

BURGAN BANK GROUP

INVESTOR PRESENTATION

Q2'21 FINANCIAL RESULTS

3RD AUGUST 2021



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KEY HIGHLIGHTS: Q2'21 RESULTS

Strong Topline Recovery & Higher Margins

- ☞ Revenue: KD 64mn (vs Q1'21: KD 48mn)
- ☞ Net Interest Margin⁽¹⁾: 2.4% (vs Q1'21: 1.7%)

Robust Earnings

- ☞ Operating Profit: KD 40mn (vs Q1'21: KD 27mn)
- ☞ Net Income⁽²⁾: KD 19mn (vs Q1'21: KD 5mn)

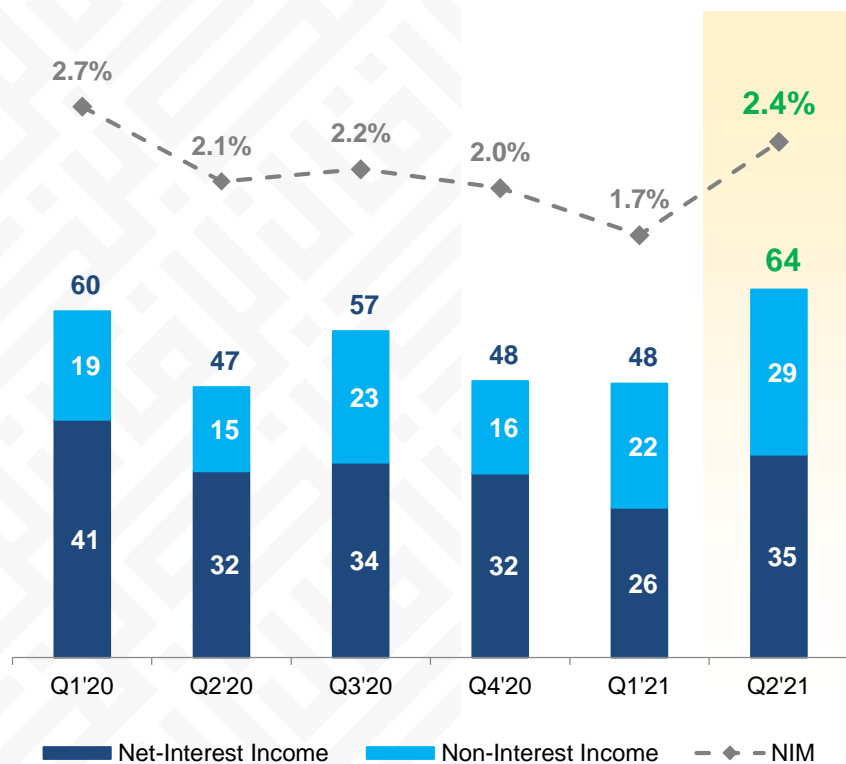
Improved Asset Quality

- ☞ NPL Ratio:
 - ✓ Kuwait: 3.5% (vs Q1'21: 5.4%)
 - ✓ Group: 4.5% (vs Q1'21: 6.0%)

