KFH at a Glance

Leading the Islamic finance industry, KFH Group offers a wide range of Islamic products and services across several regions, with over 516 branches, 1,558 ATMs and 15,000 employees.

KFH Group

KFH was established in Kuwait in 1977 and is listed in the Kuwait Stock Exchange. KFH Group is a global pioneer in the field of Islamic banking services, where it offers a wide array of Islamic financial products and services, not to mention a high standard of innovation and customer service.

KFH manages its operations in the GCC, Asia, and Europe through over 516 branches, including KFH -Turkey, to offer services for the bank’s customers in Turkey, Malaysia, Saudi Arabia, Bahrain and Germany.

KFH’s mission is to achieve highest levels of excellence and innovation in the field of customer service, while developing common interest for all those concerned with the financial institution. KFH’s vision is to spearhead the global development in Islamic financial services, and to upgrade the bank into the level of becoming the most sustainable and profitable Islamic bank in the world.

KFH’s values include cementing leadership through all its businesses, including leadership in the Islamic banking services worldwide, through innovation, superior customer service and the development of its employees. In addition, KFH is committed to all its procedures, and to setting up long-life partnerships with the concerned authorities.

For more information, please visit: www.kfh.com
The year 2020 comprised most exceptional and unusual conditions due to COVID19 pandemic which has exhausted the world economy and caused a major transformation to online platforms which have enabled us to work, study, shop and pay remotely. A new economic model was born, that does not resemble any other form we have experienced earlier. The world is facing a new era of a tremendous change.

For more than 40 years, KFH has experienced magnificent changes. Despite the negative impacts resulting from the crisis, challenges which we have encountered e.g. the spread of COVID19 pandemic and business challenges in light of the lock down periods, yet we have managed to fulfill all our customers' needs successfully during that period. KFH has exhibited unique operational flexibility during all pandemic stages, thus exploiting all our capabilities and various IT channels to enhance effective cooperation between employees and customers e.g. call center, digital branches, and traditional or interactive ATMs, using an effective appointment system (SKIPLINO) to visit branches. All social distancing and precautionary medical steps have been applied to preserve the health of our employees and customers.

KFH has actively responded to the instructions of the Ministry of Health and applied their guidelines during the pandemic e.g., glass shields, social distancing floor signs in branches and sanitization protocols. All KFH branches were open all over Kuwait with the beginning of July. KFH has worked closely with government authorities, Central Bank of Kuwait (CBK) and Kuwait Banking Association. KFH supported all rescue plans and support programs to mitigate the financial difficulties caused by the pandemic, i.e., postponement of installments, injecting liquidity and providing finance facilities designed to assist retail and corporate customers to bear pressures and regain financial wellness.

On the other hand, KFH has managed to realize a net profit of KD 148.4 Million for shareholders during the year 2020, as net finance income increased by %15.8 while operating income declined by %2.3 compared to last year. The Group efforts have succeeded in optimizing costs as operating expenses declined by %2.7 compared to last year. Other indicators have also recorded a remarkable performance where total assets and finance portfolio increased by %10.9 and %13.4 respectively compared to last year.

KFH has allocated KD 284 Million provisions for credit and impairment losses, i.e., an annual increase approximating %44.3 including precautionary provisions, as a hedging step to encounter any possible pandemic impacts. Customers deposits approximated KD 15.3 Billion as the group succeeded in attracting deposits approximating KD 1.8 Billion during the year 2020 i.e., an increase by %13.0 compared to its volume as at the end of 2019. These results indicate clearly that KFH indicators have not been affected by the negative impacts imposed by the COVID19 pandemic on economic sectors including the Kuwait banking sector.
We have controlled and optimized total expenses reasonably although we incurred additional costs as a result of the pandemic e.g. providing risk allowance to the front line employees, sanitization and personal protection equipment to ensure the safety of our employees and customers, postponement of payments and installments for 6 months, waiving any penalties imposed on affected persons and continuation of corporate banking services namely those connected to the supply of basic commodities and needs. Some of the costs were also lower due to the spread of the pandemic e.g. decline in the costs of official business trips and business development. Our investments were considered as a priority in IT development including cyber security and data privacy. We shall continue to focus thoroughly on increasing efficiency and better management of our costs in the future.

