



Sustainability Report

Kuwait Finance House (K.S.C.P)
and Subsidiaries

2017



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About KFH

Vision

To lead the international development of Islamic financial services and become the most trusted and sustainably most profitable Shari'a – compliant bank in the world.

Mission

To deliver superior innovation and customer service excellence while protecting and enhancing the interests of all our stakeholders.

Values

Leadership and Innovation.

Partnership and Accountability.

Compliance to Islamic Shari'a.





CEO's Message



Since incorporation in 1977 KFH has witnessed the growth and development of Kuwait alongside the Islamic banking industry which has substantially grown into more sophistication year by year. In order to keep its leading position KFH has had to balance between business opportunities and sustainable growth. KFH has also kept its dedication to ethical factors such as being a Shari'a compliant bank most importantly and with due respect to all stakeholders' rights and interests. To grow sustainably KFH has continuously evolved with market, regulatory and environmental changes. This has kept KFH at the first line of its industry with a leading role that not only requires commitment and execution but also attention to risk mitigation and wise decision making with knowledge of the risks involved.

KFH perceives itself as a partner in progress in any country or market that it exists inside. As such, sustainability in KFH's operating environment is critical to its goals. As Kuwait progresses in achieving key points of its 2035 "National Development Plan" with its eye on the sustainable growth of its economy and improving living standards to its citizens, all major private sector corporations have a duty to this plan and KFH is determined to contribute and lead towards a unified sustainable goal. The transformation of Kuwait into a leader in financial, cultural and institutional leader is supported by regulatory requirements of Corporate Social Responsibility at KFH. The regulatory bodies that have a direct effect are the Central Bank of Kuwait, Boursa Kuwait and Capital Market Authority, all of which promote corporate transparency and promotion of environmental, social and governance aspects of business.

We also have the same mentality with our approach to our business partners and stakeholders. Business integrity is maintained through ethical business practices that are in turn managed by our corporate governance initiatives and focus on a risk management process that is compliant to the regulatory requirements and internal standards to protect all parties involved in any transaction whether directly or indirectly.

The bank is keen to implement inclusiveness and diversity in the strategy of social responsibility. KFH has offered nearly 250 initiatives and contributions in corporate social responsiveness in the year 2017, this encompassed the fields of health, education, sport, youth, people with special needs, and people with outstanding achievements in inventions, science, cultures and other fields.

One of our main motivations in developing a sustainable business approach is our youth and their future, hence KFH continuously strives to support, educate and engage with them. Taking into consideration that these youth are our families, future employees and customers, we have made it a priority to provide them with a source of education when it comes to the financial sectors and Islamic finance. Paying attention to the youth is always a worthy investment that is why KFH has attracted the best talent in Kuwait over the years and is investing heavily in educational programs and training for its new and young employees.

KFH prioritized the youth and is the leading supporter for them at all levels. KFH sponsored the students and youth specialized clubs at the University of Kuwait and other private universities. The bank sponsored the graduation projects for the students of Engineering and Petroleum College. It organized many lectures and seminars for university students, not to mention hosted international lecturers to participate in job



fairs and different students activities. This affirms the bank's strong intention to support the youth and appreciate the students and their educational process.

Leading the path in Islamic Banking and striving to be a model for banking in general, KFH's Shari'a compliant method of banking understands sustainability at its roots. The sustainability factor in Islamic Banking not only respects the physical environment around but further to the social environment. The concept of supporting the less fortunate and integrating the bank as a key player for progress has a track record with KFH that can be followed as a sustainable approach to banking. With the support of the Central Bank of Kuwait in extension to the state of Kuwait and its Amir His Highness Sheikh Sabah Al Ahmad Al Jaber Al Sabah. Using social media as a productive tool our HR & Communications teams have been able to attract new generations to start their careers and also enjoy banking safely with KFH.

Raising awareness for health and medical issues has also been one of the major activities in KFH's sustainability contribution. Al-Salam hospital which has become one of the best hospitals in Kuwait is a success story that KFH is proud of. KFH has decided to raise awareness to health issues such as cardiac disease and diabetes not only through medication and treatment but also with keeping a healthy lifestyle. Using exercise and nutrition as the basis of healthy living as a start of point for advice and practices for its employees and stakeholders.

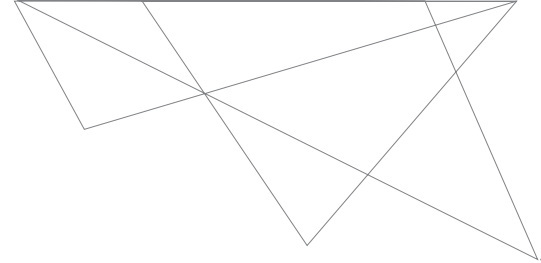
A long list of gratitude and appreciation can be extended by myself to those who contributed to the success of the KFH sustainability approach and to sustainability as a whole. Our employees within the KFH group are the machine that continuously runs our initiatives and achieves targets that are indeed sustainable have my most sincere thanks and deepest appreciation. I would also like to thank our chiefs that make my life easier by ensuring that our strategy is implemented and executed diligently. For direction we have the board of directors who have given us the objectives to grow and sustain growth over decades. The members of the Fatwa & Shari'a Supervisory Board are indispensable to our values and understanding to Islamic finance and Islamic sustainability and will be always held in my highest regard.

