

# KFH'S GROUP CORPORATE PROFILE

FY-2024



بيت التمويل الكويتي

KFH

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2024”

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Key Performance Indicators,  
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# HISTORY AND EXPANSION

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1977	KFH Established
1978	Doors Opened To Public
1984	Listed In Kuwait Stock Exchange
1989	Kuveyt Turk Established
1999	KFH Capital Established
2002	KFH Bahrain Established
2005	KFH Malaysia Established
2009	KFH Saudi Arabia Established
2015	KFH Germany Established
2016	KFH Assigned D-SIB Status From CBK
2022	Acquisition Of AUB Bahrain
2022	The Largest Listed Company In Kuwait Stock Exchange
2023	Acquisition Of AUB Kuwait

# KFH AWARDS

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## Kuwait

- **Best** Islamic Bank in Kuwait
- Euromoney

## Regional

- **Best** Islamic Bank in the Middle East
- Global Finance

## Global

- **Best** Islamic Financial Institution in the World
- Global Finance

# KFH RATINGS

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**Fitch**Ratings

**Long-term Issuer Default Rating A**  
**Short-term Issuer Default Rating F1**  
**Stable Outlook**

Fitch's Rating Update 12 December 2024

**MOODY'S**

**LT FC Bank Deposits Rating A2**  
**ST FC Bank Deposits Rating P-1**  
**Stable Outlook**

Moody's update 4 December 2024

# STRATEGY MAP

## KFH VISION

- To **lead** the international development of Islamic financial services, and become **the most trusted** and **sustainably most profitable** Shariah-compliant bank **in the world**

## KFH MISSION

- To deliver **superior innovation** and customer service excellence while **protecting** and **enhancing** the interests of all our **stakeholders**

## KFH STRATEGY MAP

### • Financial

Increase Revenue

Decrease Non-Performing  
Financial

Increase ROI

Enhance Productivity

### • Customer

Product / Service

Customer Satisfaction

Enhance Image  
& Reputation

### • Internal

Re-design Processes  
& Centralization of Processes

Automated Systems

### • Learning & Growth

Develop Human Capital

Enhance the Culture

Improve information  
and organizational capital

# STRATEGIC OBJECTIVE

## SEGMENTS

- Retail & Private Banking Customers
- Corporate Banking & Project Finance segment
- Commercial & Business banking segment

## STRATEGIC PRIORITIES

- Growth in Existing Customers
- Innovation with Fintech
- Operational Excellence

1. Increase Customers Satisfaction and Retention.
2. Expand Customer Base.
3. Deeping the relationship.
4. Increase Cross-Selling

1. KFH seeks to be a key partner and incubator for fintech in the region.
2. Building new products and services on top of the latest generation IT infrastructure while working with local and global Fintech.
3. Offering a cutting-edge customer experience to expand market presence.
4. Digitalization of bank products, services and processes with a heavy investment into IT growth and partnership are a key driver for KFH growth.
5. KFH is considering to benefit from main fintech global trends: Money Transfer, Insurance, Saving & Investment, Borrowing, Financial Planning, and blockchain technology e.g. Ripple.

1. Standardize operations and Customer Service
2. Key interaction between the brand and the customers.
3. To develop and invest heavily in employees.
4. Developing employee's performance metrics in order to provide real-time understanding of customer needs.

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# FY-24 FINANCIAL HIGHLIGHTS

