

Kuwait: 05/08/2020

Ref: 8589/2020

To: Mr. Mohammad Saud Al-Osaimi
CEO - Boursa Kuwait

السيد / محمد سعود العصيمي
المحترم الرئيس التنفيذي - شركة بورصة الكويت

Dear Sir,

السلام عليكم ورحمة الله وبركاته وبعد ...

PowerPoint Presentation of Q1 and Q2
Analysts' Conference Call for the year 2020

العرض التقديمي لمؤتمر المحللين للربع الاول والربع
الثاني 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, as amended, concerning the continuing obligations of listed companies classified under the "Premier Market Segment" under which Boubyan Bank is categorized.

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

We attach herewith a copy of the PowerPoint Presentation of Analysts' Conference Call for the First quarter ending 31/03/2020 and the second quarter ending 30/06/2020 held via Live Webcast at 02:30 pm (Local Time) on Wednesday, August 5th 2020, noting that there was no material information disclosed over the call.

نرفق لكم نسخة من العرض التقديمي لمؤتمر المحللين للربع الاول المنتهي في 2020/03/31 و الربع الثاني المنتهي في 2020/06/30 الذي انعقد عن طريق بث مباشر على شبكة الأنترنت (Live Webcast) في تمام الساعة 02:30 (وفق التوقيت المحلي) من بعد ظهر يوم الاربعاء الموافق 2020/08/05؛ هذا مع العلم بأنه لم يتم الكشف عن أي معلومة جوهرية تخص البنك خلال المؤتمر المذكور.

Best regards,

وتفضلوا بقبول فائق الاحترام ...

Abdullah Al Najran Al Tuwaijri
Deputy Chief Executive Officer

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Boubyan Bank Investors Presentation

3M 2020 Results | 6M 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>	3M 2020	3M 2019	Growth %	6M 2020	6M 2019	Growth %
Net Profit to shareholders	10.2	14.6	-30%	17.1	28.9	-41%
Operating Income	41.4	37.2	11%	79.5	73.9	8%
Operating Profit	22.5	22.9	-2%	43.8	45.2	-3%
Total Assets	6,238	4,554	37%	6,131	4,793	28%
Financing Portfolio	4,479	3,405	32%	4,519	3,541	28%
Customer Deposits	4,655	3,794	23%	4,720	3,981	19%
Earnings per share (Fils)	3.4	5.5	-35%	4.8	9.1	-47%

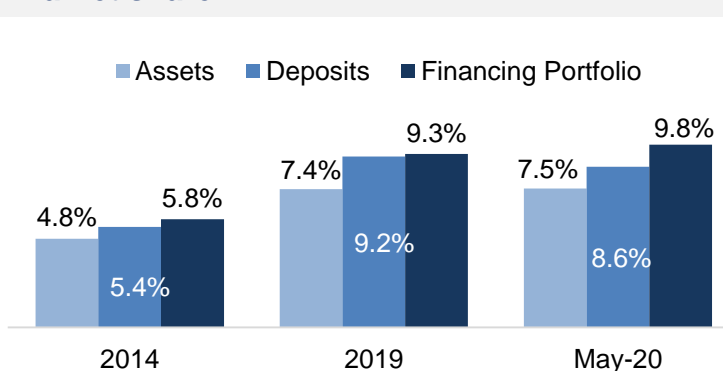
Key Financial Metrics

	3M 2020	3M 2019	Variance	6M 2020	6M 2019	Variance
Return on Average Equity (%)	6.4	13.0	-6.6	5.5	11.1	-5.6
Return on Average Assets (%)	0.7	1.3	-0.6	0.6	1.3	-0.7
Cost to Income (%)	45.6	38.6	7.0	44.9	38.8	6.1
NPL Ratio (%)	0.9	0.9	-	1.2	0.9	0.3
Capital Adequacy Ratio (%)	16.4	17.3	-0.9	16.8	21.3	-4.5

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	Oct 2019

Market share



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
-

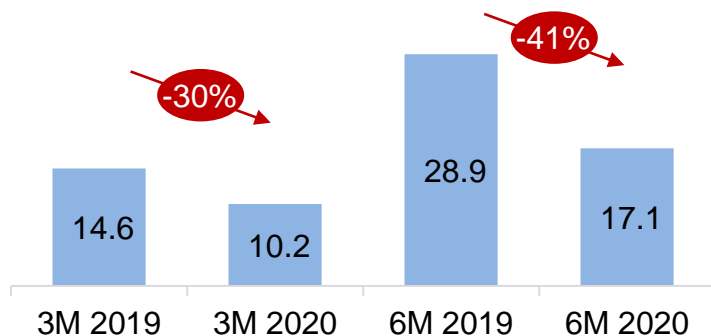
Private Banking / Wealth Management

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

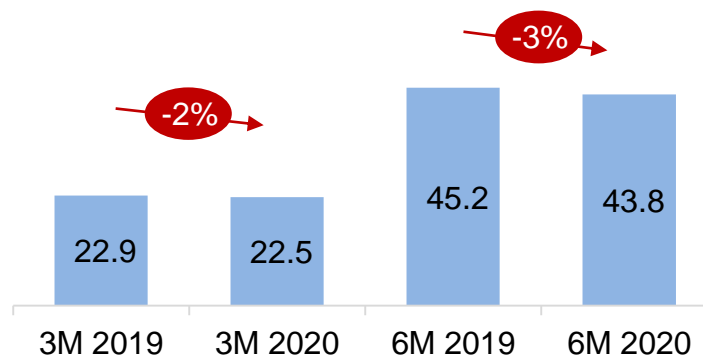
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Profitability and performance ratio

