

Kuwait: 23/01/2020
Ref: 7817/2020

الكويت: 2020/01/23
الإشارة: 2020/7817

To: The General Manager
Boursa Kuwait

السيد / المدير العام
المحترم
شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ،،،

**PowerPoint Presentation of Analysts'
Conference Call for the Financial Year
Ended December 31st 2019**

**العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في
31 ديسمبر 2019**

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

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

We attach herewith a copy of the PowerPoint Presentation of Analysts' Conference Call for the financial year ended December 31st 2019 held via Live Webcast at 01:00 pm (Local Time) on Thursday, January 23rd 2020, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2019 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الخميس الموافق 2020/01/23؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

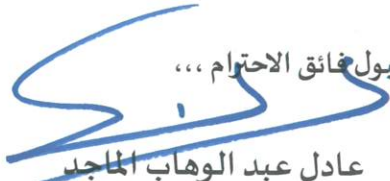
**Adel Abdul Wahab Al-Majed
Vice-Chairman
& Chief Executive Officer**

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وتفضلوا بقبول فائق الاحترام ،،،

عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة والرئيس التنفيذي

نعمل باتقان

Boubyan Bank Investors Presentation

2019 Results – Analyst Call

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1 Boubyan's Performance & Strategy – At a glance

2 Income statement analysis

3 Balance sheet analysis

4 Capitalisation and Leverage

Financial Highlights

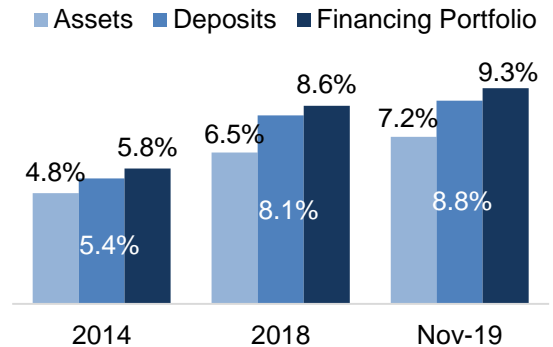
Financial snapshot

<i>KD million</i>	2019	2018	Growth %
Net Profit to shareholders	62.6	56.1	12%
Operating Income	145.8	139.7	4%
Operating Profit	84.7	83.0	2%
Total Assets	5,301	4,345	22%
Financing Portfolio	3,729	3,262	14%
Customer Deposits	4,347	3,721	17%
Earnings per share (Fils)	20.4	19.2	6%
Book value per share (Fils)	200	171	17%

Key Financial Metrics

	2019	2018	Variance
Return on Average Equity (%)	11.7	13.0	(1.3)
Return on Average Assets (%)	1.3	1.4	(0.1)
Cost to Income (%)	41.9	40.6	1.3
NPL Ratio (%)	0.9	0.9	-
Capital Adequacy Ratio (%)	20.3	18.2	2.1

Market share



Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
MOODY'S	A3	Stable	Jan 2020
STANDARD & POOR'S	A	Stable	Nov 2019
FitchRatings	A+	Stable	Oct 2019

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The Bank's strategy builds on robust domestic foundations

