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Executive Summary

A diversified company with deep regional expertise & roots



We are

Operating holding company with total assets of USD32.6bn¹

Geography

Middle East and North Africa (MENA)

Sectors

Primarily financial services & media

Track record

26 years of continuous profitability,
16 years of continuous dividends

Returns

Attractive shareholder return

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
USD1.1bn²

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













Gateway to MENA with superior access to opportunities

¹As on 30 June 2018

²As on 03 September 2018

Note: : Exchange rate of USD/KD of 0.3028 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 (H1'18) ²	50%	15%	15%	9%	3%	4%	4%	
Assets (H1'18) ³	73%	5%	4%	8%	6%	2%	2%	

Attractive presence in high growth economies and promising sectors

¹ Assuming consolidation of GIG & OSN

² Total revenue of USD1.8bn, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN

³ Total assets of USD37.8bn, 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) and Direct premiums

⁴ By GPW

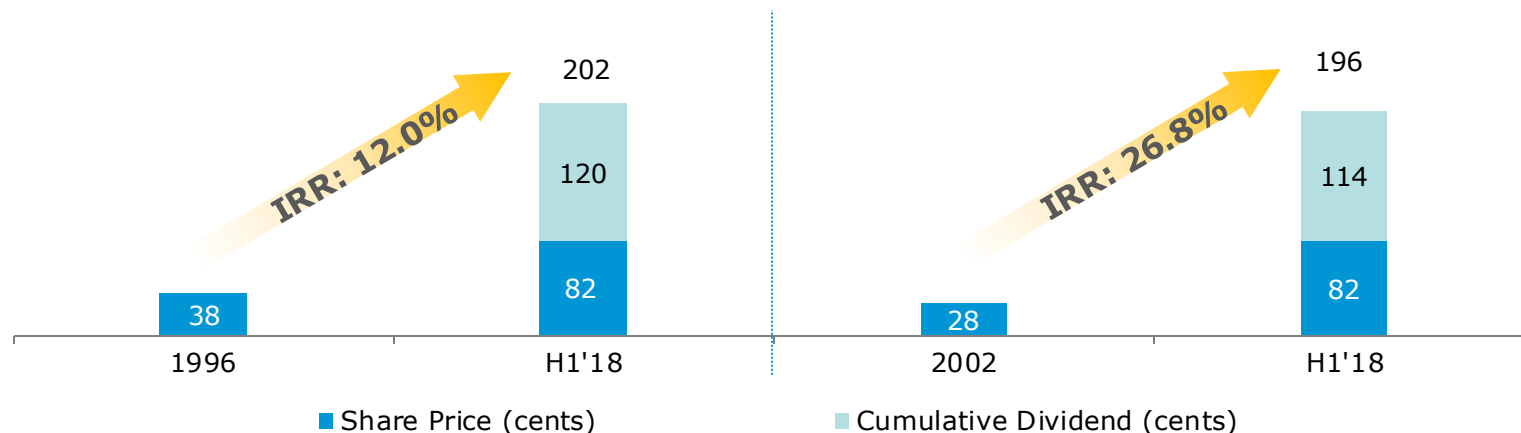
² In terms of revenue and countries of operations

⁵ By technical profit among private sector players (all ranking is as of 30 June 2018)

³ By Gross premium written (GPW)

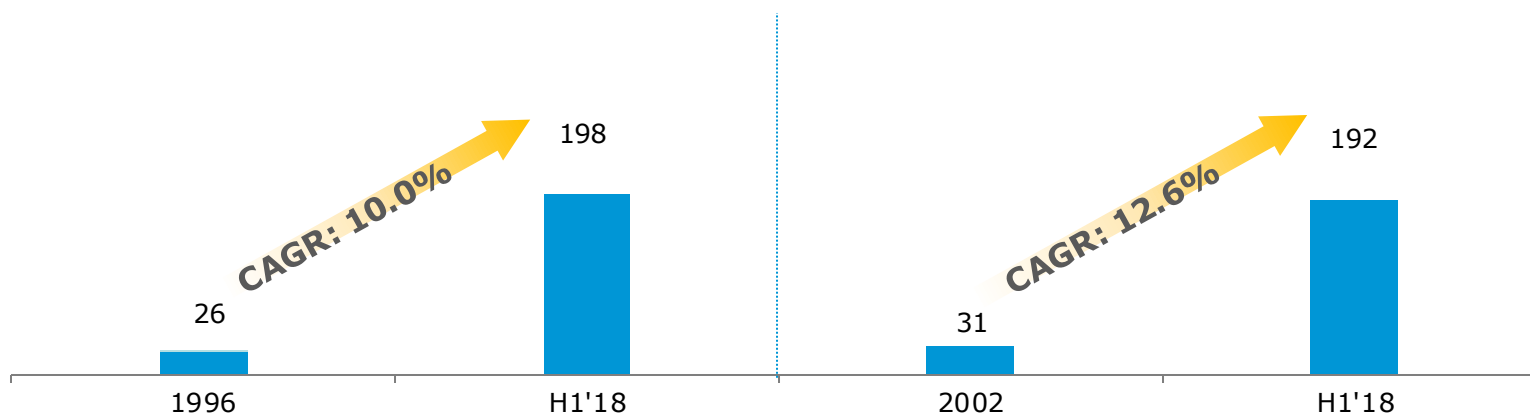
Attractive returns

Total Shareholders' Return Growth¹



¹Represents shareholders returns including dividends, bonus issue adjustment for rights issues and other corporate actions during the holding period.

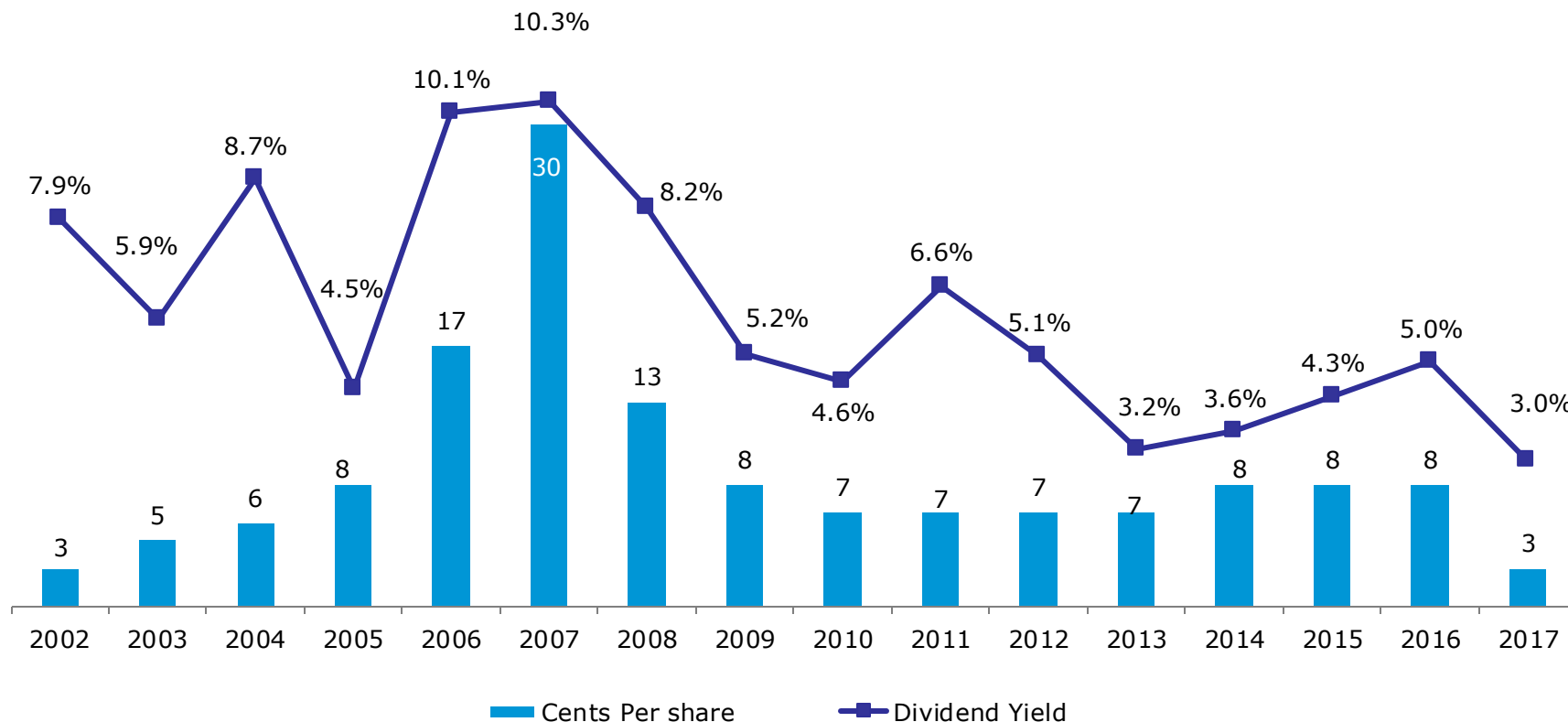
Book Value Per Share Growth (in US cents)²



²Book value growth does not consider dividends paid and is before adjustment for other corporate actions.

Continuous dividends

USD1.6bn in cash dividend paid by KIPCO since 2002



16 years of continuous dividend payments and ~6% average dividend yield

Note: In addition to the above cash dividend, KIPCO also paid stock dividend in 2007 (10%), 2009 (5%), 2010 (5%), 2011 (5%), 2012 (5%), 2013 (5%) and 2017 (5%)

Dividend yield is computed as (Dividend paid for the year/ Closing share price of the year)



Strategy

Our strategy

Building Businesses

MENA

Regional outlook

**Being first in the
region**

Thought leadership



Target ROE: 15%+

Investing in engines of growth







Balanced Portfolio

Diversified revenue streams

Team Approach

Strong managerial expertise

Controlling or majority stakes

Main Entities	 بنك بروتيان BURGAN BANK	 osn	 UGH	 KAMCO Q30L3	 gig Kuwait Insurance & Reinsurance Company	 شركة المقارنات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	64.1%	60.5%	96.4%	83.2% ³	45.6%	72.6%
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	1,883	Unlisted	1,222	56	384	238
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB (UGB)	Unrated	S&P: A- (GIRI); A- (GIG) Moody's: A3 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 June 2018

² Market capitalisation as of 03 September 2018 (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)

Active management

Key businesses – progress indicators

Businesses	Parameters	Then ¹	Now	Active Management – KIPCO Support & Action
	Net Interest Margin	1995 1.3%	H1'18 2.7%	<ul style="list-style-type: none"> Transformed from a local player to regional player Hired new management in 2010/11 to execute regional strategy Focused on growth with prudent loan underwriting
	Sub. Base	1996 -	H1'18 ~1.1 Mn²	<ul style="list-style-type: none"> Merged with Orbit in 2009 to create leading Pay TV operator in MENA Acquired Pehla in Aug'13 and consolidation of Pay TV continues Gained access to premium content Focused on subscriber acquisition
	Book Value	1998 \$193Mn	H1'18 \$395Mn	<ul style="list-style-type: none"> Incubated pan-MENA commercial banking network Equipped to assess / develop opportunities identified by KIPCO Refining strategy to add more value to financial services sector
	Rank# (by GPW)	1997 #3 of 5	H1'8 #1 of 32	<ul style="list-style-type: none"> Transformed from a local player to regional player Market leadership in 4 key geographies Partnered with Fairfax to strengthen operations and enhance growth
	AuM	2000 \$0.7Bn	H1'18 \$10.2Bn	<ul style="list-style-type: none"> Spun-off AM/IB division to separate client funds from KIPCO funds Full range of asset management & investment advisory services in Kuwait Streamlined operation in 2012 to focus on core business

Number of success stories demonstrating consistent track record of value creation

¹ Year of incorporation/acquiring substantial stake acquisition of Pehla in 2013 and including integrated TFC subscribers

² Represents subscriber base post merger of Showtime & Orbit in 2009 and # Represents rank in Kuwait

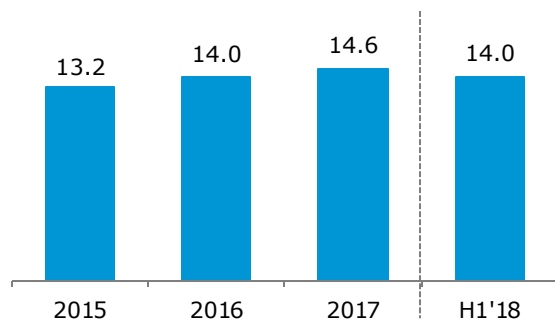


Performance Update

Burgan Bank Group (BBG)

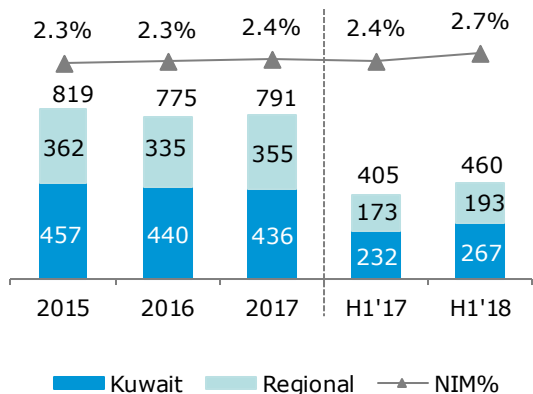
Loans

USDbn



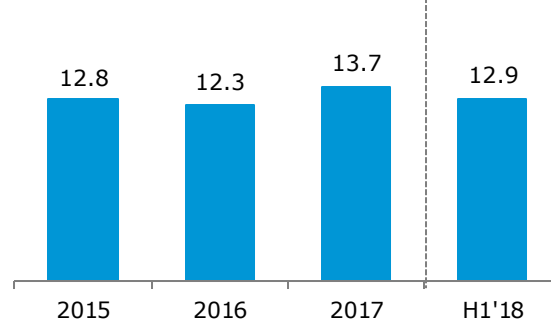
Operating Income

USDmn



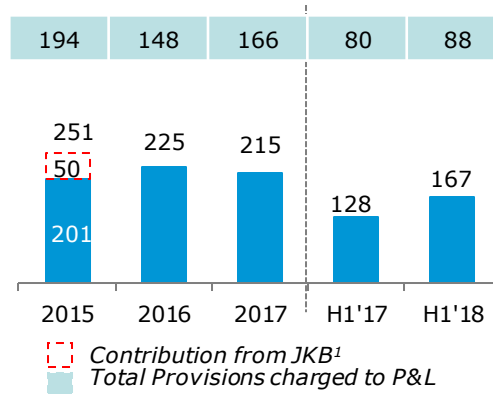
Deposits

USDbn



Net Profit & Provision

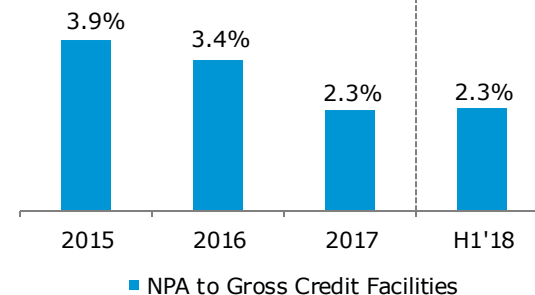
USDmn



Asset Quality

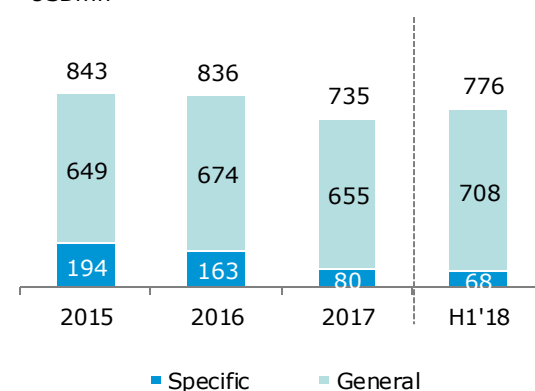
NPA coverage with collateral
NPA coverage without collateral

