



Date: 17 May 2021

التاريخ: 17 مايو 2021

Ref: 10 / 10 / 205 / 2021

الإشارة: 2021 / 205 / 10 / 10

To: Chief Executive Officer

السيد/ الرئيس التنفيذي المحترم

Boursa Kuwait

بورصة الكويت

Peace, Mercy and Blessings of Allah be upon you,

السلام عليكم ورحمة الله وبركاته،

Subject: Disclosure of Material Information

الموضوع: الإفصاح عن المعلومات الجوهرية

KFH: Analysts Conference Presentation

بيتك: العرض التقديمي لمؤتمر المحللين

Q 1 / 2021

الربع الأول 2021

In reference to the above, and in line with Kuwait Finance House 'KFH' interest in adhering to Boursa Kuwait Role Book Article (7-8-1/3) regarding the Listed Companies Obligations (Analysts Conference), KFH would like to report the following:

بالإشارة إلى الموضوع أعلاه، وحرصاً من بيت التمويل الكويتي "بيتك" على الإلتزام بالمادة رقم (7-8-1/3) من كتاب قواعد البورصة بشأن إلتزامات الشركات المدرجة (الإفصاح عن مؤتمر المحللين)، يفيد بيتك بما يلي:

- KFH has conducted the Analysts Conference for Q 1 / 2021 through live broadcasting on internet (Live Webcast) at 1 p.m. on Monday 17 May 2021. There was no other material information had been discussed during the conference.
- KFH will disclose the Conference Minutes of Meeting within 3 working days after the conference.

- عقد بيتك مؤتمر المحللين للربع الأول 2021 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 1 من بعد ظهريوم الإثنين الموافق 17 مايو 2021. علماً بأنه لم يتم تداول أي معلومات جوهرية أخرى خلال المؤتمر.

Attached is the Investors Presentation Q 1 / 2021 for your reference. A copy of the same has been submitted to Capital Markets Authority.

- سوف يقوم بيتك بالإفصاح لاحقاً عن محضر المؤتمر خلال 3 أيام عمل من تاريخ المؤتمر.
- مرفق العرض التقديمي للمستثمرين للربع الأول 2021، هذا وتم تزويد السادة / هيئة أسواق المال نسخة منه.

Best Regards,

وتفضلوا بقبول فائق الإحترام،

Abdulwahab Issa Al-Rushood

عبد الوهاب عيسى الرشود

Acting Group Chief Executive Officer

الرئيس التنفيذي للمجموعة بالتكليف



بيت التمويل الكويتي  
Kuwait Finance House

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17 May 2021

17 مايو 2021

Kuwait Finance House (KFH)

بيت التمويل الكويتي (بيتك)

Appendix (11)

ملحق رقم (11)

Disclosure of Material Information Form

نموذج الإفصاح عن المعلومات الجوهرية

KFH: Analysts Conference Presentation  
Q 1 / 2021

بيتك: العرض التقديمي لمؤتمر المحللين  
الربع الأول 2021

## Disclosure of Material Information

Date	Listed Company
17 May 2021	Kuwait Finance House (KFH)

KFH: Analysts Conference Presentation  
Q 1 / 2021

### Material Information

- KFH has conducted the Analysts Conference for Q 1 / 2021 through live broadcasting on internet (Live Webcast) at 1 p.m. on Monday 17 May 2021. There was no other material information had been discussed during the conference.
- KFH will disclose the Conference Minutes of Meeting within 3 working days after the conference.

### Effect of the Material Information on the Company's Financial Position

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Significant Effect on the financial position shall be mentioned if the material information can measure that effect, excluding the financial effect resulting from tenders or similar contracts.

If a Listed Company, which is a member of a Group, disclosed some material information related to it and has Significant Effect on other listed companies' which are members of the same Group, the other companies' disclosure obligations are limited to disclosing the information and the financial effect occurring to that company itself.

## الإفصاح عن المعلومات الجوهرية

اسم الشركة المدرجة	التاريخ
بيت التمويل الكويتي "بيتك"	17 مايو 2021

بيتك: العرض التقديمي لمؤتمر المحللين  
الربع الأول 2021

### المعلومة الجوهرية

- عقد بيتك مؤتمر المحللين للربع الأول 2021 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 1 من بعد ظهر يوم الإثنين الموافق 17 مايو 2021. علماً بأنه لم يتم تداول أي معلومات جوهرية أخرى خلال المؤتمر.
- سوف يقوم بيتك بالإفصاح لاحقاً عن محضر المؤتمر خلال 3 أيام عمل من تاريخ المؤتمر.

### أثر المعلومة الجوهرية على المركز المالي للشركة

-

يتم ذكر الأثر على المركز المالي في حال كانت المعلومة الجوهرية قابلة لقياس ذلك الأثر، ويستثنى الأثر المالي الناتج عن المناقصات والممارسات وما يشبهها من عقود.

إذا قامت شركة مدرجة من ضمن مجموعة الإفصاح عن معلومة جوهرية تخصها ولها انعكاس مؤثر على باقي الشركات المدرجة من ضمن المجموعة، فإن واجب الإفصاح على باقي الشركات المدرجة ذات العلاقة يقتصر على ذكر المعلومة والأثر المالي المترتب على تلك الشركة بعينها.



