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

BASE for next 5 YEARS

Investor Presentation | November 2017

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Key Investment Highlights

Our business, strategy and team

Our Business

- Holding company with total assets of USD32.2bn[1]
- Operating across the GCC and wider MENA region; presence in 24 countries
- Multi-sector operator: commercial banking, asset management and investment banking, insurance, media, real estate and industrial
- Proven track record; 25 consecutive years of profits, 15 years of dividend payment and ~14% book value per share growth in last 10 years[2]
- Listed on the Kuwait stock exchange with a market capitalisation of USD1.4bn[3]

Our Strategy

- Controlling stakes in operating businesses in growth markets
- Seek to generate sustainable and predictable operating cash flows
- Partner with global or local businesses with a proven track record
- Maximize value from businesses with a medium-to long-term horizon
- Target 15% revenue growth and 15% ROE over the business cycle
- Selective disposal where targeted growth criteria is not met

Our Team

- Average tenure of management is 16 years
- Vice Chairman, COO & Group CFO have been with the Group for 28 years

KIPCO is a multi-sector operating holding company with a diversified portfolio spanning the GCC and wider MENA region

[1] As of 30 September 2017 [2] Assuming no dividend was paid; between 31 December 2006 and 30 September 2017 [3] As of 13 November 2017

Note: : Exchange rate of KD/USD of 0.30605 has been used in the presentation for yearly financial numbers and 0.30215 for nine month period

Key investment highlights

Proven Track Record	▸ Sustained profitability for the last 25 years ▸ 15 years of continuous dividends
Ruling Family Shareholders	▸ Al Futtooh Holding Co. owned by members of Kuwaiti ruling family have a controlling stake of 44.7% ▸ Shareholders since 1988; have supported KIPCO in all capital raising exercises
Market Leadership[1]	▸ Burgan Bank is #2 conventional bank in Kuwait[2], OSN is leading pay-TV platform in MENA[3], Gulf Insurance Group is #1 insurer in Kuwait[4], United Real Estate Company is #2 real estate player on KSE[2]
Strong Liquidity[1]	▸ Cash balance of USD897mn; covers all debt repayments due till December 2022 ▸ ~57% of the portfolio[5] is listed, and can be liquidated at short notice
Credit Rating	▸ BBB-/Stable (S&P), Baa3/Stable (Moody's) ▸ Burgan Bank and Gulf Insurance Group have strong investment grade ratings
Diversified Portfolio	▸ Benefit from growth and economic diversification in Kuwait and the broader MENA region ▸ Portfolio spans multiple industries at different stages in the business life-cycle
Financial Discipline[1]	▸ Maintained circa four dollars of assets for every dollar of net debt for 10 consecutive years ▸ Average debt maturity of 5.1 years as of 30 September 2017
"Best in Class" Transparency	▸ First company in the GCC to host annual investor forum with earnings guidance ▸ "Best in Class" Investor Relations Department with current and up-to-date disclosure

[1]As of 30 September 2017 [2]By assets [3]By revenue and countries of operations [4]By Gross premiums & net premiums written
[5]Comprises listed principal companies and listed investments as of 30 September 2017

Business Overview

Our strategy

Building
Businesses

MENA
Regional outlook

Target ROE: 15%+
Investing in engines of growth

Balanced Portfolio
Diversified revenue streams

Being first in the region
Thought leadership

Team Approach
Strong managerial expertise

Our presence by geographies & sectors

Geography	Major sectors							
	Commercial banking	Media	Insurance	Real Estate	AMIB	Industrial	Others	Revenue (2016) [1]
Kuwait	●	●	●	●	●	●	●	42%
KSA		●	●			●		7%
UAE		●	●	●	●			7%
Bahrain		●	●	●	●			2%
Qatar		●		●				1%
Turkey	●							13%
Jordan	●	●	●	●				10%
Egypt		●	●	●			●	8%
Algeria	●	●	●					3%
Iraq	●	●	●					2%
Malta	●				●			2%
Tunisia	●	●			●			1%
Others	●	●	●	●	●		●	2%
Revenue (9M'17) [2]	47%	17%	15%	8%	8%	3%	2%	
Assets (9M'17) [3]	74%	4%	5%	7%	6%	2%	2%	

Attractive presence in high growth economies and promising sectors

[1] *Assuming consolidation of GIG & OSN*
[2] *Total revenue of USD2.6bn, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN*
[3] *Total assets of USD37.7bn, based on reported segmental assets (before inter group eliminations) post consolidation of 100% assets of GIG & OSN*

AMIB = Asset Management & Investment Banking

Core holdings

All core holdings are market leaders in their space

#2
Conventional bank in Kuwait[1]

BURGAN BANK

#1
Insurer in Kuwait[3], Bahrain[4], Jordan[4] & Egypt[5]

Gulf Insurance | gig

#2
Listed real estate player on Kuwait Stock Exchange[1]

URC United Real Estate Co

osn

Leading premium Pay TV operator in MENA region[2]

United Gulf Bank

KAMCO

#1
Asset Manager in Kuwait with highest AuM

United Industries Company

Leading industrial company In Kuwait with investments across petrochemicals, food and healthcare sectors

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 30 September 2017)*

Controlling or majority stakes

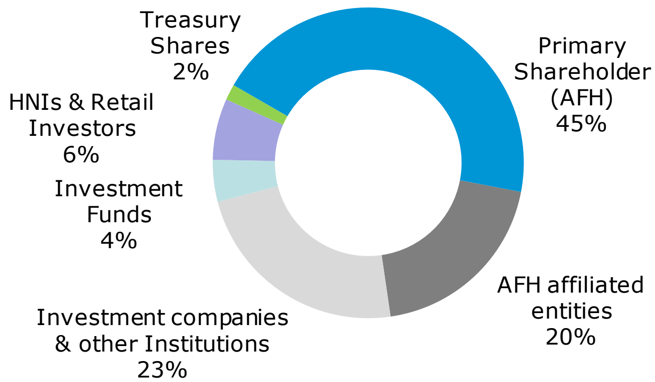
Main Entities	Burgan Bank	OSN	UGH	KAMCO	gig	URC
KIPCO Effective Stakes[1]	64.1%	60.5%	96.4%	83.2%[3]	45.6%	72.5%
Board Representation	6 of 9	2 of 7[5]	4 of 7	5 of 5	4 of 10[4]	4 of 7
Market Cap (USDmn)[2]	2,184	Unlisted	868	55	355	281
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB (UGB)	Unrated	S&P: A- (GIRI); A- (GIG) AM Best: A	CI: BBB
	Commercial Banking	Media	Asset Management & Investment Banking (AMIB)		Insurance	Real Estate

Solid & well managed portfolio of fast growing and attractive industries

Notes:
[1] Effective stakes given are as of 30 September 2017 except OSN which is as of 13 November 2017
[2] Market capitalisation as of 13 November 2017 (Source: Bloomberg for market price)
[3] Stake in KAMCO is held through UGHC
[4] GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors
[5] OSN has 7 board members – 2 each from KIPCO and Mawarid and 3 independent directors
CI = Capital Intelligence GIRI = Gulf Insurance & Reinsurance Company - the core Kuwaiti subsidiary of Gulf Insurance Group (GIG)

Supportive shareholder with ruling family links

Shareholding Profile[1]



Kuwaiti Ruling Family Support

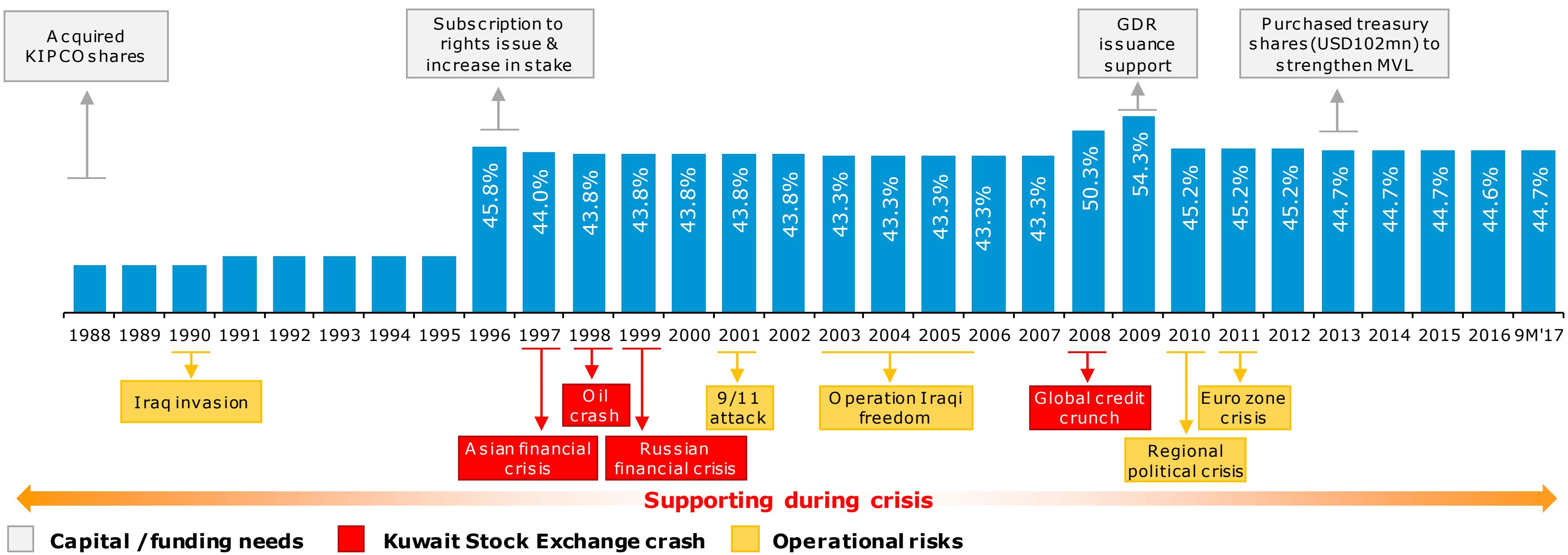
KIPCO’s principal shareholder is Al Futtooh Holding Company K.S.C. (Closed) (“AFH”), a Kuwaiti company owned by members of the Kuwaiti ruling family

