

كيبكو
KIPCO

شركة مشاريع الكويت (القابضة)
Kuwait Projects Company (Holding)



Investor Presentation : H1 2018



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Note: : Exchange rate of USD/KD of 0.3028 has been used in the presentation for financial numbers

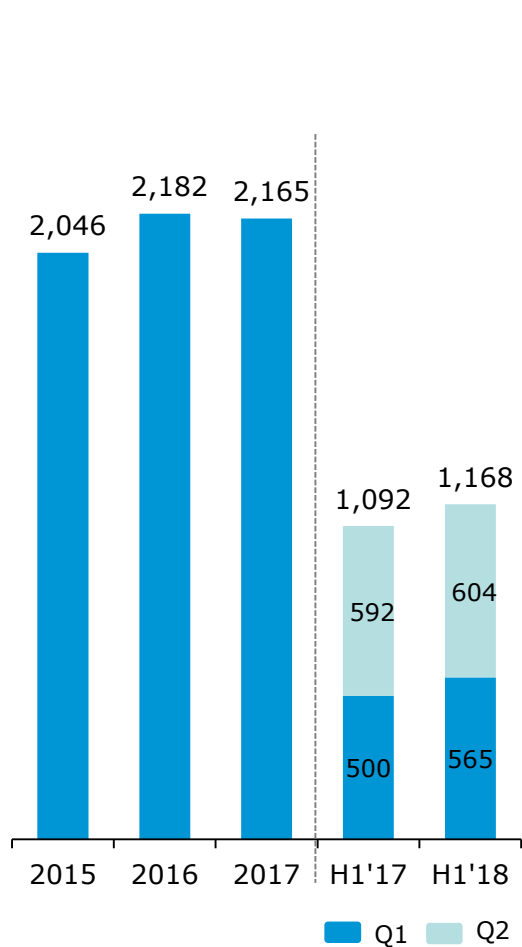


Performance Update

KIPCO consolidated: Financial performance

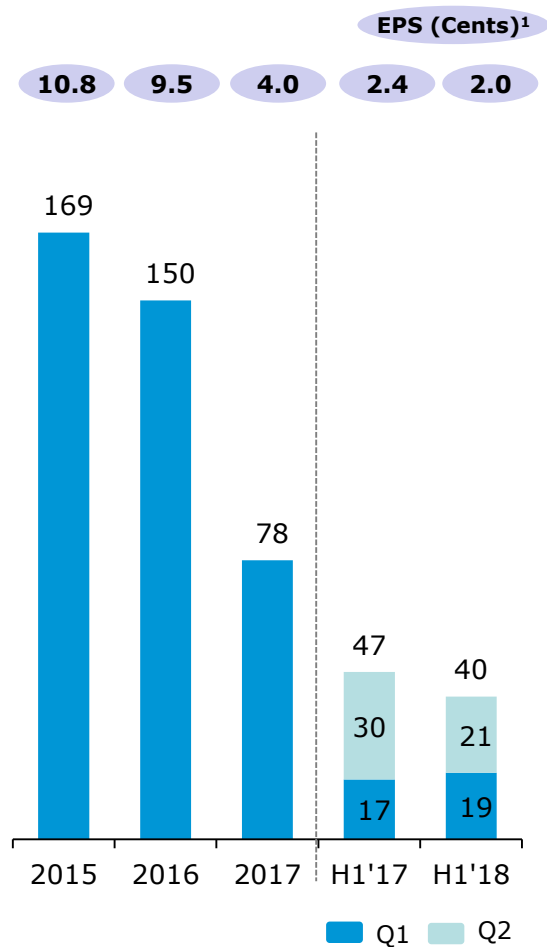
Revenue

USDmn



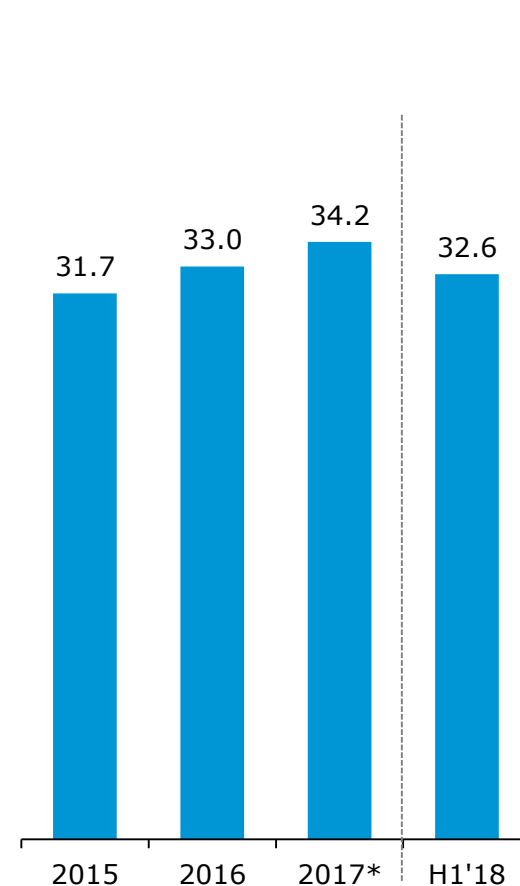
Net Profit

USDmn



Consolidated Assets

USDbn



*Restated

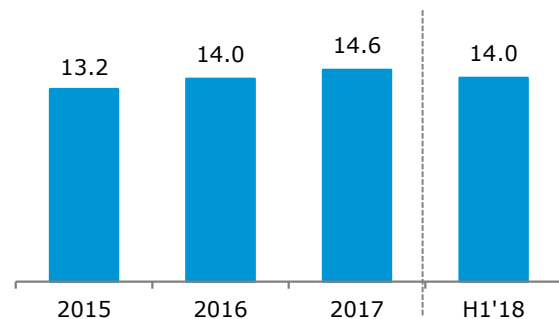
Note: : Exchange rate of USD/KD of 0.3028 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)

