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Mr. Mohammad Saud Al-Osaimi
CEO
Boursa Kuwait

السيد/ محمد سعود العصيمي المحترم
الرئيس التنفيذي
بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ...

**Minutes of the Analysts' Conference call for
the financial year ended December 31st 2020**

محضر مؤتمر المحللين للسنة المالية المنتهية

في 31 ديسمبر 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 financial year ended December 31st 2020 held via Live Webcast at 02:00 pm (Local Time) on Monday, February 01st 2021, as per the requirements of the said article.

نرفق لكم نسخة من محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2020 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:00 (وفق التوقيت المحلي) من بعد ظهر يوم الإثنين الموافق 1 فبراير 2021؛ وذلك وفقاً 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
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اسم

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

Edited transcript of Boubyan Bank earnings conference call that took place on Monday 1st February 2021 at 14:00 Kuwait time

Corporate participants:

Mr. Abdul Salam Al-Saleh – 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 full year 2020.

Joining me today is Mr. Abdul Salam Al-Saleh 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 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. Abdul Salam Al-Saleh to take you through a brief update on Boubyan's performance for the 2020 financial year.

Abdul Salam Al-Saleh:

Thank you Omar.

Good afternoon Ladies and Gentlemen and thank you for joining us today.

The 2020 year has been a challenging year across the globe with the impact of the Covid-19 pandemic and Kuwait was no exception to this. The combination of lockdowns and lower oil prices resulted in challenging economic climate. We do however, remain cautiously optimistic on improving economic conditions as we enter 2021, having seen trends of gradual recovery from mid-2020.

Despite these unprecedented circumstances, Boubyan Bank has maintained its proud track-record of achievement in 2020. Financially, the Bank has announced a 10% growth in operating profits to reach **KD 93 Million** for the year.

The Bank has continued its prudent approach by allocating **KD 59 million** in precautionary provisions and thereby achieving **KD 34 million** in net profits for the year.

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

Boubyan has continued its double-digit balance sheet growth in 2020 on the back of the acquisition of the Bank of London and the Middle East (BLME) in the UK in Q1 2020, in addition to strong organic growth across our domestic business.

In 2020, Partly driven by the acquisition of BLME, Boubyan achieved two milestones in balance sheet size, becoming the third largest Bank in Kuwait in financing with growth of 26% to reach **KD 4.8 billion** in addition to becoming the fourth largest bank in Kuwait in terms of total assets, which grew 21% reaching **KD 6.4 billion**.

With this strong growth, I would like to point out that non-performing loans stood at 1.1% in 2020, a slight increase from 0.9%, as a result of the economic conditions we discussed. However this is considered one of the lowest amongst local and regional banks, as well as a reflection of Boubyan's longstanding balanced business model, pure banking focus and prudent underwriting policy.

In terms of market share, Boubyan has continued growing its market share across Assets, Deposits and Financing, with the financing market share surpassing 10% during the year, again reflecting the continued strength of the Boubyan Franchise.

Additionally our Ratings from Moody's, S&P and Fitch remain stable at A3, A- and A+ respectively.

With regards to dividends, the Board of Directors have recommended a distribution of 5% bonus shares for 2020. It is worth mentioning that despite the robustness of the bank's financial position and the adequacy of our capital, the bank has decided not to distribute any cash dividends for this year in order to support our future growth and further strengthen the bank's balance sheet taking into consideration the exceptional circumstances the international and local economy are going through due to the Covid-19 pandemic

Moving on now to discuss our strategy.

Despite the challenges of 2020, the Bank remained firm in implementing its third five-year strategy "Boubyan 2023" which builds on the Group's robust domestic foundations and strengthening our international presence.

Domestically, we believe we can continue to achieve our strategic aspiration of sustained growth in Kuwait by continuing to provide the highest levels of customer service and affirming our excellence in digital services.

In 2020 we saw the fruits of our investments in our digital strategy, we have delivered a number of 'First-in-Kuwait' and other innovative offerings including:

- Launching the first 'youth specific' mobile banking application specifically dedicated and tailored to our younger customers.
- Launching the first android virtual credit cards with NFC in Kuwait
- Fully digitalised end-to-end credit card requests which can be collected through our ATM or ITMs 24/7.

Along with many other achievements of which we are immensely proud.

Our strategic plan also sought to expand our international presence, and now the acquisition of BLME in 2020, provides Boubyan with a platform to enhance its customer base through wealth management and digital banking offerings in conjunction with our investment arm, Boubyan Capital.

At the community level, Boubyan remains as committed as ever in playing a leading role in our society. We are proud to have maintained

a national man-power level of approximately 77%, considered to be amongst the highest in the private sector. Additionally the bank actively supported 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 six month loan deferrals for consumer, housing finance, credit cards and SMEs, without charging the customers any additional profit.

Lastly, before I hand over to Mohamed, I would like to make two final points.

During the crisis, the Bank's human resources, really proved their ability to cope under the challenging circumstances and continue to deliver services to our customers and both meeting and exceeding their needs through the highest customer service as evidenced again with the Bank being awarded the 'Country winner' for best customer service for the fifth year in a row. We are both proud and grateful for their efforts.

Additionally, I think it is important to acknowledge the immense efforts made by the Central Bank of Kuwait in maintaining the stability of the banking system while concurrently supporting the continuity of economic activity during these challenging times. The Kuwaiti banking sector is much stronger than it was a decade ago, which improves its ability to withstand the impact of challenging events, a sound reflection of the Central Bank's unquestionable prudent oversight in recent years.

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 2020 year.

As you know, the acquisition of BLME was effective from 27 January 2020. Therefore the 2020 financials presented include the impact of this consolidation. I will highlight the major impact of BLME's consolidation on our financials throughout the presentation.

