



Investor Presentation | Sep 2020

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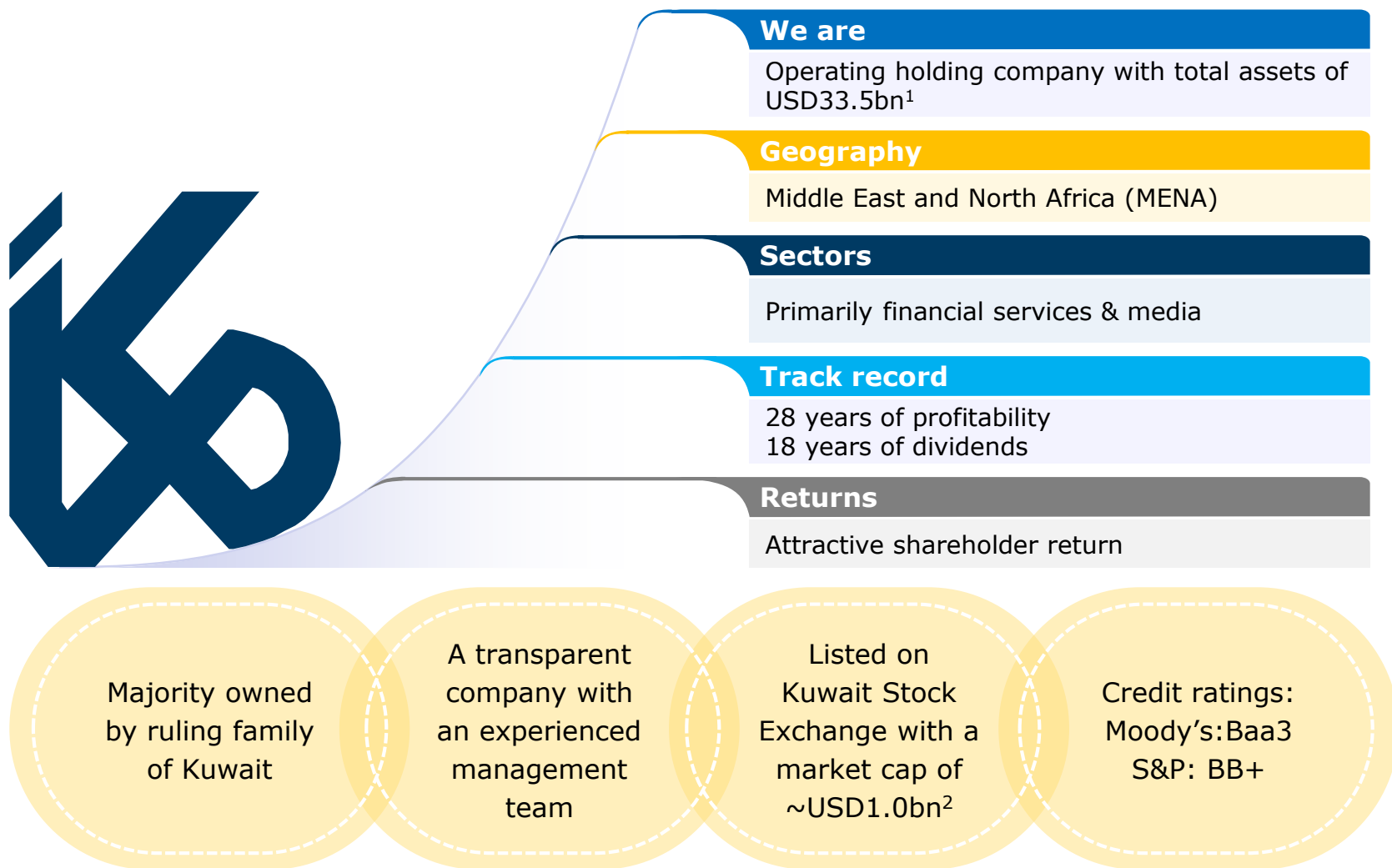
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Note: : Exchange rate of USD/KD of 0.30780 has been used in the presentation for financial numbers



Executive Summary













A diversified company with deep regional expertise & roots



¹As on 30 June 2020

² As of 31 Aug 2020

Our presence by geographies & sectors

	Commercial banking	Media	Insurance	Real Estate	AMIB ²	Industrial	Others	Revenue (2019) ³
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 (H1'20) ¹	42%	19%	20%	10%	3%	2%	4%	
Assets (H1'20) ¹	70%	4%	7%	8%	6%	2%	3%	

Attractive presence in high growth economies and promising sectors

Note: 1. As per total revenue of USD1.7bn and total assets of USD40.4bn, based on reported segmental revenue (before inter group eliminations) and consolidation of 100% of GIG; 2. AMIB = Asset management & investment banking 3. Assuming consolidation of GIG & OSN

Core holdings

Market leaders in their space



Investing in companies which have potential to be market leaders

¹ In terms of assets (based on latest financials)
profit among private sector players (all rankings as of 31 December 2019)

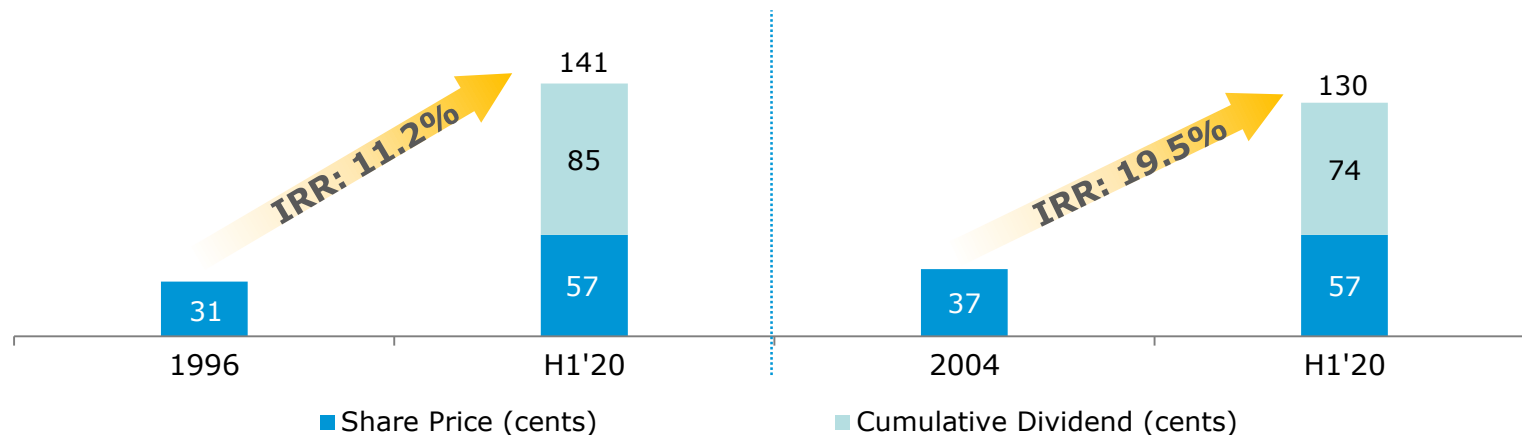
² By Gross premium written (GPW) and Direct premiums

³ By GPW

⁴ By technical

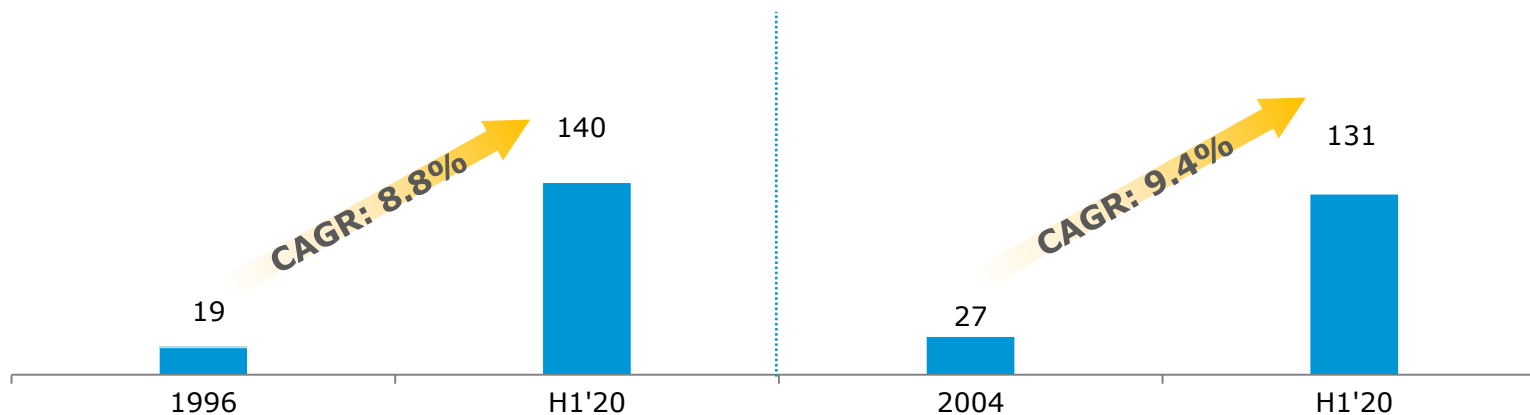
Attractive returns

Total Shareholders' Return¹



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

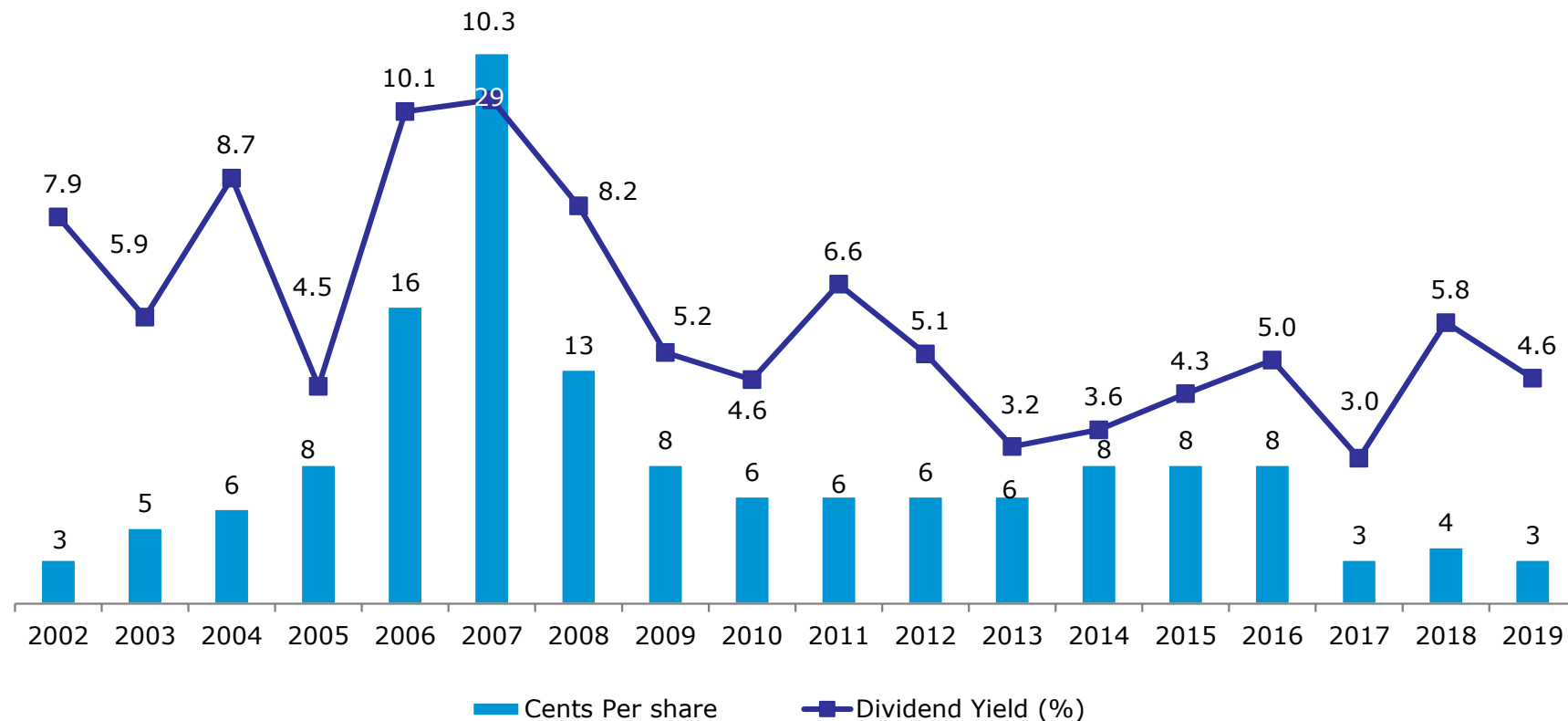
Book Value Per Share Growth (in US cents)²



²Book value growth does not consider dividends paid and is before adjustment for other corporate actions.

