



Financial Outlook Forum
Kipco Group Companies



Gulf Insurance Company k.s.c

Gulf Insurance Company KSC
Investor Presentation
20th March 2004



A Member of the Kuwait Projects (Holding) Group



Disclaimer

The information contained in this presentation is not an invitation to invest in GIC's shares or any other products or services.

This presentation is based on GIC's most recent financial and management reports and is provided in good faith without any liability on the company.

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Introduction

Gulf Insurance Company (GIC) is leading insurance company in the Kuwaiti insurance market offering a comprehensive range of coverage for both corporate and personal insurance.

GIC was established in 1962 and is member of the prestigious Kuwait Projects Co. (Holding) - KIPCO Group.

GIC's subsidiaries include:

- (i) Saudi Pearl Insurance Co., registered in Bahrain and operating in Saudi Arabia through Riyadh, Jeddah and Al-Khobar branches; &
- (ii) Fajr Al-Gulf Insurance & Reinsurance Co., operating in Lebanon with 10 branches.



Introduction (Contd.)

Purpose of presentation

- To present positive aspects of current performance and future prospects
- To enhance transparency in general in order to encourage greater trading
- To set new standards among listed companies in Kuwait



Principal activities

Type of activities

GIC offers insurance solutions covering all major areas, such as:

- Motor
- Marine & Aviation
- Property & Casualty
- Life & Health

GIC also invests its financial resources in different types of investments locally and internationally.



Principal activities (Contd.)



Our products and services are extended to this lovely camel as well!



Principal activities (Contd.)

Management Team

Chairman	:	Mr. Farqad Abdullah Al-Sane
Vice-Chairman	:	Mr. Faisal Hamad Al-Ayyar
Managing Director & CEO	:	Mr. Khalid Saoud Al-Hassan

GIC's executive management team comprises of well-experienced Kuwaiti and Non-Kuwaiti individuals with university degrees and professional insurance qualifications.



Review of 2003

Key Achievements

- Highest premium income among national and non-national insurance companies for third successive year
- Lead insurers for KPC insurance programs
- Largest private medical insurance provider in the local market
- Largest life insurance provider (Group & Individual) in Kuwait
- GIC activities are supported by first class reinsurance security
- State-of-the-art IT system
- Managed to train and establish Kuwait's largest Life & Medical Insurance Sales Force of nearly 100 consultants, mainly Kuwaitis



Review of 2003 (Contd.)



GIC's dynamic team of consultants



Review of 2003 (Contd.)

Challenges

- Local market competition
- New licenses for local & foreign insurance companies
- Motor compulsory tariff
- Insurance awareness



Review of 2003 (Contd.)

Expansion

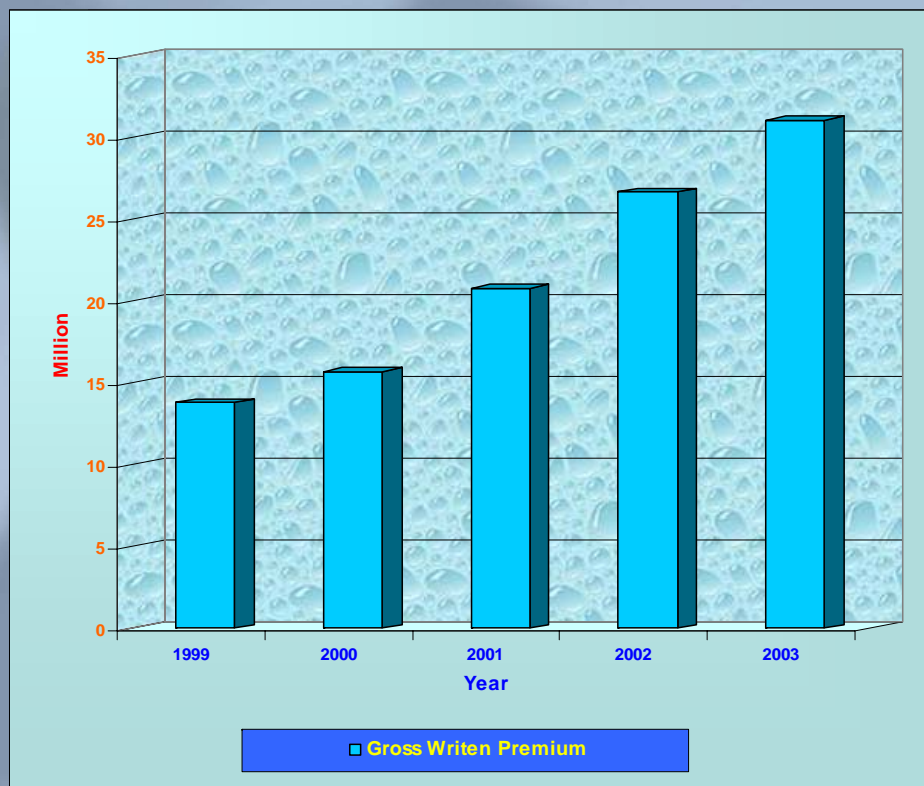
- Largest network of local branches
- Strong presence in Saudi Arabian and Lebanese insurance markets





