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Key Investment Highlights

Our business, strategy and team



Our

Business

- ▶ Holding company with total assets of USD33.5bn¹
- ▶ 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; 29 years of profits, 19 years of dividend payment and ~8% 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 more than 30 years

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

¹ As of 31 March 2021

² Assuming no dividend was paid between 31 December 2005 and 31 March 2021

³ As of 23 May 2021

Note: : Exchange rate of USD/KD of 0.3024 has been used in the presentation for financial numbers

Key investment highlights



Proven Track Record

- ▶ 29 years of reported profit
- ▶ 19 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 the 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 Boursa Kuwait²



Strong Liquidity¹

- ▶ Cash balance of USD 724mn
- ▶ ~50% of the portfolio⁷ is listed, and can be liquidated at short notice



Credit Rating

- ▶ Ba1/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 across high growth economies and promising sectors



Financial Discipline

- ▶ Conservative financial policy of maintaining strong cash position at parent level
- ▶ Average debt maturity of 4 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 31 March 2021
premiums ⁵By GPW
investments as of 31 March 2021

²By assets ³By revenue and countries of operations
⁶By technical profit among private sector players

⁴By Gross premium written (GPW) and Direct
⁷Comprises listed principal companies and listed



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 and
focus on digital businesses*

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 (2020) ¹
Kuwait 	•	•	•	•	•	•	•	46%
KSA 		•	•		•	•		5%
UAE 	•	•	•	•	•			5%
Bahrain 		•	•		•			5%
Qatar 		•		•				1%
Turkey 	•		•		•			11%
Jordan 	•	•	•	•	•			12%
Egypt 		•	•	•			•	5%
Algeria 	•	•	•					6%
Iraq 	•	•	•		•			0%
Malta 	•				•			3%
Tunisia 	•	•			•			1%
Others	•	•	•	•	•		•	0%
Revenue (Q1'21)	44%	13%	23%	11%	4%	2%	3%	
Assets (Q1'21)	69%	4%	7%	8%	7%	2%	2%	

High growth economies and promising sectors

Note: 1. As per total revenue of USD3.2bn in 2020, revenue of USD 755mn in Q1'21 and total assets of USD40.4bn as on March 31, 2021, based on reported segmental revenue (before inter group eliminations) and consolidation of 100% of GIG; 2. AMIB = Asset management & investment banking

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

² By Gross premium written (GPW) and Direct premiums

³ By GPW

⁴ By technical

Controlling or majority stakes

	 بنك بروكان BURGAN BANK	 osn	 UGH	 KAMCO INVEST	 gig شركة المستقبل للخدمات	 شركة العقارات المتحدة United Real Estate Co
Group Effective Stakes ¹	62.9%	88.8% ³	93.3%	57.8% ⁴	45.6%	73.9%
Board Representation	6 of 9	3 of 8 ⁵	5 of 8	4 of 5	4 of 10 ⁶	5 of 7
Market Cap (USDmn) ²	1,976	Unlisted	1,448	119	524	224
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 31 March 2021

² Market capitalisation as of 23 May 2021 (Source: Bloomberg for market price)

³ Represents KIPCO Group stake

⁴ Stake in KAMCO Invest is held through UGH

⁵ OSN has 8 board members – 3 from KIPCO, 2 from Mawarid and 3 independent directors

⁶ GIG has 10 board members – 4 from KIPCO, 3 from Fairfax and 3 independent directors

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

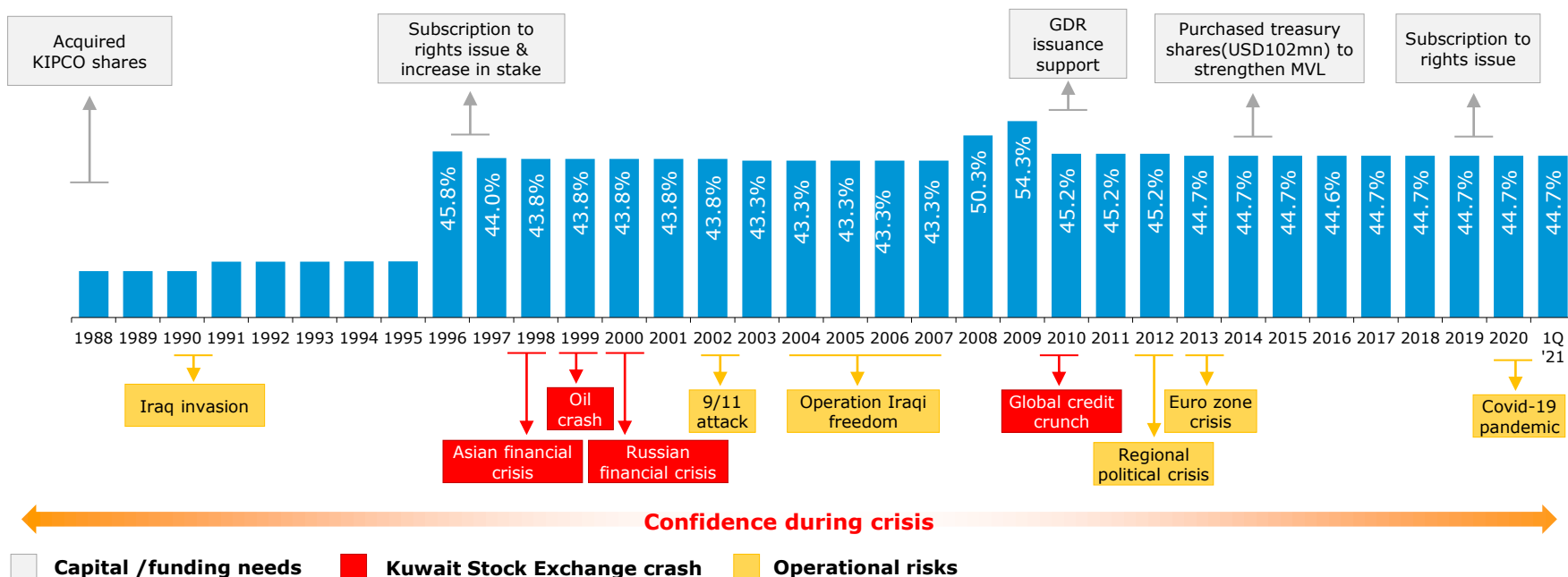
Has backed KIPCO in all its endeavors including capital raising, reduced dividends and treasury shares repurchases

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

Burgan Bank Group (BBG)

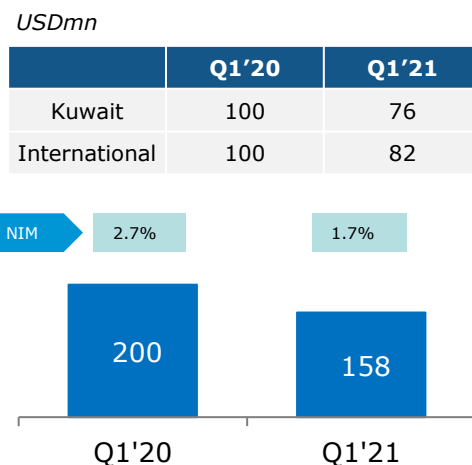
Business highlights

- ▶ Kuwait based commercial bank with a regional presence in seven countries
- ▶ 2nd largest conventional bank in Kuwait in terms of assets (USD22.8bn¹)
- ▶ BBB+ rating from S&P and A3 from Moody's, A+ from Capital Intelligence and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 16.7%¹
- ▶ Listed on Bursa Kuwait with a market cap of USD1.98bn³

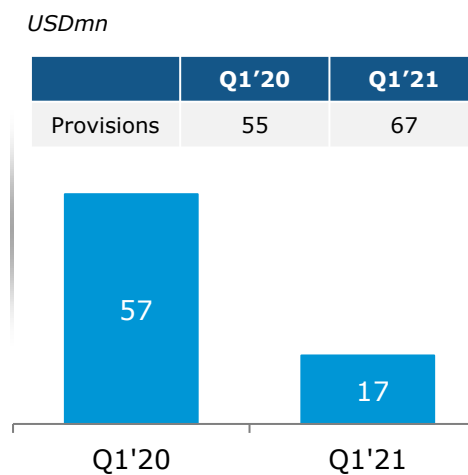
Key Franchises

Name	Market Position	Effective Stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 BURGAN BANK Kuwait	#2 conventional bank	100%	17,980	76
 BURGAN BANK Turkey	Niche player in corporate banking	100%	3,174	27
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	2,023	32
 بنك تونس العالمي Tunis International Bank	Leading offshore bank in Tunisia	87%	509	4

