



BURGAN BANK GROUP
INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION

31 MARCH 2020 (UNAUDITED)

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working world**

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BURGAN BANK K.P.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Burgan Bank K.P.S.C. (the “Bank”) and its subsidiaries (collectively the “Group”) as at 31 March 2020, and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of presentation set out in Note 2.

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank’s Articles of Association and Memorandum of Incorporation, as amended, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BURGAN BANK K.P.S.C. (continued)

Report on other Legal and Regulatory Requirements (continued)

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three months period ended 31 March 2020 that might have had a material effect on the business of the Bank or on its financial position.



SHEIKHA AL FULAIJ
LICENCE NO. 289 A
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AL AIBAN, AL OSAIMI & PARTNERS




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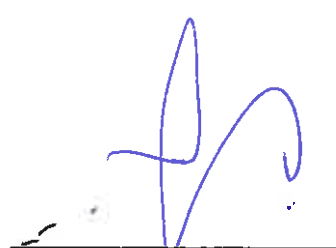
11 August 2020
Kuwait

Burgan Bank Group
Interim Condensed Consolidated Statement of Financial Position
As at 31 March 2020 (Unaudited)

		(Audited)	
	Notes	31 March 2020 KD 000's	31 December 2019 KD 000's
ASSETS			
Cash and cash equivalents	3	671,557	614,488
Treasury bills and bonds with CBK and others		274,306	287,951
Due from banks and other financial institutions		611,348	704,768
Loans and advances to customers		4,310,834	4,284,320
Investment securities		578,903	538,624
Other assets		195,579	226,641
Property and equipment		124,938	113,860
Intangible assets		22,901	22,903
		<u>6,790,366</u>	<u>6,793,555</u>
Disposal group held for sale	14	292,947	287,458
		<u>7,083,313</u>	<u>7,081,013</u>
TOTAL ASSETS			
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks		627,319	512,860
Due to other financial institutions		669,313	711,496
Deposits from customers		3,918,455	3,991,017
Other borrowed funds	4	460,776	455,945
Other liabilities	5	226,574	237,259
		<u>5,902,437</u>	<u>5,908,577</u>
Liabilities directly associated with the disposal group held for sale	14	227,264	220,178
		<u>6,129,701</u>	<u>6,128,755</u>
TOTAL LIABILITIES			
EQUITY			
Share capital	6	262,500	262,500
Share premium		249,052	249,052
Treasury shares	6	(1,742)	(1,742)
Statutory reserve		99,465	99,465
Voluntary reserve		99,843	99,843
Treasury shares reserve		43,135	43,135
Fair value reserve		(45,330)	(30,564)
Share based compensation reserve		564	564
Foreign currency translation reserve		(161,371)	(151,972)
Other reserves	6	15,888	8,674
Retained earnings		186,686	172,205
		<u>748,690</u>	<u>751,160</u>
Total equity attributable to the equity holders of the Bank		748,690	751,160
Perpetual Tier 1 capital securities		154,275	151,525
Non-controlling interests		50,647	49,573
		<u>953,612</u>	<u>952,258</u>
TOTAL EQUITY			
TOTAL LIABILITIES AND EQUITY			
		<u>7,083,313</u>	<u>7,081,013</u>



Khalid Al Zouman
Group Chief Financial Officer



Masoud M. J. Hayat
Vice Chairman &
Group Chief Executive Officer



Majed Essa Al Ajeel
Chairman of the Board

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

Burgan Bank Group

Interim Condensed Consolidated Statement of Income Period ended 31 March 2020 (Unaudited)

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Notes</i>	2020	2019
	KD 000's	KD 000's
Interest income	79,005	80,353
Interest expense	(37,519)	(42,891)
Net interest income	41,486	37,462
Fee and commission income	11,082	9,501
Fee and commission expense	(1,709)	(1,372)
Net fee and commission income	9,373	8,129
Net gain from foreign currencies	907	1,195
Net investment income	4,845	2,564
Dividend income	65	400
Other income	3,738	541
Operating income	60,414	50,291
Staff expenses	(12,588)	(10,732)
Other expenses	(10,940)	(10,312)
Operating profit before credit loss expense and provisions	36,886	29,247
Provision for credit losses	(16,388)	(7,450)
Provision charge for other financial assets	(389)	(182)
Profit before taxation	20,109	21,615
Taxation	(2,282)	(2,161)
Profit for the period	17,827	19,454
Attributable to:		
Equity holders of the Bank	17,231	19,209
Non-controlling interests	596	245
	17,827	19,454
Basic and diluted earnings per share - attributable to the equity holders of the Bank (Fils)	5.5	5.2

Burgan Bank Group
Interim Condensed Consolidated Statement of Comprehensive Income
Period ended 31 March 2020 (Unaudited)

