

BURGAN BANK GROUP

INVESTOR PRESENTATION

FY'24 FINANCIAL RESULTS

19TH FEBRUARY 2025

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Overview & Operating Strategy

BURGAN AT A GLANCE

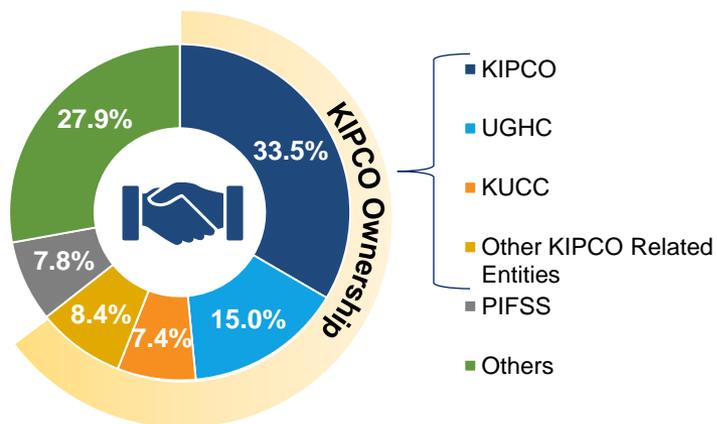
About Us

- Established in 1977 as Joint Stock Company by the Government of Kuwait and privatized in 1997.
- Listed on Bursa Kuwait in 1984 and grew to be one of the leading conventional banks in Kuwait (in terms of total assets)⁽¹⁾, with a market capitalization of KD 637 million⁽²⁾.
- Has one of the largest regional networks of 123 branches and 280 ATMs⁽¹⁾.

Credit Ratings

	Rating ⁽¹⁾
Fitch Ratings	A (Outlook: Stable)
MOODY'S	Baa1 (Outlook: Stable)
S&P Global	BBB+ (Outlook: Stable)
CI CAPITAL intelligence	A+ (Outlook: Stable)

Ownership Structure^{(1),(3)}



Our Presence



Notes: (1) As of 31st December 2024; (2) Based on share price as at 31st December 2024 (Source: Kuwait Boursa); (3) KIPCO: Kuwait Projects Company Holding K.S.C.P., UGHC: United Gulf Holding Company B.S.C.; KUCC: Kuwait United Consulting Company and PIFSS: Public Institution for Social Security.

KUWAIT FOCUSED BANK WITH REGIONAL DIVERSIFICATION

Franchises	Ownership ⁽¹⁾	Domestic Market Position ⁽¹⁾	Business Model	% of Group Assets ^{(1),(3)}
 <p>Burgan Bank Kuwait</p>	N/A	One of the top three conventional Banks ⁽²⁾	Corporate banking is the key business; Retail Banking growth is a focus area	76%
 <p>Burgan Bank Turkey</p>	47.6%	Niche Player	Corporate and Commercial clients are key segments; One of the best digital banking platform; individual clients focus increased	12%
 <p>Gulf Bank Algeria</p>	86.0%	Growing Private sector Bank	Focused on Trade Finance & Corporate Banking segment; Growing retail franchise	10%
 <p>Tunis International Bank</p>	86.7%	Offshore Bank	Focused on Trade Finance and Financial Institutions business	2%

Notes: (1) As at 31st December 2024; refer to effective shareholding; (2) Based on total assets; (3) Total Assets excluding consolidation adjustments.