Burgan Bank Group (BBG)

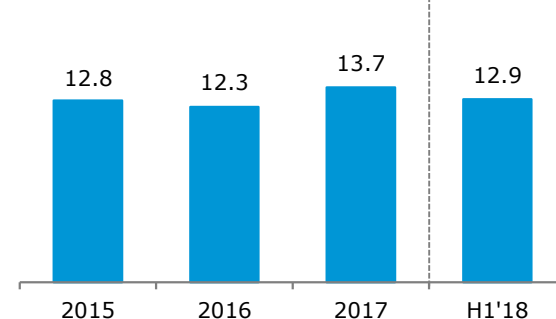
Loans

USDbn



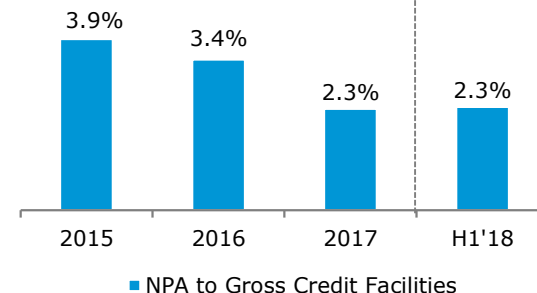
Deposits

USDbn



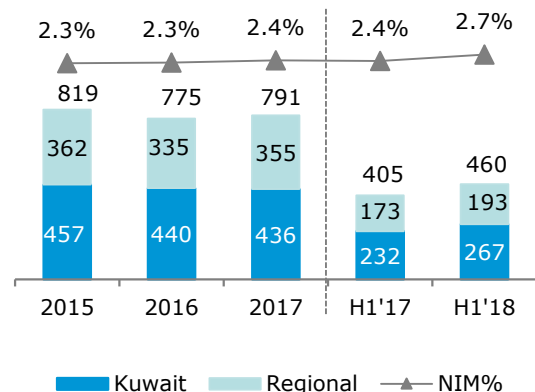
Asset Quality

NPA coverage with collateral		NPA coverage without collateral	
184%	194%	233%	248%
120%	124%	159%	173%



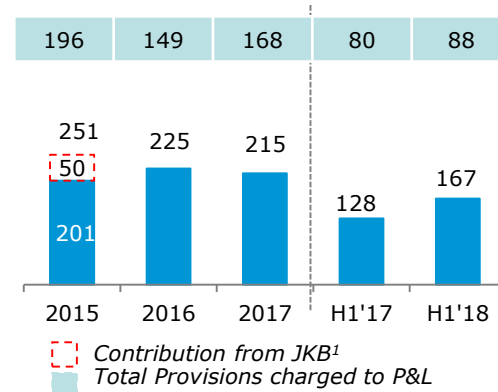
Operating Income

USDmn



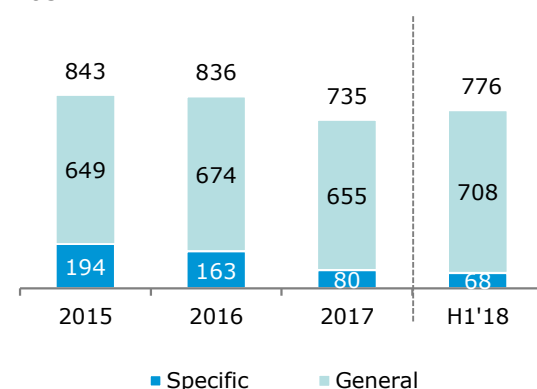
Net Profit & Provision

USDmn



Total Provision

USDmn



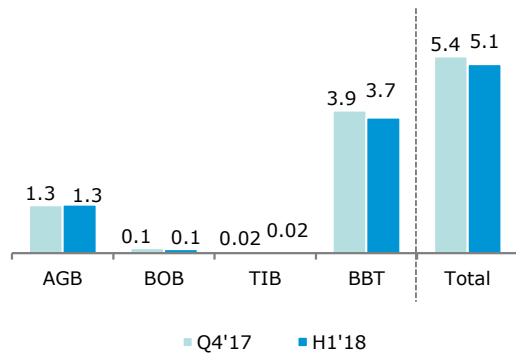
Strong performance reflecting operational capabilities with strict focus on asset quality; Basel III CAR at 16.6%

