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2020/08/24	342	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 Analyst / Investor Conference for
the 1st & 2nd Quarter 2020**

**الموضوع: مؤتمر المحللين/ المستثمرين
للمربع 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", and following our previous disclosure dated 24/08/2020 in this regard.

وبالإشارة إلى الموضوع أعلاه، ووفقاً لمتطلبات المادة رقم (4-4-2/4) 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"، وإحاقاً لإفصاح مصرفنا السابق بهذا الخصوص الصادر 2020/08/24.

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.

Attached herewith the minutes of the conference mentioned above and the investors' presentation for Q1 & Q2, 2020.

ونرفق لكم محضر المؤتمر سالف الذكر واستعراض المستثمرين للمربع الأول والثاني 2020.

Best regards,

وتفضلوا بقبول فائق التقدير والاحترام،،

Shaheen Hamad Al Ghanem

شاهين حمد الغانم

Chief Executive Officer

بنك وربة
WARBA BANK

الرئيس التنفيذي



Warba Bank K.S.C.P

Financial Year 1st and 2nd Quarters of year 2020, Earnings Review

Edited transcript of Warba Bank earnings conference conducted on:

Sunday 23rd August 2020;

at 14:00 Kuwait Time.

Corporate participants:

Mr. Shaheen Al-Ghanem

Chief Executive Officer

Mr. Khaled Hafez

Chief Financial Officer

Mr. Mohamed Abu Rehab

Senior Director, Financial Control and Development

Chairperson

Elena Sanchez

EFG Hermes

Elena Sanchez

Good afternoon, everyone, and welcome to Warba Bank's Q1 and Q2 of year 2020 webcast.

It's a pleasure to have with us on the call today:

- Mr. Shaheen Al-Ghanem, CEO of Warba;
- Mr. Khaled Hafez, CFO of Warba; and
- Mr. Mohamed Abu Rehab, Senior Director Financial Control and Development.

I will now handover the call to Mr. Mohamed, thank you.

**Mohamed Abu
Rehab**

Thank you, Elena.

Good afternoon everyone. We are glad to have you in our analyst call for the first and second quarters of year 2020.

The today's session will be based on the Capital Markets Authority directives regarding the mechanism for disclosing the results of first and second quarters of year 2020, which is relevant to Clause (4) of Article 8-4-2 of the Premier Market's rules of the Kuwait Stock Exchange.

In the beginning, I would like to read out a brief disclaimer for today's presentation.

Certain statements in this presentation may constitute forward-looking views. These statements reflect the Bank's expectations and are subject to risk and uncertainty that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein.

The Bank does not assume any obligations to update its views of such risks and uncertainties or to publicly announce the results of any revisions to forward-looking statements made herein. In addition to this disclaimer

we just read now, we do encourage you all to refer to our full disclaimer which is displaying right now on page-2 of the presentation.

So, let's move to our presentation for today, we will start the presentation with opening remarks from the bank's CEO Mr. Shaheen Al-Ghanem then will be followed by a presentation from the bank's CFO, Mr. Khaled Hafez; that covers in-details the updates of financial performance of Warba for the 3 months ended on 31st March and 6 months ended on 30th June of the year 2020.

Upon finalizing the presentation slides, we will be ready to receive all questions through the webcast. For Warba "Investor Relations" website we encourage you to download the applications and get access to up to date as well as historical news, disclosures and financial reports of the bank.

Now, you can download the presentation through the link on your screen through the webcast platform, as **I would like to hand the call over to Mr. Shaheen Al-Ghanem the Bank's CEO; to take you through a brief update on Warba profile.**

Shaheen Al-Ghanem Good afternoon.

Thank you all for joining us today in our first Quarter and half-year "Earnings Review" webcast for 2020.

The global pandemic has an acutely negative impact on Kuwait's economy as the nation moved forward on forced business closures to contain the spread of the disease. After the lockdowns that was started in March this year, a rebound in economic activities could be expected from the third quarter onwards as restrictions are expected to gradually lift by then.

As a result, the decline in economic growth will impact the banking sector as businesses weaken considerably over the next few quarters. This will reflect in the asset quality metrics showing some deterioration across the banking sector. However, the capital buffers that currently 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, extending finance to SMEs and individuals, risk weighting requirement, capital and liquidity requirements is a welcome step to support the banking sector and the economy overall.

As part of supporting our customers to overcome the negative financial impact of the pandemic, Warba had implemented the agreed decision to defer all consumer and instalment facilities for 6 months starting from 1st of April 2020 with no extra charges, fees or profit to our customers.

Moving on, I will take you through a brief overview of operations within Warba Bank.

The Warba Management has tightly aligned with the existing economic and health conditions and were able to serve the stakeholders of the bank by adopting the most innovative and safely ways. On an early stage of the pandemic, Warba bank had participated in KWD 10M Fund established by Central Bank of Kuwait to support government effort to contain drawback resulted from (Covid-19).

In corporate social responsibility's aspect, Warba has conducted an awareness campaign on the novel coronavirus (Covid-19) to educate people on the standard operating procedure of health and safety during the pandemic.