Strategic Pillars

A Strengthen Kuwait Business

- Grow & Diversify the Corporate Portfolio
- Double Market Share in Retail
- Build Best-in-class Private Bank & Wealth Management
- Strengthen Liquidity & Risk Profile
- Improve Quality Of Service, Cross-sell, & Share Of Wallet
- Embed Best-practices, Incl. ESG



B Asset Re-Allocation

- Pursue Sale of Non-Core Assets
- Re-Invest in New Markets
- Seek Growth Opportunities in New Segments

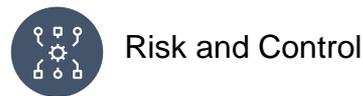


C Digital Transformation

- Revamp IT infrastructure with modern technology
- Upgrade IT capabilities & IT security
- Promote Digital Offerings for New Segments



Enablers



FY'24 Key Developments & Achievements

FY'24 KEY DEVELOPMENTS & ACHIEVEMENTS



Strengthen Kuwait Business

- ☛ Launched New “Private Banking” Brand
- ☛ Continued Retail Transformation
- ☛ Sector Focused Growth of Corporate Book
- ☛ Significant Improvement in Cross-Selling
- ☛ IPSOS CSAT Score : 86%

- ☛ Signed an SPA to Acquire United Gulf Bank (UGB), Bahrain for USD 190mn (~1.0x BV)
- ☛ Impact of the acquisition on our regulatory Capital is expected to be ~60-70bps
- ☛ Significant synergies expected due to complementary business models



Asset Re-Allocation



Digital Transformation

- ☛ Signed-up with Tata Consulting Services to Upgrade Core Banking
- ☛ Continued Improvement in Burgan’s App / Online
- ☛ BBT’s ON Client Base Reached 1 Million Mark Within just 3 Years of Launch
- ☛ Strong Traction also Seen in AGB & TIB Franchises as well

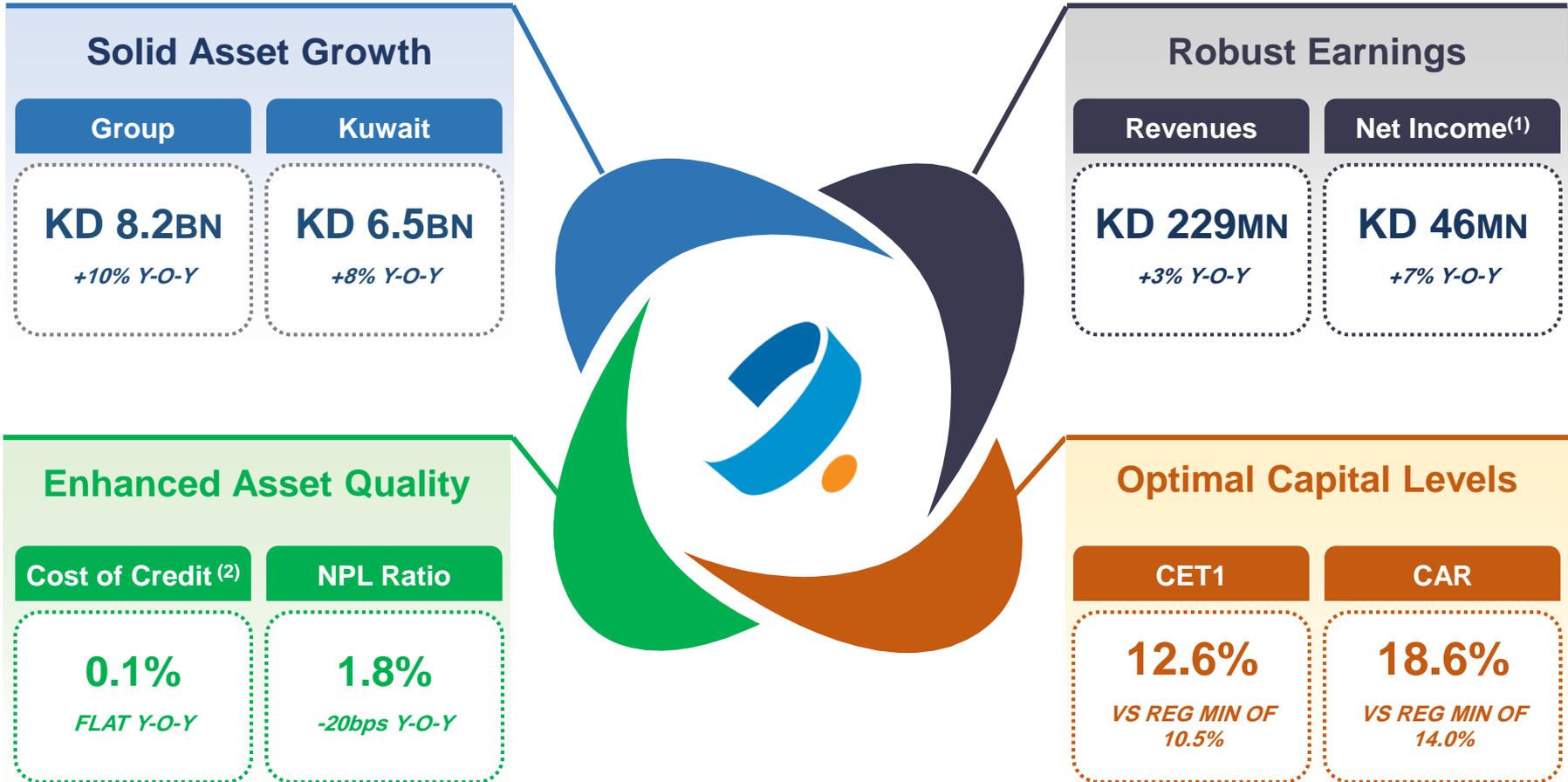
- ☛ Achieved LEED Gold Certification for Head Office
- ☛ Review of ESG focus areas & Materiality matrix Re-assessment
- ☛ Embedding ESG principles in Bank’s policies
- ☛ Steady progress on integration of climate risk in underwriting
- ☛ Enhanced CSR Program



