

# KFH'S GROUP CORPORATE PROFILE

9M-2023



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- 1. KFH OVERVIEW**
2. Financial Performance “9M-2023”
3. Appendix
  1. Economic Highlights
  2. Key Performance Indicators, Consolidated Statements



# HISTORY AND EXPANSION



<b>1977</b> KFH established	<b>1978</b> Doors opened to public	<b>1984</b> Listed in Kuwait Stock Exchange	<b>1989</b> Kuveyt Turk established	<b>1999</b> KFH Capital established
<b>2002</b> KFH Bahrain established	<b>2005</b> KFH Malaysia established	<b>2009</b> KFH Saudi Arabia established	<b>2015</b> KFH Germany established	<b>2016</b> KFH assigned D-SIB status from CBK
	<b>2022</b> Acquisition of AUB Bahrain	<b>2022</b> The largest listed company in Kuwait Stock Exchange	<b>2023</b> Acquisition of AUB Kuwait	

# KFH'S AWARDS

بيت التمويل الكويتي  
Kuwait Finance House



## 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'S RATINGS



**Fitch**Ratings

Long-Term Issuer Default Rating A  
Short-Term Issuer Default Rating F1  
STABLE Outlook  
05 September 2023

**MOODY'S**

LT FC Bank Deposits Rating A2  
ST FC Bank Deposits Rating P-1  
STABLE Outlook  
27 July 2023

# STRATEGY MAP

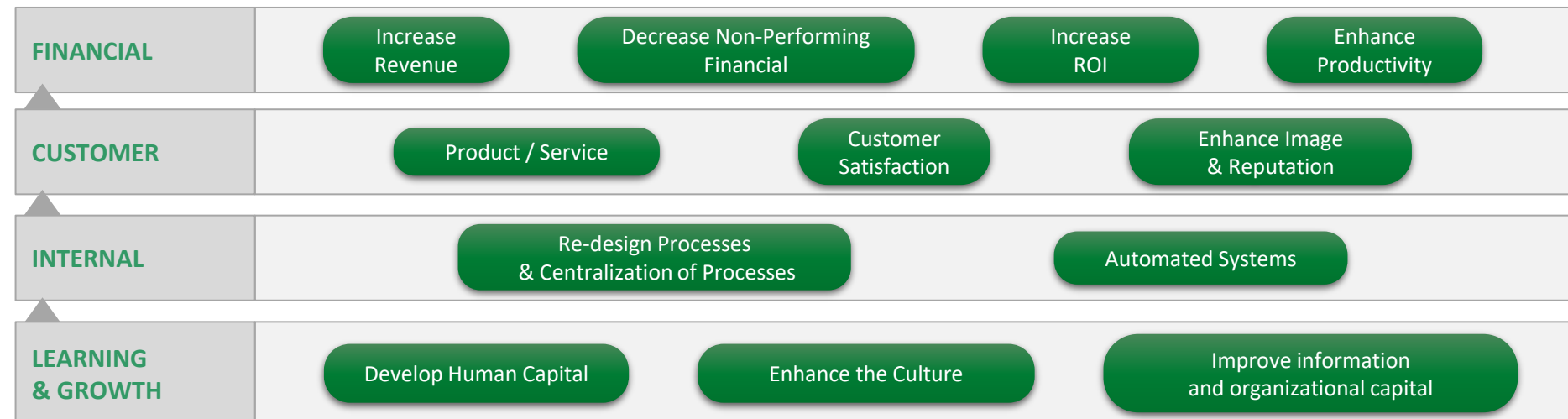
## KFH VISION

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



# STRATEGIC OBJECTIVE



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# 9M-23 Financial Highlights

<b>Net Profit for Shareholders</b> <b>KD 461.5 m</b> 124.3%	<b>Net Financing Income</b> <b>KD 713.9 m</b> 40.4%	<b>Net Operating Income</b> <b>KD 739.8 m</b> 59.7%
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**Cost to Income Ratio**

**33.70%**

*(9M-22: 33.61%)*

**EPS (fils)**

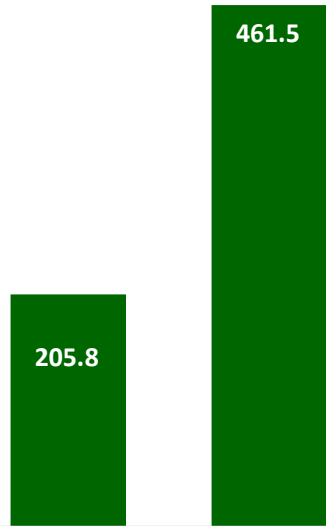
**30.81**

*(9M-22 : 19.13fils)*

# 9M-23 Financial Performance

## Net Profit for Shareholders

(KD mn)

