

KIPCO Q1 2023 INVESTOR CALL

May 2023

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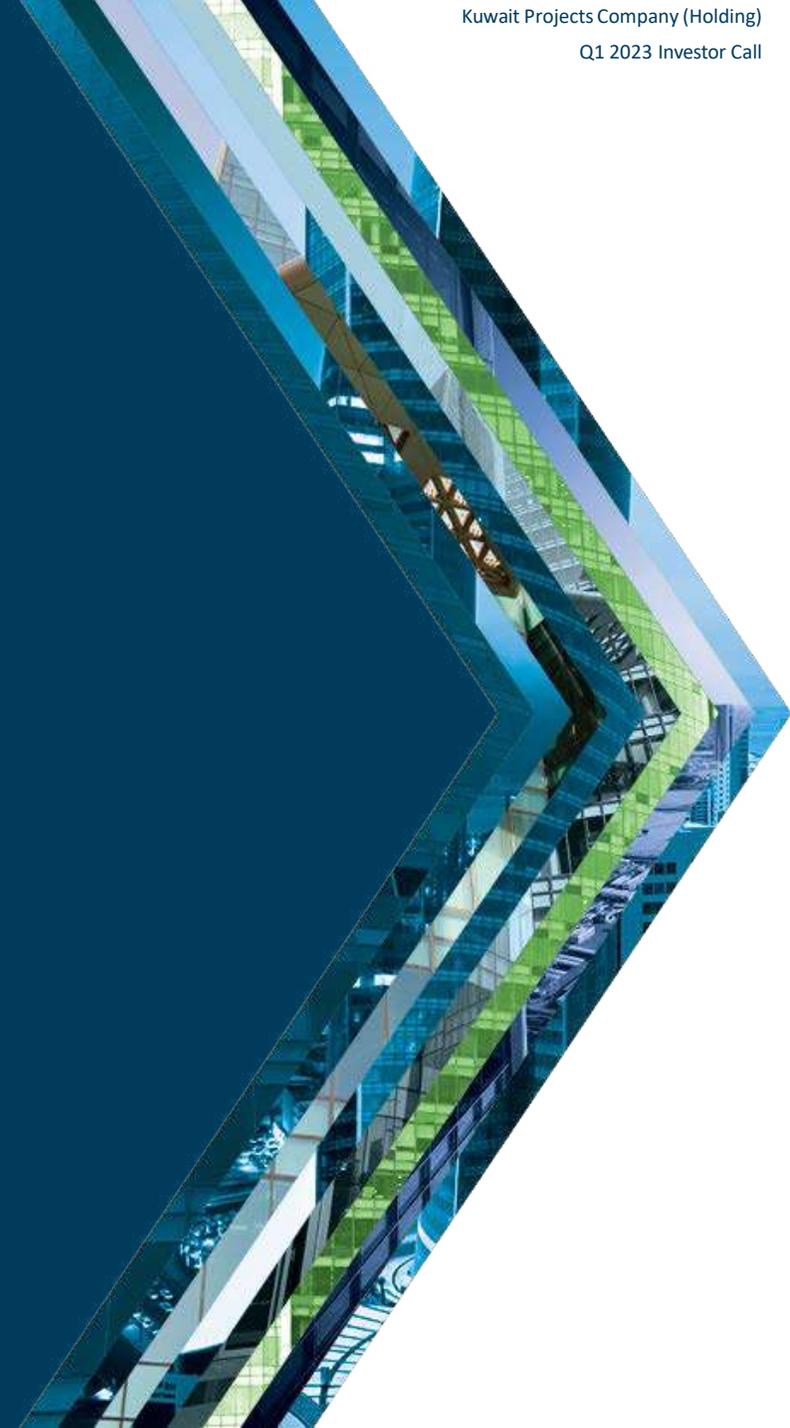
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Financial figures in this presentation have been rounded and converted to United States Dollars (US\$) using the following exchange rates:

- US\$ to Kuwaiti Dinar – (US\$/KD) 0.30655;
- US\$ to Jordanian Dinar – (US\$/JD) 0.70941; and
- US\$ to Iraqi Dinar – (US\$/ID) 1,314.6.

