



**Investor Presentation | January, 2020**

# Disclaimer

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

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*Note: : Exchange rate of USD/KD of 0.30405 has been used in the presentation for financial numbers*



## Executive Summary

# A diversified company with deep regional expertise & roots



## We are

Operating holding company with total assets of USD32.4bn<sup>1</sup>

## 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  
USD1.4bn<sup>2</sup>













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

***Gateway to MENA with superior access to opportunities***

<sup>1</sup>As on 30 September 2019

<sup>2</sup> As of 27 January 2020

# Our presence by geographies & sectors

Geography	Major sectors							Revenue (2018) <sup>1</sup>
	Commercial banking	Media	Insurance	Real Estate	AMIB <sup>4</sup>	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 (9M'19) <sup>2</sup>	46%	12%	18%	11%	5%	4%	4%	
Assets (9M'19) <sup>3</sup>	70%	4%	7%	8%	6%	3%	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

<sup>1</sup> Assuming consolidation of GIG & OSN

<sup>2, 3</sup> Total revenue of USD2.8bn and total assets of USD38.9bn respectively, based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG & OSN ; <sup>4</sup>AMIB = 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**

<sup>1</sup> In terms of assets (based on latest financials)

<sup>2</sup> In terms of revenue and countries of operations

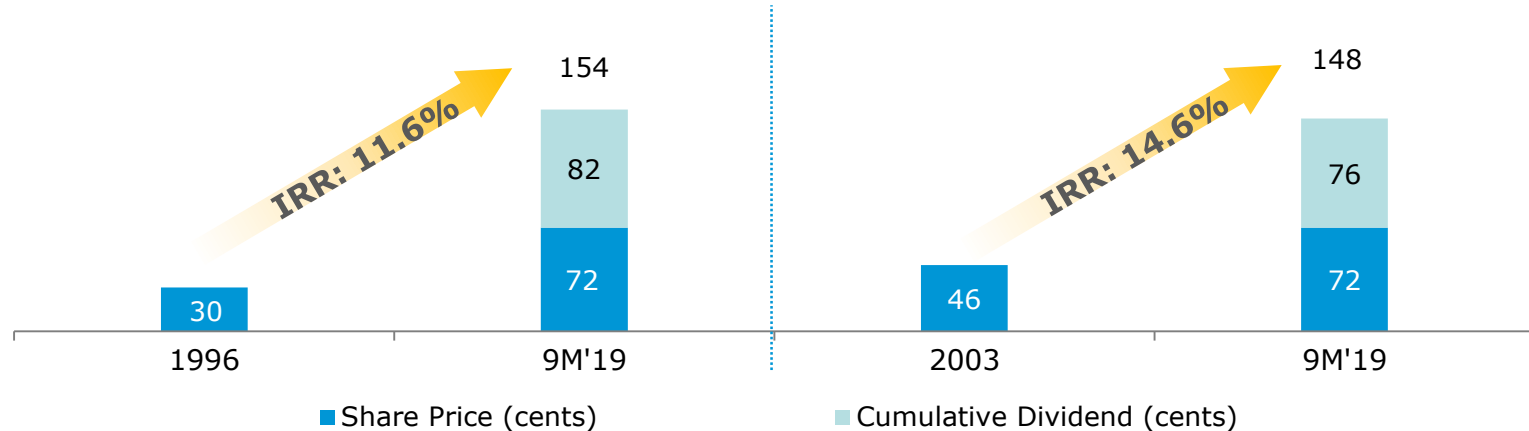
<sup>3</sup> By Gross premium written (GPW) and Direct premiums

<sup>4</sup> By GPW

<sup>5</sup> By technical profit among private sector players (all rankings as of 31 December 2018)

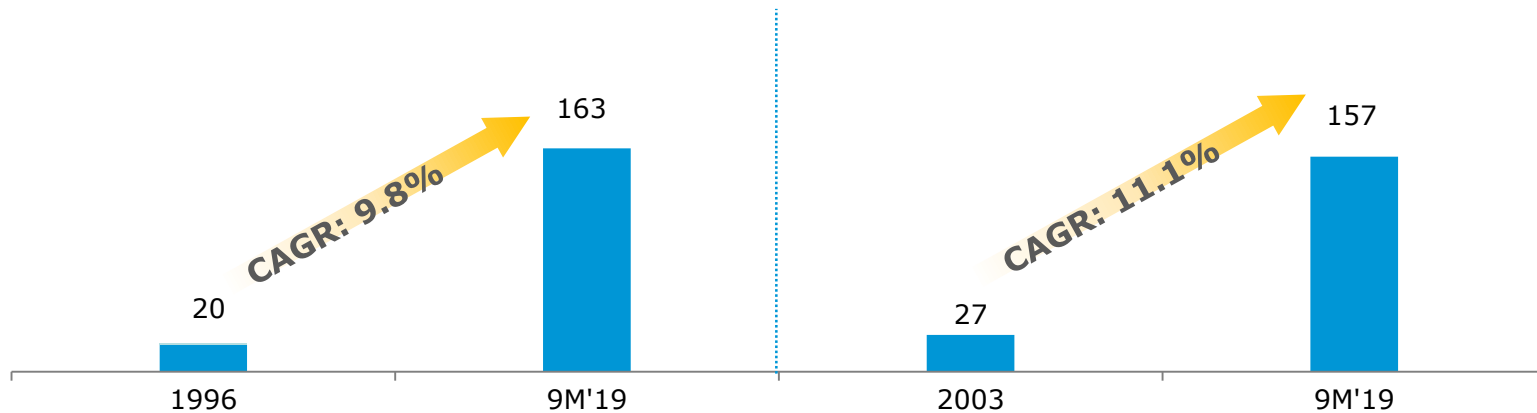
# Attractive returns

## Total Shareholders' Return Growth<sup>1</sup>



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

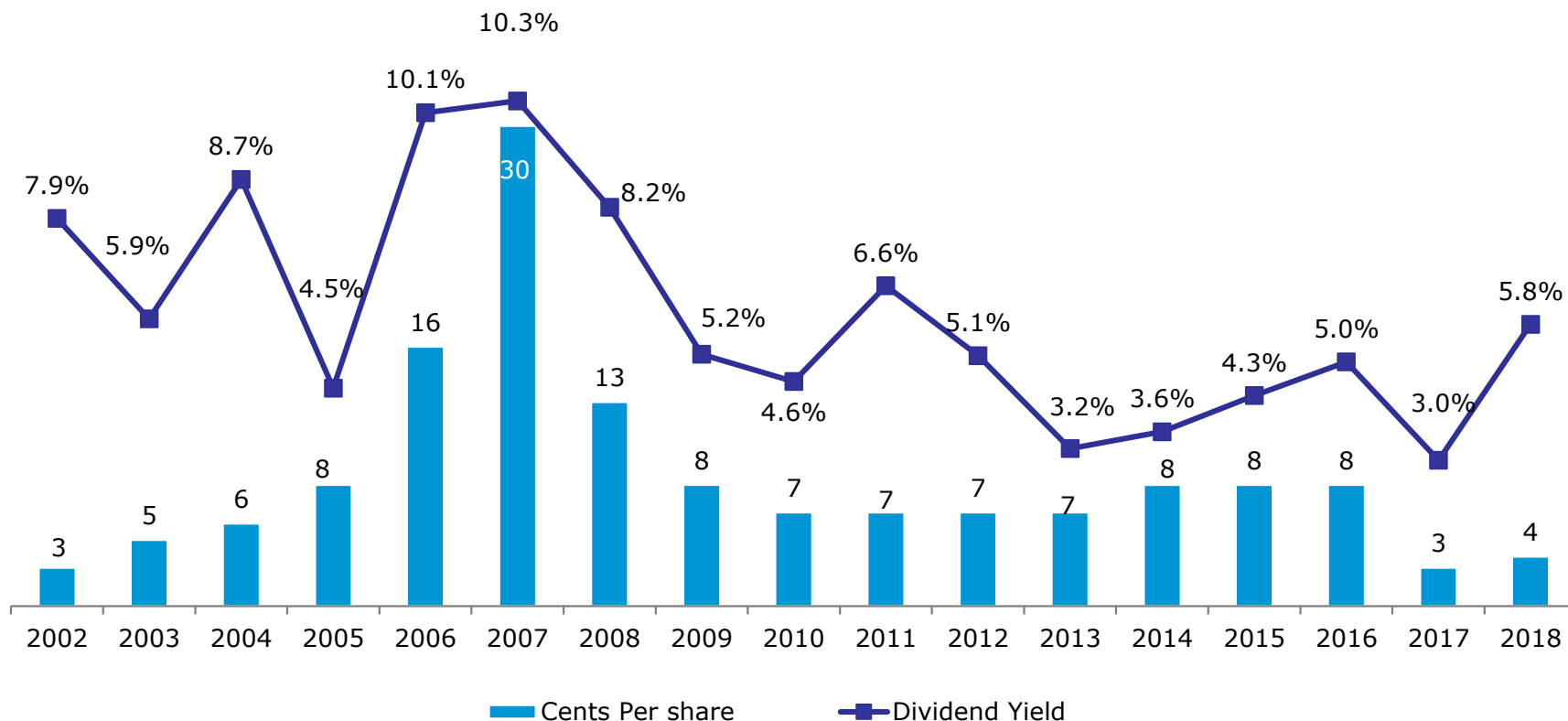
## Book Value Per Share Growth (in US cents)<sup>2</sup>



<sup>2</sup>Book 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*

***Invest in companies with sustainable and predictable cashflows***

# Controlling or majority stakes

Main Entities	 بنك بروتيان BURGAN BANK	 osn	 UGH	 KAMCO INVEST	 gig شركة التأمين الكويتية	 شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes <sup>1</sup>	62.8%	60.5%	93.0%	80.3% <sup>3</sup>	45.6%	73.4%
Board Representation	6 of 9	2 of 7 <sup>5</sup>	4 of 7 (UGB)	4 of 5	4 of 10 <sup>4</sup>	5 of 7
Market Cap (USDmn) <sup>2</sup>	2,649	Unlisted	1,359	75	404	216
Credit Ratings	S&P: BBB+/A2 Moody's: A3/ P2 Fitch: A+	Unrated	CI: BBB (UGB)	CI: BBB	S&P: A- 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:

<sup>1</sup> Effective stakes given are as of 30 September 2019

<sup>2</sup> Market capitalisation as of 27 January 2020 (Source: Bloomberg for market price)

<sup>3</sup> Stake in KAMCO is held through UGH






<sup>4</sup> GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors

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

CI = Capital Intelligence

# Active management

## Key businesses – progress indicators

Businesses	Parameters	Then <sup>1</sup>	Now	Active Management – KIPCO Support & Action
	Net Interest Margin	1995 <b>1.3%</b>	9M'19 <b>2.5%</b>	<ul style="list-style-type: none"> <li>Transformed from a local player to regional player</li> <li>Focused on growth with prudent loan underwriting</li> </ul>
	Sub. Base	1996 <b>-</b>	9M'19 <b>~1.0 Mn<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Merged with Orbit in 2009 to create leading Pay TV operator in MENA</li> <li>OTT proposition, WAVO, re-launched in April 2019</li> <li>Gained access to premium content</li> <li>Focused on subscriber acquisition</li> </ul>
	Book Value	1998 <b>\$193Mn</b>	9M'19 <b>\$340Mn</b>	<ul style="list-style-type: none"> <li>Incubated pan-MENA commercial banking network</li> <li>Equipped to assess / develop opportunities identified by KIPCO</li> <li>Refining strategy to add more value to financial services sector</li> </ul>
	Rank# (by GPW)	1997 <b>#3 of 5</b>	9M'19 <b>#1 of 32</b>	<ul style="list-style-type: none"> <li>Transformed from a local player to regional player</li> <li>Market leadership in 4 key geographies</li> <li>Partnered with Fairfax to strengthen operations and enhance growth</li> </ul>
	AuM	2000 <b>\$0.7Bn</b>	9M'19 <b>\$13.7Bn<sup>3</sup></b>	<ul style="list-style-type: none"> <li>Spun-off AM/IB division to separate client funds from KIPCO funds</li> <li>Full range of asset management, investment banking and brokerage</li> <li>Streamlined operation in 2012 to focus on core business and initiated growth strategy in 2014</li> <li>Acquired majority stake in Global Investment House and merged both operations in November 2019</li> </ul>

**Number of success stories demonstrating consistent track record of value creation**

<sup>1</sup> Year of incorporation/acquiring substantial stake acquisition of Pehla in 2013 and including integrated TFC subscribers

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

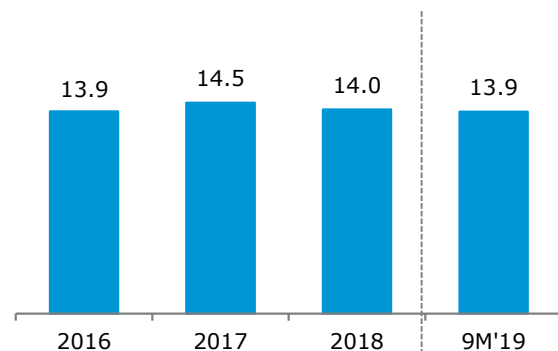


## Performance Update

# Burgan Bank Group (BBG)

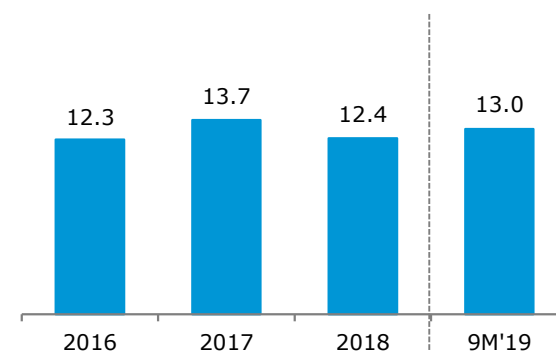
## Loans

USDbn



## Deposits

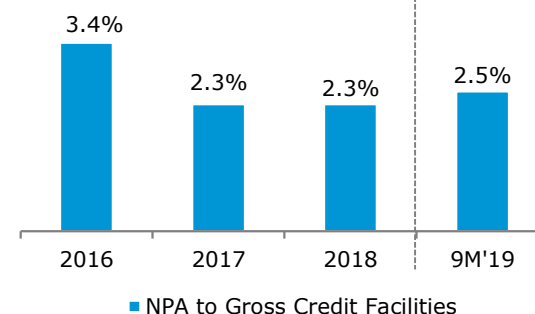
USDbn



## Asset Quality

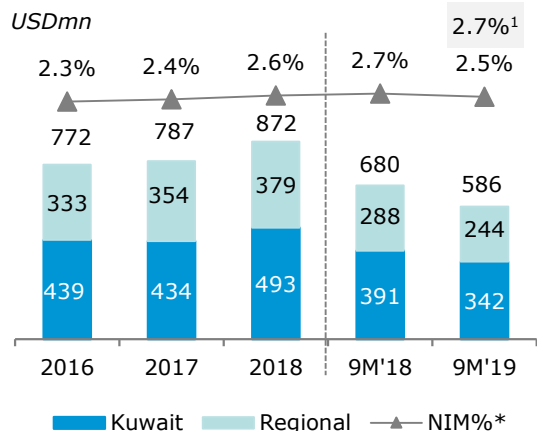
■ NPA coverage with collateral  
■ NPA coverage without collateral

