

Kuwait: 05/02/2024
Ref: 5270/2024

الكويت: 2024/02/05
الإشارة: 2024/5270

Mr. Mohammad Saud Al-Osaimi
CEO
Boursa Kuwait
Dear Sir,

السيد/ محمد سعود العصيمي المحترم
الرئيس التنفيذي
بورصة الكويت
السلام عليكم ورحمة الله وبركاته وبعد ...

**PowerPoint Presentation of Analysts'
Conference Call for the Financial Year
Ended December 31st 2023**

**العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في
31 ديسمبر 2023**

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

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

We attach herewith a copy of the PowerPoint Presentation of Analysts' Conference Call for the financial year ended December 31st 2023 held via Live Webcast at 01:00 pm (Local Time) on Monday, February 05th 2024, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2023 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 01:00 (وفق التوقيت المحلي) من بعد ظهر يوم الاثنين الموافق 5 فبراير 2024 ؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ...

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



عادل عبد الوهاب الماجد
نائب رئيس مجلس الإدارة
والرئيس التنفيذي للمجموعة

Boubyan Bank Investor Presentation

FY 2023 Results

5th February 2024

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Outline

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

Financial Highlights

Financial Snapshot

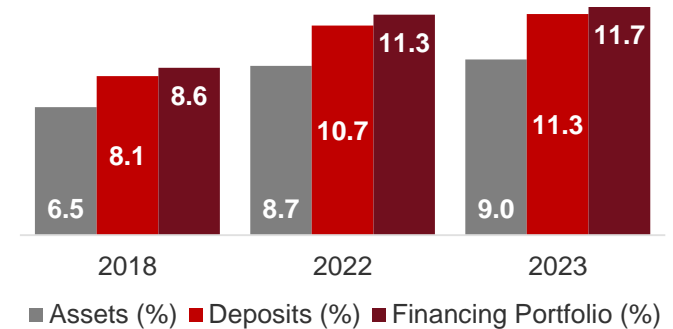
| KD million | 2023 | 2022 | Growth % |
|----------------------------|--------------|-------------|-----------------|
| Net Profit to shareholders | 80.4 | 57.8 | 39% |
| Operating Income | 218.0 | 201.4 | 8% |
| Operating Profit | 107.5 | 100.6 | 7% |
| Total Assets | 8,405 | 7,881 | 7% |
| Financing Portfolio | 6,321 | 5,914 | 7% |
| Customer Deposits | 6,479 | 5,962 | 9% |
| Earnings per share (Fils) | 18.79 | 13.40 | 40% |

Key Financial Metrics

| | 2023 | 2022 | Variance |
|------------------------------|-------------|-------------|-----------------|
| Return on Average Equity (%) | 9.0 | 7.6 | 1.4 |
| Return on Average Assets (%) | 1.0 | 0.8 | 0.2 |
| Cost to Income (%) | 50.7 | 50.1 | 0.7 |
| NPL Ratio (%) | 1.0 | 1.0 | 0.0 |
| Capital Adequacy Ratio (%) | 18.0 | 19.4 | (1.4) |

Source: Financial statements, Boubyan analysis

Market Share (%)



Credit Ratings

| Rating Agency | Long Term Rating | Outlook | Date |
|------------------------------|-------------------------|----------------|-------------|
| Moody's | A2 | Stable | May 2023 |
| STANDARD & POOR'S | A | Stable | Dec 2023 |
| FitchRatings | A (xgs: BBB) | Stable | Jan 2024 |

The Bank's Strategy Builds on Robust Domestic Foundations

Strategic Objectives

Scale up the core business both domestically and internationally

Retail Banking

- Clear focus on high net worth and affluent clients
- Expand branch footprint
- Maintain leadership in customer experience
- Product and channel innovation
- Grow market share

Corporate Banking

- Primary banker for large and mid-market customers
- Maintain fair share with super large corporate
- Superior service (speed & quality)
- Product and channel innovation

Private Banking / Wealth Management

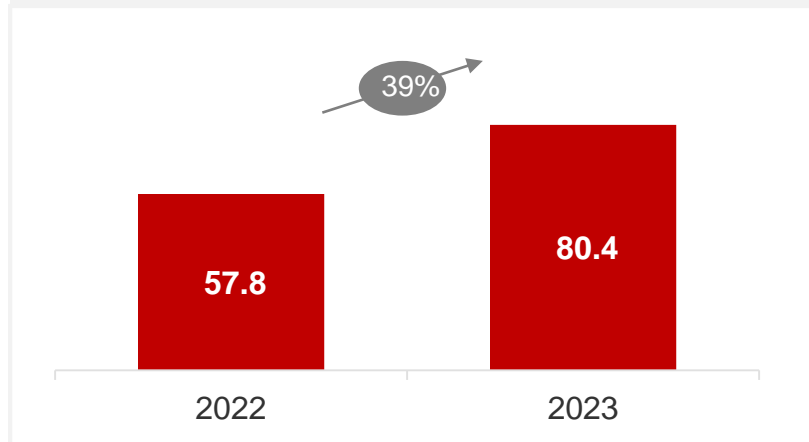
- Scale the PB/WM management operating model
- Expand product offerings in conjunction with Boubyan Capital, BLME, and NOMO bank
- Grow market share

