

التاريخ	رقم الصادر	الإشارة
2020/08/23	340	ب و ر ت

M/s. Boursa Kuwait Company

السادة/ شركة بورصة الكويت المحترمين

May Allah's Peace and Blessing be upon you,

السلام عليكم ورحمة الله وبركاته،،،

**Subject: The Presentation of Analyst / Investor
Conference for the 1st & 2nd Quarter 2020**

**الموضوع: العرض التقديمي لمؤتمر المحللين/ المستثمرين
للربع الأول والثاني من عام 2020**

At the very beginning, we would like to express our sincere greetings .

بدايةً أتقدم إليكم بأطيب التحيات متمنياً لكم دوام التوفيق والسداد.

We refer to the abovementioned subject and as per the requirements of Article (8-4-2/4) of continuing obligations in the premier market of Chapter 8 (Market Segmentation and Index Rules) of the Boursa Rule Book issued as per Decision No. (1) for year 2018 as amended, and since Warba Bank has been classified in the "Premier Market".

وبالإشارة إلى الموضوع أعلاه، ووفقاً لمتطلبات المادة رقم (4/2-4-8) المتعلقة بالالتزامات المستمرة للسوق الأول من الفصل الثامن (قواعد أقسام ومؤشرات السوق) من كتاب قواعد البورصة الصادر بموجب القرار رقم (1) لسنة 2018 وتعديلاته، وحيث أن بنك وربة تم تصنيفه ضمن "السوق الأول - Premier Market".

We would like to advise that the quarterly analyst/investor conference was held by means of Live Webcast at 2:00 P.M. Kuwait time Sunday August 23rd 2020.

يرجى الإحاطة بأن مؤتمر المحللين/ المستثمرين قد انعقد عن طريق بث مباشر على شبكة الإنترنت (Live Webcast) في تمام الساعة الثانية (وفق التوقيت المحلي) من بعد ظهر يوم الأحد الموافق 23 أغسطس 2020.

It is worth mentioning that no material information was revealed during the conference.

علماً بأنه لم يتم تداول أية معلومات جوهرية خلال المؤتمر.

Attached herewith the investors' presentation for Q1 & Q2, 2020.

ونرفق لكم العرض التقديمي للمستثمرين للربع الأول والثاني 2020.

Best regards,

وتفضلوا بقبول فائق التقدير والاحترام،،،

Shaheen Hamad Al Ghanem

شاهين حمد الغانم

Chief Executive Officer

الرئيس التنفيذي

بنك وربة
WARBA BANK

Investors Relation Presentation

1st & 2nd Quarters of year 2020

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- Warba Bank Profile
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Kuwait Market

Key Indicators	
Sovereign Ratings	Aa2 / AA- / AA (Moody's / S&P / Fitch)
Gross Domestic Product (constant); <i>Ref.: World Bank</i>	USD 143.2bn
Crude Oil Reserves (barrels million) <i>Ref.: OPEC</i>	101,500
Public Debt (% GDP) <i>Source: IMF</i>	11.6%

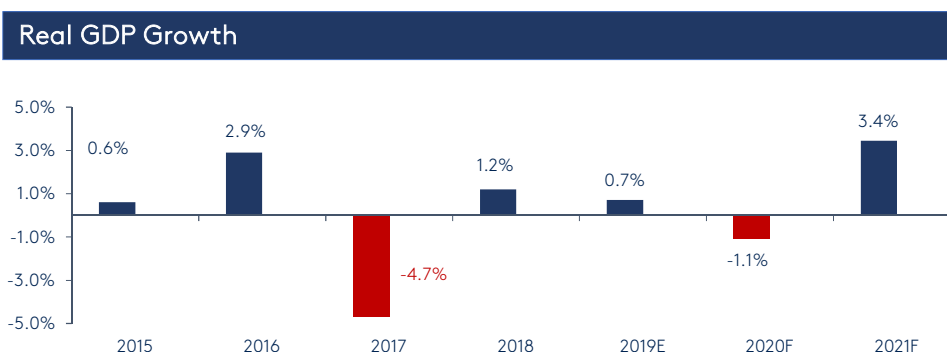
Economy

The global pandemic has had an acutely negative impact on Kuwait's economy as the nation moved forward on forced business closures to contain the spread of the disease. In consequence, World Bank projects that Kuwait's GDP will shrink by 5.4% in 2020. Sectors such as retail, hospitality and transportation sectors have been hit hard.

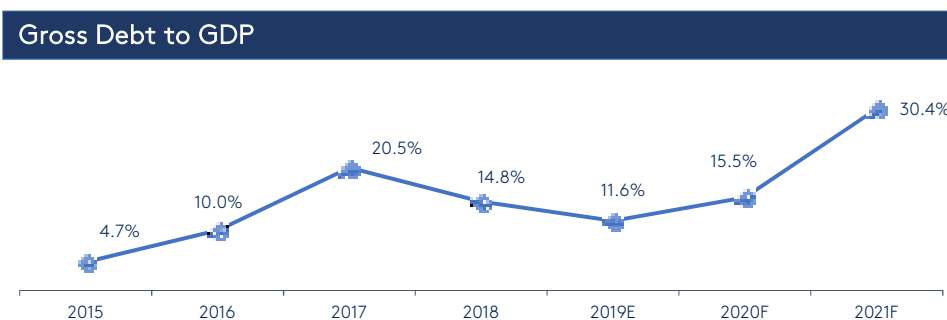
The fall in oil prices as a result of the global slowdown is likely to further add to the ongoing challenges faced by Kuwait's economy.

- Prudential Rules**
- Finance Extended to Individual & SME, *Deferral of 6 months Instalments*.
 - Finance to Deposit Ratio (LDR) up to 100%.
 - Capital Adequacy, temporary release of 2.5% conservation buffer.
 - Extend the liquidity gaps and lower requirements for liquidity ratios.

Source: Central Bank of Kuwait; announcements



Source: IMF, database country wise.



