



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



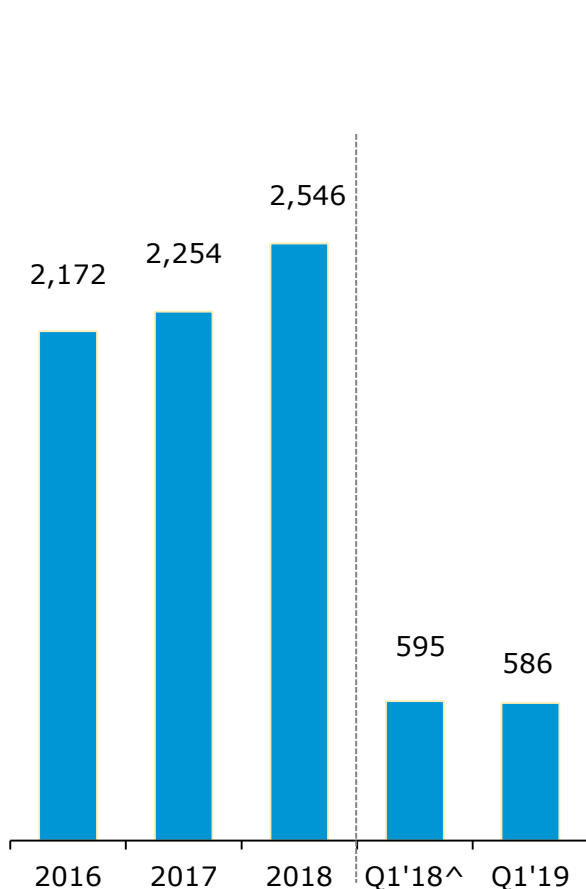
Performance Update



KIPCO consolidated: Financial performance

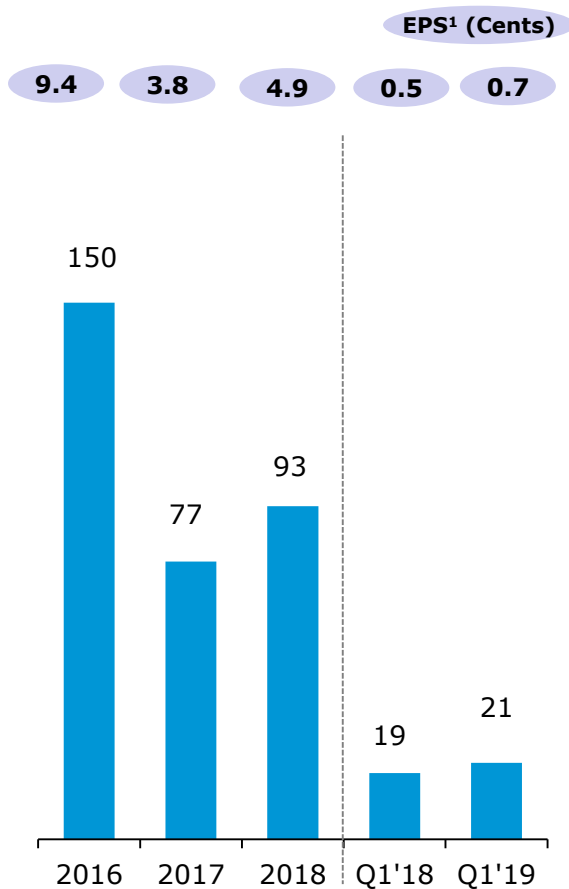
Revenue

USDmn



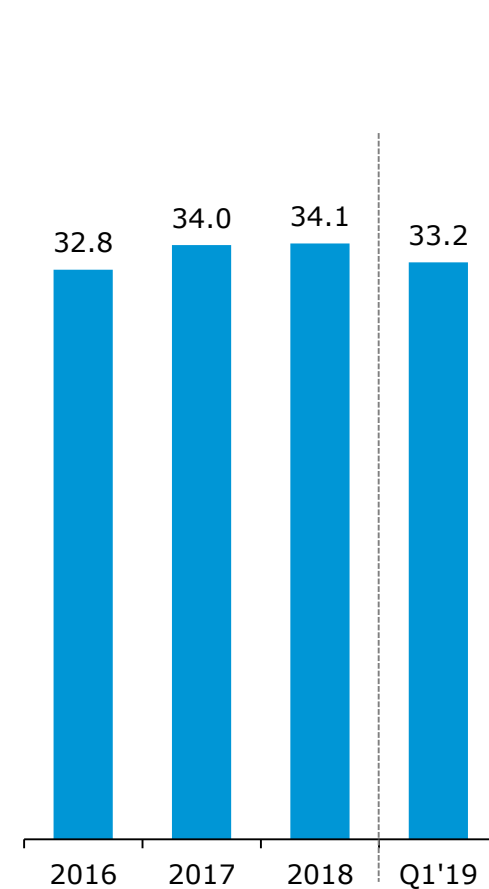
Net Profit

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

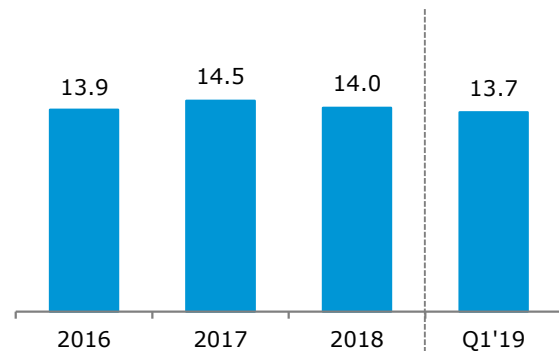
