

KFH'S GROUP CORPORATE PROFILE

FY-2023

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- 1. KFH OVERVIEW**
2. Financial Performance “FY-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

**Bank of
the Year**

The Banker

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 February 2024

MOODY'S

LT FC Bank Deposits Rating A2
ST FC Bank Deposits Rating P-1
STABLE Outlook
31 January 2024

STRATEGY MAP

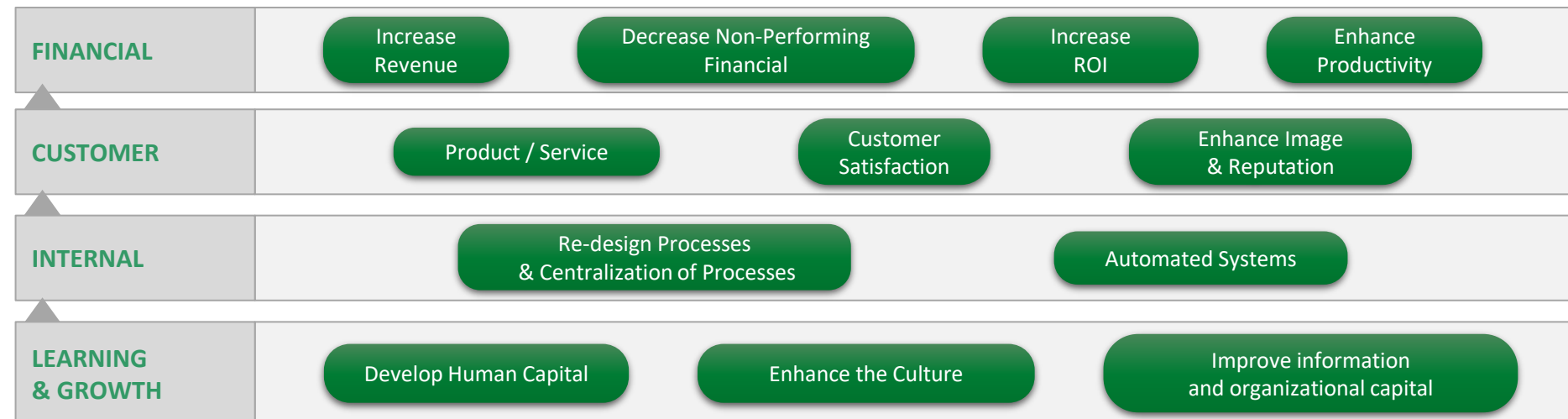
KFH VISION

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



STRATEGIC OBJECTIVE



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FY-23 Financial Highlights

Net Profit for Shareholders KD 584.5 m 63.4%	Net Financing Income KD 965.9 m 20.7%	Net Operating Income KD 945.4 m 30.7%
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Cost to Income Ratio

