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Key Investment Highlights

Our business, strategy and team



Our

Business

- ▶ Holding company with total assets of USD33.0bn¹
- ▶ Operating across the GCC and wider MENA region; presence in 24 countries
- ▶ Multi-sector operator: commercial banking, insurance, asset management and investment banking, media, real estate and industrial
- ▶ Proven track record; 28 years of profits, 18 years of dividend payment and ~10% book value per share growth in last 15+ years²
- ▶ Listed on the Boursa Kuwait with a market capitalisation of USD1.0bn³



Our

Strategy

- ▶ Controlling stakes in operating businesses in growth markets
- ▶ Seek to generate sustainable and predictable operating cash flows
- ▶ Partner with global or local businesses with a proven track record
- ▶ Maximize value from businesses with a medium-to long-term horizon
- ▶ Target 15% ROE over the business cycle
- ▶ Selective disposal where targeted growth criteria is not met



Our

Team

- ▶ Average tenure of management is 18 years
- ▶ Vice Chairman (Executive), Group COO and Group CFO have been with the Group for about 30 years

KIPCO is a multi-sector operating holding company with a diversified portfolio spanning the GCC and wider MENA region

¹ As of 30 September 2020

² Assuming no dividend was paid between 31 December 2004 and 30 September 2020

³ As of 15 Jan 2021

Note: : Exchange rate of USD/KD of 0.30620 has been used in the presentation for financial numbers

Key investment highlights



Proven Track Record

- ▶ Sustained profitability for the last 28 years
- ▶ 18 years of dividends



Ruling Family Shareholders

- ▶ Al Futtooh Holding Co. owned by members of Kuwaiti ruling family has direct holding of 44.7%
- ▶ Shareholders since 1988; has supported KIPCO in all capital raising exercises



Market Leadership¹

- ▶ Burgan Bank is #2 conventional bank in Kuwait²; OSN is leading entertainment platform in MENA³; Gulf Insurance Group is #1 insurer in Kuwait⁴, Bahrain⁵, Jordan⁵ & Egypt⁶; United Real Estate Company is #2 real estate player on KSE²



Strong Liquidity¹

- ▶ Strong cash balance covering all debt repayments due till December 2022
- ▶ > 40% of the portfolio⁷ is listed, and can be liquidated at short notice



Credit Rating

- ▶ Baa3/Negative (Moody's), BB/Negative (S&P)
- ▶ Burgan Bank and Gulf Insurance Group have strong investment grade ratings



Diversified Portfolio

- ▶ Benefit from growth and economic diversification in Kuwait and the broader MENA region
- ▶ Portfolio spans multiple industries at different stages in the business life-cycle



Financial Discipline

- ▶ Maintained between three to four dollars of assets for every dollar of net debt for 13 consecutive years
- ▶ Average debt maturity of 4.6 years¹



"Best in Class" Transparency

- ▶ First company in the GCC to host annual investor forum with earnings guidance since 2004
- ▶ "Best in Class" investor relations with up-to-date disclosure

¹As of 30 September 2020
premiums ⁵By GPW

²By assets

³By revenue and countries of operations

⁴By Gross premium written (GPW) and Direct

⁶By technical profit among private sector players (all rankings as of 30 September 2020)

⁷Comprises listed principal companies and listed investments as of 30 September 2020



Business Overview

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

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 (9M'20) ¹	46%	15%	20%	10%	4%	2%	3%	
Assets (9M'20) ¹	70%	4%	7%	8%	5%	2%	3%	

Attractive presence in high growth economies and promising sectors

Note: 1. As per total revenue of USD2.6bn and total assets of USD38.9bn, 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)

² By Gross premium written (GPW) and Direct premiums profit among private sector players (all rankings as of 31 December 2019)

³ By GPW

⁴ By technical

Controlling or majority stakes

						
KIPCO Effective Stakes¹	62.8%	88.3% 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	1,698	Unlisted	1,248	78	457	159
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 September 2020

² Market capitalisation as of 15 January 2021 (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 September 2020. Refer Note 31 in KIPCO's consolidated financial statements as on 31-Dec-19 for details

CI = Capital Intelligence

Supportive shareholder with ruling family links

Kuwaiti ruling family support

KIPCO's principal shareholder is Al Futtooh Holding Company K.S.C. (Closed) ("AFH"), a Kuwaiti company owned by members of the Kuwaiti ruling family

Direct holding of 44.7% in KIPCO; Shareholder of KIPCO since 1988

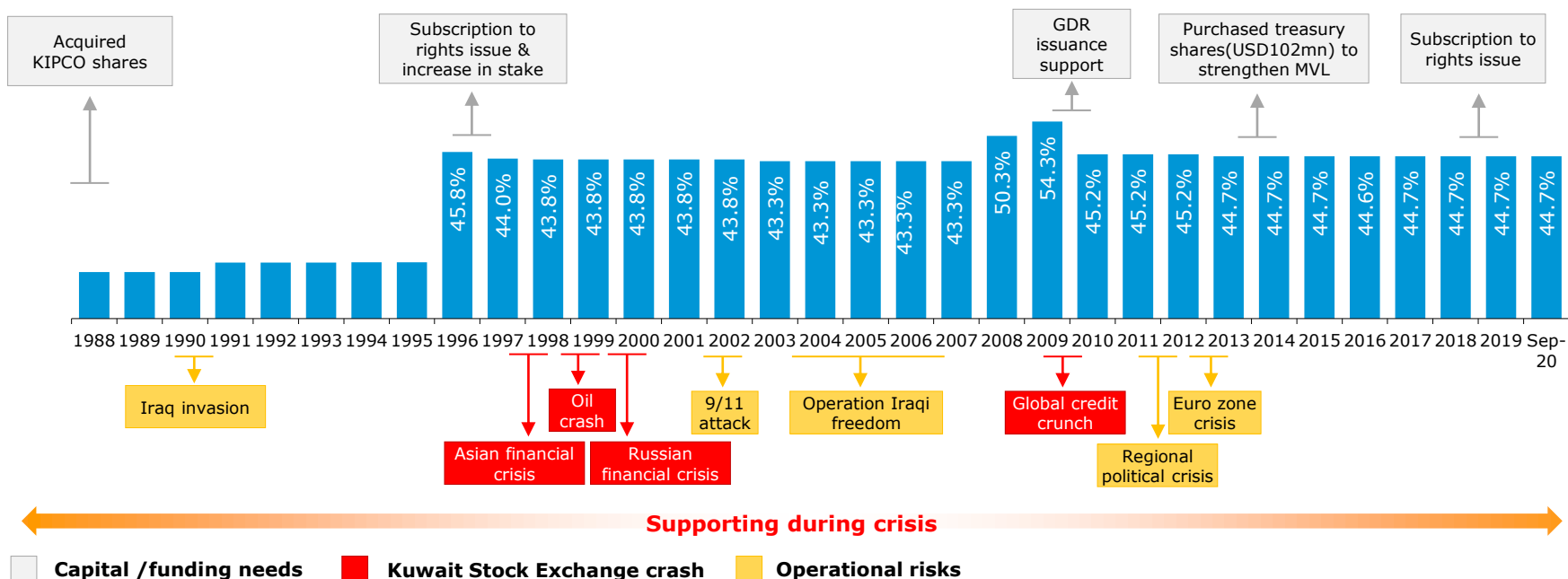
Has supported KIPCO in all its endeavors including capital raising, reduced dividends and treasury shares repurchases

