

Our ref: KIPCO/ ACC 262/19 dated May 20, 2019

Boursa Kuwait Company
KUWAIT

السادة / شركة بورصة الكويت
المحترمين
دولة الكويت

Subject: KIPCO's Analyst/Investor Conference call
Minutes for Q1/2019

الموضوع: محضر مؤتمر المحللين/المستثمرين لمشاريع الكويت
القابضة - كيبيكو - للربع الأول من السنة المالية 2019

With reference to the above subject, and the requirements of article No. (2-4-8) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since KIPCO has been classified in the premier market, Kindly note that the quarterly analyst/investor conference was conducted through a conference call at 2:00 PM (local time) on Thursday 16/5/2019.

بالإشارة الى الموضوع اعلاه، والى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن كيبيكو تم تصنيفها ضمن مجموعة "السوق الأول"، نود ان نحيطكم علما بأن مؤتمر المحللين/المستثمرين قد انعقد عبر مكالمة هاتفية جماعية في تمام الساعة الثانية عصراً (التوقيت المحلي) من يوم الخميس الموافق 2019/5/16.

Attached is the minutes of the conference (Arabic & English) and the investor presentation for Q1-2019.

تجدون مرفق طيه محضر المؤتمر باللغتين (العربية و الإنجليزية) والعرض التقديمي للمستثمرين عن الربع الأول لعام 2019.

Sincerely,

وتفضلوا بقبول فائق الاحترام،،

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

Mazen Issam Hawwa

Deputy Group Chief Operating Officer
& Group Executive Vice President - Finance

مازن عصام حوا

نائب الرئيس التنفيذي لعمليات المجموعة
ونائب الرئيس التنفيذي للمجموعة - المالية

رأس المال المصرح به: 200 مليون د.ك
Authorized Capital: KD 200 million

رأس المال المصدّر والمدفوع: 154,725,133.800 مليون د.ك
Issued and Paid up Capital: KD 154,725,133.800 million

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Email: kipco@kipco.com
Web: www.kipco.com
Commercial Registration No.: 23118

هاتف:
فاكس:
إيميل:
إنترنت:

KIPCO Tower
Sharq, Kuwait City
P.O. Box 23982 Safat 13100
Kuwait

برج كيبيكو
الشرق، مدينة الكويت
ص.ب. 23982 الصفاة 13100
الكويت

رقم السجل التجاري: 23118

Transcript: KIPCO Q1 2019 earnings call

Introduction: Good afternoon everyone. This is Elena Sanchez and on behalf of EFG Hermes. I would like to welcome you all to the KIPCO Quarter one 2019 Results Conference Call. It is a pleasure to have with us in the call today the following speakers from KIPCO: Mr. Pinak Maitra (Group CFO), Mr. Anuj Rohtagi (Director, Group Financial Control) and Mr. Moustapha Chami (Director, Finance and Accounts department). At this time, I would like to handover the call to Mr. Pinak Maitra, who will give the presentation. Thank you.

Pinak Maitra: Thank you, Elena. Good afternoon everyone. We are glad that all of you have joined us for our quarter one earnings call of 2019. Please note the presentation we are using is also available on our website along with quarter one financial statements.

As we have done before, we draw your attention to page 2 of the presentation which reads out a brief disclaimer. Some of the statements that we will be making today, and information available in the presentation are forward looking. Such statements are based on KIPCO's current expectations, predictions and estimates. They are not guarantee of future performance, achievements or results.

I will now hand over to Moustapha to provide you with a performance update on page 4 of the presentation.

Moustapha Chami: Thank you, Mr. Pinak. The Group generated revenue of US\$586 million for the first quarter of 2019, which is a decline of 1.5% over the same period of 2018. This was mainly attributable to revision in reporting of the financial statements' closing process at Burgan Bank which resulted in lower interest income from Burgan Bank. Beginning this year, Burgan Bank has revised its financial statements' closing process by changing the reporting date of its subsidiaries to one month earlier than the Group's reporting date.

We have reported a net profit of US\$21 million for the period. This is an increase of 15% compared to the first quarter of last year. This translates into an EPS of 2.1 fils per share or 0.7 cents per share, an increase of 41% over quarter 1 2018 EPS of 1.5 fils per share or 0.5 cents per share.

Now, I will hand it back to Mr. Pinak.

Pinak Maitra: Thank you Moustapha. I now move to Burgan Bank results that is on the next slide - page 5. Burgan's first quarter of 2019 financial results include only two months' (Jan'19 & Feb'19) results of its subsidiaries instead of three months (as included in the prior periods). This change in accounting will enable Burgan to accelerate its financial closing process & the required procedures for earliest possible release of the Group's financial statements to its stakeholders. As such, the results should be read within this context.

Please note that Burgan Bank will hold its investor call on 20th May 2019 at 1.30pm Kuwait time. As such we will focus on key highlights of their first quarter results.

- Loan book was lower by 2.2% in first quarter of 2019 vs. year-ended 31st Dec' 2018. This was mainly due to lower loan volumes in Burgan Bank Turkey by US\$330mn mainly due to devaluation of the Turkish Lira and zero loan growth in that market. AGB loan volumes were lower by US\$40mn. This was partially offset by higher loan growth in Kuwait operations by US\$70mn.
- Deposits grew by 5 % mainly driven by Kuwait operations where around US\$900mn deposits were added. This was offset by around US\$270mn reduction in deposits in Turkey and Algeria in total.
- Headline operating income was US\$165 million for the first quarter ending 31st Mar 2019, lower by US\$33 million compared to three months ended 2018. Of this decline, approximately US\$31 million was due to the one-month lag in consolidation of results of subsidiaries as stated above which

means underlying operating income remained similar to last year's quarter one. Similarly, underlying Net Interest Margin on like for like basis remained at 2.7% although due to impact of change in accounting for subsidiaries results in the headline NIM, which is shown on slide 5, was reported at 2.2%. Headline cost income ratio improved by 438bps in first quarter of 2019.

- As a result of the above-mentioned movements, the Group posted a net income of US\$63 million in first quarter of 2019. As you can make out, if we take out the timing effect of accounting change the underlying operations and resulting net income has remained strong.
- Asset quality has remained good as we reported a net NPA ratio of 2.5%. We continue to have prudent provisioning levels where around 90% of provisions are in the general category. As a result of this, coverage ratio was 236% after including these provisions along with the value of collateral. The bank reported a CET1 Ratio of 11.8% and CAR of 17.3% as at 31st Mar 2019, which points to an optimal capital level.

On page 6, we provided details on performance of the regional operations of Burgan Bank. The quarterly results on headline basis in first quarter of 2019 are lower compared to fourth quarter of 2018 due to the time lag in reporting that I mentioned earlier. However, when we look at important performance indicators at the bottom half of the slide, performance of all our regional operations are depicting an improving trend which is satisfying despite the challenging macro-economic environment. Overall, share of our regional loan book was ~31% of total Burgan Bank loan book and regional deposits accounted for ~28% of Group's customer deposit base.

