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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 2020

محضر مؤتمر المحللين للربع الثالث لسنة
2020

Reference is made to the provisions of Article no. (8-4-2) of Boursa Kuwait Rulebook issued by virtue of Resolution no. 1 of 2018 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 the Third quarter ended 30/09/2020 held via Live Webcast at 02:00 pm (Local Time) on Tuesday, October 27th 2020 as per the requirements of the said article.

نرفق لكم نسخة من محضر مؤتمر المحللين للربع الثالث المنتهي في 2020/09/30 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:00 (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 2020/10/27؛ وذلك وفقا للمتطلبات الواردة في المادة المشار إليها أعلاه..

Best regards,

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



عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة والرئيس التنفيذي

Q3 2020 Boubyan Bank K.S.C.P – Earnings Call

Edited transcript of Boubyan Bank earnings conference call that took place on Tuesday 27th October 2020 at 14:00 Kuwait time

Corporate participants:

Mr. Abdul Salam Al-Saleh – Deputy Chief Executive Officer

Mr. Mohamed Ibrahim – General Manager, Financial Control Group

Mr. Omar Bouhafs – Head of Investor Relations

Omar Bouhafs: Good afternoon everyone, and thank you for joining us today. This is Omar Bouhafs, Head of Investor Relations. I am pleased to welcome you all to Boubyan Bank's earnings webcast covering the results for the third quarter of 2020.

Joining me today is Mr. Abdul Salam Al-Saleh Deputy 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 two of the presentation pack.

Our format for today's call will include:

An overview of Boubyan's performance by Mr. Abdul Salam Al-Saleh followed by a presentation on the Bank's financial performance by Mr. Mohamed Ibrahim.

Following this we will have time for Q&A with attendees today. We will be receiving your questions through the webcast platform, and we will endeavor 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. Abdul Salam Al-Saleh to take you through a brief update on Boubyan's performance for the third quarter 2020.

Abdul Salam Al-Saleh:

Thank you Omar.

Good afternoon Ladies and Gentlemen. Today, I will provide an overview of the Bank's results for the Nine Months to September 2020,

along with an overview of the Bank's strategy and operating environment.

Boubyan has announced **KD 70 million** in operating profits for the nine-months ended September 2020, despite the exceptional situation the World and Kuwait is going through with the unprecedented disruption caused by the COVID-19 pandemic.

In light of this, the Bank has continued its prudent approach by allocating **KD 46 million** in provisions and thereby achieving **KD 23 million** in net profits for the period.

We decided to allocate additional precautionary provisions to strengthen the Bank's financial position and bolster our ability to face the Covid-19 crisis.

As you will see, throughout this presentation, we had very solid growth in our core business. As of September 2020, our total assets grew year-on-year by **25%** to reach **KD 6.3 billion**, while our financing portfolio grew by **28%** to reach **KD 4.6 billion**. Additionally our customer deposits grew **24%** year-on-year reaching **KD 5.1 billion**.

This growth was driven by both organic growth and the acquisition of Bank of London and the Middle East or BLME. With Boubyan's consumer and corporate financings both growing by **13%** year-on-year in September.

Additionally, our market share in total financing grew to around **9.8%** in August 2020 compared to **9.2%** at the same time last year.

With regard to ratings, our overall credit ratings were A3, A- and A+ from Moody's, S&P and Fitch respectively.

Moving on now to discuss our operating environment and strategy.

In regards to our operating environment, this has been a challenging year globally, and throughout this crisis Boubyan has been striving hard in serving our community, our customers and our shareholders through a number of initiatives.

At the community level, Boubyan remains committed to supporting the Government's efforts in dealing with the Covid-19 pandemic, including contributing to the **KD 10 million** Covid-19 Fund established by the Central Bank of Kuwait. In addition to swiftly implementing the 6 month loan deferrals for consumer, housing finance, credit cards and SMEs, without charging the customers any additional profit.

Boubyan has continued to achieve a number of milestones in 2020 including the acquisition of BLME, now with **71.08%** ownership, which we believe will provide good synergies to grow both banks. Additionally we successfully issued the largest Sukuk out of Kuwait, a US \$750 million 5-year Sukuk. This was a landmark transaction, providing additional long-term funding and diversification.

Strategically our success comes from the implementation of Boubyan's 2020 strategy, which focuses on local market growth, offering new and innovative products and services and increasing our customer satisfaction.

Throughout the year, we have continued delivering new and innovative products to our customers including a fully digitized customer onboarding and card issuance process through our Boubyan Direct interactive booths.

We believe we are continuing to reap the fruit of our investments in our digital banking services with notable increases in usage by our clients through the mobile and internet banking platforms. This is important to us, especially at this time, as our customers can perform most of their banking transactions while staying safely at home.

This is an overview about Boubyan and our major achievements. Now, Mohamed will take you through the Bank's financial performance in more detail.

Mohamed Ibrahim: Thank you Mr. Abdul Salam and good afternoon everyone. It is my pleasure to take you through our financial results for the third quarter to September 2020.

Before I commence, I would like to point out that, the acquisition of BLME was effective from 27 January 2020. Therefore the 2020 financials presented include the impact of this consolidation.

As we progress through the presentation, I will highlight the impact of BLME's consolidation on our financials to best support your understanding of our comparatives.

As you can see on the top left of Page 7, the bank reported a net profit of **KD 23.2 million** for the nine-months to September, with an earnings per share of **6.8 fils**. This profit was achieved after recording a considerable amount of precautionary provisions during the period. This is to manage any impact from the Covid-19 pandemic.

The Bank's operating profit increased by **8%** to **KD 70 million**. I would like to point out that this increase is due to the consolidation of BLME. Boubyan excluding BLME was almost flat during the period

The bank's ROAE declined in September year-on-year to **5%** and similarly our return on average assets declined to **0.5%** on account of the lower net profit as I highlighted.

