



بورصة الكويت
BOURSA KUWAIT

Date: 17 February 2021

التاريخ: 17 فبراير 2022

To: Issuers and Development Services Department
Boursa Kuwait

السادة/ إدارة خدمات وتطوير الإصدار المحترمين
بورصة الكويت

Dear Sirs,

تحية طيبة وبعد،،،

Subject: FY2021 Annual Analyst Conference Meeting

الموضوع: مؤتمر المحللين السنوي للعام 2021

In reference to the above, and in line with Boursa Kuwait Securities Company's interest in adhering to Article (7-8-1/3) of the Boursa Kuwait Rulebook regarding the Listed Companies Obligations (Analyst Conference), attached is the "Disclosure of Material Information" Form.

بالإشارة إلى الموضوع أعلاه، وحرصا من شركة بورصة الكويت للأوراق المالية (ش.م.ك) عامة (بورصة الكويت) على الالتزام بمتطلبات المادة (7-8-1/3) من كتاب قواعد البورصة بشأن التزامات الشركات المدرجة (الإفصاح عن مؤتمر المحللين)، نرفق لكم نموذج "الإفصاح عن المعلومات الجوهرية".

Sincerely Yours,

Mohammed Naim Azad Din
Chief Financial Officer

Mohammed Naim Azad Din

وتفضلوا بقبول فائق الاحترام والتقدير،،،

محمد نعيم آزاددين
رئيس قطاع الشؤون المالية



Copy to the Capital Markets Authority.

نسخة للسادة / هيئة أسواق المال.

نموذج الإفصاح عن المعلومات الجوهرية

Disclosure of Material Information Form

Date	Name of the Listed Company	اسم الشركة المدرجة	التاريخ
17 February 2022	Boursa Kuwait Securities Company (K.P.S.C.)	شركة بورصة الكويت للأوراق المالية (ش.م.ك.) عامة	17 فبراير 2022
Material Information		المعلومة الجوهرية	
Disclosure of the FY2021 Annual Analyst Conference		إفصاح البورصة عن مؤتمر المحللين السنوي للعام 2021	
<p>1. FY2021 Annual Boursa Kuwait Analysts / Investors Conference was conducted via a live broadcast on the internet on Thursday 17/02/2022 at 2:00 pm (according to local time). There was no new material information discussed during the conference.</p> <p>2. Attached is the Analyst Conference Presentation.</p> <p>3. Boursa Kuwait shall disclose the minutes of the Analyst/ Investor Conference within 3 working days post the date of the conference.</p>		<p>1. عقدت بورصة الكويت مؤتمر المحللين / المستثمرين السنوي للعام 2021 عن طريق بث مباشر على شبكة الإنترنت في تمام الساعة 2 بعد ظهر يوم الخميس الموافق 2022/02/17 (وفق التوقيت المحلي)، حيث لم يتم الإفصاح عن أي معلومات جوهرية جديدة خلال المؤتمر.</p> <p>2. مرفق العرض التقديمي لمؤتمر المحللين.</p> <p>3. سوف تقوم بورصة الكويت 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 Significant Effect of the material information on the financial position of the company.		لا يوجد أثر للمعلومة الجوهرية على المركز المالي للشركة.	





Financial Year 2021

Earnings Briefing

Naim Azad Din, Chief Financial Officer
Noura Al Abdulkareem, Head of Markets

17 February 2022



DISCLAIMER

This presentation is not an offer or an invitation to subscribe to or purchase any securities. Boursa Kuwait Securities Company (K.P.S.C.) does not provide the validity of the information in this presentation to buy or sell any securities. You must make your own independent investigation and appraisal of the business and financial conditions of Boursa Kuwait Securities Company (K.P.S.C.).

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This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. These statements may be identified by such words as “may”, “plans”, “expects”, “believes” and similar expressions or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause future results, performance or events to differ materially from those described in these statements. Boursa Kuwait Securities Company (K.P.S.C.) is not obligated to update any forward-looking statements.

By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

AGENDA



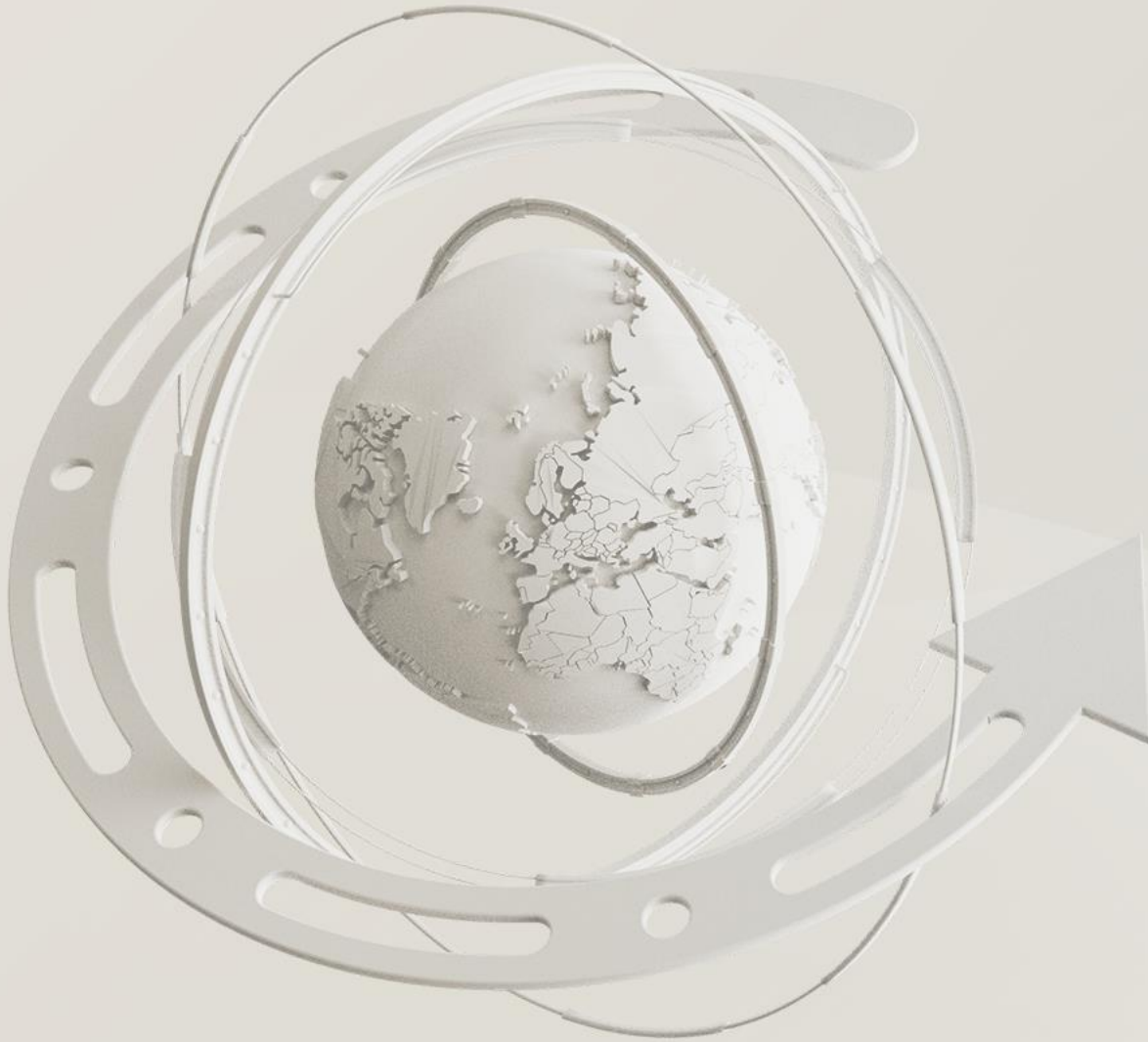
No.	Segments	Slide Nos.
1	Financial Year 2021 – Financial Highlights and Performance	4
2	Business Updates	18
3	Q&A	-



Financial Year 2021

Financial Highlights and Performance

Naim Azad Din, Chief Financial Officer



FY2021 FINANCIAL HIGHLIGHTS



- Boursa Kuwait continues to consolidate Kuwait Clearing Company K.S.C. (Closed) (“KCC”) as a subsidiary following the step-acquisition in Jul 2020. For FY2021, the consolidation was for the entire period of twelve (12) months compared to a combination of six (6) months consolidation (Jul – Dec) and six (6) months equity accounting (Jan – Jun) 2020 i.e. Share of Results of an Associate.
- Operating revenue of KWD31.02 million, increased by 39.69% YoY. Operating profit improved to KWD18.35 million, up by 55.22% and Net profit (Attributable to Equity Holders of Parent Company) decreased to KWD15.89 million, down by 38.43% YoY. Adjusted for the one-time Gain on Business Combination from the results of the comparative period ended 31 Dec 2020, Net profit (Attributable to Equity Holders of Parent Company) recorded a robust double digit organic growth of 26.27%.
- Operating revenue growth is mainly driven by the strong performances in both value and volume traded that contributed to the robust growth in trading commission and the consolidation of KCC.