I will hand it back to Moustapha for Gulf Insurance Group section

Moustapha Chami: Thank you Pinak. We now move over to page 7 on Gulf Insurance Group. You can see on the top left chart that the gross premium written for the first quarter of

2019 was at US\$304 million, a growth of about 3% compared to first quarter of 2018. The increase was mainly due to growth in Medical, Life and Property business segment.

The focus on digitalization of customer journey is gathering strength. This has been achieved through our smart phone application that is helping customers to have an improved sales experience. Also, digital claims management allows our customers to get paid promptly and efficiently which means a reduction in our cost of processing claims. We believe that in doing this, we will increase customer retention and improve cross selling.

On the top right chart, net investment income for the first quarter of 2019 has remained unchanged at US\$10 million in comparison to first quarter of 2018.

On the bottom left chart, you can see that the combined ratio stands at 95% which is a 3-percentage points improvement over 2018. This improvement is majorly driven by lower claims incurred in Life, Property and Marine & Aviation segments as well as increase in reinsurance commission income.

Our net profit for the first quarter of 2019 is up 12% compared to the first quarter of 2018 and return on equity has improved to 17%. The quality of these earnings has improved as well, being driven by strong underwriting practices as well as investment gains anchored on a prudent asset allocation policy.

I will now hand over to Anuj to take you through the remaining portion of the presentation.

Anuj Rohtagi:

Thank you Moustapha. We can move on to page 8 which has United Gulf Holding Company. On the top left, revenue for the first quarter of 2019 was US\$62 million, which represents a growth of 37% compared to the first quarter of 2018. This is mainly on account of the consolidation of Global Investment House (Global) revenue, which was acquired and consolidated from September 2018 onwards and

increase in share of profit from associates by US\$8 million driven by one-off loss in first quarter of 2018.

On the top right chart, fee and commission income grew by US\$4 million over first quarter of 2018. This growth is mainly due to higher income from KAMCO as a result of consolidation of Global's results in 2019.

On bottom left chart you can see, net profit at US\$5 million which is 3% lower than first quarter of 2018 driven by higher interest expense on account of bond issuance for Global's acquisition and increase in G&A expenses due to Global's consolidation. As the operations of two entities will merge in coming months we expect that synergies will recover this cost of funding the acquisition.

UGB's total consolidated capital adequacy ratio stood at 20.6% as of 31 March 2019 against the minimum capital adequacy requirement threshold of 12.5%.

Moving on to United Real Estate on page 9. URC's revenue grew by 18% in the first quarter of 2019 as compared to similar period in 2018 to US\$85 million. This was mainly driven by growth in contracting and service revenues (which were up 35%, largely coming from UBC) and rental income (which increased by 11%) from Abdali Mall where leasing activities are progressing well and around 70% of the area has been leased. Operating profit, shown on the top right chart showed a similar trend.

Net profit was stable at US\$2.6 million for the first quarter of 2019 vs. first quarter of 2018. The increase in operating profit was offset by higher financing cost which increased by 9% in first quarter of 2019 vs. first quarter of 2018. The financing cost of the company increased from US\$12.4 million in first quarter of 2018 to US\$13.5 million in first quarter of 2019. This is due to marginally higher cost of funds and increased level of borrowings.

Let's move to page 10, that is OSN. We continue to highlight that significant market opportunity for the MENA region exists in this business. We are the only platform

in the world to have exclusive rights to a significant portion of premium entertainment content for more than 20 countries.

Given the ongoing review of strategic options, we are not sharing the key performance indicators of OSN. Having said that 2019 has been a good year so far. Our streaming platform Wavo's launch was achieved on April 1. "The Game of Throne" led the content line up from April 14, and the initial customer response to the platform has been encouraging. We have crossed 100,000 paying customers by now. This is an important milestone for OSN as it allows us to provide our customers with a product they want with content they like.

Currently we are focused on developing sharper packages and communication modes so that customer and our partners see the value proposition that each customer package offers. Additionally, we are taking a deeper dive to identify paths with our IPTV/ Telco partners to better monetize our content rights with them. We are also progressing to identify the path by which we can sell our packages and products in the 14 countries where we have license for but are not doing business.

Moving to page 11. United Industries reported US\$26 million net profit for first quarter of 2019 which is higher by 46% as compared to first quarter of 2018. The growth is coming from its share of income from Qurain Petrochemical Industries Company

Jordan Kuwait Bank has also performed well with healthy Net Interest Margin of 3.7%. Net profit for first quarter of 2019 is almost flat as compared to first quarter of 2018. Operating profit stood at US\$45 million while Net Profit stood at US\$14 million for first quarter of 2019. During the quarter, loan book decreased by 5.8% to US\$2.2 billion as compared to US\$2.3 billion in 2018.

We now move on to page 12 that covers our funding profile. As you can see, we are well positioned in terms of overall debt maturity of our borrowings which is

close to 5 years. Our cash position remains strong at around US\$900 million. Technically speaking, this covers all our debt obligations till 2022.

We are happy to report that in February 2019, we repaid US\$233 million EMTN.

Our focus remains on long term and stable funding profile which matches with the long-term investment horizon of our assets. As you may be aware, the Board approved a rights issue of up to 453 million shares in January 2019. The second submission of the draft offering prospectus was made to Capital Markets Authority on 7th May 2019. Subsequent to receipt of final approval from CMA on this offering prospectus, the subscription period will be announced.

That concludes our today's presentation. We now hand over to the moderator to invite our listeners to raise any questions they may have.

Elena Sanchez: Hi, this is Elena from EFG Hermes, just perhaps to give some time to the audience, I can ask a couple of questions. First of all, on Burgan Bank, could you give us some indication of recent deterioration trend for the Turkish subsidiary. Whether we could see significant increase in provisioning cost this year because of the macro economic environment and whether there would be a need for the Burgan Bank Group to inject capital or increase the capital base of their subsidiaries? Thank you.

Pinak Maitra: Thank you very much for the question. In terms of the second one first, there are no plans to an increase in capital in 2019 as the capital adequacy ratio and Tier 1 ratio suggest you know that there is enough headroom there. In terms of the overall provisioning of loans of Burgan Bank, you know Burgan Bank and all Kuwaiti Banks, obviously for the last five years were preparing for IFRS 9 and so when IFRS 9 was adopted in Kuwait, we had a forward-looking view and that did take into consideration the situation in Turkey, you know up to January 2019. So, our expectation is that yes things are evolving there, they have gone at best sideways and probably objective is somewhat the long way, but it is too early to call the year

end direction because it has been fairly volatile on the ground. The picture is evolving, I think that the management will give you a little more colour on their call on Monday, and I take that our view, generally is that we don't expect big surprises from Turkey. But definitely business as usual, there will be the NPLs and they are going to be watched, before they are going to get better, but deciding of the provision is too early to call it at this stage.

Anuj Rohtagi: Just to add to that Elena, if you see the overall growth, the non-performing asset ratio has come to 2.5% from 2.3%. It was business as usual, coming primarily from Kuwait. Our NPA ratio across the subsidiaries remained quite stable, even in Burgan Bank Turkey there was a small increase from 3.1% to 3.4%, and the overall group remained around good level of 2.5%.

