



# Investor Presentation | June, 2020

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*Note: : Exchange rate of USD/KD of 0.30305 has been used in the presentation for financial numbers*



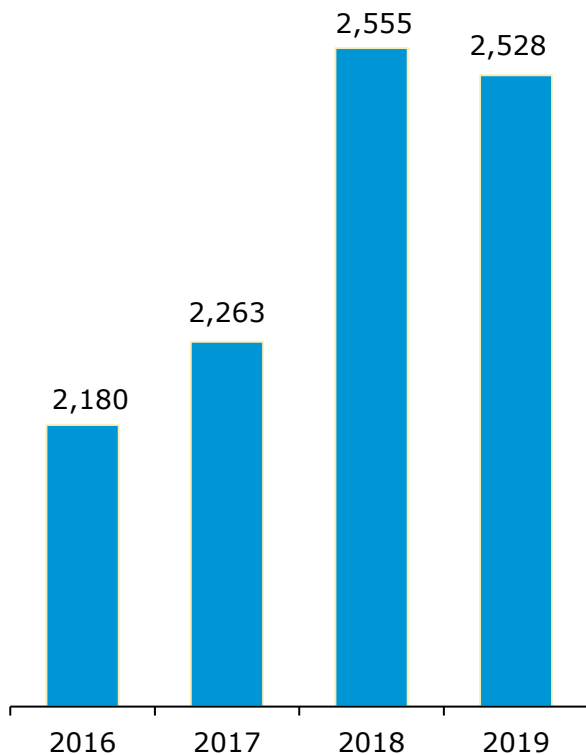
Performance Update



# KIPCO consolidated: Financial performance

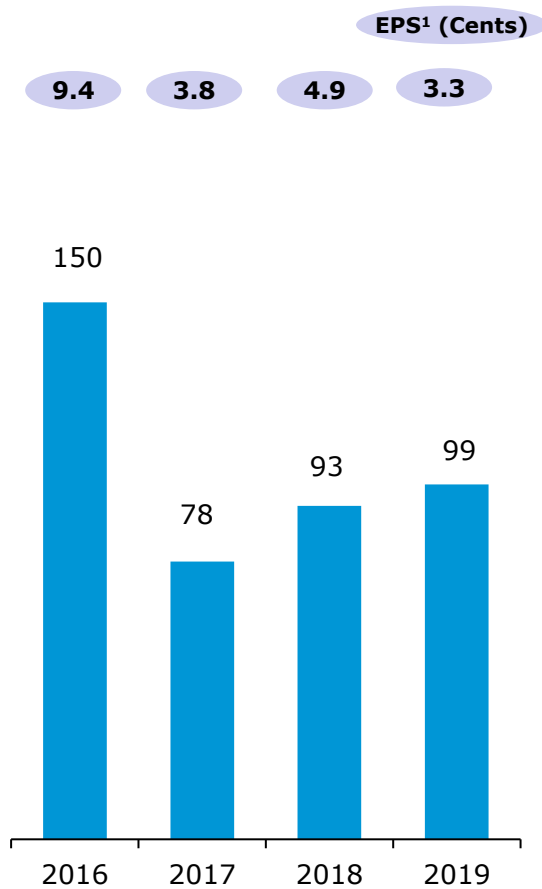
## Revenue

USDmn



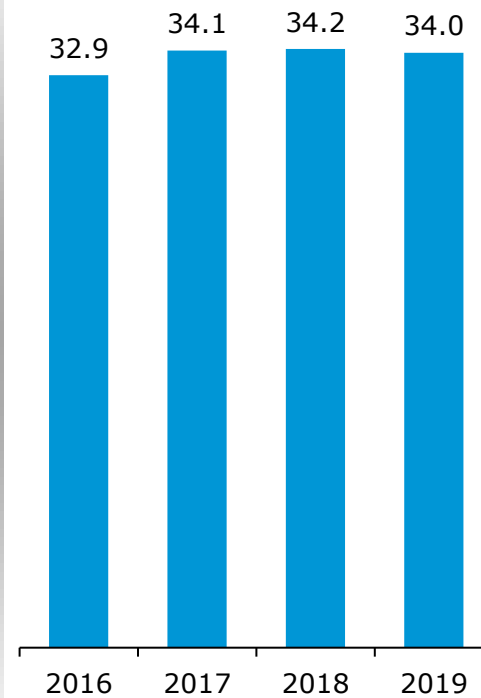
## Net Profit

USDmn



## Consolidated Assets

USDbn



