

Ref: KIPCO/DGCEO 69/23 dated May 22, 2023

Boursa Kuwait Company

KUWAIT

المحترمين

السادة / شركة بورصة الكويت

دولة الكويت

Subject: Conducting KIPCO's Analyst/Investor  
Conference call for Q1/2023

الموضوع: انعقاد مؤتمر المحللين/المستثمرين لشركة مشاريع  
الكويت القابضة "كيبكو" للربع الأول من السنة المالية 2023

With reference to the above subject, and the requirements of article No. (2-4-8) "Continuing Obligations in the Premier Market" of Boursa Kuwait rule book issued via resolution No. (1) of year 2018, and since KIPCO has been classified in the premier market, Kindly note that the analyst/investor conference was conducted through a conference call at 2:00 PM (local time) on Monday 22/5/2023.

بالإشارة الى الموضوع اعلاه، والى متطلبات المادة (2-4-8) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث أن كيبكو تم تصنيفها ضمن مجموعة "السوق الأول"، نود ان نحيطكم علما بأن مؤتمر المحللين/المستثمرين قد انعقد عبر مكالمة هاتفية جماعية في تمام الساعة الثانية عصرًا (التوقيت المحلي) من يوم الاثنين الموافق 2023/5/22.

Kindly note that no material information has been discussed during the conference. Please find attached the investors' presentation for Q1-2023.

كما يرجى العلم بأنه لم يتم تداول أي معلومة جوهرية خلال المؤتمر، وتجدون مرفق طيه العرض التقديمي للمستثمرين عن الربع الأول لعام 2023.

Sincerely,

وتفضلوا بقبول فائق الاحترام ،،



كيبكو  
KIPCO

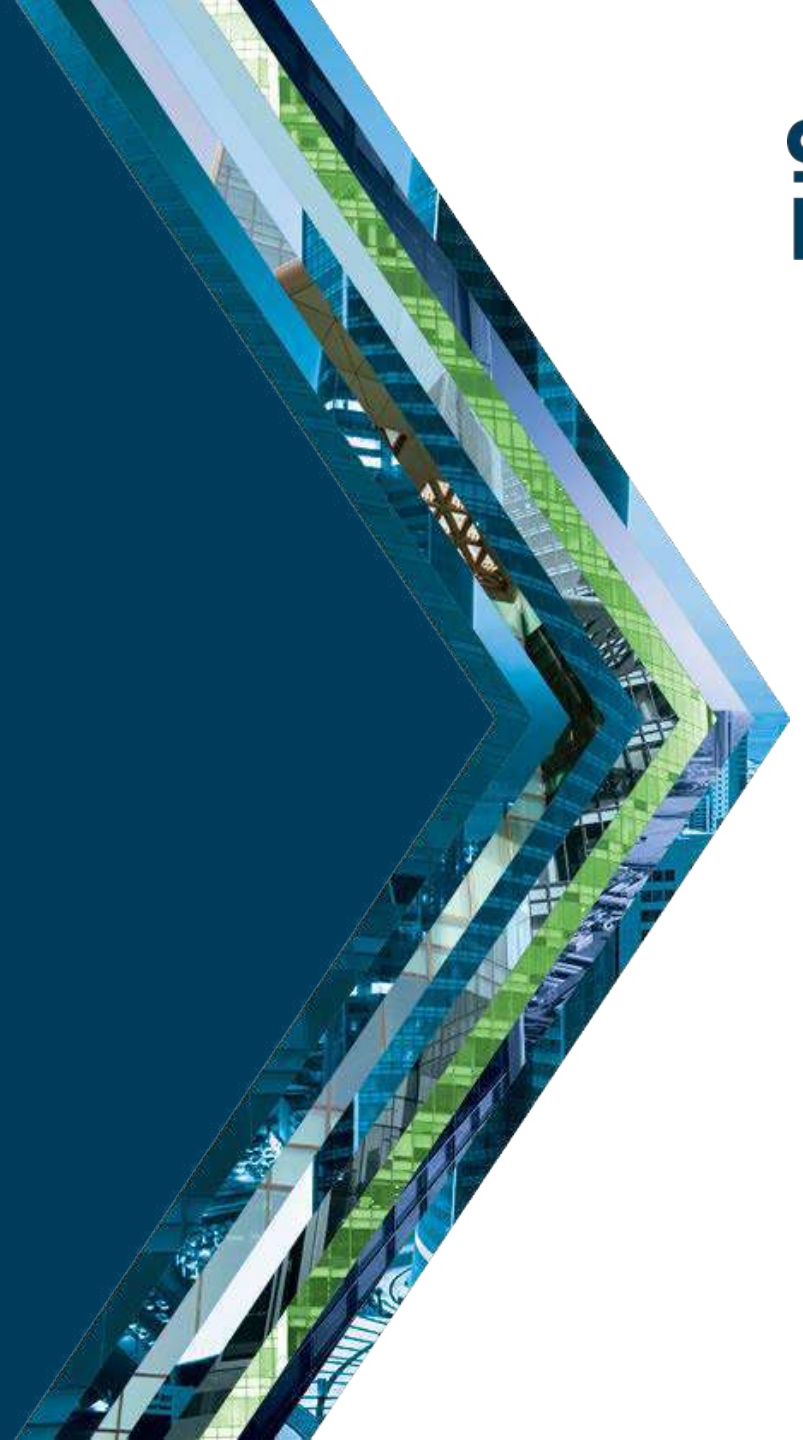
Samir Khanachet  
Deputy Group Chief Executive Officer

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سامر خنشت  
نائب الرئيس التنفيذي للمجموعة

# KIPCO Q1 2023 INVESTOR CALL

May 2023



# Disclaimer

This presentation has been made for informational purposes and does not involve an invitation to subscribe to, purchase, or sell any security.