184%	194%	233%	248%
120%	124%	159%	173%



Total Provision

USDmn



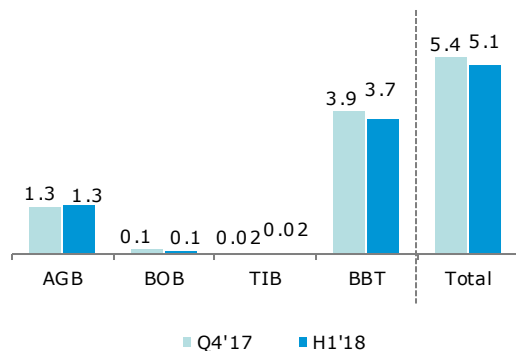
**Strong performance reflecting operational capabilities with strict focus on asset quality;
Basel III CAR at 16.6%**

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

BBG: Regional operations

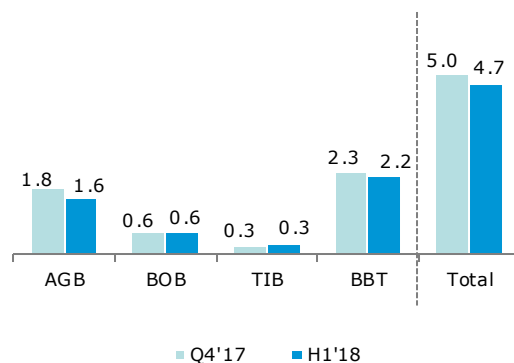
Loans

USDbn



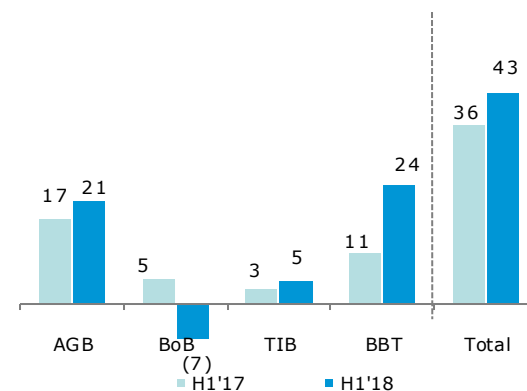
Deposits

USDbn



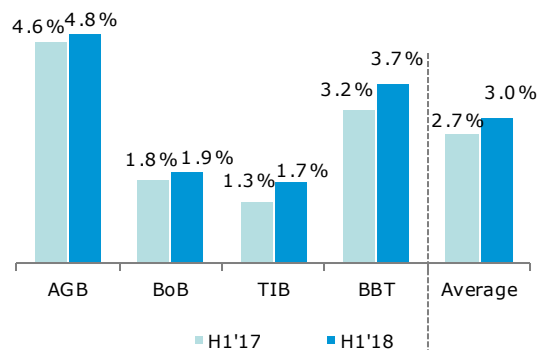
Net Profit¹

USDmn



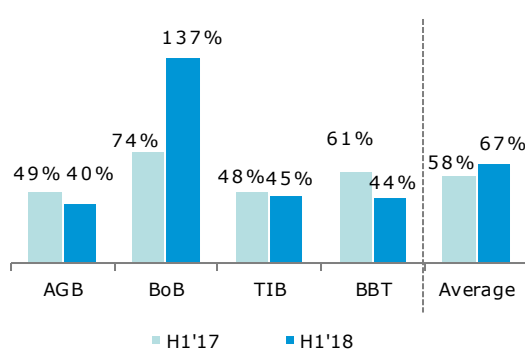
Net Interest Margin

Percentage



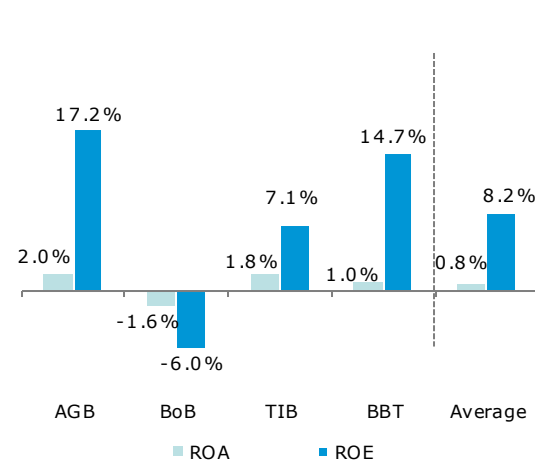
Cost to Income

Percentage



Return on Assets & Equity²

Percentage



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

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

AGB = Gulf Bank Algeria

BOB = Bank of Baghdad

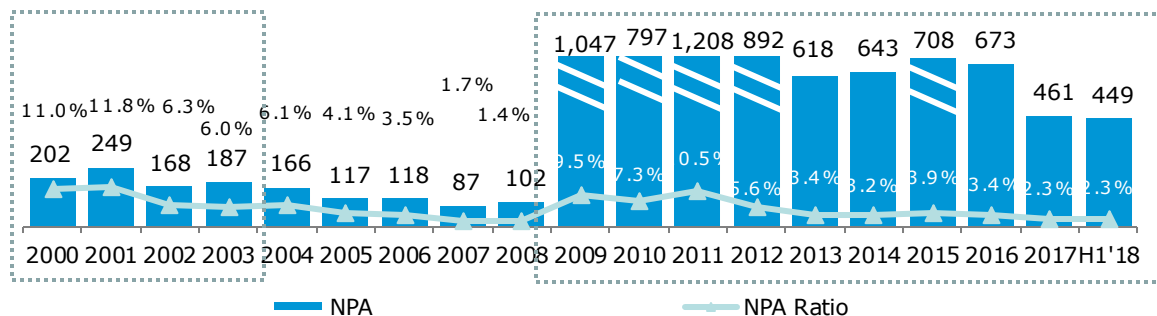
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

BBG: NPA¹ & provisioning trend

NPA Trend

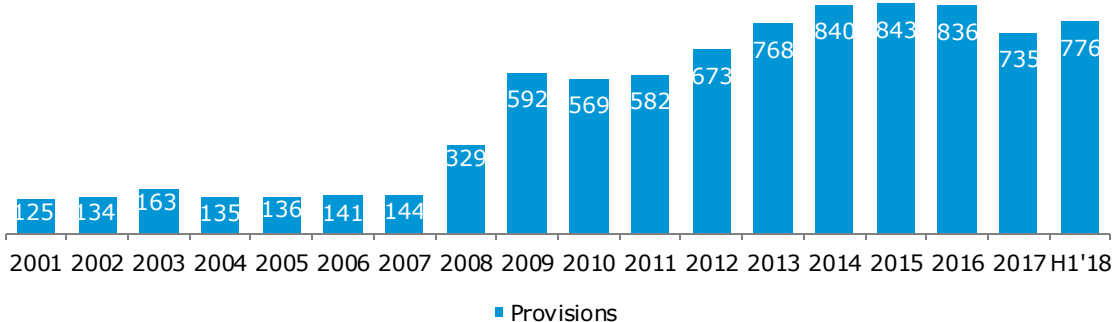
NPA (USDmn)
NPA Ratio (Percentage)



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%	233%	248%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	159%	173%



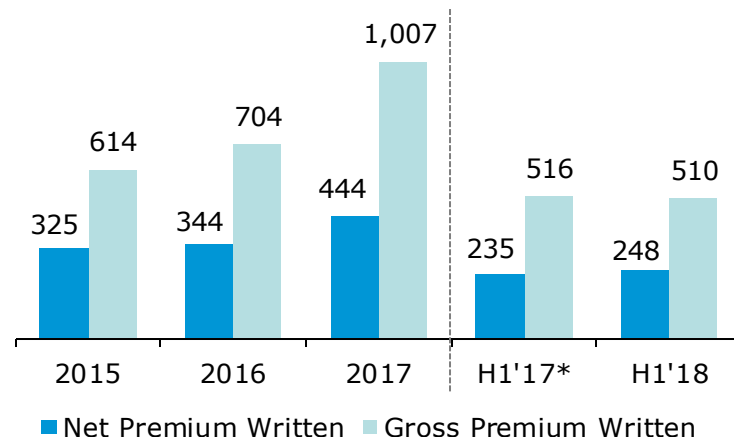
- ▶ At end of June 2018, combined coverage of non performing assets (NPA) was **248%**
- ▶ NPA Ratio was 2.3% as on 30 June 2018
- ▶ ~91% provisions in general category as on 30 June 2018
- ▶ Prudent approach to credit cycle
 - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

¹NPA includes on balance sheet and off balance sheet exposure

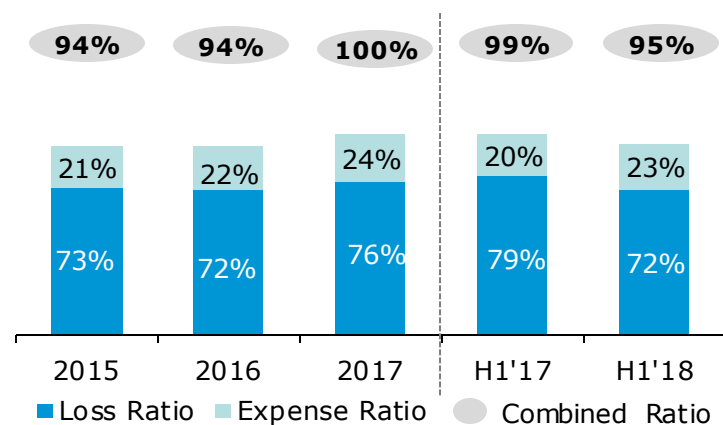
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

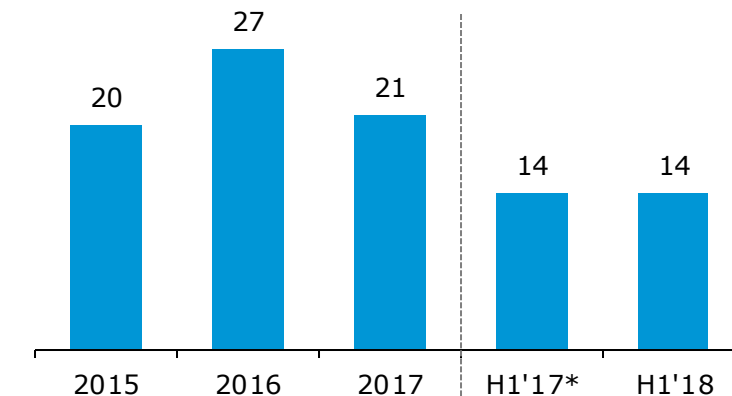


Combined Ratio



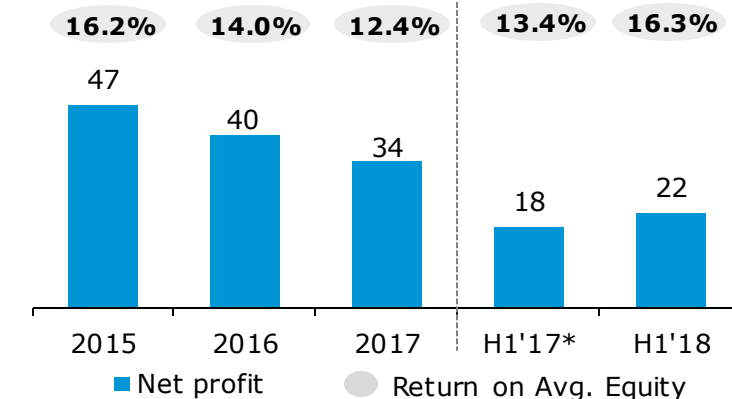
Net Investment Income

USDmn



Net Profit & ROE

USDmn



*Restated

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	355	7	69	96%	~10%
Latin America	619	32	56	NA	57%
UK	66	15	27	97%	54%
India	1,334	148	183	62%	82%
US	328	102	118	94%	86%

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 April 2018, Euromonitor, Statista

OSN: Overview...cont'd

Overview

Leading premium 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

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

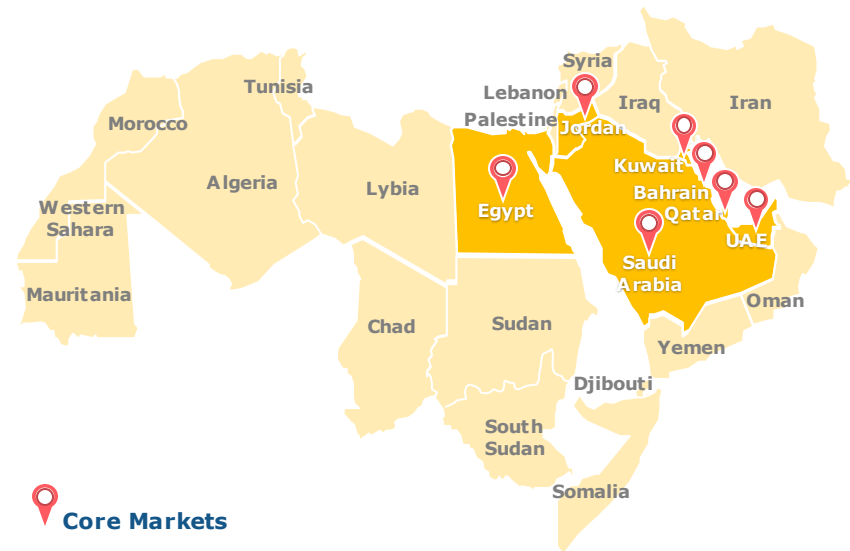
Subscriber base of around 1.1mn, 36k subs for OSN play and 62K subs for OSN on demand

