

PAVING THE WAY FOR A BETTER FUTURE FOR KUWAIT'S ECONOMY

ABDULLAH HAMAD ALTERKAIT, CHAIRMAN AL SAFAT INVESTMENT

It has been two particularly rewarding years for Abdullah H. AlTerkait. Having held the position of Chairman of Al Safat Investment Company in Kuwait since 2013, Abdullah has steered the company through many hurdles and into profitability, placing it ahead of the competition with its values and services. Last year, Al Safat received an award from Guinness for the impressive vinyl sticker tribute to the Amir of Kuwait, HH Sabah Al-Ahmad Al-Jaber Al-Sabah, on the Al Safat Tower. A year later, the company went on to win one of the 2019 CEO Today Middle East Awards in the field of investment.

Finance Monthly tells you all about Al Safat Investment and Abdullah AlTerkait's story - the story of a leader who is nothing short of what all leaders should aspire to be; a leader with a very positive and proactive outlook for the future who has spearheaded crucial business developments during his tenure.

With a background in finance and economics, Abdullah has spent the last 12 years of his professional career working in various sectors in Kuwait. He has previously held senior positions at Sarh Real Estate Company, The Roots for Brokerage (Egypt), Danah Al Safat Foodstuff Company and the Riviera Hotel in Lebanon. His extensive experience has given him plenty of insights into different sectors and regions out of Kuwait. Today, in addition to his role as Chairman of Al Safat Investment, he is also the Chairman of the Politics and Economics Committee at the Union of Investments Company (UIC) and a board member of local companies UIC, Kuwait Chambers of Commerce and Industry and Shuhaiba

Industrial Company, as well as the CEO of Gulf Cable and Electrical Industries Co. Abdullah has a long list of certifications in Marketing, Finance and Investment Management and has completed a Financial Services Program from Harvard Business School. Currently, he is pursuing an EMBA from the London School of Economics.

Education has always been at the forefront of his priorities and he lives by the words of Benjamin Franklin: "An Investment in knowledge pays the best interest".

There are not many leaders who, at the very young age of 29, are able to take charge and turn a company around in the midst of a

financial crisis. Before 2013, when AlTerkait was appointed Chairman of the company, Al Safat Investment was going through a rough couple of years - debts were high, employees were in a stressful situation, shareholders and clients were extremely unhappy and there was immense pressure from the banks. At the time, it seemed like salvaging the company and bringing order out of this chaos would be a tedious challenge. Al-Safat Investment Company underwent comprehensive restructuring and embedded the institutional aspect in all of its businesses while setting clear goals with the efforts of the company's board of directors and the executives. The company's direction and performance improved as a result.



Thereafter, Al Safat saw four consecutive years of profits due to the restructuring initiatives of Abdullah, the senior management and other departments.

Al Safat Investment is an ideal example of how teamwork could yield impressive results. AlTerkait strongly believes in the power of teamwork and encourages all departments to work together. Battling all fronts, he has put in efforts to establish a gender-equal atmosphere in the company by hiring qualified women to fill roles in the human resources and other departments of investments. His initiatives are not only beneficial for the bottom line, but they are also in tandem with his ethics and strong beliefs in Corporate Social Responsibility. Last year, for example, the company carried out a very successful Ramadan initiative, with all employees and management personally visiting the group's subsidiaries and distributing food packages to the labourers who work for the companies.

healthcare, industrial, energy, agricultural, food and other economic sectors through participation in the establishment of specialised companies or purchase of stocks and bonds in these companies, or by the management of projects in various sectors.

The company is about to establish a mass investment system capable of generating substantial revenues, to be allocated for venture capital. In addition, the latter will target the investment with strategic shares in many Kuwaiti startup companies. Part of AlTerkait's vision for Al Safat's future is to support SMEs and young entrepreneurs. The Chairman strongly believes that leaders should support the next generation of leaders in the business world and promote a good relationship between corporate and small businesses.

Kuwait's 2035 vision plans to attract KD 400 million to various sectors including petrochemicals, information technology,

young entrepreneurs and startups. Through Al Safat, AlTerkait would like to support these small businesses by offering financial advice and services and possibly creating a co-working space for those who work from home or coffee shops. He hopes that his initiatives will help pave the way for a better future for Kuwait's economy and will be in line with the vision of His Highness, Emir of Kuwait, to transform Kuwait into a financial hub. While supporting startups, the Chairman will also be personally looking into investment opportunities for the company, in SMEs that stand out, particularly in the innovation and tech space.

