

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



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'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



FitchRatings

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

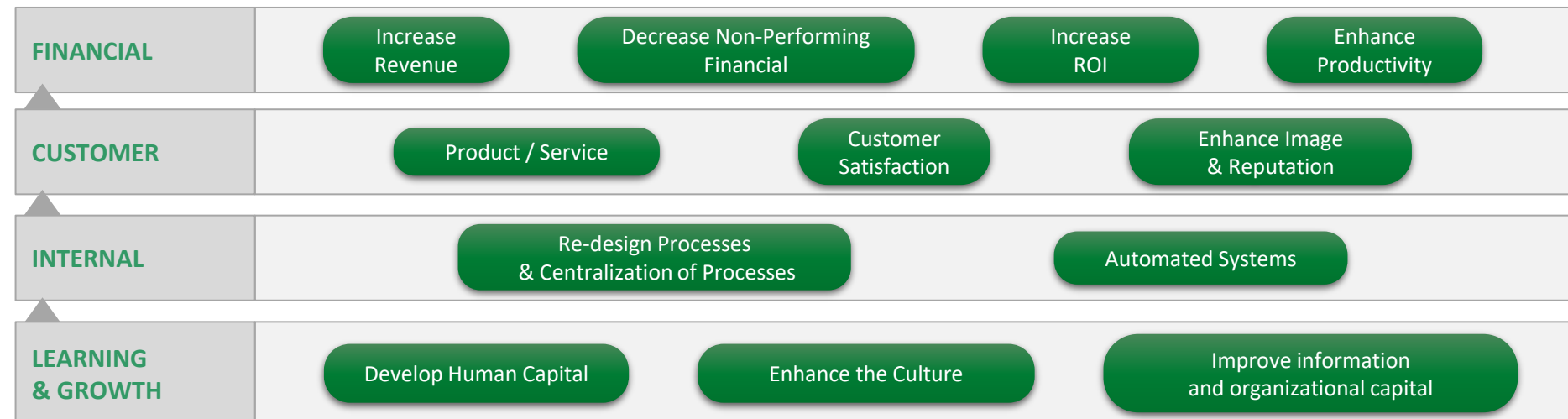
KFH VISION

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

Net Profit for Shareholders KD 461.5 m 124.3%	Net Financing Income KD 713.9 m 40.4%	Net Operating Income KD 739.8 m 59.7%
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Cost to Income Ratio

33.70%

(9M-22: 33.61%)

EPS (fils)

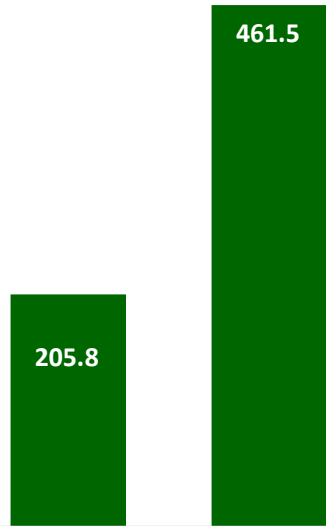
30.81

(9M-22 : 19.13fils)

9M-23 Financial Performance

Net Profit for Shareholders

(KD mn)

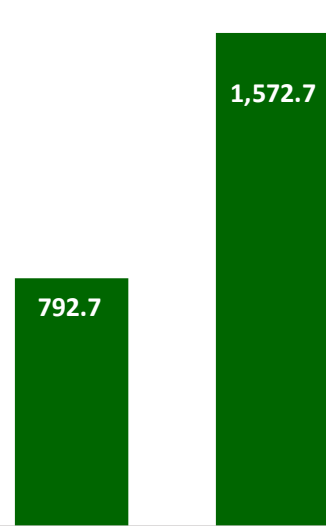


9M-22

9M-23

Financing Income

(KD mn)

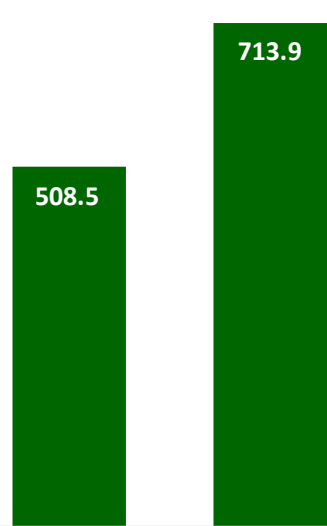


9M-22

9M-23

Net Financing Income

(KD mn)