Outline

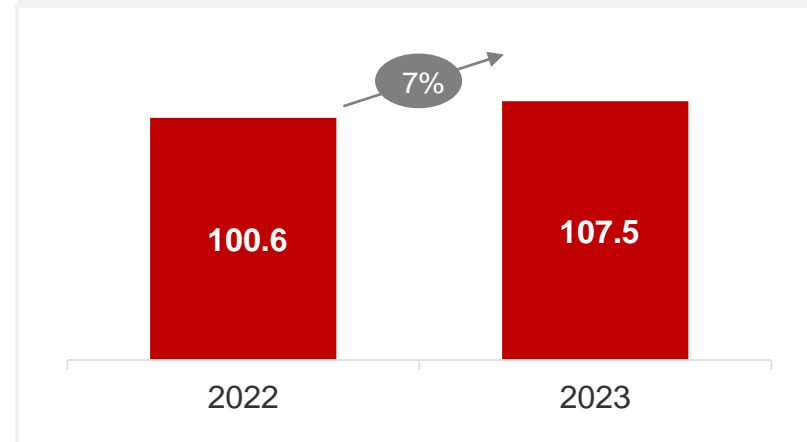
- 1 Boubyan's Performance & Strategy – At a Glance
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Profitability & Performance Ratio

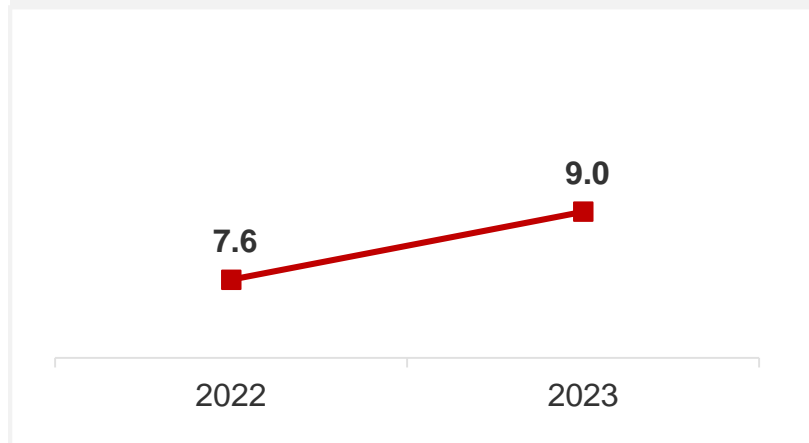
Net Profit (KD Million)



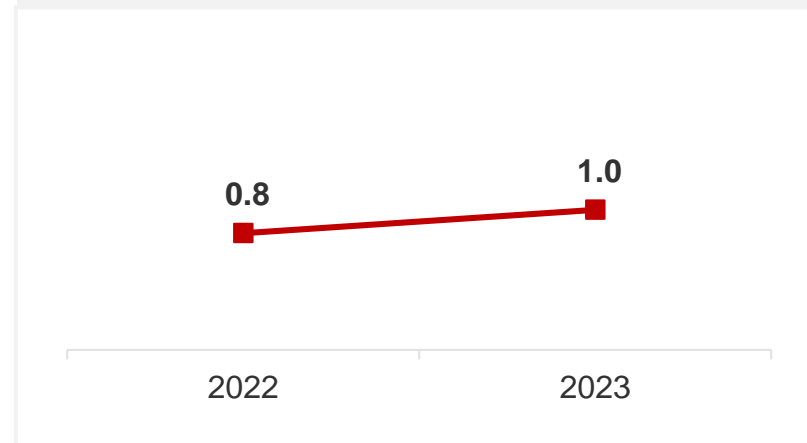
Operating Profit (KD Million)



* Return on Average Equity (%)



Return on Average Assets (%)



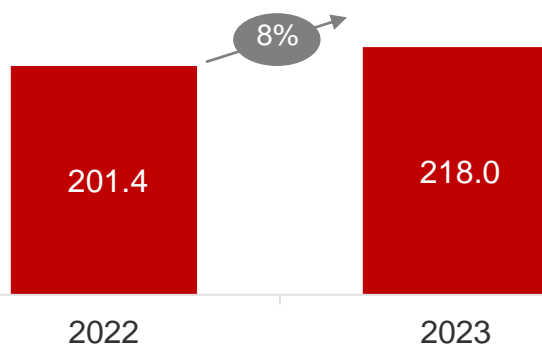
* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.

