

# KFH'S GROUP CORPORATE PROFILE

H1-2024

# CONTENTS

- 1. KFH OVERVIEW**
2. Financial Performance “H1-2024”
3. Appendix
  1. Economic Highlights
  2. Key Performance Indicators, Consolidated Statements



# HISTORY AND EXPANSION



<b>1977</b> KFH established	<b>1978</b> Doors opened to public	<b>1984</b> Listed in Kuwait Stock Exchange	<b>1989</b> Kuveyt Turk established	<b>1999</b> KFH Capital established
<b>2002</b> KFH Bahrain established	<b>2005</b> KFH Malaysia established	<b>2009</b> KFH Saudi Arabia established	<b>2015</b> KFH Germany established	<b>2016</b> KFH assigned D-SIB status from CBK
	<b>2022</b> Acquisition of AUB Bahrain	<b>2022</b> The largest listed company in Kuwait Stock Exchange	<b>2023</b> Acquisition of AUB Kuwait	

# Overview of KFH's Awards & Ratings

## Kuwait

**Best**

Islamic Bank  
in Kuwait

Euromoney

## Regional

**Best**

Islamic Bank  
in the Middle East

Global Finance

## Global

**Best**

Islamic Financial Institution  
in the World

Global Finance



# KFH'S RATINGS



**Fitch**Ratings

Long-Term Issuer Default Rating A  
Short-Term Issuer Default Rating F1  
STABLE Outlook  
24 July 2024

**MOODY'S**

LT FC Bank Deposits Rating A2  
ST FC Bank Deposits Rating P-1  
STABLE Outlook  
31 January 2024

# STRATEGY MAP

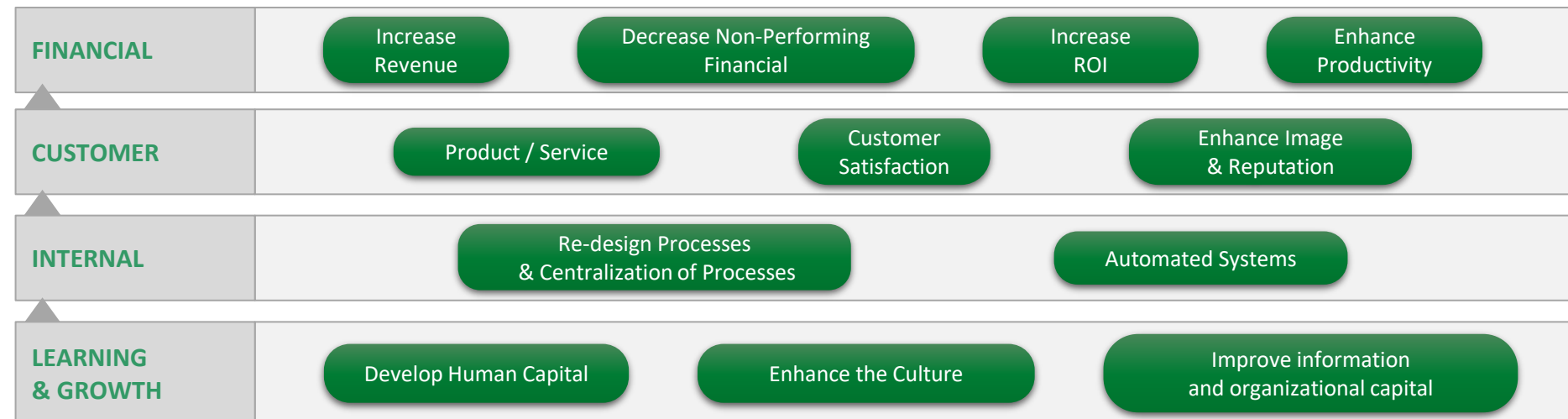
**KFH  
VISION**

To **lead** the international development of *Islamic financial services*, and become ***the most trusted*** and **sustainably most profitable** Shariah-compliant bank ***in the world***

**KFH  
MISSION**

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

**KFH STRATEGY  
MAP**



# STRATEGIC OBJECTIVE



# CONTENTS

1. KFH OVERVIEW
- 2. Financial Performance “H1-2024”**
3. Appendix
  1. Economic Highlights
  2. Key Performance Indicators, Consolidated Statements



