

BURGAN BANK GROUP

INVESTOR PRESENTATION

FY'21 FINANCIAL RESULTS

FEBRUARY 2022



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FY'21 PERFORMANCE HIGHLIGHTS

1

**STRONG
REBOUND**

2

**SIGNIFICANT
IMPROVEMENT IN
ASSET
QUALITY**

3

**POSITIVE
EFFICIENCY
INDICATORS**

KEY PERFORMANCE INDICATORS

Revenue

KD 235MN

+10.3% y-o-y

Net Income*

KD 45MN

+34.8% y-o-y

NPL Ratio

1.7%

(-)244bps y-o-y

NPL Coverage Ratio

227%

+94.2% y-o-y

Cost to Income

40.4%

(-)530bps y-o-y

JAWs Ratio

12.8%

+22.2% y-o-y

* Net Income attributed to equity holders of bank before perpetual cost

KEY MESSAGES

Successful Execution of Rights Issue

- ✓ **Raised KD 71.25mn** to support **long term growth** of the bank
- ✓ Key highlights of the transactions:
 - **Oversubscription of 2.25x**
 - **High % of Rights Subscribed: 93.09%**
- ✓ **Impact on regulatory capital (CET1) : +123bps**

Digitalization – Key Positive Outcomes

- ✓ **Transactions executed** through digital channels **grew by ~3x y-oy**
- ✓ Achieved **high App rating of 4.5** (*Apple's App Store & Google Play*)
- ✓ Burgan won awards from **"Global Finance"** for its digital platform **under 4 categories***

Progress on BoB Sale

- ✓ Achieved **much improved "offer"**; Due-Diligence in the last phase
- ✓ **Expect to conclude the transaction by Q2'22** upon completion of due-diligence and receipt of regulatory approvals

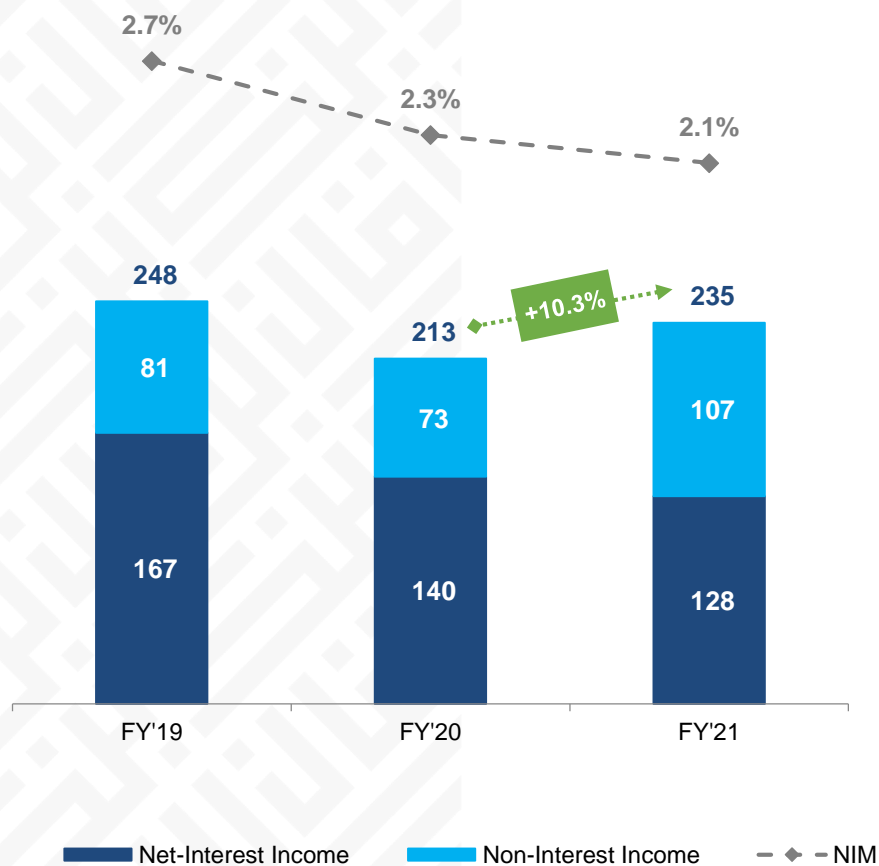
Pandemic Impact "Largely Contained"