Source: Financial statements, Boubyan analysis

Operating income components and Net Profit Margins

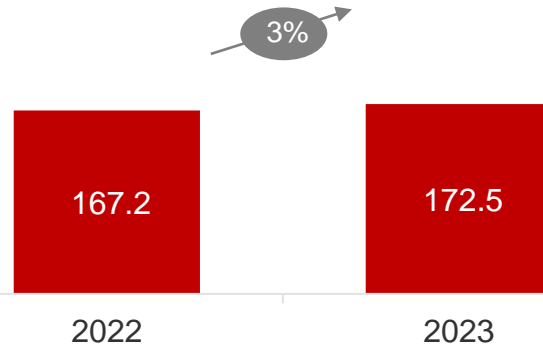
Operating Income (KD Million)

■ Operating income



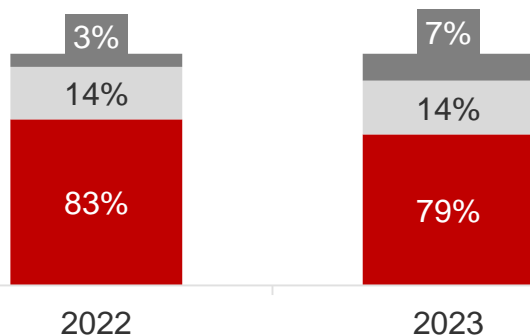
Net Financing Income (KD Million)

■ Net Financing Income



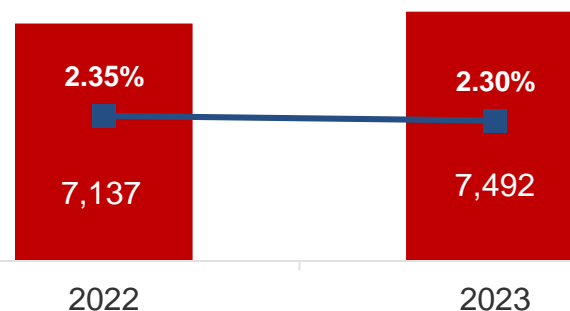
Composition of Operating Income (%)

■ Investment inc ■ Fees, Com. & Fx ■ Financing income



Net Profit Margin %

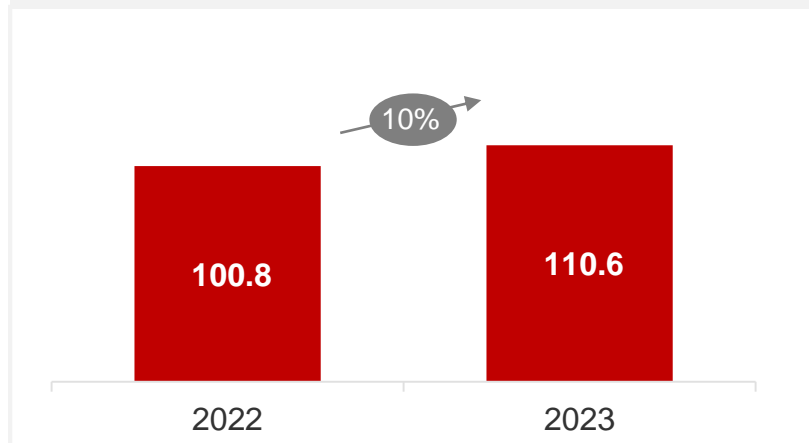
■ Average Profit-earning assets - KD M ■ NPM



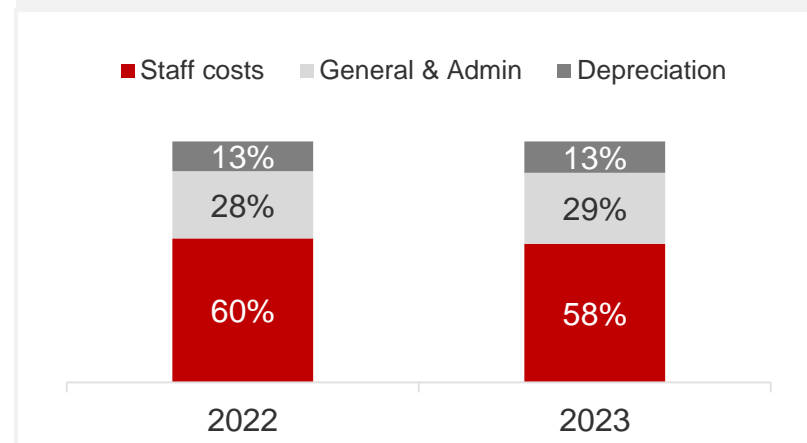
Source: Financial statements, Boubyan analysis

