



## Burgan Bank Group Announces First Quarter 2018 Earnings



*First Quarter net income reaching KD20.4 million (USD68 million), 14% growth*

*Solid Operating Capabilities and efficiencies with operating income reaching KD60.5 million (USD201.7 million), 8% growth*

*Capital at comfortable levels with Capital Adequacy Ratio of 16.6%*

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**Kuwait – May 8, 2018:** Burgan Bank Group announced today its first quarter earnings for the financial year 2018. The set of results for the period ending in 31st March 2018 demonstrated a solid operating capabilities

and efficiencies. Reported net income for 2018 first quarter grew year-on-year by 14% reaching KD20.4 million (USD68 million). Earnings per share grew year-on-year by 20% reaching 6.6 fils.

During the first quarter of 2018 and compared with the same period of 2017, Operating income grew by 8% to reach KD60.5 million (USD201.7 million). Operating profit before provisions grew by 12% reaching KD32.5 million (USD108 million). Asset quality measured by the Non-performing loans (NPL) to gross loans ratio, was significantly enhanced when compared to the same period of 2017, with NPL to gross loans ratio declined to 2.7% and NPL ratio net of collateral declining to 0.7%.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: "Burgan Bank Group continues to deliver good performance enabled by the solid operating capabilities, diversification benefits, and the optimization of capital to strike the right risk/return balance."

"Once again, the focus on high quality earnings enabled by our solid operating capabilities and efficiencies at a group level yielded a good a top line growth of 8%. While credit growth in the market was modest in the first quarter of 2018, our net interest income grew by almost 20% compared to the first quarter of 2017."

"International operations contribute 47% of Burgan Bank's revenues, enabling the bank to distribute risks, to diversify revenues streams, and to enjoy a solid presence in faster growth markets. All our subsidiaries are growing and profitable."

"As for capital, our executive management team has executed impeccably a capital optimization plan for the last three years that have averted a dilutive capital hike, and enabled us to be consistently positioned in the top quartile among peers in Kuwait, and delivering decent double-digit returns to shareholders. Our capital is managed well, and for the period ended March 31<sup>st</sup> 2018, our capital adequacy ratio stood at 16.6%."

"On behalf of the board, I take this opportunity to thank our customers and shareholders for their confidence 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 to 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 180 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.

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 9001:2008, making it the first bank in the GCC, and the only bank in Kuwait to receive such accreditation for the third consecutive year. 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.