



Corporate Profile

2019





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KFH at a Glance

Leading the Islamic finance industry, KFH Group offers a wide range of Islamic products and services across several regions, with 519 branches, 1,424 ATMs and around 15,000 employees.

KFH Group



Kuwait Finance House
K.S.C.P. – Kuwait.



Kuwait Finance House
B.S.C. – Bahrain.



Kuwait Finance House
Malaysia (Berhad).



Saudi Kuwaiti Finance
House S.S.C.



Kuwait Turkish Participation
Bank – Turkey.



KT Bank AG
Germany.

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 519 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

Group CEO Message and key achievements for the year



Several economic developments have occurred on the local and international levels. However, the financial results have exhibited a positive financial and administrative performance, thus reflecting the excellence of KFH strategy and policy. KFH achieved outstanding performance, maintained a strong financial position, established higher value for shareholders, enhanced its position and continued to achieve growing returns on the long run.

Competition forms a daily challenge for KFH. However, KFH employees' efficiency and ability to adapt with all market trends, adopt sound decisions and provide all required services and solutions to customers have given KFH the ability to develop business systems and avail all opportunities resulting from challenges encountered. KFH continued to improve its services, products and investment in the field of innovation and sustainability as evidenced in the developed customer service and enhancement of future growth.

KFH achieved major accomplishments in 2019, thus continuing its strategy and progress to be the first choice always. KFH strategy considers four pivots to achieve this goal. The first pivot comprises customer-centric service, thus adopting customer's service as a priority to make his experience with KFH valuable and enjoyable. The second pivot comprises innovation, development of digital services and products, implementation of high-tech solutions to fulfil customers aspirations and needs, and improve the efficiency and capacity of customer service through digital channels. The third pivot covers focus on productivity to enhance performance levels, magnify available resources and use new resources. The fourth pivot covers the establishment of a highly efficient management culture based on the best professional practices.

Growth continued, during the last 5 years, according to the monetary and regulatory policies implemented by the Central Bank of Kuwait to achieve stability and growth in the government sector. This growth has coped with the economic transformation trajectory and the growth vision for the year 2035. The vision comprised an ambitious economic road map focusing on highly significant sectors, namely the financial sector.

KFH strength emanates basically from the solid customer base and customers trust and confidence. KFH proceeded with steady steps to reserve this fortune, enhance standards and practices and achieve the highest standards of banking services.

The financial results for the year 2019 reflected the bank's continued success and progress towards growth and development. We have achieved a growth in net profit, attributable to the shareholders, by %10.4 with net profit approximating KD 251 Million for the year 2019. Effective management of resources, cost optimization and growth increase in various business sectors have contributed to these results. Financing portfolio increased by %1.6 totaling KD 9.3 Billion. Assets reached KD 19.4

Billion while customers' deposits increased by %15, reaching KD 13.6 Billion. Growth resulted into an increase in financing income by %8.1 reaching a total of KD 931.6 Million in addition to an increase in Net operating profit by %12.5, a total of KD 510.1 Million.

Integrated Banking Services

KFH provides integrated retail and corporate banking services to finance all activities; commercial, industrial, real estate and infrastructure projects, locally and globally. KFH branch network covers 62 branches in Kuwait, 430 branches in Turkey, 9 branches in Bahrain, 14 branches in Malaysia and 5 branches in Germany. Through KFH Capital, KFH provides diversified package of services including investment banking assets, brokerage in money markets and a vast set of investment fund services. The bank conducts its activities through an integrated management system and operational units performing their core services efficiently and effectively.

Digital Retail Banking Services

Retail banking sector made several distinguished initiatives and accomplishments to achieve KFH goals, alleviate productivity and ensure customers satisfaction. KFH owns an extensive network of ATM systems comprising more than 1250 machines spread all over Kuwait. KFH focused on increasing the efficiency and effectiveness of this network and increasing the mechanism and dynamic functions of the systems. Services include card-less cash deposit, thus introducing more modern and attractive systems. The systems comprise newly designed screens and modern functions, enabling the customer to open an account via ATM, cheque printing and opening gold buy/ sell accounts. KFH achieved a leading position concerning POS growth portfolio in the market, marking an increase by 1182 machines i.e. %24 of market growth.

