



Date: 14 February 2021

التاريخ: 14 فبراير 2021 م

Ref: 10 / 10 / 49 / 2021

الإشارة: 2021 / 49 / 10 / 10

To: Chief Executive Officer

السيد/ الرئيس التنفيذي المحترم

Bursa Kuwait

بورصة الكويت

Peace, Mercy and Blessings of Allah be upon you,

السلام عليكم ورحمة الله وبركاته،

Subject: Disclosure of Material Information

الموضوع: الإفصاح عن المعلومات الجوهرية

KFH: Analysts Conference Presentation

بيتك: العرض التقديمي لمؤتمر المحللين

Q 4 / 2020

الربع الرابع 2020

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

- KFH has conducted the Analysts Conference for Q 4 / 2020 through live broadcasting on internet (Live Webcast) at 2 p.m. on Thursday 11 February 2021. There was no other material information had been discussed during the conference.
- KFH will disclose the Conference Minutes of Meeting within 3 working days after the conference.

Attached is the Investors Presentation Q 4 / 2020 for your reference. A copy of the same has been submitted to Capital Markets Authority.

Best Regards,

Abdulwahab Issa Al-Rushood

Acting Group Chief Executive Officer

وتفضلوا بقبول فائق الاحترام،

عبد الوهاب عيسى الرشود
الرئيس التنفيذي للمجموعة بالتكليف



بيت التمويل الكويتي
Kuwait Finance House

14 February 2021

14 فبراير 2021 م

Kuwait Finance House (KFH)

بيت التمويل الكويتي (بيتك)

Appendix (11)

ملحق رقم (11)

Disclosure of Material Information Form

نموذج الإفصاح عن المعلومات الجوهرية

KFH: Analysts Conference Presentation
Q 4 / 2020

بيتك: العرض التقديمي لمؤتمر المحللين
الربع الرابع 2020

Disclosure of Material Information

Date	Listed Company
14 February 2021	Kuwait Finance House (KFH)

KFH: Analysts Conference Presentation
Q 4 / 2020

Material Information

- KFH has conducted the Analysts Conference for Q 4 / 2020 through live broadcasting on internet (Live Webcast) at 2 p.m. on Thursday 11 February 2021. There was no other material information had been discussed during the conference.
- KFH will disclose the Conference Minutes of Meeting within 3 working days after the conference.

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

-

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

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

الإفصاح عن المعلومات الجوهرية

التاريخ	اسم الشركة المدرجة
14 فبراير 2021 م	بيت التمويل الكويتي "بيتك"

بيتك: العرض التقديمي لمؤتمر المحللين
الربع الرابع 2020

المعلومة الجوهرية

- عقد بيتك مؤتمر المحللين للربع الرابع 2020 عن طريق بث مباشر على شبكة الإنترنت وذلك في تمام الساعة 2 من بعد ظهر يوم الخميس الموافق 11 فبراير 2021 م. علماً بأنه لم يتم تداول أي معلومات جوهرية أخرى خلال المؤتمر.
- سوف يقوم بيتك بالإفصاح لاحقاً عن محضر المؤتمر خلال 3 أيام عمل من تاريخ المؤتمر.

أثر المعلومة الجوهرية على المركز المالي للشركة

-

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

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



بيت التمويل الكويتي
Kuwait Finance House

بيت التمويل الكويتي
Kuwait Finance House



FY-2020

Earnings Presentation

11 February 2021

Disclaimer

- **IMPORTANT NOTICE**

- This presentation has been prepared by Kuwait Finance House and is subject to the applicable laws and regulations in the State of Kuwait. It is for information purposes only and it shall not be reproduced or redistributed to any other person without obtaining Kuwait Finance House's prior written consent. It does not and shall not constitute either an offer to purchase or buy or a solicitation to purchase or buy or an offer to sell or exchange or a solicitation to sell or exchange any securities of Kuwait Finance House. Neither this presentation nor anything contained herein shall form the basis of any contract, commitment or advice whatsoever. This Presentation must be read in conjunction with all other publicly available information. To the maximum extent permitted by law, Kuwait Finance House and its directors, employees, agents, consultants, affiliates and subsidiaries expressly exclude all liability and responsibility for any loss or damage arising from the use of, or reliance on, the information contained in this presentation or the website whether or not caused by any negligent act or omission. Neither Kuwait Finance House nor any of its directors, employees, agents, consultants, affiliates, or subsidiaries warrant or represent the correctness, accurateness or completeness of the information provided herein. This document is not to be relied upon in any manner as legal, tax or investment advice. Each recipient hereof shall be responsible for conducting its own investigation and analysis of the information contained herein and shall familiarize and acquaint itself with, and adhere to, the applicable local legislations. Except where otherwise expressly indicated herein, this presentation contains time-sensitive information which is based on currently available information to Kuwait Finance House as of the date stated or, if no date is stated, as of the date of this preparation and accordingly does not guarantee specific future results, performances or achievements. The information and the opinions contained herein are subject to change without notice. None of Kuwait Finance House or any of its subsidiaries or affiliates assume any obligation to update or otherwise revise any such information to reflect information that subsequently becomes available or circumstances existing or changes occurring after the date hereof.