As you can see on the top left of Page 7, the bank reported a net profit of **KD 34.4 million** with an earnings per share of **9.7 fils**.

As mentioned by Mr Abdul Salam, this profit was achieved after recording a considerable amount of precautionary provisions during the period to manage any potential impact from the Covid-19 pandemic.

The Bank's operating profit increased by **10%** to **KD 93 million** of which growth from BLME's was around 5%.

The bank's ROAE declined year-on-year to **5%** and similarly our return on average assets declined to **0.6%** 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 **15%** to reach **KD 168 million**. The operating income growth for Boubyan excluding BLME was around **5%** during the period although we had a very challenging operating environment.

The Bank's net financing income grew by **16%** reaching **KD 139 million**. The growth for Boubyan excluding BLME was around **5%**. 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 movement in the net profit margin was a result of the high fluctuation in the profit rates locally and internationally since Q4 2019.

The percentage of net financing income to total operating income was

83% which is very similar to the 2019.

Fees, commissions and FX income declined by **13%** in year-on-year to **KD 17.4 million**. This 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 2.7 million** net gain on the acquisition of BLME, offset by some unrealized losses on investment properties and a lower share of results from associates given the consolidation of BLME.

During the year we also received **KD 4.7 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 **22%** percent in 2020. The increase is mainly from the consolidation of BLME. The growth in operating expenses for Boubyan excluding BLME was only 6% after undertaking a number of cost cutting measures during the period.

Our cost to income ratio rose to **44%**, while cost to average assets remained stable at **1.3%**. The bank's cost to income ratio excluding BLME increased to **42.8%** which is 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 with 2019.

We will now move onto provisions on slide 10, we can see that the total impairment provision was **KD 59 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 rose to **64%**.

I would like to highlight that IFRS 9 provision was lower than the provision as per CBK by **KD 68 million** and accordingly we have reported the CBK provision in our financials as the higher of the two. It's also worth mentioning that ECL provision increased by **KD 8 million** during the year.

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

Overall, our total assets grew by **21%** 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 **21%**. In general, the composition of total assets has seen a growth in the share of the financing portfolio now representing **75%** of total assets.

Customer deposits also increased by **17%** Year on Year mainly from both the consolidation of BLME, being approximately **KD 500 million**, and the growth in core retail deposits of **KD 678 million** year-on-year or **25%** 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 **87%**.

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 **26%** against a broader market growth of less than **6%**.

Our Retail and Corporate financing grew by **14% and 11%** respectively for the year while BLME contributed approximately **KD 500 million** primarily from the consolidation.

Retail financing as a share of our portfolio in a consolidated level decreased to **37%** from **43%** of total financing portfolio, after the consolidation of BLME. However, this still remains one of the highest ratios in the industry.

Non-performing loans stood at **1.1%** by the end of 2020 compared to **0.9%** at the end of 2019 with a coverage ratio of **234%**. It is worth noting that despite the very challenging operating environment, we are still maintaining NPL at that level which considered one of the lowest rates amongst local and regional banks which proves the quality of our portfolio.

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

We are maintaining our capital at a comfortable level of **16.9%** after deploying the capital required for growth in business and asset base. This however still remains well above the regulatory minimum.

Risk Weighted Assets reported a year-on-year growth of **26%** 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 **81%** of the total capital, broadly consistent with the levels in 2019. This is followed by additional Tier 1 at **11%** 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. 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 Our first question is asking about the trend in our Net Profit Margin (NPM) during the quarter and how we expect it to hold going into 2021?

Mohamed Ibrahim We closed the year with a NPM of 2.4%, seeing some upward trend during the last quarter of 2020, and we expect 2021 to be in the range of 2.4-2.5%

Omar Bouhafs Ok our next question ask what is the expected cost of risk in 2021?

Mohamed Ibrahim As we mentioned in our last call, we still have a degree of uncertainty around the cost of risk in 2021. However, our aspiration is that it should be materially lower than in 2020, while this remains our aspiration, we do have a number of assumptions and uncertainty, preventing us from giving clear guidance for 2021.

Omar Bouhafs Our next question asks on the size of loan deferral portfolio and the payment performance since Q2.

Mohamed Ibrahim For consumer as you know we had a full six-month deferral for the entire portfolio. The payments started to resume from October 2020 and we didn't see any issues since the resumption in our collections given the quality and profile of our customers being mostly Kuwaiti's with government sector employment.

For corporate the deferrals were in the 1-1.5% range which ended in Q4, and we did not see any signs of irregularity since the resumptions within the corporate portfolio.

Omar Bouhafs	Ok our next question asks on the cancellation of the cash dividend, should we see this in the context of strong credit growth expected in 2021? What is your rough expectation and drivers for retail and corporate?
Mohamed Ibrahim	<p>As Mr Abdul Salam mentioned, the decision of not distributing cash dividends was driven by a decision of keeping the strength of our balance sheet to accommodate the future business and asset growth.</p> <p>Currently our guidance related to growth in Kuwait is lower double digits and higher single digits at the consolidated level. We expect this to be driven by growth across both consumer and corporate. We experienced good growth in consumer in the last quarter of 2020, and our aspiration is for this to continue into 2021. For corporate we still have a very good pipeline of business towards the productive sectors and this will contribute towards the growth in 2021.</p>
Omar Bouhafs	Our next question asks if we can repeat our thoughts on margins going forward?
Mohamed Ibrahim	Our guidance for margins in 2021 is to be in the range of 2.4-2.5%.
Omar Bouhafs	Ok our next question asks about the payment behaviour after the deferral programme ended in September? Are you still offering deferral to corporate customers? Overall, do you expect CoR trend to improve in 2021 versus 2020 levels?
Mohamed Ibrahim	<p>We have answered this, but I will repeat for the purpose of clarification. The deferral programme ended in September, and we did not see any sign of deterioration. We are not offering any additional deferral to our corporate customers.</p> <p>For the cost of risk trend in 2021, our aspiration is to see a level lower than 2020. We think the KD 59 million allocated as a precautionary provision in 2020 should be sufficient based on the current circumstances, so our aspiration is for this to be lower in 2021.</p>
Omar Bouhafs	Our next question asks will you resume dividends in 2021?
Mohamed Ibrahim	The decisions for dividends in 2021 cannot be confirmed at present. Our aspiration for 2021 is to return to the normal policy of distributing cash dividends. However, this is a subject that will be confirmed at the end of the 2021 year.
Omar Bouhafs	Ok our next question asks on any bond issuance plans in 2021?
Mohamed Ibrahim	We announced in November 2020 that we obtained regulatory approvals to issue up to US \$500 million in Tier-1 Sukuk. However, the timing will be announced once a decision is taken.
Omar Bouhafs	Our next question asks why is your fee income contribution lower than conventional banks?

