



**Financial Outlook Forum
Kipco Group Companies**



Gulf Insurance Company k.s.c

Gulf Insurance Company Investor Presentation – 27.06.05



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.

GIC reserves the right to make necessary modifications on the information, views and comments at any time without any prior notification.



Contents

- Introduction
- Principal activities
- Review of 2004
- Full year 2004 results
- Outlook for 2005
- Summary 2005 forecast



Introduction

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

GIC was established in 1962 and is member of 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; and
- (iii) GIC acquired Arab Misr Insurance Group, Egypt in Feb 2005.



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 coverages to all major lines of business such as:

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

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



Principal activities (Contd.)

GIC People

- GIC team comprises of 260 personnel with over 50 Kuwaitis.
- GIC's executive management team comprises of well-experienced individuals with university degrees and professional insurance qualifications.
- Over half of the executive management team comprise of Kuwaiti nationals.



Review of 2004

Key Achievements

- Highest premium income among national and non-national insurance companies for fourth successive year.
- Lead insurers for KPC insurance programs (property all risks, marine bulk oil, life and workmen compensation).
- 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.
- Advanced IT system.
- Managed to train and establish Kuwait's largest Life & Non-Life Sales Force of over 200 consultants, mainly Kuwaitis.
- Only Kuwaiti insurance company with regional subsidiaries (Saudi Arabia, Lebanon and Egypt).



Review of 2004 (Contd.)

Challenges

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



Review of 2004 (Contd.)

Expansion

- Large network of 10 local branches.
- Strong presence in Saudi Arabian, Lebanese and Egyptian (since Feb 2005) insurance markets.

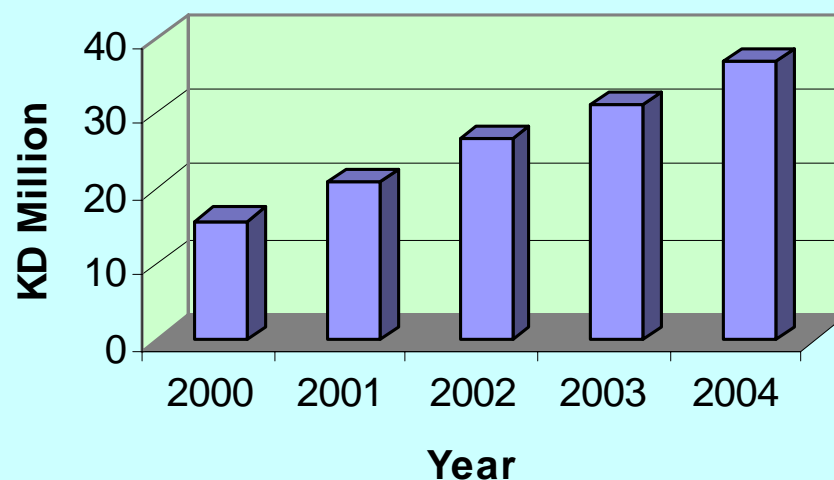




Full year 2004 results

- **Written Premium** increased by 18% from KD 31.1 million in 2003 to KD 36.7 million 2004.
- Steady growth over the last 5 years.

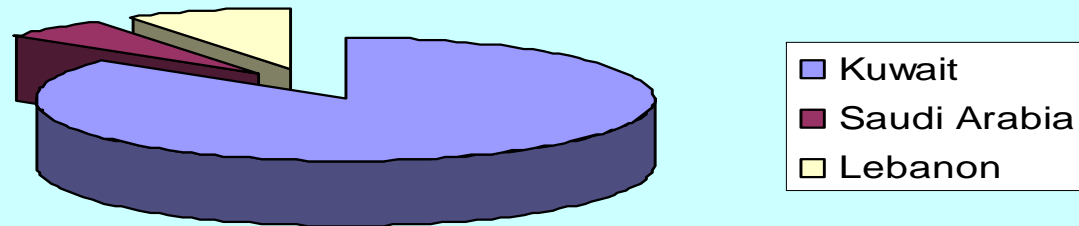
KD Million					
	2000	2001	2002	2003	2004
Gross Written Premium	15.7	20.8	26.6	31.1	36.7



