

BURGAN BANK GROUP

INVESTOR PRESENTATION

H1'22 FINANCIAL RESULTS

3RD AUGUST 2022



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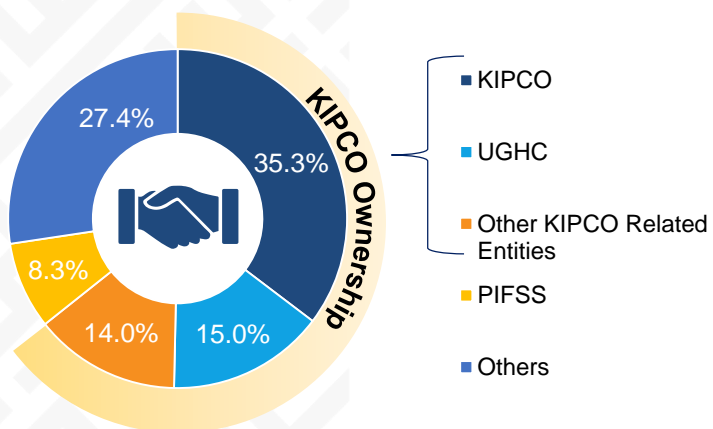
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BURGAN AT A GLANCE



Geographic Presence	Market Cap ⁽¹⁾	Total Assets ⁽¹⁾	Employees ⁽¹⁾	Branches ⁽¹⁾	ATMs ⁽¹⁾
Kuwait, Turkey, Algeria, Tunisia & Iraq ⁽²⁾	KD 792mn	KD 7.3bn	3,207 ⁽³⁾	125 ⁽³⁾	290 ⁽³⁾

Ownership Structure⁽¹⁾



Credit Ratings

	Rating ⁽⁴⁾	Outlook ⁽⁴⁾
FitchRatings	A	Stable
MOODY'S	Baa1	Stable
S&P Global	BBB+	Stable

(1) As at 30th June 2022; (2) Bank of Baghdad has been classified as held for sale; (3) Excluding Bank of Baghdad as it has been classified as held for sale; (4) **Fitch**: As per the latest report dt 14th April 2022; **Moody's**: As per the latest report dt 19th April 2022; **S&P**: As per the latest update dt 19th July 2022.



