

التاريخ	رقم الصادر	الإشارة
2019/07/28	354	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 2nd Quarter 2019

الموضوع: مؤتمر المحللين/ المستثمرين للربع الثاني من عام 2019

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 Thursday July 25th, 2019.

يرجى الإحاطة بأن مؤتمر المحللين/ المستثمرين قد انعقد عن طريق بث مباشر على شبكة الإنترنت (Live Webcast) في تمام الساعة الثانية (وفى التوقيت المحلي) من بعد ظهر يوم الخميس الموافق 25 يوليو 2019.

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 Q2, 2019.

ونرفق لكم العرض التقديمي للمستثمرين للربع الثاني 2019.

Best regards,

وتفضلوا بقبول فائق التقدير والاحترام،،،

Shaheen Hamad Al Ghanem

Chief Executive Officer

بنك وربة
WARBA BANK

شاهين حمد الغانم

الرئيس التنفيذي



Investors Relation Presentation

First Half - Year 2019

Disclaimer

THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. This presentation has been prepared by (and is the sole responsibility of) WARBA BANK (K.S.C) (the “Bank”).

Important Notice

The information herein may be amended and supplemented and may not as such be relied upon for the purposes of entering into any transaction. This presentation may not be reproduced (in whole or in part), distributed or transmitted to any other person without the Bank's prior written consent.

The information in this presentation and the views reflected therein are those of the Bank and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of the matters described herein. They may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results and, to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future performance. These materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities.

This presentation does not disclose all the risks and other significant issues related to an investment in any securities/transaction.

Forward-Looking Statements

Past performance is not indicative of future results. Warba Bank is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Bank or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation, and, if given or made, such information or representation must not be relied upon as having been authorized by or on behalf of the Bank.

This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including for the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed.

Certain statements in this presentation may constitute forward-looking views. These statements reflect the Bank's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The Bank does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

Table of Contents

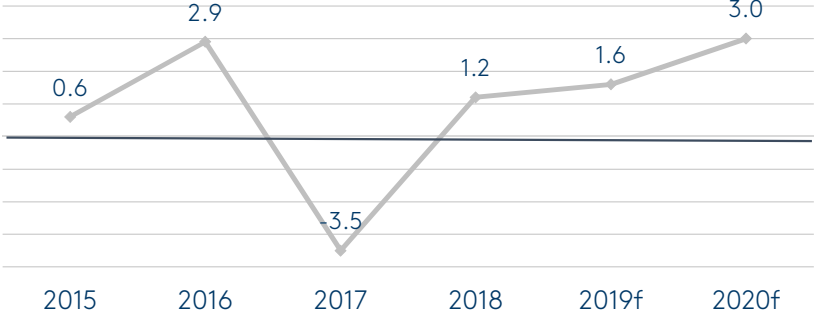
- Kuwait Market Outlook
- Overview of Operations & Strategy
- Key Strengths & Strategic Pillars
- Financial Performance review
- Q&A
- Appendix

