Burgan Bank sustains income growth as 9M financial results reflect stronger resilience

Continued revenue growth, balance sheet expansion and successful completion of KD 50m rights issue



Sheikh Nasser Sabah Al-Ahmad Al-Sabah
Burgan Bank Chairman

- Strong financial foundations and disciplined execution underpin the Group's resilience amid a complex operating environment
- Successful completion of KD 50 million rights issue, with subscription coverage of 134%, strengthens the Bank's capital base
- Regional integration and the development of complementary financial capabilities support the Group's long-term growth ambitions



Tony Daher
Group Chief Executive Officer of Burgan Bank

- Growth in core banking income, supported by higher net interest income and continued fee and commission income growth
- Continued expansion in lending and deposits, with Kuwait remaining a key driver of business activity
- Continued investment in digital capabilities, operating efficiency and customer experience to support sustainable performance

KUWAIT: Burgan Bank KPSC ("Burgan" or "the Bank" or "the Group") announced its financial results for the nine-month period ended September 30, 2026 (9M'26), reporting continued growth in its core income streams and further expansion of its balance sheet. The performance reflects sustained momentum across the Group's banking operations, supported by growth in lending activities, contributions from its diversified businesses and a disciplined approach to managing its financial position. While profitability remained affected by higher operating expenses and the impact of hyperinflation accounting on the Group's Turkish operations, Burgan Bank maintained a sound capital and liquidity position, with regulatory ratios comfortably above applicable minimum requirements. The successful completion of its KD 50 million rights issue during the period further strengthened its capital base and enhanced its financial flexibility to pursue long-term strategic priorities.

Sustaining core income growth amid evolving operating conditions

During the first nine months of 2026, Burgan Bank recorded total revenues of KD 201 million, compared with KD 192 million in the corresponding period of 2025, driven by higher net interest income and continued growth in fee and commission income. This performance reflects sustained momentum in core banking activities, supported by the expansion of the Group's lending portfolio and contributions from its diversified operations.

Net interest income increased to KD 137 million, compared with KD 128 million in 9M'25, while the net interest margin remained relatively stable at 2.2 percent, reflecting the Bank's ability to maintain margin resilience amid evolving interest rate conditions. Non-interest income remained broadly stable year-on-year at KD 64 million, with continued growth in fee and commission income, supported in part by United Gulf Bank (UGB), acquired in 2025, and its investment banking subsidiary, KAMCO Investment Company KSCP ("KAMCO Invest"). The contribution of these fee-generating activities continued to support income diversification, complementing the Group's core interest income.

Operating profit stood at KD 65 million, compared with KD 76 million in 9M'25, as higher operating expenses offset revenue growth. The increase in expenses reflected continued strategic investments in digital capabilities and business development across the Group, alongside inflationary pressures and elevated operating costs in Turkey.

Profitability was further affected by a higher net monetary loss arising from the application of hyperinflation accounting to the Group's Turkish operations. Credit provisions remained broadly stable year-on-year, consistent with the Bank's prudent approach to managing credit risk and maintaining appropriate coverage against potential losses. The cost of credit stood at 50 basis points, compared with 60 basis points in the corresponding period of 2025.

Consequently, Burgan Bank reported a net profit attributable to shareholders of KD 22 million for the nine-month period, compared with KD 32 million in 9M'25.

Commenting on the results, Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah, Chairman of Burgan Bank, said: "Burgan Bank's performance during the first nine months of 2026 reflects the resilience of our business model and the strength of the financial foundations we continue to build. Against a backdrop of evolving economic conditions and regional and global uncertainties, our focus has remained firmly on maintaining financial stability, safeguarding the interests of our stakeholders and executing our strategy with discipline. The continued growth in our core operations demonstrates the strength of our franchise and reinforces our confidence in the Group's long-term direction."

Sustaining balance sheet strength and financial resilience

Burgan Bank continued to expand its balance sheet during the period, with total assets reaching KD 9.4 billion as at September 30, 2026, compared with KD 8.9 billion a year earlier. The growth reflects continued activity across the Group's key operating markets, supported by the performance of its core banking businesses.

Loans and advances increased by 8 percent year-on-year to KD 5.1 billion, driven by sustained lending activity, particularly in Kuwait, where the loan portfolio grew by 9 percent. Customer deposits also rose by 6 percent year-on-year to KD 5.5 billion, supported by deposit growth of 5 percent in Kuwait.

The continued expansion in lending and deposits underscores the strength of the Bank's core customer franchise and its ability to support financing needs while maintaining a diversified funding base. The loan-to-deposit ratio stood at 78 percent as at September 30, 2026, remaining below the applicable regulatory ceiling of 100 percent.

Asset quality remained an important priority, supported by disciplined underwriting practices, prudent provisioning and active portfolio management. As at 30 September 2026, the Group's non-performing loan (NPL) ratio stood at 2.3 percent, while its total coverage ratio reached 235 percent, reflecting the level of coverage maintained against non-performing exposures.