KEY HIGHLIGHTS – H1'22

1

**KUWAIT-LED
ASSET GROWTH**

2

**RESILIENT
EARNINGS**

3

**IMPROVED ASSET
QUALITY**

4

**OPTIMAL CAPITAL
LEVELS**

KEY PERFORMANCE INDICATORS⁽¹⁾

BB Group

KD 7.3BN

+5% y-o-y

BB Kuwait

KD 5.7BN

+7% y-o-y

Revenue

KD 110MN

(-)1% y-o-y

Net Income⁽²⁾

KD 27MN

+13% y-o-y

Cost of Credit

0.5%

(-)126bps y-o-y

NPL Ratio

2.6%

(-)195bps y-o-y

CET1

11.1%

VS 9.0% MIN REG REQ

CAR

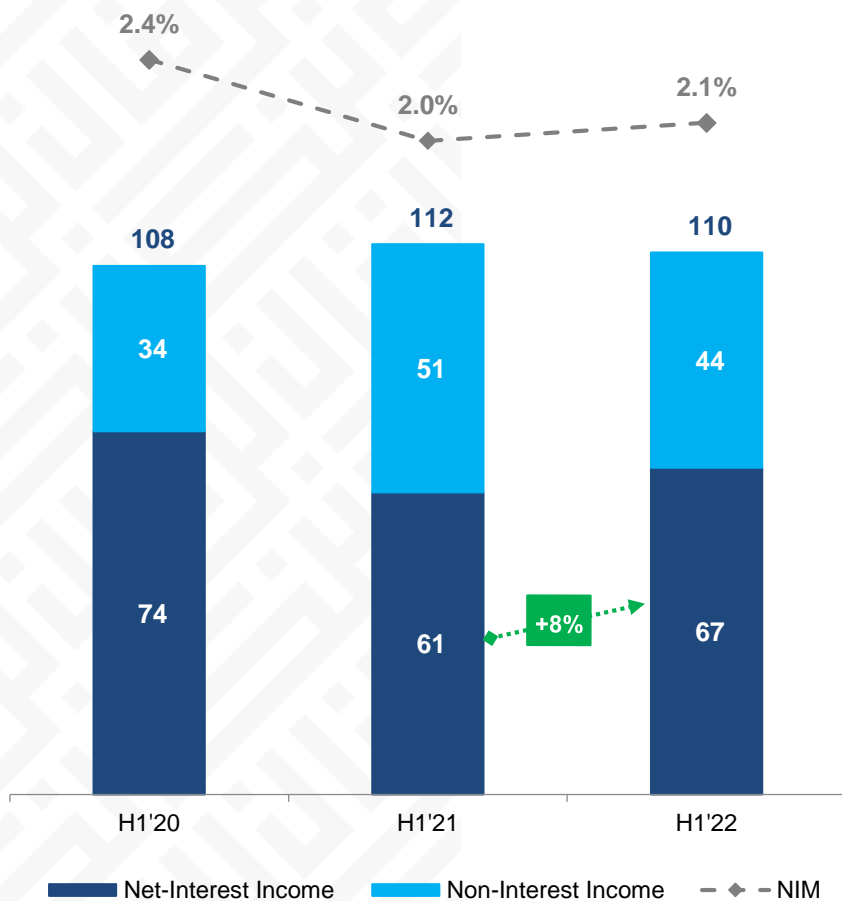
17.2%

VS 12.5% MIN REG REQ

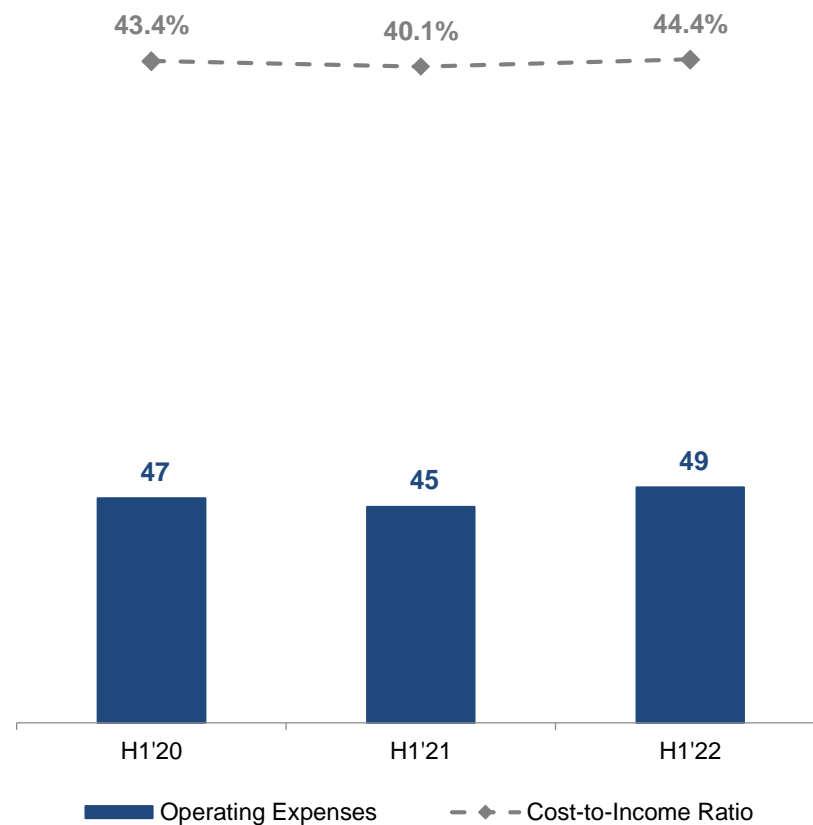
(1) All financial numbers are at Group Level except for Assets (which have been separately mentioned for Group and Kuwait); (2) Net Income attributed to equity holders of bank before AT1 cost.