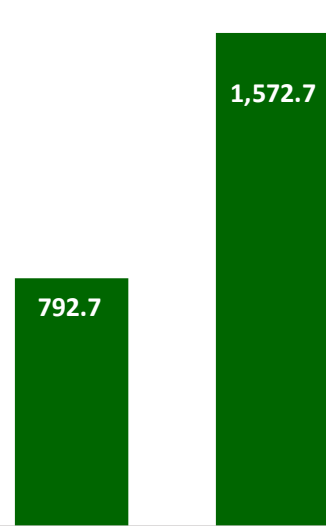


9M-22

9M-23

## Financing Income

(KD mn)

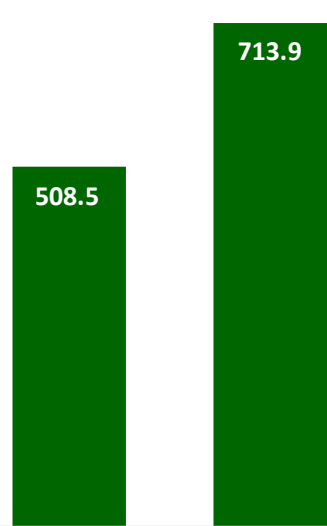


9M-22

9M-23

## Net Financing Income

(KD mn)

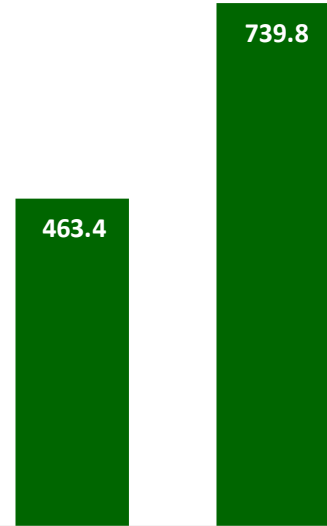


9M-22

9M-23

## Net Operating Income

(KD mn)

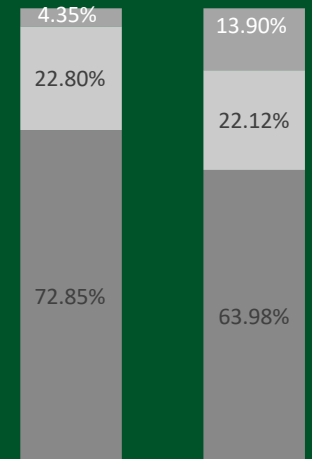


9M-22

9M-23

## Operating Income Profile

- Investment Income (%)
- Non-Financing Income (%)
- Net Financing Income (%)



