

كيبكو
KIPCO

شركة مشاريع الكويت (القابضة)
Kuwait Projects Company (Holding)



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Note: : Exchange rate of USD/KD of 0.29975 has been used in the presentation for financial numbers

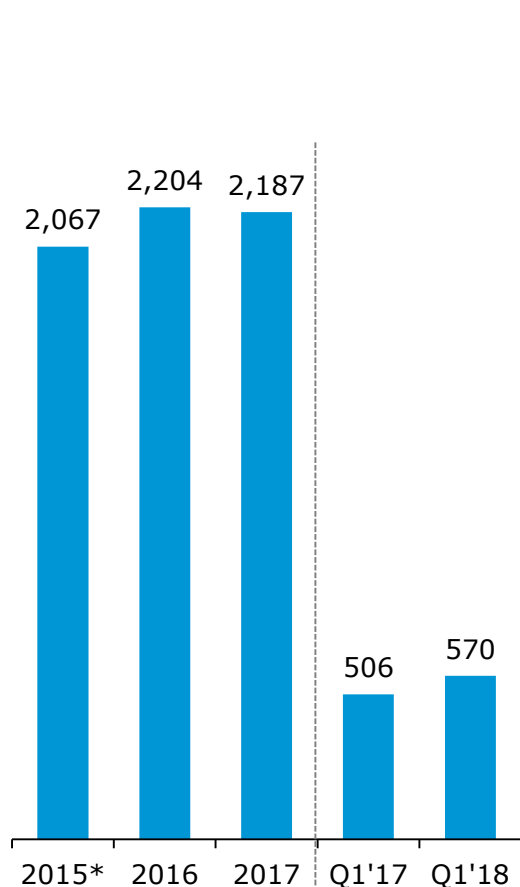


Performance Update

KIPCO consolidated: Financial performance

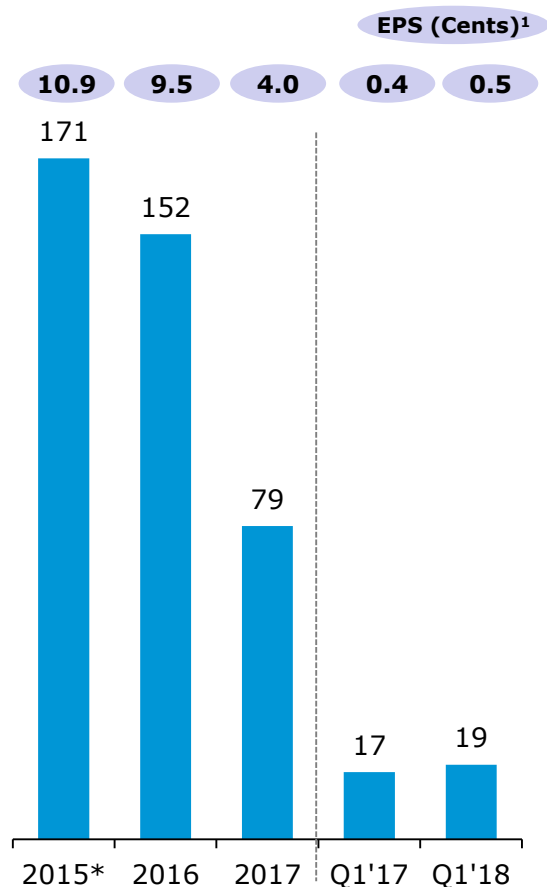
Revenue

USDmn



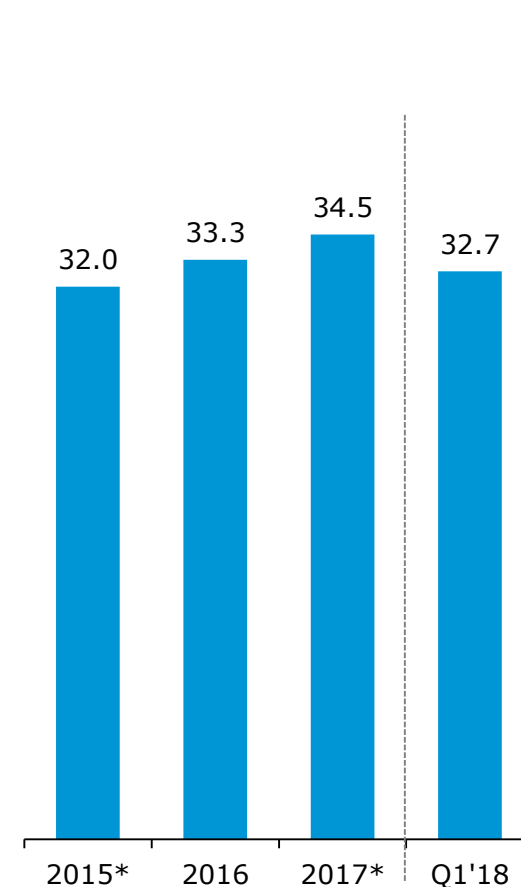
Net Profit

USDmn



Consolidated Assets

USDbn



*Restated

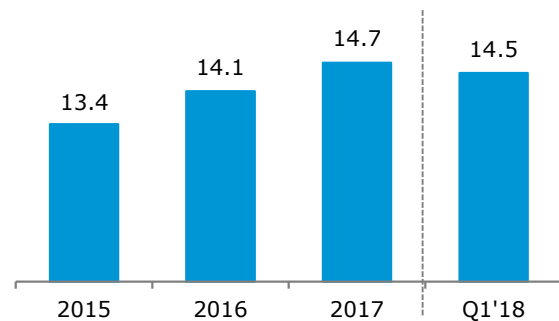
Note: : Exchange rate of USD/KD of 0.29975 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)

