

Kuwait: 21/10/2024  
Ref: 5767/2024

الكويت: 2024/10/21  
الإشارة: 2024/5767

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 ...

**PowerPoint Presentation of Third Quarter  
of 2024 Analysts' Conference Call**

**العرض التقديمي لمؤتمر المحللين للربع الثالث  
لسنة 2024**

Reference is made to the provisions of Article no. (8-4-2) of Boursa Kuwait Rulebook issued by virtue of Resolution no. 1 of 2018, as amended, concerning the continuing obligations of listed companies classified under the "Premier Market Segment" under which Boubyan Bank is categorized.

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 PowerPoint Presentation of Analysts' Conference Call for third quarter for the year 2024 held via Live Webcast at 01:00 pm (Local Time) on Monday, October 21<sup>st</sup> 2024, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثالث لسنة 2024 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الاثنين الموافق 21 أكتوبر 2024؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

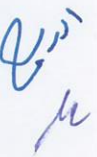
Best regards,

وتفضلوا بقبول فائق الاحترام ...

Abdullah Abdulkareem Al-Tuwaijri  
Chief Executive Officer,  
Private, Consumer, & Digital Banking

عبدالله عبدالكريم التويجري  
الرئيس التنفيذي - الخدمات المصرفية  
الخاصة، الشخصية والرقمية





# **Boubyan Bank Investor Presentation**

## **Q3 2024 Results**

21st October 2024

## DISCLAIMER

**THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. This presentation has been prepared by (and is the sole responsibility of) Boubyan Bank K.S.C.P. (the “Bank”).**

The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent.

The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction.

Past performance is not indicative of future results. The Bank is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorised to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

## Outline

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

# Financial Highlights

## Financial Snapshot

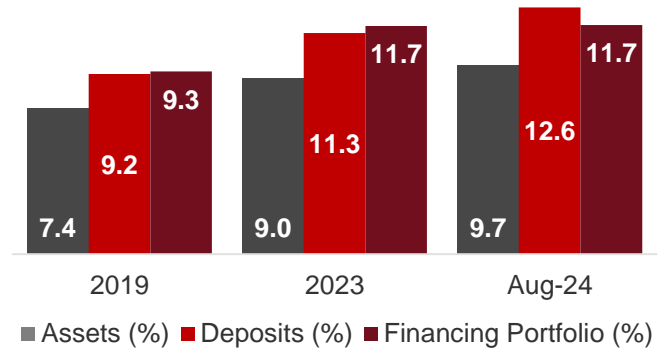
<b>KD million</b>	<b>9M 2024</b>	<b>9M 2023</b>	<b>Growth %</b>
Net Profit to shareholders	<b>73.5</b>	61.1	20%
Operating Income	<b>183.0</b>	163.2	12%
Operating Profit	<b>91.1</b>	82.7	10%
Total Assets	<b>9,067</b>	8,201	11%
Financing Portfolio	<b>6,820</b>	6,088	12%
Customer Deposits	<b>7,149</b>	6,287	14%
Earnings per share (Fils)	<b>16.07</b>	13.10	23%

## Key Financial Metrics

	<b>9M 2024</b>	<b>9M 2023</b>	<b>Variance</b>
Return on Average Equity (%)	<b>10.6</b>	9.3	1.3
Return on Average Assets (%)	<b>1.1</b>	1.0	0.1
Cost to Income (%)	<b>50.2</b>	49.3	0.9
NPL Ratio (%)	<b>1.0</b>	1.1	(0.1)
Capital Adequacy Ratio (%)	<b>17.3</b>	17.8	(0.5)

Source: Financial statements, Boubyan analysis

## Market Share (%)



## Credit Ratings

<b>Rating Agency</b>	<b>Long Term Rating</b>	<b>Outlook</b>	<b>Date</b>
<b>Moody's</b>	A2	Stable	May 2024
<b>STANDARD &amp; POOR'S</b>	A	Stable	Dec 2023
<b>FitchRatings</b>	A (xgs: BBB)	Stable	Oct 2024

# The Bank's Strategy Builds on Robust Domestic Foundations And Builds Its International Presence

## Strategic Objectives

A leading Islamic full-fledged bank in Kuwait, focused on innovation and digital excellence

### Consumer Banking

- Maintaining Group's position as a leader in customer service and enhancing the customer experience.
- Growing its market share as the bank of choice for affluent and youth customers through improved digital initiatives.
- Personalized Private Banking for high net worth individuals providing a holistic local and international offering while growing its market share of new clients.
- Building an expansive product offering to selected SMEs with a unique value proposition.

### Corporate Banking

- Defending, and strategically expanding, its position and market share in large and mid-size corporate clients.
- Becoming a lead cash manager and trade partner for institutions by achieving coverage and operational excellence through our state-of-the-art Cash Management and Transaction Banking solutions.
- Delivering faster solutions and superior service through the improvement of its credit processes and systems.