Focused on promoting KIPCO as a role model for the private sector in the region

Successful completion of rights issue in July 2019

17% oversubscription shows confidence of shareholders in the company








AFH's continuing support to KIPCO





Key developments & performance update

Our results for this quarter underline the Group's fundamentals






USD million	 Revenue		 Net Profit	
	Q2'20	Q3'20	Q2'20	Q3'20
 كيبكو KIPCO <small>شركة مشاريع الكويت (القابضة)</small> <small>Kuwait Projects Company (Holding)</small>	519	573	(58)	13
 بنك بروطان BURGAN BANK	154	186	18	32
 شركة العقارات المتحدة United Real Estate Co	60	71	(24)	2
 gig مجموعة الخليج للتأمين	163	175	22	11
 KAMCO INVEST	13	22	2	8

Burgan Bank Group (BBG)

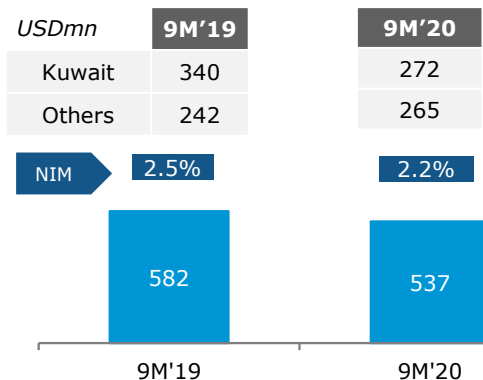
Business highlights

- ▶ Kuwait based commercial bank with a regional presence in seven countries
- ▶ 2nd largest conventional bank in Kuwait in terms of assets (USD23.1bn¹)
- ▶ BBB+ rating from S&P and A3 from Moody's, A+ from Capital Intelligence and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 16.8%¹
- ▶ Listed on Bursa Kuwait with a market cap of USD1.7bn³

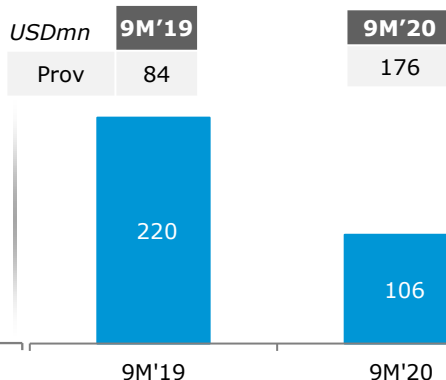
Key Franchises

Name	Market Position	Effective Stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 BURGAN BANK Kuwait	#2 conventional bank	100%	17,680	289
 BURGAN BANK Turkey	Niche player in corporate banking	100%	3,412	111
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	1,938	105
 مصرف بغداد Bank of Baghdad	#1 licensed private sector bank in Iraq	51.8%	1,002	38
 بنك تونس الدولي Tunis International Bank	Leading offshore bank in Tunisia	87%	481	11

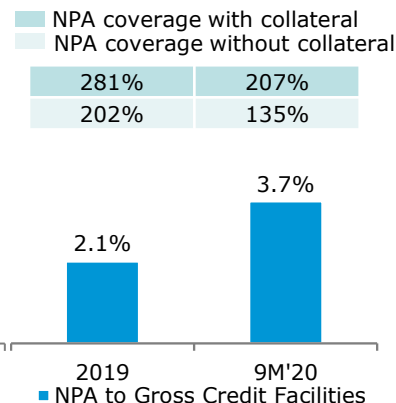
Operating Income



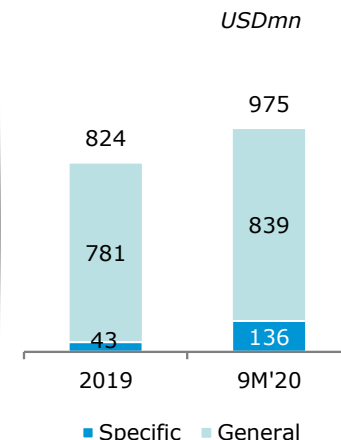
Net Profit & Provision



Loan Quality



Total Provisions



Strong franchise with healthy loan book and deposit growth

¹As on 30 September 2020

²Operating income defined as revenue for 9M'20

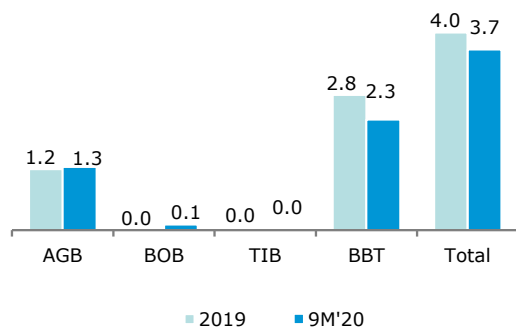
³As of 15 January 2021

Note: Financial results of 9M'2019 include only eight 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 September 2020 financials

BBG: Regional operations

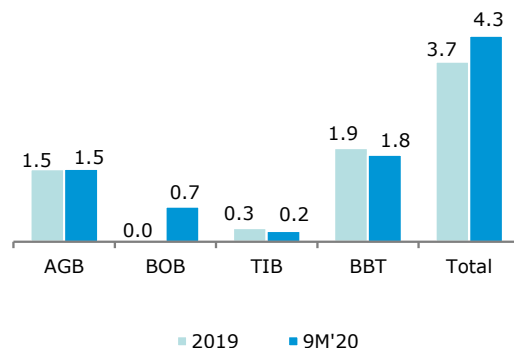
Loans[^]

USDbn



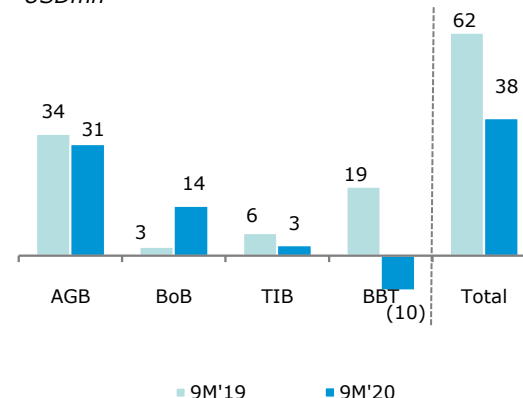
Deposits[^]