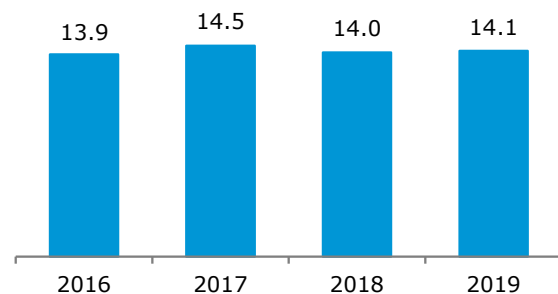
Note: Exchange rate of USD/KD of 0.30305 has been used in the presentation for financial numbers

¹Basic Earning per share (reported)

# Burgan Bank Group (BBG)

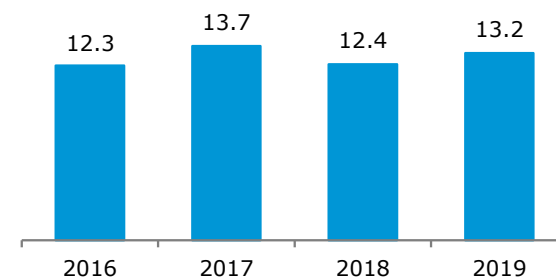
## Loans

USDbn



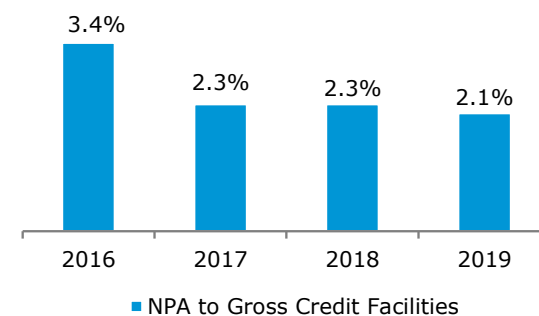
## Deposits

USDbn



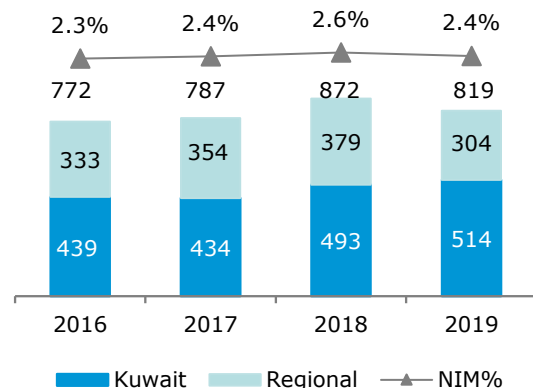
## Asset Quality

NPA coverage with collateral		NPA coverage without collateral	
194%	233%	241%	281%
124%	159%	171%	202%