OPERATING REVENUE	
• KWD	31,019,499
•	39.69%

OPERATING EXPENSES	
• KWD	(12,673,036)
•	22.01%

OPERATING PROFIT	
• KWD	18,346,463
•	55.22%

NP ATTRI. TO EQ. HOLDERS OF PARENT	
• KWD	15,890,515
•	(38.43%)

Note: Reclassification of Reversal of ECL to Non-operating Income

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Note: Adjusted for net Gain on Business Combination, it will be an increase of 26.27%

VALUE TRADED	
• KWD	13,613,563,492
•	26.62%

COST TO INCOME RATIO	
• 12M FY2021	40.86%
• 12M FY2020	46.77%

OPERATING PROFIT MARGIN	
• 12M FY2021	59.14%
• 12M FY2020	53.23%

EPS ATTRI. TO EQ. HOLDERS OF PARENT	
• KWD	79.15
•	(38.43%)

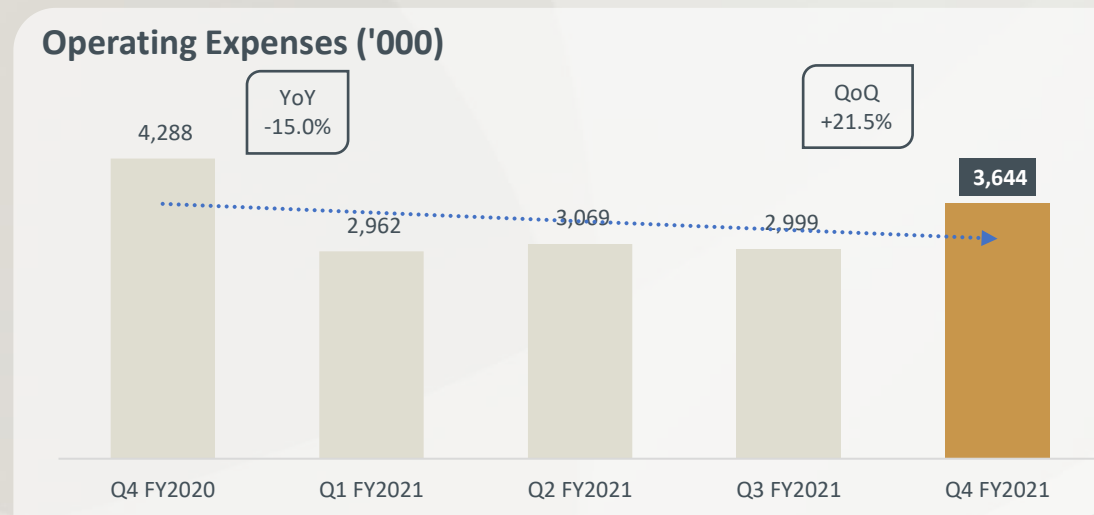
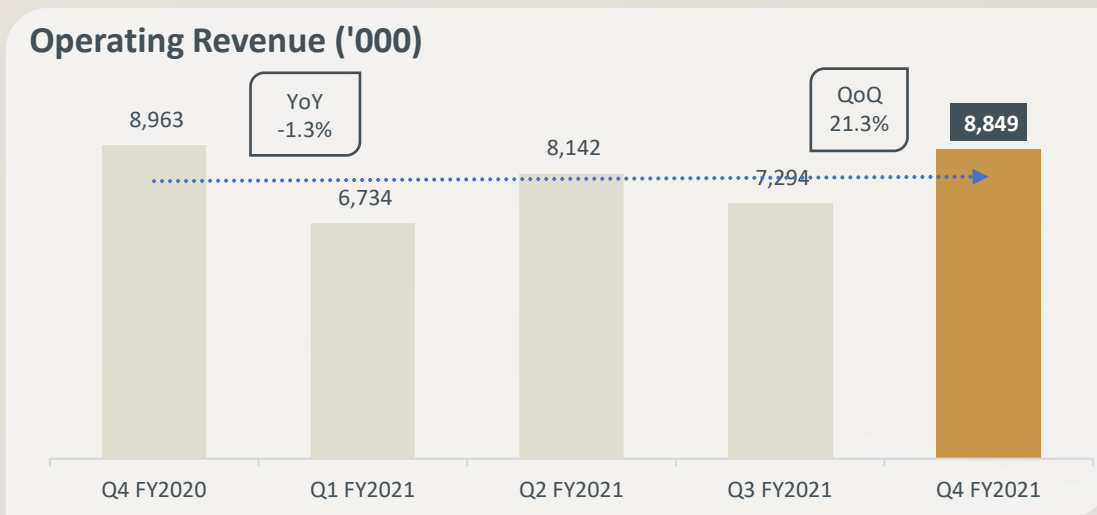
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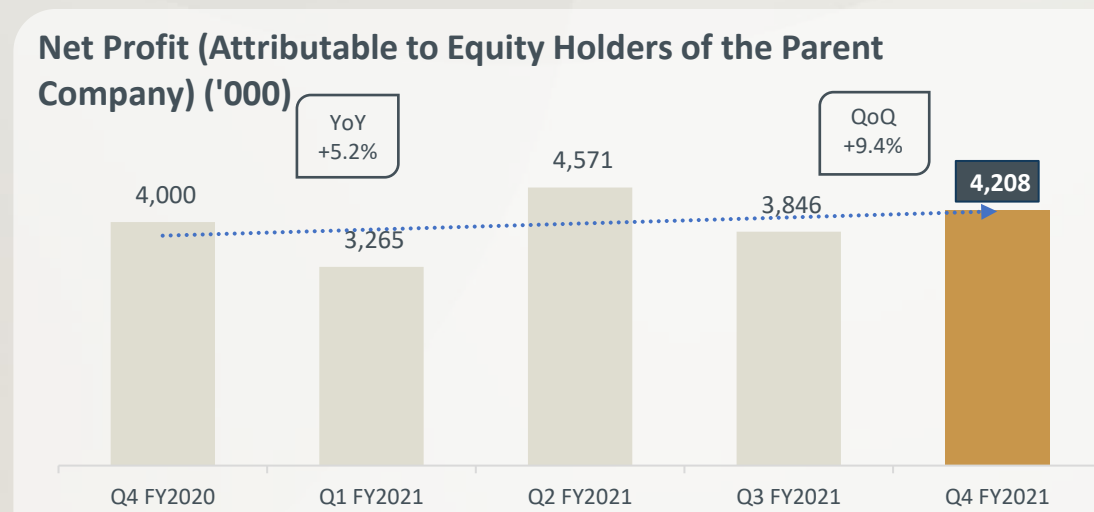
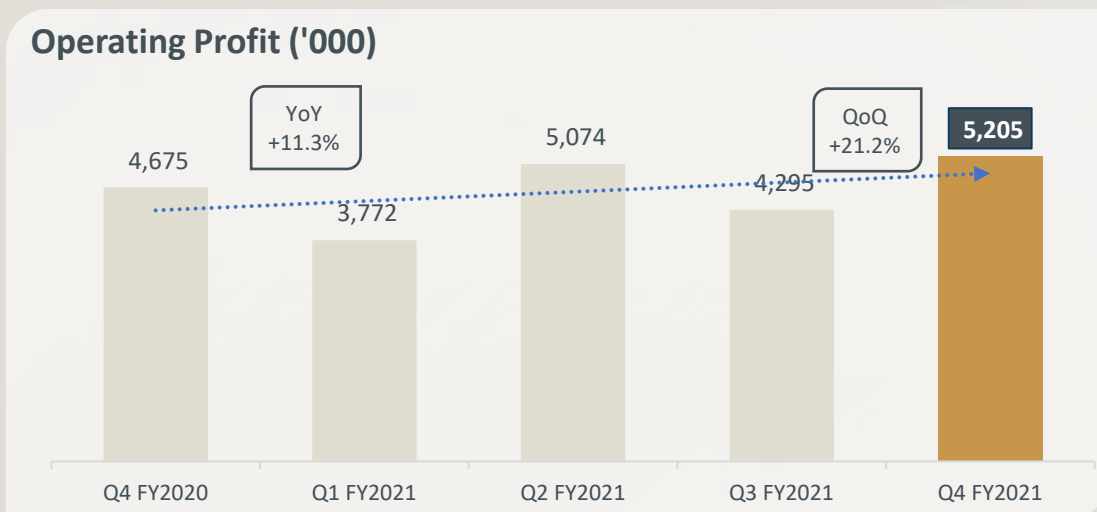
Note: Adjusted for net Gain on Business Combination, it will be an increase of 26.27%

