

Market Movements				05-11-2024							
		Change	Closing pts			Change	Closing pts				
↑	DUBAI	-	DFMGI	+9.32	4,594.53	↓	SAUDI	-	TASI	-24.37	12,014.94
	JAPAN	-	Nikkei 225	+421.23	38,474.90						
	PHILIPPINES	-	PSEi	+121.84	7,257.94						
	EGYPT	-	EGX 30	+143.90	30,793.94						
	PAKISTAN	-	KSE 100	+264.91	92,406.94						

# Business

## Gulf Bank holds its third quarter 2024 Earnings Webcast



Waleed Mandani, Acting Chief Executive Officer of Gulf Bank.



David Challinor, Chief Financial Officer of Gulf Bank.



Dalal AlDousari

### Waleed Khaled Mandani:

- Kuwait's financial system remains resilient, bolstered by stable oil prices and the government's renewed commitment to economic diversification through large-scale investments.
- Gulf Bank is well positioned to play a crucial role in financing local developments, leveraging strong relationships with both public and private sector stakeholders.

### David Challinor:

- We've managed to keep operating expense growth to just 4%, year on year, which is very low compared to other banks in the system.
- The Bank's asset quality indicators continue to be very strong with an NPL ratio of 1.3%.

**KUWAIT CITY, Nov 5: Gulf Bank held its third quarter 2024 earnings webcast on Monday, 04, November, 2024, to present and discuss the Bank's financial performance. The webcast was organized by EFG Hermes and presented by Waleed Khaled Mandani, Acting Chief Executive Officer of Gulf Bank, and David Challinor, Chief Financial Officer of Gulf Bank. The discussion was moderated by Dalal AlDousari, Head of Investor Relations at Gulf Bank.**

### Operating Environment

Mr. Waleed Mandani, Acting Chief Executive Officer of Gulf Bank, commenced the webcast with key updates regarding Gulf Bank's operating environment during the third quarter of 2024. Mandani stated: "Recent global economic developments have marked a turning point, particularly with central banks adjusting their monetary policies in response to evolving economic conditions. Most notably, the U.S. Federal Reserve recently implemented a 50-basis points rate cut, signaling a shift in focus from inflation control to supporting growth in the face of slowing economic momentum."

Mr. Mandani added "On the local front, the Central Bank of Kuwait followed the Fed's lead by announcing a 25-basis points rate cut. This action underscores the Kuwaiti regulator's commitment to maintaining a balance between fostering economic growth and ensuring financial stability. Lower borrowing costs are expected to stimulate demand for credit, particularly in consumer lending, as well in vital sectors such as construction and real estate, areas that are crucial for driving the Kuwaiti economy forward." He added: "Kuwait's financial system remains resilient, bolstered by stable oil prices and the government's renewed commitment

to economic diversification through large-scale investments. This focus, particularly on advancing key initiatives under the New Kuwait Vision 2035, strengthens the prospects for local banks to continue playing a vital role in financing national development. Gulf Bank is well positioned to play a crucial role in financing these developments, leveraging our strong relationships with both public and private sector stakeholders."

### Loan Growth

When questioned about the loan growth during Q3 2024, Mr.Challinor noted: "Year to date gross loans and advances have grown 6%, which has been dominated by corporate lending with retail being relatively flat. Clearly the current rate environment has significantly reduced the appetite for retail borrowing, but we'd expect this to recover as rates start falling." He added: "In terms of the outlook, we gave guidance at the beginning of the year that full year loan growth would be around mid-single digits. We're on track to meet this and may even outperform subject to converting some of the pipeline in Q4."

### Operating Expenses

In terms of operating expense Mr. Challinor mentioned: "We've managed to keep operating expense growth to just 4%, year on year, which is very low compared to other banks in the system." He added: "There was, however, an increase in other expenses from Q2 to Q3 due to a combination of one-offs and increased consulting/ advisory expenses, but the underlying operating expenses remained relatively flat."

### Margins

Regarding margins and the impact from the recent rate cut, Mr.Challinor remarked: "On a year-to-date basis the margin is flat to last year, but we did lose a few basis points from Q2 to Q3.As I said on the Q2 investor call, the cost of funds peaked in Q1, and since then we've had 2 quarters in succession of falling cost of

funds. The market remains very liquid and clearly the expectations are for further rate cuts. So, on the cost of funds side, we'd expect this to continue to fall." He added: "Now, clearly, we saw the CBK lower the discount rate by 25 basis points in September after the Fed lowered by 50. So, the local discount rate now sits at 4%. We'd expect this to continue to move lower but perhaps not at the same pace as the Fed. After the local rate cut, we repriced our corporate assets and all new retail business will now be booked at the new prevailing rate."