On a macro level, I am glad to mention the benefits and advantages of having a Central Bank Governor (His Excellency Dr. Mohammed Al-Hashel) that not only has taken Kuwait to international standards in terms of sovereign rating and implementation of international best banking practices and regulations, but also has an open mind on how to improve our banking industry from within. Many thanks and regard to the leader and pioneer in human rights His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmed Al-Jaber Al-Sabah and His Highness the Crown Prince Sheikh Nawaf Al-Ahmed Al-Jaber Al -Sabah and His Highness The Prime Minister Sheikh Jaber Al-Mubarak Al-Sabah.

May Allah grant us the dedication to work sustainably with each other and for each other.

Mazin Saad Al-Nahedh

Group Chief Executive Officer



Organizational Profile

KFH Business

KFH group is dedicated to provide the best service to its customers where ever they are and whenever they need it. Whether it is through integrated technology via its online banking service or sincere customer service from its call centre staff, KFH takes its business seriously and manages its customers' accounts using a serious conservative approach to banking. The groups Islamic Finance products and services vary across its branches and subsidiaries inter-continentially to suit the local market needs and preferences.

Accessibility to a wide network of over 484 branches and 1,479 ATMs supported by more than 15,000 employees of the group covering Kuwait, Bahrain, Saudi Arabia, Malaysia and Turkey with another subsidiary in Germany.

With an operating history of over 40 years KFH's largest shareholders include Kuwait Investment Authority (Direct), Kuwait Awqaf Public Foundation (Direct), Public Authority for Minors Affairs (Direct), Public Institution for Social Security (Indirect). Comprising a 48% of KFH's ownership coming from the government of Kuwait.

Listed in Bursa Kuwait under the Premier Market companies KFH also conducts a quarterly analyst conference that can be accessed by anyone who wishes to know more about it. An opportunity to ask the chief executives of the bank will be available for those interested.

Report Profile

The report will encompass KFH's sustainability activities over the period from January 2017 to December 2017.

Following are the key entities covered under this Sustainability Report:

Kuwait Finance House, Kuwait

Kuwait Finance House, Bahrain

Kuwait Finance House, Turkey

Kuwait Finance House, Malaysia

Al Salam Hospital, Kuwait

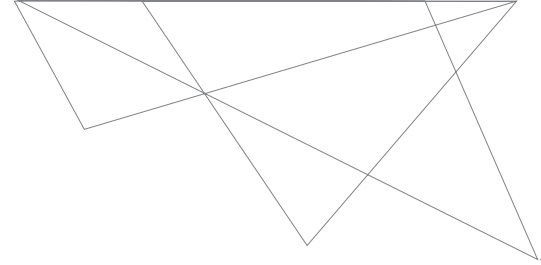
International Turnkey Systems Group, Kuwait

KFH and its team are happy to answer further queries and can be reached at sustainability@KFH.com

Strategy and Analysis

KFH Strategy

In order to maintain its success, KFH has adopted a strategy that has a levelled balance between customer, employee, investor and regulatory standards of both banking and Shari'a. To implement this balanced strategy KFH has allowed its executive management to set realistic goals and base their short/long term initiatives on them. Focused on the future, KFH has shown dedication on governance by setting policies and procedures on all operations and transactions. This has given KFH better functionality on implementing strategy by ensuring business excellence, quality assurance and risk mitigation. KFH sees its obligation to customer and employee satisfaction as a crucial factor in fulfilling its long term goals and strategy. Stakeholder engagement has given KFH the insights on what matter in the society that it operates in, year by year this holistic understanding to "strategy" has brought KFH Strategy and Sustainable Strategy closer, the intention is to make them synonymous.



Governance

As part of its continuous governance development process, KFH stresses highly on upgrading its governance systems and mechanisms at group level in accordance with the best global practices on governance. Group integration is being implemented in full force and synchronization of Policies and Procedures across KFH has been made while unleashing massive synergies and upholding highly valued brand name with increasing and effective controls and more efficient management on Group level.

KFH board of directors has used all means available to develop its work policies and procedures to meet Central Bank of Kuwait instructions on governance. KFH also implements the all governance rules and regulations for Kuwaiti Banks 2012 as well as the Shari'a Control governance instructions for Kuwait Banks issued in 2016.

The role of the Board of Directors to fulfil KFH's regulatory obligations is supported by the board governance committee which oversees the process with consultancy. Regular governance updates containing all relevant information on a timely basis with emphasis on transparency and impartiality are provided. This is also extended to all group activities including subsidiaries.

To further improve the governance process, KFH provides all stakeholders involved with a Corporate Governance Manual (available on our website under [Corporate Governance](#)). The Sustainability report publication is managed by the Investor Relations – Group Strategy & Corporate Affairs, Kuwait Finance House.

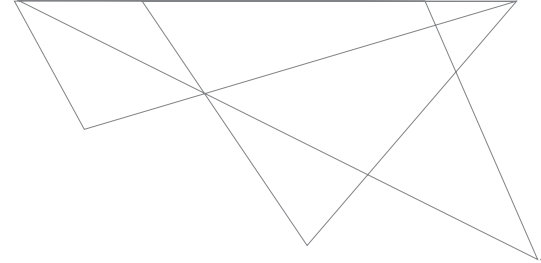
Reporting Approach

Stakeholder's Engagement

In order to address stakeholder's expectations and to cooperate with them, KFH has given instructions for various functions from within to interact and engage with the stakeholder's and their environments.

