

Boubyan Bank Share Capital Increase Frequently Asked Questions

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1. What is the percentage of share capital increase? How many shares will the Bank offer for subscription?

The increase percentage is **11.98%** of the issued shares on the 11th May 2022. The number of shares offered is **400,000,000 ordinary shares**.

2. What will be the issue share price?

The share issue price will be **500 Fils** per share of which **100 Fils** is the nominal value and **400 Fils** is the share premium.

3. Who is eligible for subscription?

1. Shareholders recorded in the Bank's Shareholders Register at Kuwait Clearing Company ("Clearing & Depository Agent") as at 11th May 2022 shall have pre-emption right during the period from 15th May 2022 to 29th May 2022.

2. In case the total offered shares are not subscribed to during the pre-emption rights period, public subscription will be allowed during the period from 5th June 2022 to 19th June 2022 (both shareholders and non-shareholders shall have the right to subscribe to the shares remaining from the period designated for exercising the pre-emption right).

4. How many shares can be subscribed to during the period designated for exercising the pre-emption right?

Eligible Shareholders shall have the right to subscribe in any number of shares. However, exercising the Pre-emption right shall be limited to **11.98%** of the shares held by eligible subscriber registered in the record as at 11th May 2022. The remaining surplus issue shares, as a result of some shareholders not exercising their pre-emption right, shall be allocated to eligible shareholders that subscribed for additional number of issue shares exceeding the amount allocated for them each pro rata with their subscription for the Additional Issue Shares in case of full coverage of the issue shares.

It should also be noted that, without the prior approval of the Central Bank of Kuwait, the ownership of one person whether natural or corporate entity may not exceed **5%** (five percent) of the Bank's capital, either directly or indirectly, save for government agencies and entities with attached and independent budgets.

5. Can an investor subscribe more than once during the period designated for exercising the pre-emption right?

A subscription may be exercised only once during the exercise of the pre-emption right period. In case of repetition, all repeated subscription applications shall be excluded.

6. Can an eligible shareholder subscribe for more than the amount designated for pre-emption right?

Yes, Eligible Shareholders shall have the right to subscribe in any number of shares. However, exercising the Pre-emption right shall be limited to **11.98%** of the shares held by eligible subscribers registered in the record as at 11th May 2022. The remaining surplus issue shares, as a result of some shareholders not exercising their pre-emption right, shall be allocated to eligible shareholders that subscribed for additional number of issue shares exceeding the amount allocated for them each pro rata with their subscription for the Additional Issue Shares in case of full coverage of the issue shares.

7. What is the period for trading Pre-Emptive Rights?, and What are the Means of Disposal of Pre-Emptive Rights?

The Period for Trading Pre-Emptive Rights starts from May 15th 2022 to May 22nd 2022. Upon trading of pre-emptive rights, registered shareholders with the Shareholders Register as at May 11th 2022 may dispose of their pre-emptive rights, in the capital increase shares subject of this Prospectus, to shareholders or third parties through either of the two ways stated below or both of them:

- a) Trading pre-emptive rights, in part or in full, as per the rules of Boursa Kuwait.
- b) Waiving pre-emptive rights to another shareholder or to a third party against no consideration as per the rules of Boursa Kuwait and the Clearing Agency.

In all cases, a shareholder who disposed of his pre-emptive rights in the above manner may not be entitled to subscribe in such rights, and any subscription by him therein shall fall null and void. However, the alienee to whom pre-emptive rights were transferred shall have the right to subscribe in the shares designated for such rights, and shall further have the right to dispose of the same in the manner stated under the applicable rules of the CMA, Boursa Kuwait, and Kuwait Clearing Company up to five business days at least before the offering is closed.

8. What are the Risks Associated with Pre-Emptive Rights “Rights Issue”?

Disposing of pre-emptive rights may lead to the alienator “the one disposing of such rights” to risk losing his right to subscribe in the shares in which he has the right to subscribe. Accordingly, a shareholder who disposes of this right may be subject to reduction of the shareholding he previously held prior to the commencement of subscription in the offering’s shares in addition to the consequences the alienator may face as regards the change in the value of his current shares if he remains a shareholder. Additionally, the alienee may be exposed to the risk of inability to recover the consideration he paid in return for the transfer of such a right to himself in case he doesn’t subscribe in the shares for which he enjoys pre-emptive rights. He shall be exposed as well to all the risks listed in the sections of the Prospectus, to which existing shareholders or subscribers may be exposed.

9. What is the Subscription Procedure? How to subscribe and pay for the subscription amount?

First: Online Subscription through the website:

The website allows subscription in the capital increase for **KD 10,000** or less, which is equivalent to **20,000** shares or less; wherein Payment shall be processed through K-NET service.

The Subscriber shall:

1. Login on the website via the link: <https://www.ipo.com.kw>
2. Enter the civil ID number, and accordingly the system shall verify whether the subscriber is eligible for the subscription or not (the said verification shall be conducted during the period of exercising the pre-emption right only).
3. Enter the number of shares to be subscribed for.
4. Be transferred to the payment portal via the K-NET service, where the subscriber can pay from his/her/its own account (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 the subscription application”. The Subscriber shall bear all legal consequences in case of violation).

Second: Subscription through visiting the clearing and depository agent office to subscribe in number of shares exceeding 20,000 shares:

1. The Subscriber shall log in the following link: <https://www.ipo.com.kw> to print the subscription information document, including but not limited to the name of the subscriber, the civil ID number, the number of shares to be subscribed and their value.