USDbn



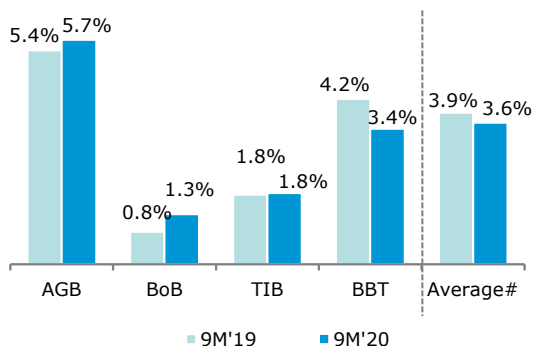
Net Profit

USDmn



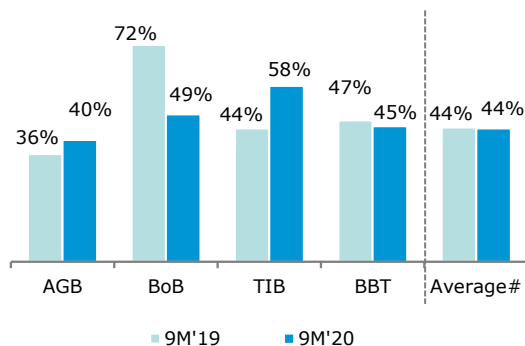
Net Interest Margin*

Percentage



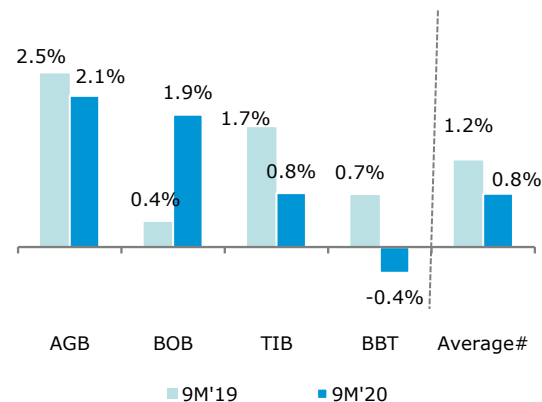
Cost to Income*

Percentage



Return on Assets*

Percentage



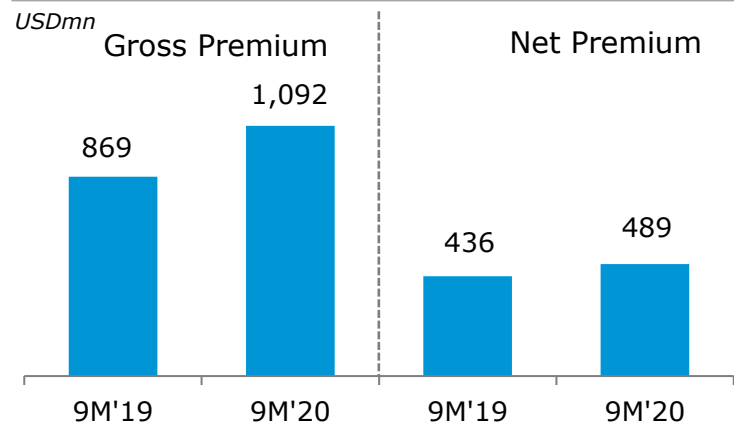
* For calculation of 9M'19 ratios for AGB, TIB, BBT net interest margin, cost to income and return on assets, eight months is used, due to one-month lag in reporting

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

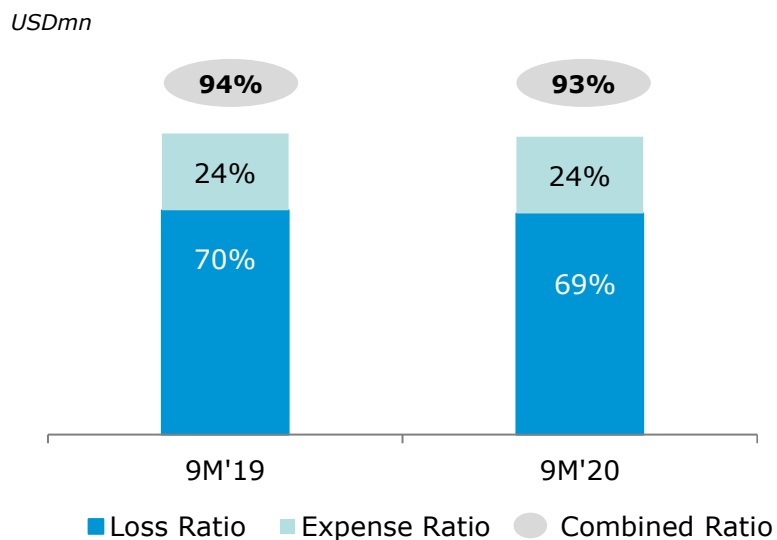
[^] For 2019 BoB is classified as asset for sale, for 9M'20 BoB is classified as an investments and results are consolidated. Return on Assets for BoB is computed using 9M'20 numbers

Gulf Insurance Group (GIG)

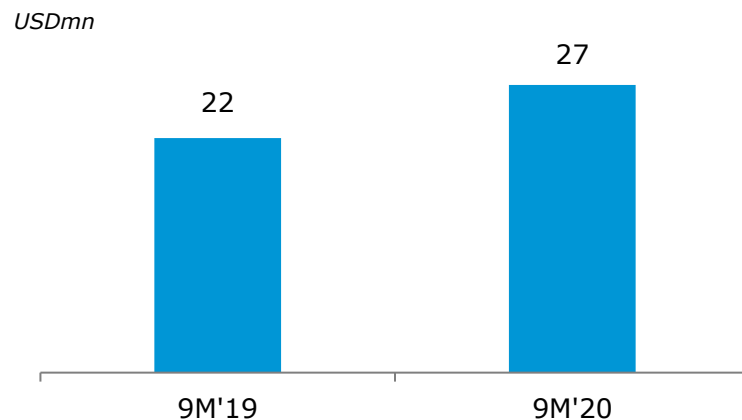
Gross and Net Premium written



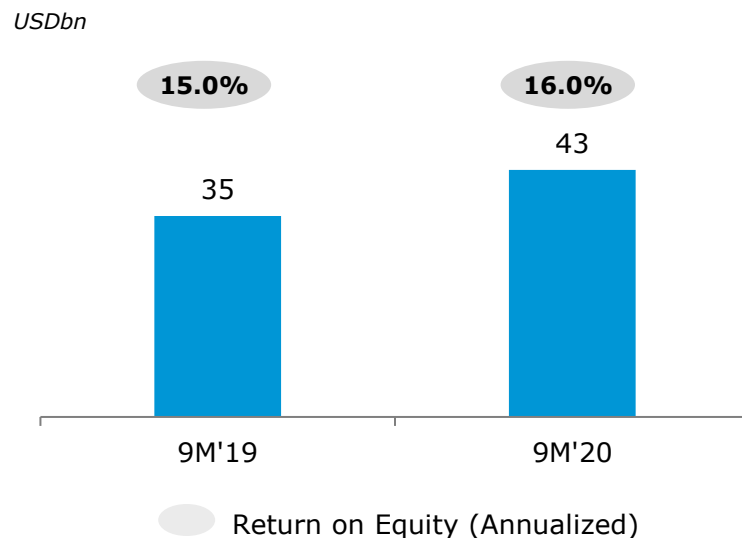
Combined Ratio



Net Investment Income



Net Profit & ROE



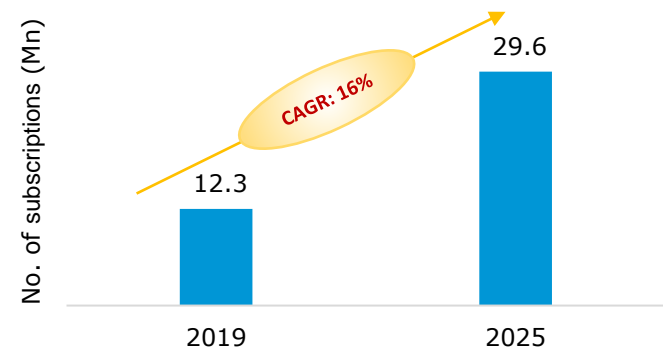
OSN Background

- OSN operates an increasingly platform-agnostic pay-TV network across multiple platforms:
 - Direct-to-home (“DTH”)**: Broadcast and on-demand programmes through DTH satellite TV utilising key regional satellite platforms
 - Cable fibre & Internet Protocol television (“IPTV”)**: Broadcasting via partnerships with leading cable/ telecom operators
 - Commercial**: Large residential setups, multi-unit dwellings (e.g. military base) as well as hotels which are reported as commercial
 - Over-the-top (“OTT”)**: Own OTT service, “OSN Streaming” with best-in-class content and features
- Premium content offerings with 77 premium channels with the largest numbers of 48 HD, 29 SD channels available in the region
 - Exclusive contracts with major Hollywood studios
 - Biggest blockbuster movies and latest series along with first window OTT rights from major studios
- OSN offers an unparalleled entertainment content across 25 countries in MENA including majority of Western programs paired with an extensive tailored local offering
- OSN employs ~700 people in 11 offices, 22 retail locations across MENA and a network of 126 partners