No warranty is given on the accuracy or completeness of the information in this presentation. Independent research is recommended to evaluate and assess the business and financial condition of KIPCO.

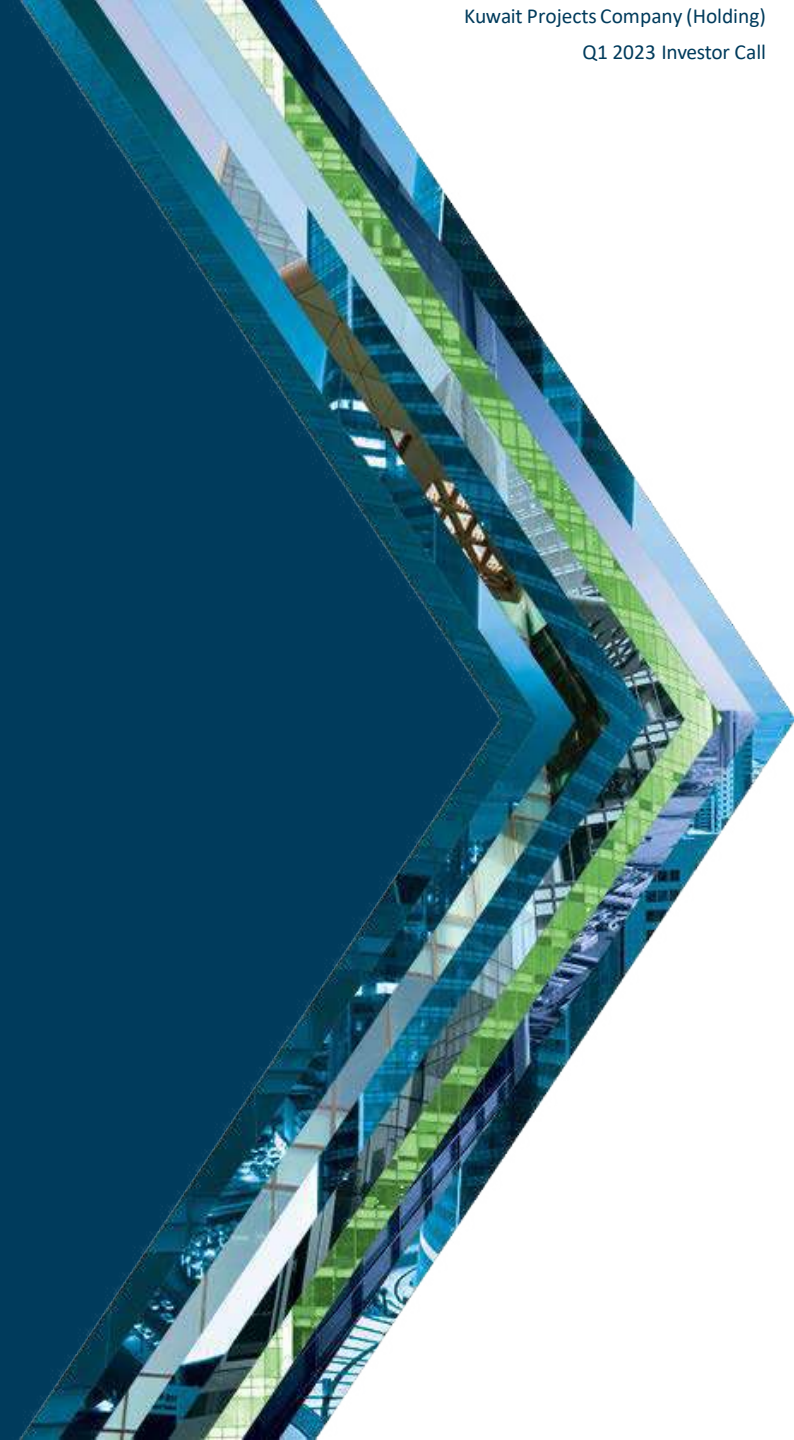
This presentation may contain forward-looking statements. These statements may be identified by such words as “may,” “plans,” “expects,” “believes,” and similar expressions or by their context. These statements are made based on current knowledge and assumptions. Various factors could cause future results, performance, or events to differ materially from those described in these statements. No obligation should be assumed to update any forward-looking statements.

By participating in this presentation or accepting any copy of the presentation slides, you agree to abide by the foregoing limitations.

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.