# H1-24 Financial Highlights

<b>Net Profit for Shareholders</b> <b>KD 341.2 mn</b> 23%	<b>Net Financing Income</b> <b>KD 558.8 mn</b> 21.9%	<b>Net Operating Income</b> <b>KD 525.5 mn</b> 7.4%
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**Cost to Income Ratio**

**36.19%**

*(H1-23: 33.40%)*

**EPS (fils)**

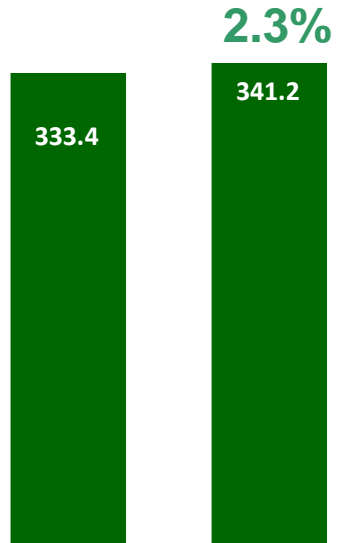
**20.73**

*(H1-23 : 20.21fils)*

# H1-24 Financial Performance

## Net Profit for Shareholders

(KD mn)

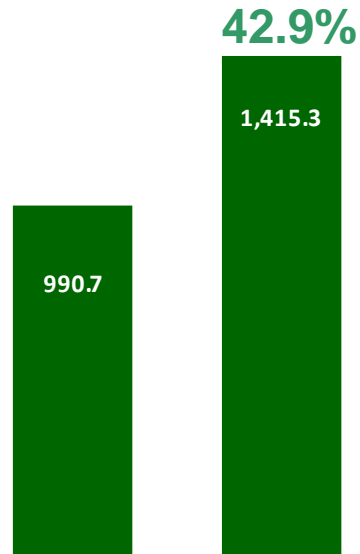


H1-23

H1-24

## Financing Income

(KD mn)

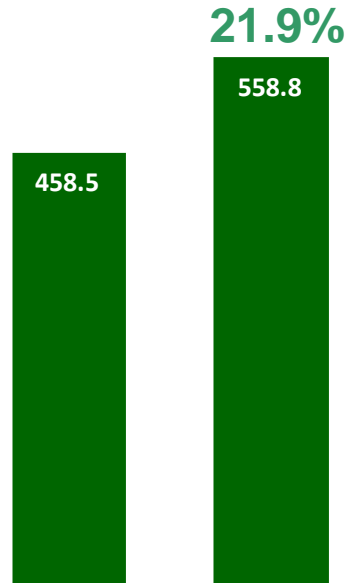


H1-23

H1-24

## Net Financing Income

(KD mn)

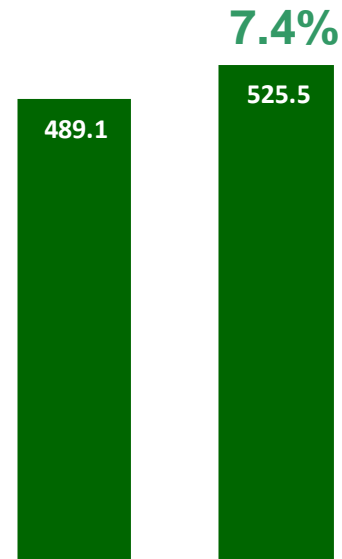


H1-23

H1-24

## Net Operating Income

(KD mn)

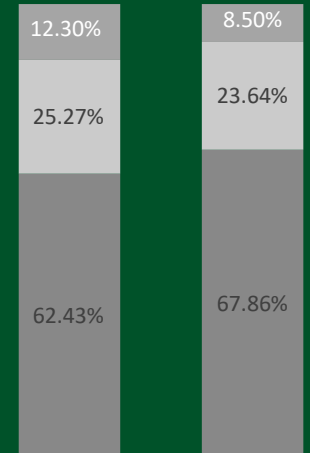


H1-23

H1-24

## Operating Income Profile

- Investment Income (%)
- Non-Financing Income (%)
- Net Financing Income (%)