Full year 2003 results

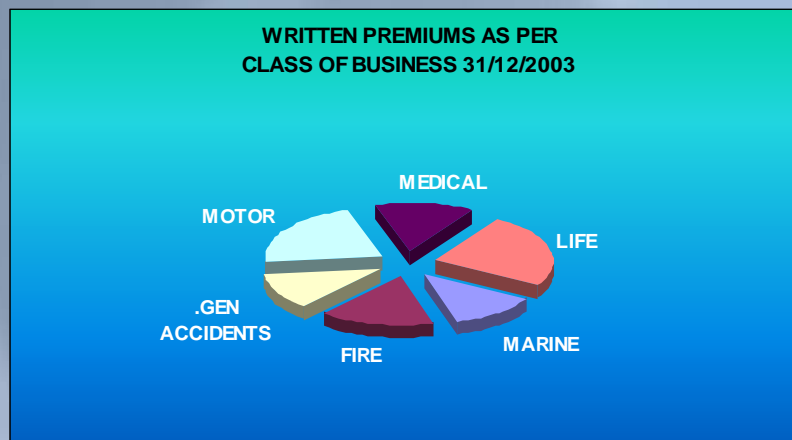
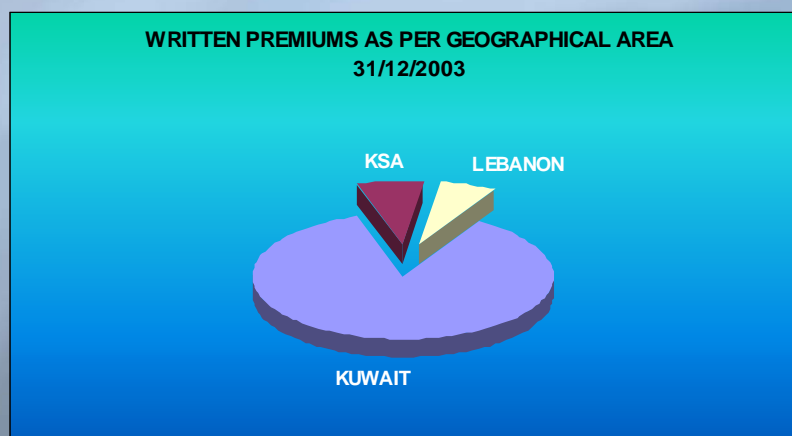
- **Written Premium** increased by 16.6% from KD 26.66 million in 2002 to KD 31.07 million 2003
- Steady growth over the last 5 years



	KD Million				
	1999	2000	2001	2002	2003
Gross Written Premium	13.8	15.7	20.8	26.6	31.1



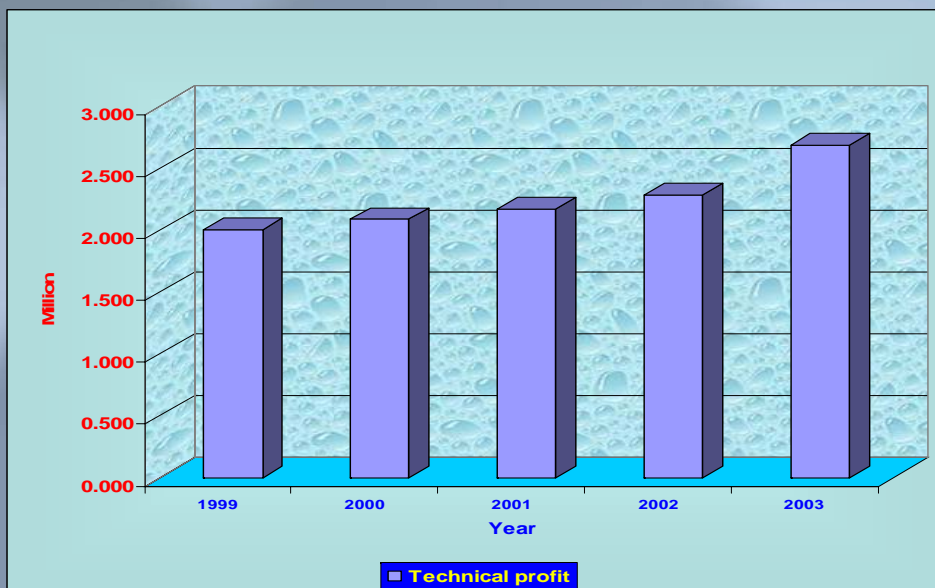
Full year 2003 results (Contd.)