HIGHLIGHTS OF THE QUARTER



Recent business highlights

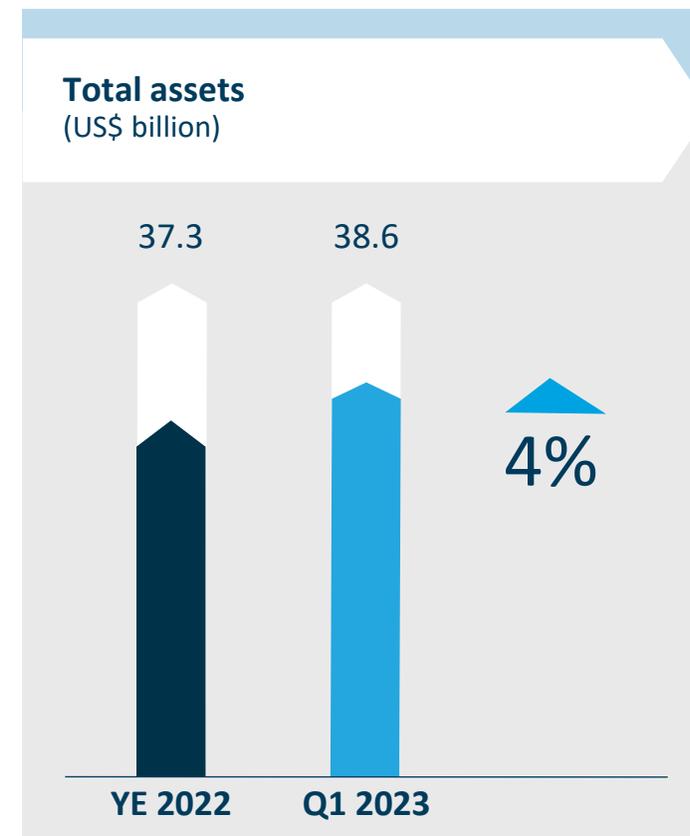
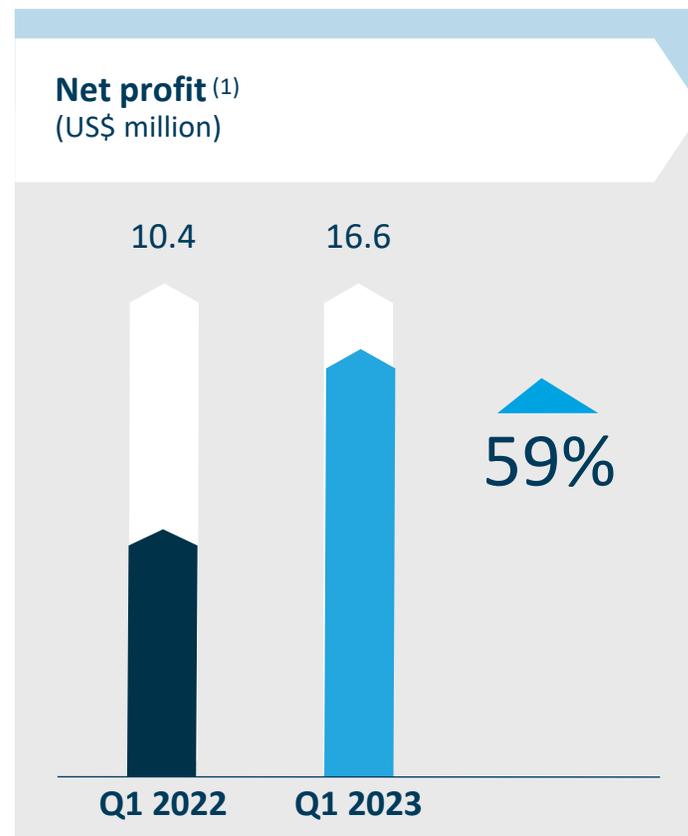
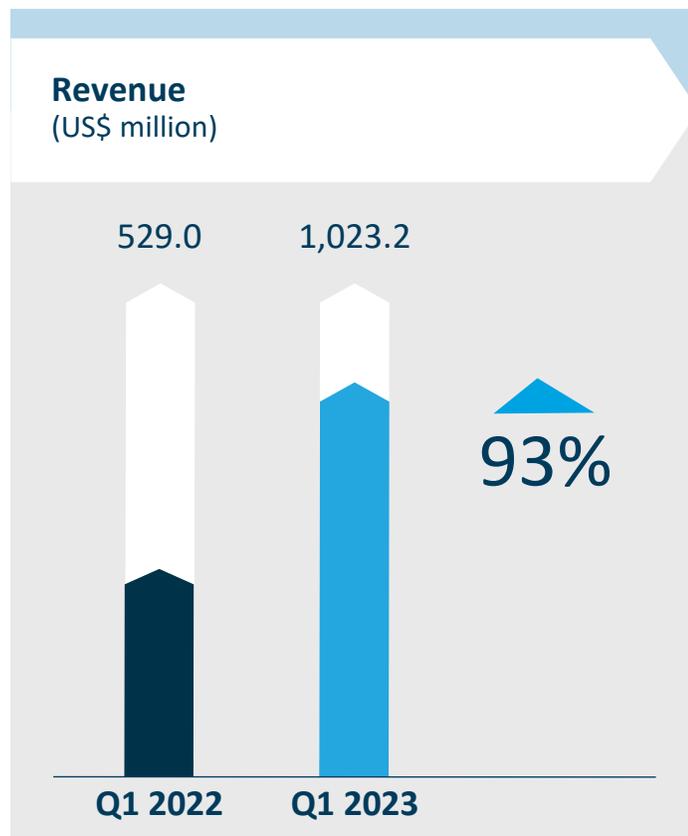
▲
59%

