S&P awards Boubyan Bank the highest credit rating in Kuwait

Agency upgrades bank's long-term issuer credit rating to 'A' and revises outlook to 'Stable'

KUWAIT: Boubyan Bank took a new step towards further achievements as it approached the end of this year by receiving a new upgrade of its credit rating from Standard & Poor's Ratings, which upgraded the bank's long-term issuer credit rating to "A", and revised its Outlook to "Stable", while upgrading its SACP rating to "bbb+".

Boubyan Bank's Vice-Chairman & Group Chief Executive Officer, Adel Al-Majed, stated: "Thanks to Almighty Allah, we have made a new achievement in our journey as we come closer to the end of this year. This major step confirms our success in striking the needed balance between expansion and growth of our business locally and internationally on the one hand, and good profits on the other hand."

He added: "Upgrading our credit rating despite the uncertainty of international economic expectations, owing to geopolitical factors and inflation rates, reflects the strength of our banking services and our ability to achieve balanced growth, while maintaining the quality of our assets, the thing which was highlighted by the prestigious rating agency which believes that this helps the bank maintain strong capitalization. The latest upgrade places Boubyan Bank in the lead of local banks rated by Standard & Poor's, as well as being ahead of all Islamic banks in Kuwait, while ranking second at the level of all local banks rated by Moody's and Fitch. This actually increases our challenges and makes us more persistent to continue our achievements."

Adel Al-Majed

Rating Boubyan atop local banks confirms our successful ongoing balance between growth, expansion and profits

The agency expected that the combination of balanced growth, decent earnings, and a manageable dividend payout ratio is likely to help the bank maintain strong capitalization, and that the bank can keep asset quality indicators at current levels, despite expected growth locally and abroad.

Second upgrade of credit ratings in 2022

The upgrade of Boubyan Bank's credit rating by international credit rating agencies is the second during 2022, following Moody's decision to upgrade Boubyan's Long Term Deposit Rating from "A3" to "A2", while upgrading the bank's Baseline Credit Assessment from "ba1" to "baa3" in the second quarter of this year, reflecting their view on the bank's growing domestic retail and corporate franchise, which supports its solid recurring profitability, strong asset quality and capital buffers in light of the capital raising, as well as a stable funding profile.

Boubyan Bank... a role model to follow in Islamic banks' stories

Furthermore, in its report on Islamic finance in Kuwait during Q3 of this year, Moody's cited Boubyan Bank's successes as a proof of the excelling performance of Islamic banks in Kuwait and the Middle East, while stressing that numbers show that the bank is now ranked the third largest bank in Kuwait in terms of its major market share, which exceeds 11 percent.

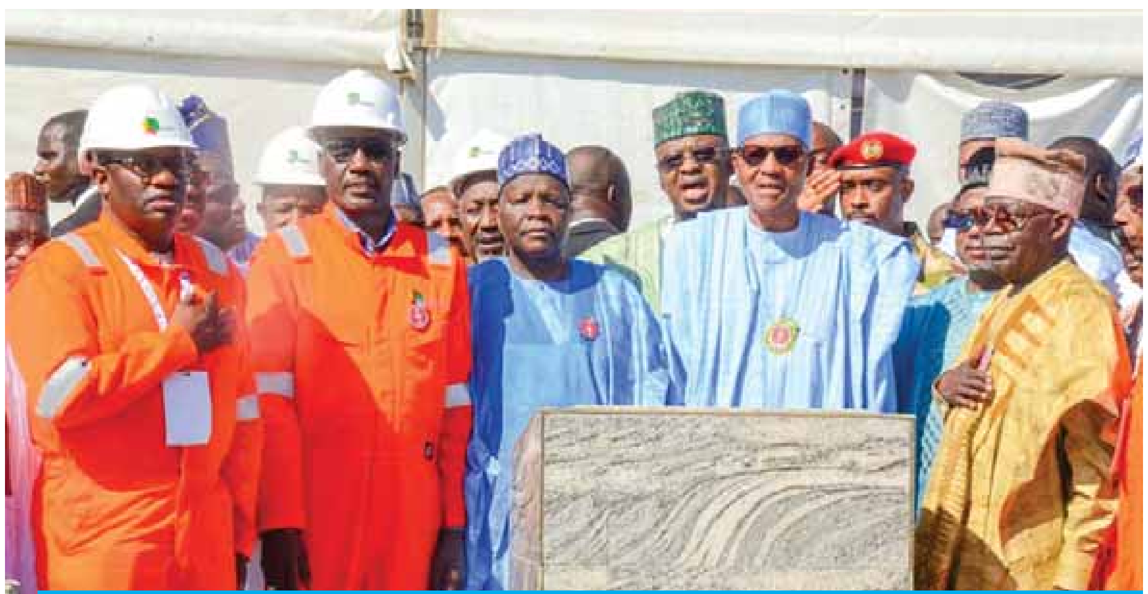
The safest bank

Boubyan Bank managed to make a new accomplishment that adds to its recent achievements by advancing to the 4th rank in Global Finance's list for the Safest Islamic Banks in the GCC. This confirms the success of the bank's strategy and its robustness and resilience in the face of various crises.