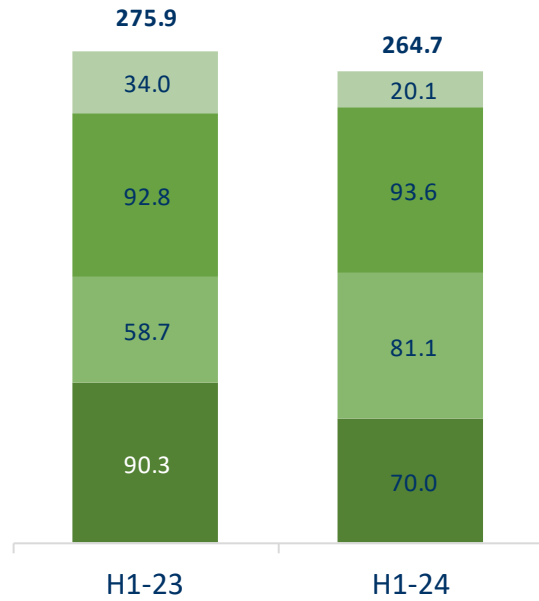
H1-23

H1-24

# H1-24 Financial Performance

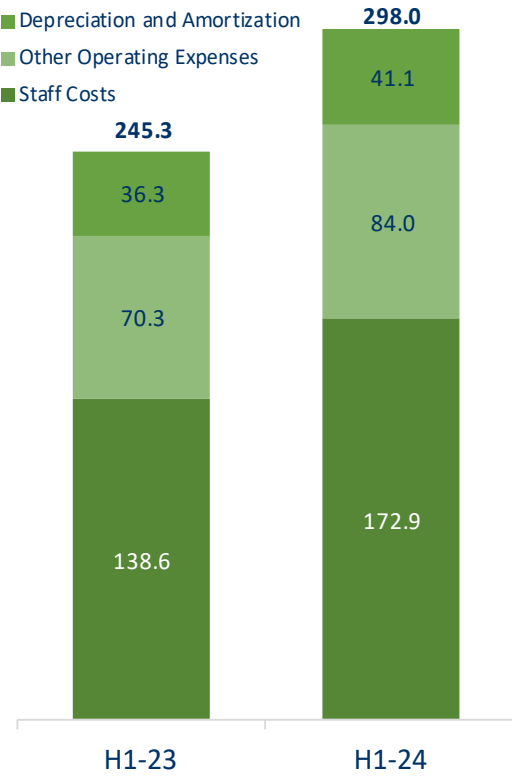
## Non - Financing Income (KD mn)

