

KAMCO RECEIVES 'BEST WEALTH MANAGEMENT COMPANY' AWARD



Sana Al-Hadlaq, Chief Wealth Officer of KAMCO, receives the trophy

KUWAIT: KAMCO Investment Company, a leading investment company with one of the largest AUMs in the region, received a plaque for the "Best Wealth Management Company - Kuwait" from International Finance Magazine ("IFM"), a renowned financial publication that recognizes and honors individuals, as well as organizations, in the financial investment industry. Sana Al-Hadlaq, Chief Wealth Officer of KAMCO, received the trophy on behalf of the Company.

This award is one of six awards that the Company received for excellence in 2016. KAMCO was awarded "Best GCC Investment Banking Company" and "Best Investment Management Company - Kuwait" from World Finance. "Best Wealth Management Company - Kuwait" and "Best Real Estate Fund - Kuwait" from International Finance Magazine. "Asset Manager of the Year - Kuwait" from Global Investor and "Best Bond Issuance Manager of the Year GCC" by Global Business Outlook.

Sana Al-Hadlaq, said, "We are honored to have been recognized by the International

Finance Magazine as the best wealth management company in Kuwait during 2016. It is a privilege to serve our valued clients with our talented team of experts. This award represents KAMCO's ability to convert its accumulated years of experience and resources into customized plans and tailored wealth management strategies that assist clients in identifying and managing important life priorities. Our Wealth Management team uses their abilities and skills to advise corporates, high net worth individuals, sovereign wealth funds, pensions, endowments, foundations and family offices."

Al-Hadlaq continued to say that the Wealth Management team's leadership and highly skilled experts have assisted in KAMCO's role in becoming one of the leading Asset Management and Investment Banking providers in the local and regional markets. The Team will continue to provide custom tailored innovative products and superior services that exceed the local market expectations.

KAMCO Investment Company is a premier investment company, based in Kuwait with an office in the UAE and presence throughout the GCC region, regulated by the Capital Markets Authority with one of the largest private sector AUMs in the region.

Established in 1998 and listed on the Kuwait Stock Exchange (KSE) in 2003, KAMCO is a subsidiary of United Gulf Bank (UGB).

It has become a leading regional company within its sector offering innovative products and services to its clients, holding over \$11.2 billion of client AUM and has successfully completed 92 investment banking transactions worth over \$13 billion as of 30 September 2016.

With almost two decades of experience in conducting business in Kuwait's dynamic investment industry, KAMCO has successfully established a robust reputation for solidity, characterized by its prudent, conservative investment philosophy and spirit of transparency, which has consistently commanded the goodwill of a wide patron-base.

ALARGAN REPORTS KD1.8M IN NET PROFIT FOR 2016

BOARD RECOMMENDS 10% CASH DIVIDENDS

KUWAIT: ALARGAN International Real Estate Company, one of the leading real estate developers in the Middle East region, yesterday announced a net profit of KD1.8 million and earnings per share (EPS) of 7.09 fils for the year ending in December 31, 2016, in comparison to a net profit of KD16.7 million and earnings per share (EPS) of 65.32 fils in 2015. The Board of Directors also recommended the distribution of 10 percent cash dividends of the share nominal value (10 fils per share).

Commenting on the results, Khaled Al-Mashaan, CEO and Vice Chairman of the Board of Directors of ALARGAN International Real Estate Company, said: "Despite a significant increase in our operational earnings, our bottom line in 2016 shows a decrease in comparison to the previous year because of an exceptional one-time gain of KD26.2 million from a divestment that was accounted for in 2015.

"Putting the one-time gain aside, operating profit increased in 2016 to KD2.95 million in comparison to a KD7.07 loss in 2015. Revenues also increased to KD26.8 million in 2016 by 37 percent in comparison to KD19.5 million in 2015. Expenses decreased by 14 percent from KD29.1 million in 2015 to KD25.1 million in 2016."

The increase in operational earnings were driven by the performance of the Company's core income-generating assets, advancements in new developments and strong sales of residential units, as well as yields generated from real estate investments in prime locations in the world.

Al-Mashaan said: "ALARGAN continued to deliver on its strategy launched in 2015 which focuses on improving the performance of its core income-generating assets while operating through a combined developer and investor business model in an aim to deliver a sustainable business that adds value to shareholders, and provides life-enhancing and sustainable solutions in the region."

