

Arzan Financial Group

For Financing & Investment K.P.S.C.



مجموعة أرزان المالية

للتموليل والاستثمار ش.م.ك.ع.

000277

Date: 09 May 2024

الكويت في 09 مايو 2024

To: Boursa Kuwait

السادة/ شركة بورصة الكويت المحترمون

Dear Sirs,

تحية طيبة وبعد،

Subject: FY2024 First Quarter Analyst Conference Meeting

الموضوع: مؤتمر المحللين للربع الأول من السنة المالية 2024

In reference to the above, and in align with Arzan Financial Group for Finance and Investment Company's interest in adhering to Article (7-8-1/3) of Boursa Kuwait Rulebook regarding the Listed Companies Obligation (Analyst Conference), attached is the "Disclosure of Material Information" form.

بالإشارة إلى الموضوع أعلاه، وحرصاً من مجموعة أرزان المالية للتمويل والاستثمار (ش.م.ك.ع) على الالتزام بمتطلبات المادة (3/1-8-7) من كتاب قواعد البورصة بشأن التزامات الشركات المدرجة (الإفصاح عن مؤتمر المحللين)، نرفق لكم نموذج "الإفصاح عن المعلومات الجوهرية".

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام والتقدير،،،

Jassem Zainal
Vice Chairman & CEO

جاسم زينل

نائب رئيس مجلس الإدارة والرئيس التنفيذي

Copy to the Capital Market Authority

نسخة للسادة / هيئة أسواق المال.



نموذج الإفصاح عن المعلومات الجوهرية

Disclosure of Material Information Form

Date	التاريخ
09/05/2024	
Name of the Listed Company	اسم الشركة المدرجة
Arzan Financial Group for Finance and Investment (K.P.S.C)	مجموعة أرزان المالية للتمويل والاستثمار ش.م.ك (عامة)
Material Information	المعلومة الجوهرية
<p>Disclose of the FY2024 First Quarter Analyst Conference</p> <p>1. FY2024 First Quarter Arzan Financial Group Analysts / Investors Conference was conducted via a live broadcast on the internet on Thursday 09/05/2024 at 1:00 p.m. (according to local time). There was no new material information disclosed during the conference.</p> <p>2. Attached is the Analyst Conference Presentation.</p> <p>3. Arzan Financial Group shall disclose the minutes of the Conference within 3 working days post the date of the conference.</p>	<p>افصح مجموعة أرزان عن مؤتمر المحللين للربع الأول من السنة المالية 2024.</p> <p>1. عقدت مجموعة أرزان المالية مؤتمر المحللين / المستثمرين للربع الأول من عام 2024 عن طريق بث مباشر على شبكة الانترنت في تمام الساعة الواحدة بعد ظهر يوم الخميس الموافق 2024/05/09 (وفق التوقيت المحلي)، حيث لم يتم الافصح عن أي معلومات جوهرية جديدة خلال المؤتمر.</p> <p>2. مرفق العرض التقديمي لمؤتمر المحللين.</p> <p>3. سوف تقوم مجموعة أرزان المالية بالإفصاح عن محضر المؤتمر خلال 3 أيام عمل من تاريخ المؤتمر.</p>
Significant Effect of the material information on the financial position of the company	أثر المعلومة الجوهرية على المركز المالي للشركة
No impact.	لا يوجد.





