

Business

KIPCO announces 20% net profit increase to KD 28.3m for 2018

Our long-term strategy of portfolio diversification pays off: Al-Ayyar

KUWAIT: KIPCO - the Kuwait Projects Company (Holding) - has announced a net profit of KD 28.3 million (\$93.3 million) for the year ended 31 December 2018, an increase of 20 per cent on the KD 23.6 million (\$77.8 million) reported in 2017.

Earnings per share was up 30 per cent from 11.5 fils (\$3.8 cents) per share reported in 2017 to 15 fils (\$4.9 cents) per share at the end of 2018.

KIPCO's Board of Directors is recommending a cash dividend of 12 per cent (12 fils per share) subject to approval by the

company's General Assembly and regulatory authorities. Total revenue from continuing operations in 2018 increased by 13 per cent to KD 774 million (\$2.55 billion) compared to the KD 686 million (\$2.26 billion) reported in 2017.

KIPCO's consolidated assets stood at KD 10.4 billion (\$34 billion), compared to KD 10.3 billion (\$34 billion) reported at year-end 2017.

Faisal Al-Ayyar, KIPCO's Vice Chairman (Executive), said that the business environment continued to be difficult in 2018, but

the company was able to perform well despite these circumstances:

"The performance we achieved in 2018 reflects our sound operations and long-term strategy of portfolio diversification. We predicted earlier that we will face challenges that are not structural, but rather the result of external elements such as competition, weakened operating environment, as well as regional economic and political struggles. Despite all this, the performance of our core businesses has exceeded our expectations thanks to the

internal discipline we adhere to and our focus on streamlining our operations."

He added: "During 2018, our banking operations reported record profits and strong growth in revenue and net income. Meanwhile, our insurance network successfully increased its profit, gross written premiums and shareholder equity. While we look to 2019 with caution, we believe that our prudent internal practices and strategy of diversified investments will guide us towards a more positive outcome this year."



Faisal Al-Ayyar

Economic gloom hits world stock markets

NEW YORK: Worries about economic growth prospects hit global stock markets on Friday, causing sharp price drops on both sides of the Atlantic. In bloodletting on Wall Street, US stocks suffered their worst day since early January.

The closely watched "yield curve" flashed a warning sign that a recession could be looming while monthly US, French and German manufacturing indices all fell-rattling investors who were already uneasy after this week's surprisingly weak outlook from the Federal Reserve.

"A series of worse-than-expected economic releases from Europe have sounded the alarm bell not just for the bloc, but also the global economy, by providing further evidence of a worldwide slowdown in economic activity," said XTB analyst David Cheetham.

The so-called yield curve, which tracks the spread between short- and longer-term rates on US Treasury bonds, briefly inverted on Friday, with yields on three month bonds falling below those for 10-year notes-the first time this had happened since before the global financial crisis in 2007.

The yield curve is closely watched since it has inverted prior to recessions in recent decades.

But Justin Lederer, interest rates strategist at Cantor Fitzgerald, told AFP the flip was not cause for so much alarm. "The yield curve inversion reveals more what is going on in the global landscape, the fact that global growth is slowing down," he said.

"I don't think it is an immediate signal that a recession is approaching."

Also weighing on the benchmark Dow Jones Industrial Average were poor showings for Boeing and Nike, which fell 2.8 percent and 6.6 percent.

An Indonesian air carrier on Friday became the first to announce it was canceling a multi-billion-dollar order of 737 MAX aircraft in the wake of recent fatal crashes in which nearly 350 people perished.

In foreign exchange, sterling rose again after Brussels gave Britain a Brexit deadline extension.

Signs of a weak first quarter for the eurozone also mounted on Friday as a closely-watched survey pointed to March output being dragged further down by manufacturing weakness, especially in Germany, Europe's largest economy.

The German data were "shockingly bad", said Angel Talavera, an economist with Oxford Economics, and "a timely reminder that the European industrial sector continues to be dominated by worries and potential negative shocks, including the outcome of the Brexit negotiations, trade concerns and problems in the auto industry."