**Diversification and Risk Management**

Today, KFH stands as the largest Islamic bank in Kuwait with fully diversified services e.g. deposits, profitability, and No. of branches. It also stands as the second largest and reputable Islamic bank in the GCC zone. Our presence in Germany, Saudi Arabia, Turkey, Malaysia and Bahrain has covered more than 516 branches and 1,558 ATMs. KFH enjoys a leading global position with an outstanding performance which caused KFH to be listed in the Premier Market at Boursa Kuwait. The year 2020 witnessed the listing of Boursa Kuwait in the MSCI Index for Emerging Markets. KFH share was one of the 7 securities listed in the index. This listing comes after the listing of KFH in the S&P Dow Jones Index for Emerging Markets in 2019 and the FTSE Russell for Emerging Markets in September 2018. Transformation and innovation have remained as part of our identity for more than 4 decades. Now and more than ever, we need to continue our strong performance and maintain our highly admired and impressive leadership position.

We are aware that there is a lot to be done to honor our promise to our shareholders and customers. The group risk department has made a remarkable contribution, through prospective thinking and pre-set contingency plans, to bypass the pandemic successfully. The risk sector has reviewed the 2020 plan since the beginning of pandemic to switch from risk management to protection from risk in a swift and flexible manner. Several tests were conducted right from the beginning of the pandemic, thus establishing a reference point in an uncertain and ambiguous environment. We have maintained continuous and uninterrupted communications with the Central Bank of Kuwait and all regulatory authorities to face the pandemic challenges and provide appropriate solutions. We have also conducted a comprehensive review of the risk ratio at the group level and coordinated the swift and immediate application of appropriate solutions based on recent variations. In addition, we conducted a close monitoring to encounter the rising FC and market risks, namely in Turkey.

**Transformation to Digital Banking**

In 2020, and for the first time ever, our customers were given the facility to open bank accounts online including all KD deposits e.g. Mudarabah or Wakala deposits. We have launched “Balti Online” service to manage the accounts of customers children (Under 15) through KFH website as well as KFH mobile application and e-signature facility in cooperation with the Public Authority for Civil Information through Hawiyati Application. KFH customers will be able to benefit from our several digital services in the future without the need to visit branches. We have also launched new operational lease services in two new packages i.e. golden and platinum to offer our best services to customers.

Customers have performed, through KFH Online, 139.6 Million transactions during the period Jan. – Dec. 2020 through 50.9 Million access to this service. Development efforts have resulted in attracting 103.5 Thousand new users and 49.9 Thousand with full access privilege to KFH Online services. Accordingly, E-services have increased daily transaction limits to KD 20,000 considering the users increasing demand in this service.

Our digital services have increased the number of accounts on the e-service by %24 compared to January, opening time deposits have increased by %169 and cheque deposit transactions through E-service have increased by %38. KFH Pay service in December, has reached 3 times its size in January as 709.7 thousand banking transfers were performed in favor of other banks’ customers till
Digital Banking Indicators

**Digital Banking in 2020**

- **139.6 Million**
  Transactions through KFHOnline
- **103.5 Thousand**
  New Users
- **50.9 Million**
  Login to KFHOnline
- **11.1 Million**
  KFH Pay Transactions

**Significant Growth in E-Banking**

- **46%**
  Growth in Banking Cards Activation
- **38%**
  Growth in Cheque Deposits
- **169%**
  Growth in Opening Time Deposits
- **84%**
  Growth in Finance Requests

Despite the total and partial lockdown procedures, our services continued to flow through our branches during the year. Our investment continued in automation, aiming to transform our business to digital systems. We are more efficient in management due to the unification of standards. Due to the uncertainty which has befallen all activities this year, the branches department has responded instantly and worked remotely by using IT platforms to communicate with the management team.

Business has been taken to new horizons of perfection e.g. wealth management section provides valuable banking services to the private banking customers. Asset management services benefit from the products such as management of money and foreign exchange, precious metals, investment funds, Sukukas and other financial securities. Many other opportunities are also available to fulfill ambitions, serve our customers, increase income, and build distinguished competitive advantages. Management continued to provide highly advanced services to the private banking customers during the pandemic while ensuring the implementation of all health regulations.
KFH has implemented a new banking experience by supporting 28 thousand new families planning to build the life time house at Mutlaa area, by providing finance and consultation to our valuable customers through Irtisnaa facility which is only provided by KFH. This contract is based on three parties KFH, customer and the contractor. KFH finances the construction according to completion stages, thus giving the related parties the trust and confidence to honor their obligations towards the contractor who shall get his remunerations in an orderly manner. KFH controls and follows up the construction process till final completion in a timely manner by cooperating with more than 20 architectural engineering offices to support the design stage, provide construction materials, air-conditioning, elevators, furniture and decoration, at lowest prices to increase demand on our products for the youth category. KFH aims to play this role to best serve all family categories and Kuwait society.

