

Kuwait: 24/07/2023  
Ref: 4522/2023

الكويت: 2023/07/24  
الإشارة: 2023/4522

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،،،

**PowerPoint Presentation of second  
quarter Analysts' Conference Call**

**العرض التقديمي لمؤتمر المحللين للربع الثاني**

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

بالإشارة الى أحكام المادة رقم (2-4-8) من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018 وتعديلاته، والمتعلقة بالالتزامات المستمرة المطلوبة من الشركات المدرجة المصنفة ضمن شريحة -السوق الأول - (Premier Market) والتي تم تصنيف بنك بوبيان ضمنها.

We attach herewith a copy of the PowerPoint Presentation of Analysts' Conference Call for the second quarter for the year 2023 held via Live Webcast at 01:00 pm (Local Time) on Monday, July 24<sup>th</sup> 2023, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الثاني لسنة 2023 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الإثنين الموافق 2023/07/24؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام،،،

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



عادل عبد الوهاب الماجد  
نائب رئيس مجلس الإدارة  
والرئيس التنفيذي للمجموعة

# **Boubyan Bank Investor Presentation**

## **Q2 2023 Results**

24th July 2023

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## Outline

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

# Financial Highlights

## Financial Snapshot

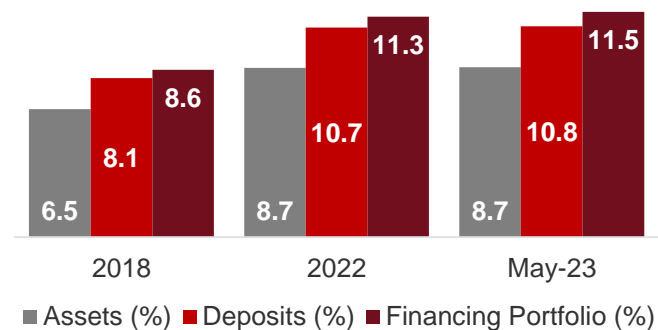
<b>KD million</b>	<b>6M 2023</b>	<b>6M 2022</b>	<b>Growth %</b>
Net Profit to shareholders	<b>41.3</b>	33.1	25%
Operating Income	<b>109.2</b>	102.3	7%
Operating Profit	<b>55.5</b>	52.6	6%
Total Assets	<b>8,024</b>	7,636	5%
Financing Portfolio	<b>6,094</b>	5,749	6%
Customer Deposits	<b>6,153</b>	5,646	9%
Earnings per share (Fils)	<b>9.65</b>	7.96	21%

## Key Financial Metrics

	<b>6M 2023</b>	<b>6M 2022</b>	<b>Variance</b>
Return on Average Equity (%)	<b>9.6</b>	9.1	0.5
Return on Average Assets (%)	<b>1.0</b>	0.9	0.1
Cost to Income (%)	<b>49.1</b>	48.6	0.6
NPL Ratio (%)	<b>1.1</b>	1.0	0.1
Capital Adequacy Ratio (%)	<b>18.1</b>	19.5	(1.4)

Source: Financial statements, Boubyan analysis

## Market Share (%)



## Credit Ratings

<b>Rating Agency</b>	<b>Long Term Rating</b>	<b>Outlook</b>	<b>Date</b>
<b>Moody's</b>	A2	Stable	May 2023
<b>STANDARD &amp; POOR'S</b>	A	Stable	Nov 2022
<b>FitchRatings</b>	A (xgs: BBB)	Stable	May 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

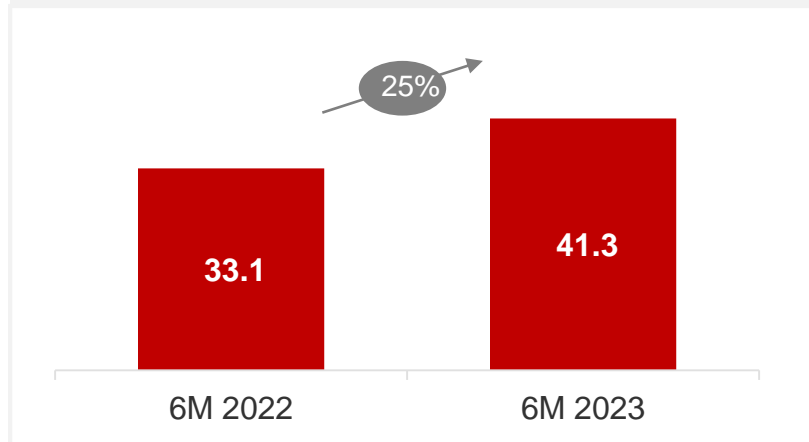
- Scale the PB/WM management operating model
- Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
- Grow market share