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

BBG: Regional operations

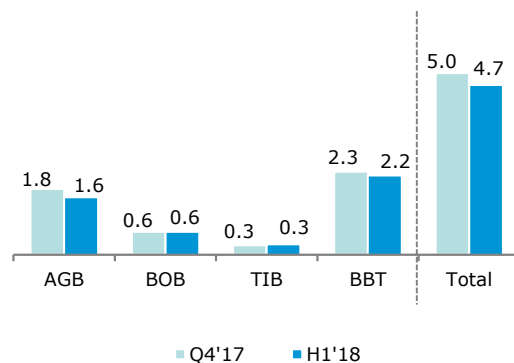
Loans

USDbn



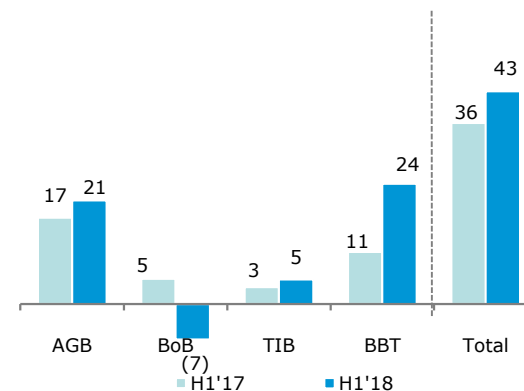
Deposits

USDbn



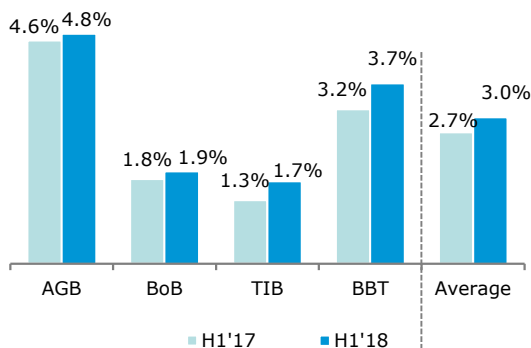
Net Profit¹

USDmn



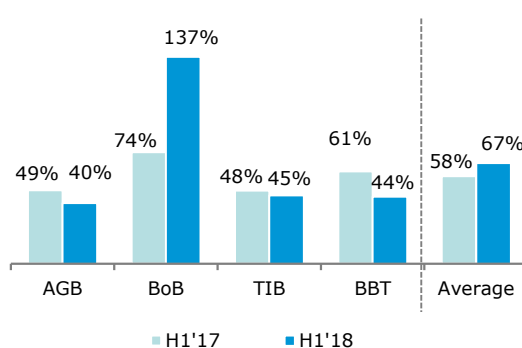
Net Interest Margin

Percentage



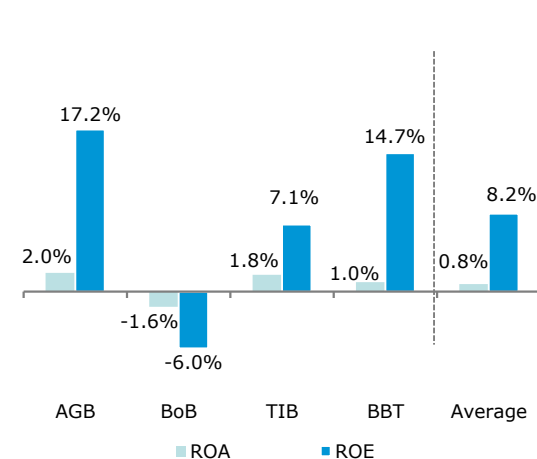
Cost to Income

Percentage



Return on Assets & Equity²

Percentage



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

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

AGB = Gulf Bank Algeria

BOB = Bank of Baghdad

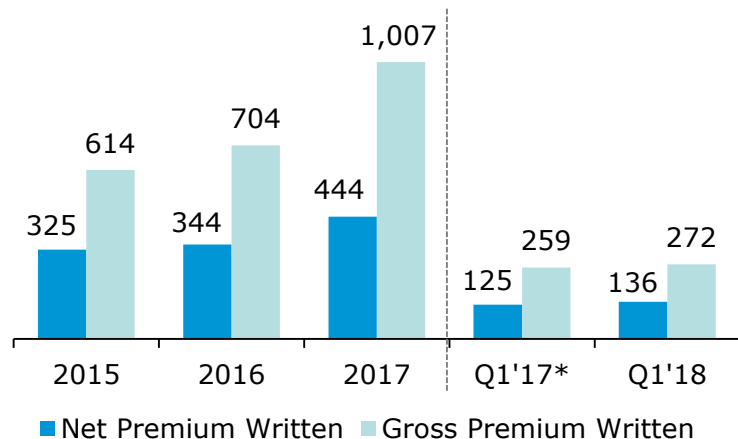
TIB = Tunis International Bank

BBT = Burgan Bank Turkey

Gulf Insurance Group (GIG)