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Profit for the period	17,827	19,454
Other comprehensive income		
<i>Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Net change in fair value of equity instruments at fair value through other comprehensive income	(6,559)	(24)
	(6,559)	(24)
<i>Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods:</i>		
Debt instruments at fair value through other comprehensive income:		
Net change in fair value	(6,906)	1,665
Changes in allowance for expected credit losses	147	1
Net transfer to interim condensed consolidated statement of income	(1,385)	(2,064)
Foreign currency translation adjustment	(8,219)	(5,034)
Changes in fair value of cash flow hedges	2,515	(1,004)
Net gain (loss) on hedge of a net investment	3,934	(407)
Other comprehensive loss for the period	(16,473)	(6,867)
Total comprehensive income for the period	1,354	12,587
Attributable to:		
Equity holders of the Bank	280	12,420
Non-controlling interests	1,074	167
	1,354	12,587

Burgan Bank Group

Interim Condensed Consolidated Statement of Changes in Shareholder's Equity

Period ended 31 March 2020 (Unaudited)

	<i>Attributable to the equity holders of the Bank</i>												<i>Perpetual Tier 1 securities</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Share based compensation reserve</i>	<i>Foreign currency translation reserve</i>	<i>Other reserves*</i>	<i>Retained earnings</i>	<i>Total</i>			
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Balance as at 1 January 2020	262,500	249,052	(1,742)	99,465	99,843	43,135	(30,564)	564	(151,972)	8,674	172,205	751,160	151,525	49,573	952,258
Profit for the period	-	-	-	-	-	-	-	-	-	-	17,231	17,231	-	596	17,827
Other comprehensive (loss) income for the period	-	-	-	-	-	-	(14,735)	-	(8,654)	6,438	-	(16,951)	-	478	(16,473)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(14,735)	-	(8,654)	6,438	17,231	280	-	1,074	1,354
Transfer to reserve for disposal group held for sale (Note 10)	-	-	-	-	-	-	(31)	-	(745)	776	-	-	-	-	-
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	-	-	(2,750)	(2,750)	2,750	-	-
Balance as at 31 March 2020	262,500	249,052	(1,742)	99,465	99,843	43,135	(45,330)	564	(161,371)	15,888	186,686	748,690	154,275	50,647	953,612

*Refer note 6(c) for further break up of other reserves

Burgan Bank Group

Interim Condensed Consolidated Statement of Changes in Shareholder's Equity (continued)

Period ended 31 March 2020 (Unaudited)

	<i>Attributable to the equity holders of the Bank</i>														
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Treasury shares reserve</i>	<i>Fair value reserve</i>	<i>Share based compensation reserve</i>	<i>Foreign currency translation reserve</i>	<i>Other reserves*</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Perpetual Tier 1 capital securities</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Balance as at 1 January 2019	250,000	249,052	(2,518)	90,545	90,923	43,215	(24,284)	564	(137,871)	22,057	170,653	752,336	144,025	51,119	947,480
Profit for the period	-	-	-	-	-	-	-	-	-	-	19,209	19,209	-	245	19,454
Other comprehensive loss for the period	-	-	-	-	-	-	(155)	-	(5,228)	(1,406)	-	(6,789)	-	(78)	(6,867)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(155)	-	(5,228)	(1,406)	19,209	12,420	-	167	12,587
Cash dividend (note 6)	-	-	-	-	-	-	-	-	-	-	(29,924)	(29,924)	-	-	(29,924)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	11	-	11	-	(433)	(422)
Interest payment on Tier 1 capital securities	-	-	-	-	-	-	-	-	-	-	(5,511)	(5,511)	-	-	(5,511)
Balance as at 31 March 2019	<u>250,000</u>	<u>249,052</u>	<u>(2,518)</u>	<u>90,545</u>	<u>90,923</u>	<u>43,215</u>	<u>(24,439)</u>	<u>564</u>	<u>(143,099)</u>	<u>20,662</u>	<u>154,427</u>	<u>729,332</u>	<u>144,025</u>	<u>50,853</u>	<u>924,210</u>

*Refer note 6(c) for further break up of other reserves

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

Burgan Bank Group

Interim Condensed Consolidated Statement of Cash Flows Period ended 31 March 2020 (Unaudited)