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Net Profit for Shareholders

**KD 601.8 mn**

3.0%

Net Financing Income

**KD 1,147.0 mn**

18.7%

Net Operation Income

**KD 1,030.7 mn**

9.0%

Cost to Income Ratio

**36.79%**

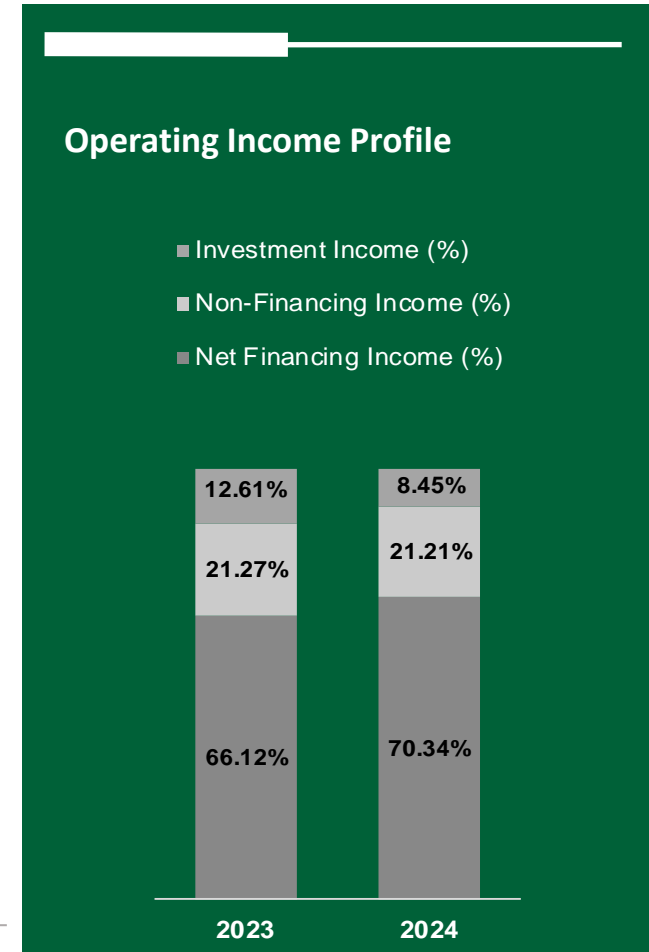
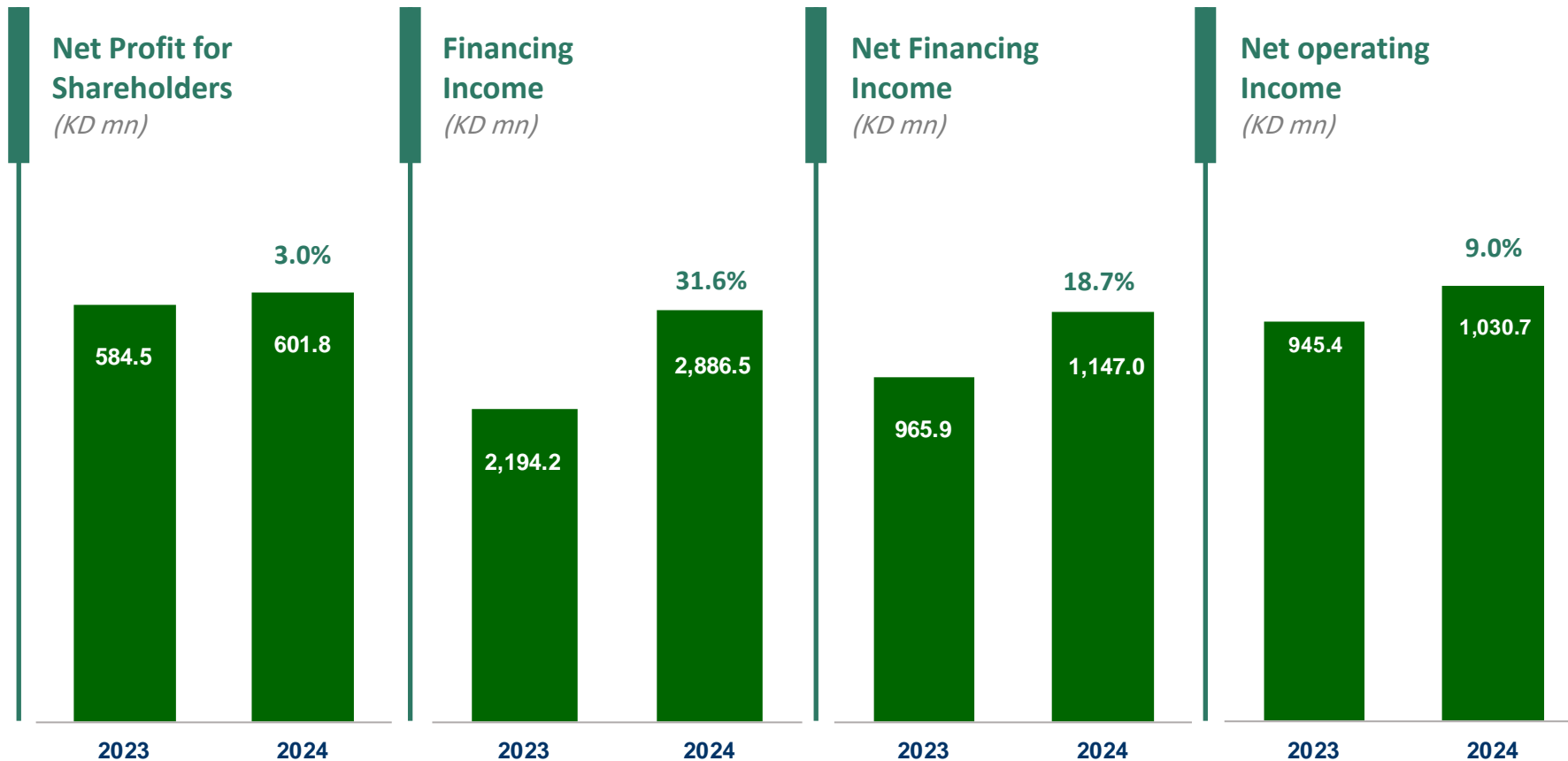
*(2023: 35.28%)*

EPS (fils)