MENA Pay Tv Potential

Region	Latin America	TV Household (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%

Expected growth of OTT in MENA



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 grown ~4x from ~80k in April'20 to ~300K in Oct'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

- ▶ Successfully launched OSN's Original Arabic TV shows in Q3/Q4 2020 like Aa'det Rigala, "Come dine with me" Arabic version and "No man's land"



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 9M'20

OSN successfully launched Original Arabic Productions

1

'Yalla Neta'asha'
(Come Dine With Me)



- First Arabic original launched in Sep'20
- 45 episodes series

2

'Aa'det Rigala



- New celebrity talkshow 'Aa'det Rigala' launched in Sep'20
- Show received an overwhelming response from viewers

3

No man's land
On Syrian war



- New original series launched in Nov' 2020
- Partnered with global distributor Fremantle
- OSN will air eight-part series



More Arabic original shows are in pipeline for 2021

OSN progressing on telco & content partnership in the region



OSN successfully partnered with major Telcos in the region



ViacomCBS launched its new streaming service Paramount+ on the OSN streaming application as well as OSN Live



Number of subscribers increased from ~80K to >~300K now on OSN Streaming





Operational improvement as well as EBITDA plans on track; Longstanding telco and direct relationships with customers is a solid platform to transition and scale OTT segment

United Gulf Holding Company (UGH)

Business highlights

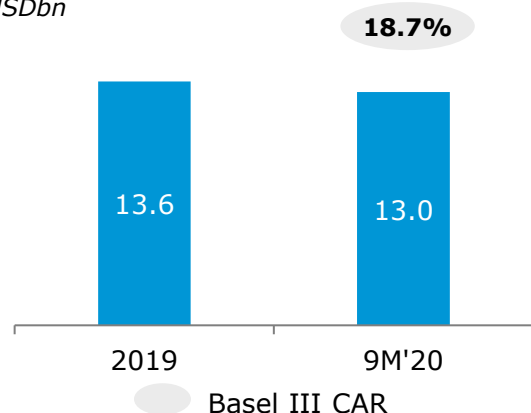
- ▶ Bahrain-based financial services group listed on the Bahrain Stock Exchange
- ▶ Activities include asset management, corporate finance advisory and brokerage services
- ▶ Merged KAMCO operations with Global Investment House to enhance business proposition and presence
- ▶ Focusing on digital products and initiatives
- ▶ Asset base of USD3.3bn¹

Key Franchises

Name	Market Position	Effective stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 KAMCO INVEST	#1 asset management company in Kuwait by AuM	60%	450	37
 BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	22,697	537
 URC شركة العقارات المتحدة United Real Estate Co	#2 real estate company in Kuwait by assets	10%	2,022	242
 FIMBANK	Niche trade finance player in Malta	80%	1,743 ³	3 ³

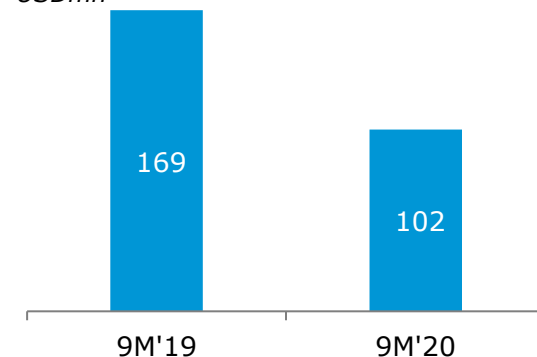
AuM & Capitalisation

USDbn



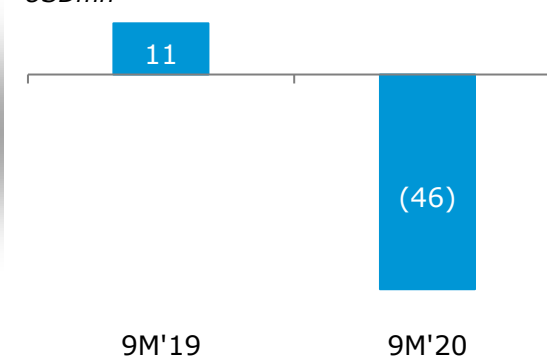
Revenue

USDmn



Net Profit

USDmn



UGH, the AMIB arm of KIPCO Group, is focused on financial services sector in the MENA region

¹ As of 30 September 2020

² Operating income is defined as revenue for the period ending 30 September 2020

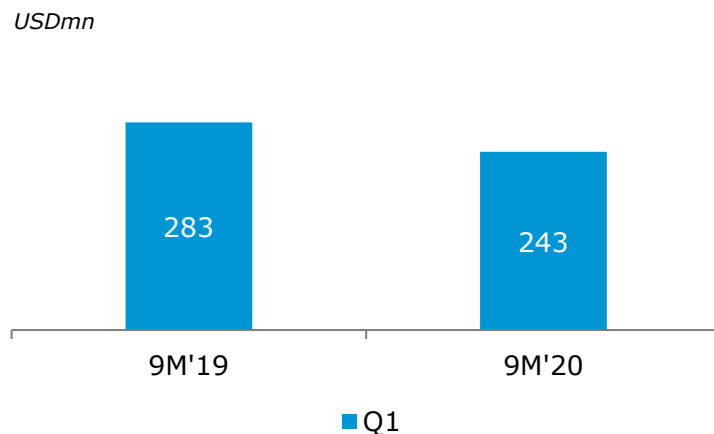
³ As of 30 June 2020

United Real Estate Company (URC)







Business highlights

- ▶ Operations across the Middle East region through a mix of fully-owned properties, subsidiaries and investment arms
- ▶ Presence across retail, hospitality, residential and office sector
- ▶ Engaged in developing Kuwaiti's first-ever comprehensive mixed-use district - Hessa Al Mubarak District, an urban cluster consisting of retail, office, and residential components
- ▶ Major real estate player in Kuwait, ranked second in real estate sector on KSE in terms of asset size of USD2.0bn¹

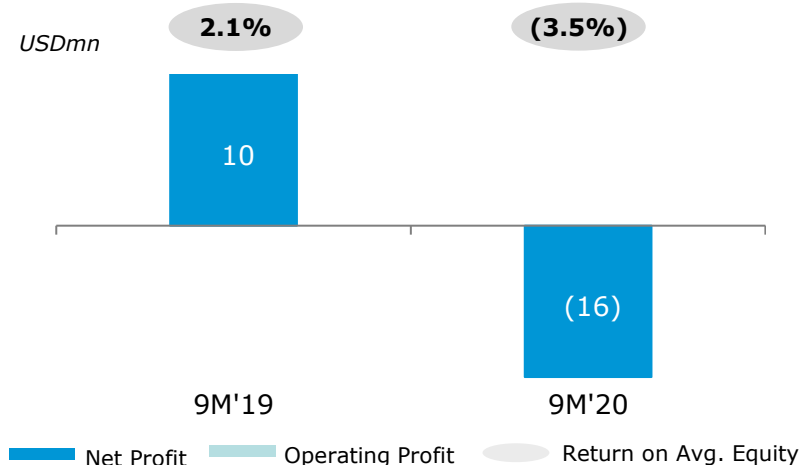
Total Revenue



Key Franchises

Country	Name of properties	
Kuwait		KIPCO Tower, Al Shaheed Tower, City Tower, Marina World, Marina Hotel, Saleh Shehab
Jordan		Abdali Mall
Oman		Salalah Mall
UAE		Fujairah Residential Buildings
Egypt		Aswar Villas, Hilton Hotel, Waldorf Astoria Tower, Sharm Al Sheikh
Lebanon		Bhamdoun, Raouche 1090

