



Investor Presentation | April, 2019

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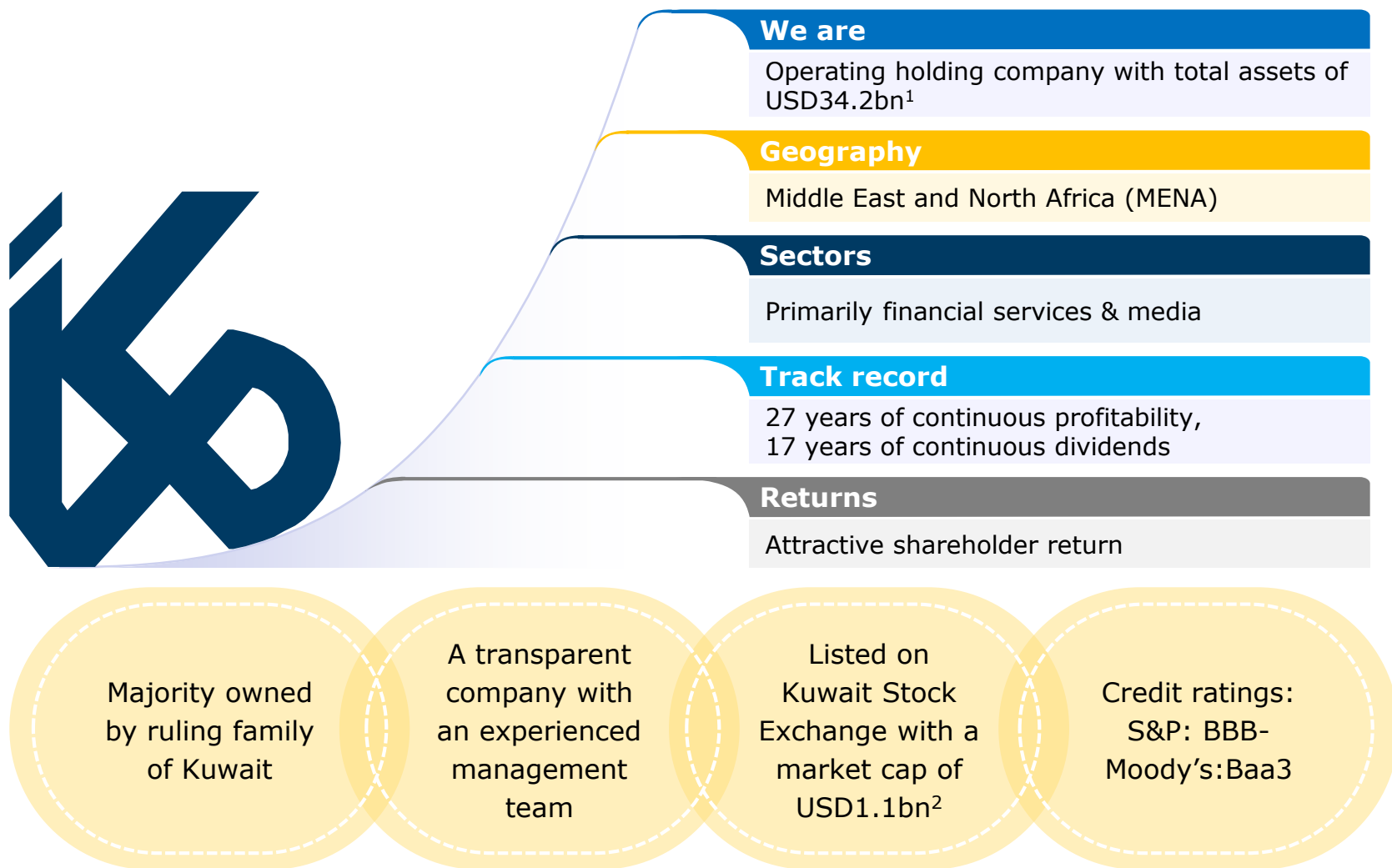
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Executive Summary

A diversified company with deep regional expertise & roots















Gateway to MENA with superior access to opportunities

¹As on 31 December 2018

²As of 18 April 2019

Note: Exchange rate of USD/KD of 0.3033 has been used in the presentation for financial numbers

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2018) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB ⁴	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	45%
KSA 		●	●			●		4%
UAE 		●	●	●	●			5%
Bahrain 		●	●	●	●			4%
Qatar 		●		●				1%
Turkey 	●		●					17%
Jordan 	●	●	●	●				9%
Egypt 		●	●	●			●	5%
Algeria 	●	●	●					5%
Iraq 	●	●	●					1%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	1%
Revenue (FY18) ²	50%	13%	15%	11%	4%	3%	4%	
Assets (FY18) ³	72%	4%	4%	9%	7%	2%	2%	

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 since Q3'2018

¹ Assuming consolidation of GIG & OSN

^{2, 3} Total revenue of USD3.7bn and total assets of USD40.0bn respectively, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN ; ⁴AMIB = Asset Management & Investment Banking

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

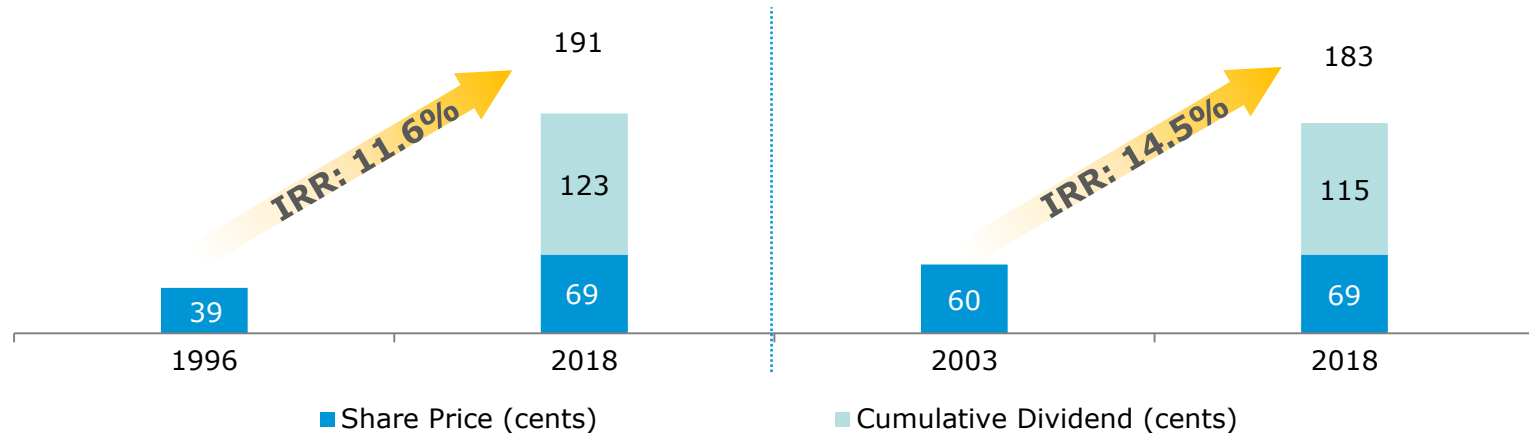
³ By Gross premium written (GPW) and Direct premiums

⁴ By GPW

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

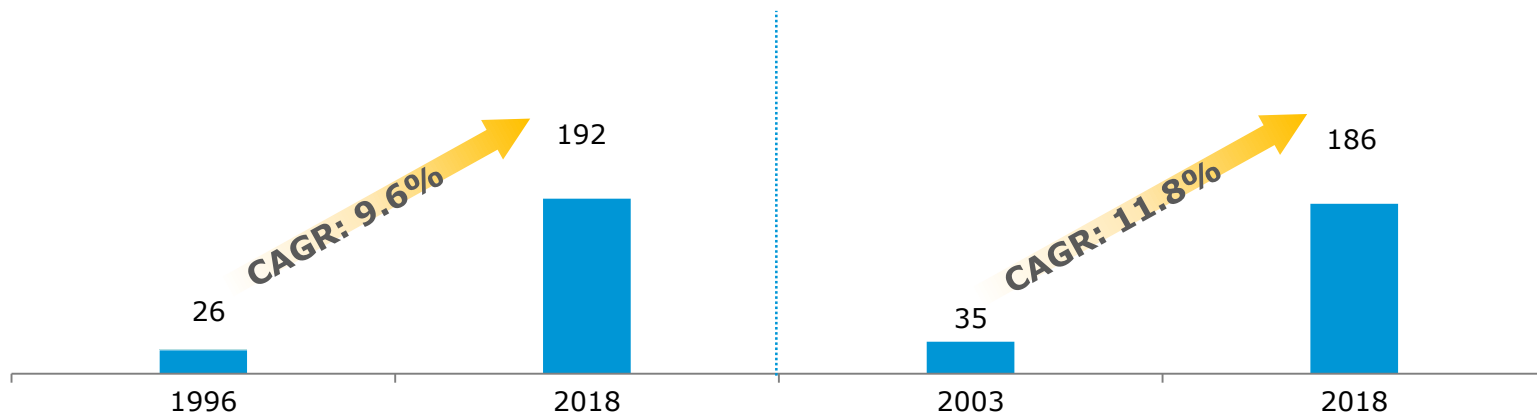
Attractive returns

Total Shareholders' Return Growth¹



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

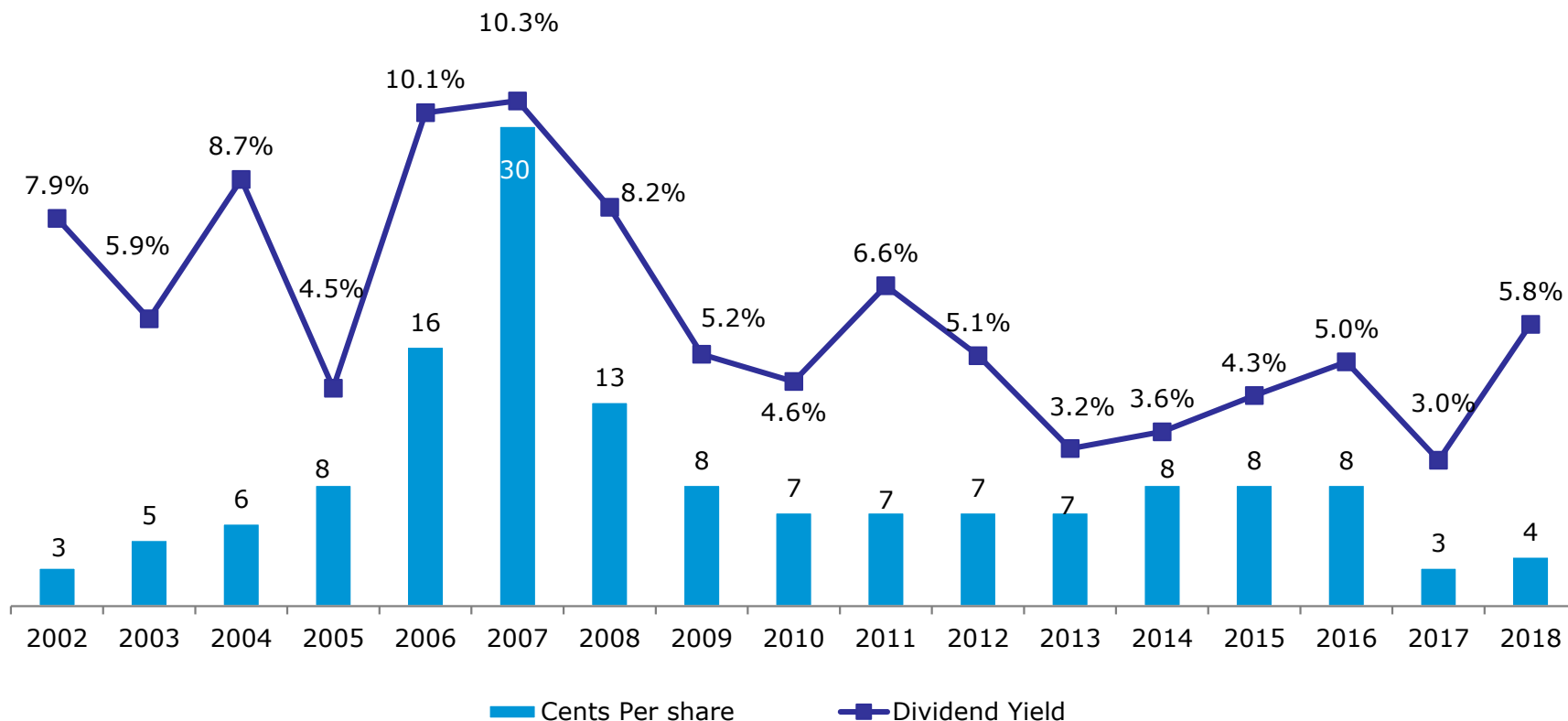
Book Value Per Share Growth (in US cents)²



