



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



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

## Burgan Bank Reports Solid Q2 Results with a 36% Revenues Growth

**Kuwait – 29 July- 2021:** Burgan Bank K.P.S.C. announced its financial results for the second quarter ending on 30<sup>th</sup> June 2021.

Burgan has generated revenues of KD 64.2mn in Q2'21 as compared to KD 47.2mn in Q2'20, an impressive increase of 36% Y-o-Y. The strong revenue growth was driven by higher Non-Interest Income, which increased from KD 14.7mn in Q2'20 to KD 28.8mn in Q2'21. Burgan's Net Interest Income also grew to KD 35.4mn in Q2'21 (vs KD 32.5mn in Q2'20), a 9% Y-o-Y increase. The Net Interest Margins improved by 30 Basis Points Y-o-Y to reach 2.4%.

The Operating Profit increased by 67% Y-o-Y to KD 39.9mn in Q2'21. Provisions continued to be high at KD 18.6mn in Q2'21. Burgan's Net Income increased from KD 5.5mn in Q2'20 to KD 19.0mn in Q2'21, growing by 244% Y-o-Y. Burgan's Asset Quality also improved in Q2'21, with

the nonperforming loan ratio declining by 30 Basis Points Y-o-Y to reach 4.5%. The NPL Coverage Ratio improved from 186% in Q2'20 to 193% in Q2'21.

Burgan's Capital Ratios for Q2'21 remained well above the required regulatory ratios. The Bank's Capital Adequacy Ratio stood at 16.5%, as compared to the regulatory minimum ratio of 11.5%. Burgan's liquidity position remained extremely strong as reflected by 133.4% of Liquidity Coverage ratio (vs the regulatory minimum of 80%) and 102.4% of the Net Stable Funding ratio (vs the regulatory minimum of 80%)

Burgan's H1'21 results were also robust compared to the first half of last year. H1'21 Revenue increased by 4% Y-o-Y to KD 112.0mn compared to 107.6mn in H1'20. Burgan's Operating Expenses decreased by 4% Y-o-Y to KD 44.9mn in H1'21, driven by strong cost optimization efforts across Burgan Bank Group. Provision levels were higher at KD 38.8mn in H1'21 vs KD 32.7mn in H1'20. As a result, the bank's Net Income increased by 6% Y-o-Y to KD 24.0mn vs KD 22.7mn in H1'20.

Commenting on the results, Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group, said *"We remain very optimistic to reach community immunity as the vaccination campaign accelerates, which should lead to more opportunities to improve performance and enhance customer satisfaction. Maintaining growth while ensuring sustainability across our financial operations is imperative to consolidate our position as a major player in Kuwait. Our performance in Q2'21 was driven by stronger business momentum, leading to increased profits. This was achieved due to the support of our shareholders, the loyalty of our customers, and the dedication of the management team and our employees to deliver outstanding results."*

*Mr. Masoud M.J. Hayat, Vice Chairman and Group CEO of Burgan Bank Group, noted "Burgan Bank continued to drive its digitization strategy by adding market-leading features to its online platform, further strengthened its cyber threat mitigation mechanisms, as well as launched Burgani App, the HR mobile application designed to automate HR processes. The Bank continues to invest in developing its employees and held the Design Thinking and Innovation Workshop in collaboration with The American University of Kuwait as well as launched the Virtual Holistic Banker Program aimed at preparing the bank's professionals for future senior roles. Additionally, Burgan Bank continued to support Diraya campaign launched by the Central Bank of Kuwait to increase public awareness of banking and credit operations."*

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 162 branches across Kuwait, Turkey, Algeria, Iraq, Tunisia, Lebanon and a representative office in the United Arab Emirates.

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#### **About Burgan Bank**

Established in 1977, Burgan Bank is the third largest bank 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, collectively known as the “Burgan Bank Group”, in the MENAT region supported by one of the largest regional branch networks, which includes Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank – TIB (Tunisia), and fully owned Burgan Bank Turkey. Furthermore, Burgan Bank has a presence in the UAE through its corporate office, Burgan Financial Services Limited.

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. ‘Driven by You’ is the foundation on which its products and services are developed.

The bank obtained the ISO/IEC 27001: 2013 Information Security Management Systems certificate (ISMS) and 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 twenty consecutive years.

Burgan Bank is a majority owned subsidiary of KIPCO (Kuwait Projects Company), one of the largest holding companies in the Middle East and North Africa.