- ✓ **Pick-up in execution** of **key projects** in Kuwait
- ✓ **"Individual" customer activities almost back to normal** levels in H2'21

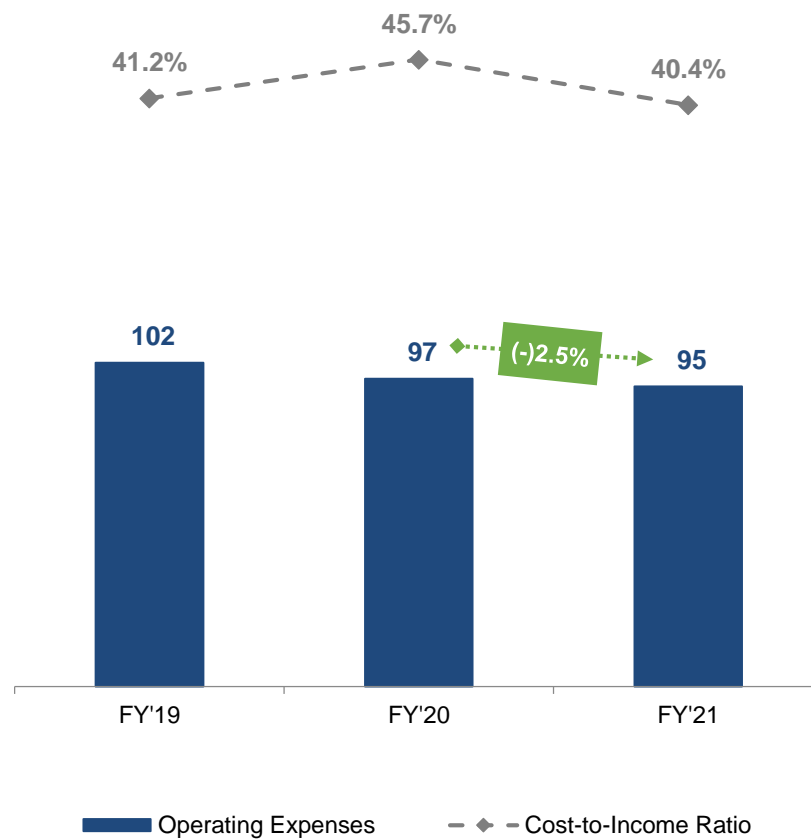
* 4 categories under which Burgan was awarded are as follow: (a) Best Website Design; b) Best Mobile Banking Adaptive Site; c) Best Information Security & Fraud Mgmt.; & d) Best Open Banking APIs)

REVENUE & OPERATING EXPENSES

Revenue & Margins | KD mn, %



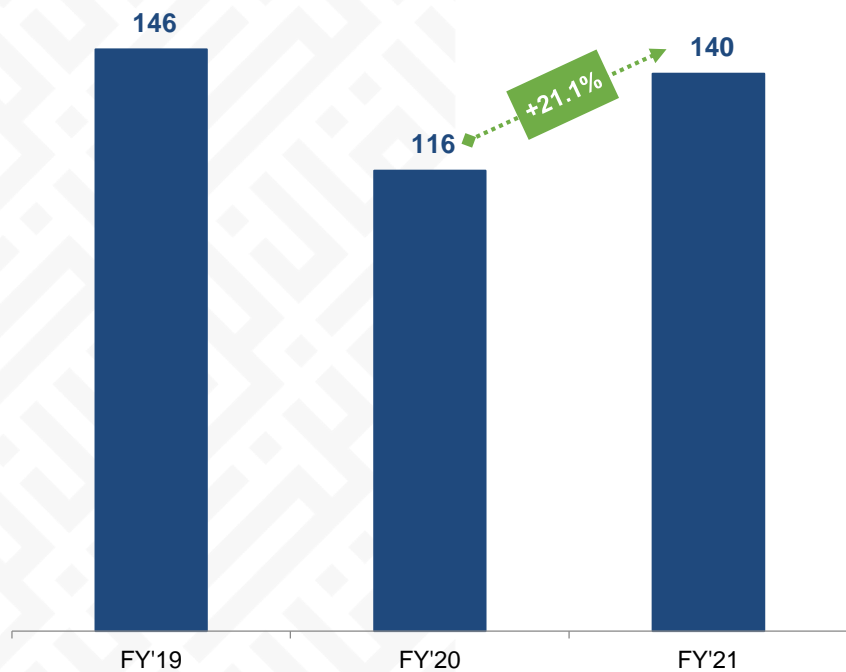
Operating Exp. & Cost-to-Income Ratio* | KD mn, %



