



CHALLENGING Times

..KIPCO Still Continues to Grow..

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Key Investment Highlights

Our business, strategy and team



Our

Business

- ▶ Holding company with total assets of USD33bn¹
- ▶ 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 ~16% book value per share growth in last 10 years²
- ▶ Listed on the Kuwait stock exchange with a market capitalisation of USD2.3bn³



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 27 years









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

¹ As of 31 December 2016

² Assuming no dividend was paid; between 31 December 2006 and 31 December 2016

³ As of 23 March 2017

Key investment highlights

	Proven Track Record	<ul style="list-style-type: none"> ▶ Sustained profitability for the last 25 years ▶ 15 years of continuous dividends
	Ruling Family Shareholders	<ul style="list-style-type: none"> ▶ Al Futtooh Holding Co. owned by members of Kuwaiti ruling family have a direct stake of 44.6% ▶ Shareholders since 1988; have supported KIPCO in all capital raising exercises
	Market Leadership¹	<ul style="list-style-type: none"> ▶ Burgan Bank is #2 conventional bank in Kuwait², OSN is leading pay-TV platform in MENA³, Gulf Insurance Group is #1 insurer in Kuwait⁴, United Real Estate Company is #3 real estate player on KSE²
	Strong Liquidity¹	<ul style="list-style-type: none"> ▶ Cash balance of USD817mn; covers all debt repayments due till December 2019 ▶ ~48% of the portfolio⁵ is listed, and can be liquidated at short notice
	Credit Rating	<ul style="list-style-type: none"> ▶ BBB-/Stable (S&P), Baa3/Stable (Moody's) ▶ Burgan Bank and Gulf Insurance Group have strong investment grade ratings
	Diversified Portfolio	<ul style="list-style-type: none"> ▶ 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 Discipline¹	<ul style="list-style-type: none"> ▶ Maintained circa four dollars of assets for every dollar of net debt for 10 consecutive years ▶ Average debt maturity of 3.7 years as of 31 December 2016 ▶ Average debt maturity of ~5.5 years post issuance of EMTN 2027⁶
	"Best in Class" Transparency	<ul style="list-style-type: none"> ▶ 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

¹As of 31 December 2016

²By assets

³By revenue and countries of operations ⁴By Gross premiums & net premiums written

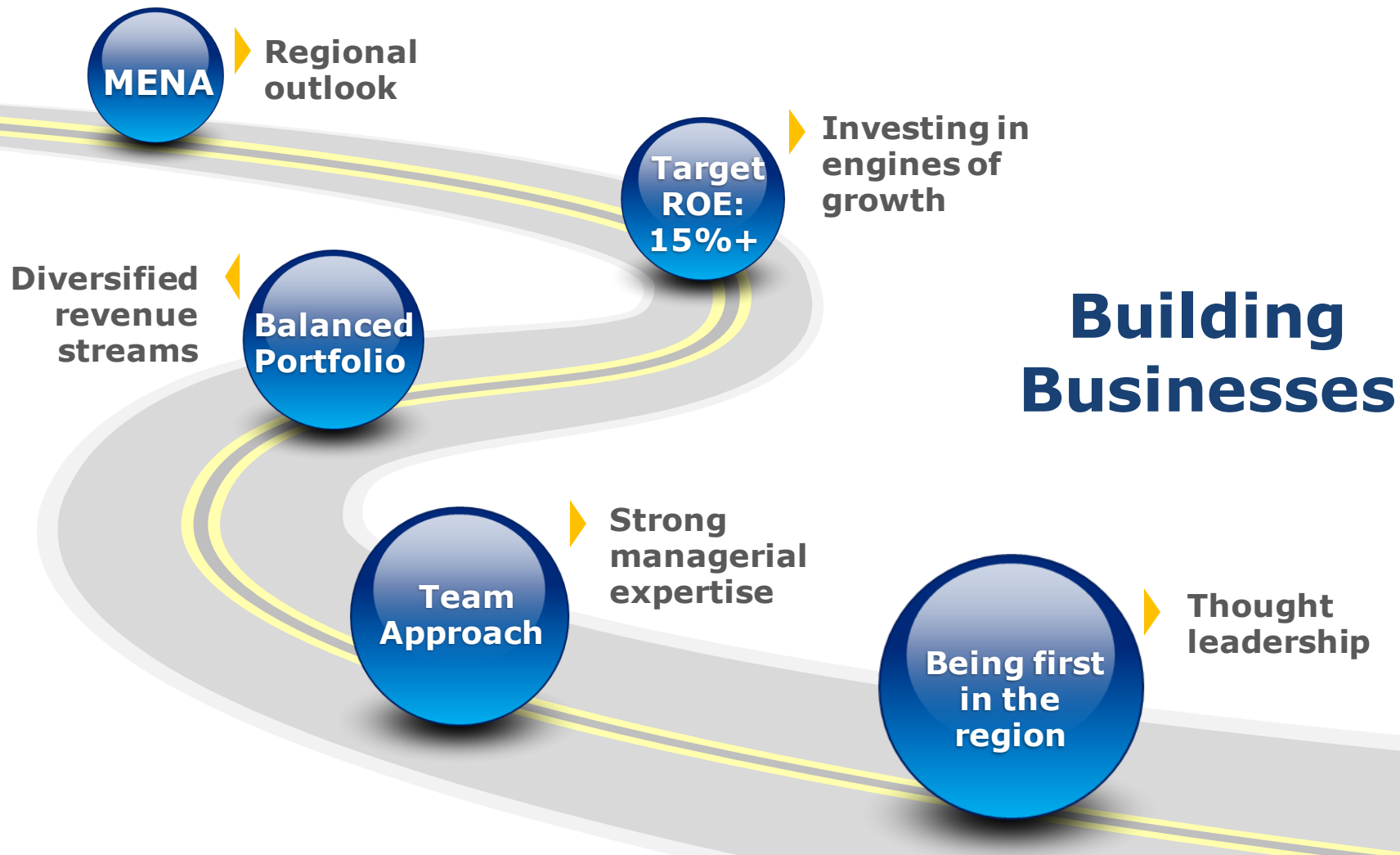
⁵Comprises listed principal companies and listed investments as of 31 December 2016

⁶In February 2017, KIPCO completed a 10 year EMTN issuance in conjunction with tender of its outstanding USD notes due 2019















Business Overview

Strategic roadmap



Invest in companies with sustainable and predictable cashflows

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2016) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB	Industrial	Others	
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 (2016) ²	48%	20%	12%	10%	4%	4%	2%	
Assets (2016) ³	76%	5%	3%	7%	6%	2%	1%	

Attractive presence in high growth economies and promising sectors

¹ Assuming consolidation of GIG & OSN

² Total revenue of USD3.3bn, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN

³ Total assets of USD37.5bn, 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



#2

conventional bank
in Kuwait¹



Leading premium
Pay TV operator in MENA
region²



#1

Insurer in Kuwait³, Bahrain⁴,
Jordan⁴ & Egypt⁵



#1

Asset Manager in Kuwait with
highest AuM



#3

listed real estate
player on Kuwait Stock
Exchange¹



شركة الصناعات المتحدة
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)
and Direct premiums







⁴ By GPW

² In terms of revenue and countries of operations

⁵ By technical profit among private sector players (all ranking is as of 31 December 2016)

³ By Gross premium written (GPW)

Controlling or majority stakes

Main Entities	 بنك بروتيان BURGAN BANK		 بنك الخليج المتحدة United Gulf Bank S.S.C.	 KAMCO كامكو	 Gulf Insurance gig GULF INSURANCE GROUP	 شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	64.9%	60.5%	96.3%	83.1% ³	45.6%	72.3%
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	2,189	Unlisted	830	69	323	342
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB	Unrated	S&P: A- (GIRI); BBB+ (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 31 December 2016

² Market capitalisation as of 23 March 2017 (Source: Bloomberg for market price)

³ Stake in KAMCO is held through UGB

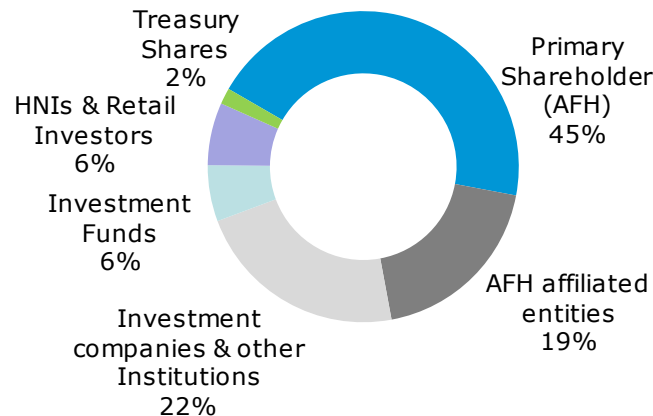
⁴ GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors

