

شركة الاستثمارات الوطنية	
صادر خارجي	
	
26/03/2023	تاريخ المراسلة
NIC - 3-25/104/10999	رقم المراسلة



شركة الاستثمارات الوطنية  
NATIONAL INVESTMENTS COMPANY

Date: 26 MAR 2023

التاريخ: 26 MAR 2023

To: Boursa Kuwait Company  
Dear Sirs,

السادة/ شركة بورصة الكويت  
المحترمين  
تحية طيبة وبعد،،،

**Subject: Analysts Conference Transcript**  
**For the Year ended 31 December 2022**

**الموضوع: محضر مؤتمر المحللين**  
**للسنة المالية المنتهية في 31 ديسمبر 2022**

With reference to the above subject, and in line with requirements stipulated in article No. (7-8) of Boursa Rulebook, kindly find attached the Analysts Conference Meeting Transcript for the year ended 31 December 2022, held on 21/03/2023.

بالإشارة إلى الموضوع أعلاه، والتزاماً بالمتطلبات الواردة بالمادة رقم (7-8) من كتاب قواعد البورصة، نرفق لكم محضر مؤتمر المحللين للسنة المالية المنتهية في 31 ديسمبر 2022، المنعقد بتاريخ 2023/03/21.

Sincerely Yours,

وتفضلوا بقبول فائق الاحترام،،،

**Fahad Abdulrahman Al Mukhaizim - فهد عبدالرحمن المخيزيم**  
**Board Member and Chief Executive Officer - عضو مجلس الإدارة والرئيس التنفيذي**



CC: Capital Market Authority

نسخة إلى: السادة هيئة أسواق المال



شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

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**Transcript of the Analysts Conference  
Meeting for the Year Ended  
31 December 2022**



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**National Investments Company**  
**Earnings Call for the year ended 31 December 2022**

**Tuesday, 21 March 2023**

Edited transcript of National Investments Company (K.S.C.P) earnings conference call that took place on Tuesday, 21 March 2023 at 14:00 (Kuwait time).

**Corporate Participants:**

Mr. Girish S. Nair – Chief Financial Officer

Mr. Almuthana Al Maktoum – Executive Vice President – Wealth Management

Mr. Bashar Khan – Senior Vice President – Investment Banking

**Chairperson:**

Ahmed El Shezly – EFG – Hermes



**Ahmed**

Good afternoon, everyone.

This is Ahmed El Shezly and on behalf of EFG Hermes, I would like to welcome you all to National Investments Company's earnings briefing for the year ended 31 December 2022. It is a pleasure to have with us in the call Mr. Girish Nair, Chief Financial Officer, Mr. Almuthana Al Maktoum, EVP - Wealth Management and Mr. Bashar Khan, SVP - Investment Banking. The call will begin with a presentation from NIC's management on the financial performance during the twelve months of 2022 and then we will open the floor for Q&A. At this time, I would like to hand over the call to Mr. Almuthana, please go ahead.

**Al Muthana**

Thank you, Ahmed.

Good afternoon and welcome to NIC earnings call where we will be discussing our financial results for the twelve months ending 31 December 2022. With us today is our CFO, Mr. Girish Nair, who will be covering the financial highlights and performance for the year and Mr. Bashar Khan, SVP - Investment Banking, who will be discussing business updates as well as the strategy of NIC.

I would like to bring to your attention the disclosure on slide 2 of the presentation, with respect to the forward-looking statement and confidential information. 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. NIC 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.

I would like to hand over the call now to Mr. Girish, CFO of NIC.



## Girish

Thank you Almuthana.

Good afternoon, everyone. My name is Girish Nair, CFO at National Investments Company ('NIC'). I extend you all a warm welcome to our earnings briefing for the twelve months ended 31 December 2022.

As in the past periods, NIC's financial statements for the 12 months of 2022 have been uploaded onto our website and onto the Boursa Kuwait portal and you can access the full set of the financial statements from there.

Let us move on to the key financial highlights of our performance during the period.

For the 12 months ended 31 December 2022, NIC reported a net profit of KWD 8.7 million and earnings per share of 11 fils through the income statement and reported other comprehensive income of KWD 9.4 million through shareholders equity. The total comprehensive income for the period was KWD 18.1 million.

During the comparative year of 2021, the Company had reported a profit of KWD 24.4 million through the income statement with earnings per share of 31 fils and other comprehensive income (OCI) of KWD 25.6 million. The total comprehensive income was KWD 50 million.

The return on average equity and return on average assets during 2022, both based on Net Profit was 4.2% and 3.3% respectively. The leverage ratio as on 31 December 2022 was 24.9 % and our quick ratio was 56.4%.

Total assets and shareholders' equity attributable to the parent company stood at KWD 271 million and KWD 198.8 million respectively, as compared to KWD 290.6 million and KWD 216.8 million at the end of 2021.

The charts on the next slide indicate the growth trajectory of NIC's performance during the last few quarters. NIC reported a break-even net loss of KWD 0.06 million through the income statement and other comprehensive income of KWD 3.6 million through shareholders' equity during the fourth quarter of 2022. The



total comprehensive income during the 4th Quarter of 2022, was KWD 3.6 million.

The performance reflects the volatility witnessed during the year in markets due to the macro-economic developments and tightening monetary policy measures adopted by various central banks. The Kuwait All Share index registered a gain of 3.5% during 2022 as compared to a gain of 27% during 2021.

Let's now move on to the income drivers of NIC's performance during 2022. The total income for year ended 31 December 2022 was KWD 19.9 million.

Major contributors to NIC's total income for the current year were, Dividend income of KD 8.5 million and Management, brokerage, and advisory fee income of KWD 10.8 million. Similarly, the major contributor to the OCI of KD 9.4 million during 2022 was the appreciation in the value of Kuwaiti quoted investments at fair value through other comprehensive income (FVOCI).