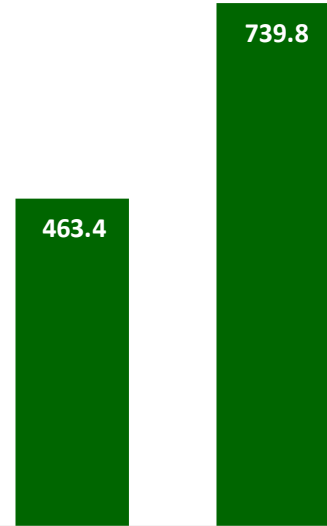


9M-22

9M-23

Net Operating Income

(KD mn)

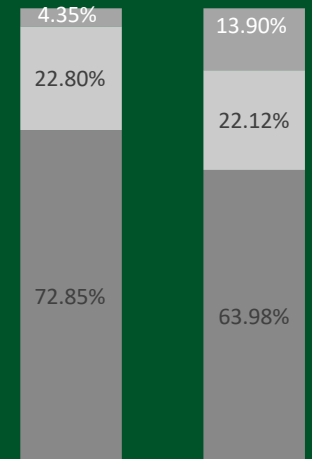


9M-22

9M-23

Operating Income Profile

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



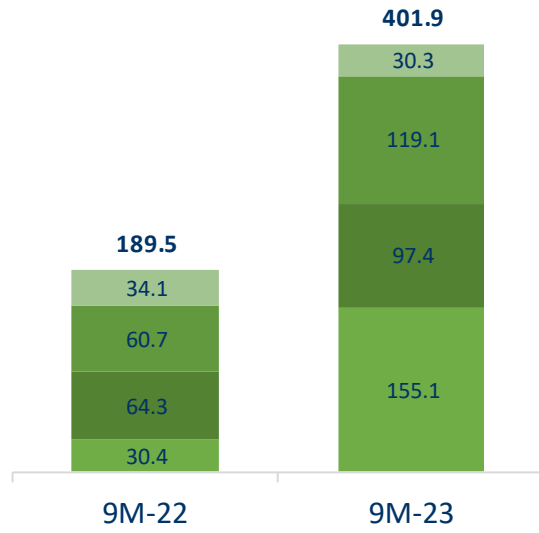
9M-22

9M-23

9M-23 Financial Performance

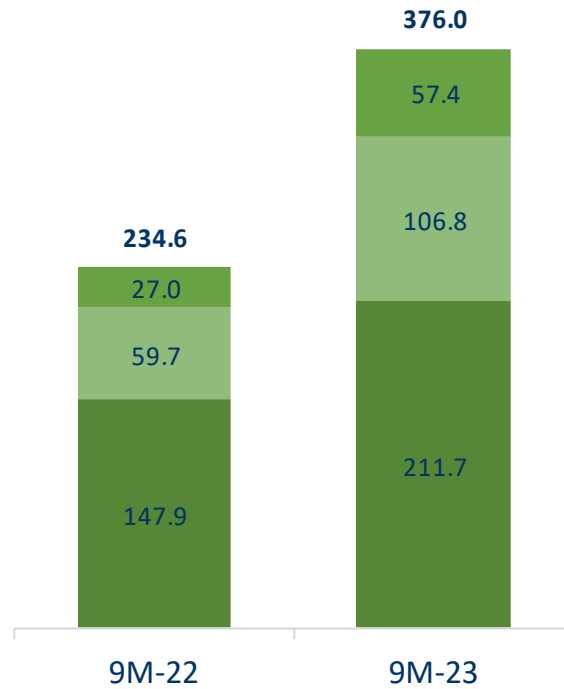
Non - Financing Income (KD mn)