Now moving to the operating income components on Page 8, we can see that Operating income increased by **13%** to reach **KD 123 million**. The main driver for this growth was the consolidation of BLME during this period. The operating income growth for Boubyan excluding BLME was around **2%** during the period due to the challenging operating environment.

The Bank's net financing income grew by **15%** reaching **KD 101 million**. However, the growth for Boubyan excluding BLME was around **4%**. This is a result of strong volume growth in the Bank's average profit earning assets, which was partially offset by declining margins. As you can see the Bank's net profit margin declined to **2.4%**

This has been a result from the high fluctuation in the profit rates locally and internationally since Q4 2019. We have seen the REPO and Discount rates declining by 175bps and 150bps respectively. This is in addition to some other market related factors and the lagged effect of the 4 REPO rate increases, totalling 100bps in 2018, with only one increase during that time of 25bps in the Discount rate.

The percentage of net financing income to total operating income increased to **82%** during the nine months, fairly similar to last year. Fees, commissions and FX income declined by **11%** in year-on-year to **KD 13.9 million**. This decline is due to lower economic activities during the pandemic period, with lower credit card and other banking services fees and lower structured finance fees.

Investment income was overall consistent with 2019, however this includes **KD 2.2 million** net gain on the acquisition of BLME recognized in Q1, offset by some unrealized losses on investment properties and a lower share of results from associates given the consolidation of BLME.

During Q3 we also received **KD 2.4 million** as Covid-19 support towards staff expenses from the Kuwaiti Government which was recorded under other income.

Now, we will move to slide 9 and discuss operating expenses.

Operating expenses grew by **20%** percent in the 9 months to September 2020. The increase is mainly from the consolidation of BLME. The growth in operating expenses for Boubyan excluding BLME was only **5%** after undertaking a number of cost cutting measures during the period. However, some one-off expenses were incurred (approximately **2%**) which represents the Bank's contribution to the Covid-19 fund as part of the industry wide initiative to support the Government's response to Covid-19.

Our cost to income ratio rose to **43%**, with cost to average assets decreasing to **1.2%**. The bank's cost to income ratio excluding BLME increased to **41.6%** only as a result of the growth in operating expenses without a corresponding growth in operating income as explained before. The overall composition of operating costs is almost consistent.

We will now move onto provisions on slide 10, we can see that the total impairment provision for 9M September was **KD 45.7 million** which was financing related.

As mentioned earlier, the Bank was proactive in recording precautionary provisions to manage the consequences arising from the COVID-19 pandemic.

As a result, the bank's loss ratio increased to **1%** and provisions as a percentage of operating profit to **65%**.

I would like to highlight that IFRS 9 provision was lower than the provision as per CBK by **KD 36 million** and accordingly we have reported the CBK provision in our financials as the higher of the two. It's worth to mention also that ECL provision increased by **KD 23 million** during the year.

Now moving on to slide 12 let us look at our Balance sheet.

Overall, our total assets grew by **25%** Year on Year. This increase was mainly driven by two elements. Firstly, the acquisition of BLME resulted in the consolidation of approximately **KD 600 million** in Assets. And secondly, the strong organic growth in the Bank's financing portfolio.

Liquid assets to total assets ratio was maintained at a comfortable level of around **22%**. In general, the composition of total assets is consistent to that of 2019 with financing portfolio representing **74%** of total assets. Customer deposits also increased by **24%** Year on Year mainly from both the consolidation of BLME, being approximately **KD 500 million**, and the growth in core retail deposits of **KD 470 million** year-on-year or **20%** which is one of our core strengths and reflects the continued improvement in our brand.

The bank has maintained its loan to deposit ratio at a comfortable level of approximately **86%**.

We now move on to slide 13 to discuss the performance of our financing portfolio. Our net financing portfolio grew by **KD 1 billion** Year-on-Year or **28%** against a broader market growth of less than **6%**.

At September, BLME contributed approximately **KD 500 million** primarily from the consolidation. While our Corporate and Retail financing both grew by **13%** with **KD 277 million** and **KD 209 million** of growth respectively.

I would like to remind you that the loss from loan deferrals of **KD 48 million**, arising mainly from the six-month deferral of consumer and housing loans and credit cards was recognised in Q2, against retained earnings. Per Central Bank instructions, these will be phased-out equally over a four-year period from 2021 for Capital Adequacy calculation purposes.

Retail financing as a share of our portfolio in a consolidated level decreased to **37%** from **42%** of total financing portfolio, after the consolidation of BLME. However, this still remains one of the highest ratios in the industry.

Boubyan's NPL ratio grew from around **0.9%** in 2019 to **1.2%** in September, which remains below the industry average. While our Loss coverage ratio stood at **194%**.

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

In 2019 the Bank's capital adequacy ratio reached over **20%** as a result of the Banks **KD 132 million** rights-issuance, This ratio has decreased to **16.9%** in September as capital has been deployed in the growth of our business and BLME consolidation. This however still remains well above the regulatory minimum of **11%**, with this having been recently reduced by the CBK from the previous minimum of **13.5%**.

Risk Weighted Assets reported a year-on-year growth of **28%** year-on-year to reach **KD 4 billion**, which was primarily driven by asset growth as discussed earlier including the consolidation of BLME.

Regulatory capital mainly comprises of Common Equity Tier 1 which represents **80%** of the total capital, broadly consistent with the levels in 2019. This is followed by additional Tier 1 at **12%** which is comprised of the Boubyan Sukuk that was issued in May 2016.

The leverage ratio was **9.4%** which is broadly in line with the market and well above the regulatory minimum of **3%**.

With this I would like to conclude my briefing on the financial performance and thank you for your attendance. Now, I would like to handover to the Omar for the Q&A session.

