

Kuwait Financial Centre K.P.S.C. "Markaz"
(Boursa Kuwait: MARKAZ)

Investor Presentation

December 2018



Asset Management | Investment Banking

Discussion Guide

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1. Company Profile

Markaz Overview

A LEADING FINANCIAL INSTITUTION IN THE REGION DELIVERING CONSISTENT SHAREHOLDER RETURNS



Leading market position

As one of the region's leading asset management and investment banking firms, Markaz offers custom investment solutions with exceptional track record



Sustainable long-term shareholder returns

Generates sustainable long-term returns driven by robust operations and consistent dividend payouts



Building a sustainable economy in Kuwait

Endeavors to actively participate in community service and contribute to building a sustainable economy in Kuwait



Our Team, the cornerstone of our success

A team of 190 employees spread over offices across Middle East, US and India

- Established in 1974 and listed on Boursa Kuwait in 1997, is an asset management and investment banking institution
- Consistently outperformed the relevant benchmarks on its equity funds and managed portfolios
- Real estate investments across MENA and International, with a key focus on income generating assets
- Efficiently delivering MENA focused research reports, and consulting through its research subsidiary – Marmore
- Multi award-winning investment banking service consisting of dedicated and experienced professionals

Driven by an enduring Vision, Mission and Principles



Our Vision

*The Choice For
Wealth Creation*



Our Mission

*We build sustainable wealth for our
clients and partners through prudent
and innovative solutions.*

BUSINESS PRINCIPLES

Client Focus

- Product offerings customised to the client's needs
- Focus on risk diversification

Innovation

- Focus on quality of returns
- Regularly offering new investment channels

Controls

- Strict investment guidelines and controls
- Ethical dealings and objective reporting across the firm

Investment and Advisory Solutions

PRODUCTS AND SERVICES



Asset Management:

- GCC Equity Funds
- Fixed Income Funds
- Private Portfolios
- Oil & Gas / PE / Others



Real Estate Investments:

- Middle East and North Africa
- International



Investment Banking:

- Mergers & Acquisitions
- Advisory
- Equity & Debt Capital Markets
- Listings
- Restructuring



Research:

- MENA focused Research
- Consulting Services

Adding significant value to the clients by providing services of the highest quality and ethics

KD 1.09
billion

**Total Assets under
Management**

KD 713
million

**Equity and Fixed Income
Investments
AUM**

KD 380
million

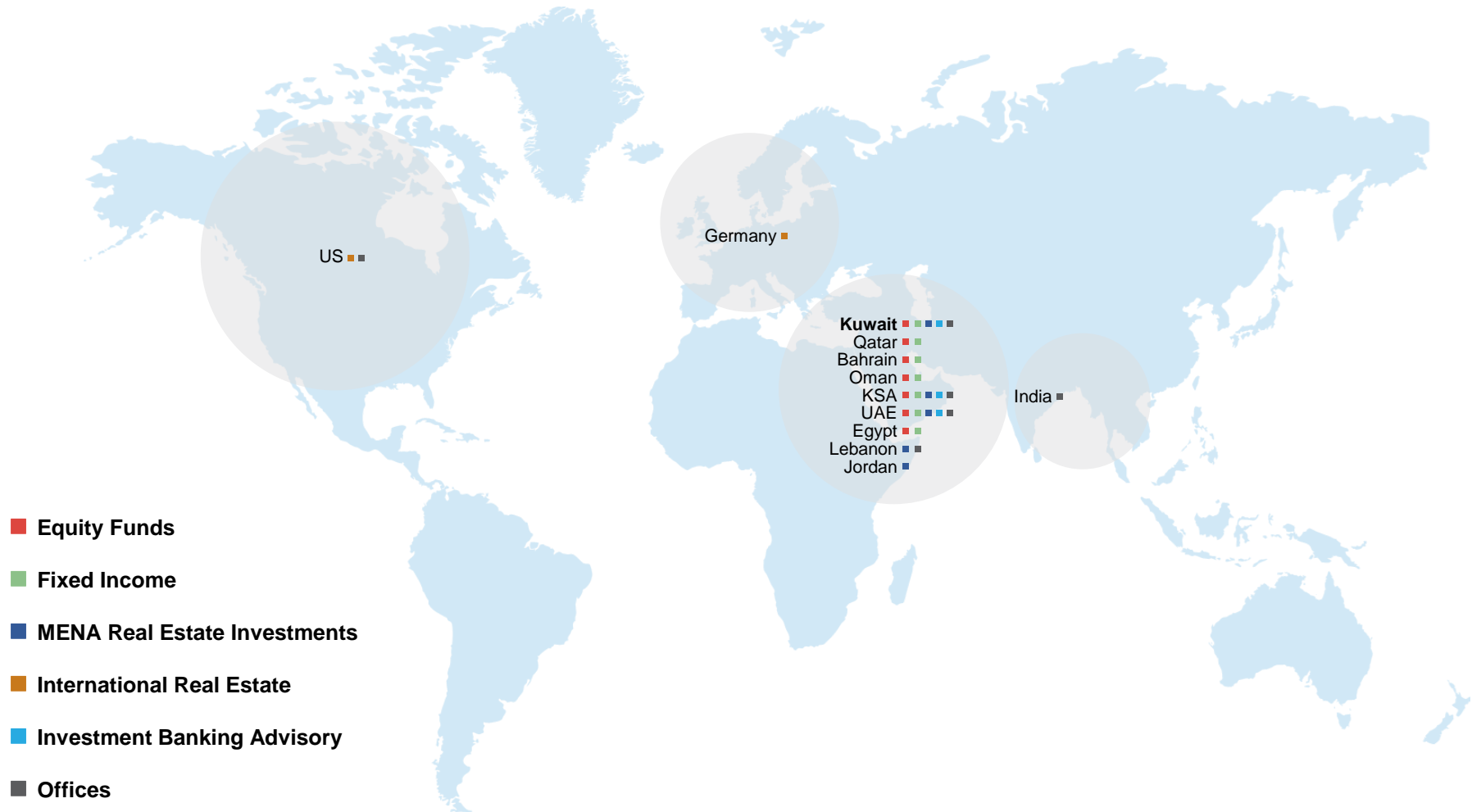
**Real Estate Investments
AUM**

KD 1.24
billion

**Investment Banking
Transactions to date**


** Current AUM / Investments (As of December 31, 2018)*

International Investment Reach



Accreditation and Awards

ONE OF THE MOST RECOGNIZED AND WELL AWARDED BRANDS ACROSS THE MENA REGION

  <p>Best Asset Manager in Kuwait</p> <p>By: EMEA Finance</p>	  <p>Best Investment Bank in Kuwait</p> <p>By: Global Finance & EMEA Finance</p>	  <p>Research Provider of the Year</p> <p>By: Euromoney Awards</p>	  <p>Most Innovative Financial Institution in the Middle East</p> <p>By: EMEA Finance</p>
 <p>Best Investment Bank</p> <p>By: Euromoney Awards</p>	 <p>Best Equity Fund in Kuwait "Mumtaz"</p> <p>By: MENA Fund Manager Awards</p>	 <p>Best Islamic Fund</p> <p>By: Zawya Awards</p>	 <p>Most Innovative Investment Bank</p> <p>By: Global Finance</p>



Kuwait Asset Manager Markaz



2. Service Offerings

Markaz Offerings

TOTAL AUM OF KD 1.09 BILLION, AN INCREASE OF 6.4% FROM DECEMBER 2017



Asset Management

GCC Equity Funds, Fixed Income Fund, Others
Total AUM of KD 712.8 million

- Asset management continues to implement Markaz's long term bottom up investment approach along with active liquidity management
- GCC Equities AUM decreased slightly by 3.6% to KD 642.4 million.
- MENA Equity Local Funds outperformed their peer group in 2018. With returns varying between 7% and 9%
- Markaz Fixed Income Fund was the best performing fund among regional peers of the same weighted credit rating

MIDAF - MUMTAZ - Forsa Financial - Arabian - Islamic Fund - Markaz
Fixed Income - Private Portfolios - Oil & Gas / PE



Real Estate Investments

Middle East and North Africa, International
Total AUM KD 380.1 million

MENA Real Estate – AUM of KD 288.7 million

- Managing part of the National Real Estate Portfolio with a value up to KD 250 million
- 9 income generating and 3 development properties across Kuwait, KSA and UAE
- Continued difficult market conditions across the GCC impacting transaction volumes and values
- Markaz Real Estate fund with AUM of KD 80 million across 18 properties

National Real Estate Portfolio – 12 Properties - Real Estate Fund

International Real Estate – AUM of KD 91.4 million

- 6 ongoing US based projects managed through the Mar-Gulf subsidiary
- 3 Europe based on going project
- Three exits achieved during 2018 and continued focus on development and value-add transactions in high-growth and supply constrained metros
- Evaluating value-add and opportunistic projects in Europe .