## Outline

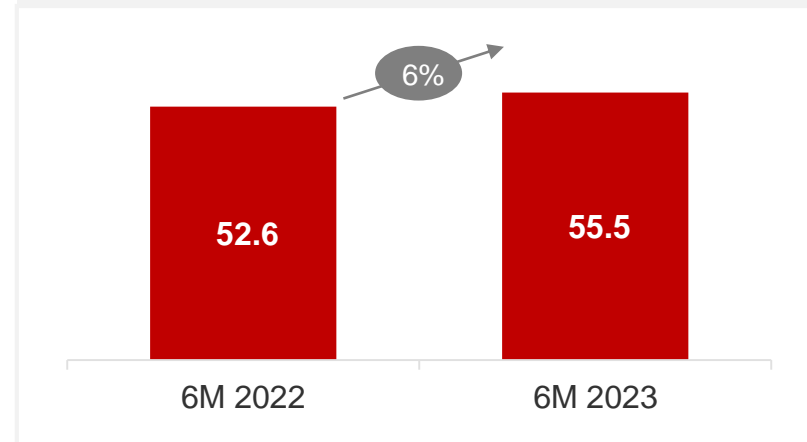
- 1 Boubyan's Performance & Strategy – At a Glance
- 2 Income Statement Analysis**
- 3 Balance Sheet Analysis
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## Profitability & Performance Ratio

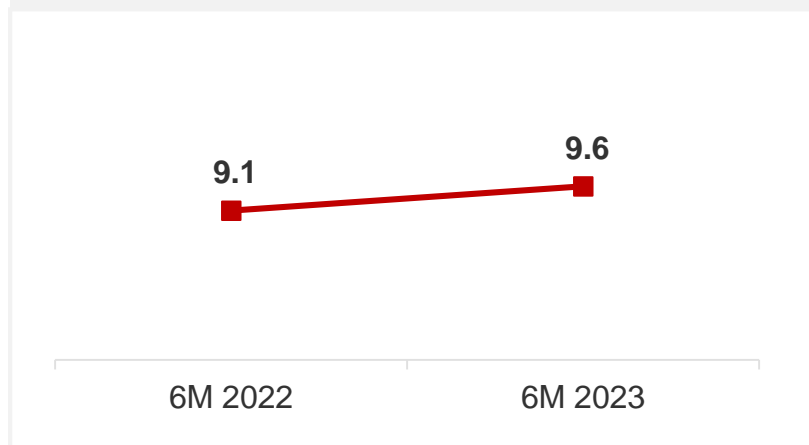
### Net Profit (KD Million)



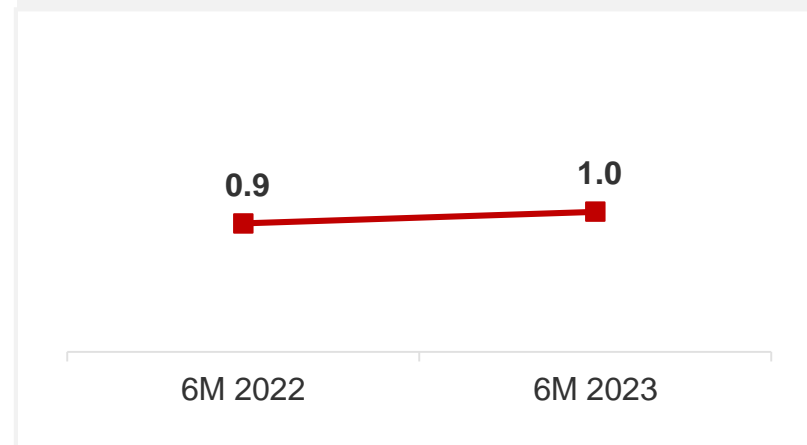
### Operating Profit (KD Million)