Identified Material Topics

The report starts off with a brief introduction "About KFH" followed by the "CEO's Message", the "Organizational Profile", "Strategy and Analysis" and finally "Reporting approach" before going into the GRI's, which will be the identified material topics with GRI reference section at the end of the report.



KFH Sustainability Strategy

Five elements that encompass KFH's sustainability strategy:

- **Values**
- **Deeds**
- **People**
- **Environment**
- **Customer**

Significance has been given to stakeholder engagement while conducting this report, to make their inputs valuable and effective for now and the future.

Each of the five elements are discussed in details in separate sections and how they are related to KFH sustainable strategy. Finally KFH has observed the progress and developments of the Kuwait National Development plan and seeks to contribute to the seven pillars that KND plan is founded on, for its global position.

Sustainability Pillars of KFH

Values

The beauty of the principles of Shari'a is its natural synergy with sustainability. Islamic finance is inherently dedicated to having a sustainable relationship with the society, community and the nature. The basic principle of equity is echoed through the Islamic Finance concept in all its activities, in which all parties involved in any transaction are treated fairly. The only way to achieve this is to have a long-term objective to any activity, whereas all decisions and actions are considered to have repercussions. A good example of this is the KFH approach to banking in which unnecessary leverage, speculative lending and inconsistent business are not accepted. KFH manages and implements these values through the Fatwa & Shari'a Supervisory Board, along with KFH employees' dedication ensuring all rules, regulations and banking laws are expected and adhered to.

Deeds

In order to transform our values into actions we have dedicated ourselves to deeds. These deeds represent our interest in the environment we operate in, with focus on society and community but nonetheless our customers and employees.

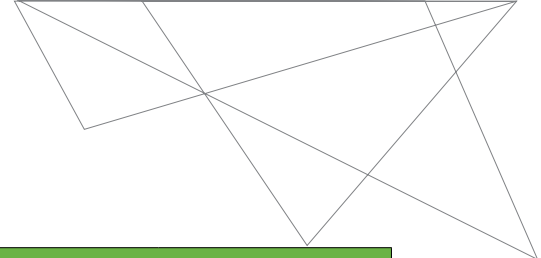
For customers we believe that transparency, clarity and sincere banking advice is always extended via customer service. To keep our customers happy we also take great care of our employees with training and development, top of the line health insurance, compensation and opportunities for growth. KFH also provides its customers with tailored products, these products have the benefit of the customer embedded in them with respect to regulations and Shari'a.

Contribution to Zakat and community service are palpably recognized in the communities KFH operates in. KFH has contributed approximately 8.2 million Kuwaiti Dinars to Zakat House charities and projects in 2017. In response to the Rohingya refugees crisis in Bangladesh, KFH has donated USD 540 Thousand aiming to support 3794 families.

KFH strategy seeks to improve the level of services and maintains the pioneering position of the bank in the Islamic finance industry, yet it emphasizes the commitment towards supporting the official bodies, institutions, ministries and public welfare societies in their projects and activities that benefit the society. This is in line with KFH adherence to Shari'a provisions and keenness to optimally assume the social responsibility. KFH's contributions in supporting the charity work and its keenness in supporting the Kuwait Red Crescent Society and the Kuwait Association for the Care of Children in Hospital KACCH, indicates that KFH has a long track record of humanitarian achievements that made KFH a model example of the private sector. Also, this incarnates the country's priority as per the directives of His Highness the Amir of Kuwait Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah.

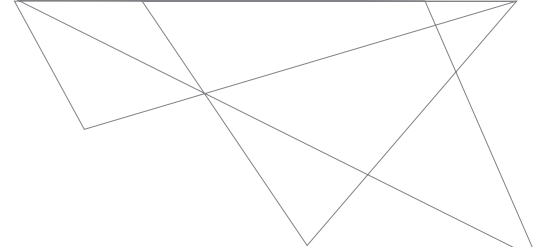
As part of the community KFH knows that human capital is the only capital that cannot be eroded similar to other forms of capital. KFH sees human capital development as an integral and indispensable part of its strategy.





G4: EC7 Al Salam International Hospital			
Type of service	Target beneficiary	Topics focused / Services Provided	Impact
School field trips and health checkups	School children, School Staff American Baccalaureate School (Rawd Al Salaheen School, Al Nibras Bilingual School, American Creativity Academy)	Nutrition Knowlwdge, Road Safety, Hand Hygeine, Growth Chart, Entertainment, Dental Hygeine	Educating the society on how to shift unhealthy lifestyle habits to healthy habits thus to give our society better results in growth and overall development of the population
National Awareness day celebrations	General Community, Medical Community, University Students	World Heart Day, Health Awareness Day, Blood donation Day, Prostate Cancer Day, Breast Cancer Awareness Day, Diabetes Awareness Day	
CPR and first aid campaign	General Community	Training sessions for CPR and first aid	
Antenatal and Postnatal courses	Mothers and families	Pre and Post pregnancy educational course	
Awareness Programs	General community, proffesionals	Harmfulness of smoking awareness, dental hygeine awareness, rheumatism awareness lecture, nutrition session, cardiology awareness lecture	
Safety Awareness Campaign	General Community	Stop smoking campaign, Safety week, hand sanitization campaign	
Disease prevention	General Community, caretakers	Lasik offers, breast Cancer prevention and treatment offer, free check-ups offer, prostate cancer prevention offer	
Publication of SIH magazine	General Community	Annual publication on health care issues and other activities and events	
Visiting doctor program	General Community	Various specializations	

