



CHALLENGING Times

..KIPCO Still Continues to Grow..

Disclaimer

This presentation is not an offer or invitation to subscribe to or purchase any securities.

No warranty is given as to the accuracy or completeness of the information in this presentation. You must make your own independent investigation and appraisal of the business and financial condition of KIPCO.

Nothing in this presentation shall form the basis of any contract or commitment whatsoever. This presentation is furnished to you solely for your information. You may not reproduce it to redistribute to any other person.

This presentation contains forward-looking statements. These statements may be identified by such words as "may", "plans", "expects", "believes" and similar expressions, or by their context. These statements are made on the basis of current knowledge and assumptions. Various factors could cause future results, performance or events to differ materially from those described in these statements. No obligation is assumed to update any forward-looking statements.

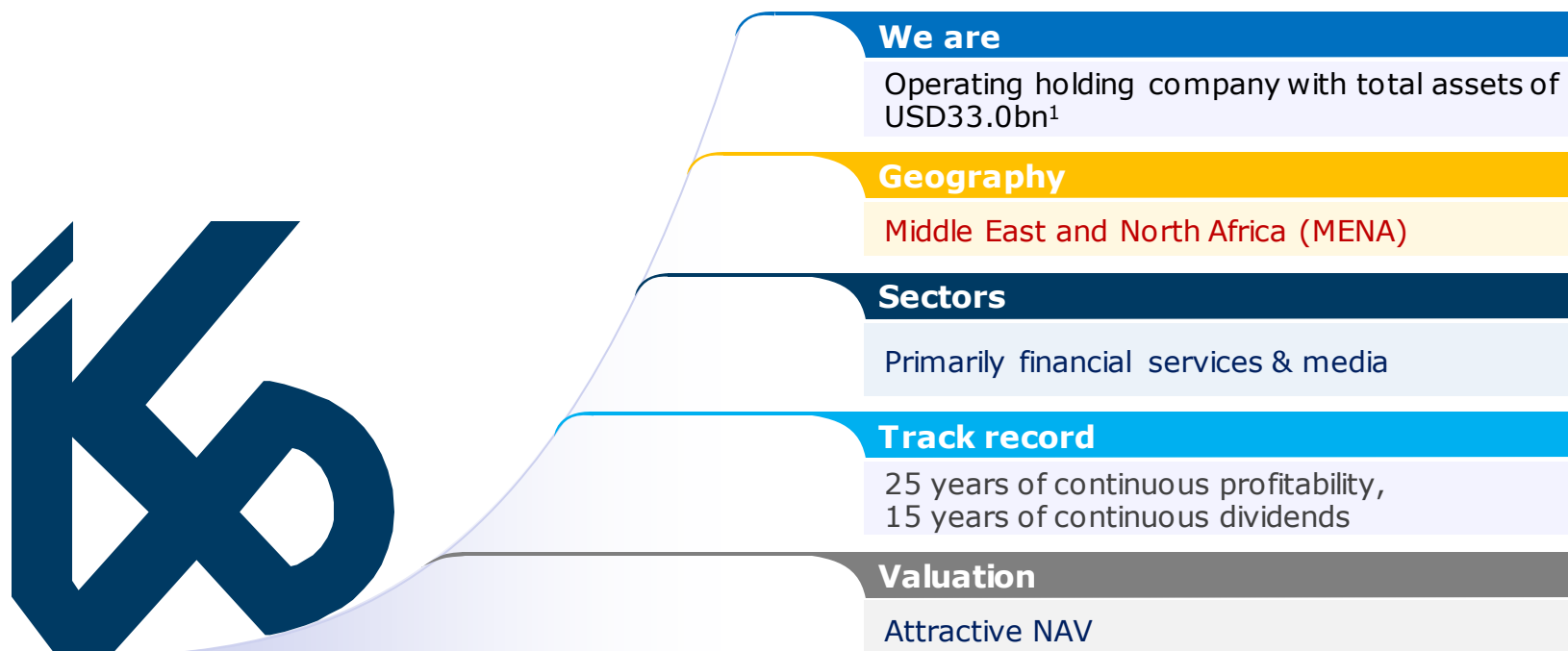
By participating in this presentation or by accepting any copy of the slides presented, you agree to be bound by the forgoing limitations.





Executive Summary

A diversified company with deep regional expertise and roots



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
USD2.3bn²

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













Gateway to MENA with superior access to opportunities

¹As on 31 December 2016

²As on 23 March 2017

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

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2016) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	42%
KSA 		●	●			●		7%
UAE 		●	●	●	●			7%
Bahrain 		●	●	●	●			2%
Qatar 		●		●				1%
Turkey 	●							13%
Jordan 	●	●	●	●				10%
Egypt 		●	●	●			●	8%
Algeria 	●	●	●					3%
Iraq 	●	●	●					2%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	2%
Revenue (2016) ²	48%	20%	12%	10%	4%	4%	2%	
Assets (2016) ³	76%	5%	3%	7%	6%	2%	1%	

Attractive presence in high growth economies and promising sectors

¹ Assuming consolidation of GIG & OSN

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

³ Total assets of USD37.5bn, based on reported segmental assets (before inter group eliminations) post consolidation of 100% assets of GIG & OSN

Core holdings

All core holdings are market leaders in their space



#2

conventional bank
in Kuwait¹



Leading premium
Pay TV operator in MENA
region²



#1

Insurer in Kuwait³, Bahrain⁴,
Jordan⁴ & Egypt⁵



#1

Asset Manager in Kuwait with
highest AuM



#3

listed real estate
player on Kuwait Stock
Exchange¹



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

Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)
and Direct premiums

⁴ By GPW

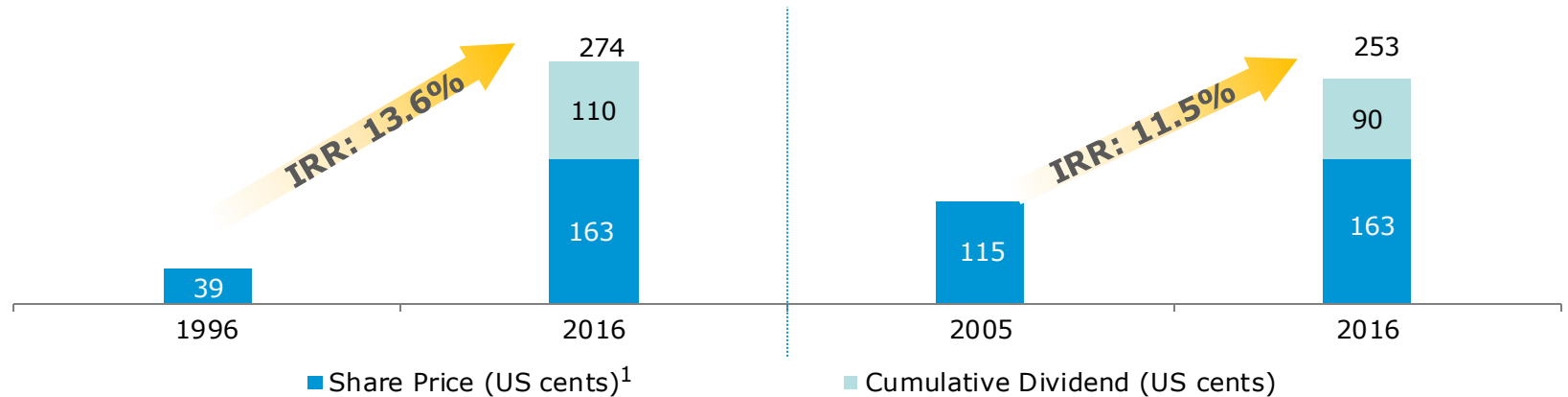
² In terms of revenue and countries of operations

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

³ By Gross premium written (GPW)

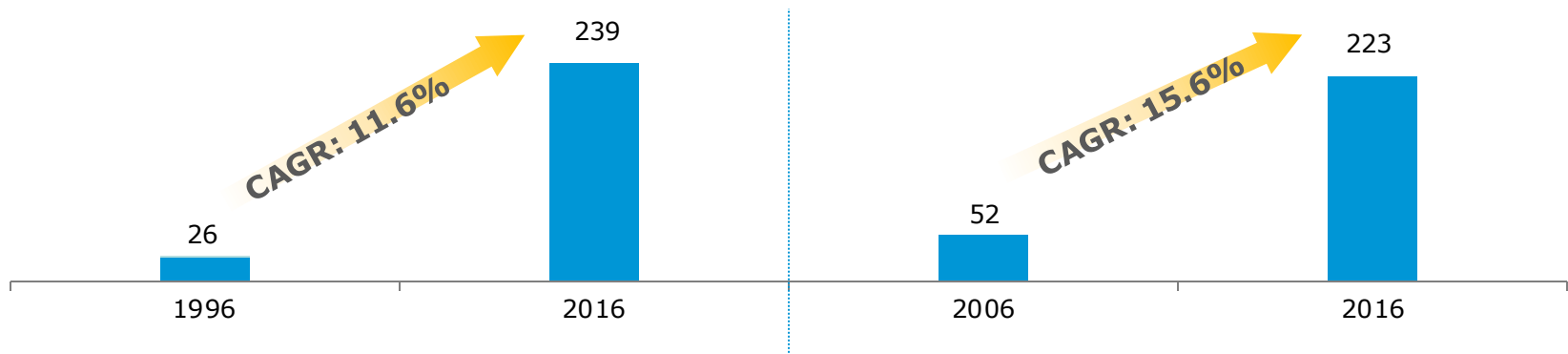
Attractive returns

Total Shareholders' Return Growth



Note: Data adjusted for stock dividend

Book Value Per Share Growth (in US cents)