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 Profile¹



Kuwaiti Ruling Family Support

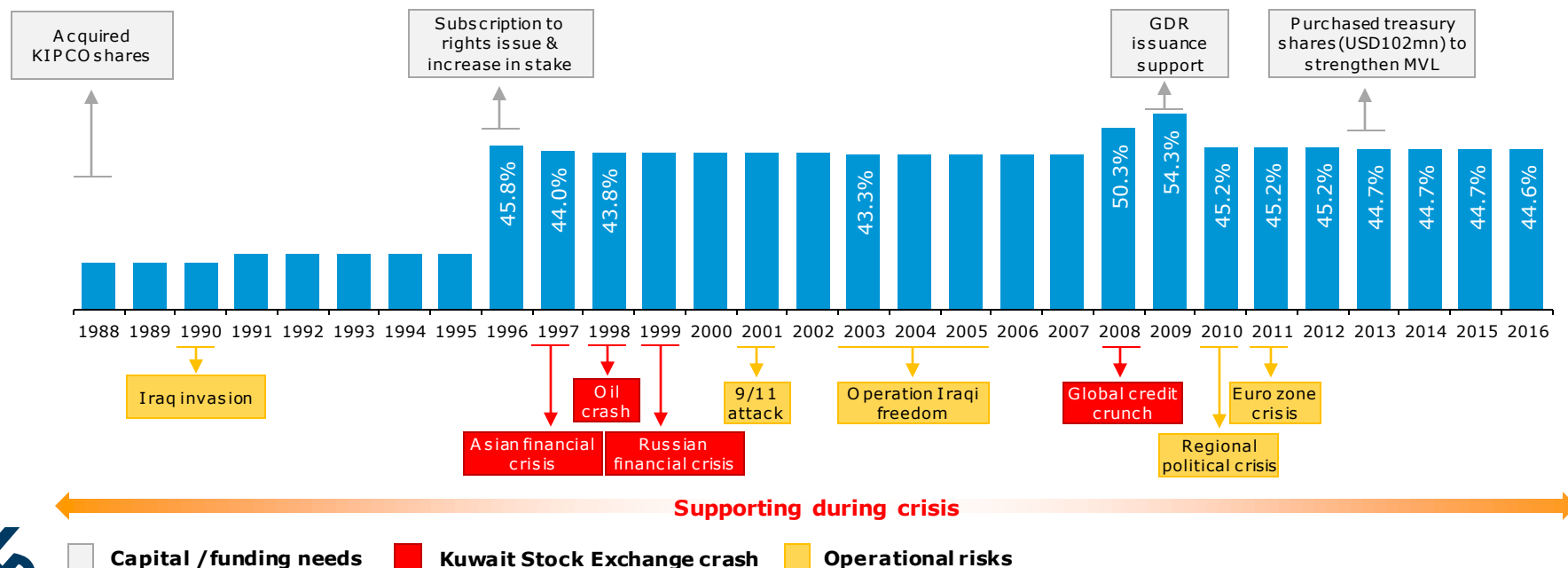
KIPCO's principal shareholder is Al Futtooh Holding Company K.S.C. (Closed) ("AFH"), a Kuwaiti company owned by members of the Kuwaiti ruling family

Direct holding of 44.6%; 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



¹As of 31 December 2016








Key developments &
performance update

Burgan Bank (BB)

Business highlights

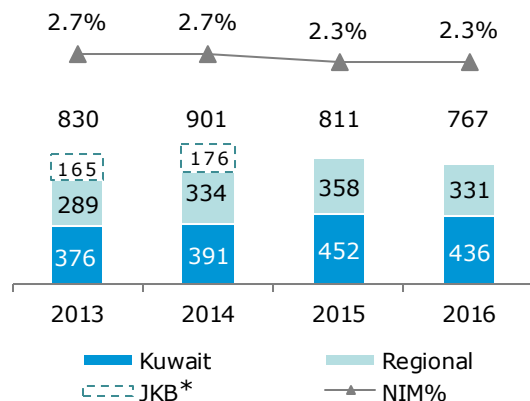
- ▶ Kuwait based commercial bank with a regional presence in seven countries
- ▶ 2nd largest conventional bank in Kuwait in terms of assets (Total assets of USD23.8bn¹)
- ▶ BBB+ rating from S&P and A3 from Moody's and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 16.7%¹
- ▶ Listed on the KSE with a market cap of USD2,189mn as of 23 March 2017

Key Franchises

Name	Market Position	Effective Stake ¹	Assets ¹ USDmn	Revenue ^{1,2} USDmn
 BURGAN BANK Kuwait	#2 conventional bank	100%	17,744	444
 BURGAN BANK Turkey	Niche player in corporate banking	99%	4,228	163
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	1,727	94
 مصرف بغداد Bank of Baghdad	#1 licensed private sector bank in Iraq	52%	1,216	56
 بنك تونس العالمي Tunis International Bank	Leading offshore bank in Tunisia	87%	557	15

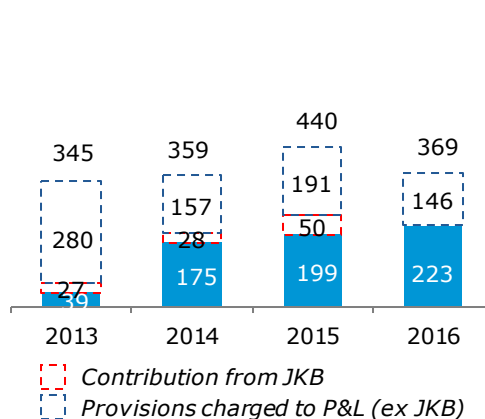
Operating Income

USDmn



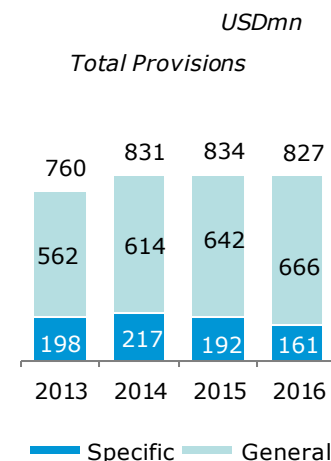
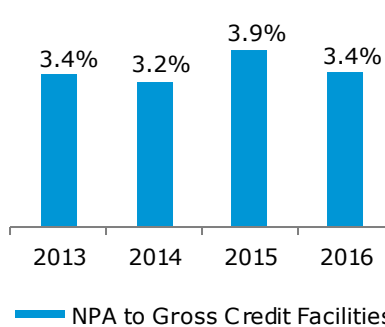
Net Profit & Provisions

USDmn



Loan Quality

NPA Coverage with collateral	175%	184%	184%	194%
NPA Coverage without collateral	123%	131%	120%	124%



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

¹As on 31 December 2016

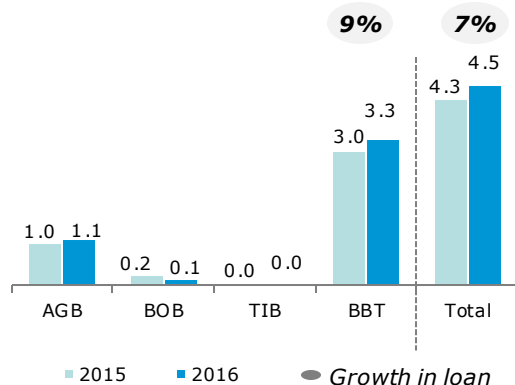
²Operating income defined as revenue

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

Burgan Bank: Regional operations

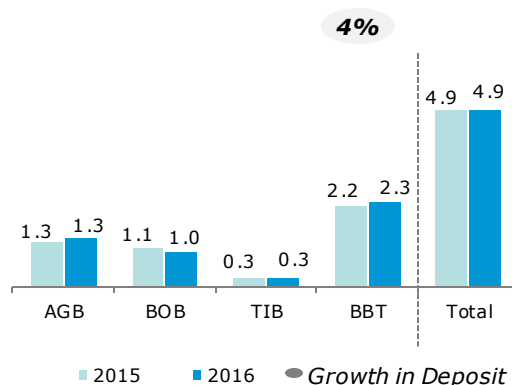
Loan Growth

USDbn



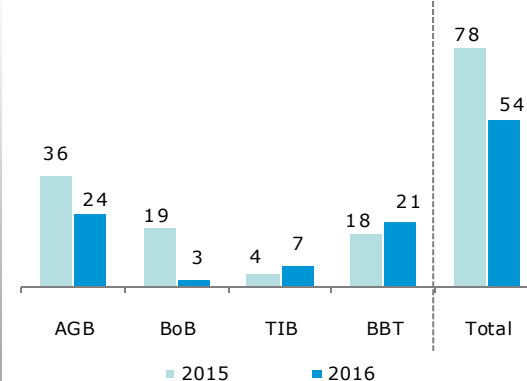
Deposit Growth

USDbn



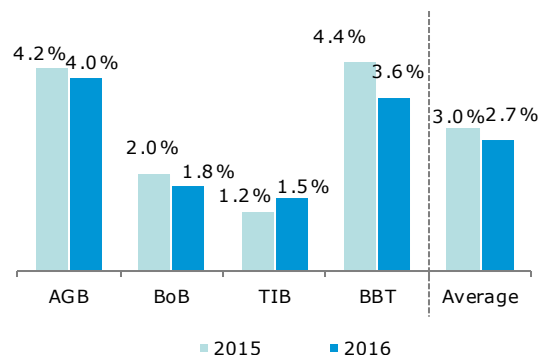
Net Profit¹

USDmn



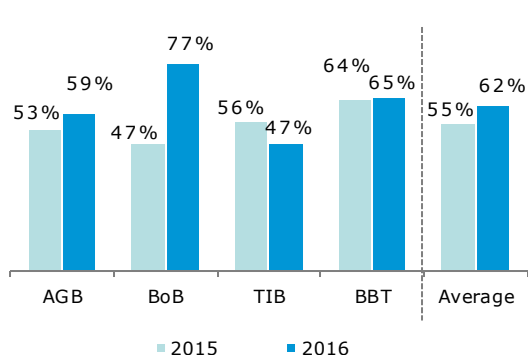
Net Interest Margin

Percentage



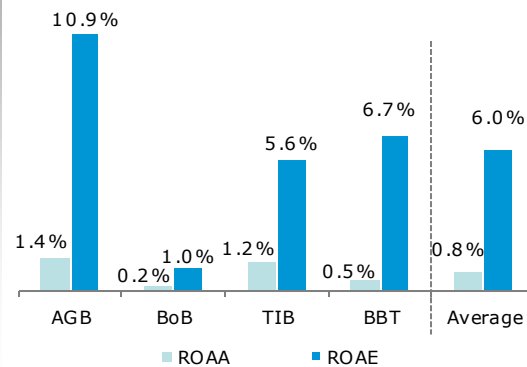
Cost to Income

Percentage



Return on Avg. Assets & Equity

Percentage



Impacted by geo-political situation in Iraq and changes in regulation in Algeria

¹Represents 100% profits attributable to parent for each of the subsidiary;
AGB = Algeria Gulf Bank