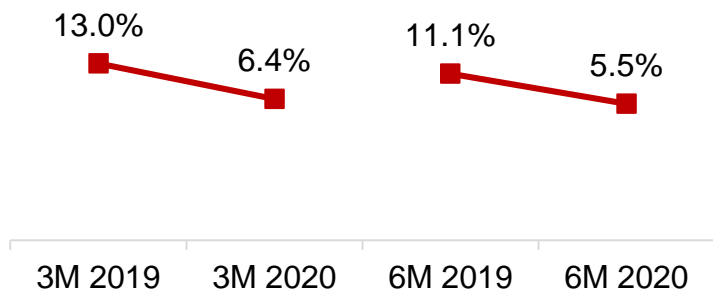
Net profit (KD Million)



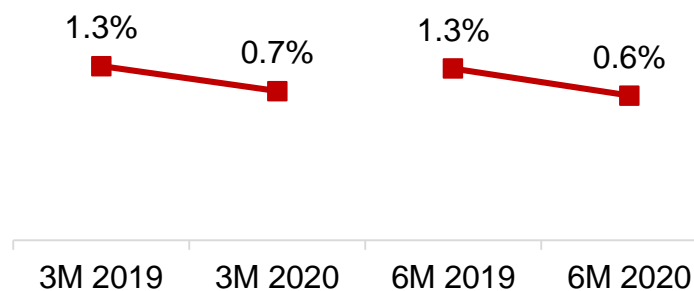
Operating profit (KD Million)



* Return on Average Equity (%)

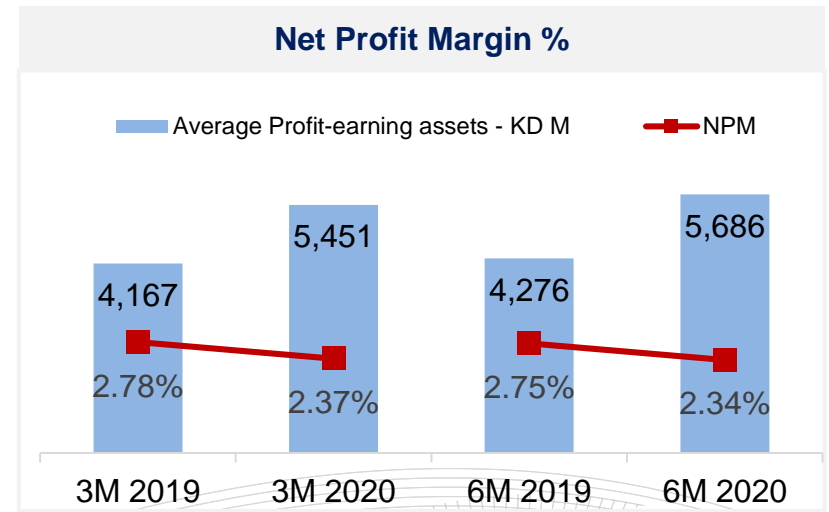
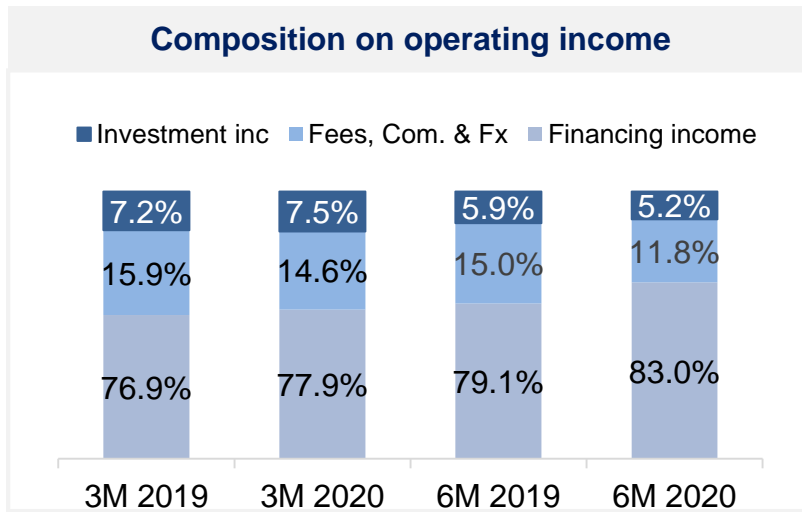
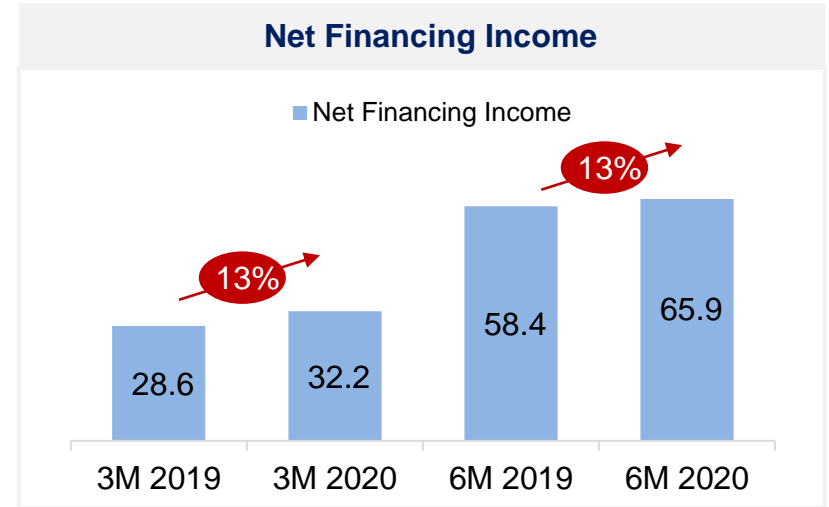
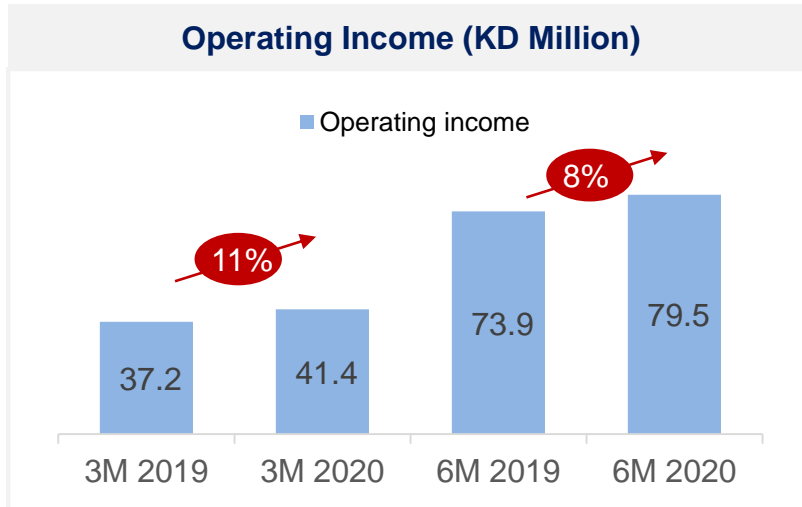


