

Business

NBK Capital to be coordinator of largest bond issue in Kuwait for Burgan Bank

CEO outlines NBK Capital's strategy in interview with Sky News Arabia

KUWAIT: Faisal Al-Hamad, the Chief Executive Officer (CEO) of NBK Capital Company, said that the company has a new strategy for the next three years. It follows the needs of the company's customers and focuses on three sectors: asset management, investment services and financial intermediation, indicating that the Saudi market will have a large share of investment in the region.

Al-Hamad said during an interview with Sky News Arabia that the largest bond issue in Kuwait for Burgan Bank would be announced soon, with a value of nearly half a billion dollars.

Al-Hamad said that NBK Capital has two companies to be listed on the Kuwait Stock Exchange as part of its efforts to be the first destination for successful companies wishing to be listed on the Kuwait Stock Exchange. Al-Hamad pointed out the successful acquisition of Kuwait's 4-sale company as part of the technology sector.

As for the changes in the Kuwaiti stock market, Al-Hamad said: "The development witnessed by the stock market has contributed positively to attract companies to the listing, especially the new regulations that encourage listing." For example, by eliminating profitability requirements, it is possible for emerging companies with good growth prospects adding that joining the global indices will increase the interest of private companies and investors in the Kuwaiti market. "The Kuwaiti economy has witnessed a remarkable improvement in 2018," he said. "We expect the Kuwaiti economy to grow by about 3 percent," he said. "This is a good growth under these economic conditions in the region."

On the general budget of the state, he said: "The rise in oil prices improves the public budget despite the large increase planned for spending in the budget this year, with the need to draw from the general reserve, expected to shrink this year to 1 percent of GDP. (Considering our outlook for the Brent price at \$70 a barrel - the average of the fiscal year.)"

Question: Tell us about NBK Capital new investment strategy in 2019?

Al-Hamad: We have a strategy for the next three years, taking into account that the company renews its strategy annually to suit the conditions of the renewable market, but our strategy follows the needs of our customers and our focus on the three sectors we work in is asset management, investment services and financial intermediation. In terms of investment in the Gulf markets, The Saudi market will have a large share of investment. In terms of investment in private companies, we completed this month the acquisition of Foursale, a Kuwaiti company operating

in the technology sector. We are currently conducting a comprehensive review of investments locally and regionally through our private equity funds. Outside the region, there is strong demand for investment in the real estate sector of some European countries, as well as a high demand for diversification of clients' investments outside the region. In terms of investment services, we will continue our path in terms of listings and bonds. We will soon announce the largest bond issue in Kuwait for Burgan Bank with a value of 150 million Kuwaiti Dinars (about half a billion dollars).

Question: As the National Investment Company has a leading role in listing the largest companies in the stock exchange, are there new listings in the stock exchange in 2019?

Al-Hamad: NBK Capital is seeking to be the first destination for successful companies wishing to be listed on the Kuwait Stock Exchange. During the year, NBK Capital Company listed Kuwait Holding Company as the first company to be listed on the first market under the new stock exchange regulations. The listing came after a successful private placement of 35 percent of the company's capital with a transaction size of KD 55.8 million. The offer was highly interactive, with demand exceeding 230 percent of the offered shares and attracting more than 1,000 investors. We are proud of NBK Capital for investing in this important transaction.

NBK Capital has two private companies being processed for listing on the Kuwaiti bourse. Both deals are in the early stages of preparation and are unlikely to be listed in 2019.

Question: What is your assessment of the performance of the Kuwaiti economy, was it satisfactory or not, with clarification of this? What are your expectations for the Kuwaiti economy during 2019?

Al-Hamad: The Kuwaiti economy witnessed a remarkable improvement in 2018. We expect growth of 2.8 percent for non-oil activity and 2.5 percent for oil production in 2018, leading to an increase of 2.6 percent in GDP. According to official data, real GDP rose by 0.7 percent year-on-year in the first half of 2018, despite 2.2 percent decline in oil production in the same period as part of OPEC's commitment to reduce production. Non-oil GDP

grew by 4.9 percent year-on-year in the first half of the year, boosted by good performance in communications, manufacturing and utilities.