Full year 2003 results (Contd.)

- **Technical Profits** increased by 17.6% from KD 2.28 million in 2002 to KD 2.68 million in 2003
- After increasing the additional reserve with an amount of KD 350,000 to IBNR (incurred but not reported)
- Continuous growth over the last 5 years

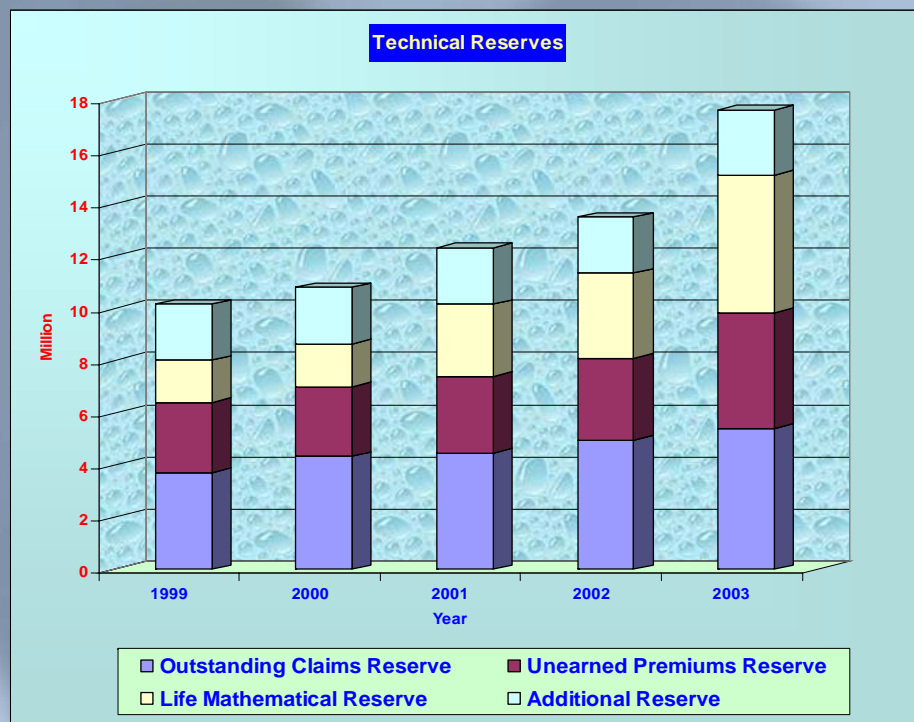


KD Million					
	1999	2000	2001	2002	2003
Technical Profits	2.003	2.087	2.169	2.282	2.684



Full year 2003 results (Contd.)

- **Technical Reserves** increased by 30.6% from KD 13.5 million in 2002 to KD 17.6 million in 2003
- More reservation by increasing the Technical Reserves during the last 5 years, which represents the technical strength of the company to meet future obligations

