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RECOMMENDATIONS OF THE FIFTH KUWAIT INVESTMENT FORUM

KUWAIT LEGAL EXPO

MARKAZ REPORT

KAMCO REPORT

اتحاد شركات الاستثمار
UNION OF INVESTMENT COMPANIES

THIS ISSUE

Forum

Recommendations of the Fifth Kuwait Investment Forum

At the Fifth Kuwait Investment Forum.. Discussing the requirements of the future and the possibilities of reality... A strong investment with a strong vision

In the midst of a large presence and great interest from the official authorities, institutions, commercial and investment companies, businessmen, interested parties, experts, researchers and academics, the activities of the Fifth Kuwait Investment Forum were launched today in the Al-Boom Hall in the building of the Kuwait Chamber of Commerce and Industry under the guise of (Lost and Available Opportunities for Investment in Kuwait). This Forum is held in cooperation with the Federation of Investment Companies, the forum aims to discuss the impact of small projects on economic growth, the mechanism for facilitating attracting projects, and the laws and legislations regulating the investment sector in the country.

At the beginning of the first session, managed by Mr. Madi Al-Khamis, Secretary-General of the Arab Media

Forum, it spoke with a welcoming speech to the honorable attendees, represented by Mr. Fahd Mutlaq Al-Shariaan, Minister of Commerce and Industry, and all attendees, including participants, experts and commentators. It also thanked the Federation of Investment Companies for their entry and participation in a strategy for holding this forum, as well as the Federation of Kuwait Banks for this strategic partnership.

The forum sessions included a number of themes, most notably the requirements of the future and the potential of reality, strong investment in accordance with an insightful vision, procedures for facilitating attracting projects, and the laws and legislations regulating the investment sector.

Mr. Fahd Mutlaq Al-Shariaan, Minister of Industry and Trade, gave the ministry's speech about the state's vision for the investment sector and its endeavor to develop commercial laws to keep pace with global changes such as the electronic commerce law, restructuring, digitizing and developing the corporate licensing system, and automatic linkage with the relevant external parties in the issuance of commercial licenses along with directing the Capital Markets Authority to introduce laws that contribute to putting Kuwait on the path towards its adoption as a regional financial center. In his speech, the minister mentioned the ministry's interest in the investment platform project that serves small projects to benefit from the state's facilities.

Dr.Bader Al-Mulla, a member of the Financial and Economic Affairs Committee of the National Assembly, spoke about the laws and legislations related to investment, about his previous experience in amending the Capital Markets Law in 2015 and how the Capital Markets Authority was promoted according to international indicators and this was reflected in the availability of liquidity within the Kuwait Stock Exchange. But today, after the Corona pandemic, and despite the introduction of many legislations that achieve guarantees for small and medium enterprises. However, he did not see any executive repercussions for this law, and the failure to take some problems more seriously and provide realistic solutions, such as the continued decline in the state's financial bank insurance in recent years. Further, he stressed the need to protect the Kuwaiti investor and companies that have some related businesses and properties in Russia and Ukraine. It needs to put some legislative solutions to protect investors. He stressed the need to take advantage of crises, as happened with the General Investment Authority, the Development Fund and the General Insurance Corporation, which did not achieve record profits in its history except during the pandemic period when it used Bonnie Fisher and entered the markets and used liquidity in the process of buying assets and thus benefiting from unprecedented profits. Dr.Muhammad Badr Al-Khamis, Director of the Office of Supervision Department at the Central Bank of Kuwait, also talked about the Central Bank's measures to maintain economic stability, as the Central Bank had a proactive role by reducing the discount rate, constituting an expansionary environment for the economy and supports investment in the state sectors.The Central Bank has also eased regulatory requirements such as liquidity requirements and financing requirements.This was felt through the statistics published by the Central Bank of the performance of the banking sector, whose assets rose by 5% in light of the economic challenges that we see today.The irregularity rate has also decreased, which is the lowest in history. As for the efforts of the Central Bank to create a better future for the banking sector in a way that serves and encourages investment and serves the investment environment, it was the formulation of the digital transformation strategy in the Central Bank. As for the other aspect discussed by Dr. Muhammad, is the vision of the Central Bank to support digital transformation in the banking sector itself. Everyone knows the role of the investment and banking sector in forming a basic foundation to support investment expansion and attract investment to support digital transformation. The Central Bank has put forward an initiative from three aspects: the first is the existing banks through the establishment of digital units using the same license.The second aspect is to allow the establishment of new digital banks, the aim of which is to support the banking sector in the State of Kuwait, and finally, the release of draft instructions for payment systems. This draft is presented today for participation in opinions until the date of the 24th of this month to be issued in its final form. It serves owners of small and medium enterprises and owners of companies specialized in payment.

In addition, Prof. Dr. Fayez Al-Kandari, representative of the Kuwait Banks Federation, spoke about the Kuwait Banking Federation's vision for the economic and investment aspect in the country; emphasizes the need for political stability that creates a favorable investment climate and the need for cooperation between the legislative and executive authorities. It is necessary to address the imbalances of the government sector, which is a major obstacle in the field of investment in the State of Kuwait, and indicated that there shall be an expansion in the sectors of partnership between the private sector and third party. After the Al-Zour station, we did not witness any kind of such partnerships between the public and private sectors, which created job opportunities, and stressed that it is necessary to reconsider some legislation, such as the need for economic courts to speed up the processes of adjudicating the lawsuits. Some concepts shall be abandoned, for example, the executive document is still in the State of Kuwait, so it shall either be a written and documented contract, or it shall be a judgment or judicial order. Some old concepts shall be changed, why is the executive document not considered the promissory note in itself? In the 2014 Electronic Transaction Law, only applied at the time of the pandemic, it was necessary to amend Article Four. We are prohibited from dealing with electronic bonds and electronicmortgage statements and we shall not deal with electronic property titles. Finally, we wish the National Assembly the quality of legislation that some laws suffer from and the speedy issuance thereof.

Mr. Mohamed Al-Sanea, Board Member of the Board of Directors of the Foreign Direct Investment Promotion Authority, former president of the Kuwait Economic Association, spoke about the rules for building real investment in Kuwait, who praised the timing and title of the conference, after the Corona crisis as it is possible at this time to evaluate the government's economic interaction and study global variables and their impact on the national economy.There shall be a strategy to manage a crisis such as the Corona crisis before it occurs so as not to cause chaos and confusion.He referred to the necessity of defining the economic identity by paying attention to the private sector, which is sure to create job opportunities and jobs, as it contributes to diversifying sources of income and realizing investment opportunities.Mr. Saleh Al-Salami, President of the Federation of Investment Companies, addressed the vision of the private sector for economic reform and stimulating the wheel of the economy until the desired economic reform is achieved and sustainable development is achieved in the State of Kuwait.The footsteps of the developed countries that paved the way for the private sector to be the main economic pillar shall be followed, stressing that if the neighboring countries are looked at, we will see that their economic orientation is based on pushing the private sector to take the largest role in the national economy.

In an open discussion, Ms. AsrarJawhar Hayat, Secretary of the Board of Directors of the Kuwait Transparency Association, followed the association's aim to put a footprint to enhance governance standards and their application in the Capital Markets Authority and Banks because it is one of the steps of transparency and integrity.Kuwait suffers from corruption and money laundering cases that were revealed in 2019-2020. Mr. Faisal Al-Tabikh, President of the Kuwait Accountants Association, also commented on the need to adopt and establish an independent accounting and auditing body that will provide accurate financial statements in order to ensure the transparency of the financial environment, this authority highlights the importance of improving the economic performance of the public and private sectors.

In the second session moderated by Mr. Mahdi Al-Jazzaf, CEO of The Conference Board Gulf Center for Economic and Trade Research, the topic of small projects between the state's vision and reality was addressed, as well as the impact of small projects on economic growth.In this axis, Mr. Fares Al-Enezi, a consultant for the development and care of small projects, talked about solutions and alternatives to overcome obstacles in the way of small projects, the Small Enterprises Fund, achievement and aspirations, which stressed the need to increase the space for small and medium enterprises with regard to tenders to create opportunities in the local market for small projects and support business incubators to rationalize and provide consultancy, support and financing for owners of small and medium enterprises.