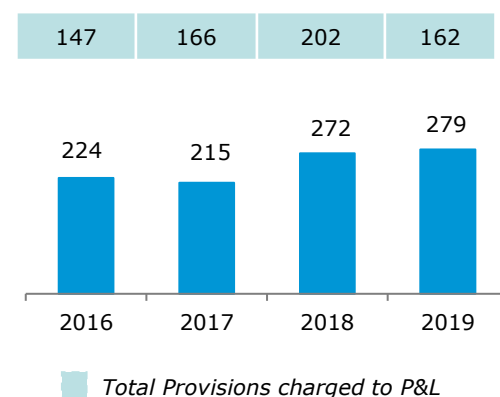
## Operating Income

USDmn



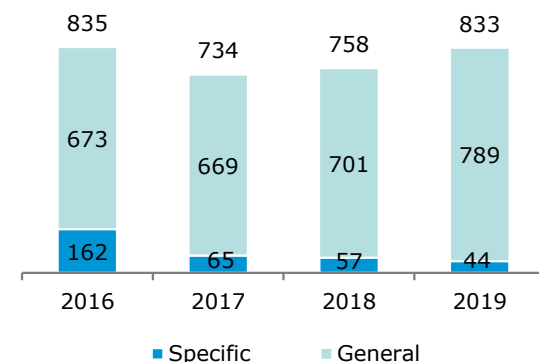
## Net Profit & Provision

USDmn



## Total Provision

USDmn

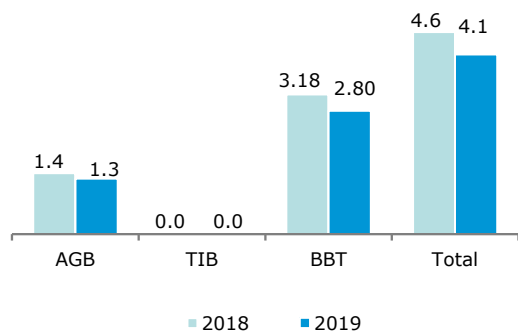


**Strong performance reflecting operational capabilities with strict focus on asset quality;  
Basel III CAR : 16.8%**

# BBG: Regional operations

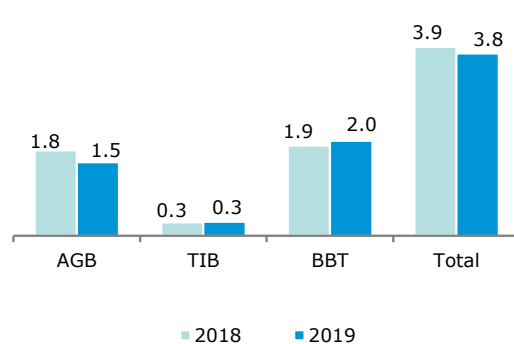
## Loans<sup>^</sup>

USDbn



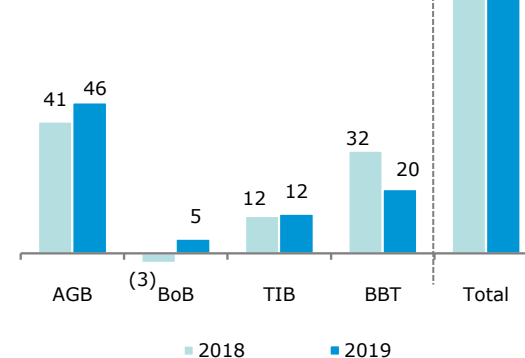
## Deposits<sup>^</sup>

USDbn



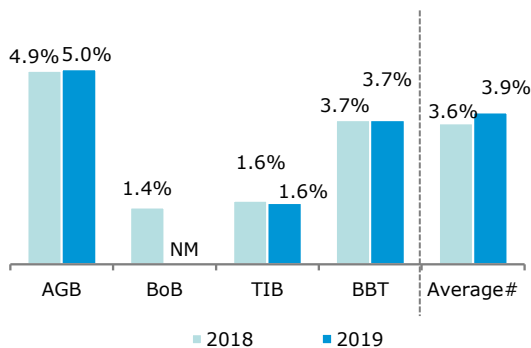
## Net Profit

USDmn



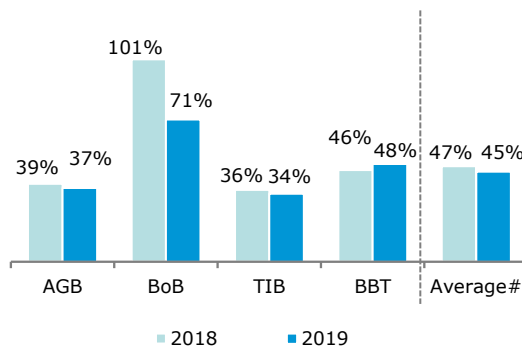
## Net Interest Margin\*

Percentage



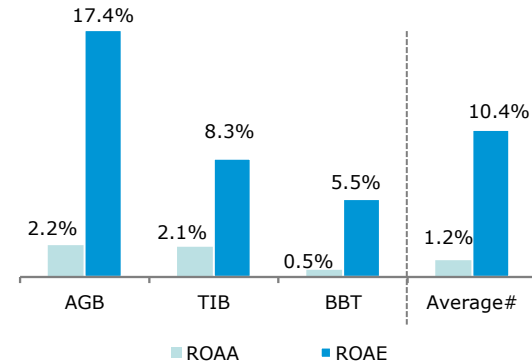
## Cost to Income\*

Percentage



## Return on Assets & Equity\*

Percentage



\* For calculation of 2019 ratios for AGB, TIB, BBT net profit and net interest income of eleven month is used due to one month lag in reporting

