

Burgan Bank would like to inform that:

During the month of September of 2010, Burgan Finance No.1 (Jersey) Limited Company, SPV company, a company that is established and wholly owned by Burgan Bank, issued subordinated debt bonds in the amount of USD 400 million at a price of 7.875% and due in 2020 (Tier.2 bonds in USD), and Burgan Bank issued in December of 2012 subordinated debt bonds in the amount of KD 100 million due in 2022 (Tier.2 bonds in Kuwaiti Dinars, which represent with the Tier.2 bonds in USD, Tier.2 bonds).

At the time of issuance, Burgan Bank's commitment in relation to tier two bonds (Commitment) was classified as Tier.2 Capital. Since debt bonds related to Tier.2 Capital priced in USD issued in September 2010 are no longer eligible as Tier.2 Capital for Burgan Bank per CBK's instructions on Basel.III rules and the exclusion of the debt bonds from the Tier.2 Capital was reflected in Burgan Bank's financial statements since Dec 31st 2014.

As the terms of debt bonds issued in USD allow an early redemption option at or after September 29th 2015, Burgan Bank obtained CBK's approval to use the right to redeem the bonds issued in USD.

Within the framework of the bank seeking to replace the bonds issued in KWD with bonds that are classified among Tier.2 Capital per CBK's instructions on Basel.III regulations, and it obtained CBK's approval to re-purchase the bonds issued in KWD.