Note: Exchange rate of USD/KD of 0.30420 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)

Burgan Bank Group (BBG)

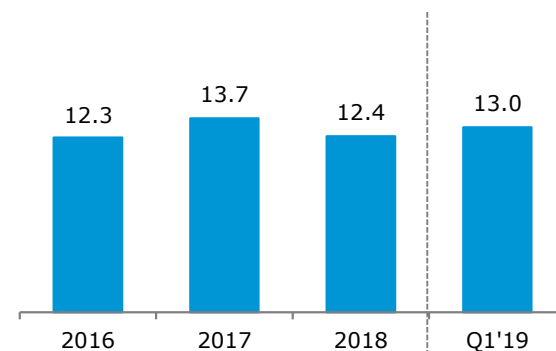
Loans

USDbn



Deposits

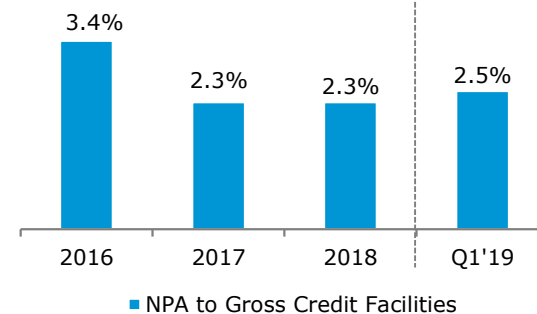
USDbn



Asset Quality

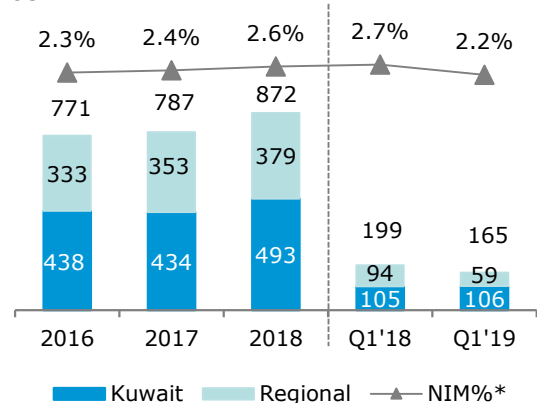
■ NPA coverage with collateral
■ NPA coverage without collateral