BOB = Bank of Baghdad

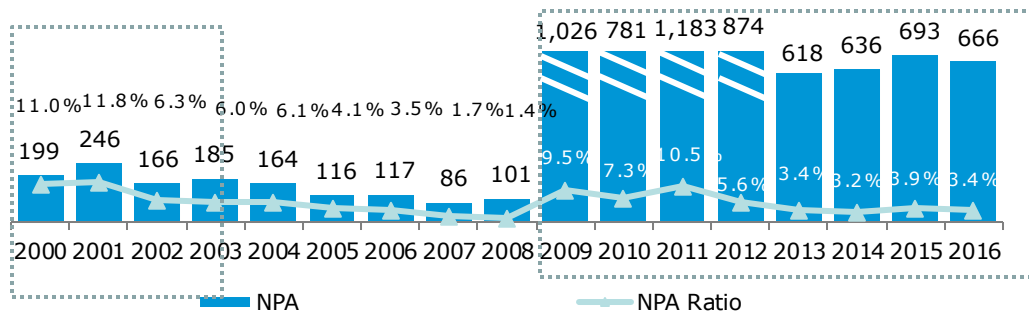
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

Burgan Bank: NPA¹ & provisioning trend

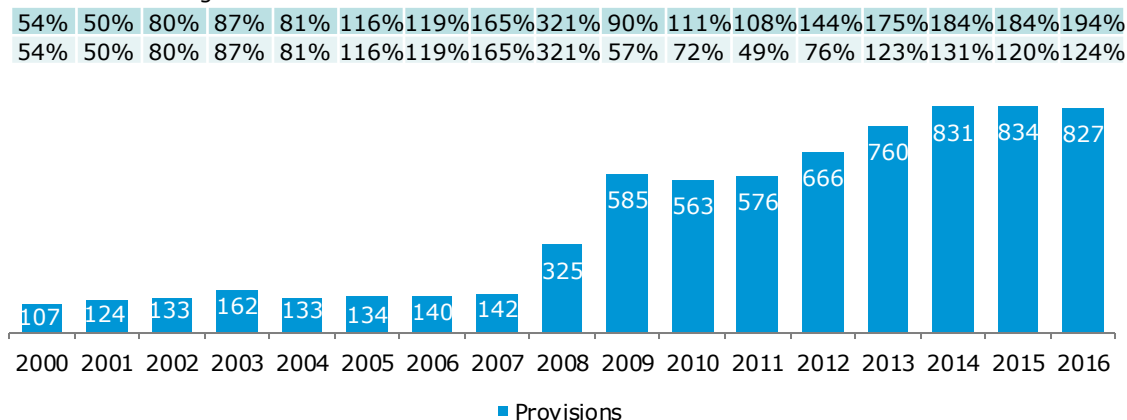
NPA Trend

NPA (USDmn)
NPA Ratio (Percentage)



Provisions Trend

■ NPA Coverage with collateral
■ NPA Coverage without collateral



- ▶ At end of 2016, combined coverage of non performing assets (NPA) was **194%**
- ▶ NPA Ratio was 3.4% as on 31 Dec 2016
- ▶ ~81% provisions in general category as on 31 Dec 2016
- ▶ 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**

Gulf Insurance Group (GIG)

Business highlights

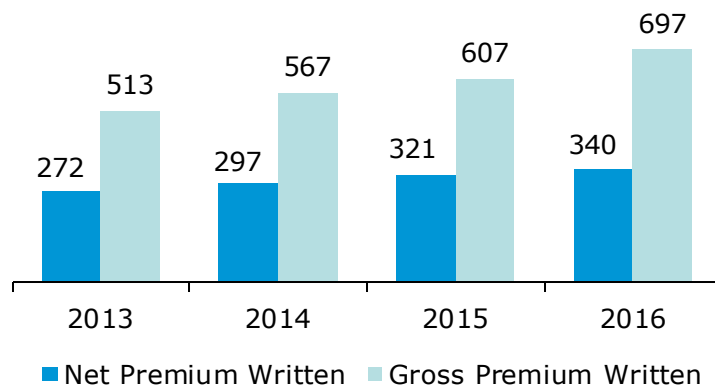
- ▶ Kuwait-based insurance company listed on the KSE
- ▶ Presence across the MENA region
- ▶ Operates through a network of 50 branches in MENA
- ▶ Market leader in Kuwait (by GPW and direct premiums) for 15 consecutive years
- ▶ A- rating (GIRI) and BBB+ rating (GIG) from S&P; A- Rating from AM Best

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%	558	213
Bahrain Kuwait Insurance	#1 by GPW in Bahrain	56.1%	214	43
Arab Orient Insurance	#1 by GPW in Jordan	90.4%	188	80
Arab Misr Insurance	#1 by technical profits in Egypt	94.9%	59	39
Fajr Al Gulf Insurance	Niche player in Lebanon	92.7%	12	0.3
Dar Al Salam Insurance	Niche player in Iraq	51.0%	3	0.2

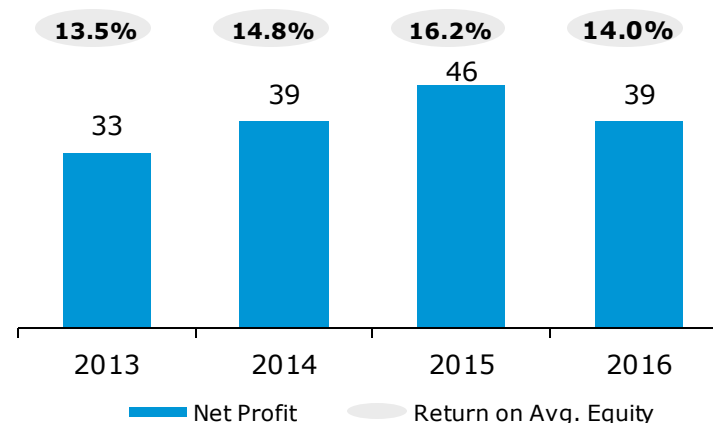
Gross & Net Premium Written

USDmn



Net Profit & ROE

USDmn













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

¹As of 31 December 2016

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

OSN: Overview

MENA pay TV potential

		 MENA Region ¹	 Latin America	 UK	 India	 US
	Population (Mn)	338	616	66	1,310	324
	Pay TV (Mn; Est.)	7	32	15	148	99
	TV Households (Mn)	70	56	26	183	118
	TV Households / Households (%)	96%	NA	95%	74%	85%
	Pay TV / TV Households (%)	~10%	57%	57%	81%	84%

Low Pay TV penetration in MENA region indicates huge market potential

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)

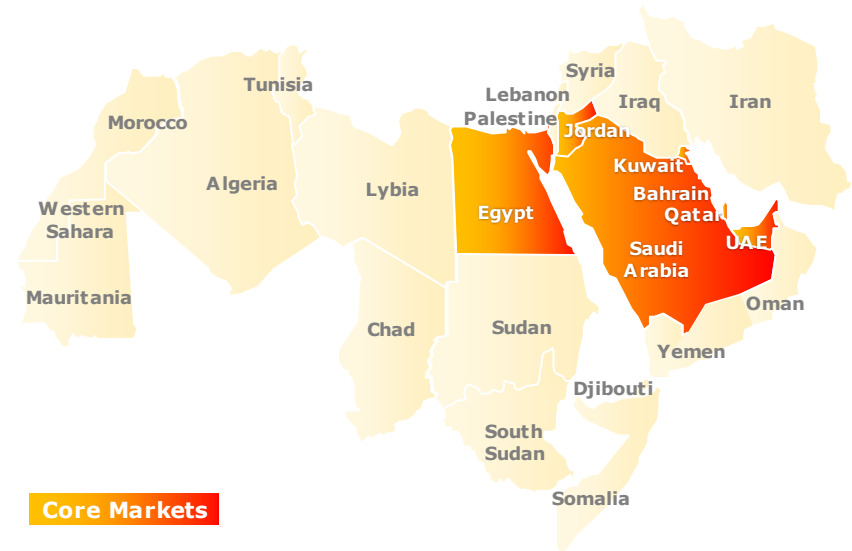
Source: IMF WEO Database, Euromonitor, IHS Technology and company research 2015

OSN: Overview...cont'd

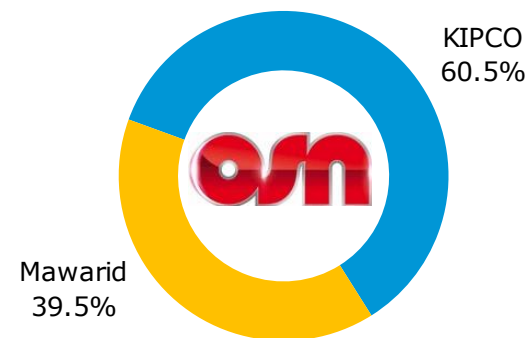
Overview

- 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 8 major Hollywood studios
- Premium content offerings with 160 channels incl. 64 HD channels (highest in the region)
- ~2,000 employees in 13 offices, 24 warehouses and 170 retail locations

Pan Arab reach



Strong shareholders







As of 31 December 2016

United Gulf Bank (UGB)

Business highlights

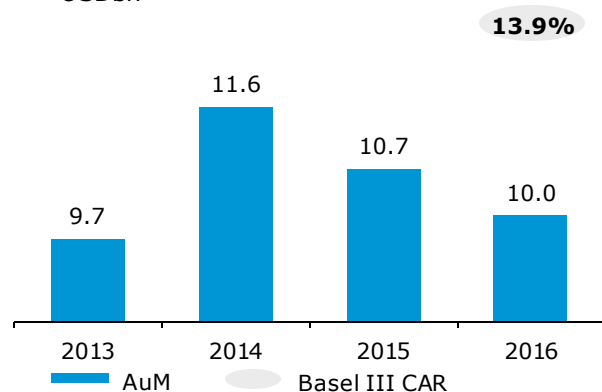
- ▶ Bahrain-based financial services group listed on the Bahrain Stock Exchange
- ▶ Activities include asset management, corporate finance advisory and brokerage services in a number of MENA countries
- ▶ Investments in companies in financial services and real estate sectors to provide a recurring and stable revenue stream
- ▶ Asset base of USD3.0bn¹

