the following question asks if we can provide some comments about the demand from the Corporate

Sector and whether we have seen any improvement in recent months?

- Abdul Salam Al Saleh For corporate business, we did see improvement during the first half of the year and this is in line with the growing vaccination levels and the opening of businesses. As you saw with the increase in retail lending, this reflected also on the business side where we've seen improving results from business in trading, services and real estate developments. There are also movements on government projects, housing projects, oil sector, healthcare and general infrastructure.
- Omar Bouhafs Ok, our next question asks how much of net income is contributed by BLME and further given the investment in digital banking whether operational expenditure should continue to increase in the second half of 2021.
- Mohamed Ibrahim As for BLME, it contributes approximate 9% of total assets, 9-10% of operating income, and due to the higher cost-to-income ratio for BLME it contributes around 6% of operating profit.
- Regarding the investment in digital banking, for Kuwait our aspiration is to continue the reduction in cost-to-income ratio. However for the consolidated number it may stabilise at this level till end of year and beyond, until we realise the benefits of our investments in technology and international expansion.
- Omar Bouhafs Our next question asks for any update on the mortgage law and if we can throw some colour on the growth for the sector for the remainder of the year.
- Abdul Salam Al Saleh For the mortgage law there is no further development on this subject.
- For the overall sector, as we mentioned before, with the increased vaccination levels, reopening of businesses, and the recently extended opening hours beyond 8pm, we believe this will positively reflect on the business side. So a positive development for businesses on increased spending and activities in general and so we remain positive towards this.
- Omar Bouhafs Our next question asks on loan growth, margins and cost of risk which we believe we have already covered. So the next question is regarding NPLs and what the Kuwait share of NPL vs. international, and also what's the CASA contribution as at June.
- Mohamed Ibrahim For international the contribution to NPL is in the range of 9-10% similar to its contribution of total assets and total financing portfolio.
- Regarding CASA, on the consolidated level it is around 34% while on the

Kuwait level is it still around 37%.

Omar Bouhafs      Ok our next question asks what is driving the retail growth year-to-date and does the cost-to-income target of below 40% in the medium term still hold.

Mohamed Ibrahim      There are two reasons for retail growth at 25% for Boubyan bank. The first one is related to market dynamics, with the market growth of approximately 10% year-on-year. The second reason is related to the growing franchise of Boubyan which reflected into the growth with the existing customers as well as the acquisition of new customers.

On the question of cost-to-income ratio target below 40%, as I mentioned our aspiration of having a cost-to-income ratio below 40% for Kuwait is now achieved. However for the consolidated number it may take some time until we see the international business achieving the same cost-to-income ratio of Boubyan. So this may require 3-5 years to have the consolidated number below 40%

Omar Bouhafs      Our next question is asking on the previous guidance for high-single digit growth in the medium term for loans and whether this has changed at all, and further what is the aspiration for long term return on equity.

Mohamed Ibrahim      Regarding the guidance for this year, we revised our guidance for growth on a consolidated level from high single digits to low double digits. However for the medium term high single digit growth as a guidance still holds.

For the second part on return on average equity, it is our aspiration to maintain a return on equity around the 12% level as our long term target, after recovering from the current provisioning period related to the pandemic.

Omar  
Bouhafs:      So given there are no further questions remaining, so 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 via 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 Boubyan and the Kuwait Boursa Websites within the coming days.

Thank you.

# Boubyan Bank Investors Presentation

H1 2021 Results

Analyst Call

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## **1** Boubyan's Performance & Strategy – At a glance

**2** Income statement analysis

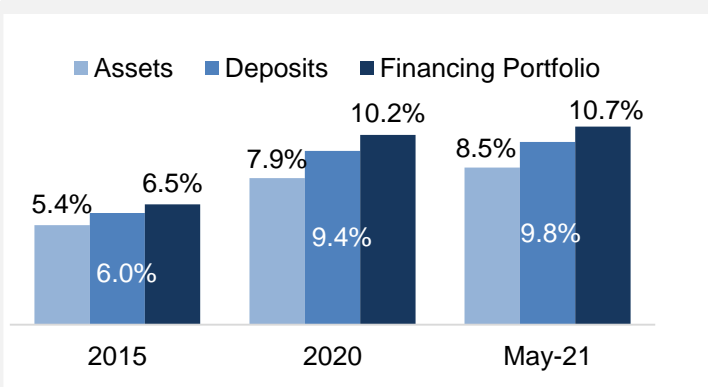
**3** Balance sheet analysis

**4** Capitalisation and Leverage

## Financial snapshot

<i>KD million</i>	6M 2021	6M 2020	Growth %
Net Profit to shareholders	21.5	17.1	25%
Operating Income	92.6	79.5	17%
Operating Profit	50.2	43.8	15%
Total Assets	6,945	6,131	13%
Financing Portfolio	5,152	4,616	12%
Customer Deposits	5,417	4,720	15%
Earnings per share (Fils)	6.00	4.57	31%