### Wealth Management

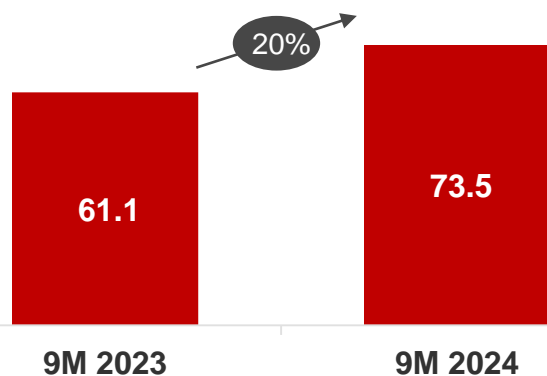
- Maximize wealth management growth and service excellence by enhancing offerings and solutions through Boubyan Capital, BLME, and NOMO Bank.
- Continuing to develop acquisition, marketing, and relationship capabilities.
- Growing the Group's market share in these sectors.
- Creating distinctive Islamic wealth management opportunities for customers.

## Outline

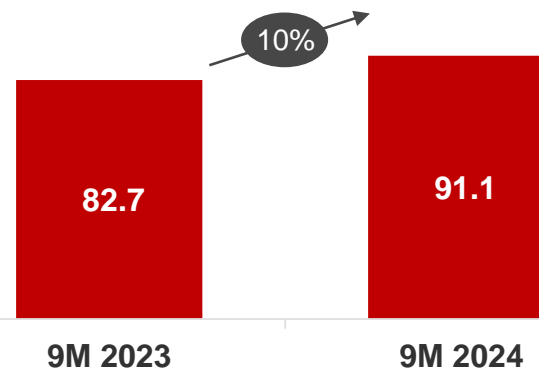
- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis**
- 3 Balance Sheet Analysis
- 4 Capitalization & Leverage

## Profitability & Performance Ratio

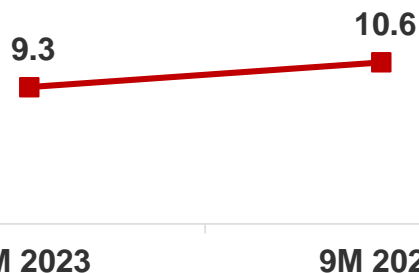
### Net Profit (KD Million)



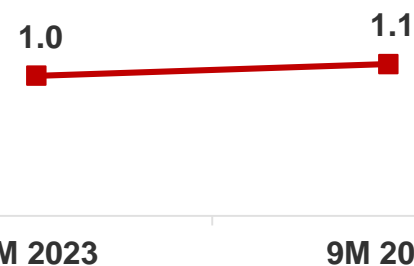
### Operating Profit (KD Million)



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



### Return on Average Assets (%)



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

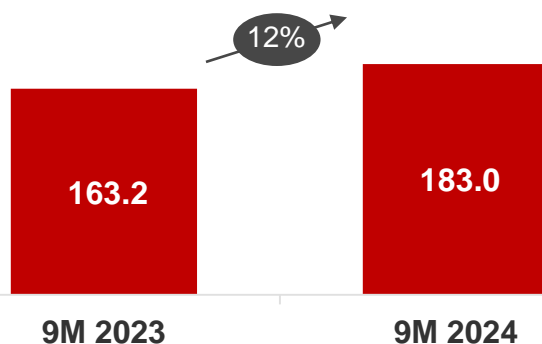
Source: Financial statements, Boubyan analysis



## Operating income components and Net Profit Margins

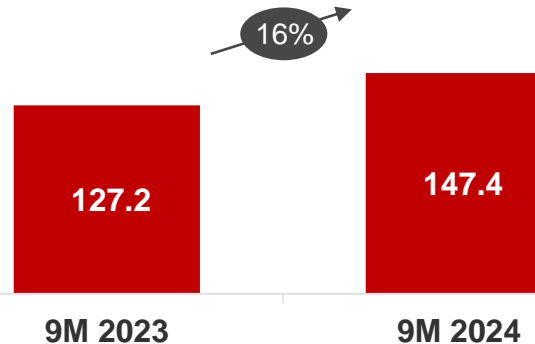
### Operating Income (KD Million)

■ Operating income



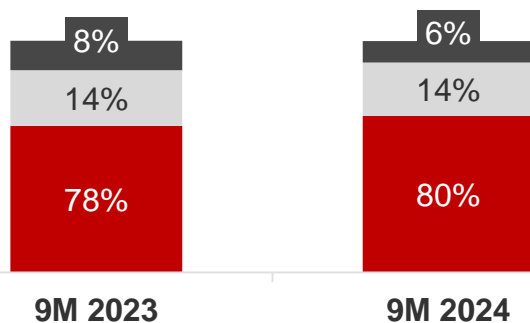
### Net Financing Income (KD Million)

