

BURGAN BANK GROUP

INVESTOR PRESENTATION

FY 2018 FINANCIAL RESULTS

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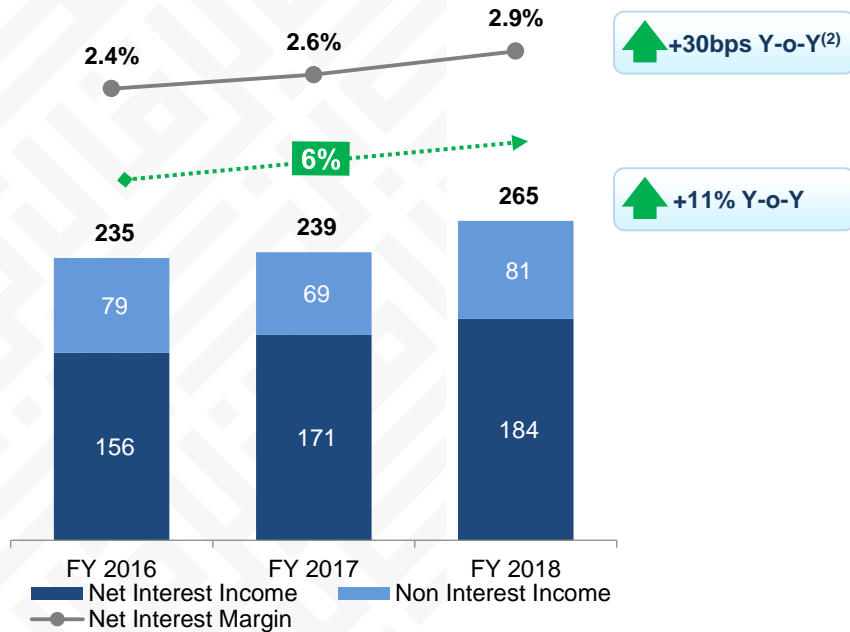
FY2018 KEY HIGHLIGHTS ...

		FY 2017	FY 2018	Δ%	
2018 PERFORMANCE	STRONG EARNINGS GROWTH	Revenue KD mn	239.4	265.3	+11%
		Net Income KD mn	65.2	82.6	+27%
		EPS ⁽¹⁾ Fils	24.2	31.0	+28%
	HIGH SHAREHOLDERS' RETURNS	RoE ⁽²⁾	8.3%	10.7%	+230 BPS
		Dividend per share Fils	7.0	12.0 ⁽³⁾	+71%
	CONTINUED IMPROVEMENT ACROSS KEY METRICS	NIM ⁽⁴⁾	2.6%	2.9%	+30 BPS
		Cost-to-Income Ratio	45.6%	42.1%	(350 BPS)
		CET1 Ratio	10.9%	11.9%	+100 BPS

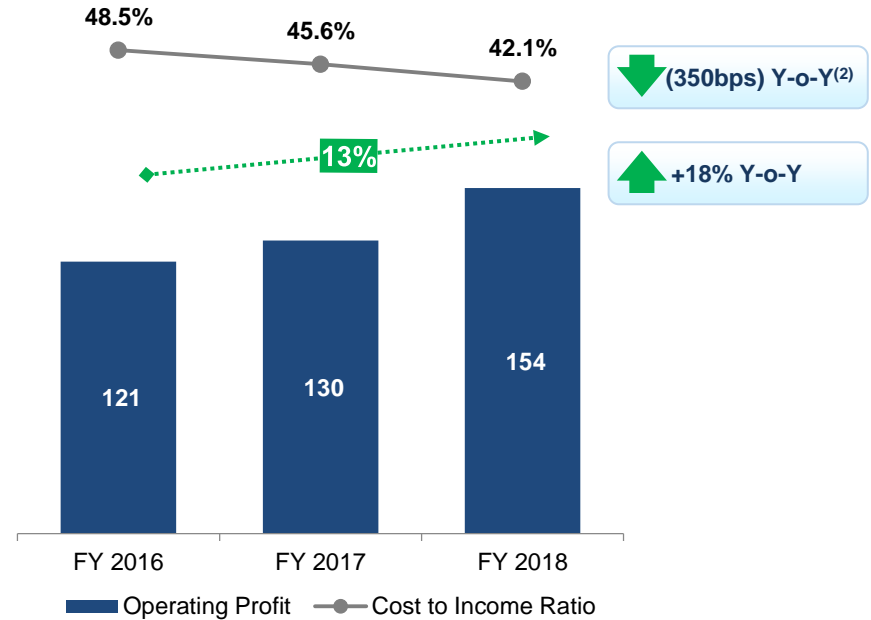
(1) Earnings per share for shareholders (after AT1 cost); (2) Returns on opening balance of Shareholders' Equity (after AT1 cost); (3) Recommended Dividend per share, subject to shareholders' approval; (4) Net Interest Margin based on Average Interest Earning Assets.

RESULTS DRIVEN BY IMPROVING MARGINS AND CONTINUED EFFICIENCY...

Revenue (KD mn) & Margins (%) ⁽¹⁾



Operating Profit (KD mn) & Efficiency (%)



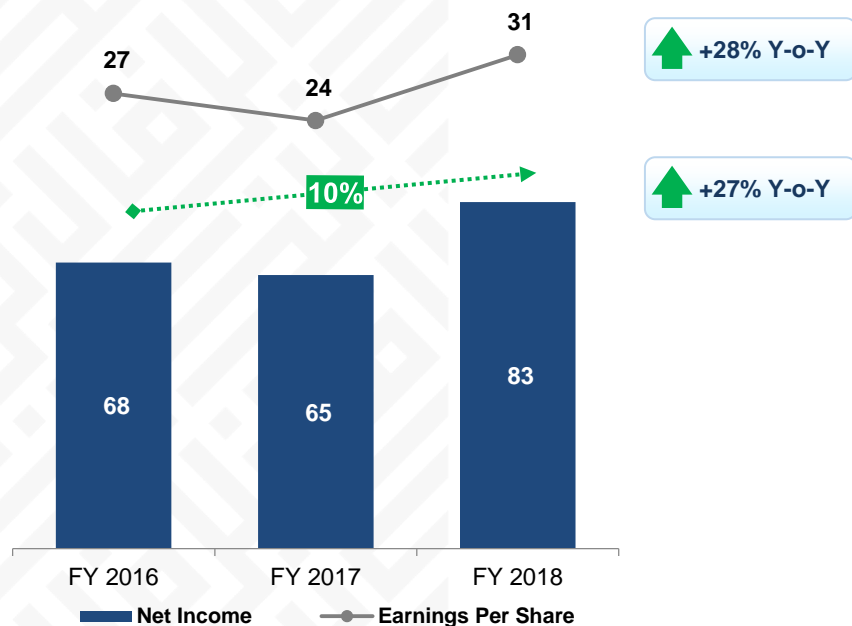
- 1 Consistent growth in Net Interest Income
- 2 Strong Rebound in Non-interest Income
- 3 Higher Yields; +80bps Y-o-Y
- 4 Consistent Reduction in Cost-to-Income Ratio

