

SIGNIFICANT INFORMATION DISCLOSURE FORM

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| Date: | 30/12/2015 |
| Name of Listed Company | Burgan Bank |
| Significant Information | <p>Burgan Bank sells its controlling stake in Jordan Kuwait Bank</p> <p>Kuwait, December 30th December 2015. Burgan Bank Group announced today the disposal of its controlling interest in Jordan Kuwait Bank as part of a series of capital optimization actions the bank has been consistently deploying to achieve the optimal risk-returns balance and to comply with capital regulations.</p> <p>The bank has entered into and execute an agreement to sale its 51.19% stake in Jordan Kuwait Bank to a subsidiary of Kuwait Projects Company (KIPCO). This deal is estimated to yield an immediate reduction of over KD 500 million in risk-weighted assets. Post-transactions, Burgan Bank's capital adequacy ratio is estimated to exceed 15% by the end of 2015.</p> <p>This deal will be executed on two phases, the first phase has been achieved today by the sale of 25.46% of JKB shares and the second phase is to be accomplished by the sale the remaining shares of 25.73% tomorrow.</p> |
| Impact of Significant Information on the Company's Financial Position | <p>The transaction is expected to have a net positive impact on the profit of the bank. The offloading of over KD 500 million of risk-weighted assets increases Burgan Bank's Capital ratios to comfortable levels that are well above regularity thresholds. By end of 2015, the capital adequacy ratio for the bank is expected to reach 15%.</p> |

Khalid Al-Zouman
Group Chief Financial Officer