Direct holding of 44.7%; Shareholder since 1988

Have supported KIPCO in all its endeavours including capital raising, reduced dividends and treasury shares repurchases

Focused on promoting KIPCO as a role model for the private sector in the region

AFH’s Continuing Support to KIPCO



[1]As of 30 September 2017

Key developments & performance update

Burgan Bank (BB)

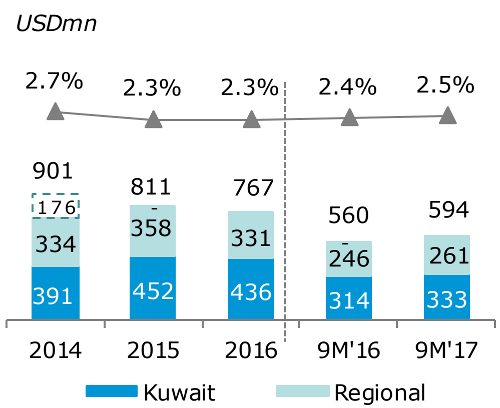
Business highlights

- Kuwait based commercial bank with a regional presence in seven countries
- 2nd largest conventional bank in Kuwait in terms of assets (Total assets of USD23.4bn[1])
- BBB+ rating from S&P and A3 from Moody's and A+ from Fitch
- Basel III capital adequacy ratio of 16.4%[1]
- Listed on the KSE with a market cap of USD2,184mn as of 13 November 2017

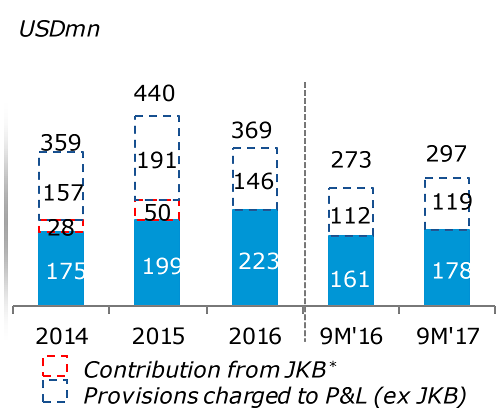
Key Franchises

Name	Market Position	Effective Stake[1]	Assets[1] USDmn	Revenue[1,2] USDmn
Burgan Bank Kuwait	#2 conventional bank	100%	17,303	346
Burgan Bank Turkey	Niche player in corporate banking	99%	4,781	116
بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	1,803	87
مصرف بغداد Bank of Baghdad	#1 licensed private sector bank in Iraq	52%	952	42
بنك تونس العالمي Tunis International Bank	Leading offshore bank in Tunisia	87%	574	15

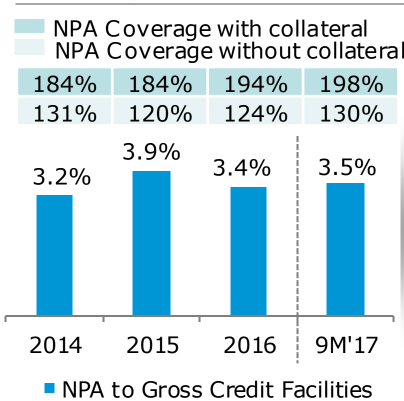
Operating Income

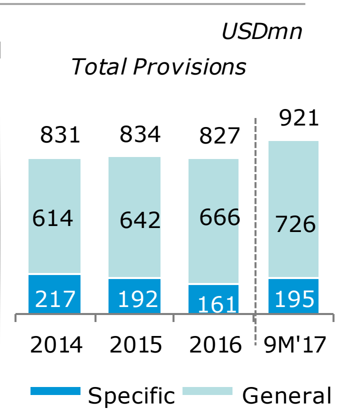


Net Profit & Provision



Loan Quality





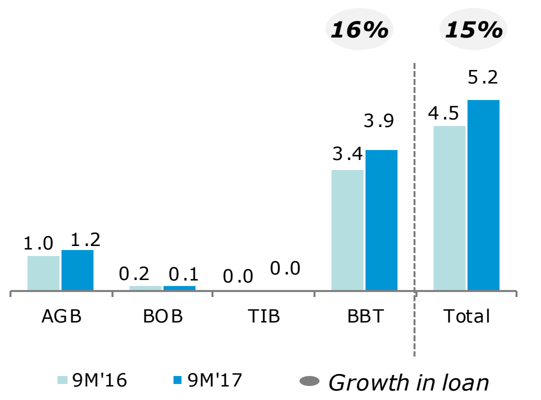
BB, the commercial banking arm of KIPCO group, is a regional player with market leadership position

[1]As on 30 Sept 2017 [2]Operating income defined as revenue
*Stake in Jordan Kuwait Bank was sold by BB to a subsidiary of KIPCO in December 2015

Burgan Bank: Regional operations

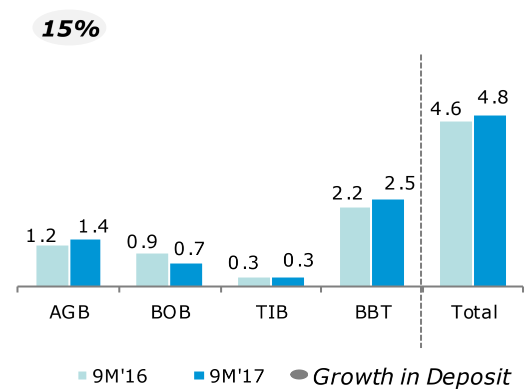
Loan Growth

USDbn



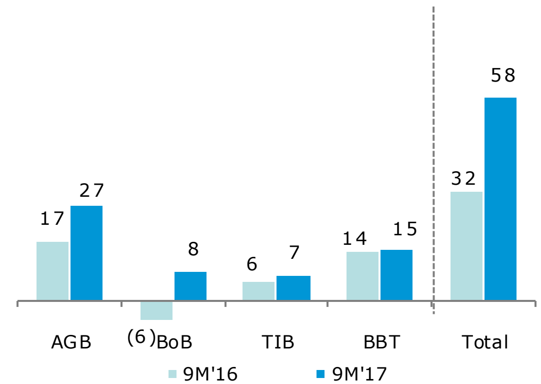
Deposit Growth

USDbn



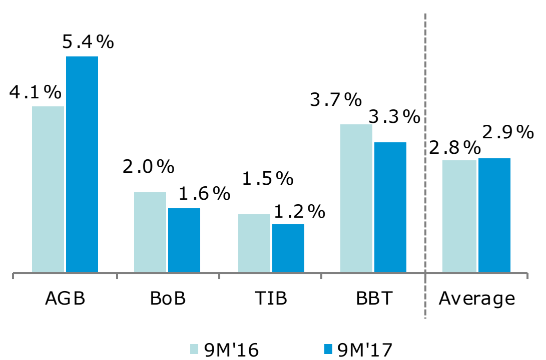
Net Profit[1]

USDmn



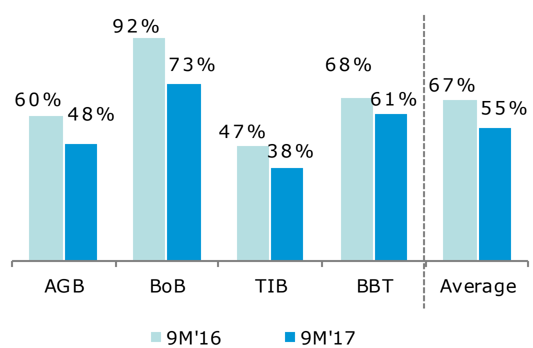
Net Interest Margin

Percentage



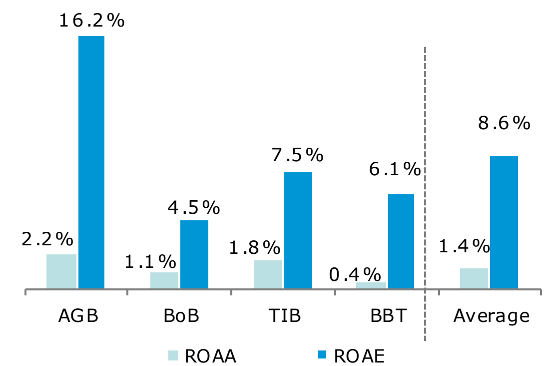
Cost to Income

Percentage



Return on Avg. Assets & Equity

Percentage



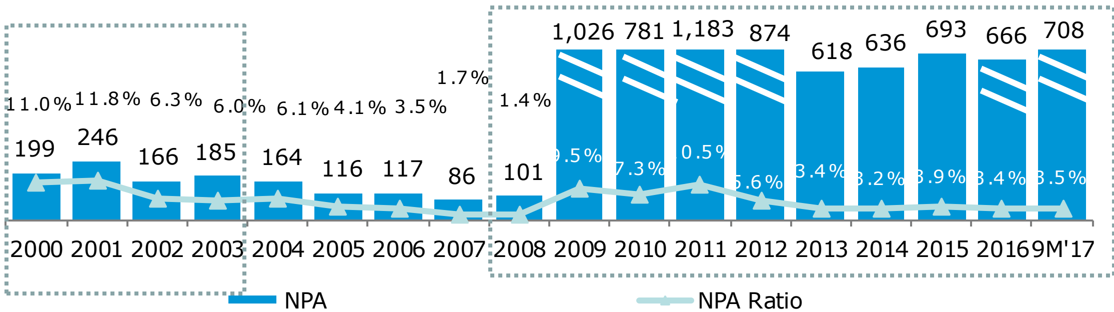
Sound performance in challenging operating environment

[1]Represents 100% profits attributable to parent for each of the subsidiary;
AGB = Algeria Gulf Bank   BOB = Bank of Baghdad   TIB = Tunis International Bank   BBT = Burgan Bank Turkey

