



Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group



Mr. Masaud M.J. Hayat, Vice Chairman and Group CEO of Burgan Bank Group

## Burgan Bank Announces First Quarter and Half Year Results of 2020

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**Kuwait – 17 August, 2020:** Burgan Bank Group (“Burgan”) announced today its Q1’20 and H1’20 earnings for the financial year 2020. For the period Q1’20 and H1’20, Burgan reported a net income of KD 17.2mn and KD 22.7mn respectively.

For the first half of 2020, Burgan Bank’s revenue levels continued to be resilient while the reduction in operating expenses across the group reflects prudence in the current environment. Burgan’s Net Income reduced due to higher provisioning in response to the Covid-19 pandemic.

Key Highlights from Burgan’s H1 2020 financial results are as follows:

- H1’20 Revenue lower at KD 107.6mn (down only 7.5% vs H1’19) due to the fall in interest rates and pandemic-related customer relief measures

- H1'20 Operating Expenses reduced to KD 46.7mn (improvement of 4.6% vs H1'19) due to Group-wide efficiency initiatives
- Customer Loans grew to KD 4,412mn
- Customer deposits grew to KD 4,263mn
- Burgan's capital levels continued to be strong with H1'20 CET1 ratio of 10.8% and H1'20 CAR of 16.2%
- Burgan continues to be very liquid; Liquidity Coverage Ratio of 133% and Net Stable Funding Ratio of 110% as of H1'20

During these difficult times, Burgan Bank is actively supporting its clients, customers, employees and the community through a host of exceptional services. These include the postponement of installments for 6 months on loans for retail clients and SME clients with no additional charges or penalties. The corporate and private banking customers were personally informed that their limits are active and ready for utilization while ensuring smooth functioning of all client channels including 24/7 access to contact centers. Burgan also established the highest level of safety standards throughout its network of branches, ATMs and offices.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: *"The impact of the Covid-19 pandemic in the first half of 2020 has been profound not only on the Global economy but also on the way we live our day to day lives. Given the current challenges, our key priority is to help our customers and contribute to the economic recovery in collaboration with the all key stakeholders"*

*" During this period, Burgan Bank employees adopted a swift transition to 'work-from-home' with VPN access and controls in place. Maintaining an uninterrupted learning environment, Burgan employees were thoroughly engaged through online staff training and development sessions."* Added Mr. Al Ajeel.

*"I want to appreciate and express my sincere gratitude to our executive management team and all staff members for their dedication, discipline and commitment which allowed the bank to deliver its services to our customers effectively and uninterruptedly throughout the pandemic"* concluded Mr. Al Ajeel.

Furthermore, Mr. Masaud M.J. Hayat, Vice Chairman and Group CEO of Burgan Bank said, *“The COVID-19 pandemic has caused severe supply and demand shocks to the global economy. These are truly unprecedented times and will require us to work in more collaborative & efficient manner in the face of such uncertain future.”*

Commenting on the H1’20 results, Mr. Masaud added, *“Burgan delivered resilient financial figures despite these tough times with a revenue of KD 107.6mn and a net income of KD 22.7mn. We have also taken this period as a catalyst to further accelerate our efforts on digital transformation of the group and have made significant progress in the first six months of 2020.”*

Mr. Masaud concluded by saying, *“We thank the Central Bank of Kuwait for its important role in protecting the banking sector and its customers during these difficult times.”*

The consolidated financials encompass the results of the Group’s operations in Kuwait, and its share of results from its subsidiaries, Burgan Bank Turkey, Gulf Bank Algeria, Bank of Baghdad and Tunis International Bank. Through this regional reach, Burgan Bank has one of the largest regional branch networks with 164 branches across Kuwait, Turkey, Algeria, Iraq, Tunis, Lebanon and a representative office in the United Arab Emirates.

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#### **About Burgan Bank**

Established in 1977, Burgan Bank is the youngest commercial Bank and second largest by assets in Kuwait, with a significant focus on the corporate and financial institutions sectors, as well as having a growing retail, and private bank customer base. Burgan Bank has majority owned subsidiaries in the MENAT region supported by one of the largest regional branch networks which include Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank – TIB (Tunisia), and fully owned Burgan Bank – Turkey, (collectively known as the “Burgan Bank Group”). Furthermore, Burgan Bank has a presence in the UAE through its corporate office (“Burgan Financial Services Limited) which had helped the bank to participate in multiple financing opportunities in the UAE.

The Bank has continuously improved its performance over the years through an expanded revenue structure, diversified funding sources, and a strong capital base. The adoption of state-of-the-art services and technology has positioned it as a trendsetter in the domestic market and within the MENA region. Burgan Bank’s brand has been created on a foundation of real values – of



trust, commitment, excellence and progression, to remind us of the high standards to which we aspire. 'People come first' is the foundation on which its products and services are developed.

The bank was re-certified with the prestigious ISO 9001:2015, making it the one of the few banks in the GCC and Kuwait to receive such certification for the Fifth consecutive time. The Bank also has to its credit the distinction of being the only Bank in Kuwait to have won the JP Morgan Chase Quality Recognition Award for twelve consecutive years.

Burgan Bank, a subsidiary of KIPCO (Kuwait Projects Company), is a strongly positioned regional Bank in the MENA region.