On 17th June 2020, Warba Bank debuted as Kuwait's 1st financial institution to issue a dinar denominated Sukuk. The Bank issued senior sukuk facility of KWD 150 million over 5-years. The sukuk was priced on a floating rate basis at 100 basis points above CBK discount rate and listed on Euronext Dublin. This issuance establishes a new pricing benchmark for the market and will spur the development of the capital market as there is now a Kuwaiti dinar-denominated reference point for issuers and investors.

Warba's brand image got its recognition through 2 prestigious accolades won during the first half of year 2020 including the "Fastest Growing Bank in Kuwait" and the "Most Innovative Application in Kuwait" awarded by the renowned International Finance Magazine.

About the financial results of the first and second quarters:

Warba announced its half year operating profit amounted to KWD 13.3 million even though the negative effects resulted from the unrepresented circumstances of Covid-19 pandemic globally and in Kuwait. Such pandemic resulted in almost full stoppage of all human and economic activities and as a result contributed to net half year of 2020 losses amounted to KWD 14.9million.

Warba had applied an aggressive conservative provisioning strategy during the first half of 2020 which included provision charge amounted to KWD 28million. The bank was akin to apply a one-off provision charge instead of providing it on stages during current year to increase the level of financial position stability.

On the other hand, the banks total asset had grown by 25% to reach KWD 3.4 billion, customer deposit by 17% to KWD 2.8 Billion and financing

portfolio by 25% to KWD 2.4 billion by half year ended 30th June 2020 compared with same period of last year.

Finally, Warba credit rating has been updated by Moody's "Baa2" with change to "stable" outlook, whereas FITCH rating stands to "A+" with "stable" outlook.

I will hand over the call now to Mr. Khaled Hafez, the Warba's CFO. To take you through the details of our financial performance results for the 3 months ended on 31st March and 6 months ended on 30th June of the year 2020.

Thank you.

Khaled Hafez

Thank you Mr. Shaheen, Good afternoon everyone.

First, I would like to thank you all for joining us today in Warba's Earnings Review Webcast.

Today, we are pleased to share with you the details of Warba Bank's performance and financial results for the first and second quarters of year 2020.

I will start talking through the presentation now:

If you have a look at slide (13); this is the one, you will notice that the Bank assets have reached to approximately 3.2 and 3.4 billion in Q1 and Q2 respectively. The growth amounted to KD 87.8 million at the end of the first quarter, while, it has incrementally increased by KD 164.4 million during the second quarter. The first half growth in Assets represents 8% from the year ended 2019.

During the pandemic lockdown period, the increase in assets is attributed to Warba's commitments to structured financing facilities and binding

investment agreements. Further, the Bank largely depends on the growth of the financing portfolio, which represents 73% and 70% of total assets in Q1 and Q2 respectively, while, the investment portfolio stands at 16% by end of the first half of year 2020.

On the funding side, it has reached to KD 2.9 billion and KD 3.1 billion in Q1 and Q2 respectively, at a growth rate of 10% thus boosting the assets' growth during the first half 2020. You can see here the total funding includes newly issued senior sukuk amounted to KD 150 million; which is issued by the mid of June 2020, so the composite percentage of issued senior sukuk increased to 10% out of KD 3.1 billion.

The customer deposit and senior sukuk as a composite of funding mix have increased to 67% and 10% respectively out of total funding. Meanwhile, expensive money market funds declined to 23% that contributes to expected lower cost of funds as lightening the dependency on short term deposits from Due to Banks and Financial Institutions.

Moving to Asset Quality perspective, shown in this slide (14), the NPL ratios increased to 2.34% and 3.42% in Q1 and Q2 respectively. The bank's provision coverage ratios are also declined to 117% and 116% in Q1 and Q2 respectively. Albeit there were well-performing financing clients serving certain economic sectors before this Covid-19 financial crisis, those clients have negatively influenced during the extended lockdown period. Warba's Debt restructure team are currently handling those type of deals in a way that cope with the general direction to support our clients to overcome the detrimental consequences of the pandemic.

Looking at the financing portfolio grew by KD 84.5 million and KD 44.3 million in Q1 and Q2 respectively or by 6% during the first half of 2020 reaching to KD 2.4 billion. This is mainly driven by the corporate portfolio,

which stands at 84% of the overall financing portfolio and aligned with the bank's strategy.

Returning to Slide (15), we focus on Warba's capital adequacy and regulatory ratios:

As shown in the top left corner, Warba's Capital Adequacy Ratio is secured at 16.2% and 15.2% at the end of Q1 and Q2 respectively, which is higher than the regulatory limits of CBK of 13% and representing a surplus of 4.7% over temporary requirement of 10.5% set by the CBK, hence, capital adequacy ratios are secured by sufficient buffers over central bank temporary regulations.

Going through the chart in the right top corner, risk weighted assets has also increased by nearly KD 96 million and 230 million in Q1 and Q2 respectively that ends-up with total RWA to reach KD 1.9 billion. The proportion of risk weighted assets as a percentage of total assets has reached to 57% and growth of 14% during the first half of 2020 reflecting the expansion in both financing and investment assets.