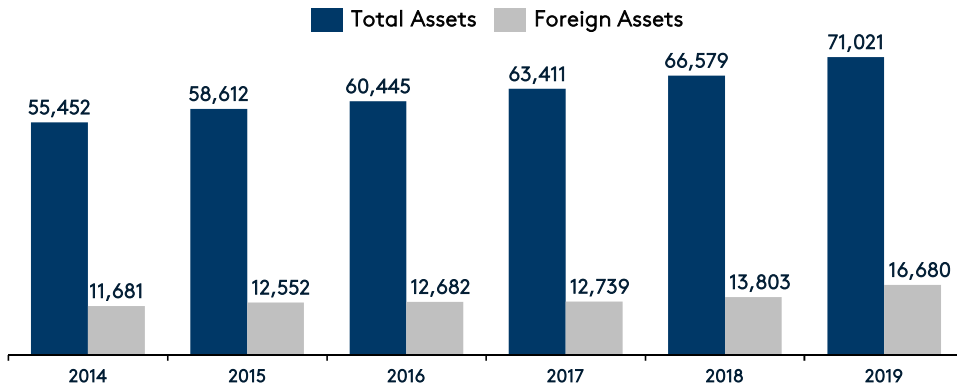
Source: IMF Country Report, March 2020

Kuwait Banking Sector

Snapshot

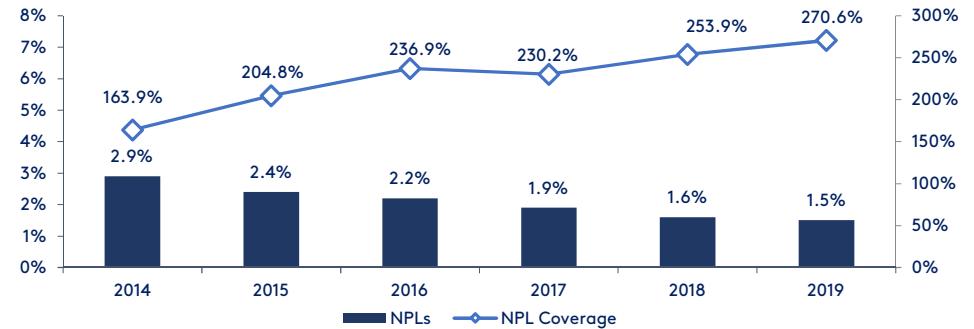
- The decline in economic growth will impact the banking sector as businesses weaken considerably over the next few quarters.
- This will reflect in asset quality metrics showing some deterioration across the banking sector. The capital buffers that are in place will provide the required cushion to help banks tide over the slowdown.
- The Central Bank of Kuwait's initiatives to support the banking sector by easing loan to value limits, risk weighting requirement and liquidity requirements is a welcome step to support the banking sector and the economy on the whole.

Total Banking Assets and Foreign Assets (KWD Million)



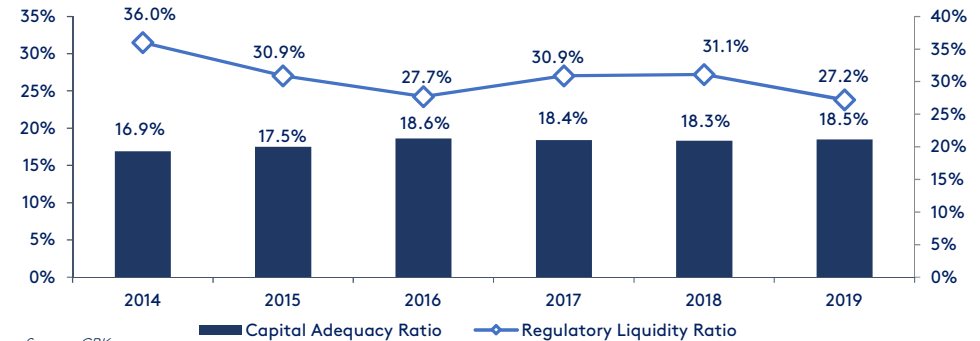
Source: CBK

Kuwait Banking Sector Asset Quality



Source: CBK

Kuwait Banking Sector Capital Adequacy and Liquidity¹



Source: CBK

¹ Ratio of Balances with the Central Bank of Kuwait (current and deposits), Government Treasury Bills and Bonds or any other financial instruments issued by Central Bank of Kuwait to customers' KD-deposits, (During 2020, minimum requirement temp changed to 15%).

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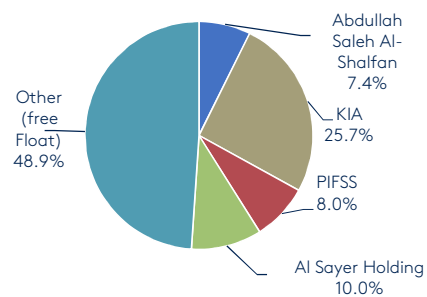
Warba Bank Profile

Overview

- Warba Bank K.S.C.P. (“Warba” or the “Bank”) is a Kuwaiti public shareholding company that was incorporated on 17 February 2010 in Kuwait and officially enrolled in the Central Bank of Kuwait’s Register of Islamic Banks on 7 April 2010.
- The Bank operates via a network of 14 branches, 15 in-branch automated teller machines (“ATMs”), 64 offsite ATMs as well as point of sale terminals and other electronic channels such as telebanking, internet banking and mobile banking.
- The Bank’s shares are listed on the Kuwait Stock Exchange and its market cap as of 30th June 2020 is KWD 322.9mn (USD 1,048.8mn) after bonus share of 5% distribution.
- The Bank was the newest but fastest growing Islamic bank for 5th consecutive year and best digital banking services in Kuwait.