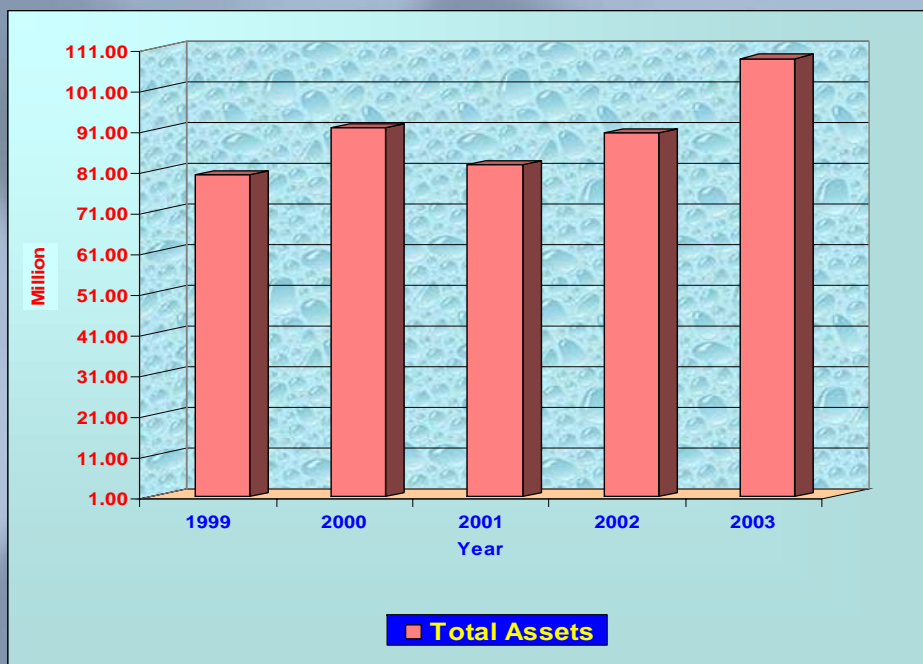


	K.D Million				
	1999	2000	2001	2002	2003
Outstanding Claims Reserve	3.7	4.3	4.5	5.0	5.4
Unearned Premiums Reserve	2.7	2.7	2.9	3.1	4.5
Life Mathematical Reserve	1.6	1.6	2.8	3.3	5.3
Additional Reserve	2.2	2.2	2.2	2.2	2.5
Total Technical Reserves	10.2	10.8	12.3	13.5	17.6



Full year 2003 results (Contd.)

- **Total assets** increased by 19.9% from KD 90.1 million in 2002 to KD 108.1 million in 2003

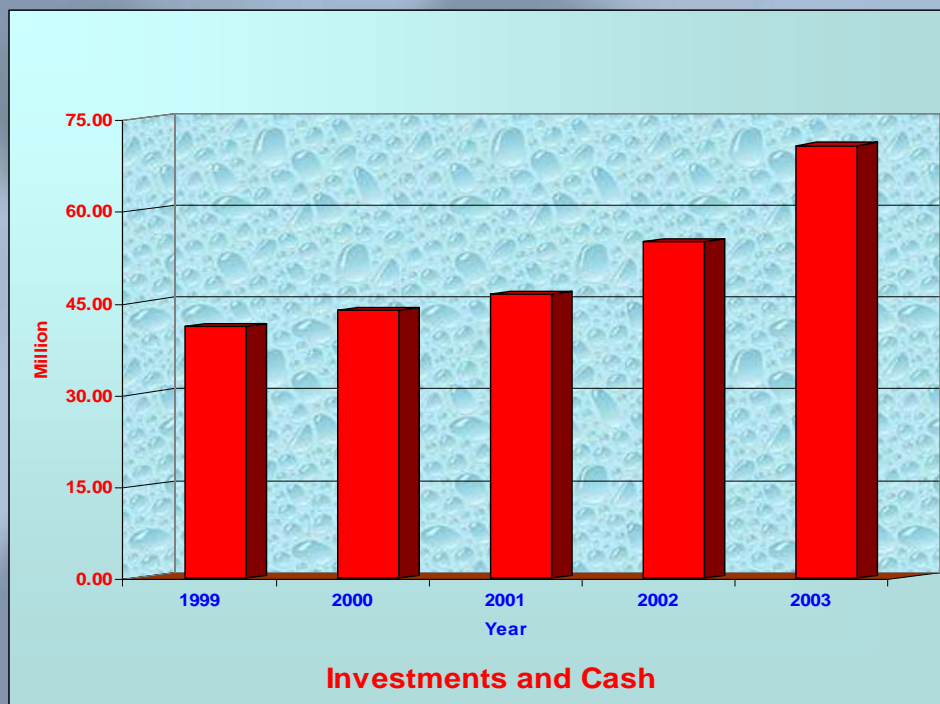


	KD Million				
	1999	2000	2001	2002	2003
Total Assets	79.91	91.312	82.47	90.128	108.45



Full year 2003 results (Contd.)