In the lower left corner, the Capital Base and regulatory leverage has both significantly impacted by devaluation of certain investment in the first quarter, this devaluation amounted to KD 22.6 million. By the closing of the second quarter, Investment portfolio has partially recovered by almost KD 15.3 million that retain Capital Base and regulatory leverage at satisfactory level.

Now, let's move to earnings' main results in slide (16); Net Profit of Q1 shows a decline by 45% reaches to KD 2.1 million. Further, the net (loss) of Q2 has a more drastic decline by 329% reaches to loss KD 14.9 million. As indicated earlier, the provision charges either specific or pre-cautionary is the determinantal cause of negative profit, providing that delinquent customers are under close monitor and negotiation level for reschedule.

Operating income has achieved nearly the same level at KD 14.2 million compared to Q1 2019, however, it slightly declines by 2.5% during first half compared to last year due to partial lockdown and business stagnation. Here, it worth that major source of operating income is financing income that represents 83% out of operating income.

The net profit before provisions reached to KD 7.6 million, showing 17% lower than Q1 2019, further, it declines by 19% during first half reaching to KD 13.3 million.

It is quietly noticed that market has witnessed a squeezed financing margin beside the partial lockdown of physical branches, all have led to lower scale of business activities and congruent stressful impact on the bottom line of comprehensive income of the bank.

Moving to slide (17), the Net Financing Income increased by 3% reaching to KD 11.7 million, however, it decreases by 5% during Q2 reaching to KD 21.8 million. In the same context, the **core income** is mainly streaming from “financing income” and “net, fees & commissions”, reached to 91% out of operating income that were undermined by withdrawn of money market during the first quarter that by stressful financing margin in second quarter.

Looking to the graph at the bottom left corner, the “cost of risk” of financing portfolio has surge by 129bps reaching 2.06% versus 0.77% of last year. Essentially, the accumulation financing provision reflects conservative viewpoint toward prudential risk approach aiming of building satisfactory level of provisions and coverage ratio that are resulted from the repercussion and negative effects of the recent crisis.

Let’s carry on now to the last Slide (18): the major composition of costs is still staff cost that represent 66% and 68% out of total costs in Q1 and Q2

respectively. Although Warba continued to implement expansion plan during year 2019 and first quarter 2020, the staff cost has shown almost flat rate due to the focused and closed monitored procedures applied by the management to ensure the rational and optimization of resources. As result of contraction of operating income, the Cost to Income ratio has obviously increased to 49.5% by the end of second quarter.

Consequently, the profitability indicators such as the “**Return on Average Assets**” had plummeted to negative 0.91% and the “**Return on Average Equity**” to negative 17.50%. Further, the **Earning per Share (EPS)** has reached to negative 11.03 fils comparing to 2.56 fils of comparing period of last year. However, such ratios could provide an opposite view if presented before provision charges, thusly it would indicate that our business model is capable to achieve the strategic objectives once overcome the temporary drawbacks of the pandemic.

Now, I believe having touched upon the major financial areas.

We are in a better position to move to the question-and-answer session of the conference to discuss further the financial position and performance of the Bank.

Mohamed Abu Rehab Thank you, Mr. Khaled. Now, we will start to take your questions and we will answer them as received in order. So, you can type your question through the webcast facility, then click submit. we will allow you a few minutes to give everyone the opportunity to write their questions. So Please go-ahead.

Okay, so we are back and will start taking your questions, and you can keep writing further questions if you’d like to do so.

So, the first Question is saying:

Is there any indication about the expected NPL ratio and Coverage ratio by end of year 2020? What are the major industrial sectors badly influenced by the Covid-19 crisis?

Khaled Hafez

Well, I think it's two questions in one. So I would start with the first part, talking about the NPL ratio. The current NPL ratio is monitored and controlled after rigorous attempts to contain delinquencies in large corporate segment. Moving forward we expect that NPL ratio will not further deteriorated as results of regular collection and monitoring of clients' positions thereof coverage ratio would also enhance by year end 2020.

The global pandemic has an acutely negative impact on Kuwait's economy and forced business closures to contain the spread of the disease. Sectors such as retail, hospitality and aviation have been hit hard as a result.

Nonetheless, The NPL ratio stands at 3.42% while coverage ratio reaches to 116% that was merely due to surge in partial lockdown of numerous businesses rather to inferior performance from Warba credit customers. As indicated that most of economic sectors are currently revive and return slowly to its normal pace of operation.

Mohamed Abu Rehab

We have received another question, in terms of business recoverability and efficiency, what is the expectation about normalize the profitability of the bank?

Khaled Hafez

As anticipated, it would be realistically speaking about the next half of year 2021, till the repercussions of pandemic would be relief or have been acquainted in regular course of business.

The government of Kuwait and Central Bank have taken every step to release rationally restriction on credit growth and liquidity requirements, however, profit will be always questionable by to what extend the market will be elastic to

respond simultaneously with the economic and restructure reforms & incentives by government stimulus program.

In respect to Warba performance for first half of the year, it was conservative in terms of assessment of client position and taking precautionary provision aside specific provision for major client. For the time being, there is no obvious clue about further deterioration of financing assets portfolio.