- | | |
|-----------------|--|
| Omar Bouhafs | Thank you Mohamed. |
| | We will now start our Q&A session. Ladies and gentlemen if you wish to participate in our written Q&A please type your question using the question box in the top right of the screen. Then click the submit button. Thank you for holding. |
| Omar Bouhafs | Ladies and gentlemen, please continue to hold as we collate our questions received, we will commence our Q&A shortly. A reminder if you wish to participate in our written Q&A please type your question using the question box in the top right of the screen. Then click the submit button. Thank you for holding. |
| Omar Bouhafs | Ok, our first question asks that at the system level there has been very strong growth in CASA deposits this year. What was your CASA ratio in 2019 and what was it in September 2020? |
| Mohamed Ibrahim | Our CASA was approximately 27% as of December 2019. This was for Boubyan only without any consolidation. For September 2020 our CASA on a consolidated level was 34% and for Boubyan Standalone it was 37.5% . |
| Omar Bouhafs | Ok, our next question is asking about a second wave of COVID-19 in Kuwait, and how this could affect economic activity in Kuwait and Boubyan in particular. |
| Mohamed Ibrahim | Actually, we haven't seen what you call a second wave in Kuwait yet. I think the levels of infections have stabilized at a certain level. We hope not to see a second wave. We do have uncertainty about any impact this could have, but we don't have too much to say on this subject now. |
| Omar Bouhafs | Ok, our next question is regarding additional NPLs of KD 25 million in the 9 million of 2020 versus December 2019. What is the share of Kuwait vs. International or BLME? |
| Mohamed Ibrahim | Our group level NPL ratio is at 1.2% . This more or less, reflects both the Kuwait and the consolidated numbers. The BLME contribution to the NPL is very similar to the overall Boubyan ratio, which is in the range of 1.2% . |
| Omar Bouhafs | Our next question is if we could shed some light on the deferral programme for corporate and consumer customers as of now? Is it expired now and customers have resumed payment? If so, how has NPL formation been and what does that mean for cost-of-risk. |

- Mohamed Ibrahim For consumer, the deferral was for six months which ended after September and we started collecting the first instalment, after the deferral period in October. We didn't notice any change in the customer's behaviour considering the profile of our customers are mostly salaried Kuwaitis.
- Similar with Corporate banking also. We received from the Central Bank an instruction to allow for the deferral of six months which also expired by the end of September, so the first instalments were to be collected in October.
- It is worth mentioning for corporate that perhaps less than **5%** of our customer base have benefitted from this deferral in terms of volume and amount as well and we have not noticed any major formation of NPL post the deferral.
- Omar Bouhafs Our next question is regarding the sales and overall commercial activity and what has been the recovery in October versus the trough of April and May.
- Mohamed Ibrahim If we are talking about the recovery of fees and commissions, as of September and October for consumer I can say we are back to 70-80% of our pre-Covid19 levels.
- For corporate, it is varied. Some activities such as trade services are recovering very well and we are seeing volume growth during September and October which is very close to the volumes pre- COVID-19. This also reflects the customer behaviour for spending.
- For the other activities such as investment and structured finance, they have not yet recovered fully and I can say we are seeing about 50-60% recovery at this time.
- Omar Bouhafs Ok, our next question asks about the huge growth in the retail loans of **KD 209 million**. Is this all from Kuwait? Is this higher than last year? Are you seeing any headwinds in this space?
- Mohamed Ibrahim This reflects two things here. Firstly, the overall market for consumer has grown in recent months with the reason for the growth being related to the deferral of instalments so the growth is coming only from sales. Previously this was netted with the monthly loan instalments from customers. This is number one.
- Secondly, for Boubayan specifically, our customer base is increasing and our existing customers are growing with the bank so this reflects the normal trend. However, we should not expect this trend to continue at this level considering the resumption of monthly instalments, which nets off with a major part of our consumer loan sales.
- Omar Bouhafs Our next question: Funding expense has improved sequentially in Q2 and Q3. Are you done with repricing of liabilities now or can we expect more to come through? How has asset repricing been so far?

Mohamed Ibrahim	We can say for assets and liabilities subject to repricing, the rate decreases have largely been reflected. The remaining 10% will offset between the assets and liability repricing and so we aspire to maintain our current level of profit margin in the range of 2.3-2.4% .
Omar Bouhafs	Ok, our next question asks: Is the government support towards staff expense a one-off during Q3?
Mohamed Ibrahim	The amount that I mentioned represents three months of support and the Government's promise is for six months of support, so we are expecting a similar amount during Q4.
Omar Bouhafs	Ladies and gentlemen, if you wish to participate and pose any further questions in our written Q&A please type your question using the question box in the top right of the screen. Then click the submit button. Thank you for holding.
Omar Bouhafs	Our next question is whether the bank optimistic about financing asset growth next year, given the fiscal consolidation that the government of Kuwait may have to implement next year?
Mohamed Ibrahim	<p>Our aspiration is that any governmental measures will not affect major projects so we still believe the levels of spending for projects will see some impact but not material.</p> <p>For Boubyan, we still believe high single digits is our best case and this is our aspiration for next year. This leverages estimated government spending and the growth in both our customer base and with our existing customers.</p>
Omar Bouhafs:	<p>So given there are no further questions remaining, so 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 via 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 Boubyan and the Kuwait Boursa Websites within the coming days.</p> <p>Thank you.</p>