Shareholding Structure

- The State of Kuwait is the largest shareholder in the Bank, holding 33.7% of the Bank’s shares through Kuwait Investment Authority (“KIA”) and the Public Institution for Social Security (“PIFSS”).
- Al Sayer Holding, a leading Kuwaiti Business Family House is the second largest shareholder with a 10.0% stake



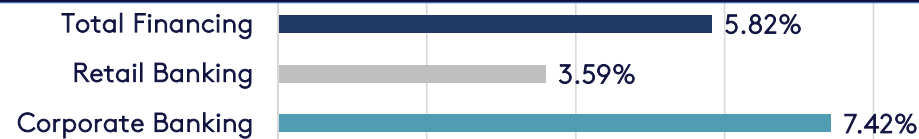
Financial Snapshot

(USDmn, unless otherwise stated)	Q1-2019	Q2-2019	Q1-2020	Q2-2020
Financing Receivables	5,791	6,369	7,604	7,766
Total Assets	8,524	8,973	10,472	11,031
Depositors’ Accounts	4,104	5,265	6,323	6,741
Total Equity	909.6	929.1	880.0	840.5
Operating Income	47.0	88.5	46.5	85.7
Net Profit	12.6	21.4	6.8	(48.6)
Net Financing Margin	2.05%	2.06%	1.7%	1.5%
Cost to Income Ratio	35.4%	39.1%	46%	49%
Capital Adequacy Ratio	22.28%	20.96%	16.2%	15.2%
NPF Ratio	1.68%	1.40%	2.34%	3.42%

Rating Agency Long-Term Rating Outlook Date Reaffirmed

Moody's	Baa2	Stable	14 May 2020
FitchRatings	A+	Stable	30 Sep 2019

Market Share



Source: CBK Statistical Bulletin, Warba

Overview of Strategy



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Key Activities

Prestigious Awards

Two Prestigious accolades won during first half of year 2020 including:

- “Fastest Growing Bank in Kuwait”
- “Most Innovative Application in Kuwait”

Both accolades awarded by the renowned International Finance Magazine.

Digital Factory

- Strategic telecom partnership with Ooredoo Kuwait to provide a series of Banking-Telecom products & services with a vision to deliver an extraordinary digital experience.
- Exclusive partnership with the Fintech app Bookeyy - mobile wallet application enable digital payments.

Treasury Group

Sukuk Issuance of KD 150 Million

Kuwait’s 1st financial institution to issue a dinar denominated Sukuk. The Bank issued the senior unsecured sukuk facility of KWD 150 million tranche over 5-years

Retail/Corporate Banking Group

- Bulk cash deposit machine for corporate clients in Sharq Branch.
- Multi-currency ATM machine at T-4 airport.
- Salary transfer package for retail customers promoting cash prizes.
- Sunbula Draw Program for 2020 with double the numbers of winners.
- The highest cashback program in Kuwait on credit cards.

Corporate Social Responsibility

Awareness campaign on the novel coronavirus (Covid-19):

A lead awareness session on the standard operating procedure (SOPs) of health and safety during the pandemic.

Innovative Products and Services

Launched new digital banking services by Al-Wateen on iOS & Android including:

- New Jam3eya features;
- New Hassala features;
- Al Mustashar an in-app personalized banking advisor
- Cards additional online services.

Investment Banking Group

- Acted as “Joint Lead Arranger & Book Runner” for sukuk issuance of Boubyan bank and Dar Al-Arkan Real Estate Development Company.
- Acted as “Mandated Lead Arranger” for senior secured syndicated financing facility for Fly Dubai – Dubai Aviation Corporation (UAE).

Brand Value

Participated as a gold sponsor at Kuwait Expo 2020 to showcase Warba’s digital banking services.