**36.37%**

*(2023: 35.31 fils)*

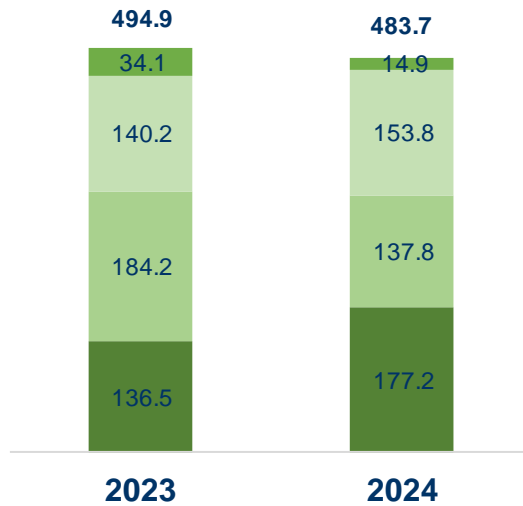
# FY-24 FINANCIAL PERFORMANCE



# FY-24 FINANCIAL PERFORMANCE

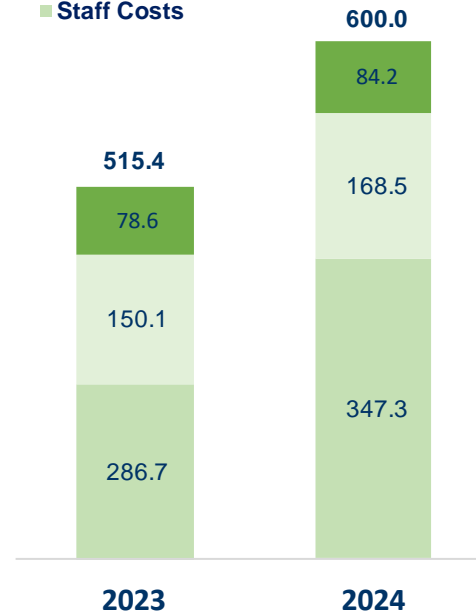
## Non - Financing Income

- Other Income
- Net Gain from Foreign Currencies
- Investment Income
- Fees and Commission Income