US Distressed Debt Portfolio - US Development Portfolio VI - US Value Add Portfolio VII

Markaz Offerings

ADDING SIGNIFICANT VALUE TO CLIENTS THROUGH HIGH QUALITY ADVISORY SERVICES AND RESEARCH



Investment Banking

M&A, Advisory, Equity & Debt Capital Markets, IPOs, Restructuring

- Total transaction value executed up to Dec 2018 of over KD 1.24 billion across the GCC market
- Markaz investment banking team successfully executed and advised on high profile transactions during 2018
- Flagship assignments year-to-date included the acquisition of 29.5% of HEISCO on behalf of clients, another transaction for acquisition of 15% of HEISCO on behalf of clients
- Key transactions also included the acquisition of 23.3% of ACICO construction on behalf of clients, a debt settlement for an Emirati bank, debt restructuring of the Sultan Centre and another ongoing high-profile restructuring transaction
- Capital Market team successfully raised KD 20 million for United Projects for Aviation Services Company (UPAC) through a rights' issue in addition to closing an ECM advisory services and DCM advisory services for two prominent corporate clients.



Research

Mena focused Research, Consulting Services

- Publishes MENA focused research reports and bespoke consulting services for over a decade
- Operates through Marmore, a subsidiary of Markaz
- Established in 2010, with offices in India and Kuwait
- Marmore has partnered with several thought leaders and leading policy research institutions to generate Economic & Policy Research studies

Research Themes: Capital Markets, Industry, Policy, Economic, Infrastructure, Regulatory, Periodic
Consulting Services

Asset Management AUM of KD 713 million

Public Funds

GCC Equity Funds



Midaf Fund
Kuwait Focused;



Mumtaz Fund
Kuwait Focused;



Forsa Financial Fund
Kuwait Focused;



Markaz Islamic Fund
Kuwait Focused;

Privately Placed Funds*

GCC Equity Funds



Arabian Fund
MENA Focused

Fixed Income Funds



Markaz Fixed Income Fund

Real Estate Funds



Markaz Real Estate Fund

Private Client Portfolios



1. Equity Portfolios
2. Fixed Income Portfolios

Oil & Gas, Private Equity and Other Investments

** AUM of portfolios and privately placed funds are not disclosed*

MENA Real Estate AUM of KD 289 million

LONG ESTABLISHED TRACK RECORD OF INVESTING IN MENA REAL ESTATE

MENA Real Estate Advisory

- Offering real estate investment opportunities across the MENA region
- MENA Real Estate activity started in 1998 with the launch of Markaz Real Estate Advisory Services

Investment Philosophy

- Focusing on acquiring and developing institutional quality properties
- Key focus on prime locations
- Robust exit strategy before the closure of a transaction

Portfolios and Funds Overview

- Kuwait: Managing part of the Kuwait Investment Authority's National Real Estate Portfolio and Markaz Real Estate Fund
- KSA: 3 income generating commercial buildings and 1 residential project under development
- UAE: 3 residential income generating properties and 2 residential projects under development
- Markaz Gulf Real Estate Fund (Private Placement)

Professional Network

- A vast network of developers, consultants, brokers, financial institutions and partners
- Access to unique investment opportunities covering the whole spectrum of the real estate sector investing in income generating assets

MENA Real Estate Investments

STRONG REGIONAL PRESENCE WITH OFFICES IN KUWAIT, RIYADH, KHOBAR, DUBAI AND ABU DHABI



Kuwait

- Markaz is managing part of the Kuwait Investment Authority's National Real Estate Portfolio with a value up to KD 250 million
- Markaz Real Estate Fund with an AUM of KD 80.5 million across 19 properties
- Markaz Gulf Real Estate Fund (Private Placement)



KSA

Markaz started its operations in the KSA in 2006 and has offices in Riyadh and Khobar

Projects Overview

Projects under development:

- Residential project in Riyadh of 145 units valued at KD 15 million

Income Generating Properties

- Commercial building in Riyadh with 44 units of offices and shops
- Commercial building in Dammam with 51 units of offices and shops
- Residential building in Khobar of 75 units



UAE

Markaz started its operations in the UAE in 2010 and has offices in Dubai and in Abu Dhabi

Projects Overview

Projects under development:

- Residential project in Abu Dhabi of 165 units and valued at KD 18 million
- Residential project in Dubai of 149 units and valued at KD 19 million

Income Generating Properties

- Residential building in Abu Dhabi Al Reem Island of 58 units
- Residential Building in Abu Dhabi Al Reef Island of 35 units
- Residential building in Abu Dhabi Al Reem Island (Boardwalk) of 35 units

International Real Estate AUM of KD 91 million

THIRTY YEAR TRACK RECORD OF SUCCESSFULLY INVESTING IN INTERNATIONAL REAL ESTATE

- 1 International real estate operations established in 1978, with the launch of our first syndicated real estate investment in the US
- 2 Manages operations through a fully owned subsidiary, Mar-Gulf Management, Inc., located in Los Angeles, California that was established in 1988
- 3 Involved in the ownership and development of over 117 properties for a total development / acquisition cost of over USD 1.5 Billion. This includes c. 8.3 mn sft. of industrial warehouse space, 3.5 mn sft. of retail, 1.3 mn sft. of office space and 3,050 apartment units

Track Record Funds

Funds	Overview	Start	Exit
Markaz U.S. Industrial Realty Fund – I	12 warehouses across 7 states	2002	2011
Markaz BBK U.S. Retail Fund – II	7 retail malls across 6 states	2003	2006
Markaz BBK U.S. Retail Fund – III	13 grocery centres across 5 states	2004	2014
Markaz BBK U.S. Multifamily Fund - IV	3 apartments of 796 units across 3 states	2007	2014

Ongoing Portfolios

Funds	Overview	Start	Exit
Markaz U.S Distressed Debt Portfolio	14 commercial whole loan mortgages across 3 states	2010	-
Markaz U.S Development Portfolio – VI	17 commercial development across 6 states	2013	-
Markaz U.S Value Add Portfolio – VII	3 value-add apartment projects in Austin, Chicago and Kansas	2017	-

International Real Estate Investments

LAST 5 YEARS TRACK RECORD: IRR OF 6.9% - 34.0%

Project	Type	Asset	Location	Initiated	Ended	IRR*
Freeport 9	Office	Development	Texas	2013	2015	15.6%
Legacy – Dominion	Office	Development	Texas	2013	2016	11.3%
Lakeside	Office	Development	Texas	2014	2016	19.5%
Parkwood Granite	Office	Development	Texas	2014	2016	23.8%
Doerr Lane	Industrial	Development	Texas	2014	2017	10.7%
Alta Fillmore	Multifamily	Development	Arizona	2015	2017	16.9%
Parc Post	Industrial	Development	Nevada	2015	2017	16.4%
DFW Industrial	Industrial	Development	Texas	2016	2018	6.9%
Tyler Build-to-Suit	Office	Development	Texas	2016	2016	28.1%
Carson	Self Storage	Development	California	2017	2018	20.9%
Parc Pinnacle	Industrial	Development	Arizona	2017	2018	34.0%
Freeport (Royal) 10	Office	Development	Texas	2017	On-going	-
West Palm Beach	Self Storage	Income	Florida	2017	On-going	-
Bristol Heights	Multifamily	Income	Texas	2017	On-going	-
Qidus Office Building	Office	Income	Germany	2017	On-going	-
Riverstone Apartments	Multifamily	Income	Missouri	2017	On-going	-
Legacy at Fox Valley	Multifamily	Income	Illinois	2017	On-going	-
Longley Commerce Centre	Industrial	Development	Nevada	2018	On-going	-
Parc Santa Fe	Industrial	Development	Colorado	2018	On-going	-
Parc Wroclaw	Industrial	Development	Poland	2018	On-going	-

1.40x

Return on Investment
Multiple

60%

Average Loan to Cost

549.0
(USD million)

Total Project Cost

9 & 3

U.S States & Countries

*Realized IRR and Return on Investment Multiple, net of all fees, expenses and taxes

International Real Estate Investments

Recently Acquired Developments



Longley Industrial Development
Location: Los Angeles, California
Size: 270,975 sq. ft.