Exclusive access to the most comprehensive portfolio of rights from 7 major Hollywood studios

Premium content offerings with 156 channels incl. 72 HD channels, and 34 owned and operated. 39 South Asian channels, 16 Filipino channels

~2,000 employees in 13 offices, 163 retail locations across MENA and a network of 156 partners

Pan Arab reach



Strong shareholders

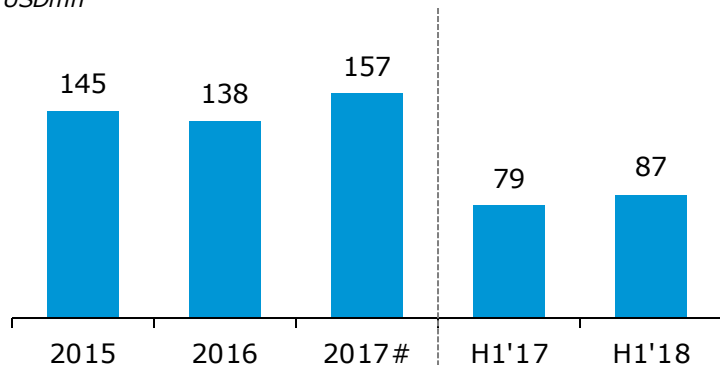


As of 30 June 2018

United Gulf Holding Company (UGHC)*

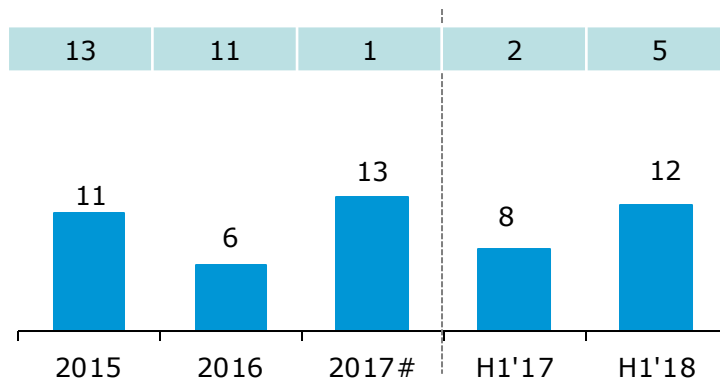
Revenue

USDmn



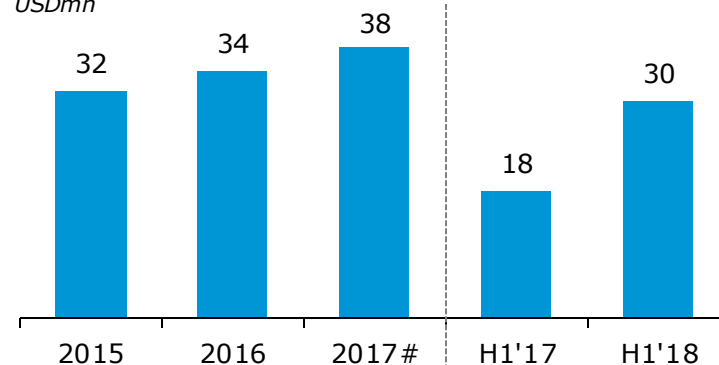
Net Profit & Provisions

USDmn



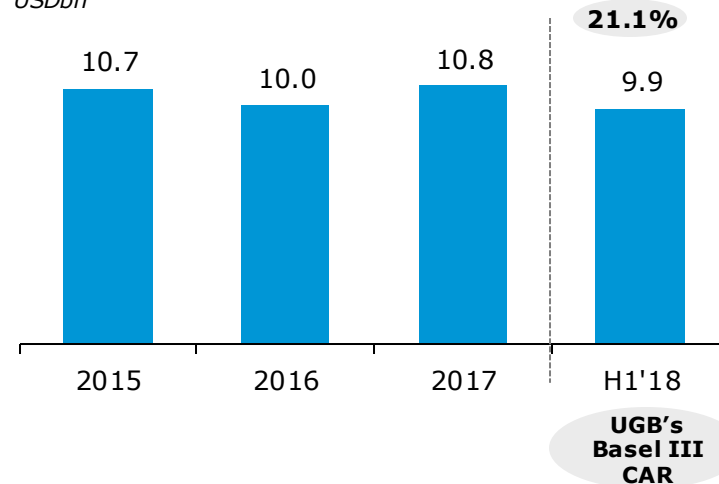
Fee & Commission Income

USDmn



AuM & Capitalisation

USDbn



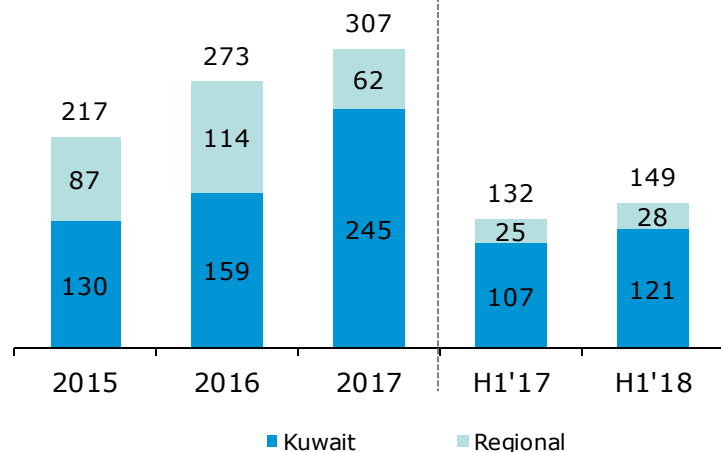
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGHC) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

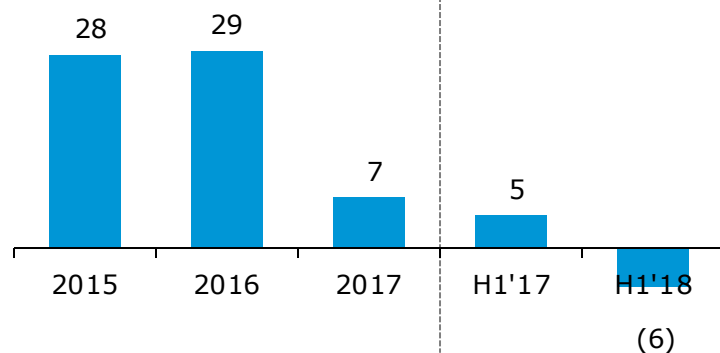
Total Revenue¹

USDmn



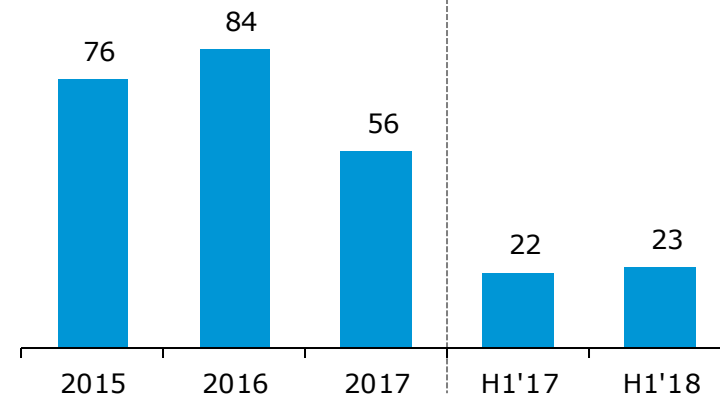
Net Profit

USDmn



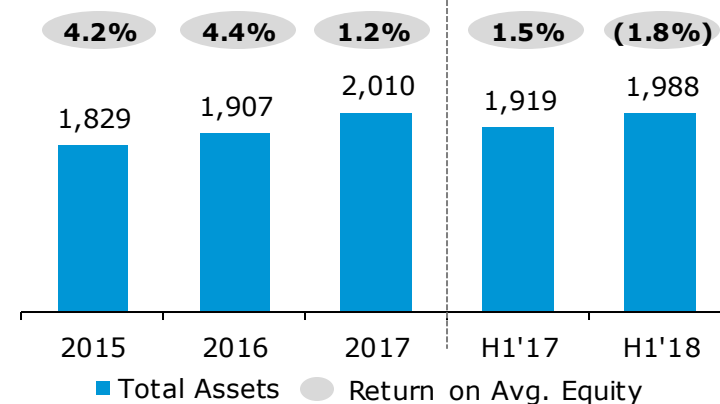
Operating Profit²

USDmn



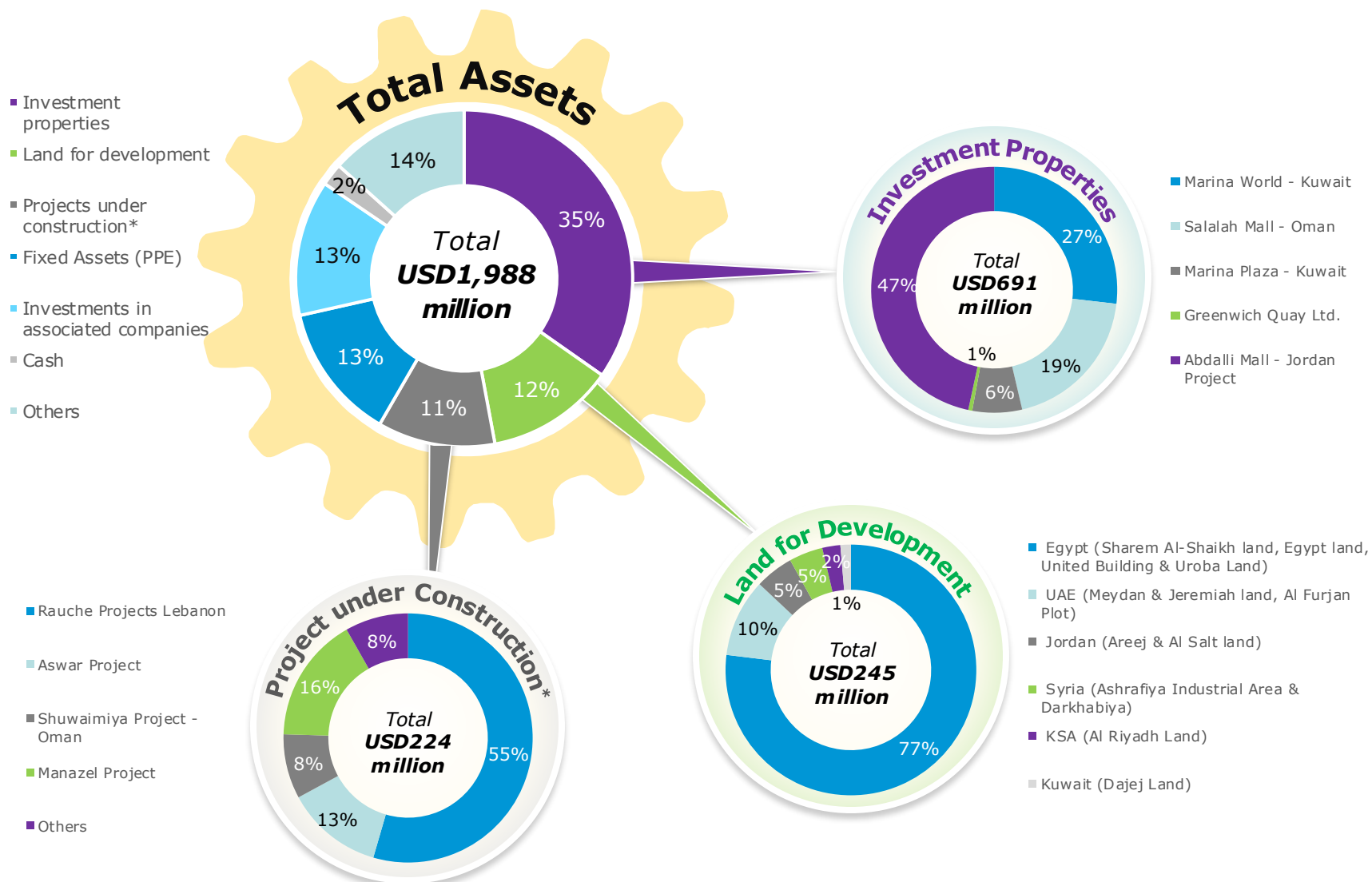
Total Assets & ROE

USDmn



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

URC: Balance sheet (Break-up)¹



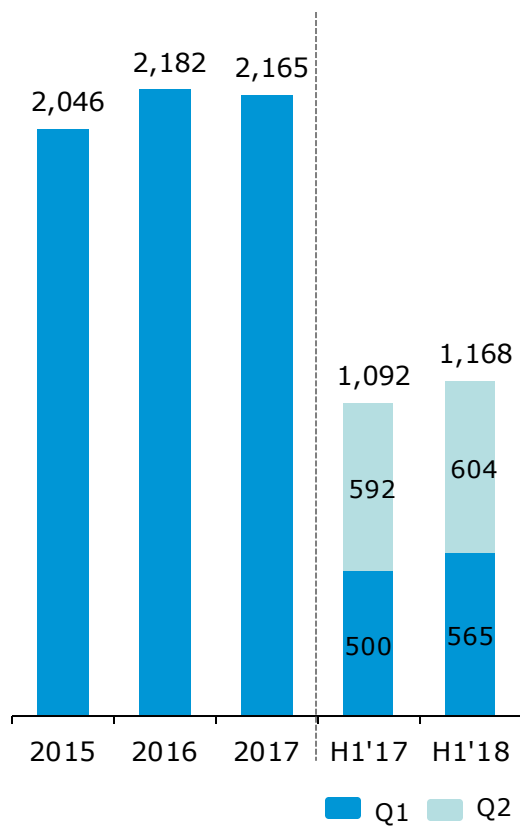
* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