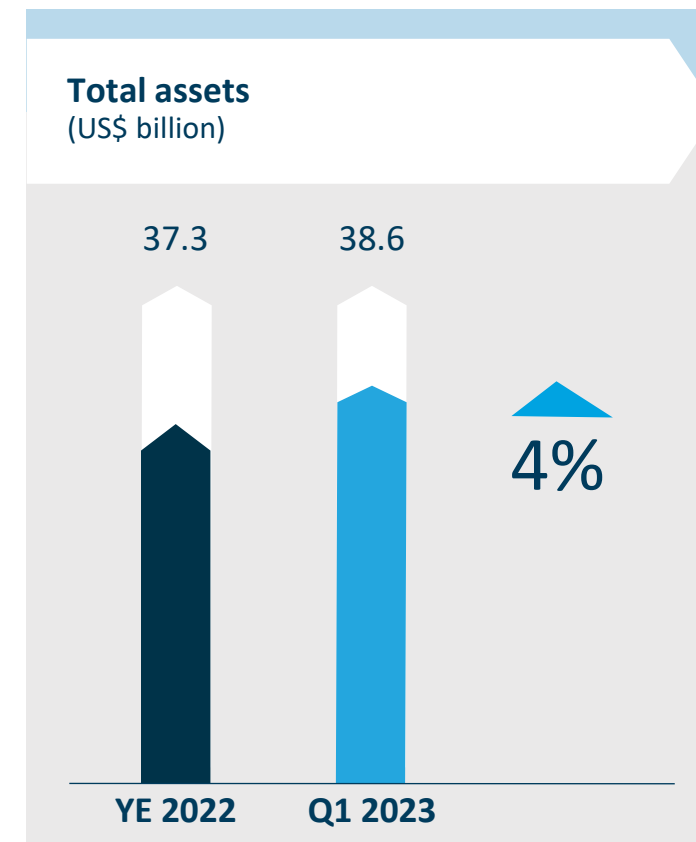
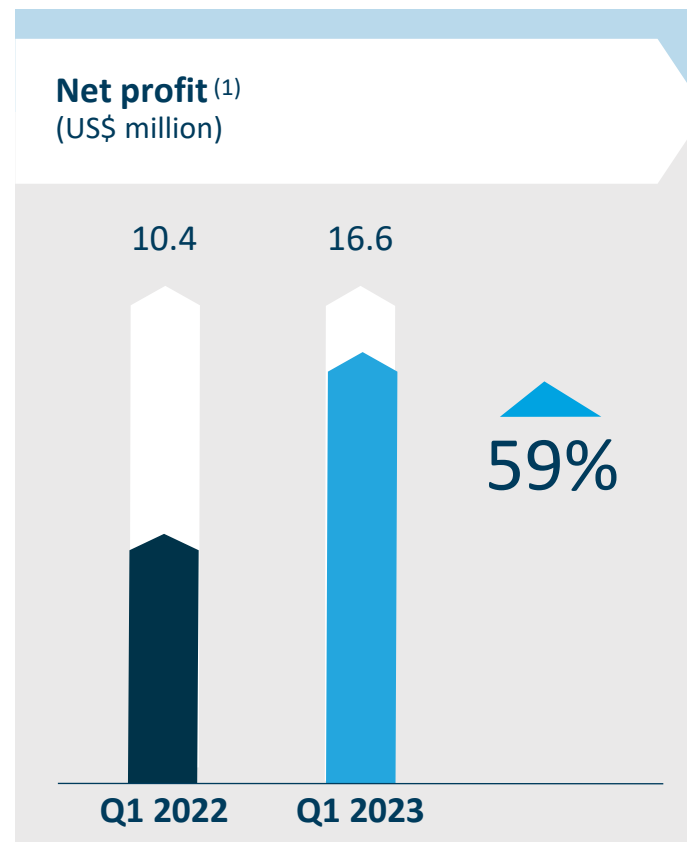
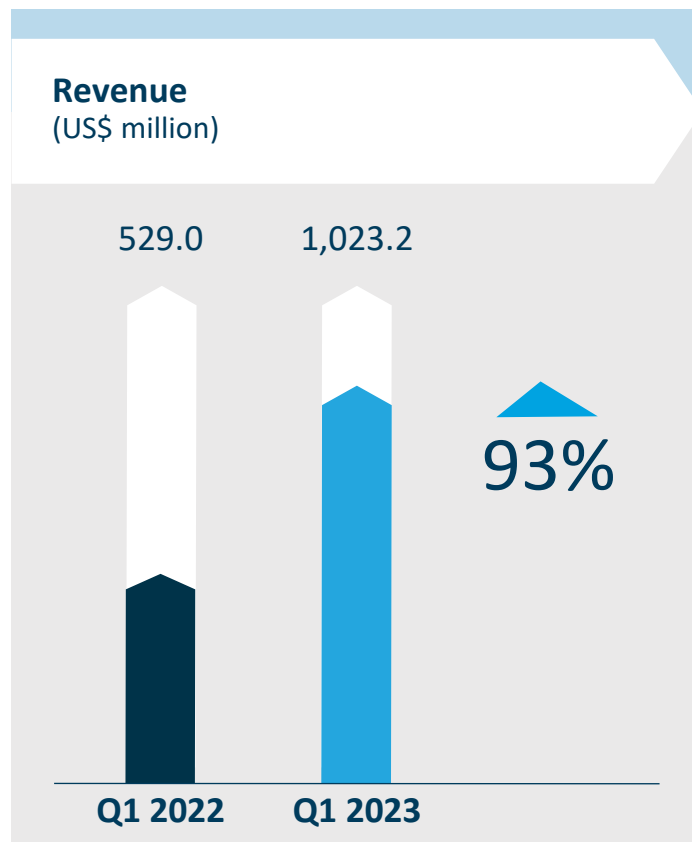
- ❖ Entered a binding agreement to sell its 46% stake in GIG. Exit is expected to generate ~KD 70-80m (US\$ 230-260m) in net profits.



- ❖ Signed a two-year US\$ 525m senior unsecured credit facility extendable by another year solely at KIPCO's discretion.