Total expenses for 2022 was KWD 10.4 million, as compared to KWD 11.1 million for 2021. Administrative expenses of KWD 9.4 million for the current year was lower than KD 9.7 million for the comparative year of 2021. Finance costs for 12 months for 2022 of KWD 1.2 million, was higher as compared to KWD 0.7 million for the comparative year. The increase is mainly on account of increase in CBK Discount Rate during the year and additional borrowings availed during the last quarter of 2021. This increase was offset by a decrease in impairment losses and other provisions from KWD 0.5 million in 2021 to almost nil during the current period of 2022. Foreign exchange currency revaluation difference was a gain of KD 0.2 million during 2022 as compared with a loss of KD 0.3 million for 2021.

During the 12 months ended 31 December 2022, the Management, brokerage, and advisory fee income recorded a growth of 19% from KWD 9.1 million during 2021, to KWD 10.8 million during 2022. The growth was across 2 main categories of fee income; namely, brokerage revenue from one of our subsidiaries grew by 11%, and Advisory fee and Other income grew by 749%.

NIC's earnings per share for the 12 months of 2022 was 11 fils. The BOD of NIC have proposed a dividend distribution of 28 fils per share for 2022. The charts on this slide depict the earnings per share achieved during the last few quarters and the movement in our share price during these quarters. The second chart indicates the dividend paid out and dividend yield during the last few years.



Our total proprietary assets have receded by 7% during the 12 months of 2022, from KWD 291 million at the end of 2021 to KWD 271 million on 31 December 2022, mainly on account of dividend distribution for 2021.

Our Assets under management (AUM) in a fiduciary capacity have increased by 3% to KWD 1.12 billion as on 31 December 2022 compared to KWD 1.09 billion as on 31 December 2021.

Appendices 1 & 2 to the presentation contain the detailed income statement and OCI movement. Appendix 3 contains the consolidated statement of financial position.

We now move on to highlights during 2022 for certain key sectors within NIC.

**MENA Securities Sector:**

**Deepen and Broaden Client Base:**

- ❖ Aligned with NIC aggressive growth strategy, NIC's assets under management (AUM) have experienced yearly growth, reaching close to 3% year over year.

**Offering a diverse range of investment products:**

- ❖ NIC offers a wide range of investment products and services that cater to different risk appetites and investment objectives. Market Making service was the latest addition to our product offerings, total clients being offered the service has reached for 11 clients.
- ❖ In view of the importance of technological integration in asset management, we are currently assessing new products that will add value to our clients.

**Performance update:**

- ❖ A volatile and a very uncertain year was witnessed in all markets during 2022. Our flagship Wataniya Investment Fund has yielded 3.05% while the rest of the funds yielded - Mawarid -1.84%, Mada -5.09%, Zajil -3.00%, Darij 0.25% during the year ended 31 December 2022.
- ❖ Our Discretionary client portfolios yielded a return of 3% over benchmark on an average, with our flagship local mandate yielding 8.9% during the



year ended 31 Dec 2022. The high interest rate environment has had an unfavorable impact on the performance of GCC equity markets.

### **Investment Banking Sector:**

#### **Advisory Department:**

- ❖ NIC is working on several live mandates including:
- ❖ IPO of one of the leading financial services companies in Kuwait
  - IPO of an HR and logistic solution provider as well as an automotive company.
  - Sell side mandate for a majority stake in an education platform.
  - Sell side mandate for a profitable drilling company in Kuwait.
  - Merger of two companies in the real estate sector.
  - Other advisory mandates.
- ❖ Strong pipeline of proposals across sectors in Kuwait including:
  - IPO of a healthcare company.
  - Capital increase of a media company and financial institution.
  - Independent financial advisory for a merger between two companies in food distribution.
  - Financial restructuring of a family office in Kuwait.

#### **Alternative investments Department**

- ❖ Following a cautious approach given the uncertainty in the global investment landscape. Nonetheless, we believe there will be substantial pockets of opportunity.
- ❖ NIC invested in (i) two build-to-suit Amazon facilities in Germany and (ii) an Egypt-based fintech company that digitalizes rotating credit and savings association (RoSCA).
- ❖ In the final stages of evaluating:
  - Mezzanine investment for multifamily development in the USA;
  - Mezzanine investment for three warehouse properties in France.
  - Private equity and venture capital funds.
  - Online pharmacy aggregator and distributor in Egypt.
  - Other financial products.
- ❖ Continue to enhance the performance of existing investments including potential exits.





**Real Estate Sector:**

- ❖ Continued to improve the collection rates and occupancy of our RE portfolio. The average collection rate and occupancy rate were 73% and 87% respectively, in Q4 2022.
- ❖ Completed installation of an automated real estate system.
- ❖ Expanded the number of clients and secured new real estate portfolios.
- ❖ Communication is undergoing with Ministry of Finance regarding renewal of the Management contract of Al Watania Resort, considering the Ministry's desire to withdraw all the Government parks and hand them over to PUMC.
- ❖ Renovation of several managed RE portfolios is underway.

With this I conclude my part of the presentation and wish to hand you over to Mr. Bashar Khan, Senior Vice President - Investment Banking for the next part.

**Bashar**

Thank you, Girish. And good afternoon, everyone.

My name is Bashar Khan, and I am the Senior Vice President - Investment Banking Sector – at National Investments Company. It is my privilege to speak with you. I wanted to take some time today to provide you with a summary of the key elements of our strategy going forward.

There are four key elements of our strategy. These are: 1. Build Assets Under Management (AUM), 2. Enable Technologies and Efficiencies, 3. Enhance Governance, and 4. Build Investment Banking leadership in the mid-market segment. I will talk about each of these separately.

**First: Building AUM**

We are working on three key initiatives here. We are driving product development in an organized manner, with an initial focus on Venture Capital (VC) and international real estate products. We are building a strong placement team by adding qualified private bankers to support growth. In addition, we are building a reputation for bringing excellent co-investment opportunities for our



investors. Select key examples are Boursa Kuwait, Kuwait Foundry, FedEx Italy, and Tiger Global which we will discuss on the next page.