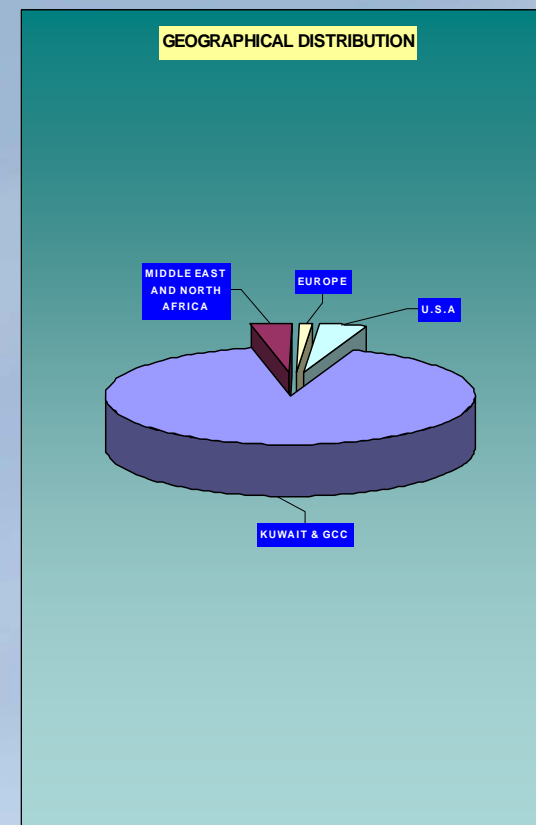
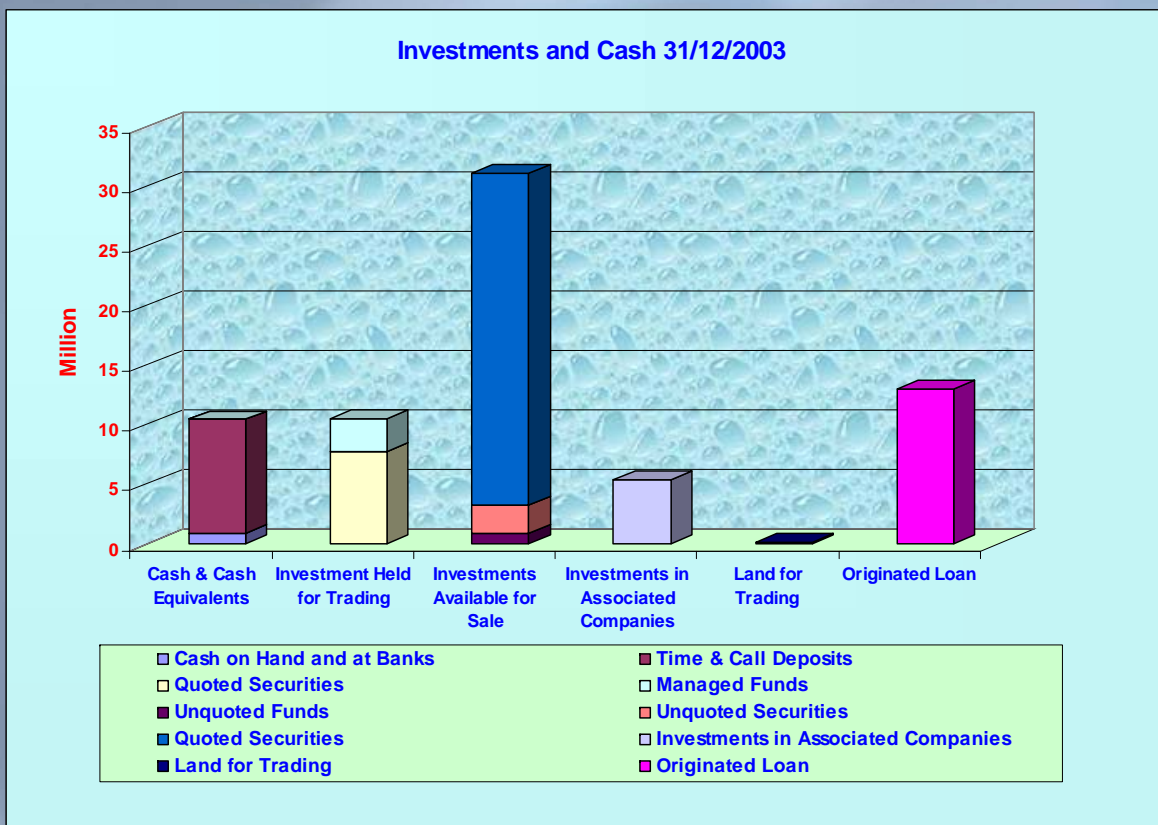
- **Total Investments and Cash** increased by 28.8% from KD 54.8 million in 2002 to KD 71 million in 2003