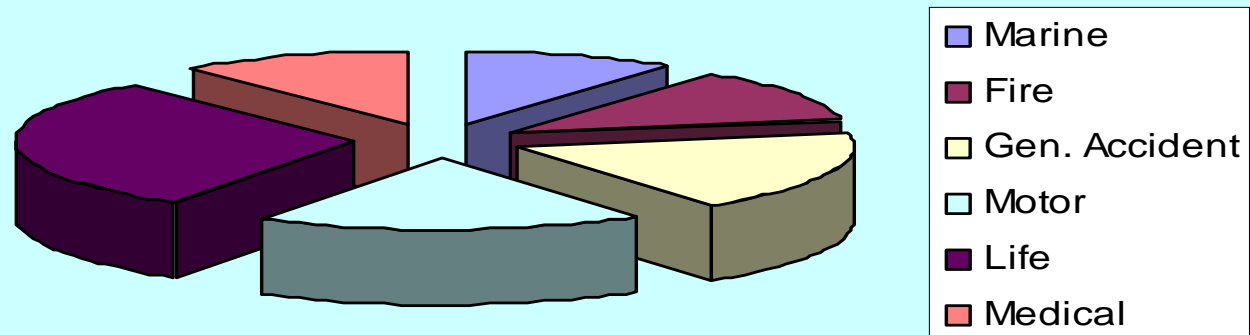


Full year 2004 results (Contd.)

Geographical Distribution of Written Premium - 2004



Classwise Distribution of Written Premium - 2004

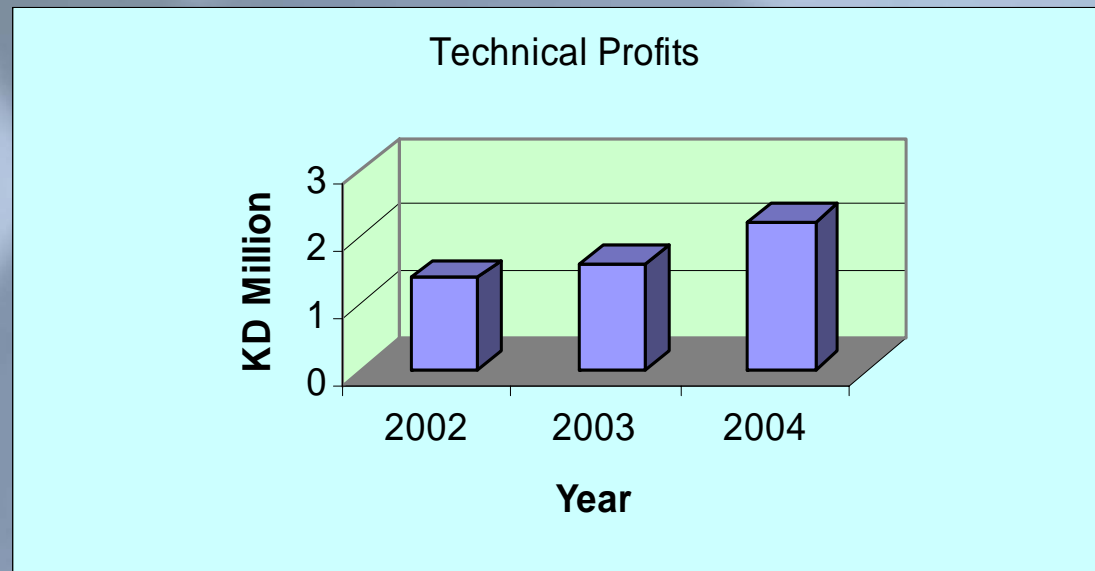




Full year 2004 results (Contd.)

- **Technical Profits** increased by 41.1% from KD 1.58 million in 2003 to KD 2.23 million in 2004.
- Continuous growth over the last 3 years.

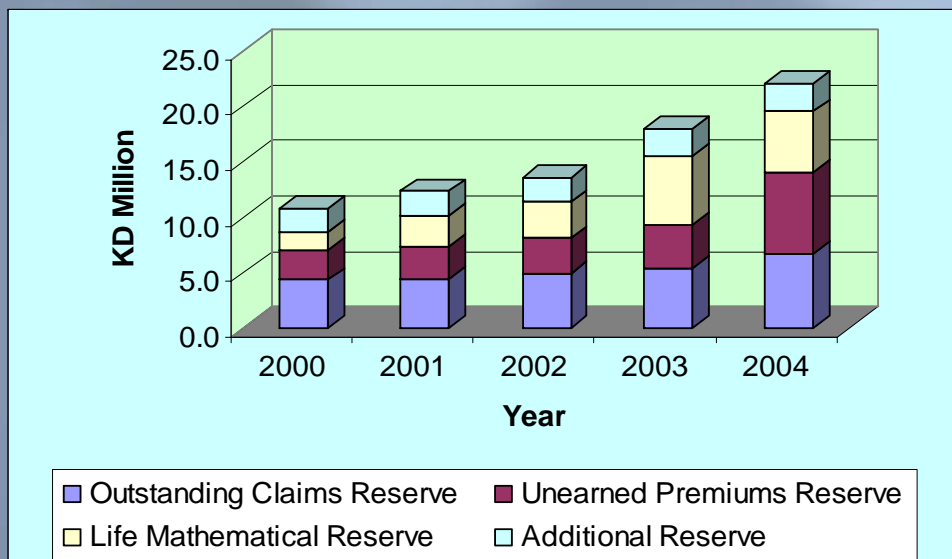
	KD Million		
	2002	2003	2004
Technical Profits	1.38	1.58	2.23