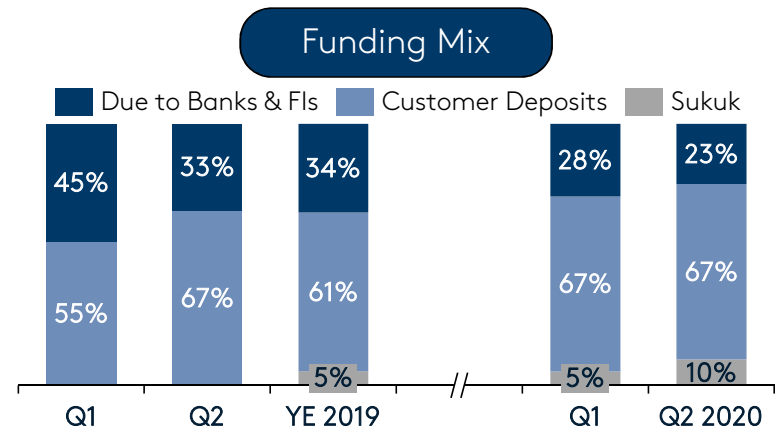
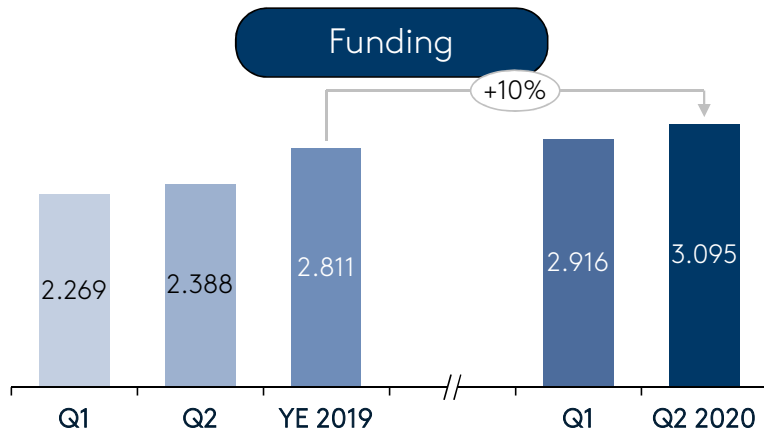
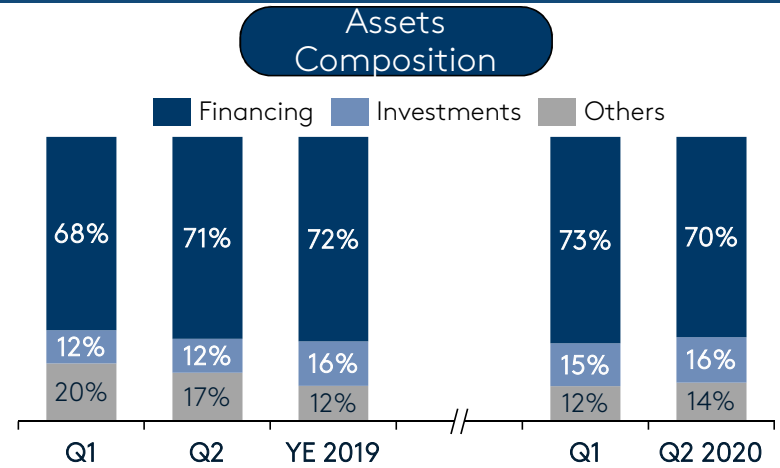
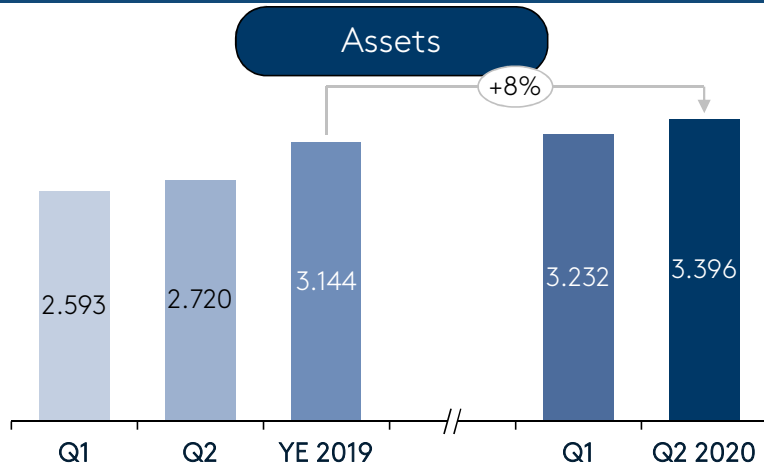
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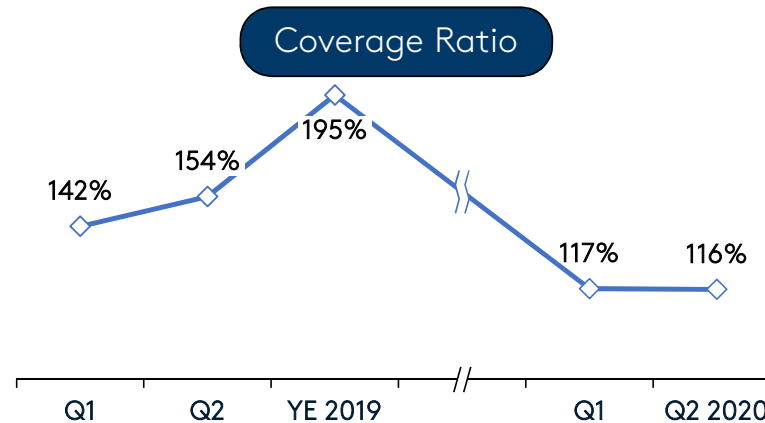
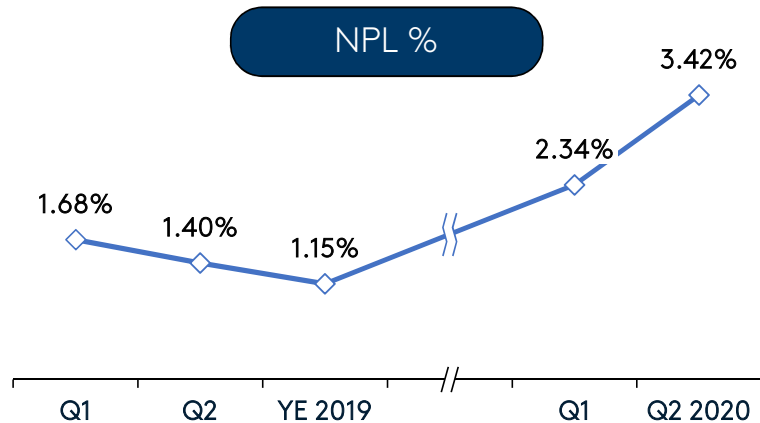
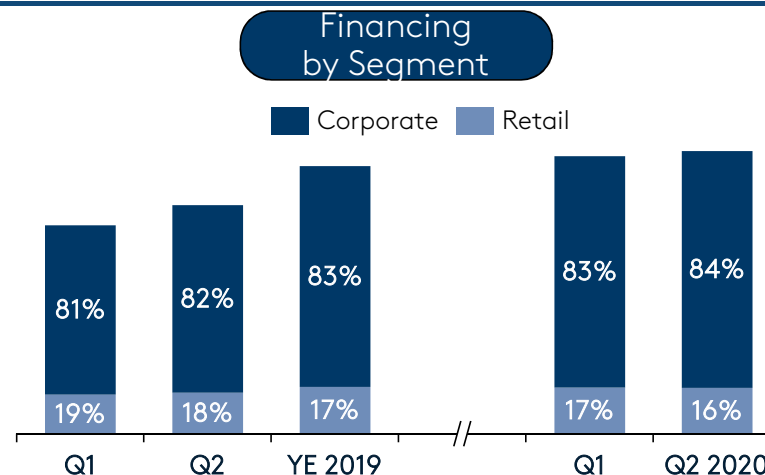
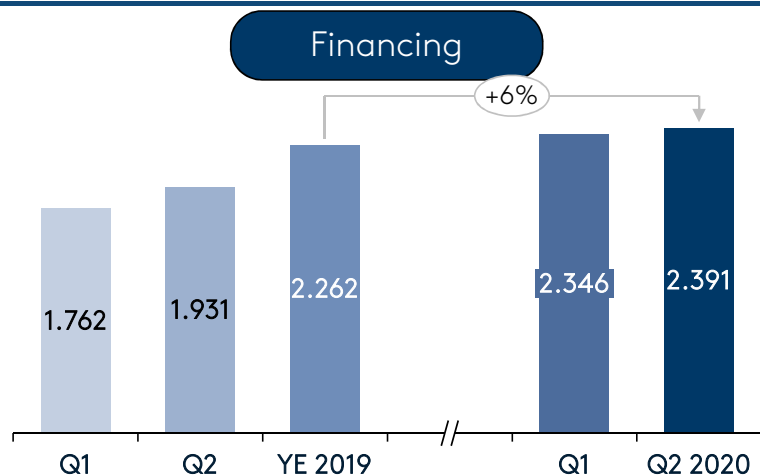
Overview of Balance Sheet

