



Passengers walk past a Virgin Australia sign at Sydney Airport in Sydney. (AP)

Virgin Australia plans to shed staff under new US owners

Virgin Australia plans to scale down its operations under new U.S. owners and shed a third of its staff as the carrier adjusts to the pandemic, the nation's second-largest airline said. The Brisbane-based company in April became the world's largest airline to seek bankruptcy protection after the coronavirus pandemic virtually grounded the aviation industry. Virgin's administrator Deloitte's has entered into a binding agreement to sell the airline to the Boston-based

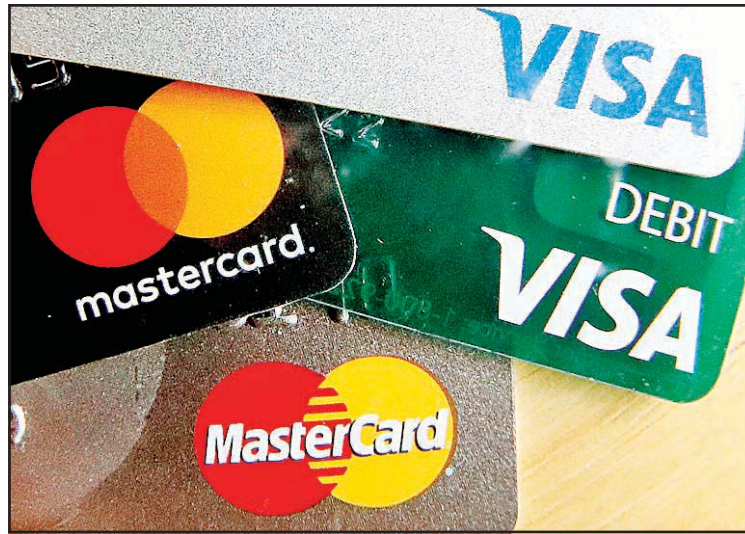
investment firm Bain Capital. The deal will go within weeks for final approval to a meeting of Virgin creditors who are owed 7 billion Australian dollars (\$5 billion). The Virgin Australia Group chief executive and managing director Paul Scurrah announced plans to cut 3,000 jobs plus long-haul flights from Australia to Los Angeles and Tokyo to try to reset the business for lower global demand. The domestic and short-haul inter-

national fleet would become all Boeing 737s, except for regional and charter aircraft. Boeing 777s and Airbus A330s would be shed. "Demand for domestic and short-haul international travel is likely to take at least three years to return to pre-COVID-19 levels, with the real chance it could be longer, which means as a business we must make changes to ensure the Virgin Australia Group is successful in this new world," Scurrah said in a statement. (AP)

Small businesses & consumers adopt new behaviors to adjust to pandemic

Global Visa study finds dramatic shift to digital commerce

SAN FRANCISCO, Aug 10, (Agencies): As small and micro businesses (SMBs) worldwide continue to endure the financial impact of COVID-19, one thing is clear: rethinking the checkout or point-of-sale (POS) experience is essential for survival on Main Street.



In this file photo, credit cards are displayed in Zelenople, Pennsylvania. (AP)

Visa (NYSE: V) released the Visa Back to Business study assessing this dramatic shift to digital commerce in response to the pandemic, driven largely by changing consumer expectations for a safe and touchless payment moment. According to the eight market study of both consumers and SMBs, nearly eight-in-10 consumers worldwide (78%) have changed how they pay in order to reduce contact and more than two-thirds of SMBs (67%) have tried a new approach - whether launching an eCommerce site or changing POS technology - to keep their business on track.

"Consumers are putting COVID-19 safety measures at the top of their shopping lists and rewarding businesses that do the same," said Suzan Kereere, global head of merchant sales and acquiring, Visa. "Historically, we see behavior change at the point of sale as a gradual shift over time. But, COVID-19 has created an immediate need for safer, more efficient shopping experiences both on and offline and consumers are responding by rapidly migrating to digital commerce. We want small businesses to know that Visa is here to help them navigate these new consumer needs and expectations, which will make their businesses stronger now and in the long run."

