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الإشارة: 2023/3947

**Mr. Mohammad Saud Al-Osaimi**  
**CEO**  
**Boursa Kuwait**

السيد/ محمد سعود العصيمي المحترم  
الرئيس التنفيذي  
بورصة الكويت

Dear Sir,

**Minutes of the Analysts' Conference call**  
**for the financial year ended December 31st**  
**2022**

السلام عليكم ورحمة الله وبركاته وبعد ،،،  
محضر مؤتمر المحللين للسنة المالية المنتهية في  
31 ديسمبر 2022

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 2022 held via Live Webcast at 01:00pm (Local Time) on Thursday, February 02<sup>nd</sup> 2023, as per the requirements of the said article.

نرفق لكم نسخة من محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2022 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 2023/02/02؛ وذلك وفقا للمتطلبات الواردة في المادة المشار إليها أعلاه.

Best regards,

وتفضلوا بقبول فائق الاحترام ،،،

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

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نائب رئيس مجلس الإدارة  
والرئيس التنفيذي للمجموعة

نعمل بإتقان

## **FY 2022 Boubyan Bank K.S.C.P – Earnings Call**

Edited transcript of the Boubyan Bank earnings conference call that took place on Thursday, 2<sup>nd</sup> February 2023 at 13:00 Kuwait Time

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### **Corporate participants:**

Mr. Abdulsalam Al Saleh – Chief Executive Officer

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

Mr. Fawaz Tawfiqi – Investor Relations

Fawaz Tawfiqi: Good afternoon everyone, and thank you for joining us today. This is Fawaz Tawfiqi from Investor Relations. I am pleased to welcome you all to Boubyan Bank's earnings webcast covering the results for the 2022 year.

Joining me today is Mr. Abdulsalam 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 2 of the presentation pack.

Our format for today's call will include:

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

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

With that said, I would like to now hand you over to Mr. Abdulsalam Al Saleh to take you through a brief update on Boubyan's performance in 2022.

Abdulsalam Al Saleh: Thank you Fawaz.

Good afternoon ladies and gentlemen and thank you for joining us.

Before I give you an overview on the bank's financial performance and strategic initiatives, I will start by giving an update on the overall operating environment.

As you are aware, the 2022 year continued to be highly uncertain, with the ongoing Russia-Ukraine war, energy and climate crises in Europe, further pandemic-related supply chain disruptions in China, and the escalating cost of living pressures around the world amid multi-decade high inflation rates though showing a declining trend. All these factors combined have weakened demand and raised the risk of a global recession. Central banks are tightening monetary policies at an aggressive rate in order to bring inflation under control, but this has raised the risks of weaker economic growth. Global stocks and bonds fell nearly 20 percent and 14 percent respectively in 2022.

The recent Market data indicates that inflation is starting to ease around the globe, which increases the probability that the Fed would slow the pace of its monetary tightening in 2023. The market expects two 25 basis points increases during the first quarter of 2023 one of which already happened yesterday.

The outlook has generally been positive for the GCC economies during 2022. The overall fiscal balances have improved and the economies had benefitted from the overall higher oil prices and rising oil production. It appears that the geopolitical tensions in Europe had limited negative impacts on the regional economies. Also, the rising demand for non-Russian oil has expanded the role of the GCC producers in global energy flows.

The Kuwait economy witnessed a good growth in GDP following stronger activity in the oil sector against a backdrop of higher oil prices.

The banking sector rebounded from the challenging operating environment arising out of the pandemic. This was witnessed through the growth in domestic credit, which exceeded year-on-year growth of 8%.

On the monetary policy, as you are all aware, the Central Bank of Kuwait gradually increased the discount rate to 3.5 per cent by end of 2022 and further to 4 per cent during January 2023.

Despite the current challenging market conditions, our growth

momentum continued across all business lines.

Our net profit for the year grew by 19% to reach KD 58 million with an earnings per share of 14 fils. This was achieved after allocating KD 44 million in provisions, and continuing our prudent approach of increasing our contingent provisions and thereby strengthening the Bank's financial position. Furthermore, the bank has recommended 6% in cash dividends and 6% bonus shares subject of course to the resolution of shareholders at the upcoming annual general meeting.

Our operating income grew 7% to just over KD 200 million driven by volume growth and profitability from the Bank's core business. We have strengthened our financial position with total assets growing at 7% year-on-year to reach KD 8 billion and total financing portfolio also growing at 7% to KD 6 billion. Our customer deposits grew by 6% to reach KD 6 billion. Our market share of financings also increase to 11.3%. We are maintaining the Non-performing loans at a very low level of 1.0%.

Furthermore our Ratings from Moody's, S&P and Fitch remain at A2, A and A respectively. The most recent update was in November 2022, where S&P upgraded the Bank's long term rating from A- to A (One of the highest credit rating in Kuwait).

Moving on now to discuss our strategy.

In light of the recent challenges, Boubyan maintained its offensive strategy. We ensured that our operating model was flexible enough to adapt to the ever changing environment and did not compromise on asset quality. This has been proven in the Bank's low non-performing loans ratio realized through maintaining a quality portfolio and prudent provisioning policy as well.

With that said, the Bank remains committed in implementing its third five-year strategy "Boubyan 2023" which builds on the Group's robust domestic foundations and strengthening our international presence.

In the local market, we continue our customer centric approach by focusing on both corporate and retail banking services along with accelerating our digital banking value proposition. In terms of Retail Banking, clear focus on high net worth and affluent clients, maintaining a leadership position in customer experience and innovation continue to be our focus areas. We've continued to grow our branch network in Kuwait with the launch of two new branches along with further new branches in progress, following the launch of four new branches the year before. This comes as part of the Banks expansion plans to remain close to our customers and continue meeting their needs, especially in

areas witnessing significant population growth.

On the Corporate Banking side, we continue to cater to the funding requirements of large and mid-market corporates, upheld superior service in terms of speed and quality, and provided product and channel innovation.

The past two years have seen major milestones in our international strategy with the launch of our UK based Digital Bank, Nomo Bank in 2021, following the successful acquisition of our subsidiary BLME in 2020. During 2022, we continued investing in our international business and am pleased to say that we have made significant progress with regards to both the Nomo and wealth management propositions. Nomo customer base continued to grow and achieved our aspiration for 2022. Year 2022 saw also the launch of new products in Nomo such as mortgage and digital wealth that will cater to the banking needs of GCC and Middle East clients in the UK. We leveraged Boubyan's digital capabilities in complementing our aspiration for Nomo in such a short period of time.

Our excellence in delivering the best customer service and digital products continues to be affirmed, with the Bank recently being the recipient of multiple prestigious awards including being named Best Islamic Bank in Kuwait by Global Finance for the seventh consecutive year, Best Islamic Bank in customer service for the twelfth consecutive year by Service Hero, World's Best Islamic SME Bank by Global Finance, as well as being named the Best Bank for SMEs in Kuwait by Euromoney International.

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

Mohamed Ibrahim: Thank you Mr. Abdulsalam and good afternoon everyone. It is my pleasure to take you through our financial results for 2022.

As you can see on the top left of the slide, the bank reported a net profit of KD 57.8 million, a growth of 19%, with an earnings per share of 14 fils.

