



Burgan Bank Group Announces Full Year 2017 Earnings



Reported net income reaching KD65.2 million (USD214.9 million)

Driven by improved yields, operating efficiencies and asset quality

Loans and advances grew by 4.3% year on year, reaching KD4.4 billion (USD14.6 billion) while deposits grew by 11% to reach KD4.2 billion (USD13.8 billion)

Board of Directors recommends 7% in cash dividends and 5% in bonus shares

Kuwait – February 15, 2018: Burgan Bank Group announced today its full year 2017 earnings. The set of results for the period ending in 31st December 2017 reflected Burgan Bank’s continuous focus on maximizing returns for shareholders, delivering high quality earnings, operating efficiencies, and to further improve asset quality and risk profile. Reported net income for the year 2017 reached KD65.2 million (USD214.9 million). Earnings per share reached 25.4 fils.

On underlying bases, Burgan Bank net income (excluding precautionary provisions & after AT1 cost) reached KD76.2 million (USD251.4 million) and return on tangible equity (ROTE) reached 12.5% for full year 2017. The Board of Directors recommends a pay-out of 7% in cash dividends and 5% in bonus shares.

In 2017, Operating income grew by 2% year- on- year to reach KD239.4 million (USD789.8 million). Operating efficiency continued to improve with operating expense declining by 4% to reach KD109.2 million (USD360.2 million). The high quality earnings clubbed with across the board efficiencies, enabled the bank to grow its operating profit by 8% year-on- year to reach KD130.2 million (USD429.5 million). Asset quality registered significant improvement with Non-performing loans (NPL) ratio declined to reach 2.7% with Coverage ratio of 155% and a lower cost of credit that reached 0.9%.

During the same period, loans and advances grew by 4.3% year on year to reach KD4.4 billion (USD14.6 billion) and customers deposits grew by 11% to reach KD4.2 billion (USD13.8 billion).

Mr. Majed Essa Al Ajeel, Chairman of Burgan Bank Group said: “the executive management team has made significant progress on key initiatives to improve the bank capital utilization, risk profile and operating efficiencies amid challenging operating environment. The bank managed to grow loans year-on- year by 4.3% while reducing risk weighted assets (RWAs) - after excluding real estate collateral phase out impact. Asset quality improved significantly as NPL ratio reached 2.7% for the group and 1.8% for Kuwait operations stand alone. Group Capital Adequacy ratio stands at 16.2% as of December 31, 2017. Also, the bank has invested heavily in its control areas to further strengthened it risk management capabilities”

“The strength of our operating capabilities is yielding good performance reflected in the high quality earnings in 2017 with less dependency on one-offs.” Continued Mr. Al-Ajeel.

“All our subsidiaries are growing, profitable and well capitalized. International Operations continued to grow and now contributing 45% of the Group’s operating income. Burgan Bank Group’s key financial indicators continue to point in the right direction.” Added Mr. Al-Ajeel.

"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 170 branches across Kuwait, Turkey, Algeria, Iraq, Tunisia, 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.



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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.