Burgan Bank: NPA[1] & provisioning trend

NPA Trend

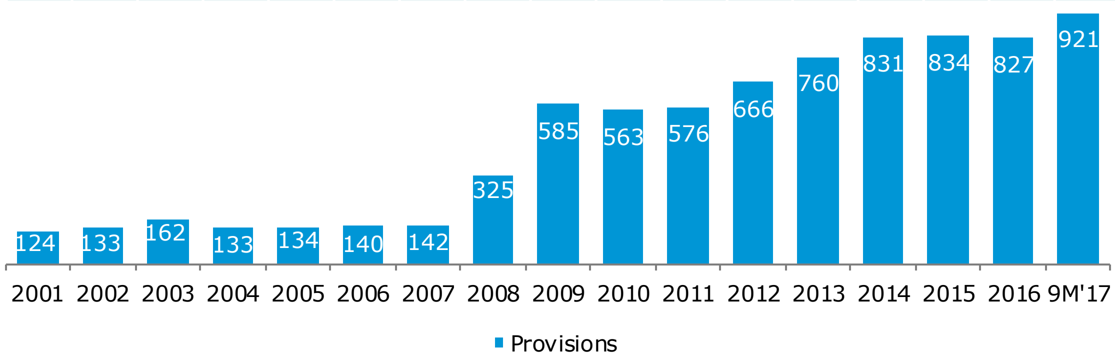
NPA (USDmn)
NPA Ratio (Percentage)



Provisions Trend

NPA Coverage with collateral
NPA Coverage without collateral

50%	80%	87%	81%	116%	119%	165%	321%	90%	111%	108%	144%	175%	184%	184%	194%	198%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	130%



- At end of September 2017, combined coverage of non performing assets (NPA) was **198%**
- NPA Ratio was 3.5% as on 30 September 2017
- ~79% provisions in general category as on 30 September 2017
- Prudent approach to credit cycle
  - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01** cycle

[1]*NPA includes on balance sheet and off balance sheet exposure*

Gulf Insurance Group (GIG)

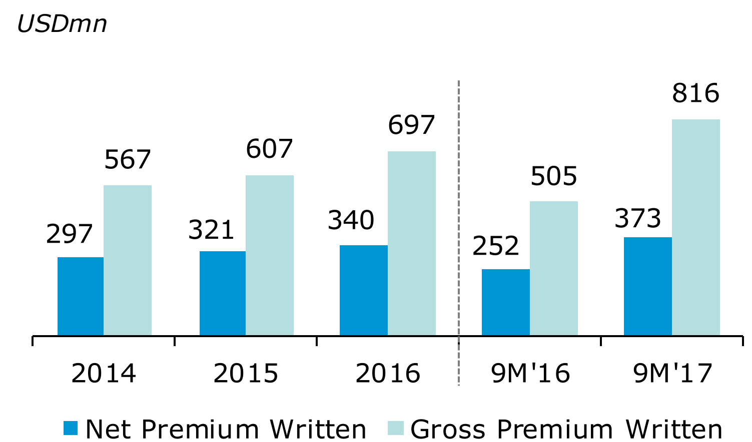
Business highlights

- Kuwait-based insurance company listed on the KSE
- Presence across the MENA region
- Operates through a network of 50 branches in MENA
- Market leader in Kuwait (by GPW and direct premiums) for 15 consecutive years
- A- rating (GIRI) and A- rating (GIG) from S&P; A Rating from AM Best

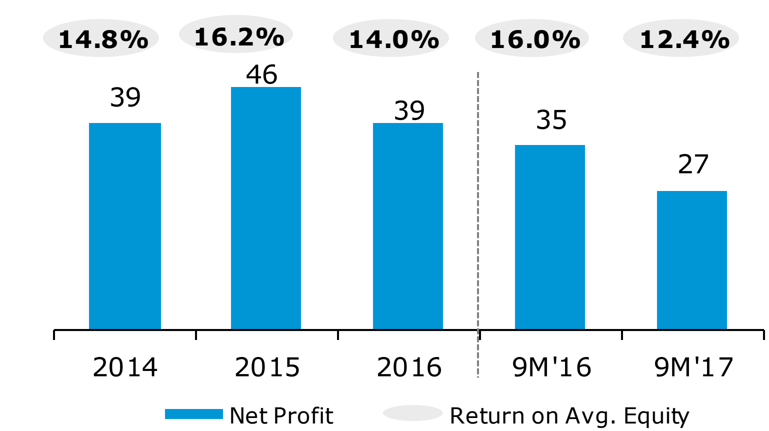
Key Franchises

Name	Market Position	Effective Stake[1]	Assets[1] USDmn	Revenue[1,2] USDmn
Gulf Insurance & Reinsurance Company	#1 by GPW in Kuwait	99.8%	657	204
Bahrain Kuwait Insurance	#1 by GPW in Bahrain	56.1%	363	55
Arab Orient Insurance	#1 by GPW in Jordan	90.4%	160	52
Arab Misr Insurance	#1 by technical profits in Egypt	94.9%	78	20
Fajr Al Gulf Insurance	Niche player in Lebanon	92.7%	11	0.1
Dar Al Salam Insurance	Niche player in Iraq	59.8%	4	0.3

Gross & Net Premium Written



Net Profit & ROE



GIG, the insurance arm of KIPCO, is amongst the top insurance players in the MENA Region

[1]As of 30 September 2017

[2]Revenue includes net premiums earned, reinsurance commission, policy issuance fees and net investment income

OSN: Overview

MENA pay TV potential

	Population (Mn)	Pay TV (Mn; Est.)	TV Households (Mn)	TV Households / Households (%)	Pay TV / TV Households (%)
MENA Region[1]	345	7	69	96%	~10%
Latin America	613	32	56	NA	57%
UK	66	15	27	97%	54%
India	1,317	148	183	62%	82%
US	325	102	118	94%	86%

Low Pay TV penetration in MENA region indicates huge market potential

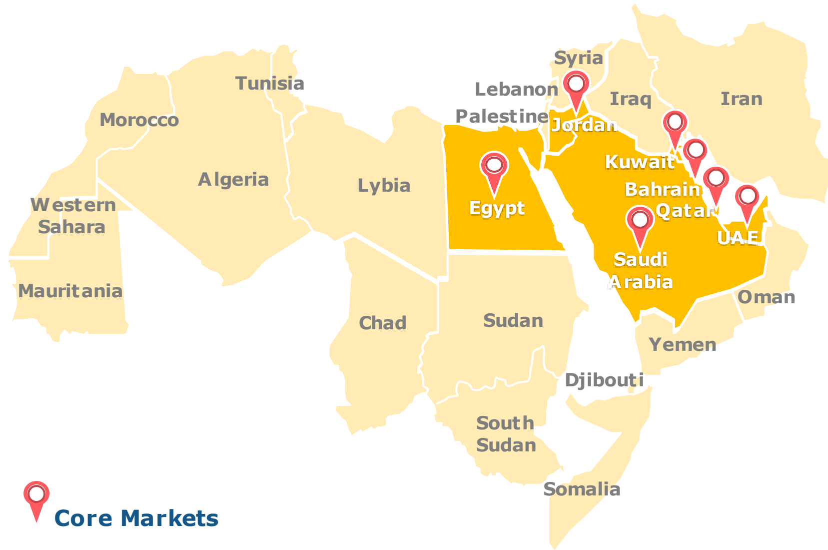
Notes:
[1]MENA region represents data of: Bahrain, KSA, Kuwait, Oman, Qatar, UAE, Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Suda n, Syria, Tunisia and Yemen (OSN's core and target markets);
Source: IMF WEO Database October 2017, Euromonitor, Statista

OSN: Overview…cont'd

Overview

- Largest premium Pay TV operator in MENA region (HQ in Dubai), created by the merger of Showtime and Orbit in 2009
- Licensed to operate in 26 countries in MENA with focus on 7 core markets
- First in the region to introduce digital platform with OSN Play in 2012. Launched OSN Go (OTT) in 2014
- Subscriber base of around 1mn and 310K+ digital platform users; market leader by revenue
- 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 163 retail locations

Pan Arab reach



Strong shareholders

As of 13 November 2017

United Gulf Holding Company (UGHC)*

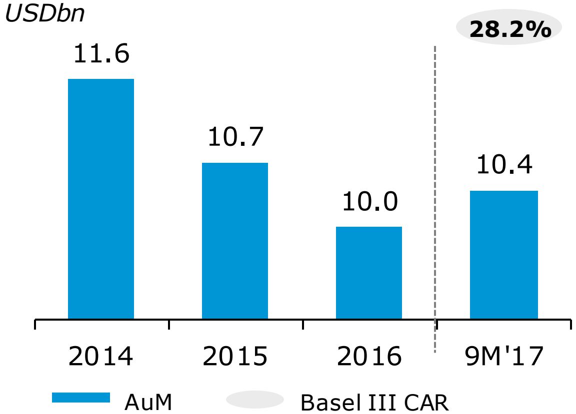
Business highlights

- Bahrain-based financial services group listed on the Bahrain Stock Exchange
- Activities include asset management, corporate finance advisory and brokerage services in a number of MENA countries
- Investments in companies in financial services and real estate sectors to provide a recurring and stable revenue stream
- Asset base of USD3.0bn[1]

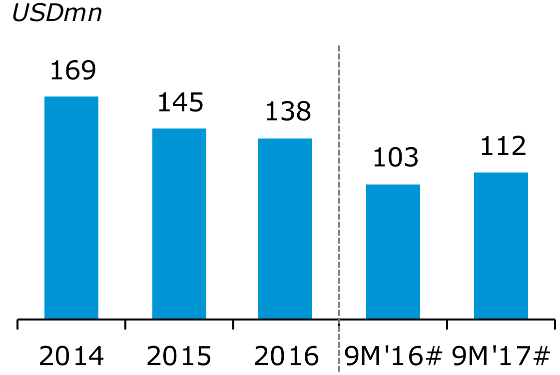
Key Franchises

Name	Market Position	Effective stake[1]	Assets[1] USDmn	Revenue[1,2] USDmn
KAMCO	#1 asset management company in Kuwait by AuM	86%	307	25
BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	23,385	594
URC United Real Estate Co	#2 real estate company in Kuwait by assets	10%	1,933	209
FIMBANK	Niche trade finance player in Malta	61%	1,733[2,3]	26[2,3]