Additional findings from the Visa Back to Business study conducted in the U.S., Brazil, Canada, Germany, Hong Kong, Ireland, Singapore and UAE include:

Consumers Now Expect Digital-First Commerce

Safety first means touchless: In each market surveyed, contactless payments have become a driving differentiator: nearly two-thirds (63%) of consumers would switch to a new business that installed contactless payment options. For close to half of global consumers (46%), using contactless payment methods is among the most important safety measures for stores to follow. Nearly half (48%) would not shop at a store that only offers payment methods that require contact with a cashier or a shared device. SMB optimism vs. consumer realities: Despite the unpredictable nature of the pandemic, 75% of SMBs are optimistic about the future. Additionally, 71% of global SMB owners say they have received support from their local communities, with the most coming in the form of business referrals (33%) and favorable reviews (31%). An area for improvement: where consumers shop, as just 9% of consumers say they shop exclusively at locally owned businesses, whereas 15% shop exclusively at larger retailers, with a large mix of combined approaches falling

in between these two extremes. New normal means new habits: Nearly four in five (78%) consumers have made changes to the way they pay, including shopping online when possible (49%), using contactless payments (48%) and not using cash as much (46%). A majority (70%) of consumers have used a new shopping or payment method for the first time, including 26% who have used tap to pay for in-store purchases, shopping for groceries or household items online (34%), curbside restaurant pick-up (28%) and buying online then picking up in store (25%).

Small Businesses Take Action, Amidst Real Challenges

Long-term outlook and top concerns: Globally, SMB owners estimate at least six to 10 more challenging months before their business is fully operational. Their greatest immediate concerns include revenue declines (52%), attracting new customers (46%) and having to reduce wages or salaries (22%). Pivoting to a digital-first mindset: More than a quarter of SMBs (28%) have tried targeted advertising on social media or sold products or services online (27%). Another 20% have adopted

contactless payments. One-third (33%) of SMBs report they have accepted less, or stopped accepting, cash since COVID-19. Millennial SMB owners (41%) are significantly more likely to have accepted less or stopped accepting cash, compared to Gen X (31%) and Boomers (21%). On guard against fraud: More than half (53%) of SMBs are likely to purchase a fraud management solution to help protect their business due to the shift to digital commerce.

Regional Insights: Tackling Challenges and Card Cleanliness

Pivoting with new approaches: In the United Arab Emirates (UAE), 44% of SMBs - compared to 20% globally - have enabled contactless payments for the first time since the start of COVID-19. Nearly 94% of UAE SMBs have pivoted to keep their business on track, compared to 67% globally. SMBs in Brazil (84%) and Hong Kong (87%) also are trying new approaches in large numbers, including selling online (50% in Brazil compared to 27% globally). Swipe? Then wipe: Two-thirds (67%) of consumers say they are taking some measure to keep their payment cards clean, with 33% saying they disinfect them. An overwhelming majority of UAE (89%) and Brazilian (87%) consumers are taking some measures to keep their card clean, whereas Singaporean (50%), German (53%), Canadian (60%) and Hong Kong (65%) consumers fell below the global average. The Visa Back to Business study is the latest in a series of Visa initiatives to provide SMBs with the tools and resources they need to rebuild, or newly build, stronger businesses. More information on the programs and solutions Visa has made available to SMBs - ranging from its commitment to digitally-enable 50 million SMBs around the world and the IFundWomen grant program for U.S.-based Black women-owned small businesses - are available on the Visa Small Business Hub and the Visa Small Business COVID-19 relief site.

FCA calls GM's lawsuit meritless

GM alleges Fiat Chrysler spent millions to bribe UAW leaders

DETROIT, Aug 10, (AP) - General Motors is asking a federal judge to reconsider his dismissal of a lawsuit against Fiat Chrysler based on new allegations that FCA bribed union officials and GM employees with millions stashed in secret foreign bank accounts.

GM alleges that bribes were paid to former United Auto Workers Presidents Dennis Williams and Ron Gettelfinger, as well as Vice President Joe Ashton. It also alleges that bribes were paid to GM employees including Al Iacobelli, a former FCA labor negotiator who was hired and later released by GM.

