NBK - Egypt reports KD 8.9 million net profits in Q1 2019 growing by 2.6% YoY

Al-Sager: NBK-Egypt plays vital role in achieving group's income diversification strategy

KUWAIT: NBK-Egypt - a member of NBK Group - reported EGP 510 million (KD 8.9 million) net profits in 1Q 2019 up 2.6 percent y-o-y, compared to EGP 497 million (KD 8.5 million) in the corresponding period of last year.

Total assets reached EGP 70.37 billion as of March 31, 2019, up 18.25 percent compared to EGP 59.51 billion at the end of 1Q2018. Total customers deposits grew by 20.56 percent to reach EGP 53.07 billion, compared to EGP 44.02 billion in 1Q2018. While customer loans and advances reached EGP 37.68 billion in 1Q2019, growing by 5.34 percent compared to EGP 35.77 billion in 1Q2018.

"NBK-Egypt is one of the most important branches for the Group as it plays a vital role in achieving our income diversification strategy through increasing the contribution of international operations to net profits. The branch provides almost third of the profits attributed to international branches, thus further validating our long-term visionary investment approach in the Egyptian market," Isam Jassim Al-Sager, NBK's Group Chief Executive Officer and NBK-Egypt Chairman said.

Al-Sager pointed out that NBK-Egypt's outstanding profits and the growth it managed to achieve across all its financial indicators reinforce the Group's confidence in the Egyptian market, especially that the banks' profits are mostly operational, reflecting the improved business environment and the stability of the economic scene in Egypt.

Al-Sager added that NBK-Egypt aims to further expand its market share in the fast -growing retail sector by focusing on providing outstanding banking services while marinating its leading position in the corporate sector through its focus on financing SMEs in order to diversify the bank's credit portfolio. NBK Group is also working on transferring its Fintech expertise to the Egyptian market through NBK-Egypt as part of the Group's "digital transformation" strategy.

Al-Sager highlighted that in light of the strong 1Q2019 financial results, NBK-Egypt has continued its growth and solid performance across all financial indicators, supported by the Bank's success in overcoming unfavorable market conditions at the beginning of the year, thanks to the prudent policy adopted by the Bank as a member of NBK Group and its business model based on the diversification of its income and credit portfolio while offering flexible financing solutions and providing innovative banking products at the same time to cater to its customers actual needs derived through detailed in-depth market studies.

Isam Jassim Al-Sager

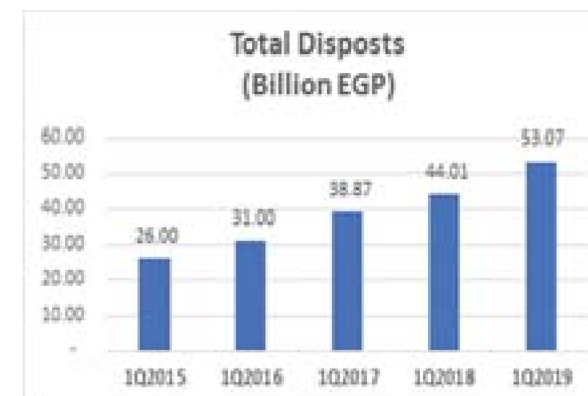
This is in addition to the bank's solid financial position, strong balance sheets and the experienced and accomplished team that brings comprehensive banking knowledge and extensive experience. Al-Sager added that most of NBK-Egypt's profits are driven by corporate credit services, with a highly diversified portfolio drawing on the diversification of the Egyptian economy itself. He also highlighted that NBK strives to strengthen its position in retail banking as well over the coming period and that it has made huge strides in presenting innovative services and products to its retail clients to fulfill the needs and requirements of various segments.

He further added that NBK-Egypt has a wide network of 50 branches spread over premium locations in various Egyptian governorates and cities including: Cairo, Giza, Alexandria, Delta, Sinai, Red Sea and Upper Egypt, in addition to the industrial zones in 6th of October and 10th of Ramadan cities. The bank is also privileged to be among the elite banks within the Egyptian market that hold an Islamic banking license in addition to its conventional licensing.

It has two Islamic branches, one in Cairo and the other in Alexandria, thus enabling the bank to offer a comprehensive selection of Sharia compliant products and services in addition to its traditional offerings, in addition to a wide network of ATMs spread across the country to service the bank's clients around the clock. Moreover, NBK- Egypt also provides a range of e-services and aims to heavily invest in such technologies to expand its footprint and provide its clients with unique banking experiences that allow them to execute many of their banking transactions anywhere anytime without having to visit the branch.

