



BASE for next
5 YEARS

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Executive Summary

A diversified company with deep regional expertise & roots



We are

Operating holding company with total assets of USD32.2bn¹

Geography

Middle East and North Africa (MENA)

Sectors

Primarily financial services & media

Track record

25 years of continuous profitability,
15 years of continuous dividends

Valuation

Attractive NAV

Majority owned
by ruling family
of Kuwait

A transparent
company with
an experienced
management
team

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

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













Gateway to MENA with superior access to opportunities

¹As on 30 September 2017

²As on 13 November 2017

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

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 (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

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

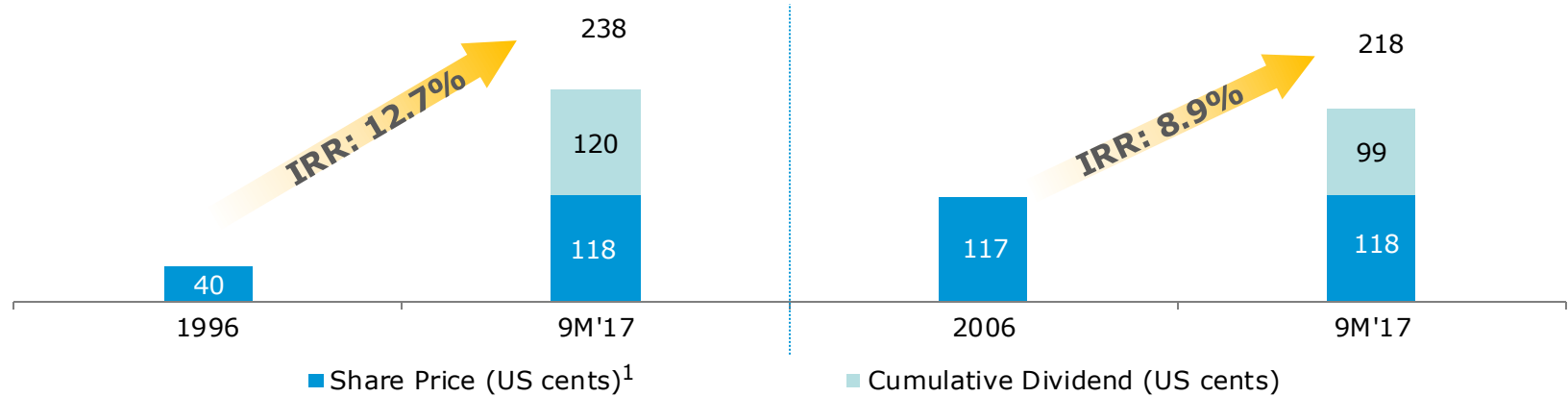
² In terms of revenue and countries of operations

⁵ By technical profit among private sector players (all ranking is as of 30 September 2017)

³ By Gross premium written (GPW)

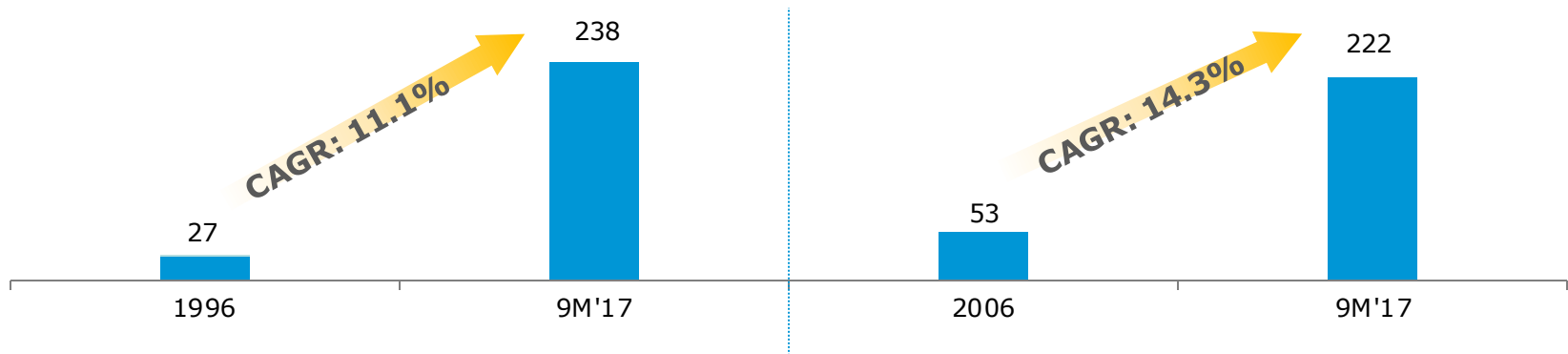
Attractive returns

Total Shareholders' Return Growth



Note: Data adjusted for stock dividend

Book Value Per Share Growth (in US cents)

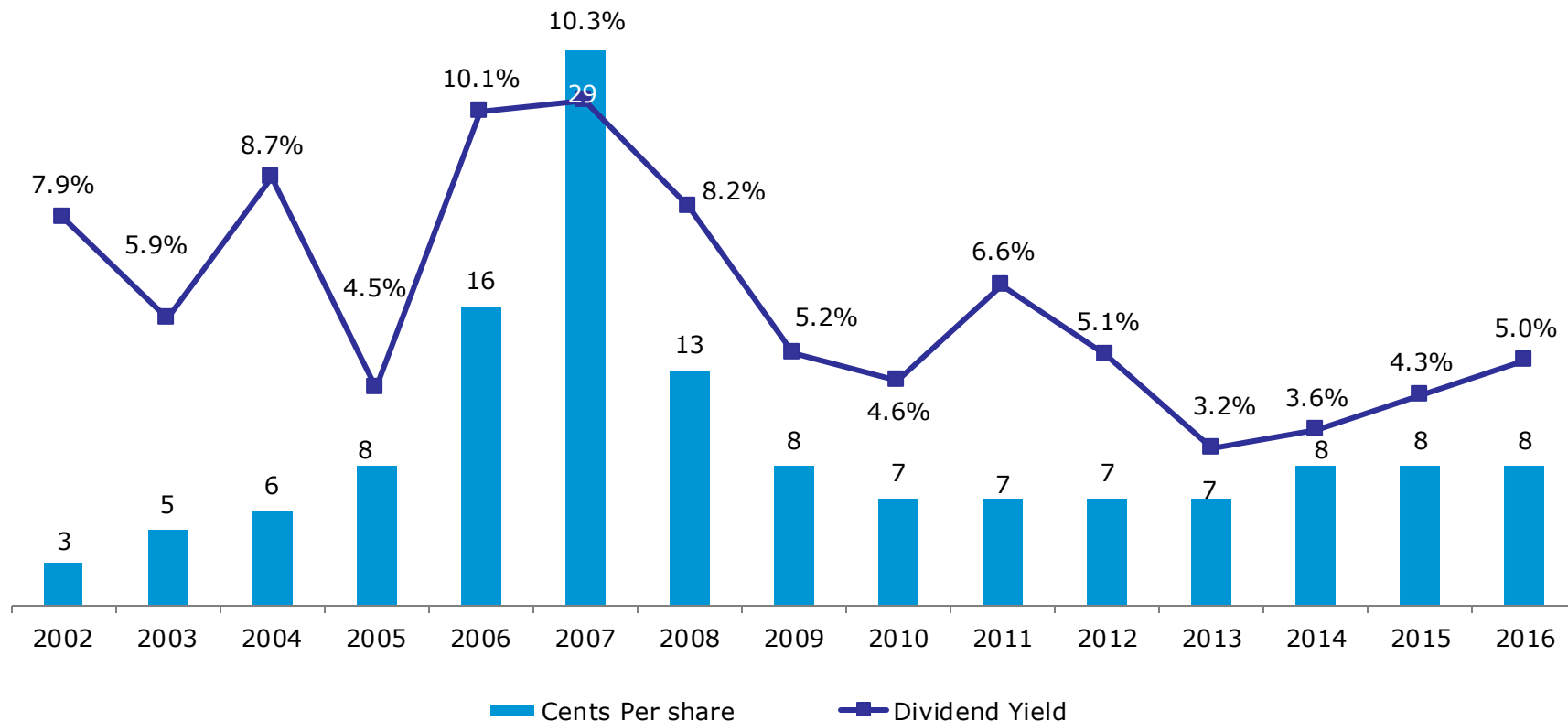


Note: Assuming no dividend was paid

¹Represents adjusted share price

Continuous dividends

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



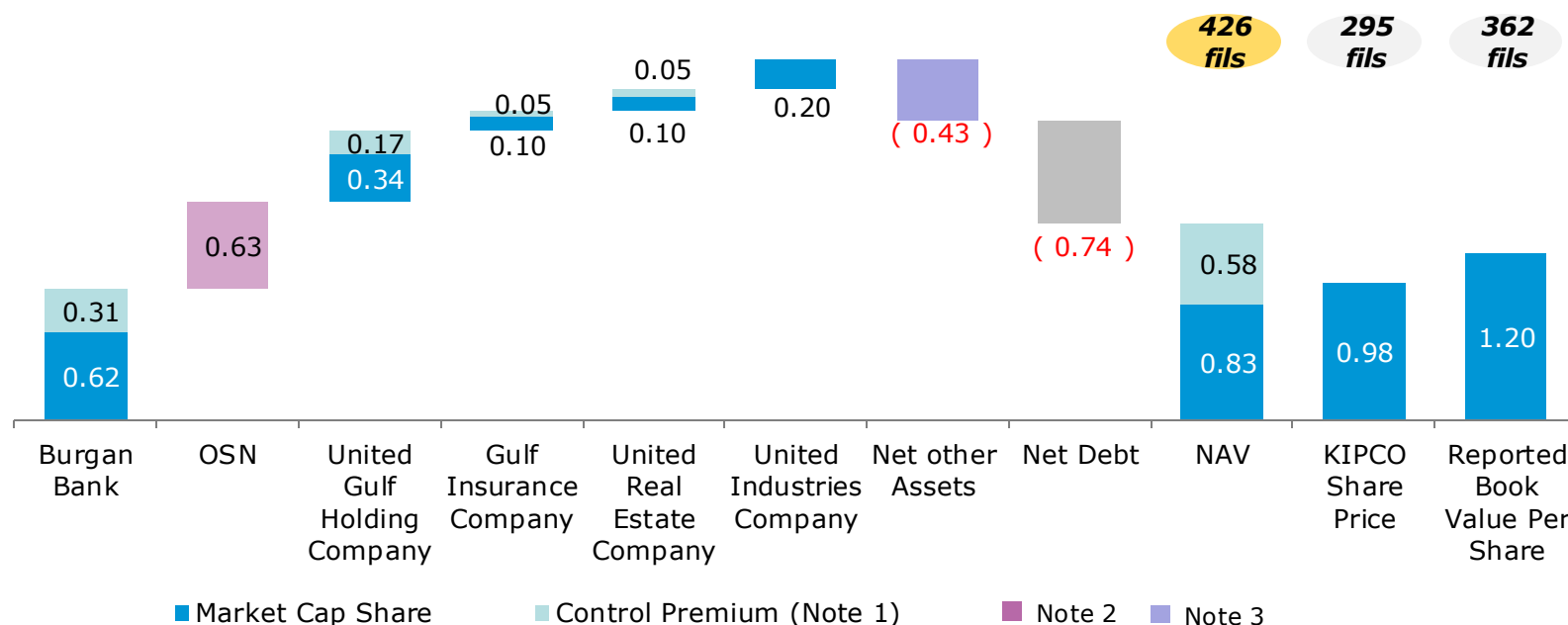
15 years of continuous dividend payments and ~6% average dividend yield

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

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

Net asset value

NAV computation (USD per Share)



Sensitivity to OSN Value

OSN Value - USDbn	1.5	3.0	4.5
NAV - Fils per Share	426	615	804
Current Stock Price (Fils)	295	295	295
Upside Potential (%)	-	44%	89%

1. Control premium has been assumed at 50% to the respective market prices to reflect the value of significant stakes in these entities.
2. OSN has been taken at fair value (~USD1.5bn) used for joint venture accounting in audited financials of KIPCO (notes 9 & 22 of annual financial statements for year ending 2009), further to merger of Orbit and Showtime in August 2009. Stake of OSN has been taken at 60.5% as of 13 November 2017. Other components of the NAV are at book value as of 30 September 2017
3. Operating expenses of USD0.02 per share adjusted with net other assets
4. Share prices as of 13 November 2017 converted at USD/KD 0.3025 (Source: Bloomberg)