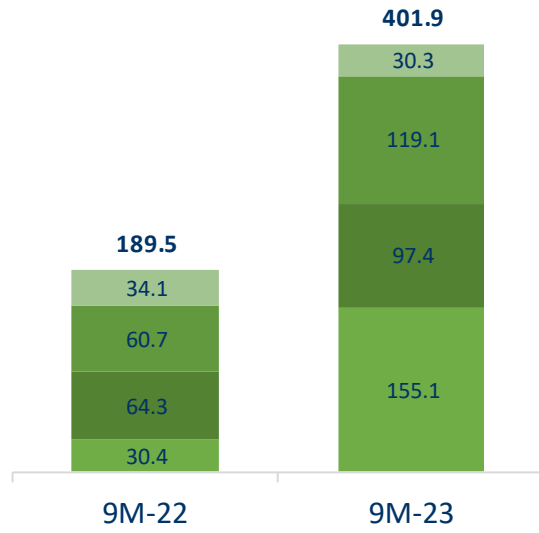
9M-22

9M-23

# 9M-23 Financial Performance

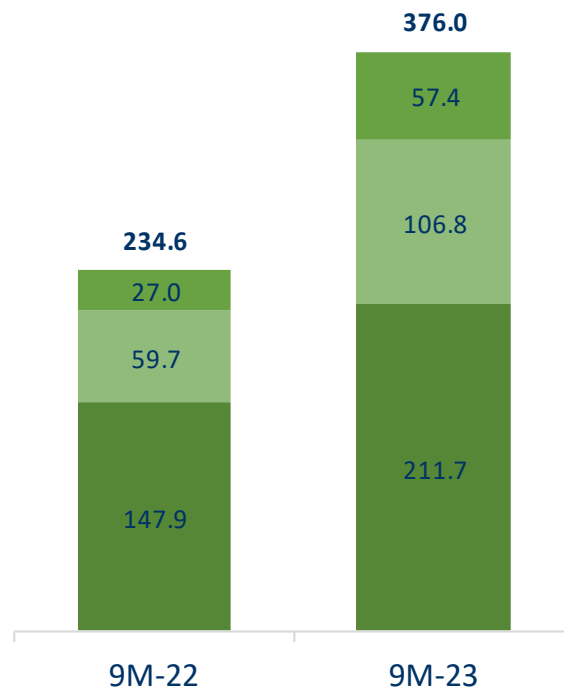
## Non - Financing Income (KD mn)

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



## Total Operating Expenses (KD mn)

- Depreciation and Amortization
- Other Operating Expenses
- Staff Costs

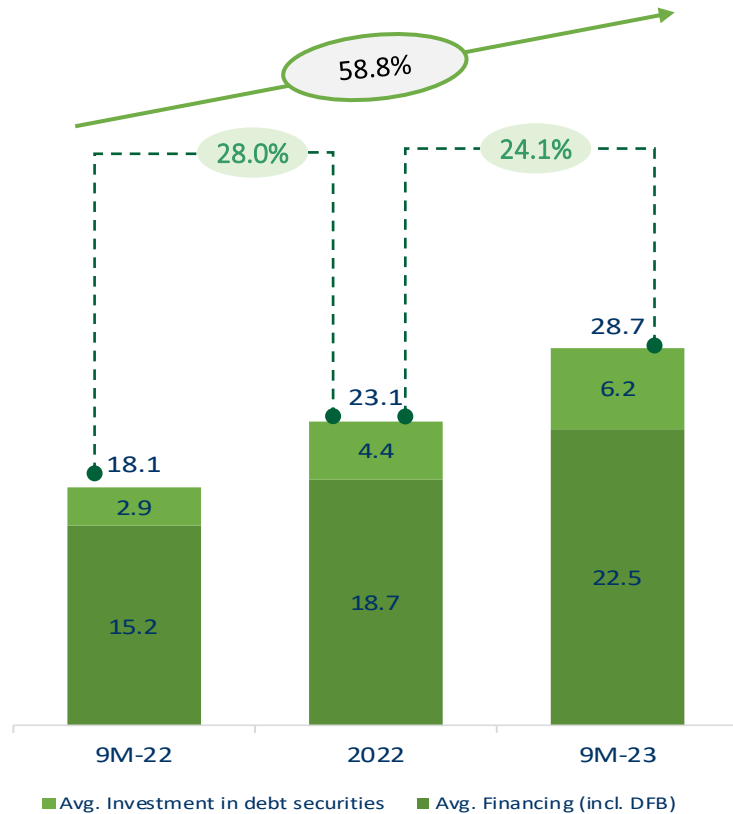


## C/I Ratio

9M-22, 33.61%      9M-23, 33.70%

# 9M-23 Financial Performance

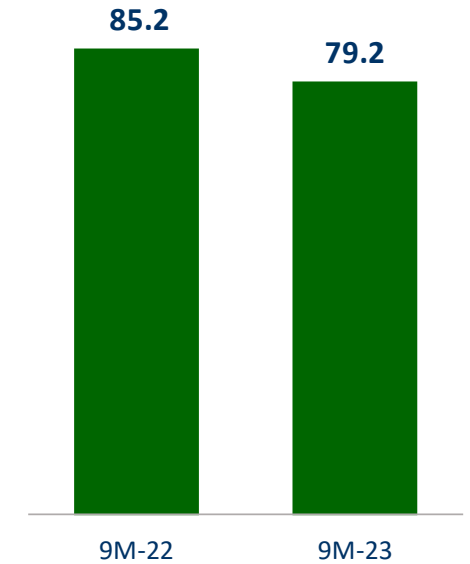
## Average Profit Earning Assets (KD bn)