Strategic objectives

Scale up the core domestic business

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

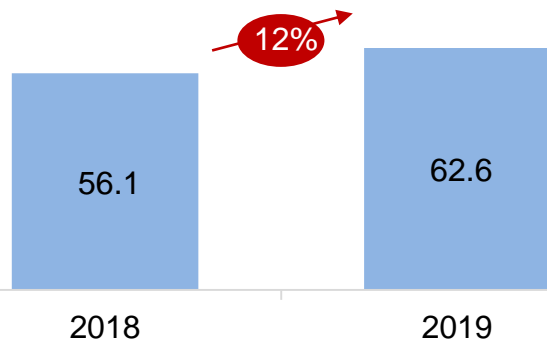
Private Banking / Wealth Management

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

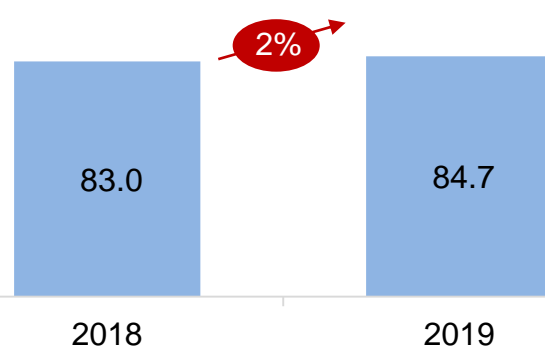
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Profitability and performance ratio

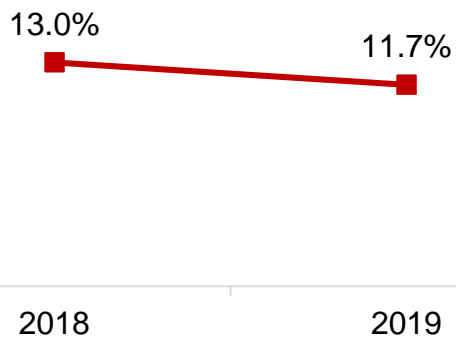
Net profit (KD Million)



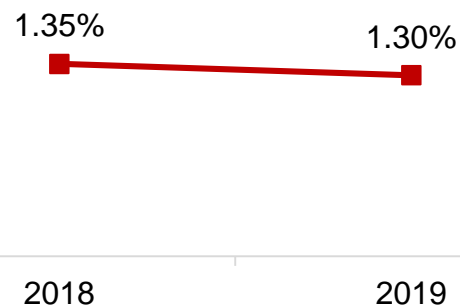
Operating profit (KD Million)



* Return on Average Equity (%)

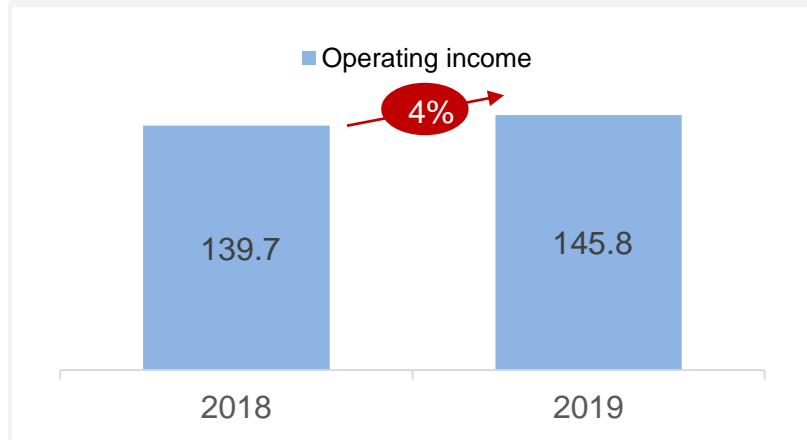


Return on Average Assets (%)