Boubyan Bank Investors Presentation

Q3 2020 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

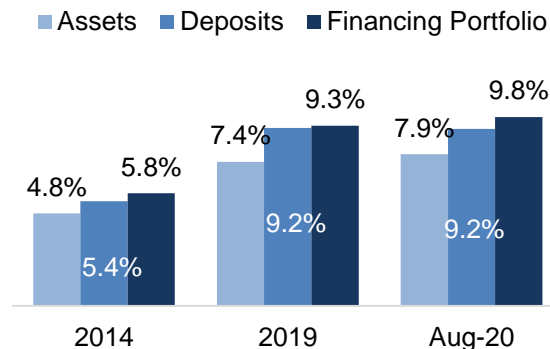
Financial snapshot

<i>KD million</i>	9M 2020	9M 2019	Growth %
Net Profit to shareholders	23.2	45.2	-49%
Operating Income	123.2	109.4	13%
Operating Profit	70.2	65.2	8%
Total Assets	6,276	5,033	25%
Financing Portfolio	4,648	3,637	28%
Customer Deposits	5,066	4,102	24%
Earnings per share (Fils)	6.8	14.5	-53%

Key Financial Metrics

	9M 2020	9M 2019	Variance
Return on Average Equity (%)	4.8	11.4	-6.6
Return on Average Assets (%)	0.5	1.3	-0.8
Cost to Income (%)	43.0	40.4	2.6
NPL Ratio (%)	1.2	0.9	0.3
Capital Adequacy Ratio (%)	16.9	20.4	-3.5

Market share



Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A3	Stable	Jun 2020
STANDARD & POOR'S	A-	Stable	Mar 2020
FitchRatings	A+	Stable	Sep 2020

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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 and BLME
- Grow market share

1 Boubyan's Performance & Strategy – At a glance

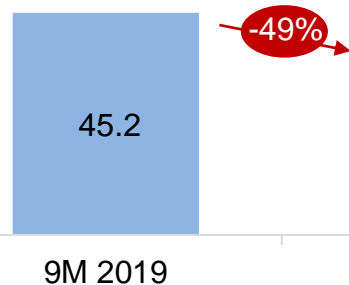
2 **Income statement analysis**

3 Balance sheet analysis

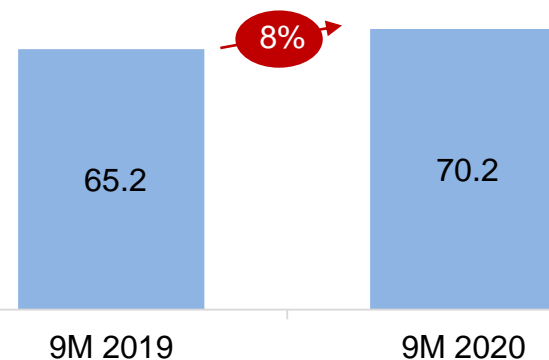
4 Capitalisation and Leverage

Profitability and performance ratio

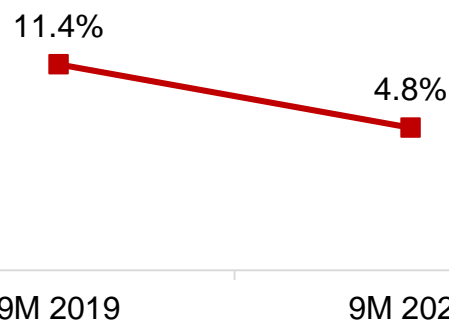
Net profit (KD Million)



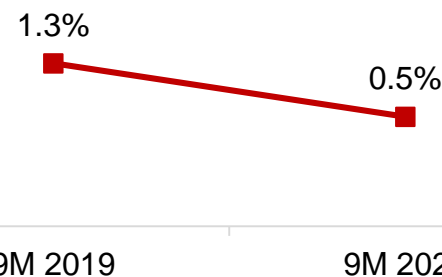
Operating profit (KD Million)



* Return on Average Equity (%)



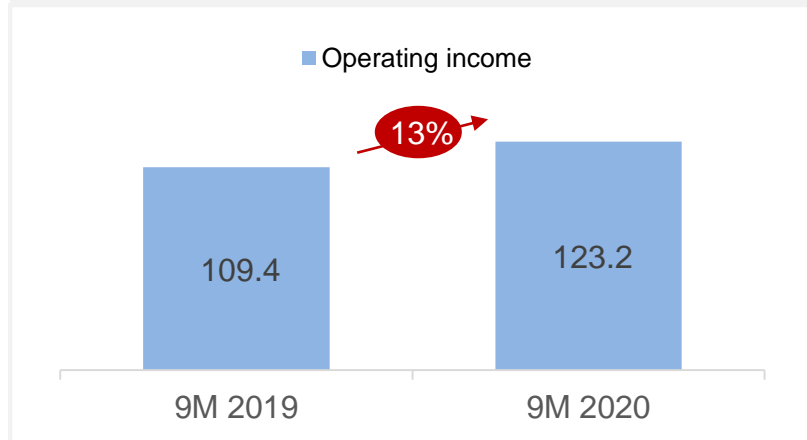
Return on Average Assets (%)



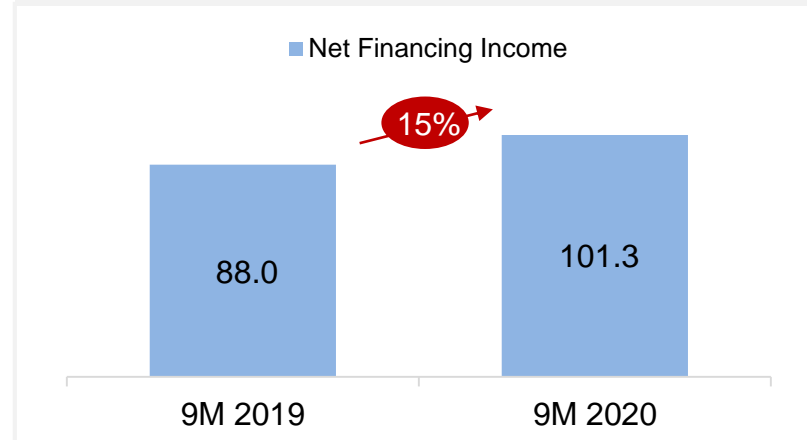
* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.
 Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins

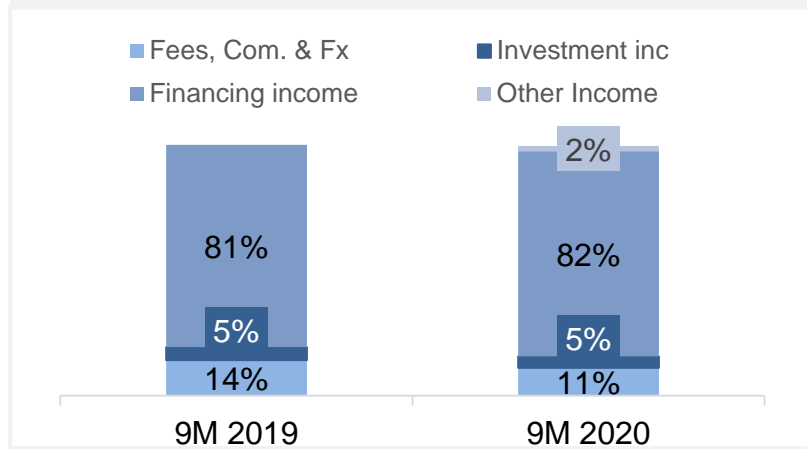
Operating Income (KD Million)



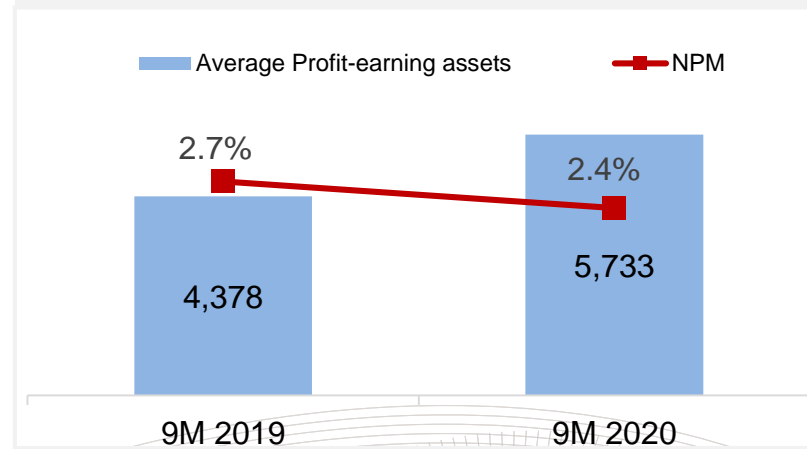
* Net Financing Income



Composition on operating income



Net Profit Margin %

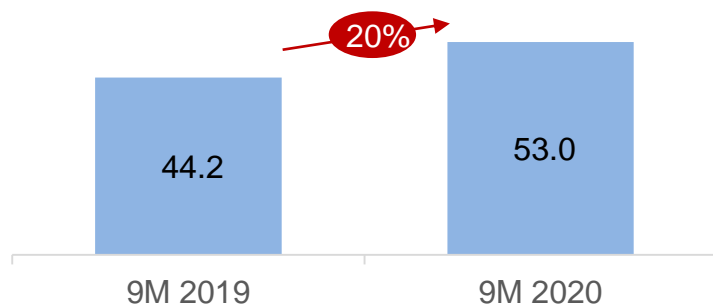


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Operating costs and efficiency

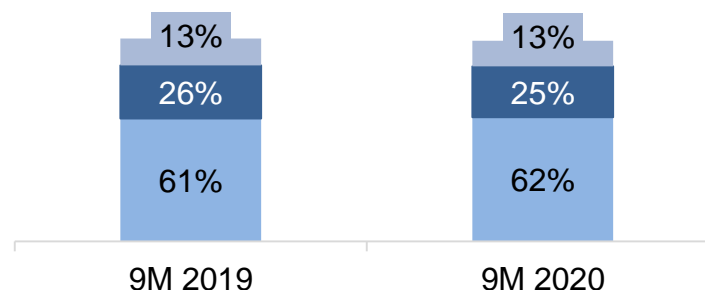
Operating costs (KD Million)

■ Operating costs



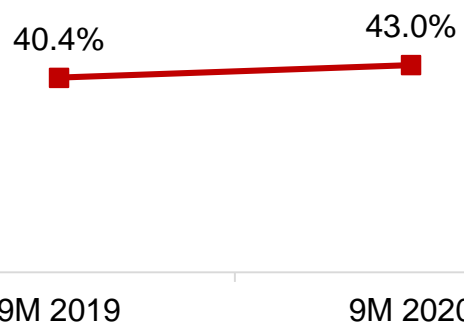
Composition of Operating costs

■ Staff costs ■ General & Admin ■ Depreciation



Operating efficiency (%)