2016	2017	2018	Q1'19
194%	233%	241%	236%
124%	159%	171%	166%



Operating Income

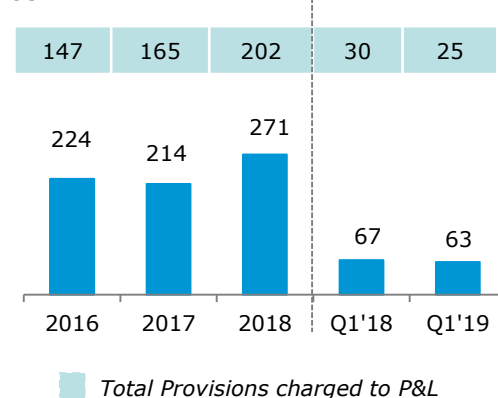
USDmn



* Annualizing factor used for NIM calculation is 4.0

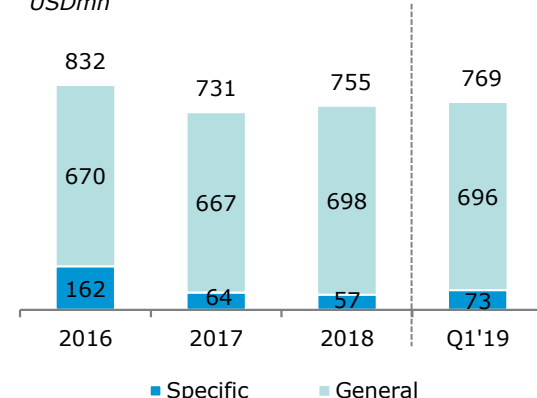
Net Profit & Provision

USDmn



Total Provision

USDmn

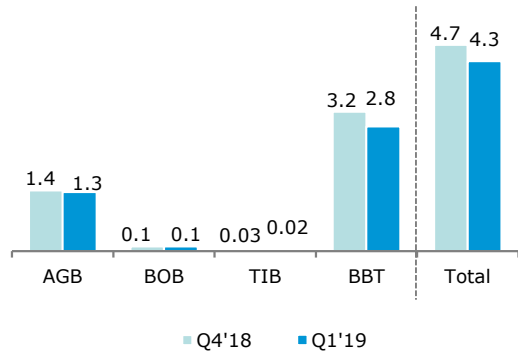


**Strong performance reflecting operational capabilities with strict focus on asset quality;
Reported Basel III CAR as of 31st March 2019: 17.3%**