بيت التمويل الكويتي  
Kuwait Finance House

بيت التمويل الكويتي  
Kuwait Finance House



Q1-21

Earnings Presentation

17 May 2021

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# Contents

1 **Kuwait's Operating Environment**

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2 **Overview of KFH**

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3 **KFH Strategy**

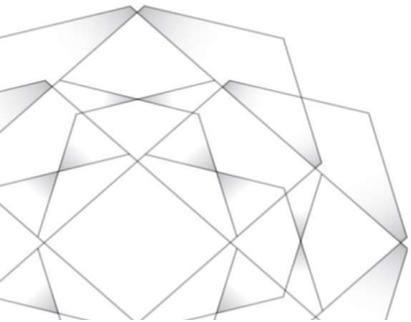
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4 **Q1-21 Financial Results**

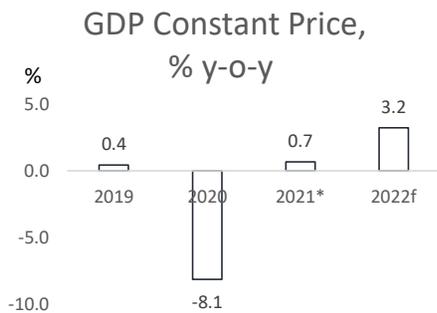
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5 **Appendix**

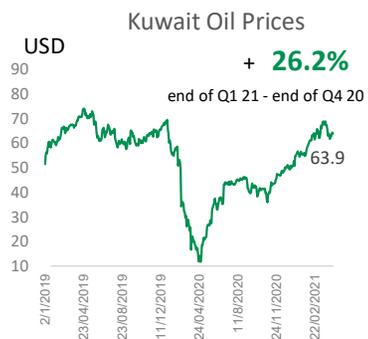
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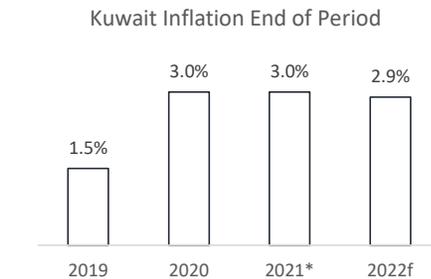
# Economic Highlights



Source: IMF, KFH  
F: Forecasts

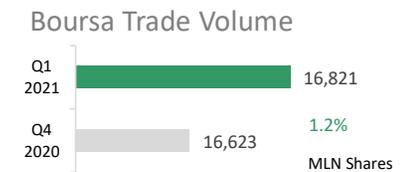
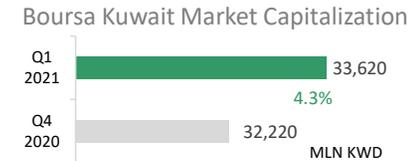


Source: Boursa Kuwait, Ministry of Oil, KFH



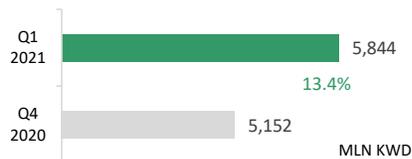
Source: CSB, IMF, EIU, KFH

The source of actual numbers as at end of 2019, December 2020 and \* Feb. 2021 is CSB, F: Forecasts as of EIU.

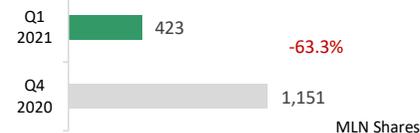


Source: Boursa Kuwait, KFH

## KFH Market Capitalization



## KFH Trade Volume



Source: Boursa Kuwait, KFH

- Kuwait Government efforts are continuing to mitigate the negative impacts of COVID 19, and support Kuwait Economy and local companies whereas Kuwait's Parliament agreed in March 2021 to postpone for Kuwaitis the payment of consumer and installment loans in local banks, investment and financing companies subject to the supervision of the Central Bank, for a period of 6 months
- By the end of March 2021, the National Assembly has declared the Collateral Law with an estimated value of 224 million dinars as a security for Kuwaiti banks' financing of affected owners of small, medium and micro enterprises in addition to frontline staffs' remuneration estimated in 600 million dinars approximately.
- Kuwaiti Crude Oil Price closed at USD 63.9 p/b as at the end of Q1-2021 higher by 26.2% Q-T-Q, and by 148.6% compared to the end of Q1 2020.
- Kuwait's Long-Term Issuer Default Rating (IDR) remained solid as Moody's rating was fixed at "A1" with a stable Outlook (Sep. 2020), while Fitch affirmed the ratings of Kuwait at "AA" with Negative Outlooks (February 2021) and S&P affirmed at "AA-" with a negative Outlook (July. 2020).
- The Central Bank of Kuwait (CBK) has lowered on March 2020 the discount rate by 1.0% from 2.5% to 1.5%, as a precautionary step by CBK.
- Boursa Kuwait Market Capitalization rose by 4.3% to reach KD 33.6 billion whereas the market value of KFH increased by 13.4% to reach KD 5.8 billion in the Q1 2021 comparable to Q4 2020.

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# Overview of KFH's Awards & Ratings

