

التاريخ	رقم الصادر	الإشارة
2021/02/22	117	ب و / ر ت

Dears Boursa Kuwait Company

السادة / شركة بورصة الكويت المحترمين

السلام عليكم ورحمة الله وبركاته،،

Consolidated Financial Statement results for the financial year Ended 31 December 2020

At the very beginning, we would like to express our sincere greetings, wishing you all success .

We refer to the abovementioned subject and as per the requirements of Article (4-1-1/28) of Chapter Four (Disclosure of Material Information) of the Tenth Rule Book (Disclosure & Transparency) of the Executive Regulations of the Capital Markets Authority Law No. 7/2010.

We would advise that The Central Bank of Kuwait has approved Warba Bank's Consolidated Financial Statements for the year ended 31 December 2020. Please find attached herewith CBK approval, the annual Financial Statement Form of the Bank and the External Auditors' Report.


Since Warba Bank has been classified in the "Premier Market" by Boursa Kuwait, and in accordance with Boursa Kuwait requirements issued under Decision No. 1 /2018, we have the pleasure to announce that the quarterly Analysts Conference is intended to be held through a live webcast at 2 PM local time on Tuesday 2 March 2021. Interested analysts may reach out to Warba through the following send an email address:

IR@WARBABANK.COM

Best regards,

Shaheen Hamad Al Ghanem

Chief Executive Officer



بنك وربة
WARBA BANK

نتائج البيانات المالية المجمعة عن السنة المالية المنتهية في

31 ديسمبر 2020

بدايةً أتقدم لكم بأطيب التحيات متمنياً لكم دوام التوفيق والسداد.

بالإشارة إلى الموضوع أعلاه، ووفقاً لمطالبات المادة رقم (4-1-1-28) من الفصل الرابع (الإفصاح عن المعلومات الجوهرية) من الكتاب العاشر (الإفصاح والشفافية) من اللائحة التنفيذية لقانون هيئة أسواق المال رقم 7 لسنة 2010.

نفيدكم علماً بموافقة بنك الكويت المركزي على البيانات المالية المجمعة للسنة المالية المنتهية في 31 ديسمبر 2020، ومرفق موافقة بنك الكويت المركزي ونموذج نتائج البيانات المالية السنوية لمصرفنا وتقرير مراقبي الحسابات الخارجيين.

ونظراً لقيام شركة بورصة الكويت بتصنيف بنك وربة ضمن "السوق الأول"، وعملاً بمطالبات قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، يسرنا أن نعلن عن مؤتمر المحللين الربع سنوي والذي تقرر انعقاده عن طريق بث مباشر على شبكة الانترنت (live-webcast) في تمام الساعة الثانية (وفق التوقيت المحلي) من بعد ظهر يوم الثلاثاء الموافق 2 مارس 2021 حيث يمكن للمحللين المهتمين التواصل مع مصرفنا من خلال البريد الإلكتروني التالي:

IR@WARBABANK.COM

وتفضلوا بقبول فائق التقدير والاحترام،،،

شاهين حمد الغانم

الرئيس التنفيذي

Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
الشركات الكويتية (د.ك.)