REVENUE & OPERATING EXPENSES

Revenue & Net Interest Margin⁽¹⁾ | KD mn, %



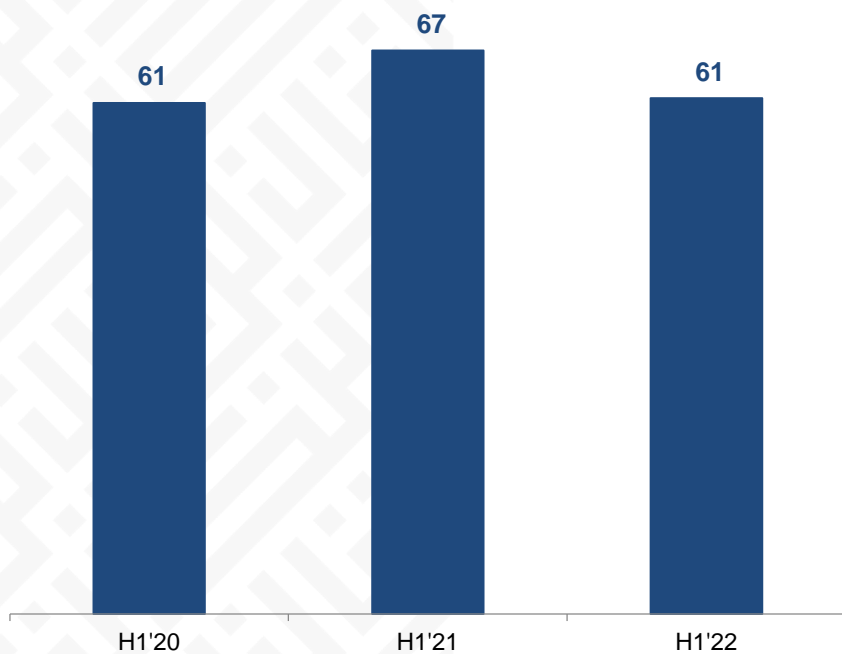
Operating Exp. & Cost-to-Income Ratio⁽²⁾ | KD mn, %



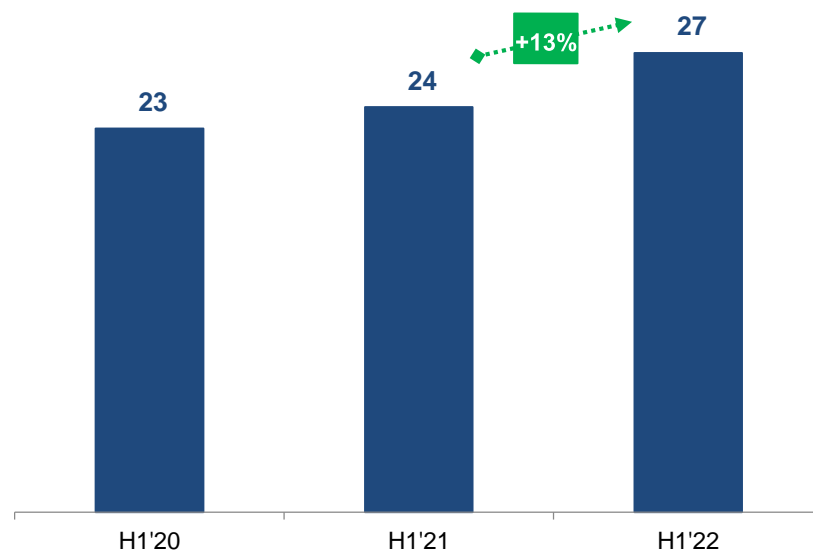
(1) NIMs have been annualized; (2) Cost-to-income ratio is calculated as Total Operating expenses / Total Revenues.