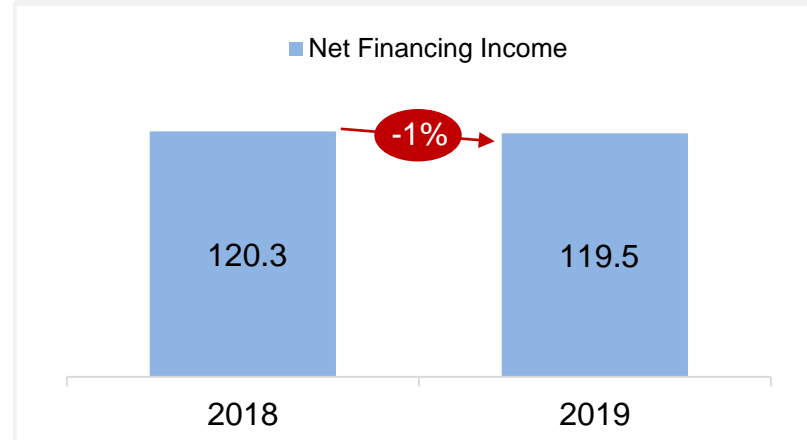


Operating income components and Net Profit Margins

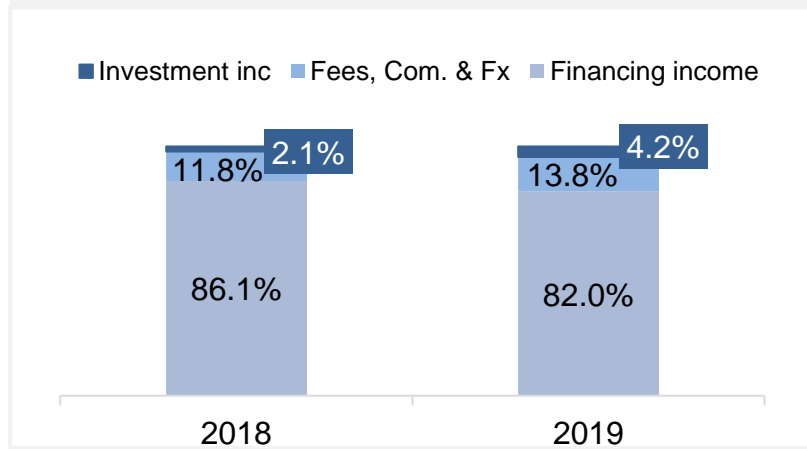
Operating Income (KD Million)



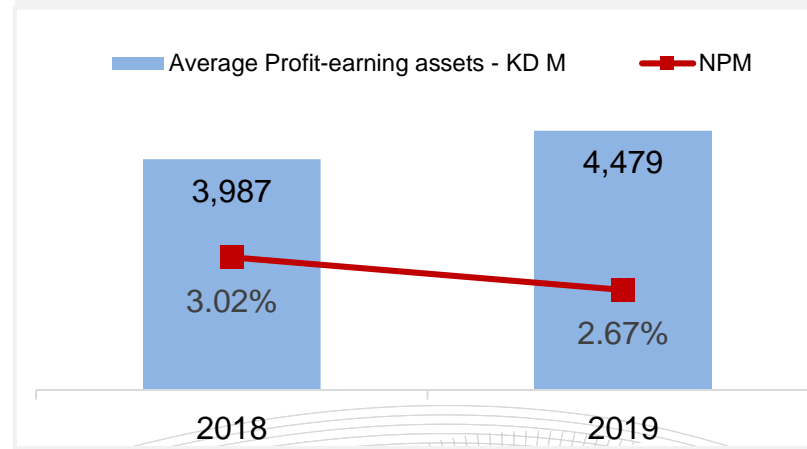
* Net Financing Income



Composition on operating income



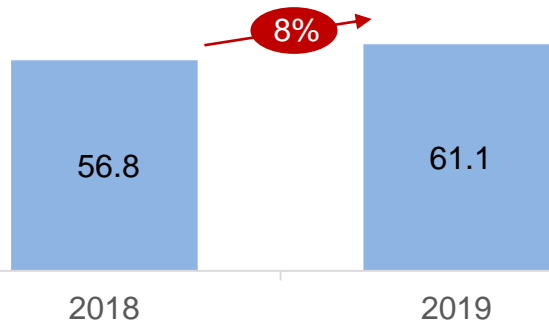
Net Profit Margin %



Operating costs and efficiency

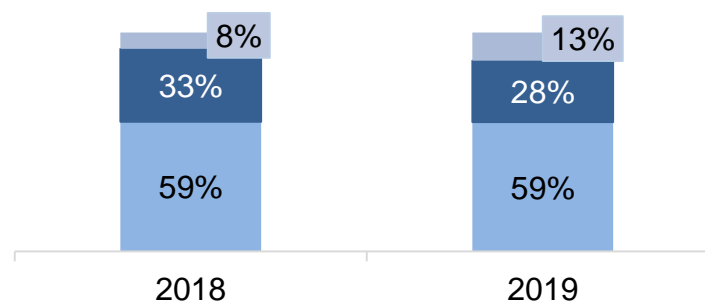
Operating costs (KD Million)

