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Executive Summary

A diversified company with deep regional expertise & roots



We are

Operating holding company with total assets of USD32.5bn¹

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 September 2018

²As on 19 Nov 2018

Note: : Exchange rate of USD/KD of 0.3031 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 (9M'18) ²	58%	-	17%	11%	5%	4%	5%	
Assets (9M'18) ³	75%	-	5%	8%	7%	2%	3%	

Attractive presence in high growth economies and promising sectors

Note: The business of OSN represented the entirety of the Group's media operating segment. In accordance with IFRS 5, the investment in OSN is classified as a discontinued operation and accordingly, the media segment is no longer presented in the segment note from Q3'2018

¹ Assuming consolidation of GIG & OSN

^{2, 3} Total revenue of USD2.3bn and total assets of USD36.0bn respectively, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG

Core holdings

All core holdings are market leaders in their space



Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)

² In terms of revenue and countries of operations

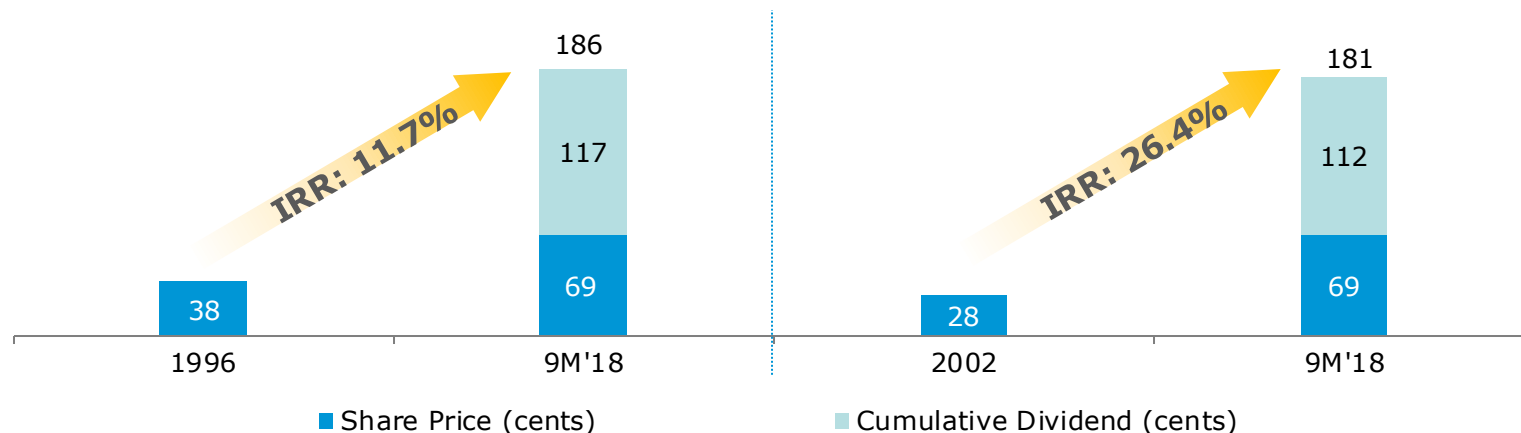
³ By Gross premium written (GPW) and Direct premiums

⁴ By GPW

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

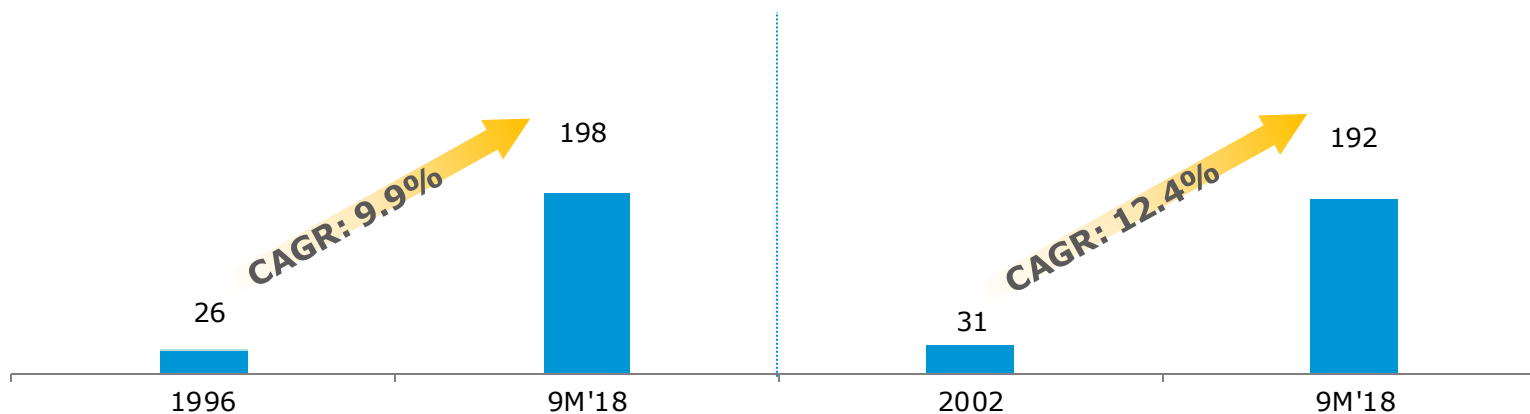
Attractive returns

Total Shareholders' Return Growth¹



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

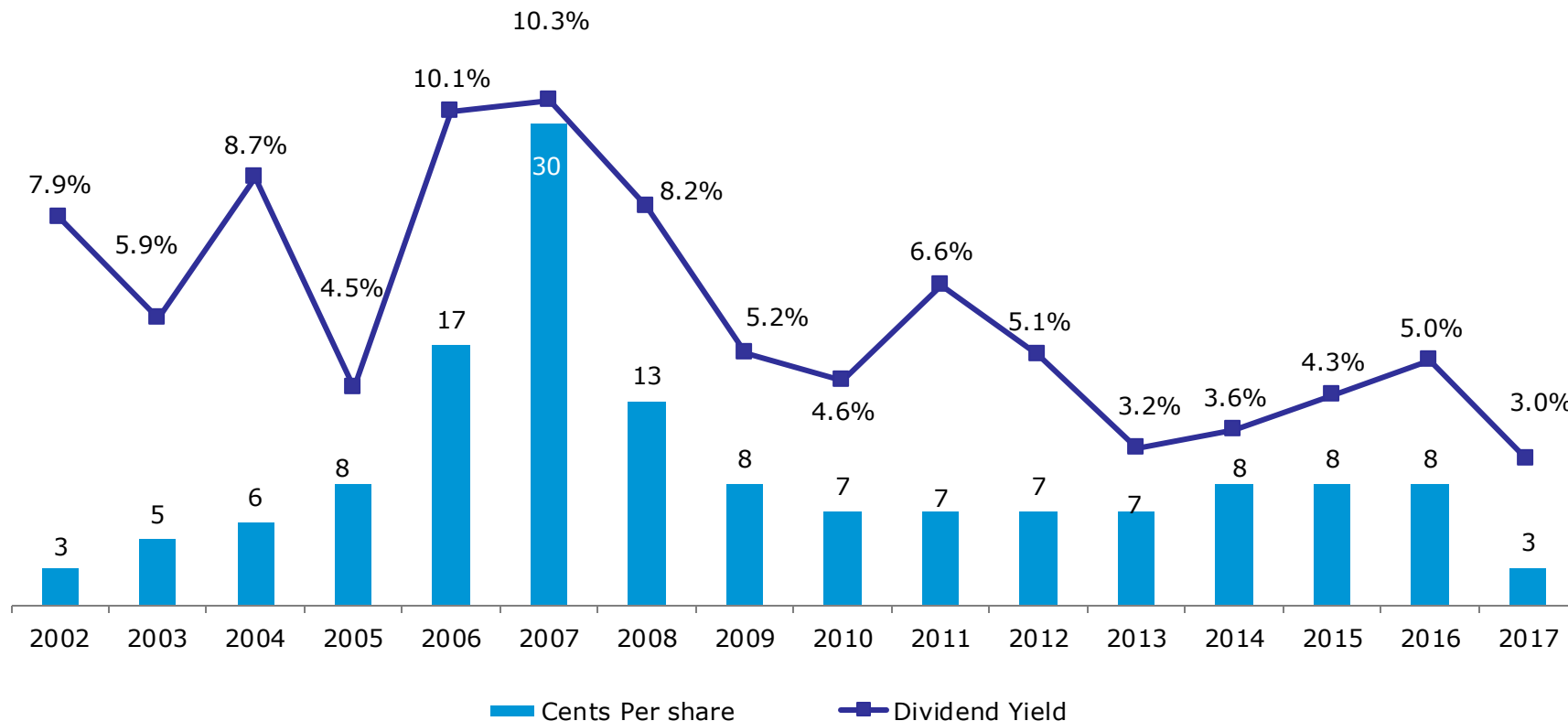
Book Value Per Share Growth (in US cents)²



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	 BURGAN BANK		 UGH	 KAMCO قاسم	 gig Gulf Insurance & Reinsurance Company	 URC شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	64.0%	60.5%	96.4%	83.2% ³	45.6%	72.9%
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	2,085	Unlisted	1,040	53	368	223
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 September 2018

² Market capitalisation as of 19 November 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%	9M'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 -	9M'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	9M'18 \$389Mn	<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'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	9M'18 \$9.5Bn	<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

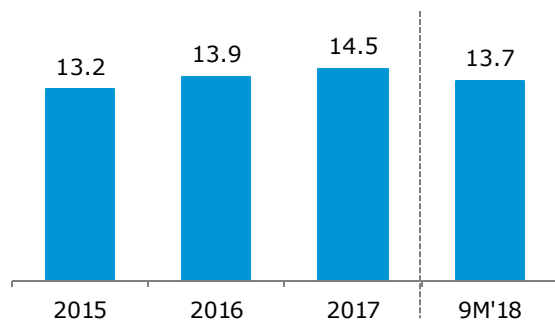


Performance Update

Burgan Bank Group (BBG)

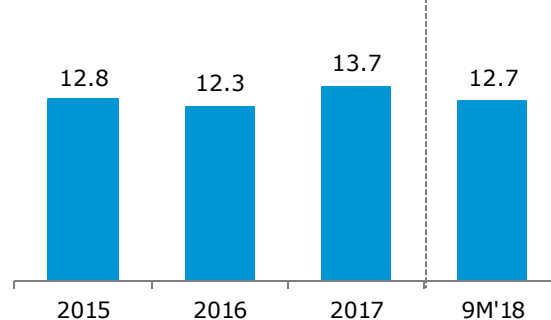
Loans

USDbn



Deposits

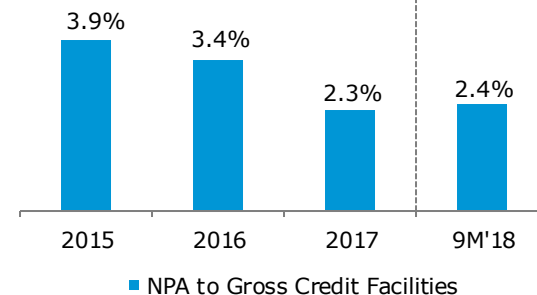
USDbn



Asset Quality

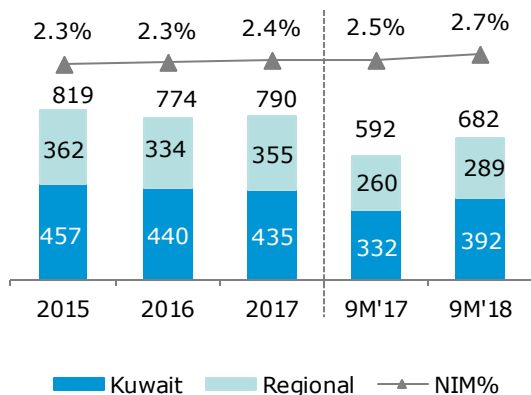
■ NPA coverage with collateral
■ NPA coverage without collateral