Mr. Osama Al-Shaheen, a member of the National Assembly, spoke about the laws and legislation regulating the work of small projects, saying that these projects still need more regulating legislation.There is also no clear economic or investment vision for these projects, as this sector does not represent any priority for the government, and this is the reason for a large gap between the business owners of these projects and the government sector, affecting the economy in general.Mr. Abdullah Al-Tarkit, Vice President of the Federation of Investment Companies, also spoke about small projects, the state's vision and project requirements. The share of small and medium-sized enterprises in Kuwait's GDP does not exceed 3% in Kuwait, but reached 22% in Saudi Arabia, and 53% in the UAE, explaining that the global average contribution of small enterprises to the GDP reached 45%. Al-Tarkit also revealed that the current conditions and the difficult business environment prompted a number of Kuwaiti youth entrepreneurs and owners of small projects to take actual steps towards transferring their economic activity to neighboring countries such as the UAE, Saudi Arabia and the Sultanate of Oman,

so that the phenomenon of project migration became another problem to be added to the record of problems facing small and medium enterprises.

Mrs. Al-AnoudYaqoub Al-Fahad, Director of the Department of Monopolistic and Competitive Investigations, spoke in the Competition Protection Authority about protecting competition in small enterprises, which indicated that the Competition Protection Law is the most important law that protects owners of small and medium enterprises from acquisition by large companies that always try to control the market and that the signing of a memorandum of understanding with the Small and Medium Enterprises Support Fund is for a study to determine the objectives Facing challenges, developing services and facilitating their work.

Mr. SalehMuaiber Al-Dhafiri, Director of the Shareholding Companies Department at the Ministry of Trade and Industry, stressed the ministry's procedures to facilitate the work of small projects on the importance of directing and repeating messages directed to government agenciesto speed up and motivate government decisions.One of the most important obstacles facing owners of small and medium enterprises is the difference in electronic systems between government agencies and business owners. Here should come the role of the Central Agency for Information Technology, where is its role in unifying those systems in all government agencies.

At the end of the second session, Mr. Muhammad Abdullah Al-Anjari, President of the Kuwait Association for Small Enterprises, who took a dark look in which he spoke about the bankruptcy of small and medium-sized business owners, some of whom faced prisons and others evaded. All of these were ignored and abandoned by the government and the National Assembly, despite the fact that 80% of Kuwaiti families have small and medium projects. Dr.Manal Al-Hasawi, President of the Kuwait Society for Strategic Planning, commented on the topics of the session on the necessity of the government sector's commitment to using one language, which is sustainable development plans that carry the development of the private sector.

The forum witnessed the participation of Minister of Commerce and Industry Fahd Al-Shariaan and a number of heads of banks, companies, investment and economic institutions, as well as the Banks Union, the Kuwait Economic Society, the Kuwait Transparency Society, the Accountants Association, the Realtors Union, and the National Fund for Small and Medium Enterprises Development.For his part, Saleh Al-Salami, Chairman of the Board of Directors of the Federation of Investment Companies, stressed the need to strengthen the role of the private sector in supporting the Kuwaiti economy. The objective of the forum is not only to come up with recommendations at the end of it, but to shed light on the role that the private sector shall play in the industry of daily and economic life in order to achieve all the goals that we aspire to.The participants agreed on the following recommendations:

The conference recommends:

Advancing the private sector and help it grow in a sound investment environment, as the private sector constitutes 27% of its GDP compared to neighboring countries. Saudi Arabia constitutes 44% of Saudi Arabia's GDP, and the UAE accounts for 70%. Neighboring countries harness all their capabilities and grant facilities to companies there because they support their national economy in a real way and also employ a huge percentage of national labor with great guarantees of job security rights that are almost non-existent in many countries.

Taking advantage of crises and prepare for them in advance in developing a strategy to confront and manage any future crisis, for example the Corona crisis and the global financial crisis, leading to the war of Russia and Ukraine and the impact of these crises on global markets in all investment, financial and commercial sectors. This requires some legislative solutions and protection of investors in advance before economic damage or chaos occurs.

The need to reduce the documentary cycle, especially for owners of small and medium enterprises, as well as large companies, support cooperation between state institutions, speed and facilitate transactions and procedures, and the importance of electronic linking between the concerned institutions and achieving communication between them.

The necessity of unifying all electronic systems in state institutions so that they do not become an obstacle to any transactions, and this is the role of the Central Agency for Information Technology.

Bringing out the school's practical papers, approved by experts, academics, economists, businessmen and politicians, and are still trapped in the list, as an example of a true vision of economic reform 11/2020 papers that have not seen the light to this day.

Banks are still able to provide many digital services, as the Central Bank has worked extensively and intensively in recent years during the pandemic in the field of digitization in order to keep pace with the digital transformation in the world and worked hard in the cyber field and stimulate innovation.

Encouraging the private sector and giving it more space to participate in development plans and making real partnerships with the government sector or civil society organizations in order to achieve community participation.

Reducing the emigration of Kuwaitis to work in the government sector to escape the lack of a safe investment environment in the private sector.Kuwaitis working in the government sector concentrated at a rate of 78%, as their number reached 333.6 thousand citizens, or 4.7 percent for about 72.9 thousand workers.

There is still a need for more economic legislation to promote the investment sector, and even to reconsider the legislation and shed light on some laws that govern the investment process in order to create a sound investment environment. It is also necessary to develop legislation that accompanies the changes in investment and trade patterns imposed by competition.

The actual need for specialized economic courts to look into disputes and decide on them expertly and quickly, because the long and complex procedures are an environment expelling investment and trade, as it is necessary to separate the lawsuits in the State of Kuwait, operating at a slow pace.

The necessity of economic diversification and reducing dependence on oil exports, especially since more than 90% of the state's income now comes from oil revenue.

The need to come out with real activation, as the government sector uses one language, which is to follow the vision of sustainable development plans 2030, which is related to the private sector.

Recalling previous experiences that had a positive role, such as the 2015 Capital Markets Law, whose fruits are being reaped today in the Kuwaiti Stock Exchange and upgrading to international indicators.

The necessity of defining the economic identity and paying attention to the private sector as one of the components of the national economy that creates job opportunities, diversity in sources of income, and investment opportunities.

The necessity of adopting and establishing an independent accounting and auditing body that will provide accurate financial data in order to ensure the transparency of the financial environment. This body highlights the importance of this body in improving the economic performance of the public and private sectors.

Today, there shall be a top priority for the owners of small and medium enterprises and to provide real and realistic solutions for them in order to provide job opportunities, diversify the economy, create a positive personality for the owners of these projects, and create a positive society.

The division of land is the most important obstacle facing owners of small and medium enterprises, but rather on the investment process.It is necessary to reconsider the division of state-owned lands, reduce high costs, and give spaces for the establishment of investment projects.

Launching a window that facilitates owners of small and medium enterprises to deal directly with official authorities, which is the least support provided to the state for owners of such projects.

The necessity of directing and repeating the messages directed to the government, and accelerating its stimulation.

The commitment of the government sector to sustainable development plans that refer to the development of the private sector, and to work in a team spirit with the names of personalities and at specific times in accordance with the National Development Plan 2035.

UIC Participations in Local Events

Kuwait Legal Expo

Upon the invitation of Kuwait International Law School (KILAW), Union of Investment Companies (UIC) participated in "Kuwait Legal Forum", which was held at the college's headquarters during the period from 29th & 30th March 2022.

The forum aims to provide a positive initiative from KILAW to find an interactive mechanism between legal experts, consultants, lawyers and all those who are concerned with law and those who deal with it, and law students to meet and benefit from opinions and experiences in a way that contributes to developing the governmental and private sectors in all areas of interest to law practitioners.