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

Continuous dividends

USD1.7bn in cash dividend paid by KIPCO since 2002



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

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

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



Strategy

Our strategy

Building Businesses

MENA

Regional outlook

**Being first in the
region**

Thought leadership



Target ROE: 15%+

Investing in engines of growth







Balanced Portfolio

Diversified revenue streams

Team Approach

Strong managerial expertise

Controlling or majority stakes

Main Entities	 بنك بروٲان BURGAN BANK	 osn	 UGH	 KAMCO كامل	 gig البحر للبحر	 شركة المقاربات المتحدة United Real Estate Co
KIPCO Effective Stakes ¹	63.2%	60.4%	93.0%	80.3% ³	45.4%	72.5%
Board Representation	6 of 9	2 of 7 ⁵	4 of 7	5 of 5	4 of 10 ⁴	4 of 7
Market Cap (USDmn) ²	2,789	Unlisted	1,357	55	377	212
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 31 December 2018

² Market capitalisation as of 18 April 2019 (Source: Bloomberg for market price)

³ Stake in KAMCO is held through UGH






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%	2018 2.6%	<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 -	2018 ~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	2018 \$364Mn	<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	2018 #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	2018 \$13.0Bn³	<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
³ Includes AUM of Global #Represents rank in Kuwait

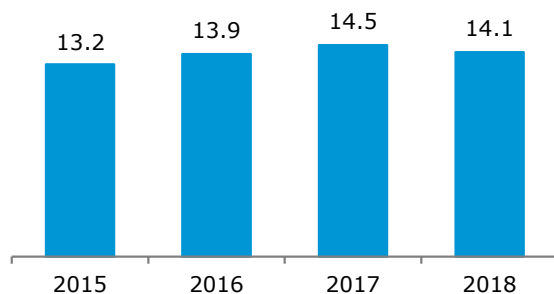


Performance Update

Burgan Bank Group (BBG)

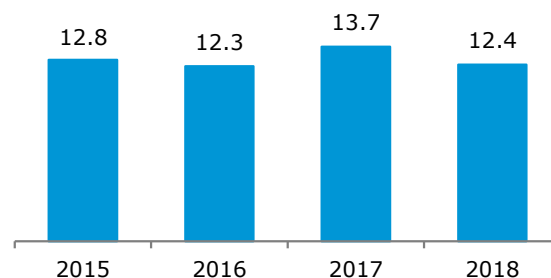
Loans

USDbn



Deposits

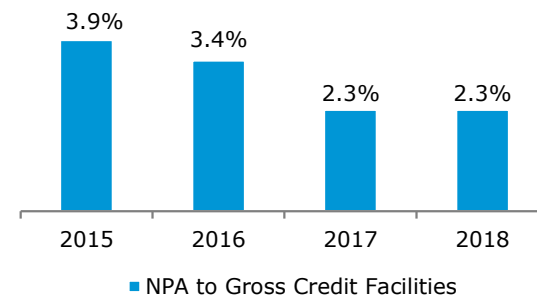
USDbn



Asset Quality

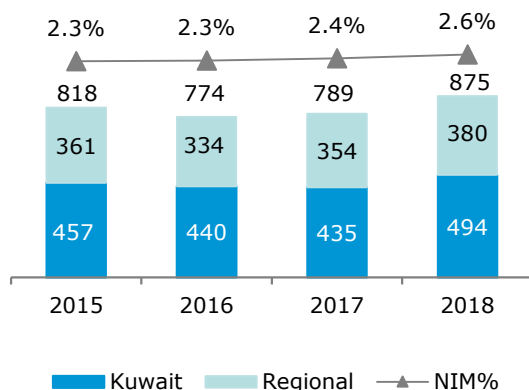
■ NPA coverage with collateral
■ NPA coverage without collateral

184%	194%	233%	241%
120%	124%	159%	171%



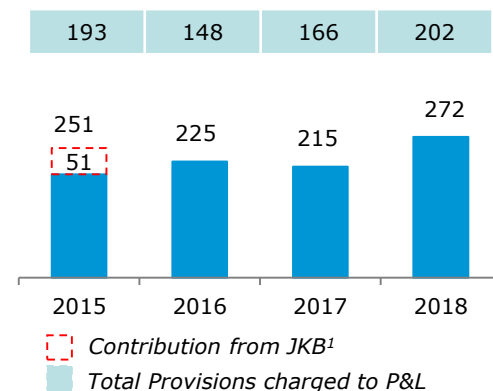
Operating Income

USDmn



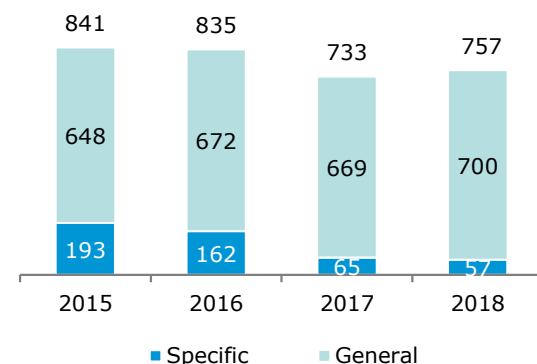
Net Profit & Provision

USDmn



Total Provision

USDmn



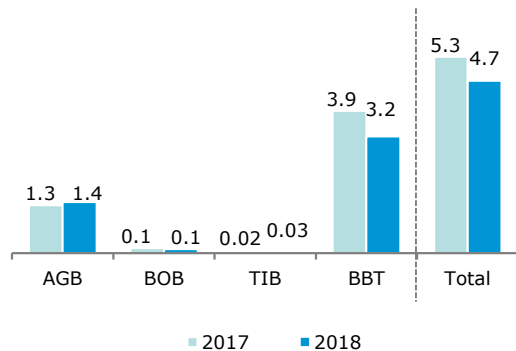
**Strong performance reflecting operational capabilities with strict focus on asset quality;
Reported Basel III CAR as of 31th December 2018: 17.4%**

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

BBG: Regional operations

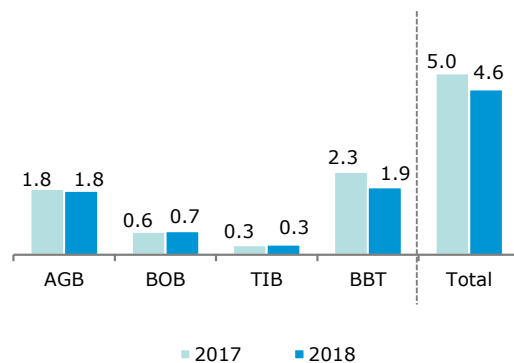
Loans

USDbn



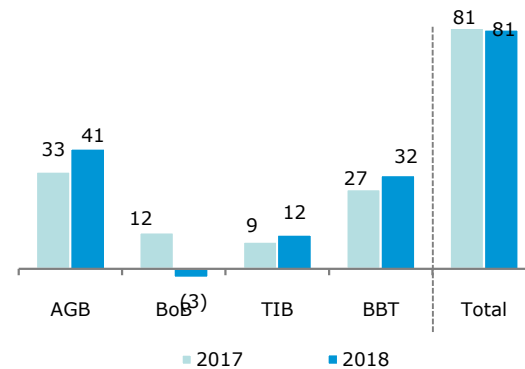
Deposits

USDbn



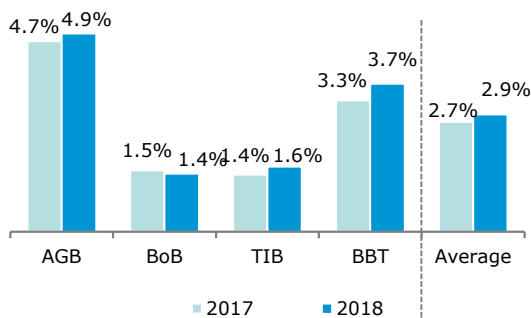
Net Profit

USDmn



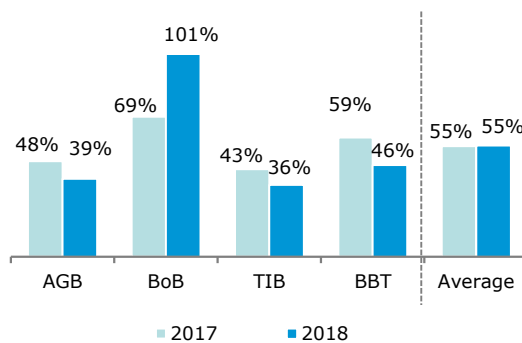
Net Interest Margin

Percentage



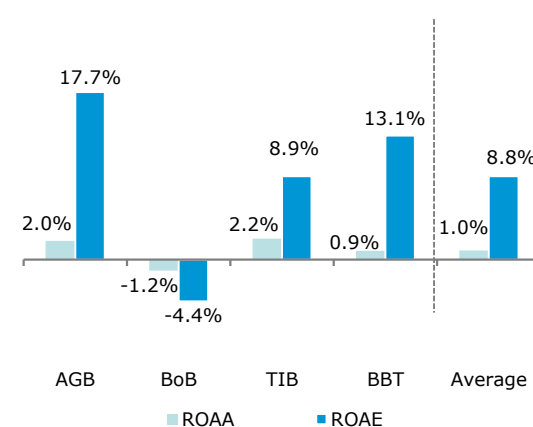
Cost to Income

Percentage



Return on Assets & Equity

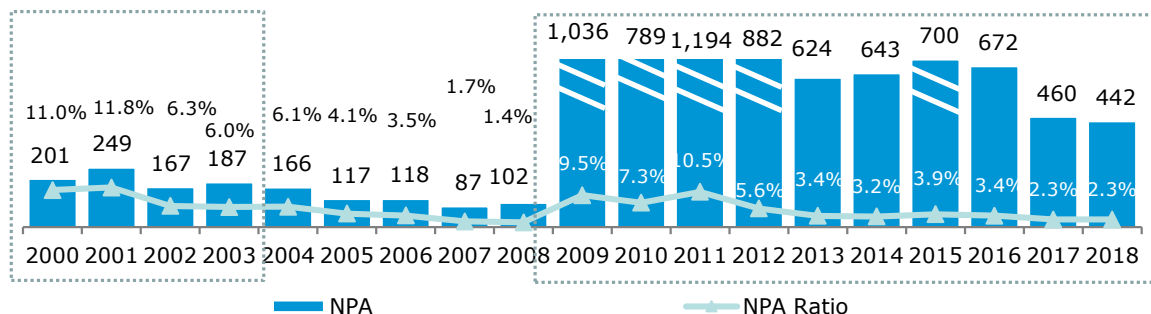
Percentage



BBG: NPA¹ & provisioning trend

NPA Trend

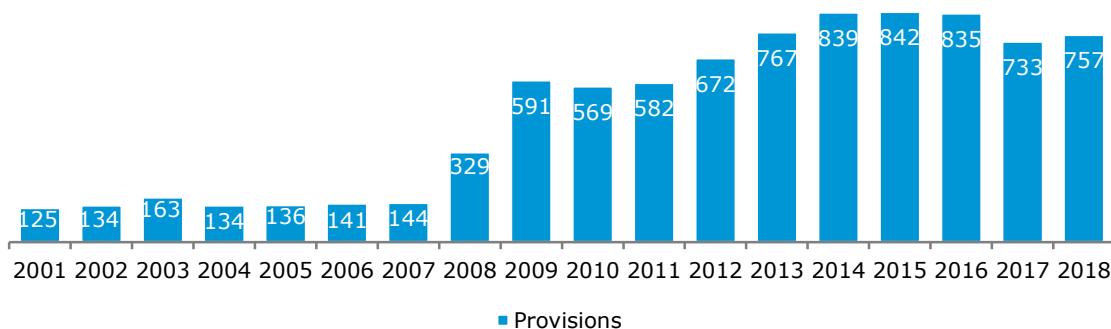
NPA (USDmn)
NPA Ratio (Percentage)



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%	241%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	159%	171%



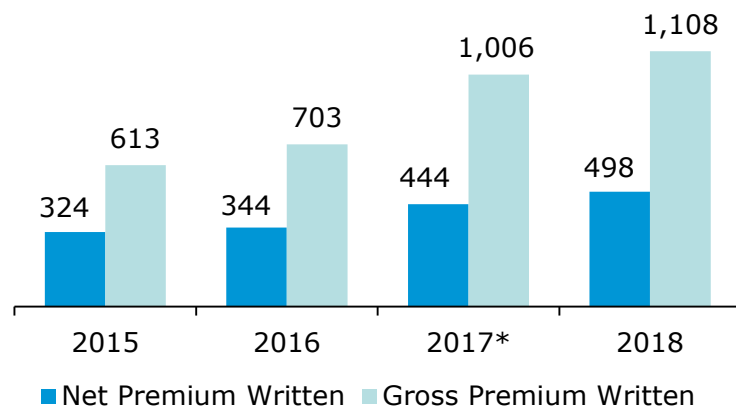
- ▶ At end of 2018, NPA coverage with provisions and collaterals was **241%**
- ▶ NPA Ratio was 2.3% as on 31 December 2018
- ▶ ~92% provisions in general category as on 31 December 2018
- ▶ Prudent approach to credit cycle
 - Loan Loss Reserves (against Loans and Advances to Customers) created during 2008-09 **higher than those created during 2000-01 cycle**