### Credit Cost

When asked about the credit cost and reasons behind the pickup this year, Mr.Challinor noted:"The credit costs for Q3 were KD 14.2m which were higher than what we saw in both Q1 and Q2.If we look at retail and corporate in turn. For retail, the Q3 credit cost continued to be elevated but was lower than Q1 and Q2." He added: "On the corporate side, we had an account that moved into stage 3 which had been classified as stage 2 for a significant period of time. Now, if we look at the asset quality indicators, they continue to remain very strong. The NPL percentage is 1.3%. The stage 2 percentage has further dropped and is now only 2.9%, which is probably the lowest in the Kuwaiti banking system, and certainly the lowest the bank has seen since the introduction of IFRS 9."

### Potential Merger with Boubyan Bank

Regarding the latest updates related to the potential merger with Boubyan Bank, Mr.Waleed stated: "We have first made an announcement on 30th July, 2024 regarding the Board's approval of a proposed potential merger with Boubyan Bank to create a unified, Sharia-compliant entity, and the recommendation to move forward to carry out the needful actions to commence the initial feasibility study and necessary due diligence for the merger, aligned with the Central Bank of Kuwait's (CBK) guidelines for the merger process.Additionally, on 17th September 2024 we signed a Memorandum of Understanding (MOU) with Boubyan Bank, establishing the foundation for independent assessments to ensure that the best interest of both banks' shareholders and investors is maintained.And most recently, we have announced CBK's approval to the selection of the consultancy firms that will be carrying out the feasibility study and due diligence for the potential merger including Goldman Sachs as the Investment Consultant, PricewaterhouseCoopers as the Financial and Tax Consultant, International Counsel Bureau as the Local Legal Consultant, and Freshfields Bruckhaus Deringer as the International Legal Consultant." He added: "I would like to reiterate our commitment to complying with all applicable laws and the instructions of the Central Bank of Kuwait, as well as the relevant regulatory authorities. We will also ensure that any significant developments in this regard are disclosed in a timely manner."

## Zain highlights efforts to empower leaders & invest in human capital

KUWAIT CITY, Nov 5: Zain is the strategic partner of the second Breaking Barriers conference, organized by the National Leadership Institute (NLI). At the event, Zain highlighted its strategic efforts in leadership development, human capital investment, and enhancing employee mental wellbeing. The conference was held under the patronage of H.E. the Minister of Finance and Minister of State for Economic Affairs and Investment, Noora Al-Fassam.

Zain joined the opening ceremony, held at Sheikh Jaber Al-Ahmad Cultural Center (JACC), attended by the event patron's representative, the Managing Director of the Kuwait Investment Authority, Ghanem Al-Ghenaiman, Zain Kuwait Chief Purpose and Human Resources Officer, Nawal Bourisli, and Group CEO of the National Technology Enterprises Company (NTEC), Anas Meerza.

Also in attendance were Zain Group Chief Corporate Affairs and Communications Officer, Mohammad Abdal, Zain Group Chief Inclusion and Diversity Officer, Maryam Saif, Zain Kuwait Chief Corporate Affairs and Relations Officer, Waleed Al-Khashti, NLI General Manager, Mohammed Al-Khulaifi, along with leaders and officials from both the public and private sectors.

During the conference, Nawal Bourisli

participated in a panel discussion featuring executives from Kuwait's top private sector firms in technology, banking, and energy. Bourisli highlighted Zain's strategies for investing in human capital, attracting national talent, developing leadership, work-life balance, and supporting employees and leaders as they navigate workplace challenges.

Bourisli also shed light on Zain's efforts to enhance employee mental wellbeing through the BE WELL initiative, which made Zain one of the first organizations in the Middle East to establish a mental health strategy in the workplace. This initiative aims to cater to mental health and raise employee wellness standards.

Through this initiative, Zain seeks to improve the physical and mental health of its employees, enabling them to enjoy a healthier lifestyle both at work and at home. The initiative has yielded tangible results, enriching the work environment, positively impacting company performance, and boosting customer satisfaction.

In his opening speech at the conference, Waleed Al-Khashti remarked, "Our support for the Breaking Barriers conference dates back to the inaugural series in 2021. Human capital investment is a cornerstone of Zain's strategy for sustainable success."



Al-Ghenaiman with Bourisli, Abdal, Al-Khashti, and Zain's team.

He continued, "NLI's mission strongly aligns with our strategic goals at Zain, as reflected in this year's conference theme—Strong Mind. Strong Body. Strong Leader. We work to translate these principles through various pro-

grams, notably the BE WELL initiative to elevate mental health and wellness for our employees. We are also committed to investing in our national workforce, empowering them professionally and personally to lead Zain's future."

This year's Breaking Barriers conference featured a distinguished lineup of prominent speakers and local and global experts, including Steven Bartlett, entrepreneur, investor, author, and host of the UK's top podcast "The Diary of a

CEO"; Hassan Al Thawadi, Secretary General of Qatar's Supreme Committee for Delivery & Legacy and former CEO of the 2022 FIFA World Cup Qatar Organizing Committee.