¹ As on 30 June 2018

KIPCO consolidated: Financial performance

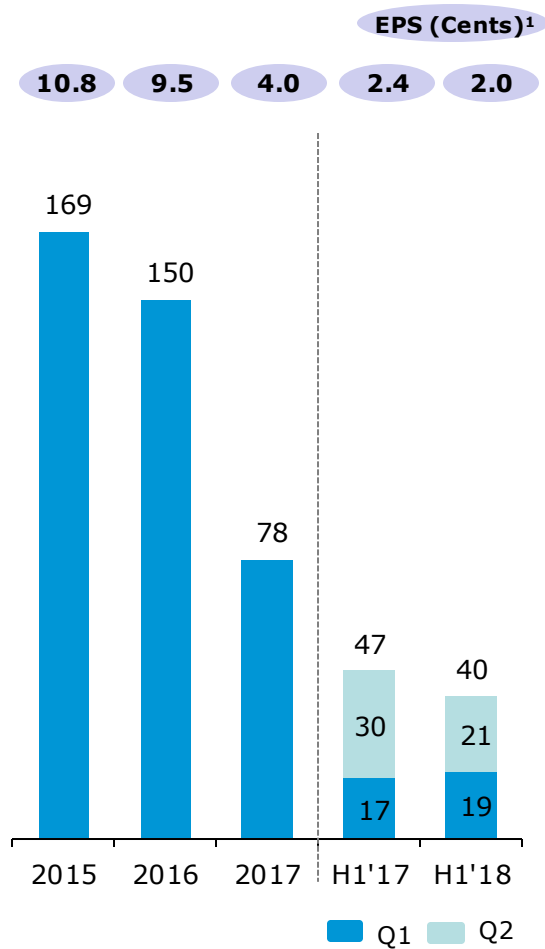
Revenue

USDmn



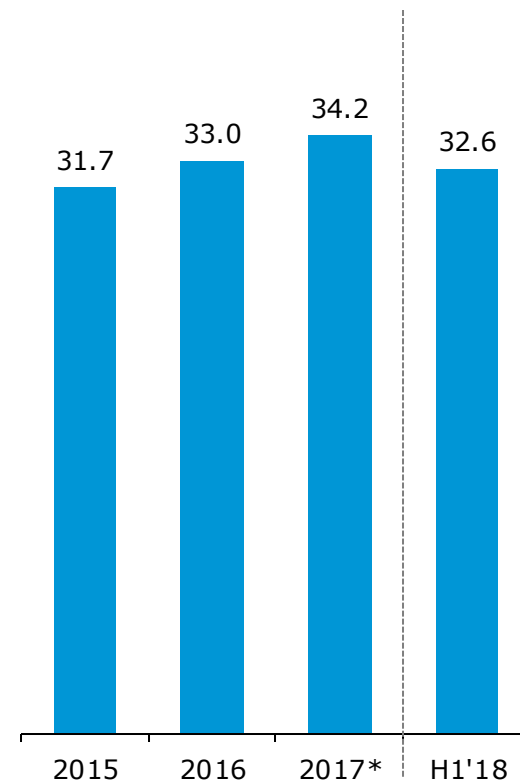
Net Profit

USDmn



Consolidated Assets

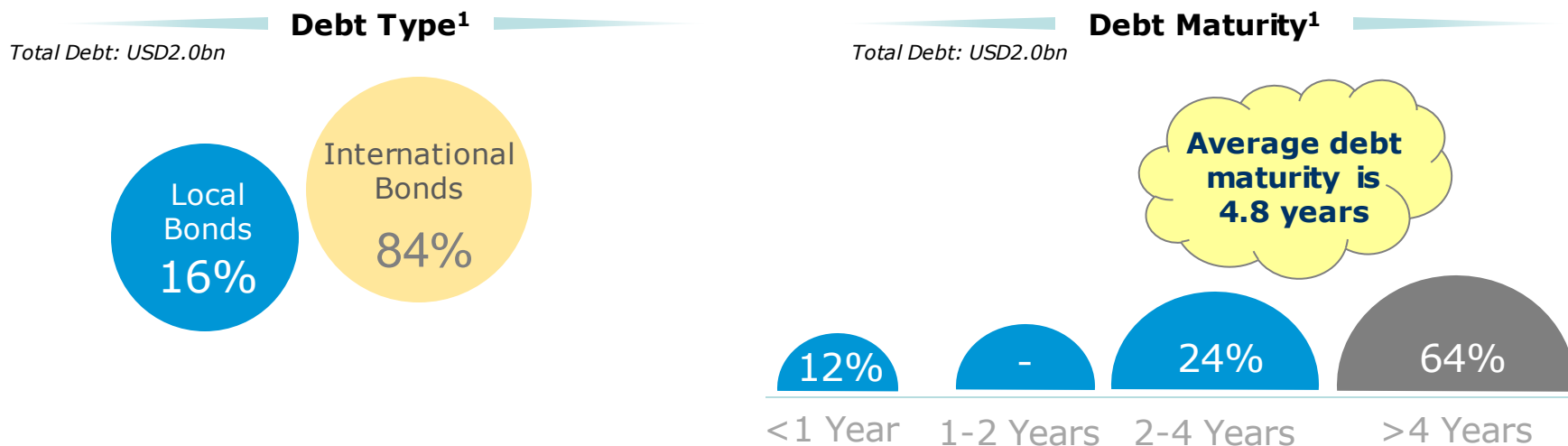
USDbn



*Restated

¹Basic Earning per share (reported)

KIPCO parent debt profile: As at 30 June 2018



¹As of 30 June 2018



- Cash & bank balance of USD1,075mn
 - The current cash balance covers all debt obligations due till December 2022 (4.6x coverage for 2019)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis



Why KIPCO

Why KIPCO?



Well positioned to deliver 15%+ return in medium term



Thank you



Annexure 1: Portfolio Companies

Burgan Bank (BB): Overview

Overview



- Kuwait based commercial bank with regional presence in seven countries
- 2nd largest conventional bank in Kuwait in terms of assets (Total Assets of USD22.8bn as of 30 June 2018)
- Offers a wide range of corporate, retail & treasury products through a network of 169 branches¹
- Listed on the Kuwait stock exchange with a market cap of USD1,883mn as of 03 September 2018
- BBB+ rating from S&P, A3 from Moody's and A+ from Fitch Ratings
- KIPCO group holds 64.1% stake, while KIPCO directly holds 41.4% stake (as on 30 June 2018)
- First and only ISO certified bank in GCC to achieve certification for all its banking operations



Key highlights of H1 2018 results:

- ▶ Net profit margin improved from 31.7% in H1 2017 to 36.3%
- ▶ NIM improved from 2.4% in H1'17 to 2.7%
- ▶ NPA ratio remained stable at 2.3%
- ▶ Basel III CAR of 16.6% as on 30 June 2018

A regional player with presence in growth markets

¹Represents figure as of June 2018

Gulf Insurance Group (GIG): Overview

Overview



- Multi-line insurance provider with presence across 11 MENA countries through subsidiaries
- Provides marine, aviation, property, engineering, casualty, life & health insurance, & motor insurance
- Operates through a network of more than 50 branches across the region
- Market leader in Kuwait (by GPW and direct premiums) for 16 consecutive years
- Market leader in 4 countries
- Listed on the Kuwait stock exchange with a market cap of USD384mn as of 03 September 2018
- A- rating (GIRI) and A- rating (GIG) from S&P; A3 rating (GIG) from Moody's; A rating from AM Best
- KIPCO group holds 45.6% stake, while KIPCO directly holds 40.5% stake (as on 30 June 2018)



Recent Highlights

Key highlights of H1 2018 results:

- ▶ NPW grew by 6% to reach USD248mn in H1 2018 vs. USD235mn in H1 2017
- ▶ Composition of GPW
 - Line of business: 53% Life & Medical; 47% Non-Life (4% Marine & Aviation, 10% Property, 17% Motor, 9% Engineering and 7% General)

Ranked 8th among the private sector players in the MENA (by GPW)

United Gulf Holding Company (UGHC): Overview

Overview



شركة الخليج المتحد القابضة
United Gulf Holding Company B.S.C.

- Asset management and investment banking (AMIB) business
- Offers asset management, investment banking, brokerage and advisory services
- Listed on the Bahrain stock exchange with a market cap of USD1,222mn as of 03 September 2018
- Credit rating of BBB (UGB) from Capital Intelligence
- KIPCO group holds 96.4% stake, while KIPCO directly holds 56.3% stake (as on 30 June 2018)



Recent Highlights

Key highlights of H1 2018 results¹:

- ▶ 10% increase in revenue to reach USD87mn
- ▶ Fees and commission income increased by 67% to reach USD30mn
- ▶ CAR for UGB is 21.1% at end of 30 June 2018

Focused on growing the financial services network across the MENA region

¹ Comparison shown from UGB H1'17

United Real Estate Company (URC): Overview

Overview



- Leading integrated real estate company with presence in Kuwait & MENA
- Sizeable portfolio of good quality properties; large unencumbered asset base
- Stable rental income; growth to be supported by newly completed Abdali mall
- Listed on the Kuwait stock exchange with a market cap of USD238mn as of 03 September 2018
- Major real estate player in Kuwait, ranked second in real estate sector on KSE (total assets basis)
- KIPCO group holds 72.6% stake, while KIPCO directly holds 53.8% stake (as on 30 June 2018)



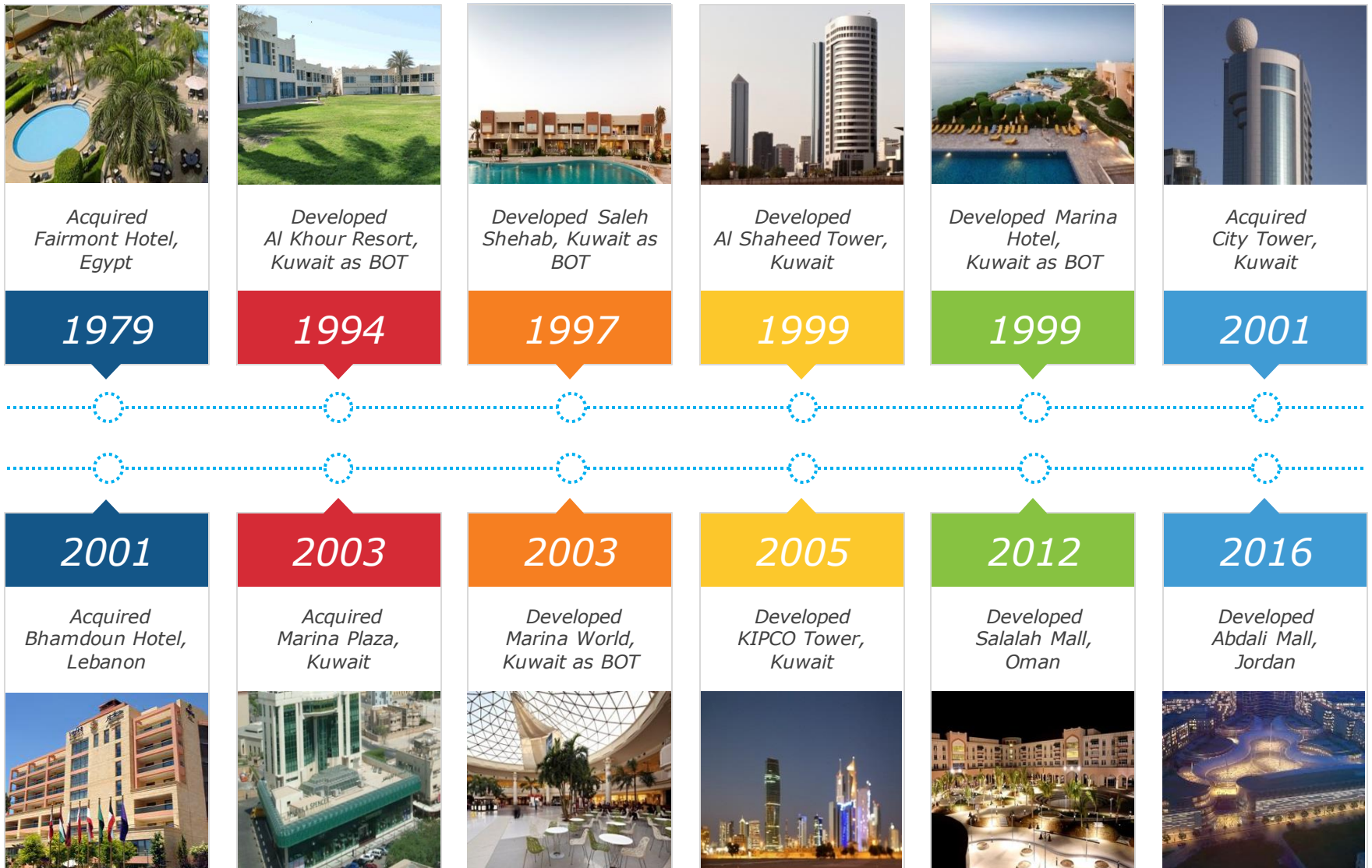
Recent Highlights

Key highlights of H1 2018 results:

- ▶ 13% growth in total revenue in H1 2018 to reach USD149mn
- ▶ Over the next few years, targets to develop projects spread over Oman, Morocco and Egypt in various segments

Devoted to excellence in securing and managing the best prospect developments, providing the best quality services and allegiance to entrusted clients

Major real estate properties developed & operated by URC



United Industries Company (UIC): Overview

Overview



- Established in 1979, UIC invests in the industrial sector in Kuwait and the region
- Major investments are QPIC (31%) & ATC (19%)
- KIPCO group holds 80.5% consolidated stake, while KIPCO directly holds 60.2% (as on 30 June 2018)



Key highlights of H1 2018 results:

- ▶ Revenue increased by 26% to USD31mn from USD25mn in H1 2017 due to increase in income from associates
- ▶ Income from associates increased 25% to reach USD29mn over H1 2017
- ▶ Net profit increased by 30% to USD19mn over H1 2017

