

Business

AUB reports KD 45.2m net profit for 9 months period ended 30 Sept 2019

Result reflects a 5.1% growth year on year and an EPS of 23.5 fils

KUWAIT: Ahli United Bank (AUB) reported a net profit amounting to KD 45.2 million for the nine months period ending on 30 September 2019 compared to KD 43.0 million during the same period last year. This reflects a 5.1 percent growth year on year and an earnings per share (EPS) of 23.5 fils as compared with 22.3 fils EPS for the same period last year.

The Bank's increase in net profits is derived from its continued growth in core revenues whereby financing income has grown by 8.7 percent during 2019.

AUB's operating revenue amounted to KD 80.7 million for the nine months ended 30 September 2019. Shareholders equity rose further by 3.9 percent reaching KD 447.5 million as of 30 September 2019 as compared with KD 430.8 million recorded at the end of 2018. Capital Adequacy Ratio of 14.9 percent remained resilient with a comfortable cushion above the regulatory requirement of 13 percent.

The Bank has achieved satisfactory returns on both equity and assets of 13.9 percent and 1.5 percent respectively during the period, being amongst the highest Key Performance Indicators in the local market. Total assets and financing receivables grew by 5.2 percent and 5.4 percent each to reach KD 4,117.8 million and KD 2,950.6 million respectively as at the end of September 2019. Furthermore, customer deposits increased by 8.4 percent and

reached to KD 2,627.6 million at the end of September 2019 backed by ideal cost, maturity and concentration management aiming to secure higher margins. Despite the assets growth, the bank continued to maintain the high quality of its assets whereby assets quality metrics remained strong of Non-performing finance (NPF) ratio of 1.27 percent of the total finance books with provision coverage ratio of 251.4 percent excluding collaterals.

Commenting on these results, the Chairman of Ahli United Bank, Dr Anwar Ali Al-Mudhaf, said that the positive indicators that accompanied the Bank's performance during the third quarter of the year are the result of the continuous efforts made by all business sectors in the Bank to maintain a remarkable performance that enhances the Bank's reputation and solidifies its position within the Kuwaiti banking sector as the first bank operating in Kuwait, now for 78 years. It also reflects our successful business strategy and plans to diversify sources of income, maximize shareholder returns, and go far in achieving customer aspirations with an early response to their increasing needs."

Dr Al-Mudhaf pointed to the advanced capabilities enjoyed by AUB and its commitment to the highest professional standards that are most appreciated by global ratings agencies and place the Bank at the forefront of banking and financial service providers in the State of Kuwait, which enables the Bank



Dr Anwar Ali Al-Mudhaf

to continue to receive these superior ratings from agencies in addition to the prestigious awards received by international well-known entities. "These achievements are a strong indicator of the Bank's business strategy and sound performance," he said.

Al-Mudhaf referred to the role of AUB's sustainable social development program which continued to focus on support Kuwait's youth and environment. These efforts continue to deepen Ahli United Bank's positive impact on society. Dr Anwar Al-Mudhaf expressed thanks and appreciation for the Bank's shareholders and customers for their committed support to and deep trust in the Bank. He also expressed appreciation to the Central Bank of Kuwait,

and all supervision authorities and lauded the efforts of the Bank's executive management and all its employees that enable the Bank to achieve that success.

Leadership position

AUB's Acting Chief Executive Officer, Tareq Muhmood, emphasized that "The Bank has maintained its leadership position in Kuwait, due to the joint efforts of management and all staff, noting that the financial results reflected the strong financial position of the Bank.

Muhmood expressed his pride that the Bank recently won a number of prestigious awards including the "Best Online Cash Management Bank" in Kuwait 2019 in corporate banking for the third year in succession, by Global Finance, the leading international finance magazine. This award is given to banks that offer advanced local, regional and international banking solutions combined with the latest innovative digital technologies. This award reaffirms the appreciation of international institutions for AUB's leading position in the local market. The bank also won "the Best Business IT Innovation - Banking - Kuwait 2019" granted by "the International Finance Magazine (IFM)", a world-class recognized magazine specialized in Banking and Finance based in London, UK. In addition to previous awards, the bank also won the "The Most Innovative Digital Banking Initiative (Smart

Branch) Kuwait 2019" by Global Banking & Finance Review - a leading magazine in publishing the latest global developments in finance and banking-, for the digital branch AUB opened at the Avenues Mall, Phase IV.

Muhmood further added: "We are pleased with our achievements to embrace the most recent technological developments in banking and digital transformation to continue AUB's leadership by taking numerous significant steps in its journey towards digital transformation. We have a number of contributions in the field of digital transformation in the banking sector through a full range of solutions for private, retail and corporate banking, covering all business and activities of the bank, including the only application of its kind in Kuwaiti banks for smartphones and computers for corporate banking (AUB B2B) which includes all corporate-related services and products. The Bank also succeeded to launch the Video Chat Room Service at the Avenues Branch, providing customers a privacy space for video chatting with customer service staff. The Bank also provided several new updates to its outstanding Mobile Banking Application, providing its customers unparalleled exclusive features in terms of convenience, speed, security and the ability to meet and exceed customers' expectations in the digital era." Muhmood added "With the excellent team at Ahli United Bank, we expect to see more progress over the coming months".