Sustainability & ESG

FY'24 Performance Highlights

FY'24 PERFORMANCE HIGHLIGHTS



Cash dividend of 6 fils per share along with Stock dividend of 5% proposed – *subject to shareholders approval*

Notes: (1) Net Income attributed to equity holders of bank; (2) Net of recoveries.

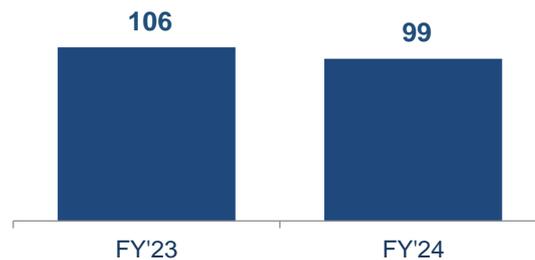
Financial Review – FY'24

P&L METRICS

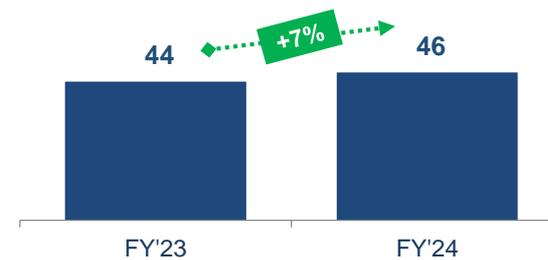
Revenue | KD mn



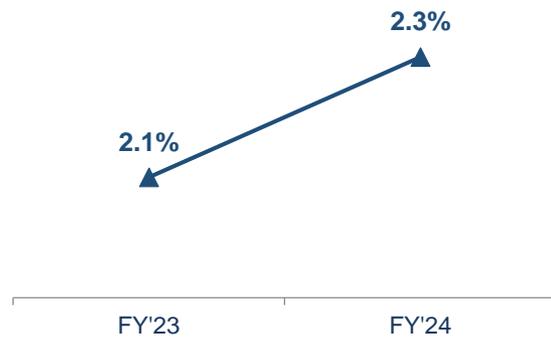
Operating Profit | KD mn