FINANCIAL ANALYSIS CONFERENCE Q1-2024
May 9, 2024



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ARZAN FINANCIAL GROUP FOR FINANCING AND INVESTING K.P.S.C.
AGENDA

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FINANCIAL HIGHLIGHTS

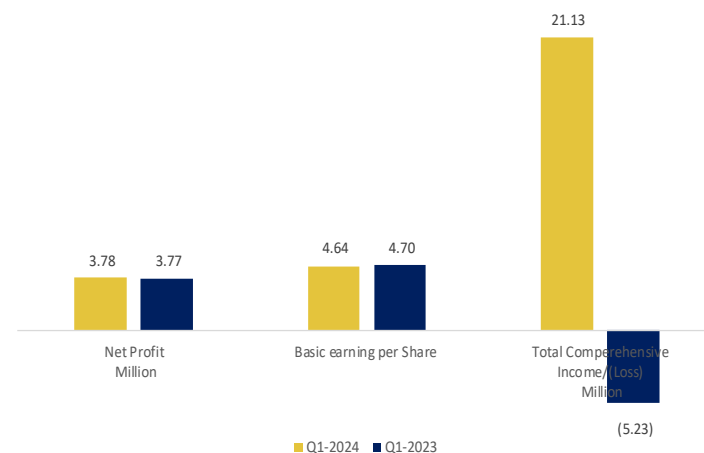
Q1 - 2024

KEY FINANCIAL METRICS Q1-2024

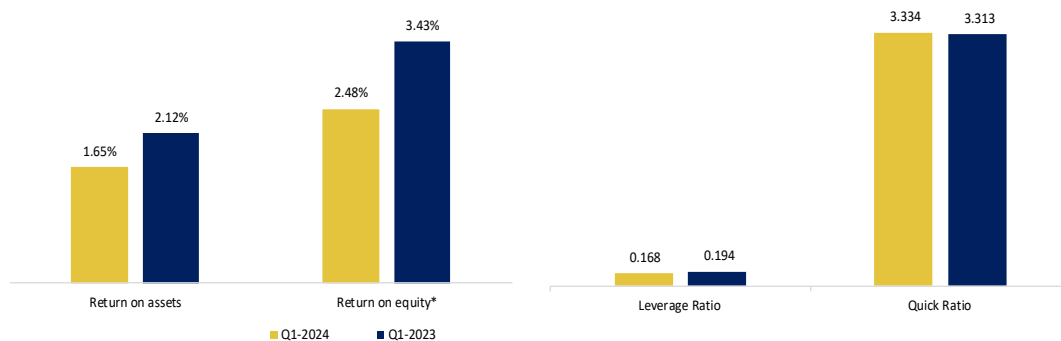
	Q1-2024	Q1-2023	%
Income Statement			
Net Profit *	3.78	3.77	▲
Basic earning per Share *	4.643	4.703	▼
Total Comprehensive Income/(Loss) *	21.13	(5.23)	▲
Financial Position			
Total Assets	238	186	▲
Total Liabilities	37	37	▼
Shareholders Equity *	153	110	▲
Key Ratio			
Return on assets	1.65%	2.12%	▼
Return on equity*	2.48%	3.43%	▼
Leverage Ratio	0.168	0.194	▼
Quick Ratio	3.334	3.313	▲