Full year 2004 results (Contd.)

- **Technical Reserves** increased by 22.2% from KD 18 million in 2003 to KD 22 million in 2004.
- Continuous effort to increase reserves during the last five years to strengthen company's ability to meet future obligations.



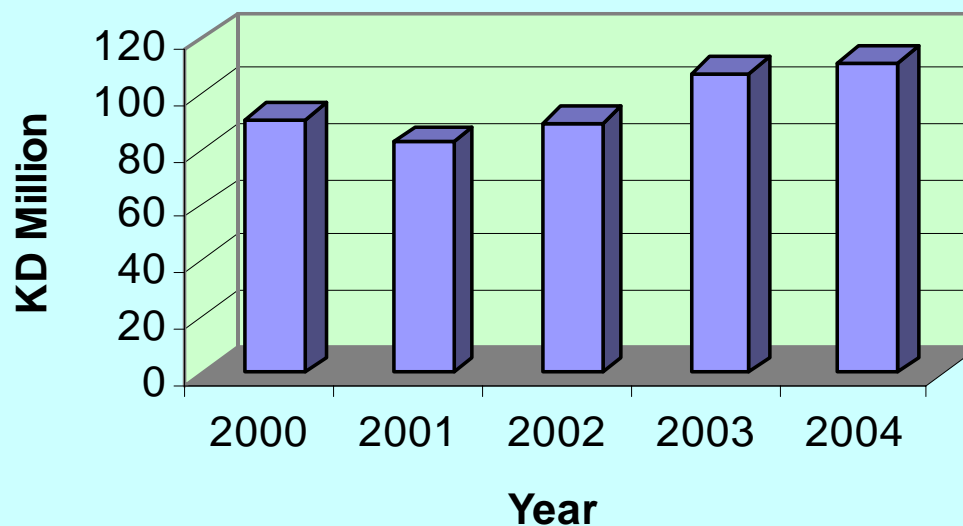
	KD Million				
	2000	2001	2002	2003	2004
Outstanding Claims Reserve	4.3	4.5	5.0	5.4	6.7
Unearned Premiums Reserve	2.7	2.9	3.1	3.9	7.4
Life Mathematical Reserve	1.6	2.8	3.3	6.2	5.4
Additional Reserve	2.2	2.2	2.2	2.5	2.5
Total Technical Reserves	10.8	12.3	13.5	18.0	22.0



Full year 2004 results (Contd.)

- **Total assets** increased by 3.1% from KD 108 million in 2003 to KD 111.4 million in 2004.

	KD Million				
	2000	2001	2002	2003	2004
Total Assets	91.3	82.6	90.1	108	111.4

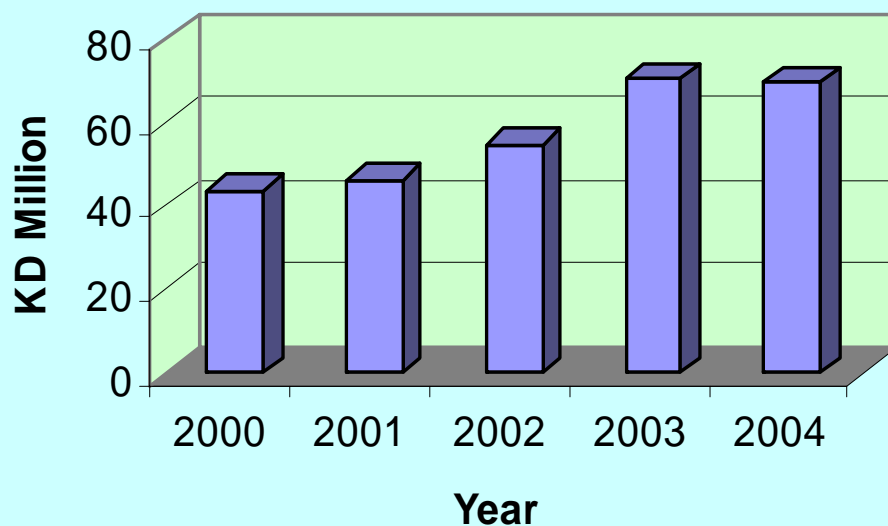




Full year 2004 results (Contd.)