- **FORWARD-LOOKING STATEMENTS**

- All statements included or incorporated by reference in this presentation, other than statements or characterizations of historical fact, are forward-looking statements. Such forward-looking statements are based on Kuwait Finance House's current expectations, predictions and estimates and are not guarantees of future performance, achievements or results. Forward-looking statements are subject to and involve risks and uncertainties and actual results, performance or achievements of Kuwait Finance House may differ materially or adversely from those expressed or implied in the forward-looking statements as a result of various factors. In addition, even if Kuwait Finance House's results of operations, financial condition and the development of the industry in which it operates are consistent with forward-looking statements contained herein, those results or developments may not be indicative of results or developments in subsequent periods. Kuwait Finance House does not undertake to update any forward-looking statements made herein. Past results are not indicative of future performance.



Contents

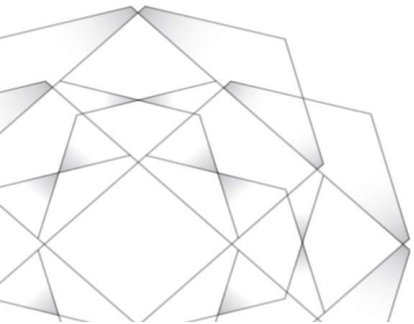
1 **Kuwait's Operating Environment**

2 **Overview of KFH**

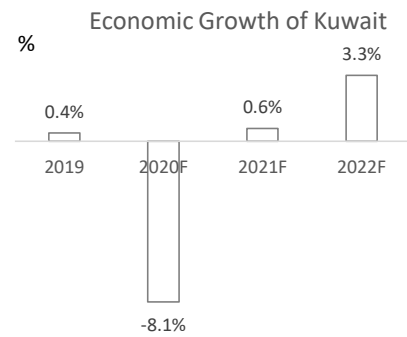
3 **KFH Strategy**

4 **2020 Financial Results**

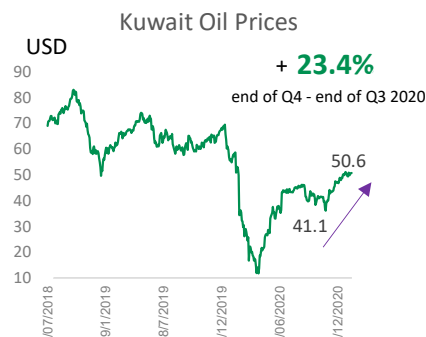
5 **Appendix**



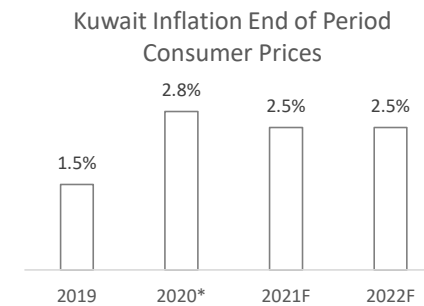
Economic Highlights



Source: IMF, KFH
F: Forecasts

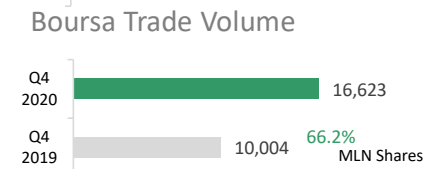
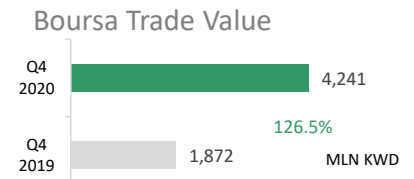


Source: Bursa Kuwait, Ministry of Oil, KFH



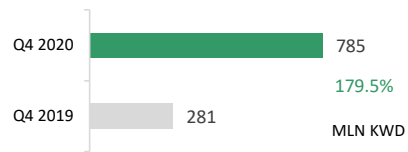
Source: CSB, IMF, KFH

The source of actual numbers as at end of 2019, November 2020 is CSB, F: Forecasts as of IMF

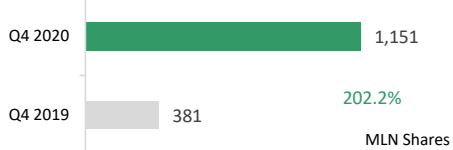


Source: Bursa Kuwait, KFH

KFH Trade Value



KFH Trade Volume



Source: Bursa Kuwait, KFH

- The COVID-19 pandemic represents a health threat to people worldwide, and a disruption to their daily life. The pandemic has impacted economy locally and globally. Some sectors, e.g. energy, travel, hospitality, and service industries have been particularly affected.
- Kuwaiti Crude Oil Price closed at USD 50.6 p/b as at the end of Q4-2020 higher by 23.4% Q-T-Q, and lower by 25.9% compared to the end of 2019.
- Kuwait's Long-Term Issuer Default Rating (IDR) remained solid as Moody's rating was fixed at "A1" with stable Outlook (Sep. 2020), while Fitch affirmed the ratings of Kuwait at "AA" with Negative Outlooks (Feb 2021) and S&P affirmed at "AA-" with a negative Outlook (Jul 2020).
- The Central Bank of Kuwait (CBK) has lowered on March 2020 the discount rate by 1.0% from 2.5% to 1.5%, as a precautionary step by CBK.
- Boursa Kuwait attracted \$3.1bn inflows at 30 November 2020, following Boursa Kuwait upgrade in Morgan Stanley Capital International (MSCI) index. A total seven listed companies have been included in the index including KFH.

