Gulf Bank participates in 'Strategic Management in Banking' program

Program falls under KFAS' ongoing partnership with INSEAD

KUWAIT: Gulf Bank is proud to announce its participation in INSEAD's 'Strategic Management in Banking' program held at the Campus in Fontainebleau, France. The 10-day residential program reinforces Gulf Bank's commitment to developing its human talent at the executive level to ensure that they are abreast of the challenges, possibilities, and more opportunities for growth in the banking sector. The residential program was attended by Gulf Bank AGM, Bader Al-Ali.

With the support of the Kuwait Foundation for the Advancement of Sciences' (KFAS) and its' aspirational role in building Kuwaiti talent throughout the private sector through their various partnerships with prestigious and world-renowned business schools such as INSEAD to support the banking sector. The focus of the 'Strategic Management in Banking' program at INSEAD is to explore the future of banking, developing new approaches for strategy in an ever-changing global banking environment, and specifically aspires to derive the greatest advantage from the growing tread of mastering big data especially when applied to digital banking avenues. Commenting on Gulf Bank's participation, Salma Al-Hajjaj,


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General Manager Human Resources, Gulf Bank commented: "We have put in place a strategy that focus our efforts on developing Executive Leadership. We pride ourselves in contributing to the growth of opportunities for our national manpower and firmly believe in preparing them to lead." Further adding, "By investing in the knowledge and capacity building of our national manpower, we are confident that we will continue to grow and open up more employment opportunities for national manpower all the while contributing to the growth of the local economy."

In addition to participation in Executive Leadership Programs, Gulf Bank offers a wide array of learning and development programs across all levels of the organization.


Gulf Bank AGM Bader Al-Ali during the program

Bank of America reports higher profits, sees 'solid' US economy

A sign Bank of America is seen on 3rd Avenue in New York City. — AFP

NEW YORK: Bank of America reported higher first-quarter earnings on lower expenses and loan growth yesterday, with executives describing US growth as still solid. Net profits were $6.9 billion, up 5.8 percent from the year-ago level. Revenues fell by less than one percent to $23.0 billion.

Earnings rose in consumer banking, the biggest unit by revenue, thanks to increased net interest income following several Federal Reserve interest rate increases and higher loans.

Profits also were higher in global banking and global wealth and investment management, helping to offset a decline in global markets, where Bank of America was hit by a trading slowdown that has also dented other large banks. Noninterest expenses fell $618 million. Chief Financial Officer Paul Donofrio described the cuts as "fairly broad-based" and included areas such as marketing, litigation and technology initiatives.

Executives described US growth as "solid," with Donofrio pointing to forecasts that 2019 growth will be in line with the average of the last eight years. "We have demonstrated for years that Bank of America can grow well in an economy that is just growing moderately, even if it's slowing," Donofrio said.

The bank does not expect a recession in the foreseeable future, but Donofrio said it is well prepared even if one hits. Shares rose 0.2 percent to $29.90 in pre-market trading. — AFP

In Cotulla, Texas, life rises and falls with the price of oil

COTULLA: Small town Cotulla, a self-proclaimed "hotel capital" in Texas oil country, is riding high on the recent recovery in crude prices. But four years after an oil bust left the town reeling, locals are wary of repeating the same painful story.

With 24 hotels in a town of only 4,200 people, Cotulla lies on the road to the Permian Basin, the world's largest active oil field, and to America's largest oil export terminal in Corpus Christi.

Convoys of trucks carrying crude or sand, key to extracting shale oil, pass through the town regularly.

Their hurried activity stands in sharp contrast to the somber string of chain hotels, which greet visitors as they approach the town of just five square kilometers (1.9 square miles).

"Anyone who is new to Cotulla asks the same question: why are there so many hotels?" said Stephanie Patel, a manager at a local 65-room La Quinta.

Cotulla's central location, in the middle of the Eagle Ford Shale oil field in South Texas and near the Permian Basin, converted it to a necessary road stop for the oil industry, but also for trade with Mexico, thanks to its place on one of the nation's longest roads.

The I-35 Highway snakes 1,500 miles (2,400 kilometers) north, linking the border town of Laredo, Texas to Duluth, Minnesota, near the Canadian border. Cotulla recently grew even more reliant on the fossil fuel industry with the construction of a pipeline on the outskirts of town which will deliver oil from Eagle Ford to Corpus Christi, 130 miles away.