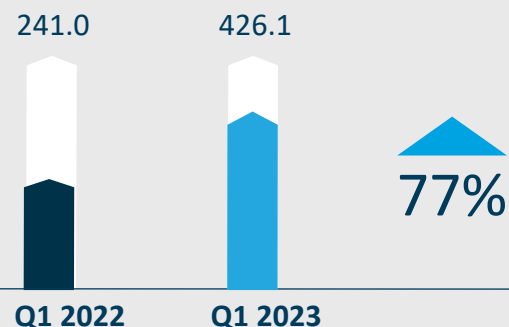
- ❖ Settled US\$ 500m EMTN 7-years bond maturing in March 2023.

# Financial highlights

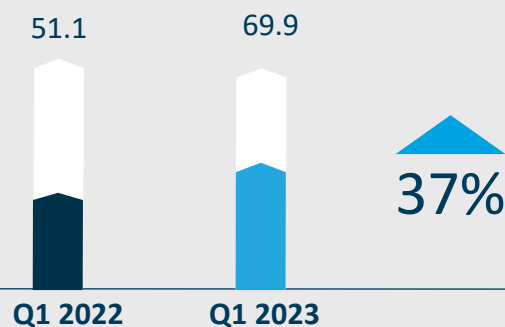


# Q1 2023 income breakdown

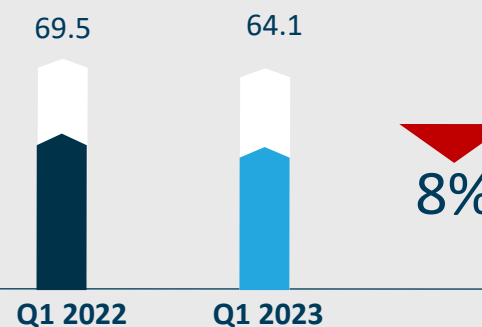
## Interest income (US\$ million)



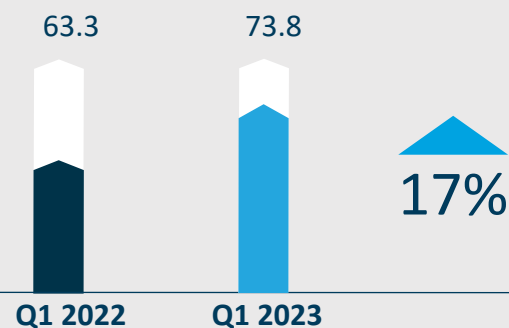
## Fee & commission income (US\$ million)



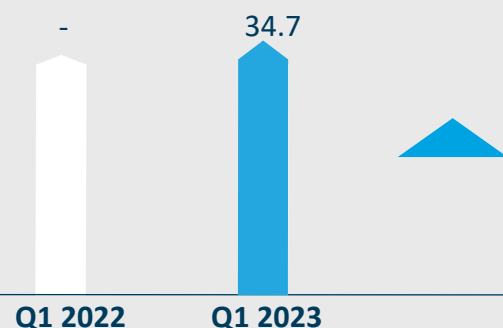
## Media & digital satellite network (US\$ million)



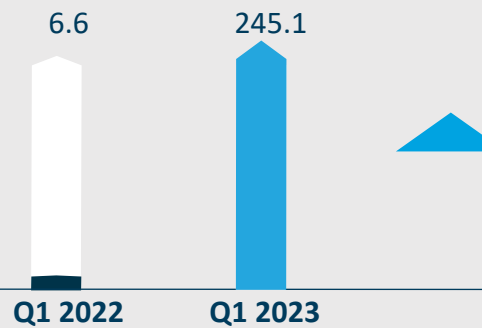
## Hospitality and real estate income (US\$ million)



## Energy income <sup>(1)</sup> (US\$ million)



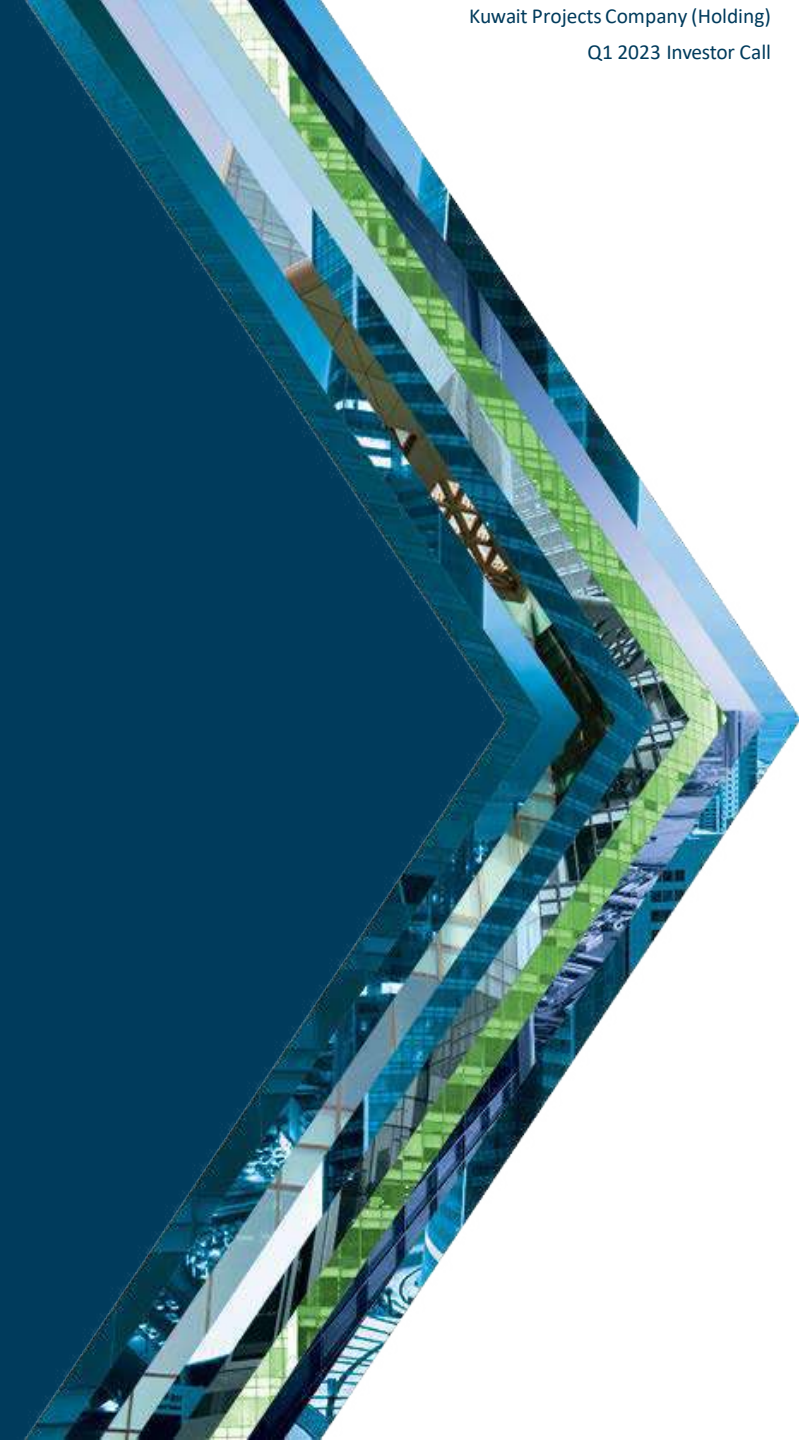
## Industrial & logistics income <sup>(1)</sup> (US\$ million)