Operating profit didn't reflect the growth in business during 2022 and was flat at KD 100.6 million. This was mainly due to the pressure on our net profit margin and market performance, which I will explain shortly.

The bank's RoAE and RoAA was more or less consistent with 2021 at

around 7.6% and 0.8% respectively.

Now moving on to the operating income components, we can see that Operating income increased by 7% to reach around KD 201.4 million.

This was mainly driven by the Bank's net financing income, which grew by 6% reaching KD 167 million. This growth was a result of a 9% increase in the Bank's average profit earning assets, which partially offset by a compression in the net profit margin. Our Q4 margins were lower than the previous quarters of 2022 and reached 2.2% due to the non-parallel increases in discount and benchmark rates during the last two quarters of 2022.

Fees and commissions income also grew by 26% year on year reaching KD 21 million reflecting the growth in business activities across retail, corporate and wealth management segments.

Investment income was lower than 2021 by KD 2 million reflecting the decline in the global stock and fixed income market during the year.

Now, we will move to slide 9 and discuss operating expenses. Operating expenses, on a consolidated level, grew by 16% compared to 2021. This has resulted in an increase in the cost to income ratio to 50.1% at a consolidated level with cost to average assets was almost maintained at 1.3%.

The increase in operating expenses was a result of high inflation, resumption of some costs muted in early 2021 along with continued scaling of our local and international business and the opening of new branches.

We will now move onto provisions on slide 10, we can see that the total impairment provision was KD 43.6 million. The majority of the KD 29.5 million general provision for the financing portfolio was precautionary to continue bolstering the bank's ability to manage any unforeseen circumstances. These provisions also include impairment loss on other assets of KD 8 million.

The bank's loss ratio and provisions as a percentage of operating profit declined to 0.6% and 43.4% respectively which is lower than the same period last year of 0.7% and 50.5%.

I would like to highlight that IFRS 9 provision was lower than the provision as per CBK by over KD 125 million and accordingly we have reported the CBK provision in our financials being higher of the two.

Now moving on to slide 12 regarding our Balance sheet.

Overall, our total assets grew by 7% compared to 2021. This increase was mainly driven by the strong organic growth in the Bank's financing portfolio partially offset by the decline in GBP prices by almost 9% related to our consolidated subsidiary BLME. The growth in assets without taking into consideration the fluctuation in GBP prices was around 8%.

In general, the composition of total assets has been broadly consistent with 2021, with the financing portfolio represents 75% of total assets. Liquid assets to total assets ratio was maintained at a comfortable level of around 19%.

Customer deposits grew 6% year on year. It is worth mentioning that the bank had raised additional USD 500 Million medium term funding through its Sukuk program during the first half of 2022 to stabilize and diversify the funding sources.

The bank has maintained its domestic loan to deposit ratio at a comfortable level of approximately 87.1%

We now move on to slide 13 to discuss the performance of our financing portfolio. Our net financing portfolio grew by KD 401 million year on year or 7%. The growth in financing portfolio without taking into consideration the fluctuation in GBP prices was around 8%. The growth was sourced from both retail and corporate segments.

The composition of our financing portfolio is balanced between corporate and retail segment of 59% and 41% respectively.

Non-performing loans remains stable at 1.0% with a coverage ratio of 315%.

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

Our capital adequacy increased to 19.4% from 16.4% in 2021 against a minimum requirement of 14% (including D-SIB of 1%). This was mainly due to the successful rights issuance program which was concluded back in Q2 2022. This has enhanced our CET1 and our Capital Adequacy Ratio by KD 200 Million or approximately 3%. This rights issuance was intended to support the banks future growth over the medium term.



Classification: Public

Risk Weighted Assets reported a year-on-year growth of 9% to reach KD 5.1 billion, which was driven by asset growth as discussed earlier.

As you can see, the majority of our regulatory capital is in Common Equity Tier 1, which increased to 78% following the rights issue. This is followed by additional Tier1 at 16%.

And finally, the leverage ratio reached 11.4% which is broadly in line with the market and well above the regulatory minimum.

Before I hand over for the Q&A session, I would like to make some remarks on our guidance going forward into the Year 2023.

With regard to loan growth, we expect to achieve high single digit growth at a group level driven by a balanced growth between corporate and retail financing.

With regards to margins – we expect a recovery from the Q4 level of 2.2% to 2.4% on average for 2023 assuming parallel shifts in discount and benchmark rates during 2023.

Our cost-to-income is expected to have a declining trend to average 48% for 2023.

Cost of risk is also expected to have a declining trend from the 2022 level of 0.6%.

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

Fawaz Tawfiqi	<p>Thank you Mr. Mohamed.</p> <p>We will now start our Q&amp;A session. Ladies and gentlemen, if you wish to participate in our Q&amp;A, please type your question using the question box on screen. Then click the submit button. Thank you for holding.</p>
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Classification: Public

Fawaz Tawfiqi	Our first question asks to confirm the extent to which rate hikes have been passed on to customers and the potential for further pass-throughs in 2023?
Mohamed Ibrahim	Actually, we had a 50 basis points increase in the discount rate in December and another 50 basis points increase in January which partially reduced the gap between the discount and the benchmark rates. Usually, corporate customers reprice within 3-6 months, and for deposits, it's usually within the first 3 months. So I can say that the latest two hikes will be reflected in 2023 numbers and this was already included in my NPM guidance of 2.4%.
Fawaz Tawfiqi	Next question: How many interest rate hikes by CBK do you include in your NIM guidance?
Mohamed Ibrahim	Like what I mentioned, we included the latest two hikes which happened in December of 50 basis points and in January another 50 basis points. Going forward, we are not sure about how the Central Bank will react to any further increases by the Fed, so our guidance now does not include further hikes during 2023 except for the one that happened in January. However, just for sensitivity, any parallel shift of 25 basis points will increase our NPM by 1.5 basis points or KD 900 thousand to KD 1 million.
Fawaz Tawfiqi	Next questions: what are your expectations for Cost to Income ratio in 2023 and what drove the increase in 2022?
Mohamed Ibrahim	I think I Covered this but let me repeat it again, for cost to income ratio we expect a declining trend for 2023 to average throughout the period at around 48%. 2022 was an exceptional year for cost to income ratio. The increase was related to some drivers, one related to inflation another one related to our investment for international expansion and digital proposition including cost of expansion of our branch network and resumption of activities compared to 2021. Part of our 2021 marketing activities were restricted and this has been resumed during 2022.
Fawaz Tawfiqi	Next question: do you have plans to enter USD bond markets with ESG tagged issuance some point this year?
Mohamed Ibrahim	Our plan for any securities issuance will be disclosed in due course.
Fawaz Tawfiqi	Next question: could you throw some color on the drivers of NIM trend in Q4? Why is NIM under pressure? What are the drivers of the 20bps expansion you are expecting for 2023?
Mohamed Ibrahim	As I mentioned, during 2022 the central bank increased the discount rate at a much lower pace compared to the increase in benchmark rates, which is used for the pricing of our deposits. The gap reached its peak during the end of Q3 and the beginning of Q4 at 150 Basis points. With the latest CBK increase in discount rate, this gap was reduced a little bit. Maybe now it reached 50 Basis points. For Q4 most of the impact related to this non parallel shift which increased our cost of funds without a corresponding increase in the asset return there by impacting the NIM