For our 2019 projections, we expect total growth to be close to 3 percent, which is a good growth under these economic conditions in the region. With regard to the financial situation, the increase in oil prices contributed to the improvement of the general budget despite the large planned increase in spending in the budget this year, with the need to withdraw from the general reserve. This year's deficit is expected to shrink to 1 percent of GDP, given our expectations for the Brent crude at \$ 70 a barrel (the average of the fiscal year).

Question: Do you feel that the stock market has become attractive to the inclusion of more companies, ending the era of withdrawals that have been seen for some time?

Al-Hamad: Certainly, the noticeable changes on the Kuwait Stock Exchange are positively contributing to attracting companies to listing, especially the new regulations that encourage listing. For example, by removing profitability requirements, it is possible for emerging companies with good growth prospects to raise capital and be listed on the Kuwait Stock Exchange. In addition, joining the global indices will increase the interest of private companies and investors worldwide in the Kuwaiti market.



Kuwait GDP to grow at 3% in 2019, positive changes in stock market

The stock market in 2018

Faisal Al-Hamad said the performance of the Kuwait Stock Exchange in 2018 was fairly good by introducing and developing several tools and systems that helped attract investors to trade in the stock exchange, including the division of the market, which contributed to overcoming several challenges such as liquidity decline on listed companies in the first market, the lack of an attractive source base, and the low efficiency of information, in addition to addressing the shortcomings of the rules of listing. The division of the market was aimed at encouraging the inclusion of private and government companies through several proposals and with the aim of creating more orderly channels of capital movement.

The KSE also witnessed a number of development and

modernization programs at various levels, including the launch of the OTC trading system which regulates the trading of companies that are not listed, withdrawn or written off from the official market. The new mechanism has created the possibility of trading through an advanced automated trading system Hand trades continued for decades. We believe that the launch of this system contributes to attract companies and customers to trade through the platform managed by all professionalism and transparency to follow up stock prices as well as the development of clearing mechanism and settlement.



NBK Capital CEO Faisal Al-Hamad during the interview with Sky News

A step in the right direction

Faisal Al-Hamad expressed the readiness of the stock exchange for the potential upgrade of MSCI Emerging Markets next year as a step forward to consider upgrading the market to emerging markets by 2019. MSCI highlighted a number of positive initiatives implemented by the Kuwait Stock Exchange recently in the market reform and development plan, including simplifying procedures for opening accounts and developing legislation and regulations for trading, clearing and custody of securities. MSCI announced in June 2018 that it would add Kuwait to its annual review list. We believe that the addition of the Kuwait Stock Exchange to the annual review list is a step in the right direction, bearing in mind that the final decision is based on MSCI consultations with market stakeholders, including investors, brokers and custodians. There is no doubt that these consultations will be essential in determining whether Kuwait will receive the promotion or will remain on the checklist in the following years.

Analysts estimate that passive flows will be around \$1.7 billion if upgraded by MSCI, higher than the \$900 million market-induced inflows from the FTSE. These flows usually reach the market after approximately one year of promotion in accordance with the date of application. Many international funds with active managed funds track MSCI Emerging Markets indices and their managed assets reach about \$1 trillion, which could help increase market inflows in the event of an upgrade.

Nissan Al-Babtain offers 7 years of free service package on Nissan Patrol

KUWAIT: For the first time in seven decades, in celebration of Abdulmohsen Abdulaziz Al-Babtain Company's (AABC) successful journey in Kuwait and the region, the sole authorized dealer of Nissan vehicles in the state of Kuwait, is bringing its loyal customers an irresistible offer on some of the world's toughest off-road vehicles.