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



### Return on Average Assets (%)

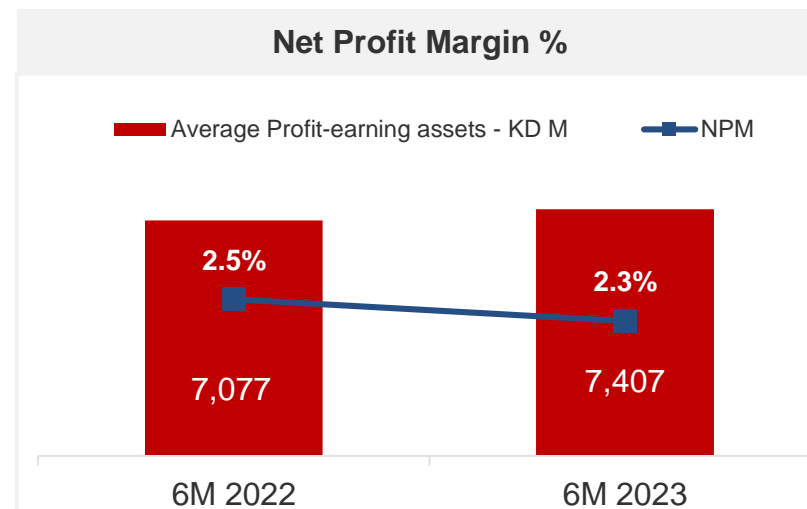
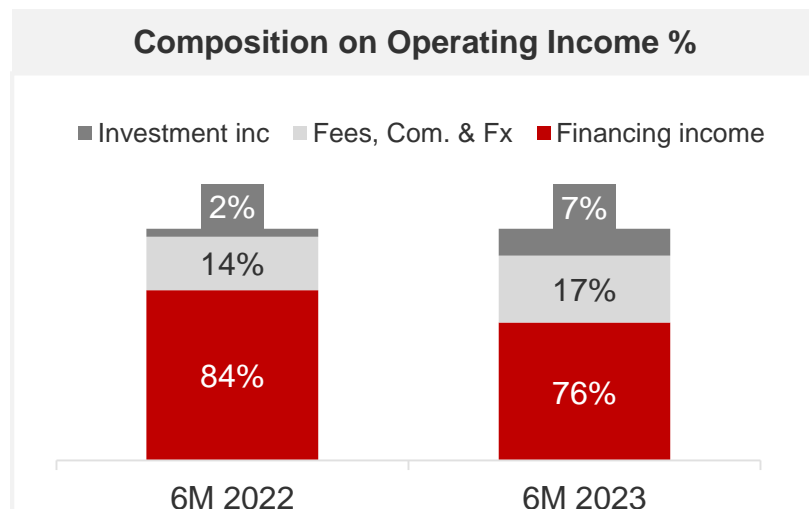
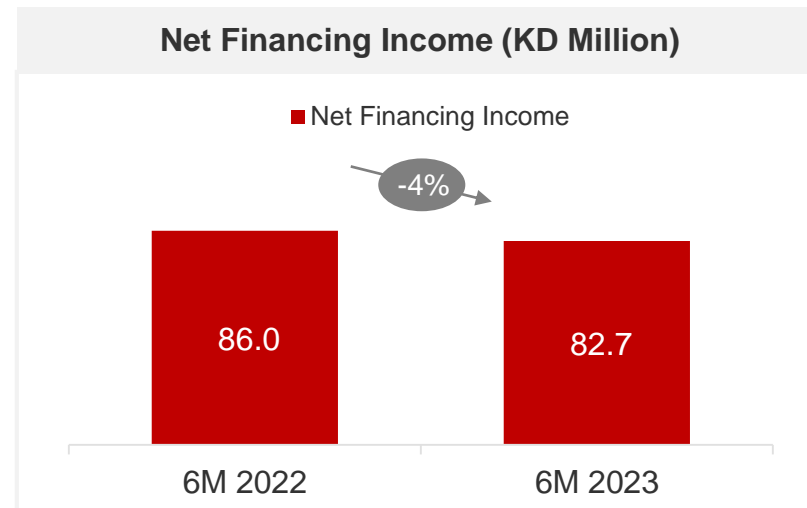
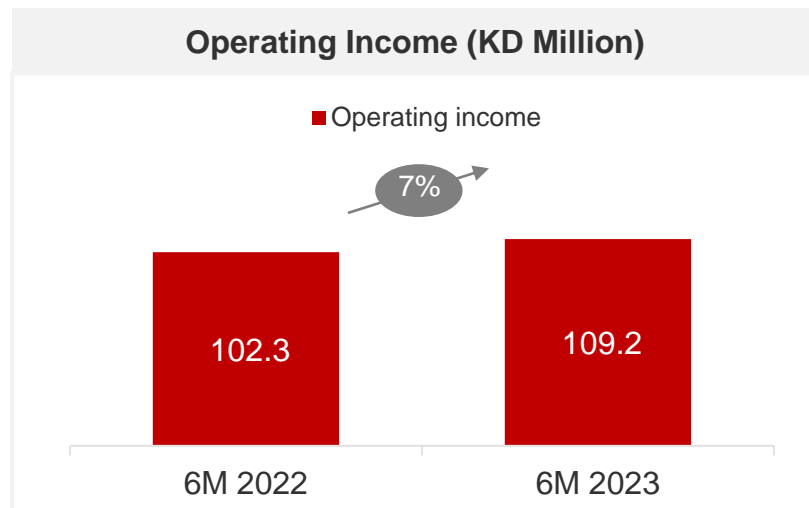


\* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.

Source: Financial statements, Boubyan analysis



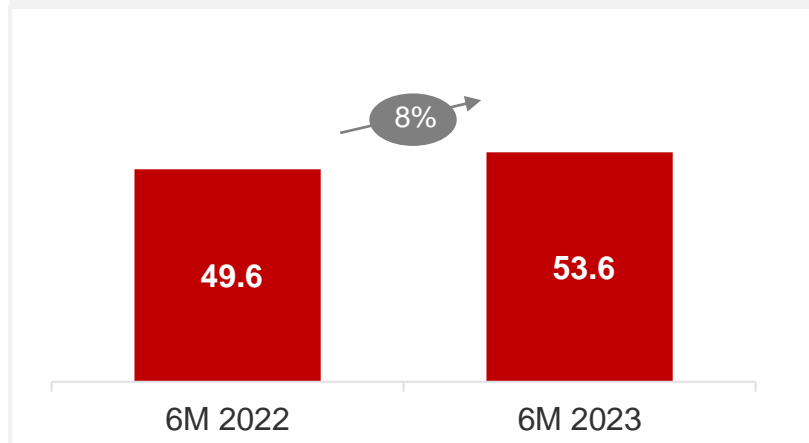
## Operating income components and Net Profit Margins