35.28%

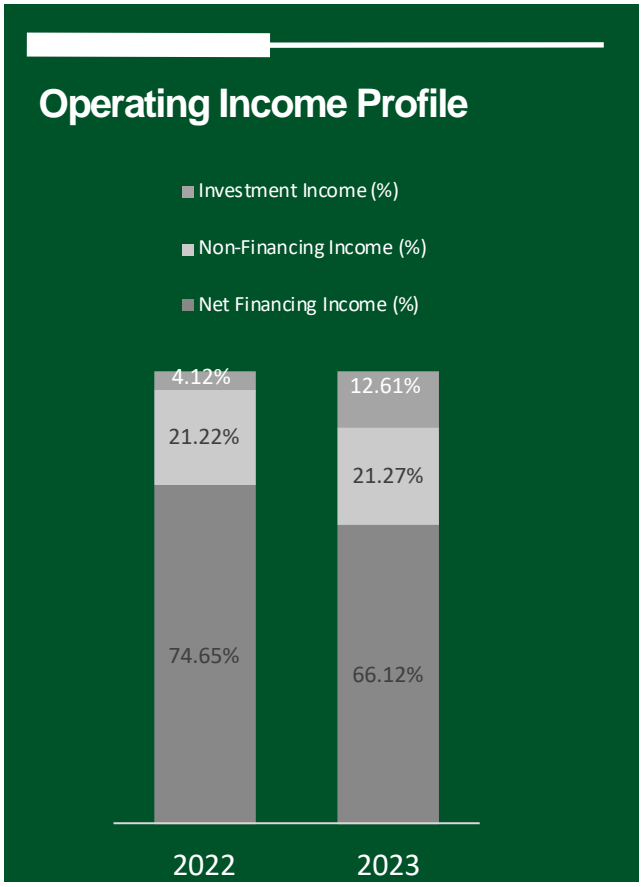
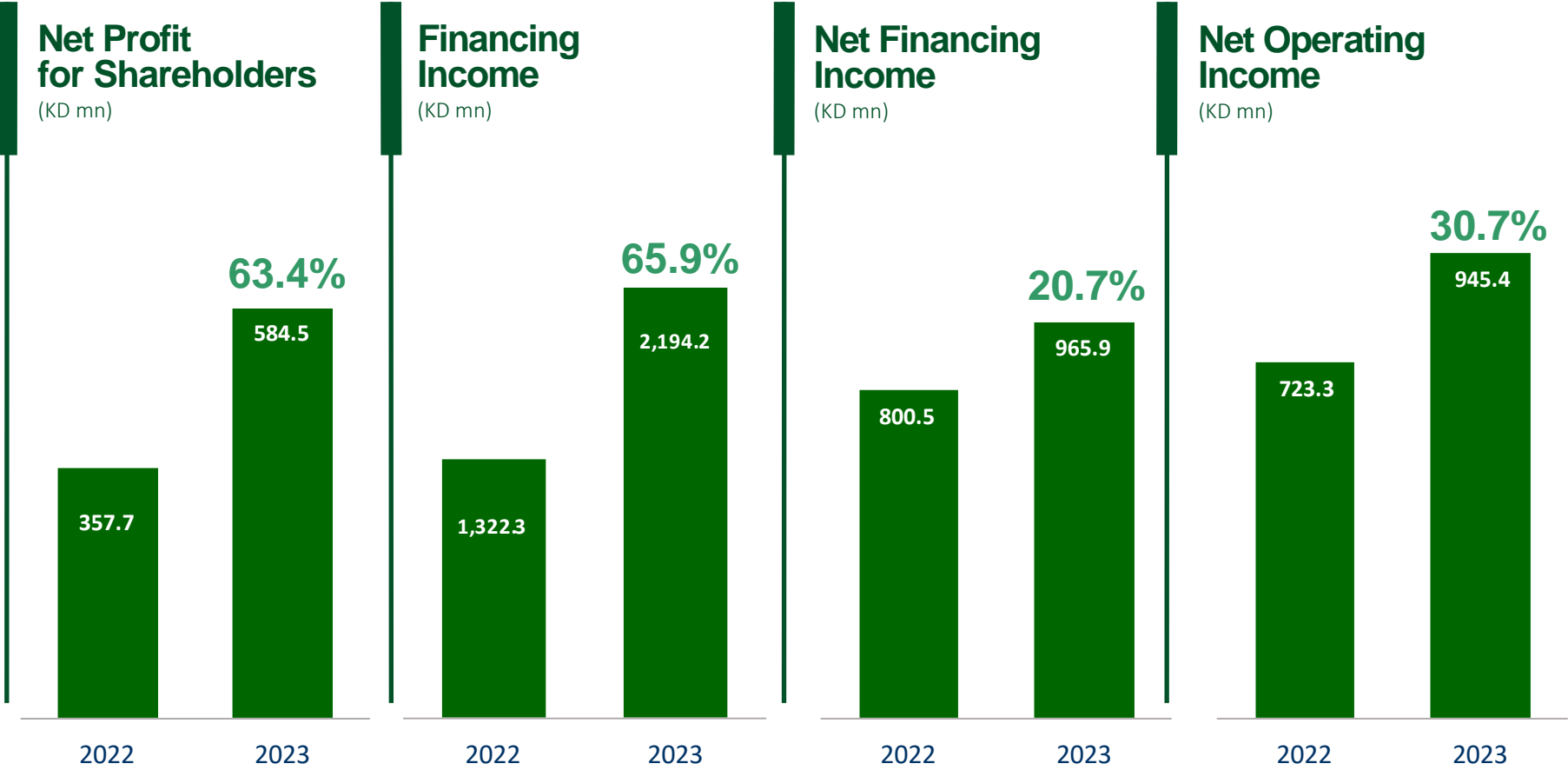
(2022: 32.55%)