■ Net Financing Income



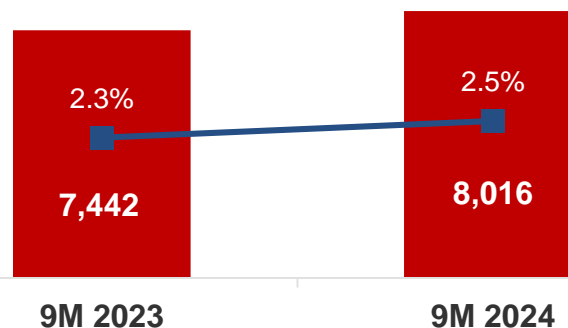
### Composition of Operating Income %

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



### Net Profit Margin %

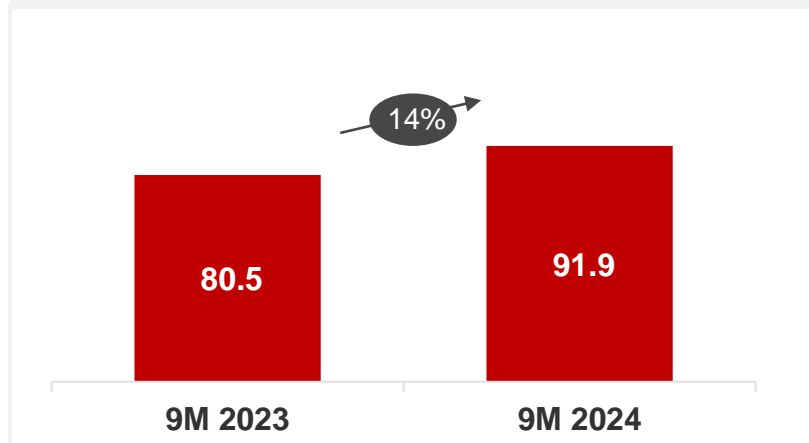
■ Average Profit-earning assets - KD M ■ NPM



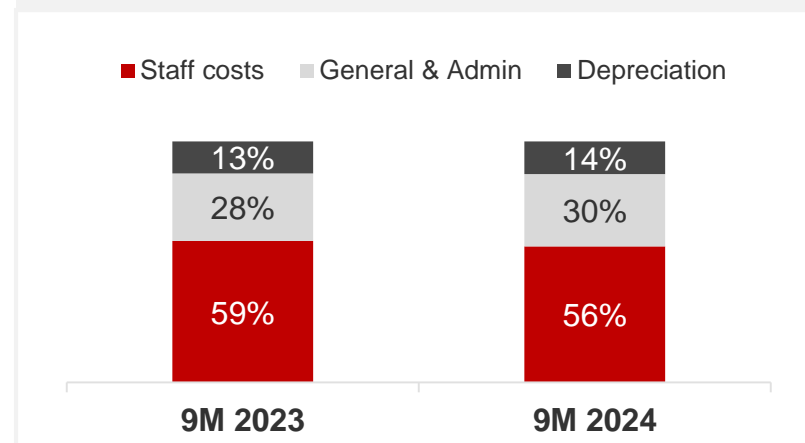
Source: Financial statements, Boubyan analysis

## Operating Costs & Efficiency

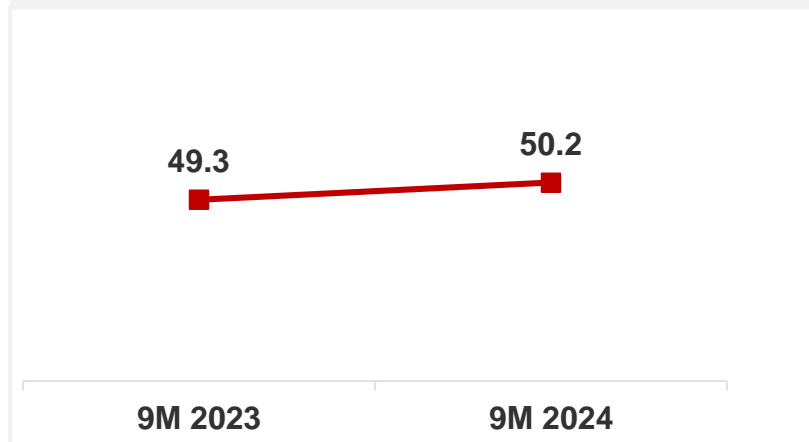
### Operating Costs (KD Million)



