



Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank
K.P.S.C



Mr. Masaud M.J. Hayat, Vice chairman and Group
Chief Executive Officer of Burgan Bank K.P.S.C.

Burgan Bank Posts Strong Earnings with Q3'19 Net Income of KD 22.7mn

9M Net Income of KD 67.5mn

Return on Equity of 10.4%

Kuwait – October 22, 2019: Burgan Bank K.P.S.C. (Burgan) announced its Q3'19 Financial Results, highlighting strong Net Income of KD 22.7mn for the third quarter, translating into an impressive growth of 10.7% Y-o-Y.

Key factors contributing to the Earnings growth are:

- Solid Revenue Levels of KD 61.9mn
- Reduction in Operating Expenses (Q3'19 KD 25.7mn vs Q3'18 KD 25.9mn)
- Lower Provisions (Q3'19 KD 9.5mn vs Q3'18 KD 17.7mn)

This solid third quarter performance has further strengthened Burgan's 9 months' performance (9M'19) as highlighted below.

9M'19 Revenue remained robust at KD 178.3mn on the back of stable Net Interest Margin at 2.8%. Burgan also maintained an efficient Cost-to-Income Ratio of 41.9% leading to Operating Profit of KD 103.6mn.

Burgan's Cost of Risk remains low at 0.8% while the NPL Coverage Ratio remains healthy at 162%.

As a result, Burgan continues to generate strong earnings with the 9M'19 Net Income of KD 67.5mn, thereby delivering Return on Equity of 10.4%.

Burgan's relentless focus on capital efficiency in its businesses has ensured that the regulatory capital ratios are healthy with CET1 ratio of 11.0%, Tier 1 ratio of 13.7% and CAR ratio of 16.6%.

Commenting on these results Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank K.P.S.C. said: "We continue to deliver strong results to our shareholders, despite increased volatility in the region. These results reflect the strength of Burgan's operating model across its subsidiaries, ably supported by strong risk management framework."

Mr. Masaud M.J. Hayat, Vice chairman and Group Chief Executive Officer of Burgan Bank K.P.S.C. added, "Burgan's strong performance in the first nine months of 2019 demonstrates the bank's relentless focus on serving its customers' needs while achieving high levels of operating efficiency."

Please note that 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 nine month of 2019 include only eight months (i.e. January to August) performance of the subsidiaries instead of nine months as included in the prior periods.

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