Indonesia's Indrawati to stay on as finance minister



JAKARTA: Mulyani Indrawati will remain as Indonesian Finance Minister. — Reuters

JAKARTA: Indonesian Finance Minister Sri Mulyani Indrawati said yesterday she had been asked by President Joko Widodo to stay in her post in his new cabinet, and the rupiah strengthened on expectations fiscal discipline would be maintained. Since Monday, Widodo has tapped more than a dozen candidates for ministerial posts in his second five-year term, including his presidential election rival Prabowo Subianto. Local media have said Prabowo could be the new defense minister.

The candidates - all wearing white shirts - visited the presidential palace to be interviewed by Widodo, with most declining to confirm the positions offered ahead of an official announcement expected today. After meeting Widodo, Indrawati said she had agreed to stay on as finance minister and to ensure policies supported the president's priorities such as improving human resources, creating jobs and executing government budgets well.

"Indonesia I think is facing a very dynamic and uncertain global economy and an economic slowdown that is pressuring the whole world," Indrawati said. "Therefore, a continued policy is needed in order to be able to guard our economy from the challenge of this global slowdown," she said, noting she also

discussed ways to narrow Indonesia's current account and trade deficits.

Indrawati, a former managing director of the World Bank, has been finance minister in Southeast Asia's largest economy since 2016, spearheading tax reform efforts, seeking to capitalize on a tax amnesty program in 2016-2017. She is now one of the longest serving finance ministers in Indonesia, having also held the post in the previous administration of President Susilo Bambang Yudhoyono.

The rupiah extended gains after her comments, strengthening by as much as 0.6 percent to 13,990 to the dollar, to trade at the highest in more than a month. "Sri Mulyani is seen as a key architect behind the fiscal discipline in recent years and many wish for her continued leadership in driving deeper fiscal reforms," Bank of America wrote in a note.

Nomura economists Euben Paracuelles and Rangga Cipta said Indrawati's expected re-appointment implies Indonesia's fiscal policies will remain conservative in the short term, putting the burden on the central bank

to boost growth through monetary policy.

Three party heads

The number of technocrats like Indrawati named to the cabinet is being closely watched as they are seen more likely to back Widodo's plans for boosting growth and investment than party-affiliated candidates. Basuki Hadimuljono, credited with driving infrastructure projects as public works minister in Widodo's first term, and Siti Nurbaya Bakar, environment minister, will remain in the cabinet, they said after meeting the president. Besides Prabowo, a former general who heads the Gerindra party, two other party heads have been tapped to become ministers: Airlangga Hartarto, chairman of the Golkar party, and Suharso Monoarfa, who chairs the United Development Party. — Reuters

Hartarto has been linked in media to the post of coordinating minister for economic affairs. The coalition led by Widodo's PDI-P party, which includes Golkar and the United Development Party, has about 60 percent of the seats in parliament. Gerindra has 14 percent.

Although the appointments underpin Widodo's attempts to secure wide parliamentary support as he seeks to push through his agenda, they will add to concerns among activists about a muted opposition and the dilution of Indonesia's democracy. Other ministerial candidates asked to join the cabinet include Nadiem Makarim, chief executive of tech startup Gojek and media tycoon Erick Thohir, a former chairman of Italian soccer club Inter Milan. National police chief Tito Karnavian, who has led a crackdown on Islamic militants, may also join the cabinet, a police spokesman was quoted by news portal Tempo.co as saying. — Reuters

Samsung, UAE funds lead \$55m investment

DUBAI: US quantum computing startup IonQ said yesterday it raised \$55 million in a funding round that was led by venture funds backed by Samsung Electronics and the government of the United Arab Emirates. With the investments from Samsung Catalyst Fund and Mubadala Capital, Maryland-based IonQ said its total funds raised to date reached \$77 million. The company didn't disclose its valuation.

Researchers believe quantum computers could operate millions of times faster than today's advanced supercomputers, making potential tasks ranging from mapping complex molecular structures and chemical reactions to boosting the power of artificial intelligence possible.

Alphabet Inc's Google, International Business Machines Corp and Microsoft Corp have all either made investments or launched research projects around quantum computing. IonQ already has 4 quantum computers, each the size of four regular refrigerators operating in Maryland, and rents out time on them to academics and businesses. Unlike some of its competitors that need to keep the environment around the quantum computer at

absolute zero, IonQ's computers operate in room temperature, said Chief Executive Officer Peter Chapman.

Chapman said most of IonQ's quantum computer parts are commonly available off-the-shelf, which helps to keep the cost down. The high costs associated with building quantum computers, along with the cold environment they generally need, have been a challenge in making them a profitable business.

"I like to joke that Amazon delivers most of the parts for us," Chapman said.

The only custom part of IonQ's machine is a special chip that is made by an outside vendor. Chapman declined to name the vendor, but said the part is made with commonly available chip making technology. Francis Ho, co-head of the Samsung Catalyst Fund, said Samsung, a major chipmaker itself, invested in part because it hopes to one day possibly supply parts for quantum computers. But Ho said Samsung could also be a large potential customer.