Seeking to improve customer experience, loyalty, confidence and competitive advantages to include a larger segment of products and services, we have developed and launched a new customer experience program to determine customer satisfaction levels on daily basis. Customers feed back are collected on daily basis through a set of questionnaires. All results are dispatched to all main banking channels for further development through branches, call center, phone applications, e-banking services and ATMs. More than 40 indicators impacting customers' experience are being monitored (e.g. waiting time – speed ...etc.), bearing in mind that new standards are being adopted monthly. Development and improvement procedures are carried out in cooperation with all concerned departments. Customer's feedback is construed as an extremely rich source of information which we receive with utmost clarity.

On the other hand, "I Care" program has been revamped, to focus on cultural transformation program (Barrett Values Center), thus implementing an integrated retail banking program covering employees' awareness, workshops and case study.

In line with its expansion strategy, branch wise, KFH inaugurated the opening of the automobile showroom in Shuwaikh in May 2019. The showroom is considered as the largest modern automobile showroom in the Middle East, covering a total area of 38 thousand square meters, while the exhibition hall covers an area of 17 thousand square meters accommodating more than 200 cars for more than 20 agents and 30 trademarks including cars, motorcycles and boats.

Digital Options and Payments Future

KFH proved its capability, adaptation, flexibility and leadership in banking services through its excellence and innovation in information technology. The ambitious strategy and diversified plans were the cornerstones in these achievements during the last two decades. Developments in communication and marketing tools were achieved as a result of technological development and innovation. IT has become the backbone of KFH business.

KFH digital strategy has become a cornerstone in the transformation plan which KFH started 5 years ago. The strategy comprised 3 stages: the first stage consumed 3-2 years, focusing on building the base for a digital future through several elements. The first element aimed to change prevailing internal culture by prioritizing customer satisfaction in all service channels, customer service centers and direct sale. The second is to simplify internal procedures and make them more flexible

and effective. The third element is to consider modern technology in all fields and cope with the prevailing marketing trend. The second stage focused on launching digital services to suit the requirements of the millennium generation. The third stage comprised the development of an integrated electronic platform with multiple means.

KFH Group succeeded in fulfilling customers' needs through digital and electronic banking services. Digital transactions increased to reach more than 372 million transactions in 2019 i.e. an increase by %24 compared to 2018. This increase comes on the back of the remarkable performance and customers' significant interest in KFH website. The number of transactions in 2019 reached 27 Million i.e. 3x the number 9 Million in 2018.

Development and improvement efforts of digital banking services, through KFH Online, have contributed to the processing of 150 Million transactions during 2019 i.e. a significant increase by %28 compared to 2018. Nearly 680 Thousand bank transfers were performed i.e. an increase of %13 for the same period. ATM, POS and SMS transactions reached 192 Million transactions i.e. an increase by %12 driven by the growth in POS transactions by %10 and the remarkable increase in SMS transactions by %28 compared to 2018. Meanwhile, ATM transactions reached 27 Million transactions in 2019. The QR system was able to attend to 192 thousand customers during the year. Customers were able to execute 135 thousand transactions using KFH credit card i.e. an increase of %3 compared to 2018.

KFH Go

KFH has translated its digital services vision into a reality by launching KFH GO. This platform stands as a new symbol of an integrated digital branch network i.e. the first step of its kind at the banking sector level. So far, KFH has 12 smart branches, fully equipped with a highly developed infrastructure, including XTM machines that would enable the customer to contact call center directly. Accordingly, 90 - 80 % of banking services may be performed through digital branches including cheque printing, buy/sell gold, card-less cash deposit, opening certain types of deposits and receipt of gold bars.