Profit & ROE



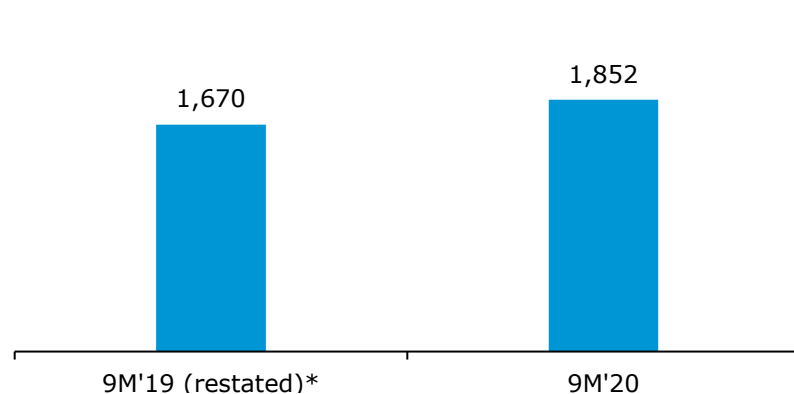
URC is a major real estate player in Kuwait

¹As of 30 September 2020

KIPCO consolidated: Financial performance

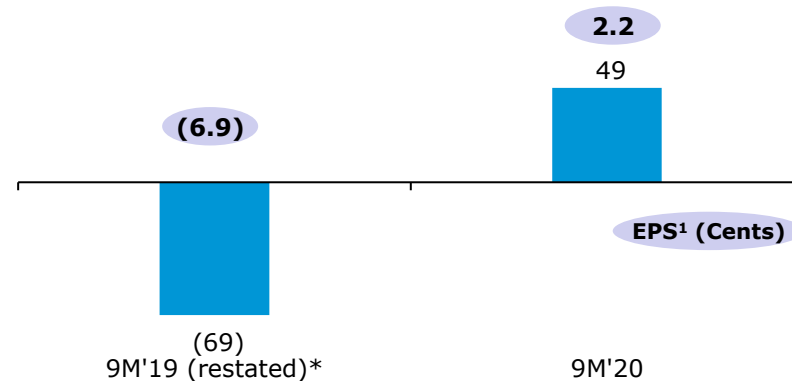
Revenue

USDmn



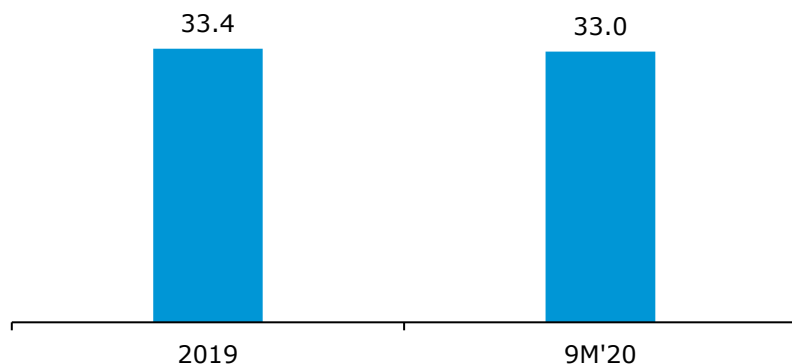
Net Income

USDmn



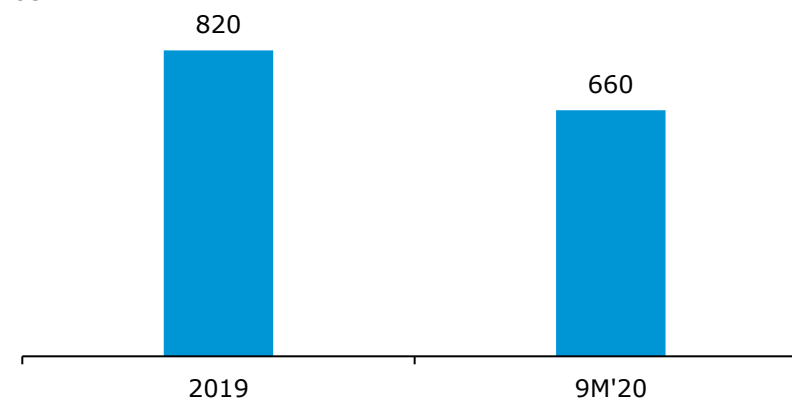
Consolidated Assets

USDbn



Shareholder's Equity

USDmn



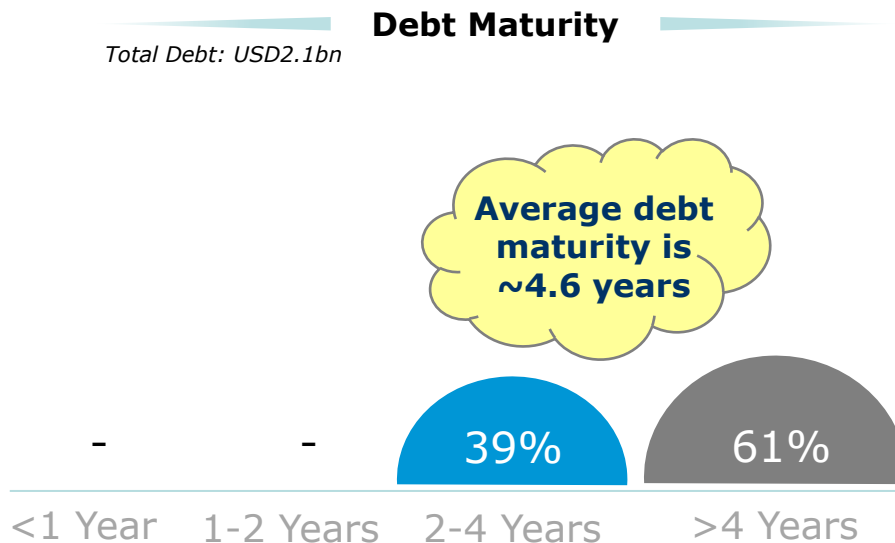
*Please refer Notes 2 and 3 for details on restatement

¹Basic Earning per share (reported)