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						
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)

Active management

Key businesses – progress indicators

Businesses	Parameters	Then ¹	Now	Active Management – KIPCO Support & Action
	Net Interest Margin	1995 1.3%	9M'17 2.5%	<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 -	9M'17 ~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	9M'17 \$421Mn	<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	9M'17 #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	9M'17 \$10.8Bn	<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

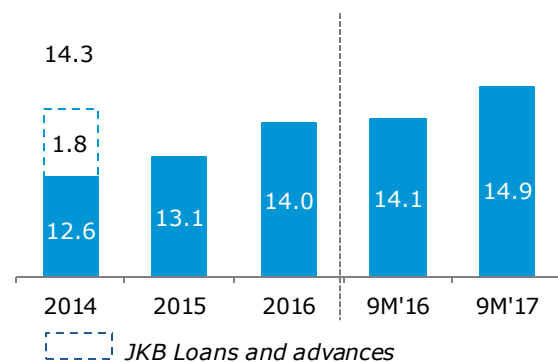


Performance Update

Burgan Bank (BB)

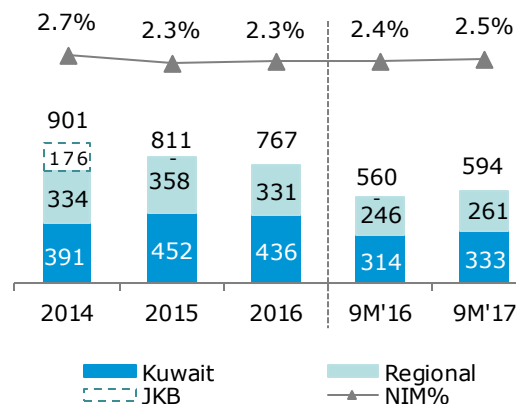
Loan Growth

USDbn



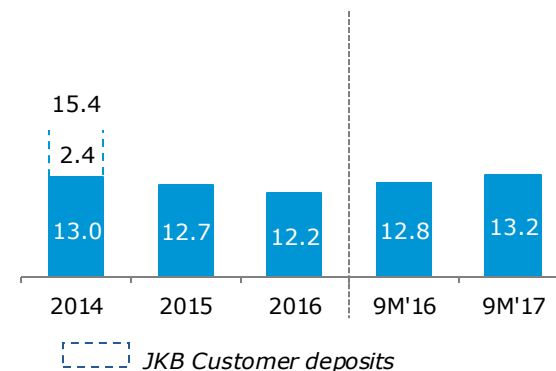
Operating Income

USDmn



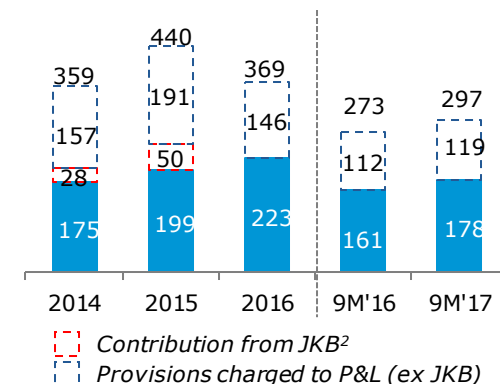
Deposit Growth

USDbn



Net Profit & Provision

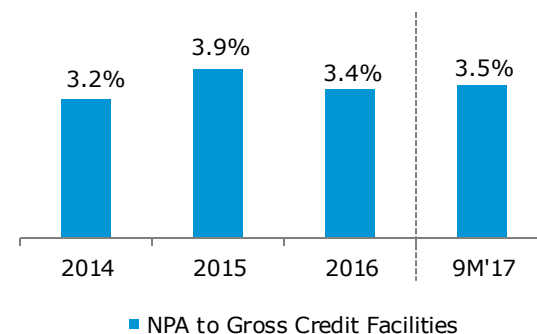
USDmn



Asset Quality

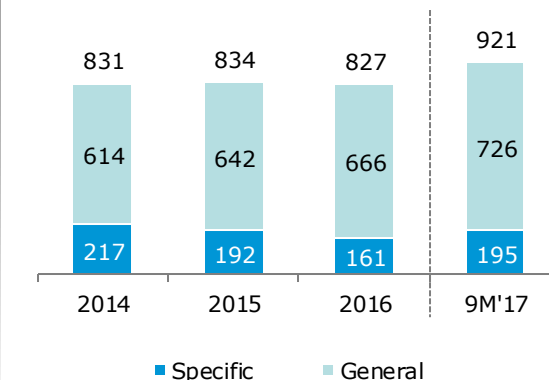
NPA coverage with collateral¹
NPA coverage without collateral

184%	184%	194%	198%
131%	120%	124%	130%



Total Provision

USDmn



Stable performance with strict focus on asset quality and operational efficiency; Basel III CAR at 16.4%

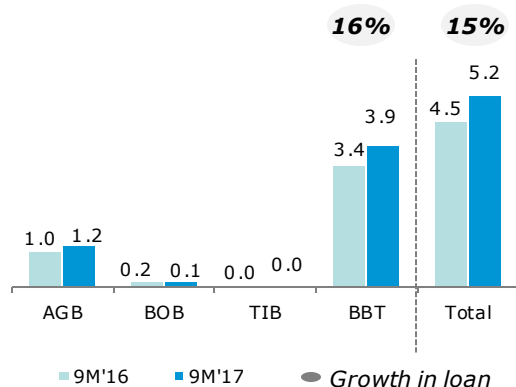
¹NPA coverage with collateral calculated as (loan loss reserve+value of collateral)/NPA

²Stake in Jordan Kuwait Bank was sold by BB to a subsidiary of KIPCO in December 2015

Burgan Bank: Regional operations

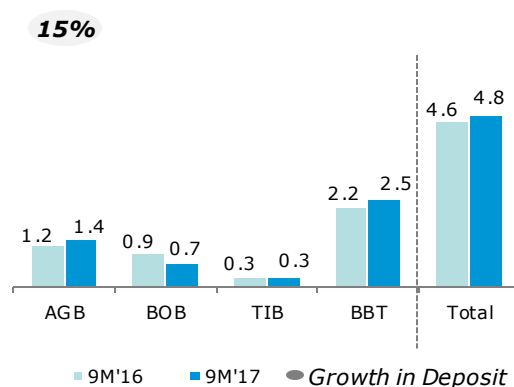
Loan Growth

USDbn



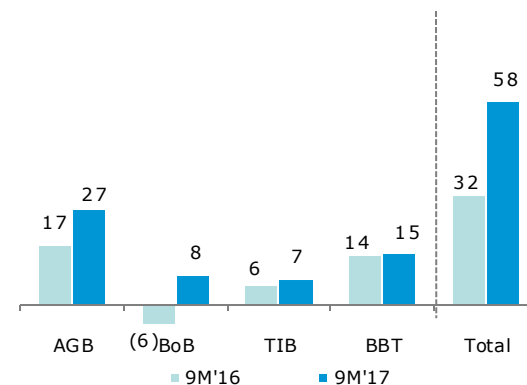
Deposit Growth

USDbn



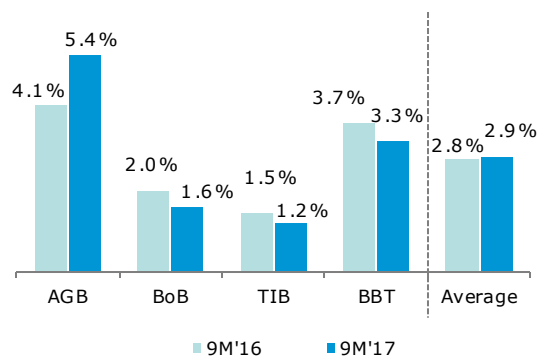
Net Profit¹

USDmn



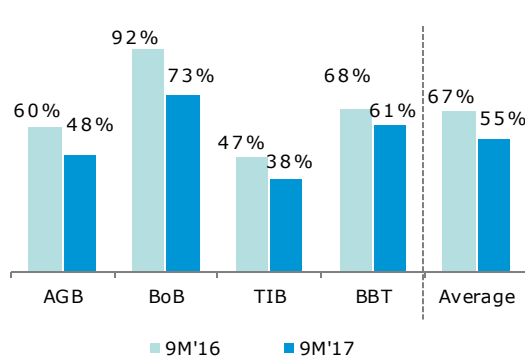
Net Interest Margin

Percentage



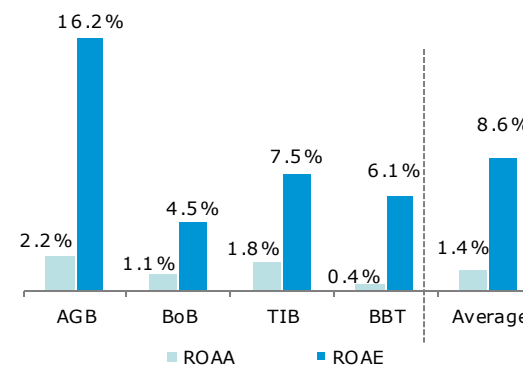
Cost to Income

Percentage



Return on Avg. Assets & Equity

Percentage



Sound performance in challenging operating environment

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

BOB = Bank of Baghdad

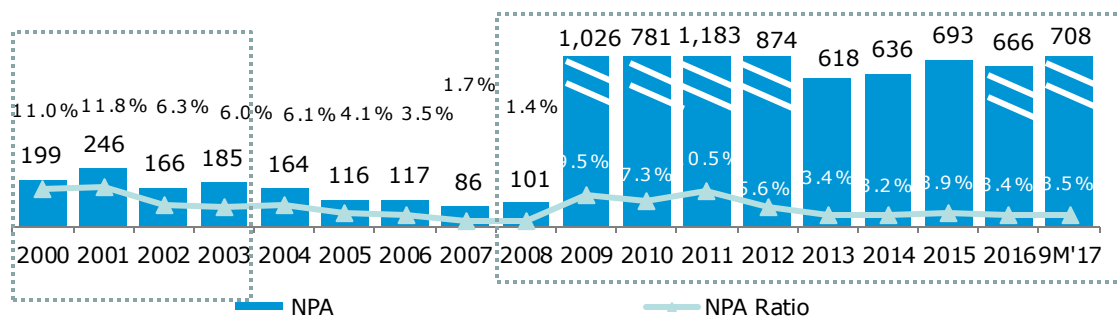
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

Burgan Bank: NPA¹ & provisioning trend

NPA Trend

NPA (USDmn)
NPA Ratio (Percentage)



- ▶ 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

Provisions Trend



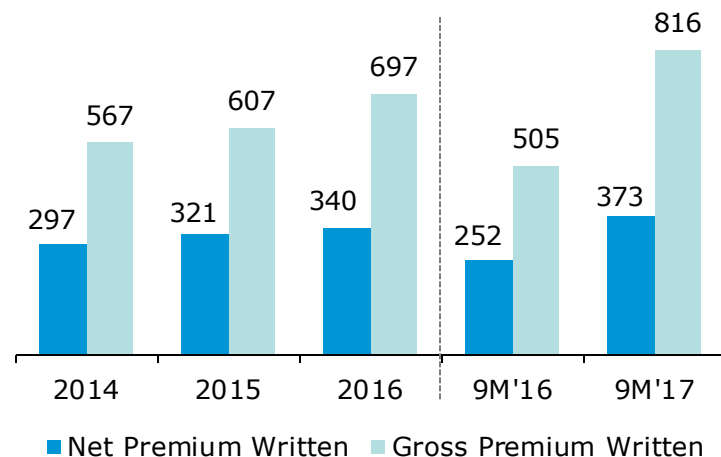
- Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