## Kuwait

**Best**

Islamic Project Finance  
Provider

**in the World**

\*Global Finance

## Regional

**Safest**

Islamic Bank  
**in the GCC**

\*Global Finance

## Global

**Best**

Islamic Financial Institution  
**in the World**

\*Global Finance

**Fitch**Ratings

Long-Term Issuer Default Rating **A+**

Short-Term Issuer Default Rating **F1**

Viability Rating **bb+**

**NEGATIVE** Outlook

As of 19 April 2021

**MOODY'S**

LT FC Bank Deposits Rating **A2**

ST FC Bank Deposits Rating **P-1**

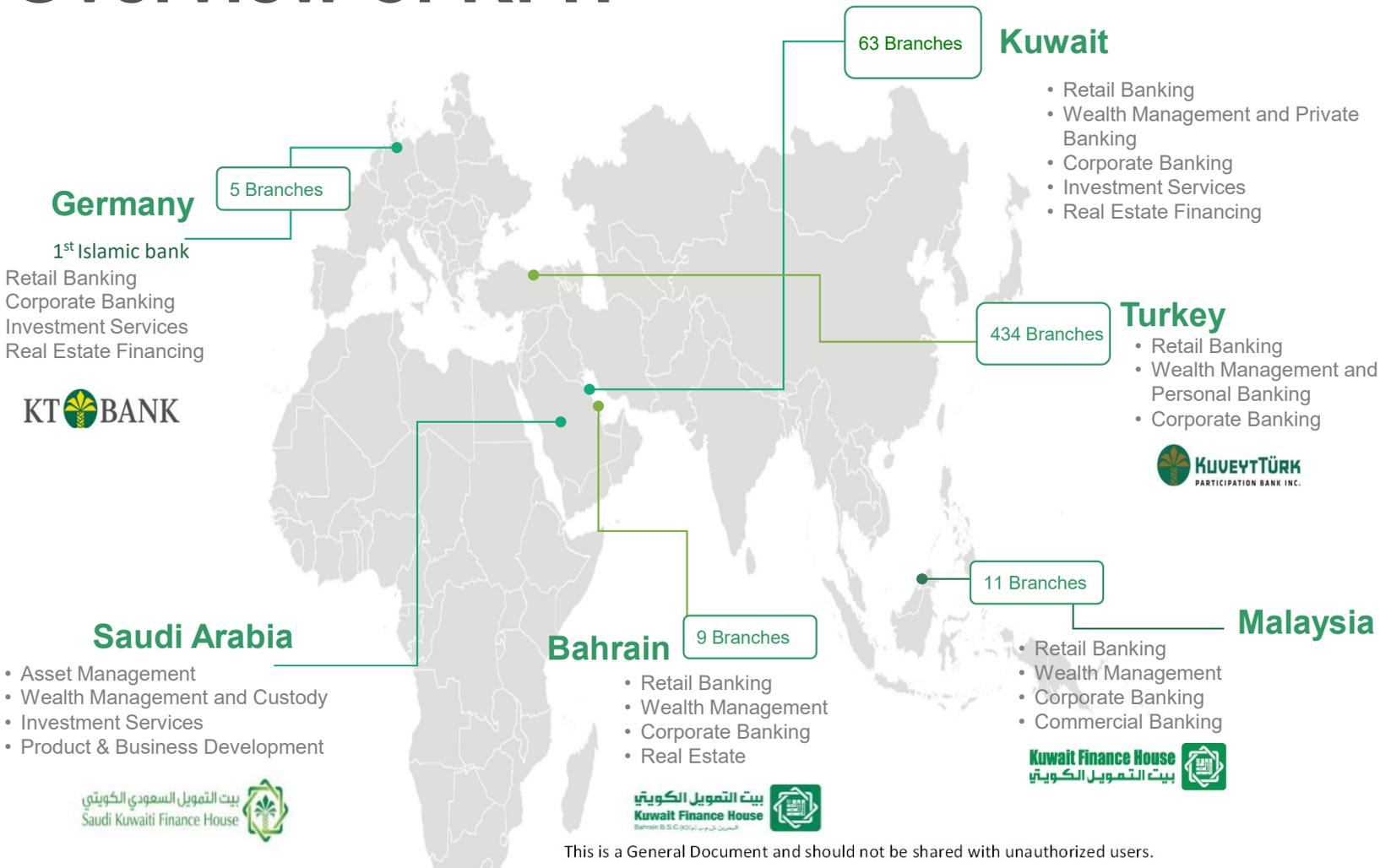
Baseline Credit Assessment **baa3**

**STABLE** Outlook

As of 24 September 2020

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# Overview of KFH



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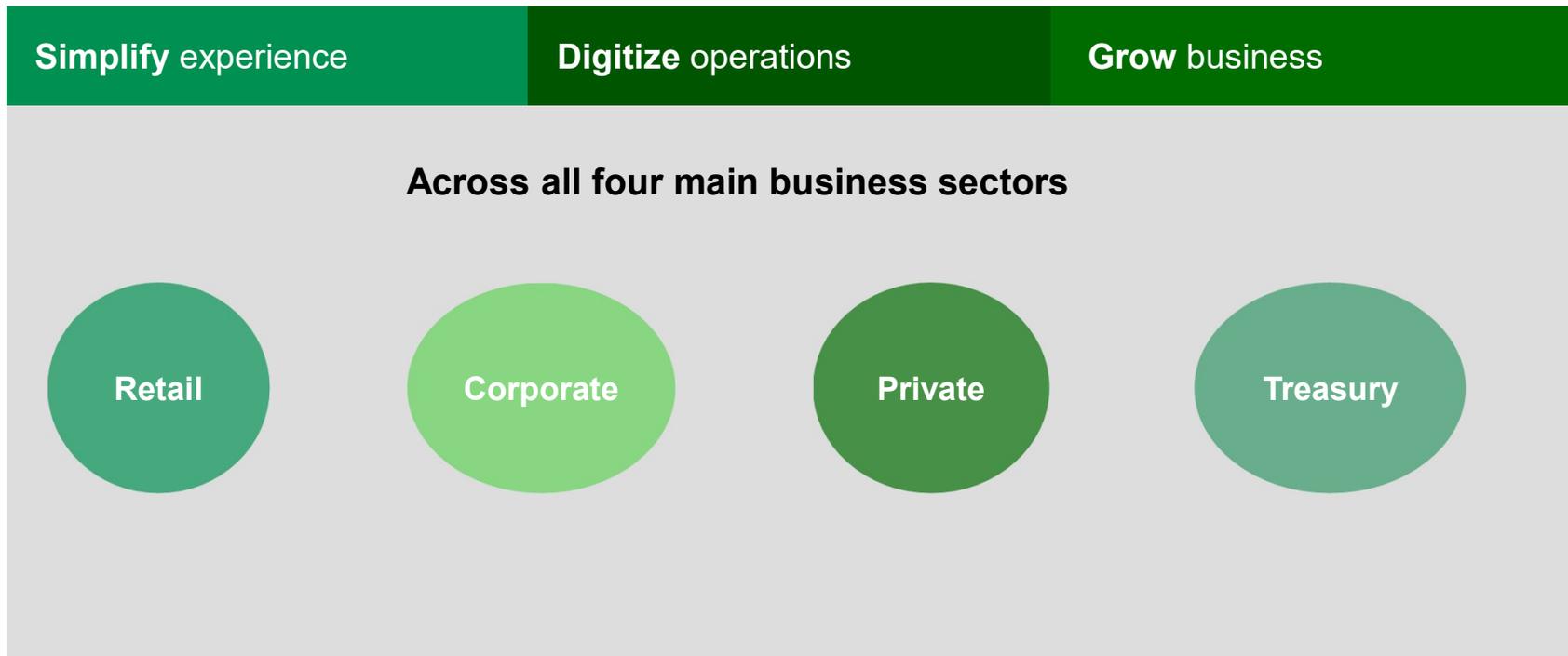