Burgan Bank Group (BBG)

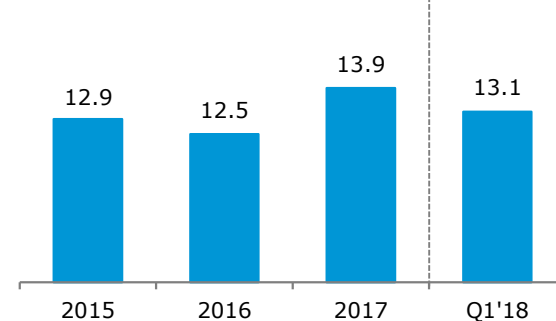
Loan Growth

USDbn



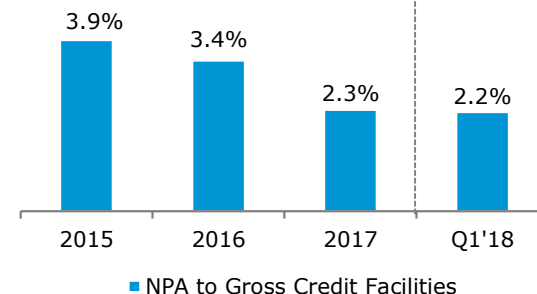
Deposit Growth

USDbn



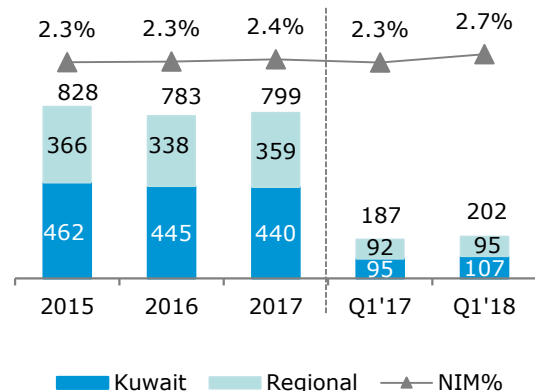
Asset Quality

NPA coverage with collateral ¹		NPA coverage without collateral	
184%	194%	233%	240%
120%	124%	159%	169%



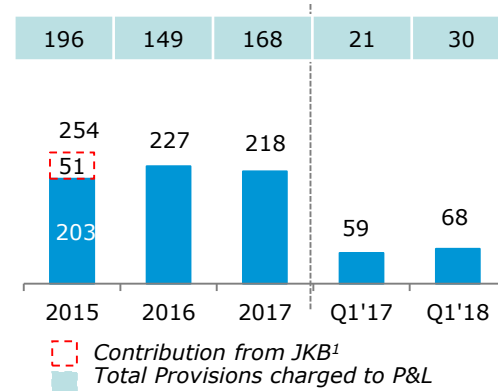
Operating Income

USDmn



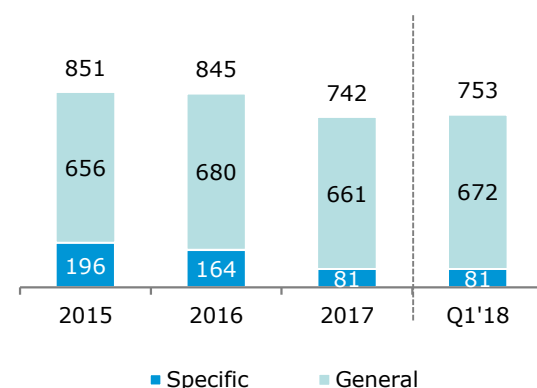
Net Profit & Provision

USDmn



Total Provision

USDmn



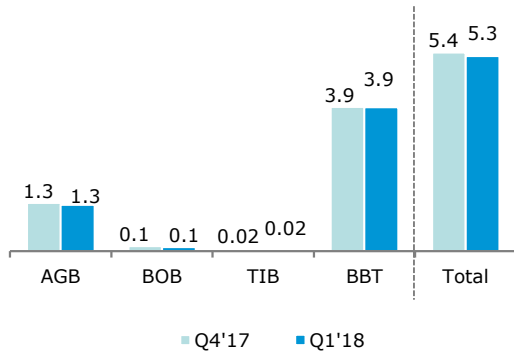
**Stable performance with strict focus on asset quality and operational efficiency;
Basel III CAR at 16.6%**

¹Stake in Jordan Kuwait Bank was sold by BB to a subsidiary of KIPCO in December 2015