Return on Average Assets (%)

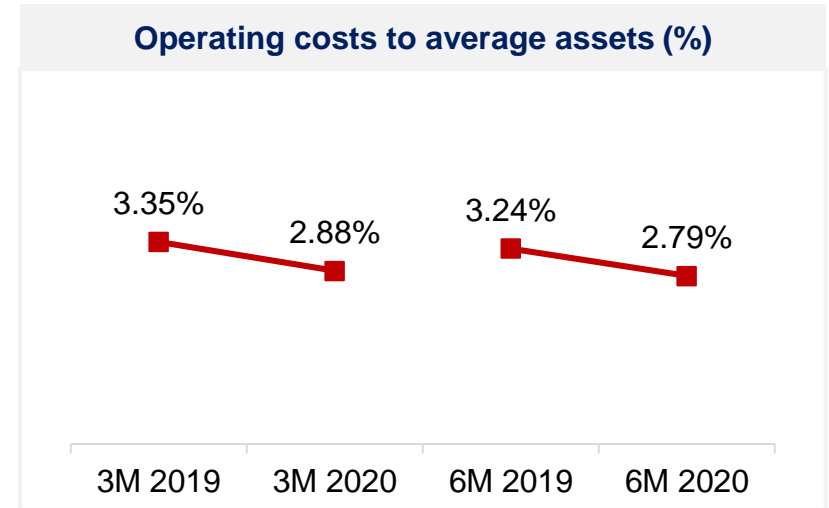
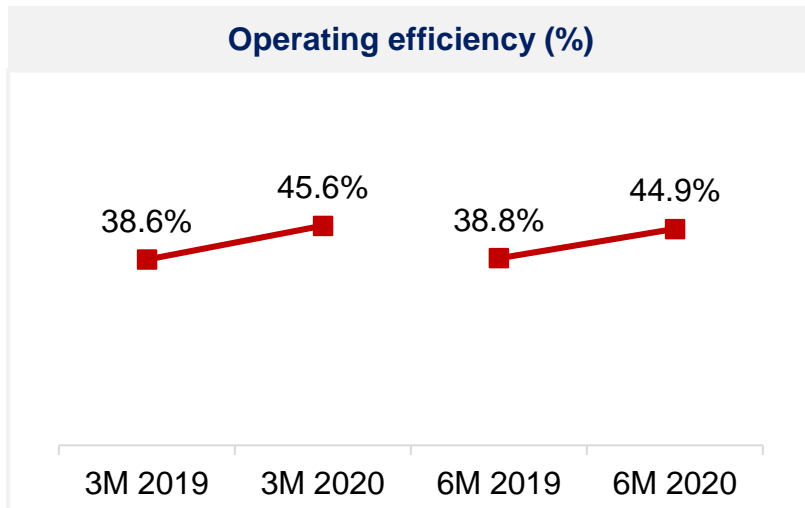
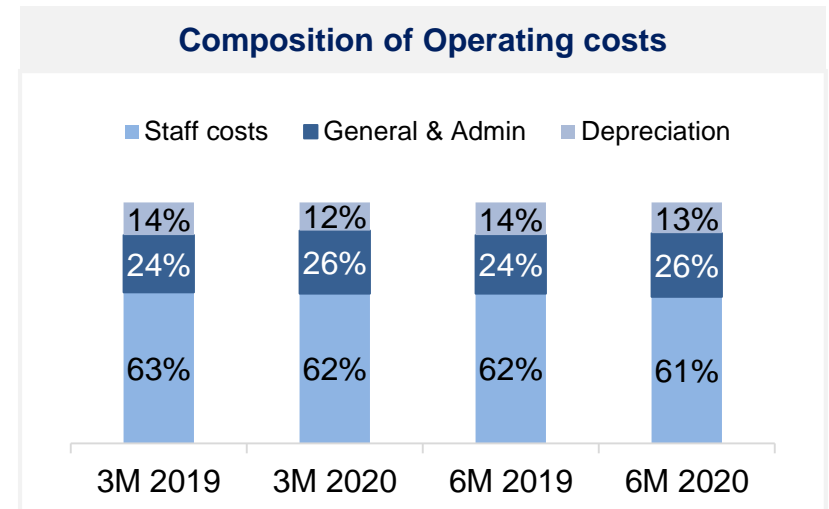
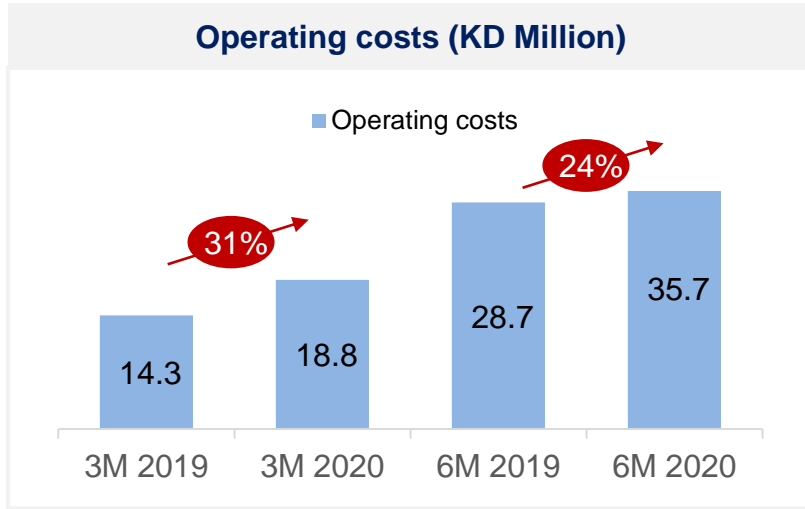


* Return on Average Equity is computed based on shareholders' equity after adjusting the net profit for Tier 1 Sukuk costs.
 Source: Financial statements, Boubyan analysis