CAGR Growth

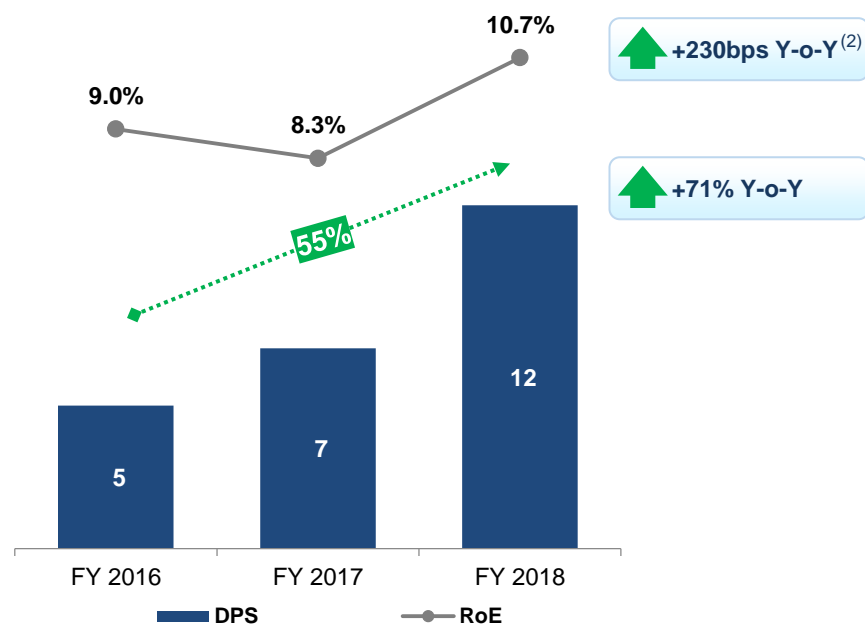
(1) NIM based on Average Interest Earning Assets; (2) Represent absolute change.

...DELIVERING STRONG BOTTOMLINE GROWTH & IMPROVED RETURNS

Net Income (KD mn) & Earnings Per Share (Fils)



RoE (%) ⁽¹⁾ & Dividend Per Share (Fils)



1 Strong Increase in EPS; +28% Y-o-Y

2 Improved RoE: +230bps Y-o-Y

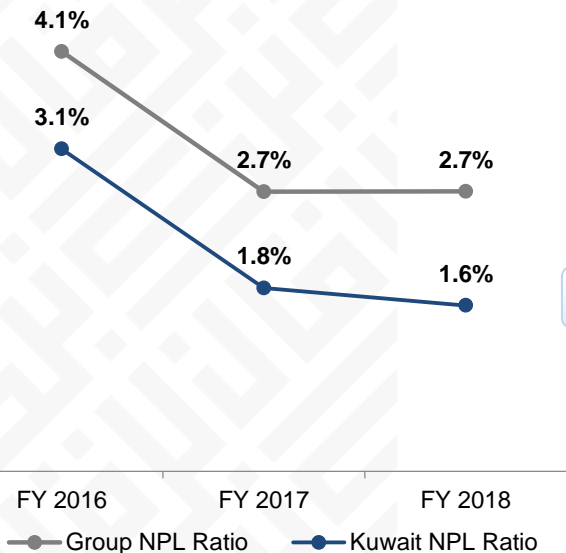
3 71% Higher Dividends & 5% Bonus Shares

CAGR Growth

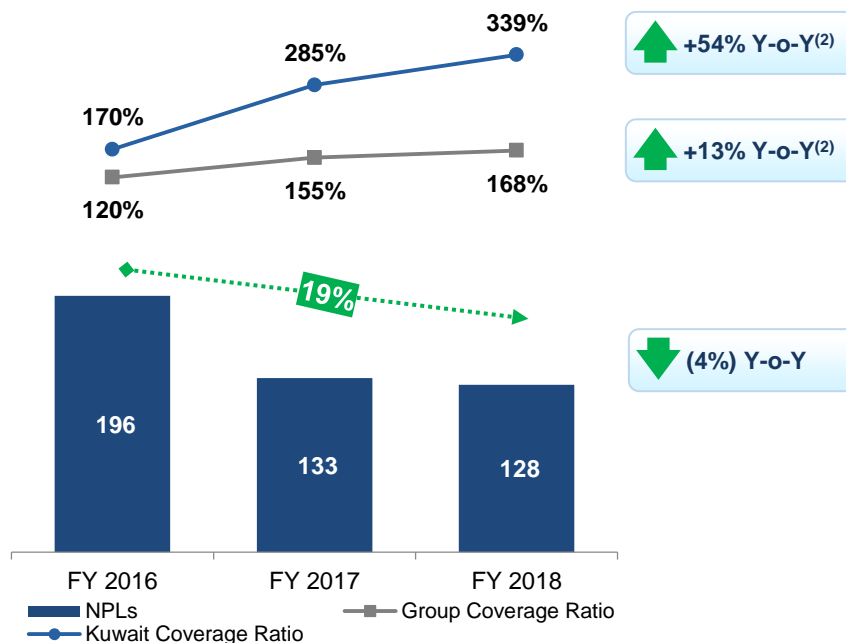
(1) Returns on opening balance of shareholders' equity (after AT1 cost); (2) Represents absolute change.

