The information contained in this document has been provided on the basis of current knowledge, assumptions and expectations. In the event that any information is incorrect or any party misrepresented, Burgan Bank and its consultants cannot be held responsible for this. Various factors could cause future results, performance or events to differ materially from those given in this document. No obligation is undertaken to update this document or the statements / information contained in it. The information contained in this document should by no means be interpreted as an invitation to making any investment decision based on the same. Our continuous advice is that every investor must rely on his/her own advisor and resources to ensure the correctness of the information presented to him/her and then makes his/her investment decision accordingly.
About Burgan Bank
About Burgan Bank

1977
- Incorporated as a public shareholding company in the State of Kuwait. Named after first and largest oil field

1984
- Listed on the Kuwait Stock Exchange

1997
- Burgan Bank Privatized. Government of Kuwait divested its 61.0% stake; KIPCO acquired major stake.

2002
- Burgan Bank restructured operations which laid emphasis on best practice, organizational capabilities and increased profitability

2003 - 04
- Burgan Bank underwent major management reshuffle, focusing on its growth strategy

2005
- Burgan Bank adopts a long-term strategic plan ‘Bright Future’ to be implemented over 5 years (2006-2011)

2007
- Was acknowledged as the ‘Best Local Private Bank’ in Kuwait in the Fourth Annual Euromoney Private Banking Survey 2007.

2007

2008
- Burgan Bank completed transfer of AGB (60% stake) and BoB (45.3% stake) from UGB (additional 5% acquired in 2010 to make it a subsidiary)

2009
- Burgan Bank completed transfer of JKB from UGB, taking its total stake to 51.1%
Our Vision

To be the best of class financial service provider in the MENA region through sustained execution of best practice, innovation and reliable stakeholder care.

Our Mission

Burgan Bank is your financial partner, forming a relationship with you based on integrity and trust, providing innovative banking services that understand and support your different needs at every stage of life.

Our Goals

To maximize value for all our stakeholders, clients, personnel and shareholders by building on Burgan Bank’s three pillars of client delight and care, leveraging its operational and technological capabilities and nurturing our staff. Our stakeholder’s value must be consistent, growth oriented and accomplished in the spirit of the corporate governance framework.
Regulated by the CBK and Listed on the Kuwait Stock Exchange

Majority shareholder
- KIPCO: 56.03%

Other shareholders
- Wafra Int. Investment Company: 5.73%
- Others (less than 5%): 38.24%

Corporate Governance
One of the first banks in the region to initiate and to publish its policy leading to:
- Transparency of operations and activities
- Network of management committees
- Code of conduct
...and resulting in the raising of standards.

- Shareholder Equity at USD 1,135m, market capitalization USD 1,199m and total balance sheet size of USD14,275m (as on 31 Dec 2009).
- Basel II capital adequacy 16.86% (as on 31 Dec 2009)
- Market share of 10% for loans & 11% for deposits (Sep 2009).
- The Group has four business areas and is active in all market segments across 6 countries in the MENA region.
- Retail Banking: 300,000+ clients, over 110 branches, 300+ ATMs, phone & Internet banking. Rollout of additional branches & ATMs.
### About Burgan Bank

**Ratings (as of 31<sup>st</sup> December 2009)**

<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Short-Term</th>
<th>Long-Term</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country ratings</strong></td>
<td>ST: A-1+</td>
<td>LT: AA-</td>
</tr>
<tr>
<td>S &amp; P:</td>
<td>ST: A-2</td>
<td>LT: BBB+</td>
</tr>
<tr>
<td>Moody’s:</td>
<td>ST: P-1</td>
<td>LT: A2 (FSR: D+)</td>
</tr>
<tr>
<td>C.I.:</td>
<td>ST: A2</td>
<td>LT: A- (FSR: BBB+)</td>
</tr>
<tr>
<td></td>
<td>ST: P-1</td>
<td>LT: Aa2</td>
</tr>
<tr>
<td></td>
<td>ST: A1+</td>
<td>LT: AA-</td>
</tr>
</tbody>
</table>
About the region & Burgan Bank
United Gulf Bank and Burgan Bank are subsidiaries of Kuwait Projects Company (Holding) or KIPCO. KIPCO is listed on the Kuwait Stock Exchange and is part of a large business house with varied interests across the MENA Region in a number of business sectors.