This is a General Document and should not be shared with unauthorized users.

Overview of KFH's Awards & Ratings

Kuwait

Bank of the year

Kuwait

*The banker

Regional

Safest

Islamic Bank
in the GCC

*Global Finance

Global

Best

Islamic Institution
in the World

*Global Finance

FitchRatings

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

Short-Term Issuer Default Rating **F1**

Viability Rating **bb+**

STABLE Outlook

As of First of September 2020

MOODY'S

LT FC Bank Deposits Rating **A2**

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

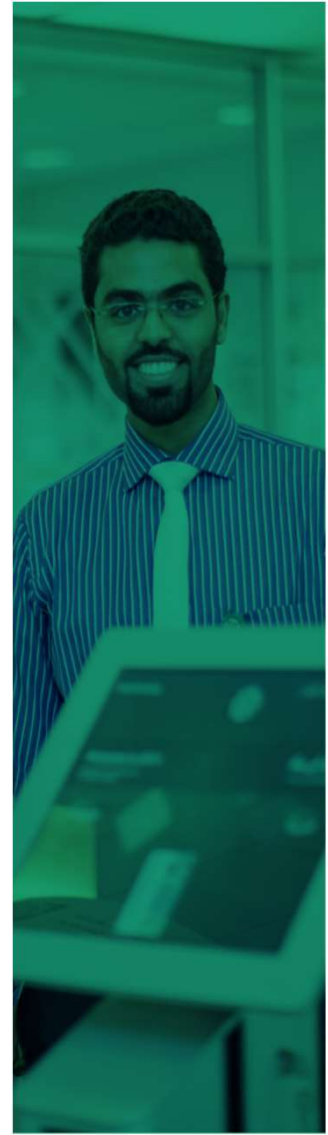
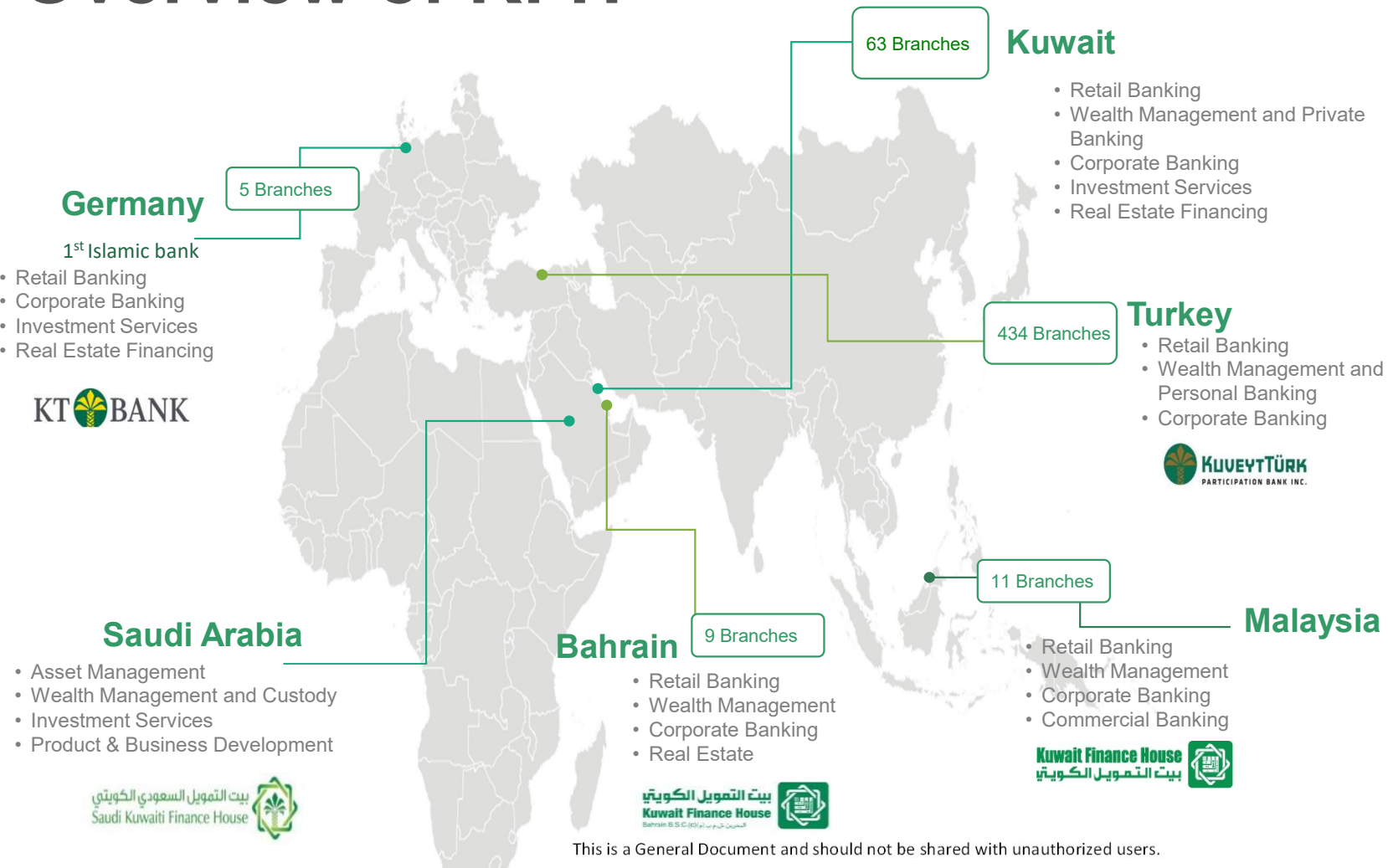
Baseline Credit Assessment **baa3**

STABLE Outlook

As of 24 September 2020

This is a General Document and should not be shared with unauthorized users.