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



## Total Operating Expenses (KD mn)

- Depreciation and Amortization
- Other Operating Expenses
- Staff Costs

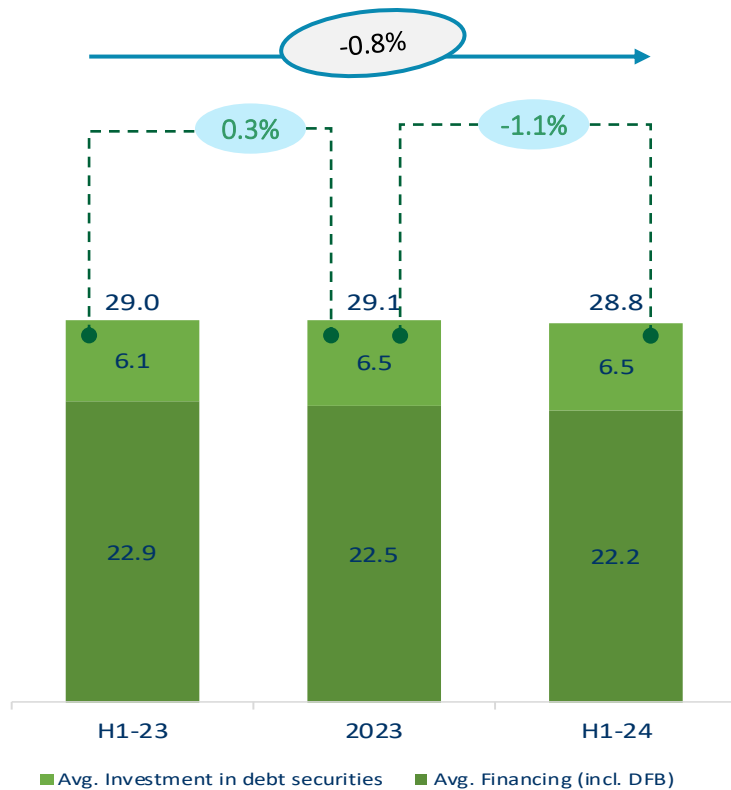


## C/I Ratio

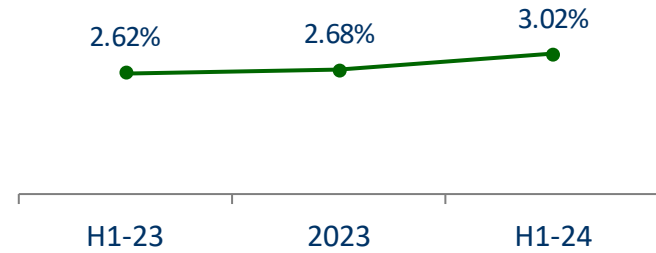


# H1-24 Financial Performance

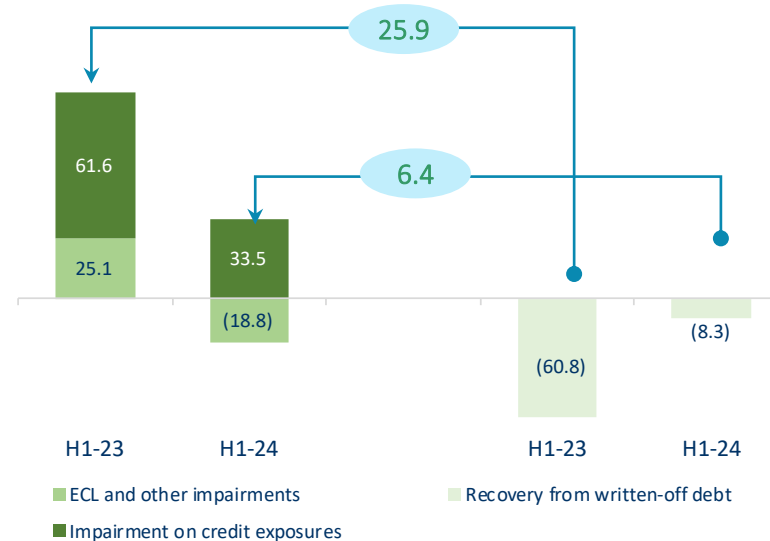
## Average Profit Earning Assets (KD bn)



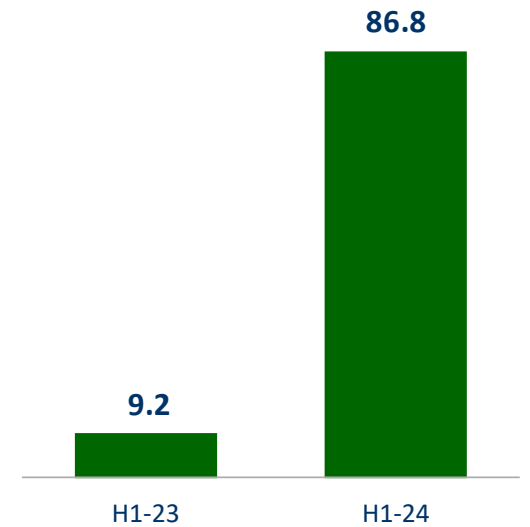
## Net Financing Margin



## Provision and Impairment (KD mn)



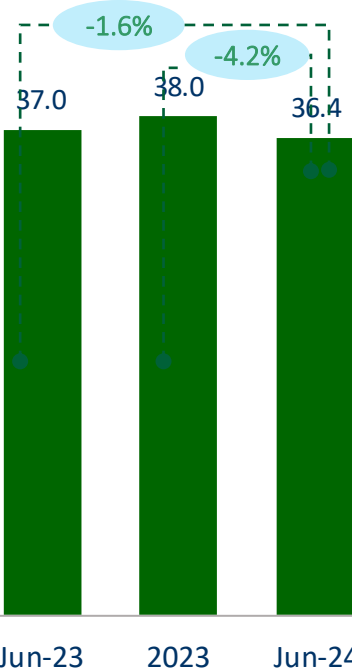
## Net Monetary Loss\* (KD mn)