Elena Sanchez: Thank you. This is very helpful. Thank you.

Operator: Now, we will take our second question from Zafar Nazim from J.P Morgan.

Zafar Nazim: Hi, this is Zafar Nazim from J.P. Morgan. I have a couple of questions, I was wondering if you can just give us some better granularity for the Hold Co. financials. If you can tell us what is the total quantum of dividends that you expect to or have already received this year. And then on the other side, if you can tell us the cash outflows at the Hold Co. level that you expect this year?

Anuj Rohtagi: Thank you Zafar. Let me just refer to my notes. In terms of dividends receipts, we are expecting. USD100mn for the year. For year to date, we have received around 60% i.e. USD62mn so far. We expect another USD12mn in quarter 2 and then the remaining we expect in second half of 2019. The second part with regard to outflows, we have paid dividends of USD60mn, our interest expense for the entire year is around USD135mn and to add to that, our general & administrative cost of around USD32mn. So, that's a total of roughly USD230mn of outflows.

Zafar Nazim: I am sorry, the dividend income that you mentioned, 100 million, that's dollars, right?

Anuj Rohtagi: That's correct.

Zafar Nazim: I got it. So, there's still a cash burn situation at the Hold Co. level. Any thoughts on when you think this, I mean you have plenty of liquidity at the Hold Co. level, so this is not really a concern with respect to liquidity, but generally speaking as a business, how do you plan to even out the inflows and the outflows. Is there a plan for that?

Pinak Maitra: I probably want to take you to the strategy. Historically, the way we allocated capital was businesses that produced 15% return on equity and that model we obviously were running at close to break-even from cash-flow point of view. Basel III came along, and other regulations came along and some technological disruptions that we faced in the last 3-4 years, meant that structurally the profitability of these business, they continued to perform better than their global peers. For instance, Burgan is doing double digit returns on equity. GIG is doing 17% return and so on and so forth. But we are going through that phase where you know, we are optimizing our capital and moving towards it. To answer your question from an operating point of view, we expect 2021-22 to be the timeline where we will be converging. That's one way to think about it and that assumes that things are not going to change significantly from what it was in the last 24 months. If you look at first quarter of 2019, we are seeing a significant improvement in customer sentiment, a higher take up of revenue in all our businesses, so I am not factoring that in when I am giving you business as usual, it is slightly backward look, that's point 1. Point 2 is to say that we have had 32 exits in the past and you obviously want to sell assets in the right environment and I think that is coming in 2-3 years, that environment is opening up and whenever we do that we have significant inflows and that obviously more than makes-up for the

cash burn that we have during this period where our operating cash flows are lagging the outflows. Structurally, there are couple of things that are going to come in our favor. Next year we are going to pay down a fairly expensive debt that we have been servicing for last many years and that could bring down our interest servicing costs and as we exit probably our debt levels should also come down and therefore lots of things moving in the right direction going forward and the JAWS ratio will open in that 2021-22 down-frame more in the other way than what it is today that we are having cash deficit in the operations.

Anuj Rohtagi: And when we define operations we look at interest expense and G&A, dividend is financing consideration for our stakeholders, so we are not too far if you see USD100mn vs. USD135mn plus G&A. And as Pinak said for the interest expense, the cost will go down once we pay next year debt and then we have as you know rights issue also coming so we will be looking to optimize overall capital structure and reduce the cost of funds.

Zafar Nazim: Thank you. And just on the point on paying down the expensive debt, do you have plan, I mean you have plenty of liquidity to pay down from balance sheet cash but what are your plans with respect to refinancing that bond?

Pinak Maitra: Again, we will follow what market knows is the historical practice for us, we look at the cost-benefit ratio, we look at you know how it is. The 10-year has been trading very interestingly, it's at 237 today. So, we will make that call, you know, typically we have refinanced from up to 12 months before and we are now approaching that 12-month window. But, we will do it if it makes sense for us from a purely economic point of view. We have the luxury to either pay-down or roll-over and we will call that as we see the numbers play out in front of us. We all are surprised with the way the long-bond has performed. So, if it gets to an attractive level in 2019, you know, we would obviously try to harvest that, or you know, do the right thing of

keeping our cost low and if it stays at steady level, we will make the call in early 2020.

Zafar Nazim: Right. Just one last question, if you can confirm the rights offering. What is the amount that you expect to raise from there? I guess, it is an underwritten offering?

Anuj Rohtagi: So, the total number of shares that we are going to have is around 453mn, roughly. Based on today's price, it will be close to around KD100mn. Obviously, we are in middle of approval process, then we will be basically deciding the final price at the time of subscription. But indicatively, if you look at today's market price then it will be around KD100mn.

Zafar Nazim: Got it. Ok. Thank you very much. This is very helpful.

Elena Sanchez: At this time, there are no further questions.

Pinak Maitra: Thank you all for participating in this call. Thank you to the EFG Hermes team, we appreciate it very much. Bye-bye.

Elena Sanchez: Thank you very much everyone.



Investor Presentation | May, 2019

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Note: : Exchange rate of USD/KD of 0.3042 has been used in the presentation for financial numbers

