

Kuwait: 02/02/2021

Ref: 9770/2021

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 Analysts'
Conference Call for the Financial Year
Ended December 31st 2020**

العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في

31 ديسمبر 2020

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 the financial year ended December 31st 2020 held via Live Webcast at 02:00 pm (Local Time) on Monday, February 01st 2021, 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 2020 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:00 (وفق التوقيت المحلي) من بعد ظهر يوم الإثنين الموافق 1 فبراير 2021 ؛ 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 Investors Presentation

2020 Results – Analyst Webcast

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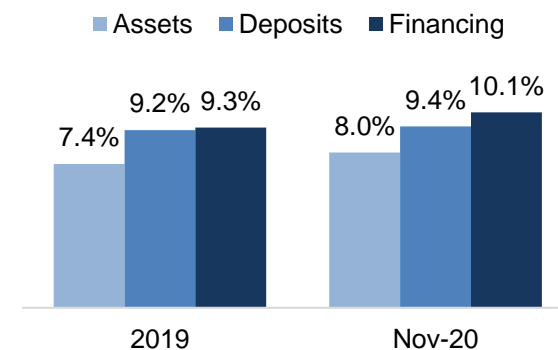
- 1** Boubyan's Performance & Strategy – At a glance
- 2** Income statement analysis
- 3** Balance sheet analysis
- 4** Capitalisation and Leverage

Financial Highlights

Financial snapshot

<i>KD million</i>	2020	2019	Growth %
Net Profit to shareholders	34.4	62.6	-45%
Operating Income	167.5	145.8	15%
Operating Profit	93.1	84.7	10%
Total Assets	6,437	5,301	21%
Financing Portfolio	4,823	3,826	26%
Customer Deposits	5,108	4,347	17%
Earnings per share (Fils)	9.7	19.4	-50%

Market share (Kuwait Market)



Key Financial Metrics

	2020	2019	Variance
Return on Average Equity (%)	5.3	11.7	-6.4
Return on Average Assets (%)	0.6	1.3	-0.7
Cost to Income (%)	44.4	41.9	2.5
NPL Ratio (%)	1.1	0.9	0.2
Capital Adequacy Ratio (%)	16.9	20.3	-3.4

Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
MOODY'S	A3	Stable	Dec 2020
STANDARD & POOR'S	A-	Stable	Nov 2020
FitchRatings	A+	Stable	Sep 2020

The Bank's strategy builds on robust domestic foundations

Scale up the core domestic business

Retail Banking

Strategic objectives

- 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

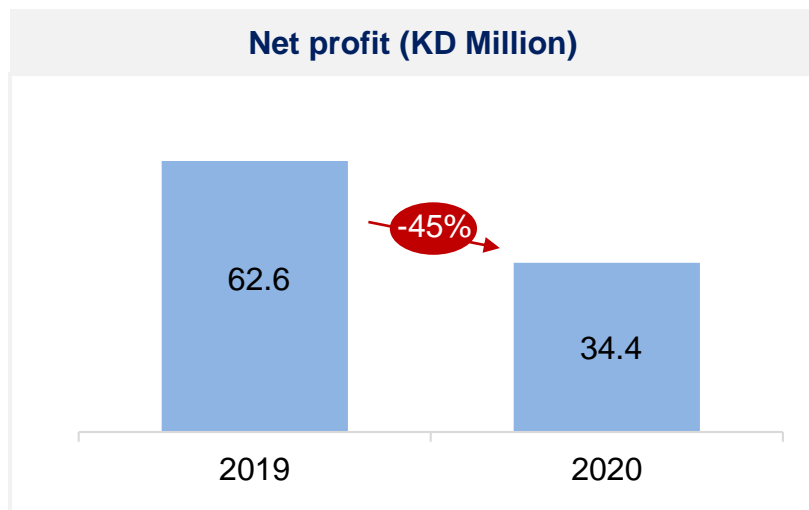
Private Banking / Wealth Management

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

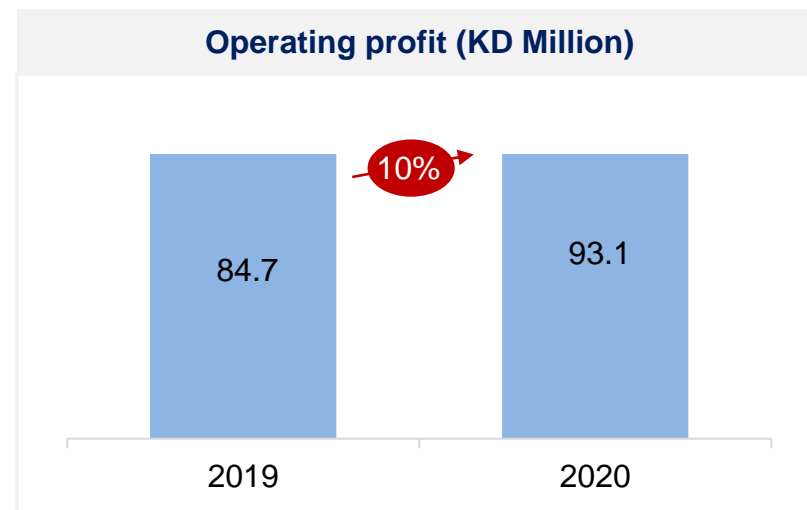
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Profitability and performance ratio