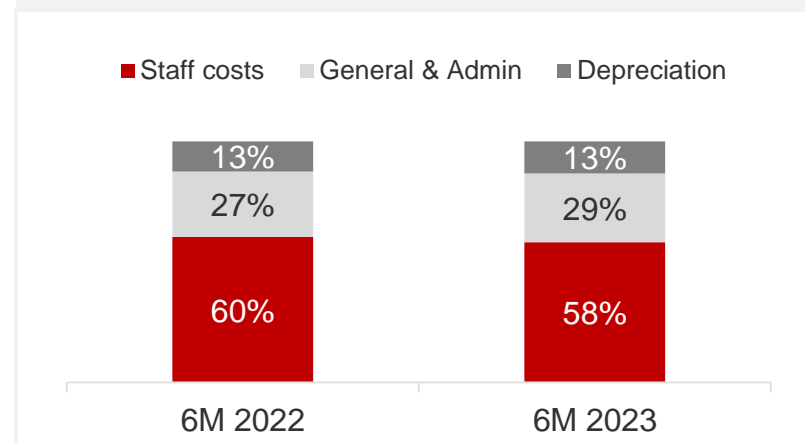
Source: Financial statements, Boubyan analysis

## Operating Costs & Efficiency

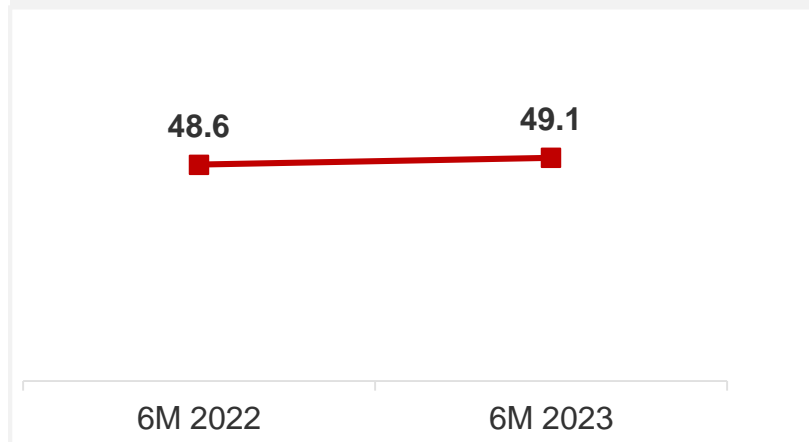
### Operating Costs (KD Million)