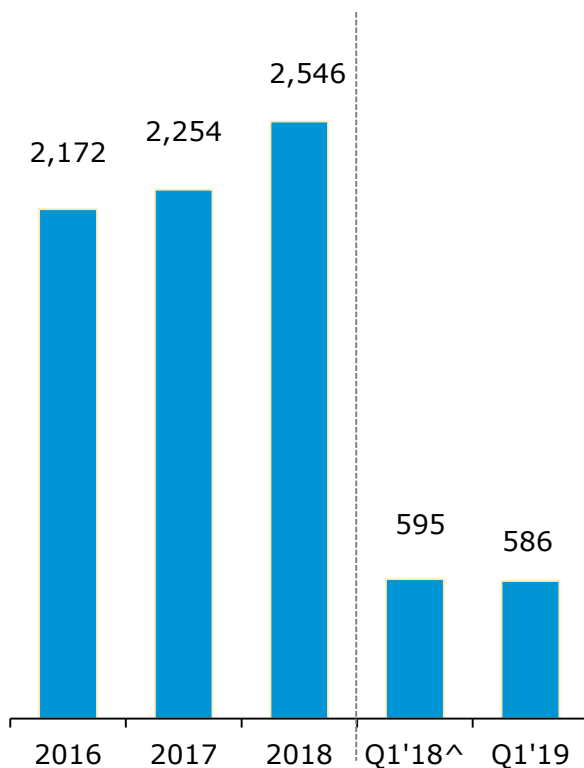


Performance Update

KIPCO consolidated: Financial performance

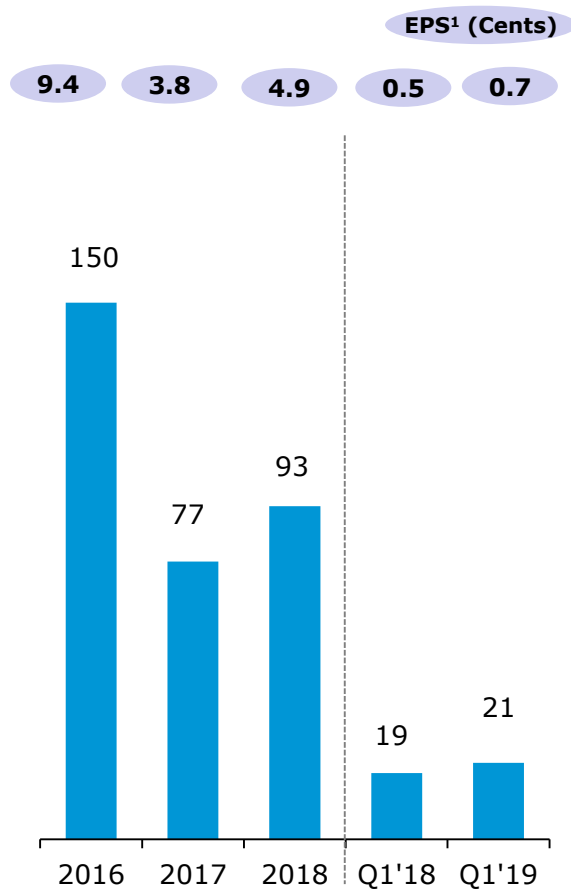
Revenue

USDmn



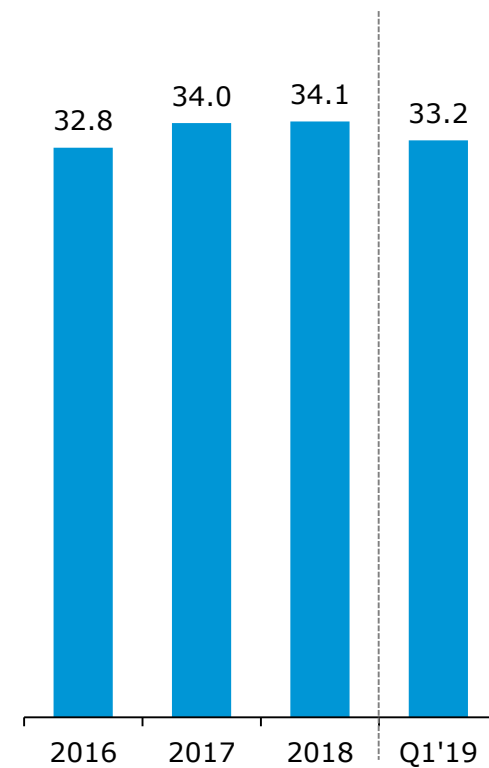
Net Profit

USDmn



Consolidated Assets

USDbn



^ Restated to reflect change in classification of OSN as a discontinued operation, accordingly share of loss from OSN has been classified as loss from discontinued operation

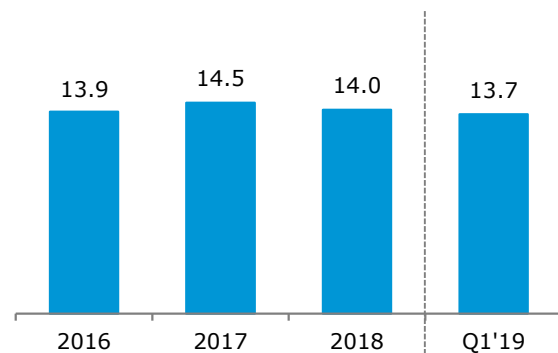
Note: Exchange rate of USD/KD of 0.30420 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)

Burgan Bank Group (BBG)