Net profit

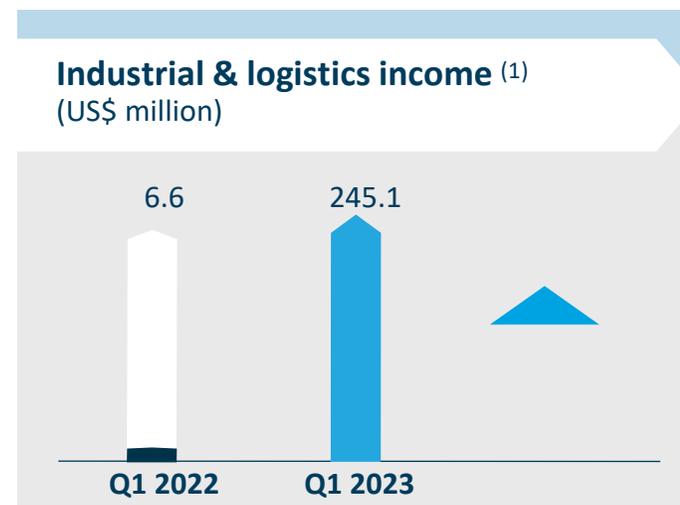
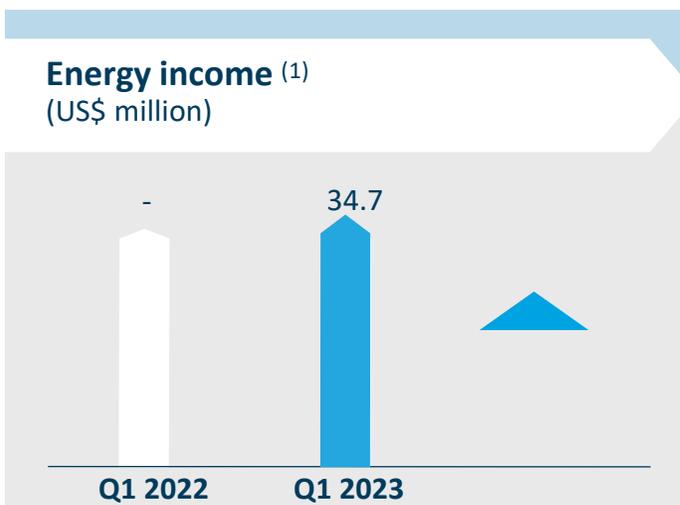
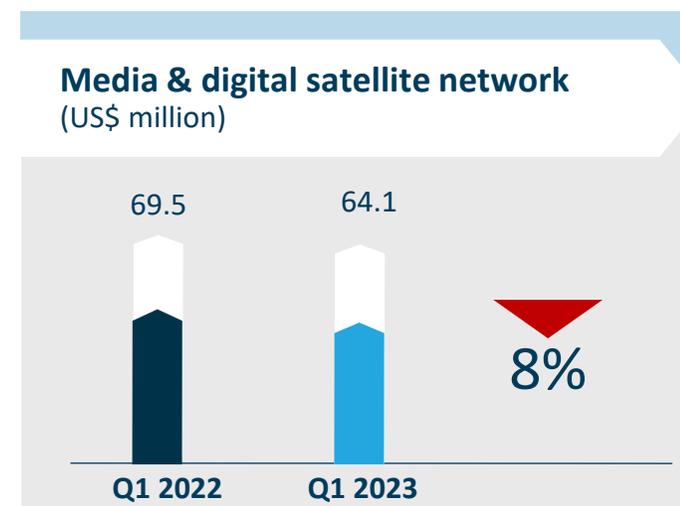
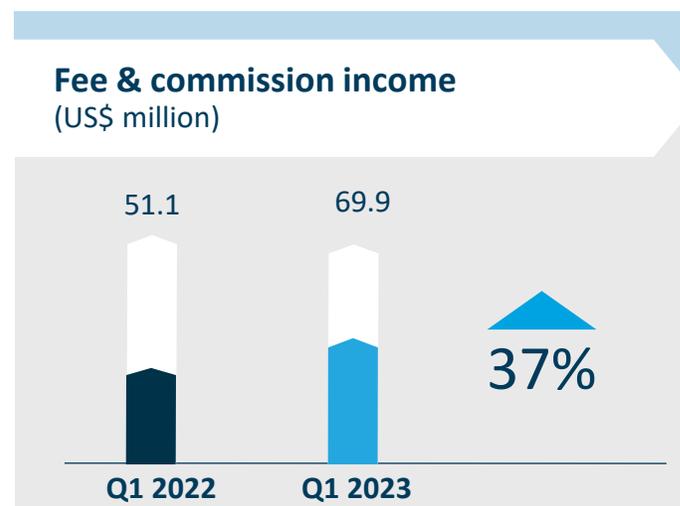
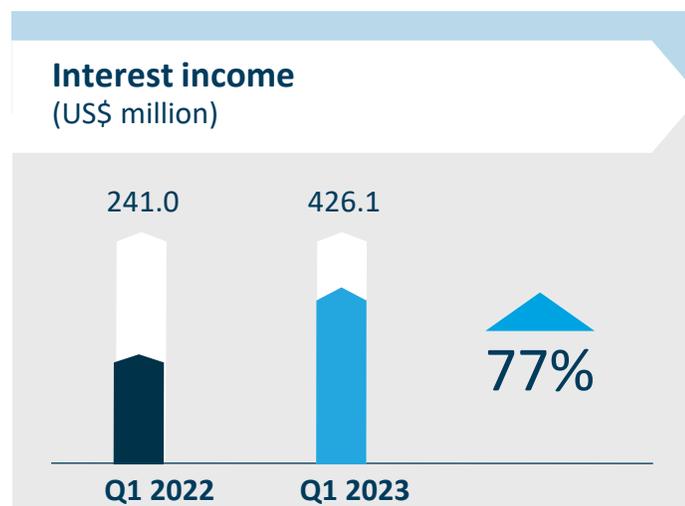


- ❖ Positive overall performance across all sectors of the Group portfolio, led by the improvement in commercial banking, energy, industrial & logistic sectors.
- ❖ Entered a binding agreement to sell its 46% stake in GIG. Exit is expected to generate ~KD 70-80m (US\$ 230-260m) in net profits.
- ❖ Signed a two-year US\$ 525m senior unsecured credit facility extendable by another year solely at KIPCO's discretion.
- ❖ Settled US\$ 500m EMTN 7-years bond maturing in March 2023.

