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## Key Investment Highlights

# Our business, strategy and team



Our

## Business

- ▶ Holding company with total assets of USD33.3bn<sup>1</sup>
- ▶ 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 reported profits, 19 years of dividend payment and ~8% book value per share growth in last 15+ years<sup>2</sup>
- ▶ Listed on the Boursa Kuwait with a market capitalisation of USD1.0bn<sup>3</sup>



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 ~17 years
- ▶ Vice Chairman (Executive), Group COO and Group CFO have been with the Group for 31 years

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









<sup>1</sup> As of 30 June 2021

<sup>2</sup> Assuming no dividend was paid between 31 December 2005 and 30 June 2021

<sup>3</sup> As of 30 Aug 2021

Note: : Exchange rate of USD/KD of 0.30105 has been used in the presentation for financial numbers

# Key investment highlights

	<b>Proven Track Record</b>	<ul style="list-style-type: none"> <li>▶ 29 years of reported profits</li> <li>▶ 19 years of dividends</li> </ul>
	<b>Ruling Family Shareholders</b>	<ul style="list-style-type: none"> <li>▶ Al Futtooh Holding Co. owned by members of Kuwaiti ruling family has direct holding of 44.7%</li> <li>▶ Shareholders since 1988; has supported KIPCO in all capital raising exercises</li> </ul>
	<b>Market Leadership<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▶ Burgan Bank is #2 conventional bank in Kuwait<sup>2</sup>; OSN is the leading entertainment platform in MENA<sup>3</sup>; Gulf Insurance Group is #1 insurer in Kuwait<sup>4</sup>, Bahrain<sup>5</sup>, Jordan<sup>5</sup> &amp; Egypt<sup>6</sup> and among top 3 insurance companies in MENA region<sup>7</sup>; United Real Estate Company is #2 real estate player on Boursa Kuwait<sup>2</sup></li> </ul>
	<b>Strong Liquidity<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▶ Cash balance of USD 589mn</li> <li>▶ ~53% of the portfolio<sup>8</sup> is listed, and can be liquidated at short notice</li> </ul>
	<b>Credit Rating</b>	<ul style="list-style-type: none"> <li>▶ Ba2/Negative (Moody's), BB-/Negative (S&amp;P)</li> <li>▶ Burgan Bank and Gulf Insurance Group have strong investment grade ratings</li> </ul>
	<b>Diversified Portfolio</b>	<ul style="list-style-type: none"> <li>▶ Benefit from growth and economic diversification in Kuwait and the broader MENA region</li> <li>▶ Portfolio spans across high growth economies and promising sectors</li> </ul>
	<b>Financial Discipline</b>	<ul style="list-style-type: none"> <li>▶ Conservative financial policy of maintaining strong cash position at parent level</li> <li>▶ Average debt maturity of 3.7 years<sup>1</sup></li> </ul>
	<b>"Best in Class" Transparency</b>	<ul style="list-style-type: none"> <li>▶ First company in the GCC to host annual investor forum with earnings guidance since 2004</li> <li>▶ "Best in Class" investor relations with up-to-date disclosure</li> </ul>

<sup>1</sup>As of 30 June 2021

<sup>5</sup> By GPW

<sup>2</sup>By assets

<sup>6</sup> By technical profit among private sector players

<sup>3</sup>By revenue and countries of operations

<sup>8</sup>Comprises listed principal companies and listed investments as of 30 June 2021

<sup>4</sup> By Gross premium written (GPW) and Direct

<sup>7</sup>Post full consolidation of AXA Gulf's operations



## 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	Insurance	Media	Real Estate	AMIB <sup>2</sup>	Industrial	Others	Revenue (2020) <sup>1</sup>
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 (H1'21)	43%	21%	11%	15%	6%	2%	3%	
Assets (H1'21)	71%	7%	4%	7%	7%	2%	2%	

**High growth economies and promising sectors**

Note: 1. As per total revenue of USD3.2bn in 2020, revenue of USD 1.7bn in H1'21 and total assets of USD39.5bn as on June 30, 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**







<sup>1</sup> In terms of assets  
sector players

<sup>2</sup> By Gross premium written (GPW) and Direct premiums  
<sup>5</sup> Post full consolidation of AXA's Gulf operations

<sup>3</sup> By GPW

<sup>4</sup> By technical profit among private

# Controlling or majority stakes

	 بنك بروٲان BURGAN BANK	 gig شركة القمارات المتحدة KIPCO	 osn	 UGH	 KAMCO INVEST	 شركة القمارات المتحدة United Real Estate Co
<b>Group Effective Stakes<sup>1</sup></b>	62.9%	45.6%	70.1%	93.3%	57.8% <sup>3</sup>	73.9%
<b>Board Representation</b>	8 of 11	4 of 10 <sup>4</sup>	3 of 8 <sup>5</sup>	5 of 8	4 of 5	5 of 7
<b>Market Cap (USDmn)<sup>2</sup></b>	2,104	575	Unlisted	1,456	147	239
<b>Credit Ratings</b>	S&P: BBB+/A2 Moody's: Baa1/ P2 Fitch: A+	S&P: A- Moody's: A3 AM Best: A	Unrated	CI: BBB (UGB)	CI: BBB	CI: BBB
	<b>Commercial Banking</b>	<b>Insurance</b>	<b>Media</b>	<b>Asset Management &amp; Investment Banking (AMIB)</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 30 June 2021

<sup>2</sup> Market capitalisation as of 30 Aug 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 8 board members – KIPCO nominees occupy 3 director positions, 2 are currently nominated by Mawarid and 3 are independent directors

CI = Capital Intelligence

# Supportive shareholder with ruling family links

## Kuwaiti ruling family support

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

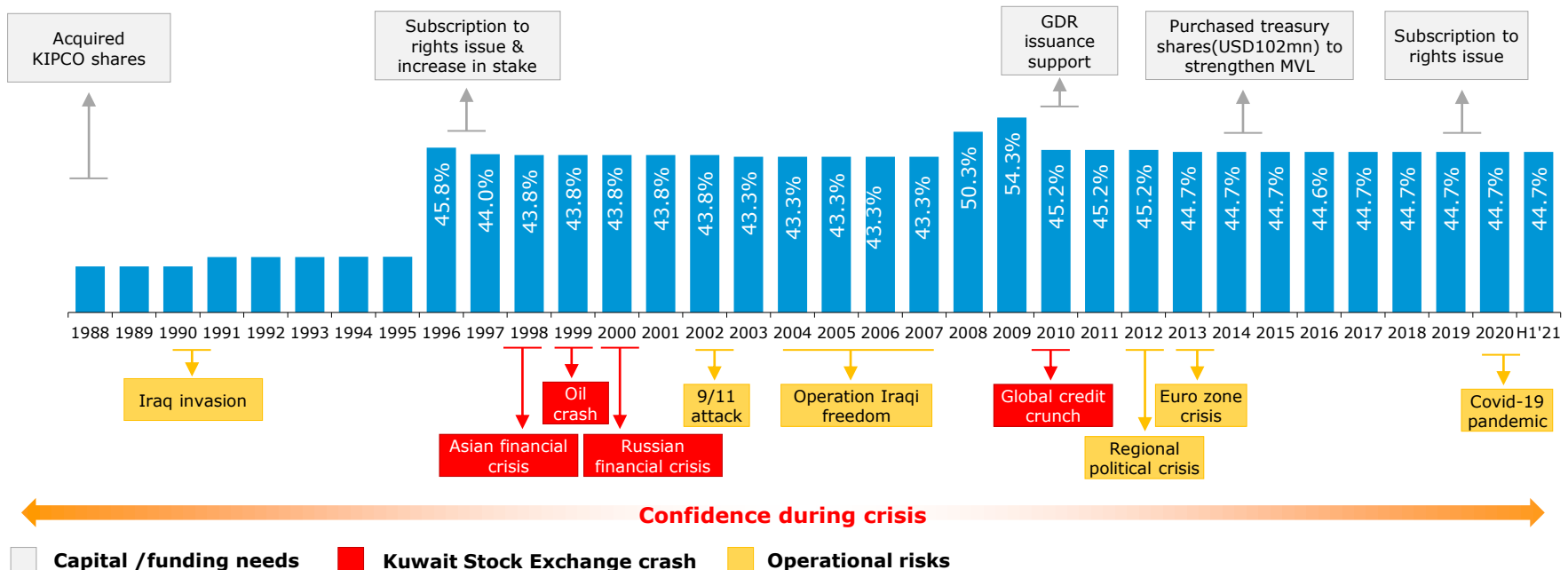
Direct holding of 44.7% in KIPCO; Shareholder of KIPCO since 1988