*Note: Attributable to shareholders of the parent company

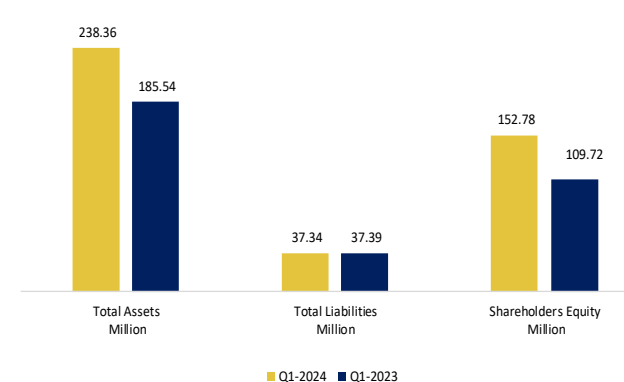
Income Statement



Key Ratio



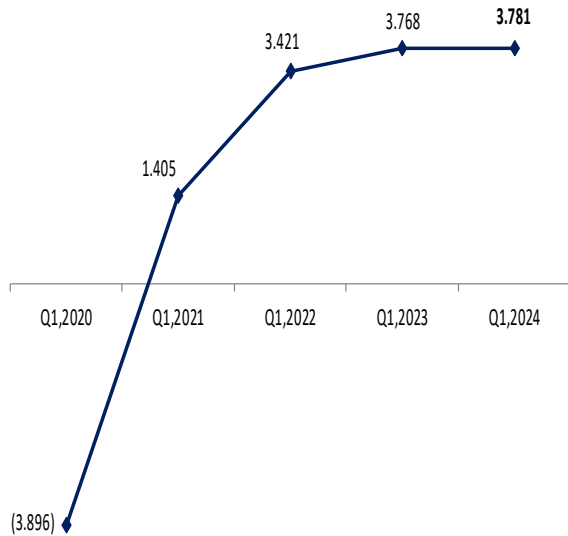
Financial Position



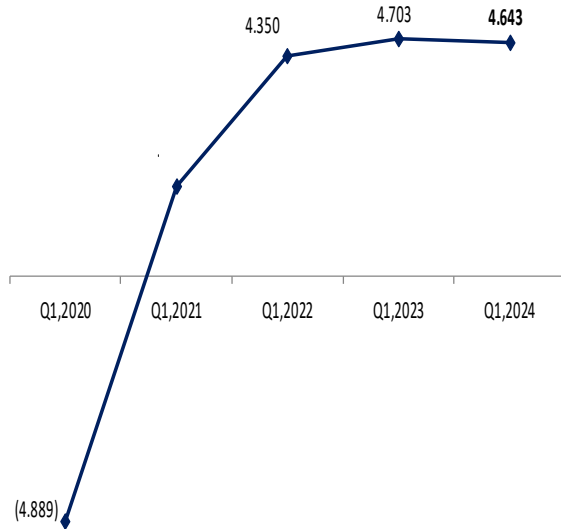
The charts below illustrate the financial performance attributable to the parent company's shareholders for the Q1 2024 compared to the last four years is as follows:

- Consistent net profit and earnings per share (EPS) over multiple quarters, including Q1 2024 and the past two years.
- Total comprehensive income significantly increased during Q1 2024 due to the rise in fair value changes of financial assets at fair value through other comprehensive income.

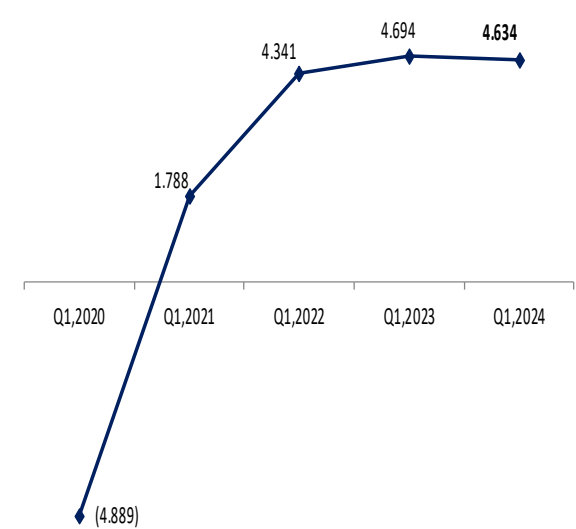
Net Income / (loss)



Basic earnings / (loss) per Share



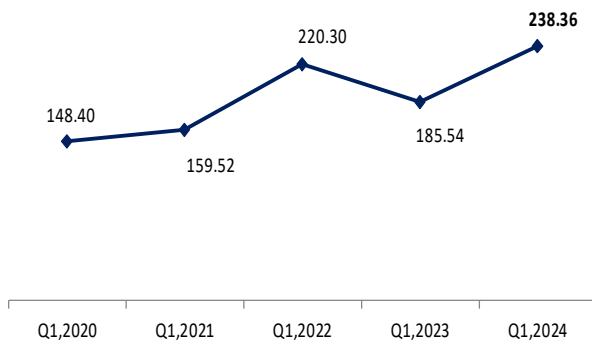
Diluted earnings / (loss) per Share



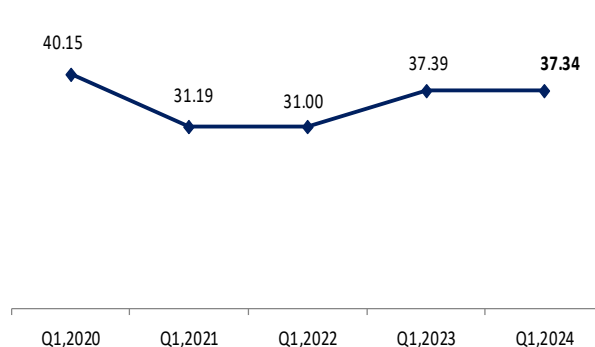
The charts below illustrate the key balance sheet items as at March 31, 2024, compared to the past four years as follows:

- Total assets increased by 28% compared to Q1 2023 due to an increase in the fair value of financial assets at fair value through OCI.
- Total liabilities saw a marginal decrease to reach 37 million Kuwaiti Dinars, compared to Q1 2023.
- Total equity increased by 39% compared to Q1 2023 due to a significant increase in the fair value reserves.