## Market share



## Key Financial Metrics

	6M 2021	6M 2020	Variance
Return on Average Equity (%)	6.9	5.5	1.4
Return on Average Assets (%)	0.6	0.6	0.0
Cost to Income (%)	45.8	44.9	0.9
NPL Ratio (%)	1.1	1.1	0.0
Capital Adequacy Ratio (%)	17.0	16.8	0.2

## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A3	Stable	Jun 2021
STANDARD & POOR'S	A-	Stable	Nov 2020
FitchRatings	A+	Negative	Feb 2021

Source: Financial statements, Boubyan analysis

# The Bank's strategy builds on robust domestic foundations

## Strategic objectives

Scale up the  
core domestic  
business

### 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 and BLME
- Grow market share



**1** Boubyan's Performance & Strategy – At a glance

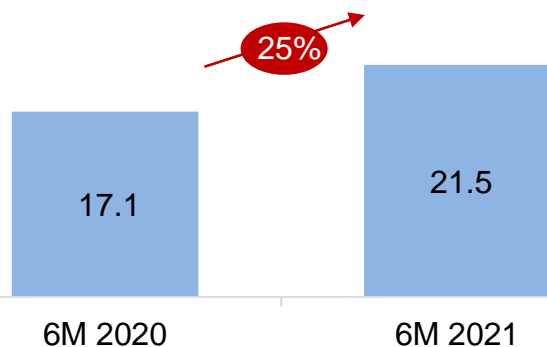