Mohamed Ibrahim	<p>Fee income contribution from Islamic banks is usually lower than that of conventional banks. This is related to the types of fees which are charged in conventional banks and are not applicable in Islamic Banks. This is one of the reasons.</p> <p>Some other reasons relates to Boubyan, and we are working on this particularly through our strategy related to wealth management. We believe this will contribute materially to our fee income going forward and this is one of our strategic targets.</p>
Omar Bouhafs	<p>Our next question asks what is the rough share of the credit portfolio under deferral or restructuring currently, which we believe have already answered.</p> <p>So the next question is what drove the increase in operating expenses in Q4 2020?</p>
Mohamed Ibrahim	<p>In fact there is no specific reason, as we have mentioned before that there is some seasonality in expenses between quarters. Most of our additional expenses were towards our investments in digital and branches, which is reflected in the double-digit growth in our business.</p>
Omar Bouhafs	<p>Our next question is asking whether we are expecting any increase in rates in 2021-2022?</p>
Mohamed Ibrahim	<p>Our base case scenario, is that we will have a stable profit rate environment throughout 2021, which might continue into 2022.</p>
Omar Bouhafs	<p>Our next question is asking if we can share the retail contribution to deposits and the CASA contribution?</p>
Mohamed Ibrahim	<p>Currently our retail deposits represent 55% of our total deposits. CASA for Kuwait was at 36% and 33% at the consolidated level.</p>
Omar Bouhafs	<p>Our next question asks for any guidance for 2021 on Net Profit Margins, NPLs, Stage 2 loans and ROAE, which we believe we have already covered.</p> <p>So moving to the next question, which asks what should we think about BLME's asset and net profit growth going forward. Whether there is any target RoE for BLME and where do you see BLME net profit as a proportion of Boubyan Bank's net profit</p>
Mohamed Ibrahim	<p>Currently BLME contributes approximately 10% of total assets and 5% of operating profit. Our aspiration is that BLME's operating profit contribution will reach the 10% level to reflect their contribution into the assets.</p>
Omar Bouhafs	<p>Our next question asks for some highlights on stage 2 and stage 3 coverage ratio in 2020?</p>
Mohamed Ibrahim	<p>Currently our provision coverage for stage 2 and stage 3 together is approximately 50%. We believe this reflects the level of precautionary provision recorded in 2020.</p>

Omar Bouhafs	Ok our next question is asking in terms of cost of risk, would you expect 2021 to be closer to pre-2020 levels or still too early to say?
Mohamed Ibrahim	I wish I could give more provision guidance for 2021, however I think it is too early to give this guidance. As I mentioned before, our aspiration is to have a level lower than the 2020 level. Pre-2020 levels should be our aspiration, however given the ongoing uncertainties, I think it's too early to give any confirmation.
Omar Bouhafs	Our next question asks if there is a target for coverage ratio?
Mohamed Ibrahim	Our provisioning level has many factors being considered, however I cannot confirm that we have a target coverage ratio driving our provisioning.
Omar Bouhafs	Ok, our next question asks how much is the surplus between the IFRS 9 and CBK provision?
Mohamed Ibrahim	As I mentioned, our IFRS 9 provision was approximately 62 million, whereas our total provisioning per CBK regulations was KD 130 million, giving us a buffer of KD 68 million.
Omar Bouhafs	Our next question is a follow up on stage 2 and stage 3 coverage question, and asks whether the stage 2 coverage range is 20% or less?
Mohamed Ibrahim	If we are talking about stage 2 only, the coverage ratio is more than 35%.
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:	<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

2020 Results – Analyst Webcast

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1 Boubyan's Performance & Strategy – At a glance

2 Income statement analysis

3 Balance sheet analysis

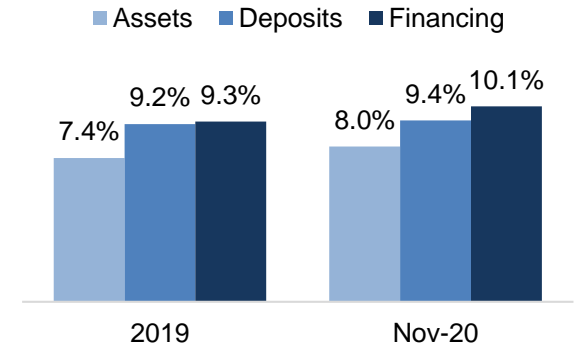
4 Capitalisation and Leverage

Financial Highlights

Financial snapshot

<i>KD million</i>	2020	2019	Growth %
Net Profit to shareholders	34.4	62.6	-45%
Operating Income	167.5	145.8	15%
Operating Profit	93.1	84.7	10%
Total Assets	6,437	5,301	21%
Financing Portfolio	4,823	3,826	26%
Customer Deposits	5,108	4,347	17%
Earnings per share (Fils)	9.7	19.4	-50%