BBG: Regional operations

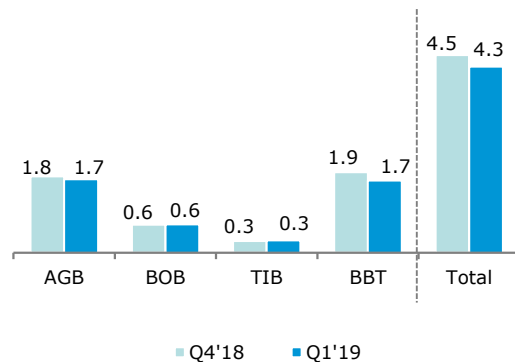
Loans

USDbn



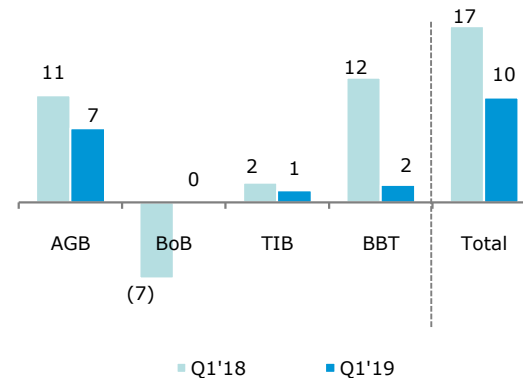
Deposits

USDbn



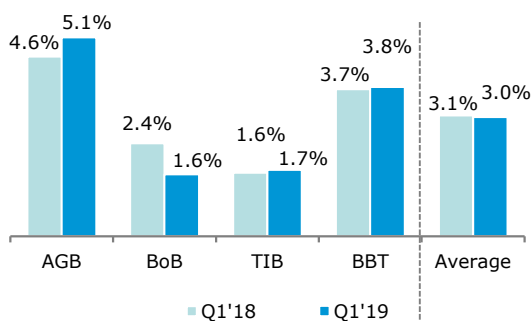
Net Profit

USDmn



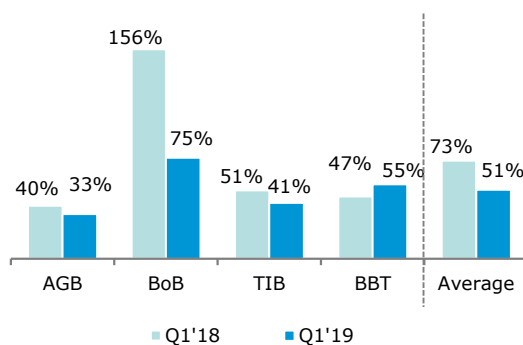
Net Interest Margin*

Percentage



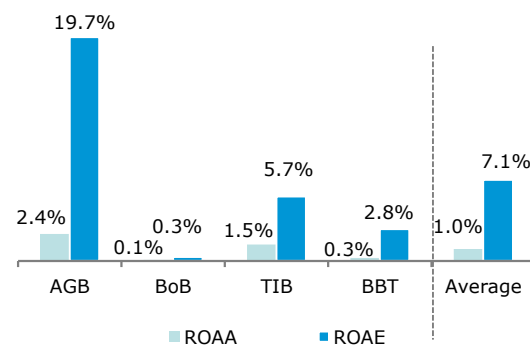
Cost to Income

Percentage



Return on Assets & Equity*

Percentage

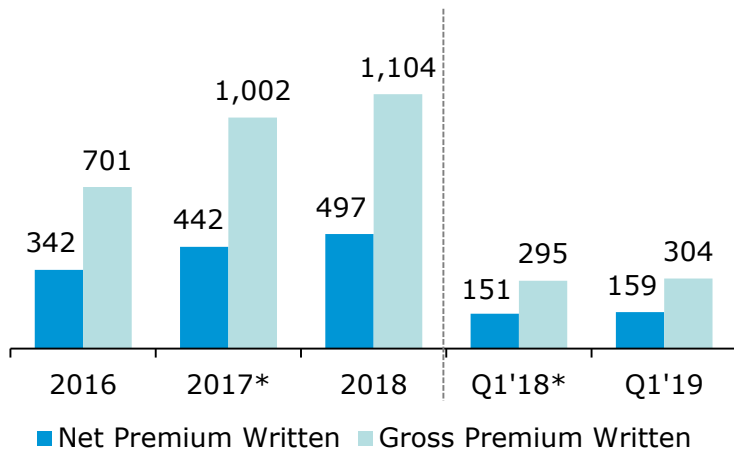


* Annualizing factor used in Q1'19 for AGB, TIB, BBT calculation is 6.0 due to two month reporting

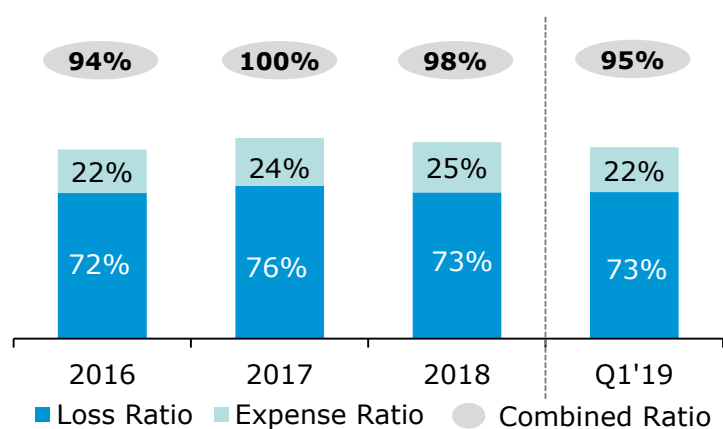
Gulf Insurance Group (GIG)