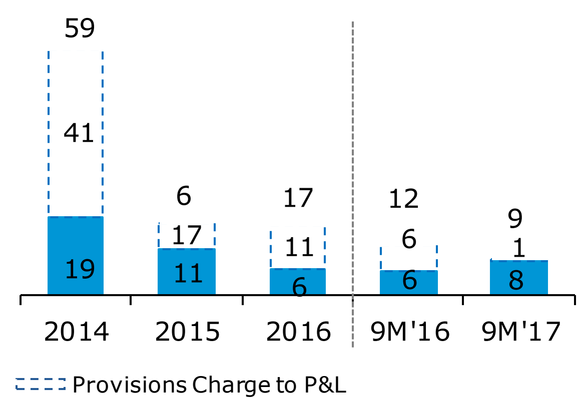
AuM & Capitalisation



Revenue



Net Profit & Provisions



UGHC, the Asset Management and Investment Banking arm of KIPCO Group, is focused on growing the financial services network across the MENA region

**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*
[1]As of 30 September 2017 [2]Operating income defined as revenue [3]As of 30 June 2017
 # Includes revenue from discontinued operation of USD80mn in 9M'16 and USD78mn in 9M'17

United Real Estate Company (URC)

Business highlights

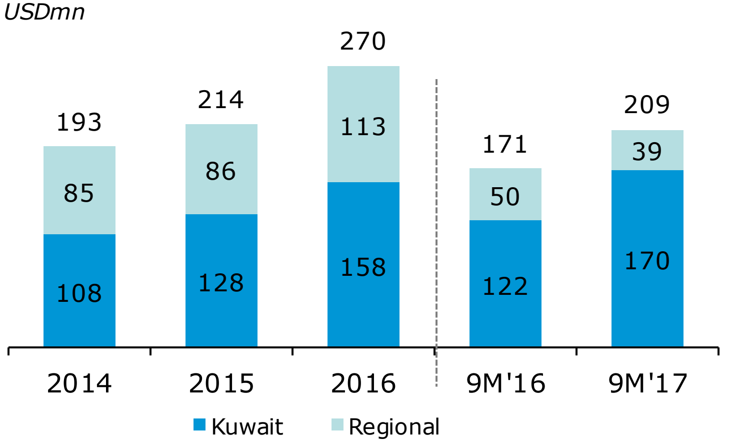
- Operations across the Middle East region through a mix of fully-owned properties, subsidiaries and investment arms
- Stable rental income; rental income growth prospects supported by newly completed Abdali mall
- Major real estate player in Kuwait, ranked second in real estate sector on KSE in terms of asset size of USD1.9bn[2]

Key Franchises

Country	Name of properties
Kuwait	KIPCO Tower, Al Shaheed Tower, Marina World, Marina Hotel, Saleh Shehab
Jordan	Abdali Mall, Abdali Boulevard
Oman	Salalah Mall
UAE	Meydan Office Tower
Egypt	Aswar Villas, Heliopolis, Sharm Al Sheikh
Lebanon	Bhamdoun, Rouche 1090

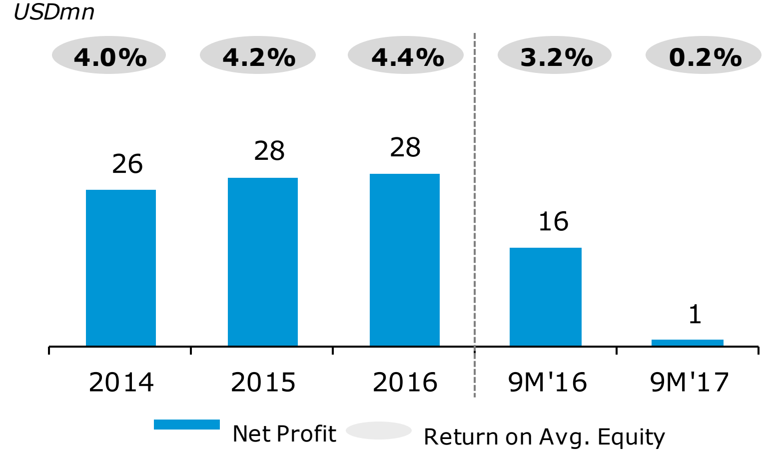
Total Revenue[1]

USDmn



Net Profit & ROE

USDmn



URC is a major real estate player in Kuwait, ranked third based on its assets on KSE

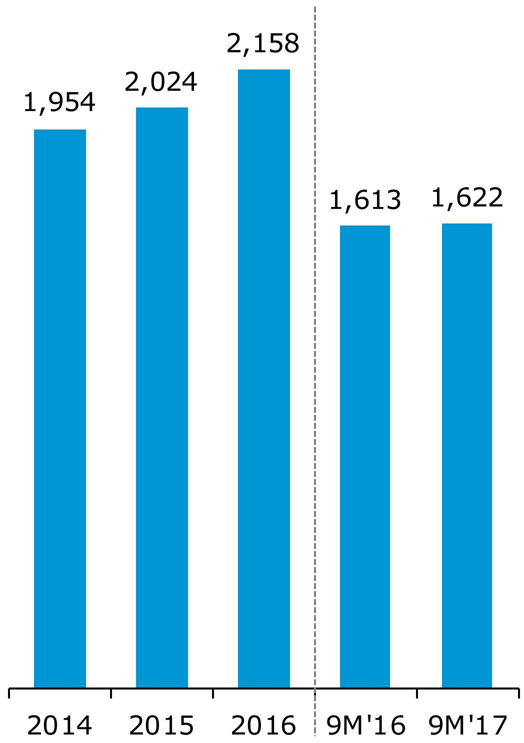
[1]*Total revenue includes income from operational properties, gain on sale of properties & associates, valuation gain on properties, investment income, share in income of associates, interest income & forex gains*

[2]As of 30 September 2017

KIPCO consolidated: Financial performance

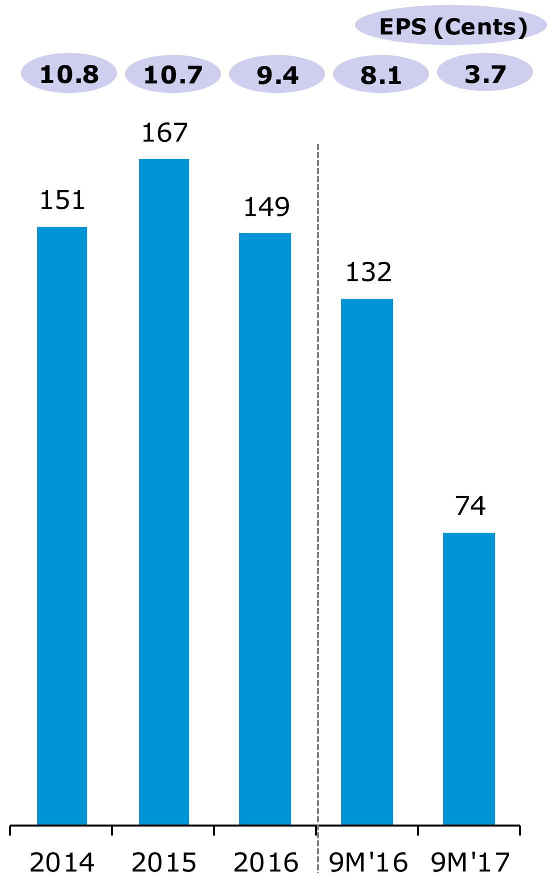
Revenue

USDmn



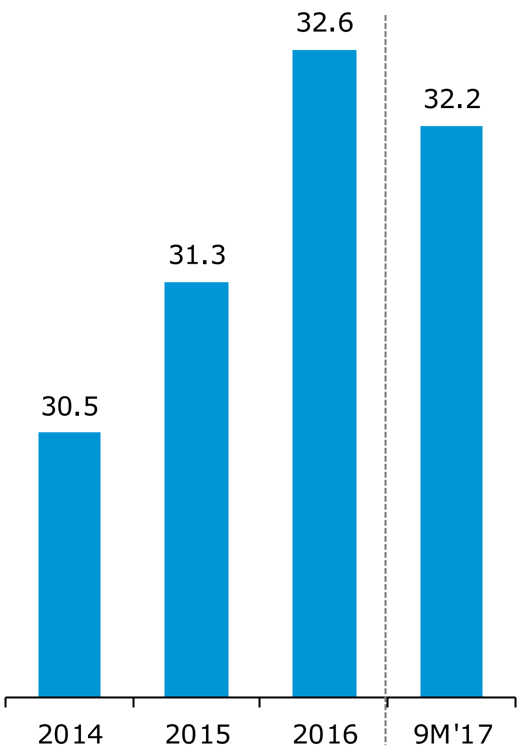
Net Income

USDmn



Consolidated Assets

USDbn



Debt Metrics

KIPCO (Parent): Debt Metrics

(USDmn)