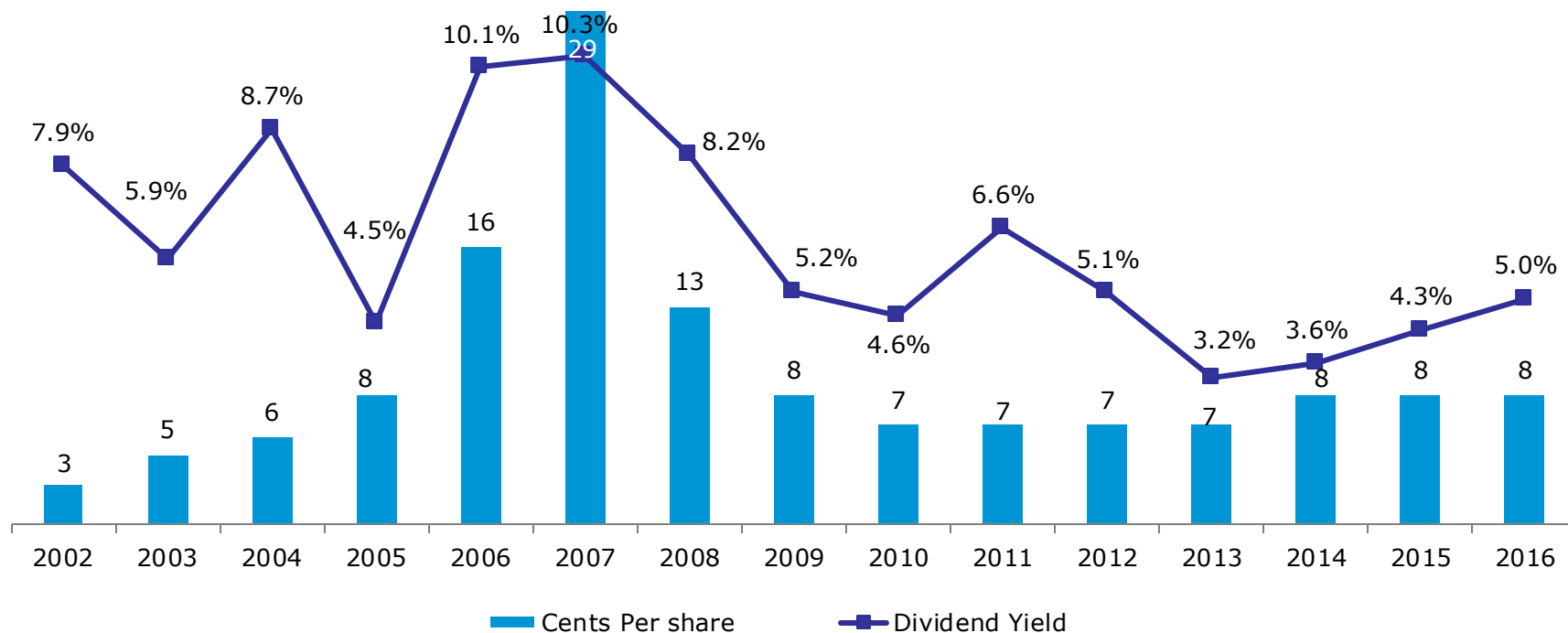


Note: Assuming no dividend was paid

¹Represents adjusted share price

Continuous dividends

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



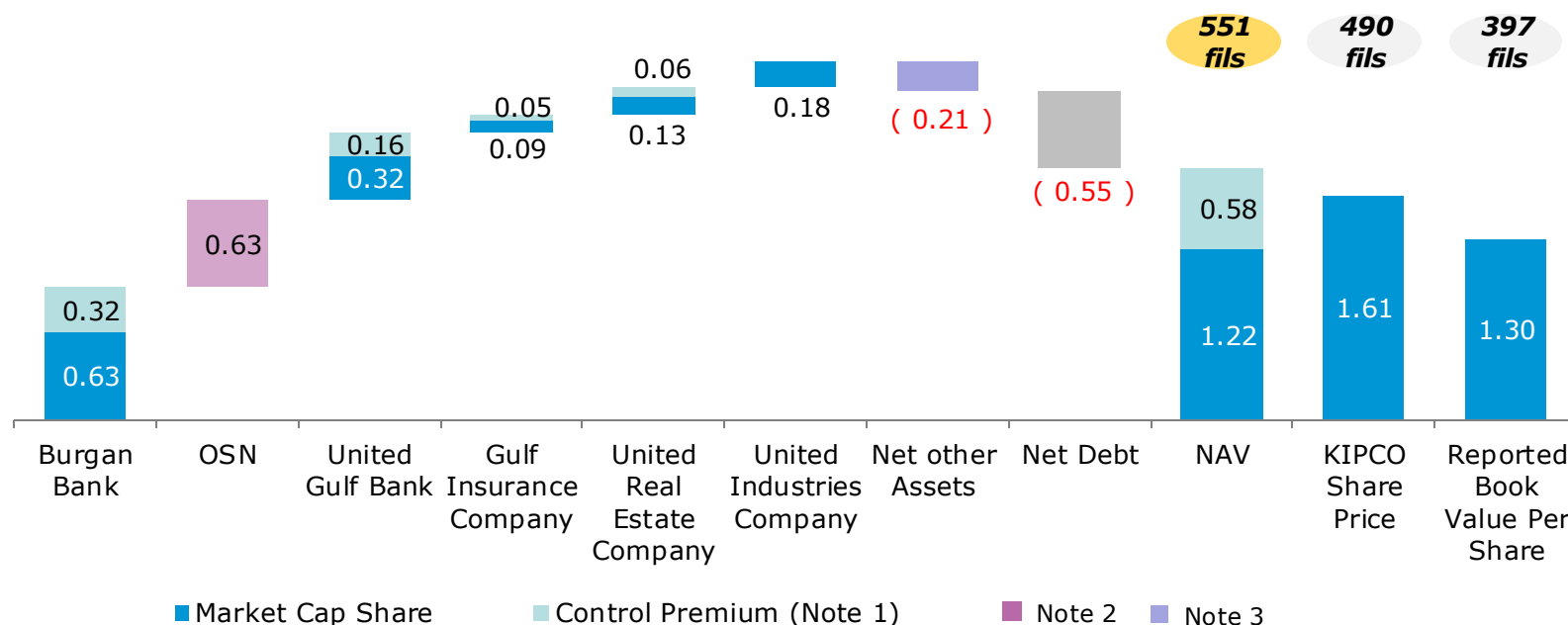
15 years of continuous dividend payments and ~6% average dividend yield

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)



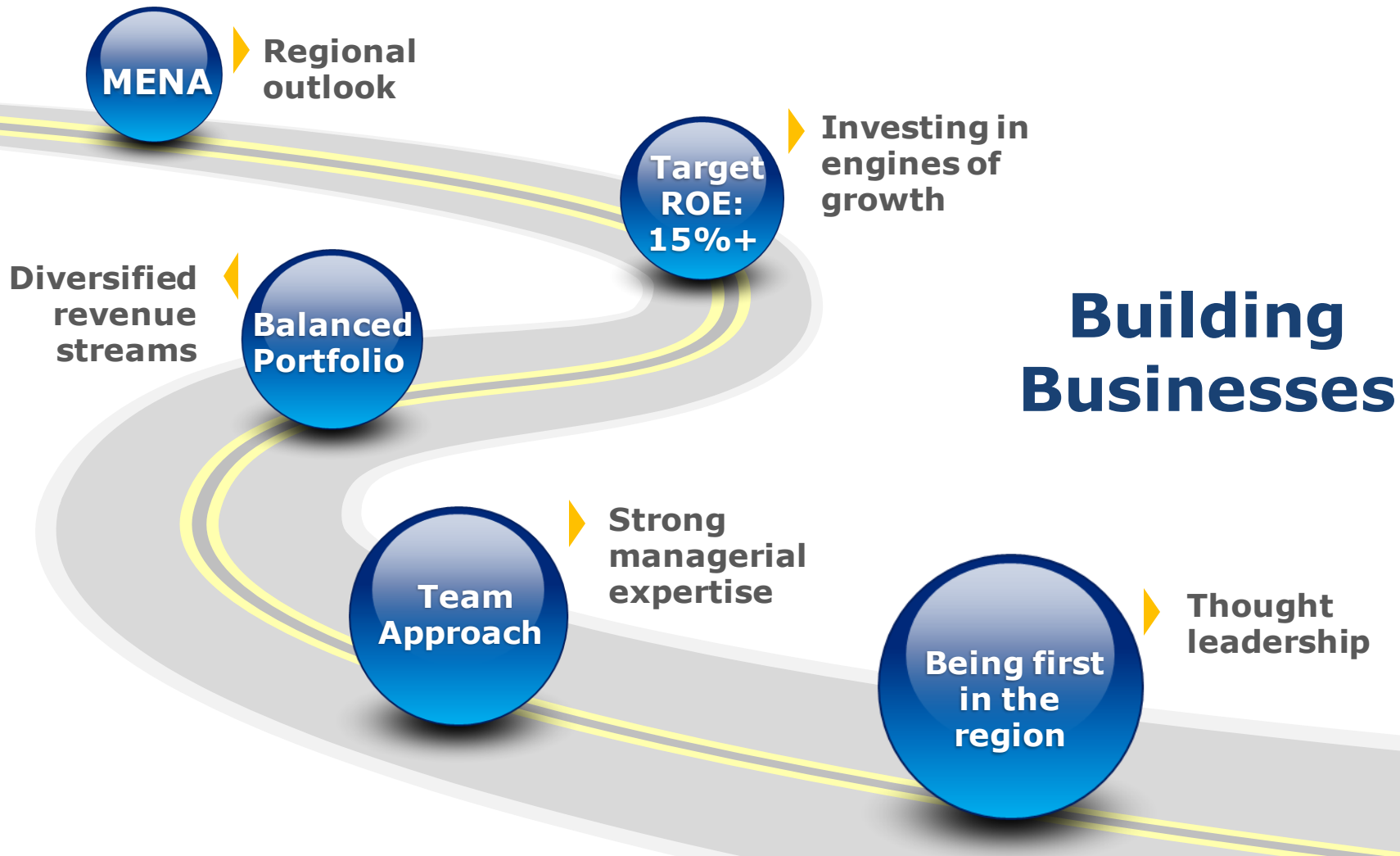
Sensitivity to OSN Value

OSN Value - USDbn	1.5	3.0	4.5
NAV - Fils per Share	551	740	931
Current Stock Price (Fils)	490	490	490
Upside Potential (%)	-	34%	69%

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. Other components of the NAV are at book value as of 31 December 2016
3. Operating expenses of USD0.02 per share adjusted with net other assets; Prices are as of 23 March 2017









Strategic roadmap



Invest in companies with sustainable and predictable cashflows

Controlling or majority stakes

Main Entities	 بنك بروتيان BURGAN BANK		 بنك الخليج المتحدة United Gulf Bank S.S.C.	 KAMCO كامكو	 Gulf Insurance gig GULF INSURANCE GROUP	 شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	64.9%	60.5%	96.3%	83.1% ³	45.6%	72.3%
Board Representation	6 of 9	2 of 7 ⁵	4 of 7	5 of 5	4 of 10 ⁴	4 of 7
Market Cap (USDmn) ²	2,189	Unlisted	830	69	323	342
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB	Unrated	S&P: A- (GIRI); BBB+ (GIG) AM Best: A-	CI: BBB
	Commercial Banking	Media	Asset Management & Investment Banking (AMIB)		Insurance	Real Estate

Solid & well managed portfolio of fast growing and attractive industries

Notes:

¹ Effective stakes given are as of 31 December 2016

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

³ Stake in KAMCO is held through UGB






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

⁵ OSN has 7 board members – 2 each from KIPCO and Mawarid and 3 independent directors

CI = Capital Intelligence GIRI = Gulf Insurance & Reinsurance Company - the core Kuwaiti subsidiary of Gulf Insurance Group (GIG)

Active management

Key businesses – progress indicators

Businesses	Parameters	Then ¹	Now	Active Management – KIPCO Support & Action
	Net Interest Margin	1995 1.3%	2016 2.3%	<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 —	2016 ~1.0 Mn ²	<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 \$	2016 394Mn \$	<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	2016 #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 USD 0.7 Bn	2016 USD 11.2 Bn	<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

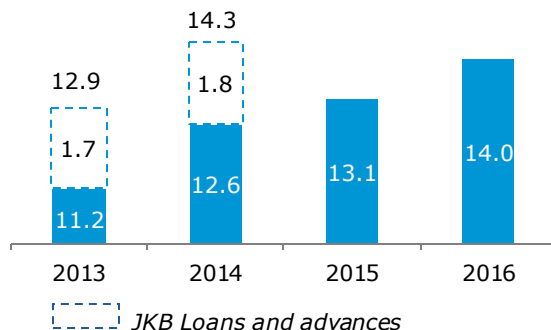
² Represents subscriber base post merger of Showtime & Orbit in 2009 and # Represents rank in Kuwait



Performance Update

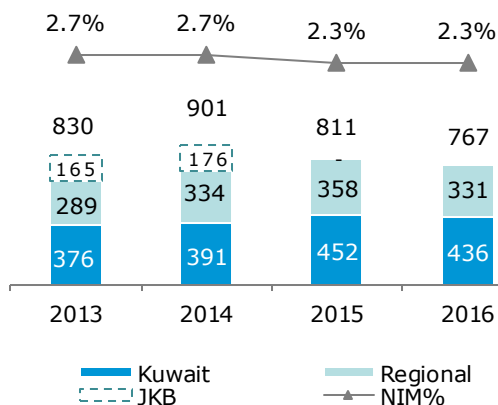
Loan Growth

USDbn



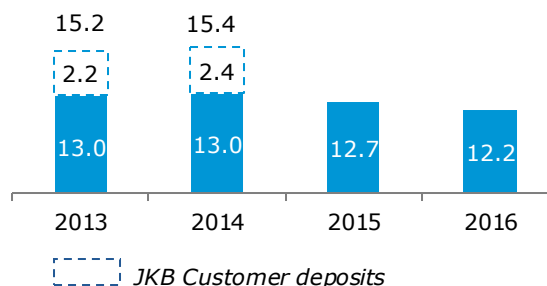
Operating Income

USDmn



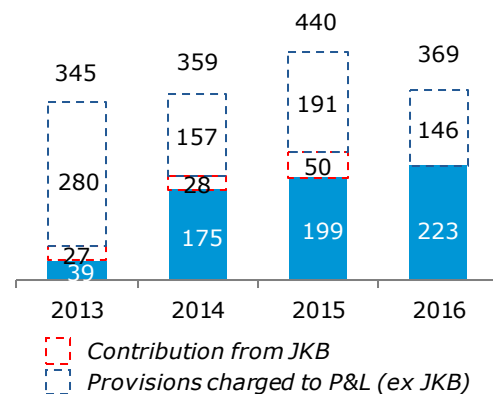
Deposit Growth

USDbn



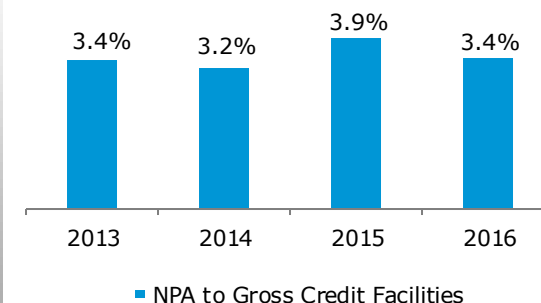
Net Profit & Provision

USDmn



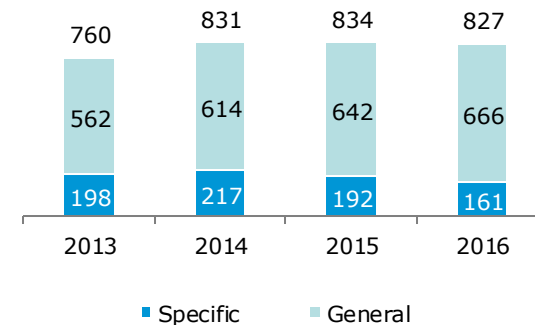
Asset Quality

NPA coverage with collateral ¹			
175%	184%	184%	194%
NPA coverage without collateral			
123%	131%	120%	124%



Total Provision

USDmn



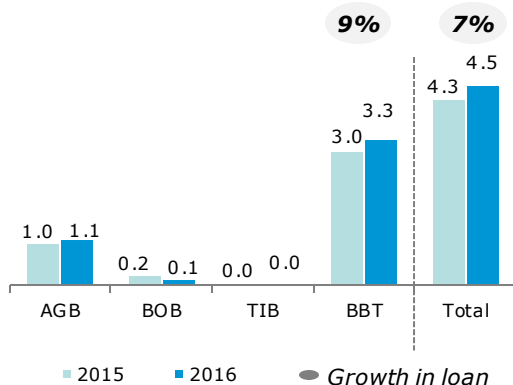
Stable performance with strict focus on asset quality and operational efficiency; Basel III CAR at 16.7%

