

Kuwait: 25/10/2023
Ref: 4841/2023

الكويت: 2023/10/25
الإشارة: 2023/4841

Mr. Mohammad Saud Al-Osaimi
CEO
Boursa Kuwait

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

Dear Sir,

Minutes of the Analysts' Conference call
for the Third Quarter of 2023

محضر مؤتمر المحللين للربع الثالث
لسنة 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 and its amendments concerning continuing the obligations of the 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 Minutes of the Analysts' Conference call for Third Quarter ended 30/09/2023 held via Live Webcast at 01:00 pm (Local Time) on Monday, 23 October 2023 as per the requirements of the said article.

نرفق لكم نسخة من محضر مؤتمر المحللين للربع الثالث المنتهي في 2023/09/30 الذي انعقد عن طريق بث مباشر على شبكة الأنترنيت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الأثنين الموافق 2023/10/23؛ وذلك وفقا للمتطلبات الواردة في المادة المشار إليها أعلاه.

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



بنك بوبيان - ص.ب. 25507 - الصفاة 13116 الكويت
P.O.Box 25507 - Safat 13116 Kuwait

وحدة الشكاوي - برج مبارك
Complaint Unit - Mubarak Tower
complaintunit@bankboubyan.com

Tel: (965) 2232 5000
Call Centre: (965) 1 82 00 82

Q3 2023 Boubyan Bank K.S.C.P – Earnings Call

Edited transcript of the Boubyan Bank earnings conference call that took place on Monday, 23rd October 2023 at 13:00 Kuwait Time

Corporate participants:

Mr. Abdullah Al Tuwajri – Chief Executive Officer

Mr. Mohamed Ibrahim – Group General Manager, Financial Control Group

Mr. Fawaz Tawfiqi – Investor Relations

Fawaz Tawfiqi: Good afternoon everyone, and thank you for joining us today. This is Fawaz Tawfiqi from Investor Relations. I am pleased to welcome you all to Boubyan Bank's earnings webcast covering the results for the third quarter of the 2023 year.

Joining me today is Mr. Abdullah Al Tuwajiri, Chief Executive Officer and Mr. Mohamed Ibrahim, Group General Manager - Financial Control. I'd like to commence our call today by reading out a brief disclaimer which you can also find on page 2 of our presentation:

"Certain statements in this presentation may constitute forward looking statements reflecting the banks expectations. Accordingly, these are subject to risk and uncertainty, which may cause actual results to differ materially from the plans reflected within today's presentation. You are cautioned not to rely on such forward looking statements and the Bank does not assume any obligation to update its views of such risks and uncertainties or to publicly announce any revisions to the forward looking statements made herein"

In addition to the disclaimer I have just read, I urge you all to read the full text of our disclaimer on page 2 of the presentation pack.

Our format for today's call will include:

An overview of Boubyan's performance by Mr. Abdullah Al Tuwajiri followed by a presentation on the Bank's financial performance by Mr. Mohamed Ibrahim.

Following this, we will have time for a Q&A session with attendees today. We will be receiving your questions through the webcast platform, and we will endeavour to answer all of your questions today, however, if any questions are left unanswered due to time constraints, or you have any further questions you wish to pose, please feel free to contact us through the Boubyan Investor relations email address, which you can find on our website.

With that said, I would like to now hand you over to Mr. Abdullah Al Tuwajiri to take you through a brief update on Boubyan's performance for the third quarter of the 2023 year.

Abdullah Al Tuwajiri: Thank you Fawaz.

Good afternoon everyone and thanks for joining us.

I will give a quick update on our operating environment before my highlights on the overall financial performance and strategic initiatives.

The Federal Reserve affirms its position despite inflation figures surpassing estimates. In their latest meeting, the FOMC maintained their statement on “holding for longer” rather than an indication of a hike or cut.

Federal Reserve policymakers agreed last month that policy should remain restrictive for some time, while noting that the risks of overtightening now had to be balanced against keeping inflation on a downward path toward 2%.

The IMF sees that there is a higher probability for central banks to tame inflation without causing a recession in the global economy, and is now expecting global economic growth to slow down from 3.5% in 2022, to 3% in 2023, and to 2.9% in 2024. Meanwhile, global inflation is forecast to decline to 6.9% this year from 8.7% in 2022, and down to 5.85% in 2024.

Regarding Kuwait's economy, the Central Bank of Kuwait has raised its benchmark discount rate by another 25bps to 4.25% during late July. Kuwait's GDP growth is expected to see a minor contraction for the year due to negative oil GDP growth. In addition, there was a noticeable surge in government projects awarded during the year. Inflation stood at 3.7% y/y in September, edging slightly down from 3.8% in August.

Regarding Boubyan's performance, we continued to achieve positive results across all business lines.

Our net profit for the period grew by 26% YoY to reach KD 61.1 million with an earnings per share of 13.9 fils. This reflects a 5% growth in operating profit and reduction in cost of risk by 18%.

Our operating income grew 7% to KD 163 million driven by the improved performance of our investment portfolio and fees and commissions income. Total assets grew 6% year-on-year to reach KD 8.2 billion and the total financing portfolio also grew by 5% to KD 6.1 billion. Our customer deposits grew by 8% to reach KD 6.3 billion. Our market share of financings also increased to 11.6% while maintaining the Non-performing loans at a very low level of 1.1%.

Moving on now to discuss our strategy. We are continuing with the current journey of scaling up the core business both domestically and

internationally.

During the period, we completed the roll out of the new premium segment to provide affluent clients with a distinctive dedicated set of services and products that suit their needs inside and outside Kuwait. This was complemented by our continued investment in digital proposition by launching many new services offered for the first time in the local market.

In addition to this and as part of the continued focus on the segment of local entrepreneurs, we also enhanced our offerings by providing them with integrated financial solutions and exceptional benefits that allows them to manage their banking transactions smoothly and conveniently.

Regarding Nomo Bank, it continues growing its business base through partnerships to offer unique digital property finance solutions to customers in the UK to meet the requirements of the real estate market for those willing to purchase investment or residential units; this, in fact, makes Nomo their best Sharia-compliant property finance option in the United Kingdom. Despite the relatively short span of Nomo in the market, its recent launch of many products and services puts it on par with top financial institutions to offer a unique digital banking experience to customers that meets their expectations and needs while ensuring the highest levels of protection and security.

With steady steps, Boubyan Bank managed to be among the top Islamic financial institutions as it concluded Q3 with many awards and international rankings received by the bank from a group of prestigious institutions, among which are Euromoney, Global Finance, and Service Hero. The bank received more than 10 international awards and rankings in various business areas such as digital transformation, consumer banking, corporate finance, CSR, and SMEs support, whether locally or internationally, thus, reinforcing its leadership and status as a leading Islamic and digital financial institution.