184%	194%	233%	245%
120%	124%	159%	174%



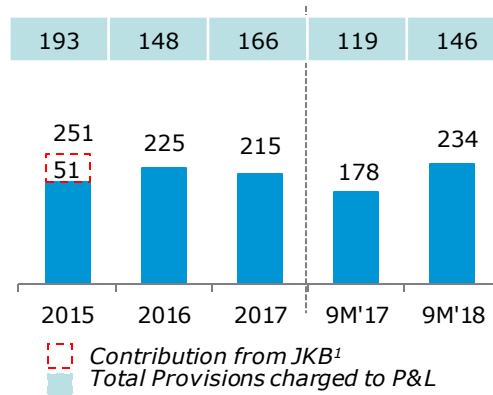
Operating Income

USDmn



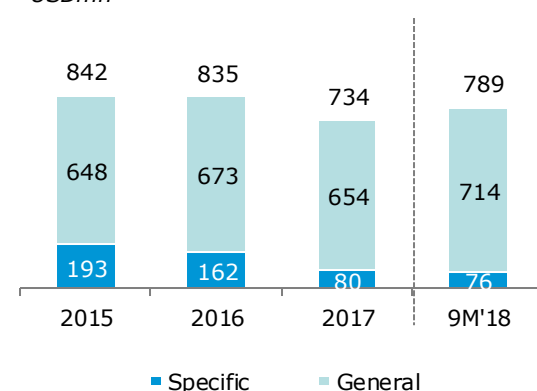
Net Profit & Provision

USDmn



Total Provision

USDmn



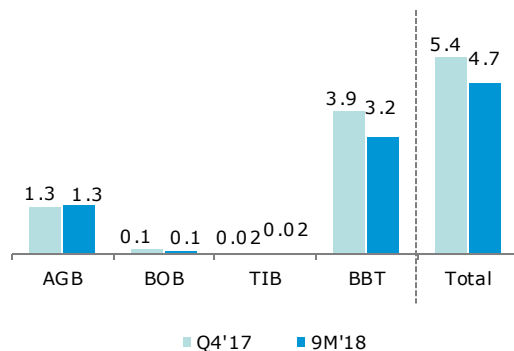
**Strong performance reflecting operational capabilities with strict focus on asset quality;
Reported Basel III CAR as of 30th September 2018: 16.5%**

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

BBG: Regional operations

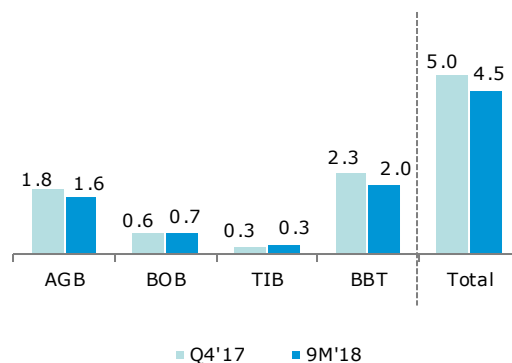
Loans

USDbn



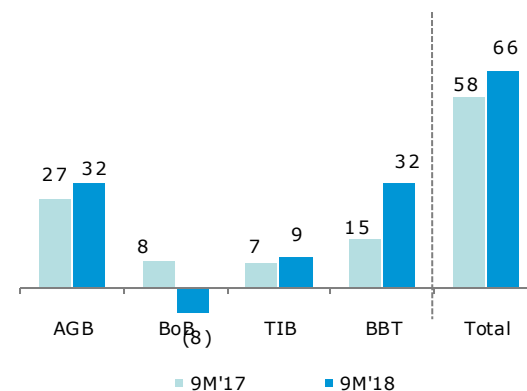
Deposits

USDbn



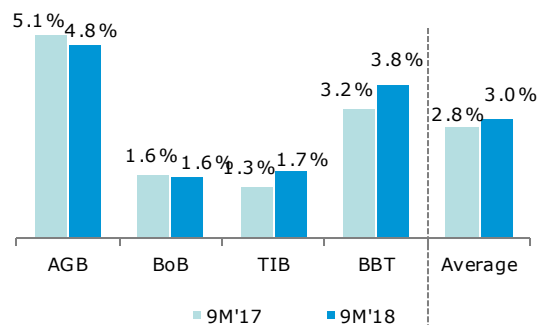
Net Profit¹

USDmn



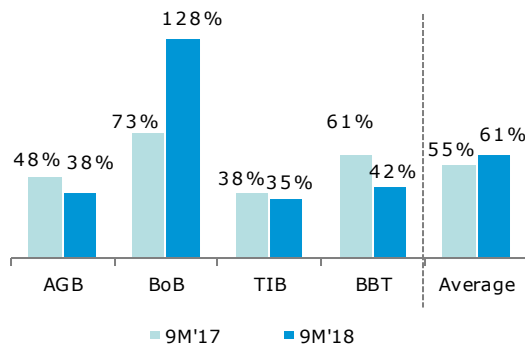
Net Interest Margin

Percentage



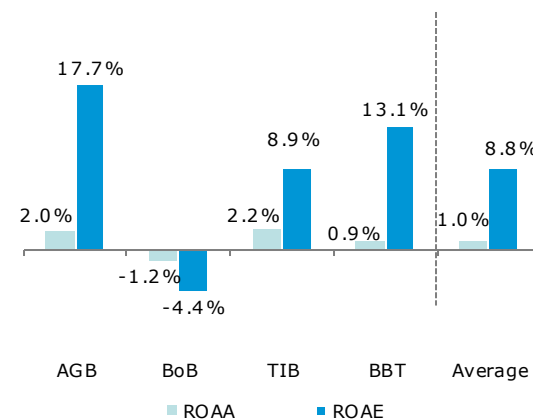
Cost to Income

Percentage



Return on Assets & Equity²

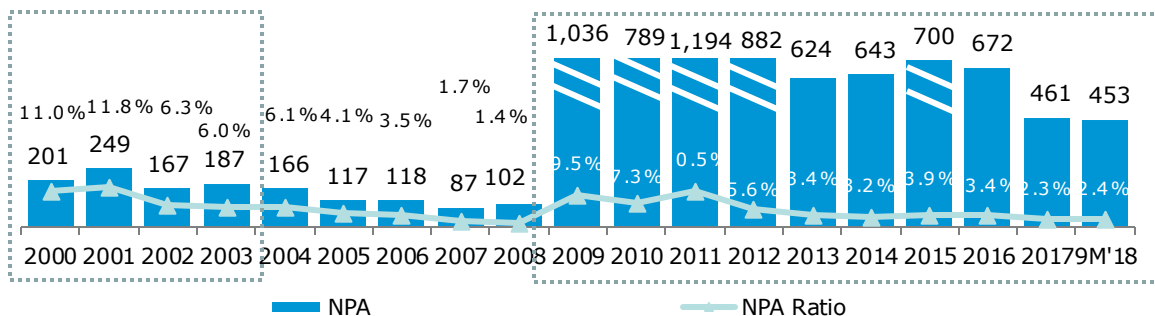
Percentage



BBG: NPA¹ & provisioning trend

NPA Trend

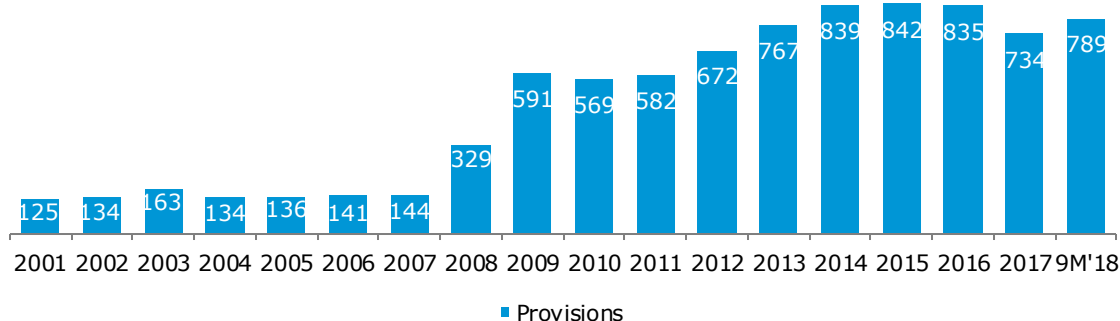
NPA (USDmn)
NPA Ratio (Percentage)



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%	245%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	159%	174%



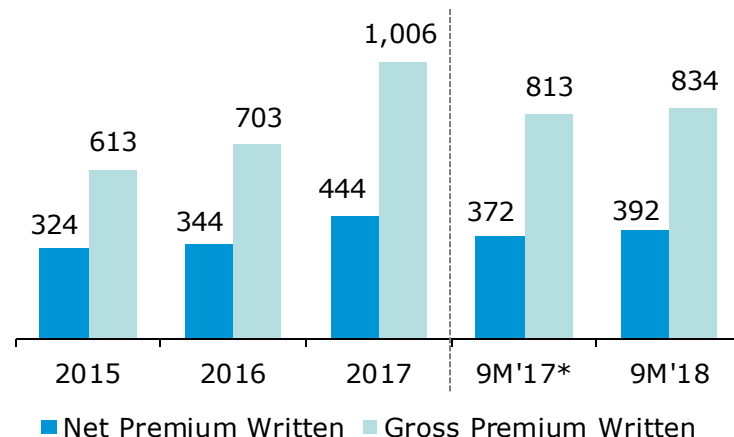
- ▶ At end of September 2018, combined coverage of non performing assets (NPA) was **245%**
- ▶ NPA Ratio was 2.4% as on 30 September 2018
- ▶ ~90% provisions in general category as on 30 September 2018
- ▶ Prudent approach to credit cycle
 - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

¹NPA includes on balance sheet and off balance sheet exposure

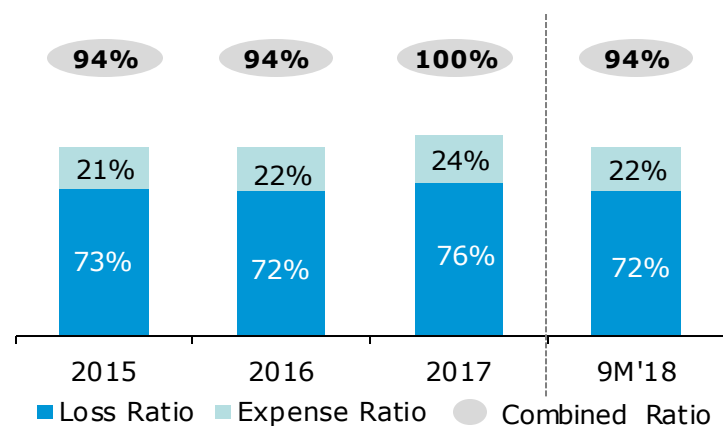
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