Overview of KFH



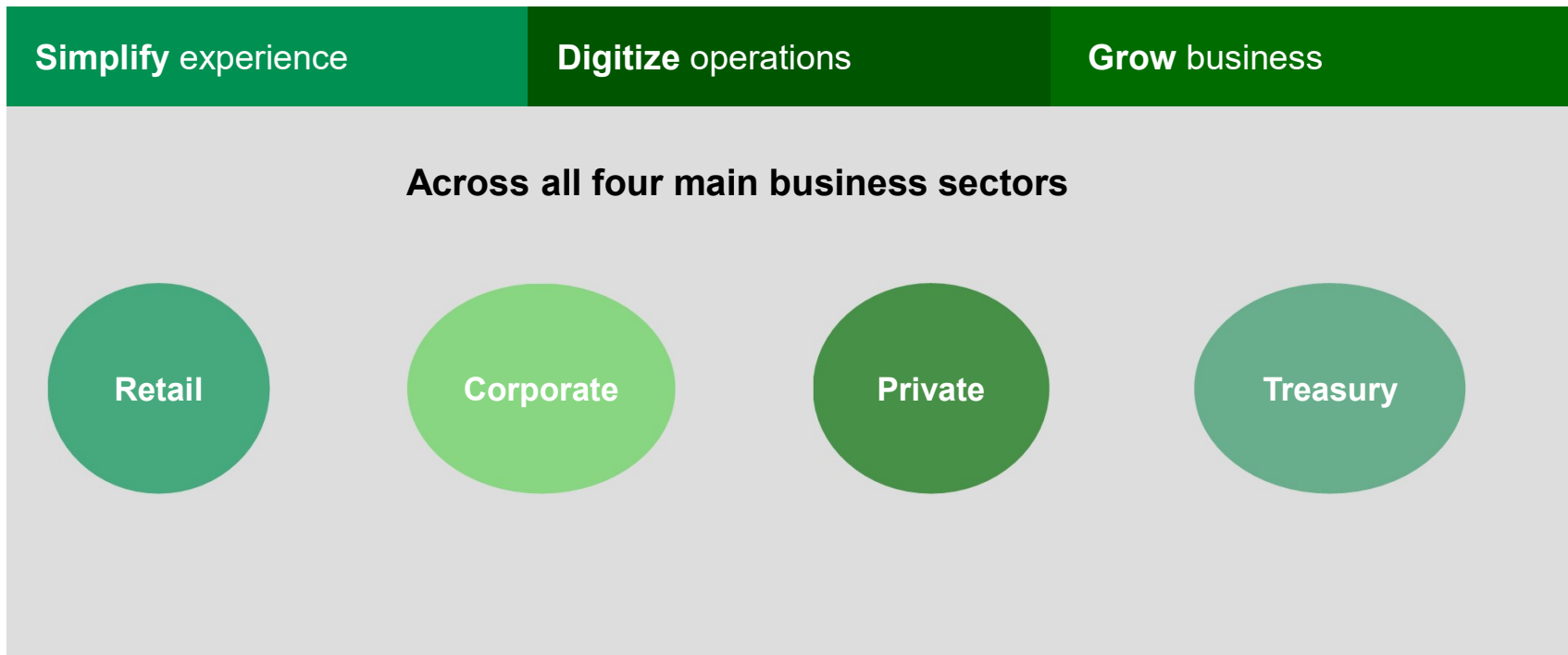
This is a General Document and should not be shared with unauthorized users.

KFH Strengths

Robust Financial Performance	Leading Islamic Financial Institution	Strong Government Sponsorship	Professional Management Team	Strategic Distribution Channels	Effective Risk Management Framework
A consistent track record of profitability & dividend payment	Second largest Islamic Financial Institution globally in terms of asset base	48% ownership by various Kuwaiti Government authorities	Well-rounded human capital through meritocratic management structure	Diversified international operations	KFH continuously develops its risk management framework in light of development in the business, banking and market regulations
Solid funding and liquidity profile	Operating history of more than 40 years	KFH operates mainly in Kuwait where the economy benefits from high level of economic strength	Significant improvement in the Management team for the diversified international operation	Presence in 6 countries giving access to Europe, Middle East and Asian markets	Disciplined & risk adjusted approach to capital allocation
Consistently low NPF rates	Strong retail franchise	Systemic important bank in Kuwait Large retail deposit and global flagship Islamic bank	Strong and stable Board of Directors, collectively bringing more than two hundred and fifty years of professional experience	Extensive accessibility option with a wide network of 522 branches and over 1,535 ATMs	Large and diversified portfolio
Improved cost to income ratio	Pioneer of Islamic products in Kuwait				Reduced non-core assets
Solid profit margins and improved efficiency					