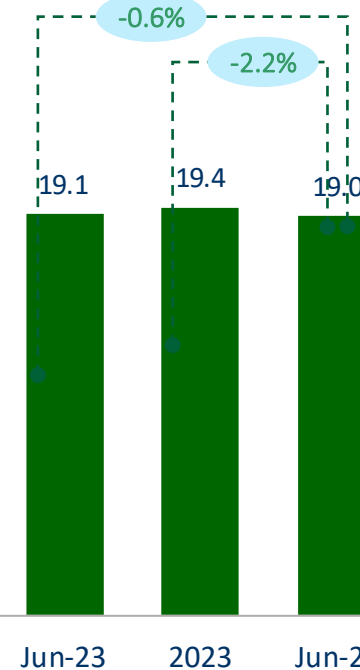
\* Hyper-inflation impact

# H1-24 Financial Performance

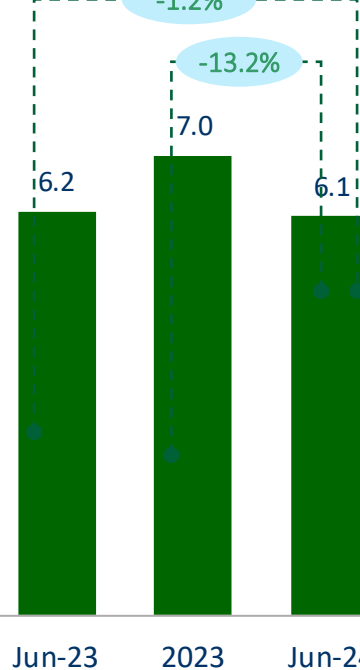
## Total Assets (KD bn)



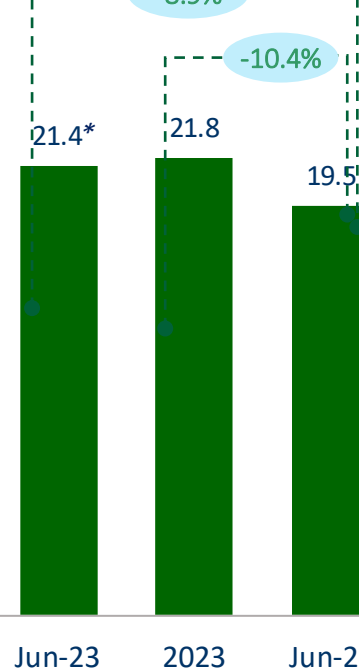
## Net Financing (KD bn)



## Investment in debt securities (KD bn)

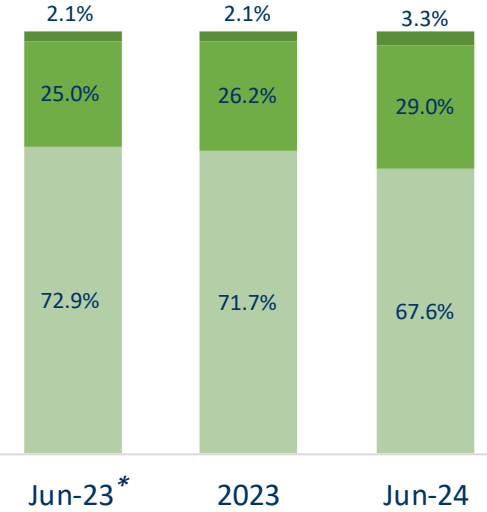


## Depositors' Accounts (KD bn)



## Funding Mix

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



\* re-stated

# H1-24 Key Financial Ratios

Return on Average Tangible Equity (%)

23.62%      23.26%

H1-23      H1-24

Return on Average Equity (%)

12.72%      12.92%

H1-23      H1-24

Return on Average Assets (%)

2.15%      1.92%

H1-23      H1-24

C/I (%)

33.40%      36.19%

H1-23      H1-24

EPS (fils)

