

Innovation

Markaz reported KD 4.06m net profit in Q1-2021

PAGE 3

Khalil: economy diversification requires a holistic policy and non-banks can bridge the gap in risk-taking

PAGE 5

iGen - inspiring innovation and participation

PAGE 17



engage

Issue 18, Q1 2021

IN THIS ISSUE

- 3 Markaz News
- 10 Informed Opinion
- 16 CSR Activities
- 17 Markaz Family



EDITORIAL TEAM

Sondos Saad: Editor-in-Chief; **Khaled Almubarak:** Editor MENA Real Estate; **Ahmad Al-Shalfan:** Editor MENA Equities;
Rasha Othman: Editor Capital Markets; **Abdulrazzaq Razzoqi:** Editor Advisory; **Sadon Al-Sabt:** Editor International Real Estate;
Peter Kelly: Editor Human Resources; **Johny Al-Khoury:** Editor Information Technology;
Anu Abraham: Editor Compliance; **Velmurugan Natarajan:** Editor Risk Management

engage@markaz.com

Alghanim: unwavering support of executive management, employees and stakeholders steers Markaz through turbulent 2020

Markaz Annual General Assembly approves recommendation not to distribute profits for 2020.



Kuwait Financial Centre “Markaz” held its ordinary Annual General Assembly for 2020 on 22 March 2021, with an attendance rate of 72.75%. The Assembly approved the Board of Directors’ recommendation not to distribute dividends for shareholders and Board Members’ remuneration for the year ended on December 31, 2020, and to continue to monitor the impact of the pandemic on the business in the medium term.

Standing tall and resilient amid the pandemic

During his opening speech, Mr. Diraar Yusuf Alghanim, Chairman of Markaz, said: “The momentum seen in global financial markets at the start of 2020 dissipated with the onset of the health crisis, which rapidly morphed into a worldwide economic crisis in an unexpectedly short time frame. Markaz’s top priority during this period was to comply with the governmental health and safety regulations and to ensure the well-being of all our employees by quickly adopting a ‘work from home’ policy early in the year. We are proud of how our teams swiftly adapted to this new work style and demonstrated impressive ongoing dedication and commitment in servicing our corporate, institutional, and private clients”.

Overcoming challenges with minimal losses

Alghanim pointed out that despite these ongoing challenging market conditions, Markaz delivered relatively resilient financial performance underpinned by a strong rebound in the second half of the year, in spite of the net loss attributable to share-

Markaz swiftly moved to remote systems, continuously monitored market developments and adjusted portfolios to align with revised investment objectives

holders for the year that was contained to KD 1.72 million or negative earnings per share (EPS) of 4 fils.

In December 2020, Markaz successfully closed its KD 35 million 5-year bond issue through a private placement. Markaz also continued to maintain strict financial discipline across the firm, and to operate with a robust capital structure while ensuring that liquidity remained aligned to the near-term business needs and outlook.

Rising with business, environment and society

Alghanim emphasized Markaz’s continuing commitment to promoting a culture of diversity and inclusion in the workplace and maintaining strong and effective governance practices. He also added that despite the challenges wrought by the pandemic, Markaz remained closely connected and delivered high-quality advice to its clients. Alghanim also expressed his pride in Markaz’s achievements at winning prestigious awards in recognition of its performance and initiatives. In 2020, Markaz was named ‘The Best Investment Bank in Kuwait’ by Global Finance and EMEA Finance and won ‘The Best Asset Manager in Kuwait’ and the ‘Corporate Social Responsibility in the Middle East’ awards from EMEA Finance.

Prospects

Markaz looks forward to a positive performance in 2021 with the ongoing Covid-19 vaccination drive around the world leading to a faster recovery in business and economic activity, but remains cautiously optimistic as there is an ongoing need to closely monitor the course and impact of new Covid-19 strains in the near-term.

Ending his speech Alghanim thanked all regulatory authorities, including the Central Bank of Kuwait, the Capital Markets Authority and the Ministry of Commerce and Industry that have continued to provide Markaz with professional guidance and support during these challenging times. In addition, he extended his gratitude and appreciation to the clients, business partners and stakeholders who provided their unwavering support to Markaz. He also thanked Markaz’s former CEO, Mr. Manaf A. Alhajeri, who resigned on 29 October 2020, for his relentless efforts during his journey at Markaz, and affirmed his confidence that the Executive Management under the leadership of Mr. Ali H. Khalil, CEO, and the entire Markaz family will persevere to continue implementing its vision to be the partner of choice in wealth creation and preservation.

Strategic Initiatives

Mr. Ali H. Khalil, CEO, explained that Markaz swiftly moved to remote systems, continuously monitored market developments, and adjusted client portfolios to align with their revised investment objectives. To keep the clients

MARKAZ NEWS

CONTINUED FROM PG 3

Unwavering support steers Markaz through 2020

fully informed, Markaz launched a daily investment dashboard to monitor investments and assets across the world and the GCC, and report movements in a timely manner. Markaz further enhanced its internal control systems and used secured platforms to ensure the confidentiality and integrity of data.

Markaz looks forward to a positive performance in 2021 with the ongoing Covid-19 vaccination drive around the world leading to a faster recovery

Mr. Khalil emphasized that since its inception, digital transformation was one of the most important ongoing initiatives in line with the strategy of Markaz. Recently, Markaz implemented new solutions to enhance the customer experience from the start at the onboarding stage, through the entire investment journey. Mr. Khalil said: "The launch of our personalized investment app "iMarkaz" in February 2020 represents a major accomplishment in our efforts to service our clients better and cater to their evolving needs and expectations. The interactive digital platform allows investors to build their investment portfolios and connects them to Markaz relationship managers who will advise them further on how best to achieve their financial objectives. For our real estate business, Markaz launched an Online Resident Services portal, bringing a new level of convenience and comfort to our tenants. This platform fully automates the rental process efficiently and securely, including rent payment, maintenance requests, and lease management and renewals".

Mr. Khalil Added: "As a management team, our focus will remain on understanding our clients' dynamic needs; accordingly, improving our product and service offering, and identifying new suitable investment opportunities arising from the current market conditions. Our research-based approach is intended to anticipate trends and better position our clients' investments to meet their objectives".

Markaz reported KD 4.06m net profit in Q1-2021

Markaz reported total revenues of KD 8.23 million, compared to a loss of (KD 9.02) million for the same period in 2020, thus showing an increase of 191%. Markaz achieved a net profit of KD 4.06 million and earnings per share of 8 fils for the quarter ended March 31, 2021.



This clearly demonstrates the resilience of Markaz's business model and its ability to successfully respond to the market challenges of today

Mr. Diraar Yusuf Alghanim, Chairman stated: "I am pleased to report a significant improvement in revenue and profitability for a successive third quarter. This clearly demonstrates the resilience of Markaz's business model and its ability to successfully respond to the market challenges of today. We are proud of the dedication of our colleagues and particularly, our executive management for their exemplary professionalism. The year has started on a positive note with an upturn in economic activity and recovery across major global equity markets. However, the ongoing impact of the pandemic and its new variants pose a concern regarding the near-term outlook. Markaz continues to closely monitor the course of the

pandemic and management remains committed to taking necessary operating measures to mitigate business risks.

Mr. Ali H. Khalil, Chief Executive Officer stated: "Markaz reported Asset Management fees of KD 2.55 million in Q1 2021, an increase of 41% y-o-y and 23% on a sequential basis. Despite the difficult market conditions, Investment Banking fees increased by 10% y-o-y to KD 0.22 million.

