

Business

# KIB achieves KD 15.5m net profit for 9 months ended 30 Sept 2018

## Al-Jarrah: Bank successfully transitioned from its development phase to implementation phase

KUWAIT: KIB reported a net profit of KD 15.5 million attributable to the shareholders for the nine months ended 30 September 2018 compared to KD 13.5 million in the same period last year. This has reflected positively on earnings per share (EPS) which also increased by 15 percent to reach 16.58 fils compared to 14.42 fils in the same period last year.

Total financing income registered a growth of 21 percent to reach KD 64.9 million compared to KD 53.5 million in the same period last year, contributing to the increase of total operating income by 9 percent to reach KD 49.6 million compared to KD 45.7 million in the same period last year.

KIB's total assets increased by 10 percent, to reach KD 2.08 billion, compared to 30 September 2017. The Bank also witnessed a growth of 18 percent, or an increase of KD 233 million, in the overall financing portfolio, to reach KD 1.54 billion. Meanwhile, KIB's investment portfolio increased by 5 percent during this period to reach KD 130 million.

Furthermore, customer deposits reached a total of KD 1.3 billion, compared to KD 1.17 billion recorded at the end of same period last year, thereby recording an increase of KD 136 million, or 12 percent. KIB's promising financial trajectory can be credited to its new customer-centric strategy, which aims at delivering an excellent customer experience.

Commenting on these financial results, Chairman of KIB, Sheikh Mohammed Jarrah Al-Sabah, noted the continuous growth of KIB's distributions to depositors' accounts and the record growth of its profits and deposits. The annualized return at the end of the third quarter of 2018 on Al-Boushra (KD) three-year deposits was 3.45 percent and Arzaq (KD) deposit increased to 2.8125 percent. On the other hand, the savings investment account (KD) achieved a net return of 1.6875 percent per annum during the third quarter of 2018.



Sheikh Mohammed Jarrah Al-Sabah



Accordingly, this has enabled the Bank to achieve better financial results during this period. The next phase will bring with it further positive developments, promoting the Bank towards the "Bank for Life".



Al-Jarrah concluded by lauding the impressive roster of awards and recognitions garnered by KIB during 2018, including the "Excellence in Islamic Banking Products and Services Award" for the year 2018 from the World Union of Arab Bankers (WUAB). The Bank also received the 'Best Islamic Bank in Kuwait' for the year 2018 and the 'Islamic Banking Chairman of the Year' for 2018, awards from World Finance. Additionally, KIB was awarded "Best Customer Acquisition in Kuwait" for the year 2018 by CPI Financial, and many certificates in the information security field issued by specialized international institutions. Al-Jarrah was also awarded the Red Purple Sash adorned with the Golden Medal Award of Merit and a patent certificate in the category of Wise Leadership in the Arab region from Tatweej Academy for Excellence Awards in the Arab Region.

### Transition

Al-Jarrah added: "KIB has successfully transitioned from its development phase and onto its implementation phase, which now focuses on enhancing the way we engage with customers. In this new phase, we are now offering customers next-level experiences that deliver much more than just traditional banking services. By leveraging cutting-edge technology, we are aiming at meeting the evolving needs of today's customers in this new era of speed, harnessing innovation to provide banking services that meet the needs of customers at all times and in all places."

In addition to developing a wide range of banking products and services, KIB always strives to provide its customers with new offers and reward programs. The Bank has launched a number of campaigns during the period.

Moreover, Al-Jarrah noted: "These new developments to enhance banking services and new offers have without doubt reflected on KIB's performance, as well as overall customer satisfaction."

## China's economic growth slows in Q3: Poll

BEIJING: China's growth downshifted in the third quarter as investment slowed and the widening trade conflict with the United States weighed on sentiment, according to analysts surveyed by AFP.

The world's second largest economy expanded by 6.5 percent in the July to September period, the poll of 12 economists found ahead of the official release of gross domestic product figures on Friday.

The sluggish growth would mark China's slowest pace of expansion since the first quarter of 2009, when the financial crisis battered global markets and knocked China's export machine.

The trade row with the US comes at a tough time for China's economy, which has been hit by the government's efforts to tackle a mountain of debt, with credit for local governments and state-owned enterprises tightening and infrastructure investment declining.

The third quarter forecast is down from 6.8 percent and 6.7 percent in the first and second quarters, respectively. Chinese policymakers have set a growth target of roughly 6.5 percent for the year, down from 6.9 percent in 2017.

The slowdown could be from a combination of the trade war and deleveraging, said Betty Wang, China economist at ANZ. While China's exports to the US have held up and expanded this year as exporters rush goods across the Pacific to beat tariffs, the trade war has undermined confidence in the economy, Wang said. "The sentiment has definitely hit the market already," Wang said.

The key Shanghai Composite Index has fallen 22 percent this year amid the turbulence, while the yuan has fallen about nine percent against the dollar.

Beijing faces a delicate balancing act as it tries to increase lending to private companies in need of credit, without further inflating the debt balloon.



Farmers picking herbs in a field in Danzhai in China's southwestern Guizhou province. China's growth downshifted in the third quarter as investment slowed and the widening trade conflict with the United States weighed on sentiment, according to analysts surveyed by AFP. —AFP

The People's Bank of China has cut the amount of capital banks must hold in reserve several times this year, while the central bank's chief, Yi Gang, indicated this week there are more levers to pull to keep the economic growth rate up.

### 'May get worse'

Fixed-asset investment, especially in infrastructure, has fallen to record lows this year as Beijing pushed deleveraging and local governments idled or cancelled projects.