G4: EC7 Bahrain			
Type of Service	Target Beneficiary	Topics focused / Services Provided	Impact
Sponsorship	Mohammed Bin Khalifa Al Khalifa Cardiac Center	Health Care	Enhancement of health and promotion of art, culture, charity and sports
	Sh.Ebrahim M. Center for Research & Culture	Cultural Program	
	Royal Charity Organization	Charity	
	Sh. Khalid sport Intiatives for Youth	Youth / Sports	
	Rashid Equestrian Club	Youth / Sports	



G4: EC7 Kuveyt Turk			
Type of Service	Target Beneficiary	Topics focused / Services Provided	Impact
Support Hope Project	Cancer Patients and Family	Children suffering from cancer and their families to enjoy social living facilities during treatment for free	Support children cancer patients with their families
Support Hope Project	Children with cancer	Donations for children with cancer	Direct support for cancer treatment costs
Rohingya Refugee Support	Rohingya refugees	Sheltering, food, fresh water and medicinal needs	Humanitarian needs
Masjid Renovations	Haci Ahmet Dilek Masjid and Rizvaniye Mosque	General renovations	Better place to worship Allah
Art Studio Projects	Talented youth, community building and spaces	Establishment of workshops, donations, Turkish-islamic arts	Improvement of Masjids Town squares and talent support
Donation of Turkish Kurush	Turkish Crescent	Donations of accumulated cents in ATMS	Donations

G4: EC7 Malaysia			
Type of Service	Target Beneficiary	Topics focused / Services Provided	Impact
People System Consultancy	Young and Adults	Learn importance of good money management habits	The Program exposes students to the world of financial freedom so that they will grow up with a positive mind-set towards money and investment
		learn fundametals like savings, expenditures and investment	
		Learn keys to change their financial statues and achieve their dreams and financial goals	
		Learn budgeting skills	
		Learn the basics of safe investing to achieve their dreams and personal goals	



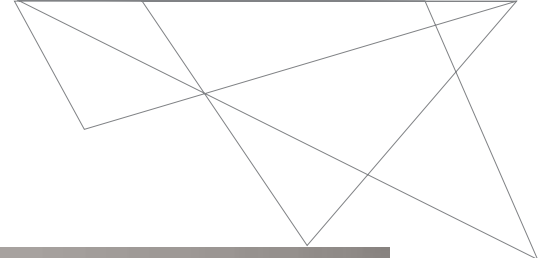
G4: EC7 International Turnkey Systems			
Type of Service	Target Beneficiary	Topics focused / Services Provided	Impact
Business Awareness Session	BAP (universities)	Training practical experience (MOU) also recent technology emerging in the market	Career awareness, technical skill development, improving soft skills
Internship programs (summer & spring)	Students	Training to the universities students	improving employability of students through practical experience.
Ramadan Bags	providing meals for ITS labor	Learn keys to change their financial status and achieve their dreams and financial goals	Providing support for the needy and enhanced employee morale

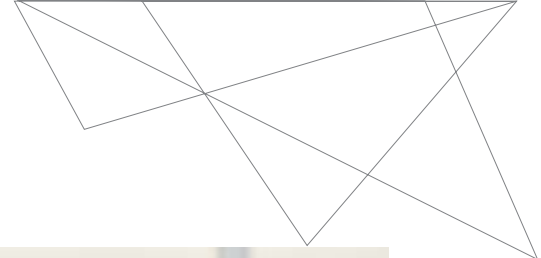
People

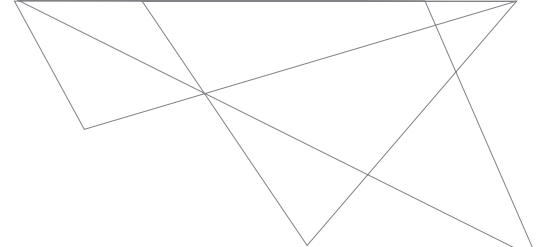
Education is the main pillar KFH relies on for the improvement and development of its employees. To maintain its high standards of employee KFH has empowered its HR department to innovate and research the best educational programs and training courses. Some of the education is developed in-house, other courses depend on specialized institutions such as the Institute of Banking Studies (KFH is a founding member and funder). KFH is also a member of the IBS research committee with a permanent member contributing to the improvement and development of relevant research related to the Banking sector. Above all, KFH has also made it one of its priorities a culture of co-operation to enhance team-work and leadership. This has proven to be one of the most beneficial aspects for employees working at KFH. The knowledge and skills passed down by senior staff along with the new skills acquired from a diverse pool of backgrounds, genders and education across the group has further supported KFH’s culture of sharing knowledge and sustainability.

Keeping its dedication in place, KFH has also contributed to the community with its people by being in a strategic partnership with the Ministry of Interior for the Annual Gulf Traffic Week – a joint initiative between gulf countries to raise awareness on road safety.

Another strategic partnership with KFH and the Arab Youth Forum for volunteering and humanitarian initiatives – a forum for all Arab youth to showcase their initiatives in the volunteering/humanitarian field with awards for the top ideas. KFH also sees itself as an integral part of the community and the people of the community with great care and appreciation to those people.







