



## Burgan Bank Group Announces 2017 First Nine Months Earnings

**EPS Growth**  
14%

**ROE**  
11.2%

**ROTE**  
12%

**CAR**  
16.4%

*Reported net income up 11% reaching KD53.9 million (USD177.5 million)*

*Driven by prudent selective growth, improved yields, and Operating efficiencies*

*Loans and advances grew by 6% year on year, reaching KD4.5 billion (USD14.9 billion) while deposits grew by 3% to reach KD4.0 billion (USD13.2 billion)*

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**Kuwait – October 25, 2017:** Burgan Bank Group announced today its first nine months earnings of financial year 2017. The bank continues to pursue selective and prudent growth approach, clubbed with focus on efficiencies and continuous yields improvements.

For the 2017 first nine months and compared to the same period last year, reported net income grew by 11% reaching KD53.9 million (USD177.5 million) from KD48.6 million. Underlying net income (excluding precautionary reserves & after AT1 cost) grew by 5% reaching KD58.7 million (USD193.3 million). Earnings per share grew by 14% to 20.1 fils from 17.7 fils reported last year.

During the same period, loans and advances grew by 6% year on year to reach KD4.5 billion (USD14.9 billion) and customers deposits grew by 3% to reach KD4.0 billion (USD13.2 billion). Non-performing assets (NPA) Ratio net of collateral stands at 1.1% while Coverage ratio net of collateral stands at 400%. Capital adequacy ratio stands at 16.4% as of September 30, 2017.

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: "The bank continues to deliver a solid year-to-date performance focusing on returns, prudence and efficiencies. Return on equity (ROE) stands at 11.2% while Return on tangible equity (ROTE) stands at 12%."

"International Operations are now contributing 44% of the Group's operating income which grew by 6% year on year to reach KD179.3 million (USD590.8 million), providing further evidence that Burgan Bank Group is reaping the seed of its diversification strategy into faster growing economies." Added Mr. Al-Ajeel.

"The strength of our operating capabilities is yielding strong performance that was reflected during the first nine months of the year. Also, during the third quarter (Q3), Burgan Bank Group recorded an underlying net income (excluding precautionary reserves & after AT1 cost) of KD17.3 million (USD57.4 million). The net income as reported for Q3 is KD15 million (USD49.8 million) after the booking of KD5 million in precautionary reserves." Commented Mr. Al-Ajeel.

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 175 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.