■ Cost to Income Ratio

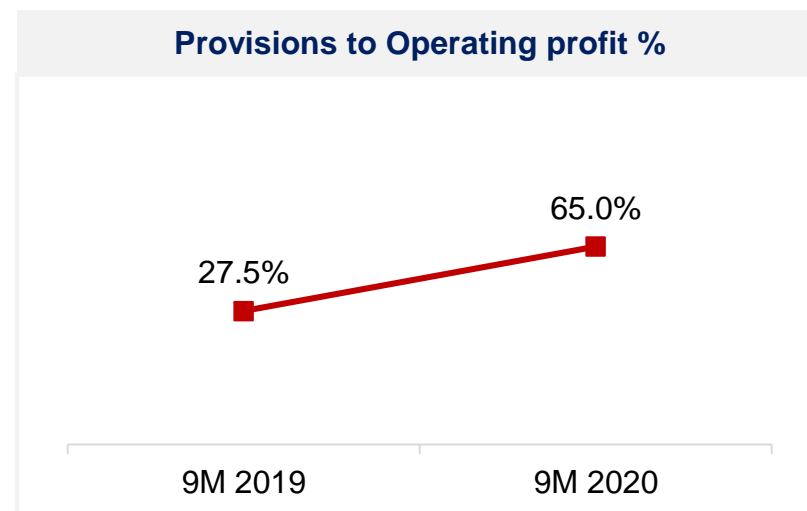
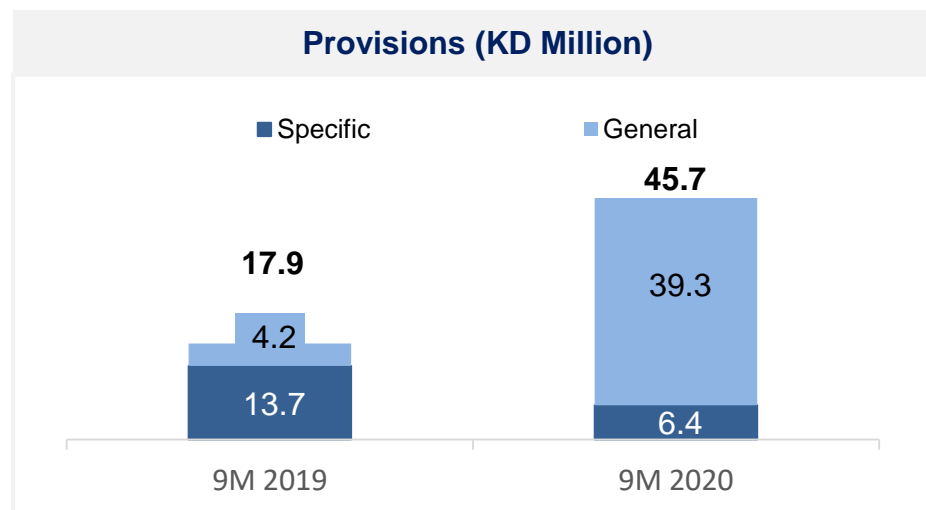


Operating costs to average assets (%)



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Provisions and related ratios

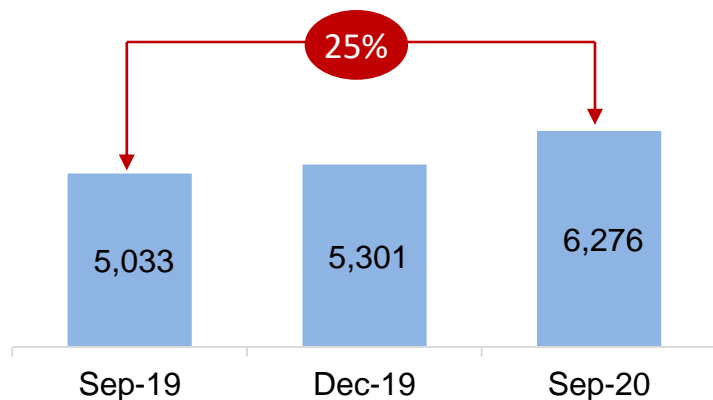


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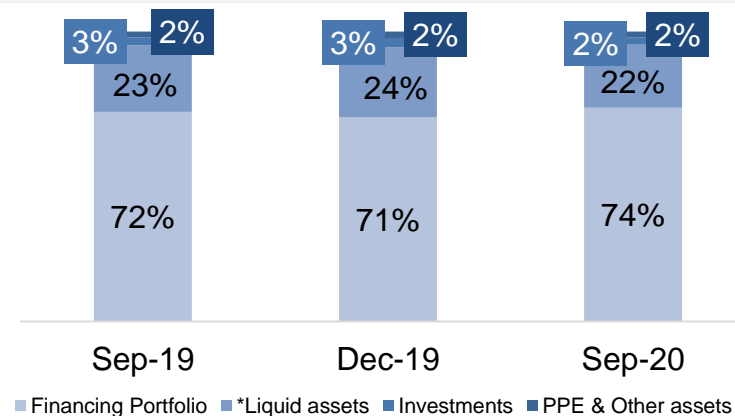
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis
- 3 Balance sheet analysis**
- 4 Capitalisation and Leverage

Assets and Sources of Funding

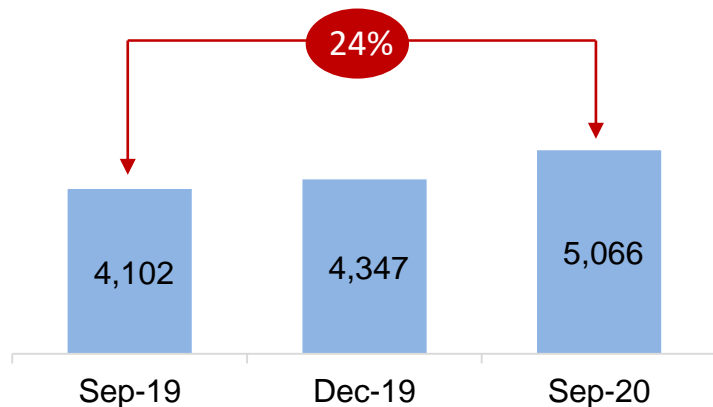
Total assets (KD Million)



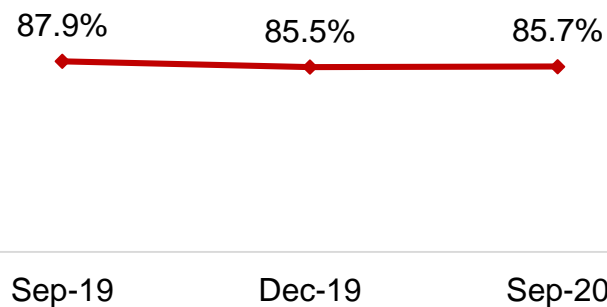
Composition of assets



Total deposits (KD Million)