....WHILE ASSET QUALITY CONTINUES TO BE STABLE

NPL Ratios (%)



NPLs (KD mn) & Coverage (%) ⁽¹⁾



1 NPL Ratios

Group: Stable at 2.7%
Kuwait: Improved to 1.6%

2 Coverage Ratios

Group: Higher at 168%
Kuwait: Increased to 339%

3 NPLs declined further

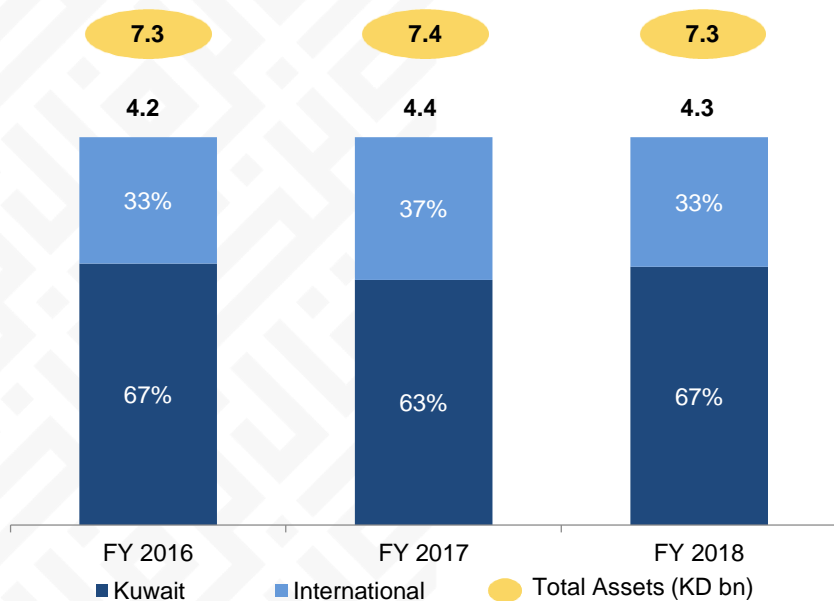
by
4% Y-o-Y

CAGR Growth

(1) NPL Coverage Ratio based on provisions only; (2) Represents absolute change.

...WITH WELL-DIVERSIFIED LOAN PORTFOLIO

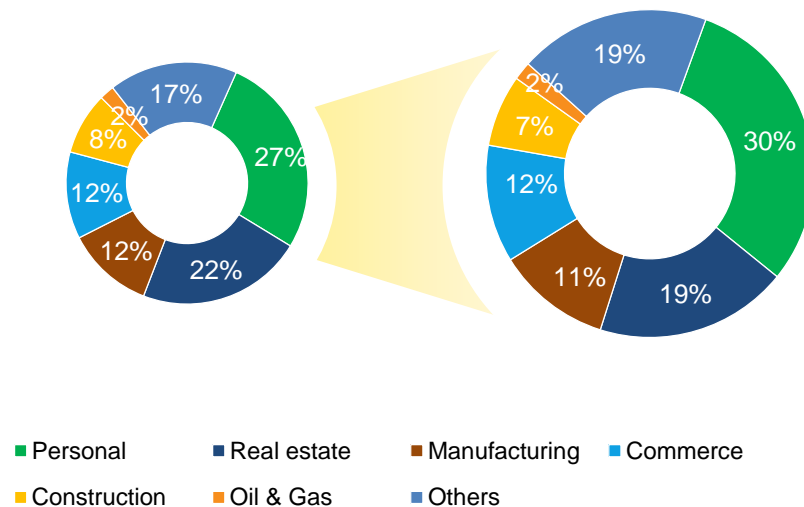
Total Assets (KD bn) & Customer Loans (KD bn)



Loans by Sector (%)

FY 2017 (%)

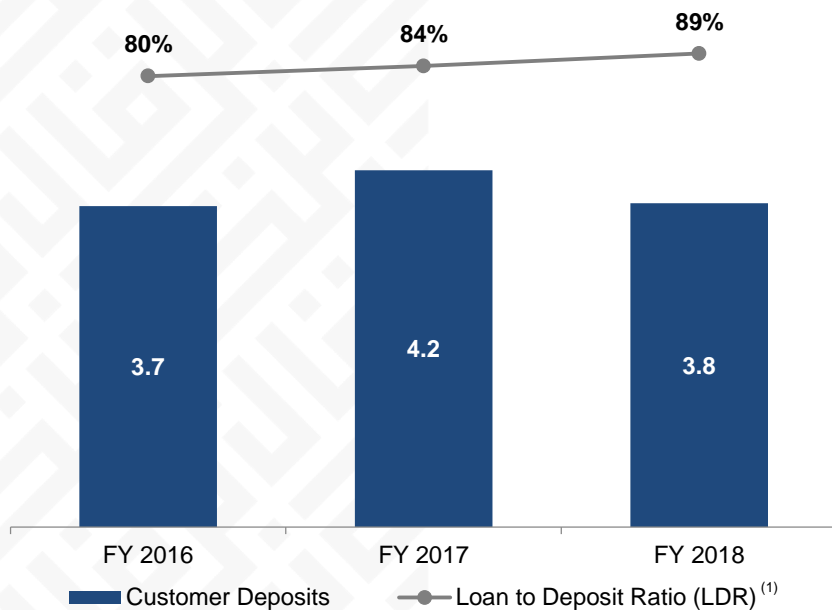
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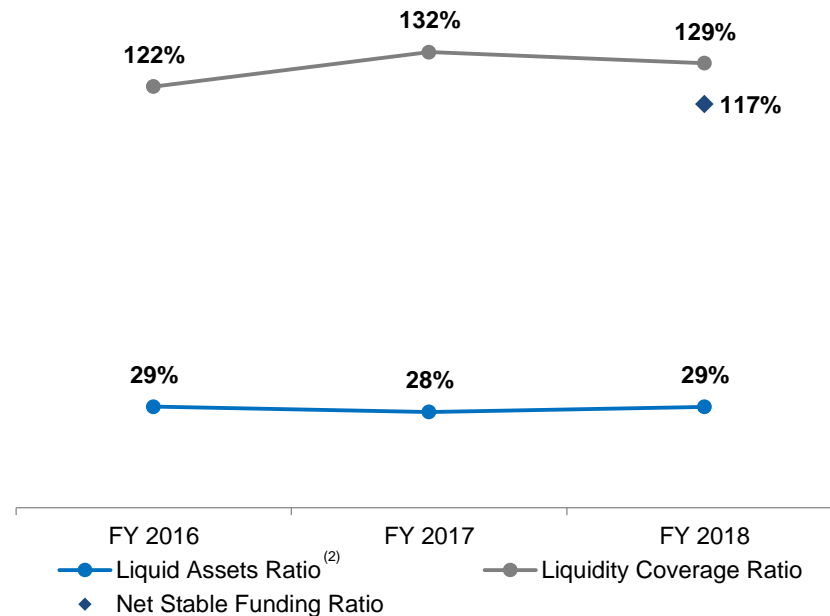
- 1 **Kuwait contributes to 2/3 rds of Group's Loan Book**
- 2 **Deliberate Slowdown in Select Markets**
- 3 **Well-diversified Portfolio reflective of Strong Risk Framework**

