

This announcement is prepared for promotional purposes and does not omit any essential information related to the investment in the financial security subject of this announcement

Announcement invitation to participate in the increase of the share capital of BURGAN BANK K.P.S.C.



The Board of Directors of Burgan Bank K.P.S.C. (the “**Issuer**” or the “**Bank**”) would like to invite the shareholders who are registered on the share register of the Issuer at the end of trading on 11 November 2021 (“**Record Date**”) and the holders of the pre-emption rights who received the pre-emption rights (“Pre-Emption Rights”) during the subscription period to subscribe in the increase of the Issuer’s share capital by 375,000,000 new ordinary shares (the “**Issue Shares**”) with a nominal value of KWD 37,500,000 and at an Offer Price of 190 Kuwaiti fils per Issue Share (including the nominal value of 100 Kuwaiti fils and the issuance premium of 90 Kuwaiti fils) during the Offering Period commencing on 14 November 2021 (inclusive) and closing on 28 November 2021 (inclusive) for the Rights Issue subscription phase. In case the Eligible Subscribers have not subscribed in the Issue Shares in full, the remaining unsubscribed Issue Shares will be offered to the public, and the public offering shall be for a period of 8 days commencing from 5 December 2021 to 12 December 2021.

Overview of the offering

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

Commercial Registration No:
24067

Total Value of the Offering:
KWD 71,250,000/-

Offering Price:
190 Kuwaiti fils per share (including the nominal value of 100 Kuwaiti fils and the issuance premium of 90 Kuwaiti fils).

Eligible Subscriber:
Shareholders who are recorded in the shareholder register of the Issuer as at close of Record Date and the holders of the pre-emption rights who received the pre-emption rights (“**Pre-Emption Rights**”) during the subscription period set forth above (“**Eligible Subscribers**” or “**Subscribers**”).

Entitled Shares:
Eligible Subscribers will be entitled to 136 Issue Shares for every 1,000 existing shares that they hold on the Record Date.

Minimum Subscription:
One (1) share.

Maximum Subscription:
There is no maximum amount to subscribe for. Subscribers may subscribe to any number of Issue Shares.

Rights Issue Offering Period:
Commences on Sunday 14 November 2021 during normal business hours Sunday through Thursday and shall close on Sunday 28 November 2021 at 1:00 pm Kuwait local time.

Public Offering Period in Remaining Shares:
In the event Issue Shares are not fully subscribed to by Eligible Subscribers during the subscription period for exercising the Preemption Rights, a Public Offering shall be conducted whereby each subscriber (whether for existing shareholders or others) shall have the right to subscribe in the unsubscribed Issue Shares in accordance with the terms and conditions set out in the Prospectus.

Said Public Offering period will commence on Sunday 5 December 2021 during normal business hours Sunday through Thursday and shall close on Sunday 12 December 2021 at 1:00 pm Kuwait local time. However, the Issuer has the right at its sole discretion to open said Public Offering period and, in the event that subscription shares are fully subscribed for before the end of the Public Offering period, the subscription period will be closed.

Effect on Eligible Subscribers who choose not to subscribe for Issue Shares:
In the event a Subscriber does not subscribe, the right to subscribe shall be deemed waived for the benefit of other holders of Pre-Emption Rights in the Rights Issue Period or other investors in the Public Offering period.

Disposal of Pre-emptive Rights:
The holders of the Pre-Emption Rights may sell all or part of their rights in Boursa Kuwait from the date of the opening of the subscription period until five (5) business days prior to the closing of the Rights Issue subscription period and they may waive all or part of the rights without consideration to existing shareholders or to others during the subscription period at the Kuwait Clearing Company.

Pre-Emptive Rights Trading Period:
Commences on Sunday 14 November 2021 (inclusive) and ends on Sunday 21 November (inclusive)

Subscription to and Allocation of Additional Issue Shares in the Rights Issue Period:
Subscribers have the right to subscribe to additional Issue Shares in addition to their entitled Issued Shares and such subscription shall be made at the Offering Price. If the aggregate number of the Additional Issue Shares exceeds the number of available unsubscribed Issue Shares, such shares will be allocated to those Eligible Subscribers applying for such Additional Issue Shares pro rata to their subscription for the Additional Issue Shares.