¹NPA includes on balance sheet and off balance sheet exposure

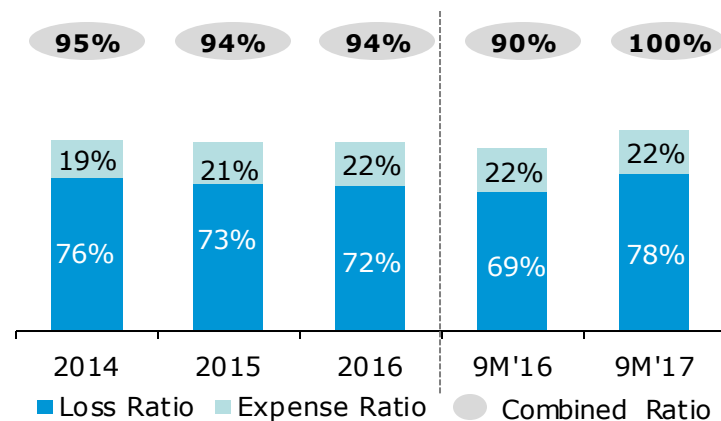
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

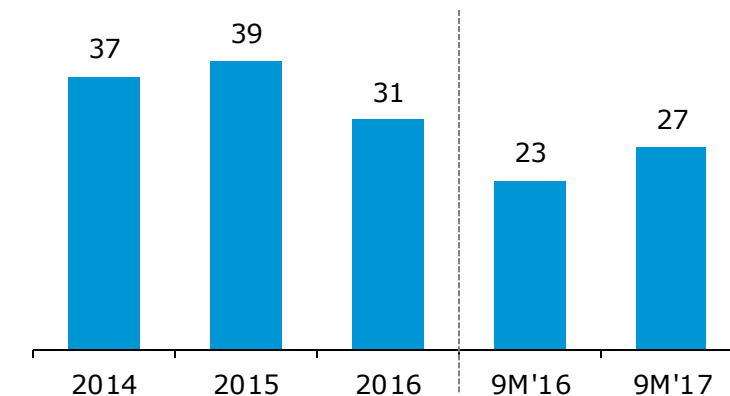


Combined Ratio



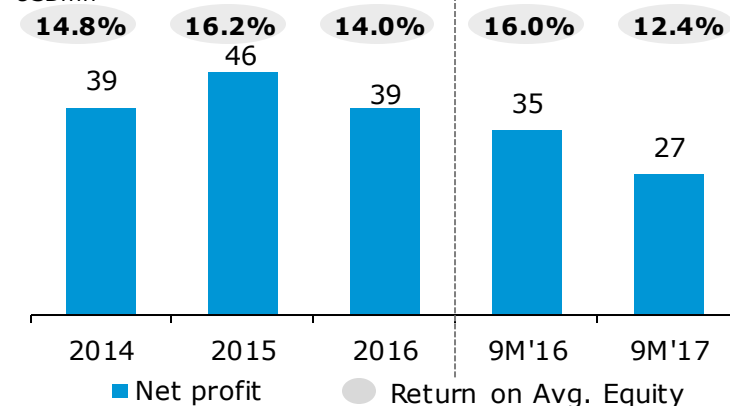
Net Investment Income

USDmn



Net Profit & ROE

USDmn



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:

¹MENA region represents data of: Bahrain, KSA, Kuwait, Oman, Qatar, UAE, Algeria, Egypt, Jordan, Lebanon, Libya, Morocco, Sudan, Syria, Tunisia and Yemen (OSN's core and target markets);

Source: IMF WEO Database October 2017, Euromonitor, Statista

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

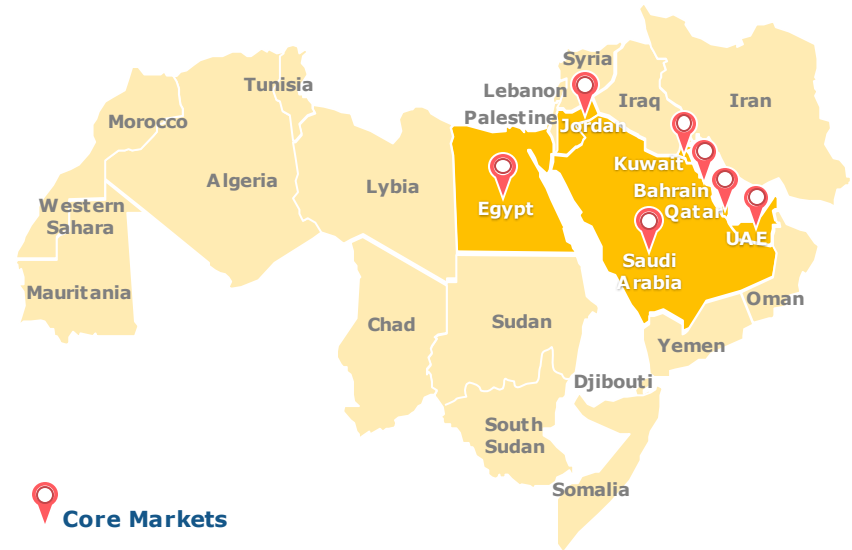
Subscriber base of around 1mn and 310K+ digital platform users; market leader by revenue

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

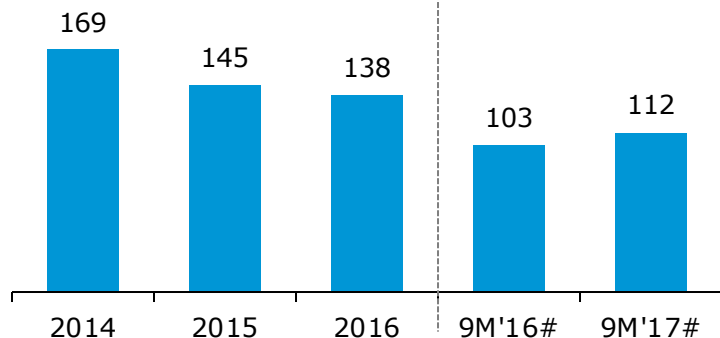


As of 13 November 2017

United Gulf Holding Company (UGHC) *

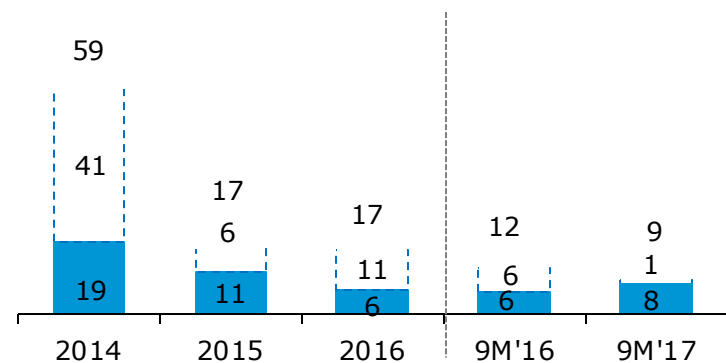
Revenue

USDmn



Net Profit & Provisions

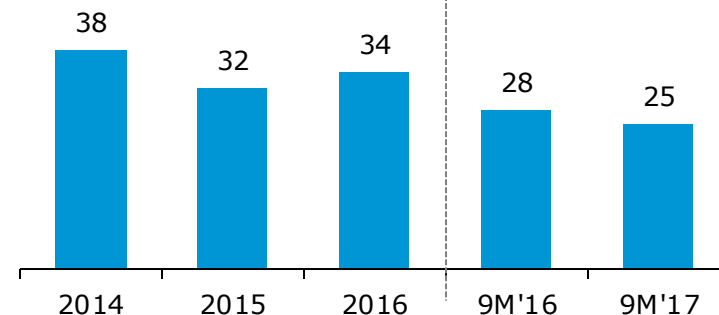
USDmn



Provisions Charge to P&L

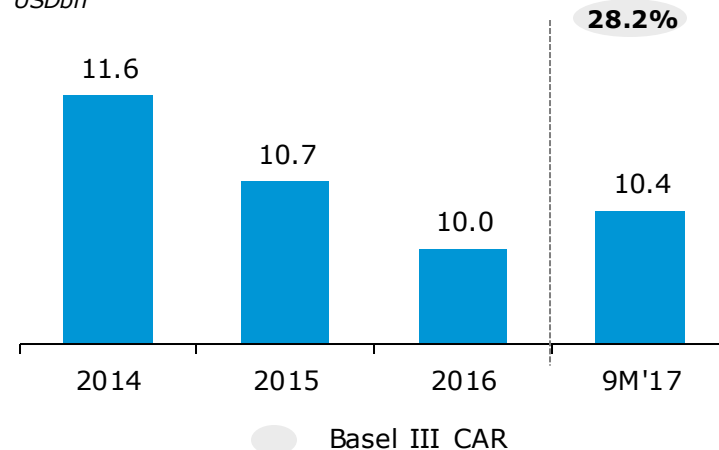
Fee & Commission Income

USDmn



AuM & Capitalisation

USDbn



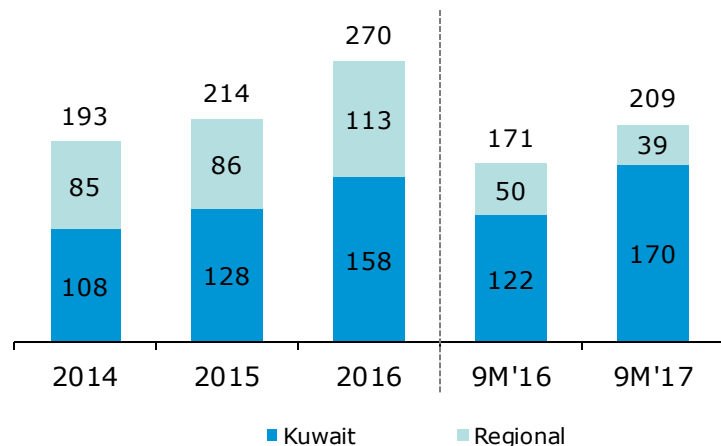
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGHC) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#)

Includes revenue from discontinued operation of USD80mn in 9M'16 and USD78mn in 9M'17

United Real Estate Company (URC)