Having embarked on the sustainability reporting journey and transparently disclosing our ESG metrics, we have gradually evolved to ingrain and integrate sustainability elements across our overall corporate strategy and business practices. This has enabled us to review, evaluate our ESG maturity and establish and prioritize our ESG agenda and roadmap. Our investments and efforts in innovation, digital transformation, commitment towards our employees and communities and the surrounding environment would enable us to lead ESG towards a cleaner and brighter future.

Now, Mohamed will take you through the Bank's financial performance with more details.

Mohamed Ibrahim: Good afternoon everyone. It is my pleasure to take you through our financial results for the third quarter of 2023.

The bank has reported a net profit of KD 61.1 million, a growth of 26% compared to the corresponding quarter of prior year, with an earnings per share of 13.9 fils. This growth reflects the growth in operating profit and a reduction in the cost of risk.

Operating profit grew by 5% to reach KD 82.7 million. This will be discussed in more details throughout the next slides.

The bank's RoAE and RoAA increased compared to the same period last year to 9.3% and 1.0% respectively which reflects the growth in net profit.

Now moving on to the operating income components, The operating income increased by 7% to reach around KD 163 million. This was mainly driven by the increase in fee and investment income.

Regarding net financing income, it has been almost flat compared to the first 9 months of last year reflecting the growth in volume by 5% and a decrease in net profit margin. Net profit margin decreased from 2.4% last year to 2.3% this year due to the lag impact of the increase in deposit rate and discount rates during the second half of last year in addition to the behaviour elements which impacted our CASA ratio. However, net financing income for Q3 2023 increased by 4% compared to Q2 2023 and 12% compared to Q1 2023. This was mainly driven by the improvement in net profit margin by almost 6bps between Q2 and Q3 and 14bps between Q1 and Q3 as a result of gradual repricing of assets to reflect the recent change in the discount rate.

Fees and commissions income grew by 13% year on year reaching KD 24.4 million reflecting the growth in business activities across retail, corporate and wealth management segments.

Investment income increased by KD 7.8 million to reach KD 11.6 million due to the growth in our investment portfolio and the improvement of its performance.

Now, we will move to slide 9 and discuss operating expenses. Operating expenses grew by 9% compared to the same period last year. This growth is in line with inflation, the scaling of operations and the continued investments in technology and products offering to continue providing the desired level of customer experience. This has resulted into a cost to income ratio of 49.3% and the cost to average assets of 1.3%.

Classification: Public

We will now move onto provisions on slide 10, we can see that the total impairment provision was KD 31.2 million with the majority being precautionary provisions which improves our ability to witness any unforeseen adverse condition.

The bank's loss ratio and provisions as a percentage of operating profit has dropped to 0.4% and 31% respectively.

I would like to highlight that IFRS 9 provision was lower than the provision as per CBK by over KD 139 million and accordingly we have reported the CBK provision in our financials being higher of the two.

Now moving on to slide 12 regarding our Balance sheet.

Overall, our total assets grew by 6% compared to Q3 2022. This increase was mainly driven by the growth in the Bank's financing portfolio, fixed income and investment portfolio.

In general, the composition of total assets has been broadly consistent with prior year, with the financing portfolio represents 74% of total assets, while liquid assets to total assets was maintained at a comfortable level of 20%.

Customer deposits grew 8% year on year with its composition in sources of funding increased to 77%. The bank has maintained its domestic loan to deposit ratio at a comfortable level of 87%.

We now move on to slide 13 to discuss the performance of our financing portfolio. Our net financing portfolio grew by KD 274 million year on year or 5% which driven mainly by the growth in corporate segment. On the other hand, the retail segment started to gain momentum during the last few months and is expected to increase its participation in the overall growth throughout the final quarter of the year.

Non-performing loans remains fairly stable at 1.1% which reflects our strict underwriting standards and prove the quality of our assets. Coverage ratio was also maintained at a very comfortable level of 298%.

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

Our capital adequacy ratio stands at 17.8% against a minimum requirement of 14% (including D-SIB of 1%).

Risk Weighted Assets reported a year-on-year growth of 7% to reach KD 5.4 billion, which was driven mainly by asset growth.

Classification: Public

Classification: Public

The leverage ratio at 10.4% is in line with the market and well above the regulatory minimum.

Before I hand over for the Q&A session, I would like to make some remarks on our guidance for the remainder of the year.

With regard to loan growth, we expect to achieve mid-single digit growth at the group level with the current market conditions and interest rate environment.

With regards to margins – we expect a slight recovery from the current level of 2.3% to 2.4% on average for 2023.

Our cost-to-income is expected to stabilize at the current level for 2023.

Loss ratio is also expected to be maintained at the current level for 2023.

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

Fawaz Tawfiqi	<p>Thank you Mr. Mohamed.</p> <p>We will now start our Q&A session. Ladies and gentlemen, if you wish to participate in our Q&A, please type your question using the question box on screen. Then click the submit button. Thank you for holding.</p>
Fawaz Tawfiqi	<p>Thank you for holding. Our first question asks: How do you see growth picking up in the sector? If you could throw some colour on project execution and how you see that helping growth?</p>

Classification: Public

<p>Mohamed Ibrahim</p>	<p>As you follow the last few quarters, the growth for 2023 was negatively impacted by the shock from the multiple interest rate increases in a short period of time. This negatively impacted the consumer affordability for new finances as well as corporate plans for new CAPEX projects and spending. However, from the projects point of view, the value of projects awarded during 2023 was very promising, we estimate them to be around KD 2 billion. This, to some extent, helped the growth.</p> <p>Going forward, we believe the consumer growth will gradually come back to the historical trend along with the corporate execution of projects which we are optimistic that these executions will happen faster. Accordingly, our estimation for the market growth during the next 12 months is around 5-6%.</p>
<p>Fawaz Tawfiqi</p>	<p>Next question: NIM trend has been encouraging this year - how do you see it trending in the coming quarters given the current higher-for-longer rate environment?</p>
<p>Mohamed Ibrahim</p>	<p>We are estimating Q4 NIM at 2.5% up from 2.4% during Q3 and compared to the average of the last 9 months of 2.3%. Assuming it will be higher-for-longer, it will have a positive impact as we gradually reprice our assets assuming all other variables are constant.</p>
<p>Fawaz Tawfiqi</p>	<p>Next question: is it fair to say that Boubyan Bank has reached a peak in loan growth as it is no longer considered a high growing bank? Is the Bank's strategy now aimed at maintaining market share rather than aggressive growth?</p>
<p>Abdullah Al Tuwaijri</p>	<p>No, our aspiration is to continue growing faster than the market growth supported by many strategic initiatives for both retail and corporate banking. We still don't think we have reached our peak growth as we are currently growing faster than the market.</p>
<p>Fawaz Tawfiqi</p>	<p>Next question: does Boubyan Bank have to comply with the upcoming BEPS 2.0 taxation requirements, and if so, what sort of impact is expected?</p>