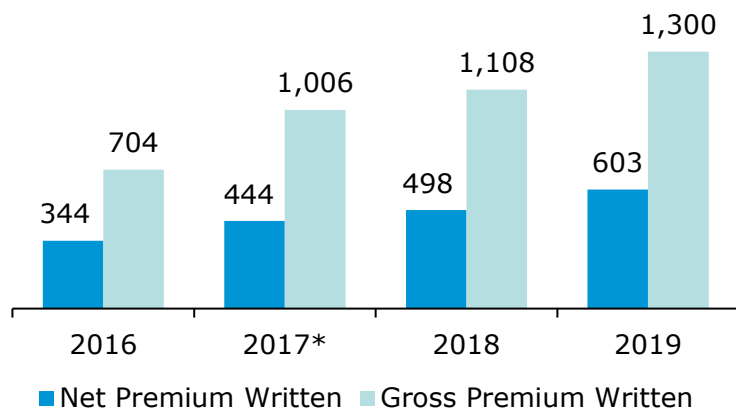
# Represents weighted average figures using the denominator of respective ratio as weights

<sup>^</sup> For 2019 BoB is classified as asset for sale thus for like to like comparison 2018 financials are adjusted

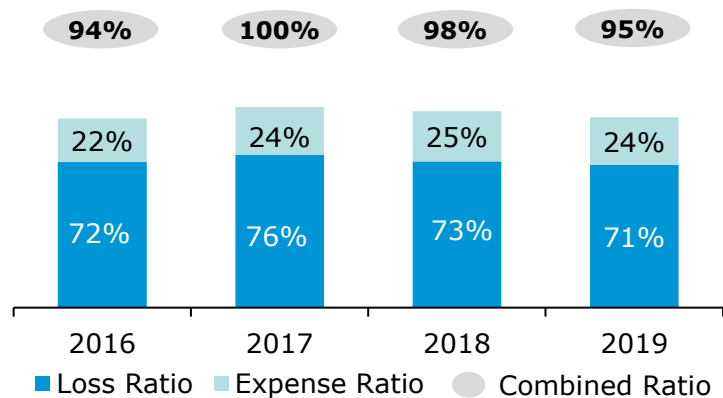
# Gulf Insurance Group (GIG)