Motivating Growth and Development

As a leading Islamic financial institution, we are determined to serve our customers and achieve the best for them. We have a pressing need to motivate early execution and accelerate our transformation process. We have strong and flexible business model that matches our digital aspirations, achieves distinguished income and more capital adequacy to enhance growth. We are in a strong position concerning business. We are focusing thoroughly on proceeding with confidence to improve our performance and achieve our goals as we invest time and capital in various aspects of our business as follows:

IT based Digital Culture

We have invested thoroughly in technology and internal digital system through simple but highly significant goals i.e., increase flexibility and security, enhance operational efficiency, and provide higher value to our customers. We strongly believe that our digital policy and the open applications and platforms methodology represent our strong competitive advantages, especially through our IT sector which was the life nerve of KFH during the pandemic. IT showed outstanding distinction, flexibility and innovation, thus reflecting positively on all business sector and taking our services to a new higher level. Thanks to our heroes who worked relentlessly during the crisis and achieved magnificent results despite the dangers they have encountered.

Our strategic plan aims to establish a huge new data center as one of the most significant steps that would carry Information Technology to new horizons of digital capabilities i.e. reaching a %100 system availability by using Active/Active system which works continuously without any interruption, and ensuring flexibility of business using the private cloud option that enables our systems to work and operate anywhere while ensuring speed of business and recovery from any disasters as well as the optimization of cost by using technologies for KFH group and subsidiaries.

The year 2020 witnessed the completion of several projects despite the difficult operating conditions. This has contributed to the completion of the digital infrastructure e.g. Jazeel Digitalization project in Kuwait and Bahrain, e-model digitalization project and swift digitalization. We have also launched KFH IT DevOps which is another digitalization process that enables IT staff to make necessary changes instantly. It is one of the main pivots for completing the structure of the digitalization process in KFH.

Information technology support services were evidently present during the pandemic and lock down periods as they worked 7/24 non-stop. IT service has provided all operational environments with their needs of technology, carried forward all required files and monthly closures, provided timely data for users from various department in KFH, executed all new requirements based on the instructions of regulatory and official authorities during the said period, provided more than 700 personal laptops with all special programs and applications to help employees work remotely and provided all social media communication means to ensure proper convening of meetings remotely. IT support has enabled the call center staff to receive from their homes customer’s calls and had continued to provide IT support to all KFH sectors during the full and temporary lockdown periods.
Enhancing Operational Models

Operations sector works on the automation of all our comprehensive operations, thus improving quality, minimizing cost, increasing productivity and enhancing operational discipline and quality of operational performance. We have conducted structural changes to improve control and accountability in our operations by employing an innovative digital strategy.

We use digitalization, automated learning, and artificial intelligence to increase operational efficiency, reinforce customer’s experience and cope with other FinTech companies and other financial institutions to accelerate our progress. In the year 2020 and despite the COVID19 pandemic and the lockdown procedures, KFH operations sector has launched and participated in several transformation projects which adopt the FinTech concept e.g. online cheque deposit systems which are considered as leading systems for technological channels to enable customers to check and deposit cheques through their smart phones. This process has led to a significant improvement in the quality of service provided to the customers while using the innovative clearance platform. This initiative will cover the main payment functions e.g. the automatic clearing room, the protection of the release of wages, salaries, centralized bills payments and the payments through smart phones and digital currency.

Group operations department has added a new dimension in providing digital techniques such as SWIFT through the most modern technique SWIFT-GPI which enables KFH customers to track and follow up money transfer right from the beginning till the amount is received by the beneficiary through internet channels and smart phones.

Our investments have allowed us to upgrade data centers and infrastructure, improve performance, and establish a more flexible basic system. We are in the process of upgrading several applications by using highly advanced technologies to benefit from this new environment. We have used artificial intelligence to develop and process our back office operations in a swift and timely manner, thus giving the best experience to the customer with low cost and high efficiency. We believe that these investments in technology and the merge between the unique customer experience and the digital back office operations shall be the source of competitive distinction.

Collaterals management during and pre-pandemic is considered as one of our outstanding advantages and distinction. We focused in 2020 on enabling market players to register their collaterals more efficiently and achieve finance and operational efficiencies. Our new collaterals platform is intended to largely enhance our ability to attract new subscribers, support all types of new collaterals and increase speed through the platform which we have launched earlier in coordination with Group Corporate Banking. This step aims to activate a strong system to establish and manage collaterals. We have managed to automate collaterals in various systems (real-estate, shares, cash, funds ...etc.) based on a new sharia compliant credit limit and a new finance facility swiftly with less effort and no errors. Meanwhile, the new platform shall enable us to extract plenty of smart reports and provide information in advance to the concerned employees to conduct immediate intervention and accurate follow up.