West Palm Beach Self Storage
Location: Palm Beach, Florida
Size: 118,110 sq. ft.



Freeport 10 Office Development
Location: Dallas, Texas
Size: 112,500 sq. ft.



Parc Santa Fe Industrial
Location: Denver, Colorado
Size: 344,679 sq. ft.

Upcoming Developments



Parc Germann Industrial Development
Location: Phoenix, AZ
Size: 224,810 sq. ft.



Alta Warehouse Multifamily Development
Location: Phoenix, AZ
Size: 300 units



Airport Gateway Center Industrial Development
Location: Stockton, CA
Size: 419,608 sq. ft.

Income Producing Investments



Bristol Heights Residential
Location: Austin, Texas
Apartment Units: 351



QiDUS Office Building
Location: Dusseldorf, Germany
Size: 19,260 sq. mtr.



Riverstone Residential
Location: Kanas City, Missouri
Apartment Units: 324



Legacy at Fox Valley Residential
Location: Chicago, Illinois
Apartment Units: 272

Project Key Characteristics

2.25-5
 Years

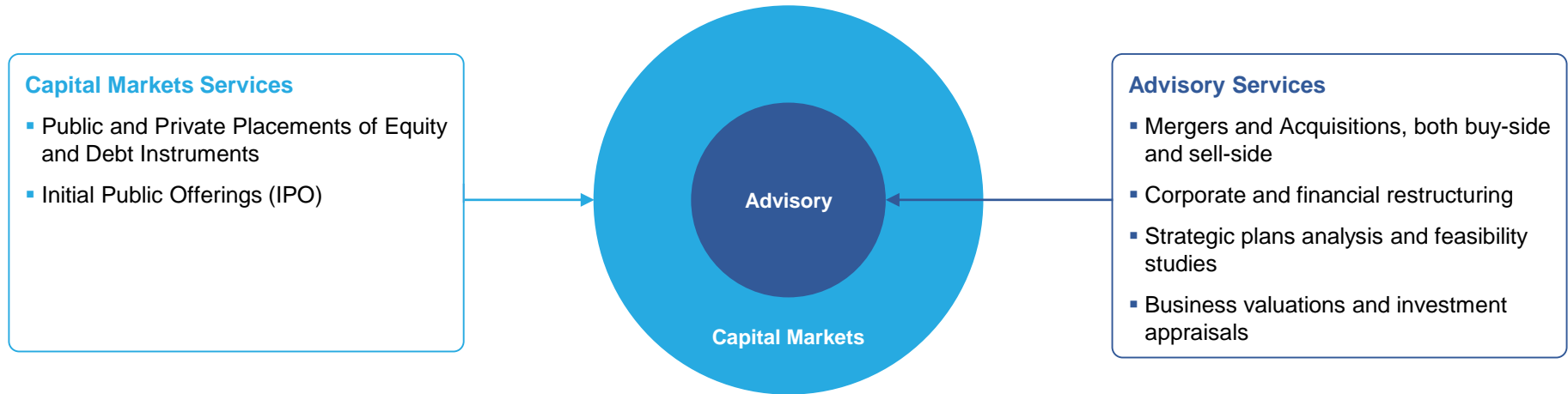
Holding Period Range

40%
 Of Project Cost

Average Equity Ratio

Investment Banking: Overview

OFFERS FINANCIAL ADVISORY AND CAPITAL MARKETS SOLUTIONS TO BOTH NATIONAL AND REGIONAL COMPANIES



SELECT AWARDS



Best Investment Bank in Kuwait
2011, '12, '14, '15, '16, '17, '18



Most Innovative Investment Bank in the Middle East
2016



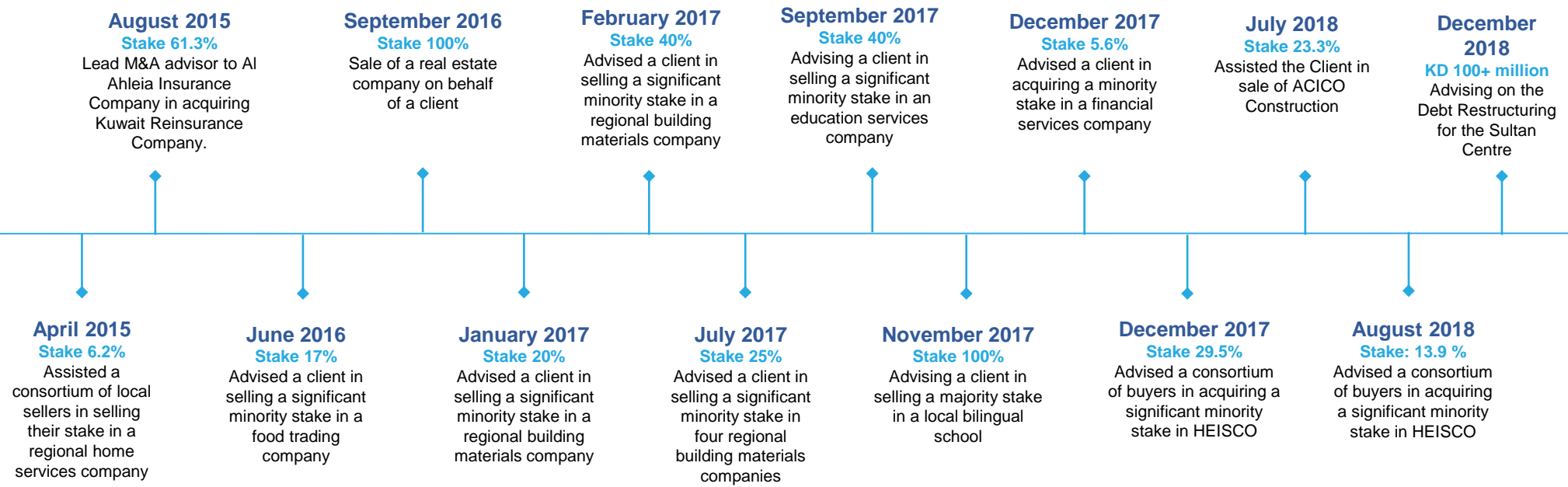
Best Investment Bank in Kuwait
2013, '14, '15, '16, '17, '18



