



Kuwait: 16/07/2024  
Ref: 5597/2024

الكويت: 2024/07/16  
الإشارة: 2024/5597

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 June 30<sup>th</sup> 2024**

**البيانات المالية المرحلية للفترة المنتهية في 2024/06/30**

With reference to the above subject, attached is the quarterly financial statements results form for the period ended June 30<sup>th</sup> 2024 after obtaining Central Bank of Kuwait's approval as per the attached letter.

بالإشارة إلى الموضوع أعلاه، نرفق لكم نموذج نتائج البيانات المالية المرحلية لمصرفنا عن الفترة المنتهية في 2024/06/30، وذلك بعد الحصول على موافقة بنك الكويت المركزي بشأنها وفقاً 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 at 01:00 pm on Monday, July 22<sup>nd</sup> 2024. 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 01:00 من بعد ظهر يوم الاثنين الموافق 2024/07/22 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،،،

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

عادل عبد الوهاب الماجد  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي للمجموعة



Boubyan Bank K.S.C  
P.O. Box 25507  
Safat 13116 Kuwait  
Tel: (965) 2232 5000 Fax: (965) 2247 7512  
Call Center (965) 1 82 00 82  
Capital KWD 420,078,363.800  
C.R 104042 bankboubyan.com

Towards perfection

Financial Results Form  
Kuwaiti Company (KWD)

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

Company Name	اسم الشركة
Boubyan Bank K.S.C.P	بنك بوبيان (ش.م.ك.ع.)

Second quarter results Ended on	2024-06-30	نتائج الربع الثاني المنتهي في
---------------------------------	------------	-------------------------------

Board of Directors Meeting Date	2024-07-09	تاريخ اجتماع مجلس الإدارة
---------------------------------	------------	---------------------------

Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم إرفاق هذه المستندات

التغيير (%)	فترة الستة أشهر المقارنة	فترة الستة أشهر الحالية	البيان
Change (%)	Six Month Comparative Period	Six Month Current Period	Statement
	2023-06-30	2024-06-30	
20%	41,273,009	49,610,288	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
22%	9.11	11.09	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
9%	5,508,690,634	6,027,525,000	الموجودات المتداولة Current Assets
11%	8,024,121,032	8,891,320,726	إجمالي الموجودات Total Assets
20%	6,045,817,119	7,265,018,900	المطلوبات المتداولة Current Liabilities
12%	7,032,368,987	7,850,022,422	إجمالي المطلوبات Total Liabilities
6%	815,289,586	868,043,536	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
11%	109,173,717	121,446,516	إجمالي الإيرادات التشغيلية Total Operating Revenue
10%	55,525,111	61,350,786	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
--	لا يوجد Nil	لا يوجد Nil	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital



البيان	الربع الثاني الحالي	الربع الثاني المقارن	التغيير (%)
Statement	Second quarter Current Period	Second quarter Comparative Period	Change (%)
	2024-06-30	2023-06-30	
صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	24,618,375	20,660,579	19%
ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share	5.86	4.92	19%
إجمالي الإيرادات التشغيلية Total Operating Revenue	59,821,808	56,612,814	6%
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	29,610,837	27,969,898	6%

• 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
تعود الزيادة في صافي الربح لفترة الستة أشهر المنتهية في 30 يونيو 2024 مقارنة بفترة الستة أشهر المنتهية في 30 يونيو 2023 بشكل رئيسي إلى الزيادة في صافي إيرادات التمويل بمبلغ 12,857,591 د.ك. والانخفاض في مخصص انخفاض القيمة بمبلغ 6,185,492 د.ك. والذي قابله جزئياً زيادة في المصروفات التشغيلية بمبلغ 6,446,923 د.ك. ، بالإضافة إلى الزيادة في قيمة الضرائب الخارجية بمبلغ 3,001,043 د.ك.	The increase in net profit for the Six months period ended 30 June 2024 compared to the Six months period ended 30 June 2023 is mainly due to the increase in net financing income by KD 12,857,591 and the decrease in the provision for impairment by KD 6,185,492 which was partially offset by an increase in operating expenses by KD 6,446,923 In addition to the increase in the overseas Tax charge by KD 3,001,043.

بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	KWD 2,170,492	Total Revenue realized from dealing with related parties (value, KWD)
--	---------------	---

بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	KWD 1,258,258	Total Expenditures incurred from dealing with related parties (value, KWD)
--	---------------	--

Auditor Opinion		رأي مراقب الحسابات
1.	Unqualified Opinion	<input checked="" type="checkbox"/> رأي غير متحفظ
2.	Qualified Opinion	<input type="checkbox"/> رأي متحفظ
3.	Disclaimer of Opinion	<input type="checkbox"/> عدم إبداء الرأي
4.	Adverse Opinion	<input type="checkbox"/> رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

N/A	نص رأي مراقب الحسابات كما ورد في التقرير
N/A	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
N/A	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
N/A	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

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	

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		نائب رئيس مجلس الإدارة والرئيس التنفيذي للمجموعة	عادل عبد الوهاب الماجد



## **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 30 June 2024, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of other comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the six months period then ended. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with the basis of preparation 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 preparation set out in Note 2.

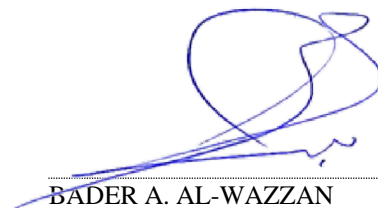
### **Report on other Legal and Regulatory Requirements**

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 six months period ended 30 June 2024 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, and Law No. 7 of 2010 concerning establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Bank or on its financial position.