Continuous dividends

USD1.8bn in cash dividends since 2002



18 years of continuous dividend payments and ~6% average dividend yield

Note: In addition to the above cash dividend, 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

	 بنك بروقان BURGAN BANK	 osn	 UGH	 KAMCO INVEST	 gig شركة التأمين البحرينية	 شركة العقارات المتحدة United Real Estate Co
KIPCO Effective Stakes¹	62.8%	88.8% ⁶	93.1%	57.8% ³	45.6%	73.8%
Board Representation	6 of 9	2 of 7 ⁵	5 of 8	4 of 5	4 of 10 ⁴	5 of 7
Market Cap (USDmn)²	1,703	Unlisted	1,352	79	374	176
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

Ability to actively control or influence key decisions of operating entities

Notes:

¹ Effective stakes given are as of 30 June 2020

² Market capitalisation as of 31 August 2020 (Source: Bloomberg for market price)

³ Stake in KAMCO Invest is held through UGH






⁴ GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors

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

⁶ As on 30 June 2020. Refer Note 31 in KIPCO's consolidated financial statements as on 31-Dec-19 for details

CI = Capital Intelligence

Active management

Businesses	Parameters	Then ¹	Now (H1'20)	KIPCO Support & Action
	Net Interest Margin	1.3%	2.2%	<ul style="list-style-type: none"> Transformed from a local player to regional player Focused on growth with prudent loan underwriting
	Sub. Base	-	~1.1 Mn	<ul style="list-style-type: none"> Consolidated market in 2009, rebranded as OSN Launched OTT proposition, OSN Streaming in Apr'20 Market leadership with access to premium content
	Book Value	\$193Mn	\$259Mn	<ul style="list-style-type: none"> Incubated pan-MENA commercial banking network Equipped to assess / develop opportunities identified by KIPCO Refining strategy to add more value to financial services sector
	Rank# (by GPW)	#3 of 5	#1 of 35	<ul style="list-style-type: none"> Transformed from a local player to regional player Partnered with Fairfax to strengthen operations and enhance growth Market leadership in 4 key geographies
	AuM	\$0.7Bn	\$12.4Bn	<ul style="list-style-type: none"> Spun-off AMIB division to separate client funds from KIPCO funds Streamlined operation in 2012 to focus on core business Merged Global Investment House in November 2019

Number of success stories demonstrating consistent track record of value creation

¹ Year of incorporation/acquiring substantial stake i.e. 1995, 1996, 1998, 1997, 2000 (in order of businesses listed)

#Represents rank in Kuwait



Performance Update

Our response to Covid-19 pandemic



Our Employees

- Work from home
- Gradual return to work with precautionary measures
- Online Learning & Development initiatives
- Webinars by psychologists, dieticians, doctors



Our Customers

- Fast tracked digital enhancements
- Interest and principal deferrals to retail banking customers
- Temporary extensions for policy holders
- Rent waivers to mall tenants during lockdown, rental discounts during recovery phase



Our Society

- US\$11.4mn Covid 19 donations by group companies
- Social media campaigns on safety instructions, mask rules, social distancing
- Discounts for health professionals

Significant

Moderate

Minimal

Varied impact across sectors in H1 2020



Impact	Insurance	Media	Education	Commercial Banking
Sector wide	<ul style="list-style-type: none"> × Reduced GPW in motor and travel ✓ Reduced claims in motor and medical 	<ul style="list-style-type: none"> × New production halted × No sport events ✓ Increased content consumption 	<ul style="list-style-type: none"> × Extended school closures × Forced to switch from in-room classes to eLearning classes 	<ul style="list-style-type: none"> × Lower discount rate × Interest deferral* × Increased provisioning ✓ Expedited digital transformation
Sector contribution to Group revenue¹	20%	19%	1%	42%
Positives for Group	<ul style="list-style-type: none"> ✓ Corporate business lines helped preserve revenue ✓ Lower combined ratio 	<ul style="list-style-type: none"> ✓ Exceeded H1 2020 budget ✓ Relaunched/re-branded OTT with Disney+ ✓ Ramp-up in OTT subscribers ✓ Not impacted by lack of sports events 	<ul style="list-style-type: none"> ✓ Accelerated digitalization ✓ Upgrading eLearning platforms ✓ Reduced operating cost 	<ul style="list-style-type: none"> ✓ Lowest impact of interest deferral in Kuwait - KD9mn vs sector KD381mn ✓ Digitalization: <ul style="list-style-type: none"> ✓ Tijarati** solution for merchants – first among Kuwaiti banks ✓ New retail app

* In Kuwait - Postponement of instalments on retail loans and credit cards

**Merchant business informatics platform

¹ Based on total revenue of USD1.7bn for the H1 2020 based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG

Significant

Moderate

Minimal

Varied impact across sectors in H1 2020



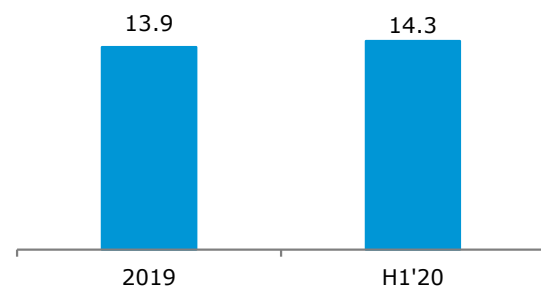
Impact	Industrials	Real Estate	Asset Management & IB
Sector wide	<ul style="list-style-type: none"> × Low petrochemicals demand × Oversupply pressuring margins × Disruption in supply chain ✓ Increased demand for long life essentials during lockdown 	<ul style="list-style-type: none"> × Lost rentals and hospitality income × Decreased demand for commercial real estate 	<ul style="list-style-type: none"> × Downward pressure on fee, accelerated churn and lower AUMs × Impact of securities market
Sector contribution to Group revenue¹	2%	10%	3%
Positives for Group	<ul style="list-style-type: none"> ✓ Improved SADAFCO performance, reduced finance cost partially offset by underperformance of petrochemical businesses 	<ul style="list-style-type: none"> ✓ Lockdown driven impact, expected to recover with eased restrictions ✓ Reduction in finance cost 	<ul style="list-style-type: none"> ✓ Cost reduction opportunity by adopting digital ways of working ✓ Reduced finance cost

¹ Based on total revenue of USD1.7bn for the H1 2020 based on reported segmental revenue (before inter group eliminations) post consolidation of 100% revenue of GIG

Burgan Bank Group (BBG)

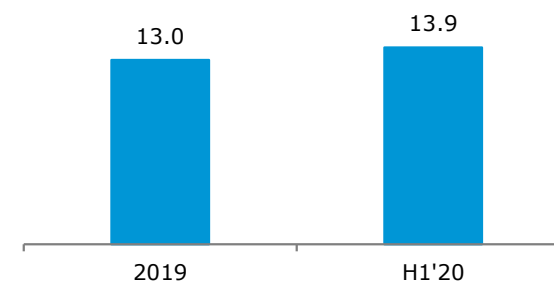
Loans

USDbn



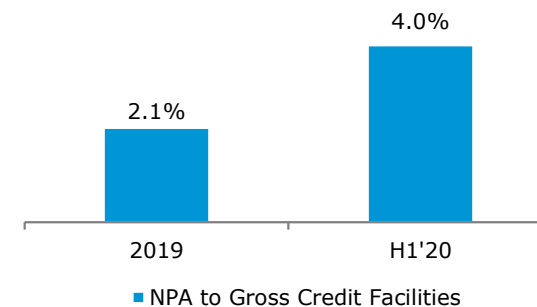
Deposits

USDbn



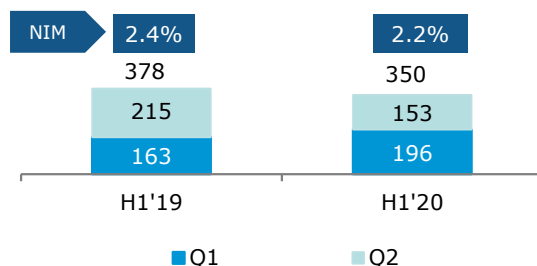
Asset Quality

NPA coverage with collateral	281%
NPA coverage without collateral	188%
	202%
	117%



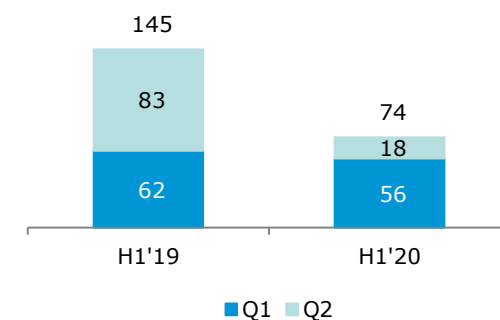
Operating Income

USDmn	Q1	Q2	Q1	Q2
Kuwait	105	117	98	75
Others	59	98	98	78



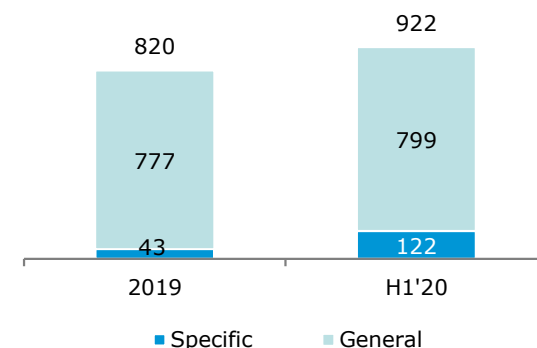
Net Profit & Provision

USDmn	Q1	Q2	Q1	Q2
Prov	25	28	55	52



Total Provision

USDmn



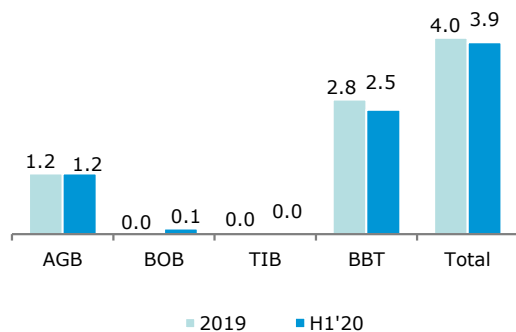
Strong franchise with healthy loan book and deposit growth; CAR: 16%

Note: Financial results of H1'2019 include only five months performance of subsidiaries (except BoB). BoB was classified as a subsidiary from earlier category of "asset held for sale" and results have been consolidated in 30th June 2020 financials

BBG: Regional operations

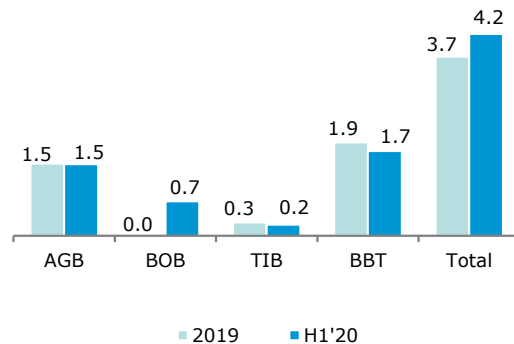
Loans[^]