KFH Strategy

KFH's main focus is on core banking business activities



Contents

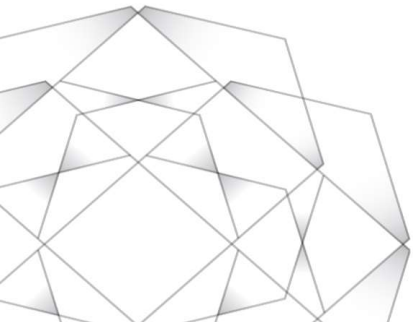
1 Kuwait's Operating Environment

2 Overview of KFH

3 KFH Strategy

4 **2020 Financial Results**

5 Appendix



FY20 Financial Highlights

Net Profit for Shareholders KD 148.4 m <i>(40.9)%</i>	Net Financing Income KD 614.2 m <i>+15.8%</i>	Net Operating Income KD 499.6 m <i>(2.1)%</i>
---	---	---

Cost to Income Ratio

37.21%

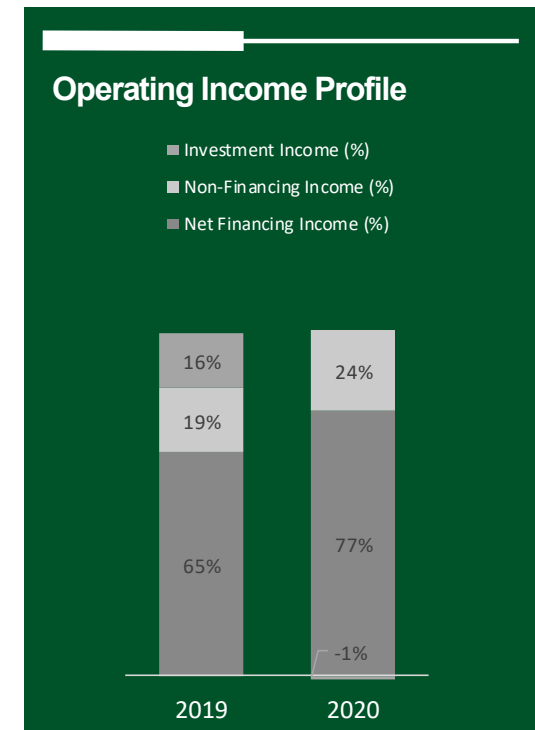
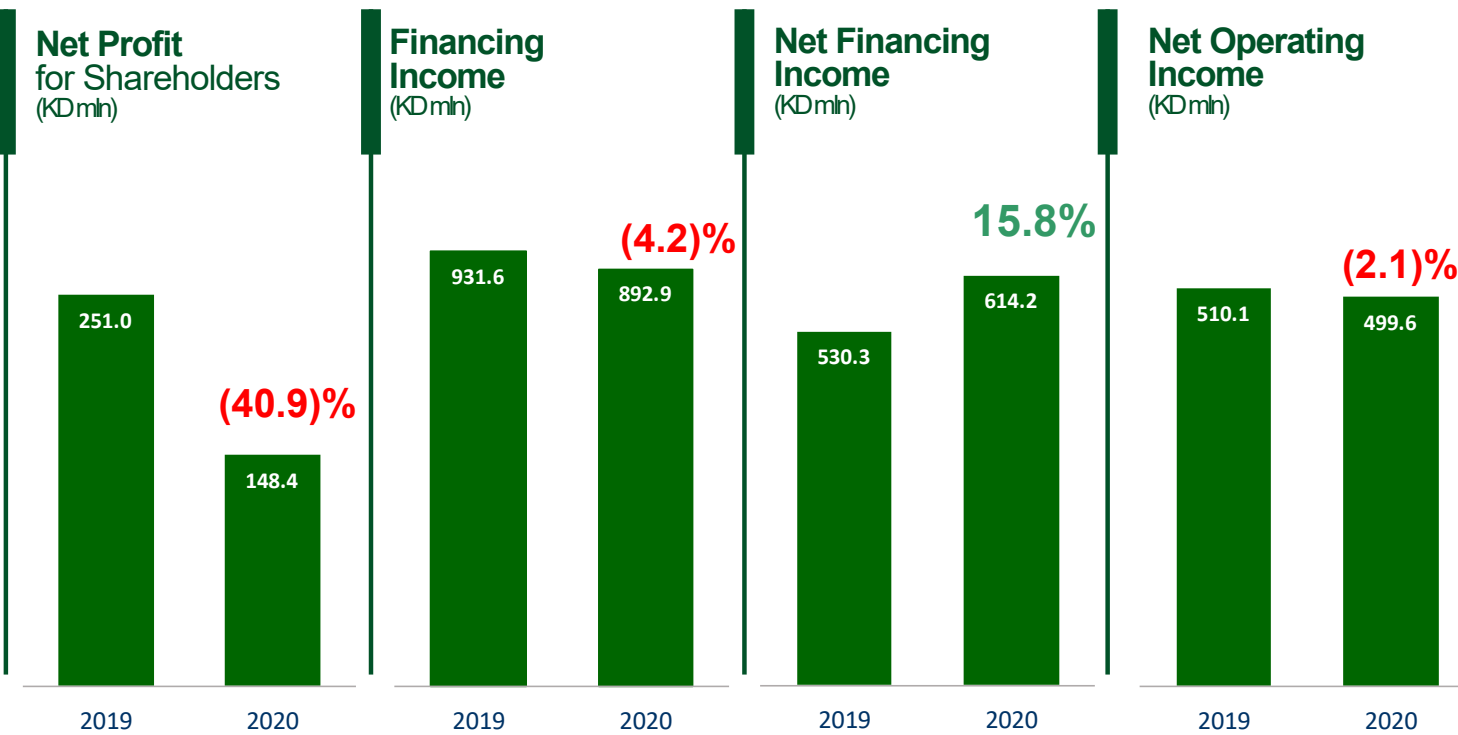
Improved by 15bps