Subscription to and Allocation of Issue Shares in the Public Offering Period:
A Subscriber during the Public Offering period is entitled to subscribe in any number of Issue Shares. The Issue Shares will be allocated to the Subscribers on a pro rata basis based on the percentage of the remaining unsubscribed Issue Shares (the “Remaining Shares”) to the total number of subscribed Issue Shares. If the total number of Issue Shares subscribed to are less than the Remaining Shares, then the Subscribers will be allocated the full amount of their subscription. The number of allocated Issue Shares will be rounded to the nearest whole number. The Issuer shall have the sole right to dispose of the share fractions (if any) at its own discretion.

Pre-Emption Rights ISIN Code:
KW0EQ0160030

Lead Manager and Subscription Agent:
Kamco Investment Company K.S.C. (Public) – “Kamco Invest”

Joint Lead Manager and Underwriter:
Kuwait Financial Centre K.P.S.C. – “Markaz”

Clearing and Depository Agent:
Kuwait Clearing Company K.S.C.

Risk Factors
There are some risks related to investing in the Issue Shares, including:

Risks Related to the Bank: Economic and political risks, the risk that security interests/loans may not be sufficient to cover any losses, higher level of customer/ counterparty defaults arising from adverse changes in credit risk, lending base concentration risk, deposit base concentration risk, liquidity risk, changes in interest rate levels risk, potential losses risk due to significant credit-related contingent liabilities and commitments, risk of loss as a result of employee fraud, misconduct, and improper actions, reputational risk related to its operations and industry, risk of being adversely affected by the soundness of other financial institutions, internal controls may leave the bank exposed to unanticipated risks, risk of being be adversely affected if there is any disturbance to its operational systems or a loss of business continuity, and risk of being dependent on information and technology systems which are subject to potential cyber-attacks.

Regulatory Risks: Capital adequacy and leverage regulations risk, credit regulations risk, concentration regulations risk, interest rate cap regulations risk, foreign exchange movement risk, the risk of not having the government of Kuwait nor KIA to invest/engage in business with the Bank, risk of having tax changes in Kuwait, the risk of downgrading the Bank’s credit ratings, ownership concentration risk, small branch network risk, risk of not being able to successfully manage its growth strategy, risk of not being able to recruit qualified/ experienced personnel, significant competition risk, risk of failing to comply with applicable anti-money laundering, anti-terrorism financing, OFAC sanctions and other related regulations, accounting policies risk.

Risks Relating to Kuwait and the MENAT Region:
Investing in securities involving emerging markets generally involves a higher degree of risk, risk of having the Bank’s subsidiaries located in a region that is subject to ongoing political and security concerns, Kuwaiti political considerations risks, legal and regulatory systems risks, CBK’s regulatory framework risk.

Risks Related to the Issue Shares: Liquidity and volatility in the Share price risk, dividend payments risk, dilution of existing shareholdings risk, taxation risks on payments, Value Added Taxes risk, change in Law risk, risks related to non-exercise of rights by major shareholders, risks related to non-profitability or sale of Pre-Emption Rights, risks of shortage of demand for Pre-Emption Rights and company shares, or rescinding the subscription, speculative risk of priority rights.

For further details on any such risk factors, please refer to the downloadable/printable version of the Prospectus relating to the offering on the Issuer’s website (www.burgan.com), Kamco Invest’s website (www.kamcoinvest.com), Markaz’s website (www.markaz.com), the Clearing and Depository Agent’s website (www.ipo.com.kw), or Boursa Kuwait’s website (www.boursakuwait.com.kw).

Subscription Process

Subscription Amounts will not be accepted in cash. Subscription Amounts must be paid in full via the K-NET service or by wire transfer (as a net amount without fees by both the transferor bank and the transferee bank) to the bank account (non-interest bearing) mentioned below.

1) Rights Issue Subscription Period for Holders of Pre-Emption Rights (Sunday 14 November 2021 - Sunday 28 November 2021, closing at 1:00pm Kuwait local time):

First: Subscription through the Subscription Website:
The Subscription Website, <https://www.ipo.com.kw>, allows subscription in the capital increase through the Rights Issue, whereby payment shall be made through K-NET service.

Notice: Subscribers are advised to confirm with their bank the allowable limit on their K-NET cards for online payments.