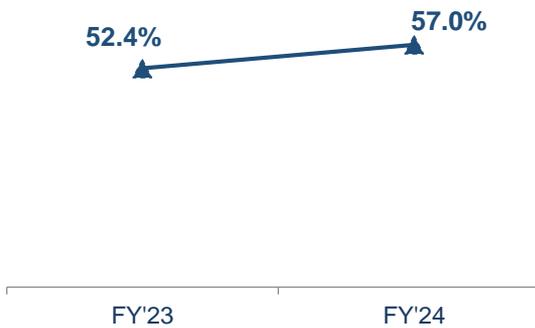
Net Income⁽¹⁾ | KD mn



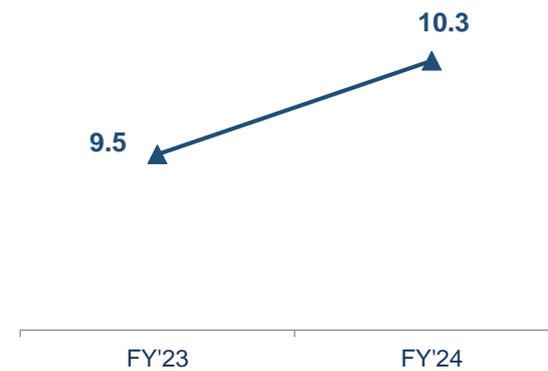
Net Interest Margin (NIM) | %



Cost to Income Ratio (CIR) | %



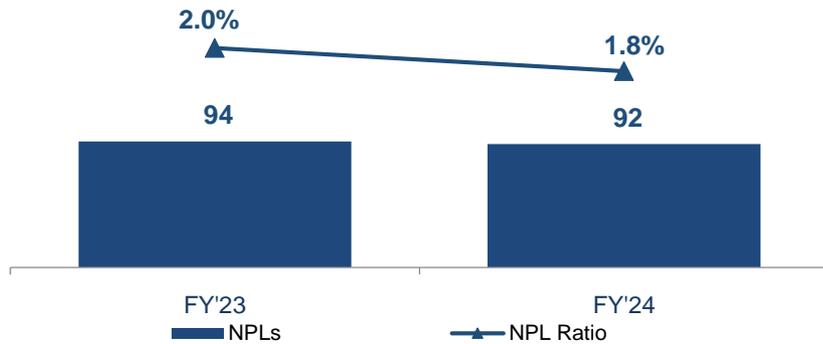
Earnings Per Share (EPS) | %



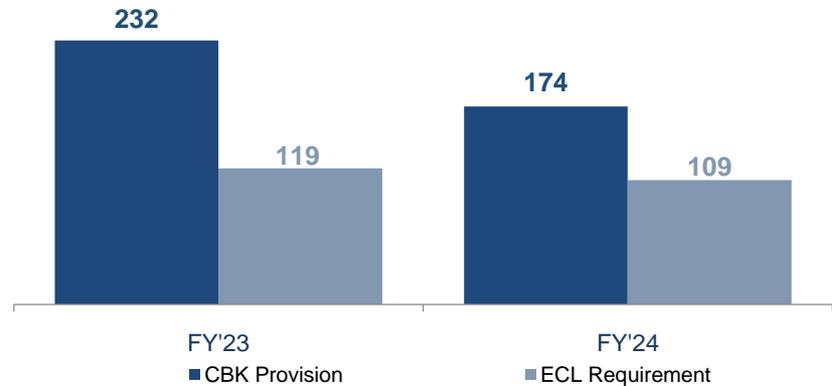
Note: (1) Net Income attributed to equity holders of bank.

ASSET QUALITY METRICS

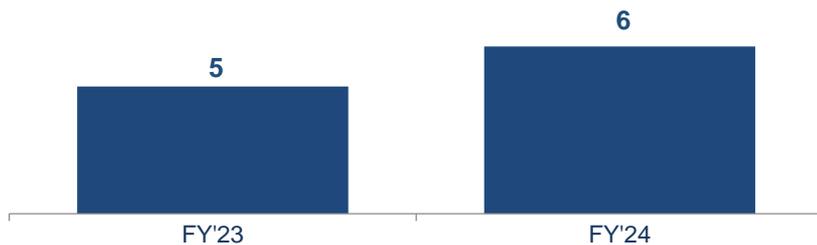
Non-Performing Loans (NPLs) & NPL Ratio | KD mn,%