USDbn



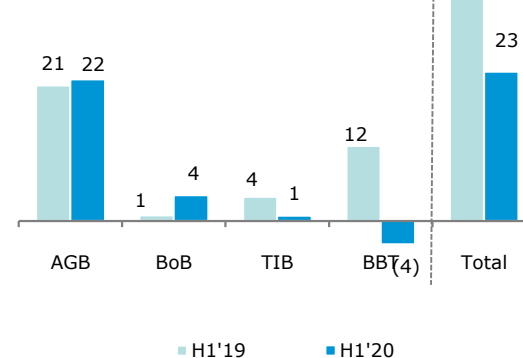
Deposits[^]

USDbn



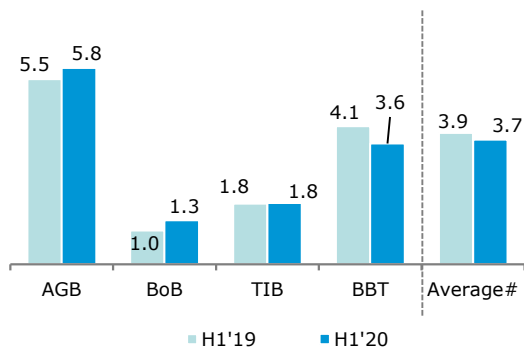
Net Profit

USDmn



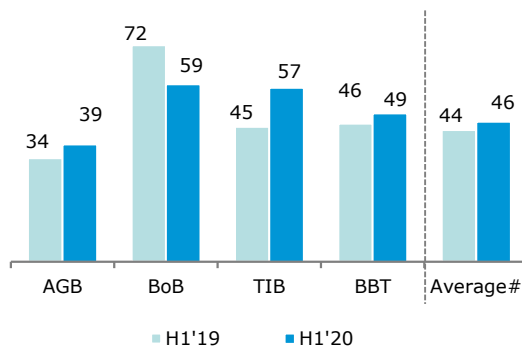
Net Interest Margin*

Percentage



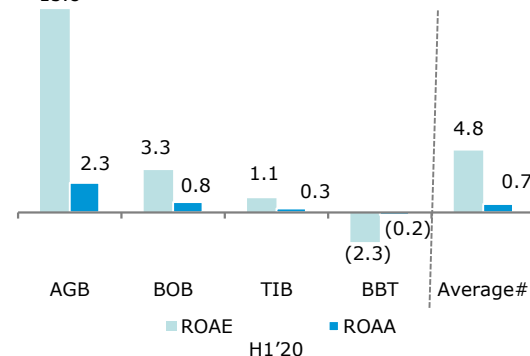
Cost to Income*

Percentage



Return on Assets & Equity*

Percentage



* H1'19 results for AGB, TIB, BBT include 5 months results due to one-month lag in reporting and NIM has been accordingly adjusted

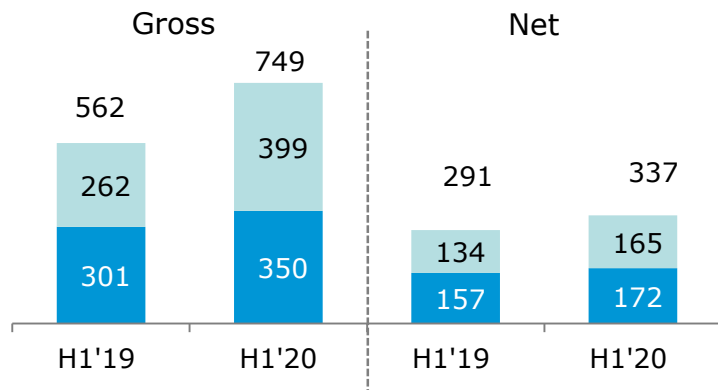
Represents weighted average figures using the denominator of respective ratio as weights

[^] For 2019 BoB was classified as asset for sale, during the period H1'20 BoB is classified as a subsidiary and results are consolidated

Gulf Insurance Group (GIG)

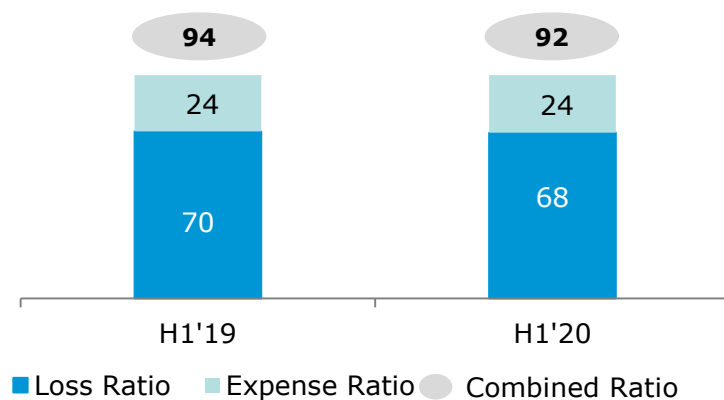
Premiums Written

USDmn



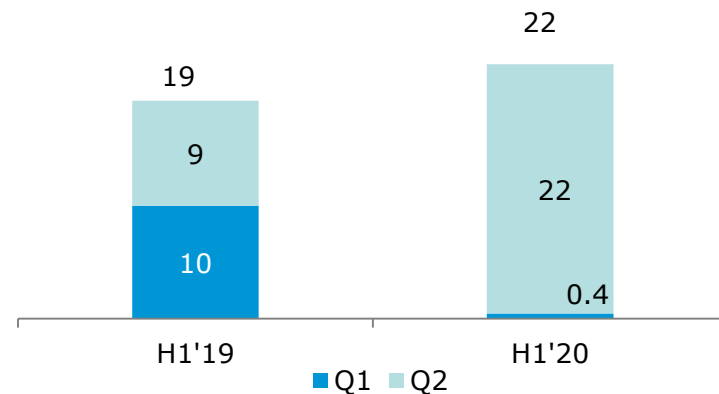
Combined Ratio

Percentage



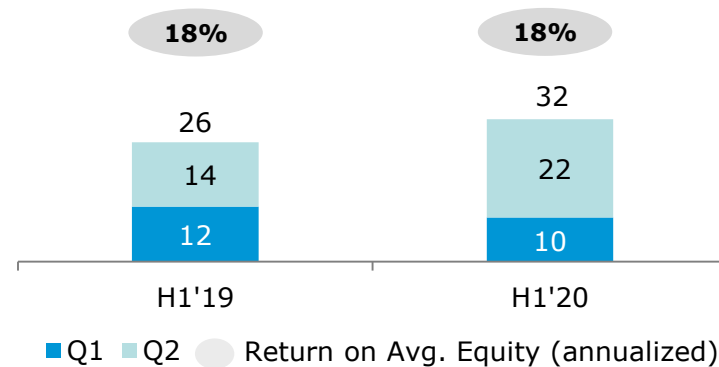
Net Investment Income

USDmn



Net Profit

USDmn

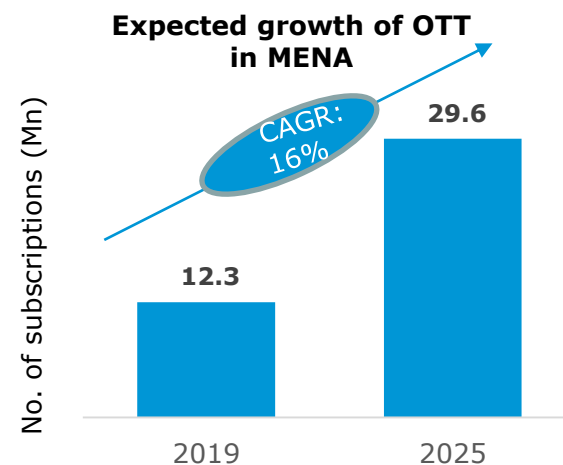


OSN Background

- Platform-agnostic network across multiple platforms:
 - Direct-to-home (DTH), Cable & Internet Protocol television (IPTV), Commercial and Over-the-top (OTT)
- Offers premium content with 85 channels and largest numbers of HD channels in the region
 - Exclusive contracts with major Hollywood studios
 - Biggest blockbuster movies and latest series
 - First window OTT rights from major studios
- Has rights across 25 countries in the MENA including majority of Western programs paired with an extensive and tailored Arabic language offering
- Employs ~700 people 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 (%)
MENA Region¹	367	72	~10%
Latin America	621	56	44%
UK	67	27	56%
India	1,352	197	66%
US	329	120	79%









Source: Digital TV Research (Jan'20)

¹MENA 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

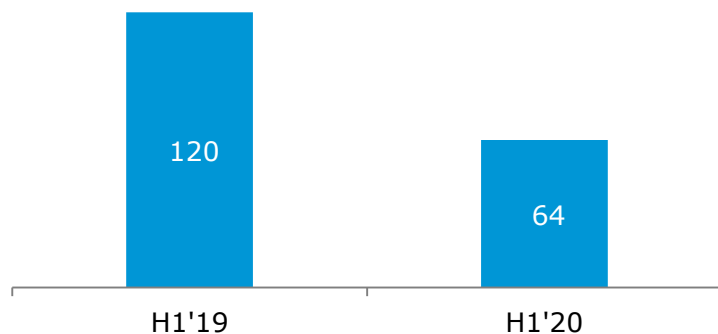
OSN: Stronger and bigger

-  **Strong DTH & OTT rights**
 - ▶ Ability to deliver product in 25 countries
 - ▶ Exclusive rights across multiple platforms (DTH, IPTV, OTT)
-  **OSN streaming growing fast**
 - ▶ Rebranded OTT and partnered with Disney+ starting April 2020; improved UI and UX
 - ▶ No. of OTT subs tripled from ~80k in April'20 to greater than 250k as of August'20
-  **Partnership**
 - ▶ To accelerate growth in core markets as well as low income/high volume markets
 - ▶ Strengthened/expanded telco integrations in IPTV and OTT segment
-  **Arabic Originals**
 - ▶ Set to launch OSN's Original Arabic TV shows in Q3/Q4 2020
 - ▶ Arabic version of "Come Dine with Me" coming soon
-  **Strong Leadership**
 - ▶ Strengthened management team and new independent directors
 - ▶ Varied experience across entertainment value chain
-  **Improved Financial Performance**
 - ▶ Completed operational turnaround
 - ▶ Exceeded its budgeted EBITDA during H1'20

United Gulf Holding Company (UGH)