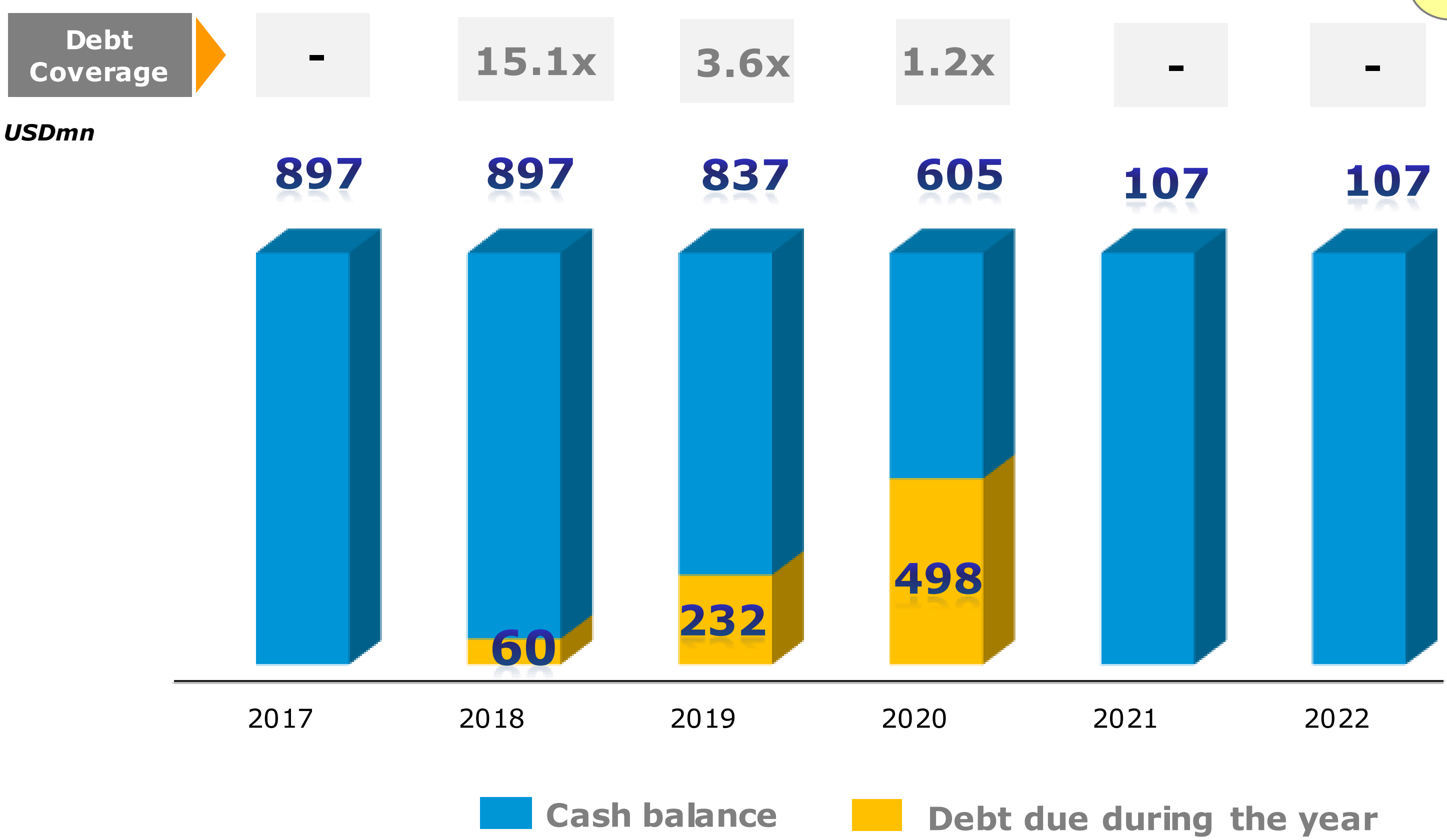
KIPCO (Parent)	Financial Targets	31 December 2014	31 December 2015	31 December 2016*	30 September 2017
Cash & Cash Equivalents		874	1,000	817	897
Gross Debt		1,820	1,874	1,611	1,776
Net Debt		946	874	794	879
Shareholders' Equity		1,880	1,877	1,776	1,738
Net Parent Debt / Shareholders' Equity		0.50x	0.47x	0.45x	0.51x
Estimated Investment Portfolio Value		3,980	3,558	3,223	3,380
Net Debt / Portfolio Value	20 – 30%	23.8%	24.6%	24.6%	26.0%

** Restated*

Note: : Exchange rate of KD/ USD of 0.30605 has been used in the presentation for yearly financial numbers and 0.30215 for nine month numbers

KIPCO parent: Significant cash coverage till 2022

Current cash sufficient to meet all debt obligations till Dec’2022



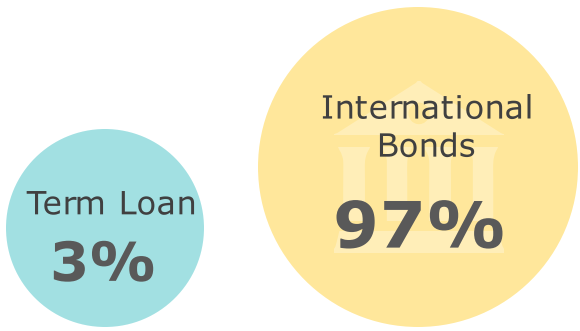
In February 2017, KIPCO prepaid KD35mn bilateral facility due in January 2018

Debt coverage: Available Cash / Debt due in the year

KIPCO parent debt profile: As at 30 September 2017

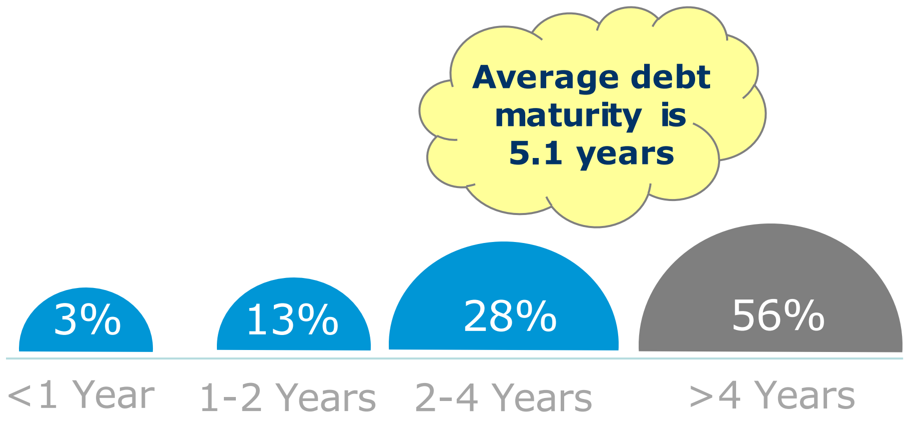
Debt Type[1]

Total Debt: USD1.8bn



Debt Maturity[1]

Total Debt: USD1.8bn



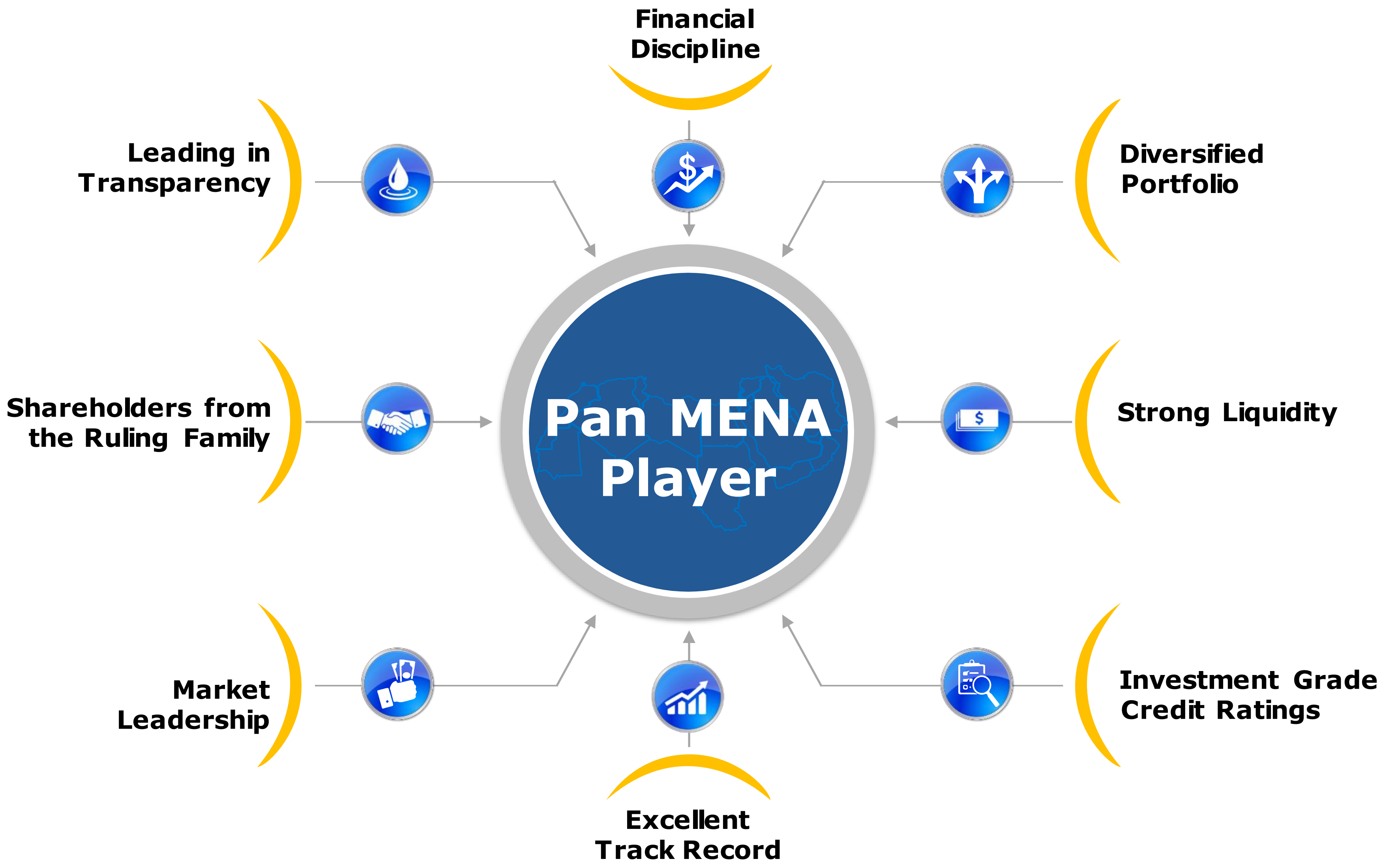
[1]As of 30 September 2017

- Cash & bank balance of USD897mn
  - The current cash balance covers all debt obligations due till December 2022 (15.1x coverage for 2018)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

In February 2017, KIPCO prepaid KD35mn bilateral facility due in January 2018

Why KIPCO

Key credit highlights



Thank you

Annexure

United Industries Company (UIC)