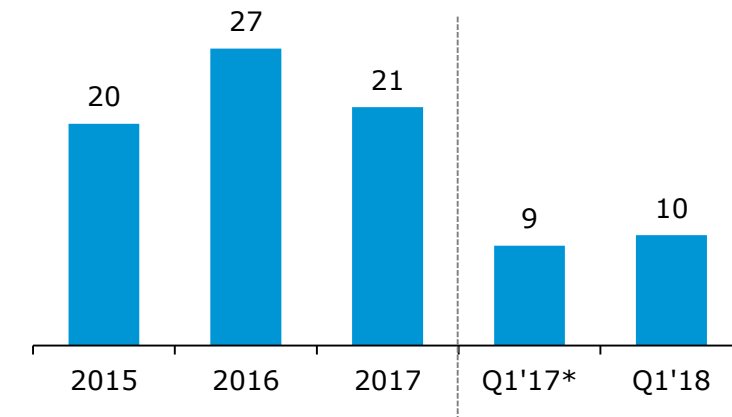
Gross & Net Premium Written

USDmn

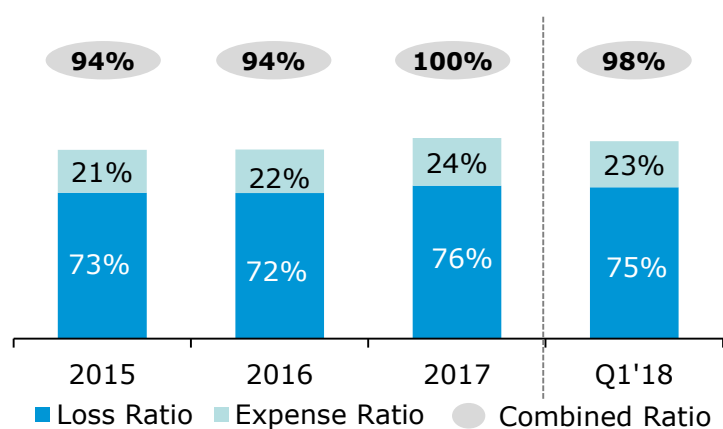


Net Investment Income

USDmn

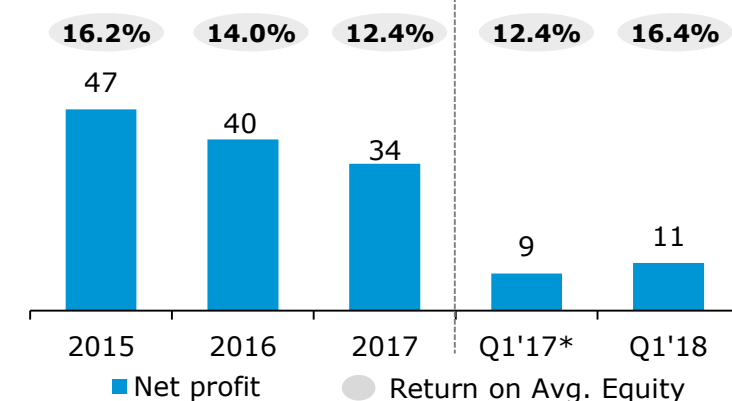


Combined Ratio¹



Net Profit & ROE

USDmn

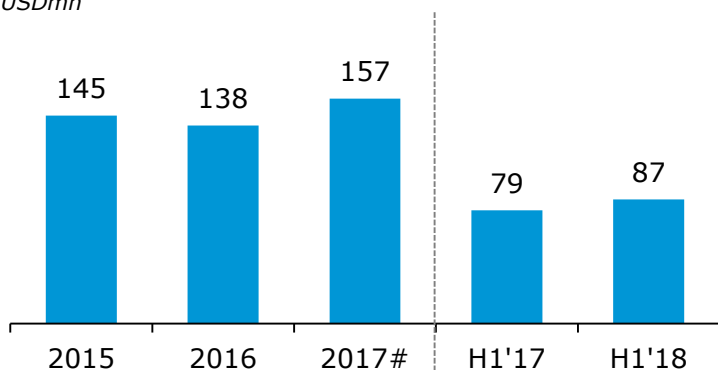


*Restated

United Gulf Holding Company (UGHC)*

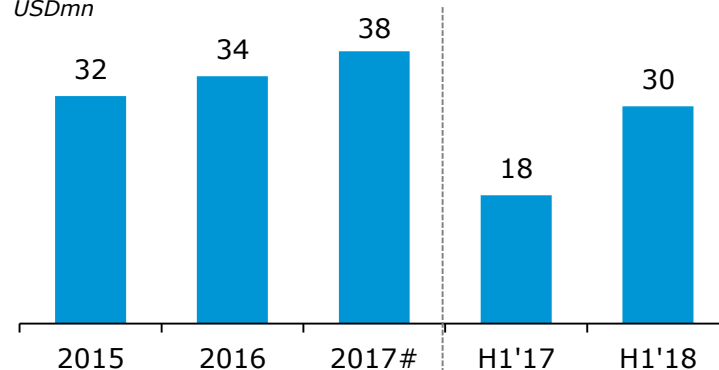
Revenue

USDmn



