

Burgan Bank would like to announce that “Burgan Bank Tier 1 Financing Limited”, a Special Purpose Vehicle “SPV” located at Dubai International Financial Center “DIFC” has successfully completed the issuance of perpetual securities.

The U\$D 500 million issuance was oversubscribed and priced at 7.25% p.a., the full subscription proceeds will be granted as a finance to Burgan Bank with the same terms of the issue. The details of the perpetual issuance are as follows:

Issuer: Burgan Tier 1 Financing Limited

Guarantor: Burgan Bank K.P.S.C.

Guarantor Rating: A3 stable (Moody's) / BBB+ stable (S&P)

Issue Rating: Unrated

Format: RegS Registered

Size: U\$D 500 million.

Price: 7.25 %

Maturity Date: Perpetual

Call Dates: 30th September 2019 (First Call Date) and any interest payment date thereafter, subject to the Conditions for Redemption and Variation

Status: Deeply Subordinated, senior only to ordinary shares and common equity tier 1 capital

Coupon: 7.25% p.a. payable semi-annually in arrears until the First Call Date;

Reset on First Call Date and every 5-years thereafter to a new fixed rate based on then prevailing 5-year USD mid-swap rate + initial margin

Interest Payment Cancellation:

Optional interest cancellation at the issuer's discretion

Mandatory cancellation if i) interest exceeds distributable funds, ii) Guarantor is in breach of applicable regulatory capital requirements or iii) upon regulatory request

Dividend stopper: following any Interest Cancellation no discretionary payment on, or repurchase of shares or junior or parity securities until 2 coupons have been paid or set aside to be paid

Non-Viability Loss Absorption:

Full write down following the regulator determining (i) the issuing bank is instructed by the Financial Regulator to write-off or convert such instruments, on the grounds of non-viability; or
(ii) an immediate injection of capital is required, by way of an emergency intervention, without which the issuing bank would become non-viable.

Special Redemption: Tax Event (Additional Amounts), at par, Capital Event (full or partial disqualification), at 101%, in each case subject to the Conditions for Redemption and Variation

Governing Law: English law, except subordination of the Capital Securities governed by DIFC law

Listing: Irish Stock Exchange

Denoms: \$200k+\$1k

Global Coordinator: HSBC

Joint Bookrunners: Citigroup / HSBC (B&D) / JP Morgan / NBAD

Co -Lead Managers: Burgan Yatirim Menkul Degerler A.S. and KIPCO Asset Management Company K.S.C.C