¹NPA includes on balance sheet and off balance sheet exposure

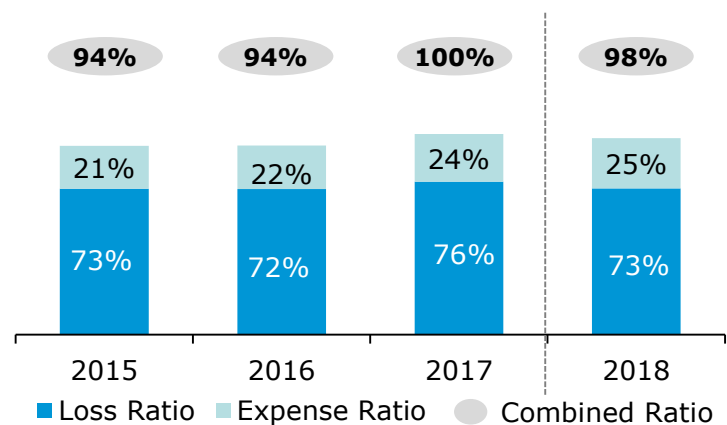
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

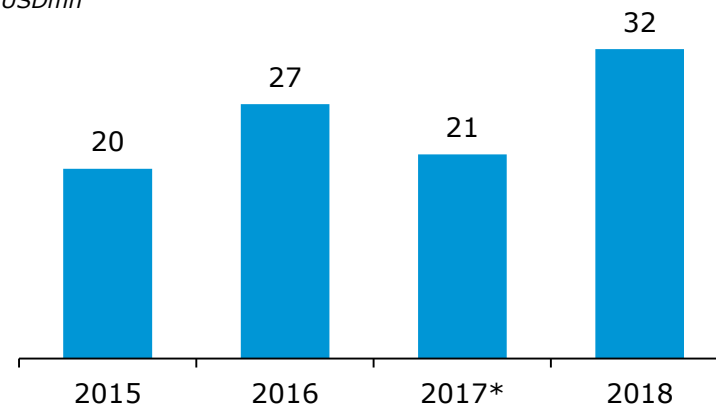


Combined Ratio



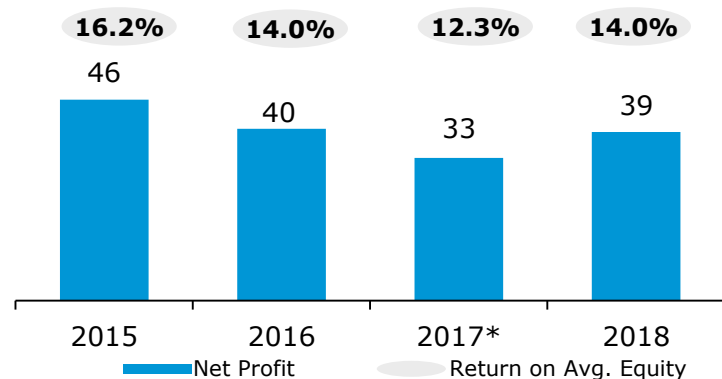
Net Investment Income

USDmn



Net Profit & ROE

USDmn



*Restated

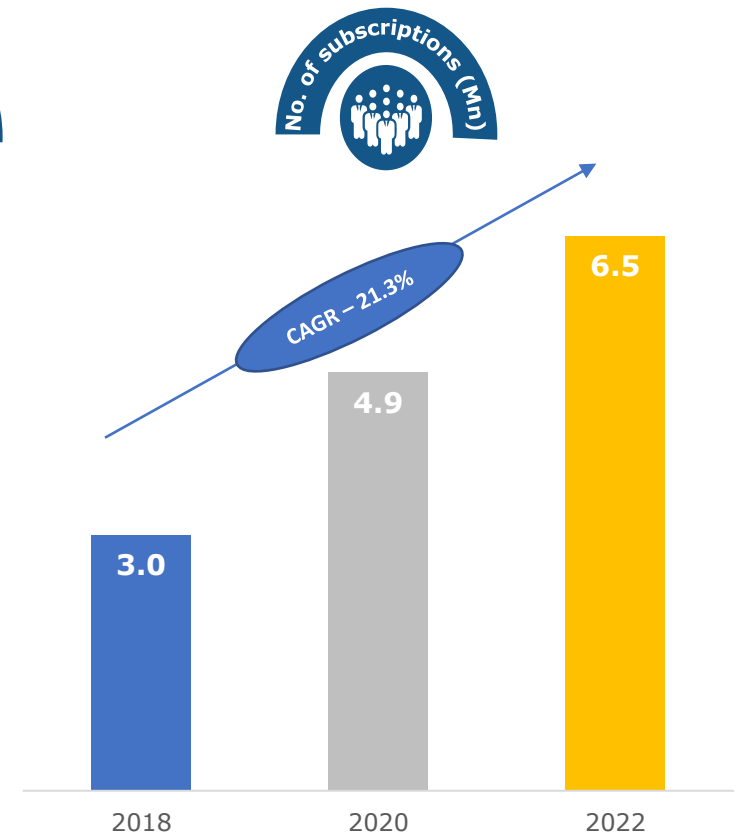
OSN: Overview

MENA pay TV potential

OTT Potential

	Population (Mn)	Pay TV (Mn; Est.)	TV Households (Mn)	Pay TV/TV Households (%)
MENA Region¹	358	7	72	~10%
Latin America	623	72	129	55%
UK	66	15	27	56%
India	1,334	130	197	66%
US	328	93	120	78%

Low Pay TV penetration in MENA region indicates huge market potential



OTT subscriptions are forecast to grow at CAGR of 21.3 percent

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: IHS Market, IMF WEO Database October 2018, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times, IHS Market

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

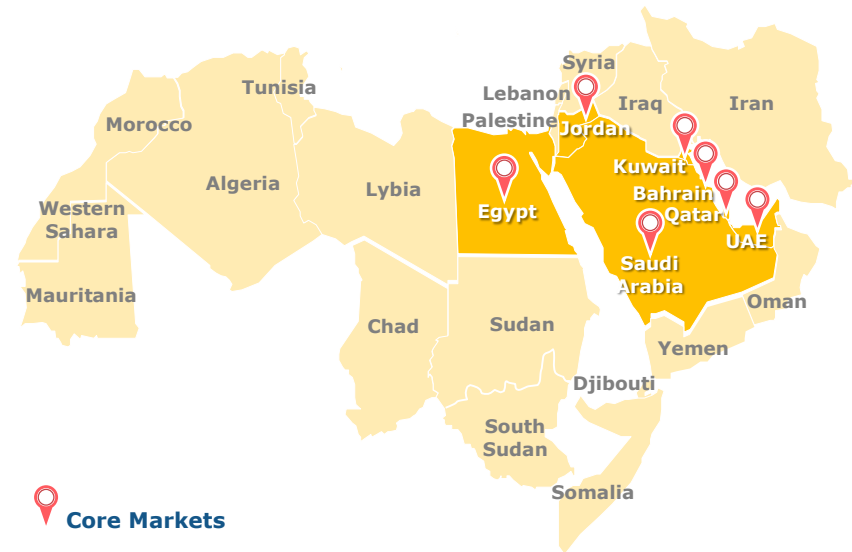
Subscriber base of around 1.1mn, 22k subs for WAVO, 32k subs for OSN Play and 134k subs for OSN Demand.

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

Premium content offerings with over 151 channels incl. 72 HD channels, and 31 owned and operated. Also, 38 South Asian channels and 15 Filipino channels.

~1,700 employees in 13 offices, 103 retail locations across MENA and a network of 166 partners

Pan Arab reach



Strong shareholders

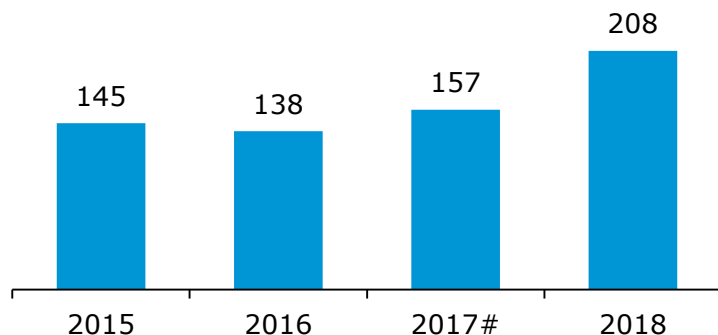


As of 31 December 2018

United Gulf Holding Company (UGH)*

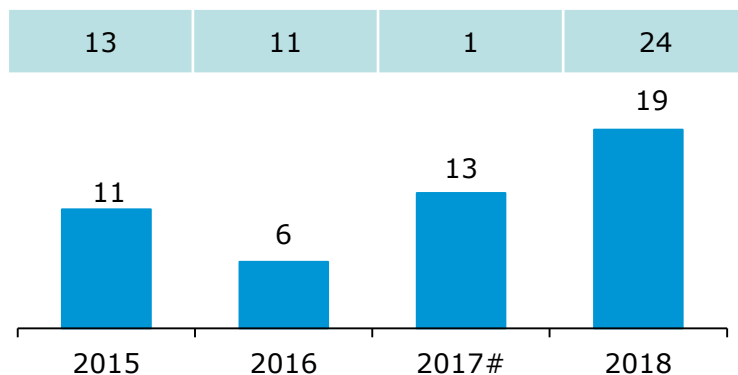
Revenue

USDmn



Net Profit & Provisions

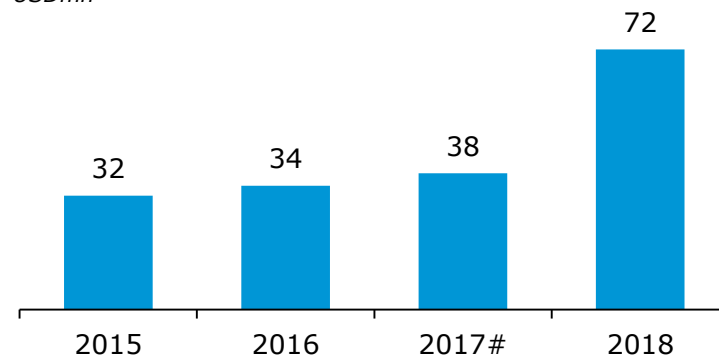
USDmn



■ Total Provisions Charge to P&L

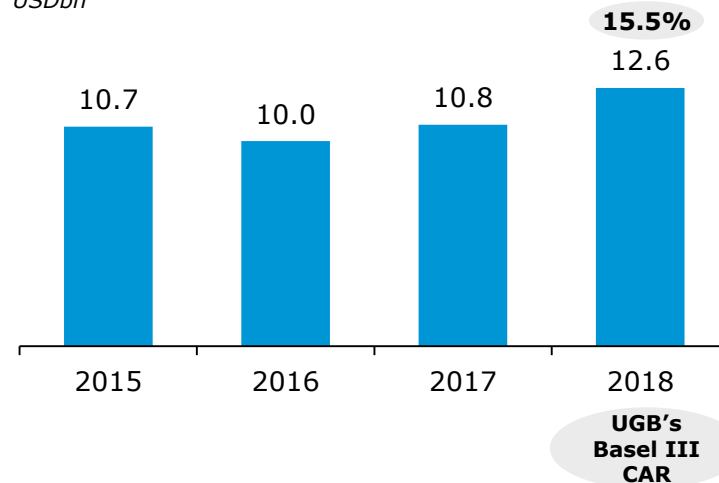
Fee & Commission Income

USDmn



AuM & Capitalisation

USDbn



UGB's
Basel III
CAR

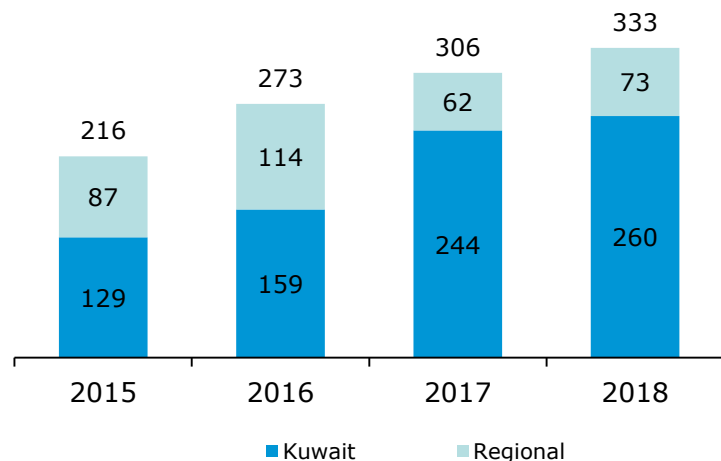
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGH) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

As UGH was incorporated in September 2017, financials of UGH for 2017 comprise of first nine months results for UGB and Q4'17 results for UGH

United Real Estate Company (URC)

