

Kuwait: 05/02/2024
Ref: 5270/2024

Mr. Mohammad Saud Al-Osaimi
CEO
Boursa Kuwait
Dear Sir,

الكويت: 2024/02/05
الإشارة: 2024/5270

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

**PowerPoint Presentation of Analysts'
Conference Call for the Financial Year
Ended December 31st 2023**

**العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في
31 ديسمبر 2023**

Reference is made to the provisions of Article no. (8-4-2) of Boursa Kuwait Rulebook issued by virtue of Resolution no. 1 of 2018, 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 (2-4-8) 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 the financial year ended December 31st 2023 held via Live Webcast at 01:00 pm (Local Time) on Monday, February 05th 2024, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2023 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الاثنين الموافق 5 فبراير 2024 ؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ...

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



عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة
والرئيس التنفيذي للمجموعة

Boubyan Bank Investor Presentation

FY 2023 Results

5th February 2024

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Outline

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

Financial Highlights

Financial Snapshot

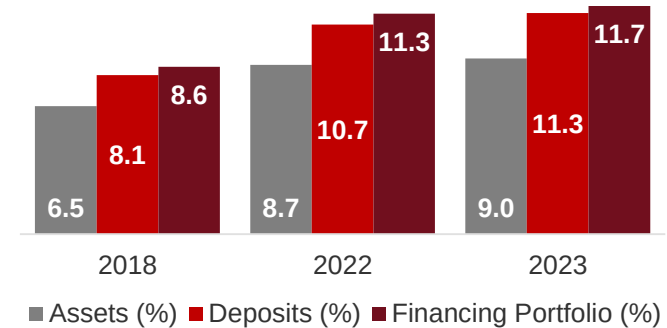
KD million	2023	2022	Growth %
Net Profit to shareholders	80.4	57.8	39%
Operating Income	218.0	201.4	8%
Operating Profit	107.5	100.6	7%
Total Assets	8,405	7,881	7%
Financing Portfolio	6,321	5,914	7%
Customer Deposits	6,479	5,962	9%
Earnings per share (Fils)	18.79	13.40	40%

Key Financial Metrics

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

Source: Financial statements, Boubyan analysis

Market Share (%)



Credit Ratings

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

The Bank's Strategy Builds on Robust Domestic Foundations

Strategic Objectives

Scale up the core business both domestically and internationally

Retail Banking

- Clear focus on high net worth and affluent clients
- Expand branch footprint
- Maintain leadership in customer experience
- Product and channel innovation
- Grow market share

Corporate Banking

- Primary banker for large and mid-market customers
- Maintain fair share with super large corporate
- Superior service (speed & quality)
- Product and channel innovation

Private Banking / Wealth Management

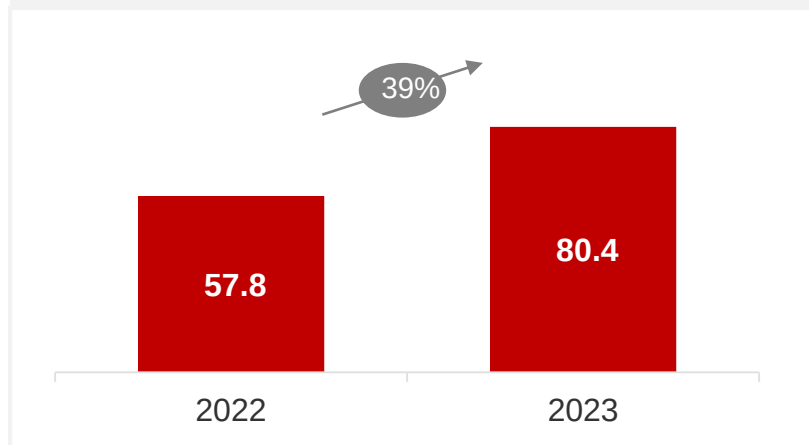
- Scale the PB/WM management operating model
- Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
- Grow market share