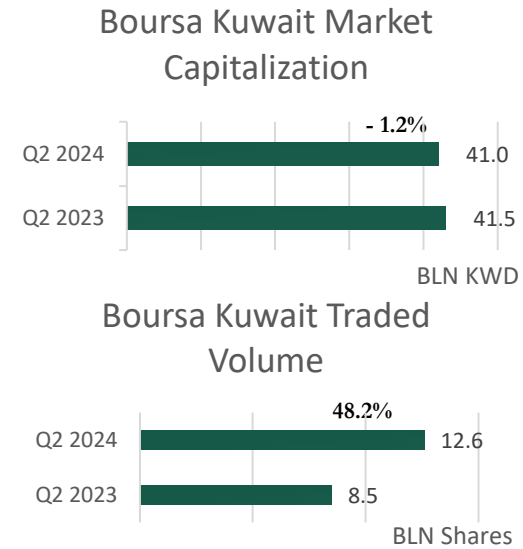
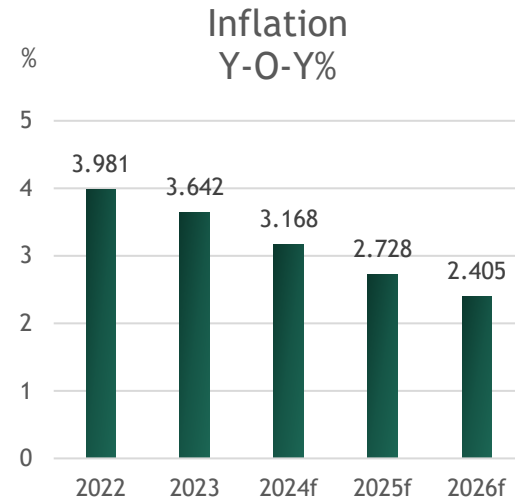
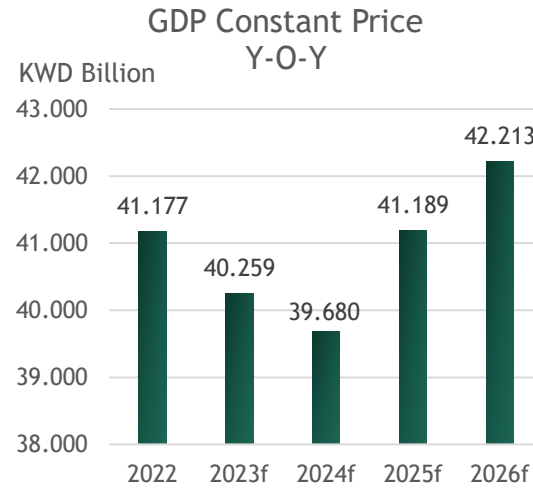
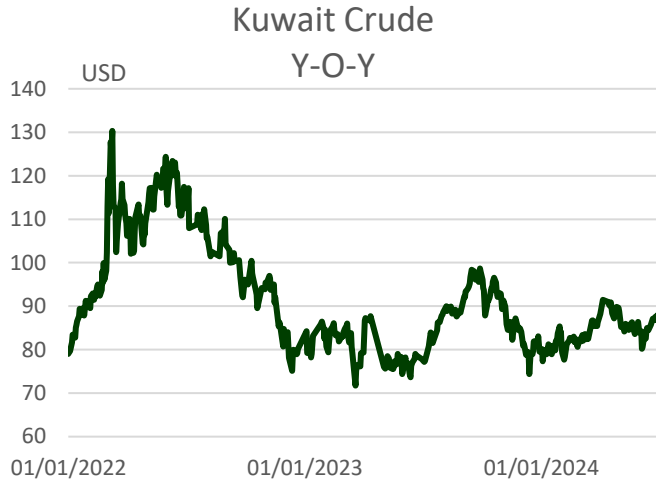
20.21      20.73

H1-23      H1-24

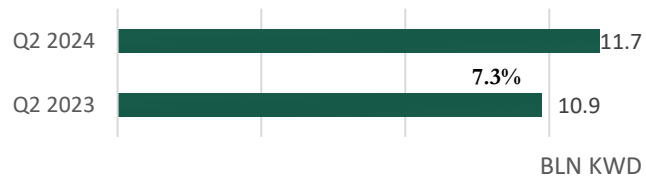
# CONTENTS

1. KFH OVERVIEW
2. Financial Performance “H1-2024”
3. **Appendix**
  1. **Economic Highlights**
  2. **Key Performance Indicators, Consolidated Statements**