figures in Billion KWD



Asset Quality

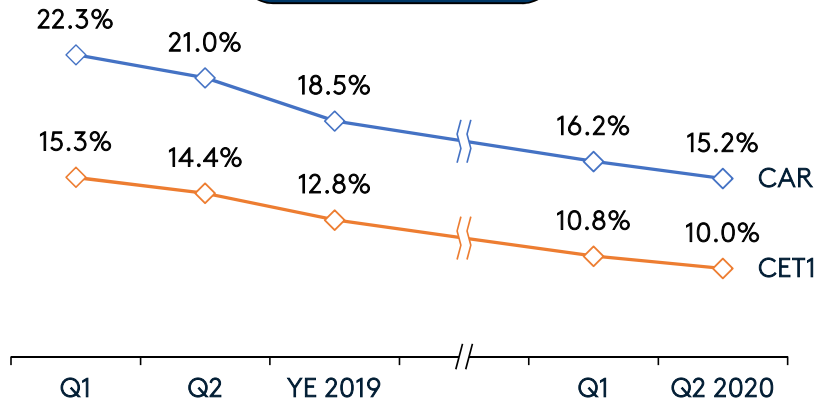
figures in Billion KWD



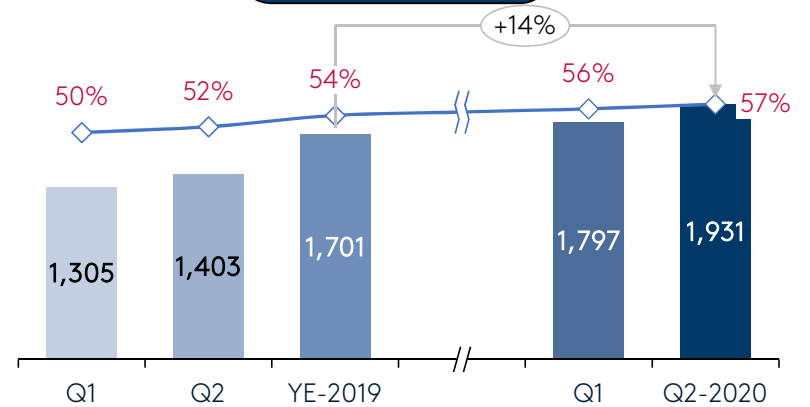
Capital Adequacy Ratio

figures in Million KWD

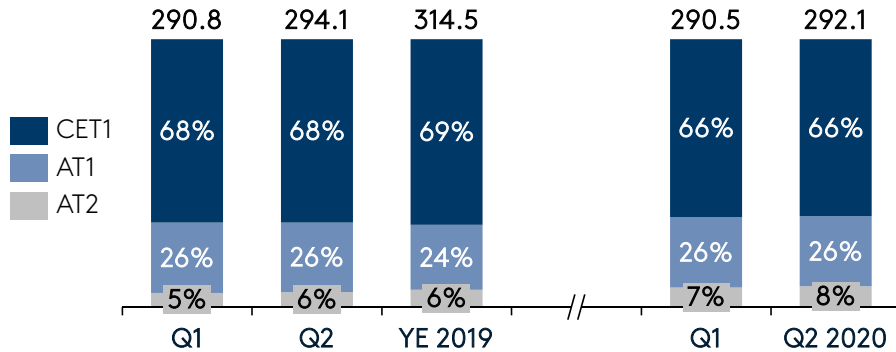
CAR %



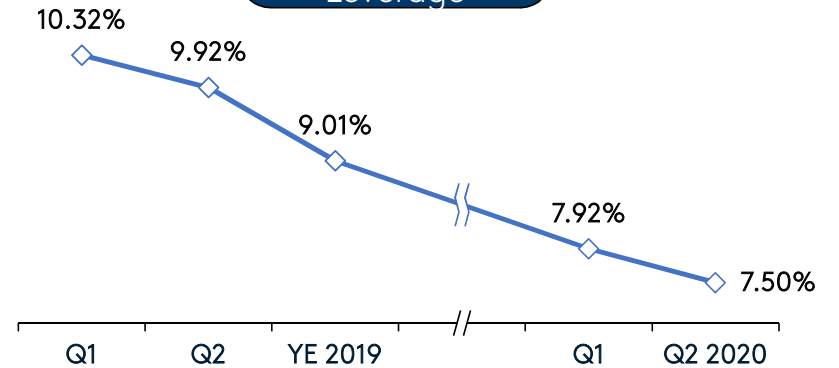
RWA to T. Assets



Capital Base



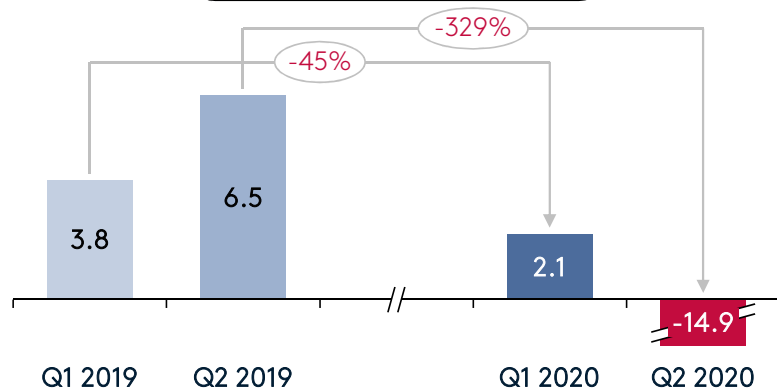
Regulatory Leverage