The management has developed the real estate appraisal department by expanding its control and supervision on the accredited real estate appraisal offices, reviewing appraisals accurately, setting standards for the evaluation and development of such offices. This process aims to achieve fair and honest appraisal of real estate assets whether for KFH or customers, improve mechanisms and procedures to complete transactions swiftly and accurately, provide reliable real estate reports highlighting prices and follow up market developments, namely studies determining the impacts of the pandemic on the economic sector and ensure its stability in coordination with regulatory authorities, CBK, decision makers and related parties.

Centralization stands as an operational model that enables KFH to unify all operations at the group level, add a new dimension to quality control, and improve the fields of training and support. KFH has managed to complete several central initiatives in 2020 by shifting operational tasks from business and adapting them with the special operations platform. Accordingly, all ATM renewal operations and money market transaction processing operations have been consolidated in a joint service center. Operations sector has started to facilitate and process finance transactions and issuance of centralized liability certificates to KFH group banks abroad. We are working on improving and unifying finance channel tools to add a new dimension to the vital operational distinction.
A clear and comprehensive strategy focusing on Big Data Management

Open and neutral partnership models of our operations aim to increase flexibility, quality, transparency and efficiency which our customers seek, as per a clear strategy. Also, it enables us to develop and enhance group products, improve customer service to be the leading Islamic bank in banking industry, expand our creditworthiness, lead growth across main geographies, business sectors and customers. We aim to increase our presence and impact in the banking industry by interconnecting and bonding the group banks. We continue to strengthen our presence in international and main markets as we have long term investments in the Middle East and other regions of the world. We manage banks in Bahrain, Saudi Arabia and Turkey and have been working for more than 40 years. Our investments in Asia have expanded via KFH Malaysia while our branch in Germany is remarkably growing fast.

The strategy sector has exhibited an outstanding and remarkable performance during the pandemic through accurate follow up of all the Group activities and sectors. Strategy sector has provided the executive management with daily and weekly economic reports highlighting economy enhancement plans by using mega databases and the group subscriptions in the largest and most famous global data and research centers. Reports aimed to determine the impact of the pandemic on various business sectors and markets and focus on the strategic value of information and how to manage and protect them. Strategy sector has conducted a thorough review and an accelerated development of the strategic trajectory of the Group and determined its priority projects considering the pandemic in coordination with other Group sectors and parties. The sector has managed to convene regular meetings with analysts and investors remotely despite the difficult conditions encountered, provided accurate information to investors and maintained all positive ratings of KFH in coordination with international rating agencies. The social media follow up process was one of our success stories.

 Treasury Sector – we continue to expand our capabilities locally and globally

We are very proud of the services and technical solutions rendered by the Treasury & Financial Institutions Sector which helped KFH Group to adapt with the variable and changing economic environment in 2020 due to the COVID 19 Pandemic. Treasury sector has developed tremendous digital services to manage various operations, thus improving liquidity management efficiency, cost optimization, increased rates of return, finance diversification and rendered continuous and uninterrupted services. We have, through local and international partnerships during 2020,
worked with leading banks, financial institutions and governments worldwide to magnify the value of KFH and the institutions it deals with, thus aiming to enhance and reinforce mutual finance and credit channels.

The Financial Institutions Department at the Treasury sector continued its outstanding and remarkable functions as the size and number of deals reached an unprecedented level. The Department has participated successfully in several bilateral transactions with international and local banks during the pandemic, thus representing a unique and outstanding performance during the crisis. The value of concluded deals approximated US$ 1 Billion. The department participated in facilitating a syndicated commercial Murabaha deal amounting US$ 300 Million and arranged Murabaha finance with one of the major international banks to diversify the Group finance sources and improve liquidity. Also, the department has, through its branch in Germany KT Bank AG, expanded Euro clearing services (Vostro) covering 15 countries worldwide including China.

During the COVID19- pandemic, several new and unprecedented challenges emerged on the local and international levels. These challenges comprise provision of liquidity and maintaining the deposits level in the banking sector. However, the liquidity management has coped with the event, managed, provided liquidity, and achieved remarkable levels of profit and regulatory compliance. The management has maintained the group growth trend and carried it to new horizons.

FC activities at the treasury sector were enhanced on a larger scale by providing FC rates directly to retail customers online. Customers can deal and receive competitive FC rates in the FC market.

Sharia compliant FC Promise buy and sell products continued to attract more customers to achieve hedging against FC fluctuation risks. The management has developed the corporate FC trading platform (KFH Global) which has improved the difference between transaction execution time and the real time, thus attracting more customers to its services.

FC and Precious metals transaction volumes increased compared to 2019, thus making an added value to the bank profitability. This was achieved through the remarkable increase in the number of customers by %48 because of the increase in high-tech digital services and products along with the prices of multiple channels live broadcast supported by high-tech solutions.

