
KAMCO successfully concludes role in Bursa privatization process

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KAMCO Investment Company (“KAMCO”), a leading investment firm with one of the largest AUMs in the region, announced the successful completion of its advisory role in the bidding process organized by the Capital Markets Authority (“CMA”) of Kuwait for an equity stake in Boursa Kuwait. In February 2018, the consortium led by Tri-International Consulting Group (“TICG”), KAMCO and Oliver Wyman was appointed by the CMA, along with ASAR – Al Ruwayeh & Partners and Al-Hossam Legal – Al-Turqi & Partners, to lead the privatization process and played a pivotal role in managing the overall transaction, liaising closely with prospective investors and overseeing the preparation of all documentation and communication throughout the 12-month period.

20 Years of Expertise

Khaled Fouad, Chief Investment Officer of KAMCO, said, “KAMCO’s 20 years’ worth of experience in the investment field furthers our ability to succeed in such complex transactions. The Firm’s wide network base, which consists of local and international players, attracted local companies to participate in the bidding process.”

Fouad added, “I would like to express my sincere appreciation and gratitude to the CMA for leading and organizing this initiative. We are humbled by the trust and confidence they placed in our team to complete this critical stage in the privatization process and deliver optimum results. This phase represents the government’s support on financial and structural reforms in Kuwait, marking a historic moment for the country’s financial sector and economy. I would also like to thank the Ministry of Finance, the General Organization for Social Insurance, and Boursa Kuwait’s management for their support in the successful outcome of this landmark transaction. We are also grateful for the cooperation and dedication placed forth by our partners in this success; namely, Tri International Consulting Group (“TICG”), Oliver Wyman and the legal advisors appointed for this complex transaction, ASAR – Al Ruwayeh & Partners and Al-Hossam Legal – Al-Turqi & Partners.”

He also said, “We will continue to strengthen our leadership role in the regional investment banking scene, further enhancing the role of the private sector through economic developments, attracting regional and international investors, and boosting investor confidence in local capital markets.”

The advisory group’s efforts were primarily focused on highlighting and positioning Boursa Kuwait as a leading regional stock exchange, while working with the CMA and Boursa Kuwait management team to develop the equity story and liaise with prospective investors on the transaction. The marketing efforts prior and during the process attracted the attention of 5 qualified international operators, in addition to 15 local companies who expressed their interest to bid on the 44% stake, the maximum equity allocation authorized by the CMA for investors. The advisory group was able to close the transaction successfully in record time, after attaining all approvals from the CMA on 14 February 2019, in which the highest bidder was selected. The consortium offered 237 fils per share, amounting to KD19.94 million for the 44% equity stake. A 6% stake is allocated to the Public Institution for Social Security (“PIFSS”) with a total amount of KD1.25 million. This concludes the first phase which is equivalent to 50% of the privatization process.