KFH made a qualitative change in payments future and payment options through its new service (KFH Pay). The services provide a fast and easy way to receive payments in the bank account directly through K-Net and KFH Pass. A new electronic service has been launched, allowing customer to defer one-month installment. The customer may change the maturity date of instalments through KFH Online or KFH Mobile App. KFH has also provided a service for electronic transfer of shares profit to KCC in addition to swift international money remittance, cheque deposit, establishing a long-term investment plan and request clearance certificates.

KFH Bahrain Digital Options

The year 2019 witnessed KFH Bahrain launch of a new digital platform through its App. (Jazeel) for banking services to maximize customer base and deposits portfolio. The customers may open a saving investment account, "Bishara" account, "PSIA" accounts, issue credit cards and collect from the branch of his choice, obtain instant conditional approval on personal finance service related to credit rating, transfer funds (local and international), charge account balance using civil ID, manage accounts, manage and settle credit cards without having to visit the branch personally. The said services are provided not only to the residents of Bahrain but also to all GCC citizens.

Kuveyt Turk Digital Options

To achieve integration among group subsidiaries, a new bank account opening service has been launched by Kuveyt Turk. The service permits certain segments of customers to request the opening of a bank account from Kuwait by submitting an online application without the need to be in Turkey. The customer may also withdraw cash from his account in Kuwait while being in Turkey. Another service launched is (Pay in Kuwait and Collect Car Abroad). This service is provided in (Egypt, Jordan, USA and Turkey) to fulfill the needs of various customers and cope with the increase in the volume of transactions in the Turkish market.

Intensive efforts were exerted during the year to develop and update Senin Bank website in Turkey – Kuveyt Turk subsidiary, on internet. A new application was launched under the title (Stars Program)

to enhance customers loyalty. The site was awarded the best design award in Turkey.

The year 2019 in Turkey witnessed the launch of several digital services to develop customer experience, facilitate transactions e.g. cash deposit, using QR Code, execute swift transactions through mobile application, obtain ATM cards, track debit and credit transactions, credit rating and instant marketing.

KFH, Fastest Issuer of Visa Cards in Kuwait

KFH is positioned in third rank in MENA, as the lead issuer of ATM cards, volume - wise, in 2018. KFH is considered as the fastest issuer of credit cards (Visa) in Kuwait according to information released by Visa Global, based on card usage statistics in 2019. KFH was awarded MasterCard award as the best performance of Airlines Card in GCC for the year 2018 with a growth in external spending by %55 and an annual increase in issuance by %75. Considering the continued success of Visa Signature, KFH has exceeded the target “20 Thousand” cards and a market share by %25.

Private and Premier Services

KFH seeks to fulfill customers' demands and aspirations, and provide an adequate banking environment including comfort and privacy. KFH has reopened the private banking hall in Faihaa branch with a new and modern outlook as part of the bank's plan to enhance customer service and fulfil their demands. KFH is in the process of adding further private banking services in certain branches.

KFH has, in Q2019 3, launched a summer program for the children of private banking customers to enlighten them about KFH highly sophisticated banking and investment services, increase banking and social interlinks with various customer segments, namely youth generation, future customers of our leading organization. KFH management, in cooperation with KFH Capital, has organized a conference with Citi Bank on the future of economy and investment worldwide and its impacts on local economy.

Individual Finance Unit

KFH is considered as a landmark in the field of real estate finance. Individual finance unit focuses on retail finance for real estate investment in all sectors (residential – investment – commercial – industrial – handcraft), thus representing the major part of the unit's activity in addition to other finance services. The unit aims to serve this segment of customers and fulfil their investment requirements. KFH continues to serve this significant sector through highly efficient and experienced account managers to manage customers portfolios through meetings at head office or field visits.

Corporate Banking

KFH strategic goals in the Corporate Banking sector is to focus on government projects and large local companies with an emphasis on Small and Medium Enterprises (SME), being in Kuwait, Turkey and Malaysia, supported by credit guarantees.