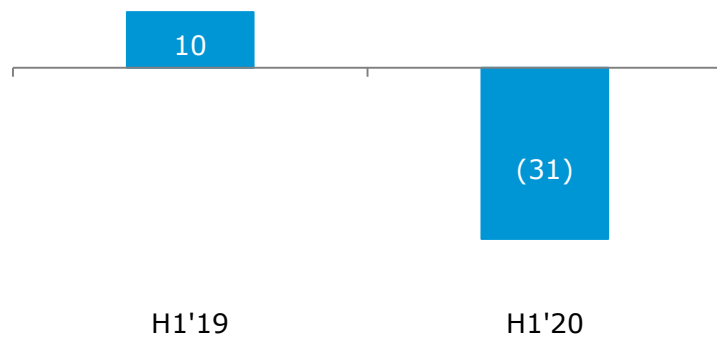
Revenue

USDmn



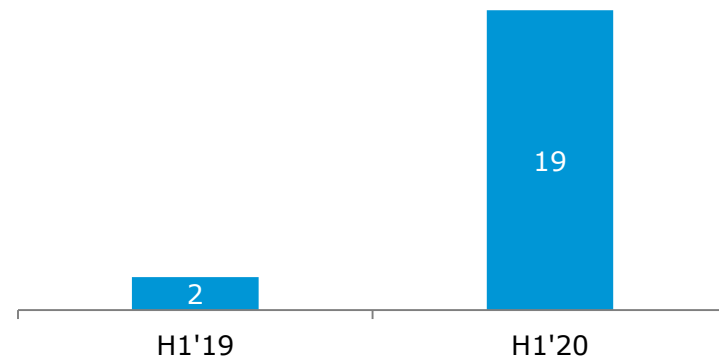
Net Profit

USDmn



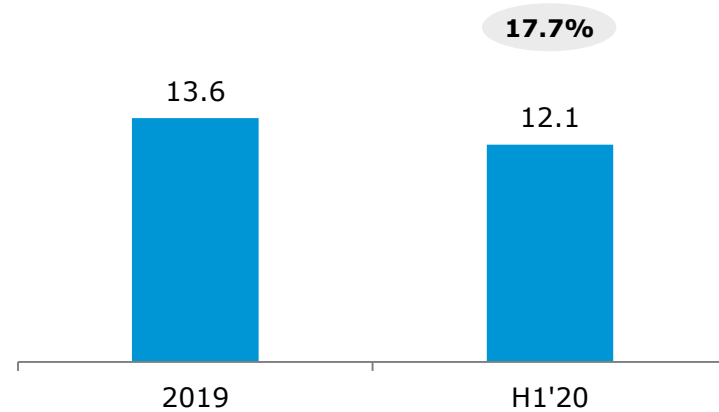
Provisions for Credit Losses

USDmn



AuM & Capitalisation

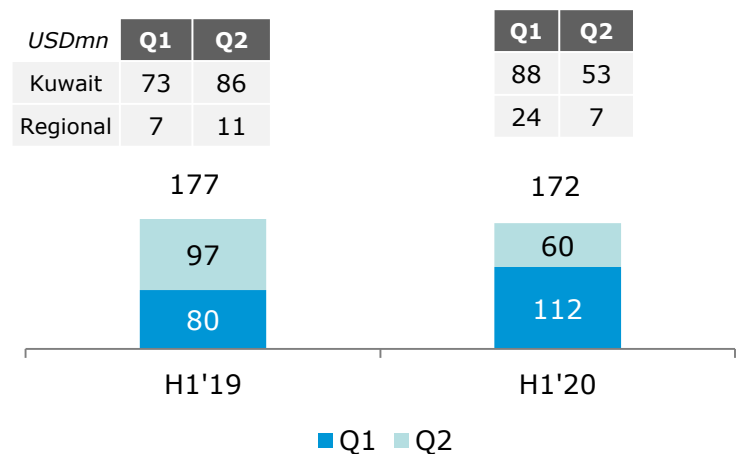
USDbn



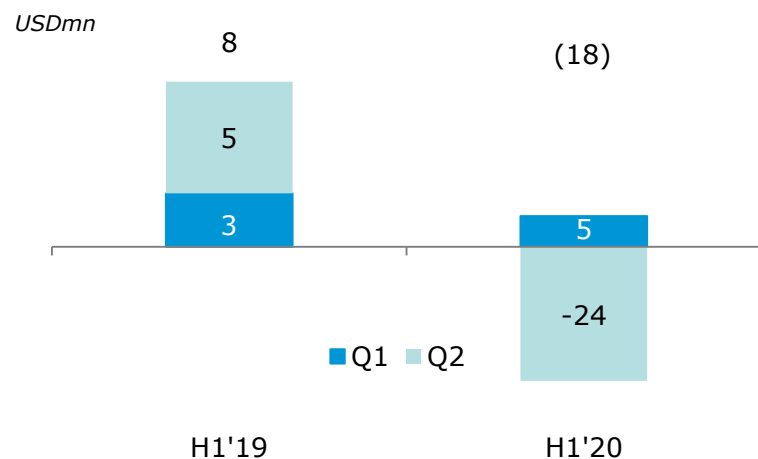
Basel III CAR

United Real Estate Company (URC)

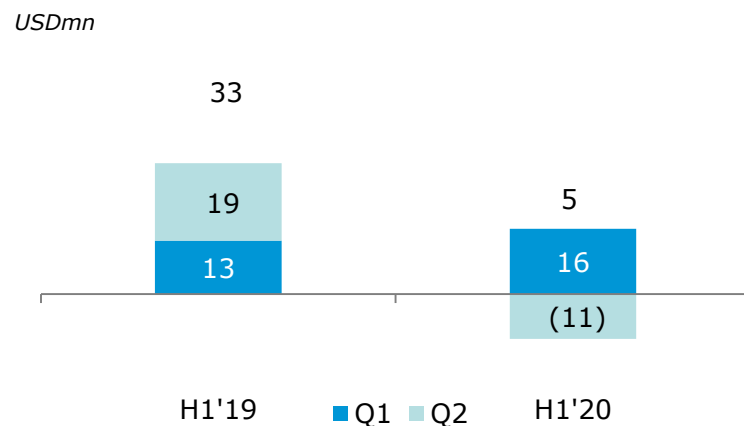
Total Revenue



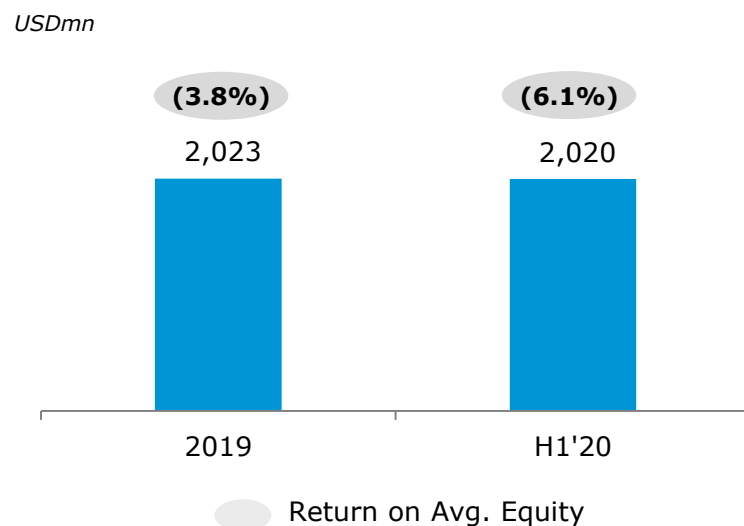
Net Profit



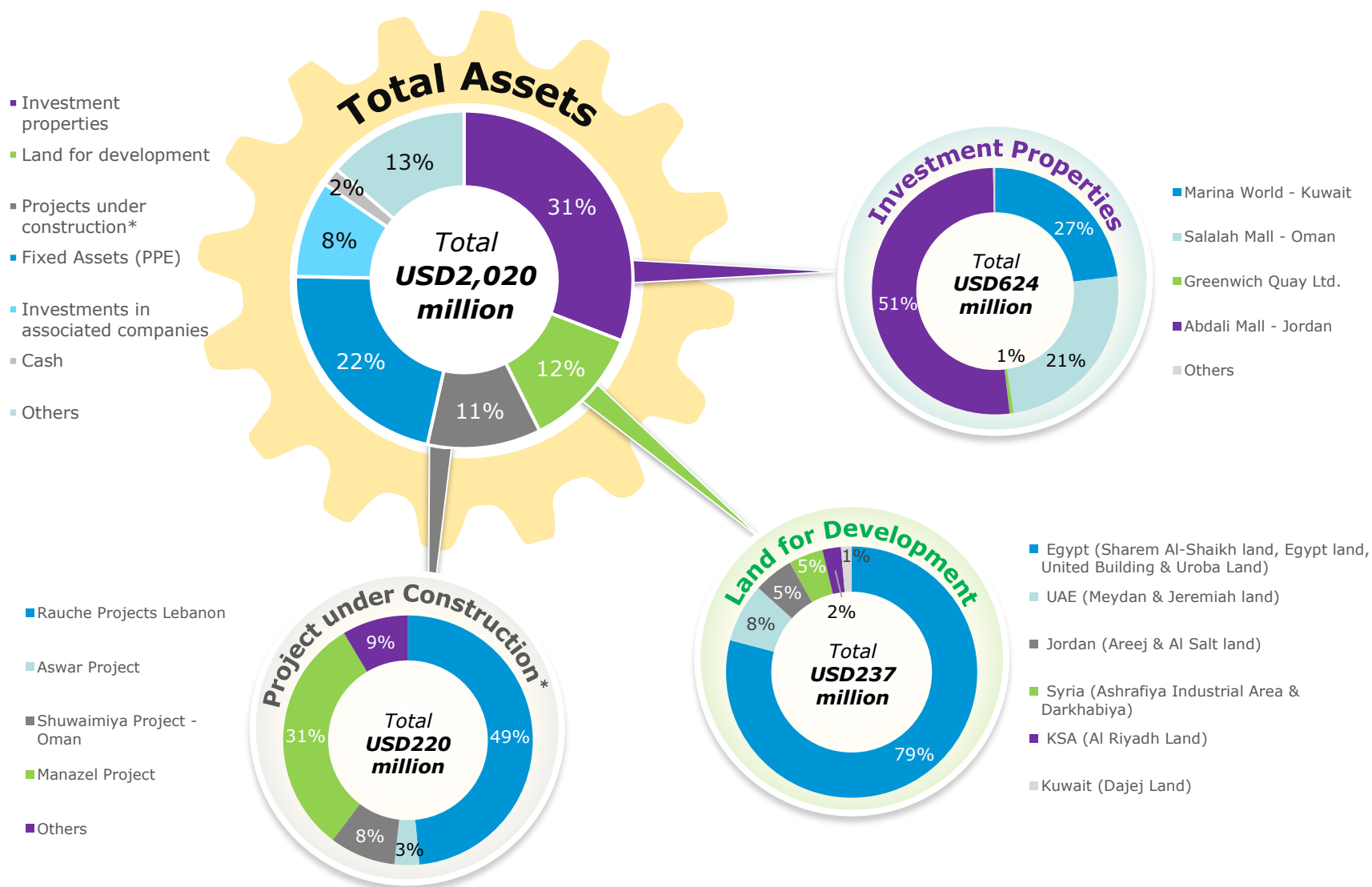
Operating Profit



Total Assets & ROE



URC: Balance sheet (Break-up)¹



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

¹ As on 30 June 2020

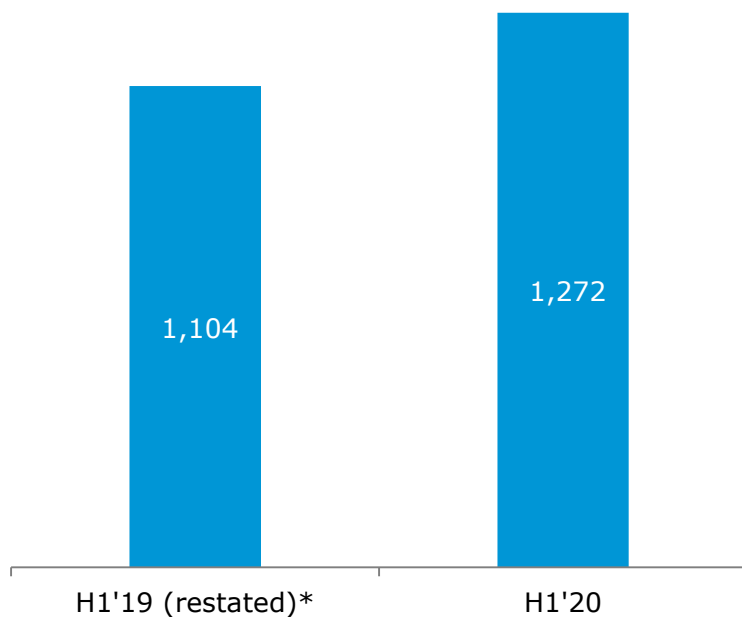
KIPCO consolidated: Financial performance

Revenue

USDmn

Q1	Q2
542	561

Q1	Q2
756	516

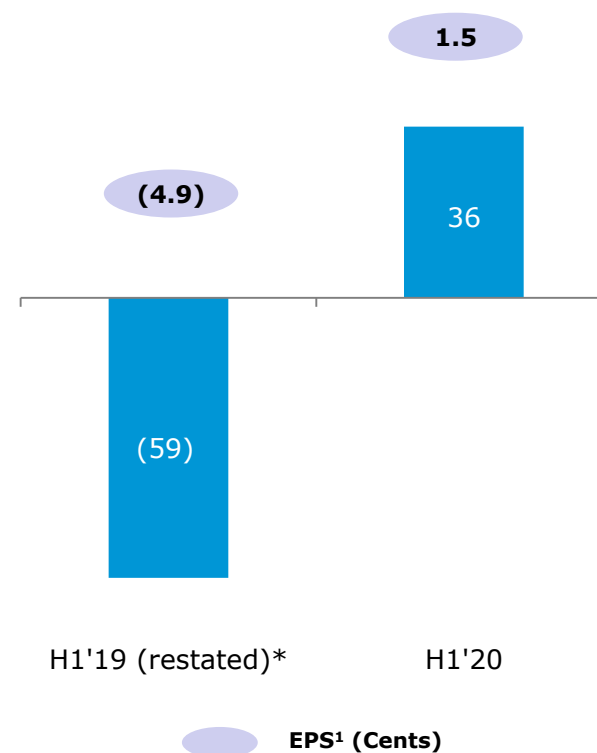


Net Profit

USDmn

Q1	Q2
(16)	(43)

Q1	Q2
94	(58)





Why KIPCO

Why KIPCO?



