



# Disclaimer

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*Note: : Exchange rate of USD/KD of 0.30325 has been used in the presentation for financial numbers*



## Executive Summary

# A diversified company with deep regional expertise & roots



## We are

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

## Geography

Middle East and North Africa (MENA)

## Sectors

Primarily financial services & media

## Track record

29 years of reported profitability  
19 years of dividends

## Returns

Attractive shareholder return

Majority owned  
by ruling family  
of Kuwait

A transparent  
company with  
an experienced  
management  
team

Listed on  
Kuwait Stock  
Exchange with a  
market cap of  
~USD1.1bn<sup>2</sup>













Credit ratings:  
Moody's: Ba1  
S&P: BB

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

<sup>1</sup>As on 31 December 2020

<sup>2</sup>As of 15 Apr 2021

# Our presence by geographies & sectors

	Commercial banking	Media	Insurance	Real Estate	AMIB <sup>2</sup>	Industrial	Others	Revenue (2020) <sup>3</sup>
<b>Kuwait</b> 	●	●	●	●	●	●	●	46%
<b>KSA</b> 		●	●		●	●		5%
<b>UAE</b> 	●	●	●	●	●			5%
<b>Bahrain</b> 		●	●		●			5%
<b>Qatar</b> 		●		●				1%
<b>Turkey</b> 	●		●		●			11%
<b>Jordan</b> 	●	●	●	●	●			12%
<b>Egypt</b> 		●	●	●			●	5%
<b>Algeria</b> 	●	●	●					6%
<b>Iraq</b> 	●	●	●		●			0%
<b>Malta</b> 	●				●			3%
<b>Tunisia</b> 	●	●			●			1%
<b>Others</b>	●	●	●	●	●		●	0%
<b>Revenue (2020) <sup>1</sup></b>	43%	16%	22%	10%	4%	2%	4%	
<b>Assets (2020) <sup>1</sup></b>	71%	4%	7%	8%	7%	2%	2%	

**Attractive presence in high growth economies and promising sectors**

Note 1. As per total revenue of USD3.2bn and total assets of USD40.3bn, 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

# Core holdings

## Market leaders in their space



**Investing in companies which have potential to be market leaders**

<sup>1</sup> In terms of assets (based on latest financials)  
Kuwait Projects Company (Holding)

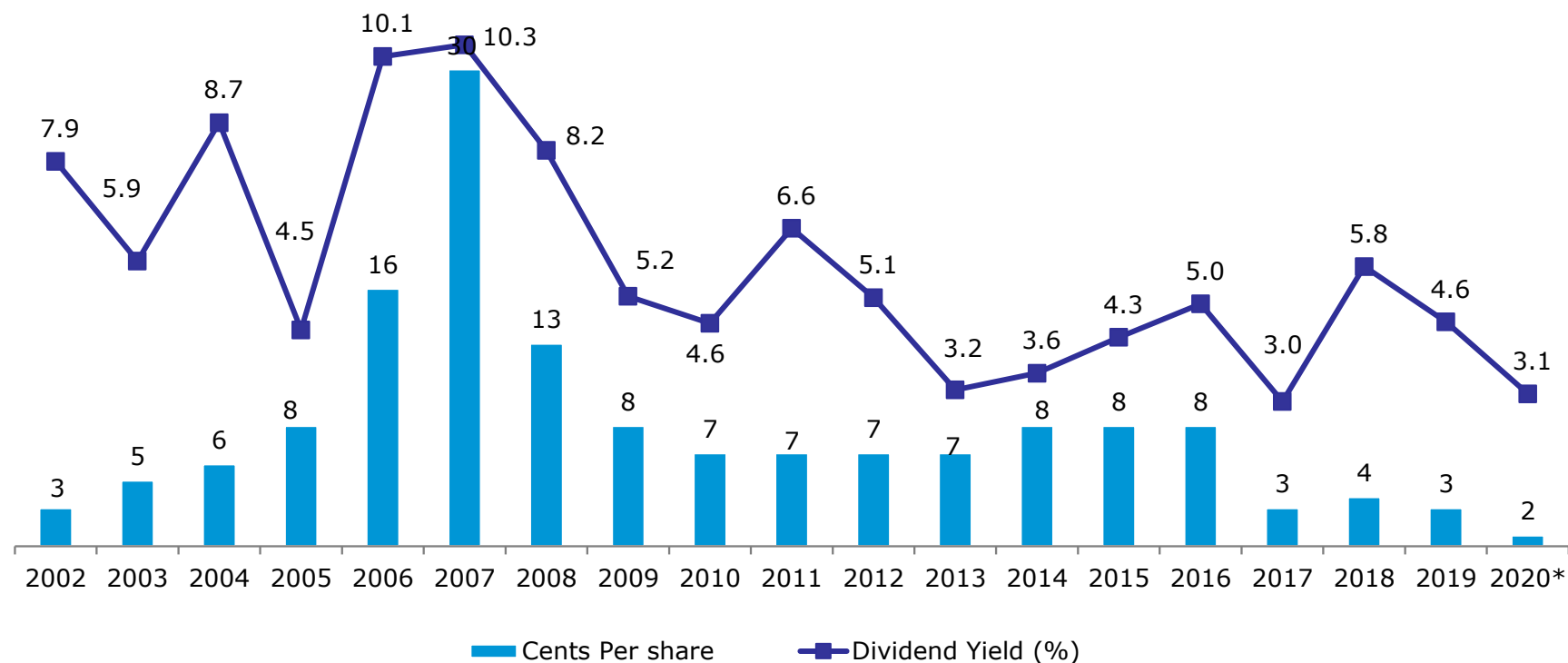
<sup>2</sup> By Gross premium written (GPW) and Direct premiums profit among private sector players (all rankings as of 31 December 2020)

<sup>3</sup> By GPW

<sup>4</sup> By technical

# Continuous dividends

USD1.8bn cash dividends paid since 2002



**19 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)*

*\*Dividend announced but yet to be approved*





# 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 and  
focus on digital businesses*

**Team Approach**

*Strong managerial  
expertise*

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

# Controlling or majority stakes

	 بنك بروتيان BURGAN BANK	 osn	 UGH	 KAMCO INVEST	 gig	 شركة المقاربات المتحدة United Real Estate Co
<b>KIPCO Effective Stakes<sup>1</sup></b>	62.9%	86.3%	93.3%	57.8% <sup>3</sup>	45.6%	73.9%
<b>Board Representation</b>	6 of 9	2 of 7 <sup>5</sup>	5 of 8	4 of 5	4 of 10 <sup>4</sup>	5 of 7
<b>Market Cap (USDmn)<sup>2</sup></b>	1,921	Unlisted	1,453	98	383	164
<b>Credit Ratings</b>	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
	<b>Commercial Banking</b>	<b>Media</b>	<b>Asset Management &amp; Investment Banking (AMIB)</b>		<b>Insurance</b>	<b>Real Estate</b>

**Ability to actively control or influence key decisions of operating entities**

## Notes:

<sup>1</sup> Effective stakes given are as of 31 December 2020

<sup>2</sup> Market capitalisation as of 15 April 2021 (Source: Bloomberg for market price)






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

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

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

CI = Capital Intelligence

# Active management

Businesses	Parameters	Then <sup>1</sup>	Now (2020)	KIPCO Support & Action
 بنك بروقتان BURGAN BANK	Net Interest Margin	1.3%	2.1%	<ul style="list-style-type: none"> <li>Transformed from a local player to regional player</li> <li>Focused on growth with prudent loan underwriting</li> </ul>
	Sub. Base	-	~1.0 Mn	<ul style="list-style-type: none"> <li>Consolidated market in 2009, rebranded as OSN</li> <li>Partnered with major Telcos in the region</li> <li>Market leadership with access to premium content</li> </ul>
 gig مجموعة الخليج للإعلام	Rank# (by GPW)	#3 of 5	#1 of 35	<ul style="list-style-type: none"> <li>Transformed from a local player to regional player</li> <li>Partnered with Fairfax to strengthen operations &amp; enhance growth; recently acquired AXA's Gulf operations</li> <li>Market leadership in 4 key geographies</li> </ul>
	AUM	\$0.7Bn	\$13.3Bn	<ul style="list-style-type: none"> <li>Spun-off AM/IB division to separate client funds from KIPCO funds</li> <li>Streamlined operation in 2012 to focus on core business</li> <li>Merged Global Investment House in November 2019</li> </ul>
 شركة العقارات المتحدة United Real Estate Co	Total Assets	\$293Mn	\$2.0Bn <sup>2</sup>	<ul style="list-style-type: none"> <li>Operations across the Middle East region</li> <li>Presence across retail, hospitality, residential and office sector and ancillary services like facilities and construction management</li> </ul>

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

<sup>1</sup> Year of incorporation/acquiring substantial stake i.e. 1995, 1996, 1997, 2000, 1994 (in order of businesses listed)