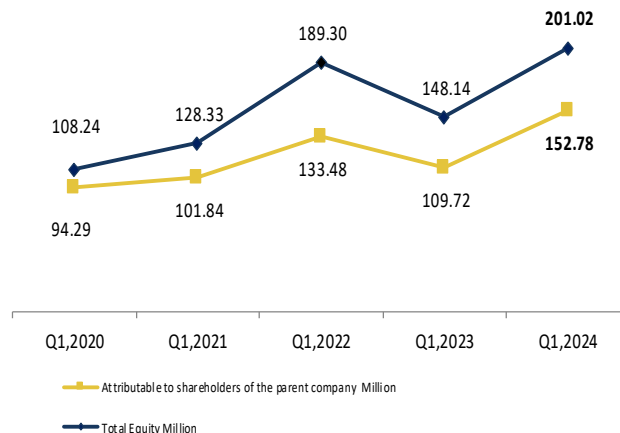
Assets Million



Total Liabilities Million



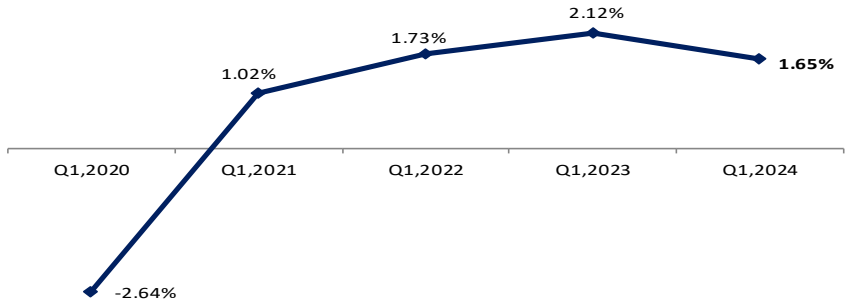
Total Equity Million



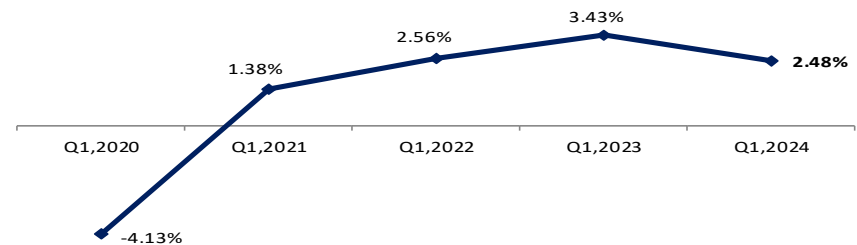
The charts below illustrate the key financial ratios as of March 3, 2024, compared to the past four years as follows:

- Slightly decrease in Return on Assets compared to Q1-2023.
- Slightly decrease in Return on Equity compared to Q1-2023.
- Leverage Ratio is slightly decreased compared to Q1-2023.
- Quick Ratio is slightly increased compared to Q1-2023.

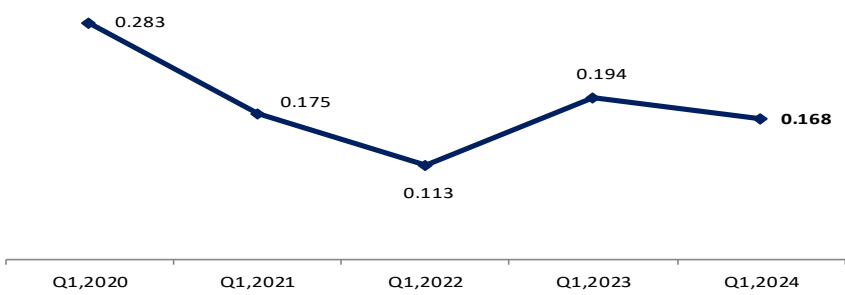
Return on Assets



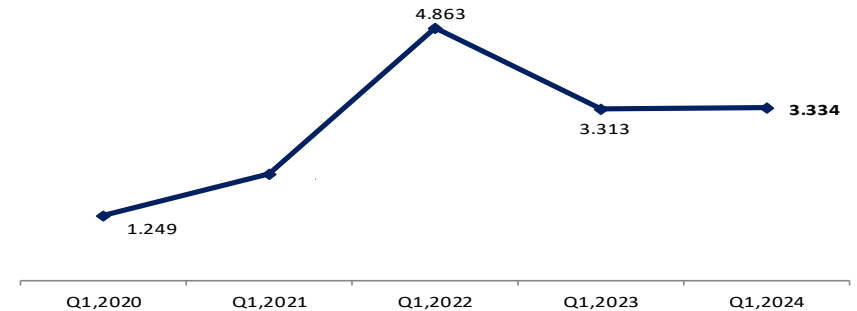
Return on Equity



Leverage Ratio (Times)