Outline

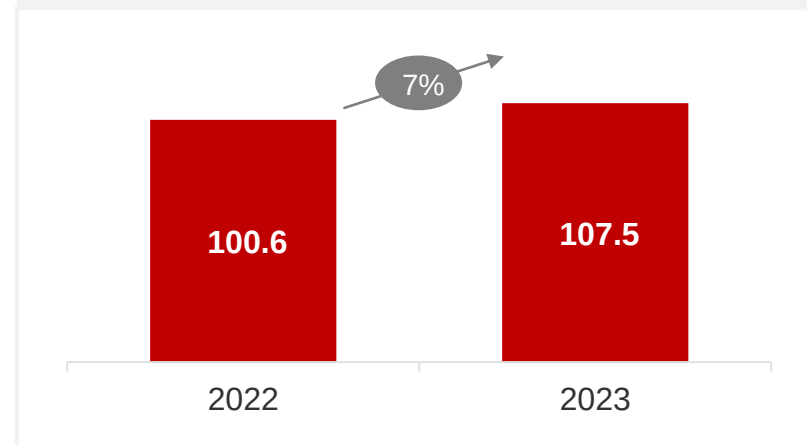
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Profitability & Performance Ratio

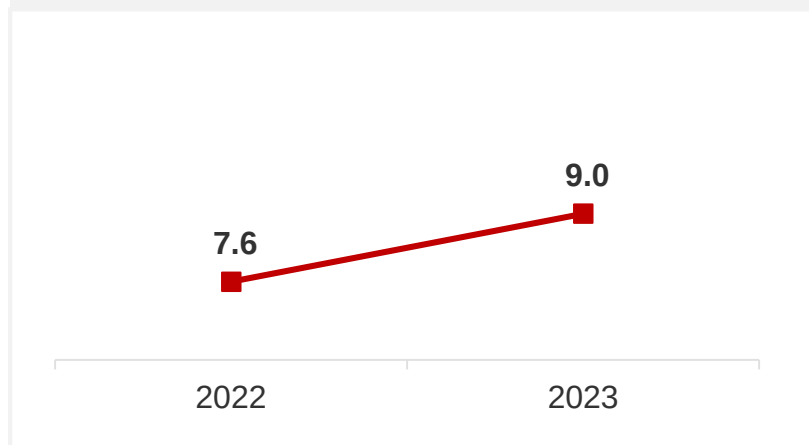
Net Profit (KD Million)



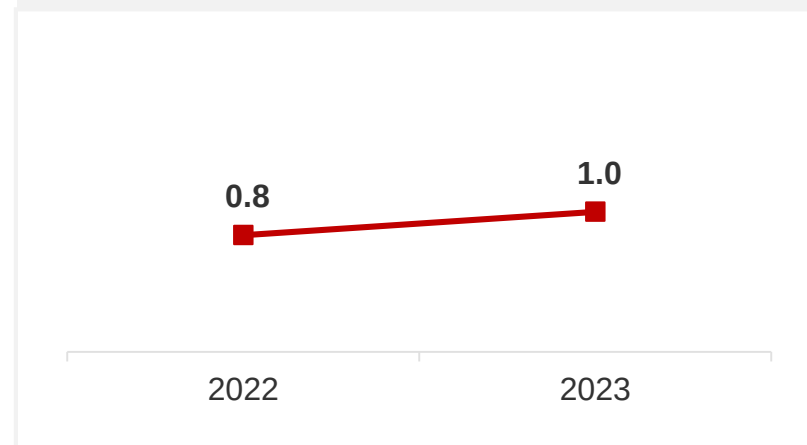
Operating Profit (KD Million)



* Return on Average Equity (%)



Return on Average Assets (%)



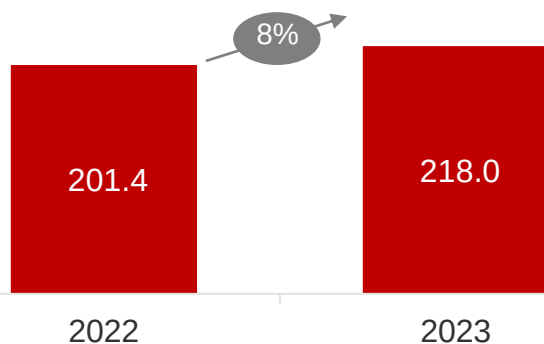
* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.

Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins

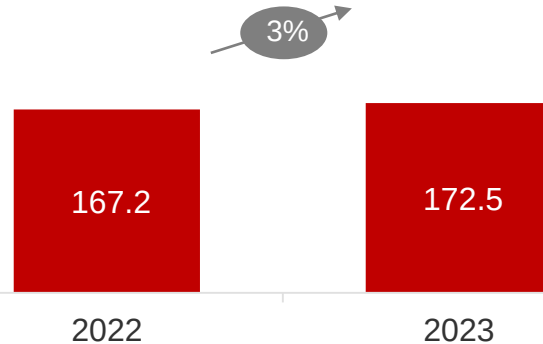
Operating Income (KD Million)