Mohamed Ibrahim	<p>Actually, as per the current threshold, Boubyan is still not subject to these requirements. However, we are also doing our assessments to see the future impact of these requirements and we are also taking into consideration any expected local legislation that may come from the authorities in this regard. So, we are still in the assessment phase, but in the short term, we do not have any impact.</p>
Fawaz Tawfiqi	<p>Next question: could you update us on the mortgage law and if there are any new developments?</p>
Abdullah Al Tuwaijri	<p>Yes, the mortgage law is still in discussion between the parliament and the government. We hope that there will be positive moves from the parliament during the next session and we also hope that the law will see the light soon to support the recent law that has been approved in the previous session of parliament for the housing developers and the housing cities.</p>
Fawaz Tawfiqi	<p>Final question asks to provide some guidance on loan growth for 2024?</p>
Mohamed Ibrahim	<p>As I mentioned, our estimation for the market growth for the next 12 months is around 5-6%, reflecting the growth in consumer and corporate. For Boubyan, our aspiration is to achieve high single-digits and to outperform the market growth by at least 1.5 times.</p>
Fawaz Tawfiqi	<p>Ladies and gentlemen, we'd like to thank you all for your attendance today and remind you that should you wish to ask any follow up questions you may do so through the investor relations email address listed on our website.</p> <p>A reminder that the presentation slides and transcripts of this call will be published on both the Boubyan and the Kuwait Boursa Websites within the coming days.</p> <p>Thank you.</p>



Boubyan Bank Investor Presentation

Q3 2023 Results

23rd October 2023

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

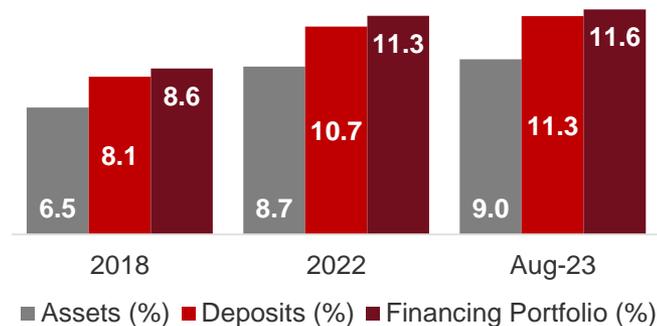
- 1** Boubyan's Performance & Strategy – At a Glance
- 2** Income Statement Analysis
- 3** Balance Sheet Analysis
- 4** Capitalization & Leverage

Financial Highlights

Financial Snapshot

<i>KD million</i>	9M 2023	9M 2022	Growth %
Net Profit to shareholders	61.1	48.6	26%
Operating Income	163.2	153.1	7%
Operating Profit	82.7	79.1	5%
Total Assets	8,201	7,757	6%
Financing Portfolio	6,088	5,814	5%
Customer Deposits	6,287	5,807	8%
Earnings per share (Fils)	13.89	11.07	25%

Market Share (%)



Key Financial Metrics

	9M 2023	9M 2022	Variance
Return on Average Equity (%)	9.3	8.7	0.6
Return on Average Assets (%)	1.0	0.9	0.1
Cost to Income (%)	49.3	48.3	1.0
NPL Ratio (%)	1.1	1.0	0.1
Capital Adequacy Ratio (%)	17.8	19.2	(1.4)

Source: Financial statements, Boubyan analysis

Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A2	Stable	May 2023
STANDARD & POOR'S	A	Stable	Nov 2022
FitchRatings	A (xgs: BBB)	Stable	Sep 2023

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

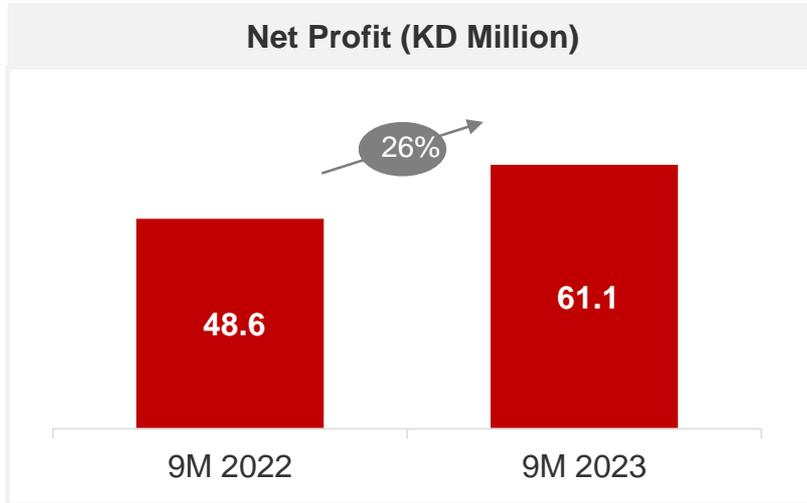
- Scale the PB/WM management operating model
 - Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
 - Grow market share
-

Outline

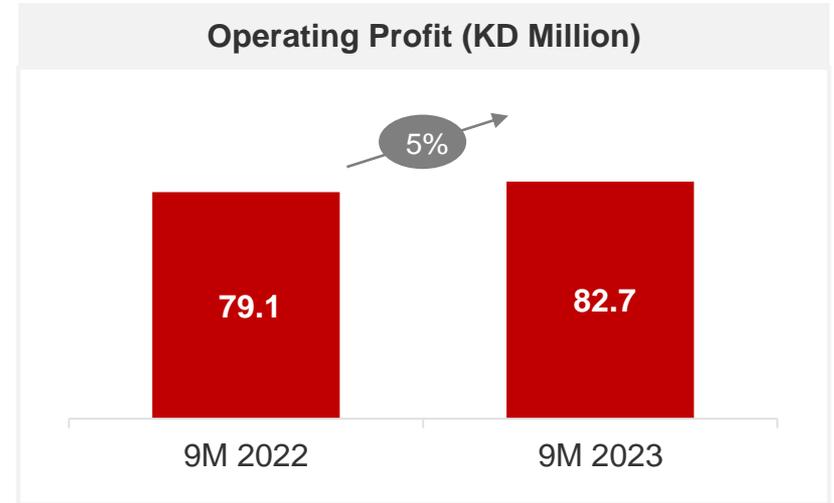
- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis**
- 3 Balance Sheet Analysis
- 4 Capitalization & Leverage

Profitability & Performance Ratio

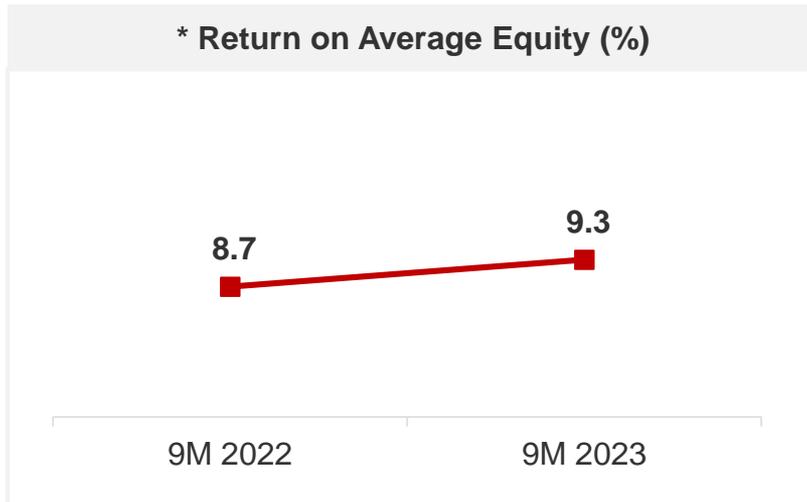
Net Profit (KD Million)