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

<sup>(1)</sup> 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

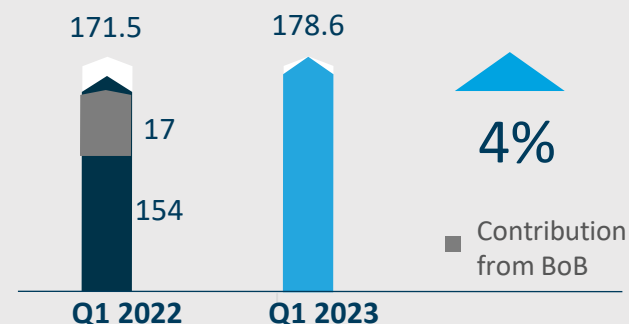




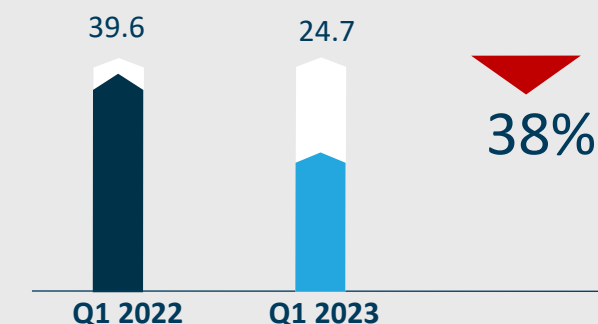
# Burgan Bank Group



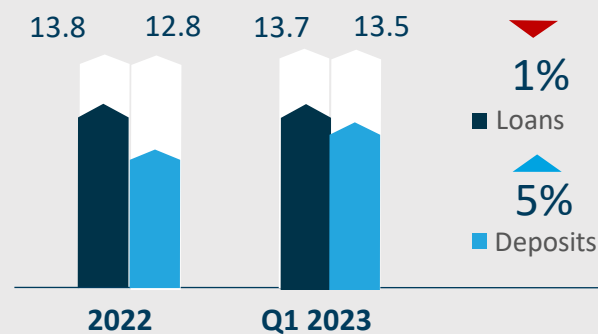
## Operating income <sup>(1)</sup> (US\$ million)



## Net income <sup>(2)</sup> (US\$ million)



## Loans & deposits (US\$ billion)



## Key ratios

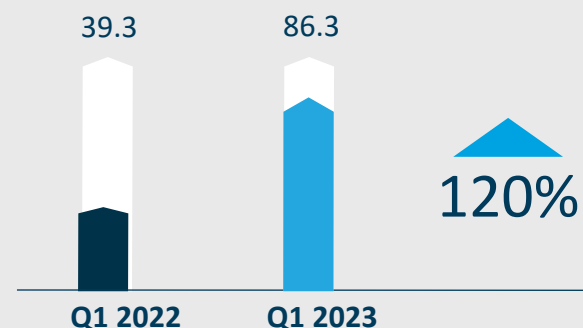
	Q1 2022	Q1 2023
Net interest margin%	2.1%	2.1%
Cost to income%	(3) 44.8%	52.9%
Cost of credit%	(3) 1.1%	0.4%
Non-performing loans ratio%	2.5%	1.8%
Provisions coverage ratio%	155.4%	219.3%

- ❖ **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.

