
Capital Intelligence reaffirms corporate rating for Kamco Invest with a stable outlook

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1. [Home](#)

News

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Kamco Invest announced today that Capital Intelligence Ratings has reaffirmed the Long- and Short-Term Corporate Ratings of Kamco Invest at 'BBB' and 'A3', respectively. Despite the impacts on the Kuwait economy from the sharp drop in oil prices and Covid-19, the Outlook on the ratings remains Stable.

In its rating report, Capital Intelligence considered Covid-19 to represent a temporary but severe shock to most economies and expected that the pandemic to peak during Q2 2020 with restrictions on movement and air travel to be gradually unwound beginning in early Q3 2020. This in turn should allow economic activity and financial conditions to begin to return to normal by Q4 2020. The short- and longer-term impacts on individual economies and on individual companies within these economies will vary considerably. In general terms however wealthier countries will have greater resilience in terms of the ability to provide financial support to both companies and citizens. They consider Kuwait strongly placed in this regard and the supportive measures taken to date to be comprehensive.

The main credit strength for Kamco Invest's rating is its business model with substantial assets under management (AUM) giving a large and stable revenue stream, and the growing investment banking business. Further important credit strengths include strong management team and being a part of the KIPCO Group which provides access to liquidity, new businesses and widening the

distribution channels.

Faisal Mansour Sarkhou, Chief Executive Officer, commented, “We are pleased with the rating and the stable outlook which reflect the strength of the company’s financial position, business model and management capabilities. Despite the Coronavirus Pandemic (COVID-19) and its unprecedented impact, the company’s credit rating remained intact.”

It is worth noting that the Company enjoys a strong financial position and a healthy capital structure with KWD56.4mn in shareholders’ equity and debt to equity ratio of 0.85x as of 31 December 2019. The company’s annual general assembly held on 3 June 2020 approved 5% cash dividends for the year 2019 (5 fils per share) for a total amount of KWD1.7 million.

Sarkhou concluded, “We reaffirm our commitment towards our stakeholders and are wasting no efforts to overcome this crisis and its unprecedented effect with minimal damages. Our insistence to move forward with the cash dividends without modification despite the unprecedented conditions the world is going through as a result of the Coronavirus pandemic is a testimony of our commitment to our shareholders and the strength of the financial position and the high liquidity the company enjoys.”

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