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

Burgan Bank: Regional operations

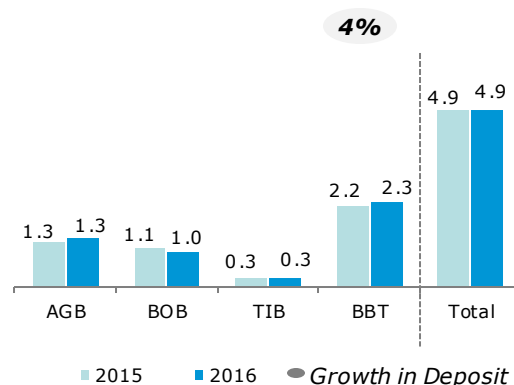
Loan Growth

USDbn



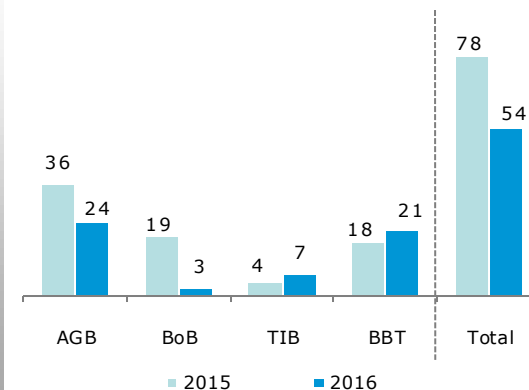
Deposit Growth

USDbn



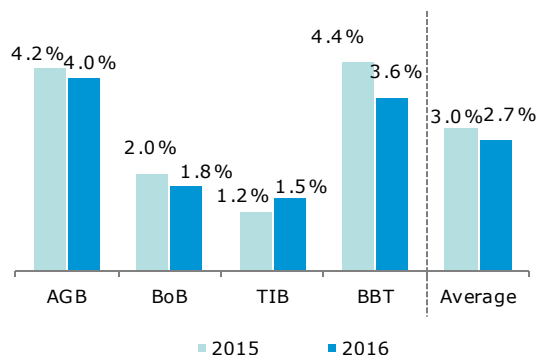
Net Profit¹

USDmn



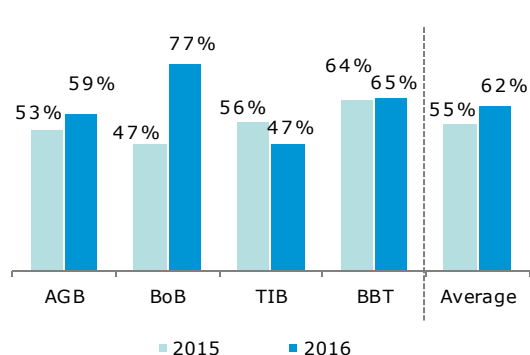
Net Interest Margin

Percentage



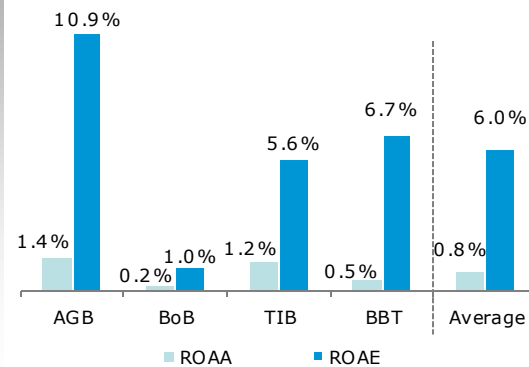
Cost to Income

Percentage



Return on Avg. Assets & Equity

Percentage



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

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

BOB = Bank of Baghdad

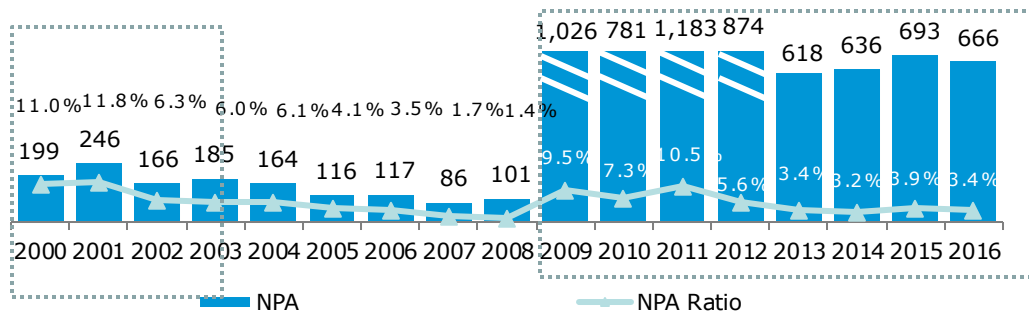
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

Burgan Bank: NPA¹ & provisioning trend

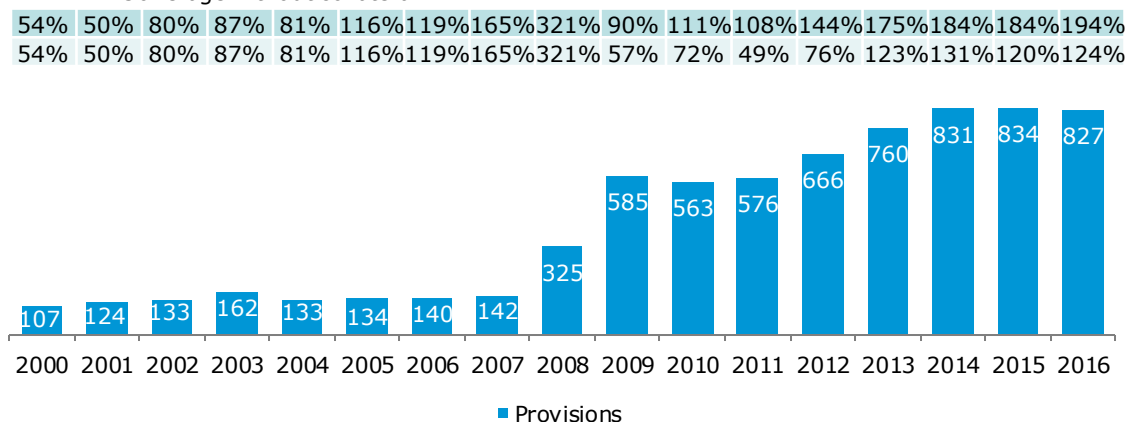
NPA Trend

NPA (USDmn)
NPA Ratio (Percentage)



Provisions Trend

■ NPA Coverage with collateral
■ NPA Coverage without collateral

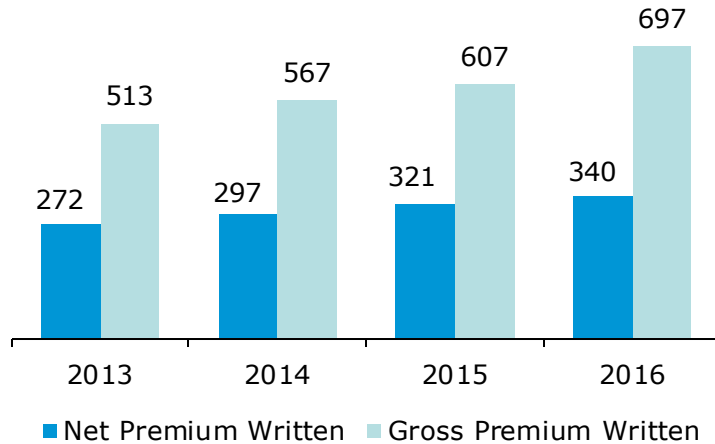


- ▶ At end of 2016, combined coverage of non performing assets (NPA) was **194%**
- ▶ NPA Ratio was 3.4% as on 31 Dec 2016
- ▶ ~81% provisions in general category as on 31 Dec 2016
- ▶ Prudent approach to credit cycle
 - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

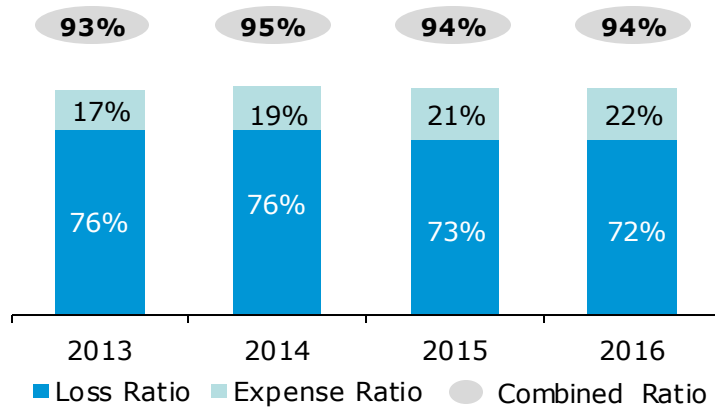
Gulf Insurance Group

Gross & Net Premium Written

USDmn

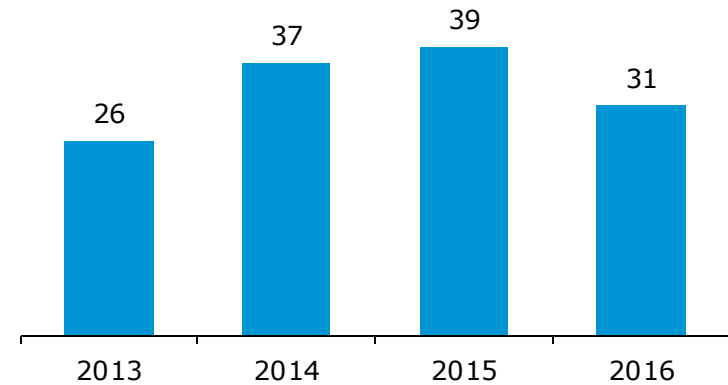


Combined Ratio



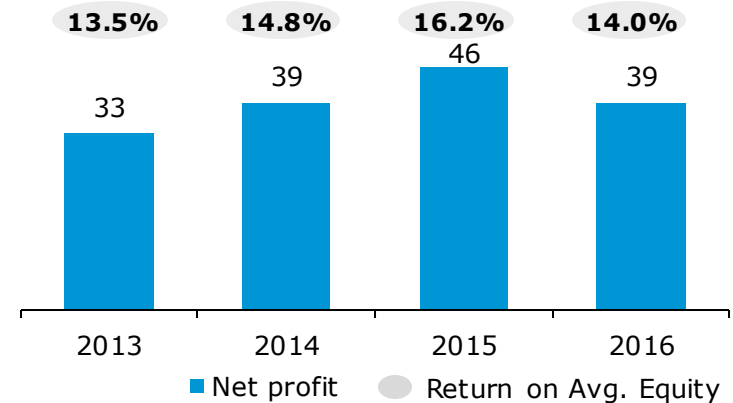
Net Investment Income

USDmn













Net Profit & ROE

USDmn



OSN: Overview

MENA pay TV potential

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

Low Pay TV penetration in MENA region indicates huge market potential

Notes:

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

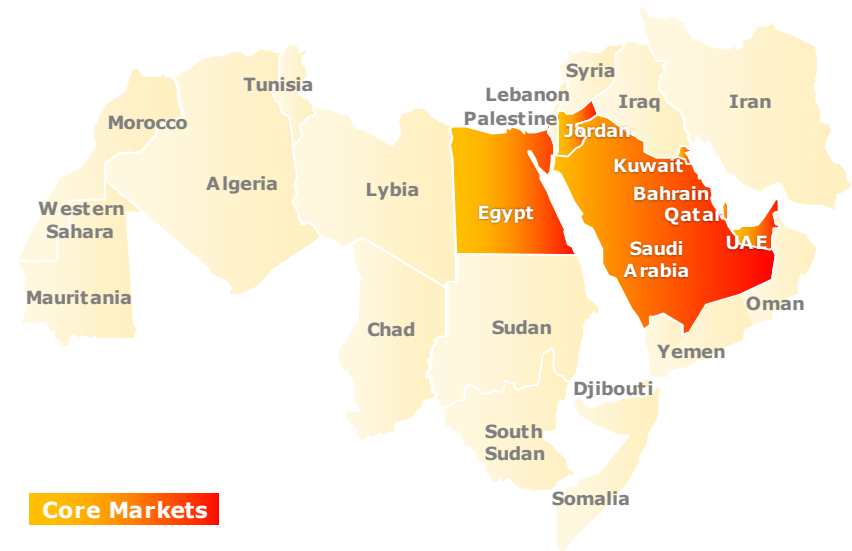
Source: IMF WEO Database, Euromonitor, IHS Technology and company research 2015

OSN: Overview...cont'd

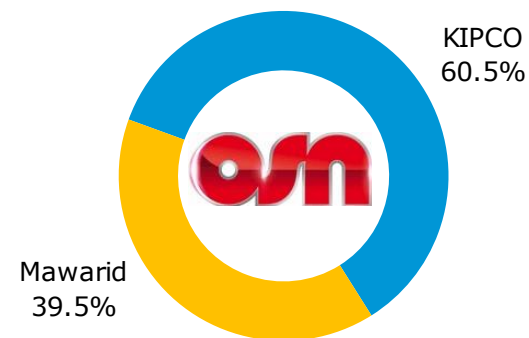
Overview

- Largest premium Pay TV operator in MENA region (HQ in Dubai), created by the merger of Showtime and Orbit in 2009
- Licensed to operate in 26 countries in MENA with focus on 7 core markets
- First in the region to introduce digital platform with OSN Play in 2012. Launched OSN Go (OTT) in 2014
- Subscriber base of around 1mn and 310K+ digital platform users; market leader by revenue
- Exclusive access to the most comprehensive portfolio of rights from 8 major Hollywood studios
- Premium content offerings with 160 channels incl. 64 HD channels (highest in the region)
- ~2,000 employees in 13 offices, 24 warehouses and 170 retail locations