- **Total Investments and Cash** in 2004 were KD 69.9 million compared to KD 70.6 million in 2003.

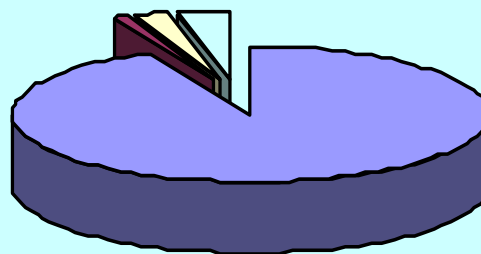
	KD Million				
	2000	2001	2002	2003	2004
Investments & Cash	43.7	46.4	54.8	70.6	69.9





Full year 2004 results (Contd.)

Geographical Distribution - Total Investments & Cash



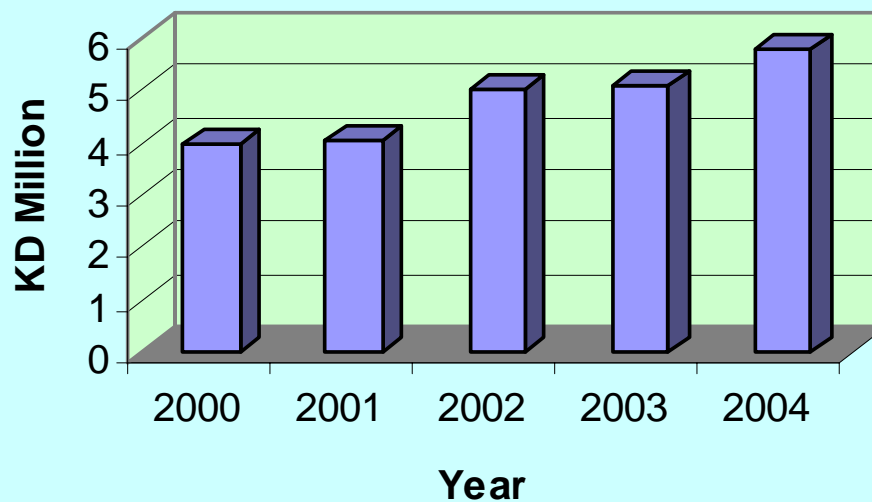
- KUWAIT & GCC
- MIDDLE EAST AND NORTH AFRICA
- EUROPE
- U.S.A



Full year 2004 results (Contd.)

- **Net Profits** increased by 13.7% from KD 5.1 million in 2003 to KD 5.8 million in 2004.

