

Business

Boubyan Bank distributes 6% in cash dividends and 6% in bonus shares

Bank holds AGM with an attendance of 83.1%



KUWAIT: Abdulaziz Abdullah Dakheel Al-Shaya and Adel Abdul Wahab Al-Majed during Boubyan Bank AGM.



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KUWAIT: Chairman of Boubyan Bank Abdulaziz Abdullah Dakheel Al-Shaya reiterated the bank's ongoing endeavors to achieve excellent and accelerating growth of financial indicators and market shares in a manner that benefits all its shareholders and the Kuwaiti economy, in addition to focusing on quality customer service and upskilling the bank's human resources, which turns Boubyan into a banking and digital powerhouse in Kuwait and the region.

In his word before the bank's general assembly held with an attendance of 83.1 percent, with physical and electronic attendance by shareholders, Al-Shaya said that Boubyan concluded last year by recording KD 57.8 million in net profits at a growth rate of 19 percent with an earnings per share of 14.2 fils. Moreover, the bank continued its prudent approach by allocating KD 43.6 million in provisions.

He added: "All of the bank's key indicators witnessed a remarkable growth in 2022, where the total combined assets of Boubyan Bank Group increased to KD 7.9 billion at a growth rate of 7 percent. Moreover, the total of customers' deposits grew by 6 percent to reach KD 6 billion while the financing portfolio grew by 7 percent to reach KD 5.9 billion and operating income grew by 7 percent to reach KD 201 million.

Al-Shaya thanked all shareholders for their trust in Boubyan Bank's Board of Directors, which reflected positively on supporting the bank's journey as a part of its well-studied strategy at the level of the banking sector, thus leading to positive indicators across all levels despite the domestic and global challenges that affected the performance of banks and other business sectors in general.

Al-Shaya stressed the board's full and ongoing support to the efforts of the bank's highly-professional executive management, stating that he valued their efforts towards achieving the best results, which could not have been achieved without the sincere efforts of the management and all employees of the bank.

Approval of profit distribution

During the general assembly meeting, it was approved to distribute 6 percent in cash dividends and 6 percent in bonus shares to eligible shareholders who are registered with the bank's registers as at the end of the maturity date of April 17, 2023 and to allocate the same to shareholders on April 19, 2023. The board of directors shall be authorized to dispose of the share fractions and amend this schedule in case the confirmation thereof is not announced at least eight business days ahead of the maturity date as stipulated and in line with the provisions of the Law.

Furthermore, the Ordinary General Assembly approved the proposal of the Board of Directors to distribute dividends to shareholders at the end of the financial year or semi-annually, and authorized the Board to execute the decision of the General Assembly as per the percentages decided by the Board.

On his part, Boubyan Bank's Vice-Chairman & Group Chief Executive Officer Adel Abdul Wahab Al-Majed stated: "Throughout its successful journey, Boubyan Bank managed to become one of the leading banks in the Islamic banking sector, locally and regionally, through effective application of sound governance bases and principles.

"The bank's market share and its ongoing growth, coupled with the continued reinforcement of our expansion plans, reflect the high levels in customer service and digital excellence, which are the fruit of the bank's clear strategy, professional executive team, and continued investment in our human resources with special focus on our national cadres", Al-Majed added.

Nomo Bank and expansion overseas

He added: "In line with the strategic approach aiming to reinforce the global presence of Boubyan Bank with focus on digital banking services, Boubyan Bank managed in 2020 to complete the acquisition of the UK-based Bank of London and The Middle East "BLME" by acquiring 71 percent of its existing shares. We aspire for BLME to become the Islamic bank of choice for GCC customers in the United Kingdom as we have incorporated a set of main principles for the bank as a part of its transformation strategy following the acquisition including having a sustainable customer-focused brand aligned with Boubyan Bank Group."

He went on to add "One of those principles is making the best use of the group's existing business, technology, assets and the group's network in addition to breaking from capital and liquidity restrictions by shifting the focus of growth towards capital-efficient business, and offering business products and services that meet market needs for GCC customers while developing a future-proof tech-platform that caters for existing and future needs."

Speaking about Nomo's experience, Al-Majed



The attendance of Boubyan Bank's AGM.