Key Franchises

Name	Market Position	Effective stake ¹	Assets ¹ USDmn	Revenue ^{1,3} USDmn
 KAMCO	#1 asset management company in Kuwait by AuM	86%	246 ²	18 ²
 BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	23,751	767
 URC شركة العقارات المتحدة United Real Estate Co	#3 real estate company in Kuwait by assets	10%	1,868	270
 FIMBANK	Niche trade finance player in Malta	61%	1,741	46

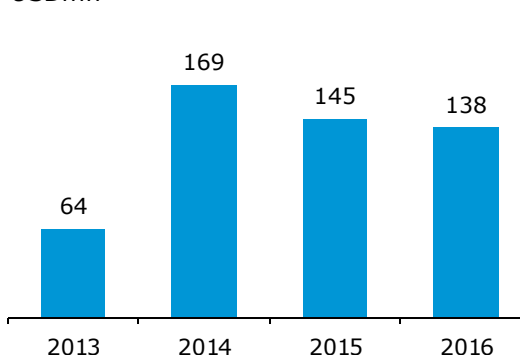
AuM & Capitalisation

USDbn



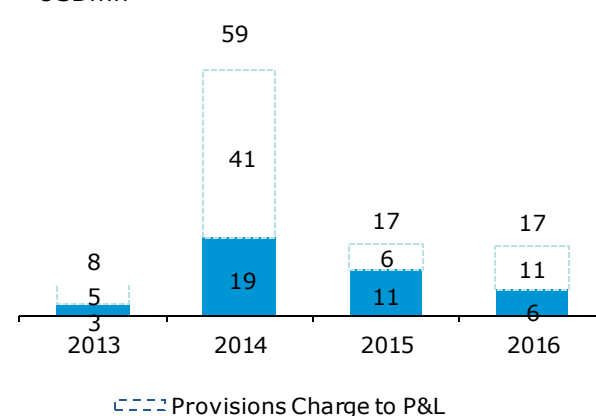
Revenue

USDmn



Net Profit & Provisions

USDmn



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

¹As of 31 December 2016

²As of 30 September 2016







³Operating income defined as revenue

United Real Estate Company (URC)

Business highlights

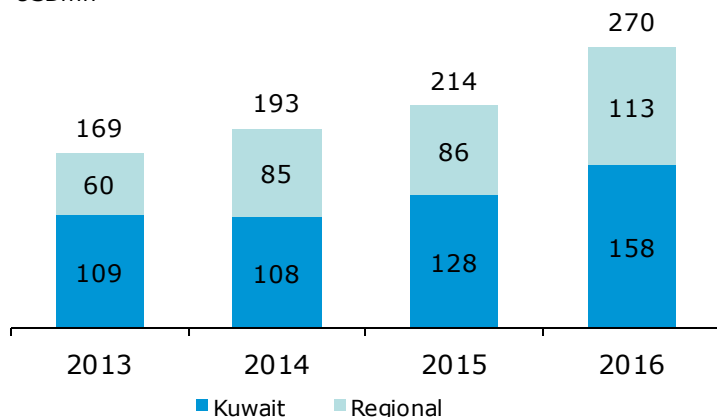
- ▶ Operations across the Middle East region through a mix of fully-owned properties, subsidiaries and investment arms
- ▶ Stable rental income; rental income growth prospects supported by newly completed Abdali mall
- ▶ Major real estate player in Kuwait, ranked third in real estate sector on KSE in terms of asset size of USD1.9bn²

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

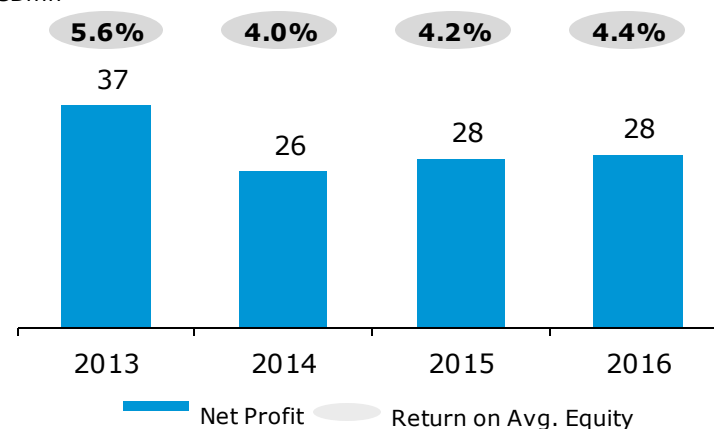
Total Revenue¹

USDmn



Net Profit & ROE

USDmn



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

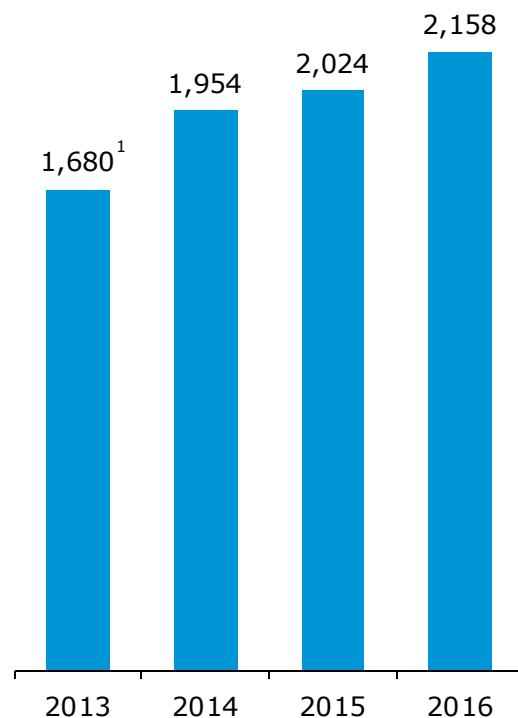
¹ Total revenue includes income from operational properties, gain on sale of properties & associates, valuation gain on properties, investment income, share in income of associates, interest income & forex gains