194%	233%	241%	246%
124%	159%	171%	166%



## Operating Income

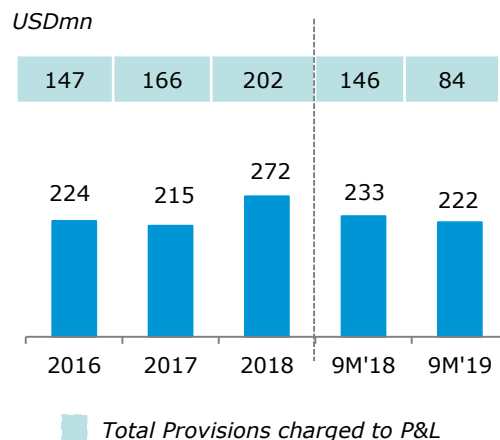
USDmn



\* Annualizing factor used for NIM calculation is 1.3  
<sup>1</sup>On nine months run rate basis

## Net Profit & Provision

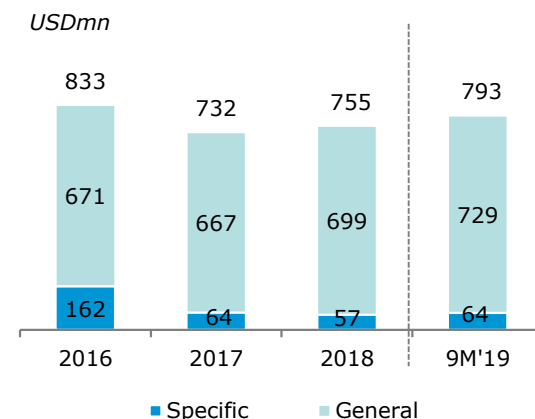
USDmn



■ Total Provisions charged to P&L

## Total Provision

USDmn



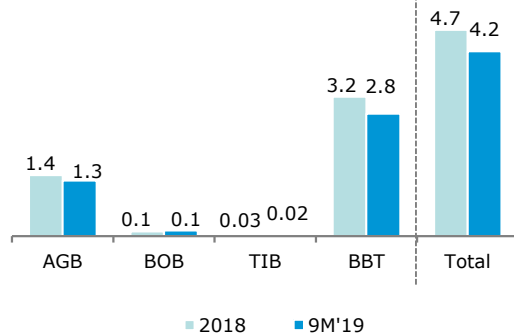
■ Specific ■ General

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

# BBG: Regional operations

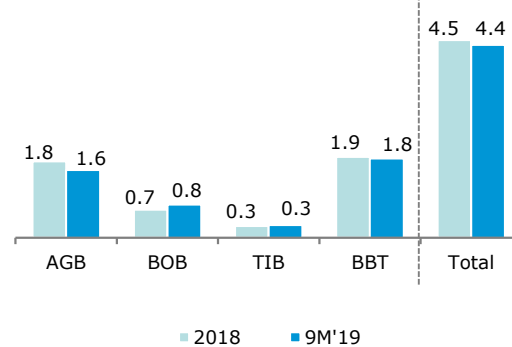
## Loans

USDbn



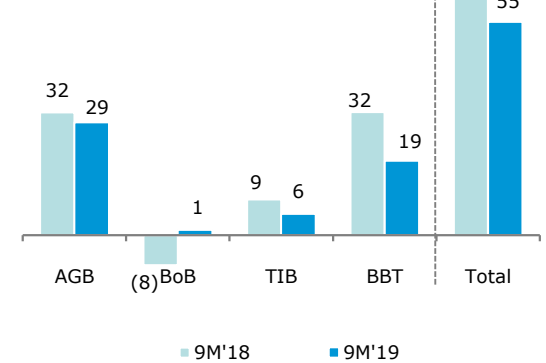
## Deposits

USDbn



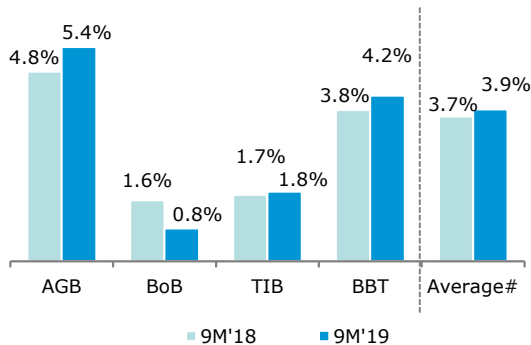
## Net Profit

USDmn



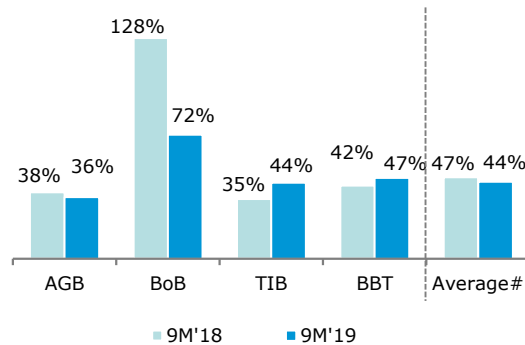
## Net Interest Margin\*

Percentage



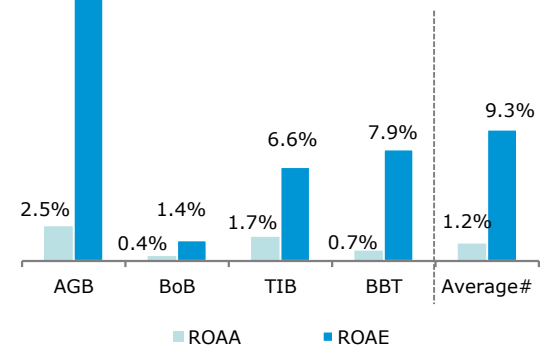
## Cost to Income

Percentage



## Return on Assets & Equity\*

Percentage



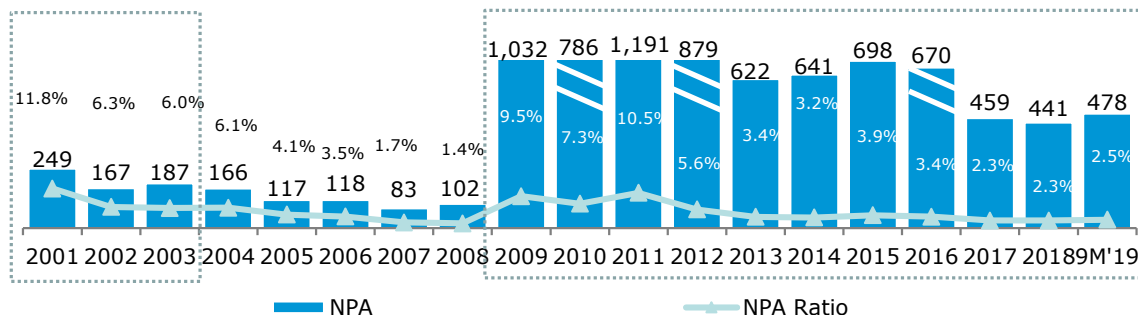
\* Annualizing factor used in 9M'19 for AGB, TIB, BBT calculation is 1.5 due to eight month reporting

# Represents weighted average figures using the denominator of respective ratio as weights

# BBG: NPA<sup>1</sup> & 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%	246%
50%	80%	87%	81%	116%	119%	165%	321%	57%	72%	49%	76%	123%	131%	120%	124%	159%	171%	166%



- ▶ At end of 30 September 2019, NPA coverage with provisions and collaterals was **246%**
- ▶ NPA Ratio was 2.5% as on 30 September 2019
- ▶ ~92% provisions in general category as on 30 September 2019
- ▶ 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**

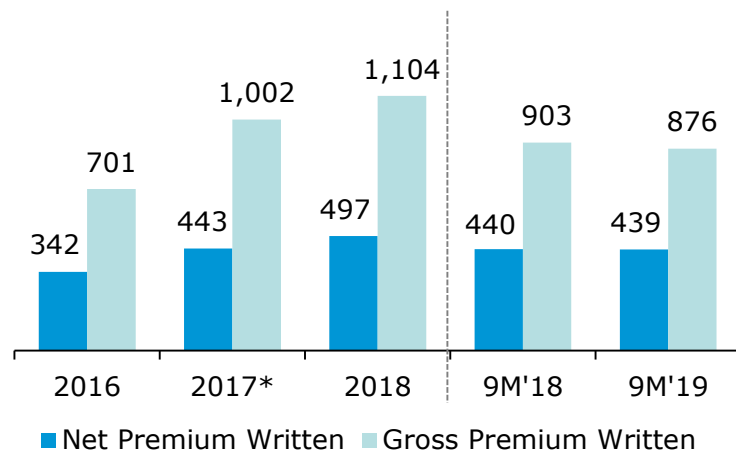
<sup>1</sup>NPA includes on balance sheet and off balance sheet exposure



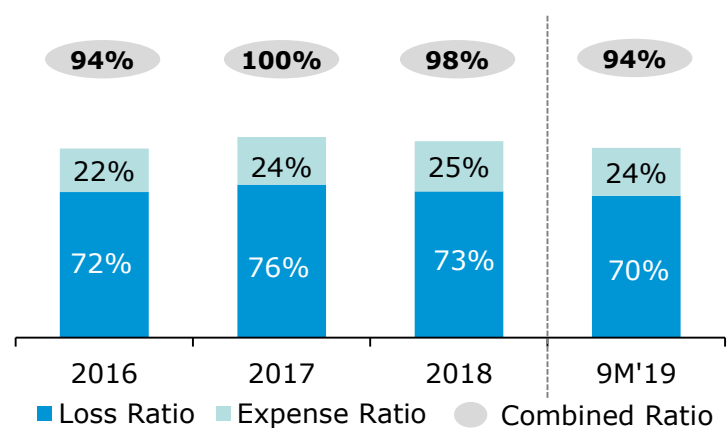
# Gulf Insurance Group (GIG)

## Gross & Net Premium Written

USDmn

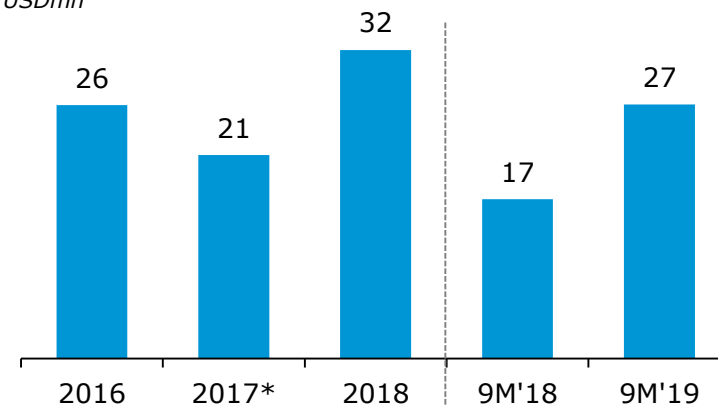


## Combined Ratio



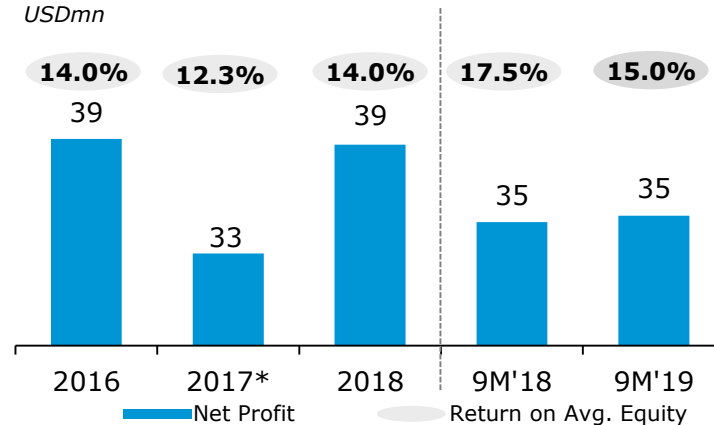
## Net Investment Income

USDmn



## Net Profit & ROE

USDmn



\*Restated

# OSN

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 1.0mn, ~100K subs for WAVO, 19k subs for OSN Play and 143k subs for OSN Demand

First in the region to introduce digital platform with OSN Play in 2012

WAVO has been re-launched in April 2019 with superior user interface and functional capabilities, benchmarked with leading OTT players globally

Exclusive access to the most comprehensive portfolio of rights from 7 major Hollywood studios plus wide range of Arabic content