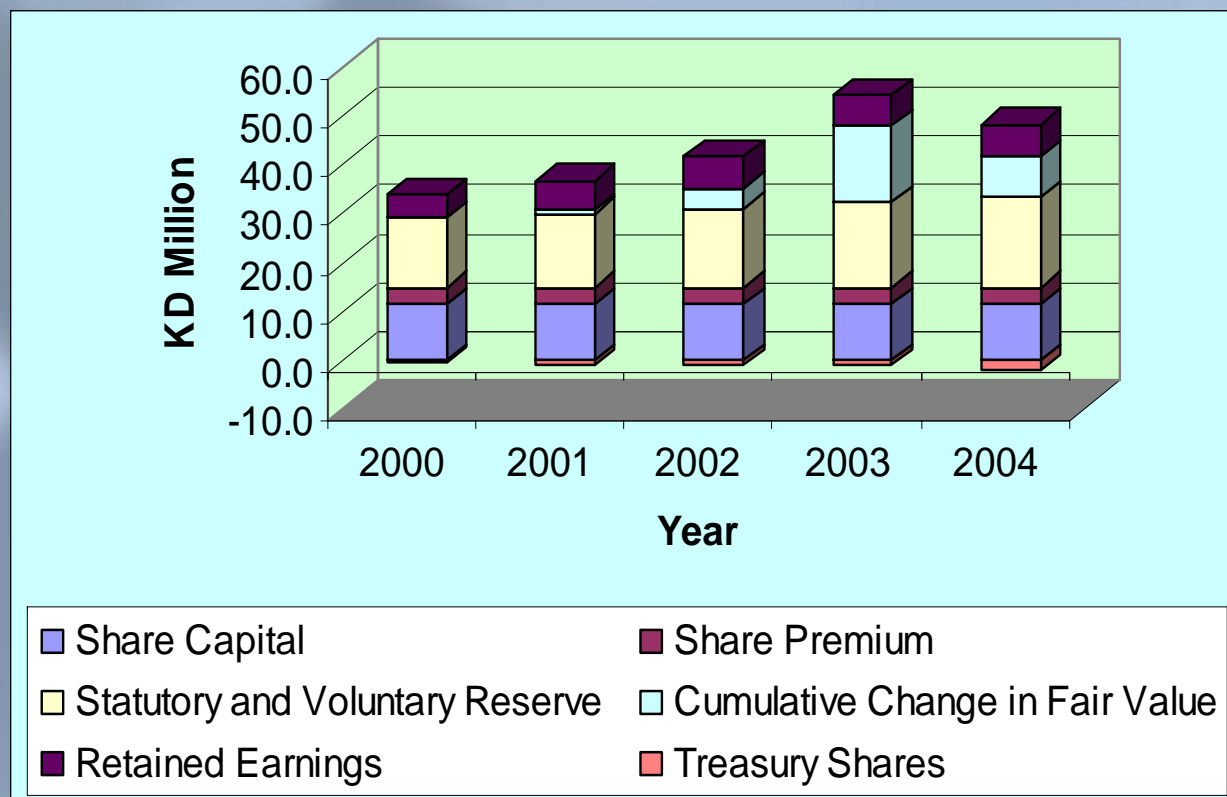
KD Million					
	2000	2001	2002	2003	2004
Net Profits	4	4.04	5	5.1	5.8





Full year 2004 results (Contd.)

- **Shareholders Equity** was KD 46 million in 2004 compared to KD 53 million in 2003.





Full year 2004 results (Contd.)

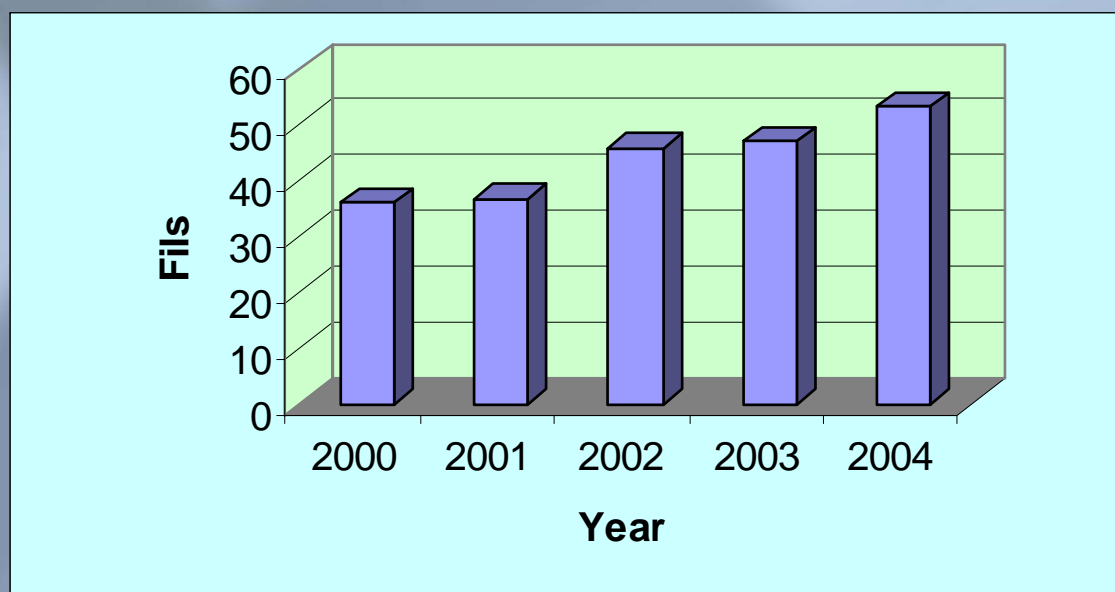
- Book value per share was 427.3 Fils.
- The market value of GIC's long term investment increased with the amount of KD 8.4 million compared with cost value of this investment, which is included in the Shareholders equity.