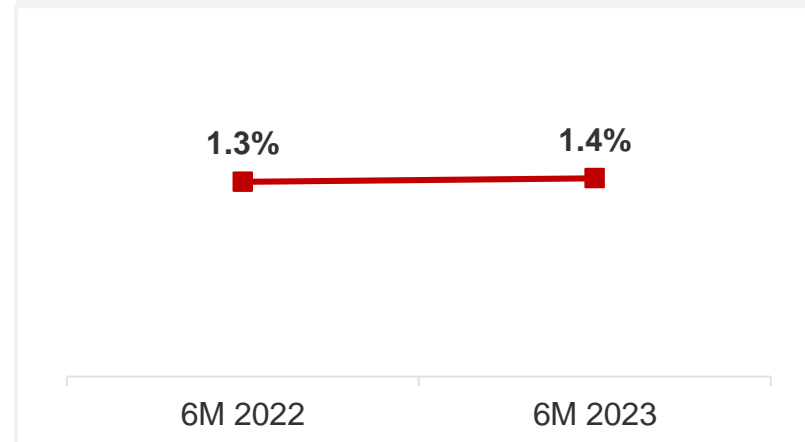
### Composition of Operating Costs %



### Operating Efficiency (%)

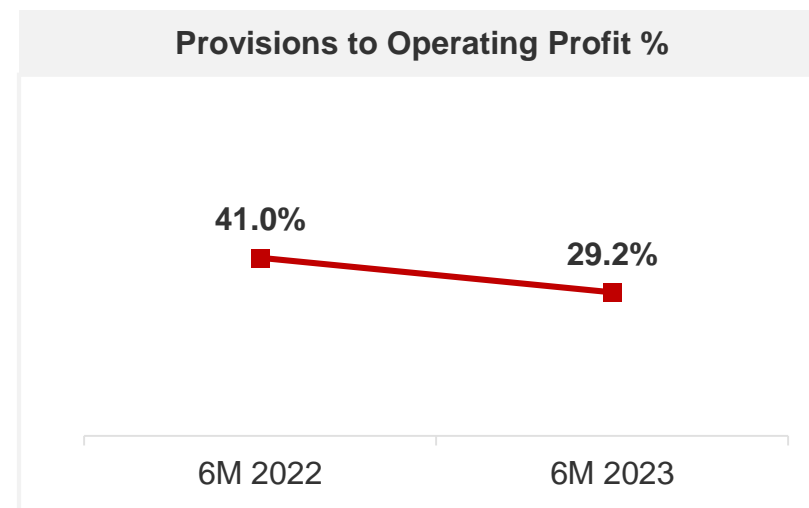
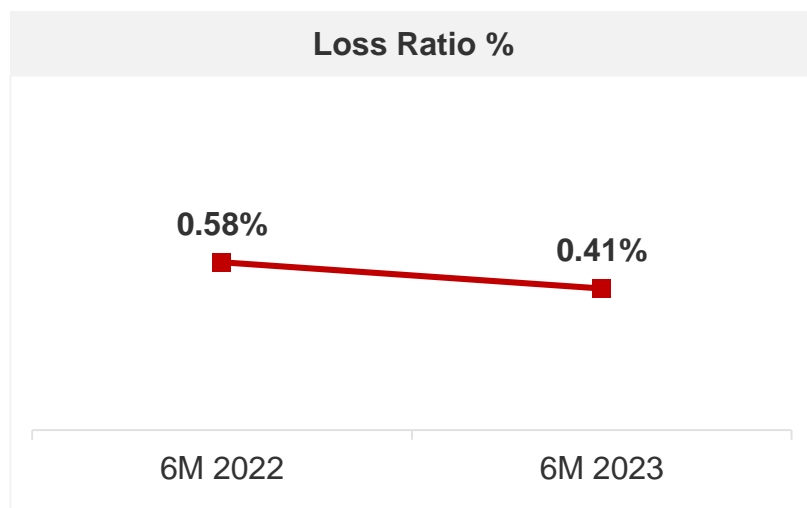
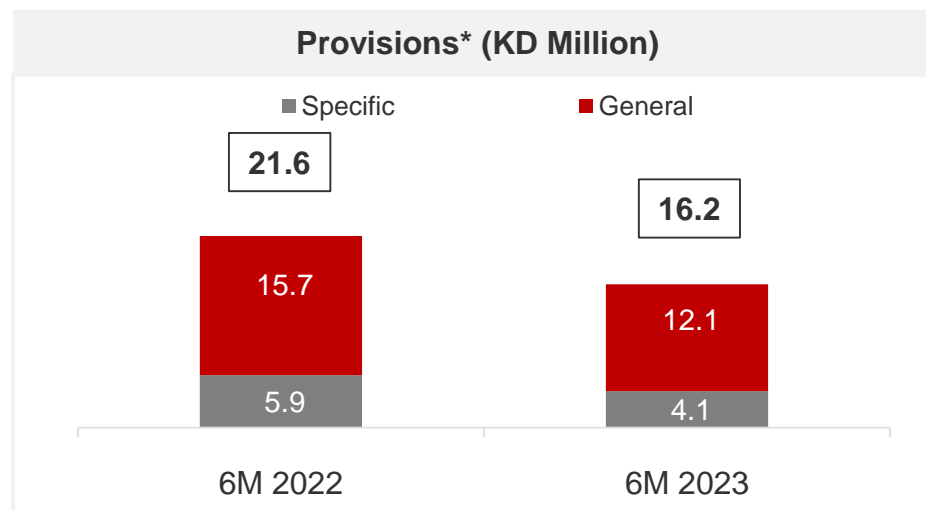


### Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

## Provisions & Related Ratios



\* General Provisions are shown inclusive of contingent provisions

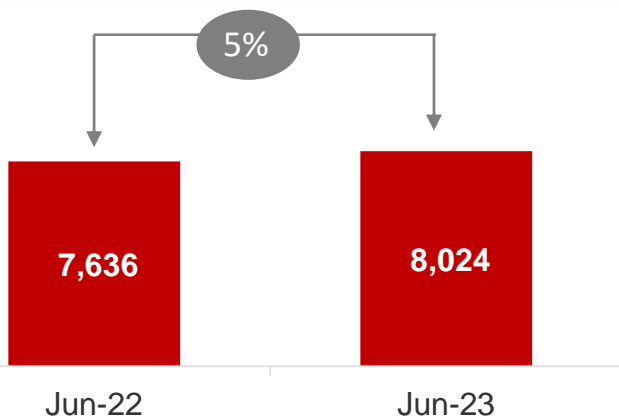
Source: Financial statements, Boubyan analysis

## Outline

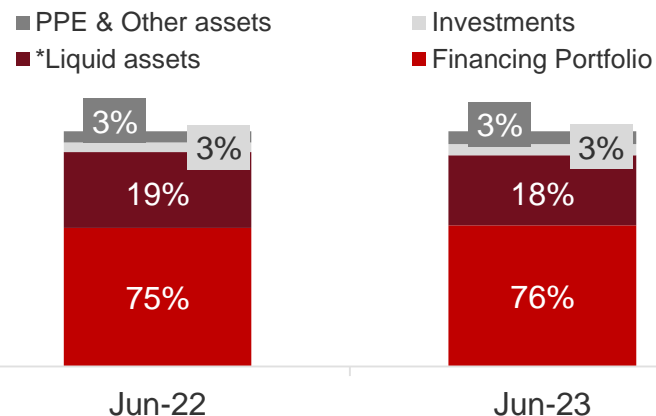
- 1 Boubyan's Performance & Strategy – At a Glance
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# Assets & Sources of Funding