■ Operating costs



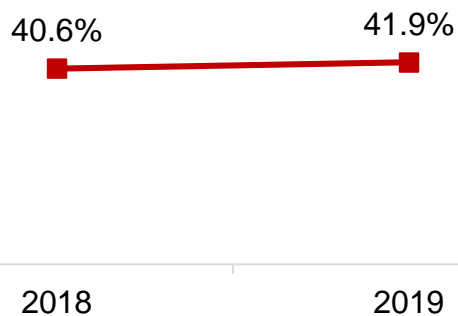
Composition of Operating costs*

■ Staff costs ■ General & Admin ■ Depreciation



Operating efficiency (%)

■ Cost to Income Ratio



Operating costs to average assets (%)

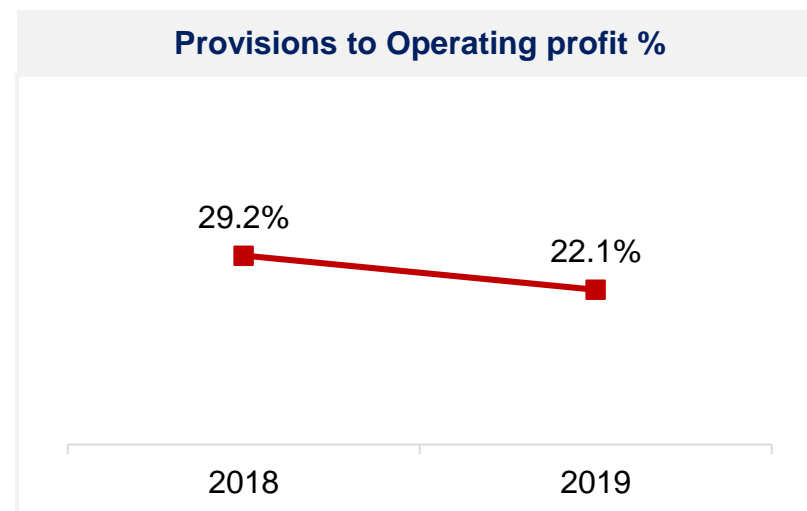
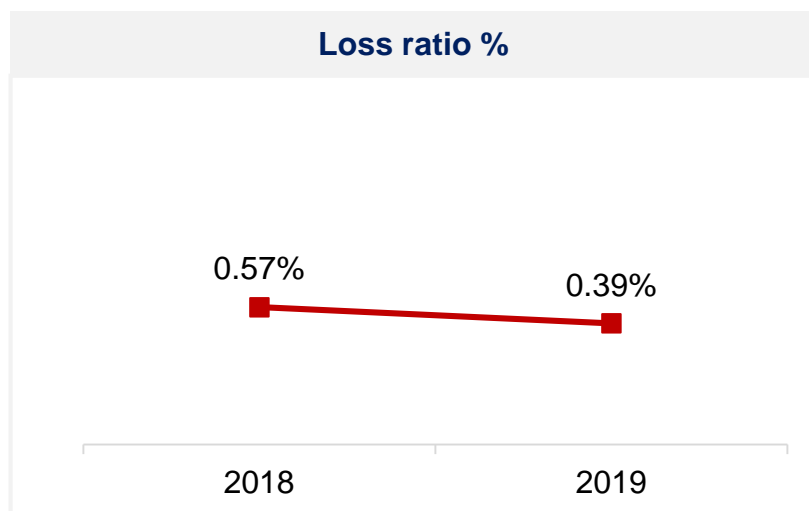
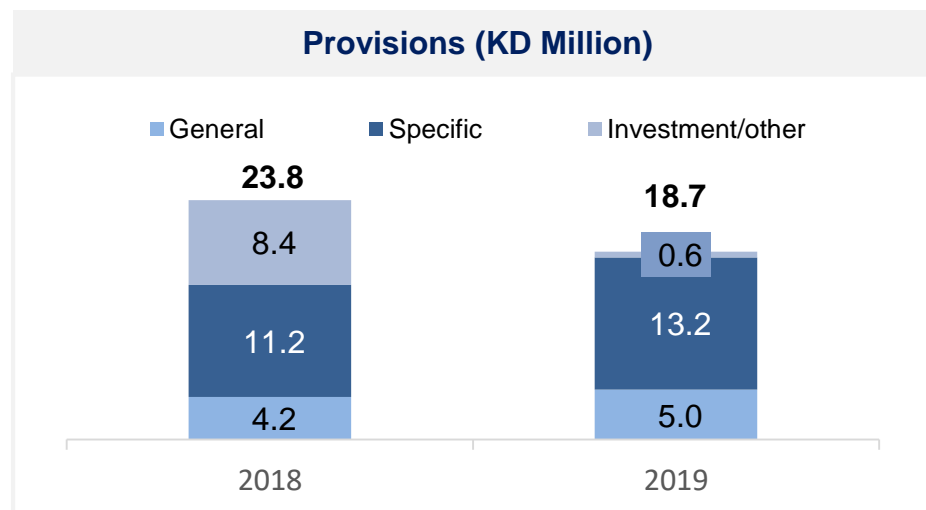