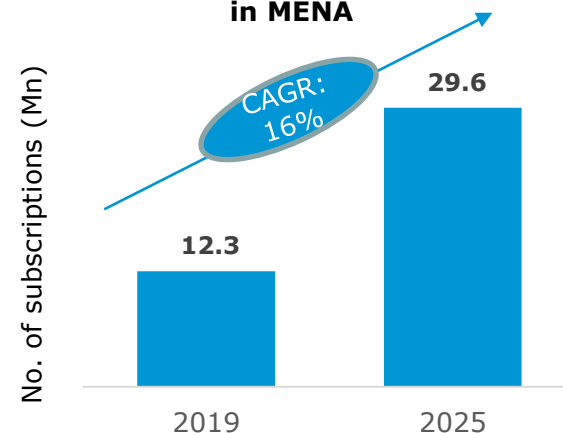
Premium content offerings with over 85 channels incl. 51 HD channels and 20 owned and 16 Pinoy channels

~1,000 employees in 13 offices, 27 retail locations across MENA and a network of 148 partners

## MENA Pay Tv Potential

	Population (Mn)	TV Households (Mn)	Pay TV/ TV Households (%)
<b>MENA Region<sup>1</sup></b>	<b>367</b>	<b>72</b>	<b>~10%</b>
<b>Latin America</b>	621	56	44%
<b>UK</b>	67	27	56%
<b>India</b>	1,352	197	66%
<b>US</b>	329	120	79%

## Expected growth of OTT in MENA



Source: Digital TV Research (Jan'20)

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

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

# OSN: has changed its game

## Significant value in business due to:

---

- **OSN has the rights and the ability to deliver product to all 25 countries in the region**
- **Has Exclusive long term renegotiated content contracts:** these exclusive DTH & OTT content rights are in 1<sup>st</sup> pay window (earlier than any other pay-TV operator)
- **Digital platform (WAVO)** is well positioned to harvest OTT opportunity in the MENA region
  - Only platform with OTT rights in 1<sup>st</sup> pay window from major Hollywood studios
- **Significantly reduced cost base** on content and G&A
- **Better than budgeted EBITDA and results in 2019**
- **Reduced Piracy** – BeoutQ closed; in general better control on other piracy
- **Improved simplified product proposition** and customized offerings
- Attractive **market opportunity**:
  - Last frontier for growth in pay-tv business with market penetration of 10%
  - Organic growth potential - 7 core markets vs. 25 licensed for OSN
- **Best in class talent at top management**

# OSN's operational turnaround is complete in 2019

## Reset Studio Contract

- ▶ Contract negotiations with studios completed
  - ▶ Exclusive contracts with 7 major studios locked for long-term
  - ▶ Secured OTT rights without additional cost
- 

## Business Right Sizing

- ▶ Headcount reduction to ~1,000 from ~1,700 in Dec 2018
  - ▶ Relocation of call center operations to low cost locations of Jordan and Egypt
- 

## Strong IPTV / Telco Partnership

- ▶ New IPTV/ Telco collaboration initiatives underway
  - ▶ Collaborated with Vodafone to expand in Qatar market
  - ▶ Strong potential of growth in KSA
- 

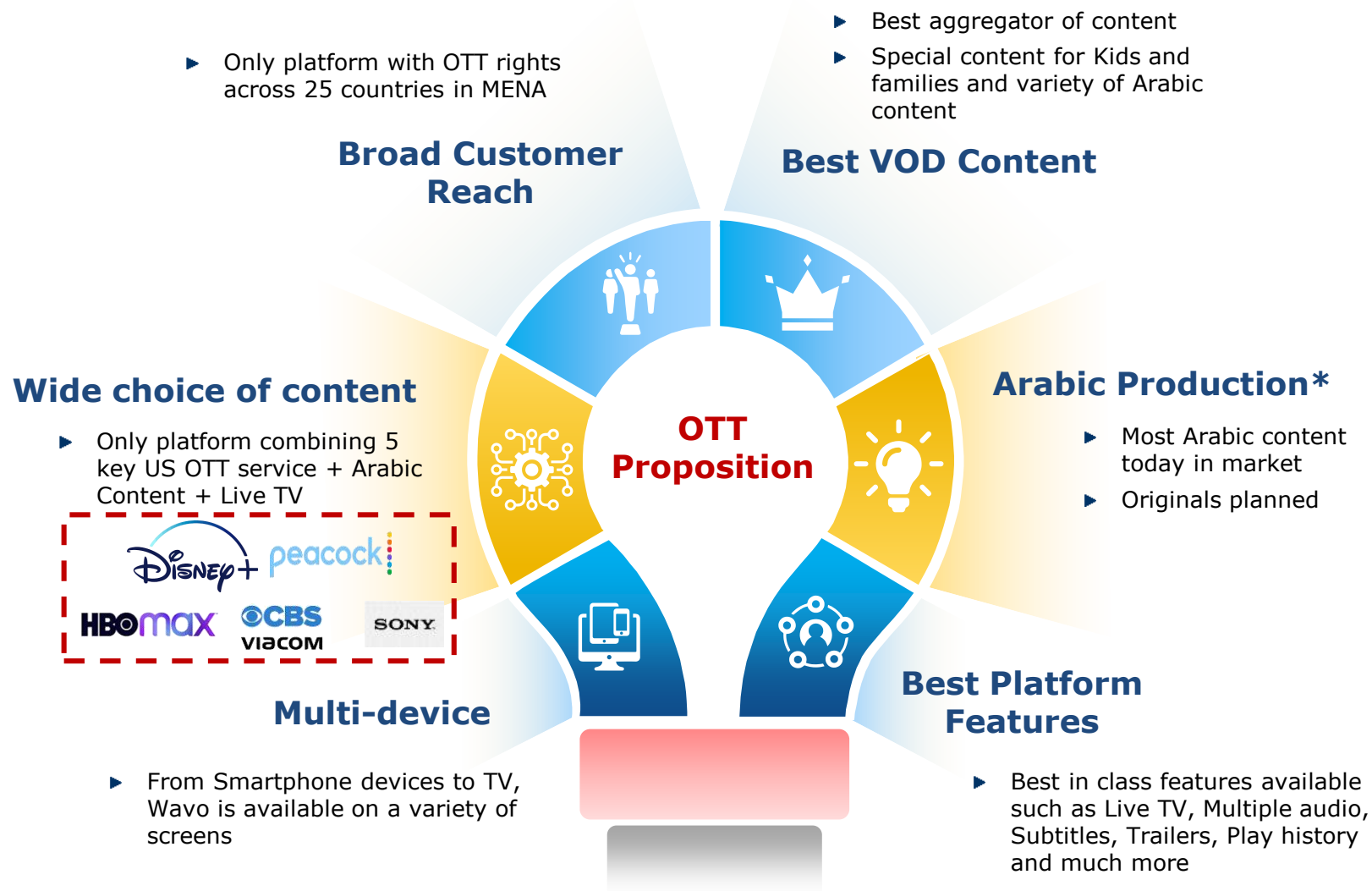
## Best in class OTT Platform

- ▶ WAVO phase 1 successfully launched; next phase in March/ April 2020
  - ▶ OTT subs increased from 22k to ~100k since Apr 2019
  - ▶ More features & content being added regularly
- 

## Piracy crackdown

- ▶ A major piracy source (BeoutQ) closed in Aug 2019
  - ▶ Positive impact on subs & revenues in 2020 onwards
-

# WAVO is the Super OTT Content Aggregator in MENA



*\* Under evaluation by the board*

# Wavo: App Store Ratings



## App Store Preview

This app is available only on the App Store for iPhone, iPad and Apple TV.



### WAVO وافو – Streaming App (17+)

Watch the Best Movies & Series  
OSN (OSN)

#55 in Entertainment

★★★★★ 4.4, 4.4k Ratings

Free · Offers In-App Purchases



### Netflix (4+)

Start Watching  
Netflix, Inc.

#5 in Entertainment

★★★★★ 3.9, 10.8k Ratings

Free · Offers In-App Purchases



### STARZPLAY ستارزبلاي

Brilliant TV. Every time.  
Playco Entertainment FZ LLC

#10 in Entertainment

★★★★★ 4.3, 1.9k Ratings

Free · Offers In-App Purchases



**4.4**, 4.7k Ratings



**3.9**, 10.8k Ratings



**4.3**, 1.9k Ratings



**IMDb**  
Ratings

**8.0** ★



**9.5** ★



**7.9** ★



**8.1** ★



**7.5** ★



**8.6** ★



**9.0** ★



**9.4** ★



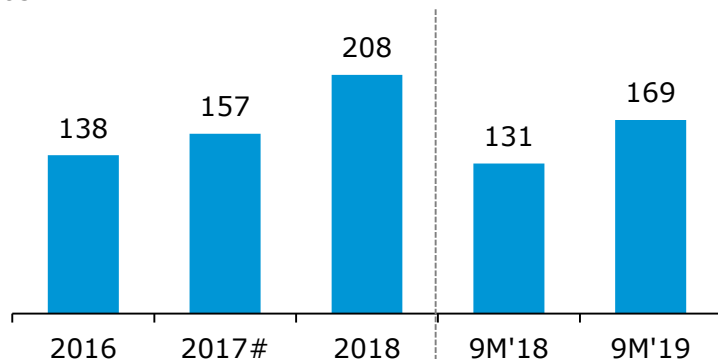
**8.5** ★

Source: Apple App Store; IMDb Ratings (09 Dec 2019)

# United Gulf Holding Company (UGH)

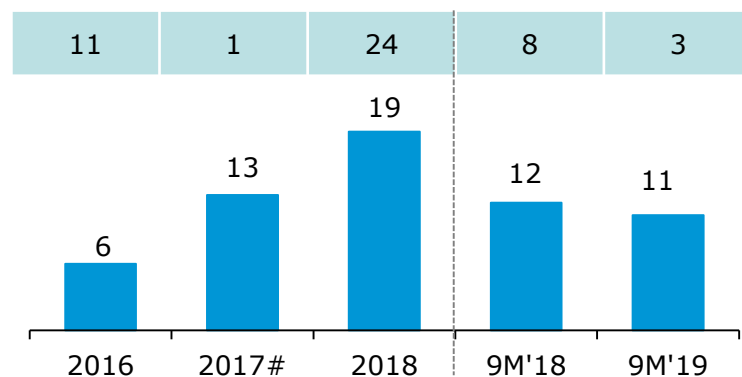
## Revenue

USDmn



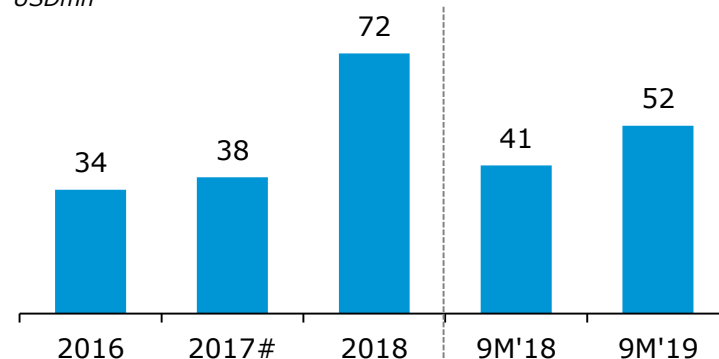
## Net Profit & Provisions

USDmn



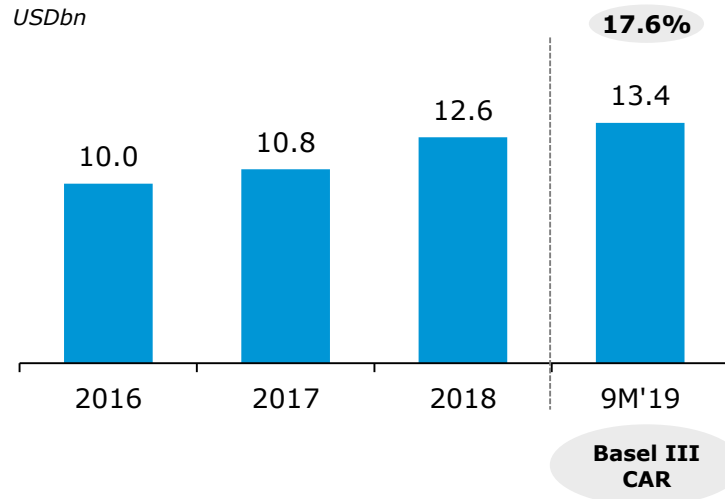
## Fee & Commission Income

USDmn



## AuM & Capitalisation

USDbn

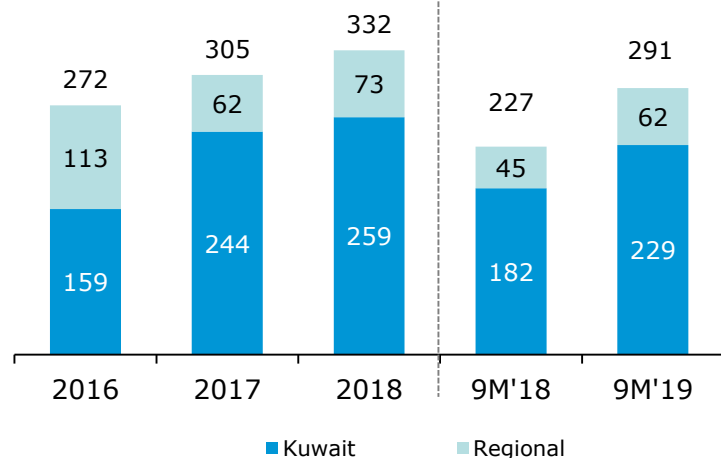


# As UGH was incorporated in September 2017, financials of UGH for 2017 comprise of first nine months results for UGB and Q4'17 results for UGH