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



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

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

For the period from 1 January 2024 to 30 June 2024

		Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
	Notes	KD'000's	KD'000's	KD'000's	KD'000's
<b>Income</b>					
Murabaha and other Islamic financing income		112,345	97,053	221,338	188,086
Finance cost and distribution to depositors		(63,691)	(54,146)	(125,811)	(105,417)
<b>Net financing income</b>		<b>48,654</b>	<b>42,907</b>	<b>95,527</b>	<b>82,669</b>
Net investment income	3	3,357	4,194	7,076	7,614
Net fees and commission income		5,955	7,568	15,199	15,399
Net foreign exchange gain		1,856	1,944	3,645	3,492
<b>Operating income</b>		<b>59,822</b>	<b>56,613</b>	<b>121,447</b>	<b>109,174</b>
Staff costs		(17,982)	(17,066)	(34,672)	(31,241)
General and administrative expenses		(8,057)	(8,057)	(17,312)	(15,319)
Depreciation		(4,172)	(3,520)	(8,112)	(7,089)
<b>Operating expenses</b>		<b>(30,211)</b>	<b>(28,643)</b>	<b>(60,096)</b>	<b>(53,649)</b>
<b>Operating profit before provision for impairment</b>		<b>29,611</b>	<b>27,970</b>	<b>61,351</b>	<b>55,525</b>
Provision for impairment	4	(4,072)	(5,833)	(10,022)	(16,207)
<b>Operating profit before deductions</b>		<b>25,539</b>	<b>22,137</b>	<b>51,329</b>	<b>39,318</b>
Taxation (charged)/ reversal	5	(1,068)	(1,089)	(2,237)	1,172
<b>Net profit for the period</b>		<b>24,471</b>	<b>21,048</b>	<b>49,092</b>	<b>40,490</b>
<b>Attributable to:</b>					
Equity holders of the Bank		24,618	20,661	49,610	41,273
Non-controlling interests		(147)	387	(518)	(783)
<b>Net profit for the period</b>		<b>24,471</b>	<b>21,048</b>	<b>49,092</b>	<b>40,490</b>
<b>Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)</b>		<b>5.86</b>	<b>4.92</b>	<b>11.09</b>	<b>9.11</b>

The notes from 1 to 19 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 2024 to 30 June 2024

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	KD'000's	KD'000's	KD'000's	KD'000's
<b>Net profit for the period</b>	<b>24,471</b>	21,048	<b>49,092</b>	40,490
<b>Other comprehensive income / (loss):</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	(3,622)	4,104	(677)	391
Foreign currency translation adjustments	(188)	950	(355)	1,258
<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	(685)	(2)	(666)	(3)
<b>Other comprehensive (loss) / income for the period</b>	<b>(4,495)</b>	5,052	<b>(1,698)</b>	1,646
<b>Total comprehensive income for the period</b>	<b>19,976</b>	26,100	<b>47,394</b>	42,136
<b>Attributable to:</b>				
Equity holders of the Bank	20,236	25,038	48,128	42,112
Non-controlling interests	(260)	1,062	(734)	24
<b>Total comprehensive income for the period</b>	<b>19,976</b>	26,100	<b>47,394</b>	42,136

The notes from 1 to 19 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 30 June 2024

	Notes	30 June 2024 KD'000's	(Audited) 31 December 2023 KD'000's	30 June 2023 KD'000's
<b>Assets</b>				
Cash and balances with banks	7	495,619	398,952	264,297
Deposits with Central Bank of Kuwait		186,672	218,997	405,113
Deposits with other banks		9,150	96,228	60,156
Islamic financing to customers	8	6,707,131	6,321,041	6,093,961
Investment in Sukuk	9	1,007,433	886,286	709,297
Other investment securities	9	155,218	156,760	162,102
Investment properties		71,275	73,521	65,227
Other assets		100,683	103,988	125,434
Property and equipment		158,140	149,216	138,534
<b>Total assets</b>		<b>8,891,321</b>	<b>8,404,989</b>	<b>8,024,121</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		259,531	187,206	191,599
Depositors' accounts		6,964,247	6,479,066	6,153,030
Medium term financing	10	502,250	591,680	560,714
Other liabilities		123,994	118,202	127,026
<b>Total liabilities</b>		<b>7,850,022</b>	<b>7,376,154</b>	<b>7,032,369</b>
<b>Equity</b>				
Share capital	19	420,078	396,300	396,300
Share premium		316,942	316,942	316,942
Proposed bonus shares	19	-	23,778	-
Treasury shares	12	(54)	(54)	(54)
Statutory reserve		55,233	55,233	46,761
Voluntary reserve		15,327	15,327	15,327
Other reserves	13	(912)	299	(2,949)
Retained earnings		61,430	15,127	42,963
Proposed cash dividends	19	-	31,700	-
<b>Equity attributable to equity holders of the Bank</b>		<b>868,044</b>	<b>854,652</b>	<b>815,290</b>
Perpetual Tier 1 Sukuk	18	150,385	150,385	150,385
Non-controlling interests		22,870	23,798	26,077
<b>Total equity</b>		<b>1,041,299</b>	<b>1,028,835</b>	<b>991,752</b>
<b>Total liabilities and equity</b>		<b>8,891,321</b>	<b>8,404,989</b>	<b>8,024,121</b>


**Abdulaziz Abdullah Dakheel Al-Shaya**  
**Chairman**

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

The notes from 1 to 19 form an integral part of this interim condensed consolidated financial information.