Considering our endeavor to achieve the group integration, we would say that the performance of Kuwait Turk treasury department was highly efficient and effective during the year. The department has managed to diversify treasury products by adding sukuk to the application TradePlus which is a new sharia compliant platform providing investment funds, Borsa Istanbul shares, foreign currency, precious metals, all in one application.

**Investment Through KFH Capital**

KFH owns a market share in main Sukuk products through a package of diverse. We operate strongly in main markets with an increasing demand on Sukuk products. KFH Group has maintained its leading position as a trusted arranger of Sukus by governments and companies worldwide. Our Investment arm “KFH Capital” has led arranged more than US$ 4.5 Billion of sukuk for governments and banks, namely, KFH Capital acting as syndicate placement manager and the sukuk offering manager of the Islamic Corporation for the Development of the Private Sector (ICD). KFH Capital also acted as a Global Coordinator, JLM & Bookrunner of Warba Bank’s KD 150 Million sukuk which was the first Kuwaiti Dinar denominated sukuk in the market. In addition, it has also led arranged Sukuk for Sharjah Islamic Bank and Kuveyt Turk Katilim A.S.

Our investment performance as per a well-studied sharia compliant strategy of several asset categories inspires us to focus on new fields through our diverse products. After getting regulatory approvals last year, KFH Capital successfully listed first REIT fund on Boursa Kuwait in September of this year. Earlier, the fund had raised KD 23.6 million with record participation. It provides opportunity to invest in income-generating real estate in Kuwait and distributes no less than %90 of net collected income after deducting the expenses and provisions. The listing has provided the unit holders with more flexibility and liquidity, exit option via trading (buy and sell) opportunities as well as healthy returns through monthly distributions and has enhanced KFH Capital’s position as the most sought after investment destination in Kuwait.
Furthermore, KFH Capital catered to more than 2,000 new online trade clients and acquired “Market Maker” licence from the Capital Market Authority “CMA” this year. We believe that our multiple products model shall place us in a leading position in the future. We provide new products to serve several fields where increasing demand is noticed, including fixed income, environment, social and governance investment and using multiple assets solutions, and investment funds. We are fully aware that we have a lot to do, especially in the field of franchise which is facing a fluctuating wind.

**Development of our leading capabilities**

We have noticed a demand in finance by the business sector and companies following the long-term lockdown periods despite the negative impacts of the pandemic. Our finance sector has worked closely with corporates to postpone installments and provide credit to companies, namely, small and medium enterprises, thus enabling them to stand strong against the pandemic. KFH has played as the lead arranger of a syndicated finance deal in favor of Kuwait Petroleum Corporation, amounting KD 1 Billion. KFH has led the Islamic tranche of KD 400 Million and acted as the facility agent for Islamic banks. The corporate service center at the operations sector has added new centers for companies in 3 branches to supervise all services rendered to KFH corporate customers in such branches and to ensure that high quality services are rendered as expected by the corporate sector at KFH.

**Human Resources**

Group Human Resources demonstrated its leadership during these unprecedented times by taking lead in numerous initiatives needed to ensure we continue providing customer service excellence for our clients. Group Human Resources lead the effort to assure our Human Capital of the safety of our work environment through introducing conclusive protocols designed to foster a safe and healthy environment for our clients and employees. Above that, policies have been rolled out to allow for certain jobs to work remotely in line with directives from Health Authorities to maintain physical distancing.

In addition, new learning platforms have been utilized to ensure we equip our talent with the latest toolkits and frameworks required for them to achieve their job requirements. Our investment in development of our HiPos and Successors remained at %29 of our entire training spend, clearly making sure our future talent is being prepared.

**Human Resources Development**

Building on the diversity and inclusiveness, KFH continued to push for the additional participation of ladies within the manpower where we have recently promoted GM IT from within as the first woman as part of our executive leadership. Thanks to that and additional focus on filling jobs with talented ladies, we are gaining traction in increasing the representation of ladies within KFH workforce.

KFH continued during these times on its corporate commitments to support and foster nationals where the drive to push Kuwaitis to fill Middle Management positions has continued. In regards to the Executive Leadership, Kuwaitis now make up %67 thanks to the continued focus on promoting from within KFH talent. With all what we went through, KFH continued its responsibility in acquiring fresh talent from the market where we have recruited 176 Kuwaitis during the past year.