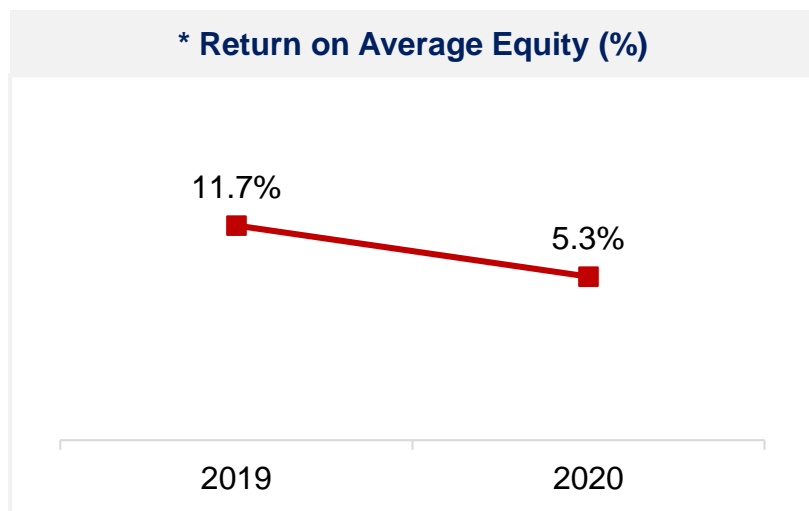
Net profit (KD Million)



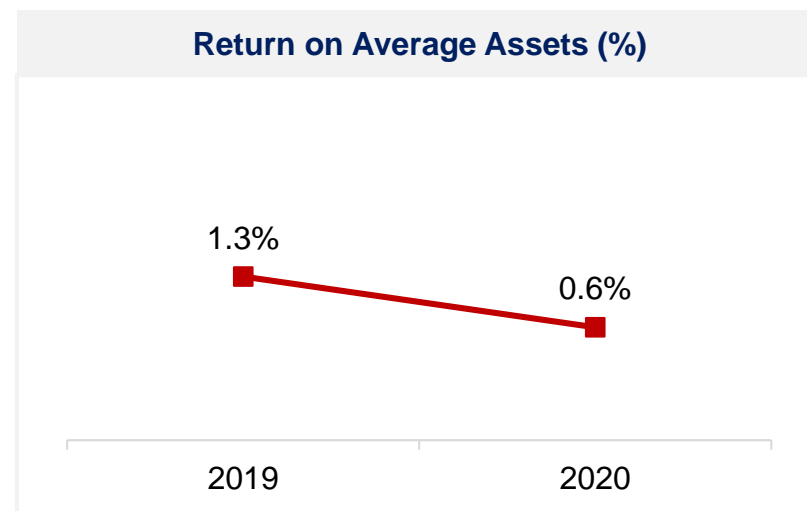
Operating profit (KD Million)



* Return on Average Equity (%)