### **Second: Enabling Technologies and Efficiencies**

We are focusing our efforts here on digital resilience. In other words, we continue to invest and digitally transform our business processes and develop collaborative work environments. In line with this, we continue to develop new digital channels for clients such as Online Trading, Client Portfolios/Funds Portal, WhatsApp CRM Messaging, NIC Trade, new website. And finally, we are focusing on harnessing operating efficiencies by outsourcing processes and working with co-advisors to leverage their capabilities and knowledge.

### **Third: Enhancing Governance**

We continued to refine our risk-management framework to include quantitative and qualitative measures in line with global best practices.

### **Finally: Mid-market leadership in Investment Banking**

In order to strengthen our position, we continue to build our capabilities and develop our track record by executing mandates with the highest quality, focusing on mid-sized clients. At present, the team is playing a critical part in the execution of flagship projects in Kuwait. We are also building specialist teams in Equity Capital Markets (ECM), Debt Capital Markets (DCM) and Venture Capital (VC) to further strengthen our capabilities.

I would like to end this section by talking about several case studies, which serve as examples of our ability to identify and execute unique opportunities in our market and provide interesting co-investments to our clients.

The first case study is Boursa Kuwait. The investment thesis here was to acquire a strategically important asset with strong, recurring, and sustainable cash flows due to its market leadership position and improving prospects. We formed a consortium to acquire a controlling stake in Boursa Kuwait in February 2019. Our direct stake was 14.4%. Since its acquisition, Boursa Kuwait has undergone an IPO and listing process. The market price today is several multiples of our acquisition cost. To date, the investment has generated a total return multiple of 11.08 times (based on market values).



The second case study is Kuwait Foundry. The investment thesis here was the acquisition of a mispriced asset with an intrinsic value significantly greater than the prevailing market value. The investment offered an identifiable path to the realization of true value. Towards this, we acquired a 20% stake in January 2019 and have been taking measures to realize value. So far, we have recaptured most of our equity in the transaction already and the total return multiple based on market values is 1.27 times.

The third case study is the FedEx Italy Project, whereby we made a mezzanine investment with a leading developer in a built-to-suit warehousing development project in Italy. The project was developed by one of the leading global developers and had been pre-leased to FedEx for 15 years. We exited the Project in the end of June 2022. The project generated a cash yield of 8% and a net IRR of 9% over an 18-month term.

The fourth case is Pipe Technologies. NIC invested in Pipe Technologies Inc, a fintech company that offers solutions to clients with recurring revenue streams access to capital, so they don't dilute their ownership by accepting external capital or get forced to take out loans.

In addition to the co-investment case studies, I want to spend a couple of minutes on how we set the market standard for IPOs with the successful completion of Ali Alghanim Sons Automotive Company's IPO this quarter.

Some of the key things we did to make this a success was:

1. We brought leadership with respect to project management and execution.
2. Multiple bookrunners to maximize demand first time in Kuwait for an equity placement.
3. Introduced demand forms and provisional allocations to reduce investor pain points.

This resulted in:

- 11 times oversubscription
- KWD 1 billion+ in demand generated
- Excellent mix between HNW and institutions
- Wide regional and international coverage. The most for any offering in Kuwait



- The fastest IPO in Kuwait from closing of subscription to listing
- NIC generated 3x more demand relative to any other local bookrunner

With this I will hand you over to Mr. Almuthana, who will lead the Q&A session.

### **Almuthana**

We are now ready to take your questions. If you would like to send us a question, please write it in the designated area of the website. We will now pause for a few minutes to allow you time to send your questions. *PAUSE*

### **Almuthana**

**We have a question from Mr. Saleh AlBader:** As per Note 27.1, The group's maximum credit exposure to a single counterparty is KD 9.432 million. Can you throw some light into the nature of this exposure?

### **Girish**

The largest exposure of the group to a single counterparty of KD 9.432 million is on account of the Group's banking relationship with a local bank in Kuwait.

### **Almuthana**

**We have a question from Mr. Mohammed AlMutairi:** shares of a quoted security have been lent to an external party for a period of one year. what is the purpose of such a transaction and in such an arrangement, whether dividend declared on the loaned security is passed on to NIC.?

### **Girish**

The purpose of lending the shares is for market making purposes and is based on a lending agreement. Dividend distributed on the loaned security is passed on to NIC in full.

### **Almuthana**

**We have a question from Mr. Rajat Bagchi:** What is the future strategy relating to the prop book. Does this include the Boursa Kuwait stake?

### **Girish**

Yes, our prop book includes Boursa Kuwait shares which were purchased through auction and is a strategic investment for NIC.



**Rajat Bagachi:** What was the reason for the decline in rental income in 2022?

**Girish**

The decline was on account of the sale of a property during the year and because of certain offices/chalets remaining vacant for some time in 2022.

**Almuthana**

We have no further questions at this time and therefore we will be concluding our call. I would like to thank you all for participating in our call today. If you have further queries, please do not hesitate to send them to our investor relations e-mail and we will get back to you as soon as possible.

Thank you everyone, have a good day.



شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

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# National Investments Company Analysts Conference YE 2022

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## Presented By



Mr. Almuthana M. Al Maktoum  
Executive Vice President  
Wealth Management Sector