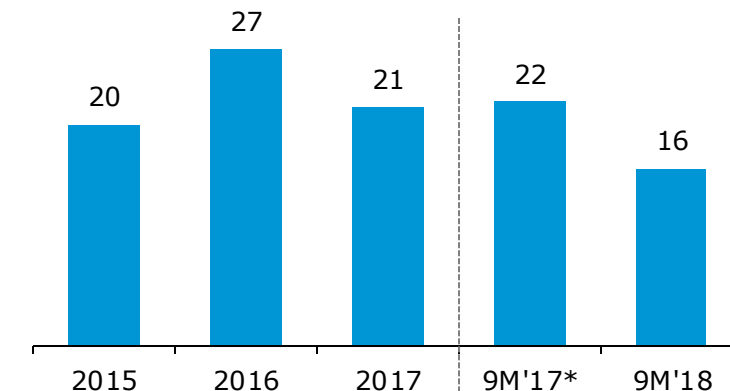


Combined Ratio



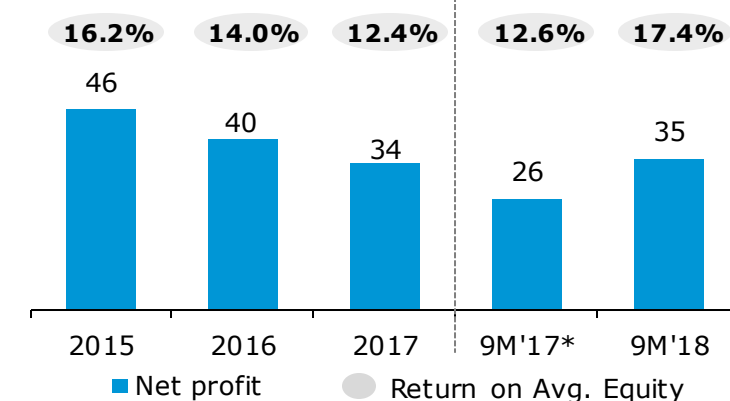
Net Investment Income

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	358	7	72	96%	~10%
Latin America	623	72	180	NA	40%
UK	66	15	27	97%	56%
India	1,334	164	197	66%	83%
US	328	93	120	96%	77%

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 2018, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times

OSN: Overview...cont'd

Overview

Leading Pay TV operator in MENA region (HQ in Dubai), created by the merger of Showtime and Orbit in 2009

Licensed to operate in 25 countries in MENA with focus on 7 core markets

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 and 27k subs for WAVO

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

Premium content offerings with over 156 channels incl. 73 HD channels, and 34 owned and operated. 40 South Asian channels, 15 Filipino channels

~1,800 employees, 111 retail locations across MENA and a network of 161 partners

Pan Arab reach



Strong shareholders

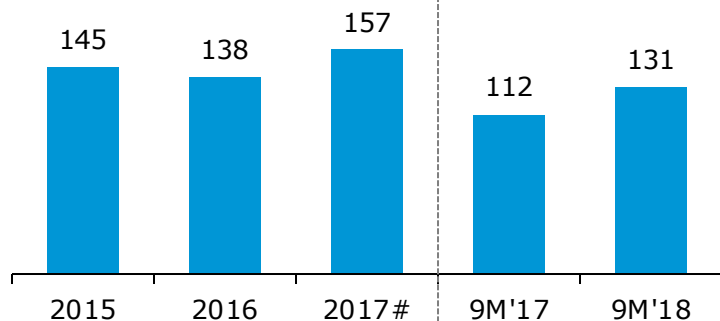


As of 30 September 2018

United Gulf Holding Company (UGHC)*

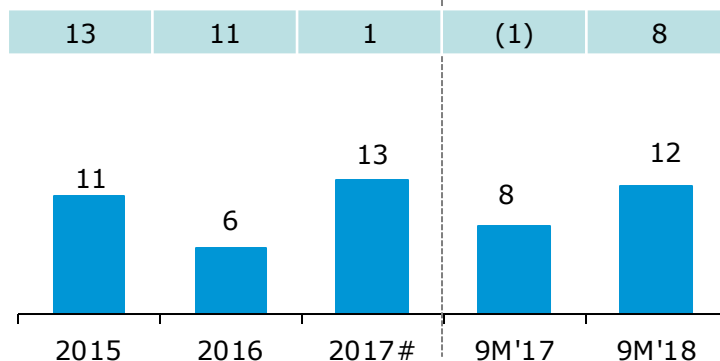
Revenue

USDmn



Net Profit & Provisions

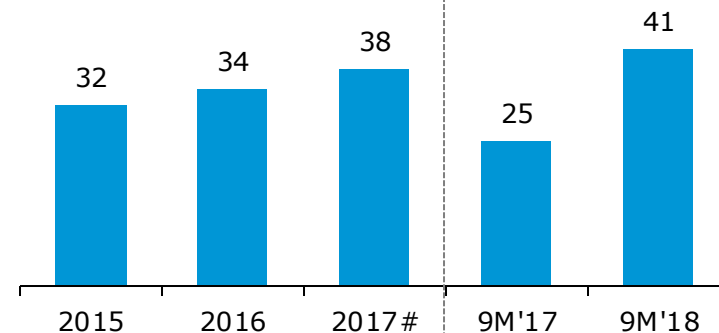
USDmn



■ Total Provisions Charge to P&L

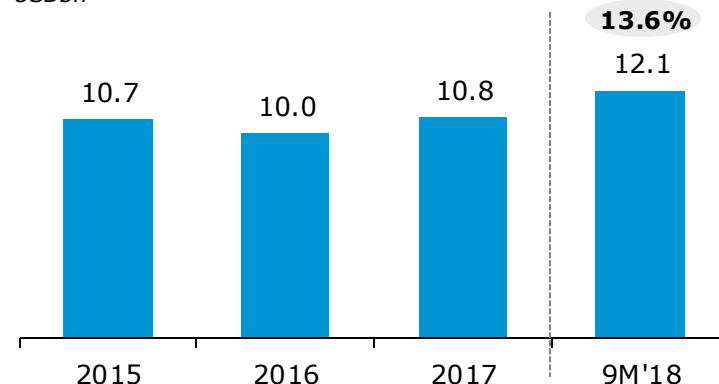
Fee & Commission Income

USDmn



AuM & Capitalisation

USDbn



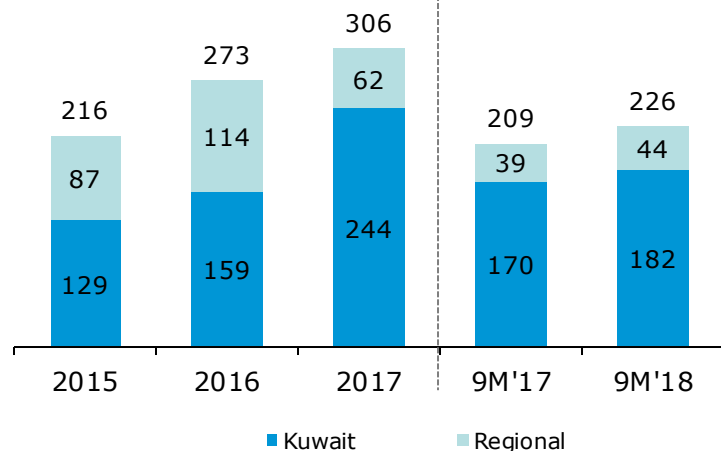
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGHC) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