## Net Financing Margin

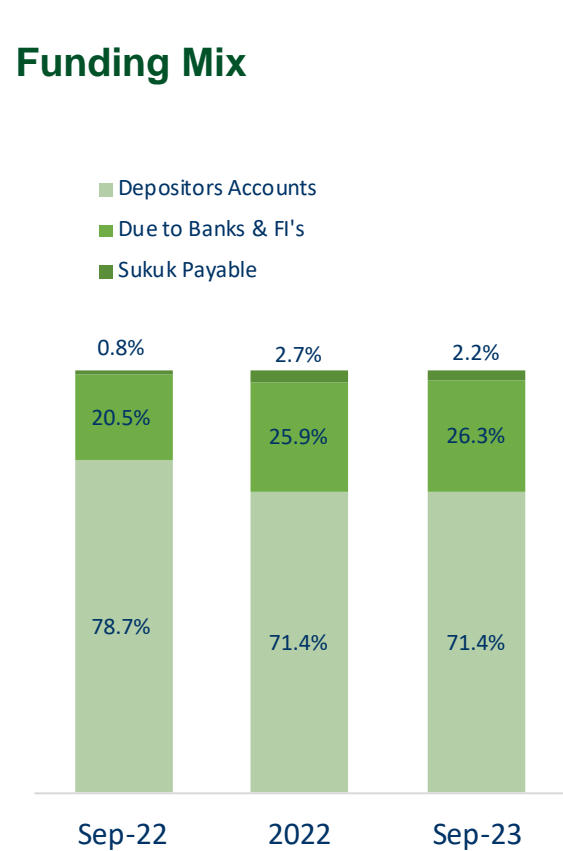
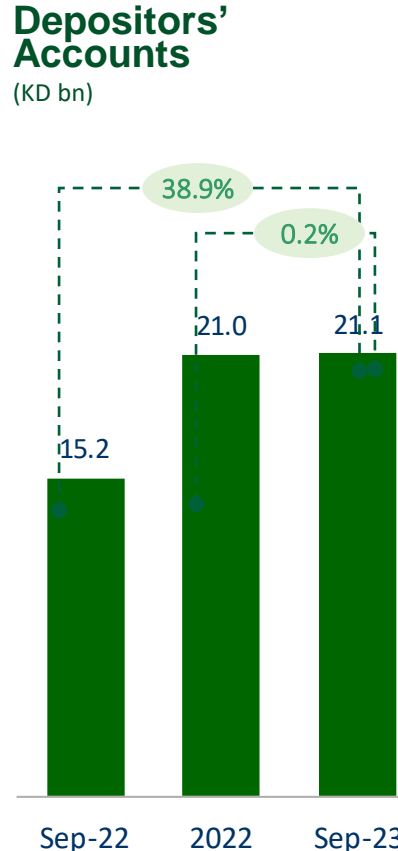
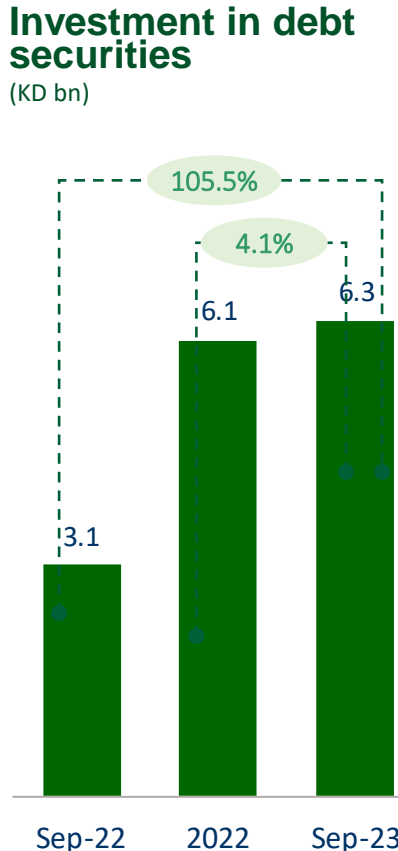
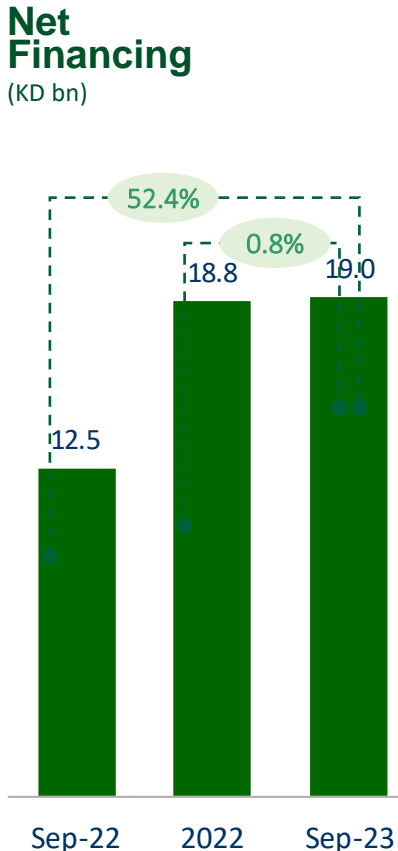
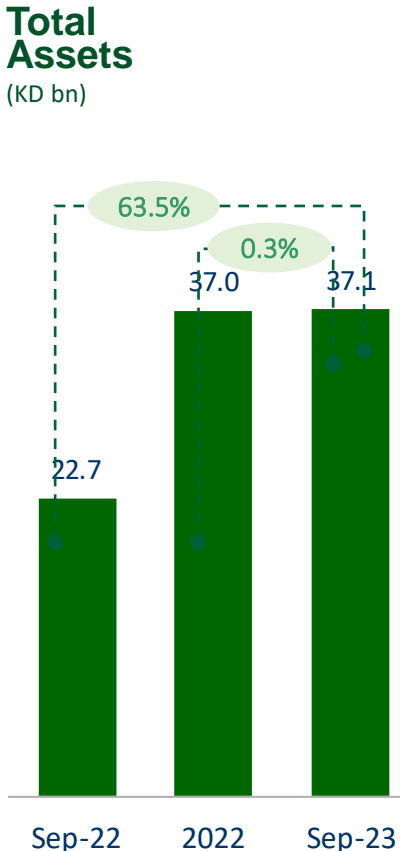