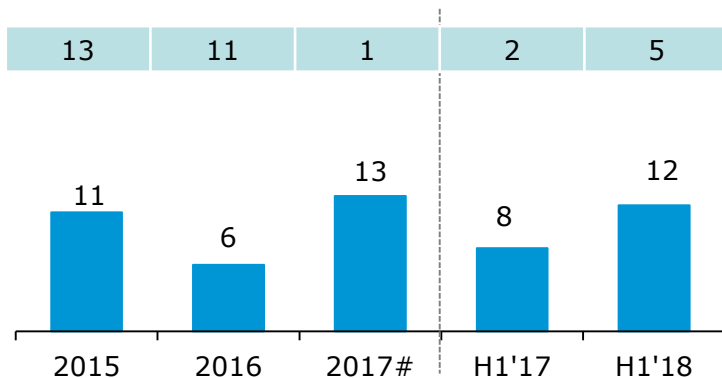
Fee & Commission Income

USDmn



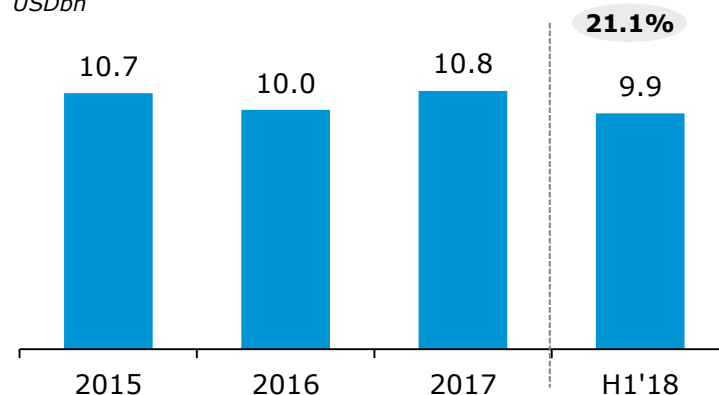
Net Profit & Provisions

USDmn



AuM & Capitalisation

USDbn



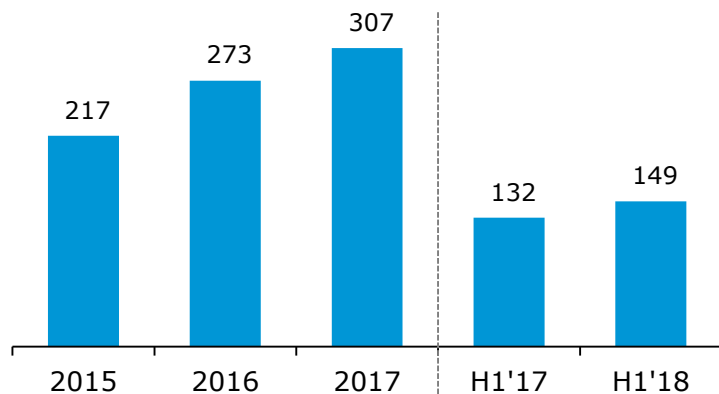
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGHC) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

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

United Real Estate Company (URC)