2016 Financial and operational highlights:

- Increase of revenues in developments, contracting and related services to KD0.3 million in comparison to a loss of KD1.9 million in 2015
- Profit from rents and resorts was sustained at KD6.3 million
- Profit from change in fair value of investment properties in 2016 increased to KD1 million in comparison to KD 5.3 million in loss in 2015
- Total assets decreased by 2.4 percent and total liabilities decreased by 6.1 percent
- Revenues from investments in real estate and securities portfolios and funds increased to KD218,000
- Financing expenses decreased by 33.7 percent

Operational performance

ALARGAN's high-profile resort and commercial developments continued to generate stable revenues from rents and leasing in Kuwait and Bahrain. The Company completed procedures to start leasing in its ALARGAN Business Park located in the Free Trade Zone, an area expected to boom with businesses following the completed transfer of the area's management, and permissions provided to local investors and foreign investments bullishly supported. Developments in Kuwait, Bahrain and Oman continued to advance and sales of housing units under development in Bahrain and Oman saw a strong growth during the year.

Al-Mashaan said: "Our most significant mixed-use and residential developments in 2016 were without a doubt the Al Waha and Telal Al Qurm projects in Oman which received great acclaims last year and saw the delivery of the first residential phase in Telal Al Qurm. The new residential phases of our Jeyoun community in Bahrain followed in the success of ARGAN Village. Our commercial developments in Kuwait continue to attract demand

thanks to the unique experiences they provide to visitors."

International investments in real estate

Operating in a combined developer and investor model, ALARGAN has investment in the real estate sector in stable prime locations in Europe, the United States (US) and the United Kingdom (UK) to generate regular income and provide the opportunity for capital appreciation derived from asset values at exit.

Al-Mashaan added: "The shift in strategy to combine development and investments has aided the Company in establishing a larger portfolio of assets that generate recurring revenues while helping ALARGAN weather turbulences related to oil prices and geopolitical uncertainties. Our investments have started yielding returns and are scheduled to mature in 2020."

Strong financial position

In 2016, Capital Intelligence (CI), the international credit rating agency, announced that it has raised its rating on the KD26.5 million bond issued by



Khaled Al-Mashaan

ALARGAN International Real Estate Company in April 2012 to "BBB" and revised the outlook to "stable". The raise was supported by identified resources (cash plus unutilized committed funding lines) in place to repay the obligation. The rating upgrade also reflects the increase in equity and the fall in debt (and therefore leverage). The rating was followed by a cancellation of KD9.14 million in bonds which were repurchased ahead of their maturation in April 2017.

ALARGAN International has also consolidated its financial structure and rearranged risks related to debt instruments by converting short and medium-term obligations into long-term commitments to increase the Company's financial solvency. This was achieved by undertaking credit facility to repay present debts and invest in future projects.

Company outlook

Al-Mashaan said: "With a solid financial position thanks to steady and sustainable income generating products, and a healthy funding structure with minimal reliance on short-term borrowing, ALARGAN is set to continue its growth in 2017 through the scheduled delivery of new projects that enhance our portfolio of assets generating recurring revenues, as well as through developments that continue to add value for the benefit of our society as we follow our motto "Life...as you love it"."

Financially, ALARGAN's bond will come to maturity in April 2017. Operationally, the Company prepares to launch its new ARGAN Square commercial complex in the Salmiya area and its ARGANIA commercial complex in Shuwaikh. It also continues the development of the Jeyoun community in Bahrain, Al Waha and Telal Al Qurm in Oman, as well as plans to move forward in two new projects in Oman. ALARGAN is also taking the next step to expand its operations through an upcoming community development in Morocco which is already at the design phase.



KUWAIT: Panelists on the floor of the CMA conference in Sheraton Hotel, Kuwait yesterday. — Photos by Joseph Shagra

CMA CONFERENCE DISCUSSES CHALLENGES AND ASPIRATIONS

BROKERAGE FIRMS, INVESTMENT COMPANIES, BANK STAFF ATTEND FORUM

By Nawara Fattahova

KUWAIT: The Capital Markets Authority (CMA) held its second annual conference titled 'Capital Markets' Development in the State of Kuwait' yesterday, attended by representatives of brokerage companies, investment companies, bank employees and other related staff. Dr Nayef Al-Hajraf, Chairman of the Board of Commissioners of CMA, welcomed the attendees, saying CMA fulfilled its promise to hold this conference annually in the same period. "This is the second consecutive year of the conference. We held it in the first quarter of the year like last year to discuss the most important issues related to CMA's duties and stock exchange activities," he said.

Since the conference that was held last year, many new local stock exchange activities have taken place. "During the previous conference, we announced our intention to develop the capital market, which cannot be executed without compliance with applied international standards and adopting best practices," added Hajraf.

Bursa Kuwait

"Last year, the Kuwait Stock Exchange was transferred from a public institution into a shareholding company. This company is directed according to private sector rules, and since October 2016, it's managed by the Bursa Kuwait Company. Another significant event was applying governance rules starting from June 30, which assures applying best international practices that are similar to international markets. Furthermore, CMA last year issued resolution no. 72/2016 about applying the post-trade model," he pointed out.