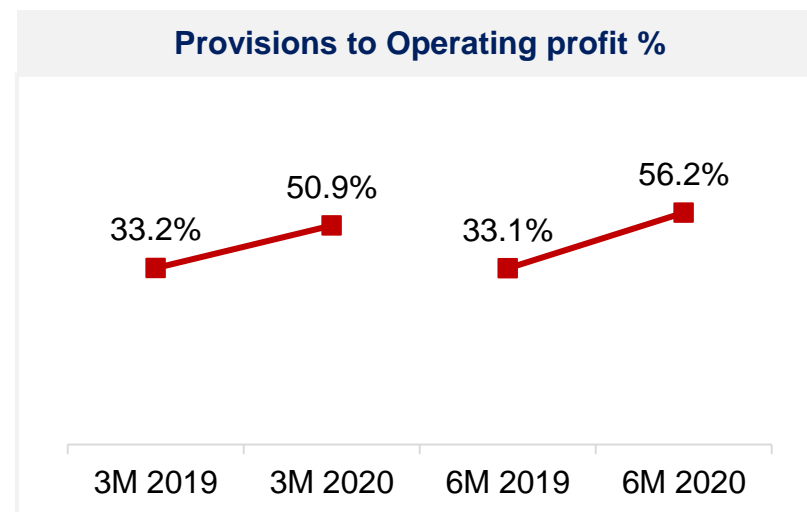
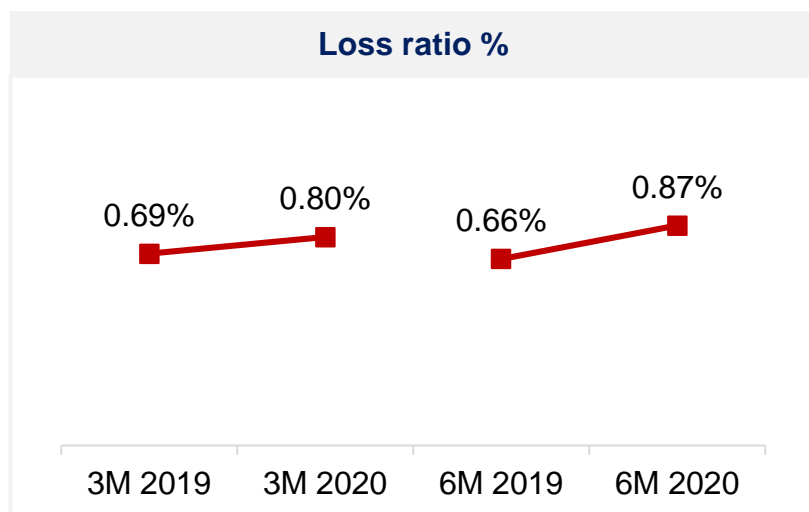
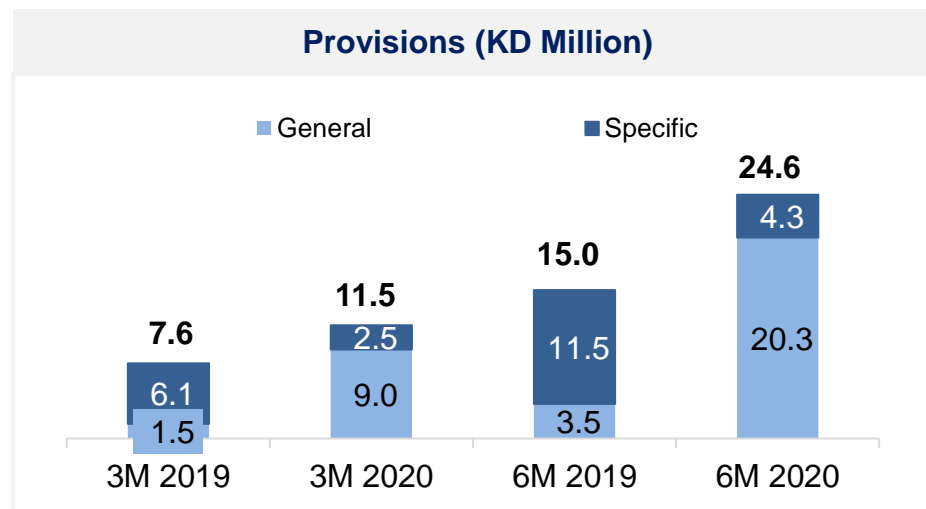
Operating income components and Net Profit Margins