Gross & Net Premium Written

USDmn

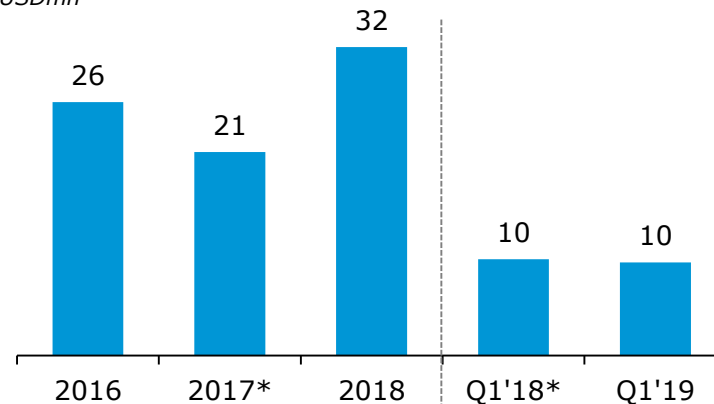


Combined Ratio



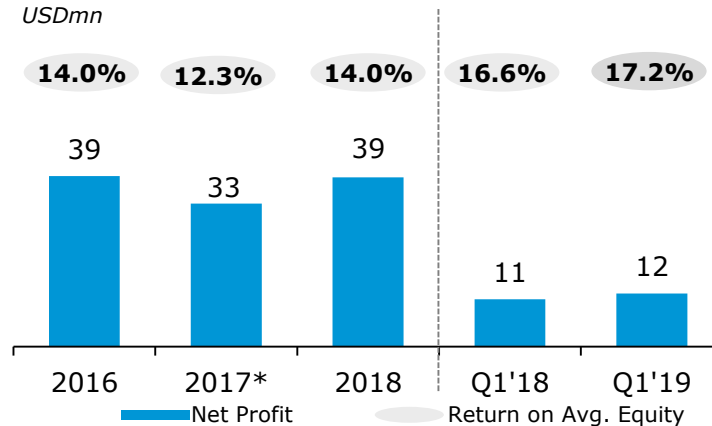
Net Investment Income

USDmn



Net Profit & ROE

USDmn

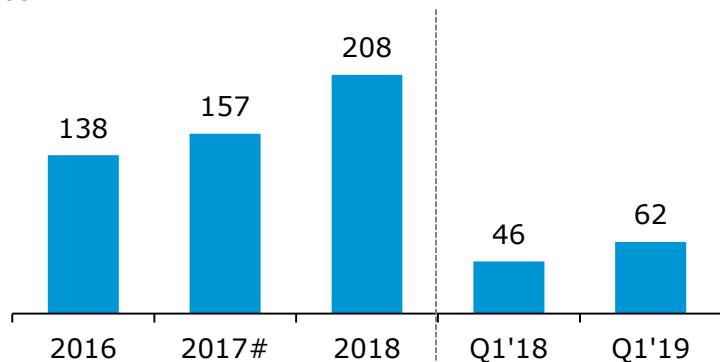


*Restated

United Gulf Holding Company (UGH)*

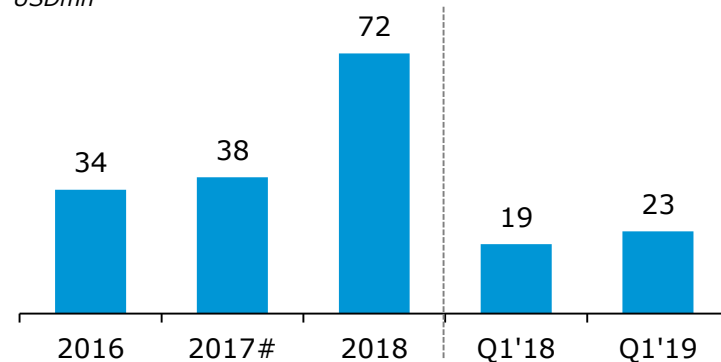
Revenue

USDmn



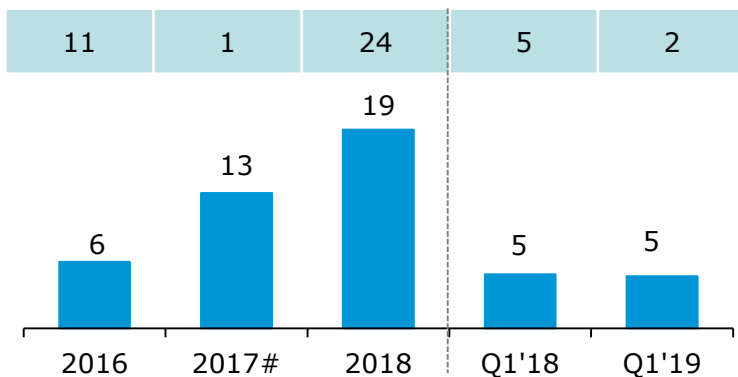
Fee & Commission Income

USDmn



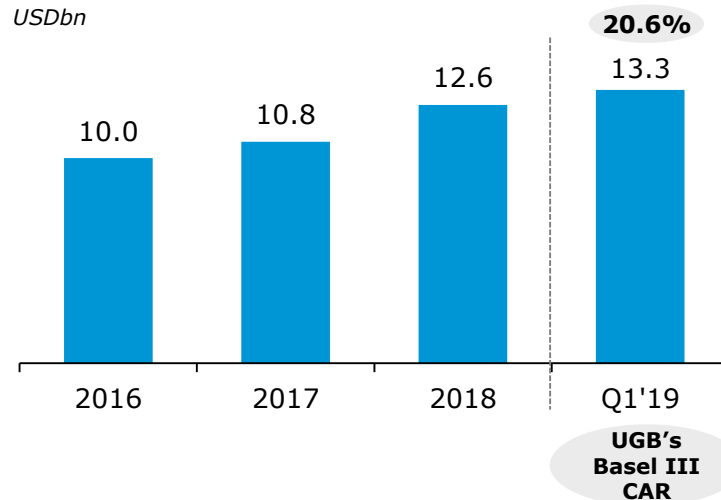
Net Profit & Provisions

USDmn



AuM & Capitalisation

USDbn

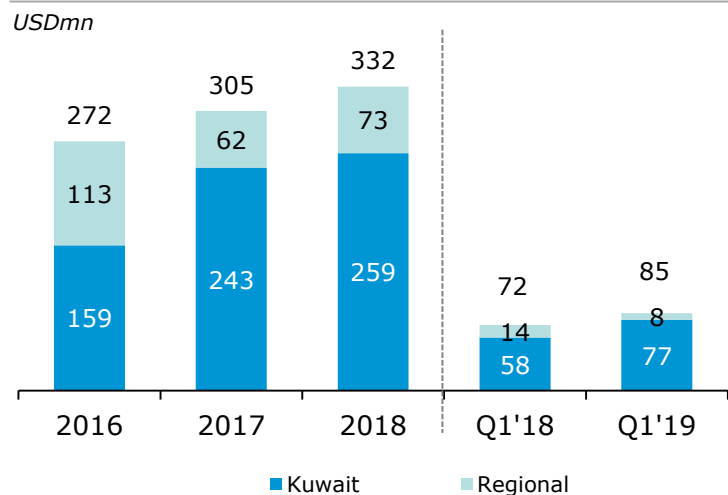