## Gross & Net Premium Written

USDmn

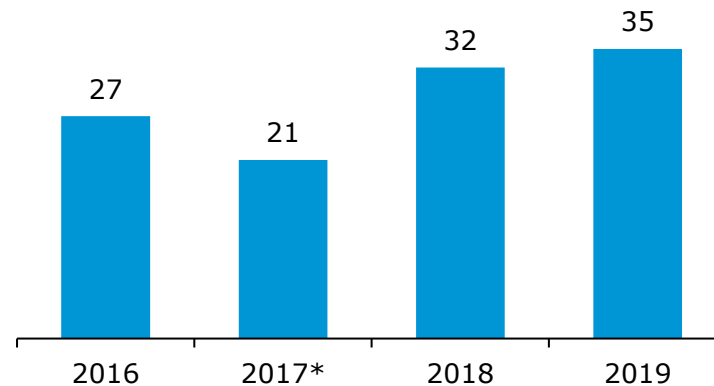


## Combined Ratio



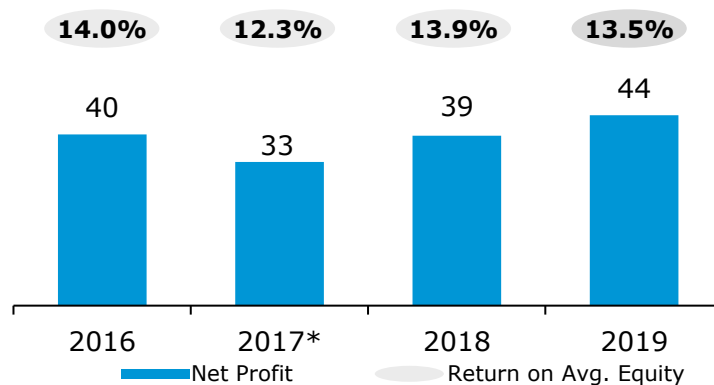
## Net Investment Income

USDmn



## Net Profit & ROE

USDmn

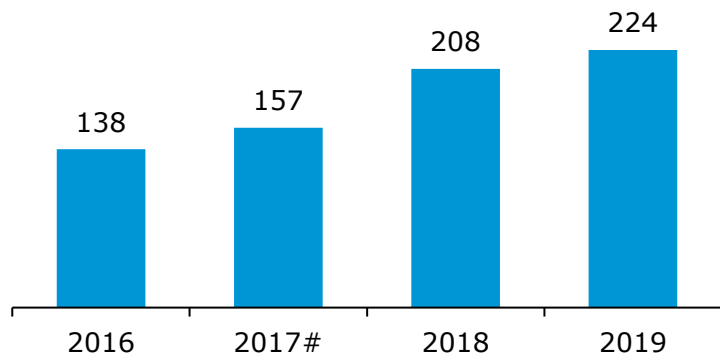


\*Restated

# United Gulf Holding Company (UGH)

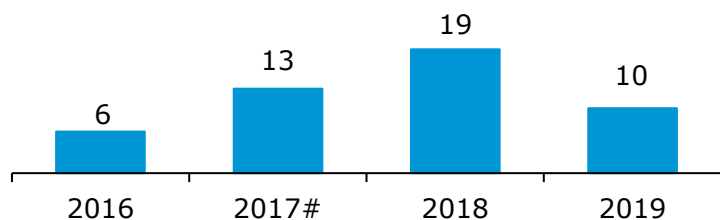
## Revenue

USDmn



## Net Profit & Provisions

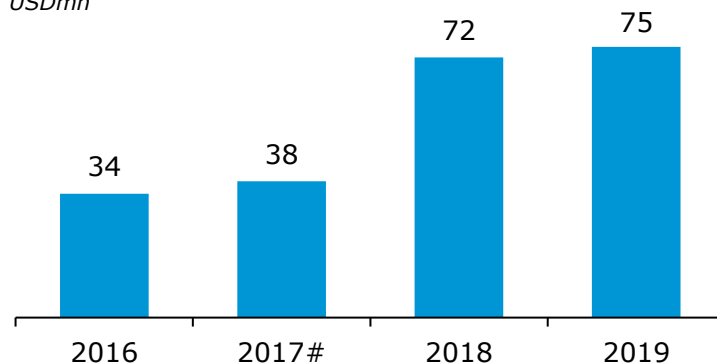
USDmn



■ Total Provisions Charge to P&L

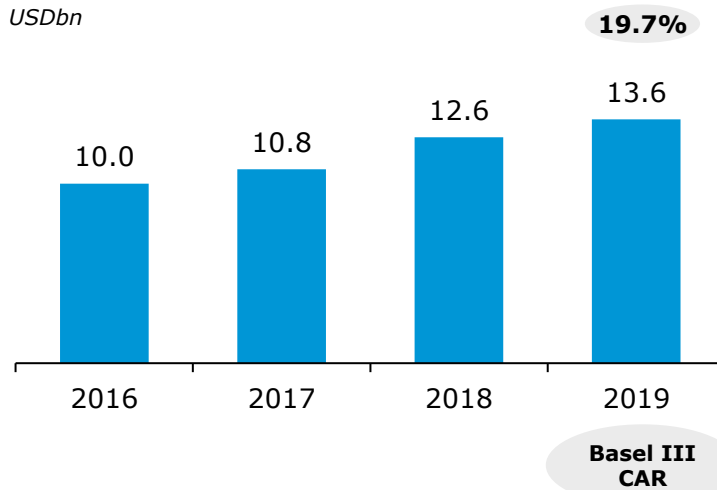
## Fee & Commission Income

USDmn



## AuM & Capitalisation

USDbn



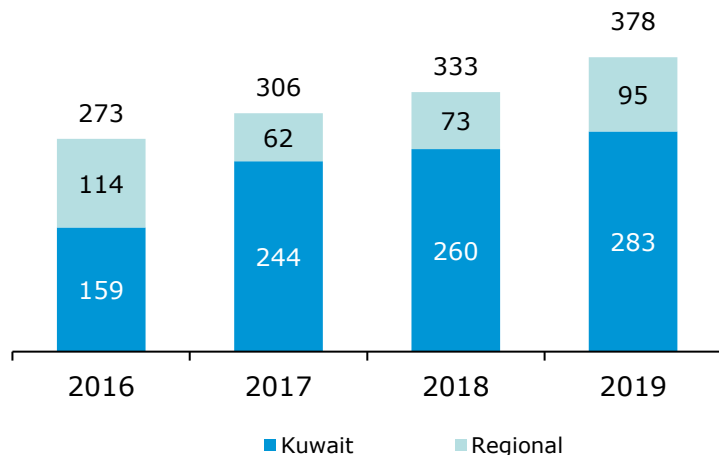
# As UGH was incorporated in September 2017, financials of UGH for 2017 comprise of first nine months results for UGB and Q4'17 results for UGH