Operating Costs & Efficiency

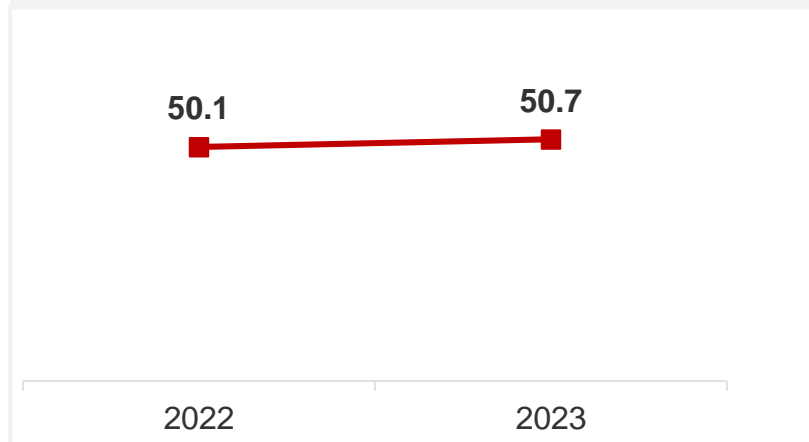
Operating Costs (KD Million)



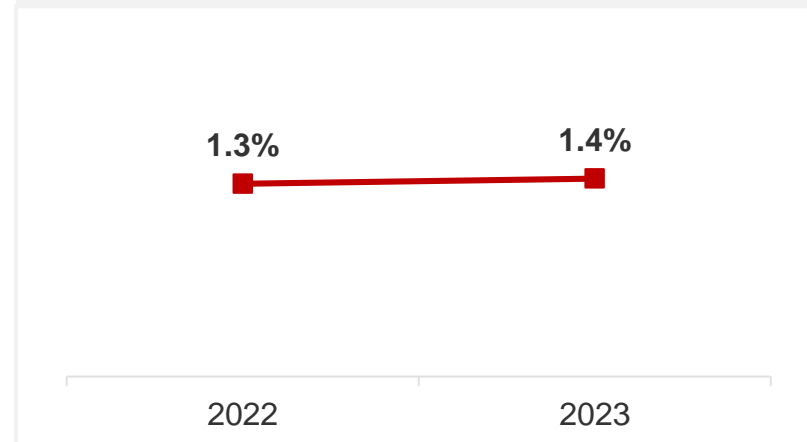
Composition of Operating Costs (%)



Cost-to-Income (%)