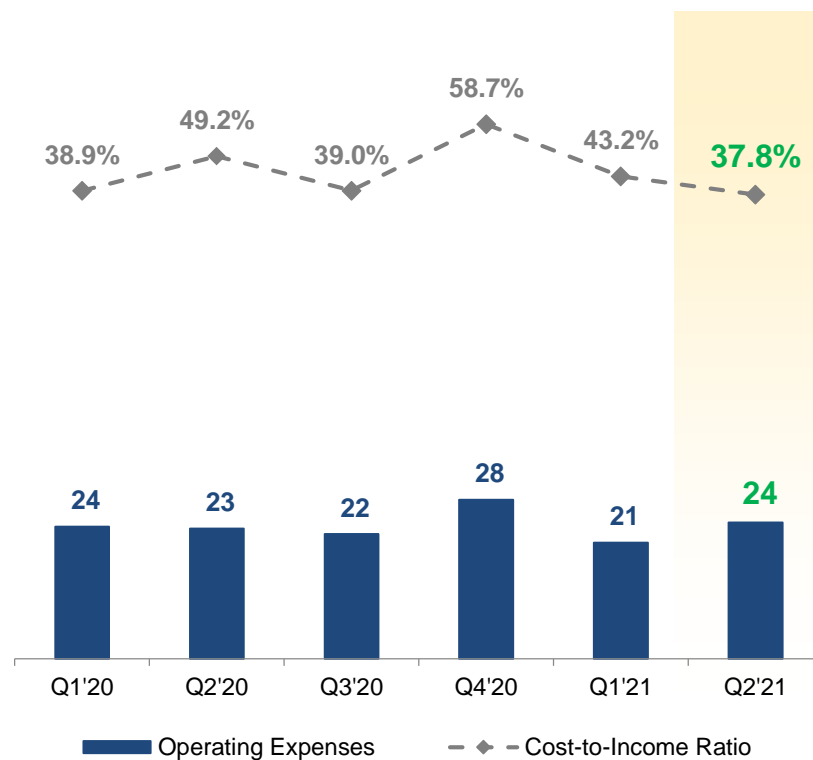
(1) NIMs have been annualized; (2) Net Income attributed to equity holders of bank before AT1 cost.

REVENUE & OPERATING EXPENSES

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



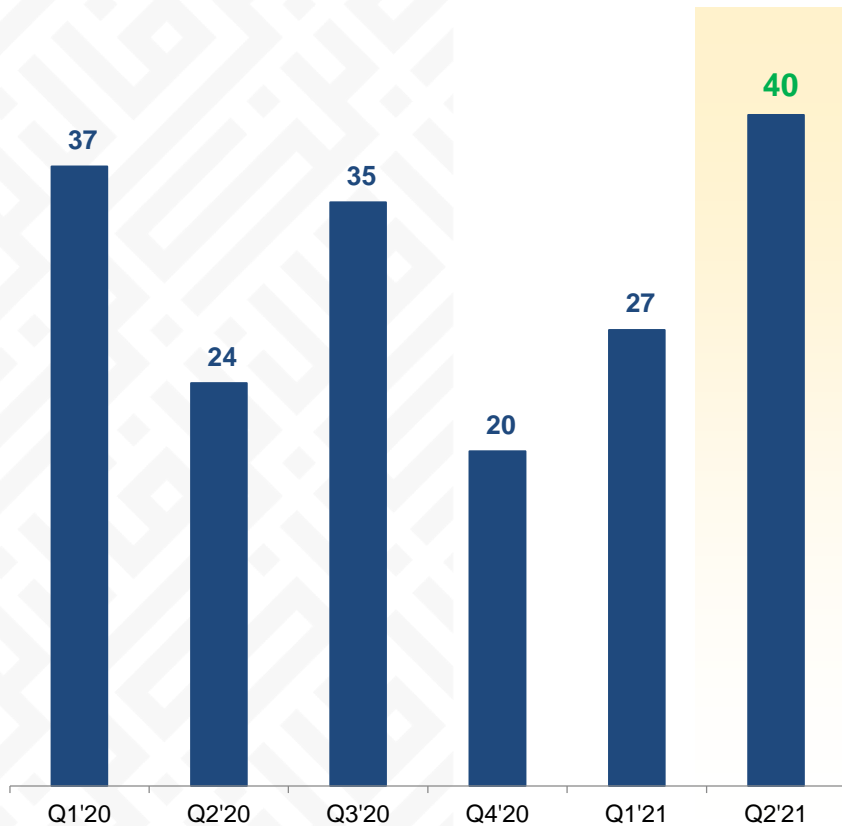
Operating Exp. & Cost-to-Income Ratio⁽²⁾ | KD mn, %