The pound however pushed higher one day after European Union leaders agreed at a crucial summit to delay Brexit following a request from Prime Minister Theresa May. —AFP

AUB holds seminar on investment outlook for 2019

KUWAIT: Ahli United Bank has organized a seminar for its Private Banking Services and Wealth Management customers under the theme "Investment Outlook for 2009 and the Impact of Brexit on British Taxes", as part of AUB's continuous efforts to provide its customers with investment services. The seminar was held to enhance awareness regarding the expected performance of global markets and investment opportunities in a number of promising markets as well as the effect on UK taxes of Brexit and the expectations of the way in which it going to take place.

Held at the Four Seasons Kuwait, the seminar targeted a select segment of AUB's Private Banking Services and Wealth Management customers who are keen to attend this series of seminars regularly organized by Ahli United Bank for its customers in order to keep them aware of the changes in the finance and investment field.

In his opening speech, Senior General Manager for Private Banking Services and Wealth Management at Ahli United Bank, Medhat Tawfik, said: "By organizing these forums we seek to give our Private Banking Services and Wealth Management customers the opportunity to benefit from the studies related to global investment opportunities and highlight the numerous risks associated with investment and market performance" against the backdrop of global events that affect world trade and the consequences of the UK's leaving the European Union (Brexit).

Tawfik added: "The sources and advice that AUB provides to its customers help them better manage their investments successive changes in the market environment. These are a key element of our specialized services." In her lecture at the seminar, Sara Maccallum, Senior Partner - Head of Commercial Tax at Boodle Hatfield Law Firm in London, outlined the expected tax effects on non-residents in the United Kingdom, including the Annual Tax on Enveloped Dwellings (ATED) (residential properties) owned by offshore companies, with a value exceed Stg. Pound 500,000, the Non-Resident Capital Gains Tax (NRCGT), which was introduced and applied in 2015 on residential properties and subsequently expanded in 2019 to include all real estate properties and indirect disposals, in addition to the Income Tax on rental income and the Non-resident Landlord Scheme, and finally, the switch to the Corporation Tax which will include rental income (from April 2020) and capital gains on real estate properties (from April 2019).

Sara Maccallum then addressed the matter of Inheritance Tax in the United Kingdom and the expected changes in this tax as well as the predictable effect of the political and tax changes on investors. She concluded by giving a number advices to those who wish to invest in the UK.

Shaima Jilloud, Partner in the sector of Real Estate Investment Middle East at Boodle Hatfield Law Firm then gave a detailed presentation outlining the various stages of a real estate purchase transaction, starting with the offer, negotiation of the contract,



Medhat Tawfik delivers the opening speech



Sara Maccallum



Alistair J Macdonald

report on the title to the property prepared on the basis of title / searches investigations, reservation of the property, followed by the exchange process which includes signing the contract, payment of a part of the price and specifying the completion date, and ending with handover of the balance of the funds and collection of the keys from the agent.

In her presentation, Shaima Jilloud outlined the situation in the event of late completion by the buyer, the role of lawyers in the final stage of collecting the keys by the buyer, land registration and payment of the stamp duty land tax.

Alistair J. Macdonald, CFA, Vice President at Franklin Templeton Emerging Markets Equity, then gave a detailed presentation on the global economic situation and its effect on the markets in terms of gross domestic product, growth, the performance of the economic indicators of advanced and emerging countries, key market indicators and how opportunities can be seized given the risks threatening emerging markets.

At the conclusion of the seminar, Medhat Tawfik said: "we are very happy with the results of this event, which reaffirms the desire of Ahli United Bank



Shaima Jilloud

to provide quality services to its customers and highlight the latest developments in global markets. Needless to say, the bank will continue to offer first-class banking services to its customers."