■ Operating income



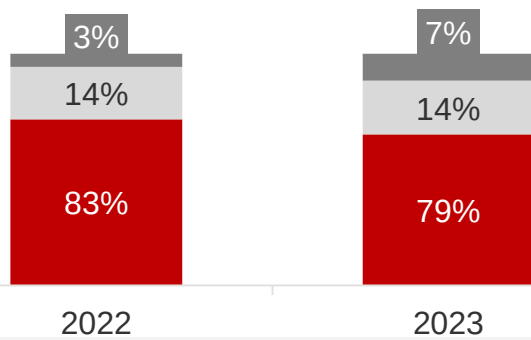
Net Financing Income (KD Million)

■ Net Financing Income



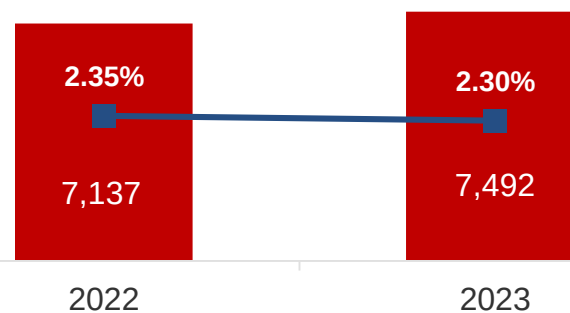
Composition of Operating Income (%)

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



Net Profit Margin %

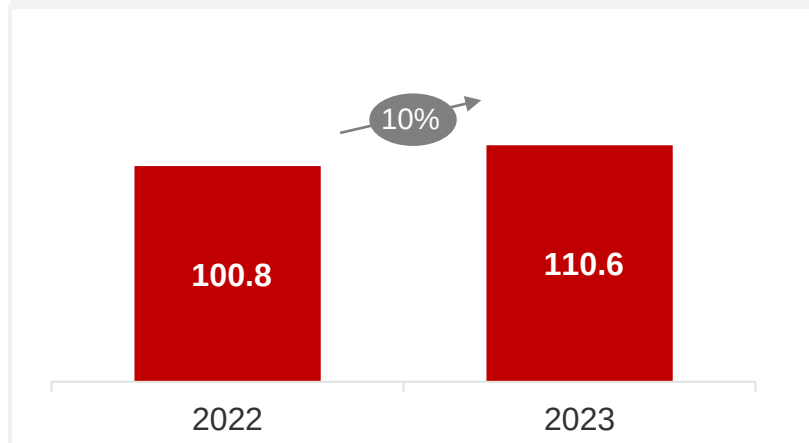
■ Average Profit-earning assets - KD M ■ NPM



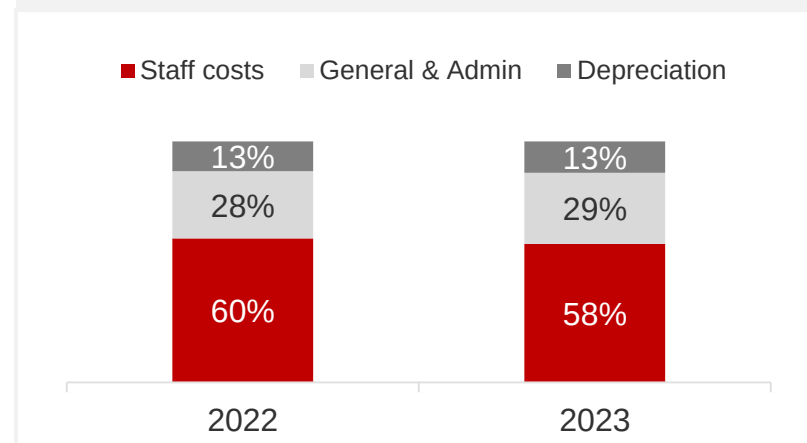
Source: Financial statements, Boubyan analysis

Operating Costs & Efficiency

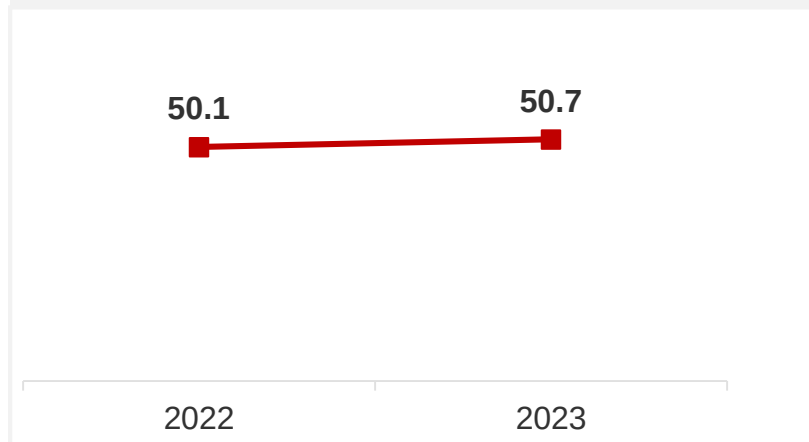
Operating Costs (KD Million)