	in Q4 which reached 2.2%. We expect 2023 to have better performance in terms of Profit margin. I mentioned about our expectation or guidance to average the year at 2.4% is mainly driven by the latest two hike where the central bank reduced the gap between the asset pricing or discount rate and the bench-mark rate for deposit pricing.
Fawaz Tawfiqi	Next question: on loan growth, does the recent political tension (resignation of the Cabinet last week) pose a risk for awards and implementation of projects?
Abdulsalam Al Saleh	While it is always preferable to have a stability and harmony in the relationship between the cabinet and the parliament, however I think this is a temporary issue that we hope to be resolved very soon. It is unlikely that it will represent a major threat to what is planned in terms of project award and capital expenditure that the government has announced recently.
Fawaz Tawfiqi	Next question: could you also share some updates on outlook for asset quality? What is the stage 2 exposure and do you expect pressures from any particular sector?
Mohamed Ibrahim	As we mentioned before, we have a very strict underwriting policy, which resulted into having one of the lowest NPL ratio in the industry currently at 1%. We usually run stress tests for our customers to confirm their ability to pay loans under different interest rate environments and as per these stress tests, we do not see any concerns regarding the asset quality going forward and we do not see any reason to see any fluctuation to the 1% level that we currently have. Regarding the stage two exposure, currently it is lower than 5% and we don't expect any fluctuation in stage two or any particular sector that could impact percentage of stage 2 to total loan portfolio.
Fawaz Tawfiqi	Next question: in terms of international expansion, which geographies and segments are you looking at?
Mohamed Ibrahim	I think this was covered by Mr. AbdulSalam Al Saleh. As per our current strategy, the expansion is in UK through BLME for Private banking and NOMO bank for affluent customers, which should serve the wider GCC banking requirements in the UK. We do not have any other plans other than to continue the transformation journey for BLME in the wealth management proposition and to continue our buildup and improvements of NOMO as per the strategic direction.
Fawaz Tawfiqi	Next question: why did you withdraw from the license application of a digital bank in Kuwait (in partnership with Zain)?
Abdulsalam Al Saleh	We maintain a very strong strategic relationship with Zain and this is expected to continue as is. Our participation in the application for the new license for a digital bank has been withdrawn based on discussions and agreement with the consortium. However, we will continue providing our support to the consortium in their application capitalizing on the Bank's experience in the digital banking services.
Fawaz Tawfiqi	Next question: do you think that cost of risk can fall this year compared to 2022?

Mohamed Ibrahim	Yes, we expect the cost of risk to see a declining trend throughout 2023. I cannot give more precise guidance; however all I can say it should follow the same declining trend that we had for the previous year.
Fawaz Tawfiqi	Last question: do you expect the strong growth rates in consumer loans last year to cool down in 2023?
Mohamed Ibrahim	The answer is yes, we might not see the same 9% that we noticed during 2022. It might be marginally less driven mainly by high interest rate environment.
Fawaz Tawfiqi	<p>Ladies and gentlemen, we'd like to thank you all for your attendance today and remind you that should you wish to ask any follow up questions you may do so through the investor relations email address listed on our website.</p> <p>A reminder that the presentation slides and transcripts of this call will be published on both the Boubayan and the Kuwait Boursa Websites within the coming days.</p> <p>Thank you.</p>

# Boubyan Bank Investor Presentation

**FY 2022 Results**

February 2023

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## **1** Boubyan's Performance & Strategy – At a glance

**2** Income statement analysis

**3** Balance sheet analysis

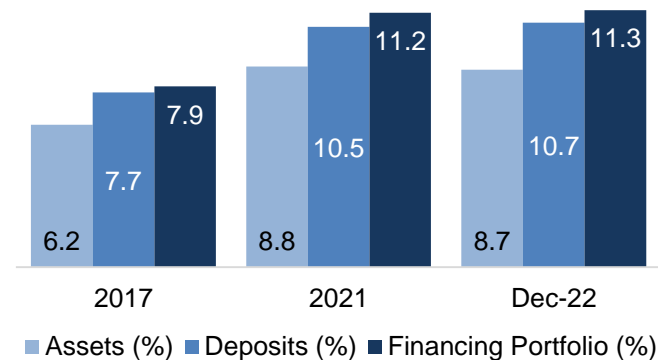
**4** Capitalisation and Leverage

# Financial Highlights

## Financial snapshot

KD million	2022	2021	Growth %
Net Profit to shareholders	57.8	48.5	19%
Operating Income	201.4	187.8	7%
Operating Profit	100.6	100.5	-
Total Assets	7,881	7,352	7%
Financing Portfolio	5,914	5,513	7%
Customer Deposits	5,962	5,619	6%
Earnings per share (Fils)	14.2	12.4	15%

## Market share (%)



## Key Financial Metrics

	2022	2021	Variance
Return on Average Equity (%)	7.6	7.8	-
Return on Average Assets (%)	0.8	0.7	-
Cost to Income (%)	50.1	46.5	3.6
NPL Ratio (%)	1.0	0.9	-
Capital Adequacy Ratio (%)	19.4	16.4	3.0

## Credit Ratings

Rating Agency	Long Term Rating	Outlook	Date
Moody's	A2	Stable	Apr 2022
STANDARD & POOR'S	A	Stable	Nov 2022
FitchRatings	A	Stable	Oct 2022



# 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

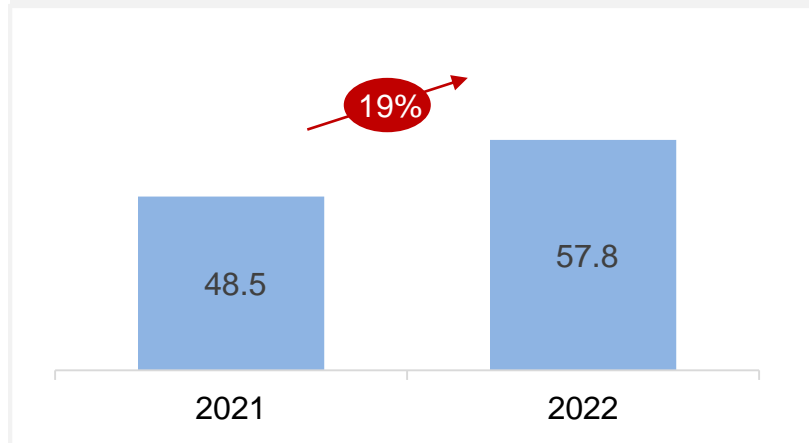
### Private Banking / Wealth Management

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

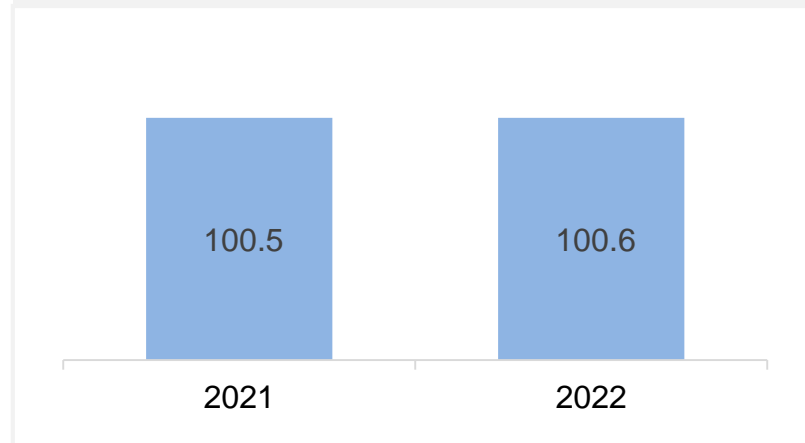
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis**
- 3 Balance sheet analysis
- 4 Capitalisation and Leverage

