



Date: 29 October 2019
1 Rabi Al-Awwal 1441
Ref 10/10/ 474 / 2019

التاريخ: 29 أكتوبر 2019 م
الموافق: 1 ربيع الأول 1441 هـ
الإشارة: 2019/474 /10/10

To: Boursa Kuwait

Peace, Mercy and Blessings of Allah be upon you

السادة / بورصة الكويت المحترمين
السلام عليكم ورحمة الله وبركاته

Subject: Disclosure of The KFH's Analysts
Conference for Q 3 / 2019

الموضوع: إفصاح بيتك عن مؤتمر المحللين
الربع الثالث 2019

In reference to the above, and in line with Kuwait Finance House 'KFH' interest in adhering to Boursa Kuwait Role Book Article (8-4-2/4), KFH would like to report the following:

KFH has conducted the Analysts Conference for Q 3 / 2019 through live broadcasting on internet (Live Webcast) at 2 p.m. on Monday 28 October 2019, There was no other material information had been discussed during the conference.

Attached is the Investors Presentation Q 3 / 2019 for your reference. A copy of the same has been submitted to Capital Markets Authority.

KFH will disclose later for the Conference Minutes of Meeting within 3 working days from the date of conducted.

Best Regards,

Shdi Zahran
Acting Group CEO

بالإشارة إلى الموضوع أعلاه، وحرصاً من بيت التمويل الكويتي "بيتك" على الالتزام بمتطلبات المادة (4/2-4-8) من كتاب قواعد البورصة، نود الإفادة بما يلي:

عقد بيتك مؤتمر المحللين للربع الثالث 2019 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 2 من بعد ظهر يوم الإثنين الموافق 28 أكتوبر 2019. علماً بأنه لم يتم تداول أي معلومات جوهرية أخرى خلال المؤتمر.

مرفق العرض التقديمي للمستثمرين للربع الثالث 2019. هذا وتم تزويد السادة / هيئة أسواق المال بنسخة منه.

سوف يقوم بيتك بالإفصاح لاحقاً عن محضر المؤتمر خلال 3 أيام عمل من تاريخ إنعقاده.

وتفضلوا بقبول فائق الاحترام،

شادي زهران
الرئيس التنفيذي للمجموعة بالوكالة



بيت التمويل الكويتي
Kuwait Finance House

بيت التمويل الكويتي
Kuwait Finance House



Q3-19

Earnings Presentation

October 28th, 2019



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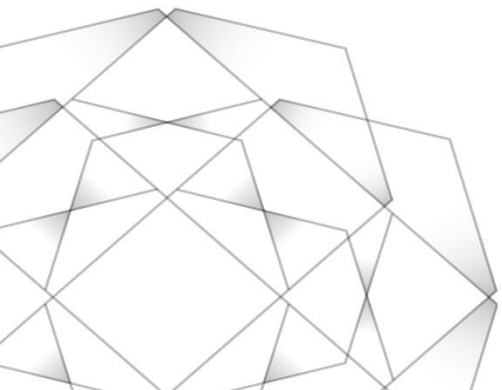
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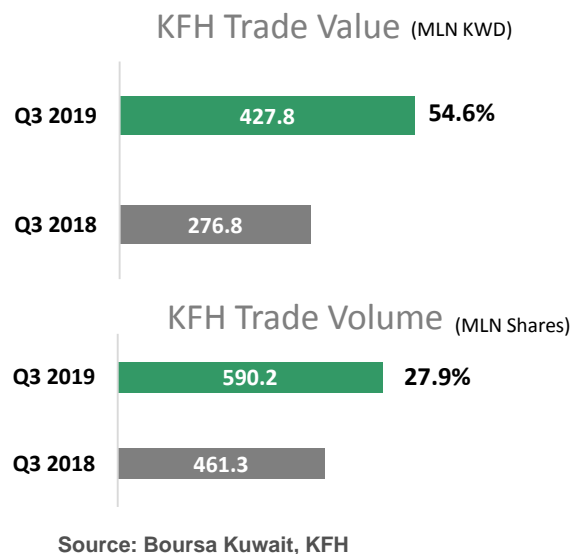
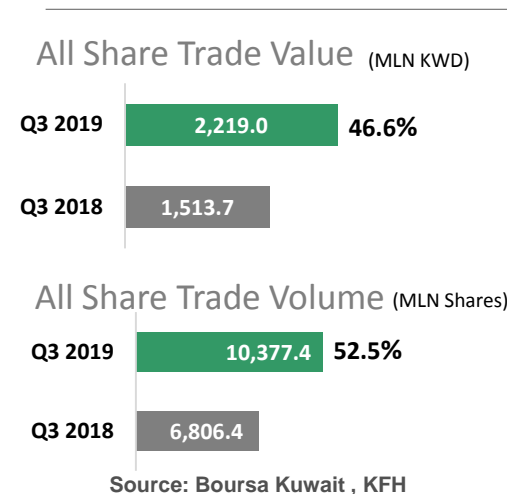
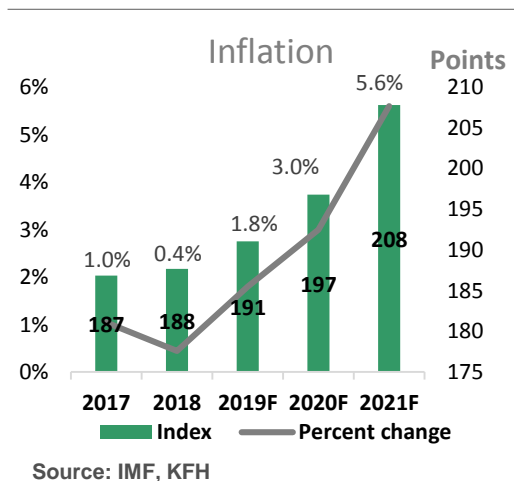
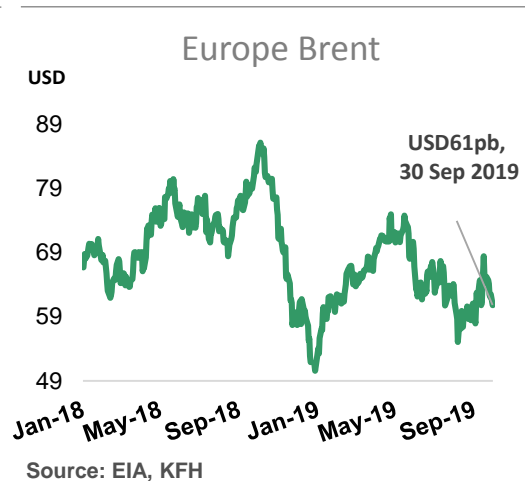
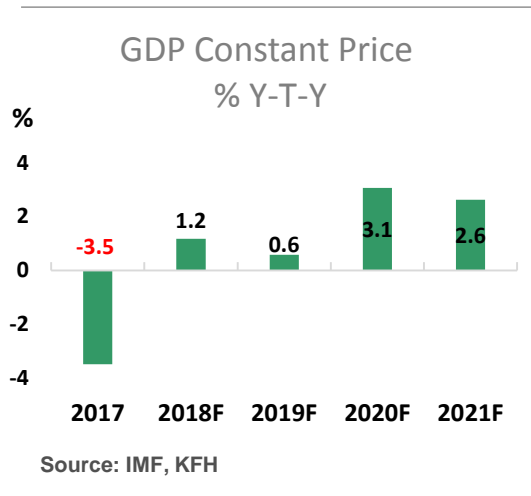