* Operating cost composition reflects application of IFRS16 leases, applied prospectively from 1 January 2019

Source: Financial statements, Boubyan analysis

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Provisions and related ratios

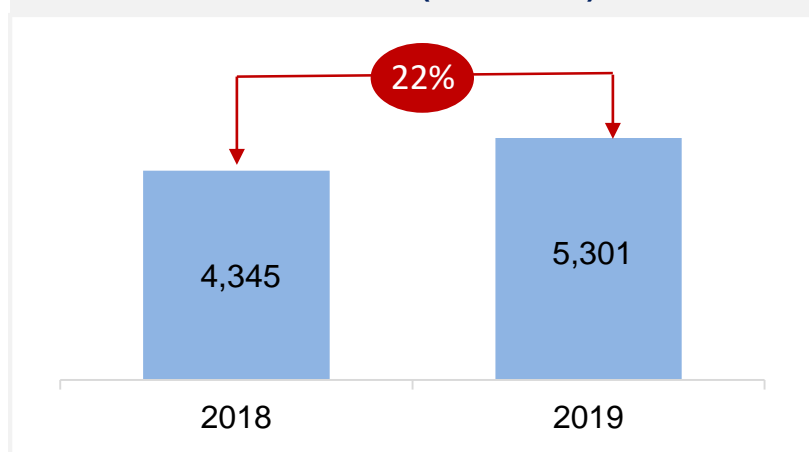


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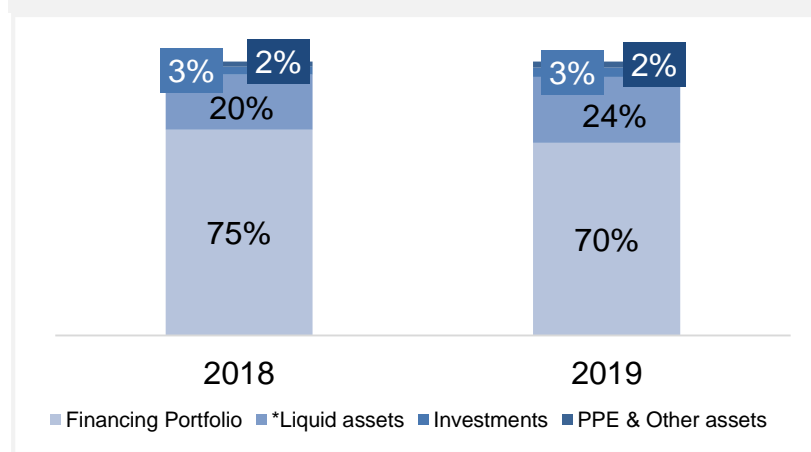
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Assets and Sources of Funding