- 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

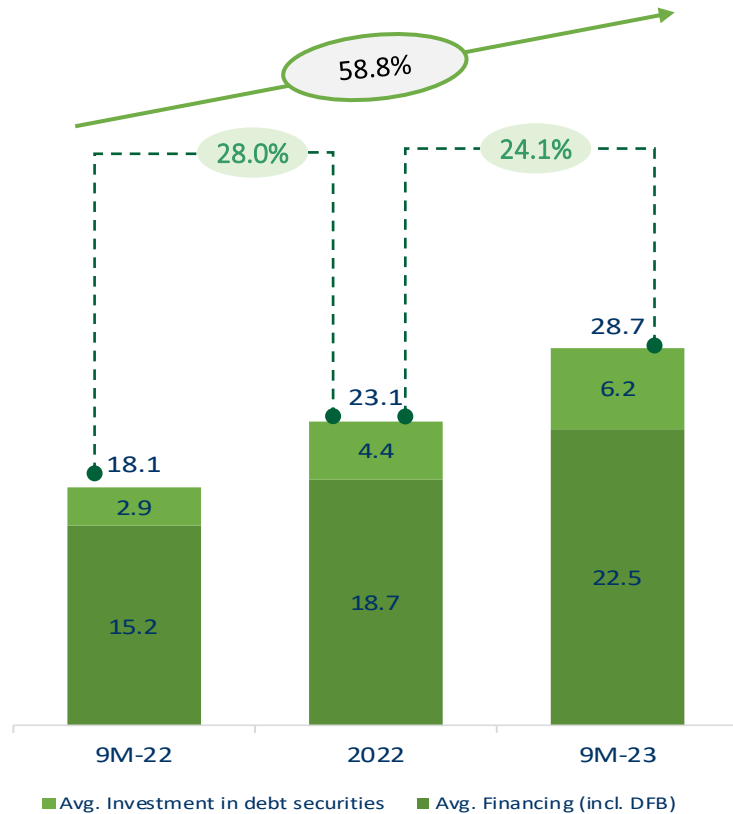


C/I Ratio

9M-22, 33.61% 9M-23, 33.70%

9M-23 Financial Performance

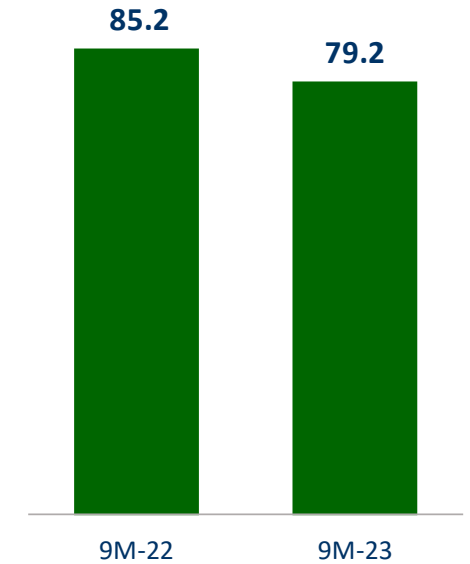
Average Profit Earning Assets (KD bn)