Kuwait Market Outlook

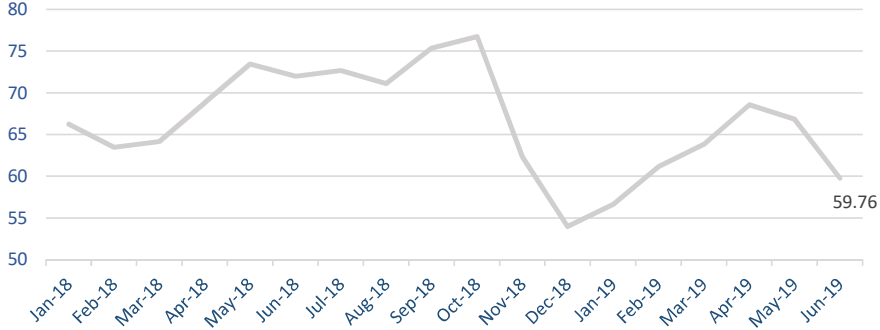
Economic Indicators

Source: CBK, World Bank, market data

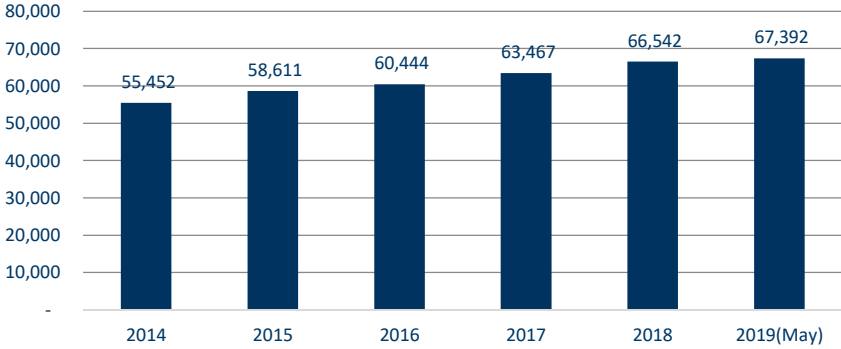
GDP Growth %



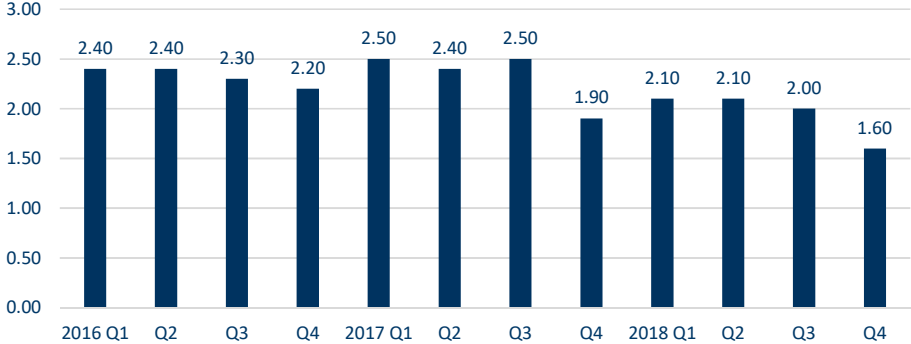
WTI Crude (US\$)



Total Banking Assets (KWD Million)



Kuwaiti Banks - Gross NPL's %



Warba Key Strengths & Strategic Pillars

Warba Key Strengths & Strategic Pillars

VISION

***Transform into an Islamic CIB
champion
with a lean digital-first retail business***

.. Help our customers fulfil their life ambitions and grow their businesses by providing innovative financial solutions and outstanding experiences

.. Provide our staff with rewarding growth opportunities and a healthy work environment and

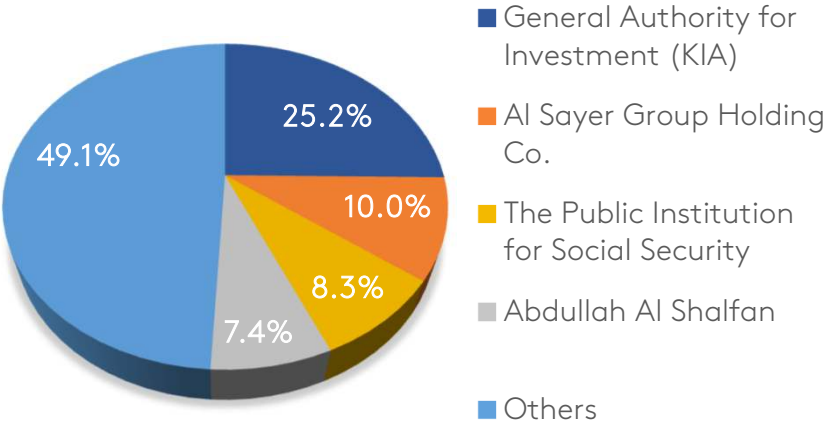
.. Deliver steady, growing returns to our shareholders

MISSION

- **Modernity**
- **Innovation**
- **Sharia Compliance**
- **Transparency**
- **Unity**

