
Kamco Invest reports net profit of KWD1.5mn for the first quarter of 2021

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Kamco Invest announced its financial results for the first quarter ended 31 March 2021. The Company reported a net profit of KWD1.5mn (EPS: 4.52 fils) compared to a net loss of KWD4.6mn during the same period in 2020 (EPS: -13.50 fils).

Total revenue for the period reached KWD5.2mn (Q1 2020: KWD0.4mn), with fee & commission income amounted to KWD3.4mn, representing 65% of total revenue.

As at end of March 2021, assets under management stood at KWD4.02bn (USD13.3bn). Kamco Invest's equity funds and managed portfolios continued to outperform their respective benchmarks and income generating properties were acquired in the UK amounting to GBP72.3mn. The Special Situations Asset Management team continued exit negotiations with several parties on behalf of clients. The Asset Management team also worked to launch several investment offerings including leveraged fixed income in addition to venture capital.

The Investment Banking team successfully played the role of Fiscal and Principal Paying Agent for the redemption of Burgan Bank's KWD100mn subordinated T2 Capital Securities. The team also acted as issuance advisor and subscription agent to the rights issue of a listed company on Boursa

Kuwait and was the exclusive buy-side advisor to an insurance group to acquire 66% of a non-listed insurance company.

First Securities Brokerage Company, Kamco Invest's brokerage arm, continued to provide its services to clients without interruption while increasing market share and attracting new clients through the online trading platform. The company successfully completed the MD3 test for netting, which is a new line of revenue stream for the company.

Furthermore, Kamco Invest managed to rationalize its cost base where general and administrative expenses dropped by 31.6% in Q1 2021 to reach KWD2.95mn. The Company also reduced its total liabilities by KWD0.9mn, a reduction of 1.3%, to reach KWD64mn at the end of March 2021.

The Company enjoys a strong financial position with KWD52.7mn in shareholders' equity as of 31 March 2021 (an increase of 5.3% in comparison to end of December 2020) and a "BBB" long-term credit rating and "A3" short-term rating with stable outlook by Capital Intelligence in their latest review in June 2020.

Faisal Mansour Sarkhou, Chief Executive Officer, said, "The pandemic still casts a shadow over the operational certainty in most sectors. Despite these unprecedented times, we had a profitable quarter and managed to benefit from positive market performance while strengthening our financial position. This allowed us to further enhance our liquid assets and reduce our total liabilities. We also rationalized our cost base and most importantly remained focused on the recurring fee-based income."

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