OPERATING PROFIT & NET INCOME

Operating Profit | KD mn



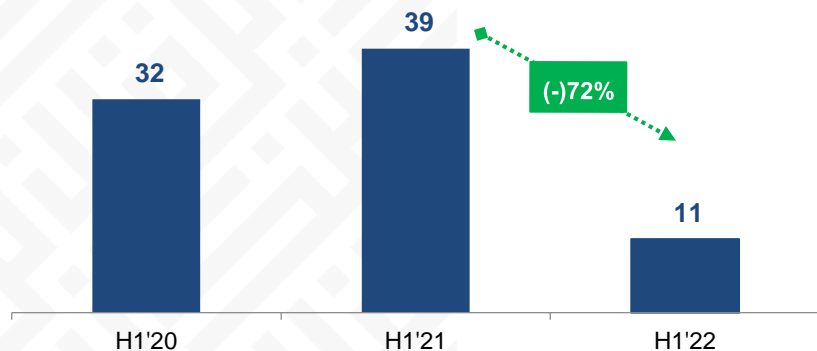
Net Income⁽¹⁾ | KD mn



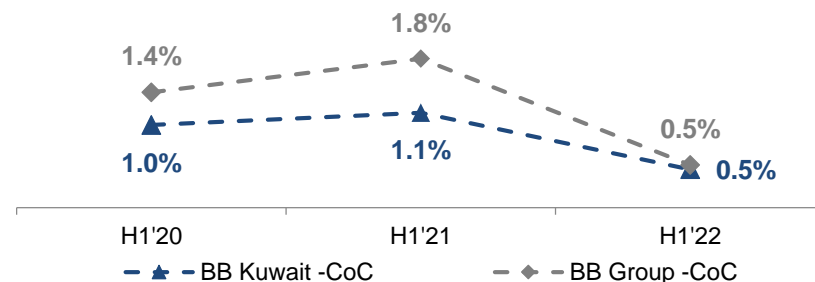
(1) Net Income attributed to equity holders of bank before AT1 cost.