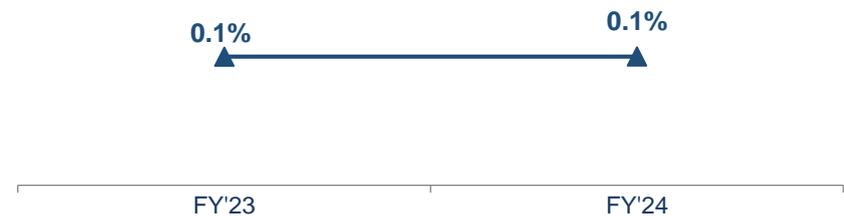
Total Provisions & IFRS 9 ECL Requirements | KD mn



Provision Charge⁽¹⁾ | KD mn



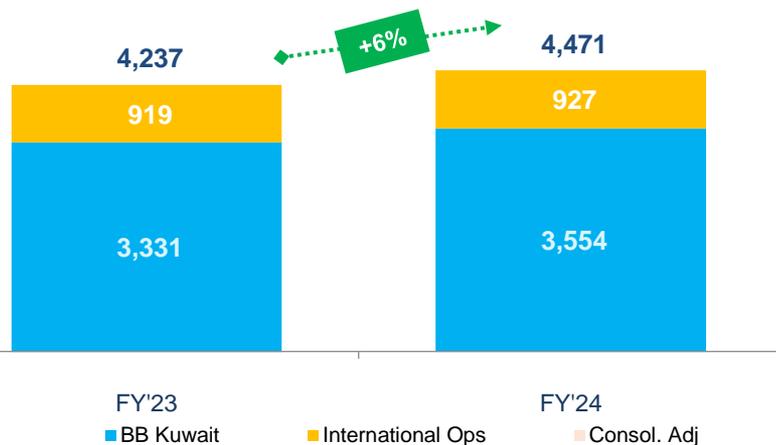
Cost of Credit (CoC)⁽²⁾ | %



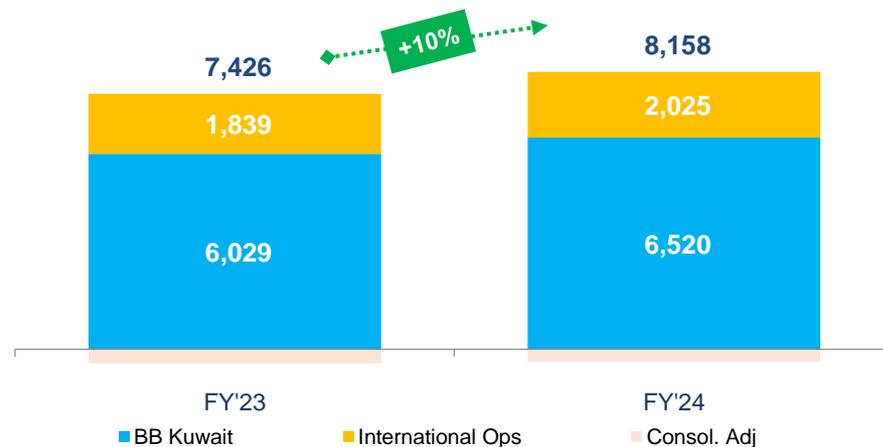
Notes: (1) Loan loss provision adjusted for recoveries; (2) Cost of Credit based on Loan Loss Provisions adjusted for recoveries over Gross Loans.