**2** **Income statement analysis**

**3** Balance sheet analysis

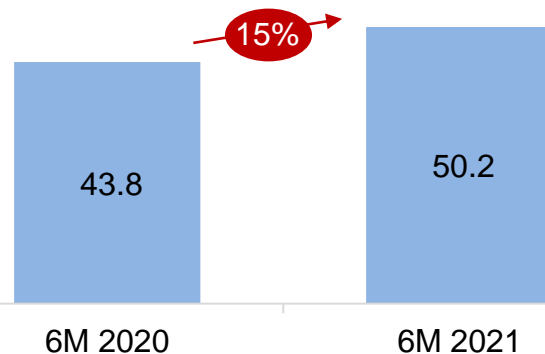
**4** Capitalisation and Leverage

## Profitability and performance ratio

### Net profit (KD Million)



### Operating profit (KD Million)



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

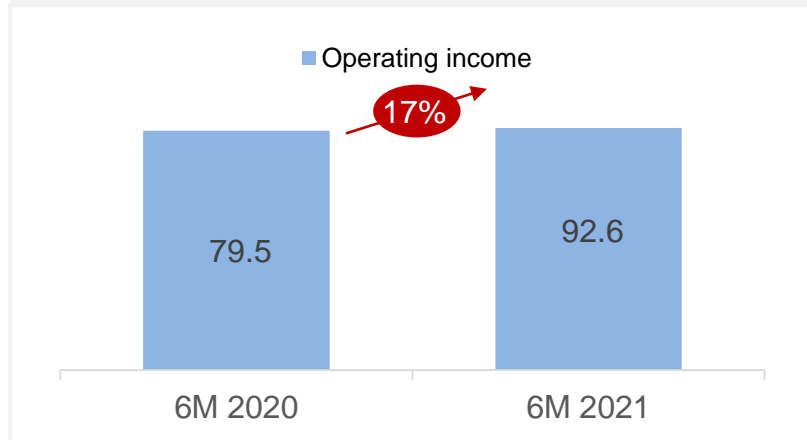


### Return on Average Assets (%)

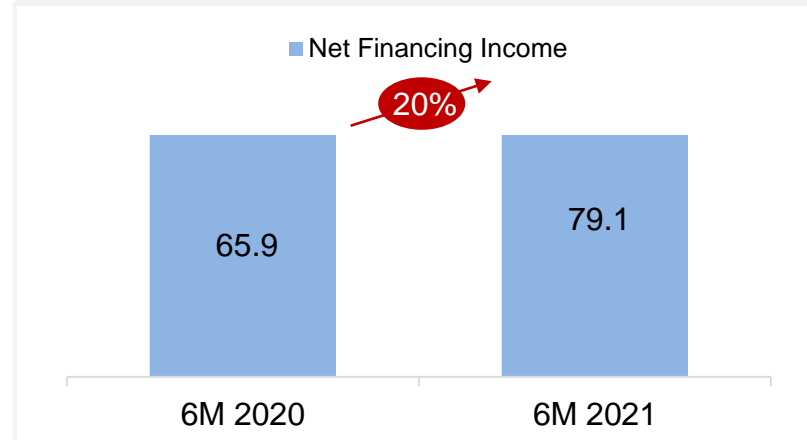


## Operating income components and Net Profit Margins

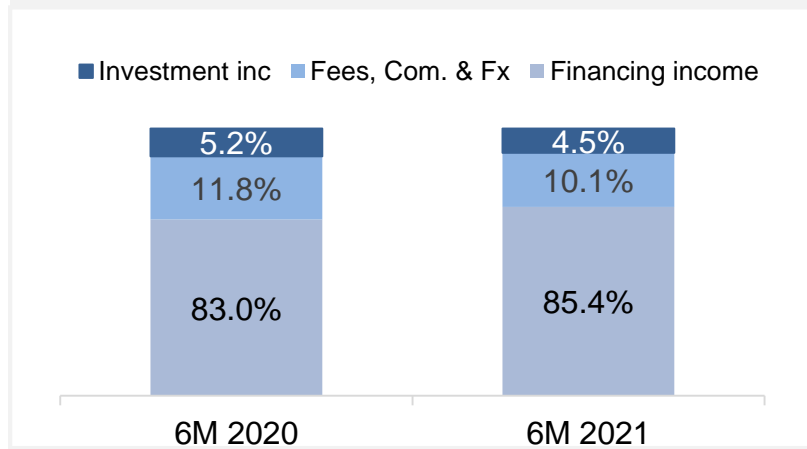
### Operating Income (KD Million)



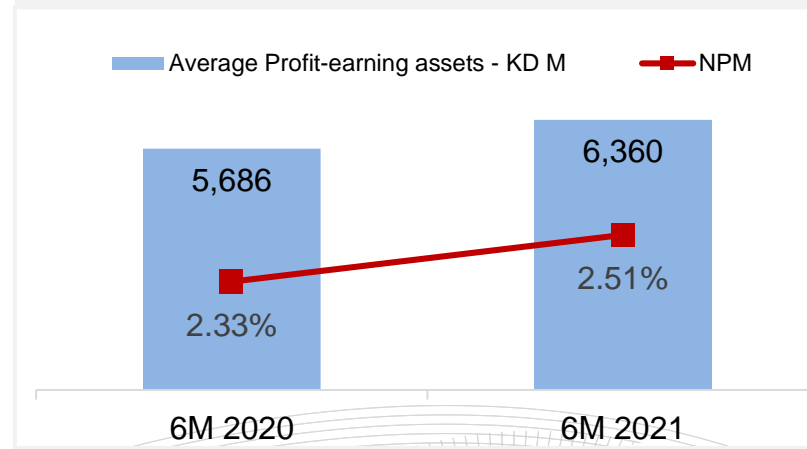
### Net Financing Income



### Composition on operating income



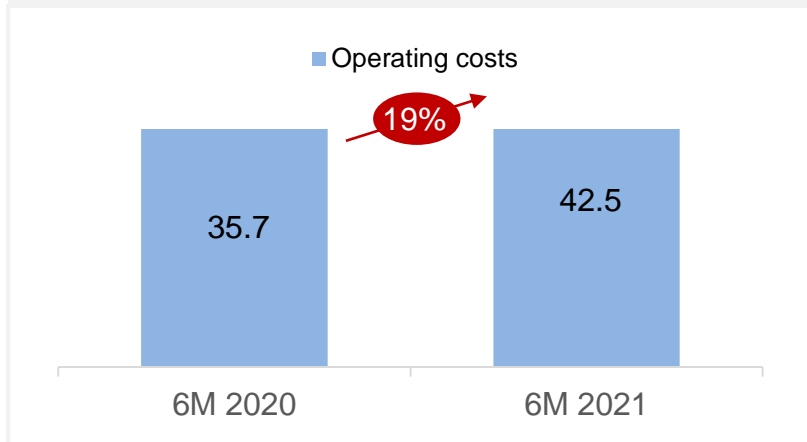
### Net Profit Margin %



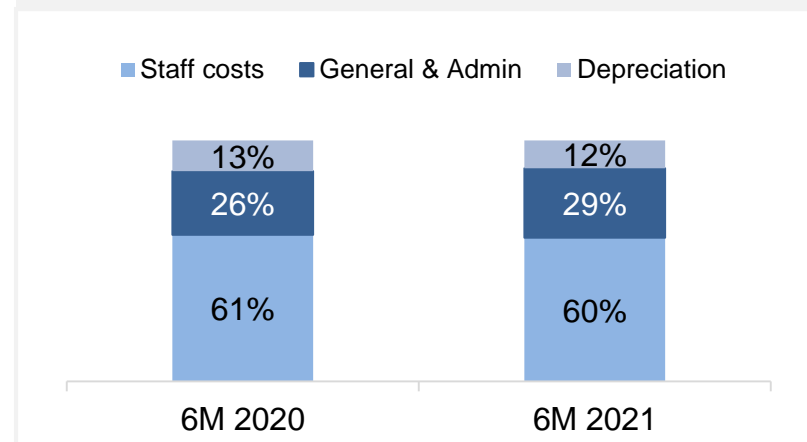
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## Operating costs and efficiency