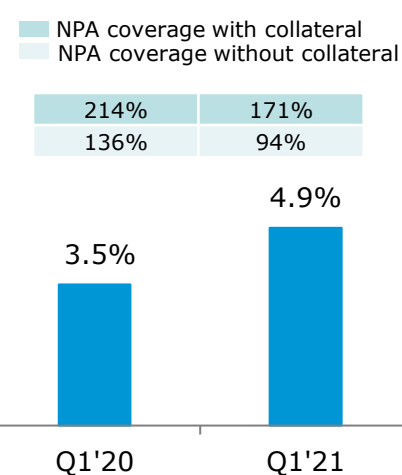
Operating Income



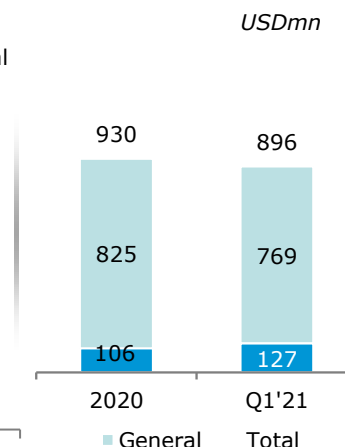
Net Profit & Provision



Loan Quality



Total Provisions



Strong franchise with healthy capital levels

¹As on 31 March 2021

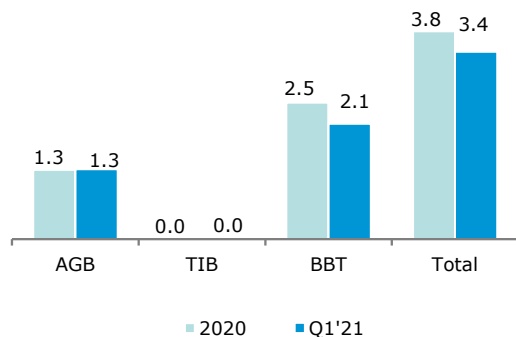
²Operating income defined as revenue for Q1 2021

³As of 23 May 2021

BBG: Regional operations

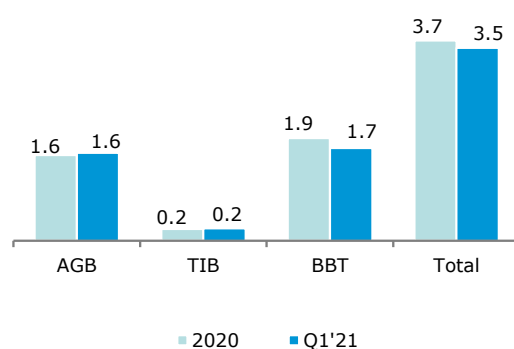
Loans[^]

USDbn



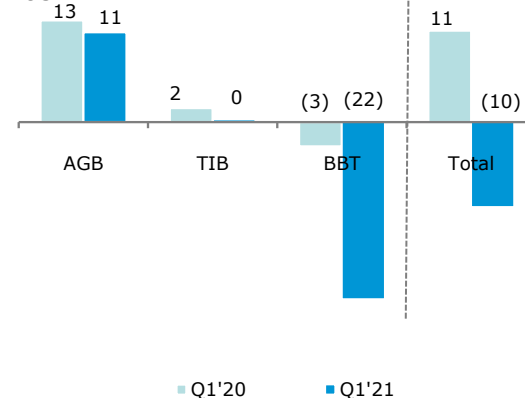
Deposits[^]

USDbn



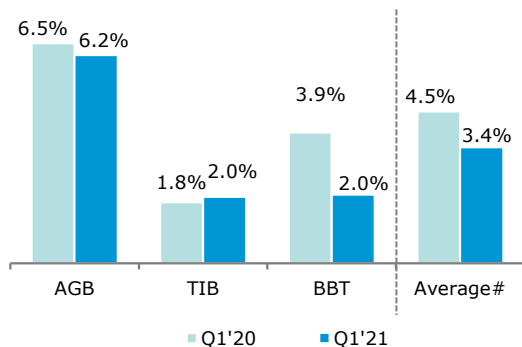
Net Profit/ (loss)

USDmn



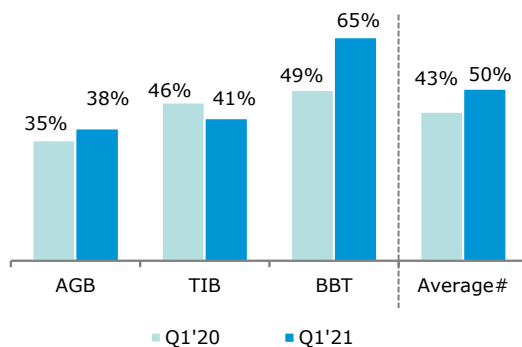
Net Interest Margin

Percentage



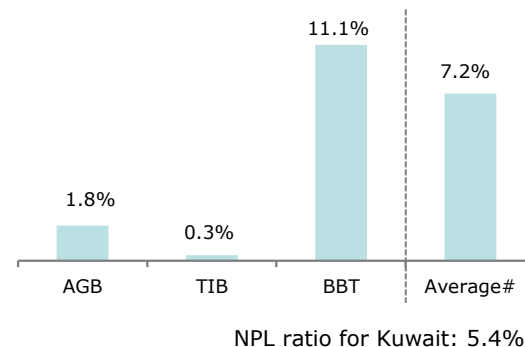
Cost to Income

Percentage



Non-Performing Loans*

Percentage



NPL ratio for Kuwait: 5.4%

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

[^] BoB is classified as asset for sale, hence excluded from the results

*NPL ratio is as per CBK computation

Gulf Insurance Group (GIG)

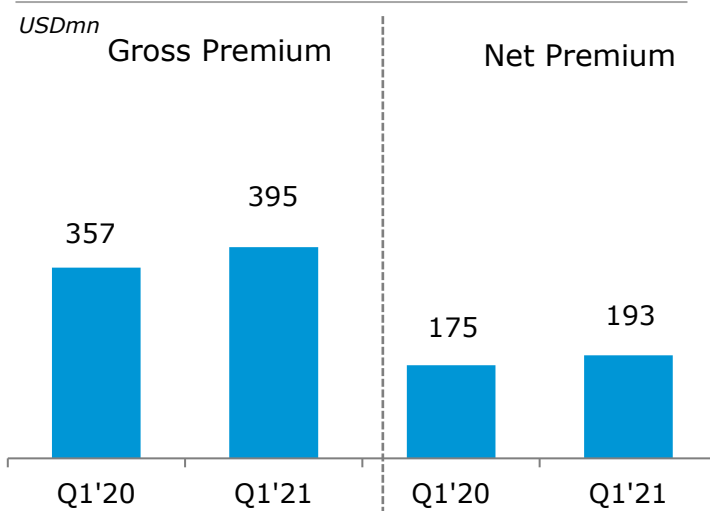
Business highlights

- ▶ Kuwait-based insurance company with operations in life and non-life as well as Takaful insurance
- ▶ Presence across the MENA region in 11 countries through a network of over 85 branches; market leader in 4 countries
- ▶ A- rating from S&P; A3 from Moody's; A from AM Best
- ▶ In 2020, GIG announced acquisition of AXA's Gulf operations which will bring new insurance markets in Oman and Qatar and strengthen its operations in KSA, Bahrain and the UAE

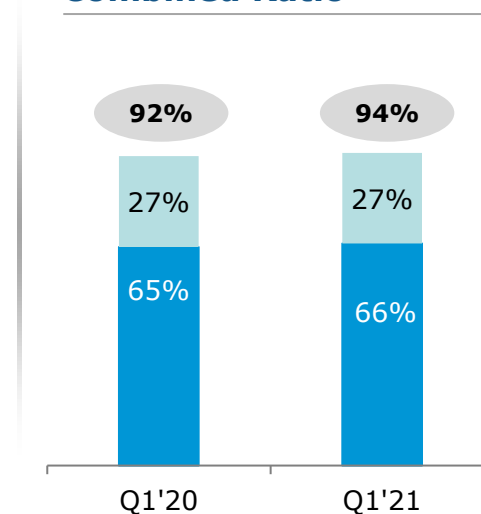
Key Franchises

Name	Market Position	Effective Stake	Assets ¹ USDmn	Revenue ² USDmn
Gulf Insurance & Reinsurance Company	#1 by GPW in Kuwait	100%	1,227	83
Bahrain Kuwait Insurance	#1 by GPW in Bahrain	56%	530	26
Arab Orient Insurance	#1 by GPW in Jordan	90%	197	21
Arab Misr Insurance	#1 by technical profits in Egypt	99%	183	15
Gulf Sigorta	Niche player in Turkey	99%	190	11
Egyptian Life Takaful Co.	Niche player in Egypt	61%	105	8