# United Real Estate Company (URC)

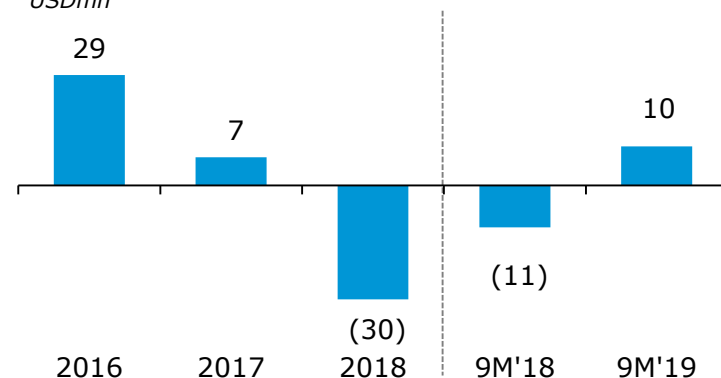
## Total Revenue<sup>1</sup>

USDmn



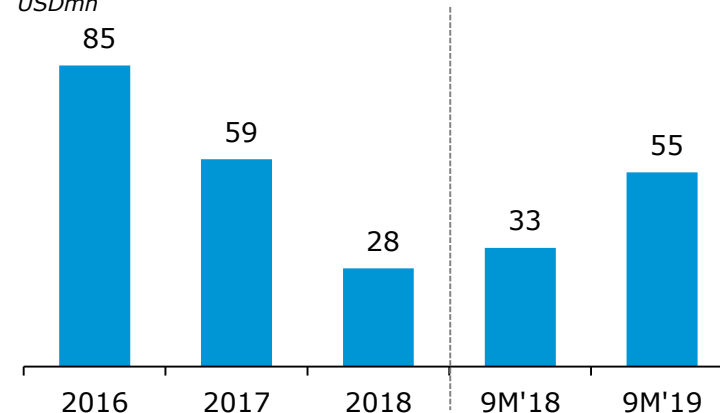
## Net Profit

USDmn



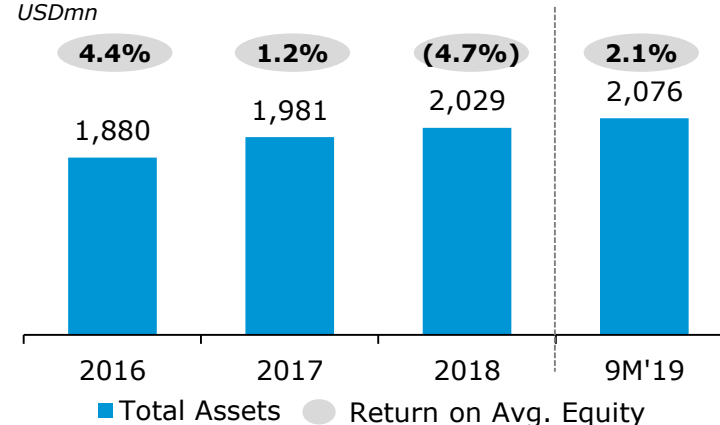
## Operating Profit<sup>2</sup>

USDmn



## Total Assets & ROE

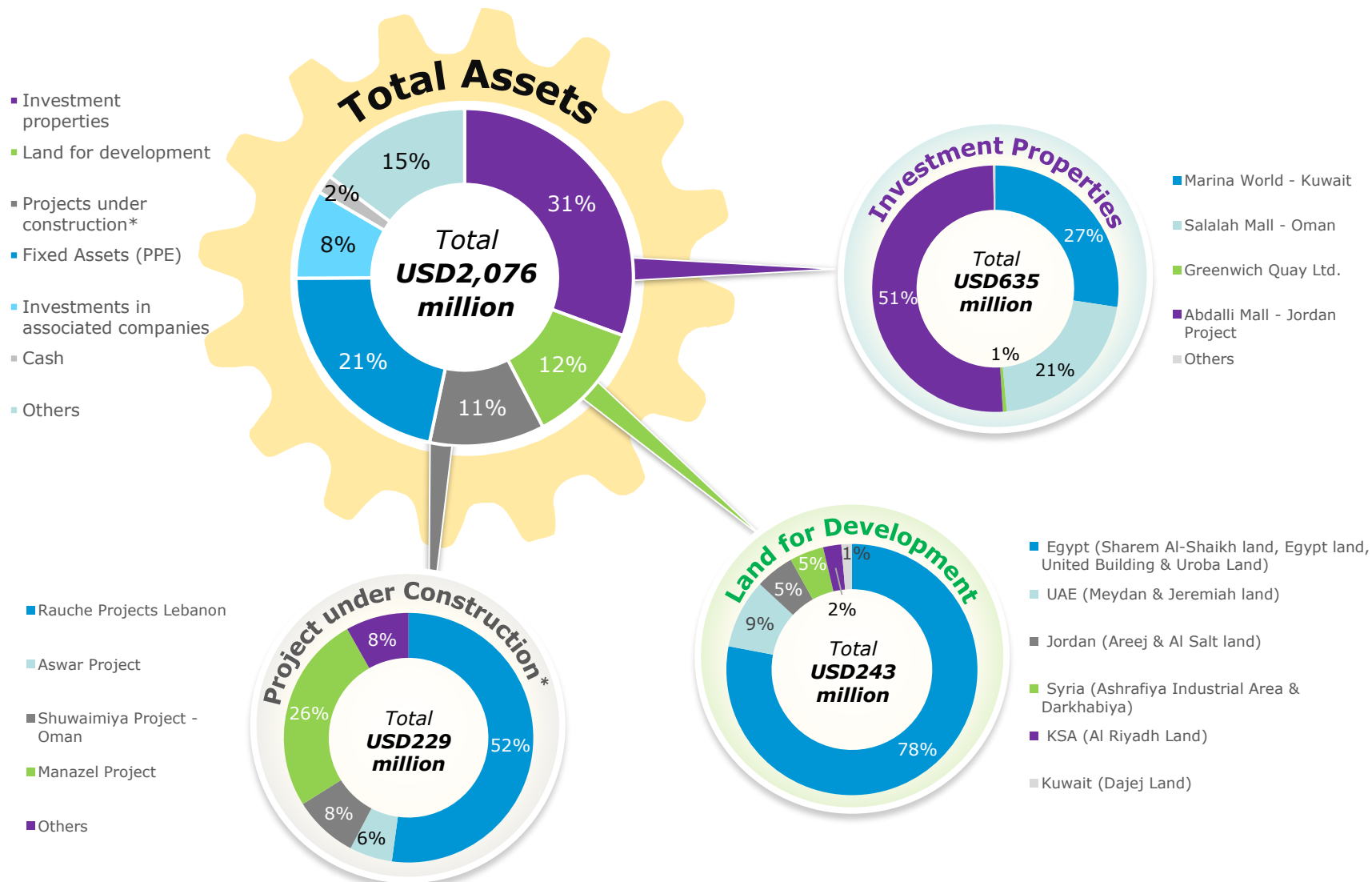
USDmn



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



# URC: Balance sheet (Break-up)<sup>1</sup>



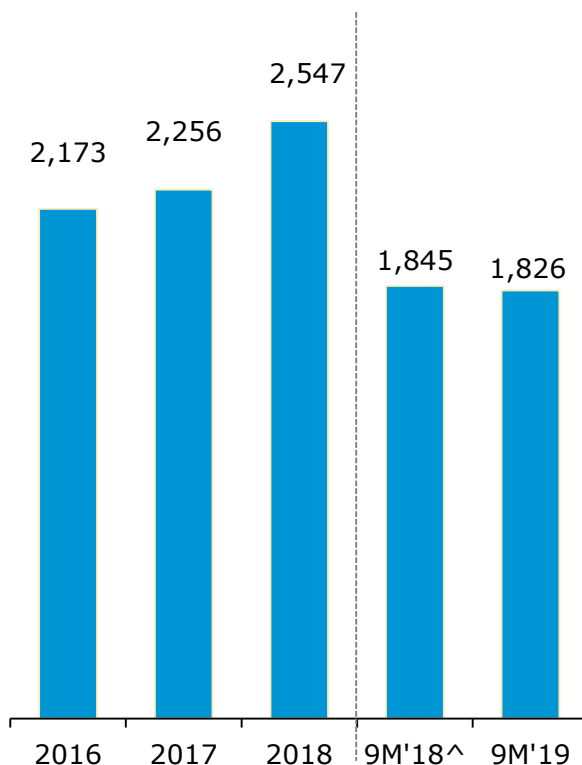
\* Includes Raouche, Aswar & Manazel which are reported under inventory in the financials

<sup>1</sup> As on 30 September 2019

# KIPCO consolidated: Financial performance

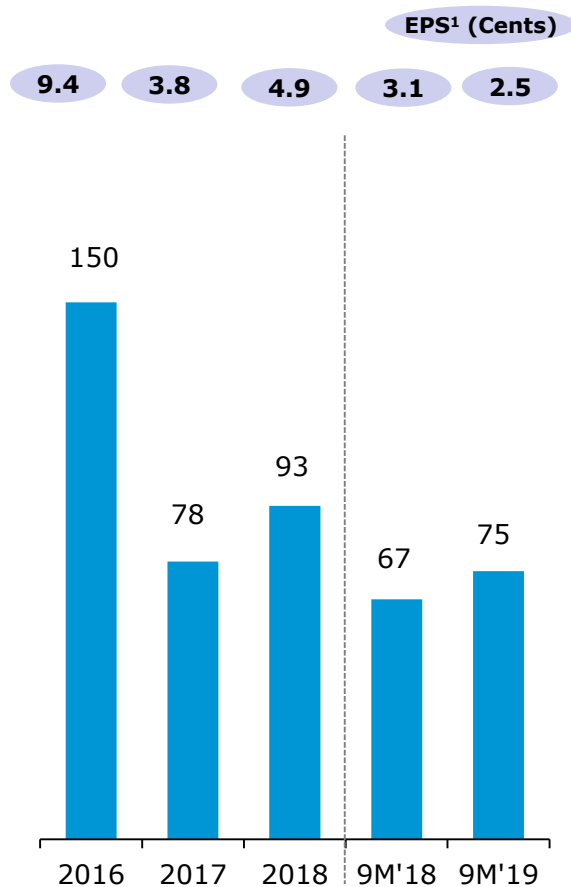
## Revenue

USDmn



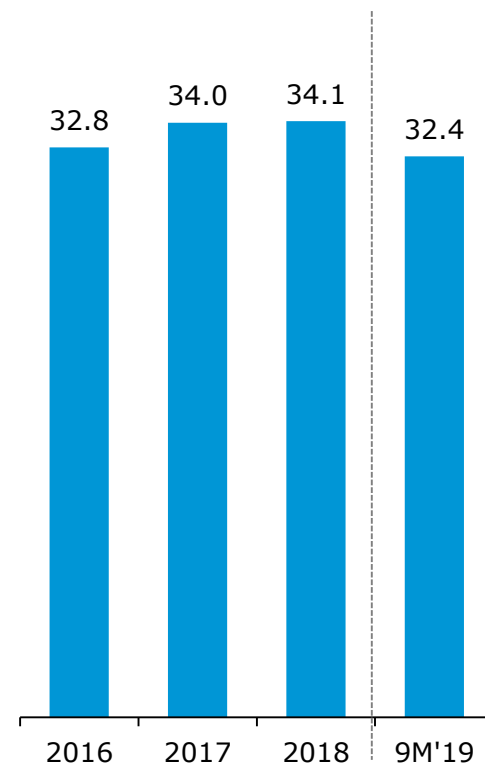
## Net Profit

USDmn



## Consolidated Assets

USDbn



<sup>^</sup> 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 0.30405 has been used in the presentation for financial numbers

<sup>1</sup>Basic Earning per share (reported)



## 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
- 2<sup>nd</sup> largest conventional bank in Kuwait in terms of assets (Total Assets of USD22bn<sup>1</sup>)
- Offers a wide range of corporate, retail & treasury products through a network of 164 branches<sup>1</sup>
- Listed on the Boursa Kuwait with a market cap of USD2,649mn<sup>2</sup>
- BBB+ rating from S&P, A3 from Moody's and A+ from Fitch Ratings.
- KIPCO group holds 62.8% stake, while KIPCO directly holds 41.3% stake<sup>1</sup>
- First ISO certified bank in GCC to achieve certification for all its banking operations



### **Key highlights of 9M'19 results:**

- ▶ Net profit margin improved from 34.3% in 9M'18 to 37.8% in 9M'19
- ▶ NPA ratio in 9M'19 is maintained at 2.5%
- ▶ Basel III CAR of 17.0%<sup>1</sup>

***A regional player with presence in growth markets***

<sup>1</sup>Represents figure as on 30 September 2019

<sup>2</sup>As on 27 January 2020

# 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 in MENA
- 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 USD404mn<sup>2</sup>
- A- rating from S&P; A3 rating from Moody's; A rating from AM Best
- KIPCO group holds 45.6% stake, while KIPCO directly holds 40.9% stake<sup>1</sup>



### **Key highlights of 9M'19 results:**

- ▶ NPW were lower by 0.2% at USD439mn in 9M'19 vs. USD440mn in 9M'18 largely impacted by delay in completion of a contract
- ▶ Net profit was largely stable at USD35mn in 9M'19 increasing slightly by ~1.0%
- ▶ Composition of GPW
  - Line of business: 57% Life & Medical; 43% Non-Life (3% Marine & Aviation, 10% Property, 17% Motor, 6% Engineering and 7% General)

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

<sup>1</sup>Represents figure as on 30 September 2019

<sup>2</sup>As on 27 January 2020



# 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, corporate finance advisory and brokerage services
- Listed on the Bahrain stock exchange with a market cap of USD1,359mn<sup>2</sup>
- Credit rating of BBB (UGB) from Capital Intelligence
- KIPCO group holds 93.0% stake, while KIPCO directly holds 48.3% stake<sup>1</sup>



### Recent Highlights

#### **Key highlights of 9M'19 results:**

- ▶ 29.1% increase in revenue to reach USD169mn in 9M'19 vs. USD131mn in 9M'18
- ▶ Fees and commission income increased by 26.6% to reach USD52mn in 9M'19 vs. USD41mn in 9M'18
- ▶ CAR for UGB is 17.6%<sup>1</sup>