Mohamed Abu Rehab **Next question is saying, The Covid-19 has putting a greater emphasize on the shareholders support on the capital of the bank that greatly influenced by negative valuation of the assets and deferral of instalment losses, so is there any plan for capital increase during 2020?**

Khaled Hafez By the end of first half of year, the available capital of the bank reaches to KD 292.1 million that suffices the original regulatory requirements for total capital and common equity capital with sufficient buffers that aims to support the budgeted growth of the balance sheet as mentioned in our presentation.

As notified earlier, the deferral of installments and resulted modification loss has no spontaneous impact; as advised by the Central Bank of Kuwait during 2020, on the capital adequacy ratios. However, the allocation of 25% annually will be compensated with enhanced net financing margin and offset by amortization of financing profit.

At the moment, that there is no insisting issue for the capital requirements of the banks and hence no active plan for capital increase accordingly during 2020.

Mohamed Abu Rehab **In respect to profitability & efficiency ratios, what are the main driven factors that would lead to the recoverability of these ratios in the second half of year 2020?**

Khaled Hafez As notified earlier, the economy is expected to return shortly that will expand the credit and banking activities to normal pace. We are optimistic that branches are currently working continuously, so fees and commissions are expected to enhance for the remaining of the year.

In addition, Warba digital factory plays important role to satisfy the customer needs through exclusive offerings such as digital payment, and additional services for ATMs and online banking.

Mohamed Abu Rehab **Okay. Let's take another question. As consequences of covid-19 pandemic, there were witnessed an extensive withdrawn of money market funds at the early stage, how that impacted Warba liquidity management and ratios?**

Khaled Hafez The Bank was able to secure necessarily funds from increased volume of customer deposits and raising funds from senior sukuk issuance that covers sudden withdrawn of money market funds. The dependency on customer deposit and long-term funding such as senior sukuk has enhanced the cost the fund during the second quarter and will enhance the net financing margin prospectively.

As positive remark for liquidity management and due to shrink in credit market, the liquid funds were placed with banks instead of cash and cash equivalents that aimed to further enhancing the net financing margin and in favor of less tighten prudential requirements on liquidity ratios instructed by the Central Bank of Kuwait.

Mohamed Abu Rehab **The last question is saying, can you disclose provisions Warba took in the first half of 2020 for NMC and whether you will have to have 100% coverage of NMC exposure by year-end 2020.**

Khaled Hafez Well, as I mentioned, the bank took a conservative viewpoint here regarding the NMC exposure and also this was the direction from the Central Bank so by end of second half of 2020, we took 100% for NMC.

Despite that we believe that some sort of coverage or restructuring agreement will be reached with the customer. So, we took 100% coverage or 100% provision for NMC on the first half of 2020.

This was the main, I think, reason for achieving losses in the bottom line.

Mohamed Abu Rehab

Thank you. So, that concludes our call for today. And again, I would like to thank you all for attending our Earning Review for the first half financial year 2020.

I kindly remind you, if you have any follow-up questions you can send it to us on ir@warbabank.com or throughout “[Contact Us](#)” sub-window in Warab IR applications or website and we will be pleased to respond back with answers for your questions.

Thank you again, and here we end our call.

Investors Relation Presentation

1st & 2nd Quarters of year 2020

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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%

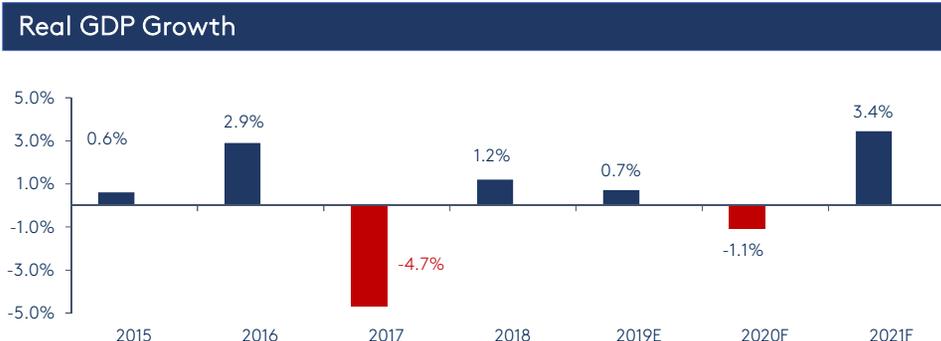
Economy

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.