Pan Arab reach



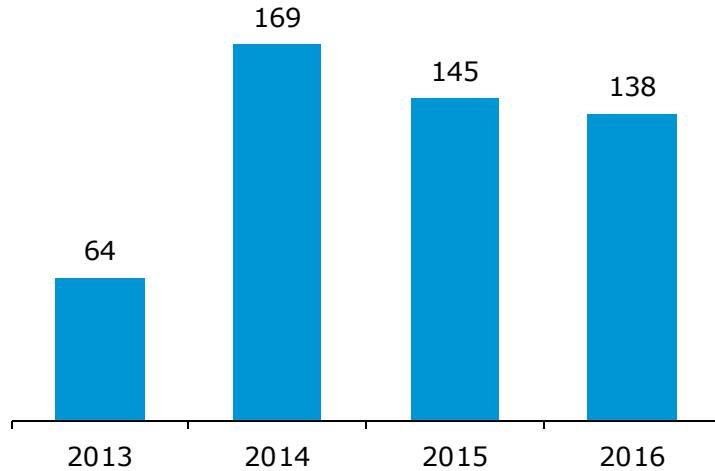
Strong shareholders



As of 31 December 2016

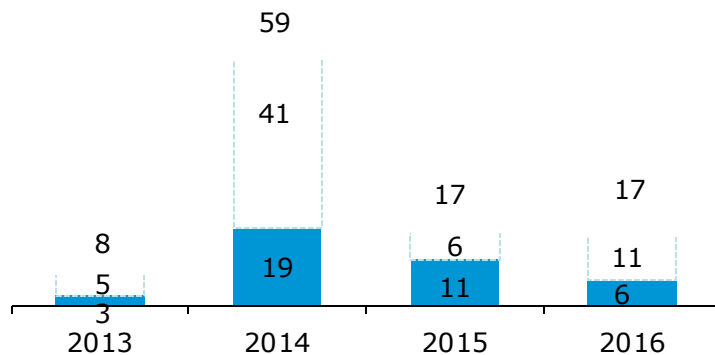
Revenue

USDmn



Net Profit & Provisions

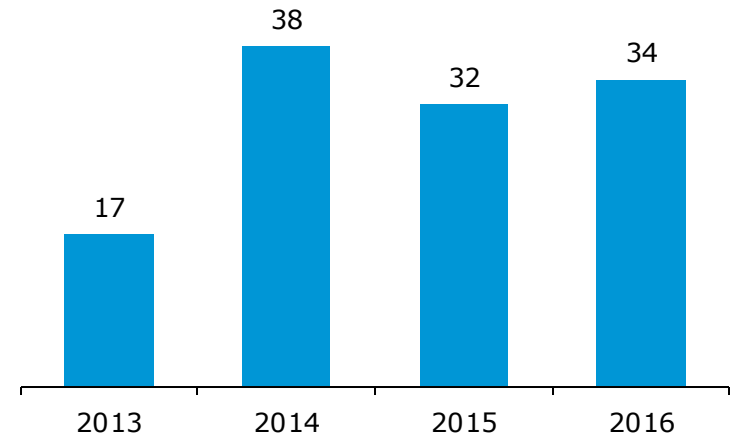
USDmn



Provisions Charge to P&L

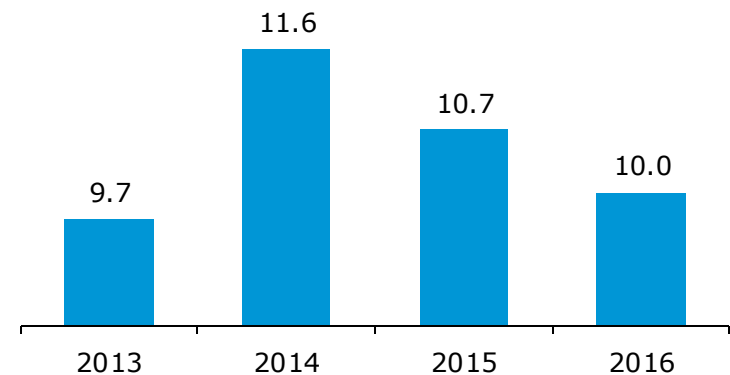
Fee & Commission Income

USDmn



AuM & Capitalisation

USDmn



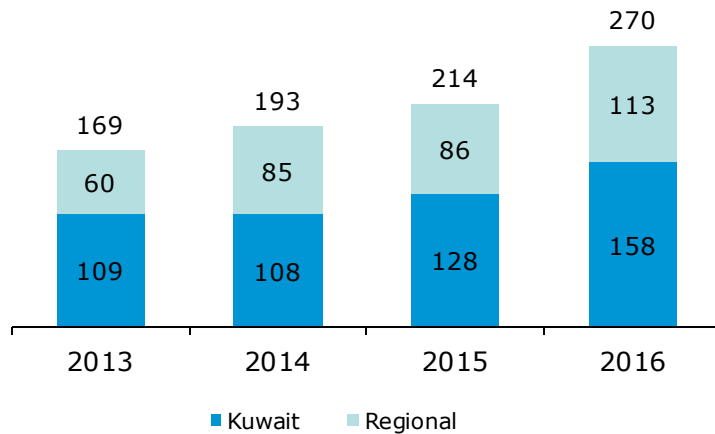
13.9%

Basel III CAR

United Real Estate Company (URC)

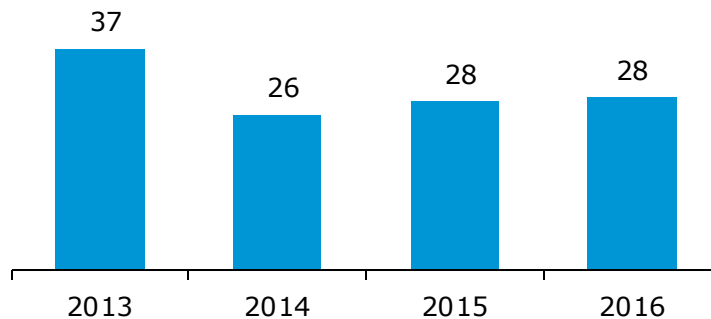
Total Revenue¹

USDmn



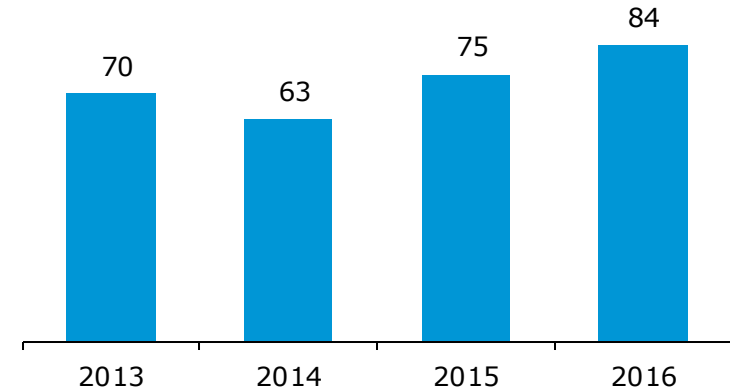
Net Profit

USDmn



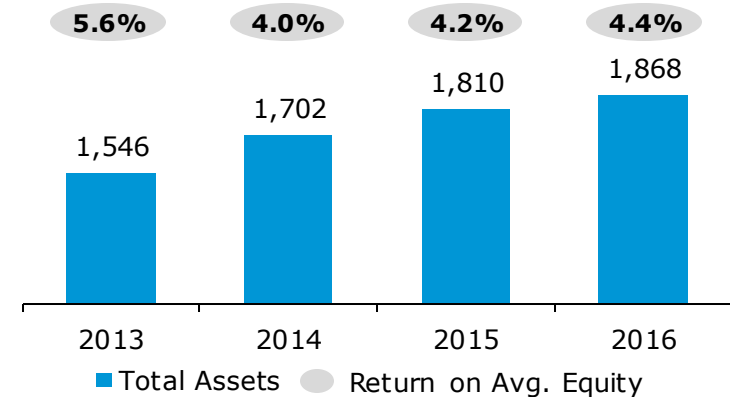
Operating Profit²

USDmn



Total Assets & ROE

USDmn

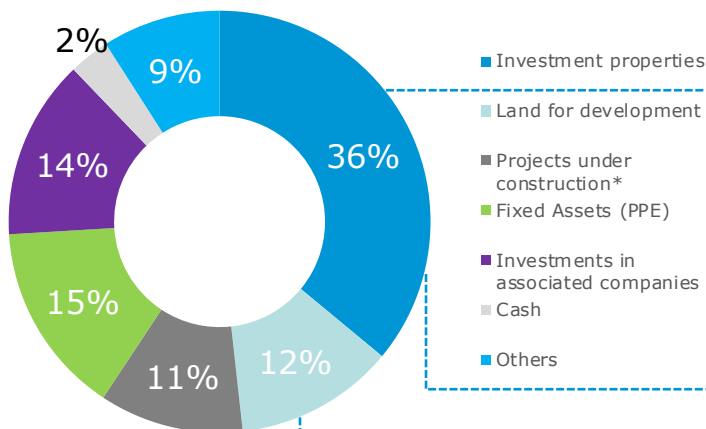


¹Revenue includes income from operational properties, gain on sale of properties, fixed assets & associates, valuation gain on properties, investment income, share in associates' income, interest income & forex ; ²Operating Profit includes gain on sale of associates, share in associates' income, interest income & forex gains

URC: Balance sheet (Break-up)¹

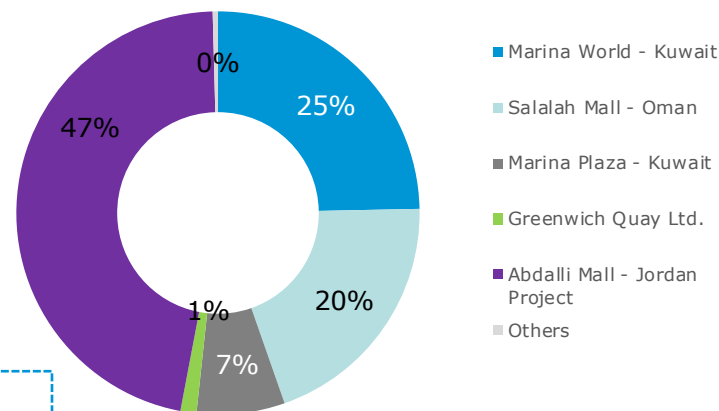
Total Assets

Total: USD1,868mn



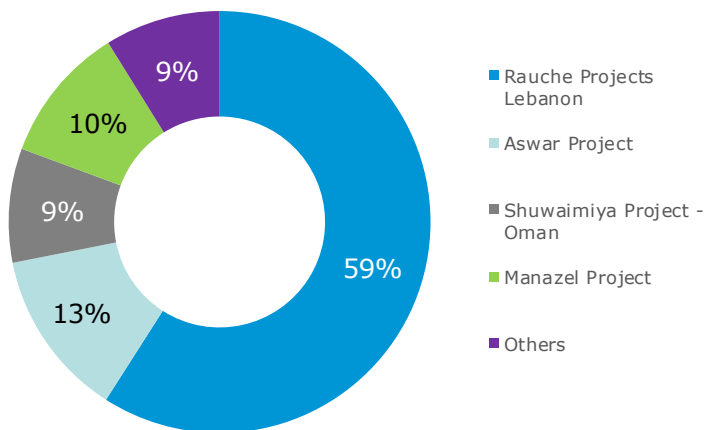
Investment Properties

Total: USD673mn



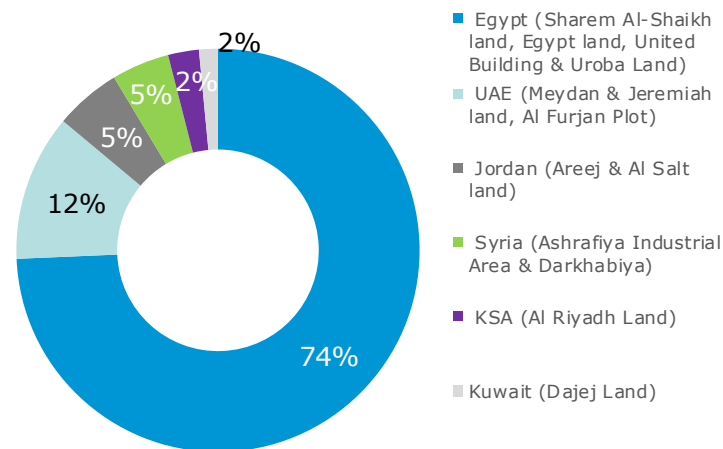
Projects under Construction*

Total: USD206mn



Land for Development

Total: USD229mn



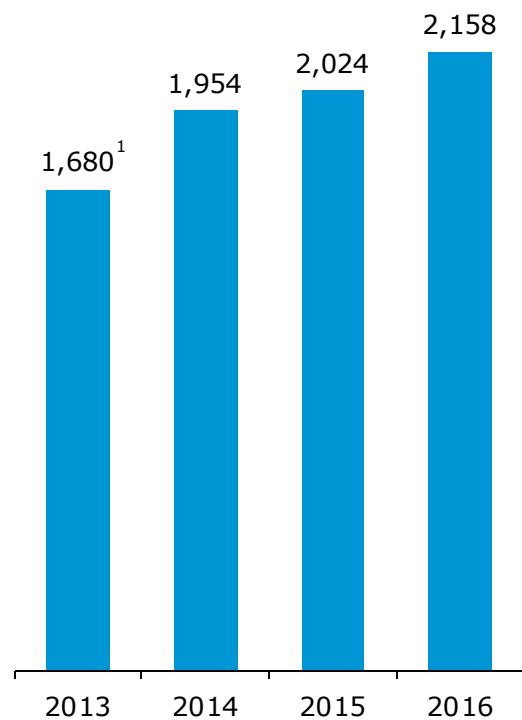
* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials, Abdali mall has since become operational