	KD Million				
	1999	2000	2001	2002	2003
Investments & Cash	40.97	43.68	46.356	54.798	70.57



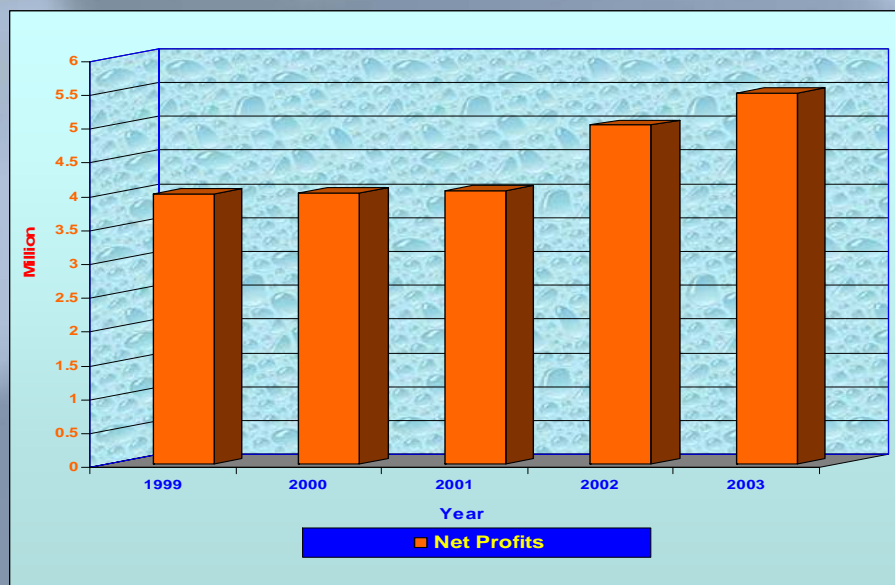
Full year 2003 results (Contd.)





Full year 2003 results (Contd.)

- **Net Profits** increased by 9.52% from KD 5 million in 2002 to KD 5.5 million in 2003
- In spite of the net profits for year 2002 included an extra ordinary income of KD 1.6 million in connection to the 1990 Iraqi invasion claims that were due to the company against nil in 2003.
- Excluding the extra ordinary income in 2002, the net profits actually increased by 61% in 2003