The acquisition involved the transfer of the shareholdings from one subsidiary of KIPCO to another in a reorganization of the financial services business of KIPCO. Thus, the transaction led to the transfer of the controlling shares held by United Gulf Bank in AGB, BoB and JKB to Burgan Bank (See below for details on transaction).

The objective behind the transaction was to restructure KIPCO’s banking portfolio and to give a clear mandate to Burgan to drive the commercial banking activities.

* BB’s effective stake in AGB would be 91.8%
About the region & Burgan Bank

Entities snapshot 2009

**Algeria Gulf Bank (AGB)**
- Equity: USD 164.4M
- Assets: USD 622.4M
- Revenue: USD 61.0M
- Net profit: USD 20.8M
- ROE: 18.9% (after tax)
- Branches: 13
- 15,000+ retail clients
- Acquired: April 09

**Bank of Baghdad (BoB)**
- Equity: USD 97.2M
- Assets: USD 680.7M
- Revenue: USD 28.8M
- Net profit: USD 16.1M
- ROE: 17.6% (after tax)
- Branches: 32
- 80,000+ retail clients
- Acquired: April 09

**Jordan Kuwait Bank (JKB)**
- Equity: USD 393.2M
- Assets: USD 3,011.1M
- Revenue: USD 168.4M
- Net profit: USD 67.5M
- ROE: 18.3% (after tax)
- Branches: 51
- 100,000+ retail clients
- Acquired: July 08

**Tunis International Bank (TIB)**
- Equity: USD 82.0M
- Assets: USD 491.0M
- Revenue: USD 30.9M
- Net Profit: USD 13.33M
- ROE: 17.04% (after tax)
- Branches: 3
- Deal under consideration
GDP forecast for extended MENA region

Nevertheless, the long term growth outlook remains strong

Note: Projections based on latest available estimates as per April 2009.
Source: EIU, IMF, BCG analysis
About the region & Burgan Bank

Overview on country risk

Note: Economic risk includes macroeconomic, foreign trade, tax policy, labor market and financial risks. Political risk includes political stability, government effectiveness, legal and regulatory risks. Source: EIU, Transparency International, Moody’s, Fitch, BCG analysis (based on 2007 figures)
About the region & Burgan Bank

Burgan Bank Group ambition

Note: Ranking based on assets
Source: The Middle East October 2008, Burgan Bank
Our Activities & Strategy
Reposition Burgan Bank with active encouragement of major shareholder into unique MENA wide commercial banking platform…

1. Create greater shareholder value through expanded MENA franchise
2. Sustainable growth in core banking profits
3. Best of class financial services provider consistently across the MENA region (Recognized expertise and adapted best practices)

Drivers

1. Redeploy capital
2. Strengthen & develop current operations for sustainable cost effective growth
3. Acquire commercial banking assets on self funded basis

Impact

1. Diversify risk – Widen geographical reach on prudent basis
2. Diversify sources of income
3. Create unique MENA franchise value
Presently, Burgan Bank is committed through its Long Range Plan (2010–2014) to:

- Substantially increase its market share and revenues from its client facing business with a major focus on Retail Banking and Private Banking through the execution of Project Bright Future.

- Significantly expand the Bank’s market presence and footprint through the introduction of new products in Treasury Operations and substantially increase international trade and financing activities.

- Create a regional platform and widen the scope of banking activities through its affiliation and acquisition of other KIPCO Group banks in the MENA region.
Three Pillars for Profitable Growth

- **Client Delight & Care**: Ranked in the top 10% of world banks (Customer Satisfaction Index Research by TNS / TRIM Analysis 07/08)
- **Staff**: Implemented assessment & appraisal system to measure values & principles.
- **Process & Leveraging IT**: Very close to achieving a T3R Ratio of 3:1