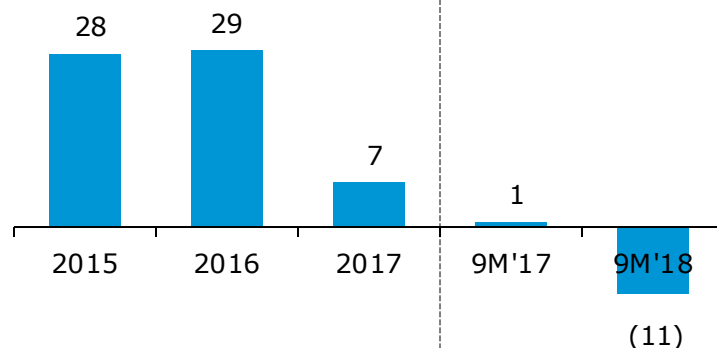
Total Revenue¹

USDmn



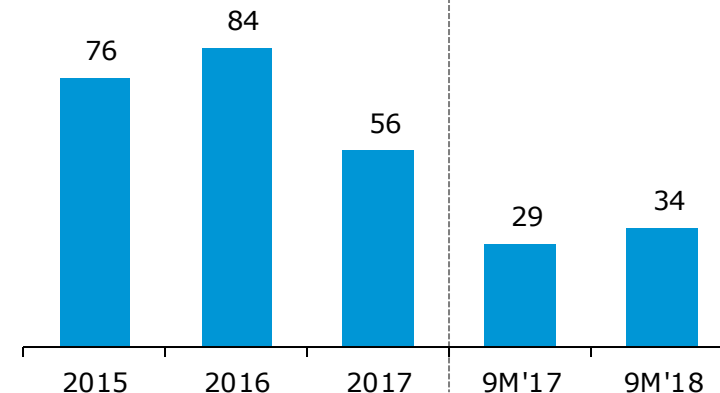
Net Profit

USDmn



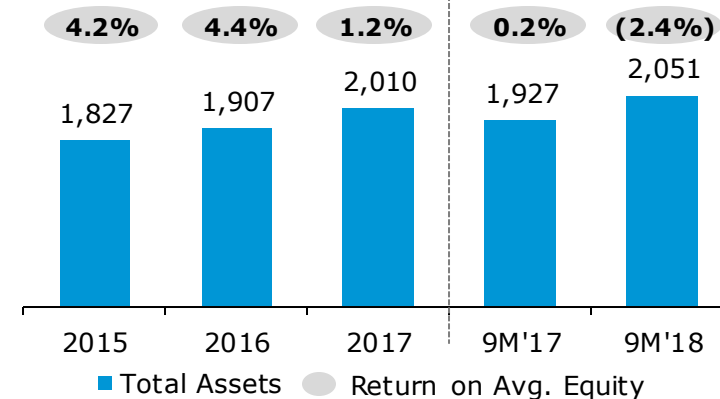
Operating Profit²

USDmn



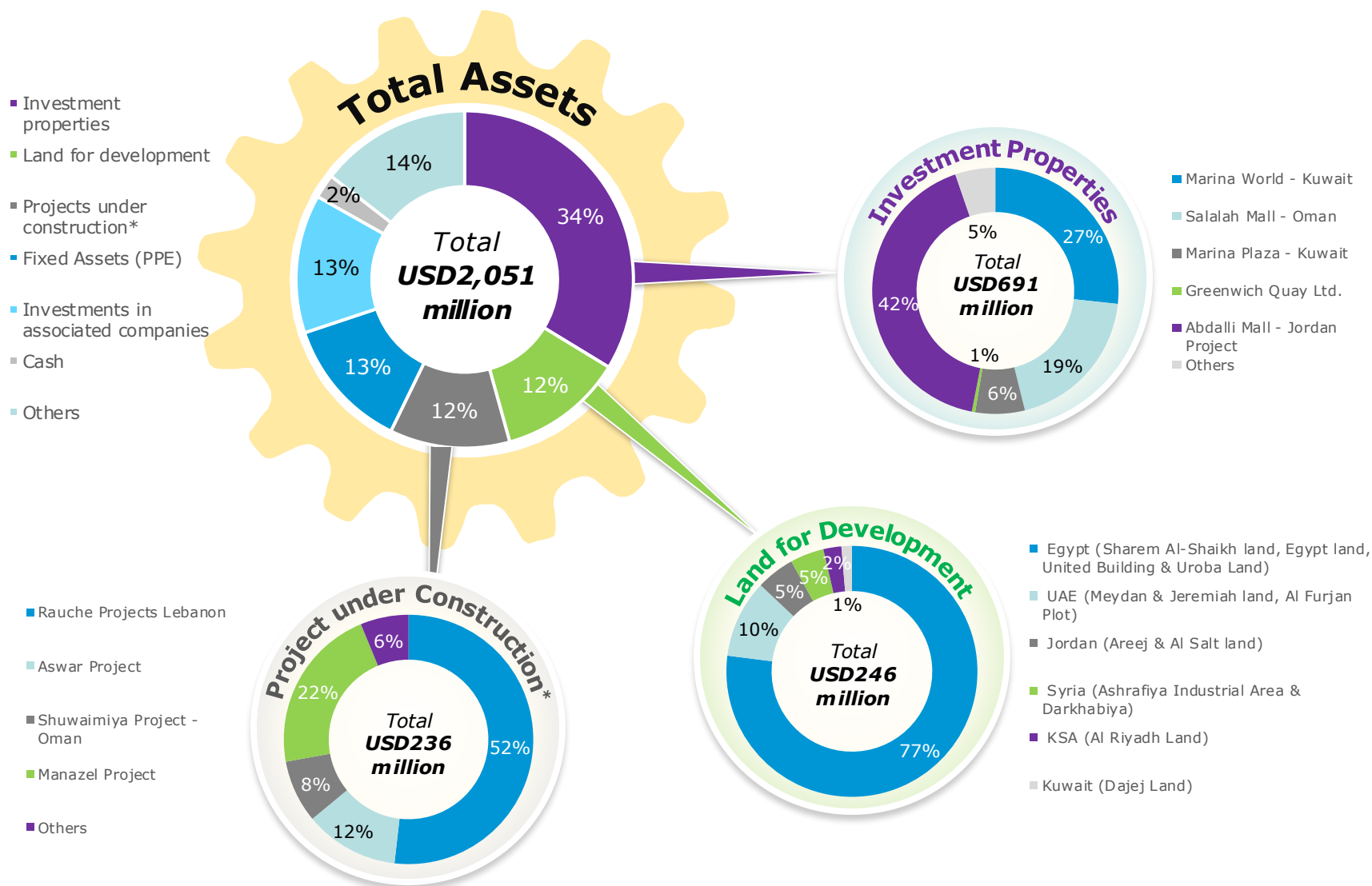
Total Assets & ROE

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



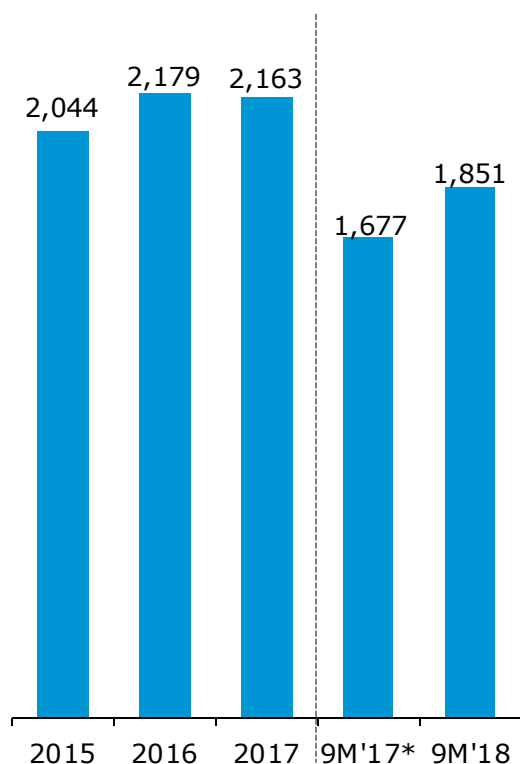
* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

¹ As on 30 September 2018

KIPCO consolidated: Financial performance

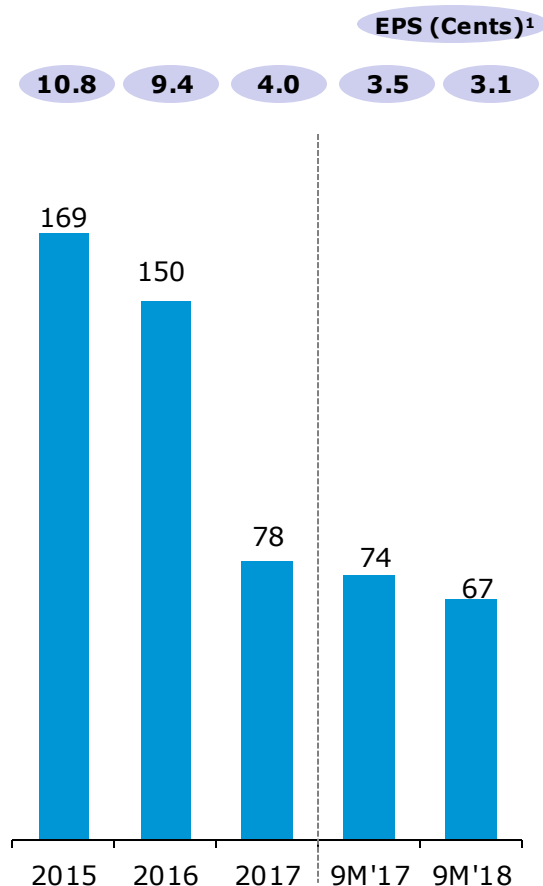
Revenue

USDmn



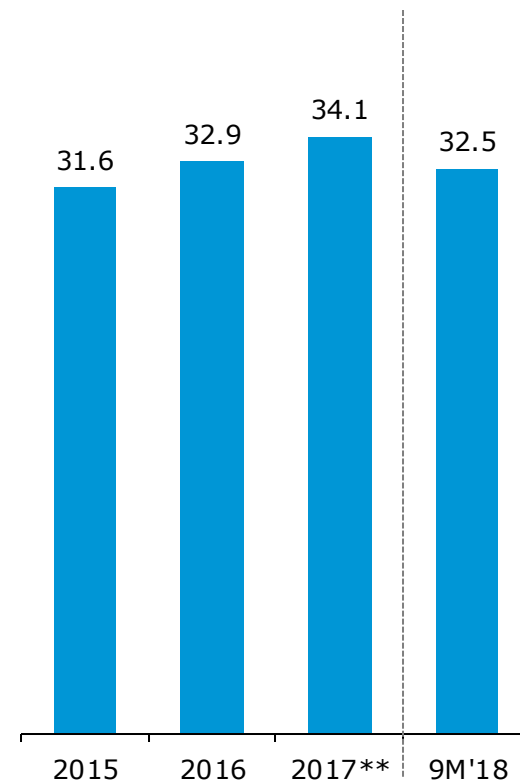
Net Profit

USDmn



Consolidated Assets

USDbn

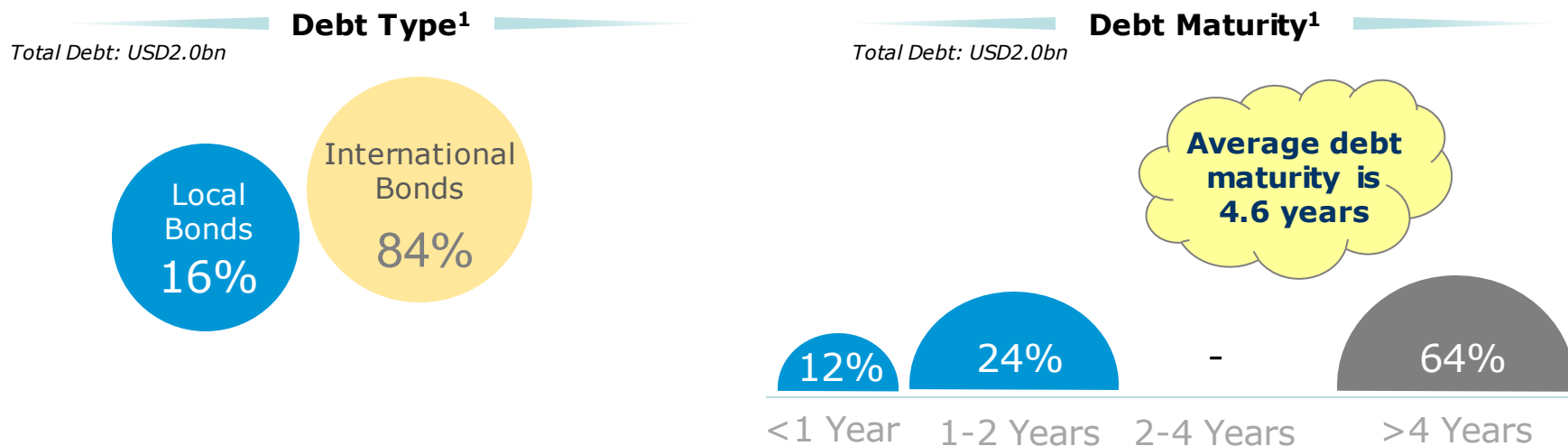


*In the interim condensed consolidated financials of Q3 2018, certain items of balance-sheet and income statement of nine months ended 30th September 2018 & 2017 have been reclassified & restated to reflect the classification of investment in a media joint venture as "Non-current asset held for sale" in accordance with IFRS 5 (Non-Current Assets held for sale and discontinued operations). As a result, share of results from OSN have been shown under discontinued operations and excluded from total income.