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

**KIPCO has announced USD266mn rights issue, expected to be completed during Q4 2021**

## AFH's continuing support to KIPCO











## Key developments & performance update

# MENA: Towards sustainable growth

Continuous recovery expected as per IMF forecasts in 2021

Indicators	Real GDP growth (%) <sup>4</sup>	CAB* (USDbn) <sup>1</sup>	Oil prices <sup>3</sup> (USD/bbl)
2020A	(3.0%)	(95.9)	41**
2021P <sup>2</sup>	4.1%	28.4	68
2022P <sup>2</sup>	3.7%	19.4	66
2021P vs 2020E	7.1% 	+124.3 	65% 
2022P vs 2021P	(0.4%) 	(9.0) 	(2%) 

**Strong policy responses and a better-than-expected external backdrop are supporting the recovery in the region, though uncertainty persists**

Source: Bloomberg

<sup>1</sup> Source: WEP, IMF Forecast 2021 <sup>2</sup>Excluding Lebanon <sup>3</sup> Source: Bloomberg <sup>4</sup>\*CAB:- Current account balance  
 \*\* Average for 2020 from Bloomberg <sup>4</sup>Source: IMF, July 2021



Improved Y-o-Y



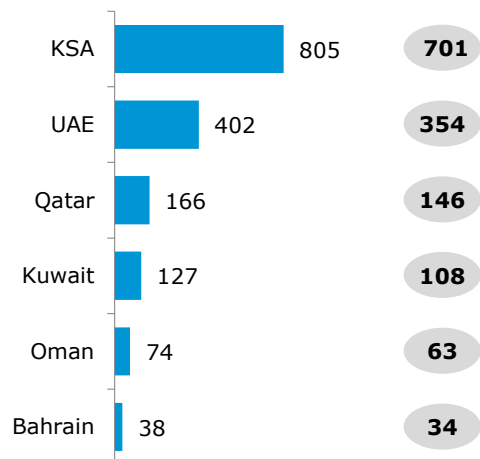
Weakened Y-o-Y

# GCC region: Strong underlying fundamentals

## Nominal GDP

(USD Bn, 2021E)

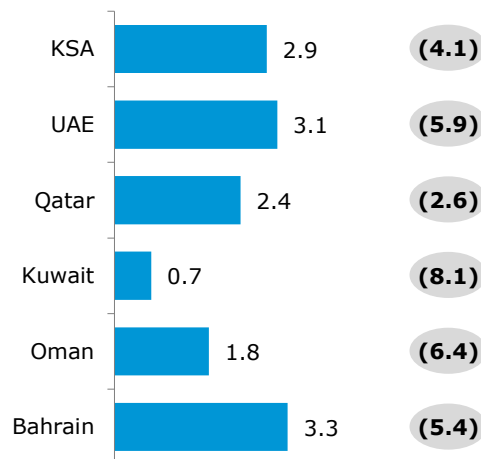
2020E



## Real GDP Growth

(% yoy, 2021E)

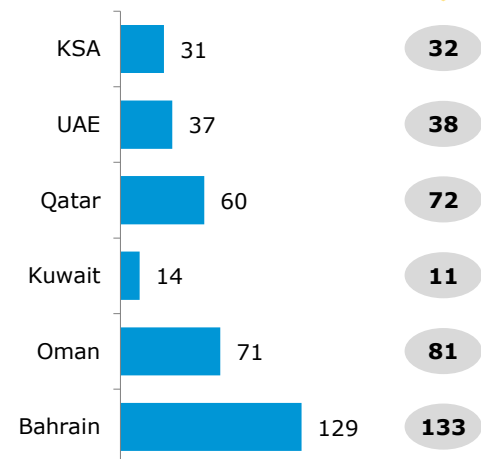
2020E



## Gross Debt

(%GDP, 2021E)

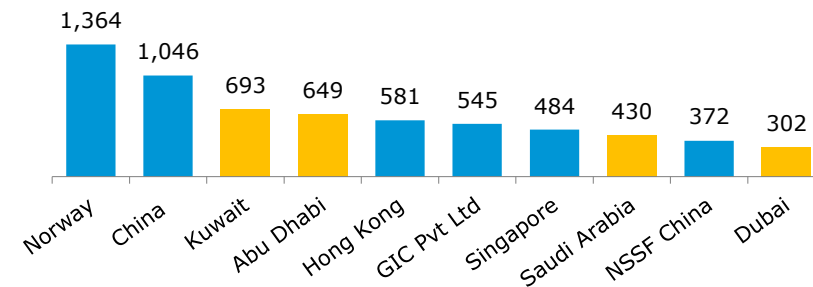
2020e



**After a difficult 2020, region is on its way to recovery on the back of strong fundamentals supported by *huge sovereign funds***

## Global Top 10 Sovereign Wealth Funds

(In USD bn)



**GCC based SWF constitutes of 32% of the Global Top 10 SWFs**




Source: IMF-WEO Database, April 2021, CIA, S&P Global

# Burgan Bank Group (BBG)

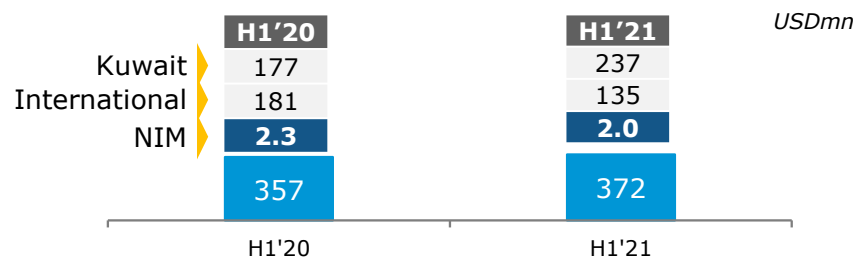
## Business highlights

- ▶ Kuwait based commercial bank with regional presence in seven countries
- ▶ 2<sup>nd</sup> largest conventional bank in Kuwait in terms of assets (USD23.1bn<sup>1</sup>)
- ▶ BBB+ rating from S&P and Baa1 from Moody's, A+ from Capital Intelligence and A+ from Fitch
- ▶ Basel III capital adequacy ratio of 16.5%<sup>1</sup>
- ▶ Listed on Boursa Kuwait with a market cap of USD2.1bn<sup>3</sup>

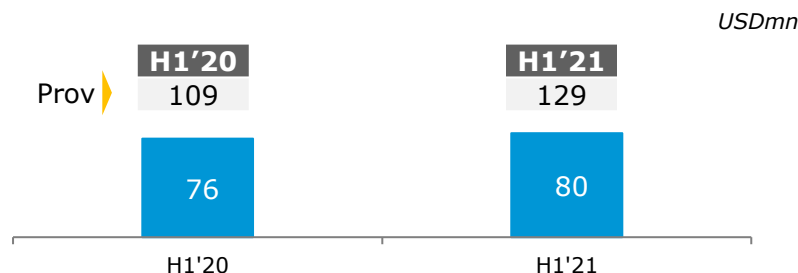
## Key Franchises

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%	17,766	199
 BURGAN BANK Turkey	Niche player in corporate banking	100%	3,319	69
 بنك الخليج الجزائر Gulf Bank Algeria	#3 private sector bank in Algeria	86%	2,221	58
 بنك تونس الدولي Tunis International Bank	Leading offshore bank in Tunisia	87%	508	8