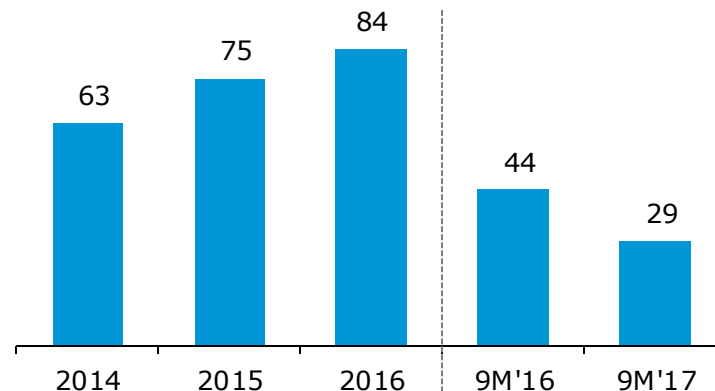
Total Revenue¹

USDmn



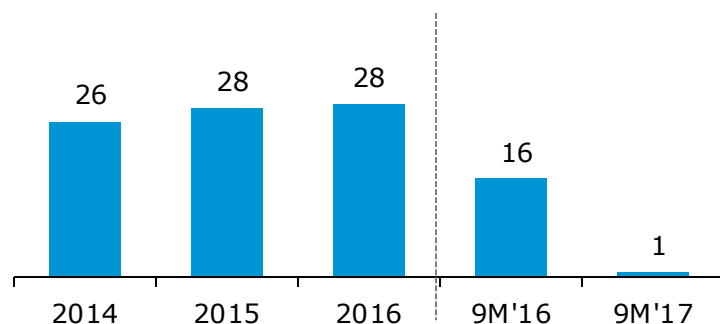
Operating Profit²

USDmn



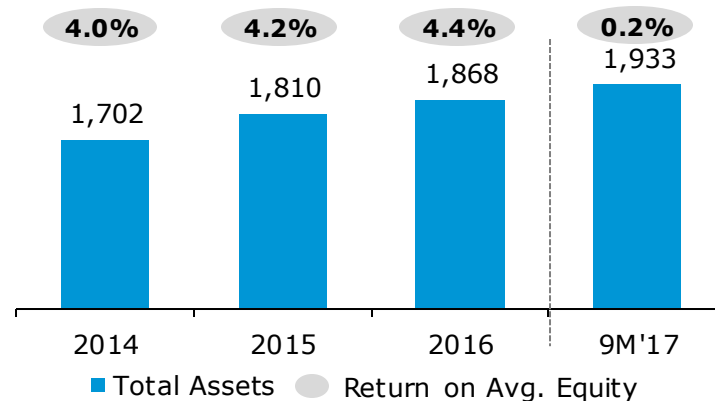
Net Profit

USDmn



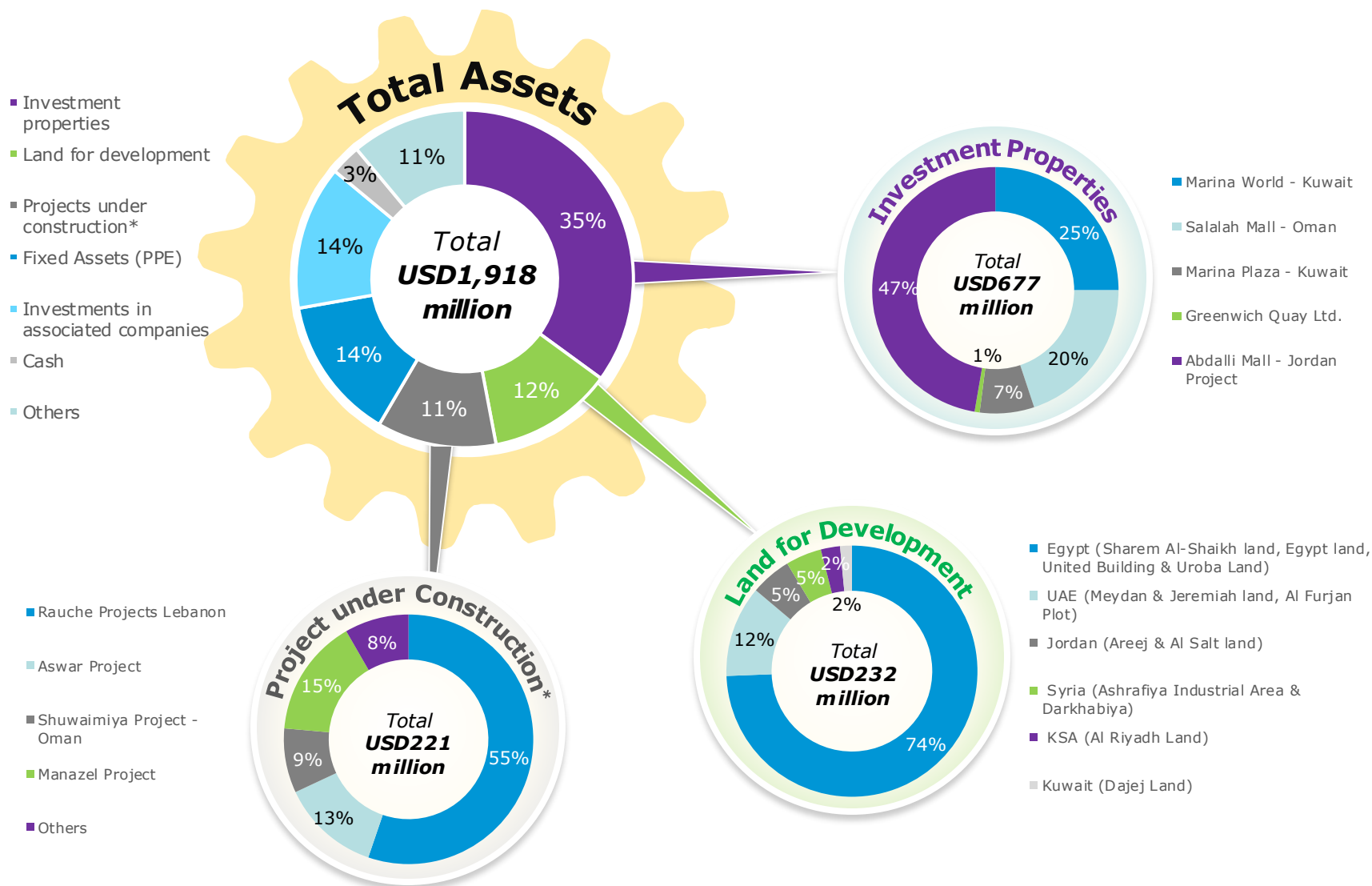
Total Assets & ROE

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



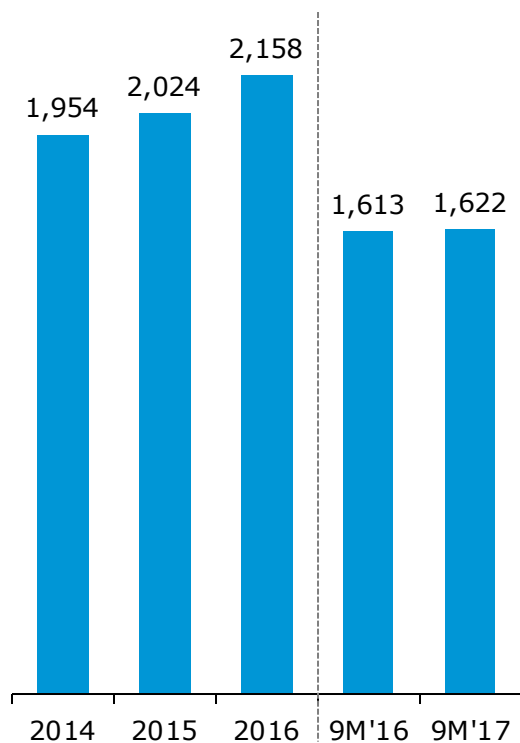
* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

¹ As on 30 September 2017

KIPCO consolidated: Financial performance

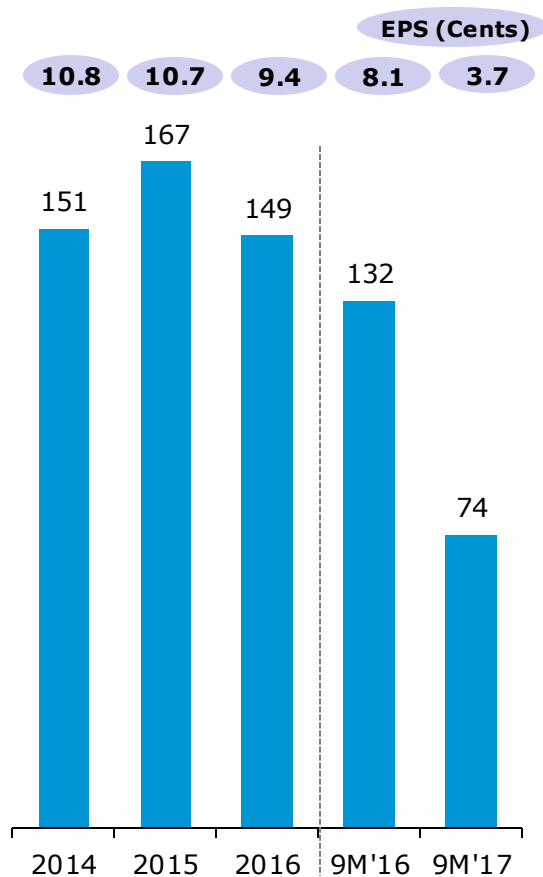
Revenue

USDmn



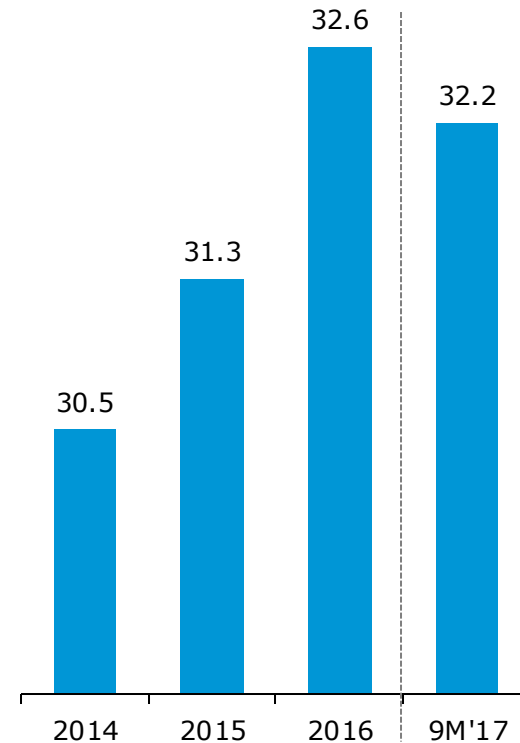
Net Income

USDmn

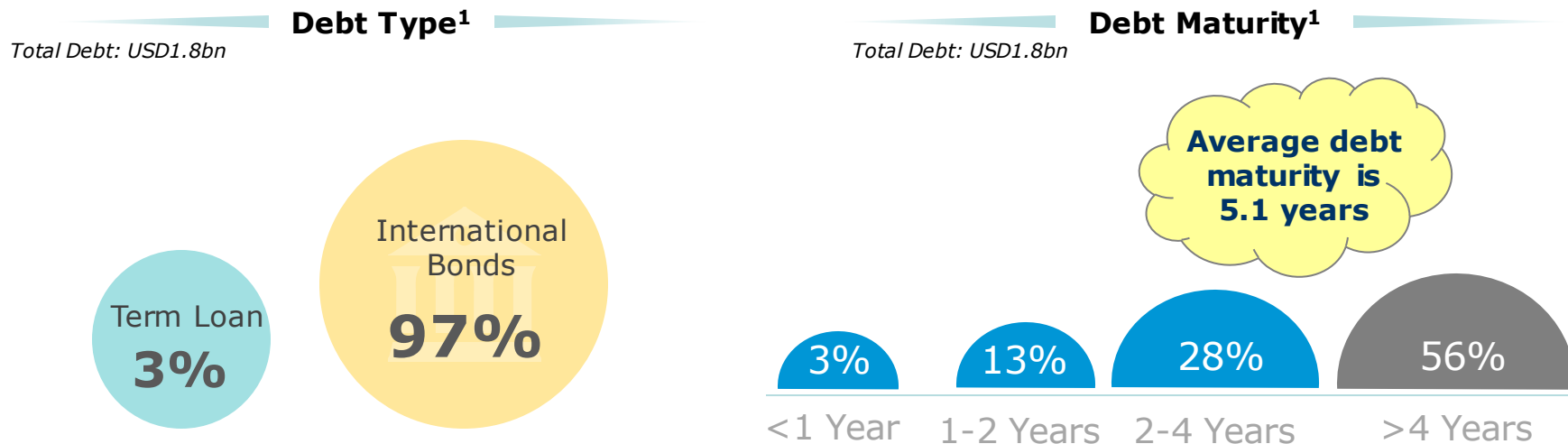


Consolidated Assets

USDbn



KIPCO parent debt profile: As at 30 September 2017



¹As 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

KIPCO performance: Last 10 years 2006-2016

Operating and return parameters

		CAGR
	Revenue Growth	19%
	Operating Income Growth	25%
	Asset Growth	21%
		Average
	Dividend Yield	5%
	Return on Equity (ROE)	18%

Data Source: Bloomberg

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 USD23.4bn as of 30 September 2017)
- Offers a wide range of corporate, retail & treasury products through a network of 176 branches & 333 ATMs¹
- Listed on the Kuwait stock exchange with a market cap of USD2,184mn as of 13 November 2017
- 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 September 2017)
- First and only ISO certified bank in GCC to achieve certification for all its banking operations



Key highlights of 9M'17 results:

- ▶ Loans & advances increased by 5.8% to USD14.9bn
- ▶ Net profit margin improved by 140 bps to reach 30.1% in September 2017 as against corresponding period last year
- ▶ NIM improved marginally from 2.4% in 9M'16 to 2.5% in 9M'17
- ▶ Basel III CAR of 16.4% as on 30 September 2017

A regional player with presence in growth markets

¹Represents figures as of 30 September 2017

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, & micro finance insurance
- Operates through a network of more than 50 branches across the region
- Market leader in Kuwait (by GPW and direct premiums) for 15 consecutive years
- Market leader in 4 countries
- Listed on the Kuwait stock exchange with a market cap of USD355mn as of 13 November 2017
- A- rating (GIRI) and A- rating (GIG) from S&P; A rating from AM Best
- KIPCO group holds 45.6% stake, while KIPCO directly holds 40.5% stake (as on 30 September 2017)



Recent Highlights

Key highlights of 9M'17 results:

- ▶ NPW grew by 48% to reach USD373mn in 9M'17 vs. 9M'16
- ▶ Composition of GPW
 - Line of business: 60% Life & Medical; 40% Non-Life (3% Marine & Aviation, 8% Property, 16% Motor, 6% 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 USD868mn as of 13 November 2017
- Credit rating of BBB (UGB) from Capital Intelligence
- KIPCO group holds 96.4% stake, while KIPCO directly holds 56.2% stake (as on 30 September 2017)



Recent Highlights

Key highlights of 9M'17 results:

- ▶ Bank deposits increased marginally by 1% to USD0.4bn in September 2017
- ▶ 8% increase in revenue to reach USD112mn in September 2017
- ▶ CAR for UGHC is 28.2% at the end of 30 September 2017

Focused on growing the financial services network across the MENA region

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 USD281mn as of 13 November 2017
- Major real estate player in Kuwait, ranked second in real estate sector on KSE (total assets basis)
- KIPCO group holds 72.5% stake, while KIPCO directly holds 53.8% stake (as on 30 September 2017)



Key highlights of 9M'17 results:

- ▶ 22% growth in revenue in 9M'17 2017 to reach USD209mn
- ▶ Total assets increased by 2% in September 2017 to reach USD1.9bn over 2016
- ▶ 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



Acquired
Fairmont Hotel,
Egypt

1979



Developed
Al Khour Resort,
Kuwait as BOT

1994



Developed Saleh
Shehab, Kuwait as
BOT

1997



Developed
Al Shaheed Tower,
Kuwait

1999



Developed Marina
Hotel,
Kuwait as BOT

1999



Acquired
City Tower,
Kuwait

2001



Acquired
Bhamdoun Hotel,
Lebanon

2001



Acquired
Marina Plaza,
Kuwait

2003



Developed
Marina World,
Kuwait as BOT

2003



Developed
KIPCO Tower,
Kuwait

2005



Developed
Salah Mall,
Oman

2012



Developed
Abdali Mall,
Jordan

2016

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 September 2017)



Key highlights of 9M'17 results:

- ▶ Revenue decreased by 45% to USD30mn from USD54mn in 9M'16 due to decline in share of income from associates and USD14mn as one-off income on reclassification of investment from AFS to associate during corresponding period last year
- ▶ Total assets increased by 5% to reach USD798mn year on year in 9M'17

Aims to invest in specialized activities in the Industrial sector

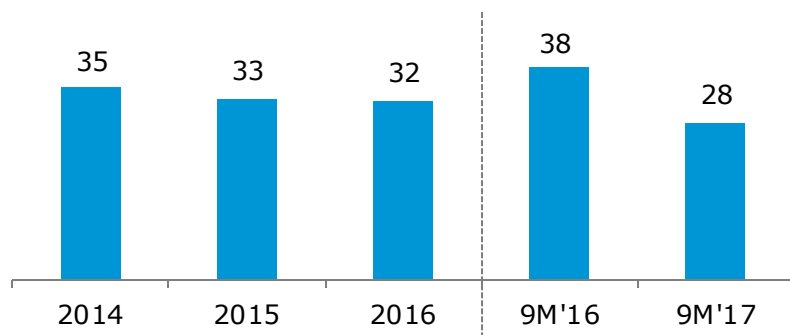
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

United Industries Company: Financial performance

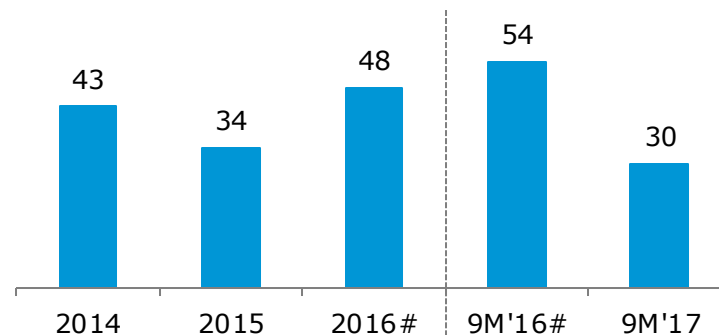
Income from Associates

USDmn



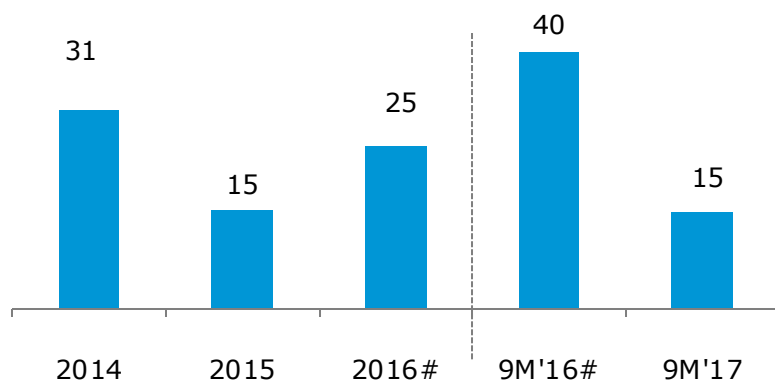
Total Revenue

USDmn



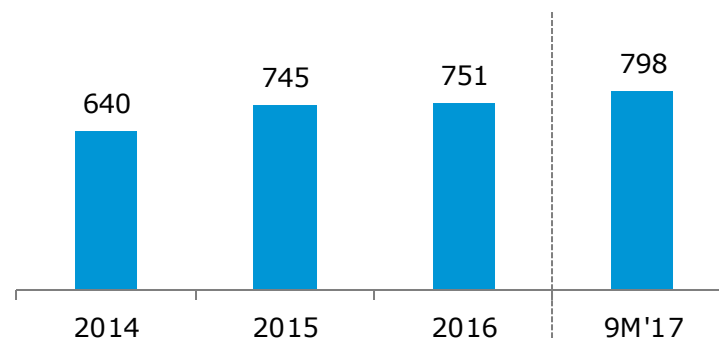
Net Profit

USDmn



Total Assets

USDmn



Includes USD14mn 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 USD1,156mn as of 13 November 2017
- KIPCO group through UIC holds 25% stake as on 30 September 2017



Key highlights of H1 2017/18 results, over H1 2016/17 results:

- ▶ Total revenue increased by 16% to reach USD299mn in H1 2017/18
- ▶ 17% increase in share of results from associates for H1 2017/18 to reach USD30mn
- ▶ Net profit for H1 2017/18 was USD35mn almost same as for corresponding period last year

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

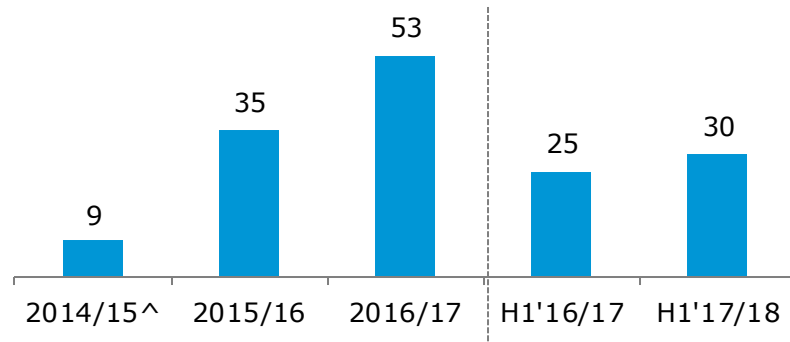
KARO = The Kuwait Aromatics Company,

TKSC = The Kuwait Styrene Company

Qurain Petrochemicals Industries Co: Financial performance

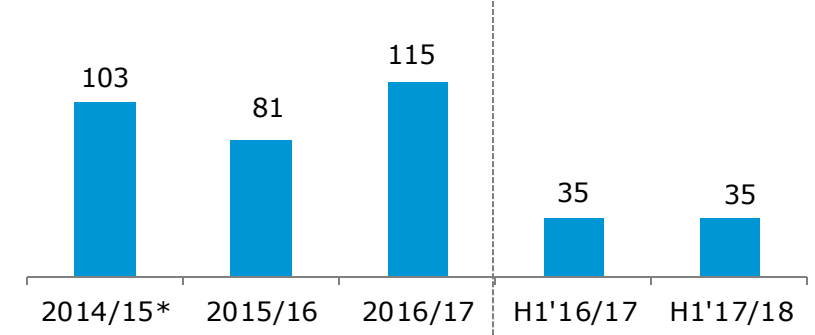
Share of Income from Associates

USDmn



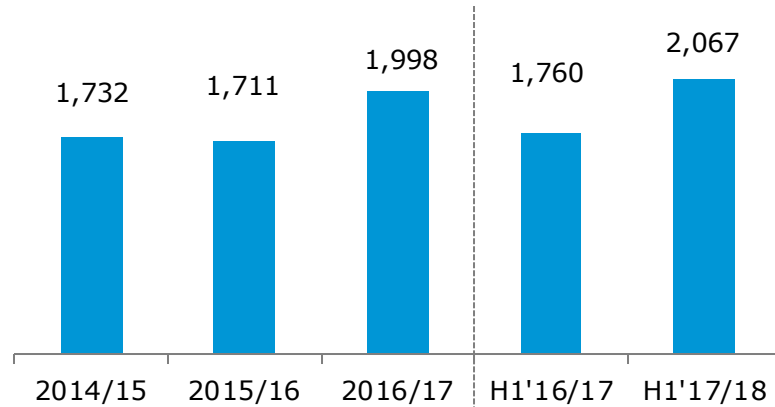
Net Profit

USDmn



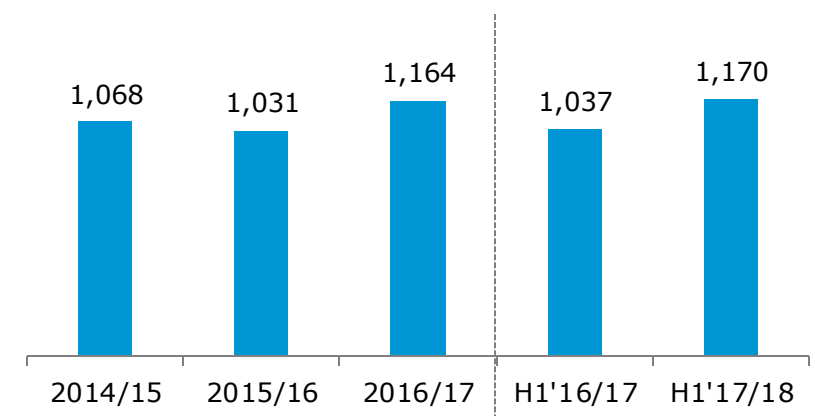
Total Assets

USDmn



Total Shareholder's Equity

USDmn



[^] On 21st July 2014, QPIC acquired additional stake of 11% in SADAFCO and changed classification of stake from associate to subsidiary

^{*} Includes gain on purchase of additional stake in SADAFCO

Note: Exchange rate of USD/KD = 0.30215 as of 30 September 2017 for half yearly numbers and 0.30475 as of 31 March 2017 for annual numbers

Jordan Kuwait Bank (JKB): Overview

Overview



- Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- 3rd largest conventional bank in Jordan in terms of assets (Total assets of USD3.8bn as of 30 September 2017)
- Offers a wide range of corporate, retail & treasury products through a network of 66 branches & 84 ATMs*
- Listed on the Amman stock exchange with a market cap of USD488mn as of 13 November 2017
- KIPCO group holds 51.2% stake (as on 30 September 2017)



Recent Highlights

Key highlights of 9M'17 results:

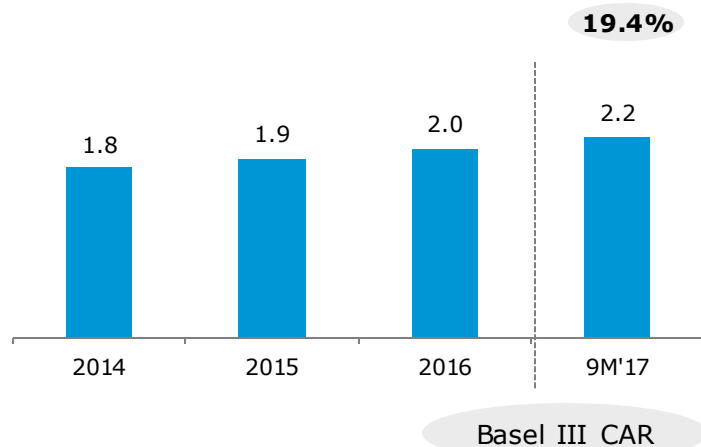
- ▶ CAR ratio was 19.4%
- ▶ NPA ratio was 6.5% with NPA coverage (provision + collateral) was 114% as of March 2017
- ▶ Net interest income increased by 7% to USD101mn in 9M'17 from USD94mn in 9M'16