The forum included several dialogical sessions in which speakers from inside and outside Kuwait participated, in addition to workshops in various disciplines. An exhibition accompanying the forum was organized to provide training programs and job opportunities with the participation of several parties, civil organizations, international law offices, research and training centers and international legal organizations and publishing houses

Report

The Financials, Real Estate, and Industrials sectors witness the highest number of transactions

Markaz:

Gulf Insurance Group reigns the top Kuwaiti-led transactions for 2021 with the acquisition of AXA S.A.'s Gulf-based operations

Gulf Insurance Group (GIG) leads the top M&A transactions led by Kuwaiti buyers during 2021 as per a report recently issued by the Investment Banking Department at Kuwait Financial Centre "Markaz". The report highlights the multi-million dollar transaction whereby GIG acquired 100% of AXA S.A.'s operations throughout the GCC for a total consideration of USD 474.8 million. As a part of this transaction, GIG will acquire 100% of AXA Gulf, a 50% stake in AXA Cooperative Insurance Company and a 28% stake in AXA Green Crescent Insurance Company, from AXA S.A. and Yusuf Bin Ahmed Kanoo Group1.

Al Futtouh Holding Company led the second largest closed by a Kuwaiti buyer as it acquired a 45% stake in Al Ansar United Real Estate Company for a total consideration of USD 161.4 million. It is worth noting that the target is a subsidiary of Kuwait Projects Holding Company (the seller), who intends to divest an additional 10% stake in the company however it has yet to finalize the transaction. Moreover, Al Janah Holding Company acquired a 10% stake in Qurain Petrochemical Industries Company from Petrochemical Industries Company (PIC) for USD 154.0 million. PIC divested all 110.0 million of its shares in the company through an auction that closed at USD 1.4 per share.

The report also highlights the largest transactions taken on by Kuwaiti buyers throughout 2019 and 2020, starting with Boursa Kuwait Securities Company (Boursa Kuwait), who took on the largest transaction for 2020. Boursa Kuwait successfully acquired a 13% stake in Kuwait Clearing Company for a total consideration of USD 39.2 million. Alghanim Trading Company reigned the top

1 Upon closing, GIG will own a 50% stake in AXA Cooperative Insurance Company, 18% of which will be acquired directly whereases the remaining 32% will be classified as an indirect investment as it is owned by AXA Gulf – Bahrain, which GIG will fully acquire. AXA Gulf has operations in Bahrain, Oman, Qatar and the United Arab Emirates while AXA Cooperative Insurance Company and AXA Green Crescent Insurance Company are based in Saudi Arabia and the United Arab Emirates, respectively.

transactions for 2019 by a landslide when it sealed a deal for a 16% stake in Gulf Bank for a total consideration of USD 501.0 million, at ~ USD 1.0 per share. Note, Alghanim Trading Company acquired the shares from Kuwait Investment Authority, and in doing so, raised its total stake in Gulf Bank to 33%.

M&A Growth (by Kuwaiti Buyers)

According to Markaz's report, Kuwaiti acquirers sealed a total of 33 transactions throughout 2021, which demonstrates a 38% growth year over year and a 13% decline in activity between 2019 and 2021. Kuwaiti acquirers primarily acquired local companies and acquired companies based in other parts of the GCC as well as countries cross-border, to a lesser extent. This is evident as 78% of the transactions that Kuwaiti buyers closed throughout 2019-2021 involved Kuwaiti companies, followed by GCC and cross-border targets, at 15% and 7%, respectively.

GCC M&A Deals (Kuwaiti Buyers)

Throughout 2019-2021, Kuwaiti acquirers sealed a total of 81 transactions involving GCC targets, demonstrating a 40% growth year over year between 2020 and 2021 and a 15% decline between 2019 and 2021. Investor confidence slowly grew as the uncertainty onset by the COVID-19 pandemic eased, as the total number of cases decreased, and as restrictions were uplifted. Although the market has not returned to historical M&A levels, it is evident a recovery is paving its way. Moreover, Kuwaiti acquirers primarily acquired local companies which is evident as 91% of the transactions closed involved Kuwaiti targets, whereas the remaining 9% involved companies in other GCC countries. With the exception of Qatar, Kuwaiti buyers closed at least one transaction involving companies based in the GCC.

Overall, Kuwaiti acquirers primarily targeted companies within the Financials, Real Estate and Industrials sectors. Collectively, these transactions accounted for 66% of the total transactions closed by Kuwaiti buyers within the GCC. The sectors that attracted the least level of activity were the Insurance, Energy and Materials sectors, each of whom accounted for less than 2% of the total activity (closed) throughout 2019-2021.

Cross-Border M&A Deals (Kuwait Buyers)

Between 2019-2021, Kuwaiti acquirers sealed a total of 14 cross-border transactions. Kuwaiti acquirers demonstrated a specific interest in Egypt and the United Kingdom, in which they closed a total of 4 and 3 transactions, respectively. Aside from Egypt and the United Kingdom, Kuwaiti acquirers closed a total of one transaction each within various countries including but not limited to Belgium, India, Kenya, Spain among others.

Petrochemical Industries Company reigned the largest transaction taken on by Kuwaiti acquirers throughout the past three years at USD 476.2 million, with its acquisition of a 49% stake in SKC Company Limited, a South Korean manufacturer and marketer of chemicals and films products. This was followed by Wafra Inc. who acquired a minority stake in Digital Colony Management L.L.C., the digital investment management division of global investment firm Colony Capital, for USD 400.0 million. Moreover, Boubyan Bank successfully acquired a ~43% stake, or 73.0 million shares, of Bank of London and the Middle East Holdings (BLME) for a total consideration of USD 158.0 million. As such, Boubyan Bank raised its stake in BLME to +71%.

Moreover, Kuwaiti acquirers primarily targeted companies within the Financials and Real Estate sectors. Collectively, these transactions accounted for 51% of the total transactions closed by Kuwaiti buyers that involved foreign companies. The sectors that attracted the least level of activity were the Industrials, Information Technology and Logistics sectors, which each accounted for 7% of the total activity (closed) throughout 2019-2021.

M&A Deals (Kuwaiti Targets)

Furthermore, there was a total of 104 closed transactions involving Kuwaiti targets. Kuwaiti and other buyers accounted for a majority of these transactions at 59% and 26%, followed by foreign and GCC buyers who made up 10% and 5%, respectively. 2021 witnessed the highest number of closed transactions at 39, while 23 and 37 transactions were recorded during 2020 and 2019, respectively. Between 2020 and 2021, Kuwaiti acquirers saw a year over year growth of 21% in comparison to a 28% decline in activity between 2019 and 2021. It is evident COVID significantly impacted the level of M&A activity, demonstrated by the significant drop in the year 2020.

It is worth noting that 34% of the transactions that closed between 2019-2021 involved transactions in the Financials sector. The Real Estate, Industrials, and Consumer Discretionary sectors accounted for 15%, 12%, and 9% of all closed transactions involving Kuwaiti targets, respectively, whereas the Insurance, Materials, Logistics, and Construction sectors accounted for the least number of closed transactions, at 1% each.

Deals in the Pipeline

By the end of 2021, there was a total of 13 announced transactions in the pipeline.The majority of these transactions involved Kuwaiti targets, at 85%, whereas the remaining transactions equally involved Bahraini and UAE targets. The largest of these transactions was taken on by Kuwait Telecom Company who penned a binding agreement to acquire 100% of E-Portal Holding Company and its local subsidiaries for a total consideration of USD 75.7 million. Closing is subject to obtaining necessary regulatory approvals.