Operating costs and efficiency

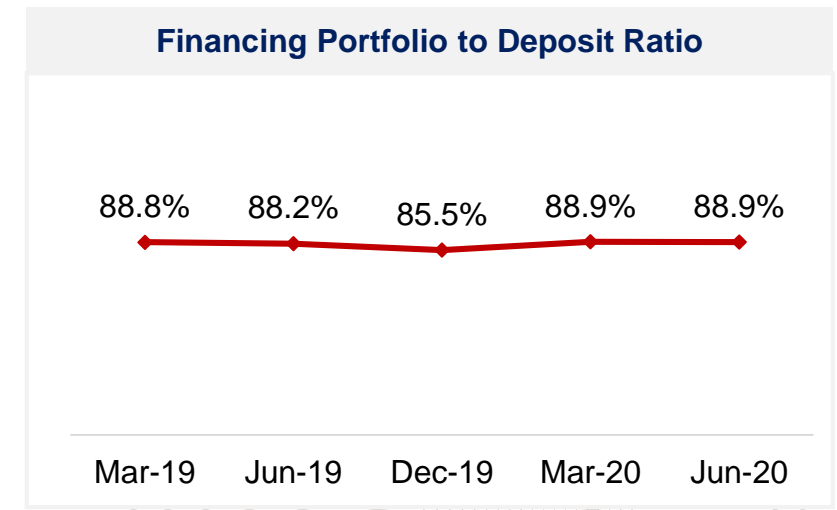
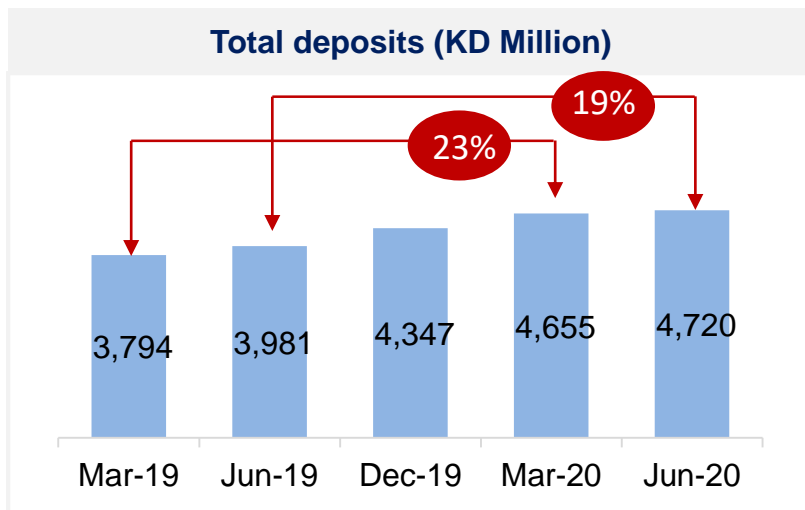
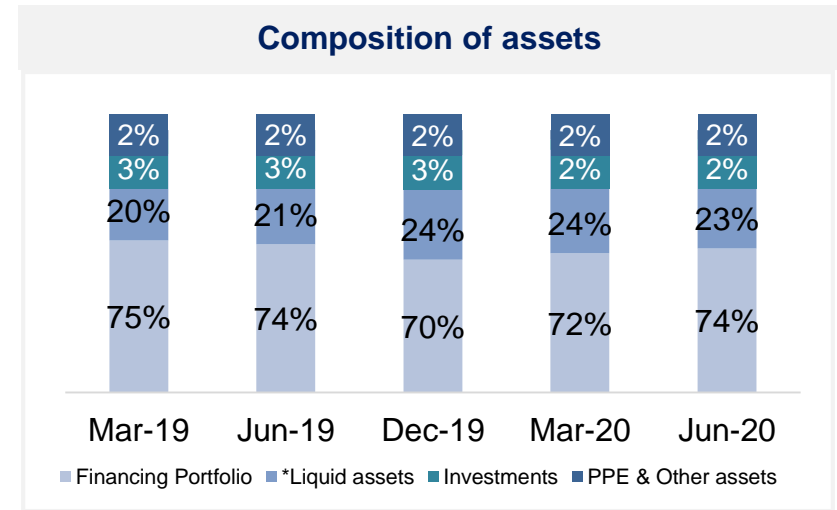
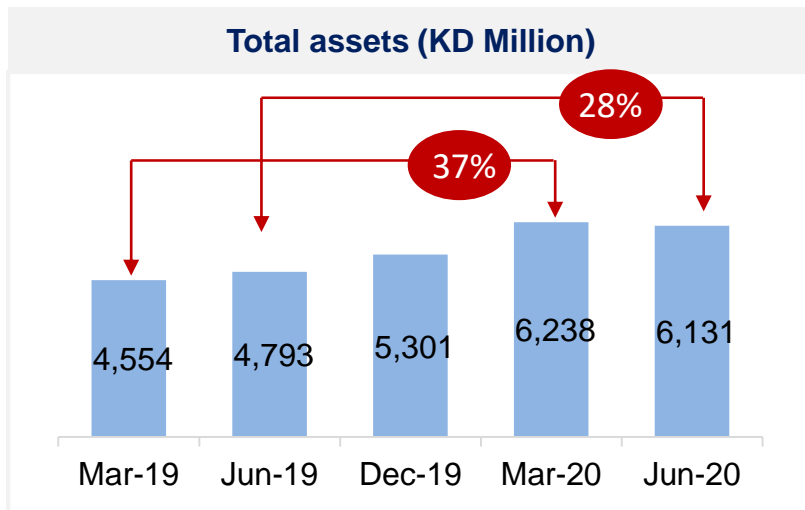


Provisions and related ratios



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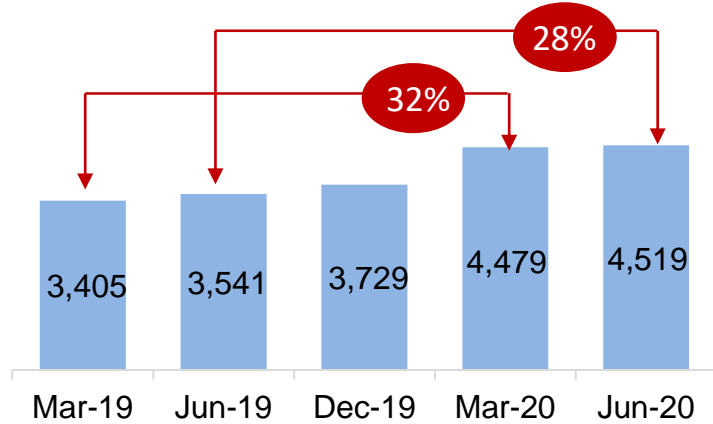
Assets and Sources of Funding



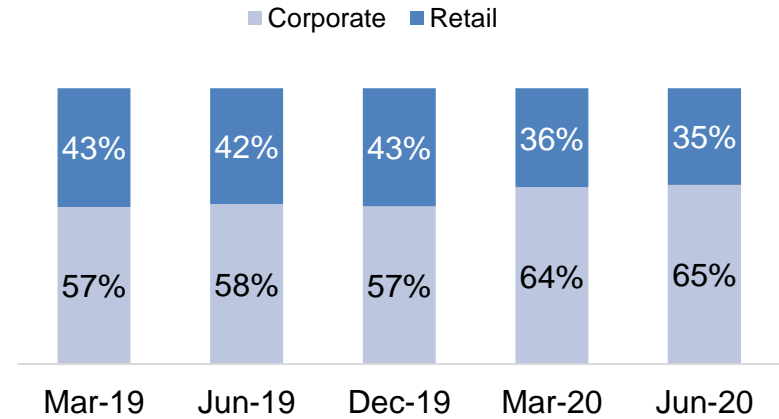
* Liquid assets include cash and balances with banks, Deposits with CBK, Deposits with other banks and Sukuk Investments
Source: Financial statements, Boubyan analysis