Q1-2021 revenues were further supported by a 46% increase in net rental income to KD 0.89 million. Total revenues also include gains from investments at a fair value of KD 4.7 million as compared to a loss of KD 13.9 million in Q1 2020 due to the onset of the pandemic last year.

From a capital structure perspective, Markaz repaid debt of KD 5.05 million, reducing the firm's debt to equity ratio to 0.56x. On a further positive note, AUM at the end of the quarter was KD 988 million as compared to KD 979 million at the end of 2020."



Khalil: economy diversification requires a holistic policy and non-banks can bridge the gap in risk-taking

During Markaz's participation as the only non-banking financial institution in Global Finance's virtual roundtable.



We feel there is a positive tailwind for banks, retail with online shopping, Kuwait-centric hospitality and leisure, education, healthcare and technology

and business hotels will continue to face structural challenges. It is worth noting that, under the guidance of the Central Bank of Kuwait, the Kuwaiti banks played a very

supportive role and continued to provide liquidity to most sectors, which has substantially helped the economy during this crisis."

Speaking of the need for a comprehensive development plan to diversify Kuwait's economy and spur job growth, Mr. Khalil said that the country could accelerate diversification and benefit from it by promoting the growth of small and medium enterprises (SMEs). However, the environment can be improved to become more conducive for business formation. Demographics plays a determining role in diversification and business formation. The fiscal pressure will also lead to more reliance on privatization; this will be complemented with initiatives to promote job creation for the national workforce in that process.

Mr. Ali H. Khalil, CEO of Markaz, participated as a speaker at the 'Kuwait Banking and Finance' virtual roundtable, organized by the Global Finance magazine on 23 March, 2021. The roundtable gathered several prominent speakers and experts from the banking sector including Dr. Mohammad Y. Al-Hashel, the Governor of the Central Bank of Kuwait and leading Kuwait banks' Chief Executive Officers to discuss the impact of the pandemic on Kuwait's economy, the transformation of digital banking services, and the country's economic development plan. Markaz participated as the only non-banking financial institution in the roundtable.

While addressing the roundtable, Mr. Khalil said that the lockdown and mobility restriction measures necessitated by the Covid-19 pandemic led to a significant loss of productivity in nearly all sectors including banking, causing profound business and economic implications.

He stated: "Importantly, we see Kuwait's business environment has become more inward-looking, providing favorable opportunities for local businesses in the leisure, hospitality, education, and healthcare sectors as restrictions on cross-border travel continue. The impact from Covid-19 has been substantial, but much better than what we expected. Overall, if we look at corporate earnings of 2020, those of listed companies were down by approximately 60% year-on-year; with banks earnings lower by 50%. The biggest losers were real estate and financial services, whereas telecom fared reasonably well, declining by 25% only."

Sharing his thoughts on economic recovery, Mr. Khalil said: "We feel there is a positive tailwind for banks, retail with online shopping, Kuwait-centric hospitality and leisure, education, healthcare, technology and enablers to rebound faster, while commercial and residential real estate, general contracting, outbound hospitality,

He pointed out: "Non-banks can play a very positive role in the diversification of the economy. The banking system in Kuwait is understandably risk-averse; regulators continue to favor prudence and are likely to stay the course for as long as assurances on deposits remain in effect. Added to that, interest rate caps drive Kuwaiti banks towards lower-risk borrowers; it just does not pay to take the risk. Well capitalized non-banks financial institutions can venture into higher-risk financing such as equity, quasi-equity, and debt financing. For example, private debt funds have ballooned in the developed markets and substituted banks in funding the private equity and venture capital sectors. Non-banks can also be very helpful under tougher fiscal conditions. We see a built-up of receivables in some sectors. New products, such as factoring, can provide liquidity to these sectors, allowing them to grow, while providing investors in Kuwait with income-generating instruments. Long-term mortgages, if properly regulated, can energize the housing industry. Furthermore, if mortgages were to be securitized, they can provide investors in Kuwait with instruments to invest in."

In conclusion, Mr. Khalil said that "diversification requires a holistic policy, starting with talent building, legislations, regulation, and financing all working in concert. In that equation, the banking sector is way ahead of the other sectors, and non-banks can bridge the gap in risk-taking."



“Astute management and sound investment decisions drive Markaz’s differentiation and competitive advantage”

In an interview with Al-Rai daily, Amani Ibrahim Al-Omani, Managing Director, MENA Equities at Markaz, examines pandemic-induced trends in economies and markets.



1 First, what is your assessment of the stimulus and relief schemes launched by the government in the face of the repercussions of the Covid-19 pandemic? And how do you think it will reflect on the financial market? Is Kuwait in dire need of a bonds’ and sukuks’ market, and to regulate debt instruments amidst talks about the possibility of borrowing?

The government has pursued a set of economic stimulus initiatives to confront the ramifications of the Covid-19 pandemic. Most notably, stimulus measures are taken by the Central Bank of Kuwait to raise liquidity levels and cut the discount rate to a historic low at 1.5%, which led to reducing the cost of financing for borrowers. The government also approved a

The most important lessons learned from the pandemic are that companies with strong financial assets and seasoned management teams can adapt to crises

6-month moratorium period on bank loans.

Concerning the need for regulating the bonds’ and sukuks’ market, Boursa Kuwait plans to create an online trading platform for bonds and sukuks issued by corporates and government institutions. Certainly, having a regulated market for trading these financial instruments will allow fair pricing, reduce the cost of trading, and offer more liquidity; thus providing investors with low-risk and income-generating investment instruments, and also providing long-term financing instruments for projects and companies.

2 Has Boursa Kuwait become the only suitable investment pool for investors, or are there alternatives that you would like to highlight? Further, how do you assess Boursa Kuwait after global institutions became a primary partner in the capital of many operating companies?

The local investment pools at hand are mainly the stock market (Boursa Kuwait) and the real estate market, while alterna-

tive investments channels such as private equity and venture capital in technology, education, health care, and other sectors that have been boosted by the Covid-19 pandemic, are also available. However, what distinguishes the stock markets is the fair pricing and the liquidity that results in ease of entry and exit. I would also like to highlight that despite the stimulus package and the moratorium period on bank loans and low interest rate, the liquidity levels did not increase at Boursa Kuwait.

It is worth noting that the global institutions, as main partners in the capital of some listed operating companies, have institutionalized trading as liquidity channeled towards the high-performing stocks in terms of their valuations, business and activities. This also contributes to enhancing transparency.

3 How did Markaz address Covid-19 and to what extent are you affected by its repercussions? What are the lessons learned from this crisis? Also, what is your policy regarding balancing the activity of managed portfolios?

In light of the uncertainty and fluctuations in the markets as a result of the Covid-19 crisis, we at Markaz have maintained a high level of liquidity while selectively targeting the sectors and stocks benefiting from the pandemic, and then investing the available liquidity in those



sectors and stocks that can benefit from a post-pandemic boom. However, the markets were proactive, and their movement exceeded expectations. It was projected that the impact of the crisis would take a heavy toll on companies, affect investor demand and last for a longer period of time, but the introduction of stimulus packages in various countries of the world, especially in major economies such as the USA, China and in Europe encouraged investment in stocks, especially with the low yields of bonds. There was rapid response and proactive movement of investors towards stocks in companies benefiting from the recovery.