Top 5 GCC M&A Deals by Reported Value – Kuwaiti Buyers (2021)*

Target Company	Buyer	Target Country	Percent Sought	Deal Value (USDmn)	Status
AXA S.A. – Gulf Insurance Operations	Gulf Insurance Group	Multiple	100	475	Closed
Al Ansar United Real Estate Company	Al Futtouh Holding Company	Kuwait	45	161	Closed
Qurain Petrochemical Industries Company	Al Janah Holding Company	Kuwait	10	154	Closed
National Investments Company	Múltiple	Kuwait	26	148	Closed
Heavy Engineering Industries & Shipbuilding Company	Gulf Cable & Electrical Industries Company	Kuwait	26	89	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

**Top deals were chosen based on transactions, for which all the necessary information was available.*

Number of Closed M&A Transactions - Kuwaiti Buyers

Country	2021	2020	2019	Total
Kuwait	23	19	32	**74**
GCC*	5	1	1	**7**
Cross-Border**	5	4	5	**14**
Total	**33**	**24**	**38**	**95**

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

**Involves all GCC countries excluding Kuwait.*

***Cross-border transactions involve targets outside of the GCC.*

Number of Closed GCC M&A Transactions Kuwaiti Buyers

Country	2021	2020	2019	Total
Bahrain	3	0	0	**3**
Kuwait	23	19	32	**74**
Oman	0	1	0	**1**
Qatar	0	0	0	**0**
Saudi Arabia	0	0	1	**1**
United Arab Emirates	2	0	0	**2**
Total	**28**	**20**	**33**	**81**

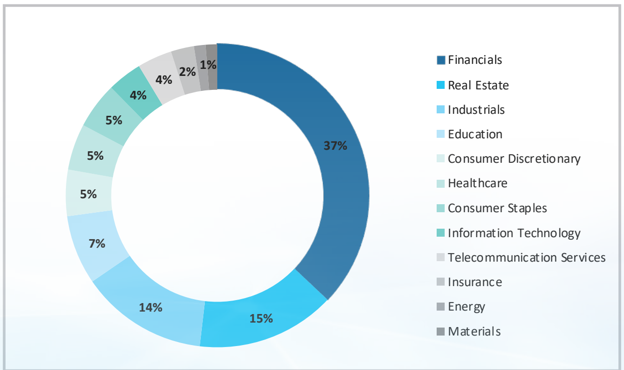
Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Number of Closed M&A Transactions Kuwaiti Targets

Country	2021	2020	2019	Total
China	0	0	1	**1**
Denmark	1	0	0	**1**
Egypt	1	0	0	**1**
France	1	0	0	**1**
India	1	0	0	**1**
Kuwait	23	19	32	**74**
Saudi Arabia	2	0	0	**2**
United Arab Emirates	0	2	0	**2**
Other*	10	6	5	**21**
Total	**39**	**23**	**37**	**104**

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, *Markaz Analysis*
**Other refers to deals where buyer information is not available.*

Classification of Deals by Sector – Kuwaiti Buyers within GCC (2021)



About Kuwait Financial Centre "Markaz"

Established in 1974, Kuwait Financial Centre K.P.S.C "Markaz" is one of the leading asset management and investment banking institutions in the MENA region with total assets under management of over KD 1.04 billion as of 31 December 2021. Over the years, Markaz has pioneered innovation through developing new concepts resulting in creation of new investment channels. These channels enjoy unique characteristics, and helped Markaz widen investors' horizons. Examples include Mumtaz (the first domestic mutual fund), Idikhar (the first money market fund in Kuwait), MREF (the first real estate investment fund) and Forsa Financial Fund (the first and only options market maker in the GCC since 2005), all conceptualized, established and managed by Markaz. Markaz was listed on the Boursa Kuwait in 1997.

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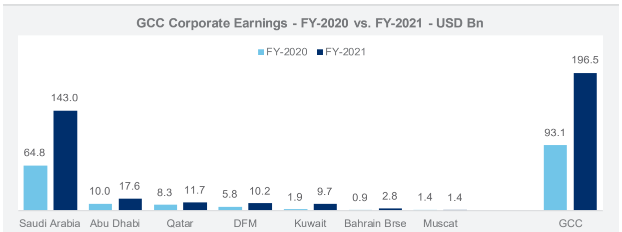
Report

KAMCO:

GCC Corporate Report : Q2021-4

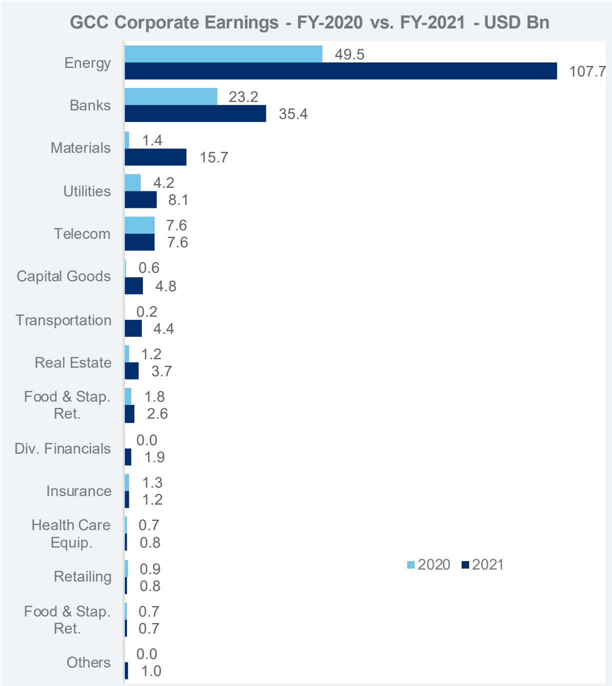
The recovery from the Covid-19 pandemic and the relaxation of the restrictions globally significantly impacted economies in the GCC region supporting the robust performance in earnings for FY-2021. Earnings reported by GCC-listed companies jumped to a record high of USD 196.5 Bn in 2021 as compared to USD 93.1 Bn during 2020. The 103.5 Bn growth came mainly on the back of jump in profits for Aramco (by USD 56.1 Bn or 113.8% y-o-y) followed by Banking, Materials and Utilities companies. The four sectors accounted for 85% of the total full- year net profit in 2021.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Most of the sectors showed solid increase in net profits during the year. especially, the Utilities and Transportation Sector witnessed remarkable jump in net profits 2021 after suffering subpar performance during the pandemic. Out of the 21 sectors, 4 sectors witnessed y-o-y decline in profits whereas the rest reported growth. At the exchange level, Oman was the only market which reported a decline in aggregate net profits for listed companies during FY-2021 with a fall of 3.7%.

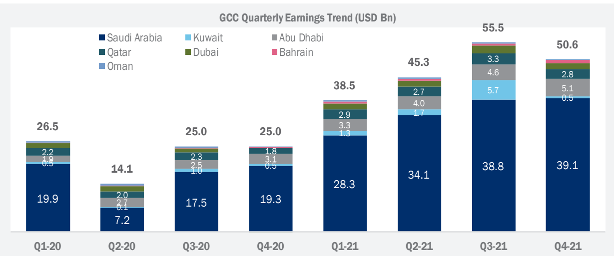
In terms of sectors, profitability for the GCC banking sector reached one of the highest yearly levels during 2021, increasing by 52.9% to reach USD 35.4 Bn. Banking sector profits reached the highest mark since 2018. The y-o-y increase in 2021 was broad-based across the GCC with profits for Kuwaiti banks almost doubled to USD 2.9 Bn. Saudi and UAE- listed banks also reported healthy profit growth of 59.5% and 67.2% during the year. Higher profits also pushed the aggregate return on equity for the sector to a 7-quarter high level of 10.4% at the end of 2021 as compared to 9.6% in Q3-2021 and 8.1% at the end of 2020. The banking sector represented 18% of the total aggregate profits during 2021.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

In terms of quarterly performance, net profits during Q4-2021 increased by 102.5% y-o-y to USD 50.6 Bn as compared to USD 25 Bn during Q4-2020. In terms of sequential performance, profits were down by 9% as compared to Q3-2021.

Earnings performance when compared to last year was broadly positive with an increase of 102.5% in Q4-2021 with steep growth is some of the key large-cap sectors on the GCC exchanges. Saudi Arabian companies reported the biggest absolute increase in earnings that rose by USD 19.9 Bn or 102.9 % y-o-y to reach USD 39.1 Bn during Q4-2021. Excluding the quarterly net profit of Saudi Aramco that increased by 125.5% y-o-y, aggregate profits for Saudi Arabia declined at a much smaller pace of 46.3% y-o-y.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Kuwaiti listed companies reported the second largest yearly absolute net profit increases after Saudi Arabian companies registering USD 7.8 Bn increase in FY-21 net profits followed by Abu Dhabi which reported USD 7.6 Bn growth in absolute net profits during the same period.