Warba Overview

Ownership Structure



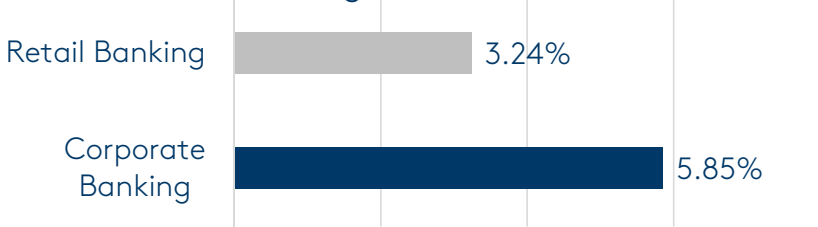
Established in 2010, Warba Bank’s offers the entire range of banking & investment services in compliance with Sharia principles.

Warba aims to achieve growth by continuously innovating on product quality, offering customized solutions and service excellence thereby gaining the confidence of customers from various walks of life. It also has a separate section for ladies.

Warba Bank offers a wide range of customized Sharia-compliant services and solutions through four main groups:

- Retail
- Corporate
- Investment
- Treasury

Financing - Market Share



Source: CBK Statistical Bulletin, Warba

FitchRatings A+

*Date/Reaffirmed
Oct 2018*

MOODY’S Baa2

*Date/Reaffirmed
Mar 2019*

Overview of Operations & Strategy

Business Expansion & Innovation

Prestigious Awards

- **Elite Quality Recognition Awards** for Commercial & Banking Payments from JP Morgan Chase.
- **Cross Border and Structured Finance Deal Awards** of the year from Islamic Finance News.

Network Expansion

- **1st Corporate Banking Branch** in Sanabil Towner.
- **1st Private Banking Branch** in Shuhada.
- **1st Retail Airport Branch** in Terminal-4.



Launched “Al-Wateen” the digital factory with the ambition to lead digital banking era in the Kuwaiti market.

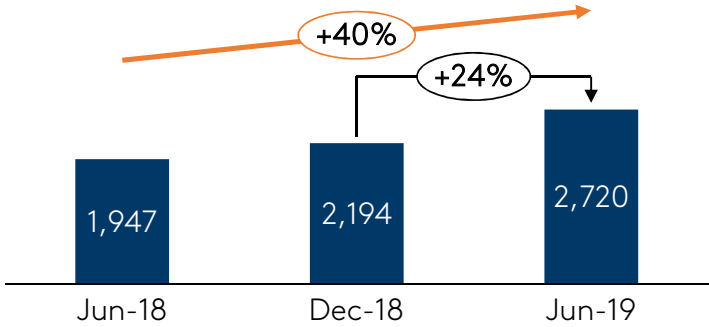
International Business

- **USD 4.6bn Syndication**
Duqm Refinery & Petrochemical Industries (Oman) of USD 90 MM.
- **USD 200 MM Syndication**
Daewoo Engineering & Construction (South Korea) of USD 50 MM.
- **USD 80 MM Syndication**
Revolving Commodity Murabaha facility for NMC Healthcare (UAE) of USD 30 MM.
- **Dual currency (USD & EUR) USD 250 MM Syndication**
Ziraat Participation Bank (ZPB) in Turkey of USD 24 MM.
- **USD 100 MM syndication**
Islamic Bank Bangladesh Limited (IBBL) of USD 15 MM.