The most important lessons learned from the Covid-19 pandemic are that companies with strong financial assets and professional seasoned management teams can adapt to crises and deal with challenges in a stronger and faster manner and thus such companies, under exceptional circumstances, will definitely be among the best options for an investment manager. For example, some companies were able to report historical profits by significantly reducing costs at the beginning of the crisis compared to competitors and taking advantage of technology to maintain the momentum of their operations and revenues, thus their shares reported high returns compared to the market.

For example, one of the real estate companies was also able to exit from its investment at the highest prices during this crisis thanks to its capable management team despite the challenges that hit the sector, and as a result, its share reported the highest returns throughout the year.

In short, what lures investors is the companies that have capable well-seasoned management teams that strive for success and outperform the market.

4 Your company enjoys an influential position in the capital market. Can you tell us more about your investment objectives during 2021 regarding the GCC markets (please specify the ratio of each market separately, given the size of your affiliated and managed investment portfolios)?

With regard to our investments in the GCC markets, the weight of investments in the Saudi market is 50%, the Kuwaiti market 20%, the UAE and Qatar markets 13%, and 2% in Bahrain and Oman. The focus is on stocks benefiting from the recovery, with a special emphasis on the petrochemicals and basic materials sector.

With regard to our investments in the GCC, the weight of investments in Saudi is 50%, Kuwait is 20%, the UAE and Qatar markets 13%, and 2% in Bahrain and Oman

The expansionary fiscal policy embraced by China contributed to the rise in these sectors, and we expect this rise to continue in the medium term. The petrochemical sector in the Gulf region benefits from the relative stability of production costs unlike production costs overseas, thus maintaining higher profit margins.

As for construction materials and cement, narrowing the gap between supply and demand as a result of mega projects undertaken in Saudi Arabia will contribute to increased prices that have been pressured since the drop in oil prices in late 2014.

At Markaz, we also focus on banks with greater exposure to retail and mortgage in Saudi Arabia. We rely on a highly qualified team of analysts from different investment sectors, who tap into rewarding investment opportunities by going through in-depth research of each sector separately and target the best companies in terms of returns or their business models that rely on technology, thus the ability to outperform their competitors in the future. We offer investment solutions that mainly focus on these options and have a limited number of stocks.

5 What is the size of the investment assets managed by Markaz locally and overseas?

The size of assets under management (AUM) at Markaz amounted to KD 979 million as of the end of 2020.

6 Are there new instruments the company is planning to roll out for the market and its customers?

We are keen to constantly diversify our products and services to meet the aspirations of our clients. In addition to managing several high-performing investment funds, which vary in terms of investment strategies that aim at providing diversity to investors and managing customers' portfolios, we recently launched two new investment products, one of which focuses on providing cash dividends to investors, while the other focuses on investing in select opportunities.

The select opportunities portfolio, for example, focuses on a limited number of shares that we believe will outperform

the market thanks to their competitive advantage in the sector, their solvency and the optimistic projections of our team of analysts.

With the price of petrochemical products rising due to increasing global demand, we believe that companies with fixed costs and lower debt will benefit more than those with relatively variable costs. We are currently considering new instruments and other innovative products.

7 What message do you have to attract the investment community and the investors? Can you provide margin services or finance the purchase of shares for customers?


As I mentioned earlier, what differentiates us is the professional management of investments and the sound investment decisions that are made by our teams in the financial sector who enjoy a vast experience that qualifies them to seize the optimal investment opportunities for customers.

At Markaz, we view our customers as our partners. In addition to being an asset manager, we put their interests first and understand their investment aspirations and strive to meet them by offering them realistic and sustainable returns. We are keen to provide our customers with unique investment opportunities in various investment sectors, in addition to offering innovative investment solutions and instruments built on a strong foundation of research and financial analysis to meet their investment goals.

8 Speaking about the market's sectors, what do you think are the best investment opportunities for attracting liquidity? (Please list, in order, more than one sector)

There are multiple investment opportunities across several sectors in Kuwait that have benefited from the Covid-19 crisis such as the retail sector, especially furniture, electronics, and delivery companies, yet they are not listed in the Kuwaiti market.

Despite the challenges of the financial situation in Kuwait, we see many opportunities in the banking sector, which is expected to benefit from high interest rates in the medium term and from the new legislations expected to be issued, such as mortgage and financing residential real estate for individuals.

Moreover, we see promising opportunities in the basic materials sector that will benefit from the high prices of oil and petrochemicals, as well as the 

MARKAZ NEWS

CONTINUED FROM PG 7

Astute management and sound investment decisions

education sector, which trades at low prices, despite the attractive demographics in Kuwait and its young population. Also, our investment choices may be more limited to specific companies and not to the sector due to their outstanding performance.

9 What is your assessment of the role of the market maker in Boursa Kuwait, and have the companies that provide this service started to add value to the stock market, or does this need more time? Are you pursuing a market maker license from the Capital Markets Authority (CMA)?

The market-making experience is still fresh in Boursa Kuwait and we need more time to evaluate it. There is market making on two types of shares, the first is the liquid shares where the market maker makes a return through the spread between bid and ask prices, and the other type is market making on a passive/illiquid stock to improve its liquidity level. The market making may need to allocate more capital to improve it.

At Markaz, we have already obtained a market-making license, and we are currently working with some institutions to provide this service to them. Being one of the largest and most prestigious asset management companies in Kuwait and the region, and having extensive experience in the financial markets, will enable us to offer the best level of market maker services.

We at Markaz have invested in the best global systems and programs to enhance transparency and offer market maker service in a manner that does not conflict with the interests of the customer, while creating added value to the market through providing liquidity to investors, thus facilitating exit from their positions and maximizing customer profits by obtaining suitable profit margins.

10 What is your assessment of the Boursa Kuwait developments post-privatization? Do the currently available instruments meet the aspirations, or does the market still need more of such instruments?

After it underwent a privatization process, Boursa Kuwait played a key role toward restoring local investors' confidence

through developing the infrastructure, while enhancing transparency and diversifying products and instruments, not to mention seeking more company listings that can create greater momentum for the market, especially government and family companies. The financial instruments vary to include listing of rights issues, market making, securities lending and borrowing, margin trading, ETFs, hedging instruments and derivatives, the dual listing of funds, listed real estate funds (REITs), and the bonds and sukuk trading platform. The efforts made to attract foreign capital after meeting the requirements for inclusion in global indices like MSCI and FTSE confirm the success of Boursa Kuwait. The instruments available now are appropriate and need to be further activated.

At Markaz, we have already obtained a market-making license, and we are currently working with some institutions to provide this service to them

11 Is speculation still an important part of the market? Or did it disappear under the CMA supervision on speculative activities?

Speculation is still present and available, however, the wrong practices of manipulation and creating an illusion in trading have disappeared, especially on stocks that suffer deteriorating financial performance and do not have strong fundamentals. The speculation in the market is acceptable but the type of stocks on which speculation is carried out is what must be considered.

12 What is your assessment of the delay in rolling out significant investment instruments such as margin, margin trading, netting, ETFs, etc.? Are these instruments suitable alternatives for boosting the market? Or does the market need other instruments that you would like to have?

Rolling out other instruments is important to enhance liquidity and allow investors to utilize such instruments in line with their vision and expectations of the market's trends. The immediate cash settlement throughout the day and the settlement between positions is substantial. It raises trading limits, makes faster and more optimal use of liquidity, expands the trading base and, most importantly, is in line with the practices applied in global markets.