#Represents rank in Kuwait

<sup>2</sup>Represents asset as on 31 December 2020







## Performance Update

# Burgan Bank Group (BBG)

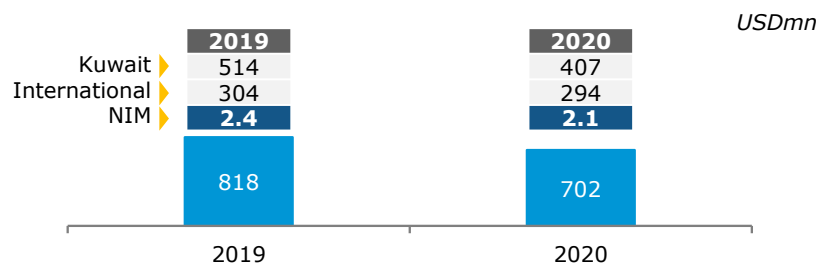
## Business highlights

- ▶ Kuwait based commercial bank with a regional presence in seven countries
- ▶ 2<sup>nd</sup> largest conventional bank in Kuwait in terms of assets (USD23.4bn<sup>1</sup>)
- ▶ BBB+ rating from S&P and A3 from Moody's, A+ from Capital Intelligence and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 18.1%<sup>1</sup>
- ▶ Listed on Boursa Kuwait with a market cap of USD1.9bn<sup>3</sup>

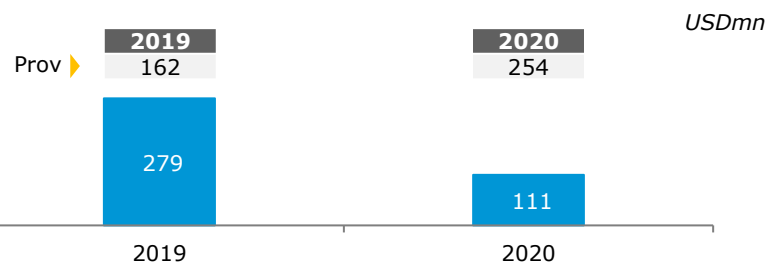
## Key Franchises

Name	Market Position	Effective Stake <sup>1</sup>	Assets <sup>1</sup> USDmn	Revenue <sup>2</sup> USDmn
 BURGAN BANK Kuwait	#2 conventional bank	100%	18,366	407
 BURGAN BANK Turkey	Niche player in corporate banking	100%	3,610	134
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	1,958	135
 بنك تونس العالم Bank International Tunisia	Leading offshore bank in Tunisia	87%	495	26

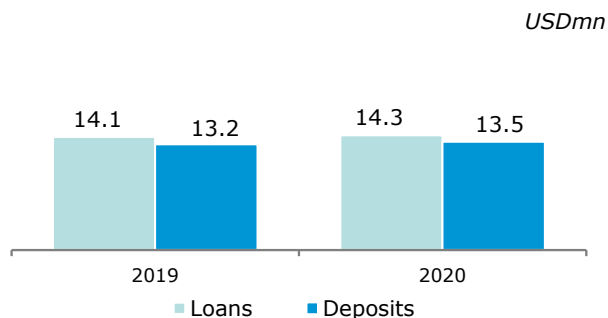
## Operating Income



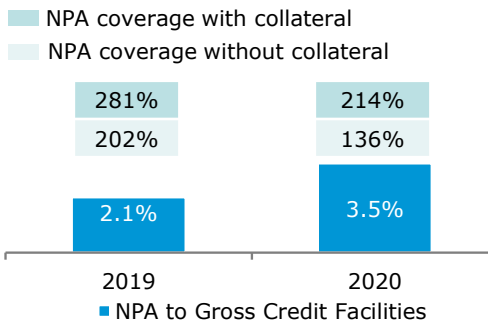
## Net Profit & Provision



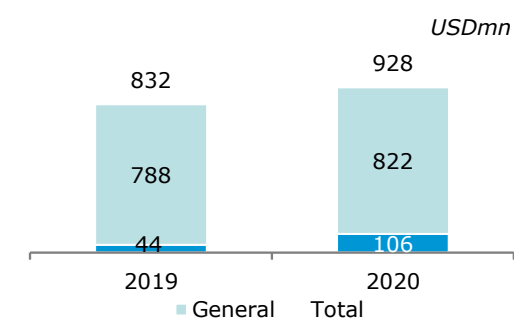
## Loans & Deposits



## Loan Quality



## Total Provisions



<sup>1</sup>As on 31 December 2020

<sup>2</sup>Operating income defined as revenue for 2020

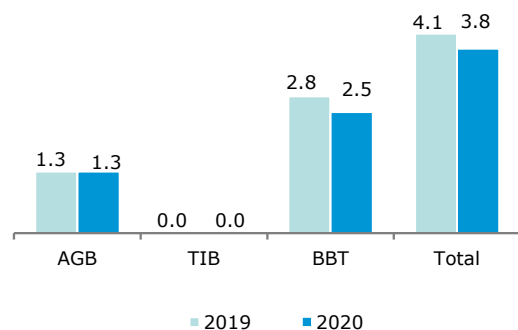
<sup>3</sup>As of 15 April 2021

Note: Financial results of 2019 include only eleven months performance of subsidiaries

# BBG: Regional operations

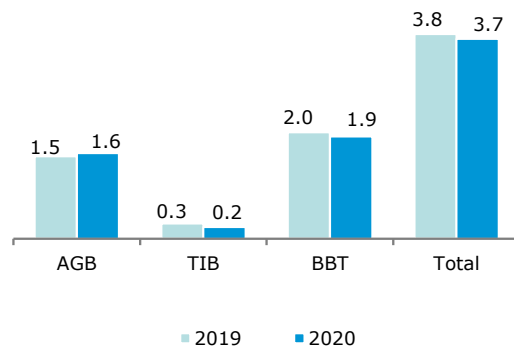
## Loans<sup>^</sup>

USDbn



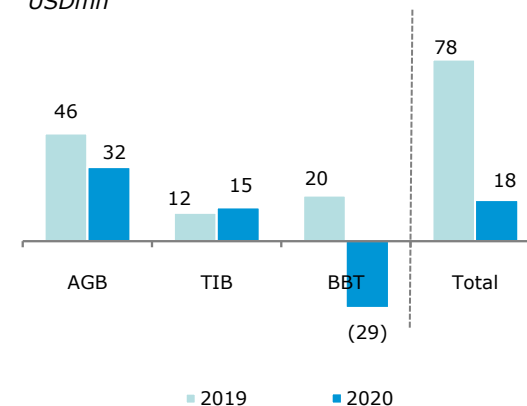
## Deposits<sup>^</sup>

USDbn



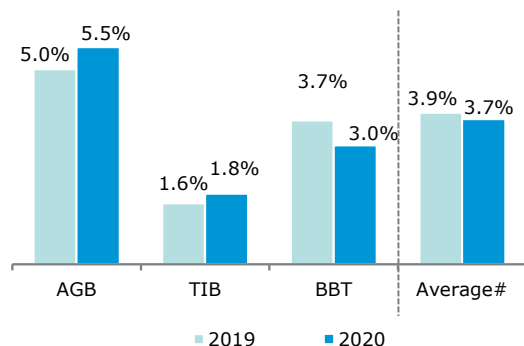
## Net Profit

USDmn



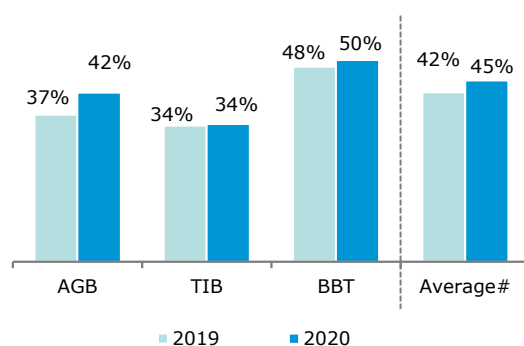
## Net Interest Margin

Percentage



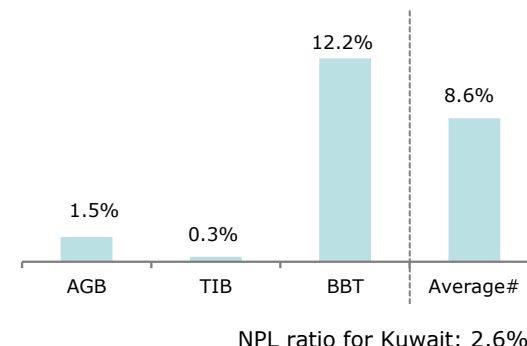
## Cost to Income

Percentage



## Non-Performing Loans\*

Percentage



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

<sup>^</sup> For 2019 and 2020, BoB is classified as asset for sale, hence excluded from the results