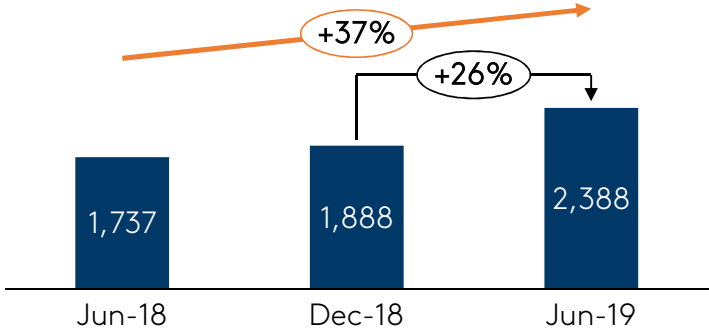
Financial Performance Review

Financial Performance Review

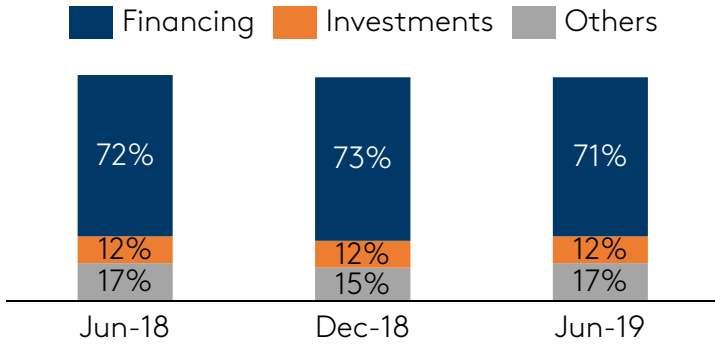
Assets *KWD million*



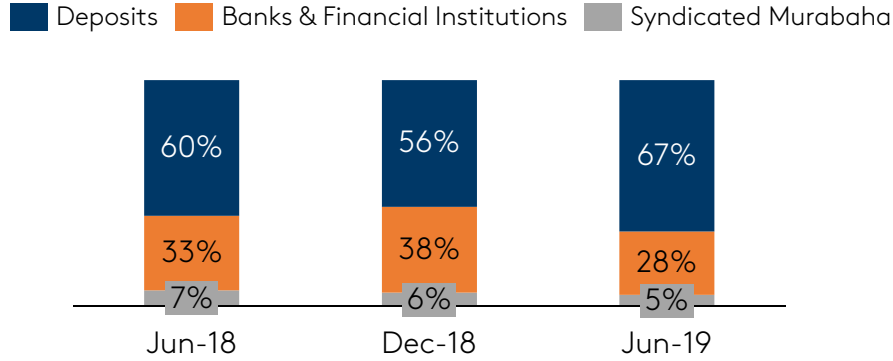
Deposits *KWD million*



Assets Composition

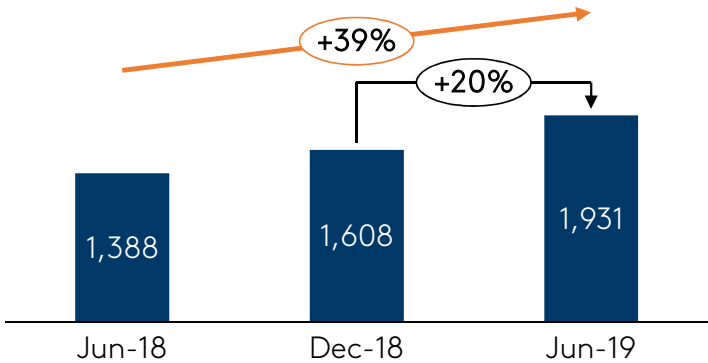


Funding Mix

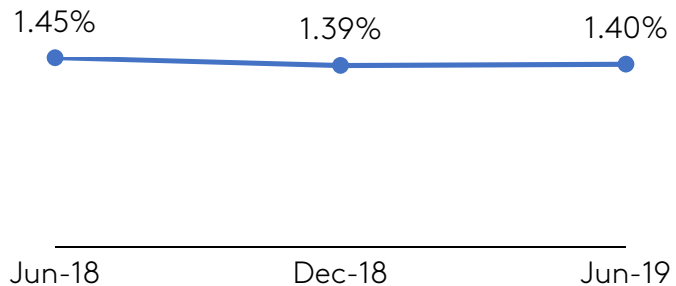


Financial Performance Review

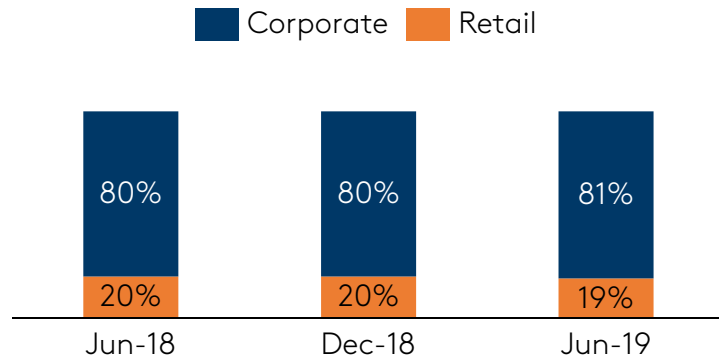