Net Financing Margin

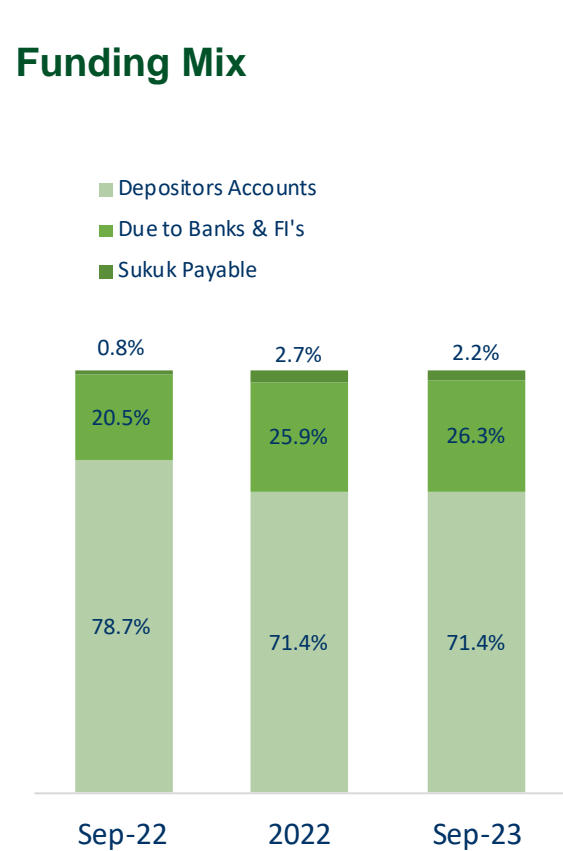
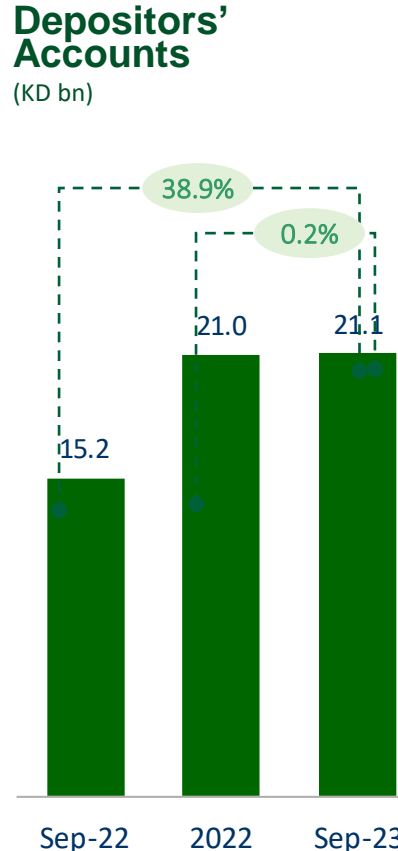
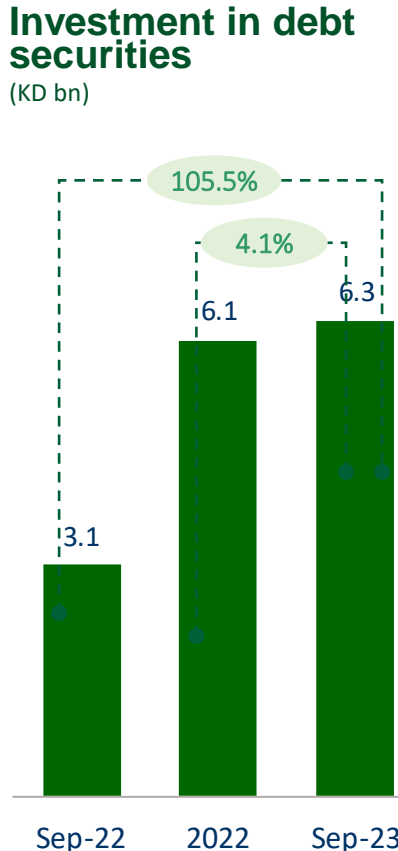
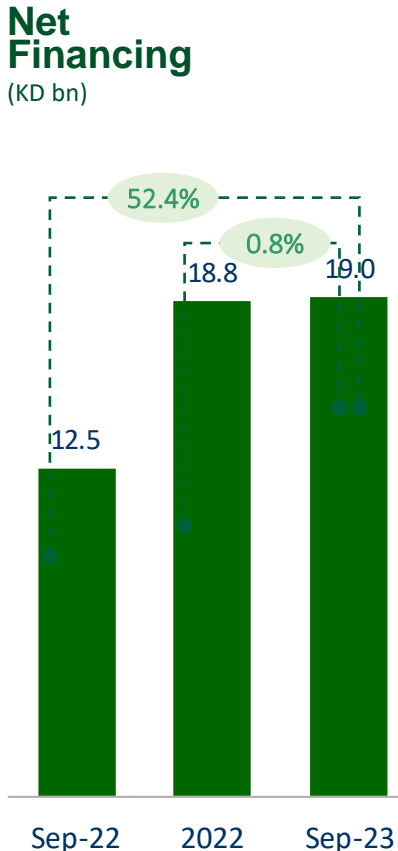
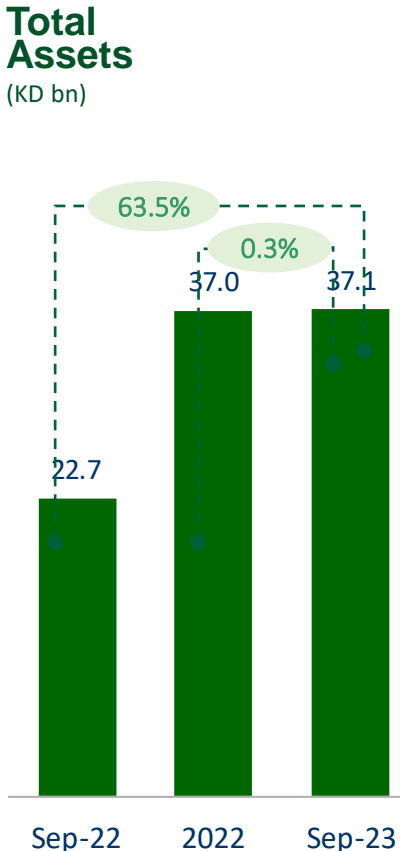