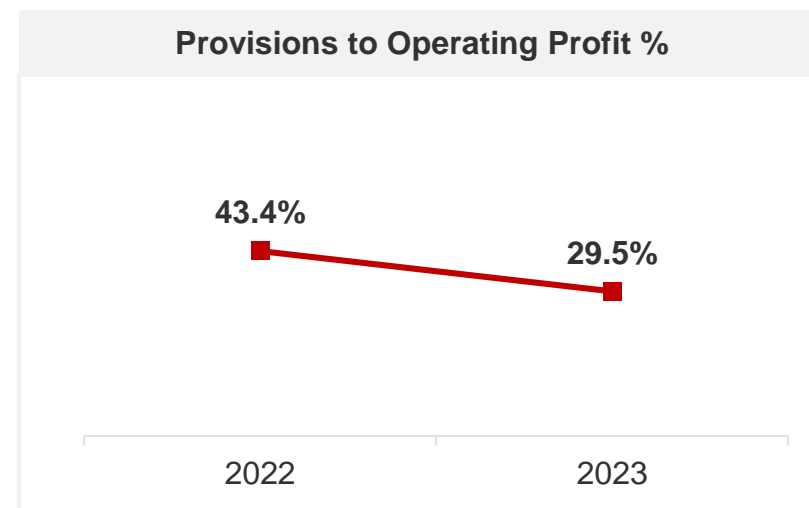
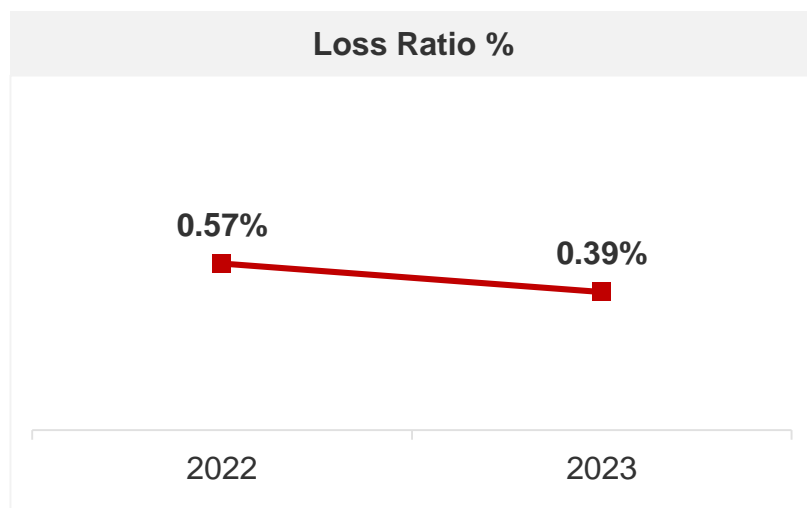
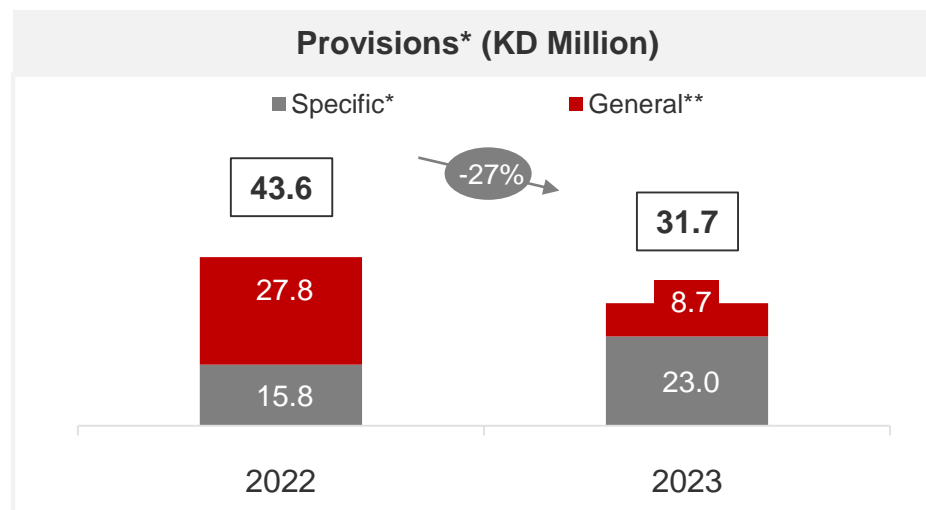


Operating Costs to Average Assets (%)



Source: Financial statements, Boubyan analysis

Provisions & Related Ratios



* Specific Provisions are shown inclusive of ECL – Other Financial Assets – Investments Impairment

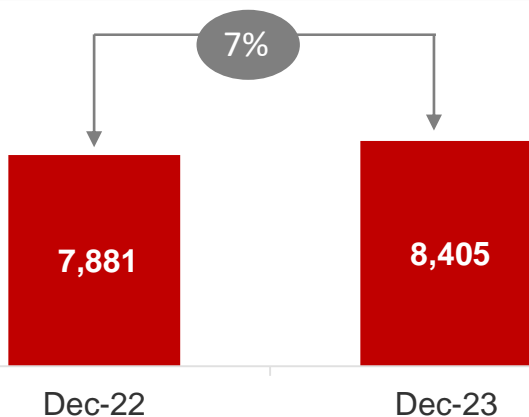
** General Provisions are shown inclusive of Contingent Provisions

Outline

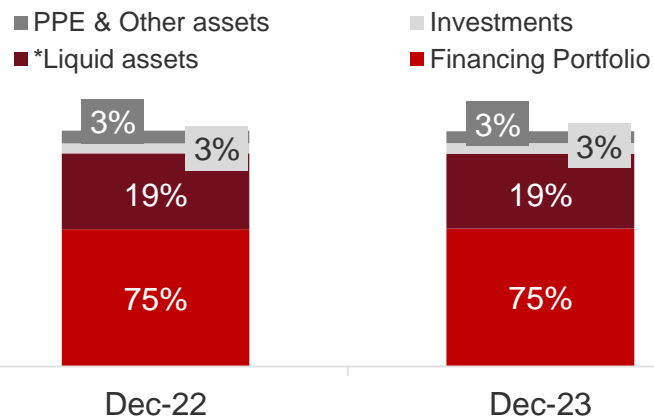
- 1 Boubyan's Performance & Strategy – At a Glance
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Assets & Sources of Funding