¹ As on 31 December 2016

KIPCO consolidated: Financial performance

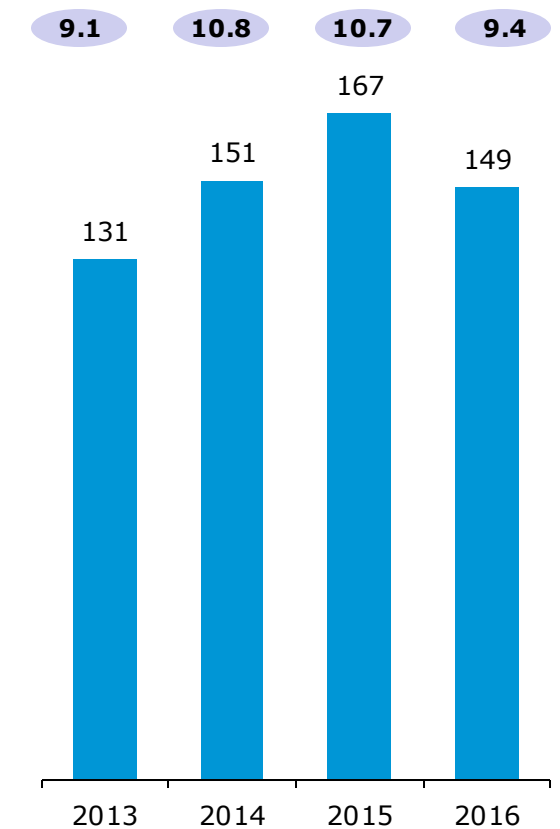
Revenue

USDmn



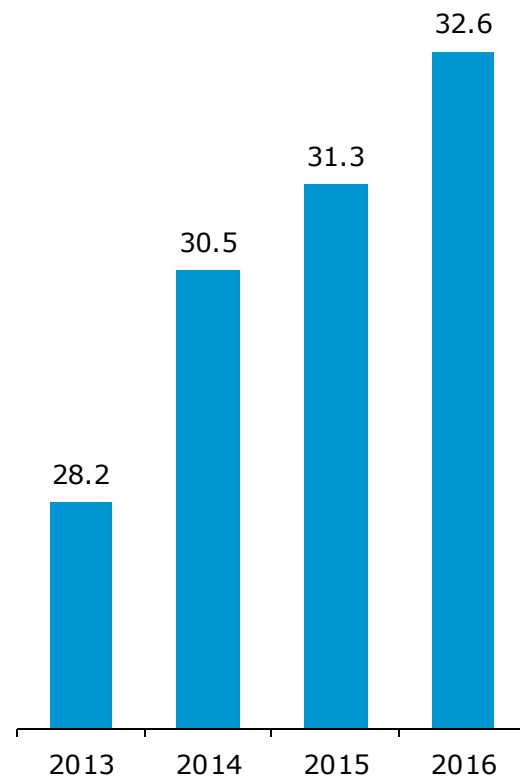
Net Income

USDmn



Consolidated Assets

USDbn

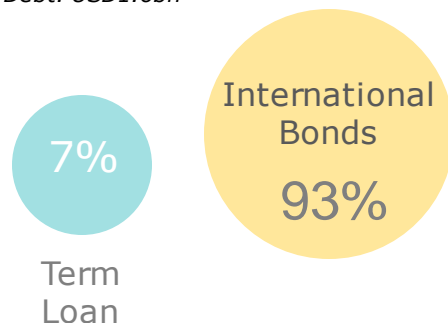


¹Revenue excluding income from discontinued operations

KIPCO parent debt profile: As at 31 December 2016

Debt Type¹

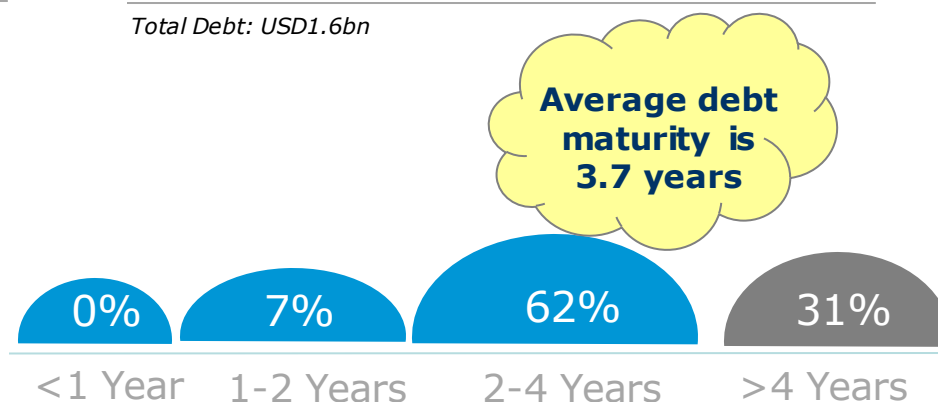
Total Debt: USD1.6bn



¹As of 31 December 2016

Debt Maturity¹

Total Debt: USD1.6bn



Liquidity

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

Recent updates




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



Why KIPCO

KIPCO Best in Class: Last 10 years

Operating parameters

	CAGR
 Revenue Growth	21%
 Operating Income Growth	20%
 Asset Growth	25%

KIPCO Best in Class: Last 10 years

Return Parameters

	CAGR*
 Dividend Yield	10%
 Return on Equity (ROE)	19%
 Total Shareholders Return (TSR)	179%

* Except TSR

Data Source: Bloomberg

Notes: Kuwait includes all KSE listed companies with a market cap of >USD500mn. Global peers includes Investor AB, Lundbergs AB, Industrivarden, Bouygues, Exor, Franz Haniel, CIR SPA, Wendel, Berkshire, Kingdom Holding Co, Fairfax's. TSR is for last 10 years ending Sep'2016 and others for last 10 years ending Dec'2015

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 USD23.8bn as of 31 December 2016)
- Offers a wide range of corporate, retail & treasury products through a network of 185 branches & 335 ATMs¹
- Listed on the Kuwait stock exchange with a market cap of USD2,189mn as of 23 March 2017
- BBB+ rating from S&P, A3 from Moody's and A+ from Fitch Ratings
- KIPCO group holds 64.9% stake, while KIPCO directly holds 41.8% stake (as on 31 December 2016)
- First and only ISO certified bank in GCC to achieve certification for all its banking operations



Recent Highlights

Key highlights of 2016 results, over 2015 results:

- ▶ Loans & advances increased by 6.6% to USD14.0bn
- ▶ NPA declined by 4% to USD0.7bn
- ▶ NIM was stable at 2.3%
- ▶ Basel III CAR of 16.7% as on 31 December 2016

A regional player with presence in growth markets



¹Represents figures as of 31 December 2016

Gulf Insurance Group (GIG): Overview



Overview

- Multi-line insurance provider with presence across 10 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 USD323mn as of 23 March 2017
- A- rating (GIRI) and BBB+ 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 31 December 2016)



Recent Highlights

Key highlights of 2016 results, over 2015 results:

- ▶ Net underwriting profit grew by 9% to USD44mn in 2016 supported by a 7% increase in revenue
- ▶ Composition of GPW
 - Line of business: 49% Life & Medical; 51% Non-Life (4% Marine & Aviation, 12% Property, 22% Motor, 8% Engineering and 5% General)

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

United Gulf Bank (UGB): Overview



Overview

- 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 USD830mn as of 23 March 2017
- Credit rating of BBB from Capital Intelligence
- KIPCO group holds 96.3% stake, while KIPCO directly holds 55.8% stake (as on 31 December 2016)



Recent Highlights

Key highlights of 2016 results, over 2015 results:

- ▶ Loans and advances increased by 15% to USD1.2bn in 2016
- ▶ 9% increase in income from fee and commission to USD34mn in 2016
- ▶ CAR for UGB is 13.9% at the end of 31 December 2016

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 USD342mn as of 23 March 2017
- Major real estate player in Kuwait, ranked third in real estate sector on KSE (total assets basis)
- KIPCO group holds 72.3% stake, while KIPCO directly holds 53.8% stake (as on 31 December 2016)



Recent Highlights

Key highlights of 2016 results, over 2015 results:

- ▶ 26% growth in revenue in 2016 to reach USD270mn
- ▶ Total assets increased by 3% in 2016 to reach USD1.9bn over 2015
- ▶ 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

2001

Acquired
Bhamdoun Hotel,
Lebanon



2003

Acquired
Marina Plaza,
Kuwait



2003

Developed
Marina World,
Kuwait as BOT



2005

Developed
KIPCO Tower,
Kuwait



2012

Developed
Salalah Mall,
Oman



2016

Developed
Abdali Mall,
Jordan



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 (29%)
- KIPCO group holds 80.5% consolidated stake, while KIPCO directly holds 60.2% (as on 31 December 2016)



Key highlights of 2016 results, over 2015 results:

- ▶ Net profit increased by 64% to reach USD25mn in 2016 due to one time gain on reclassification of investment from AFS to associate and increase in income from associates
- ▶ Total assets increased by 1% to reach USD751mn in 2016

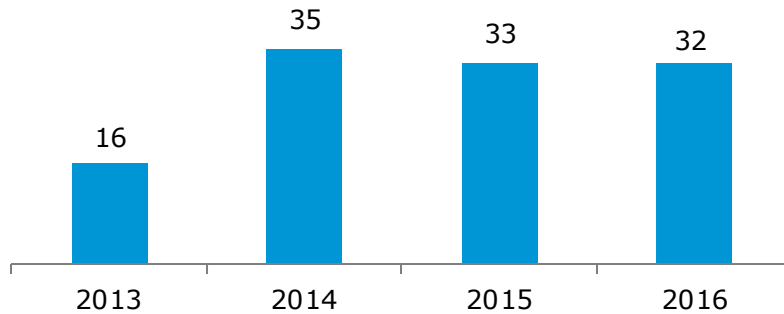
Aims to invest in specialized activities in the Industrial sector



United Industries Company: Financial performance

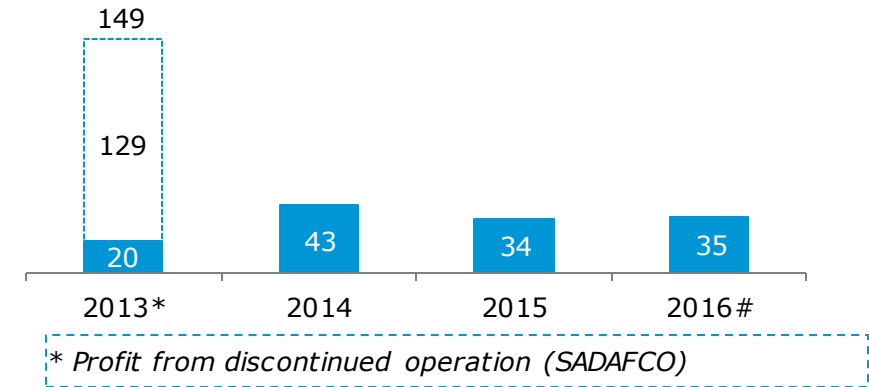
Income from Associates

USDmn



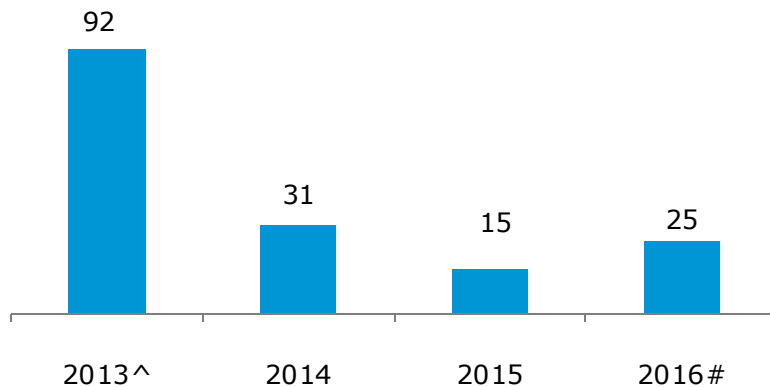
Total Revenue*

USDmn



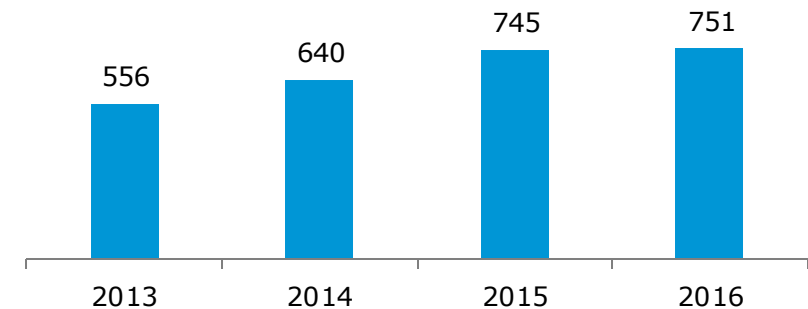
Net Profit^

USDmn



Total Assets

USDmn



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

* Includes profit of USD108mn in 2013 from discontinued operation; SADAFCO = Saudi Dairy & Foodstuff Company

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 USD1,282mn as of 23 March 2017
- KIPCO group through UIC holds 25% stake as on 31 December 2016



Recent Highlights

Key highlights of 9M'16/17 results, over 9M'15/16 results:

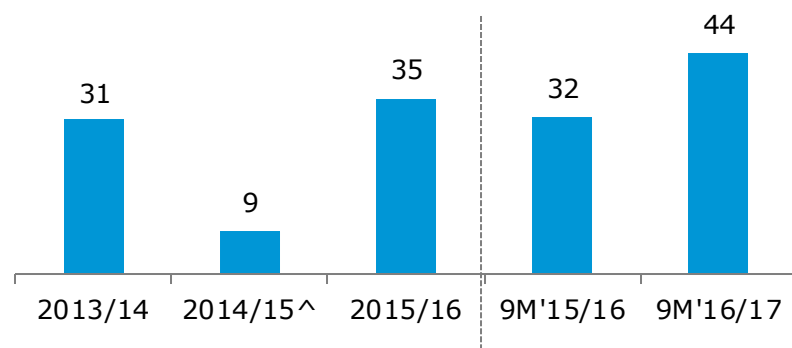
- ▶ 46% increase in net profit for 9M'16/17 to reach USD54mn
- ▶ 40% increase in share of results from associates for 9M'16/17 to reach USD44mn

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

Qurain Petrochemicals Industries Co: Financial performance

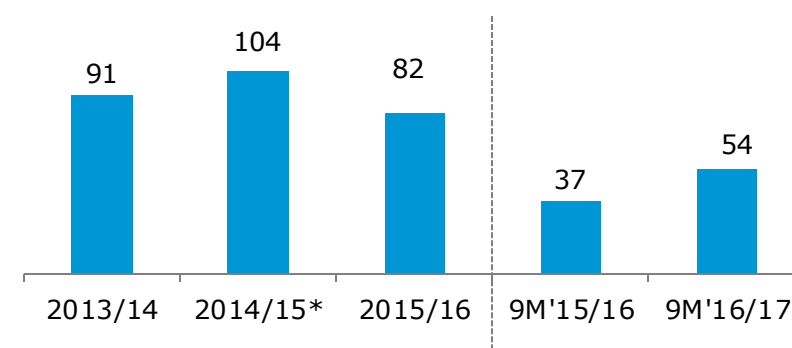
Share of Income from Associates

USDmn



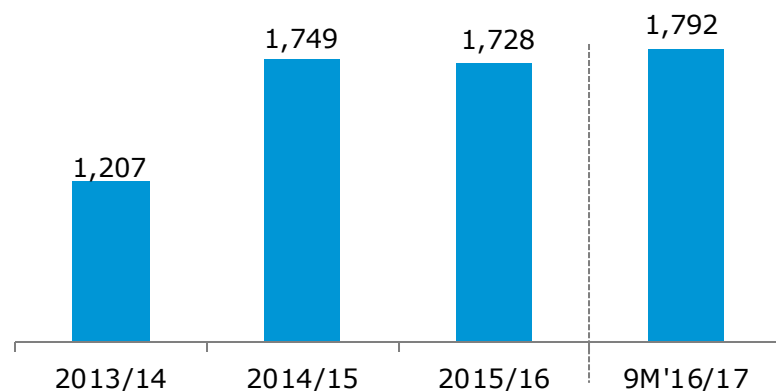
Net Profit

USDmn



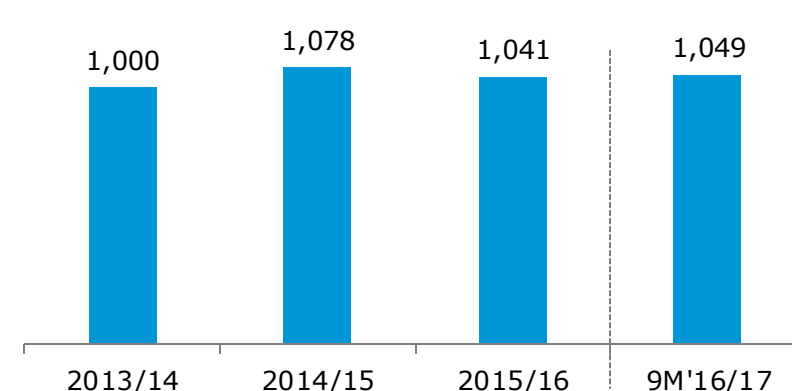
Total Assets

USDmn



Total Shareholder's Equity

USDmn



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

* Includes gain on purchase of additional stake in SADAFICO

Note: Exchange rate of KD/USD = 0.30605 as of 31 December 2016 for quarterly numbers & 0.30185 as of 31 March 2016 for annual numbers

Jordan Kuwait Bank (JKB)¹: 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 USD3.9bn as of 31 Dec 2016)
- 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 USD540mn as of 23 Mar 2017
- KIPCO group holds 51.2% stake (as on 31 Dec 2016)



Key highlights of 2016 results, over 2015 results:

- ▶ Operating income was flat at USD144mn in 2016
- ▶ NPA ratio was 6.8% as of Dec 2016
- ▶ NPA coverage (provision + collateral) was 100% as of Dec 2016

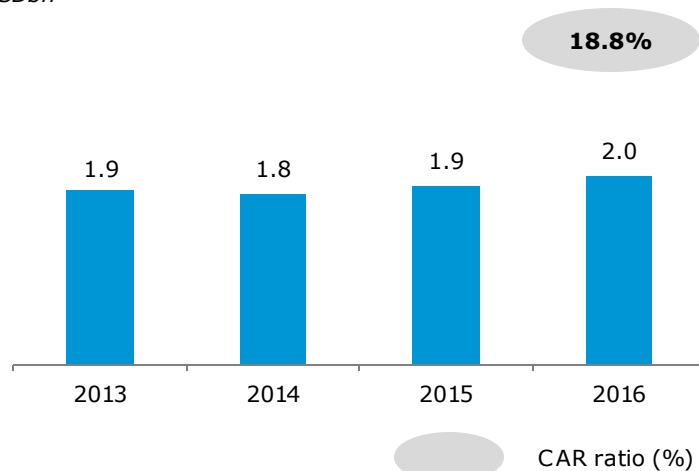
* As of 23 March 2017

¹ JKB numbers for 2016 are based on preliminary estimates

Jordan Kuwait Bank¹

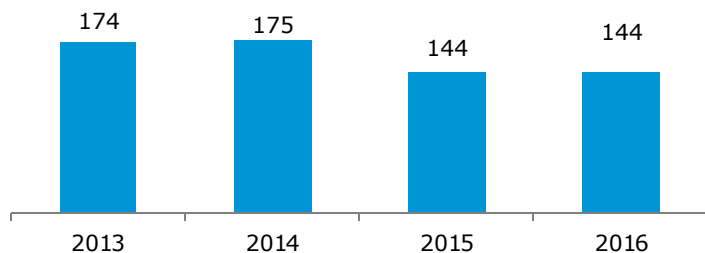
Loan Growth

USDbn



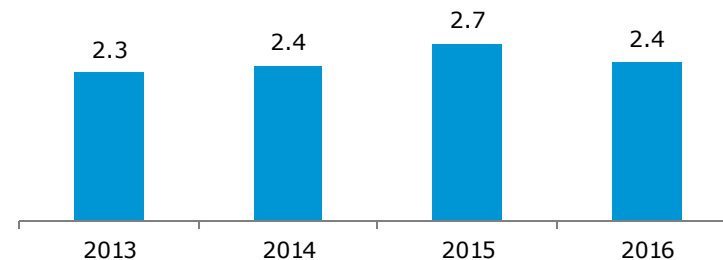
Operating Income

USDmn



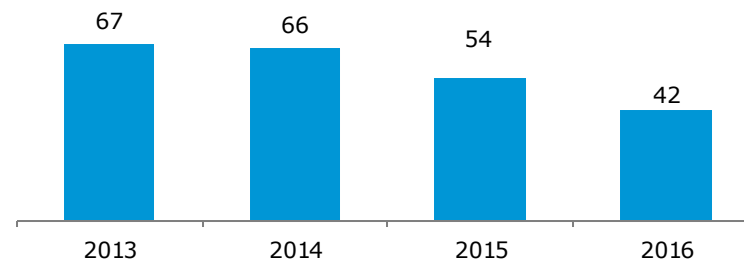
Deposit Growth

USDbn



Net Profit

USDmn



Notes: Exchange rate of USD/JOD of 0.7090 for 2016 and 2015 financial numbers
2013 and 2014 financial numbers are directly reported in USD

¹ 2016 numbers are preliminary estimates



Annexure 2: Executive Management

KIPCO: Executive management



Faisal Hamad Al Ayyar
Vice Chairman

- ▶ 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)



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



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



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



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



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



Khaled Al Sharrad
Group Chief HR & Admin. Officer

- ▶ 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.



Mazen Hawwa
Group SVP
Finance & Operations

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



Robert Drolet
Senior Advisor
Technology & Media

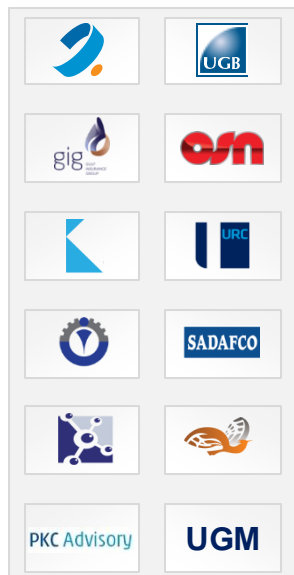
- ▶ Joined KIPCO in 2006, previously held leadership positions for Cable & Wireless and Bell Canada
- ▶ B.LL from Laval, LL.M Osgoode, M.Litt. Oxford



Adel Al Waqayan
Treasurer

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

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

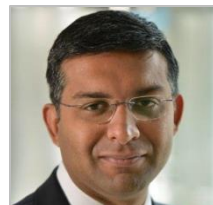


Eduardo Eguren
CEO
Burgan Bank



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



Hussain A. Lalani
Acting CEO
UGB



United Gulf Bank (UGB) is KIPCO's investment banking operation based in Bahrain. Offering a range of commercial and investment banking and asset management services, the bank also manages a diversified portfolio of investments in private equity funds, private equities, structured products, trading portfolios and provides a range of treasury activities. UGB is listed on the Bahrain Stock Exchange.