2018 had some noticeable developments in the investment activities area, on both local and regional levels. This targeted startups, tech companies and VC funds and resulted in a significant rise in investment deals. The Middle East and North Africa region managed to conclude 366 deals with a total investment of USD893 million, subject to the indication



Al Safat Investment Company was founded in 1983 and has grown rapidly since then. All investments and financial services held or offered by Al Safat are in accordance with the highest standards of Islamic Shariah compliance, which is supervised by a CMA-Certified Islamic finance consultancy company and is governed by the Central Bank of Kuwait. The company invests in real estate, financial,

services, and renewable energy. The country plans to promote an atmosphere that enables SMEs to participate in the nation's economic development. The National Fund for Small and Medium Enterprise Development is one of the country's key initiatives tasked with enabling the private sector to drive growth. With nearly 80% of the population still employed in the government sector, there has been a rise in

of independent statistics concerned with following up the activities of venture capital. Subsequently, there was also a notable rise in Mergers and Acquisitions declared by commercial entities and multiple sectors. AlTerkait predicts that 2019 will witness the same trending rise of such deals, in addition to the notable growth of the investment funds and the finance sector targeting startups and

SMEs. These trends will continue to attract the interest of investment and financial companies who would be keen to capitalise on this promising sector.

The company is in the process of rebranding with the view of transitioning from traditional to modern while offering multiple new investment products and services for its clients. When it comes to the securities market, Al Safat Investment Co. holds a license issued from the Capital Markets Authority to practice managing the investment portfolios business in its various kinds for the benefit of the company's clients, in Kuwait and globally. The company has a team that specialises in working to achieve profitable returns on the managed portfolios

of the company. The total managed funds currently account for over US\$120 million as of January 2019. It manages local and regional investments of US\$300 million. Al Safat is also partnering with international consultants on creative strategies and solutions to provide the best opportunities for the benefits of its corporate and private individual clients.

The administration of Al Safat Investment Co. is applying a secure and comprehensive strategy while managing the direct investments and the managed financial portfolios for its clients. Such portfolios target the operational companies, the leading stocks, fast-growing stocks and constant revenue stocks together with keeping up the ultimate geographical and sectoral distribution. With the company's direct portfolio being distributed over seven sectors within five countries, the intent is to reduce the accompanying risks for these investments in addition to protecting the direct and client portfolios from the severe fluctuations of the market and the vulnerability the local and regional securities markets may be exposed to. Al Safat applies a conservative and safe strategy in the management of direct investments; managed portfolios of customer accounts are looking to further privatise government entities after the privatisation of

the stock exchange and is looking forward to being a listed company again.

Under the guidance of Abdullah AlTerkait, represented by the board of directors and the executive management, the company is seeking to restructure the financial position,

fact, through its subsidiaries, the company is currently focusing on the various operational and industrial activities and is seeking to establish a new chemicals factory in Kuwait. Similarly, they have also developed an interest in the Oil and Gas sector and are looking for opportunities to invest. The company has a subsidiary called The Carpet Factory which is looking to expand and invest in state-of-the-art technology to improve business and its products. Real estate is another sector AlTerkait is keen on embarking on – the company is in the process of developing a commercial and industrial complex in the Al-Ahmadi Industrial area of Kuwait. Additionally, the group is participating in the health sector through Kuwait Hospital, which will start

operating this year and is also looking for acquisitions in various sectors, especially since there are attractive investment opportunities with outstanding profits in the local market. Abdullah AlTerkait and the management of Al Safat hope to reach their ultimate goal of being amongst the best investment companies in Kuwait in the next 5 years.

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address the recent financial issues, leave the unprofitable and non-strategic investments, re-employ the investments in some strategic sectors and instruments, while also promoting the expansion activities of associated companies. The Chairman hopes this plan would benefit the years to come so that a concrete plan will be established for 2023. In

Abdullah Hamad AlTerkait's strategy for Al Safat:

- Set minimum investment returns that meet the company's cost of capital**
- Grow the equity base through solid constant profits and cash dividend distributions to shareholders**
- Divest any non-performing assets**
- Ensure that the investments are aligned and maintain synergies**
- Improve management control**
- Set adequate policies and procedures within the group**
- Apply proper corporate governance for the best interest of the shareholders**

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