***Focused on growing the financial services network across the MENA region***

<sup>1</sup>Represents figure as on 30 September 2019

<sup>2</sup>As on 27 January 2020

# United Real Estate Company (URC): Overview

## Overview



- Leading integrated real estate company with presence in Kuwait & MENA
- Presence across retail, hospitality, residential and office sector
- Engaged in developing Kuwait's first-ever comprehensive mixed-use district -Hessa Al Mubarak District, an urban cluster consisting of retail, office, and residential components
- Listed on the Boursa Kuwait with a market cap of USD216mn<sup>2</sup>
- Major real estate player in Kuwait, ranked second in real estate sector on KSE (total assets basis)
- KIPCO group holds 73.4% stake, while KIPCO directly holds 53.8% stake<sup>1</sup>



### Recent Highlights

#### **Key highlights of 9M'19 results:**

- ▶ 28.0% growth in total revenue in 9M'19 to reach USD291mn vs. USD227mn in 9M'18
- ▶ Hospitality and real estate income grew by 29.3% to reach USD273mn in 9M'19 vs. USD211mn in 9M'18
- ▶ 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***

<sup>1</sup>Represents figure as on 30 September 2019

<sup>2</sup>As on 27 January 2020

# Major real estate properties developed & operated by URC



# 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%<sup>1</sup>



### **Key highlights of 9M 2019 results:**

- ▶ Revenue increased by 27.9% to USD43mn in 9M'19 vs. USD34mn in 9M'18 due to higher income from associates (increase of ~USD7mn)
- ▶ Net profit increased by 46.3% to USD25mn in 9M'19 vs USD17mn in 9M'18 on the back of increase in total revenue (by ~USD9mn)
- ▶ Total assets increased by 6.6% to reach USD905mn in 9M'19 as compared to 2018

### ***Aims to invest in specialized activities in the Industrial sector***

<sup>1</sup>Represents figure as on 30 September 2019

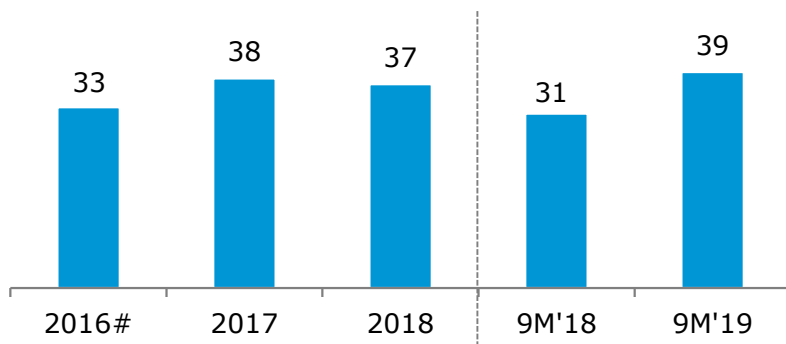
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

# United Industries Company: Financial performance

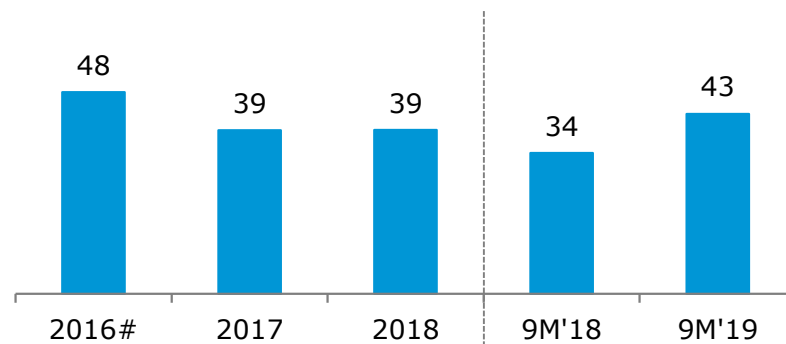
## Income from Associates

USDmn



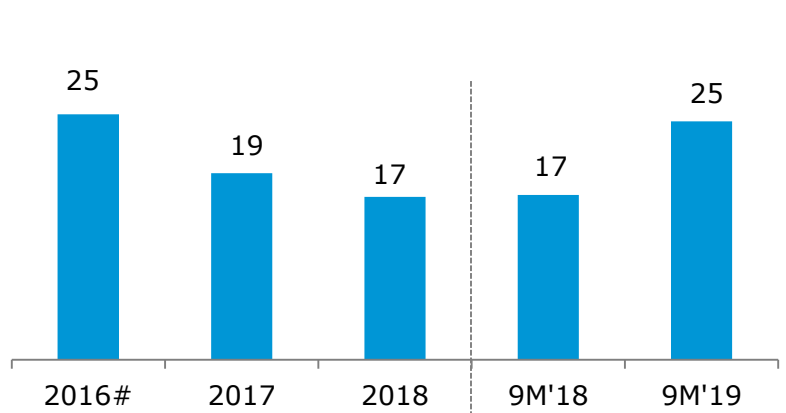
## Total Revenue

USDmn



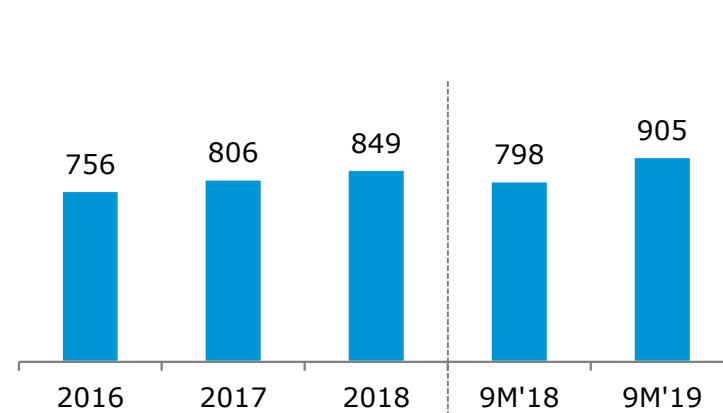
## Net Profit

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 Bursa Kuwait, with a market cap of USD1,035mn<sup>2</sup>
- KIPCO group through UIC holds 31% stake<sup>1</sup>



### **Key highlights of H1 2019/20 results, over H1 2018/19 results:**

- ▶ Total revenue increased by 12.5% to reach USD349mn in H1 2019/20
- ▶ Total assets increased by 16.6% to reach USD2.5bn in H1 2019/20 as compared to USD2.4bn at end of FY2018/19
- ▶ Gross profit increased by 13.3% to reach USD116mn in H1 2019/20 vs. USD102mn in H1 2018/19

***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

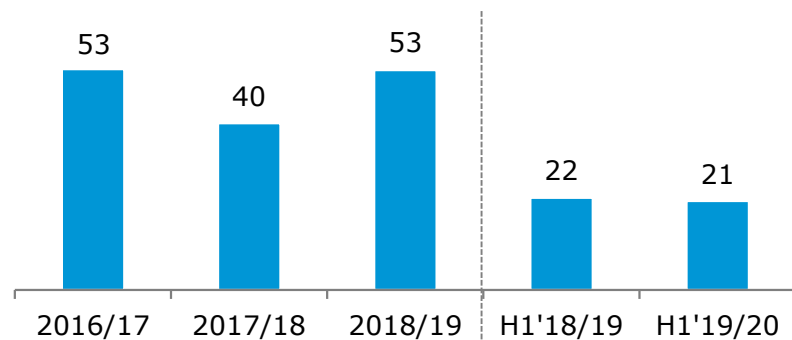
KARO = The Kuwait Aromatics Company,  
<sup>1</sup>Represents figure as on 30 September 2019

TKSC = The Kuwait Styrene Company  
<sup>2</sup>As on 27 January 2020

# QPIC: Financial performance

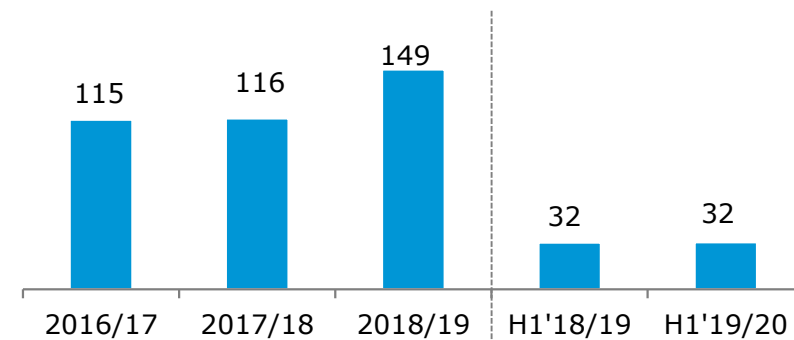
## Share of Income from Associates

USDmn



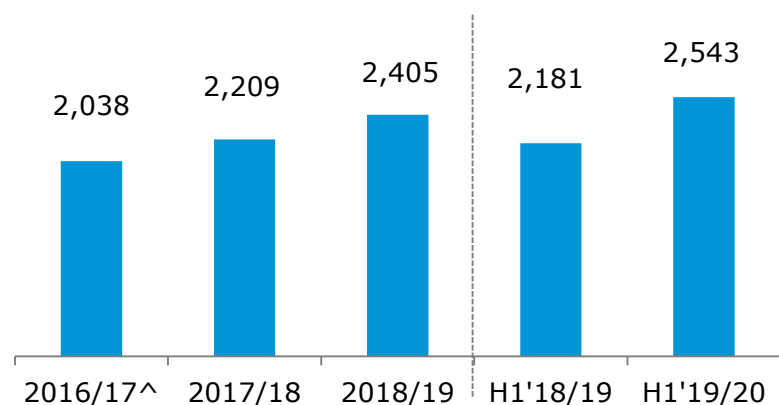
## Net Profit

USDmn



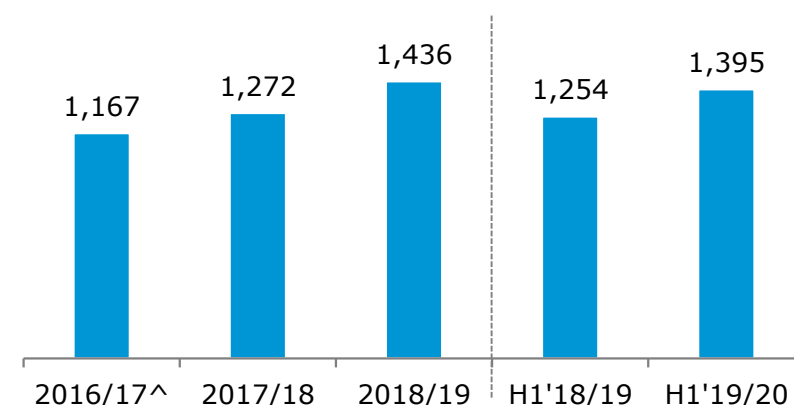
## Total Assets

USDmn



## Total Shareholder's Equity

USDmn



^ Restated in the 2017-18 financial statements

# Jordan Kuwait Bank (JKB): Overview

## Overview



- Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- Listed on the Amman stock exchange with a market cap of USD381mn<sup>2</sup>
- 5<sup>th</sup> largest conventional bank in Jordan in terms of assets (Total assets of USD3.9bn<sup>1</sup>)
- Offers a wide range of corporate, retail & treasury products through a network of 65 branches\*
- KIPCO group holds 51.2% stake<sup>1</sup>



### **Key highlights of 9M'19 results:**

- ▶ Net profit declined 25.2% to USD29.2mn in 9M'19 vs USD38.9mn in 9M'18
- ▶ Cost to Operating income ratio declined to 39.8% in 9M'19 vs 55.2.2% in 9M'18

\* As of 31 December 2018

<sup>1</sup>Represents figure as on 30 September 2019

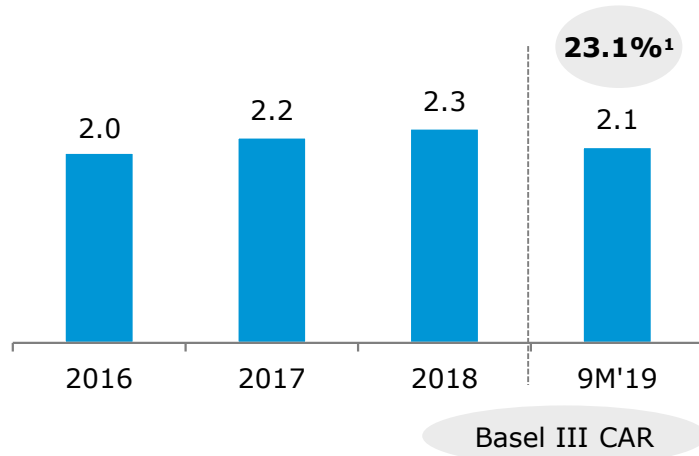
<sup>2</sup>As on 27 January 2020



# Jordan Kuwait Bank

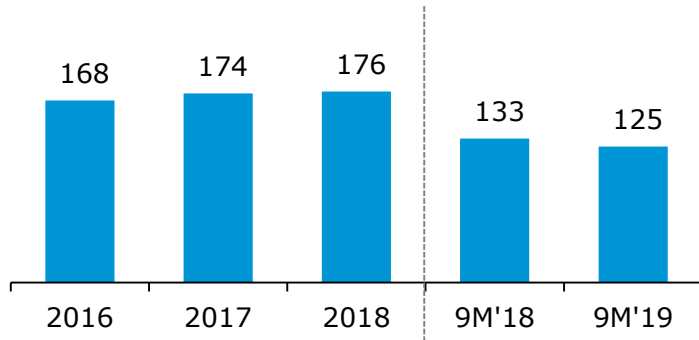
## Loan Growth

USDbn



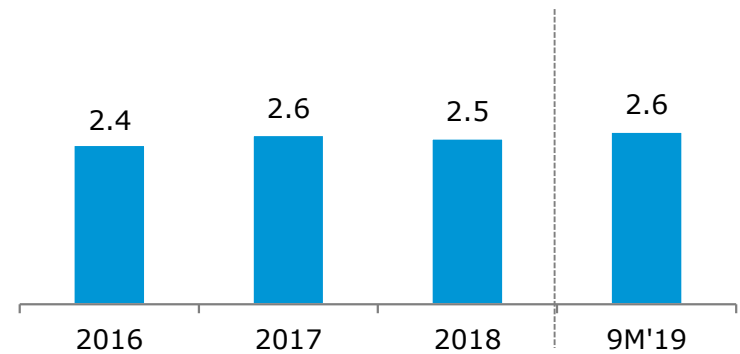
## Operating Income

USDmn



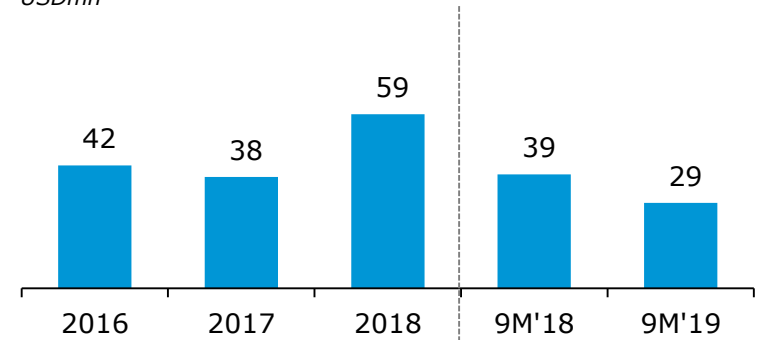
## Deposit Growth

USDbn



## Net Profit

USDmn



Notes: Exchange rate of USD/JOD of 0.7090 as of 30 September 2019 has been used for conversion