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Economic Highlights



- Crude Oil price closed at USD 61 p/b in Q3-19, lower by 9.7% Q-T-Q and 26.3% Y-T-Y.
- Kuwait's Long-Term Foreign-Currency Issuer Default Rating (IDR) remained solid with Stable Outlooks, Fitch "AA", Moody's "Aa2", and S&P "AA".
- The Central Bank of Kuwait maintained the discount rate at its current level of 3.0% despite Federal Reserve's interest-rate cut of 25 bps on September 18th, 2019.
- Kuwait ranked among top 20 countries in Ease of Doing Business 2020 Index, out of 190 countries.
- Kuwait's Capital Markets Authority (CMA) launched the Initial Public Offering (IPO) of its full 50% stake in Boursa Kuwait.
- Kuwait Authority for Partnership Projects (KAPP) launched the Initial Public Offering (IPO) on 50% of its stake in Al-Zour North One Independent Water & Power Project (IWPP).

KFH Overview

Kuwait

Strongest

Bank in Kuwait

*According to The Asian Banker

Regional

Safest

Islamic Financial
Institution in the GCC

*According to Global Finance

Global

Best

Islamic Financial Institution
in the World

*According to Global Finance

KFH Overview

Germany

5 Branches

1st Islamic bank

- Retail Banking
- Corporate Banking
- Investment Services
- Real Estate Financing



Saudi Arabia

- Asset Management
- Wealth Management and Custody
- Investment Services
- Product & Business Development



Bahrain

9 Branches

- Retail Banking
- Wealth Management
- Corporate Banking
- Real Estate



62 Branches

Kuwait

- Retail Banking
- Wealth Management and Private Banking
- Corporate Banking
- Investment Services
- Real Estate Financing

425 Branches

Turkey

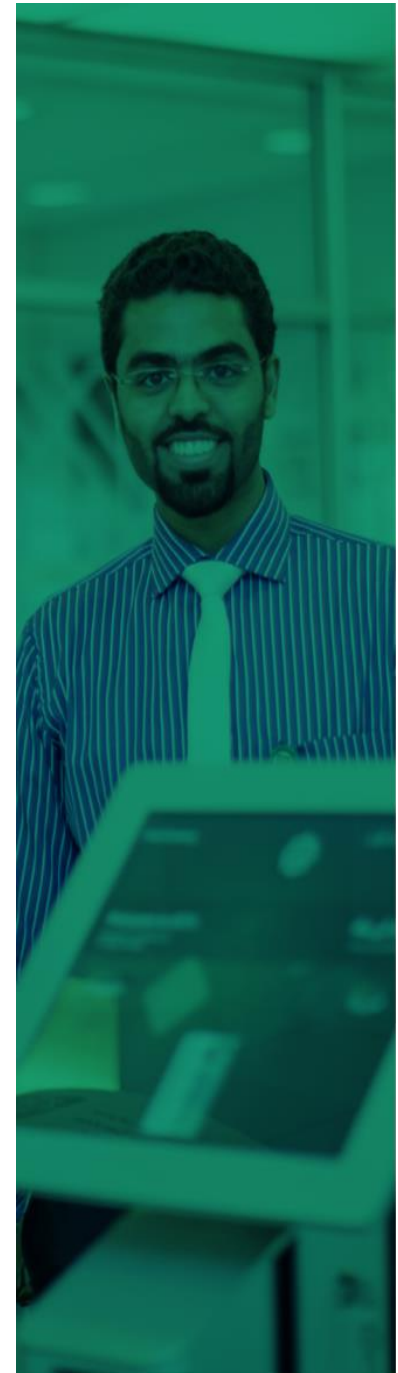
- Retail Banking
- Wealth Management and Personal Banking
- Corporate Banking