Financial highlights



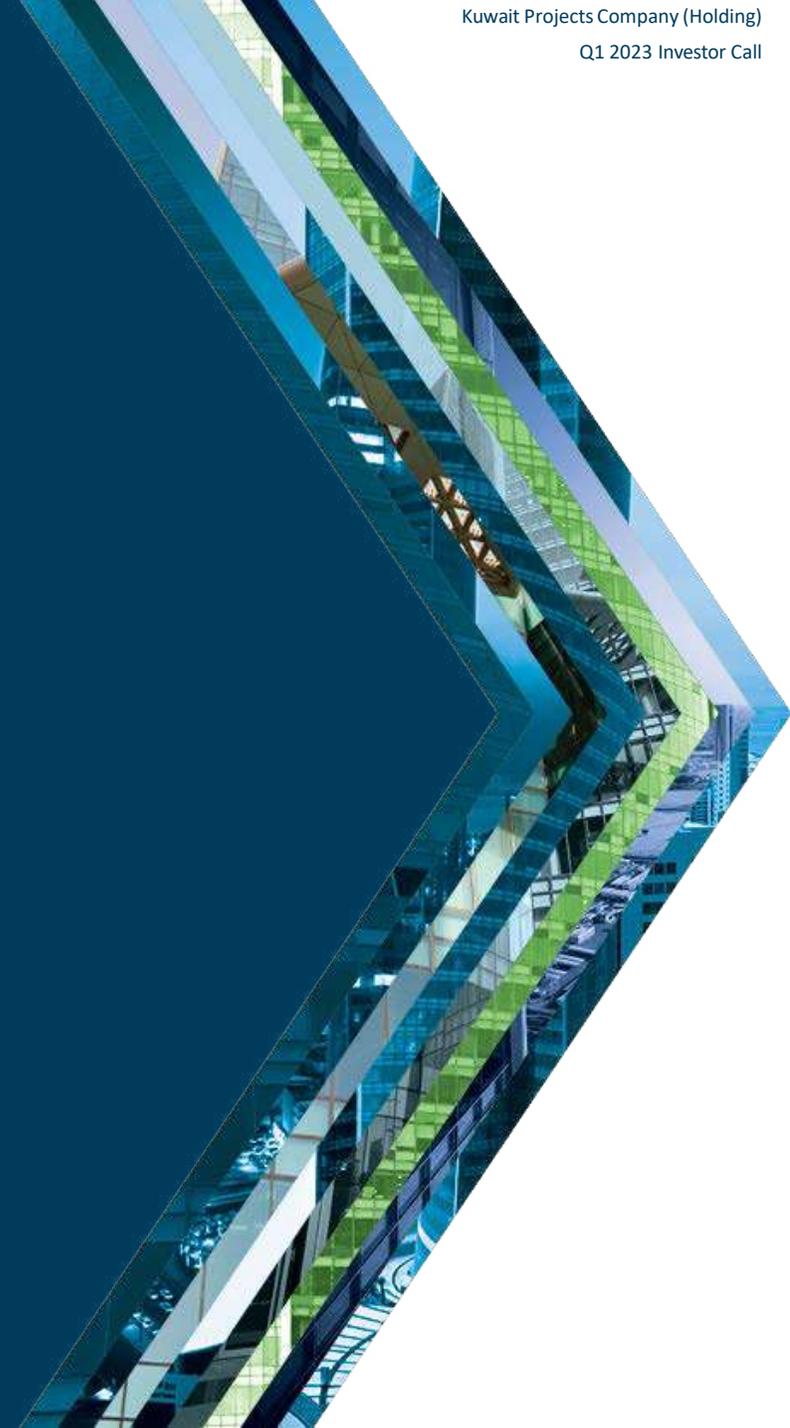
Q1 2023 income breakdown



Other income including Investment Income, Share of associates, and foreign exchange amounts to US\$ 110m for Q1 2023 vs. US\$ 97m in Q1 2022

⁽¹⁾ Include new companies that have been added to the consolidated financial statements in Q4 2022 post the merger with Qurain Petrochemical Industries Company.

PORTFOLIO FINANCIAL PERFORMANCE



Burgan Bank Group



Operating income ⁽¹⁾ (US\$ million)



Net income ⁽²⁾ (US\$ million)



Loans & deposits (US\$ billion)



Key ratios

	Q1 2022	Q1 2023
Net interest margin%	2.1%	2.1%
Cost to income%	⁽³⁾ 44.8%	52.9%
Cost of credit%	⁽³⁾ 1.1%	0.4%
Non-performing loans ratio%	2.5%	1.8%
Provisions coverage ratio%	155.4%	219.3%

- ❖ **Net profits** were negatively impacted by US\$ 21m due to the application of IAS 29 accounting standard for hyperinflation.
- ❖ **Operating income** was supported by the 8% YoY growth in interest and 9% growth in fee & commission income.
- ❖ **Operating profits** at US\$ 84m were in line with last year if we excluded BoB's share of profits.
- ❖ Successful completion of **selling 52% equity stake** in Bank of Baghdad for a total consideration of US\$ 125m, resulting in ~70bps improvement in CET1.
- ❖ Group **underlying assets at US\$ 23b** in Q1 2023 remain strong and marginally higher than end of 2022, despite the disposal of BoB.

