

## Burgan Bank Reports Record Profits of KD 82.6mn in FY 2018, Growth of 26.6%

Return on  
Equity  
**10.7%**

Earnings Per  
Share  
**31 fils**

Recommended  
Dividend Per  
Share  
**12 fils**

Recommended  
Bonus  
Shares  
**5%**

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**Kuwait – February 17, 2019:** Burgan Bank Group (Burgan) reported its financial results for Fiscal Year 2018 with strong growth of 10.8% in its Revenue to KD 265.3 mn (USD 878.1mn). Burgan's Net Income grew strongly by 26.6% from KD 65.2mn (USD 214.9 mn) in FY'17 to KD 82.6mn (USD 273.5 mn) in FY'18.

These strong results reaffirm Burgan's focus on generating shareholders' returns through optimal use of its resources. FY'18 Earnings per Share (EPS) grew by 28.1% to 31 fils with Return on Shareholders' Equity (RoE) growing from 8.3% (FY'17) to 10.7% (FY'18).

Burgan's Board of Directors has proposed cash dividend of 12 fils per share and 5% bonus shares, subject to shareholders approval at Burgan's Annual General Meeting.

Burgan's strong FY'18 performance is also reflected in the continued improvement of its core business metrics; Net Interest Margin (NIM) increased from 2.6% (FY'17) to 2.9% (FY'18) and Cost-to-Income Ratio (CIR) improved from 45.6% (FY'17) to 42.1% (FY'18).

Prudent risk management continues to be a key focus area for the Bank. In spite of the challenging environment in certain geographies, Burgan's asset quality continues to be stable with FY'18 Non-Performing Loans Ratio at 2.7%, while the Coverage Ratio further strengthened from 155% (FY'17) to 168% (FY'18).

Burgan's regulatory capital ratios are stronger in FY'18 with the Common Equity Tier 1 (CET1) ratio rising from 10.9% (FY'17) to 11.9% (FY'18) and Capital Adequacy Ratio (CAR)

improving from 16.2% (FY'17) to 17.4% (FY'18), well above the minimum required CAR of 14%.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: "Burgan's record profits in 2018 were achieved through leveraging its operating capabilities and through tactical optimization of resources. Our prudent approach allowed the Group to maneuver through the changing operating environments, while maintaining its progress on key initiatives related to improving capitalization, risk profile and operating efficiencies. All our subsidiaries are on trajectory with international operations contributing 43.5% of the Group's operating income."

"During 2018 Burgan achieved two key milestones, first by successfully completing its capital ceiling increase process, whereby Burgan raised KD 62.55 million of equity by issuing 240.58 million shares. Second, the issuance of the KD 100 million bond in local market which is in line with Burgan's ongoing strategy to diversify its source of funding and its commitment to lead the continued development of the local Debt Capital Market. This transaction, which represents the first of its type to be undertaken by a Kuwaiti bank in the local market, was well-received by both institutional investors and individuals alike. " added Al-Ajeel.

"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 regulators; 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 167 branches across Kuwait, Turkey, Algeria, Iraq, Tunis, Lebanon and representative office in Dubai-United Arab Emirates.

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