Debt Metrics

KIPCO parent debt profile: As on 30 September 2020

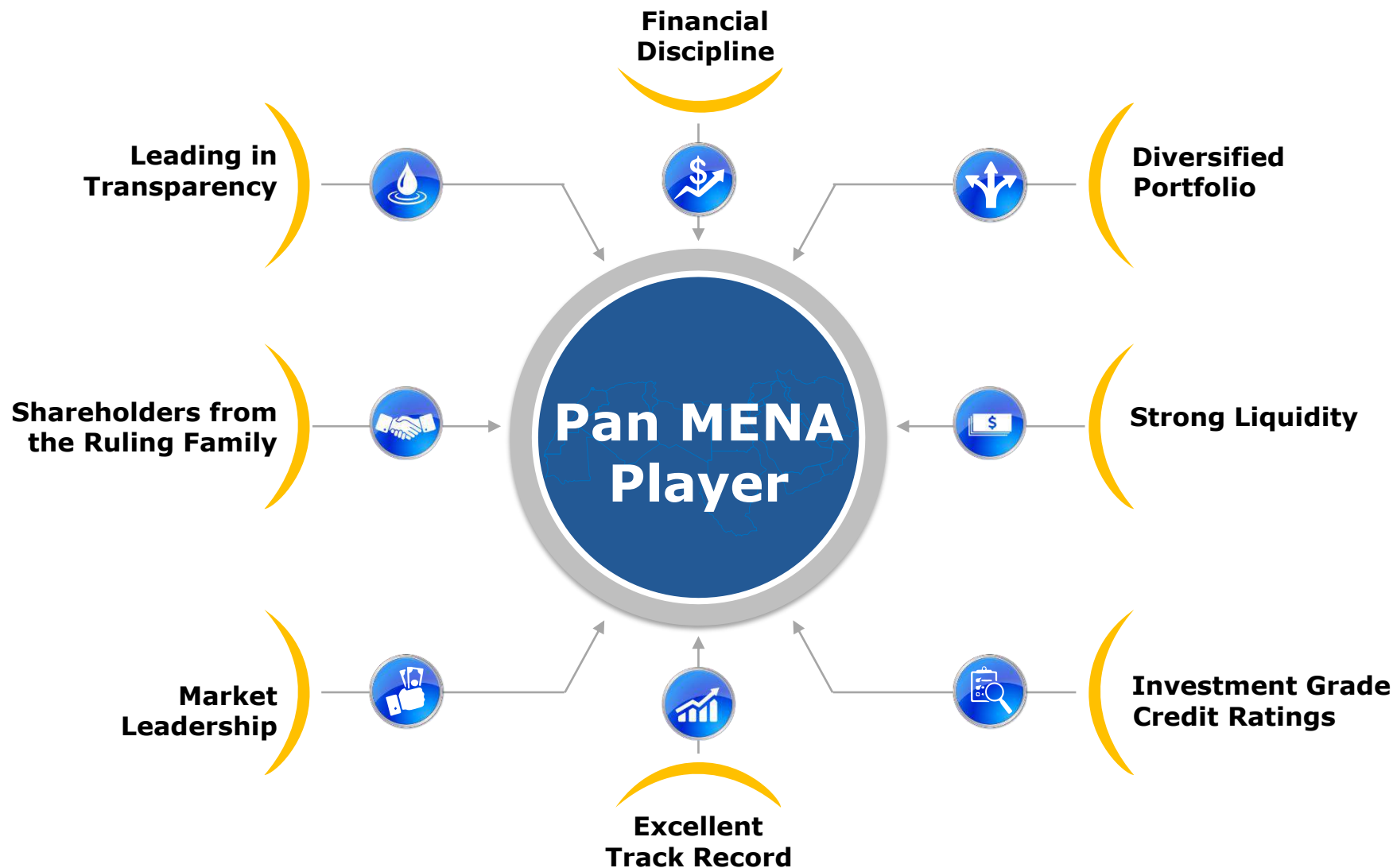


- Cash & bank balance of USD632mn
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis



Why KIPCO

Key credit highlights



KIPCO group embracing digital transformation...

Group companies accelerating digital journeys

The Shift: From Thinking Digital to Being Digital



**Seamless omnichannel
retail experience and
Merchant solution**



**Retail App
Rating: 4.5 / 5**

**Tijarati
Anytime
Anywhere
Access to
Merchants**



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



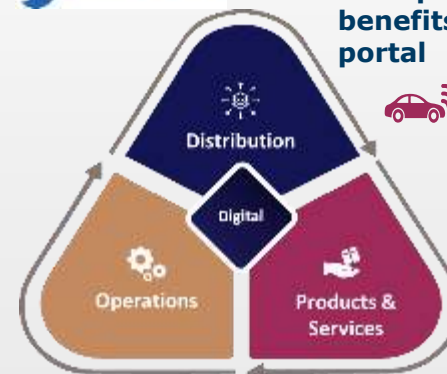
App Rating: 4.4 / 5



**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)

Business highlights

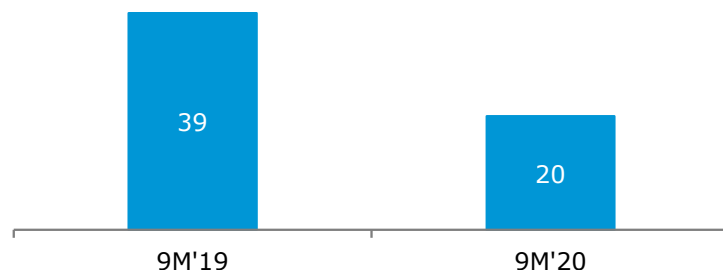
- ▶ Established in 1979, UIC operates as a holding company for the group's industrial investments
- ▶ UIC's mission is to manage a diversified portfolio of investments in the energy, food & basic industries sector

Key Franchises

Name	Market Position	Effective Stake	Assets ¹ USDmn	Revenue ² USDmn
 Kuwait	Leading private company in petrochemical	31%	2,509	392
 Advanced Technology Company شركة التقدم التكنولوجي Kuwait	Leading distributor of healthcare equipments	19%	1015	345

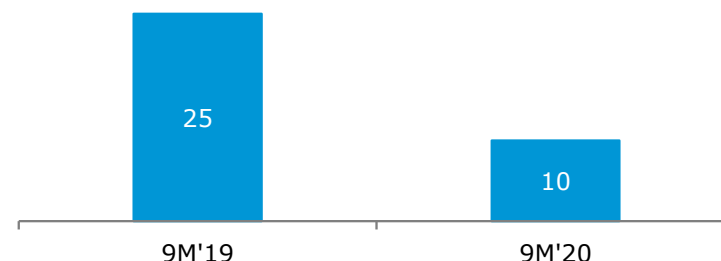
Income from Associates

USDmn



Net Profit

USDmn



UIC seeks to be a leading regional investment house with activities in the industrial sector

¹ As of 30 September 2020

² For the period ended 30 September 2020 (6 months for QPIC and 9 months for ATC)

Jordan Kuwait Bank (JKB)

Business highlights

- ▶ Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- ▶ Listed on Amman Stock Exchange with a market capitalization of USD345mn¹
- ▶ 5th largest conventional bank in Jordan in terms of asset size of USD4.0bn²
- ▶ Focus on stable and essential sectors like Energy, Industry and Trade and retail and SME segment through expanded distribution network
- ▶ Capital adequacy ratio of 19.1%²

Operational highlights



Operating Income & NIM

USDmn

3.5%

3.4%

125

115

9M'19

9M'20

Net Interest Margin

Net Profit

USDmn

29

(5)

9M'19

9M'20

Loans and Advances

USDmn

2.2

2.2

2019

9M'20

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

¹ As of 15 January 2021

² As of 30 June 2020

³ As of 31 December 2019

⁴ Source: Central Bank of Jordan



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: Financial Statements

KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2019*	9M'19	9M'20
Cash in hand and at banks	5,166	4,641	4,724
Treasury bills, bonds & other debt securities	1,784	1,917	1,832
Investment in associates	1,150	1,143	1,120
Investment in a media joint venture	408	457	-
Investment properties	2,059	2,046	2,067
Other investments	1,995	1,693	1,888
Other assets (inc. goodwill & intangibles)	21,037	20,275	21,404
Total assets	33,599	32,173	33,035
Due to Banks & Other FI's	4,655	4,336	3,641
Deposits from Customers	17,426	16,625	18,459
Debt	6,312	5,800	5,690
Other liabilities	1,909	2,006	2,228
Equity attributable to equity holders of the Parent Company	820	922	664
Perpetual capital securities	501	502	501
Non-controlling interest	1,975	1,981	1,852
Total liabilities and shareholders equity	33,599	32,173	33,035