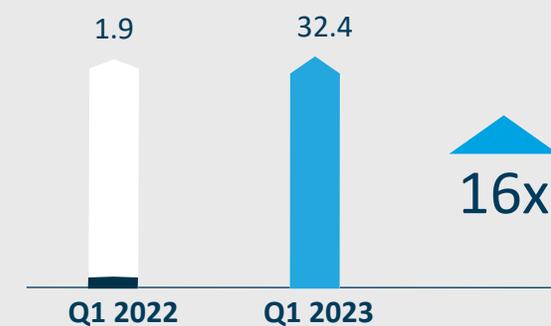
Jordan Kuwait Bank



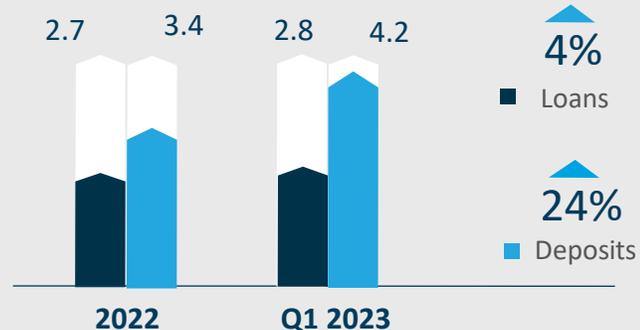
Total income (US\$ million)



Net profit ⁽¹⁾ (US\$ million)



Loans & deposits (US\$ billion)



Total assets (US\$ billion)



- ❖ **Completed acquisition** of 52% equity stake in Bank of Baghdad (BoB) for US\$ 125m during Q1 2023.
- ❖ BoB posted **solid net profits** for Q1 2023, amounting to US\$ 19m versus US\$ 7m in Q1 2022 – increased by 1.7x times.
- ❖ In April 2023, JKB issued the **first-ever green bond in Jordan**, amounting to US\$ 50m for five years.
- ❖ **Acquisition ongoing** for a 77% equity stake in UAE-Based BHM Capital Financial Services, an entity that offers brokerage, investment management, corporate advisory, and retail to its regional clients.

Gulf Insurance Group



Revenue (US\$ million)



Operating income (US\$ million)



Net investment income (US\$ million)



Net profit ⁽¹⁾ (US\$ million)



- ❖ Strong performance from the Investment Income covered and exceeded the lower performance from Insurance operations.
- ❖ Total consolidated assets grew 6% to reach US\$ 3.3b in Q1 2023 vs. US\$ 3.1b by end of 2022.
- ❖ Shareholders equity increased by 2% to reach US\$ 782m in Q1 2023 vs. US\$ 766m by end of 2022.

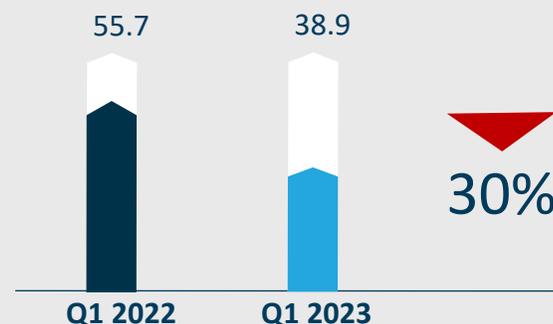
United Gulf Holding



شركة الخليج المتحد القابضة ش.م.ب.
United Gulf Holding Company B.S.C.



Revenue (US\$ million)



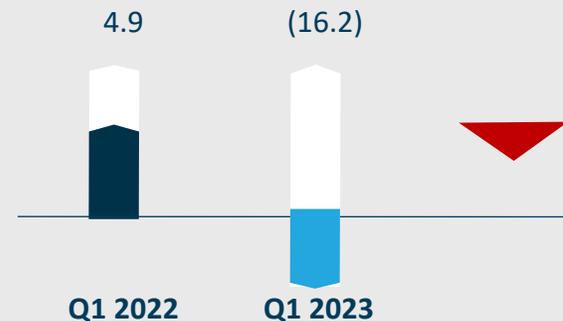
Fee & commission (US\$ million)