	<i>Three months ended</i>	
	<i>31 March</i>	
<i>Note</i>	2020	2019
	KD 000's	KD 000's
Operating activities		
Profit for the period before taxation	20,109	21,615
Adjustments:		
Net investment income	(4,845)	(2,564)
Provision for credit losses	16,388	7,450
Provision charge for other financial assets	389	182
Dividend income	(65)	(400)
Depreciation and amortisation	4,018	3,223
	35,994	29,506
Operating profit before changes in operating assets and liabilities		
Changes in operating assets and liabilities:		
Treasury bills and bonds with CBK and others	7,209	248
Due from banks and other financial institutions	98,324	(34,108)
Loans and advances to customers	(42,483)	86,503
Other assets	29,018	7,990
Due to banks	116,047	(414,800)
Due to other financial institutions	(42,183)	(46,495)
Deposits from customers	(64,853)	191,727
Other liabilities	(10,624)	(41,326)
Taxation paid	(801)	(3,475)
Net cash flows from (used in) operating activities	125,648	(224,230)
Investing activities		
Purchase of investment securities	(196,799)	(146,597)
Proceeds from sale of investment securities	153,380	97,541
Purchase of property and equipment, net of disposals	(13,785)	(1,383)
Net movement in non-controlling interest	-	(433)
Dividends received	65	400
Net cash flows used in investing activities	(57,139)	(50,472)
Financing activities		
Other borrowed funds	4,822	801
Interest payment on Tier1 capital securities	-	(5,511)
Net cash flows from (used in) financing activities	4,822	(4,710)
Net increase (decrease) in cash and cash equivalents	73,331	(279,412)
Effect of foreign currency translation	(9,644)	(5,250)
Cash and cash equivalents at 1 January	761,508	1,164,270
Cash and cash equivalents at 31 March	825,195	879,608
Additional cash flow information:		
Interest received	66,937	89,748
Interest paid	38,679	47,121

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

1. INCORPORATION AND REGISTRATION

Burgan Bank K.P.S.C. (the “Bank”) is a public shareholding company incorporated in the State of Kuwait by Amiri Decree dated 27 December 1975 listed on the Kuwait Stock Exchange and is registered as a Bank with the Central Bank of Kuwait (“CBK”). The Bank’s registered address is P.O. Box 5389, Safat 12170, State of Kuwait.

The interim condensed consolidated financial information of the Bank and its subsidiaries (collectively “the Group”) for the period ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 11 August 2020.

The principal activities of the Group are explained in note 9.

The Bank is a subsidiary of Kuwait Projects Company Holding K.S.C.P. (the “Parent Company”).

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group have been prepared in accordance with International Accounting Standard (“IAS”) 34: Interim Financial Reporting except as noted below.

The annual consolidated financial statements for the year ended 31 December 2019 were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted for use by the State of Kuwait for financial services institutions regulated by the CBK. These regulations require expected credit loss (“ECL”) to be measured at the higher of the ECL on credit facilities computed under IFRS 9 in accordance to the CBK guidelines or the provisions as required by CBK instructions; the consequent impact on related disclosures; and the adoption of all other requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”) (collectively referred to as IFRS, as adopted for use by the State of Kuwait). The Expected Credit Losses on credit facilities determined under IFRS 9 in accordance with CBK guidelines amounted to KD 229,544 thousand as at 31 March 2020 (31 December 2019: KD 194,700 thousand, 31 March 2019: KD 223,096 thousand) which is lower than the total provision for credit losses recorded as per CBK instructions.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2019.

Further, results for the three months period ended 31 March 2020, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020. Certain prior period amounts have been restated / reclassified in order to conform to the current period presentation. Such reclassifications do not affect previously reported assets, liabilities, equity and profit for the period.

2.2. The accounting policies adopted in the preparation of the interim condensed consolidated

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the previous financial year. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2020 did not have any material impact on the accounting policies, financial position or performance of the Group.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.2. The accounting policies adopted in the preparation of the interim condensed consolidated

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The first phase of amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures focused on hedge accounting issues. The final amendments, issued in September 2019, amended specific hedge accounting requirements to provide relief from the potential effects of the uncertainty caused by IBOR reform. These amendments are effective from 1 January 2020 and had no impact on the consolidated financial statements.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

3. CASH AND CASH EQUIVALENTS

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Cash in hand and in current account with banks & OFIs	346,445	274,000	465,225
Balances with CBK	213,650	101,917	179,992
Due from banks and OFIs maturing within thirty days	111,477	238,598	234,590
	671,572	614,515	879,807
Expected credit losses	(15)	(27)	(199)
Cash and cash equivalents as per interim condensed consolidated statement of financial position	671,557	614,488	879,608
Cash and cash equivalents attributable to disposal group held for sale	153,638	147,020	-
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	825,195	761,508	879,608

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

4. OTHER BORROWED FUNDS

		(Audited)		
	<i>Effective interest rate</i>	<i>31 March 2020</i>	<i>31 December 2019</i>	<i>31 March 2019</i>
		<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Subordinated bonds – KWD 2026 (Fixed tranche)	6.00%	29,886	29,877	29,850
Subordinated bonds – KWD 2026 (Floating tranche capped at 7%)	CBK + 3.95%	69,404	69,383	69,320
Medium term borrowing	3M Libor + 0.95%	107,889	105,940	106,260
Euro Medium Term Note	3.125%	153,839	151,021	151,374
Senior unsecured fixed rate bonds	4.125%	99,758	99,724	99,621
Other borrowings – subsidiaries	1.00% - 3.17%	-	-	540
		460,776	455,945	456,965