## Total Operating Expenses

- Depreciation and Amortization
- Other Operating Expenses
- Staff Costs

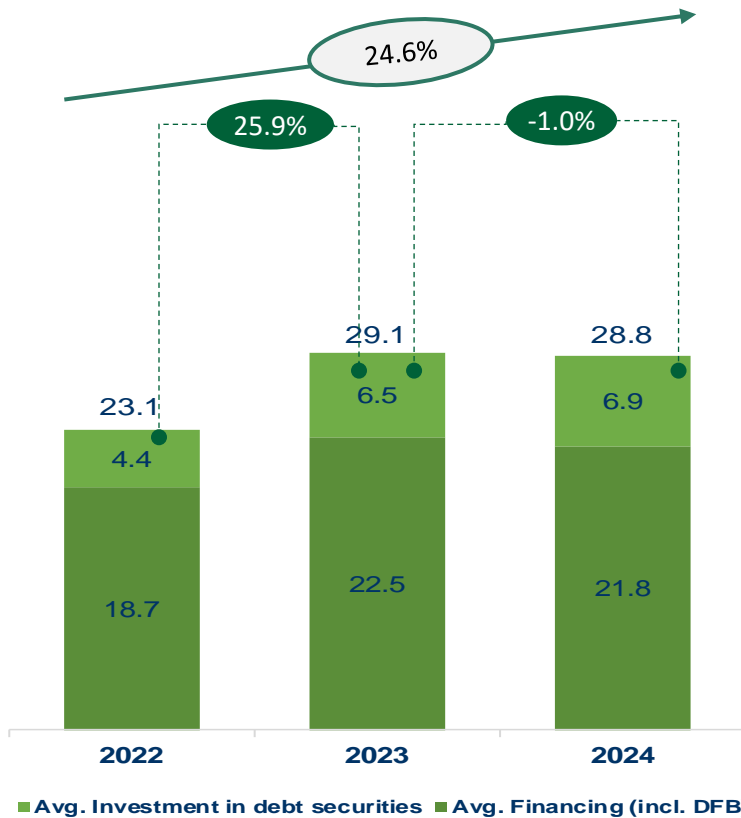


## C/I Ratio

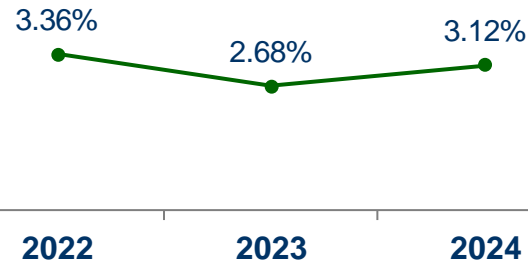


# FY-24 FINANCIAL PERFORMANCE

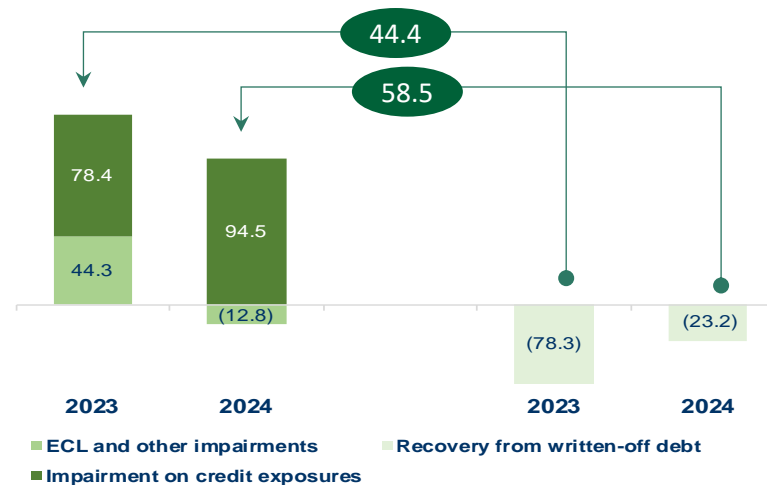
Average Profit Earning Assets (KD bn)



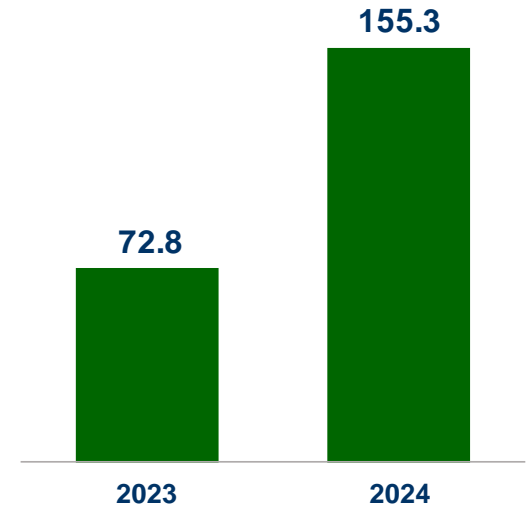
Net Financing Margin



Provision and Impairment (KD mn)



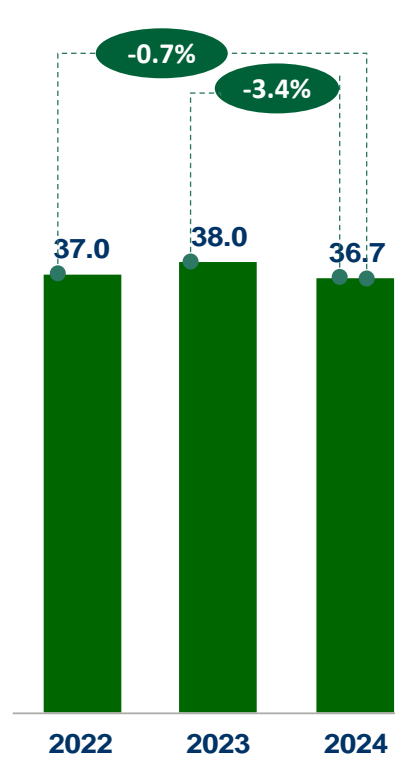
Net Monetary Loss\* (KD mn)



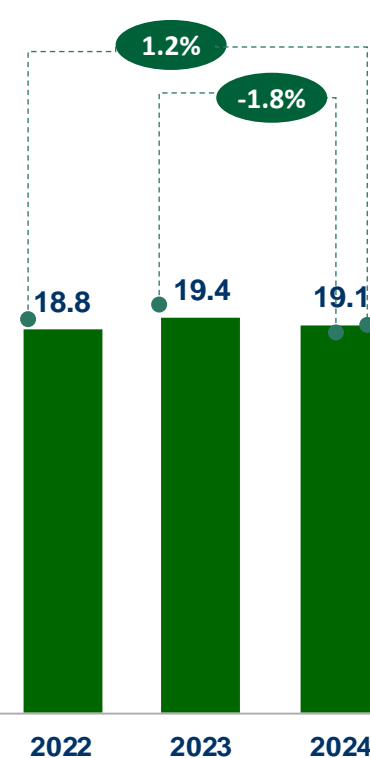
\* Hyper-inflation impact

# FY-24 FINANCIAL PERFORMANCE

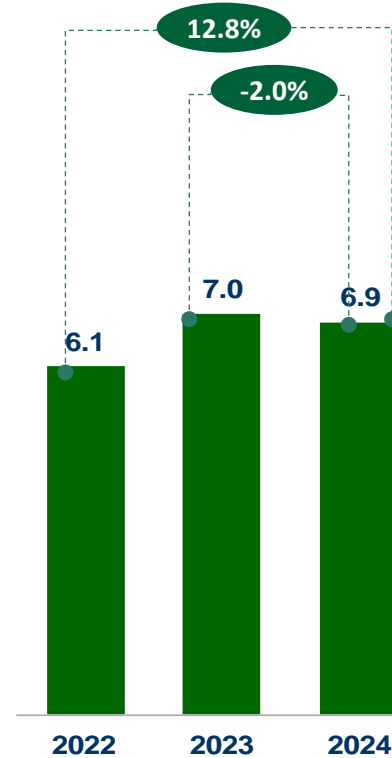
Total Assets  
(KD bn)



