
Kamco Invest acts as Joint Lead Manager for the largest KWD denominated bond issuance in the real estate sector

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KWD 80mn Bond Issuance

Kamco Invest acted as Joint Lead Manager alongside Gulf Bank on the United Real Estate Company (URC) KD 80 million senior unsecured bond issuance, which is the largest issuance of bonds in KD in the real estate sector, which reflects investors' confidence in the company's credit strength.

The bonds mature in 2028 and were issued in two tranches, the first with a fixed rate at 7% per annum, payable on a quarterly basis, and the second tranche with a floating rate at 3% above the Central Bank of Kuwait (CBK) Discount Rate with a condition that the maximum limit of the floating rate doesn't exceed 1% per annum above the fixed rate.

This issuance reflects and affirms investors' confidence in URC's strategy and vision for the coming years and further demonstrates the company's solid financial position, which strengthens its position in the local market as a major player in the real estate development sector.

Mr. Mazen Hawwa, URC Vice-Chairman and Group Chief Executive Officer, said: "This issuance, in terms of its size, is a quantum leap for the company, as it comes at a time when URC is intensifying its business in the State of Kuwait and the region. We are taking well-studied and steady steps that are in line with the company's strategy, vision, and future growth plans."

“We would like to thank the Kuwait Capital Markets Authority, our investors and our joint lead managers – Kamco Invest and Gulf Bank for their support.” Mr. Hawwa added.

Mr. Faisal Sarkhou, Chief Executive Officer of Kamco Invest, said: “Despite the challenges in the financial markets and the fact that it is the largest issuance denominated in Kuwaiti dinars in the real estate sector, we were able to complete it smoothly and easily and within a short period of time.”

“The strength of the financial position of URC, its strategy, and it’s track record in the debt markets played a major role in attracting investors. We appreciate the vital role played by the investment banking team and their continuous support for major deals, harnessing their expertise and benefiting from their experiences to provide the best possible results.”

Mr. Hani Al-Awadi, General Manager at Gulf Bank, said: “We are pleased to participate as a joint lead manager with Kamco Invest in the successful issuance of the largest bonds denominated in Kuwaiti dinars in the real estate sector, following our successful issuance of bonds denominated in Kuwaiti dinars for KIPCO group at a value of 165 million Kuwaiti dinars.

From his side, Mr. Santhosh Kumar, Group Chief Financial Officer at URC, said: “The company’s bonds met the targeted subscription which mirrors the investors' confidence in URC. These bonds are a major component of the company's capital structure, which reflects the company's operational efficiency and its constant endeavor to continue enjoying a robust financial and administrative position.”

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