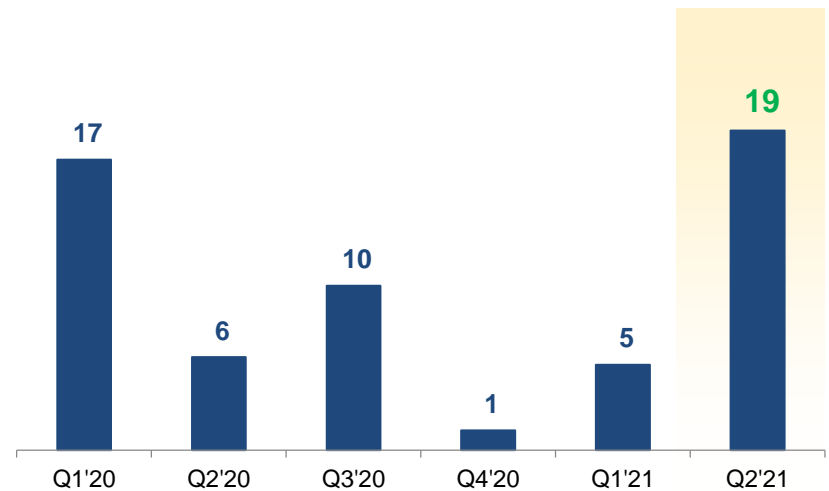
(1) NIMs have been annualized; (2) Cost-to-income ratio is calculated as Total Operating expenses / Total Revenues.

OPERATING PROFIT & NET INCOME

Operating Profit | KD mn



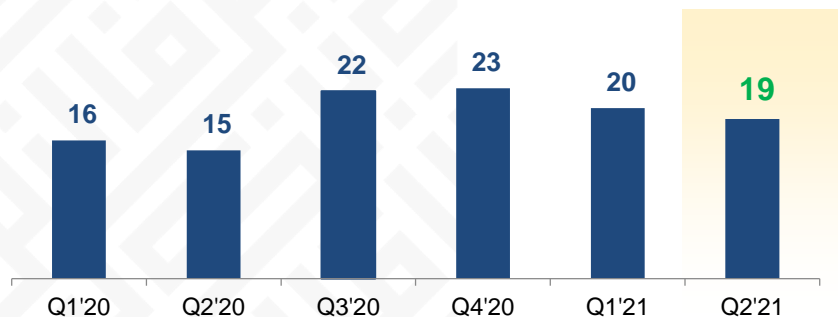
Net Income⁽¹⁾ | KD mn



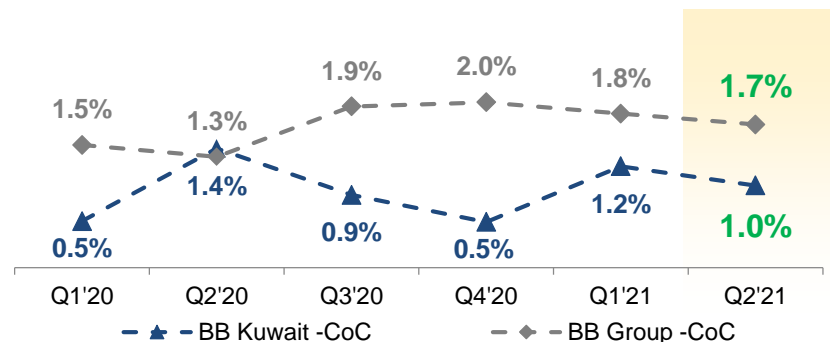
(1) Net Income attributed to equity holders of bank before AT1 cost.