Al-Shaya: Boubyan turned into a banking and digital powerhouse in Kuwait and region

Al-Majed: Our vision to become the leading Islamic bank in innovative digital financial solutions

said: "Through Nomo, the bank aspires to become the Islamic bank of choice for GCC customers in the United Kingdom."

He elaborated: "Nomo continues to leave its mark on the Islamic digital banking sector through the recent launch of many products such as the sharia-compliant property finance product, which allows all customers in the Middle East to own properties in the United Kingdom in a major step towards employing the digital bank's services in providing easier, more convenient, and secure property finance solutions.

Additionally, it has launched its new multi-currency account which allows customers to perform banking transactions in 6 different currencies and to link them all to one Nomo card and Apple Pay to use them globally, thus offering easier, more convenient, and secure digital payment solutions."

18th anniversary

Al-Majed added: "We celebrate Boubyan Bank's 18th anniversary following its incorporation as an Islamic financial institution. Over those years, the bank managed to confirm its status as one of the most important Kuwaiti banks that made lots of achievements and successes in the local market despite its establishment since a relatively short period compared with other banks."

He went on to highlight: "Boubyan Bank's digital transformation strategy gained a significant momentum, being a real example for succeeding in being highly competitive regionally in digital services, and in changing the lives of our customers through our services and products. Our digital services' journey is very exceptional. It has seen us excel and climb to the top of the pyramid amid tough competition in the market for digital banking services which is growing rapidly."

National cadres, the real power

Al-Majed stated: "Boubyan continued supporting its human resources and recruiting national cadres, and was able to reach the highest percentage of manpower across the private sector which now exceeds 80 percent, and continued its enablement approach for women who now account for 26 percent of the bank's employees, with many of them occupying leadership positions."

In 2022, Boubyan Bank invested in its human cadres to improve their competence and sharpen their skills by offering them training programs and courses in cooperation with top companies specialized in human resources' consulting and development. This came out of Boubyan Bank's keenness to adopt leading international standards to ensure that the bank is ready for future challenges by qualifying its leaders and providing them with the necessary tools to sufficiently compete in the market.

A year of achievements

Moreover, Al-Majed highlighted Boubyan Bank's achievements during 2022 and its success in earning many awards from renowned regional and international institutions in addition to the ongoing improvement of its credit ratings from international rating agencies, reflecting the positive role played by the bank along with its outstanding contributions to the Islamic banking industry in various areas.

Last year, Boubyan Bank received an upgrade of its credit rating from Moody's and Standard & Poor's, where the bank's "long-term issuer credit rating" received an upgrade to A2 and A respectively; such ratings placed Boubyan Bank in the lead of local banks and ahead of all Islamic banks rated by Standard & Poor's in Kuwait, while ranking second at the level of all local banks rated by Moody's and Fitch.

Moreover, Global Finance named Boubyan Bank the "World's Best Islamic Digital Bank" for the eighth consecutive year, owing to the bank's continuous achievements in this area as well as the role Boubyan plays in offering the best digital services in Kuwait, and its acquisition of influential market shares. Additionally, the bank joined the annual list of Forbes Top 100 Listed Companies in the Middle East, which crowns a decade full of achievements and successes that took the bank to the top of the pyramid of the Kuwaiti banking industry.

Continuous excellence to ensure customers' satisfaction

Al-Majed elaborated: "Our priority continues to be our readiness to serve our customers and our ongoing focus on offering excellent products or services, be they digital or conventional, as well as our engagement with our customers. This qualified us to earn two awards recently from Service Hero, the international consumer-driven customer satisfaction index. The bank was named the Best Islamic Bank in Customer Service for the 13th year in a row since 2010, in addition to receiving the First Place Award in Customer Service as a Country Winner across all economic sectors in Kuwait."

"Boubyan Bank continues in the leading position among all conventional and Islamic local banks, evidenced by a customer-satisfaction score of 98 percent. Moreover, we increased the number of our branches and redesigned them to better serve our customers nation-wide, in addition to revising our procedures to guarantee a better, easier, quicker, and smoother banking experience to our customers," he added.