Driven with the aim to ensure everyone enjoys memorable experiences on Kuwait's roads, Nissan Al-Babtain now offers a free comprehensive service package for 7 years on its Nissan Patrol models to guarantee peace of mind to all Nissan's customers.

The most powerful in its class, Nissan Patrol V8 is backed by a power of 400 hp, and torque of 560 Nm comes with the direct fuel injection system and the variable valve shift control technology. Patrol will give you maximum power with the lowest percentage of emissions while the new V6 has a 275 horsepower and 394 Nm of torque. The Patrol V6 offers 12 percent more torque while driving than competing cars. Strength, luxury, and flexibility await any customer to embark on any adventure.

Discover the technologies packed inside Nissan Patrol are practical, useful and, often times, indulgent. They are designed to make travel easier, safer and a lot more entertaining. The Nissan Intelligent Key allows one to press a button on the door handle or hatch to unlock the doors, while keeping the keys within the pocket or purse. And with remote start, one can start your Nissan Patrol from nearly 60 meters away, allowing the cabin to heat or cool. The intelligent braking system can help save the passengers from a potential frontal collision.

When it comes to blind spot warning, if another vehicle is detected in the blind spot area, blind spot warning flashes the indicator to put the signal on, and the indicator flashes with a warning chime to alert the driver. Intelligent Forward Collision Warning is on the lookout when one can't see what's going on ahead. It watches two cars ahead, monitoring your speed and distance, and when it detects sudden deceleration, it gives the driver a heads-up to slow down.

Nissan Al-Babtain invites customers to seize this exclusive opportunity and celebrate the grand occasion of its 70 year anniversary by benefiting from the ongoing offer on the Hero of All Terrains.

Turkish Airlines reaches 81.4% load factor in November 2018

KUWAIT: Turkish Airlines, who has recently announced its passenger and cargo traffic results for November 2018, reached 81.4 percent load factor in that month. On top of the strong base effect of the last year, growth in the number of passengers, revenue per kilometer and load factor, is an important indicator of the continued growing interest in Turkey and Turkish Airlines in the last quarter of the year as well.

According to the November 2018 traffic results:

- The passenger growth trend continued in November, thus total number of passengers carried went up by 4 percent - compared to the same month of 2017- reaching 5.5 million passen-

gers, and Load Factor went up to 81.4 percent.

- In November 2018, Total Load Factor improved by 2 points - compared to the same period of 2017-, while international Load Factor increased by 3 points to 81 percent, domestic Load Factor reached to 84 percent.

- International-to-international transfer passengers (transit passengers) went up by approximately 8 percent, while the number of international passengers -excluding international-to-international transfer passengers (transit passengers)- went up by 13 percent.

- In November, cargo/mail volume continued the double digit growth trend and increased by 25 percent, compared to the same period of 2017. Main contributors to this growth in cargo/mail volume, are N. America with 45 percent, Africa with 32 percent, Far East with 23 percent and Europe with 21 percent increase.

- In November, Africa, N. America, Far East and Middle East showed load factor growth of 5 points, 5 points, 3

Flydubai announces new fare structure offering passengers more choice

DUBAI: Dubai-based flydubai launches new fare types offering passengers more choice when travelling in Economy. The new fare types are applicable for all bookings made from 02 December onwards and allows passengers to choose between Lite, Value and Flex bundles designed to cater to their different travel needs and budget.

Passengers travelling in Business continue to benefit from great value for money with the existing business class fares that include a generous checked-in baggage allowance, meal options from an internationally inspired menu, complimentary inflight entertainment and many other add-ons.

Commenting on the launch of the new fare structure, Hamad Obaidalla, Chief Commercial Officer at flydubai said: "As we enter a new chapter of the airline's maturity we remain committed to innovation and meeting the changing demands of our customers. The new fare restructure is the latest in a series of product innovation by flydubai which has seen the introduction of an award winning new cabin interior on the new Boeing 737 MAX 8 aircraft,

a brand-new uniform, the launch of Holidays division and Emirates Skywards become our new rewards program."