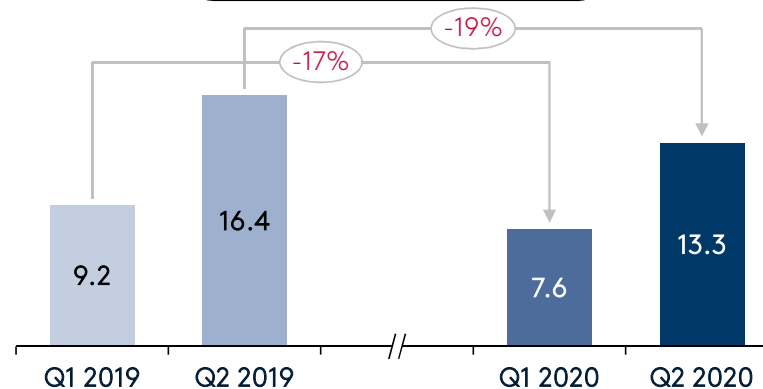
Earnings Results

figures in Million KWD

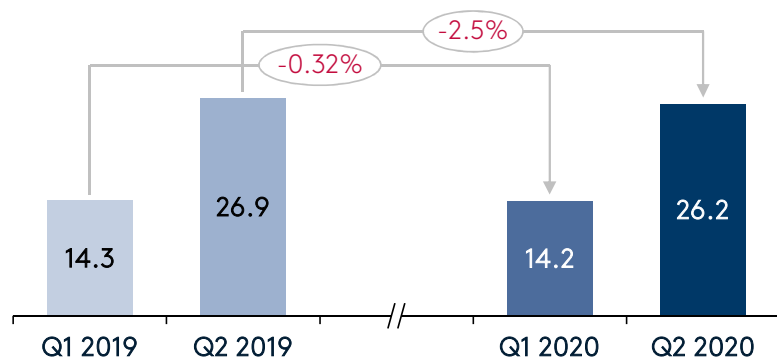
Net Profit



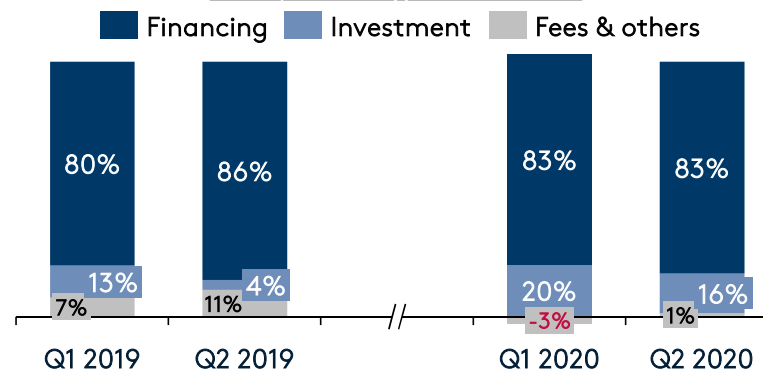
Net Profit before Provision



Operating Income



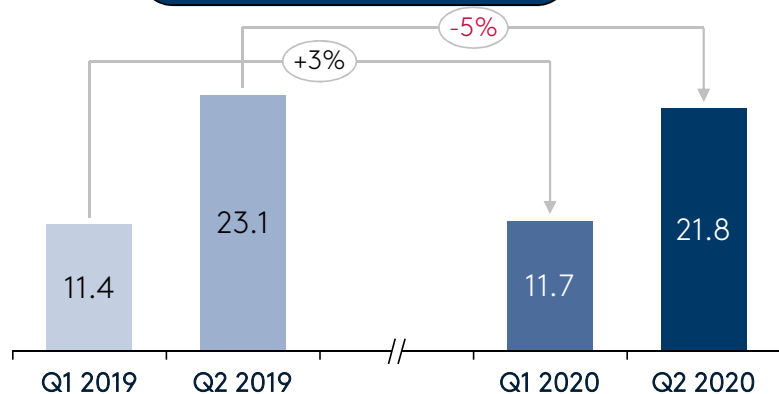
Composition of Operating Income



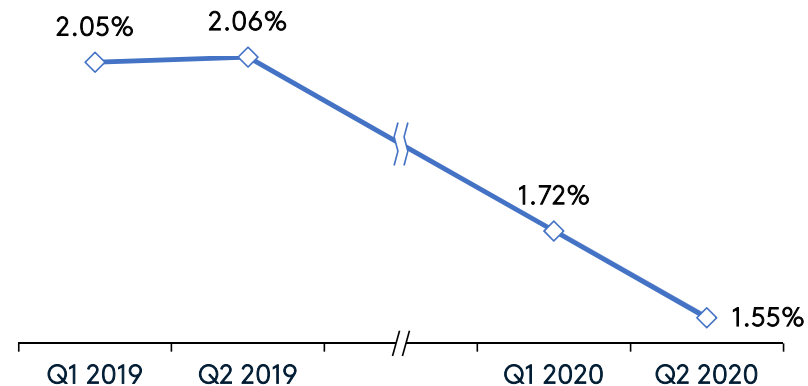
Earnings Results (Continued)