Mr. Girish S. Nair  
Chief Financial Officer  
Finance and Accounts Sector



Mr. Bashar Khan  
Senior Vice President  
Investment Banking Sector



# Agenda

Content	Page
FINANCIAL HIGHLIGHTS	5
OUR STRATEGY FOR THE FUTURE	13
Q&A	16
APPENDICES	17

# FINANCIAL HIGHLIGHTS

شركة الاستثمار الوطنية  
NATIONAL INVESTMENTS COMPANY

# YE 2022 Key Financial Highlights

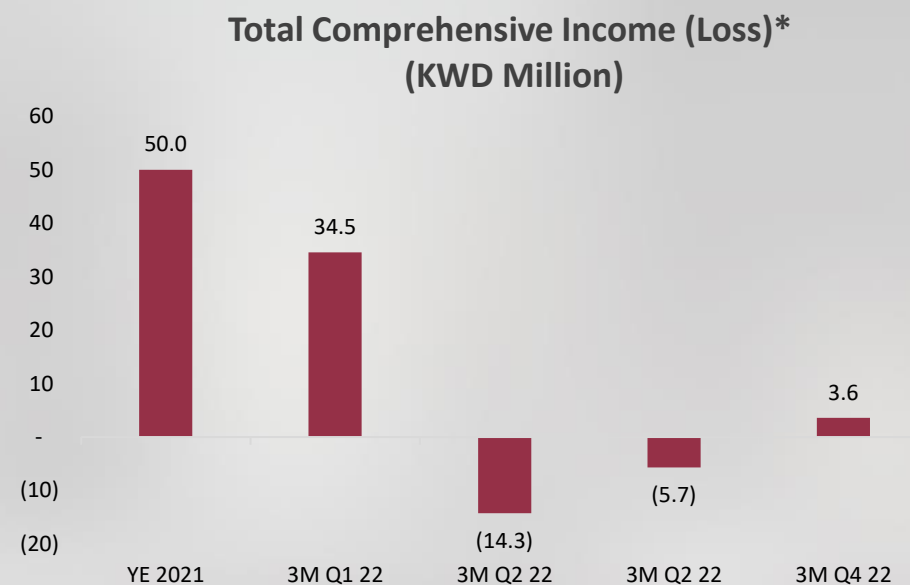
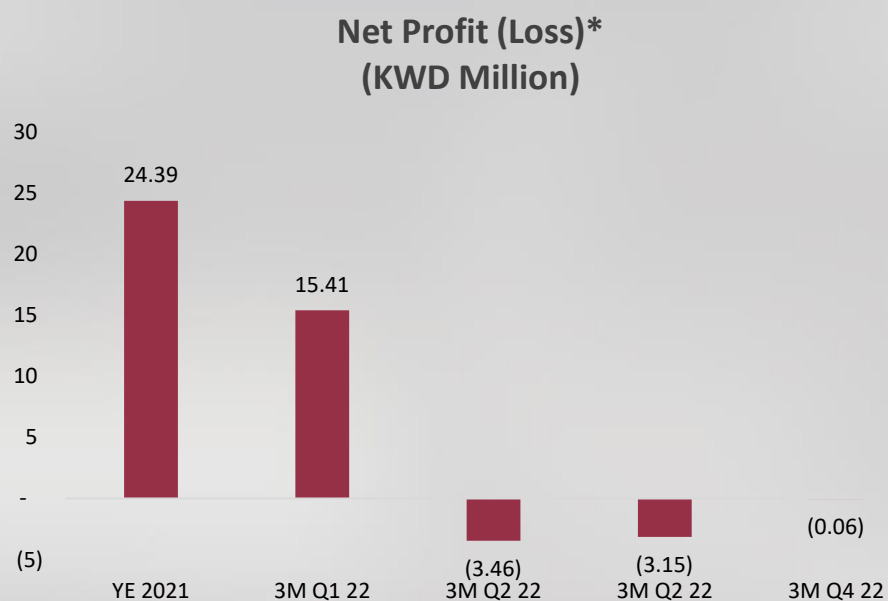
- ❖ Net profit of KWD 8.7 Million during YE 2022 as compared to KWD 24.4 Million during YE 2021.

Key Financial Metrics		
	YE 2021	YE 2022
<b>Income statement</b>		
Net profit (million)*	KWD 24.4	KWD 8.7
Earnings per share	31 fils	11 fils
Total comprehensive income (million)*	KWD 50.0	KWD 18.1
<b>Financial position</b>		
Total assets (million)	KWD 290.6	KWD 271.0
Total liabilities (million)	KWD 55.0	KWD 54.0
Shareholders equity (million)	KWD 216.8	KWD 198.8
<b>Key Ratio</b>		
Return on average equity - based on net profit (%)	12.5%	4.2%
Return on average assets - based on net profit (%)	10.7%	3.3%
Leverage ratio (%)	23.3%	24.9%
Quick ratio (%)	68.7%	56.3%

\*Note: Attributable to equity holders of the Company

# YE 2022 Financial Performance

- ❖ Trajectory of NIC's quarterly performance since YE 2021.
- ❖ Kuwait All Share Index increase by 3.5% during YE 2022 as compared to 27% during YE 2021.