\*NPL ratio is as per CBK computation

# Gulf Insurance Group (GIG)

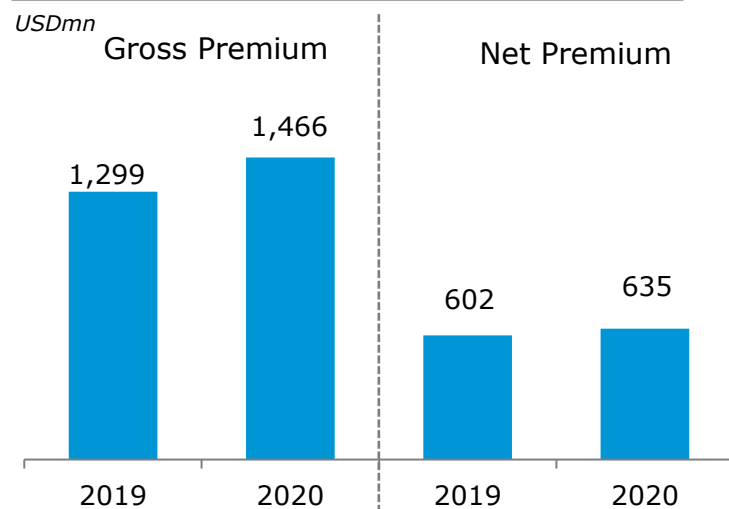
## Business highlights

- ▶ 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 80 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

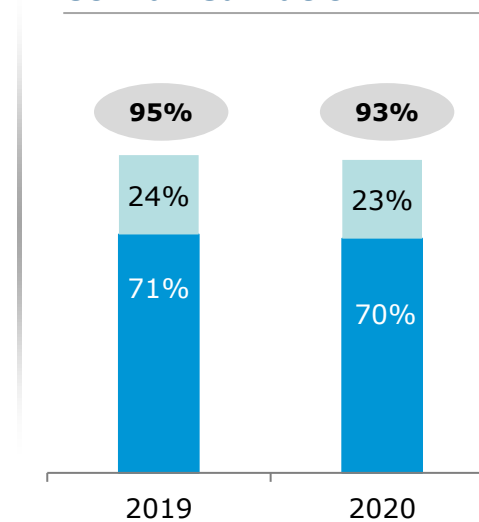
## Key Franchises

Name	Market Position	Effective Stake	Assets USDmn	Revenue USDmn
Gulf Insurance & Reinsurance Company	#1 by GPW in Kuwait	100%	1,223	355
Bahrain Kuwait Insurance	#1 by GPW in Bahrain	56%	538	103
Arab Orient Insurance	#1 by GPW in Jordan	90%	182	75
Arab Misr Insurance	#1 by technical profits in Egypt	99%	164	46
Gulf Sigorta	Niche player in Turkey	99%	207	50
Egyptian Life Takaful Co.	Niche player in Egypt	61%	99	26

## Gross and Net Premium written

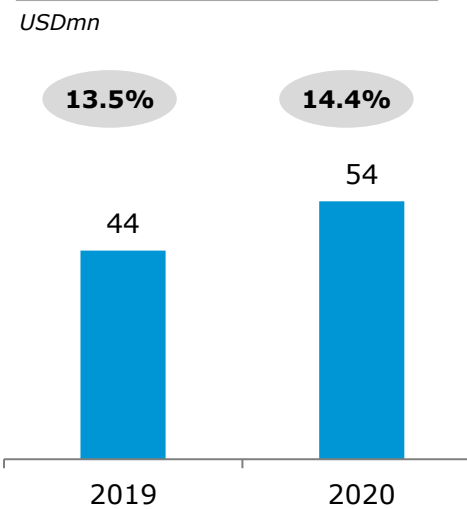


## Combined Ratio



■ Loss Ratio ■ Expense Ratio  
● Combined Ratio

## Net Profit & ROE



● Return on Equity



## Overview

- ▶ **Largest 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
  - 1<sup>st</sup> 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 \$80 p.m., capturing all income segments
- ▶ Employs ~720 people, 23 retail locations and network of 77 partners

## Strategy

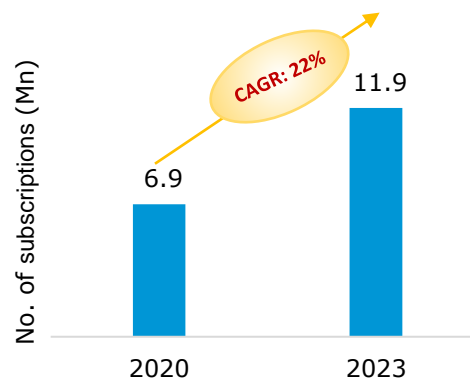
- ▶ Push growth by a connected OSN
- ▶ OSN streaming is key component for future growth
- ▶ Traditional OSN TV is migrating to on-demand
- ▶ Great UI/UX supported by strong analytical capabilities for optimal customer enjoyment
- ▶ OSN Originals launched with Aa'det Rigala, Arabic version of "Come dine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

Now among top 3 players in MENA with OTT subs grown multifold from ~80k in Apr'20 to ~425K

## MENA Pay Tv Potential

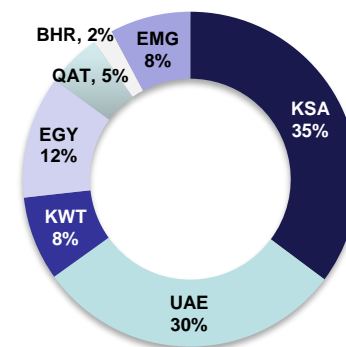
Region	Latin America	TV Household (Mn)	Pay TV/ TV Household (%)
<b>MENA Region<sup>1</sup></b>	<b>367</b>	<b>72</b>	<b>~10%</b>
Latin America	621	56	44%
UK	67	27	56%
India	1,352	197	66%
US	329	120	79%

## Expected growth of OTT in MENA



Source: Mckinsey Report (Oct'20)

## Subscribers by country



1.2mn subscribers of OSN as on 31 Dec20

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





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

# United Gulf Holding Company (UGH)

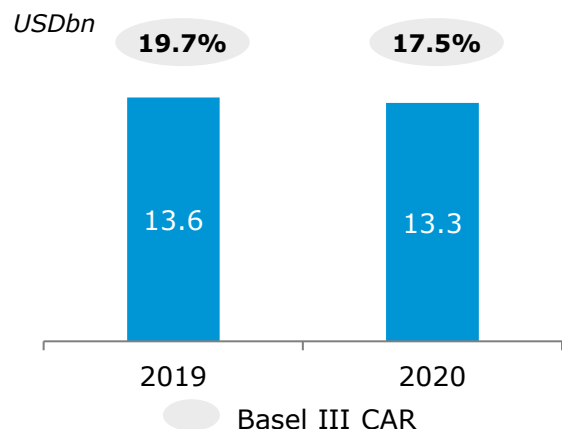
## Business highlights

- ▶ 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 USD3.3bn<sup>1</sup>

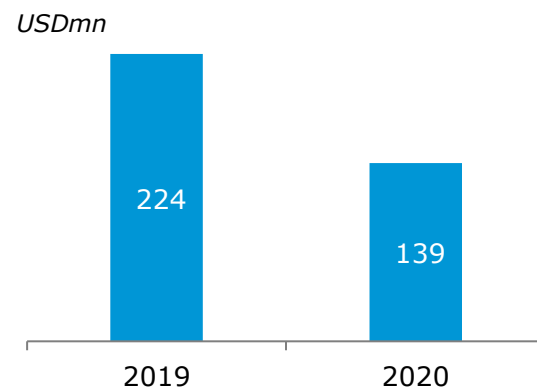
## Key Franchises

Name	Market Position	Effective stake <sup>1</sup>	Assets <sup>1</sup> USDmn	Revenue <sup>2</sup> USDmn
 KAMCO INVEST	#1 asset management company in Kuwait by AuM	60%	450	37
 BURGAN BANK	#2 conventional bank in Kuwait by assets	15%	23,433	702
 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%	1,834	3

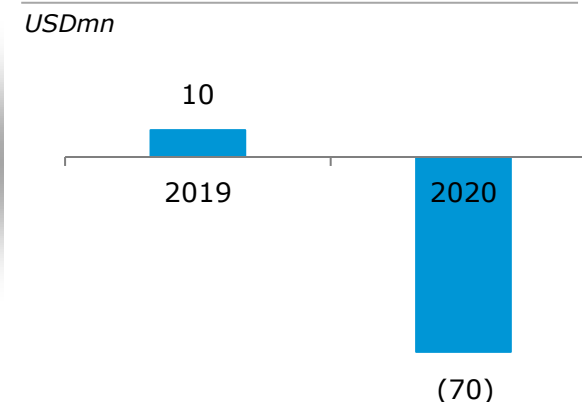
## AuM & Capitalisation



## Revenue



## Net Profit



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

<sup>1</sup> As of 31 December 2020

<sup>2</sup> Operating income is defined as revenue for the period ending 31 December 2020

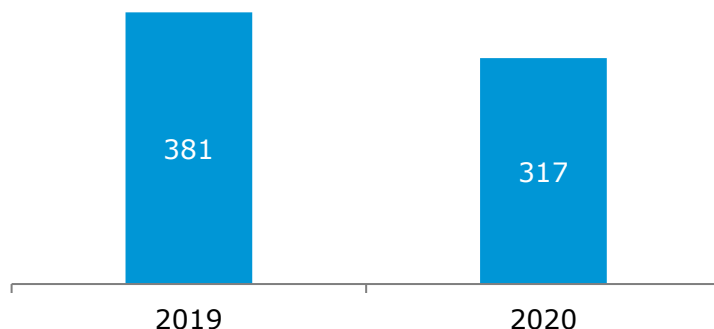
# United Real Estate Company (URC)

