
Kamco Invest reports net profit of KWD3.8mn for the first 9 months of 2022

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Kamco Invest announced its financial results for the nine-months period ended 30 September 2022. The Company reported a net profit of KWD3.8mn (EPS: 11.2 fils) compared to KWD8.2mn during the same period in 2021 (EPS: 24 fils).

Total revenue reached KWD17.0mn (9M 2021: KWD21.9mn), positively impacted by the increase in fee and commission income as well as the performance of the Company's investment portfolio which grew at a slower pace in comparison to the same period in 2021. Fee & commission income increased by 2.6% in comparison to the same period in 2021 reaching KWD13.8mn, representing 81.1% of the total revenue.

During the third quarter, the Company reported losses of KWD0.8mn (EPS: -2.4 fils), as a result of unrealized losses on the Company's investments, which were impacted by challenging economic conditions and drop in equity capital markets.

Assets under management stood at USD12.9bn as of 30 September 2022 in portfolios and funds managed on behalf of clients. Equity funds and managed portfolios continued to outperform their respective benchmarks, whereas the Kamco Investment Fund and Kamco Premier Market Index

Fund were the two best performing conventional Kuwait equity funds by achieving year-to-date returns of 8.13% and 6.31% respectively. The Al Durra Islamic Fund achieved a year-to-date return of 3.65%, positioning it as the top performing Islamic equity fund in Kuwait during the nine-month period. Aside from the equity funds, the real estate assets under management grew to USD1.9bn with a total area of 4.31mn sq. ft and an average annual distribution of 7.7% to investors.

The Private Equity team continued to undergo plans to exit legacy assets held by the private equity funds. The team is building transactions pipeline for Private Equity deals, evaluating a healthy pipeline of deal flows as well as working on new initiatives and products.

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 period, the team managed to advise clients on four successful M&A deals, played the role as joint lead manager and joint bookrunner in a Sukuk issuance, and co-lead the private placement process for a family business in Kuwait. The First Securities Brokerage Company, Kamco Invest's brokerage arm, continued to strengthen its competitive position and attracted new clients through its online trading platforms.

Total assets as of September-end reached KWD126.2mn (31 December 2021: KWD129.7mn), whereas shareholders' equity increased by 1.8% during the nine-months to reach KWD61.5mn as of 30 September 2022. 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 2022.

Commenting on the results, Faisal Mansour Sarkhou, Chief Executive Officer, said, "These results reflect the conservative strategy that we implement when managing the Company's assets and the quality of our revenues, especially considering that the largest portion of the total revenues are from fees and commission income. Despite the uncertainty the economies are witnessing, high inflation and interest rate hikes from the central banks that impacted financial markets, our robust business model, diverse solutions, and the competitiveness of our product offerings managed to grow our fee and commission income, further strengthening our financial position."

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