The subscriber shall:

1. Login to the Subscription Website via the link <https://www.ipo.com.kw>;
2. Register the civil ID number (or commercial registration number for Corporate Subscribers), thereafter the system shall verify whether the subscriber is eligible to the subscription or not (verification is done during the period of exercising the Pre-Emption Right only).
3. Record the number of shares desired to be subscribed for.
4. Be transferred to the payment portal through the K-NET service, where the Subscriber can pay from their own account (no other person may pay on behalf of the Subscriber except in the cases provided for under law).

Second: Subscription through referral to the Clearing and Depository Agent:

Notice: Subscriptions through the Clearing and Depository Agent and payment using bank transfers are not allowed for subscriptions to less than KD 1,000 (One Thousand Kuwaiti Dinar) worth of shares

1. The Subscriber should access the following link <https://www.ipo.com.kw> to print the subscription information document, which includes the name of the Subscriber, the civil ID number in the event that the Subscriber is an individual and commercial registration number in the event that the Eligible Subscriber is a juridical person, the number of Issue Shares to be subscribed for and their value.
2. The Subscriber shall transfer the required amount to the Subscription Bank Account (non-interest bearing) by way of electronic funds transfer (net amount without any charges by both the transferring bank and the receiving bank) mentioned below:

Name of the Bank	: Burgan Bank
Account number	: 231/7045060/001/4402/001
IBAN	: KW32BRGN0000000000007045060002
SWIFT	: BRGNKWKW
Beneficiary	: BURGAN BANK
Reference/Narration	: BURGAN BANK CAPITAL INCREASE + SUBSCRIBER CIVIL IDENTIFICATION (FOR RESIDENTS AND CITIZENS)/ PASSPORT (FOR NON-RESIDENTS AND NON-CITIZENS)/ COMMERCIAL REGISTRATION NUMBER (FOR CORPORATES) + SUBSCRIBER CONTACT NUMBER
3.	The Subscriber shall go to the headquarters of the Clearing and Depository Agent located on Arabian Gulf Street, Ahmed Tower, Fifth floor, to submit the documents listed in the item “Documents required when Submitting the Subscription Application” in the Prospectus during normal working hours Sunday through Thursday and submit the Subscription Application Form along with the original bank transfer receipt.
4.	The Clearing and Depository Agent shall provide to the Subscriber a deposit receipt of the Subscription.

In the event that the Subscriber fails to submit a duly completed Subscription Application Form (together with all required supporting documentation thereto) at the offices of the Clearing and Depository Agent, after transferring the Subscription Amount (the “Subscription Amount”) as required in the Prospectus, then the Subscriber’s Subscription Application will be null and void. Subscription Amount shall not be accepted in cash.

Note: For any technical support related to www.ipo.com.kw, please email support@ipo.com.kw

2) Public Offer Period (If applicable, Sunday 5 December 2021 - Sunday 12 December 2021, closing at 1:00pm Kuwait local time):

First: Subscription using K-Net payment method:
The Public Offering Subscription Website, <https://www.iktatib.com>, allows subscription in the capital increase through the Public Offering, whereby payment shall be made through K-NET service.

Notice: Subscribers are advised to confirm with their bank the allowable limit on their K-NET cards for online payments.

The subscriber shall:

1. Login to the Public Offering Subscription Website via the link <https://www.iktatib.com>
2. Subscriber to register their information including their civil identification number and civil identification card serial number or passport number (for non-residents of the State of Kuwait) and trading account number to determine and confirm the Subscriber’s eligibility to subscribe. Corporate Subscribers are required to provide their commercial registration number.
3. Subscriber to upload all required documents, based on nature of Subscriber
4. Record the number of shares desired to be subscribed for.
5. The Subscriber will be transferred to the K-NET payment portal, where the Subscriber can pay from their own account using their K-NET card (no other person may pay on behalf of the Subscriber except in the cases provided for under law). Required documents shall be reviewed when submitting or uploading such documents. The Subscriber shall bear all legal consequences in case of violation or if any related condition is not satisfied.