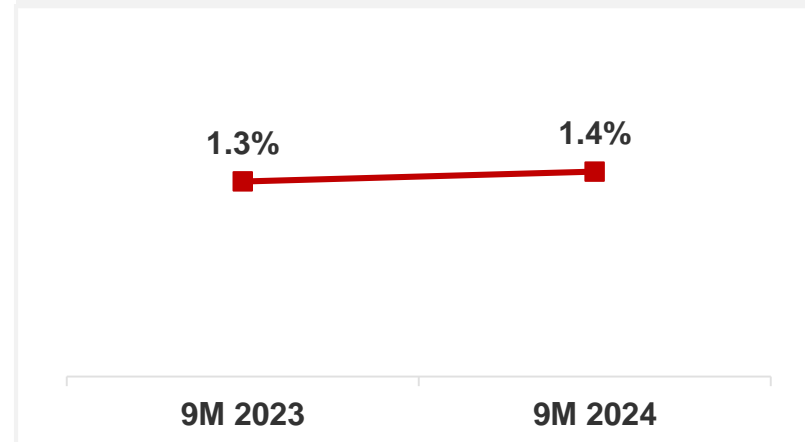
### Composition of Operating Costs %



### Operating Efficiency (%)

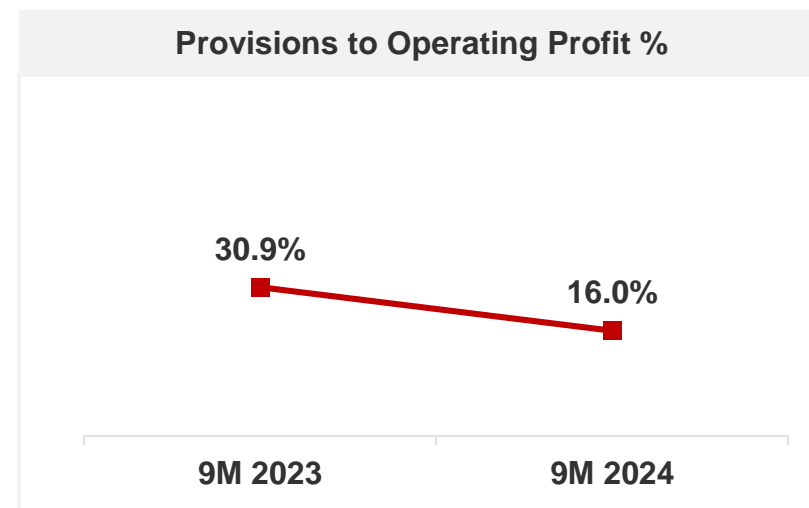
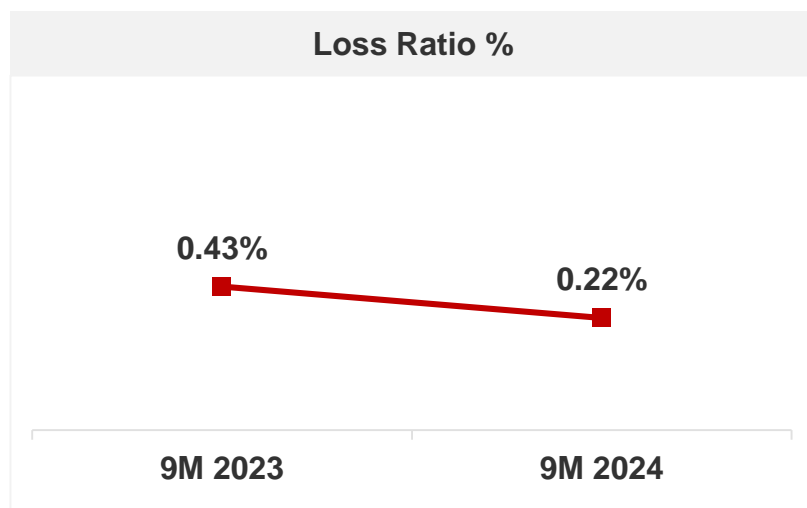
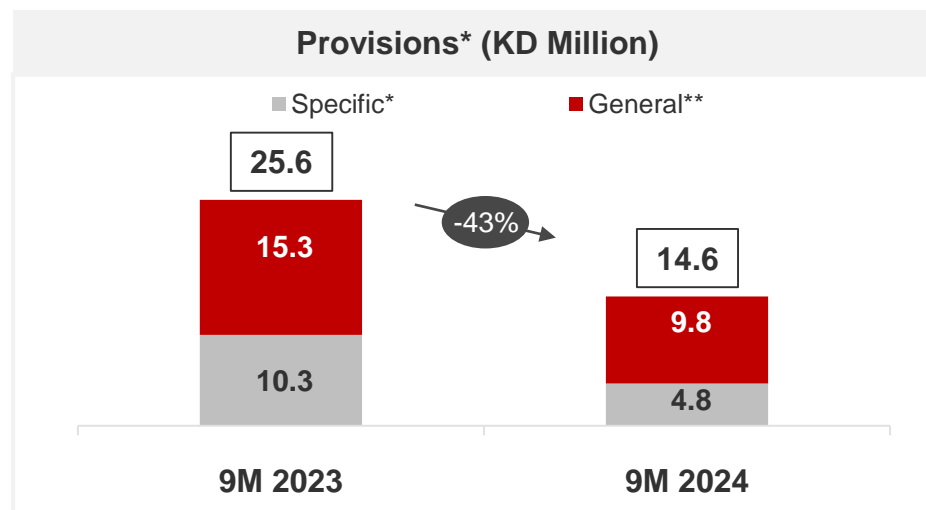


### Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

## Provisions & Related Ratios



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

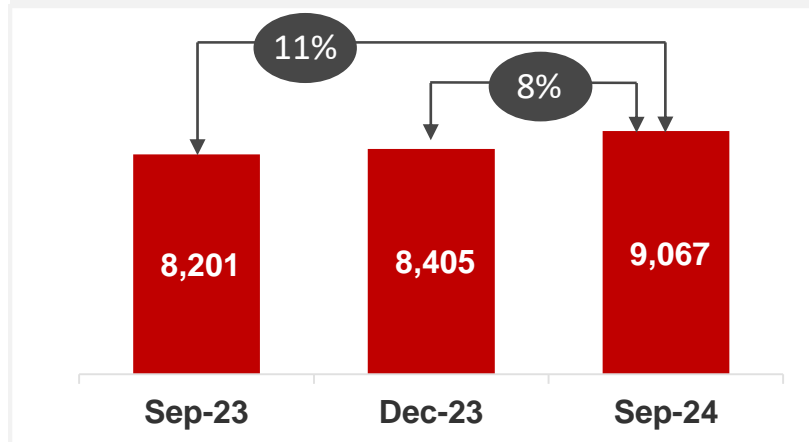
\*\* General Provisions are shown inclusive of Contingent Provisions

## Outline

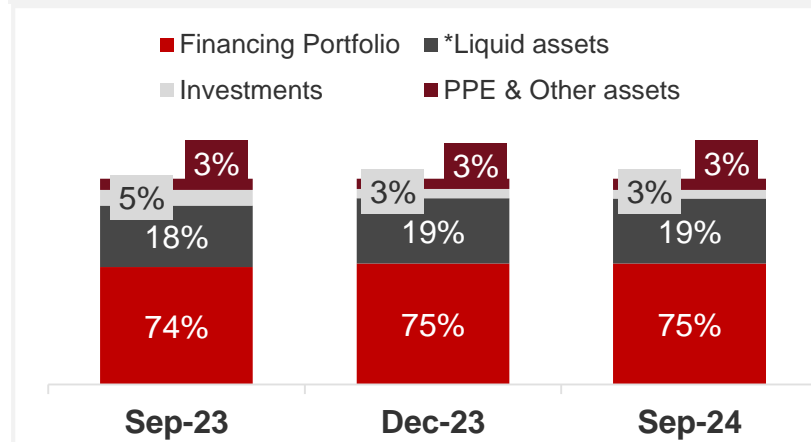
- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis
- 3 Balance Sheet Analysis**
- 4 Capitalization & Leverage

# Assets & Sources of Funding

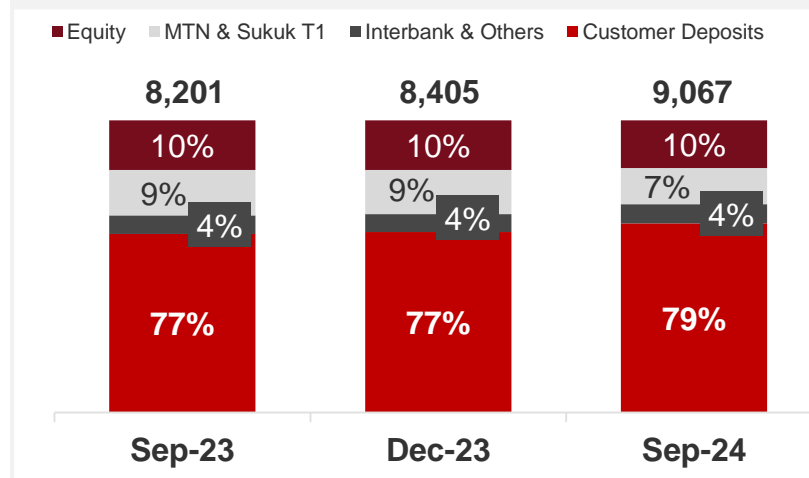
## Total Assets (KD Million)