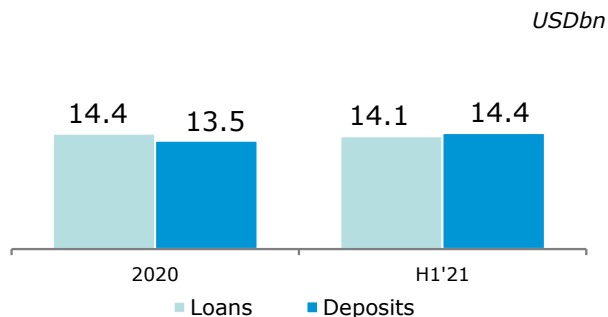
## Operating Income



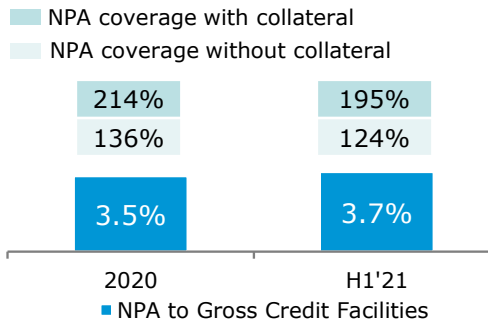
## Net Profit & Provision



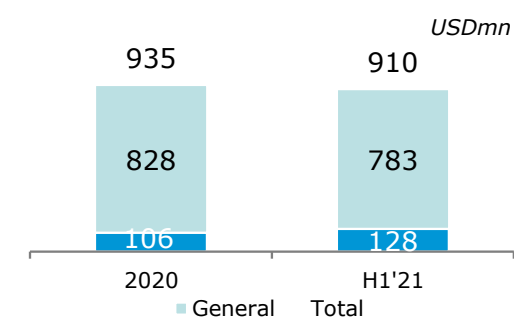
## Loans & Deposits



## Loan Quality



## Total Provisions



<sup>1</sup>As on 30 June 2021

<sup>2</sup>Operating income defined as revenue for H1'2021

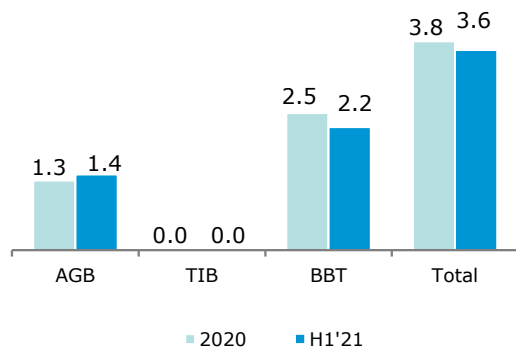
<sup>3</sup>As of 30 August 2021



# BBG: Regional operations

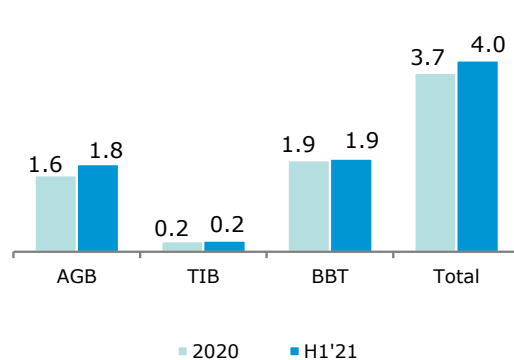
## Loans<sup>^</sup>

USDbn



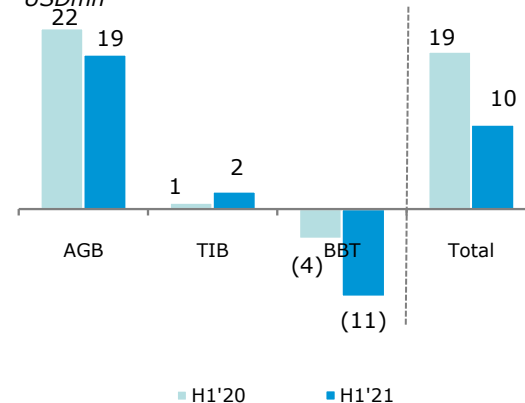
## Deposits<sup>^</sup>

USDbn



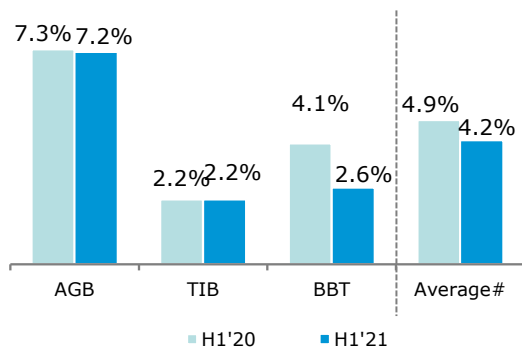
## Net Profit/ (loss)

USDmn



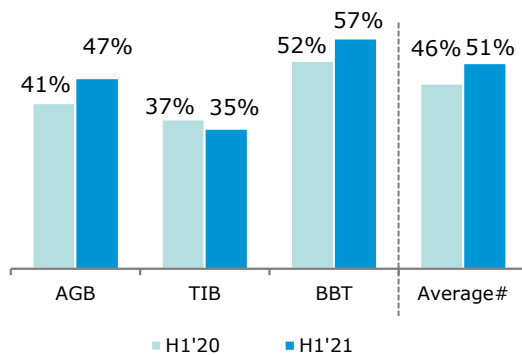
## Net Interest Margin

Percentage



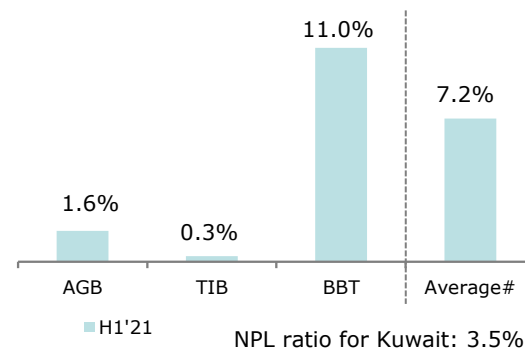
## Cost to Income

Percentage



## Non-Performing Loans\*

Percentage



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

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

\*NPL ratio is as per CBK computation

# Gulf Insurance Group (GIG)

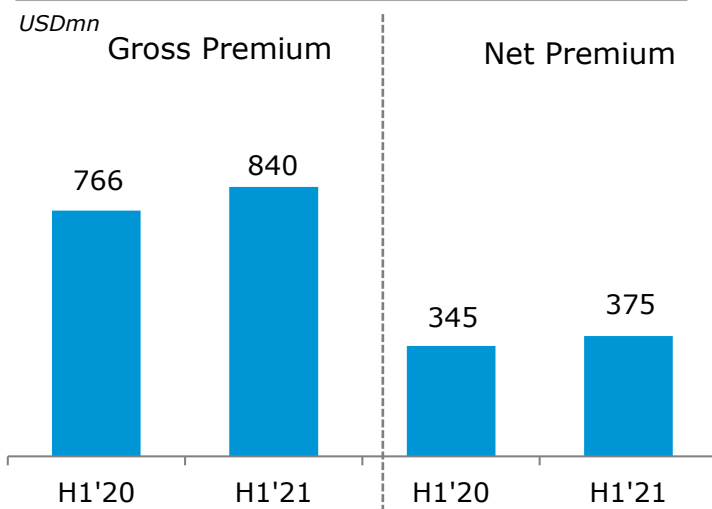
## Business highlights

- ▶ 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
- ▶ GIG has successfully completed the acquisition of AXA's Gulf operations which takes it among top three insurance companies in the MENA region