Other notable speakers included Dr. Mariam Al-Awadhi, Assistant Professor in the Department of Psychiatry at Kuwait University and a Consultant Psychiatrist; Alaa Al-Humaidhi, a Ph.D. candidate in Clinical Psychology at Columbia University and a leading figure in mental health; and Kuwaiti entrepreneur Faisal Al-Agel, who transitioned from pharmacy to entrepreneurship and now hosts Kuwait's leading podcast, Bedoon Waraq.

Zain's participation reflects its belief in the essential role of such academic and cultural forums in fostering creativity in society, encouraging continuous development, and preparing future leaders. This commitment has driven Zain to be a leading supporter of the conference since its first edition.

The National Leadership Institute (NLI) is an institute fully owned by the National Company for Educational Services and Training (NEST), a subsidiary of the National Technology Enterprises Company (NTEC). The NLI Conference Series was launched in 2021 to offer organizations in Kuwait innovative training solutions, with thousands of attendees since launch.

### Six-week program bridges academia and banking industry

## KIB launches H.I Innovation Program in collaboration with Visa and 5 universities in Kuwait

KUWAIT CITY, Nov 5: Kuwait International Bank (KIB) proudly announces the launch of the H.I Innovation Program in collaboration with Visa and five prestigious universities in Kuwait. The H.I Innovation program is a unique six-week initiative designed to bridge the gap between academia and the business world where teams from the five participating universities would get to solve real-world challenges. This program aims to empower university students by giving them the opportunity to tackle real-life problems faced by the banking sector today, providing a unique prospect to develop practical skills and gain valuable industry experiences.

In collaboration with Visa – a global leader in digital payments, and SIA Partners – a renowned global management consulting and Innovation firm, KIB's H.I Innovation Program will enable students from our partner universities across Kuwait to participate in this journey of innovation and growth. Participating universities include Australian University, American University of Kuwait, Gulf University for Science & Technology, Kuwait College of Science & Technology and College of Business Administration – Kuwait University, all of which have signed Memorandums of Understanding with KIB to engage their brightest minds in this groundbreaking program.

The H.I Program will span over a period of six weeks, during which students will work closely with innovation coaches and mentors from SIA



A group photo of the KIB team with representatives of Visa, SIA Partners and the five universities.

Partners to develop innovative solutions to pressing business problems. Visa will support the program by extending their subject matter expertise in various domains through bringing in key note speakers which will offer guidance, support, and practical insights, allowing students to learn from industry experts while crafting actionable solutions. The program will culminate in a final presentation where students will showcase their solutions to a panel of judges, including representatives from KIB and SIA Partners.

"This initiative is part of our ongoing commitment to nurturing young talent and fostering a culture of innovation within the community," said

Mohamed Atef Elshareef, General Manager of the Digital Innovation and Data Intelligence Department at KIB. "By partnering with leading organizations like SIA Partners and Visa, we are providing students with a real opportunity to step into the business world and make a tangible impact."

Visa's collaboration with KIB reflects its dedication to supporting capacity building and educational and growth programs that prepare youth and students for future success in a rapidly evolving payments and fintech landscape. Commenting on the H.I Innovation program, Mohamed Reyad, Visa's Country Manager for Kuwait, said, "The H.I Innovation

Program with our partners KIB and SIA is a great platform to help empower Kuwait's next generation of innovators, ensuring they can thrive in the fast-evolving digital economy and are well-prepared for the future. This aligns perfectly with Visa's purpose to uplift everyone, everywhere as well as supports the Kuwait government's efforts to promote digital literacy and modernize the country's payments and financial ecosystem."

From their side, SIA Partners joins efforts with KIB to strengthen the entrepreneurial ecosystem in Kuwait. From defining the innovation intent or purpose, to facilitating the generation of new solutions for the Bank, SIA



Marwa Marafie, Manager of Marketing and Corporate Communications at KIB; Mohamed Atef Elshareef, General Manager of the Digital Innovation and Data Intelligence Department at KIB; Abdullah Al-Awadi, General Manager of Strategy at KIB; Fahad Othman AlBader, General Manager of the Operations Department at KIB; Roberto Wyszowski, Partner at SIA Partners as well as Growth & Innovation Global Team Leader.

Partners is committed to enabling open innovation that will strengthen KIB's future business results. "The H.I Innovation Program demonstrates how bringing together a wide ecosystem of partners and entrepreneurs can drive innovation and add value to the market. By engaging the youth, we are leveraging the latest trends and future customer behaviors to shape up new solutions that will build the foundation for long term success," said Roberto Wyszowski, Partner at SIAPartners

as well as Growth & Innovation Global Team Leader.

The H.I Program not only gives students a chance to apply their academic knowledge to real business scenarios but also opens doors to future career opportunities by equipping them with skills that are in high demand in today's job market. It is a rare opportunity for participants to make meaningful contributions while still in university, gaining a competitive edge in their careers.