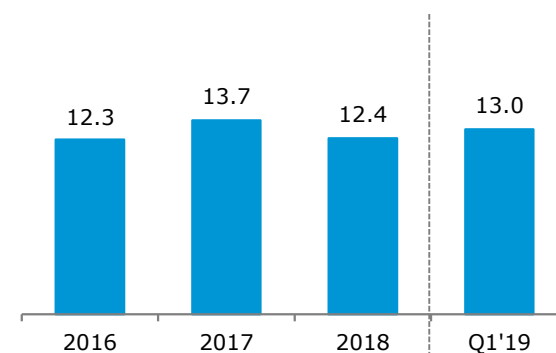
Loans

USDbn



Deposits

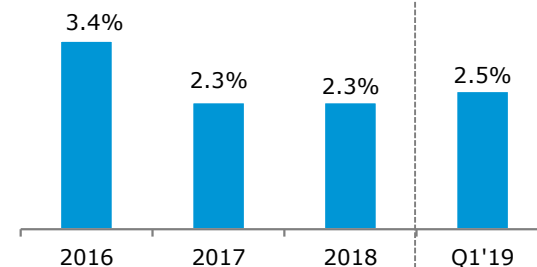
USDbn



Asset Quality

■ NPA coverage with collateral
■ NPA coverage without collateral

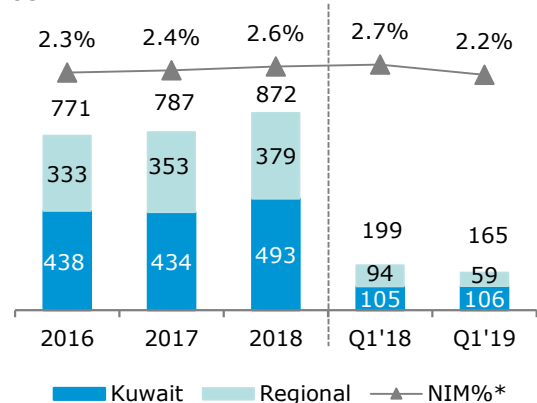
194%	233%	241%	236%
124%	159%	171%	166%



■ NPA to Gross Credit Facilities

Operating Income

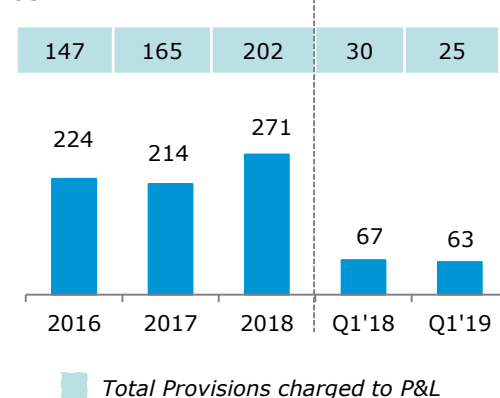
USDmn



* Annualizing factor used for NIM calculation is 4.0

Net Profit & Provision

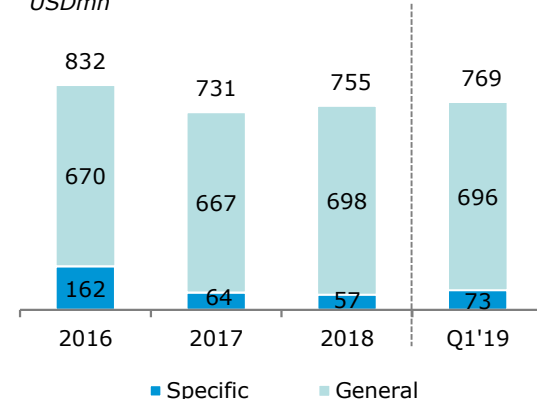
USDmn



■ Total Provisions charged to P&L

Total Provision

USDmn



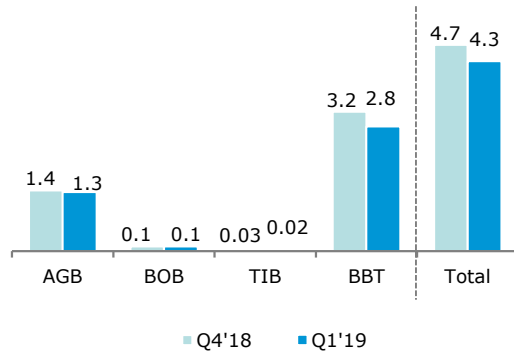
■ Specific ■ General

**Strong performance reflecting operational capabilities with strict focus on asset quality;
Reported Basel III CAR as of 31st March 2019: 17.3%**

BBG: Regional operations

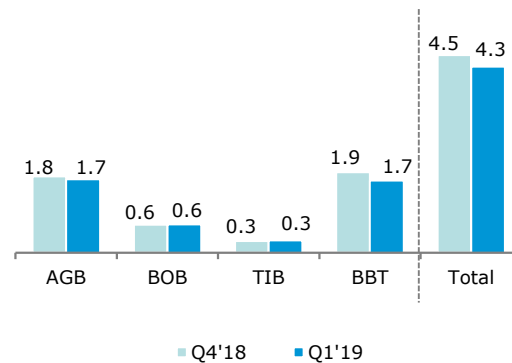
Loans

USDbn



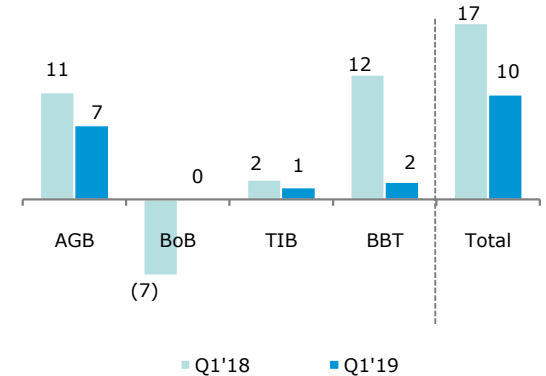
Deposits

USDbn



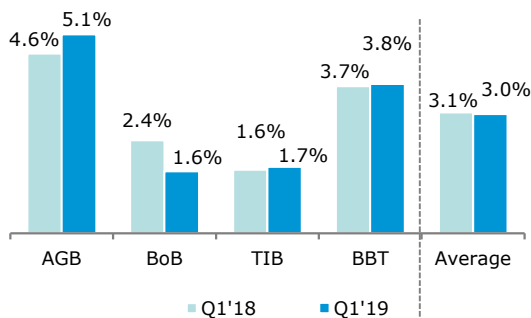
Net Profit

USDmn



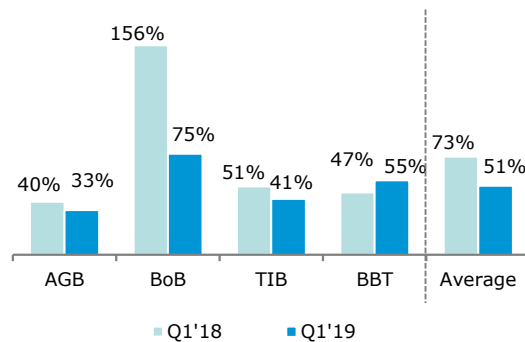
Net Interest Margin*

Percentage



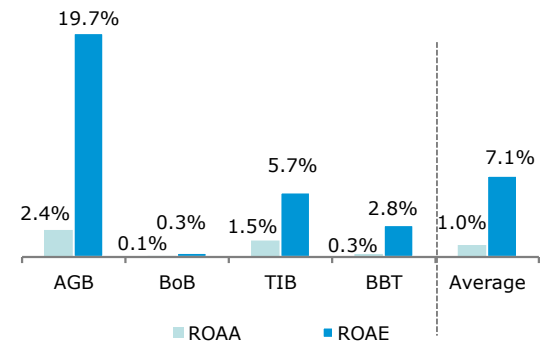
Cost to Income

Percentage



Return on Assets & Equity*

Percentage

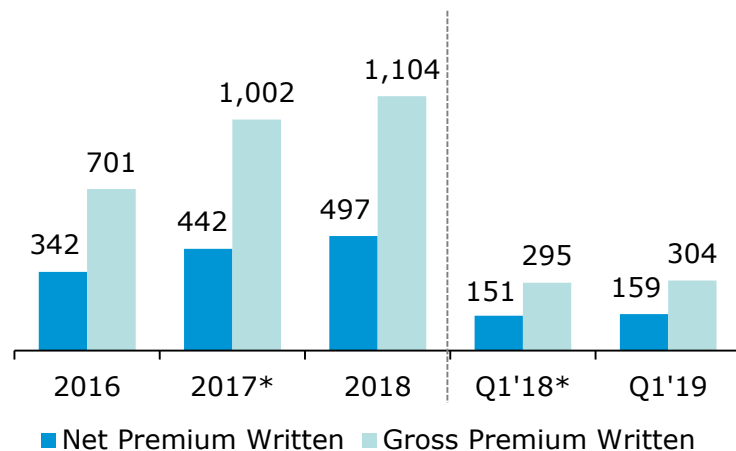


* Annualizing factor used in Q1'19 for AGB, TIB, BBT calculation is 6.0 due to two month reporting

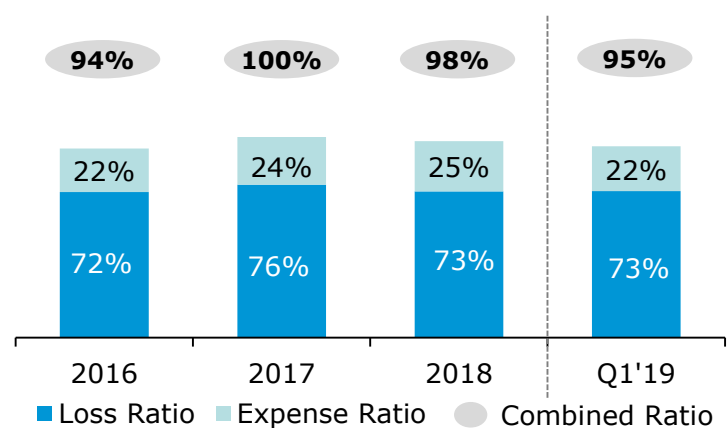
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