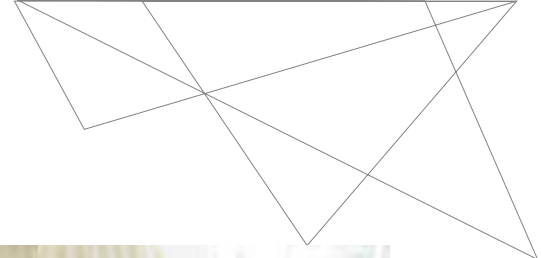
G4: LA1						
Age Group	Status	Kuwait	Malaysia	Turkey	Bahrain	Al Salam H.
Males under 30	Joined	165	25	490	5	40
	Left	88	3	257	0	9
Males 30 - 50	Joined	46	35	59	4	58
	Left	80	8	153	0	11
Males 50 +	Joined	1	8	0	0	5
	Left	30	0	6	0	1
Females under 30	Joined	55	8	70	0	47
	Left	31	0	31	0	7
Females 30- 50	Joined	7	20	7	0	73
	Left	33	0	32	0	15
Females 50 +	Joined	0	2	0	0	3
	Left	10	0	0	0	0

Environment

The impact of any business on the environment is a responsibility not to be ignored. Whether direct or indirect, KFH seeks to continue its positive impact on the environment. A solid track record has been maintained over the years in environment protection projects and environment awareness initiatives.

Customers

Customer satisfaction is not only a tick that is rated on a customer feedback form in KFH. KFH uses advanced methods to sustain customer satisfaction by enhancing their banking experience. A modern combination of employee dedication, suitable products and Fin-Tech is used at KFH and is always under the management’s lenses for improvements. The network of KFH’s geographical locations has proven to be very helpful to several customer segments and will be further integrated into customer satisfaction. Another elements of customer satisfaction for KFH customers is the peace of mind that KFH provides, in terms of safe keeping customer’s funds and investments.



Kuwait Finance House (KFH) and Kuwait Credit Bank (KCB) have signed a protocol agreement for electronic payments, where KFH customers can pay their installments to KCB through KFH website. This facilitates banking transactions for KFH customers that benefit from KCB services.





Supporting the economy

Listed on the “Premier Segment” on Kuwait Boursa KFH is one of the biggest contributors to markets stability and transparency. KFH has also continuously supported the economy in Kuwait by providing funding to government projects, business operations and personal finance. KFH as an Islamic bank has a natural purpose to be a positive contributor towards the economy. The contribution KFH seeks successfully every year by setting an example on how securities can be classified as a safe, stable and regulated investments, does not only revolve around growth and profits for its shareholders.

As the economic growth in Kuwait for 2017 stabilized compared to 2016 with expectations of growth to reach 4.1% in 2018 (IMF) Oil prices were also on the rise in 2017 and expected to increase in 2018, the Kuwaiti economy will have sufficient revenue to continue its infrastructural and developmental projects and initiatives. KFH’s capabilities to support government and private financing as a partner in the development and not only a funder have been more than noticeable. Such capabilities have been proven by the 120 million Kuwaiti Dinars financing for the Ministry of Electricity and Water (Kuwait) and financing the purchase of three aircrafts amounting to 124 million Kuwaiti Dinars in favour of Aviation Lease and Finance Company (ALAFCO). KFH has also dedicated funds and efforts to support the “Small and Medium Enterprises” segment, with a logic that encourages businesses with real targets and healthy cash flows.

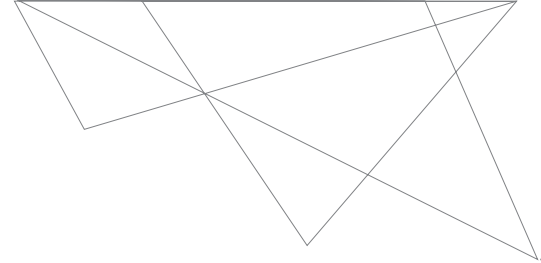
In March 2017, the Central Bank of Kuwait raised interest rates by 0.25% where the discount rate reached 2.75%. With this change and as well as many other policy/economic changes, KFH has the intellectual capability, size and experience to adapt to the economic changing environment with respect to sustainability.

Shari'a Compliance and Sustainability

Focusing on the details of transactions and operations is how Islamic banks ensure that outcome of all banking activities are Shari'a compliant. The outcome is of the utmost importance because it is what eventually has the impact on the society, environment and all stakeholders. Fairness, equity and shared risk are all deeply imbedded in the Islamic banking rational. The design and marketing of products and services are also under heavy scrutiny, any products that may involve speculation and uncertainty are also filtered out through a robust governance system that is conducted by the Fatwa and Shari'a Board with the support from all departments but especially by The Shari'a Control and Advisory Department. The following steps ascertain KFH's compliance to Shari'a rules:

1. The contracts and transactions which KFH had entered into during the financial year ending on 31 December 2017 as presented to us had compiled with the Shari'a rules, principles and resolutions and recommendations of KFH Fatwa and Shari'a Board.
2. That the profit distribution and loss bearing on the investment accounts are in compliance with the terms of our approval in accordance to Shari'a Supervisory Board.
3. That all income that has been received from non-Shari'a compliant sources or by means prohibited by Shari'a have been cleansed and donated to charitable purposes.
4. That the Zakat calculation has been carried out in accordance with the Companies' Zakat Manual issued by Kuwait Zakat House, and in accordance with the resolutions and recommendations of KFH Fatwa and Shari'a Supervisory Board.