Select from the list	2020-12-31	اختر من القائمة
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Company Name	اسم الشركة
Warba Bank K.S.C.P	بنك وربة (ش.م.ك.ع)
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2021-01-12	
Required Documents	المستندات الواجب إرفاقها بالنموذج
<input checked="" type="checkbox"/> Approved financial statements	<input checked="" type="checkbox"/> نسخة من البيانات المالية المعتمدة
<input checked="" type="checkbox"/> Approved auditor's report	<input checked="" type="checkbox"/> نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%)	السنة المقارنة	السنة الحالية	البيان
Change (%)	Comparative Year	Current Year	Statement
	2019-12-31	2020-12-31	
(65.9%)	16,538,000	5,634,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
(94.4%)	7.36	0.41	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
13.6%	2,247,484,000	2,554,100,000	الموجودات المتداولة Current Assets
10.5%	3,143,671,000	3,475,254,000	إجمالي الموجودات Total Assets
8.8%	2,503,390,000	2,724,363,000	المطلوبات المتداولة Current Liabilities
12.1%	2,849,311,000	3,195,160,000	إجمالي المطلوبات Total Liabilities
(6.5%)	217,997,000	203,731,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
31.8%	59,762,000	78,794,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
40.7%	37,355,000	52,566,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
100%	لا توجد خسائر متراكمة No accumulated losses	(0.01%)	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%)	الربع الرابع المقارن	الربع الرابع الحالي	البيان
Change (%)	Fourth quarter Comparison Year	Fourth quarter Current	Statement
	2019-12-31	2020-12-31	
288.3%	4,395,000	17,065,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
288.2%	2.79	10.83	ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share
80.0%	17,762,000	31,967,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
115.7%	11,361,000	24,508,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The net profit decrease for the year ended 31 December 2020 was mainly due to increase in provision for impairment and credit losses by KD 20,730 thousand comparing to the year ended 31 December 2019, such increase was offset by the increase in net operating profit by KD 15,211 thousand.	يعود سبب انخفاض أرباح السنة المالية المنتهية في 31 ديسمبر 2020 بشكل رئيسي إلى الزيادة في مخصص انخفاض القيمة وخسائر الائتمان بمبلغ 26,730 ألف دينار كويتي مقارنة بالسنة المالية المنتهية في 31 ديسمبر 2019 والذي قابله زيادة في صافي ربح التشغيل بمبلغ 15,211 ألف دينار كويتي.
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 73,000	73,000 د.ك.
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
KWD 10,751,000	10,751,000 د.ك.

Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)		
النسبة	القيمة			
لا يوجد / None	لا يوجد / None	توزيعات نقدية Cash Dividends		
لا يوجد / None	لا يوجد / None	توزيعات أسهم منحة Bonus Share		
لا يوجد / None	لا يوجد / None	توزيعات أخرى Other Dividend		
لا يوجد / None	لا يوجد / None	عدم توزيع أرباح No Dividends		
لا يوجد / None	لا يوجد / None	علاوة الإصدار Issue Premium	لا يوجد / None	زيادة رأس المال Capital Increase
لا يوجد / None	لا يوجد / None	تخفيض رأس المال Capital Decrease		

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
No comments raised from the auditor.	لا توجد ملاحظات من قبل مراقب الحسابات.

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجموعة الرقابة المالية Chief Financial Officer	خالد حسن حافظ Khaled Hassan Hafez

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WARBA BANK K.S.C.P.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Warba Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the Central Bank of Kuwait (CBK) for use by the State of Kuwait.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

Credit losses on Islamic financing to customers

The recognition of credit losses on cash and non-cash Islamic financing to customers ("financing facilities") is the higher of Expected Credit Loss determined under International Financial Reporting Standard 9: *Financial Instruments* ("IFRS 9"), according to Central Bank of Kuwait (the "CBK") guidelines ("ECL"), and the provision required by the CBK rules on classification of financing facilities and calculation of their provision (the "CBK rules") as disclosed in the accounting policies in Note 2.5.1 and in Note 4 to the consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WARBA BANK K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Credit losses on Islamic financing to customers (continued)

Recognition of ECL, is a complex accounting policy, which requires considerable judgement in its implementation. ECL is dependent on management's judgement in assessing the level of credit risk on initial recognition and significant increase in credit risk subsequently on the reporting date relative to its initial recognition, and classification into three stages. Furthermore, as disclosed by management, inherently judgmental modelling techniques are used to estimate ECLs which involves determining Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD") which are modelled based on macroeconomic variables, and discounted to the reporting date. As disclosed in Note 25, the COVID-19 global pandemic significantly impacted management's determination of the ECL and required the application of heightened judgment. As a result, the ECL has a higher than usual degree of uncertainty and the inputs used are inherently subject to change, which may materially change the estimate in future periods.

On the other hand, recognition of specific provision on impaired financing facility under the CBK rules is based on the instructions prescribed by the CBK on the minimum provision to be recognised, together with any additional provision to be recognised based on management's estimate of expected cash flows related to that financing facility.