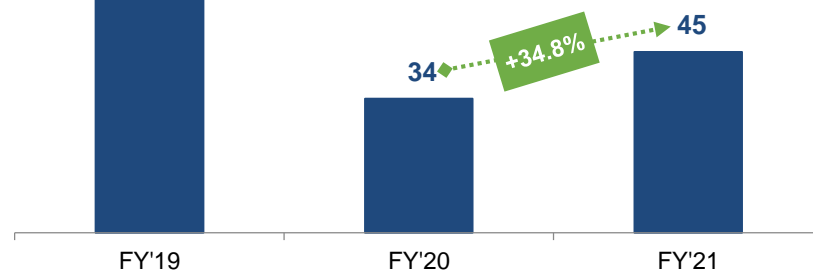
* Cost to income ratio is calculated as Total Operating expenses / Total Revenues

OPERATING PROFIT & NET INCOME

Operating Profit | KD mn



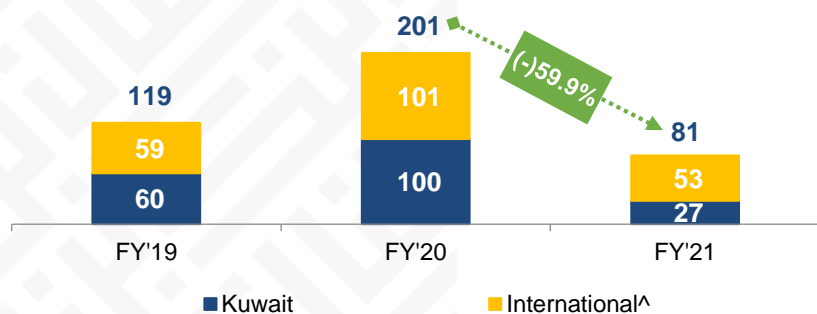
Net Income* | KD mn



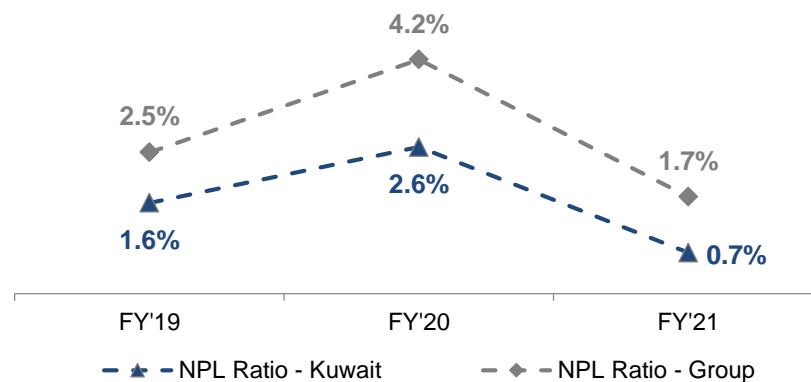
* Net Income attributed to equity holders of bank before perpetual cost