EPS (fils)

38.49

(2022 : 29.71fils)

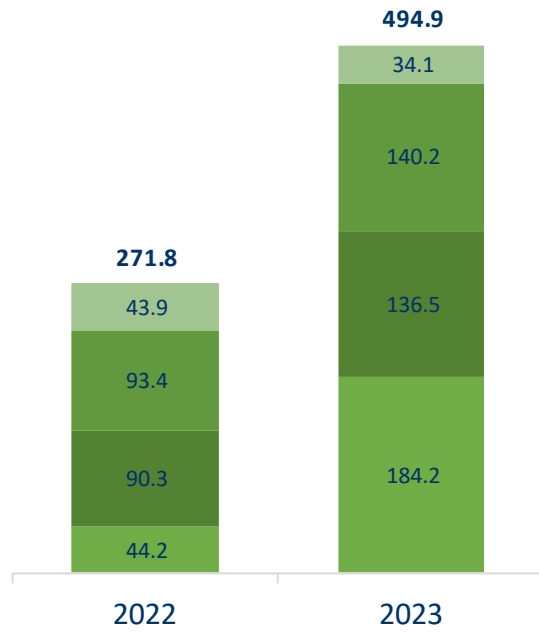
FY-23 Financial Performance



FY-23 Financial Performance

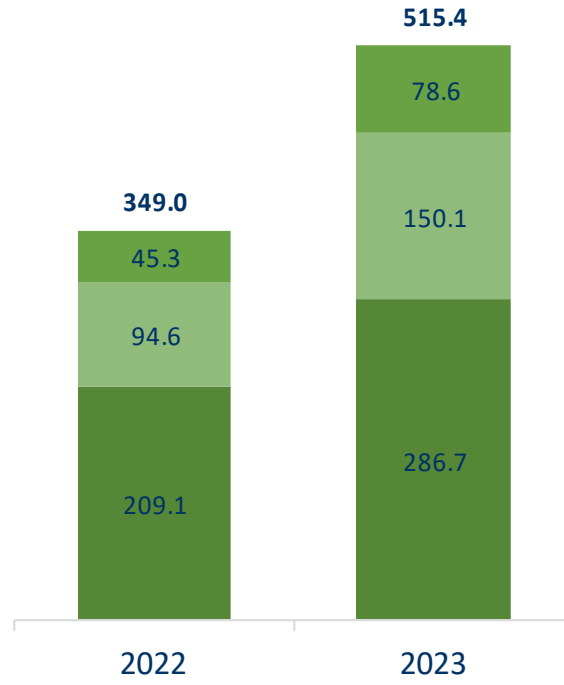
Non - Financing Income (KD mn)