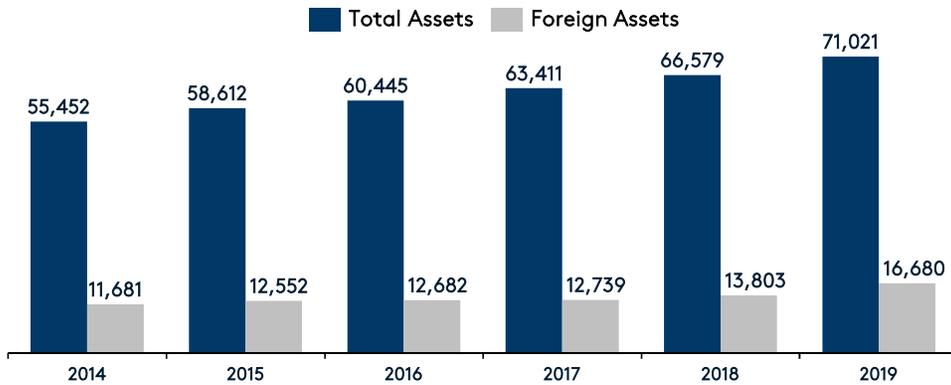
Source: IMF Country Report, March 2020

Kuwait Banking Sector

Snapshot

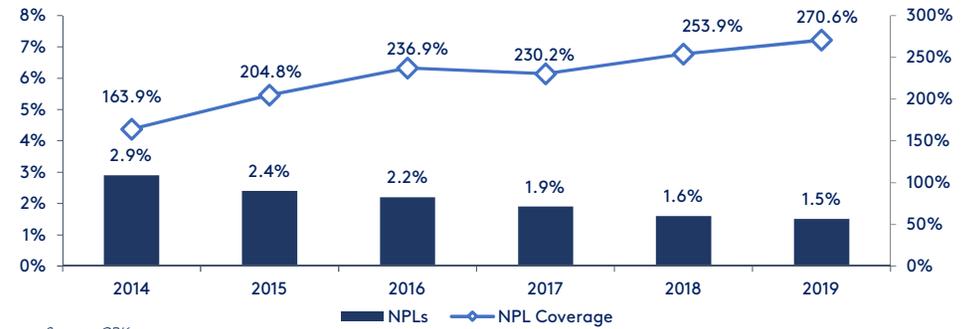
- The decline in economic growth will impact the banking sector as businesses weaken considerably over the next few quarters.
- This will reflect in asset quality metrics showing some deterioration across the banking sector. The capital buffers that are in place will provide the required cushion to help 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)



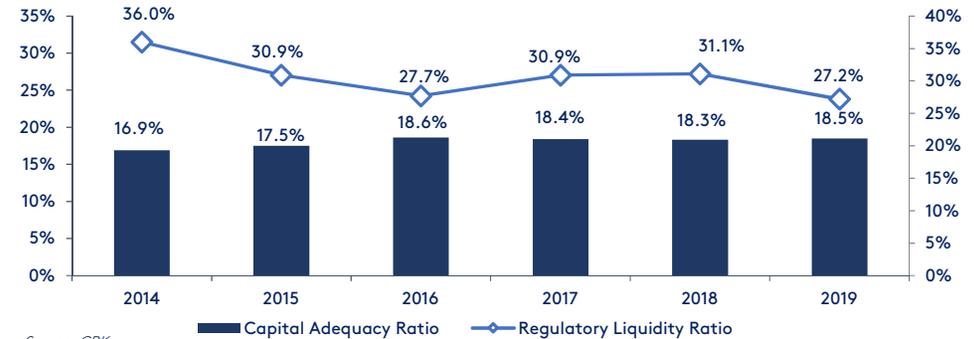
Source: CBK

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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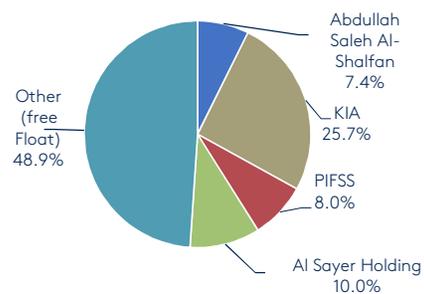
Warba Bank Profile

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

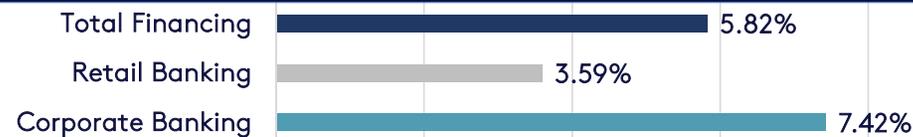


Financial Snapshot

(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 Bookey - 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.