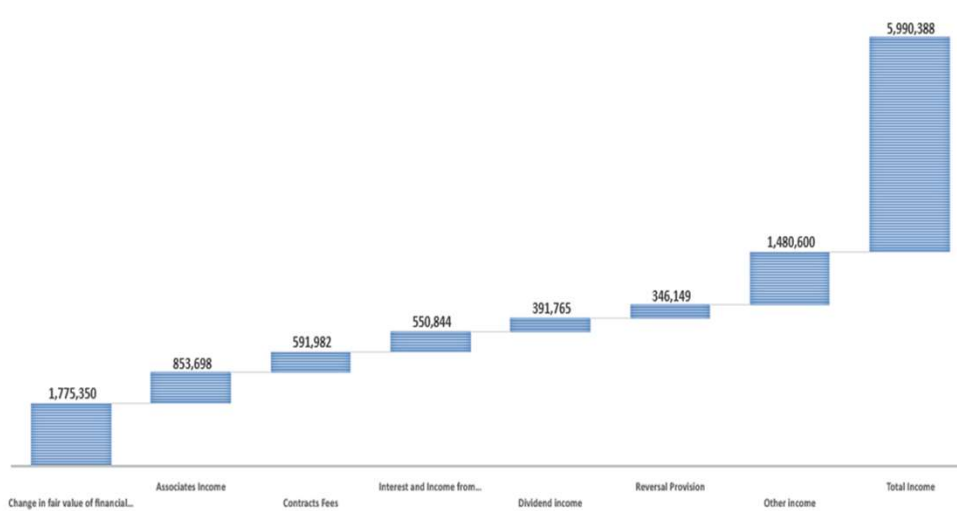


Quick Ratio (Times)

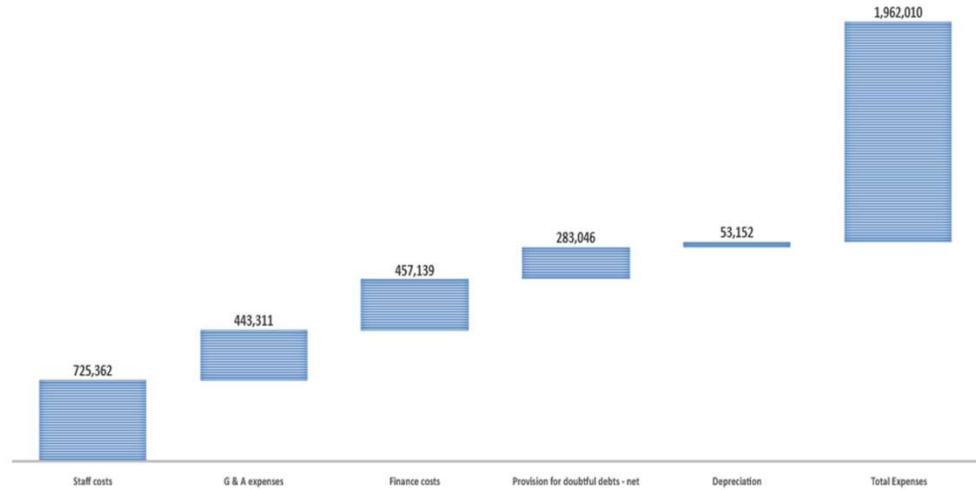


Income of KWD 5.99 Million and Expenses of KWD 1.96 Million.

Income for Q1,2024



Expenses for Q1,2024



Income Drivers

- Change in fair value of financial assets at fair value through profit or loss contributed 30% of the total income
- Share of results of associates contributed 14% of the total income.
- Revenue from the contracts with customers contributed 10% of the total income.
- Income from instalment sales and interest income contributed 9 % of the total income.
- Dividend income contributed 7% of the total income.