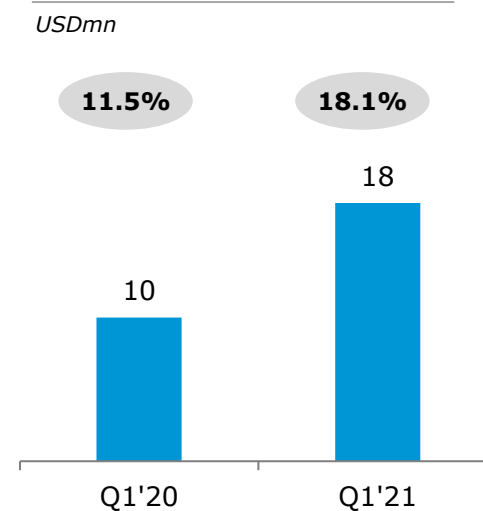
Gross and Net Premium written



Combined Ratio



Net Profit & ROE



■ Loss Ratio
 ■ Expense Ratio
 ● Combined Ratio

● Return on Equity

¹As on 31 March 2021

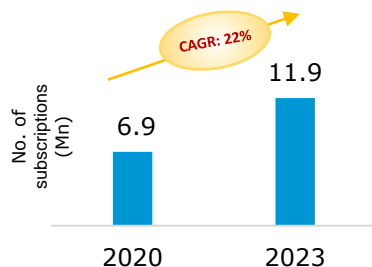
² For the quarter ended 31 March 2021

OSN: Business Overview

Company overview

- ▶ **No # 1 pay-tv and on-demand video provider in MENA, operating across multiple platforms:**
 - Direct-to-home (DTH)
 - Cable fibre & Internet Protocol television (IPTV)
 - Over-the-top streaming (OTT)
 - Business - Large commercial setups & hotels
- ▶ **Premium content offerings with 73 channels in linear TV and 30,000 hours of content on-demand in streaming OTT**
 - Exclusive contracts with 7 major Hollywood studios
 - 1st pay window on Pay-tv and SVOD
 - Tailored local offering - Premium Arabic content, now including OSN Originals
- ▶ Licensed to operate in 25 countries, active in 7 core markets
- ▶ Product packages from \$10 to \$50+ p.m., capturing all income segments
- ▶ Employs ~700 people, 20 retail locations and network of 63 partners

Expected growth of OTT in MENA



Source: McKinsey Report (Oct'20)

MENA Pay TV Potential

Region	Population	TV Household (Mn)	Pay TV/ TV Household (%)
MENA¹	367	72	~10%
Latin America	621	56	44%
UK	67	27	56%
India	1,352	197	66%
USA	328	121	79%

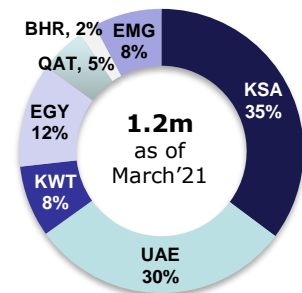
¹MENA region represents data of: Bahrain, Egypt, Jordan, Kuwait, KSA, Qatar, UAE, Algeria, Lebanon, Libya, Morocco, Oman, Sudan, Syria, Tunisia and Yemen (OSN's core and target markets). Source: IMF WEO Database April 2021, Euromonitor, Statista, Nielsen, Broadband TV News, Economic times

Strategy

- ▶ Push growth by a connected OSN
- ▶ OSN streaming is key component for future growth
- ▶ Traditional OSN TV is migrating to on-demand
- ▶ Great UI/UX supported by strong analytical capabilities for optimal customer enjoyment
- ▶ OSN Originals launched with Aa'det Rigala (Talk Show), Yalla Neta'asha (Arabic version of "Come dine with me), No man's land (Turkish Drama) and recently Kayd Majhool (thriller drama series) and Curfew (Egyptian Film) with a big pipeline for 2021
- ▶ Strong partnership with all major MENA Telcos
- ▶ Strong executive management and Independent Directors team

OTT subs grown from ~80k in Apr'20 to ~500K

Subscriber by Country







United Gulf Holding Company (UGH)

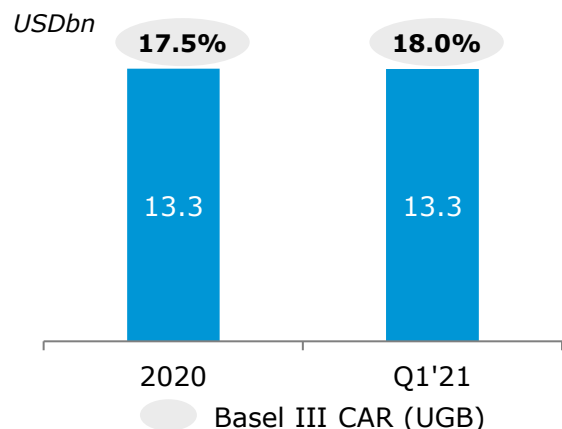
Business highlights

- ▶ 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
- ▶ Asset base of USD3.3bn¹

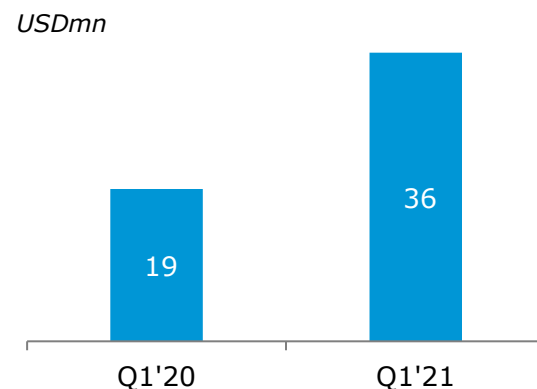
Key Franchises

Name	Market Position	Effective stake ¹	Assets ¹ USDmn	Revenue ² USDmn
 KAMCO INVEST	#1 asset management company in Kuwait by AuM	60%	398	17
 BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	22,817	158
 URC شركة العقارات المتحدة United Real Estate Co	#2 real estate company in Kuwait by assets	10%	2,022	75
 FIMBANK	Niche trade finance player in Malta	79%	1,834 ³	39 ³

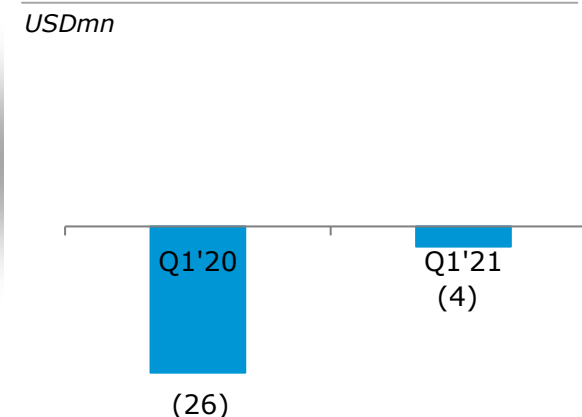
AuM & Capitalisation



Revenue



Net Profit



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

¹ As of 31 March 2021 year)

² Operating income is defined as revenue for the period ending 31 March 2021

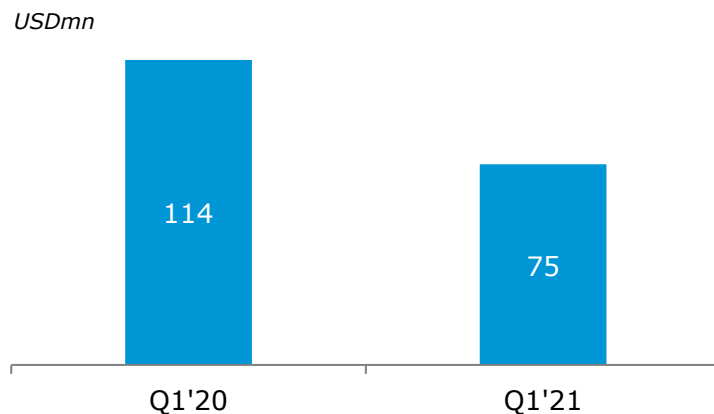
³ As of 31 Dec 2020 (for the full year)