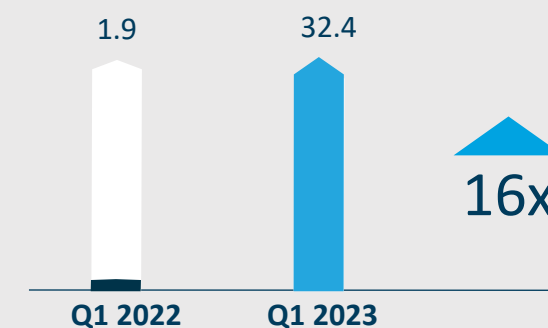
# Jordan Kuwait Bank



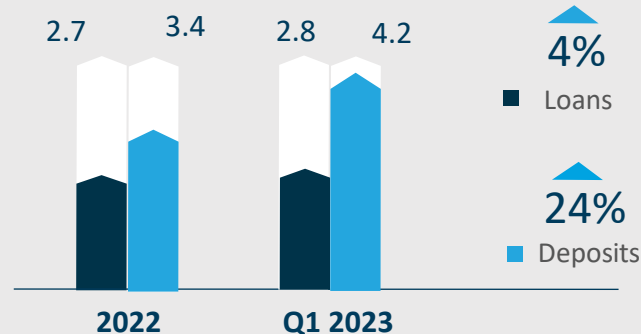
## Total income (US\$ million)



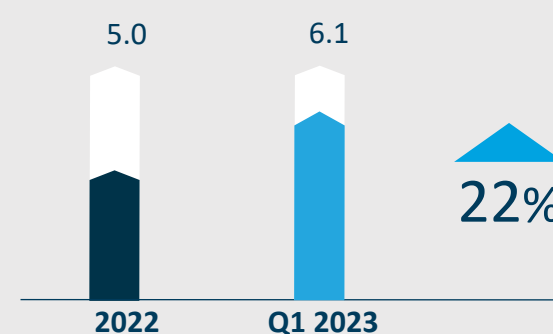
## Net profit <sup>(1)</sup> (US\$ million)



## Loans & deposits (US\$ billion)



## Total assets (US\$ billion)

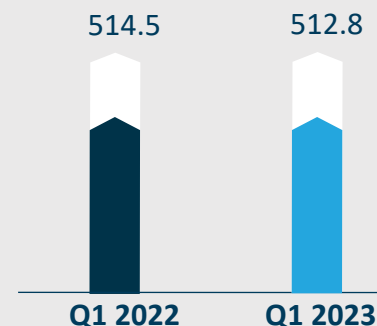


- ❖ **Completed acquisition** of 52% equity stake in Bank of Baghdad (BoB) for US\$ 125m during Q1 2023.
- ❖ BoB posted **solid net profits** for Q1 2023, amounting to US\$ 19m versus US\$ 7m in Q1 2022 – increased by 1.7x times.
- ❖ In April 2023, JKB issued the **first-ever green bond in Jordan**, 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.

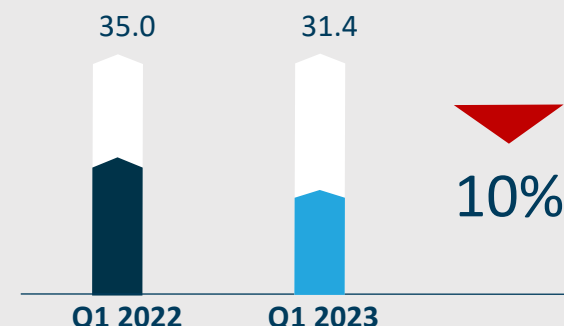
# Gulf Insurance Group



## Revenue (US\$ million)

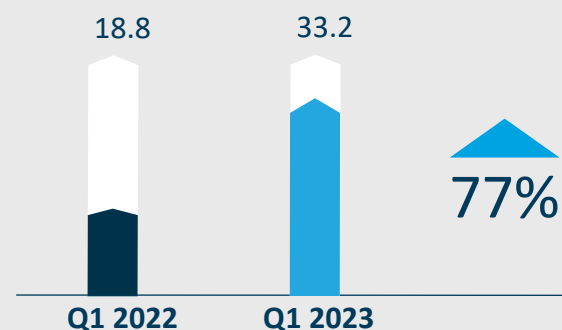


## Operating income (US\$ million)

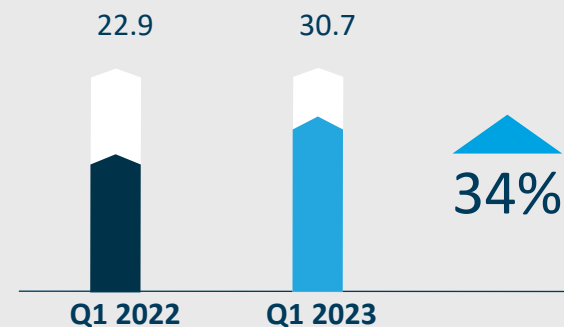


- ❖ Strong performance from the Investment Income covered and exceeded the lower performance from Insurance operations.
- ❖ Total consolidated assets grew 6% to reach US\$ 3.3b in Q1 2023 vs. US\$ 3.1b by end of 2022.
- ❖ Shareholders equity increased by 2% to reach US\$ 782m in Q1 2023 vs. US\$ 766m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

## Net investment income (US\$ million)



## Net profit <sup>(1)</sup> (US\$ million)



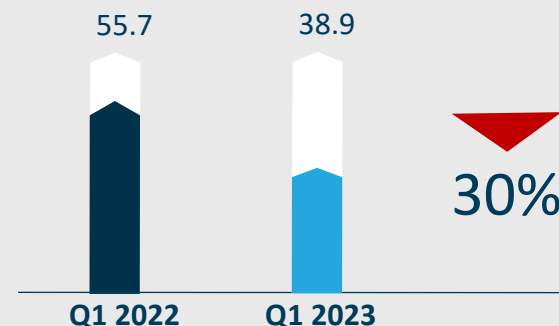
# United Gulf Holding



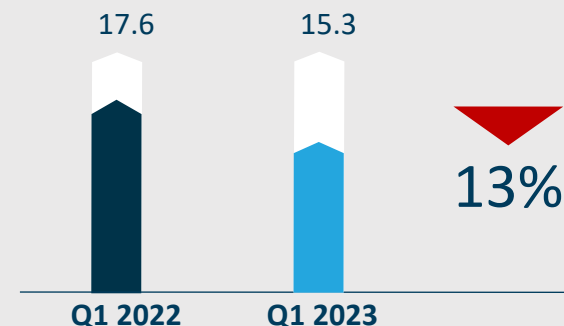
شركة الخليج المتحد القابضة  
United Gulf Holding Company B.S.C.