Assets under management (US\$ billion)



Net profit ⁽¹⁾ (US\$ million)



- ❖ UGH was severely impacted by **weaker market dynamics** resulting from negative sentiment, elevated interest rates, inflation, and concerns about a potential economic recession.
- ❖ **95% increase YoY in Interest Income** was offset by lower contributions from investment income and share of associates.
- ❖ **Kamco Invest** incurred losses of US\$ 5m for Q1 2023 versus net profits of US\$ 12m in Q1 2022

United Real Estate



Revenue (US\$ million)



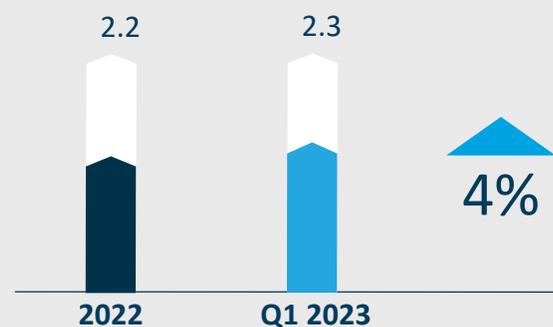
Operating income (US\$ million)



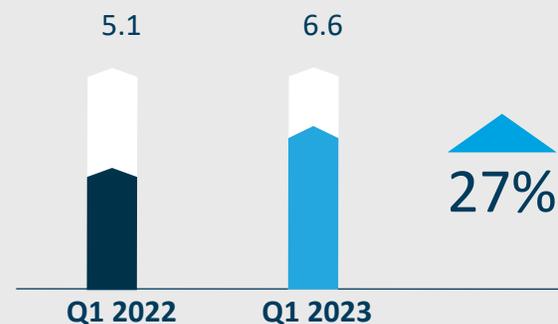
❖ Healthy Q1 performance with visible **improvements in income across all key segments** of URC;

- 51% YoY increase in rental
- 37% YoY increase in hospitality
- 11% YoY increase in contracting and services

Total assets (US\$ billion)



Net profit ⁽¹⁾ (US\$ million)



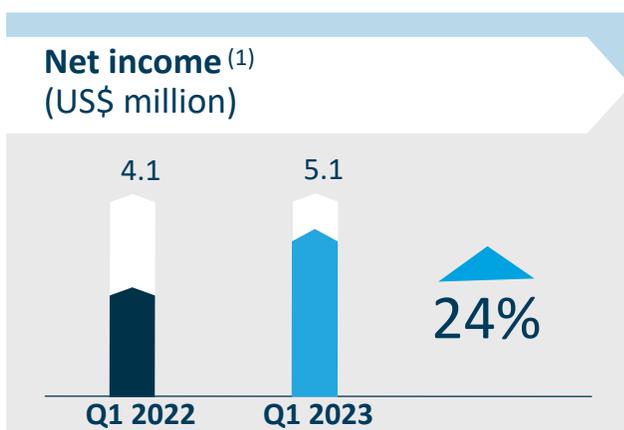
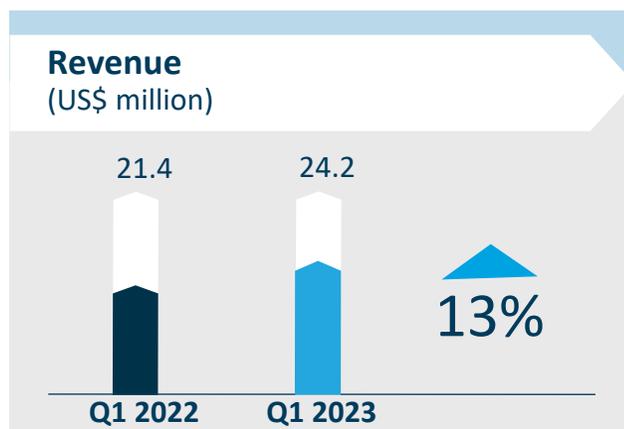
❖ In March 2023, URC issued KD nominated **5-year bonds worth US\$ 261m.**

❖ In April 2023, URC settled **KD bonds** issued in April 2018 worth US\$ 196m.