KFH continues to play a major role, through its Corporate Banking sector, to finance corporates, project finance transactions and expand its trade relations with core corporate clients in all sectors in a highly competitive environment. Locally, KFH acted as the Mandated Lead Arranger to a syndicated transaction for Kuwait Petroleum Corporation, which amounted to KD 350 Million. Regionally and Internationally, Kuwait-Turk has participated in the finance of Marmara Highway Project in Turkey, amounting to KD 60 Million, as part of a syndicated finance provided by several banks and financial institutions.

The Corporate Banking sector, in collaboration with the Operations sector, has launched a mega project to activate and organize the establishment and management of credit services to adopt process optimization concepts, thus aiming to fulfil corporate clients needs in terms of credit facilities and financing services in a highly advanced and developed manner with efficiency.

KFH Group focuses significantly on the SME sector, which it plays a vital role, vis-a-vis its leading position in the banking industry, where KFH enhanced its contribution to Kuwait National Fund. KFH has recently introduced a fully integrated credit program comprising of all the banking products to cater the needs of small and medium enterprises. KFH is currently working to provide financing to small and medium enterprises through electronic channels.

Treasury Sector

The Group Treasury and Financial Institutions continued its fintech leap with cutting-edge technologies and infrastructure to develop customer service through providing innovative financial solutions and delivery in conformity with the Islamic Shari'a rules. The finance cost optimization and increase rate of return with funding diversification remained the core activity of Group Treasury across the year, while relentlessly expanding its Sukuk investment and trading in Primary and Secondary Capital market.

The Group Treasury successfully centralized and integrated at Kuwait all its banking subsidiaries foreign exchange requirement and customer needs by algorithmic driven computerized trades with better rates, improved productivity and efficiency without any human intervention. The adoption of innovative technology continued in Group Treasury with the implementation of "KFH Global" a FX platform for Corporate FX needs and to optimize the speed of transactions with real-time pricing.

Group Treasury and Financial Institutions expanded its presence in China and Turkey. While retaining its leadership in Turkish gold market, it became world's first Islamic bank as a member of Shanghai Gold Exchange International (SGEI) and executing mega physical gold transactions at the SGEI in 2019. Furthermore, the sector has implemented digital technology and artificial-intelligence based risk management to monitor international FX market, applied Bank's systems and published rates.

The Group Treasury, through the KTPB Treasury, launched TradePlus app. a shari'a-compliant platform that offers investment funds, FX, gold, silver and platinum all in one app. along with many user-friendly features. After this successful implementation at KTPB Treasury, the TradePlus app. will be made available to all KFH Group customers.

Group Financial Institutions (GFI) continued to develop new credit lines for highly rated banks for better risk allocation along with maintaining prudent balance and diversification to achieve the highest return on available liquidity and have participated in several local and regional structured syndicated deals. The GFI participated in a consolidated bilateral agreement valued at USD 200 million in favoring one of the GCC banks, also concluded two funds raising transactions (Bilateral) from major regional and international banks valued at USD 100 million each. Further, with the initiation of trade finance activity, GFI managed to raise new two funds with major international banks valued USD 47 million and is expected to grow exponentially.

KFH Capital

KFH group continues to maintain its leading position as a trusted arranger of Sukuk for governments as well as corporates worldwide. Currently KFH is placed at 6th position globally on the Bloomberg League table for international Sukuk issuances. It's subsidiary KFH Capital, during the year 2019, has lead an arrangement of Sukuk for sovereigns, banks and corporates. KFH Capital acted as a Joint Lead Manager and Bookrunner for Government of Turkey USD 2bn and Government of Sharjah USD 1bn Sukuk issuances. KFH Capital also lead arranged the debut Sukuk issuance by Saudi Telecommunication Company (STC), a USD 1.3bn Sukuk.