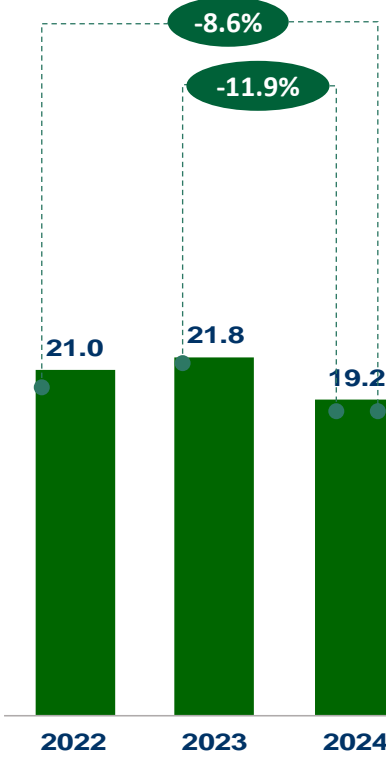
Net Financing  
(KD bn)



Investment in debt securities  
(KD bn)

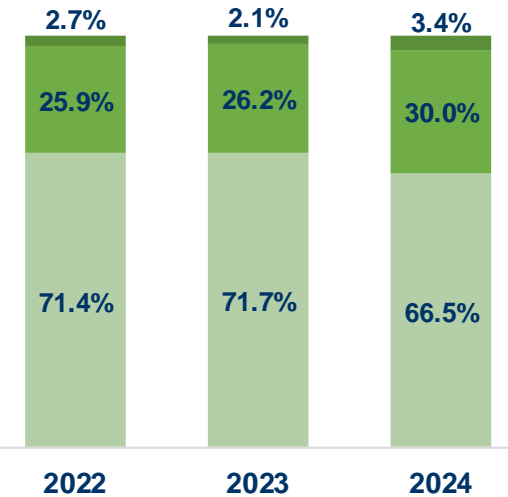


Depositors' Accounts  
(KD bn)



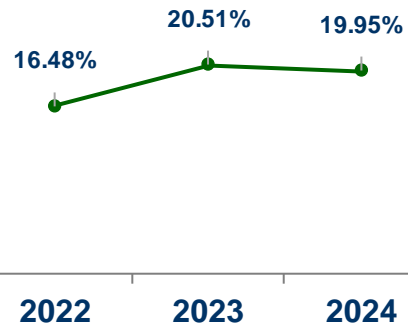
Funding Mix

- Sukuk Payable
- Due to Banks & FI's
- Depositors Accounts

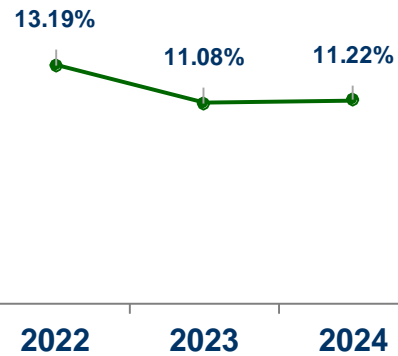


# FY-24 KEY FINANCIAL RATIOS

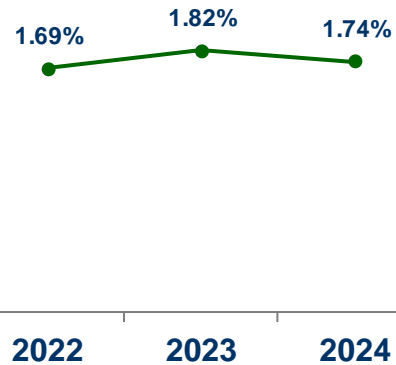
Return on Average Tangible Equity (%)



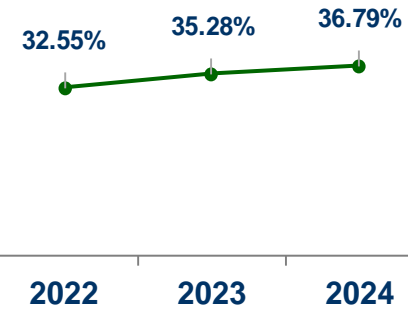
Return on Average Equity (%)