*United Gulf Bank (UGB) has undergone corporate reorganization (in September 2017) and has split its operations across a holding company - United Gulf Holding Company B.S.C. (UGH) and the regulated banking entity- UGB. For details, please refer press release: [UGB reorganization press release](#). Financials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

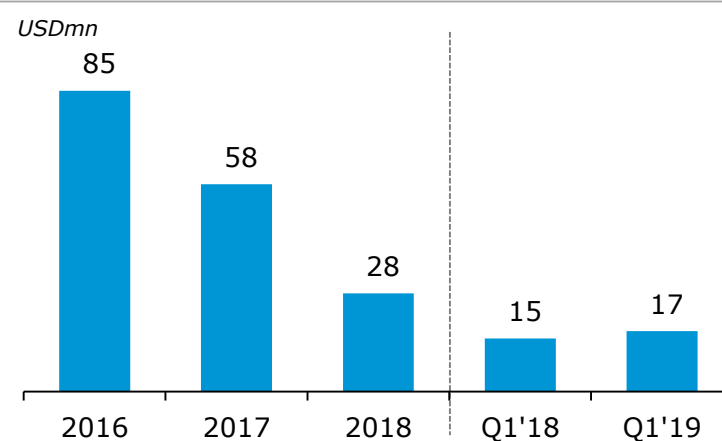
As UGH was incorporated in September 2017, financials of UGH for 2017 comprise of first nine months results for UGB and Q4'17 results for UGH

United Real Estate Company (URC)