² As of 31 December 2016

KIPCO consolidated: Financial performance

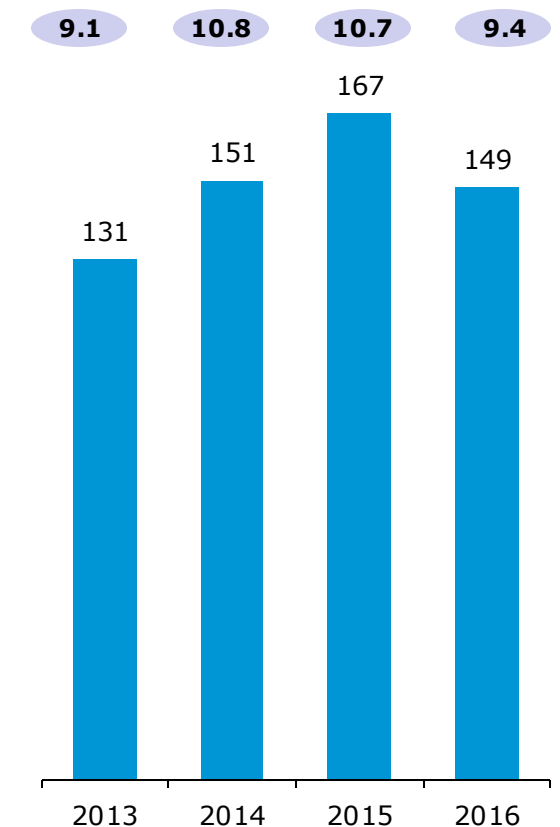
Revenue

USDmn



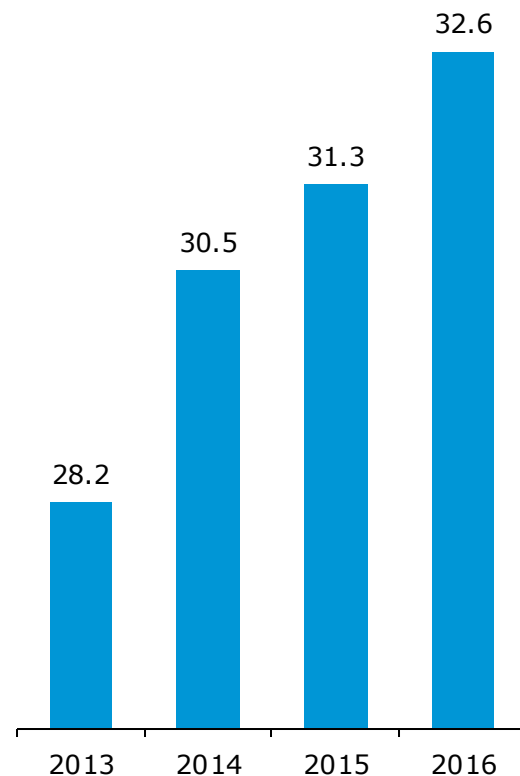
Net Income

USDmn

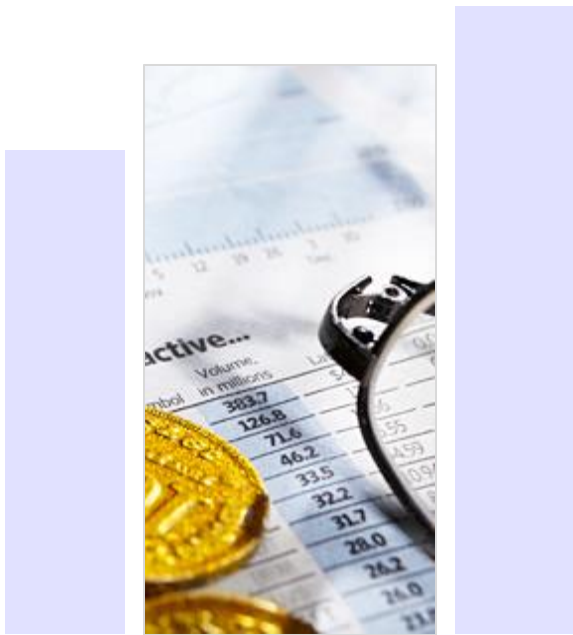


Consolidated Assets

USDbn



¹Revenue excluding income from discontinued operations



Debt Metrics

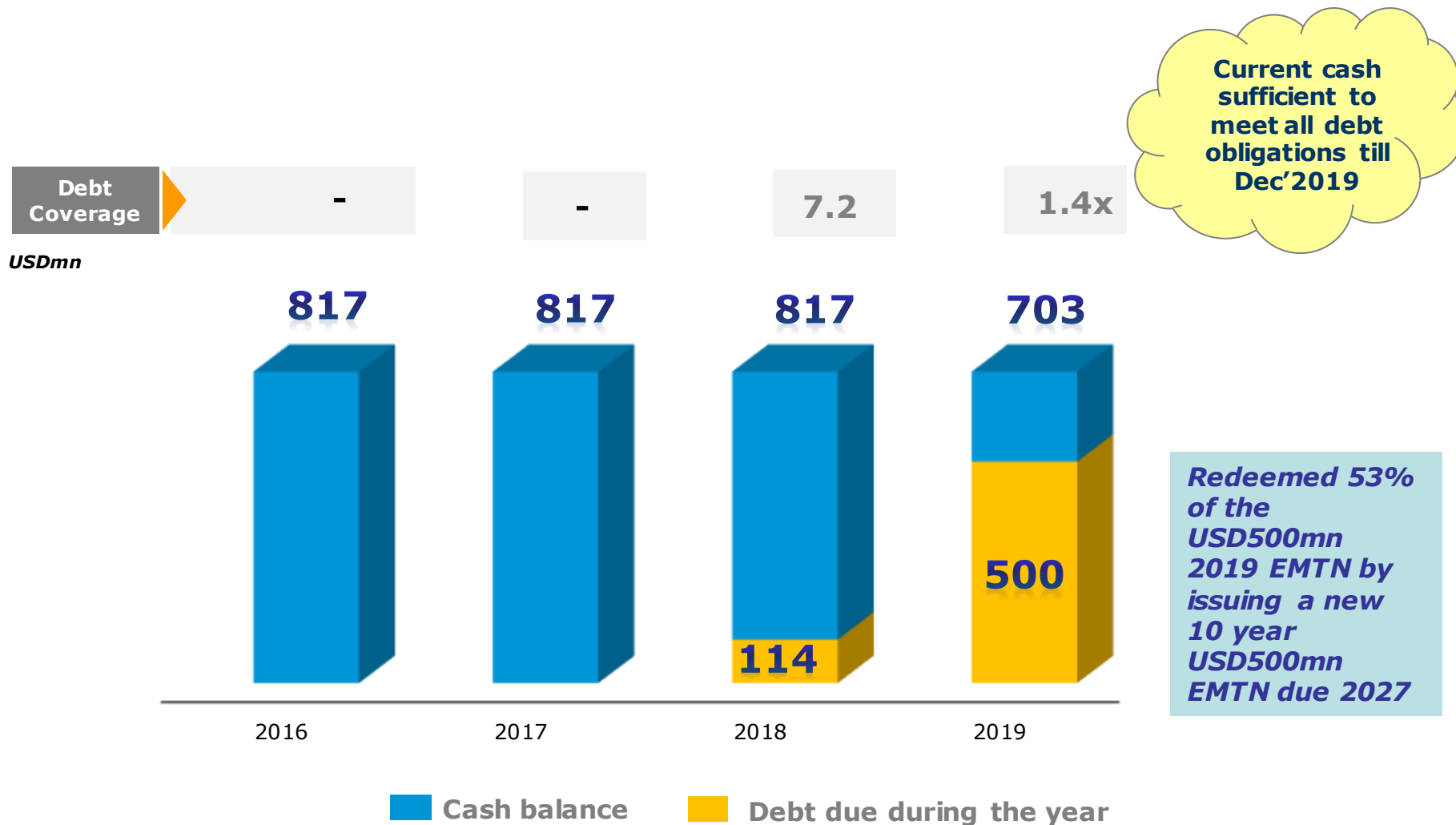
KIPCO (Parent): Debt Metrics

(USDmn)					
KIPCO (Parent)	Financial Targets	31 December 2013	31 December 2014	31 December 2015	31 December 2016
Cash & Cash Equivalents		468	874	1,000	817
Gross Debt		1,306	1,820	1,874	1,611
Net Debt		838	946	874	794
Shareholders' Equity		1,831	1,880	1,877	1,880
Net Parent Debt / Shareholders' Equity		0.46x	0.50x	0.47x	0.42x
Estimated Investment Portfolio Value		3,440	3,980	3,558	3,322
Net Debt / Portfolio Value	20 – 30%	24.4%	23.8%	24.6%	24.6%



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

KIPCO parent: Significant cash coverage till 2019



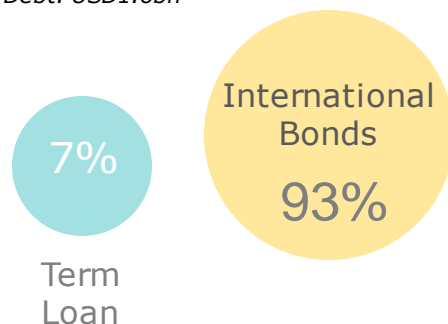
KIPCO successfully completed a 10 year USD500mn EMTN issuance (maturing in 2027) with a simultaneous tender of its existing 2019 EMTN



KIPCO parent debt profile: As at 31 December 2016

Debt Type¹

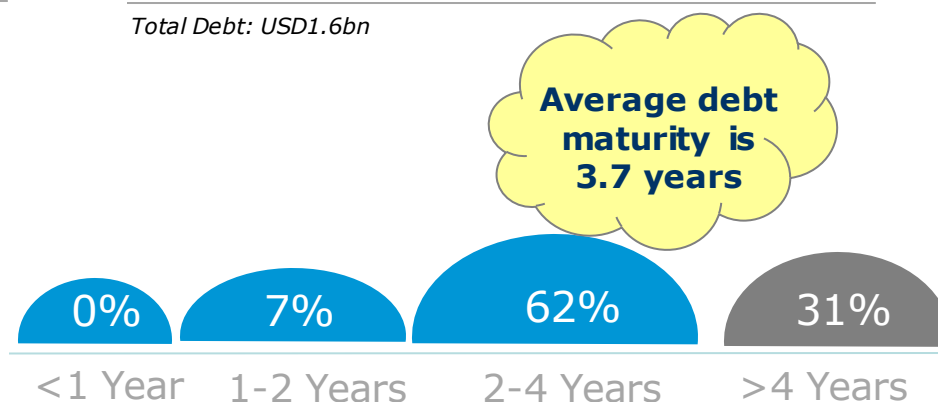
Total Debt: USD1.6bn



¹As of 31 December 2016

Debt Maturity¹

Total Debt: USD1.6bn



Liquidity

- ▶ Cash & bank balance of USD817mn
 - The current cash balance covers all debt obligations due till December 2019 (7.1x coverage for 2018)
- ▶ Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

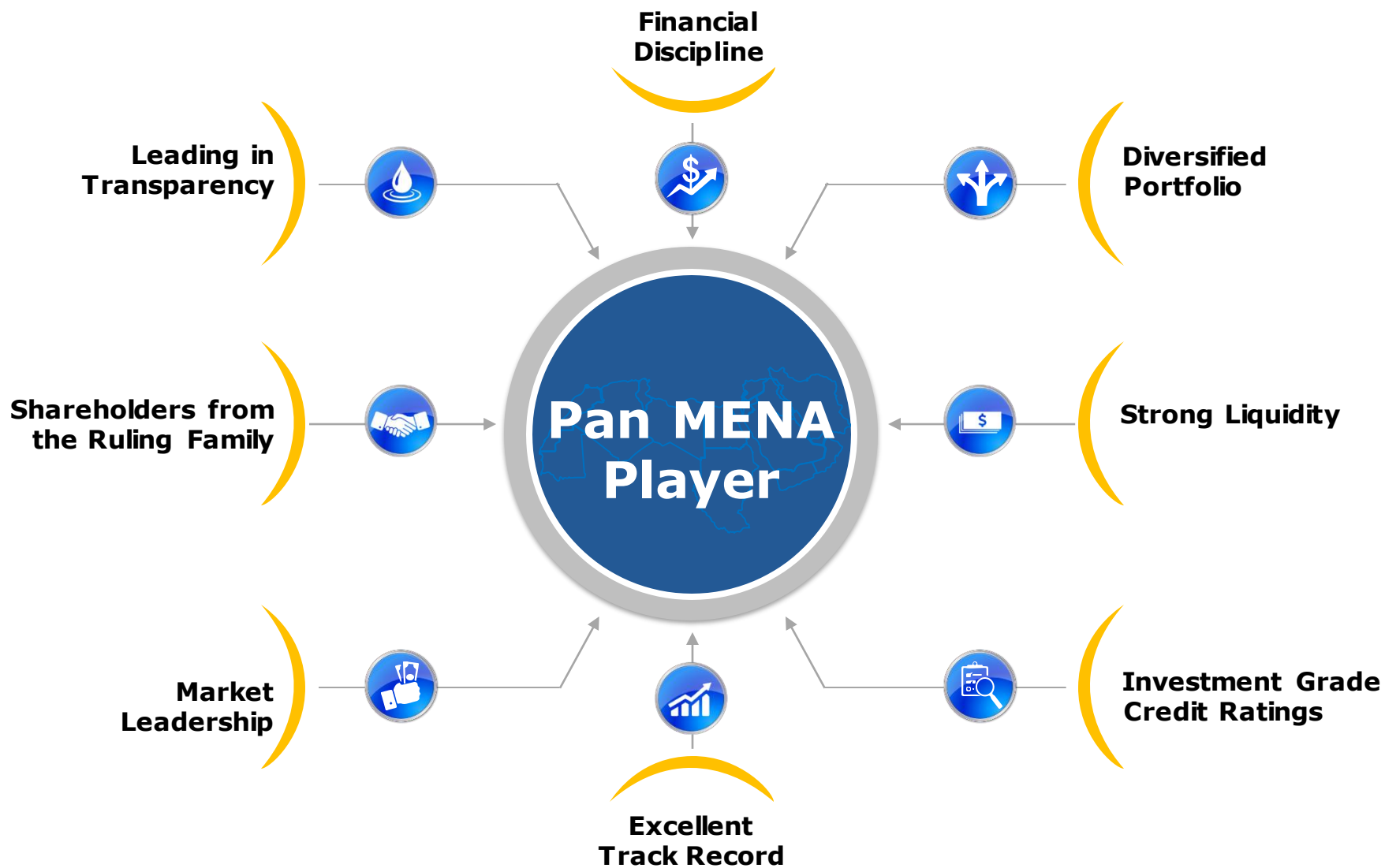
Recent updates

- ▶ In October 2016, repaid USD500mn EMTN
- ▶ In February 2017, issued a new 10 year USD500mn EMTN, with a simultaneous tender of its existing USD500mn 2019 EMTN at a price of 105.25%. ~53% of holders holding bonds of USD267mn opted to tender. As a result average debt maturity increased to 5.5 years