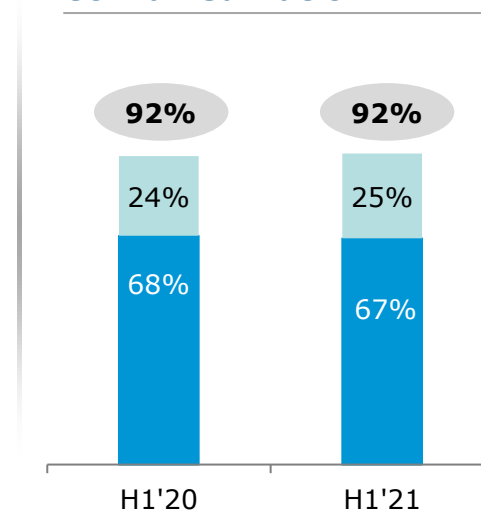
## Key Franchises

Name	Market Position	Effective Stake	Assets <sup>1</sup> USDmn	Revenue <sup>2</sup> USDmn
Gulf Insurance & Reinsurance Company	#1 by GPW in Kuwait	100%	1,093	170
Bahrain Kuwait Insurance	#1 by GPW in Bahrain	56%	520	53
Arab Orient Insurance	#1 by GPW in Jordan	90%	219	44
Arab Misr Insurance	#1 by technical profits in Egypt	99%	183	28
Gulf Sigorta	Niche player in Turkey	99%	195	23
Egyptian Life Takaful Co.	Niche player in Egypt	61%	111	16

## Gross and Net Premium written

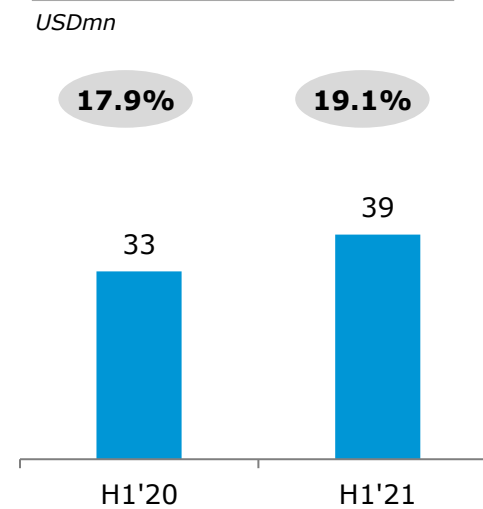


## Combined Ratio



■ Loss Ratio ■ Expense Ratio  
● Combined Ratio

## Net Profit & ROE



● Return on Equity

<sup>1</sup>As on 30 June 2021

<sup>2</sup> For six months ended 30 June 2021

# OSN: Business overview

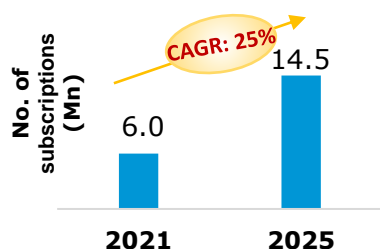
## Overview

- ▶ Largest general entertainment platform 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 72 channels including 46 HD channels, 22 owned and operated channels in linear TV and more than 15,000 hours of content on-demand in streaming
  - Exclusive contracts with major Hollywood studios
  - 1st pay window on Pay-tv and SVOD
  - High range of premium western, Arabic and Kids content
  - Growing portfolio of OSN original productions
- ▶ Content rights in 27 countries in MENA; 7 core markets
- ▶ Packages from \$10 to \$50+ p.m., for all income segments
- ▶ ~660 people, has 21 retail locations and network of 71 partners

## Strategy / Recent developments

- ▶ Push growth by a connected OSN
- ▶ Streaming to be key component for future growth
- ▶ Traditional OSN TV migrating to on-demand
- ▶ Best in class UI/UX supported by strong analytical capabilities for optimal customer enjoyment
- ▶ Strengthened Originals portfolio – launched nine titles since 2020 to date and two more are being launched in Sept'21
- ▶ Partner with all major telcos in the region
- ▶ Strong executive management

## Expected growth of OTT in MENA\*



\* Key Markets (KSA, UAE, KWT, QAT, EGY and Other territories)

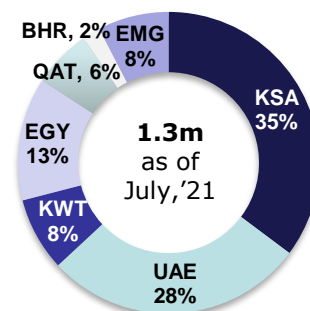
Source: Mckinsey and OMDIA

## MENA Pay TV Potential

Region	Population (Mn)	TV HHs (Mn)	Pay TV / TV HHs (%)
<b>MENA<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%

<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

## Subscribers by Country







Includes ~566K OTT subscribers

# United Gulf Holding Company (UGH)

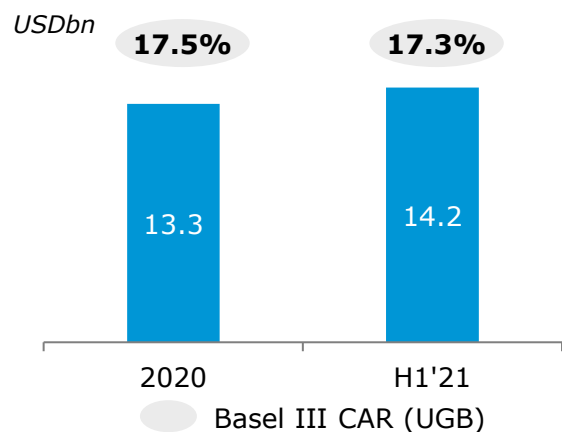
## Business highlights

- ▶ 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>

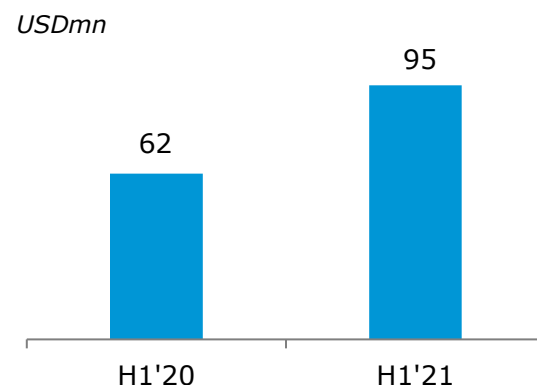
## Key Franchises

Name	Market Position	Effective stake <sup>1</sup>	Assets <sup>1</sup> USDmn	Revenue <sup>2</sup> USDmn
	#1 asset management company in Kuwait by AuM	60%	411	53
	#2 conventional bank in Kuwait by assets	15%	23,072	372
	#2 real estate company in Kuwait by assets	10%	2,030	145
	Niche trade finance player in Malta	79%	1,855	22

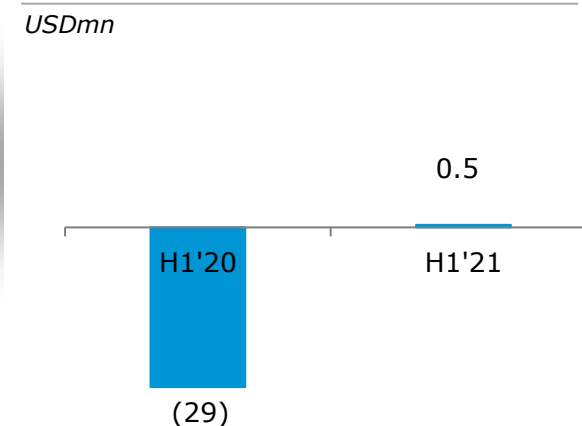
## AuM & Capitalisation



## Revenue



## Net Profit



<sup>1</sup> As of 30 June 2021

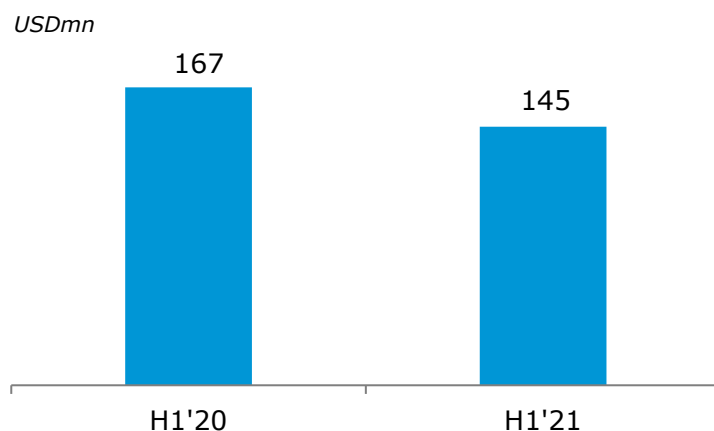
<sup>2</sup> Operating income is defined as revenue for the period ending 30 June 2021