BBG: Regional operations

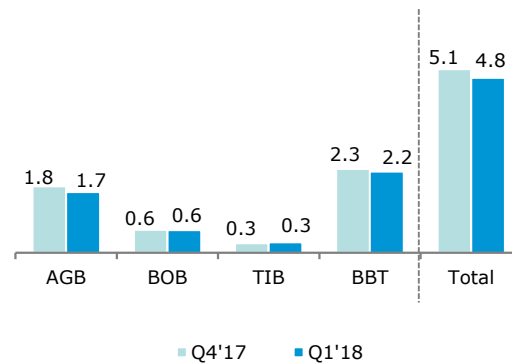
Loans

USDbn



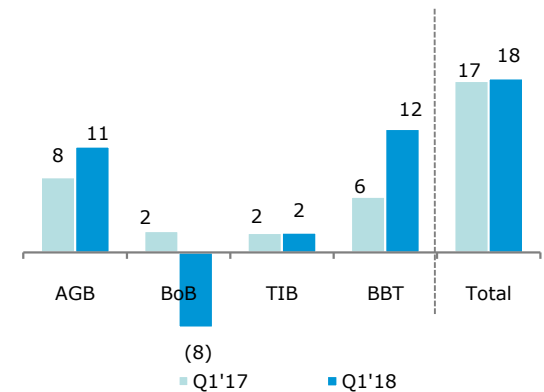
Deposits

USDbn



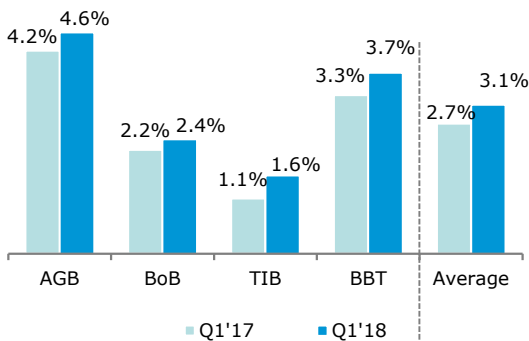
Net Profit¹

USDmn



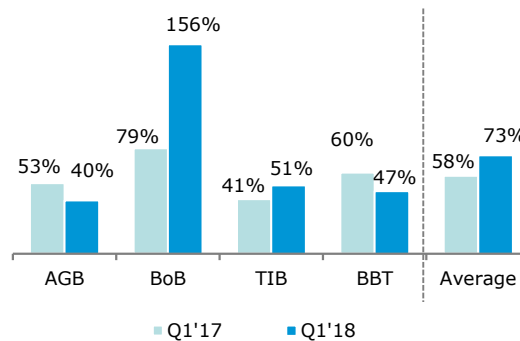
Net Interest Margin

Percentage



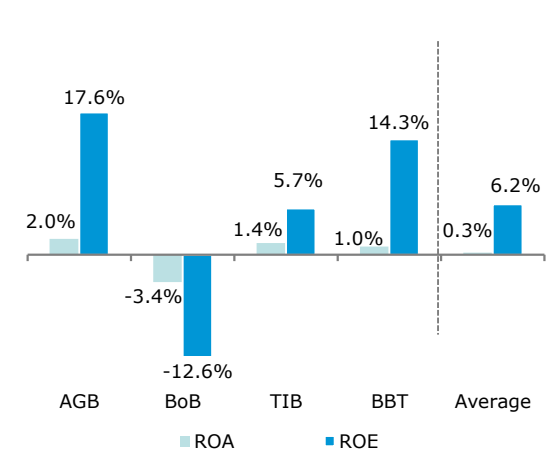
Cost to Income

Percentage



Return on Assets & Equity²

Percentage



¹Represents 100% profits attributable to parent for each of the subsidiary;

² RoE is calculated on average closing equity and RoA is calculated on average total assets

AGB = Algeria Gulf Bank

BOB = Bank of Baghdad

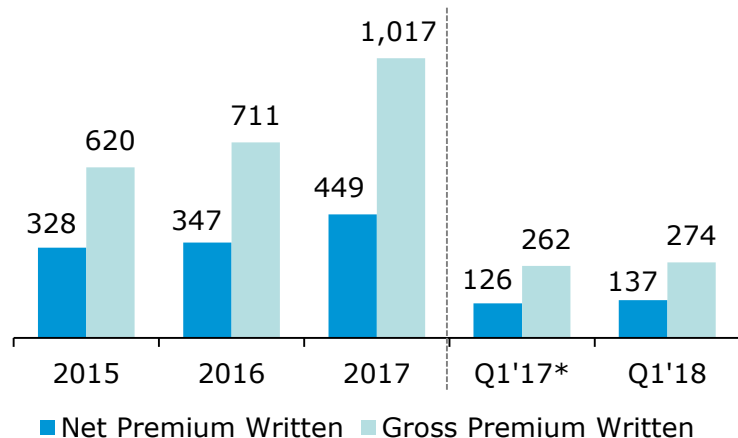
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

Gulf Insurance Group (GIG)