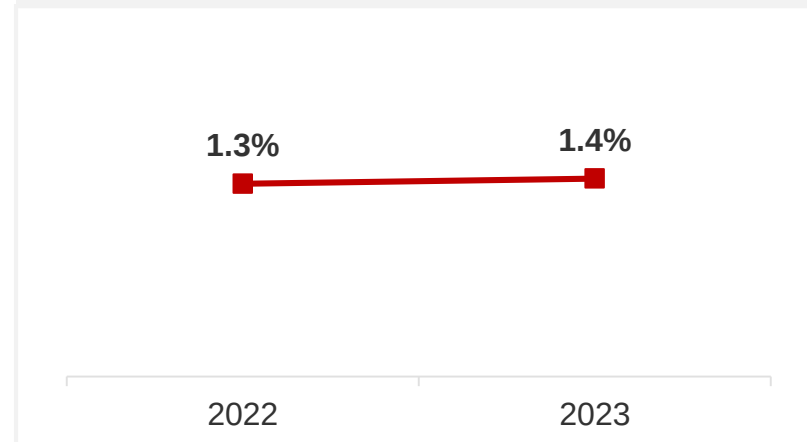
Composition of Operating Costs (%)



Cost-to-Income (%)

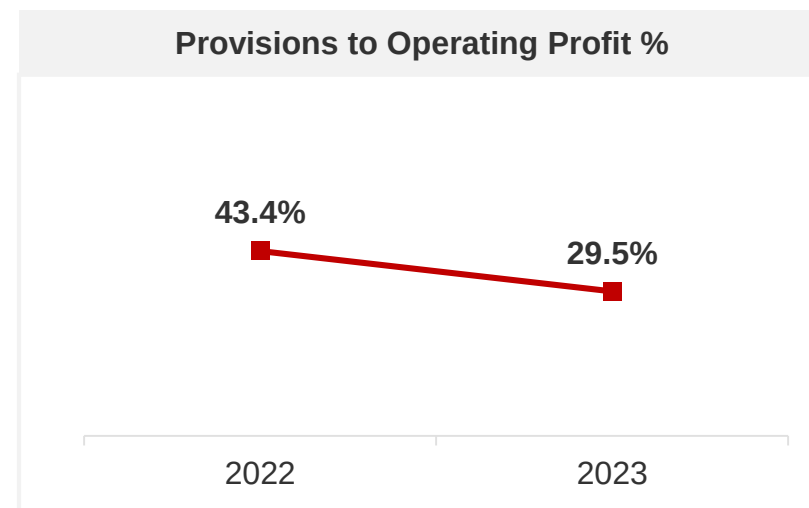
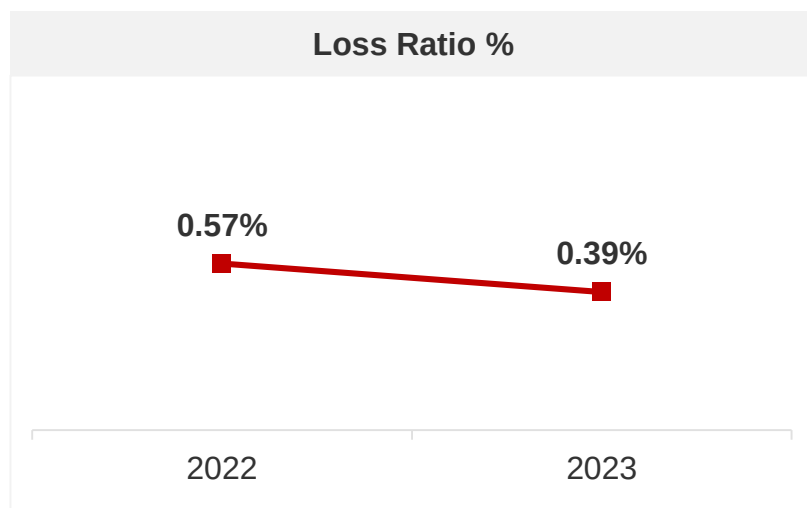
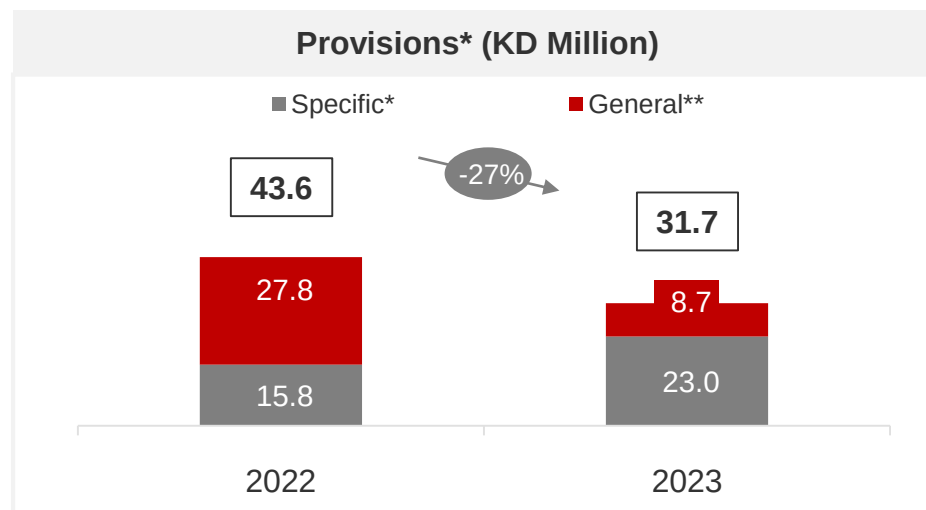


Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

Provisions & Related Ratios



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

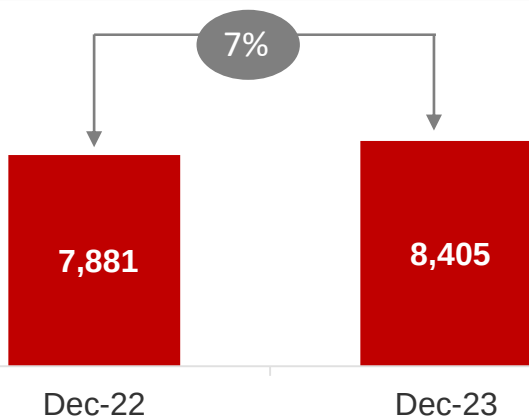
** General Provisions are shown inclusive of Contingent Provisions

Outline

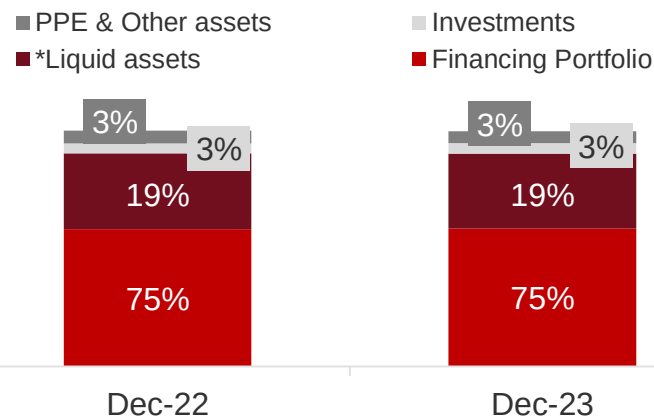
- 1 Boubyan's Performance & Strategy – At a Glance
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Assets & Sources of Funding

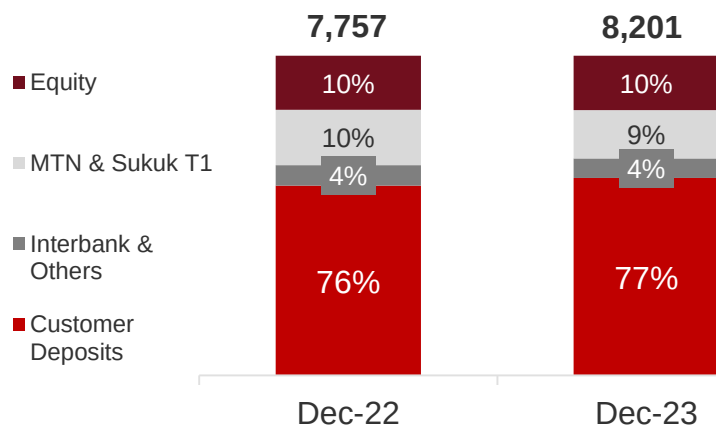
Total Assets (KD Million)