Note: All figures in KWD unless otherwise stated and may be subject to rounding

FINANCIAL PERFORMANCE – QUARTERLY TREND



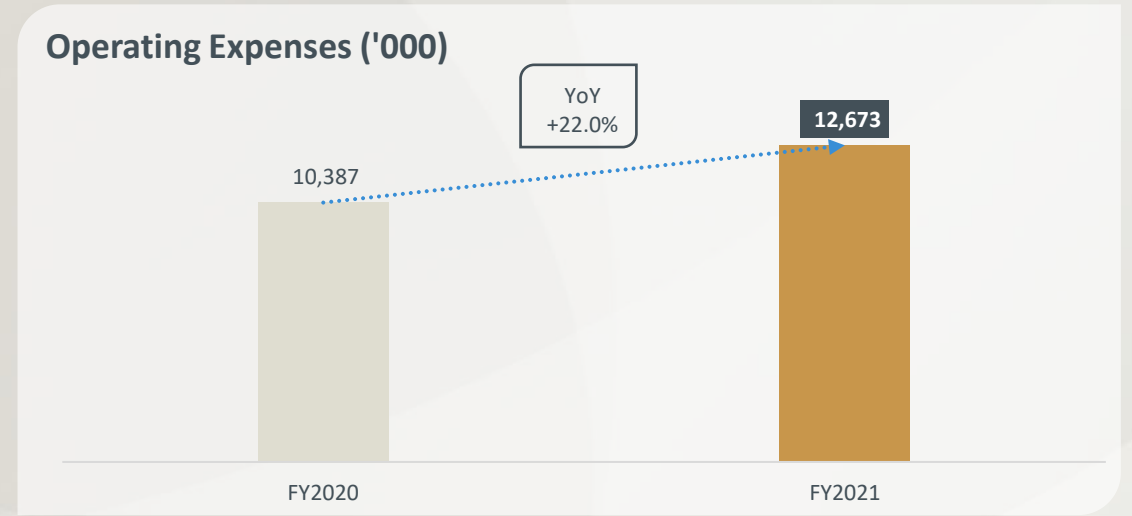
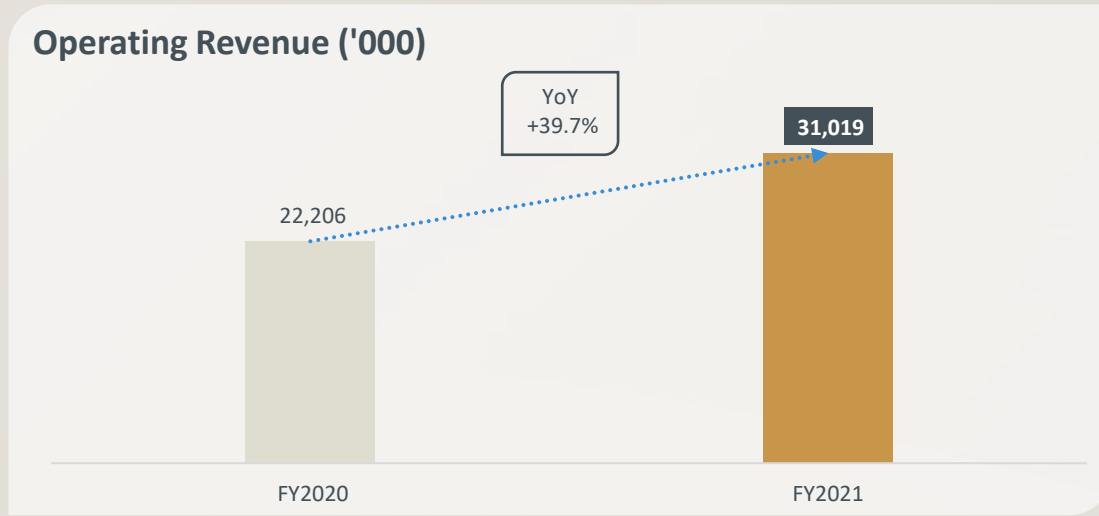
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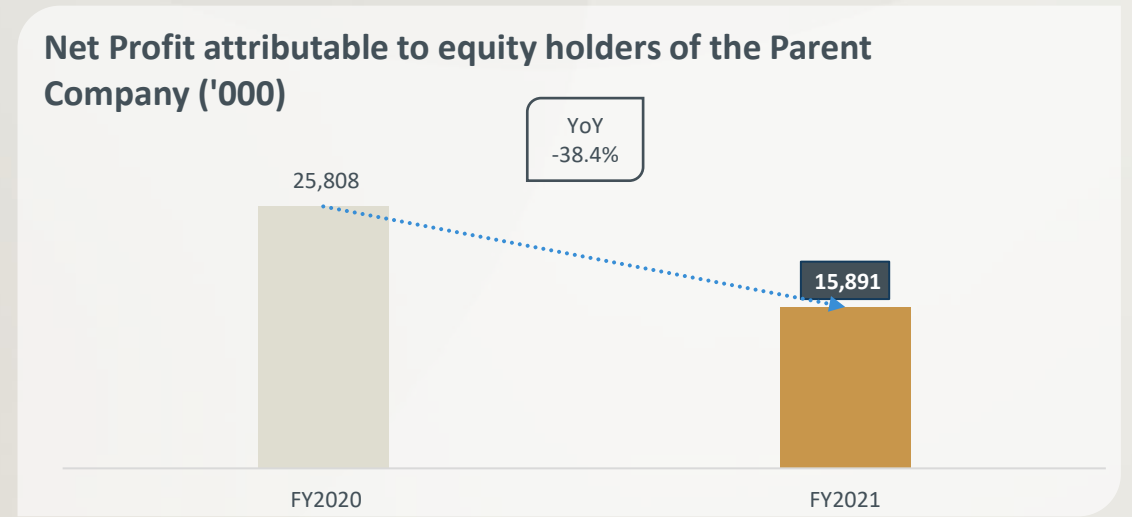
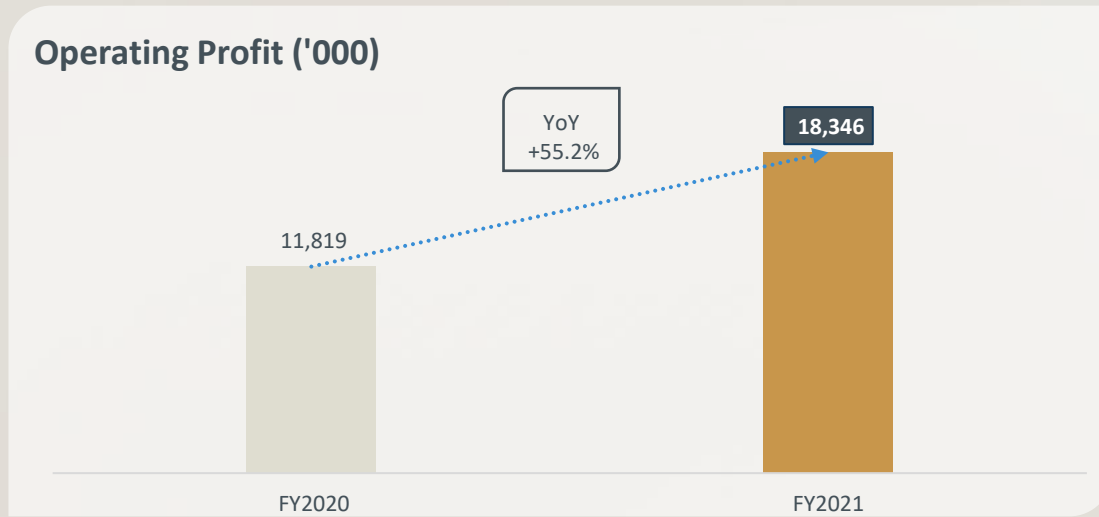
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FINANCIAL PERFORMANCE – ANNUAL TREND



Note: Reclassification of Reversal of ECL to Non-operating Income

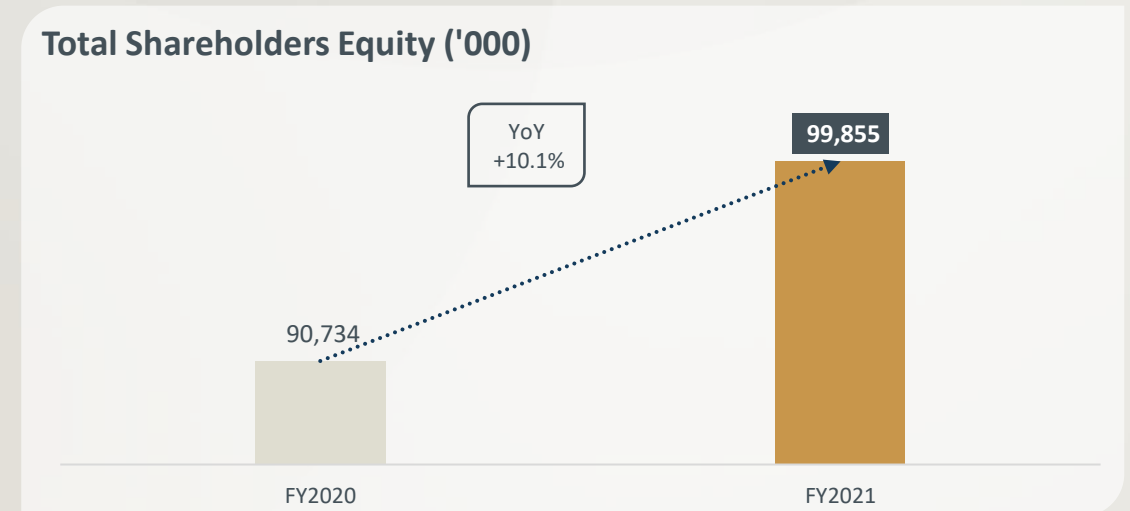
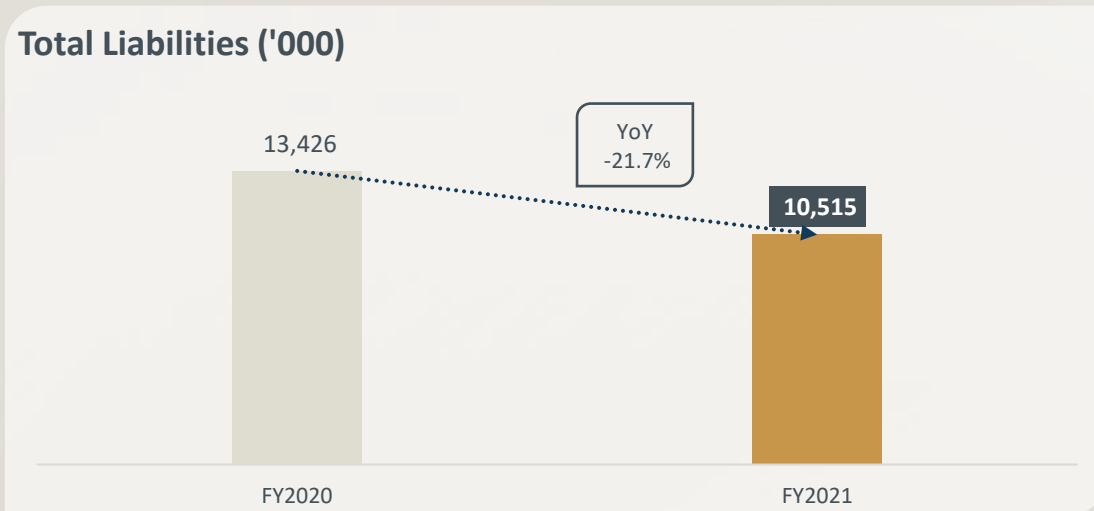
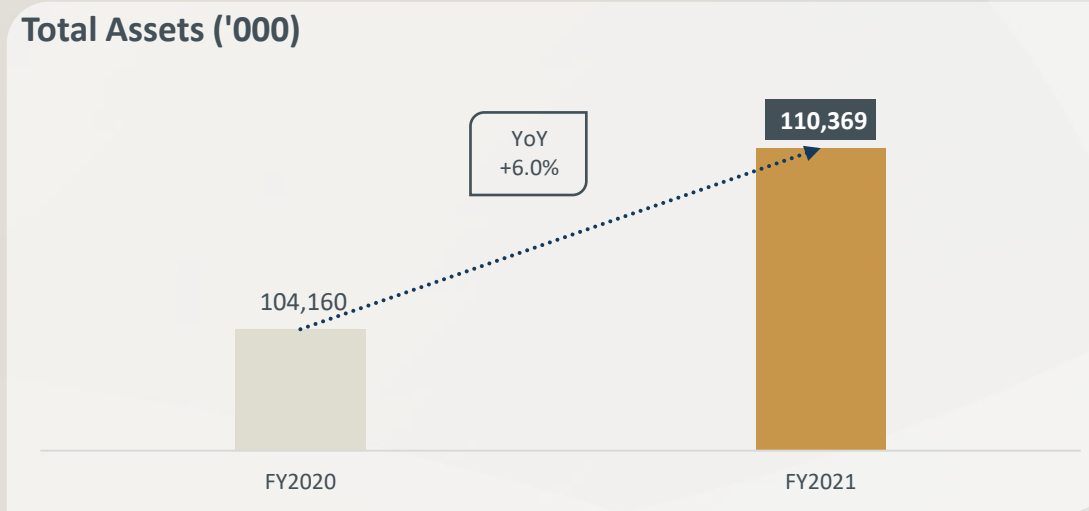