Market share (Kuwait Market)



Key Financial Metrics

	2020	2019	Variance
Return on Average Equity (%)	5.3	11.7	-6.4
Return on Average Assets (%)	0.6	1.3	-0.7
Cost to Income (%)	44.4	41.9	2.5
NPL Ratio (%)	1.1	0.9	0.2
Capital Adequacy Ratio (%)	16.9	20.3	-3.4

Credit Ratings

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

نعمل باتقان

The Bank's strategy builds on robust domestic foundations



1 Boubyan's Performance & Strategy – At a glance

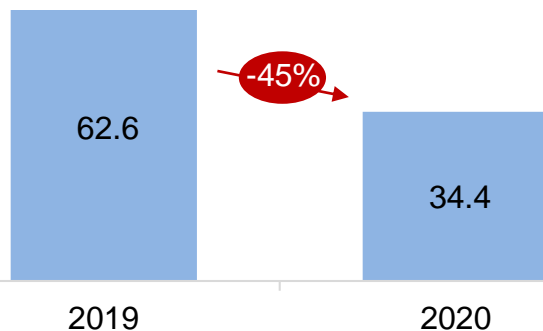
2 **Income statement analysis**

3 Balance sheet analysis

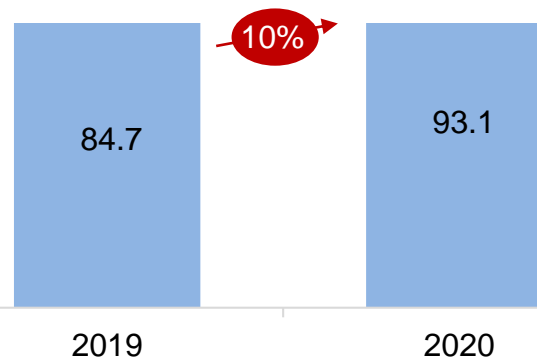
4 Capitalisation and Leverage

Profitability and performance ratio

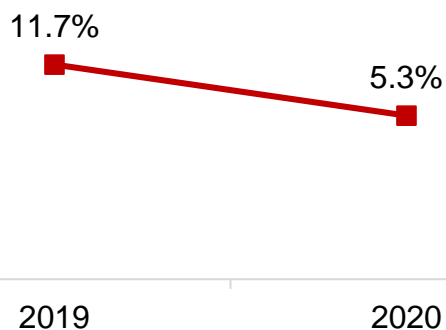
Net profit (KD Million)



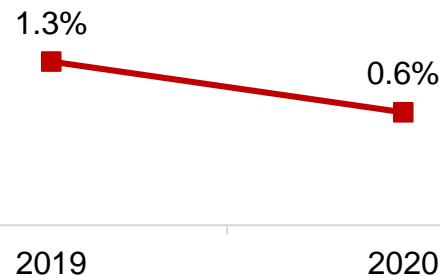
Operating profit (KD Million)



* Return on Average Equity (%)

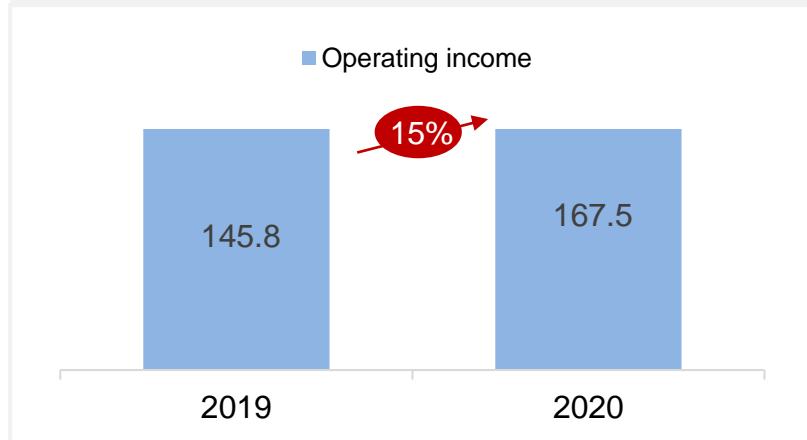


Return on Average Assets (%)