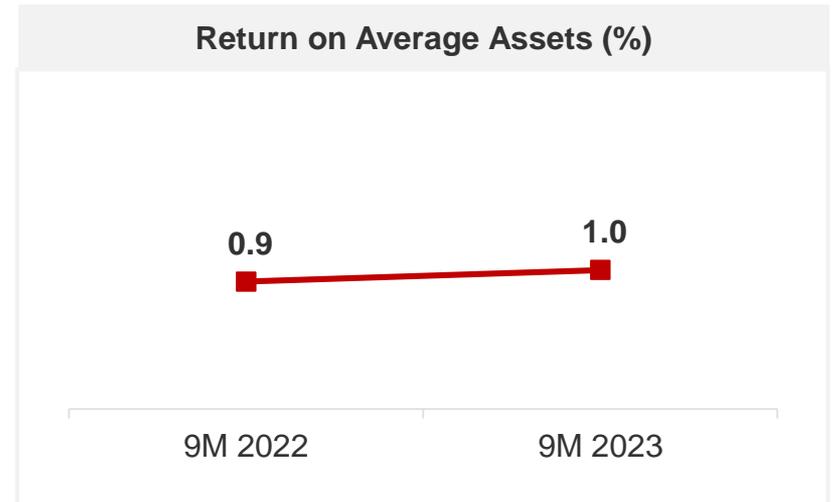
Operating Profit (KD Million)



* Return on Average Equity (%)



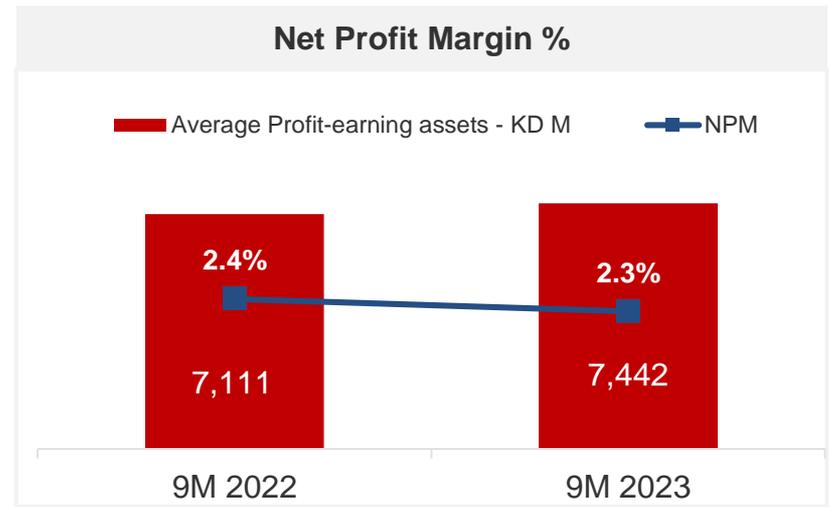
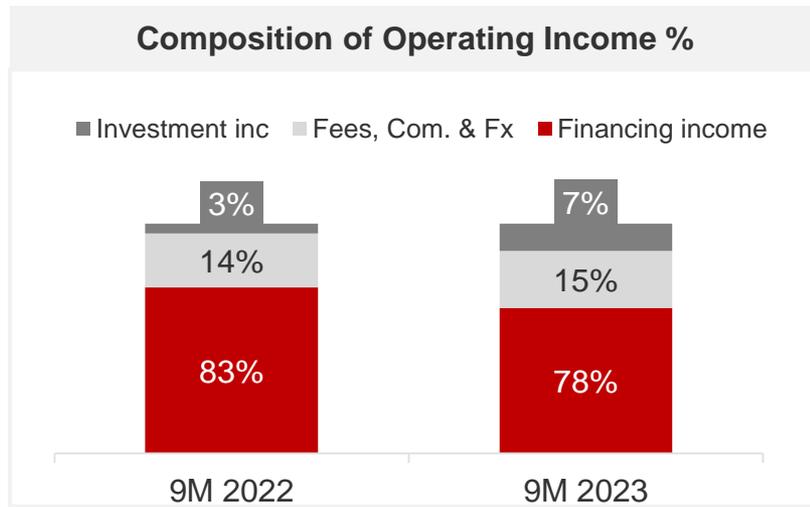
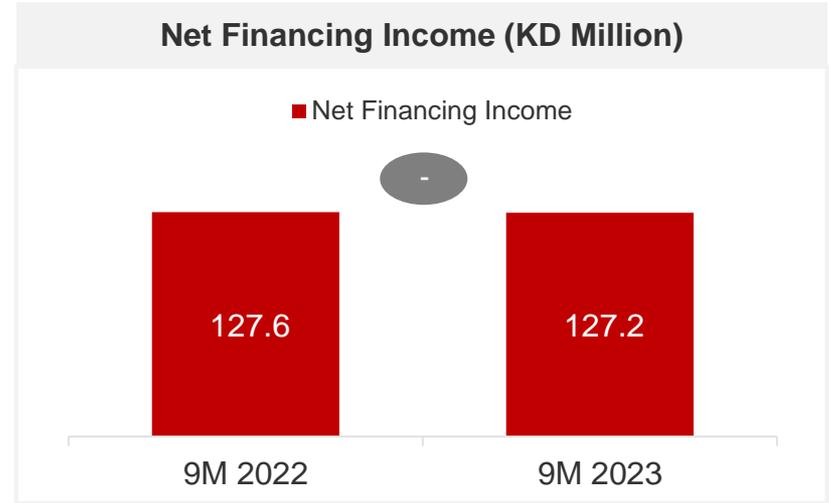
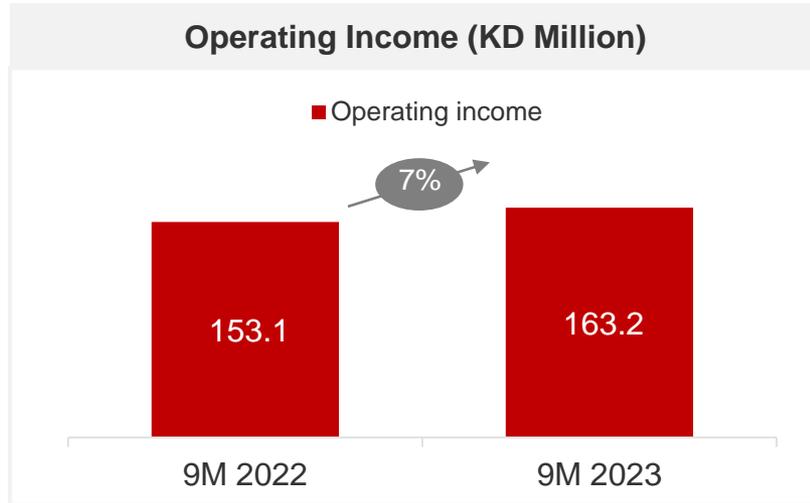
Return on Average Assets (%)