<sup>1</sup> As of 30 September 2019



## 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



## **Eric Schumacher | Group Treasurer**

- ▶ Joined KIPCO in 2019, previously held leading positions in Citi and HSBC
- ▶ Holds an MBA from Concordia University in Canada and is a Chartered Financial Analyst



## **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 | Deputy Group COO And Group Executive VP - Finance**

- ▶ 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](http://www.burgan.com)



**Khaled Al Hasan**

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.gigfins.com.kw](http://www.gigfins.com.kw)



**Faisal Sarkhou**  
CEO  
KAMCO Invest



KAMCO Invest is a regional non-banking financial powerhouse headquartered in Kuwait with offices in key regional financial markets. It offers integrated investment solutions covering asset management, investment banking and brokerage. KAMCO Invest is listed on Boursa Kuwait.

[www.kamcoinvest.com](http://www.kamcoinvest.com)



**Hussain A. Lalani**

CEO  
UGH



شركة الخليج المتحد القابضة  
United Gulf Holding Company B.S.C.

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](http://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](http://www.osn.com)



**Sheikha Bibi Nasser  
Al Sabah**

Chairperson  
URC



شركة العقارات المتحدة  
United Real Estate Co

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](http://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](http://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](http://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](http://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](http://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](http://www.pkcadvisory.com)



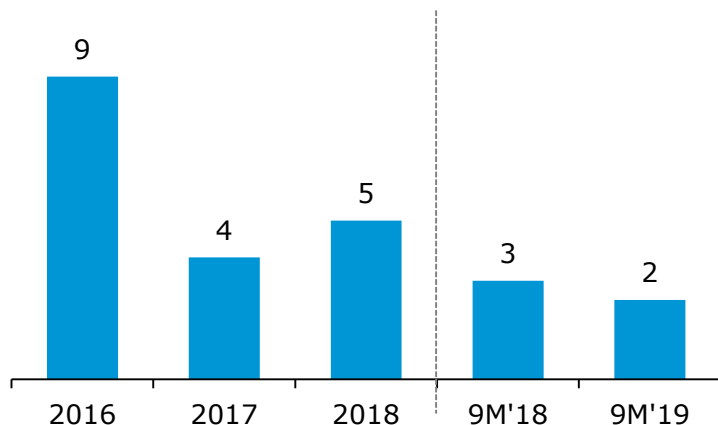


## Annexure 4: Per Share Return

# KIPCO: Per share return

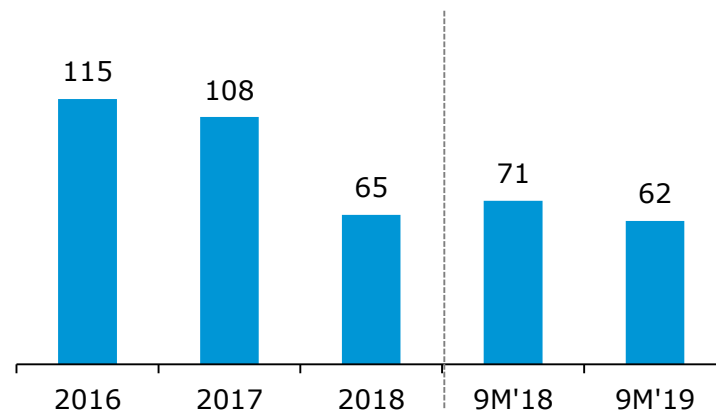
## EPS<sup>1</sup>

Cents per share



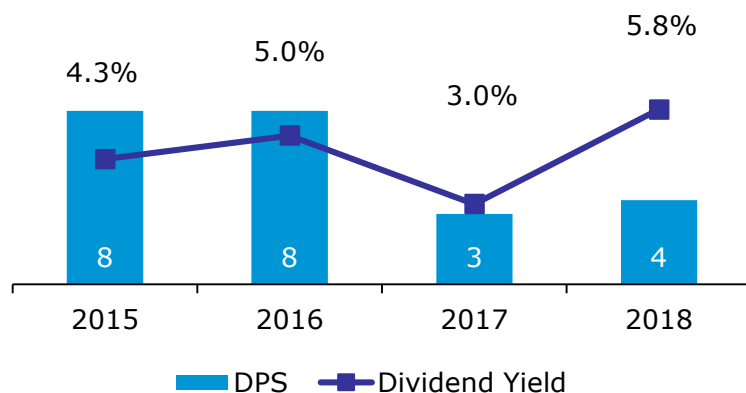
## Book Value

Cents per share

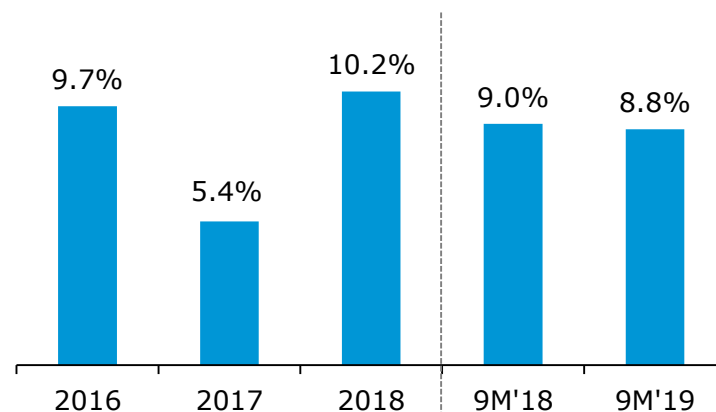


## DPS

Cents per share



## ROE



<sup>1</sup> Basic earnings per share (reported)

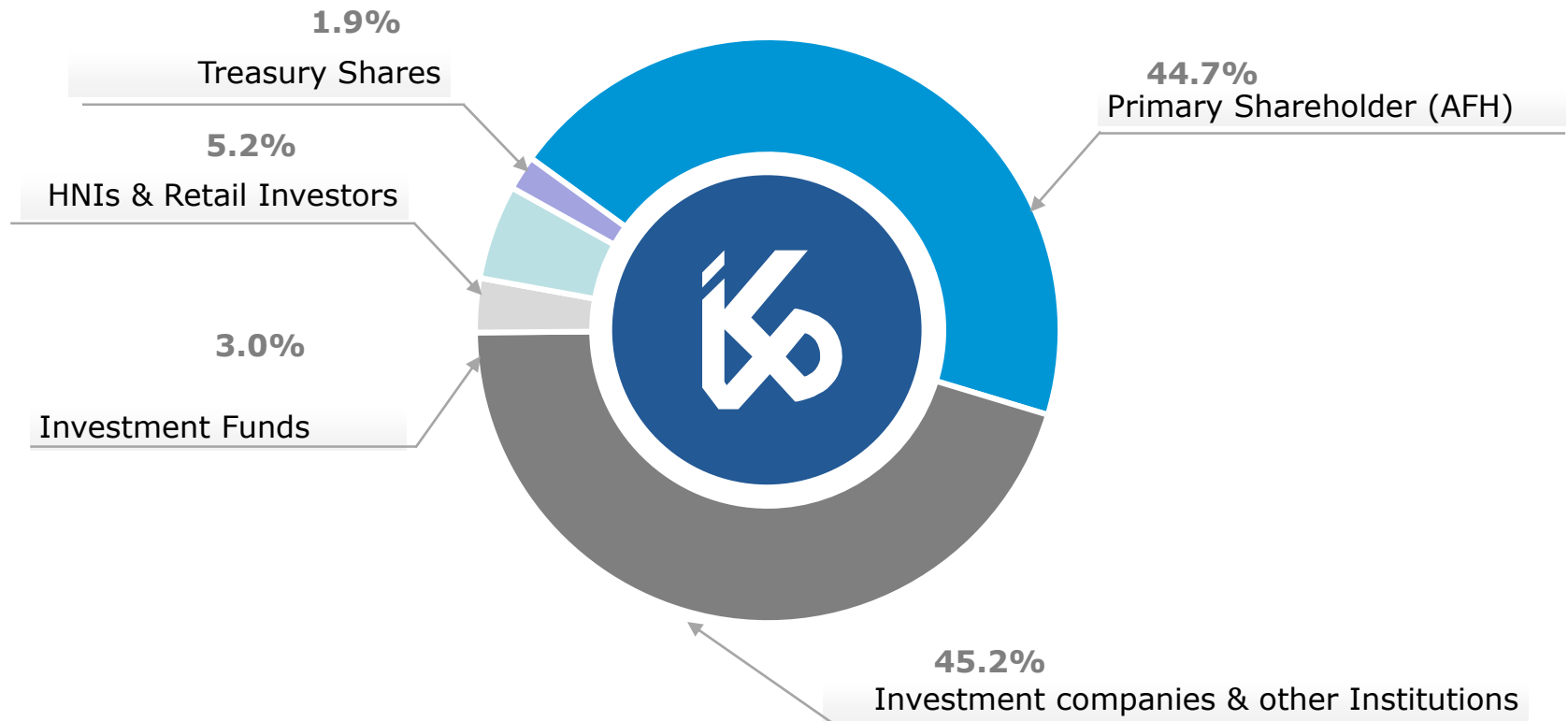




## Annexure 5: Trends and data

# 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 30 September 2019: 2,000mn*

# KIPCO group: Market data

Entity	P/B		P/E		Market Cap (USDmn)
	2018	Current <sup>1</sup>	2018	Current <sup>1</sup>	Current <sup>3</sup>
 كيبكو KIPCO شركة مشاريع الكويت (القياسية) Kuwait Projects Company (Holding)	1.1 <sup>2</sup>	1.2 <sup>2</sup>	13.9	13.7	1,357
 بنك بروتان BURGAN BANK	1.0	1.1	8.4	10.2	2,649
 شركة الخليج المتحد القابضة United Gulf Holding Company	3.7 <sup>2</sup>	3.9 <sup>2</sup>	NM	NM	1,359
 gig مجموعة الخليج	1.5	1.2	9.4	10.2	404
 شركة العقارات المتحدة United Real Estate Co	0.4	0.4	NM	NM	216

## Notes:

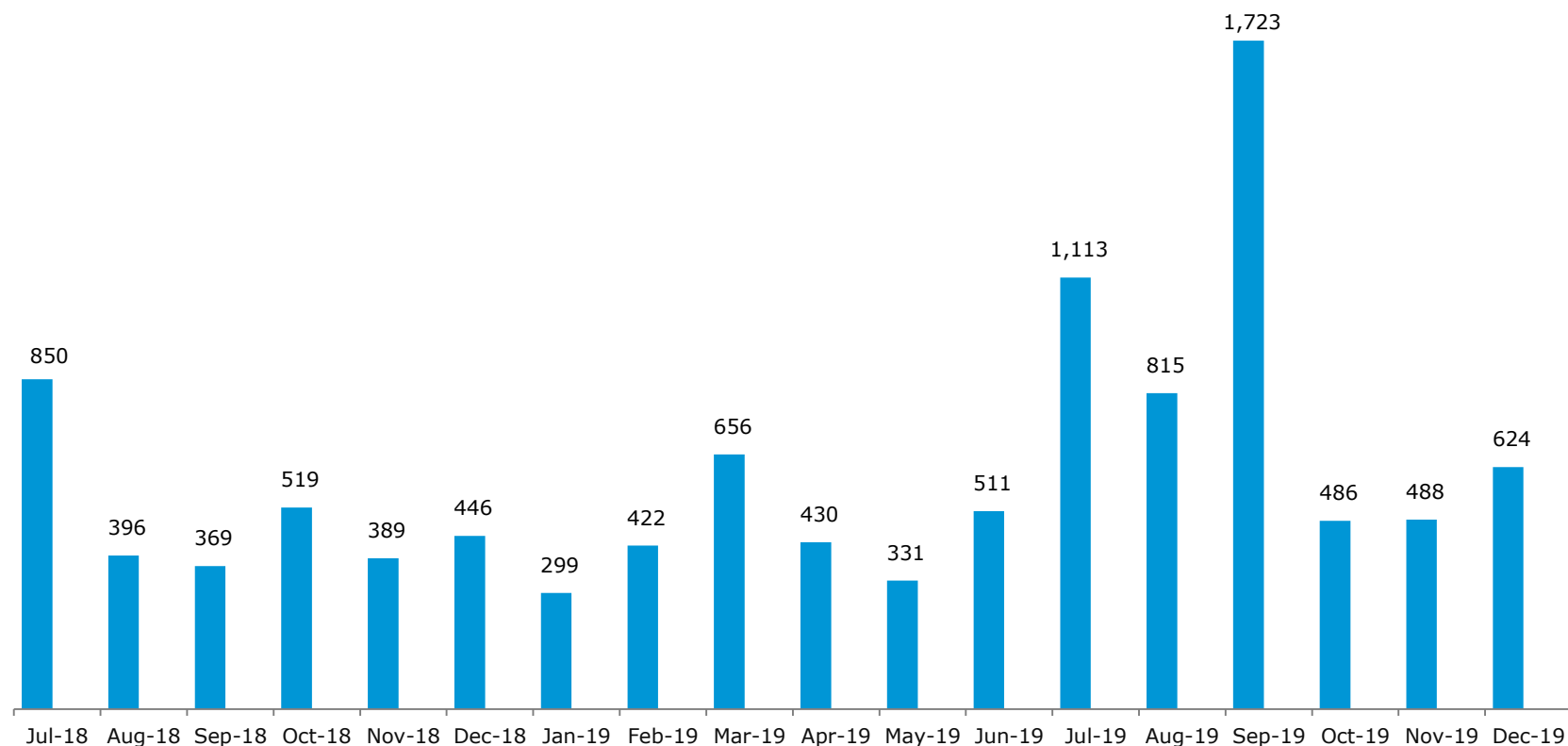
<sup>1</sup> P/B and P/E as of 27 January 2020 (Source: KAMCO Research)