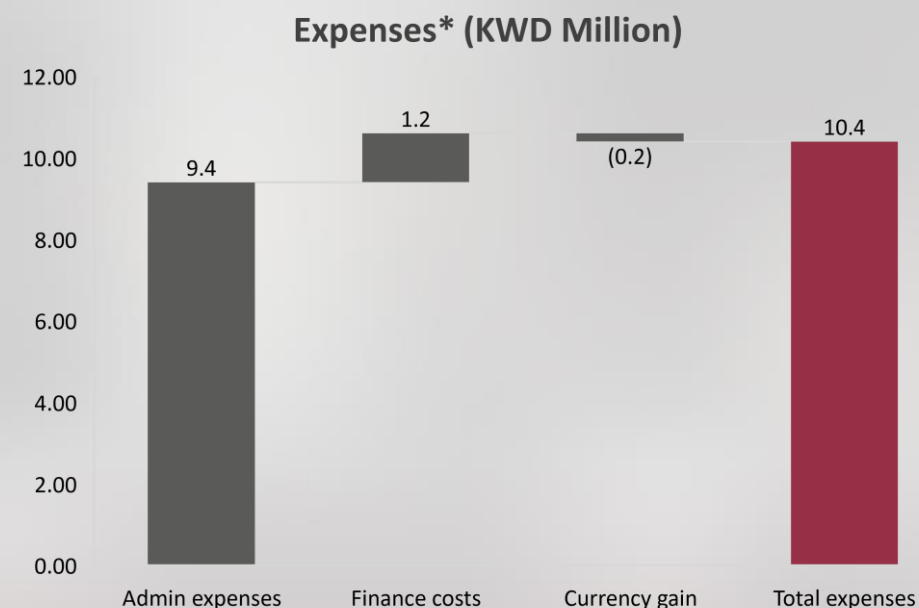
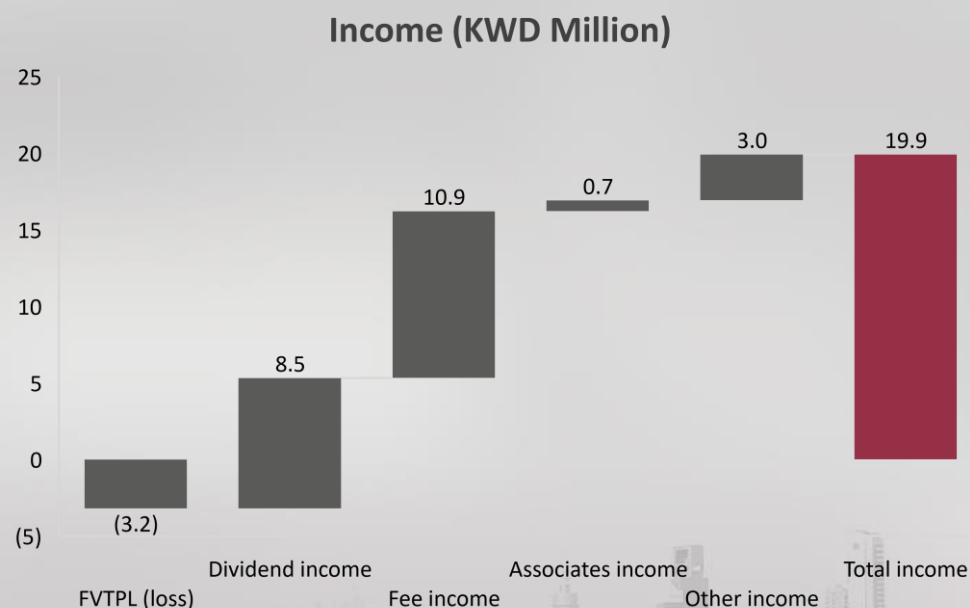


\* Note: Attributable to equity holders of the Company

# YE 2022 Income Drivers and Expenses

**Income of KWD 19.9 Million and Expenses of KWD 10.4 Million.**

- ❖ Fee income and dividend income contributed 55% and 43% respectively to the total income.
- ❖ Total expenses of KWD 10.4 Million for YE 2022 are lower than KWD 11.1 Million for YE 2021.

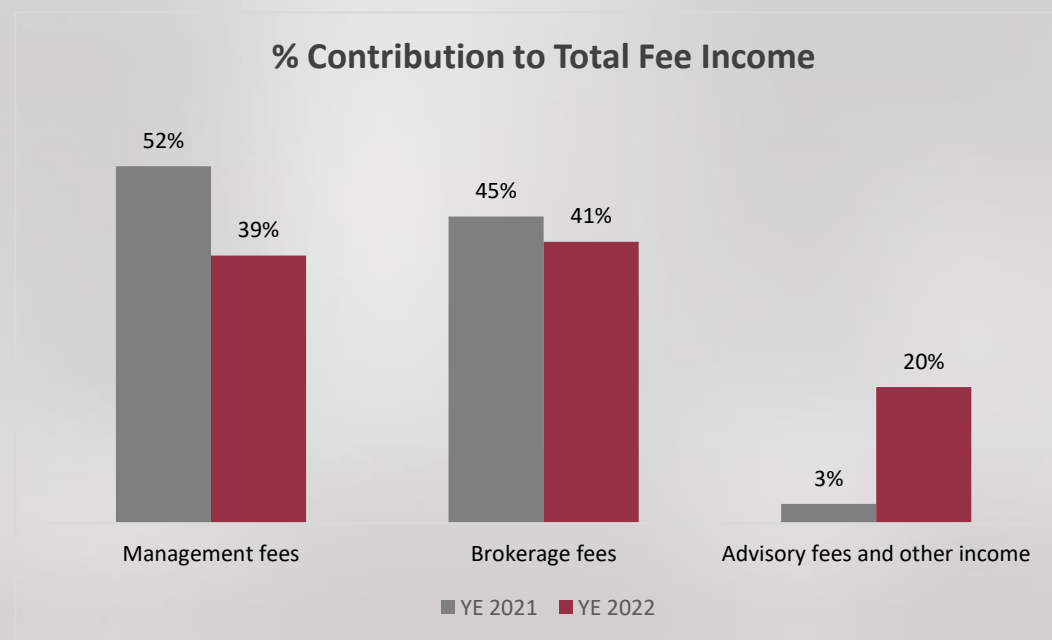


\*Note: Expenses exclude taxes and Directors' remuneration.

# YE 2022 Fee Income Analysis

- ❖ Total fee income increased by 19%.
- ❖ The increase in total fee income is on account of:
  - Advisory fees and other income grew by 755%.
  - Brokerage fees from Al Waseet Financial Business K.S.C.C. grew by 11%.

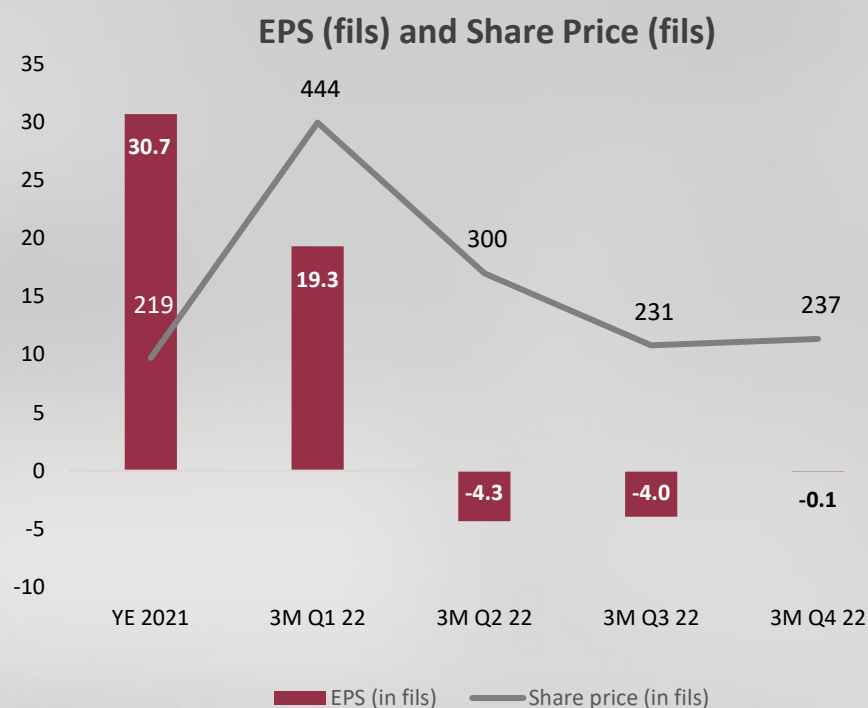
Breakdown of fee income	YE 2021	YE 2022
	KWD'000	KWD'000
Management fees	4,790	4,197
Brokerage fees	4,070	4,511
Advisory fees and other income	254	2,172
<b>Total fee income</b>	<b>9,114</b>	<b>10,880</b>