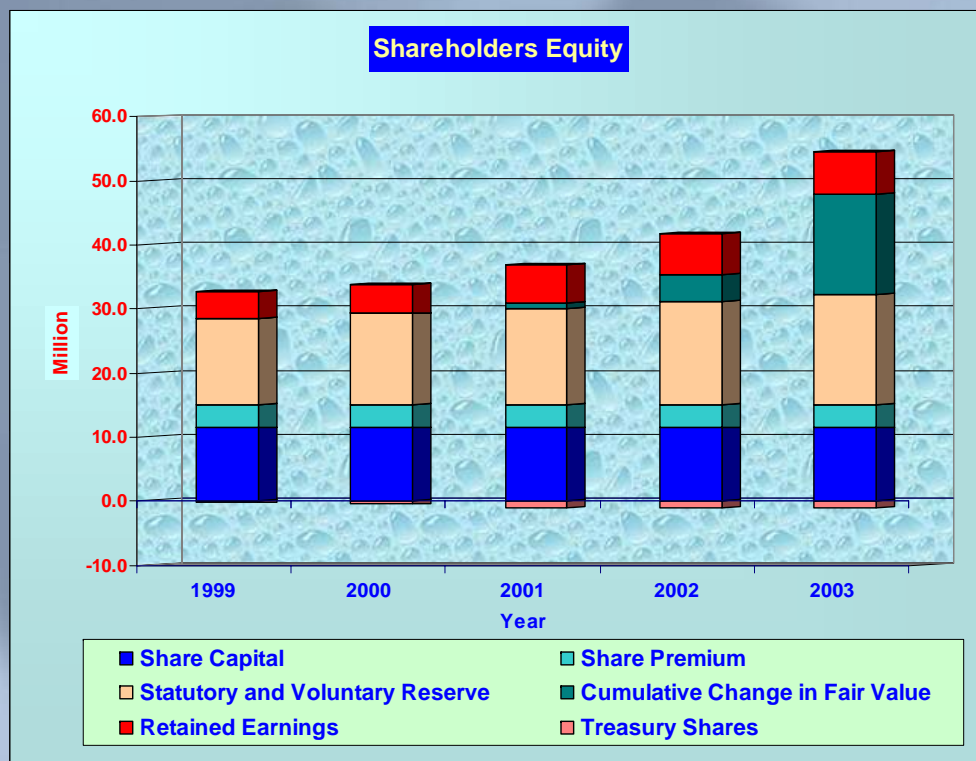


KD Million					
	1999	2000	2001	2002	2003
Net Profits	3.900	4.000	4.010	5.000	5.500



Full year 2003 results (Contd.)

- Shareholders Equity increased by 31.3% from KD 40.63 million in 2002 to KD 53.36 million in 2003



	KD Million				
	1999	2000	2001	2002	2003
Share Capital	11.3	11.3	11.3	11.3	11.3
Share Premium	3.6	3.6	3.6	3.6	3.6
Statutory and Voluntary Reserve	13.4	14.3	15.1	16.2	17.3
Cumulative Change in Fair Value	0.0	0.0	0.7	4.2	15.7
Retained Earnings	4.2	4.6	6.0	6.4	6.7
Treasury Shares	-0.4	-0.6	-1.1	-1.1	-1.2
Total Shareholders Equity	32.2	33.1	35.6	40.6	53.4



Full year 2003 results (Contd.)

- Book value per share increased to 488.7 Fils.
- The market value of GIC's long term investment increased with the amount of KD 15.7 million compared with cost value of this investment, which is included in the Shareholders equity.



Full year 2003 results (Contd.)

- **Earning per share** increased to 50.11 Fils in 2003 compared to 45.7 Fils in 2002 and 36.66 Fils in 2001

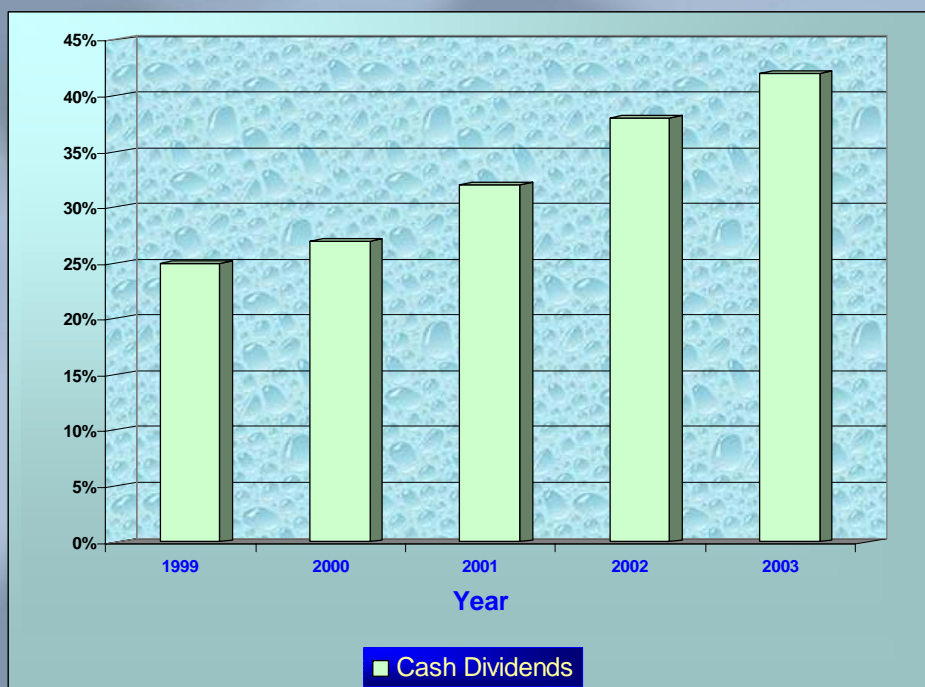


	KD Fils				
	1999	2000	2001	2002	2003
Earning Per Share	35.26	35.95	36.66	45.7	50.11



Full year 2003 results (Contd.)