Our Activities & Strategy

Our pillars
Financials & Challenges Ahead

Financial Review and strengths
Share Price Performance
Meeting the Challenges

*USD 1 = KD 0.2868
### Balance Sheet

#### Financial Review and Strengths

<table>
<thead>
<tr>
<th>Loans &amp; Advances</th>
<th>Customer Deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3,655</td>
</tr>
<tr>
<td>2005</td>
<td>4,068</td>
</tr>
<tr>
<td>2006</td>
<td>4,316</td>
</tr>
<tr>
<td>2007</td>
<td>5,748</td>
</tr>
<tr>
<td>2008</td>
<td>8,424</td>
</tr>
<tr>
<td>2009</td>
<td>8,455</td>
</tr>
</tbody>
</table>

#### Loans & Advances

- **2004:** 2,619
- **2005:** 2,789
- **2006:** 3,300
- **2007:** 4,955
- **2008:** 7,437
- **2009:** 7,835

#### Customer Deposits

- **2004:** 3,655
- **2005:** 4,068
- **2006:** 4,316
- **2007:** 5,748
- **2008:** 8,424
- **2009:** 8,455

**Note:** USD m
Financial Strength

Financial Review and strengths

NPL’s to Loans

Provision Coverage

<table>
<thead>
<tr>
<th>Year</th>
<th>NPL’s to Loans</th>
<th>Provision Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6.1%</td>
<td>78%</td>
</tr>
<tr>
<td>2005</td>
<td>4.1%</td>
<td>109%</td>
</tr>
<tr>
<td>2006</td>
<td>3.5%</td>
<td>130%</td>
</tr>
<tr>
<td>2007</td>
<td>1.7%</td>
<td>166%</td>
</tr>
<tr>
<td>2008</td>
<td>1.4%</td>
<td>245%</td>
</tr>
<tr>
<td>2009</td>
<td>10.0%</td>
<td>57%</td>
</tr>
</tbody>
</table>
Financial Strength

- Capital Adequacy Ratio of 16.86%.
- Sound Liquidity with 10% of total assets in T Bills & Bonds.
- Investments account for only around 3% of total assets.
- Investment company exposure represents less than 4% of total credit exposure.
- Periodic stress testing of loan portfolio undertaken since early 2008 to anticipate potential problems.
- Prudential aggressive Provision Coverage

Total provision of USD 624.6 m, out of which about half in general provisions (Statutory and voluntary).

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets (USD M)</th>
<th>Return on Assets</th>
<th>Return on Equity</th>
<th>Capital Adequacy Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6,063</td>
<td>1.6%</td>
<td>13.8%</td>
<td>17.8%</td>
</tr>
<tr>
<td>2005</td>
<td>6,589</td>
<td>2.5%</td>
<td>19.2%</td>
<td>18.4%</td>
</tr>
<tr>
<td>2006</td>
<td>7,706</td>
<td>2.84%</td>
<td>24.1%</td>
<td>16.5%</td>
</tr>
<tr>
<td>2007</td>
<td>9,929</td>
<td>2.8%</td>
<td>24.7%</td>
<td>16.5%</td>
</tr>
<tr>
<td>2008</td>
<td>13,748</td>
<td>1.2%</td>
<td>11.5%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2009</td>
<td>14,275</td>
<td>0.2%</td>
<td>2.0%</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

(Minimum 12% required by Central Bank of Kuwait)

*Full compliance with Basel II “standardized approach” since December 2005.
Financial Strength 2008 - 2009

**Total Income**

USD million

- 2008: 422.2
- 2009: 539.4

- Growth: 27.7%

**Operating Profit before provisions**

USD million

- 2008: 305.5
- 2009: 387.6

- Growth: 27.0%

**Operating Expense and Cost-to-income ratio**

- 2008: 27.7%
- 2009: 28.1%

**Net Profit**

USD million

- 2008: 129.2
- 2009: 21.7
Financial Review and strengths

Share Price Performance
January 2009 to December 2009

General Index: 3% up
Banking Index: 3% up

BB Share Price: 17% down*

* Share price without adjustment for Bonus Issue
Why Invest in Burgan Bank

- Redeployed capital into strategic core banking operating subsidiaries
- Managing downturn through systematic acquisitions & provisions
- Diversification of risks and sustainable sources of income
- Zero dilution of capital
- Additional financial strength through voluntary general provisions and retained earnings
- Short-term returns in abeyance for long-term return
- Attractive valuation price