Financing *KWD million*



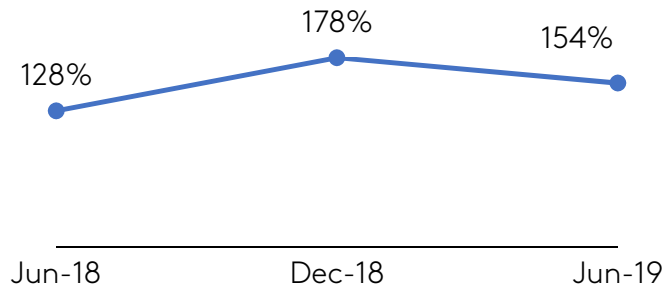
NPL %



Financing Composition

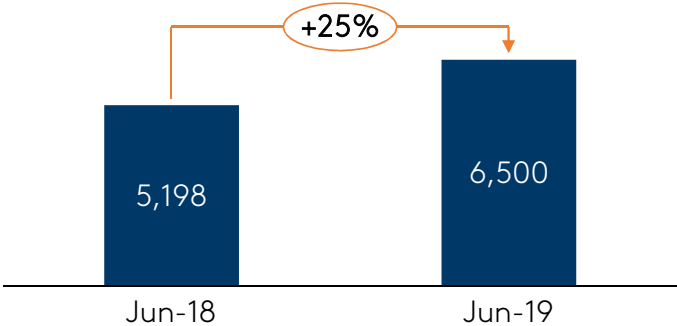


Coverage Ratio

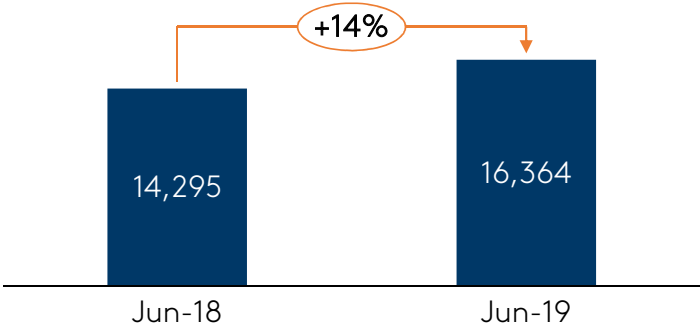


Financial Performance Review

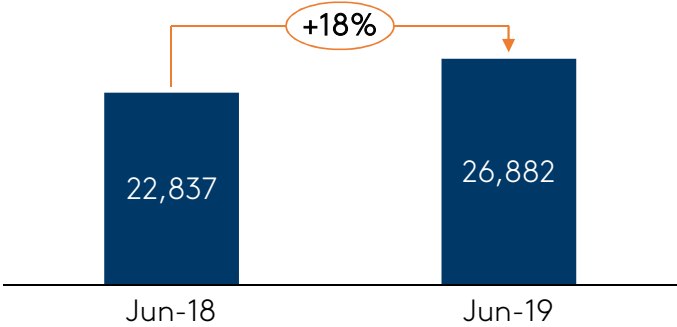
Net Profit *KWD thousand*



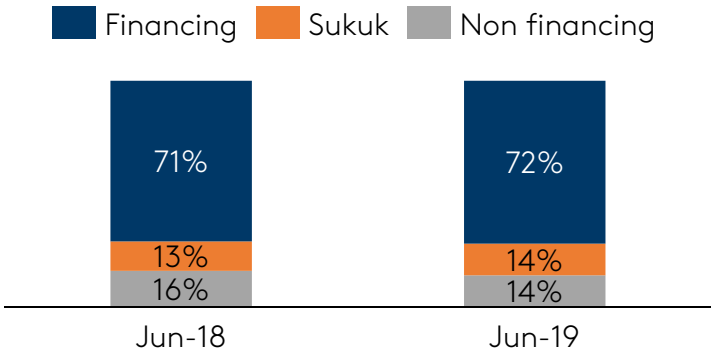
Net Profit before provision *KWD thousand*