# United Real Estate Company (URC)

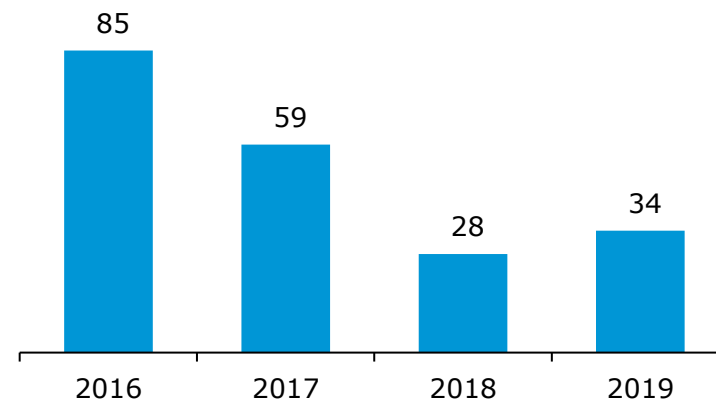
## Total Revenue<sup>1</sup>

USDmn



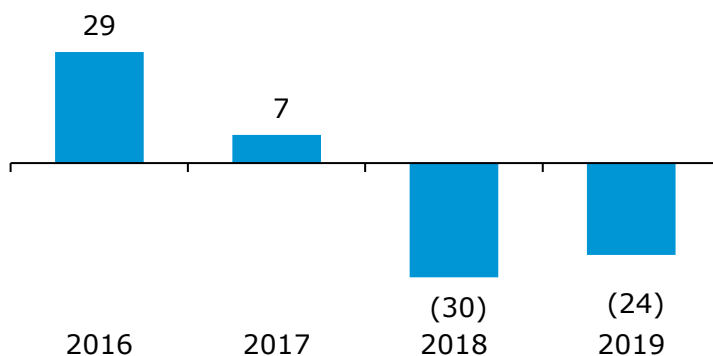
## Operating Profit<sup>2</sup>

USDmn



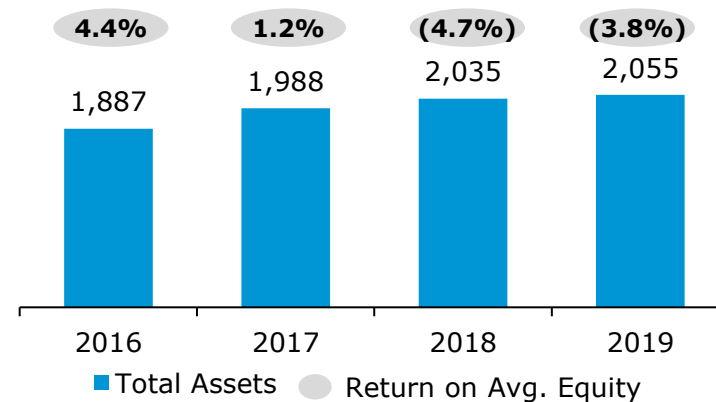
## Net Profit

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

# OSN Background

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, ~150K subs for OSN Streaming App and 138k subs for OSN Demand

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

OSN has successfully rebranded its Wavo application to OSN Streaming in April 2020 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

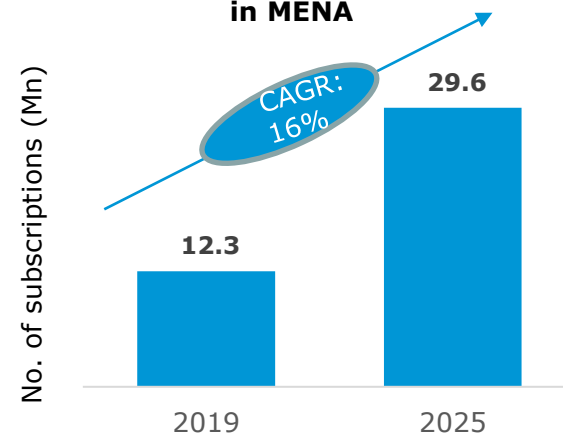
Premium content offerings with over 85 channels incl. 51 HD channels and 24 owned and 16 Pinoy channels