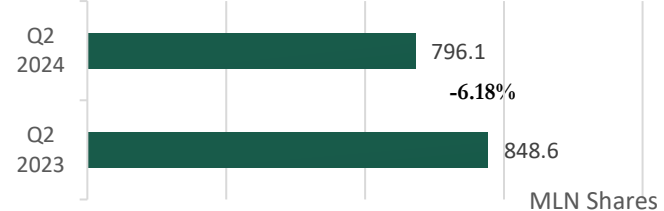
# Kuwait's Economic Highlights



## KFH Kuwait Market Capitalization



## KFH Kuwait's Traded Volume



- International Monetary Fund (IMF) expects Kuwait's GDP "constant price" to reach KWD 39.680 billion in 2024 and to increase in the following years.
- Kuwait's annual Inflation rate based on average consumer prices is forecasted to decline by 13% in 2024 compared to 2023.
- Kuwait's crude oil price increased by 13% compared to June 2023 reaching USD 87.58 PB by the end of June 2024.
- Kuwait's credit rating is A+ with a stable outlook, according to Standard & Poor's, A1, with a stable outlook, by Moody's, and AA- with a stable outlook by Fitch .
- The last update of Central Bank of Kuwait (CBK) discount rate in 2023 was an increase by 75 basis points reaching 4.25%.
- Market Capitalization of Boursa Kuwait as of the end of H1 2024 reached 41 billion, dropped by 1.2% while KFH's Market Capitalization exceeded KWD 12 billion as on July 2024.
- Traded volume at Boursa Kuwait by the end of H1 2024 reached KD 12.6 million increased by 48.2% compared to the same period of 2023 while KFH's traded volume reached KD 796.1 million by the end of H1 2024, declined by 6.18% compared to same period of 2023.



# Consolidated Financial Statements H1-24 Vs. H1-23

Consolidated Statement of Financial Position (KD million)	Jun-24	Jun-23
Cash and balances with banks and financial institutions	3,356	2,568
Due from Banks	3,058	3,966
Financing receivables	19,002	19,108
Investments in debt securities	6,084	6,157
Trading properties	97	95
Investments	298	268
Investment in associates and joint ventures	534	515
Investment properties	384	400
Other assets	913	1,186
Goodwill and Intangible assets	2,338	2,420
Property and equipment	363	336
<b>TOTAL ASSETS</b>	<b>36,425</b>	<b>37,021</b>
Due to banks	5,071	4,627
Due to financial institutions	3,310	2,721
Sukuk payables and term financing	964	629
Depositors' accounts	19,539	21,443
Other liabilities	1,376	1,545
<b>TOTAL LIABILITIES</b>	<b>30,259</b>	<b>30,966</b>
Share capital	1,711	1,476
Share premium	4,267	3,612
Treasury shares	(822)	(82)
Reserves	190	229
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>5,346</b>	<b>5,235</b>
Perpetual Tier 1 Capital Securities and Sukuks	502	503
Non-controlling interests	319	317
<b>TOTAL EQUITY</b>	<b>6,166</b>	<b>6,055</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>36,425</b>	<b>37,021</b>

Consolidated Statement of Income (KD million)	Jun-24	Jun-23
Financing income	1,415	991
Financing cost and distribution to depositors	856	532
<b>Net finance income</b>	<b>559</b>	<b>458</b>
Investment income	70	90
Fees and commission income	81	59
Net gain from foreign currencies	94	93
Other operating income	20	34
<b>Non-Financing Income</b>	<b>265</b>	<b>276</b>
<b>Tota Operating Income</b>	<b>823</b>	<b>734</b>
Staff costs	173	139
General and administrative expenses	84	70
Depreciation and amortization	41	36
<b>Total Expenses</b>	<b>298</b>	<b>245</b>
<b>Net Operating Income</b>	<b>525</b>	<b>489</b>
Provisions and impairment	6	26
Net Monetary Loss	87	9
<b>Profit for the Period Before Taxation</b>	<b>432</b>	<b>454</b>
Taxation and Proposed Directors' fees	78	59
Non-controlling interests	13	61
<b>Profit Attributable to Shareholders of the Bank</b>	<b>341</b>	<b>333</b>