ASSET QUALITY

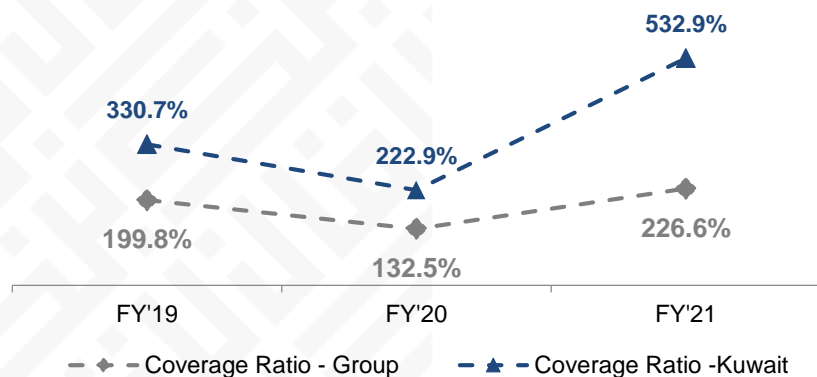
NPLs | KD mn



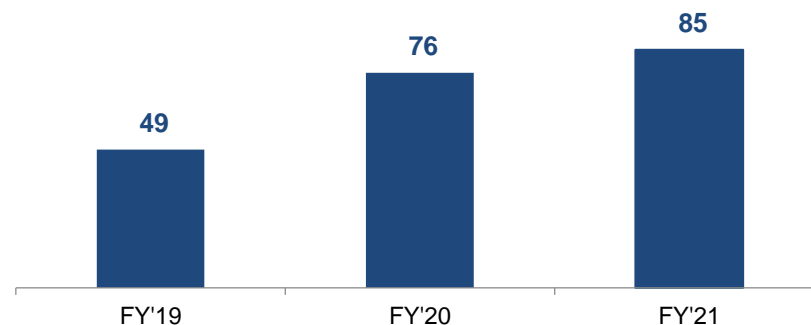
NPL Ratio | %



NPL Coverage Ratio⁽¹⁾ | %



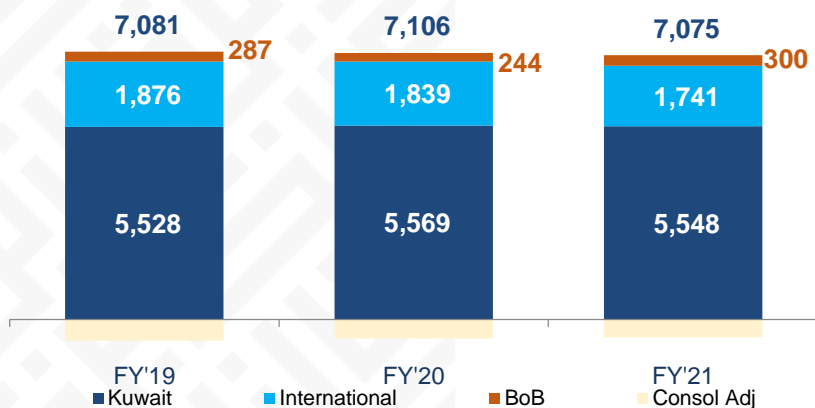
Provision Charge⁽²⁾ | KD mn



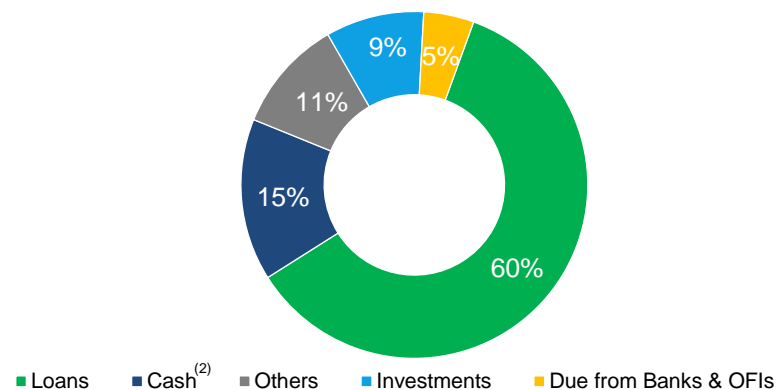
(1) NPL Coverage ratio calculated as Cash Provision / NPLs; (2) Loan loss provision only;
[^] International doesn't include BoB as it has been classified as "Held for Sale"