Best Investment Bank in Kuwait
2013, '14

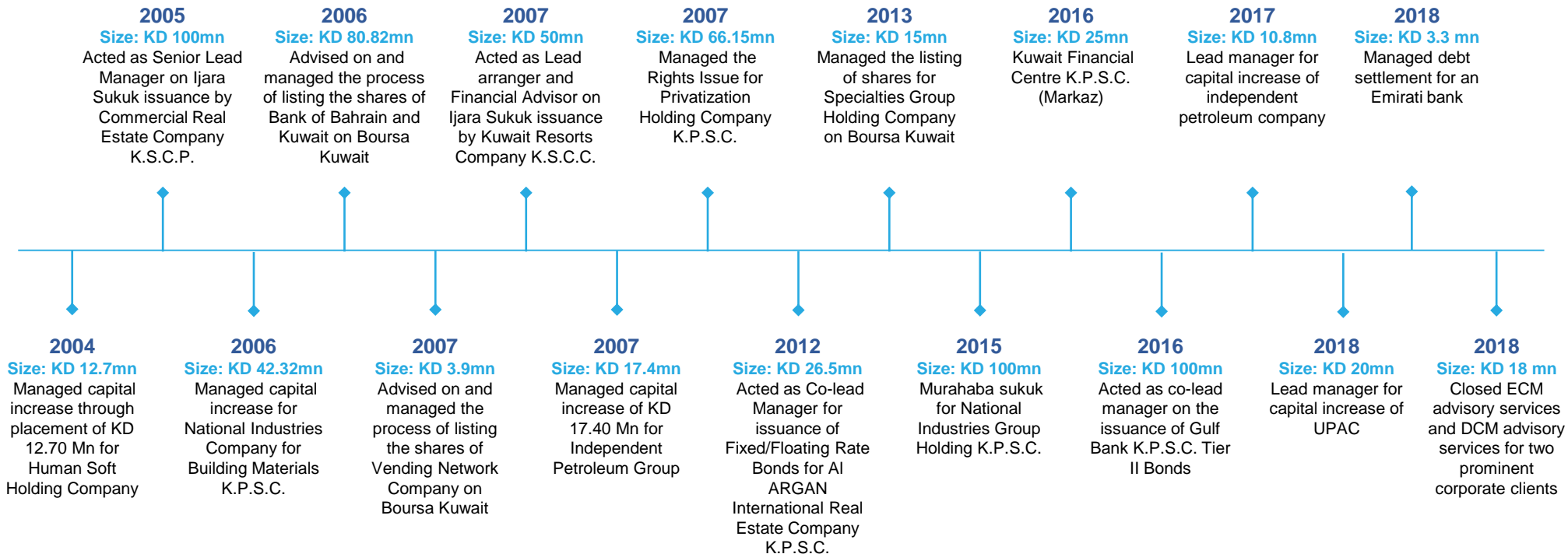
Investment Banking Transactions

HIGH PROFILE ADVISORY MANDATES ACROSS THE REGION



Investment Banking Transactions

UNRIVALLED CAPITAL MARKETS EXECUTION CAPABILITIES



Research and Consulting

MARMORE SERVICES REGIONAL BUSINESSES AND INSTITUTIONS WITH MENA FOCUSED MARKET INTELLIGENCE

Capital Market Research

Capital market reports provide an analysis of stock & bond markets in the MENA region. These reports are strategic in nature and provides a thorough investment perspective

Policy Research

Marmore has partnered with several leading thought leaders and institutions of repute to generate economic policy research studies in key areas like energy, labor, economic structure and public sector

Infrastructure Research

The infrastructure report analyzes the link between economic development and infrastructure and showcases supply & demand challenges in the GCC and investment opportunities

Consulting Services

Marmore provides customized consulting services that meet the challenges of cost, time, scope and data availability to generate actionable outcomes that are specific to our clients' needs

Industry Research

Industry reports focus on industry structure, key players, market analysis, demand drivers, competitive analysis and regulatory requirements

Economic Research

Include thematic discussions based on current economic dynamics The reports aid key stakeholders in understanding the impact of a particular theme on the economy

Regulatory Research

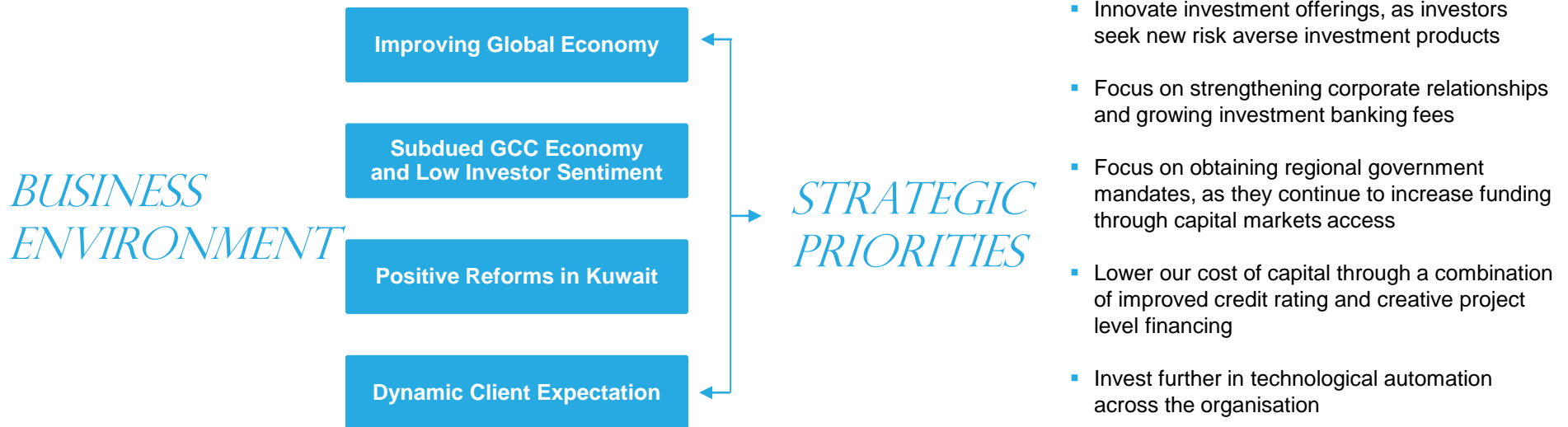
The regulatory research series is an effective consolidation, analysis and summary of key business, economic, and market regulations that impact business environment

Periodic Research

Our periodic reports capture GCC stock markets' earnings, risk premium studies, and economic development and outlook

3. Strategic Direction

Well defined strategic roadmap to capitalize on the upcoming growth opportunities



Markaz Innovative Solutions

LEADING THE CUTTING-EDGE FINANCIAL DEVELOPMENT AND NEW PRODUCT INTRODUCTION IN THE REGION

1st In Kuwait to launch:



Exchange traded options on the Kuwait Stock Exchange and become sole market-maker



True Real Estate Investment Trust in 2003



Money Market Fund



Private Equity Fund of Funds

At the forefront of distressed debt investing, foreign direct investment, regulations and development of local fixed income markets:

- Markaz successfully obtained approval for the first offset project, a state-of-the-art technology center under the new direct investment promotion law (Law 116 of 2013)
- Markaz advised the Kuwait Direct Investment Promotion Authority (KDIPA) in developing the tax incentive framework for direct investment projects in Kuwait

Markaz has over 400 institutional and high net-worth clients that are active in the regional capital markets

Led by a visionary management team



Mr. Manaf A. Alhajeri
Chief Executive Officer



Mr. Ali H. Khalil
Chief Operating Officer



Mr. Khaled A. Chowdhury
Chief Financial Officer



Mr. Bassam N. Al-Othman
Executive VP
MENA Real Estate



Ms. Amani I. Al-Omani
Executive VP
MENA Equities



Mr. M. R. Raghu
Executive VP
Published Research



Mr. Peter Kelly
Executive VP
Human Resources



Mr. Abdullatif W. Al-Nusif
Executive VP
Wealth Management and
Business Development



Ms. Maha A. Emad
Executive VP
Corporate Affairs and
Fund Administration



Ms. Rasha A. Othman
Executive VP
Investment Banking
(Fixed Income & Capital
Markets)



Ms. Hussein A. Zeineddin
Executive VP
MIS & Operations, Risk
Management



Ms. Hana A. Al-Zeraie
Senior VP
HR, Administration and
Government Affairs



Ms. Deena Y. Al-Refai
Senior VP
Investor Relations

4. Corporate Governance

Board of Directors



Mr. Diraar Y. Alghanim
Chairman

Mr. Alghanim has over 40 years of experience in the financial services industry, asset management, insurance and contracting & general trading in the region and internationally. He is a member of the Board of Directors of Kuwait Chamber of Commerce & Industry (KCCI) since 2001 and presently Chairman of its Finance Committee. He was also the Founding Chairman of Union of Investment Companies (UIC) from 2004-2009 and is an active member of various NGOs in Kuwait and beyond.