The bank continued to monitor credit conditions across its operating markets and maintain a measured approach to risk management in response to evolving economic and market dynamics.

The Bank also maintained a sound capital position, with its Common Equity Tier 1 (CET1) ratio at 10.9 percent and Capital Adequacy Ratio (CAR) at 16.3 percent as at September 30, 2026. Both ratios remained comfortably above applicable regulatory minimum requirements, providing capital headroom to support business activity and financial resilience.



Liquidity levels remained strong, with the Liquidity Coverage Ratio (LCR) at 162 percent and the Net Stable Funding Ratio (NSFR) at 111 percent. Both ratios remained above the applicable regulatory minimum requirements, reflecting the Bank's capacity to meet short-term liquidity obligations while maintaining a stable long-term funding profile.

Commenting on the Group's financial position, Sheikh Abdullah added: "Our approach to growth remains firmly anchored in prudent risk management, sound governance and responsible capital stewardship. Maintaining the strength of our balance sheet is fundamental to our ability to navigate changing market conditions and pursue strategic opportunities. The successful completion of our capital increase represents an important step in this direction, reinforcing our financial flexibility and enhancing our capacity to create sustainable value for shareholders and the wider communities we serve."

On the Group's operational performance and strategic priorities, Tony Daher, Group Chief Executive Officer of Burgan Bank, said: "Our nine-month performance demonstrates continued momentum across our core banking activities, supported by growth in net interest income, sustained fee and commission income generation, and the expansion of our lending and deposit portfolios. Kuwait remains central to this performance, while the complementary capabilities of our international operations continue to strengthen our diversified business model and broaden the solutions we can offer our clients."

He added:"While operating expenses and the effects of hyperinflation accounting in Turkey continued to influence profitability, our priorities remain clear. We are focused on strengthening operational efficiency, advancing our digital capabilities and improving the consistency and sustainability of our performance. At the same time, we are leveraging the expertise and relationships available across the Group to enhance customer value, support disciplined business expansion and build a more integrated banking platform for the future."

Strengthening capital foundations and advancing regional integration

During the third quarter of 2026, Burgan Bank successfully completed a significant capital-raising transaction through its KD 50 million rights issue. The offering attracted subscriptions totaling KD 66.79 million, representing a subscription coverage ratio of 134 percent, or approximately 1.34 times the amount offered.

The subscription period closed on September 14, 2026, with 277.8 million new shares offered at KD 0.180 per share, comprising KD 0.100 in nominal value and KD 0.080 in share premium. Following the completion of the relevant regulatory and corporate procedures, new shares were fully allocated, allotted and issued, raising the Bank's issued and fully paid-up share capital from KD 399.6 million to KD 427.4 million, representing an increase of approximately 7 percent.

The capital increase reinforces the Bank's financial foundations and enhances its capacity to advance its strategic priorities, including strengthening its core Kuwait franchise, optimizing its asset mix, investing in digital transformation and selectively pursuing opportunities that support sustainable, profitable growth. The successful issuance also highlighted the strength of the Group's integrated capabilities. KAMCO Invest acted as Issuance Advisor and Subscription Agent, leveraging its investment banking and capital markets expertise to support the transaction.

In parallel with strengthening its capital base, Burgan Bank continued to advance its regional integration strategy, with a focus on building a more unified regional presence and strengthening the Burgan Bank brand across its markets. United Gulf Bank (UGB) has completed its rebranding as Burgan Bank BSC, operating under the trade name Burgan Bank Bahrain. This milestone extends the Burgan Bank brand across the Group's regional operations and reinforces a more unified identity across its markets. The rebranding further aligns the Bahrain operation with the Group's regional strategy while preserving its distinct market focus and complementary capabilities. Burgan Bank Bahrain will maintain its focus on wholesale banking, with a strategic direction aimed at further developing its Islamic financing and treasury investment capabilities, alongside corporate banking, fixed income, and treasury and global markets products.

Together, these capabilities complement the Group's broader offering and support its ability to serve high-net-worth individuals, family offices, corporate clients and financial institutions with increasingly sophisticated financial needs across Kuwait and key regional markets, including Bahrain, the UAE and Saudi Arabia.

Together, these developments reinforce Burgan Bank's strategic direction– building a stronger, more integrated regional banking group anchored by its core operations in Kuwait, with a more unified brand and complementary capabilities across its markets to support sustainable growth and long-term value creation.

Strengthening the retail banking proposition and customer engagement

Throughout the nine-month period, Burgan Bank continued to enhance its retail banking proposition through customer-focused products, strategic partnerships and initiatives designed to respond to the evolving financial needs of individuals and families.