ASSETS & LOANS

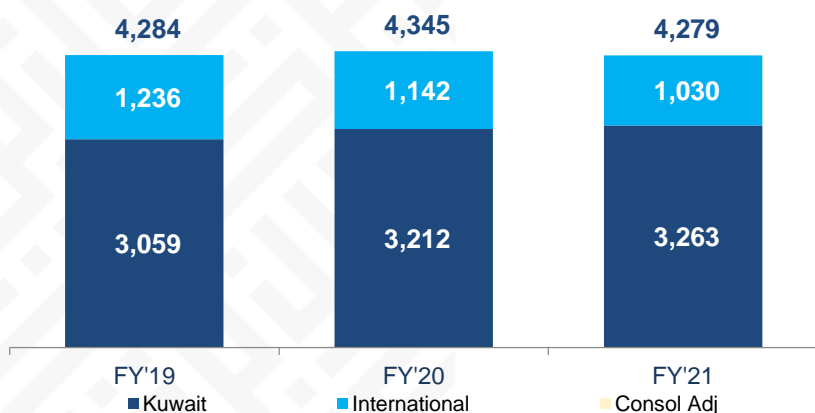
Total Assets⁽¹⁾ | KD mn



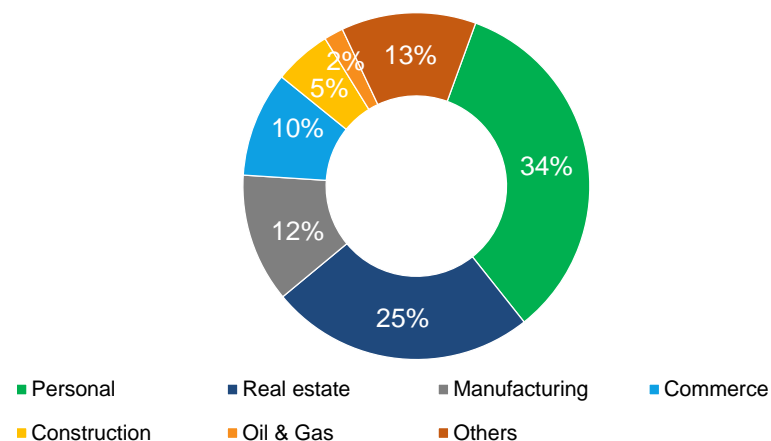
Asset Composition – FY'21 | %



Customer Loans⁽¹⁾ | KD mn



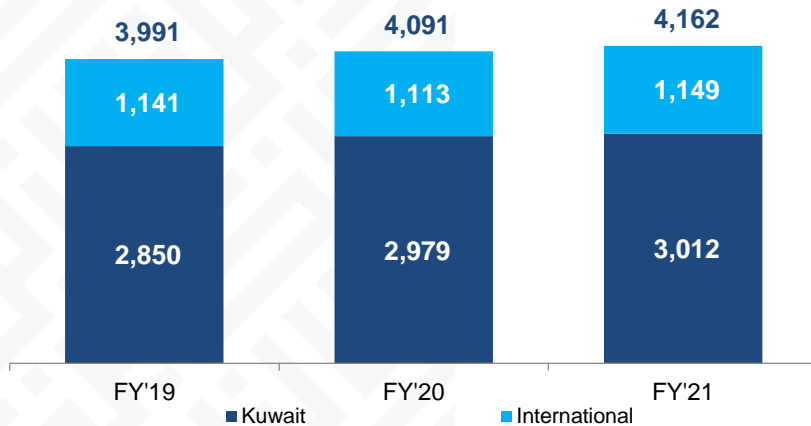
Customer Loans – Sector Concentration (FY'21) | %