'Very crazy'

During the shale oil boom around 2010, when the price of a barrel frequently topped $100, the town center turned into one big construction site. "It was very crazy," said City Administrator Larry Dovalina. "People were practically planting tents to stay in this area." "Originally we had probably the highest-priced Holiday Inn Express in the US. It was charging somewhere around $200 to $300 a room and it was 100 percent occupied. You couldn't get a room if you wanted to."

But in October 2014 but the oil bubble burst as global production surpassed demand. From more than $100 a barrel, prices fell by half in just six months, bottoming out at $26 within a year. "The oil industry came to a screeching halt," said Andy Lipow of Lipow Oil Associates. Investments and workforces suffered sweeping cuts, with the industries that depended indirectly on oil, such as hotels and restaurants, also bled dry.

COTULLA: In Cotulla town center, a monument to the town's founder, Joseph Cotulla. — AFP

Hotel occupancy and room rates in the town tumbled, forcing one establishment into bankruptcy. The contagion also hit the Cotulla's finances, with the local treasury shrinking by a third and falling below $400,000. It has since struggled to recover and the average hotel room price fluctuates between $80 and $100 and occupancy rates are not what they used to be.

To avoid another collapse, Cotulla wants to diversify, possibly into livestock or building an airport.

"With this boom, we have seen many million dollar hotels," said Carl Childers, who has lived in Cotulla for 50 years. "Now, what will happen whenever it leaves? That's my only concern." — AFP

China's policy stimulus may worsen economic distortions: OECD

BEIJING: China's stimulus measures will shore up economic growth this year and next but may undermine the country's drive to control debt and worsen structural distortions over the medium term, the OECD said in a report yesterday.

Beijing has stepped up fiscal stimulus to prevent a sharper slowdown in the world's second-largest economy, which is being squeezed by weaker domestic demand and a trade war with the United States. Local governments will be allowed to issue 2.15 trillion yuan ($320.60 billion) worth of special purpose bonds in 2019 to fund infrastructure projects, a jump of 59 percent from last year.

But S&P Global Ratings estimated last year that local governments were already sitting on hidden debt that could be as high as 40 trillion yuan. "Infrastructure stimulus could lift growth over the projection horizon, but it could lead to a further build-up of imbalances and capital misallocation, and thereby weaker growth in the medium term," the OECD said in its latest survey on China's economy.

"The stimulus risks increasing once again corporate sector indebtedness and, more generally, reversing progress in deleveraging," it said. China's corporate debt has fallen to about 160 percent of gross domestic product (GDP) due to a multi-year clampdown on riskier types of financing and debt, but the level was still higher than in other major economies, the OECD said. The government in March announced tax and fee cuts of 2 trillion yuan for companies this year, which will lift its budget deficit to 2.8 percent of GDP this year from 2.6 percent in 2018.

China's fiscal stimulus could be as high as 4.25 percent of GDP this year, up from 2.94 percent in 2018, the OECD added. Easier monetary policy should help reduce the risk of liquidity strains which could put further pressure on businesses, said Ludger Schuknecht, deputy secretary-general of the OECD.

But he said Beijing should prevent any policy "overshooting". Fiscal policy should aim to support the economy while avoiding any side-effects, he added. "I'm sure government authorities and the PBOC are monitoring this carefully. It's a matter of implementing it (stimulus) in the right way," he told an event ahead of the release of the report. New bank loans rebounded more than expected in March, and totaled a record 5.8 trillion yuan for the quarter, as policymakers pushed lenders to support struggling smaller, private companies, which are seen as higher credit risks than state-controlled firms.

But there are concerns that looser lending standards may fuel a further rise in bad loans as well as inefficient investment and speculation, particularly in the property market. Underscoring the OECD's warning about debt risks, data yesterday showed growth in new home prices accelerated in March after cooling since November 2018. Average new home prices in China's 70 major cities rose 0.6 percent, quickening from a 0.5 percent gain in February, according to Reuters calculation of data released by the National Bureau of Statistics (NBS).

Home prices in China are expected to rise more this year than predicted just a few months ago, a recent Reuters poll showed, as the government urges banks to increase lending and lower interest rates to support the economy. The People's Bank of China (PBOC) has already slashed banks' reserve requirement ratio (RRR) five times over the past year and is widely expected to ease policy further in coming quarters to spur lending and reduce borrowing costs.