We determined that '*Credit losses on Islamic financing to customers*' is a key audit matter due to the significance of financing facilities and the related estimation uncertainty and judgement applied by management in the identification of significant increase in credit risk and consequent staging of customers; the significant judgment required by management when designing future macroeconomic scenarios; forecasting macroeconomic variables and probability-weighting scenarios. This is further heightened by the high degree of estimation uncertainty due to the economic impacts of COVID-19 that led to a high degree of judgment, including determination of whether rescheduling of profit or principal for certain financing facilities resulted in temporary or permanent liquidity issues of the customers.

Our audit procedures include testing the design and implementation of controls over the assessment and calculation of material significant increase in credit risk (SICR) indicators and staging of customers accordingly. We also tested the effectiveness of controls over the PD, LGD and EAD models and the design of multiple future macroeconomic scenarios, the forecasting of macroeconomic variables, and the probability-weighting of these scenarios. The procedures also covered the impact of ECL caused by the economic disruption arising from the COVID 19 pandemic, including ones focused on rescheduled financing facilities.

With respect to the ECL, we have selected samples of financing facilities outstanding, included rescheduled financing facilities, and checked the appropriateness of the Group's determination of significant increase in credit risk and the resultant basis for classification of the financing facilities into various stages. We involved our specialists to review the ECL model in terms of key data, methods and assumptions used to ensure they are in line with IFRS 9 requirements, determined in accordance with CBK guidelines. For a sample of financing facilities, we have checked the appropriateness of the Group's staging criteria, EAD, PD and LGD including the eligibility and value of collateral considered in the ECL models used by the Group and the overlays considered by the management in view of the ongoing COVID-19 pandemic, in order to determine ECL taking into consideration CBK guidelines. We have also checked the consistency of various inputs and assumptions used by the Group's management to determine ECL.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WARBA BANK K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Credit losses on Islamic financing to customers (continued)

Further, for the CBK rules provision requirements, we have assessed the criteria for determining whether there is a requirement to calculate any credit loss in accordance with the related regulations and, if required, it has been computed accordingly. For the samples selected, which included rescheduled financing facilities, we have verified whether all impairment events have been identified by the Group's management. For the selected samples which also included impaired financing facilities, we have assessed the valuation of collateral and checked the resultant provision calculations.

Other information included in the Group's 2020 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2020 Annual Report, other than the consolidated financial statements and our auditors' report thereon. We obtained the report of the Bank's Board of Directors, prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Group's 2020 Annual Report after the date of our auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement in this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by CBK for use by the State of Kuwait, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WARBA BANK K.S.C.P. (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
WARBA BANK K.S.C.P. (continued)**

Report on Other Legal and Regulatory Requirements

Furthermore, in our opinion proper books of account have been kept by the Bank and the consolidated financial statements, together with the contents of the report of the Bank's Board of Directors relating to these consolidated financial statements, are in accordance therewith. We further report that we obtained all the information and explanations that we required for the purpose of our audit and that the consolidated financial statements incorporate all information that is required by the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the CBK as stipulated in CBK Circular Nos. 2/RB, RBA/336/2014 dated 24 June 2014 and its amendments, and 2/I.B.S. 343/2014 dated 21 October 2014 and its amendments, respectively, the Companies Law No 1 of 2016, as amended, and its executive regulations, as amended, and by the Bank's Memorandum of Incorporation and Articles of Association, as amended, that an inventory was duly carried out and that, to the best of our knowledge and belief, no violations of the Capital Adequacy Regulations and Financial Leverage Ratio Regulations issued by the CBK as stipulated in CBK Circular Nos. 2/RB, RBA /336/2014 dated 24 June 2014 and its amendments, and 2/I.B.S. 343/2014 dated 21 October 2014 and its amendments, respectively, the Companies Law No 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Memorandum of Incorporation and Articles of Association, as amended, have occurred during the year ended 31 December 2020 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our audit, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the CBK and the organisation of banking business, and its related regulations during the year ended 31 December 2020 that might have had a material effect on the business of the Bank or on its financial position.