14 Branches

Malaysia

- Retail Banking
- Wealth Management
- Corporate Banking
- Commercial Banking



KFH Strengths

Robust Financial Performance	Leading Islamic Financial Institution	Strong Government Sponsorship	Professional Management Team	Strategic Distribution Channels	Effective Risk Management Framework
A consistent track record of profitability & dividend payment	Second largest Islamic Financial Institution globally in terms of asset base	48% ownership by various Kuwaiti Government authorities	Well-rounded human capital through meritocratic management structure	Diversified international operations	KFH continuously develops its risk management framework in light of development in the business, banking and market regulations
Solid funding and liquidity profile	Operating history of over than 40 years	KFH operates mainly in Kuwait where the economy benefits from high level of economic strength	Significant improvement in the Management team for the diversified international operation	Presence in 6 countries giving access to Europe, Middle East and Asian markets	Disciplined & risk adjusted approach to capital allocation
Consistently low NPF rates	Strong retail franchise	Systemic important bank in Kuwait	Strong and stable Board of Directors, collectively bringing more than two hundred and fifty years of professional experience	Extensive accessibility option with a wide network of over 500 branches and over 1,155 ATMs	Large and diversified portfolio
Improving cost to income ratio	Pioneer of Islamic products in Kuwait	Large retail deposit and global flagship Islamic bank			Reduce non-core assets
Solid profit margins and improving efficiency	"Islamic Bank of the Year - Middle East"				

Business Highlights

Major Achievements

KFH Capital launched the first REIT Fund to be listed in Boursa Kuwait with a capital up to KWD 100 Million invested in real estate with monthly distributions.

Products and Services “Digital Focused”

- KFH launched KFH Pass Service "Postpone Your Installments as Needed".
- KFH and Xpress Money launched “KFH Xpress” for instant cross-border money transfer.
- KFH inaugurated its third digital self-banking station “KFH-Go”.
- KFH Introduced customers’ data update through smart-phones via KFH-Online.
- KFH introduced an International Toll-Free Service for KFH customers in 7 countries.

Awards by KFH in Q3-2019

- The Strongest Bank in Kuwait 2019 – The Asian Banker.
- The Safest Islamic Financial Institution in GCC 2019 – Global Finance.
- The Best Islamic Financial Institution in the World 2019 - Global Finance.

Key Achievements by KFH Capital in Q3-2019

- KFH Capital launched the first REIT Fund to be listed in Boursa Kuwait with a capital up to KWD 100 Million invested in real estate with monthly distributions.

Key Events and Corporate Social Responsibility

- KFH participated in the International Banking Conference organized by the Central Bank of Kuwait.
- KFH made a Partnership Agreement with DISC to promote Employee Wellness.
- KFH made a strategic partnership with Kuwait University, College of Business Administration (CBA) and Center of Excellence, in which preparation program for IELTS tests has been launched to train and qualify 300 Kuwaiti students.
- KFH supported the Coding Program to develop technological innovation for high school students.
- KFH launched Summer Club Programs for Hesabi and Bayti customers.
- KFH participated in the graduation ceremony of students of College of Engineering and Petroleum- Kuwait University.