The allegations were made in a court motion filed by GM, which wants to revive the lawsuit that was dismissed in July.

GM alleges that payments were made so the officials would saddle GM with more than \$1 billion in additional labor costs.

GM's motion contends that payments were made to accounts in places like Switzerland, Luxembourg, Italy, Singapore and the Cayman Islands. The accounts were set up to avoid detection in a federal criminal probe of the union, according to the lawsuit. The accounts were discovered within the past 10 days by private investigators working on GM's behalf, according to court records.

The union said in a statement it's not aware of allegations about foreign accounts, and it asked GM to share the information.

"If GM actually has substantive information supporting its allegations, we ask that they provide it to us so we can take all appropriate actions," the statement said.

Fiat Chrysler called GM's lawsuit meritless and said the judge in the case agreed. The company will continue to defend itself "and pursue all available remedies in response to GM's attempts to resurrect this groundless lawsuit."

If the allegations hold up, they could spell trouble for Fiat Chrysler, the union, and the people named in the documents, said Erik Gordon, a University of Michigan business and law professor.

"They could sway the government to take over the union the way it did with the Teamsters," Gordon said.

Ashton, a former GM board member, is scheduled to be sentenced Aug. 18 in the federal corruption probe. Iacobelli is serving prison time. Williams' California home was raided

by federal agents but he has not been charged. Gettelfinger has not been named in federal documents. Messages were left Monday seeking comment from Gettelfinger.

The accusation is the first against Gettelfinger in the wide-ranging UAW bribery and embezzlement scandal that so far has snared 10 union officials. Some spent thousands in union money for golf, lodging and fancy meals.

GM alleges in the court records that FCA bribed Gettelfinger, Williams, Ashton and former Vice President General Holiefield "by granting those individuals control over foreign financial accounts with substantial funds."

Gettelfinger, who was union president after Fiat took over Chrysler in 2009, helped to make sure Holiefield and Williams kept their union leadership posts "in order to preserve and progress the conspiracy to harm GM," the documents said. GM alleged that accounts "apparently exist" in Gettelfinger's name, and the name of a relative in Panama and Switzerland.

"This previously hidden network of accounts, utilized by defendants and controlled in part by individuals purportedly acting on GM's behalf, reveals a magnitude of bribery and illegal activity specifically targeting GM that was not previously known or reasonably knowable," the documents stated.

A message was left seeking comment from the U.S. Attorney's Office in Detroit, which has been leading the federal probe.

In July, U.S. District Judge Paul Borman in Detroit tossed out GM's lawsuit that alleged that Fiat Chrysler paid off union leaders to get better contract terms than GM.

He wrote that GM's alleged injuries were not caused by FCA violating federal racketeering laws, that GM had not stated a claim that can be granted, and that the people harmed by the bribery scheme were Fiat Chrysler workers.

In a 2019 lawsuit, GM alleged that Fiat Chrysler bribed officials of the United Auto Workers union to get lower labor costs. GM alleged that FCA CEO Sergio Marchionne, who died in 2018, wanted to pressure GM into merging by weakening it with higher costs.

GM says in its new motion that Borman should alter or amend his order allowing GM to amend its complaint to present the new allegations.

Gulf Bank records KD 11.8 million in Net Profit for the First Half of 2020

“ Gulf Bank's prudent cost reduction efforts resulted in a 21% decline in Q2-2020 vs. Q1-2020 operating expenses.

“ The Central Bank of Kuwait played a vital role in protecting the Banking System from Money Laundering crimes.

“ The Capital Adequacy Ratio (CAR) remained strong at 16.8%, which is well above regulatory requirements.

Gulf Bank K.S.C.P. announced its financial results for the first quarter ending 31 March 2020 and the first half ending 30 June 2020. For the six months ending 30 June 2020, the Bank recorded a net profit of KD 11.8 million, a decline of KD 12.2 million or 51% compared to the first half of 2019 net profit of KD 24 million. This reduction was mainly due to lower interest income on loans and lower fee / foreign exchange income. However, favorable liquidity conditions have resulted in the Bank's interest expense declining by 6.3 million or 22% from the first quarter to the second quarter of 2020. Similarly, the Bank's prudent cost reduction efforts have resulted in the Bank's operating expenses dropping by KD 4 million or 21% from the first quarter to the second quarter of 2020.