Aims to invest in specialized activities in the Industrial sector

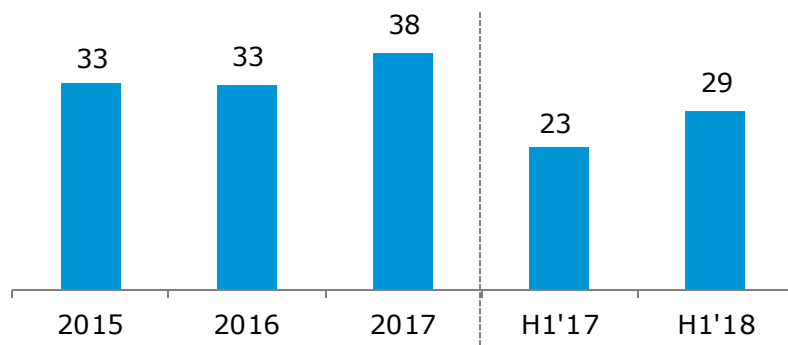
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

United Industries Company: Financial performance

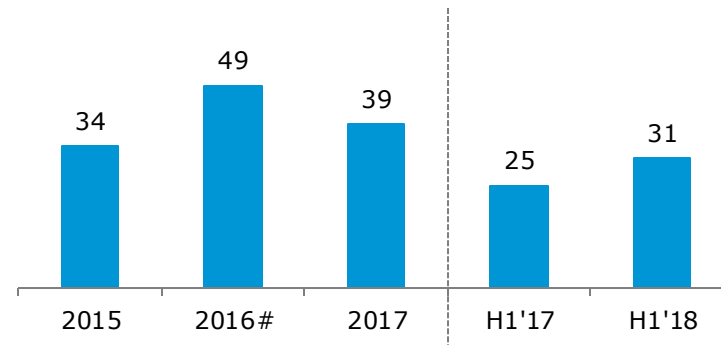
Income from Associates

USDmn



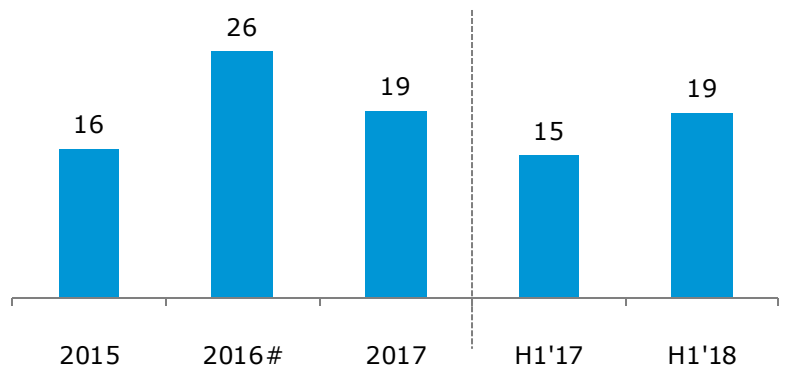
Total Revenue

USDmn



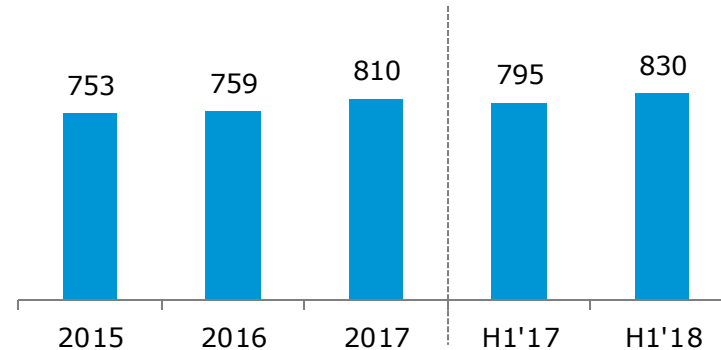
Net Profit

USDmn



Total Assets

USDmn



Includes USD13mn as of one-off income on reclassification of investment from AFS to associate

Qurain Petrochemicals Industries Co. (QPIC): Overview

Overview



- Holding company focusing on investment opportunities in food, petrochemicals, oil, gas & energy related sectors
- Four petrochemical investments in Kuwait i.e. EQUATE, TKOC, KARO & TKSC
- Listed on the Kuwait stock exchange, with a market cap of USD1,137mn as of 03 September 2018
- KIPCO group through UIC holds 25% stake as on 30 June 2018



Key highlights of Q1 2018/19 results, over Q1 2017/18 results:

- ▶ Total revenue declined by 5% to reach USD146mn in Q1 2018/19
- ▶ Total assets increased by 10% to reach USD2.3bn in Q1 2018/19
- ▶ Net profit declined by 16% to reach USD17mn in Q1 2018/19 vs. USD20mn in Q1 2017/18

QPIC aims to become a leading company in the energy and petrochemical sectors through direct investments/ JVs/ alliances as well as through the creation of new, innovative investment opportunities in the petrochemical and related sectors

TKOC = The Kuwait Olefins Company,
Financial Year Ended : March

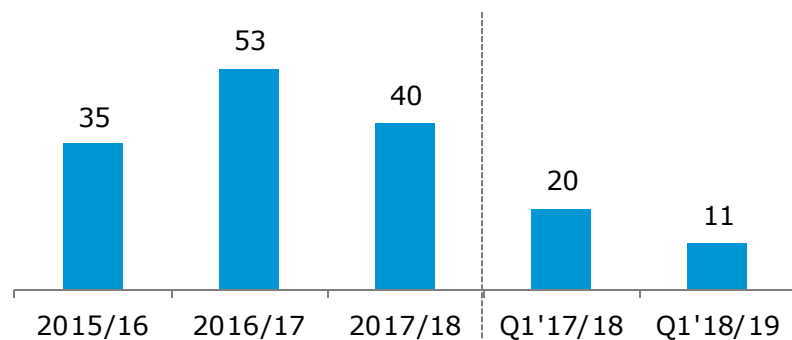
KARO = The Kuwait Aromatics Company,

TKSC = The Kuwait Styrene Company

QPIC: Financial performance

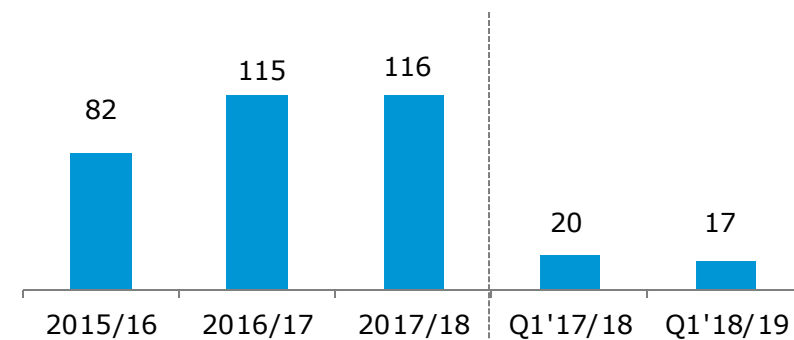
Share of Income from Associates

USDmn



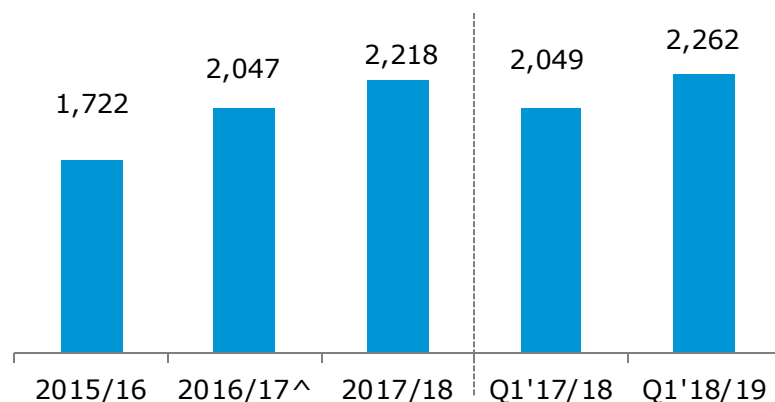
Net Profit

USDmn



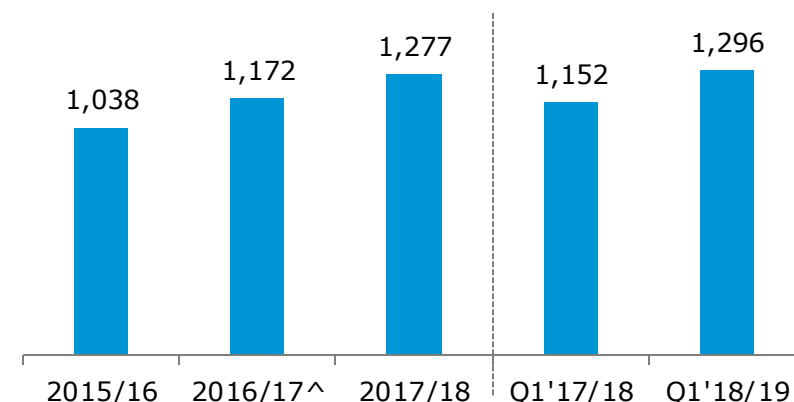
Total Assets

USDmn



Total Shareholder's Equity

USDmn



^ Restated in the 2017-18 financial statements

Note: Exchange rate of USD/KD = 0.3028 as of 30 June 2018 has been used for annual and quarterly numbers

Jordan Kuwait Bank (JKB): Overview

Overview



- Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- 5th largest conventional bank in Jordan in terms of assets (Total assets of USD4.0bn as of 30 June 2018)
- Offers a wide range of corporate, retail & treasury products through a network of 68 branches*
- Listed on the Amman stock exchange with a market cap of USD416mn as of 03 September 2018
- KIPCO group holds 51.2% stake (as on 30 June 2018)



Key highlights of H1'18 results:

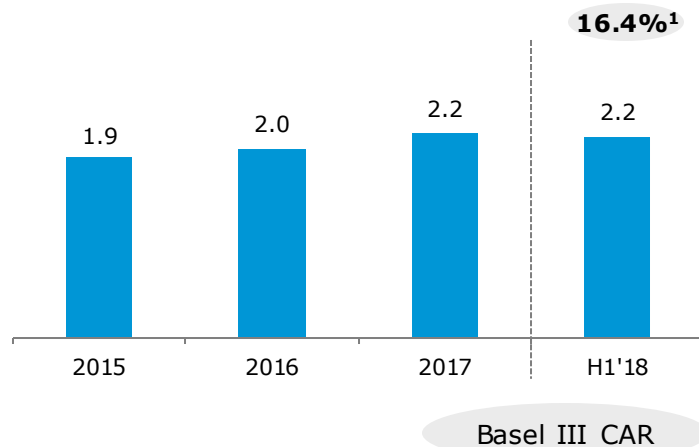
- ▶ Operating profit increased by 17.1% to USD38mn from USD32mn in H1'17
- ▶ Net profit increased by 27.2% to USD26mn from USD21mn in H1'17
- ▶ Basel III CAR ratio of 16.4% as of 30 June 2018

* As of 30 June 2018

Jordan Kuwait Bank

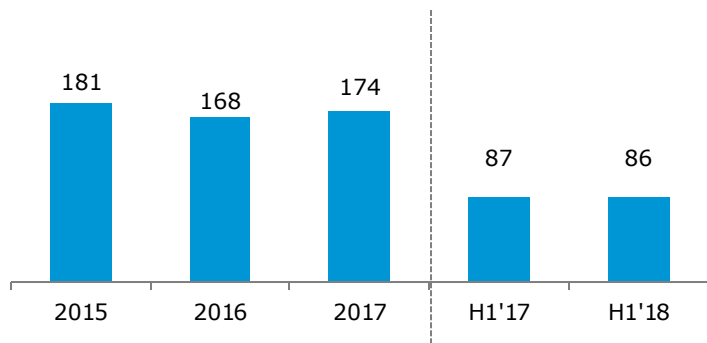
Loan Growth

USDbn



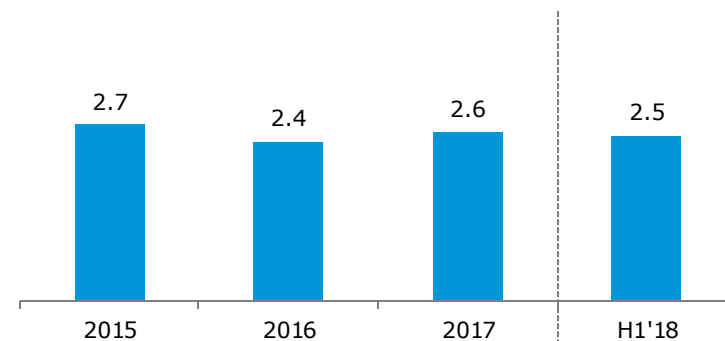
Operating Income

USDmn



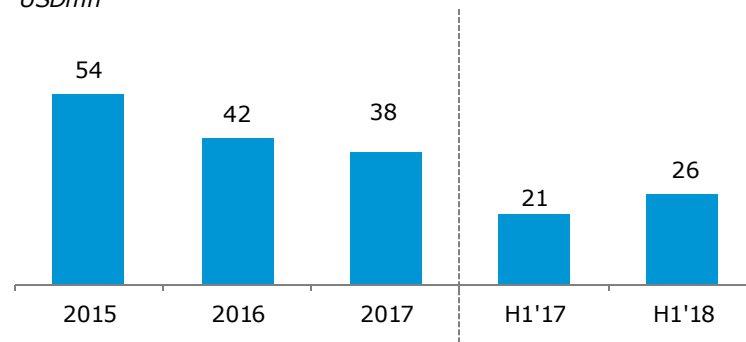
Deposit Growth

USDbn



Net Profit

USDmn



Notes: Exchange rate of USD/JOD of 0.7090 as of 30 June 2018 has been used for conversion

¹ As of 30 June 2018



Annexure 2: Executive Management

KIPCO: Executive management



Faisal Hamad Al Ayyar
Vice Chairman - Executive

- ▶ Joined KIPCO Board in 1990
- ▶ Recipient of Arab Bankers Association of North America Achievement Award (2005)



Masaud Hayat
CEO - Banking

- ▶ Joined KIPCO Group in 1997; appointed as KIPCO's Banking CEO in 2010
- ▶ Graduate in Accounting from Kuwait University and Diploma in Banking Studies, Kuwait



Pinak Maitra
Group CFO

- ▶ Joined KIPCO in 1988
- ▶ Recipient of the MENA Private Sector CFO of the Year Award (2008)



Declan Sawey
Group Treasurer

- ▶ Joined KIPCO in 2007, previously Head Asset & Liability Management for HBOS Corporate in Edinburgh, Scotland
- ▶ Fellow of ICA, CFA and member of ACT



Mazen Hawwa
Group SVP
Finance & Operations

- ▶ Joined KIPCO in 2001, previously worked at Anderson & Co.
- ▶ Graduate of Lebanese American University, Holds CPA and CMA



Osama Al Ghousein
SVP - Banking

- ▶ Joined KIPCO Group in 2013, previously Senior Vice President in Pictet & Cie.
- ▶ Over 30 years of experience in global and regional banking



Eman Al Awadhi
Group
Communications
Director

- ▶ Joined KIPCO in 2010
- ▶ Over 10 years of experience in communications, media relations and journalism



Samer Subhi Khanachet
Group COO

- ▶ Joined KIPCO in 1990; Board and committee member of American University of Kuwait, MIT
- ▶ BSc from MIT and MBA from Harvard University



Tariq Abdulsalam
CEO - Investment

- ▶ Joined KIPCO in 1992 and became in charge of KIPCO's Investment Division from 1996 to 1999
- ▶ BSc in Accounting from Kuwait University



Khaled Al Sharrad
Group Chief HR & Admin.
Officer, Board Secretary

- ▶ Joined KIPCO in 2012, previously Head of Human Resources at the Kuwait Foreign Trading Contracting Investment Company (KFTCIC). He is on the Board of the American Management Association International in New York.



