



## Burgan Bank Reports Net Income of KD 19.2mn for the First Quarter of 2019

**Kuwait – May 15<sup>th</sup>, 2019:** Burgan Bank Group (Burgan) announced its financial results for the first quarter of 2019.

Beginning this year, Burgan 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, Burgan's Q1'19 financial results include only two months' (Jan'19 & Feb'19) results of its subsidiaries instead of three months (as included in the prior periods). This change will enable Burgan to accelerate its financial closing process & the required procedures for earliest possible release of the Group's financial statements to its stakeholders.

Key highlights of Burgan Bank Group's Q1'19 financial results are as follows:

- Revenue of KD 50.3mn while maintaining healthy Net Interest Margin of 2.7%
- Operating Profit of KD 29.2mn with stable Cost-to-Income Ratio of 41.8%
- Net income of KD 19.2mn with low Cost of Credit of 0.7%
- CET1 Ratio of 11.8% and CAR of 17.3%, indicating optimal capital levels

Our Kuwait operations, which is the core engine of the Burgan Bank Group, continues to perform strongly as reflected in the below mentioned key business metrics:

- Q1'19 Net Interest Margin of 2.3% (vs Q1'18: 2.3%)
- Q1'19 Cost-to-Income Ratio of 28.4% (vs Q1'18: 36.8%)
- Q1'19 Cost of Credit of 0.4% (vs Q1'18: 0.5%)
- Q1'19 NPL Ratio of 1.8% (vs Q1'18: 1.7%)

These results reflect the stability of the operating business model of Burgan Bank Group despite headwinds in certain markets in the region.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: “the Bank’s business model continues to prove its resilience, while maintaining good progress on key initiatives aimed at mitigating risk, improving operating competences and capitalization levels.”

"On behalf of the board, I take this opportunity to thank our customers and shareholders for the trust they have in our capabilities and our regulator, the Central Bank of Kuwait, for their support. I would also like to thank our executive management team for their leadership and the excellent execution of the corporate strategy, and our staff for their continued support and commitment." concluded Al Ajeel.

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 165

branches across Kuwait, Turkey, Algeria, Iraq, Tunis, Lebanon and representative office in Dubai-United Arab Emirates.

-END-

#### 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.