Note: Adjusted for net Gain on Business Combination, it will be an increase of 26.27%

Note: Reclassification of Reversal of ECL to Non-operating Income

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STATEMENT OF FINANCIAL POSITION – ANNUAL TREND



Note: Equity Attributable to Equity Holders of the Parent Company stood at KWD 60,608,303, a 14.78% increase

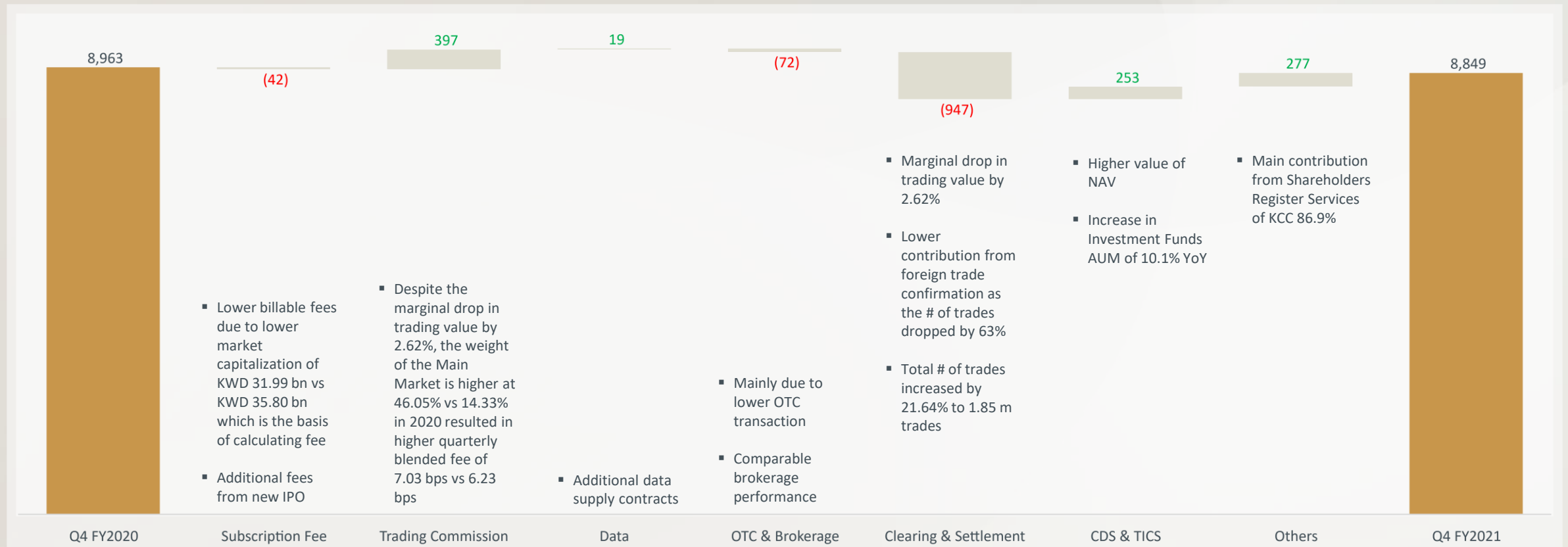
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4Q21 OPERATING REVENUE

Contribution by revenue streams



	Revenue Streams (KWD '000)														Total	
	Subscription Fee		Trading Commission		Data		OTC & Brokerage		Clearing & Settlement		CDS & TICS		Others			
Q4 FY2021	1,721	19.44%	3,059	34.57%	92	1.04%	156	1.76%	1,573	17.77%	1,144	12.93%	1,105	12.49%	8,849	
Q4 FY2020	1,763	19.67%	2,661	29.69%	73	0.82%	227	2.53%	2,520	28.11%	891	9.94%	828	9.24%	8,963	
YoY	-2.40%	↓	14.94%	↑	25.97%	↑	-31.49%	↓	-37.58%	↓	28.44%	↑	33.45%	↑	-1.27%	↓



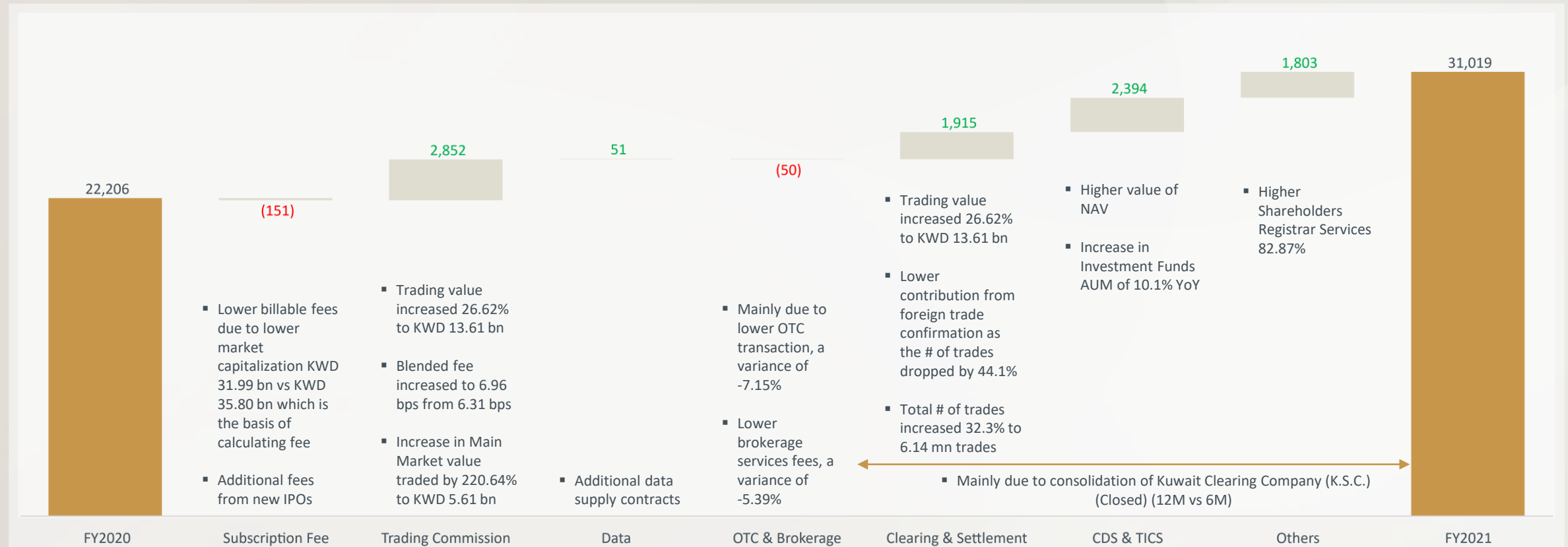
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ANNUAL OPERATING REVENUE

Contribution by revenue streams



	Revenue Streams (KWD '000)														Total	
	Subscription Fee		Trading Commission		Data		OTC & Brokerage		Clearing & Settlement		CDS & TICS		Others			
FY2021	6,832	22.02%	9,709	31.30%	328	1.06%	720	2.32%	5,610	18.08%	4,075	13.14%	3,745	12.07%	31,019	
FY2020	6,983	31.45%	6,857	30.88%	277	1.25%	771	3.47%	3,694	16.64%	1,681	7.57%	1,943	8.75%	22,206	
YoY	-2.17%	↓	41.59%	↑	18.42%	↑	-6.55%	↓	51.85%	↑	142.39%	↑	92.81%	↑	39.69%	↑



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4Q21 NON-OPERATING INCOME

Contribution by non-operating income streams



	Income Streams (KWD '000)											Total		
	Rents		Interest Income		Shr of Results of Assoc.		Other Income		Investment Income		Gain on BusComb			
Q4 FY2021	209	34.48%	275	45.27%	-	-	91	15.04%	32	5.22%	-	-	607	
Q4 FY2020	209	27.62%	161	21.22%	-	-	321	42.39%	66	8.77%	-	-	758	
YoY	-0.03%	↓	70.83%	↑	-	-	-71.59%	↓	-52.31%	↓	-	-	-19.91%	↓



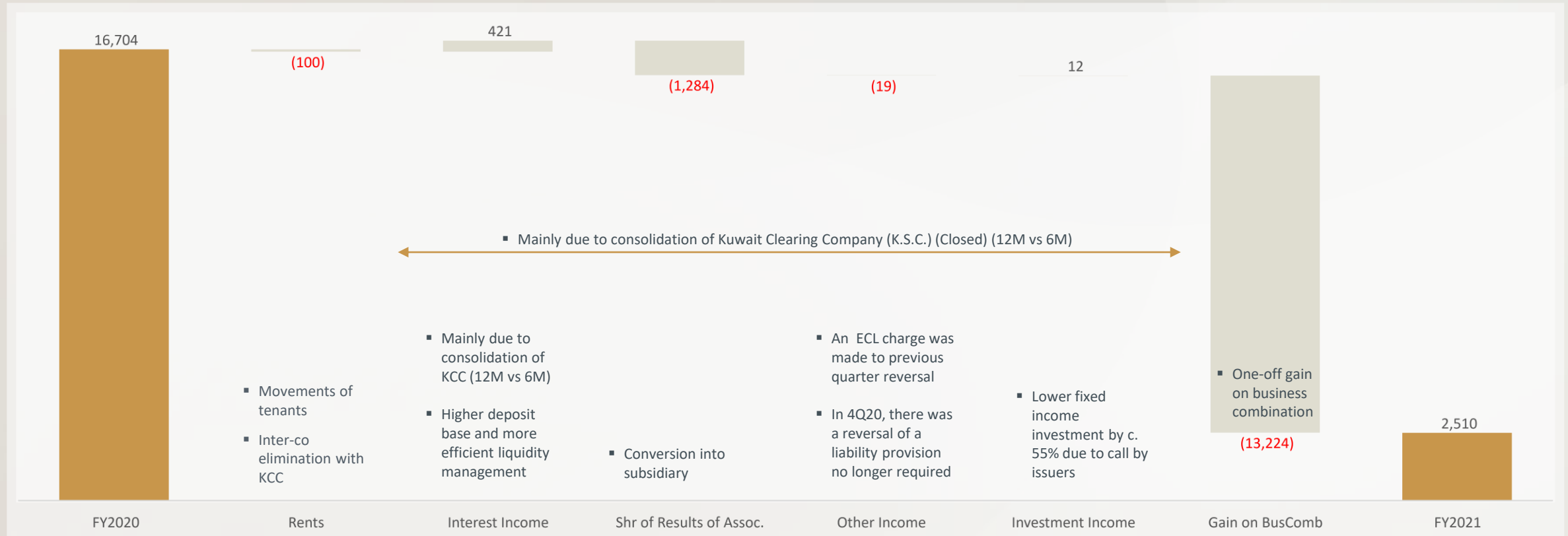
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ANNUAL NON-OPERATING INCOME