Mohsen Ali Husain
Group Chief Audit
Executive

- ▶ Joined KIPCO in 2006, previously worked at KPMG
- ▶ Holds a CPA, CISA, CIA and B.Sc. in Accounting



Adel Al Waqayan
Treasurer

- ▶ Joined KIPCO in 1995, previously with Burgan Bank Treasury
- ▶ MBA in 1986 from USI University



Tawfiq Al Jarrah
ED - Hessa Al Mubarak District

- ▶ Joined KIPCO in 2016, previously with Kuwait Commercial Markets Complex Company
- ▶ Holds a CPA and BA in business



Robert Drolet
Consultant

- ▶ Joined KIPCO in 2006, previously held leadership positions for Cable & Wireless and Bell Canada
- ▶ B.LL from Laval, LL.M Osgoode, M.Litt. Oxford

Board of Directors is actively involved in overseeing the management and strategy of the company under the chairmanship of Sheikh Hamad Sabah Al Ahmad Al Sabah



Annexure 3: Key Companies

KIPCO group companies



Eduardo Eguren
CEO
Burgan Bank



Burgan Bank is one of Kuwait's leading commercial banks. Burgan has 28 branches in Kuwait and one of the biggest ATM networks in the country. Burgan is one of the MENA region's fastest growing banks and has controlling stakes in Gulf Bank Algeria and the Bank of Baghdad. Burgan is listed on the Kuwait Stock Exchange.

www.burgan.com



Khaled Al Hassan
CEO
GIG



The Gulf Insurance Company (GIG) is the leading insurance company in Kuwait and has become one of the MENA region's biggest insurance networks with operating companies in Saudi Arabia, Jordan, Lebanon, Syria, Egypt and Bahrain. GIG offers a full range of products including life, motor, accident and medical insurance. The company is listed on the Kuwait Stock Exchange.

www.gulfin.com.kw

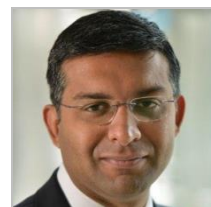


Faisal Sarkhou
CEO
KAMCO



KAMCO is KIPCO's asset management and fund management company. Its business includes brokerage services, tailored portfolio management, forward trading and local and international fund management. KAMCO also provides corporate finance advisory services, mergers and acquisition services, IPOs, private placements, debt issuance and investment research and evaluation. KAMCO is listed on the Kuwait Stock Exchange.

www.kamconline.com



Hussain A. Lalani
Acting CEO
UGHC



United Gulf Holding Company B.S.C. (UGHC) is a public Bahraini shareholding company. It operates as a non-financial holding company of the activities of KIPCO Group. Through its subsidiaries and associates it has interest in commercial and investment banking and asset management services, the holding company also manages a diversified portfolio of investments in private equity funds, private equities, structured products, trading portfolios. It is listed on Bahrain Bourse.

www.ughbh.com



Martin Stewart
CEO
OSN



OSN is the leading pay-TV operator in the MENA region. The company is a result of the merger between Showtime and Orbit which was completed in 2009. The company offers 160 channels providing the latest premium entertainment including the latest Hollywood movies and series, international sports and Arabic content.

www.osn.com



Tariq Abdulsalam
Chairman
URC



The United Real Estate Company (URC) is KIPCO's real estate development company. URC is currently developing properties in Kuwait, Oman, Egypt, Qatar, Jordan, Syria, the UAE and Lebanon. These properties include residential, commercial, leisure and retail projects. The company is listed on the Kuwait Stock Exchange.

www.urc.com.kw

KIPCO group companies (cont'd)



**Sheikh Khalifa
Abdulla Al Jaber Al
Sabah**
Chairman
UIC



The United Industries Company (UIC) is KIPCO's industrial holding company. UIC has holdings in a variety of industrial sectors including stakes in SADAFCO – one of the leading food manufacturers in Saudi Arabia – and the Qurain Petrochemical Industries Company.

www.uickw.com



Wout Matthijs
CEO
SADAFCO



The Saudi Dairy and Foodstuff Company (SADAFCO) is one of the most profitable companies in the United Industries Company's investment portfolio. SADAFCO was established in 1976 and is a leader in the region's dairy and foodstuff industry producing almost 700 million items every year. The company is listed on the Saudi Stock Exchange

www.sadafco.com



Sadoun Al Ali
CEO
QPIC



The Qurain Petrochemicals Industries Company (QPIC) is one of the leading private investors in petrochemical projects both inside and outside Kuwait. QPIC has invested in the projects such as the expansion of Kuwait's ethylene and benzene production plants. The company is listed on the Kuwait Stock Exchange.

www.qpic-kw.com



Fawzi Al Musallam
CEO
KHC



The Kuwait Hotels Company (KHC) is KIPCO's hotel and hospitality services company. KHC is the holding company for Safir International Hotels – one of the region's premier hotel companies with a total of 15 hotels throughout the Middle East and North Africa.. KHC is listed on the Kuwait Stock Exchange.

www.khc.com.kw



Narendra Baliga
CEO
PKC Advisory



PKC Advisory is KIPCO's consulting company based in India. PKC Advisory offers services and solutions in business advisory, financial research and analysis. It also provides KIPCO Group Companies and external clients with website design and management services

www.pkcadvisory.com

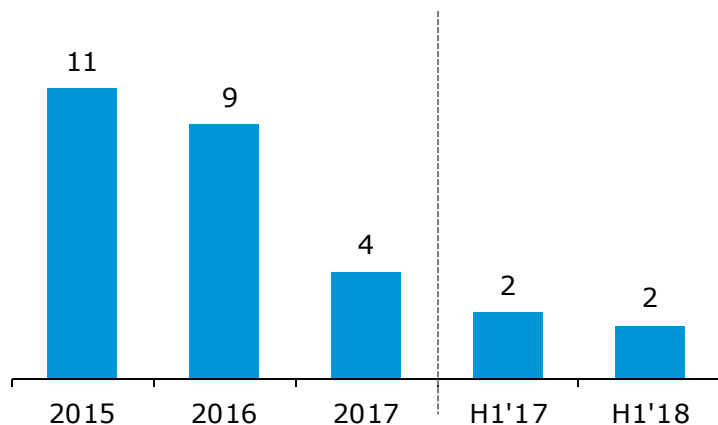


Annexure 4: Per Share Return

KIPCO: Per share return

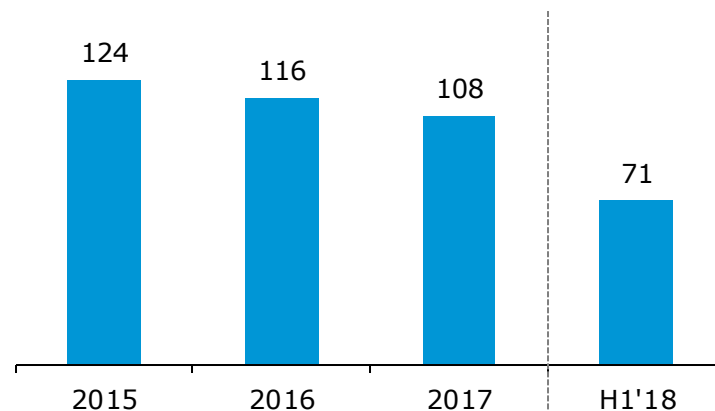
EPS¹

Cents per share



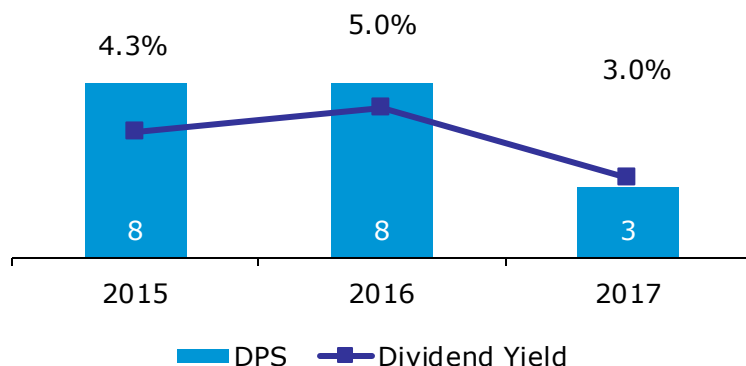
Book Value

Cents per share

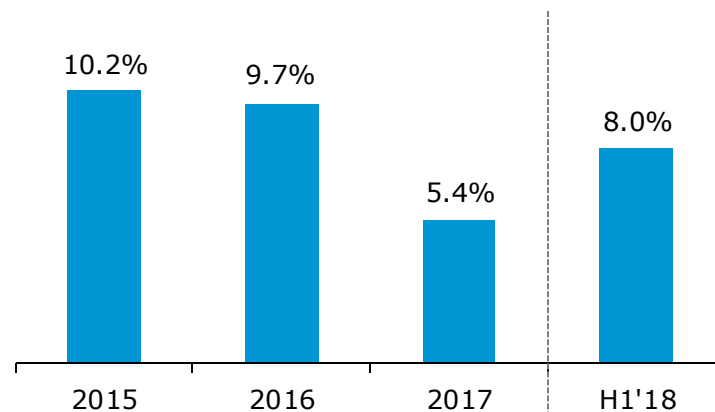


DPS

Cents per share

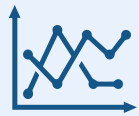


ROE²



¹ Basic earnings per share (reported)

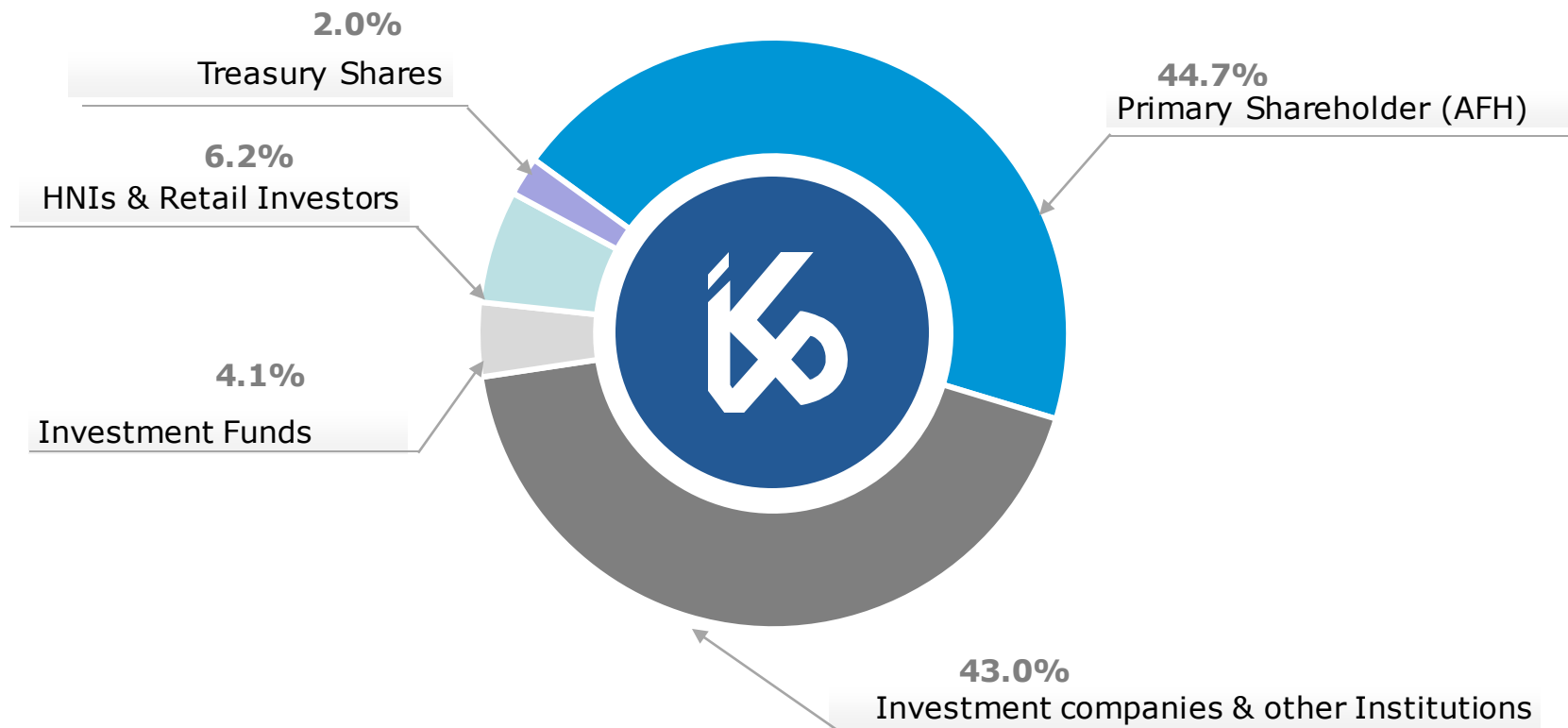
² ROE for H1'18 has been annualized



Annexure 5: Trends and data

Ownership

Shareholding Profile








Major shareholders of KIPCO are members of ruling family of Kuwait

They hold their ownership interest in KIPCO through an investment vehicle Al Futtooh Holding Company K.S.C. (AFH)