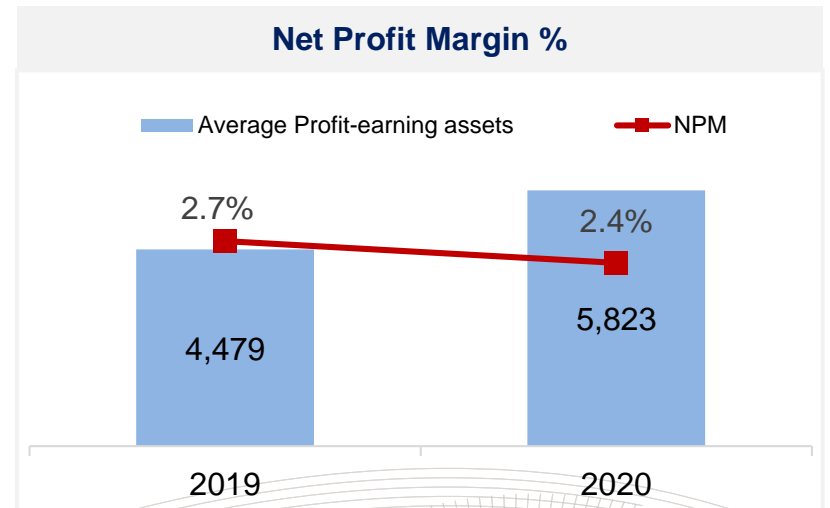
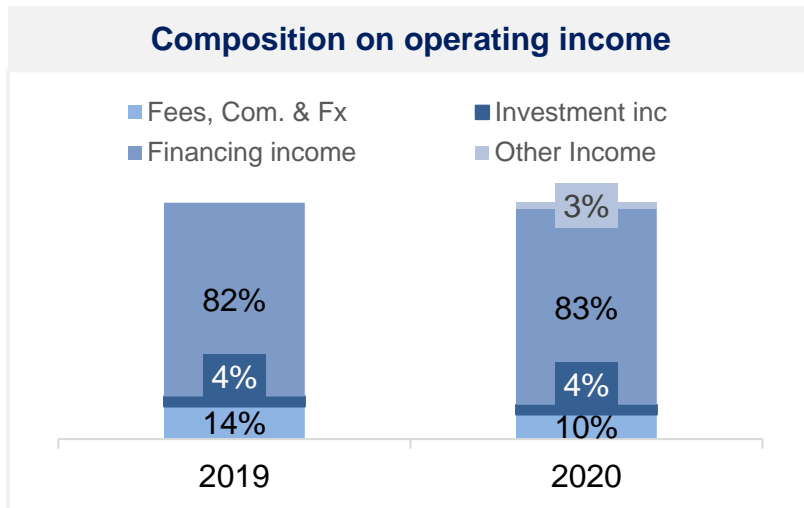
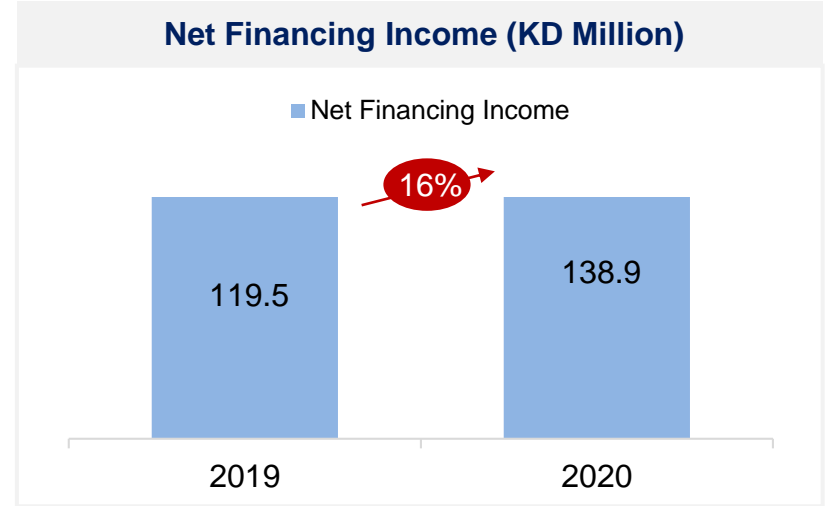
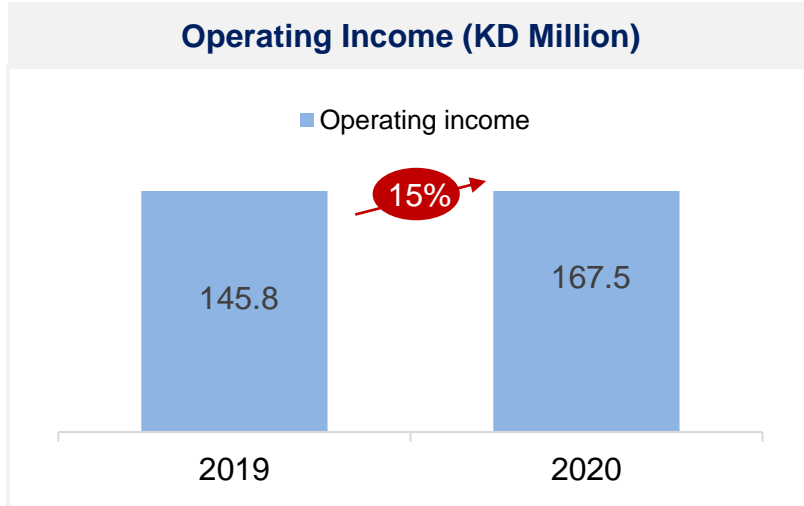


Return on Average Assets (%)