## 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 USD2.0bn<sup>1</sup>

## Total Revenue

USDmn

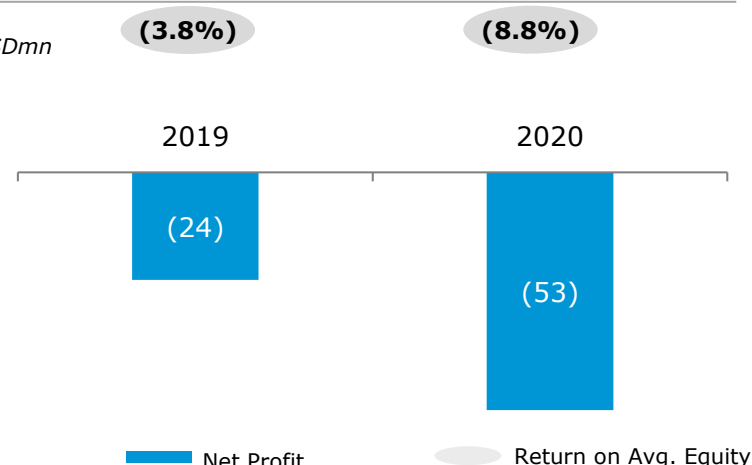


## Key Franchises

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

USDmn



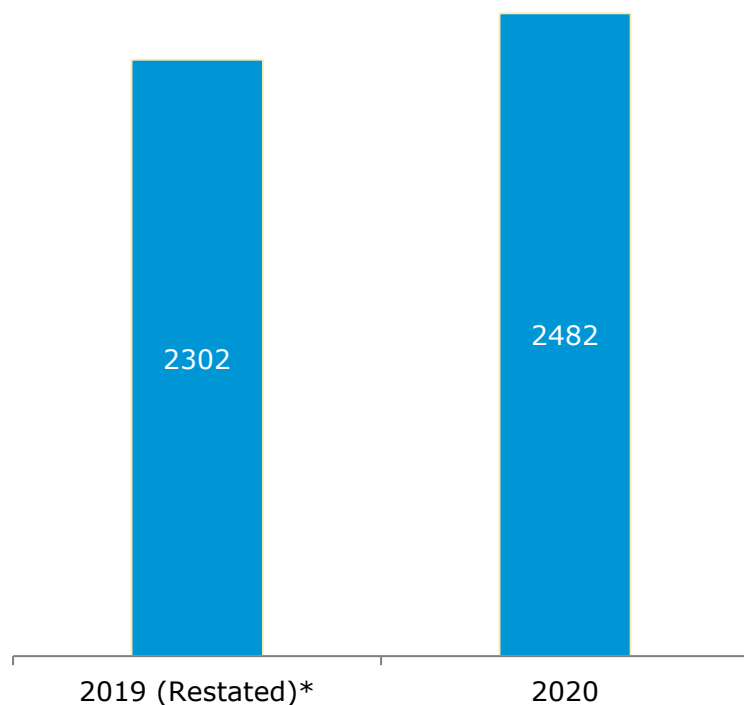
**URC is a major real estate player in Kuwait**

<sup>1</sup>As of 31 December 2020

# KIPCO consolidated: Financial performance

## Revenue

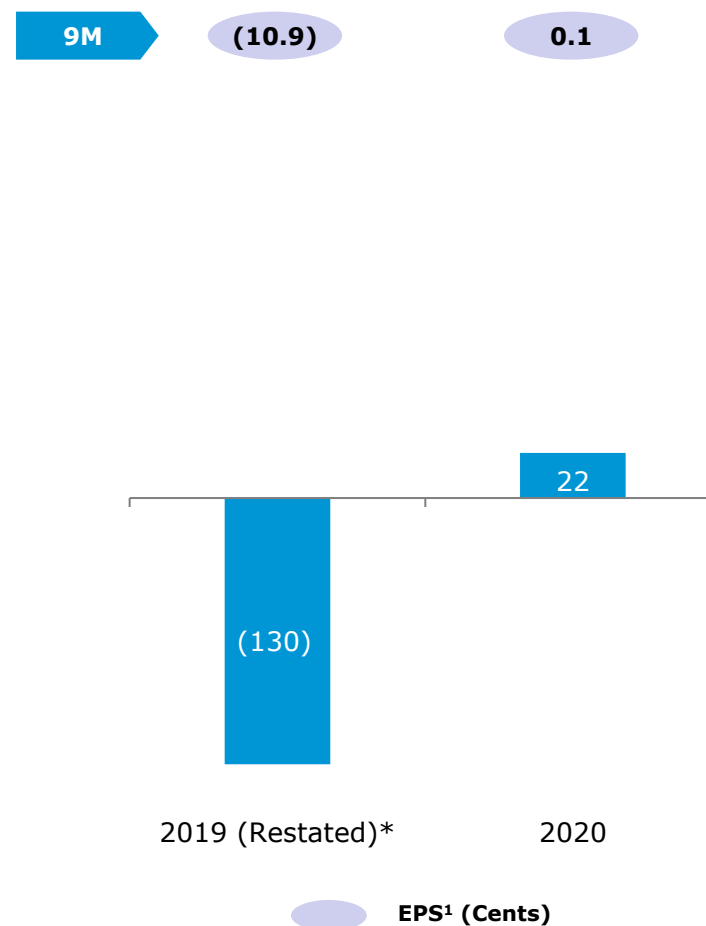
USDmn



\*Please refer Notes 2 and 3 for details on restatement

## Net Profit

USDmn



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



Why KIPCO

# Why KIPCO?



**KIPCO group 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

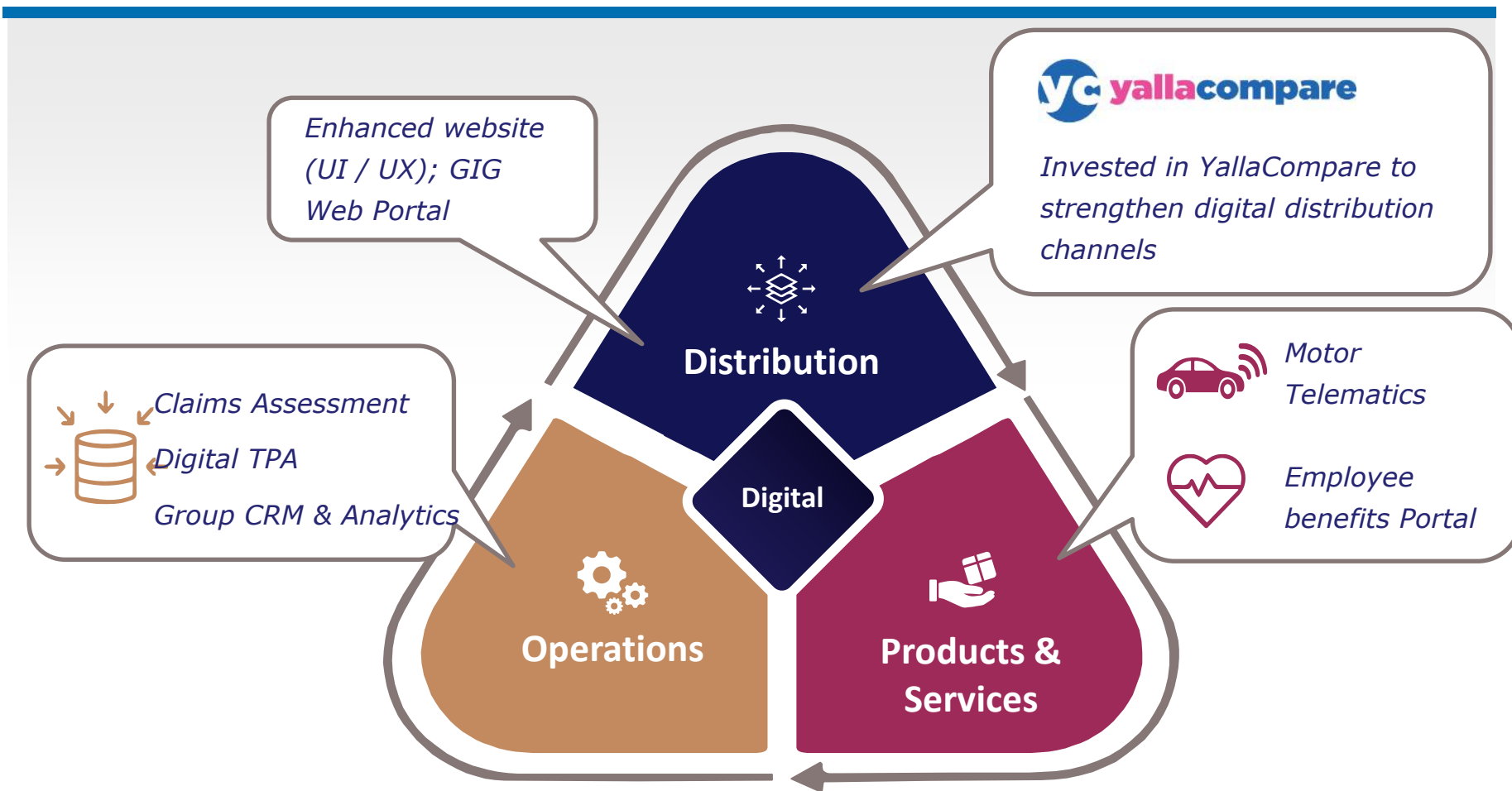
Launched its mobile banking app on the **Huawei App Gallery**