4844 /105/2

١٦ يونيو ٢٠٢٤

السيد نائب رئيس مجلس الإدارة والرئيس التنفيذي للمجموعة المحترم  
بنك بوبيان

تحية طيبة وبعد،

بالإشارة إلى كتابكم المؤرخ 2024/7/8 المرفق به البيانات المالية المرحلية المجمعة لمصرفكم عن الفترة المنتهية في 2024/6/30، والتي تم إعدادها لأغراض النشر وفقاً لمتطلبات بورصة الكويت، وعطفاً على الإيضاحات والبيانات التفصيلية الواردة إلينا في هذا الشأن والتي كان آخرها بتاريخ 2024/7/14.

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

مع أطيب التمنيات،،،



د. محمد بدر الخميس

المدير التنفيذي لقطاع الرقابة بالوكالة

- نسخة إلى بورصة الكويت.

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION**

**30 JUNE 2024 (UNAUDITED)**



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

---

For the period from 1 January 2024 to 30 June 2024

<b>INDEX</b>	<b>Page</b>
Independent auditors' report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of profit or loss (unaudited)	2
Interim condensed consolidated statement of other comprehensive income (unaudited)	3
Interim condensed consolidated statement of financial position (unaudited)	4
Interim condensed consolidated statement of changes in equity (unaudited)	5
Interim condensed consolidated statement of cash flows (unaudited)	6
Notes to the interim condensed consolidated financial information (unaudited)	7-16

## **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 30 June 2024, and the related interim condensed consolidated statement of profit or loss and the interim condensed consolidated statement of other comprehensive income for the three months and six months periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flow for the six months period then ended. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with the basis of preparation 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 preparation set out in Note 2.

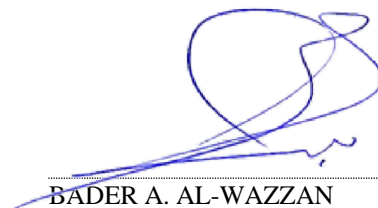
### **Report on other Legal and Regulatory Requirements**

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 six months period ended 30 June 2024 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, and Law No. 7 of 2010 concerning establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Bank or on its financial position.



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



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

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

For the period from 1 January 2024 to 30 June 2024

		Three months ended 30 June		Six months ended 30 June	
		2024	2023	2024	2023
Notes		KD'000's	KD'000's	KD'000's	KD'000's
<b>Income</b>					
	Murabaha and other Islamic financing income	112,345	97,053	221,338	188,086
	Finance cost and distribution to depositors	(63,691)	(54,146)	(125,811)	(105,417)
	<b>Net financing income</b>	<b>48,654</b>	<b>42,907</b>	<b>95,527</b>	<b>82,669</b>
3	Net investment income	3,357	4,194	7,076	7,614
	Net fees and commission income	5,955	7,568	15,199	15,399
	Net foreign exchange gain	1,856	1,944	3,645	3,492
	<b>Operating income</b>	<b>59,822</b>	<b>56,613</b>	<b>121,447</b>	<b>109,174</b>
	Staff costs	(17,982)	(17,066)	(34,672)	(31,241)
	General and administrative expenses	(8,057)	(8,057)	(17,312)	(15,319)
	Depreciation	(4,172)	(3,520)	(8,112)	(7,089)
	<b>Operating expenses</b>	<b>(30,211)</b>	<b>(28,643)</b>	<b>(60,096)</b>	<b>(53,649)</b>
	<b>Operating profit before provision for impairment</b>	<b>29,611</b>	<b>27,970</b>	<b>61,351</b>	<b>55,525</b>
4	Provision for impairment	(4,072)	(5,833)	(10,022)	(16,207)
	<b>Operating profit before deductions</b>	<b>25,539</b>	<b>22,137</b>	<b>51,329</b>	<b>39,318</b>
5	Taxation (charged)/ reversal	(1,068)	(1,089)	(2,237)	1,172
	<b>Net profit for the period</b>	<b>24,471</b>	<b>21,048</b>	<b>49,092</b>	<b>40,490</b>
<b>Attributable to:</b>					
	Equity holders of the Bank	24,618	20,661	49,610	41,273
	Non-controlling interests	(147)	387	(518)	(783)
	<b>Net profit for the period</b>	<b>24,471</b>	<b>21,048</b>	<b>49,092</b>	<b>40,490</b>
6	<b>Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)</b>	<b>5.86</b>	<b>4.92</b>	<b>11.09</b>	<b>9.11</b>

The notes from 1 to 19 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 2024 to 30 June 2024

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	KD'000's	KD'000's	KD'000's	KD'000's
<b>Net profit for the period</b>	<b>24,471</b>	21,048	<b>49,092</b>	40,490
<b>Other comprehensive income / (loss):</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	(3,622)	4,104	(677)	391
Foreign currency translation adjustments	(188)	950	(355)	1,258
<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	(685)	(2)	(666)	(3)
<b>Other comprehensive (loss) / income for the period</b>	<b>(4,495)</b>	5,052	<b>(1,698)</b>	1,646
<b>Total comprehensive income for the period</b>	<b>19,976</b>	26,100	<b>47,394</b>	42,136
<b>Attributable to:</b>				
Equity holders of the Bank	20,236	25,038	48,128	42,112
Non-controlling interests	(260)	1,062	(734)	24
<b>Total comprehensive income for the period</b>	<b>19,976</b>	26,100	<b>47,394</b>	42,136