Financing Portfolio and asset quality

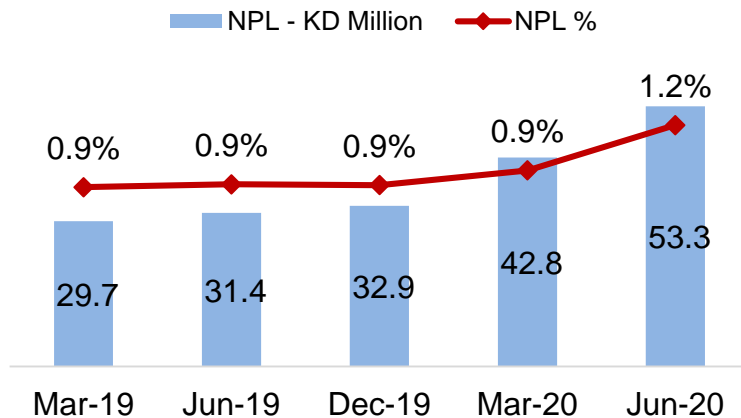
Financing Portfolio – KD Million



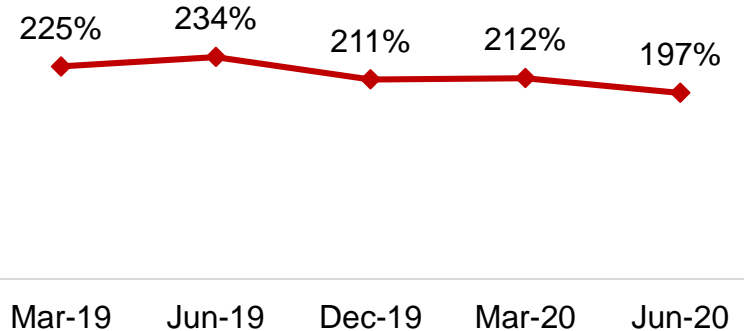
Composition of Financing Portfolio



Non performing Financing Portfolio



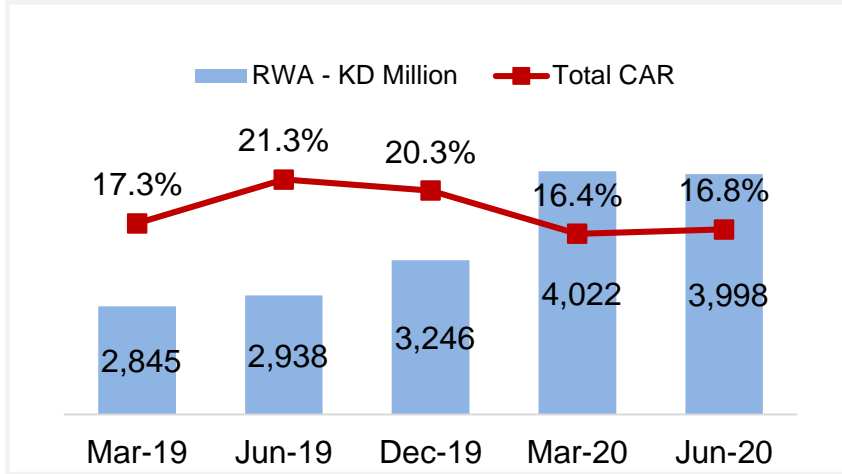
Loss Coverage ratio



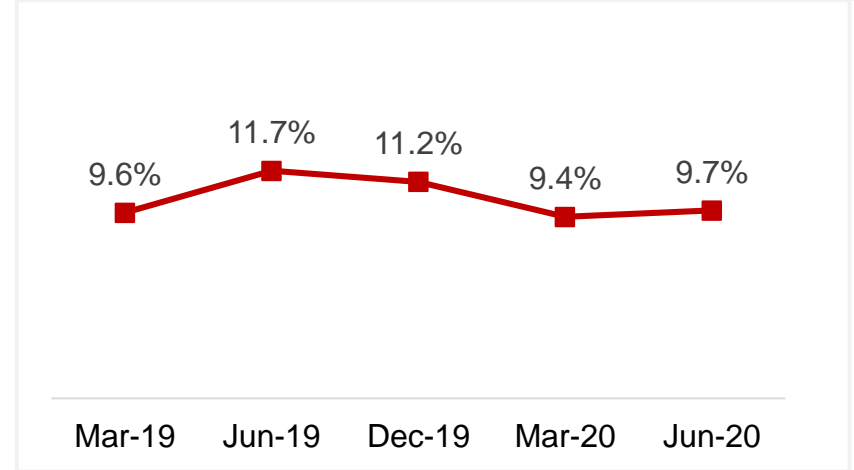
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Capital Adequacy