Financing Portfolio to Deposit Ratio



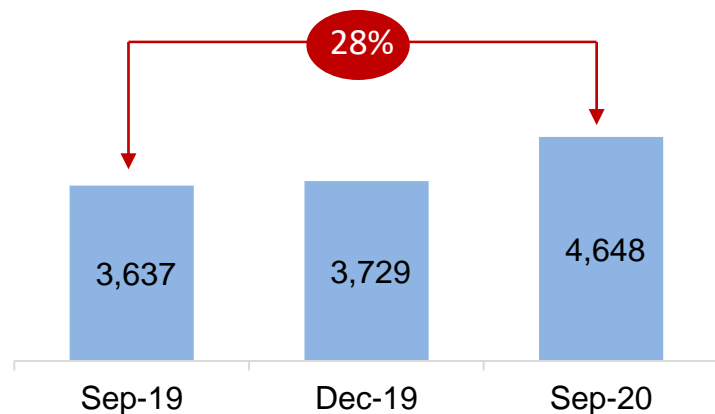
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

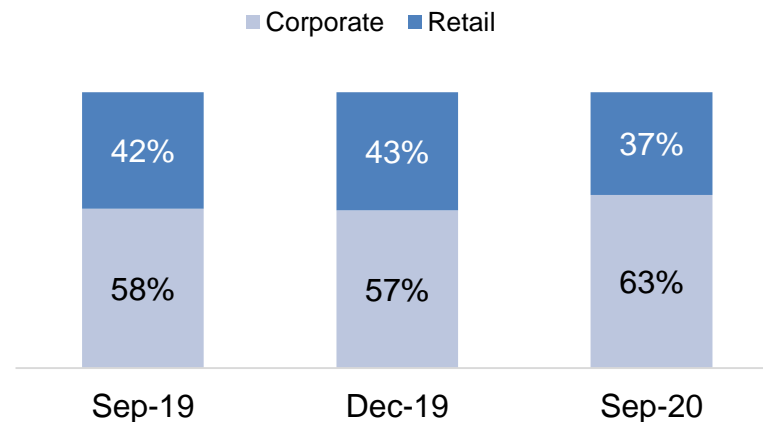
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Financing Portfolio and asset quality