# KFH Strengths

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 more 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 Large retail deposit and global flagship Islamic bank	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 522 branches and over 1,535 ATMs	Large and diversified portfolio
Improved cost to income ratio	Pioneer of Islamic products in Kuwait				Reduced non-core assets
Solid profit margins and improved efficiency					

# KFH Strategy

KFH's main focus is on core banking business activities



# Contents

1 Kuwait's Operating Environment

---

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---

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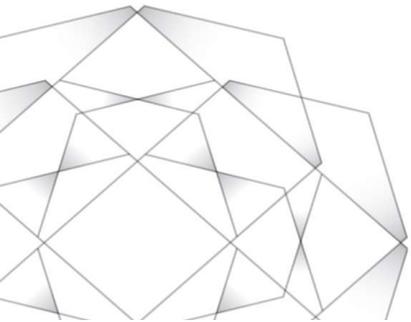
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4 **Q1-21 Financial Results**

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5 Appendix

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# Q1-21 Financial Highlights

<b>Net Profit for Shareholders</b> <b>KD 50.0 m</b> 12.9%	<b>Net Financing Income</b> <b>KD 153.6 m</b> +5.3%	<b>Net Operating Income</b> <b>KD 127.6 m</b> (8.2)%
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**Cost to Income Ratio**

**37.26%**

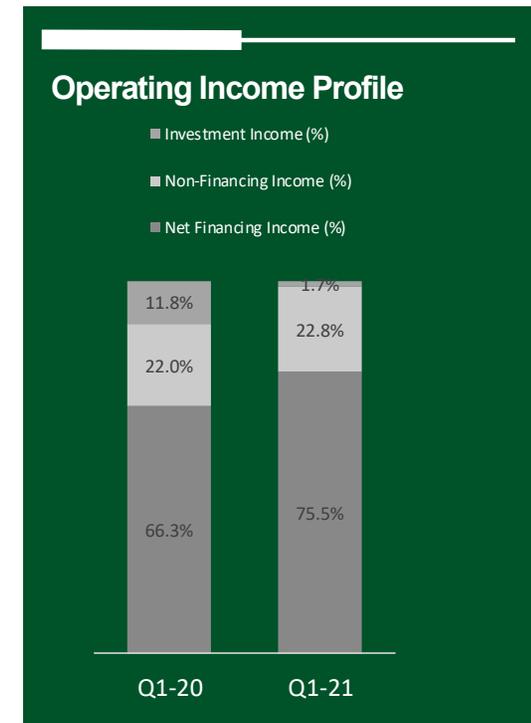
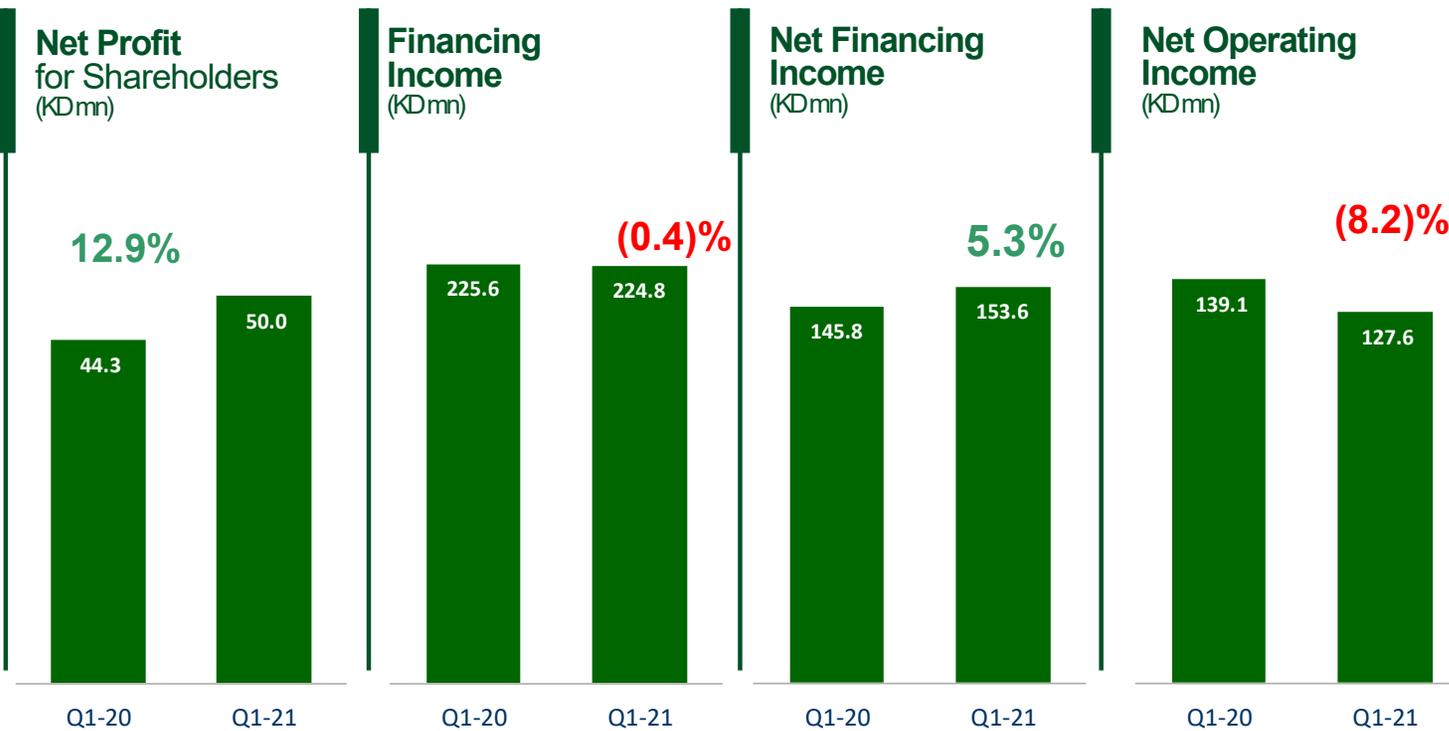
*(Q1-20:36.82%)*