Sheikh Humoud S. Al-Salem Al-Sabah
Vice Chairman

Sheikh Al-Sabah has over 35 years' experience in general trade and other sectors. He has been the Chairman of Northern Gulf Trading – NGT Hyundai Co. for over 20 years and is owner of Al-Jazira and Quraini Transportation Co. Petroleum Field and the Vice President of Al Masar Leasing and Investment Co.



Mr. Faisal AbdulAziz Al-Jallal
Independent Board Member

Mr. Al-Jallal is the Chairman of the Board Audit Committee and Risk Management Committee. He has over 40 years' experience in the real estate sector. He is the Managing Director of Al-Baseet Trading Co. and Partner in Al-Jallal Real Estate Co. Mr. Al-Jallal holds a University Degree from Alexandria University.

Board of Directors



Mr. Ayman Abdulatif Alshaya
Non-Executive Board Member

Mr. Alshaya is a board member of the Alshaya group of businesses, a family company founded in Kuwait in 1890. He has over 30 years' experience in the general trade sector. He has been CEO of Trading Division in Alshaya Group since 1989 and is currently Chairman of Al Ahleia Insurance Company. Mr. Alshaya holds a Bachelor's Degree in Mechanical Engineering from Kuwait University.



Mr. Fahad Yaqoub Al-Jouan
Non-Executive Board Member

Mr. Al-Jouan has over 30 years' experience in the general trade and financial sectors. He is the Deputy Director General of the Al-Jouan General Trading & Contracting company as well as a Board member in the Chamber of Commerce and Industry of Kuwait, National Petroleum Services Co. (NAPESCO) and Vice-Chairman of the Public Authority for Industry and Al-Dorra Petroleum Services. Mr. Al-Jouan holds a Bachelor's Degree in Business Administration from Eastern Washington University.



Mr. Fouzi Ebrahim Al-Mukaimi
Non-Executive Board Member

Mr. Al-Mukaimi has over 30 years' experience in various sectors. He is Finance Manager at Kuwait Petroleum International since 2004. He previously held the position of Finance Director at KPIAC in UK, KP Italy and KP Thailand. Mr. Al-Mukaimi holds a Master of Professional Accounting from University of Miami, US and a Bachelor's Degree in Accounting from Kuwait University.



Mr. Adel M. Alghannam
Independent Board Member

Mr. Alghannam had over 25 years' experience in the general trade sector. He is the Board Member and Director Manager for Kapico Group Holding Co. since 2003 and Board Member of Al Ahleia Insurance Company. Mr. Alghannam holds Bachelor's degree in Business Administration, USA.

Board Committees

COMMITTED TO EFFECTIVE CORPORATE GOVERNANCE AND SOUND BUSINESS PRACTICES

Board Executive Committee

- Mr. Diraar Y. Alghanim
- Mr. Ayman Abdulatif Alshaya
- Mr. Fahad Yaqoub Al-Jouan

Nominations & Remuneration Committee

- Mr. Diraar Y. Alghanim
- Mr. Faisal AbdulAziz Al-Jallal
- Mr. Ayman Abdulatif Alshaya
- Mr. Fahad Yaqoub Al-Jouan

Audit Committee

- Mr. Faisal AbdulAziz Al-Jallal
- Mr. Fouzi Ebrahim Al-Mukaimi
- Mr. Adel M. Alghannam

Risk Management Committee

- Mr. Faisal AbdulAziz Al-Jallal
- Mr. Fouzi Ebrahim Al-Mukaimi
- Mr. Adel M. Alghannam

■ Chairman ■ Independent Director ■ Non-Executive Director

Our Statutory Auditors

Grant Thornton (Al-Qatami, Al-Aiban & Partners) and Deloitte (Al-Wazzan & Co.)

5. Financial Performance

2018 Performance Highlights

MARKAZ ASSETS UNDER MANAGEMENT FIVE YEAR HIGH OF KD 1.09 BILLION

Profit and Loss Highlights

KD 15.30 mn
Growth: (0.6)%
Total Revenue¹

KD 6.43 mn
Growth: (20.2)%
Return on Principal Investments

KD 8.93 mn
Growth: 22.3%
Management Fees & Commission

KD 7.21 mn
Growth: 9.5%
Asset Management

KD 1.72 mn
Growth: 140%
Investment Banking

KD 2.29 mn
Margin: 14.9%
Net Profit²

5 Fils
Growth: (44.4)%
EPS

Balance Sheet Highlights

2018 Cash dividend³ of 4 Fils per share; payout of 80.0%
2017 Cash dividend of 7 Fils per share; payout of 77.8%

Total AUM
KD 1.09 billion - Growth: 6.4%

Net Debt / Total Equity of 0.35x

Adjusted Return on Equity⁴ of 5.1%

Asset Management Fees Return of 0.66%

Return on Principal Investments of 4%

1. Total Revenue includes other revenues of KD (0.06) mn

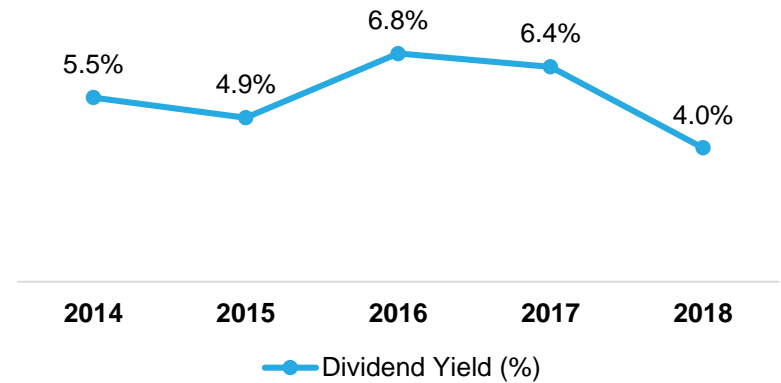
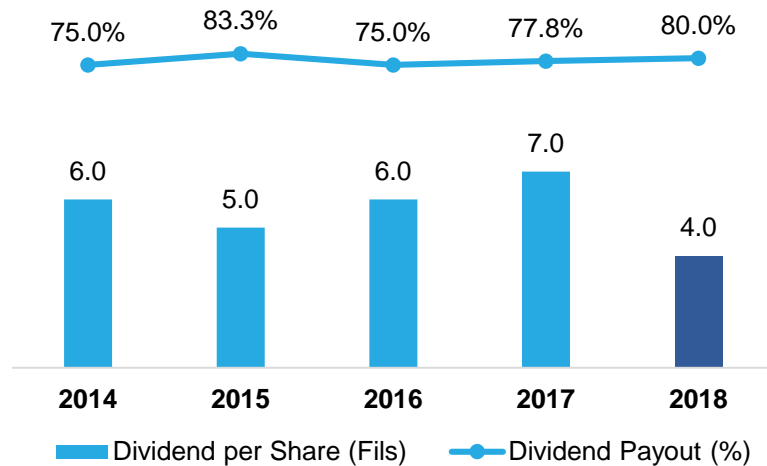
2. Net Profit attributable to parent company excluding non-controlling interest

3. Dividend per share proposed by the Board of Directors. The shareholders at the Annual General Meeting held on 02 April 2019 approved to pay dividend of 5 Fils per share representing 100% pay out ratio.