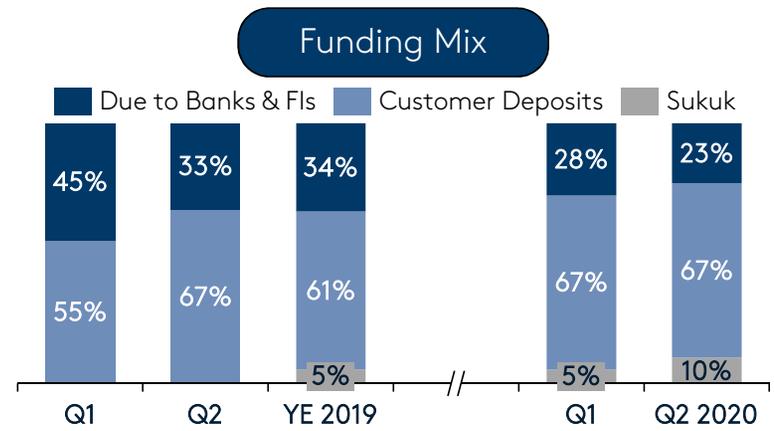
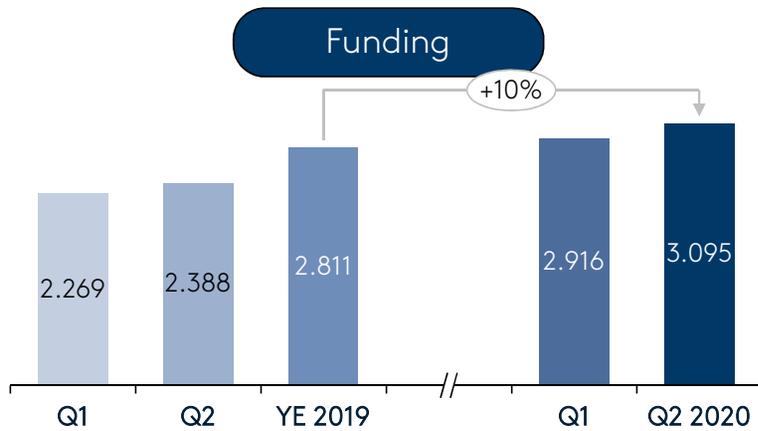
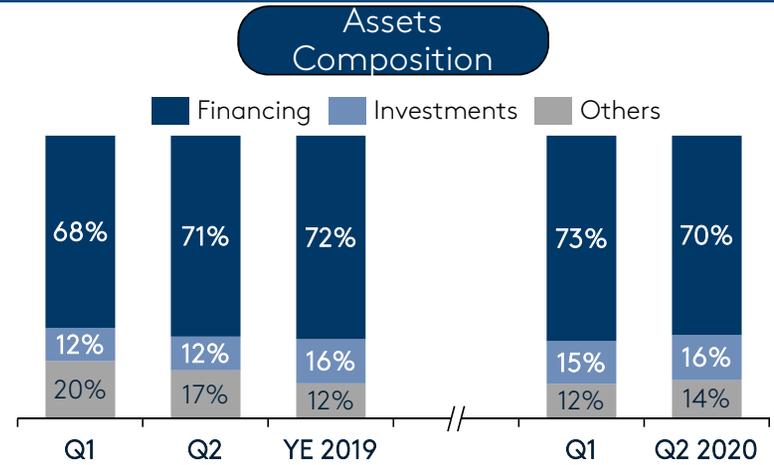
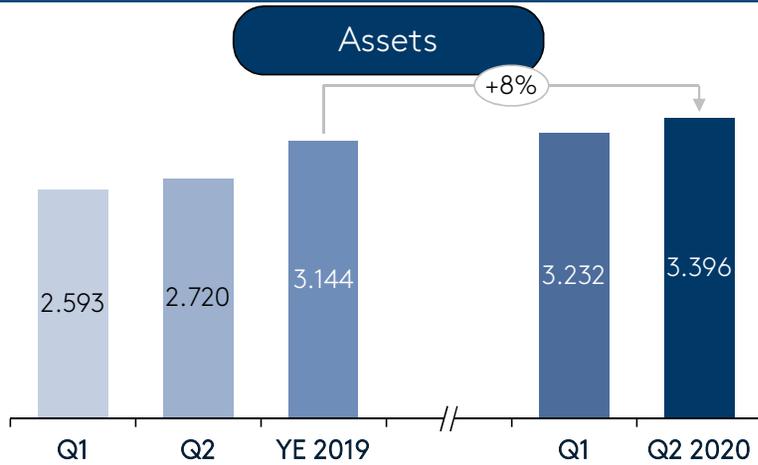
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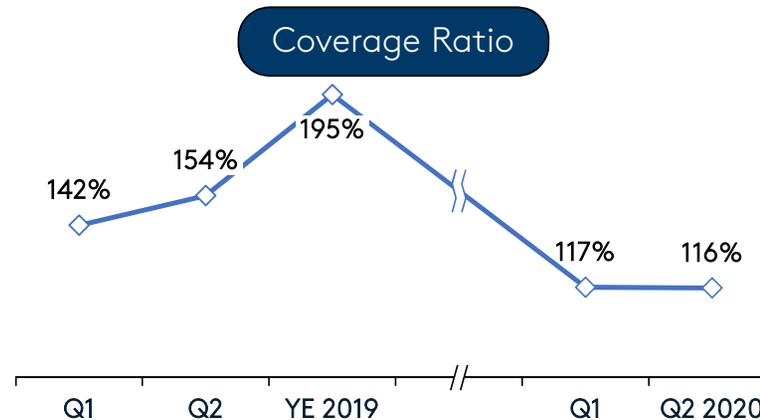
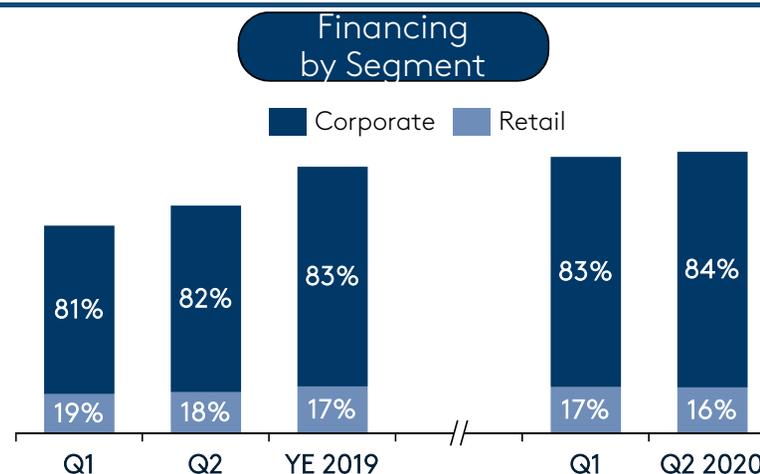
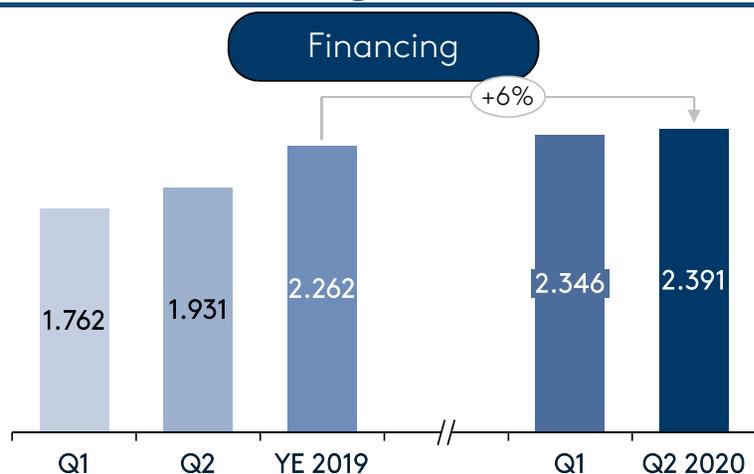
Overview of Balance Sheet