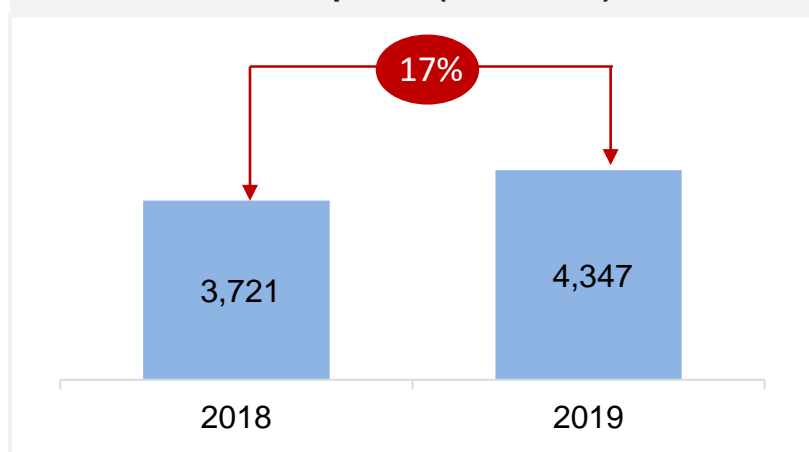
Total assets (KD Million)



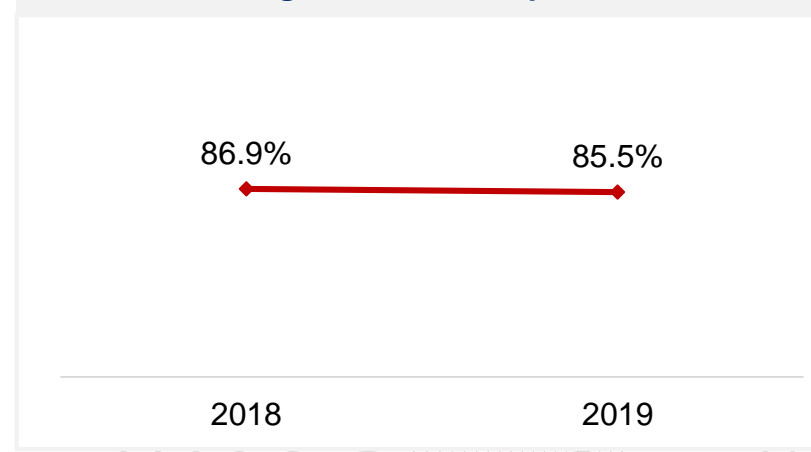
Composition of assets



Total deposits (KD Million)



Financing Portfolio to Deposit Ratio



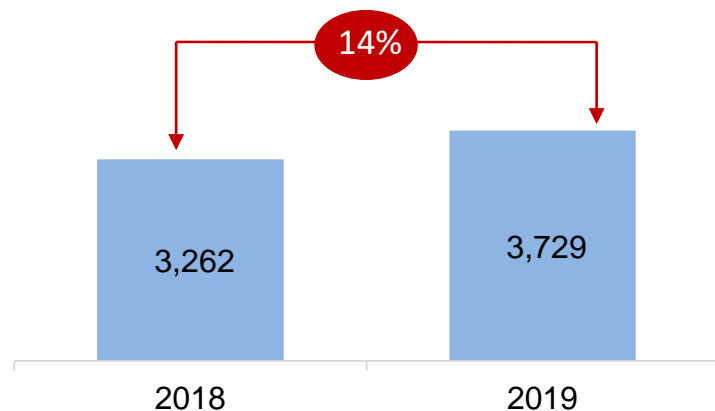
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