Net Monetary Loss* (KD mn)



* Hyper-inflation impact

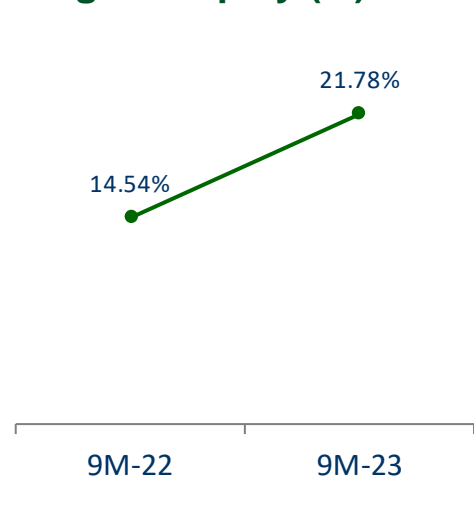
9M-23 Financial Performance



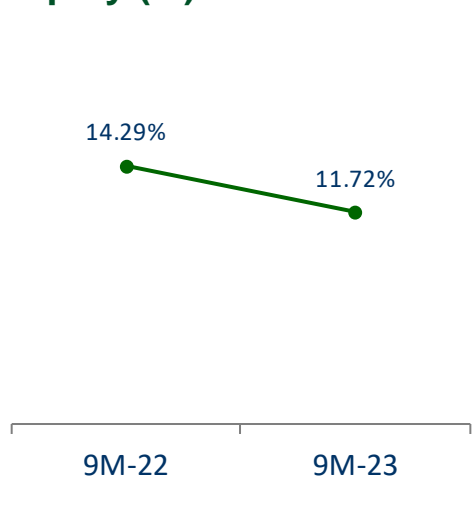
* re-stated

9M-23 Key Financial Ratios

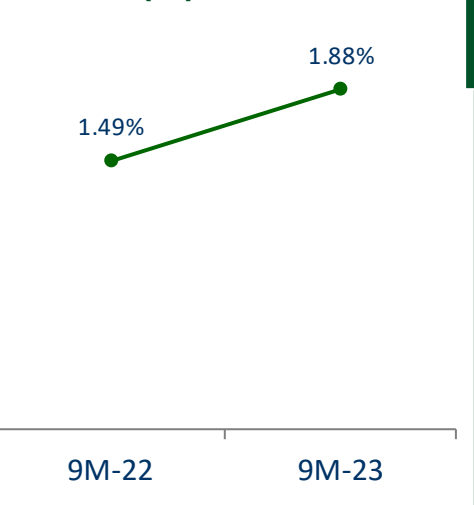
Return on Average Tangible Equity (%)



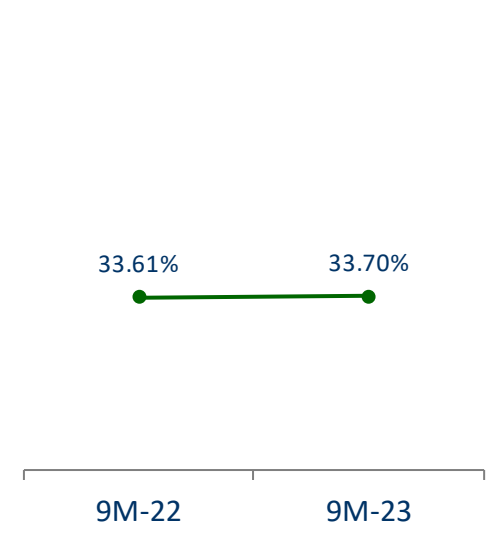
Return on Average Equity (%)