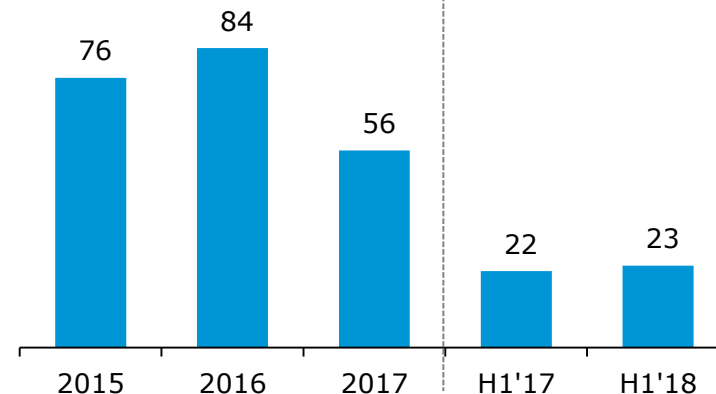
Total Revenue¹

USDmn



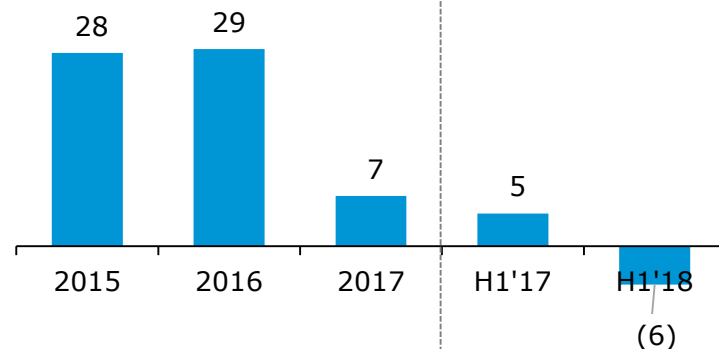
Operating Profit²

USDmn



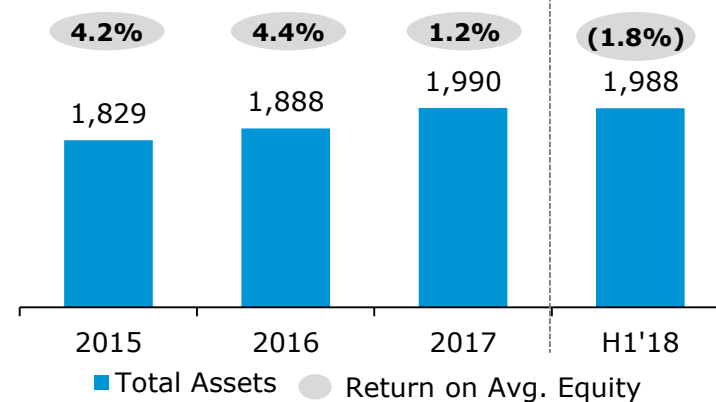
Net Profit

USDmn



Total Assets & ROE

USDmn



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

OSN

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

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

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

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

Premium content offerings with over 180 channels incl. 66 HD channels, and 34 owned and operated. 39 South Asian channels, 16 Filipino channels

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

Low Pay TV penetration in MENA region indicates huge market potential

	Population (Mn)	Pay TV (Mn; Est.)	TV Households (Mn)	TV Households / Households (%)	Pay TV / TV Households (%)
MENA Region¹	355	7	69	96%	~10%
Latin America	619	32	56	NA	57%
UK	66	15	27	97%	54%
India	1,334	148	183	62%	82%
US	328	102	118	94%	86%

Notes:

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

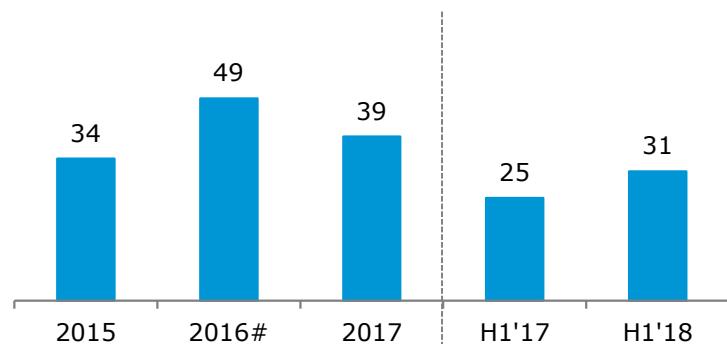
Source: IMF WEO Database April 2018, Euromonitor, Statista

Other key entities:

United Industries Company (UIC)

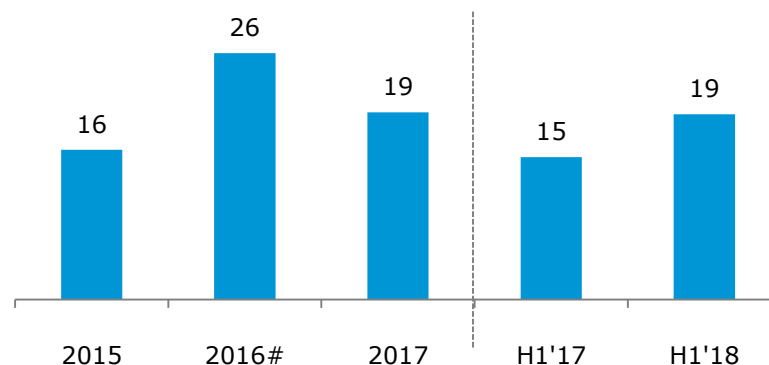
Total Revenue

USDmn



Net Profit

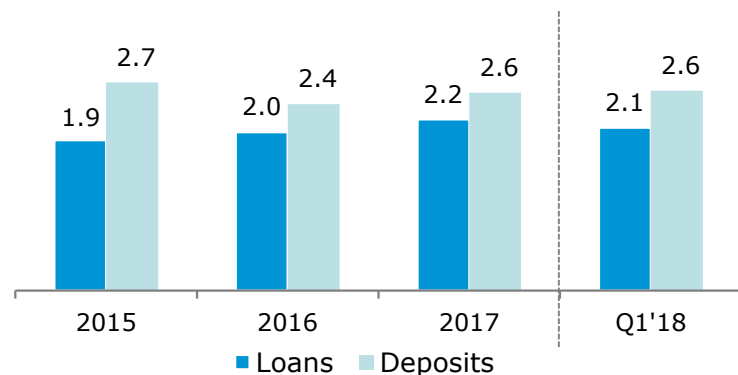
USDmn



Jordan Kuwait Bank (JKB)