EPS (fils)

19.52

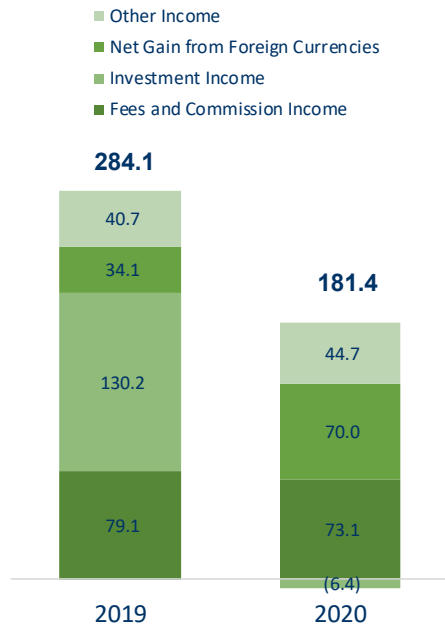
(2019: 33.12fils)

FY20 Operating Performance

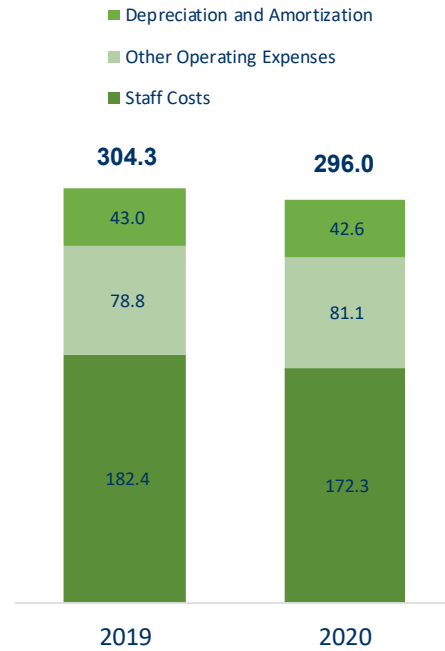


FY20 Operating Performance

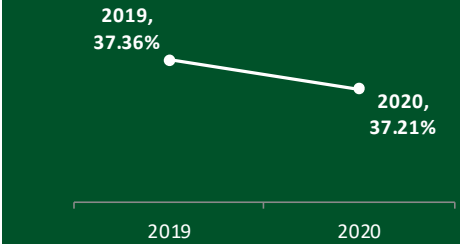
Non - Financing Income (KD mn)



Total Operating Expenses (KD mn)