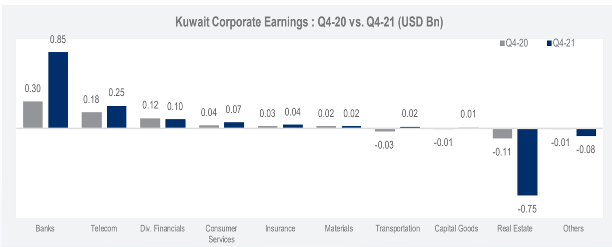
The Energy sector reported the biggest absolute profits in the GCC that reached USD 31.6 Bn, more than double y-o-y and 125.4% q-o-q. Profits for Saudi Aramco was up 125.5% y-o-y during Q4-2021 at USD 31.1 Bn, whereas the rest of the companies in the sector reported profits of USD 539.2 Mn in Q4 -2021 as compared to a loss of USD 246.9 Mn in Q4-2020.

Profits for Aramco was supported by higher crude oil prices led by recovery in oil demand globally coupled uncertainty caused by the Russia- Ukraine conflict. In terms of segments, results also got a boost from improved refining and chemicals margins during the quarter. Sectors peers like Dana Gas and Al Rabigh Refining disclosed soaring profits which reached USD 38 Mn and USD 119.7 Mn respectively during the quarter.

The Banking sector also reported higher profits during Q4-2021 that reached USD 8.7 Bn, an increase of 76.6% y-o-y but witnessed a decline of 10.1% q-o-q. The y-o-y growth in profits was seen across the region after a steep decline in profits reported last year. Dubai-listed banks reported aggregate profits during Q4-21 after recording a total loss of USD 135.4 Mn during Q4-2. Kuwait and Saudi listed banks reported y-o-y profits increases of 181.9% and 39.8 during Q4-21. Saudi-listed banks accounted for 38% of the sector profits during the quarter. Profits for the Materials sector stood at USD 3.9 Bn during

Kuwait

Corporate earnings for companies listed on Boursa Kuwait increased from USD 1.9 Bn in FY-20 to reach USD 9.7 Bn in FY- 21. The biggest impact on higher aggregate stock exchange profits came from the Banking sector which showed 96% jump in profits that reached USD 2.9 Bn in FY-21 from USD 1.5 Bn in FY-20. Among the banks, NBK's reported a net profit of USD 1.2 Bn for FY-21 up by 49.5% compared to a net profit of USD 803.02 Mn in FY-2020. KFH reported a net profit of USD 806.7 Mn for FY-2021 up 66.8% compared to USD 483.8 Mn from the previous year primarily due to the decrease in the provisions and impairment.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Transportation sector recorded the biggest absolute growth in profits during the year that reached USD 3.3 Bn compared to a loss of USD 7.9 Mn in the same period in 2020. This was mainly driven by AGILITY which reported a net profit of USD 3.24 Bn in FY-21 vs USD 135.5 Mn in FY-20. The increase in the profits in 2021 is mainly due to an exceptional gain came from the sale of Global Integrated Logistics unit to DSV in exchange for shares in DSV. As a result of which Agility reported a one-time gain of almost KWD 1 Bn.

Net Profits for the Telecom sector increased by 14.9% y-o-y to reach USD 824.8 Mn for FY-2021 compared to USD 717.8 Mn for FY-2020. Zain recorded a net profit of USD 615.6 Mn in FY-2021 compared to USD 603.6 Mn in FY-2020, and increase of 2%.

Zain Group generated consolidated revenue of USD 1.3 Bn, down 11% y-o-y, attributable mainly due to currency devaluations in Sudan, South Sudan and Iraq. Ooredoo Kuwait recorded a net profit of USD 63.8 Mn in FY-2021 vs USD 11.1 Mn in FY-2020, up by 477.3%. The increase in the rollout of Ooredoo Kuwait's 5G services supported the growth in revenue during FY-2021. STC Kuwait also reported robust growth in profits during the year that reached USD 148.7 Mn in FY-2021 as compared to USD 104.6 Mn during the previous fiscal year.

Profits for the Insurance sector increased by 119.8% y-o-y to USD 280.4 Mn in FY-2021 compared to USD 127.6 Mn in FY- 2020 after a majority of the companies in the sector posted higher profits during the quarter. Gulf Insurance Group reported the biggest increase in profits in the sector for FY-2021 of USD 166.5 Mn compared to USD 53.3 Mn mainly due to the increase in net investment income in addition to the profits acquired from the acquisition of AXA operations in GCC. AlAhleiah Insurance Co. posted a net profit of USD 46.3 Mn for FY-2021 against USD 39.7 Mn up by 16.5% supported by the increase in operating revenues.

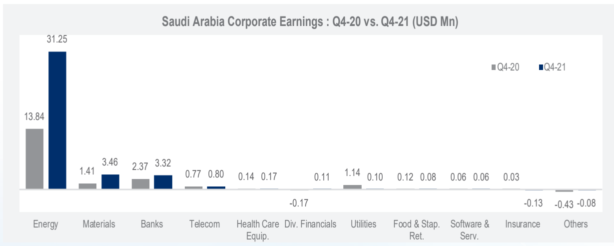
In the Real estate sector, Mabanee posted a net profit of USD 183.6 Mn for FY-2021 against a profit of USD 71.4 Mn led by lower discounts offered to the investors of the units of the Avenues. Tamdeen Real Estate Co. also reported an increase in y-o-y net profits that reached USD 37.8 Mn against a net loss of USD 40.1 Mn mainly led by an increase in net operating revenue. Similarly, Salhia Real Estate Co. recorded a net profit of USD 31.0 Mn for FY-2021 compared to a net profit of USD 69.5 Mn in FY-2020 down by 55.4% led by decrease in the profit from the sale of the subsidiary. Meanwhile, National Real Estate Co. net profit for FY-2021 soars to USD 661.6 Mn mainly due to increase in share of results from the associate company. The Company's operating revenue came in at USD 106.45 Mn for the year 2021, an increase of 93% compared to 2020.

Saudi Arabia

Aggregate net profits for companies listed in Saudi Arabia witnessed a y-o-y increase of more than 120% in FY-2021 to reach USD 143.0 Bn against USD 64.8 Bn in FY-2020. The increase in profit was backed by higher profits mainly for the Energy, Materials, Banks and Utilities sectors that was partially offset by a decline in profits for Food, Beverage & Tobacco, Insurance and Food & Staples Retailing sectors.

Energy sector outperformed other sectors as the biggest contributor to net profits during the period by recording a net profit of USD 106.0 Bn. Oil giant Aramco posted a net profit of USD 105.4 Bn for FY-2021 compared to USD 49.3 Bn for FY-2020 up by 113.8% led by rise in crude oil prices and improved margins from refining and chemicals. Aldrees Petroleum also reported growth in profits during the year by 46.1% to reach USD 47.1 Mn while Rabigh Refining reported profits of USD 543.0 Mn during FY-2021 vs. a loss of USD 1.0 Bn during FY-2020. The remaining two companies in the sector, Bahri and SARCO, reported y-o-y decline in earnings. Bahri 's reported the biggest decline in the profits for FY-2021 to USD 51.3 Mn, although Q4-2021 profits for the company was up 19% to reach USD 24.5 Mn supported by the higher revenues backed by higher transportation rates and shipping operations.