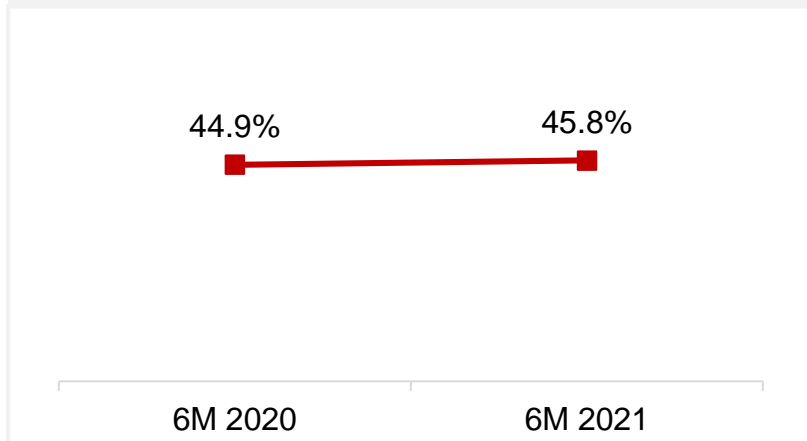
### Operating costs (KD Million)



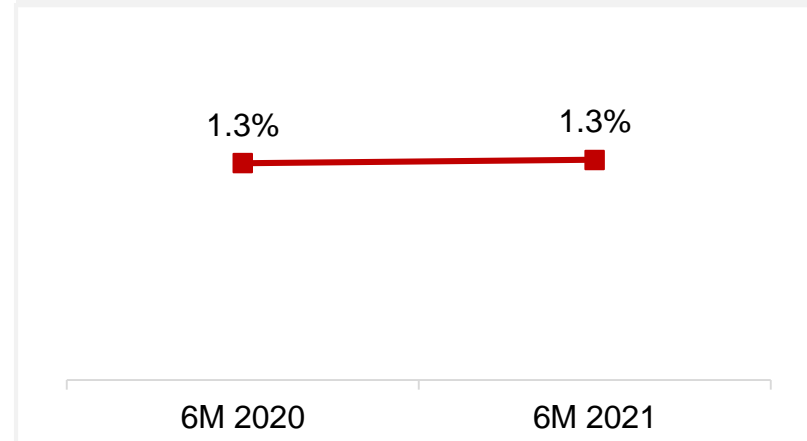
### Composition of Operating costs



### Operating efficiency (%)

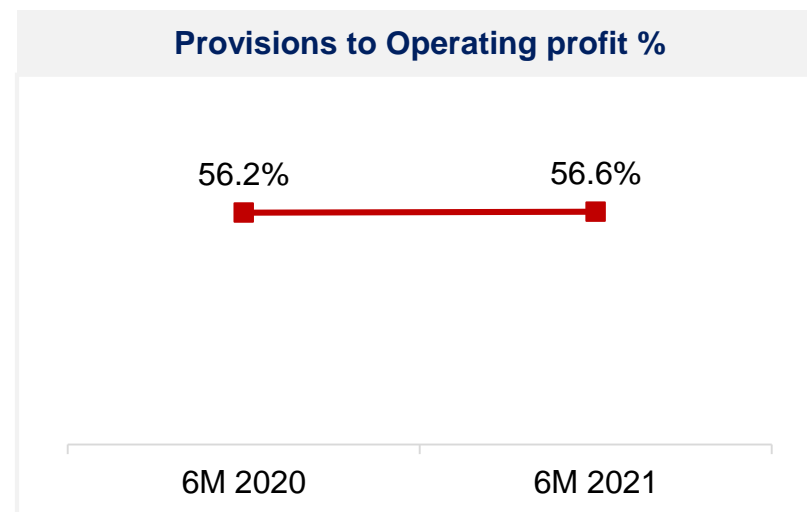
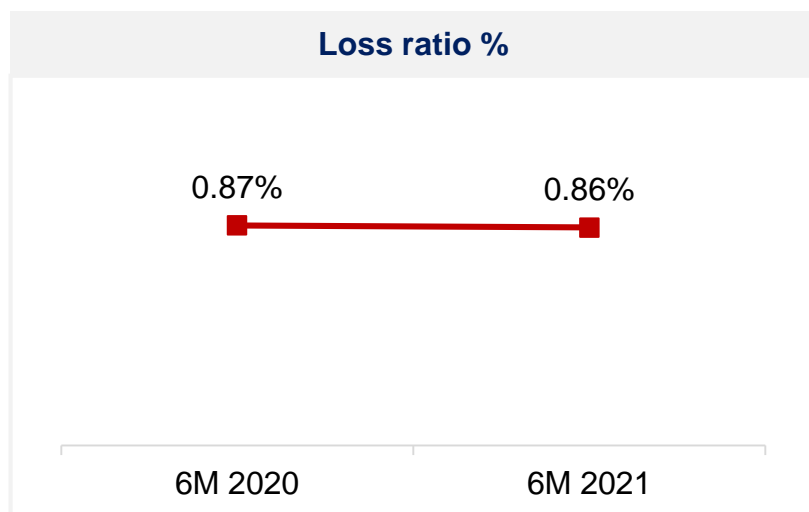
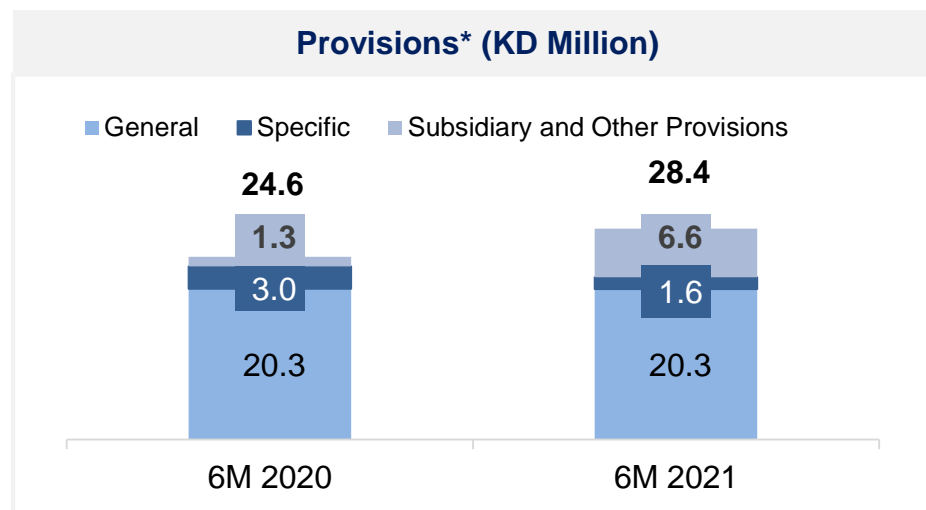