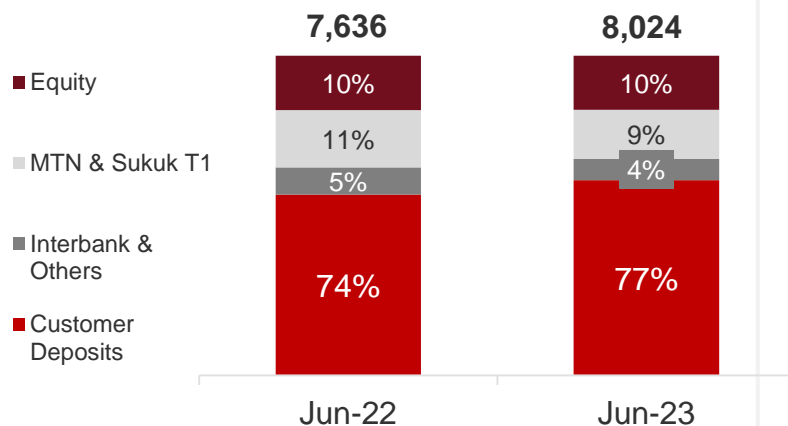
## Total Assets (KD Million)



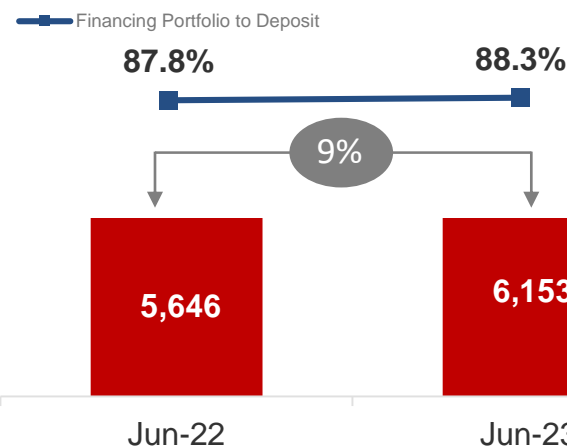
## Composition of Assets %



## Sources of Funding (KD Million & %)



## Customer Deposits (KD Million)

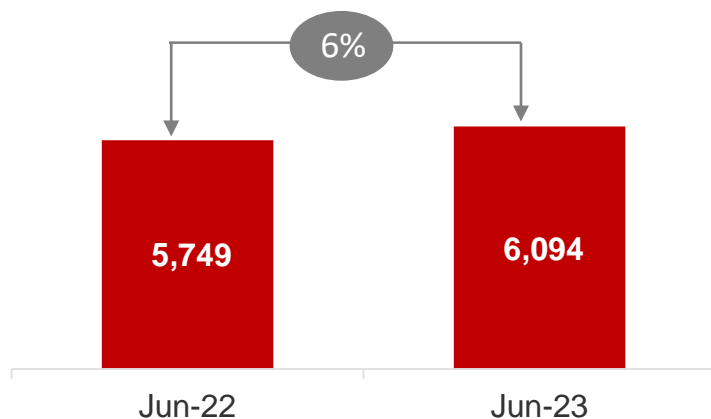


\* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

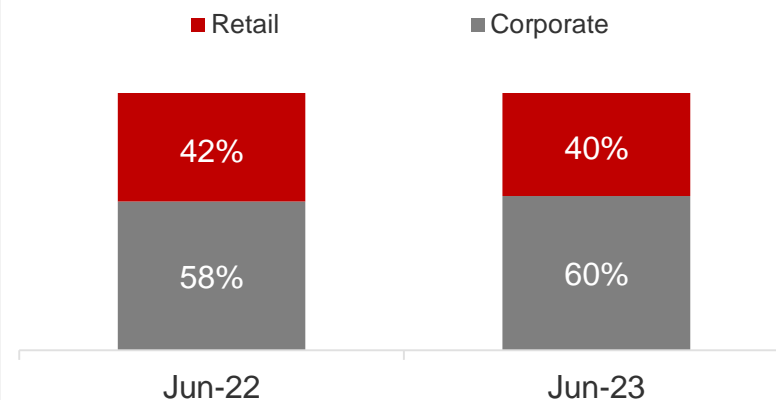
Source: Financial statements, Boubyan analysis

