

engage

Q1 | 2020

Markaz AGM approves a cash dividend of 5 fils

PAGE 3

“We’re all in the same boat,” a comforting message from Markaz CEO

PAGE 4

Markaz successfully activated its contingency plan for managing operations remotely

PAGE 5

Markaz launches Kuwait’s first personalized investment app ‘iMarkaz’

PAGE 11



engage

Issue 14, Q1 2020

IN THIS ISSUE

- 3 Markaz news
- 10 Getting to business
- 14 Informed opinion
- 19 CSR activities
- 21 Markaz family

EDITORIAL TEAM

Sondos Saad: Editor-in-Chief; **Khaled Almubarak:** Editor MENA Real Estate; **Ahmad Al-Shalfan:** Editor MENA Equities; **Rasha Othman:** Editor Fixed Income; **Abdulrazzaq Razoqi:** Editor Advisory; **Sadon Al-Sabt:** Editor International Real Estate; **M. R. Raghu:** Editor Published Research; **Peter Kelly:** Editor Human Resources; **Syam Kumar:** Information Technology; **Anu Abraham:** Editor Compliance; **Velmurugan Natarajan:** Editor Risk Management

Markaz holds its annual general meeting

Alghanim commends the directives and guidance of His Highness the Amir of the state of Kuwait, and the distinguished cabinet's wisdom and speed of execution, headed by His Highness Sheikh Sabah Khalid Al-Hamad Al-Sabah, to face the health and security repercussions of this crisis.



Mr. Diraar Y. Alghanim, Markaz Chairman seated between Mr. Manaf A. Alhajeri, Markaz CEO and Mr. Ali H. Khalil, Markaz COO



From right to left: Mr. Fahad Yaqoub Al-Jouan (Board Member), Mr. Ayman Abdulatif Alshaya (Board Member), Mr. Adel Mohammed Alghannam (Board Member), Mr. Faisal AbdulAziz Al-Jallal (Vice Chairman), Mr. Fahad Sulaiman Aldalali (Board Member), Mr. Omran Habib Hayat (Board Member), Mr. Manaf Abdulaziz Alhajeri (Markaz CEO), Mr. Diraar Yusuf Alghanim (Chairman), Mr. Ali Hassan Khalil (Markaz COO) and Ms. Maha Abdulsalam Imad (Board Secretary)

Kuwait Financial Centre "Markaz" held its Annual General Meeting and Extraordinary General Meeting on 28, April, 2020, for the fiscal year ending 31 December, 2019.

Mr. Diraar Yusuf Alghanim, Markaz Chairman, inaugurated the meeting, stating that the AGM meeting coincides with the outbreak of the novel Covid-19 in Kuwait and across the world. He said: "I want to take this opportunity to acknowledge and commend the directives and guidance of His Highness Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, and the distinguished

cabinet's wisdom and speed of execution, headed by His Highness Sheikh Sabah Khalid Al-Hamad Al-Sabah, to face the health and security repercussions of this crisis".

Alghanim added that the novel Covid-19 outbreak has imposed a halt on economic activity and social life, and brought about an unprecedented collapse in oil prices, which resulted in negative repercussions on local and global markets. Countries across the world, including the GCC, have taken financial and legal measures to address the results of the outbreak and

its impact on production and social components, reduce the burdens on the workforce and limit the bankruptcies in the local markets.

"As an extension to the economic plan that the Cabinet announced on Thursday March 31, 2020, the Governor of the Central Bank of Kuwait, in his capacity as Chairman of the Higher Steering Committee for Economic Stimulus, presented during the press conference a plan to address

Although the effect of stimulus measures on the economy is not yet clear, we are closely following their consequences on the national level

the flow of liquidity to economic activity through local banks and to support part of the benefits from Central Bank of Kuwait. Although the vision about the effect of these measures on the local economy in the short or medium term is not yet clearly formed, we at Markaz are closely following these measures and their consequences on the national economy." Alghanim added.

"On the occasion of the holy month of Ramadan, we would like to extend our warm wishes, and ask God to bless our beloved country with safety and peace, and relieve our homelands and the whole world from this pandemic soon." Alghanim concluded.

Alghanim then moved on to discuss the agenda of the General Assembly, starting with a eulogy for Sheikh Humoud Sabah Al-Sabah, Vice-Chairman, who passed away in November 2019, and who had an effective contri-

bution during his time with the Board of Directors since 2002, may God have mercy on him and bless his family with patience and fortitude.

In line with the meeting discussions, the assembly approved all items of the agenda and the amendments of items 9 and 10 specifically. The assembly unanimously approved the reduction of cash dividends for shareholders for the year 2019 from 10% (10 fils per share) to 5% (5 fils per share), based on a proposal submitted by a representative of shareholders who own (16.63%) of the company's share capital. In addition, the assembly ap-

proved the reduction of the remuneration of the board of directors, based on the recommendation of the Chairman.

The General Assembly also approved the election of the new board of directors, which consists of Mr. Diraar Yusuf Alghanim, Mr. Faisal AbdulAziz Al-Jallal, Mr. Ayman Abdulatif Alshaya, Mr. Fahad Yaqoub Al-Jouan, Mr. Adel Mohammed Alghannam, Mr. Omran Habib Hayat and Mr. Fahad Sulaiman Aldalali.

The Extraordinary General Assembly was also held, where all items of the agenda were approved.

Lastly, Alghanim extended his gratitude to the shareholders, attendees and the "Markaz" family, thanking them for their commitment to supporting the company, and wishing the Almighty to free our world from the pandemic soon.

“We’re all in the same boat”

A comforting video message from Markaz CEO to the Markaz family published on 8, April, 2020.



“In the name of Allah, the Merciful, Dearest colleagues at Kuwait Financial Center ‘Markaz’,

Today is the 8th of April, 2020, which marks the 28th day since the suspension of government and private operations due to the Covid-19 outbreak.

I would like to address three key topics today.

The first is in relation to the stability of our company in the midst of the current challenging circumstances, the second is our people and the third is in relation to our investors.

As you know, Markaz offers asset management and investment banking services.

Our values and the direction of our board of directors stipulates the ongoing development of conservative, innovative and sustainable solutions. What this means is that our responsibility during challenging times such as these, is to protect and preserve the capital funds and assets of our investors, and minimize risks, to the best of our ability.

With Markaz’s track record of over 45 years, there is no doubt that the organization has witnessed similar challenges in the past and in this particular phase, the

We believe to be a force of stability as market makers, as portfolio managers, and we truly believe in the value of stability for Markaz and our people

Covid-19 is bound to bring about some implications, which I would like to address very briefly.

To start with, many businesses have been urged to close their doors, and social distancing has been imposed. Economically, there has been a substantial drop in demand on all types of goods. Supply and production have been disrupted, and losses have been incurred due to the volatility across stock exchanges. This could be the largest of crises, but surely not the first.

Over the past 45 years, Markaz has pulled through turbulent times as such, under strict supervision of the Capital Markets Authority and the Central Bank of Kuwait. Risk management is an ongoing process and at times like these, our colleagues are urged to intensify their efforts towards managing all potential risks and minimizing potential damages and losses.

Our company enjoys a strong asset

base with an estimated KWD 1 billion that generates revenue for the company that places us in a secure financial status, based on the end of year projections recorded.

We take pride in the long-standing relationships and reciprocated trust we share with banks and credit rating agencies, who are testament to the strong positioning of Markaz in present and future.

In terms of our people, they are certainly experiencing many changes, such as working remotely from home, relying more on technology and coping with irregular working hours. They may have existed in the past but have surely increased in pace recently.

Moreover, we have witnessed our people’s sense of responsibility increase, towards our shareholders and investors, as they have been entrusted to protect and preserve their assets during these turbulent times.

Our people are present across multiple countries and continents. Our heart goes out to them and we will spare no efforts in trying to alleviate the pressures and severity of this crisis on them and their families, whether they are in Kuwait or abroad.

I would like to note that we have colleagues who are still in the UAE, however; we are looking into every mean possible to bring them back and reunite them with their families, and to make this as easy as possible on them until then.

As a company, we have been entrusted with public and private funds and assets. With the elevating conditions, risk management has only intensified on our end. Protecting and preserving our clients’ funds has always been a priority and at times like this, it becomes our sole focus.

In conclusion, I would like to say as humans, we are all in the same boat.

At Markaz we believe to be a force of stability as market makers, as portfolio managers in the capital markets, and others, and we truly believe in the value of stability for Markaz as a company and for our people, and we will do our best to maintain it.

Finally, we ask God almighty to grant us relief from this hardship and to keep you and your families all safe and well.

Thank you.”



Markaz successfully activates contingency for managing operations remotely

With every challenge, an opportunity emerges.



Following the cabinet's directive to rein the spread of Covid-19, Markaz closed its offices in Kuwait on March 12. Since then, Markaz has exerted every effort to increase efficiency, facilitate working remotely and communicate with our esteemed clients and stakeholders regularly.

The coronavirus, also known as the novel Covid-19, is a phenomenon that the world has not seen in recent memory, however, what is remarkable is the speed with which the governments responded to this pandemic. Kuwait's health authorities have taken exceptional measures to rein the spread of Covid-19. While offices and establishments including airports have been closed, the government has launched a nation-wide partial curfew in order to achieve social distancing. The Ministry of Health has conducted expat testing and took immediate actions to quarantine and treat those affected.