## Embarking on digital journey through a seamless omnichannel



# GIG: Investing in digital products & distribution channel



**Key initiatives to strengthen and develop GIG's digital services**

# OSN: Streaming App rebranded

**App Store Preview**

**OSN - Streaming App** TV-14  
 Originals, movies, series.  
 OSN (OSN)  
 4.4 ★ 17.1k Ratings  
 Free - Offers In-App Purchases

**Netflix** TV-14  
 Start Watching  
 Netflix, Inc.  
 4.4 in Entertainment  
 4.4 ★ 19.5k Ratings  
 Free - Offers In-App Purchases

**STARZPLAY** TV-14 ستارز بلاي  
 Brilliant TV. Every time.  
 Playco Entertainment FZ LLC  
 Designed for iPad  
 \$19 in Entertainment  
 4.4 ★ 3.1k Ratings  
 Free - Offers In-App Purchases

★★★★★ **4.4**, 17.1k Ratings

★★★★★ **3.9**, 19.5k Ratings

★★★★★ **4.4**, 3.1k Ratings

**8.8** ★

**9.3** ★

**8.3** ★

**8.1** ★

**8.9** ★

**8.5** ★

**7.7** ★

**6.8** ★

**IMDb Ratings**



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 QPIC (32%) & ATC (19%)
- KIPCO group holds 78.6% consolidated stake, while KIPCO directly holds 56.1%<sup>1</sup>



### **Key highlights of 2020 results:**

- ▶ Revenue decreased by 49% to USD24mn in 2020 vs. USD47mn in 2019 due to lower income from associates (decrease of ~USD23mn)
- ▶ Total assets decreased by 5.8% to reach USD848mn in 2020 as compared to the end of 2019

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

<sup>1</sup>Represents figure as on 31 December 2020

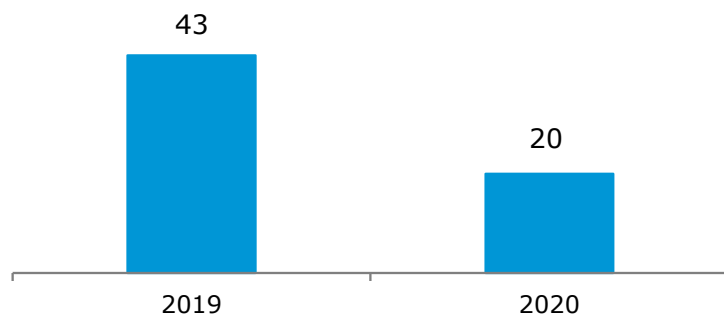
QPIC = Qurain Petrochemicals Industries Co.

ATC = Advance Technology Co.

# United Industries Company: Financial performance

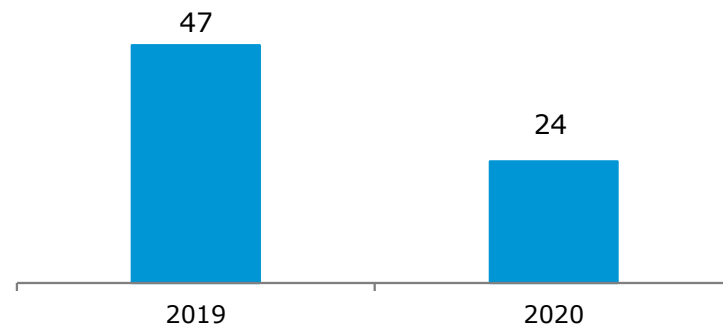
## Income from Associates

USDmn



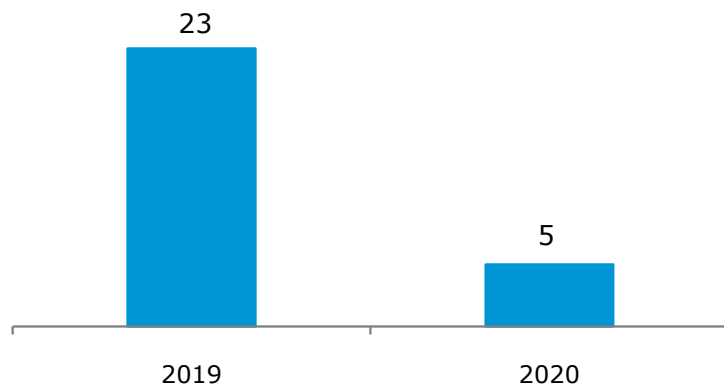
## Total Revenue

USDmn



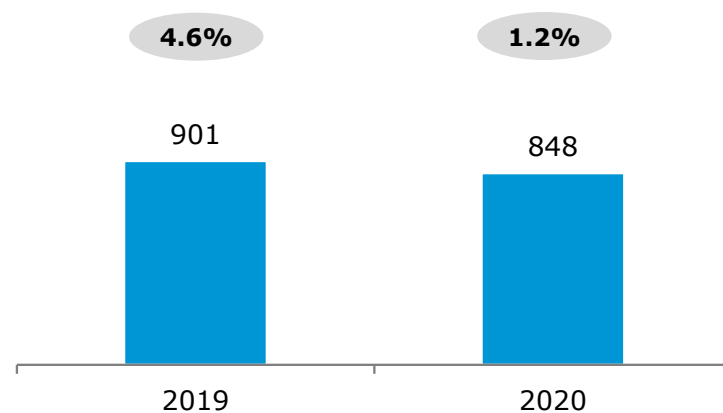
## Net Profit

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, KARO & TKSC
- Listed on the Bursa Kuwait, with a market cap of USD1,369mn<sup>2</sup>
- KIPCO group through UIC holds 32% stake<sup>1</sup>



### **Key highlights of 9M 2020-21 results:**

- ▶ Total revenue increased by 6.8% to reach USD575mn in 9M 2020-21 primarily driven by SADAFCO's performance and acquisition of JTC<sup>3</sup>
- ▶ Net profit decreased by 46.8% to reach USD25mn in 9M 2020-21 vs. USD47mn in 9M 2019-20 mainly due to lower share of results from associates

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

KARO = The Kuwait Aromatics Company,

TKSC = The Kuwait Styrene Company

<sup>1</sup>Represents figure as on 31 December 2020

<sup>2</sup>As on 15 Apr 2021

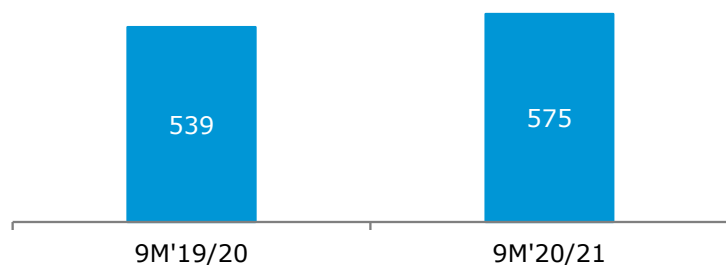
<sup>3</sup>On 17 June 2019 QPIC acquired 60% equity interest in Jassim Transport & Stevedoring Company (JTC)



# QPIC: Financial performance

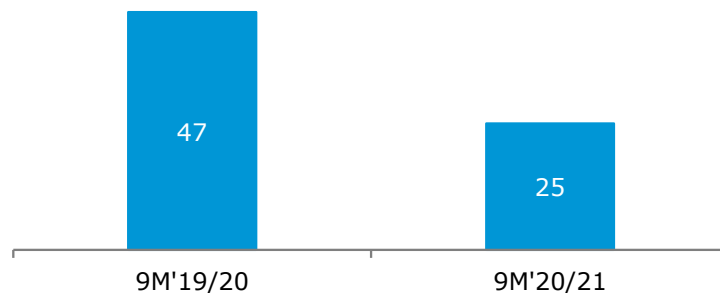
## Total Revenue

USDmn



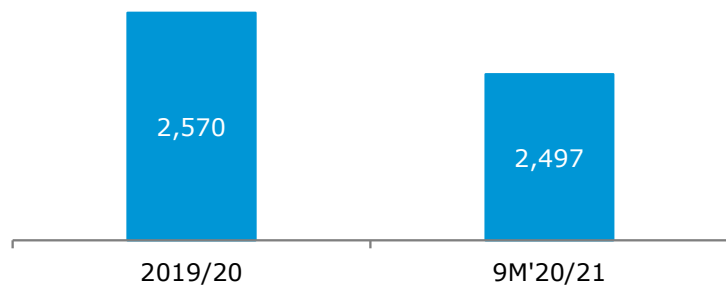
## Net Profit

USDmn



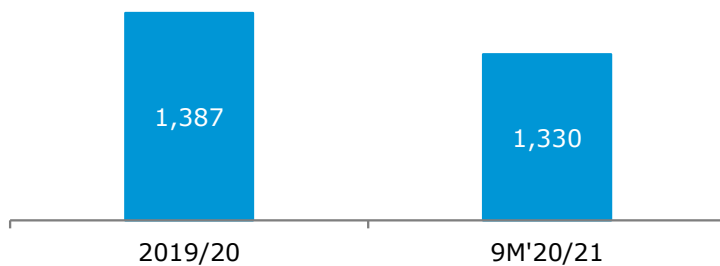
## Total Assets

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 USD283mn<sup>2</sup>
- 5<sup>th</sup> largest conventional bank in Jordan in terms of assets (Total assets of USD4.0bn<sup>1</sup>)
- Offers a wide range of corporate, retail & treasury products through a network of 65 branches\*
- KIPCO group holds 50.9% stake<sup>1</sup>