## Net Monetary Loss\* (KD mn)



\* Hyper-inflation impact

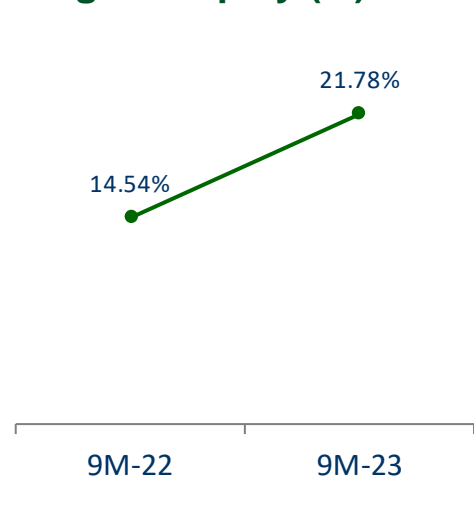
# 9M-23 Financial Performance



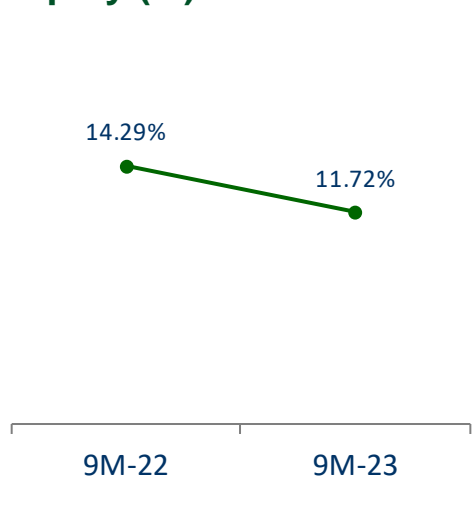
\* re-stated

# 9M-23 Key Financial Ratios

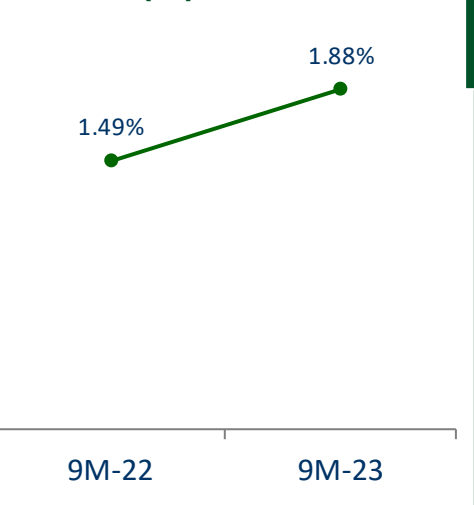
Return on Average Tangible Equity (%)