But top officials have repeatedly vowed not to open the floodgates in an economy already saddled with piles of debt - a legacy of massive stimulus during the global financial crisis in 2008-09 and subsequent downturns. — Reuters

EXCHANGE RATES

Al-Muzaini Exchange Co.

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	305.200
Euro	344.110
Sterling Pound	402.710
Canadian dollar	229.730
Turkish lira	54.990
Swiss Franc	307.200
US Dollar Buying	297.800
ASIAN COUNTRIES	
Japanese Yen	2.740
Indian Rupees	4.400
Pakistani Rupees	2.199
Srilankan Rupees	1.742
Nepali Rupees	2.742
Singapore Dollar	225.990
Hongkong Dollar	38.881
Bangladesh Taka	3.606
Philippine Peso	5.862
Thai Baht	9.592
Malaysian ringgit	78.056
GCC COUNTRIES	
Saudi Riyal	81.441
Qatari Riyal	83.881
Omani Riyal	793.242
Bahraini Dinar	810.950
UAE Dirham	83.149
ARAB COUNTRIES	
Egyptian Pound - Cash	20.700
Egyptian Pound - Transfer	17.594
Yemen Riyal/for 1000	1.226
Tunisian Dinar	105.240
Jordanian Dinar	431.200
Lebanese Lira/for 1000	0.204
Syrian Lira	0.000
Morocco Dirham	32.434
Thai Bhat	10.550
Turkish Lira	54.575
Singapore dollars	225.511

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	304.840
Canadian Dollar	228.350
Sterling Pound	95.450
Euro	344.725
Swiss Frank	307.490
Bahrain Dinar	810.685
UAE Dirhams	83.400
Qatari Riyals	84.640
Saudi Riyals	82.185
Jordanian Dinar	431.245
Egyptian Pound	17.628
Sri Lankan Rupees	1.744
Indian Rupees	4.412
Pakistani Rupees	2.160
Bangladesh Taka	3.618
Philippines Pesso	5.851
Cyprus pound	18.135
Japanese Yen	3.725
Syrian Pound	1.595
Nepalese Rupees	2.758
Malaysian Ringgit	75.435
Chinese Yuan Renminbi	45.805

Bahrain Exchange Company

CURRENCY	BUY	SELL
	Europe	
British Pound	0.391471	0.405371
Czech Korune	0.005405	0.014705
Danish Krone	0.042063	0.047063
Euro	0. 336759	0.350459
Georgian Lari	0.112695	0.112695
Hungarian	0.000983	0.001173
Norwegian Krone	0.031793	0.036993
Romanian Leu	0.055374	0.072224
Russian ruble	0.004727	0.004727
Slovakia	0.009116	0.019116
Swedish Krona	0.028792	0.033792
Swiss Franc	0.296914	0.307914
	Australasia	
Australian Dollar	0.209335	0.221335
New Zealand Dollar	0.199507	0.209007
	America	
Canadian Dollar	0.222208	0.231208
US Dollars	0.300650	0.305950
US Dollars Mint	0.301150	0.305950
	Asia	
Bangladesh Taka	0.003027	0.003828
Chinese Yuan	0.043982	0.047482
Hong Kong Dollar	0.036781	0.039531
Indian Rupee	0.003817	0.004589
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002636	0.002816
Korean Won	0.000258	0.000273
Malaysian Ringgit	0.070705	0.076705
Nepalese Rupee	0.002681	0.003021
Pakistan Rupee	0.001510	0.002280
Philippine Peso	0.005835	0.006135
Singapore Dollar	0.219723	0.229723
Sri Lankan Rupee	0.001400	0.001980
Taiwan	0.009749	0.009929
Thai Baht	0.009254	0.009804
Vietnamese Dong	0.00013	0.00013
	Arab	
Bahraini Dinar	0.793785	0.810285
Egyptian Pound	0.017747	0.020347
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000210	0.000270
Jordanian Dinar	0.424927	0.433927
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000152	0.000252
Moroccan Dirhams	0.021230	0.045230
Omani Riyal	0.785240	0.790920
Qatar Riyal	0.079417	0.084357
Saudi Riyal	0.080180	0.081480
Syrian Pound	0.001292	0.001512
Tunisian Dinar	0.096859	0.104859
Turkish Lira	0.046530	0.058030
UAE Dirhams	0.081547	0.083247
Yemeni Riyal	0.000991	0.001071