figures in Billion KWD



Asset Quality

figures in Billion KWD



Capital Adequacy Ratio

figures in Million KWD

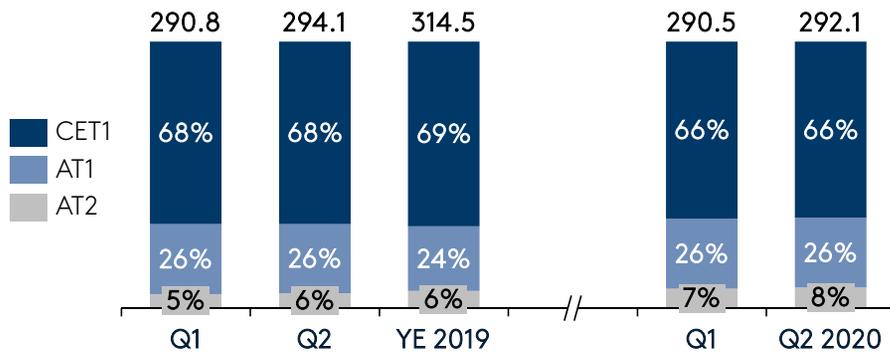
CAR %



RWA to T. Assets



Capital Base



Regulatory Leverage



Earnings Results

figures in Million KWD

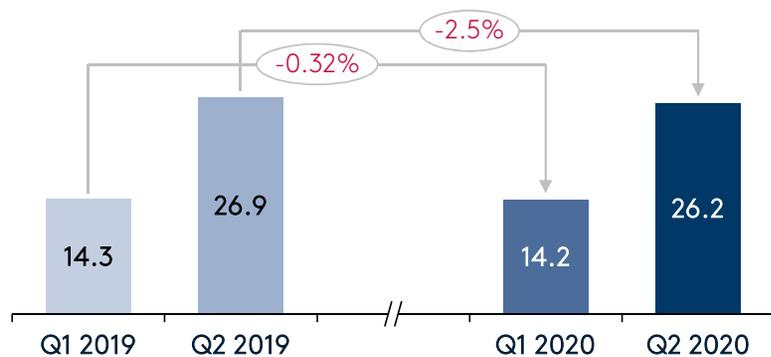
Net Profit



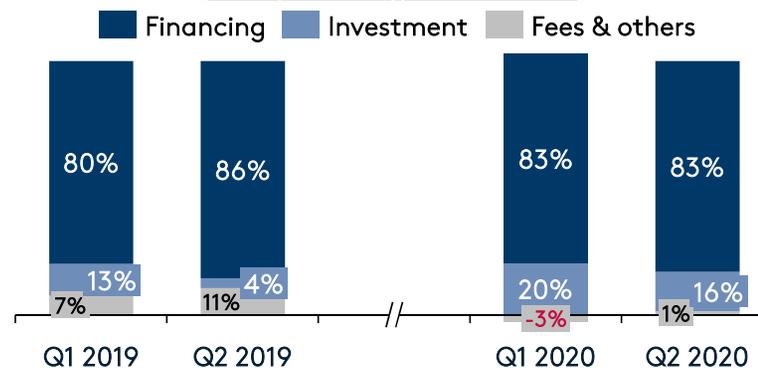
Net Profit before Provision



Operating Income



Composition of Operating Income



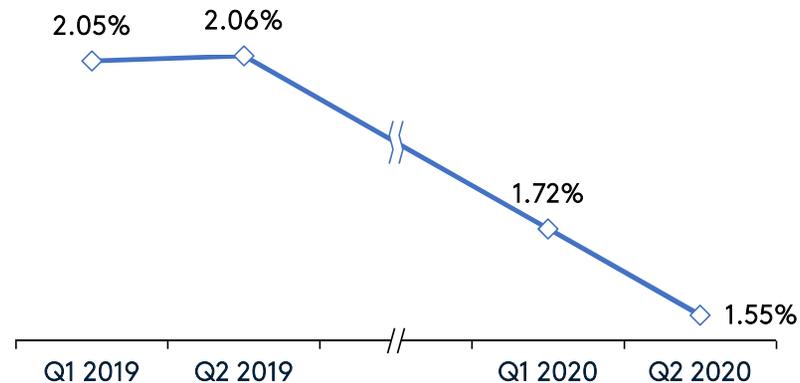