* As of 15 May 2017

Jordan Kuwait Bank

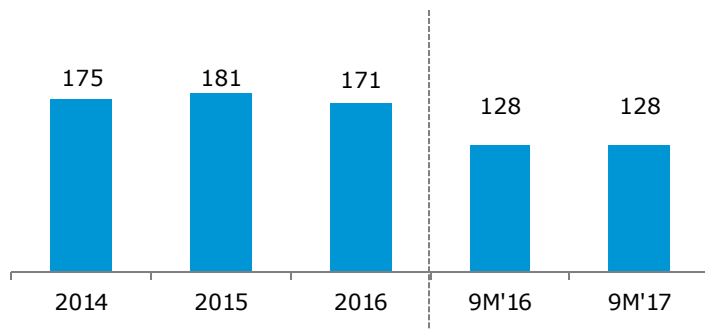
Loan Growth

USDbn



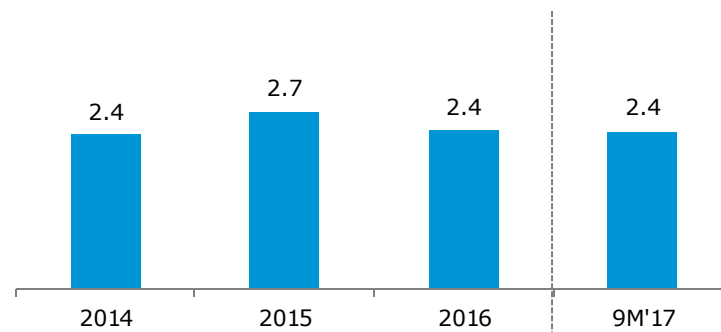
Operating Income

USDmn



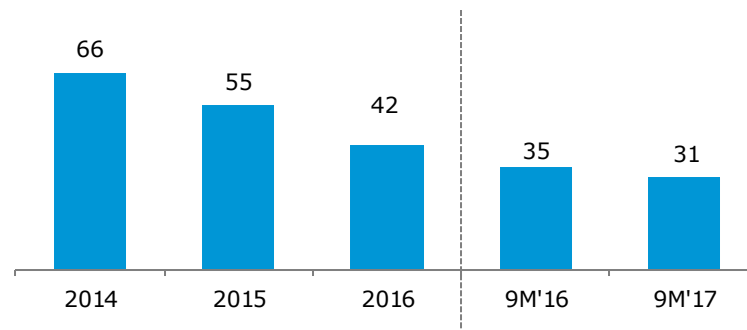
Deposit Growth

USDbn



Net Profit

USDmn



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



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
Vice-Chairman
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

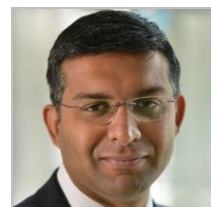


Faisal Sarkhou
CEO
KAMCO



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. (UGH) 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

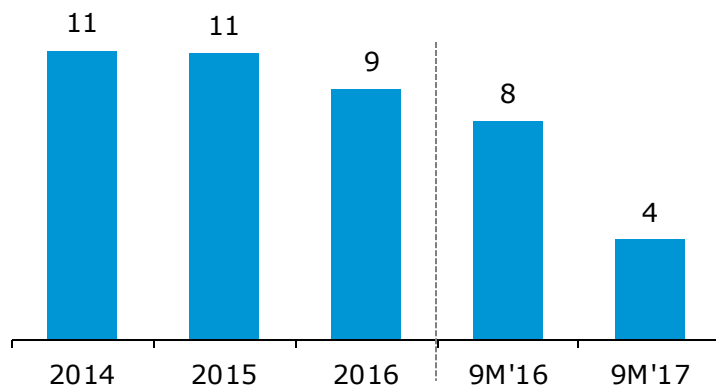


Annexure 4: Per Share Return

KIPCO: Per share return

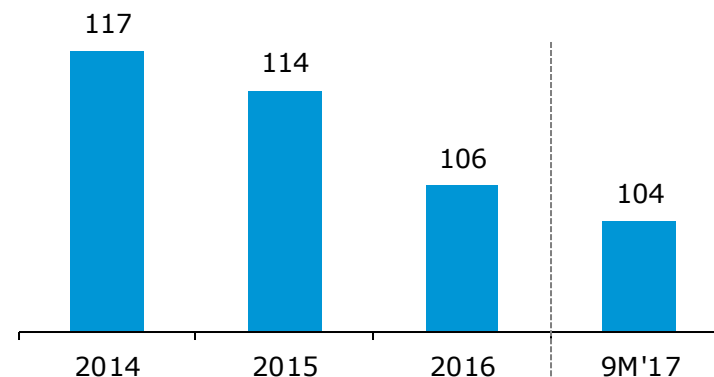
EPS¹

Cents per share



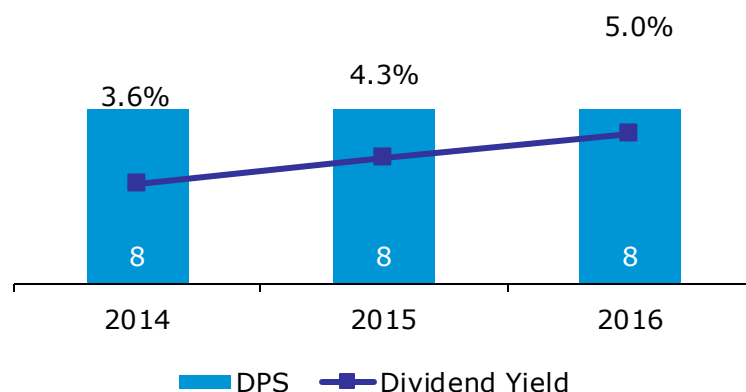
Book Value

Cents per share

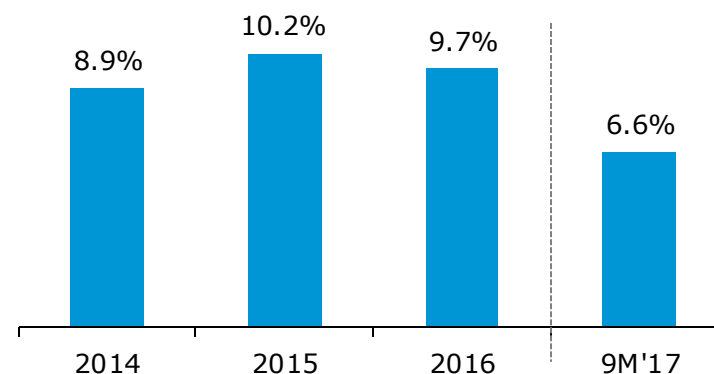


DPS

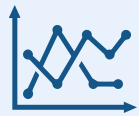
Cents per share



ROE



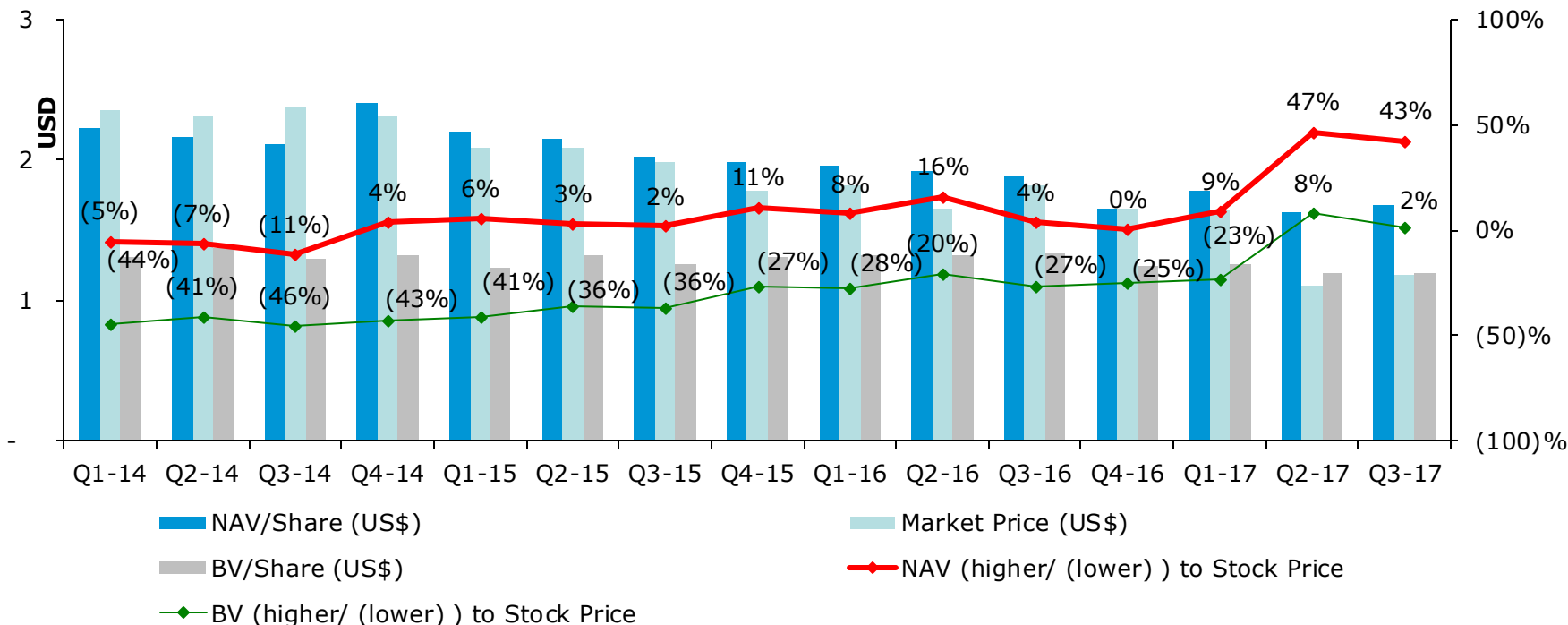
¹EPS is computed as (Net profit attributable to parent shareholder's less KIPCO's share of perpetual securities interest)/ No. of outstanding shares