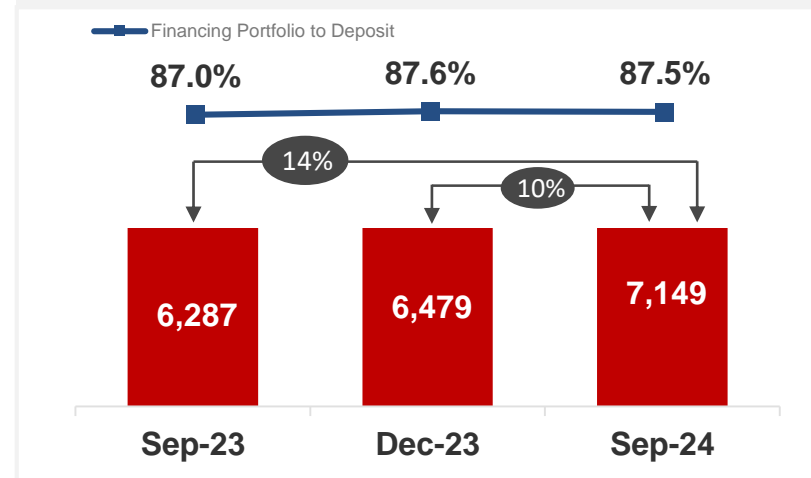
## Composition of Assets %



## Sources of Funding (KD Million & %)



## Customer Deposits (KD Million)

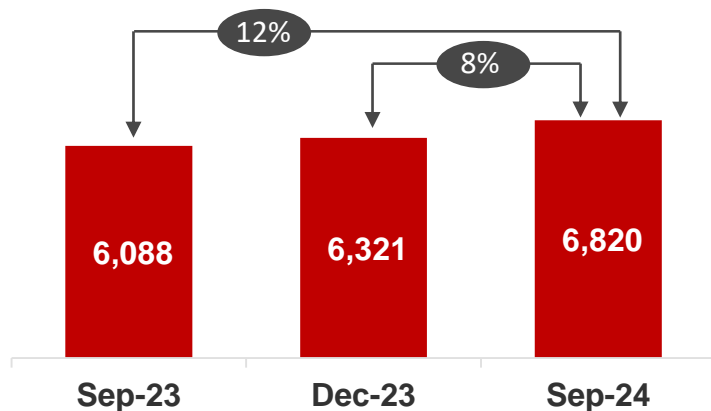


\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

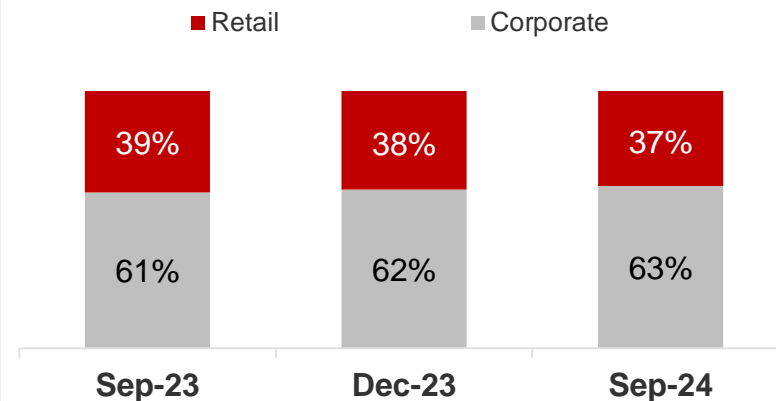
Source: Financial statements, Boubyan analysis