**EPS (fils)**

**5.97**

*(Q1-20: 5.30fils)*

# Q1-21 Operating Performance



# Q1-21 Operating Performance

## Non - Financing Income (KD mn)

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



## Total Operating Expenses (KD mn)

- Depreciation and Amortization
- Other Operating Expenses
- Staff Costs



## C/I Ratio

Q1-20, 36.82%

Q1-21, 37.26%

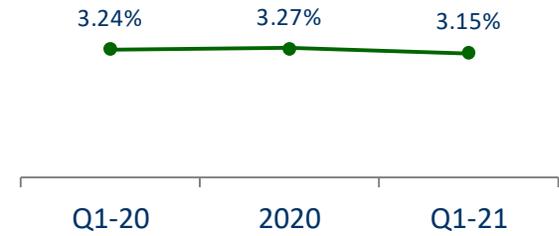
# Q1-21 Operating Performance

## Average Profit Earning

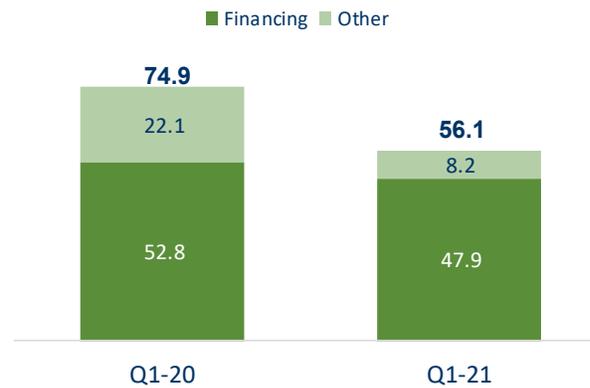
Assets (KD Bln)



## Net Financing Margin



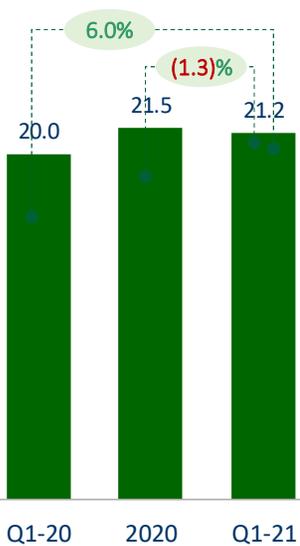
## Provision and Impairment (KD mln)



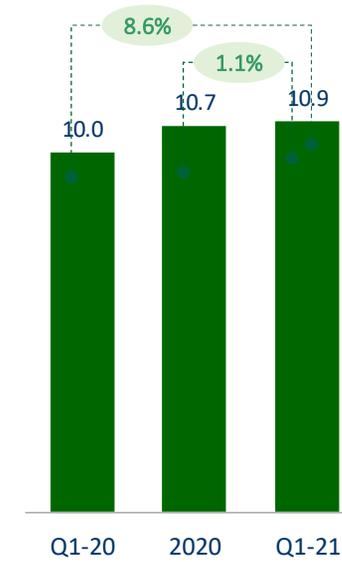
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# Q1-21 Operating Performance

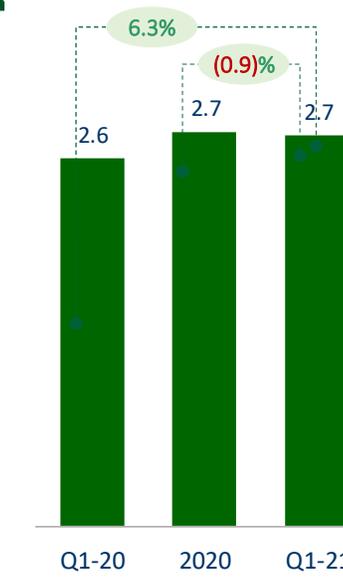
**Total Assets**  
(KDBln)