4. Return on Equity is adjusted for Impairment of Investment Properties of KD 2.34 mn

Dividend Profile

Consistent Dividend Pay-out and Yield Trend



2018 Dividends

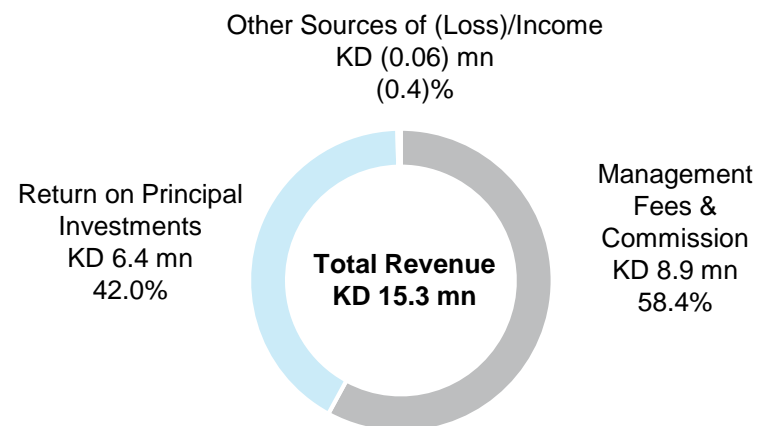
- Cash dividend of 4.0 Fils per share recommended by the Board. The shareholders at the Annual General Meeting held on 02 April 2019 approved to pay out 5 Fils per share.
- The proposed dividend for 2018 represents a pay-out of 80.0%. The dividend of 5 Fils per share approved by the shareholders at the Annual General Meeting held on 02 April 2019 represents 100% pay out.
- *Dividend Yield of 4.0% based on proposed dividends and 5% based on approved dividends

*Share price as of Dec 31, 2018 at 100 Fils

Profit & Loss Key Metrics

(KWD 000's)	Full Year		Y-o-Y
	2018	2017	Growth (%)
Management Fees and Commission	8,930	7,302	22%
Interest Income	679	722	(6%)
Dividend Income	1,493	1,283	16%
Gain from Investments at Fair Value through P/L	3,477	3,340	4%
Gain from Investments at Fair Value through OCI	5	0	nm
Gain on redemption/Sale investments	0	2,733	nm
Gain on liquidation of Subsidiaries	334	48	596%
Share of results of associate and joint venture	(77)	(153)	(50%)
(Loss) on sale of investment properties	0	(405)	nm
Net Rental Income	517	490	6%
Other Sources of (Loss)/Income	(57)	39	nm
Total Revenue	15,301	15,399	(1%)
Operational Expenses	9,368	8,293	13%
EBIT	5,933	7,106	(17%)
<i>Margin (%)</i>	<i>39%</i>	<i>46%</i>	
Impairments	2,335	1,292	81%
Financial Cost	1,747	1,502	16%
Contribution to KFAS, NLST, Zakat	204	335	
Net Profit	1,647	3,977	(59%)
<i>Margin (%)</i>	<i>11%</i>	<i>26%</i>	
Net Profit attributable to Parent Company	2,285	4,428	(48%)
Net Loss attributable to Non-Controlling Interest	(638)	(451)	
Earnings Per Share (Fils)	5	9	(44%)

2018 Income Analysis



Notes:

1. Management Fees & Commissions include Asset Management and Investment Banking Fees
2. Return on investments include investments in GCC & International Equities, Fixed Income, Real Estate, International Investments and Private Equity
3. Operational expenses had increased during 2018. This was mainly because of starting operational lease in some of income generating properties.

Balance Sheet Key Metrics

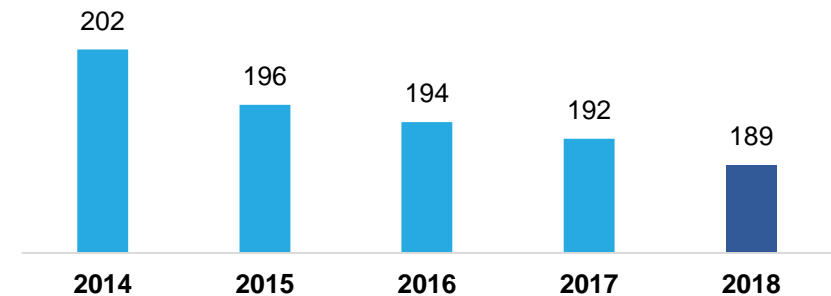
(KWD 000's)	Dec 2018	Dec 2017
ASSETS		
Cash and Bank balances	4,691	7,622
Time Deposits	2,565	1,430
Investments at fair value through profit or loss	92,674	49,498
Available for sale Investments	0	49,842
Debt instruments at fair value through other comprehensive income	427	0
Investments carried at amortized cost	6,998	0
Investment Properties	56,830	46,450
Accounts receivable and other assets	3,503	7,131
Loans to Customers	304	272
Investments in Associate and Joint Venture	3,651	3,231
Equipment	878	631
Total Assets	172,521	166,107
LIABILITIES and EQUITY		
Liabilities		
Accounts Payable and other liabilities	10,904	10,309
Bank Borrowings	22,565	17,516
Bonds Issued	25,000	25,000
Total Liabilities	58,469	52,825
EQUITY		
Equity attributable to the owners of the Parent Company	91,050	92,418
Non-controlling Interests	23,002	20,864
Total Equity	114,052	113,282
Total Liabilities and Equity	172,521	166,107

Asset Under Management

2018 AUM
KD 1.09 billion

2017 AUM
KD 1.03 billion

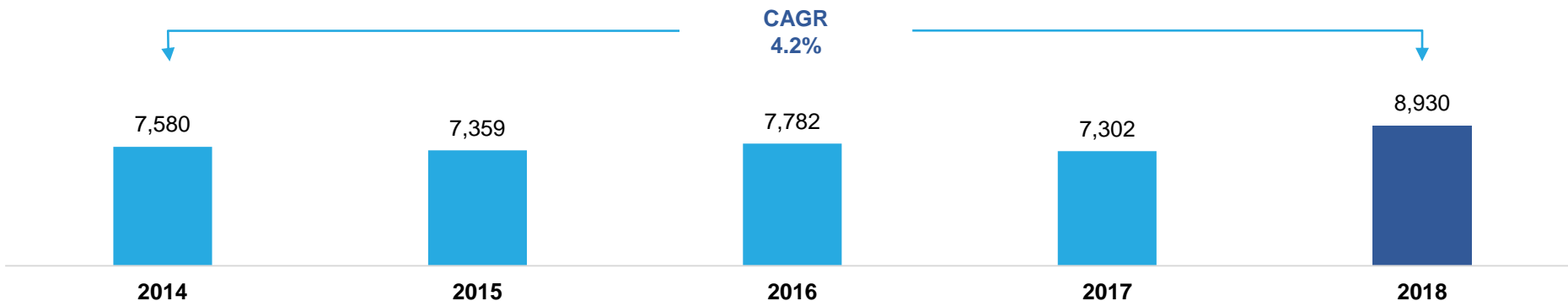
Book Value per Share (Fils)



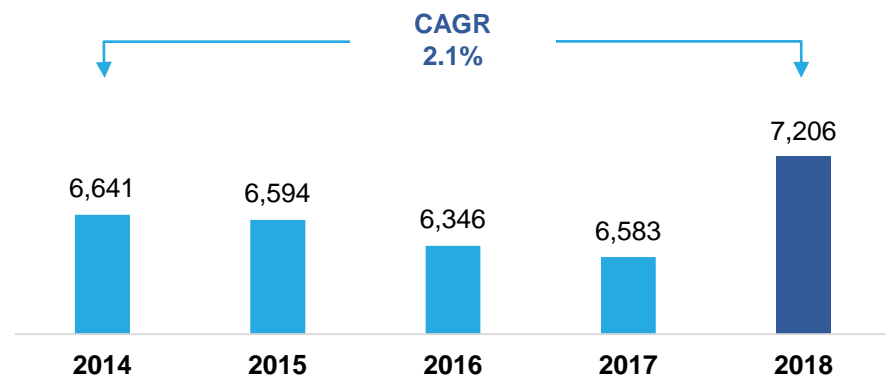
- Book value decreased 3 Fils per share due to payment of cash dividends in excess of total comprehensive income for the year 2018.