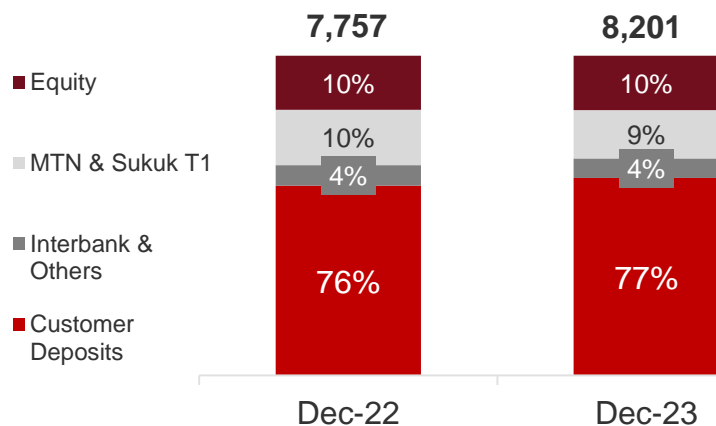
Total Assets (KD Million)



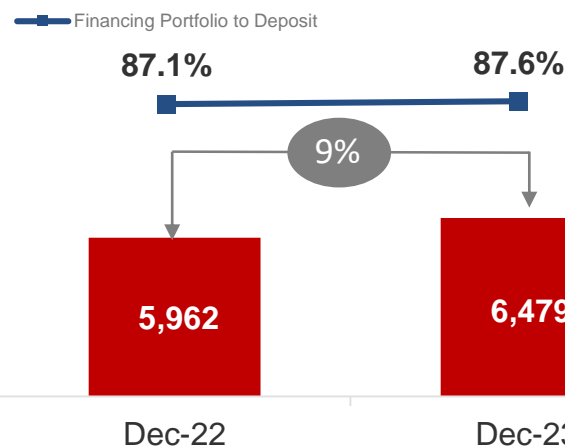
Composition of Assets %



Sources of Funding (KD Million & %)



Customer Deposits (KD Million)

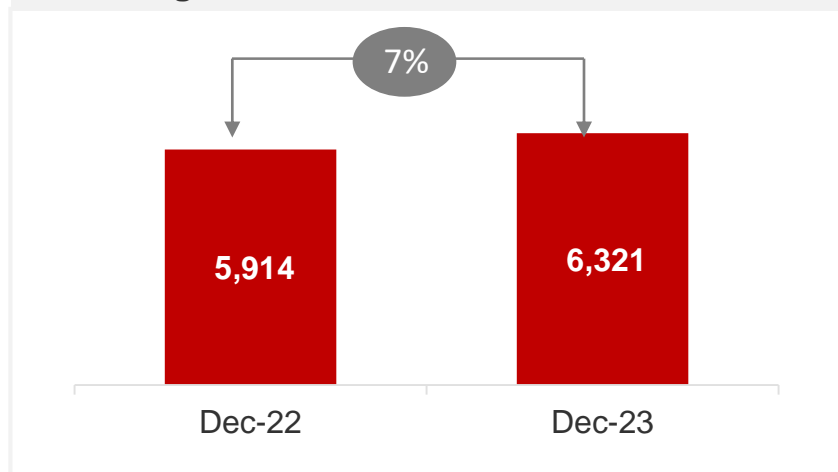


* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments

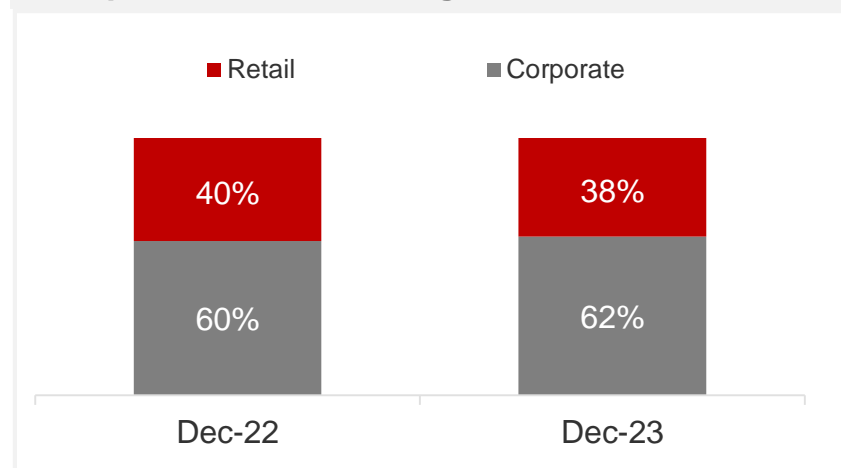
Source: Financial statements, Boubyan analysis