# Financing Portfolio & Asset Quality

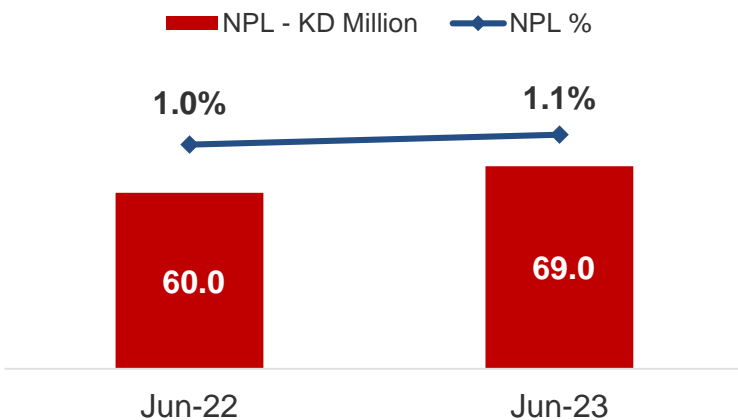
## Financing Portfolio – KD Million



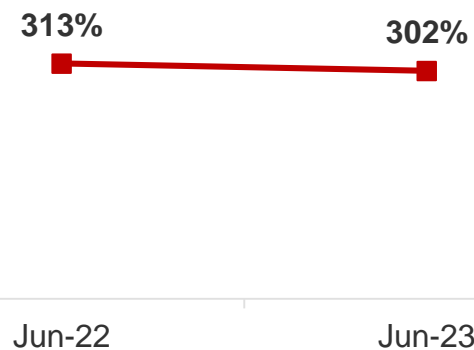
## Composition of Financing Portfolio %



## Non-Performing Financing Portfolio



## Loss Coverage Ratio



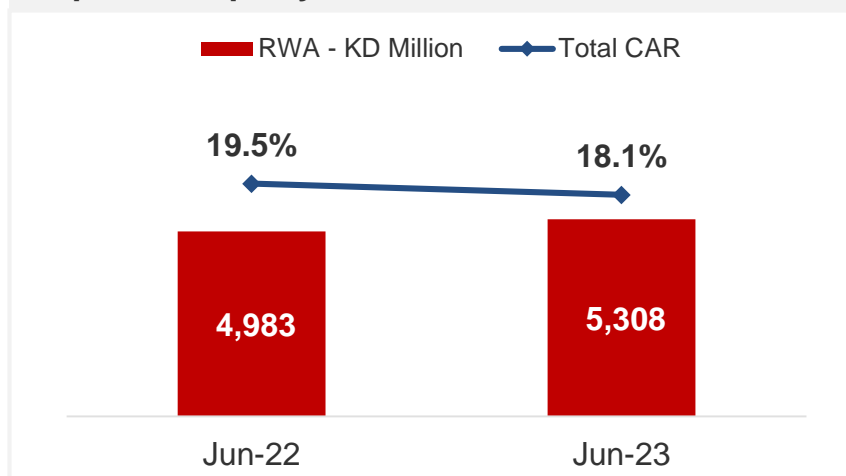
Source: Financial statements, Boubyan analysis

## Outline

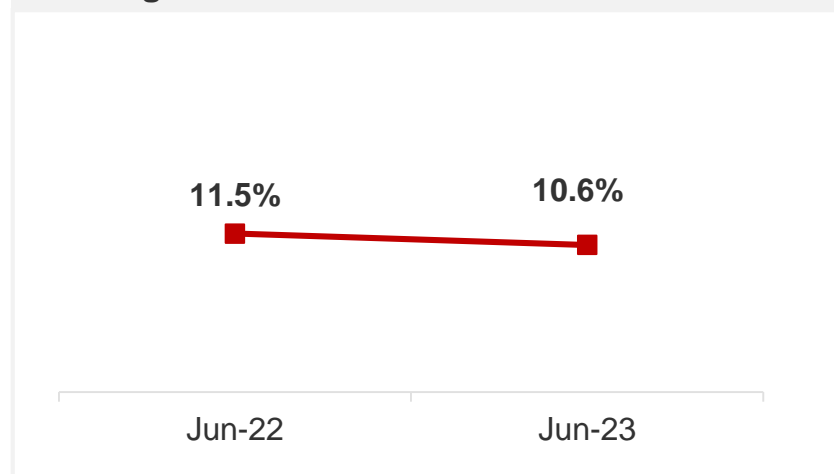
- 1 Boubyan's Performance & Strategy – At a Glance
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# Capital Adequacy

