



Mr. Mohammad Saud Al-Osaimi
Chief Executive Officer

Kuwait Completes its Inclusion into the MSCI Emerging Markets Indices

The inclusion saw values of over KD 961.6 million traded

Kuwait City, 1 December 2020: Boursa Kuwait completed the Kuwaiti capital market's inclusion into the MSCI Emerging Markets Indices with the successful implementation of the first tranche of index inclusion. A total of seven listed companies – the National Bank of Kuwait (NBK), Kuwait Finance House (KFH), Zain, Agility, Boubyan Bank, Mabaneer and Gulf Bank – were included.

The inclusion brought in huge inflows to the market, as the total traded value during the inclusion was over 961.6 million Kuwaiti dinars, most of which came from foreign inflows.

Commenting on the inclusion, **Boursa Kuwait's Chief Executive Officer, Mr. Mohammad Saud Al-Osaimi**, said: "We saw values of over 961.6 million Kuwaiti dinars traded today, which is proof of the Kuwaiti capital market apparatus's success in absorbing these unprecedented foreign inflows. Kuwait's inclusion in the MSCI Emerging Market Index represents an important milestone in advancing the Kuwaiti capital market and putting Kuwait on the worldwide investment map, as well as a recognition of Boursa Kuwait's instrumental role in improving market access and efficiency, enhancing transparency and governance, increasing liquidity and strengthening investor confidence."

Al-Osaimi added: "Throughout the COVID-19 pandemic, Boursa Kuwait continued to engage with its partners in the local and international investment community to ensure a successful inclusion, which wouldn't have been

possible without the unlimited support of the Kuwaiti capital market apparatus and the rest of the government institutions.”

Boursa Kuwait introduced a series of measures for the day of inclusion, including an extension of the Closing Auction and the Trade at Last (TAL) Session. The Closing Auction went on for 40 minutes, followed by a 30-minute break before the TAL session kicks off for 40 minutes. Buy and sell orders were also matched at a randomized closing time for the last two minutes of the Closing Auction session. Additionally, order amendments and cancellations were allowed throughout the Closing Auction session, and there was an extension on Custodian Rejections.

In cooperation with the capital market apparatus, which is comprised of the Capital Markets Authority, the Kuwait Clearing Company, and Kuwaiti brokerage firms, Boursa Kuwait conducted a series of stress tests to enable Kuwait’s trading systems to absorb the amount of orders and trades that will be conducted during the inclusion.

MSCI Inc. announced the reclassification of Kuwait to “Emerging Market” status in December 2019. The landmark development comes as global recognition of the sweeping market development efforts undertaken by Boursa Kuwait, the Capital Markets Authority and the Kuwait Clearing Company.

The reclassification announcement occurred as a result of the successful completion of the implementation of MSCI’s recommendations, including the introduction of omnibus account structures and same National Investor Number (NIN) cross trades by the end of October 2019, a month ahead of the stated deadline.

MSCI had granted conditional approval for the inclusion of Kuwait in the coveted index as part of the benchmark provider’s 2019 Annual Market Classification Review held on June 25, 2019, paving the way for increased participation from foreign investors in Kuwait’s capital market and driving significant capital inflows to the country.

The official status upgrade follows the country’s inclusion in S&P DJI Global Equity Indices, with an Emerging Market classification in December 2018 and the FTSE Russell Emerging Markets Index in September 2017.

Since its inception, Boursa Kuwait has worked diligently to create a credible exchange built on efficiency and transparency, creating a liquid capital market, a progressive exchange platform and developing a comprehensive set of reforms and enhancements that has allowed it to compete on an international level. Over the past three years, the company has rolled out numerous market reforms and new initiatives as part of its comprehensive multi-phase market development (MD) plans.

For more information about Boursa Kuwait’s initiatives and its latest developments, please visit www.boursakuwait.com.

- End -