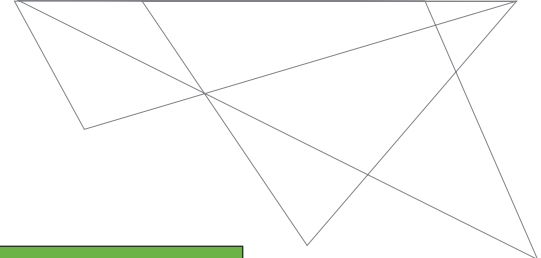
Internal Improvement

As part of its three year strategy KFH focused on 3 main pillars which are:

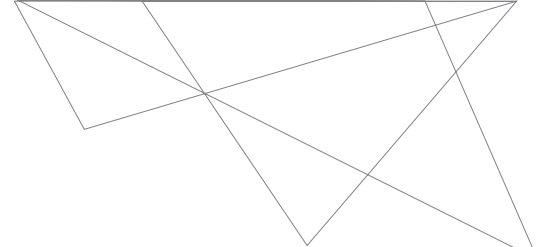
1. Development of current customer base
2. Innovation based on the new digital financial technology (FINTECH)
3. Achievement of excellence.

Fin-tech and customer service truly go together to enhance customers experience. KFH provides benefits such as XTM (direct banking services using video technology) services, short response rate on customer calls and a smart wallet service all supported by KYC and Fin-tech in order to enhance the customers experience as much as possible. Group SWIFT transactions has also been centralized at group level to increase efficiency, effectiveness, cost optimization and minimization of operational costs. In addition, human and system based Internal Improvements at KFH, environment care and commitment is aligned to its day-to-day operations such as energy, water and waste monitoring and improvement programs.

Internal Control systems are readily available and continuously improved to help internal control functions. The external auditor after its annual Internal Control Review (ICR) provides management letters, reports on accounting and internal control systems that are reviewed by the board extensively.

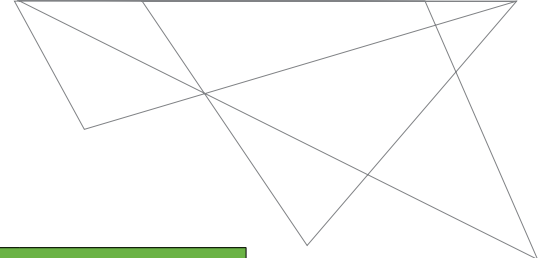


G4: LA09 - KFH Kuwait			
Females			
Grade	No. Employees	Training Hours	T.H per employee
SK2	2	132	66
SK1	27	2,450	91
DP2	132	9,994	76
DP1	69	1,551	22
P2	86	1,716	20
P1	72	2,652	37
AM	38	1,005	26
SM2	34	926	27
SM1	2	50	25
EM2	2	60	30
EM1	2	46	23
DGM	1	122	122
Total	467	20,704	44
Males			
SS1	1	2	2
SK2	19	1,340	71
SK1	78	4,900	63
DP2	219	13,977	64
DP1	265	6,234	24
P2	311	6,935	22
P1	327	9,588	29
AM	234	9,604	41
SM2	210	8,957	43
SM1	75	3,788	51
EM2	52	2,345	45
EM1	20	1,370	69
DGM	13	627	48
GM	4	257	64
GM RB	1	177	177
CXO	7	613	88
CIO	1	143	143
CFO	1	47	47
CEO	1	71	71
Total	1,839	70,975	39

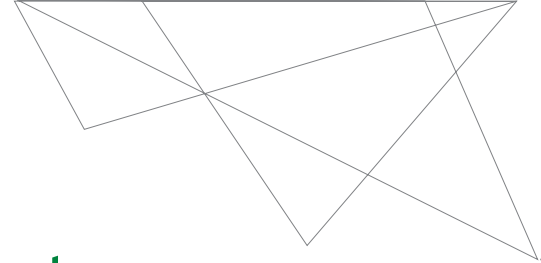


G4: LA09 - KFH Al-Salam			
Females			
Grade	No. Employees	Training Hours	T.H per employee
Doctors	30	240	8
Staff Nurse	131	1,048	8
Technicians	13	65	5
Other Staff	18	144	8
Total	192	1,497	8
Males			
Doctors	80	640	8
Staff Nurse	2	16	8
Technicians	8	40	5
Other Staff	50	300	6
Total	140	996	7

G4: LA09 - KFH Bahrain			
Females			
Grade	No. Employees	Training Hours	T.H per employee
Assistant Manager	19	362	19
Assistant Supervisor	11	201	18
Manager	20	606	30
Senior Manager	5	260	52
Senior Supervisor	17	395	23
Supervisor	15	338	23
Total	87	2,161	25
Males			
MID & CEO	1	46	46
Assistant Manager	36	982	27
Assistant Supervisor	30	657	22
Executive Manager	10	734	73
Manager	35	750	21
Senior Clerk	4	98	25
Senior Manager	32	1,350	42
Senior Supervisor	36	1,044	29
Supervisor	31	917	30
Total	215	6,578	31



G4: LA09 - KFH Turkey			
Females			
Grade	No. Employees	Training Hours	T.H per employee
Officer	268	5,912	22
Assistant Associate	85	6,342	75
Associate	143	5,311	37
Supervisor	156	5,974	38
Senior Supervisor	32	1,506	47
Manager	7	140	20
Total	691	25,185	36
Males			
Security Officer	490	5,580	11
Officer	561	21,340	38
Assistant Associate	566	39,306	69
Assistant	892	26,660	30
Supervisor	1,036	34,410	33
Senior Supervisor	452	17,994	40
Manager	440	7,890	18
Area/ Group Manager	21	570	27
Executive VIP	1	48	48
Total	4,459	153,798	34