# Financing Portfolio & Asset Quality

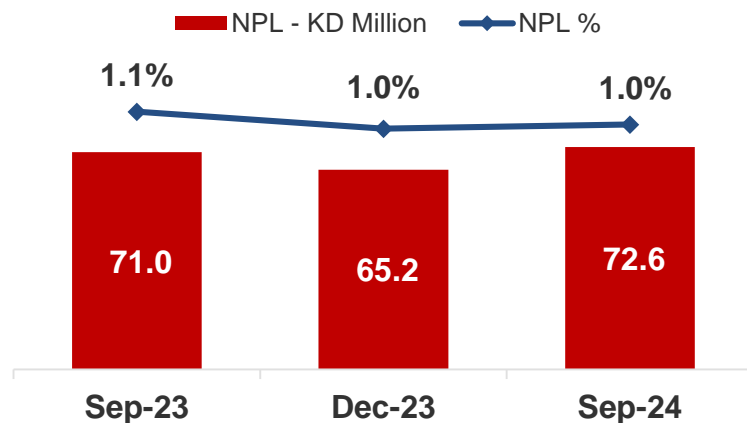
## Financing Portfolio – KD Million



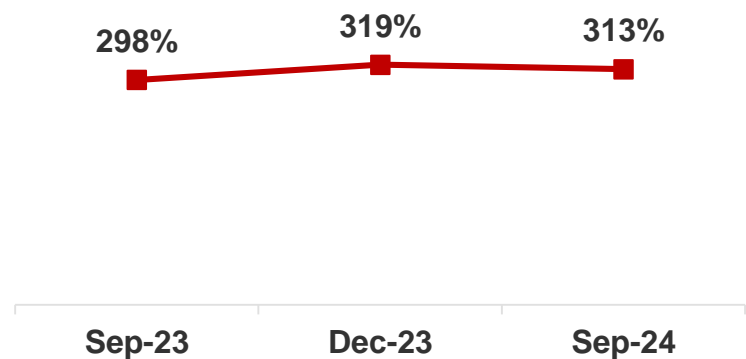
## Composition of Financing Portfolio %



## Non-Performing Financing Portfolio



## Loss Coverage Ratio

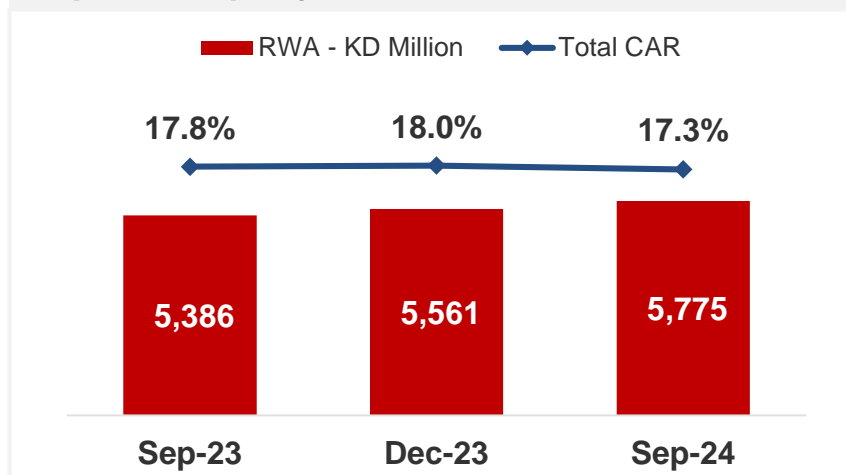


## Outline

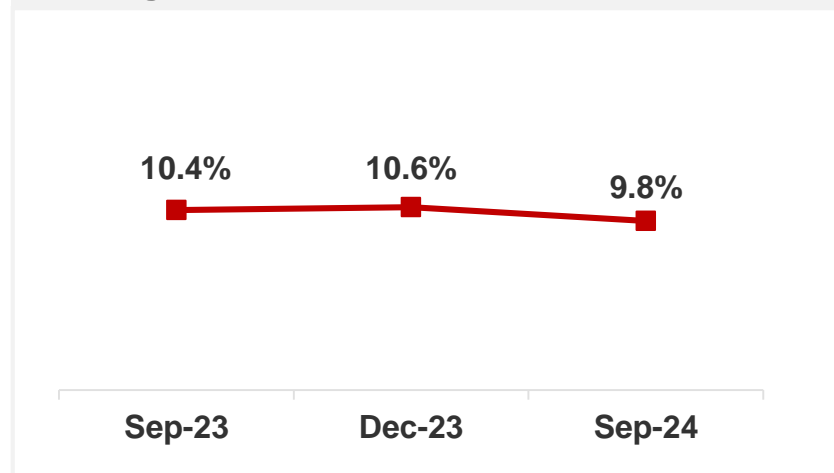
- 1** Boubyan's Performance & Strategy – At a Glance
- 2** Income Statement Analysis
- 3** Balance Sheet Analysis
- 4** Capitalization & Leverage