Annexure 5: Trends and data

Net asset value (NAV) history

NAV/share position¹

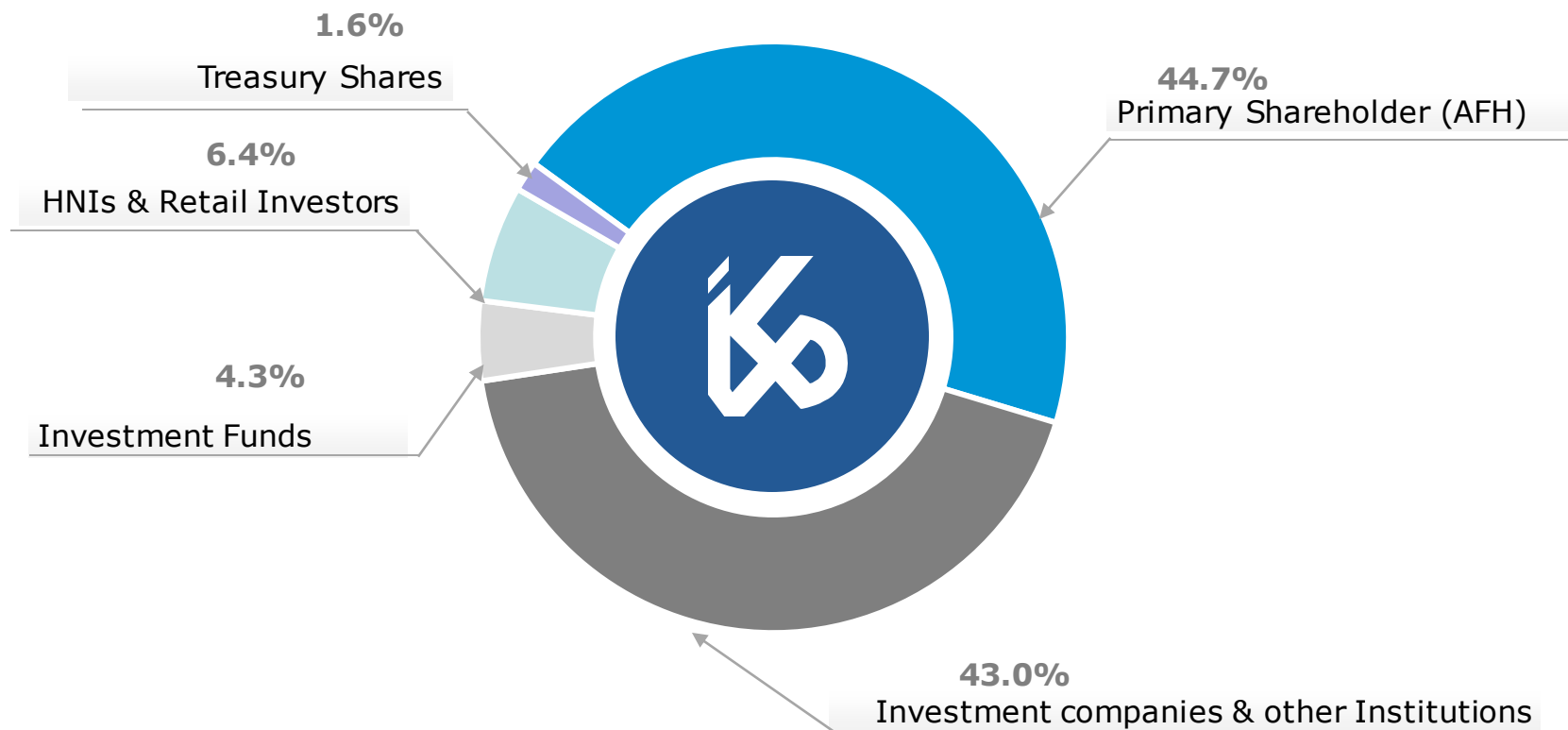


As at September 2017, KIPCO's NAV was USD1.68 per share vis-à-vis the market price of USD1.18 per share and the book value of USD1.20 per share

¹ Control premium has been assumed at 50% to the respective market prices to reflect the value of significant stakes in these entities. OSN (Panther) has been taken at fair value used for joint venture accounting in audited financials of KIPCO (note 9 of annual financial statements for year ending 2009), further to merger of Orbit and Showtime in August 2009. Stake of OSN has been taken at 52.5%. Other components of the NAV are at book value as of 30 September 2017

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 September 2017: 1,473.6mn

KIPCO group: Market data

Entity	P/B		P/E		Market Cap (USDmn)	
	2016	Current ²	2016	Current ²	2016 ¹	Current ³
 كيبكو KIPCO شركة مشاريع الكويت (القابضة) Kuwait Projects Company (Holding)	1.5	0.8 ²	13.1	13.7	2,556	1,413
 بنك بروقان BURGAN BANK	1.0	1.0	9.3	8.8	2,278	2,184
 شركة الخليج المندم القابضة United Gulf Holding Company K.S.C.	2.1	2.1 ²	69.0	NA	834	868
 gig GULF INSURANCE GROUP	1.4	1.4	9.3	10.7	409	355
 شركة العقارات المتحدة United Real Estate Co	0.6	0.5	13.0	13.1	326	281

Notes:

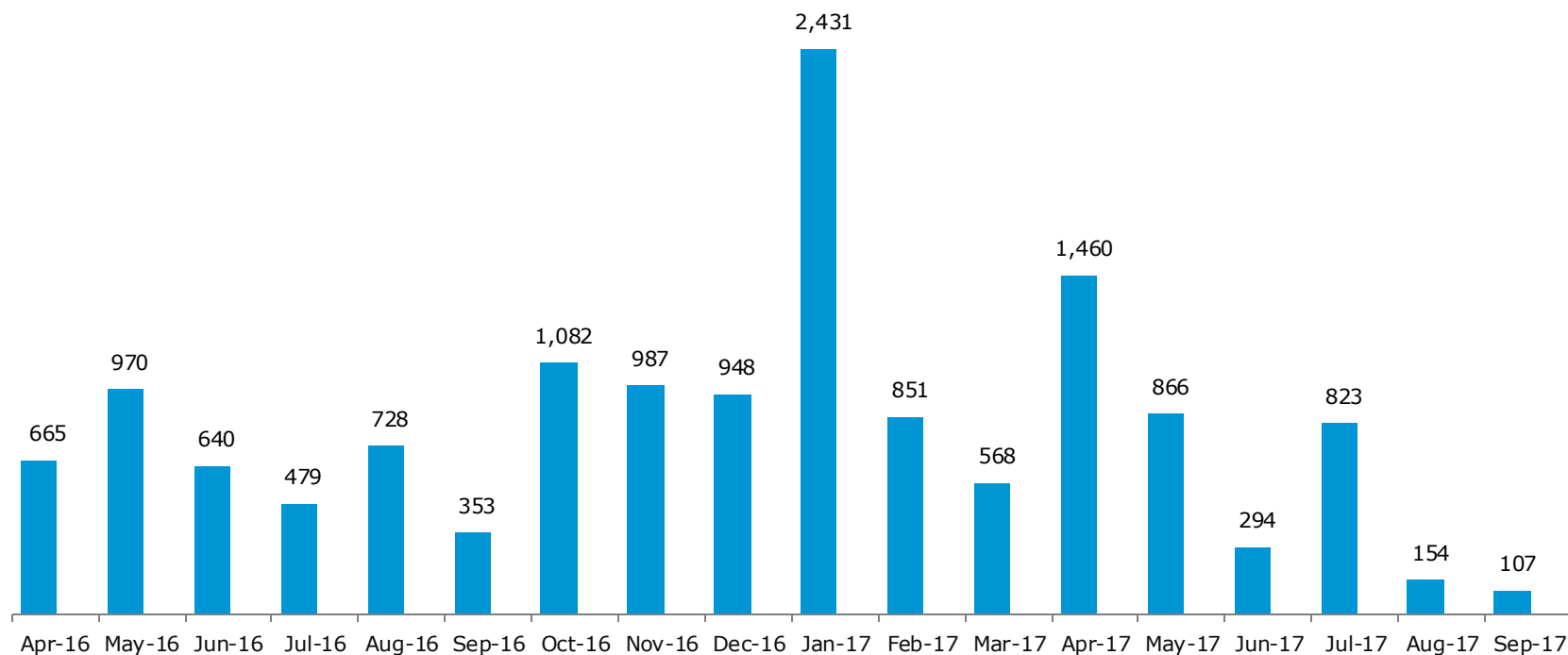
¹ Market cap for 2016 converted at 0.30605

² P/B and P/E as of 13 November 2017 (Source for P/B and P/E: KAMCO Research except P/B of KIPCO and UGHC which has been internally calculated)

³ Market cap as of 13 November 2017 converted at 0.30275 (Source: Bloomberg for market price)

KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)



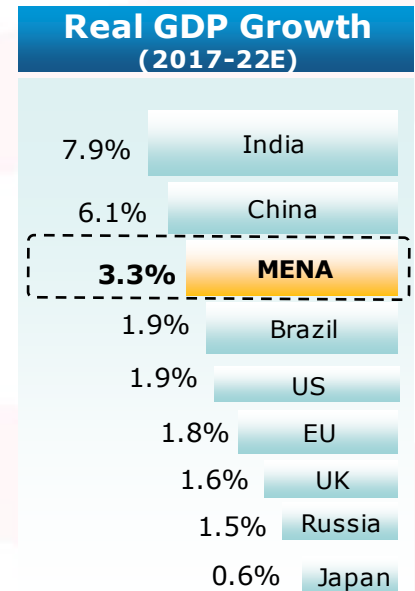
KIPCO's stock has maintained an average daily traded value of USD0.9mn in the last 12 months

Source: KSE; exchange rate used across the periods is as of 30 September, 2017 (USD/KD = 0.30215)



Annexure 6: About the region

MENA region: Poised for strong economic growth

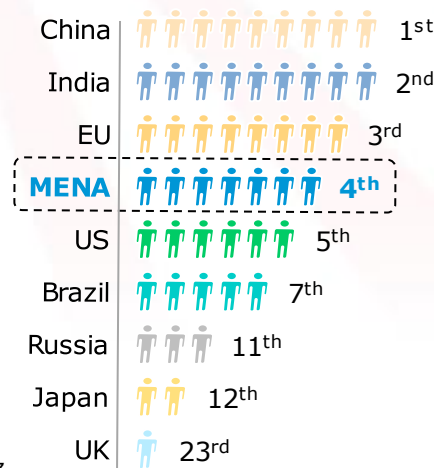


MENA region is characterized by favourable demography and business climate

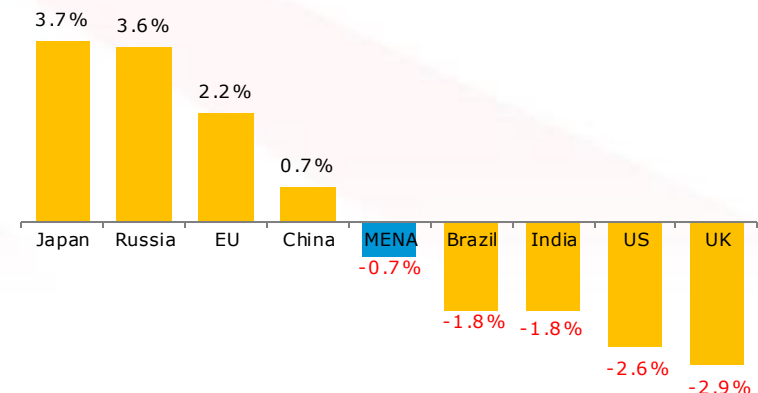
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2017E



Current Account Balance as a % of GDP (2017-22E)



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 ...

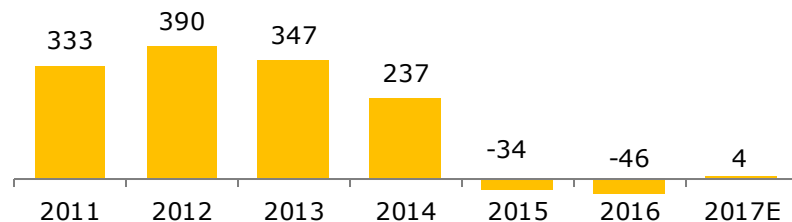
....All contribute to

STRONG GROWTH

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

Current Account Surplus

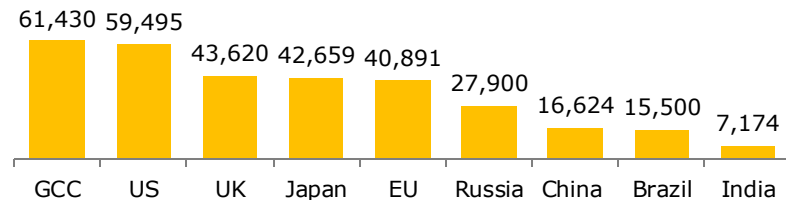
(In USDbn)



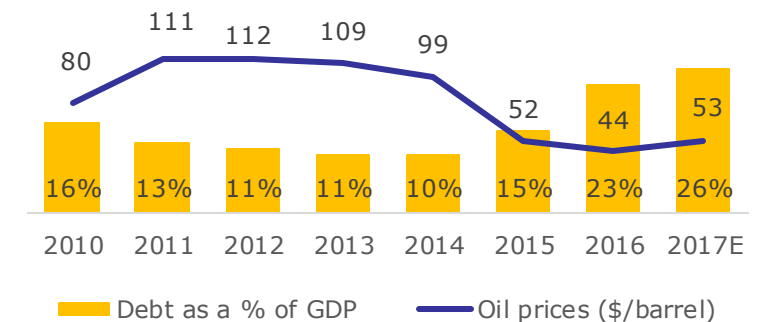
"Accumulated current account surplus of over USD1.23tn from 2011 to 2017"

GDP / Capita, PPP (2017E)

(In USD)