## Profitability and performance ratio

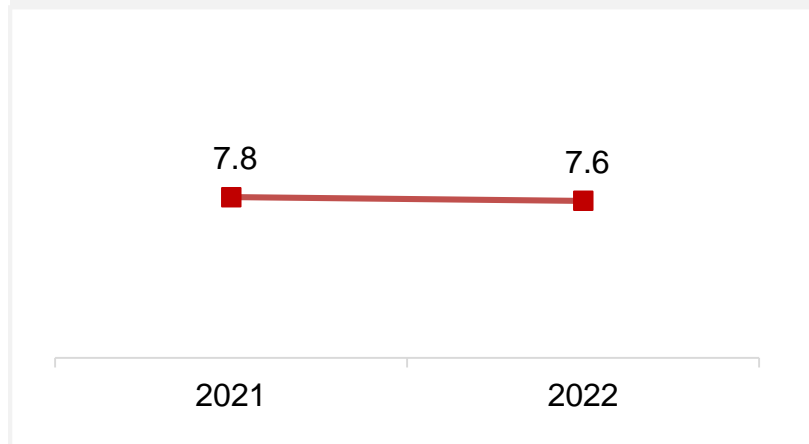
### Net profit (KD Million)



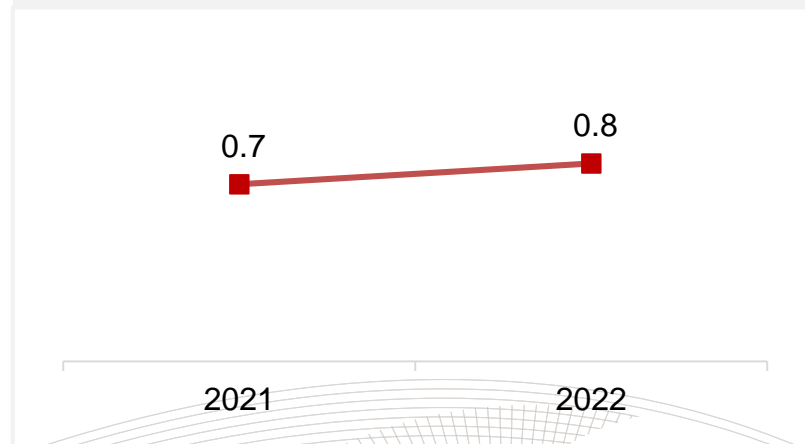
### Operating profit (KD Million)



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



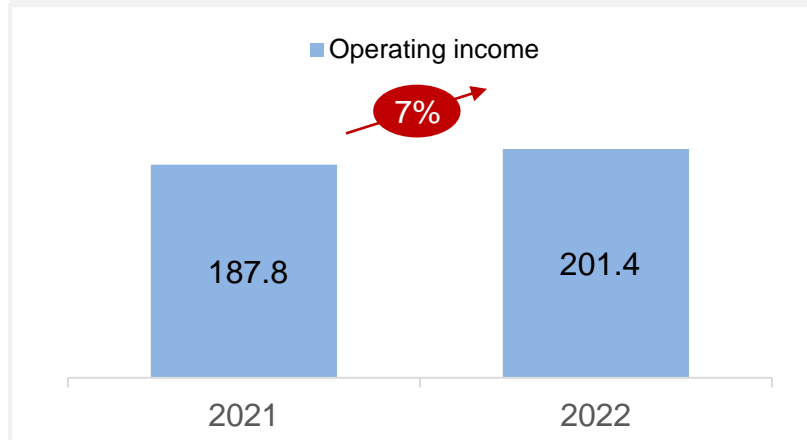
### Return on Average Assets (%)



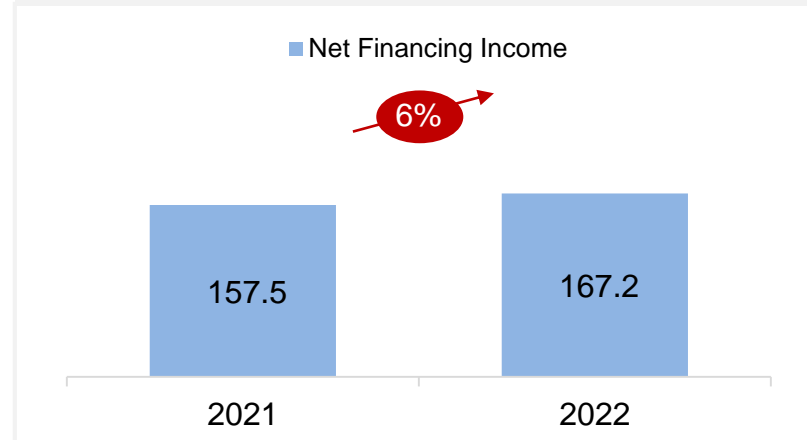
\* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.  
Source: Financial statements, Boubyan analysis

## Operating income components and Net Profit Margins

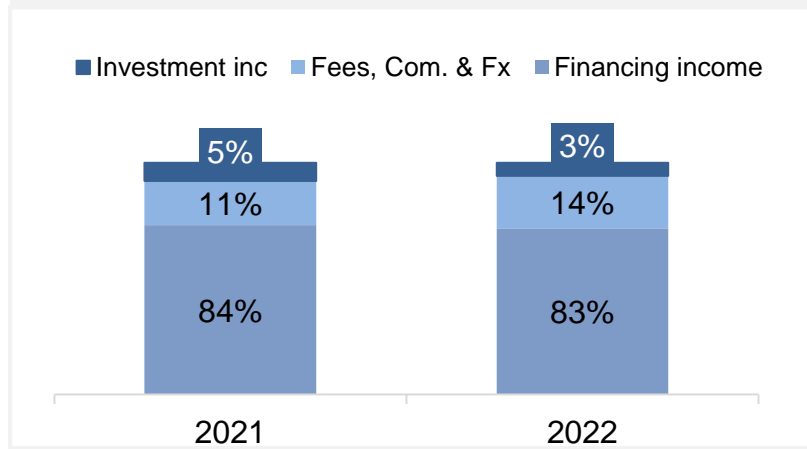
### Operating Income (KD Million)