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 Boursa Kuwait in terms of asset size of USD2.0bn¹

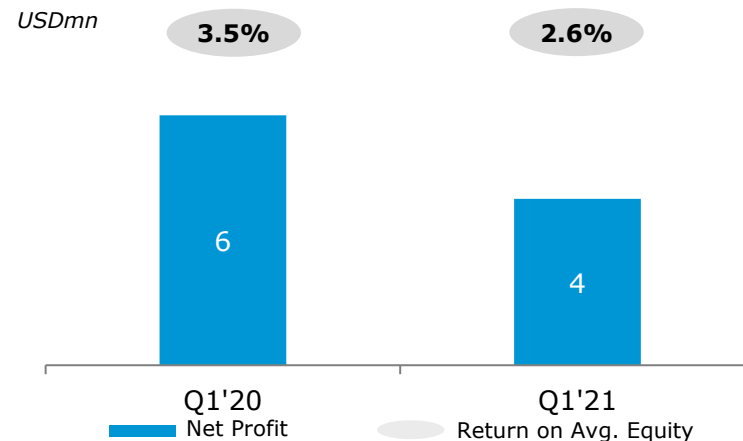
Total Revenue



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



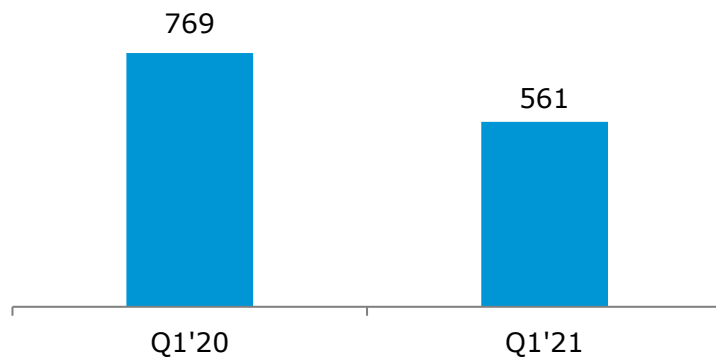
URC is a major real estate player in Kuwait

¹As of 31 March 2021

KIPCO consolidated: Financial performance

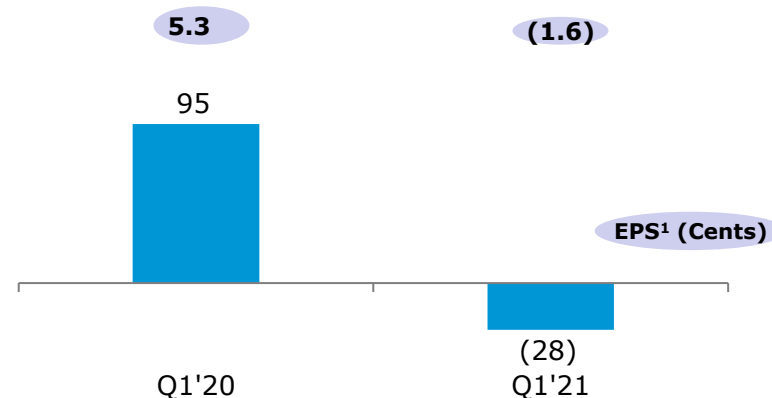
Revenue

USDmn



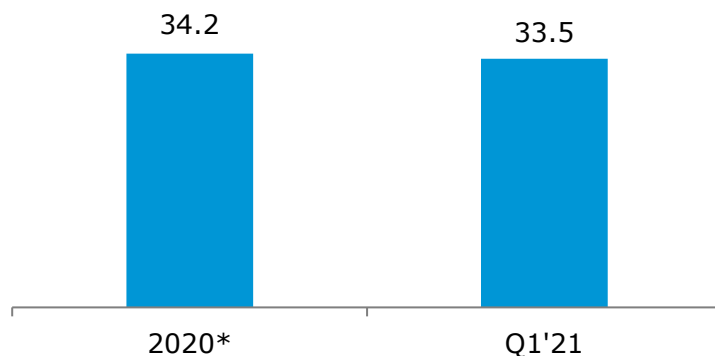
Net Income

USDmn



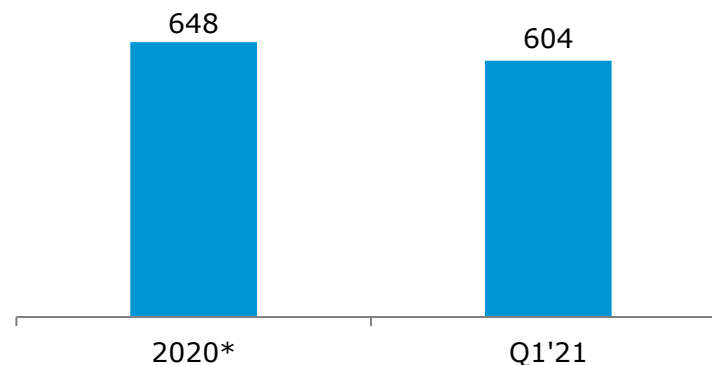
Consolidated Assets

USDbn



Shareholder's Equity

USDmn



¹Basic Earning per share (reported)

2020: Restated - Please refer Note 3 for details on restatement



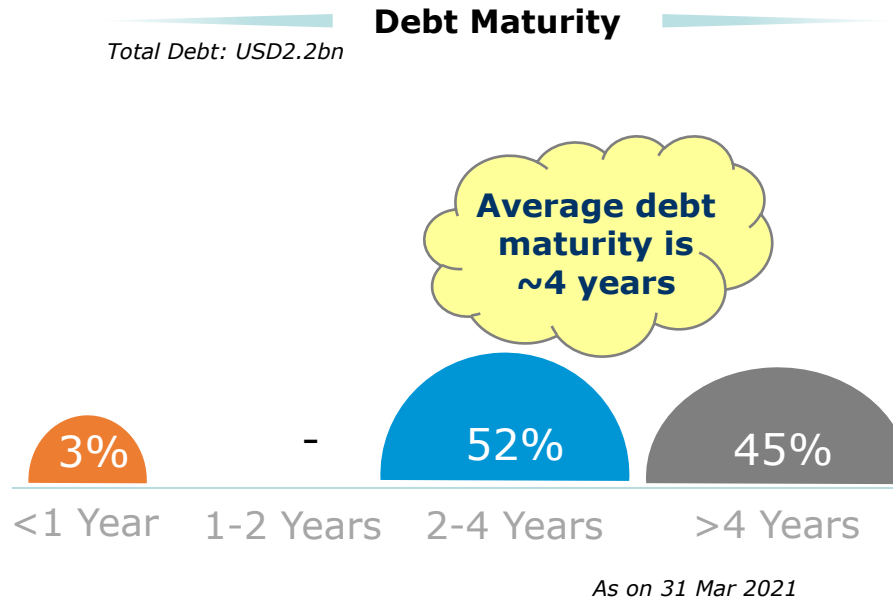
Debt Metrics

KIPCO parent debt matrix

	(USDmn)	
	31 Mar 2021	
Cash & Cash Equivalents		724
Gross Debt		2,214
Net Debt		1,489
Estimated Investment Portfolio Value		3,604
Net Debt / Portfolio Value		41%

Portfolio Value has been calculated by taking market value of listed assets, OSN at 2009 merger value of \$1.5bn and other unlisted assets at their respective carrying value