...AND HIGH LIQUIDITY LEVELS

Customer Deposits (KD bn) & LDR (%)



Liquidity Metrics (%)



1 Access to Customer Deposits remains Strong

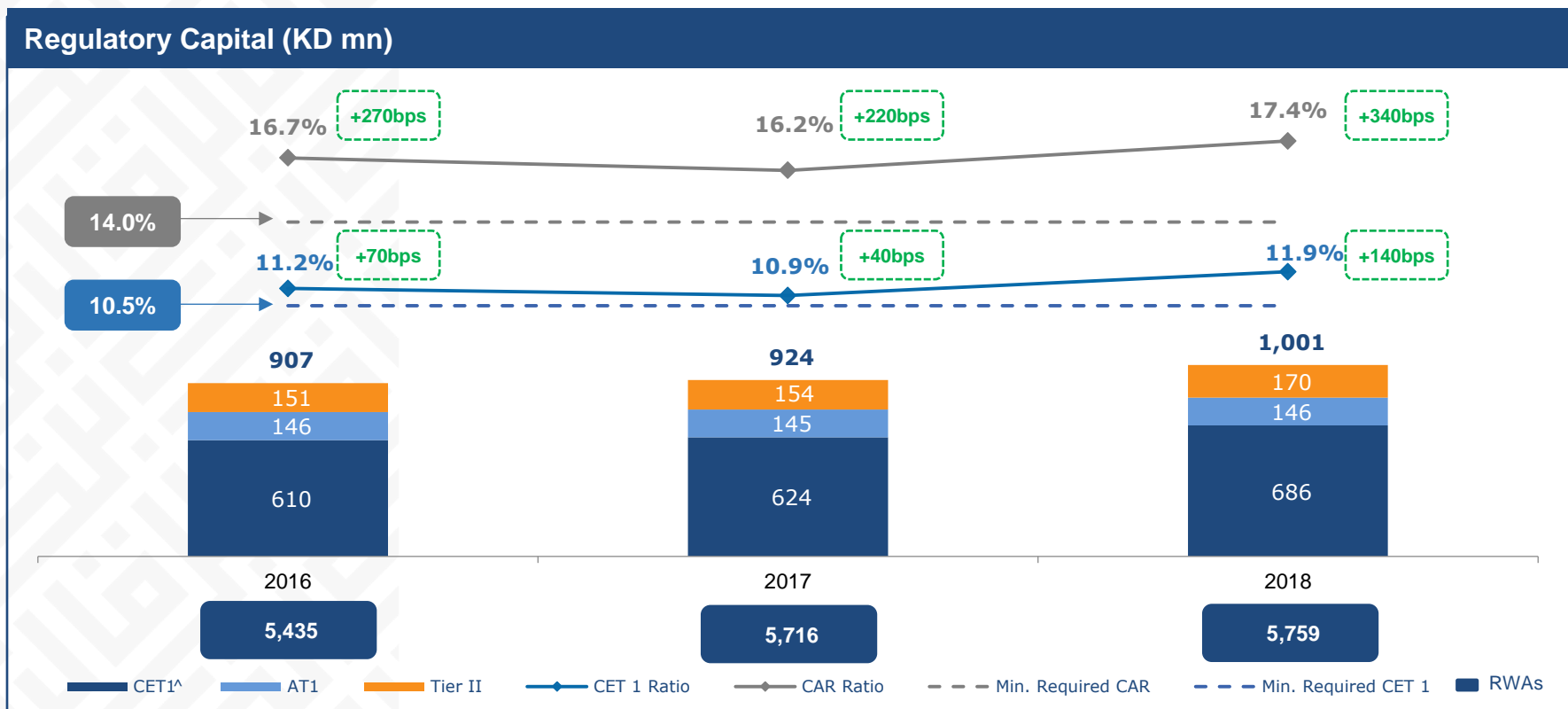
2 LDR increase reflects efforts to Optimize Net Interest Income

3 LCR consistently above 120%; NSFR well above 100%

4 High Liquid Assets Ratio reflects Strong buffers

(1) Loan to deposits ratio (LDR) according to Central Bank of Kuwait's guidelines; Defined as Net Credit Facilities Portfolio (after general and specific provisions) / (Private sector deposits + Government Deposits + FI deposits + CDs + Medium & Long term loans (Original Tenor to be not less than 3 Years)); (2) Defined as Liquid Assets (Cash, Treasury Bills & Bonds, Due from Banks & OFIs) / Total Assets.