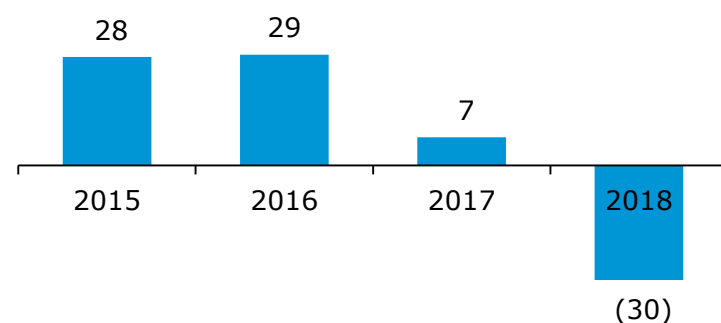
Total Revenue¹

USDmn



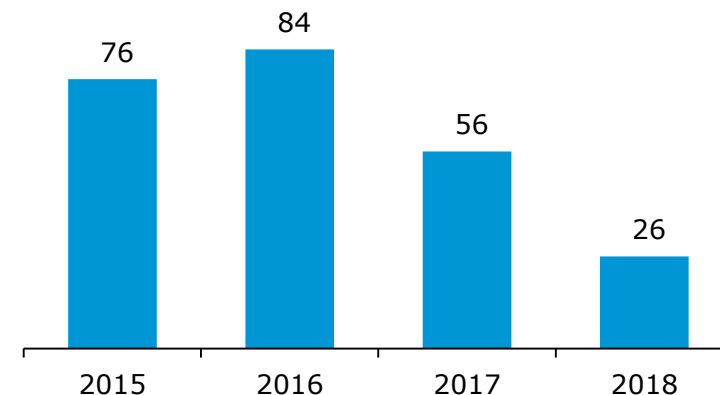
Net Profit

USDmn



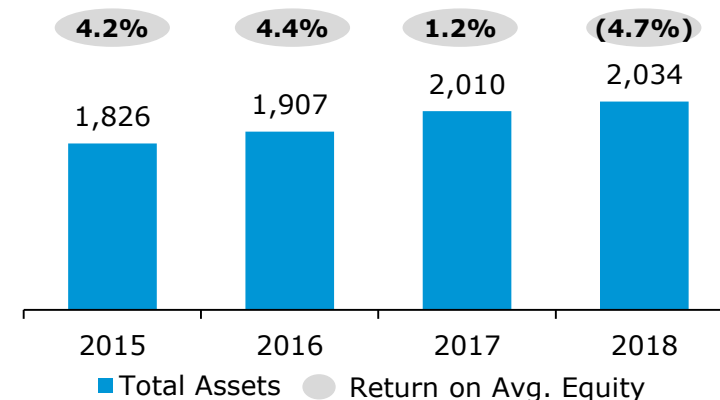
Operating Profit²

USDmn



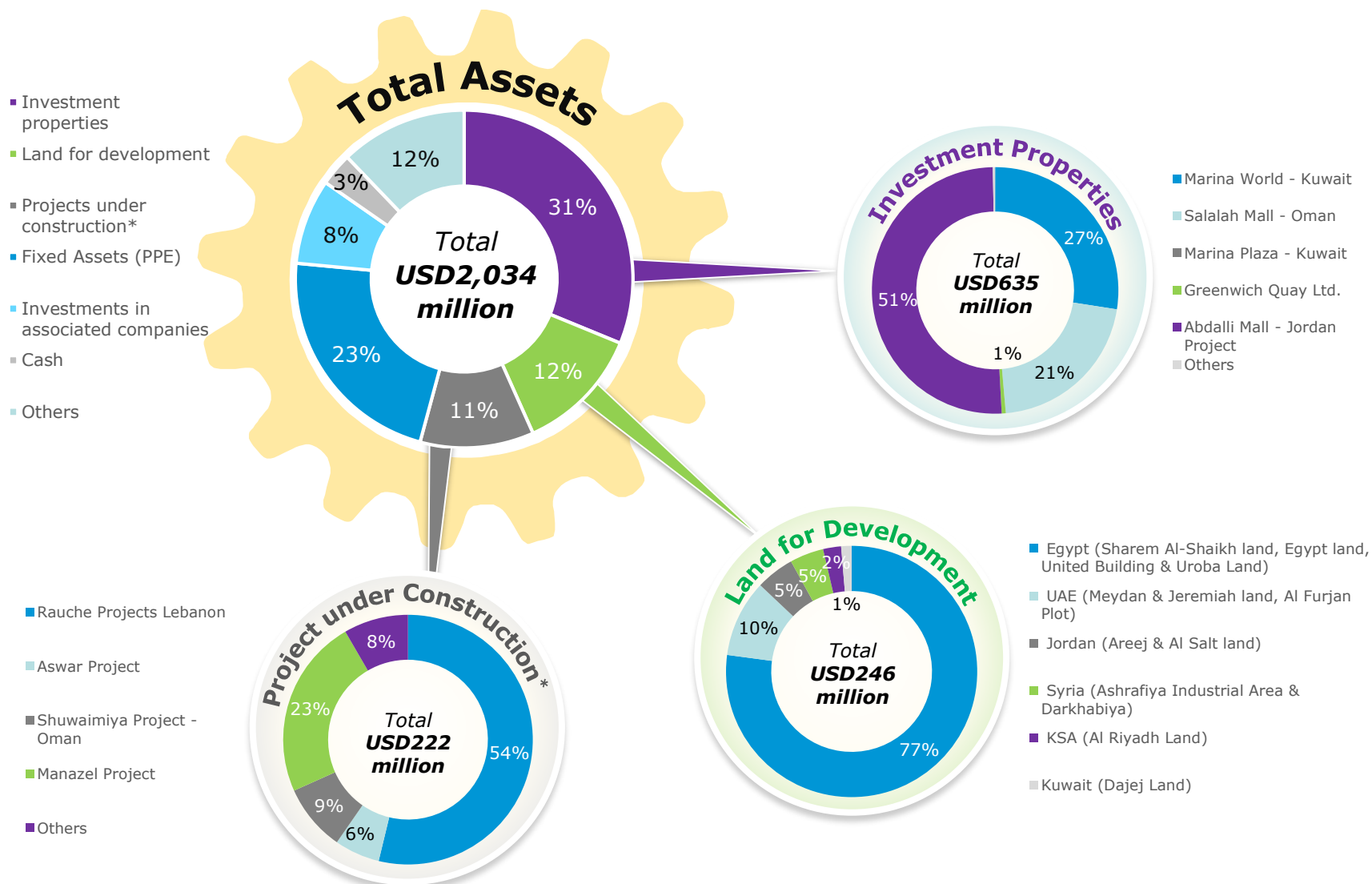
Total Assets & ROE

USDmn



¹ Revenue 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 ; ² Operating Profit includes gain on sale of associates, share in associates' income, interest income & forex gains

URC: Balance sheet (Break-up)¹



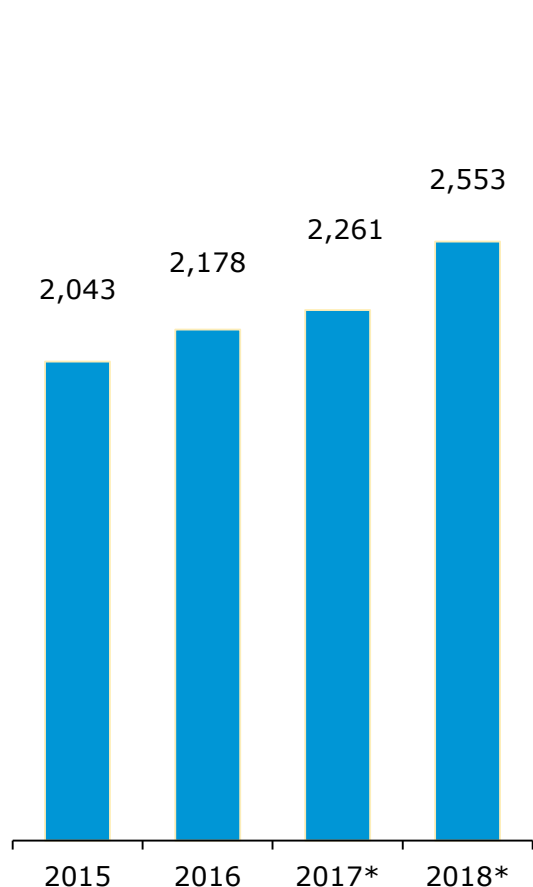
* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

¹ As on 31 December 2018

KIPCO consolidated: Financial performance

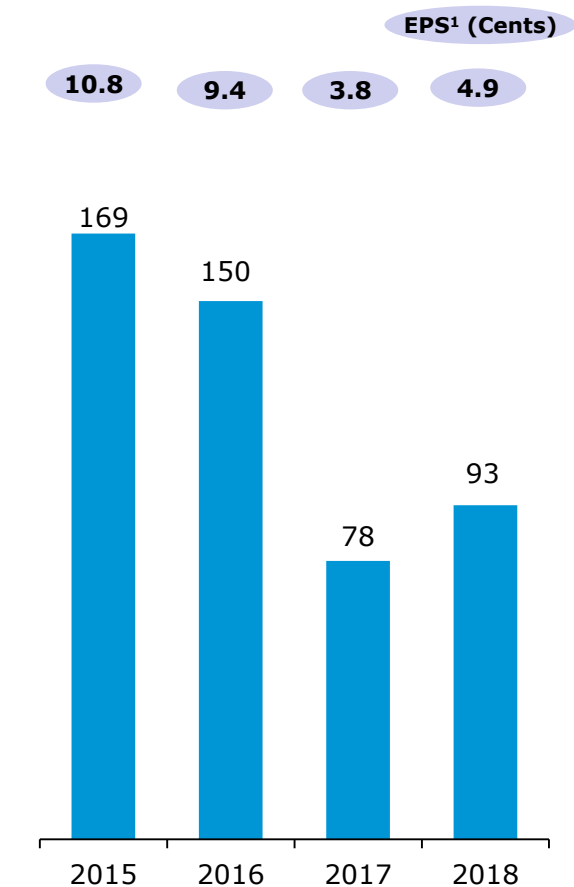
Revenue

USDmn



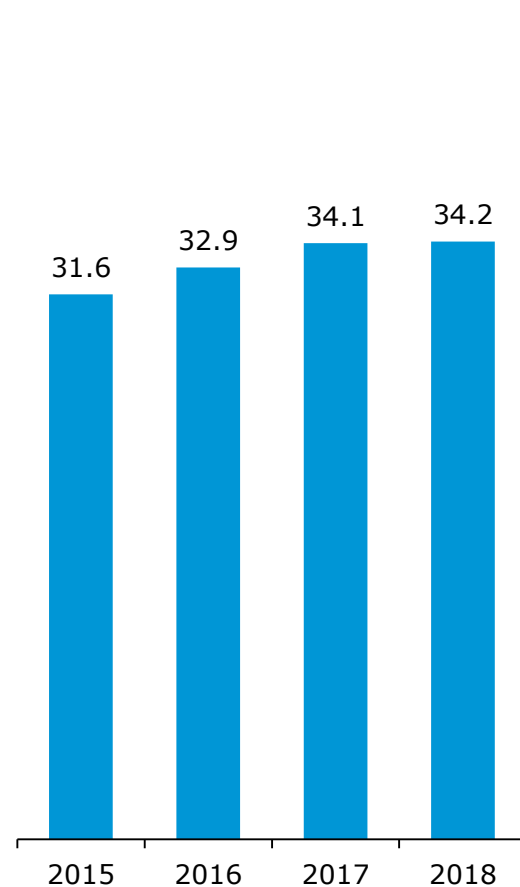
Net Profit

USDmn



Consolidated Assets

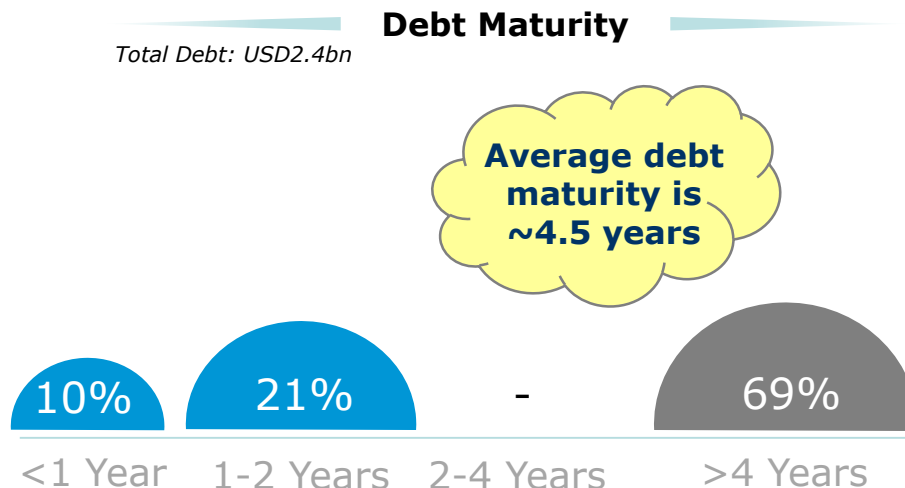
USDbn



*In the consolidated financials of FY 2018, certain items of balance-sheet for the year ended 31 December 2017 have been restated in accordance with IAS 8: 'Accounting policies, changes in accounting estimates and errors' to account for a decrease in the Group's 'investment in a media joint venture. Refer Note 2.1 of the consolidated financial statement for the year ended 31 December 2018 for details

¹Basic Earning per share (reported)

KIPCO parent debt profile: As at 31 December 2018



- Cash & bank balance of USD1,174mn
 - The current cash balance covers all debt obligations due till 2022 (5.0x coverage for 2019)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