### Operating costs to average assets (%)



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## Provisions and related ratios

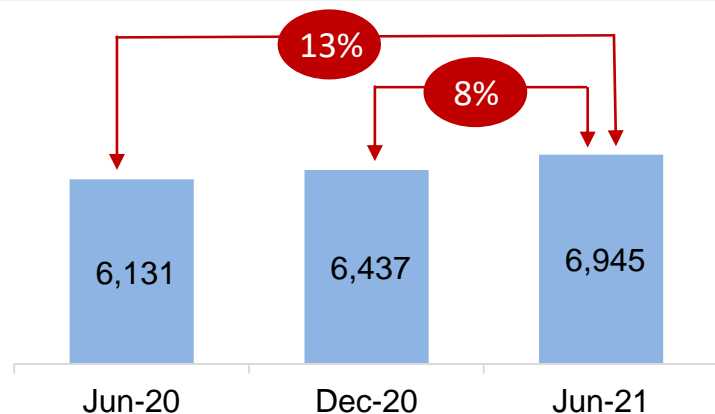


\* General Provisions are shown inclusive of contingent provisions  
 Source: Financial statements, Boubyan analysis

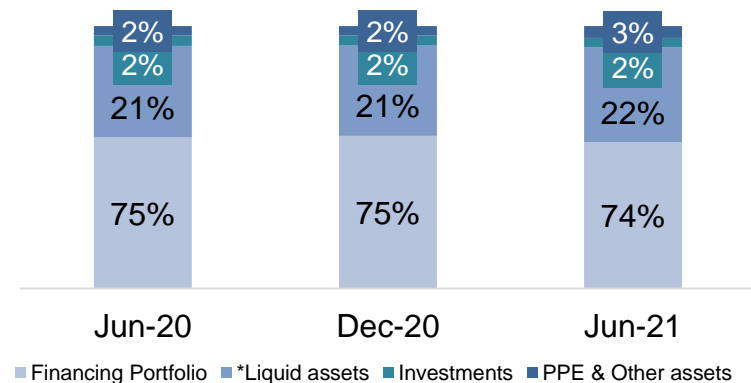
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis
- 3 Balance sheet analysis**
- 4 Capitalisation and Leverage

# Assets and Sources of Funding

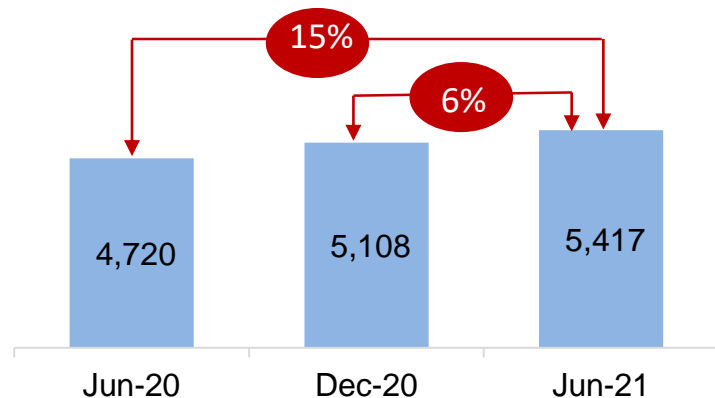
### Total assets (KD Million)