ASSET QUALITY

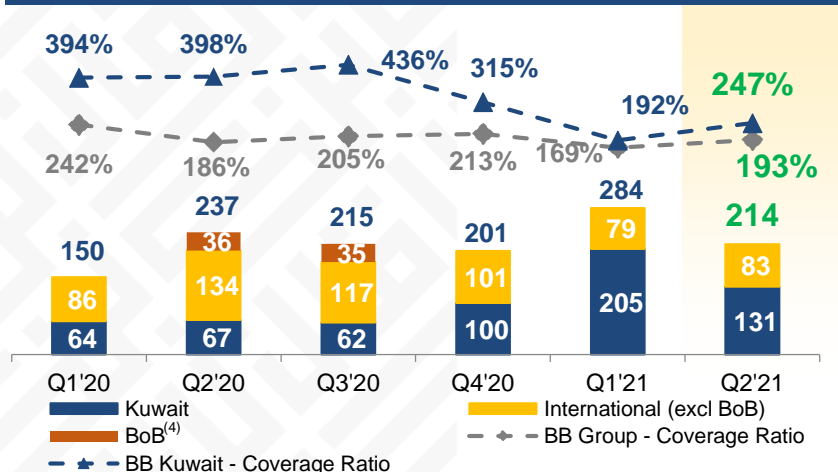
Provisions⁽¹⁾ | KD mn



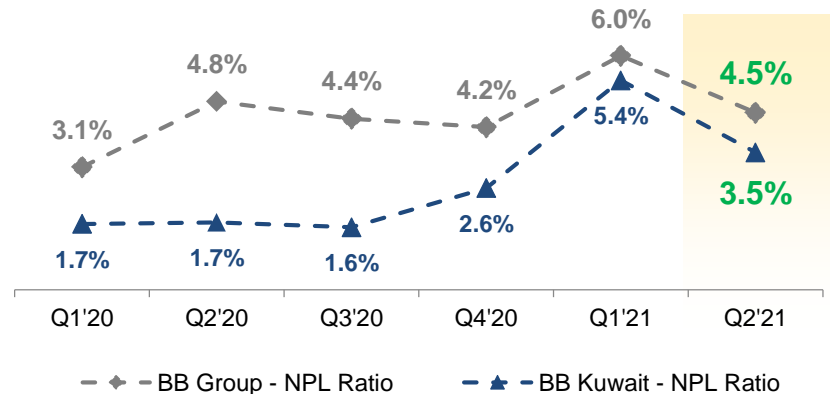
Cost of Credit (CoC)⁽²⁾ | %



NPLs & Coverage⁽³⁾ | KD mn, %



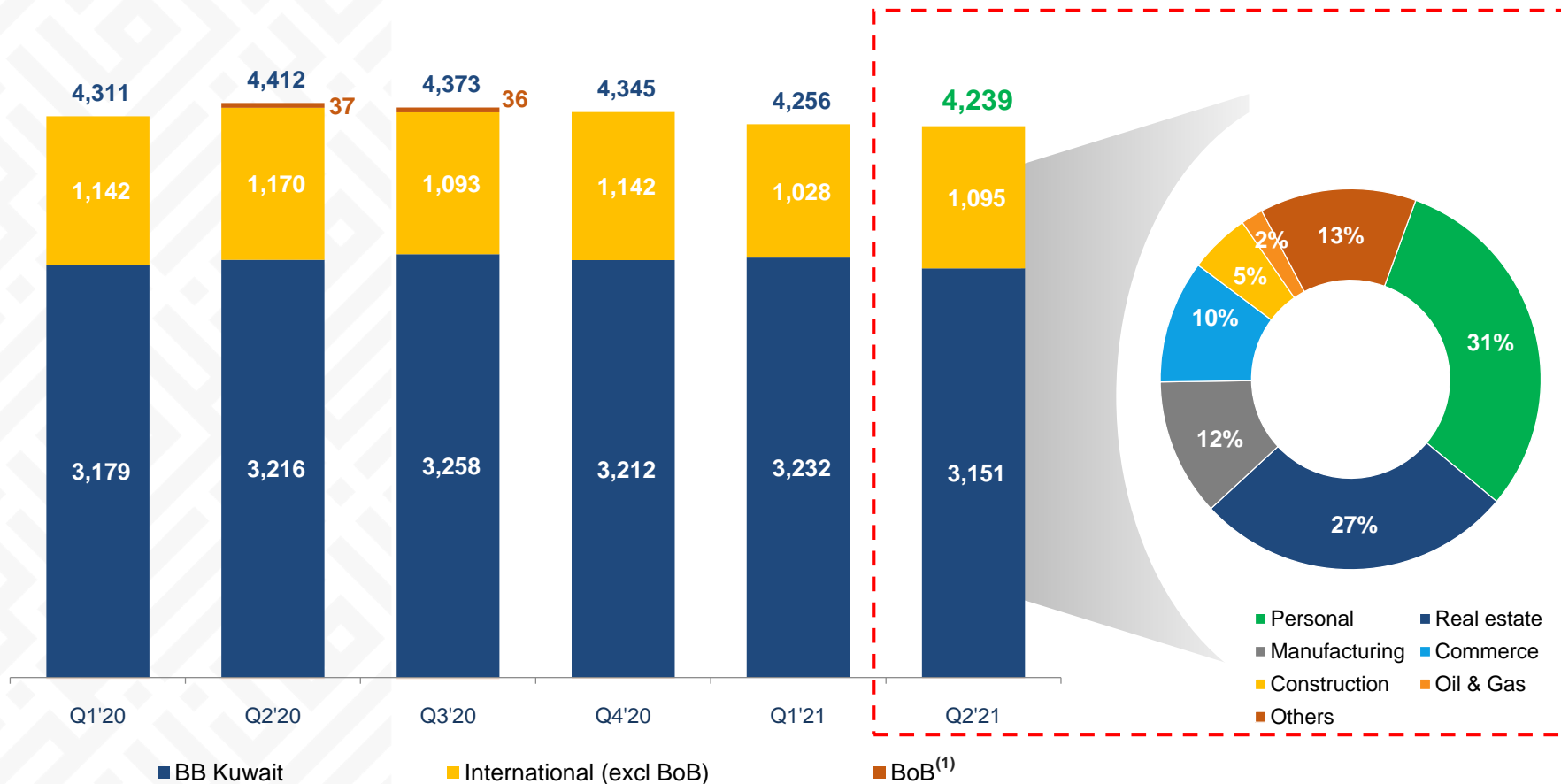
NPL Ratio | %



(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 