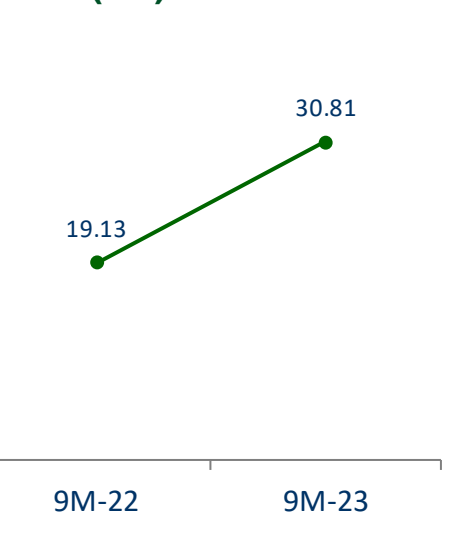
Return on Average Assets (%)



C/I (%)



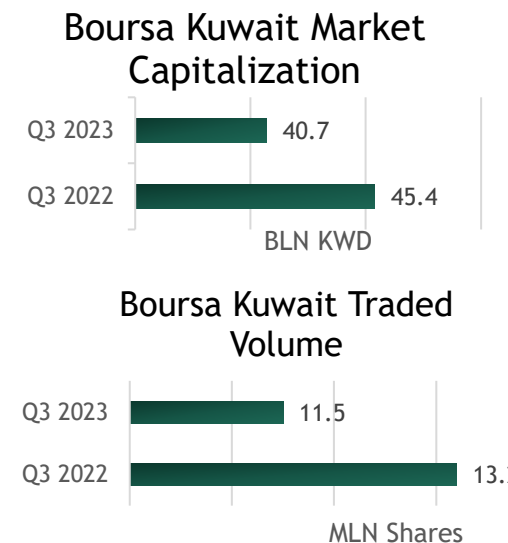
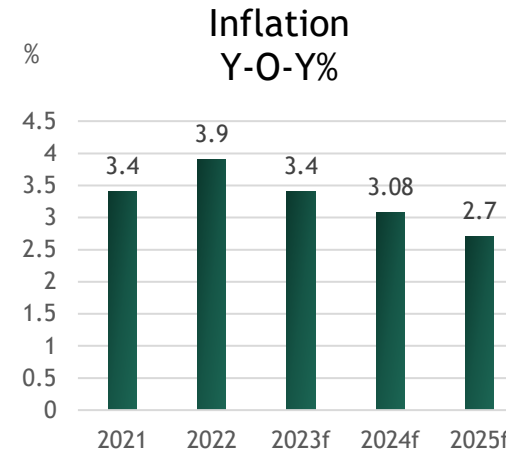
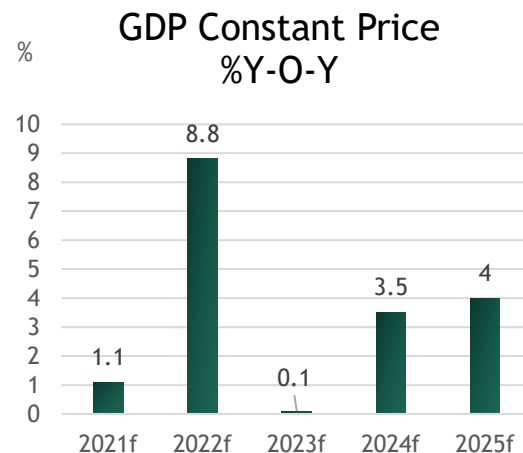
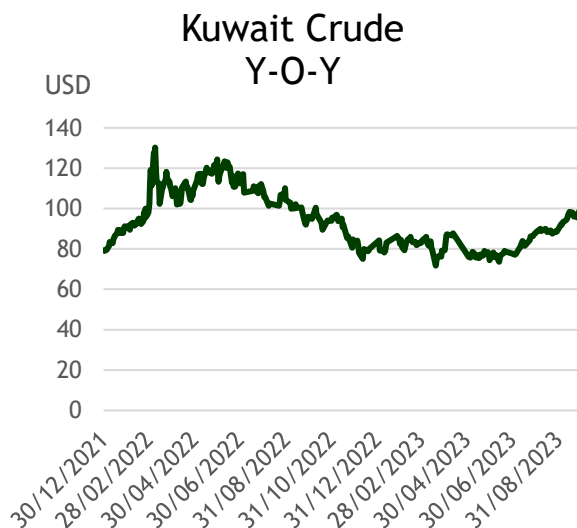
EPS (fils)