www.ugbbah.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.gulfins.com.kw



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



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



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.urconline.com

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

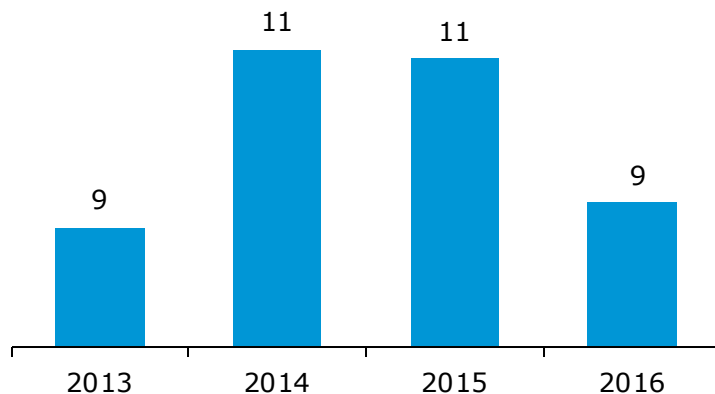


Annexure 4: Per Share Return

KIPCO: Per share return

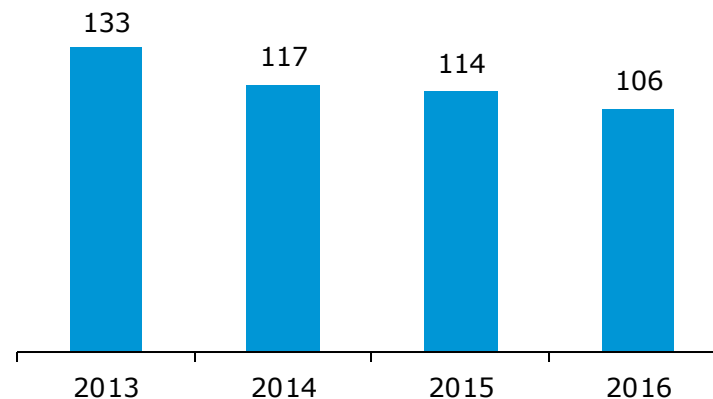
EPS

Cents per share



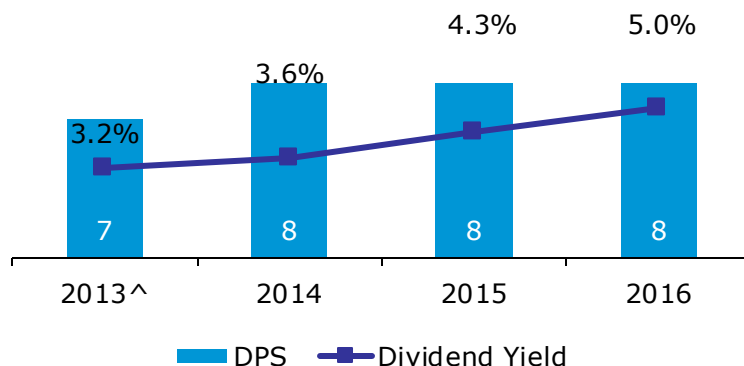
Book Value

Cents per share

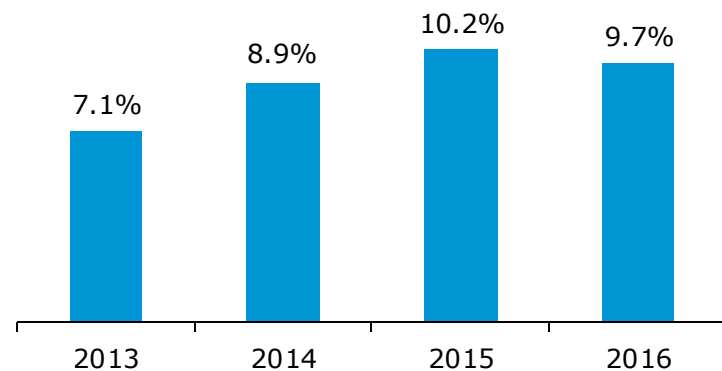


DPS

Cents per share



ROE



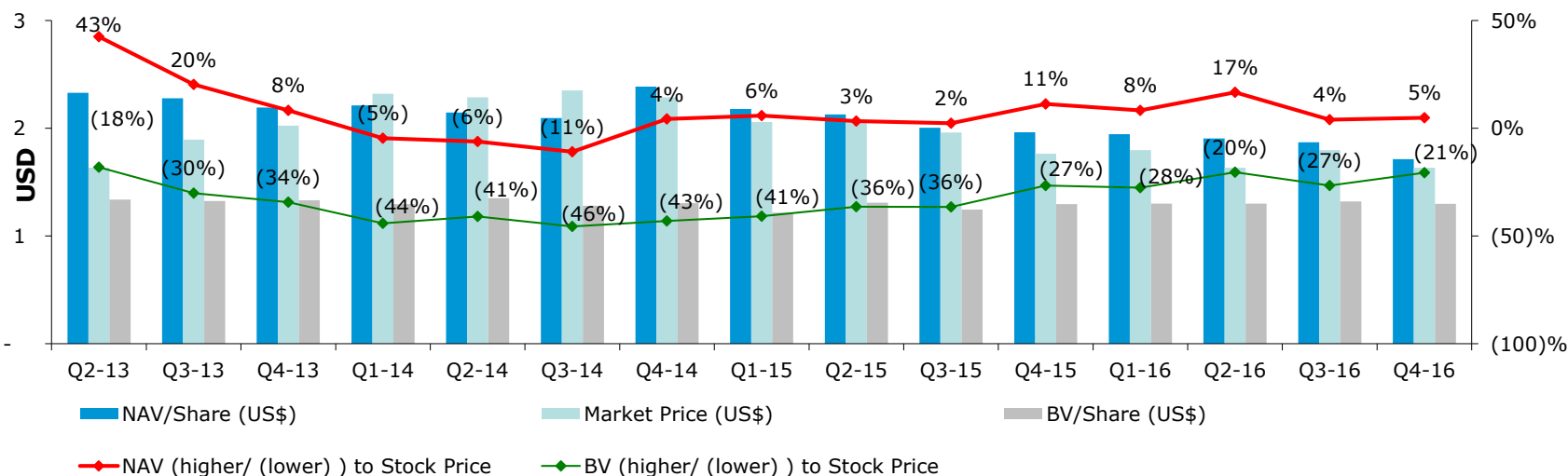
^ An additional 5% stock dividend was paid in 2012 and 2013;



Annexure 5: Trends and data

Net asset value (NAV) history

NAV/share position¹

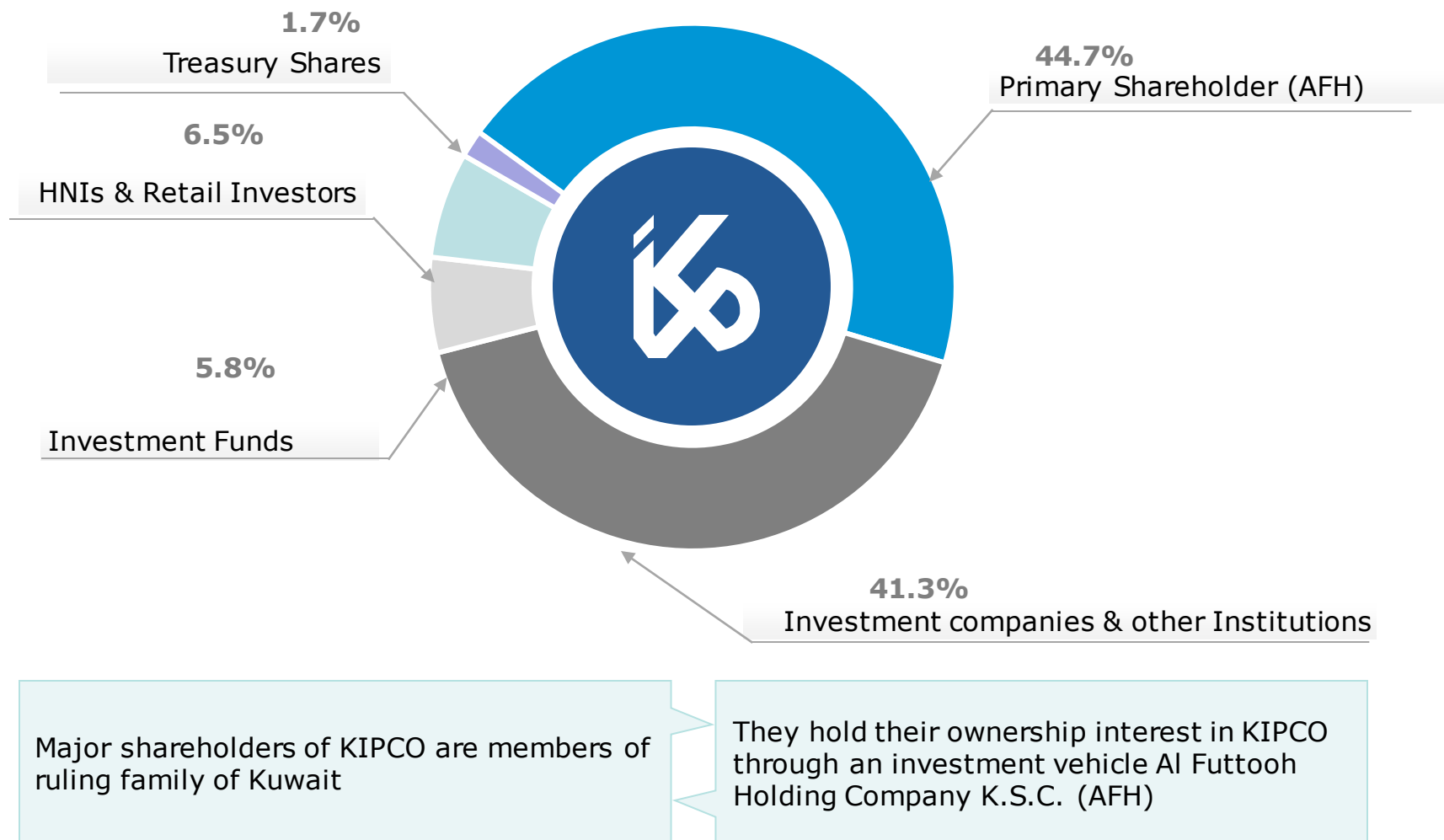


As at December 2016, KIPCO's NAV was USD1.71 per share vis-à-vis the market price of USD1.63 per share and the book value of USD1.30 per share






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. Other components of the NAV are at book value as of 31 December 2016

Note: At the CMP (as on 23 March 2017), KIPCO's NAV is USD1.81 per share vis a vis the market price of USD1.61 per share (refer slide 10 for details).

Shareholding Profile



KIPCO Group: Market data

Entity	P/B		P/E		Market Cap (USDmn) ¹	
	2016	Current ²	2016	Current ²	2016	Current ³
 كيبكو KIPCO <small>شركة مشاريع الكويت (القيضة) Kuwait Projects Company (Holding)</small>	1.5	1.5	13.3	13.1	2,556	2,331
 بنك بروتلان BURGAN BANK	1.0	1.1	9.5	10.3	2,278	2,189
 بنك الخليج المتحد United Gulf Bank B.S.C.	2.1	2.1	69.0	133.3	834	830
 gig <small>GULF INSURANCE GROUP</small>	1.4	1.1	9.3	7.7	409	323
 شركة العقارات المتحدة United Real Estate Co	0.6	0.6	13.0	13.5	326	342

Notes:

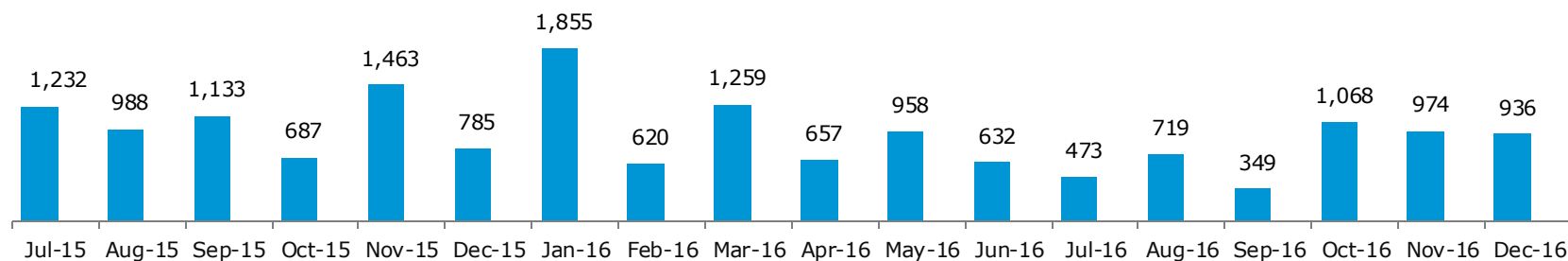
¹ Market cap for 2016 converted at 0.30605

² P/B and P/E as of 23 March 2017 (Source: KAMCO Research)

³ Market cap as of 23 March 2017 converted at 0.30460

KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)

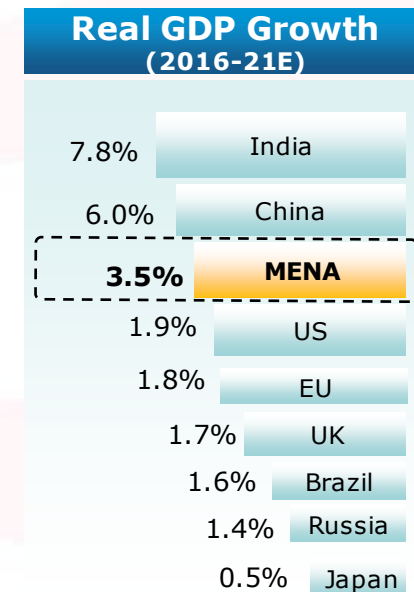


KIPCO's stock has maintained an average daily traded value of USD0.9mn in the last 12 months



Annexure 6: About the region

MENA Region: Poised for strong economic growth

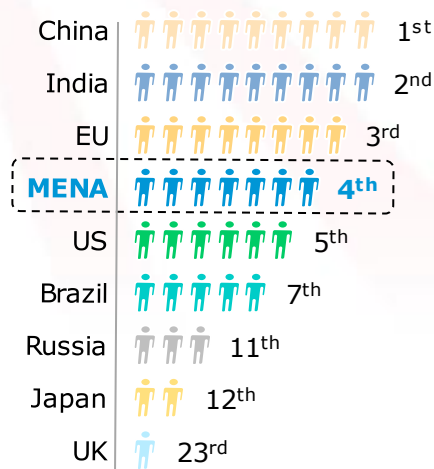


MENA region is characterized by favourable demography and business climate

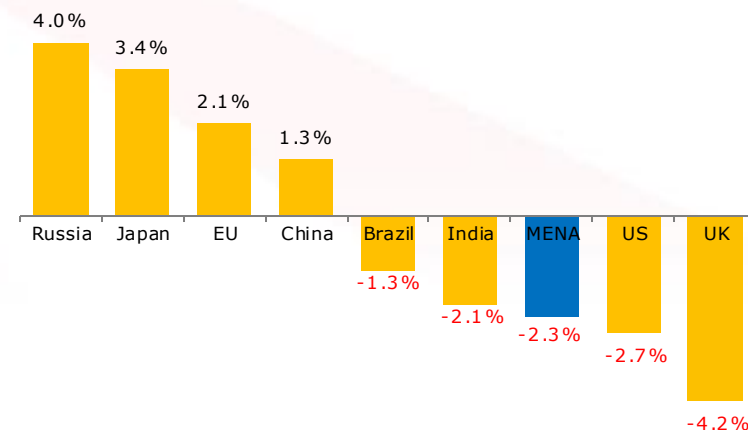
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2016E



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



GCC Region: Well positioned to deliver growth

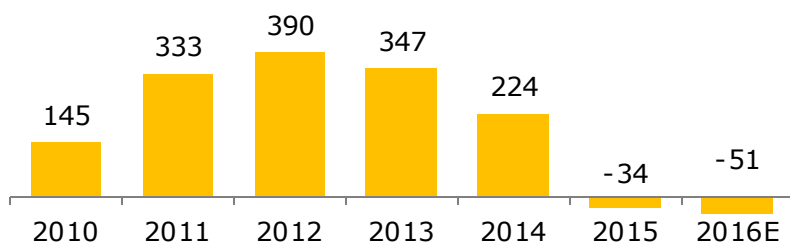
One of the highest per capita income, large sovereign wealth funds,

30% of world's proven **oil reserves**,
along with robust and growing non-oil sector activity ...