- 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

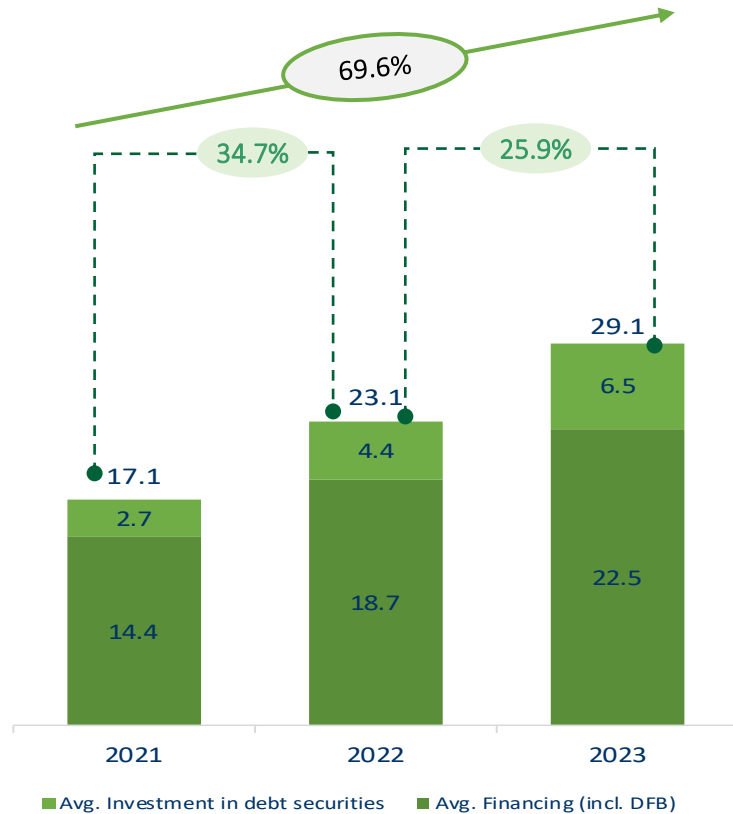


C/I Ratio

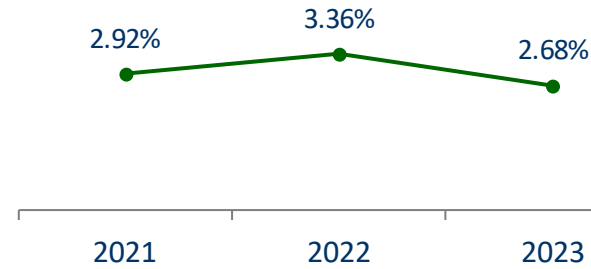
2022, 32.55% 2023, 35.28%

FY-23 Financial Performance

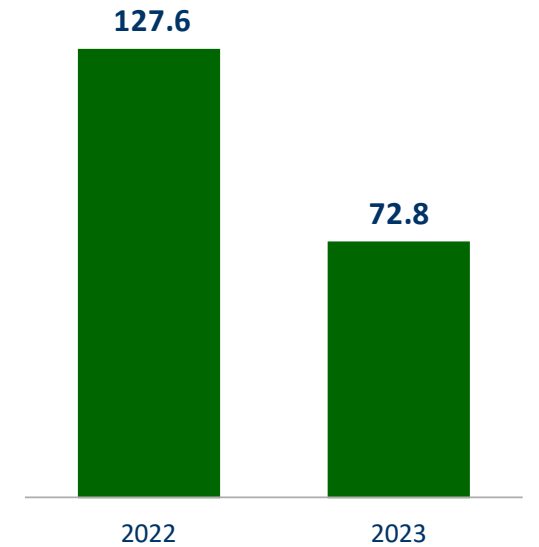
Average Profit Earning Assets (KD bn)



Net Financing Margin

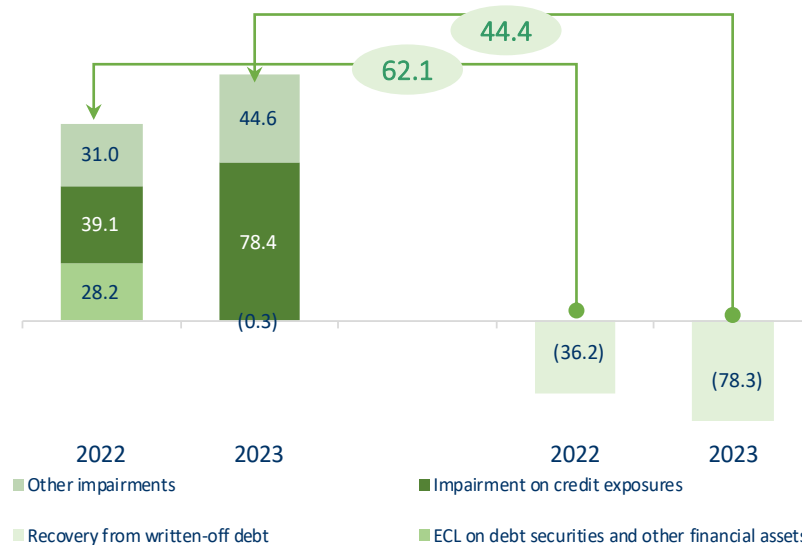


Net Monetary Loss* (KD mn)