### **Key highlights of 2020 results:**

- ▶ Net profit declined to a loss of USD6.4mn in 2020 vs profit of USD42.2mn in 2019 due to higher provisions in the wake of macro-economic conditions
- ▶ Total Assets increased by 2.0% at the end of 2020 to USD3,957mn from USD3,881mn due to increase in interest earning assets for the bank

\* As of 31 December 2020

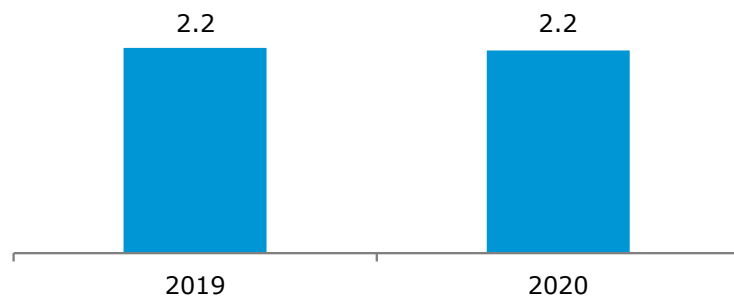
<sup>1</sup>Represents figure as on 31 December 2020

<sup>2</sup>As on 15 April 2021

# Jordan Kuwait Bank: Financial performance

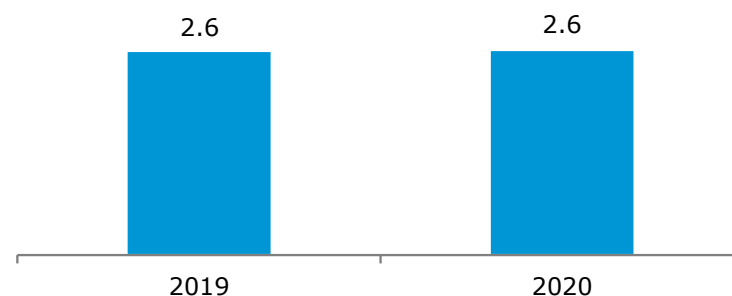
## Loan Growth

USDbn



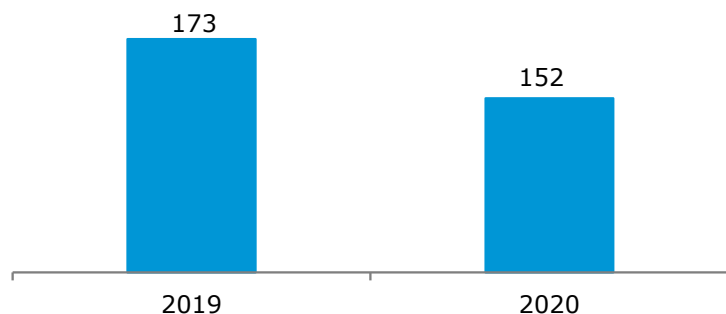
## Deposit Growth

USDbn



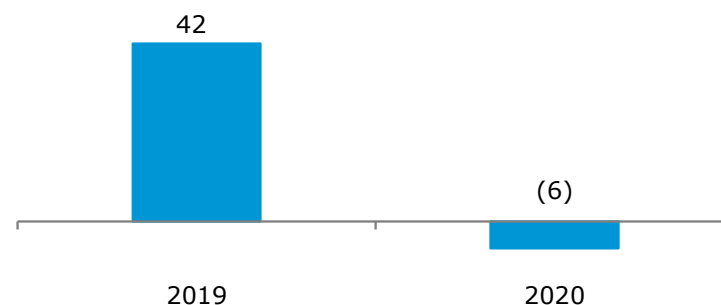
## Operating Income

USDmn



## Net Profit

USDmn



**Basel III CAR – 19.4%**

*Notes: Exchange rate of USD/JOD of 0.7102 as of 31 December 2020 has been used for conversion*



## 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: 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](http://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](http://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](http://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](http://www.ughbh.com)



**Patrick Tillieux**  
CEO  
OSN



OSN is the leading pay-TV operator in the MENA region. The company is a result of the merger between Showtime and Orbit which was completed in 2009. 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](http://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](http://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](http://www.uickw.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](http://www.sadafco.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](http://www.qpic-kw.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](http://www.khc.com.kw)

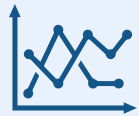


**Narendra Baliga**  
CEO  
PKC Advisory



PKC Advisory is KIPCO's consulting company based in India. PKC Advisory offers services and solutions in business advisory, financial research and analysis. It also provides KIPCO Group Companies and external clients with website design and management services

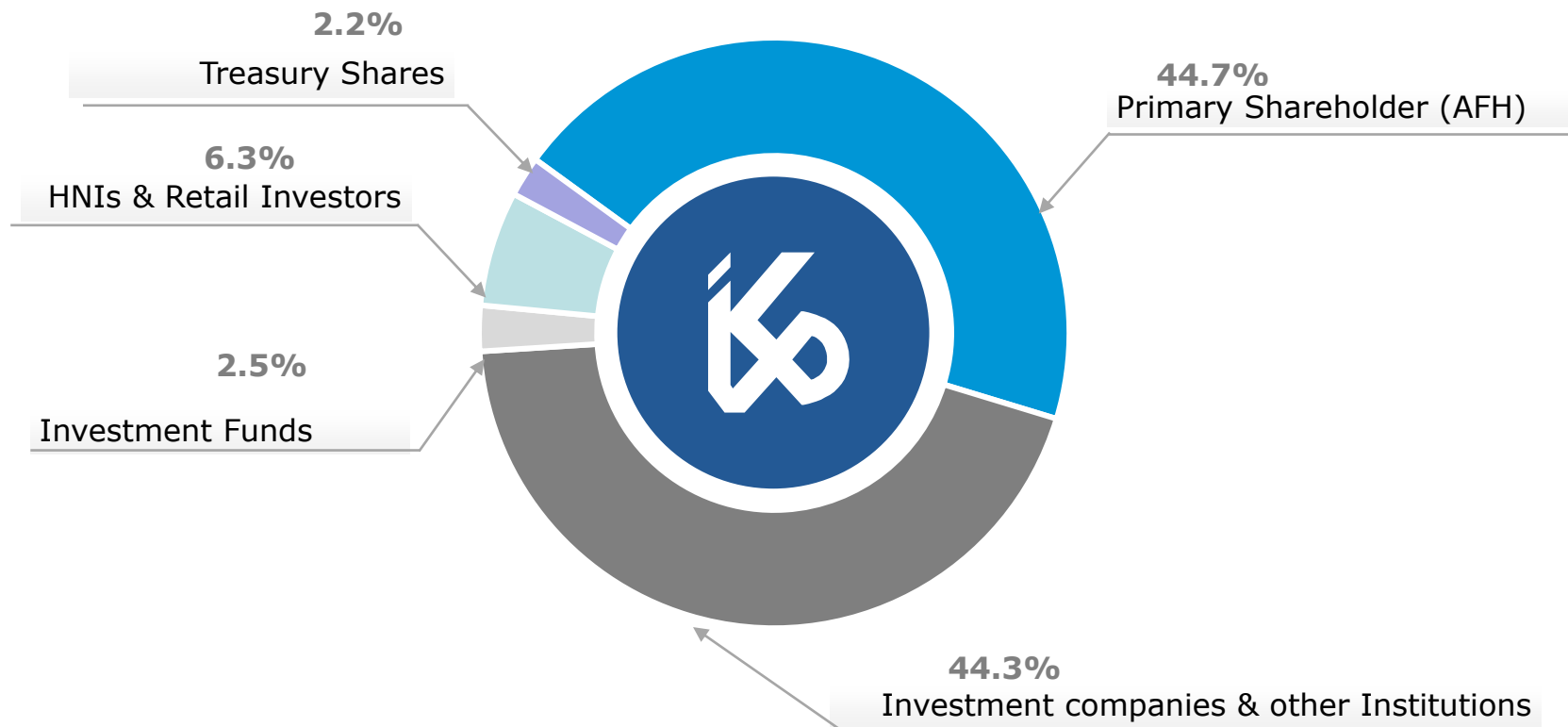
[www.pkcadvisory.com](http://www.pkcadvisory.com)