Net Loans and Advances to Customers were KD 4,189 million at the end of June 2020, up KD 234 million or 6% compared with the end of June 2019.

As of the end of June 2020, Gulf Bank's Capital Adequacy Ratio (CAR) remained strong at 16.8%, well in excess of regulatory requirements.

Commenting on the results, Mr. Jassim Mustafa Boodai, Gulf Bank's Chairman said: "We are going through unprecedented times. The consequences of the COVID-19 pandemic have impacted the global economy and financial sector. Kuwait, just like all other countries, has been affected by the pandemic. In response to the pandemic, the Central Bank of Kuwait took early action by (1) lowering its Discount Rate by 125 basis points in March, providing immediate cash flow relief to corporate borrowers in the form of lower interest payments and (2) relaxing capital and liquidity requirements to promote favorable liquidity conditions. To support the cash flow needs of retail customers, the banking community agreed to defer loan installments and credit card payments for six months and Corporate customers could elect to defer principal payments due between April and September. Finally, a new government scheme for Corporate and SME customers was rolled out to support their cash flow needs until the end of 2020."

Mr. Boodai then added: "During these challenging times, Gulf Bank continued to provide uninterrupted services to its clients. We maintained close relationships with all our customers — corporate and retail clients alike — and attended to their needs, providing them with the necessary solutions to support their businesses and financial requirements during these tough times. Our digital

platform, including online banking, mobile banking and our 24/7 call center, continued to operate without disruption."

Anti-Money Laundering

Commenting on the recent issues related to suspicious money laundering/financing of terrorism transactions in Kuwait, Mr. Boodai said: "We would like to reiterate that at Gulf Bank, we have performed our role as part of the Kuwaiti banking industry in reporting any suspicious transactions to the Financial Intelligence Unit (FIU). We are continuously in full compliance with Central Bank of Kuwait regulations, instructions and Law 106/2013 in relation to money laundering. We have a dedicated, independent Anti-Money Laundering (AML) unit and our staff are well-trained and continuously updated on matters related to illegal and suspicious operations." Mr. Boodai added: "We truly appreciate the role of the Central Bank of Kuwait in taking the necessary supervisory measures to maintain monetary and financial stability as well as protecting the banking system from the risks of money laundering crimes."

Credit Ratings

Gulf Bank continues to be well recognized in terms of international creditworthiness and financial strength, and is an "A" rated bank by



Jassim Boodai

all four leading credit rating agencies.

- Fitch: Long Term Issuer Default Rating "A+" rating with a "Stable" Outlook
- S&P Global Ratings: Issuer Credit Rating "A-" rating with a "Negative" Outlook
- Moody's Investor Services: Long Term Deposits "A3" rating with a "Stable" Outlook
- Capital Intelligence: Long Term Foreign Currency "A+" rating with a "Stable" Outlook

Employees Wellbeing & Development

Gulf Bank continues to support its human capital training and development during these exceptional times. The Bank has utilized various digital tools and has safely resumed employee training and development through remote and virtual training programs that prioritize the health and safety of its employees.

In response to the unprecedented circumstances resulting from the ongoing COVID-19 pandemic, Gulf Bank has launched its "Employee Wellbeing Program" to help its employees cope with the changes brought about by the pandemic and their effects on emotional and mental wellbeing. The program, which offers employees access to professional counseling through a series of focused workshop sessions, is designed to target specific challenges facing the Bank's workforce, particularly the frontline employees who work directly with customers. These workshops, exclusive to Gulf Bank employees, offer a focused approach towards raising awareness on various topics such as mental health, human relations, creative problem solving, and motivation.

Appreciation

Mr. Boodai concluded his remarks by stating: "During these challenging times, I would like to thank everyone that contributed to these results, specifically our shareholders for their ongoing trust, and our employees for their commitment and dedication. I would also like to thank the Central Bank of Kuwait for their exceptional efforts in supporting the banking system in Kuwait. And finally, I want to thank our customers for their loyalty, especially during these unprecedented times."