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

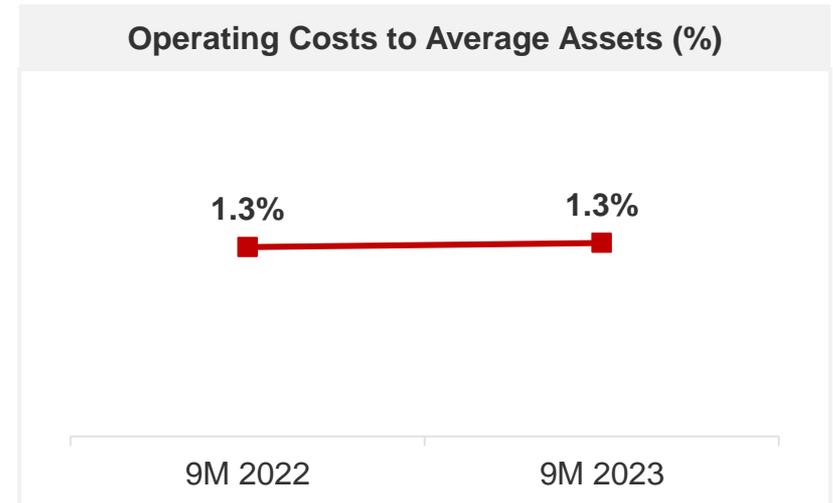
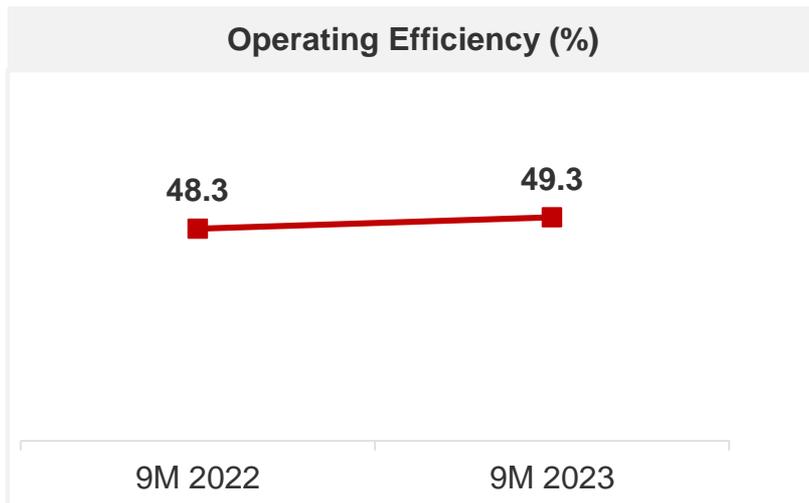
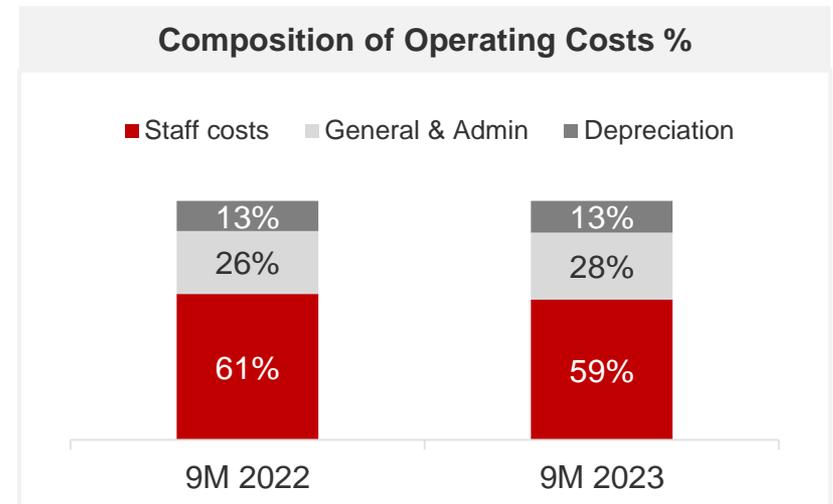
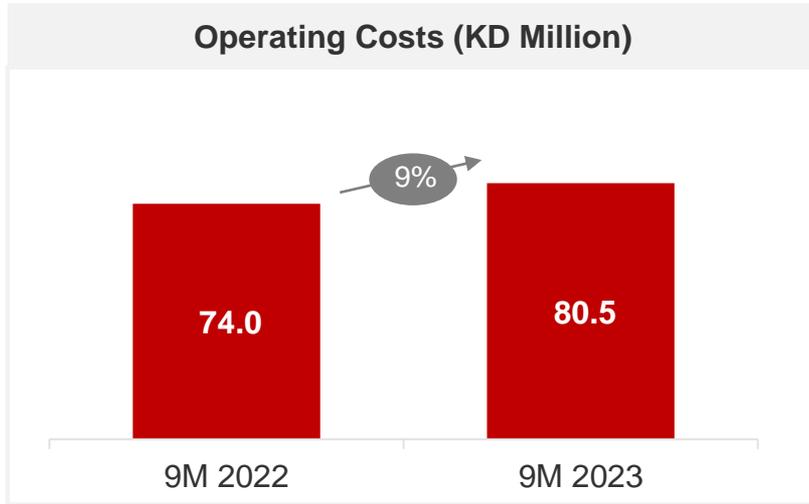
Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins



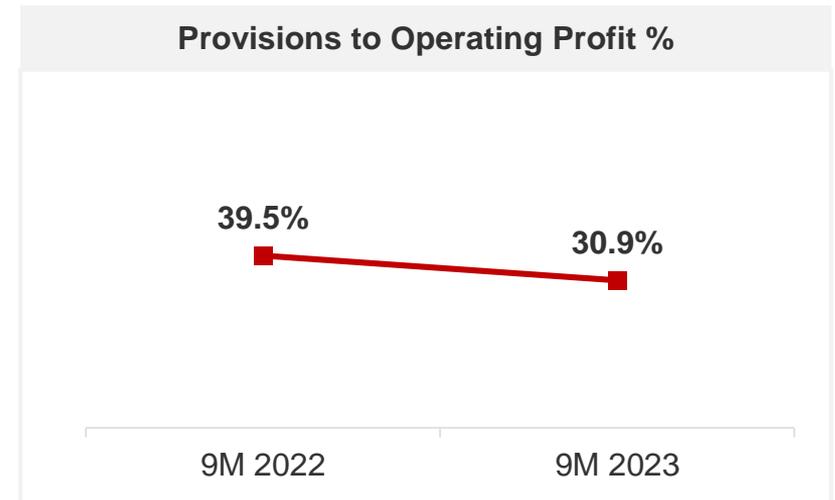
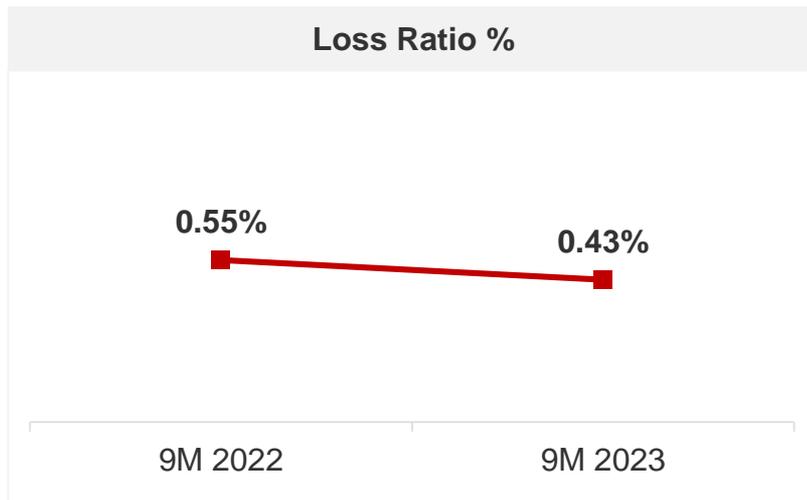
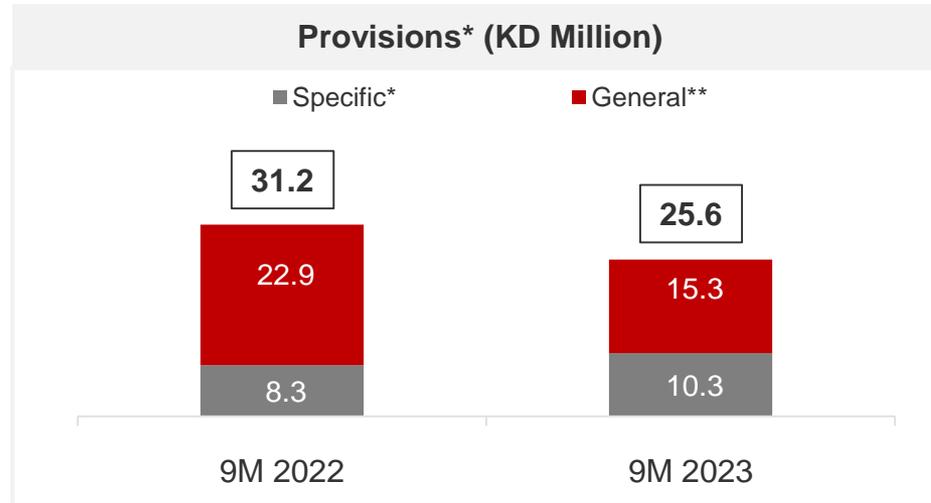
Source: Financial statements, Boubyan analysis

Operating Costs & Efficiency



Source: Financial statements, Boubyan analysis

Provisions & Related Ratios



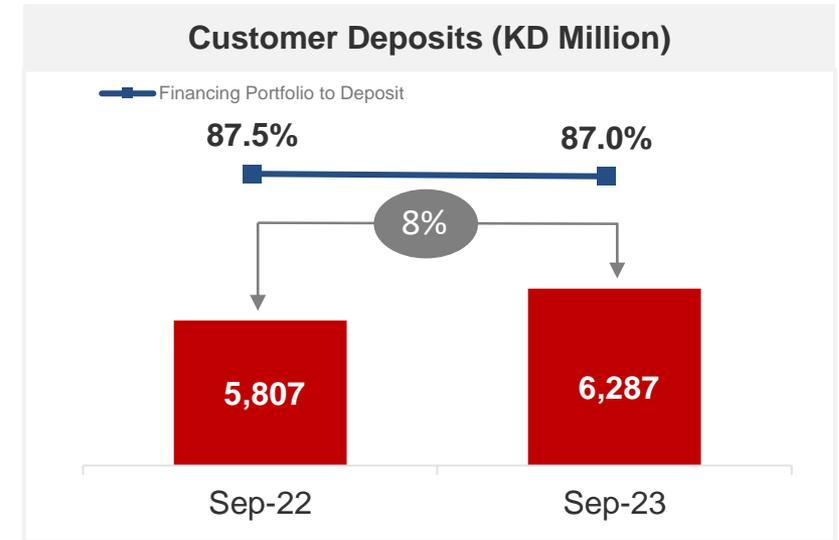
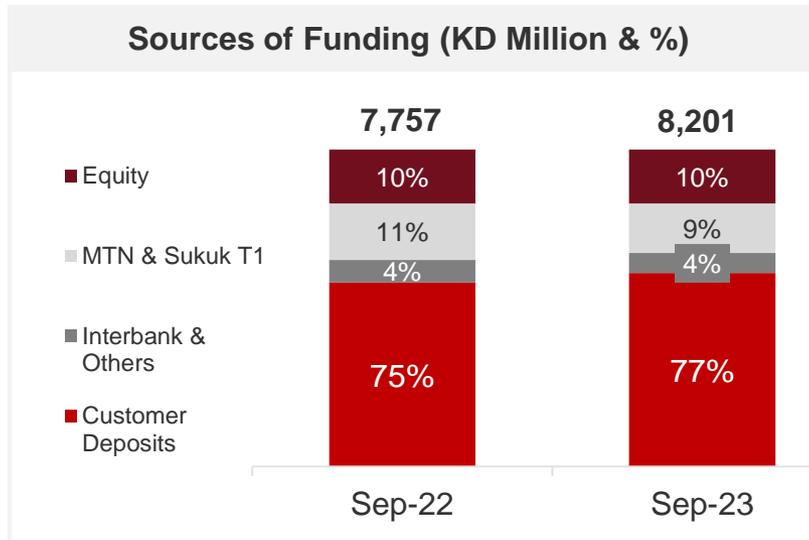
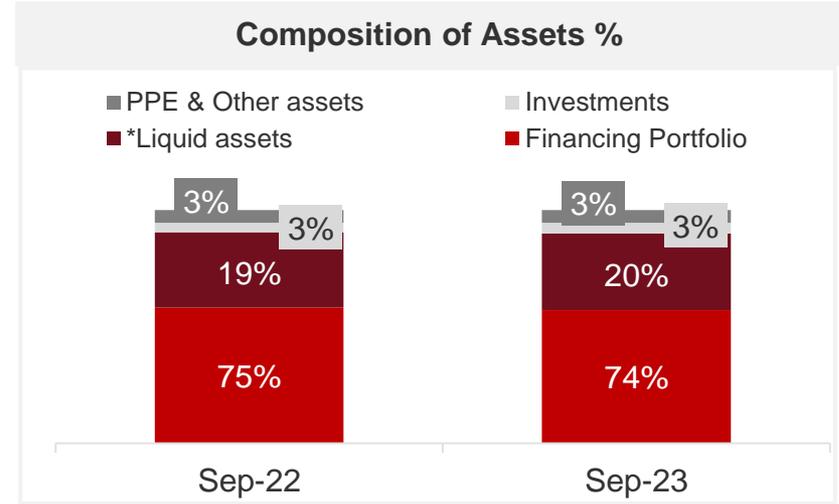
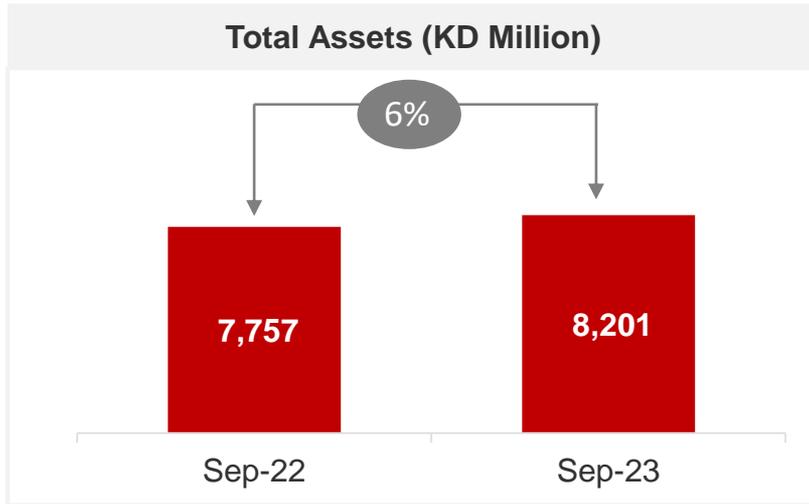
* Specific Provisions are shown inclusive of ECL – Other Financial Assets