While it is still unclear how long this is likely to play out, we are witnessing globally coordinated monetary and fiscal policy measures aimed at preparing for a post-Covid-19 world. We expect to witness further volatility, however, we are sure about one thing, and that is the world is definitely in a better position today than before to face such calamities. This is especially the case so for the GCC and more so for Kuwait, a nation that is blessed with more than adequate reserves and a wise political

While it is still unclear how long this is likely to play out, we are witnessing globally coordinated policy aimed at preparing for a post-Covid-19 world

leadership. The capital markets around the world, and in the GCC, are experiencing severe volatility as new information reaches the market. The massive attempts by world governments to flatten the Covid-19 curve, along with breakthroughs in finding drugs and vaccines to cure this disease, make us strongly believe that this too shall pass. China and South Korea have already flattened the curve and others are trying hard. It is heartening to see that help and assistance is pouring from all countries in order to manage the aftermath of this pandemic. Most importantly, technology is enabling all of us to stay connected even during difficult times.

At Markaz, we have activated our contingency plan for managing operations remotely, including the use of remote automated systems. We are constantly monitoring the markets and adjusting client portfolios to de-risk where needed. We are also regularly posting, through our social media platforms, information and analysis of the Covid-19 situation, in order to be ahead of the curve. For example, we have launched on a daily basis, an investment

dashboard to monitor and report asset class movements across the world and the GCC. We also launched a daily GCC coronavirus dashboard to study improvements on the number of cases reported and cured.

In short, we are still very much in business and with God's grace; we will continue to be so. When the doors open for business once again, we are confident of picking up the pace with ferocious speed.

We will continue to be at our clients' service and will make sure all of our collective resources are available to them, to provide our utmost best, in these difficult times.

Markaz's success stories during the novel Covid-19 pandemic

- As a thought leader in the financial sector, Markaz has been playing a key role in proposing economic measures to the Cabinet of Ministers in an effort to mitigate the impact of Covid-19. Its efforts were highlighted particularly in the following:
 - Partaking in key meetings with the Cabinet of Ministers, the Kuwait Chamber of Commerce and Industry, and with the Minister of Commerce and Industry.
 - Fruit of quality brainstorming sessions resulted in a number of papers submitted to the government with recommendations on how to overcome this crisis.
- Markaz's Wealth Management & Business Development is using secure meeting platforms and ensuring that no email or phone call goes unanswered. Our Relationship Officers are in constant communication with our clients, in order to provide them with regular updates about their portfolios.
- Electronic signatures have been implemented to ensure that all important documents are being processed, while we continue to work remotely.
- MENA Equities is fully on alert, monitoring GCC stock markets and adjusting sector allocations in all equity funds and portfolios, actively hunting for the best investment opportunities, and paving a way through disrupted markets.
- For International Real Estate, we are proactively coordinating efforts with our partners and stakeholders, and PG 6

MARKAZ NEWS

CONTINUED FROM PG 5

Markaz manages operations remotely

keeping close track of the developing situation.

- Our Fixed Income team is continuously monitoring investments and asset allocations, and is providing clients with daily market updates, including research on the effect of Covid-19 on GCC fixed income markets. Moreover, the Capital market team continues to work remotely and actively monitor markets for potential 'post corona' transactions.
- Risk management, which is an ongoing function, is intensifying to minimize potential damages and losses in light of the current conditions.
- Management Information Systems is fully flexing our technology to ensure Markaz can continue to conduct its business securely and efficiently. The key department highlights include:
 - Ensuring a strong connection around the clock, IT is providing the right tools and offering highly proactive technical support.
 - TPR have not faltered in their steady support to all front office divisions, faultlessly settling, reconciling and reporting Markaz's transactions.
 - The Systems & Operational Control team have also continued to settle our trades efficiently.
- Financial Management continues to succeed in meeting all filing deadlines and processing important payments.
- HR continues to work steadily in the background, fulfilling all staff requirements despite office closure, and ensuring the health and safety of those attending the office.
- Our Media & Communications team continues to translate Markaz's plans and activities into clear messages and channel them to all stakeholders internally and externally, on all various platforms, from traditional media, to digital media and direct marketing. Press releases, social media posts and clientele letters are prepared periodically to ensure consistent and transparent communication.
- Markaz's research arm, Marmore, launched a Covid-19 dashboard and GCC investment dashboard, highlighting latest updates on the virus and its impact on markets locally and globally.

Markaz wins three awards from EMEA Finance

Affirming its leading position in the fields of investment banking and asset management.



Markaz has firmly established its leadership position in Kuwait's investment banking and asset management sectors, as it continued to deliver steady growth in 2019, despite the challenging global market conditions. That said; EMEA Finance's recognition reinforces the company's exceptional performance and commitment to excellence and Markaz takes pride in receiving three awards from this leading organization for 2019, namely: Best Local Investment House, Best Asset Manager in Kuwait and Best Equity House in Kuwait.

Markaz welcomes Lord Mayor of London's delegation

Exploring potential opportunities for collaboration



On 11 February 2020, Markaz hosted Lord Mayor of London's delegation. Markaz Executive Management and key team members met with Rt. Hon. Alderman William Russell, Lord Mayor of The London City, Mr. Michael Davenport MBE, British Ambassador to Kuwait, Mr. Simon Penney, HM Trade Commissioner for Middle East Afghanistan & Pakistan, Ms. Shikha Tiwari, Director Of Trade & Investment, and Mr. William Elliott, Head of Trade and Investment Strategy at City of London Corporation. The delegation also included Mr. David Russell QC, Outer Temple Chambers, Mr. Jeremy Browne,

International Business Ambassador, Aberdeen Standard Investments, Mr. Ian David Hector McNeil, HANetf, Ms. Sacha Than, Program Manager, Office of The Rt. Hon. The Lord Mayor, Mr. Romeo Rosario, DIT Inward Investment and Mr. Alan Menezes, DIT Senior Trade Adviser Financial Services.

The meeting shed light on potential opportunities of collaboration between Markaz and UK's leading companies and a number of areas including Trust Services, Small and Medium Enterprises, Clean Energy, Real Estate, Investor Relations, Talent, Fintech, and Partnership Upgrade.

“Markaz”: Sustainability of oil-based economies at risk following Qatar’s proposed solar power plant

Achieving One Planet vision championed by Kuwait Investment Authority and the Kuwait Vision 2035 calls for a concerted effort between the Public and Private sectors faster than ever.

Markaz recently issued a report titled “Solar Power Economic Cost- a warning alarm for oil-based economies”, following the agreement Qatar signed with the Marubeni and Total alliance in January 2020, to build a solar plant at a cost of 1.74 cents/ Kwh (5.3 fils/Kwh), prior to which Acwa power, a Saudi based company, won a bid of 1.69 cents/KWh (5.2 fils/KWh) for the development of Dubai’s new solar park. These two major projects break new grounds going forward in terms of declining prices for renewable energy and pose a risk for oil-based economies, in terms of their sustainability, and hence should be rigorously thought through.

The two projects come at a time where initiatives towards developing alternative energy resources are gaining traction regionally, and globally. On a national level, it falls in line with the commendable

efforts of the Kuwait Investment Authority, one of the largest sovereign wealth funds in the world, to protect the climate and in the pursuit of clean energy by adopting The One Planet Sovereign Wealth Fund Framework. Reinforcing the importance of climate protection, Mr. Farouq Bastaki, Managing Director at the Kuwait Investment Authority, stated: “If there is no planet, there is no future”.

The report issued by Markaz stems from the company’s strong belief in the initiatives, championed by the nation and its institutions, which aim at shedding light on the importance of renewable energy. It also urges for a concerted effort between the public and private sectors faster than ever to achieve One Planet vision championed by KIA and Kuwait vision 2035.

Markaz’s report stated that the cost of generating power through solar energy

has continuously declined to about 80 percent since 2010, and that the cost of generating energy from large-scale solar photovoltaic (PV) plants is now lower than conventional fossil fuel plants.

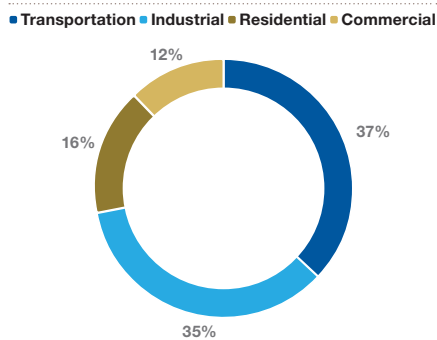
The report also highlighted that solar installations have been accelerating across the world and the International Energy Agency (IEA) expects solar capacity to grow by 12 to 17 percent per annum until 2030. Moreover, decreasing capital costs and operating expenditure, and better module efficiency is likely to imply ongoing cost reductions in solar PV, resulting in a further fall in power generation costs by 30 to 50 percent by 2030. This is expected to be a game-changer for energy markets as it removes one of the biggest obstacles preventing renewables from dominating the energy mix.

Despite the bright future for solar energy, it presently remains a secondary technology source for power generation globally. As of now, solar capacity accounts for 5 percent of total energy capacity. In terms of share of power output, the global market share of solar energy is less than 1.5 percent. However, with favourable economic cost, global solar power capacity is expected to grow by 9 percent every year since 2018 and up until 2050. As a result, the International Renewable Energy Agency (IRENA) expects global solar capacity to increase from 480GW since 2018, to over 8,000GW by 2050, and also expects solar power to account for one-quarter of global power by then. This is bound to have long-term implications for oil-exporting countries.