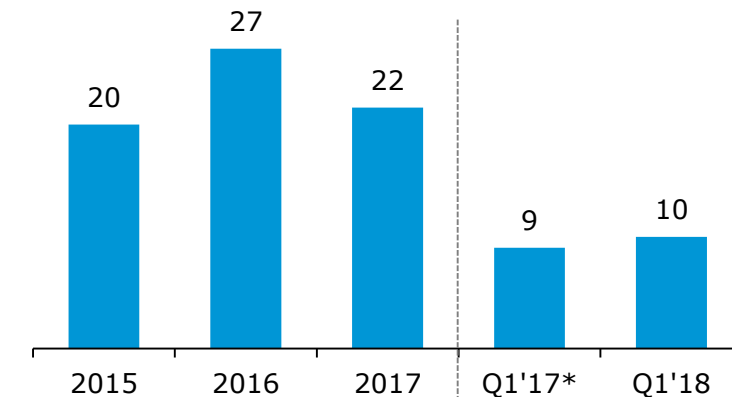
Gross & Net Premium Written

USDmn

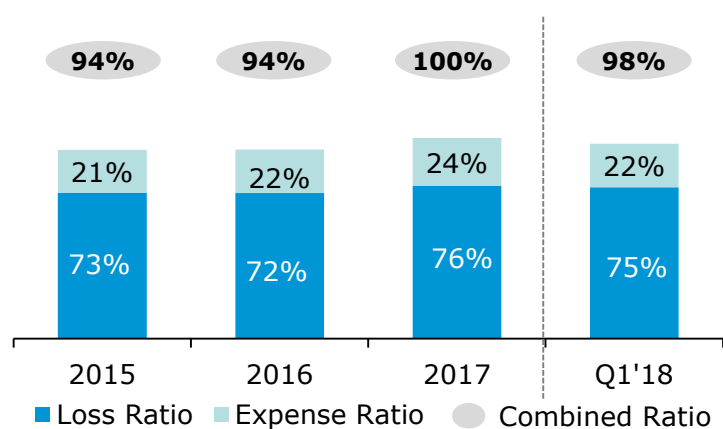


Net Investment Income

USDmn

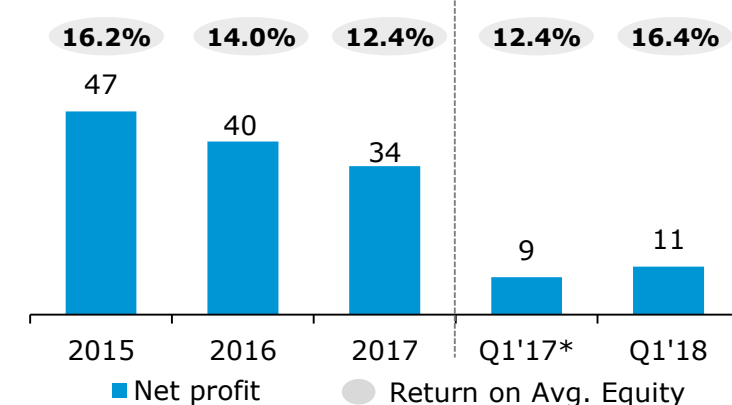


Combined Ratio¹



Net Profit & ROE

USDmn

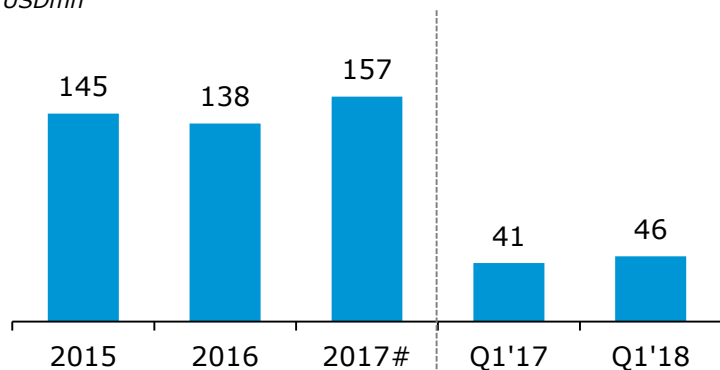


*Restated

United Gulf Holding Company (UGHC)*

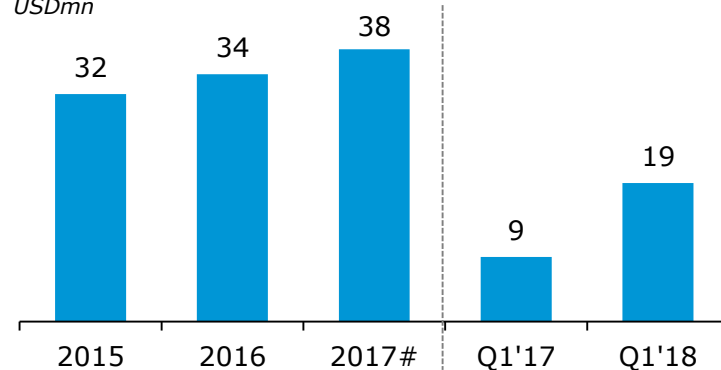
Revenue

USDmn



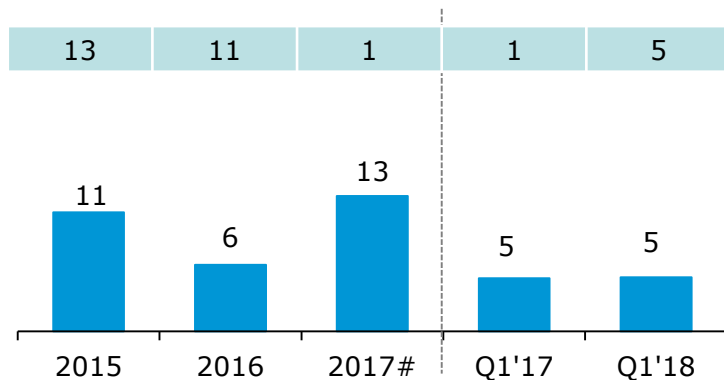
Fee & Commission Income

USDmn



Net Profit & Provisions

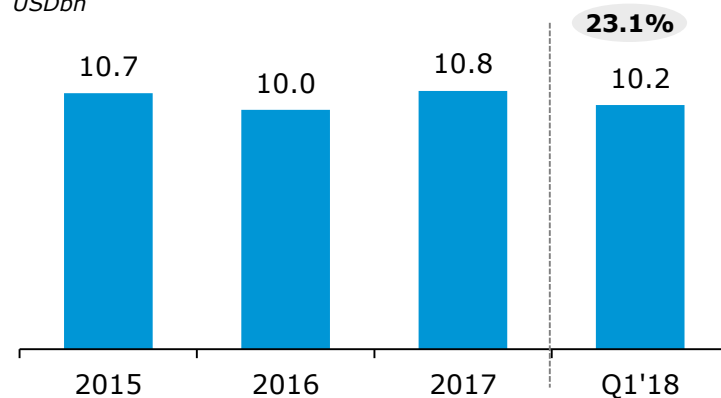
USDmn



Total Provisions Charge to P&L

AuM & Capitalisation

USDbn



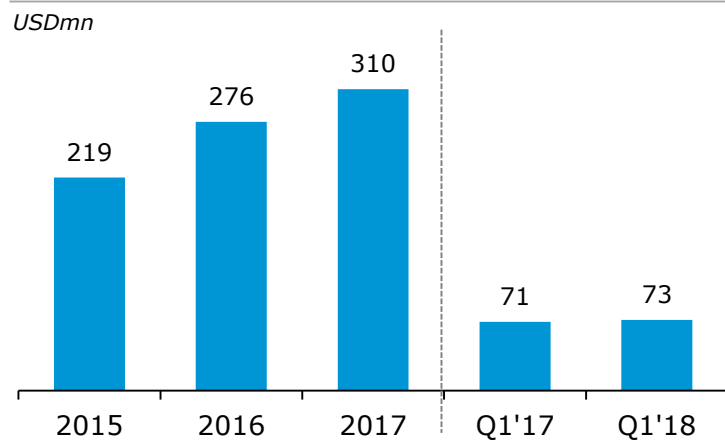
UGB's
Basel III
CAR

*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGHC) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials for the years ending 2015 and 2016 and the quarter ending March 2017 correspond to erstwhile UGB