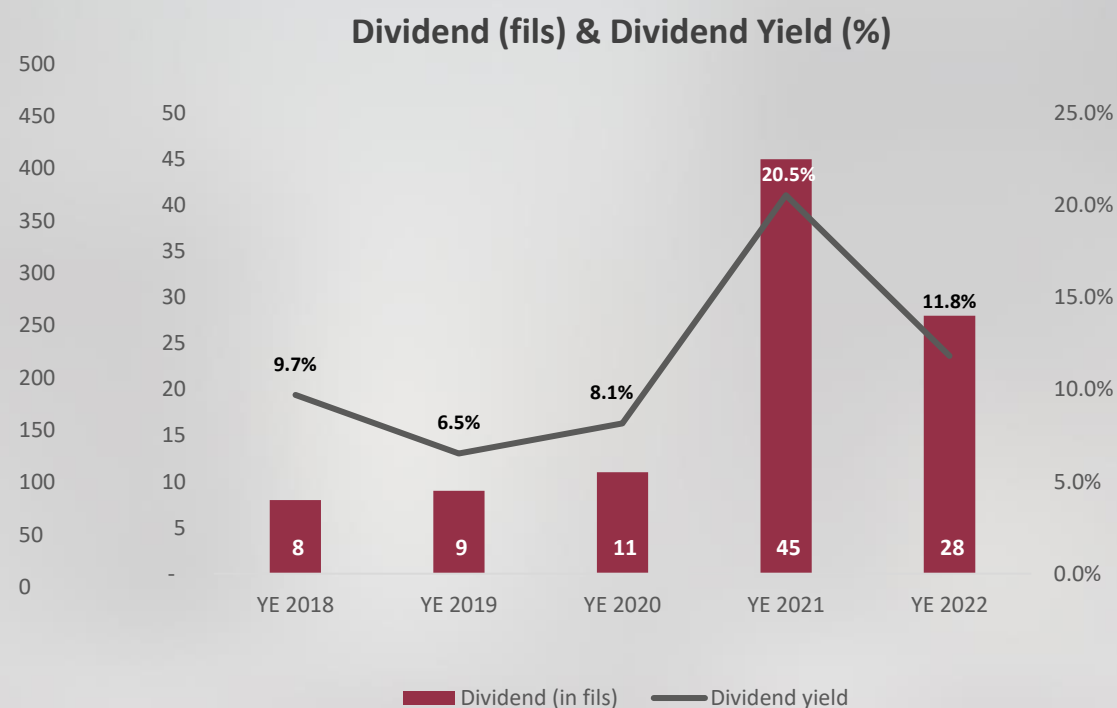


# YE 2022 Earnings and Dividend Per Share

❖ Earnings Per Share of 11 fils and Proposed Dividend Per Share of 28 fils for YE 2022.



Share price represents the bid price at the end of each quarter.

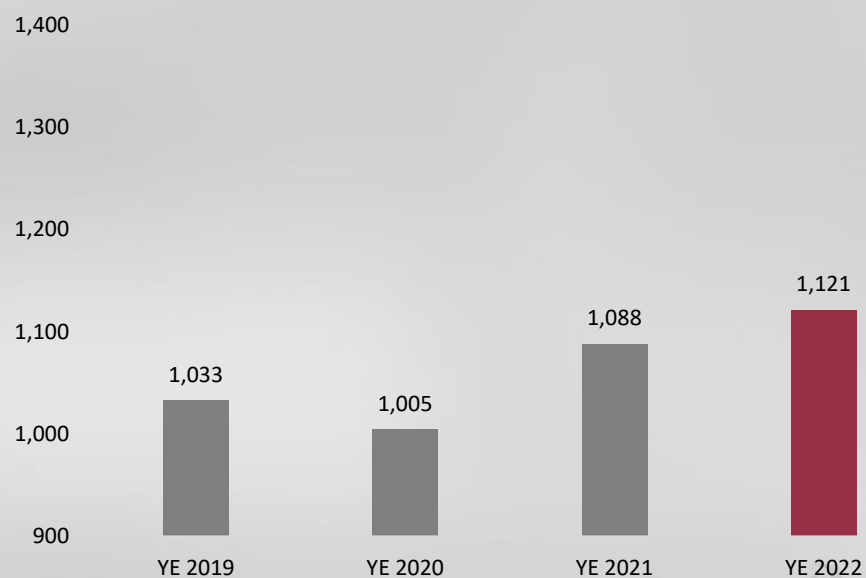


For YE 2022, proposed dividend of 28 fils is subject to approval of the AGM.