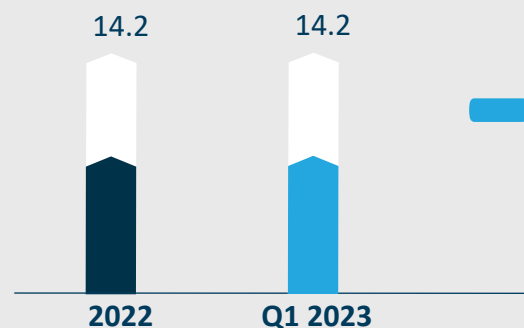
**Revenue**  
(US\$ million)



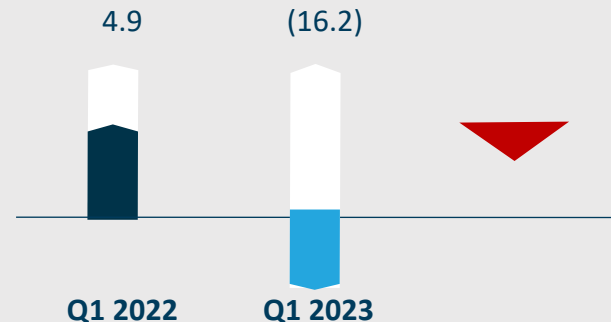
**Fee & commission**  
(US\$ million)



**Assets under management**  
(US\$ billion)



**Net profit <sup>(1)</sup>**  
(US\$ million)

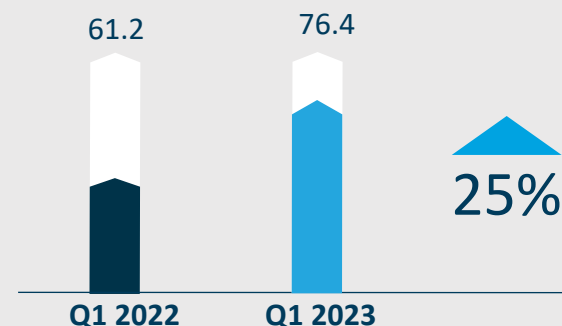


- ❖ UGH was severely impacted by **weaker market dynamics** resulting from negative sentiment, elevated interest rates, inflation, and concerns about a potential economic recession.
- ❖ **95% increase YoY in Interest Income** was offset by lower contributions from investment income and share of associates.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

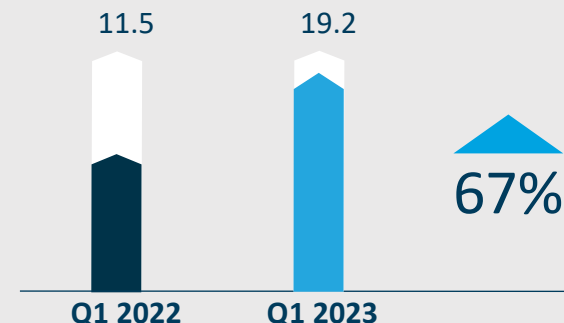
# United Real Estate



**Revenue**  
(US\$ million)



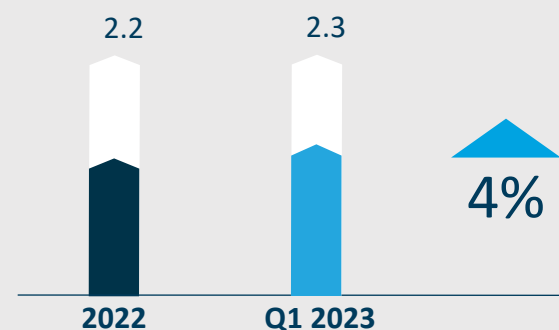
**Operating income**  
(US\$ million)



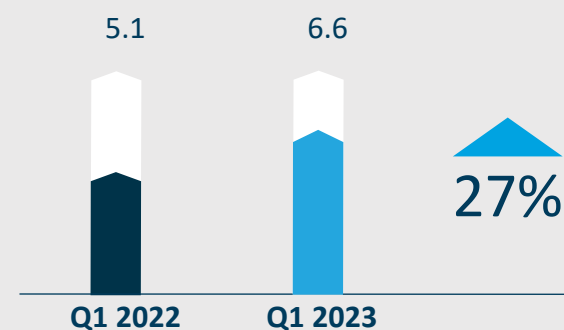
❖ Healthy Q1 performance with visible **improvements in income across all key segments** of URC;