Expenses Drivers

- Staff costs contributed 37% of the total expenses.
- G&A expenses contributed 23% of the total expenses.
- Finance costs contributed 23% of the total expenses.



THE GEOGRAPHICAL ALLOCATION OF THE ASSETS





VISION & STRATEGY OVERVIEW



Asset Management & Brokerage

- ▼ Portfolio Management, Brokerage, Investment Advisory and Proprietary Equity portfolio management
- ▼ Regional and International Markets

Credit

- ▼ Corporate Credit focusing on SMEs
- ▼ Working Capital, Inventory purchasing and CAPEX financing services
- ▼ BNPL in “Easy Buy”

Collections

- ▼ Debt collection services
- ▼ Dedicated team for both internal and third-party collections

Arzan Capital (DIFC)

- ▼ DIFC based Investment holding company
- ▼ Operating subsidiaries include:
 - ▼ Arzan Wealth (DFSA)
 - ▼ Arzan Venture Capital (ADGM)

VISION & MISSION

VISION

To be a leading global platform for clients to invest in a diverse set of unique opportunities that create value, consistent performance, and safeguard client wealth.

Long Term Value

Market Leaders

Solid Investment Performance

Social Responsibility

Prudent Growth & Robust Balance Sheet

MISSION

Create long-term value for our stakeholders by delivering an attractive and solid investment performance across economic cycles, while fulfilling our responsibilities to employees and society.

Prudent annual growth with key focus on a robust balance sheet.

Create Value

Larger Customer base

Wealth Preservation

Diversification

Global Structures & Products

STRATEGY

Diversified Income Stream

- ▼ AFG's Revenue sources are continuously being diversified to assure more steady and stable performance.

Global Footprint

- ▼ AFG has continuously been placing a foothold into varying mature markets such as the US, UK, Switzerland, Holland, Germany
- ▼ Regional presence in the UAE, Egypt and KSA

Strategic Investing

- ▼ AFG is always in search of value-added investments that fit within a long-term vision
- ▼ The company's holding in Bursa Kuwait is one primary example

Portfolio Building

- ▼ A more focused approach to the robust defensive sectors that can secure more cashflow to the company long-term
- ▼ Stabilizing revenue sources during volatile markets will be part of AFG's approach

Human Capital

- ▼ AFG will continue to grow an in-house team of intellectually curious professionals from both financial and operational backgrounds .

Investor base expansion

- ▼ Constant investor outreach, both regional and international via our ever-increasing diversity in product offering

CSR

- ▼ As part of our constant efforts to promote positive societal initiatives, AFG participated in the following :
 - Proceeding CSR Project with : NATIONAL ANTI DRUGS MEDIA PROJECTS – GHIRAS
 - Proceeding CSR Project with : CAN - الحملة الوطنية للتوعية بمرض السرطان -
 - Proceeding CSR Project : AL NAJAT Charity – Ramadan Iftar Meals in Kuwait and Ghaza
 - Proceeding CSR Sponsorship with Kuwait National Theater



Q & A

APPENDIX 1: Q1-2024 CONSOLIDATED INCOME STATEMENT

	Q1-2024	Q1-2023	Change
	KWD	KWD	%
Income			
Income from instalment credit debtors	80,360	112,088	(%28.3)
Revenue from contracts with customers	591,982	403,864	%46.6
Realised profit from instalment sales	345,293	197,073	%75.2
Rental income	58,294	57,659	%1.1
Interest income	125,191	142,065	(%11.9)
Gain on sale of financial assets at fair value through profit or loss	188,694	82,814	%127.9
Change in fair value of financial assets at fair value through profit or loss	1,775,350	(57,645)	(%3179.8)
Share of results of associates	853,698	225,331	%278.9
Dividend income	391,765	418,360	(%6.4)
Profit on foreign currency exchange	1,144,620	1,034,799	%10.6
Other income	88,992	60,163	%47.9
Reversal of provision for instalment credit debtors - net	28,774	189,681	(%84.8)
Reversal of provision for credit losses of restricted cash and cash equivalents	317,375	3,004,697	%100.0
Total Income	5,990,388	5,870,949	2.0%