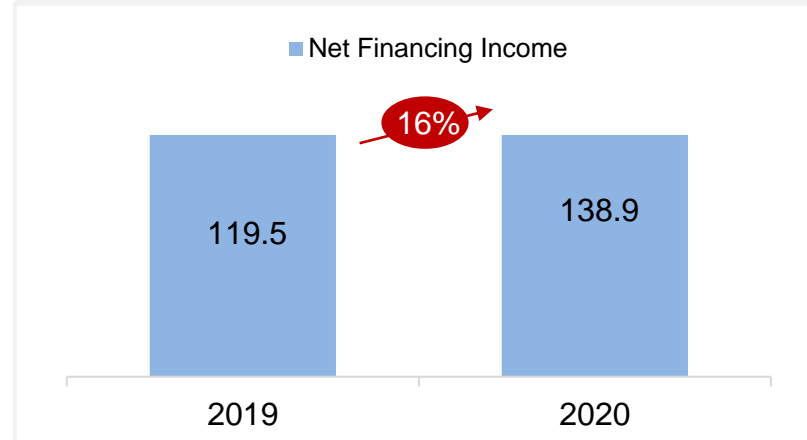


Operating income components and Net Profit Margins

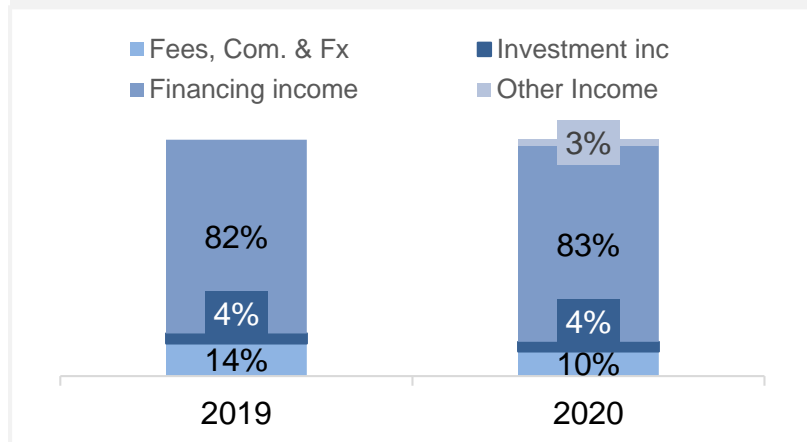
Operating Income (KD Million)



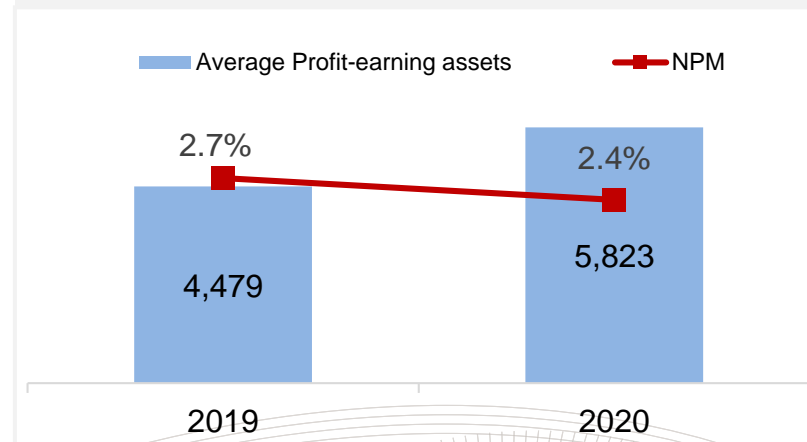
Net Financing Income (KD Million)



Composition on operating income



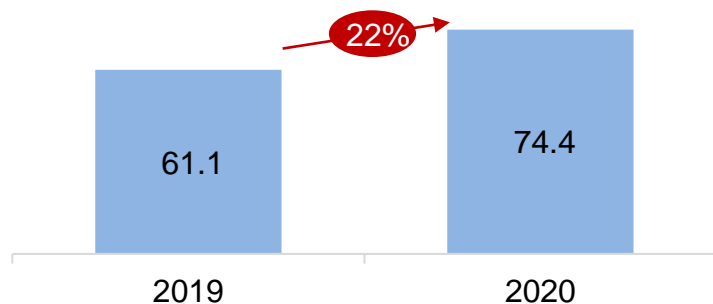
Net Profit Margin %



Operating costs and efficiency

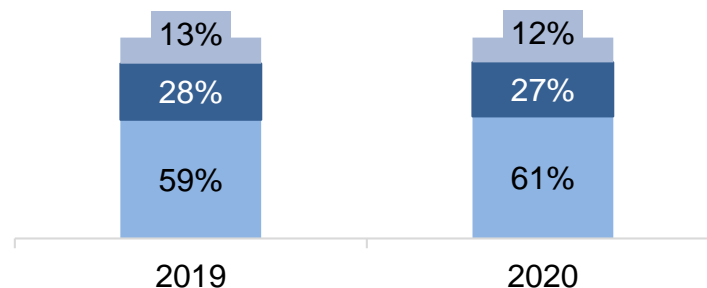
Operating costs (KD Million)

■ Operating costs



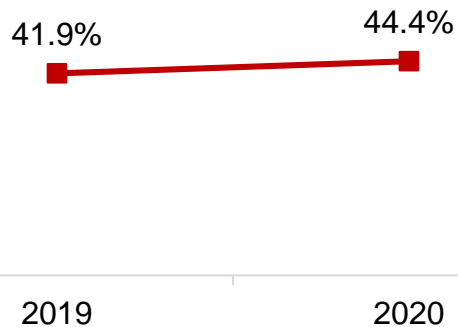
Composition of Operating costs

■ Staff costs ■ General & Admin ■ Depreciation



Operating efficiency (%)