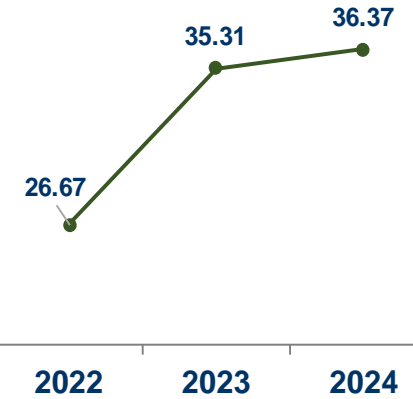
Return on Average Assets (%)



C/I (%)

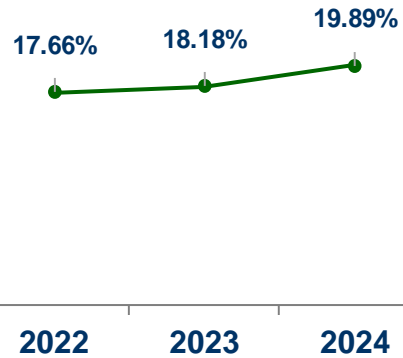


EPS (fils)

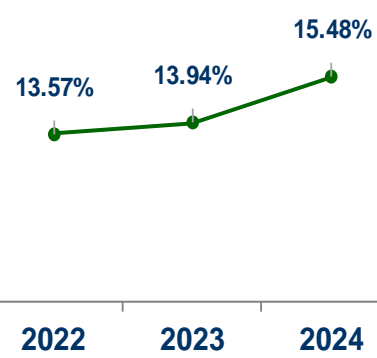


# FY-24 CAPITAL & ASSET QUALITY RATIOS

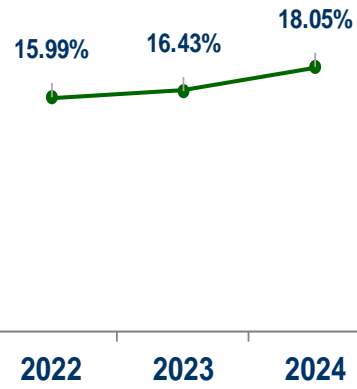
Capital Adequacy Ratio (%)



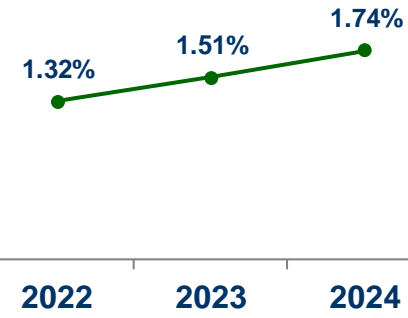
CET1 (%)



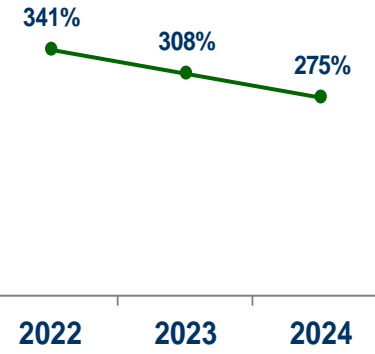
TIER 1 (%)



NPF (%)



NPF Coverage Ratio (%)