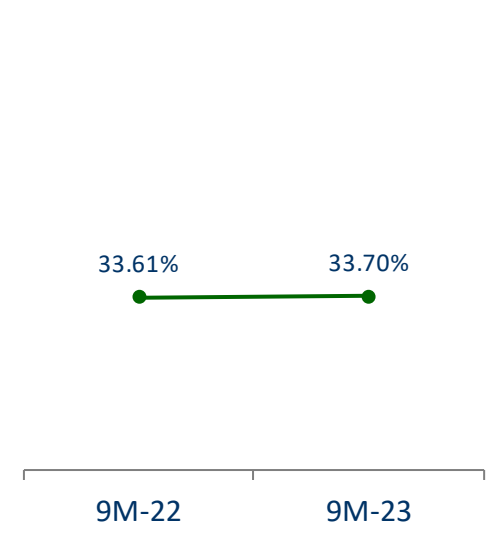
Return on Average Equity (%)



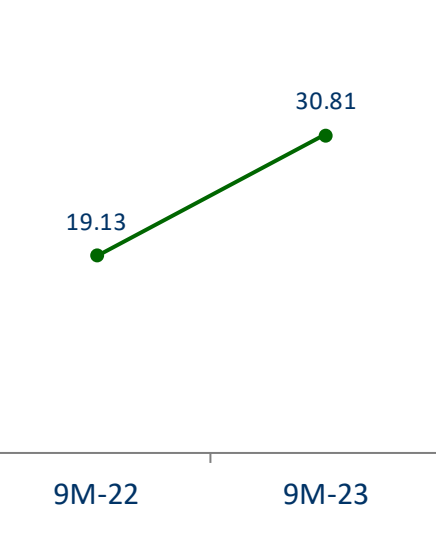
Return on Average Assets (%)



C/I (%)



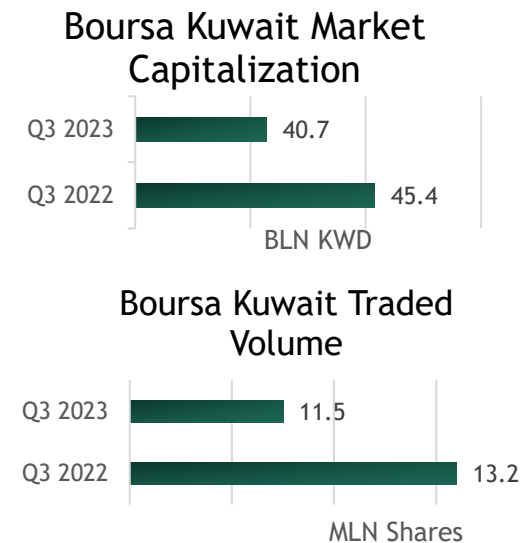
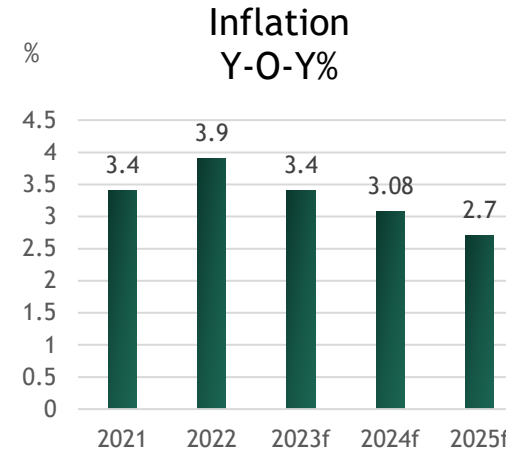
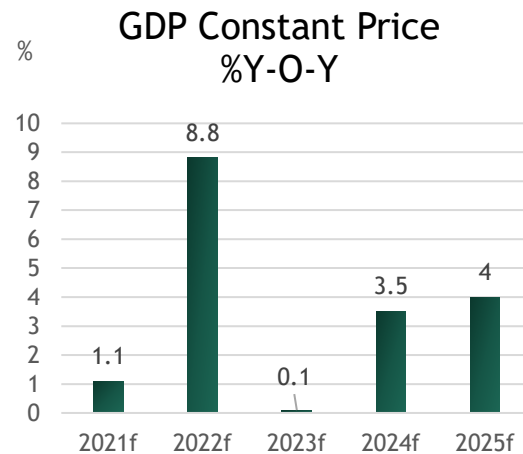
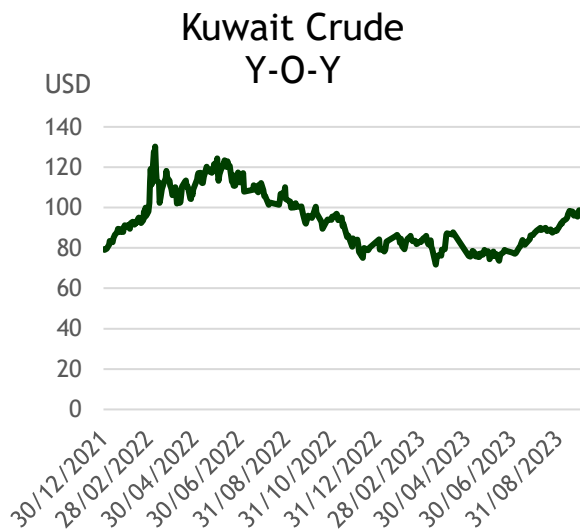
EPS (fils)