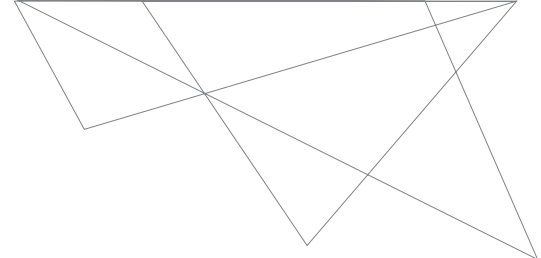
Committed to our environment

KFH is continuing its efforts from the previous years of commitment and dedication to a sustainable environment. The measures taken cover internal and external activities and initiatives. Internal usage of resources efficiently has been one of the internal measures that has been exported externally in form of awareness and contribution to projects that reduce environmental pollution. Energy, water and paper usage are always measured and monitored for the purpose of reducing usage rates in the future.

In 2016 KFH adopted a brilliant idea that combined both the interests towards contribution to the environment and supporting youth initiatives. The now Omniya factory for recycling started off as a simple straight forward project to recycle plastic bottles. This success is due to the well-designed marketing campaign and the efforts of all contributors including the unique and collaboration of official authorities. It participated in many other environmental activities and events such as cleaning the beaches, planting of greenery and holding events for school students to encourage planting and greening.

Reducing Resource Usage

Sharing the same vision with the state of Kuwait, KFH has been creating new initiatives to help and contribute to a sustainable economy. A significant part of sustainable economy is a sustainable environment which in turn requires sustainable energy sooner or later. Kuwait is fortunate of being a member of OPEC and one of the largest oil producers in the world. In addition to oil, Kuwait also has another energy source that will eventually be supported by the suitable technology feasibly. Solar energy not only can substitute traditional “fossil fuel” based energies but can also be used in farming due to the quality of the sun that is provided. The heat and intensity of the sun in Kuwait (that may have been seen as an obstacle for farming in the past) is now slowly becoming the single most sustainable source of energy. Solar energy being inexhaustible, can be used for cooling, heating, irrigating, as well as natural sterilization and simple energy requiring machinery for farming. Part of creating a sustainable environment is developing youths’ minds and introducing them to the concept at earlier stages of life, as such KFH has held events in schools for students to learn about planting and greening their surroundings.



Impacting Investments

On a larger scale than sponsoring and endorsing KFH has allocated funds in forms of investments to project that have a positive impact on the environment.

Firstly, the previous projects that have been financially supported by KFH have been growing and expanding. Such as the “Clean Fuel Project”, providing syndicated finance from KFH for the Kuwait National Petroleum Company has been a success and is growing towards its original objective, which is combining two refineries to enhance flexibility of operations to meet international market needs and to improve the fuel quality requirements.



Human Capital and Talent

Employees

Just as the quality of assets are measured for all banks, KFH continuously measures and seeks to improve the quality of its human capital. In 2017 the HR department held 3,595 different training workshops not including e-learning courses across the group covering 85% of staff. Planning for the future to enable the development of successors and high potential employees, KFH held more the 200 individual assessments in KFH Kuwait. These assessments provided identified development opportunities ranging from high profile development programs in conjunction with schools such as Harvard Business School and IMD as well as one off assignments in KFH’s various subsidiaries.

To support the progress of talent and relevant exposure to the private sector in Kuwait, KFH maintains a Kuwaitization ratio of 66%. Kuwaitis also make up 50% of executive leadership at KFH, Both ratios are not only due to healthy employment practices but also achieved through internal progression. 2017 has seen a 90% acquisition of Kuwaitis into KFH’s reliable and dedicated workforce.



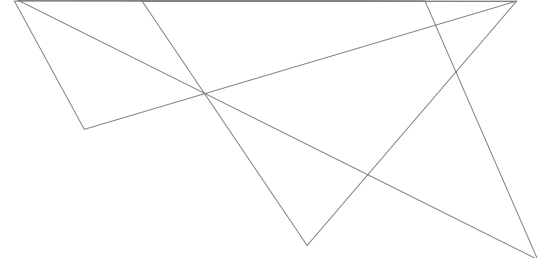
Feedback from employees is valued as much as their work inputs, this has led to a participation rate of 80% in the “Employee Survey”. Further to this KFH Group scored above 70% in its “Employee Engagement Program” which is a favourable score compared to high performing companies globally.

Talent Management and Career Development

Keeping sustainable growth as a mind-set for the development of employees, KFH has launched its program in 2017 that provides new recruits mostly fresh graduates a chance to go through a holistic orientation within the bank’s departments and subsidiaries. Forssah meaning “chance or opportunity” in Arabic was a successful initiative that took in 9 remarkable candidates and gave them in-depth training through-



out the banks departments. This was an effort to give new recruits more opportunities by the end of the program to choose their career path based on the time and interaction spent in each department. It also provided the new recruits with deeper understanding of the banks functions in order for them to launch their career with KFH with more knowledge and exposure to the Islamic banking as a whole. KFH conducted an interview with Engr. Abdulaziz Y H S Alkhadher, (an Industrial Engineering graduate from Arizona State University, USA.) one of Forssah’s candidates to have more insight on its effectiveness.