Operating Income *KWD thousand*

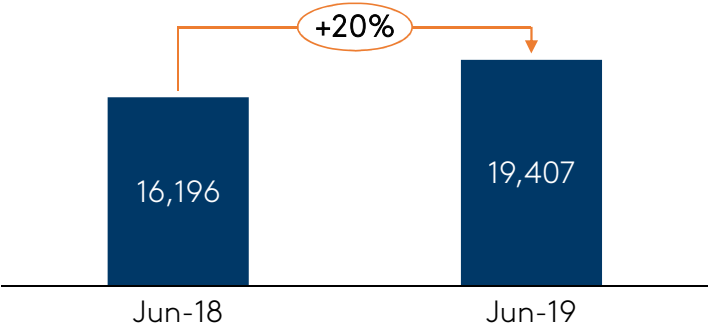


Composition of Operating Income

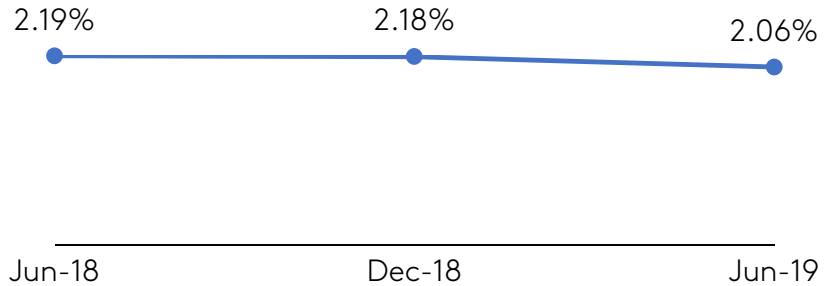


Financial Performance Review

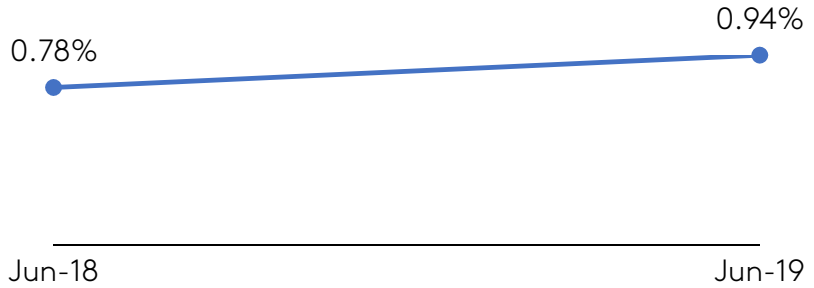
Net Financing Income *KWD thousand*



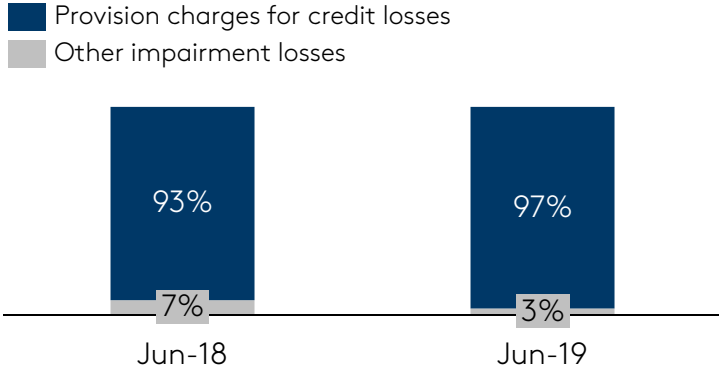
Net Financing Margin



Provision Charged to Financing Portfolio

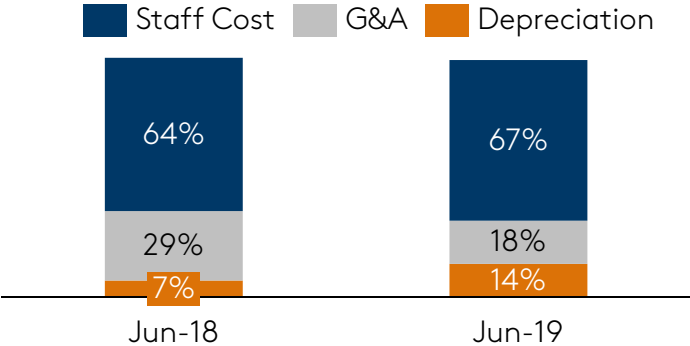


Composition of Provision Charges

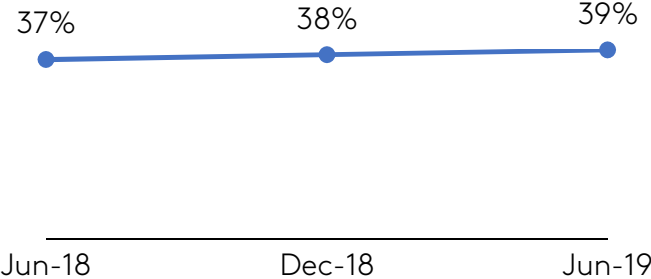