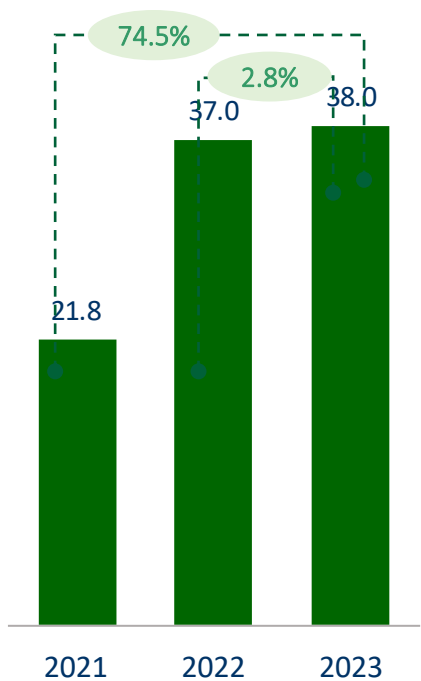
* Hyper-inflation impact

Provision and Impairment (KD mn)

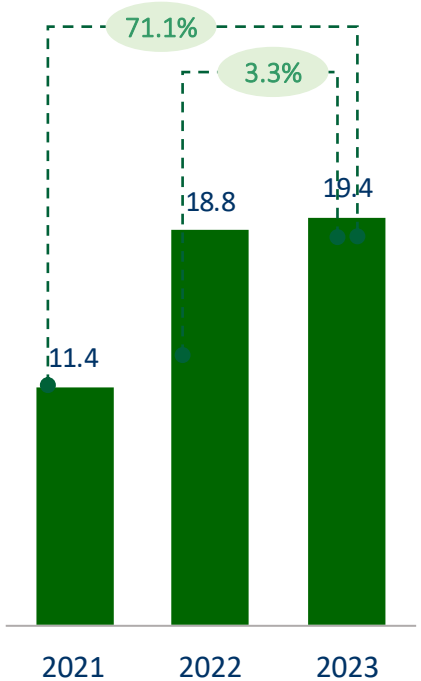


FY-23 Financial Performance

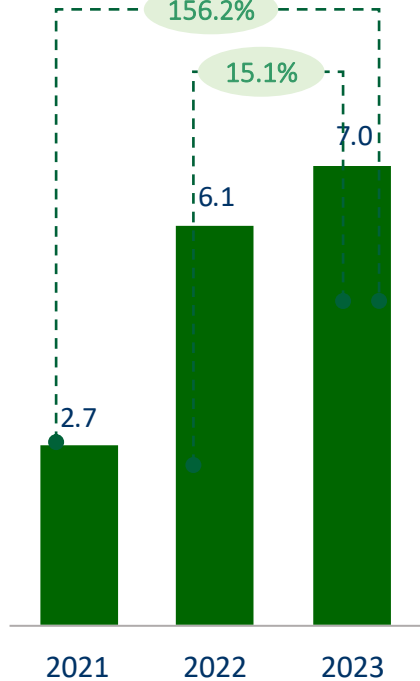
Total Assets (KD bn)



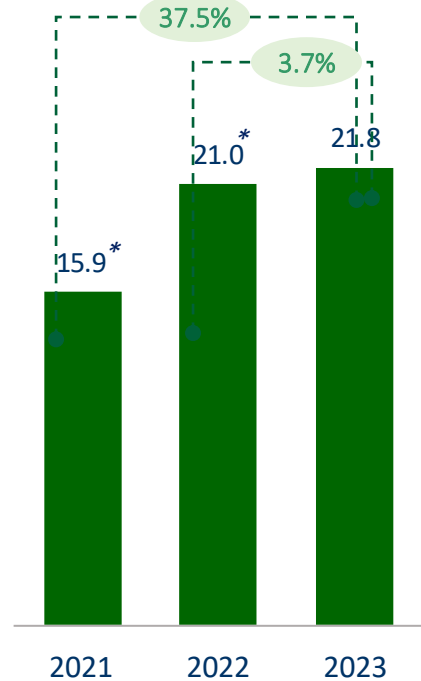
Net Financing (KD bn)



Investment in debt securities (KD bn)