Full year 2004 results (Contd.)

- **Earning per share** increased to 53.19 Fils in 2004 compared to 46.78 Fils in 2003.

	Fils				
	2000	2001	2002	2003	2004
Earning Per Share	35.95	36.66	45.7	46.78	53.19

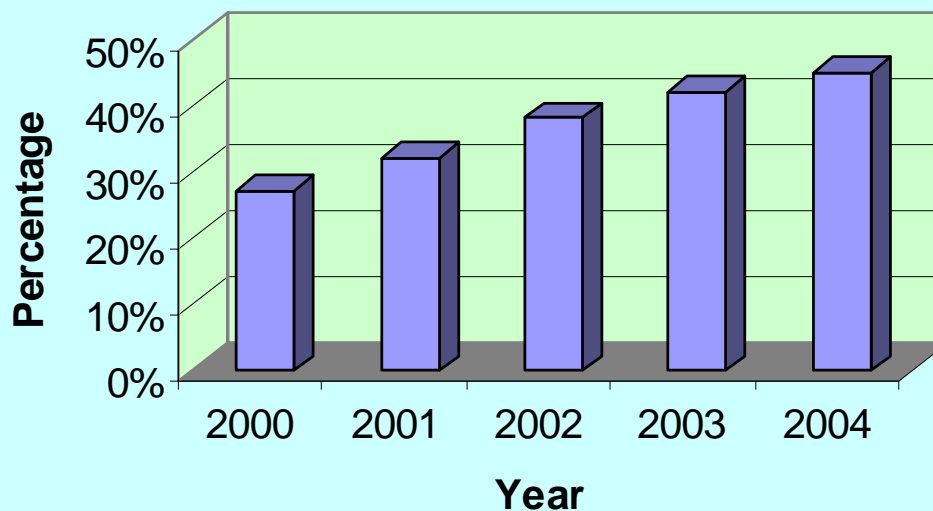


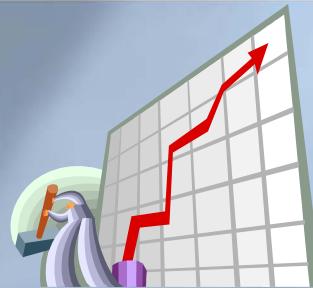


Full year 2004 results (Contd.)

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

	Percentage				
	2000	2001	2002	2003	2004
Cash Dividends	27%	32%	38%	42%	45%





GIC's Growth

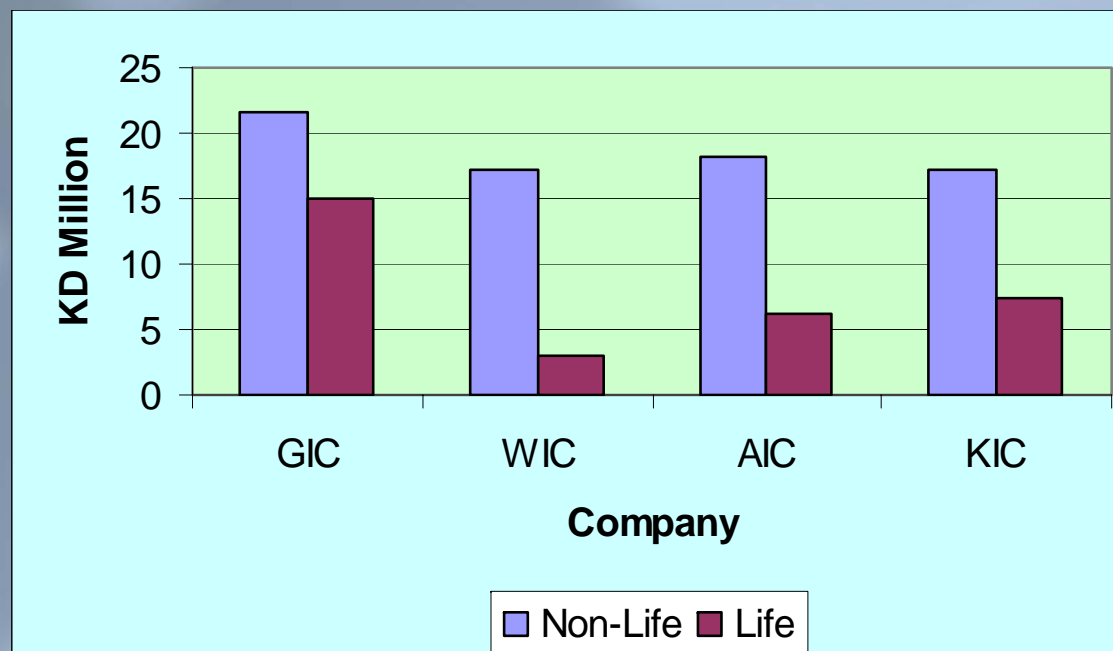
		1998	2004	%
Written Premium	KD Mil.	13	36.7	181.4
Technical Reserves	KD Mil.	9.4	22	134.3
Total Assets	KD Mil.	46.8	111.4	138.25
Total Investment & Cash	KD Mil.	37.5	69.9	86.54
Net Profit	KD Mil.	3	5.8	95.17
Sharholder's Equity	KD Mil.	29	46	58.36
Book value per share	Fils	256.6	427.3	66.52
Earning per share	Fils	26.2	53.19	103.02
Cash Dividends	%	20	45	125