Asset Management & Investment Banking

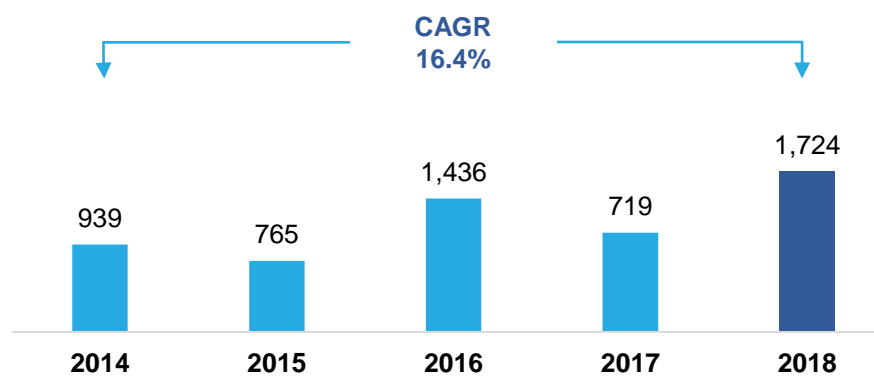
Management Fees & Commission (KD 000's)



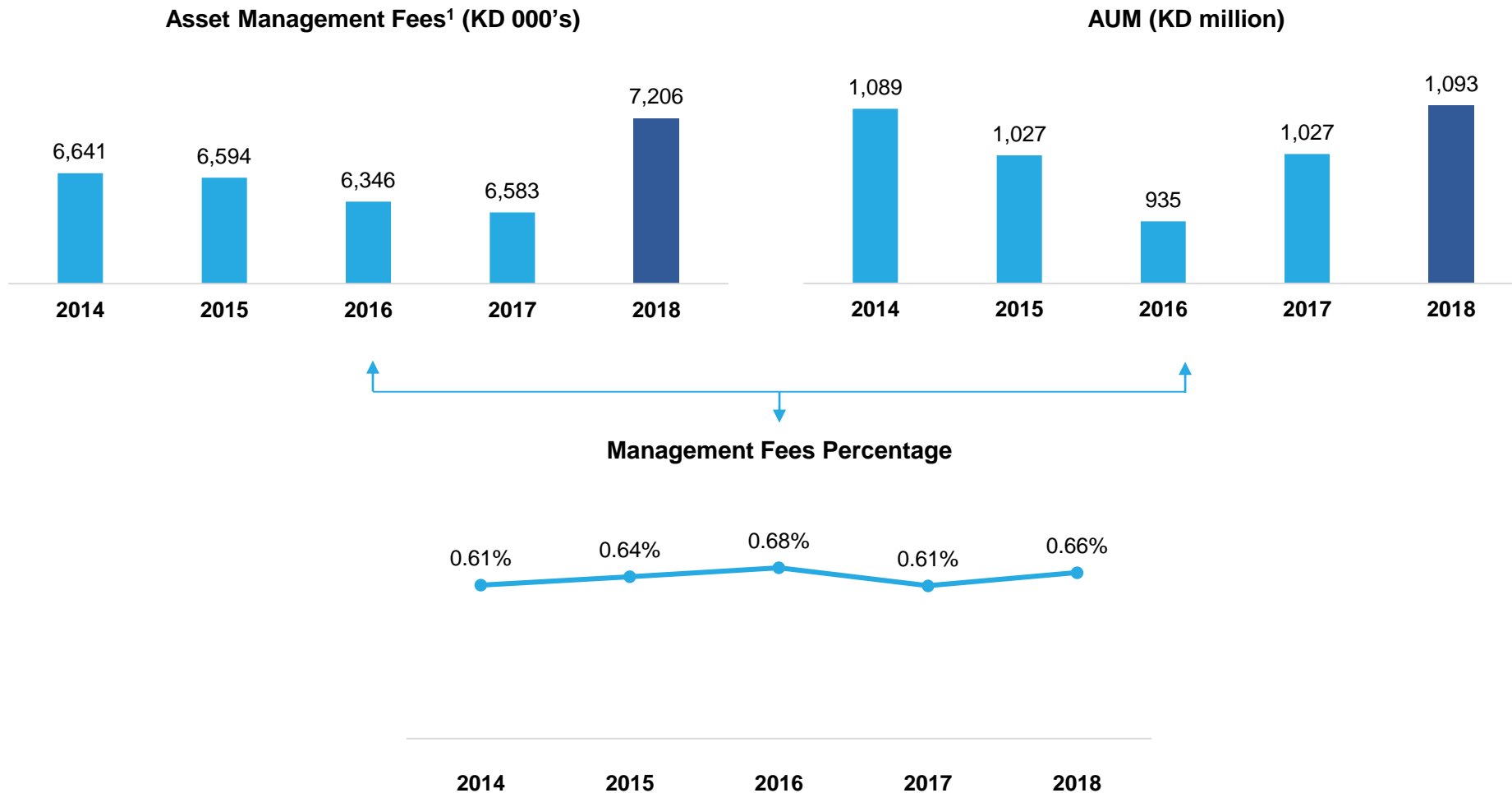
Asset Management Fees¹ (KD 000's)



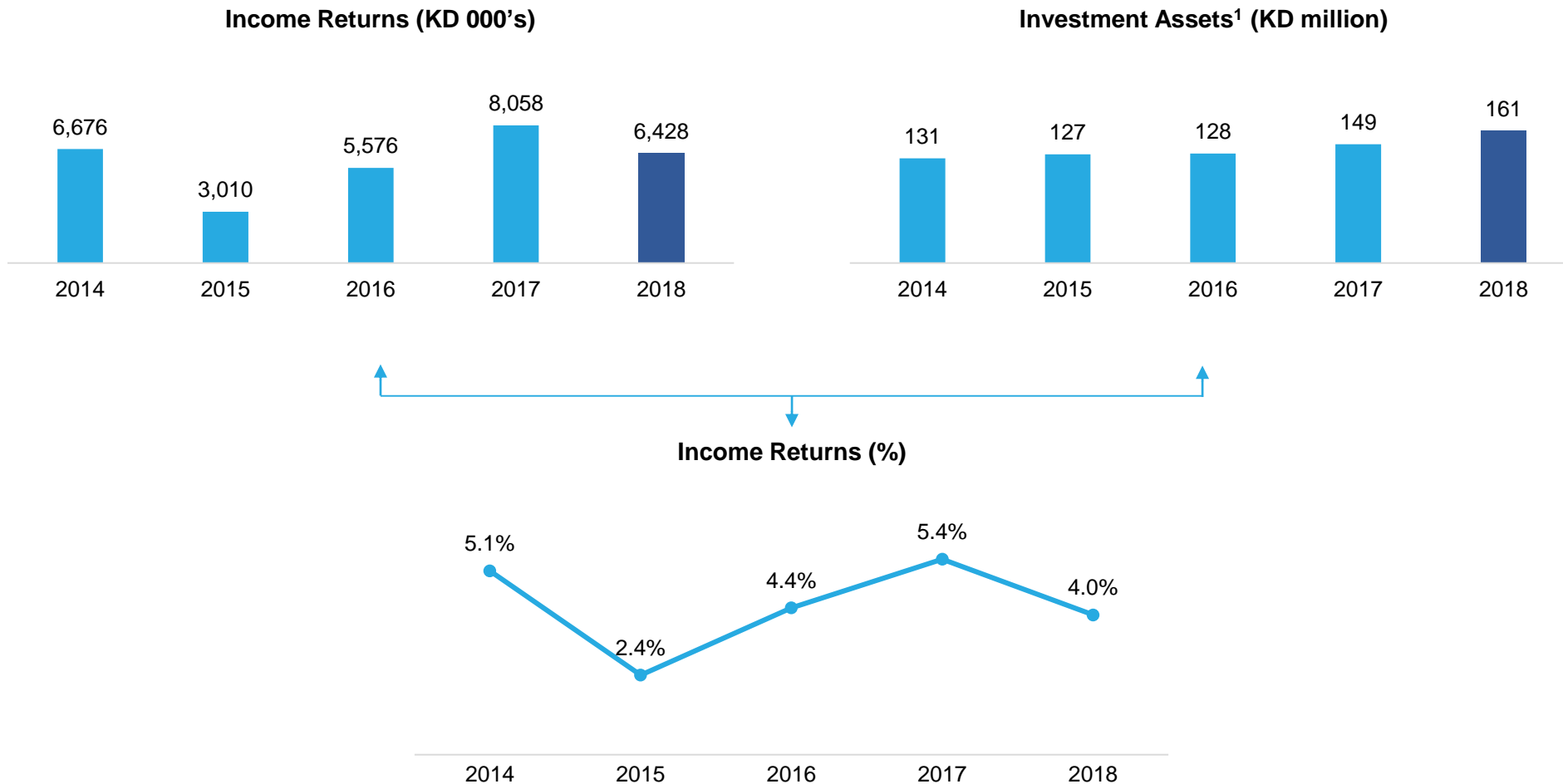
Investment Banking Fees (KD 000's)