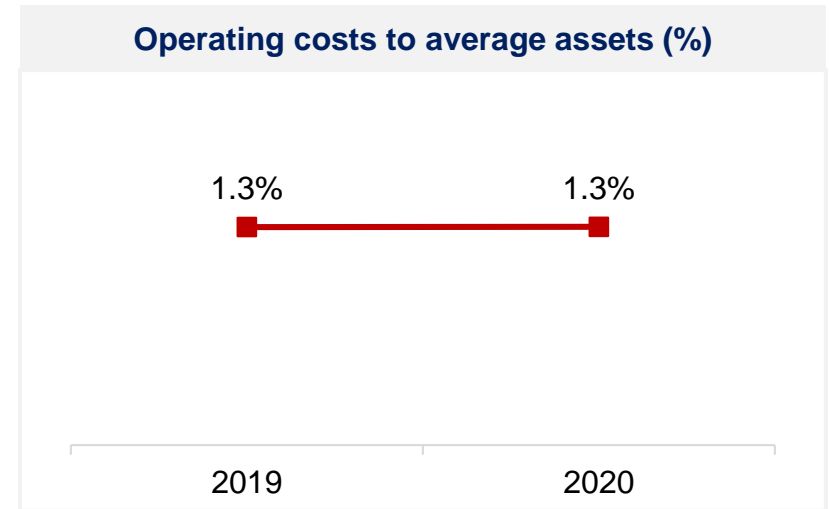
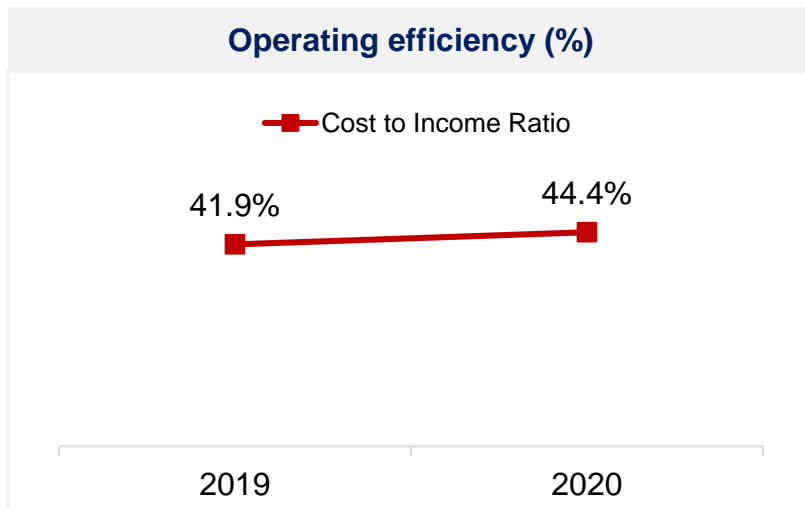
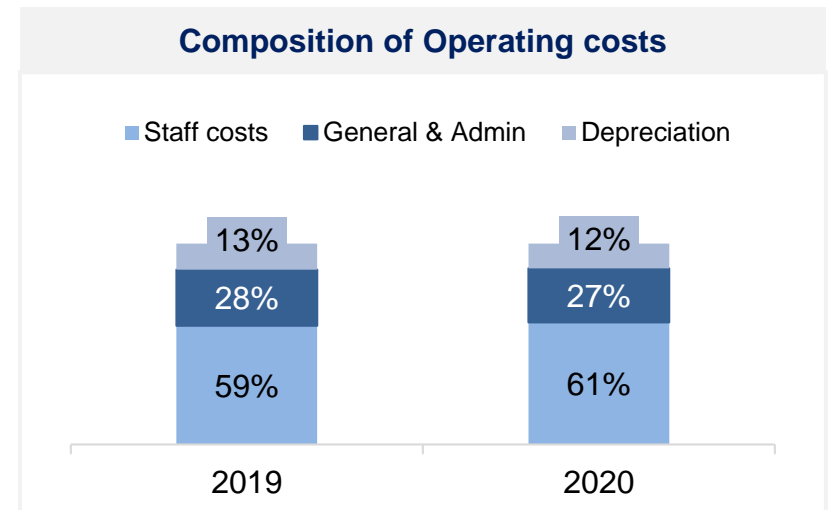
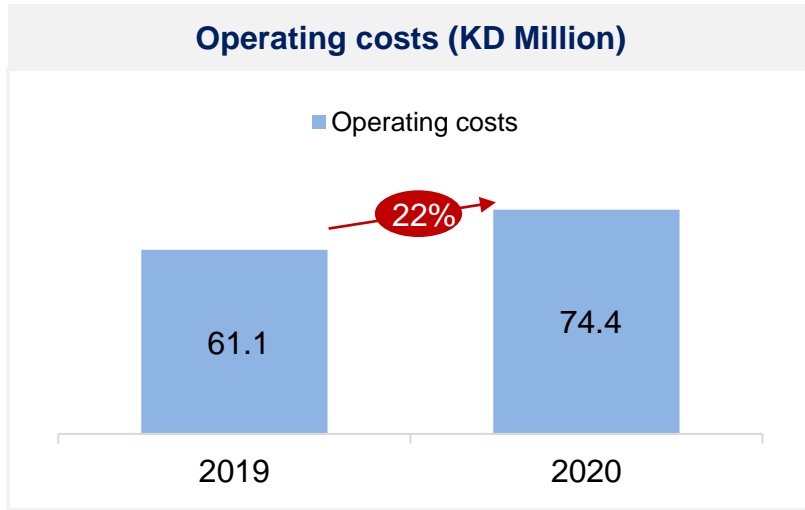