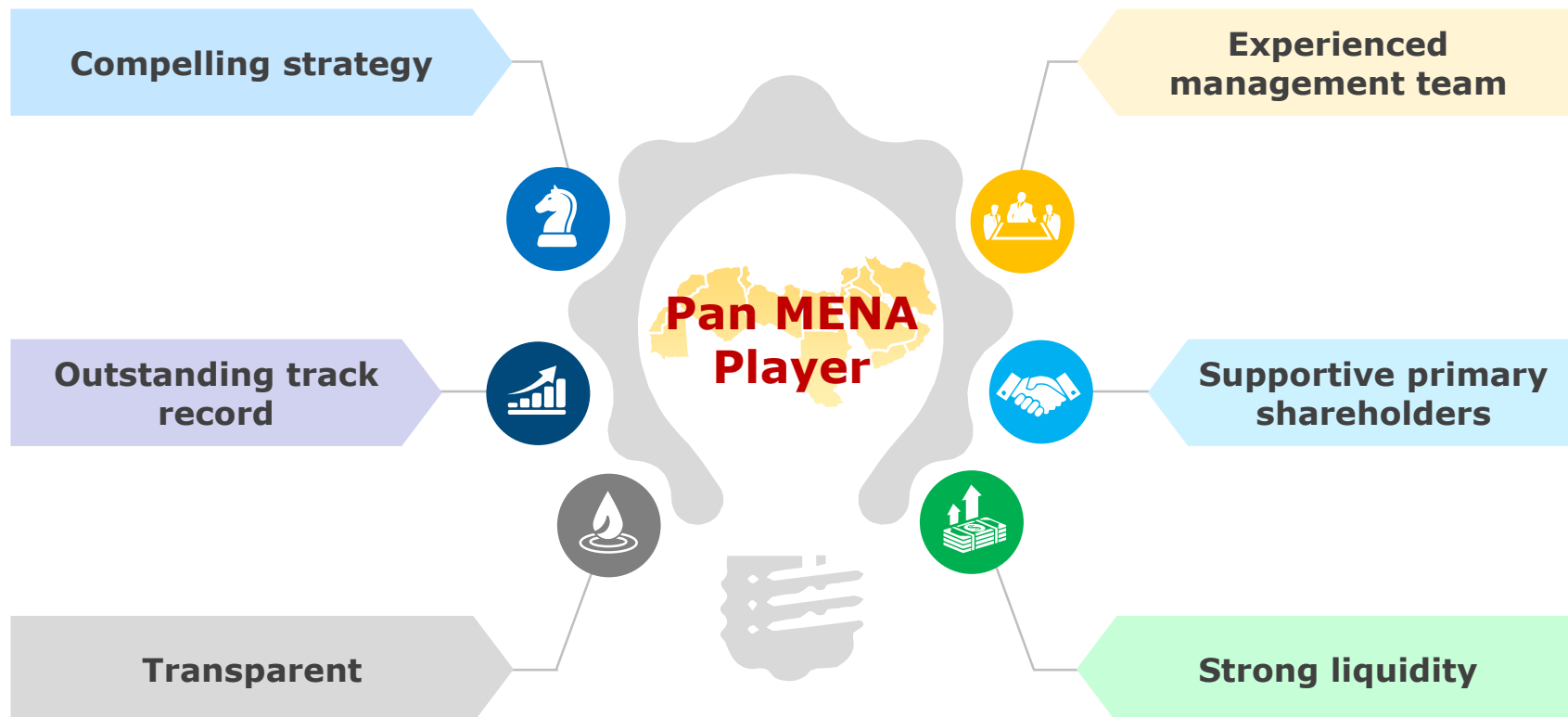
In November 2018, KIPCO has issued a KD100mn (USD329mn) 5-year Kuwaiti Dinar Bond 1.35x Oversubscribed

Proceeds utilized to repay USD233mn EMTN due in February 2019



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 USD24.1bn as of 31 December 2018)
- Offers a wide range of corporate, retail & treasury products through a network of 167 branches¹
- Listed on the Boursa Kuwait with a market cap of USD2,789mn as on 18 April 2019
- BBB+ rating from S&P, A3 from Moody's and A+ from Fitch Ratings. All with stable outlook
- KIPCO group holds 63.2% stake, while KIPCO directly holds 41.3% stake (as on 31 December 2018)
- First ISO certified bank in GCC to achieve certification for all its banking operations



Key highlights of 2018 results:

- ▶ Net profit margin improved from 27.2% in 2017 to 31.1% in 2018
- ▶ NIM improved from 2.4% in 2017 to 2.6% in 2018
- ▶ NPA ratio in 2018 is maintained at 2.3%
- ▶ Basel III CAR of 17.4% as on 31 December 2018

A regional player with presence in growth markets

¹Represents figure as on 31 December 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 Boursa Kuwait with a market cap of USD377mn as of 18 April 2019
- A- rating (GIRI) and A- rating (GIG) from S&P; A3 rating (GIG) from Moody's; A rating from AM Best
- KIPCO group holds 45.4% stake, while KIPCO directly holds 40.5% stake (as on 31 December 2018)



Recent Highlights

Key highlights of FY 2018 results:

- ▶ NPW grew by 12% to reach USD498mn in FY2018 vs. USD444mn in FY2017
- ▶ Net profit increased by 18% to USD39mn in FY2018 vs. USD33mn in FY2017
- ▶ Composition of GPW
 - Line of business: 54% Life & Medical; 46% Non-Life (3% Marine & Aviation, 11% Property, 15% Motor, 10% Engineering and 7% General)

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

United Gulf Holding Company (UGH): 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 USD1,357mn as of 18 April 2019
- Credit rating of BBB (UGB) from Capital Intelligence
- KIPCO group holds 93.0% stake, while KIPCO directly holds 48.3% stake (as on 31 December 2018)



Recent Highlights

Key highlights of FY 2018 results:

- ▶ 33% increase in revenue to reach USD208mn
- ▶ Fees and commission income increased by 91% to reach USD72mn
- ▶ CAR for UGB is 15.5% at end of 2018

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 Boursa Kuwait with a market cap of USD212mn as of 18 April 2019
- Major real estate player in Kuwait, ranked second in real estate sector on KSE (total assets basis)
- KIPCO group holds 72.5% stake, while KIPCO directly holds 53.8% stake (as on 31 December 2018)



Key highlights of FY 2018 results:

- ▶ 9% growth in total revenue in FY 2018 to reach USD333mn
- ▶ Hospitality and real estate income grew by 18% to reach USD328mn in FY 2018
- ▶ Over the next few years, targets to develop projects in Morocco

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 (19%)
- KIPCO group holds 77.8% consolidated stake, while KIPCO directly holds 53.4% (as on 31 December 2018)



Key highlights of FY 2018 results:

- ▶ Revenue increased by 0.3% to USD39.4mn from USD39.3mn in 2018 due to higher interest income (by KD0.3mn)
- ▶ Income from associates decreased 3% to reach USD37mn in 2018 over 2017
- ▶ Total assets increased by 5% to reach USD851mn year on year in 2018

Aims to invest in specialized activities in the Industrial sector

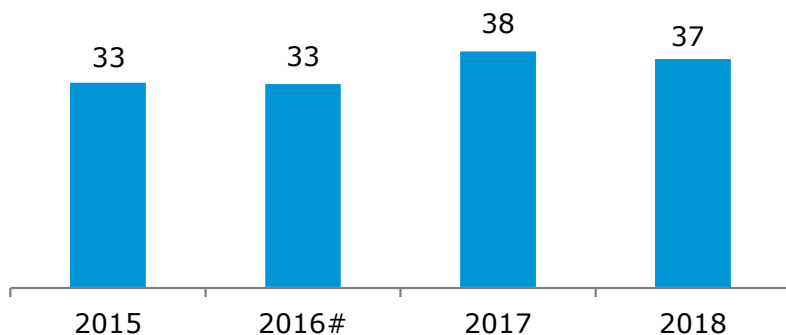
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

United Industries Company: Financial performance

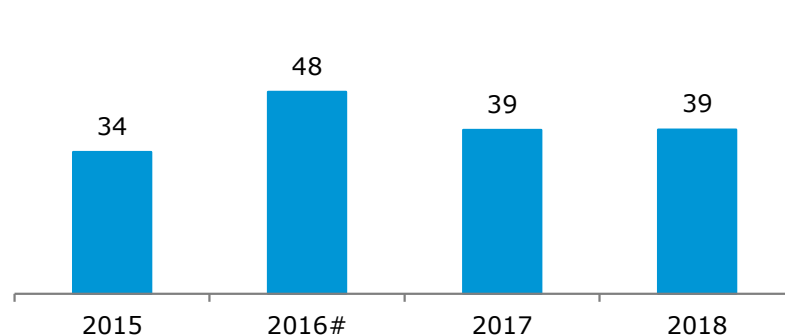
Income from Associates

USDmn



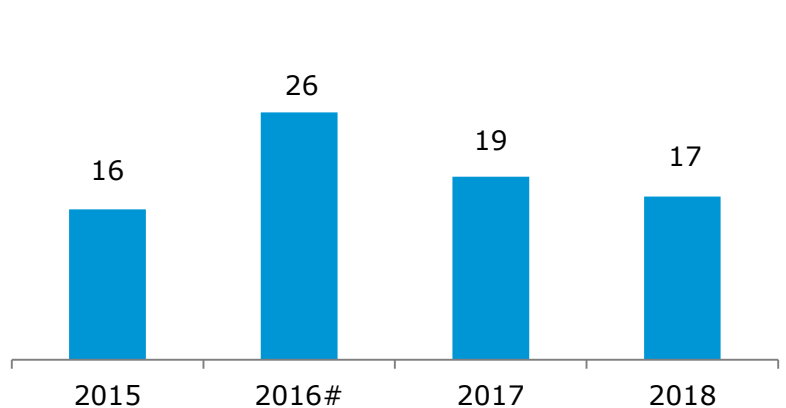
Total Revenue

USDmn



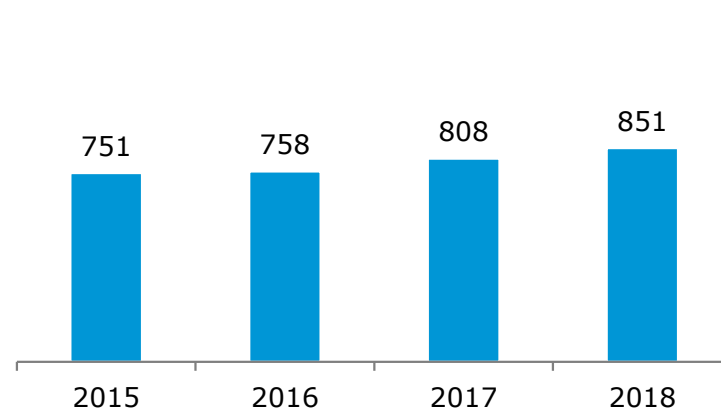
Net Profit

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 Boursa Kuwait, with a market cap of USD1,313mn as of 18 April 2019
- KIPCO group through UIC holds 31% stake as on 31 December 2018



Key highlights of 9M 2018/19 results, over 9M 2017/18 results:

- ▶ Total revenue increased by 7% to reach USD476mn in 9M 2018/19
- ▶ Total assets increased by 7% to reach USD2.2bn in 9M 2018/19
- ▶ Net profit declined by 3% to reach USD51mn in 9M 2018/19 vs. USD53mn in 9M 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