9M'19 Financial Highlights

Net Profit
for Shareholders

KD 190.5 m

+12.7%

Total Financing
Income

KD 701.2 m

+10.2%

Net Operating
Income

KD 393.0 m

+7.0%

Cost to Income Ratio

36.11%

Improved by 157bps

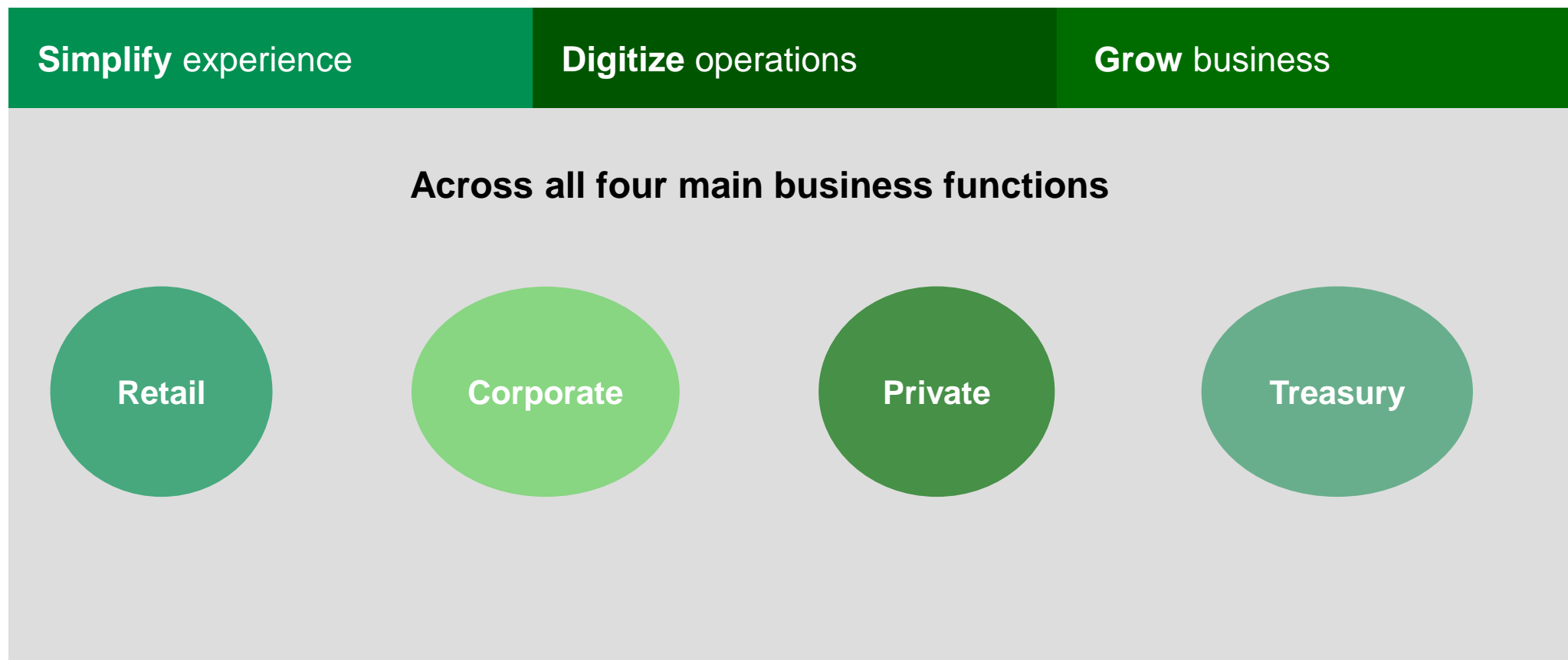
EPS (fils)

27.67

+3.1fils (9M-18: 24.58fils)

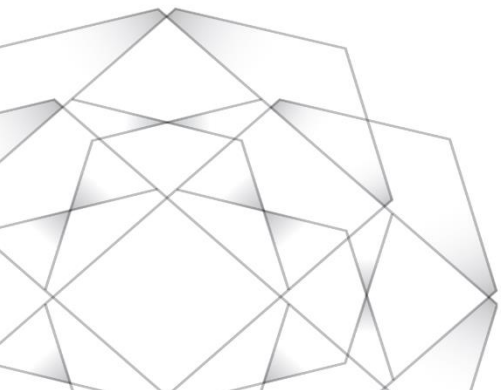
KFH Strategy

KFH's main focus is on core banking business activities. KFH's 3-year strategy is based on three main pillars