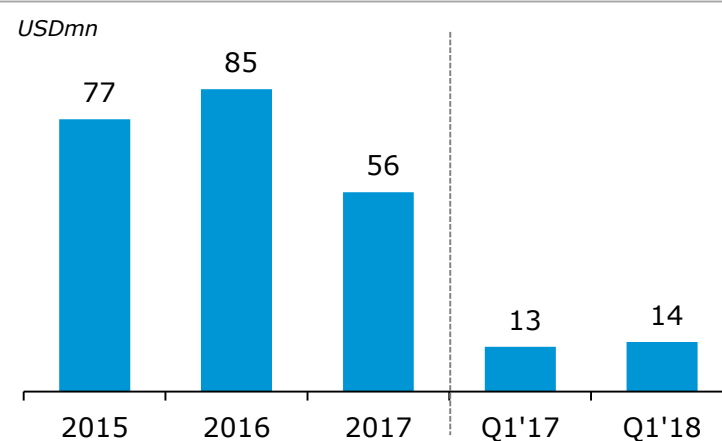
As UGHC was incorporated in September 2017, financials of UGHC for 2017 comprise of first nine months results for UGB and Q4'17 results for UGHC

United Real Estate Company (URC)

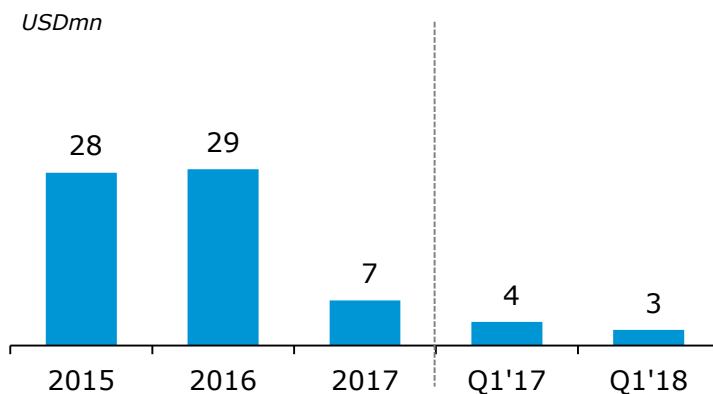
Total Revenue¹



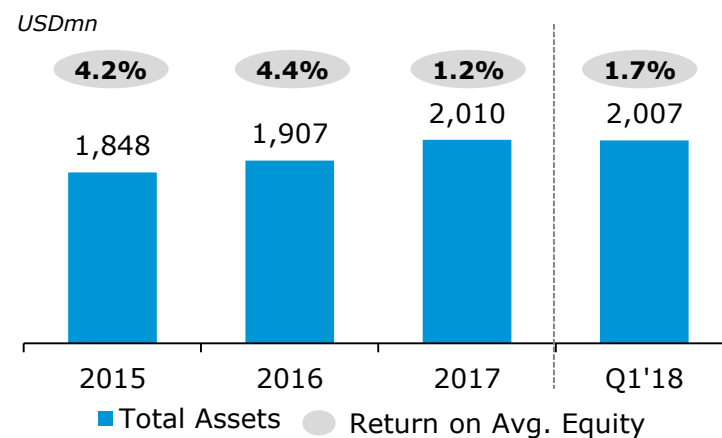
Operating Profit²



Net Profit



Total Assets & ROE



¹Revenue includes income from operational properties, gain on sale of properties, fixed assets & associates, valuation gain on properties, investment income, share in associates' income, interest income & forex ; ²Operating Profit includes gain on sale of associates, share in associates' income, interest income & forex gains