Market Comparison - 2004 (4 National Companies)

Written Premium (KD Million)

Segment	GIC	WIC	AIC	KIC	Total
Non-Life	21.6	17.3	18.3	17.3	74.5
Life	15.1	3	6.3	7.4	31.8
Total	36.7	20.3	24.6	24.7	106.3





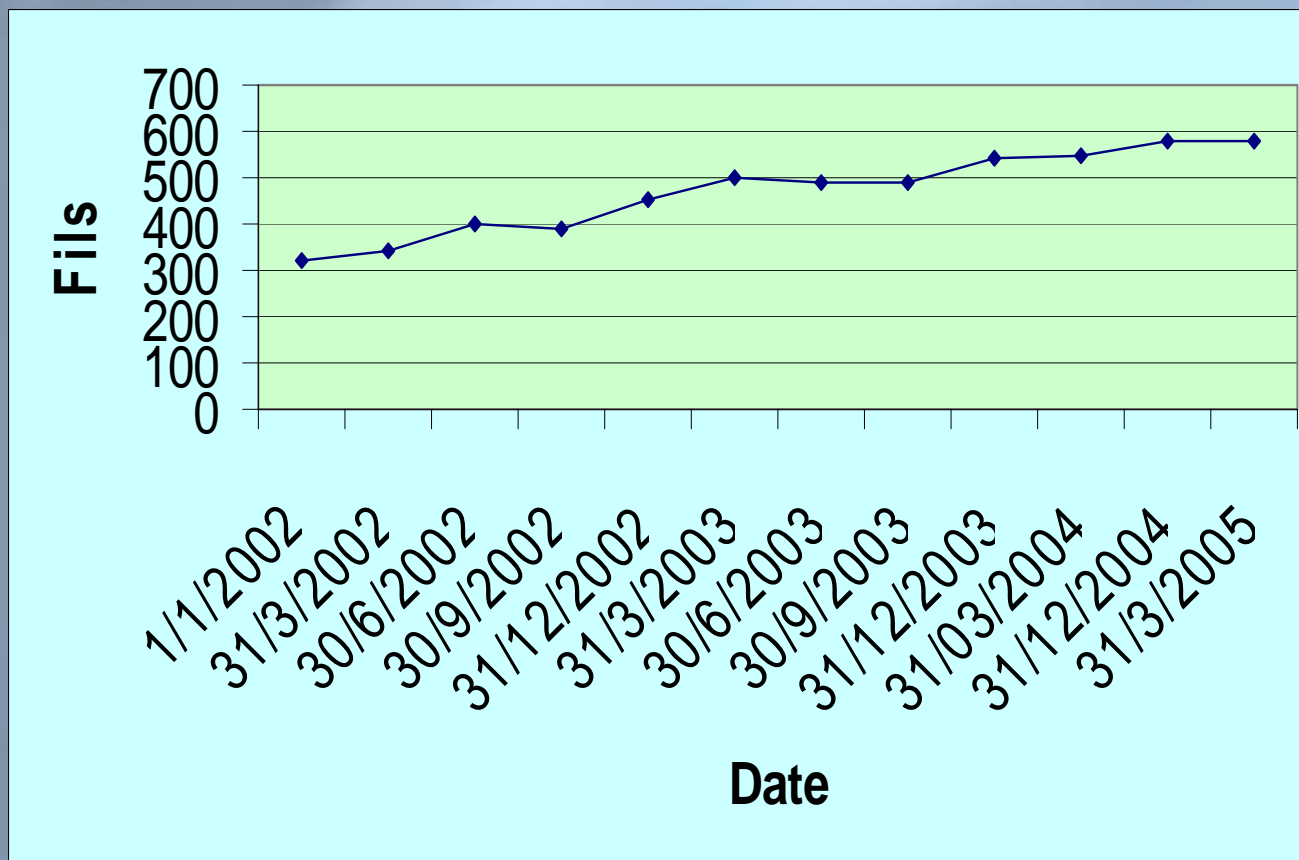
GIC's projected business results for year 2005