5. OTHER LIABILITIES

		(Audited)		
		<i>31 March 2020</i>	<i>31 December 2019</i>	<i>31 March 2019</i>
		<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Accrued interest payable		48,273	49,433	59,659
Staff benefits		15,599	16,063	17,488
Provision for non - cash credit facilities		15,300	15,113	14,758
Clearing cheques and balances		36,286	41,687	27,289
Income received in advance		11,336	12,436	13,169
Other payable and accruals		32,178	35,818	74,490
Deferred tax liabilities		91	79	2,218
Taxation payable		14,143	13,361	14,957
Other balances		53,368	53,269	54,468
		226,574	237,259	278,496

6. SHAREHOLDERS' EQUITY

a) The issued and fully paid up share capital of the Bank comprises 2,625,000,000 shares (31 December 2019: 2,625,000,000, 31 March 2019: 2,500,000,000 of 100 fils each.

b) Treasury shares

		(Audited)		
		<i>31 March 2020</i>	<i>31 December 2019</i>	<i>31 March 2019</i>
Number of shares held		4,577,228	4,577,228	6,295,913
Percentage of shares held		0.17%	0.17%	0.25%
Cost KD 000's		1,742	1,742	2,518
Market value - KD 000's		929	1,382	2,361
Weighted average market value per share (fils)		264	326	310

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

6. SHAREHOLDERS' EQUITY (CONTINUED)

b) Treasury shares (continued)

The balance in the treasury share reserve account is not available for distribution. An amount equal to the cost of treasury shares is not available for distribution from share premium, statutory reserve, voluntary reserve and retained earnings throughout the holding period of these treasury shares.

c) Other reserves

	<i>Three months period ended 31 March 2020</i>				<i>Total KD 000's</i>
	<i>Hedge of net investment in foreign operations KD 000's</i>	<i>Cash flow hedge reserve KD 000's</i>	<i>Changes in ownership in subsidiaries KD 000's</i>	<i>Reserve of disposal group held for sale KD 000's</i>	
Balance at 1 January	8,583	579	(1,478)	990	8,674
Changes in fair value of cash flow hedge reserve	-	2,504	-	-	2,504
Net gain on hedge of a net investment	3,934				3,934
Related to disposal group held for sale	-	-	-	776	776
Total comprehensive income	3,934	2,504	-	776	7,214
Balance at 31 March 2020	12,517	3,083	(1,478)	1,766	15,888

	<i>Three months period ended 31 March 2019</i>			<i>Total KD 000's</i>
	<i>Hedge of net investment in foreign operations KD 000's</i>	<i>Cash flow hedge reserve KD 000's</i>	<i>Changes in ownership in subsidiaries KD 000's</i>	
Balance at 1 January	16,022	7,536	(1,501)	22,057
Changes in fair value of cash flow hedge reserve	-	(999)	-	(999)
Net loss on hedge of a net investment	(407)	-	-	(407)
Net movement in non-controlling interest	-	-	11	11
Total comprehensive (loss) income	(407)	(999)	11	(1,395)
Balance at 31 March 2019	15,615	6,537	(1,490)	20,662

d) Dividends and bonus shares

On 12 April 2020, the annual general assembly approved the distribution of cash dividend of 12 fils per share for the year ended 31 December 2019.

On 27 March 2019, the annual general assembly approved the distribution of cash dividend of 12 fils per share and stock dividend of 5% for the year ended 31 December 2018.

Burgan Bank Group

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As at 31 March 2020 (Unaudited)

7. TAXATION

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>
National Labour Support Tax	448	505
Contribution to the Kuwait Foundation for the Advancement of Science	178	214
Zakat	179	202
Taxation arising from overseas subsidiaries	1,477	1,240
	2,282	2,161

8. EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to equity holders of the Bank after interest payment of Tier 1 capital securities by the weighted average number of shares outstanding during the period less treasury shares.

The computation of basic and diluted earnings per share is as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i> <i>(Restated)</i>
Profit for the period attributable to equity holders of the Bank	17,231	19,209
Less: interest payment and other movement on Tier 1 capital securities	(2,750)	(5,511)
Profit for the period attributable to equity holders of the Bank after interest and other payments on Tier 1 capital securities	14,481	13,698
	Shares	Shares
Weighted average number of outstanding shares, net of treasury shares	2,620,422,772	2,618,383,543
Basic and diluted earnings per share (fils)	5.5 fils	5.2 fils

Basic and diluted earnings per share for the comparative period presented have been restated to reflect the effect of bonus shares issued in 2019 (note 6).

Burgan Bank Group

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As at 31 March 2020 (Unaudited)

9. SEGMENT INFORMATION

For management purposes, the Group organises its operations by geographic territory in the first instance, primarily Domestic and International. All operations outside Kuwait are classified as International. Within its domestic operations, the Group is organised into the following business segments.

- ▶ Corporate banking: provides comprehensive product and services to corporate customers and financial institutions including lending, deposits, trade services, foreign exchange, advisory services and others.
- ▶ Private and retail banking: provides wide range of products and services to retail and private bank customers including loans, deposits, credit and debit cards, foreign exchange, and others.
- ▶ Treasury, investment banking and others: includes treasury asset liability and liquidity management, investment services and management, fund management and any residual of transfer pricing. It also provides products and services to banks including money markets, lending, deposits, foreign exchange and others.

Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment result after provisions which in certain respects are measured differently from operating profit or loss in the interim condensed consolidated financial information.

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

9. SEGMENT INFORMATION (continued)

The following table present information relating to the income and results of the Group's operating segments for the three months period ended 31 March 2020:

	<i>Kuwait Operations</i>			<i>International Operations</i>	<i>Unallocated Intragroup Transactions</i>	<i>Group</i>
	<i>Corporate banking</i>	<i>Retail and private banking</i>	<i>Treasury, investment banking and others</i>			
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>Total KD 000's</i>
<i>31 March 2020</i>						
Net interest income	<u>16,555</u>	<u>10,010</u>	<u>(1,084)</u>	<u>18,843</u>	<u>(2,838)</u>	<u>41,486</u>
Segment operating income	<u>20,278</u>	<u>11,452</u>	<u>3,084</u>	<u>28,438</u>	<u>(2,838)</u>	<u>60,414</u>
Depreciation and amortisation	<u>(437)</u>	<u>(640)</u>	<u>(188)</u>	<u>(2,071)</u>	<u>(682)</u>	<u>(4,018)</u>
Segment result before provisions	<u>16,577</u>	<u>5,938</u>	<u>1,558</u>	<u>16,820</u>	<u>(3,520)</u>	<u>37,373</u>
Provision for credit losses	<u>(1,497)</u>	<u>(3,088)</u>	<u>-</u>	<u>(11,715)</u>	<u>(88)</u>	<u>(16,388)</u>
Provision charge for other financial assets	<u>-</u>	<u>-</u>	<u>(87)</u>	<u>(302)</u>	<u>-</u>	<u>(389)</u>
Segment result after provisions	<u>15,080</u>	<u>2,850</u>	<u>1,471</u>	<u>4,803</u>	<u>(3,608)</u>	<u>20,596</u>
Unallocated expenses				<u>(487)</u>	<u>-</u>	<u>(487)</u>
Profit for the period before taxation				<u>18,914</u>	<u>(3,608)</u>	<u>20,109</u>

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

9. SEGMENT INFORMATION (continued)

	Kuwait Operations			International Operations	Unallocated Intragroup Transactions	Group	
	Corporate banking KD 000's	Retail and private banking KD 000's	Treasury, investment banking and others KD 000's				Total KD 000's
<i>31 March 2019</i>							
Net interest income	16,112	8,495	4,788	29,395	13,265	(5,198)	37,462
Segment operating income	19,805	9,985	10,167	39,957	18,077	(7,743)	50,291
Depreciation and amortisation	(355)	(818)	(225)	(1,398)	(840)	(985)	(3,223)
Segment result before provisions	17,281	4,385	8,730	30,396	9,344	(8,721)	31,019
Provision for credit losses	(2,137)	(910)	-	(3,047)	(4,410)	7	(7,450)
Provision charge for other financial assets	-	-	(29)	(29)	(153)	-	(182)
Segment result after provisions	15,144	3,475	8,701	27,320	4,781	(8,714)	23,387
Unallocated expenses				(1,772)	-	-	(1,772)
Profit for the period before taxation				25,548	4,781	(8,714)	21,615

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As at 31 March 2020 (Unaudited)

9. SEGMENT INFORMATION (continued)

	<i>Kuwait Operations</i>				<i>International Operations*</i>	<i>Unallocated Intragroup Transactions</i>	<i>Group</i>
	<i>Corporate banking</i>	<i>Retail and Private banking</i>	<i>Treasury and investment banking and others</i>	<i>Total</i>			
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>Total KD 000's</i>
31 March 2020							
Total assets	2,660,492	1,208,506	1,711,017	5,580,015	2,114,388	(611,090)	7,083,313
Total liabilities	941,671	1,012,888	2,648,962	4,603,521	1,810,838	(284,658)	6,129,701
31 December 2019 (Audited)							
Total assets	2,320,066	1,123,258	2,084,193	5,527,517	2,168,884	(615,388)	7,081,013
Total liabilities	886,915	1,014,729	2,653,686	4,555,330	1,863,172	(289,747)	6,128,755
31 March 2019							
Total assets	2,330,960	1,068,806	2,019,191	5,418,957	2,251,779	(647,782)	7,022,954
Total liabilities	906,641	974,092	2,613,738	4,494,471	1,946,192	(341,919)	6,098,744

*International operations include operational results of BoB that is classified as disposal group held for sale as at 31 December 2019 and 31 March 2020 (Note 14).

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

10. TRANSACTIONS WITH RELATED PARTIES

The Group has entered into transactions with certain related parties (Parent Company, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties) who were customers of the Group during the period. The "Others" column in the table below mainly represent transactions with other related parties that are either controlled or significantly influenced by the parent company. The terms of these transactions are substantially on the same commercial basis and as approved by the Group's management, including collateral. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulations of CBK.