Business highlights

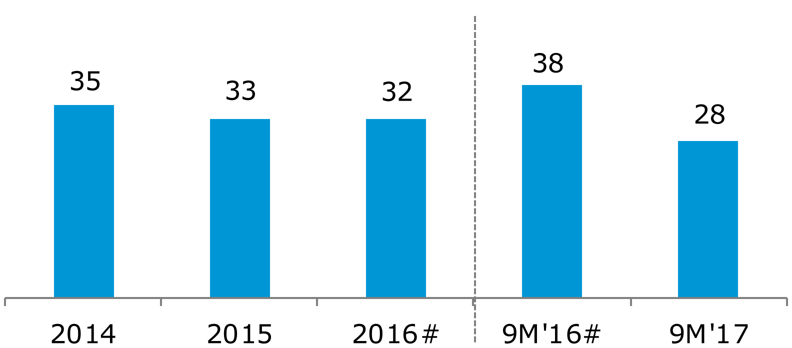
- Established in 1979, UIC operates as a holding company for the group's industrial investments
- UIC's mission is to manage a diversified portfolio of investments in the energy, food & basic industries sector

Key Franchises

Name	Market Position	Effective Stake[1]	Assets USDmn	Revenue USDmn
QURAIN Kuwait	Leading private company in petrochemical	31%	2,067[1]	299[2]
Advanced Technology Company Kuwait	Leading distributor of healthcare equipments	19%	719[3]	230[3]

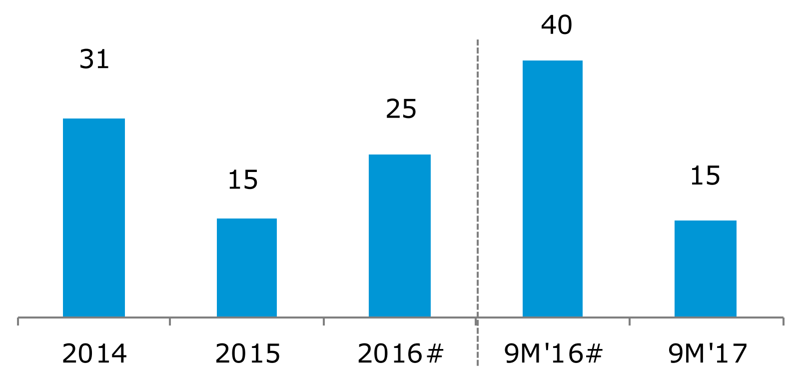
Income from Associates

USDmn



Net Profit

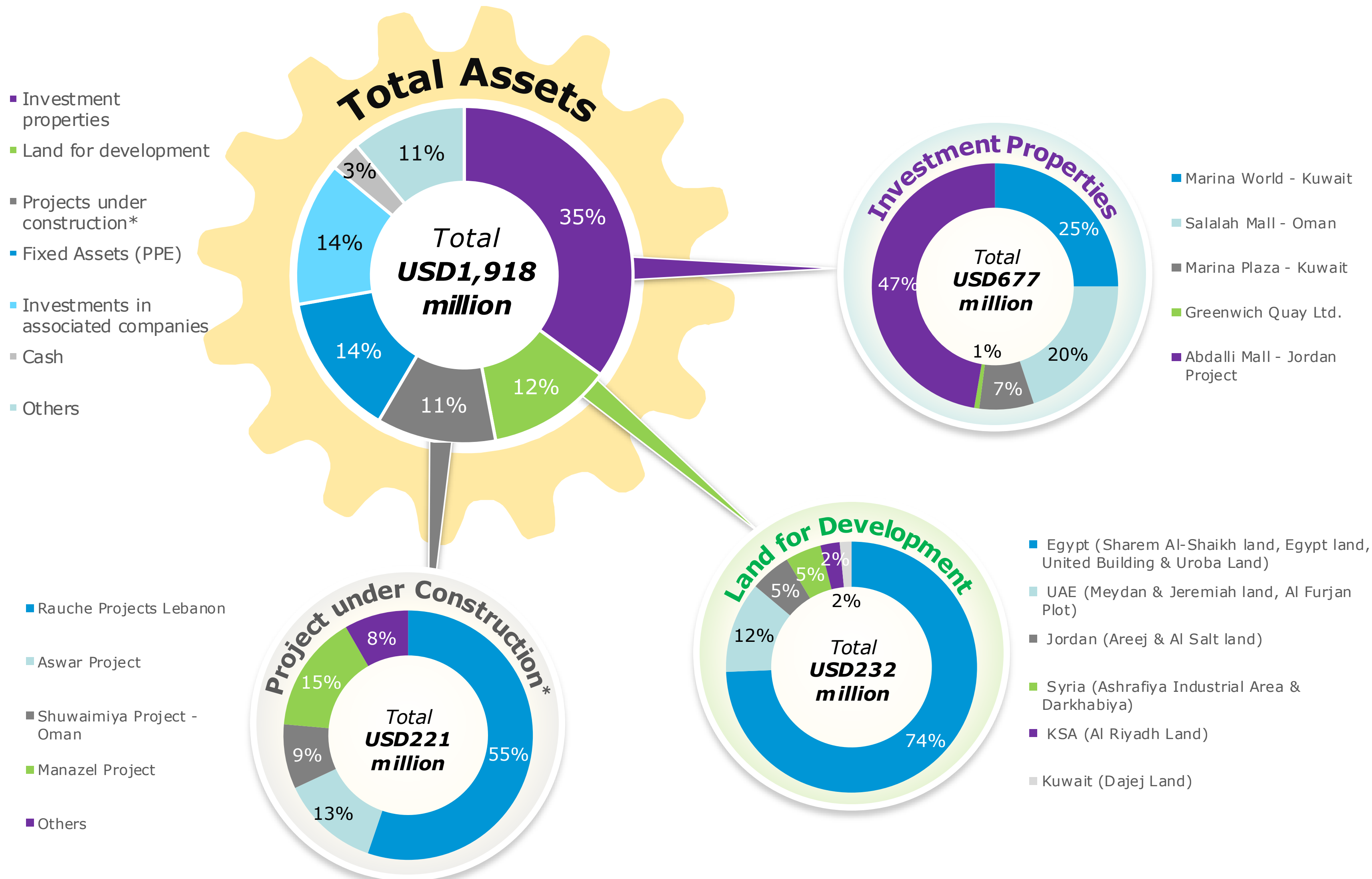
USDmn



UIC seeks to be a leading regional investment house with activities in the industrial sector

[1]As of 30 September 2017 *[2]For the quarter ended September 2017* *[3]For the quarter ended June 2017*
#Includes USD13mn as of one-off income on reclassification of investment from AFS to associate

URC: Balance sheet (Break-up)[1]



** Includes Raouche, Aswar & Manazel which are reported under inventory in the financials*
[1] As on 30 September 2017

Jordan Kuwait Bank (JKB)

Business highlights

- Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- Listed on Amman Stock Exchange with a market capitalization of USD488mn[1]
- 3rd largest conventional bank in Jordan in terms of asset size of USD3.8bn[2]
- Focus on stable and essential sectors like Energy, Industry and Trade and retail and SME segment through expanded distribution network
- Capital adequacy ratio of 19.4%[2]