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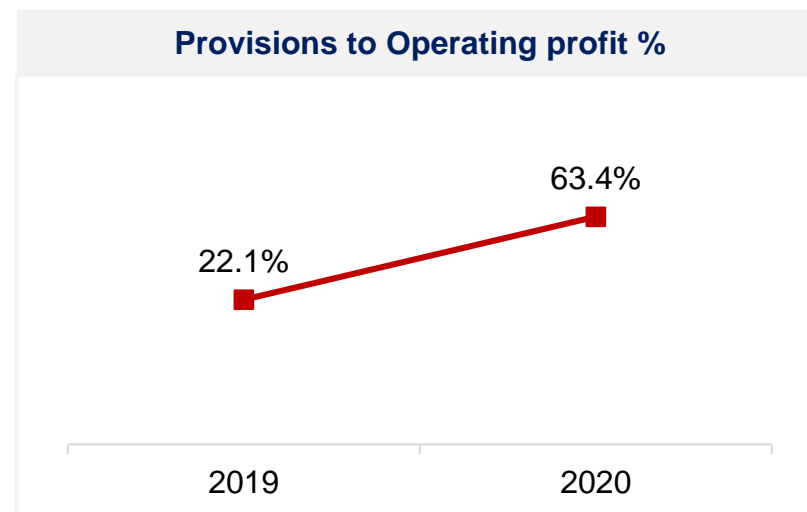
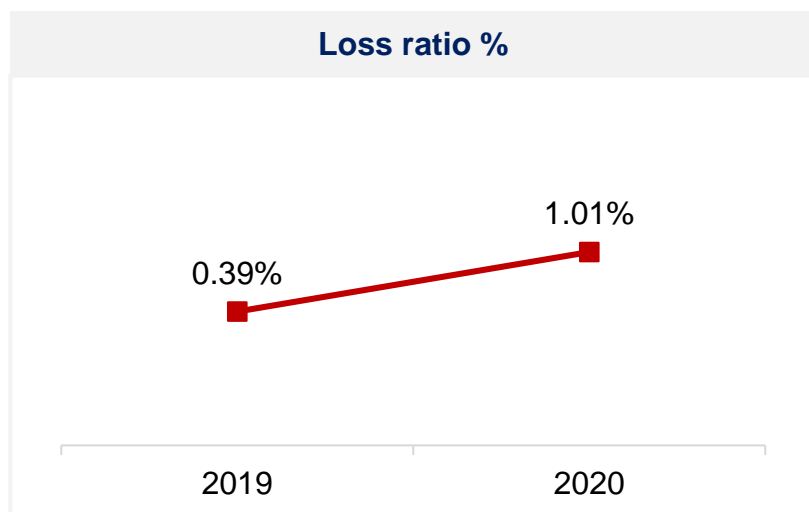
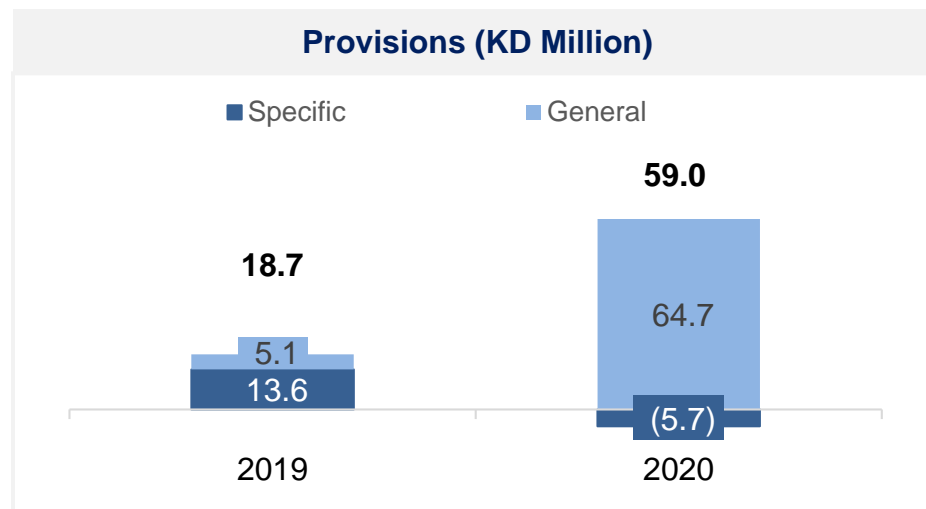
Operating income components and Net Profit Margins