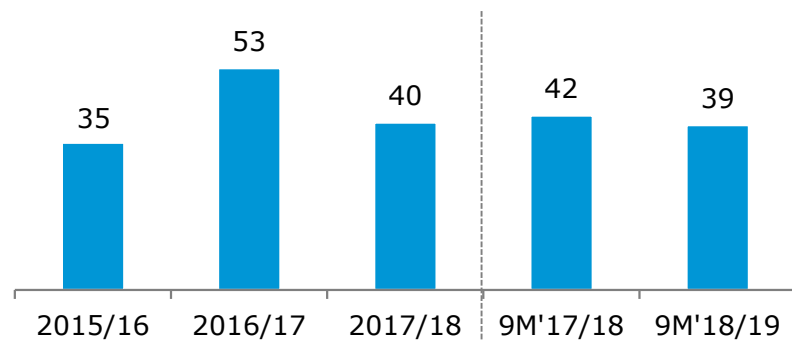
KARO = The Kuwait Aromatics Company,

TKSC = The Kuwait Styrene Company

QPIC: Financial performance

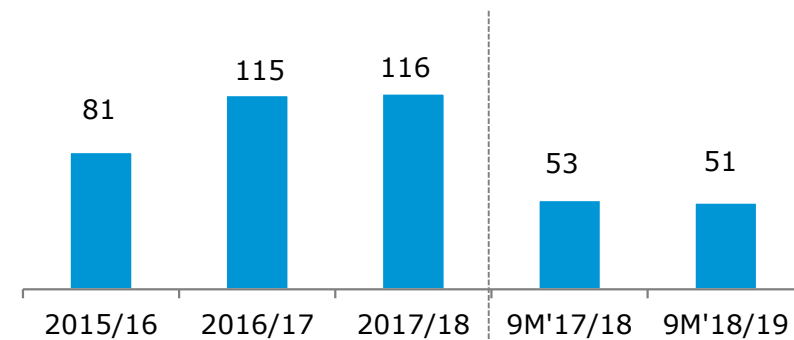
Share of Income from Associates

USDmn



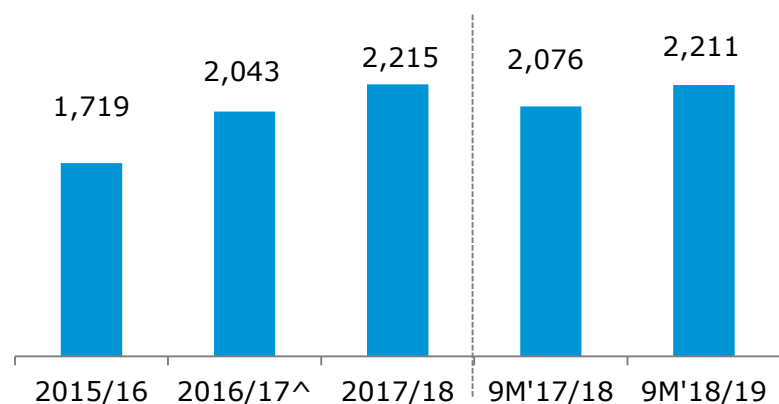
Net Profit

USDmn



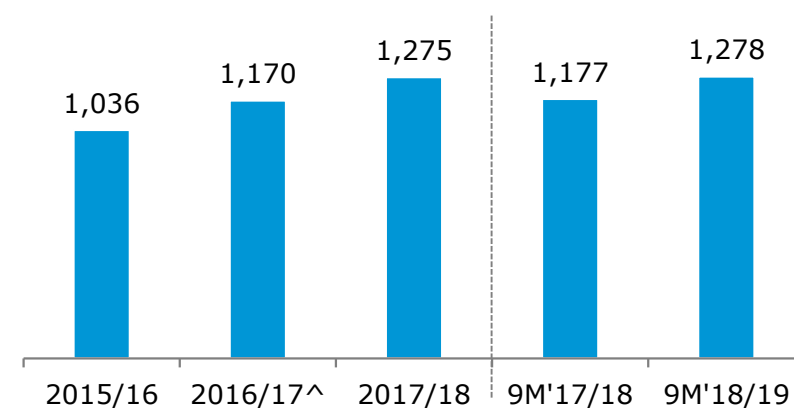
Total Assets

USDmn



Total Shareholder's Equity

USDmn



^ Restated in the 2017-18 financial statements

Note: Exchange rate of USD/KD = 0.3033 as of 31 December 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 USD3.8bn as of 31 December 2018)
- Offers a wide range of corporate, retail & treasury products through a network of 68 branches*
- Listed on the Amman stock exchange with a market cap of USD416mn as of 18 April 2019
- KIPCO group holds 51.2% stake (as on 31 December 2018)



Key highlights of FY 2018 results:

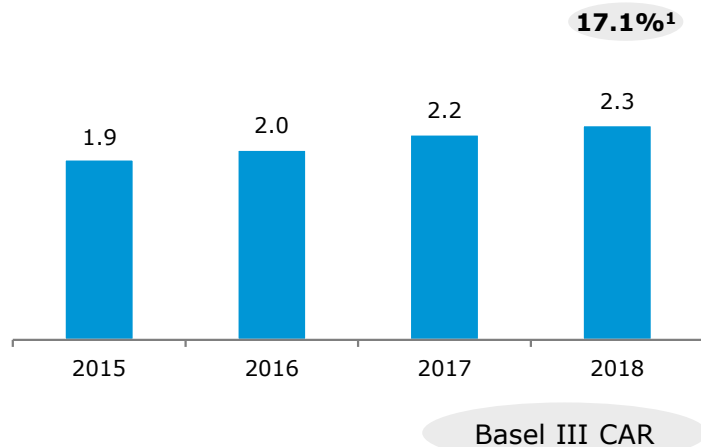
- ▶ Net profit increased by 56.3% to USD59mn from USD38mn in FY 2017
- ▶ Loans and advances increased by 4.5% to USD2.3bn from USD2.2bn in FY 2017
- ▶ Basel III CAR ratio of 17.1% as of 31 December 2018

* As of 31 December 2017

Jordan Kuwait Bank

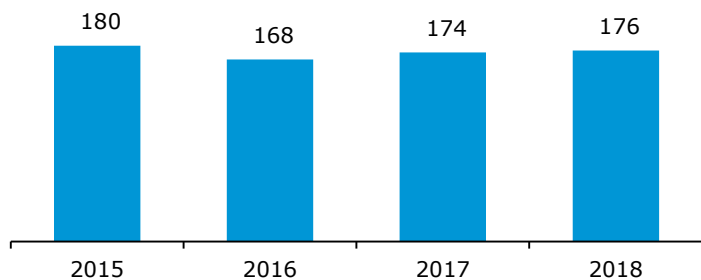
Loan Growth

USDbn



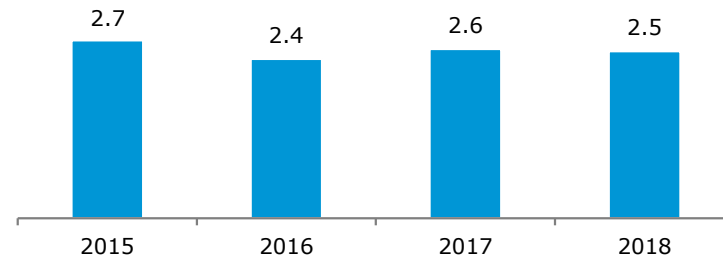
Operating Income

USDmn



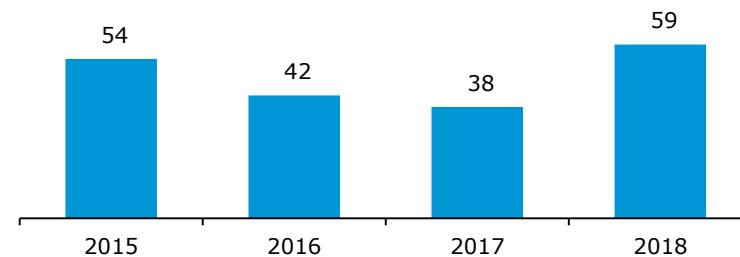
Deposit Growth

USDbn



Net Profit

USDmn



Notes: Exchange rate of USD/JOD of 0.7090 as of 31 December 2018 has been used for conversion

¹ As of 31 December 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)



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



Pinak Maitra | Group CFO

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



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



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



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



Mazen Hawwa | Group SVP - Finance & Operations

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



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



Adel Al Waqayan | Treasurer

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



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



Eman Al Awadhi | Group Communications Director

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



Robert Drolet | Consultant

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

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



Annexure 3: Key Companies

KIPCO group companies



**Masaud Mahmoud
Haji Jawhar Hayat**
Group 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 Boursa Kuwait.

www.burgan.com



Tareq .Al Sahhaf
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 Boursa Kuwait.

www.gulfins.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 Boursa Kuwait.

www.kamconline.com



Hussain A. Lalani
CEO
UGH



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

www.ughbh.com



Patrick Tillieux
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 Boursa Kuwait.

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 Boursa Kuwait.

www.khc.com.kw



Narendra Baliga
CEO
PKC Advisory



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

www.pkcadvisory.com

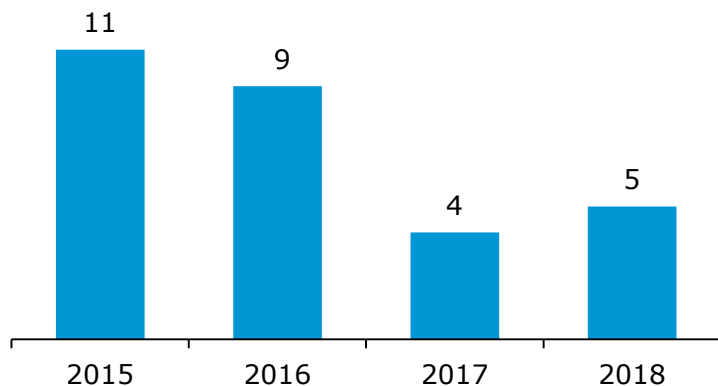


Annexure 4: Per Share Return

KIPCO: Per share return

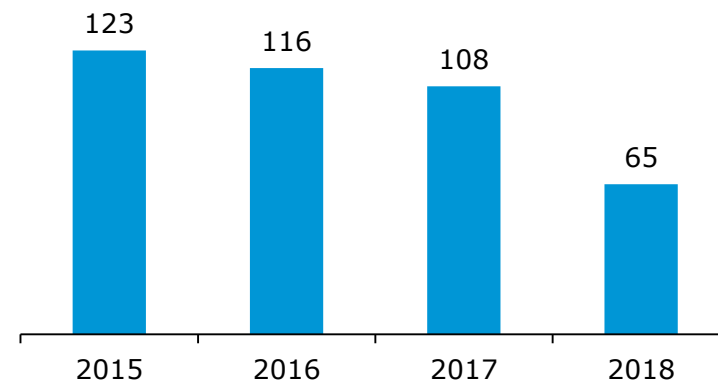
EPS¹

Cents per share



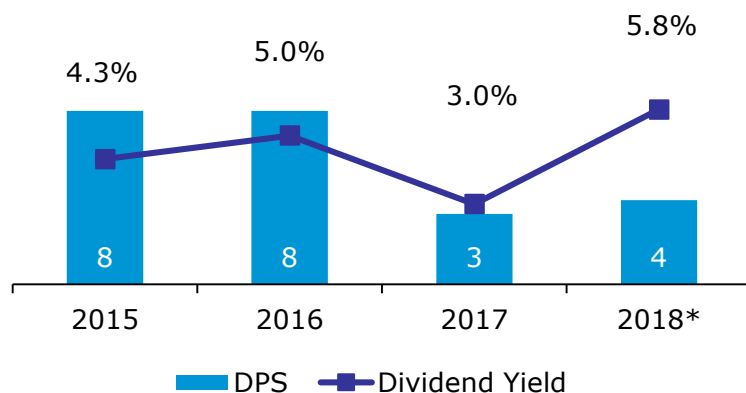
Book Value

Cents per share

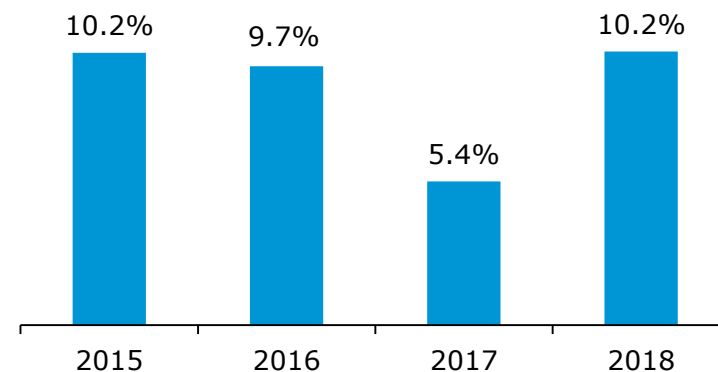


DPS

Cents per share



ROE



¹ Basic earnings per share (reported)

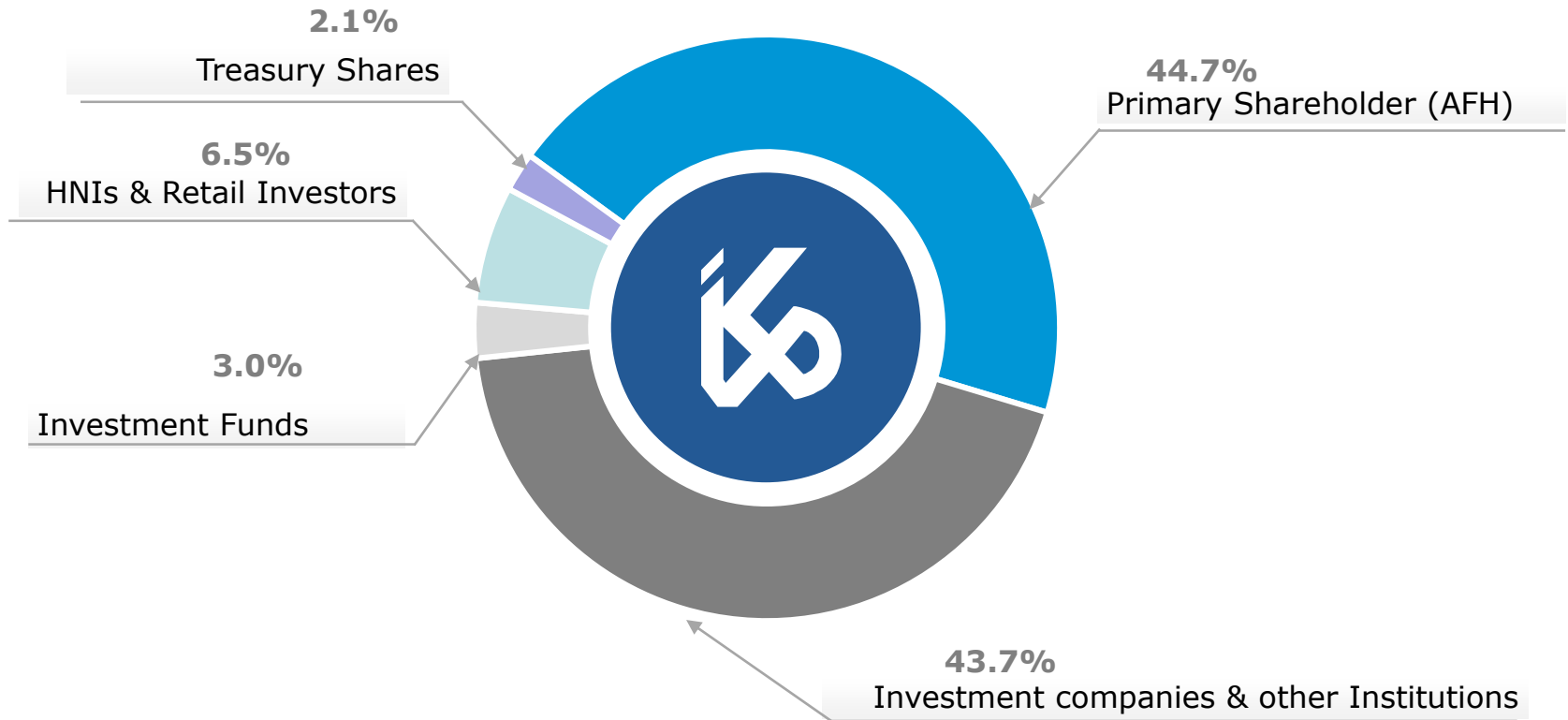
* Proposed dividend



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 31 December 2018: 1,547.3mn