# Consolidated Statement of Financial Position 2019 - 2023

Consolidated Statement of Financial Position (KD million)	2019	2020	2021	2022	2023
Cash and balances with banks and financial institutions	1,910	2,491	2,325	3,156	3,612
Due from Banks	3,646	3,365	3,350	3,870	2,971
Financing receivables	9,474	10,748	11,355	18,801	19,425
Investments in debt securities	2,292	2,742	2,735	6,085	7,006
Trading properties	108	102	96	95	105
Investments	195	192	219	247	310
Investment in associates and joint ventures	504	521	492	520	543
Investment properties	455	351	325	400	377
Other assets	547	728	654	999	903
Goodwill and Intangible assets	31	32	32	2,463	2,398
Property and equipment	229	230	204	335	359
<b>TOTAL ASSETS</b>	<b>19,391</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>	<b>38,010</b>
Due to banks & Financial Institutions	3,303	4,215	3,424	7,633	7,984
Sukuk payables and term financing	320	315	217	784	636
Depositors' accounts	12,676	14,056	15,038	21,030	21,813
Other liabilities	848	814	803	1,235	1,414
<b>TOTAL LIABILITIES</b>	<b>17,147</b>	<b>19,401</b>	<b>19,481</b>	<b>30,683</b>	<b>31,847</b>
Share capital	698	767	844	1,342	1,476
Share premium	720	720	720	3,612	3,612
Treasury shares	(36)	(28)	(28)	(42)	(113)
Reserves	679	476	395	446	341
<b>TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK</b>	<b>2,060</b>	<b>1,936</b>	<b>1,932</b>	<b>5,358</b>	<b>5,316</b>
Perpetual Tier 1 Capital Securities and Sukuks	0	0	227	502	502
Non-controlling interests	183	165	149	427	345
<b>TOTAL EQUITY</b>	<b>2,243</b>	<b>2,101</b>	<b>2,307</b>	<b>6,286</b>	<b>6,163</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>19,391</b>	<b>21,502</b>	<b>21,788</b>	<b>36,969</b>	<b>38,010</b>

# Consolidated Statement of Income 2019 - 2023

Consolidated Statement of Income (KD million)	2019	2020	2021	2022	2023
Financing income	932	893	871	1,322	2,194
Financing cost and distribution to depositors	401	279	286	522	1,228
<b>Net finance income</b>	<b>530</b>	<b>614</b>	<b>586</b>	<b>801</b>	<b>966</b>
Investment income	130	-6	16	44	184
Fees and commission income	79	73	72	90	136
Net gain from foreign currencies	34	70	89	93	140
Other income	41	45	48	44	34
<b>Non-Financing Income</b>	<b>284</b>	<b>181</b>	<b>225</b>	<b>272</b>	<b>495</b>
<b>Total operating income</b>	<b>814</b>	<b>796</b>	<b>811</b>	<b>1,072</b>	<b>1,461</b>
Staff costs	182	172	184	209	287
General and administrative expenses	79	81	82	95	150
Depreciation and amortisation	43	43	42	45	79
<b>Total Expenses</b>	<b>304</b>	<b>296</b>	<b>308</b>	<b>349</b>	<b>515</b>
<b>Net Operating Income</b>	<b>510</b>	<b>500</b>	<b>503</b>	<b>723</b>	<b>945</b>
Provisions and impairment	197	284	135	62	44
Net Monetary Loss	0	0	0	128	73
<b>Profit Before Tax and Zakat</b>	<b>313</b>	<b>215</b>	<b>368</b>	<b>534</b>	<b>828</b>
Taxation and Proposed Directors' fees	51	31	58	99	153
Non-controlling interests	11	36	67	77	91
<b>Profit Attributable to Shareholders of the Bank</b>	<b>251</b>	<b>148</b>	<b>243</b>	<b>358</b>	<b>585</b>

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