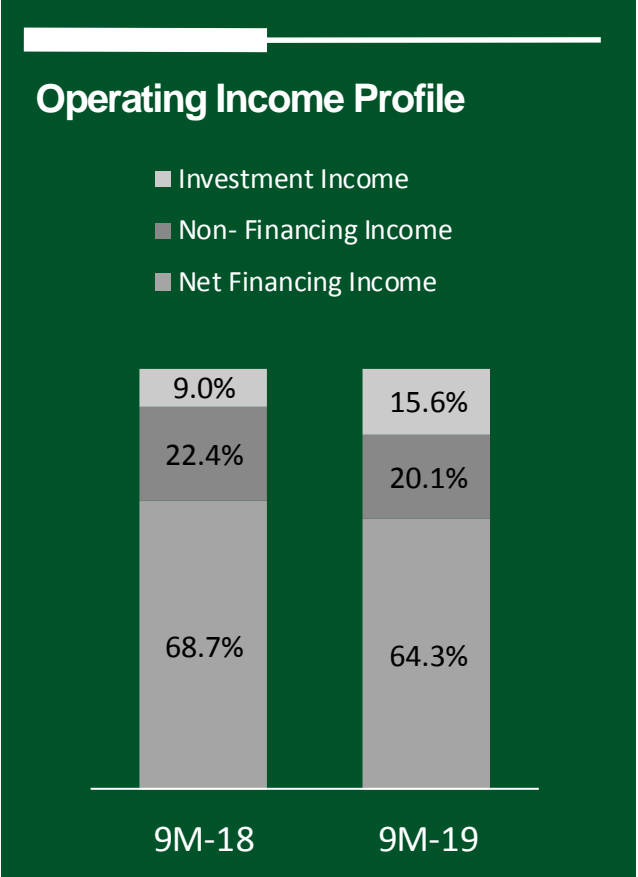
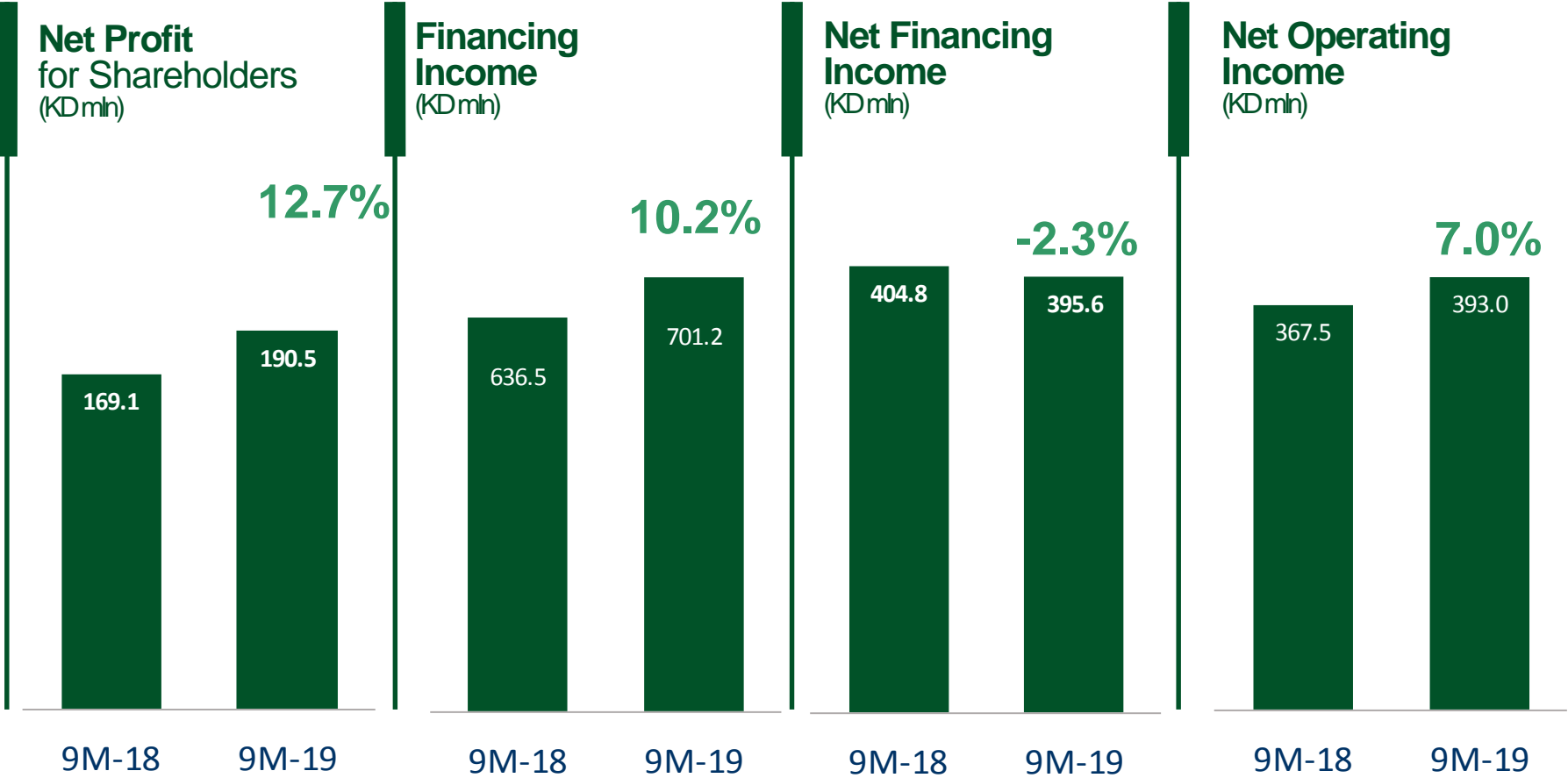


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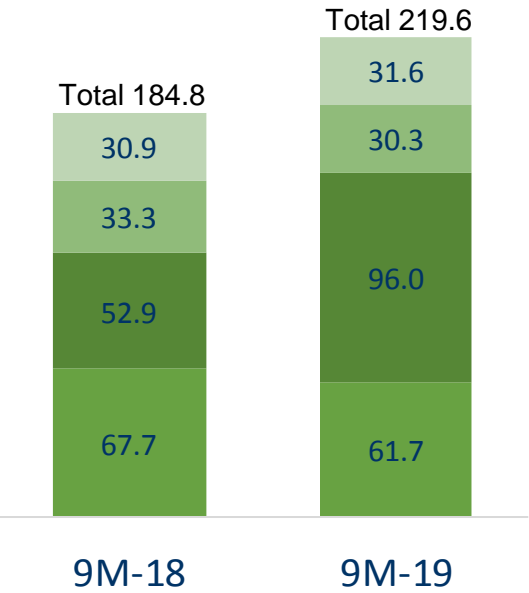
9M'19 Operating Performance



9M'19 Operating Performance

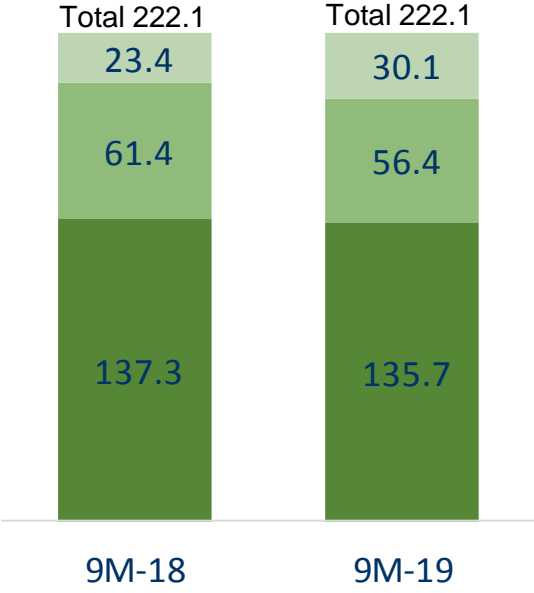
Non - Financing Income (KD mn)