.... WITH ENHANCED CORE CAPITAL LEVELS

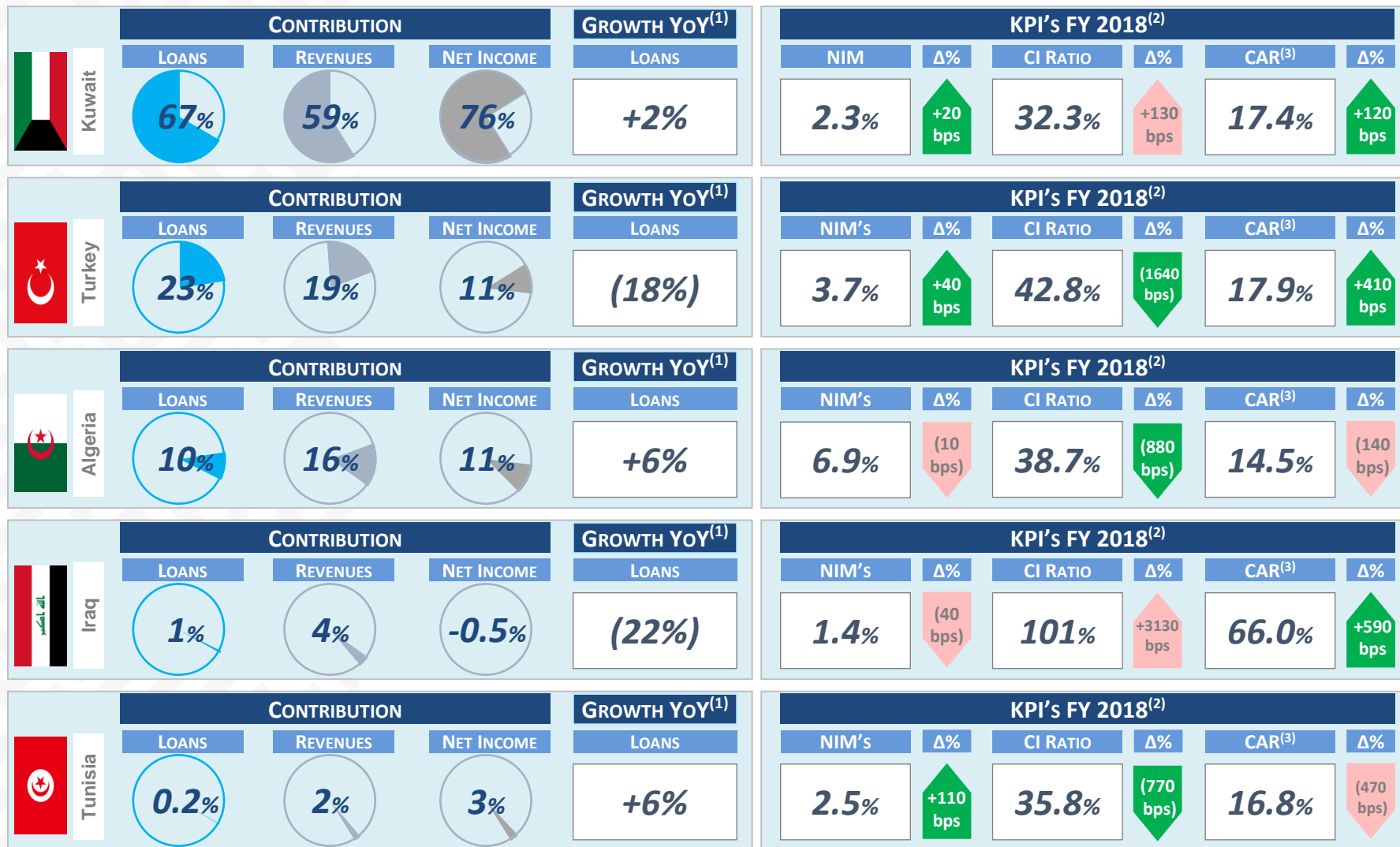


- 1 Successful Rights Issue in Q4'18
- 2 Strong Profit Generation
- 3 Continued focus on RWA Efficiency

▭ Buffers Calculated as excess over minimum required CBK ratios

[^] CET1 include retained earnings after dividends

...AND IMPROVING KPIS FOR KEY BUSINESSES OF THE GROUP



● FY'18 Loans Contribution in KD

● FY'18 Revenues Contribution in KD

● FY'18 Net Income Contribution in KD

(1) Growth year on year in KD; (2) KPIs in Local Currency; (3) Group CAR has been assumed as Kuwait CAR; Subsidiaries CAR before consolidation adjustments

IN CONCLUSION

- FY'18 results underscore the **consistent progress** made by Burgan Bank

- In FY'18, Burgan Bank generated **strong earnings** for its shareholders:
 - ✓ Return on Equity: 10.7% **(+230 bps)**
 - ✓ Recommended Dividend Per share: 12 fils **(+71%)**

- Burgan Bank shall continue to **maintain its focus** on:
 - ✓ **Cautious** Growth
 - ✓ **Prudent** Risk Approach
 - ✓ **Superior** Shareholders' Returns

APPENDIX

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FY 2018 FINANCIAL RESULTS IN USD CURRENCY

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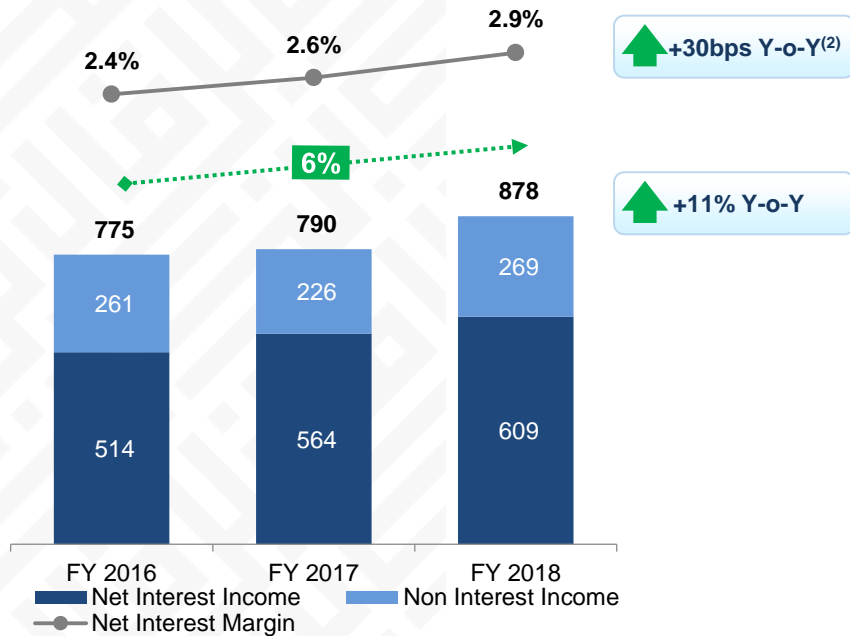
2018 KEY HIGHLIGHTS ...