Contribution by non-operating income streams



	Income Streams (KWD '000)												Total	
	Rents		Interest Income		Shr of Results of Assoc.		Other Income		Investment Income		Gain on BusComb			
FY2021	845	33.68%	969	38.62%	-	0.00%	541	21.55%	154	6.16%	-	0.00%	2,510	
FY2020	945	5.66%	549	3.28%	1,284	7.69%	560	3.35%	142	0.85%	13,224	79.16%	16,704	
YoY	-10.57%	↓	76.65%	↑	-100.00%	↓	-3.40%	↓	8.48%	↑	-100.00%	↓	-84.98%	↓



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4Q21 OPERATING EXPENSES

Cost management is beginning to bear results



	Operating Expenses (KWD '000)																Total	
	Human Resources		Maintenance & Licenses		Depn & Amortization		Premises		Professional Fees		CMA Commission		Impairment		Others			
Q4 FY2021	2,087	57.26%	237	6.49%	238	6.54%	73	2.00%	166	4.55%	96	2.63%	72	1.97%	676	18.55%	3,644	
Q4 FY2020	2,574	60.03%	452	10.55%	227	5.30%	150	3.50%	271	6.33%	87	2.04%	85	1.99%	440	10.26%	4,288	
YoY	-18.94%	↓	-47.70%	↓	4.88%	↑	-51.44%	↓	-38.94%	↓	9.73%	↑	-15.71%	↓	53.57%	↑	-15.02%	↓



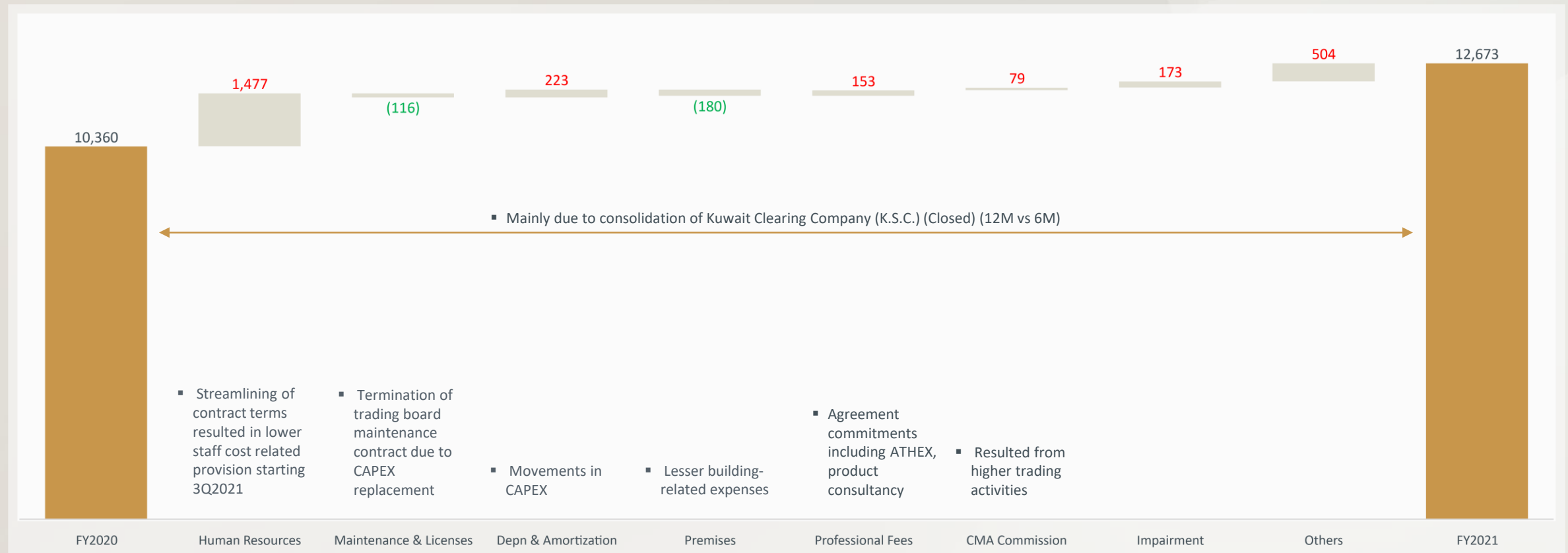
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ANNUAL OPERATING EXPENSES



Cost increase is mainly attributable to consolidation for 12M versus 6M in 2020

	Operating Expenses (KWD '000)																Total	
	Human Resources		Maintenance & Licenses		Depn & Amortization		Premises		Professional Fees		CMA Commission		Impairment		Others			
FY2021	7,949	62.73%	1,023	8.07%	940	7.42%	309	2.44%	542	4.27%	313	2.47%	244	1.92%	1,353	10.67%	12,673	
FY2020	6,472	62.31%	1,139	10.96%	718	6.91%	489	4.71%	389	3.74%	234	2.25%	97	0.94%	849	8.17%	10,387	
YoY	22.82%	↑	-10.17%	↓	31.02%	↑	-36.77%	↓	39.36%	↑	33.86%	↑	150.02%	↑	59.37%	↑	22.01%	↑



Note: All figures in KWD unless otherwise stated and may be subject to rounding and some reclassifications were made to improve the quality of information presented

4Q21 NON-OPERATING EXPENSES



Net increase is mainly due to NLST payment applicable post listing

	Non-Operating Expenses (KWD '000)										Total	
	Finance Costs		BoD Remuneration		KFAS		Zakat		NLST			
Q4 FY2021	11	3.05%	176	50.95%	16	4.69%	32	9.20%	111	32.11%	345	
Q4 FY2020	10	17.60%	176	298.04%	-87	-148.01%	-82	-138.76%	42	71.13%	59	
YoY	1.21%	↑	0.00%	-	118.55%	↑	138.79%	↑	164.03%	↑	484.93%	↑



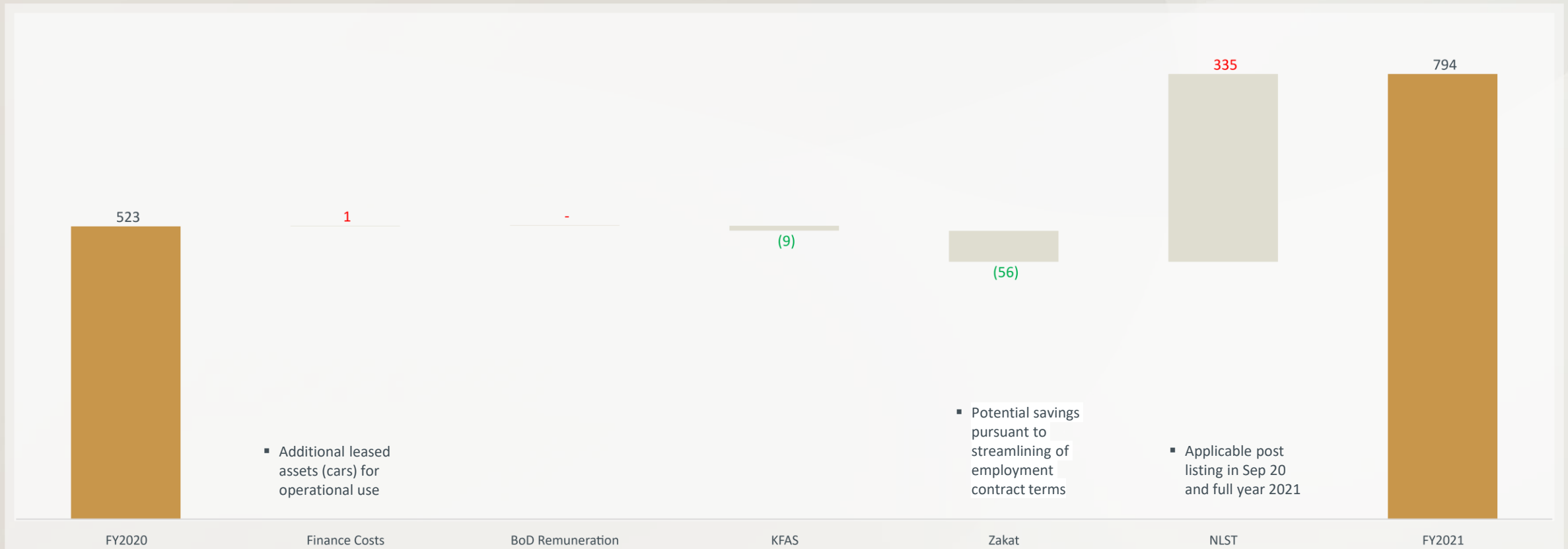
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ANNUAL NON-OPERATING EXPENSES



Net increase is mainly due to NLST payment applicable post listing

	Non-Operating Expenses (KWD '000)										Total	
	Finance Costs		BoD Remuneration		KFAS		Zakat		NLST			
FY2021	44	5.56%	176	22.15%	108	13.60%	89	11.21%	377	47.47%	794	
FY2020	43	8.27%	176	33.67%	117	22.36%	145	27.66%	42	8.04%	523	
YoY	2.33%	↑	0.00%	-	-7.54%	↓	-38.40%	↓	797.89%	↑	52.01%	↑



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KEY INDICATORS



- High Operating Profit Margin and Return on Average Equity of 58.8% and 28.0%.
- Operating revenue of KWD31.02 million, increased by 39.69% YoY. Operating profit improved to KWD18.35 million, up by 55.22% and Net profit (Attributable to Equity Holders of Parent Company decreased to KWD15.89 million, down by 38.43% YoY. Adjusted for the one-time Gain on Business Combination from the results of the comparative period ended 31 Dec 2020, the indicator recorded robust organic growth of approximately 26.27%.
- For the year, the blended trading commission stood at 0.0696% or 6.96 bps compared to 0.0631% or 6.31 bps a year earlier, an increase of 10.3% YoY.