Operational highlights

Branches[3]
- Jordan: 61
- Palestine: 4
- Cyprus: 1

ATM[3]: 84

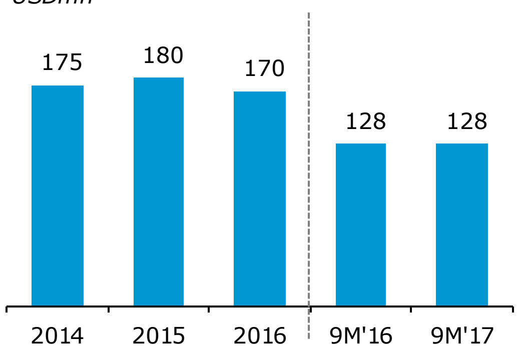
Stake[2]: 51%

Mkt. Share[5,6]
- Loans: 6.2%
- Assets: 5.6%

Employees[4]: 1,139

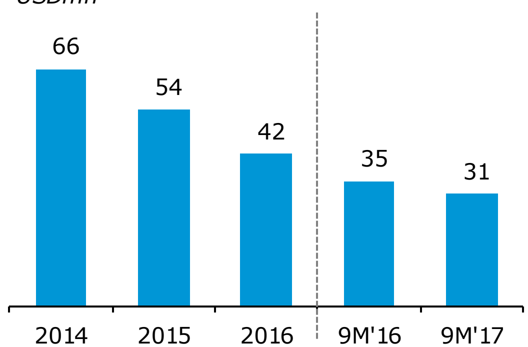
Operating Income

USDmn



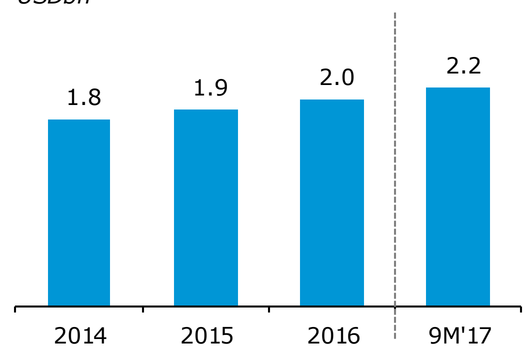
Net Profit

USDmn



Loans and Advances

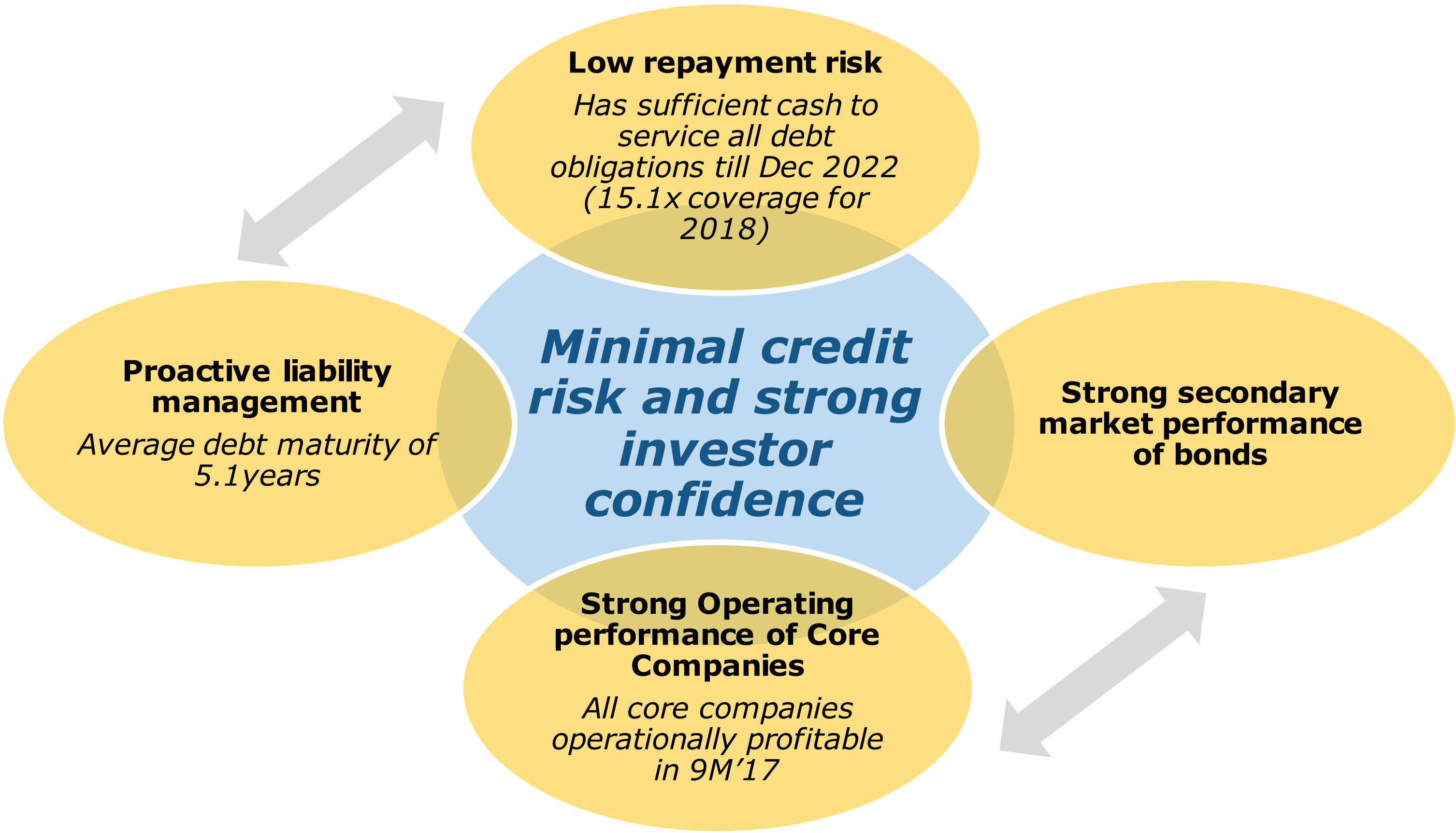
USDbn



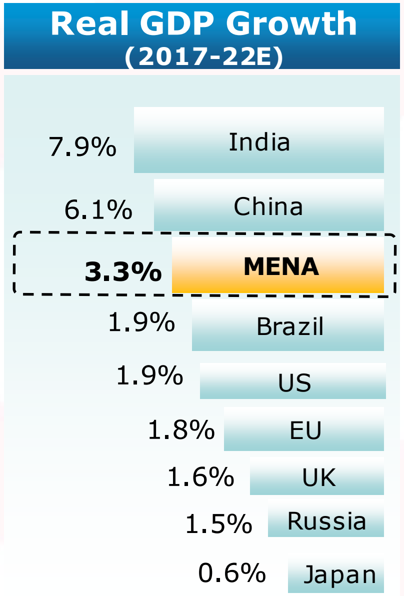
Notes:: Exchange rate of USD/JOD of 0.709 as of 30 September 2017 for nine month numbers and 0.706 as of 31 December 2016 for yearly numbers
2014 financial numbers are directly reported in USD

[1] As of 13 Nov 2017
[2] As of 30 Sep 2017
[3] As of 15 May 2017
[4] As of 31 December 2015
[5] As of 31 March 2017
[6] Source: Central Bank of Jordan

KIPCO: Huge value potential for investors



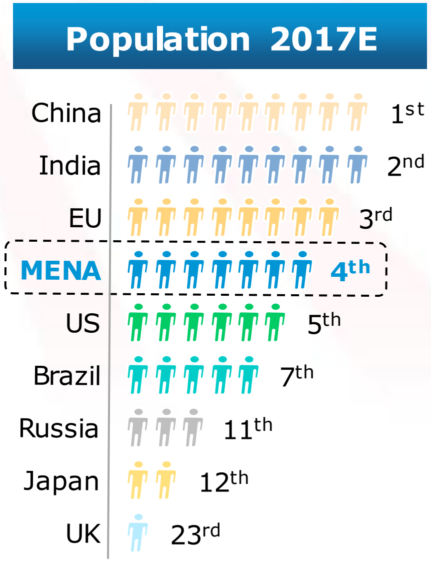
MENA region: Poised for strong economic growth

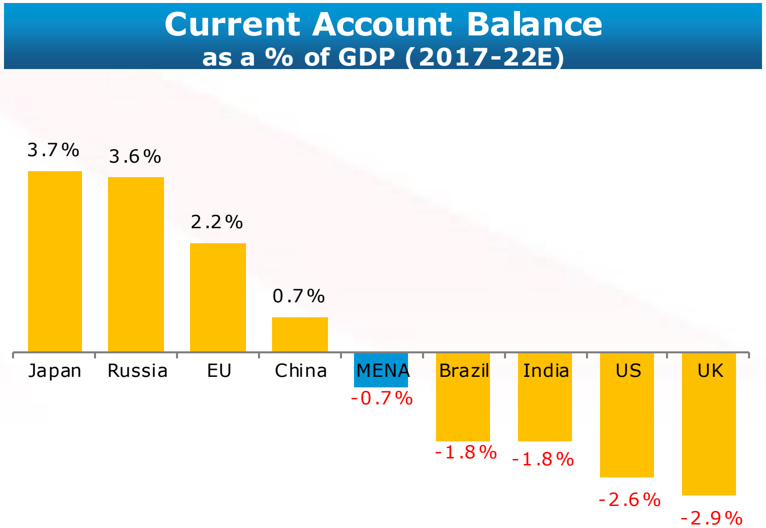


MENA region is characterized by favourable demography and business climate

Currently low level of competition and under penetration

Small but consistently growing non-oil economy





Source: IMF-WEO Database, October 2017

GCC region: Well positioned to deliver growth

One of the highest per capita income, large sovereign wealth funds,

30% **of world's proven *oil reserves,***

along with robust and growing non-oil sector activity …

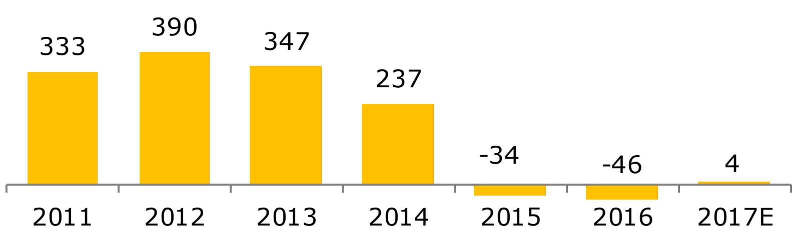
….All contribute to

STRONG GROWTH

fundamentals in the GCC….

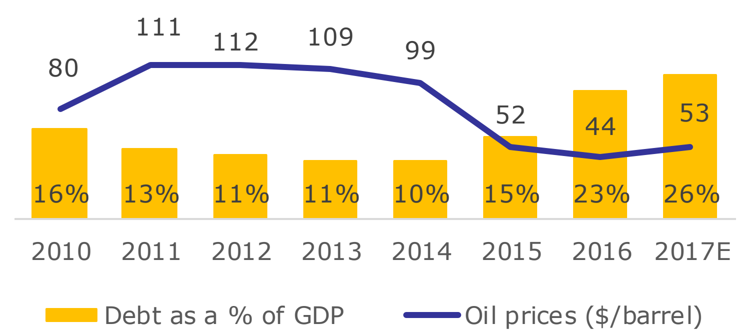
Current Account Surplus

(In USDbn)



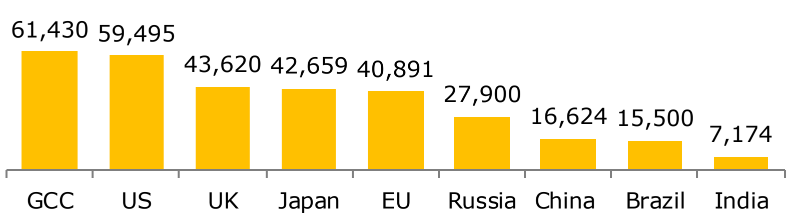
"Accumulated current account surplus of over USD1.23tn from 2011 to 2017"

Government debt as a % of GDP



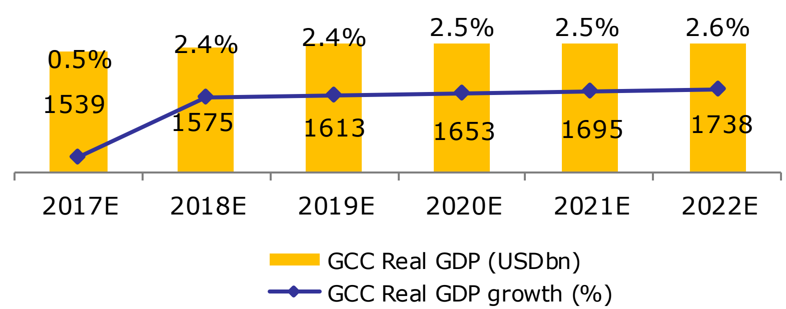
GDP / Capita, PPP (2017E)

(In USD)



Real GDP & GDP Growth (2017E)

(In USDbn)