2. The Subscriber shall visit his/her own bank and submit a copy of the Subscription information Document printed from the above link to transfer the amount required to the bank account (non-profit bearing) to increase the bank's share capital of (net amount without any charges by the transferring bank and the receiving Bank) stated below:

Name of Bank: Boubyan Bank

Account number: 0003001366

IBAN: KW85BBYN00000000000000003001366

Swift: BBYN

Beneficiary: Boubyan Bank K.S.C.P

Reference / Description: Boubyan Bank capital increase + subscriber's ID number (civil Identity Card number) + subscriber's contact details (Telephone number)

3. The Subscriber shall get the original deposit voucher of the amount transferred from his own bank and then visit the clearing and depository agent office to complete the remaining procedures.

4. The Subscriber shall visit the headquarters of the Clearing and Depository agent located at Arabian Gulf Street, Ahmad Tower, fifth floor to submit the documents listed in the «Documents Required when Submitting Subscription Application» in the prospectus between the general hours of 9:00am to 1:00pm.

5. The Clearing and Depository Agent shall provide the Subscriber with a deposit receipt of the Subscription.

Failure of any Subscriber to submit a duly completed and accurate Subscription Application Form (together with all applicable supporting documentation thereof) at the premises of Kuwait Clearing Company, after the transfer or deposit of the Subscription Monies as required in the Prospectus, shall render the Subscription Application of a Subscriber null and void. Subscription monies shall not be accepted in cash.

10. What documents should be attached with the subscription application?

The Subscription Application must be accompanied by the following documents, as applicable. Staff at the offices of the Clearing and Depository Agent (Kuwait Clearing Company) will match the copies with the originals and return the originals to the subscriber:

Individual subscribers

- Original and copy of the personal civil identification card;
- Original and copy of the passport for citizens of GCC states;
- Original and copy of special legal power of attorney for subscribing for shares (for subscribers using power of attorneys);
- Original and copy of Certificate of Guardianship for orphans;
- Original and copy of Certificate of Guardianship for minors;
- Original and copy of a Limitation of Succession Deed for heirs.

- Original and copy of a trusteeship judgment.

Corporate subscribers

- Original and copy of Commercial Registration Certificate;
- Original and copy of the Authorized Signatories Certificate or Certificate of the Commercial Register as the case may be;
- Original and copy of the personal identification card of the authorized signatory;
- Original and copy of the specimen signature for the authorized signatory issued by the Ministry of Social Affairs and Labor or attested by the Chamber of Commerce and Industry; and
- A letter issued by the authorized signatory on behalf of the entity authorizing the subscription.

Non-Kuwaiti subscribers

Non-Kuwaiti subscribers (whether corporates or individuals (as the case may be) 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.

11. In case no shares have been allocated for me or the allocation is less than the amount paid to the Bank, how will the paid amounts be refunded?

The Subscription amounts for declined applications and subscription surplus shall be refunded without profit, fees or deductions within five (5) working days from the announcement of the allocation results by means of a bank transfer to the designated account stated in the subscription application or through a cheque if an account was not specified.

12. What is the period for eligible shareholders to exercise their pre-emption rights?

15 days from 15th May 2022 to 29th May 2022.

13. What is the period for public subscription (following the period of exercising the pre-emption rights)?

15 days from 5th June 2022 to 19th June 2022.

14. When will the share allocation be completed?

The shares will be allocated within 5 business days of the end of each the first or second subscription period.

15. What are the voting rights of the issue shares?

Boubyan Bank's shares are of one class i.e. ordinary shares. Each share entitles the shareholder to one vote, and the Shareholder has the right to attend and vote at the General Assembly Meetings. No shareholder has any preferential voting right.

16. Is there maximum limit for shares ownership in the Bank?

There is no maximum limit for share ownership in the Bank as per the Bank's memorandum and articles of association, the law, ministerial resolutions and Central Bank of Kuwait's instructions. It should also be noted that, without the prior approval of the Central Bank of Kuwait, the ownership of one person whether natural or corporate entity may not exceed 5% (five percent) of the Bank's capital, either directly or indirectly, save for government agencies and entities with attached and independent budgets.

17. Will the issue shares be entitled to dividends?

The shareholder of the Issued Shares will be entitled to receive any dividends declared by the Bank in future (same as the current issued shares).

18. What is the minimum limit for subscription?

The minimum limit is 1 (One) share, no share fractions will be accepted.

19. Will the subscriber be charged with the subscription expenses?

The subscriber will not be charged with any expenses; the amounts received by the Bank will represent the subscription amount paid by the subscriber.

20. What are the options available to eligible shareholders?

Eligible shareholders can exercise any of the following options in respect of the Issue Shares:

- (1) Exercising their pre-emption right in the Issue Shares;
- (2) Exercising their pre-emption right in the Issue Shares as well as subscribing for additional Issue Shares;
- (3) Assigning their pre-emption right for subscription in the Issue Shares as per the approved mechanism at least five days before the offering is closed (any such assignment shall be made in accordance with the relevant rules applied by the Clearing Agency); or
- (4) Not exercising any of the above options.

21. Can a subscriber withdraw from subscription after paying shares price?

Withdrawal of the Subscription Application Form after submission is not permitted, as it represents a legally binding agreement between the Subscriber and the Issuer.

22. Are there any restrictions on selling the shares issued after being allocated?

The issued shares will be listed on the stock exchange for trading without any restrictions exactly the same as the current issued shares.

23. Will the issue shares be listed? How will I receive the shares allocated for me?

After closing the Subscription Period, finalizing the allocation of the Issue Shares, and completion of all the necessary regulatory procedures, a statement of Issue Shares will be issued, and the Issue Shares will be listed on Boursa Kuwait and will be traded without any restrictions.