- Improved profit performance was attributable to increased operating banking revenues, reflecting Egypt's economic stability.
- We aim to increase our market share in the retail sector and transfer our Fintech knowledge and experience to the Egyptian market.
- NBK-Egypt continues its strong performance, achieving high growth rates across all its financial indicators.
- Total Assets grew by 18.25% to EGP 70.37 billion, Customers Deposits jumped by 20.56% to EGP 53.07 billion and Loans and Credit Facilities increased by 5.34% to EGP 37.68 billion.
- The bank's credit portfolio is highly diversified in the corporate sector, reflecting the strength of the Egyptian economy.

National Bank of Kuwait was incorporated in 1952 as the first local bank and the first shareholding company in Kuwait and the Gulf region. NBK continues to enjoy collectively one of the highest ratings among all banks in the Middle East from the three international rating agencies Moody's, Fitch Ratings and Standard and Poor's. The Bank's ratings are supported by its strong financial indicators, asset quality, high capitalization in addition to its highly recognized and very stable management team, as well as and its disciplined approach to risk management and prudent lending policies. NBK was also named among Global Finance's list of the 50 safest banks in the world for the thirteenth consecutive time. NBK enjoys the widest banking presence with a local and international network exceeding over 150 branches and subsidiaries reaching 4 continents. NBK's international presence spans many of the world's leading financial centers including the United States of America, Europe, GCC, the Middle East, China as well as Singapore.



Trump calls trade war with China 'a little squabble'

WASHINGTON: President Donald Trump yesterday labeled the escalating trade war with China "a little squabble" and again accused Beijing of scuttling an agreement when it was near completion.

And although he said he has an "extraordinary" relationship with Chinese leader Xi Jinping, Trump insisted he will not sign onto any deal unless it is a good one. "We're having a little squabble with China because we've been treated very unfairly for many decades," Trump told reporters at the White House.

Last week, Trump moved to more than double the punitive duties on hundreds of billions of dollars in Chinese merchandise and the latest round of US-China trade negotiations ended without a deal.

On Monday, China hit back, announcing a sharp increase in duties on thousands of US agricultural and manufactured goods in retaliation. And the US has begun the process of carrying out the Republican president's threat to hit all imports from China, extending tariffs to another $300 billion worth of Chinese merchandise.

"We're looking at that very strongly," Trump said.

He said the tough US stance is working and Beijing wants to make a deal, but he also blamed the Chinese leadership for the setback in the negotiations.

"We had a deal that was very close and then they broke it. More than renegotiate, they really broke it. We can't have that happen."

World's piggy bank

Trump launched the trade war last year to extract profound economic reforms from Beijing and reduce the US trade deficit. He accused China of seeking to dominate global industries through massive state subsidies and theft of American technology-in violation of commitments it made upon joining the World Trade Organization in 2001.

The United States and China have so far exchanged tariffs on more than $360 billion in two-way trade.

QINGDAO: Customers browsing imported items at a store in the Qingdao free trade port area in Qingdao in China's eastern Shandong province. China's economy showed further signs of weakness in April as the slowest growth in retail sales for 16 years highlighted the task leaders have in ramping up domestic demand at the same time as fighting a painful trade war with the US. —AFP

Since last year, the trade war has gutted US farm exports to China and weighed on the manufacturing sectors in both countries. Earlier Tuesday, Trump pledged to help hard-hit American farmers caught in the middle of the escalating trade war.

The administration last year offered $12 billion in compensation to American farmers and has vowed to do more, using the revenues from the new tariffs-which he incorrectly claims is paid by China rather than US importers-to buy crops and support prices.

"This money will come from the massive Tariffs being paid to the United States for allowing China, and others, to do business with us. The Farmers have been 'forgotten' for many years. Their time is now!" Trump tweeted. "We're the piggy bank everybody likes to take advantage of or take from. We can't let that happen anymore," Trump then told reporters.

He has made the US trade deficit a key focus on his policies, taking the unusual view that Americans lose money by buying products from abroad.

Economists are nearly unanimous in saying trade benefits companies and consumers by providing products from countries that make them more efficiently and cheaply.

Trump said consumers can get around the tariffs by buying from other providers, or companies can move to the United States to manufacture their goods. "That's what I really want. You want to know something? We always win. We always win," he said. —AFP

Asia oil buyers, shippers go on alert after Saudi ship, facility attacks

SINGAPORE/TOKYO: Asian shippers and refiners have put ships heading to the Middle East on alert and are expecting a possible rise in marine insurance premiums after recent attacks on Saudi oil tankers and pipeline facilities, industry sources said on Tuesday.