Well positioned to deliver 15%+ return in medium term

Group companies accelerating digital journeys

The Shift: From Thinking Digital to Being Digital



**Seamless omnichannel
retail experience and
Merchant solution**



**Retail App
Rating: 3.8 / 5**

**Tijarati
Anytime
Anywhere
Access to
Merchants**



**Streaming App Rebranded;
Now with Disney+**



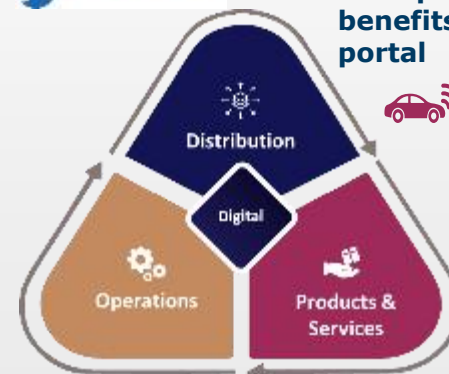
App Rating: 4.4 / 5



**Invested in digital
products & distribution
channels**

**Invested in
yallacompare**

**Motor
Telematics
& Employee
benefits
portal**



**Claims assessment, digital
TPA and group CRM &
analytics**



Thank you



Annexure 1: Other Portfolio Companies

United Industries Company (UIC): Overview

Overview



- Established in 1979, UIC invests in the industrial sector in Kuwait and the region
- Major investments are OREC (36%), QPIC (31%) & ATC (19%)
- KIPCO group holds 77.8% consolidated stake, while KIPCO directly holds 53.4%¹



Key highlights of H1 2020 results:

- ▶ Revenue decreased by 48% to USD19mn in H1'20 vs. USD36mn in H1'19 due to lower income from associates (decrease of ~USD18mn)
- ▶ Total assets decreased by 3.6% to reach USD855mn in H1'20 as compared to the end of 2019

Aims to invest in specialized activities in the Industrial sector

¹Represents figure as on 30 June 2020

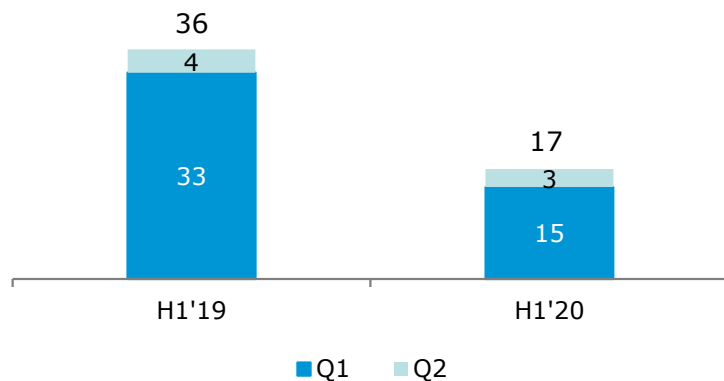
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

United Industries Company: Financial performance

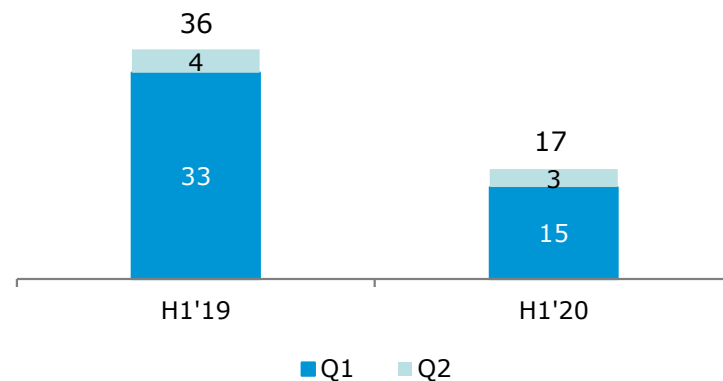
Income from Associates

USDmn



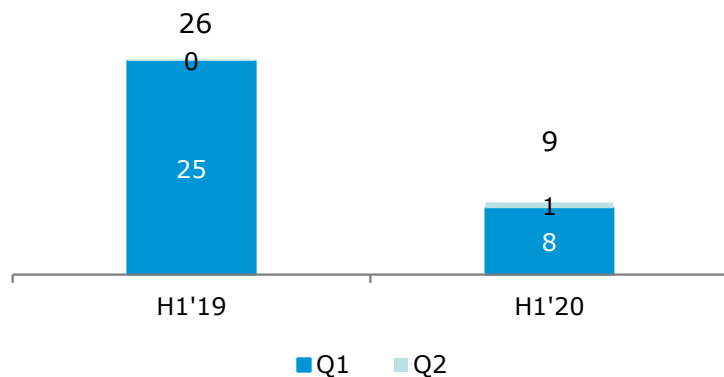
Total Revenue

USDmn



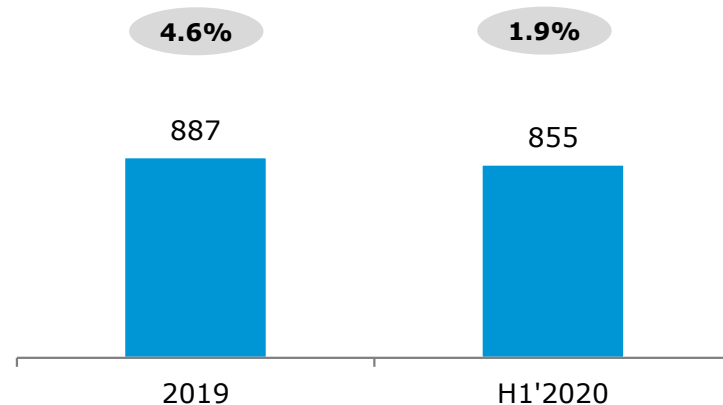
Net Profit

USDmn



Total Assets and ROE

USDmn



Qurain Petrochemicals Industries Co. (QPIC): Overview

Overview



- Holding company focusing on opportunities in food, petrochemicals, oil, gas & energy related sectors
- Four petrochemical investments in Kuwait i.e. Equate, TKOC, KPPC & TKSC
- Listed on the Bursa Kuwait, with a market cap of USD1,028mn²
- KIPCO group through UIC holds 32% stake¹



Key highlights of Q1 2020 results, over Q1 2019 results:

- ▶ Total revenue increased by 23.7% to reach USD204mn in Q1'20 primarily driven by SADAFCO's performance and acquisition of JTC³
- ▶ Gross profit increased by 23.2% to reach USD65mn in Q1'20 vs. USD53mn in Q1'19 in line with increase in revenue slightly offset by higher cost of sales

TKOC = The Kuwait Olefins Company,
Financial Year Ended : March

KPPC = Kuwait Paraxylene Production Company

TKSC = The Kuwait Styrene Company

¹Represents figure as on 30 June 2020

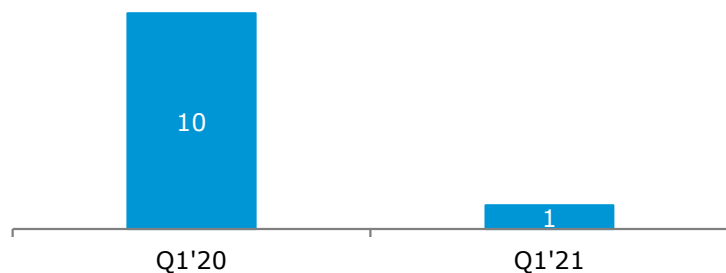
²As on 31 Aug 2020

³On 17 June 2019 QPIC acquired 60% equity interest in Jassim Transport & Stevedoring Company (JTC)

QPIC: Financial performance

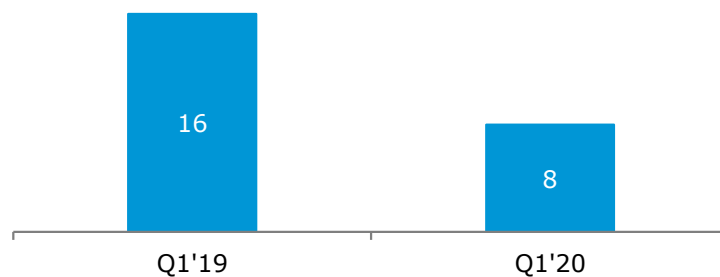
Share of Income from Associates

USDmn



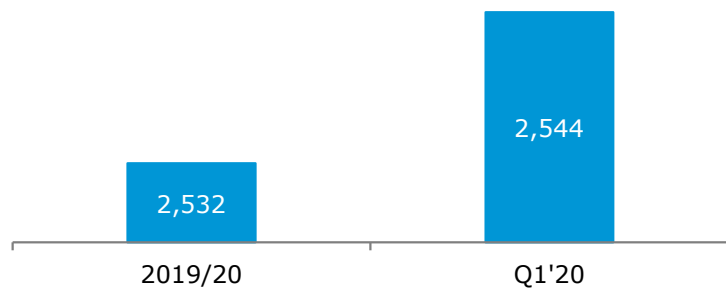
Net Profit

USDmn



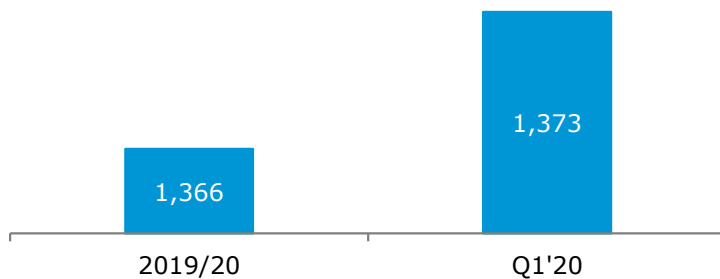
Total Assets

USDmn



Total Shareholder's Equity

USDmn



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 USD347mn²
- 5th largest conventional bank in Jordan in terms of assets (Total assets of USD3.8bn¹)
- Offers a wide range of corporate, retail & treasury products through a network of 65 branches*
- KIPCO group holds 51.1% stake¹



Key highlights of H1 2020 results:

- ▶ Net profit declined to a loss of USD8.1mn in H1'20 vs net profit of USD23.1mn in H1'19 due to higher provisions in the wake of macro-economic conditions
- ▶ Cost to Operating income ratio reduced to 55.9% in H1'20 vs 39.5% in H1'19