"Today's conference sheds light on the achievements of the compliance with applied international standards, in addition to the future tendency on this issue to achieve strategic goals. The strategic plans of CMA sets the base for a leading regional experience that is beyond the regular tools of the monitoring authorities of stock exchange that is usually limited to licensed individuals and investors of all categories," Hajraf said.

He concluded by saying that the National Project of Strengthening Financial Culture that is executed by CMA aims to spread the financial culture among various categories, especially in the educational field, starting from school up to university. "This strategic project will qualify future generations to work in this field and meet the needs of local market."

The first session was on the 'Post-Trade Model' (PTM), where four speakers gave presentations - Muthanna Al-Saleh, Head of the Markets Sector at CMA on the 'Final Post Trade Model'; Anwar Al-Ghaith, Executive Director, Information Technology and Banking Operations Sector at the Central Bank on 'Central Bank of Kuwait and Commercial Bank's Role in PTM'; Othman Al-Issa, CEO of Kuwait Clearing Company on 'The Kuwait Clearing Company's Strategy in Light of the Final Form of PTM'; and Emine Ebru Akbulut, Deputy Head of the Intermediary Activities Department of the Capital Markets Board of Turkey, who presented a 'Review of the Turkish Experience of PTM'.

The second session was titled 'Bursa Kuwait; Challenges and Aspirations'. Two speakers gave presentations in this session - Khaled Al-Khaled,



KUWAIT: Dr Nayef Al-Hajraf, Chairman of the Board of Commissioners of CMA, delivers a speech.

Vice Chairman and CEO, Bursa Kuwait Securities Company and Mohammad Al-Osaimi, Executive Director, Markets Sector, Bursa Kuwait Securities Company, both discussing Bursa Kuwait's strategic initiatives.

The third session was on the 'CMA XBRL Based Electronic Filing Platform' (IFSAH). It was presented by John Turner, CEO, XBRL International, who spoke about the 'Advantages

of Using XBRL for Business Reporting in Capital Markets'; Mohammed Al-Hadari, Deputy CEO for Organizational Services and Support - Securities and Commodities Authority (UAE), who spoke on the 'UAE Experience in Implementing XBRL Based Electronic Filing Platform'; and Abdullah Al-Terkait, Manager of the IFSAH project at CMA, who spoke on the 'Overview of the CMA XBRL Based Electronic Filing Platform'.

EAST GERMAN BOOM TOWN BREAKS POPULIST, BACKWARD STEREOTYPES

JENA, Germany: With higher unemployment rates than western Germany and support for the anti-immigration AfD party reaching 20 percent, the country's former communist east has often been associated with economic decline and xenophobia. But some cities in eastern Germany have emerged as economic bright spots where populist politicians are finding it hard to gain ground. Take the city of Jena in Thuringia state-population 100,000, unemployment rate 6.5 percent.

Long known as a "lighthouse" of the region, the city boasts a flourishing high-tech sector and a strong optical technology sector that even the communist years didn't extinguish.

Just a short walk from the colorful facades of the market square, a white building stands out, bearing the blue letters "Jenoptik". The company's chief executive Michael Mertin, who employs 3,500 people, told AFP that "the combination of high-tech, well-trained employees and internationalisation have certainly been a factor of success".

The company traces its beginnings to the optical giant Carl Zeiss, part of which was nationalised during the communist era. Jenoptik grew out of the nationalised firm after German reunification in 1990. Today, it makes and sells optic systems and laser equipment across the world. During a late-winter visit, the company was playing host to two South Koreans in town to learn how to use its high-precision laser technology that cuts car parts. Jenoptik is not alone in success in Jena,

which now boasts some 5,000 enterprises. A long-standing university has also regained popularity, and students make up a quarter of the population.

'Still prejudices'

"Jena has managed to overcome crises, because the technology companies of the city target a range of markets with varied products and are strong in exports," said Wilfried Roepke, who heads the city's economic promotion agency Jena Wirtschaft (Jena Economy). That makes the city one of a few exceptions in eastern Germany, even if it's not the only success story today.

Mercedes-Benz is investing millions of euros in Ludwigsfeld in Brandenburg state that surrounds Berlin, while BMW has built an ultra-modern factory in Leipzig. Dresden has its Silicon Saxony of IT firms, and in Potsdam, the Babelsberg studios is again attracting international movie producers.

Despite the growing opportunities, "eastern Germany often doesn't have such a positive image, there are still prejudices," said Roepke. That extends to recruitment, where potential employees often have to first overcome an "initial reticence" stemming from the stereotype of eastern Germany as unattractive and backward. A psychological barrier still exists mainly among Germans themselves, said Mertin, who hails from the western city of Cologne. From abroad, "Germany is viewed as a single strong entity," he said. —AFP