OSN

- Leading Pay TV operator in MENA region (HQ in Dubai), created by the merger of Showtime and Orbit in 2009
- Licensed to operate in 25 countries in MENA with focus on 7 core markets
- Subscriber base of around 1.1mn and 310K+ digital platform users
- First in the region to introduce digital platform with OSN Play in 2012. Launched its OTT proposition OSN Go in 2014; re-launched as WAVO in 2017
- Exclusive access to the most comprehensive portfolio of rights from 7 major Hollywood studios
- Premium content offerings with 159 channels incl. 59 HD channels (highest in the region)
- ~2,000 employees in 13 offices, 24 warehouses and 170 retail locations

Low Pay TV penetration in MENA region indicates huge market potential

	Population (Mn)	Pay TV (Mn; Est.)	TV Households (Mn)	TV Households / Households (%)	Pay TV / TV Households (%)
MENA Region¹	345	7	69	96%	~10%
Latin America	613	32	56	NA	57%
UK	66	15	27	97%	54%
India	1317	148	183	62%	82%
US	325	102	118	94%	86%

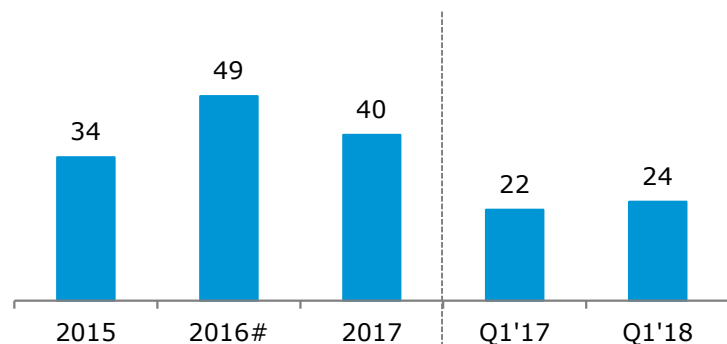
Notes:
¹MENA region represents data of: Bahrain, KSA, Kuwait, Oman, Qatar, UAE, Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia and Yemen (OSN's core and target markets);
 Source: IMF WEO Database October 2017, Euromonitor, Statista

Other key entities:

United Industries Company (UIC)

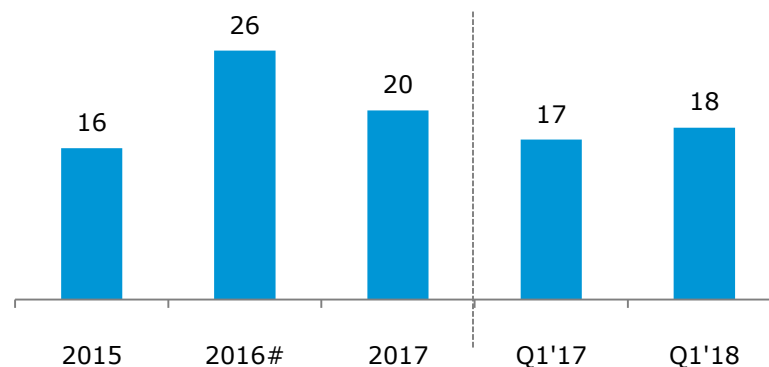
Total Revenue

USDmn



Net Profit

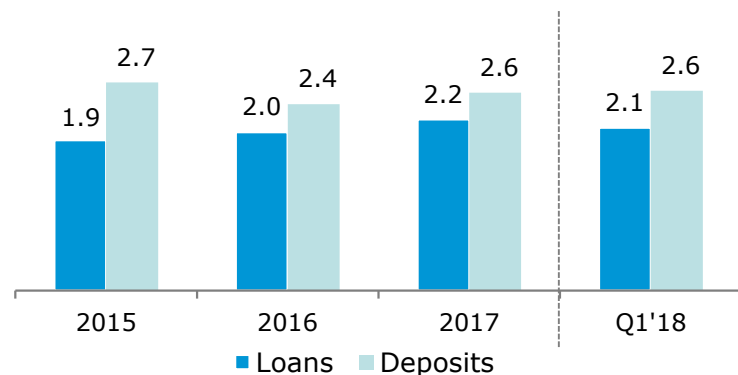
USDmn



Jordan Kuwait Bank (JKB)