ASSET QUALITY

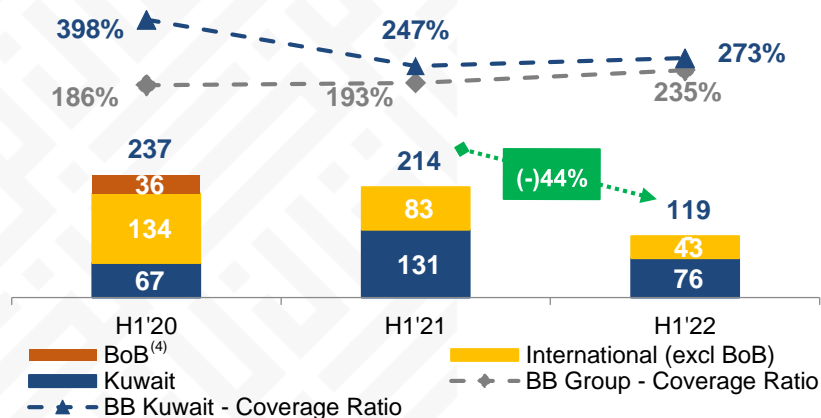
Provisions⁽¹⁾ | KD mn



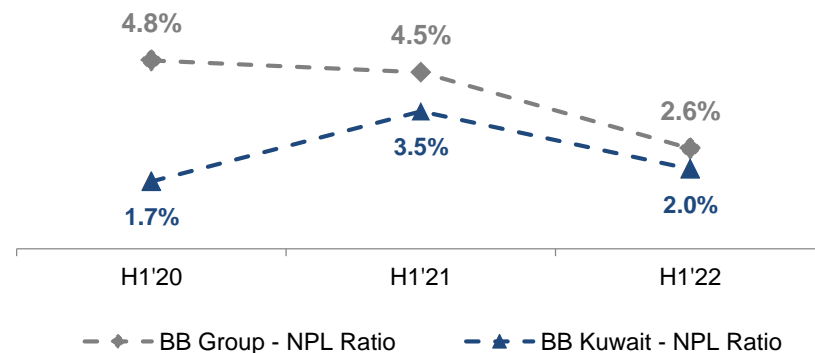
Cost of Credit (CoC)⁽²⁾ | %



NPLs & Coverage⁽³⁾ | KD mn, %



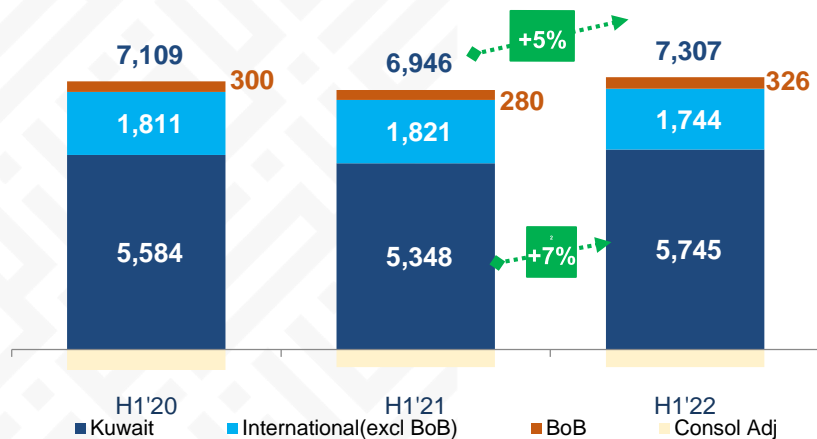
NPL Ratio | %



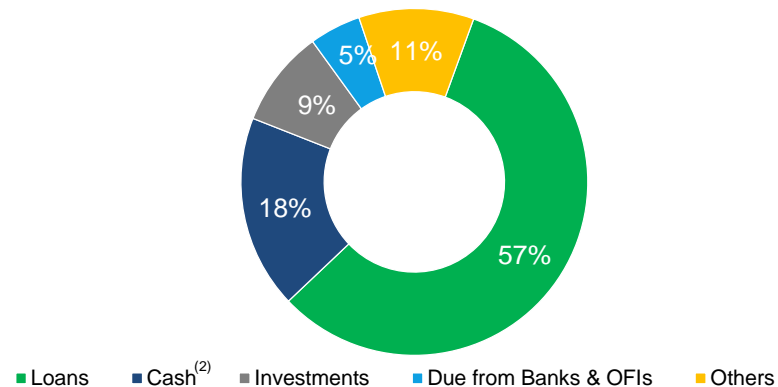
(1) Loan loss provision only; (2) Calculated as Loan Loss Provisions / Gross Loans; annualized; (3) NPL Coverage ratio calculated as Cash Provision + Collaterals / NPLs; (4) BoB was classified as "subsidiary" as at 30th June 2020; For other periods BoB has been classified as "Held for Sale".

CUSTOMER LOANS & SECTORAL BREAKDOWN

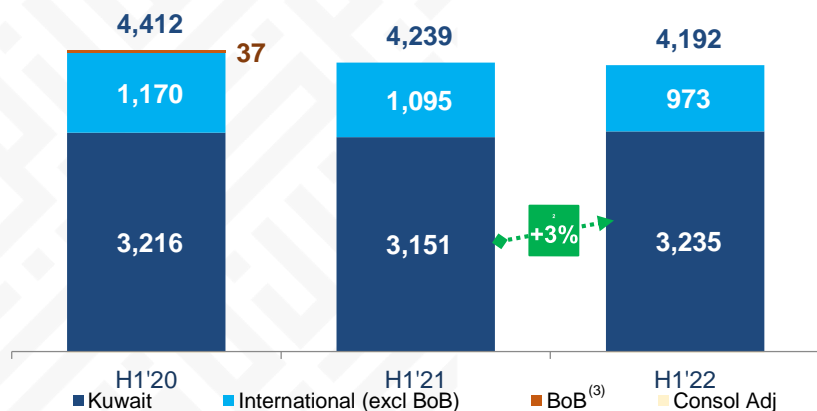
Total Assets⁽¹⁾ | KD mn



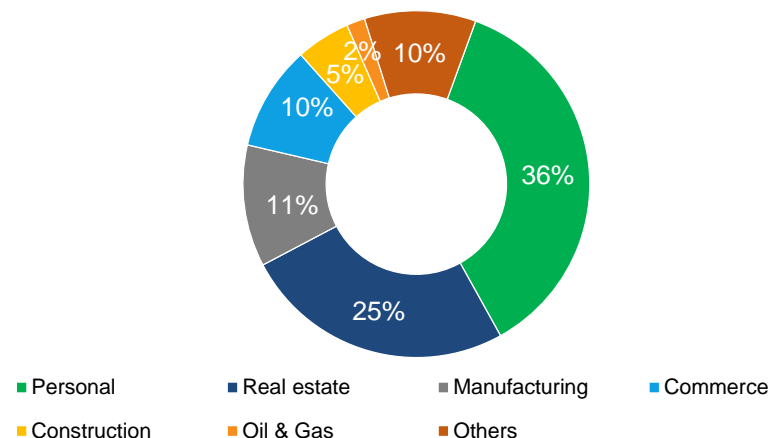
Asset Composition – H1'22 | %



Customer Loans⁽¹⁾ | KD mn



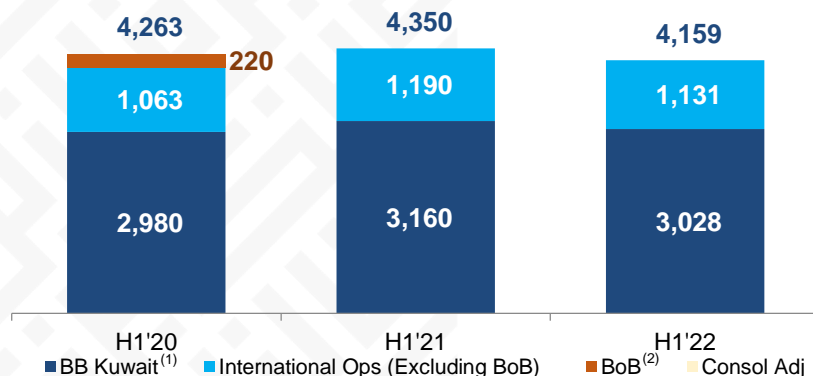
Customer Loans – Sector Concentration (H1'22) | %