KIPCO group: Market data

Entity	P/B		P/E		Market Cap (USDmn)
	2018	Current ¹	2018	Current ¹	Current ³
 كيبكو KIPCO شركة مشاريع الكويت (للمصارف) Kuwait Projects Company (Holding)	1.1 ²	1.1 ²	13.9	15.1	1,131
 بنك بروقتان BURGAN BANK	1.0	1.2	8.4	10.8	2,789
 شركة الخليج المتحد القابضة United Gulf Holding Company S.S.C.	3.7 ²	3.7 ²	NM	NM	1,357
 gig مجموعة الجيج	1.5	1.3	9.4	10.1	377
 شركة العقارات المتحدة United Real Estate Co	0.4	0.4	NM	NM	212

Notes:

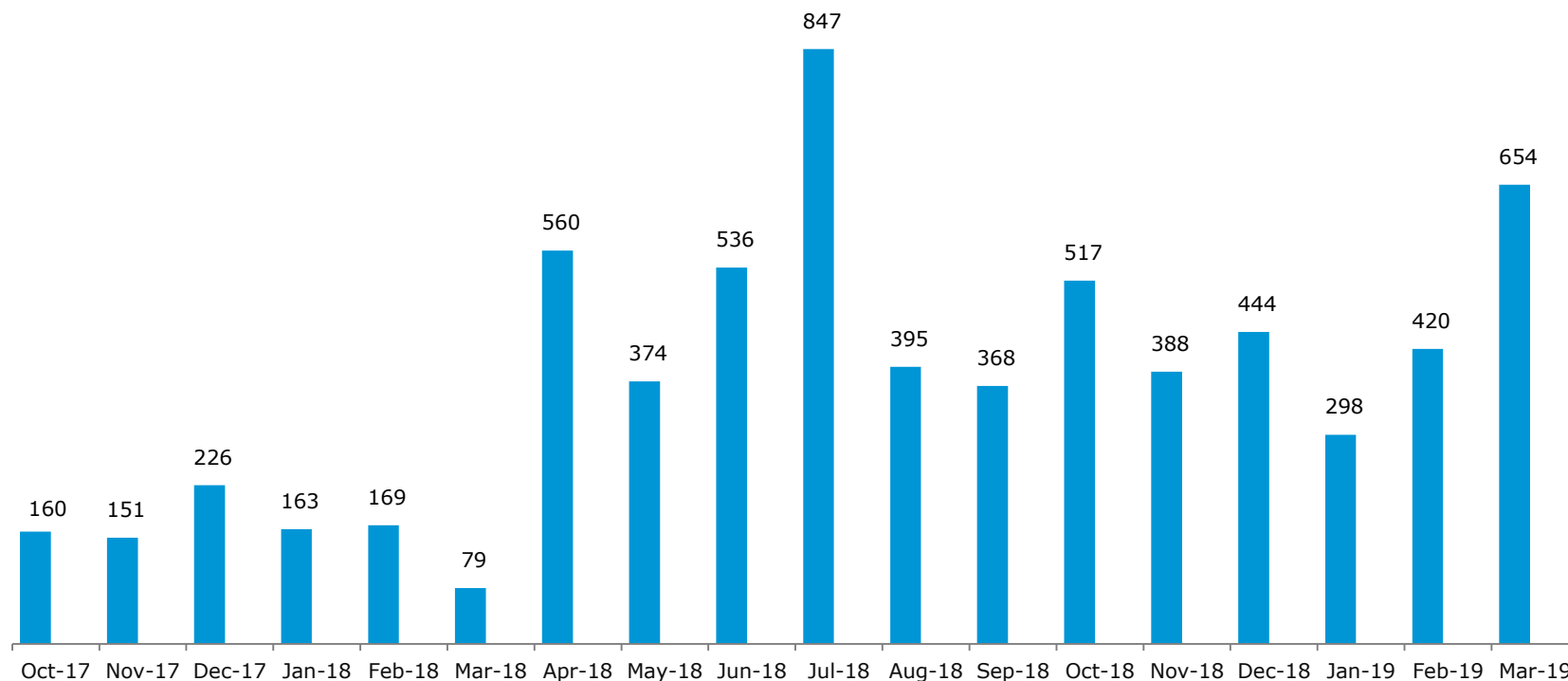
¹ P/B and P/E as of 18 April 2019 (Source: KAMCO Research)

² P/B has been calculated based on 2018 book value per share and price at end of respective periods

³ Market cap as of 18 April 2019 converted at 0.3040 (Source: Bloomberg for market price)

KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)



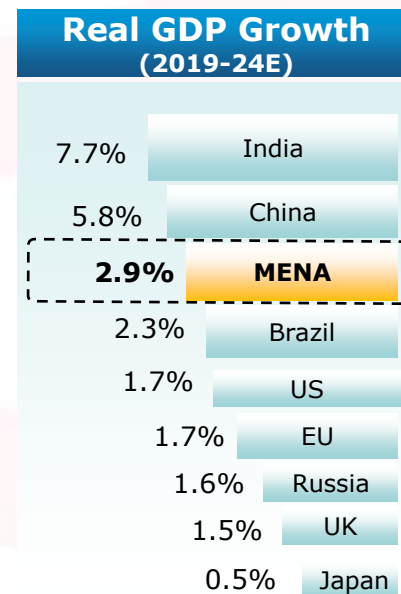
KIPCO's stock has maintained an average daily traded value of USD0.4mn in the last 12 months

Source: Bloomberg; exchange rate used across the periods is as of 31 March, 2019 (USD/KD = 0.3042)



Annexure 6: About the region

MENA region: Poised for strong economic growth

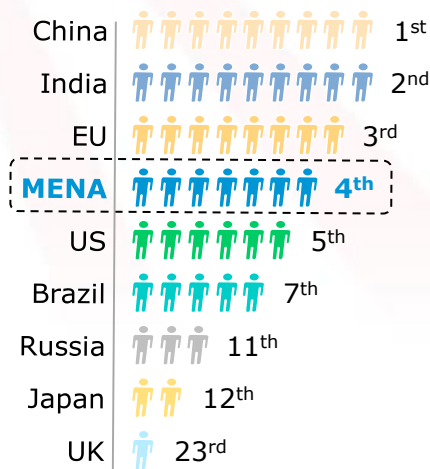


MENA region is characterized by favourable demography and business climate

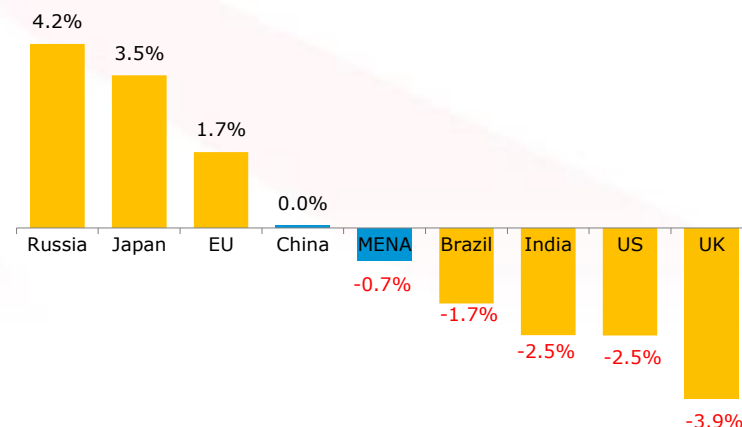
Currently low level of competition and under penetration

Small but consistently growing non-oil economy

Population 2019E



Current Account Balance as a % of GDP (2019-24E)



Source: IMF-WEO Database, April 2019

GCC region: Well positioned to deliver growth

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

31% of world's proven **oil reserves**,

along with robust and growing non-oil sector activity ...

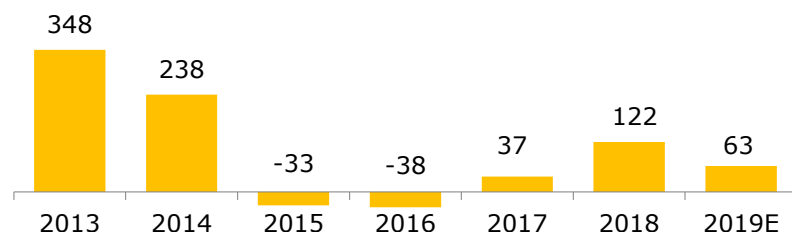
....All contribute to

STRONG GROWTH

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

Current Account Surplus

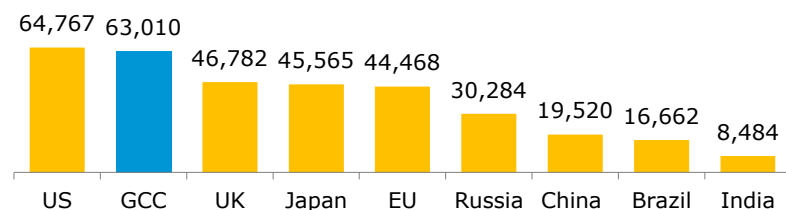
(In USDbn)



"Accumulated current account surplus of over USD0.7tn from 2013 to 2019"

GDP / Capita, PPP (2019E)

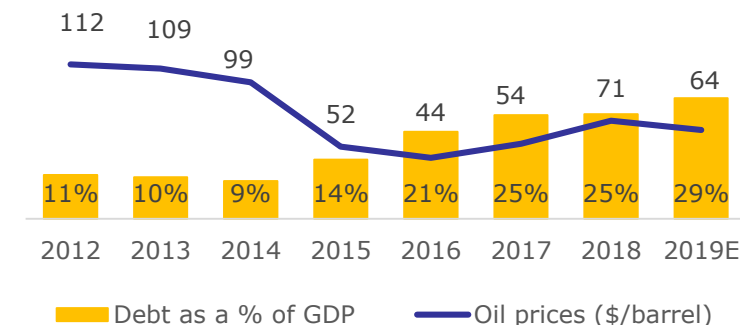
(In USD)



Source: IMF-WEO Database, April 2019, CIA

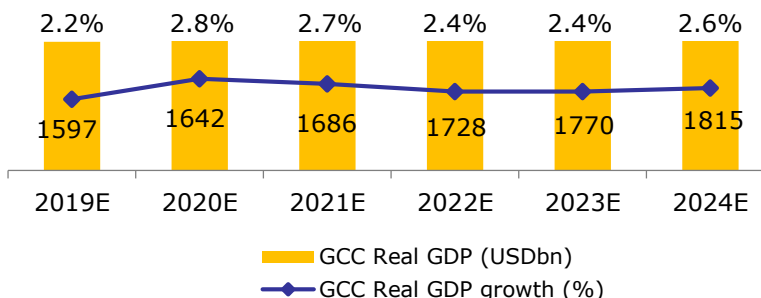
Kuwait Projects Company (Holding)

Government debt as a % of GDP



Real GDP & GDP Growth (2019-24E)

(In USDbn)