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

## Total Revenue



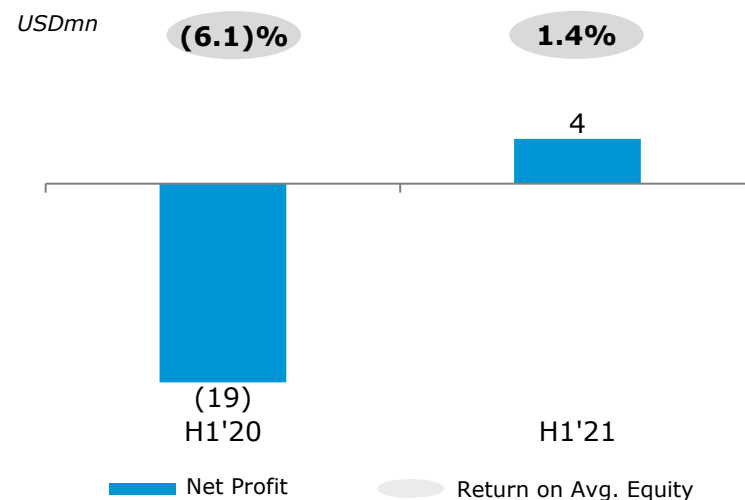
<sup>1</sup>As of 30 June 2021

Kuwait Projects Company (Holding)

## Key Franchises

Country	Name of properties	
Kuwait		KIPCO Tower, Al Shaheed Tower, City Tower, Marina World, Marina Hotel
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

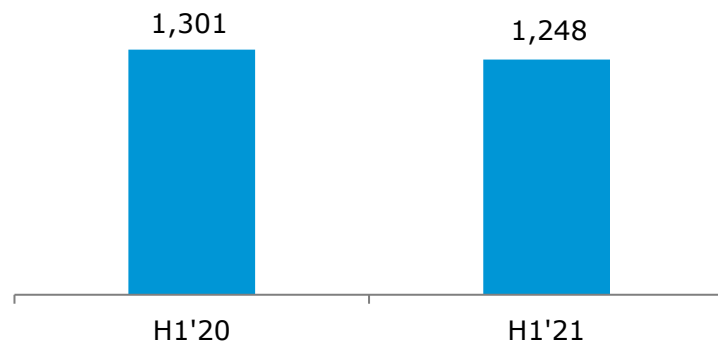
## Profit & ROE



# KIPCO consolidated: Financial performance

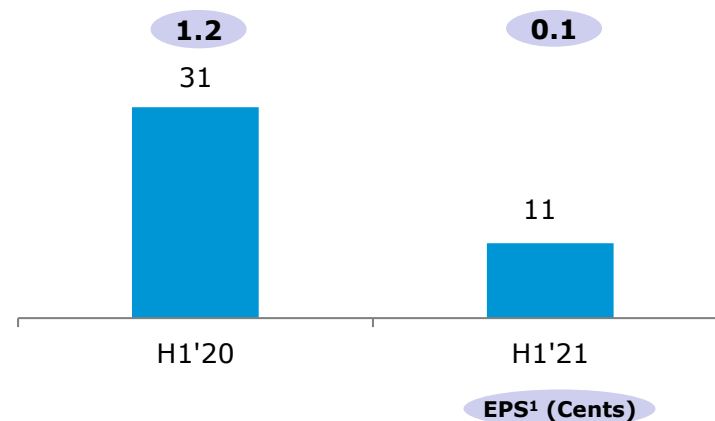
## Revenue

USDmn



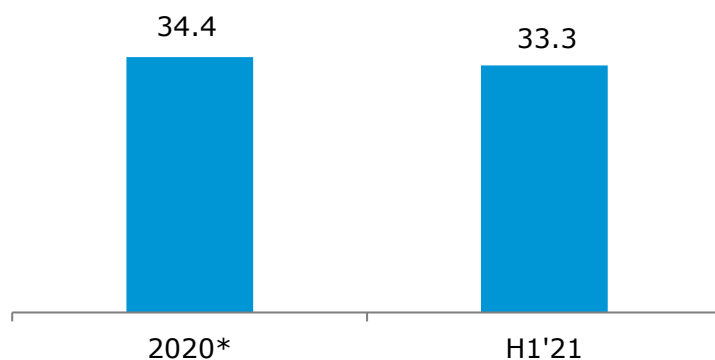
## Net Income

USDmn



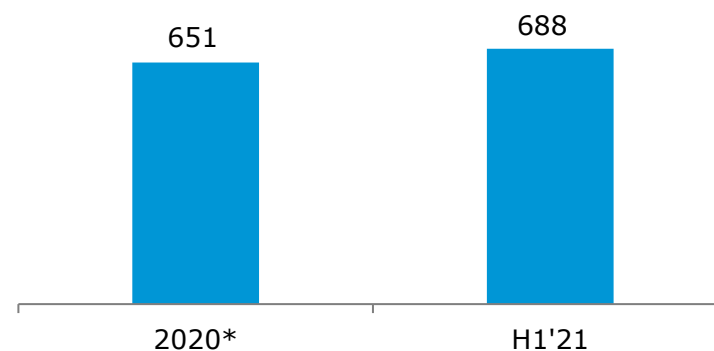
## Consolidated Assets

USDbn



## Shareholder's Equity

USDmn



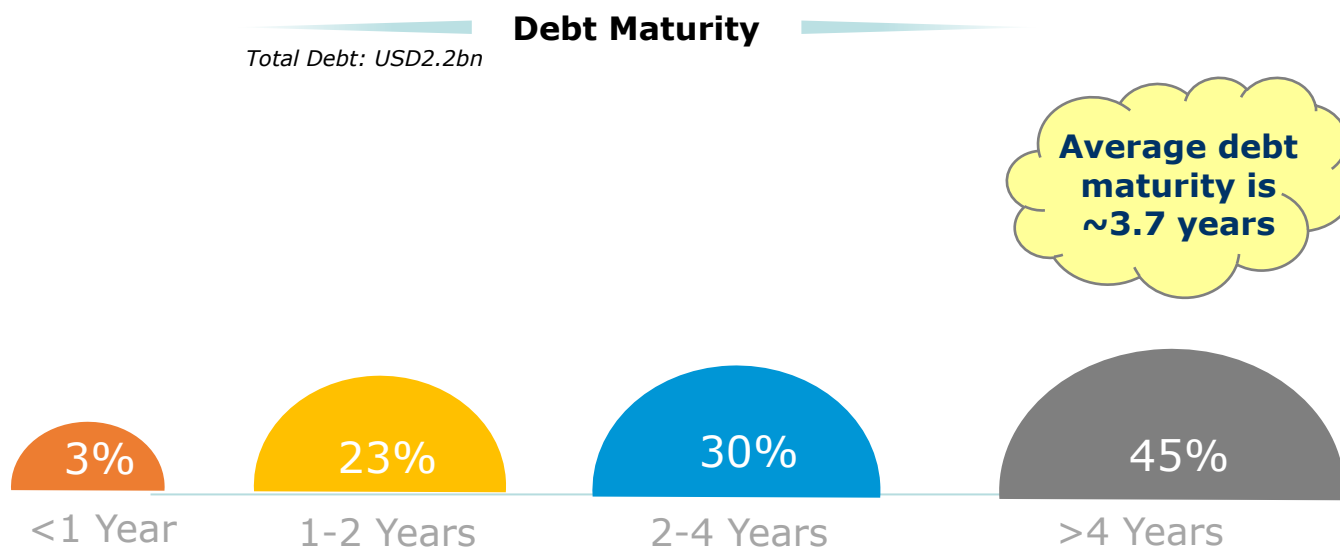
<sup>1</sup>Basic Earning per share (reported)