figures in Million KWD

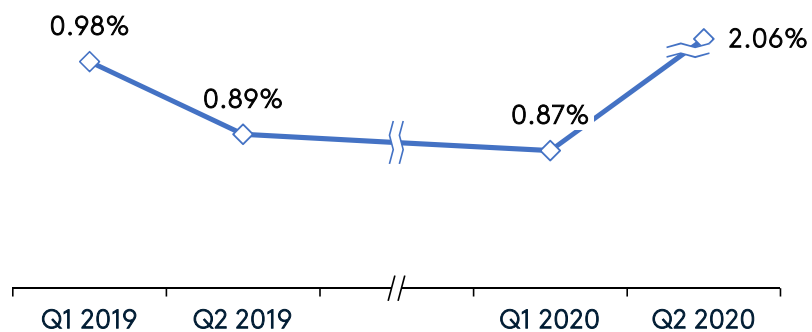
Net Financing Income



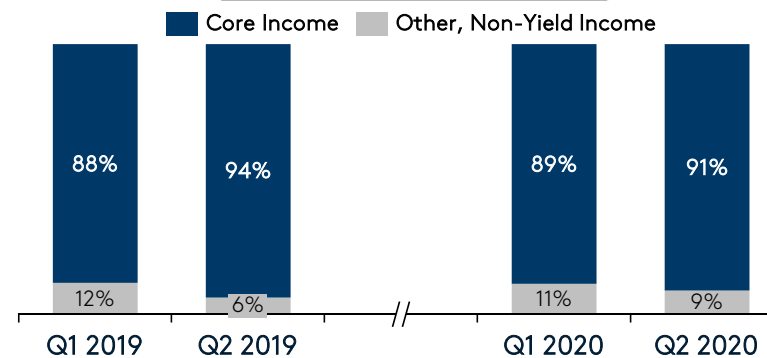
Net Financing Margin



Provision Charged

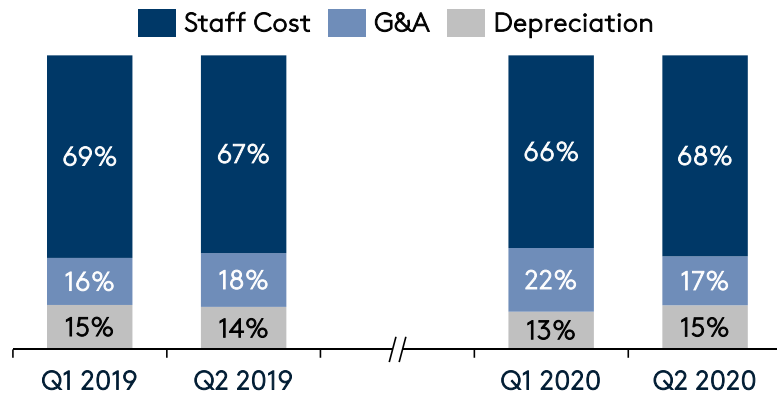


Ratios of Core Income

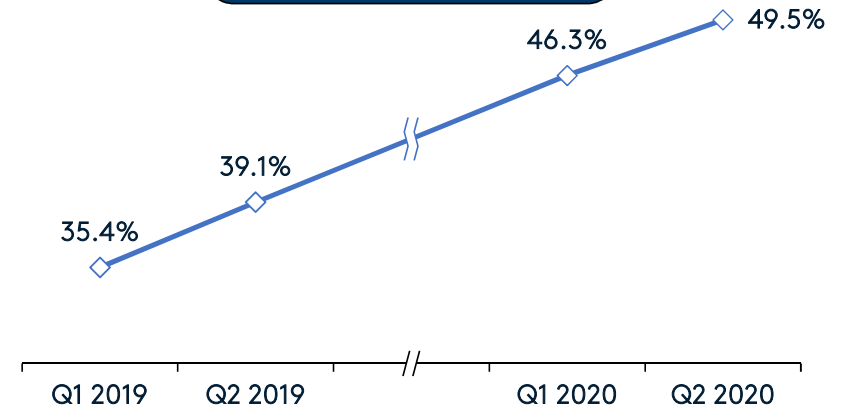


Earnings Results (Continued)

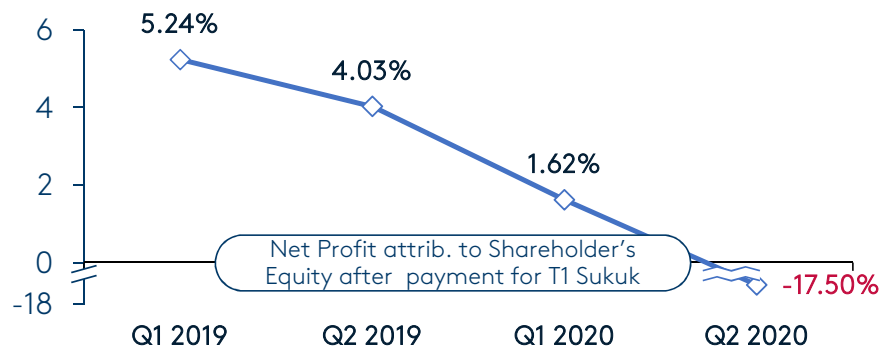
Operating Cost



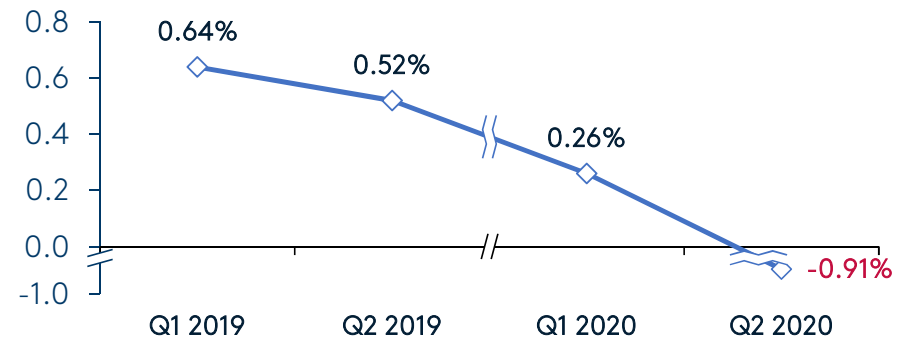
Cost to Income Ratio



ROAE



ROAA



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Financial Position

(All Figures in KWD'000)	Q1-2020	YE-2019	Growth (YTD)	
	Actual	Actual	KWD	%
Placements & Balances with Banks	311,963	328,247	(16,284)	(5%)
Financing Receivable	2,346,445	2,261,974	84,471	4%
Investments	487,533	490,762	(3,229)	(1%)
Fixed & Other Assets	85,571	62,700	22,871	36%
Total Assets	3,231,512	3,143,683	87,829	3%
Due to Banks & FIs	810,655	953,303	(142,648)	(15%)
Customer Deposits	1,951,231	1,705,811	245,420	14%
Senior Sukuk	153,830	152,179	1,651	1%
Other Liabilities	44,236	38,030	6,206	16%
Total Liabilities	2,959,952	2,849,323	110,629	4%
Paid-up Capital	190,000	190,000	-	-%
Retained Earnings	17,153	17,561	(408)	(2%)
Reserves	(11,956)	10,436	(22,392)	(215%)
Tier 1 Sukuk	76,363	76,363	-	-%
Total Equity	271,560	294,360	(22,800)	(8%)
Total Liabilities and Equity	3,231,512	3,143,683	87,829	3%