The outstanding balances and transactions are as follows:

				(Audited)		
				31		
	<i>Parent</i>	<i>Associates</i>	<i>Others</i>	<i>31 March</i>	<i>December</i>	<i>31 March</i>
	<i>Company</i>	<i>Associates</i>	<i>Others</i>	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<i>Assets and Liabilities</i>						
Due from banks and OFIs*	-	-	174,475	174,475	170,688	194,214
Loans and advances to customers*	-	-	953,044	953,044	892,046	893,176
Investment securities	17,289	-	143,128	160,417	147,149	139,931
Investment securities managed by a related party	-	-	68,122	68,122	64,484	62,819
Other assets	-	-	4,830	4,830	4,772	3,666
Due to banks	-	-	8,204	8,204	8,109	6,599
Due to other financial institutions	-	-	82,937	82,937	38,523	28,099
Deposits from customers	22,463	-	45,612	68,075	119,062	61,583
<i>Commitments, contingent liabilities and derivatives</i>						
Letters of credit	-	-	11,505	11,505	13,834	15,293
Letters of guarantee	-	-	80,984	80,984	78,330	63,985
<i>Transactions</i>						
Interest income	10	-	13,305	13,315	46,364	11,369
Interest expense	(961)	-	(252)	(1,213)	(2,895)	(862)
Fee and commission income	1	-	277	278	1,449	234
Fee and commission expenses	-	-	(255)	(255)	(949)	-
Dividend income	-	-	-	-	2,770	-
Other expense	-	-	(1,063)	(1,063)	(3,045)	(653)
Other income	-	-	-	-	38	26
<i>Other transactions during the period</i>						
Purchase of investment securities	-	-	23,791	23,791	23,054	15,355

*As of period ended 31 March 2020, the fair value of total eligible collateral to the extent of the outstanding balances amounted to KD 495,719 thousand (31 December 2019: KD 531,056 thousand, 31 March 2019: KD 456,865 thousand).

On 30 October 2019, the Board of Directors of the Bank approved to sell the entire stake in Bank of Baghdad (BoB) to a related party accordingly BoB was classified as disposal group held for sale. Subsequent to the reporting date, the sale of BoB is cancelled due to the challenging macroeconomic environment cause by the COVID-19 pandemic (Note 14).

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

10. TRANSACTIONS WITH RELATED PARTIES (continued)

	<i>No. of Board members / Group executive staff</i>	<i>31 March 2020</i>	<i>(Audited)</i>	
			<i>31 March 2019</i>	<i>31 March 2019</i>
		<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Board members*				
Loans and advances	2	4,125	3,915	3,262
Deposits from customers	7	366	518	376
Group executive staff				
Loans and advances	13	206	213	270
Deposits from customers	31	2,335	1,799	2,886
Letters of guarantee	1	21	-	1

*Transactions with Board members include transactions with one of the Group executive staff who is also a board member.

Key management compensation

Remuneration payable or estimated accruals in relation to “key management” (deemed for this purpose to comprise Directors in relation to their committee service, the Chief Executive Officer and other Senior Officers), was as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2020</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Short term employee benefits – including salary and bonus	2,252	1,871
Accrual for end of service indemnity	1,008	885
Accrual for cost of long term incentive rights	357	335
Accrual for committee services	93	75
	3,710	3,166

11. COMMITMENTS AND CONTINGENT LIABILITIES

	<i>31 March 2020</i>	<i>(Audited)</i>	
		<i>31 December 2019</i>	<i>31 March 2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Acceptances	30,857	36,372	34,053
Letters of credit	261,465	255,365	298,501
Letters of guarantee	844,414	827,394	789,558
Undrawn lines of credit	569,279	626,972	530,994
Other commitments	44,851	46,176	26,029
	1,750,866	1,792,279	1,679,135

12. DERIVATIVES

The table below shows the notional amounts of derivatives outstanding as of the reporting date. The notional amount of a derivative’s underlying asset, reference rate or index is the basis upon which changes in the value of derivatives are measured.

Hedge of net investment in foreign operations

The Bank entered into forward foreign exchange contracts between TRY and USD, as a hedge of the Bank’s net investment in its Turkish subsidiary. Gains or losses on the retranslation of the aforesaid contracts are transferred to equity to offset any gains or losses on translation of the net investments in the Turkish subsidiary. No ineffectiveness from hedges of net investments in foreign operations was recognised in interim condensed consolidated statement of income during the period.

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Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

12. DERIVATIVES (continued)

Derivatives held for hedging

Interest Rate Swaps

One of the subsidiary of the Group applies cash flow hedge accounting using interest rate swaps to hedge its foreign currency deposits with an average maturity up to 3 months against interest rate fluctuations. The subsidiary implements effectiveness tests at balance sheet dates for hedge accounting; the effective portions are accounted as part of changes in fair value of derivatives under other reserves, whereas the ineffective portion is recognised in interim condensed consolidated statement of income. No ineffectiveness from hedges was recognised in interim condensed consolidated statement of income during the period.

