



Burgan Bank Group Announces 2017 First Half Earnings

Reported net income up 24% reaching KD38.9 million (USD127.7 million)

Operating strength, efficiencies, and Prudence remain the focus

Loans and advances grew by 4% since December 31, 2016, reaching KD4.4 billion (USD 14.6 billion) while deposits grew by 5% to reach KD3.9 billion (USD 13.0 billion)

Kuwait – July 21, 2017: Burgan Bank Group announced today its first half earnings of financial year 2017. The selective and prudent growth approach amid regional operating environment complexities, continues to yield good results, and reflects solid operating capabilities & efficiencies.

Reported net income grew by 24% reaching KD38.9 million (USD127.7 million) from KD31.4 million reported in first half last year. Underlying net income (excluding precautionary reserves & after AT1 cost) grew by 14% reaching KD41.4 million (USD135.9 million).

During the first half of 2017, loans and advances grew by 4% to reach KD4.4 billion (USD 14.6 billion). Customers deposits grew by 5% to reach KD3.9 billion (USD 13.0 billion). NPA Ratio net of collateral stands at 1% while Coverage ratio net of collateral stands at 390%. Capital adequacy ratio stands at 16.3% as of June 30, 2017.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: "The healthy trends almost on all indicators continue to be demonstrated with the delivery of this good set of results. International Operations are now contributing 43% of the Group's operating income which grew by 8% year on year to reach KD122.7 million (USD403.2 million), confirming once again, that Burgan Bank Group is the most diversified commercial bank in the sector." Added Mr. Al-Ajeel

"The strength of our operating capabilities is yielding strong performance that was evident during the second quarter (Q2). In Q2'17, Burgan Bank Group recorded an underlying net income (excluding precautionary reserves & after AT1 cost) of KD23.3 million (USD 76.7 million), and enabled us to accelerate comfortably the bookings of KD5 million (USD16.5 million) in precautionary reserves and KD8.5 million (USD28.1 million) investments provisions for some available for sale (AFS) securities, and still achieving a net income as reported of KD21.1 million (USD69.3 million) in the Q2'17.

Mr. Majed Essa Al-Ajeel also said: "Our leading financial indicators continue to point to the right direction both in Kuwait and international operations. I remain confident and optimistic of the group's strong performance going forward. "

"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 more than 180 branches across Kuwait, Turkey, Algeria, Iraq, Tunis, Lebanon and representative offices 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.