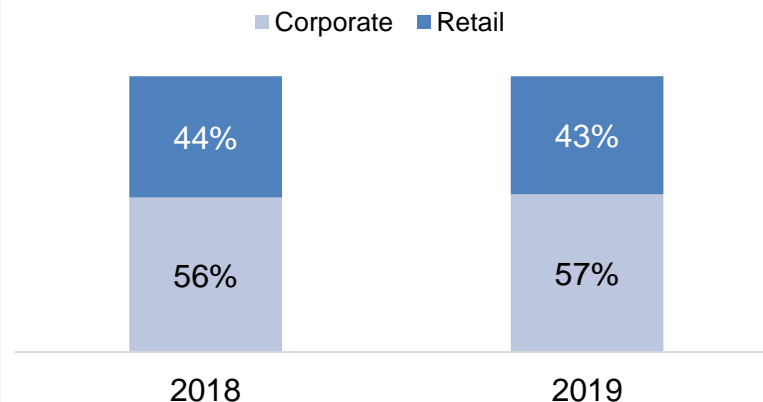
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Financing Portfolio and asset quality

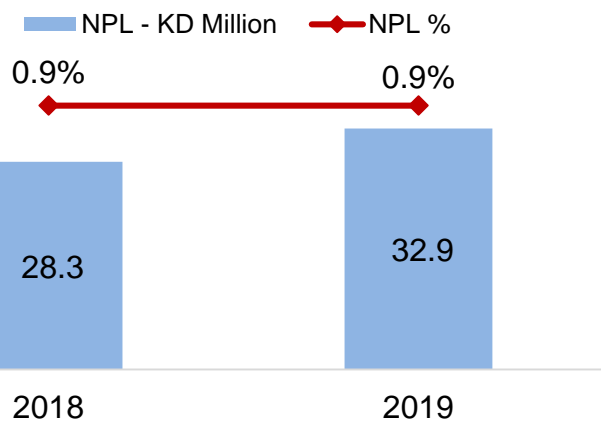
Financing Portfolio – KD Million



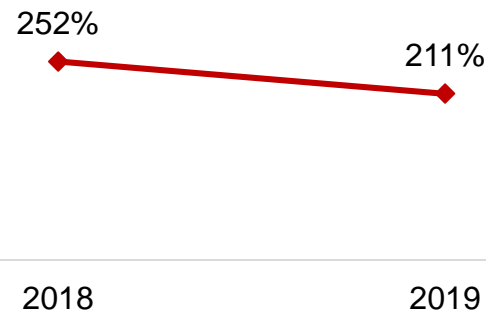
Composition of Financing Portfolio



Non performing Financing Portfolio



Loss Coverage ratio



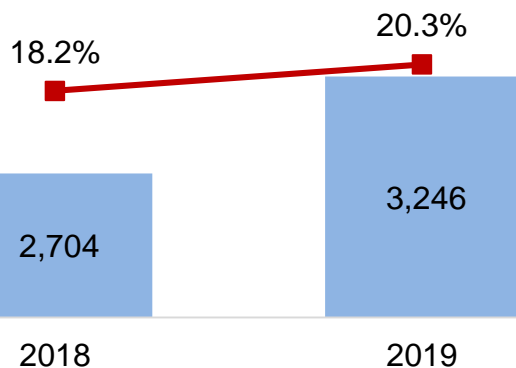
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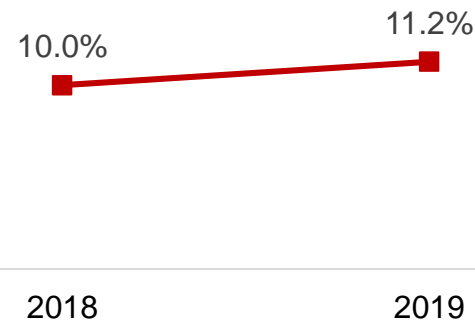
Capital Adequacy