LOANS & ASSETS

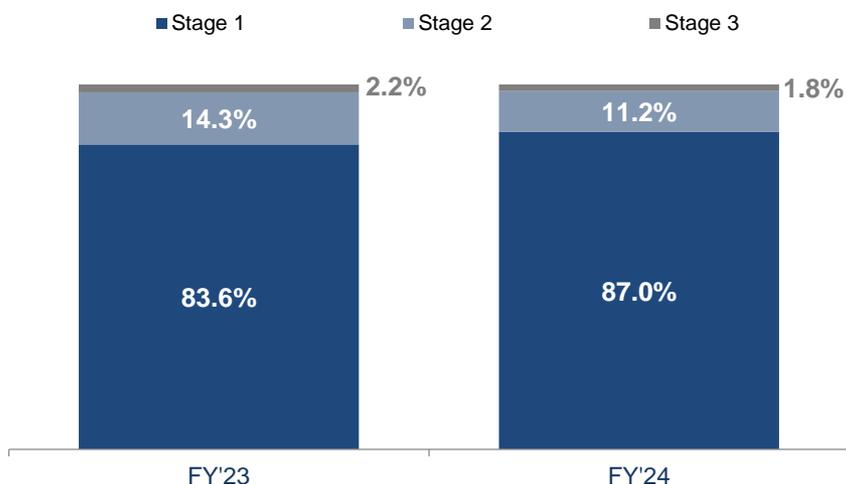
Customer Loans | KD mn, %



Total Assets | KD mn



Loans by Stages⁽¹⁾ | %



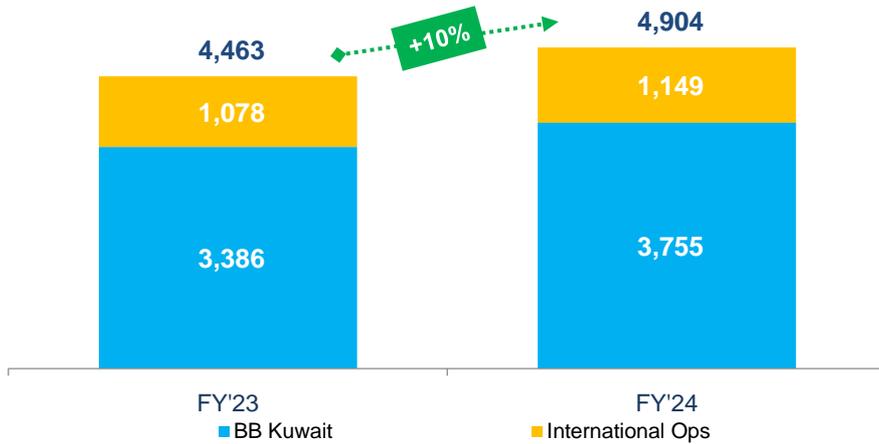
Liquid Assets Ratio⁽²⁾ | %



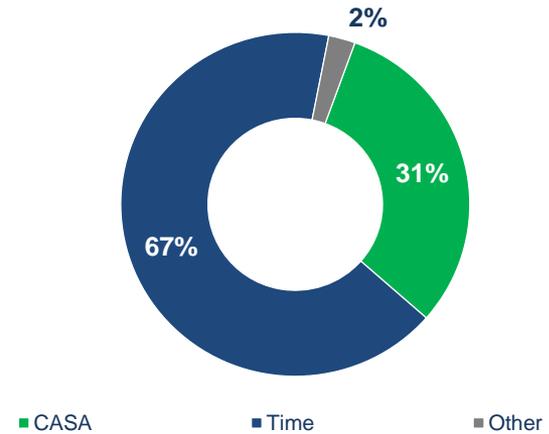
Notes: (1) Represents IFRS 9 classification; (2) Computed as Liquid Assets (Cash & cash Equ.+ T-bills / bonds+ Dues from Banks & OFIs) / Total Assets.