** Restated

¹Basic Earning per share (reported)

KIPCO parent debt profile: As at 30 September 2018



¹As of 30 September 2018



- Cash & bank balance of USD1,090mn
 - The current cash balance covers all debt obligations due till December 2022 (4.7x 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 USD22.6bn as of 30 September 2018)
- Offers a wide range of corporate, retail & treasury products through a network of 167 branches¹
- Listed on the Kuwait stock exchange with a market cap of USD2,085mn as of 19 November 2018
- BBB+ rating from S&P, A3 from Moody's and A+ from Fitch Ratings
- KIPCO group holds 64.0% stake, while KIPCO directly holds 41.4% stake (as on 30 September 2018)
- First and only ISO certified bank in GCC to achieve certification for all its banking operations



Key highlights of 9M 2018 results:

- ▶ Net profit margin improved from 30.1% in 9M 2017 to 34.3%
- ▶ NIM improved from 2.5% in 9M'17 to 2.7%
- ▶ NPA ratio improved by 110bps from 3.5% in 9M 2017 to 2.4%
- ▶ Basel III CAR of 16.5% as on 30 September 2018

A regional player with presence in growth markets

¹Represents figure as of 30 September 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 USD368mn as of 19 November 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 September 2018)



Key highlights of 9M 2018 results:

- ▶ NPW grew by 6% to reach USD392mn in 9M 2018 vs. USD372mn in 9M 2017
- ▶ Composition of GPW
 - Line of business: 58% Life & Medical; 42% Non-Life (3% Marine & Aviation, 8% Property, 15% Motor, 8% Engineering and 8% 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 USD1,040mn as of 19 November 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 September 2018)



Recent Highlights

Key highlights of 9M 2018 results¹:

- ▶ 17% increase in revenue to reach USD131mn
- ▶ Fees and commission income increased by 63% to reach USD41mn
- ▶ CAR for UGB is 13.6% at end of 30 September 2018

Focused on growing the financial services network across the MENA region

¹ Comparison shown from UGB 9M'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 USD223mn as of 19 November 2018
- Major real estate player in Kuwait, ranked second in real estate sector on KSE (total assets basis)
- KIPCO group holds 72.9% stake, while KIPCO directly holds 53.8% stake (as on 30 September 2018)



Recent Highlights

Key highlights of 9M 2018 results:

- ▶ 8% growth in total revenue in 9M 2018 to reach USD226mn
- ▶ 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 2018)



Key highlights of 9M 2018 results:

- ▶ Revenue increased by 14% to USD34mn from USD30mn in 9M 2017 due to increase in income from associates
- ▶ Income from associates increased 12% to reach USD31mn over 9M 2017
- ▶ Net profit increased by 14% to USD17mn over 9M 2017

Aims to invest in specialized activities in the Industrial sector

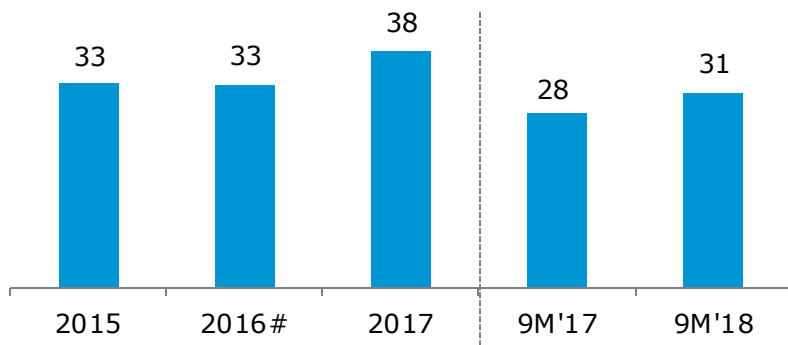
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

United Industries Company: Financial performance

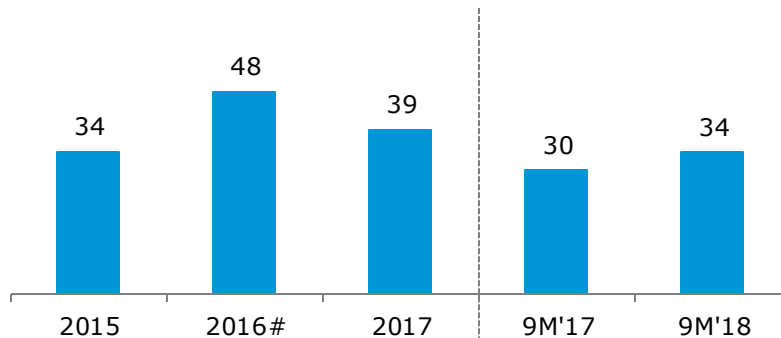
Income from Associates

USDmn



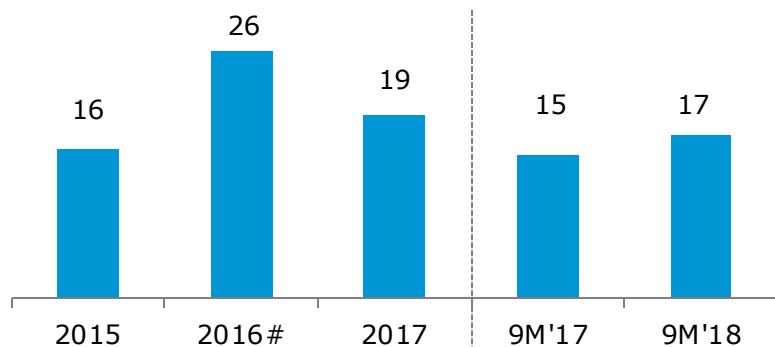
Total Revenue

USDmn



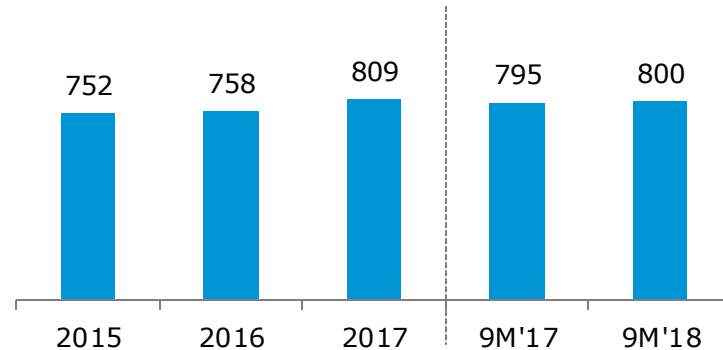
Net Profit

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 USD1,302mn as of 19 November 2018
- KIPCO group through UIC holds 25% stake as on 30 September 2018



Key highlights of H1 2018/19 results, over H1 2017/18 results:

- ▶ Total revenue increased by 4% to reach USD311mn in H1 2018/19
- ▶ Total assets increased by 6% to reach USD2.2bn in H1 2018/19
- ▶ Net profit declined by 9% to reach USD32mn in H1 2018/19 vs. USD35mn in H1 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

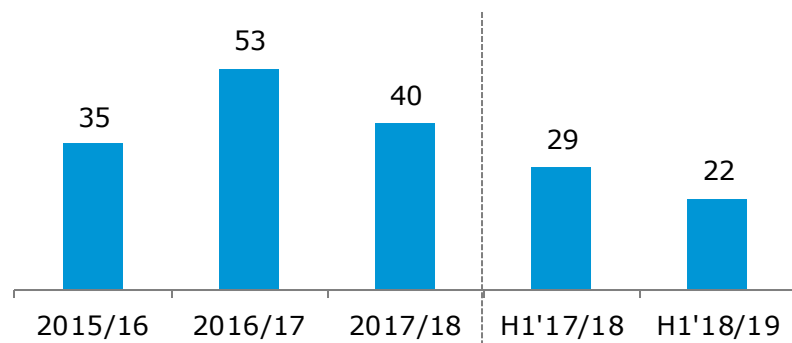
KARO = The Kuwait Aromatics Company,

TKSC = The Kuwait Styrene Company

QPIC: Financial performance

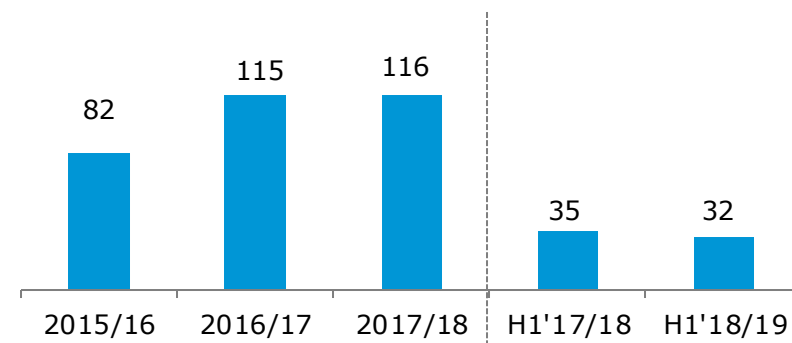
Share of Income from Associates

USDmn



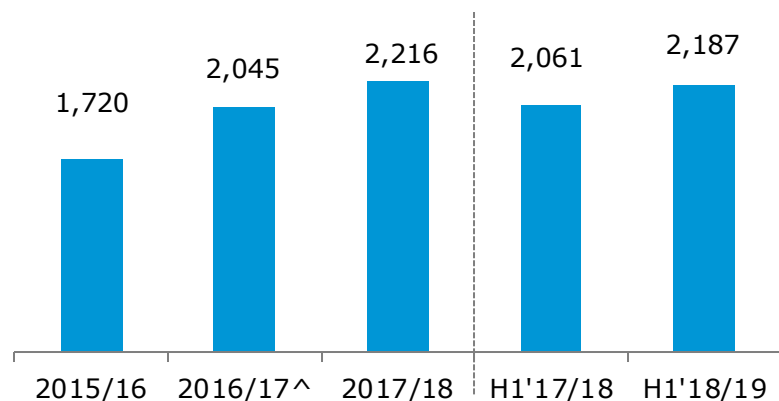
Net Profit

USDmn



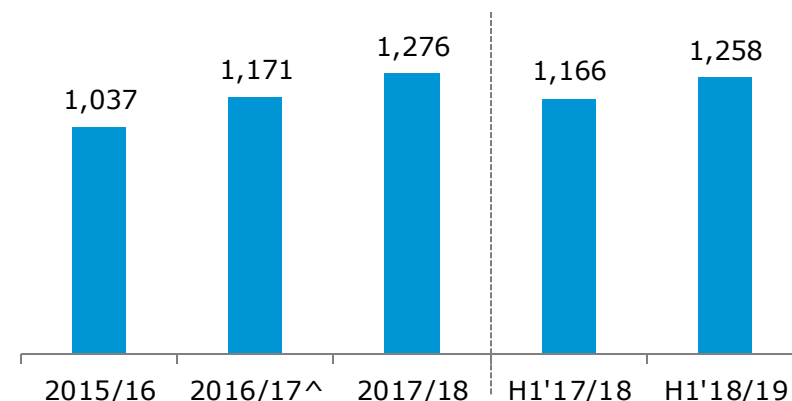
Total Assets

USDmn



Total Shareholder's Equity

USDmn



^ Restated in the 2017-18 financial statements

Note: Exchange rate of USD/KD = 0.3031 as of 30 September 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 USD3.9bn as of 30 September 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 USD417mn as of 19 November 2018
- KIPCO group holds 51.2% stake (as on 30 September 2018)



Key highlights of 9M'18 results:

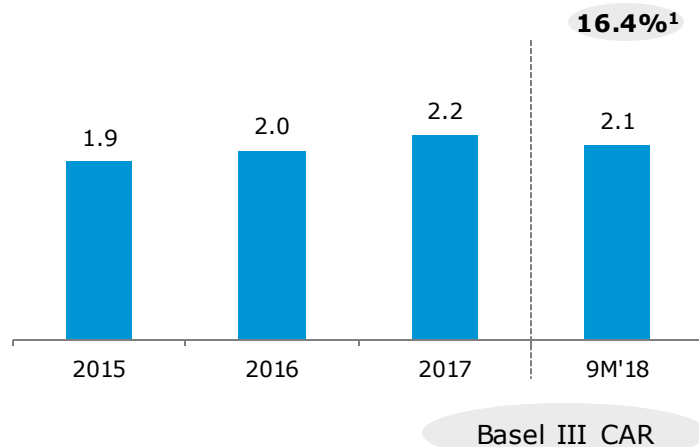
- ▶ Operating profit increased by 26.6% to USD56mn from USD44mn in 9M'17
- ▶ Net profit increased by 25.9% to USD39mn from USD39mn in 9M'17
- ▶ Basel III CAR ratio of 16.4% as of 30 June 2018