Total issued shares as of 30 June 2018: 1,547.3mn

KIPCO group: Market data

Entity	P/B		P/E		Market Cap (USDmn)	
	2017	Current ¹	2017	Current ¹	2017 ³	Current ⁴
 كيبكو KIPCO شركة مشاريع الكويت القابضة Kuwait Projects Company (Holding)	1.0 ²	1.0 ²	15.6	14.8	1,609	1,125
 بنك بروتلان BURGAN BANK	1.0	0.9	8.7	8.8	2,182	1,883
 شركة الخليج المئدة القابضة United Gulf Holding Company	2.9 ²	3.1 ²	NM	NM	1,241	1,222
 gig	2.0	1.4	14.7	11.8	489	384
 شركة العقارات المتحدة United Real Estate Co	0.5	0.4	13.3	35.9	285	238

Notes:

¹ P/B and P/E as of 03 September 2018 (Source: KAMCO Research)

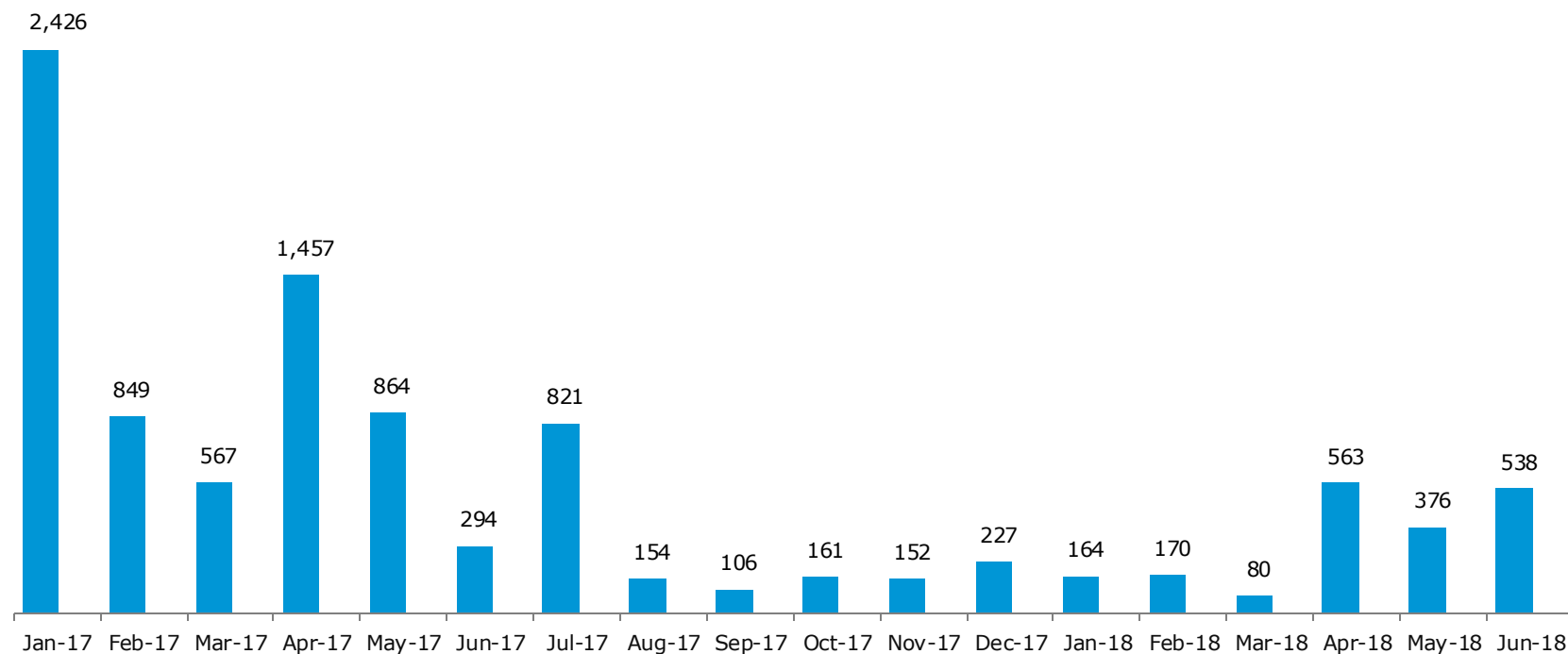
² P/B has been calculated based on 2017 and H1'18 book value per share respectively and price at end of respective periods

³ Market cap for 2017 converted at 0.30175

⁴ Market cap as of 03 September 2018 converted at 0.30280 (Source: Bloomberg for market price)

KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)



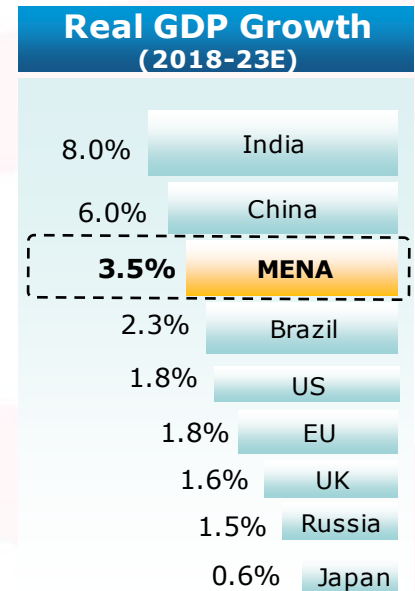
KIPCO's stock has maintained an average daily traded value of USD0.3mn in the last 12 months

Source: Bloomberg; exchange rate used across the periods is as of 30 June, 2018 (USD/KD = 0.3028)



Annexure 6: About the region

MENA region: Poised for strong economic growth

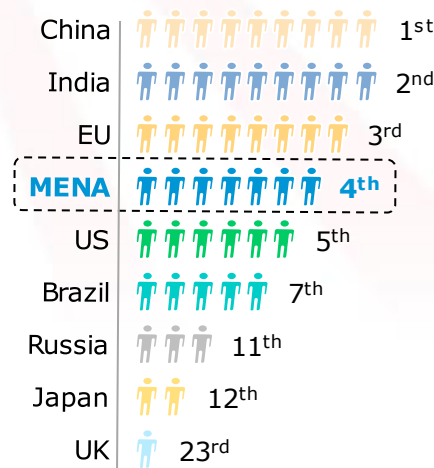


MENA region is characterized by favourable demography and business climate

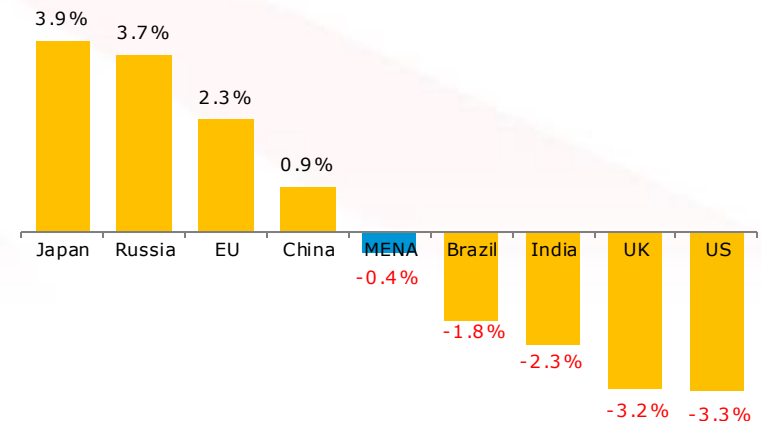
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2018E



Current Account Balance as a % of GDP (2018-23E)



Source: IMF-WEO Database, April 2018

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 ...

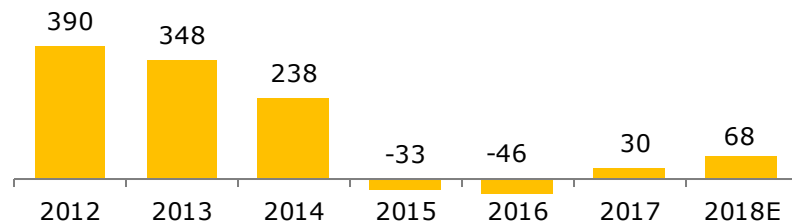
....All contribute to

STRONG GROWTH

fundamentals in the **GCC....**

Current Account Surplus

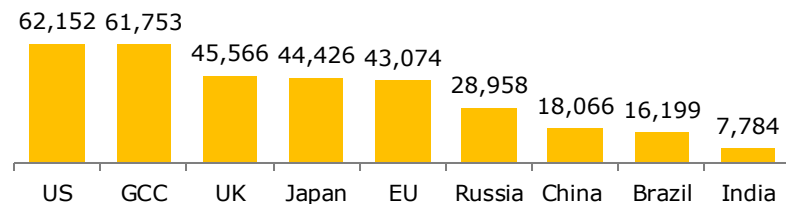
(In USDbn)



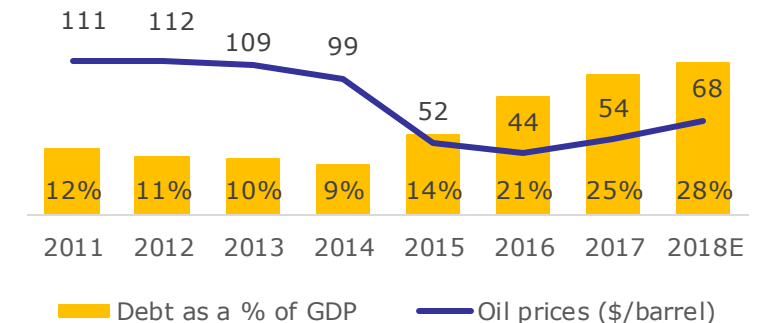
"Accumulated current account surplus of over USD1.0tn from 2012 to 2018"

GDP / Capita, PPP (2018E)

(In USD)

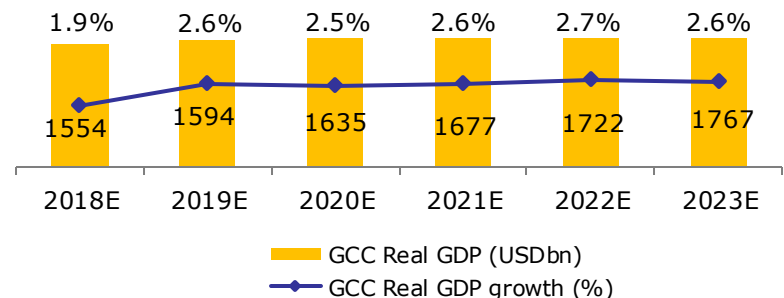


Government debt as a % of GDP



Real GDP & GDP Growth (2018-23E)

(In USDbn)



Source: IMF-WEO Database, April 2018, CIA

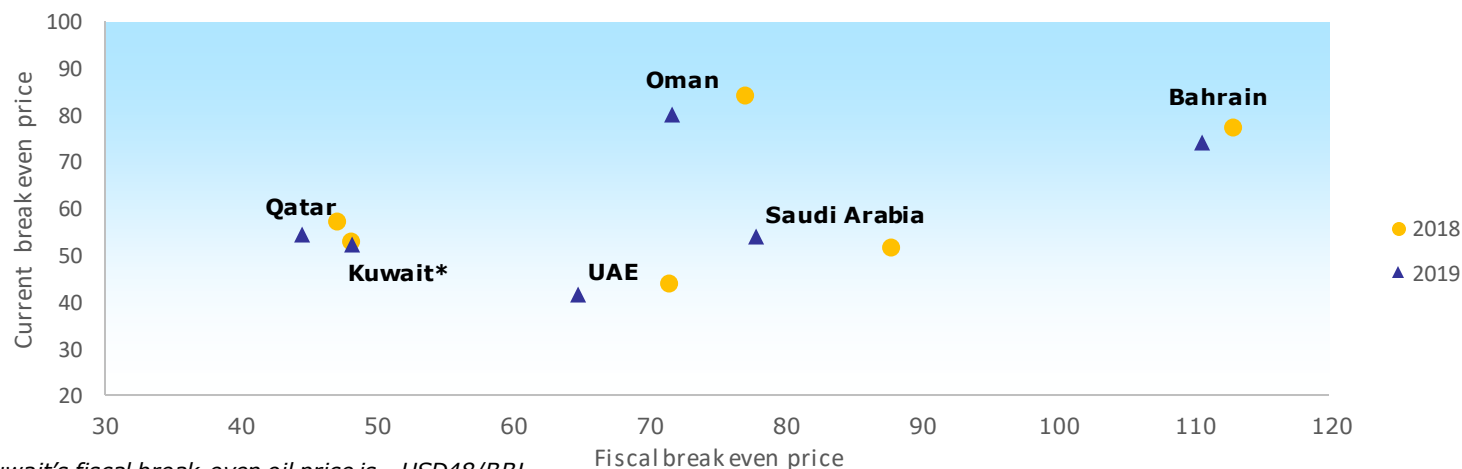
Kuwait: Protected against oil price decline

Prudent Oil Wealth Management and Strong Net External Position

- ▶ Track record of prudent fiscal policy that has focused on creating large fiscal assets
- ▶ Law requires 10% of revenues to be transferred to FGF (Future Generations Fund); this allocation was increased to 25% in some years of high oil prices
- ▶ Kuwaiti government's sovereign wealth fund estimated to be close to 3.6x of 2018 estimated GDP
- ▶ Oil output to rise from 2.7mn barrels / day currently to over 3.0mn barrels/day until 2020
- ▶ With high financial buffers and 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

Source: S&P Rating on Kuwait, July 2018

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



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

Source: REO Database, IMF, April 2018

Kuwait has the second lowest fiscal breakeven oil price in the GCC region

Kuwait: Stable macro-economic environment

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

**Large
Hydrocarbon
Reserves
and Low
Govt. Debt**

Kuwait's credit rating stable at Aa2:

- ▶ Country has substantial oil and gas reserves
- ▶ Historic fiscal and balance of payments surpluses and comparatively low government debt levels
- ▶ Budget balance will return to a surplus of around 7.0% of GDP in the 2018-19 fiscal year, driven largely by rising oil prices
- ▶ Kuwait will maintain an extraordinarily strong government balance sheet and an overall net asset position
- ▶ Public and private investment are expected to sustain non-hydrocarbon growth rates of 3.5% to 4% between 2018 and 2021 supported by public and private investment and 2015-19 five-year National Development Plan