		FY 2017	FY 2018	Δ%	
2018 PERFORMANCE	STRONG EARNING GROWTH	Revenue USD mn	789.8	878.1	+11%
		Net Income USD mn	214.9	273.5	+27%
		EPS ⁽¹⁾ USD	0.08	0.10	+27%
HIGH SHAREHOLDERS' RETURNS	RoE ⁽²⁾	8.3% ⁽³⁾	10.7%⁽³⁾	+230 BPS	
	Dividend per share USD	0.023	0.040⁽⁴⁾	+71%	
CONTINUED IMPROVEMENT ACROSS KEY METRICS	NIM ⁽⁵⁾	2.6%	2.9%	+30 BPS	
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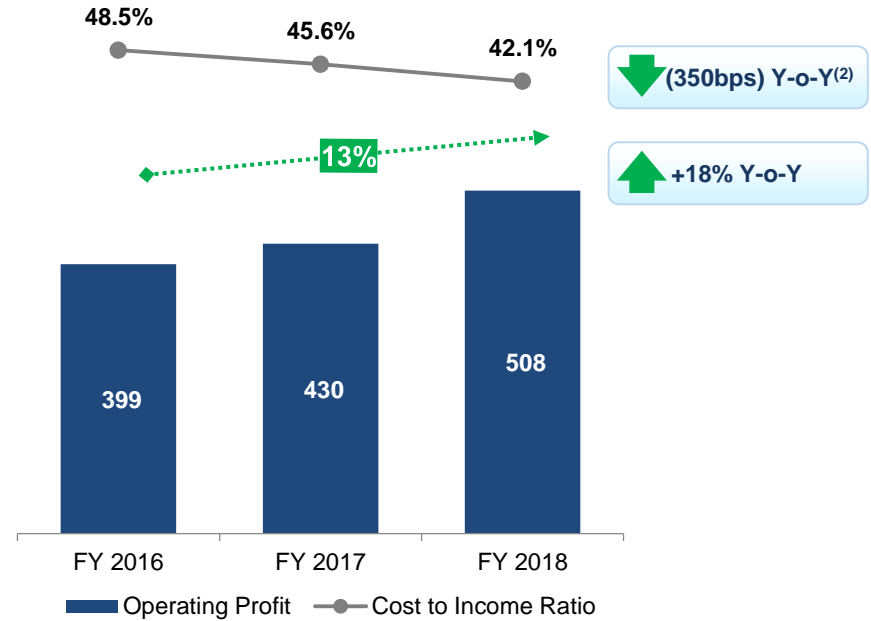
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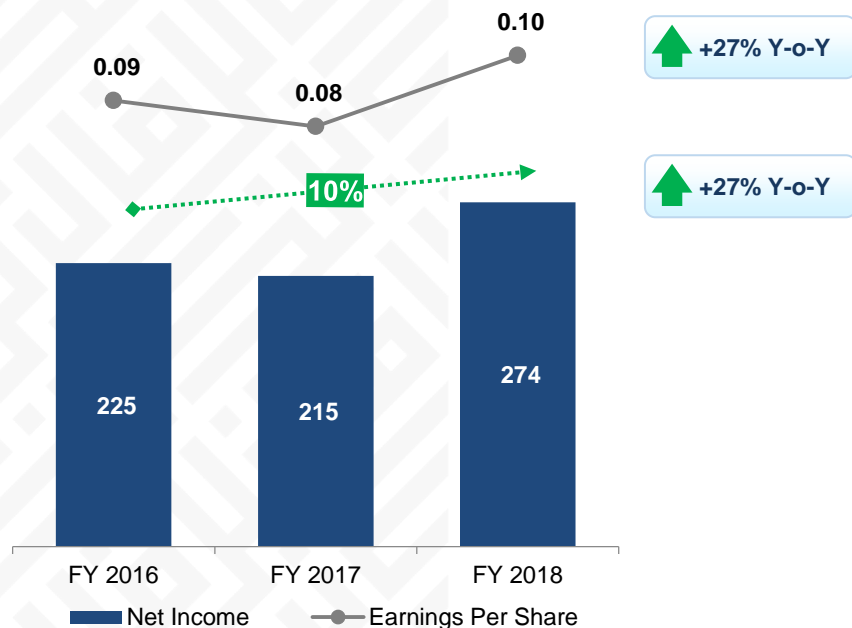