<sup>2</sup> P/B has been calculated based on 2018 and 9M'19 book value per share and price at end of respective periods

<sup>3</sup> Market cap as of 27 January 2020 converted at 0.30365 (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 USD0.7mn in the last 12 months***

Source: Bloomberg; exchange rate used across the periods is as of 31 December, 2019 (USD/KD = 0.30305)

# KIPCO making history with landmark transaction..

...setting a strong precedence for MENA

Raised for a tenure of 7 years

**\$500mn**

Largest demand ever in the history of KIPCO debt

**\$3.6bn<sup>#</sup>**

Oversubscribed by

**7.1x**

Lowest ever KIPCO bond coupon

**4.229%**  
fixed coupon

Significant Annualized Interest savings

**~\$26mn**

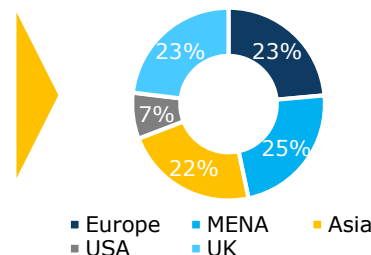
Issue Time-frame

**<3weeks**

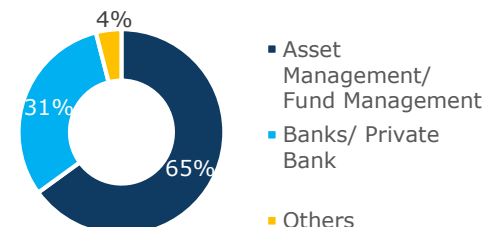
Solid and highly diversified investor demand spread across Asia, ME, Europe and US offshore

**270 investors**

Allocation by Geography



Allocation by Investor



**Extended debt maturity to 4.7 years\* from 4.1 years**

\* Represents debt maturity as on September 30, 2019 after including recently issued bond

# Represents peak demand numbers

# KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2016	2017	2018 Restated	9M 2019
Cash in hand and at banks	4,795	5,162	6,968	4,674
Treasury bills, bonds & other debt securities	2,221	2,127	2,389	1,931
Investment in associates	1,455	1,234	1,084	1,151
Investment in a media joint venture	492	585	-	-
Non-current assets held for sale	-	-	616	663
Investment properties	1,411	1,720	2,057	2,060
Other investments	1,870	2,062	1,706	1,705
Other assets (inc. goodwill & intangibles)	20,586	21,134	19,287	20,208
<b>Total assets</b>	<b>32,830</b>	<b>34,024</b>	<b>34,107</b>	<b>32,392</b>
Due to Banks & Other FI's	7,594	6,624	6,772	4,367
Deposits from Customers	15,852	16,870	16,075	16,743
Debt	4,215	4,883	6,029	5,841
Other liabilities	1,168	1,661	1,907	1,809
Equity attributable to equity holders of the Parent Company	1,551	1,445	911	1,131
Perpetual capital securities	482	482	482	506
Non-controlling interest	1,968	2,060	1,931	1,995
<b>Total liabilities and shareholders equity</b>	<b>32,830</b>	<b>34,024</b>	<b>34,107</b>	<b>32,392</b>

# KIPCO consolidated: Income Statement

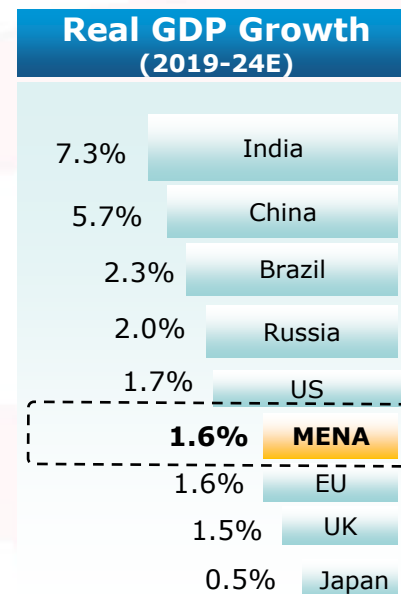
Consolidated Income Statement (USDmn)	2016	2017 Restated	2018	9M 2018 Restated	9M 2019
Interest income	1,225	1,271	1,464	1,072	1,012
Investment income	92	233	120	58	61
Fees and commission income	184	174	200	137	156
Share of results of associates	118	42	61	54	63
Share of results of a media joint venture	(21)	-	-	-	-
Hospitality and real estate income	254	308	360	239	302
Other revenues	321	227	342	285	232
<b>Total revenues</b>	<b>2,173</b>	<b>2,255</b>	<b>2,547</b>	<b>1,845</b>	<b>1,826</b>
Interest Expenses	791	816	980	702	719
General and administrative expenses	563	608	633	452	430
Other expenses and provisions	468	476	549	383	441
Taxation	60	51	34	39	40
Loss from discontinued operations	-	99	76	76	-
Non-controlling interest	140	128	182	126	122
<b>Net profit attributable to Equity Holders of the Parent Company</b>	<b>150</b>	<b>77</b>	<b>93</b>	<b>67</b>	<b>75</b>
Basic Earnings Per Share, Cents (Reported)	9.4	3.8	4.9	3.1	2.5
Basic Earnings Per Share for continuing operations, Cents (Reported)	-	10.8	10.3	8.4	2.5



## Annexure 6: About the region



# MENA region: Poised for strong economic growth

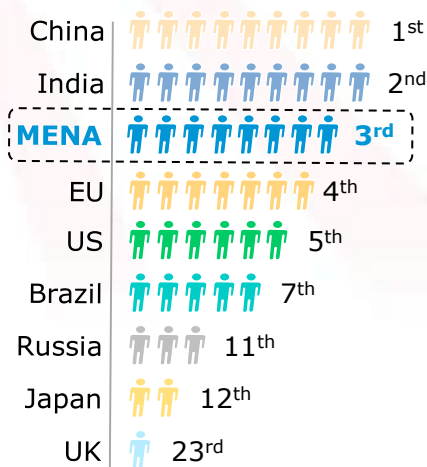


**MENA region is characterized by favourable demography and business climate**

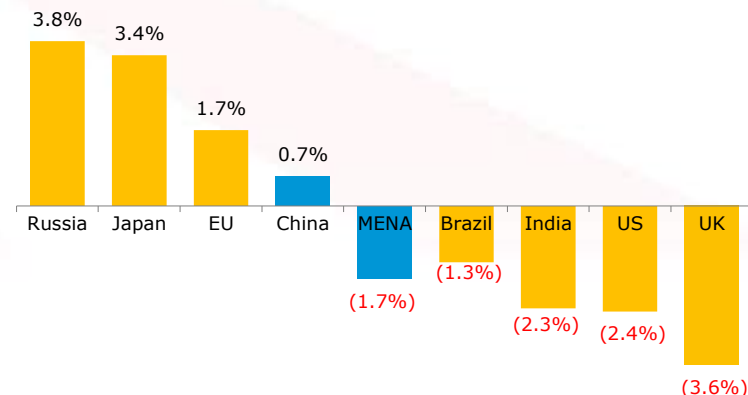
**Currently low level of competition and under penetration**

**Small but consistently growing non-oil economy**

## Population 2019E



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



Source: IMF-WEO Database, October 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 ...

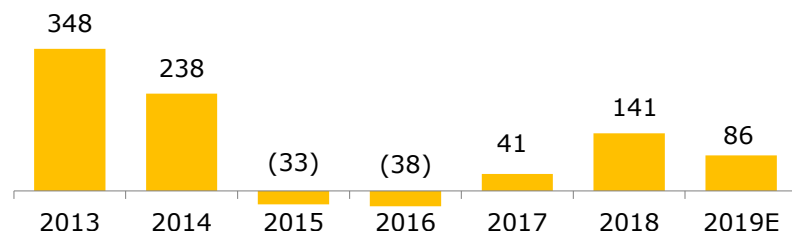
....All contribute to

**STRONG GROWTH**

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

## Current Account Surplus

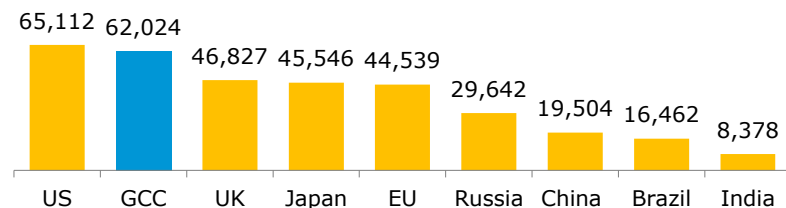
(In USDbn)



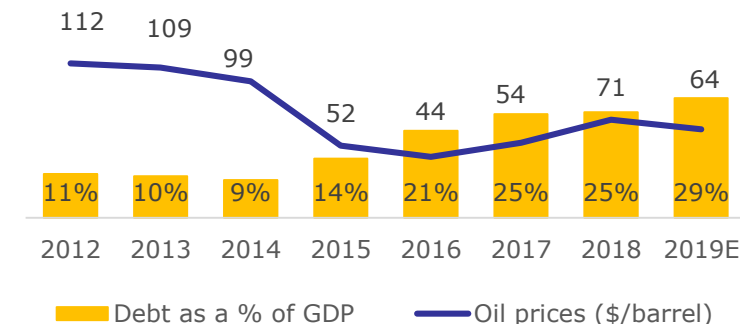
**"Accumulated current account surplus of over USD0.7tn from 2013 to 2019"**

## GDP / Capita, PPP (2019E)

(In USD)

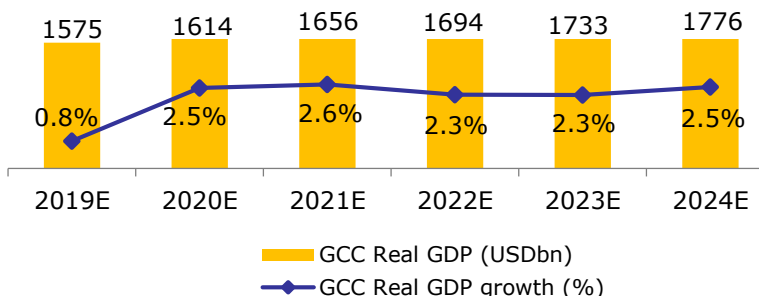


## Government debt as a % of GDP



## Real GDP & GDP Growth (2019-24E)

(In USDbn)



Source: IMF-WEO Database, October 2019, CIA

# Kuwait: Stable macro-economic environment

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

**Large hydrocarbon reserves and low govt. debt**

- ▶ Substantial oil and gas reserves
- ▶ Exceptionally large wealth, with sovereign wealth fund assets and vast hydrocarbon reserves, will continue to support the sovereign's fiscal strength and creditworthiness
- ▶ Low external breakeven at USD51/barrel, will ensure that the country continues to accrue wealth through sustained current account surpluses under \$50-70/barrel oil price range assumption
- ▶ Fiscal consolidation measures to be implemented in the next few years, possibly an introduction of Value-Added Tax as implemented in the region, and higher excise taxes on tobacco and sugary drinks

Source: Moody's credit opinion on Kuwait, May 2019

### 2019 Macro-economic KPI's

	Kuwait	Qatar	UAE	KSA	Bahrain	Oman	GCC
<b>Population (mn)</b>	4.7	2.8	10.7	34.1	1.5	4.3	<b>58.1</b>
<b>Nominal GDP (USDbn)</b>	138	192	406	779	38	77	<b>1,629</b>
<b>GDP per capita (USD)</b>	29,267	69,688	37,750	22,865	25,273	17,791	<b>28,042</b>
<b>Fiscal balance (% GDP)</b>	8.7	5.3	1.2	(5.9)	(11.9)	(7.9)	<b>(1.8)</b>
<b>Gross official reserves (USDbn)</b>	37	31	100	494	2	17	<b>681</b>
<b>Oil Reserves per capita (bbl)</b>	21,591	9,168	9,099	7,811	82	1,248	<b>8,541</b>
<b>Sovereign Wealth Fund (SWF) Assets (USDbn)</b>	592	320	1,173	876	11	24	<b>2,995</b>
<b>Sovereign Wealth Fund Assets/GDP (% GDP)</b>	432.3	165.4	274.1	114.9	27.2	30.2	<b>182.7</b>