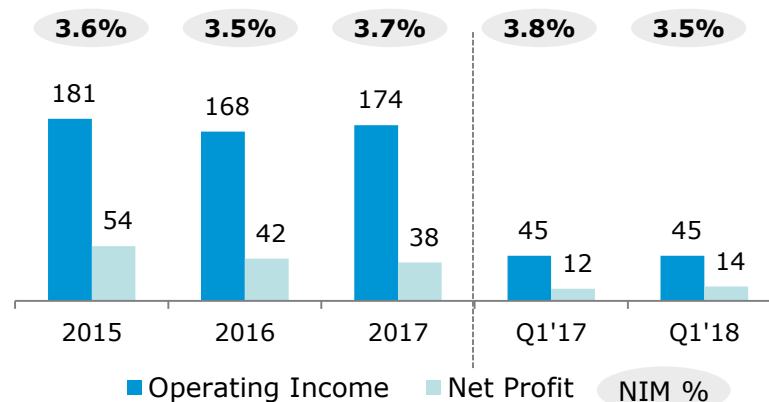
Loan & Deposit Growth

USDbn



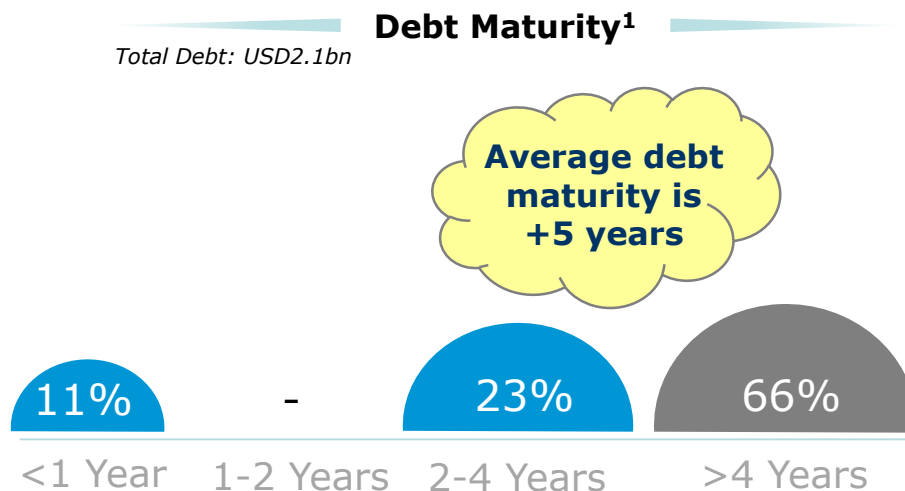
Operating Income & Net Profit

USDmn



Includes USD13mn as of one-off income on reclassification of investment from AFS to associate
 Notes: Exchange rate of USD/JOD of 0.70784 as of 31 March 2018 has been used for conversion

KIPCO parent debt profile: As at 31 March 2018



¹As of 31 March 2018



- Cash & bank balance of USD1,027mn
 - The current cash balance covers all debt obligations due till July 2020 (4.4x coverage for 2019)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

IFRS 9 update

- On 24 July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments, which is effective 1 January 2018
- This standard brings together required changes mainly in the “Classification & Measurement” of financial instruments and new Impairment model: Expected credit model “ECL”. KIPCO has elected to restate 2018 opening balance of retained earnings, changes in fair value reserves and non-controlling interest with no prior year restatement
- The impact on KIPCO’s equity as a result of implementation of IFRS 9 is KD120.6mn as on 1 January 2018 and the same has been recognized in KIPCO’s financial statements through retained earnings for the quarter ending 31 March 2018. The impact can be split as:
 - Due to changes in “Classification & Measurement” of financial instruments: KD2.5mn
 - Due to implementation of ECL model: KD118.1mn

KIPCO consolidated: Balance Sheet

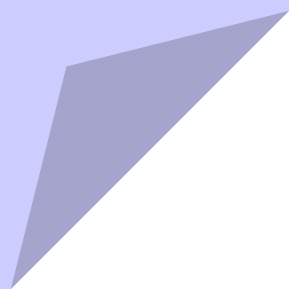
Consolidated balance sheet USDmn	2015 Restated	2016	2017 Restated	Q1 2018
Cash in hand & at banks	5,306	4,864	5,236	4,895
Treasury bills & bonds	2,268	2,253	2,157	2,755
Investment in associates	1,413	1,476	1,252	1,229
Investment in a media joint venture	557	499	593	595
Investment properties	1,413	1,431	1,745	1,771
Other investments	1,943	1,897	2,092	1,167
Other assets (inc. goodwill & intangibles)	19,080	20,881	21,436	20,319
Total assets	31,980	33,301	34,511	32,731
Debt	26,654	28,058	28,785	27,602
Other liabilities	1,135	1,185	1,684	1,723
Shareholders' equity	1,682	1,573	1,465	1,058
Perpetual capital securities	480	489	489	489
Non-controlling interest	2,029	1,996	2,088	1,859
Total liabilities and shareholders equity	31,980	33,301	34,511	32,731