Around the world, governments are concerned about quantum computing because it could be used to break today's encryption technology. Chapman said although the company does not yet have substantial revenue, there are customers and countries it will avoid doing business with, including China. Quantum computing "is at a nation-state level. It's really the US versus other countries who are busily trying to leapfrog the US and its technical dominance," said Chapman. — Reuters

Sterling softens as more Brexit votes loom

LONDON: The pound slipped yesterday awaiting key votes on Prime Minister Boris Johnson's EU withdrawal bill, but analysts said its downside was capped by broad optimism that a no-deal Brexit will be avoided. Global stock markets meanwhile rose on growing expectations that China and the United States will sign a partial trade deal next month. Sterling's modest decline came a day after a five-month peak at \$1.3013, struck after parliament forced Johnson to request another extension to Britain's scheduled exit from the European Union. The pound switched hands at \$1.2914 yesterday, down from \$1.2960 late in New York on Monday. "The pound has dipped a little but remains well supported on the whole and not too far from recent highs," noted David Cheetham at XTB.

'Fool's errand'

But it was also clear that traders were largely flying blind, with political proceedings difficult to call. "If the whole Brexit process has taught us anything it is that trying to predict the next political development is something of a fool's errand," he said.

Johnson published his hotly awaited withdrawal agreement bill (WAB) late on Monday, with just over a week to go until Brexit on October 31. "The Brexit saga rumbles on today as MPs debate and vote on the WAB in what is likely to be the first of a few excruciating



TOKYO: Pedestrians walk in front of an electric quotation board displaying the numbers on the Nikkei 225 index on the Tokyo Stock Exchange in Tokyo. — AFP

ating and long sessions in parliament," said Oanda analyst Craig Erlam.

Johnson faces two crucial Brexit votes that could decide if he still has a reasonable shot at securing his EU divorce by next week's deadline. Firstly, the Conservative leader hopes parliament gives initial support to a Brexit bill that translates the revised withdrawal agreement he struck with Brussels last week into UK law. Secondly, he also hopes the lower House of Commons will vote in favor of a speedy timescale to pass the entire legislation in just three days.

'Displeasure'

The rapid timetable—a big ask for a 110-

page text designed to unwind 46 years of intricate EU-UK ties—has sparked outcry from opposition lawmakers. "The main events of the day will likely come this evening, after the stock market here in London has closed, with parliament set for two key votes on Brexit," said XTB analyst David Cheetham. Even if the withdrawal bill "passes there's a fair chance that a vote on the timetable shortly afterwards will fail. "Several MPs have already voiced their displeasure at the lack of time to scrutinise the bill," he added. At the same time, Johnson has been forced by parliament to request a three-month extension that European leaders will consider once they get a clearer picture of this week's parliamentary votes. — AFP

French farmers stage protests as anger boils over

PARIS: Hundreds of farmers rolled out tractors to stage protests at government offices across France yesterday, railing against measures they say are crimping revenues and contributing to a spike in suicides in the sector in recent years. "Macron, answer us!" read a banner in Le Mans, western France, as farmers dumped hay and dug up a roundabout in front of the regional government office as the protests began Monday night.

Another asked "France, do you still want farmers?" referring to regulations, price wars and global trade deals many say are stifling their ability to make a living. It was the second mass protest this month, after an estimated 10,000 farmers blocked highways across France on October 8.

"We're demanding an end to 'agribashing,' to stop making our jobs more and more difficult, to stop putting spokes in our wheels and blaming us for everything," said Delphine Fernandez, president of the Young Farmers association in the southern Gard department.

"Every day a farmer takes his own life, and it seems that Emmanuel Macron's government isn't aware of the problem," she said. French health authorities confirmed in July that the number of suicides among farmers reached 605 in 2015, the most recent year of data available, after staying

stable at around 150 a year from 2007 to 2011.

The subject, long taboo in the sector, has made headlines in recent weeks with the success of the film "Au Nom de la Terre" (In the Name of the Earth), which recounts the true story of a farmer driven to suicide by ever-increasing demands on his operations.

'Caught in a vise'

Many farmers say they are being targeted by unreasonable restrictions on the use of pesticides, as well as by vegan activists denouncing the raising of livestock. Despite working long hours year-round, their revenues often barely cover their costs: More than 30 percent of farmers earn just 350 euros a month, according to Social Security figures.

"Farmers are deeply angry inside, they keep taking it on the chin, and they need to express their exasperation with the government's inconsistencies," Christiane Lambert, head of the FNSEA farmers' federation, told CNews television. "We get the feeling that agriculture is caught in a vise, and that no one understands the risk of our lands emptying out because dozens of farms are disappearing," she said.

The government says it is listening to farmers' demands, in particular by passing a food law aimed at giving farmers more pricing control against large retailers who enjoy huge profit margins.

But Agriculture Minister Didier Guillaume acknowledged yesterday that for many farmers the law has not done enough. "The numbers don't add up" for many, Guillaume said on LCI television, vowing to "harden things up politically." — AFP