As for long-term impacts of the oil economy, Markaz stated in its report that oil is mainly used for industrial and transport purposes, which together account for about 70% of the world’s oil consumption. Whereas the remaining 30 percent, constitute for residential and commercial use, as per the U.S Energy Information Administration (EIA). It also stated that the development of solar technology can serve the housing needs of energy requirements.

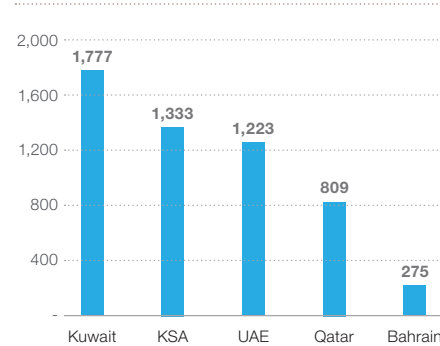
Markaz also highlighted that generating power by developing solar power capacity could help in the reduction of subsidies, and in turn, be used for more productive purposes, such as infrastructure development or other capital projects.

U.S. energy consumption by sector



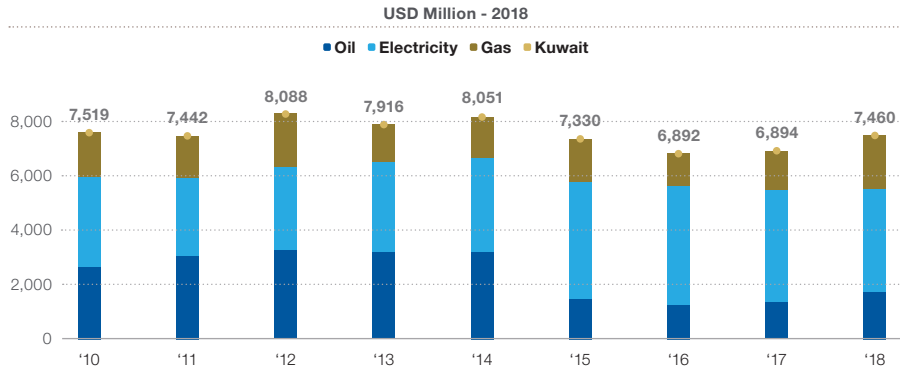
Source: EIA

Subsidy per capita in 2018



Source: EIA

Kuwait fossil fuel subsidies



Source: EIA

Markaz: coronavirus and oil price crash – Kuwait needs a swift disaster recovery strategy



- Kuwait has been simultaneously hit by a Covid-19 scare and an oil price collapse.
- The Covid-19 threat has now spread beyond China and is gripping most part of the world with panic.
- Kuwait needs a swift Disaster Recovery Strategy (DRS) to contain the fear and impact.
- The collapse in oil prices indicates a fundamental shift in how oil markets will be controlled by various factors including OPEC.
- The GCC economies, including Kuwait, continues to be funded by petrodollars, which makes the economic model highly oil price dependent and therefore, unsustainable.
- While Kuwait is endowed with adequate financial reserves to face these challenges, this should not induce complacency and prevent it from launching reforms to make the economic and social model sustainable for future generations.

Kuwait has been simultaneously hit by a Covid-19 scare and an oil price collapse. Therefore, Kuwait needs a swift Disaster Recovery Strategy (DRS) to contain the fear and impact.

How coronavirus is spreading beyond China...

Coronavirus, also known as Covid-19 was initially detected in Wuhan, China in December 2019 in what appeared to be a containable disease. However, as days progressed the speed with which the virus spread within China alarmed the world but there was no panic as people still believed it to be a China

centric issue. However, the global supply chain was disrupted and global growth forecasts were revised downwards albeit

When the disease spread to Iran, Italy, Japan and South Korea, panic set in, impacting global travel, business functions, healthcare systems, etc.

marginally. Moreover, when the disease spread to Iran, Italy, Japan and South Korea, panic set in, impacting global travel, business functions, healthcare systems, etc. When Kuwait reported cases of Covid-19, the response was swift in terms of cancelling flights to and from certain destinations, closure of schools, and preparing hospitals for anticipated medical contingencies.

Crisis management and disaster recovery strategy...

Covid-19 has created a panic like situation in almost all parts of the world including Kuwait. It has triggered a crisis that is impacting many points including schools, hospitals, offices, airports, and other vital places. The management of this crisis should be through a Disaster Recovery Strategy (DRS) that can enable Kuwait to tackle the situation in a more organized manner. A properly conceived DRS can enable resumption of services following a crisis. An emergency communication plan is integral to DRS as good and swift communication can calm nerves easily and enable people to return to normal routine at the earliest. While the suggested DRS is focused on Covid-19 issue, the concept of DRS should be a permanent one so that Kuwait can face future crisis with minimal dislocation.

In addition, given the Covid-19 scare and its impact, Kuwait's healthcare and medical system is coming under intense pressure. The main effects on the healthcare system will be in the form of consumables (e.g. masks, PCR test kits, sanitizes, etc.), capacity in terms of ICU rooms, human resources (medical, paramedical size and morale, given the social media assaults against certain nationalities) and governance (good management, conflict of interest and utilization time of facilities of low priority cases such as plastic surgeries).

How the oil price war drama unfolded...

Crude oil price fell and market experts feel there is more to come. What triggered this massive price fall is the decision by Saudi Arabia to increase its production and supply, and reduce the price in order to gain market share. The move was primarily triggered after Russia refused to make more production cuts as a response to Covid-19 threat to global demand. The sudden move of Saudi Arabia came at an unexpected time when global demand has weakened considerably, sparking even recessionary fears. Back in 2014, when Saudi Arabia pursued this strategy of increasing the production to drive out the Shale producers, it did not succeed.

In this price war, obviously there are more losers than winners. While broadly oil-consuming nations like China and India will benefit, low oil price on the back of weak demand will severely hurt oil-exporting countries, including Kuwait. According to analysts, the new low oil price will severely hurt U.S. Shale producers as well as they are now more indebted than before with weaker balance

While oil-consuming nations like China and India will benefit, low oil price and weak demand will severely hurt oil-exporting countries, including Kuwait

sheets. U.S. energy companies account for 11% share in the overall junk bond market issuances.

How this affects Kuwait...

Coming to Kuwait specifically, the first impact will be widening budget deficit. Kuwait projected a deficit budget (post-FGF transfer) of KD 9.2billion (21.4% of 2020e GDP) at an assumed oil price of \$55/bbl. That projection can go wrong and a widening fiscal deficit will result in more reserves drained out of General Reserve of Government of Kuwait as it currently has a problem borrowing from international markets due to non-passage of the Debt law in the parliament. The low oil price will also affect stock market performance. While the premier market (total return) index of Kuwait

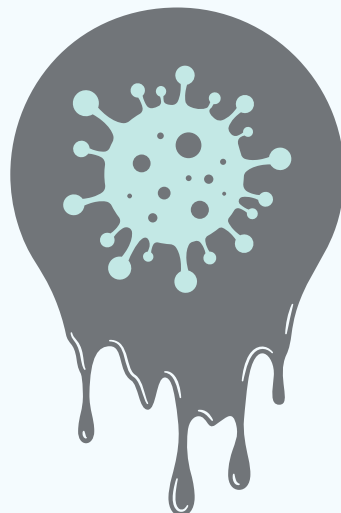
Stock exchange posted gains of 12.3% and 37.3% in 2018 and 2019 respectively, so far during the year it has lost 24.6%, of which 19.3% loss was experienced on two days (March 08 and 09). Kuwait is also trying to attract foreign direct investment in order to diversify its economy and this will be impacted now.

While these are the impact points at the broader economy level, we need to look at how this will impact other sectors including the private sector and SME's. In its quest to diversify the economy and create jobs, the Government looks upon private sector to be in the forefront to create jobs. However, lower oil prices will mean lesser government spending in general and lower project spending in particular and this will affect the private sector non-oil growth. Also small and medium enterprises will be the immediate casualty as their ability to withstand crisis is limited by their size and performance. It should be noted that SME's contribute 3% to GDP and accounts for 23% of jobs (World Bank, 2016). Encouraging and nurturing an entrepreneurship culture at all times is essential for diversifying the economy away from oil.

Policy options should be different and swift...

In situations where budget deficit will widen beyond control, normal policy response is to curtail expenditure or increase non-oil revenues (like taxes) or both. Citizens of Kuwait enjoy a social contract that guarantees jobs, healthcare and retirement. Efforts to curtail expenditure or impose taxes will dent this social contract. Bulk of the expenditure in Kuwait is on account of salaries to government employees and subsidies. There is vast scope to improve the efficiency of government services and reduce corruption as a means of controlling expenditure. Imposing burden on citizens without tackling these vexing long-term issues can create social disillusionment.