Operating costs and efficiency



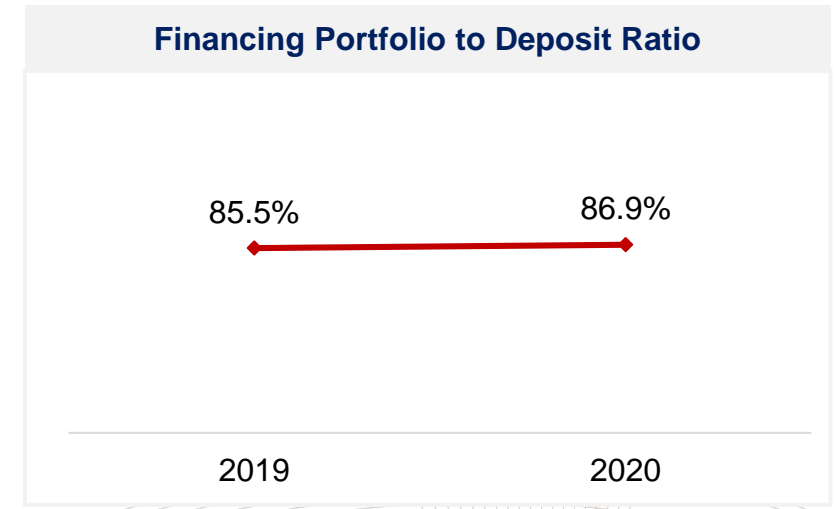
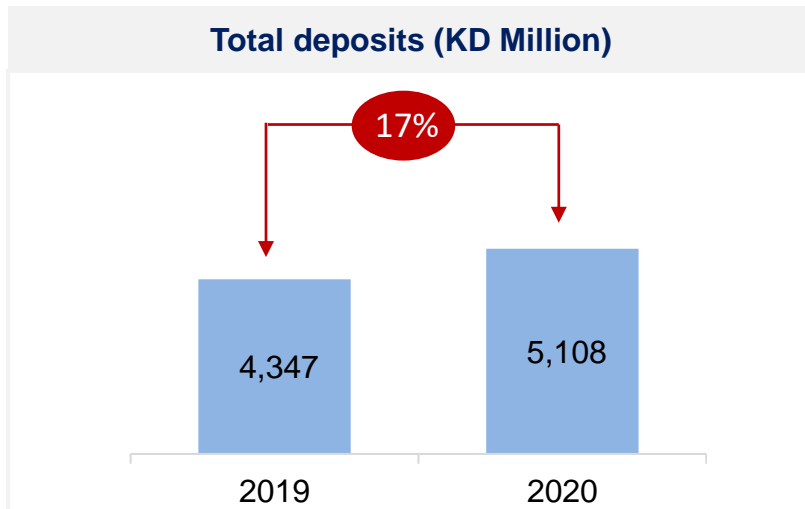
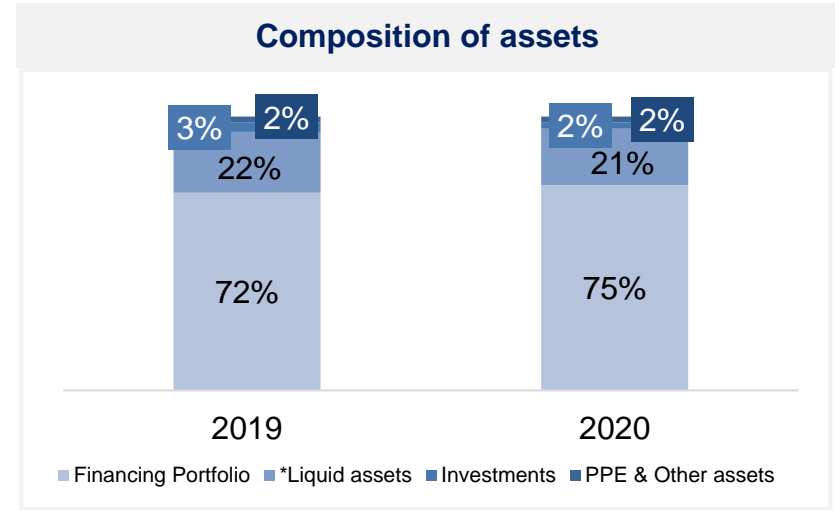
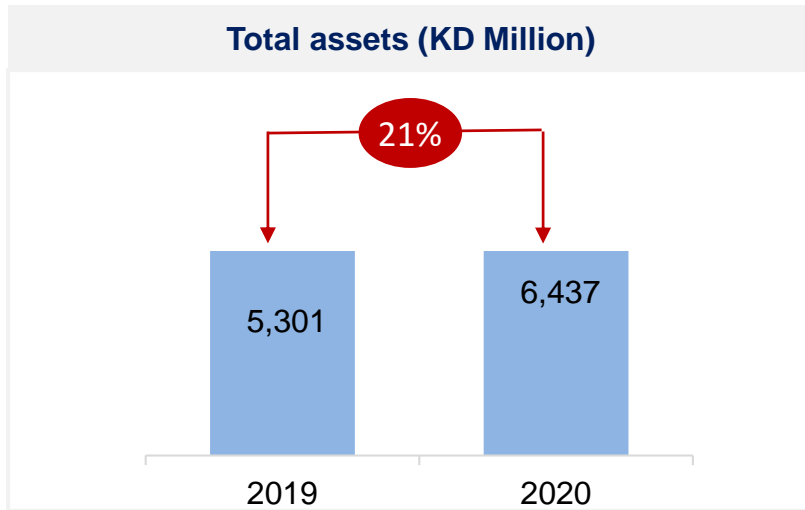
Provisions and related ratios



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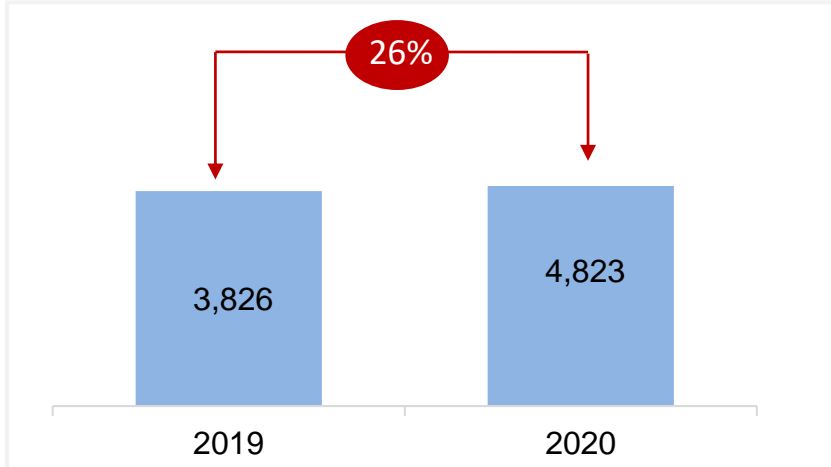
Assets and Sources of Funding