- Other income
- Net gain from foreign currencies
- Investment Income
- Fee and Commission Income



Total Operating Expenses (KD mn)

- Depreciation and amortization
- Other Operating expenses
- Staff costs



C/I Ratio

9M-18
37.68%

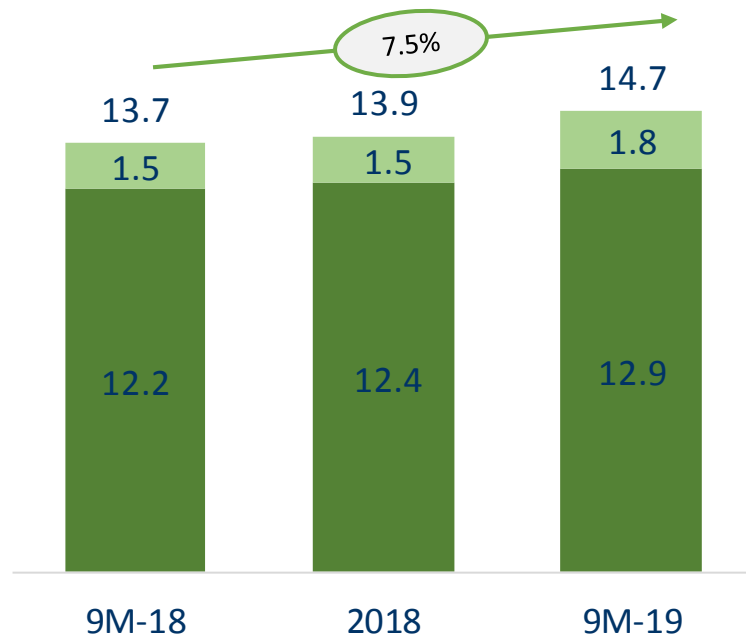
9M-19
36.11%

9M'19 Operating Performance

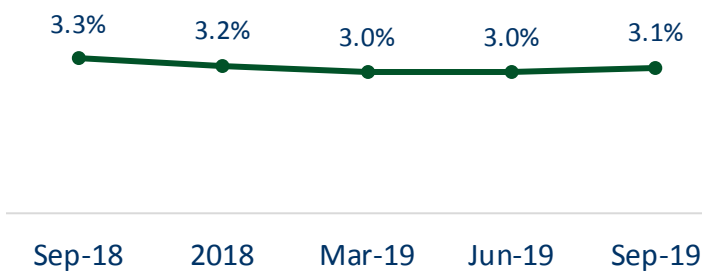
Average Profit Earning

Assets (KD Bln)