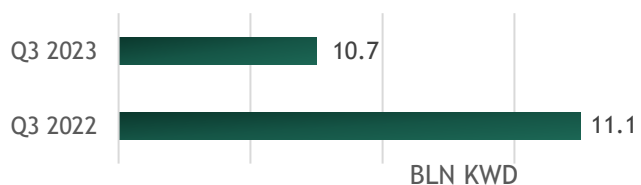
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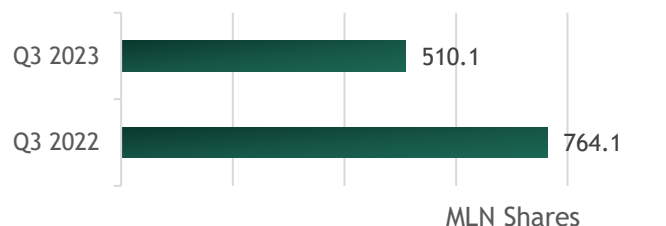
ECONOMIC HIGHLIGHTS



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 Boursa 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, Boursa Kuwait traded volume declined by 13.4% to 11.5 billion shares, while KFH traded volume decreased by 33.2% to 510 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
TOTAL ASSETS	37,069	22,668
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
TOTAL LIABILITIES	31,033	20,206
Share capital	1,476	929
Share premium	3,612	720
Treasury shares	(82)	(28)
Reserves	210	378
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHODERS OF THE BANK	5,216	1,999
Perpetual Tier 1 Capital Securities and Sukuks	506	233
Non-controlling interests	314	230
TOTAL EQUITY	6,036	2,462
TOTAL LIABILITIES AND EQUITY	37,069	22,668

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

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
TOTAL ASSETS	17,770	19,391	21,502	21,788	36,969
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
TOTAL LIABILITIES	15,696	17,147	19,401	19,481	30,683
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
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	1,894	2,060	1,936	1,932	5,358
Perpetual Tier 1 Capital Securities and Sukuks	0	0	0	227	502
Non-controlling interests	180	183	165	149	427
TOTAL EQUITY	2,074	2,243	2,101	2,307	6,286
TOTAL LIABILITIES AND EQUITY	17,770	19,391	21,502	21,788	36,969

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
Net finance income	527	530	614	586	801
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
Non-Financing Income	219	284	182	225	272
Total operating income	746	814	796	811	1,072
Staff costs	178	182	172	184	209
General and administrative expenses	81	79	81	82	95
Depreciation and amortisation	33	43	43	42	45
Total Expenses	292	304	296	308	349
Net Operating Income	454	510	500	503	723
Provisions and impairment	163	197	284	135	62
Net Monetary Loss	0	0	0	0	128
Profit Before Tax and Zakat	291	313	216	368	534
Taxation and Proposed Directors' fees	27	51	31	58	99
Non-controlling interests	36	11	36	67	77
Profit Attributable to Shareholders of the Bank	227	251	149	243	358

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CONTACTING INFORMATION

Kuwait Finance House

Abdullah Al Mubarak Street, Murgab, Kuwait

P.O. Box 24989 Safat

13110 Kuwait

Tel: +965 18001700

Fax: +965 22455135

Cable: BAITMAL KT

Investor.relations@kfh.com

www.kfh.com



Kuwait Finance House



@KFHGroup



@KFHGroup



Kuwait Finance House (KFH)