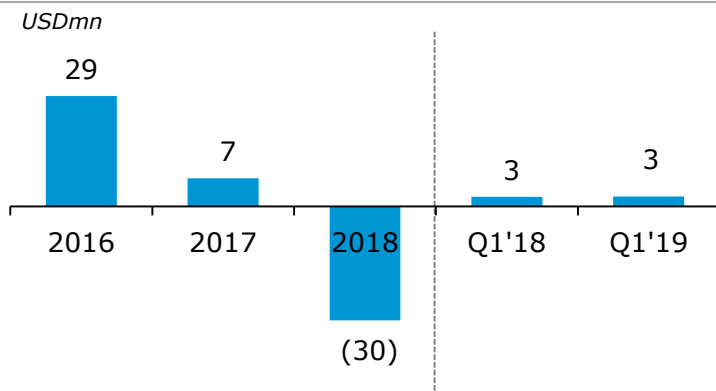
Total Revenue¹



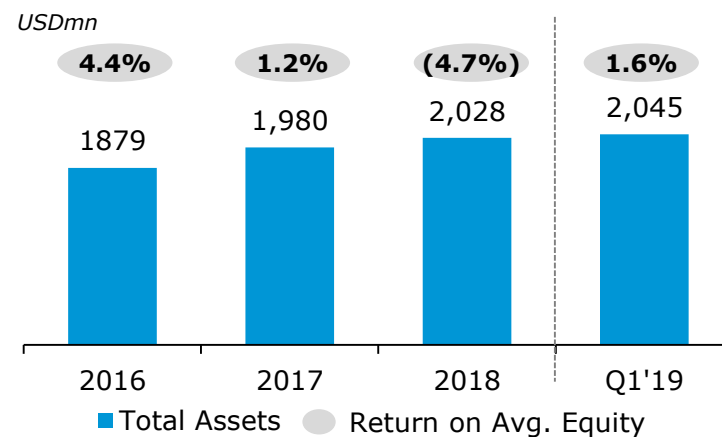
Operating Profit²



Net Profit



Total Assets & ROE



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

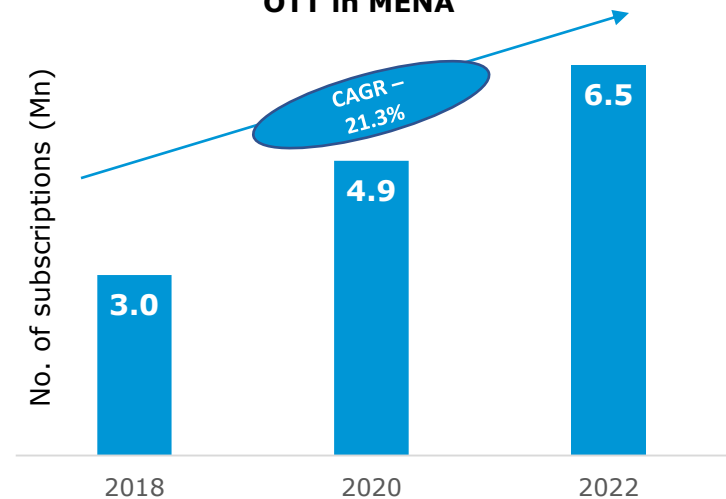
Premium content offerings with over 127 channels incl. 55 HD channels, and 19 owned and operated. Also, 38 South Asian channels and 16 Filipino channels

~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);

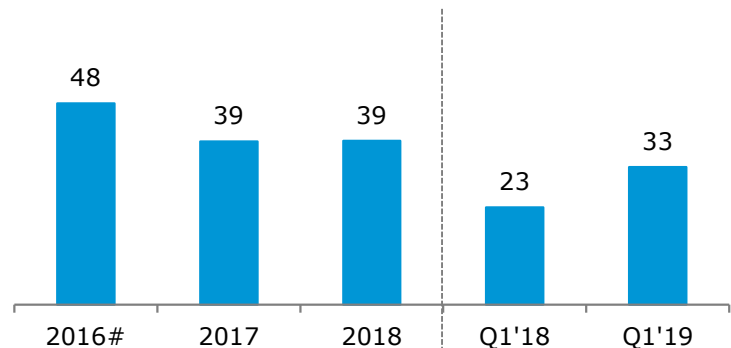
Source: IMF WEO Database April 2019, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times

Other key entities:

United Industries Company (UIC)