\* After proposed dividend

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**Economic Highlights**

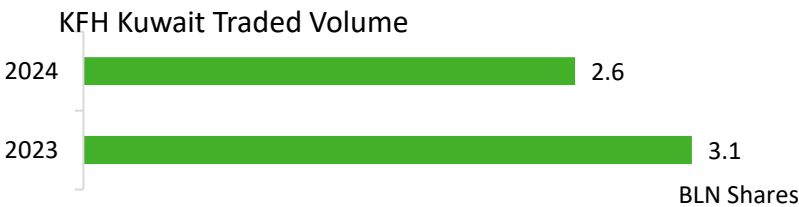
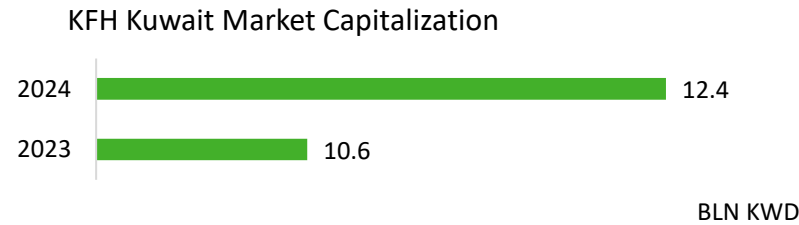
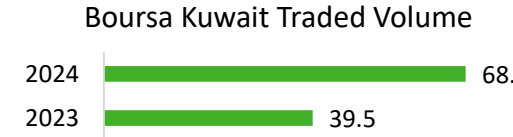
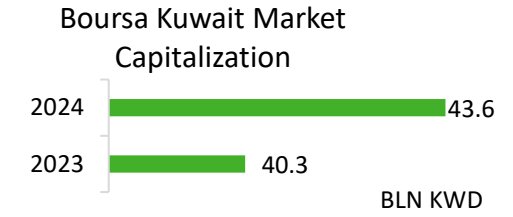
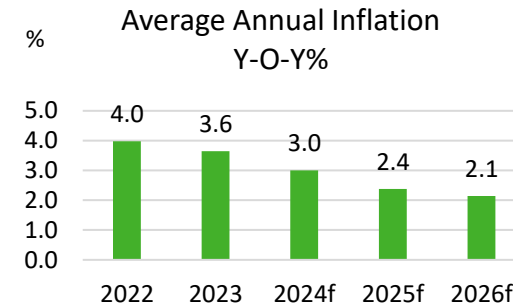
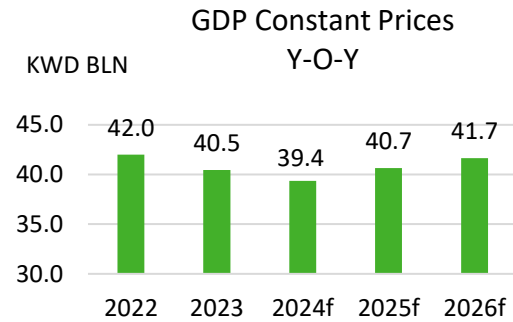
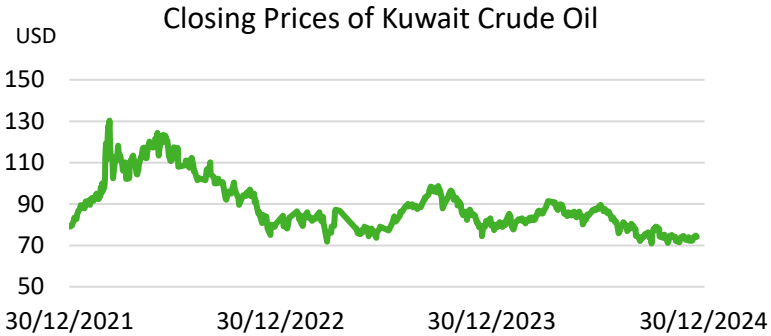
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**Key Performance Indicators,  
Consolidated Statements**

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# KUWAIT'S ECONOMIC HIGHLIGHTS



- International Monetary Fund (IMF) has expected Kuwait's GDP "constant prices" to reach KWD 39.4 billion in 2024 and to recover in the following years.
- IMF has estimated a decline for Kuwait's average annual Inflation rate to 3.0% in 2024 compared to 3.6% in 2023.
- By the end of December 2024, the Kuwaiti Crude Oil Price closed at USD 74.19 per barrel, reflecting a decrease of 6.7% compared to the same period last year.
- Kuwait's credit rating is A+ with a stable outlook, according to Standard & Poor's, A1, with a stable outlook, by Moody's, and AA- with a stable outlook by Fitch.
- The Central Bank of Kuwait (CBK) has announced a reduction in the discount rate by 25 basis points, lowering it from 4.25% to 4.00%, effective September 19, 2024.
- Market Capitalization of Boursa Kuwait as of the end of 2024 reached KWD 43.6 billion with an increase of 8.2% compared to the same period last year. While KFH's Market Capitalization reached KWD 12.4 billion with an increase of 17.2%.
- Traded volume at Boursa Kuwait during the full year of 2024 reached to 68.5 billion shares increasing by 73.1% compared to the full year of 2023. While KFH's traded volume reached 2.6 billion shares during the year 2024 representing 3.9% of traded volume at Boursa Kuwait during 2024.

# CONSOLIDATED FINANCIAL STATEMENTS 2024 VS. 2023

Consolidated Statement of Financial Position (KD million)	Dec-24	Dec-23
Cash and balances with banks and financial institutions	3,695	3,612
Due from Banks	2,227	2,971
Financing receivables	19,070	19,425
Investments in debt securities	6,865	7,006
Trading properties	92	105
Investments	242	310
Investment in associates and joint ventures	384	543
Investment properties	366	377
Other assets	1,059	903
Goodwill and Intangible assets	2,328	2,398
Property and equipment	376	359
<b>TOTAL ASSETS</b>	<b>36,703</b>	<b>38,010</b>
Due to banks	5,644	4,777
Due to financial institutions	3,030	3,207
Sukuk payables and term financing	987	636
Depositors' accounts	19,220	21,813
Other liabilities	1,405	1,414
<b>TOTAL LIABILITIES</b>	<b>30,286</b>	<b>31,847</b>
Share capital	1,711	1,476
Share premium	4,267	3,612
Treasury shares	(822)	(113)
Reserves	363	341
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>5,519</b>	<b>5,316</b>
Perpetual Tier 1 Capital Securities and Sukuks	504	502
Non-controlling interests	395	345
<b>TOTAL EQUITY</b>	<b>6,418</b>	<b>6,163</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,703</b>	<b>38,010</b>