...All contribute to
STRONG GROWTH
fundamentals in the **GCC....**

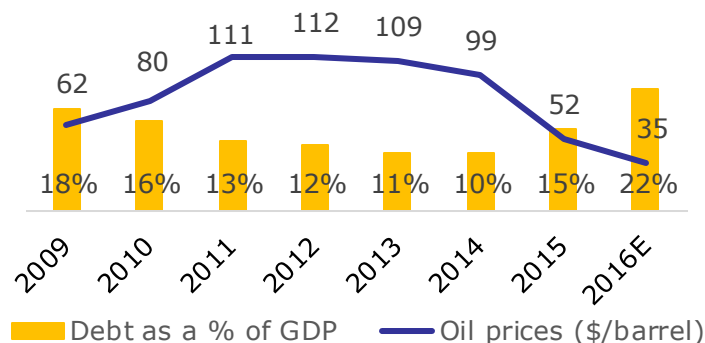
Current Account Surplus

(In USDbn)



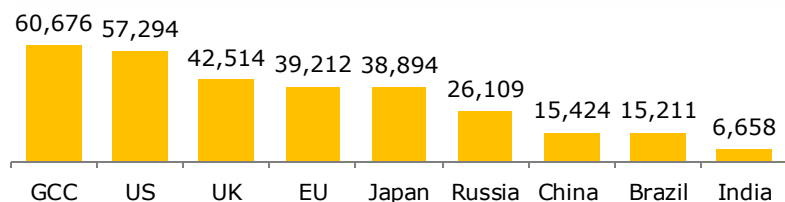
"Accumulated current account surplus of over USD1.35tn from 2010 to 2016"

Government debt as a % of GDP

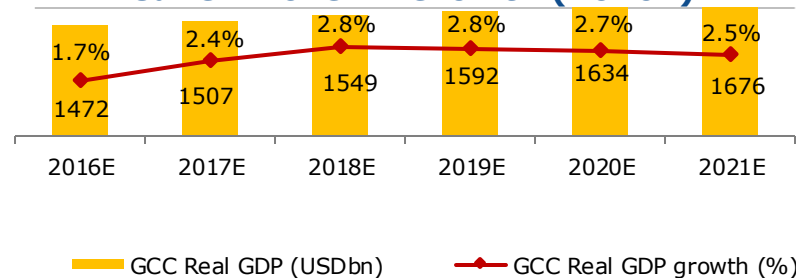


GDP / Capita, PPP (2016E)

(In USD)



Real GDP & GDP Growth (2016E)



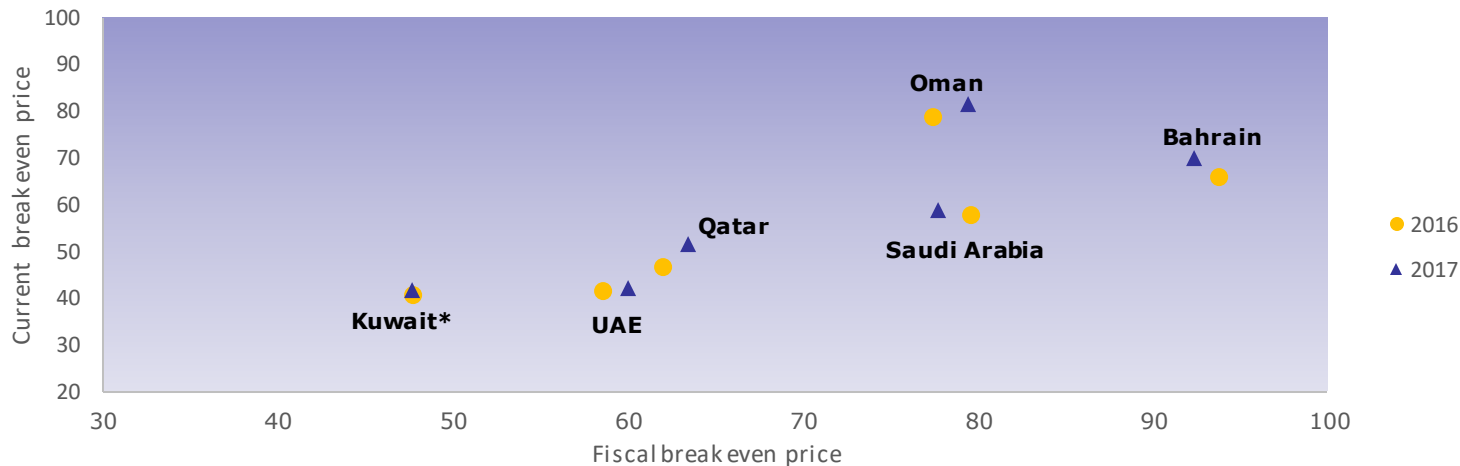
Kuwait: Protected against oil price decline

Prudent Oil Wealth Management

- ▶ Kuwaiti government's sovereign wealth fund estimated to be in excess of USD500bn
- ▶ 25% of revenue contributed to RFFG during periods of high oil prices and 10% during low oil prices
- ▶ Oil output to remain ~2.8mn barrels/day until 2019
- ▶ Net external asset position estimated to be 3.5x of GDP at end of 2016
- ▶ With high financial buffers – stood at c.408% of GDP end of 2015 and with substantial borrowing space, the government intends to smooth the fiscal adjustment in response to the decline in oil prices, and continue to support growth through large investment spending

Source: S&P Rating on Kuwait, August 2016

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



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

Source: WEO Database, IMF, October 2016

Kuwait has the lowest breakeven oil price in the GCC region

Stable macro-economic environment

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

**Healthy
Annual
Budget
Surplus**

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

Source: S&P Rating on Kuwait, February 2017

Demographic & External balances Snippets (2016)

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

Source: NBAD Global investment outlook for 2017, January 2017

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

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

²CIA

Kuwait development plan overview

Purpose

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

Progress

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

Government Policy Initiatives

**Government
pledged bank
guarantee for
funding**

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

**PPPs¹ model to
finance large
scale project**

**Kuwait
municipality
collaborations
with
stakeholders**

Kuwait development plan: Projects in action

Key Projects under the plan

Al-Khairan Power & Desalination Plant (IWPP)

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

Al Zour North IWPP - Phase 2 (PPP)

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

Other projects

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

Kuwait National Railroad (PPP)

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

Khairan City

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

Olefins III project

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

Kuwait Metro (PPP)

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

South Regional Highway (section 1)

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

Oil & Gas Projects*

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

Airport Terminal Projects

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

South Al Mutlaa City

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

Value of Key Projects in USDbn

Bidding	Planning	Awarded	Underway	Total
7.4	36.9	6.5	43.9	94.7 [^]

Jurassic Non Associated Oil & Gas Reserves Expansion: Phase 2

- ▶ Production of 120,000 b/d of wet crude & more than 300mn cubic feet a day (cf/d) of sour gas
- ▶ Underway: All three contracts awarded. Cost: **USD4.0bn**

New Refinery Project (NRP)

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

Clean Fuels Project (CFP)

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

LNG Import & Regasification Terminal

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

Sheikh Jaber Causeway

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

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

Source: NBK report dated February 2017

*RSM Quarterly newsletter January 2017 and press releases

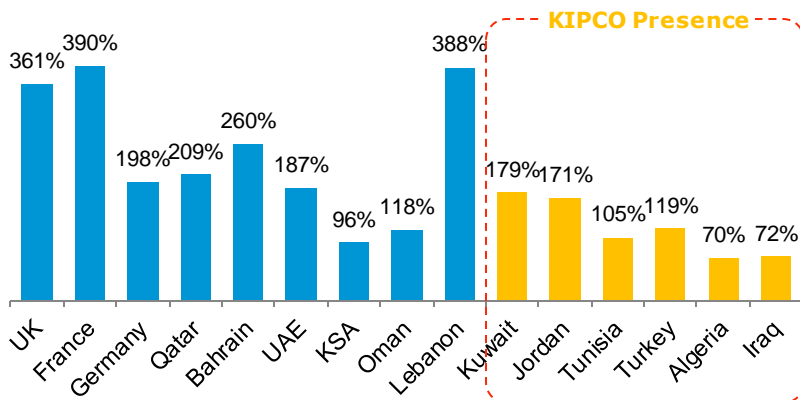
[^]Excludes other small projects of USD0.2bn



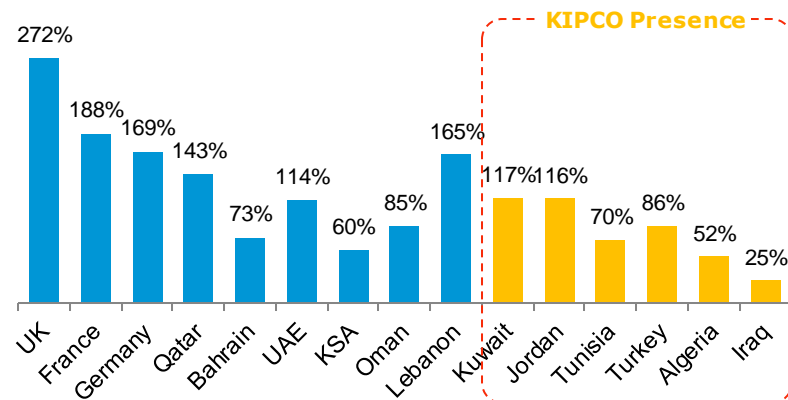
Annexure 7: Market opportunity

Banking sector opportunity

Banking Penetration: Assets/GDP












Banking Penetration: Loan/GDP



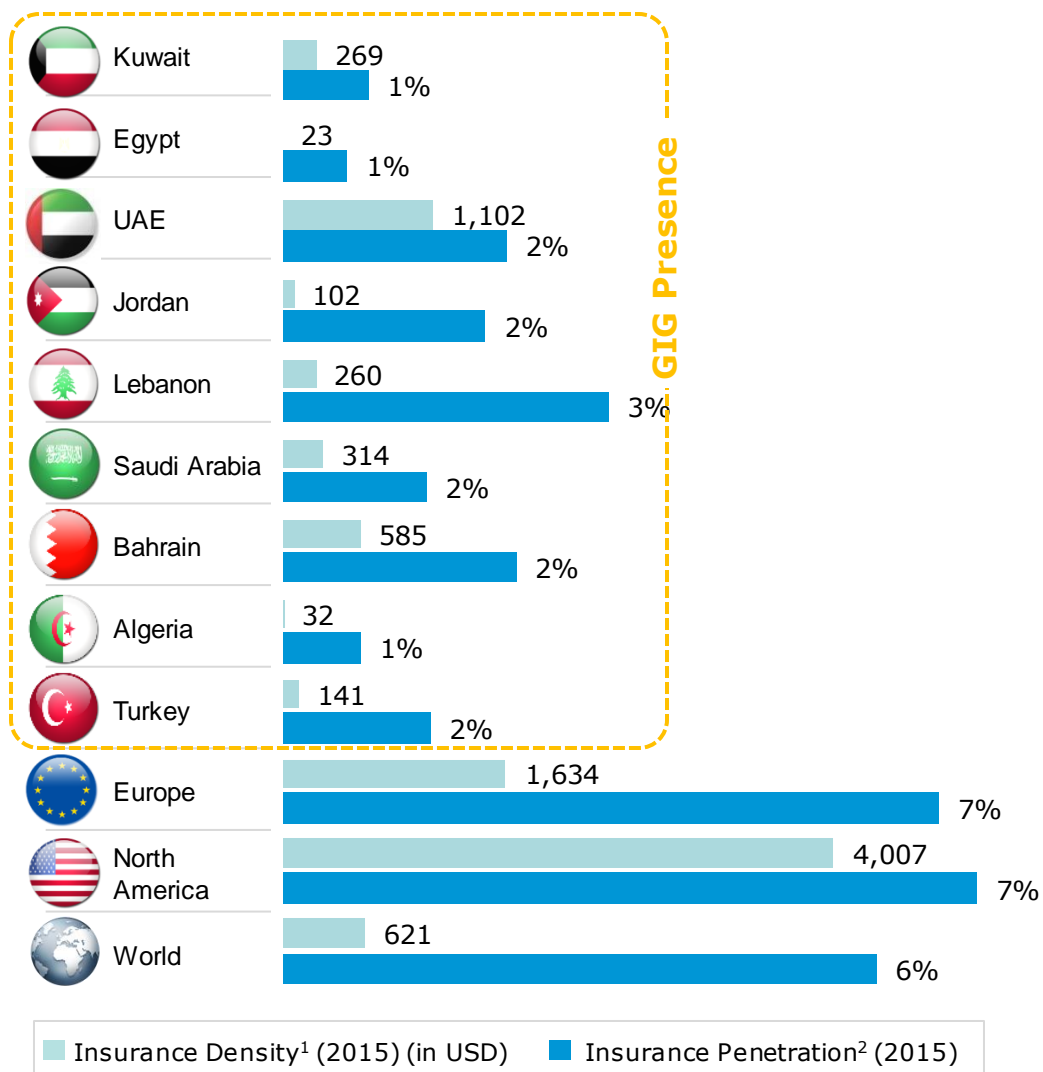
Source: Central Banks & IMF, World Economic Outlook Database

Countries

Countries								
		Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq	
	Population	Size (mn) (2016E)	4	8	11	79	41	36
		CAGR (16E-21E)	2.8%	1.3%	1.0%	1.0%	1.8%	2.6%
	Per Capita Income	USD (2016E)	26,146	5,092	3,777	9,317	4,129	4,334
	Real GDP Growth Rate	CAGR (16E-21E)	2.8%	3.8%	3.8%	3.3%	3.0%	1.4%

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

Insurance sector opportunity



- ▶ Low insurance density in MENA region
- ▶ On average, high single digit growth in insurance market in all MENA countries despite low oil prices
- ▶ Solid outlook for life insurance, low penetration rate, increasing awareness, move to smaller families and rapid growth in private sector employment to drive growth in the long term
- ▶ Non-life insurance outlook cautiously optimistic. However, reviews in public spending and subsidies and a possible cut could decrease the demand 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