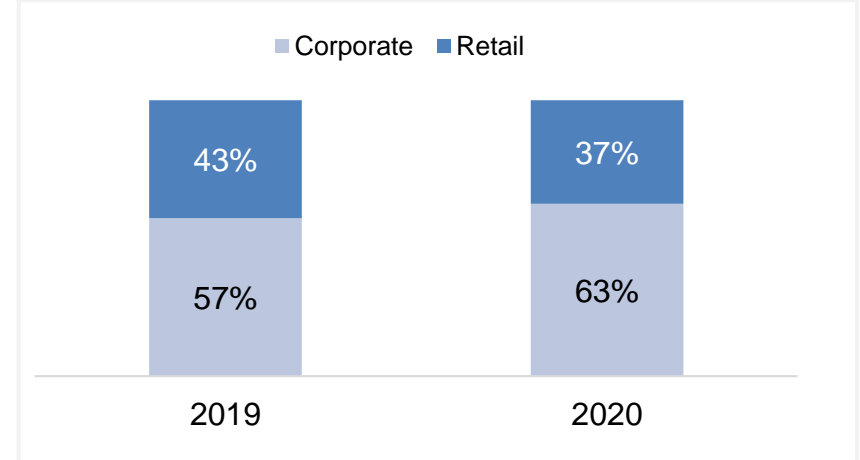
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments
Source: Financial statements, Boubyan analysis