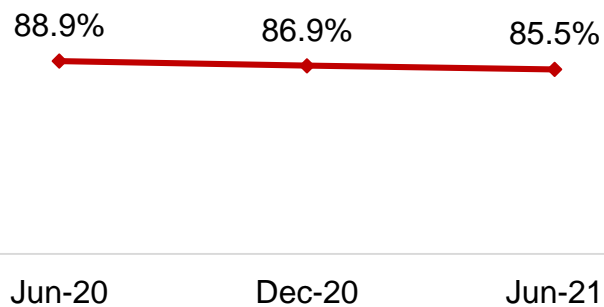
### Composition of assets



### Total deposits (KD Million)



### Financing Portfolio to Deposit Ratio (Local Level)



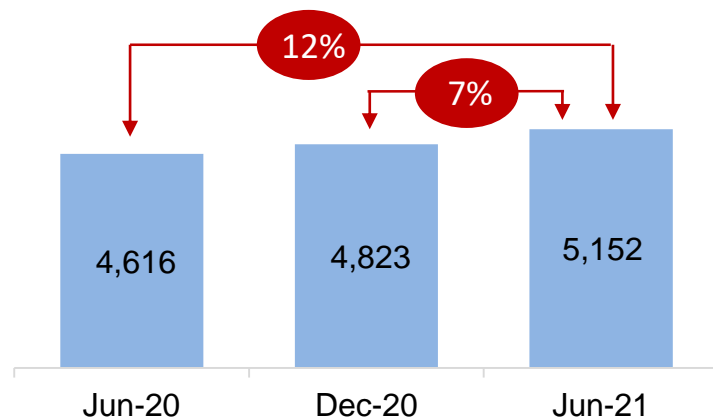
\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

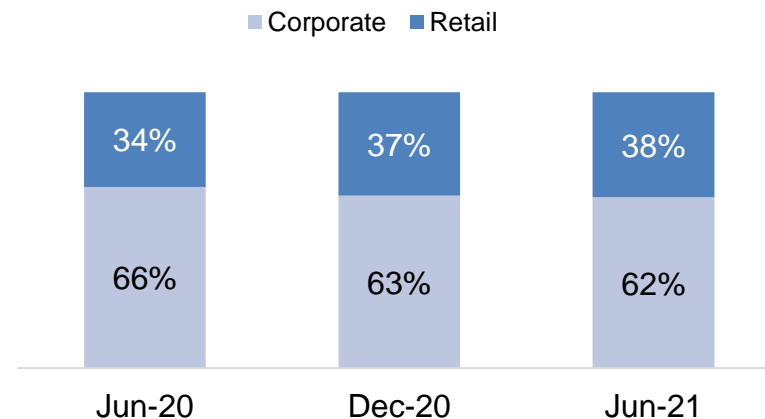
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# Financing Portfolio and asset quality