First impression about KFH and Forssah

The program was deeply committed to the training and the training outcomes from day 1 allowing our smooth integration with KFH's professional atmosphere. I can also safely say for myself and the team that we joined KFH and saw a very respectful and ethical culture that made an impact on us to be more dedicated.

What have you learnt from the Forssah experience coming from an engineering background?

I felt the experience was fruitful and holistic. As an engineer, we were taught to solve problems and challenges. Half way through Forssah, we all realized that the orientation and training gave us better skills to approach difficulties and challenges. I can sincerely say that this has also affected me in my personal life.

What would you advise the next Cohort about the program before they join Forssah?

- Focus from the beginning especially in the rotation phase. Understanding the environment and work process of every department is critical in choosing the right department and career path.
- Ask as many questions as possible and be curious about everything related to work and learning. Special attention should be given to the in-house training because it acts as a window into the future of your next job/role.

What is your next step with KFH?

It is time for me to start using the skills and knowledge acquired in the last year. I am optimistic that I can be productive and add value to this organization.

Community, Youth and the future

Our youth is our future

Targeting higher standards year on year KFH provides several initiatives to the youth. For example it has a Strategic partnership with the Youth Empowerment Symposium which is a national initiative in Kuwait and a private non-profit and non-government organization. Which seeks to illuminate the path for young and motivated entrepreneurs.



In addition to its several youth supporting activities KFH has sponsored the “International Fairs for Invention in partnership with Kuwait Science Club”, “Educational trip for honour-roll high school students’ educational trip to the United Nations in New York” and “50 graduation projects for engineers in Kuwait University”. KFH has commenced a documented cooperation with the commission through its office in Kuwait to aid Rohingya refugees in Bangladesh and relieve their sufferings and the fierce circumstances they are living. KFH is the First Bank to Sign Support and Coordination Agreements with UN Organizations in GCC Region.

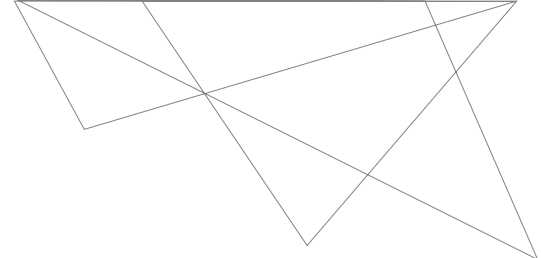


KFH’s efforts in supporting and honouring the distinguished people reflects its commitment in the corporate social responsibility, indicating KFH inked two agreements with the Ministry of State for Youth Affairs; one for partnership and collaboration, and the other for supporting and sponsoring the activities of the Kuwait Capital of Arab Youth event.



Kuwait Finance House inked a partnership and collaboration agreement with Thomson Reuters, international business information services provider in an attempt to promote collaboration and enrich knowledge through publishing the reports and economic research prepared by KFH.





Enhancing Health Awareness

KFH participated in the cancer and diabetes awareness campaigns and organized many events to raise the awareness among society individuals. Moreover, the bank sponsored scientific and medical forums and conferences to raise the awareness of some widespread diseases. KFH has been honoured and recognized by several official bodies such as the Ministry of Health, Dasman Diabetes Institute in addition to several hospitals and medical institutions in recognition of its key role in participating in the events that are meant to raise the health awareness in the society.

In partnership with Kuwait Cancer Center for Breast Cancer Awareness month, KFH raised awareness levels in Kuwait and seeks to continue to help and support fight cancer in all its forms.

KFH also partnered with Al Salam International Hospital for the CPR & Heart Saver Program in cooperation with the American Heart Society.



Caring for the community

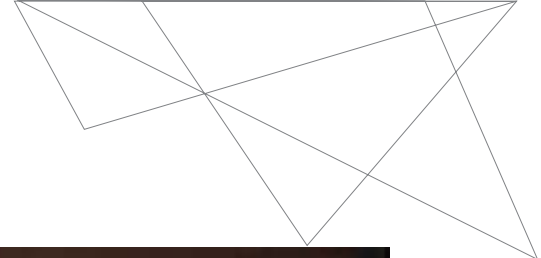
Kuwait Finance House (KFH), in cooperation with the General Directorate of Coast Guard, has organized an awareness campaign for the safety and safety of sea and boat enthusiasts, within the framework of social responsibility and keenness to raise awareness of the importance of complying with the Coast Guard's instructions for safety.

The Bank's public relations team distributed leaflets to sea visitors, including the most important tips and instructions to follow, including wearing a life jacket, checking the boat or water bike license, complying with Coast Guard instructions, and drinking water continuously.



Sustaining our heritage

Sharing its journey with Kuwait and being part of Kuwait's journey itself, KFH has always and will always put forward its best efforts to uphold and conserve this joint heritage. Such efforts have shown in the sponsorship KFH has done in 2017 such as the "Arabian Horse Festival" and the "Cultural Village" in partnership with Al Diwan Al Amiri. KFH has also sponsored cultural/educational endeavours such as "The pioneers of Islamic Banking Transformation" book – documenting the leaders behind transforming traditional banks to Islamic banks.



Not coming short of religious heritage KFH Ramadan Campaign witnessed great success and received huge recognition. The bank launched around 70 initiatives of which were feeding fasting people, serving worshippers during Qiyam prayer in the Grand Mosque.



Finally on the most important part of heritage which will most certainly be the vessel to our futures, KFH's efforts in Ramadhan with a simple but impacting gesture of Girgian for children as part of the Kuwaiti traditional method to entice and motivate children into fasting for Ramadhan.





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