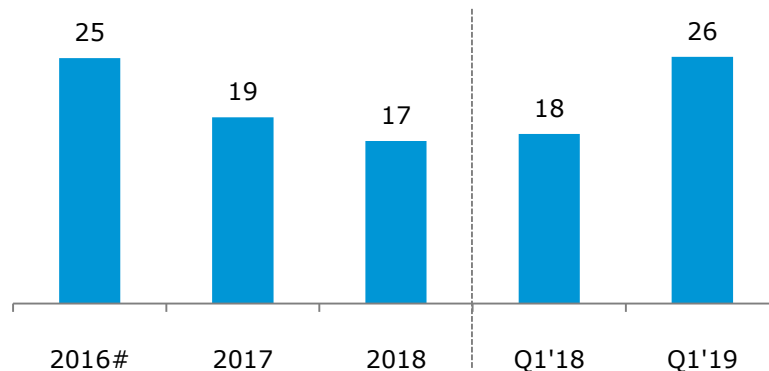
Total Revenue

USDmn



Net Profit

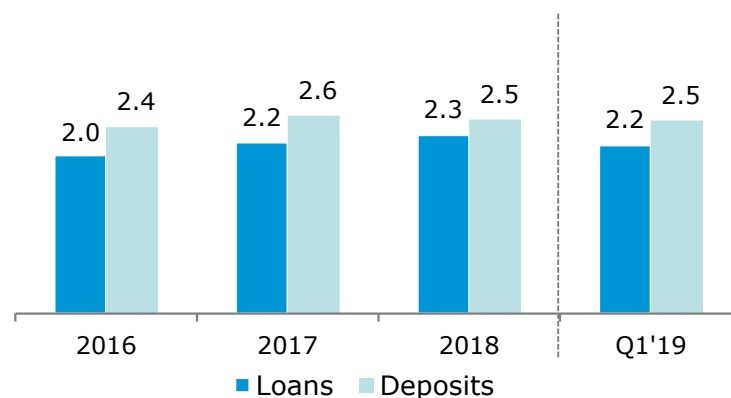
USDmn



Jordan Kuwait Bank (JKB)

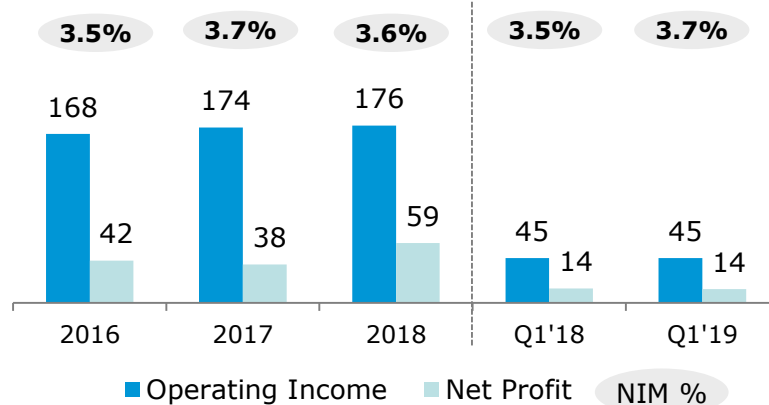
Loans & Deposits

USDbn



Operating Income & Net Profit

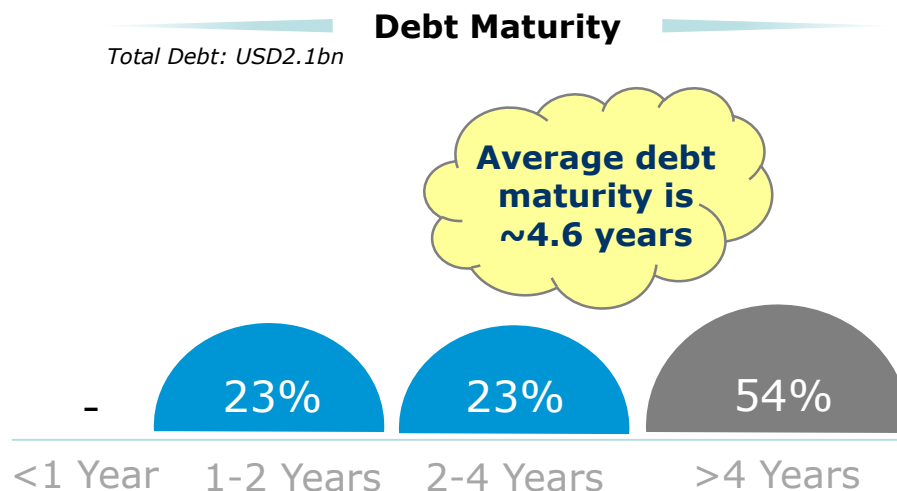
USDmn



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

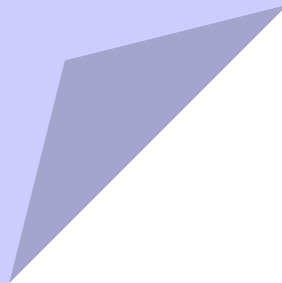
Consolidated Balance Sheet (USDmn)	2016	2017 Restated	2018	Q1 2019
Cash in hand and at banks	4,793	5,160	6,965	6,080
Treasury bills, bonds & other debt securities	2,220	2,126	2,388	2,318
Investment in associates	1,455	1,234	1,083	1,148
Investment in a media joint venture	492	585	-	-
Non-current assets 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

²As 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)

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)