Source: Moody's credit opinion on Kuwait, June 2018

Demographic & External balances Snippets (2018)

2018 Macro-economic KPI's	Kuwait	Qatar	UAE	KSA	Bahrain	Oman	GCC
Population (mn)	4.5	2.8	10.4	33.0	1.5	4.3	56.5
Nominal GDP (USDbn)	135.3	183.8	411.8	748.0	37.8	82.6	1,599.4
Fiscal balance (% GDP)	7.0	2.8	(1.4)	(7.3)	(11.6)	(5.7)	(3.4)
Gross official reserves (USDbn)	35.1	19.6	104.5	495.0	2.5	15.6	672.3
Sovereign Wealth Fund (SWF) Assets (USDbn)	524.0	320.0	1319.5	717.9	10.6	24.0	2,916.0
Sovereign Wealth Fund Assets/GDP (% GDP)	387.3	174.1	320.4	96.0	28.0	29.1	182.3

Source: WEO & REO Database, IMF, April 2018 and SWF institute, February 2018

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

¹ In 2017, As Per CIA

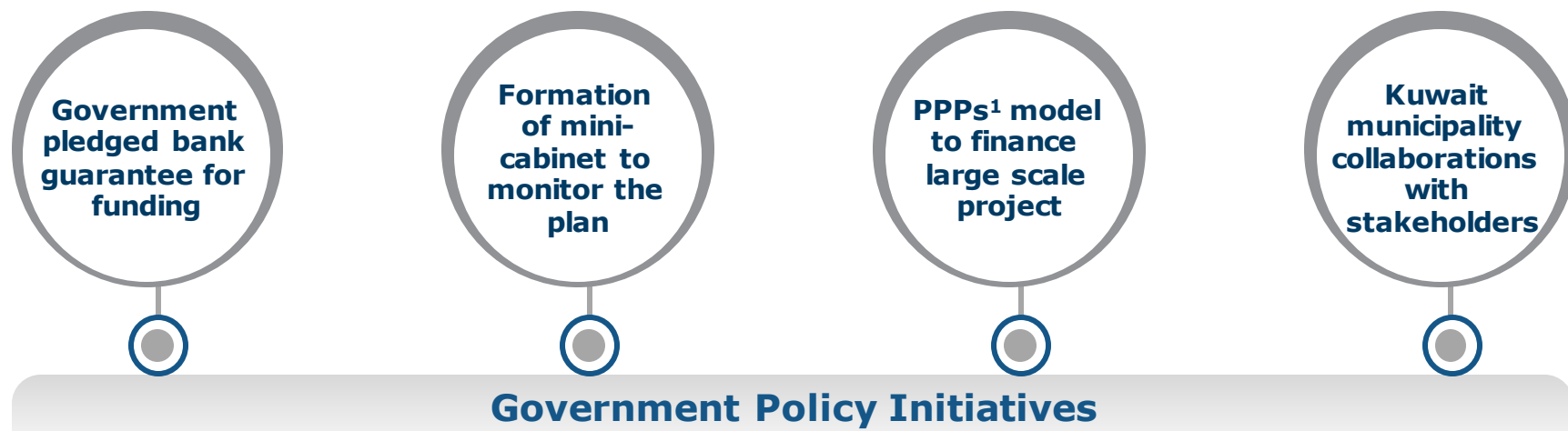
Kuwait development plan overview

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.

Outlook

Kuwait is set to launch 20 major development projects worth KD21.7bn (USD71.6bn), including a railway network project and waste management plant, as part of its 2018-2019 development plan. Of these projects, hydrocarbon sector has the larger share at KD11.9bn (USD39.4bn), accounting for nearly 55% of the total. The transport sector is the second largest beneficiary with five projects having a combined value of KD4.5bn (USD14.9bn), including Kuwait's international airport expansion.



¹ Public-Private Partnership

Source: Meed Projects, Markaz, Capital Standard and Press

Kuwait development plan: Projects in action

Key Projects under the plan

Clean Fuels Project (CFP)

- Specification upgrade and expansion of 2 existing refineries to produce 0.8mn b/d
- Underway: The project has progressed by 92% with the completion expected by Q4 2018. Cost: **USD14.5bn**

New Refinery Project (NRP)

- New 615,000 bpd refinery by KNPC
- Underway: The project has progressed by 85%. Overall project expected to be completed by 2019. Cost: **USD12.9bn**

Kuwait Metro (PPP)

- 160km long, running across Kuwait.
- Underway: The project has progressed by 11% & expected to complete in 2019. Cost: **USD11.4bn**

South Al Mutlaa City

- 30,000 residential units, other facilities
- Underway: P1, P2 progressed by 24% & 12%. P3 mobilization works are ongoing. Cost: **USD5.3bn**

Kuwait Airport Expansion

- To increase the annual handling capacity of the airport to 20mn passengers
- Underway: Expected completion by Q4 2022. Cost: **USD4.3bn**

Sheikh Jaber Al-Ahmad Causeway

- 36 km causeway linking Kuwait City with Subiya area in northern Kuwait
- Underway: The overall project has progressed by 87% and expected to be inaugurated in December 2018. Cost: **USD3.1bn**

LNG Import & Regasification Terminal

- 4 full containment LNG tanks each with a working capacity of 225,500 m³, regasification plant with capacity of 1500 BBTU/day
- Underway: Construction expected to be completed in 2020. Cost: **USD2.6bn**

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 for phase 2 is August 2018. Cost: **USD1.3bn**

Regional Road South

- 126 km highway south of Kuwait as part of the International ME Arab Highways Network
- Underway: The overall project has progressed by 25% with the completion expected by end of 2020. Cost: **USD1.0bn**

Oil & Gas Projects*

- Awarded: Kuwait Oil Company awarded work requests of total of USD3.65bn worth of contracts in 2017. Cost: **~USD9.0bn**

Petrochemical Facility at Al-Zour

- Petrochemical plant to be integrated with Al-Zour refinery
- Bidding: Prequalification documents released and to be submitted by Sep 2018. Project expected to be completed by July 2023. Cost: **USD6.6bn**

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 and are expected to come through in 2018.. Cost: **USD1.7bn**

Al-Dibdibah Solar PP

- Capacity to produce 1GW solar project
- Bidding: Tendering by Q3 2018 and execution to start early 2019. Cost: **USD1.7bn**

Other projects

- **Underway:** Umm Al Hayman Waste Water (PPP). Cost: **USD1.6bn**
- **Underway:** Kabd Municipal Solid Waste Project. Cost: **USD1.0bn**
- **Bidding:** Al-Abdaliya (ISCC) Power Plant (CSP). Cost: **USD0.7bn**

Khairan City

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

Kuwait National Railroad (PPP)

- Railroad system (575 Km) linking Kuwait to GCC
- Planning: Expression of Interest (EoI) has been postponed twice. Project delayed due to restructuring of KAPP and GCC railway network project. Cost: **USD7.9bn**

Olefins III project

- Petrochemical plant to be integrated with new refinery project (Al Zour Refinery)
- Planning: FEED¹ phase underway; Main contract to be awarded in 2019. Cost: **USD6.3bn**

USDbn		
Project Stage	Q2'18	2015
Underway	59.0	20.1
Awarded	9.0	22.5
Bidding	10.7	1.3
Planning	28.1	28.8
Total	106.8 [^]	72.7

¹FEED= Front End Engineering Design;
Source: NBK report dated July 2018

*RSM Quarterly newsletter Apr 2018 and press releases

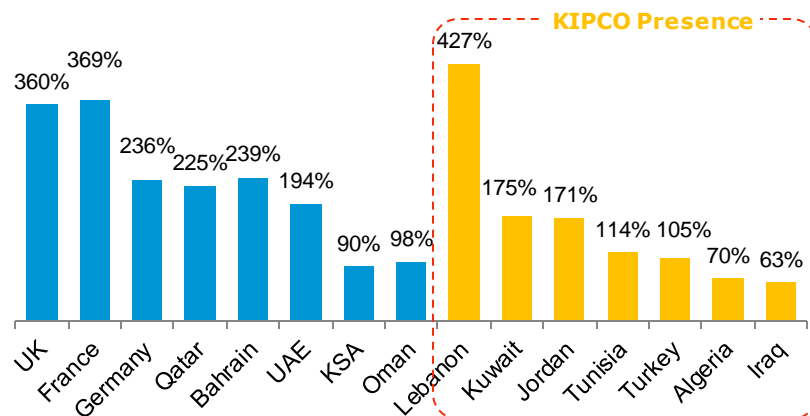
[^]Excludes other small projects of USD0.2bn



Annexure 7: Market opportunity

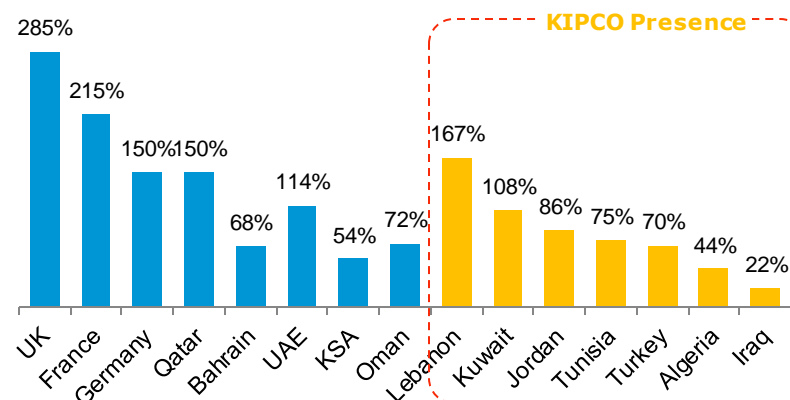
Banking sector opportunity

Banking Penetration: Assets/GDP












Source: Central Banks & IMF, World Economic Outlook Database

Banking Penetration: Loan/GDP



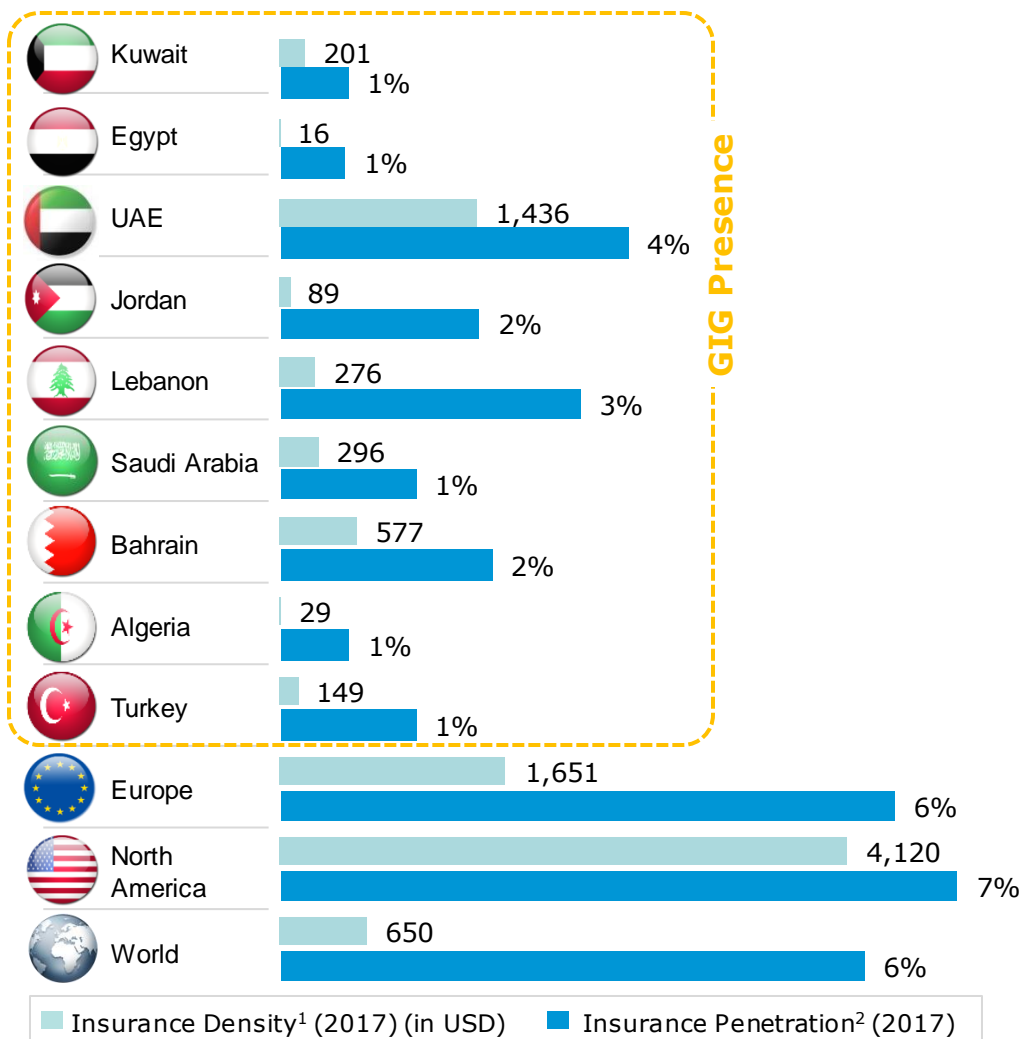
Countries

Countries								
			Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq
	Population	Size (mn) (2018E)	5	7	12	82	42	40
		CAGR (18E-23E)	2.8%	2.2%	1.0%	1.2%	1.7%	2.6%
	Per Capita income	USD (2018E)	29,880	5,838	3,463	11,114	4,669	5,601
	Real GDP Growth Rate	CAGR (18E-23E)	3.7%	2.9%	3.6%	3.7%	1.4%	3.0%

Low penetration & healthy expected growth rate creates significant opportunity for banking sector in GCC region

Source: IMF-WEO Database, April 2018

Insurance sector opportunity



- ▶ Low insurance density in MENA region
- ▶ The projected economic slowdown in the GCC will stifle life premium growth in the medium term
- ▶ Solid outlook for life insurance, low penetration rate, increasing awareness, move to smaller families and rapid growth in private sector employment, should increase demand
- ▶ Non-life insurance outlook is mixed. The budget spending on healthcare, education and infrastructure announced by the Gulf States will support related business lines.

Under-penetration and low insurance density coupled with growing population and improving economic outlook signify strong growth prospects for the sector

Source: World Insurance in 2017 report by Swiss RE Sigma

¹Insurance premium per capita

²Total insurance premium as a % of GDP