BADER A. AL-ABDULJADER
LICENCE NO. 207-A
EY
(AL AIBAN, AL OSAIMI & PARTNERS)



DR. RASHEED M. AL - QENAE
LICENSE NO. 130-A
OF KPMG SAFI AL-MUTAWA & PARTNERS
MEMBER FIRM OF KPMG INTERNATIONAL


22 February 2021
Kuwait

Warba Bank K.S.C.P.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 KD'000	2019 KD'000
ASSETS			
Cash and bank balances	3	110,999	102,544
Placements with banks and the CBK		357,897	225,703
Financing receivables	4	2,497,366	2,261,974
Financial assets at fair value through profit or loss	5	90,929	55,895
Financial assets at fair value through other comprehensive income	6	237,050	323,062
Investment in joint ventures	7	108,240	91,007
Investment properties	8	30,039	20,798
Other assets		23,074	39,885
Property and equipment		19,660	22,803
TOTAL ASSETS		3,475,254	3,143,671
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	9	494,355	953,303
Depositors' accounts	10	2,353,454	1,705,811
Sukuk issued	11	302,429	152,179
Other liabilities		44,922	38,018
TOTAL LIABILITIES		3,195,160	2,849,311
EQUITY			
Share capital	12	157,500	150,000
Share premium		40,000	40,000
Statutory reserve	12	3,098	3,098
Fair value reserve		1,676	7,211
Foreign currency translation reserve		1,469	127
(Accumulated losses) retained earnings		(12)	10,061
		203,731	210,497
Proposed distributions	12	-	7,500
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		203,731	217,997
Perpetual Tier 1 Sukuk	13	76,363	76,363
TOTAL EQUITY		280,094	294,360
TOTAL LIABILITIES AND EQUITY		3,475,254	3,143,671


Abdulwahab A. Al Houti
Chairman


Shaheen H. Al Ghanem
Chief Executive Officer

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

Warba Bank K.S.C.P.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2020

	<i>Notes</i>	2020 KD'000	2019 KD'000
Placements and finance income		109,282	109,570
Finance costs and distribution to depositors		(62,826)	(64,081)
Net finance income		46,456	45,489
Net investment income	14	26,252	7,884
Net fee and commission income	15	3,228	5,070
Other income	16	3,765	296
Foreign exchange (loss) gain		(907)	1,023
Net operating income		78,794	59,762
Staff costs		(17,669)	(14,807)
General and administrative expenses		(3,936)	(4,426)
Depreciation expense		(4,623)	(3,174)
Net operating expenses		(26,228)	(22,407)
Net operating profit before provision for impairment and credit losses		52,566	37,355
Provision for impairment and credit losses	17	(46,638)	(19,908)
Profit before tax and board of directors' remuneration		5,928	17,447
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		-	(157)
National Labour Support Tax (NLST)		(166)	(452)
Zakat		(65)	(175)
Board of directors' remuneration		(63)	(125)
NET PROFIT FOR THE YEAR		5,634	16,538
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	18	0.41 fils	7.36 fils

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

Warba Bank K.S.C.P.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Note	2020 KD'000	2019 KD'000
Net profit for the year		5,634	16,538
Other comprehensive (loss) income			
<i>Other comprehensive (loss) income that will be reclassified to profit or loss:</i>			
<i><u>Debt instruments at fair value through other comprehensive income:</u></i>			
Net change in fair value		3,314	11,434
Changes in allowance for expected credit losses	17	(979)	682
Reclassification adjustment on derecognition	14	(7,903)	(215)
Net (losses) gains on debt instruments at fair value through other comprehensive income		(5,568)	11,901
<i><u>Cash flow hedges:</u></i>			
Hedging net losses		-	(1,266)
Less: reclassification adjustment on discontinuation of the hedging relationship		-	1,209
Movement on cash flow hedges		-	(57)
<i><u>Foreign currency translation:</u></i>			
Exchange differences on translation of foreign operations		1,342	48
Total items that are or may be reclassified to profit or loss		(4,226)	11,892
<i>Other comprehensive income that will not be reclassified to profit or loss</i>			
Net change in fair value of equity investments at fair value through other comprehensive income		33	13
Total items that will not be reclassified to profit or loss		33	13
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(4,193)	11,905
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,441	28,443