Financing Portfolio and asset quality

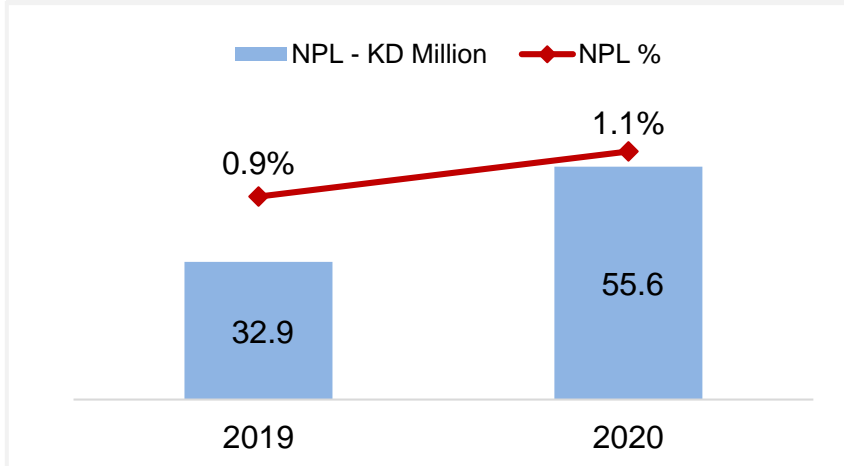
Financing Portfolio – KD Million



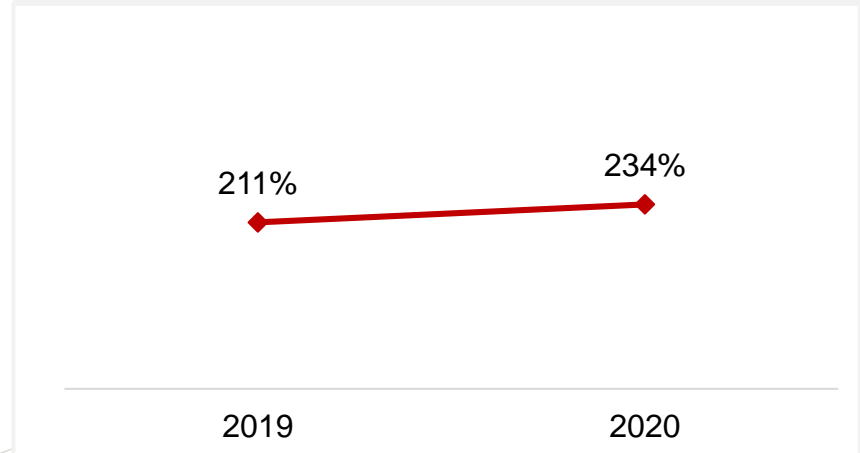
Composition of Financing Portfolio



Non performing Financing Portfolio



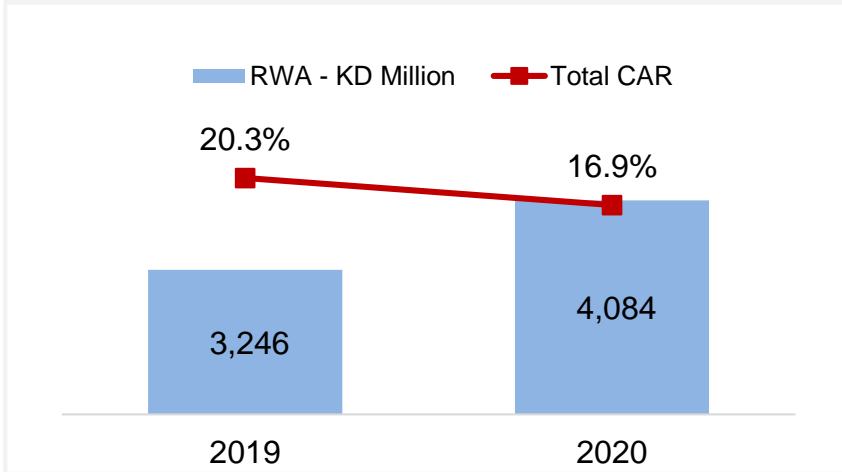
Loss Coverage ratio



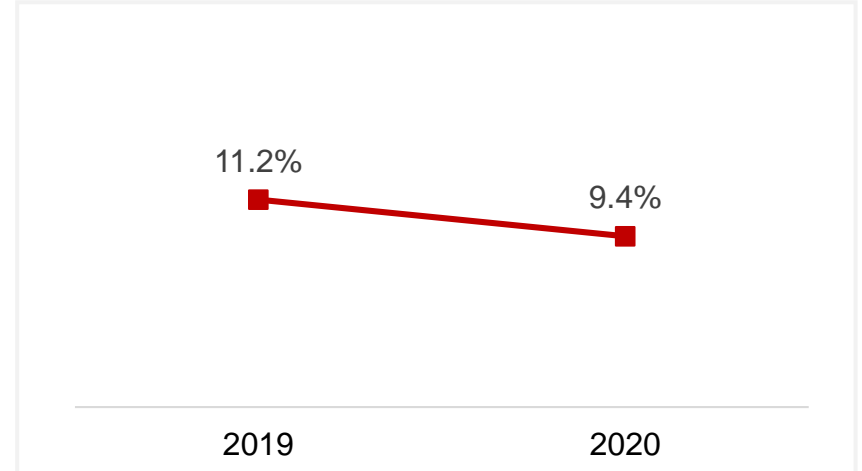
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Capital Adequacy

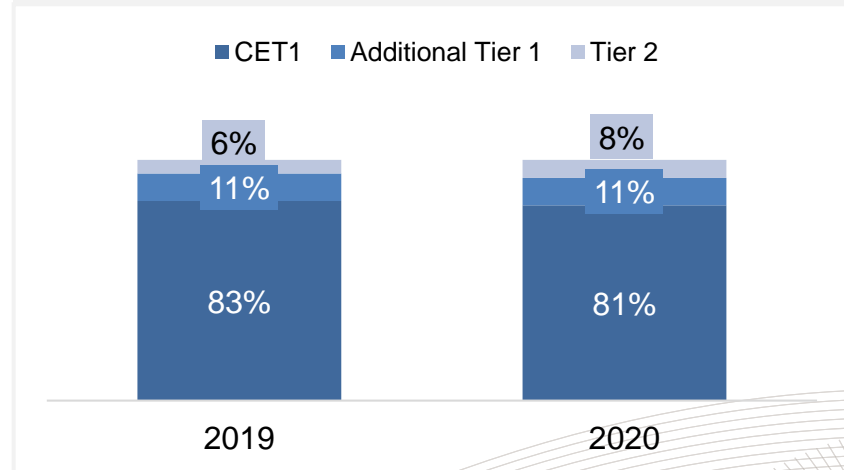
Capital adequacy ratio



Leverage ratio



Composition of regulatory capital



Questions ?

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Appendix

Consolidated Income Statement

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
Income			
Murabaha and other Islamic financing income	223.1	207.6	182.9
Distribution to depositors and Murabaha Cost	(84.2)	(88.2)	(62.6)
Net finance income	138.9	119.5	120.3
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		
Operating Income	167.5	145.8	139.7
Expenses			
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)
Total Expenses	(74.4)	(61.1)	(56.8)
Profit before provision for impairment	93.1	84.7	83.0
Provision for impairment	(59.0)	(18.7)	(23.8)
Profit before taxes	34.1	66.0	59.1
Taxes and board remuneration	(0.5)	(3.3)	(2.9)
Non-Controlling Interests	0.9	(0.0)	(0.1)
Net Profit for the year	34.4	62.6	56.1

Consolidated Statement of Financial Position

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
Assets			
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	523.0	318.4	309.3
Other investment securities	99.1	89.2	73.5
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
Total Assets	6,437.1	5,300.5	4,344.8
Liabilities			
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
Total liabilities	5,810.4	4,647.4	3,858.8
Equity			
Share capital	302.8	288.4	238.8
Share premium	156.9	156.9	62.9
Treasury shares	(0.1)	(0.1)	(0.6)
Statutory reserve	35.5	31.8	25.3
Voluntary reserve	30.5	30.5	24.2
Other Reserves	(22.0)	(8.4)	(5.0)
Accumulated retained earnings / (losses)	14.1	76.2	62.7
Equity attributable to equity holders of the bank	517.9	575.4	408.3
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	33.5	2.3	2.3
Total equity	626.7	653.2	486.0
Total liabilities and equity	6,437.1	5,300.5	4,344.8

Thank you

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