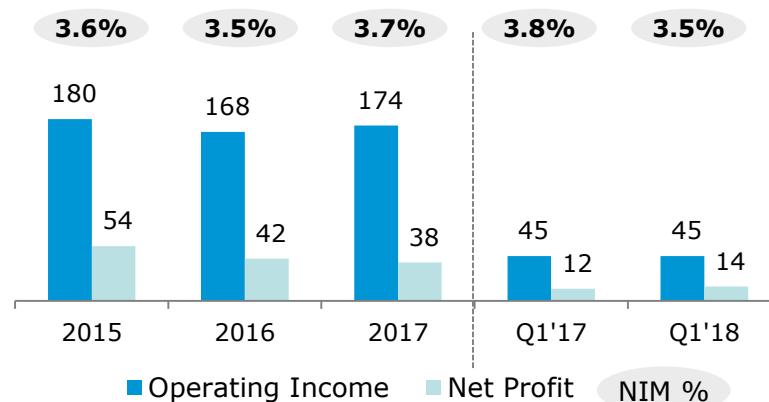
Loans & Deposits

USDbn



Operating Income & Net Profit

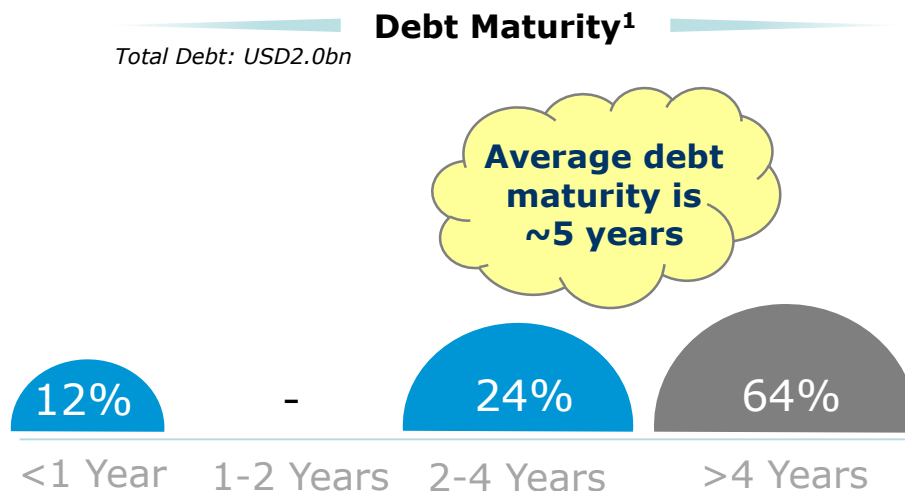
USDmn



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

Notes: Exchange rate of USD/JOD of 0.709 as of 30 June 2018 has been used for conversion

KIPCO parent debt profile: As at 30 June 2018



¹As of 30 June 2018



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

KIPCO consolidated: Balance Sheet

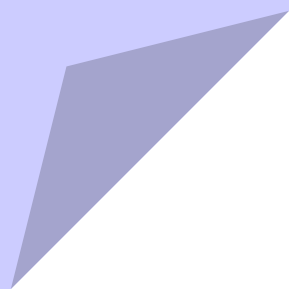
Consolidated Balance Sheet (USDmn)	2015 Restated	2016	2017 Restated	H1 2018
Cash in hand and at banks	5,252	4,815	5,184	5,373
Treasury bills, bonds & other debt securities	2,245	2,230	2,136	2,570
Investment in associates	1,399	1,461	1,239	1,215
Investment in a media joint venture	551	494	587	598
Investment properties	1,399	1,416	1,727	1,759
Other investments	1,923	1,878	2,071	1,230
Other assets (inc. goodwill & intangibles)	18,888	20,671	21,220	19,846
Total assets	31,658	32,966	34,164	32,591
Due to Banks & Other FI's	6,424	7,626	6,790	5,981
Deposits from Customers	16,017	15,917	16,871	16,585
Debt	3,945	4,233	4,834	4,899
Other liabilities	1,124	1,173	1,667	1,805
Equity attributable to equity holders of the Parent Company	1,665	1,557	1,451	993
Perpetual capital securities	476	484	484	484
Non-controlling interest	2,008	1,976	2,067	1,846
Total liabilities and shareholders equity	31,658	32,966	34,164	32,591