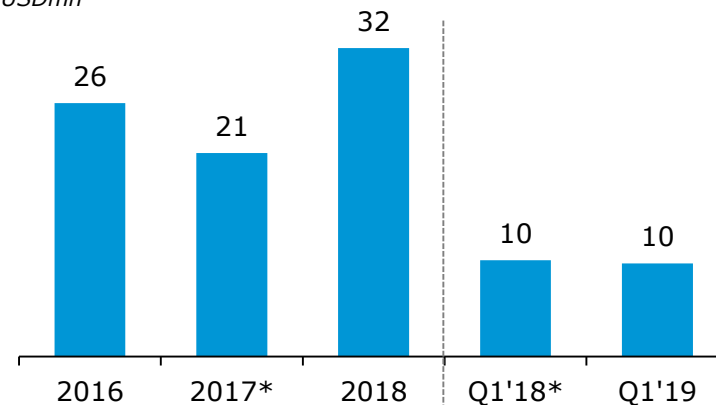


Combined Ratio



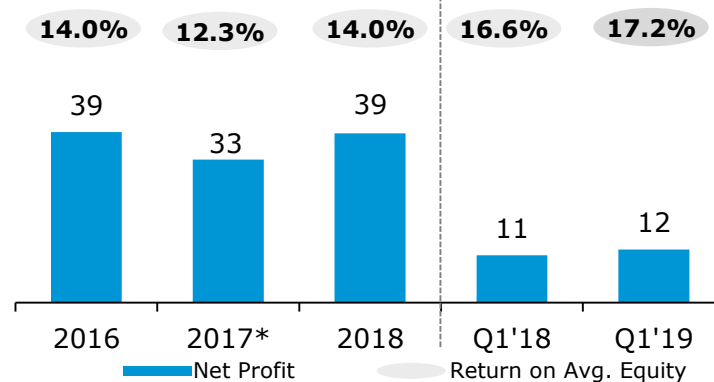
Net Investment Income

USDmn



Net Profit & ROE

USDmn

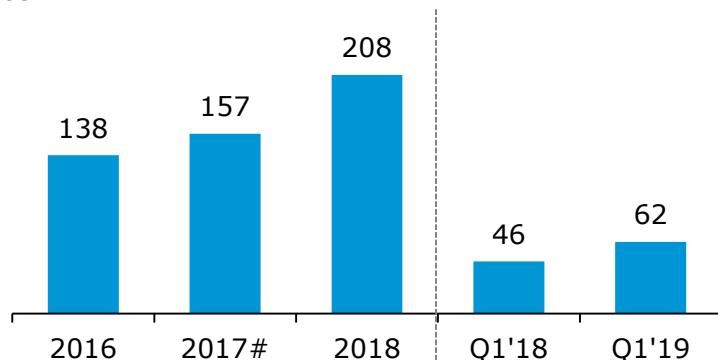


*Restated

United Gulf Holding Company (UGH)*

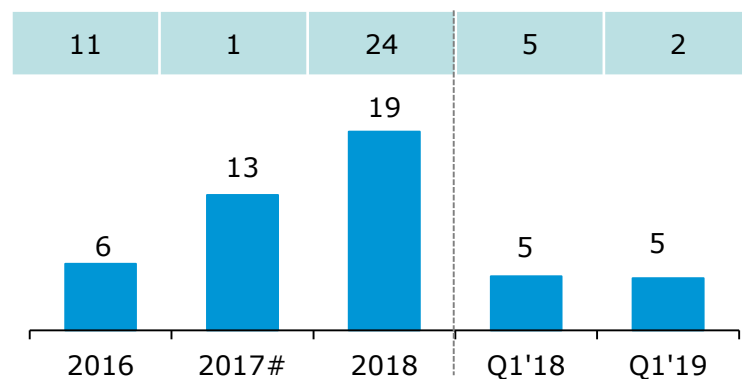
Revenue

USDmn



Net Profit & Provisions

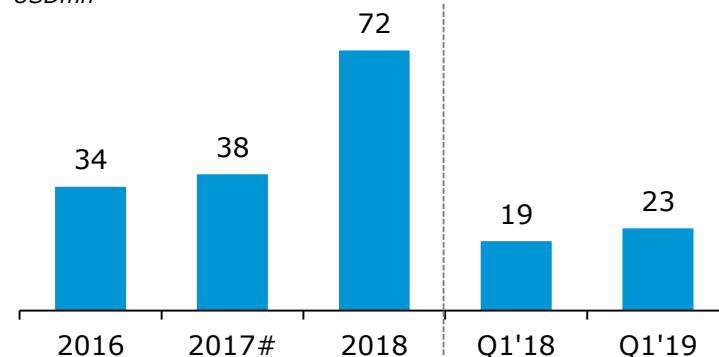
USDmn



Total Provisions Charge to P&L

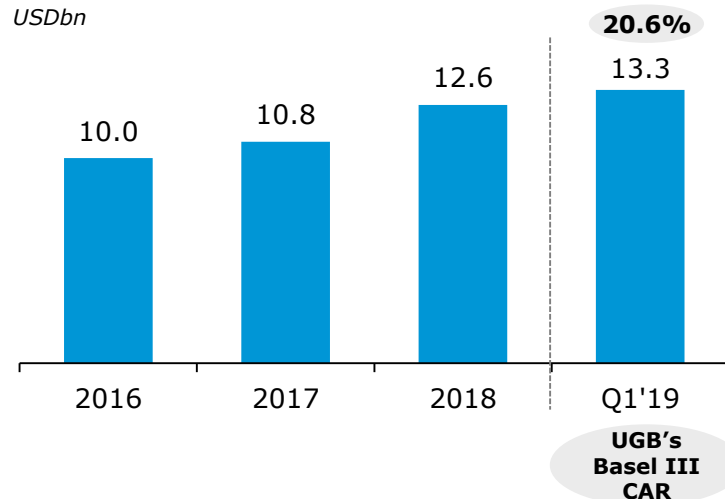
Fee & Commission Income

USDmn



AuM & Capitalisation

USDbn



UGB's
Basel III
CAR

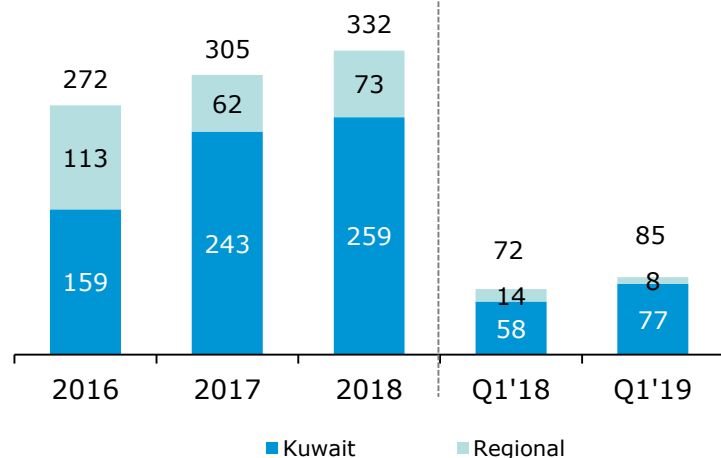
*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGH) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