13 There is a significant segment of investors who are leaving Kuwait in search of favorable opportunities for their goals despite the several opportunities in the country, how do you explain that?

This phenomenon takes place due to the scarcity of investment opportunities. Investors seek the best returns, whether in their country or overseas. This is associated with the existence of rewarding investment opportunities within a promising economy resulting from an integrated program managed by a professional team. We believe that one of the most reliable ways to preserve local capital is privatization that provides an investment channel for citizens and creates job opportunities, but also provides a financing instrument for the country away from tapping into reserves or borrowing for plugging deficit.

14 How important has Kuwait become after the promotion and the inclusion in the emerging market indices? and what are the requirements of the regulatory authorities in the capital market in light of the promotion in the world's top three indices?

The promotion to emerging markets contributed to passive foreign flows to Boursa Kuwait. However, it is equally important to attract and sustain active foreign inflows, which need incentives beyond market promotion, such as having an inclusive economic outlook, an improved operating environment, and a greater representation of economic sectors in Boursa Kuwait.

It is worth noting that rewarding investment opportunities will contribute to attracting active foreign flows such as what happened with Human Soft Company throughout the past five years, which witnessed a demand from the foreign investors who ended up owning more than 50% of the company's capital. Human Soft was a promising investment opportunity over several years that attracted active foreign flows. Clearly, attracting active foreign flows contributes to improving liquidity and boosting the prices of promising stocks.

The relentless efforts made by Boursa Kuwait to list oil companies and family companies while adding value to the market for boosting the national economy will equip the market for the next stage of growth.

15 Do you agree with the requests for "cleaning up" the market by excluding companies with poor financial conditions or

companies that are still suffering accumulated losses and in which the shareholders' equity has evaporated? Also, do you think that such companies listed on the Boursa Kuwait pose a danger to dealers?

The Capital Markets Authority (CMA) has set an appropriate mechanism for companies that suffer from accumulated problems, such as those that have lost 50% and 75% of their capital. The CMA set a timeframe for those companies to get settled. The procedures approved by the CMA are suitable for dealing with these types of companies.

16 Do you see attractive operational opportunities in Boursa Kuwait for acquisition deals, and what are the suitable sectors for that? Please clarify these opportunities without mentioning the names of the companies.

There is room for merger and acquisition deals in certain sectors, such as the banking sector and the financial services sector. This opportunity is aimed at creating larger, stronger, and more effective entities, while boosting their performance.

17 What is the pace of listings on Boursa Kuwait, and do you agree with the efforts of the Capital Markets Authority regarding the link between underwriting and listing within a few days after the IPO? Is there room to accommodate family and government public shareholding companies, or is time not yet appropriate for that?

The market is chomping at the bit for quality listings, therefore any time is a good time, as these listings are an added value. The quality listing gives greater exposure to the local economy so that the sectors of the national economy have a greater representation in the market that reflects the economy in general. Undoubtedly, the market is not only accommodating but also needs more family and government businesses.

The link between underwriting and listing during a limited period is substantial in attracting citizens to subscribe to the IPOs offered by the government and represented by the Kuwait Authority for Partnership Projects and Kuwait Investment Authority, which undertakes the underwriting on behalf of citizens and protects them during the operating period, then sells the shares at nominal value to the citizens and lists them for the benefit of the citizens.

MARKAZ NEWS

Markaz wins award for Kuwait's 'Best Investment Bank' for 2021

Markaz was recently named the 'Best Investment Bank in Kuwait' for 2021 by New York-based financial magazine Global Finance for the tenth time in 11 years. The award follows the results of its exclusive annual survey, which are scheduled to be published in the magazine's April issue.



Markaz topped the list of the most distinguished investment banks in Kuwait, based on international standards. The criteria for selection included the quality of service, volume of transactions, market share, pricing, and innovative transactions.

Markaz takes pride in winning the award, which is a tribute to its leading position in the market and the excellence of its products and services. Since its inception, Markaz has won more than 50 investment banking and asset management awards from several esteemed international institutions.

The fact that Markaz won the "Best Investment Bank in Kuwait" award for the tenth time in 11 years reflects the exceptional quality of our investment banking team; especially in the areas of advisory and capital markets. It is the result of its strong commitment to provide its clients with the best quality service and to deliver on what it promises under all circumstances. This has earned Markaz the trust of its clients and the notable appreciation it gets from local and international partners.

Despite the challenges faced by regional markets during previous years, Markaz has earned the reputation of being one of the most reliable investment institutions due to its consistent performance throughout the years. This reflects the strength of the company's research-driven culture in decision-making. Markaz offers full-fledged services in asset management, investment banking and real estate.

Markaz's Asset Management offering includes regional equity and fixed income mutual funds, and portfolio management. Its real estate activities include managing real-estate funds, direct real estate investments, and real estate development covering the GCC, Europe and the USA. Also, its Wealth Management team offers global asset allocation investments for family offices and institutional clients. Markaz Investment Banking solutions encompass issuance of debt and equity, advising corporate clients on dispositions and acquisitions, and debt and capital restructuring.

That Markaz won 10 times in 11 years reflects the exceptional quality of our investment banking team; especially in advisory and capital markets

The Global Finance magazine awards are considered a benchmark for excellence by the worldwide finance community, as the magazine's editorial staff make their decision after extensive consultations with banking experts as well as financial managers and analysts from around the world. The award is based on multiple criteria related to growth in assets, profitability, geographical reach, strategic relationships, development of new business, product innovation, reputation, customer satisfaction, and opinions of analysts and other players in this sector. Top financial institutions that successfully meet these criteria are recognized as the most attractive companies for clients around the world.



Markaz: issuances by GCC sovereign entities soar 25% amid growing budget deficits ensuing from Covid-19 and lower oil prices

Record-setting Bonds and Sukuk primary issuances in GCC see value rising 16% to USD 132.7 billion in 2020.

Markaz's recent research report, titled "GCC Bonds and Sukuk Market Survey 2020," highlighted the trends pertaining to Bonds and Sukuk primary issuances in the GCC region during the past year. The report showed that despite the double blow of the outbreak of Covid-19 and the subsequent decline in oil prices, primary debt issuances set a new record for the total value of issuances raised in one year.

GCC Bonds and Sukuk Market

The Bonds and Sukuk market in the region consists of Bonds and Sukuk issued by governments or corporations for financing purposes and are denominated in either local or foreign currencies. Primary issuances of Bonds and Sukuk amounted to USD 132.7 billion during 2020, marking a growth of 16% year-on-year from USD 114.2 billion raised in 2019. The implications of Covid-19 have resulted in added strain on regional economies in terms of growing budget deficits and tightening liquidity. Moreover, the total number of primary issuances during last year totaled 360, compared to 409 issuances during the same period in the previous year.

Geographical Allocation: UAE-based issuers led the GCC Bonds and Sukuk market during 2020, raising a total of USD

The implications of Covid-19 have resulted in added strain on regional economies in terms of growing budget deficits and tightening liquidity

48.5 billion, or representing 37% of the total value raised in the GCC, through 195 primary issuances. Saudi Arabia followed with 32% and Qatar with 18% of the total value raised. Moreover, Kuwaiti entities raised a total of USD 4.6 billion, representing 3% of the total value raised during the year.

Sovereign vs. Corporate: Sovereign issuances by GCC entities amounted to USD 66.3 billion during 2020, up 25% year-on-year from USD 52.9 billion raised during 2019. Corporate issuances, on the other hand, amounted to a total value of USD 66.4 billion during the past year, an increase of 8% year-on-year from USD 61.3 billion raised during the previous year.