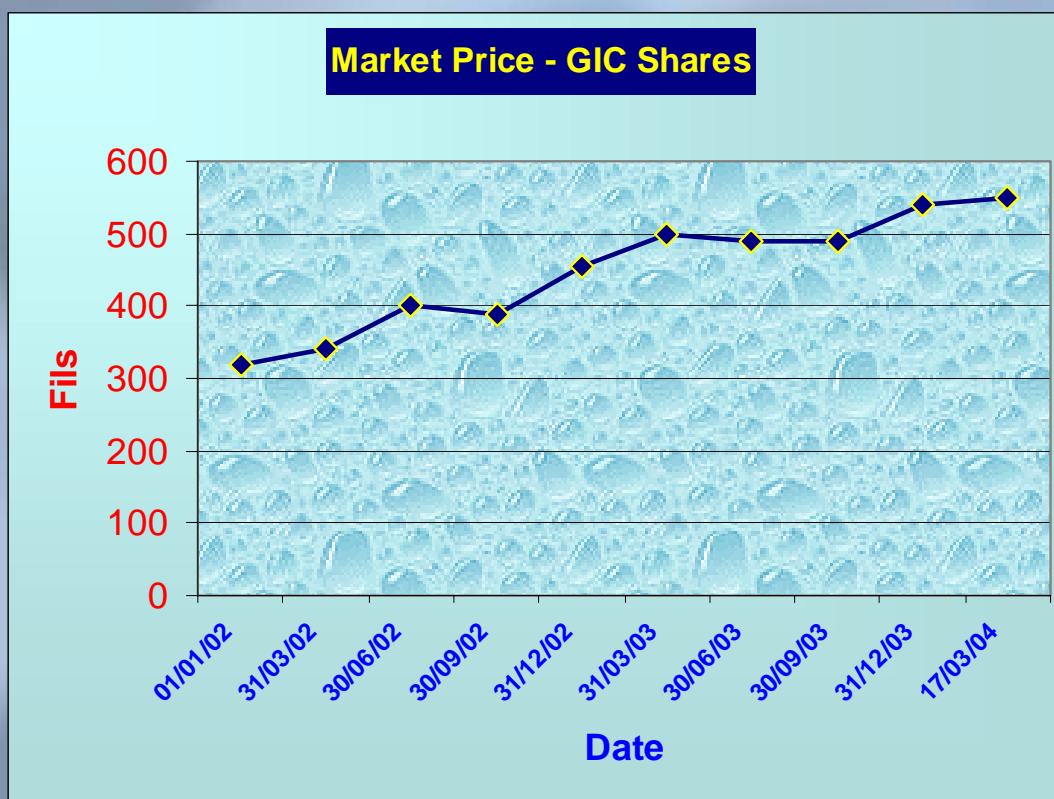
- **Cash Dividends:** Generous returns to shareholders by constant increase in the dividends during the last 5 years



	1999	2000	2001	2002	2003
Cash Dividends	25%	27%	32%	38%	42%



Market Price for GIC Shares at Kuwait Stock Exchange



Date	Fils
01/01/02	320
31/03/02	340
30/06/02	400
30/09/02	390
31/12/02	455
31/03/03	500
30/06/03	490
30/09/03	490
31/12/03	540
17/03/04	550



Outlook for 2004

Factors influencing financial & technical activities

- Local and global capital markets
- Reinsurance capacity & pricing
- Improved regional environment
- Local and regional legislation



Outlook for 2004 (Contd.)

Key opportunities

- Reconstruction of Iraq
- Development of northern Kuwaiti oilfields
- New legislation for foreign investors
- Improvement of port facilities
- Proposed government projects due to stability in the region
- Saudi Arabian insurance market
- Increased demand for personal line insurances



Outlook for 2004 (Contd.)

Challenges

- Maintaining lead position
- Improving technical and investment profits
- Local competition
- Regional expansion



Summary 2004 Forecast (Contd.)

GIC's projected business results for year 2004

	2004 (Projected) KD Million	2003 (Actual) KD Million	%
Total Premium	34	31.1	9.32%
Technical Profits (Operational)	2.9	2.7	7.5%
Net Profit	6	5.5	9.1%
Technical Reserves	19.8	17.6	12.5%
Total Assets	115	108.1	6.38%

Earning Per Share in 2004 is projected to increase to 55 Fils in comparison to 50.11 Fils in 2003 and 45.70 Fils in 2002.



Outlook for 2004 (Contd.)

Reinvesting in the future

- Introduction of VIP Customer Service Program
- Establishment of Call Center
- Investment in Career Development Programs
- Implementation of Decision Support System
- Increasing insurance sales through local banks



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Thank You