Conventional Banking Sector P/B as of Dec 2009

<table>
<thead>
<tr>
<th>Bank</th>
<th>Market Price ( USD)</th>
<th>P/B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahli Bank Of Kuwait</td>
<td>1.818</td>
<td>1.87</td>
</tr>
<tr>
<td>Bank Of Kuwait &amp; Middle East</td>
<td>1.783</td>
<td>2.06</td>
</tr>
<tr>
<td><strong>Burgan Bank</strong></td>
<td><strong>1.189</strong></td>
<td><strong>0.89</strong></td>
</tr>
<tr>
<td>Commercial Bank Of Kuwait</td>
<td>3.252</td>
<td>2.66</td>
</tr>
<tr>
<td>Gulf Bank</td>
<td>1.049</td>
<td>1.76</td>
</tr>
<tr>
<td>NBK</td>
<td>3.916</td>
<td>1.91</td>
</tr>
<tr>
<td><strong>Average P/B</strong></td>
<td><strong>1.86</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: P/B is based on 31st Dec price and book value as of 30th Sept 09

Source: KAMCO research
Dividend Policy and Dividend Paid

Dividend Policy

Statutory Requirement

- 10% of Net profits towards Statutory Reserves
- 10% of Net profits towards Voluntary Reserves

BB Policy

- 10% minimum additional voluntary Reserves.

Dividend Paid

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Paid</th>
<th>Equivalent USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Cash 25 fils</td>
<td>9 cents</td>
</tr>
<tr>
<td>2005</td>
<td>Cash 40 fils</td>
<td>14 cents</td>
</tr>
<tr>
<td>2006</td>
<td>Cash 50 fils</td>
<td>17 cents</td>
</tr>
<tr>
<td>2007</td>
<td>Cash 60 fils + 10% bonus</td>
<td>21 cents + 10% bonus share</td>
</tr>
<tr>
<td>2008</td>
<td>Cash NIL, Bonus Shares 10%</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Cash NIL</td>
<td></td>
</tr>
</tbody>
</table>

USD 1 = KD 0.2868
• Government support to investment sector & fiscal actions will be key determinants of the dynamics of the banking sector.

• Local economic developments dependent on State Budget and Spending, along with international economic developments.

• State of Kuwait has already announced a 5 year Infrastructure Spending Plan of over US$ 130 Billion.
• Investment portfolio constitutes around 4 % of total balance sheet size, given the minimal trading portfolio, BB is well insulated from further market volatility.

• Group core operating income expected to grow by around 7 %.

• The acquisitions are in fast growing economies, isolated from global economic trends and will strengthen the position of the bank.

• Group net profit guidance : Expected substantial increase.
Integration of Subsidiaries after Acquisition

Meeting the Challenges

- Working closely with Internationally well known consultants.
- Integration to be in three waves
  - Wave 1: Risk Mgmt., Accounts / MIS, Treasury, Internal Audit & Corp. Communications: **Completed**.
  - Wave 2: IT, Human Resources & Operations: **In progress**
  - Wave 3: Client Facing Business Lines
- **Steering Committee** represented by the head of each bank to oversee the process and take decisions.
- Discussion on the Group Concept and set up of a Group Management structure.
- Brain storming for a Group Vision and Strategy under progress.
- Group Vision and Strategy to guide the future business plans of all the entities.
BB Group Profile as on 31st December 09

- Loans & Advances: USD 7,835m
- Total Assets: USD 14,275m
- Customer Deposits: USD 8,455m
- Equity: USD 1,135m
- Net Interest Income: USD 355m
- Operating Income: USD 539m
- Operating Profit: USD 388m
- Net Profit: USD 22m
Conclusion
Financial Review and strengths

A history of sound performance, healthy financials and sustained growth

Based on core competence, adapting best practices, committed to established corporate values and sound corporate governance

In the context of solid macroeconomics of the region, future strong development with MENA wide diversification leading to substantial enhancement of both franchise and shareholder value

Robust and enterprising support from the major shareholder KIPCO

Currently very attractive valuations