The notes from 1 to 19 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 30 June 2024

	Notes	30 June 2024 KD'000's	(Audited) 31 December 2023 KD'000's	30 June 2023 KD'000's
<b>Assets</b>				
Cash and balances with banks	7	495,619	398,952	264,297
Deposits with Central Bank of Kuwait		186,672	218,997	405,113
Deposits with other banks		9,150	96,228	60,156
Islamic financing to customers	8	6,707,131	6,321,041	6,093,961
Investment in Sukuk	9	1,007,433	886,286	709,297
Other investment securities	9	155,218	156,760	162,102
Investment properties		71,275	73,521	65,227
Other assets		100,683	103,988	125,434
Property and equipment		158,140	149,216	138,534
<b>Total assets</b>		<b>8,891,321</b>	<b>8,404,989</b>	<b>8,024,121</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Due to banks		259,531	187,206	191,599
Depositors' accounts		6,964,247	6,479,066	6,153,030
Medium term financing	10	502,250	591,680	560,714
Other liabilities		123,994	118,202	127,026
<b>Total liabilities</b>		<b>7,850,022</b>	<b>7,376,154</b>	<b>7,032,369</b>
<b>Equity</b>				
Share capital	19	420,078	396,300	396,300
Share premium		316,942	316,942	316,942
Proposed bonus shares	19	-	23,778	-
Treasury shares	12	(54)	(54)	(54)
Statutory reserve		55,233	55,233	46,761
Voluntary reserve		15,327	15,327	15,327
Other reserves	13	(912)	299	(2,949)
Retained earnings		61,430	15,127	42,963
Proposed cash dividends	19	-	31,700	-
<b>Equity attributable to equity holders of the Bank</b>		<b>868,044</b>	<b>854,652</b>	<b>815,290</b>
Perpetual Tier 1 Sukuk	18	150,385	150,385	150,385
Non-controlling interests		22,870	23,798	26,077
<b>Total equity</b>		<b>1,041,299</b>	<b>1,028,835</b>	<b>991,752</b>
<b>Total liabilities and equity</b>		<b>8,891,321</b>	<b>8,404,989</b>	<b>8,024,121</b>


**Abdulaziz Abdullah Dakheel Al-Shaya**  
**Chairman**

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

The notes from 1 to 19 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 2024 to 30 June 2024

	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 13)	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	KD'000's
<b>Balance at 1 January 2024</b>	<b>396,300</b>	<b>316,942</b>	<b>23,778</b>	<b>(54)</b>	<b>55,233</b>	<b>15,327</b>	<b>299</b>	<b>15,127</b>	<b>31,700</b>	<b>854,652</b>	<b>150,385</b>	<b>23,798</b>	<b>1,028,835</b>
Profit/(loss) for the period	-	-	-	-	-	-	-	49,610	-	49,610	-	(518)	49,092
Other comprehensive loss	-	-	-	-	-	-	(1,482)	-	-	(1,482)	-	(216)	(1,698)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(1,482)	49,610	-	48,128	-	(734)	47,394
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(31,700)	(31,700)	-	-	(31,700)
Issue of bonus shares (note 19)	23,778	-	(23,778)	-	-	-	-	-	-	-	-	-	-
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(194)	(194)
Realised loss on equity securities at fair value through other comprehensive income	-	-	-	-	-	-	271	(271)	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,036)	-	(3,036)	-	-	(3,036)
<b>Balance at 30 June 2024</b>	<b>420,078</b>	<b>316,942</b>	<b>-</b>	<b>(54)</b>	<b>55,233</b>	<b>15,327</b>	<b>(912)</b>	<b>61,430</b>	<b>-</b>	<b>868,044</b>	<b>150,385</b>	<b>22,870</b>	<b>1,041,299</b>
Balance at 1 January 2023	373,868	316,942	22,432	(54)	46,761	15,327	(3,788)	4,717	22,429	798,634	150,385	30,680	979,699
Profit/(loss) for the period	-	-	-	-	-	-	-	41,273	-	41,273	-	(783)	40,490
Other comprehensive income	-	-	-	-	-	-	839	-	-	839	-	807	1,646
Total comprehensive income for the period	-	-	-	-	-	-	839	41,273	-	42,112	-	24	42,136
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(22,429)	(22,429)	-	-	(22,429)
Issue of bonus shares (note 19)	22,432	-	(22,432)	-	-	-	-	-	-	-	-	-	-
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(4,627)	(4,627)
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,027)	-	(3,027)	-	-	(3,027)
Balance at 30 June 2023	396,300	316,942	-	(54)	46,761	15,327	(2,949)	42,963	-	815,290	150,385	26,077	991,752

The notes from 1 to 19 form an integral part of this interim condensed consolidated financial information.



**BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

For the period from 1 January 2024 to 30 June 2024

	Notes	Six months ended 30 June	
		2024	2023
		KD'000's	KD'000's
<b>OPERATING ACTIVITIES</b>			
Net profit for the period		<b>49,092</b>	40,490
<b>Adjustments for:</b>			
Provision for impairment	4	<b>10,022</b>	16,207
Depreciation		<b>8,112</b>	7,089
Dividend income	3	<b>(3,767)</b>	(3,039)
Net gain from financial assets at fair value through profit or loss	3	<b>(1,010)</b>	(1,961)
Net (gain) / loss from sale of debt investments at FVOCI	3	<b>(51)</b>	170
Unrealized gain from change in fair value of investment properties	3	<b>-</b>	(978)
Profit on Medium Term Financing		<b>11,026</b>	11,953
Share of results of associates	3	<b>(180)</b>	(206)
<b>Operating profit before changes in operating assets and liabilities</b>		<b>73,244</b>	69,725
<b>Changes in operating assets and liabilities:</b>			
Deposits with Central Bank of Kuwait		<b>14,331</b>	(7,107)
Deposits with other banks		<b>26,546</b>	55,724
Islamic financing to customers		<b>(386,576)</b>	(232,883)
Other assets		<b>6,001</b>	(291)
Due to banks		<b>72,200</b>	(4,965)
Depositors' accounts		<b>477,590</b>	229,819
Other liabilities		<b>7,077</b>	26,995
<b>Net cash generated from operating activities</b>		<b>290,413</b>	137,017
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities		<b>(407,042)</b>	(398,340)
Proceeds from sale/redemption of investment securities		<b>280,184</b>	292,182
Proceed from redemption of investment in associates		<b>250</b>	-
Proceeds from sale of investment properties		<b>2,063</b>	689
Purchase of investment properties		<b>-</b>	(30,552)
Purchase of property and equipment		<b>(17,036)</b>	(16,990)
Dividend income received	3	<b>3,767</b>	3,039
<b>Net cash used in investing activities</b>		<b>(137,814)</b>	(149,972)
<b>FINANCING ACTIVITIES</b>			
Profit distribution on perpetual Tier 1 Sukuk		<b>(3,036)</b>	(3,027)
Proceeds from other medium term financing		<b>-</b>	30,620
Redemption and profit paid on medium term financing		<b>(98,173)</b>	(119,286)
Net movement of non-controlling interest		<b>(194)</b>	(4,627)
Dividends paid		<b>(31,700)</b>	(22,429)
<b>Net cash used in financing activities</b>		<b>(133,103)</b>	(118,749)
Net change in cash and cash equivalents		<b>19,496</b>	(131,704)
Foreign currency translation adjustments		<b>(2,428)</b>	741
Cash and cash equivalents at beginning of the period		<b>563,708</b>	729,426
<b>Cash and cash equivalents at end of the period</b>	7	<b>580,776</b>	598,463

The notes from 1 to 19 form an integral part of this interim condensed consolidated financial information.

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

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

For the period from 1 January 2024 to 30 June 2024

### **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's Memorandum of Incorporation and Articles of Association were amended by adding a new activity, namely, offering securities or selling the same for their issuer, its affiliate or obtaining securities from the issuer or its affiliate for remarketing (issuance management). In addition to the activity of purchase and sale of land plots and all types of real estate properties for their financing purposes as per the provisions of Law no. 32 of 1968 Concerning Currency, the Central Bank of Kuwait, and Organization of the Banking Business.

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 six months period ended 30 June 2024 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 09 July 2024.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Basis of preparation**

- (a) The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as amended for point (b) below:
- (b) The interim condensed consolidated financial information have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards as issued by International Accounting Standards Board (IASB) with the following amendment:
  - Expected credit loss ("ECL") to be measured at the higher of ECL provision on credit facilities computed under IFRS 9 in accordance with CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is herein after referred to as 'IFRS as adopted by CBK for use by the State of Kuwait'.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. Further, results for the six months period ended 30 June 2024, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The accounting policies used in the preparation of this 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 2023. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

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

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

For the period from 1 January 2024 to 30 June 2024

### 3. NET INVESTMENT INCOME

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	KD'000's	KD'000's	KD'000's	KD'000's
Dividend income	2,048	1,862	3,767	3,039
Net gain from financial assets at fair value through profit or loss	340	1,120	1,010	1,961
Net gain / (loss) from sale of debt investments at FVOCI	26	51	51	(170)
Net rental income from investment properties	976	1,076	2,068	1,600
Unrealized gain from changes in fair value of investment properties	-	-	-	978
Share of results of associates	(33)	85	180	206
	<b>3,357</b>	<b>4,194</b>	<b>7,076</b>	<b>7,614</b>

### 4. PROVISION FOR IMPAIRMENT

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	KD'000's	KD'000's	KD'000's	KD'000's
Provision charge for Islamic financing to customers	3,786	5,548	9,495	16,606
ECL – Other financial assets	(378)	285	(470)	(399)
Impairment loss on investments and other assets	664	-	997	-
	<b>4,072</b>	<b>5,833</b>	<b>10,022</b>	<b>16,207</b>

### 5. TAXATION

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	KD'000's	KD'000's	KD'000's	KD'000's
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	232	195	468	388
National Labour Support Tax ("NLST")	676	564	1,333	1,102
Zakat (Based on Zakat law no: 46/2006)	273	226	539	442
Overseas tax (credit)/ charge	(113)	104	(103)	(3,104)
	<b>1,068</b>	<b>1,089</b>	<b>2,237</b>	<b>(1,172)</b>

### 6. 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 shares that would be issued on the conversion of all the dilutive potential shares into shares.

	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Net profit for the period attributable to the equity holders of the Bank (KD'000)	24,618	20,661	49,610	41,273
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	-	-	(3,036)	(3,027)
	<b>24,618</b>	<b>20,661</b>	<b>46,574</b>	<b>38,246</b>
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	<b>4,200,196</b>	<b>4,200,250</b>	<b>4,200,207</b>	<b>4,200,280</b>
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	<b>5.86</b>	<b>4.92</b>	<b>11.09</b>	<b>9.11</b>

Earnings per share for the prior period were 5.21 and 9.65 fils before retroactive adjustment to the number of shares following the bonus shares issuance (note 19).