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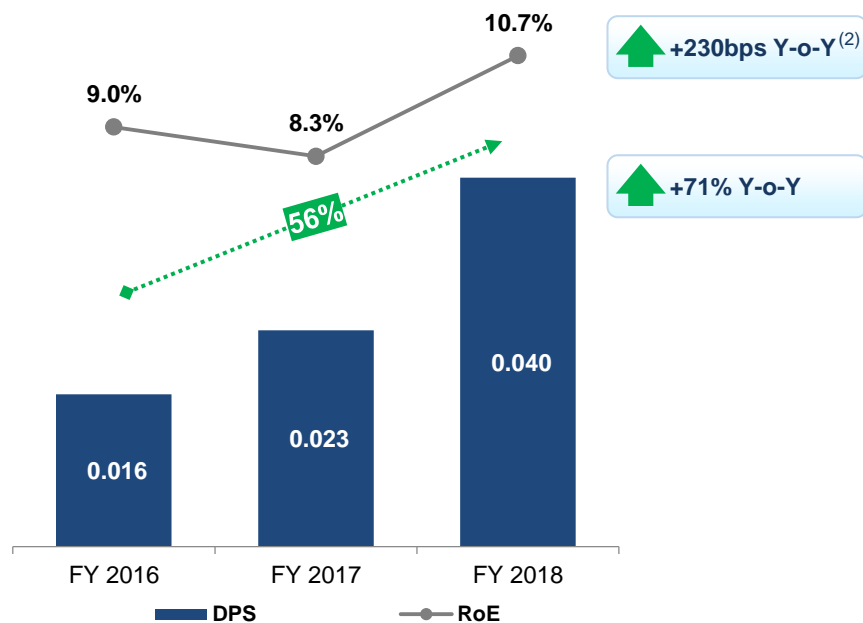
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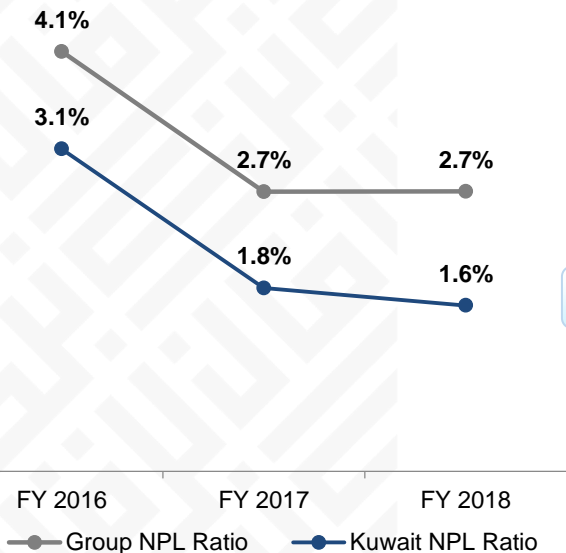
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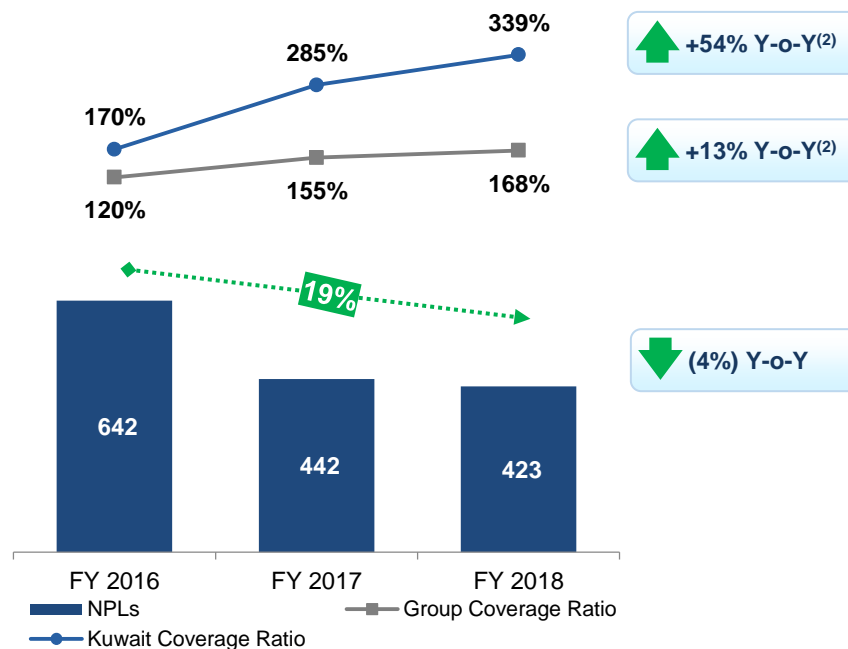
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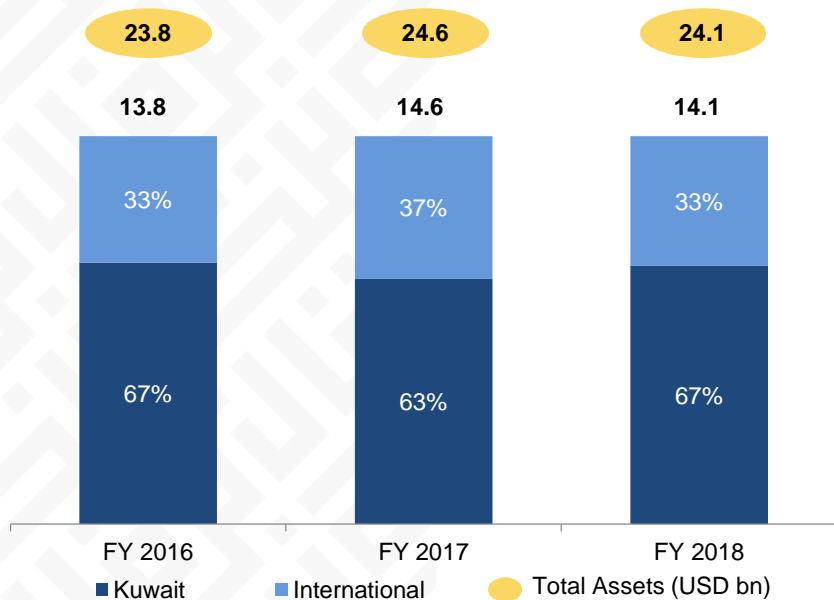
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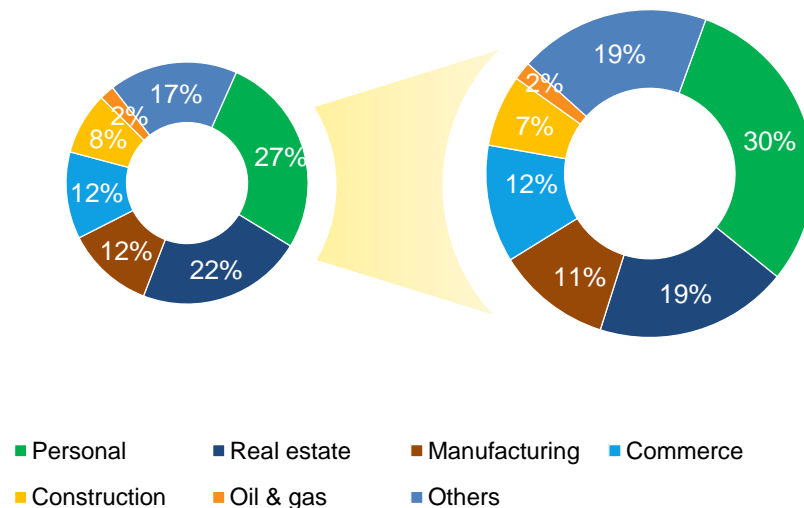
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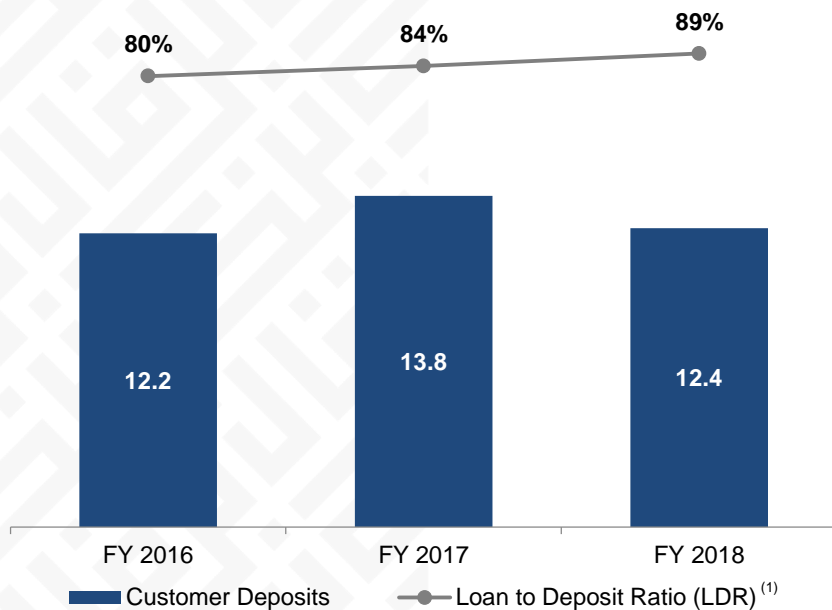