Conventional vs. Sukuk: Conventional issuances increased during 2020 by 10% year-on-year, where a total of USD 93.4 billion was raised in 2020, representing 70% of the total value of primary issuances in the GCC. On the other hand, Sukuk issuances increased

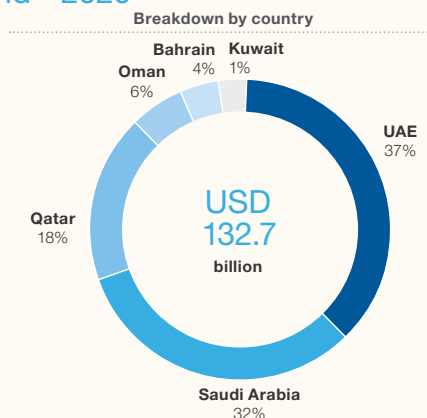
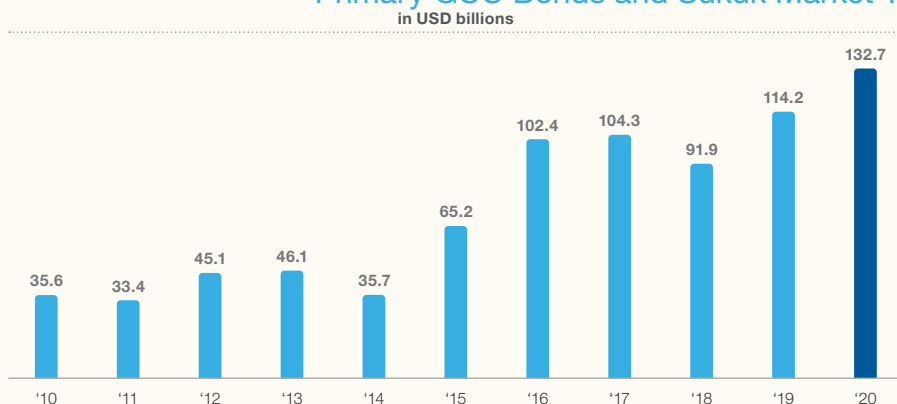
by 35% year-on-year to reach USD 39.3 billion during 2020 and representing 30% of the total value of issuances, compared with USD 29.1 billion raised during 2019.

Sector Allocation: The Government sector accounted for the largest amount of primary debt issuances by value, raising a total of USD 66.3 billion, or 50% of the total value of issuances in the GCC during 2020. The Financial sector was second in its contribution to the total value of primary issuances in the region, raising a total value of USD 47.4 billion and representing 36% of the total market.

Maturity Profile: Issuances with tenors of 5-10 years dominated the GCC debt capital markets by total value, raising a total of USD 42.8 billion, or 32% of the total value of issuances, through 130 issuances. Issuances with tenors of 10-30 came in second with a total value raised of USD 36.2 billion through 66 issuances.

Issue Size Profile: The size of GCC Bonds and Sukuk issuances ranged from USD 5 million to USD 5 billion. Issuances with principle amounts greater than or equal to USD 1 billion raised the largest amount totaling USD 89.9 billion, representing 68% of the total primary issuances.

Primary GCC Bonds and Sukuk Market Trend - 2020



Currency Profile: US dollar-denominated issuances led the GCC Bonds and Sukuk market in 2020, raising a total of USD 102.6 billion or 77% of the total value of issuances, through 203 issuances. The second-largest issue currency was the Saudi Riyal (SAR), where issuances in SAR raised a total of USD 17.7 billion or 13% of the total value of issuances in the GCC, through 13 issuances.

Rating: In terms of value, a total of 70% of GCC Conventional and Sukuk bonds were rated as Investment Grade during 2020 by either one of the following rating agencies: Standard & Poor's, Moody's, Fitch and/or Capital Intelligence.

Issuances with tenors of 5-10 years dominated the GCC debt capital markets by total value, raising a total of USD 42.8 billion, or 32% of the total value

Listing: During 2020, 234 issuances of a total of 390 issuances of Bonds and Sukuk were listed, equivalent to USD 123.7 billion. London Stock Exchange is the listing exchange with the greatest traded value of GCC primary issuances during 2020 totaling USD 58.1 billion through 100 issuances.

Bonds and Sukuk Total Amount Outstanding in the GCC: As of 31 De-

cember 2020, the total amount outstanding of Corporate and Sovereign Bonds and Sukuk issued by GCC entities was USD 648.5 billion. Government issuances made up 57% of the total amount. The Financial sector led the Corporates with 23% of the total amount.

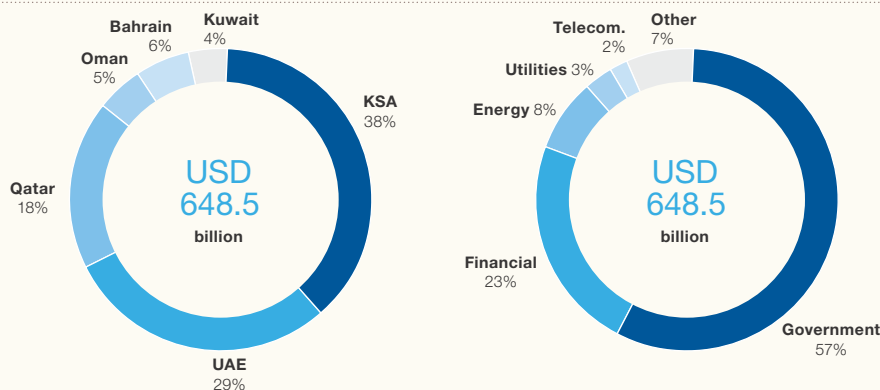
Of the amount outstanding as of 31 December 2020, USD 248.1 billion, or 38%, were issued by Saudi Arabian entities. Bonds and Sukuk by Kuwaiti entities accounted for only USD 25.1 billion, or 4% of the total amount of outstanding debt in the GCC.

GCC Central Banks Local Issuances: GCC Central Banks Local Issuances are comprised of short-term issuances by GCC Central Banks primarily to regulate levels of domestic liquidity and issued in local currency. During 2020, the Central Banks of Kuwait, Bahrain, Qatar and Oman raised a combined total of USD 48.1 billion (other Central Banks in the GCC do not provide regular and publicly available information on such issuances).

The Central Bank of Kuwait was the largest issuer, raising a total value of USD 28.4 billion during 2020, followed by the Central Bank of Bahrain with a total value of USD 13.7 billion.