	4Q FY2020	1Q FY2021	2Q FY2021	3Q FY2021	4Q FY2021
Operating Revenue ('000)	8,963	6,734	8,142	7,294	8,849
Operating Expenses ('000)	(4,288)	(2,962)	(3,069)	(2,999)	(3,644)
Cost to Income Ratio	47.8%	44.0%	37.7%	41.1%	41.2%
Operating Profit ('000)	4,675	3,772	5,073	4,295	5,205
Operating Profit Margin	52.2%	56.0%	62.3%	58.9%	58.8%
Net Profit Attributable to Equity Holder of the Parent Company ('000)	4,000	3,265	4,571	3,846	4,208
Net Profit Margin Attributable to Equity Holder of the Parent Company	44.6%	48.5%	56.1%	52.7%	47.6%
Return on Average Equity	60.8%	56.4%	65.7%	29.8%	28.0%
EPS (fils) - (Parent Company)	19.92	16.26	22.77	19.16	20.96
DPS (fils)	40.00	-	-	-	65.00
Total Dividends ('000)	8,031	-	-	-	13,050
Blended Trading Commission (bps)	6.23	6.79	6.99	6.98	7.03

- The proposed dividend payout ratio is 82.12% and it represents an increase of 62.5% from 2020 DPS of 40 fils.



Financial Year 2021






Business Updates

Noura Al Abdulkareem, Head of Markets

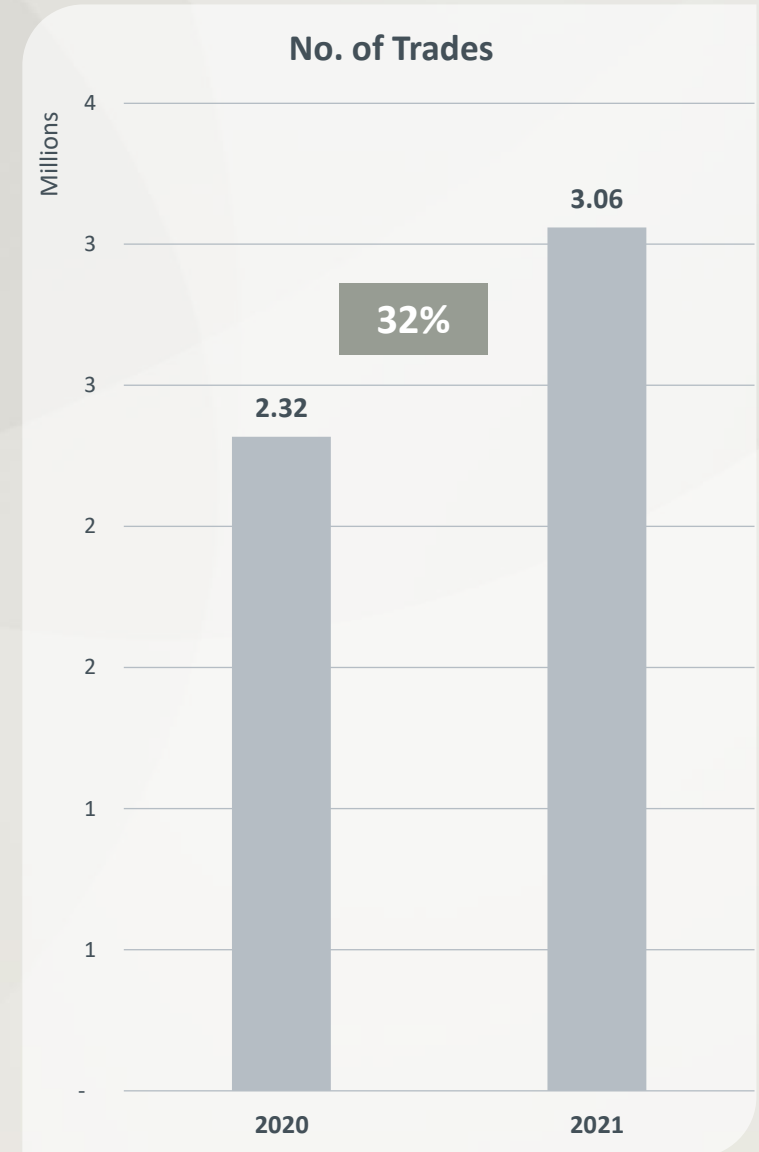
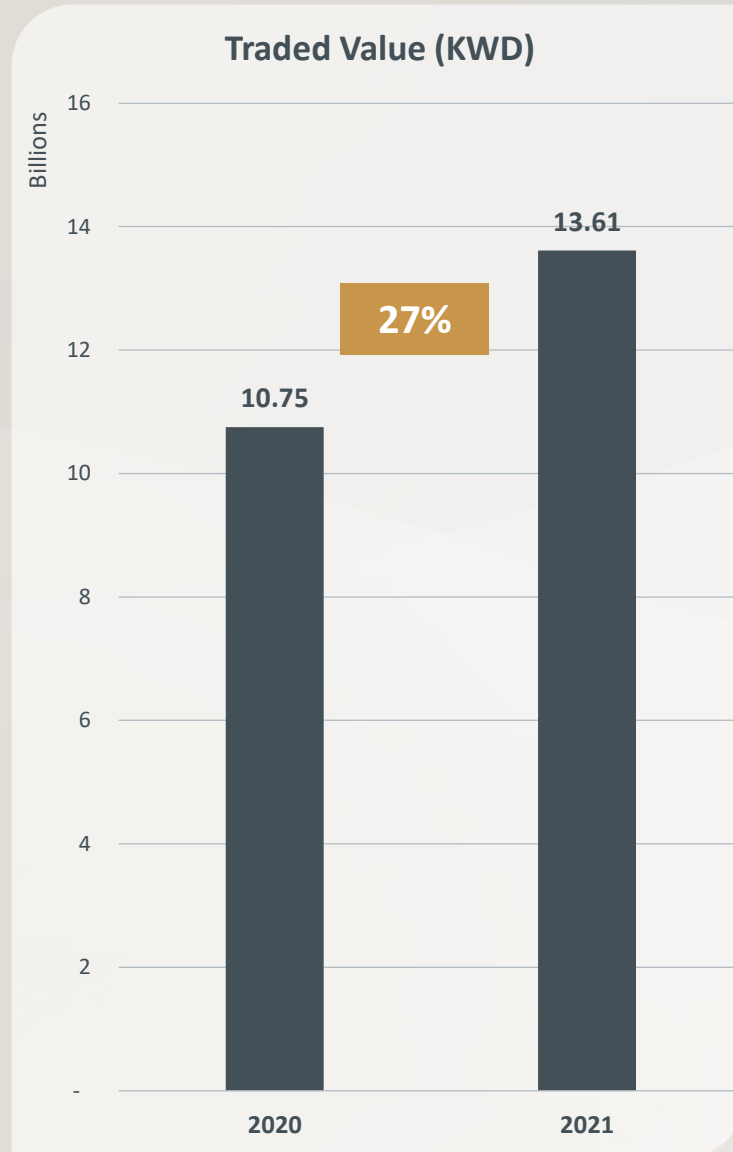
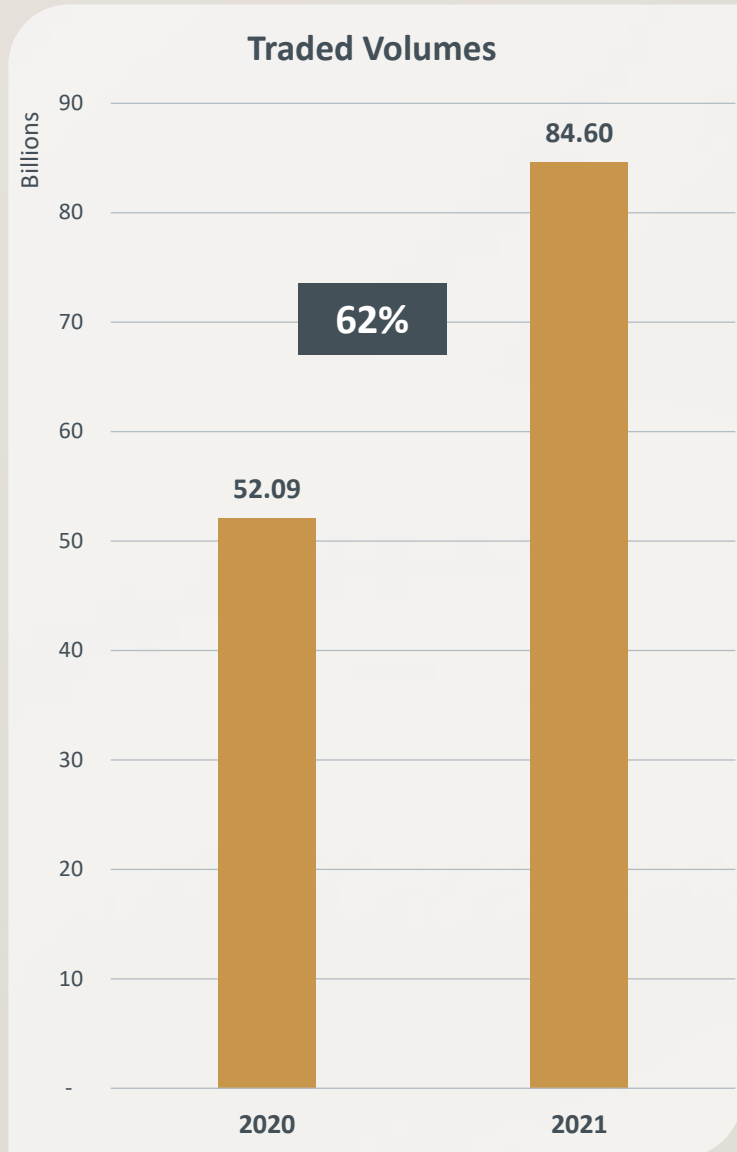


MARKET DEVELOPMENTS

Diversifying product offerings, increasing accessibility and transparency of our Market while continuing improving infrastructures.