EXCHANGE RATES

Al-Muzaini Exchange Co.	
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.300
Euro	346.900
Sterling Pound	405.020
Canadian dollar	229.140
Turkish lira	56.560
Swiss Franc	306.140
US Dollar Buying	303.100
ASIAN COUNTRIES	
Japanese Yen	2.729
Indian Rupees	4.417
Pakistani Rupees	2.208
Sri Lankan Rupees	1.701
Nepali Rupees	2.769
Singapore Dollar	225.910
Hongkong Dollar	38.765
Bangladesh Taka	3.604
Philippine Peso	5.762
Thai Baht	9.624
Malaysian ringgit	77.826
GCC COUNTRIES	
Saudi Riyal	81.201
Qatari Riyal	83.633
Omani Riyal	790.903
Bahraini Dinar	808.560
UAE Dirham	82.904
ARAB COUNTRIES	
Egyptian Pound - Cash	20.500
Egyptian Pound - Transfer	17.552

Yemen Riyal/for 1000	1.222
Tunisian Dinar	102.800
Jordanian Dinar	429.800
Lebanese Lira/for 1000	2.030
Syrian Lira	0.000
Morocco Dirham	32.338
Dollarco Exchange Co. Ltd	
Rate for Transfer	Selling Rate
US Dollar	303.940
Canadian Dollar	228.675
Sterling Pound	405.930
Euro	347.430
Swiss Frank	306.720
Bahrain Dinar	83.155
UAE Dirhams	808.290
Qatari Riyals	83.155
Saudi Riyals	84.390
Jordanian Dinar	81.945
Egyptian Pound	429.975
Sri Lankan Rupees	17.465
Indian Rupees	1.703
Pakistani Rupees	4.441
Bangladesh Taka	2.179
Philippines Peso	3.612
Cyprus pound	5.767
Japanese Yen	18.085
Syrian Pound	3.731
Nepalese Rupees	1.589
Malaysian Ringgit	2.782
Chinese Yuan Renminbi	75.400
Thai Bhat	45.670
	10.590

BAHRAIN EXCHANGE COMPANY WLL		
CURRENCY	BUY	SELL
Europe		
British Pound	0.396013	0.419913
Czech Korune	0.005446	0.014746
Danish Krone	0.042163	0.047163
Euro	0.337496	0.351195
Georgian Lari	0.112737	0.112737
Hungarian O.001011	0.001201	
Norwegian Krone	0.031555	0.036755
Romanian Leu	0.056487	0.072337
Russian ruble	0.004725	0.004725
Slovakia	0.009095	0.019095
Swedish Krona	0.028947	0.033947
Swiss Franc	0.297661	0.308651
Australasia		
Australian Dollar	0.206827	0.218827
New Zealand Dollar	0.201495	0.210995
America		
Canadian Dollar	0.222791	0.231791
US Dollars	0.300200	0.305500
US Dollars Mint	0.300700	0.305500
Asia		
Bangladesh Taka	0.003051	0.003852
Chinese Yuan	0.043813	0.047313

Hong Kong Dollar	0.036676	0.039426
Indian Rupee	0.003825	0.004597
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002641	0.002821
Korean Won	0.000259	0.000274
Malaysian Ringgit	0.070595	0.076595
Nepalese Rupee	0.002609	0.002949
Pakistan Rupee	0.001597	0.002367
Philippine Peso	0.005781	0.006081
Singapore Dollar	0.219515	0.229515
Sri Lankan Rupee	0.001363	0.001943
Taiwan	0.009746	0.009926
Thai Baht	0.009277	0.009827
Vietnamese Dong	0.00013	0.00013
Arab		
Bahraini Dinar	0.792591	0.809091
Egyptian Pound	0.017643	0.020243
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000210	0.000270
Jordanian Dinar	0.424290	0.433290
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.022112	0.046112
Omani Riyal	0.784071	0.789751
Qatar Riyal	0.079294	0.084234
audi Riyal	0.080060	0.081360
Syrian Pound	0.001290	0.001510
Tunisian Dinar	0.096623	0.104623
Turkish Lira	0.049222	0.060722
UAE Dirhams	0.081425	0.083125
Yemeni Riyal	0.000989	0.001069