Financial Performance Review

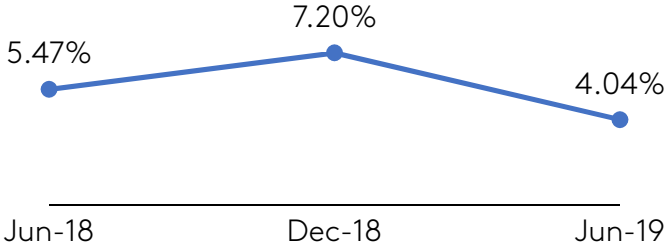
Composition of Cost



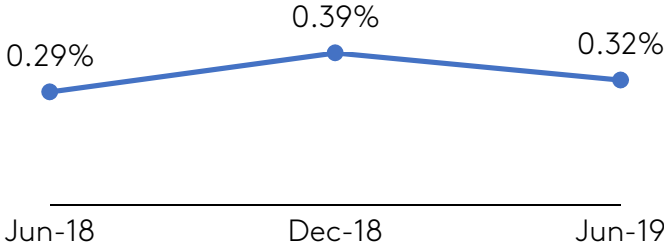
Cost to Income Ratio



ROAE *



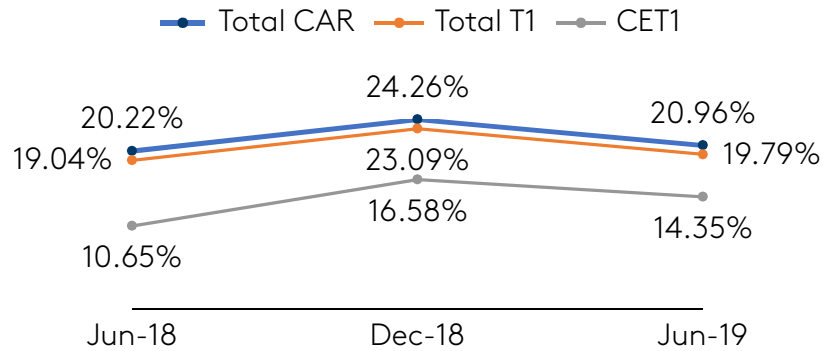
ROAA *



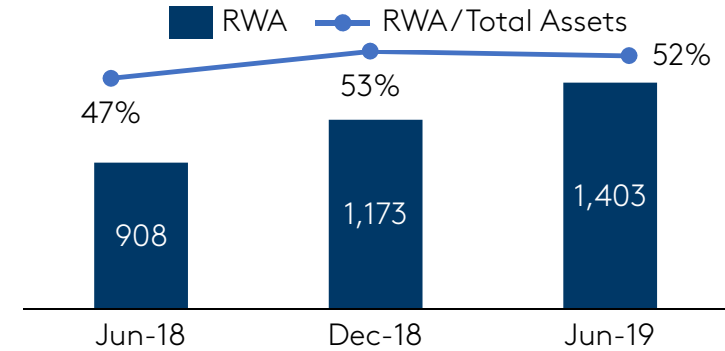
- Return on Average Equity is computed after adjusting the net profit for Tier 1 Sukuk cost.
- Return on Average Assets is computed after adjusting the net profit for Tier 1 Sukuk cost.