Asset Management Fees Income

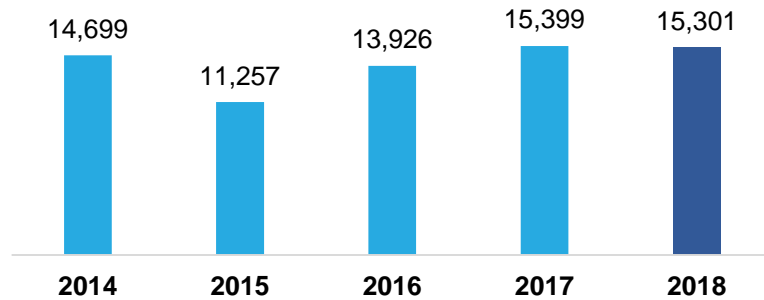


Return on Principal Investments

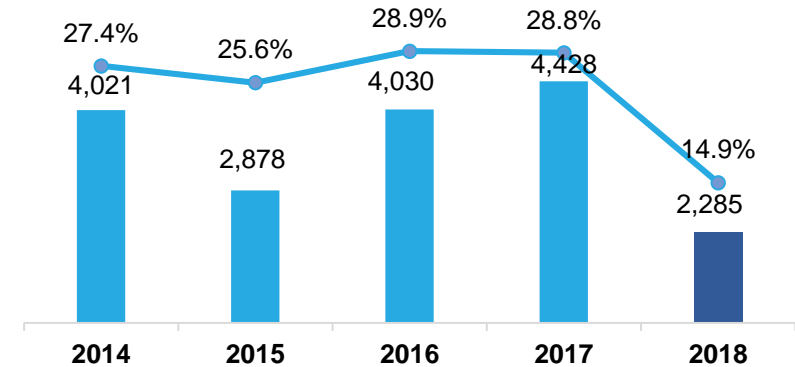


Annual Financial Trends

Total Revenue (KD 000's)

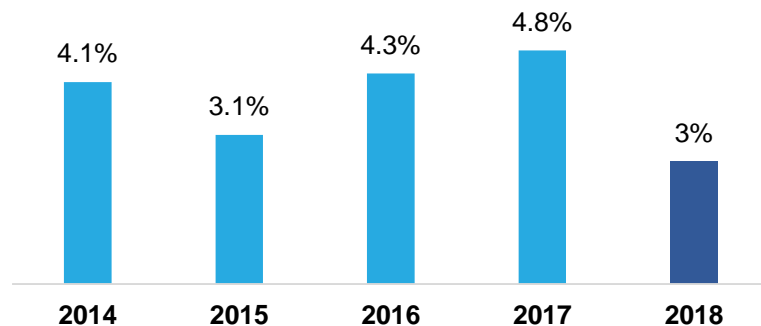


Net profit (KD 000's) and Margin (%)



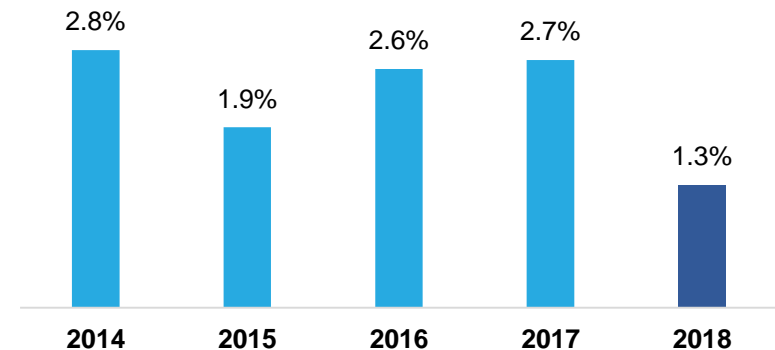
Net Profit attributable to parent company excluding non-controlling interests

Return on Equity¹ (%)



Return on Equity (%) = Net Profit attributable to parent company / shareholder's equity to parent company

Return on Assets² (%)



Return on Assets (%) = Net Profit attributable to parent company / Total Assets

1. Return on Equity of 2.5% is lower in 2018 due to Impairment of Investment Properties of KD 2.34 million, and when adjusted for Impairment of Investment Properties is 5.1%
 2. Return on Assets of 1.3% is lower in 2018 due to Impairment of Investment Properties of KD 2.34 million; and when adjusted for Impairment of Investment Properties is 2.7%

6. Corporate, Social and Economic Responsibility

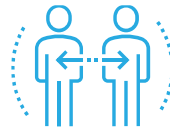
Community service & building a sustainable economy in Kuwait

In its constant endeavor to actively participate in community service and contribute to building a strong and sustainable economy in Kuwait, Kuwait Financial Centre “Markaz” adopted a corporate social and economic responsibility strategy aimed at fulfilling Markaz’s responsibilities towards the society and the national economy.

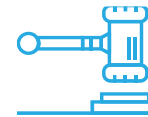
The strategy is founded on three main pillars, namely:



1. Building human capacity



2. Aligning our business environment with the principles of sustainable development



3. Promoting good governance in the business environment

Key Developments: CSER Initiatives

“Fikra” entrepreneurship program



Markaz is a proud partner of the set up the incubator “Fikra” program, an intensive training program that aims to empower a new generation of Kuwaiti entrepreneurs and provide them with the tools they need to develop their business ideas into successful established businesses.

Markaz in partnership with LOYAC



Committed to develop the human capabilities in the region, Markaz renewed its annual partnership with Loyac. The partnership focus on sustainable development of the youth in the Kuwaiti society to ensure they have the necessary skills to contribute to the national economy growth.

Supporting education in many aspects



Markaz also undertook a few initiatives in the field of education by sponsoring the 14th Annual Career Exhibition, organized by College of Business Administration, Kuwait University. Furthermore, Markaz also supported the Indian Community School in Kuwait.

Markaz partnership with AC Milan Soccer Academy



In the field of sports, Markaz continues its partnership with the Loyac AC Milan Soccer Football Academy, which has trained and developed the skills of hundreds of players during the past seasons.

Initiatives focused on health



In the field of health, Markaz has been a constant supporter of the Kuwait Children's Care in Hospitals Society (KACCH), the Children's Cancer Center of Lebanon (CCCL), the Kuwait Red Crescent Society, and the Hope Charity Foundation, supporting these organizations in helping the needy patients in Kuwait abroad

Markaz collaborates with Kuwait Banking Association (KBA)



The presentation was delivered by Mr. M.R. Raghu, EVP & Head of Research at Markaz and Managing Director of Marmore MENA Intelligence. Mr. Raghu talked about the current scenario of Kuwait banking industry and provided insights on the various trends that will determine the industry outlook.

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