## Annexure 4: 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 31 December 2020: 2,000mn

# Market data

Entity	P/B		P/E		BVPS <sup>3,4</sup>	EPS <sup>3,4</sup>	Market Price <sup>3</sup>	Market Cap (USDmn)
	2020	Current <sup>1</sup>	2020	Current <sup>1</sup>	2020	2020	Current	Current <sup>5</sup>
 كيبكو KIPCO شركة مشاريع الكويت القابضة Kuwait Projects Company (Holding)	1.5	1.7	4.0	4.5	34	1	59	1,159
 بنك بروتلان BURGAN BANK	0.8	0.7	11.2	6.1	86	4	73	1,919
 شركة الخليج المتحد القابضة United Gulf Holding Company	4.8 <sup>2</sup>	4.8 <sup>2</sup>	NM	NM	21	(7)	331	1,452
 gigamon مجموعة الجومون	1.5	1.1	10.3	8.6	208	29	207	385
 شركة العقارات المتحدة United Real Estate Co	0.3	0.3	NM	NM	58	(5)	15	160

## Notes:

<sup>1</sup> P/B, P/E and market prices as of 15 Apr 2021 (Source: KAMCO Research)

<sup>2</sup> P/B has been calculated based on 31 December 2020 book value per share and current market price as on 15 Apr 2021

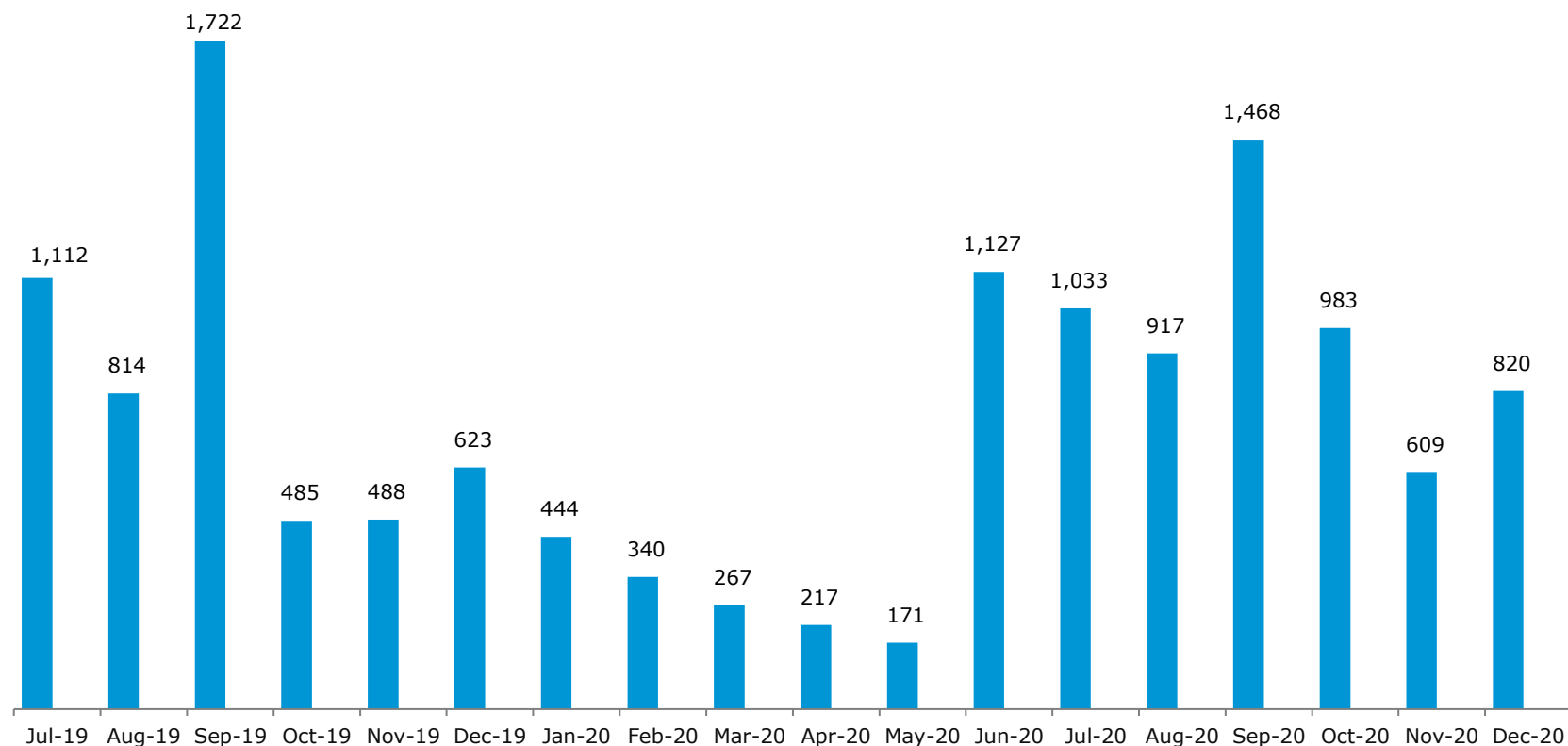
<sup>3</sup> Data in cents as on 15 Apr 2021

<sup>4</sup> For KIPCO & UREC, represents BVPS & reported EPS for year ending period ending 31 December 2020

<sup>5</sup> Market cap as of 15 Apr 2021 converted at 0.30145 (Source: Bloomberg for market price)

# KIPCO: Average daily traded value

Avg. Daily traded value (USD'000)



***KIPCO's stock has maintained an average daily traded value of USD0.7mn in the last 12 months***

Source: Bloomberg; exchange rate used across the periods is as of 31 Dec, 2020 (USD/KD = 0.30325)

# KIPCO consolidated: Balance Sheet

Consolidated Balance Sheet (USDmn)	2019*	2020
Cash in hand and at banks	5,217	4,441
Treasury bills, bonds & other debt securities	1,801	1,651
Investment in associates	1,165	1,151
Investment in a media joint venture	412	-
Investment properties	2,079	2,059
Other investments	2,015	2,124
Other assets (inc. goodwill & intangibles)	21,607	22,705
<b>Total assets</b>	<b>34,296</b>	<b>34,131</b>
Due to Banks & Other FI's	4,700	4,194
Deposits from Customers	17,374	17,016
Debt	6,374	6,521
Other liabilities	2,519	3,457
Equity attributable to equity holders of the Parent Company	828	662
Perpetual capital securities	506	506
Non-controlling interest	1,994	1,776
<b>Total liabilities and shareholders equity</b>	<b>34,296</b>	<b>34,131</b>

*\*restated*

# KIPCO consolidated: Income Statement

Consolidated Income Statement (USDmn)	2019*	2020
Interest income	1,347	1,083
Investment income	113	284
Fees and commission income	215	186
Share of results of associates	76	59
Share of results of a media joint venture	(224)	(20)
Hospitality and real estate income	398	334
Other revenues	378	556
<b>Total revenues</b>	<b>2,302</b>	<b>2,482</b>
Interest Expenses	954	760
General and administrative expenses	618	568
Other expenses and provisions	636	1,115
Taxation	54	10
Loss from discontinued operations	-	-
Non-controlling interest	170	7
<b>Net profit attributable to Equity Holders of the Parent Company</b>	<b>(130)</b>	<b>22</b>
Basic Earnings Per Share, Cents (Reported)	(10.9)	0.1
Basic Earnings Per Share for continuing operations, Cents (Reported)	(10.9)	10.1

*\*restated*



## Annexure 5: About the region



# Macro perspective

## Market resilience despite uncertainties

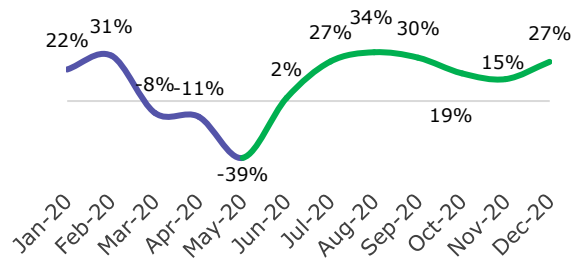
**Ongoing improvement in consumer spending**

**Persistent recovery in crude oil price**

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

### Kuwait Consumer Spending

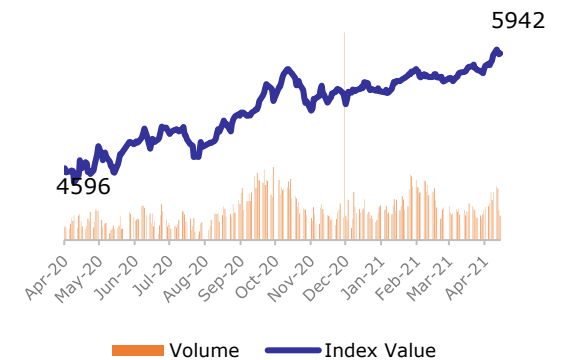
(% y/y)