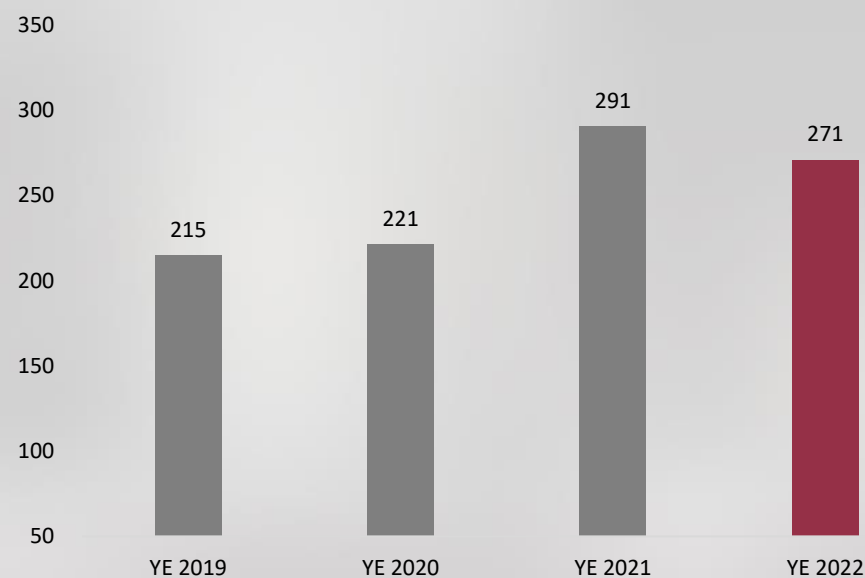
## YE 2022 Profile of Assets

- ❖ Assets under management increased by 3% during YE 2022.
- ❖ Total assets declined by 7% during YE 2022 mainly due to dividend distribution for 2021.

**Assets Under Management (KWD Million)**



**Total Assets (KWD Million)**





# Sectors

## MENA Securities

- ❖ Assets under management (AUM) increased by 3% due to the growth initiatives taken.
- ❖ NIC offers a wide range of investment products and services that cater to different risk appetites and investment objectives. Market Making service was the latest addition to our product offerings. NIC has expanded its customers to a total of 11 companies as of 2022 year-end.
- ❖ In view of the importance of technological integration in asset management, we are currently assessing new products that will add value to our clients.
- ❖ 2022 was a year of volatile and uncertain events across all markets. Our flagship Wataniya Fund yielded 3.05% and yields of Mawarid, Mada, Zajil and Darij were -1.84%, -5.09%, 3.00% and 0.25% respectively as of 31 December 2022.
- ❖ On average, our Discretionary client portfolios generated a return of 3% higher than the benchmark, while our flagship local mandate produced a return of 8.9% as of 31 December 2022. Increasing interest rate environment has negatively impacted the performance of equity markets.

## Investment Banking

### Advisory

- ❖ NIC is working on several live mandates including:
  - IPO of one of the leading financial services companies in Kuwait
  - IPO of an HR and logistic solution provider as well as an automotive company
  - Sell side mandate for a majority stake in an education platform
  - Sell side mandate for a profitable drilling company in Kuwait
  - Merger of two real estate companies
  - Other advisory mandates
- ❖ Strong pipeline of proposals across sectors in Kuwait including:
  - Capital increase of a media company and financial institution
  - Financial advisory for a merger between two companies in food distribution
  - Financial restructuring of a family office in Kuwait

### Alternative Investments

- ❖ As market conditions continue to evolve, we remain committed to cherry-picking only the best transactions, i.e. those that offer excellent returns, while ensuring significant downside protection.
- ❖ NIC invested in (i) two build-to-suit Amazon facilities in Germany and (ii) an Egypt-based fintech company that digitalizes rotating credit and savings association (RoSCA).
- ❖ In the final stages of evaluating:
  - Mezzanine investment for multifamily development in the USA;
  - Mezzanine investment for three warehouse properties in France;
  - Private equity and venture capital funds;
  - Online pharmacy aggregator and distributor in Egypt; and
  - Other financial products.
- ❖ Continue to enhance the performance of existing investments including potential exits.

## Real Estate

- ❖ Continued to improve the collection rates and occupancy of our portfolio. The collection rate was 73% in Q4 2022, while the occupancy rate was 87% during the same period.
- ❖ Completed installation of an automated real estate system.
- ❖ Expanded the number of clients and secured new real estate portfolios.
- ❖ Renovation of several managed RE portfolios.
- ❖ In discussion with the Ministry of Finance regarding the renewal of the management contract of Al Watania Resort.







# OUR STRATEGY FOR THE FUTURE

# Key Elements of our Growth Strategy

We continue to work towards our growth strategy focusing on a number of key initiatives.

Key Element	
Build AUM	<ul style="list-style-type: none"><li>❖ <b>Drive product development:</b> The objective is to add AUM going forward. Key product areas include Venture Capital (VC) and International Real Estate products.</li><li>❖ <b>Continue to build a strong placement team:</b> Add highly capable private bankers to support Asset Management. We hired two investment placement professionals and are looking to expand the team further.</li><li>❖ <b>Offer unique co-investment opportunities</b> to our clients by leveraging our own balance sheet and sourcing networks, ex: Boursa Kuwait, Kuwait Foundry, Silver Lake, and International Real Estate.</li></ul>
Enable Technologies and Efficiencies	<ul style="list-style-type: none"><li>❖ <b>Digital-first strategy:</b> NIC is dedicated to leveraging cutting-edge digital business technology to drive productivity, efficiency, and agility, ensuring sustainable business growth. We are committed to our digital-first strategy, which has resulted in several new initiatives such as a portal designed specifically for real estate tenants and landlords, an innovative IPO subscription system, a revamped corporate website, and the digitalization of our client onboarding process.</li><li>❖ <b>Drive other operating efficiencies in other areas,</b> including outsourcing processes and working with co-advisors to leverage their capabilities and know-how.</li></ul>
Mid-market IB Leadership	<ul style="list-style-type: none"><li>❖ <b>Build capabilities:</b> We continue to build strong capabilities, expertise and track-record by engaging in high profile transactions and creating repeat business with our client base.</li><li>❖ <b>Grow IB team</b> and develop functional leaders for ECM, DCM and Direct Investments. We recently added two team members to strengthen the investment banking team.</li></ul>
Enhance Governance	<ul style="list-style-type: none"><li>❖ <b>Continue to strengthen governance and transparency as per global best practices.</b></li></ul>