KIPCO parent debt profile

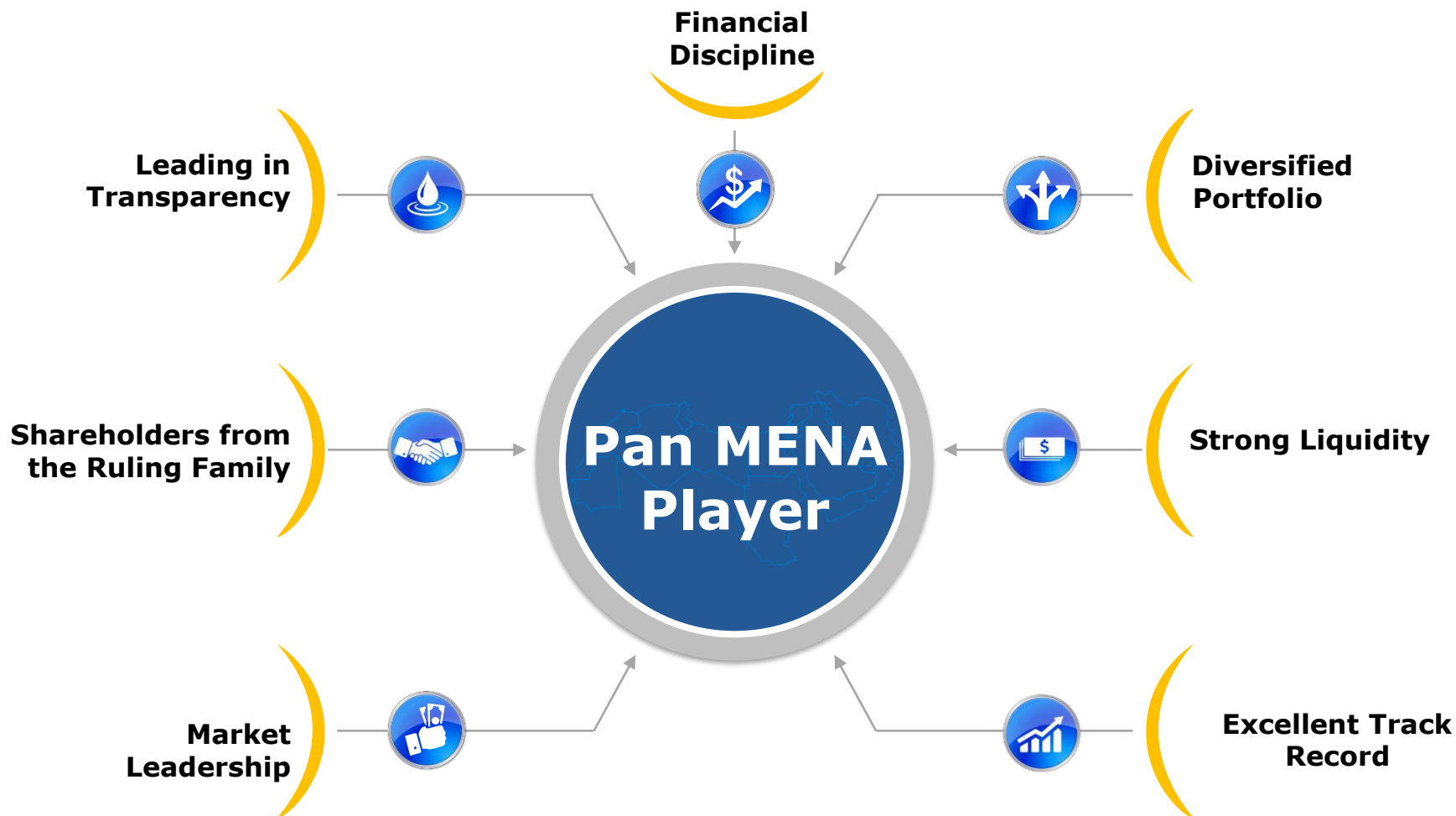


- Cash & bank balance of USD724mn
- Placements are with investment grade rated domestic institutions; having short duration and are typically rolled over on a monthly basis



Why KIPCO

Key credit highlights



Embracing digital transformation...

Burgan Bank: Enriching digital experience



'**Tijarati**' app, designed exclusively for SMEs, provides business owners a Realtime transaction monitoring innovative solution to be able to track their sales transactions across several levels at **anytime and anywhere**.

- Interactive Dashboards & Real-time Business insights
- Easily generate & download reports
- Performance comparison and tracking
- Merchant Engagement Platform through Badges, Awards and Trophies



BANKI (Electronic Virtual Assistant) is voice enabled Artificial Intelligence powered banking chatbot.



- Always at your service
- Quick and easy
- Always learning and evolving

Launch of **contactless payment solutions** with Samsung Pay, FitBit Pay, and Garmin Pay.



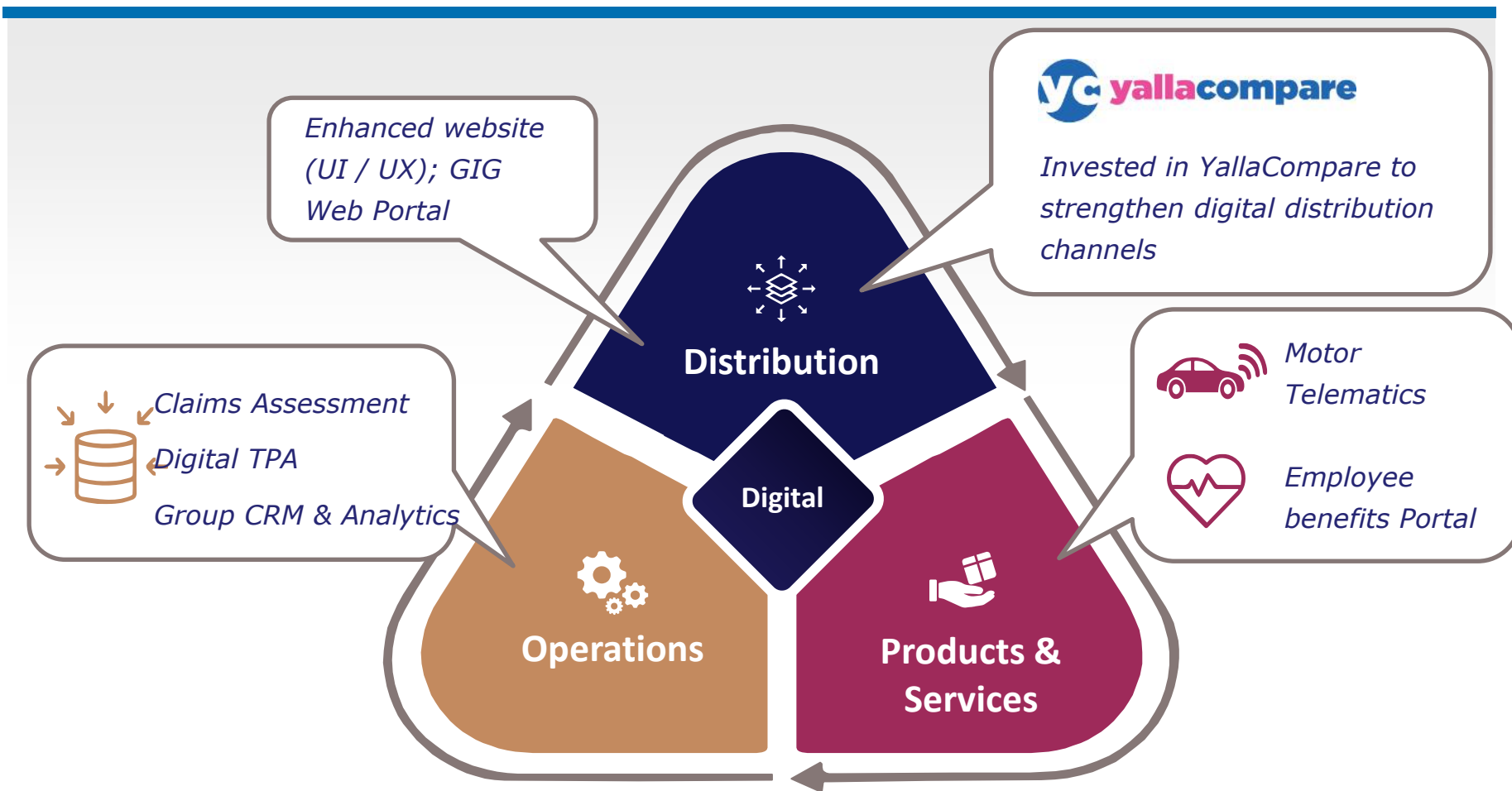
- Fast, easy & convenient
- High level of security
- Accepted anywhere on worldwide contactless POS terminals