Outstanding GCC Bonds and Sukuk Issuances - 2020

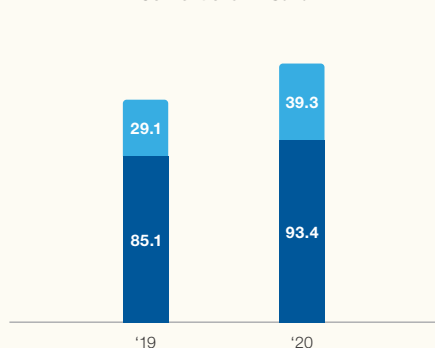
Total value breakdown by country



Conventional vs. Sukuk

in USD billions

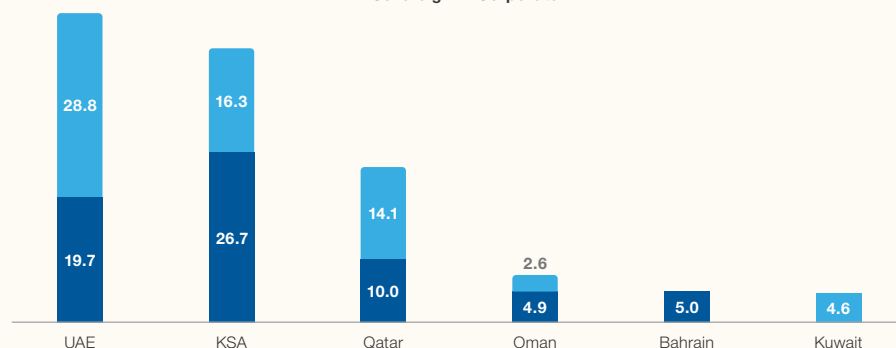
■ Conventional ■ Sukuk



Sovereign vs. Corporate by Country

in USD billions

■ Sovereign ■ Corporate



Disruption within the IPO space: what new trends mean for issuers

By: Abdulmohsen S. Al-Mudhaf, Assistant Analyst, Investment Advisory

The route for companies to go public has never been more accessible. Moreover, the process itself has never been easier. Today, 'going public' is not as time-consuming as it may have been in the past and the associated costs have also been dramatically decreased in line with the global theme of an overall fee reduction.



Traditionally, companies went through a process in regular IPOs whereby the intended listed company would round up some investment bankers and go on a roadshow along with some of the company's executives, during which they would meet with investors in different cities to foster interest in the deal. At the end of the process, bankers set the initial offering price for the shares (they typically set the price a little below what the market will bear and, if everything works as hoped, this ensures the shares jump on the first day of trading, handing the banks' investor customers a quick return). This ends up being beneficial for both banks and their institutional investor clients who took on risk by buying shares in the IPO. However, the money ultimately ends up coming out of the pocket of the issuing company's founders and other early investors. Sounds tedious and intricate? That's because it actually is, and it is for this same reason that companies have opted for alternative methods over the course of the last 5-6 years.

One of those aforementioned methods is to go through what is called a direct listing. They turn out to be an attractive alternative for some issuers because there is no roadshow, the fees are lower, and the offering price gets set on an exchange, not by investment bankers. Spotify, as an

example, was one of the pioneers of direct listings when it opted to do so in 2018. The messaging service Slack followed in 2019. With that being said, and despite the buzz around this kind of fundraising, there had not been a direct listing in more than a year as of September 2020. That changed shortly after, however, with the listing of corporate software maker Asana along with Palantir.

Direct listing is an attractive alternative for some issuers: no roadshow, lower fees and the price gets set on an exchange, not by investment bankers

In 2020, we saw the rise of an incredible phenomenon in the pre-IPO market through SPACs. This method through which companies go public entails going through a blank check company called a SPAC (Special Purpose Acquisition Company), which aims to simplify the overall process for the listed companies. According to the U.S. Securities and Exchange Commission (SEC), a blank check or Special Purchase Acquisition Company is a "development stage company that has no specific business plan or purpose or has indicated its business plan is to engage in a merger or acquisition with

an unidentified company or companies, other entity, or person.

These companies typically involve speculative investments and often fall within the SEC's definition of penny stocks or are considered microcap stocks." These deals appear to work in reverse. A SPAC raises money through an IPO, then goes out, and finds an acquisition target. Similar to a direct listing, a SPAC also does not have a roadshow. SPACs used to comprise a relatively small piece of the market, with a questionable reputation. After a spate of frauds in previous decades, SPACs are suddenly much more popular. In 2020, there have been 248 SPAC IPO transactions, and, in 2021 alone, there have already been 308 transactions of the kind. For reference, the previous ten years combined (2009-2019) sum up to less than any one of those two figures (226).

There has already been a myriad of examples in the last two years making a case for the positively volatile movements associated with SPAC companies (i.e., Airbnb, Doordash, Snowflake, Virgin Galactic, DraftKings, etc.) so I will make sure not to bore you with the details concerning that. However, what is most evident than ever is that 'going public' is no longer as intricate of a process as it once might have been.

Advisory Q1-2021 report: quarterly market update

By: Fay Al-Bader, Analyst, Advisory, Investment Banking

With the ongoing rollout of the coronavirus vaccines and the declining number of new COVID-19 related cases, GCC economies continued to recover going into Q1 2021. These factors coupled with a revival in oil prices have boosted investor confidence and in turn, have spurred growth in economic activity in the form of GCC M&A transactions and local contracts/public tenders in addition to substantial fundraising activity within the startup world.



Kuwait economy

Within the local economy, there were a total of 9 M&A transactions that closed throughout Q1 2021, all which of involved Kuwaiti acquirers or targets. In addition, there were another 3 transactions that were announced throughout the quarter. Collectively, these 12 transactions were valued at KD 46.5 million; however, it is worth noting this is not reflective of the total value of transactions that were announced or closed as many parties do not disclose the full terms of the transactions.

The largest of these transactions was led by Agility Public Warehousing Company, which invested KD 10.6 million to acquire a direct and indirect stake in the initial public offering of Queen's Gambit Growth Capital II, a special purpose acquisition company targeting US-based companies that offer solutions that promote sustainable development, economic growth and prosperity.

This is followed by Alimtiq Investment Group, which divested its 50.7% stake in HOT Engineering & Construction Company, a local construction and engineering company, for KD 15.8 million. The investment group sold its stake to an associate company but has yet to disclose further details. Moreover, First Takaful Insurance Company announced that it has received

an offer of KD 6.0 million to acquire a portfolio of diversified investments. However, the company has not disclosed the nature of these investments.

Aside from the local M&A activity, there were a handful of companies that announced their intent to proceed with a capital increase/decrease due to various reasons. Gulf Insurance Group led these capital restructurings as it intends

Direct listing is an attractive alternative for some issuers: no roadshow, lower fees and the price gets set on an exchange, not by investment bankers

to increase its share capital by 41.8% from KD 22.0 million to KD 26.4 million. In addition, Kuwait Finance House has received approval from its shareholders to increase its share capital by 10.0% from KD 767.4 million to KD 844.2 million. Similarly, Education Holding Company has received the approval to follow through with a capital decrease that will see the company reduce its capital by 38.8% from KD 24.5 million to KD 15.0 million.

Moreover, Danah Al Safat Foodstuff Company, Effect Real Estate Company and Tamkeen Holding Company have

officially been delisted from Bursa Kuwait. This will be shortly followed by Sharjah Cement & Industrial Development Company, as management has received the necessary approval from the Capital Market Authority. In addition, Hilal Cement has proposed to delist from Bursa Kuwait, however, the company has yet to receive approval from its shareholders.

Kuwait contracts/public tenders

On another note, there were approximately KD 4.5 billion worth of local contracts and public tenders that were awarded or announced in the first quarter. These contracts and public tenders involved a combination of various services such as construction, health and maintenance services, in addition to the purchase of oil-related equipment. The largest of these tenders was issued by Kuwait National Petroleum Company that seeks to procure consulting and engineering services for its Mina Abdullah refinery, a refinery being developed as a part of the government's KD 3.6 billion project that aims to enhance the country's clean energy generation capacity.