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

For the period from 1 January 2024 to 30 June 2024

**7. CASH AND CASH EQUIVALENTS**

	(Audited)	
	30 June 2024	31 December 2023
	KD'000's	KD'000's
Cash and balances with banks	495,619	398,952
Placements with banks maturing within seven days	85,157	164,756
	<b>580,776</b>	<b>563,708</b>

**8. ISLAMIC FINANCING TO CUSTOMERS**

	(Audited)	
	30 June 2024	31 December 2023
	KD'000's	KD'000's
Islamic financing to customers	6,924,839	6,525,518
Provision for impairment	(217,708)	(204,477)
	<b>6,707,131</b>	<b>6,321,041</b>

The available provision for impairment on non-cash facilities of **KD 3,599** thousands (31 December 2023: KD 3,606 thousands, 30 June 2023: KD 3,637 thousands) is included under other liabilities.

For contingent liabilities, the amounts in the below table represent the amounts committed or guaranteed, respectively. An analysis of the carrying amounts of Islamic financing to customers, and the corresponding expected credit losses based on the staging criteria under IFRS 9 in accordance with CBK regulations is as follows:

	Stage 1 KD'000's	Stage 2 KD'000's	Stage 3 KD'000's	Total KD'000's
<b>30 June 2024</b>				
Islamic financing to customers	6,641,662	212,904	70,273	6,924,839
Contingent liabilities (Note 14)	350,990	55,810	2,731	409,531
Commitments (revocable and irrevocable) to extend credit	1,483,377	31,193	355	1,514,925
<b>31 December 2023 (Audited)</b>				
Islamic financing to customers	6,243,034	217,265	65,219	6,525,518
Contingent liabilities (Note 14)	346,618	62,850	2,734	412,202
Commitments (revocable and irrevocable) to extend credit	1,231,674	58,352	1,175	1,291,201
<b>30 June 2023</b>				
Islamic financing to customers	6,003,488	226,677	68,767	6,298,932
Contingent liabilities (Note 14)	347,277	74,260	2,737	424,274
Commitments (revocable and irrevocable) to extend credit	1,200,402	73,564	244	1,274,210

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

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

For the period from 1 January 2024 to 30 June 2024

### 8. ISLAMIC FINANCING TO CUSTOMERS (continued)

An analysis of the changes in the expected credit losses that related to the credit facilities based on the staging criteria under IFRS 9 in accordance with CBK regulations is as follows:

	Stage 1	Stage 2	Stage 3	Total
	KD 000's	KD 000's	KD 000's	KD 000's
<b>30 June 2024</b>				
ECL allowance as at 1 January 2024	22,134	16,935	32,022	71,091
Impact due to transfer between stages				
Transfer from Stage 1	(1,074)	309	765	-
Transfer from Stage 2	1,475	(2,140)	665	-
Transfer from Stage 3	3,447	191	(3,638)	-
(Release)/additional ECL for the period	(5,053)	12,670	729	8,346
Amounts written off and recoveries	-	-	3,921	3,921
Foreign currency translation	(9)	(13)	(3)	(25)
<b>At 30 June 2024</b>	<b>20,920</b>	<b>27,952</b>	<b>34,461</b>	<b>83,333</b>
<b>30 June 2023</b>				
ECL allowance as at 1 January 2023	24,516	16,027	34,768	75,311
Impact due to transfer between stages				
Transfer from Stage 1	(899)	225	674	-
Transfer from Stage 2	1,245	(2,151)	906	-
Transfer from Stage 3	1,956	178	(2,134)	-
(Release)/additional ECL for the period	(2,986)	2,447	10,436	9,897
Amounts written off and recoveries	-	-	(10,184)	(10,184)
Foreign currency translation	60	186	296	542
<b>At 30 June 2023</b>	<b>23,892</b>	<b>16,912</b>	<b>34,762</b>	<b>75,566</b>

### 9. INVESTMENT SECURITIES

	(Audited)		
	30 June	31 December	30 June
	2024	2023	2023
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	1,007,433	886,286	709,297
Financial assets at fair value through profit or loss	133,577	132,859	137,426
Financial assets at fair value through other comprehensive income	21,142	21,844	21,941
Investment in associates	499	2,057	2,735
	<b>1,162,651</b>	<b>1,043,046</b>	<b>871,399</b>
	(Audited)		
	30 June	31 December	30 June
	2024	2023	2023
	KD'000's	KD'000's	KD'000's
<b>Investment in Sukuk</b>			
Investment in Sukuk- FVOCI	988,913	868,306	691,525
Investment in Sukuk- FVTPL	18,520	17,980	17,772
	<b>1,007,433</b>	<b>886,286</b>	<b>709,297</b>
<b>Financial assets at fair value through profit or loss</b>			
Investment in unquoted funds	131,577	132,859	137,426
Managed securities portfolio	2,000	-	-
	<b>133,577</b>	<b>132,859</b>	<b>137,426</b>
<b>Financial assets at fair value through other comprehensive income</b>			
Investment in unquoted equity securities	13,506	13,534	13,227
Investment in quoted equity securities	7,636	8,310	8,714
	<b>21,142</b>	<b>21,844</b>	<b>21,941</b>



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

For the period from 1 January 2024 to 30 June 2024

**10. MEDIUM TERM FINANCING**

	<b>30 June 2024</b>	(Audited) 31 December 2023	30 June 2023
	<b>KD'000's</b>	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	<b>379,259</b>	376,514	376,268
Other medium term financing**	<b>122,991</b>	215,166	184,446
	<b>502,250</b>	591,680	560,714

\* The Bank established a USD 1 billion Global Medium Term Sukuk programme ("GMTN programme") in 2019, which had been subsequently revised to USD 3 billion in 2022.