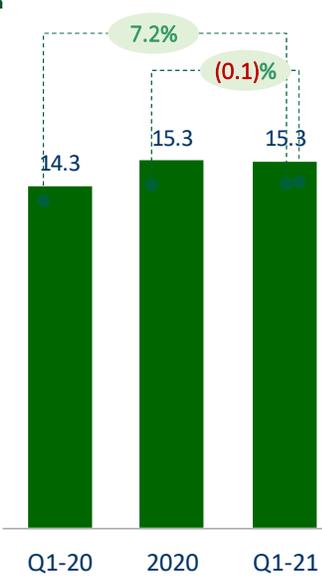
**Financing Receivables**  
(KD Bln)



**Investment in Sukuk**  
(KD Bln)



**Depositors' Accounts**  
(KDBln)



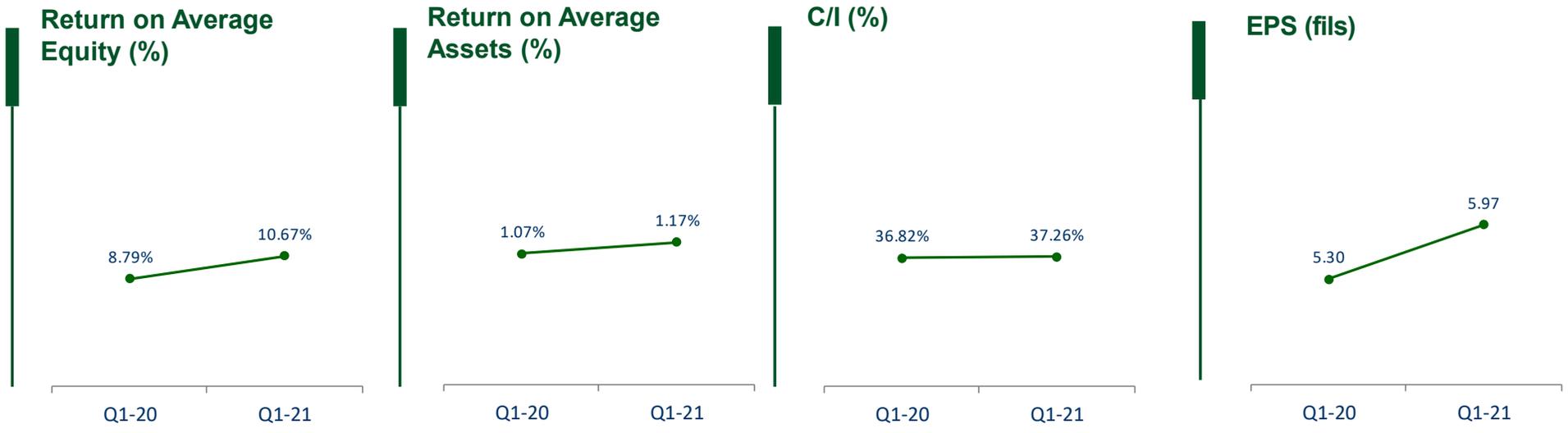
**Funding Mix**

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

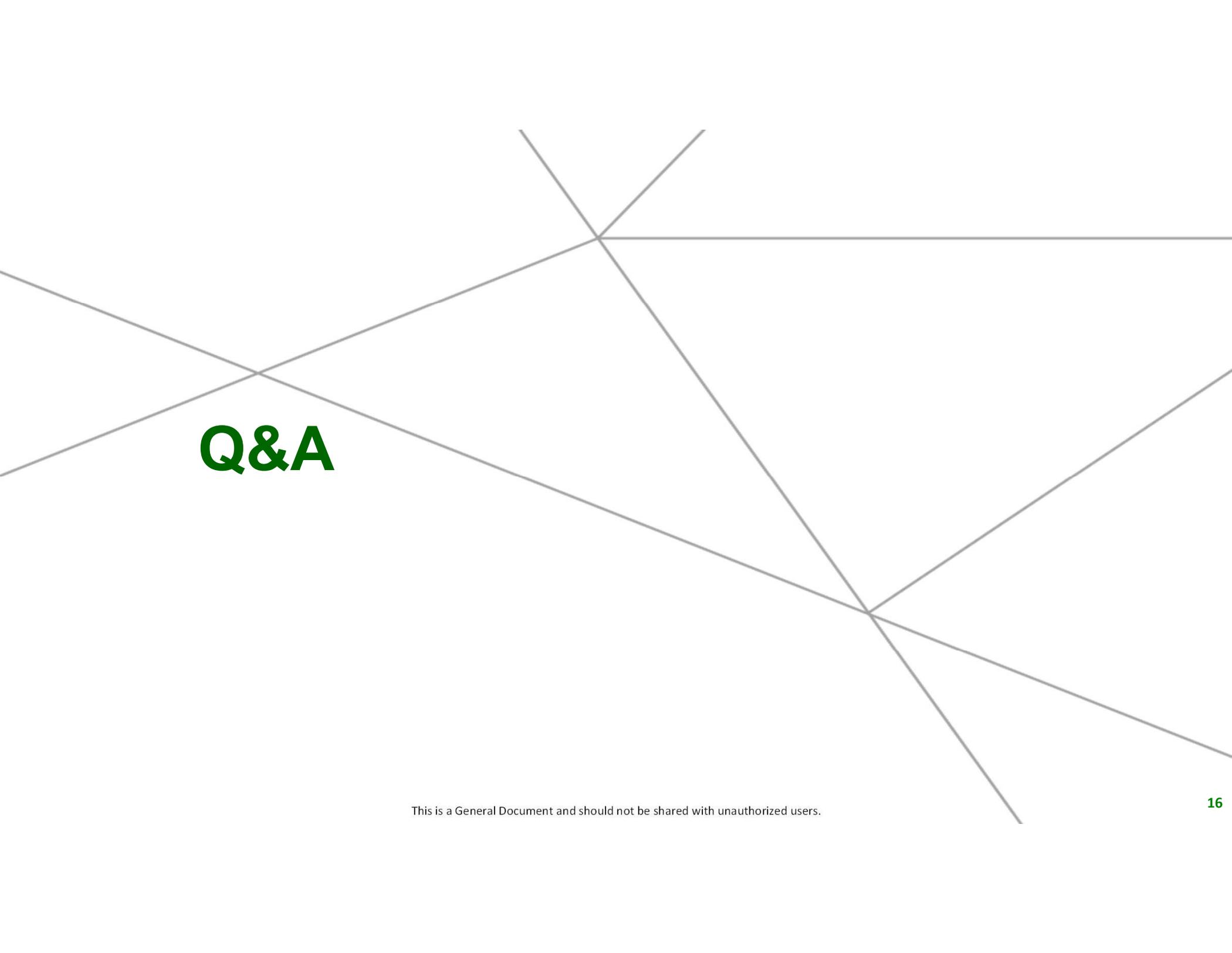


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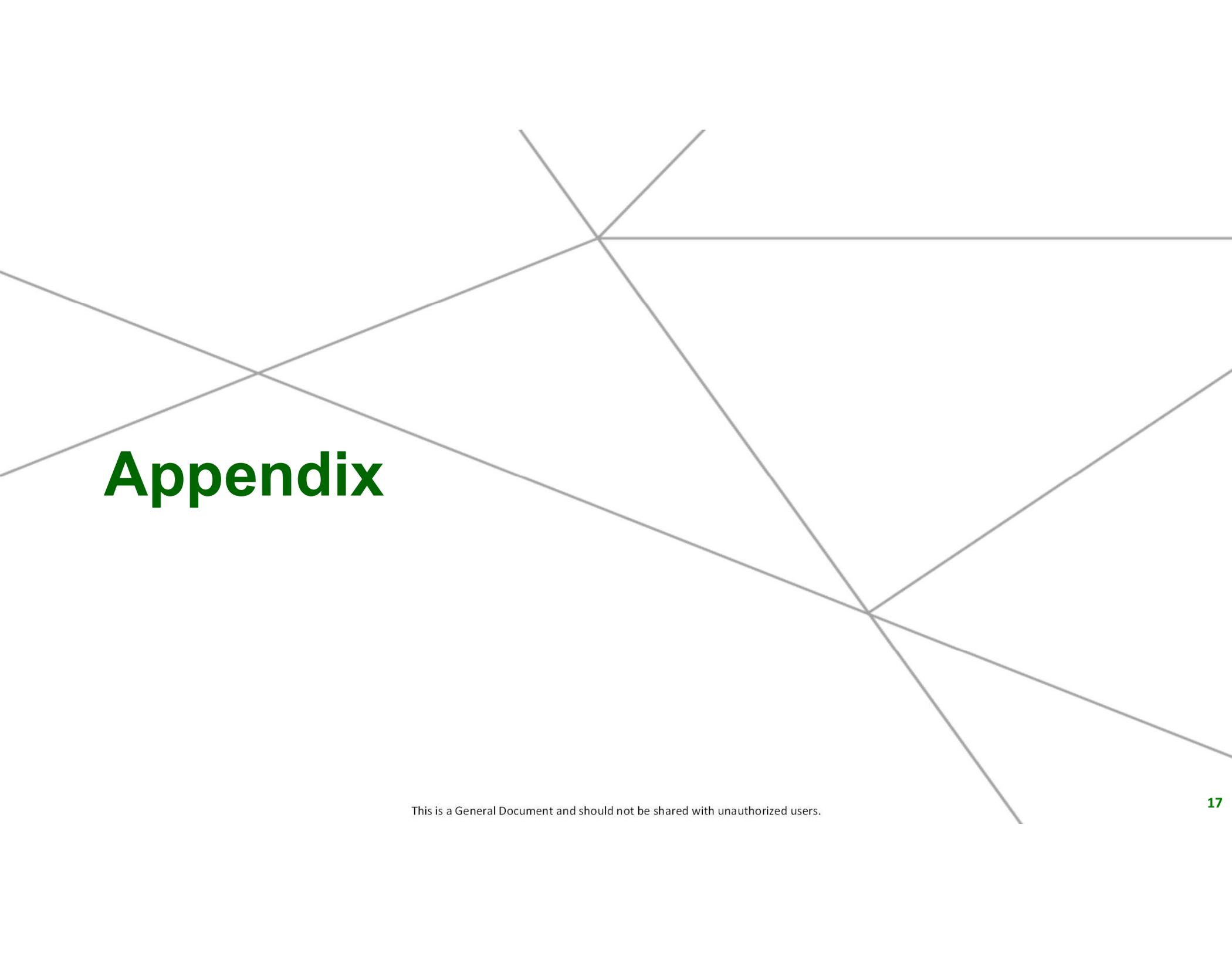
# Q1-21 Operating Performance



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# Q&A

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# Appendix

# Consolidated Financials

Consolidated Statement of Financial Position (KD million)	Mar-21	Mar-20
Cash and balances with banks and financial institutions	3,014	1,712
Due from Banks	2,694	3,529
Financing receivables	10,870	10,011
Investment in sukuk	2,717	2,555
Trading properties	102	107
Investments	207	207
Investment in associates and joint ventures	498	491
Investment properties	352	457
Other assets	510	675
Intangible assets and goodwill	33	32
Property and equipment	221	234
<b>TOTAL ASSETS</b>	<b>21,218</b>	<b>20,011</b>
Due to banks and financial institutions	2,771	2,388
Sukuk payables	241	326
Depositors' accounts	15,309	14,277
Other liabilities	871	846
<b>TOTAL LIABILITIES</b>	<b>19,193</b>	<b>17,838</b>
Share capital	844	698
Share premium	720	720
Treasury shares	(28)	(35)
Reserves	329	610
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>1,866</b>	<b>1,993</b>
Non-controlling interests	160	180
<b>TOTAL EQUITY</b>	<b>2,025</b>	<b>2,173</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>21,218</b>	<b>20,011</b>