■ Cost to Income Ratio



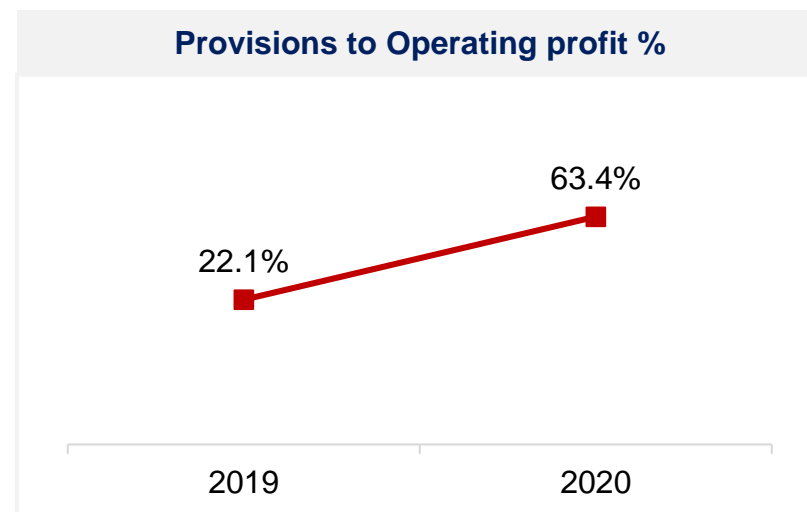
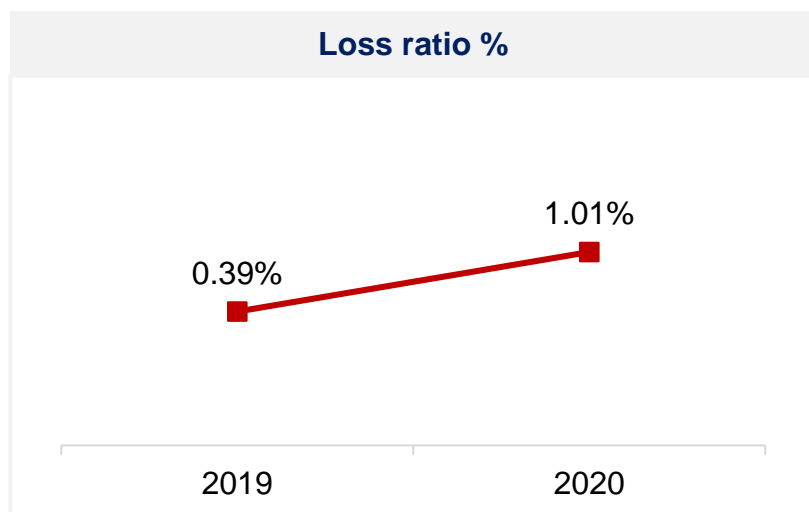
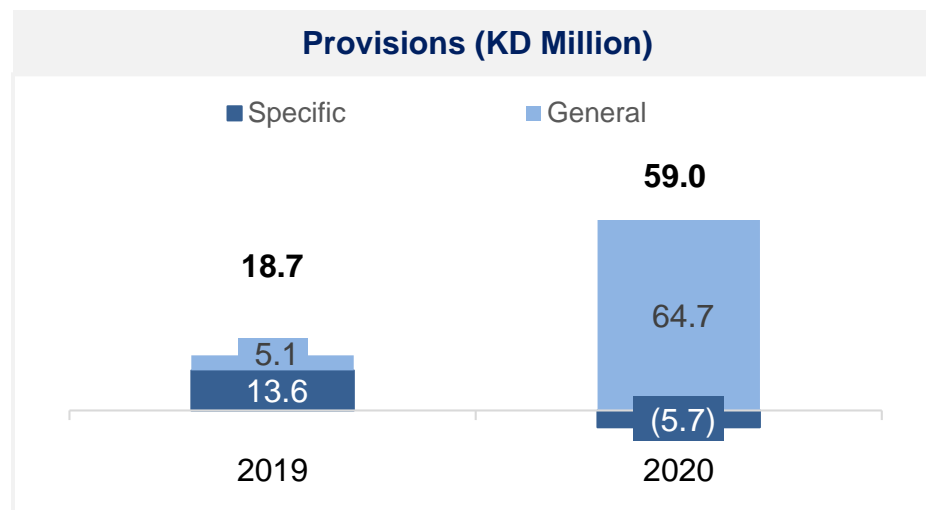
Operating costs to average assets (%)

1.3% 1.3%



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Provisions and related ratios

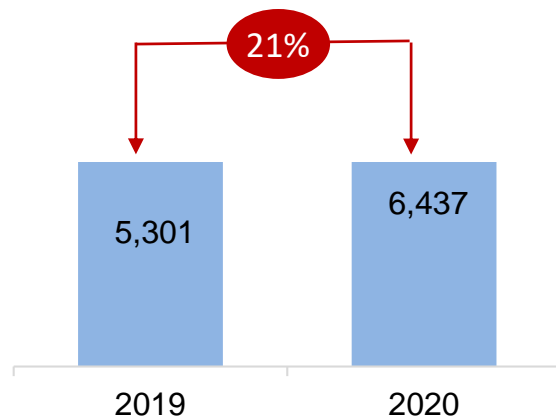


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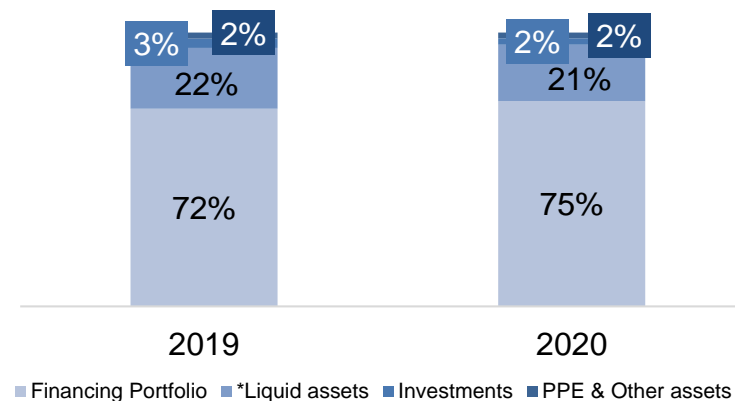
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis
- 3 Balance sheet analysis**
- 4 Capitalisation and Leverage

Assets and Sources of Funding

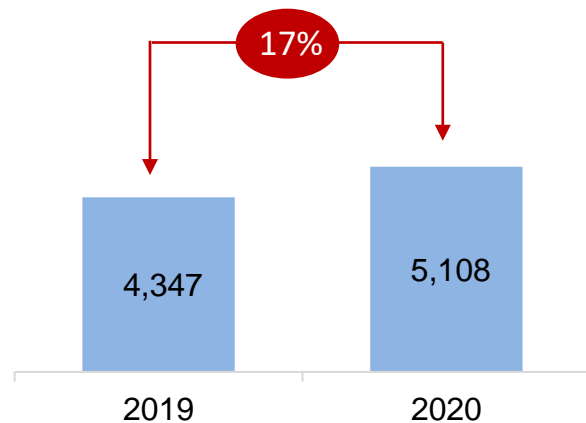
Total assets (KD Million)