(KD Million)	Actual 31.03.2005	Actual 31.03.2004	%	Budget 31.12.2005	Actual 31.12.2004	%
Written Premium	10.84	12.15	-10.5	39.3	36.7	7.20%
Net Profit	2.26	1.69	33.7	6.4	5.78	10.70%
Technical Reserves	22.9	20.16	13.6	23.5	22.04	6.60%
Total Assets	119.1	108.4	9.9	107	111.43	-3.97%

Earning Per Share in 2005 is projected to increase to 59 Fils in comparison to 53.19 Fils in 2004 and 46.78 Fils in 2003.



Market Price for GIC Shares at Kuwait Stock Exchange



Date	Fils
1/1/2002	320
31/3/2002	340
30/6/2002	400
30/9/2002	390
31/12/2002	455
31/3/2003	500
30/6/2003	490
30/9/2003	490
31/12/2003	540
31/03/2004	550
31/12/2004	580
31/3/2005	580



Outlook for 2005

Factors influencing financial & technical activities

- Local and global capital markets.
- Reinsurance capacity and pricing.
- Improved stability in the region.
- Local and regional insurance legislation.
- Government and private local projects.



Outlook for 2005 (Contd.)

Key opportunities

- Reconstruction of Iraq.
- Development of northern Kuwaiti oilfields.
- New legislation for foreign investors.
- Improvement of port facilities.
- Major government projects due to increased government spending due to higher oil prices and stability in the region.
- New Saudi Arabian insurance law.
- Increased demand for personal line insurances (Life & Health).
- Egyptian insurance market expectations.



Outlook for 2005 (Contd.)

Challenges

- Maintaining lead position.
- Improving technical and investment profits.
- Local competition.
- New takaful products.
- Second line management.
- Regional expansion.



Outlook for 2005 (Contd.)

Reinvesting in the future

- Investment in Career Development Programs.
- Development of new products and services.
- Increasing insurance sales through local banks.



Summary

GIC's market leadership

- Leading the insurance market share in Kuwait.
- Lead insurer for KPC & subsidiaries.
- Largest life and health insurer.

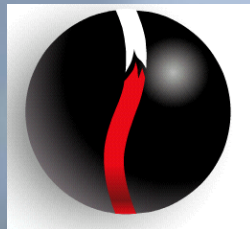


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شركة الخليج للتأمين
Gulf Insurance Company K.S.C

GIC's Prestigious Clients





GIC's Uniqueness

- State-of-the-art IT system:
 - Runs on Internet platform.
 - First in the Middle East to use Oracle 9i application server.
 - BS7799 Certificate, 1st company in Kuwait to be awarded for its comprehensive information security practices.
- Regional presence with subsidiaries in Saudi Arabia, Lebanon & Egypt.
- Exclusive insurance products.
- Inter-group support and coordination (KIPCO).

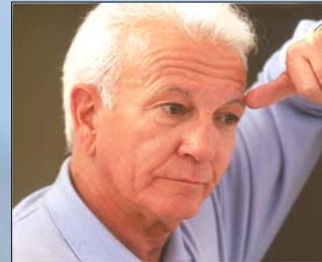


GIC Products

GIC Medex Care



MISK Retirement Plan



**Egg
(A Savings Plan for Children)**



PGH Critical Care



Householders Comprehensive



Purchase Protection



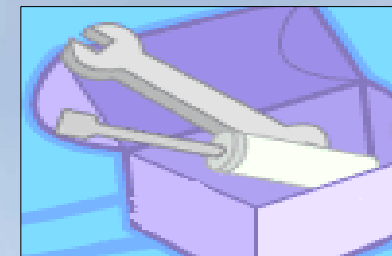
Gold Car Policy



Gulf Warranties



Auto Assist





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Thank You