Consolidated Statement of Income (KD million)	Dec-24	Dec-23
Financing income	2,886	2,194
Financing cost and distribution to depositors	1,739	1,228
<b>Net finance income</b>	<b>1,147</b>	<b>966</b>
Investment income	138	184
Fees and commission income	177	136
Net gain from foreign currencies	154	140
Other operating income	15	34
<b>Non-Financing Income</b>	<b>484</b>	<b>495</b>
<b>Total Operating Income</b>	<b>1,631</b>	<b>1,461</b>
Staff costs	347	287
General and administrative expenses	168	150
Depreciation and amortization	84	79
<b>Total Expenses</b>	<b>600</b>	<b>515</b>
<b>Net Operating Income</b>	<b>1,031</b>	<b>945</b>
Provisions and impairment	58	44
Net Monetary Loss	155	73
<b>Profit for the Period Before Taxation</b>	<b>817</b>	<b>828</b>
Taxation and Proposed Directors' fees	174	152
BOD remuneration	1	1
Non-controlling interests	40	91
<b>Profit Attributable to Shareholders of the Bank</b>	<b>602</b>	<b>585</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION 2020 - 2024

Consolidated Statement of Financial Position (KD million)	2020	2021	2022	2023	2024
Cash and balances with banks and financial institutions	2,491	2,325	3,156	3,612	3,695
Due from Banks	3,365	3,350	3,870	2,971	2,227
Financing receivables	10,748	11,355	18,801	19,425	19,070
Investments in debt securities	2,742	2,735	6,085	7,006	6,865
Trading properties	102	96	95	105	92
Investments	192	219	247	310	242
Investment in associates and joint ventures	521	492	520	543	384
Investment properties	351	325	400	377	366
Other assets	728	654	999	903	1,059
Goodwill and Intangible assets	32	32	2,463	2,398	2,328
Property and equipment	230	204	335	359	376
<b>TOTAL ASSETS</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>	<b>38,010</b>	<b>36,703</b>
Due to banks & Financial Institutions	4,215	3,424	7,633	7,984	8,674
Sukuk payables and term financing	315	217	784	636	987
Depositors' accounts	14,056	15,038	21,030	21,813	19,220
Other liabilities	814	803	1,235	1,414	1,405
<b>TOTAL LIABILITIES</b>	<b>19,401</b>	<b>19,481</b>	<b>30,683</b>	<b>31,847</b>	<b>30,286</b>
Share capital	767	844	1,342	1,476	1,711
Share premium	720	720	3,612	3,612	4,267
Treasury shares	(28)	(28)	(42)	(113)	(822)
Reserves	476	395	446	341	363
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>1,936</b>	<b>1,932</b>	<b>5,358</b>	<b>5,316</b>	<b>5,519</b>
Perpetual Tier 1 Capital Securities and Sukuks	0	227	502	502	504
Non-controlling interests	165	149	427	345	395
<b>TOTAL EQUITY</b>	<b>2,101</b>	<b>2,307</b>	<b>6,286</b>	<b>6,163</b>	<b>6,418</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>	<b>38,010</b>	<b>36,703</b>

# CONSOLIDATED STATEMENT OF INCOME 2020 - 2024

Consolidated Statement of Income (KD million)	2020	2021	2022	2023	2024
Financing income	893	871	1,322	2,194	2,886
Financing cost and distribution to depositors	279	286	522	1,228	1,739
<b>Net finance income</b>	<b>614</b>	<b>586</b>	<b>801</b>	<b>966</b>	<b>1,147</b>
Investment income	(6)	16	44	184	138
Fees and commission income	73	72	90	136	177
Net gain from foreign currencies	70	89	93	140	154
Other income	45	48	44	34	15
<b>Non-Financing Income</b>	<b>181</b>	<b>225</b>	<b>272</b>	<b>495</b>	<b>484</b>
<b>Total operating income</b>	<b>796</b>	<b>811</b>	<b>1,072</b>	<b>1,461</b>	<b>1,631</b>
Staff costs	172	184	209	287	347
General and administrative expenses	81	82	95	150	168
Depreciation and amortisation	43	42	45	79	84
<b>Total Expenses</b>	<b>296</b>	<b>308</b>	<b>349</b>	<b>515</b>	<b>600</b>
<b>Net Operating Income</b>	<b>500</b>	<b>503</b>	<b>723</b>	<b>945</b>	<b>1,031</b>
Provisions and impairment	284	135	62	44	58
Net Monetary Loss	0	0	128	73	155
<b>Profit Before Tax and Zakat</b>	<b>215</b>	<b>368</b>	<b>534</b>	<b>828</b>	<b>817</b>
Taxation and Proposed Directors' fees	31	58	99	153	175
Non-controlling interests	36	67	77	91	40
<b>Profit Attributable to Shareholders of the Bank</b>	<b>148</b>	<b>243</b>	<b>358</b>	<b>585</b>	<b>602</b>

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