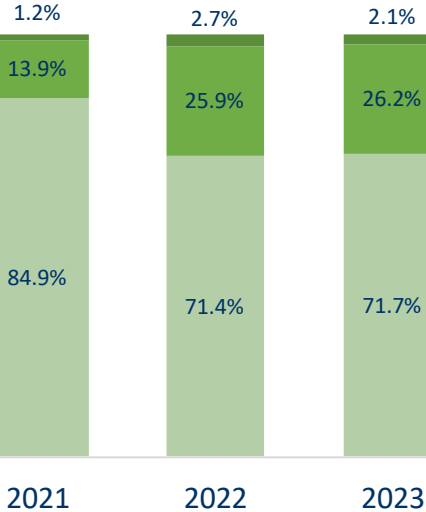


Depositors' Accounts (KD bn)



Funding Mix

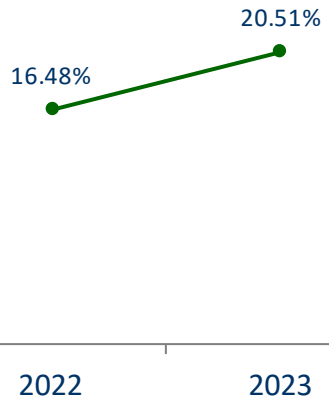
- Depositors Accounts
- Due to Banks & FI's
- Sukuk Payable



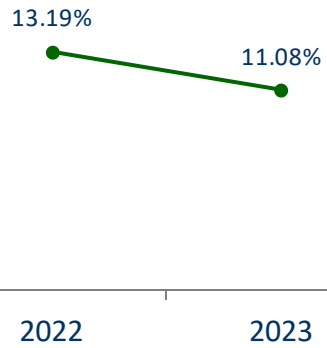
* re-stated

FY-23 Key Financial Ratios

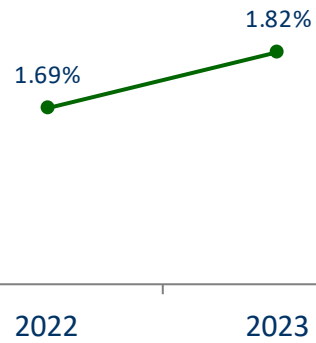
Return on Average Tangible Equity (%)



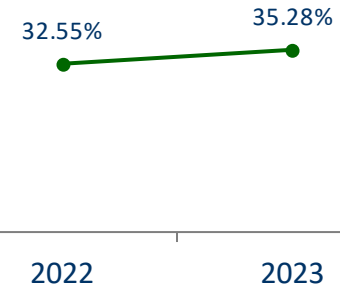
Return on Average Equity (%)



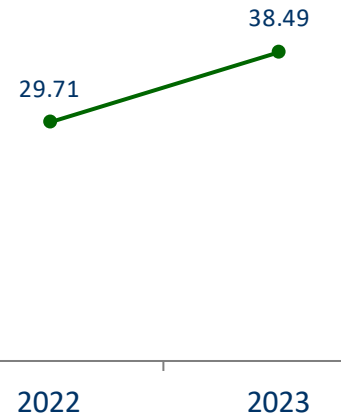
Return on Average Assets (%)



C/I (%)



EPS (fils)