* As of 31 December 2017

Jordan Kuwait Bank

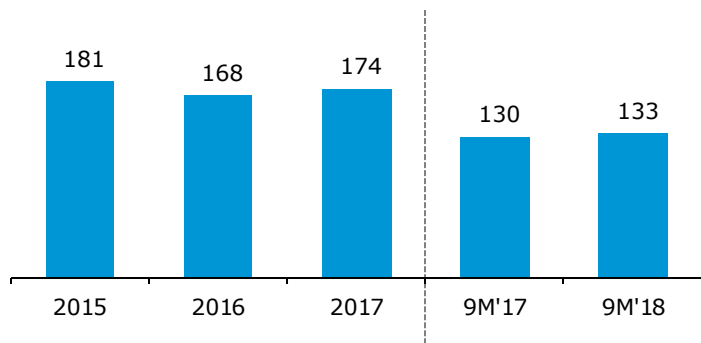
Loan Growth

USDbn



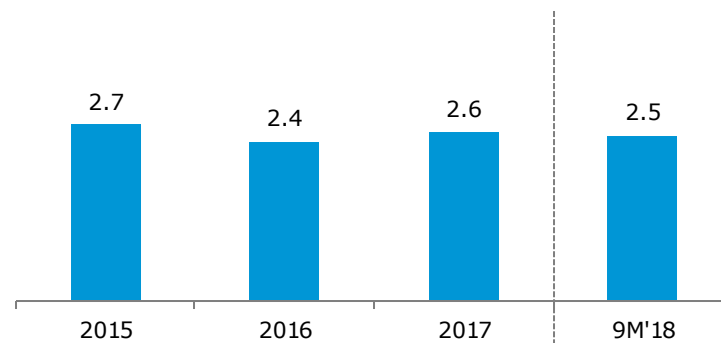
Operating Income

USDmn



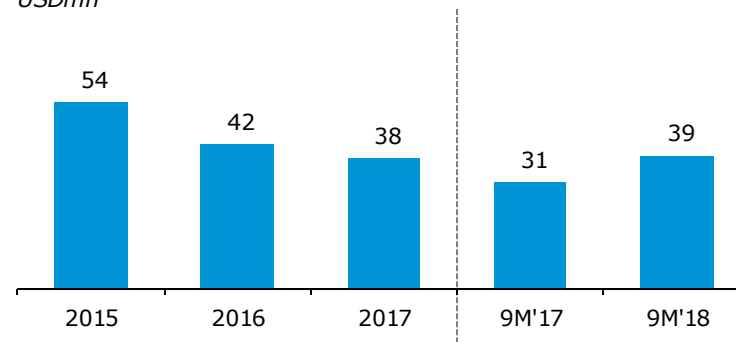
Deposit Growth

USDbn



Net Profit

USDmn



Notes: Exchange rate of USD/JOD of 0.7090 as of 30 September 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 Board in 1990
- ▶ Recipient of Arab Bankers Association of North America Achievement Award (2005)



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



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



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



Joe Kawkabani | Group Chief Strategic Initiatives Officer

- ▶ Joined KIPCO in 2018, previously set up and served as CEO of CPC Africa
- ▶ Holds a Bachelor's Degree in Business Administration from Saint Joseph University



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

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

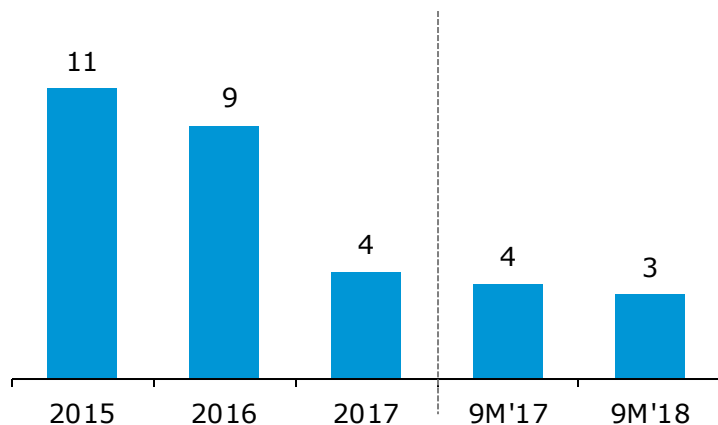


Annexure 4: Per Share Return

KIPCO: Per share return

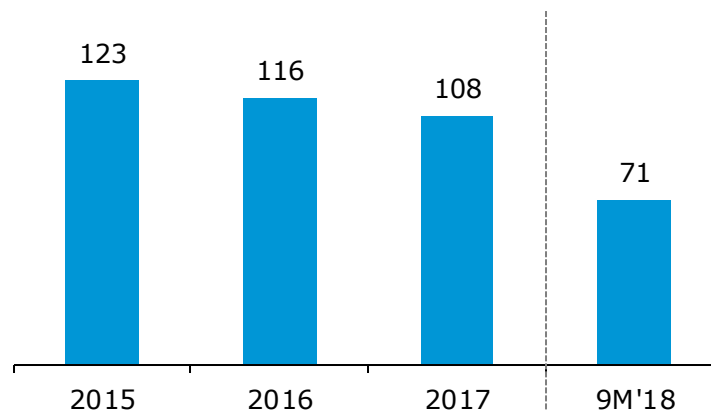
EPS¹

Cents per share



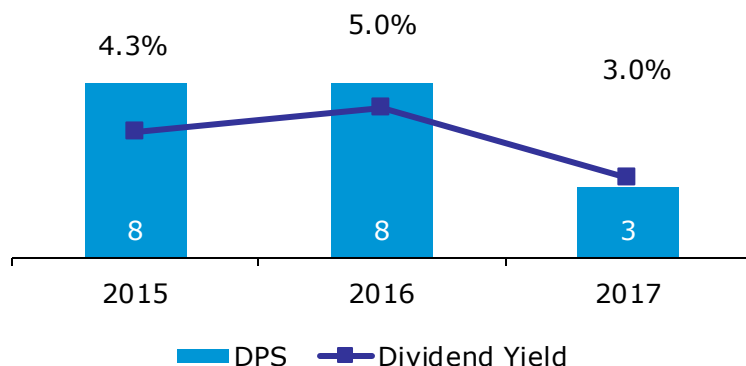
Book Value

Cents per share

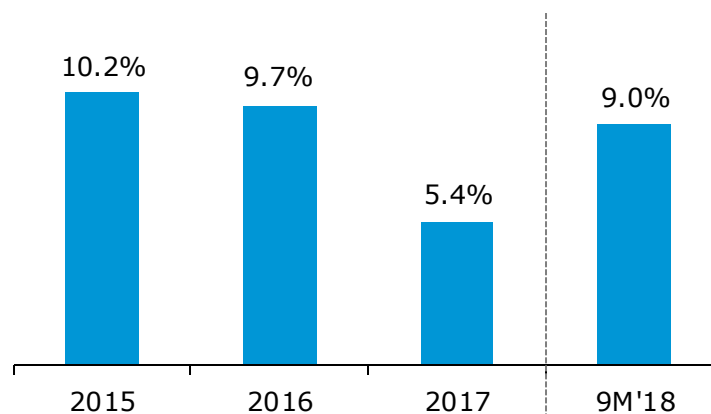


DPS

Cents per share

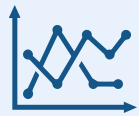


ROE²



¹ Basic earnings per share (reported)

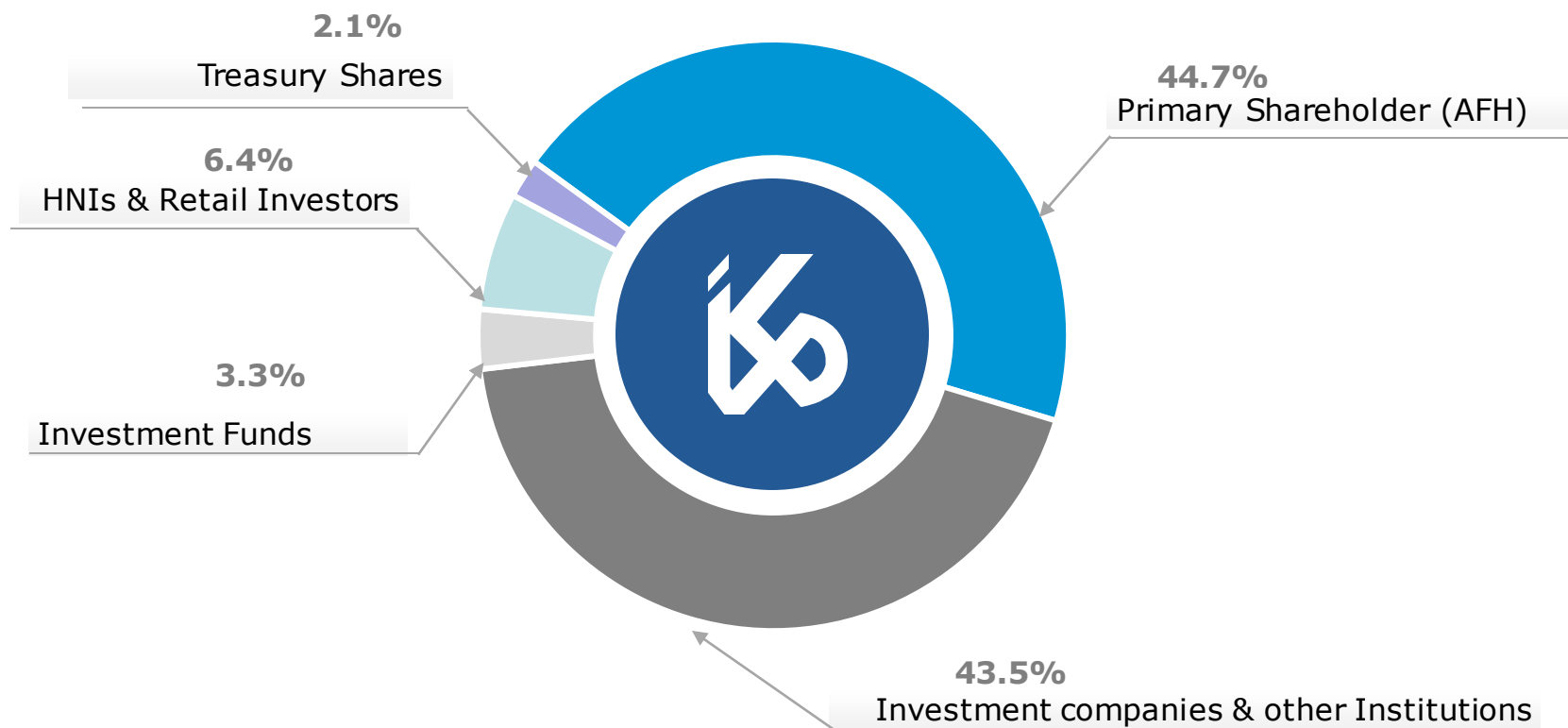
² ROE for 9M'18 has been annualized



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 September 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	15.3	1,609	1,062
 بنك بروتلان BURGAN BANK	1.0	1.0	8.7	9.1	2,182	2,085
 شركة الخليج المئدة القابضة United Gulf Holding Company	2.9 ²	2.7 ²	NM	NM	1,241	1,040
 gig	2.0	1.5	14.7	10.2	489	368
 شركة العقارات المتحدة United Real Estate Co	0.5	0.4	13.3	NM	285	223