classified as "subsidiary" during Q2'20 and Q3'20.

CUSTOMER LOANS & SECTORAL BREAKDOWN

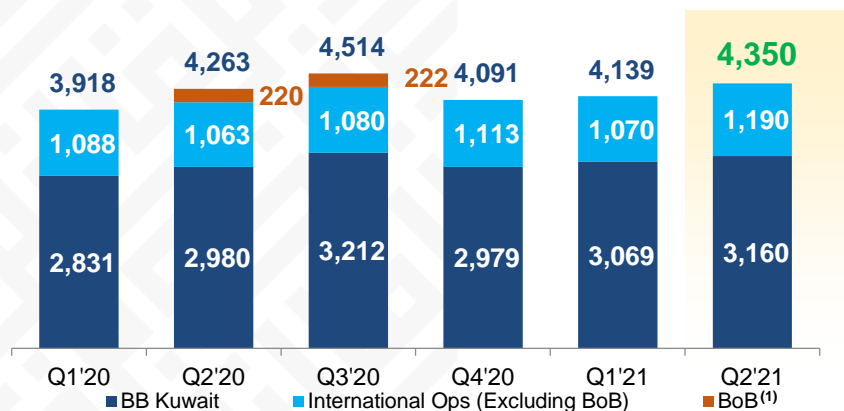
Customer Loans & Sector Concentration | KD mn , %



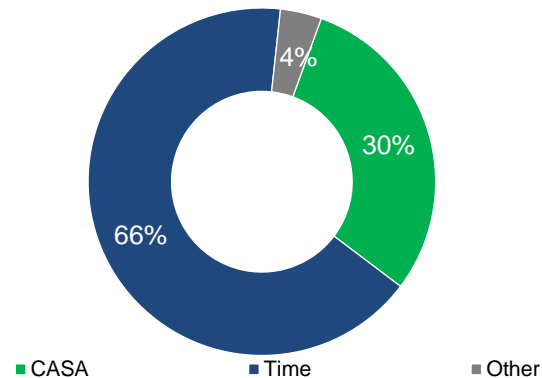
(1) BoB was classified as classified as "subsidiary" during Q2'20 and Q3'20.

