



PRESS RELEASE

SUBJECT : Burgan Bank posts KD 11.8 million Net Profit for the first quarter of 2011

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Mr. Majed Essa Al-Ajeel: *Our financial performance has significantly improved in the first quarter reflecting lower credit costs*

Mr. Eguren: *Our core revenues have grown 10% year on year and we are on the right track toward reaching pre-crisis profitability levels*

Kuwait City, 27th April 2011: Burgan Bank today announced a first quarter 2011 net profit of KD 11.8 million after taking precautionary provisions of KD 4.6 million. The reported earnings growth was 55% over the previous quarter and 11 times higher in profitability than first quarter 2010.

For the period ended March 31st 2011, operating income reached KD 38.8 million and operating profit was KD 23.0 million with Earning per Share (EPS) of 8.2 fils. Fees and commissions grew by 24% to KD 9.5 million and provisions charge continued the downward trend to KD 5.7 million, including the precautionary provision, compared to KD 22.5 million in quarter one of 2010.

The consolidated financials encompass the results of Kuwait operations and Burgan Bank share from its subsidiaries, namely Bank of Baghdad, Gulf Bank Algeria, Tunis International Bank and Jordan Kuwait Bank, in which Burgan Bank has a majority stake.

Burgan Bank's Chairman, Mr. Majed Essa Al-Ajeel said: "Burgan Bank Group foresees positive growth as we progress into 2011. Our financial performance has significantly improved in the first quarter reflecting lower credit costs. Our subsidiaries continue to be on growth trajectory, despite the current regional circumstances."

Commenting on the results, Burgan Bank's Chief Executive Officer Mr. Eduardo Eguren said, "We are pleased that our overall performance, particularly of our core revenues, is on a growth trajectory. If we exclude a onetime consolidation gain of KD7.8 million in 2010, our revenues improved by 10% year on year and non-performing loans (NPLs) have been reduced to 6%."

"Our Balance Sheet remains strong with a capital adequacy ratio of 20.6%, and comfortable liquidity levels. We are on the right track toward reaching pre-crisis profitability levels". Added Mr. Eguren

On behalf of the board and the executive management team, I take this opportunity to thank our customers and shareholders for their confidence in our capabilities, and Burgan Bank staff for their continued support and commitment.”

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