The Engagement of our employees during this year was key as all Human Capital have gone through a period of uncertainty. With that in mind, our Employee Engagement Score has also increased by %4 where KFH has taken this opportunity to increase the level of communications to keep our staff abreast of all change happening in addition to ensuring we proactively communicate in areas where the data has shown that staff need extra assurances.
To help our employees reset their wellness goals upon relaxing of COVID19 measures, we have worked with an industry leading partner to launch the second version of our wellness program. This program takes a different approach where tailoring the fitness program to the users’ needs is the key feature. We have continued driving our KFH family members to participate in the Program where we do believe that this will have a positive effect on their work life balance.

With 2021 ahead of us, we have learned a lot of good practices from 2020 which we will surely embed and institutionalize in the way we work as an organization. With the Grace of Allah, this will enable us to further attract and develop our talent in the future.

**Our Remarkable Performance**

We are experiencing a very exciting journey that would determine KFH trajectory for coming years. We were never more optimistic as we are today as to what KFH could achieve and the value that we could render. There are obstacles and challenges, but we must go on with more determination to ensure our continuity as a fully trusted leading bank by our customers and the global financial system.

Finally, I am extremely honored to be part of this group. I am proud of the performance of nearly 15,000 employees in our group worldwide and the support they render to our customers. I would like to thank them and thank our board of directors, members of Sharia board and my colleagues in the executive management for their commitment to build a stronger bank for our customers, shareholders and regulatory authorities. As we enter 2021, I feel optimistic and excited about what the future carries for KFH.

May Allah Grant us Success.....

Abdulwahab Issa Al-Rushood
Acting Group Chief Executive Officer
Facts and Figures 2020

Kuwait Finance House (KFH) is the first Islamic bank in Kuwait established in 1977. Today, KFH is one of the leading Islamic banking institutions in the world, and one of the biggest financiers in both local and regional market.

KFH Performance Highlights (USD Million)

21.0% Growth (2018-2020) Total Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td></td>
<td>58,590</td>
<td>63,986</td>
<td>70,906</td>
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30.0% Growth (2018-2020) Customer Deposits

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<th>Year</th>
<th>2018</th>
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<tr>
<td></td>
<td>38,840</td>
<td>44,721</td>
<td>50,511</td>
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9.9% Growth (2018-2020) Net Operating Income

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<th>2020</th>
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<tr>
<td></td>
<td>1,499</td>
<td>1,683</td>
<td>1,648</td>
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17.0% Growth (2018-2020) Financing Receivables

<table>
<thead>
<tr>
<th>Year</th>
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<th>2019</th>
<th>2020</th>
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<tr>
<td></td>
<td>30,301</td>
<td>31,261</td>
<td>35,441</td>
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</table>

Net Profit to Shareholders -34.9% Decline (2018-2020)

<table>
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<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td></td>
<td>752</td>
<td>828</td>
<td>490</td>
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Credit rating

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<th></th>
<th>Long Term</th>
<th>Short Term</th>
<th>Outlook</th>
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<tr>
<td>FitchRating (As of 19 April 2021)</td>
<td>A+</td>
<td>F1</td>
<td>Negative</td>
</tr>
<tr>
<td>Moody’s (As of 24 March 2021)</td>
<td>A2</td>
<td>P-1</td>
<td>Stable</td>
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Stakeholders

Listed on the Boursa Kuwait in 1984, KFH ranked the second largest listed company in 2020 with a market capitalization of KD 5.2 billion (USD 17.0 billion). Major stakeholders include the Kuwait Investment Authority, General Foundation of Awkaf, the Public Authority for Minors’ Affairs and the Public Institution for Social Security.

Major Stakeholders

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<thead>
<tr>
<th>Name</th>
<th>Ownership Type</th>
<th>Ownership Ratio</th>
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<tbody>
<tr>
<td>Kuwait Investment Authority</td>
<td>Direct</td>
<td>24.079%</td>
</tr>
<tr>
<td>Public Authority for Minors’ Affairs (PAMA)</td>
<td>Direct</td>
<td>10.484%</td>
</tr>
<tr>
<td>General Foundation of Awkaf</td>
<td>Direct</td>
<td>7.296%</td>
</tr>
<tr>
<td>Public Institution for Social Security (PIFSS)</td>
<td>Indirect</td>
<td>5.54%</td>
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Stock Data

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<tr>
<th>KSE ticker</th>
<th>KFIN.KSE</th>
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<tr>
<td>Market Cap (KD) (December 2020)</td>
<td>5.2 billion</td>
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<tr>
<td>Market Cap (USD) (December 2020)</td>
<td>17.0 billion</td>
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</table>

Earnings per share (USD Cents)

<table>
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<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td></td>
<td>9.9</td>
<td>10.9</td>
<td>6.4</td>
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According to REFINTIV
International Integrated Operations