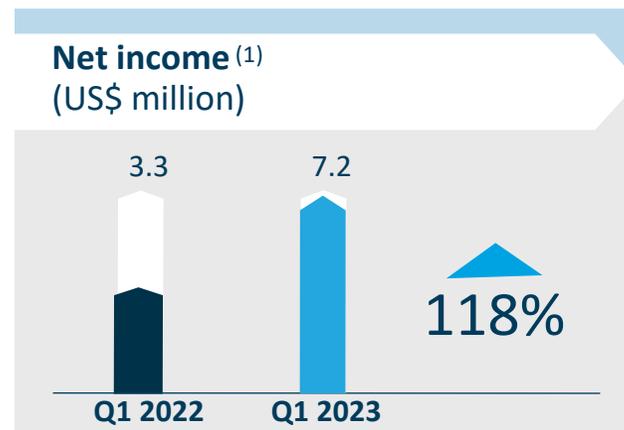
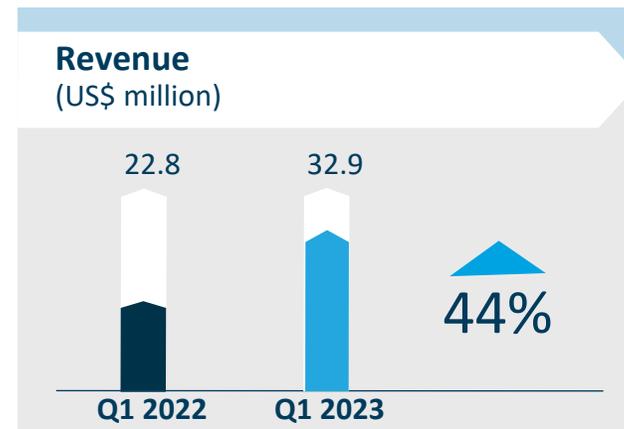
Logistics, energy, and healthcare



Jassim Transport & Stevedoring

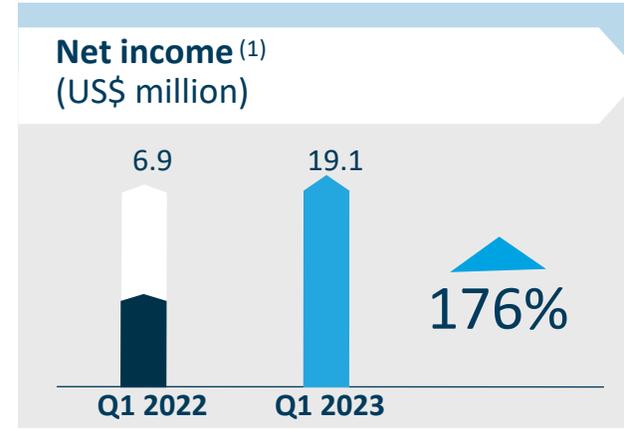
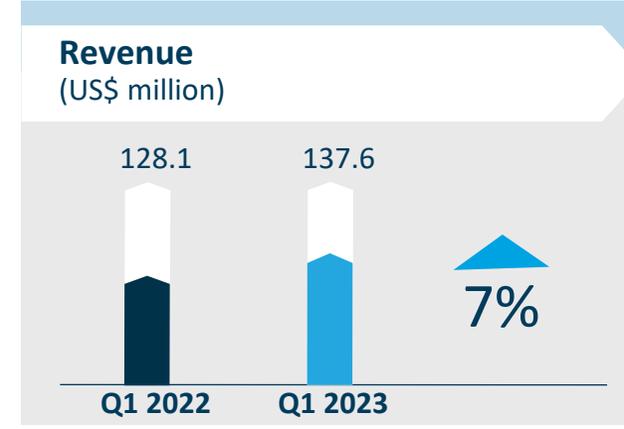


National Petroleum Services



Advanced Technology Company K.S.C.P.
شركة التقدم التكنولوجي ش.م.ك.ع.

Advanced Technology Co.



OSN



Business update

STRATEGY

Key business updates:

- ❖ OSN remains focused on growing its streaming business through optimal use of technology, digital marketing and content diversification.
- ❖ OSN continues to achieve cost optimization through obtaining long-term content contracts as well as operational day-to-day overheads.
- ❖ New multi-year licensing deal was signed in March 2023 with Warner Bros. Discovery, under which OSN will continue to be the exclusive “Home for HBO” content provider in the region.

OPTIMIZATION

CONTENT

THANK YOU