~920 employees in 13 offices, 26 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 Update



## Larger reach

- Ability to deliver product to all 25 countries in the region via its OTT platform

## No one does content like OSN does

- Exclusive DTH & OTT content rights in the 1st pay window
- Original Arabic Production in progress

## OTT platform progress

- Rebranded OTT now with Disney+ starting April 2020; better UI and UX
- Focus on both direct and indirect distribution

## Successful business streamlining

- Content cost rationalized\*
- 28% reduction in G&A and staff cost in 2019 vs. last year

## Strengthen Management Team

- New CTO & SVP, Marketing joined
- BoD strengthened with expertise on streaming (OTT) and original content

**Operational turnaround complete; financial turnaround expected in 2020**

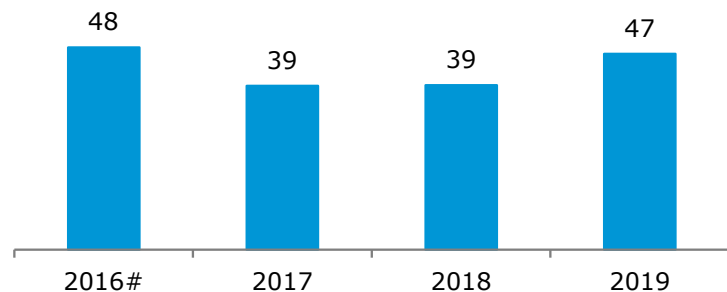
**Increased stake to 87.6%**

# Other key entities:

## United Industries Company (UIC)

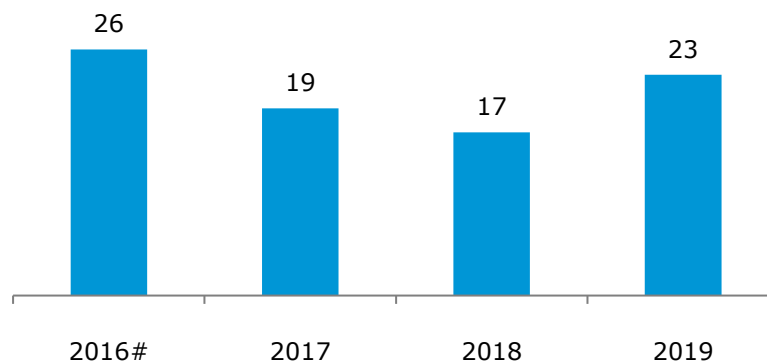
### Total Revenue

USDmn



### Net Profit

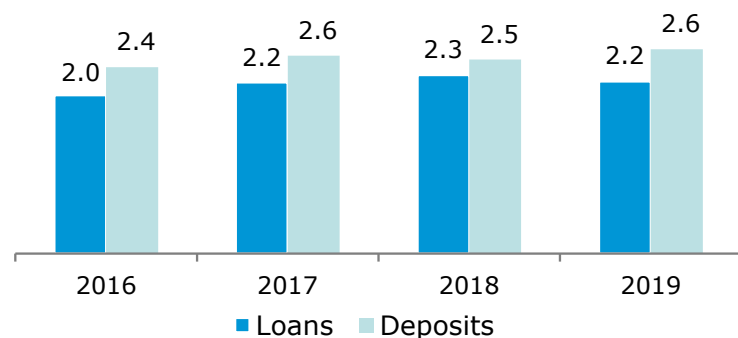
USDmn



## Jordan Kuwait Bank (JKB)

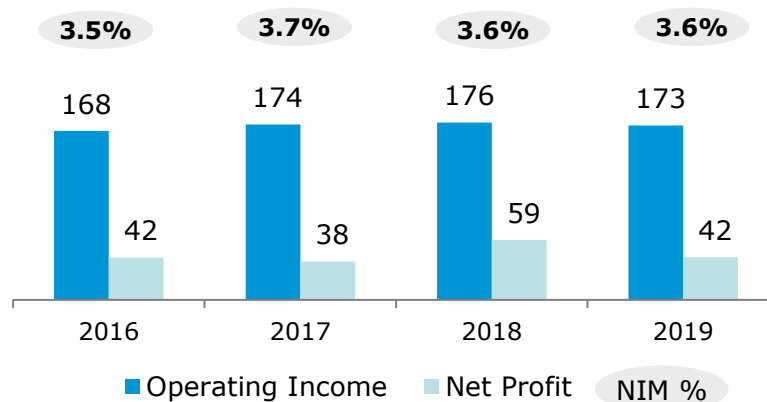
### Loans & Deposits

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 December 2019 has been used for conversion