Launched its mobile banking app on the **Huawei App Gallery**



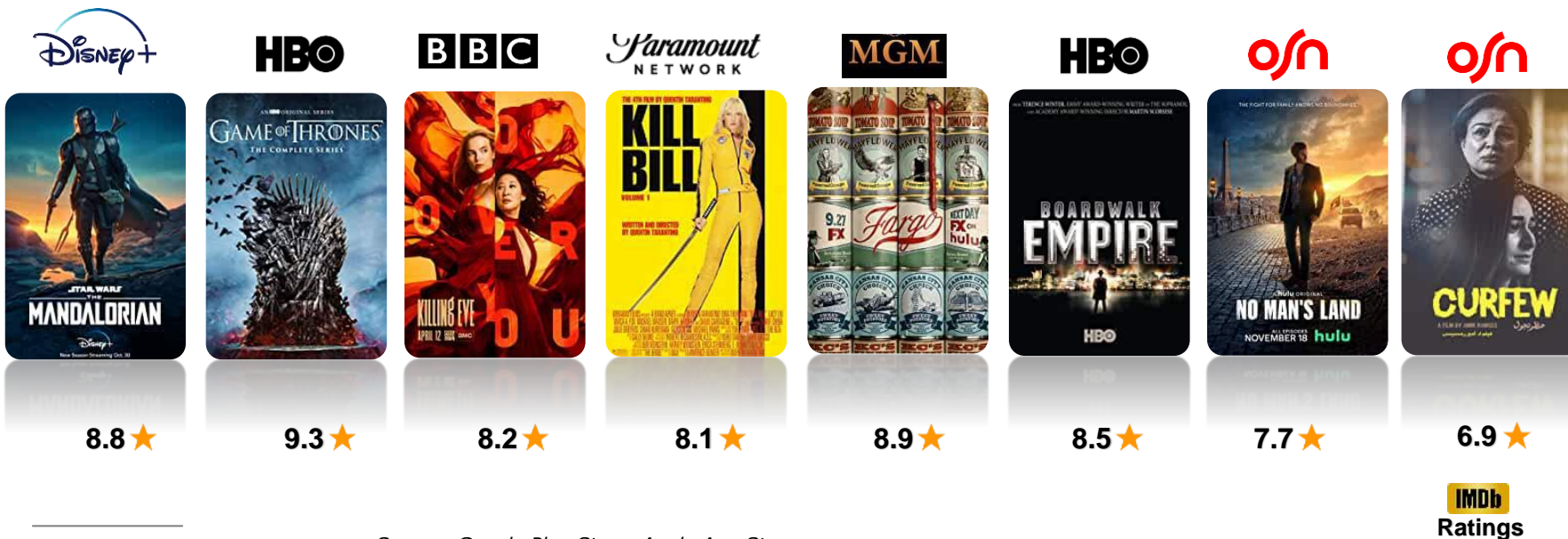
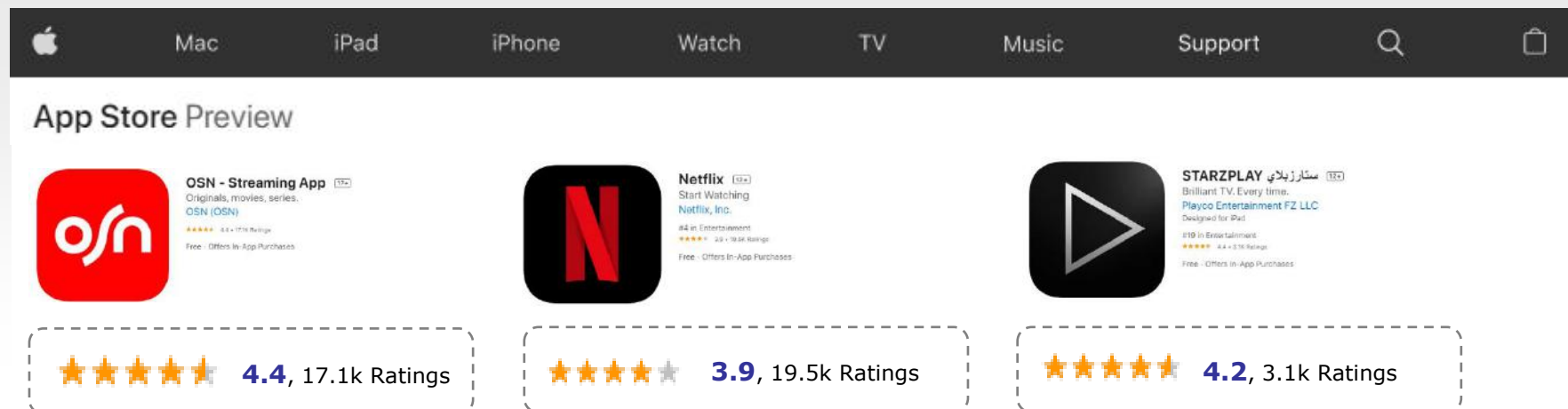
Embarking on digital journey through seamless omnichannel

GIG: Investing in digital products & distribution channel



Key initiatives to strengthen and develop GIG's digital services

OSN: Streaming App rebranded





Thank you





Annexure 1: Other Portfolio Companies

United Industries Company (UIC)

Business highlights

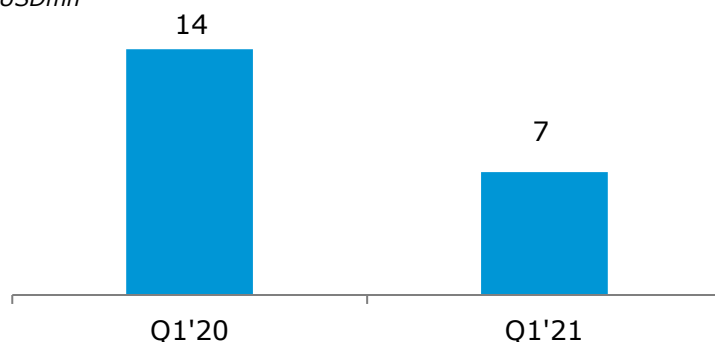
- ▶ Established in 1979, UIC operates as a holding company for the group's industrial investments
- ▶ UIC's mission is to manage a diversified portfolio of investments in the energy, food & basic industries sector

Key Franchises

Name	Market Position	Effective Stake	Assets ¹ USDmn	Revenue ² USDmn
 Kuwait	Leading private company in petrochemical	32%	2,511 ¹	765 ²
 Kuwait	Leading distributor of healthcare equipments	19%	1,101 ³	109 ⁴

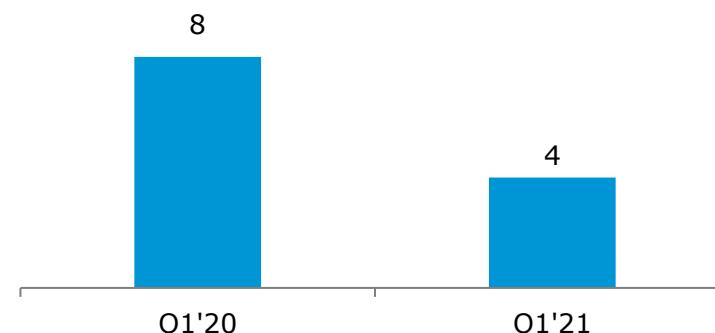
Income from Associates

USDmn



Net Profit

USDmn



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

¹ As of 31 March 2021

² For the year ended 31 March 2021 (12 months for QPIC)

³ As of 31 March 2021

⁴ For the period ended 31 March 2021(3 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 USD294mn¹
- ▶ 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 19.4%⁵

Operational highlights



Operating Income & NIM

USDmn

3.3%

3.4%

40

37

Q1'20

Q1'21

Net Interest Margin

Net Profit

USDmn

(4)

(2)

Q1'20

Q1'21

Loans and Advances

USDbn

2.2

2.2

2020

Q1'21

Notes: Exchange rate of USD/JOD of 0.7098 as of 31 March 2021 has been used for conversion

¹ As of 24 May 2021

² As of 31 March 2021

³ As of 31 December 2020

⁴ Source: Central Bank of Jordan

⁵ As of December 2020



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)



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



Eric Schumacher | Group Treasurer

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



Mohsen Ali Husain | Group Chief Audit Executive

- ▶ Joined KIPCO in 2006, previously worked at KPMG
- ▶ Holds a CPA, CISA, CIA and B.Sc. in Accounting



Joe Kawkabani | Group Chief Strategic Initiatives Officer

- ▶ Joined KIPCO in 2018, previously set up and served as CEO of CPC Africa
- ▶ Holds a Bachelor's Degree in Business Administration from Saint Joseph University