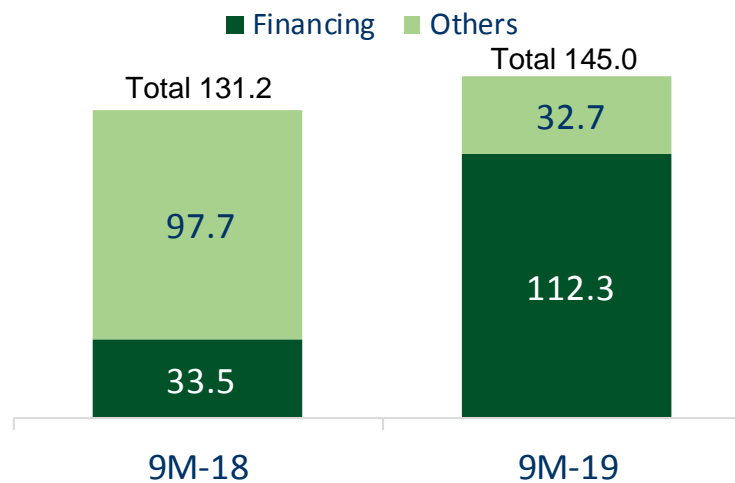
- Avg Financing
- Avg Sukuk



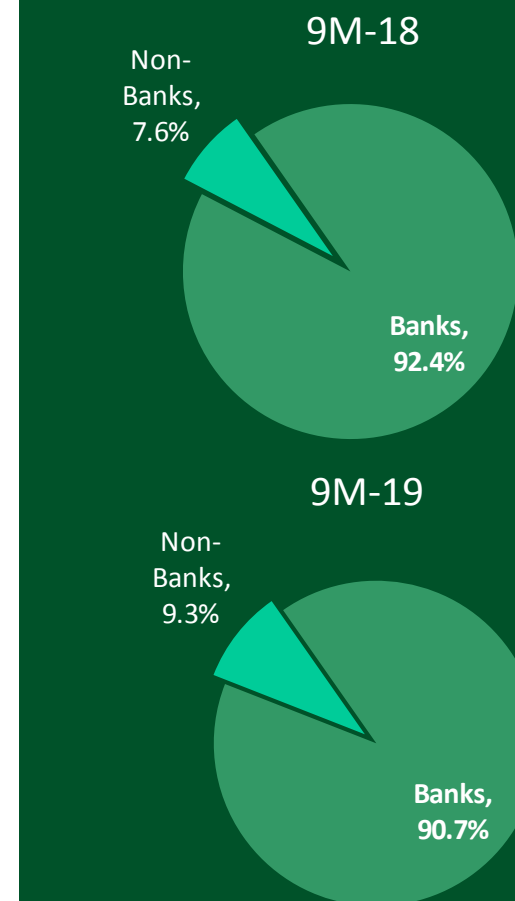
Net Financing Margin



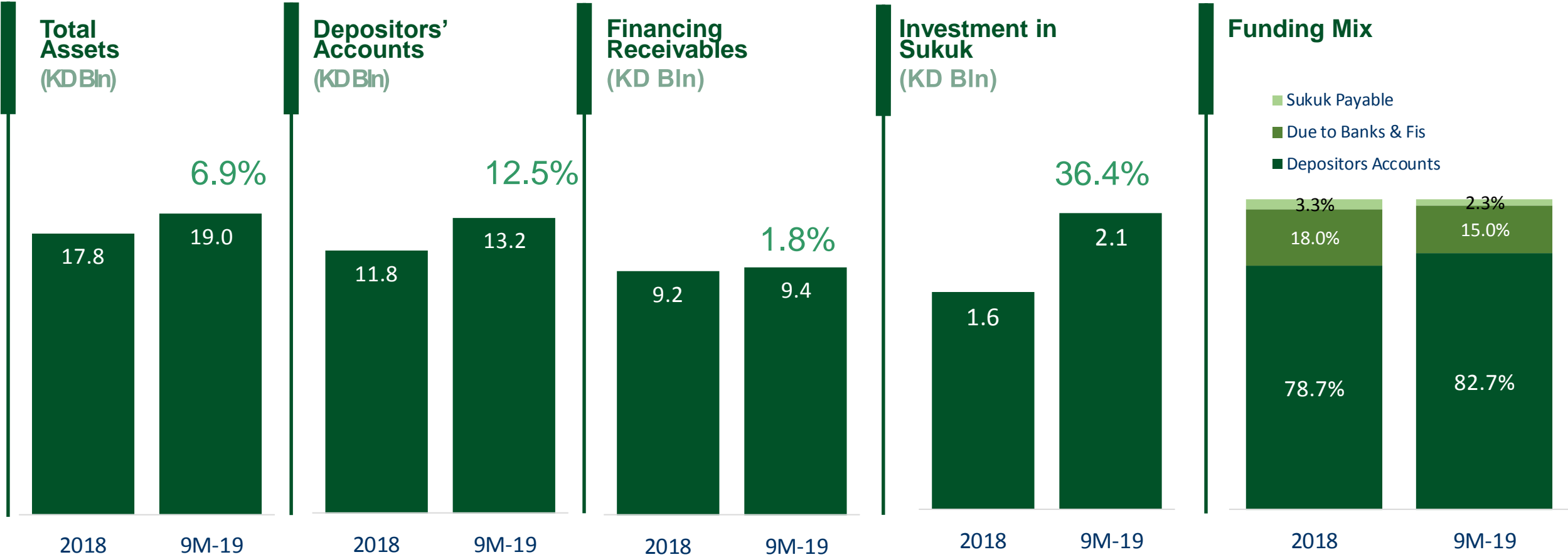
Provision and Impairment (KD mln)



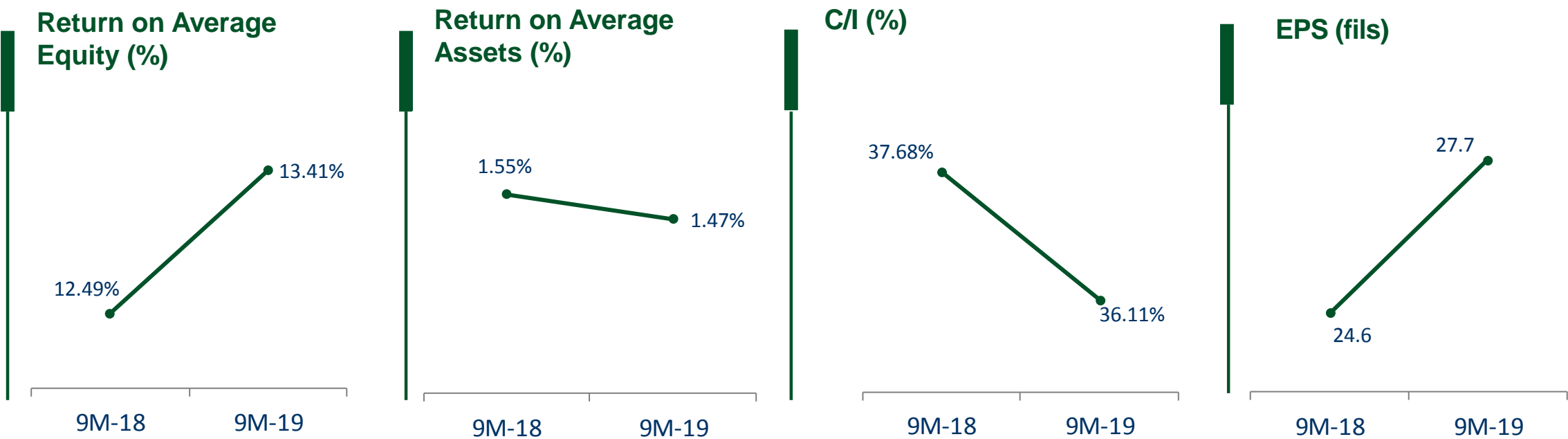
Net Operating Income Banks/ Non-Banks



9M'19 Operating Performance



9M'19 Operating Performance



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Q&A

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Appendix

9M'19 Consolidated Financials

Consolidated Statement of Income (KD million)	Sep-19	Sep-18
Financing income	701	636
Financing cost and estimated distribution to depositors	306	232
Net finance income	396	405
Investment income	96	53
Fees and commission income	62	68
Net gain from foreign currencies	30	33
Other income	32	31
Non-Financing Income	220	185
Tota Operating Income	615	590
Staff costs	136	137
General and administrative expenses	56	61
Depreciation and amortization	30	23
Total Expenses	222	222
Net Operating Income	393	367
Provisions and impairment	145	131
Loss for the period from discontinued operations	0	4
Profit for the Period Before Taxation	248	233
Taxation	45	31
Non-controlling interests	12	32
Profit Attributable to Shareholders of the Bank	190.5	169.1