In addition, it has lead arranged Sukuk deals for First Abu Dhabi Bank, Dubai Islamic Bank, Kuwait International Bank and Sharjah Islamic Bank. The company has also closed a major financial advisory mandate worth SAR 6bn for a Real estate project in KSA. KFH Capital also launched the Money Market Fund to provide investors with a highly liquid and low-risk KD denominated investment product. This year, KFH Capital has successfully launched first Islamic REIT (Real Estate Investment Trust) fund in Kuwait with a fund size of KD 23.6 million.

Information Technology

Our new IT strategy, innovative vision, focus on digital transformation process and technology-based growth have enhanced the value we offer. We are determined to achieve more success despite all challenges, providing shari'a- compliant smart and innovative solutions.

We have managed this year to accomplish several IT-supported projects e.g. Robotics project for procedures automation, card-less transaction processing, KFH Pay system, customer experience project, FX prepaid card, mobile cheque deposit, using Ripple Technology and providing Skiplino service, thus providing better growth opportunities, better response to market needs and increasing our market share as a trustworthy bank.

We continue to apply the best and most effective security practices and improve our control and governance tools to encounter any Global IT threats and guarantee the safety and security of our customers.

Group Digital Interlinks

The following stage in our digital journey aims to establish OMNI channels where customers can benefit from KFH services online. IT department contributes significantly to the integration and interlinkage of KFH Group. IT department has introduced several initiatives to develop and improve all means of cooperation and economic tools, not only to increase financial and commercial benefits but also to increase productivity at the group level. Initiatives include Group IT governance, KFH Capital, Salaam Hospital, Risk Department, SWIFT system, HR System – Oracle and centralized units in Bahrain and Malaysia.

Sufficient efforts were exerted to integrate digital strategies and integrate standards e.g. customer satisfaction, eased procedures, mitigate service fees, achieve highest sales volume and focus on youth segment through an integrated electronic platform.

To achieve centralization as an operational model, KFH is in the process of establishing standard procedures to add new dimensions in quality control and enhance training, support and maintenance. On this front, several centralized initiatives were completed during 2019 by moving operational tasks from the business sector and aligning them with the Operations Platform. As such, a centralized system was set for Commercial Sector Financing Operations, and Direct Sales Operations in one shared service center.

Operations

KFH succeeded in applying modern technology in banking operations to enhance system efficiency and accelerate processing time. The technological development contributes to the improvement of products, escalating service level, and optimizing costs. Blockchain services were applied in the payment and settlement system, thus minimizing administrative procedures and enhancing flexibility. The digital transformation plan comprised the use of bank robots by implementing intellectual intelligence in operations, the first step of its kind in the Kuwaiti market. The operations robot program aims to simplify customer finance operations. A new vast service package was added to KFH Mobile Apps to attract a larger segment of branch customers, thus introducing a brand new unprecedented set of services e.g. mobile cheque deposit, 24 hours mobile or internet chat-boot service, card-less mobile cash withdrawal using the passcode and civil ID, KFH Pay service, electronic platform for car sale and KFH Online service enabling customers to request finance online without the need to visit branch. KFH is the first bank in Kuwait to join Rebel Net Payment System, a technology-based service, to transfer funds worldwide using blockchain technology.

According to KFH strategy, Operational Excellence was the key objective of KFH in all dimensions: increasing efficiency rates, rationalizing costs and expenses while providing unique digital banking experience through introducing appealing banking customer journeys via mixing unique customer experience and fully digitalized back-office processes.

In 2019, KFH Operations had launched several transformation projects adopting Fintech concept projects such as Kuwait National Payment Systems (KNPS) which is considered a CBK nationwide initiative in coordination with commercial banks aiming to improve the Kuwait National Payments system to support new payment instruments and introduce the Central Bank Digital Currency. This initiative will cover major payments areas such as Automated Clearing House, Salary and Wages Protection, Centralized Bills Payment, Mobile payments and Digital Currency.