Source: IMF-WEO Database, October 2017, CIA

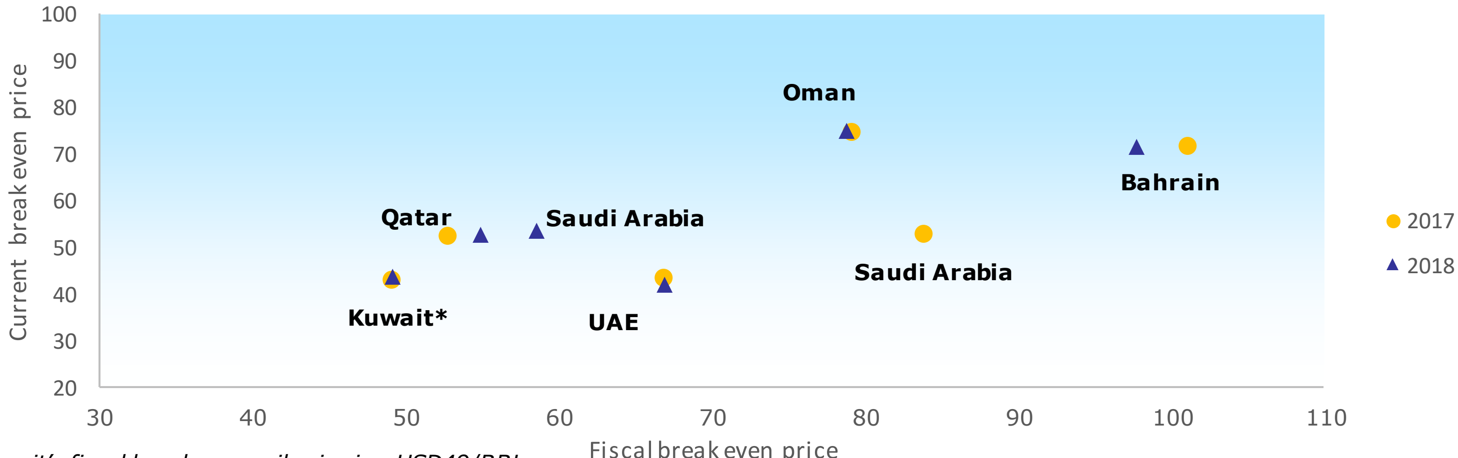
Kuwait: Protected against oil price decline

Prudent Oil Wealth Management

- Kuwaiti government's sovereign wealth fund estimated to be in excess of USD500bn
- 25% of revenue contributed to RFFG during periods of high oil prices and 10% during low oil prices
- Oil output to remain ~2.7mn barrels/day until 2017 and thereafter rise to over 3.0mn barrels/day in 2020
- Net external asset position estimated to be 3.5x of GDP at end of 2017
- With high financial buffers – stood at c.429% of GDP end of 2016 and with substantial borrowing space, the government intends to smooth the fiscal adjustment in response to the decline in oil prices, and continue to support growth through large investment spending

Source: S&P Rating on Kuwait, August 2017

Fiscal and current account break even oil price (USD/ BBL)



**Kuwait's fiscal break-even oil price is ~USD49/BBL*
Source: WEO Database, IMF, April 2017

Kuwait has the lowest breakeven oil price in the GCC region

Kuwait: Stable macro-economic environment

Kuwait – commitment to a vision of sustainable future growth beyond oil

Healthy Budget surplus with strong asset position

Kuwait's credit rating stable at Aa2:

- Strong net asset position, likely to persist despite ongoing debt issuance over the coming years
- Large hydrocarbon reserves with low fiscal and external break-even oil prices
- Strong GDP per capita (PPP) at USD71,887 (2016) is extremely high by international standards, providing significant buffer in terms of social stability
- Low level of Kuwait debt at 24% of the GDP (2016), provide enough headroom to accommodate the fall in fiscal balance within the Aa2 rating level
- Nominal GDP to reach its pre-oil price shock level by 2021
- Current Account Balance is expected to return to a surplus of 7% in 2017/18 due to low external break-even oil prices

Source: Moody's rating on Kuwait, May 2017, Link

Demographic & External balances Snippets (2016)

2016 Macro-economic KPI's	Kuwait	Qatar	UAE	KSA	Bahrain	Oman	GCC
Total Population (mn)	4.3	2.6	10.4	32.2	1.4	4.3	**55.1**
Local (mn)	1.4	0.3	1.6	21.5	0.7	2.3	**28.3**
Expat (mn)	2.9	2.3	8.8	10.7	0.8	1.9	**26.8**
Fiscal balance % GDP	(0.3)	(7.3)	(7.7)	(13.2)	(17.9)	(20.4)	**(10.2)**
Net foreign assets 2016 (USDbn)	444.7	211.3	812.3	970.2	23.8	135.4	**2,569.4**
Net foreign assets Acc./Depletion (Since Q32014)	**4.5**	(28.9)	(87.7)	(262.8)	(17.7)	(26.7)	**(419.4)**
Net foreign assets position (% of Q32014)	101.0	88.0	90.3	76.4	57.3	83.5	**86.2**

Source: NBAD Global investment outlook for 2017, January 2017

6%[1] of world's oil reserves (6th largest in the world); sufficient to last for 100+ years

[1]*CIA*

Kuwait development plan overview

Purpose

In February 2010, the Kuwaiti authorities announced a series of five-year plans stretching to 2035 aimed at diversifying the economy and expanding the role of the private sector while tackling much needed investments in health, education and infrastructure and improving the efficiency of the country's oil industry.

Progress

The pace of project implementation in Kuwait slowed down in the second quarter of this year as bidding on major projects faced some delays. Contracts worth KD2bn (USD6.6bn) were awarded in H1 2017, according to Meed Projects. Award activity in the quarter was dominated by the power and transport sectors. The second half of 2017 could see KD3.5bn (USD11.6bn) in new contracts.

- **Government pledged bank guarantee for funding**
- **Formation of mini-cabinet to monitor the plan**
- **PPPs[1] model to finance large scale project**
- **Kuwait municipality collaborations with stakeholders**

Government Policy Initiatives

[1] *Public-Private Partnership*

Source: Meed Projects, Markaz, Capital Standard and Press

Kuwait development plan: Projects in action

Key Projects under the plan

New Refinery Project (NRP)
- New 615,000 bpd refinery by KNPC
- Underway: Construction works commenced on Package 4 (Tankage). FEED[1] pipeline awarded. Overall project progressed by 40% and completion expected in 2019. Cost: **USD12.9bn**

Clean Fuels Project (CFP)
- Specification upgrade and expansion of two existing refineries to produce 0.8mn b/d
- Underway: The overall project has progressed by 88% with the completion expected by early 2018. Cost: **USD12.2bn**

South Al Mutlaa City
- 30,000 residential units, other facilities
- Underway: The overall project has progressed by 9%. Cost: **USD7.7bn**

- **Airport Terminal Projects**
- To increase the annual handling capacity of the airport to 20mn passengers
- Underway: Expected completion by Q4 2022. Supervision panel established in order to prevent delays in construction. Cost: **USD6.3bn**

Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2
- Production of 120,000 b/d of wet crude & more than 300mn cubic feet a day (cf/d) of sour gas
- Underway: All 3 contracts awarded. construction is now ongoing and completion date is set for May'19. Cost: **USD4.0bn**

LNG Import & Regasification Terminal
- 4 full containment LNG tanks each with a working capacity of 225,500 m^3 and a regasification plant with capacity of 1500 BBTU/day
- Underway: The works on the project have progressed by 18% and expected to complete in 2020. Cost: **USD2.6bn**

Oil & Gas Projects*
- Awarded: Kuwait Oil Company awarded more than 31 different work requests in H1'17 and total of USD3.09bn worth of contracts expected in H2'17. Cost: ~**USD7.7bn**

Al-Khairan Power & Desalination Plant (IWPP)
- Net capacity of a min 1,500MW of power & a min 125 MIGD of desalinated water
- Bidding: The tenders for the main contract are not yet issued. Cost: **USD1.7bn**

Al Zour North IWPP - Phase 2 (PPP)
- 1800 MW power generation, 464,100m3 desalination capacity
- Bidding: Phase 1 has been completed, phase 2 bidding phase, phase 3 to 5 are under planning Cost: **USD8.3bn**

Jurassic Gas Facility – P 1
- Production of 590mn (cf/d) of gas
- Bidding: Central Agency for Public Tenders (CAPT) has formally invited companies to bid for EPC of project in Aug'17 Cost: **USD4.0bn**

Other projects
- Umm Al Hayman Waste Water (PPP). Cost: **USD1.6bn**
- Al-Abdaliya (ISCC) Power Plant (CSP). Cost: **USD0.7bn**
- Kabd Municipal Solid Waste Project. Cost: **USD0.9bn**
- Jurassic Gas Facility – P 1 Cost: **USD4.0bn**

Kuwait Metro (PPP)
- 160km long, running across Kuwait.
- Planning: KAPP[2] issued a restudy of the plan to see whether the project should cover the whole state or just industrial areas. Cost: **USD6.9bn**

Kuwait National Railroad (PPP)
- Railroad system (575 Km) linking Kuwait to GCC
- Planning: The project will consist of 6 packages. Project delayed due to some administrative issues. The EOI has been postponed twice. Cost: **USD7.9bn**

Olefins III project
- Petrochemical plant to be integrated with new refinery project (Al Zour Refinery)
- Planning: FEED phase underway; technical and engineering tenders issued. Main contract to be awarded in 2019. Cost: **USD7.0bn**

Khairan City
- 140mn m2 residential city, incl 10,000 houses, 22,000 apts, other facilities
- Planning: Study phase. Cost: **USD13.9bn**

South Regional Highway (section 1)
- 135 km highway south of Kuwait as part of the International ME Arab Highways Network
- Underway: Construction tenders expected to be issued at end of 2016. Cost: **USD1.7bn**

USDbn

Project Stage	2017	2015
Underway	48.1	20.1
Awarded	7.7	22.5
Bidding	17.1	1.3
Planning	35.7	28.8
Total	108.6^	72.7

[1]FEED= Front End Engineering Design; EPC=Engineering, Procurement & Construction [2]KAPP= Kuwait Authority for Partnership Projects
*Source: NBK report dated October 2017 *RSM Quarterly newsletter May 2017 and press releases ^Excludes other small projects of USD0.2bn*