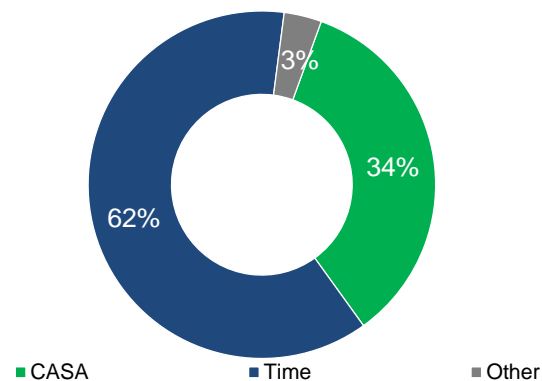
(1) BB Kuwait numbers are as per MIS view; International doesn't include BoB as it has been classified as "Held for Sale"; (2) Cash Includes Treasury Bills & Bonds; (3) BoB was classified as "subsidiary" as at 30th June 2020; For other periods BoB has been classified as "Held for Sale".

CUSTOMER DEPOSITS & LIQUIDITY

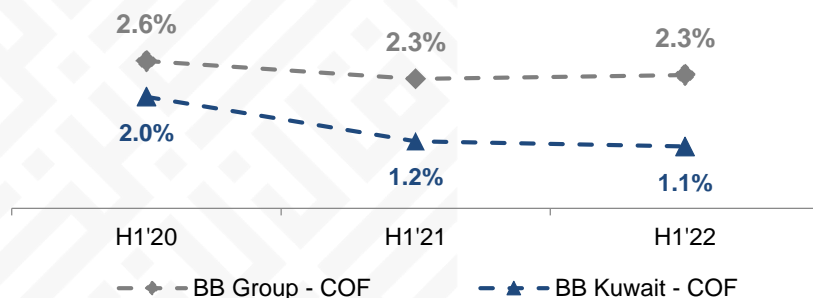
Customer Deposits | KD mn



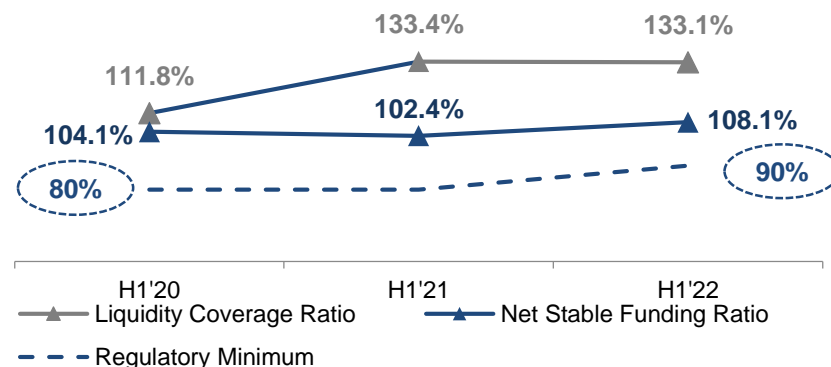
Deposits by Type – H1'22 | %



Cost of Funds⁽³⁾ | %



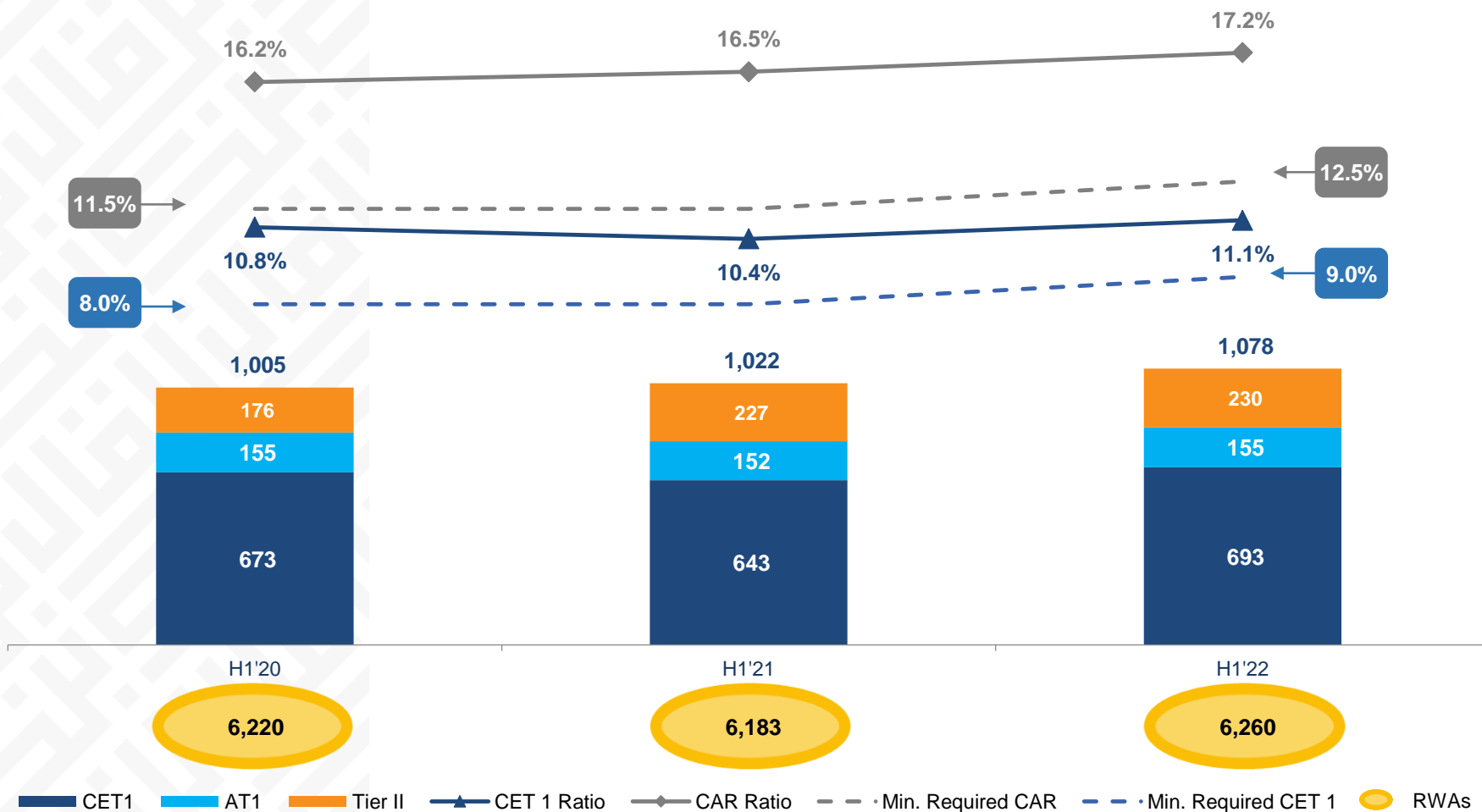
Regulatory Liquidity Metrics⁽⁴⁾ | %



(1) BB Kuwait numbers are as per MIS view; International doesn't include BoB as it has been classified as "Held for Sale"; (2) BoB was classified as "subsidiary" as at 30th June 2020; For other periods BoB has been classified as "Held for Sale"; (3) COF for Kuwait is as per MIS view; (4) Represents daily average ratios for the quarters

CAPITAL LEVELS

Regulatory Capital | KD mn, %



KPIs ACROSS FRANCHISES – H1'22



(1) Excludes Contribution from BoB; Contributions in KD; (2) Growth vs H1'21 figures in KD terms; (3) Deltas are for H1'22 over H1'21; (4) CoC has been calculated as Loan Loss Provisions on Gross Loans; annualized; (5) As per MIS view; (6) CoC computed as Loan Loss Provisions on Gross Loans + Dues from Banks & OFIs. * Contribution percentages are rounded figures and are before consolidation adjustments;

* bps: Basis point; pps: Percentage Point

CONCLUSION

☞ **Solid financial performance** amidst challenging operating environment particularly in subsidiary markets

☞ Looking ahead, we expect:

- ✓ **Interest income growth** momentum to **continue**
- ✓ **Credit costs** to further **normalize**
- ✓ **Asset Quality** to further **improve**

Thank You

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