Why KIPCO

Key credit highlights





Thank you





Annexure

United Industries Company (UIC)

Business highlights

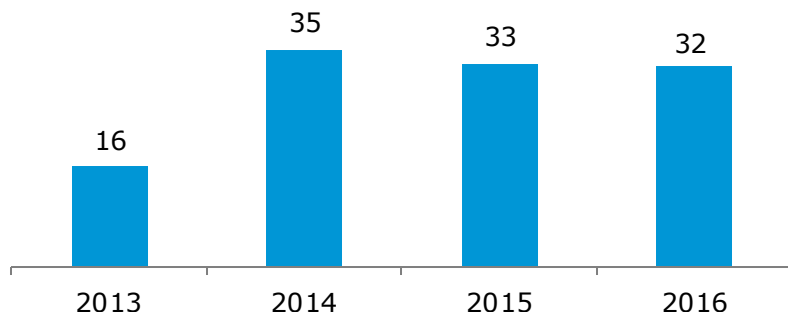
- ▶ Established in 1979, UIC operates as a holding company for the group's industrial investments
- ▶ UIC's mission is to manage a diversified portfolio of investments in the energy, food & basic industries sector

Key Franchises

Name	Market Position	Effective Stake ¹	Assets USDmn	Revenue USDmn
 Kuwait	Leading private company in petrochemical	31%	1,820 ²	384 ²
 Kuwait	Leading distributor of healthcare equipments	19%	606 ¹	324 ¹

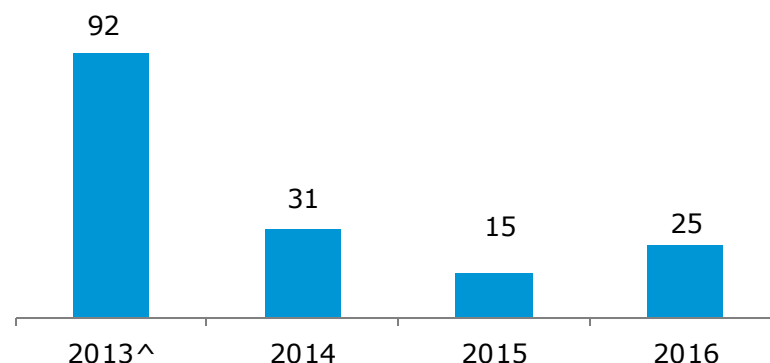
Income from Associates

USDmn



Net Profit

USDmn

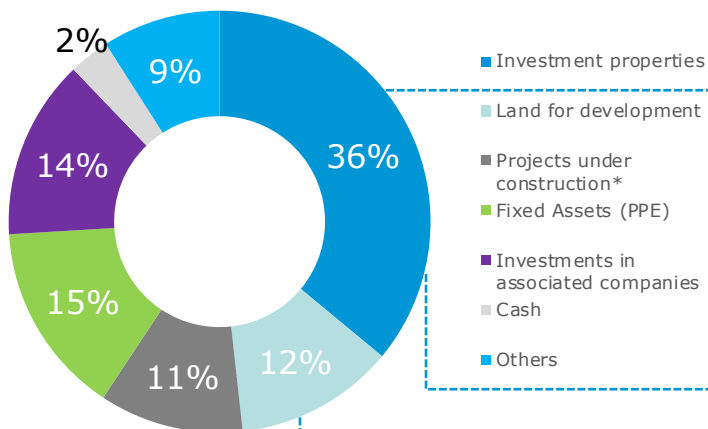


UIC seeks to be a leading regional investment house with activities in the industrial sector

URC: Balance sheet (Break-up)¹

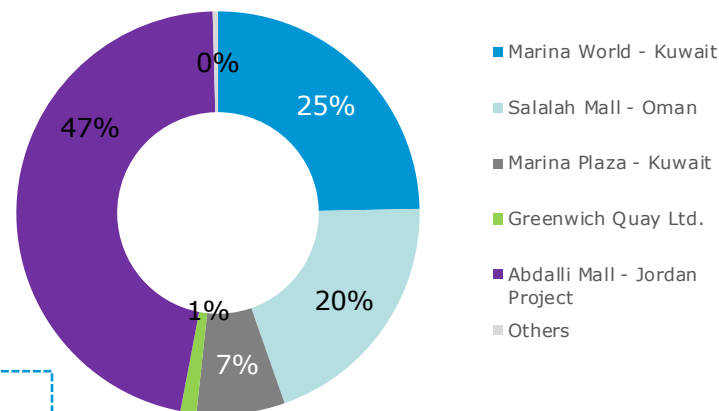
Total Assets

Total: USD1,868mn



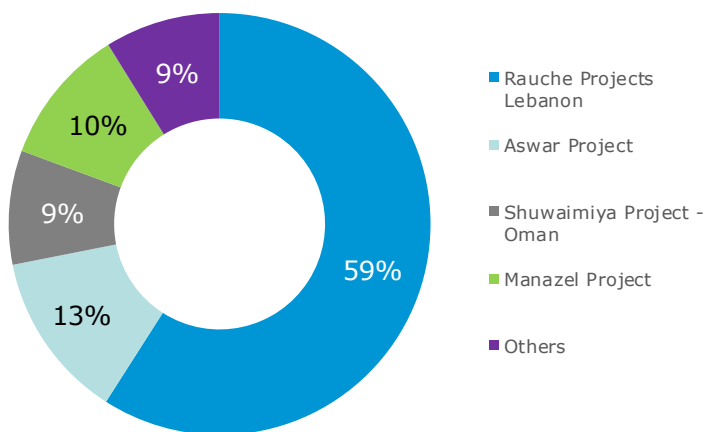
Investment Properties

Total: USD673mn



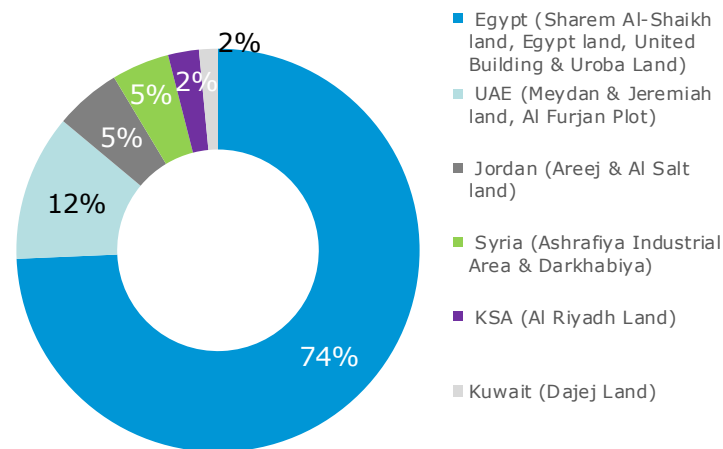
Projects under Construction*

Total: USD206mn



Land for Development

Total: USD229mn



* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials, Abdali mall has since become operational

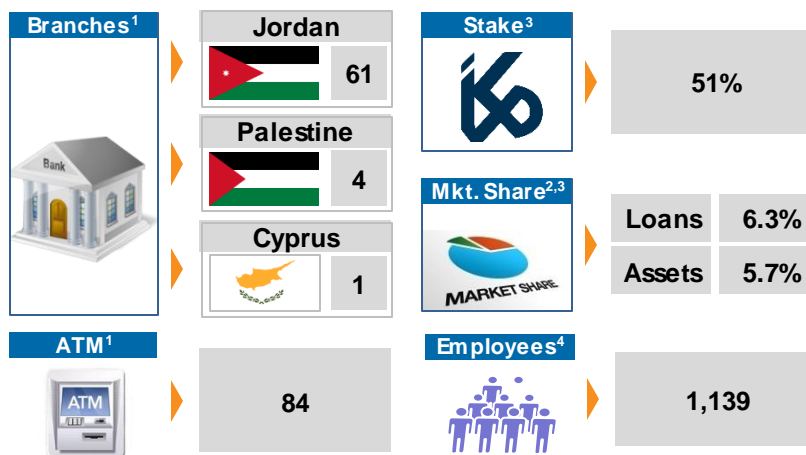
¹ As on 31 December 2016

Jordan Kuwait Bank* (JKB)

Business highlights

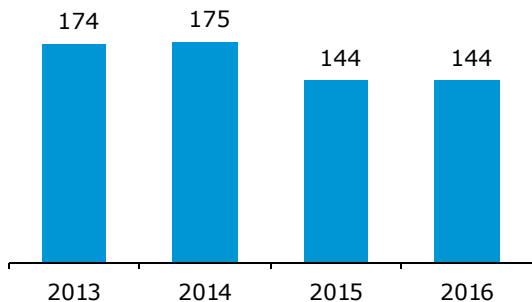
- ▶ Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- ▶ Listed on Amman Stock Exchange with a market capitalization of USD540mn¹
- ▶ 3rd largest conventional bank in Jordan in terms of asset size of USD3.9bn³
- ▶ Focus on stable and essential sectors like Energy, Industry and Trade and retail and SME segment through expanded distribution network
- ▶ Capital adequacy ratio of 18.8%³

