
Kamco Invest reports a net profit of KWD1.5mn for the first quarter of 2024

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Kamco Invest announced its financial results for the first quarter ended 31 March 2024. The Company reported a net profit of KWD1.5mn (EPS: 4.28 fils) compared to a loss of KWD1.6mn during the same period in 2023 (EPS: -4.57 fils).

Total revenue rose by 155.2% to reach KWD6.7mn (Q1 2023: KWD2.6mn), whereas revenues from fees and commissions increased by 7.4% to reach KWD3.5mn (Q1 2023: KWD3.3mn).

During the first quarter, assets under management grew by 5.1% to reach USD15.6bn as of 31 March 2024, due to new money raised in various products during the period, as well as the performance of portfolios and funds. Equity funds and managed portfolios continued to outperform their respective benchmarks. Kamco Islamic Fund continued to be the best performing in the Kuwait Islamic equity funds category, achieving a return of 8.7% during the period. Similarly, the Kamco Investment Fund and Kamco Premier Market Index Fund maintained their positions amongst the top performing conventional equity funds ranking second and third with performances of 9.5% and 7.3%, respectively. The ranking is based on the funds' disclosures on Boursa Kuwait.

The Alternative Investments team continued to undergo plans to exit legacy assets held by the

private equity funds and work on new initiatives and products. The team is also evaluating several investment opportunities in real estate, private equity, and venture capital, which led to a partnership agreement with Santander Asset Management, specialists in private debt instruments.

The Investment Banking team continued to advise their clients with several transactions in the pipeline expected to close during the year across Equity Capital Markets, Debt Capital Markets, and Mergers & Acquisitions (M&A). During the quarter, the team successfully acted as Joint Lead Manager on a USD500mn Sukuk issuance.

First Securities Brokerage Company, Kamco Invest's brokerage arm, continued to strengthen its competitive position and attracted new clients through its online trading platforms.

Regional offices continued to strengthen their presence in their markets by improving their services and contributing more to the company's core businesses, particularly in asset management. Kamco Invest – Saudi signed a strategic partnership with Flexam Invest to offer leasing opportunities to their clients.

Total assets increased by 11.1% during the period to reach KWD143.2mn, whereas shareholders' equity rose by 3% to KWD61.5mn. The Company's book value increased from 174 fils as of end of 2023 to 180 fils as of 31 March 2024. The Company also enjoys a strong financial position and a "BBB" long-term credit rating and "A3" short-term rating with stable outlook by Capital Intelligence in their latest review in May 2023.

Commenting on the results, Faisal Mansour Sarkhou, Chief Executive Officer, said, "We are pleased with the Company's performance, positively impacting key financial ratios. The positive performance came despite the challenges and negative market sentiments that are impacted by rising interest rates, financial market volatility, and geopolitical conflicts. During the period, we were able to attract new clients, further growing the assets managed on behalf of clients. Moving forward, we will continue to work on strengthening the Company's financial position and operational performance by introducing new services and products. Additionally, we aim to expand our team and broaden their skills and expertise, especially in Saudi Arabia and the Dubai International Financial Centre (DIFC), which contribute to improving our fees and commission income."

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