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 KD'000	2019 KD'000
OPERATING ACTIVITIES			
Profit before tax and board of directors' remuneration		5,928	17,447
<i>Adjustments for:</i>			
Net investment income	14	(26,252)	(7,884)
Provision for employees' end of service benefits		904	779
Gain on sale of property and equipment		(795)	-
Depreciation expense		4,623	3,174
Provision for impairment and credit losses		46,638	19,908
		<u>31,046</u>	<u>33,424</u>
<i>Changes in operating assets and liabilities:</i>			
Placements with banks and the CBK		18,811	1,973
Financing receivables		(294,393)	(672,864)
Other assets		16,584	(13,913)
Due to banks and other financial institutions		(459,005)	118,074
Depositors' accounts		647,643	652,633
Other liabilities		(4,981)	(1,332)
Taxes paid		(627)	(569)
		<u>(44,922)</u>	<u>117,426</u>
Net cash flows (used in) from operating activities			
INVESTING ACTIVITIES			
Purchase/ capital contributions of financial assets at FVPL		(44,508)	(19,339)
Proceeds from sale/ redemption of financial assets at FVPL		12,685	2,634
Purchase of financial assets at FVOCI		(157,759)	(228,810)
Proceeds from sale of financial assets at FVOCI		251,252	65,877
Additions to investment in joint ventures	7	(13,084)	(35,550)
Proceeds from sale of investment property		7,278	2,259
Purchase of property and equipment		(6,248)	(3,298)
Proceeds from sale of property and equipment		2,924	-
Dividends received from financial assets		2,175	2,151
Other investment income received		580	937
Amounts paid on discontinuation of the hedging relationship		-	(1,209)
Distributions received from joint ventures		5,388	4,159
Rental income received		1,064	1,425
		<u>61,747</u>	<u>(208,764)</u>
Net cash flows from (used in) investing activities			
FINANCING ACTIVITIES			
Profit paid to holders of Perpetual Tier 1 Sukuk	13	(4,981)	(4,943)
Net movement on Sukuk issued		150,250	152,179
Payment of lease liabilities		(2,698)	(2,187)
		<u>142,571</u>	<u>145,049</u>
Net cash flows from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>159,396</u>	<u>53,711</u>
Cash and cash equivalents at 1 January		<u>283,637</u>	<u>229,926</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER		<u><u>443,033</u></u>	<u><u>283,637</u></u>

The accompanying notes 1 to 25 form an integral part of these consolidated financial statements.



د. محمد يوسف الهاشل
المحافظ

التاريخ : 10 رجب 1442
الموافق : 22 فبراير 2021
الإشارة : 2021/841/105/2

الأخ الفاضل عبدالوهاب عبدالله إبراهيم الحوطي المحترم
رئيس مجلس إدارة بنك وربة

تحية طيبة وبعد ،

بالإشارة إلى كتابكم المؤرخ 2021/1/10 والمرفق به نسخة من البيانات المالية الختامية
الجمعة لمصرفكم لعام 2020 ، وعطفاً على الإيضاحات والبيانات الواردة إلينا في هذا
الخصوص والتي كان آخرها بتاريخ 2021/2/21.

أود الإفادة بأنه بناءً على ما انتهت إليه دراسة البيانات المالية المشار إليها، فإنه لا يوجد
لدينا ملاحظات في هذا الشأن .

وبناءً على ما تقدم ، فإنه يمكن لمصرفكم اتخاذ الإجراءات اللازمة مع الجهات المختصة
لعقد الجمعية العامة للبنك
مع أطيب التحيات.

د . محمد يوسف الهاشل

845- نسخة لهيئة أسواق المال .

846 - نسخة لبورصة الكويت .