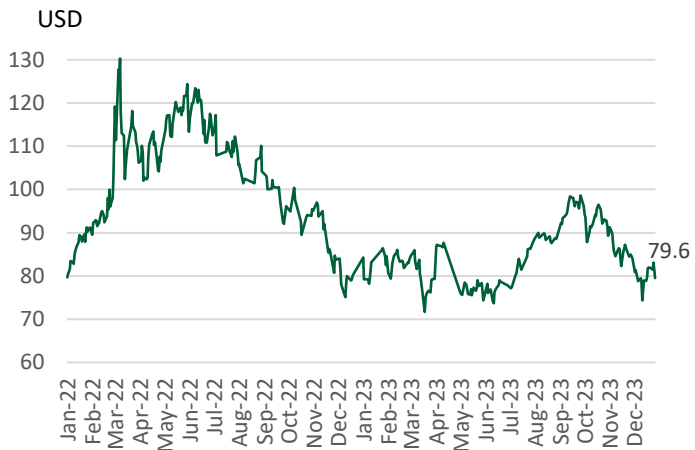


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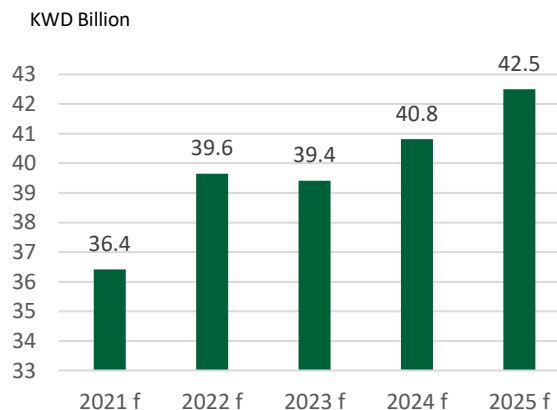
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ECONOMIC HIGHLIGHTS

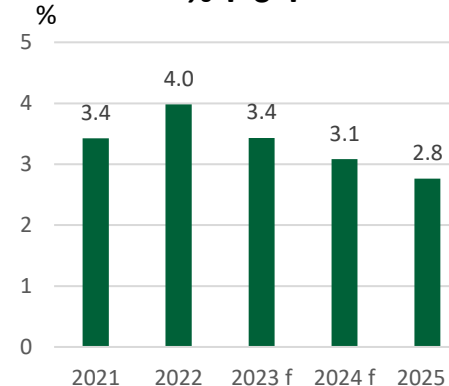
Kuwait Oil Closing Prices



GDP Constant Price



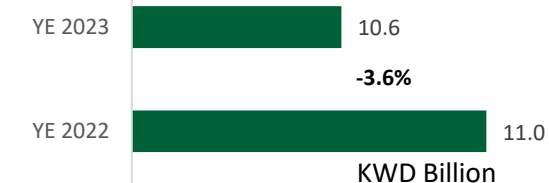
Average Annual Inflation % Y-o-Y



Boursa Market Capitalization



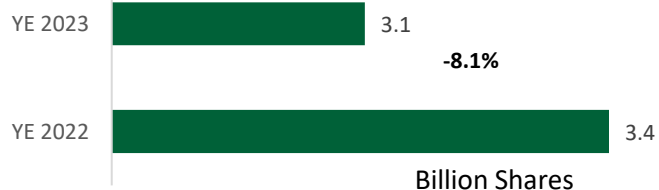
KFH Kuwait Market Capitalization



Boursa Kuwait Traded Volume



KFH Kuwait's Traded Volume



- According to the most recent International Monetary Fund (IMF) forecast issued in October 2023, Kuwait's GDP “constant price” is estimated to reach KWD 39.4 billion in 2023 and to raise to KWD 40.8 billion in 2024.
- Kuwait’s average annual inflation rate in 2023 is forecasted to decline to 3.4%.
- Kuwait’s crude oil price stood at USD 79.6 PB at the end of 2023, slightly decreased by 0.72 % compared to the end of 2022.
- 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) raised the discount rate by 75 basis points from 3.50% to 4.25% in 2023.
- KWD 40.3 billion the Market Capitalization of Boursa Kuwait as of the end of 2023, dropped by 13.8% compared to the end of 2022. While KFH’s Market Capitalization reached KWD 10.6 billion as of the end of 2023, dropped by 3.6% compared to the end of 2022.
- 39.5 billion shares Boursa Kuwait traded volume during 2023, dropped by 28.3% compared 2022. While KFH’s traded volume reached 3.1 billion shares during 2023, declined by 8.1% compared to 2022.

Consolidated Financial Statements 2023 Vs. 2022

Consolidated Statement of Financial Position (KD million)	Dec-23	Dec-22
Cash and balances with banks and financial institutions	3,612	3,156
Due from Banks	2,971	3,870
Financing receivables	19,425	18,801
Investments in debt securities	7,006	6,085
Trading properties	105	95
Investments	310	247
Investment in associates and joint ventures	543	520
Investment properties	377	400
Other assets	903	999
Goodwill and Intangible assets	2,398	2,463
Property and equipment	359	335
TOTAL ASSETS	38,010	36,969
Due to banks	4,777	4,937
Due to financial institutions	3,207	2,696
Sukuk payables and term financing	636	784
Depositors' accounts	21,813	21,030
Other liabilities	1,414	1,235
TOTAL LIABILITIES	31,847	30,683
Share capital	1,476	1,342
Share premium	3,612	3,612
Treasury shares	(113)	(42)
Reserves	341	446
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	5,316	5,358
Perpetual Tier 1 Capital Securities and Sukuks	502	502
Non-controlling interests	345	427
TOTAL EQUITY	6,163	6,286
TOTAL LIABILITIES AND EQUITY	38,010	36,969