# Case Studies: Co-investments

Case Study	Boursa Kuwait	Kuwait Foundry	Amazon Kitzingen	Amazon Contwig
				
Investment Thesis	Acquisition (14.4%) of a strategically important asset with sustainable long-term cash flows based on market leadership position and improving long-term growth prospects.	Acquisition (21.3%) of a mispriced asset with intrinsic / liquidation value considerably greater than the prevailing market value (with a clear path to realization).	Senior financing for the development of a built-to-suit Amazon facility in Kitzingen, Germany.	Mezzanine investment for the development of an industrial project in Contwig, Germany leased to Amazon.
Initial Investment Date	Q1 2019	Q1 2019	Q4 2022	Q4 2022
Acquisition Value / Investment	KWD 6.5 mn (237 fils / share)	KWD 8.0 mn (251 fils / share)	\$36 mn	\$10 mn
Value Realized To Date	KWD 3.8 mn	KWD 5.5 mn	\$1.0 mn	\$0.2 mn
Market Value (31-Dec-2022)	KWD 59.4 mn (1)	KWD 4.4 mn (2)	\$36 mn	\$10 mn
Return on Investment (x)	9.67x	1.22x	1.04x	1.02x

(1) Actual carrying value differs from market value based on accounting treatment.

(2) There is considerable upside based on monetization of existing leasehold assets.



# THANK YOU Q&A



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# Appendix 1:

## YE 2022 Consolidated Income Statement

	YE 2022 KWD'000	YE 2021 KWD'000	Change %
<b>INCOME</b>			
Realized gain on financial assets at FVTPL	1,700	3,905	-56%
Unrealized (loss) gain on financial assets at FVTPL	(4,876)	19,093	-126%
Change in fair value of investment properties	982	(365)	369%
Gain on sale of investment properties	166	140	19%
Rental income	1,276	1,740	-27%
Dividend income	8,528	4,631	84%
Management, incentive, brokerage and advisory fees	10,880	9114	19%
Interest income	326	89	266%
Share of results of associates and joint venture	523	642	-19%
Net gain on sale/liquidation of associates	147	335	-56%
Gain on foreign exchange trading	279	459	-39%
<b>Total income</b>	<b>19,931</b>	<b>39,783</b>	<b>-50%</b>
<b>EXPENSES</b>			
Administrative expenses	9,361	9,694	-3%
Finance costs	1,190	673	77%
Charge for impairment losses and other provisions	30	493	-94%
(Gain)/loss on foreign currency translation	(227)	284	-180%
<b>Total expenses</b>	<b>10,354</b>	<b>11,144</b>	<b>-7%</b>
<b>Profit for the year before taxation and directors' remuneration</b>	<b>9,577</b>	<b>28,639</b>	<b>-67%</b>
Taxation and directors' remuneration	(408)	(1,371)	-70%
<b>Profit for the year</b>	<b>9,169</b>	<b>27,268</b>	<b>-66%</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company	8,736	24,390	-64%
Non-controlling interests (NCI)	433	2,878	-85%
<b>Total</b>	<b>9,169</b>	<b>27,268</b>	<b>-66%</b>
<b>BASIC AND DILUTED EPS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>11 fils</b>	<b>31 fils</b>	

## Appendix 2:

### YE 2022 Consolidated Comprehensive Income

	YE 2022			YE 2021		
	Attributable to Parent Co.	NCI	Total Consolidated	Attributable to Parent Co.	NCI	Total Consolidated
	KWD'000	KWD'000	KWD'000	KWD'000	KWD'000	KWD'000
Profit for the year	8,736	433	9,169	24,390	2,878	27,268
Other comprehensive income for the year (includes change in fair value of FVOCI investments, share of OCI from Associates and foreign currency translation reserve)	9,394	75	9,469	25,641	92	25,733
<b>Total comprehensive income for the year</b>	<b>18,130</b>	<b>508</b>	<b>18,638</b>	<b>50,031</b>	<b>2,970</b>	<b>53,001</b>

## Appendix 3:

### YE 2022 Consolidated Financial Position

	31-Dec-22 KWD'000	31-Dec-21 KWD'000	Change %
<b>ASSETS</b>			
Cash and balances with banks and financial institutions	32,396	39,365	-18%
Financial assets at FVTPL	102,196	111,209	-8%
Trading properties	278	284	-2%
Loans	341	61	459%
Financial assets at FVOCI	84,065	82,048	2%
Investment in associates and joint ventures	14,160	21,206	-33%
Investment properties	28,995	29,671	-2%
Intangible assets	1,306	958	36%
Goodwill	1,708	-	N/A
Other assets	5,506	5,772	-5%
<b>Total assets</b>	<b>270,951</b>	<b>290,574</b>	<b>-7%</b>
<b>LIABILITIES</b>			
Bank borrowings	39,003	40,483	-4%
Accounts payable and accruals	14,959	14,519	3%
<b>Total liabilities</b>	<b>53,962</b>	<b>55,002</b>	<b>-2%</b>
<b>EQUITY</b>			
Issued and fully paid up share capital	79,786	79,786	0%
Share premium	49,593	49,593	0%
Statutory reserve	11,199	10,285	9%
Voluntary reserve	12,508	22,693	-45%
Treasury shares	(235)	-	N/A
Treasury shares reserve	520	520	0%
Other reserves	486	440	10%
Foreign currency translation reserve	557	456	22%
Cumulative changes in fair value	33,462	27,286	23%
Retained earnings	10,939	25,719	-57%
<b>Equity attributable to equity holders of Parent Company</b>	<b>198,815</b>	<b>216,778</b>	<b>-8%</b>
Non-Controlling interests	18,174	18,794	-3%
<b>Total equity</b>	<b>216,989</b>	<b>235,572</b>	<b>-8%</b>
<b>Total liabilities and equity</b>	<b>270,951</b>	<b>290,574</b>	<b>-7%</b>