More than 15 awards

It is worth-noting that Boubyan Bank received a record number of international awards in 2022 from distinct and prestigious institutions such as Euromoney, MEED, and Global Finance. The bank received more than 15 awards in various areas such as digital services, creativity and innovation, CSR, and SMEs' support. The bank was also named the World's Best Islamic Digital Bank for the eighth consecutive year by Global Finance.

Al-Majed was also recognized this year as he was named "Arab Banker of the Year 2021", making him the first Kuwaiti banker ever to receive the highest recognition given by the Union of Arab Banks for excellent achievers in the Arab financial and banking business.



ABUJA: The ground-breaking ceremony of the Kolmani Oil Prospecting Lease (OPL) at the Kolmani field site, the first oil drilling in Northern Nigeria that took place in Bauchi and Gombe states on Wednesday.

Nigeria inaugurates first oil and gas project in north

ABUJA: Nigeria began drilling for oil and gas in the northeast on Tuesday, a first for the African oil giant which has exploited large deposits in the south for decades and whose production is declining. President Muhammadu Buhari visited the Kolmani field, located in Gombe and Bauchi states and with estimated reserves of over one million barrels, to inaugurate the drilling site.

"The successful discovery of the Kolmani Oil and Gas field by NNPC (Nigerian National Petroleum Company Limited) and her partners has finally broken the jinx" after long efforts to find commercial oil and gas outside the established Niger Delta Basin, Buhari said in a statement. In addition to drilling, the project-which has attracted $3 billion in investment-aims to open an oil refinery, a gas processing unit, a power plant and a fertilizer factory, according to the presidential statement.

Buhari in his comments also urged the oil company and partners "to ensure all lessons learnt from our years of experience as an oil-producing nation are utilized to ensure harmonious relationship with the local communities". Oil exploitation in Nigeria began in the 1960s in the southeastern Niger Delta region.

Decades of production have enriched government officials and generated huge profits for large foreign companies in particular, but the majority of Nigerians, especially in the oil-rich Delta region, continue to live in poverty. The region suffers badly from pollution, and tens of thousands of people now make a living from stealing crude oil from pipelines or at sea, from illegal refineries that have sprung up in swampy and forested areas, and from selling fuel on the black market, causing ecological disasters.

This insecurity in the sector has significantly increased the cost of producing Nigerian oil, and major foreign oil companies are now ceding their share of onshore oil fields to focus on offshore operations. In September, Nigeria lost its position as the largest oil producer on the African continent to Angola as its oil production continued to decline despite rising prices linked to the Russian offensive in Ukraine. In addition to a severe economic crisis, Africa's most populous country also faces widespread insecurity, with attacks by criminal groups and a jihadist insurgency in the north, and separatist unrest in the southeast. In the face of these problems, Nigerian voters will go to the polls in February to elect a successor to Buhari, who is stepping down after two terms. On Tuesday Buhari also reiterated Nigeria's goal to achieve net zero carbon emissions by 2060. — AFP

Moldova denies Russian gas supplies diverted in Ukraine

CHISINAU, Moldova: Moldova on Wednesday dismissed allegations from Gazprom that Ukraine was diverting supplies intended for Moldova, after the Russian energy giant accused Kyiv of withholding deliveries and threatened to cut supplies. Ukraine is a key transit artery for Russian gas supplies to Europe and Gazprom's threat to slash flows comes as Moldova, Ukraine and many other European countries face an energy crisis. Moscow has dramatically reduced consignments to Europe in response to Western sanctions over the war in Ukraine.

Gazprom this week accused Ukraine of preventing around 52.52 million cubic meters from being delivered to Moldova and threatened to reduce volumes starting next week if the "imbalance" was not corrected. "To be clear, all the gas delivered to Moldova ends up in our country," Moldova's Prime Minister Andrei Spinu said on social media Wednesday. "The volumes of gas that Gazprom refers to as remaining in Ukraine are our savings and reserves stored in warehouses in Ukraine," he added.

"Let it also be clear that these volumes were and will be fully paid for by our country." Spinu explained that Moldova has "over 200 million cubic meters of gas in storage". Ukraine earlier denied Gazprom's allegations, saying that all gas volumes destined to Moldovan consumers have been transferred "in the full amount".

It also accused Russia of "manipulating facts" to justify reducing deliveries to Europe. Wedged between Ukraine and Romania, Moldova has seen its Russian gas deliveries slashed and its regular electricity imports dry up. Its pro-Western president, Maia Sandu, this week warned the country faced a "dramatic energy crisis" this winter due to the war in Ukraine.

The Saint Petersburg-based company said Ukraine had obstructed 52.52 million cubic meters from being delivered to Moldova and threatened cuts in response. "If the transit imbalance through Ukraine for Moldovan consumers persists, on November 28, from 10:00, Gazprom will begin reducing gas supply" through a key transit point for deliveries to Europe, the company said.