MD1	MD2	MD3.1	MD3.2	MD4
<ul style="list-style-type: none">• Ticks & Price Limits• Settlement Cycle & Corporate Actions• Market Makers• Randomized Closing Auction	<ul style="list-style-type: none">• Market Segmentation• Circuit Breakers• OTC Platform• Boursa Kuwait Rulebook	<ul style="list-style-type: none">• REITs• Intentional Crossing• Trade-at-Last• Closing Auction Amendment• Tender Offers• Swaps• Short-selling & SLB	<ul style="list-style-type: none">• Tradable Rights Issue• Margin Lending for IC• Cash CCP• Fixed Income• ETFs (Equity & Commodity)• Margin Lending for QB	<ul style="list-style-type: none">• Derivatives CCP• Derivatives (SSF & IF)• Derivatives (Options)
 2017	 2018	 2019	 2020-22	 2022-24

MARKET PERFORMANCE



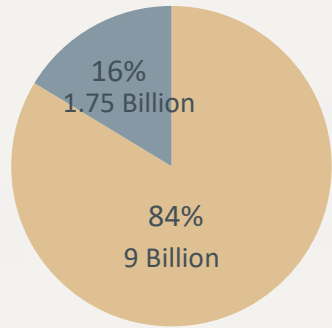
includes tradable rights issue

MARKET SPLIT

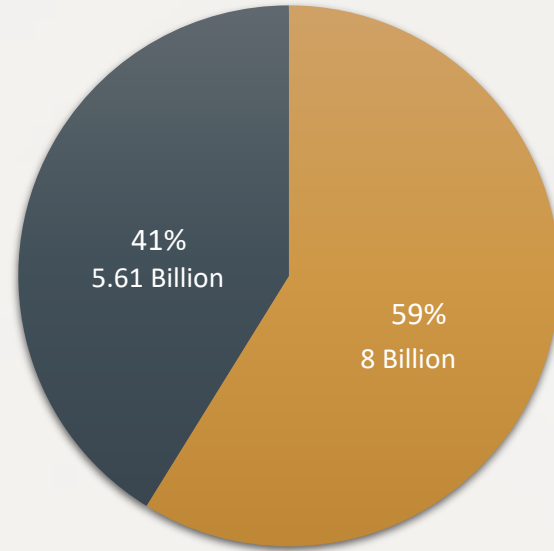


Total Trading Value 2021 (KWD)

Total Traded Value 2020 (KWD)



■ Premier ■ Main

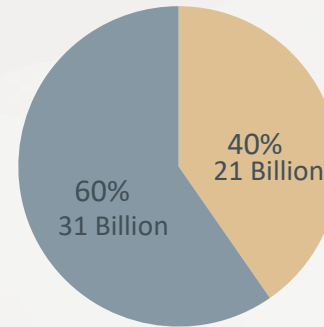


■ Premier ■ Main

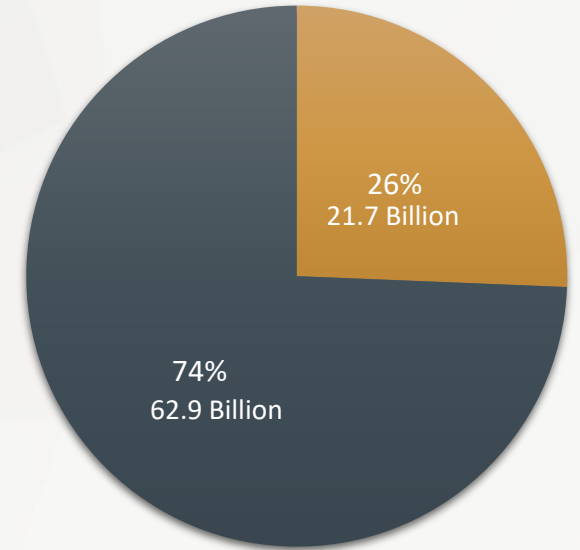
Main Market +221% Y/Y

Total Trading Volume 2021

Total Traded Value 2020 (KWD)