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

**Total assets**  
(US\$ billion)



**Net profit<sup>(1)</sup>**  
(US\$ million)



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

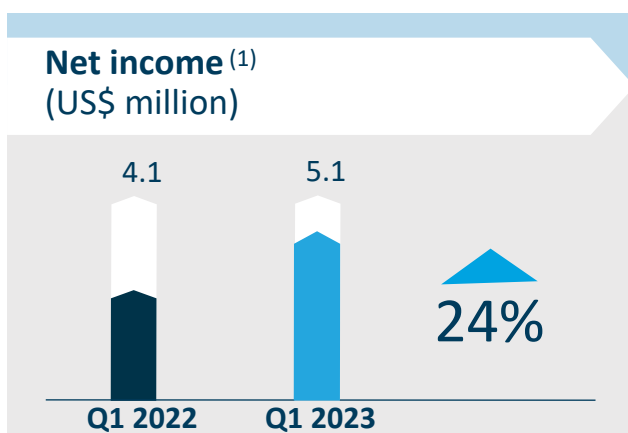
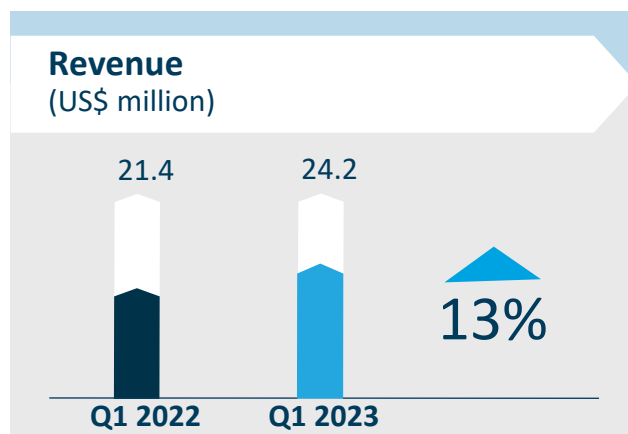
❖ In April 2023, URC settled **KD bonds** issued in April 2018 worth US\$ 196m.



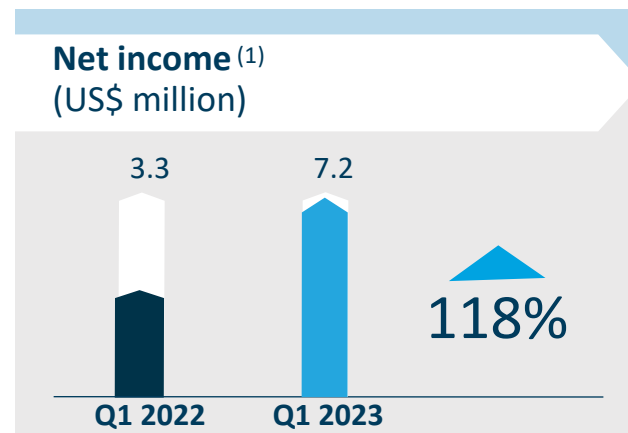
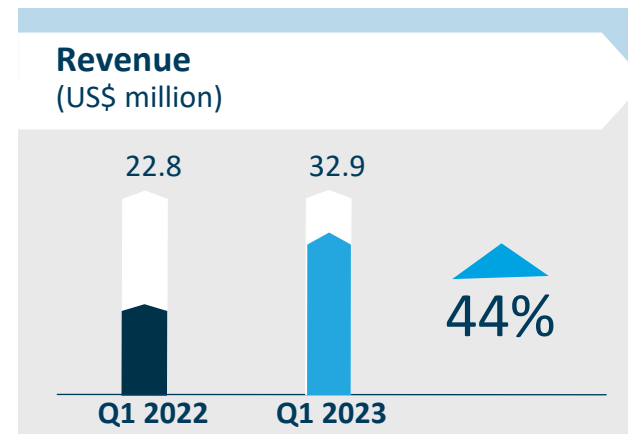
# Logistics, energy, and healthcare



## Jassim Transport & Stevedoring

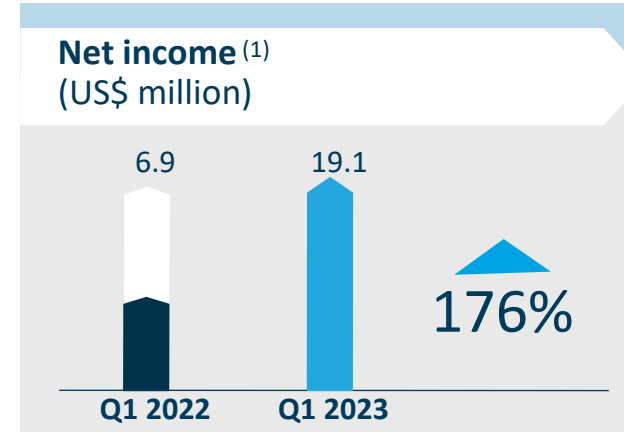
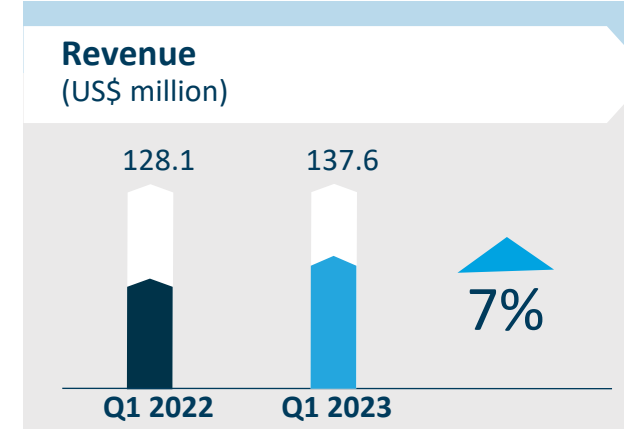


## National Petroleum Services



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

## 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**