Capital adequacy ratio

RWA - KD Million Total CAR

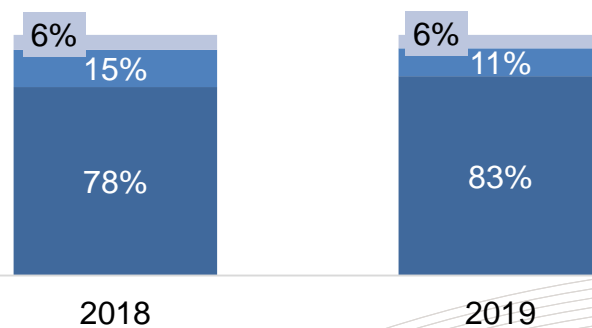


Leverage ratio



Composition of regulatory capital

CET1 Additional Tier 1 Tier 2



Questions ?

Appendix

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Consolidated Income Statement

KD Million	31-Dec 2019	31-Dec 2018	31-Dec 2017
Income			
Murabaha and other Islamic financing income	207.6	182.9	149.4
Distribution to depositors and Murabaha Cost	(88.2)	(62.6)	(46.0)
Net finance income	119.5	120.3	103.5
Net investment income	4.2	1.1	7.9
Net fees and commissions income	16.4	13.4	11.1
Share of results of associates	2.0	1.9	0.6
Net foreign exchange gain	3.7	3.0	2.5
Operating Income	145.8	139.7	125.6
Expenses			
Staff cost	(36.1)	(33.6)	(31.0)
General and administrative expenses	(17.1)	(18.8)	(17.9)
Depreciation and amortization	(7.9)	(4.3)	(3.9)
Total Expenses	(61.1)	(56.8)	(52.9)
Profit before provision for impairment	84.7	83.0	72.7
Provision for impairment	(18.7)	(23.8)	(22.4)
Profit before taxes	66.0	59.1	50.3
Taxes and board remuneration	(3.3)	(2.9)	(2.6)
Non-Controlling Interests	(0.0)	(0.1)	(0.1)
Net Profit for the year	62.6	56.1	47.6

Consolidated Statement of Financial Position

KD Million	31-Dec 2019	31-Dec 2018	31-Dec 2017
Assets			
Cash and balances with banks	232.4	83.8	76.6
Deposits with Central Bank of Kuwait	306.2	244.7	263.7
Deposits with other banks	427.3	237.1	208.9
Islamic financing to customers	3,728.8	3,262.3	3,193.0
Investments in Sukuks	80.4	309.3	306.0
Other investment securities	327.1	73.5	67.4
Investments in associates	33.1	28.9	30.3
Investment properties	46.6	24.0	27.9
Other assets	32.4	24.1	24.2
Property and Equipment	86.2	57.0	55.2
Total Assets	5,300.5	4,344.8	3,970.4
Liabilities and Equity			
Liabilities			
Due to banks	236.5	97.2	142.0
Depositors' accounts	4,347.2	3,720.9	3,594.0
Other liabilities	63.7	40.7	43.3
Total liabilities	4,647.4	3,858.8	3,779.4
Equity			
Share capital	288.4	238.8	227.5
Share premium	156.9	62.9	62.9
Proposed bonus share	14.4	11.9	11.4
Treasury shares	(0.1)	(0.6)	(1.1)
Statutory reserve	31.8	25.3	19.3
Voluntary reserve	30.5	24.2	18.5
Share based payment reserve	1.0	1.4	1.7
Fair value reserve	0.2	3.5	3.9
Foreign currency translation reserve	(9.5)	(9.9)	(9.3)
Accumulated retained earnings / (losses)	35.8	31.7	24.1
Proposed cash dividends	26.0	19.1	15.9
Equity attributable to equity holders of the bank	575.4	408.3	374.8
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	2.3	2.3	2.2
Total equity	653.2	486.0	452.4
Total liabilities and equity	5,300.5	4,344.8	3,970.4

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Thank you

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