LIQUIDITY PROFILE

Customer Deposits | KD mn



Deposits by Type – FY'24 | %

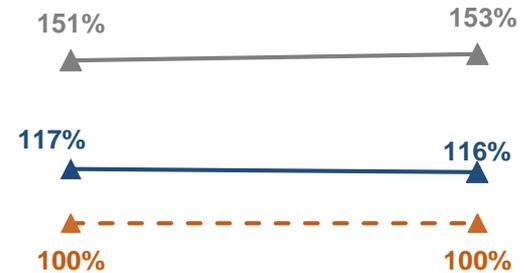


Loan to Deposit Ratio (LDR) | %



FY'23 FY'24
 - ▲ - LDR - ▲ - Regulatory Maximum

Regulatory Liquidity Metrics⁽¹⁾ | %

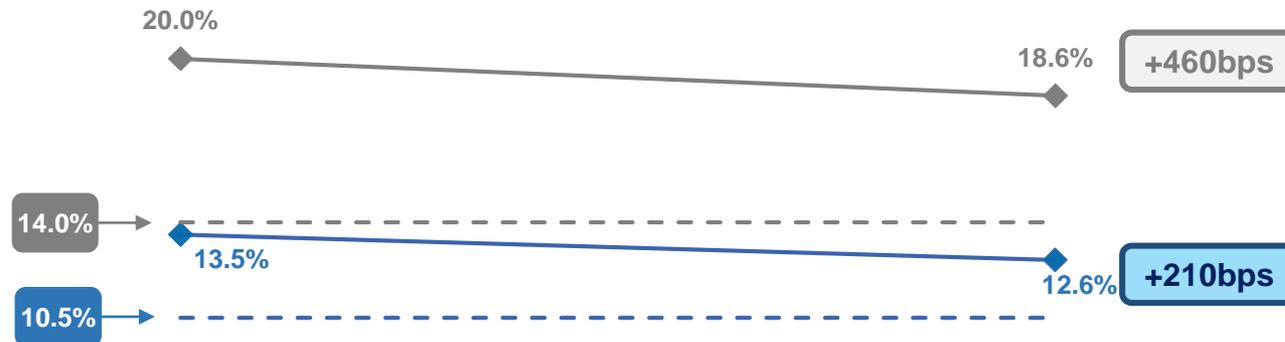


FY'23 FY'24
 - ▲ - Liquidity Coverage Ratio - ▲ - Net Stable Funding Ratio
 - ▲ - Regulatory Minimum

Note: (1) Represents daily average ratios for the quarters.

CAPITAL POSITION

Regulatory Capital | KD mn, %



FY'23

FY'24

6,359

7,017

■ CET1
 ■ AT1
 ■ Tier II
 ◆ CET 1 Ratio
 ◆ CAR Ratio
 - - - Min. Required CAR
 - - - Min. Required CET 1
 RWAs
 CET1 buffers over reg. min
 CAR buffers over reg. min