In addition, Kuwait Oil Company has finalized contracts with ten local and international companies that pertain to the purchase of 31 drilling rigs, for [PG 15](#)

Draft mortgage law and the rise of house prices in Kuwait

By: Muaz Tareq Saif Al-Ateeqi, Assistant Vice President, Real Estate MENA



Private housing prices in Kuwait rose to unprecedented levels reaching about 22 times annual salary, which is considered amongst the highest in the world. In my opinion, the main reason behind the increase in private housing prices is the deficiency in legislation that led to capital migration from other real estate sectors to the private housing sector for higher returns.

These deficiencies include:

- ❶ The inability of the Public Authority for Housing Welfare (PAHW) to meet the housing demands on time.
- ❷ Prohibition of real estate development activities for private housing causing very limited supply.
- ❸ Ministry of Electricity and Water and Ministry of Public Works do not have the capacity to provide the necessary infrastructure to build new cities/areas on time.
- ❹ Electricity and water tariff hike on all real estate sectors except private housing.
- ❺ No taxation on owning many houses.
- ❻ Increased FAR% for the private housing sector only.
- ❼ Easy access to finance for high-net-worth individuals/investors to acquire more houses for the purpose of investment.
- ❽ Residential buildings are not attractive for investors due to the exodus of expatriates.

The table above shows the total value of real estate transactions in Kuwait from 2016 to 2019 including the most important sectors:

To build a house, newlywed Kuwaitis receive a KD 100,000 loan with no interest (KD 70,000 cash and KD 30,000 worth of building materials at a subsidized price) from government-backed Kuwait Credit Bank. These soft loans contribute towards providing citizens a decent life for a long period of time. However, with the emergence of new laws and legislation that negatively affected the real estate sector, shortcomings in implementing new housing projects together with the drop in oil prices have affected the bank's financing ability. This feature has turned into a disadvantage for both the state and the citizens.

Year	Total value Billion KD	Private housing sector		Investment (residential) sector		Commercial sector	
		Value (billion KD)	% of total value	Value (billion KD)	% of total value	Value (billion KD)	% of total value
2019	3.7	1.6	43%	1.2	32%	0.6	17%
2018	3.7	1.4	38%	1.7	46%	0.5	15%
2017	3.4	2.2	65%	0.7	21%	0.4	12%
2016	2.6	1	38%	0.9	35%	0.6	23%

Direct listing is an attractive alternative for some issuers: no roadshow, lower fees and the price gets set on an exchange, not by investment bankers

The figures clearly show the desire of investors to invest in the private housing sector as well as the decrease in percentages in other vital sectors from 2016 to 2019.

New Development:

As the state is obligated by law to provide financing to citizens, the government

started working on a new mortgage law for local banks. The suggested law's main features include:

- Local banks will be able to provide a mortgage loan up to KD 140,000, and the government will pay the interest for the first KD 70,000 on behalf of the borrower (for citizens only).
- The mortgage loan will be offered to an individual one time only.
- Previously, mortgage loans from local banks were given only to citizens who have 2 or more streams of income. With the new proposed law, citizens can obtain mortgage loan from local banks for those with a single income.

Current law vs. draft law	Current scheme Kuwait credit bank	Draft law local banks
Maximum loan	KD 70,000 + KD 30,000	KD 140,000 + KD 30,000
Maximum loan without interest	KD 70,000	KD 70,000
Maximum period for repayment	Years 58	Years 30
Minimum monthly installment	KD 100 or 10% of salary, whichever is higher	KD 195 or 10% of salary, whichever is higher
The possibility of foreclosure	Not Possible	Possible
Government initial payment	KD 70,000 + KD 30,000	30,000 KD
Government recurrent cash payments/receipt	Government receives monthly repayments without profit	Government pays interests on first KD 70,000 to banks
Risk	Default	The state could pay compensations to local banks for defaulted citizens

Source: Al Qabas Newspaper.

Advisory Q1-2021 report: quarterly market update

The new draft mortgage law constitutes a major development affecting all stakeholders in the real estate and private housing market:

Stakeholder	Impact
Government	Less initial capital pay-out Less loan management burden Less exposure to real estate financing risk No cash inflows as it only pays interest on loans
Banks	Opportunity to engage in a wider client base Risk partly shouldered by the government
Individuals	Larger loan available Might create more demand thus pushing prices higher
Developers	Potential for more demand for apartments sales

The new draft mortgage law has been widely criticized by experts, as it risks inflicting damage on public funds and offers no real solution to the increase in house prices. Correcting the deficiencies stated above is key to dealing with the rise of house prices. Other suggested solutions for the government-backed bank's liquidity problem could be increasing installment value/percentage and reducing mortgage loan term.



a total value of KD 350.0 million. Shortly after, the oil giant announced that China Petroleum and Chemical Corporation (Sinopec) was among the ten companies that have been awarded a contract and will provide Kuwait Oil Company with ten drilling rigs for a value of KD 109.9 million, over a period of six years. Moreover, Kuwait Portland Cement had secured a KD 317.5 million contract under which it will supply Kuwait Flour Mills and Bakeries Company (Kuwait Mills) with reinforced steel. Kuwait Mills will subsequently offer this material to citizens at a subsidized price.

Regional economy

In taking a look at the greater GCC region, there was a total of 31 M&A transactions that closed throughout Q1 2021 with an additional 21 transactions in the pipeline. Collectively, these transactions were valued at KD 2.1 billion, however, again, this is not reflective of the total value of transactions that were announced or closed as many parties do not disclose the full terms of the transactions. In addition, these transactions spanned various sectors, however, there was a greater interest within the financials, healthcare and IT sectors.

Mubadala Capital led the top GCC transactions with its acquisition of Petrobras's RLAM refinery for a total consideration of KD 497.4 million. It is worth noting that Petrobras is in the midst of selling another 8 of its refineries as the Brazilian state-controlled oil producer aims to offset its substantial debt balance. Sublime Commercial Investments, a subsidiary of Alpha Dhabi Holding, secured the second-largest transaction as it acquired 12.2% in Aldar Properties for a total consideration of KD 287.3 million. This is followed by Masraf Al Rayan and Al Khaliji Commercial Bank, which have shared a definitive merger agreement after months of anticipation. The agreement states that Masraf Al Rayan will issue 0.50 new shares for every share in the latter company, corresponding to a total of 1.8 billion new shares. The merger is valued at an estimated KD 278.3 million.*

GCC startups

Furthermore, this quarter witnessed a great level of activity within the GCC startup world, which is evident as there was a total of USD 309.3 million raised by 40 regional startups. Unlike the M&A realm, there was not a particular sector that attracted a greater level of interest relative to other sectors, rather the funding was spread across a variety of different fields. With that being said, there was a great interest for tech-enabled companies such as Anghami, which will be going public by merging with a SPAC called Vistas Media Acquisition Company (Vistas Media). Vistas Media went public on Nasdaq approximately six months ago through USD 100.0 million IPO. Upon completing its IPO, Anghami will become the first Arab technology company to list on Nasdaq.

Moreover, Telegram raised USD 75.0 million throughout its 5-year convertible bonds, in an investment led by Mubadala Investment Company. Telegram started as a secure messaging application that utilized end-to-end encryption and has evolved into a fully-fledged social media platform with over 500 million monthly active users. It is also worth noting that Abu Dhabi Catalyst Partners has invested a further USD 75.0 million in Telegram as well. In addition, Pure Harvest Smarts Farms raised USD 50.0 million through a Sukuk financing solution led by SHUAA Capital. The company has quickly grown to become a global leader in sustainable technology-enabled agribusinesses. This is followed by Starzplay, an on-demand streaming platform that has raised USD 25.0 million in debt financing from Abu Dhabi's Ruya Partners. Furthermore, iKcon has successfully raised USD 20.0 million in a Series A round led by B&Y Ventures and Derayah Ventures. iKcon is a tech-enabled cloud kitchen that procures, cooks and delivers food on behalf of various restaurants. Lastly, Foodics has raised USD 20.0 million in a Series B round led by Sanabil Investments and STV. The startup runs an all-in-one retail management platform that serves players within the F&B and retail segments and assists them in managing their businesses.

