



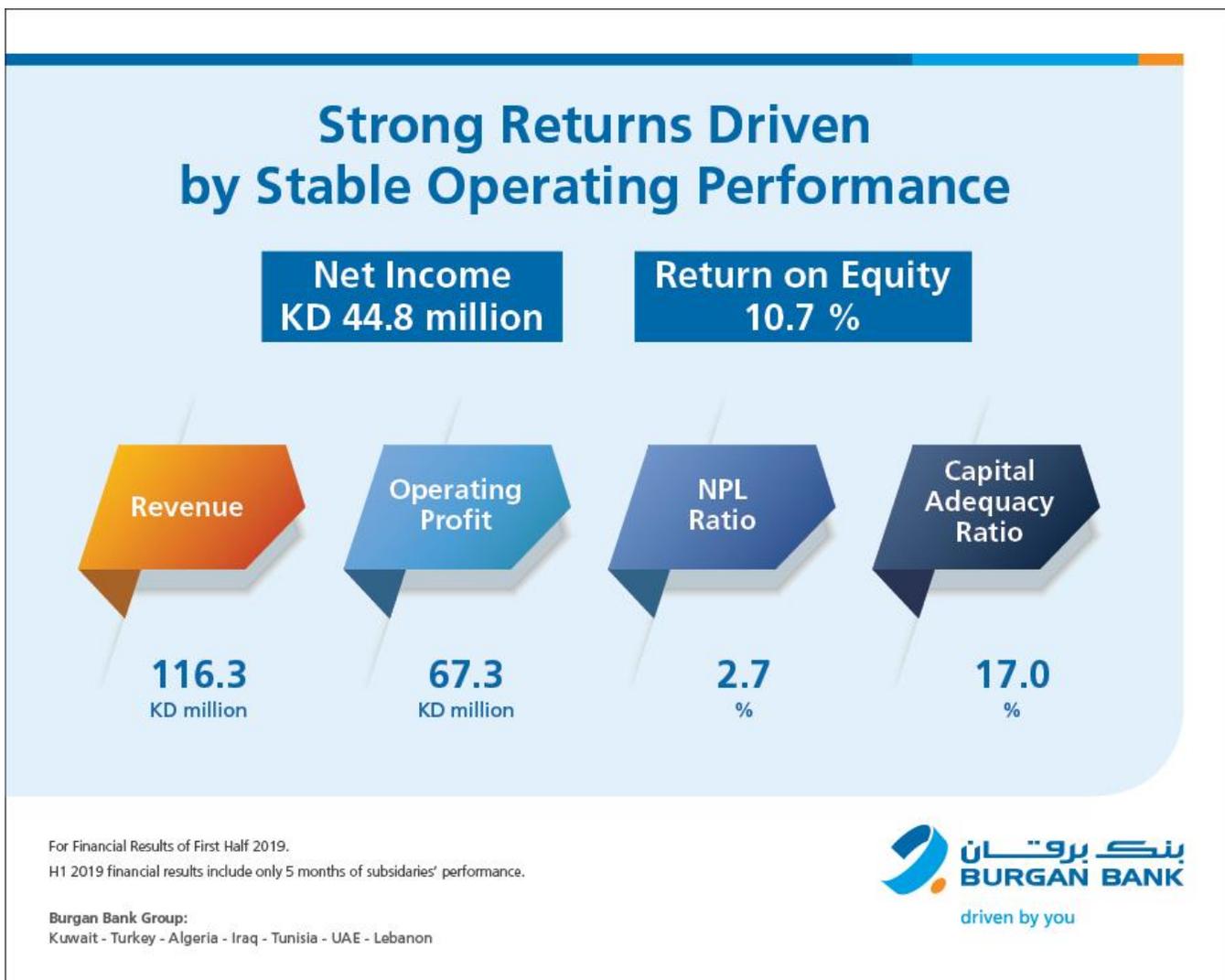
Mr. Majed Essa Al Ajeel
Chairman of Burgan Bank



Mr. Masaud Hayat
Burgan Bank Group CEO



Mr. Raed Al-Haqhaq
CEO-Kuwait of Burgan Bank



Burgan Bank Announces Solid First Half 2019 Results

*H1'19 Net Income of KD 44.8mn,
Delivering Return on Equity of 10.7%*

Kuwait – July 25, 2019: Burgan Bank Group (Burgan) announced today its H1'19 results, reflecting the Bank's solid operating performance and its continued prudent growth approach.