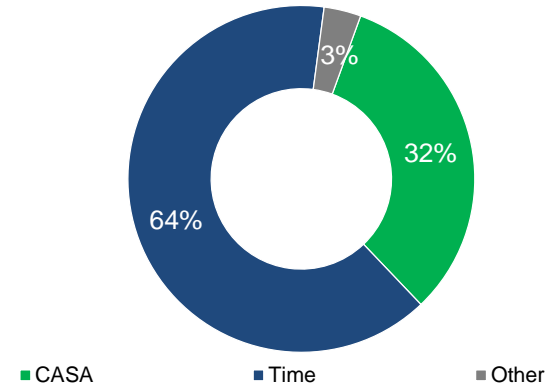
(1) BB Kuwait numbers are as per MIS view; International doesn't include BoB as it has been classified as "Held for Sale"; (2) Cash Includes Treasury Bills & Bonds

DEPOSITS & LIQUIDITY METRICS

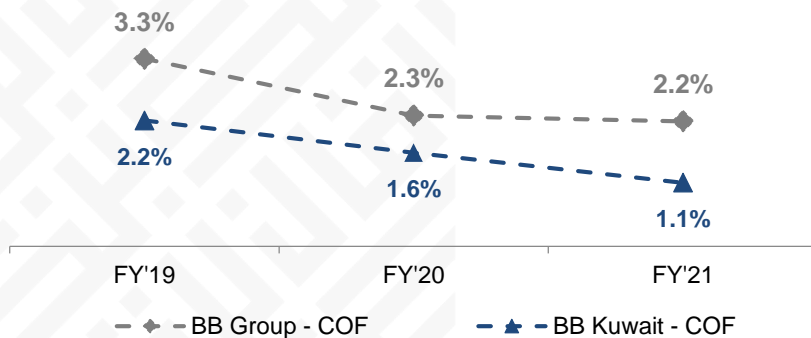
Customer Deposits ⁽¹⁾ | KD mn



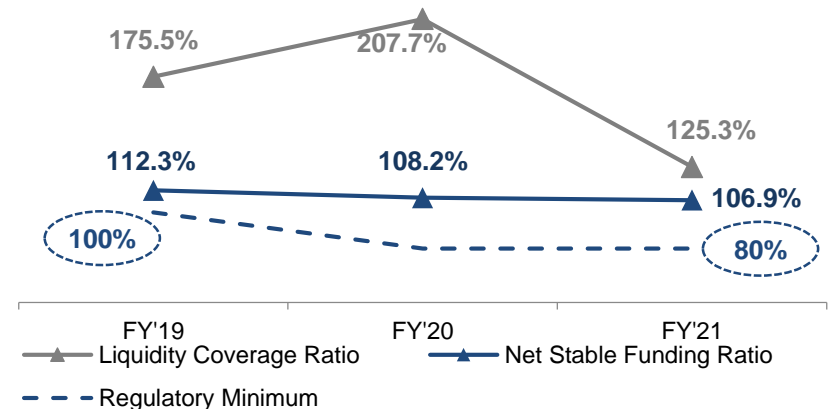
Deposits by Type – FY'21 | %



Cost of Funds ⁽²⁾ | %



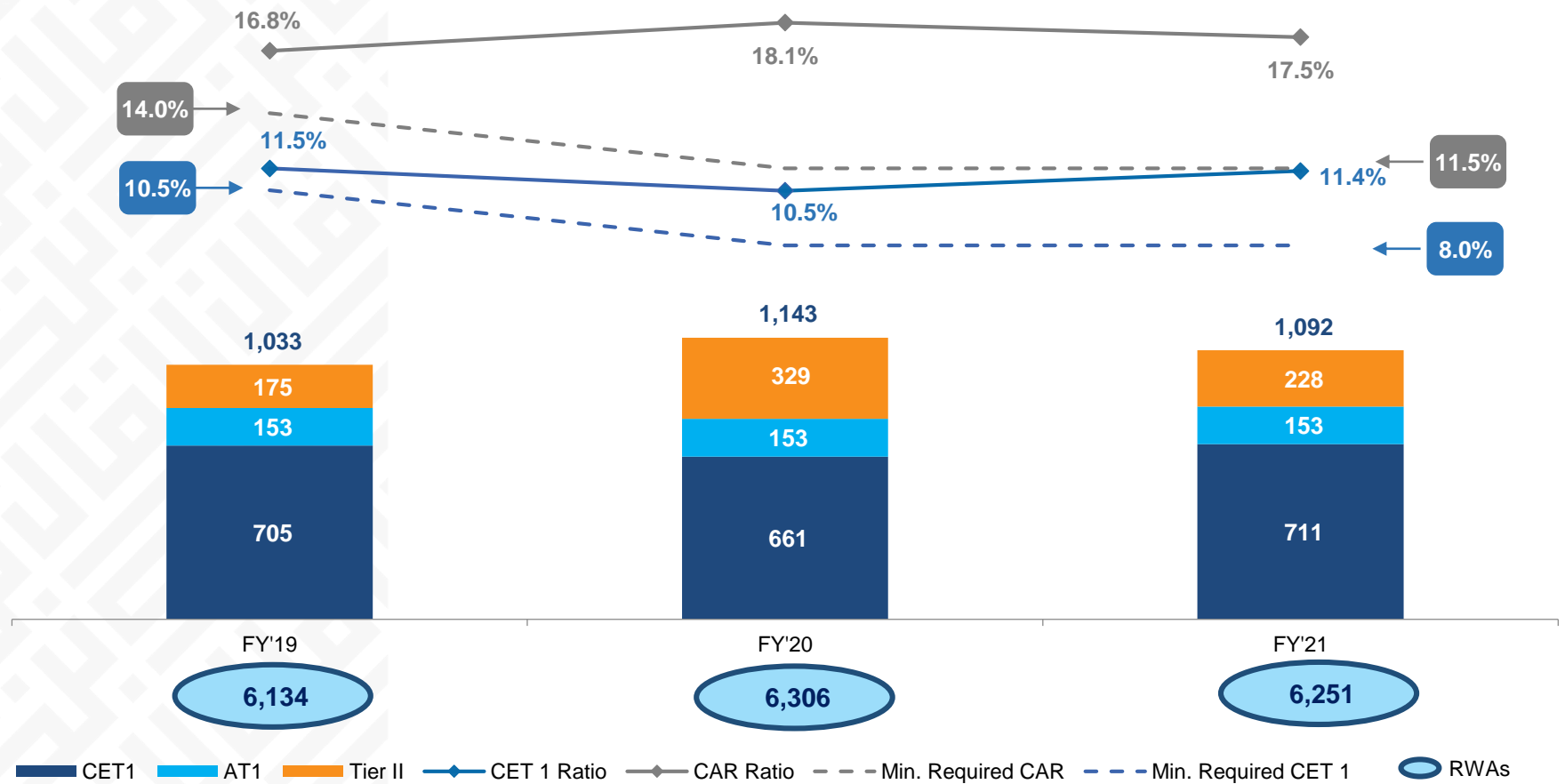
Regulatory Liquidity Metrics ⁽³⁾ | %