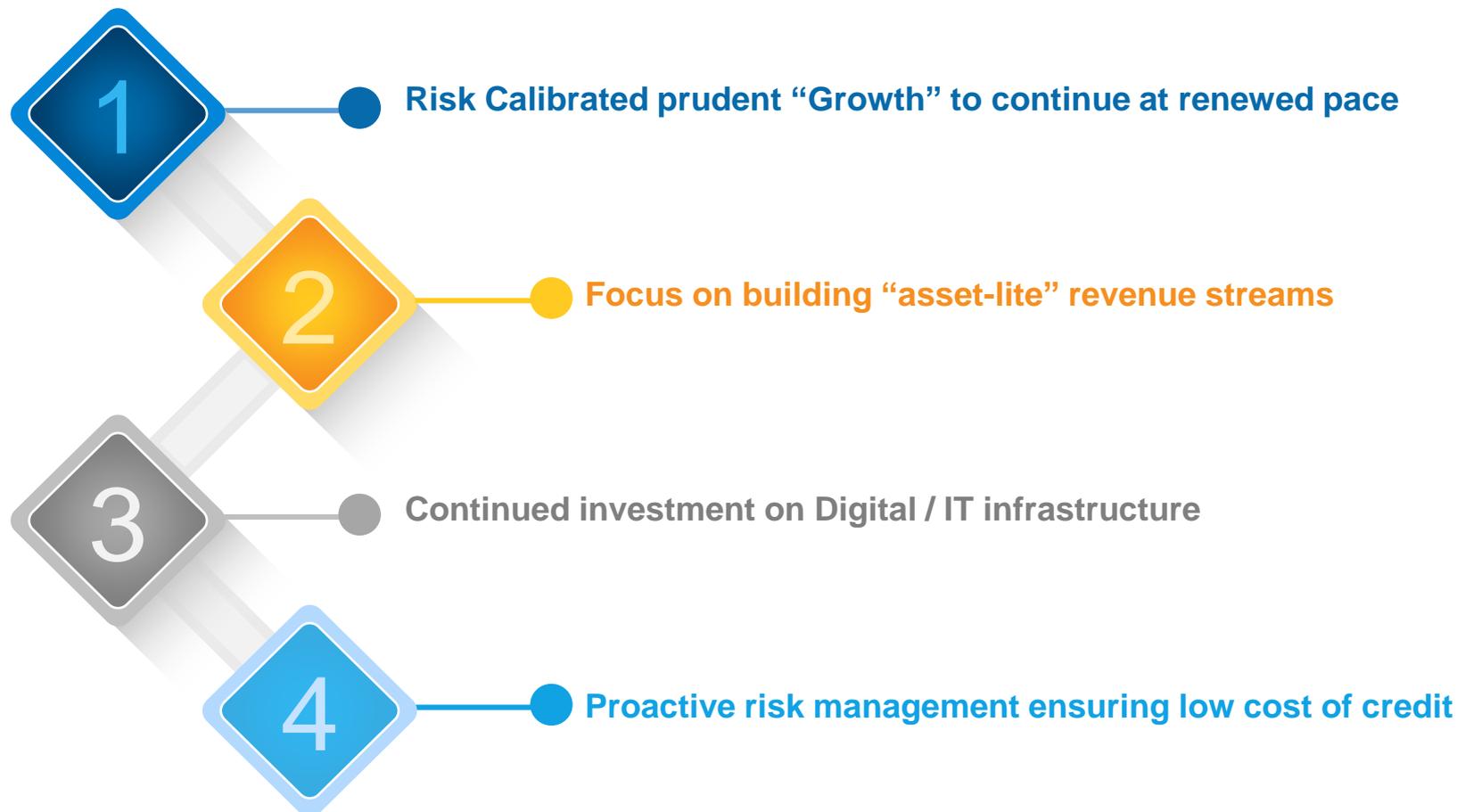
KPIs ACROSS FRANCHISES

	CONTRIBUTION (1)	KPIs			
 Kuwait	ASSETS  <p>76%</p>	NIM(2) <p>1.3%</p>	CROSS SELL(5) <p>25.3%</p>	CoC(2),(3) <p>0.1%</p>	NPL RATIO <p>1.6%</p>
 Turkey	ASSETS  <p>12%</p>	NIM(2) <p>5.7%</p>	CROSS SELL(5) <p>43.7%</p>	CoC(2),(3) <p>(1.8)%</p>	NPL RATIO <p>0.9%</p>
 Algeria	ASSETS  <p>10%</p>	NIM(2) <p>5.4%</p>	CROSS SELL(5) <p>27.0%</p>	CoC(2),(3) <p>3.3%</p>	NPL RATIO <p>5.0%</p>
 Tunisia	ASSETS  <p>2%</p>	NIM(2) <p>5.0%</p>	CROSS SELL(5) <p>24.7%</p>	CoC(2),(4) <p>(0.7)%</p>	NPL RATIO <p>0.8%</p>

Notes : (1) Contribution percentages have been rounded-off & are before consol. adj; Contributions in KDs; (2) Annualized; (3) COC computed as loan loss provisions on Gross loans adjusted for recoveries; (4) TIB's COC computed as loan loss provisions adjusted for recoveries on Gross loans + Dues from banks & OFI's; (5) Cross sell computed as non interest income on revenues.

Summary

Burgan delivered strong financial results, maintaining its stable financial outlook and robust market position. Going forward, we expect:



Thank You

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