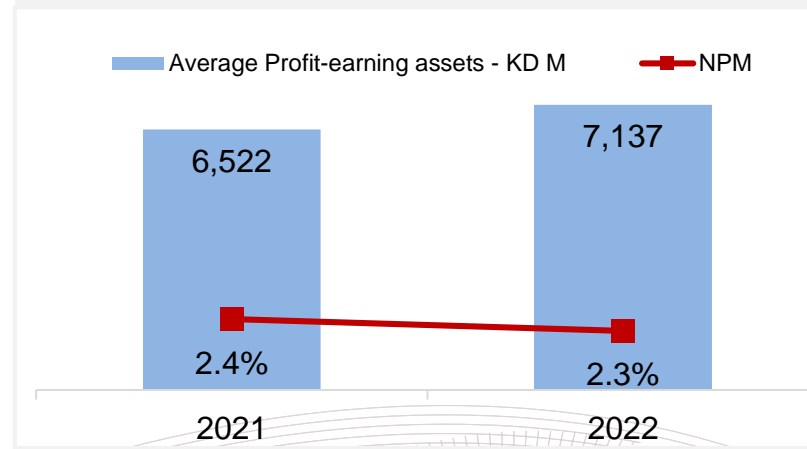
### Net Financing Income



### Composition on operating income

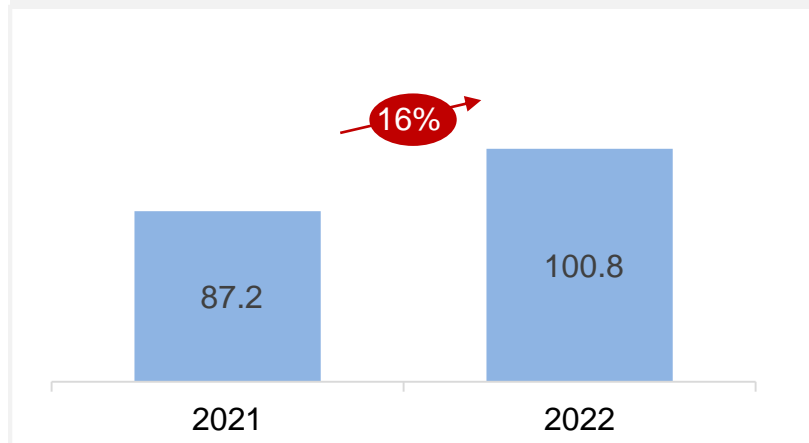


### Net Profit Margin %

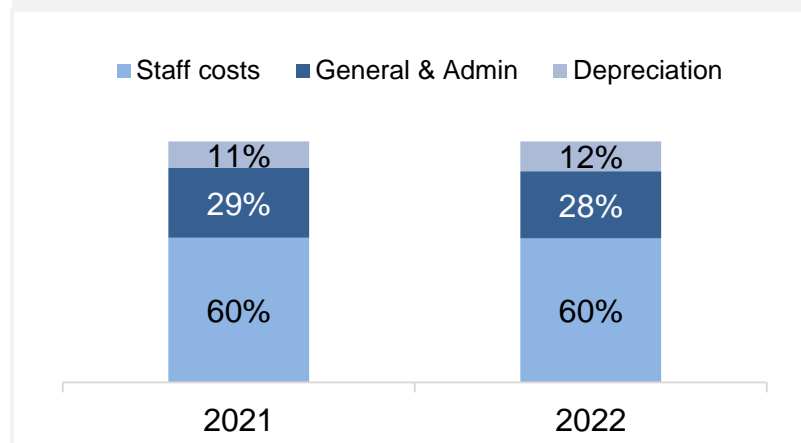


## Operating costs and efficiency

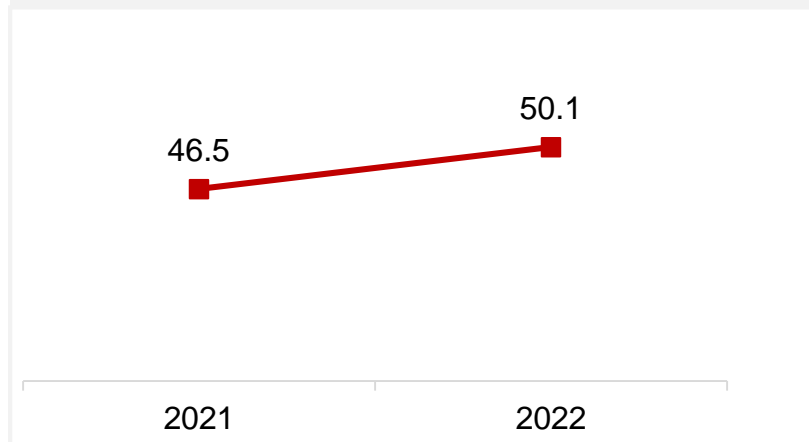
### Operating costs (KD Million)