KIPCO consolidated: Income Statement

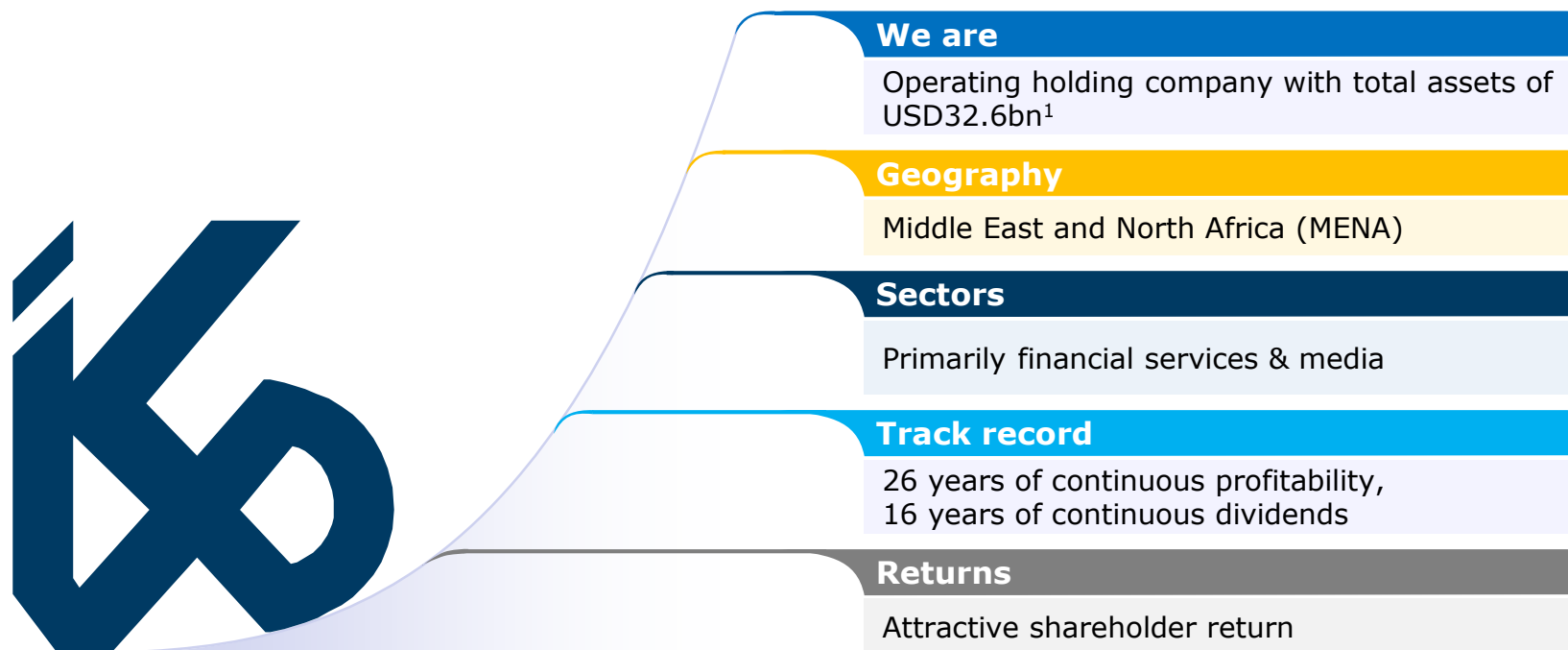
Consolidated Income Statement (USDmn)	2015 Restated	2016	2017	H1 2017	H1 2018
Interest income	1,028	1,230	1,276	620	722
Investment income	101	92	234	149	29
Fees and commission income	167	185	175	87	78
Share of results of associates	96	119	42	19	42
Share of results of a media joint venture	34	(21)	(100)	(38)	(65)
Hospitality and real estate income	220	255	310	143	154
Other revenues	400	322	228	112	209
Total revenues	2,046	2,182	2,165	1,092	1,168
Interest Expenses	605	795	819	403	464
General and administrative expenses	570	566	610	295	303
Other expenses and provisions	468	470	478	264	251
Taxation	54	60	52	22	26
Non-controlling interest	179	141	129	61	84
Net profit attributable to Equity Holders of the Parent Company	169	150	78	47	40
Basic Earnings Per Share, Cents (Reported)	10.8	9.5	4.0	2.4	2.0



Thank you



A diversified company with deep regional expertise & 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
USD1.2bn²

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













Gateway to MENA with superior access to opportunities

¹As on 30 June 2018

²As on 26 July 2018

Note: : Exchange rate of USD/KD of 0.3028 has been used in the presentation for financial numbers

Our presence by geographies & sectors

Geography	Major sectors							Revenue (2017) ¹
	Commercial banking	Media	Insurance	Real Estate	AMIB	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	47%
KSA 		●	●			●		4%
UAE 		●	●	●	●			5%
Bahrain 		●	●	●	●			3%
Qatar 		●		●				1%
Turkey 	●		●					15%
Jordan 	●	●	●	●				9%
Egypt 		●	●	●			●	5%
Algeria 	●	●	●					4%
Iraq 	●	●	●					2%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	2%
Revenue (H1'18) ²	50%	15%	15%	9%	3%	4%	4%	
Assets (H1'18) ³	73%	5%	4%	8%	6%	2%	2%	

Attractive presence in high growth economies and promising sectors

¹ Assuming consolidation of GIG & OSN

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

³ Total assets of USD37.8bn, based on reported segmental assets (before inter group eliminations) post consolidation of 100% assets of GIG & OSN

Core holdings

All core holdings are market leaders in their space



Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)

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)