On 29 March 2022, the Bank issued senior unsecured Sukuk amounting to USD 500 million due in March 2027 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 per cent of nominal value and carries a fixed profit rate at 3.389% per annum payable semi-annually in arrears.

On 18 February 2020, the Bank issued senior unsecured Sukuk amounting to USD 750 million due in February 2025 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 per cent of nominal value and carries a fixed profit rate at 2.593% per annum payable semi-annually in arrears.

\*\* Other medium term financing has a tenor of three years and carry a profit rate in the range of 6.2% to 6.3% (31 December 2023: 6.2% to 6.4%, 30 June 2023: 5.9% to 6.4%).

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

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

For the period from 1 January 2024 to 30 June 2024

#### 11. 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)		
	30 June 2024	31 December 2023	30 June 2023	30 June 2024	31 December 2023	30 June 2023	30 June 2024	31 December 2023	30 June 2023
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	11	13	12	8	6	4	69,879	55,819	58,107
Depositors' accounts	25	28	31	41	42	42	12,891	18,277	15,501
Letters of guarantee and letters of credit	-	-	-	3	1	1	2,487	13	13
Murabaha and other Islamic financing income							1,864	2,955	1,377
Finance cost and distribution to depositors							(141)	(420)	(244)
<b>Parent Company</b>									
Due from banks							4,000	28,510	7,312
Due to banks							78,979	73,022	101,057
Depositors accounts							1,698	175	354
Murabaha and other Islamic financing income							306	630	469
Finance cost and distribution to depositors							(1,117)	(2,350)	(558)

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

For the period from 1 January 2024 to 30 June 2024

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

Details of compensation to key management comprise the following:

	Three months ended 30 June		Six months ended 30 June	
	<b>2024</b>	2023	<b>2024</b>	2023
	<b>KD'000's</b>	KD'000's	<b>KD'000's</b>	KD'000's
Short-term benefits	<b>897</b>	932	<b>1,729</b>	1,830
Post-employment benefits	<b>260</b>	93	<b>326</b>	164
Deferred compensation	<b>274</b>	264	<b>551</b>	528
	<b>1,431</b>	1,289	<b>2,606</b>	2,522

**12. TREASURY SHARES**

The Bank held the following treasury shares:

	<b>30 June 2024</b>	(Audited) 31 December 2023	30 June 2023
Number of treasury shares	<b>594,987</b>	534,607	534,607
Treasury shares as a percentage of total issued shares - %	<b>0.01501%</b>	0.01349%	0.01349%
Cost of treasury shares – KD thousand	<b>54</b>	54	54
Market value of treasury shares – KD thousand	<b>368</b>	323	344
Weighted average of market value per share – KD	<b>0.601</b>	0.639	0.681

**13. OTHER RESERVES**

	<b>Fair value reserve</b>	<b>Foreign currency translation reserve</b>	<b>Change in actuarial valuation reserve</b>	<b>Total</b>
	<b>KD'000's</b>	<b>KD'000's</b>	<b>KD'000s</b>	<b>KD'000's</b>
<b>Balance at 1 January 2024</b>	<b>13,162</b>	<b>(12,825)</b>	<b>(38)</b>	<b>299</b>
Other comprehensive loss for the period	<b>(1,343)</b>	<b>(139)</b>	-	<b>(1,482)</b>
Total comprehensive loss for the period	<b>(1,343)</b>	<b>(139)</b>	-	<b>(1,482)</b>
Realised loss on equity securities at fair value through other comprehensive income	<b>271</b>	-	-	<b>271</b>
<b>Balance at 30 June 2024</b>	<b>12,090</b>	<b>(12,964)</b>	<b>(38)</b>	<b>(912)</b>
Balance at 1 January 2023	10,613	(13,192)	(1,209)	(3,788)
Other comprehensive income for the period	387	452	-	839
Total comprehensive income for the period	387	452	-	839
Balance at 30 June 2023	11,000	(12,740)	(1,209)	(2,949)

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

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

For the period from 1 January 2024 to 30 June 2024

### 14. CONTINGENCIES AND COMMITMENTS

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

	30 June 2024	(Audited) 31 December 2023	30 June 2023
	KD'000's	KD'000's	KD'000's
Guarantees	317,068	305,879	309,844
Acceptances and letters of credit	92,463	106,323	114,430
Other commitments	222,202	282,752	186,091
	631,733	694,954	610,365

### 15. 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 and International operations:** Principally handling direct investments, investment in associates, local and international real estate investment, asset and wealth management.