Profits for the banking sector more than doubled y-o-y during FY-2021 to reach USD 13.0 Bn. Al Rajhi Bank recorded a profit of USD 3.9 Bn Mn for FY-2021 against a profit of USD 2.8 Bn for FY-2020. The bank's Q4-2021 net profit rose 29% to USD
1.1 Bn. Riyad Bank reported a 27.9% increase in the net profit that reached USD 1.6 Bn in FY-2021 compared to USD 1.3 Bn in FY-2020 driven by a 16.1% drop in operating expenses due to lower net impairment charge for credit losses. Meanwhile, SABB reported profits of USD 854.3 Mn in 2021 from a net loss of USD 1.1 Bn a year earlier.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

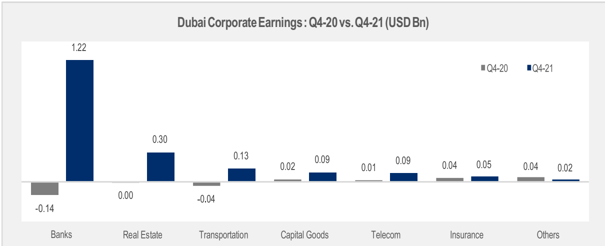
The Materials sector, the second biggest sector by market capitalization on the exchange, reported the second biggest increase in profits by 877.6% increase in the total net profits to USD 13.1 Bn compared to USD 1.3 Bn during the previous year. SABIC witnessed y-o-y jump in 2021 net profit that reached USD 6.1 Bn from a net profit of USD 17.8 Mn in the previous year driven by higher average selling prices and an increase in the company's profit share from joint ventures and associates. The company's Q4-2021 results surged over two-folds to reach USD 1.3 Bn.

Net profit for the Telecom sector grew 5.0% y-o-y to USD 3.3 Bn in FY-2021 as compared to USD 3.2 Bn during FY-2020. STC reported a 2.9% y-o-y increase in net profits that reached USD 3.0 Bn. Mobily registered a net profit of USD 285.7 Mn for FY-2021 compared to USD 208.7 Mn in FY-2020. The increase was driven by a 5.6% y-o-y increase in revenue led by growth in subscriber base. Zain KSA profits dropped 17.5% to reach USD 57.1 Mn for FY-2021 versus a profit of USD 69.3 Mn in FY- 2020. The profit drop was attributed to decline in revenue due to the cumulative impact of the pandemic, which led to a minimal number of visitors for Umrah which was partially offset by growth in B2B and 5G revenues. However, the company reported a net profit of USD 19.03 Mn in Q4-2021, a rise of 98% y-o-y.

In the Utilities sector, Saudi Electricity Co. reported over fourfold growth in net profits that reached USD 3.8 Bn in FY-2021 compared to a net profit of USD 806.2 Mn in FY-2020. The increase in profits was driven by higher operating revenues, due to the implementation of the regulatory and financial reforms of the electricity sector, which were approved in November 2020. In the Diversified Financials sector, Kingdom Holding company logged a net profit of USD 271.2 Mn y-o-y in FY-2021 from a loss of USD 390.8 Mn from the previous year due to higher gross profit from associates and lower operating expenses.

Dubai

Aggregate net profits for Dubai-listed companies moved back into the green recording a net profit of USD 1.9 Bn in Q4-2021 up from a loss of USD 57.4 Mn in Q4-2020. Among the GCC countries DFM was the only exchange which recovered from a quarterly dip into the red in Q4-2020. Three out of the top five largest sectors in the exchange by market cap posted aggregate net profits growth during Q4-2021 including the Banking Sector, the largest sector of the exchange by market cap. Total Q4- 2021 net profits in the Banking Sector reached at USD 1.2 Bn as compared to a loss of USD 135.4 Mn in Q4-2020 net profits. Only two out of the seven lenders in the sector posted losses during the quarter. Mashreq Bank returned to profits posting USD 200.7 Mn in Q4-2021 against a loss of USD 443.7 Mn in Q4-2020. The banks jump back to profits was attributed to increased net interest income, income from Islamic financing coupled with higher fees and commission. However, Emirates NBD reported the biggest Q4-2021 net profits among the banks disclosing USD 547.8 Mn as compared to USD 313.4 Mn. The banks strong operating performance and the strong demand for retail finance fueled the rise in its profits.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

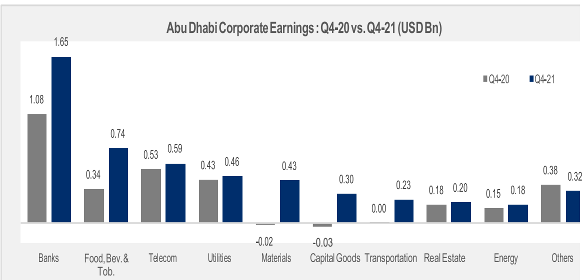
In the Real Estate Sector, robust Q4-2021 net profits of Emaar Properties and Emaar Development disclosed Q4-2021 net profits of USD 332.7 Mn and USD 234.2Mn, respectively, more than offsetting Union Properties' USD 263.6 Mn loss and Damac Properties' USD 13.7 Mn loss during the same period. In the Telecom Sector, Emirates Integrated Telecommunication Company registered USD 87.3 Mn for the Q4-2021 net profits as compared to USD 13.2 Mn in Q4-2020 earnings. EITC ascribed the improved performance mainly to sustained demand for broad services, 5G handsets and improving business conditions.

In terms of total FY-2021 net profits, Dubai-listed companies recorded a net profit of USD 10.2 Bn, recording 77.6% increase from the FY-2020 net profits of USD 5.8 Bn. Full year profits for the Banking Sector jumped 124% to reach USD 5.7 Bn as compared with USD 2.6 Bn in FY-2020. The newly listed Dubai Electricity and Water Authority posted USD 1.7 Bn in FY-2021 net profits. The utility's initial public offering raised over USD 6 Bn and was touted to be the second largest IPO in the Middle East region.

Abu Dhabi

Abu Dhabi-listed companies saw aggregate net profit increase of 67% y-o-y in Q4-21 that reached USD 5.1 Bn compared with USD 3.1 Bn in Q4-20 underscoring a remarkable year of healthy profits and several listings on the exchange. All the five top largest

sectors of the exchange by market-cap registered an increase in Q4-21 net profits. The Banking Sector recorded a 52.3% jump in total Q4-21 profits that reached USD 1.7 Bn up from USD 1.1 Bn in Q4-20. The Telecom sector followed the Banking Sector as the second largest absolute earnings contributor in the exchange with 10.6% increase in profits in Q4-21 to reach USD 591.1 Mn up from USD 534.2 Mn in Q4-20. However, the Transport Sector posted the largest percentage increase as well as the largest growth in Q4-21 profits in absolute terms to the exchange. The sector comprises of 3 companies including the recently listed Abu Dhabi Ports (Q4-2021 net profit : USD 69.6 Mn vs. a loss of USD 65.9 Mn in Q4-2020).



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

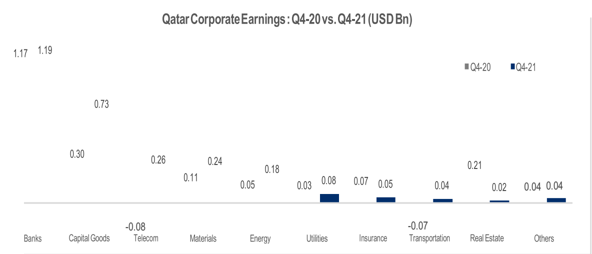
In terms of FY-2021 earnings results, Abu Dhabi-listed companies reported a robust increase in total net profits recording a 76% rise to reach USD 17.6 Bn as compared to the FY-2020 total earnings USD 10.0 Bn. The rise in overall earnings for companies listed in the ADX exchange can be attributed to the UAE's economic recovery after COVID-19 disruption of 2020.

FY-2021 net profits in the Banking Sector, the largest sector in terms of market cap in the exchange, increased by 31.3% to USD 5.3 Bn up from USD 4.1 Bn in FY-2020. Nine out of the eleven banks in the sector posted an increase in their FY-2021 net profits. First Abu Dhabi Bank, the largest bank in the UAE, posted the largest net profits among the banks in the sector with disclosing USD 3.4 Bn for the 2021 financial year compared with USD 2.9 Bn during the 2020 financial year. The bank attributed its decent performance to strong economic rebound combined with unprecedented innovation and opportunities. Abu Dhabi Commercial Bank (ADCB), the UAE's third biggest lender, reported a 37.7% growth in FY-21 profits which reached USD 1.4 Bn compared with USD 1.0 Bn for FY-2020. ADCB's rise in profits which beat forecasts were ascribed to higher net fee and commission income on card fed by the economic recovery after the extraordinary disruption and the challenging business environment induced by the coronavirus pandemic. In the Telecom Sector, Etisalat's FY-2021 net profit improved by 4.5% to USD 2.6 Bn up from USD 2.5 Bn during FY-2020. The improved earnings performance was attributed to a growth and expansion of the telecoms subscriber base coupled with higher revenues.