** 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

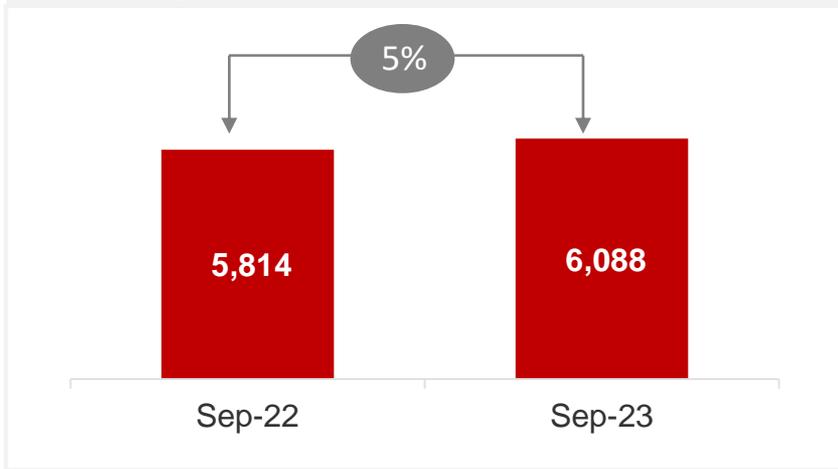
Assets & Sources of Funding



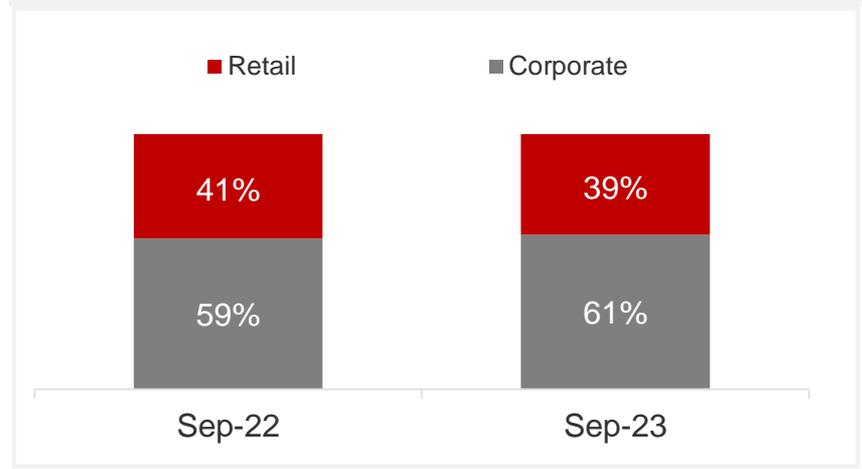
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments
 Source: Financial statements, Boubyan analysis

Financing Portfolio & Asset Quality

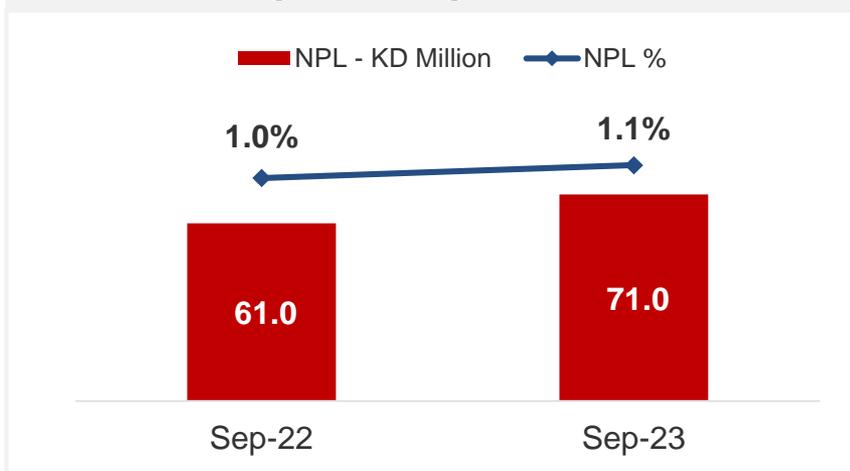
Financing Portfolio – KD Million



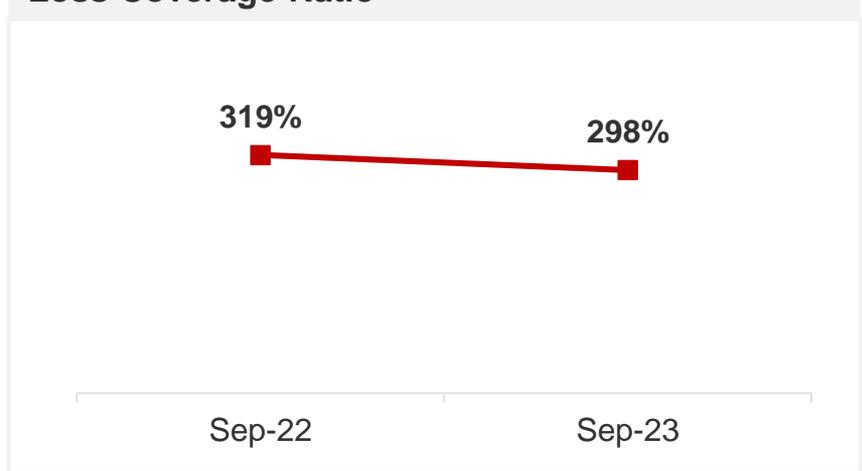
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