CUSTOMER DEPOSITS & LIQUIDITY

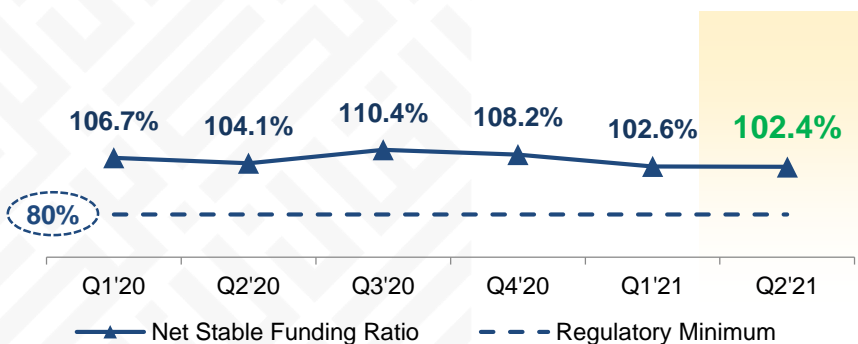
Customer Deposits | KD mn



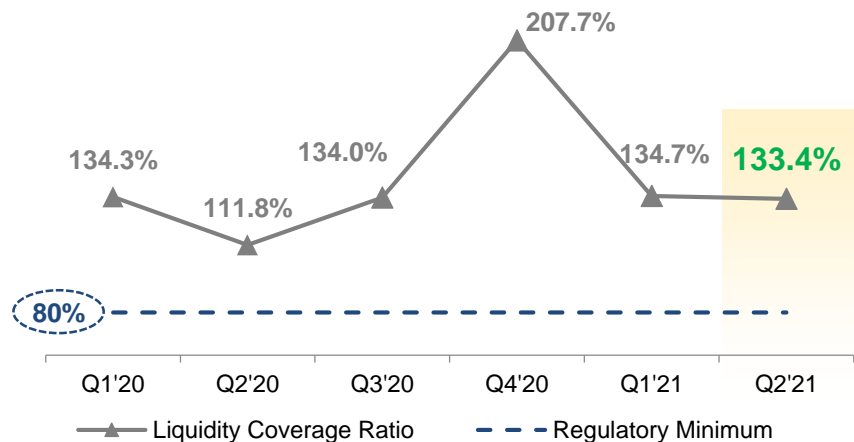
Deposits by Type – Q2'21 | %



Net Stable Funding Ratio (NSFR)⁽²⁾ | %



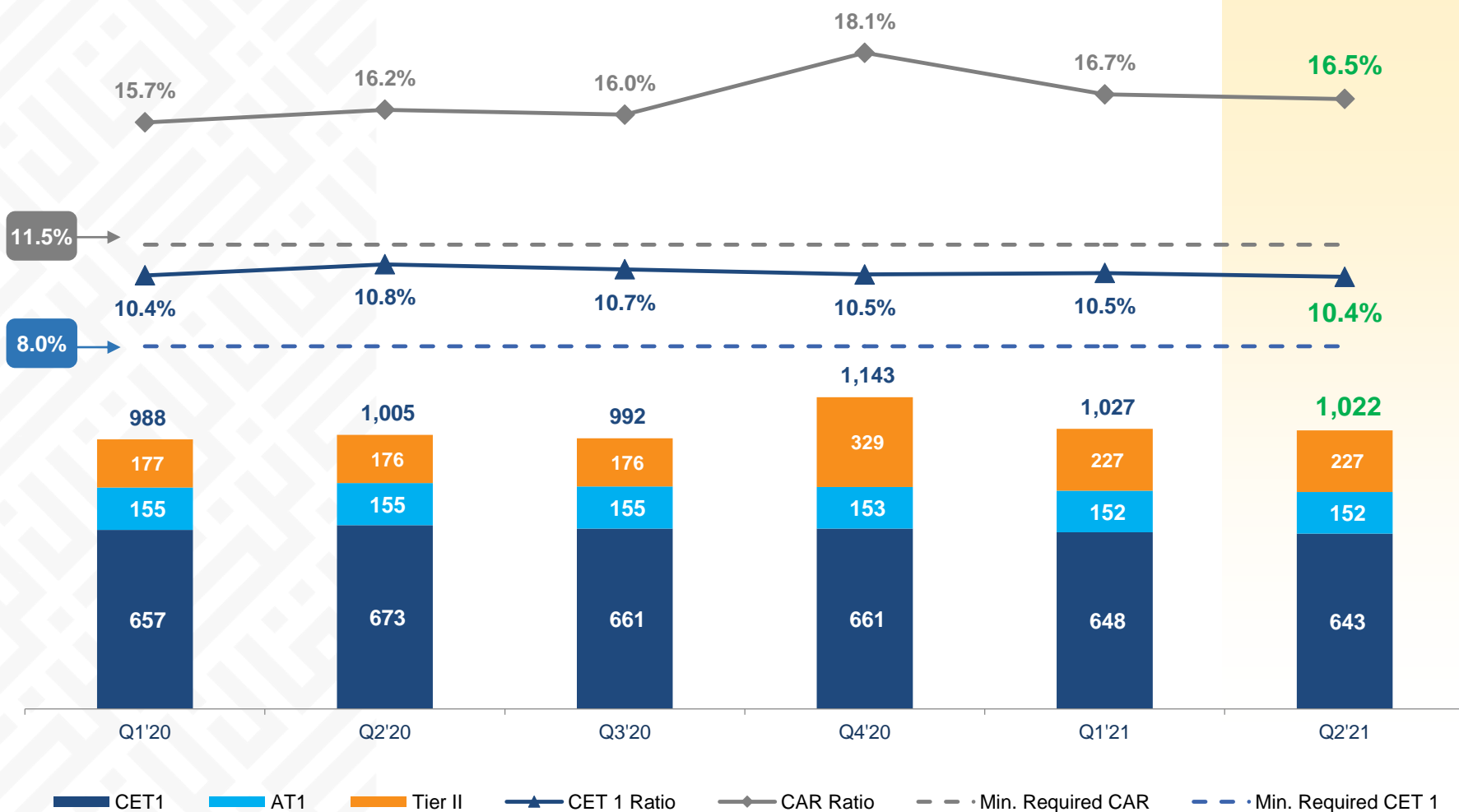
Liquidity Coverage Ratio (LCR)⁽²⁾ | %



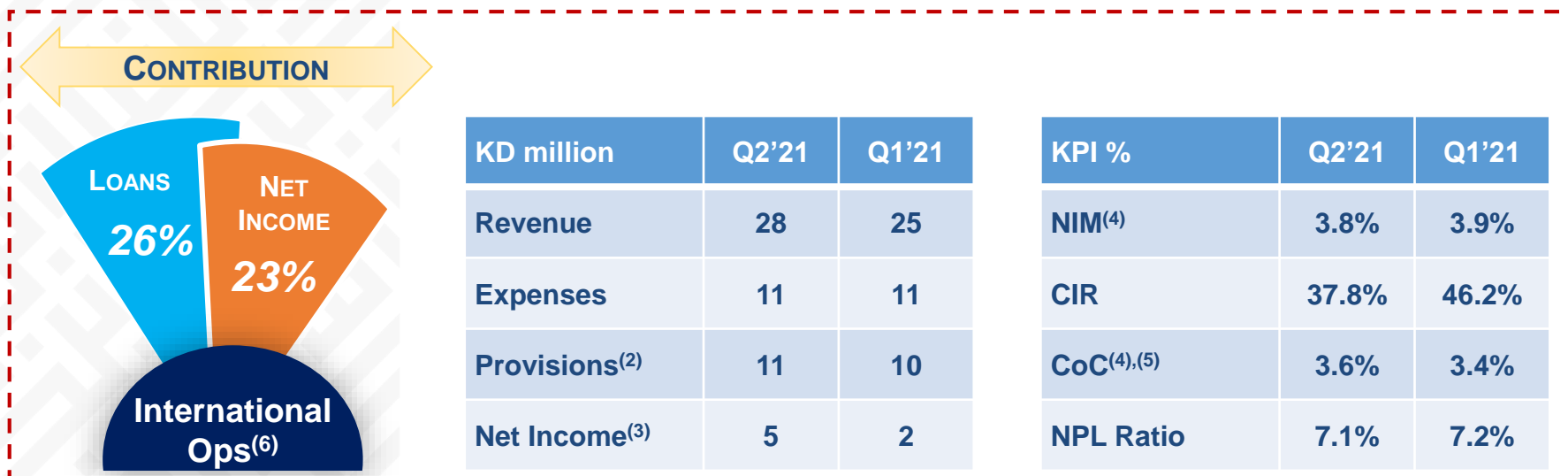
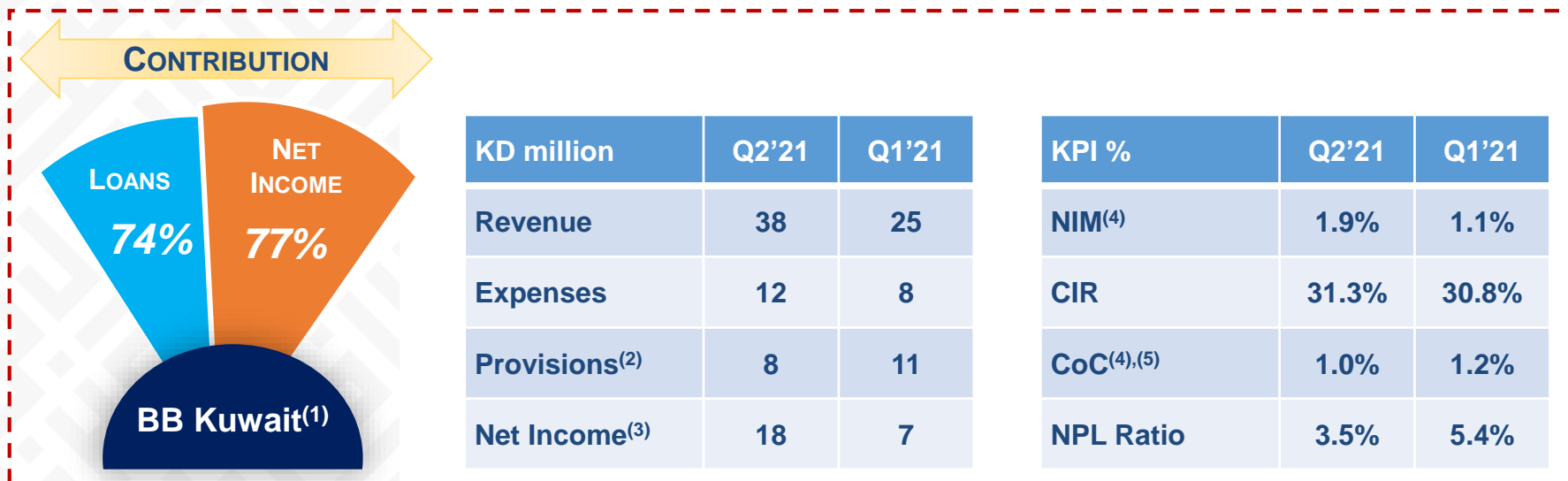
(1) BoB was classified as classified as “subsidiary” during Q2'20 and Q3'20; (2) Represents daily average ratios for the quarters.

CAPITAL LEVELS

Regulatory Capital | KD mn, %



PERFORMANCE SUMMARY – KUWAIT & INTERNATIONAL OPERATIONS



(1) BB Kuwait numbers are as per MIS view; (2) Loan loss provisions only; (3) Net Income attributed to equity holders of bank before AT1 cost; (4) NIMs & CoC have been annualized (5) Calculated as Loan Loss Provisions / Gross Loans; (6) P&L Metrics includes BoB (BoB has been classified as held for sale since Q4'20 therefore excluded from Balance sheet metrics).

Note: Figures exclude consolidation adjustments.

CONCLUSION

1 Solid “all-round” performance amidst challenging operating environment

2 Asset Quality improved Q-o-Q

3 Burgan continues to achieve solid progress on the digital front

Thank You

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