KFH operations added extra dimension of providing digital capabilities in SWIFT services by implementing SWIFT-GPI latest technology that enables KFH customers to track their money transfer from initiation until reaching the beneficiary, end to end. Very soon all KFH customers will be able to use this service from KFH digital channels such as KFH mobile and Internet banking. Operations sector completed several initiatives and concepts to adopt the most advanced technology e.g. back-office support system comprising analytical tools to cover HR and IT needs.

Several conceptual efforts were put to identify areas where Robotics and Artificial Intelligence may be applied to provide accurate and cost effective execution capabilities to free some of our staff to

focus on more sales-oriented fronts. This is basically to cover several areas in the highly specialized trade finance processes.

Human Resources

Group Human Resources continued transforming the work environment during this year where KFH Human Capital capabilities have been further transformed leading to a more engaged, enabled, and vibrant workforce.

Group Human Resources persevered with the execution of many initiatives where the standardization of best practices across the Group remained a core focus. We have continued the roll-out of additional Oracle HR modules across our Banking Entities to enable further oversight and efficiency. We have also finalized policies across our banking subsidiaries to ensure common HR approaches across the Group.

In KFH Kuwait, we have invested in training our leaders in cooperation with top universities and learning institutions. Identified High Potential Employees (HiPos) were enrolled in rigorous focused programs lead by first-class providers including Harvard Business School to further refine the skills and capabilities of our HiPos. For our Executive Leadership, their development continued in liaison with three of the top Business Schools in the world: Harvard Business School, INSEAD, and IMD.

Our Human Resources Development

In KFH, we highly believe in diversity and inclusiveness in investing in human capital, and we are working on increasing the women's participation in the manpower gradually, as we currently reached %22. KFH Kuwait continues to focus on attracting Kuwaiti Nationals, thus achieving a high Kuwaitization ratio amongst the Banking Industry. We also ensured effective career progression of our Kuwaiti Nationals as part of our Middle Management; Moreover, Kuwaiti Nationals now make up more than %64 of the Executive Leadership Team thanks to constant emphasis on internal progression. As part of KFH's responsibility in investing in Human Capital, new Kuwaiti hires in KFH - Kuwait represents %98 of the total hires in 2019. In addition, fresh Kuwaiti graduates hired in 2019 were %47 out of total hires due to KFH's vision in building a new generation of Banking Industry.

The 2019 Employee Engagement Survey was again a successful campaign, our largest initiative covering all employees across our Banking subsidiaries. The participation rate remained high, where more than %87 participated in the survey, which shows our employees commitment to providing their inputs as they believe that their views are being addressed through tangible action plans. This has translated into reaching an Employee Engagement score of %81 achieving a growth of %3 in the past three years, thus continuing its industry leadership in this indicator.

Finally, we have successfully concluded the year 2019 theme under the name of “Year of Wellness”. As part of this theme, we have developed tailored programs for each employee level to ensure that we push employees to achieve better wellness and therefore positively affecting the work environment. A series of workshops, awareness sessions, and gatherings were run during this year in addition to numerous wellness-related events to help shift the employee mindset to a more balanced mindset. Group HR continues to make clear progress in attracting and growing talent which will result in more development and growth leading to further performance improvement by the grace of Allah across KFH Group.

Social Responsibility and Sustainable Growth

KFH Group reinforced its endeavor to strengthen and deepen its social role and meet its national responsibilities by launching further growth initiatives to reflect the group's active role as a lead partner, employing all capabilities to contribute to local society growth. KFH Group has adopted, during the year, variable social programs and initiatives that concur with the concept of sustainable growth.

KFH made remarkable progress in the field of social responsibility and societal support, adopting morally and socially responsible products and tools. KFH has endeavored to support all society segments, namely youth segment, through summer programs for the customers of both (Hesabi) for youth and (Baiti) for children. Summer programs comprised scientific and entertainment activities, lectures, workshops, field visits and signing a strategic partnership with the College of Business Administration – Kuwait University and the Center of Excellence in Management and the English Language School (ELS). It fostered the events of the 11th International Invention Fair in the Middle East titled (Investors – Inventors Forum) and participated in the Job fair through Forsa Program. The program is designed to support, attract and train fresh graduates.