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

# KIPCO parent debt metrics

(USDmn)

	30 June 2021
Cash & Cash Equivalents	589
Gross Debt	2,218
Net Debt	1,628
Estimated Investment Portfolio Value	3,756
<b>Net Debt / Portfolio Value</b>	<b>43%</b>



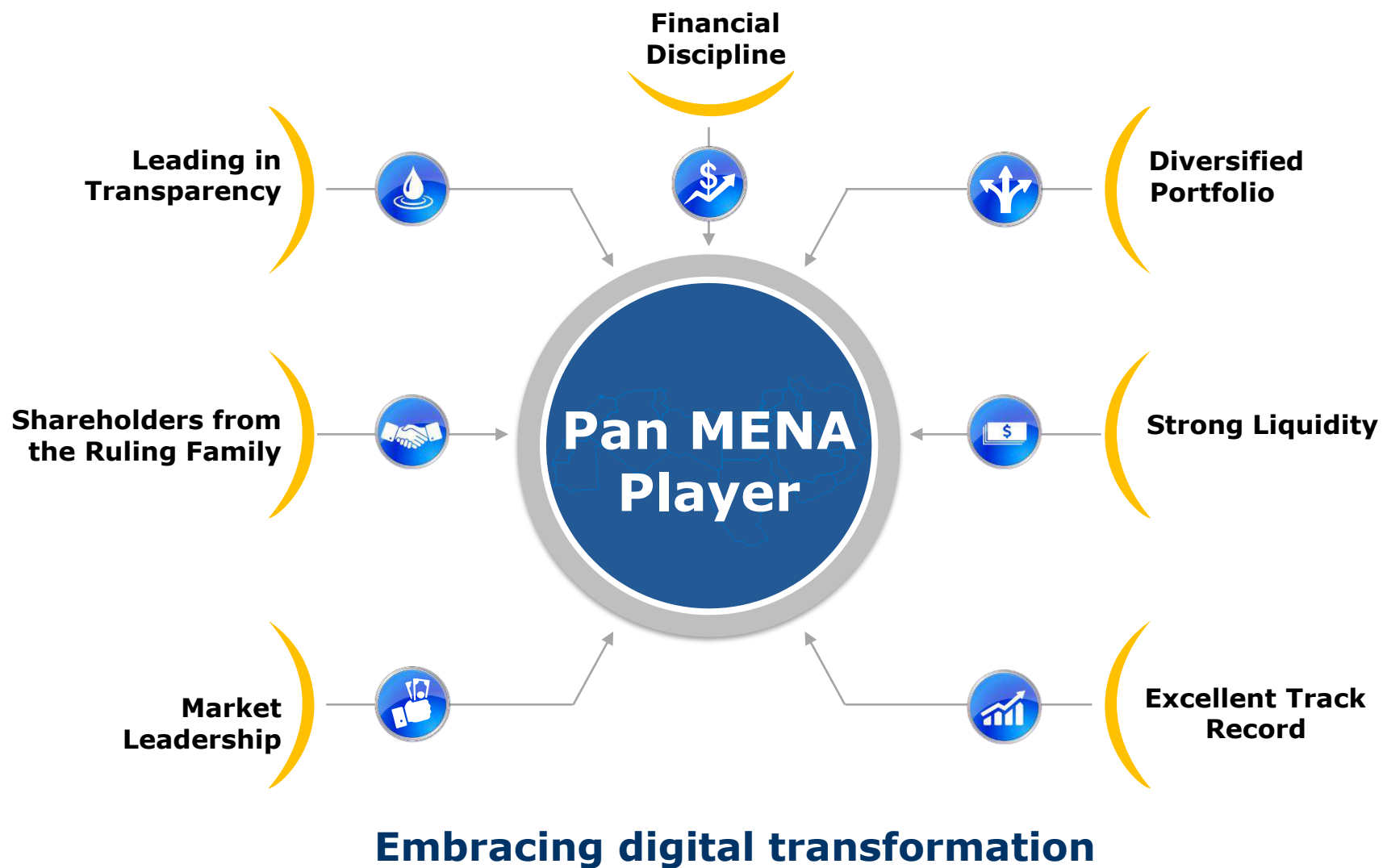
*Portfolio Value has been calculated by taking market value of listed assets, OSN at 2009 merger value of \$1.5bn and other unlisted assets at their respective carrying value*