Consolidated Statement of Income (KD million)	Dec-23	Dec-22
Financing income	2,194	1,322
Financing cost and distribution to depositors	1,228	522
Net finance income	966	801
Investment income	184	44
Fees and commission income	136	90
Net gain from foreign currencies	140	93
Other operating income	34	44
Non-Financing Income	495	272
Tota Operating Income	1,461	1,072
Staff costs	287	209
General and administrative expenses	150	95
Depreciation and amortization	79	45
Total Expenses	515	349
Net Operating Income	945	723
Provisions and impairment	44	62
Net Monetary Loss	73	128
Profit for the Period Before Taxation	828	534
Taxation and Proposed Directors' fees	153	99
Non-controlling interests	91	77
Profit Attributable to Shareholders of the Bank	585	358

Consolidated Statement of Financial Position 2019 - 2023

Consolidated Statement of Financial Position (KD million)	2019	2020	2021	2022	2023
Cash and balances with banks and financial institutions	1,910	2,491	2,325	3,156	3,612
Due from Banks	3,646	3,365	3,350	3,870	2,971
Financing receivables	9,474	10,748	11,355	18,801	19,425
Investments in debt securities	2,292	2,742	2,735	6,085	7,006
Trading properties	108	102	96	95	105
Investments	195	192	219	247	310
Investment in associates and joint ventures	504	521	492	520	543
Investment properties	455	351	325	400	377
Other assets	547	728	654	999	903
Goodwill and Intangible assets	31	32	32	2,463	2,398
Property and equipment	229	230	204	335	359
TOTAL ASSETS	19,391	21,502	21,788	36,969	38,010
Due to banks & Financial Institutions	3,303	4,215	3,424	7,633	7,984
Sukuk payables and term financing	320	315	217	784	636
Depositors' accounts	12,676	14,056	15,038	21,030	21,813
Other liabilities	848	814	803	1,235	1,414
TOTAL LIABILITIES	17,147	19,401	19,481	30,683	31,847
Share capital	698	767	844	1,342	1,476
Share premium	720	720	720	3,612	3,612
Treasury shares	(36)	(28)	(28)	(42)	(113)
Reserves	679	476	395	446	341
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	2,060	1,936	1,932	5,358	5,316
Perpetual Tier 1 Capital Securities and Sukuks	0	0	227	502	502
Non-controlling interests	183	165	149	427	345
TOTAL EQUITY	2,243	2,101	2,307	6,286	6,163
TOTAL LIABILITIES AND EQUITY	19,391	21,502	21,788	36,969	38,010

Consolidated Statement of Income 2019 - 2023

Consolidated Statement of Income (KD million)	2019	2020	2021	2022	2023
Financing income	932	893	871	1,322	2,194
Financing cost and distribution to depositors	401	279	286	522	1,228
Net finance income	530	614	586	801	966
Investment income	130	-6	16	44	184
Fees and commission income	79	73	72	90	136
Net gain from foreign currencies	34	70	89	93	140
Other income	41	45	48	44	34
Non-Financing Income	284	181	225	272	495
Total operating income	814	796	811	1,072	1,461
Staff costs	182	172	184	209	287
General and administrative expenses	79	81	82	95	150
Depreciation and amortisation	43	43	42	45	79
Total Expenses	304	296	308	349	515
Net Operating Income	510	500	503	723	945
Provisions and impairment	197	284	135	62	44
Net Monetary Loss	0	0	0	128	73
Profit Before Tax and Zakat	313	215	368	534	828
Taxation and Proposed Directors' fees	51	31	58	99	153
Non-controlling interests	11	36	67	77	91
Profit Attributable to Shareholders of the Bank	251	148	243	358	585

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