	Q1-2024	Q1-2023	Change
	KWD	KWD	%
Expenses and other charges			
Staff costs	(725,362)	(781,694)	(%7.2)
General and administrative expenses	(443,311)	(419,210)	%5.7
Finance costs	(457,139)	(406,121)	%12.6
Depreciation	(53,152)	(54,028)	(%1.6)
Reversal of provision for instalment credit debtors - net	(283,046)	(98,199)	%0.0
Total Expenses	(1,962,010)	(1,759,252)	11.5%
Profit for the period before provisions for contribution to Kuwait Foundation for the Advancement of Sciences (KFAS), National Labour Support Tax (NLST) and Zakat	4,028,378	4,111,697	-2.0%
Provision for KFAS	(26,985)	(33,170)	(%18.6)
Provision for NLST	(60,959)	(103,888)	(%41.3)
Provision for Zakat	(16,719)	(39,304)	%0.0
Profit for the period	3,923,715	3,935,335	-0.3%
Attributable to:			
Owners of the Parent Company	3,781,260	3,768,402	%0.3
Non-controlling interests	142,455	166,933	(%14.7)
Net Profit for the period	3,923,715	3,935,335	-0.3%
Basic earnings per share attributable to the owners of the Parent Company (Fils)	4.643	4.703	(%1.3)
Diluted earnings per share attributable to the owners of the Parent Company (Fils)	4.634	4.694	(%1.3)

APPENDIX 2: Q1,2024 CONSOLIDATION COMPREHENSIVE INCOME

	Q1-2024			Q1-2023		
	Attributable to parent co.	NCI	Total Consolidated	Attributable to parent co.	NCI	Total Consolidated
PROFIT for the period	3,781,260	142,455	3,923,715	3,768,402	166,933	3,935,335
Other comprehensive income (loss) for the period: (icludes change in fair value of FVOCI investments, share of OCI from Associates and foreign currency translation reserve)	17,344,600	7,997,322	25,341,922	(8,996,587)	(3,053,749)	(12,050,336)
Total comprehensive income (loss)	21,125,860	8,139,777	29,265,637	(5,228,185)	(2,886,816)	(8,115,001)

APPENDIX 3: Q1-2024 CONSOLIDATED FINANCIAL POSITION

	Q1-2024 KWD	Q1-2023 KWD	Change * %
Assets			
Cash and cash equivalents	4,619,460	8,339,123	(%44.6)
Term deposits	563,639	-	%0.0
Instalment credit debtors	936,471	818,592	%14.4
Financial assets at fair value through profit or loss	23,570,490	21,832,588	%8.0
Accounts receivable and other assets	8,254,799	8,261,352	(%0.1)
Properties held for trading	1,416,362	1,308,298	%8.3
Financial assets at fair value through other comprehensive income	161,562,049	108,055,882	%49.5
Investment in associates	32,348,724	31,755,576	%1.9
Investment in real estates under development	1,777,282	1,800,371	(%1.3)
Investment properties	1,346,819	1,405,559	(%4.2)
Property and equipment	1,962,967	1,961,076	%0.1
Total Assets	238,359,062	185,538,417	%28.5
Liabilities and Equity			
Liabilities			
Accounts payable and other liabilities	9,814,421	7,027,718	%39.7
Term loans	11,372,834	13,637,634	(%16.6)
Murabaha payables	14,332,400	15,040,700	(%4.7)
Provision for employees' end of service benefits	1,822,237	1,688,604	%7.9
Total Liabilities	37,341,892	37,394,656	-0.1%
Equity			
Share capital	83,098,346	83,098,345	%0.0
Share premium	9,355,213	9,355,213	(%0.0)
Treasury shares	(1,644,482)	(2,801,733)	(%41.3)
Treasury shares reserve	282,455	-	
Statutory reserve	2,698,457	1,976,500	%36.5
Voluntary reserve	1,541,623	819,666	%88.1
Share based payments reserve	133,296	93,090	%43.2
Foreign currency translation reserve	(6,304,276)	(4,746,917)	%32.8
Fair value reserve	52,892,042	11,805,787	%348.0
Retained earnings	10,723,461	10,121,942	%5.9
Total Equity attributable to shareholders of the Parent Company	152,776,134	109,721,893	%39.2
Non-controlling interests	48,241,036	38,421,868	%25.6
Total Equity	201,017,170	148,143,761	%35.7
Total liabilities and equity	238,359,062	185,538,417	%28.5

*The change between 31 March-2024 to 31 March-2023



THANK YOU