**restated*

KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	9M'19	9M'20
Interest income	1,004	788
Investment income	60	285
Fees and commission income	155	133
Share of results of associates	62	42
Share of results of a media joint venture	(143)	(20)
Hospitality and real estate income	300	255
Other revenues	231	369
Total revenues	1,670	1,852
Interest Expenses	714	592
General and administrative expenses	427	422
Other expenses and provisions	438	753
Taxation	39	20
Loss from discontinued operations	-	-
Non-controlling interest	121	16
Net profit attributable to Equity Holders of the Parent Company	(69)	49
Basic Earnings Per Share, Cents (Reported)	(6.9)	2.2
Basic Earnings Per Share for continuing operations, Cents (Reported)	(6.9)	2.2

**restated*



Annexure 4: About the region

Macro perspective

Evolving macro-economic conditions and events causing uncertainties

**Resurgence of
Covid-19
cases in Europe**

**Next round of
economic
stimulus expected**

**Impact of US
presidential
elections**

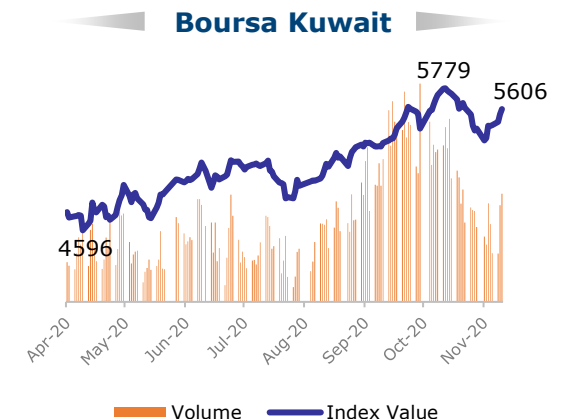
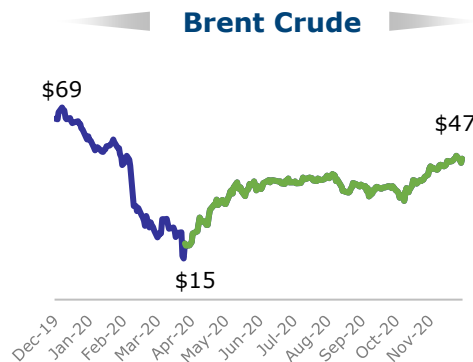
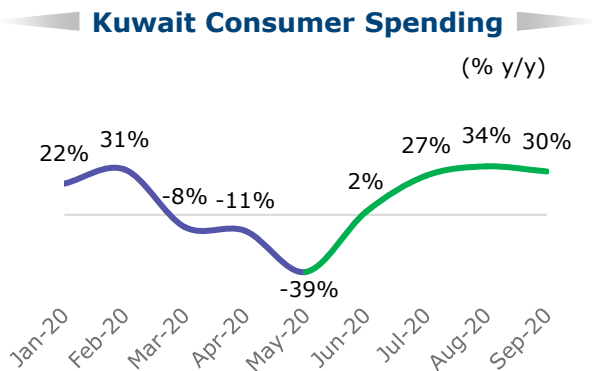
**Kuwait general
elections in
Dec'20**

Market resilience despite uncertainties

Ara's consumer confidence index for Kuwait up to 102 in Sep'20 from 98 in Jun'20




Brent crude price improved from a low of \$15 to \$39

Trading on Boursa Kuwait increased by 66% in Q3'20 vs. Q2'20



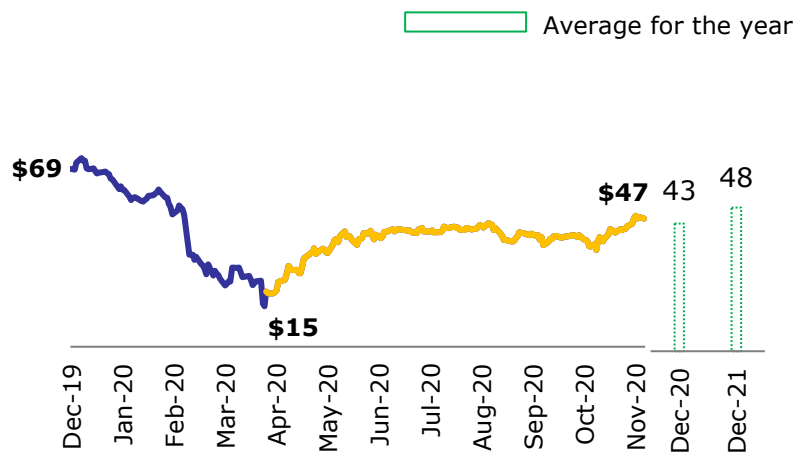
MENA: Evolving situation as uncertainty persists

V shaped recovery expected as per IMF forecasts in 2021

Indicators ¹	Real GDP growth (%)	CAB* (USDbn)	Oil prices ² (USD/bbl)
2019A	0.5%	45.6	64
2020P	(6.7%)	(115.6)	43**
2021P	0.4%	(83.5)	48***
2020P vs 2019E	(7.2%)	(353%)	(33%)
2021P vs 2020E	7.1% 	28% 	12% 

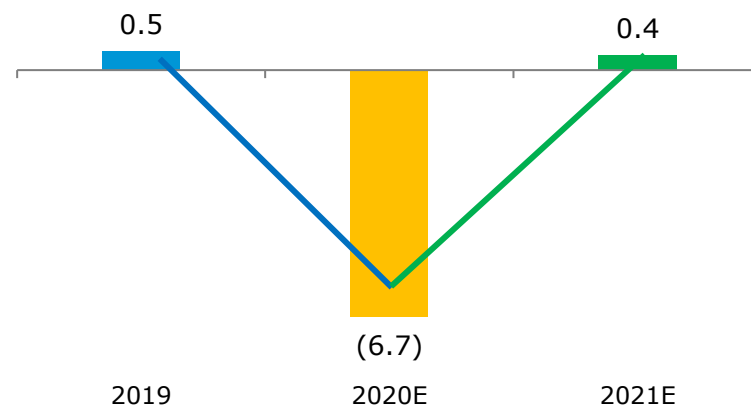
Crude Oli Price

(In USD/barrel)



2020 MENA GDP Growth Forecast

(In Percentage)