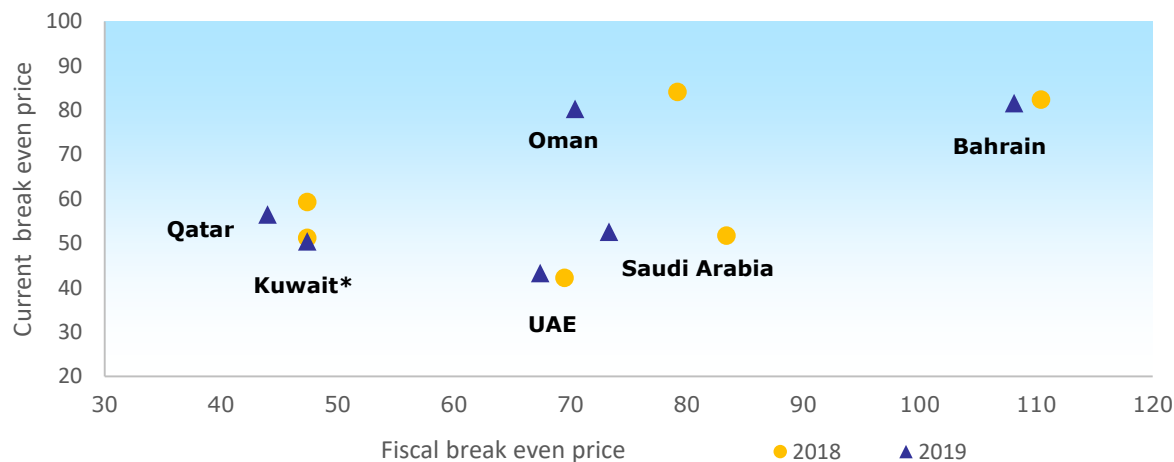
Kuwait: Protected against oil price decline

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
- ▶ Net general government assets at 400% of GDP as of end-2018, which is the highest ratio of all the rated sovereigns
- ▶ Oil output to rise from 2.7mn barrels / day currently to over 4.0mn barrels/day over the medium term
- ▶ Kuwait has the second lowest fiscal breakeven oil price in the GCC region

Source: S&P Rating on Kuwait, July 2018 and January 2019

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



*Kuwait's fiscal break-even oil price is ~USD47/BBL

Source: REO Database, IMF, April 2019

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 (2019)

2019 Macro-economic KPI's	Kuwait	Qatar	UAE	KSA	Bahrain	Oman	GCC
Population (mn)	4.7	2.8	10.7	33.9	1.5	4.4	58.0
Nominal GDP (USDbn)	136.9	193.5	427.9	762.3	39.0	79.5	1,639.0
Fiscal balance (% GDP)	12.0	10.5	1.3	(1.7)	(8.2)	0.8	1.7
Gross official reserves (USDbn)	38.9	24.7	122.4	558.2	2.0	17.6	763.8
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)	432.3	165.4	274.1	114.9	27.2	30.2	182.7

Source: WEO & REO Database, IMF, April 2019 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 2018, As Per CIA

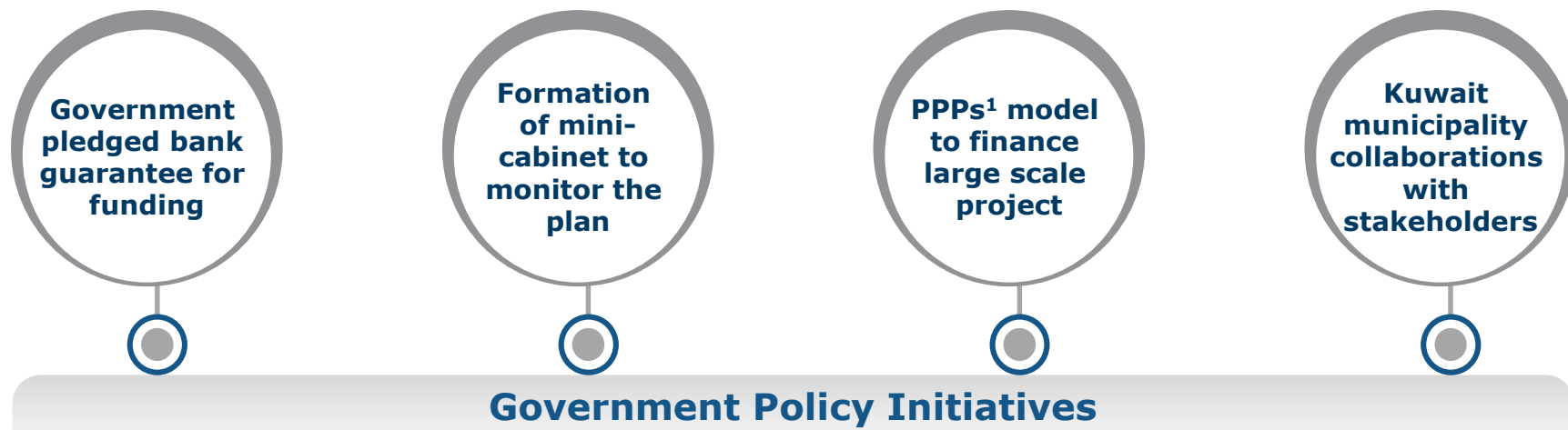
Kuwait development plan overview

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 97%. Full operation expected to be completed by Nov 2019. Cost: **USD14.5bn**

New Refinery Project (NRP)

- New 615,000 bpd refinery by KNPC
- Underway: The project has progressed by 83%. Overall project expected to be completed by 2020. 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 19%. Completion date for various phases are between Sep-2019 to Dec-2020 Cost: **USD5.3bn**

Kuwait Airport Expansion

- To increase the annual handling capacity of the airport to 20mn passengers
- Underway: The project has progressed by 58%. 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 97% and expected to be inaugurated in Q2 2019. 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: Construction is ongoing with 57% progress. 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: Contracts awarded by Kuwait Oil Company. Cost: ~**USD11.8bn**

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 process underway. Cost: **USD3.0bn**

Al-Khairan Power & Desalination Plant (IWPP)

- Net capacity of a min 1,500MW of power & a min 125 MIGD of desalinated water
- Bidding: Project will progress after the awarding of Al-Zour North P2&3. Cost: **USD1.7bn**

Al-Dibdibah Solar PP

- Capacity to produce 1GW solar project
- Bidding: Bids submission extended to April 2019. Cost: **USD1.6bn**

Khairan City

- 140mn m2 residential city, incl 10,000 houses, 22,000 apts, other facilities
- Planning: Study phase. Cost: **USD13.8bn**

Kuwait National Railroad (PPP)

- Railroad system (575 Km) linking Kuwait to GCC
- Planning: The project is currently in the feasibility study phase. Cost: **USD7.9bn**

Petrochemical Facility at Al-Zour

- Petrochemical plant to be integrated with Al-Zour refinery
- Planning: Bidding is expected in Q1 2020. Project to be completed by Q3 2023. Cost: **USD6.6bn**

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**

Other projects

- **Underway:** Umm Al Hayman Waste Water (PPP). Cost: **USD1.5bn**
- **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: **USD1.6bn**

	USDbn	
Project Stage	2018	2015
Underway	58.9	20.1
Awarded	11.8	22.5
Bidding	7.0	1.3
Planning	36.2	28.8
Total	113.9 [^]	72.7

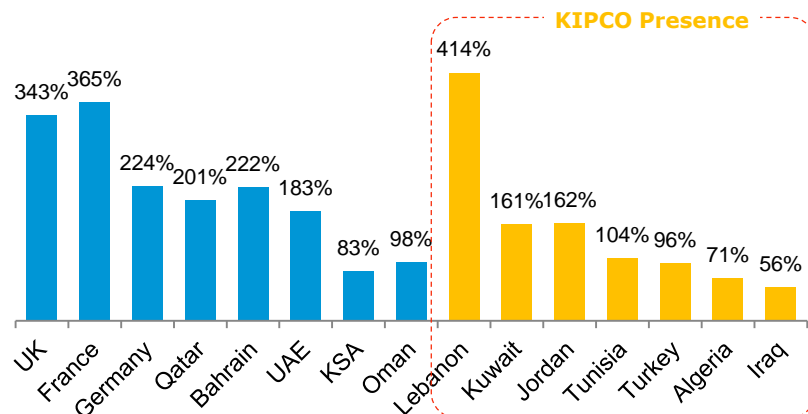
Source: NBK report dated March 2019; ¹FEED= Front End Engineering Design; *MEED (Dec 2018); [^]Excludes other small projects of USD0.2bn



Annexure 7: Market opportunity

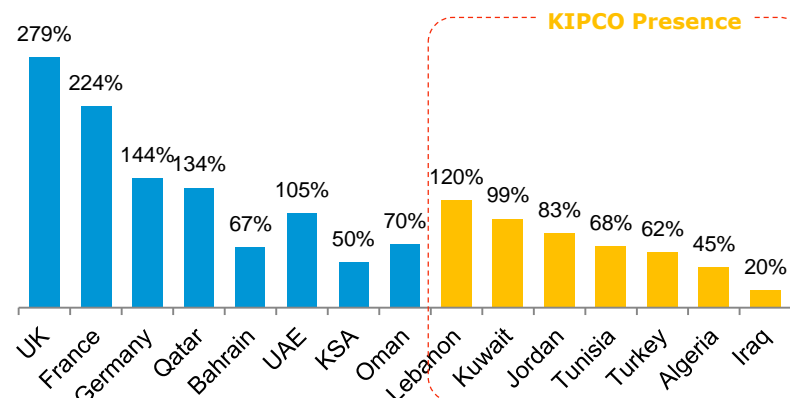
Banking sector opportunity

Banking Penetration: Assets/GDP












Source: Central Banks & IMF, World Economic Outlook Database

Banking Penetration: Loan/GDP



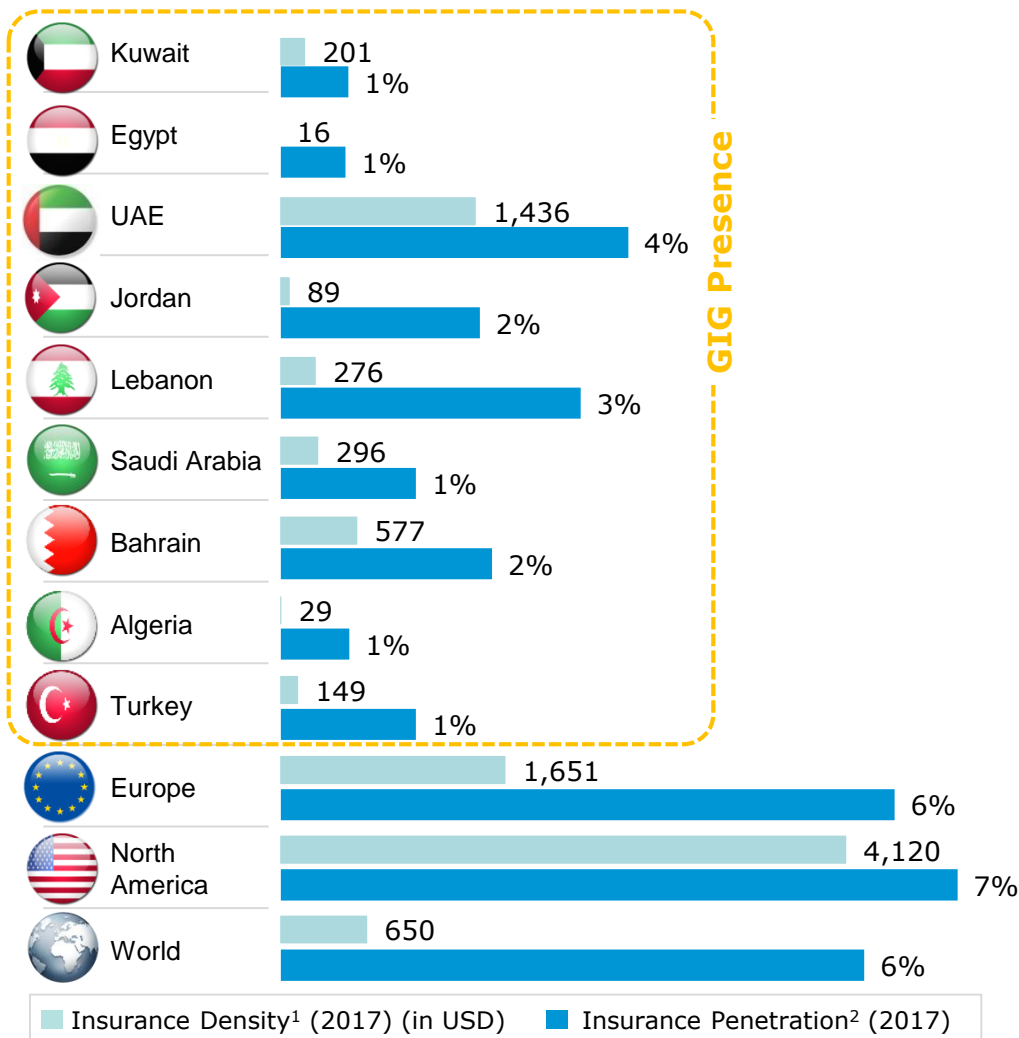
Countries

Countries								
			Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq
	Population	Size (mn) (2019E)	5	10	12	83	43	39
		CAGR (19E-24E)	2.8%	0.9%	0.9%	1.2%	1.7%	2.6%
	Per Capita income	USD (2019E)	29,129	4,395	3,073	8,507	4,230	5,759
	Real GDP Growth Rate	CAGR (19E-24E)	2.8%	2.8%	3.8%	3.1%	1.0%	3.2%

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

Source: IMF-WEO Database, April 2019

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