Financing Portfolio & Asset Quality

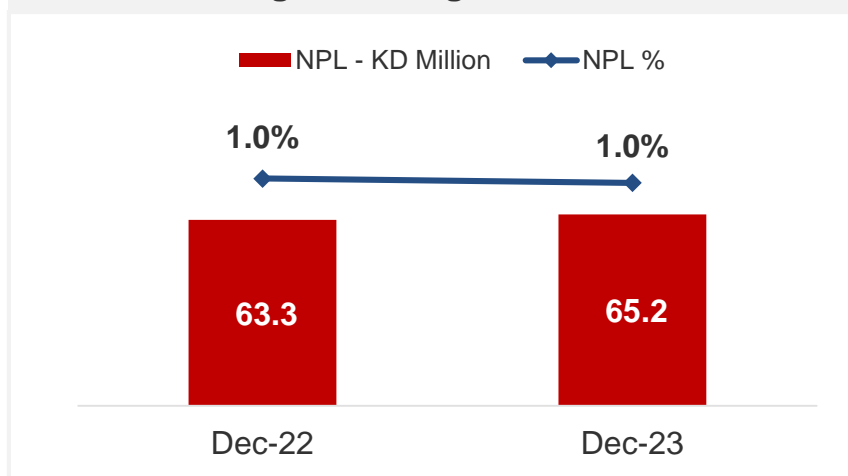
Financing Portfolio – KD Million



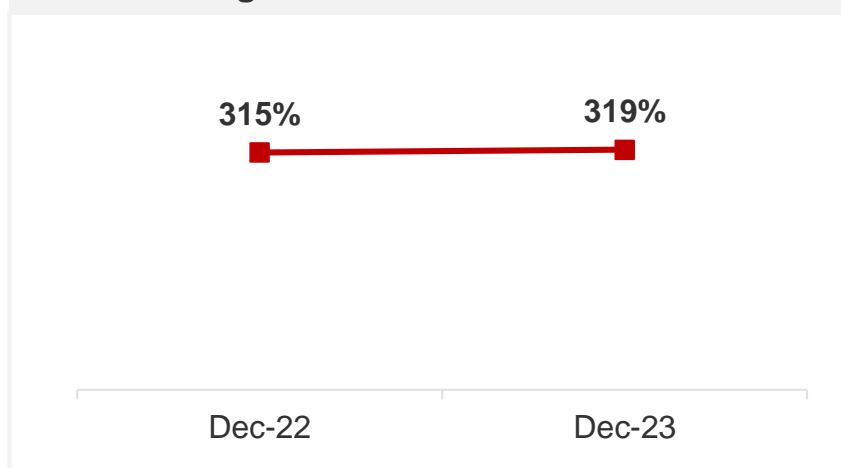
Composition of Financing Portfolio %



Non-Performing Financing Portfolio



Loss Coverage Ratio



Source: Financial statements, Boubyan analysis

Outline

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Capital Adequacy

Capital Adequacy Ratio

■ RWA - KD Million ◆ Total CAR

19.4% 18.0%

5,137

5,561

Dec-22

Dec-23

Leverage Ratio

11.3%

10.6%

Dec-22

Dec-23

Composition of Regulatory Capital

■ CET1 ■ Additional Tier 1 ■ Tier 2

6%

15%

78%

Dec-22

7%

14%

79%

Dec-23

Questions?

Appendix

Consolidated Financial Statements – FY 2023

| CONSOLIDATED STATEMENT OF INCOME | 31-Dec | 31-Dec |
|---|----------------|----------------|
| KD Million | 2023 | 2022 |
| Income | | |
| Islamic financing income | 396.8 | 283.7 |
| Financing cost | (224.3) | (116.5) |
| Net finance income | 172.5 | 167.2 |
| Net investment income | 15.2 | 6.8 |
| Net fees and commission income | 22.9 | 21.1 |
| Net foreign exchange gain | 6.6 | 6.2 |
| Other Income | 0.9 | 0.0 |
| Operating Income | 218.0 | 201.4 |
| Expenses | | |
| Staff cost | (63.7) | (60.3) |
| General and administrative expenses | (32.6) | (28.2) |
| Depreciation | (14.3) | (12.4) |
| Total Expenses | (110.6) | (100.8) |
| Profit before provision for impairment | 107.5 | 100.6 |
| Provision for impairment | (31.7) | (43.6) |
| Profit before taxes | 75.7 | 57.0 |
| Taxes and board remuneration | 2.5 | (2.7) |
| Non-Controlling Interests | 2.2 | 3.5 |
| Net Profit for the year | 80.4 | 57.8 |