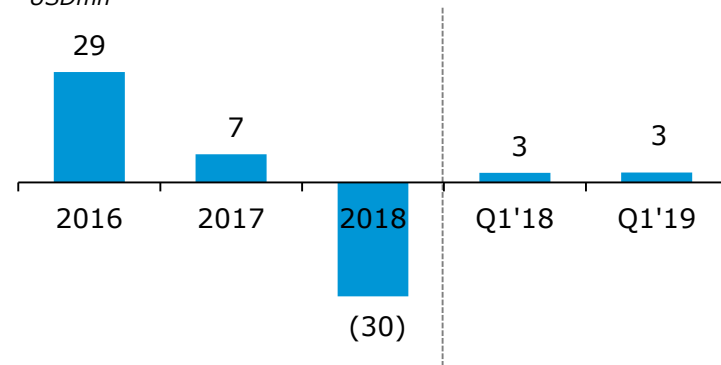
Total Revenue¹

USDmn



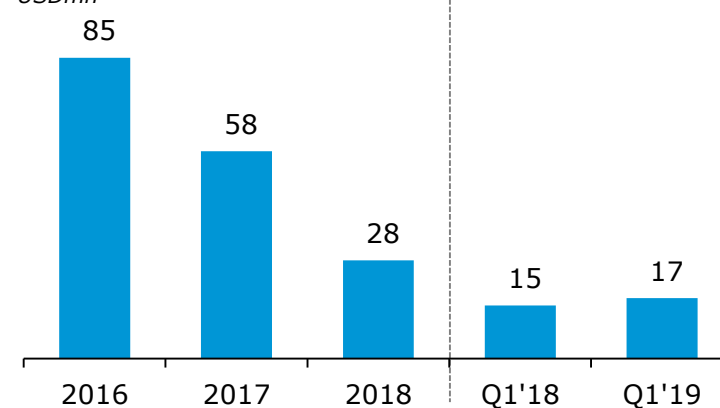
Net Profit

USDmn



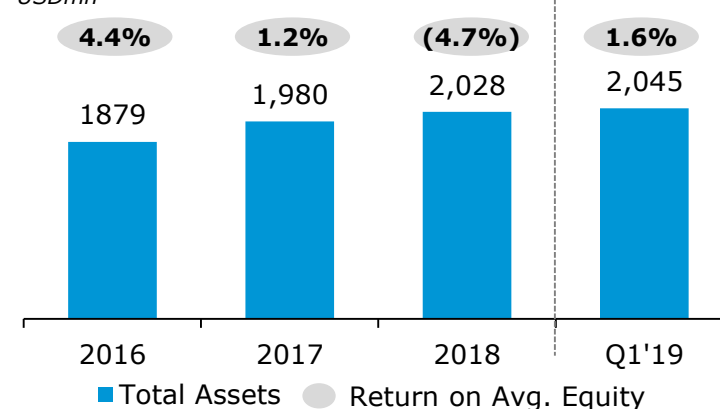
Operating Profit²

USDmn



Total Assets & ROE

USDmn



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, 88k subs for WAVO¹, 52k subs for OSN Play and 136k subs for OSN Demand

First in the region to introduce digital platform with OSN Play in 2012. Launched its OTT proposition OSN Go in 2014; WAVO has been re-launched in April 2019 with superior user interface and functional capabilities, benchmarked with leading OTT players in the globally and has seen overwhelming response

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

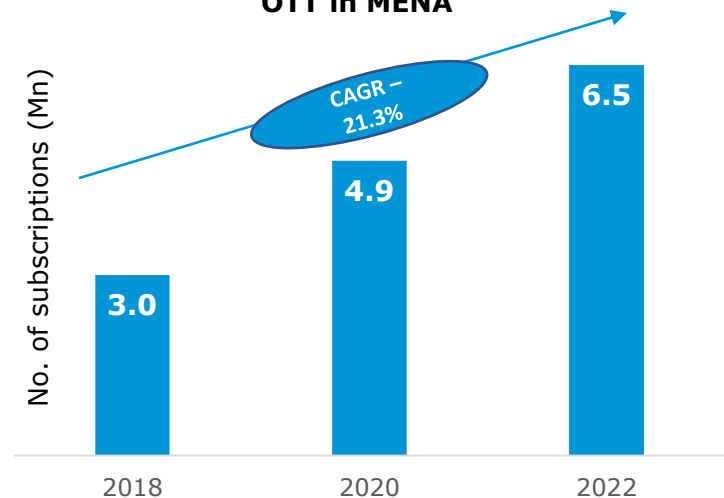
Premium content offerings with over 127 channels incl. 55 HD channels, and 19 owned and operated. Also, 38 South Asian channels and 16 Filipino channels

~1,505 employees in 13 offices, 30 retail locations across MENA and a network of 164 partners

Low Pay TV penetration in MENA indicates huge market potential

	Population (Mn)	Pay TV/ TV Households (%)
MENA Region²	367	~10%
Latin America	621	55%
UK	67	56%
India	1,352	66%
US	330	78%

Strong expected growth of OTT in MENA



Source: IHS Market

¹ WAVO has crossed 88k paying customers after the launch of "Game of Throne" in April 2019.

² MENA 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);

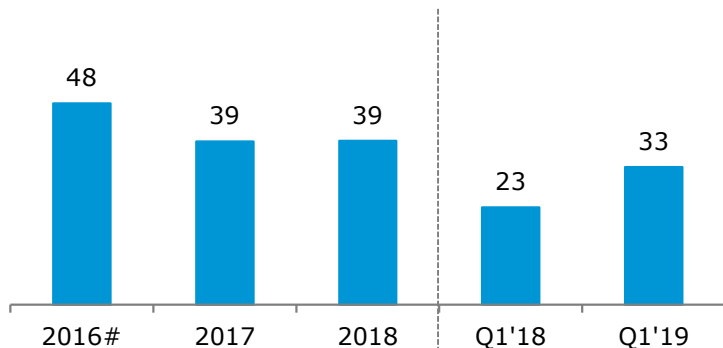
Source: IMF WEO Database April 2019, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times

Other key entities:

United Industries Company (UIC)