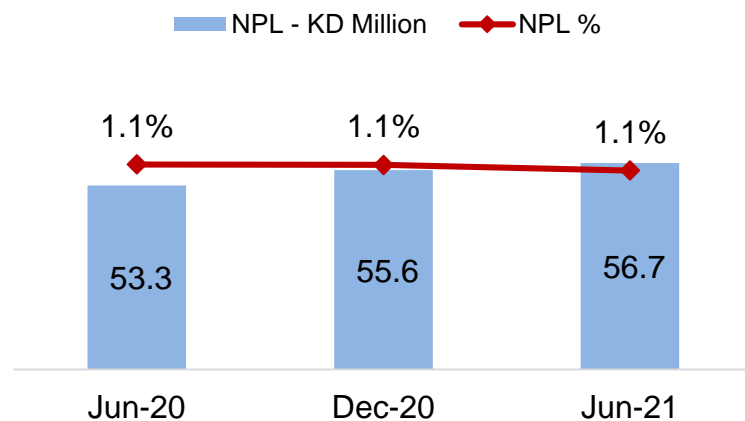
## Financing Portfolio – KD Million



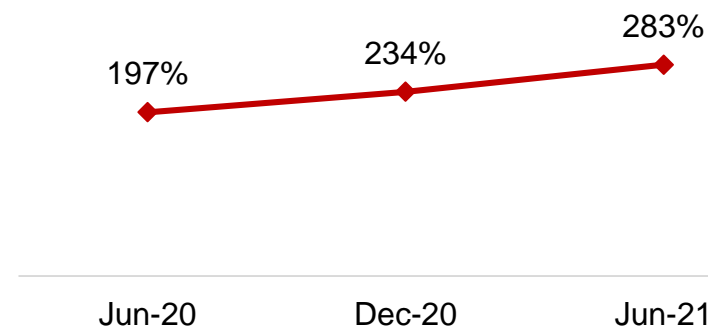
## Composition of Financing Portfolio



## Non performing Financing Portfolio



## Loss Coverage ratio



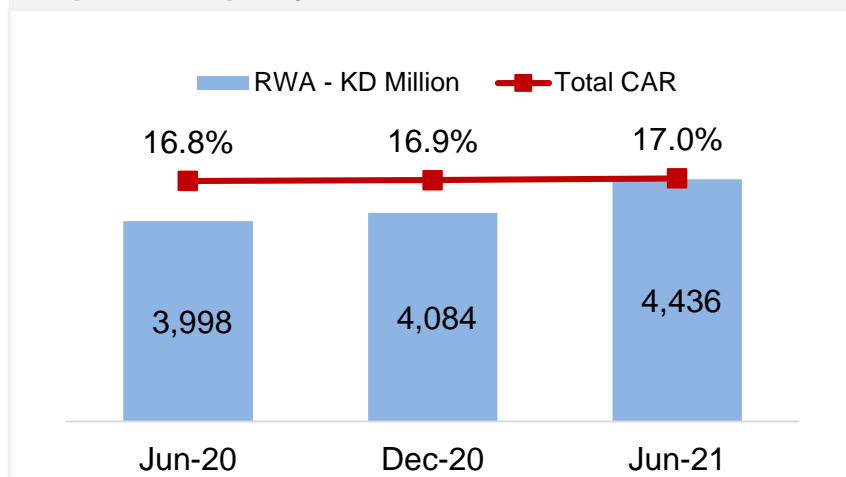
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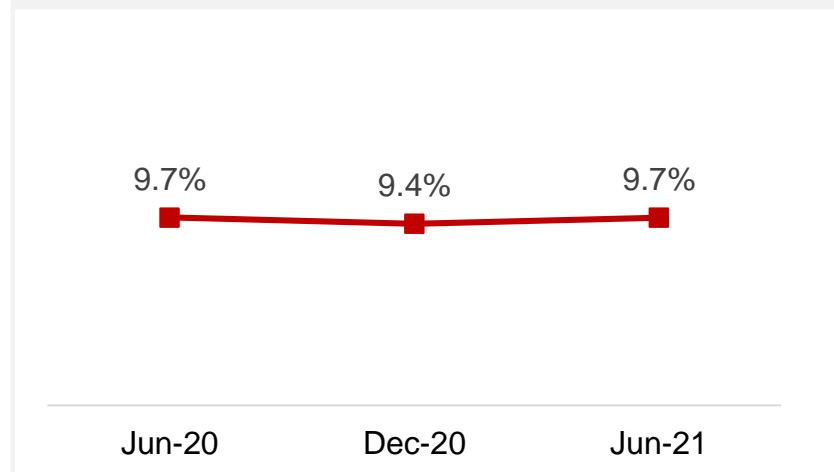
- 1** Boubyan's Performance & Strategy – At a glance
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# Capital Adequacy

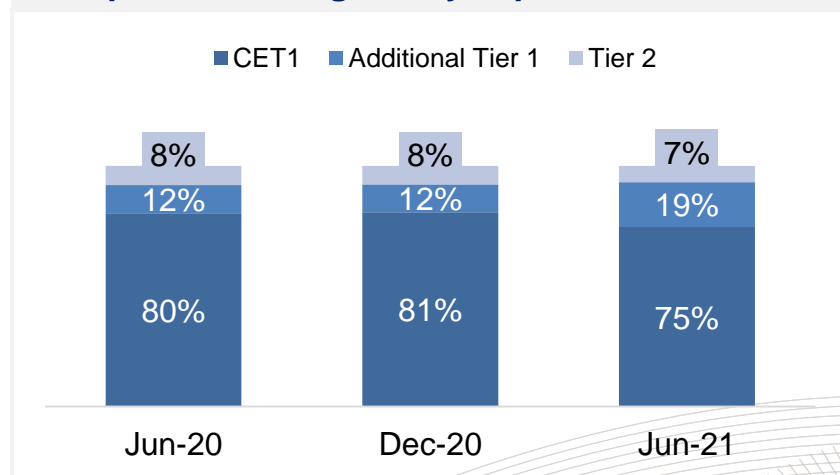
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital



Questions ?