* Transaction value is an estimate that was based on Al Khaliji Commercial Bank's closing stock price as of January 6, 2021, QAR 1.994.

CSR ACTIVITIES

Markaz renews support for KACCH

During challenging times, the need to support the community increases and corporate social responsibility is highly required to maintain the stability of society.

In Q1-2021, Markaz renewed its support for the Child Life Program of the Kuwait Association for the Care of Children in Hospital (KACCH). By contributing to the Child Life Program, Markaz enables the association's staff and volunteers to provide the highest standards of care to children and their families in their homes, in government-run hospitals and at Bayt Abdullah Children's Hospice. As part of KACCH's ongoing endeavors, doctors and nurses held virtual patient consultations, diagnosing and treating symptoms using telehealth, organizing delivery of the medications and giving 24/7 access to KACCH on-call services, while the psychosocial team shared videos of interactive activities, suggesting ways of playing, making music, drawing, connecting with other children of their ages to socialize virtually, sharing their experiences, and easing pressures on parents and caregivers.



Markaz supports Kuwait Writers Association's "How to write a novel" workshop

Keeping with its commitment to helping build human capabilities as part of its corporate social responsibility strategy, Markaz sponsored Kuwait Writers Association's virtual workshop titled "How to write a novel". The 1-week workshop was conducted by the Lebanese writer, Najwa Barakat, to educate young, talented writers on how to write a novel, supporting them in becoming professional writers in the Arab world.

Kuwait Writers Association aims to support talented writers by providing them with the right venue to share knowledge and find the right resources.



MARKAZ FAMILY

Markaz Graduate Development Program

Farewell Batch 4



Welcome our new colleagues!



Khaled Al Saleh joins International Advisory Department as an Assistant Analyst. Khaled holds a bachelor's degree in International Business from the University of San Diego. Khaled is turning his long-time personal passion for investing into Markaz's passion!



Munirah Al Mailam joins the Post Acquisitions Department as an Assistant Analyst. Munirah holds a bachelor's degree in Finance from the Gulf University for Science and Technology. Munirah's steady focus has really stood out in her presentations and team collaboration and will be a great asset to Markaz!



Mansour Al Rukaibi joins the Capital Markets & Fixed Income Department as Assistant Analyst. Mansour holds a bachelor's degree in Finance from the University of San Diego. Mansour was the top performer in our Asset Management and Investment Banking virtual classrooms!



Naser Al Subaie joins the Financial Management Departments as an Assistant Accountant. Naser holds a bachelor's degree in Finance and Financial Institutions from Kuwait University. Naser becomes our first Kuwaiti graduate to join the finance function in Markaz!

iGen - inspiring innovation and participation

The Ideas Generation Initiative (iGen), which was launched in February 2021 to strengthen the culture of innovation and inclusivity in Markaz, has been progressing well, thanks to the enthusiastic participation of over 80% of the Markaz family. This unique platform has been providing Markaz employees with unlimited opportunities to come up with new ideas to enhance our products, services, and processes, and share them with the management.

Markaz has always been proud of the quality and diversity of our workforce, and we believe that a platform like iGen will go a long way in unlocking the full potential of each member of our team and stimulate in each one of us the willingness to innovate as well as the spirit of collaboration.

By providing pre-determined themes related to growth, transformation, and efficiency for employees to develop ideas and suggestions, iGen ensures that the submissions are relevant and actionable and that they suggest ways to either improve efficiency, or drive growth, or transform customer experience or processes.

The submissions are evaluated by a six-member panel with three permanent members including the CEO Mr. Ali Khalil, the Managing Director of Wealth Management and Business Development Mr. Abdullatif Al-Nusif, and the Executive Vice President - Marmore Mr. Raghu Man-

Markaz will not only recognize and reward exceptional ideas received through iGen but will bring them to life as part of our efforts to improve our standards

dagolathur, in addition to three rotating members. Outstanding submissions will be shared with the wider Markaz audience only with the prior consent of the submitter. The iGen program also gives the participants an invaluable learning opportunity, as they will be mentored by a team of senior Markaz executives with a diverse set of talents. The initiative is being led by Mr. Alexander Salamoun, Senior Vice President of Post-Acquisition and Middle Office.

Markaz will not only recognize and reward exceptional ideas received through iGen and their creators but is also commit-

ted to bringing them to life as part of our continued efforts to improve our standards and delivering better value to our customers. Furthermore, the program includes a comprehensive reward scheme according to which bronze, silver, and golden vouchers will be awarded to individuals/team members during the idea sharing, roll-out, and launch phases, respectively. Ideas that lead to improved product or service performance will receive platinum cash incentives. Also, every idea assessed will receive a CEO commendation.

The first batch of very interesting ideas received through the iGen Sharepoint platform is presently under evaluation. Inclusivity is a core component of iGen, and the participation of every employee is expected and required for this initiative to achieve its objectives. iGen is sure to enable Markaz and its employees to reach new heights of innovation and excellence.

Markaz Pivotal Exchange Forum: a platform for Markaz trainees to express their innovation

Markaz Pivotal Exchange Forum was held to offer our graduate trainees an opportunity to express their opinions on how to improve our internal and external business environment and provide ideas to enhance our competitiveness.

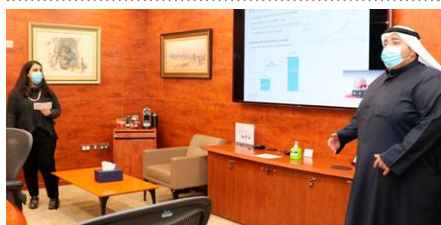
This was the closing event for the Markaz Graduate Development Program

(MGDP) trainees, as their year-long program came to an end with 16 February being their last working day. It was intended to provide the trainees with the final opportunity to showcase the skills and talent they have developed through working with us.

Our trainees completed a wide range of

training programs under the supervision of our staff in addition to receiving practical experience at different departments. As part of MDGP, they were asked to develop a "product" to be sold to Markaz clients. The trainees were advised to target a specific sector and focus on selling points. The product ideas suggested are as follows:

Group 1: Pitching on Investing in Private Companies



- Khaled Alsaleh
- Nada Al Bader
- Hussain Baba

Group 2: Pitching on Launching Green Fund



- Mounirah Al Mailam
- Nasser Alsubaei
- Turki Al Haggan
- Naif Al Othman

Group 3: Pitching on Market Making in Fixed Income



- Mansour Al Rukaibi
- Abdulaziz Al Thekair
- Anas AlGhannam



Crowned with Trust



Throughout the past decade, Kuwait Financial Centre “Markaz” won more than 50 awards from prestigious financial institutions and publications. These awards reflect “Markaz’s” reliable performance and constant endeavor to achieve excellence in the investment banking and asset management fields.

With commitment towards wealth creation for its clients, dedication in offering innovative financial solutions and professionalism in all that it offers, Markaz has proudly gained the trust of its clients and international experts, who remain a key priority at Markaz.



markaz.com | +965 2224 8000