On the health care front, KFH is considered one of the major supporters of health institutions in Kuwait e.g. Dasman Diabetes Institute. KFH has fostered several awareness activities to spread health awareness concerning diabetes disease, considering the prominent risks it carries. This participation comes as part of the social role which KFH plays health-wise.

Several initiatives were adopted in 2019 concerning Sharia Research & Advisory Department and Group Sharia Internal Audit Department, aiming to enhance sharia control in the bank, fulfill CBK sharia governance instructions and cope with the general bank strategy. Initiatives comprised the automation of certain sharia review and audit procedures, developing sharia approvals and feedback collection mechanism for easy reference and spreading of sharia awareness and culture among customers and employees.

In affirmation of Sharia department obligation to implement the decisions of the Sharia Control and Fatwa Committee on all sectors, departments and subsidiaries, we have prepared a sharia audit plan at the group level. The plan aims to affirm the implementation of sharia audit on all KFH sectors and departments, verify the safety and adequacy of sharia audit procedures applied to subsidiaries and their consistency with KFH Sharia Committee requirements. They also aim to ensure proper tracking of comments and processing the same with the concerned department and to develop certain methods to issue and present Sharia audit report at the group level.

KFH leading position has been achieved by the grace of Allah and the continued support of its customers and shareholders. KFH has successfully faced all difficult challenges at all various stages. Our sincere gratitude is conveyed to our shareholders and customers. KFH remains a leading and pioneering organization with the efforts of its employees who have endeavored to protect KFH's leading position, namely the wise and highly efficient senior management, having outstanding banking and professional experience and a highly efficient and experienced board of directors. Our thanks are also extended to the Sharia Control & Fatwa Committee for their distinct efforts to maintain KFH's leading position.

May Allah Grant us Success,



Mazin Saad Alnahedh
Group Chief Executive Officer

Facts and Figures 2019

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)

%11.3 Growth (2017-2019) Total Assets	2017 57,524	2018 58,589	2019 63,986
%16.4 Growth (2017-2019) Customer Deposits	2017 38,432	2018 38,839	2019 44,722
%21.2 Growth (2017-2019) Total Revenue	2017 3,320	2018 3,573	2019 4,010
Net Profit to Shareholders 36.6 % Growth (2017-2019)	2017 606	2018 752	2019 828

Credit rating

Source: rating agencies unit (2019)

	Long term	Short term	Outlook
Fitch	A+	F1	Stable
Moody's	A1	P1-	Stable

Stakeholders

Listed on the Boursa Kuwait in 1984, KFH ranked the second largest listed company in 2019 with a market capitalization of KD 5.6 billion (USD 18.5 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

Name	Ownership Type	Ownership Ratio
Kuwait Investment Authority	Direct	%24.079
Public Authority for Minors' Affairs (PAMA)	Direct	%10.484
General Foundation of Awkaf	Direct	%7.296
Public Institution for Social Security (PIFSS)	Indirect	%6.19

Stock Data

KSE ticker	KFIN.KSE
Market Cap (KD) (December 2019)	5.6 Billion
Market Cap (USD) (December 2019)	18.5 Billion

Earnings per share (USD Cents)



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

14 Branches

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



KSA

- Asset Management
- Wealth Management
- Investment Services
- Advisory and Business Development



Turkey

430 Branches

- Retail Banking
- Wealth Management & Private Banking
- Corporate Banking



Germany

4 Branches

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



519
Branches



15,000
Employees



1,424
ATMs

1st

Shari'a compliant Bank in Kuwait

1st

Shari'a compliant Bank in Germany

2nd

Largest Bank in Kuwait

3rd

Largest Shari'a compliant Bank in the world by Assets

Largest

Participation Bank 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.