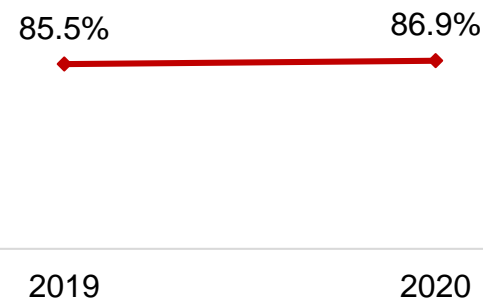
Composition of assets



Total deposits (KD Million)



Financing Portfolio to Deposit Ratio



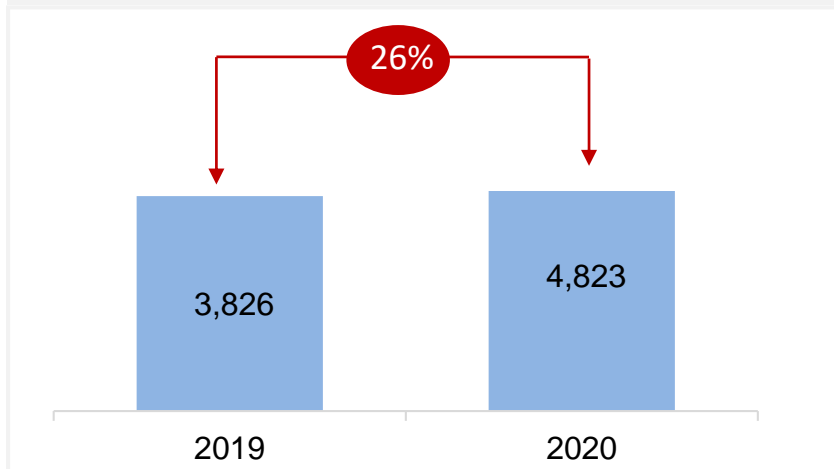
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

Source: Financial statements, Boubyan analysis

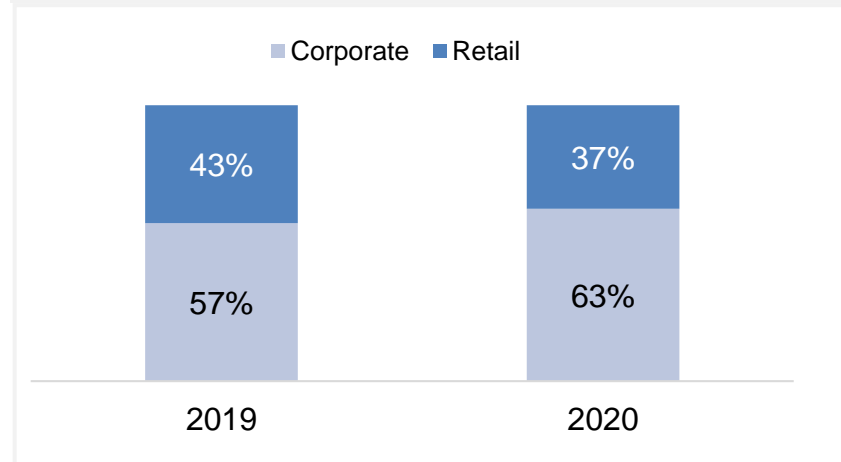
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Financing Portfolio and asset quality