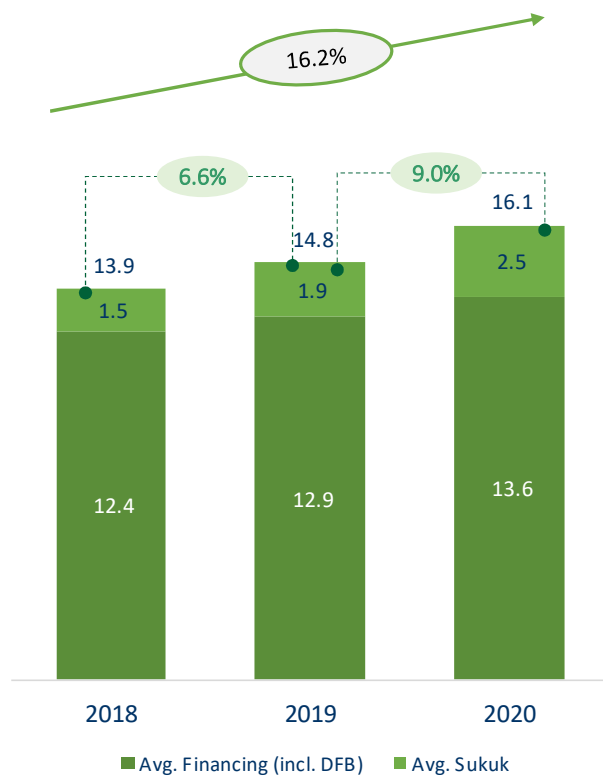
C/I Ratio



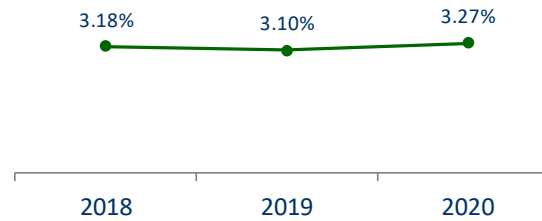
FY20 Operating Performance

Average Profit Earning

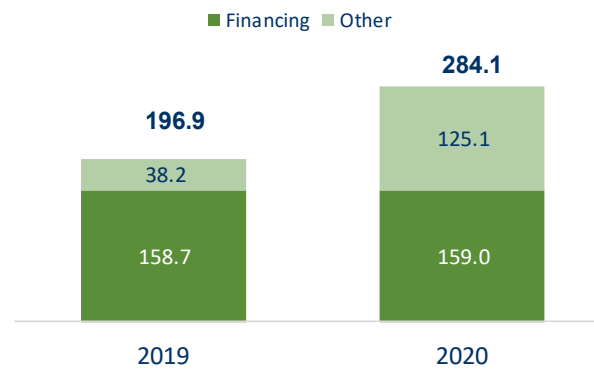
Assets (KD Bln)



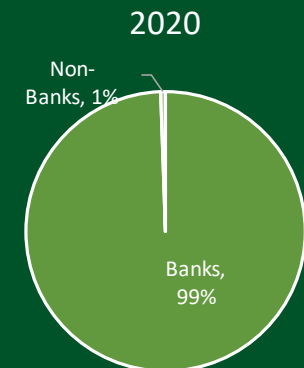
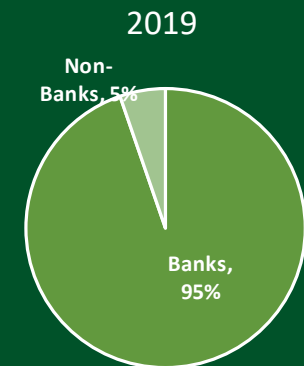
Net Financing Margin



Provision and Impairment (KD mln)



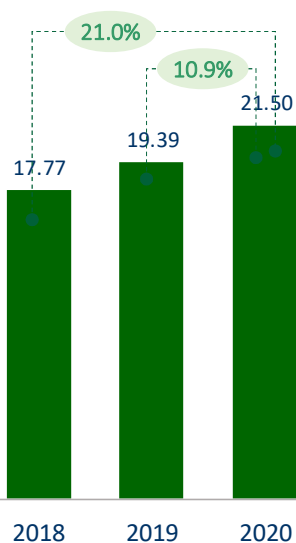
Net Operating Income Banks/ Non-Banks



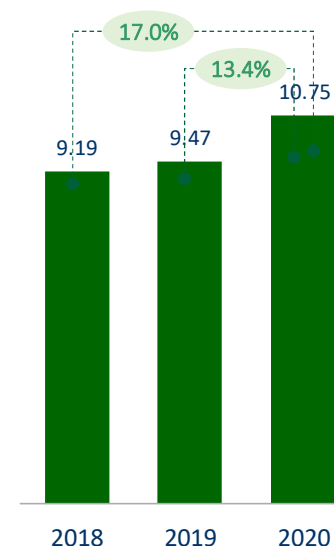
This is a General Document and should not be shared with unauthorized users.

FY20 Operating Performance

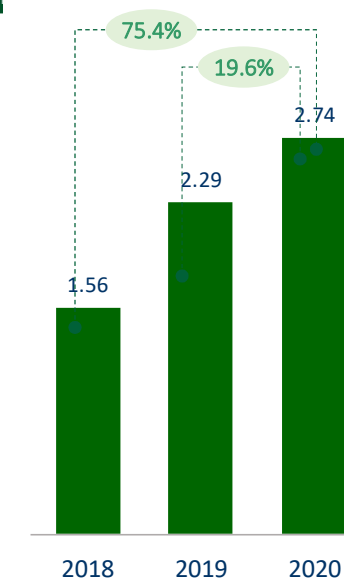
Total Assets
(KDBln)



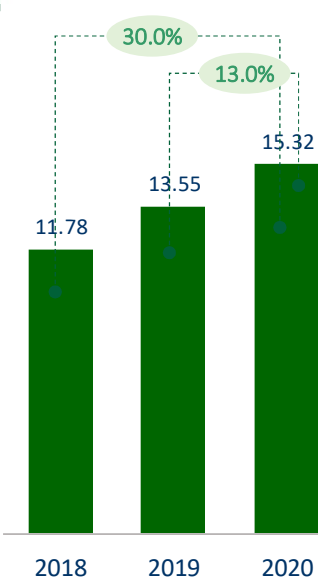
Financing Receivables
(KD Bln)



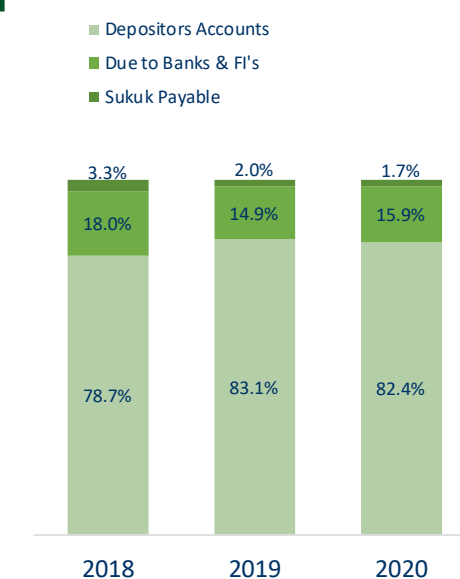
Investment in Sukuk
(KD Bln)



