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M.S./ Boursa Kuwait

السادة/ شركة بورصة الكويت المحترمين

Dear Sirs,

تحية طيبة وبعد،،

In accordance with the provisions of Chapter 4 of Module 10 of the resolution No. 72 of 2015, regarding the issuance of the executive bylaw of law No. 7 of 2010 (CMA Incorporation Law) regarding the disclosure of material information and announcement mechanism thereto.

عملاً بأحكام الفصل الرابع من الكتاب العاشر من القرار رقم 72 لسنة 2015 بشأن إصدار اللائحة التنفيذية للقانون رقم 7 لسنة 2010 (قانون إنشاء هيئة أسواق المال) والمتعلقة بالإفصاح عن المعلومات الجوهرية وآلية الإعلان عنها.

Kindly find attached the significant information disclosure form regarding the sale of the ownership in Bank of Baghdad.

تجدون مرفقاً نموذج الإفصاح عن المعلومات الجوهرية بخصوص بيع الحصة المملوكة في مصرف بغداد.

Best regards,

وتفضلوا بقبول فائق الاحترام والتقدير،،،


خالد الزومان
Khalid Al Zouman

رئيس المدراء الماليين للمجموعة
Group Chief Financial Officer



SIGNIFICANT INFORMATION DISCLOSURE FORM

Date:	31/12/2019
Name of Listed Company	Burgan Bank K.P.S.C.
Significant Information	<p>Burgan Bank K.P.S.C. (Burgan) announces that it has signed an agreement to sell its ownership of 51.8% in Bank of Baghdad to United Gulf Holding Company BSC -sister company-. This sale of its ownership in Bank of Baghdad is in line with the BB's strategy to further improve its risk-adjusted returns for its shareholders.</p> <p>The sale will enable Burgan to focus on its core market in Kuwait and develop stronger synergies with its subsidiaries in Turkey, Algeria and Tunisia.</p> <p>The completion of the transaction is subject to the receipt of approval from the relevant regulatory authorities in Iraq.</p>
Impact of Significant Information on the Company's Financial Position	<p>Though the transaction is likely to have a one-time negative impact of around KD 9Mn on the net income in 2019, part of this impact of around KD 4MN is expected to be reversed after completion of the transaction. Despite this negative impact, Burgan Group is expected to maintain its healthy level of profitability for the year 2019.</p> <p>Further, the transaction will also have a positive impact on the Burgan Group's asset quality with a reduction in the non-performing loans by around KD 34MN which has an impact of around 70bps on the Group NPL ratio.</p>


Khalid Al-Zouman
 Group Chief Financial Officer