There are many policy options available at this point in time to tackle oil price collapse. First and foremost, in order to comfort private sector and SME's the government can initiate countercyclical investment program to support liquidity. This investment program at the [PG 10](#)



MARKAZ NEWS

CONTINUED FROM PG 9

Coronavirus and oil price crash – Kuwait needs a swift disaster recovery strategy

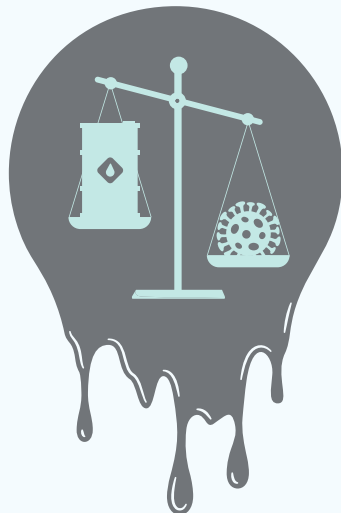


national level (in what can be called as National Investment Program) should aim to use government reserves to support private sector and SME's more during crisis periods (like this) and probably a little less when times turn good. However, having a robust National Investment Program is at the heart of tackling the sustainability issue for the country. While investments could be counter cyclical, reforms should not be. Economic reforms especially in key sectors like education and healthcare should be pursued, measured and reported at all times to make steady progress in global competitive rankings. The reforms would be aimed at making business environment friendly and easy to operate both for domestic and foreign investors.

In light of the world moving towards clean energy, and it is wrong to assume that Kuwait has adequate time and resources on hand to act

Oil price collapse is always a serious warning sign for oil dependent economies like Kuwait. The world is moving towards clean energy, significant improvements in energy efficiency and cost gains have been reported on alternative energy sources like solar. Energy market may thus move to a structural change where global oil dependency can reduce rapidly. In light of these, it is wrong to assume that Kuwait has adequate time and resources on hand to act.

What makes the current time very challenging is the double whammy of a combination of a disease spread threat alongside oil price collapse. It is fair to assume that both are temporary challenges with long-term implications for Kuwait healthcare and economic management.



GETTING TO BUSINESS

MENA real estate undertakes Covid-19 cautionary measures

Committing to the safety and health of its tenants in Kuwait and the GCC, The MENA RE team at Markaz has been taking sensible precautionary measures for its residential, and select commercial properties in Kuwait, UAE and KSA. This included:



- Informing tenants of the government directives, especially the restrictive ones
- Disinfecting common areas
- Installing hand sanitizer dispensers
- Closing all indoor facilities and pools
- Reducing gatherings, with pre-booked access to outdoor facilities by applying a 'one family at a time' policy
- Where possible, dedicating one elevator for delivery personnel, while other elevators are reserved for residents
- Prohibiting gatherings in residents' units, in line with government directives

In addition, the team took on a number of initiatives that were greatly appreciated by tenants, such as:

- With the closure of the building's gyms, tenants were permitted to borrow equipment, so they can exercise
- Tenants were provided with board games to help them enjoy family time during lockdown
- Temporarily accommodated cleaning, security and critical maintenance staff in the properties, and providing free meals, so they do not come in close contact with others but remain sheltered inside.

Markaz launches Kuwait's first personalized investment app 'iMarkaz'

Ushering a new digital experience in the investor journey.



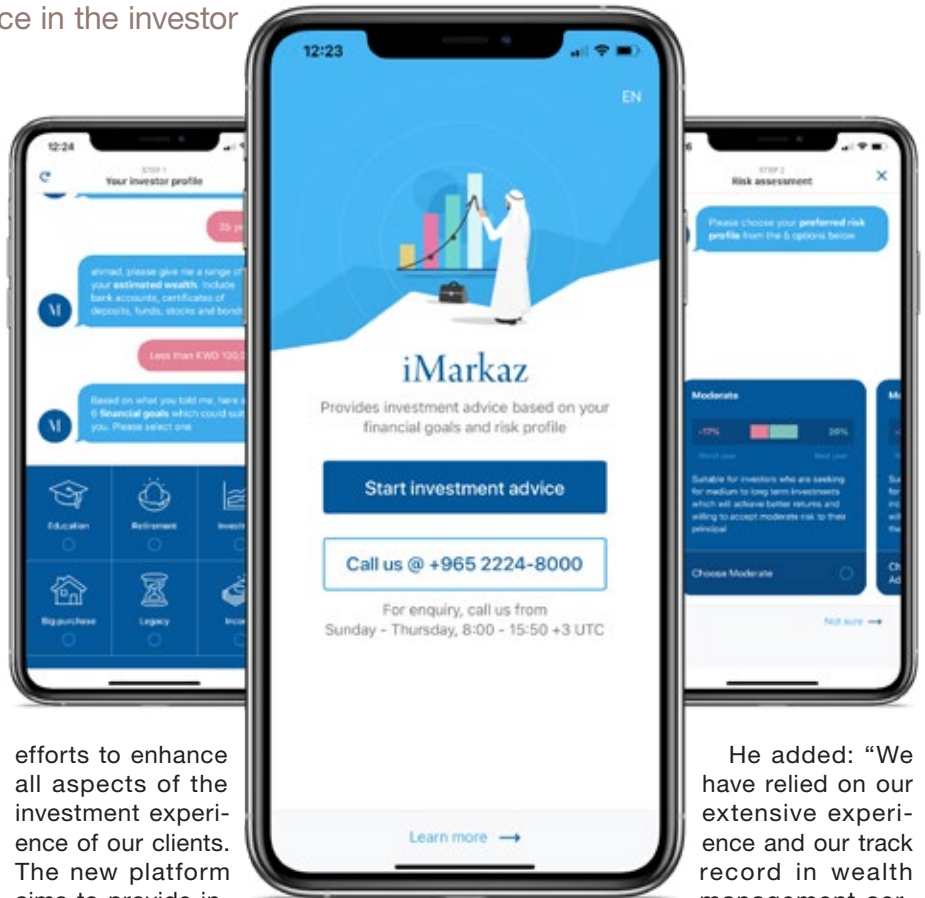
Underlining its continuing commitment to seeking innovative ways to add value to its customers, Kuwait Financial Centre "Markaz" today announced the launch of the first personalized investment app in Kuwait, iMarkaz. Offering a new level of user experience to prospective clients, the interactive digital platform provides initial investment advice tailor-made to their investment needs and goals.

iMarkaz aims to allow potential investors to build their investment portfolios within minutes and connects them to Markaz experts who will ensure the portfolios fulfil their financial objectives efficiently. The app users can look forward to benefitting from the company's full-fledged services in asset management, investment banking, direct investments and real estate.

Mr. Manaf A. Alhajeri, CEO, Markaz, said: "In keeping with our commitment to building sustainable wealth for our clients and partners, we have been actively pursuing technological innovation to introduce new products and services that will offer superior value to investors. With the launch of iMarkaz, we have cemented our stellar reputation as a pioneer of groundbreaking investment banking and asset management solutions in Kuwait and the wider region. We are confident that the new digital platform, which is supported by our highly-experienced finance professionals who have unrivalled in-depth market knowledge, will resonate well with our tech-savvy customers."

Alhajeri added: "Incorporating new possibilities of communication technology and featuring an intuitive and user-friendly interface, iMarkaz seeks to bring in a new level of digital experience to the investment journey of our clients. In addition to providing seamless and memorable user experience, the app will open up a new world of opportunities for aspiring investors with a tap of their fingertips."

Mr. Hussein A. Zeineddin, Executive Vice President, Systems & Operational Control, Markaz, said: "The Launch of iMarkaz comes as part of our ongoing



efforts to enhance all aspects of the investment experience of our clients. The new platform aims to provide investment advice to investors based on their financial goals, risk profile, and investment preferences in an easy and efficient way. Leveraging on the chatbot technology, the app will take investors on a step-by-step digital journey where both Markaz and investors will share their views in order to construct the best portfolio model that is suitable to them. It will provide investment recommendations suitable to all classes of investors, from retail to private, and offer conventional as well as Shariah-complaint securities, including Markaz elite products and best international ETFs. Our customers can also use the app to gain exposure to multiple asset classes, including equities, fixed income, real estate and alternatives securities, as well as markets around the world such as developed markets and emerging markets."

iMarkaz allow investors to build portfolios within minutes and connects them to Markaz experts who ensure the portfolios fulfil their objectives

He added: "We have relied on our extensive experience and our track record in wealth management services in addition to our unmatched database of investors' information to build reliable and accurate investment plans and better analyze our clients'

investment needs and preferences. At Markaz, we believe in the importance of face-to-face interactions to maintain trust and credibility. With this in mind, we are providing app users with the opportunity to meet Markaz relationship managers and discuss any potential investment opportunity."

iMarkaz joins the company's extensive portfolio of industry-first offerings in Kuwait that includes Mumtaz, the first domestic mutual fund, Idikhar, the first money market fund, and MREF, the first real estate investment fund, as well as Forsa Financial Fund, the first options market maker in the GCC.

National Industries Group Holding's 6th bond issue fully subscribed

Markaz, Ahli Capital and Gulf Bank successfully manage the placement of the KD 30 million bonds.



National Industries Group Holding K.P.S.C. "NIGH", as the Issuer, and Kuwait Financial Centre "Markaz", Ahli Capital Investment Company "Ahli Capital" - a subsidiary of Al Ahli Bank of Kuwait (ABK), and Gulf Bank, serving as the Joint Lead Managers, announced in a joint statement the successful completion of the KD-issuance of the National Industries Group Holding bonds with a nominal value of 30 million Kuwaiti Dinars for a five-year term, which was fully subscribed. The issuance reflects the investors' trust in the quality of the issue, the high creditworthiness of the National Industries Group, and the effectiveness of the joint distribution for each of Markaz, Ahli Capital and Gulf Bank - the Joint Lead Managers.