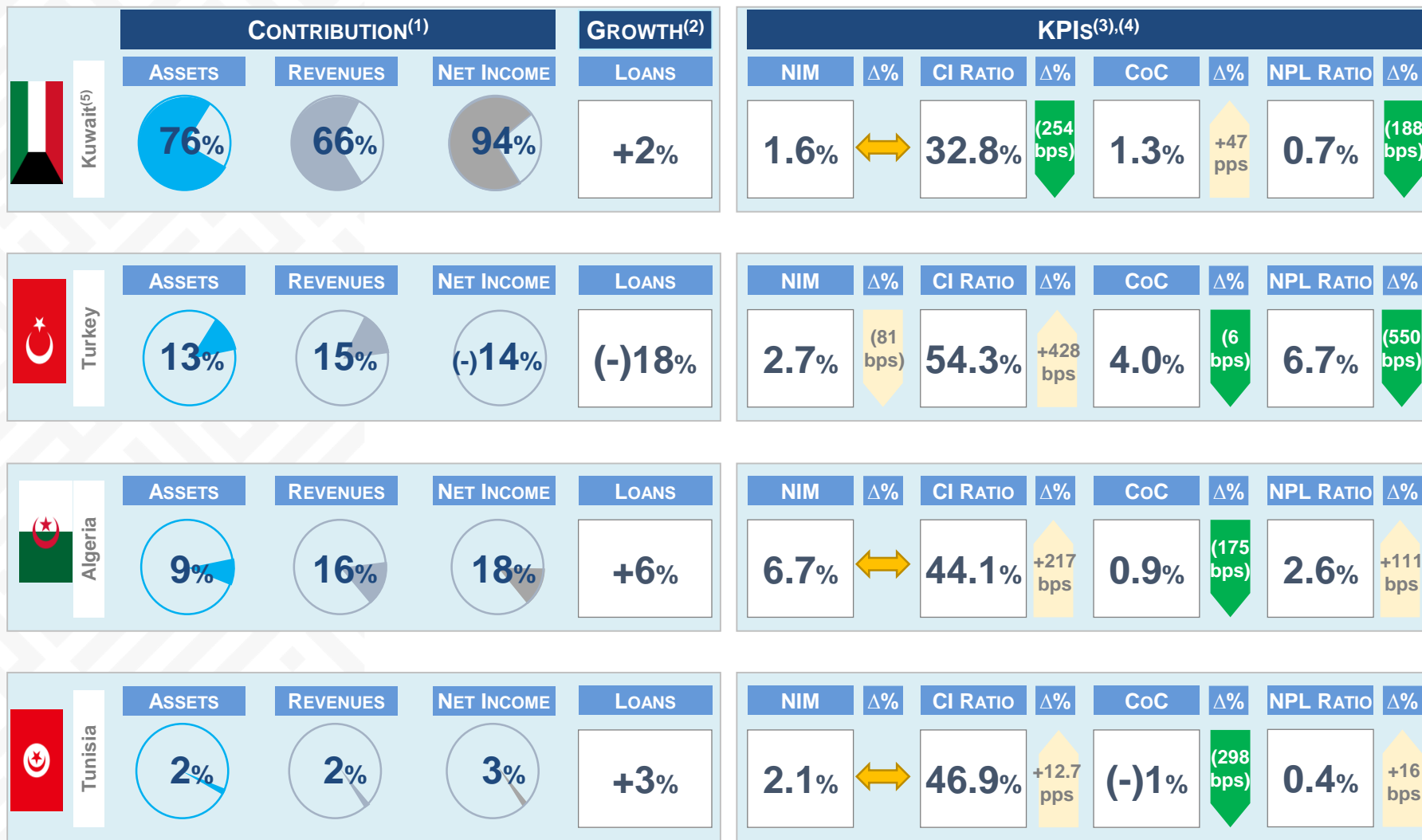
(1) BB Kuwait numbers are as per MIS view; International doesn't include BoB as it has been classified as "Held for Sale"; (2) COF for Kuwait is as per MIS view; (3) Represents daily average ratios for the quarters (i.e. Q4'18, Q4'19 and Q4'20)

CAPITAL LEVELS

Regulatory Capital | KD mn, %



KPIs ACROSS FRANCHISES



Note: (1) Excludes Contribution from BoB; Contributions in KD; (2) Growth vs FY'20 figures in KD terms; (3) Deltas are for FY'21 over FY'20; (4)CoC has been calculated as Loan Loss Provisions on Gross Loans; annualized; (5) As per MIS view.

* Contribution percentages are rounded figures and are before consolidation adjustments; * bps: Basis point; pps: Percentage Point

LOOKING AHEAD



Strong Capital levels to support Burgan's growth

Credit Costs expected to normalize

Expected rate hikes should support margin expansion

Thank You

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