Source: Bloomberg

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

Source: IMF, Oct 2020

² Source: Bloomberg *CAB:- Current account balance

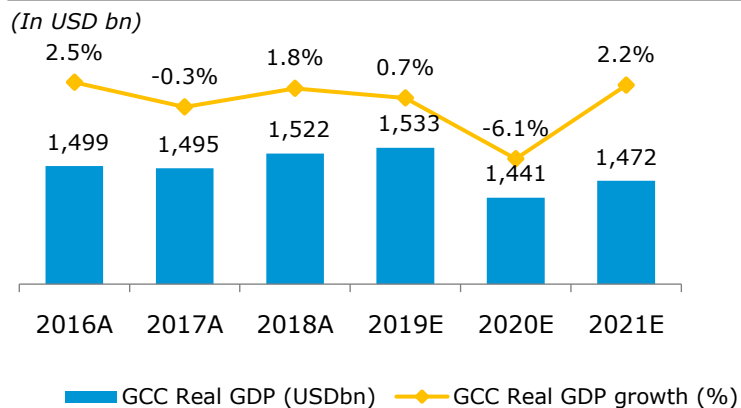
 Improved Y-o-Y  Weakened Y-o-Y

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**

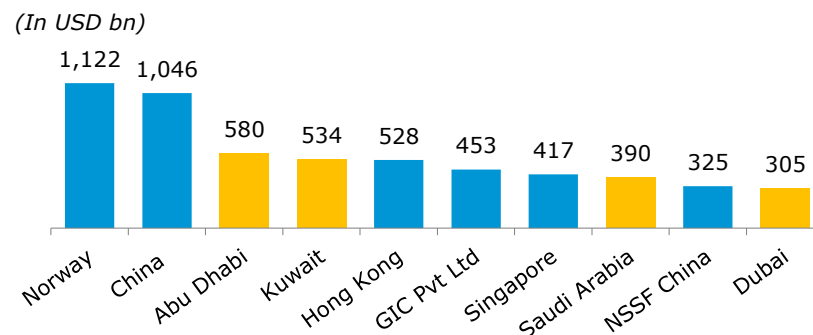
GDP expected to rebound in 2021

Real GDP & GDP Growth (2016-21)



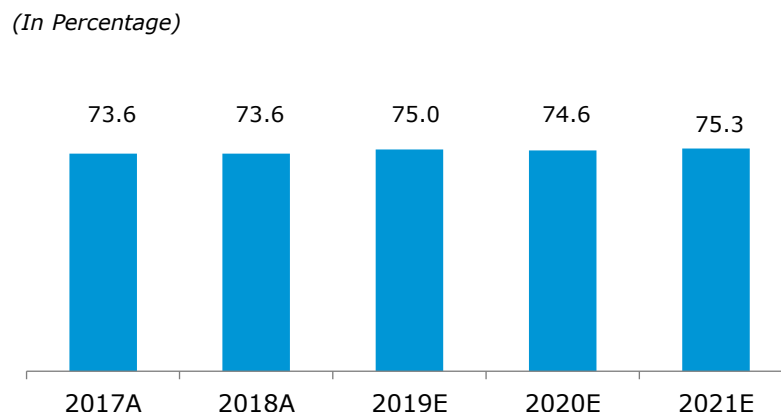
Gross public foreign assets at ~US\$2.6 trillion, with 70% managed by SWFs

Global Top 10 Sovereign Wealth Funds



Increasing contribution of non-oil segment to the economy

Contribution of non-oil sector to GDP



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

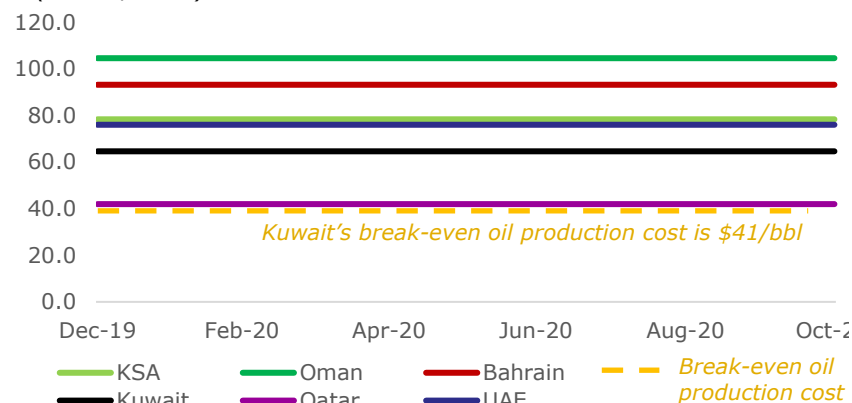
Source: S&P periodic review on Kuwait, July 2020

(*) <https://fred.stlouisfed.org/series/KWTNGDPXORPCHPT>

Kuwait Projects Company (Holding)

Fiscal Break-even Oil Price

(In USD/barrel)

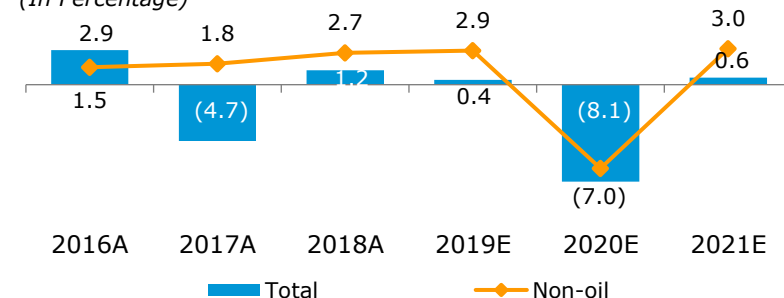


Source: IMF, Bloomberg, Thomson Reuters, 2020 (as of 12 August 2020).

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

GDP growth rate*

(In Percentage)



Kuwait development plan: Projects in action

Key Projects under the plan

New Refinery Project (NRP)

- ▶ New 615,000 bpd refinery by KNPC
- ▶ Underway: Progress at 99%. Technology provider appointed. Construction works are complete on P-1 to P-5. Operational from June-2021.
- ▶ Cost: **USD12.7bn**

South Al Mutlaa City

- ▶ 30,000 residential unit, schools and other facilities
- ▶ Underway: : Overall progress 58%. P-1 to P-3; completion expected by 2020. Cost: **USD 7.6bn**

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**

Umm Al Hayman Waste Water (PPP)

- ▶ Initial treatment capacity of 500,000 cubic-m/d. Plant
- ▶ Underway: Construction works commenced and set to be completed by January 2024. Cost: **USD1.5bn**

Oil & Gas Projects

- ▶ Awarded: Contracts awarded by Kuwait Oil Company. Some projected are 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
- ▶ KAPP shortlisted teams for Transaction Advisory Services contract. Cost: **USD1.7bn**

Al-Dibdibah Solar PP

- ▶ Capacity to produce 1.5 GW solar project
- ▶ Canceled due to Covid Impact. Cost: **USD1.2bn**

Kuwait Metropolitan Rapid Transit (PPP)

- ▶ 165km long, running across Kuwait
- ▶ Underway: Feasibility study for the project has been completed and awaits final approval from government to tender. Cost: **USD17.6bn**

Khairan City

- ▶ 140mn m2 residential city, incl 10,000 houses, 22,000 apts, other facilities
- ▶ Planning: Study phase
- ▶ Cost: **USD13.7bn**

Petrochemical Facility at Al-Zour

- ▶ Plant to be integrated with Al-Zour refinery
- ▶ Planning: FEED works completed.. 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: **USD6.2b**

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: **USD12.1bn**

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. Progress 11% infrastructure work expected to complete by May-2021 Cost: **USD2.0bn**
- ▶ **Awarded:** Oil drilling tower supply contracts. Cost: **USD0.8Bn**
- ▶ **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**
- ▶ **Planning:** Housing Development in Jaber Al-ahmad and Sabah Al-Ahmad, Cost: **USD0.5bn**
- ▶ **On hold:** Kabd municipal solid waste project. Cost: **USD1.0bn**

Project Stage	9M20	2019
Underway*	37.3	51.1
Awarded	15.5	14.7
Bidding	2.4	2.4
Planning	47.0	28.8
Completed	15.2	15.1
On-hold	1.0	1.6
Canceled	1.2	1.0
Total (USD bn)	119.6	114.7

Source: KDP report dated Nov 2020; ¹FEED= Front End Engineering Design; *Includes other small projects worth USD0.7bn not shown on this slide