Why KIPCO

# Key credit highlights



# Burgan Bank: Enriching digital experience



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



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

'**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



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

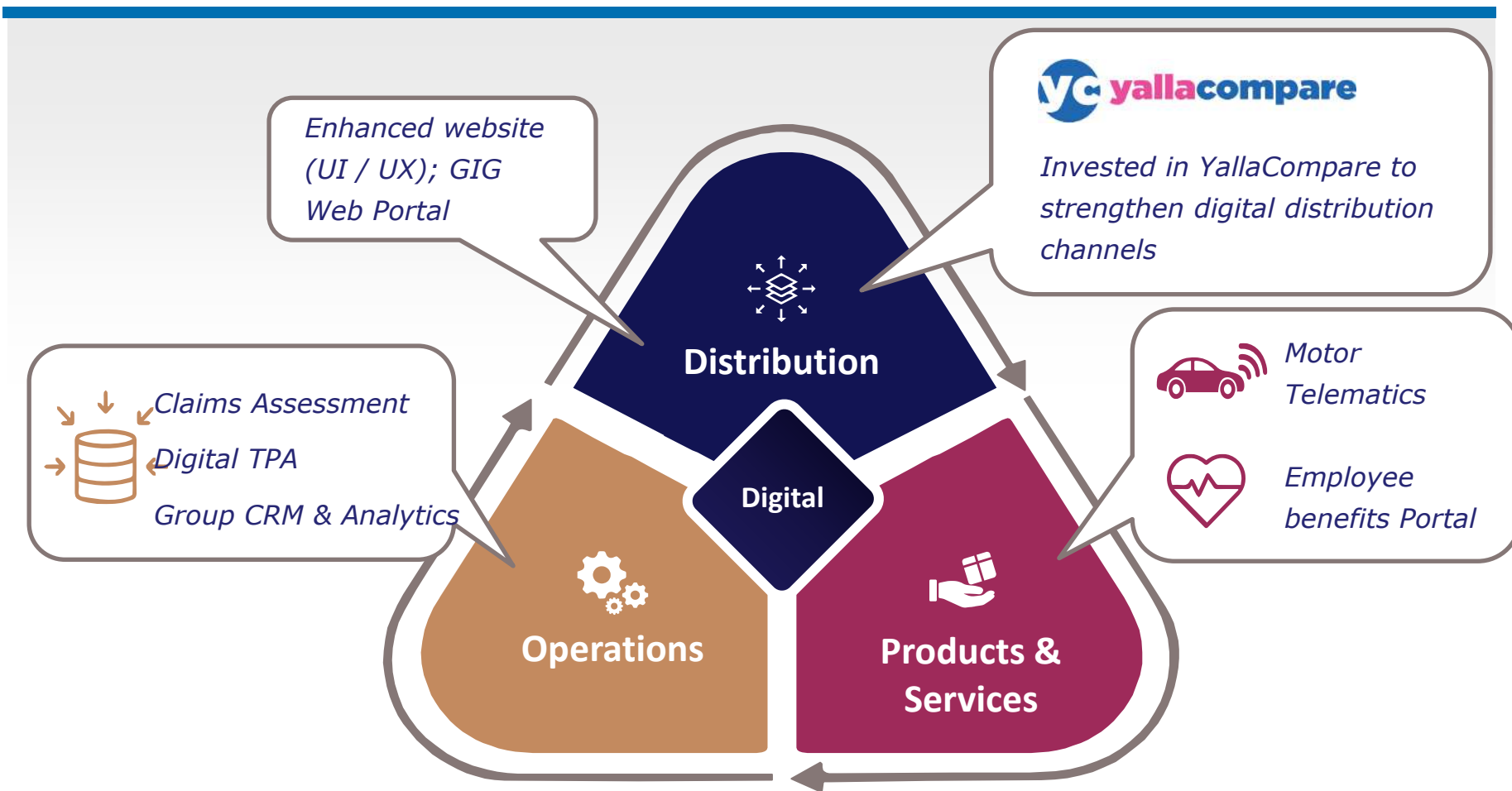


- Fast, easy & convenient
- High level of security
- Accepted anywhere on worldwide contactless POS terminals

**Burgani** – Latest HR mobile application to automate HR processes and boost employee's engagement

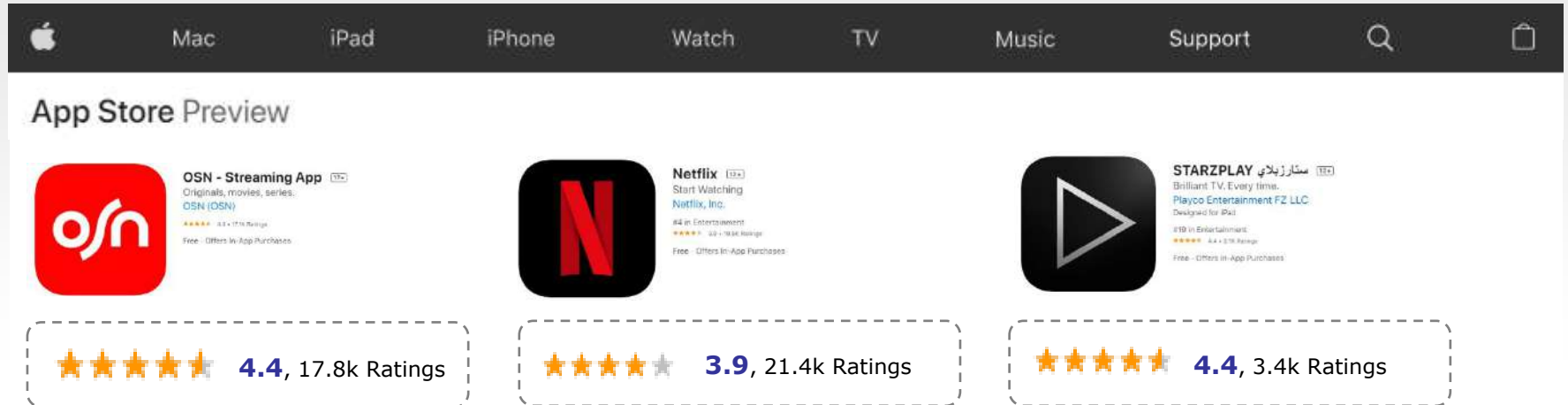
## Embarking on digital journey through seamless omnichannel

# GIG: Investing in digital products & distribution channel



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

# OSN: Streaming App rebranded



**IMDb**  
Ratings



Thank you





## Annexure 1: Other Portfolio Companies



# Qurain Petrochemicals Industries Co. (QPIC)

## Business highlights

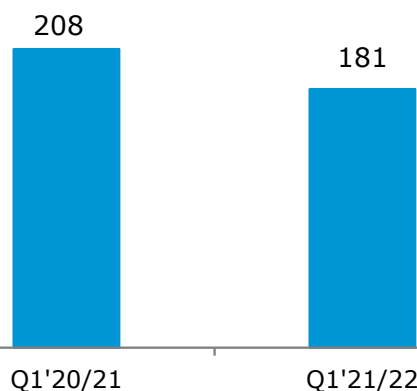
- ▶ Holding company focusing on opportunities in food, petrochemicals, oil, gas & energy related sectors
- ▶ Four petrochemical investments in Kuwait: Equate, TKOC, KPPC & TKSC
- ▶ Listed on the Boursa Kuwait, with a market cap of USD1.3bn<sup>1</sup>
- ▶ KIPCO group through UIC holds 31.8% stake<sup>2</sup>

## Key Franchises

Name	Effective Stake	Principal Activities
Equate Group (Equate+TKOC+MEG)	6.0%	Manufacturing of Polyethylene, Ethylene Glycol and PET
Kuwait Aromatics Co (KPPC+TKSC)	20.0%	Manufacturing of Paraxylene, Benzene, and Styrene
Saudi Dairy and Food Stuff Company	40.7%	Manufacturing of dairy and food stuff products
Jassim Transport & Stevedoring Company	60.0%	Leasing of equipment and stevedoring operations
National Petroleum Services Company	62.4%	Support services for drilling and repairing oil wells
UOP	52.4%	Trading of chemical products

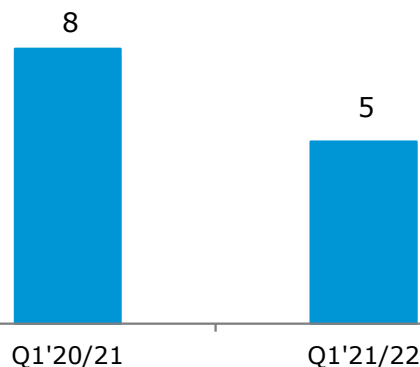
## Total Revenue

USDmn



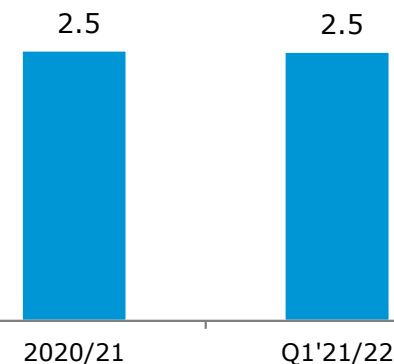
## Net Profit

USDmn



## Total Assets

USDbn



Notes: As QPIC's year end is 31st March. The above numbers are for 3 months ending 30th June 2021

<sup>1</sup> As of 30 Aug 2021    <sup>2</sup> As of 30 June 2021

# Jordan Kuwait Bank (JKB)

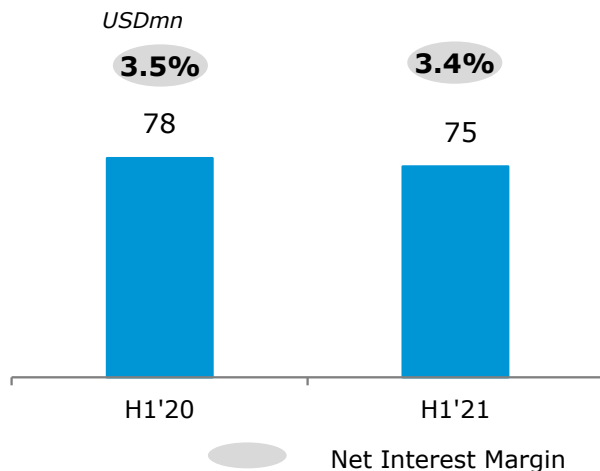
## Business highlights

- ▶ Jordan based commercial bank with operations in Jordan, Palestine and Cyprus
- ▶ Listed on Amman Stock Exchange with a market capitalization of USD288mn<sup>1</sup>
- ▶ 7<sup>th</sup> largest conventional bank in Jordan in terms of asset size of USD3.9bn<sup>2</sup>
- ▶ 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%<sup>5</sup>
- ▶ KIPCO group holds 51.2% stake<sup>2</sup>