# Capital Adequacy

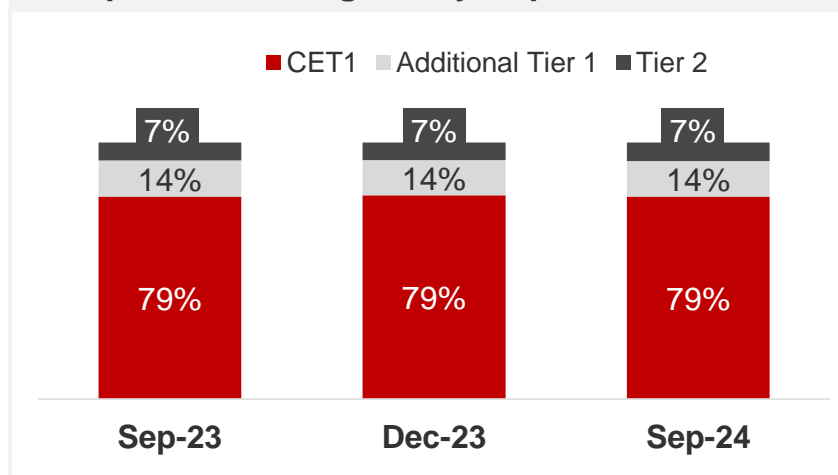
## Capital Adequacy Ratio



## Leverage Ratio



## Composition of Regulatory Capital



Source: Regulatory returns



# Questions?

# Appendix

# Consolidated Financial Statements – Q3 2024

CONSOLIDATED STATEMENT OF INCOME	30-Sep	30-Sep
KD Million	2024	2023
<b>Income</b>		
Islamic financing income	339.2	291.1
Financing cost	(191.8)	(163.8)
<b>Net finance income</b>	<b>147.4</b>	<b>127.2</b>
Net investment income	10.3	11.6
Net fees and commission income	20.3	18.9
Net foreign exchange gain	5.0	4.7
Other Income	0.0	0.9
<b>Operating Income</b>	<b>183.0</b>	<b>163.2</b>
<b>Expenses</b>		
Staff cost	(51.9)	(47.3)
General and administrative expenses	(27.5)	(22.5)
Depreciation	(12.4)	(10.7)
<b>Total Expenses</b>	<b>(91.9)</b>	<b>(80.5)</b>
<b>Profit before provision for impairment</b>	<b>91.1</b>	<b>82.7</b>
Provision for impairment	(14.6)	(25.6)
<b>Profit before taxes</b>	<b>76.5</b>	<b>57.1</b>
Taxes and board remuneration	(3.3)	1.5
Non-Controlling Interests	0.4	2.4
<b>Net Profit for the year</b>	<b>73.5</b>	<b>61.1</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Sep	30-Sep
KD Million	2024	2023
<b>Assets</b>		
Cash and balances with banks	459	458
Deposits with Central Bank of Kuwait	175	302
Deposits with other banks	39	101
Islamic financing to customers	6,820	6,088
Investments in Sukuks	1,045	754
Other investment securities	154	156
Investment properties	79	72
Other assets	132	125
Property and Equipment	164	144
<b>Total Assets</b>	<b>9,067</b>	<b>8,201</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	177	187
Depositors' accounts	7,149	6,287
Medium Term Financing	502	592
Other liabilities	177	125
<b>Total liabilities</b>	<b>8,005</b>	<b>7,191</b>
<b>Equity</b>		
Share capital	420	396
Share premium	317	317
Reserves	69	63
Retained earnings	82	60
<b>Equity attributable to equity holders of the bank</b>	<b>888</b>	<b>836</b>
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	23	23
<b>Total equity</b>	<b>1,062</b>	<b>1,010</b>
<b>Total liabilities and equity</b>	<b>9,067</b>	<b>8,201</b>

# Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME KD Million	31-Dec 2023	31-Dec 2022	31-Dec 2021
<b>Income</b>			
Islamic financing income	396.8	283.7	223.2
Financing cost	(224.3)	(116.5)	(65.7)
<b>Net finance income</b>	<b>172.5</b>	<b>167.2</b>	<b>157.5</b>
Net investment income	15.2	6.8	8.8
Net fees and commission income	22.9	21.1	16.8
Net foreign exchange gain	6.6	6.2	4.7
Other Income	0.9	0.0	0.0
<b>Operating Income</b>	<b>218.0</b>	<b>201.4</b>	<b>187.8</b>
<b>Expenses</b>			
Staff cost	(63.7)	(60.3)	(52.4)
General and administrative expenses	(32.6)	(28.2)	(25.2)
Depreciation	(14.3)	(12.4)	(9.6)
<b>Total Expenses</b>	<b>(110.6)</b>	<b>(100.8)</b>	<b>(87.2)</b>
<b>Profit before provision for impairment</b>	<b>107.5</b>	<b>100.6</b>	<b>100.5</b>
Provision for impairment	(31.7)	(43.7)	(50.8)
<b>Profit before taxes</b>	<b>75.7</b>	<b>56.9</b>	<b>49.8</b>
Taxes and board remuneration	2.5	(2.7)	(1.8)
Non-Controlling Interests	2.2	3.5	0.5
<b>Net Profit for the year</b>	<b>80.4</b>	<b>57.7</b>	<b>48.5</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2023	31-Dec 2022	31-Dec 2021
<b>Assets</b>			
Cash and balances with banks	399.0	533.2	533.2
Deposits with Central Bank of Kuwait	219.0	247.8	247.8
Deposits with other banks	96.2	131.7	131.7
Islamic financing to customers	6,321.0	5,913.5	5,913.5
Investments in Sukuks	886.3	609.6	609.6
Other investment securities	154.7	152.6	152.6
Investment properties	73.5	33.6	33.6
Other assets	106.0	130.1	130.1
Property and Equipment	149.2	128.6	128.6
<b>Total Assets</b>	<b>8,405.0</b>	<b>7,880.8</b>	<b>7,880.8</b>
<b>Liabilities</b>			
Due to banks	187.2	198.7	198.7
Depositors' accounts	6,479.1	5,961.7	5,961.7
Medium Term Financing	591.7	637.6	637.6
Other liabilities	118.2	103.0	103.0
<b>Total liabilities</b>	<b>7,376.2</b>	<b>6,901.1</b>	<b>6,901.1</b>
<b>Equity</b>			
Share capital	396.3	373.9	318.0
Share premium	316.9	316.9	156.9
Proposed bonus share	23.8	22.4	15.9
Treasury shares	(0.1)	(0.1)	(0.1)
Reserves	70.9	58.3	52.8
Accumulated retained earnings / (losses)	15.1	4.7	4.1
Proposed cash dividends	31.7	22.4	15.9
<b>Equity attributable to equity holders of the bank</b>	<b>854.7</b>	<b>798.6</b>	<b>563.5</b>
Perpetual Tier 1 Sukuk	150.4	150.4	150.4
Non-controlling interest	23.8	30.7	36.2
<b>Total equity</b>	<b>1,028.8</b>	<b>979.7</b>	<b>750.1</b>
<b>Total liabilities and equity</b>	<b>8,405.0</b>	<b>7,880.8</b>	<b>7,651.1</b>

# Thank You