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# Appendix

# Consolidated Financial Statements – 6M 2021

CONSOLIDATED STATEMENT OF INCOME	30-Jun	30-Jun
KD Million	2021	2020
<b>Income</b>		
Islamic financing income	110.3	113.7
Financing cost	(31.3)	(47.8)
<b>Net finance income</b>	<b>79.1</b>	<b>65.9</b>
Net investment income	4.2	4.1
Net fees and commission income	7.3	6.4
Net foreign exchange gain	2.1	3.0
<b>Operating Income</b>	<b>92.6</b>	<b>79.5</b>
<b>Expenses</b>		
Staff cost	(25.3)	(21.7)
General and administrative expenses	(12.3)	(9.4)
Depreciation	(4.9)	(4.6)
<b>Total Expenses</b>	<b>(42.5)</b>	<b>(35.7)</b>
<b>Profit before provision for impairment</b>	<b>50.2</b>	<b>43.8</b>
Provision for impairment	(28.4)	(24.6)
<b>Profit before taxes</b>	<b>21.8</b>	<b>19.2</b>
Taxes and board remuneration	(0.7)	(1.6)
Non-Controlling Interests	0.3	(0.5)
<b>Net Profit for the year</b>	<b>21.5</b>	<b>17.1</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Jun	30-Jun
KD Million	2021	2020
<b>Assets</b>		
Cash and balances with banks	215	201
Deposits with Central Bank of Kuwait	309	346
Deposits with other banks	395	199
Islamic financing to customers	5,152	4,616
Investments in Sukuks	530	492
Other investment securities	103	96
Investments in associates	3	4
Investment properties	47	46
Other assets	93	42
Property and Equipment	98	89
<b>Total Assets</b>	<b>6,945</b>	<b>6,131</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	347	470
Depositors' accounts	5,417	4,720
Other liabilities	455	339
<b>Total liabilities</b>	<b>6,219</b>	<b>5,529</b>
<b>Equity</b>		
Share capital	318	303
Share premium	157	157
Treasury shares	-0	-0
Statutory reserve	36	32
Other reserves	14	2
Retained earnings	17	2
<b>Equity attributable to equity holders of the bank</b>	<b>542</b>	<b>496</b>
Perpetual Tier 1 Sukuk	150	75
Non-controlling interest	34	31
<b>Total equity</b>	<b>726</b>	<b>602</b>
<b>Total liabilities and equity</b>	<b>6,945</b>	<b>6,131</b>

# Consolidated Income Statement

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
<b>Income</b>			
Murabaha and other Islamic financing income	223.1	207.6	182.9
Distribution to depositors and Murabaha Cost	(84.2)	(88.2)	(62.6)
<b>Net finance income</b>	<b>138.9</b>	<b>119.5</b>	<b>120.3</b>
Net investment income	6.8	6.2	3.0
Net fees and commissions income	12.3	16.4	13.4
Net foreign exchange gain	5.2	3.7	3.0
Other Income	4.3		
<b>Operating Income</b>	<b>167.5</b>	<b>145.8</b>	<b>139.7</b>
<b>Expenses</b>			
Staff cost	(45.2)	(36.1)	(33.6)
General and administrative expenses	(20.0)	(17.1)	(18.8)
Depreciation and amortization	(9.2)	(7.9)	(4.3)
<b>Total Expenses</b>	<b>(74.4)</b>	<b>(61.1)</b>	<b>(56.8)</b>
<b>Profit before provision for impairment</b>	<b>93.1</b>	<b>84.7</b>	<b>83.0</b>
Provision for impairment	(59.0)	(18.7)	(23.8)
<b>Profit before taxes</b>	<b>34.1</b>	<b>66.0</b>	<b>59.1</b>
Taxes and board remuneration	(0.5)	(3.3)	(2.9)
Non-Controlling Interests	0.9	(0.0)	(0.1)
<b>Net Profit for the year</b>	<b>34.4</b>	<b>62.6</b>	<b>56.1</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
<b>Assets</b>			
Cash and balances with banks	286.7	232.4	83.8
Deposits with Central Bank of Kuwait	336.9	306.2	244.7
Deposits with other banks	180.1	330.0	237.1
Islamic financing to customers	4,823.3	3,826.1	3,262.3
Investments in Sukuks	504.2	318.4	340.1
Other investment securities	117.9	89.2	42.8
Investments in associates	4.1	33.1	28.9
Investment properties	47.1	46.6	24.0
Other assets	45.4	32.4	24.1
Property and Equipment	91.4	86.2	57.0
<b>Total Assets</b>	<b>6,437.1</b>	<b>5,300.5</b>	<b>4,344.8</b>
<b>Liabilities</b>			
Due to banks	281.4	236.5	97.2
Depositors' accounts	5,107.7	4,347.2	3,720.9
Medium Term Financing	305.5		
Other liabilities	115.8	63.7	40.7
<b>Total liabilities</b>	<b>5,810.4</b>	<b>4,647.4</b>	<b>3,858.8</b>
<b>Equity</b>			
Share capital	302.8	288.4	238.8
Share premium	156.9	156.9	62.9
Proposed bonus share	-	14.4	11.9
Treasury shares	(0.1)	(0.1)	(0.6)
Statutory reserve	35.5	31.8	25.3
Voluntary reserve	30.5	30.5	24.2
Share based payment reserve	-	1.0	1.4
Fair value reserve	(8.4)	0.2	3.5
Foreign currency translation reserve	(10.5)	(9.5)	(9.9)
Actuarial Valuation Reserve	(3.1)		
Accumulated retained earnings / (losses)	14.1	35.8	31.7
Proposed cash dividends	-	26.0	19.1
<b>Equity attributable to equity holders of the bank</b>	<b>517.9</b>	<b>575.4</b>	<b>408.3</b>
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	33.5	2.3	2.3
<b>Total equity</b>	<b>626.7</b>	<b>653.2</b>	<b>486.0</b>
<b>Total liabilities and equity</b>	<b>6,437.1</b>	<b>5,300.5</b>	<b>4,344.8</b>

Thank you

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