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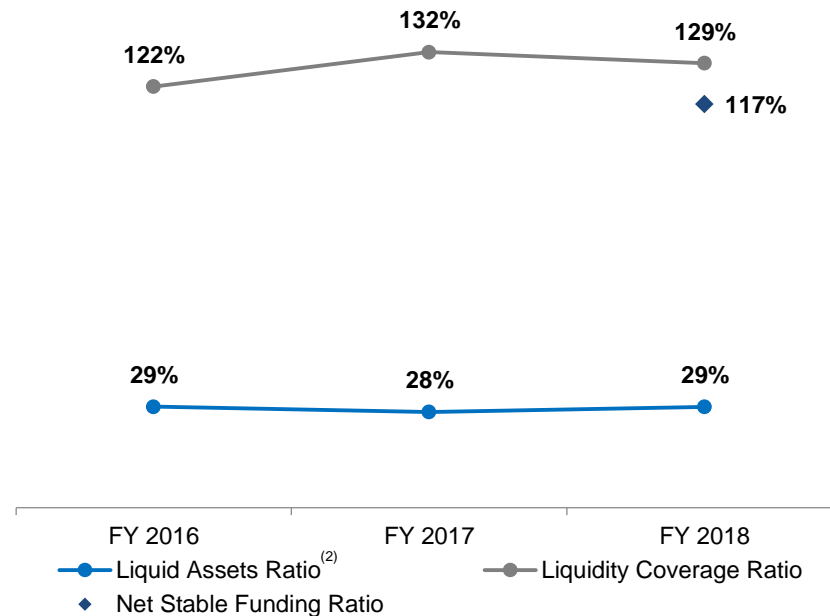
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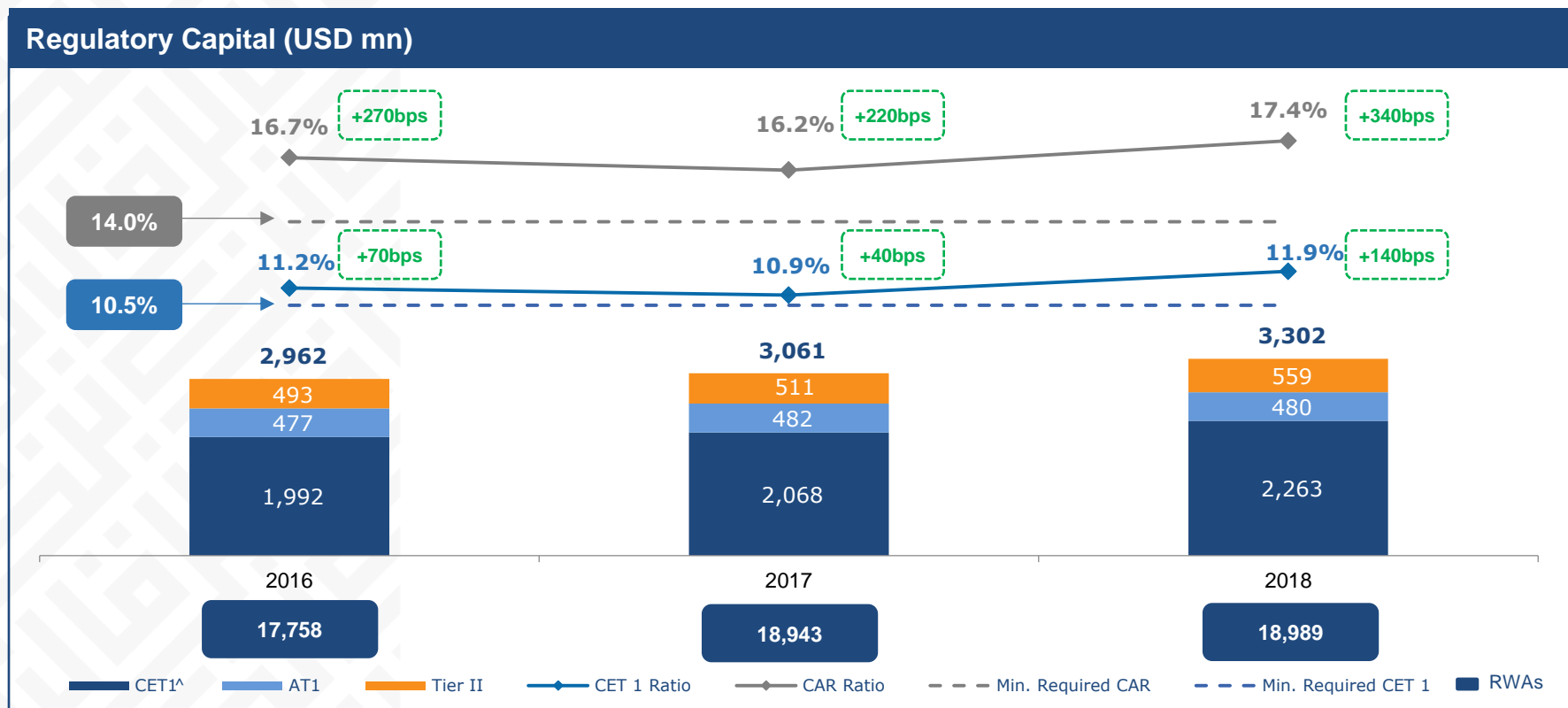
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THANK YOU

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INVESTOR RELATIONS

Contact details below for any enquiries related to Burgan Bank K.P.S.C. and Subsidiaries;

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Phone: +965 2298 8852

Foreign Exchange Rates

KWD:US\$: (2018) 3.297; (2017) 3.314, (2016) 3.267.