Derivatives held for trading

Derivative transactions for customers and derivatives used for economic hedging purpose as part of the Group's risk management strategy but which do not meet the qualifying criteria for hedge accounting are classified as 'Derivatives held for trading'. The risk exposures on account of derivative transactions for customers are covered by entering in to similar transactions with counter parties or by other risk mitigating transactions.

The positive fair value of derivative instruments as at 31 March 2020 is KD 38,991 thousand (31 December 2019: KD 37,256 thousand and 31 March 2019: KD 51,328 thousand) and the negative fair value is KD 22,897 thousand (31 December 2019: KD 14,672 thousand and 31 March 2019: KD 21,187 thousand), included in the carrying amount of other assets and other liabilities respectively.

The notional amounts of derivatives are as follows:

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	<i>2020</i>	<i>2019</i>	<i>2019</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Derivatives held for trading:			
<i>(non-qualifying hedges)</i>			
Forward swaps / foreign exchange contracts	1,026,355	1,040,901	946,925
Interest rate swaps	171,507	178,844	216,134
Options	76,477	78,847	203,731
	<u><u>1,274,339</u></u>	<u><u>1,298,592</u></u>	<u><u>1,160,790</u></u>
Derivatives held for hedging:			
Forward swaps / foreign exchange contracts	47,112	61,388	56,124
Interest rate swaps	163,806	155,025	193,179
	<u><u>210,918</u></u>	<u><u>216,413</u></u>	<u><u>249,303</u></u>

13. FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial instruments comprise of financial assets and financial liabilities.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable;

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As at 31 March 2020 (Unaudited)

13. FINANCIAL INSTRUMENTS (continued)

Fair values of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, savings accounts without a specific maturity.

Movement in level 3 is mainly on account of additions and change in fair value. During the period, an increase of KD 59 thousand (31 March 2019: increase of KD 148 thousand) was recorded in the other comprehensive income representing change in fair value. There were no material transfers between the levels during the period.

Fair value measurement hierarchy for financial assets and financial liabilities that are carried at fair value is as follows:

	31 March 2020				31 December 2019				31 March 2019			
	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000	Total KD '000	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000	Total KD '000	Level 1 KD '000	Level 2 KD '000	Level 3 KD '000	Total KD '000
Financial assets												
Equity securities	87,795	-	123,268	211,063	92,994	-	99,133	192,127	79,549	-	103,592	183,141
Debt securities	206,165	-	8,000	214,165	166,668	-	8,000	174,668	111,734	-	8,000	119,734
Managed funds	-	-	68,700	68,700	-	-	65,081	65,081	-	-	63,975	63,975
Derivative financial instruments	-	38,991	-	38,991	-	37,256	-	37,256	-	51,328	-	51,328
Financial liabilities												
Derivative financial instruments:		22,897		22,897	-	14,672	-	14,672	-	21,187	-	21,187

Investments securities classified as FVOCI and amortised cost and other debt instrument carried at amortised cost (excluding credit facilities) are subject to Expected Credit Losses. Central Bank of Kuwait bonds and Kuwait Government treasury bonds are not subject to Expected Credit Losses.

The impact on the interim condensed consolidated statement of financial position and the interim condensed consolidated statement of shareholders' equity would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5 per cent.

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14. DISPOSAL GROUP HELD FOR SALE

On 30 October 2019, the Board of Directors of the Bank approved to sell the entire stake in Bank of Baghdad (BoB) to a related party accordingly BoB was classified as disposal group held for sale as at 31 December 2019. Subsequent to the reporting date, the sale of BoB is cancelled due to the challenging macroeconomic environment cause by the COVID-19 pandemic. The results for the period ended 31 March are presented below:

	<i>2020</i> <i>KD 000's</i>	<i>2019</i> <i>KD 000's</i>
Interest income	708	1,324
Interest expense	(221)	(385)
Net interest income	487	939
Fee and commission income	1,578	1,133
Fee and commission expense	(188)	(266)
Net fee and commission income	1,390	867
Net gain from foreign currencies	531	497
Other income	434	3
Operating income	2,842	2,306
Staff expenses	(510)	(961)
Other expenses	(1,093)	(1,076)
Operating profit (loss) before provision	1,239	269
Provision for credit losses	(89)	(229)
Provision charge reversal of other financial assets	(310)	(185)
Profit (loss) for the period before taxation	840	(145)
Taxation	(578)	(97)
Profit (loss) for the period	262	(242)

The net cash flows generated/(incurred) by BoB are as follows:

	<i>Three months ended</i> <i>31 March</i>	
	<i>2020</i> <i>KD 000's</i>	<i>2019</i> <i>KD 000's</i>
Operating cashflow	3,394	(19,809)
Investing cashflow	936	209
Financing cashflow	(605)	(615)
Net increase (decrease) in cash and cash equivalents during the period	3,725	(20,215)