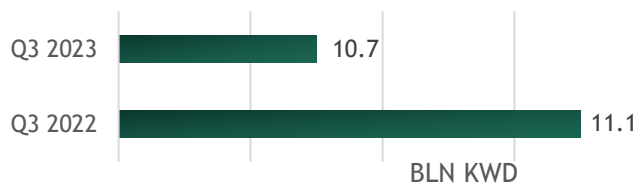
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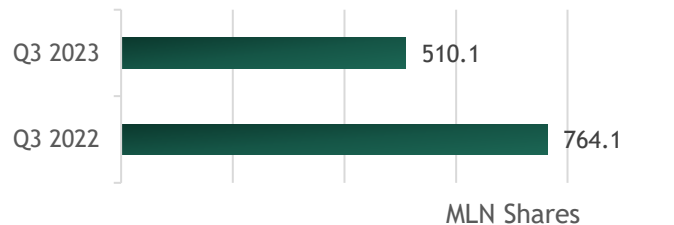
# ECONOMIC HIGHLIGHTS



## KFH Kuwait's Market Capitalization



## KFH Kuwait's Traded Volume



- According to the most recent International Monetary Fund (IMF) forecast for October 2023, Kuwait's GDP growth reached 8.8% in 2022 with lower growth in 2023. Kuwait's annual inflation rate in 2023 is forecasted to be 3.4%.
- Kuwaiti Crude Oil Price stood at USD 97.9pb by the end of September 2023, up by 1.9% from the same period the previous year.
- Kuwait's credit rating is A+ with a stable outlook, according to Standard & Poor's. Kuwait's credit rating was last established at A1, with a stable outlook, by Moody's. Kuwait's credit rating was recently published by Fitch at AA- with a stable outlook.
- Central Bank of Kuwait (CBK) decided to raise the discount rate by 0.25% from 4.0% to 4.25% effective July 27, 2023.
- The market capitalization of Bursa Kuwait dropped by 10.5% to KWD 40.7 billion, while KFH's market capitalization decreased by 3.9% to KWD 10.7 billion at the end of Q3 2023 compared to the same period previous year.
- When compared to the same period last year, Bursa Kuwait traded volume declined by 13.4% to 11.5 billion shares, while KFH traded volume decreased by 33.2% to 764 million shares at the end of Q3 2023.



# Consolidated Financial Statements 9M-23 Vs. 9M-22

Consolidated Statement of Financial Position (KD million)	Sep-23	Sep-22
Cash and balances with banks and financial institutions	3,321	2,074
Due from Banks	3,252	3,132
Financing receivables	18,995	12,466
Investments in debt securities	6,336	3,083
Trading properties	108	97
Investments	276	210
Investment in associates and joint ventures	538	429
Investment properties	360	345
Other assets	1,115	569
Goodwill and Intangible assets	2,421	34
Property and equipment	347	230
<b>TOTAL ASSETS</b>	<b>37,069</b>	<b>22,668</b>
Due to banks and financial institutions	7,771	3,954
Sukuk payables and term financing	656	163
Depositors' accounts	21,076	15,179
Other liabilities	1,531	911
<b>TOTAL LIABILITIES</b>	<b>31,033</b>	<b>20,206</b>
Share capital	1,476	929
Share premium	3,612	720
Treasury shares	(82)	(28)
Reserves	210	378
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHODERS OF THE BANK</b>	<b>5,216</b>	<b>1,999</b>
Perpetual Tier 1 Capital Securities and Sukuks	506	233
Non-controlling interests	314	230
<b>TOTAL EQUITY</b>	<b>6,036</b>	<b>2,462</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>37,069</b>	<b>22,668</b>