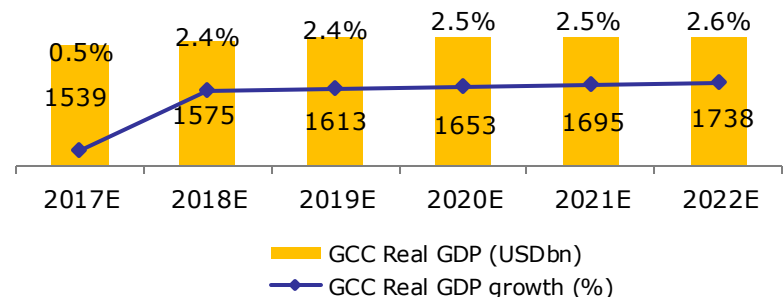


Government debt as a % of GDP



Real GDP & GDP Growth (2017E)

(In USDbn)



Source: IMF-WEO Database, October 2017, CIA

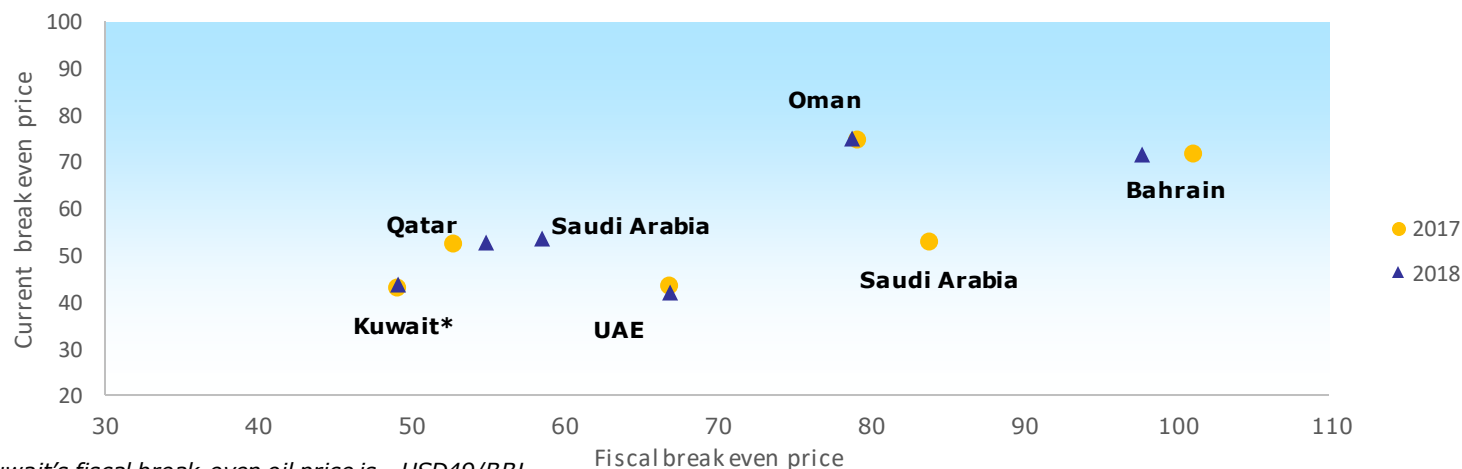
Kuwait: Protected against oil price decline

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

¹CIA

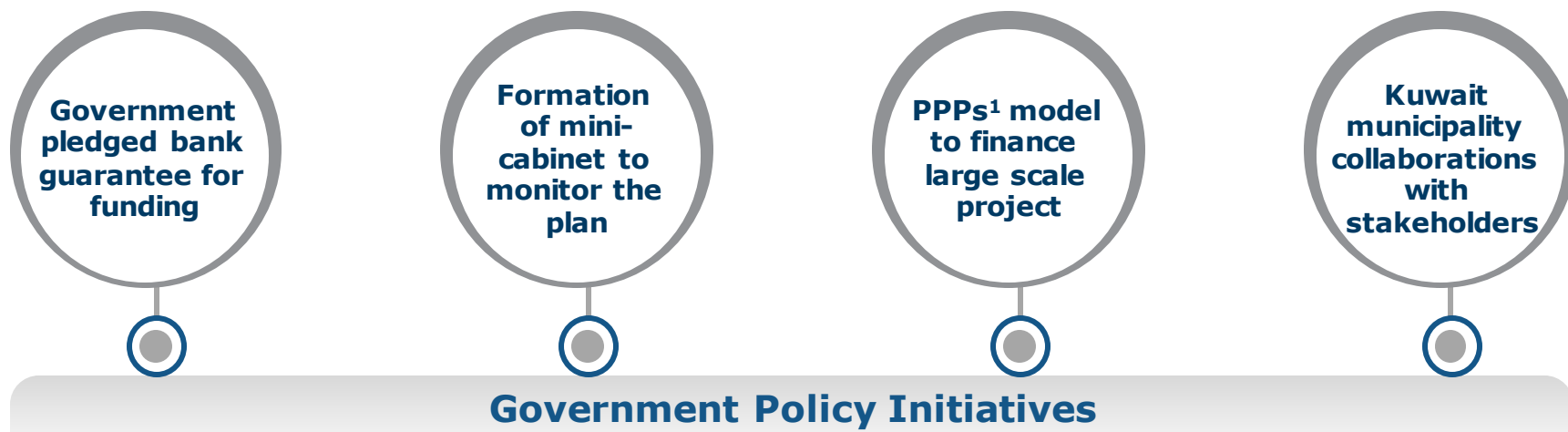
Kuwait development plan overview

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.



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). FEED¹ 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 m³ 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: KAPP² 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

¹FEED= Front End Engineering Design; EPC=Engineering, Procurement & Construction ²KAPP= Kuwait Authority for Partnership Projects

Source: NBK report dated October 2017

*RSM Quarterly newsletter May 2017 and press releases

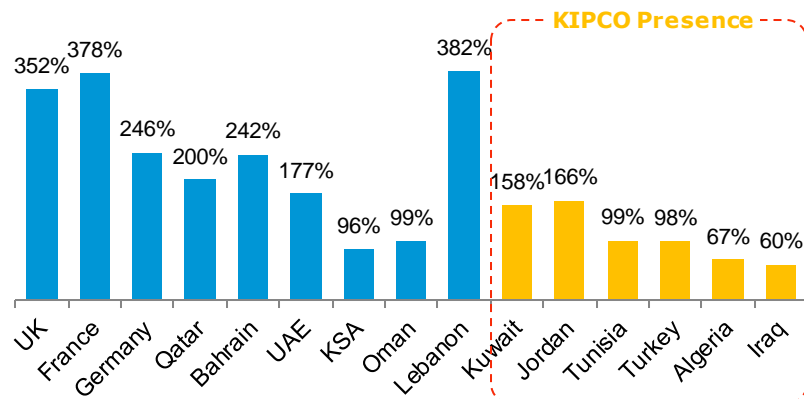
[^]Excludes other small projects of USD0.2bn



Annexure 7: Market opportunity

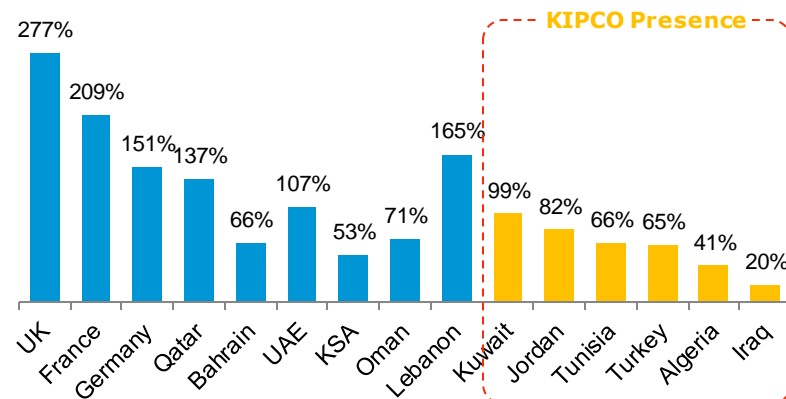
Banking sector opportunity

Banking Penetration: Assets/GDP












Source: Central Banks & IMF, World Economic Outlook Database

Banking Penetration: Loan/GDP



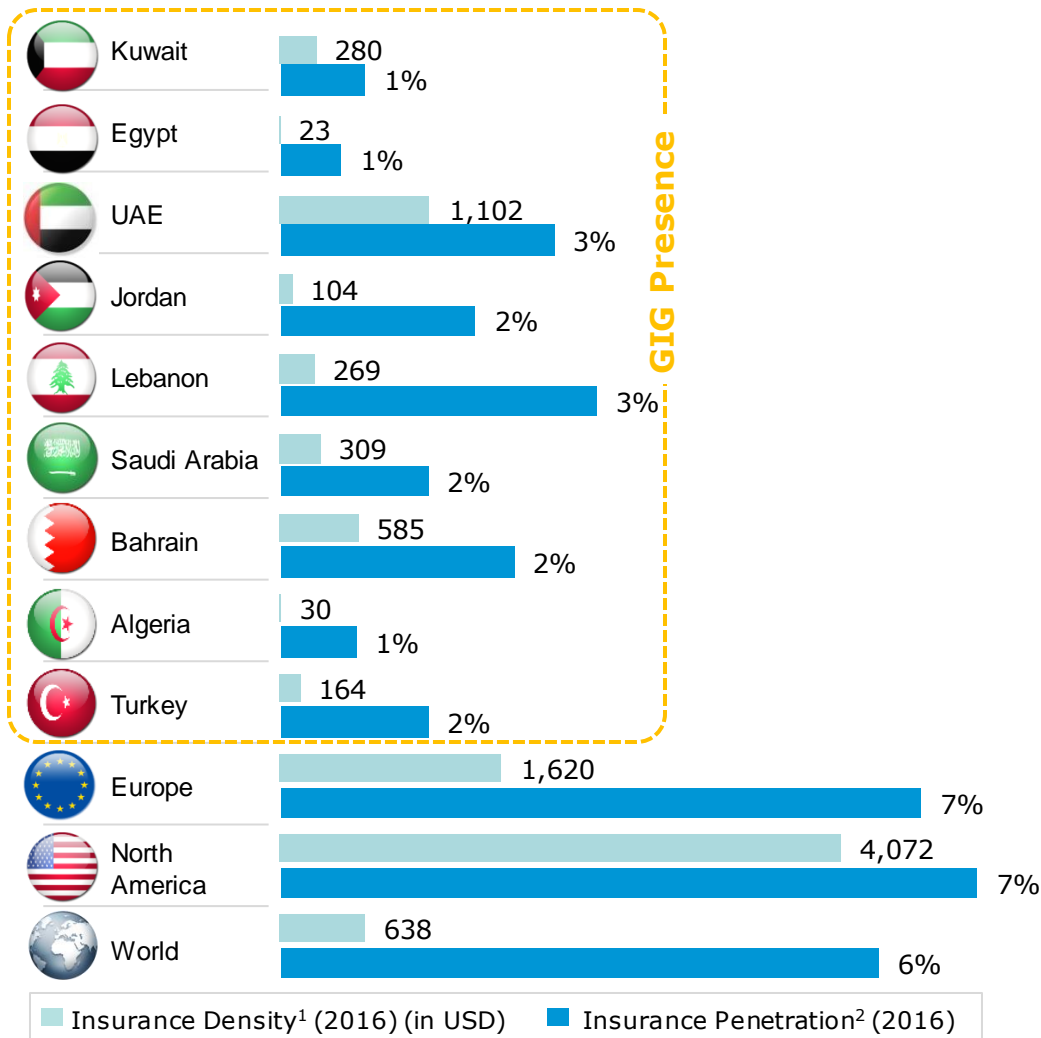
Countries

Countries								
			Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq
	Population	Size (mn) (2017E)	4	7	11	81	42	39
		CAGR (17E-22E)	2.8%	2.2%	1.0%	0.9%	1.8%	2.6%
	Per Capita income	USD (2017E)	27,237	5,678	3,518	10,434	4,225	4,958
	Real GDP Growth Rate	CAGR (17E-22E)	3.5%	2.8%	3.9%	3.5%	1.8%	2.2%

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

Source: IMF-WEO Database, October 2017

Insurance sector opportunity



- ▶ Low insurance density in MENA region
- ▶ The projected economic slowdown in the GCC will drag on life insurance premium growth in the short to 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. With public budgets and subsidies being cut, demand is expected to slow in the short-term

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 2016 report by Swiss RE Sigma

¹Insurance premium per capita

²Total insurance premium as a % of GDP