Financial Performance Review

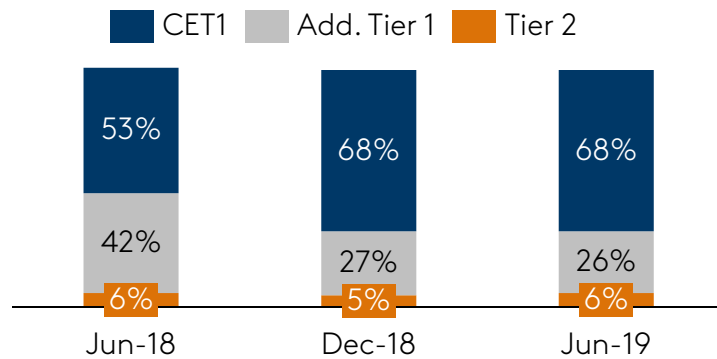
CAR



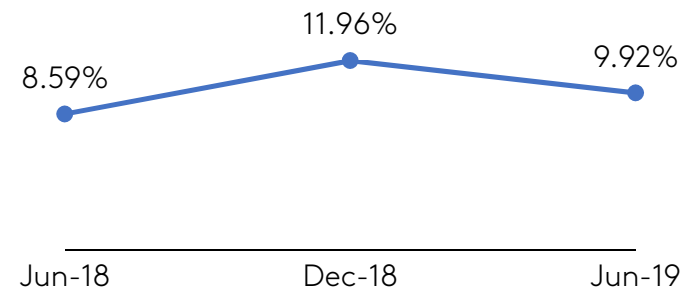
RWA to Total Assets



Capital Base Composition



Leverage Ratio



Q & A

Appendix

Financial Performance review

<i>Income Statement (KWD 000)</i>	Q2-19	Q2-18	<i>Balance Sheet (KWD Million)</i>	Q2-19	Dec-18	Q2-18
Placements & financing income	47,603	33,432	Cash and Balances with Banks	184	20	33
Finance cost and distribution to depositors	(28,196)	(17,236)	Placements with banks & CBK	223	256	267
Net Financing Income	19,407	16,196	Financing receivables	1,931	1,608	1,388
Net Investment income	4,690	4,201	Financial Assets at fair value through Profit & loss	45	42	30
Net fees and commission	2,200	1,681	Financial Assets at fair value through other comprehensive income	180	149	146
Foreign exchange (loss) gain	464	548	Investment in Joint venture	77	52	31
Other Income	121	211	Investment Properties	23	23	24
Operating Income	26,882	22,837	Other Assets	35	26	23
Staff costs	(7,078)	(5,505)	Property & Equipment	22	18	5
General and administration expenses	(1,927)	(2,456)	Total Assets	2,720	2,194	1,947
Depreciation	(1,513)	(581)	Due to Banks and other financial Institutions	791	835	690
Operating Expenses	(10,518)	(8,542)	Depositors' Accounts	1,596	1,053	1,047
Operating Profit before provision for impairment	16,364	14,295	Other Liabilities	51	35	31
Provision for impairment	(9,552)	(8,851)	Total Liabilities	2,439	1,923	1,768
Operating Profit before Deductions	6,812	5,444	Share Capital and premium	190	190	100
Taxation & Directors' remuneration	(312)	(246)	Reserves	15	5	2
Net Profit for the Period	6,500	5,198	Equity Attributable to Shareholders of the bank	205	195	102
			Perpetual Tier 1 Sukuk	76	76	76
			Total Equity	281	271	179
			Total Liabilities & Equity	2,720	2,194	1,947
Basic and diluted earning per share	2.69 Fils	2.54 Fils				



IR@WARBABANK.COM

THANK YOU