Consolidated Statement of Financial Position (KD million)	Sep-19	Sep-18
Cash and balances with banks and financial institutions	1,678	1,266
Due from Banks	3,718	3,193
Financing receivables	9,356	9,113
Investment in sukuk	2,132	1,476
Trading properties	147	155
Investments	245	303
Investment in associates and joint ventures	503	498
Investment properties	465	512
Other assets	509	552
Intangible assets and goodwill	32	31
Property and equipment	212	191
Assets classified as held for sale	0	17
TOTAL ASSETS	18,999	17,307
Due to banks and financial institutions	2,404	2,640
Sukuk payables	369	469
Depositors' accounts	13,248	11,503
Other liabilities	794	717
Liabilities directly associated with assets classified as held for sale	0	2
TOTAL LIABILITIES	16,814	15,331
Share capital	698	634
Share premium	720	720
Treasury shares	(39)	(45)
Reserves	615	500
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHODERS OF THE BANK	1,994	1,810
Non-controlling interests	190	166
TOTAL EQUITY	2,185	1,975
TOTAL LIABILITIES AND EQUITY	18,999	17,307

9M'19 Key Performance Indicators

Key Performance Indicators	Sept-19	Sept-18
Return on Average Assets (ROAA)	1.47%	1.55%
Return on Average Equity (ROAE)	13.41%	12.49%
NFM	3.14%	3.32%
Cost to Income	36.11%	37.68%
Earnings Per Share (fils)	27.7	24.6
CET1 Ratio	14.78%	15.09%
Tier 1 Adequacy Ratio	15.22%	15.40%
Capital Adequacy Ratio	16.80%	17.12%

Consolidated Statement of Financial Position 2015 - 2018

Consolidated Statement of Financial Position (KD million)	2015	2016	2017	2018
Cash and balances with banks	1,600	1,495	1,262	1,381
Short-term murabaha	3,194	2,877	2,925	3,445
Financing receivables	8,095	8,176	9,216	9,189
Investments in sukuk	807	1,100	1,429	1,563
Trading properties	214	186	161	148
Investments	508	357	304	285
Investment in associates and joint ventures	535	469	464	499
Investment properties	580	591	554	490
Other assets	469	549	465	544
Intangible assets and goodwill	48	39	39	31
Property and equipment	264	216	214	195
Leasehold rights	180	0	0	0
TOTAL ASSETS	16,495	16,499	17,358	17,770
Due to banks and financial institutions	2,730	2,399	2,240	2,689
Sukuk payables	322,466	473	518	499
Depositors' accounts	10,756	10,717	11,597	11,780
Other liabilities	630	645	699	728
Liabilities directly associated with assets classified as held for sale	0	227	188	0
TOTAL LIABILITIES	14,439	14,461	15,242	15,696
Share capital	477	524	577	634
Share premium	720	720	720	720
Treasury shares	(50)	(49)	(45)	(44)
Reserves	487	450	436	356
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	1,779	1,810	1,872	1,894
Non-controlling interests	276	228	244	180
TOTAL EQUITY	2,055	2,039	2,116	2,074
TOTAL LIABILITIES AND EQUITY	16,495	16,499	17,358	17,770

Consolidated Statement of Income 2015 - 2018

Consolidated Statement of Income (KD million)	2015	2016	2017	2018
Financing income	695	718	741	862
Financing cost and distribution to depositors	263	283	296	335
Net finance income	432	435	445	527
Investment income	108	79	107	63
Fees and commission income	79	89	97	87
Net gain from foreign currencies	25	23	17	30
Other income	59	34	48	39
Non-Financing Income	271	225	268	219
Total operating income	703	660	713	746
Staff costs	172	174	188	178
General and administrative expenses	81	84	83	81
Depreciation and amortisation	78	37	35	33
Total Expenses	330	295	305	292
Net Operating Income	372	365	408	454
Provisions and impairment	184	157	163	163
Gain / (Loss) for the year from discontinued operations	22	(22)	0	0
Profit Before Tax and Zakat	211	186	245	291
Taxation and Proposed Directors' fees	21	24	30	27
Non-controlling interests	44	(3)	30	36
Profit Attributable to Shareholders of the Bank	146	165	184	227

YE'18 Key Performance Indicators

<i>Key Performance Indicators</i>	2017	2018
Return on Average Assets (ROAA)	1.3%	1.5%
Return on Average Equity (ROAE)	10.2%	12.5%
Cost to Income	42.8%	39.2%
Earnings Per Share (fils)	29.5	36.4
CET1 Ratio	15.4%	15.5%
Tier 1 Adequacy Ratio	16.0%	15.9%
Capital Adequacy Ratio	17.8%	17.5%



Investor.relations@kfh.com