
KAMCO and Global take the first steps to conclude the largest merger in Kuwait's investment sector

Submitted by Anonymous (not verified) on 3 March 2019

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KAMCO Investment Company ("KAMCO") and Global Investment House ("Global"), two leading firms in the asset management and investment banking industry, announced the signing of a Memorandum of Understanding ("MOU") to cement the merger talks and commence the regulatory process. Under the terms of the MOU agreement, KAMCO will be the merging entity and Global will be the merged entity, marking another milestone towards forming a leading pan-MENA non-banking financial services firm, with a greater value proposition and enhanced operational capabilities to clients, shareholders and talent.

With the signing of the MOU, KAMCO and Global will combine their accumulated two decades worth of knowledge and expertise to become a regional non-banking financial services powerhouse. The merger is categorized as the largest of its kind in Kuwait's investment scene and will offer an array of best-in-class financial products and services. It will also position the combined entity as the largest asset management and investment banking firm in Kuwait, in terms of assets under administration and management totaling USD 13 billion across funds and segregated accounts, with investment banking credentials totaling USD 21 billion across equity & debt capital markets, mergers & acquisitions and real estate.

The combined entity will:

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- Create a larger, stronger and more resilient entity that can support government and private sector development plans
 - Serve thousands of clients from seven local offices, enhance total returns to the shareholders and provide opportunities to a multi-cultural pool of talent
 - Fortified with diverse cross-market financial and human capital, the merger will capitalize on economies of scale to sustain market fluctuations, participate in government projects and support developing local economies across core MENA markets
 - Will result in the first and largest of its kind M&A in Kuwait's non-banking financial sector with a wider array of financial products and services at par with foreign firms
 - Capture synergies arising from economies of scale and create value in product offerings and human capital

On this occasion, Entisar Al-Suwaidi, Vice Chairman of KAMCO, said, “We consider this strategic decision to merge with Global to be a significant step towards transforming the regional asset management and investment banking scene. Our goal is to become the preferred choice for our stakeholders: clients; financiers; talent; regulators; counterparties; and service providers.”

She added, “We are single-minded when it comes to building our capacity to achieve this goal. At the core of our business ethos is to consistently deliver on a promise. This deepens the trust bestowed on us by our stakeholders, which ultimately contributes towards building more diversified and sustainable economies of markets in which we operate. We are proud of our heritage built on core values and we believe we are able to contribute in building the future of the financial markets across the region. The combined entity will strengthen the regional presence in core MENA markets, specifically in Kuwait, Saudi Arabia, United Arab Emirates, Egypt, Bahrain, Jordan and Turkey.”

Al-Suwaidi added, “I would like to take this opportunity to express my sincere appreciation to the members of the board of directors and executive management for their hard work and dedication throughout this journey. I would also like to extend my gratitude to all the regulatory authorities and governing bodies for their cooperation and assistance in streamlining this process starting with the acquisition until this milestone. Reaching such a milestone in our journey towards our goal would not have been possible without the trust and confidence of our valued clients, financiers and team members.”

A Leading Asset Management and Investment Banking Firm

Faisal Mansour Sarkhou, Chairman of Global, said, “By signing this MOU, we seek to establish a combined entity that aspires to be a regional leader within the non-banking financial services. We believe that this merger will result in creating the largest asset management and investment banking firm in Kuwait and amongst the top in the MENA region, benefiting the clients and shareholders of both companies.”

He added, “We look forward to growing our operations, taking advantage of new opportunities in

regional emerging capital markets, and tackling challenges more aggressively while achieving sustainable measurable results for our stakeholders. Moving ahead with the planned merger, a first of its kind in the Kuwaiti investment sector, we plan to leverage the outstanding resources of both firms to create a larger diversified and efficient entity with a wider range of product offerings and client tailored services.”

Sarkhou added, “We aim to capture synergies arising from combining two entities with longstanding track records and enhanced value propositions to our product and service offerings, providing current and potential clients with a refined and memorable experience. Through this merger, we believe that by expanding into a larger entity we will have the financial means and human capital to enrich each stakeholders’ experience.”

Decisions related to the merger

Given that both firms have their grassroots in Kuwait, the merger is a natural progression to KAMCO’s 70% acquisition in Global from NCH Ventures last September. After the acquisition, both firms engaged in an extensive integration exercise involving soliciting feedback from clients, shareholders and teams.

Each firm appointed an independent CMA licensed asset valuer to arrive at the fair valuation. After receiving the valuation reports, KAMCO and Global appointed Protiviti as the investment advisor and Hossam Legal as legal counsel. The investment advisors presented their recommendations to the respective entities’ board of directors for endorsement.

The Board of Directors of the two companies endorsed the fairness opinion submitted by the independent investment advisor, declaring the readiness to merge. This included the fair value of each company, recommended swap ratio of 0.75522821 KAMCO shares for each Global share, and recommendation to call for an Extraordinary General Assembly of both companies to vote on the merger, after obtaining the approval of the relevant regulatory authorities.

Going Forward

Completing the merger between KAMCO and Global is subject to:

1. Inviting KAMCO and Global shareholders to review the fairness opinion report submitted by the independent investment advisor; “Protiviti Member Firm – Kuwait”. This report will be made public to KAMCO and Global shareholders with the fair value assessment prepared by the independent asset valuer “BDO Al Nisf & Partners”.
2. Obtaining all regulatory approvals necessary for the merger, which have been determined by the Capital Markets Authority of Kuwait and other regulatory authorities fulfilling all other

merger requirements as per regulations pertaining to the merge.

The two companies will continue to operate independently, yet closely, until the merger is completed, all merger requirements are met with the approval of the shareholders entitled to vote, and the necessary regulatory approvals are obtained.

Media Contacts

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