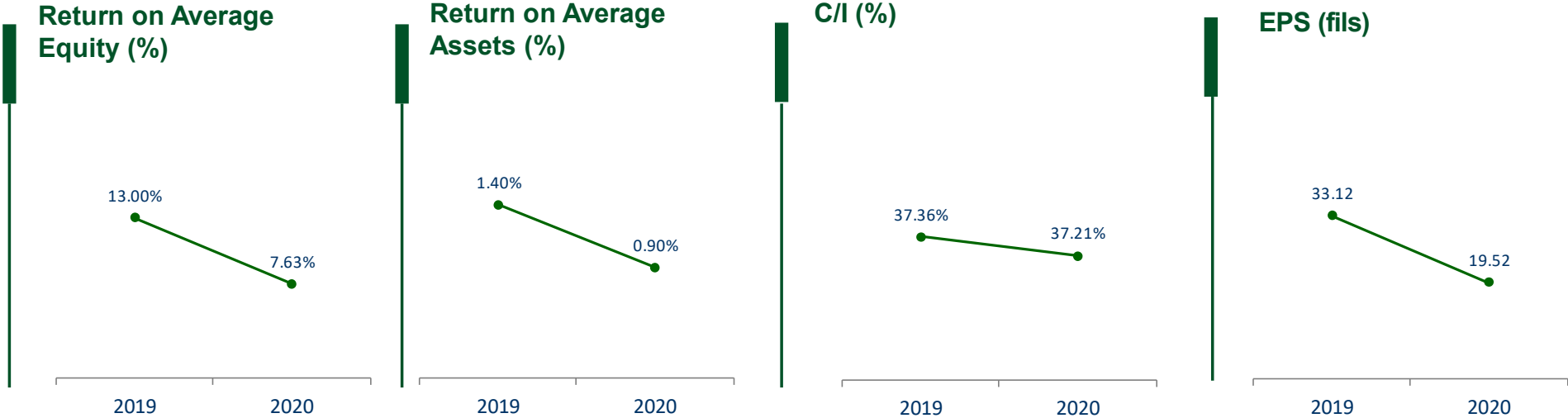
Depositors' Accounts
(KDBln)



Funding Mix



FY20 Operating Performance



The background of the slide features several thin, grey lines that intersect to form a complex geometric pattern. These lines create various triangular and quadrilateral shapes across the page. The most prominent lines include a horizontal line near the top, a diagonal line from the top-left to the bottom-right, and another diagonal line from the top-right to the bottom-left. There are also several other lines that intersect these primary ones, creating a web-like structure.

Q&A

The background of the slide features several thin, grey lines that intersect to form a complex geometric pattern. A prominent horizontal line runs across the upper portion of the slide. Other lines intersect it at various angles, creating a series of triangles and quadrilaterals. The word 'Appendix' is positioned in the lower-left area of this pattern.

Appendix

Consolidated Financials

Consolidated Statement of Financial Position (KD million)	Dec-20	Dec-19
Cash and balances with banks and financial institutions	2,491	1,910
Due from Banks	3,365	3,646
Financing receivables	10,748	9,474
Investment in sukuk	2,742	2,292
Trading properties	102	108
Investments	192	195
Investment in associates and joint ventures	521	504
Investment properties	351	455
Other assets	728	547
Intangible assets and goodwill	32	31
Property and equipment	230	229
TOTAL ASSETS	21,502	19,391
Due to banks and financial institutions	2,954	2,427
Sukuk payables	315	320
Depositors' accounts	15,317	13,553
Other liabilities	814	848
TOTAL LIABILITIES	19,401	17,147
Share capital	767	698
Share premium	720	720
Treasury shares	(28)	(36)
Reserves	476	679
TOTAL EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE BANK	1,936	2,060
Non-controlling interests	165	183
TOTAL EQUITY	2,101	2,243
TOTAL LIABILITIES AND EQUITY	21,502	19,391

Consolidated Statement of Income (KD million)	Dec-20	Dec-19
Financing income	893	932
Financing cost and distribution to depositors	279	401
Net finance income	614	530
Investment income	-6	130
Fees and commission income	73	79
Net gain from foreign currencies	70	34
Other income	45	41
Non-Financing Income	181	284
Tota Operating Income	796	814
Staff costs	172	182
General and administrative expenses	81	79
Depreciation and amortization	43	43
Total Expenses	296	304
Net Operating Income	500	510
Provisions and impairment	284	197
Profit for the Period Before Taxation	215	313
Taxation and Proposed Directors' fees	31	51
Non-controlling interests	36	11
Profit Attributable to Shareholders of the Bank	148	251

This is a General Document and should not be shared with unauthorized users.

Consolidated Statement of Financial Position 2015 - 2020

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

This is a General Document and should not be shared with unauthorized users.

Consolidated Statement of Income 2015 - 2020

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

This is a General Document and should not be shared with unauthorized users.



Investor.relations@kfh.com