Notes:

¹ P/B and P/E as of 19 November 2018 (Source: KAMCO Research)

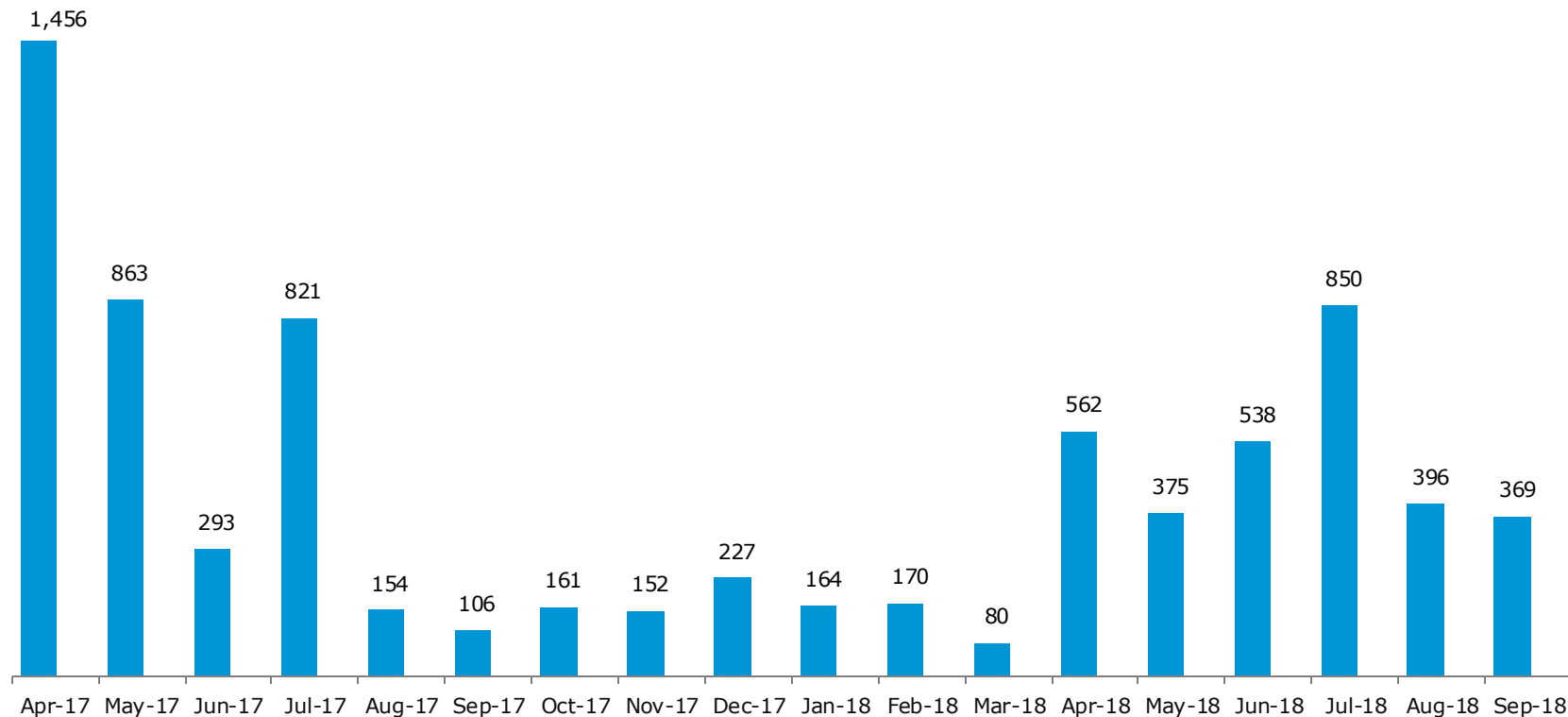
² P/B has been calculated based on 2017 and 9M'18 book value per share respectively and price at end of respective periods

³ Market cap for 2017 converted at 0.30175

⁴ Market cap as of 19 November 2018 converted at 0.30365 (Source: Bloomberg for market price)

KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)



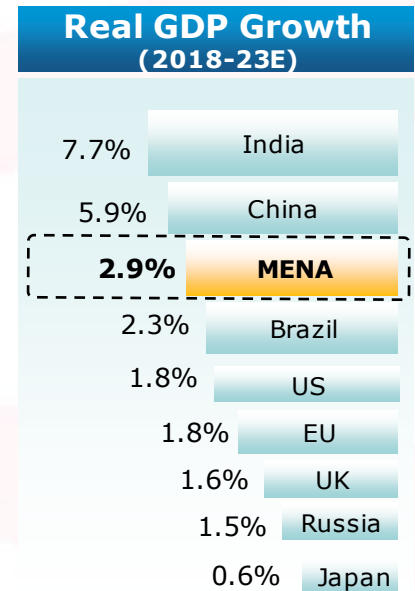
KIPCO's stock has maintained an average daily traded value of USD0.3mn in the last 12 months

Source: Bloomberg; exchange rate used across the periods is as of 30 September, 2018 (USD/KD = 0.3031)



Annexure 6: About the region

MENA region: Poised for strong economic growth

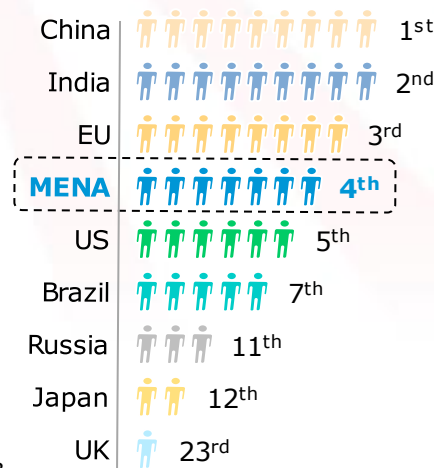


MENA region is characterized by favourable demography and business climate

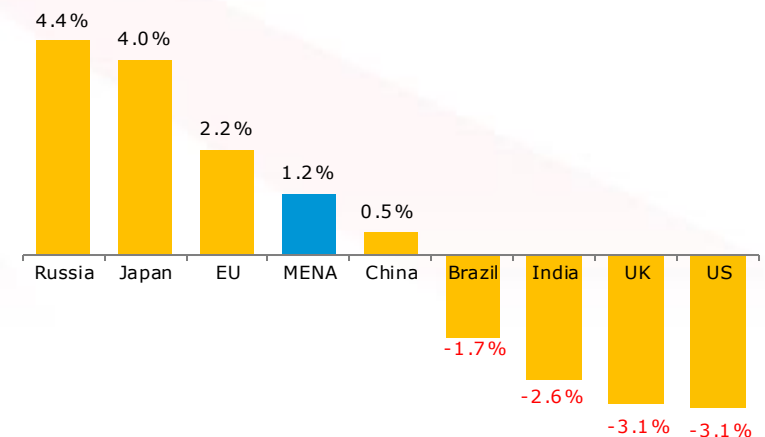
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2018E



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



Source: IMF-WEO Database, October 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 ...

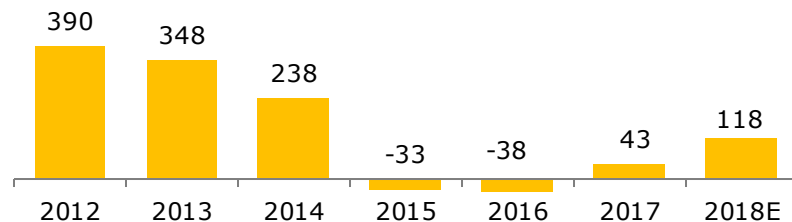
....All contribute to

STRONG GROWTH

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

Current Account Surplus

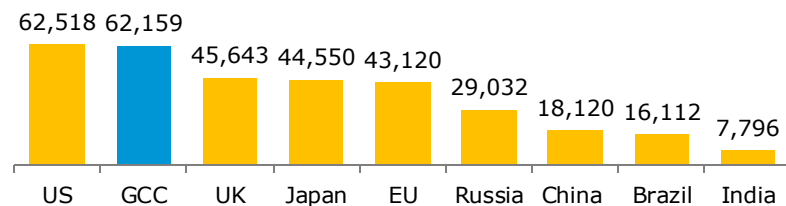
(In USDbn)



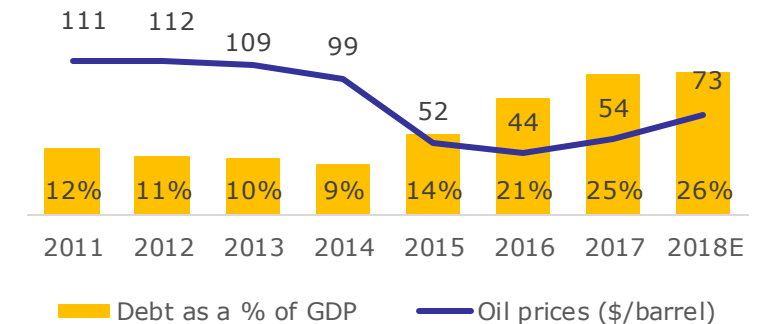
"Accumulated current account surplus of over USD1.1tn from 2012 to 2018"

GDP / Capita, PPP (2018E)

(In USD)

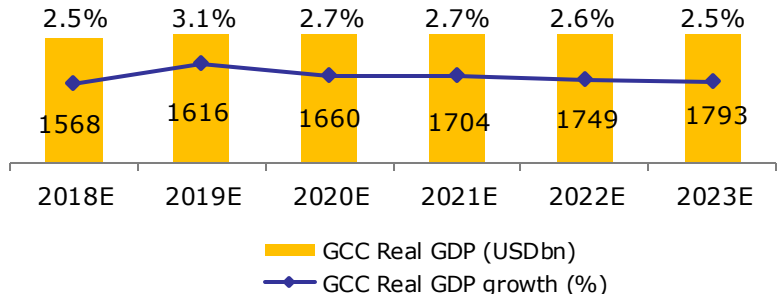


Government debt as a % of GDP



Real GDP & GDP Growth (2018-23E)

(In USDbn)