# KIPCO consolidated: Balance Sheet

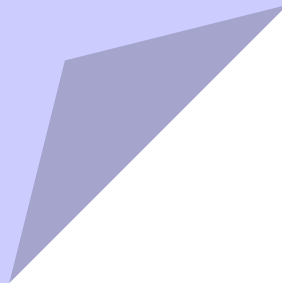
Consolidated Balance Sheet (USDmn)	2016	2017	2018	2019
Cash in hand and at banks	4,811	5,179	6,991	5,220
Treasury bills, bonds & other debt securities	2,228	2,134	2,397	1,803
Investment in associates	1,460	1,238	1,087	1,162
Investment in a media joint venture	494	587	-	-
Non-current assets held for sale	-	-	618	696
Investment properties	1,415	1,726	2,064	2,080
Other investments	1,876	2,069	1,712	2,016
Other assets (inc. goodwill & intangibles)	20,654	21,204	19,350	21,063
<b>Total assets</b>	<b>32,939</b>	<b>34,137</b>	<b>34,220</b>	<b>34,040</b>
Due to Banks & Other FI's	7,620	6,646	6,794	4,703
Deposits from Customers	15,904	16,925	16,128	17,608
Debt	4,229	4,899	6,049	6,378
Other liabilities	1,172	1,667	1,914	1,729
Equity attributable to equity holders of the Parent Company	1,556	1,450	914	1,117
Perpetual capital securities	483	483	483	506
Non-controlling interest	1,975	2,067	1,937	1,999
<b>Total liabilities and shareholders equity</b>	<b>32,939</b>	<b>34,137</b>	<b>34,220</b>	<b>34,040</b>

# KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	2016	2017	2018	2019
Interest income	1,229	1,275	1,469	1,348
Investment income	92	234	121	113
Fees and commission income	185	175	201	215
Share of results of associates	119	42	61	76
Share of results of a media joint venture	(21)	-	-	-
Hospitality and real estate income	255	309	361	398
Other revenues	322	227	343	378
<b>Total revenues</b>	<b>2,180</b>	<b>2,263</b>	<b>2,555</b>	<b>2,528</b>
Interest Expenses	794	819	983	948
General and administrative expenses	566	610	635	617
Other expenses and provisions	469	477	551	637
Taxation	60	51	34	54
Loss from discontinued operations	-	100	76	-
Non-controlling interest	140	128	183	173
<b>Net profit attributable to Equity Holders of the Parent Company</b>	<b>150</b>	<b>78</b>	<b>93</b>	<b>99</b>
Basic Earnings Per Share, Cents (Reported)	9.4	3.8	4.9	3.3
Basic Earnings Per Share for continuing operations, Cents (Reported)	-	10.9	10.2	3.3



Thank you



# A diversified company with deep regional expertise & roots



## We are

Operating holding company with total assets of USD34.0bn<sup>1</sup>

## Geography

Middle East and North Africa (MENA)

## Sectors

Primarily financial services & media

## Track record

28 years of continuous profitability,  
18 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  
USD1.1bn<sup>2</sup>

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













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

<sup>1</sup>As on 31 December 2019

<sup>2</sup>As of May 2019



# Our presence by geographies & sectors

Geography	Major sectors							Revenue (2019) <sup>1</sup>
	Commercial banking	Media	Insurance	Real Estate	AMIB <sup>4</sup>	Industrial	Others	
Kuwait 	●	●	●	●	●	●	●	47%
KSA 		●	●			●		3%
UAE 	●	●	●	●	●			4%
Bahrain 		●	●		●			5%
Qatar 		●		●				1%
Turkey 	●		●					13%
Jordan 	●	●	●	●				11%
Egypt 		●	●	●			●	6%
Algeria 	●	●	●					5%
Iraq 	●	●	●		●			1%
Malta 	●				●			2%
Tunisia 	●	●			●			1%
Others	●	●	●	●	●		●	1%
Revenue (2019) <sup>2</sup>	47%	11%	18%	11%	5%	4%	4%	
Assets (2019) <sup>3</sup>	70%	4%	6%	8%	7%	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 USD3.8bn and total assets of USD40.7bn 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)