As part of these efforts, the Bank entered into a strategic partnership with the American University of Kuwait (AUK) to provide flexible higher education financing solutions to parents of students. The initiative aims to help families manage university tuition expenses through accessible education-focused banking facilities, available throughout the year without additional costs or administrative fees, subject to the Bank's approved credit policy and final approval. The partnership reflects Burgan Bank's commitment to supporting customers at important stages of their lives while contributing to the development of Kuwait's human capital and the broader ambitions of Kuwait Vision 2035.

The Bank also continued to reinforce its savings proposition through its flagship Kanz Account. In July, Burgan Bank awarded the KD 500,000 semi-annual grand prize to one customer, alongside 20 winners of its monthly draws, each receiving KD 2,000.

The draws were conducted in accordance with applicable regulatory requirements and under the supervision of internal and external auditors, reflecting the Bank's commitment to transparency and sound governance. Through its ongoing monthly, semi-annual and annual draws, Kanz continues to encourage positive savings habits while providing customers with opportunities to win cash prizes throughout the year. Burgan Bank's continued focus on improving the customer experience received international recognition when it was named Kuwait's Best Bank for Customer Experience at the Euromoney Awards for Excellence 2026. The award recognized the Bank's progress in improving service quality and reliability, simplifying customer journeys, enhancing digital banking functionality and usability, and creating greater integration between its physical and digital channels. The recognition also highlighted the Bank's emphasis on customer feedback, frontline service excellence and digital security.

Commenting on the Group's continued focus on customer value, Tony Daher said: "Our customers remain at the center of how we develop our business and measure our progress. Whether through more accessible financial solutions, enhanced digital services or a more seamless banking experience, our objective is to make every interaction more relevant, convenient and rewarding. The recognition received from Euromoney reflects the collective efforts of our teams and encourages us to continue raising our standards, in line with our 'Driven by You' philosophy."

Reinforcing sustainability, governance and responsible banking

Burgan Bank continued to make progress in embedding environmental, social and governance (ESG) considerations across its strategy and operations, reinforcing its commitment to responsible banking, sound governance and sustainable value creation.

The Bank's MSCI ESG Rating was upgraded from BB to BBB, marking an important external recognition of its progress in strengthening governance practices, sustainability disclosures and risk management, as well as integrating ESG considerations into its broader decision-making framework.

The improved rating reflects the continued development of Burgan Bank's ESG capabilities and its efforts to align responsible business practices with the evolving expectations of investors and other stakeholders. This progress is supported by the Bank's wider sustainability framework, including its continued efforts to strengthen ESG governance, enhance accountability and integrate sustainability considerations across its lending activities, business operations and risk management practices.

In recognition of its governance and investor engagement practices, Burgan Bank also received the inaugural Middle East Investor Relations Association (MEIRA) Gold Standard Certification 2026.

Introduced by MEIRA in 2026, the certification recognizes high standards in investor relations, transparency and engagement with capital market participants. It reflects Burgan Bank's continued efforts to maintain accessible, timely and consistent communications with shareholders, investors and analysts, while supporting informed dialogue around its performance, strategy and corporate priorities.

Collectively, these efforts reflect the Bank's commitment to strengthening its governance framework, maintaining high standards of disclosure and integrating responsible practices into its long-term growth strategy.

Driving community engagement and preserving Kuwait's national heritage

In line with its corporate philosophy, "Driven by You", Burgan Bank continued to advance its community engagement agenda through initiatives that celebrate Kuwait's national identity, preserve its historical memory and create meaningful connections across generations.

Among the most prominent initiatives during the period was the Bank's month-long "Free Kuwait" campaign, launched under the theme "A Promise That Endures", commemorating the 36th anniversary of the Iraqi invasion of Kuwait.

The initiative revived the historic "Free Kuwait" movement and its enduring symbolism, paying tribute to the individuals whose courage, determination and collective efforts helped carry Kuwait's voice to the world during one of the most defining chapters of its modern history. At the heart of the campaign was a documentary produced in collaboration with Senyar Group, featuring first-hand accounts from individuals who lived through the period. The Bank complemented the documentary with an integrated program of television and cinema screenings, university engagement, branch activations and community events, bringing the stories and values of the original movement closer to younger generations.

The campaign generated more than 2.8 million digital views and over 25,700 engagements across the Bank's social media platforms, demonstrating the reach of the initiative and the continued resonance of Kuwait's national history with audiences across generations. Through such initiatives, Burgan Bank continues to translate its corporate social responsibility commitments into meaningful community engagement, supporting the preservation of Kuwait's national heritage while fostering a lasting connection between the country's history, its people and future generations.

Concluding his remarks on the nine-month performance, Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah said: "The progress we have achieved reflects the dedication of our people, the trust of our customers and the continued confidence of our shareholders. As we move forward, our responsibility is to build on these foundations with clarity of purpose, disciplined execution and a long-term perspective. We remain committed to strengthening Burgan Bank's position as a resilient, responsible and forward-looking financial institution, while contributing meaningfully to Kuwait's economic development and creating sustainable value for all our stakeholders."