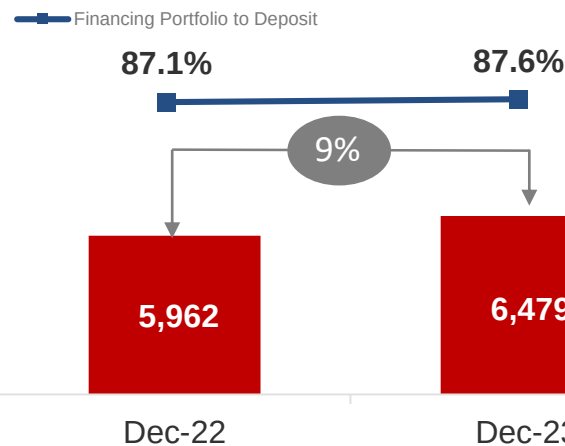
Composition of Assets %



Sources of Funding (KD Million & %)



Customer Deposits (KD Million)

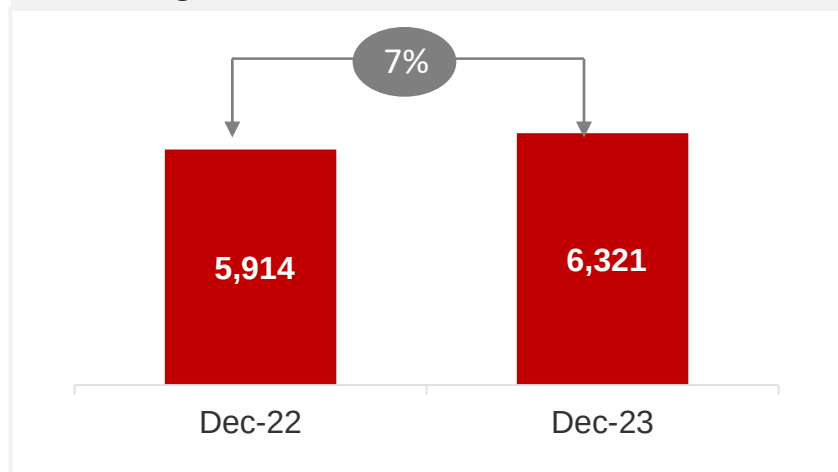


* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

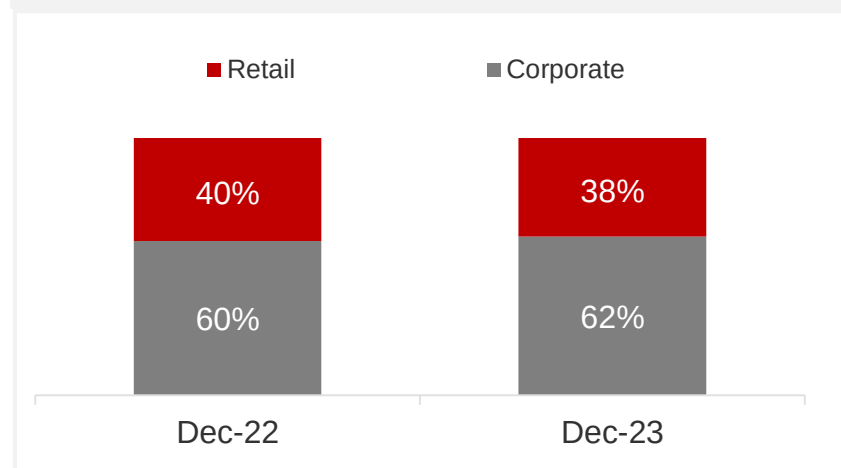
Source: Financial statements, Boubyan analysis