Key highlights of H1'19 results are as follows:

- Revenue of KD 116.3mn
- Operating Profit of KD 67.3mn
- Net Income of KD 44.8mn
- Return on Equity of 10.7%

Strong Revenue levels were delivered due to stable Net Interest Margin of 2.8%. Burgan continues to focus on operating efficiency, thereby maintaining its Cost-to-Income Ratio at 42.1%.

Burgan's Asset Quality continues to be healthy as a result of its prudent risk culture and practice across the Group. The Group achieved low Cost of Credit of 0.8%, stable NPL Ratio of 2.7% and improved NPL Coverage of 174.9%.

Burgan's Regulatory Capital levels continue to be optimal with CET1 Capital Ratio of 11.6%, Tier 1 Capital Ratio of 14.1% and Capital Adequacy Ratio of 17.0%.

The underlying business trend continues to be similar to last year. Beginning this year, the Bank has revised its financial statements' closing process by changing the reporting date of its subsidiaries to one month earlier than the Group's reporting date. Accordingly, the reported financial results of the first half of 2019 include only five months (i.e. January to May) performance of the subsidiaries instead of six months as included in the prior periods.



Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: “We are very pleased with the overall performance of Burgan Bank Group. Our strategy continues to deliver, our business model is solid, and we are well positioned to capture potential opportunities. The bank has also invested in further strengthening its risk management capabilities and is driving forward the sustainable development of its human capital.”

Furthermore, Mr. Masaud M.J. Hayat, Group CEO of Burgan Bank Group commented, “Burgan continues to deliver solid and consistent returns to its shareholders, as demonstrated by the double-digit Return on Equity for the period.”

Mr. Raed Al-Haqhaq, CEO-Kuwait of Burgan Bank Group added, “Burgan’s Kuwait business continues to perform well with stable loan book, improved asset quality, strong operating efficiency and low credit costs.”

The consolidated financials encompass the results of the Group’s operations in Kuwait, and its share from its regional subsidiaries, namely Burgan Bank – Turkey, Gulf Bank Algeria, Bank of Baghdad, Tunis International Bank. Burgan Bank Group has one of the largest regional branch networks with 164 branches across Kuwait, Turkey, Algeria, Iraq, Tunis, Lebanon and representative office in Dubai-United Arab Emirates.

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About Burgan Bank

Established in 1977, Burgan Bank is the youngest commercial Bank and second largest by assets in Kuwait, with a significant focus on the corporate and financial institutions sectors, as well as having a growing retail, and private bank customer base. Burgan Bank has majority owned subsidiaries in the MENAT region supported by one of the largest regional branch networks which include Gulf Bank Algeria - AGB (Algeria), Bank of Baghdad - BOB (Iraq & Lebanon), Tunis International Bank – TIB (Tunisia), and fully owned Burgan Bank – Turkey, (collectively known as the “Burgan Bank Group”). Furthermore, Burgan Bank has a present in the UAE through its corporate office (“Burgan Financial Services Limited) which had helped the bank to participate in multiple financing opportunities in the UAE.

The Bank has continuously improved its performance over the years through an expanded revenue structure, diversified funding sources, and a strong capital base. The adoption of state-of-the-art services and technology has positioned it as a trendsetter in the domestic market and within the MENA region. Burgan Bank’s brand has been created on a foundation of real values – of trust, commitment, excellence, and progression, to remind us of the high standards to which we aspire. ‘People come first’ is the foundation on which its products and services are developed.



The bank was re-certified with the prestigious ISO 9001:2015, making it the one of the few banks in the GCC and Kuwait to receive such certification for the Fifth consecutive time. The Bank also has to its credit the distinction of being the only Bank in Kuwait to have won the JP Morgan Chase Quality Recognition Award for twelve consecutive years.

Burgan Bank, a subsidiary of KIPCO (Kuwait Projects Company), is a strongly positioned regional Bank in the MENA region.