

Burgan Bank announces Q1 09 net profit of KD 11.3 million and 29% increase in core banking profit

Kuwait City, __ May 2009: Burgan Bank – amongst the youngest and most dynamic commercial banks in the state of Kuwait – has announced solid first quarter financial growth. For the first three months ended March 31st 2009, the Bank registered an operating profit of KD 16 million before taking prudent provisions of KD 5.4 million, bringing the total provisions to KD 104 million. Core banking profit reached KD13.2 million, up 29% compared to the same period in 2008. For the first quarter, Return On Equity stood at 14.3%, while earnings per share reached 11.2 fils.

Although the banking scenario was quite challenging during first quarter, net interest income grew by 69% over the same period last year and 19% over last quarter of 2008. An enlarged, diversified customer base led to an 11 % growth in deposits from 2008 year end levels and 33% increase in fees & commissions against the same period last year. With a KD 377.7 million shareholders equity base, the Basel II capital adequacy ratio stands at 13.5%, strongly positioning the Bank's capitalization both by local as well as international standards. The Bank is pursuing its efforts in centralizing its operational capabilities with the goal of both enhancing the delivery of quality services as well as continuing cost efficiencies. These indicators are strongly supportive of Burgan Banks' growth strategy to position itself not only as the fastest growing but as one of the leading banks in Kuwait.

Commenting on the results and the Bank's performance, Chairman Mr. Tariq Mohammed AbdulSalam said, "Our strong financial indicators for the first quarter of this financial year are reflective of our prudent investment and risk management capabilities as well as the confidence that our customers and shareholders have vested in us in these challenging times."

"As we progress further into 2009, we continue our focus on the customer by meeting their banking and financial needs. Also, we will continue to achieve our regional expansion objectives by acquiring a group of Arab commercial banks in the region. Burgan Bank successfully acquired control of Jordan Kuwait Bank during 2008 and consolidated its results as one of Burgan Bank Subsidiaries."

Burgan Bank and United Gulf Bank (UGB) recently announced that Burgan Bank has completed the purchase of Algeria Gulf Bank and Bank of Baghdad from United Gulf Bank. The deal – which is part of Burgan's regional expansion strategy – takes Burgan's stake in Algeria Gulf Bank to 60 per cent and its stake in Bank of Baghdad to 45.31 per cent. Burgan Bank's expansion strategy - announced in 2008 - involved the purchase of Jordan Kuwait Bank, Algeria Gulf Bank, Bank of Baghdad and Tunis International Bank from UGB. The consolidation of the

financial results of the entities with Burgan Bank will further strengthen the banks position in the local and regional markets.

“On behalf of Burgan’s Board and Management, I would like to thank our shareholders and customers for their loyalty and our staff for their continued hard work and commitment,” Mr. AbdulSalam concluded.

Burgan Bank’s financial performance was acknowledged by Standard & Poor’s with a rating of 'BBB+' long-term and 'A-2' short-term counterparty credit ratings on the Bank. Further, Moody’s Investor Services retained the Bank’s FSR rating as C-. Capital Intelligence ratings for the Bank’s Financial Strength remains as A-, the Foreign Currency Short Term rating as A2 and the Foreign Currency Long Term also stands as A-.