Second: Subscription through wire transfer payment method:

Notice: Subscriptions through bank transfers are not allowed for subscriptions to less than KD 100 (One Hundred Kuwaiti Dinar) worth of shares

1. Login to the Public Offering Subscription Website via the link <https://www.iktatib.com>:
2. Subscriber to register their information such as their civil identification number and civil identification card serial number or passport number (for non-residents of the State of Kuwait) and trading account number to determine and confirm the Subscriber’s eligibility to subscribe. Corporate Subscribers are required to provide their commercial registration number.
3. Record the number of shares desired to be subscribed for.
4. A Subscription Application Form will be generated
5. The Subscriber then shall either:
 - a. make a wire transfer to the Subscription Bank Account mentioned above and then upload the signed Subscription Application Form and wire transfer receipt (**which must contain the subscriber’s Bank name, IBAN number, account number and contact number. If this information is not provided on the receipt, Subscriber is to clearly write-in these details on the wire transfer receipt**) onto the Public Offering Subscription Website <https://www.iktatib.com> or
 - b. make a wire transfer to the Subscription Bank Account mentioned above and then visit any one of Burgan Bank’s branches designated to receive Subscribers and submit the signed copy of the Subscription Application Form printed from the link above along with the original bank transfer receipt

Burgan Bank branches designated for receiving Subscribers from 8:30 am to 3:00 pm from Sunday to Thursday:

Branch:	Address:
Head Office	Sharq, Kuwait, Abdullah Al Ahmad Street, Block 1, Plot 22
Al Shaheed Branch	Sharq, Khalid Bin Waleed St,Al Shaheed Tower, Ground floor
Al-Adaliya Branch	Adaliya Cooperative, Block 4
Bayan Branch	Bayan, Block 8, Al Masjed Al-Aqsa Street

Documents required to be submitted with the Subscription Application Forms to subscribe:
The Subscription Application Forms must be accompanied by the following documentation, as applicable. Staff at the offices of the Clearing and Depository Agent for the Rights Issue period and designated Burgan Bank branches for the Public Offering period will compare copies with originals and return originals to the Eligible Subscribers:

General Requirements:

- Copy of the receipt issued by Kuwait Clearing Company containing the name, shareholder identification and the number of shares and Pre-Emption Rights owned by an Eligible Subscriber as of the Record Date; and
- Transfer receipt of the Subscription Amounts along with the Subscriber’s IBAN number

Individual subscribers <ul style="list-style-type: none">• Original and copy of personal civil identification card of the Subscriber;• Original and copy of the Subscriber’s passport for citizens of GCC states;• Original and copy of special legal power of attorney (for proxy subscribers);• Original and copy of Certificate of Guardianship for orphans Subscribers;• Original and copy of Certificate of Guardianship for minors Subscribers if subscription is made by any person who is not the father of a minor Subscriber;• Original and copy of a Limitation of Succession Deed for heirs.	Corporate subscribers <ul style="list-style-type: none">• Original and copy of Commercial Registration Certificate (authorized activities in the Commercial Registration Certificate must include owning of shares);• Original and copy of the Authorized Signatories Certificate or an Extract of the Commercial Register as relevant;• Original and copy of the civil identification card of the authorized signatory;• Original and copy of the specimen of signature for the authorized signatory issued by the Public Authority for Manpower or attested by the Chamber of Commerce and Industry; and• Letter issued by the authorized signatory on behalf of the entity authorizing the subscription
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Non-Kuwaiti Subscribers
Non-Kuwaiti Subscribers (whether corporates or individuals (as applicable)) are required to provide the equivalent of the aforementioned documentation as issued by their jurisdictional authorities if they do not have Kuwait issued documentation as highlighted further above.

Prior to investing in any Issue Shares, prospective investors should carefully consider, together with all other information contained in the Prospectus relating to the Offering, the risk factors highlighted above and seek professional advice before investing (for further details on any such risk factors, please refer to the downloadable/printable version of the Prospectus relating to the offering found in the above websites. This announcement does not contain all the information that prospective investors should consider before deciding to invest in the Issue Shares and does not purport to be complete.

Subscription Information
The necessary information regarding the investment in the Issue Shares is included in the Prospectus.

The terms and conditions in the Prospectus and the Subscription Application Forms shall apply. You are hereby advised to seek the advice of an advisor licensed by law and which specializes in advising on the subscription prior to making a decision to subscribe.

The Kuwait Capital Markets Authority or any regulatory organization in the State of Kuwait shall not bear any liability for the contents of this announcement or its accuracy, and not for any loss arising from reliance on any part of this announcement.

For Inquiries, please contact:
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Joint Lead Manager and Underwriter
Kuwait Financial Centre K.P.S.C.



Lead Manager and Subscription Agent
Kamco Investment Company K.S.C. (Public)