* As of 30 June 2020

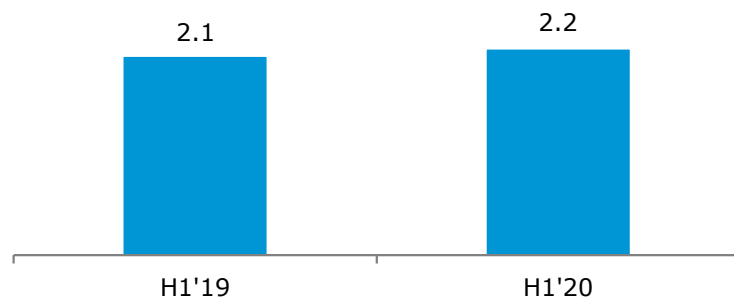
¹Represents figure as on 30 June 2020

²As on 31 Aug 2020

Jordan Kuwait Bank: Financial performance

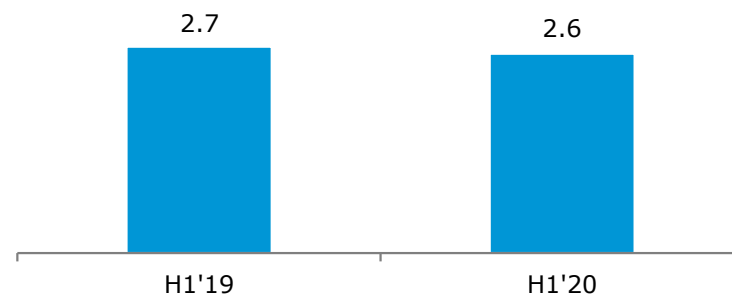
Loan Growth

USDbn



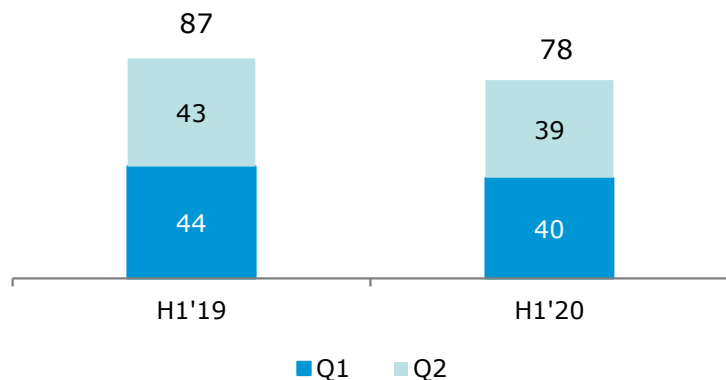
Deposit Growth

USDbn



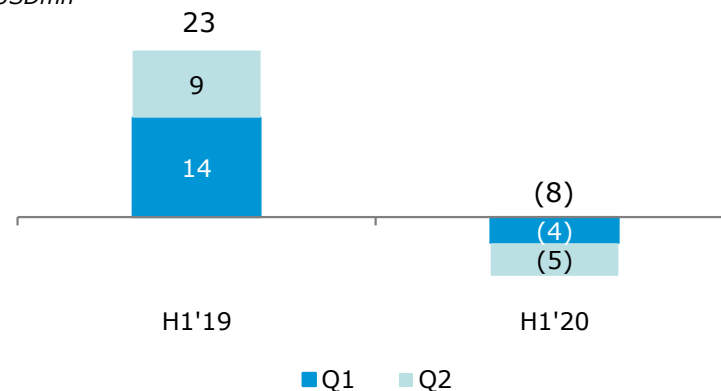
Operating Income

USDmn



Net Profit

USDmn



Basel III CAR – 19%¹

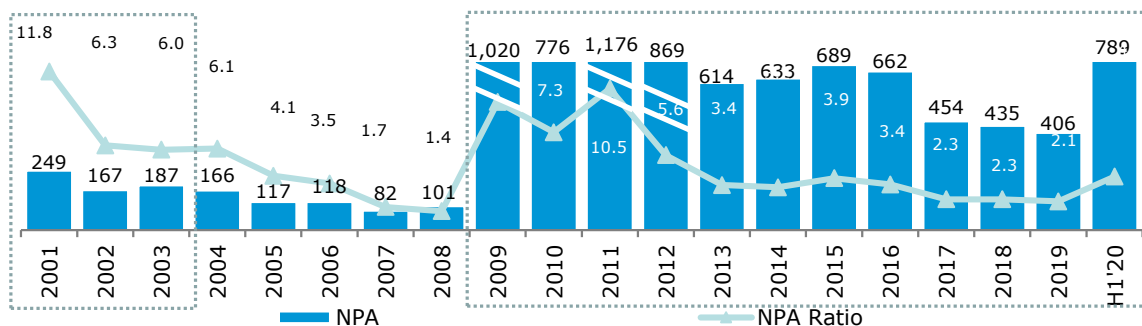
Notes: Exchange rate of USD/JOD of 0.7090 as of 30 June 2020 has been used for conversion

¹ As of 30 June 2020

BBG: NPA¹ & provisioning trend

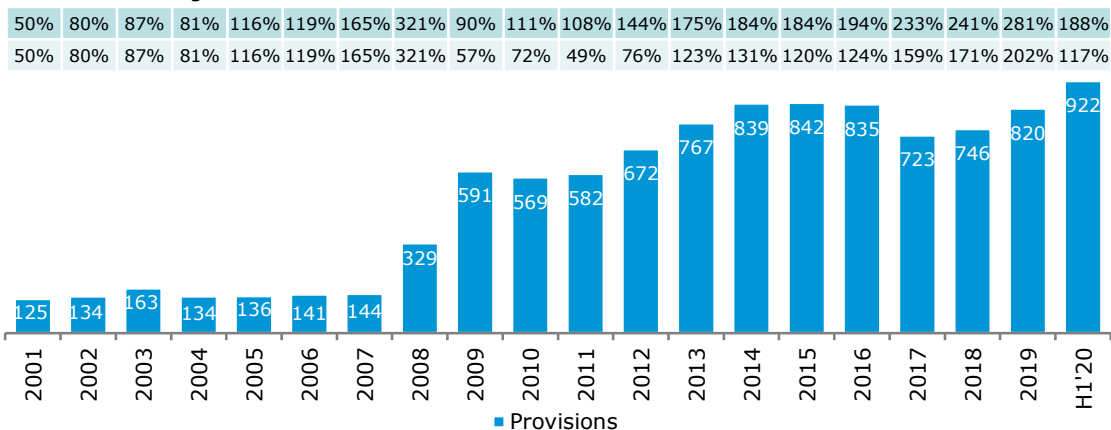
NPA Trend

NPA (USDmn)
NPA Ratio (Percentage)



Provisions Trend

■ NPA Coverage with collateral
■ NPA Coverage without collateral



- ▶ At end of 30 June 2020, NPA coverage with provisions and collaterals was **188%**
- ▶ NPA Ratio was 4.0% as on 30 June 2020
- ▶ ~87% provisions in general category as on 30 June 2020
- ▶ 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**

¹NPA includes on balance sheet and off balance sheet exposure



Annexure 2: Executive Management

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)



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



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



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



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



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



Eman Al Awadhi | Group Communications Director

- ▶ Joined KIPCO in 2010
- ▶ Over 10 years of experience in communications, media relations and journalism



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



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



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



Adel Al Waqayan | Treasurer

- ▶ Joined KIPCO in 1995, previously with Burgan Bank Treasury
- ▶ MBA in 1986 from USI University



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



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

Group companies



**Masaud Mahmoud
Haji Jawhar Hayat**
Vice Chairman & Group
CEO
Borgan Bank



Borgan Bank is one of Kuwait's leading commercial banks. Borgan has 30 branches in Kuwait and one of the biggest ATM networks in the country. Borgan is one of the MENAT region's fastest growing banks and has controlling stakes in Borgan Bank Turkey and Gulf Bank Algeria. Borgan is listed on the Boursa Kuwait.

www.borgan.com



**Khaled Saoud Al
Hassanf**
Group CEO
GIG



The Gulf Insurance Group (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. It also has operations in UAE and Turkey. GIG offers a full range of products including life, motor, accident and medical insurance. The company is listed on the Boursa Kuwait.

www.gulfinsgroup.com



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



Hussain A. Lalani
CEO
UGH



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



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. Offers premium content with 85 channels and largest numbers of HD channels in the region providing the latest premium entertainment including the latest Hollywood movies and series, international sports and Arabic content.

www.osn.com



Mazen Issam Hawwa
Vice Chairman and
Group CEO
URC



The United Real Estate Company (URC) is KIPCO's real estate development company. URC's assets and businesses are spread across Kuwait, Oman, Jordan, Lebanon, Egypt and Morocco in residential, commercial, office and hospitality sectors. The company is listed on the Boursa Kuwait.

www.urc.com.kw

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 Qurain Petrochemical Industries Company and Advanced Technology Company

www.uickw.com



Sadoun Al Ali
Vice Chairman &
CEO
QPIC



The Qurain Petrochemicals Industries Company (QPIC) is one of the leading private investors in petrochemical projects both inside and outside Kuwait. Its petrochemical portfolio includes Equate Petrochemicals and Kuwait Aromatics Company. The company is listed on Bursa Kuwait.

www.qpic-kw.com



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



Wout Matthijs
CEO
SADAFCO



The Saudi Dairy and Foodstuff Company (SADAFCO) was established in 1976. It is a market leader in Saudi Arabia in tomato paste and ice cream, and a strong number two in drinking milk, marketing its core products under the flagship 'Saudia' brand. The company is listed on the Tadawul

www.sadafco.com



Fawzi Al Musallam
Vice Chairman &
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 Bursa Kuwait.

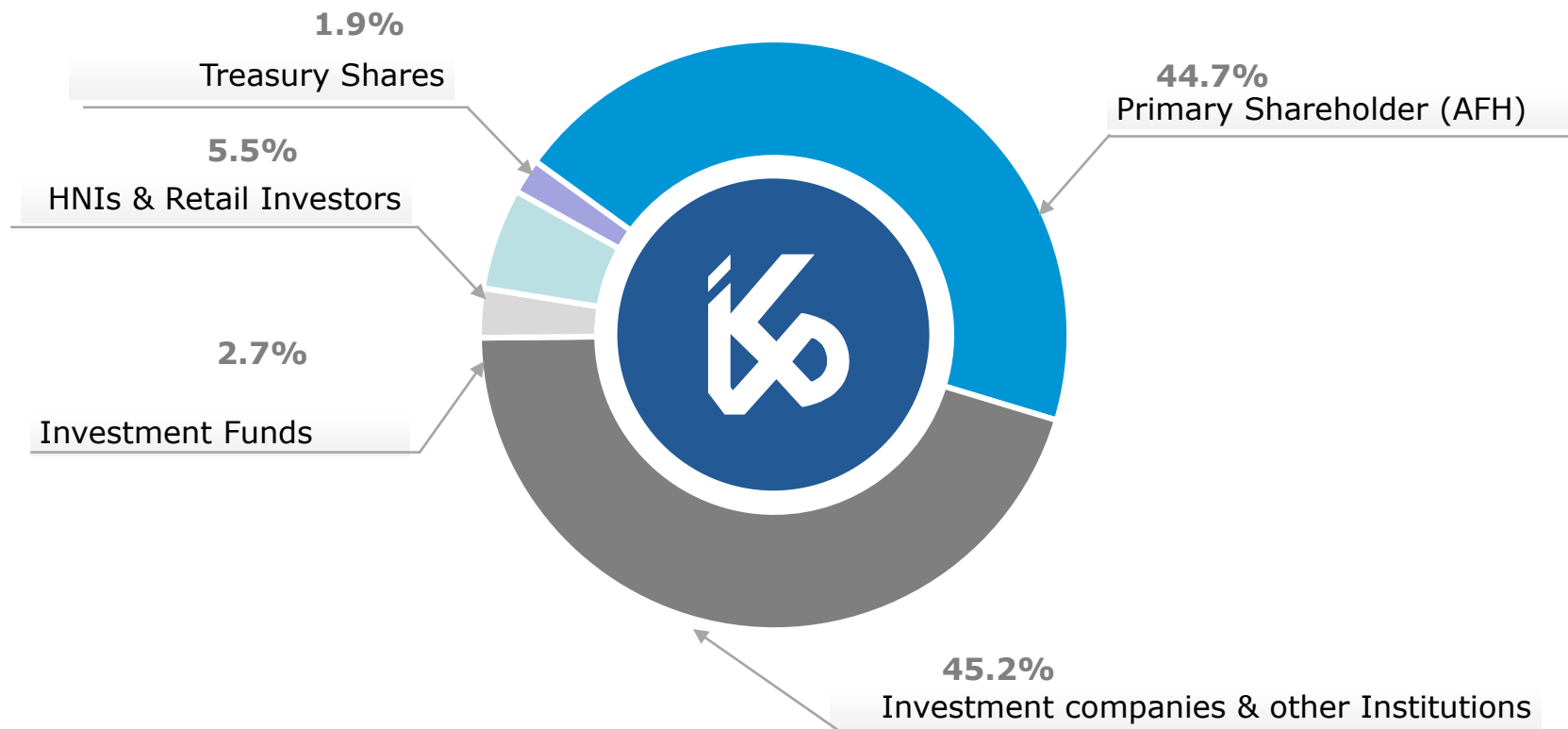
www.khc.com.kw



Annexure 4: 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 June 2020: 2,000mn