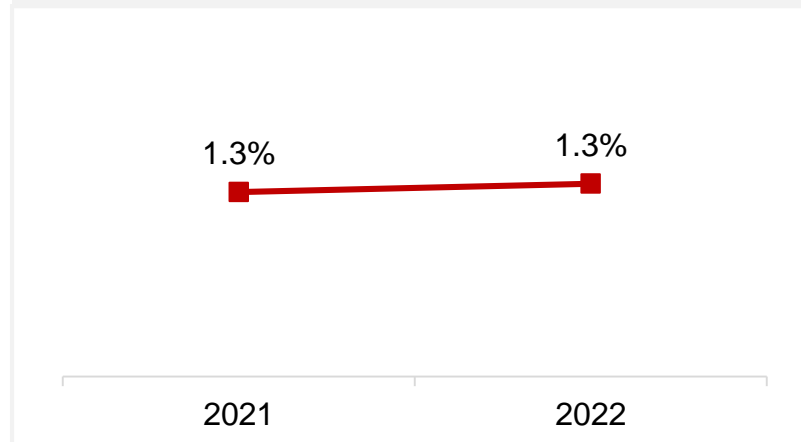
### Composition of Operating costs



### Operating efficiency (%)

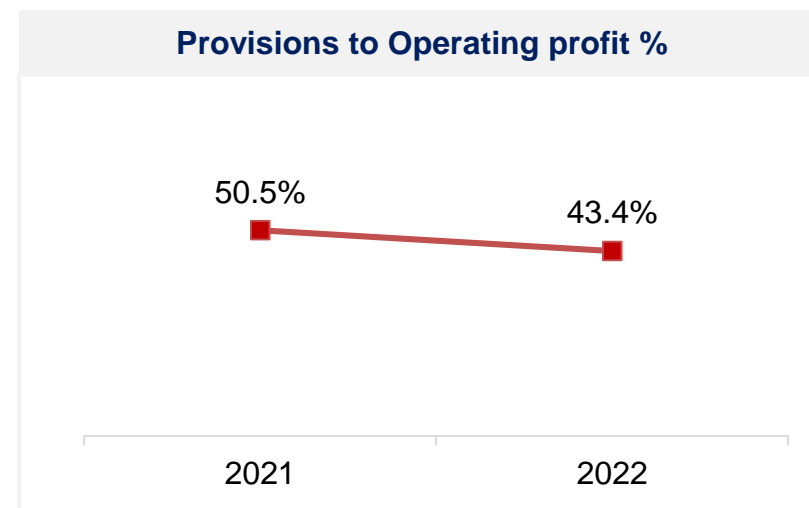
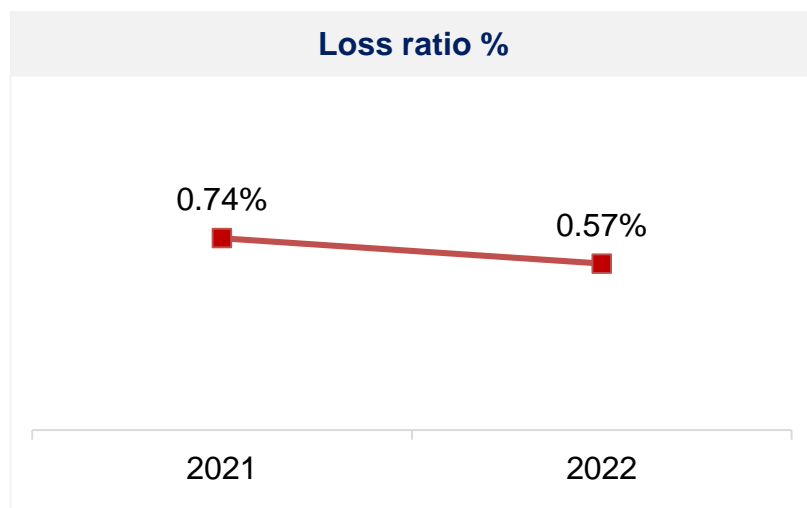
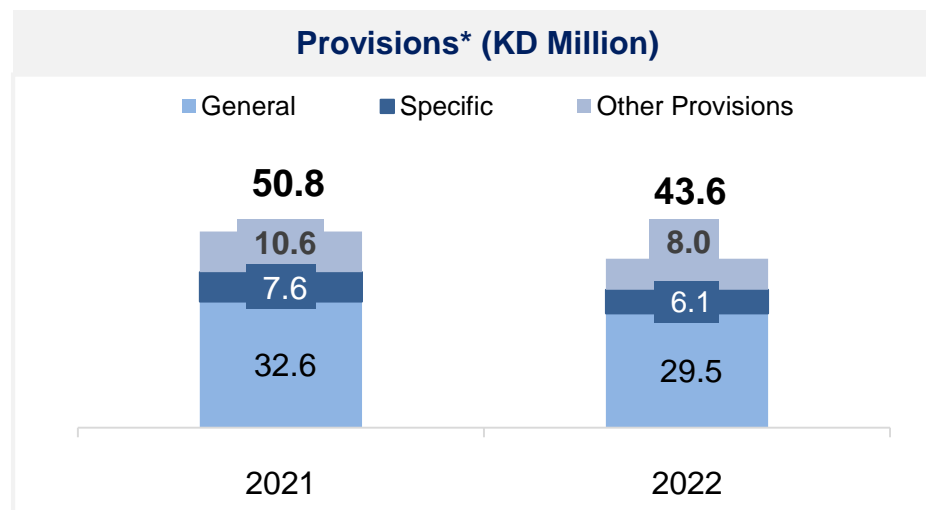


### Operating costs to average assets (%)



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## Provisions and related ratios

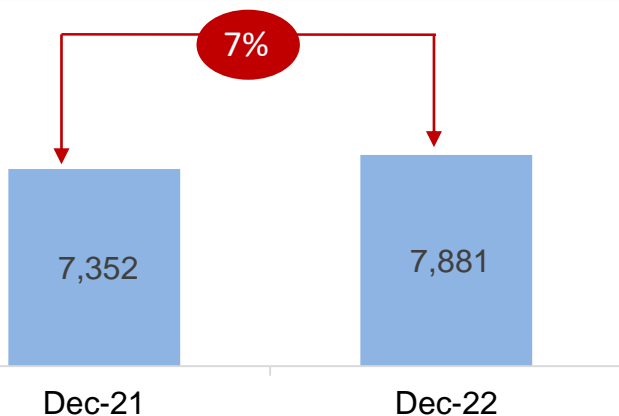


\* General Provisions are shown inclusive of contingent provisions  
 Source: Financial statements, Boubyan analysis

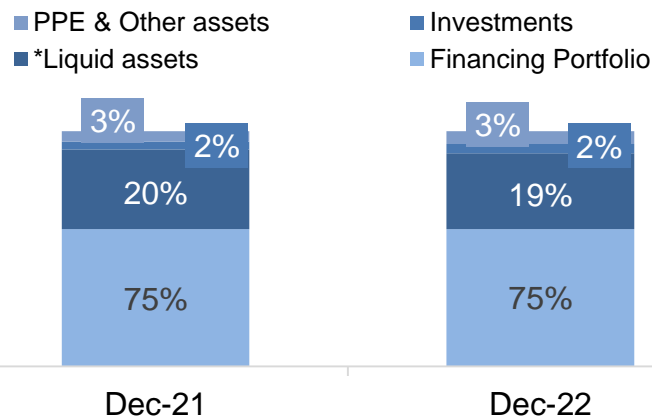
- 1 Boubyan's Performance & Strategy – At a glance
- 2 Income statement analysis
- 3 Balance sheet analysis**
- 4 Capitalisation and Leverage

# Assets and Sources of Funding

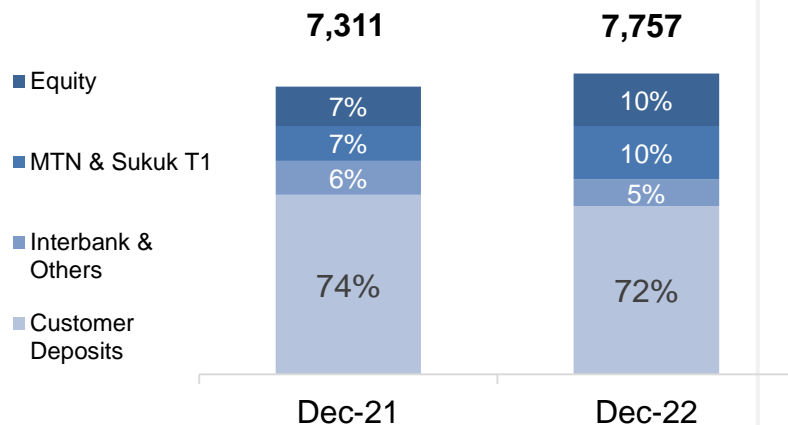
### Total Assets (KD Million)