### Brent Crude









### Boursa Kuwait



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

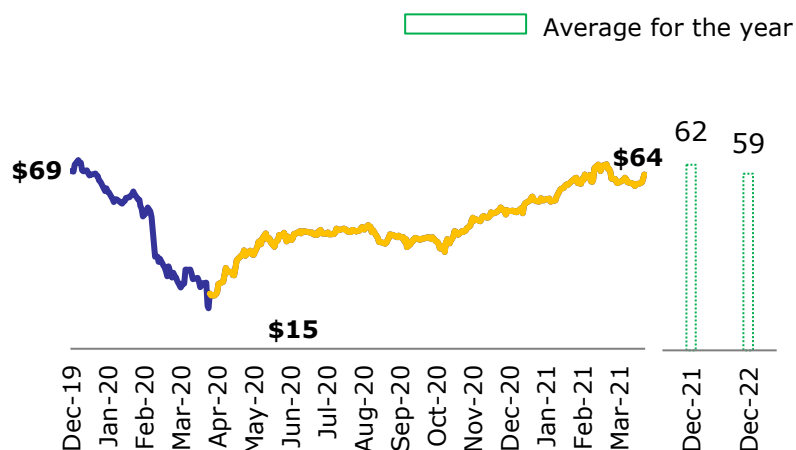
# MENA: Evolving situation as uncertainty persists

## Growth trend expected to continue as per IMF forecasts in 2021

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

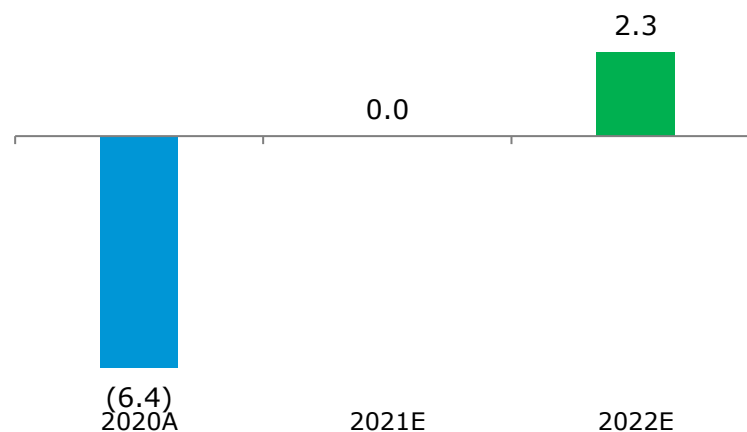
## Crude Oil Price

(In USD/barrel)



## 2021 MENA GDP Growth Forecast

(In Percentage)



Source: Bloomberg

Source: IMF, April 2021

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

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

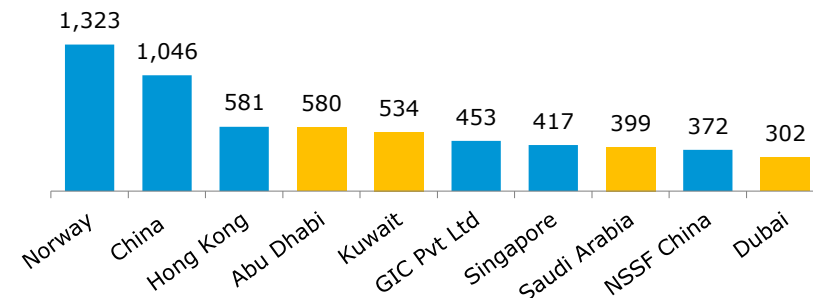
# GCC region: Strong underlying fundamentals

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

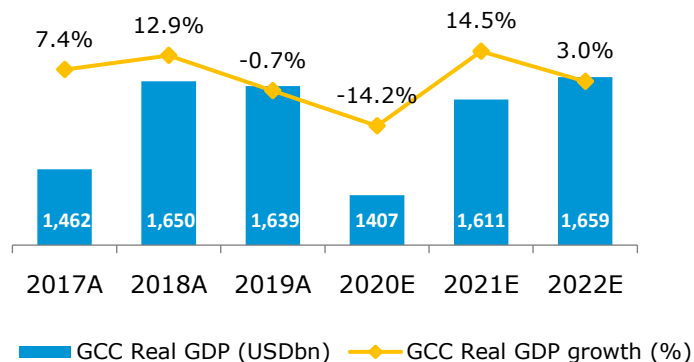
(In USD bn)



*GDP expected to rebound in 2021*

## Real GDP & GDP Growth (2017-22)

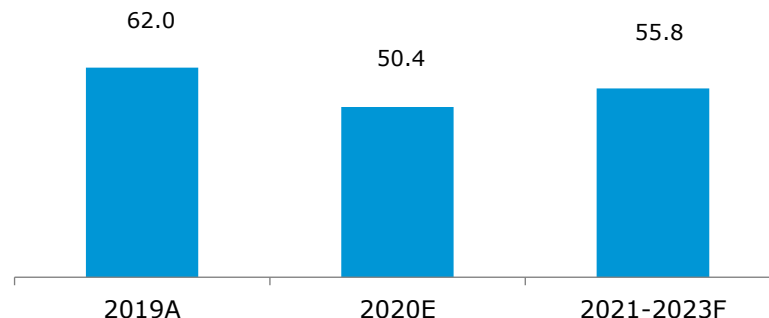
(In USD bn)



*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 revised to Negative

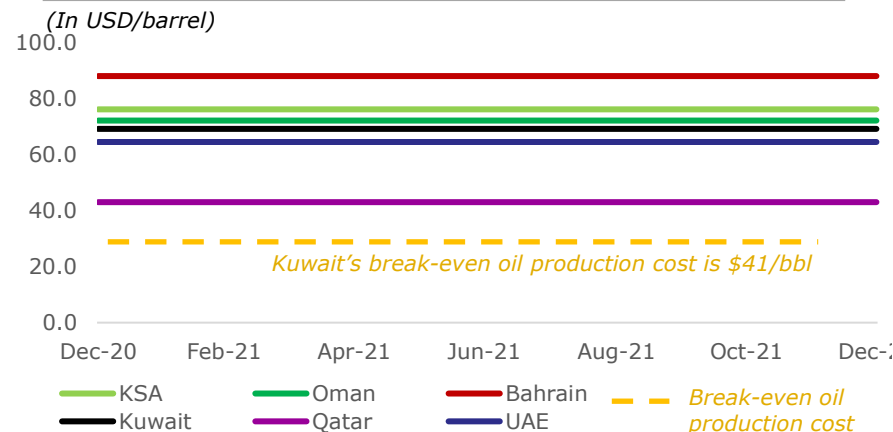
- ▶ Lower oil prices, OPEC+ oil production cuts, and COVID-19 pandemic, will negatively impact Kuwait's account balance
- ▶ Government expected to implement several short-term measures to mitigate current situation
- ▶ Kuwait's net general government asset position amounted to 440% of GDP at the end 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)

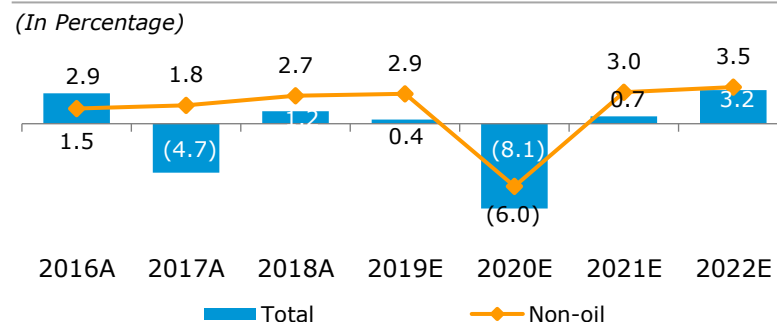
## Fiscal Break-even Oil Price



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: : Feasibility study for the project has been completed and awaits final approval from government to tender
- ▶ Cost: **USD12.9bn**

### South Al Mutlaa City

- ▶ 30,000 residential unit, schools and other facilities
- ▶ Underway: Construction completed commissioning delayed and expected to operate from June-2021. Cost: **USD 7.7bn**

### Kuwait Airport Expansion

- ▶ To increase the annual handling capacity of the airport to 20mn passengers
- ▶ Underway: Nearly 40% of the project have been completed. Kuwait CAPT has floated tender for construction and maintenance of parking lots, airport runways and service building. 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: **USD1.5bn**

### 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: **USD0.9bn**

### 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: **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 and awaits final approval from government to tender. Cost: **USD17.8bn**

### 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: : FEED 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: Maintenance contract bid submitted for USD 1bn. 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 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	2020	2019
<b>Underway*</b>	<b>39.0</b>	<b>51.1</b>
<b>Awarded</b>	<b>15.6</b>	<b>14.7</b>
<b>Bidding</b>	<b>1.7</b>	<b>2.4</b>
<b>Planning</b>	<b>47.6</b>	<b>28.8</b>
<b>Completed</b>	<b>15.3</b>	<b>15.1</b>
<b>On-hold</b>	<b>1.0</b>	<b>1.6</b>
<b>Canceled</b>	<b>1.7</b>	<b>1.0</b>
<b>Total (USD bn)</b>	<b>121.9</b>	<b>114.7</b>

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