Adel Al Waqayan | Treasurer - SVP

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



Osama Al Ghoussein | SVP - Banking

- ▶ Joined KIPCO Group in 2013, previously Senior Vice President in Pictet & Cie.
- ▶ Over 35 years of experience in global and regional banking



Tawfiq Al Jarrah | ED – Hessah Al Mubarak District

- ▶ Joined KIPCO in 2016, previously with Kuwait Commercial Markets Complex Company
- ▶ Holds a CPA and BA in business



Eman Al Awadhi | Group Communications Director

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



Robert Drolet | Consultant

- ▶ Joined KIPCO in 2006, previously held leadership positions for Cable & Wireless and Bell Canada
- ▶ B.LL from Laval, LL.M Osgoode, M.Litt. Oxford

Board of Directors is actively involved in overseeing the management and strategy of the company under the Chairmanship of Sheikh Hamad Sabah Al Ahmad Al Sabah



Annexure 3: Financial Statements

KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2020*	Q1'21
Cash in hand and at banks	4,454	4,177
Treasury bills, bonds & other debt securities	1,656	1,694
Investment in associates	1,154	1,180
Investment properties	2,064	2,101
Other investments	2,130	2,248
Other assets (inc. goodwill & intangibles)	22,772	22,085
Total assets	34,230	33,484
Due to Banks & Other FI's	4,206	3,841
Deposits from Customers	17,064	17,101
Debt	6,539	6,273
Other liabilities	3,467	3,380
Equity attributable to equity holders of the Parent Company	648	604
Perpetual capital securities	507	507
Non-controlling interest	1,799	1,778
Total liabilities and shareholders equity	34,230	33,484

**restated; Please refer Note 3 for details on restatement*

KIPCO consolidated: Income Statement

Consolidated Income Statement (USD mn)	Q1'20	Q1'21
Interest income	310	229
Investment income	260	31
Fees and commission income	46	48
Share of results of associates	12	19
Share of results of a media joint venture	(20)	-
Media and digital satellite network services income	9	85
Hospitality and real estate income	112	80
Other revenues	40	70
Total revenues	769	561
Interest Expenses	214	176
General and administrative expenses	158	133
Other expenses and provisions	267	269
Taxation	8	7
Non-controlling interest	26	3
Net profit/ (loss) attributable to Equity Holders of the Parent Company	95	(28)
Basic Earnings/ (Loss) Per Share, Cents (Reported)	5.3	(1.6)



Annexure 4: About the region

Macro perspective

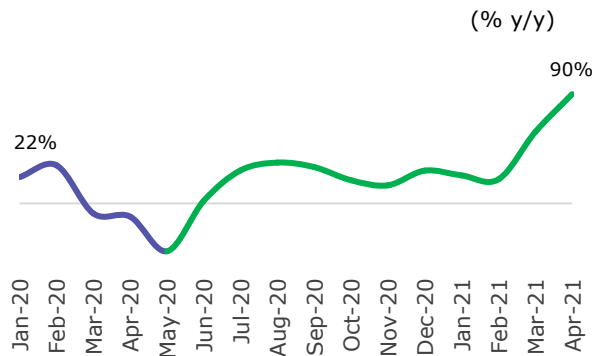
Market resilience despite uncertainties

Ongoing improvement in consumer spending

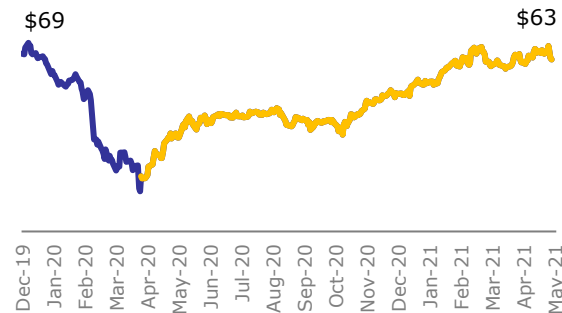
Persistent recovery in crude oil price

Easing of virus concerns amid rollout of vaccines leading to positive market sentiment

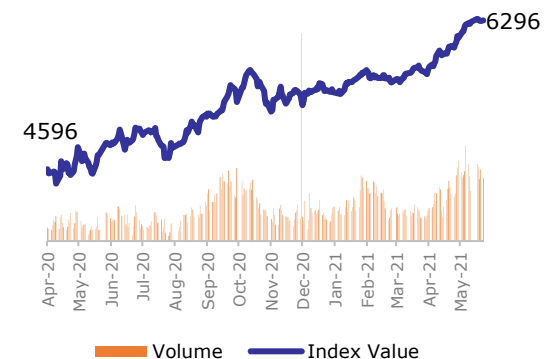
Kuwait Consumer Spending



Brent Crude









Boursa Kuwait



Source: Bloomberg; Brent Crude : PGCRDUBA; Boursa Kuwait: KWSEAS

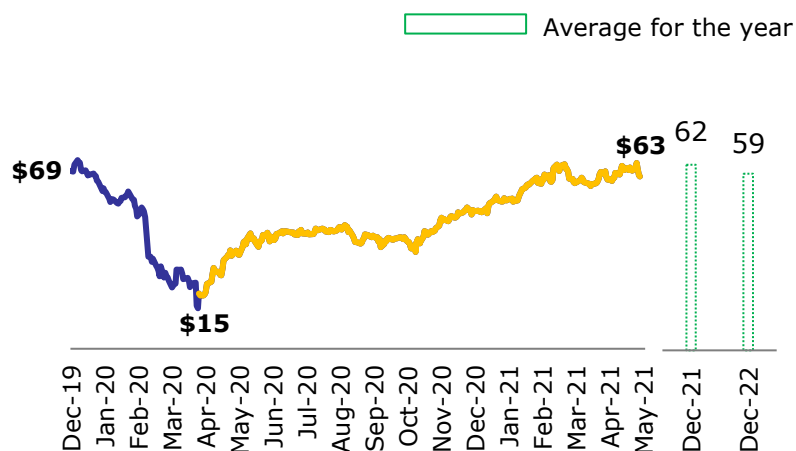
MENA: Evolving situation as uncertainty persists

Continuous recovery expected as per IMF forecasts in 2021

Indicators ¹	Real GDP growth (%)	CAB* (USDbn)	Oil prices ³ (USD/bbl)
2020A	(6.4%)	(95.9)	41**
2021P ²	0.0%	28.4	62
2022P ²	2.3%	19.4	59
2021P vs 2020E	6.4% 	130% 	51% 
2022P vs 2021P	2.3% 	(32%) 	(5%) 

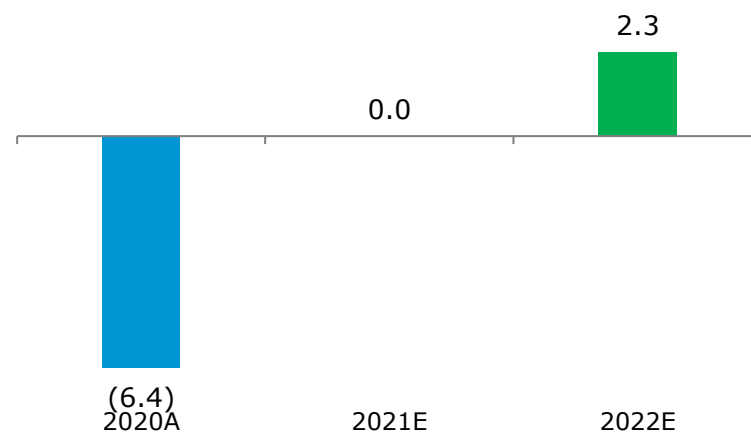
Crude Oil Price

(In USD/barrel)



2021 MENA GDP Growth Forecast

(In Percentage)



Source: Bloomberg

Source: IMF, April 2021

¹ Source: WEP, IMF Forecast 2021 ²Excluding Lebanon ³ Source: Bloomberg *CAB:- Current account balance
 ** Average for 2021 from Bloomberg