On Monday, armed drones attacked two of Saudi Aramco's oil pumping stations and forced the state producer to briefly shut its East-West pipeline, known as Petroline. The attack came two days after the sabotage of four oil tankers - two of them owned by Saudi Arabia - near the United Arab Emirates.

The attacks pushed up global oil prices by more than 1 percent on Monday, adding to rising costs for Asian refiners, who are now paying the highest premiums in years for spot cargoes in an already tight market after Washington stopped sanction waivers for Iranian oil buyers this month.

"It's a headache for North Asian refiners who are heavily reliant on Middle East oil supplies. We are currently monitoring the situation. It's an unfavorable factor for the overall crude oil market ... driving up prices," said a North Asian oil refining source, declining to be named due to company policy.

Asia gets nearly 70 percent of its crude oil from the Middle East, and any disruption to oil production, loading facilities or key shipping routes such as the Strait of Hormuz could have a severe impact on Asian economies. Oil tankers typically refuel at UAE's Fujairah port, one of the world's largest bunkering hubs, where the ship attacks occurred.

Following Sunday's attack on oil tankers, oil and shipping companies said they would have to alter their routes or take precautions near Fujairah. "We had a ship which was refuelling at Fujairah when the incident occurred. Fortunately nothing happened," said KY Lin, spokesman at Taiwan's Formosa Petrochemical Corp. "There are no other (bunkering) choices nearby. We may choose to refuel at Singapore instead," Lin said.

Japanese shipper Nippon Yusen has already decided to refrain from sending tankers to Fujairah for bunkering, maintenance or crew swaps except for emergencies, a company spokesman said.

If its tankers need to anchor at the port, they are advised to shorten their stay as much as possible, the spokesman said. Ashok Sharma, managing director of shipbroker BRS Baxi in Singapore said: "There seems to be no increase in risk (insurance) premia as of yet." Risk premium increases would be inevitable, however, if security in the region continued to deteriorate, he added.

Noriaki Sakai, an executive officer at Idemitsu Kosan Co Ltd, Japan's second-largest refiner, told reporters on Wednesday that while there is no impact on oil loading or ship operations, the company is closely watching the situation. —Agencies

Alibaba results beat analyst estimates

SHANGHAI: Chinese e-commerce leader Alibaba yesterday announced revenue for the latest quarter that beat analyst estimates, indicating that the Sino-US trade tiff and a slowing domestic economy were having little impact on the bottom line. Revenue for the January-March period rose 51 percent year on year to 93.5 billion yuan ($13.6 billion), a company statement said, outpacing an average analyst estimate of 91.7 billion yuan compiled by Bloomberg News. Net profit was 25.8 billion yuan, up more than three-fold compared to the same period a year earlier.

Revenue in the Hangzhou-based company's core e-commerce segment, which accounts for the vast majority of its business, jumped 54 percent, while the smaller but fast-growing cloud computing unit surged 76 percent. "Our cloud and data technology and tremendous traction in new retail have enabled us to continuously transform the way businesses operate in China and other emerging markets, which will contribute to our long-term growth," Chief Executive Officer Daniel Zhang said in the statement. Alibaba has been pouring money into what it calls "new retail", which optimizes in-store sales and service using data culled online. Alibaba dominates China's rapidly expanding consumer culture and its corporate results are typically closely watched for any signs that a Chinese economic deceleration and the US-China trade tensions were turning off shoppers. Earlier on Wednesday, Hong Kong-listed Chinese social media and gaming giant Tencent announced that its quarterly profit also beat expectations. Tencent said its commercial-payment services and digital content business lines helped offset a government crackdown on its cash-cow gaming segment.

Alibaba was on Tuesday named the world's most valuable retail brand outside the US, according to rankings by global marketing and communications group WPP and research and consulting firm Kantar. Their report put Alibaba ahead of McDonald's, Home Depot, Nike and Louis Vuitton, and it was the only Asian brand in the top 10. It put Alibaba's brand value at $131.2 billion in 2018, up 48 percent on the previous year. Companies like Alibaba are at the nexus of a national economic strategy to encourage more domestic consumer spending and thereby lessen the reliance on fickle foreign demand for Chinese exports. —AFP

BEIJING: A courier from TMall, one of the online shopping platforms owned by Alibaba, drives his delivery vehicle along a street in the central business district in Beijing. —AFP