

Business

# KFH achieves KD 168.1 million net profit until end of Q3 2021

## Al-Marzouq: Net profit increased by 66.1% compared to same period last year

KUWAIT: Chairman of Kuwait Finance House (KFH) Hamad Abdulmohsen Al-Marzouq said that KFH has, by the grace of Allah, reported net profit of KD 168.1 million until end of Q3 of 2021 for KFH shareholders; an increase of 66.1 percent compared to the same period last year.

Earnings per share until end of Q3 of 2021 reached 20.08 fils; an increase of 66.0 percent compared to the same period last year. Net financing income reached KD 443.0 million; a decrease of 1.7 percent compared to the same period last year. Net operating income reached KD 364.3 million; a decrease of 9.3 percent compared to the same period last year, affected by the decrease in investment income compared to the same period last year.

Financing receivables as of the end of Q3 of 2021 reached KD 11.3 billion, ie, an increase of KD 597.2 million or 5.6 percent compared to the same period last year. Investment in sukuk as of the end of Q3 of 2021 reached KD 2.7 billion; a decrease of 0.3 percent compared to end of year 2020.

Total assets as of the end of Q3 of 2021 reached KD 21.97 billion ie, increase of KD 469 million or 2.2 percent compared to end of year 2020. Depositors' accounts as of the end of Q3 of 2021 reached KD 16.0 billion, ie, increase of KD 692 million or 4.5 percent compared to end of year 2020.

Shareholders' equity as of the end of Q3 of 2021 reached KD 1.9 billion; same level as end of year 2020. In addition, the capital adequacy ratio reached 18.07 percent which is above the minimum limit required by regulators. This ratio confirms the solid financial position of KFH.

### Sustainable growth

Al-Marzouq said that KFH has achieved growth in all key financial indicators and maintained good ratios in terms of return on average assets, average shareholders' equity, operating expenses, NPFs, debt

coverage ratio as well as other financial indicators. This comes as a result of the efficient operational performance, the flexible business model of KFH, and the disciplined implementation of the Bank's strategy where sustainable growth is the most prominent pillar. "Thanks to its effective approach and prudence in risk management, KFH was able to manage the Coronavirus crisis and cope with its repercussions with high flexibility. The bank kept its commitment towards its customers and society," he added. Al-Marzouq expressed his optimism about the improving operating environment, saying that the receding pandemic threats and the rise in oil prices, which supports the state balance, are providing momentum to the economic activity and greater confidence in the business environment. He also emphasized the importance of enhancing the economic reforms efforts and balance free of oil-price fluctuations.

### Green sukuk

Al-Marzouq emphasized KFH's role in sustainability through issuing green sukuk, indicating that the bank has succeeded in arranging sustainability sukuk issuance transaction for KFH-Turkey amounting to \$350 million. The sustainability sukuk issuance is considered as the first of its kind to be issued by an Islamic financial institution and the first tier two sustainability sukuk issuance transaction globally.

Meanwhile, Al-Marzouq highlighted the successful issuance of \$750 million AT1 Mudaraba Sukuk by KFH, saying that the historic sukuk is the largest issuance in Kuwait in terms of size with its subscription orders exceeding \$2 billion, by close to 3 times the targeted issue size.

### Society as a cornerstone

Al-Marzouq emphasized the social responsibility leading role KFH plays in the humanitarian and societal fields, responsible investments, educational, health and

environmental activities, workforce, youth and entrepreneurs support, as well as dealing with society as corner stone and compass in formulating the bank strategies.

### Leading national role

He emphasized that KFH is moving forward in its leading national role through supporting and financing the government development projects, providing wide range of retail and corporate banking and financial solutions as well as SMEs. Al-Marzouq also said that KFH has a diversified financing portfolio that covers different vital sectors including energy, water, power, infrastructure and construction.

### Solid financial results

Meanwhile, Acting Group CEO at KFH, Abdulwahab Essa Al-Rushood said that KFH has successfully achieved solid financial results for the nine months ended 30 September 2021 despite the challenges Coronavirus imposed on the operating environment locally and globally.

He confirmed that KFH enjoys high liquidity ratio and solid capital base that support business growth and adherence to regulatory requirements. Also, Al-Rushood highlighted the importance of continuous improvement of asset quality and developing credit facility policies and governance systems within best practices.

### Supporting the capital base

Al-Rushood said that KFH keeps supporting capital base to diversify financing sources, raise the financial and investment capabilities of the Bank and support various economic projects and infrastructure projects in Kuwait and countries where Group subsidiaries operate (Turkey, Bahrain, Germany, Malaysia and Saudi Arabia).

### 113m digital banking transactions

Al-Rushood said that KFH enhances innovation strategy in banking solutions,

adding that the number of e-banking transactions implemented by KFH customers via KFHonline on the website or through the mobile application exceeded 113 million transactions for the first nine months of 2021, an increase of 26 percent compared to the same period last year.

He added that the high demand from customers on KFH's digital services confirms that the Bank is a digital pioneer distinguished by its diversified solutions that match the customer needs.

### Business and strategies

Al-Rushood said that several global awards that KFH has won confirm its credibility and the prestigious position it enjoys regionally and globally, its strong financial position, the integrity of its procedures and directions and its feasible strategies and actions. The awards include "World's Best Islamic Bank 2021" Award from Global Finance Magazine and "Best Domestic Bank 2021" Award from Asiamoney. In addition, Global Finance Magazine has named KFH as the Safest Islamic Bank in the GCC for 2021 as part of its annual ranking of the World's Safest Banks.

### A distinguished generation of youth talents

Al-Rushood said that KFH has obtained recognition from official local entities for its role and efforts to localize staff and provide them with training, support students and youth and attract distinguished graduates in partnership with universities and academic institutions. He added that KFH has made remarkable progress in qualifying a distinguished generation of Kuwaiti youth competencies in the industry. Al-Rushood cherished the trust of shareholders and customers and the support of the Board of Directors as well as the efforts of the employees and all partners and stakeholders, affirming KFH's endeavor to enhance its leadership in the Islamic financial services industry.



Al-Marzouq

- Financing receivables reached KD 11.3 billion an increase of 5.6%
- Depositors' accounts reached KD 16.0 billion an increase of 4.5%
- The rise in oil prices supports the state balance and provides momentum to the economic activity
- Leading role in sustainability through issuing Green Sukuk
- Society is a corner stone and compass in formulating the bank strategies
- KFH keeps supporting and financing the government development projects



Al-Rushood

- Solid financial results despite the pandemic challenges
- High liquidity ratio and solid capital base support business growth
- More than 113 million e-banking transactions in 9 months
- Qualifying a distinguished generation of national youth competencies

Praise be to Allah

بيت التمويل الكويتي  
Kuwait Finance House



## Financial Results until end of Q3 - 2021

		30/09/2021	30/09/2020	%
<b>Net Profit for Shareholders</b>	"KD Million"	168.1	101.2	66.1
<b>Earnings per Share</b>	"Fils"	20.08	12.10	66.0
<b>Net Financing Income</b>	"KD Million"	443.0	450.5	(1.7)
<b>Net Operating Income</b>	"KD Million"	364.3	401.8	(9.3)
		<b>30/09/2021</b>	<b>31/12/2020</b>	<b>%</b>
<b>Financing Receivables</b>	"KD Million"	11,345	10,748	5.6
<b>Total Assets</b>	"KD Million"	21,971	21,502	2.2
<b>Depositors' Accounts</b>	"KD Million"	16,009	15,317	4.5
<b>Total Shareholders' Equity</b>	"KD Million"	1,929	1,936	(0.4)