Market data

Entity	P/B		P/E		BVPS ³	EPS ^{3,4}	Market Price ³	Market Cap (USDmn)
	2019	Current ¹	2019	Current ¹	H1 2020	H1 2020	Current	Current ⁵
 كيبكو KIPCO شركة مشاريع الكويت (القابضة) Kuwait Projects Company (Holding)	1.2 ²	0.9 ²	21.4	9.9	39	1.5	49	959
 بنك بروتلان BURGAN BANK	1.1	0.7	10.1	6.1	88	32	65	1,703
 شركة الخليج المتحد القابضة United Gulf Holding Company	4.1 ²	5.2 ²	NM	NM	19	(7)	328	1,352
 gigamon مجموعة الجومون	1.2	1.1	10.3	8.6	193	172	201	374
 شركة العقارات المتحدة United Real Estate Co	0.4	0.3	NM	NM	56	(17)	16	176

Notes:

¹ P/B, P/E and market prices as of 31 Aug 2020 (Source: KAMCO Research)

² P/B has been calculated based on 30 June 2020 book value per share and current market price as on 31 Aug 2020

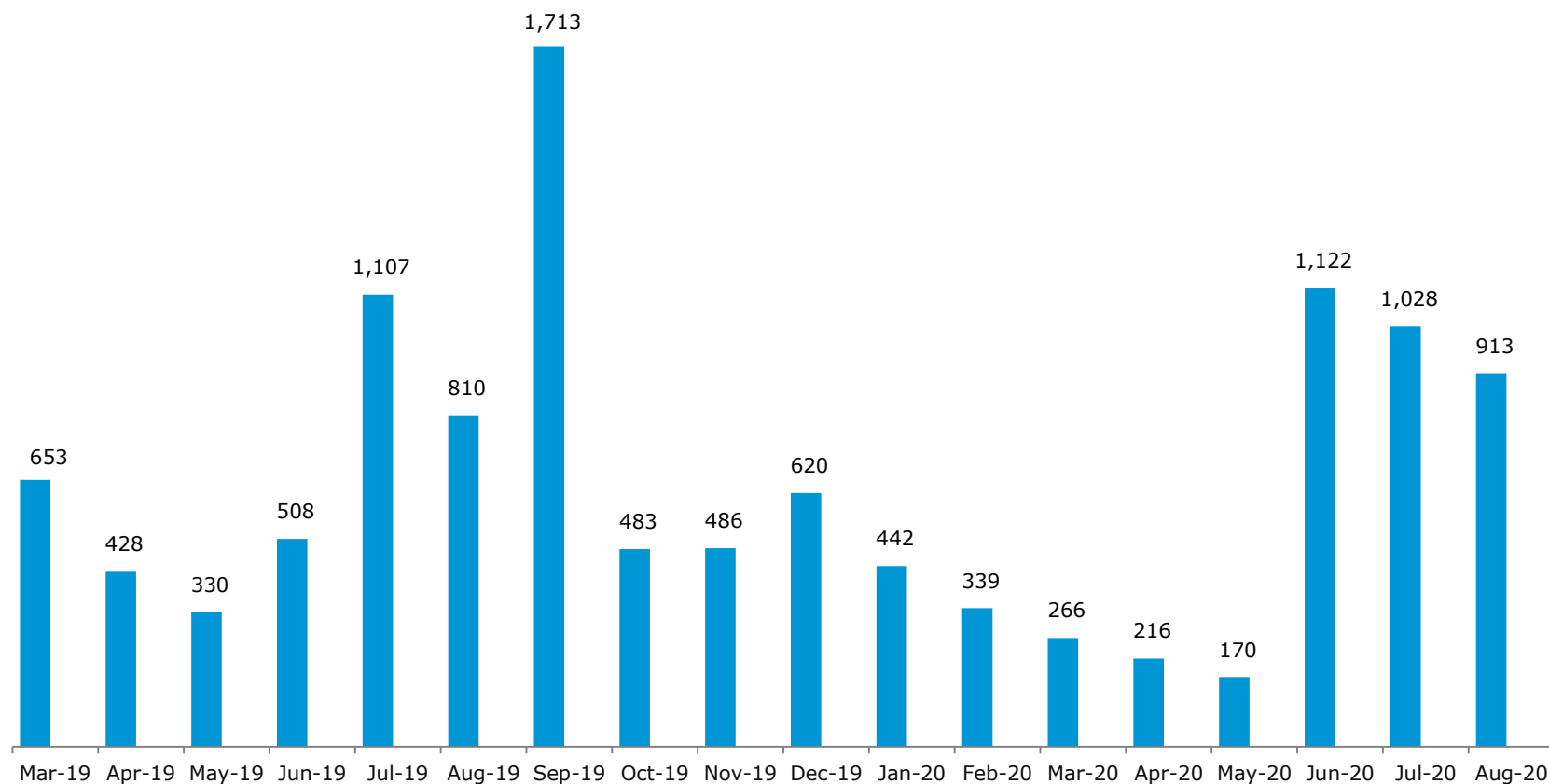
³ Data in cents as on 31 August 2020

⁴ Represents reported EPS for six-month period ending 30 June 2020

⁵ Market cap as of 31 Aug 2020 converted at 0.30473 (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 USD0.6mn in the last 12 months

Source: Bloomberg; exchange rate used across the periods is as of 31 May, 2020 (USD/KD = 0.30762)

KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	Q1'19*	H1'19*	2019*	Q1'20	H1'20
Cash in hand and at banks	6,009	5,049	5,140	4,629	4,560
Treasury bills, bonds & other debt securities	2,291	2,261	1,775	1,787	1,890
Investment in associates	1,135	1,111	1,144	1,121	1,129
Investment in a media joint venture	525	492	406	-	-
Investment properties	2,028	2,029	2,048	2,062	2,053
Other investments	1,693	1,708	1,985	2,089	2,196
Other assets (inc. goodwill & intangibles)	19,209	20,085	20,928	22,345	21,658
Total assets	32,891	32,734	33,425	34,032	33,484
Due to Banks & Other FI's	5,223	4,328	4,631	4,695	4,721
Deposits from Customers	16,619	17,413	17,336	17,170	16,951
Debt	5,739	5,763	6,280	6,653	6,443
Other liabilities	2,103	2,122	1,899	2,248	2,311
Equity attributable to equity holders of the Parent Company	793	671	816	853	703
Perpetual capital securities	476	476	498	498	498
Non-controlling interest	1,938	1,962	1,965	1,915	1,857
Total liabilities and shareholders equity	32,891	32,734	33,425	34,032	33,484

**restated*

KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	Q1'19*	Q2'19*	Q1'20	Q2'20	H1'19*	H1'20
Interest income	322	346	305	236	668	541
Investment income	15	22	255	(8)	37	247
Fees and commission income	41	51	45	42	91	87
Share of results of associates	39	15	12	16	53	28
Share of results of a media joint venture	(37)	(66)	(20)	-	(103)	(20)
Hospitality and real estate income	86	102	110	72	187	182
Other revenues	77	93	48	159	171	207
Total revenues	542	561	756	516	1,104	1,272
Interest Expenses	236	239	210	207	474	418
General and administrative expenses	149	152	156	141	301	296
Other expenses and provisions	120	153	262	236	273	498
Taxation	11	15	8	8	26	16
Loss from discontinued operations	-	-	-	-	-	-
Non-controlling interest	42	46	26	(18)	89	8
Net profit attributable to Equity Holders of the Parent Company	(16)	(43)	94	(58)	(59)	36
Basic Earnings Per Share, Cents (Reported)	(1.9)	(3.1)	5.2	(3.7)	(4.9)	1.5
Basic Earnings Per Share for continuing operations, Cents (Reported)	(1.9)	(3.1)	5.2	(3.7)	(4.9)	1.5




**restated*



Annexure 5: About the region

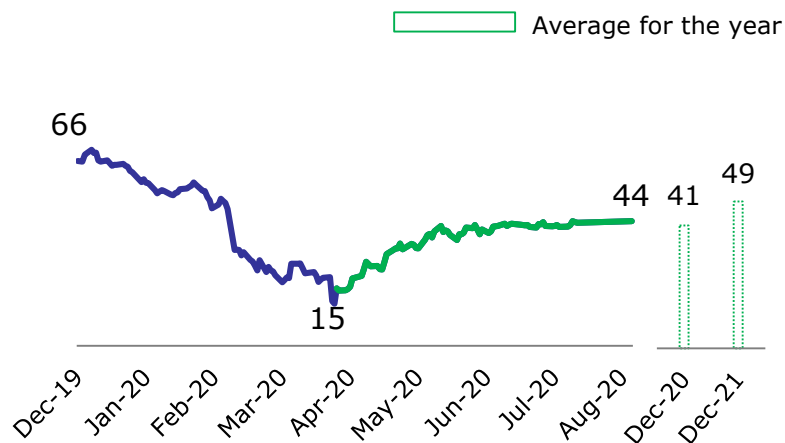
MENA: Evolving situation as uncertainty persists

V shaped recovery expected as per IMF forecasts in 2021

Indicators ¹	Real GDP growth (%)	CAB* (USDbn)	Oil prices ² (USD/bbl)
2019E	0.3%	1.4	64
2020P	(5.7%)	(5.8)	41**
2021P	3.4%	(4.8)	49***
2020P vs 2019E	(6.0%)	(514%)	(36%)
2021P vs 2020E	9.1% 	(17%) 	18% 

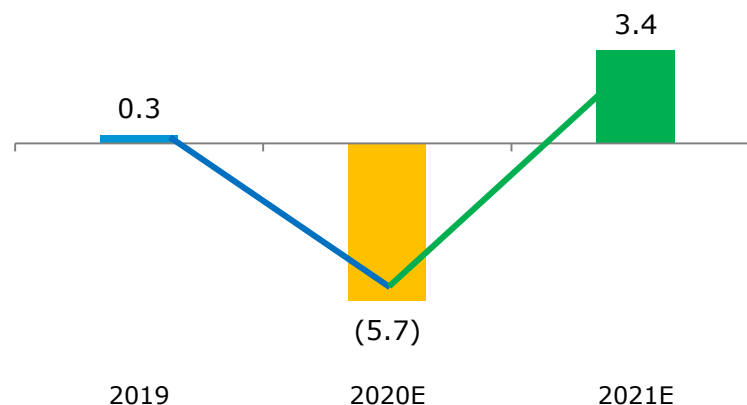
Brent Crude Oil Price

(In USD/barrel)