KIPCO consolidated: Income Statement

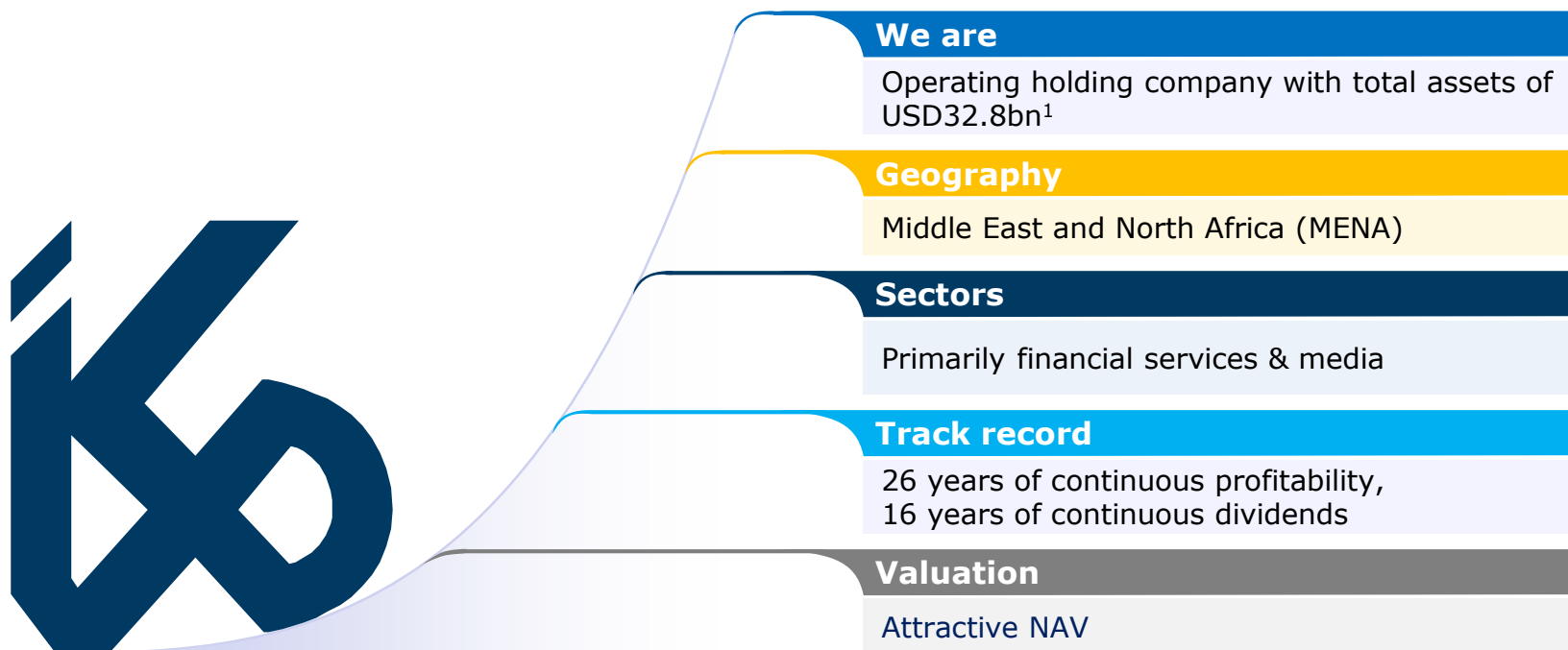
Consolidated income statement USDmn	2015 Restated	2016	2017	Q1 2017 Restated	Q1 2018
Interest income	1,038	1,242	1,289	300	367
Investment income	102	93	237	16	5
Fees & commission income	169	187	177	46	39
Share of results of associates	97	120	43	31	26
Share of results of a media joint venture	35	(21)	(102)	(14)	(33)
Hospitality & real estate income	222	258	313	76	75
Other revenues	404	326	230	51	91
Total revenues	2,067	2,204	2,187	506	570
Total expenses	1,660	1,849	1,927	434	495
Taxation	54	61	52	14	14
Non-controlling interest	182	142	129	41	43
Net profit	171	152	79	17	19
Basic Earnings Per Share, Cents (Reported)	10.9	9.5	4.0	0.4	0.5



Thank you



A diversified company with deep regional expertise & roots



Majority owned
by ruling family
of Kuwait

A transparent
company with
an experienced
management
team

Listed on
Kuwait Stock
Exchange with a
market cap of
USD1.4bn²

Credit ratings:
S&P: BBB-
Moody's: Baa3













Gateway to MENA with superior access to opportunities

¹As on 31 March 2018

²As on 29 March 2018

Note: : Exchange rate of USD/KD of 0.29975 has been used in the presentation for financial numbers

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2017) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	47%
KSA 		●	●			●		4%
UAE 		●	●	●	●			5%
Bahrain 		●	●	●	●			3%
Qatar 		●		●				1%
Turkey 	●							15%
Jordan 	●	●	●	●				9%
Egypt 		●	●	●			●	5%
Algeria 	●	●	●					4%
Iraq 	●	●	●					2%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	2%
Revenue (Q1'18) ²	47%	15%	14%	10%	4%	5%	5%	
Assets (Q1'18) ³	72%	5%	4%	8%	7%	2%	2%	

Attractive presence in high growth economies and promising sectors

¹ Assuming consolidation of GIG & OSN

² Total revenue of USD0.9bn, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN

³ Total assets of USD37.9bn, based on reported segmental assets (before inter group eliminations) post consolidation of 100% assets of GIG & OSN

Core holdings

All core holdings are market leaders in their space



Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)

² In terms of revenue and countries of operations

³ By Gross premium written (GPW) and Direct premiums

⁴ By GPW

⁵ By technical profit among private sector players (all ranking is as of 31 December 2017)