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 31-Dec | 31-Dec |
|--|--------------|--------------|
| KD Million | 2023 | 2022 |
| Assets | | |
| Cash and balances with banks | 399 | 533 |
| Deposits with Central Bank of Kuwait | 219 | 248 |
| Deposits with other banks | 96 | 132 |
| Islamic financing to customers | 6,321 | 5,914 |
| Investments in Sukuks | 886 | 610 |
| Other investment securities | 157 | 155 |
| Investment properties | 74 | 34 |
| Other assets | 104 | 128 |
| Property and Equipment | 149 | 129 |
| Total Assets | 8,405 | 7,881 |
| Liabilities and Equity | | |
| Liabilities | | |
| Due to banks | 187 | 199 |
| Depositors' accounts | 6,479 | 5,962 |
| Medium Term Financing | 592 | 638 |
| Other liabilities | 118 | 103 |
| Total liabilities | 7,376 | 6,901 |
| Equity | | |
| Share capital | 396 | 374 |
| Share premium | 317 | 317 |
| Reserves | 71 | 58 |
| Retained earnings | 71 | 50 |
| Equity attributable to equity holders of the bank | 855 | 799 |
| Perpetual Tier 1 Sukuk | 150 | 150 |
| Non-controlling interest | 24 | 31 |
| Total equity | 1,029 | 980 |
| Total liabilities and equity | 8,405 | 7,881 |

Consolidated Income Statement

| CONSOLIDATED STATEMENT OF INCOME KD Million | 31-Dec 2022 | 31-Dec 2021 | 31-Dec 2020 |
|--|----------------|----------------|----------------|
| Income | | | |
| Islamic financing income | 283.7 | 223.2 | 223.1 |
| Financing cost | (116.5) | (65.7) | (84.2) |
| Net finance income | 167.2 | 157.5 | 138.9 |
| Net investment income | 6.8 | 8.8 | 6.8 |
| Net fees and commission income | 21.1 | 16.8 | 12.3 |
| Net foreign exchange gain | 6.2 | 4.7 | 5.2 |
| Other Income | 0.0 | 0.0 | 4.3 |
| Operating Income | 201.4 | 187.8 | 167.5 |
| Expenses | | | |
| Staff cost | (60.3) | (52.4) | (45.2) |
| General and administrative expenses | (28.2) | (25.2) | (20.0) |
| Depreciation | (12.4) | (9.6) | (9.2) |
| Total Expenses | (100.8) | (87.2) | (74.4) |
| Profit before provision for impairment | 100.6 | 100.6 | 93.1 |
| Provision for impairment | (43.7) | (50.8) | (59.0) |
| Profit before taxes | 56.9 | 49.8 | 34.1 |
| Taxes and board remuneration | (2.7) | (1.8) | (0.5) |
| Non-Controlling Interests | 3.5 | 0.5 | 0.9 |
| Net Profit for the year | 57.8 | 48.5 | 34.4 |

Consolidated Statement of Financial Position

| KD Million | 31-Dec 2022 | 31-Dec 2021 | 31-Dec 2020 |
|--|----------------|----------------|----------------|
| Assets | | | |
| Cash and balances with banks | 533.2 | 533.2 | 286.7 |
| Deposits with Central Bank of Kuwait | 247.8 | 247.8 | 336.9 |
| Deposits with other banks | 131.7 | 131.7 | 180.1 |
| Islamic financing to customers | 5,913.5 | 5,913.5 | 4,823.3 |
| Investments in Sukuks | 609.6 | 609.6 | 523.0 |
| Other investment securities | 152.6 | 152.6 | 99.1 |
| Investment properties | 33.6 | 33.6 | 47.1 |
| Other assets | 130.1 | 130.1 | 49.5 |
| Property and Equipment | 128.6 | 128.6 | 91.4 |
| Total Assets | 7,880.8 | 7,880.8 | 6,437.1 |
| Liabilities | | | |
| Due to banks | 198.7 | 198.7 | 281.4 |
| Depositors' accounts | 5,961.7 | 5,961.7 | 5,107.7 |
| Medium Term Financing | 637.6 | 637.6 | 305.5 |
| Other liabilities | 103.0 | 103.0 | 115.8 |
| Total liabilities | 6,901.1 | 6,901.1 | 5,810.4 |
| Equity | | | |
| Share capital | 373.9 | 318.0 | 302.8 |
| Share premium | 316.9 | 156.9 | 156.9 |
| Proposed bonus share | 22.4 | 15.9 | - |
| Treasury shares | (0.1) | (0.1) | (0.1) |
| Reserves | 58.3 | 52.8 | 44.0 |
| Accumulated retained earnings / (losses) | 4.7 | 4.1 | 14.1 |
| Proposed cash dividends | 22.4 | 15.9 | - |
| Equity attributable to equity holders of the bank | 798.6 | 563.5 | 517.9 |
| Perpetual Tier 1 Sukuk | 150.4 | 150.4 | 75.4 |
| Non-controlling interest | 30.7 | 36.2 | 33.5 |
| Total equity | 979.7 | 750.1 | 626.7 |
| Total liabilities and equity | 7,880.8 | 7,651.1 | 6,437.1 |

Thank You