"We recognize the challenges and the opportunities that come from operating in such a diverse network. Passengers travelling on flydubai to Muscat, Moscow or Helsinki have different travel needs and preferences and the new fare types will help enhance their flydubai experience by simplifying the booking journey and offering the option to choose between unbundled or bundled packages," commented Jeyhun Efendi, Senior Vice President Commercial Operations and E-commerce for flydubai.

Flydubai carried more than 10.4 million passengers in 2017 and since its inception in 2009 has built a network of 90 destinations in 46 countries spanning from Bangladesh in the east, Finland in the west, Russia in the north and Zanzibar in the south.

The new fare structure is complemented with a revised meal offering for passengers travelling in Economy. All new bookings from December onward will be required to choose a fare type and the meal product available for the Value and Flex fare types respectively. The meal options will vary depending on the route, duration of the flight and time of day and includes sandwiches, hot wraps, hot meals and bento boxes. Passengers who opted for the Lite fare type can choose to buy from the onboard catering cart which includes a selection of snacks and beverages.



points and 2 points respectively.

According to the January-November 2018 traffic results:

- During January- November, increase in demand and total number of passengers was 10 percent, over the same period of last year. Total number of passengers reached to 69.7 million.

- During January-November, total Load Factor improved by 3 points up to 82 percent. While international Load

Factor increased by 3 points reaching 82 percent, domestic Load Factor went up by 1 points reaching 85 percent.

- Excluding international-to-international transfer passengers (transit passengers), number of international passengers went up significantly by 12 percent.

- Cargo/mail carried during the eleven months of the year increased by 25 percent, reaching to 1.3 million tons.

Al-Tijari announces winner of Al-Najma prize program

KUWAIT: Commercial Bank of Kuwait announced the winner of the weekly draw as follows:-

Weekly draw prize KD 5,000 - Abdulkadir Mohamed Aden Ishaq

The draw was conducted in the presence of Ministry of Commerce and Industry representative Abdulaziz Ashkanani.

The bank stated that the account prizes this year is featured by the highest cash prize and diversity of prizes throughout the year clarifying that Al-Najma Account will offer weekly prize of KD 5,000 and monthly prize of KD 20,000 and a semi-annual prize of KD 500,000 in addition to the grand prize (the

biggest prize in the world) of KD 1,500,000 for which the draw will be held in January 2019. Al-Najma Account can be opened by depositing KD 100, and customer should maintain a minimum amount of KD 500 to be eligible to enter all draws on Al-Najma Account prizes. As for the chances of winning, the more balance a customer maintains in Al-Najma Account, the more chances the account holder will get to win, where each KD 25 will give the customer one chance to win, the account also offers additional benefits like the ATM card, a credit card against customer's account and all CBK banking services that customer can enjoy.

Now CBK existing customers can open Al-Najma Account through Al-Tijari Online and enter all draws without visiting the Bank's branch. However, CBK non-customers can submit an account opening application via the Bank's website where the bank's sales unit will call them to arrange a visit to the customers to complete the account opening formalities.

VIVA launches draw campaign; customers may win brand new car

KUWAIT: VIVA, Kuwait's fastest-growing and most developed telecom operator, launched a draw campaign that allows customers to win a brand new car. As part of VIVA's 10th anniversary celebration.

VIVA gives both postpaid and pre-

paid customers a unique opportunity to win a brand new Range Rover Evoque 2019. All they have to do for a chance to win is pay their VIVA bills through the VIVA website, VIVA's Kiosks, VIVA App, calling 102 or visiting any VIVA store. For every KDI bill payment for postpaid or KD 1 recharged for pre-paid, they earn one chance to win.

On this occasion, Abdulrazzak Bader Al-Essa, Corporate Communications Director at VIVA said: "As VIVA's first decade celebration continues, we are eager to appreciate VIVA's loyal customers with unique and attractive offers exclusively for this occasion."