■ Premier ■ Main



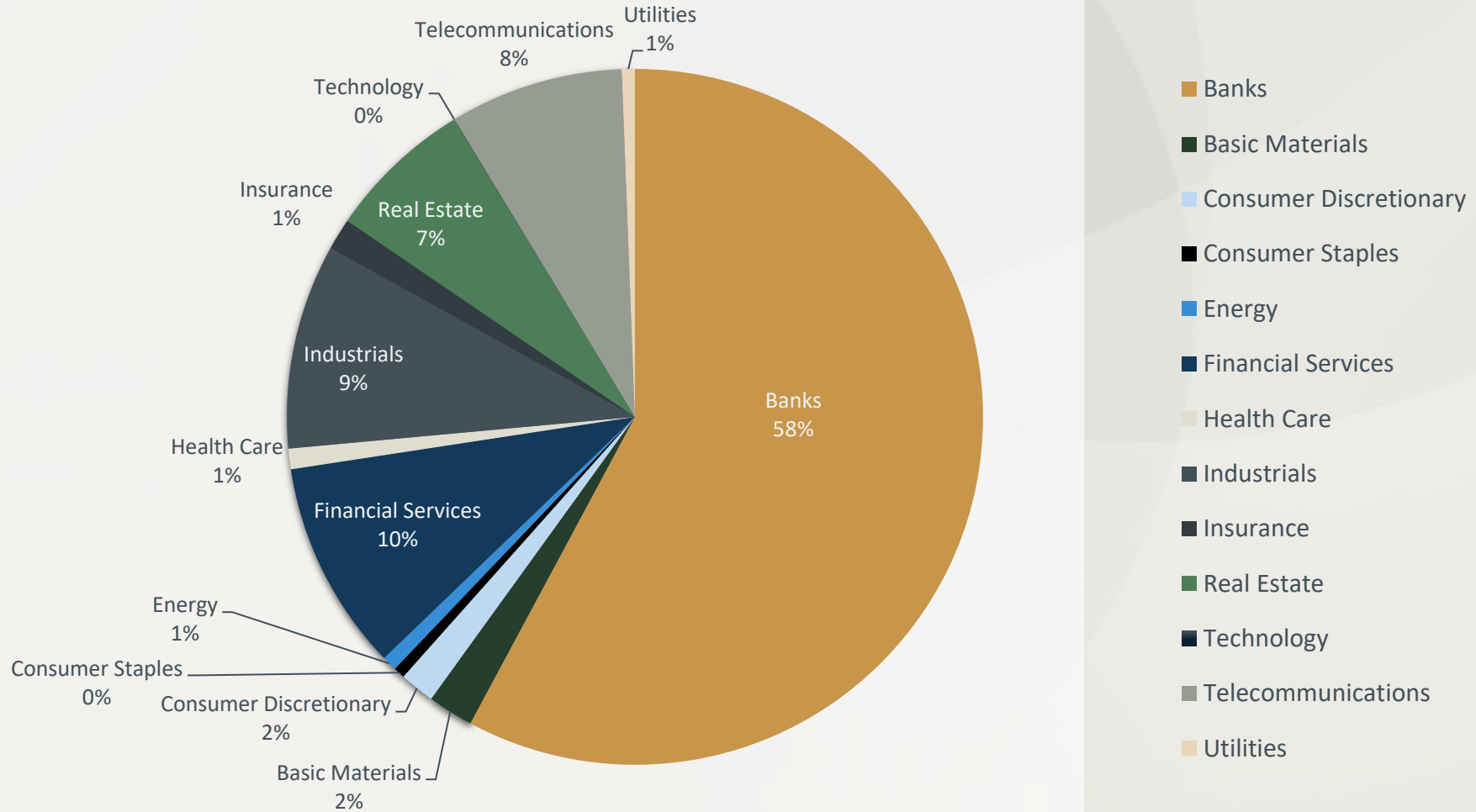
■ Premier ■ Main

Main Market 103% Y/Y



BOURSA KUWAIT SECTOR DISTRIBUTION

Market Capitalization by Sector





BOURSA KUWAIT SECTOR DISTRIBUTION

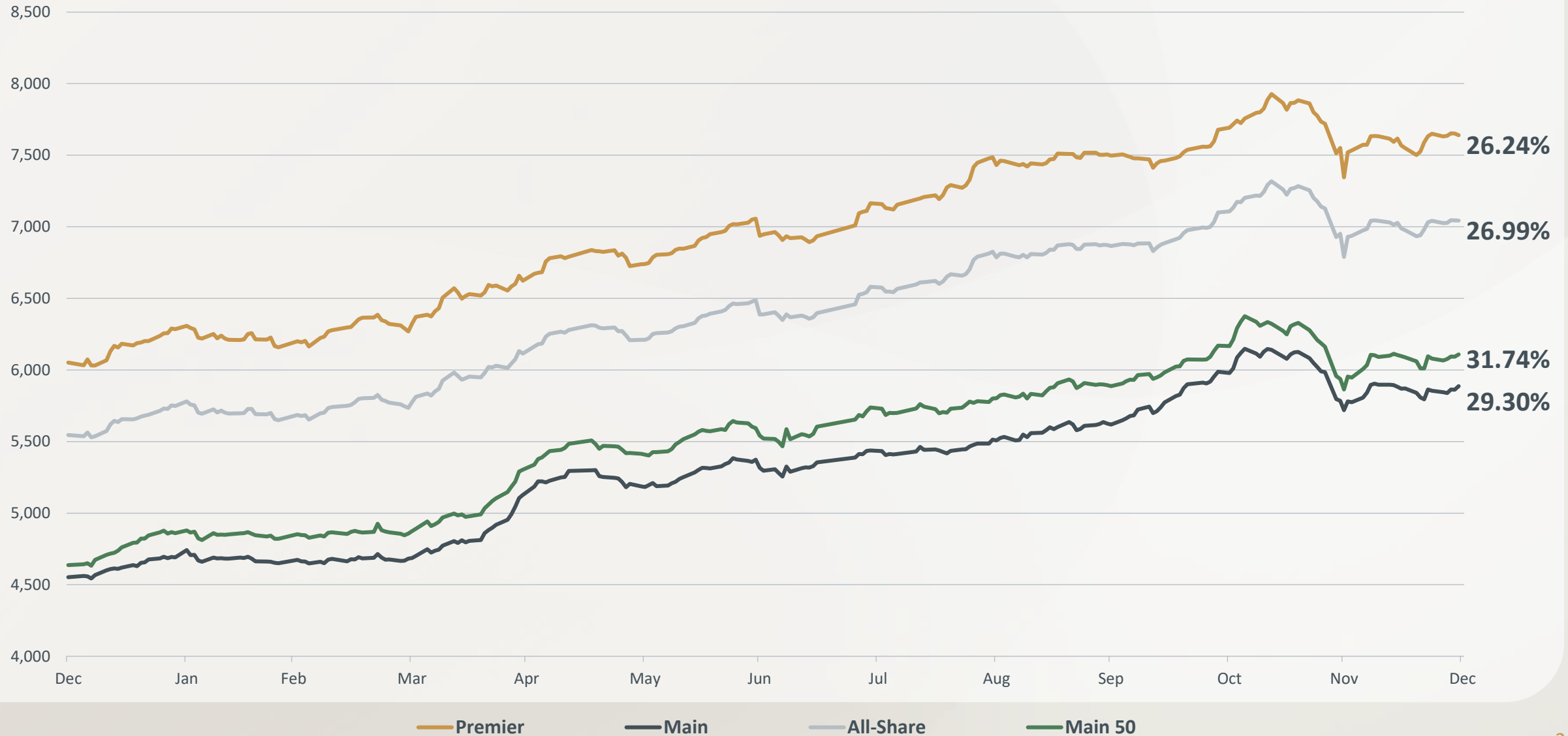
Performance Snapshot

Sector	No. of Listed Co.	% of Listed Co.	Market Cap 2021	% of Market Cap	Traded Value	% of Traded Value	Index Close 2020	Index Close 2021	Sectorial Index Performance
Banks	11	7%	23,943,242,147	58%	4,875,557,739	36%	1262.46	1622.77	28.54%
Basic Materials	4	2%	876,062,476	2%	162,583,585	1%	898.59	1024.78	14.04%
Consumer Discretionary	12	7%	673,229,077	2%	305,579,847	2%	818.6	1336.63	63.28%
Consumer Staples	2	1%	219,194,301	1%	74,921,894	1%	746.36	731.11	-2.04%
Energy	6	4%	287,986,537	1%	133,454,512	1%	1277.33	1428.15	11.81%
Financial Services	48	29%	4,048,965,998	10%	3,771,266,558	28%	929.71	1423.32	53.09%
Health Care	3	2%	395,198,505	1%	1,481,150	0%	826.64	797.03	-3.58%
Industrials	28	17%	3,936,782,935	10%	1,625,128,540	12%	891.1	1141.49	28.10%
Insurance	8	5%	611,507,568	1%	68,108,259	1%	1156.17	1533.39	32.63%
Real Estate	38	23%	2,805,478,258	7%	1,899,753,350	14%	952.63	1326.41	39.24%
Technology	1	1%	9,399,982	0%	3,627,854	0%	502.7	683.85	36.04%
Telecommunications	5	3%	3,337,933,713	8%	571,904,037	4%	1102.31	1089.37	-1.17%
Utilities	1	1%	250,800,000	1%	110,353,846	1%	728.95	600	-17.69%
	167		41,395,781,497		13,603,721,170				

INDEX PERFORMANCE



2021 Boursa Kuwait Indices Performance



OTHER TRADING ACTIVITIES



Off-Market Trades

- 13 Companies were traded off-Market
- 38 transactions
- Volume: 578 million shares
- Value: KWD 86.3 million

Tradable Rights Issue

- 5 listings of rights issue
- 2990 transactions
- Value: KWD 1.32 million
- Volume: 30.5 million shares
 - *Jazeera Airways*
 - *Gulf Insurance*
 - *KProjects*
 - *Burgan Bank*
 - *Warba Bank*

OTC Market (unlisted securities)

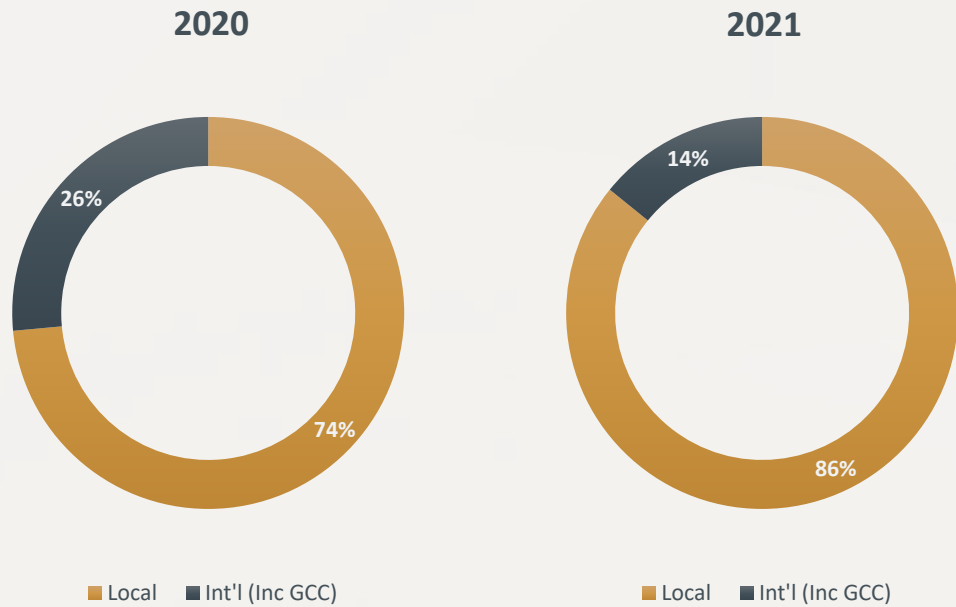
- 112 registered companies on public board
- 1964 transactions
- Volume: 145.7 million shares
- Value: KWD 10.93 million

- 214 privately traded companies
- 2843 transactions
- Volume: 2.8 billion shares
- Value: KWD 136.6 million

INVESTOR TURNOVER

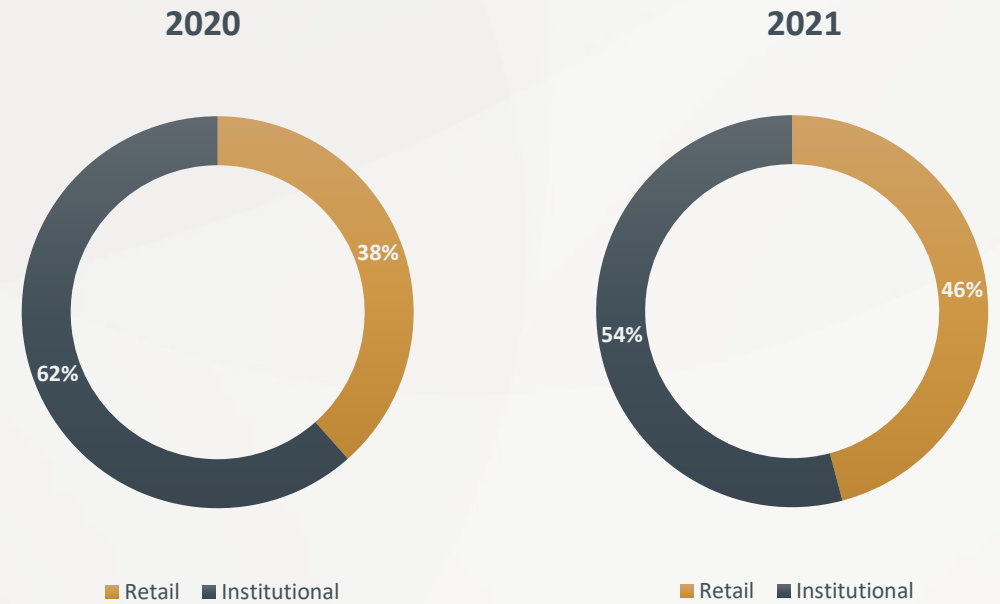


Breakdown of Value Turnover by Investor Geography



International Investors -36% Y/Y

Breakdown of Value Turnover by Investor Type



Institutional Investors -26% Y/Y

BOURSA KUWAIT SHARE INFORMATION



▪ Legal Name	Boursa Kuwait Securities Company K.P.S.C
▪ Date Established	21 April 2014
▪ Regulated By	Kuwait's Capital Markets Authority (CMA)
▪ Listing Date	14 September 2020
▪ Exchange Ticker	BOURSA
▪ Code	827
▪ Bloomberg Ticker	BOURSA KK
▪ Thomson Reuters Ticker	BOURSA.KW
▪ ISIN	KW0EQ0607022
▪ Sector	Financial Services
▪ Paid-Up Share Capital	KWD 20,077,575.000
▪ Outstanding Number of Shares	200,775,750
▪ Par-value per Share	KWD 0.100
▪ Fiscal Year	31 December
▪ Registrar	Kuwait Clearing Company

Major Shareholders (over 5%)

National Investments Co. and group (Al-Bawaba Al-Watania General Trading & Contracting Co.)	Direct & Indirect	15.46%
Arzan Financial Group For Financing & Investment	Direct	14.41%
Gulf Cable & Electrical Industries Co.	Indirect	14.41%
The Public Institution for Social Security	Direct	6.00%

ANALYST COVERAGE



Research House	Analyst(s)	Date	Target Price (KWD)	Rating
EFG HERMES	Elena Sanchez, CFA Ahmed El-Shazly	31 October 2021	2.45	BUY
Arqaam Capital	Jaap Meijer, MBA, CFA Janany Vamadeva	12 August 2021	2.07	BUY

INVESTOR RELATIONS CONTACT INFORMATION



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