Best Islamic Financial Institutions, Global 2019
Best Islamic Financial Institution in Middle East 2019
Best trade finance provider 2019 Kuwait



Best Islamic Bank in Kuwait 2018



Kuwait's Best Bank award 2019



Best Islamic Bank in Kuwait 2018



Kuwait's Best Bank for Asia 2019

Turkey

- 1) Turkey's Best Employer 2019 Award by the Great Place to Work Institute, in addition to the "Best Employer in Finance" award.
- 2) Best Islamic Financial Institution in Turkey by Global Finance
- 3) The Best Islamic Wealth Management Award by the GIFA Championship Awards.
- 4) Best Wealth Management from Global Islamic Finance Awards (GIFA).
- 5) Kuveyt Türk received 5 awards from IRBA

Services and Products

Retail Banking

Offers services across a growing number of markets including Kuwait, Malaysia, Bahrain, Turkey and Germany. Retail banking products are diverse and include savings, current and time-deposit accounts, personal financing solutions and long-term investment products. Customers can also invest for their future education, marriage or retirement through KFH retail branches.

Corporate Banking

The partner of choice for companies looking for Shari'a-compliant financing instruments, corporate advisory and Shari'a complaint syndication on their path to achieving business growth objectives. Our corporate banking products facilitate projects, trade, working capital and project 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 30 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

Hamad Abdul Mohsen Al Marzouq - Chairman

Abdul Aziz Yacoub Alnafisi - Vice Chairman

Noorur Rahman Abid - Board Member

Salah Abdulaziz Almuraikhi - Board Member

Barrak Ali Alsheatan - Board Member

Khaled Salem AlNisf - Board Member

Fahad Ali Al Ghanim - Board Member

Mauz Saud Al Osaimi - Board Member

Motlaq Mubarak Al-Sanei - Board Member

Hanan Yousif Ali Yousef - Board Member

Fatwa and Shari'a Supervisory Board

Dr. Sayyid Mohammad Al-Sayyid Abdul Razzaq Al-Tabtaba'e - Chairman

Dr. Mubarak Al-Harbi - Board Member

Dr. Esam Ghareeb - Board Member

Dr. Anwar Al-Abdulsalam - Board Member

Dr. Khaled Al-Otaibi - Board Member

Executive Management

Mazin Al-Nahedh - Group Chief Executive Officer

Waleed Mandani - Group Chief Retail and Private Banking Officer

Abdulwahab Al-Rushood - Group Chief Treasury Officer

Ahmed Al-Kharji - Group Chief Corporate Banking Officer

Fahad Al-Mukhaizeem - Group Chief Strategy Officer

Shadi Zahran - Group Chief Financial Officer

Gehad El-Bendary - Group Chief Risk Officer

Frederick Carstens - Group Chief Human Resources Officer

Srood Sherif - Group Chief Information Officer

Abdullah Abu Alhous - Group Chief Operations Officer

Wissam El-Kari - Group Chief Internal Auditor

Abdulla AlMejhem - General Manager Private Banking

Fadi Chalouhi - Group General Manager Retail Banking

Ahmad Al-Sumait - General Manager Treasury Kuwait

Khaled Al-Jumah - Group General Manager Legal

Khaled Al-Shamlan - General Manager Corporate Banking Kuwait

Mr. Dharar AlDakhil - General Manager Group Risk Management

Social Responsibility

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 2019, a diversified package of social initiatives and contributions, comprising over 200 initiatives, 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

Important contributions are made to the operation of the economy via several banking activities and collaborations with particular organizations to help address social challenges.



Responsibility for the environment

KFH continuously supports health institutions in Kuwait such as the Dasman Diabetics Institute. As well as spreading health awareness activities.



Responsibility in Banking

The environmental and social aspects are taken into account when conducting businesses and developing products & services.



Responsibility in as an employer

We look forward to being an employer of choice, as we offer our employees various career opportunities 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.

THANKS