
[Capital Intelligence affirms investment grade rating for Kamco Invest with stable outlook](#)

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Capital Intelligence believes that Covid-19 will remain a global public health issue for some time to come, but one that will differ in its impact depending on the geography and wealth of individual countries. In general terms, wealthier countries will have greater resilience in terms of providing financial support to both companies and citizens, with Kuwait strongly placed in this category. Previously, Capital Intelligence were too optimistic when they assumed that Covid-19 represented a temporary but severe shock to most economies and that the ease of restrictions to allow economic activity and financial conditions will begin to return to normalcy by Q4 2020.

Aside from the country's economic and financial outlook, Capital Intelligence stated that Kamco Invest's main credit strength for its rating 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 although transaction volumes are still being hampered by government anti-Covid-19 measures.

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. Further key credit strengths include low leverage and debt-equity ratios on a net basis, sound liquidity and low refinancing risk, backed by a strong and capable management team.

Faisal Mansour Sarkhou, Chief Executive Officer, commented, "Capital Intelligence's investment grade rating of Kamco Invest's reaffirms the strength of the Company's financial position, business model and management capabilities despite the disruptions caused by the pandemic."

It is worth noting that Kamco Invest has assets under management of KWD4.02bn (USD13.3bn) and enjoys a strong financial position and a healthy capital structure with KWD52.7mn in shareholders' equity, a net debt to equity ratio of 0.29x, with 25.7% of total assets in cash & cash equivalent as of 31 March 2021.

Sarkhou concluded, "We will continue to uphold our commitment towards our stakeholders as we mitigate the risks of the pandemic, while effectively seeking new investment opportunities and solutions for our valued clients. With the government's ongoing vaccination campaign and Kuwait's path towards normalcy, we are optimistic about the future."

Kamco Invest announced today that Capital Intelligence Ratings has maintained Long- and Short-Term Corporate Ratings of Kamco Invest at 'BBB' and 'A3', respectively. Despite the impact on the Kuwait economy from the drop in oil prices, economic impacts and imposed restrictions due to Covid-19, the outlook on the ratings remains 'Stable'.