



*PRESS RELEASE*

**SUBJECT: Burgan Bank Announces its 2010  
Operating Results**

**TO BE RELEASED FOR COVERAGE Feb 17th**

**Operating Income up 7 % to KD 164.8 million  
Burgan Bank posts KD 4.7 million net profit for 2010**

**Kuwait – 16 February 2011:** Burgan Bank today announced significantly improved financial results for the year ended December 31<sup>st</sup>, 2010. The bank posted KD 4.7 million net profit. The fourth quarter results amounted to KD 7.7 million, doubling third quarter results of KD 3.8 million and showing a strong trend performance. The bank, which is now back to profitability, has reported operating profit of KD 99 million for the year. A reduction in non-performing loans as well as in credit losses reflects a decreasing trend in provisioning. The regional subsidiaries have also recorded profits and are on a growth trajectory. The Board of Directors recommended 5% free Bonus shares subject to the approval of the Annual General Assembly

Commenting on the Bank's results, Mr. Majed Essa Al-Ajeel, Burgan Bank's Chairman, said: "Burgan Bank's latest financial results reflect a positive turnaround in profitability. The second half of the year was a turning point in the bank's operations, whereby our regional diversification strategy has helped to place us on very solid grounds to meet the opportunities ahead. The results, which also include the bank's consolidated share of income from our regional banking subsidiaries, Bank of Baghdad, Gulf Bank Algeria, Jordan Kuwait Bank and Tunis International Bank, continue to record increasing growth trends."

Mr. Eduardo Eguren, Burgan Bank's Chief Executive Officer said: "These results reflect the continuing improving performance of the bank. Despite the fact the 2010 was a challenging year for Burgan Bank, we have been able to restructure and build a healthy balance sheet with a robust capital adequacy ratio around 21%, which ultimately helped us to generate increased profits across the fourth quarter of the year. Also, the bank has taken a strategic decision to invest for future growth and developments."

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