The bonds were issued in two tranches; one with a fixed interest rate of 5.50% annually payable on a quarterly basis, and the other with a floating interest rate of 2.75% above the discount rate set by the Central Bank of Kuwait, annually and payable on a quarterly basis.

It is worth noting that these bonds, due in 2025, are issued in Kuwaiti Dinars and enjoy a credit rating of (BBB-) from Capital Intelligence.

Mr. Ahmed Hassan, CEO of the National Industries Group Holding, said: "We are pleased to issue the new bonds, which represent the sixth Capital Market Issuance by NIGH throughout its history, reflecting the high trust of the capital markets in the quality of NIGH's bond issuances. The extensive participation

of investors in the most recent NIGH bond issue also confirms the attractive structure and pricing."

The National Industries Group Holding is a multi-industry conglomerate that was incorporated in 1960 and has always been a major player in the industrialization and development of modern Kuwait. NIGH was behind a large number of industrial establishments in Kuwait, where it currently holds a notable portfolio of subsidiaries and associates, which include Kuwait Cement Company K.P.S.C., National Industries Company for Building Materials K.P.S.C., Noor Financial Investment Company K.P.S.C and Mabane Company K.P.S.C. NIGH became listed on Boursa Kuwait (formerly Kuwait Stock Exchange)

NIGH is a conglomerate incorporated in 1960 and has always been a major player in the industrialization and development of modern Kuwait

in 1984, and is currently a constituent of the Premier Market on Boursa Kuwait.

NIGH total assets reached KD 1.200 billion as at 30 September 2019 and its paid-up capital was KD 142.784 million, whereas the company achieved net profits attributable to owners of the parent company of KD 35.806 million for the nine months ended 30 September 2019 and KD 32.271 million for the same period in 2018. More so, the bond rating of NIGH enjoys an investment grade of "BBB-" from Capital Intelligence, which is reflective of the sound quality and diversity of NIGH's portfolio of assets, good level of liquidity, excellent debt servicing record.

Hassan added: "We cherish our strong relationship with the lead managers and subscription agents; Markaz, Ahli Capital and Gulf Bank, and we seek to maintain and reinforce this relationship through the continuous cooperation between us. We entrusted the Joint Lead Managers with this role in this issue, in view of their strong market position as well as our confidence in the potentials of their distribution network.

Meanwhile, Mr. Manaf A. Alhajeri, Markaz CEO, said: "Our participation in the transaction has been met with great attention by investors in view of the excellent reputation of NIGH, the distinctive conditions for issuing the bonds, as well as the outstanding distribution potentials of Markaz and other lead managers. Markaz assisted a number of local companies from various sectors in issuing bonds and sukuk to obtain financing required to support its businesses. Markaz structured the first BOT-backed bonds in Kuwait, the first sukuk for a Kuwaiti real estate company and the first high-yield bonds. Our team members are qualified professionals that provide clients with innovative customized financial solutions that meet their requirements, in addition to Markaz wide network of clients.

Alhajeri added: "We have provided the opportunity to our corporate clients and high net worth individuals to subscribe in these bonds. Thus, we believe that we achieved a significant milestone for Markaz by providing an extensive set of diversified investment opportunities to our main clients. We hope in light of these positive signs that corporate efforts in both the public sector and private sector will continue to create a strong and deeply established bonds market."

Mr Fawzy Althunayan, Chairman of Ahli Capital, said: "We are delighted to be a part of this latest NIGH bond issue, and we appreciate the trust NIGH has placed in us. We believe in the development of the KD bond market as a secure method for long-term financing as an alternative to bank loans.

"The successful completion of this fully subscribed bond issuance reflects its appeal to a broad range of investors, and it is a further endorsement of general investor confidence in the high quality of NIGH's diversified portfolio, its business strategy, and its excellent credit record. It also underlines the strength and the continued overall long-term stability of Kuwait's ongoing economic diversification program. It is especially important in helping the development of the bond market in Kuwait, and provides a long-term

Markaz exits Parc Santa Fe industrial property

The sale generated a Net IRR of 27.66% and a net ROI multiple of 1.496 times.

funding method for other entities instead of depending on borrowing from Banks.”

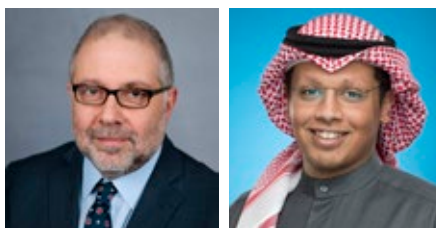
Finally, Mr. Ahmad Al-Duwaisan, General Manager of Corporate Banking at Gulf Bank, said: “We are proud to have been among the joint lead managers responsible for spearheading the issuance of the National Industries Group Holding bonds. This corporate bond transaction is an important milestone in the diversification of our funding sources and is a testament to our excellent access to capital markets.”

He added: “At Gulf Bank, we are constantly striving to elevate the banking experience for our corporate clients, who often have unique banking and investment needs that require tailored services

Our participation in the transaction has been met with great attention by investors in view of the excellent reputation of NIGH

and solutions. With our wide network of corporate clients and long experience in providing the best investment opportunities, we are proud of the results we keep achieving in terms of capital collection. The very positive reception given to this bond issue demonstrates our investors’ confidence in our joint business model and strategy, and reflects the support and collaboration of our investors and partners.”

The international credit rating company “Capital Intelligence” affirms the credit rating of the National Industries Group bonds at the “BBB-” investment grade with a stable outlook. It stated in its report that NIG’s large asset base comprising of a significant portfolio of quoted equities, as well as its diversification across multiple sectors coupled with its sound operating performance at most subsidiary and associated companies, are factors for supporting the stabilizing of the rating. Furthermore, the rating reflects the strength of the Issuer, comfortable effective liquidity and good reputation of the company.



Markaz announced the successful sale of Parc Santa Fe, a (344,542) square foot industrial property located in Denver, CO, for USD 58,000,000. Launched in April of 2018, the investment involved the acquisition and development of a green-field land parcel into a Class-A industrial facility. The sale of the property, which was in line with the initial investment strategy, delivered a net internal rate of return to investors (IRR) of 27.7% and a return on equity (ROE) of 49.6%. Both return metrics exceeded initial estimates of 11.9% (IRR) and 43.0% (ROE) driven by strong market selection, excellent project execution and active monitoring & oversight of the project.

Sami Shabshab, President of Mar-gulf Management Inc., Markaz’s U.S. real estate arm, stated: “For over 30 years, Markaz continued to strengthen its presence in international real estate markets and we have been able to achieve strong results and witness the growth of our portfolio by building lasting relationships with market leading operating partners, service providers and lending institutions. We would like to take this opportunity to thank our partner for the strong performance delivered on this investment. We would also like to thank all of our investors for their continued support and trust.”

Shabshab added: “Our philosophy is and continues to be sector and strategy agnostic under which we identify and source opportunities depending on market trends and timing. We have bought, sold, developed and renovated real estate assets across all major sectors (industrial, office, multifamily and retail). Our main focus is to create value to our investors, shareholders and stakeholders through prudent due diligence, timely acquisitions and world-class execution.”

Sadon Abdullah Al-Sabt, Vice Pres-

ident of International Real Estate at Markaz, reiterated the company’s continued commitment towards its real estate investment program both in the US and in Europe. He stated: “This exit is one of a series that have achieved more than the initial expected IRR. In 2019, Markaz successfully exited two development projects within our U.S. development program with returns exceeding original pro-forma expectations. Furthermore, we fully exited one of our distressed debt assets in Arizona and currently have only one remaining. In addition, we broke ground on four different development projects in 2019 including two industrial projects in Europe (Germany and Poland). The weighted average IRR generated by international real estate projects reached 19.5% in the current real estate cycle (since 2010).”

Al-Sabt added: “Our current International real estate portfolio consists of 15 standalone investments worth over USD 450 million across various markets. The full economic implications of the Covid-19 are not yet clear and uncertainty still prevails due to the unprecedented nature of the event. However, our existing portfolio is well positioned to weather the downturn and strongly recover as the crisis subdues. We strongly believe in the long-term value proposition of our investment program, which is designed to capitalize on real estate opportunities in the United States and in Europe. The current crisis will no doubt bring to the market unique transactions with significant long term upside which Markaz is ready to capture.”

Markaz has been active in the US real estate market since 1977 with the launching of its first syndicated transaction. Since 1988, Markaz has been conducting real estate transactions in the US through Mar-Gulf, the US real estate arm and wholly owned subsidiary of Markaz. Over the past thirty years, Markaz and Mar-Gulf have been involved in the ownership and development of real estate properties in a variety of segments (Industrial, Retail, Multifamily and Office) across the U.S. with a total acquisition cost exceeding (USD 1.65) billion.

Markaz: cost of borrowing from bonds market in GCC countries increased and bond prices dropped in March 2020 due to Covid-19

By: Fixed Income



Major leading global fixed income indices were up by end of February, before witnessing sharp declines in March and wiping any gains for the year

oil prices pushed credit rating agencies to downgrade both Kuwait and Oman on 31 March, citing deteriorating global economic outlook and falling oil prices.