Financial Position

(All Figures in KWD'000)	H1-2020	YE-2019	Growth (YTD)	
	Actual	Actual	KWD	%
Placements & Balances with Banks	383,381	328,247	55,134	17%
Financing Receivable	2,390,719	2,261,974	128,745	6%
Investments	542,659	490,762	51,897	11%
Fixed & Other Assets	79,201	62,700	16,501	26%
Total Assets	3,395,960	3,143,683	252,277	8%
Due to Banks & FIs	715,012	953,303	(238,291)	(25%)
Customer Deposits	2,075,285	1,705,811	369,474	22%
Senior Sukuk	304,706	152,179	152,527	100%
Other Liabilities	42,214	38,030	4,184	11%
Total Liabilities	3,137,217	2,849,323	287,894	10%
Paid-up Capital	197,500	190,000	7,500	4%
Retained Earnings	(18,033)	17,561	(35,594)	(203%)
Reserves	2,913	10,436	(7,523)	(72%)
Tier 1 Sukuk	76,363	76,363	-	-%
Total Equity	258,743	294,360	(35,617)	(12%)
Total Liabilities and Equity	3,395,960	3,143,683	252,277	8%

Income Statement

(All Figures in KWD'000)	Q1-2020	Q1-2019	Growth (Y-o-Y)	
	Actual	Actual	KWD	%
Financing Income	31,063	24,373	6,690	27%
Financing Cost	19,330	12,958	6,372	49%
Net Financing Margin	11,733	11,415	318	3%
Investment Income	2,884	1,789	1,095	61%
Fees & Commissions	885	1,201	(316)	(26%)
Foreign Exchange Income	(1,326)	(255)	(1,071)	420%
Other Income	41	112	(71)	(63%)
Operating Income	14,217	14,262	(45)	-%
Staff Cost	4,314	3,486	828	24%
General & admin expenses	1,430	804	626	78%
Depreciation Expenses	842	765	77	10%
Operating Expenses	6,586	5,055	1,531	30%
Net Operating Income	7,631	9,207	(1,576)	(17%)
Provisions	5,439	5,202	237	5%
Taxes	108	184	(76)	(41%)
Net Profit	2,084	3,821	(1,737)	(45%)
EPS (fils)	(0.27)	0.90	(1.17)	

Income Statement

(All Figures in KWD'000)	H1-2020	H1-2019	Growth (Y-o-Y)	
	Actual	Actual	KWD	%
Financing Income	57,993	51,255	6,738	13%
Financing Cost	36,179	28,196	7,983	28%
Net Financing Margin	21,814	23,059	(1,245)	(5%)
Investment Income	4,081	1,038	3,043	293%
Fees & Commissions	2,135	2,200	(65)	(3%)
Foreign Exchange Income	(1,930)	464	(2,394)	(516%)
Other Income	144	121	23	19%
Operating Income	26,244	26,882	(638)	(2%)
Staff Cost	8,871	7,078	1,793	25%
General & admin expenses	2,173	1,927	246	13%
Depreciation Expenses	1,937	1,513	424	28%
Operating Expenses	12,981	10,518	2,463	23%
Net Operating Income	13,263	16,364	(3,101)	(19%)
Provisions	28,139	9,552	18,587	195%
Taxes	-	312	(312)	(100%)
Net Profit	(14,876)	6,500	(21,376)	(329%)
EPS (fils)	(11.03)	2.56	(13.59)	

Bursa Announcements

25 June 2020	Supplementary Disclosure Cancellation of the Previously Published Call for Nomination to the Membership of Warba Bank Board of Directors
22 Jun 2020	Material Information Disclosure Appointing Chief Operations Officer and Delegating Chief Retail Banking Officer
16 Jun 2020	Material Information Disclosure Issuance of Sukuk not Exceeding KD 150 Million
14 Jun 2020	Material Information Disclosure Warba Bank Obtaining CMA Approval on the Contents of the Private Offering Prospectus for the Issuance of Sukuk not Exceeding KD 150 Million
11 Jun 2020	Warba Bank's Disclosure about Dealing with Rumors and News
01 Jun 2020	Supplementary Disclosure Cancellation of the Previously Published Call for Nomination to the Membership of Warba Bank Board of Directors
27 May 2020	Material Information Disclosure Warba Bank obtained CBK & CMA Approvals to Issue Sukuk not Exceeding KD 150 Million
17 May 2020	Credit Rating Disclosure
04 May 2020	Corporate Action Confirmation
04 May 2020	Election of New Board of Directors
27 April 2020	Annual general meeting outcome
20 April 2020	Annual general meeting outcome
16 April 2020	Material Information Disclosure Regarding Expiry of the Employment Contract of the Chief Internal Auditor and Hiring a New One
07 April 2020	Supplementary Disclosure from Warba Bank regarding Exposure to NMC Healthcare Company
06 April 2020	Material Information Disclosure Exposure to NMC Healthcare Company
31 Mar 2020	General Assembly Meeting 20/04/2020
30 Mar 2020	General Assembly Meeting 20/04/2020
24 Feb 2020	Transcript of the Analysts Conference
24 Feb 2020	The Analyst / Investor Conference held for the 4th Quarter 2019
20 Feb 2020	Financial Results 31/12/2019
21 Jan 2020	Disclosure regarding an unusual trades during trading session 20/1/2020



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THANK YOU