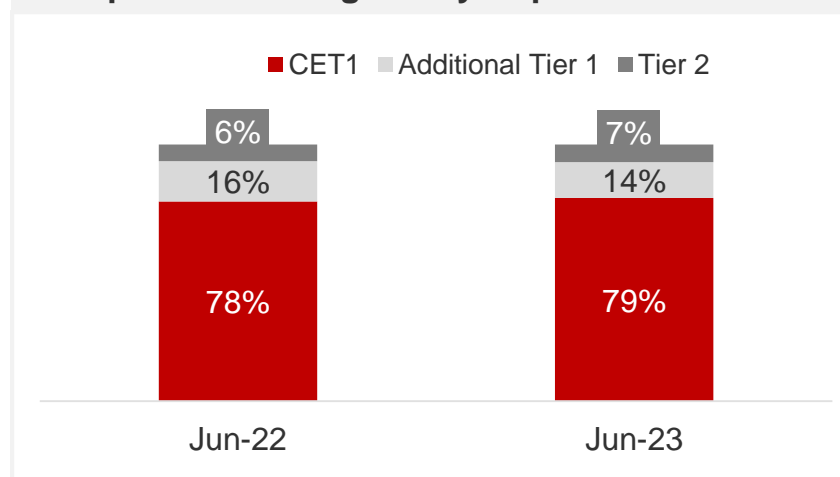
## Capital Adequacy Ratio



## Leverage Ratio



## Composition of Regulatory Capital



Source: Regulatory returns



# Questions?

# Appendix

# Consolidated Financial Statements – Q2 2023

CONSOLIDATED STATEMENT OF INCOME	30-Jun	30-Jun
KD Million	2023	2022
<b>Income</b>		
Islamic financing income	188.1	126.4
Financing cost	(105.4)	(40.4)
<b>Net finance income</b>	<b>82.7</b>	<b>86.0</b>
Net investment income	8.2	2.1
Net fees and commission income	15.4	11.8
Net foreign exchange gain	2.9	2.3
<b>Operating Income</b>	<b>109.2</b>	<b>102.3</b>
<b>Expenses</b>		
Staff cost	(31.2)	(30.0)
General and administrative expenses	(15.3)	(13.5)
Depreciation	(7.1)	(6.2)
<b>Total Expenses</b>	<b>(53.6)</b>	<b>(49.6)</b>
<b>Profit before provision for impairment</b>	<b>55.5</b>	<b>52.6</b>
Provision for impairment	(16.2)	(21.6)
<b>Profit before taxes</b>	<b>39.3</b>	<b>31.0</b>
Taxes and board remuneration	1.2	(0.0)
Non-Controlling Interests	0.8	2.1
<b>Net Profit for the year</b>	<b>41.3</b>	<b>33.1</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Jun	30-Jun
KD Million	2023	2022
<b>Assets</b>		
Cash and balances with banks	264	283
Deposits with Central Bank of Kuwait	405	329
Deposits with other banks	60	326
Islamic financing to customers	6,094	5,749
Investments in Sukuks	709	541
Other investment securities	162	156
Investment properties	65	33
Other assets	125	103
Property and Equipment	139	116
<b>Total Assets</b>	<b>8,024</b>	<b>7,636</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	192	313
Depositors' accounts	6,153	5,646
Medium Term Financing	561	641
Other liabilities	127	78
<b>Total liabilities</b>	<b>7,032</b>	<b>6,677</b>
<b>Equity</b>		
Share capital	396	374
Share premium	317	317
Treasury shares	(0)	(0)
Reserves	59	51
Retained earnings	43	34
<b>Equity attributable to equity holders of the bank</b>	<b>815</b>	<b>776</b>
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	26	32
<b>Total equity</b>	<b>992</b>	<b>959</b>
<b>Total liabilities and equity</b>	<b>8,024</b>	<b>7,636</b>

## Consolidated Income Statement

CONSOLIDATED STATEMENT OF INCOME KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
<b>Income</b>			
Islamic financing income	283.7	223.2	223.1
Financing cost	(116.5)	(65.7)	(84.2)
<b>Net finance income</b>	<b>167.2</b>	<b>157.5</b>	<b>138.9</b>
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
<b>Operating Income</b>	<b>201.4</b>	<b>187.8</b>	<b>167.5</b>
<b>Expenses</b>			
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)
<b>Total Expenses</b>	<b>(100.8)</b>	<b>(87.2)</b>	<b>(74.4)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>100.6</b>	<b>93.1</b>
Provision for impairment	(43.7)	(50.8)	(59.0)
<b>Profit before taxes</b>	<b>56.9</b>	<b>49.8</b>	<b>34.1</b>
Taxes and board remuneration	(2.7)	(1.8)	(0.5)
Non-Controlling Interests	3.5	0.5	0.9
<b>Net Profit for the year</b>	<b>57.8</b>	<b>48.5</b>	<b>34.4</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2022	31-Dec 2021	31-Dec 2020
<b>Assets</b>			
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
<b>Total Assets</b>	<b>7,880.8</b>	<b>7,880.8</b>	<b>6,437.1</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>6,901.1</b>	<b>6,901.1</b>	<b>5,810.4</b>
<b>Equity</b>			
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	-
<b>Equity attributable to equity holders of the bank</b>	<b>798.6</b>	<b>563.5</b>	<b>517.9</b>
Perpetual Tier 1 Sukuk	150.4	150.4	75.4
Non-controlling interest	30.7	36.2	33.5
<b>Total equity</b>	<b>979.7</b>	<b>750.1</b>	<b>626.7</b>
<b>Total liabilities and equity</b>	<b>7,880.8</b>	<b>7,651.1</b>	<b>6,437.1</b>

# Thank You