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As at 31 March 2020 (Unaudited)

15. RISK MANAGEMENT AND COVID -19

On 11 March 2020, the World Health Organisation ("WHO") officially declared COVID-19 a global pandemic. In light of the rapid spread of COVID-19 across the globe, various economies and sectors have faced significant disruptions and uncertainty as a result of measures taken by governments to contain or delay the spread of the virus. This note describes the impact of the outbreak on the Bank's operations, risk management and the significant estimates and judgements applied by management in assessing the values of assets and liabilities.

i) Credit risk management

In addition to the management of credit risk described in Note 24 to the annual audited consolidated financial statements of the Group for the year ended 31 December 2019, the Bank has taken the following measures in response to the COVID-19 outbreak.

The Bank's Credit Risk management is continuously reviewing the existing credit facilities granted to customers operating under different sectors, which could potentially be under stress. They continue to work with respective business divisions to ensure robust credit review analysis is in place for borrowing clients. Extra measures, such as in-depth review of the customers' business, repayment capabilities in the current environment, stress analysis of the collaterals have been implemented to ensure a better risk mitigation.

Group management has approved payment holidays to its customers including retail customers to assist manage the fallout from the cash flow disruptions. The management continue to assess the past conduct, and payment history of the clients on an ongoing basis. Significant judgment has been applied while ascertaining whether the cash flow and liquidity issues faced by the customer are temporary or long term in nature. The Group management is also conducting frequent reviews of the collateral coverage on the securities held against facilities, specifically where the collaterals are illiquid in nature.

ii) Liquidity risk management

By mid-February of this year, global markets had started reacting to the pandemic itself and to the lockdown measures imposed around the world to contain it. Uncertainty increased while global economic activity stood still. As a result, asset prices dropped, credit spreads widened, and oil prices crashed even if momentarily. If this were to continue, it would have led to losses on investments, rise in costs of funds, and a deterioration in borrowers' repaying ability.

Many governments and central banks were quick to react. In March, CBK lowered interest rates by 100 bps then relaxed liquidity and capital requirement ratios. For many banks in the region, the drop in benchmark policy rates more than offset the rise in credit spreads, thus helping ease the cost of funds (but pressuring lending margins).

Burgan maintained a healthy liquidity profile throughout the episode. While CBK relaxed regulatory ratios, Burgan opted to keep its internal limits unchanged in a bid to maintain liquidity at healthy pre-pandemic standards. The moratorium introduced by CBK on loan instalments, while a good measure to revive the economy and ease cash flow strains on borrowers, also meant a delay in inflows of cash for banks. The liquidity impact of this moratorium on Burgan is small and acceptable, and is reflected in our reported liquidity ratios. As a policy, Burgan maintains good liquidity buffers and a large portfolio of High Quality Liquid Assets, which it can sell portions of with minimal price impact if the need ever arises.

The Group's management of liquidity risk is disclosed in Note 24 to the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2019. In response to the COVID-19 outbreak, the Bank is evaluating its liquidity and funding position and has taken into consideration all the reliefs provided by CBK. The Group continues to monitor its liquidity position and risks arising due to the COVID-19 crisis.

Burgan Bank Group

Notes to the Interim Condensed Consolidated Financial Information

As at 31 March 2020 (Unaudited)

14. RISK MANAGEMENT AND COVID -19 (continued)

iii) Use of estimates and judgements:

The spread of COVID-19 rapidly increased in March 2020 as the number of cases spiked, and governments around the world deployed a multitude of measures to combat the virus and protect their economies. The Group is constantly monitoring the current situation as it unfolds, noting that it is in early stages and there is limited economic data available to accurately evaluate the impact of the outbreak on the economy, and on the Group's financial position.

The Group exercises significant judgement in assessing and estimating its ECL. Given the uncertainty and limited forward looking information, the Bank has used the approach of applying judgement overlays in the form of stage change or rating degradation, for those customers where there is an indication of long term or permanent stress.

Governance around IFRS 9 ECL models and calculations

The Bank's IFRS 9 Committee has the primary responsibility for overseeing the Group's ECL models. Given the extreme uncertainty and volatility in the current times, the Committee has further strengthened its processes, controls and governance frameworks around reviewing and monitoring the macro-economic elements that would impact the computation of ECL and recommend changes if needed.

The impact on the ECL on credit facilities determined under IFRS 9 in accordance with CBK guidelines as disclosed in note 2.1 above.

Fair value measurement of financial instruments

The Group continues to closely monitoring the markets and trades between market participants in the current scenario to adjust, if needed, the fair value of the financial assets and liabilities of the Group. The Bank's existing policy on fair value measurement of financial instruments is disclosed in note 2.4 to the annual audited consolidated financial statements of the Group as at and for the year ended 31 December 2019.