Financing Portfolio & Asset Quality

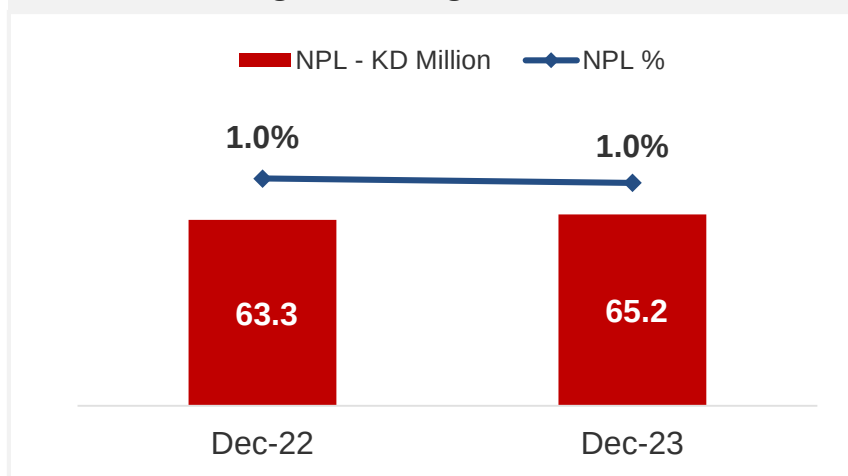
Financing Portfolio – KD Million



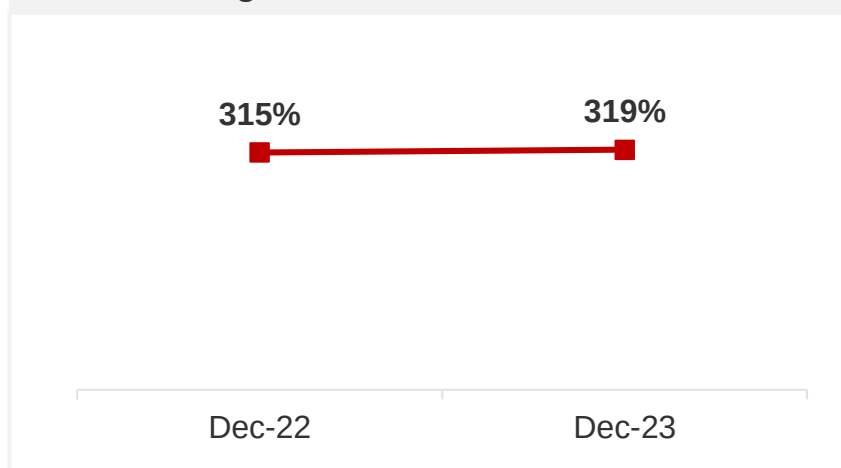
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



Loss Coverage Ratio



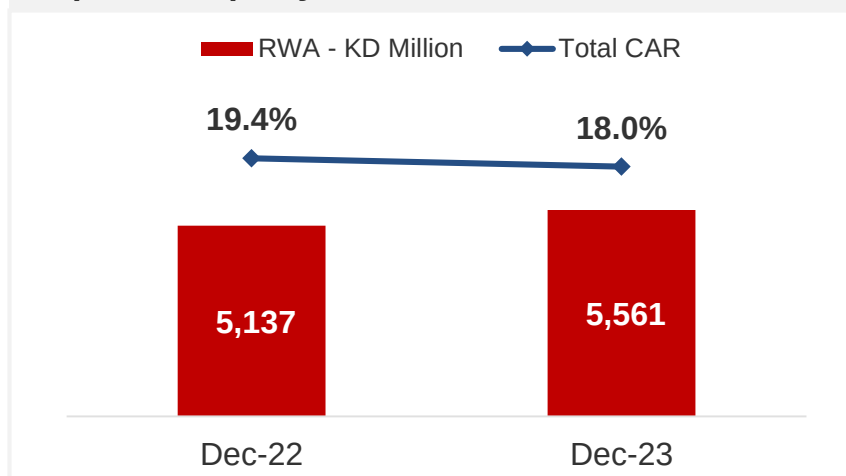
Source: Financial statements, Boubyan analysis

Outline

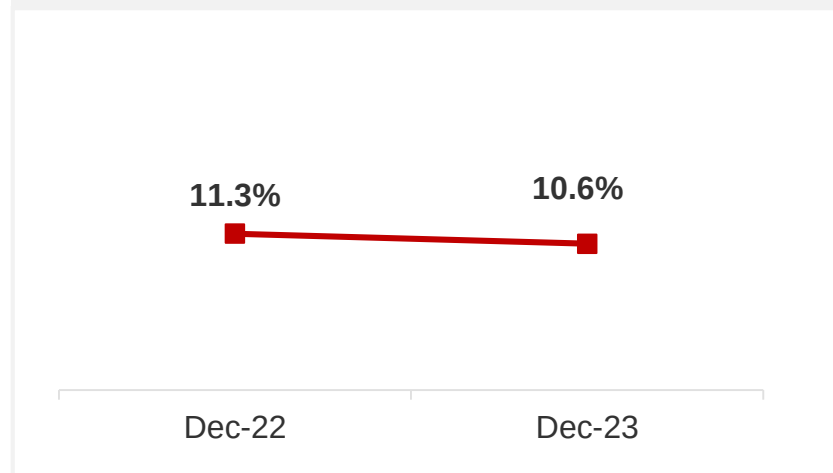
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Capital Adequacy