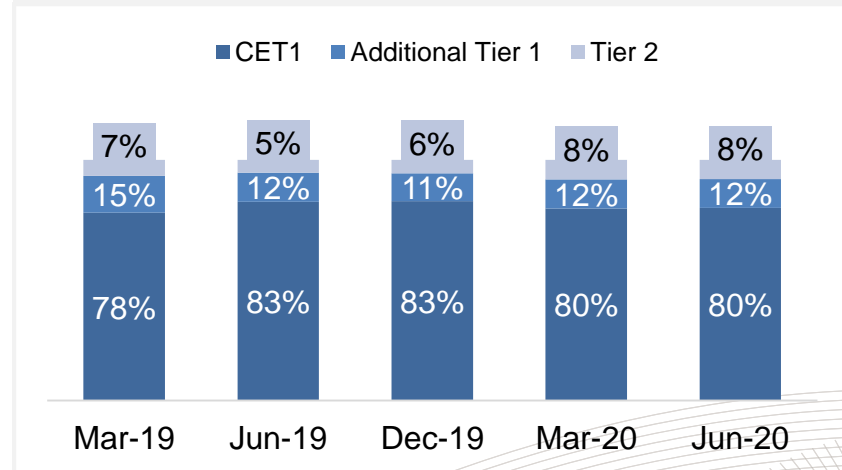
Capital adequacy ratio



Leverage ratio



Composition of regulatory capital



Questions ?

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Appendix

Consolidated Financial Statements – 6M 2020

CONSOLIDATED STATEMENT OF INCOME	30-Jun	30-Jun
KD Million	2020	2019
Income		
Islamic financing income	113.7	99.8
Financing cost	(47.8)	(41.4)
Net finance income	65.9	58.4
Net investment income	4.1	4.4
Net fees and commission income	6.4	9.3
Net foreign exchange gain	3.0	1.7
Operating Income	79.5	73.9
Expenses		
Staff cost	(21.7)	(17.8)
General and administrative expenses	(9.4)	(7.0)
Depreciation	(4.6)	(3.9)
Total Expenses	(35.7)	(28.7)
Profit before provision for impairment	43.8	45.2
Provision for impairment	(24.6)	(15.0)
Profit before taxes	19.2	30.3
Taxes and board remuneration	(1.6)	(1.4)
Non-Controlling Interests	(0.5)	(0.0)
Net Profit for the year	17.1	28.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	30-Jun	30-Jun
KD Million	2020	2019
Assets		
Cash and balances with banks	201	146
Deposits with Central Bank of Kuwait	346	319
Deposits with other banks	296	218
Islamic financing to customers	4,519	3,541
Investments in Sukuks	492	341
Other investment securities	96	77
Investments in associates	4	31
Investment properties	46	25
Other assets	42	24
Property and Equipment	89	71
Total Assets	6,131	4,793
Liabilities and Equity		
Liabilities		
Due to banks	470	128
Depositors' accounts	4,720	3,981
Other liabilities	339	57
Total liabilities	5,529	4,166
Equity		
Share capital	303	288
Share premium	157	157
Treasury shares	(0)	(0)
Statutory reserve	32	25
Other reserves	2	20
Retained earnings	2	58
Equity attributable to equity holders of the bank	496	549
Perpetual Tier 1 Sukuk	75	75
Non-controlling interest	31	2
Total equity	602	627
Total liabilities and equity	6,131	4,793

Consolidated Financial Statements – 3M 2020

CONSOLIDATED STATEMENT OF INCOME	31-Mar	31-Mar
KD Million	2020	2019
Income		
Islamic financing income	57.9	48.8
Financing cost	(25.6)	(20.2)
Net finance income	32.2	28.6
Net investment income	3.1	2.7
Net fees and commission income	3.8	5.0
Net foreign exchange gain	2.3	0.9
Operating Income	41.4	37.2
Expenses		
Staff cost	(11.7)	(9.0)
General and administrative expenses	(4.9)	(3.4)
Depreciation	(2.2)	(1.9)
Total Expenses	(18.8)	(14.3)
Profit before provision for impairment	22.5	22.9
Provision for impairment	(11.5)	(7.6)
Profit before taxes	11.1	15.3
Taxes and board remuneration	(0.7)	(0.6)
Non-Controlling Interests	(0.1)	(0.0)
Net Profit for the year	10.2	14.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31-Mar	31-Mar
KD Million	2020	2019
Assets		
Cash and balances with banks	236	123
Deposits with Central Bank of Kuwait	264	249
Deposits with other banks	586	214
Islamic financing to customers	4,479	3,405
Investments in Sukuks	391	391
Other investment securities	95	24
Investments in associates	5	32
Investment properties	47	24
Other assets	46	23
Property and Equipment	90	70
Total Assets	6,238	4,554
Liabilities and Equity		
Liabilities		
Due to banks	594	205
Depositors' accounts	4,655	3,794
Other liabilities	332	52
Total liabilities	5,581	4,051
Equity		
Share capital	288	239
Share premium	157	63
Treasury shares	(0)	(0)
Statutory reserve	32	25
Other reserves	(12)	21
Retained earnings	60	58
Proposed cash dividends	26	19
Equity attributable to equity holders of the bank	551	425
Perpetual Tier 1 Sukuk	75	75
Non-controlling interest	31	2
Total equity	658	503
Total liabilities and equity	6,238	4,554

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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