
Kamco Invest shareholders approve distribution of 10 Fils dividend and elect Board of Directors for next 3 years

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Kamco Invest held its Annual General Meeting for the fiscal year ended 31 December 2022 where shareholders approved all agenda items and elected the Board of Directors for the next 3 years.

Shareholders approved the Board of Director's recommendation to distribute 10% cash dividends (10 Fils per share), equivalent to KWD3.4mn, which represents 62% of the net profits. Shareholders also elected the Board of Directors for the next 3 years, including Sheikh Abdullah Nasser Sabah Al-Ahmad Al-Sabah (representing United Gulf Bank B.S.C), Sheikha Dana Nasser Sabah Al-Ahmad Al-Sabah (representing Al Dhiyafa United Real Estate Company), Sheikh Talal Ali Abdullah Al Jaber Al Sabah (representing First North Africa Real Estate), Masaud Mahmoud Jawhar Hayat (representing Al Zad Real Estate Company), and Entisar Abdul Raheem Al-Suwaidi (Independent Member).

The AGM was chaired by the Company's Chairman, Sheikh Talal Ali Abdullah Al Jaber Al Sabah, who discussed the Board of Director's report highlighting key milestones achieved during 2022. The achievements accomplished throughout the year led to a net profit of KWD5.5mn (16.08 Fils per share) compared to KWD10.3mn (30.14 Fils per share) in the year 2021.

Al-Sabah said that the year 2022 witnessed a state of instability caused by the conflict in Europe,

high inflation, and the fear of a global recession. Oil prices have remained below USD100 per barrel since August 2022, primarily due to falling demand as a result of recessionary pressures. To curb the high inflation rates, central banks resorted to raising interest rates several times during the year. In the GCC, inflation remained largely under control, led by domestic policies that protect higher commodity prices in addition to the low impact of higher energy bills which are supported by most governments in the region.

Global financial markets, on the other hand, witnessed a significant decline during the year with the MSCI Global Index down almost 19.5%, marking the largest decline since the 2008 financial crisis. Similarly, the Emerging Markets Index was down 22.4%, while the US Market witnessed the largest drop amongst the developed countries with the S&P 500 Index down 19.4%. GCC markets declined during the year but at a slower pace compared to global markets. The MSCI GCC Index dropped by 6.4% led by Qatar Stock Exchange with a decline of 8.1% and Saudi Arabia with a decline of 7.1%.

Al-Sabah said, “Despite these challenges, the Company managed to achieve total revenues amounting to KWD24.5mn (2021: KWD30.1mn), while revenue from fees and commission income increased by 2.5% compared to 2021 to reach KWD20.7mn representing 84.6% of total revenues. The primary reason for the decrease in total revenues was mainly attributed to the downturn in unrealized gains within the Company's investment portfolios, which were notably impacted by the market's performance.”

He added, “The Company enjoys a strong financial position with KWD62.5mn in shareholders' equity as of 31st December 2022, an increase of 3.4% in comparison to December 2021. In its most recent review dated in May 2022, Capital Intelligence maintained its “BBB” long-term credit rating and “A3” short-term rating with a stable outlook.”

Faisal Mansour Sarkhou, Chief Executive Officer, provided a detailed explanation of the operational performance for the year, which witnessed numerous milestones and achievements across various fields. During 2022, wealth managers worked closely with various business sectors, leveraging their diversified in-house expertise to provide clients with customized solutions and advice. This resulted in attracting new clients, strengthening relationships with existing clients and raising funds for new and existing products.

Sarkhou said, “During the year, we successfully raised over USD1.3bn for several products and transactions, and our assets under management stood at USD13.8bn as of 31st of December 2022. Kamco Invest's equity funds and managed portfolios continued to outperform their peers and respective benchmarks.”

The Real Estate investments team continued the momentum established during 2021 across the range of capital life-cycle transactions. The total value of the transactions in 2022 amounted to USD740mn, raising the total value of the managed real estate properties by 39.8% to reach USD1.8bn at the end of year 2022 across 21 assets and covering 4.01 million square feet. Consequently, the total distribution payments to investors attributable for 2022 aggregate to USD47.6mn, equating to an annualized net cash yield to investors of 7% on invested equity.

During 2022, the Private Equity team continued its focus on three things; the private placement for its Venture Capital fund, “The JEDI Fund”, which was launched in 2021; evaluation of new investment opportunities for deal-by-deal investment products and exits of legacy managed assets. Our funds distributed USD51.2mn in 2022 to the investors. The year 2022 was a year of business recovery for some of our portfolio companies in Turkey which witnessed critical performance improvement during the year.

On the other hand, the Investment Banking team successfully closed 13 transactions worth USD5.6bn across Kuwait, Egypt, and UAE. The transactions included seven Mergers & Acquisitions transactions, two equity capital market transactions and four debt capital market transactions.

First Securities Brokerage Company, Kamco Invest’s brokerage arm, continued to expand its client base by leveraging on its online trading platforms. The company recorded a noticeable increase of 5% in commission income and 10% in net profit compared to 2021. Two new services were developed during the year, one of which is the testing for the qualified broker, which are new lines of revenue for the company.

The regional offices continued to expand their presence in their markets by improving their services and contributing more to the company's core businesses, particularly in asset management. Kamco Invest in Saudi Arabia maintained its strong performance and delivered high returns for its Kamco Saudi Equity Fund, which is the second largest conventional Saudi equity fund and the largest fund managed by a non-affiliated investment company. Kamco Invest in Dubai International Financial Centre (DIFC) also had a successful year by significantly boosting its contributions to the Group's core business through the acquisition of new clients and fundraising efforts.

Sarkhou added, “The Company further developed its digitization strategy and launched the second phase of the Kamco Invest App, consisting of new added features, performance upgrades, and an enhanced user interface. A primary feature added as part of the second phase is the dashboard, which has been designed to showcase each client’s complete portfolio holdings. Another added feature allows clients to invest in solutions offered by Kamco Invest, including mutual funds managed by the Company, directly through the App. With the current update, clients can now open and fund a portfolio instantly by depositing cash and start their invest journey with the Company’s investment solutions.”

Following its first sustainability report issued last year, the Company took several measures and initiatives to further strengthen its contribution to the environmental, social and governance (ESG) factors. It joined the United Nations Global Compact initiative, a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. It has also started looking into the principles of responsible investing and the first initiative will be to include clean and green energy as part of its Kamco EPADI Fund mandate that invests in energy, petrochemicals, and downstream industries.

Al-Sabah concluded by expressing his appreciation towards the regulatory bodies for their constructive cooperation and guidance. Additionally, he expressed his heartfelt gratitude to the Company's valued clients and shareholders for their unwavering support and trust, which drives the Company to strive for even greater success in the future.

Media Contacts

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