2020 MENA GDP Growth Forecast

(In Percentage)



Source: Bloomberg

¹ Source: WEP, World Bank June 2020
 ***Average for 2021 from Bloomberg

Source: IMF, July 2020

² Source: Bloomberg *CAB:- Current account balance



Improved Y-o-Y



Weakened Y-o-Y

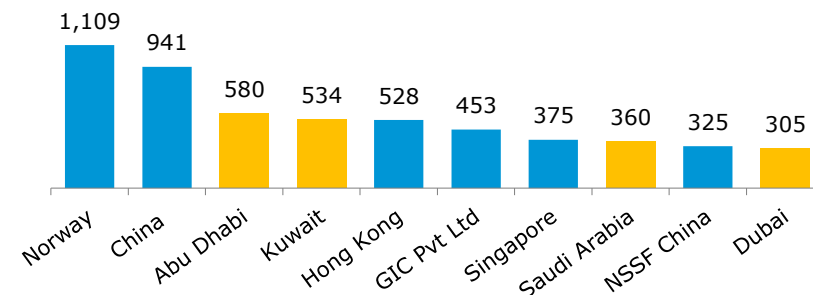
GCC region: Strong underlying fundamentals

Impacted by dual shock of oil price and Covid-19, however strong fundamentals provide sufficient cushion supported by **low breakeven oil production cost** for GCC producers along with **huge sovereign funds**

Gross public foreign assets at ~US\$2.6 trillion, with 70% managed by SWFs

Global Top 10 Sovereign Wealth Funds

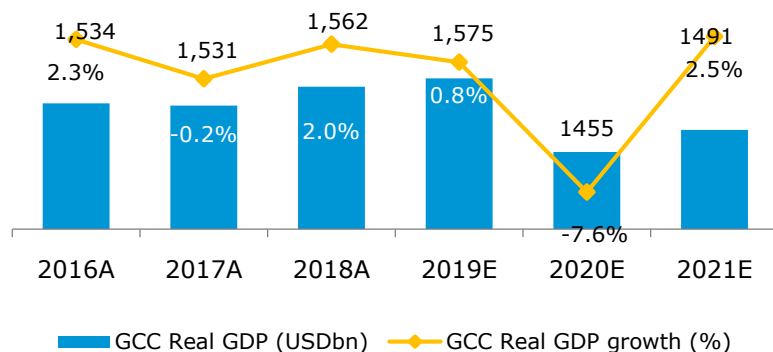
(In USD bn)



GDP expected to rebound in 2021

Real GDP & GDP Growth (2016-21)

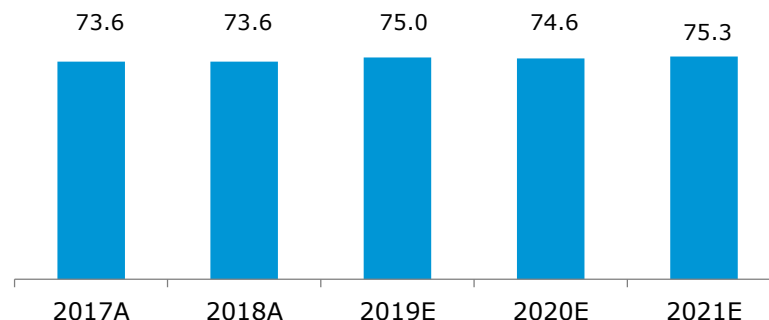
(In USD bn)



Increasing contribution of non-oil segment to the economy

Contribution of non-oil sector to GDP

(In Percentage)



Kuwait: Well-poised to wither the storm

Kuwait resilience supported by one of the **lowest fiscal break-even oil price and production cost along with significant accumulated fiscal and external surpluses**

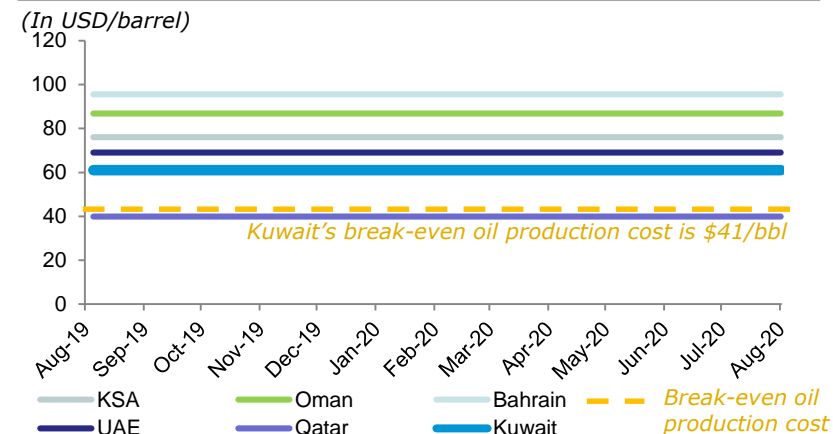
Kuwait – commitment to a vision of sustainable future growth beyond oil

Impacted by recent events, though credit profile remains strong

Kuwait rating affirmed; outlook revised to Negative

- ▶ Lower oil prices, OPEC+ oil production cuts, and COVID-19 pandemic, will negatively impact Kuwait's account balance
- ▶ Government expected to implement several short-term measures to mitigate current situation
- ▶ Kuwait's net general government asset position amounted to 440% of GDP at the end of 2019 – the highest ratio of all rated sovereigns
- ▶ Credit profile supported by country's exceptionally high wealth levels, vast hydrocarbon reserves, credible monetary policy framework, strong banking system oversight, low level of government debt and vast sovereign wealth fund assets accrued from large fiscal surpluses
- ▶ Oil price expected to recover to \$50/bbl in 2021 and \$55/bbl in 2022

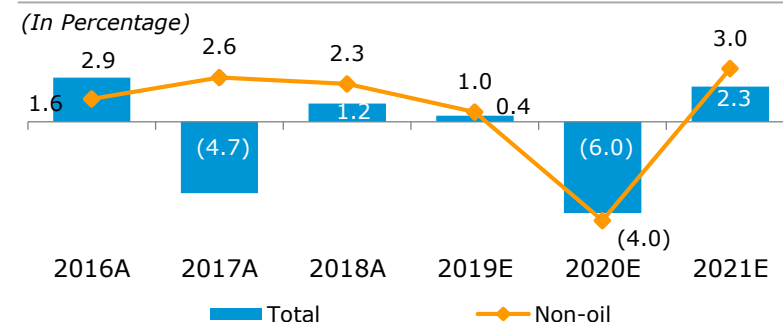
Fiscal Break-even Oil Price



Source: IMF, Bloomberg, Thomson Reuters, 2020 (as of 12 August 2020).

Note: Fiscal Breakeven oil prices for Kuwait, Oman, Qatar, Bahrain, UAE and KSA is for 2020 forecast.

GDP growth rate



Source: S&P periodic review on Kuwait, July 2020

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

During the year, all the projects were constantly re-evaluated for probable impact due to Covid-19. Kuwait's Ministry of Public Works (MPW) intends to support 950,000 low-wage workers by constructing cities for them. Kuwait plans to seek around USD16bn of public debt to support ongoing projects. Of the pending projects, hydrocarbon sector has the largest share at KD15.6bn (USD50.8bn), accounting for nearly 45% of the total, with residential at KWD8.6bn (USD28.0bn, 25%) and transport at KWD6.6bn (USD21.4bn, 16%).

**Government
pledged bank
guarantee for
funding**

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

**PPPs¹ model
to finance
large scale
project**

**Kuwait
municipality
collaborations
with
stakeholders**

Government Policy Initiatives

¹ Public-Private Partnership

Source: Meed Projects, Markaz, Capital Standard and Press

Kuwait development plan: Projects in action

Key Projects under the plan

New Refinery Project (NRP)

- ▶ New 615,000 bpd refinery by KNPC
- ▶ Underway: Construction completed commissioning delayed and expected to operate from June-2021.
- ▶ Cost: **USD12.7bn**

South Al Mutlaa City

- ▶ 30,000 residential unit, schools and other facilities
- ▶ Underway: Overall progress 28%. Major infrastructure works for 18,519 units is 73 % complete, for 4,999 units is 62% complete and for 4,770 units is 89% complete. P1 to P3 completion expected by 2020. Cost: **USD 11.7bn**

Kuwait Metro (PPP)

- ▶ 160km long, running across Kuwait
- ▶ Underway: The project is in progress. Cost: **USD11.2bn**

Kuwait Airport Expansion

- ▶ To increase the annual handling capacity of the airport to 20mn passengers
- ▶ Underway: The project has progressed by 61%. Terminal 2 to be awarded in Q3-2020 for USD 0.9 bn. Expected to complete by 2023. Cost: **USD6.2bn**

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: Progress 57%. Construction activities completed on some segments and commissioning is underway. JPF 4 & 5 bidding have been placed on hold. 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 97%. Construction works are underway and scheduled to complete by June 2020. Cost: **USD2.6bn**

Regional Road South

- ▶ 135 km highway south of Kuwait as part of the International ME Arab Highways Network
- ▶ Underway: Central section to be awarded in Q4-2020 for USD0.7bn. Cost: **USD1.0bn**

Oil & Gas Projects*

- ▶ Awarded: Contracts awarded by Kuwait Oil Company. Some projected are expected to be awarded in H2-2020. Cost: **USD11.8bn**

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: **USD2.9bn**

Al-Khairan Power & Desalination Plant (IWPP)

- ▶ Net capacity of a min 1,500MW of power & a min 125 MIGD of desalinated water
- ▶ P1 is in the main contract PQ stage. P 2 & P 3 are still in the study phase. KAPP extended bids submission for main contract. Cost: **USD1.7bn**

Khairan City

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

Petrochemical Facility at Al-Zour

- ▶ Plant to be integrated with Al-Zour refinery
- ▶ Planning: FEED works completed. Project tendering could be postponed by KIPIC due to capex restructuring. NBK Capital appointed as financial advisor. Cost: **USD6.5bn**

Olefins III project

- ▶ Petrochemical plant to be integrated with new refinery project (Al Zour Refinery)
- ▶ Underway: FEED ¹ phase underway; Technology contract awarded to McDermott. Cost: **USD6.2bn**

Clean Fuels Project (CFP)

- ▶ Specification upgrade and expansion of 2 existing refineries to produce 0.8mn b/d
- ▶ Completed: Maintenance contract bid submitted for USD 1bn. Cost: **USD12.0bn**

Sheikh Jaber Al-Ahmad Causeway

- ▶ 48.5 km causeway linking Kuwait City with Subiya area in northern Kuwait
- ▶ Completed on May 1, 2019. Cost: **USD3.0bn**

Al-Dibdibah Solar PP

- ▶ Capacity to produce 1.5 GW solar project
- ▶ Canceled due to Covid Impact. Cost: **USD1.6bn**

Other projects

- ▶ **Underway:** Jahra & Sulaiya Low Cost Housing City. Progress 11% infrastructure work expected to complete by May-2021 Cost: **USD1.9bn**
- ▶ **Underway:** Umm Al Hayman Waste Water (PPP). Cost: **USD1.5bn**
- ▶ **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**
- ▶ **On hold:** Kabd municipal solid waste project. Cost: **USD1.0bn**

Project Stage	H1'20	2019
Underway*	53.0	51.1
Awarded	14.7	14.7
Bidding	2.4	2.4
Planning	29.3	28.8
Completed	15.1	15.1
Canceled	1.6	1.6
On-hold	1.0	1.0
Total (USD bn)	117.1	114.7

Source: KDP report dated July 2020; ¹FEED= Front End Engineering Design;