

The right global formula

By **EDUARDO EGUREN**

CHIEF EXECUTIVE OFFICER, BURGAN BANK GROUP



EDUARDO EGUREN has over 25 years experience in global corporate, retail and commercial banking. He has held senior leadership roles across Latin America, Europe, Asia, North America and Africa, responsible for driving development and implementation of local and regional strategies. Before joining the bank, he was the CEO of Global Commercial Banking for Barclays Bank. Prior to this Mr Eguren held senior leadership roles with Citibank and Citigroup. He was appointed CEO of Burgan Bank in September 2010.

The financial marketplace has always been fiercely competitive. Increasing consolidation and cut-throat rivalries force financial institutions to re-engineer their business. In fact, banks across the Middle East and North Africa (MENA) region have emerged as safe havens for investors as a means to continuously realise successful returns. Business in general across this unique region can be challenging, but at the same time, it can be one of the most rewarding experiences for any organisation. For Burgan Bank Group, the story takes another twist.

Established in 1977, Burgan Bank Group's focus is on corporate banking, financial institutions, and private banking, and it has one of the fastest growing retail banking franchises. It has four majority owned subsidiaries which include Gulf Bank Algeria – AGB (Algeria), Bank of Baghdad – BOB (Iraq), Jordan Kuwait Bank – JKB (Jordan) and Tunis International Bank – TIB (Tunisia). This is what makes up what is known as the Burgan Bank Group.

The group's success story is due to its improvement in performance, mainly through the ability to build a strong balance sheet with high liquidity levels, enhancing and growing core earnings and adding capabilities, scale and footprint through strategic acquisitions.

Burgan Bank Group's profits rose 12 per cent for the first nine months of 2012 on the same period last year. Its diversified revenue streams continue to show healthy trends. Overseas operations contributed 51 per cent to group revenue, maintaining profitability and growth.

Burgan Bank Group has come through a long way to deliver successful returns to its shareholders. Our model is to manage by returns, based on a strategy that focuses on increasing the value of shareholders' equity. One of the main pillars of this approach is to seek strong investment opportunities across foreign markets. The idea of acquiring banks in promising countries that enjoy notable growth rates is key to achieving positive returns.

Burgan Bank Group's financial delivery continues to grow on a quarterly basis. During the first nine months of the year, revenues grew 11.1 per cent year-on-year. The 12 per cent increase of the group's net profits has undoubtedly helped Burgan Bank maintain its position

as the leader in terms of shareholders' equity, which is up 14.1 per cent. The Group's capital adequacy ratio stands at 18 per cent to support its inorganic as well as organic growth strategy.

We continue to deliver on our strategy while maintaining our growth trajectory with a sound, balanced approach toward risks and returns. All leading indicators are pointing in the right direction, and our business model has proved resilient. We are growing market share in our core markets without altering our risk guidelines and pricing. Our expansion strategy is aimed at building and acquiring scale, capabilities, footprint and diversifying our revenue streams, which is ultimately what has enabled us to reap impressive results.

Over the last five years Burgan Bank Group has extended its geographic reach. In 2008, Burgan Bank acquired Jordan Kuwait Bank, which is also extended to Cyprus. The group has since expanded into Algeria through the acquisition of Algeria Gulf Bank, in Iraq through Bank of Baghdad, and in Tunisia through the acquisition of Tunis International Bank.

Moreover, Burgan Bank Group is expected to close the acquisition deal of its 99.26 per cent stake in Eurobank Tekfen in Turkey before year's end. It is important to note that Fitch has upgraded Turkey's investment grade, which reflects a combination of easing macro financial risk and declining government debt burden. With this acquisition, Burgan Bank Group will gain access to the attractive Turkish banking market through an established franchise offering holistic banking services to Corporate, SME, Private banking and Retail clients.

Burgan Bank has also received the approval of the Central Bank of Kuwait for the acquisition of 25 per cent in FIM Bank PLC in Malta. The deal will provide Burgan Bank Group with the benefits of a boutique bank in trade finance that covers all aspects of business, while having a growing global presence across trade finance hubs.

Burgan bank invests heavily in developing its financial products and services to meet the changing and growing demands of its wide range clients, markets as well as the societies it operates within. It continues to provide added value services and convenience for its customers through the implementation of best practice methodologies. **E**