Source: IMF-WEO Database, October 2018, CIA

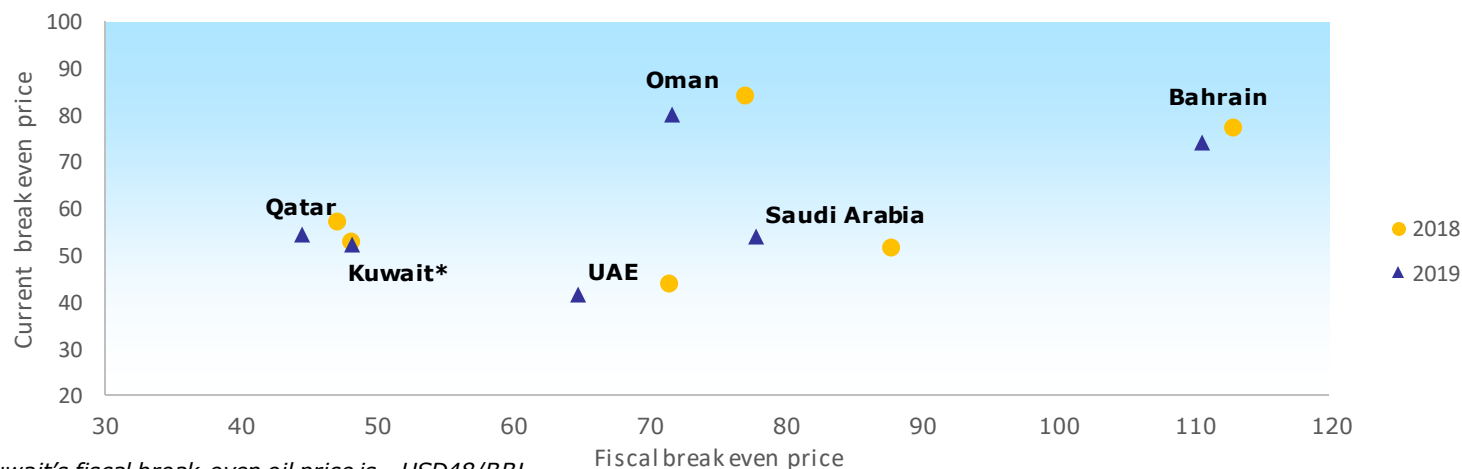
Kuwait: Protected against oil price decline

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	33.2	1.5	4.3	56.7
Nominal GDP (USDbn)	144.5	188.3	432.6	769.9	39.3	81.7	1,656.3
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)	592.0	320.0	1,172.8	875.6	10.6	24.0	2,995.0
Sovereign Wealth Fund Assets/GDP (% GDP)	409.6	169.9	271.1	113.7	27.0	29.4	180.8

Source: WEO & REO Database, IMF, October 2018 and SWF institute, August 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

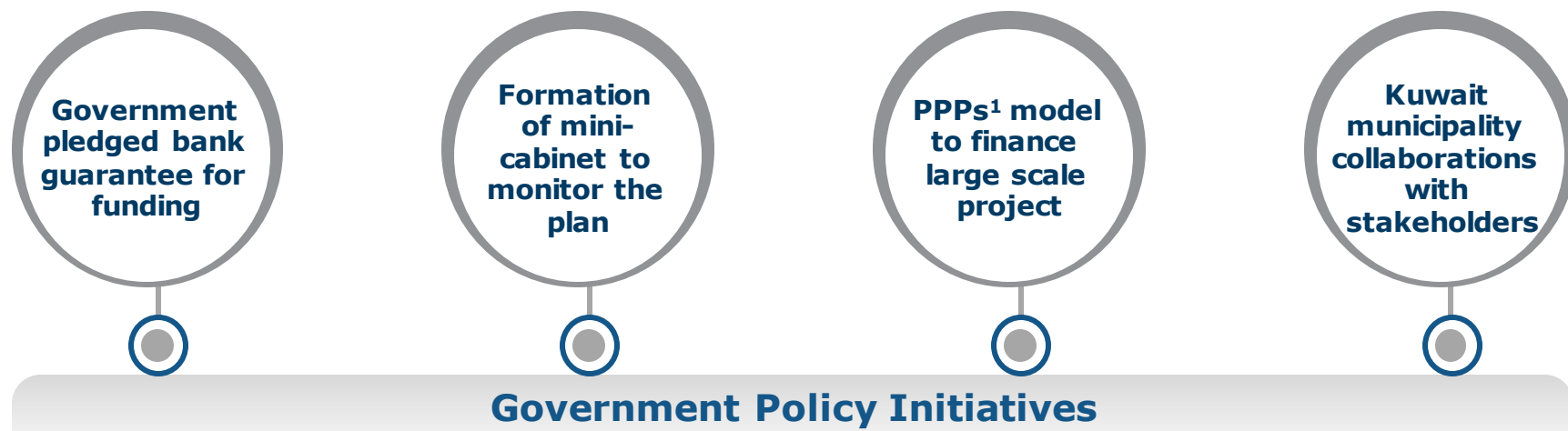
Kuwait development plan overview

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 93% 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: The project has progressed by 15%. Completion date for P-1 is Sep-2020, P-2 is Oct-2019 and P-3 is Mar-2020. 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. The project has progressed by 80%. 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: Bids submission extended from Sep to Nov 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: Tender submission deadline is on 11 November 2018. Cost: **USD1.7bn**

Al-Dibdibah Solar PP

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

Offshore Drilling

- 6 new drilling locations to boost the daily oil production by 700,000 b/d and gas production to 1 bn cubic feet
- Bidding: Awarding postponed till end-June 2018. Drilling shall start by end-2018. Cost: **USD3.0bn**

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**
- **Planning:** Al-Zour North (IWPP) – P2 & P3. Cost: **USD1.7bn**

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**

Project Stage	Q3'18	2015
Underway	59.0	20.1
Awarded	9.0	22.5
Bidding	13.7	1.3
Planning	29.8	28.8
Total	111.5 [^]	72.7

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

*RSM Quarterly newsletter Apr 2018 and press releases

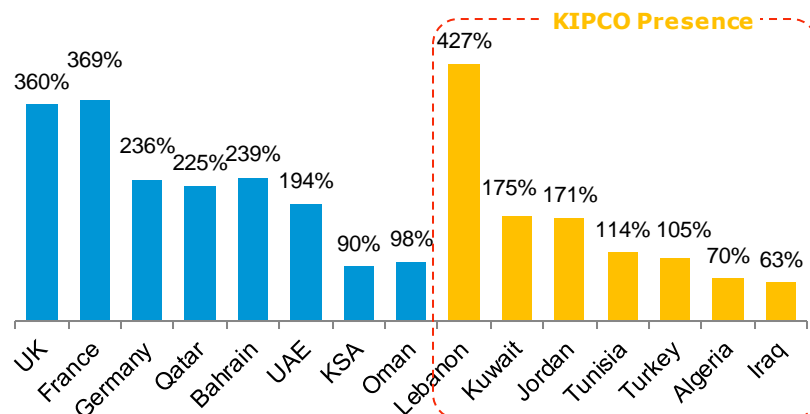
[^]Excludes other small projects of USD0.2bn



Annexure 7: Market opportunity

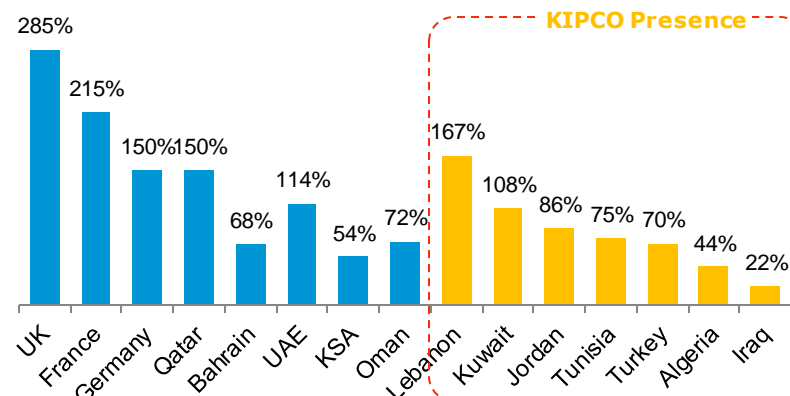
Banking sector opportunity

Banking Penetration: Assets/GDP












Source: Central Banks & IMF, World Economic Outlook Database

Banking Penetration: Loan/GDP



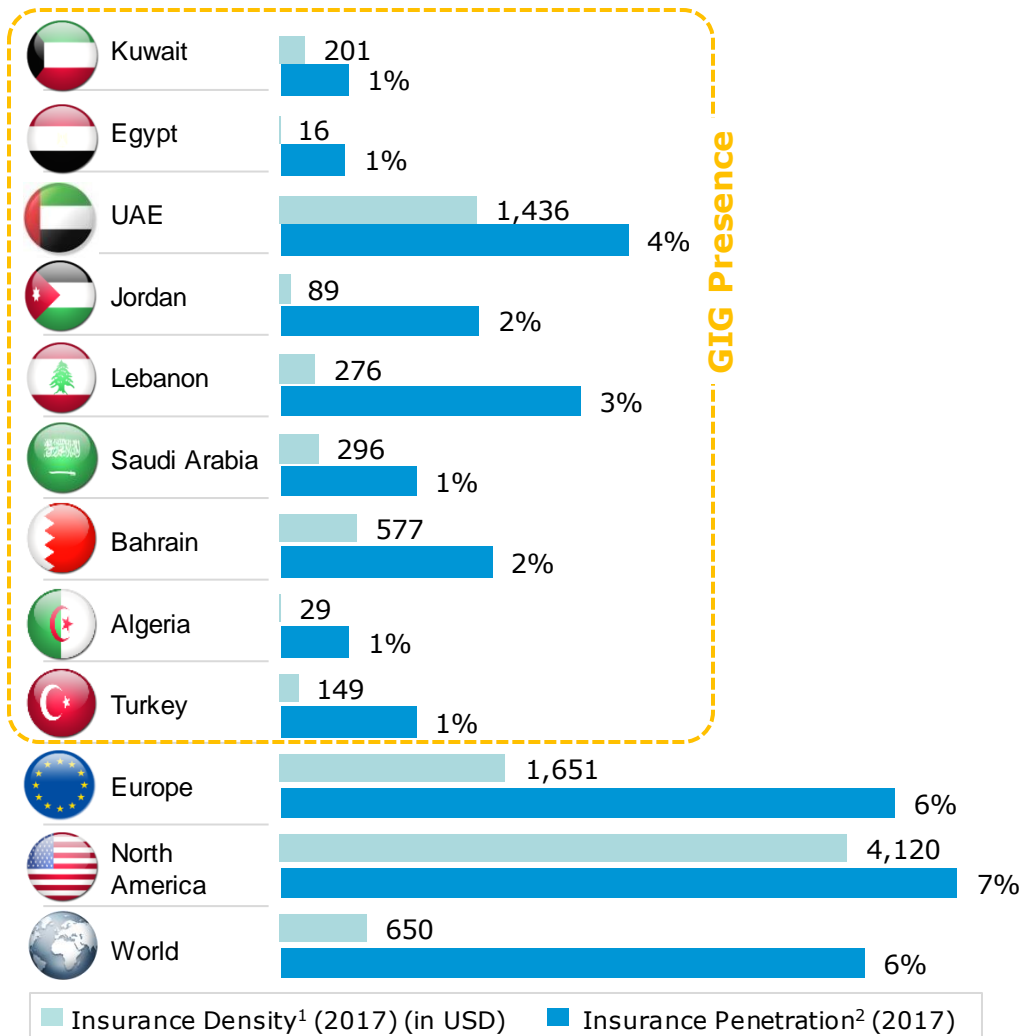
Countries

Countries								
			Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq
	Population	Size (mn) (2018E)	5	10	12	82	42	40
		CAGR (18E-23E)	2.8%	1.1%	1.0%	1.2%	1.7%	2.6%
	Per Capita income	USD (2018E)	31,916	4,228	3,573	8,716	4,450	5,793
	Real GDP Growth Rate	CAGR (18E-23E)	3.8%	2.8%	3.6%	2.0%	1.4%	3.4%

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

Source: IMF-WEO Database, October 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