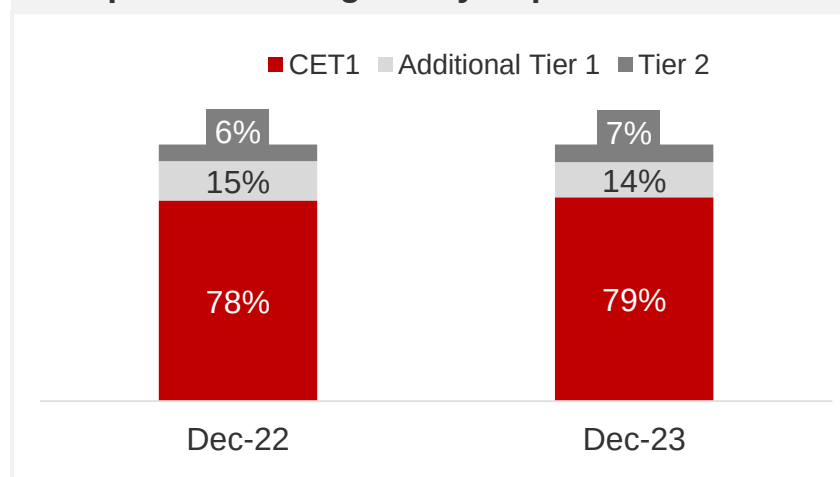
Capital Adequacy Ratio



Leverage Ratio



Composition of Regulatory Capital



Questions?

Appendix

Consolidated Financial Statements – FY 2023

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

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

Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
Income			
Islamic financing income	283.7	223.2	223.1
Financing cost	(116.5)	(65.7)	(84.2)
Net finance income	167.2	157.5	138.9
Net investment income	6.8	8.8	6.8
Net fees and commission income	21.1	16.8	12.3
Net foreign exchange gain	6.2	4.7	5.2
Other Income	0.0	0.0	4.3
Operating Income	201.4	187.8	167.5
Expenses			
Staff cost	(60.3)	(52.4)	(45.2)
General and administrative expenses	(28.2)	(25.2)	(20.0)
Depreciation	(12.4)	(9.6)	(9.2)
Total Expenses	(100.8)	(87.2)	(74.4)
Profit before provision for impairment	100.6	100.6	93.1
Provision for impairment	(43.7)	(50.8)	(59.0)
Profit before taxes	56.9	49.8	34.1
Taxes and board remuneration	(2.7)	(1.8)	(0.5)
Non-Controlling Interests	3.5	0.5	0.9
Net Profit for the year	57.8	48.5	34.4

Consolidated Statement of Financial Position

KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
Assets			
Cash and balances with banks	533.2	533.2	286.7
Deposits with Central Bank of Kuwait	247.8	247.8	336.9
Deposits with other banks	131.7	131.7	180.1
Islamic financing to customers	5,913.5	5,913.5	4,823.3
Investments in Sukuks	609.6	609.6	523.0
Other investment securities	152.6	152.6	99.1
Investment properties	33.6	33.6	47.1
Other assets	130.1	130.1	49.5
Property and Equipment	128.6	128.6	91.4
Total Assets	7,880.8	7,880.8	6,437.1
Liabilities			
Due to banks	198.7	198.7	281.4
Depositors' accounts	5,961.7	5,961.7	5,107.7
Medium Term Financing	637.6	637.6	305.5
Other liabilities	103.0	103.0	115.8
Total liabilities	6,901.1	6,901.1	5,810.4
Equity			
Share capital	373.9	318.0	302.8
Share premium	316.9	156.9	156.9
Proposed bonus share	22.4	15.9	-
Treasury shares	(0.1)	(0.1)	(0.1)
Reserves	58.3	52.8	44.0
Accumulated retained earnings / (losses)	4.7	4.1	14.1
Proposed cash dividends	22.4	15.9	-
Equity attributable to equity holders of the bank	798.6	563.5	517.9
Perpetual Tier 1 Sukuk	150.4	150.4	75.4
Non-controlling interest	30.7	36.2	33.5
Total equity	979.7	750.1	626.7
Total liabilities and equity	7,880.8	7,651.1	6,437.1

Thank You