Consolidated Statement of Income (KD million)	Sep-23	Sep-22
Financing income	1,573	793
Financing cost and distribution to depositors	859	284
<b>Net finance income</b>	<b>714</b>	<b>508</b>
Investment income	155	30
Fees and commission income	97	64
Net gain from foreign currencies	119	61
Other operating income	30	34
<b>Non-Financing Income</b>	<b>402</b>	<b>190</b>
<b>Tota Operating Income</b>	<b>1,116</b>	<b>698</b>
Staff costs	212	148
General and administrative expenses	107	60
Depreciation and amortization	57	27
<b>Total Expenses</b>	<b>376</b>	<b>235</b>
<b>Net Operating Income</b>	<b>740</b>	<b>463</b>
Provisions and impairment	24	60
Net Monetary Loss	79	85
<b>Profit for the Period Before Taxation</b>	<b>637</b>	<b>319</b>
Taxation	116	70
Non-controlling interests	59	43
<b>Profit Attributable to Shareholders of the Bank</b>	<b>462</b>	<b>206</b>

# Consolidated Statement of Financial Position 2018 - 2022

Consolidated Statement of Financial Position (KD million)	2018	2019	2020	2021	2022
Cash and balances with banks and financial institutions	1,381	1,910	2,491	2,325	3,156
Due from Banks	3,444	3,646	3,365	3,350	3,870
Financing receivables	9,190	9,474	10,748	11,355	18,840
Investments in debt securities	1,563	2,292	2,742	2,735	6,085
Trading properties	148	108	102	96	95
Investments	285	195	192	219	247
Investment in associates and joint ventures	499	504	521	492	520
Investment properties	490	455	351	325	384
Other assets	544	547	728	654	976
Goodwill and Intangible assets	31	31	32	32	2,463
Property and equipment	195	229	230	204	335
<b>TOTAL ASSETS</b>	<b>17,770</b>	<b>19,391</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>
Due to banks and financial institutions	2,689	2,427	2,954	2,595	6,181
Sukuk payables and term financing	499	320	315	217	784
Depositors' accounts	11,780	13,553	15,317	15,867	22,483
Other liabilities	728	848	814	803	1,235
<b>TOTAL LIABILITIES</b>	<b>15,696</b>	<b>17,147</b>	<b>19,401</b>	<b>19,481</b>	<b>30,683</b>
Share capital	634	698	767	844	1,342
Share premium	720	720	720	720	3,612
Treasury shares	(44)	(36)	(28)	(28)	(42)
Reserves	584	679	476	395	446
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>1,894</b>	<b>2,060</b>	<b>1,936</b>	<b>1,932</b>	<b>5,358</b>
Perpetual Tier 1 Capital Securities and Sukuks	0	0	0	227	502
Non-controlling interests	180	183	165	149	427
<b>TOTAL EQUITY</b>	<b>2,074</b>	<b>2,243</b>	<b>2,101</b>	<b>2,307</b>	<b>6,286</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,770</b>	<b>19,391</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>

# Consolidated Statement of Income 2018 - 2022

Consolidated Statement of Income (KD million)	2018	2019	2020	2021	2022
Financing income	862	932	893	871	1,322
Financing cost and distribution to depositors	335	401	279	286	522
<b>Net finance income</b>	<b>527</b>	<b>530</b>	<b>614</b>	<b>586</b>	<b>801</b>
Investment income	63	130	-6	16	44
Fees and commission income	87	79	73	72	90
Net gain from foreign currencies	30	34	70	89	93
Other income	39	41	45	48	44
<b>Non-Financing Income</b>	<b>219</b>	<b>284</b>	<b>182</b>	<b>225</b>	<b>272</b>
<b>Total operating income</b>	<b>746</b>	<b>814</b>	<b>796</b>	<b>811</b>	<b>1,072</b>
Staff costs	178	182	172	184	209
General and administrative expenses	81	79	81	82	95
Depreciation and amortisation	33	43	43	42	45
<b>Total Expenses</b>	<b>292</b>	<b>304</b>	<b>296</b>	<b>308</b>	<b>349</b>
<b>Net Operating Income</b>	<b>454</b>	<b>510</b>	<b>500</b>	<b>503</b>	<b>723</b>
Provisions and impairment	163	197	284	135	62
Net Monetary Loss	0	0	0	0	128
<b>Profit Before Tax and Zakat</b>	<b>291</b>	<b>313</b>	<b>216</b>	<b>368</b>	<b>534</b>
Taxation and Proposed Directors' fees	27	51	31	58	99
Non-controlling interests	36	11	36	67	77
<b>Profit Attributable to Shareholders of the Bank</b>	<b>227</b>	<b>251</b>	<b>149</b>	<b>243</b>	<b>358</b>

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