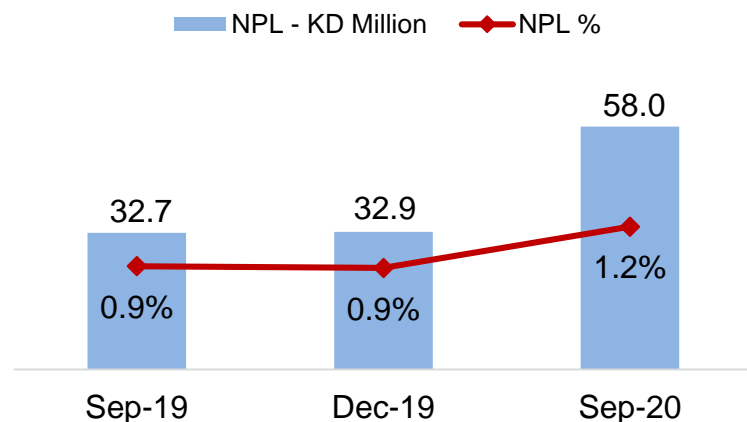
Financing Portfolio – KD Million



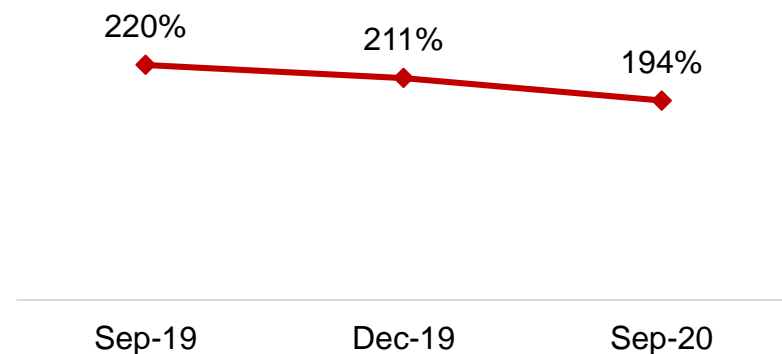
Composition of Financing Portfolio



Non performing Financing Portfolio



Loss Coverage ratio

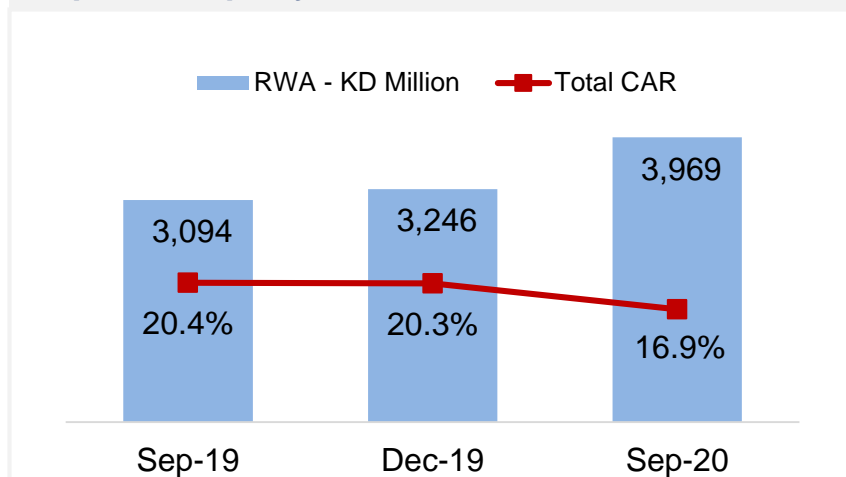


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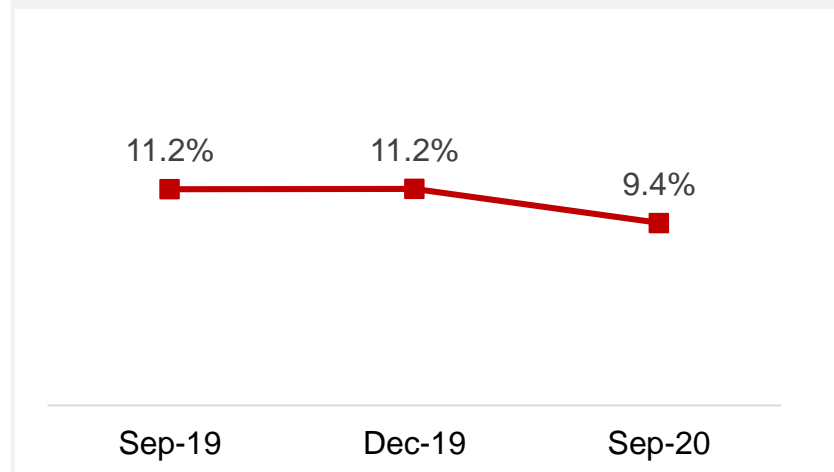
- 1** Boubyan's Performance & Strategy – At a glance
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Capital Adequacy

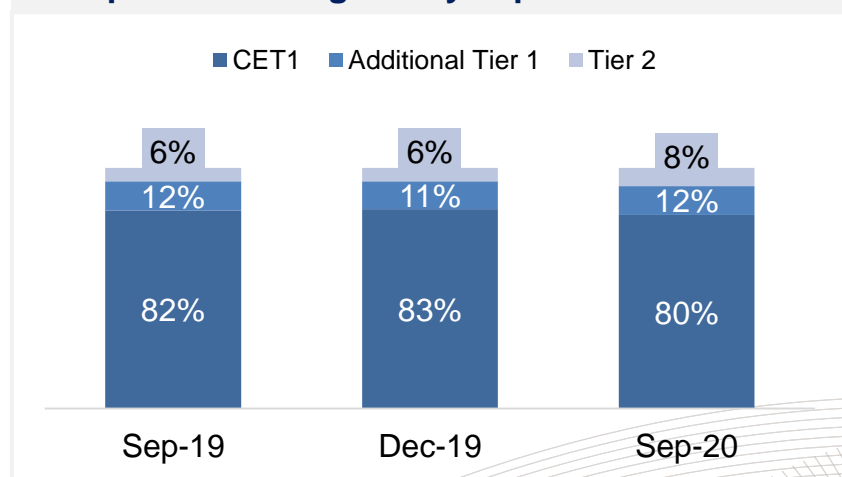
Capital adequacy ratio



Leverage ratio



Composition of regulatory capital



Questions ?

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Appendix

Consolidated Financial Statements – 9M 2020

CONSOLIDATED STATEMENT OF INCOME	30-Sep	30-Sep
KD Million	2020	2019
Income		
Islamic financing income	168.1	152.8
Financing cost	(66.8)	(64.8)
Net finance income	101.3	88.0
Net investment income	5.7	5.8
Net fees and commission income	9.7	12.8
Net foreign exchange gain	4.2	2.9
Other Income	2.4	
Operating Income	123.2	109.4
Expenses		
Staff cost	(32.7)	(27.1)
General and administrative expenses	(13.5)	(11.3)
Depreciation	(6.8)	(5.8)
Total Expenses	(53.0)	(44.2)
Profit before provision for impairment	70.2	65.2
Provision for impairment	(45.7)	(17.9)
Profit before taxes	24.6	47.3
Taxes and board remuneration	(1.6)	(2.0)
Non-Controlling Interests	0.2	(0.0)
Net Profit for the year	23.2	45.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Sep	30-Sep
KD Million	2020	2019
Assets		
Cash and balances with banks	216	212
Deposits with Central Bank of Kuwait	337	285
Deposits with other banks	277	316
Islamic financing to customers	4,648	3,637
Investments in Sukuks	514	344
Other investment securities	94	80
Investments in associates	5	31
Investment properties	48	25
Other assets	49	22
Property and Equipment	87	81
Total Assets	6,276	5,033
Liabilities and Equity		
Liabilities		
Due to banks	258	216
Depositors' accounts	5,066	4,102
Global Mid-term Sukuk	230	0
Other liabilities	108	70
Total liabilities	5,663	4,388
Equity		
Share capital	303	288
Share premium	157	157
Treasury shares	-0	-0
Statutory reserve	32	25
Other reserves	5	23
Retained earnings	9	74
Equity attributable to equity holders of the bank	506	567
Perpetual Tier 1 Sukuk	75	75
Non-controlling interest	32	2
Total equity	613	645

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	122.8
Deposits with Central Bank of Kuwait	306.2	244.7	249.2
Deposits with other banks	427.3	237.1	213.8
Islamic financing to customers	3,728.8	3,262.3	3,404.8
Investments in Sukuks	306.3	309.3	390.6
Other investment securities	101.2	73.5	23.9
Investments in associates	33.1	28.9	31.8
Investment properties	46.6	24.0	24.5
Other assets	32.4	24.1	23.0
Property and Equipment	86.2	57.0	69.5
Total Assets	5,300.5	4,344.8	3,970.4
Liabilities			
Due to banks	236.5	97.2	204.7
Depositors' accounts	4,347.2	3,720.9	3,793.9
Other liabilities	63.7	40.7	52.1
Total liabilities	4,647.4	3,858.8	4,050.7
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

Thank you

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