Performance of fixed income indices

Initially, major leading global fixed income indices were up by the end of February, before witnessing sharp declines in March and wiping any gains for the year subsequent to the declaration of Covid-19 a pandemic by the World Health Organization (WHO). By the end of February 2020, the Bloomberg Barclays Global Aggregate was up 2%. Similarly, the Bloomberg Barclays GCC Aggregate, an index representative of fixed income securities of the 6 countries that form the Gulf Cooperation Council, was up 1%. Moreover, the Bloomberg Barclays Emerging Markets Aggregate was up 1%, whereas the Bloomberg Barclays US Aggregate and Pan-European Aggregate indices were up 4% and 2%, respectively. However, during March, the Bloomberg Barclays Global Aggregate fell by 2%, therefore ending the first quarter of the year at 0% return. In comparison, the Bloomberg Barclays GCC Aggregate was down by 9% ending the first three months of the year at a loss of 7%, while the worst-performing index was the Bloomberg Barclays Emerging Markets Aggregate index which lost 11% in March, to end the first quarter of the year with a total loss of 9%. The Bloomberg Barclays US Aggregate index is the only index up for the year, posting a return of +3% for the quarter, whereas the Bloomberg Barclays Pan-European Aggregate lost 4% in March, recording a loss of 1% for the first quarter of the year.

Sector performance of GCC fixed income securities

With few exceptions, all GCC bonds and sukuk across sectors were negatively

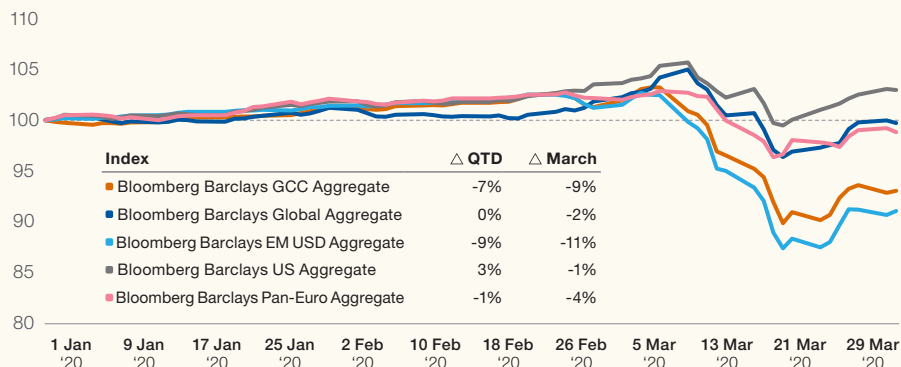
Markaz, in its GCC Fixed Income research report for the first quarter of 2020, highlighted the implications of the Covid-19 outbreak on fixed income markets in the region. The report notes that the outbreak of the disease has significantly impacted global financial markets across all asset classes, pushing central banks and policymakers to intervene and provide wide-ranging economic stimulus measures in the face of worsening economic conditions. Within the global fixed income markets, the global pandemic event has resulted in elevated volatility and widened spreads. Aside from the pandemic, global markets witnessed a sharp drop in oil prices during March as well, placing further strain on oil-dependent economies, translating into further pressure on regional fixed income markets.

The implications of the pandemic on regional fixed income markets were manifold. Regional fixed income indices were down for the first quarter of the year, whereas key sectors in the GCC experienced large sell-offs of bonds and sukuk and elevated spreads. Primary issuances of bonds and sukuk in the GCC witnessed weak activity in March as a result of the

uncertainty surrounding the pandemic, leading to a meager quarter of primary debt issuances in 2020 in comparison with previous quarters. Moreover, Credit Default Swap (CDS) spreads, a measure largely regarded as an indicator of default for sovereign countries, spiked across all GCC countries during March. Finally, the pandemic event and the sharp decline in

Global fixed income indices

Rebased scale, starting point = 100



During March 2020, the total issuances of bonds and sukuk in the GCC amounted to USD 5.4 billion, representing a 75% decline from March 2019

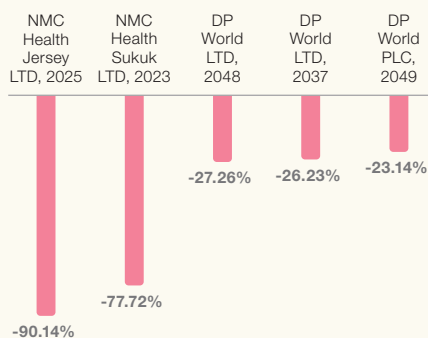
impacted as a result of the disruption caused by the Covid-19 outbreak and the sharp drop in oil prices; a major source of revenue for the GCC countries. Among these, high yielding bonds and longer maturities witnessed the biggest decline in each sector; however, consumer (non-cyclical), oil and gas, real estate and low rated government bonds experienced the brunt of the impact. NMC Health-care, based in the UAE, experienced the steepest decline in its 2025 bond and saw prices fall by 90.14% in the first quarter of the year as reports of fraudulent financial reporting emerged indicating inflated asset purchases and capital expenditures as well as understated debt. Borr Drilling witnessed the sharpest decline in the oil and gas industry as its 2023 bond witnessed a 74.4% decline in value during Q1 2020. The Emirates REIT witnessed the sharpest decline year-to-date in the Real Estate Industry as the value of its 2022 bond declined by 33.9%. Among GCC sovereign bonds, Oman experienced the greatest decline in prices across different maturities as low oil prices are expected to strain the country's fiscal budget. As of Q1 2020, Oman's 2027 bond declined by 30.36%, 2029 bond declined by 31.07% and 2048 bond declined by 34.51%.

Sector performance of GCC fixed income securities

Consumer, non-cyclical

Top 5 worst YTD performers

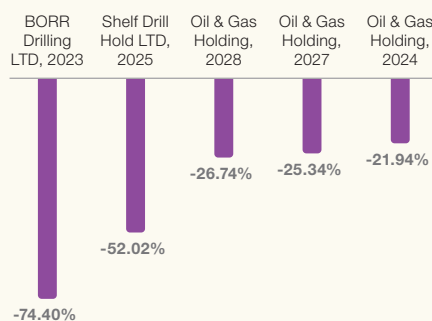
Price change YTD



Oil & gas

Top 5 worst YTD performers

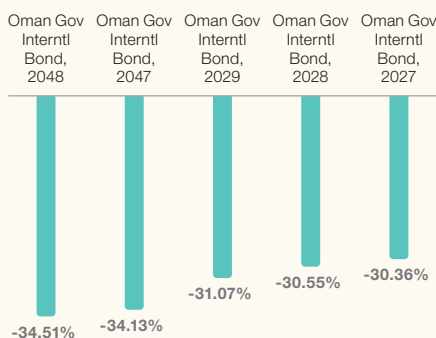
Price change YTD



Sovereign

Top 5 worst YTD performers

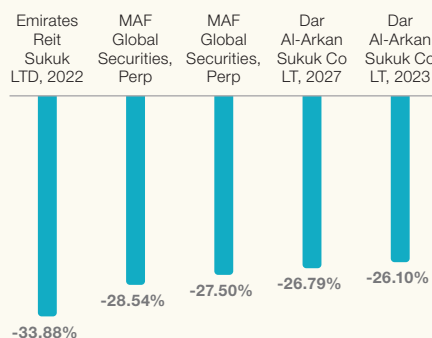
Price change YTD



Real estate

Top 5 worst YTD performers

Price change YTD



Primary issuances of gcc bonds and sukuk

During March 2020, the total primary issuances of bonds and sukuk in the GCC amounted to USD 5.4 billion, representing a decline of 75% from the total primary issuances of USD 21.5 billion achieved in March 2019. The decline in primary issuances represents a 4-year low and is largely as a result of the uncertainty surrounding the global pandemic event. During Q1-2020, primary issuances of bonds and sukuk in the GCC amounted to USD 26.2 billion, compared to [PG 16](#)

INFORMED OPINION

CONTINUED FROM PG 15

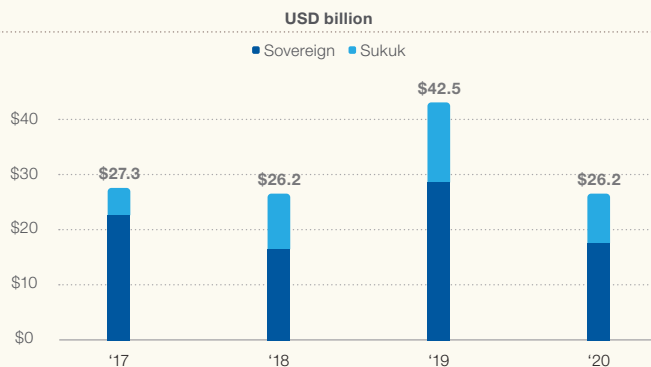
Cost of borrowing from bonds market in GCC countries increased and bond prices dropped in March 2020 due to Covid-19