That has hit economic growth, analysts said, noting a rethink is underway. "We believe the authorities

have already given priority to boosting the domestic economy over the stability of the RMB (yuan) policy and financial deleveraging," said Liu Ligang, Citibank's chief economist for China.

Proactive policy responses could help stabilize growth at around 6.5 percent in the fourth quarter, Liu said. "The trade war may get worse before it gets better, and the impact on China's economy could be more material in the coming quarters," said Liu.

Relations between the world's two largest economies have soured sharply this year, as US President Donald Trump sought to inflict economic pain on China to force concessions in trade negotiations. —AFP

## Don't mention oil price: US legal threat prompts change at OPEC

LONDON/DUBAI: OPEC has urged its members not to mention oil prices when discussing policy in a break from the past, as the oil producing group seeks to avoid the risk of US legal action for manipulating the market, sources close to OPEC said. Proposed US legislation known as "NOPEC", which could open the group up to anti-trust lawsuits, has long lain dormant, with previous American presidents signalling that they would veto any move to make it law.

But US President Donald Trump has been a vocal critic of the Organization of the Petroleum Exporting Countries, blaming it for high oil prices and urging it to increase output to relieve pressure on a market hovering around four-year highs. That has made OPEC and its unofficial leader, Saudi Arabia, nervous about what it might mean for NOPEC, or No Oil Producing and Exporting Cartels Act.

The decision to refrain from discussing a preferred oil price level—one way the group can guide market expectations—underlines how Trump's aggressive stance on the oil market is unsettling OPEC and testing ties between allies Riyadh and Washington. In July, senior OPEC officials attended a workshop in Vienna with international law firm White & Case to discuss the NOPEC bill, and the lawyers advised avoiding public discussion of oil prices and rather talk about the stability of the oil market, two sources familiar with the matter said.

OPEC officials were also advised to explore diplomatic lobbying channels to try and prevent the NOPEC bill from becoming law, one of the sources said. On Aug. 1, the OPEC secretariat sent a letter to the ministers making a similar recommendation. "We solemnly believe that market stability, and not prices, is the common objective of our actions," UAE Energy Minister Suhail Al-Mazroui, who holds the rotating OPEC presidency this year, wrote in the letter, seen by Reuters. "I would like to call upon OPEC Member Countries, as well as our participating Non-OPEC colleagues, to refrain from any reference to prices in their commentary about our collective efforts or oil market condition," he added.

White & Case did not respond to a Reuters request for comment. Specifying oil prices is not the only way OPEC tries to guide the market. By cutting production it can support prices and by raising supplies it can do the opposite, for example. But the private coordination of how to communicate

OPEC's message to the market represents a departure from past practice, when Saudi Arabia would often signal a preferred price level when speaking about OPEC policy and seek to push through actions to achieve that.

### Ties strained

While chances of the law passing this year appear slim, concerns among OPEC members and other oil producers are growing that it may ultimately get the support of Trump, given his open criticism of OPEC and high oil prices. The OPEC letter came two months before US-Saudi relations were further strained when a Saudi journalist disappeared during a visit to the kingdom's consulate in Istanbul. Turkish officials say they believe Jamal Khashoggi, a critic of Saudi policies, was murdered and his body removed. Saudi Arabia has strongly denied killing Khashoggi.

Some members of the US Congress, which has long had a tenuous relationship with Saudi Arabia, have criticized the kingdom over the case. A Senate source familiar with the bill said renewed interest in NOPEC was likely, as lawmakers weigh any actions in response to Khashoggi's disappearance. The source, who declined to be named, said that with lawmakers out of town for the next several weeks, it was difficult to measure current sentiment. Over much of the last year, Saudi Arabia irked Washington by pushing OPEC to adopt measures to boost oil prices in a shift from its previous, more moderate stance. —Reuters

## Turkmenistan opens \$3.4bn petrochemical plant

KIYANLY, Turkmenistan: Turkmenistan inaugurated yesterday a \$3.4 billion petrochemical plant as the Central Asian state seeks to both obtain greater value from natural gas and reduce its reliance on exporting it to China and Iran.

The plant should produce 386,000 tons of polyethylene and more than 81,000 tons of polypropylene—both used to make plastic—by processing 5 billion cubic meters of gas per year, according to fuel and energy chief Myratgeldi Meredov.

President Gurbanguly Berdimukhamedov, who participated in the opening of the facility on the coast of the Caspian Sea, said it is part of the country's "extensive plans to diversify the Turkmen energy complex, to increase the economy's export potential by launching production of gas and chemical products that are in demand on the global markets."

While Turkmenistan sits on the world's fourth largest gas reserves, its isolation means it has struggled to take full advantage of them. Its dependence on a few neighboring countries as customers was driven home when Russia decided to halt imports of Turkmenistan gas three years ago, leaving the country with just China and Iran as customers.

The chemicals produced at the plant will be exported to China, India, Turkey, Europe and other Central Asian countries. Built by a consortium that includes South Korean firms LG International Corporation, Hyundai Engineering Corp. Ltd and Japanese company TOYO Engineering, the plant was financed by the Japan Bank for International Cooperation. —AFP

**FOR RENT**

**APARTMENTS FOR RENT IN DIFFERENT AREAS IN KUWAIT**

BNEID AL GHAR - DASMAN - HAWALLY - SALMIYA

**APARTMENTS CONSIST OF:**

2 BEDROOMS + LIVING ROOM + 2 BATHROOMS + KITCHEN	BEDROOM + LIVING ROOM + BATHROOM + KITCHEN
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