



PRESS RELEASE

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Subject: Burgan Bank FY09 H1 Financial Results

Burgan Bank's operating profits increase by 8% in first half of 2009

Operating profit KD 57.3 million / Net interest income up 78%

Burgan Bank – amongst the fastest growing and most dynamic regional banks in the state of Kuwait – announced strong revenues of KD 78.4 million, operating profit of KD 57.3 million and a net profit of KD 12.5 million after additional precautionary provisions of KD 27.7 million for the six months ended 30th June 2009.

Burgan Bank continued to grow through its regional expansion strategy which was initiated last year. Other factors that supported the progression of the bank include its continued efforts to reduce operating costs, a prudent and anticipatory provisioning posture in 2008 which led to preserving the cash flow in 2009, as well as its diversified balance sheet.

These results reflect the Bank's position in being the one of the leading banks in Kuwait that is poised for continuous and strong growth – including its regional expansion program in which it acquired a majority stake in Bank of Baghdad, Gulf Bank Algeria and Jordan Kuwait Bank.

Despite the challenges posed by the economic landscape in the first half of the year, Burgan Bank's dynamic strategy ensured continued progression for a more positive outlook going forward. Productivity grew further as reflected by growth in net interest income of 78% to reach KD 48.6 million and Fees and Commission by 46% over the same period last year. An enlarged, diversified customer base led to a 9% growth in loans during 2009. The Basel II capital adequacy ratio stands at 13.5%, well positioning the Bank's capitalization both by local as well as international standards, under the revised guidelines by the Central Bank of Kuwait.

"We are confident about our progress for the remainder of the year as we have reported positive growth despite prudent provisions. We have recorded exceptional growth in revenue from local and regional client business and have maintained strong cost control. These factors have reflected well in our increasing operating profit," says Burgan Bank Chairman Mr. Tariq Mohammed AbdulSalam. "Our shareholders and patrons have expressed high interest in our regional expansion plan and we are confident that the acquisition will engender continued growth in our profitability following the finalization of the transaction." Given the current conditions of the economic climate, our results and financial indicators for the first half of 2009 are attributable to the Bank's prudent investment and risk management capabilities and is reflective of the confidence that shareholders have in the Bank's capabilities, he added.

The Bank holds a positive outlook for the year ahead, augmented by a regional expansion strategy that is presently underway. The expansion establishes a robust MENA-wide commercial banking franchise through the acquisition of a majority stake in three commercial banking entities in Algeria, Iraq and Jordan. Burgan Bank is also looking to complete the transaction for a majority stake in Tunis International Bank (Tunisia) in the near future.

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