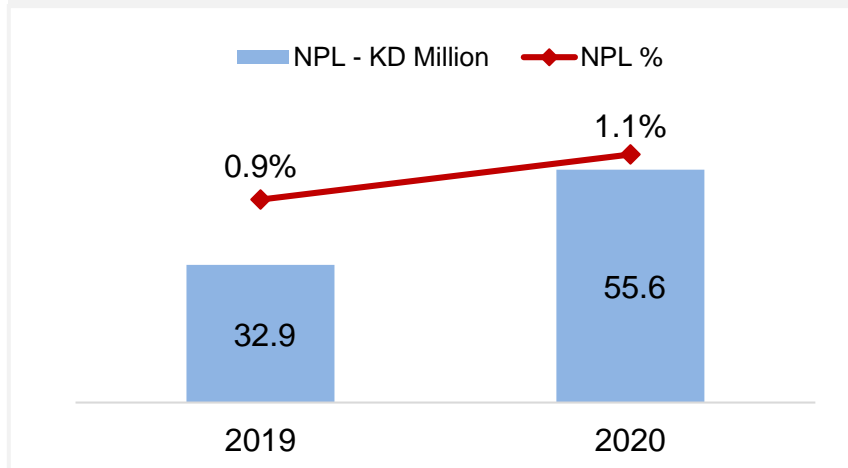
Financing Portfolio – KD Million



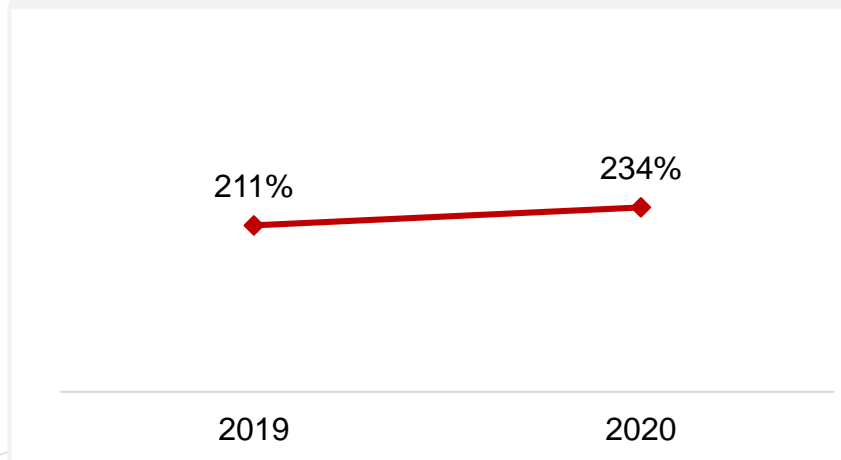
Composition of Financing Portfolio



Non performing Financing Portfolio



Loss Coverage ratio



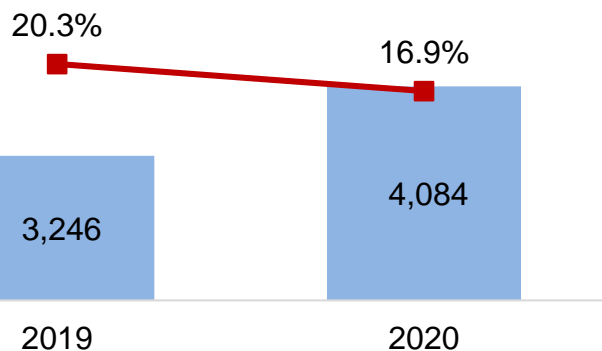
نعمل باتقان

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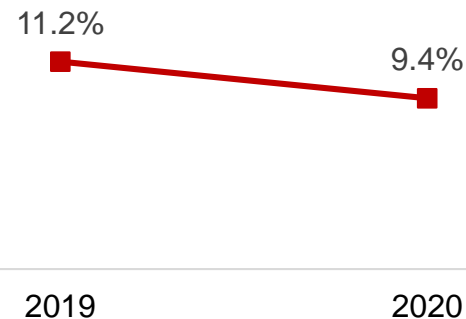
Capital Adequacy

Capital adequacy ratio

RWA - KD Million Total CAR

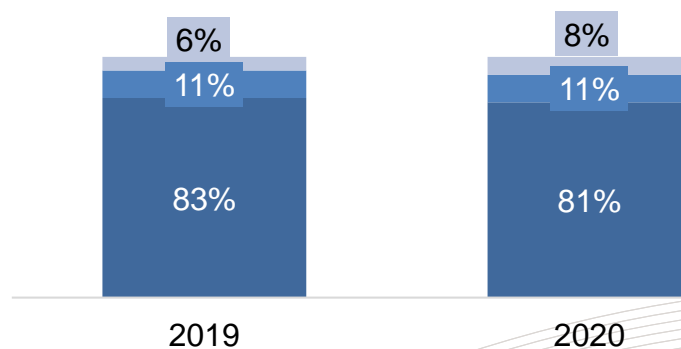


Leverage ratio



Composition of regulatory capital

CET1 Additional Tier 1 Tier 2



Questions ?

Appendix

نعمل بإتقان

Consolidated Income Statement

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
Income			
Murabaha and other Islamic financing income	223.1	207.6	182.9
Distribution to depositors and Murabaha Cost	(84.2)	(88.2)	(62.6)
Net finance income	138.9	119.5	120.3
Net investment income	6.8	6.2	3.0
Net fees and commissions income	12.3	16.4	13.4
Net foreign exchange gain	5.2	3.7	3.0
Other Income	4.3		
Operating Income	167.5	145.8	139.7
Expenses			
Staff cost	(45.2)	(36.1)	(33.6)
General and administrative expenses	(20.0)	(17.1)	(18.8)
Depreciation and amortization	(9.2)	(7.9)	(4.3)
Total Expenses	(74.4)	(61.1)	(56.8)
Profit before provision for impairment	93.1	84.7	83.0
Provision for impairment	(59.0)	(18.7)	(23.8)
Profit before taxes	34.1	66.0	59.1
Taxes and board remuneration	(0.5)	(3.3)	(2.9)
Non-Controlling Interests	0.9	(0.0)	(0.1)
Net Profit for the year	34.4	62.6	56.1

Consolidated Statement of Financial Position

KD Million	31-Dec 2020	31-Dec 2019	31-Dec 2018
Assets			
Cash and balances with banks	286.7	232.4	83.8
Deposits with Central Bank of Kuwait	336.9	306.2	244.7
Deposits with other banks	180.1	330.0	237.1
Islamic financing to customers	4,823.3	3,826.1	3,262.3
Investments in Sukuks	523.0	318.4	309.3
Other investment securities	99.1	89.2	73.5
Investments in associates	4.1	33.1	28.9
Investment properties	47.1	46.6	24.0
Other assets	45.4	32.4	24.1
Property and Equipment	91.4	86.2	57.0
Total Assets	6,437.1	5,300.5	4,344.8
Liabilities			
Due to banks	281.4	236.5	97.2
Depositors' accounts	5,107.7	4,347.2	3,720.9
Medium Term Financing	305.5		
Other liabilities	115.8	63.7	40.7
Total liabilities	5,810.4	4,647.4	3,858.8
Equity			
Share capital	302.8	288.4	238.8
Share premium	156.9	156.9	62.9
Treasury shares	(0.1)	(0.1)	(0.6)
Statutory reserve	35.5	31.8	25.3
Voluntary reserve	30.5	30.5	24.2
Other Reserves	(22.0)	(8.4)	(5.0)
Accumulated retained earnings / (losses)	14.1	76.2	62.7
Equity attributable to equity holders of the bank	517.9	575.4	408.3
Perpetual Tier 1 Sukuk	75.4	75.4	75.4
Non-controlling interest	33.5	2.3	2.3
Total equity	626.7	653.2	486.0
Total liabilities and equity	6,437.1	5,300.5	4,344.8

Thank you

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