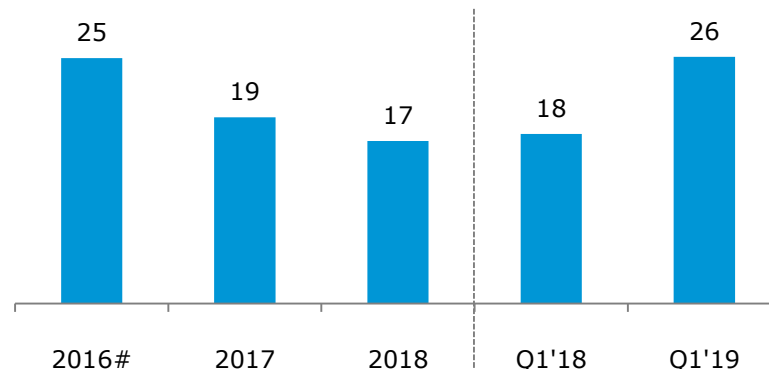
Total Revenue

USDmn



Net Profit

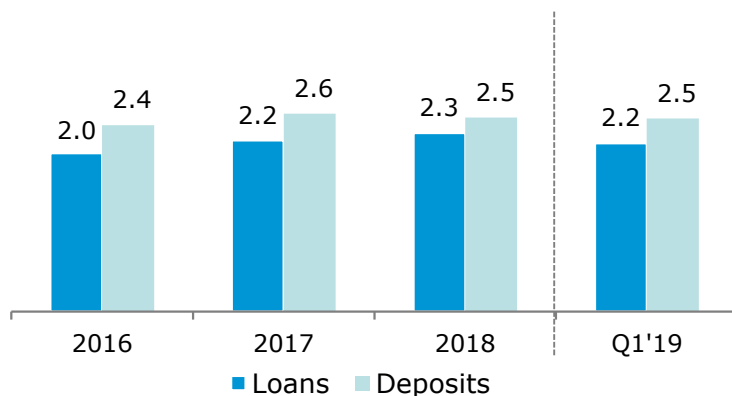
USDmn



Jordan Kuwait Bank (JKB)

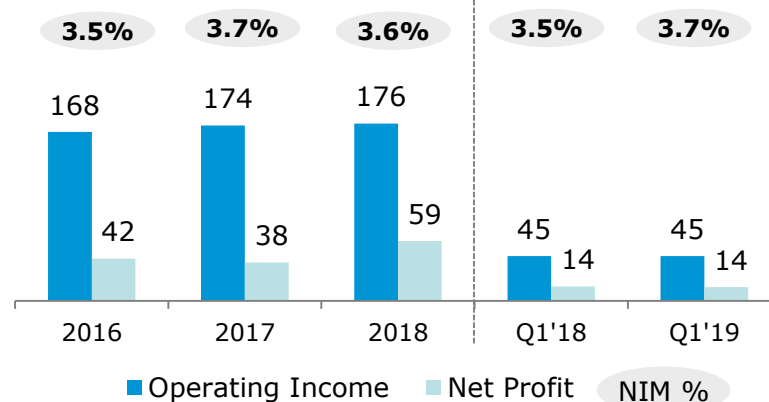
Loans & Deposits

USDbn



Operating Income & Net Profit

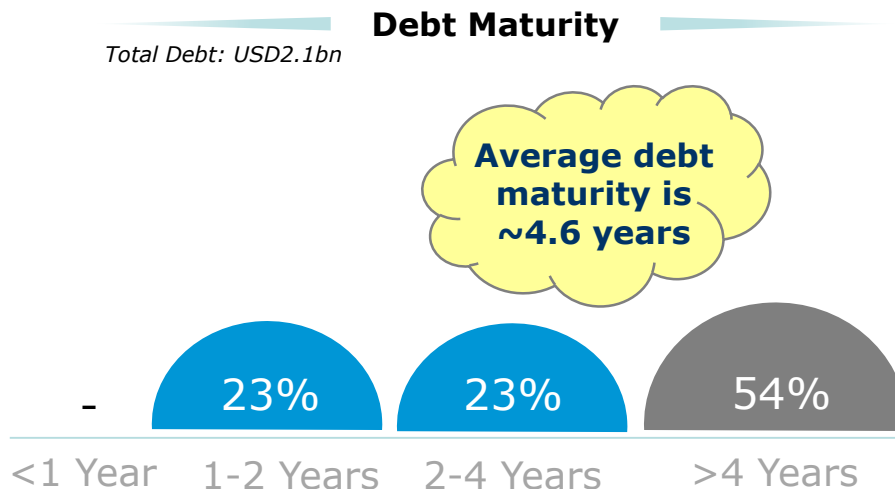
USDmn



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

Notes: Exchange rate of USD/JOD of 0.709 as of 31 March 2019 has been used for conversion

KIPCO parent debt profile: As at 31 March 2019



- Cash & bank balance of USD881mn
 - The current cash balance covers all debt obligations due till 2022 (1.8x coverage for 2020)
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis

KIPCO has repaid bonds valued at USD233mn EMTN in February 2019

KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2016	2017 Restated	2018	Q1 2019
Cash in hand and at banks	4,793	5,160	6,965	6,080
Treasury bills, bonds & other debt securities	2,220	2,126	2,388	2,318
Investment in associates	1,455	1,234	1,083	1,148
Investment in a media joint venture	492	585	-	-
Non-current assets held for sale	-	-	616	628
Investment properties	1,410	1,719	2,056	2,053
Other investments	1,869	2,061	1,705	1,713
Other assets (inc. goodwill & intangibles)	20,576	21,123	19,277	19,225
Total assets	32,814	34,008	34,090	33,165
Due to Banks & Other FI's	7,591	6,621	6,769	5,285
Deposits from Customers	15,844	16,861	16,067	16,816
Debt	4,213	4,881	6,026	5,807
Other liabilities	1,168	1,660	1,906	1,916
Equity attributable to equity holders of the Parent Company	1,550	1,444	911	899
Perpetual capital securities	481	481	481	481
Non-controlling interest	1,967	2,059	1,930	1,961
Total liabilities and shareholders equity	32,814	34,008	34,090	33,165

KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	2016	2017 Restated	2018	Q1 2018 Restated	Q1 2019
Interest income	1,224	1,270	1,464	361	326
Investment income	92	233	120	5	15
Fees and commission income	184	174	200	39	41
Share of results of associates	118	42	61	26	39
Share of results of a media joint venture	(21)	-	-	-	-
Hospitality and real estate income	254	308	360	74	87
Other revenues	320	227	342	90	78
Total revenues	2,172	2,254	2,546	595	586
Interest Expenses	791	816	979	224	238
General and administrative expenses	563	607	632	149	151
Other expenses and provisions	468	475	549	114	122
Taxation	60	51	34	13	11
Loss from discontinued operations	-	99	76	33	-
Non-controlling interest	140	128	182	43	43
Net profit attributable to Equity Holders of the Parent Company	150	77	93	19	21
Basic Earnings Per Share, Cents (Reported)	9.4	3.8	4.9	0.5	0.7
Basic Earnings Per Share for continuing operations, Cents (Reported)	-	10.8	10.3	2.8	0.7



Thank you

A diversified company with deep regional expertise & roots



We are

Operating holding company with total assets of USD33.2bn¹

Geography

Middle East and North Africa (MENA)

Sectors

Primarily financial services & media

Track record

27 years of continuous profitability,
17 years of continuous dividends

Returns

Attractive shareholder return

Majority owned
by ruling family
of Kuwait

A transparent
company with
an experienced
management
team

Listed on
Kuwait Stock
Exchange with a
market cap of
USD1.1bn²













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

Gateway to MENA with superior access to opportunities

¹As on 31 March 2019

² As of 13 May 2019

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 (Q1'19) ²	44%	13%	19%	10%	4%	6%	4%	
Assets (Q1'19) ³	71%	5%	5%	8%	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 USD0.9bn and total assets of USD39.3bn 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)
premiums

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)