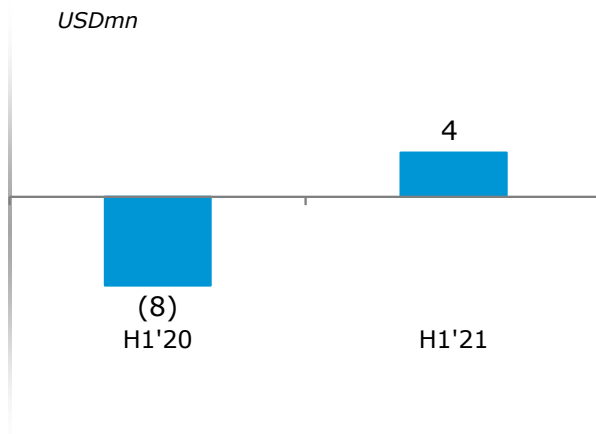
## Operational highlights



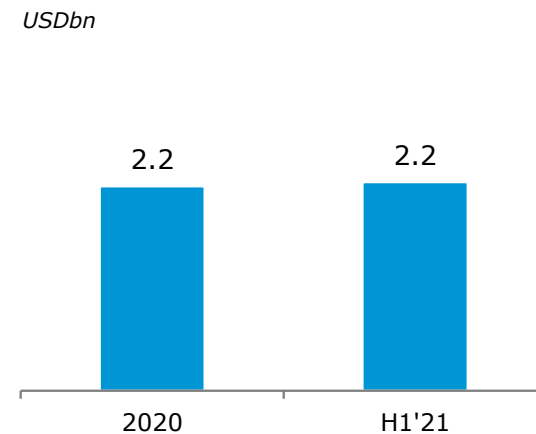
## Operating Income & NIM



## Net Profit



## Loans and Advances



Notes: Exchange rate of USD/JOD of 0.70897 as of 30 June 2021 has been used for conversion

<sup>1</sup> As of 30 Aug 2021   <sup>2</sup> As of 30 June 2021   <sup>3</sup> As of 31 December 2020   <sup>4</sup> Source: Central Bank of Jordan   <sup>5</sup> 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)



## **Pinak Maitra | Group CFO**

- ▶ Joined KIPCO in 1988
- ▶ Recipient of the MENA Private Sector CFO of the Year Award (2008)



## **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 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



## **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



## **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 - SVP**

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



## **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



## **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*	H1'21
Cash in hand and at banks	4,474	3,871
Treasury bills, bonds & other debt securities	1,663	1,774
Investment in associates	1,159	1,151
Investment properties	2,074	1,693
Other investments	2,140	2,252
Other assets (inc. goodwill & intangibles)	22,874	22,600
<b>Total assets</b>	<b>34,384</b>	<b>33,341</b>
Due to Banks & Other FI's	4,225	2,970
Deposits from Customers	17,141	17,886
Debt	6,568	6,268
Other liabilities	3,483	3,226
Equity attributable to equity holders of the Parent Company	651	688
Perpetual capital securities	509	509
Non-controlling interest	1,808	1,794
<b>Total liabilities and shareholders equity</b>	<b>34,384</b>	<b>33,341</b>

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

# KIPCO consolidated: Income statement

Consolidated Income Statement (USDmn)	H1'20*	H1'21
Interest income	553	487
Investment income	252	158
Fees and commission income	89	99
Share of results of associates	28	36
Share of results of a media joint venture	(20)	-
Media and digital satellite network services income	-	166
Hospitality and real estate income	186	152
Other revenues	107	151
<b>Total revenues</b>	<b>1,301</b>	<b>1,248</b>
Interest Expenses	427	350
General and administrative expenses	303	293
Other expenses and provisions	516	566
Taxation	17	15
Non-controlling interest	7	14
<b>Net profit/ (loss) attributable to Equity Holders of the Parent Company</b>	<b>31</b>	<b>11</b>
Basic Earnings/ (Loss) Per Share, Cents (Reported)	1.2	0.1

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





## Annexure 4: About Kuwait



# Kuwait: Gaining momentum

## Sound Demographics

~4.5Mn people<sup>1</sup>  
*Expatriates ~ 69%*

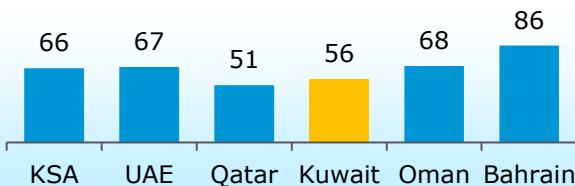
## 6th Proven oil reserve

~101BBL (~7% of global reserves) Current Capacity – 3.15Mn barrels per day

## One of the highest rated Sovereigns

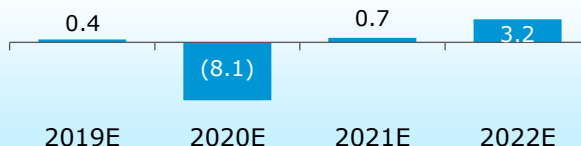
A+ / AA  
S&P/ Fitch

## Low fiscal break-even oil price (US\$ per barrel)



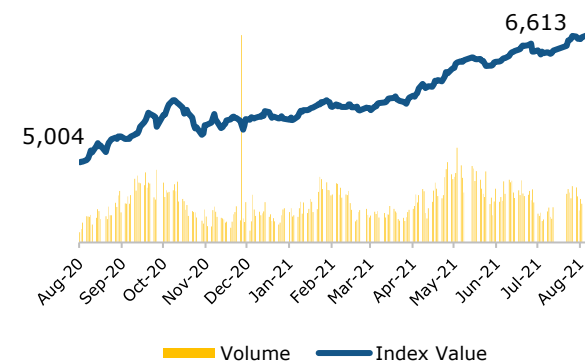
## Economy poised for a strong recovery

### GDP growth rate



**Kuwait vaccination program has already covered** over 3 million doses of the vaccine which is enough to fully cover about 35% of the population. The vaccination program will continue into 2022 to inoculate the whole population.

## Boursa Kuwait – On recovery path



Source: IMF-WEO Database, April 2021, Rating agencies

<sup>1</sup> Central Statistical Bureau, Kuwait

# 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: **USD13.0bn**

### 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. Road construction upto 52% and is scheduled to complete by Mar-2023. 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-2 landslide and P-1 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: Construction activities completes on some and commissioning is underway. JPF-4 & 5 bid submitted while JPF-6&7 have been scraped. Cost: **USD4.1bn**

### LNG Import & Regasification Terminal

- ▶ Underway: Progress at 97 %. Dredging works have been completed and undertaken while construction works are still progressing. Expected to complete by 2022. Cost: **USD2.7bn**

### Umm Al Hayman Waste Water (PPP)

- ▶ Initial treatment capacity of 500,000 cubic-m/d. Plant
- ▶ Underway: KAPP signed final agreements & financial closure has been achieved for the project. Completion by 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 obtained approval to award the 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: **USD14.0bn**

### Petrochemical Facility at Al-Zour

- ▶ Plant to be integrated with Al-Zour refinery
- ▶ Planning: : FEED<sup>1</sup> works completed. Project Engineering and Management service for 6 years contract has been awarded. 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: **USD12.3bn**

### 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. Infrastructure work complete expected completion by 2030 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	H1'21	2020
Underway*	39.1	39.2
Awarded	15.6	15.6
Bidding	1.7	1.7
Planning	47.9	47.9
Completed	15.4	15.4
Halted / On-hold	1.0	1.0
Canceled	1.7	1.7
<b>Total</b>	<b>122.4</b>	<b>122.5</b>

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