**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 and International operations	Treasury	Group centre	Total
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
<b>Six months ended 30 June 2024</b>						
Net financing income	55,629	27,839	1,733	8,697	1,629	95,527
Operating income/(loss)	63,164	32,431	14,084	12,350	(582)	121,447
Net profit/(loss) for the period	37,076	27,204	(3,972)	11,765	(22,981)	49,092
Total assets	2,617,454	3,786,436	738,943	1,603,208	145,280	8,891,321
Total liabilities	4,709,226	613,436	577,037	1,436,011	514,312	7,850,022
<b>Six months ended 30 June 2023</b>						
Net financing income	50,448	20,225	4,259	7,245	492	82,669
Operating income/(loss)	59,512	24,868	16,487	10,130	(1,823)	109,174
Net profit/(loss) for the period	36,911	22,025	1,519	9,724	(29,689)	40,490
Total assets	2,519,468	3,268,269	762,398	1,321,768	152,218	8,024,121
Total liabilities	4,073,119	424,493	667,610	1,392,058	475,089	7,032,369

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

For the period from 1 January 2024 to 30 June 2024

**16. 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>30 June 2024</b>				
Financial assets at fair value through profit or loss	2,000	131,577	-	133,577
Investment in Sukuk	1,007,433	-	-	1,007,433
Financial assets at fair value through other comprehensive income	7,636	-	13,506	21,142
	<b>1,017,069</b>	<b>131,577</b>	<b>13,506</b>	<b>1,162,152</b>
<b>31 December 2023 (Audited)</b>				
Financial assets at fair value through profit or loss	-	132,859	-	132,859
Investment in Sukuk	886,286	-	-	886,286
Financial assets at fair value through other comprehensive income	8,310	-	13,534	21,844
	<b>894,596</b>	<b>132,859</b>	<b>13,534</b>	<b>1,040,989</b>
<b>30 June 2023</b>				
Financial assets at fair value through profit or loss	-	137,426	-	137,426
Investment in Sukuk	709,297	-	-	709,297
Financial assets at fair value through other comprehensive income	8,714	-	13,227	21,941
	<b>718,011</b>	<b>137,426</b>	<b>13,227</b>	<b>868,664</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	Change in fair value	Amortization	Transfers	Sale/ redemption	Exchange rate movements	At 30 June
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
<b>30 June 2024:</b>							
<b>Assets measured at fair value</b>							
Financial assets at fair value through other comprehensive income	13,534	-	-	-	(25)	(3)	13,506
	<b>13,534</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25)</b>	<b>(3)</b>	<b>13,506</b>
<b>30 June 2023:</b>							
<b>Assets measured at fair value</b>							
Financial assets at fair value through other comprehensive income	15,310	-	-	(1,794)	(294)	5	13,227
	<b>15,310</b>	<b>-</b>	<b>-</b>	<b>(1,794)</b>	<b>(294)</b>	<b>5</b>	<b>13,227</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.



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

For the period from 1 January 2024 to 30 June 2024

**17. DERIVATIVES**

In the ordinary course of business, the Bank enters into various types of transactions that involve Sharia'a approved derivative financial instruments such as currency swaps, profit rate swaps and forward foreign exchange contracts to mitigate foreign currency and profit rate risk. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rate or index.

**Currency swaps**

Currency swaps is a contractual agreement between two parties to buy a Sharia'a compliant asset at an agreed price on the relevant future date in different currencies. The fixed or floating payments as well as notional amounts are exchanged in different currencies.

**Profit rate swaps**

Profit rate swaps are contractual agreements between two counter-parties to exchange fixed and floating payments based on a notional value in a single currency.

**Forward foreign exchange contracts**

Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

The notional amount, disclosed gross, is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year-end and are neither indicative of the market risk nor credit risk.

The fair value of Islamic derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

	30 June 2024			31 December 2023 (Audited)			30 June 2023		
	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s
Profit rate swaps (held as fair value hedges)	24,369	(9,903)	819,491	22,697	(15,387)	776,047	25,545	(10,852)	664,118
Cross currency swaps	1,390	(1,051)	441,059	786	-	308,795	5	(179)	184,200
Forward foreign exchange contracts	354	(226)	8,047	124	(820)	62,842	17	(8)	14,251
	<b>26,113</b>	<b>(11,180)</b>	<b>1,268,597</b>	<b>23,607</b>	<b>(16,207)</b>	<b>1,147,684</b>	<b>25,567</b>	<b>(11,039)</b>	<b>862,569</b>

All of the above Islamic derivative financial instruments are included in Level 2 of fair value hierarchy as at 30 June 2024, 31 December 2023 and 30 June 2023.

**18. PERPETUAL TIER 1 SUKUK**

On 1 April 2021, the Bank has issued "Tier 1 Sukuk – 2021", through a Sharia's compliant Sukuk arrangement amounting to USD 500 million which was fully allocated. Tier 1 Sukuk -2021 is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk – 2021 is callable by the Bank on 1 October 2026 and bears an expected profit rate of 3.95% per annum to be paid semi-annually in arrears. The expected profit rate will be reset on 1 April 2027 based on then prevailing 6 years US Treasury Rate plus initial margin of 2.896% per annum. The net proceeds are invested by way of Mudaraba with the Bank (as Mudareb) on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Mudaraba profit will not be accumulated and the event is not considered an event of default.

**19. ANNUAL GENERAL ASSEMBLY MEETING**

The Annual General Assembly meeting of the shareholders held on 24 March 2024 approved **6%** bonus shares (2022: 6%) and a cash dividend of **8 fils** per share (2022: 6 fils per share) for the year ended 31 December 2023. The cash dividend paid amounted to **KD 31,700 thousand** (2022: KD 22,429 thousand) and the bonus shares increased the number of issued and fully paid up shares by **237,780,205** shares (2022: 224,320,949 shares) and increase in share capital by **KD 23,778 thousand** (2022: KD 22,432 thousand). The approved bonus shares and cash dividends were distributed on 28 April 2024.