Primary issuances of GCC bonds and Sukuk

GCC bonds & sukuk market primary issuance: sovereign vs. corporate

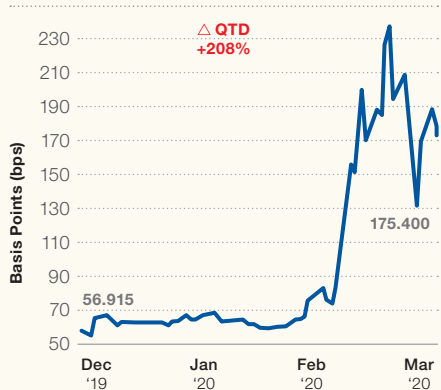


GCC bonds & sukuk market primary issuance: conventional vs. sukuk

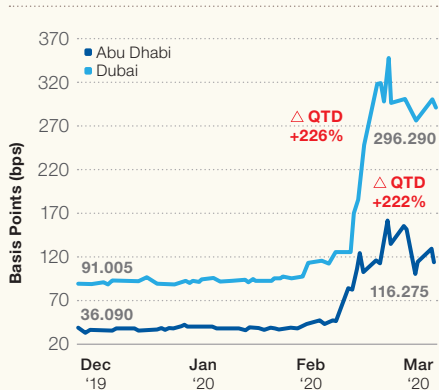


GCC CDS spreads

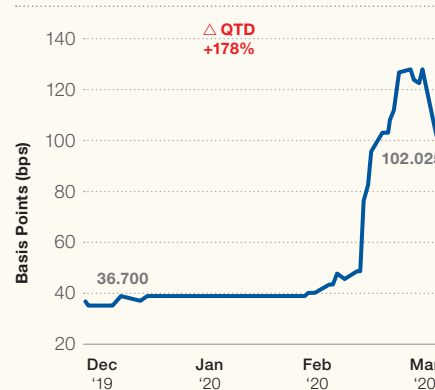
Saudia Arabia 5Y CDS



Abu Dhabi 5Y CDS



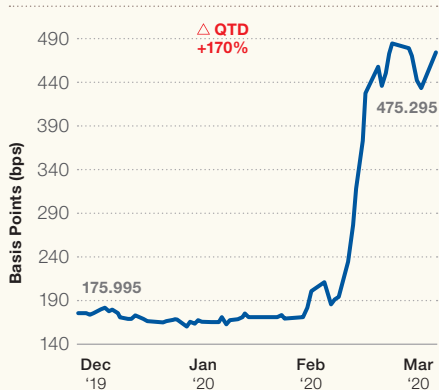
Kuwait 5Y CDS



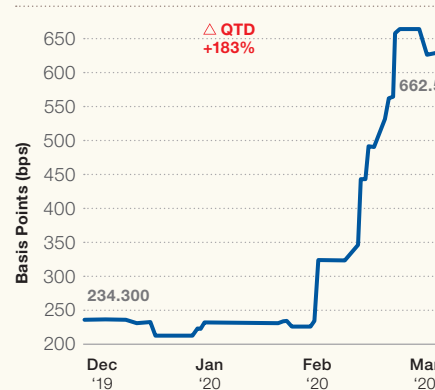
Qatar 5Y CDS



Bahrain 5Y CDS



Oman 5Y CDS



USD 42.5 billion during the same period in 2019. This represents a decrease of 38% year-on-year.

Moreover, primary issuances by sovereign GCC entities decreased by 65% year-on-year to reach USD 10.94 billion during Q1-2020, compared to USD 30.83 billion in Q1-2019. On the other hand, pri-

mary issuances by corporate entities in the GCC increased by 31% year-on-year to reach USD 15.30 billion during Q1-2020, compared to USD 11.70 billion during the first quarter of 2019. However, the majority of corporate issuances in the GCC during 2020 came in January and February, prior to declaring Covid-19 as a pandemic.

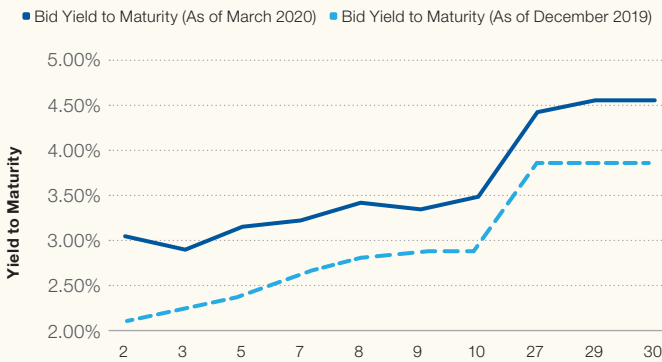
GCC CDS spreads

In March 2020, the 5-year CDS spreads have increased for all GCC countries reflecting a perception of higher credit for these countries. The halting of the global economy and the projected fall in future oil revenues are seen as adding further strain on the budgets of GCC [PG 18](#)

GCC yield curve

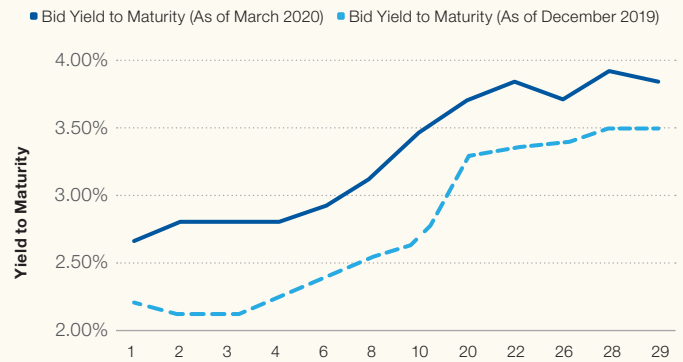
Saudi Arabia

Years to Maturity



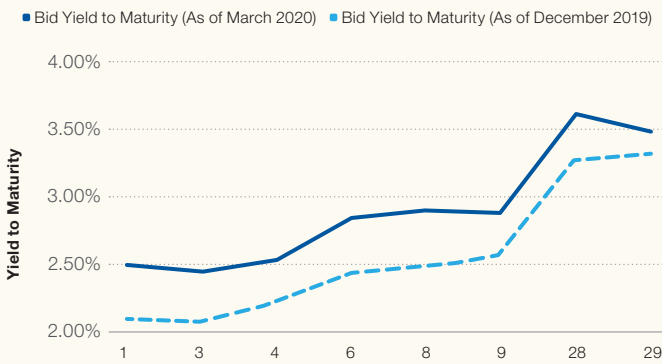
Qatar

Years to Maturity



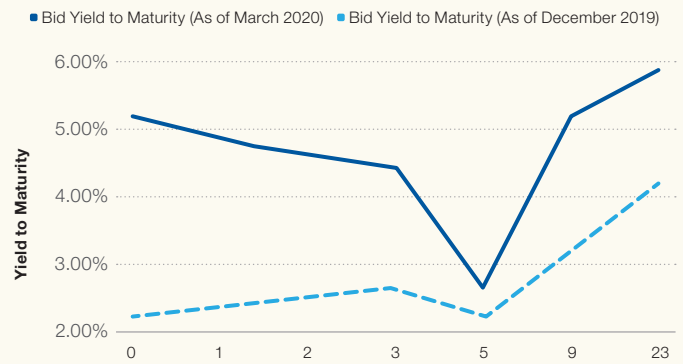
Abu Dhabi

Years to Maturity



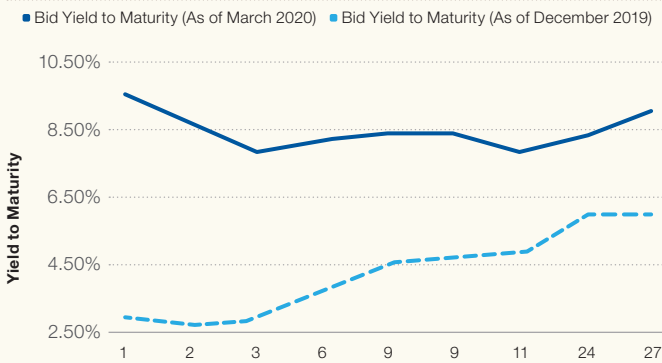
Dubai

Years to Maturity



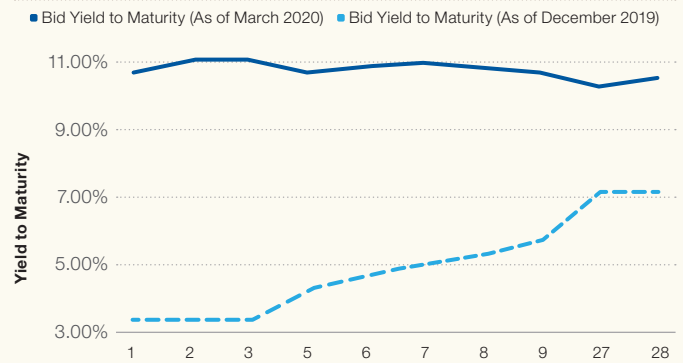
Bahrain

Years to Maturity



Oman

Years to Maturity



Cost of borrowing from bonds market in GCC countries increased and bond prices dropped in March 2020 due to Covid-19

governments, thus increasing the perceived risk of default. During March, Qatar saw its 5-year CDS spreads change from 49.010 bps to 128.745 bps, Abu Dhabi from 44.690 bps to 116.275 bps, and Dubai from 116.070 bps to 296.290 bps. Kuwait's 5-year CDS spread was priced at 41.735 bps at the beginning of March, which increased to reach 102.025 bps. Saudi Arabia's 5-year CDS spread was priced at 76.535 bps and increased to reach 175.400 bps at the end of the month. Moreover, Bahrain saw its 5-year CDS spreads increase from 201.195 bps to 475.295 bps during March, whereas Oman's 5-year CDS increased by from 324.585 bps to 662.595 bps during the same period.