Operational highlights



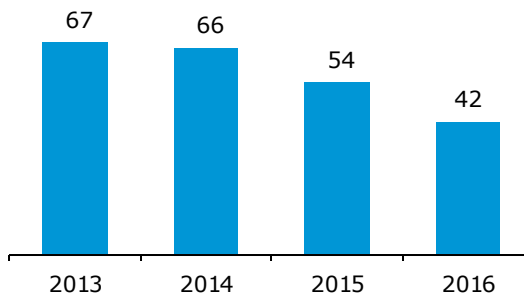
Operating Income

USDmn



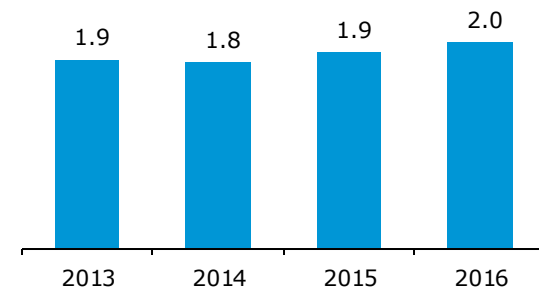
Net Profit

USDmn



Loans and Advances

USDbn

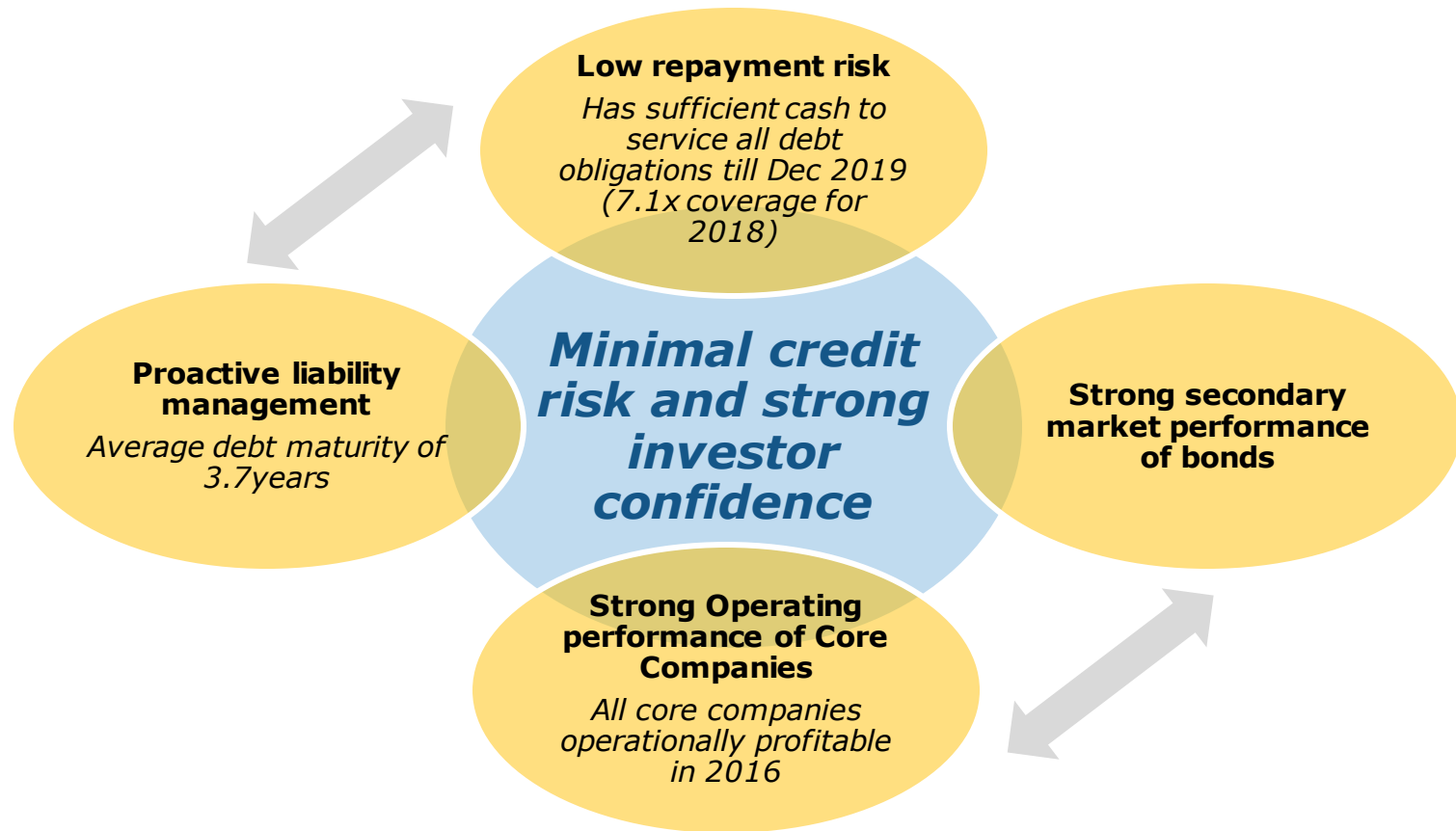


¹As of 23 March 2017
⁴As of 31 December 2015

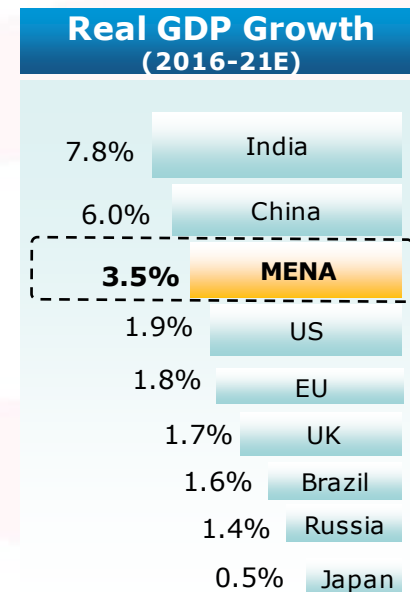
²Source: Central Bank of Jordan
^{*} JKB numbers are based on preliminary estimates

³As of 31 December 2016

KIPCO: Huge value potential for investors



MENA Region: Poised for strong economic growth

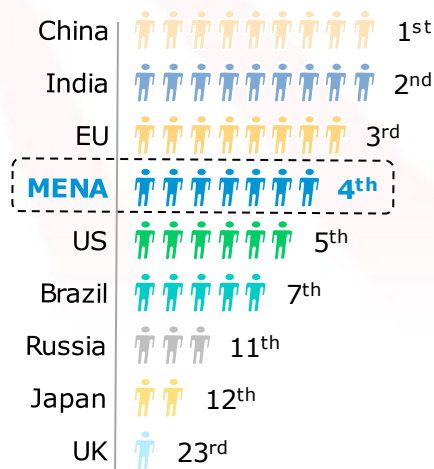


MENA region is characterized by favourable demography and business climate

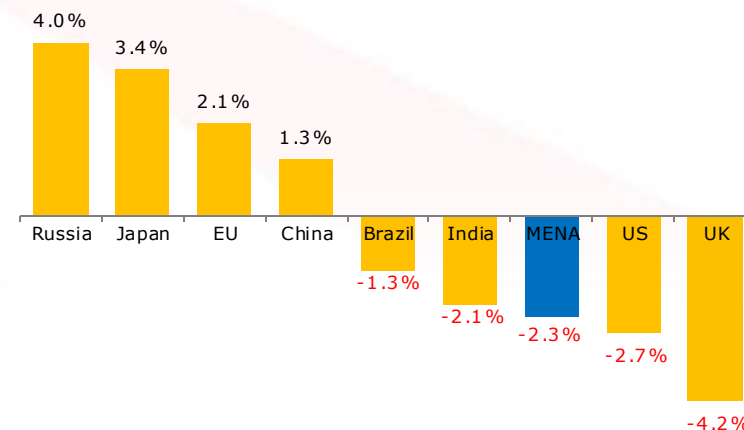
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2016E



Current Account Balance as a % of GDP (2016-21E)



GCC Region: Well positioned to deliver growth

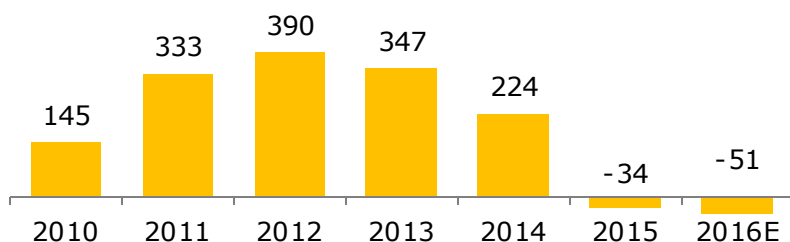
One of the highest per capita income, large sovereign wealth funds,

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....**

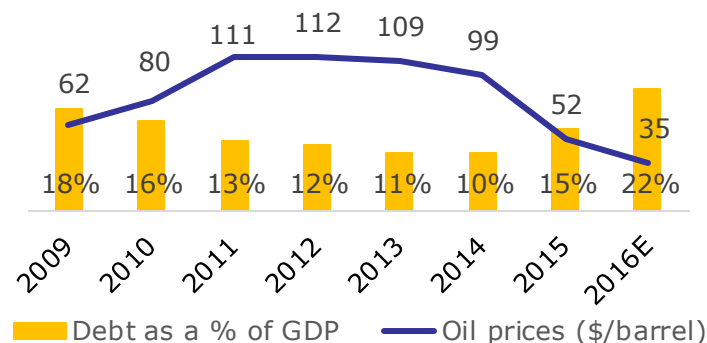
Current Account Surplus

(In USDbn)