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

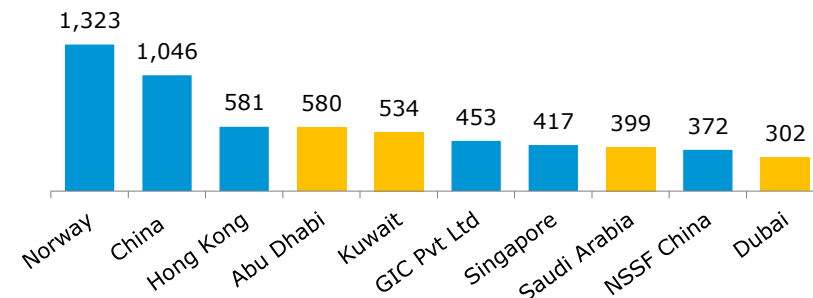
GCC region: Strong underlying fundamentals

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

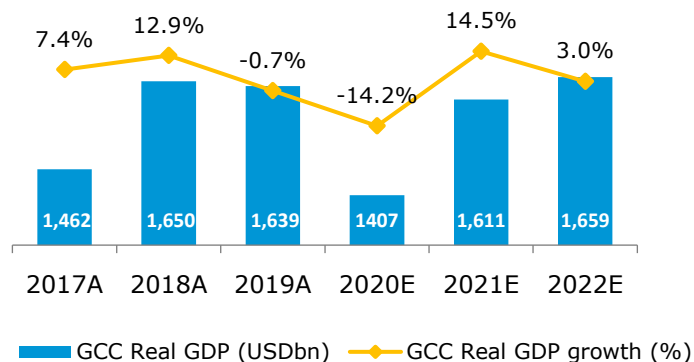
(In USD bn)



GDP expected to rebound in 2021

Real GDP & GDP Growth (2017-22)

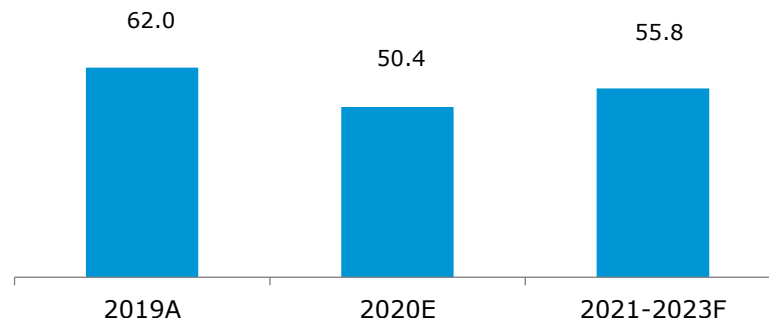
(In USD bn)



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 remains Negative

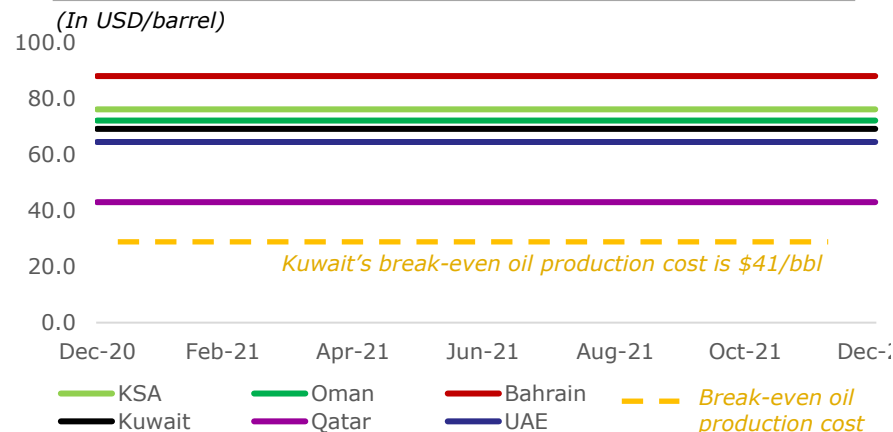
- ▶ Risks stemming from the continued depletion of the GRF, the government's main fiscal liquidity buffer, given that the authorities are yet to adopt a timely alternative funding strategy. Given the insufficient to address the issue, the central government budget deficit is projected at 30% of GDP in 2020-21.
- ▶ Additional risk arises from Kuwait's structural problems e.g the debt law.
- ▶ Kuwait's economy still depends heavily on oil and has committed to implement oil production cuts in line with the April 2020 cartel agreement.
- ▶ Projected real GDP stagnation in 2021 follows a deep pandemic-induced economic contraction in 2020 and reflects continuing OPEC+ oil production cuts
- ▶ 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

Source: S&P periodic review on Kuwait, Jan 2021

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

Kuwait Projects Company (Holding)

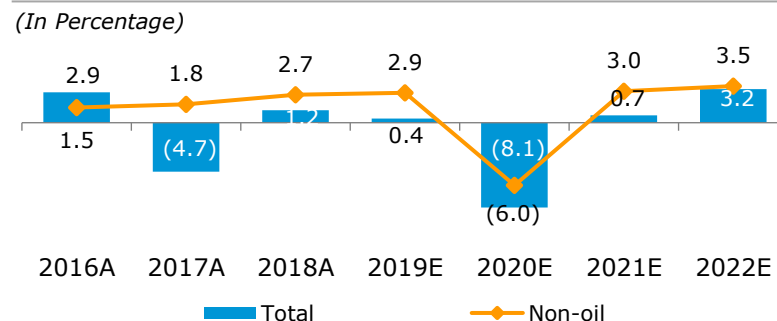
Fiscal Break-even Oil Price



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 2021 forecast.

GDP growth rate*



Kuwait development plan: Projects in action

Key Projects under the plan

New Refinery Project (NRP)

- ▶ New 615,000 bpd refinery by KNPC
- ▶ Underway: : Construction complete on P-1 to P-5. The project is to operate by end-2021. Final consultancy contract yet to be awarded.
- ▶ Cost: **USD12.9bn**

South Al Mutlaa City

- ▶ 30,000 residential unit, schools and other facilities
- ▶ Underway: Progressed up to 93% on Plots N2 & N3 and up to 67% on Plots N1 & N4. Construction works have commenced on water distribution network.
- ▶ Cost: **USD 7.7bn**

Kuwait Airport Expansion

- ▶ To increase the annual handling capacity of the airport to 20mn passengers
- ▶ Underway: Nearly 41% completed. P-1 landslide and P2 contract are yet to be awarded. Cargo city (Package 4B) is still in initial stages of development. Cost: **USD6.3bn**

Jurassic Non-Associated Oil & Gas Reserves Expansion: Phase 2

- ▶ Production of 120,000 b/d of wet crude & more than 300mn cubic feet a day of sour gas
- ▶ Underway: 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

- ▶ Underway: Progress at 97 %. Dredging works have been completed and undertaken while construction works are still progressing. 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: **USD1.6bn**

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 projects 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: **USD3.0bn**

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 . P 2 & P 3 are still in the study phase. Cost: **USD1.7bn**

Al-Dibdibah Solar PP

- ▶ Capacity to produce 1.5 GW solar project
- ▶ Canceled due to Covid Impact. Cost: **USD1.7bn**

Kuwait Metro (PPP)

- ▶ Feasibility study for the project has been completed stating the PPP models is more economically viable than the traditional tendered approach. Cost: **USD17.9bn**

Khairan City

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

Petrochemical Facility at Al-Zour

- ▶ Plant to be integrated with Al-Zour refinery
- ▶ Planning: : FEED¹ works completed. Qualified companies are yet to be shortlisted for all 3 phases. ITB expected by 4 Q 2021. Cost: **USD6.6bn**

Clean Fuels Project (CFP)

- ▶ Specification upgrade and expansion of 2 existing refineries to produce 0.8mn b/d
- ▶ Completed: Project is currently under operation and the time for its shutdown mechanical maintenance is still unknown. Cost: **USD12.2bn**

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 of 11% infrastructure work expected to complete by May-2021 Cost: **USD2.0bn**
- ▶ **Awarded:** Oil drilling tower supply contracts. Cost: **USD0.8bn**
- ▶ **Planning:** (1) Olefin III Projects. Cost: **USD6.3bn** (2) Al-Zour North (IWPP) – P4 & P5 under study. Cost: **USD1.7bn**
- ▶ **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	Q1'21	2020
Underway*	39.1	39.1
Awarded	15.6	15.6
Bidding	1.7	1.7
Planning	47.7	47.7
Completed	15.3	15.3
Halted / On-hold	1.0	1.0
Canceled	1.7	1.7
Total	122.0	122.0

Source: KDP report dated April 2021; ¹FEED= Front End Engineering Design; *Includes other small projects worth USD0.7bn not shown on this slide