Earnings Results (Continued)

figures in Million KWD

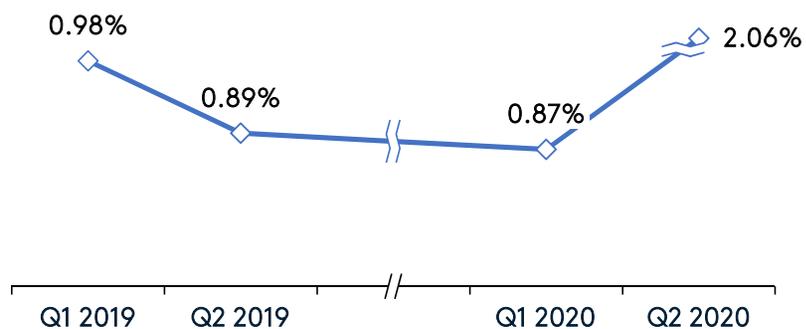
Net Financing Income



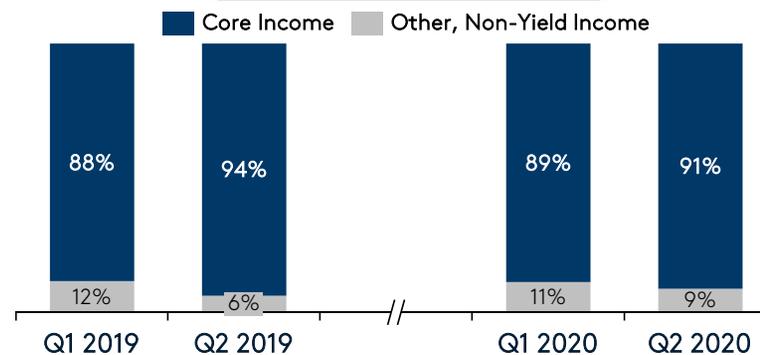
Net Financing Margin



Provision Charged

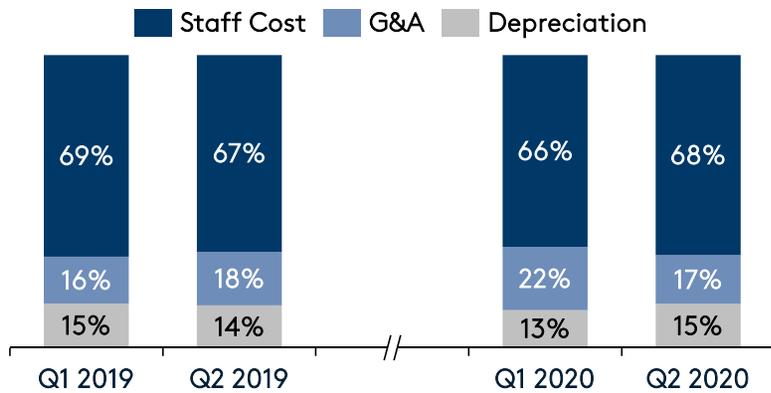


Ratios of Core Income



Earnings Results (Continued)

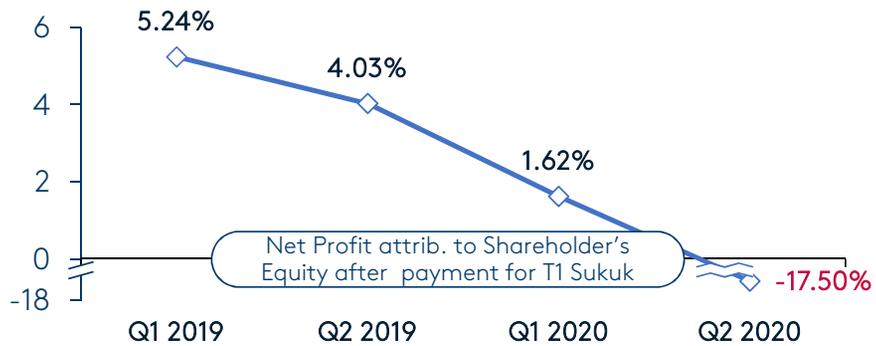
Operating Cost



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)	

Boursa 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