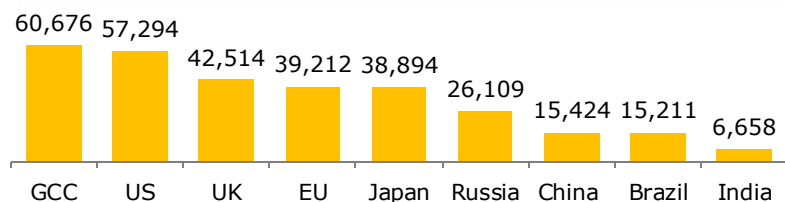
"Accumulated current account surplus of over USD1.35tn from 2010 to 2016"

Government debt as a % of GDP

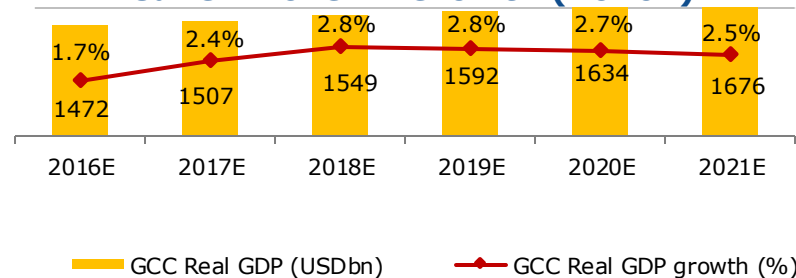


GDP / Capita, PPP (2016E)

(In USD)



Real GDP & GDP Growth (2016E)



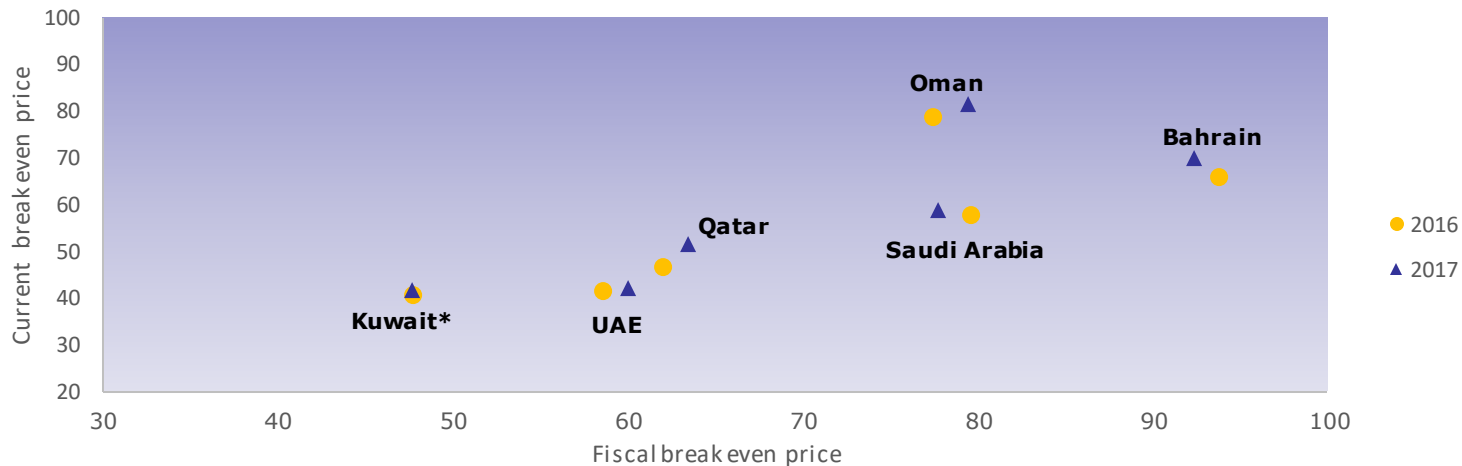
Kuwait: Protected against oil price decline

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 ~2.8mn barrels/day until 2019
- ▶ Net external asset position estimated to be 3.5x of GDP at end of 2016
- ▶ With high financial buffers – stood at c.408% of GDP end of 2015 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 2016

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



*Kuwait's fiscal break-even oil price is ~USD48/BBL

Source: WEO Database, IMF, October 2016

Kuwait has the lowest breakeven oil price in the GCC region

Stable macro-economic environment

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

**Healthy
Annual
Budget
Surplus**

- ▶ Strong shock absorption capacity due to low fiscal break-even oil prices and sizeable external assets
 - ▶ Prudent policies set in place for economic diversification - first PPP project (Al-Zour North power and desalination plant commissioned; similarly other projects in power, infrastructure etc. to be completed to boost economic growth despite low oil prices
 - ▶ General government deficit¹ was lower 2% of the GDP in 2015-16 which might turn into surplus in 2016-17 on account of income from large financial assets, reaching 11% by 2020-21
 - ▶ Real GDP grew at 1.5% in 2015 and is estimated to have grown at 3.6% in 2016
- ▶ Going forward real GDP is expected to grow at 2.5% annually in 2017-20

Source: S&P Rating on Kuwait, February 2017

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%² of world's oil reserves (6th largest in the world); sufficient to last for 100+ years

¹After including investment income from Reserve fund for future generations (RFFG) but not netting out mandatory transfers to RFFG

²CIA

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

Kuwait awarded USD3.4bn worth of contracts in Q3 2016, bringing the total value of contracts awarded so far this year to USD12.0bn. By end of September 2016, Kuwait's project market (active and planned) grew to USD247bn, an increase of 0.8% year-to-date. Kuwait is expected to award another USD7.7bn worth of contracts before the end of year. Looking ahead to 2017, total value of awarded projects is expected to increase to USD38.1bn in 2017.

Government Policy Initiatives

**Government
pledged bank
guarantee for
funding**

**Formation of
mini-cabinet to
monitor the
plan**

**PPPs¹ model to
finance large
scale project**

**Kuwait
municipality
collaborations
with
stakeholders**

Kuwait development plan: Projects in action

Key Projects under the plan

Al-Khairan Power & Desalination Plant (IWPP)

- ▶ Net capacity of a min 1,500MW of power & a min 125 MIGD of desalinated water
- ▶ Bidding: Request for proposals expected to be circulated during 2017. Cost: **USD1.7bn**

Al Zour North IWPP - Phase 2 (PPP)

- ▶ 1800 MW power generation, 464,100m3 desalination capacity
- ▶ Bidding: The technical bids are under evaluation and the commercial bids are not yet opened. Cost: **USD2.6bn**

Other projects

- ▶ Umm Al Hayman Waste Water (PPP). Cost: **USD1.5bn**
- ▶ Al-Abdaliya (ISCC) Power Plant (CSP). Cost: **USD0.7bn**
- ▶ Kabd Municipal Solid Waste Project. Cost: **USD0.8bn**

Kuwait National Railroad (PPP)

- ▶ Linking Kuwait to GCC
- ▶ Planning: BOT² contract will be issued in 2017; Kuwait Authority for Partnership Projects (KAPP) is planning to establish a General Authority for Road and Land Transportation to execute the project. Cost: **USD7.8bn**

Khairan City

- ▶ 140mn m2 residential city, incl 10,000 houses, 22,000 apts, other facilities
- ▶ Planning: Study phase. Cost: **USD13.7bn**

Olefins III project

- ▶ Petrochemical plant to be integrated with new refinery project (Al Zour Refinery)
- ▶ Planning: Schedule of tender (FEED & EPC)¹ not been decided. Engineering study contracts to be awarded in Q1'17. Cost: **USD6.9bn**

Kuwait Metro (PPP)

- ▶ 160km long, running across Kuwait.
- ▶ Planning: BOT² contract will be issued in 2017; KAPP is planning to establish a General Authority for Road and Land Transportation to execute the project. Cost: **USD6.9bn**

South Regional Highway (section 1)

- ▶ 135 km highway south of Kuwait as part of the International ME Arab Highways Network
- ▶ Planning: Construction tenders expected to be issued at end of 2016. Cost: **USD1.6bn**

Oil & Gas Projects*

- ▶ Awarded: Kuwait Oil Company awarded 11 different work requests in Q4'16 in addition to 35 contracts awarded in Q3'16. Cost: **~USD6.5bn**

Airport Terminal Projects

- ▶ To increase the annual handling capacity of the airport to 25mn passengers by 2025
- ▶ Underway: Construction works are ongoing. Expected completion by 2022. Cost: **USD4.3bn**

South Al Mutlaa City

- ▶ 29,000 residential units, other facilities
- ▶ Underway: Package 1 to be completed by Sep'19. Cost: **USD7.6bn**

Value of Key Projects in USDbn

Bidding	Planning	Awarded	Underway	Total
7.4	36.9	6.5	43.9	94.7^

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 three contracts awarded. Cost: **USD4.0bn**

New Refinery Project (NRP)

- ▶ New 615,000 bpd refinery by KNPC
- ▶ Underway: Construction works commenced on Package 4 (Tankage). FEED pipeline tender not yet issued. Project completion expected in 2019. Cost: **USD12.7bn**

Clean Fuels Project (CFP)

- ▶ Specification upgrade and expansion of two existing refineries
- ▶ Underway: Package 1: expected to be complete by December 2017. Package 2: expected to be complete by mid-2018. NBK Capital named exclusive financial advisor. Installations for the expansion of the refineries are currently in progress. Cost: **USD12.1bn**

LNG Import & Regasification Terminal

- ▶ 4 full containment LNG tanks each with a working capacity of 225,500 m³ and a regasification plant with capacity of 1500 BBTU/day
- ▶ Underway: Engineering works are underway. Overall duration is five years. Cost: **USD2.6bn**

Sheikh Jaber Causeway

- ▶ **Sheikh Jaber Causeway:** Roadway connecting Kuwait City and Subiyah area.
- ▶ Underway: Expected to be completed by 2018. Cost: **USD0.6bn**



¹FEED= Front End Engineering Design; EPC=Engineering, Procurement & Construction ²BOT= Build-Operate-Transfer

Source: NBK report dated February 2017

*RSM Quarterly newsletter January 2017 and press releases

^Excludes other small projects of USD0.2bn