Ukraine denied the allegations, saying that all the gas volumes bound to Moldovan consumers have been transferred "in the full amount". "By threatening to reduce the volumes of gas transportation to Moldova, Gazprom is trying to deprive this country of the opportunity to use the Ukrainian gas transmission system (GTS)," Ukraine GTS operator official Olga Bielkova said in a statement. "This is not the first time Russia has resorted to using gas as an instrument of political pressure," she said. "It manipulates facts to justify its decision to limit further the volume of gas supplies to European countries."

The threats come at a precarious moment for energy security in Europe, which scrambled to fill gas storage sites ahead of winter. Ukraine is suffering a severe energy crisis in the wake of weeks of persistent Russian strikes on its energy grid, which has also led to blackouts in neighboring Moldova. Chisinau's pro-European president, Maia Sandu, has warned that her country of 2.6 million people nestled between Romania and conflict-scarred Ukraine risks running out of gas and electricity this winter. — AFP

Freight train strike could derail Biden political momentum

WASHINGTON: Joe Biden faces the prospect of a crippling strike by railroad unions that could stall transport of fuel, corn and drinking water, dramatically complicate holiday season train travel, and dent the US president's political standing. If an agreement is not reached by December 9 at the latest, the world's largest economy could see nearly 7,000 freight trains grind to a halt, at a cost of more than $2 billion a day, according to the American Association of Railroads.

Biden himself has got "involved directly" in the negotiations aimed at averting a work stoppage, White House spokeswoman Karine Jean-Pierre said Tuesday. "I don't want to get into details at this time, but he has been involved," she said. In a country where some 28 percent of all goods are transported by rail, according to 2019 statistics, "a shutdown is unacceptable because of the harm... imposed on jobs, families, farms, businesses, and communities" nationwide, Jean-Pierre added.

A large-scale strike would affect multiple sectors, even the supply of drinking water, given than many of the chemicals used in treatment plants are transported by train. A freight freeze would also impact passenger service, because some passenger trains run on tracks owned by freight companies. The stoppage threat is the result of a complex negotiation involving members of 12 unions and their employers, with Biden weighing in to flex his political muscle.

Too soon?

The risk of a major labor dispute actually has existed for months, with the White House narrowly averting a strike in September. In a self-congratulatory move, the president welcomed labor leaders to the Oval Office on September 15 to celebrate an agreement in principle, after hours of intense negotiations that had stalled in particular on the issue of sick leave.

Biden at the time went as far as to hail "a big win for America" during a speech in the Rose Garden. The presidential celebration now appears premature. That agreement still required the ratification from members of the 12 unions in question, but four of the labor groups do not support it. There are still two weeks to reach a deal. In the end, if only one of the unions goes on strike, the others will follow suit.

The impasse is a difficult one for Biden. He is a huge supporter of rail transportation who as a US senator traveled by train daily between Washington and his family living in the state of Delaware, and throughout his career has rarely missed an opportunity to express support for labor unions. But with US inflation sky high, and holidays fast approaching, he can hardly afford such transport woes.

As the 79-year-old Democrat mulls a re-election bid in 2024, a rail strike could jeopardize the political momentum he has earned since the November 8 midterm elections, when his party averted major losses to Republicans. One possibility is the intervention of Congress, which has the power under the 1926 Railway Labor Act to keep the railroads operating. — AFP

Singapore warns slower economic growth in 2023

SINGAPORE: Singapore warned on Wednesday that economic growth could slow to a trickle next year owing to weakness in key export markets including the United States, Europe and China, as rising interest rates and the Ukraine war cause headwinds. The city-state's economic performance is often seen as a useful barometer of the global environment because of its reliance on trade with the rest of the world.

The trade ministry said it expected growth to come in at 3.5 percent this year-inside its forecasts for 3-4 percent-but then drop sharply in 2023 to just 0.5-2.5 percent as weaker global demand offsets a strong recovery in air travel after the pandemic. Officials warned that "significant uncertainties and downside risks in the global economy remain" including the war in Ukraine and central bank moves to fight decades-high inflation with multiple interest rate hikes.

"Singapore's external demand outlook has softened further due to the weaker outlook for the eurozone economy amidst an energy crunch, as well as for China as it continues to grapple with recurring COVID-19 outbreaks and a property market downturn," the ministry said.

China is the only major economy still attempting to stamp out the domestic spread of the virus, and a fresh outbreak has seen authorities impose strict containment measures such as shutting down parts of cities and placing contacts of infected patients into strict quarantine. A series of new rules announced by Beijing earlier this month appeared to signal a shift away from its controversial zero-COVID strategy but the latest flare-up and the first deaths in months have sparked fears of another harsh clampdown. Singapore's trade ministry said Wednesday: "Growth rates in most major economies are expected to moderate further from 2022 levels, with sharp slowdowns projected in the US and eurozone. "Global supply disruptions are likely to continue into 2023 as the war in Ukraine drags on, even though the extent and frequency of disruptions is expected to ease." — AFP