
Capital Intelligence maintains investment grade rating for Kamco Invest with stable outlook

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1. [Home](#)

News

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Kamco Invest announced today that Capital Intelligence Ratings maintained its Long- and Short-Term Corporate Ratings of Kamco Invest at 'BBB' and 'A3', respectively. The outlook on the ratings remains 'Stable' primarily due to Kamco Invest's leading position in the asset management industry, as well as the Company's strong funding and liquidity base.

Capital Intelligence indicated that earnings performance in 2022, considering the net profits and Return on Average Assets, was better than in pre-Covid 2019. Performance in GCC equity markets so far in 2023 has been lackluster and this may weigh on performance at Kamco Invest. However, absent a significant market correction, a reasonable level of profitability should be achieved.

In its report, Capital Intelligence highlighted two key credit strengths. The first strength being Kamco Invest's strong funding and liquidity base. With funding mainly derived from its KWD40mn bond issue and a KWD5mn long-term bank loan, Kamco Invest enjoys considerable flexibility with its future funding plans. Further important credit strengths include low leverage and debt-equity ratios, particularly on a net basis, and a strong and capable management team.

Aside from its funding and liquidity base, Capital Intelligence stated that Kamco Invest's second and

main credit strength is the Company's business model with substantial assets under management (AUM). This provides a large and stable revenue stream aside from the growing investment banking business. The real estate platform is generating regular asset management fees and although the geographical expansion has made a limited earnings contribution to date, it offers considerable opportunities for the future.

Faisal Mansour Sarkhou, Chief Executive Officer, commented, "The investment grade rating by Capital Intelligence for Kamco Invest serves as a strong validation of our company's financial stability, sound business model, and exceptional management capabilities. We remain dedicated to fulfilling our responsibilities to our stakeholders, diligently pursuing fresh investment prospects, and delivering innovative solutions to our esteemed clients."

It is worth noting that Kamco Invest has assets under management of USD14.2bn and enjoys a strong financial position and healthy capital structure with KWD60.8mn in shareholders' equity, a net debt to equity ratio of 0.19x, with 25.8% of total assets in cash & cash equivalent as of 31 March 2023.

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