GCC yield curve

Bond prices have an inverse relationship with yields; as bond prices increase, yields decrease and vice versa. During Q1 2020, GCC sovereign curves shifted upwards in line with the added risk of the economic shutdowns posed by COVID-19 and fiscal budgetary pressures of low oil prices, indicating higher cost of borrowing for these countries. Saudi Arabia saw the yield on its 2025 bond widen by 75 bps to 3.19% during Q1 2020, and the 2050 bond widen by 64

bps to 4.54%. Similarly, Qatar saw the yield on its 2026 bond widen by 63 bps to 3.01% and the yield on the 2049 bond widen by 30 bps to 3.81%. Furthermore, the 2026 Abu Dhabi bond widened by 39 bps to 2.83% and the 2049 bond widened by 24 bps to 3.52%. Dubai saw its 2025 Dubai sukuk widen by 85 bps to 3.23% and the 2043 Dubai bond widen by 154 bps to 5.83%. Bahrain and Oman experienced heightened volatility in terms of

During Q1 2020, GCC sovereign curves shifted upwards in line with the added risk of the economic shutdowns budgetary pressures of low oil prices

yield spreads as the yield on the 2026 Bahrain bond widened by 452 bps to 8.26% and the yield on 2047 Bahrain bond widened by 311 bps to 9.02%. As for Oman, the yield on its 2025 bond widened by 691 bps to 11.06% while the yield on the 2048 bond widened by 398 bps to 10.70% indicating markets are perceiving higher risks of defaults amid increasing economic turbulence. Kuwait's only outstanding bonds maturing in 2022 and 2027 widened by 3 bps and 26 bps as of Q1 2020, respectively.







A comprehensive yield curve cannot be established for Kuwait due to the lack of government issuances.

GCC sovereign credit ratings

One of the more important implications of the outbreak of Covid-19 and decline in oil prices is the S&P's downgrade of Kuwait from AA to AA- with a stable outlook and Oman from BB to BB- with a negative outlook. Moreover, Moody's changed its outlook for both countries from Stable Outlook to Negative Outlook and has placed both countries on review for a potential downgrade. Fitch, however, affirmed Kuwait's credit rating at AA and maintained a stable outlook for the GCC country.



GCC sovereign credit ratings

	Moody's		S&P		Fitch		
	Aa2	→	Aa2 Negative outlook	AA	→	AA-	
	A1	→	A1	A-	→	A-	
	Aa2	→	Aa2	No Rating		No Rating	
	Aa3	→	Aa3	AA-	→	AA-	
	B2	→	B2	B+	→	B+	
	Ba2	→	Ba2 Negative outlook	BB	→	BB-	

Markaz is a strategic sponsor of Tenders for SMEs forum

Supporting entrepreneurs to achieve sustainable economic growth.



Markaz supported “Tenders for SMEs” forum, organized by Emtidad Co. under the patronage of The Central Agency for Public Tenders, which was held on 21 January 2020 at Shaheed Park, phase 2.

Sheikh Humoud Salah Al-Sabah, Assistant Vice President, Government Business Relations at Markaz, stated: “At Markaz, we believe that entrepreneurs and SMEs are fundamental for the development of societies and economies. Therefore, we are proud of our strategic sponsorship of the forum that aimed at increasing this segment’s awareness on the current laws and enabling them to shed light on the challenges they face, in order to

390,000 Kuwaitis work in the public and private sectors. Over the coming 10 years, around half million additional Kuwaitis will join this labor market

build a communication bridge between all society segments and achieve sustainable development in Kuwait.”

He added, “60% of Kuwaitis are under

30 years old. Based on the latest statistics, 390,000 Kuwaitis work in the public and private sectors. Over the coming 10 years, around half million Kuwaitis will join the labor market, which is more than the current number. It is our responsibility to improve the business environment, create job opportunities for the coming generations and support SMEs to grow through innovative solutions such as this forum.”

The forum shed light on a number of key topics such as Law no. 74 for 2019 about the SME’s rights in public tenders, and the opportunities in public and private tenders. Markaz’s sponsorship of the forum falls in line with its Corporate Social and Economic Responsibility (CSER) strategy, which consists of three key pillars, namely: Building human capacity, Aligning the business environment with the principles of sustainable development, and Promoting good governance in the business environment. Markaz’s activities within this strategy covers a variety of projects that support sustainability including developing human capabilities, to achieve economic development.

Markaz a platinum sponsor of “Maker Faire Kuwait 2020” for third consecutive year

Believing in the importance of innovation and supporting youth’s ideas.



Markaz participated as a platinum sponsor in the fourth season of (Maker Faire Kuwait 2020), organized by Kuwait Investment Company and held under the patronage of His Highness the Amir, Sheikh Sabah Al-Ahmad Al Jaber Al Sabah, which took place from 11-15 February, 2020 at Kuwait International Fair Ground. Markaz also sponsored one of the most important technical workshops; the “Robotics workshop”, which allowed participants to build tracking robots that can be controlled with remote controls. Markaz’s sponsorship reflects its beliefs in the importance of building human capabilities as part of its corporate social responsibility strategy, as well as enabling the young “makers” to develop their creativity and innovative ideas to serve the society.

Mrs. Sondos Saad, Vice President and Head of Media and Communications at Markaz said, “Markaz” believes that supporting Kuwait’s youth in developing their creations and innovations are the foundation of building societies and economic diversification for the long term. Therefore, Markaz is committed to supporting such activities that invest in growing the capabilities of Kuwait’s youth and enabling them to implement their innovative ideas, especially in the field of industries. We are happy to participate for the third consecutive year in (Maker Faire Kuwait) that is organized by Kuwait Investment Company. This prominent community event embraces innovative ideas and projects for young Kuwaiti talent, and attracts regional and international participation.”

CSR ACTIVITIES

Loyac's live talk with Deena Al-Refai



Ms. Deena Y. Al-Refai, Senior Vice President, Investor Relations at Markaz, gave a live Instagram session to Loyac students on “The Effect of Technology on our Practical Life”, on 22 April 2020.

The live talk shed light on how Covid-19 accelerated using technology dramatically, and on Markaz's investment application “iMarkaz” as a technological tool, the impact of this crisis on different sectors like education and healthcare, and how Markaz is working remotely and efficiently to ensure its operations continue to run smoothly.

Fun, exciting open day with Markaz family!



Markaz family celebrates Kuwait National & Liberation Day



Markaz graish...from home!

Keeping social distance while sustaining Markaz's culture of unity and connectivity, all employees were invited to share pictures of their Graish dishes from home. No matter where we are, we will always be one family!



MARKAZ FAMILY

Markaz bids farewell to ‘Class 2019’ of “Markaz Graduates Development Program”...

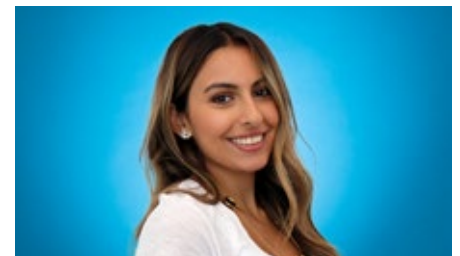
Markaz Graduate Development Program (MGDP) completed its third successful year, as eight Kuwaiti fresh graduates completed their one-year development experience with Markaz, designed to give them highly practical exposure to all areas of the organization. The graduates were given the opportunity to experience day-to-day responsibilities, learn core business skills and develop professional competencies for their future endeavors.



1 **Abdulmohsen Al Mudhaf**
International Investments

2 **Rahaf Al Gharaballi**
Compliance & Risk

3 **Mariam Al Marzouq**
Wealth Management and Business Dev.



“With every ounce of genuine appreciation and gratitude, I can comfortably say that this program has helped shape a very integral part of my life and has bolstered my abilities not only as an investment professional but, first and foremost, as a person as well.”

“I am proud of being a part of Markaz for the past year, and truly grateful for the opportunity given to me to grow personally & creatively. During my time in the Graduate Program, I have discovered my hidden skills & gained new experiences in the industry. I was lucky enough to have been placed in two departments, and had pride & passion in my work.”

“This program has helped me in identifying what I want and where I would like to be. It helped me look at things from a different vantage point, as well as change my mind set. I would like to thank Markaz for this experience and the people I met along the way.”

...and welcomes ‘Class 2020’

In February 2020, Markaz welcomed the 4th batch of graduates who joined Markaz Graduate Development Program. We’re looking forward to working together and sharing our experience with you.



Top mentors

The quality time and mentoring that all senior Markaz leaders provide to the graduates during their training is one of the best strengths of Markaz’s Graduates Development Program. Based on feedback from program participants, Markaz has recognized the top three mentors, whose to help people grow and develop is highly appreciated.

1 **Abdullatif Al-Nusif**

Wealth Management and Business Dev.



2 **Abdulrazzaq Razooqi**

Advisory



3 **Alexander Salamoun**

Post-Acquisition



A highlighted thanks to our closedown ‘Extra Milers’

Activating Markaz contingency plan, a limited number of key employees took all the precautionary procedures and worked at the office with limited hours. In addition, Markaz teams were able to work remotely, thanks to our support teams. Here are some of the faces our core staff who have so far bravely manned the Markaz fort during shutdown!





iMarkaz

The 1st personalized investment app supported by Markaz experts



You can now achieve your investment goals with Kuwait Financial Centre “Markaz” through its new application iMarkaz, an interactive platform that provides you with initial investment advice, suitable for your investment requirements and supported by Markaz experts.

iMarkaz application allows you to build your investment portfolios in minutes and connects you to Markaz professionals who will be there for you throughout your investment journey.

Download iMarkaz now!



Kuwait Financial Centre K.P.S.C.
Asset Management | Investment Banking

markaz.com | +965 2224 8000