Consolidated Statement of Income (KD million)	Mar-21	Mar-20
Financing income	225	226
Financing cost and estimated distribution to depositors	71	80
<b>Net finance income</b>	<b>154</b>	<b>146</b>
Investment income	3	26
Fees and commission income	18	19
Net gain from foreign currencies	19	18
Other income	9	11
<b>Non-Financing Income</b>	<b>50</b>	<b>74</b>
<b>Tota Operating Income</b>	<b>203</b>	<b>220</b>
Staff costs	47	48
General and administrative expenses	18	22
Depreciation and amortization	11	10
<b>Total Expenses</b>	<b>76</b>	<b>81</b>
<b>Net Operating Income</b>	<b>128</b>	<b>139</b>
Provisions and impairment	56	75
<b>Profit for the Period Before Taxation</b>	<b>71</b>	<b>64</b>
Taxation	10	12
Non-controlling interests	11	8
<b>Profit Attributable to Shareholders of the Bank</b>	<b>50</b>	<b>44</b>

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# Consolidated Statement of Financial Position 2015 - 2020

Consolidated Statement of Financial Position (KD million)	2015	2016	2017	2018	2019	2020
Cash and balances with banks and financial institutions	1,600	1,495	1,262	1,381	1,910	2,491
Due from Banks	3,194	2,877	2,982	3,444	3,646	3,365
Financing receivables	8,095	8,176	9,159	9,190	9,474	10,748
Investments in sukuk	807	1,100	1,429	1,563	2,292	2,742
Trading properties	214	186	161	148	108	102
Investments	508	357	304	285	195	192
Investment in associates and joint ventures	535	469	464	499	504	521
Investment properties	580	591	554	490	455	351
Other assets	469	549	465	544	547	728
Intangible assets and goodwill	48	39	39	31	31	32
Property and equipment	264	216	214	195	229	230
Leasehold rights	180	0	0	0	0	0
Assets classified as held for sale	0	445	324	0	0	0
<b>TOTAL ASSETS</b>	<b>16,495</b>	<b>16,499</b>	<b>17,358</b>	<b>17,770</b>	<b>19,391</b>	<b>21,502</b>
Due to banks and financial institutions	2,730	2,399	2,240	2,689	2,427	2,954
Sukuk payables	322	473	518	499	320	315
Depositors' accounts	10,756	10,717	11,597	11,780	13,553	15,317
Other liabilities	630	645	699	728	848	814
Liabilities directly associated with assets classified as held for sale	0	227	188	0	0	0
<b>TOTAL LIABILITIES</b>	<b>14,439</b>	<b>14,461</b>	<b>15,242</b>	<b>15,696</b>	<b>17,147</b>	<b>19,401</b>
Share capital	477	524	577	634	698	767
Share premium	720	720	720	720	720	720
Treasury shares	(50)	(49)	(45)	(44)	(36)	(28)
Reserves	632	615	620	584	679	476
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>1,779</b>	<b>1,810</b>	<b>1,872</b>	<b>1,894</b>	<b>2,060</b>	<b>1,936</b>
Non-controlling interests	276	228	244	180	183	165
<b>TOTAL EQUITY</b>	<b>2,055</b>	<b>2,039</b>	<b>2,116</b>	<b>2,074</b>	<b>2,243</b>	<b>2,101</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>16,495</b>	<b>16,499</b>	<b>17,358</b>	<b>17,770</b>	<b>19,391</b>	<b>21,502</b>

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# Consolidated Statement of Income 2015 - 2020

Consolidated Statement of Income (KD million)	2015	2016	2017	2018	2019	2020
Financing income	695	718	741	862	932	893
Financing cost and distribution to depositors	263	283	296	335	401	279
<b>Net finance income</b>	<b>432</b>	<b>435</b>	<b>445</b>	<b>527</b>	<b>530</b>	<b>614</b>
Investment income	108	79	107	63	130	-6
Fees and commission income	79	89	97	87	79	73
Net gain from foreign currencies	25	23	17	30	34	70
Other income	59	34	48	39	41	45
<b>Non-Financing Income</b>	<b>271</b>	<b>225</b>	<b>268</b>	<b>219</b>	<b>284</b>	<b>181</b>
<b>Total operating income</b>	<b>703</b>	<b>660</b>	<b>713</b>	<b>746</b>	<b>814</b>	<b>796</b>
Staff costs	172	174	188	178	182	172
General and administrative expenses	81	84	83	81	79	81
Depreciation and amortisation	78	37	35	33	43	43
<b>Total Expenses</b>	<b>330</b>	<b>295</b>	<b>305</b>	<b>292</b>	<b>304</b>	<b>296</b>
<b>Net Operating Income</b>	<b>372</b>	<b>365</b>	<b>408</b>	<b>454</b>	<b>510</b>	<b>500</b>
Provisions and impairment	184	157	163	163	197	284
Gain / (Loss) for the year from discontinued operations	22	(22)	0	0	0	0
<b>Profit Before Tax and Zakat</b>	<b>211</b>	<b>186</b>	<b>245</b>	<b>291</b>	<b>313</b>	<b>215</b>
Taxation and Proposed Directors' fees	21	24	30	27	51	31
Non-controlling interests	44	(3)	30	36	11	36
<b>Profit Attributable to Shareholders of the Bank</b>	<b>146</b>	<b>165</b>	<b>184</b>	<b>227</b>	<b>251</b>	<b>148</b>

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