During 2021, the Abu Dhabi Stock Exchange witnessed several listings in the large market-cap category. Companies such as Alpha Dhabi, Al Yah Satellite, Multiply Group, ADNOC Drilling and Fertiglobe were added to the exchange's main market. These newly listed companies disclosed some of the largest FY-2021 net profits. Alpha Dhabi posted a record net profit of USD 1.4 Bn, while Fertiglobe disclosed USD 702.7 Mn in net profits during the same period.

Qatar

Total Earnings for Qatari-listed companies increased by 53.9% during Q4-2021 to reach USD 2.8 Bn as compared to USD 1.8 Bn in Q4-2020. For FY-2021, Qatar-listed companies reported net profits of USD 11.7 Bn as compared to USD 8.3 Bn during 2020, registering a profit growth of 41%.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Qatar's Banking sector reported a profit increase of 12.5% in FY-2021 that reached USD 6.3 Bn accounting for 53.8% of the overall exchange profits. QNB reported a net profit increase of 9.7% y-o-y reaching USD 3.6 Bn compared to a net profit of USD 3.3 Bn in FY-2020. The increase in profits was mainly driven by higher loans and advances which increased 6% to reach USD 210 Bn. Meanwhile, Commercial Bank of Qatar registered a net profit growth of 76.4% to reach USD 625 Mn in FY-2021 compared to USD 354.3 Mn in FY-2020, these results were achieved by increasing the net interest income by 19.4% y-o-y to USD 1.02 Bn. The bank's net loans and advances stood at USD 27 Bn, while deposits were at USD 22.5 Bn at the end of FY-2021. Meanwhile, the net profit for Masraf Al Rayan declined from USD 592.3 Mn in Q4 –2020 to USD 465.9 Mn in Q4-2021.

The Capital Goods sector reported the biggest absolute increase in net profits y-o-y that reached USD 2.4 Bn as compared to USD 563.3 Mn in FY-2020. Industries Qatar in the Capital Goods sector witnessed multifold y-o-y increase during FY-2021 to reach USD 2.2 Bn compared to USD 492.9 Mn in FY-2020 due to better price trajectory across the product range and higher sales volumes. Q4-2021 results also improved significantly with better selling prices, partially offset by lesser sales volumes.

In the Telecom sector, Ooredoo's consolidated net profits declined from USD 306.7 Mn in FY-2020 to USD 12.7 Mn in FY- 2021 mainly due to FX losses and impairments in Myanmar. The negative impact was partly offset by profit from the sale and leaseback of Indosat Ooredoo's tower assets. The Telco's posted a revenue growth of 4% y-o-y to USD 8.2 Bn in 2021 mainly driven by growth in its home market Qatar, Indonesia, and Tunisia. FY-2021 net profits for Vodafone Qatar stood at USD 88.8 Mn compared to USD 50.4 Mn in FY-2020 up by 76.2% y-o-y driven by 76.9% increase in Service revenues and higher EBITDA despite the impact of COVID-19. Total Mobile customers increased by 16.3% to reach 1.9 Mn.

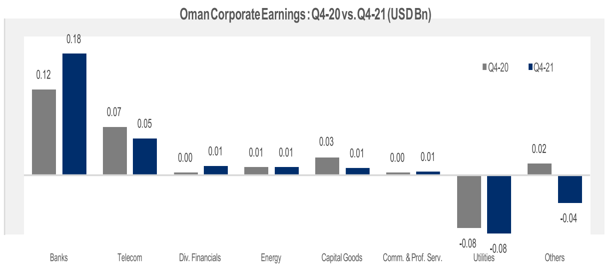
In the Energy sector, Qatar Fuel Co. (WOQOD) recorded a net profit of USD 264.2 Mn in Q4-2021 vs USD 192.6 Mn in Q4- 2020. Woqod opened nine Sidra convenience stores, and three new petrol stations, thus increasing the number of stations operating by the end of 2021 to 111 stations. On the other hand, Nakilat registered a net profit increase of 16.2% to reach USD 367.1 Mn for FY-21 vs USD 315.9 Mn for FY-20. The increase in the net profit was driven by higher revenue and EBITDA.

The Materials sector posted a net profit of USD 843.2 Mn in FY-2021 compared to a net profit of USD 234.1 Mn driven by QAMCO and MPHC results. Notably, QAMCO posted the highest yearly and quarterly profit since incorporation, driven by growth in global aluminum prices on the back of improved macroeconomic dynamics. QAMCO recorded a net profit of USD
226.4 Mn in FY-2021 compared to net profit of USD 25.8 Mn mainly led by higher selling prices. Mesaieed Petrochemical Holding Co. in the Material sector reported a net profit of USD 504.9 Mn vs USD 144.9 Mn a year ago. FY-2021 group revenues for the company increased by 62% compared to FY-2020 supported by product prices and higher energy prices.

Bahrain

Total net profits for Bahrain-listed companies increased by 225.9% in FY-2021 to USD 2.8 Bn as compared to USD 870.2 Mn in FY-2020. All the largest five sectors by market cap registered a growth in earnings during the 2021 financial year. The Banking sector lead the way in terms of aggregate

FY-2021 net profits. FY-2021 net profits in the Banking Sector jumped 102.9% to reach USD 1.23 Bn up from USD 609 Mn in FY-2020. Ahli United Bank posted the largest FY-2021 net profits among the banks with USD 607 Mn up from USD 452.2 Mn in FY-2020. AUB reported its growth was mainly supported by effective balance sheet management and overall economic improvement in Bahrain and the GCC region. Arab Banking Corp was another major contributor to the overall increase in aggregate FY-2021 net profits. ABC reported USD 100 Mn in FY-2021 net profit returning from a net loss of USD 89 Mn during FY-2020. The bank attributed its turnaround to an increase in operating income as well moving on from the impact of ECL charges and regional fraud cases which contributed to its FY- 2020 net loss.



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

The Materials Sector, which has Aluminum Bahrain as a sole constituent reported the second largest FY-2021 net profits in the Bahrain Bourse. ALBA, the world's biggest Aluminum smelter outside China, posted a record FY-2021 net profit of USD 1.2 Bn on the back of increasing aluminum prices and higher production.

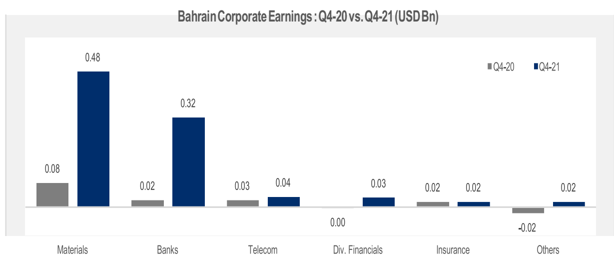
In terms of quarterly performance, Q4-2021 total net profits for Bahraini listed companies soared by 584% to USD 906.4 Mn up from USD 132.5 Mn in Q4-2020 reflecting the steep full-year performance. Only one out of the 13 sectors in the bourse registered a loss in the Q4-2021. Aluminum Bahrain, the Materials Sector, contributed the largest Q4-2021 net profits posting USD 480.5 Mn up from USD 84.9 Mn in Q4-2020. The Banking and Telecom Sectors followed reporting aggregate Q4-2021 profits of USD 316.8 Mn and USD 36.8 Mn respectively.

Oman

Total net profits for listed companies in Oman declined by 3.7% in FY-2021 to USD 1.39 Bn compared with USD 1.44 Bn in FY -2020 after four out of the top five sectors by absolute net profits in the exchange recorded falls in net profits during the period. However, the Banking Sector, the biggest sector in the exchange by market cap, offset some of the net profit decline of other main sectors witnessing its FY-2021 net profits increase by 28.2% to USD 861.9 Mn compared to USD 672.5 Mn in FY-2020. In comparison, the Telecom Sector registered 9.8% decline in FY-2021 aggregate earnings falling to USD 207.2 Mn while the Diversified Financials Sector witnessed a 44% aggregate FY-2021 net profit decrease to USD 117.7 Mn.