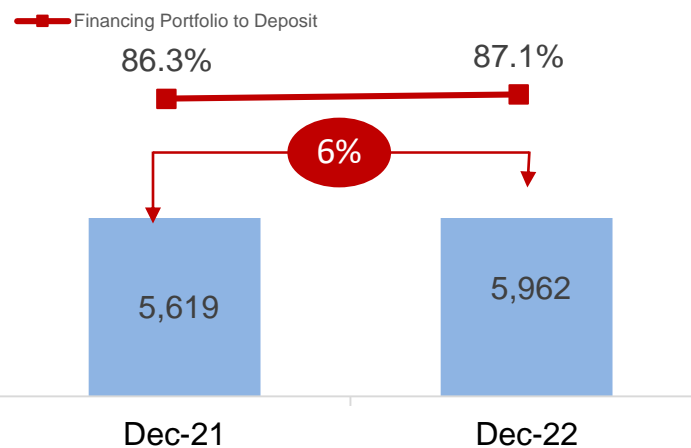
### Composition of assets



### 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

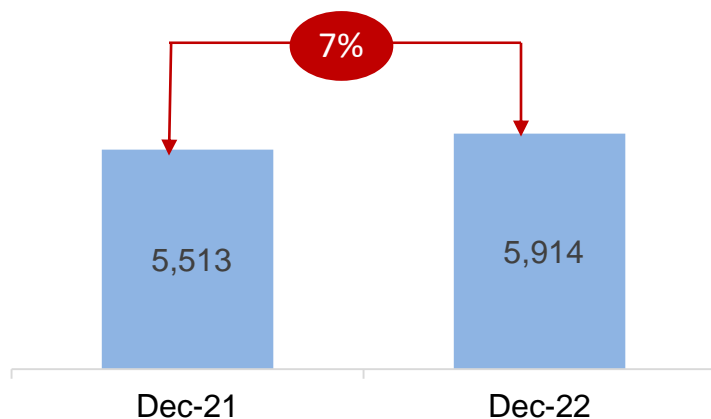
Source: Financial statements, Boubyan analysis

نعمل باتقان

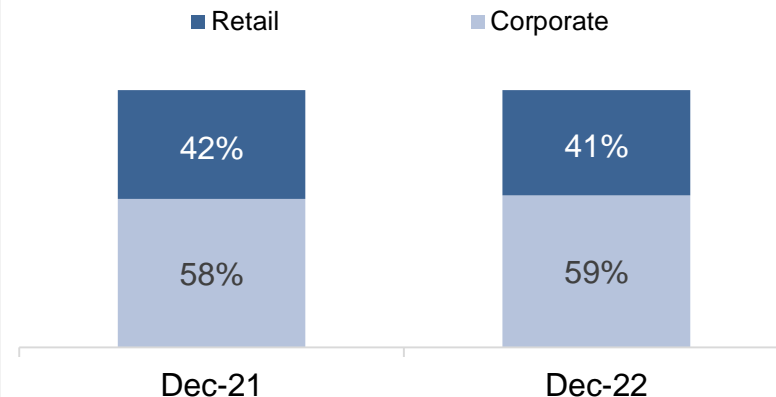


# Financing Portfolio and asset quality

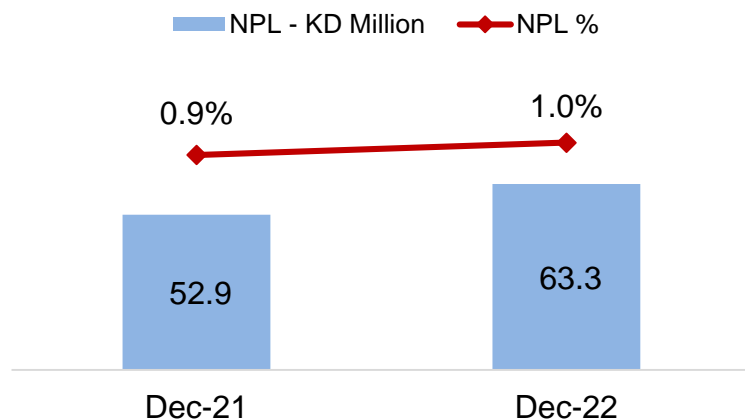
## Financing Portfolio – KD Million



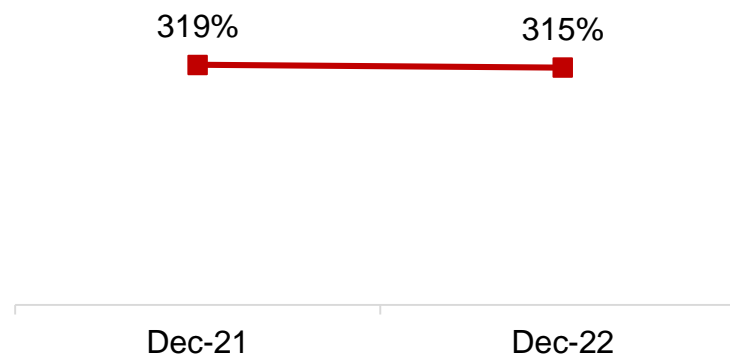
## Composition of Financing Portfolio



## Non performing Financing Portfolio



## Loss Coverage ratio

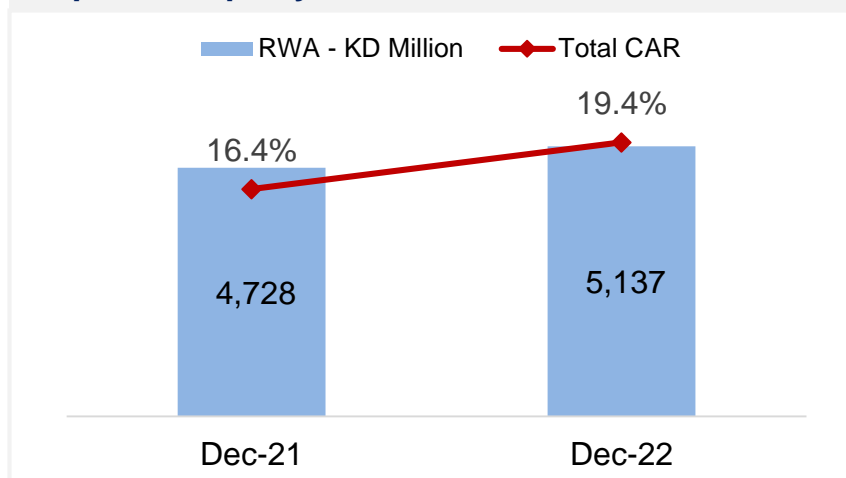


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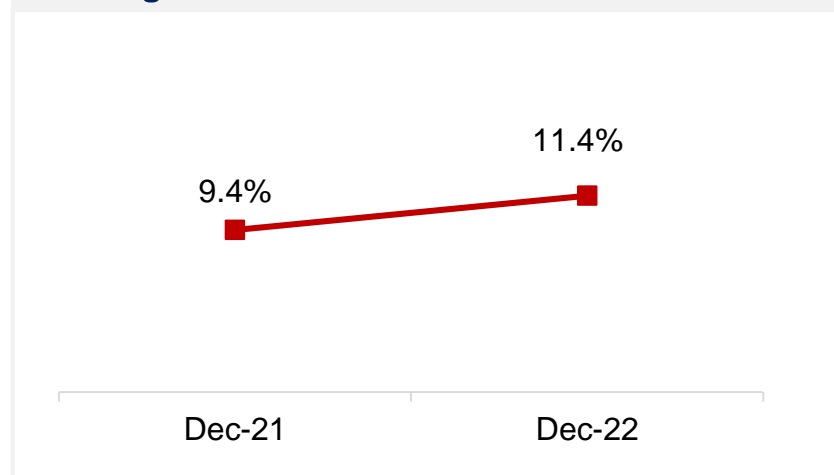
- 1** Boubyan's Performance & Strategy – At a glance
- 2** Income statement analysis
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# Capital Adequacy