Corporate banking: Outstanding solutions

Speaking about corporate banking, Al-Majed stated: "Attracting companies across various sectors in the local market is one of the most important goals of Boubyan Bank to be achieved through offering a group of outstanding banking services and solutions that meet all the needs of corporate customers. The Corporate Banking Group is keen on developing and improving advanced digital products and services that support and expand the scope of offered services, thereby reinforcing the banking services. Also, SMEs always have the constant support of Boubyan Bank, leading to the growth of their business by offering them the best banking services and solutions."

During this year, Boubyan Bank announced the launch of a new service offered for the first time in the local market for instant collection of commercial receivables of suppliers and extension of payment terms for them, allowing customers to better manage their liquidity by improving financial statements of companies, by offering preferential financing rates through integrated solutions of a smart supply chain financing platform.

Maintaining leadership in digital services

Over the recent years, Boubyan managed to monopolize Global Finance's award for the World's Best Islamic Digital Bank owing to the strength of strategy set by the bank for attracting and servicing digital customers, getting clients to use digital offerings and providing them with cutting-edge services, and growth of customers who use digital banking services through the bank's various channels, whether through online banking or smart phones.

Boubyan Bank was also a pioneer and outperformed others in digital services by launching Boubyan Send, the international transfer service, in collaboration with Mastercard and Western Union to offer the highest levels of digital services and guarantee quick service while ensuring the safety and security of information and banking data of customers. This service aimed to keep pace with the developments witnessed by the banking sector, which necessitate the instant completion of financial transactions around the clock in a safe and secure manner.

Boubyan has recently provided its customers with Apple Pay, Google Pay services for users of Android devices, and Wear OS in Kuwait. This step comes as a part of Boubyan's steps to develop a set of innovative digital payment solutions to provide customers with state-of-the-art payment technology to offer them a unique banking experience that meets their expectations and needs while ensuring the highest levels of excellent and comprehensive protection and security."

Corporate social responsibility, biggest challenge

Corporate social responsibility and serving the Kuwaiti society represent the cornerstone of the bank's dealings with various segments in contribution to development. Hence, the bank was a pioneer in launching many social initiatives and supporting several activities and events targeting various segments of the society, out of the bank's belief in the necessity of implementing ESG principles, which cover many major aspects that concern our customers, shareholders, employees, and the society as a whole.

During the past year, the bank launched its "Go Green" initiative, which was the first initiative of its kind in Kuwait. It allowed customers to own electric cars, in a major step towards reinforcing the sustainability approach. The "Go Green" initiative aims to encourage the replacement of traditional cars with environmentally-friendly electric cars, which will help protect the environment and deal with climate changes.

Also, as a part of its corporate social responsibility, Boubyan Bank organized workshops to various government entities and institutions on enhancing efficiency, effectiveness, and change management.

Sound governance

Boubyan Bank is committed to following a sound and effective governance framework by adopting the best sound governance and risk management standards. The bank complies with these standards in concluding all transactions according to the principles and rulings of the noble Islamic sharia. Boubyan Bank continuously updates its governance structure in a manner that meets the requirements of the Central Bank of Kuwait, and the banking industry-specific governance procedures.

Thanks and appreciations

"For myself and on behalf of all Boubyan Bank's employees, I would like to take this opportunity to express deepest thanks and appreciation to His Highness the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, may Allah protect him as well as to HH the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, and HH the Prime Minister Sheikh Ahmad Nawaf Al-Ahmad Al-Sabah, may Allah protect them all. We deeply thank them for all their efforts towards the development and growth of our dear country, and to guarantee the stability and security of everyone who considers this blessed land home," Al-Shaya concluded his word in the general assembly meeting.

He added: "I would also like to express the deepest thanks to all the executives of the Central Bank of Kuwait, headed by Governor Basel Al-Haroon, who spared no effort to take the actions deemed appropriate to develop and safeguard the Kuwaiti banking system. I would also like to express deepest thanks to all the bank's esteemed shareholders and customers who have always been the key factor behind our success by supporting us in overcoming our challenges.

Moreover, I would like to thank all members of the Sharia Supervisory Board at the bank for their great efforts, and I would like to thank members of the Board of Directors and the Executive Management, as well as all the bank's employees for their cooperation, commitment, and keenness in supporting the bank for the benefit of the bank and its shareholders."