Source: WEO & REO Database, IMF, October 2019 and SWF institute, August 2018

**6%<sup>1</sup> of world's oil reserves (6<sup>th</sup> largest in the world); sufficient to last for 100+ years**

<sup>1</sup> In 2018, As Per CIA

# Kuwait: Protected against oil price decline

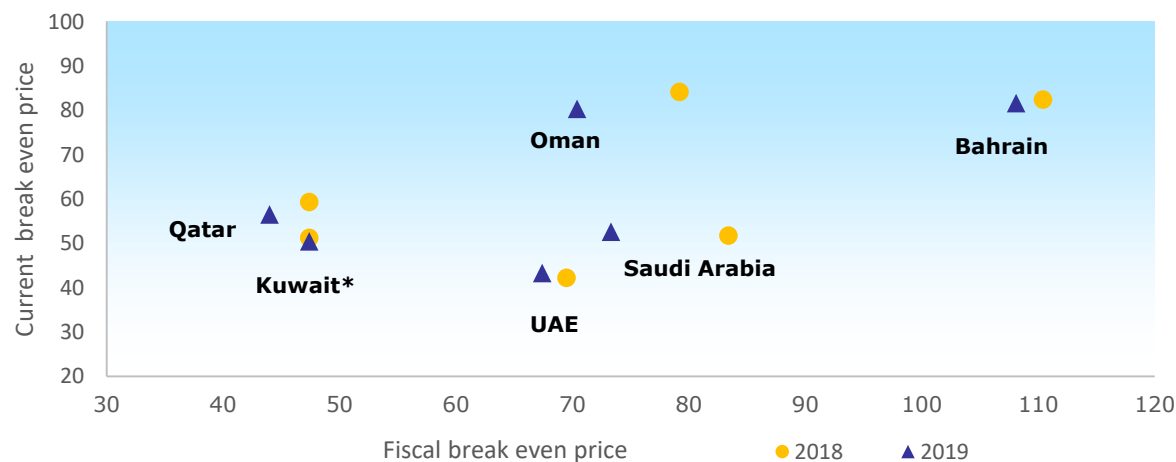
**Prudent oil wealth management and strong net external position**

## Kuwait ratings affirmed at 'AA/A-1+', with stable outlook

- ▶ 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 was increased to 25% in some years of high oil prices
- ▶ Net general government assets at 400% of GDP<sup>1</sup>; highest of all the rated sovereigns
- ▶ Recorded a government debt equivalent to 14.8% of the country's GDP in 2018, which outperforms its AA/AAA peers, and builds on Kuwait's resilience in the case of oil price declines
- ▶ Oil output to rise from 2.7mn barrels / day currently to over 4.0mn barrels/day by 2020
- ▶ Has second lowest fiscal breakeven oil price in the GCC region

Source: S&P Rating on Kuwait, July 2018 and January 2019 <sup>1</sup>For year 2018

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



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

Source: REO Database, IMF, October 2019

# Kuwait development plan overview

## Purpose

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

## Progress

Progress was made on several projects involving plan approvals, phase completion, equipment receipts and commissioning of a refinery. Projects worth KD35.5bn (USD117.2bn) are under process, including a railway network project, waste management plant and expanding Kuwait's solar generation capacity. Out of these, hydrocarbon sector has the largest share at KD15.6bn (USD51.4bn), accounting for nearly 44% of the total, with residential at KWD8.4bn (USD27.7bn, 24%) and transport at KWD5.7bn (USD18.7bn, 16%).

**Government  
pledged bank  
guarantee for  
funding**

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

**PPPs<sup>1</sup> model  
to finance  
large scale  
project**

**Kuwait  
municipality  
collaborations  
with  
stakeholders**

**Government Policy Initiatives**

<sup>1</sup> 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%. Production started at 466,000 b/d Mina Al-Ahmadi refinery. Full operation expected to be completed by April 2020. Cost: **USD15.4bn**

### New Refinery Project (NRP)

- New 615,000 bpd refinery by KNPC
- Underway: The project has progressed by 92%. Construction completed on P-1 and P-5. Received final 8,600-tonne module shipment for the project. Technology provider appointed and the project is expected to operate by June 2021
- Cost: **USD12.9bn**

### South Al Mutlaa City

- 30,000 residential units, school and other facilities
- Underway: The project has progressed by 39%. Overall project expected to be completed by 2023
- Cost: **USD11.9bn**

### Kuwait Metro (PPP)

- 160km long, running across Kuwait
- Underway: The project is in progress
- Cost: **USD11.4bn**

### Kuwait Airport Expansion

- To increase the annual handling capacity of the airport to 20mn passengers
- Underway: The project has progressed by 61%. Works completed for Aircraft Parking and Corridors
- Cost: **USD6.3bn**

### 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 of sour gas
- Underway: Completed work on 3 units, 1 unit in final stage, & the tender for remaining 2 units anticipated by end Jan'20. Cost: **USD4.0bn**

### LNG Import & Regasification Terminal

- 4 full containment LNG tanks each with a working capacity of 225,500 cubic meters- regasification plant with capacity of 1500 BBTU/day
- Underway: Progress at 89%. Construction to be completed in June 2020. Cost: **USD2.6bn**

### Regional Road South

- 135 km highway south of Kuwait as part of the International ME Arab Highways Network
- Underway: Progress at 25%. Cost: **USD1.0bn**

### Oil & Gas Projects\*

- Awarded: Contracts awarded by Kuwait Oil Company. Expected contracts of USD2.7bn in Q3 2019. Cost: ~**USD11.8bn**

### Petrochemical Facility at Al-Zour

- Plant to be integrated with Al-Zour refinery
- Planning: Tendering process is facing delays due to some changes in design and configuration. Invitation to bid is expected in Mid 2020
- Cost: **USD6.6bn**

### 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
- Underway: Contract awarded to Halliburton, first 2 due in Jul'2020 & Jan'2021
- 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
- P-1 in main contract PQ stage. P-2 & P-3 studies cancelled. Main tender to be issued by Jan'20
- Cost: **USD1.7bn**

### Al-Dibdibah Solar PP

- Capacity to produce 1GW solar project
- Bidding: Tender by April 2020. Cost: **USD1.6bn**

### Khairan City

- 140mn m2 residential city, incl 10,000 houses, 22,000 apts, other facilities
- Planning: Study phase
- Cost: **USD13.9bn**

### Olefins III project

- Petrochemical plant to be integrated with new refinery project (Al Zour Refinery)
- Underway: FEED <sup>1</sup> phase underway; Technology contract awarded to McDermott. Cost: **USD6.3bn**

### Sheikh Jaber Al-Ahmad Causeway

- 48.5 km causeway linking Kuwait City with Subiya area in northern Kuwait
- Completed on May 1, 2019. Cost: **USD3.1bn**

### Other projects

- **Underway:** Jahra & Sulaibiya Low Cost Housing City. Cost: **USD2.0bn**
- Umm Al Hayman Waste Water (PPP). Cost: **USD1.6bn**
- **Bidding:** Al-Abdaliya (ISCC) Power Plant (CSP). Cost: **USD0.7bn**
- **Planning:** Al-Zour North (IWPP) – P4 & P5 under study. Cost: **USD1.6bn**
- **Planning:** Upgrades to Mina Al Ahmadi Refinery. Cost: **USD0.9bn**

	USDbn	
Project Stage	2019	2018
Underway	69.1	58.9
Awarded	21.4	11.8
Bidding	4.0	7.0
Planning	22.7	36.2
Completed	3.1	-
Total	120.3 <sup>^</sup>	113.9

Source: NBK report dated January 2020; <sup>1</sup>FEED= Front End Engineering Design; \*MEED (Dec 2018);

<sup>^</sup>Excludes other small projects of USD0.2bn

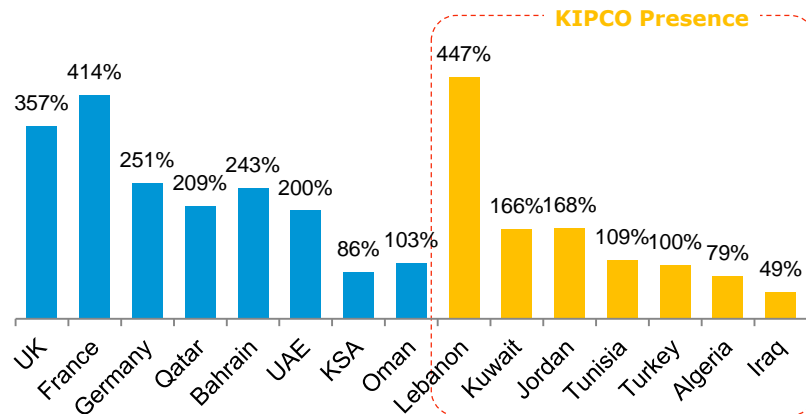


## Annexure 7: Market opportunity



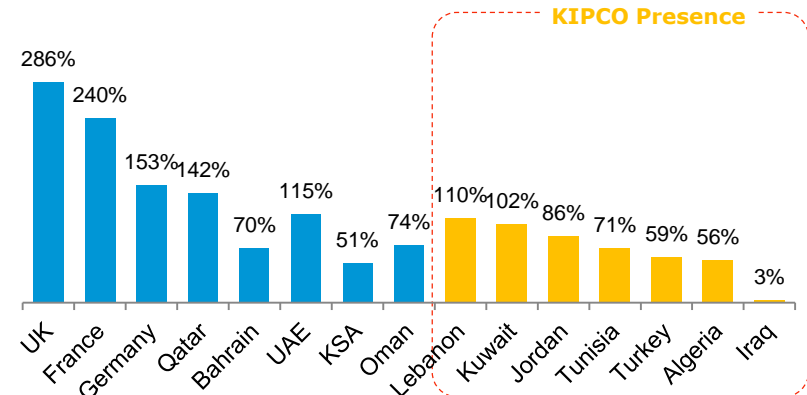
# Banking sector opportunity

## Banking Penetration: Assets/GDP












Source: Central Banks & IMF, World Economic Outlook Database

## Banking Penetration: Loan/GDP



### Countries

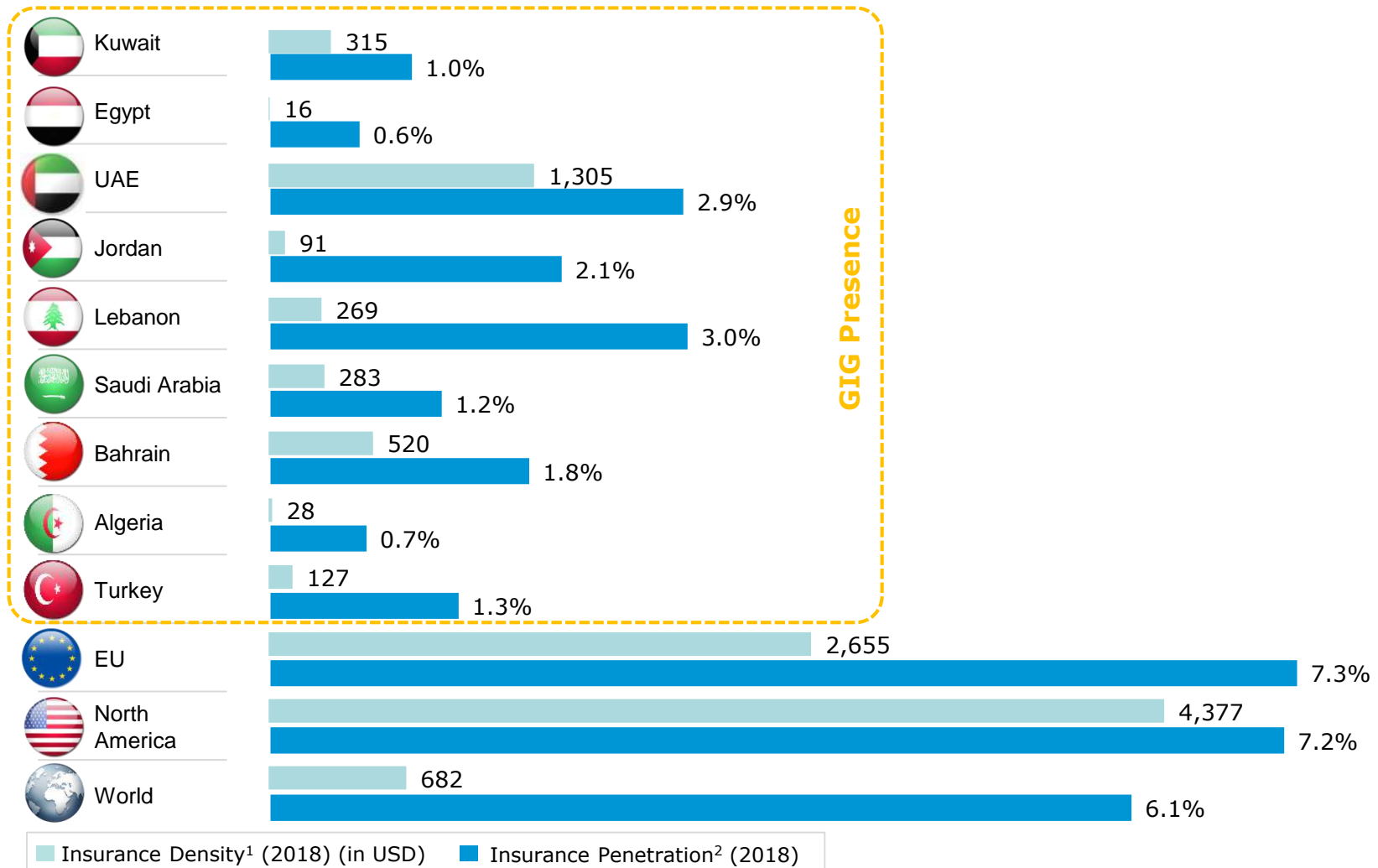
Countries								
		Kuwait	Jordan	Tunisia	Turkey	Algeria	Iraq	
	Population	Size (mn) (2019E)	5	10	12	83	43	39
		CAGR (19E-24E)	2.8%	0.9%	0.9%	1.2%	1.7%	2.6%
	Per Capita income	USD (2019E)	29,268	4,386	3,287	8,958	3,980	5,739
	Real GDP Growth Rate	CAGR (19E-24E)	2.7%	2.8%	2.9%	3.2%	1.5%	3.0%

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

Source: IMF-WEO Database, October 2019



# Insurance sector opportunity



***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 2018 report by Swiss RE Sigma

<sup>1</sup>Insurance premium per capita

<sup>2</sup>Total insurance premium as a % of GDP