Kuwait
62 Branches
• Retail Banking
• Wealth Management & Private Banking
• Corporate Banking
• Investment & Real Estate Services

Bahrain
9 Branches
• Retail Banking
• Wealth Management & Private Banking
• Corporate Banking
• Real Estate

Malaysia
11 Branches
• Retail Banking
• Wealth Management
• Corporate Banking
• Commercial Banking

KSA
• Asset Management
• Wealth Management
• Investment Services
• Advisory and Business Development

Turkey
434 Branches
• Retail Banking
• Wealth Management & Private Banking
• Corporate Banking

Germany
5 Branches
• Retail Banking
• Corporate Banking
• Investment & Real Estate Services
1st
Shari’a compliant Bank in Kuwait

1st
Shari’a compliant Bank in Germany

2nd
Largest Bank in Kuwait by assets

2nd
Largest Islamic bank in the world by Total Operating Income

3rd
Largest Shari’a compliant Bank in the world by Assets

One
of the Largest Participating Banks in Turkey
Accomplishments and Awards

As a pioneer in shari’a compliant banking services in Kuwait, KFH is committed to best practices across the board, receiving several accolades for its services year after year. It has been recognized by international financial magazines for its premium financial services. Below are some awards granted to KFH. Evaluation has been conducted as per the award provider mechanism and standard.

- World Best Islamic Institution 2020
- World Best Islamic Fund Manager 2020 (KFH Capital)
- World Best Islamic Takaful 2020 (KFH Takaful)
- Safest Islamic Bank in the GCC 2020
- Best Bank for Treasury & Cash Management in Kuwait 2020
- Best Islamic Financial Institution in Turkey 2020 (Kuveyt Türk)

- Best Sukuk House 2020
- Middle East Best Islamic bank 2020
- Best Islamic bank KFH Bahrain 2020
- Kuwait Best bank 2020
- Kuwait Best Islamic bank 2020

- Best Domestic Bank in Kuwait 2020

- Kuwait’s Best Bank 2020

- Best Islamic Wealth Management Bank – Kuwait, 2020

- Bank of the Year Kuwait 2020
Services and Products

Retail Banking
Offers digital and on premise services, across a growing number of markets including Kuwait, Malaysia, Bahrain, Turkey, and Germany. The diverse range of services include digital self-onboarding to open savings, current and time-deposit accounts, personal financing solutions and long-term investment products. Customers can perform transactions online, anytime, and anywhere using technologies such as e-signatures to submit finance applications entirely online, use phone or wearables to make contactless payments without the need to carry a bank card, make instant Cross-border Payments, or issue their own cards through self service machines.

Corporate Banking
The partner of choice for companies looking for Shari’a-compliant financing instruments, Shari’a complaint project finance and syndication on their path to achieving business growth objectives. Our corporate banking products facilitate projects financing, trade, working capital and capital expenditure financing for small, medium and large companies.

Financing
Offering a basket financing services to meet the customer’s needs; from the procurement of construction materials to education. Such as Construction financing, Education financing, Medical Financing, Auto Financing, Real estate financing locally and internationally and debt settlement solutions for internal or external debts.

Investment
KFH investment services include strategic, medium and short-term investments. The majority of investments are in Kuwait, with others in the GCC and the rest of the world. Investment sectors are diverse and including banking, investment, commercial, real estate, healthcare, asset management services and others.

Private Banking
Offers new assets classes with higher and more lucrative returns to a group of customers who are becoming ever more discerning in their choice of where to invest. With a strong bank presence in markets of growing investor interest supported by extensive expertise in a number of key sectors, KFH offers high-net-worth customers a choice from a number of portfolio management services or finance and investment products.

Real Estate
With over than 40 years experience in the sector which has now expanded beyond Kuwait to the international market. KFH provides real estate financing and leasing options as well as property development, marketing, financing and management. KFH’s real estate services encounter the local market’s demand for affordable housing, investment and commercial real estate.
Management

Board of Directors

Mr. Hamad Abdul Mohsen Al Marzouq - Chairman
Mr. Abdul Aziz Yacoub Alnafisi - Vice Chairman
Mr. Noorur Rahman Abid - Independend Board Member
Mr. Motlaq Mubarak Al-Sanei - Board Member
Mr. Salah Abdulaziz Al-Muraikhi - Board Member
Mr. Mohammed Nasser Al Fouzan - Board Member
Mr. Khaled Salem AlNisf - Board Member
Ms. Hanan Yousif Ali Yousif - Board Member
Mr. Fahad Ali Al Ghanim - Board Member
Mr. Muad Saud Al Osaimi - Board Member
Mr. Hamad Abdullateef Al Barjas - Board Member
Mr. Ahmed Meshari Al Faris - Independend Board Member