Loss Coverage Ratio

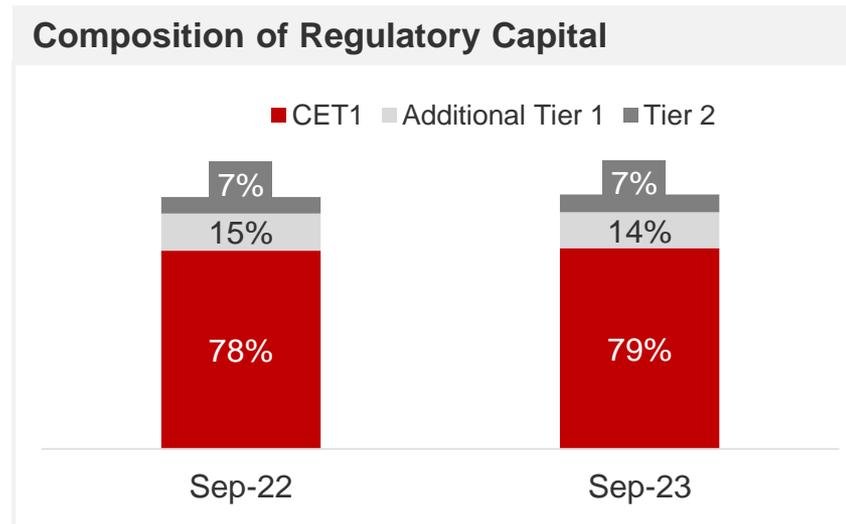
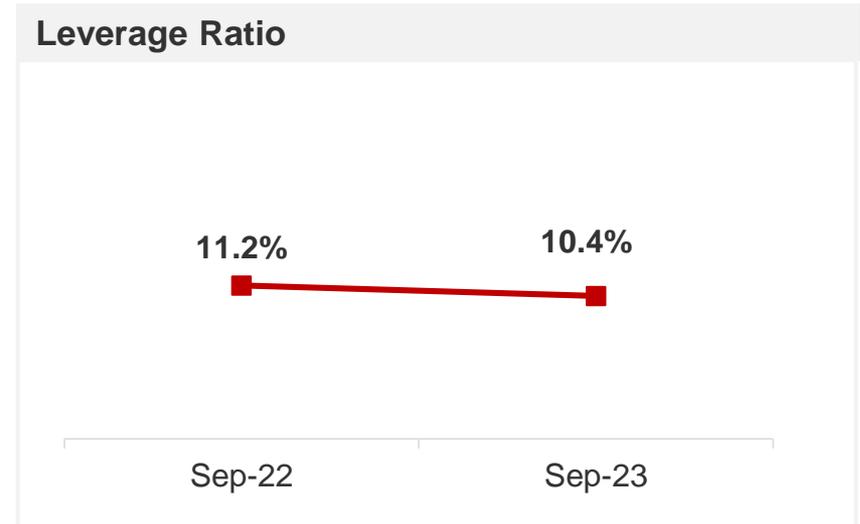
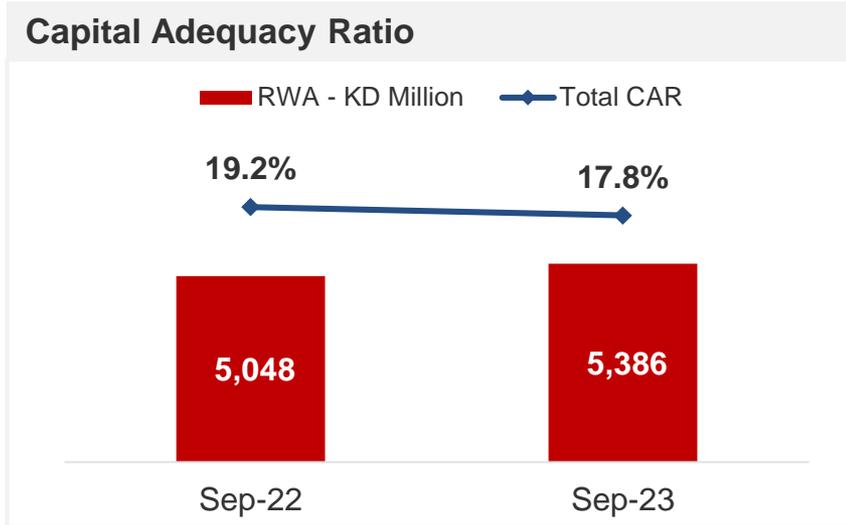


Source: Financial statements, Boubyan analysis

Outline

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

Capital Adequacy



Source: Regulatory returns

Questions?

Appendix

Consolidated Financial Statements – Q3 2023

CONSOLIDATED STATEMENT OF INCOME	30-Sep	30-Sep
KD Million	2023	2022
Income		
Islamic financing income	291.1	200.2
Financing cost	(163.8)	(72.5)
Net finance income	127.2	127.6
Net investment income	12.5	3.9
Net fees and commission income	18.9	17.2
Net foreign exchange gain	4.7	4.4
Operating Income	163.2	153.1
Expenses		
Staff cost	(47.3)	(45.2)
General and administrative expenses	(22.5)	(19.5)
Depreciation	(10.7)	(9.3)
Total Expenses	(80.5)	(74.0)
Profit before provision for impairment	82.7	79.1
Provision for impairment	(25.6)	(31.2)
Profit before taxes	57.1	47.8
Taxes and board remuneration	1.5	(2.2)
Non-Controlling Interests	2.4	3.0
Net Profit for the year	61.1	48.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Sep	30-Sep
KD Million	2023	2022
Assets		
Cash and balances with banks	458	321
Deposits with Central Bank of Kuwait	302	397
Deposits with other banks	101	236
Islamic financing to customers	6,088	5,814
Investments in Sukuks	754	547
Other investment securities	156	154
Investment properties	72	31
Other assets	125	137
Property and Equipment	144	120
Total Assets	8,201	7,757
Liabilities and Equity		
Liabilities		
Due to banks	187	225
Depositors' accounts	6,287	5,807
Medium Term Financing	592	645
Other liabilities	125	107
Total liabilities	7,191	6,784
Equity		
Share capital	396	374
Share premium	317	317
Treasury shares	(0)	(0)
Reserves	63	55
Retained earnings	60	46
Equity attributable to equity holders of the bank	836	793
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	23	29
Total equity	1,010	972
Total liabilities and equity	8,201	7,757

Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME	31-Dec	31-Dec	31-Dec
KD Million	2022	2021	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