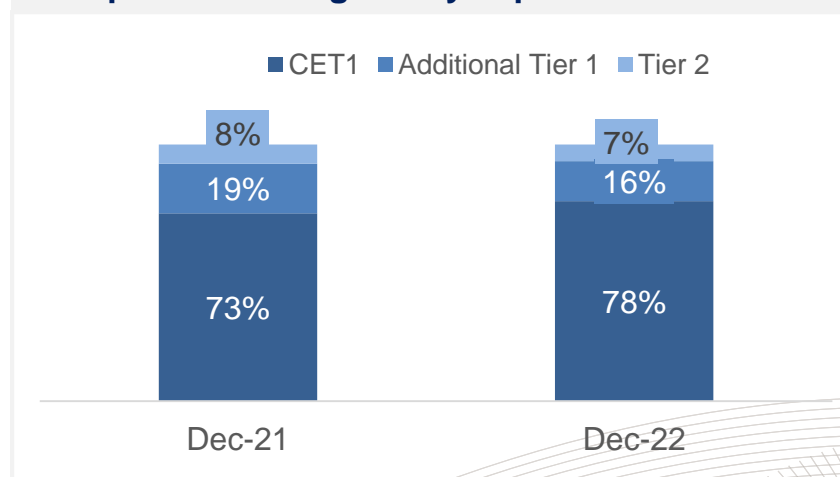
## Capital adequacy ratio



## Leverage ratio



## Composition of regulatory capital



# Questions?

# Appendix

# Consolidated Financial Statements – FY 2022

CONSOLIDATED STATEMENT OF INCOME	31-Dec	31-Dec
KD Million	2022	2021
<b>Income</b>		
Islamic financing income	283.7	223.2
Financing cost	(116.5)	(65.7)
<b>Net finance income</b>	<b>167.2</b>	<b>157.5</b>
Net investment income	6.8	8.8
Net fees and commission income	21.1	16.8
Net foreign exchange gain	6.2	4.7
<b>Operating Income</b>	<b>201.4</b>	<b>187.8</b>
<b>Expenses</b>		
Staff cost	(60.3)	(52.4)
General and administrative expenses	(28.2)	(25.2)
Depreciation	(12.4)	(9.6)
<b>Total Expenses</b>	<b>(100.8)</b>	<b>(87.2)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>100.5</b>
Provision for impairment	(43.6)	(50.8)
<b>Profit before taxes</b>	<b>57.0</b>	<b>49.8</b>
Taxes and board remuneration	(2.7)	(1.8)
Non-Controlling Interests	3.5	0.5
<b>Net Profit for the year</b>	<b>57.8</b>	<b>48.5</b>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Dec	31-Dec
KD Million	2022	2021
<b>Assets</b>		
Cash and balances with banks	533	351
Deposits with Central Bank of Kuwait	248	226
Deposits with other banks	132	388
Islamic financing to customers	5,914	5,513
Investments in Sukuks	610	36
Other investment securities	155	620
Investment properties	34	22
Other assets	128	90
Property and Equipment	129	108
<b>Total Assets</b>	<b>7,881</b>	<b>7,352</b>
<b>Liabilities and Equity</b>		
<b>Liabilities</b>		
Due to banks	199	395
Depositors' accounts	5,962	5,619
Medium Term Financing	638	485
Other liabilities	103	103
<b>Total liabilities</b>	<b>6,901</b>	<b>6,602</b>
<b>Equity</b>		
Share capital	374	318
Share premium	317	157
Reserves	58	53
Retained earnings	50	36
<b>Equity attributable to equity holders of the bank</b>	<b>799</b>	<b>564</b>
Perpetual Tier 1 Sukuk	150	150
Non-controlling interest	31	36
<b>Total equity</b>	<b>980</b>	<b>750</b>
<b>Total liabilities and equity</b>	<b>7,881</b>	<b>7,352</b>

# Consolidated Income Statement

KD Million	31-Dec 2021	31-Dec 2020	31-Dec 2019
<b>Income</b>			
Murabaha and other Islamic financing income	223.2	223.1	207.6
Distribution to depositors and Murabaha Cost	(65.7)	(84.2)	(88.2)
<b>Net finance income</b>	<b>157.5</b>	<b>138.9</b>	<b>119.5</b>
Net investment income	8.8	6.8	6.2
Net fees and commissions income	16.8	12.3	16.4
Net foreign exchange gain	4.7	5.2	3.7
Other Income	0.0	4.3	0.0
<b>Operating Income</b>	<b>187.8</b>	<b>167.5</b>	<b>145.8</b>
<b>Expenses</b>			
Staff cost	(52.4)	(45.2)	(36.1)
General and administrative expenses	(25.2)	(20.0)	(17.1)
Depreciation and amortization	(9.6)	(9.2)	(7.9)
<b>Total Expenses</b>	<b>(87.2)</b>	<b>(74.4)</b>	<b>(61.1)</b>
<b>Profit before provision for impairment</b>	<b>100.6</b>	<b>93.1</b>	<b>84.7</b>
Provision for impairment	(50.8)	(59.0)	(18.7)
<b>Profit before taxes</b>	<b>49.8</b>	<b>34.1</b>	<b>66.0</b>
Taxes and board remuneration	(1.8)	(0.5)	(3.3)
Non-Controlling Interests	0.5	0.9	(0.0)
<b>Net Profit for the year</b>	<b>48.5</b>	<b>34.4</b>	<b>62.6</b>

# Consolidated Statement of Financial Position

KD Million	31-Dec 2021	31-Dec 2020	31-Dec 2019
<b>Assets</b>			
Cash and balances with banks	350.5	286.7	232.4
Deposits with Central Bank of Kuwait	225.9	336.9	306.2
Deposits with other banks	387.9	180.1	330.0
Islamic financing to customers	5,513.1	4,823.3	3,826.1
Investments in Sukuks	529.3	523.0	306.3
Other investment securities	122.7	99.1	101.2
Investment properties	21.7	47.1	46.6
Other assets	92.7	49.5	65.6
Property and Equipment	108.2	91.4	86.2
<b>Total Assets</b>	<b>7,351.9</b>	<b>6,437.1</b>	<b>5,300.5</b>
<b>Liabilities</b>			
Due to banks	395.1	281.4	236.5
Depositors' accounts	5,618.8	5,107.7	4,347.2
Medium Term Financing	485.4	305.5	
Other liabilities	102.5	115.8	63.7
<b>Total liabilities</b>	<b>6,601.8</b>	<b>5,810.4</b>	<b>4,647.4</b>
<b>Equity</b>			
Share capital	318.0	302.8	288.4
Share premium	156.9	156.9	156.9
Proposed bonus share	15.9	-	14.4
Treasury shares	(0.1)	(0.1)	(0.1)
Reserves	52.8	44.0	54.0
Accumulated retained earnings / (losses)	4.1	14.1	35.8
Proposed cash dividends	15.9	-	26.0
<b>Equity attributable to equity holders of the bank</b>	<b>563.5</b>	<b>517.9</b>	<b>575.4</b>
Perpetual Tier 1 Sukuk	150.4	75.4	75.4
Non-controlling interest	36.2	33.5	2.3
<b>Total equity</b>	<b>750.1</b>	<b>626.7</b>	<b>653.2</b>
<b>Total liabilities and equity</b>	<b>7,351.9</b>	<b>6,437.1</b>	<b>5,300.5</b>



# Thank you