Fatwa and Shari’a Supervisory Board

Sheikh Professor Dr. Sayyid Mohammad Al-Sayyid Abdul Razzaq Al-Tabtaba’e - Chairman
Sheikh Professor Dr. Mubarak Jaza Al-Harbi - Board Member
Sheikh Dr. Anwar Shuaib Abdulsalam - Board Member
Sheikh Dr. Khaled Shuja’ Al-Otaibi - Board Member
Sheikh Dr. Esam Abdulrahim Al-Ghareeb. - Board Member
Executive Management

Mr. Abdulwahab Issa Al-Rushood - Acting Group Chief Executive Officer
Mr. Shadi Ahmad Zahran - Group Chief Financial Officer
Mr. Fahad Khaled Al-Mukhaizeem - Group Chief Strategy Officer
Mr. Waleed Khaled Mandani - Group Chief Retail and Private Banking Officer
Mr. Ahmed Soud Al-Kharji - Group Chief Corporate Banking Officer
Mr. Srood Ahmed Sherif - Group Chief Information Officer
Mr. Frederick Jacobus Carstens - Group Chief Human Resources Officer
Mr. Abdullah Mohammed Abu Alhous - Group Chief Operations Officer
Mr. Gehad Mohamed El-Bendary - Group Chief Risk Officer
Mr. Wissam Sami El-Kari - Group Chief Internal Auditor
Dr. Khaled Mohammed Al-Jumah - Group General Manager Legal
Mr. Ahmad Eissa Al-Sumait - General Manager Treasury Kuwait
Mr. Abdulla Abdulmohsen Al Mejhem - General Manager Private Banking
Mr. Khaled Yousif Al-Shamlan - General Manager Corporate Banking Kuwait
Ms. Lamya Barrak Alatabtebai - Group General Manager Information Technology - Deputy GCIO
Kuwait Finance House has strengthened its leading position in corporate social responsibility and achieved a sustainable growth strategy in areas of diversification, integration and professionalism. KFH introduced, during 2020, a diversified package of social initiatives and contributions in various fields through sponsorships and programs executed by the bank. Initiatives cover education, environment, health and wellbeing, community awareness, youth and sports, voluntary activities, humanitarian aid and other initiatives which aim to achieve a comprehensive social sustainability and development.

Responsibility in society
KFH is leading efforts towards supporting social causes in various fields including health, education and youth. KFH has made important contributions through collaborations with particular organizations to help address social challenges. Most notably in 2020, KFH supported governmental efforts to fight COVID-19 pandemic through campaigns to curb the spread and achieve social immunity.

Responsibility for the environment
KFH as an active corporate citizen has been proactive in supporting environmental causes and initiatives which aim to raise awareness towards a sustainably greener and healthier environment for future generations.

Responsibility in Banking
KFH takes into account the environmental and social aspects when conducting businesses, developing products and services. In 2020, KFH deferred 6 months of installments for all bank customers in efforts to lessen financial impact of COVID-19 crisis.

Responsibility as an employer
KFH aims to be the employer of choice, as we offer our staff various career opportunities, empowering them through training, scholarships and mentorships to achieve a fulfilling career in a multicultural environment.
History and Expansion

1977
Kuwait Finance House was established by Amiri decree as Kuwait’s first Islamic bank.

1978
KFH received 170 account opening applications on its first day of operations, August 31.

1989
Kuveyt Turk Participation Bank was established by a Turkish cabinet decree.

1999
Muthanna Investment Company is incorporated with a capital of KD 15 million (USD 49.72 million).

2001
KFH Real Estate Company is established as KFH’s real estate arm to purchase and develop property.

2002
Kuwait Finance House - Bahrain operations began. The bank grew to become a leading provider of Islamic commercial and investment banking services.

2003
Al Enma’a House Real Estate Company - Bahrain is established and becomes one of the largest, privately held real estate developers in Bahrain.

2005
Kuwait Finance House (Malaysia) Berhad is established. It is the first foreign Islamic bank that was granted a license under the Islamic Banking Act (Malaysia) 1983.

2007
Kuwait Finance House – Hashemite Kingdom of Jordan established as a subsidiary of KFH – Bahrain with a %28 holding in Al Durra Real Estate Development and Investment Company. KFH Real Estate Company KSA is established with a capital of SAR 375 million.

2009
Saudi Kuwaiti Finance House operations began. Kuveyt Turk Participation Bank expanded beyond Turkey starting with the UAE and Germany later in 2015.

2013
KFH Capital Investment Company is incorporated with a capital of KD 100,000,000.

2015
Kuveyt Turk Participation Bank opens in Germany.