Full-year 2021 net profits for Bank Muscat, the biggest lender by assets in MSX, rose 16% to reach USD 492.5 Mn driven mainly higher operating income and lower impairment charges. Moreover, National Bank of Oman reported 66.8% in FY-21 net profits which reached USD 78.6 Mn contributing to the overall growth of the Banking Sectors aggregate full-year net profits. Strong fee income and a decrease in net impairment combined with gross loans increase were the main drivers of NBO's performance.

In terms of quarterly performance, aggregate Q4-2021 net profits witnessed 19.8% y-o-y decline to reach down USD 145.4 Mn. Despite the Banking Sector witnessing a 42% rise in total profits which reached USD 175.9 Mn the exchange aggregate



Source : Company Financials, Reuters, Bloomberg, Kamco Invest Research

Q4-2021 net profits declined mainly due to the Utilities Sector's Q4-2021 net loss of USD 83.3 Mn. Six out of the nine companies in the Utilities Sector reported a loss during Q4-2021. Sohar Power reported the largest loss among the Utility companies registering a loss of USD 82.8 Mn as compared to a profit of USD 1.8 Mn in Q4-2020 dragging down the performance of the sector and the whole market.

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Focused Meetings and Visits

UIC meets the delegation of the World Bank Group & representatives of the International Finance Corporation (IFC)

Mr. Saleh Al-Selmi- Chairman of Union of Investment Companies (UIC), met the delegation of the World Bank Group and representatives of the International Finance Corporation (IFC) at the premises of UIC on 16th March 2022.
The delegation included Mr. Ghassan Alkhoja - the resident representative of the World Bank office in Kuwait, Mr. Abdullah Jefri – Manager of East region, Mr. Walid Almurshed - Head of (IFC) Saudi Arabia, and Principal - Middle East and North Africa, and Mrs. Maryam Sultan Abdullah - Operations Officer - State of Kuwait.

The attendees discussed the latest developments in the Kuwaiti economy and the investment sector and the obstacles facing the private sector were.
Also, the representatives of (IFC) talked about the economic situation in Kuwait, the ways of development and the importance of issuing laws and procedures that help to create a suitable environment for investors and entrepreneurs.

The attendees also discussed the role of the privatized entities and the successes they achieved at the local and international levels. The representatives of (IFC) explained the financial services provided by the Corporation to private companies. Also, they discussed the possibility of providing training programs in collaboration with the Investment Studies Center (ISC) in the areas of governance and activating the role of women in assuming leadership positions in the corporate board of directors.

Focused Meetings and Visits

UIC meets the delegation of the Embassy of Spain in Kuwait

Mr. Saleh S. Al-Selmi - Chairman of Union of Investment Companies (UIC) and Ms. Fadwa Darwish - Vice Secretary General & ISC Acting Director met the Economic & Commercial Attache´ of Embassy of Spain in Kuwait at UIC on 28th March 2022.

Mr. Francisco Javier Medina - Economic & Commercial Attache´ in Embassy of Spain in Kuwait, and Mr. Pedro Navarro Arbaizar - Market Analyst & Deputy Head of the Commercial Section in Embassy of Spain in Kuwait visited UIC.

The two parties discussed the possibility of cooperation to introduce the projects and investment opportunities available in Spain to the investors in the State of Kuwait.

On his part, Mr. Saleh Al-Selmi expressed gratitude for the communication of the Spanish Embassy in Kuwait with UIC and expressed UIC readiness to support all efforts for the good of all parties.

اتحـــاد شركــات الاســـتثمــار

UNION OF INVESTMENT COMPANIES

Overview

The investment sector has been always able to be a major contributor to the Kuwaiti economy, laying out the great role that financial markets play in developing the financial sector in general. Investment companies and financial services have played a vital role in the development and update of financial markets in Kuwait, which had an impact on attracting foreign investment and activating the role of the private sector in the growth of the Kuwaiti economy. In light of the continuous pursue to upgrade the financial markets in Kuwait and keep pace with global economic developments, the investment sector expanded its activities to include regional and global markets.

Proceeding from the importance of this sector, the Union of Investment Companies (UIC) was established, which was published in January 2005. Currently, it brings together 33 investment and financial services companies in its membership, 19 of which are listed in Boursa Kuwait. The scope of the investment sector in Kuwait also includes providing financial services under the provisions of Islamic Sharia, and the number of Islamic investment companies that are members of the UIC is 14 companies.

The number of investment and financing services companies reached 49 companies licensed by the Capital Markets Authority and/or registered with the Central Bank of Kuwait, and whose assets under management reached 25.3 billion Kuwaiti dinars during January 2022 according to the Central Bank of Kuwait statistics, of which 23 companies are listed in Boursa Kuwait.

The financial services sector (investment sector) is the second-largest sector in the Boursa Kuwait, during 2021, in terms of the average value of total trading after the banking sector with 3.7 billion Kuwaiti dinars, while it occupies the first place in terms of the average amount of total trading with 36.2 billion shares. The number of financial services sector companies listed in Boursa Kuwait is 47 out of a total of 165 Listed companies.

Mission

Adapting the appropriate atmosphere for developing the efficiency of the investment sector and financing services in consistency with developments in the international markets, including legislation and autonomous regulations to serve national economy.

Objectives of Union of Investment Companies (UIC)

- To promote and develop investment sectors using the best material capabilities and the available human expertise of the members.
- To prepare technical and specialist studies and research in the development and promotion of the investment sector.

- To consult and exchange opinion with all institutions of the State to achieve the interests of the members and national economy. Further to cooperate with different government and private authorities concerned with investment sector related to the union's activities and to remove the impediments that may face the members.
- To give opinion on the draft laws, proposals, rules, regulations, or orders pertaining to different shapes of investment or economics, either directly or indirectly as well as those relating to regulation of the investment or the licensed companies, supervision and control of the same.
- To organize and participate in the local and international conferences, seminars and courses relating to the investment or economical business, to circulate the conclusions, recommendations and research presented therein among members of the Union.
- To promote the professional and cultural level of the members, and to setup and organize the social activities of the members of the Union.
- To publish advertising literature to promote investment and commercial culture in the society and among members of the Union.
- To hold specialized training courses in financial and investment fields and in the activities of the companies' members of the Union and the economical and other related entities. For the purpose of developing and rehabilitation of its employees.
- The right of filling a case for the defense of the union members' public interests and rights without prejudice to the right of litigation of each member.

UIC Members

1	Arzan Financial Group for Financing & Investment
2	Al-Safat Investment Co. K.S.C.C.
3	Kamco Invest Faisal M. Sarkhou
4	A'ayan Leasing & Investment Company
5	Kuwait Investment Company
6	First Investment Company (FIC)
7	Kuwait Clearing Company
8	National Investments Company
9	Kuwait Financial Centre S.A.K.C.
10	The Securities House Company
11	KFH Capital Investment Company
12	Al-Imtiaz Investment Company (A.I.I.C)
13	Kuwait & Middle East Fin. Inv. Co. KSCC
14	Amar Finance & Leasing Company
15	Wafra International Investment Company
16	Osoul Investment Co. (K.S.C) closed
17	Al-Tamdeen Investment Co. K.S.C.C.
18	Al-Manar Financing & Leasing Company
19	Kuwait Pillars for Financial Investment
20	Watani Investment Company
21	Dimah Capital Investment Company
22	Boubyan Capital Investment Company
23	Noor Financial Investment Co.
24	Kuwait Finance & Investment Company (KFIC)
25	Coast Investment & Development Company K.S.C.P
26	Rasameel Investment Company (RIC)
27	Cap Corp Investment Company (K.S.C. Closed)
28	EFG Hermes IFA
29	Al-Masar Leasing and Investment Company
30	Al-Waseet Financial Business Co. (K.S.C.)
31	KIC Financial Brokerage Co.
32	AL-Sharq Finincial Brokerage CO.
33	KFIC Brokerage

UIC Board of Directors

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Abdullah H. AlTerkait	Vice Chairman
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