



This artist rendering provided by Amazon shows the next phase of the company's headquarters redevelopment to be built in Arlington, Virginia. (AP)

### Amazon reveals eye-catching office tower

Amazon revealed plans Tuesday for the next phase of its headquarters redevelopment in Virginia, featuring a signature 350-foot (107-meter) helix-shaped office tower that can be climbed from the outside like a mountain hike.

The head-turning helix building is the centerpiece of the proposal that also features multiple 22-story office buildings in addition to those

already under construction as the company looks to accommodate 25,000 new workers over the coming years in the Arlington County neighborhoods across the Potomac River from the nation's capital.

The Seattle-based company said in a blog post that the building is designed to help people connect to nature.

"The natural beauty of a

double helix can be seen throughout our world, from the geometry of our own DNA to the elemental form of galaxies, weather patterns, pinecones, and seashells," the company said. "The Helix at our Arlington headquarters will offer a variety of alternative work environments for Amazon employees amidst lush gardens and flourishing trees native to the region."

Sketches show trees and green space spiraling along the exterior of the building, which in addition to a helix also resembles a Christmas tree or a soft-serve ice cream cone. Less flattering comments on social media likened it to a poop emoji.

The company said it will open the exterior mountain climb to the public on weekend tours. (AP)

### Market Movements

03-02-2021

	Change	Closing pts		Change	Closing pts
↑ AUSTRALIA - All Ordinaries	+63.36	7,090.86	PHILIPPINES - PSEi	-8.42	6,859.46
↑ JAPAN - Nikkei	+284.33	28,646.50	CHINA - Shanghai SE	-16.38	3,517.31
↑ GERMANY - DAX	+98.47	13,933.63	FRANCE - CAC 40	-0.06	5,563.05
↑ EUROPE - Euro Stoxx 50	+19.29	3,609.75			
↑ S. KOREA - KRX 100	+66.44	6,793.35			
↑ INDIA - Sensex	+458.03	50,255.75			
↑ PAKISTAN - KSE 100	+353.29	46,933.63			

# Business

## COVID-19 lockdowns crush energy demand and undercut oil prices

# Hit by pandemic, oil giants post huge 2020 losses

DALLAS, Feb 3, (AP) — Oil giants Exxon and BP reported staggering losses for 2020 on Tuesday as the pandemic crushed energy demand and undercut oil prices.

Exxon Mobil Corp. reported the largest losses in its history — nearly \$20.1 billion for the fourth quarter, including more than \$19 billion to write down the value of company assets. For the full year, it lost \$22.4 billion.

BP PLC posted a profit of \$825 million in the fourth quarter but still lost \$18.1 billion in 2020. The results came after Chevron reported last week that it lost \$5.5 billion last year.

Signs point to better results for the oil giants this year. Crude prices are up roughly 50% in the past three months, including a gain of more than 10% since Jan. 1, as major producers led by Saudi Arabia have cut output.

The oil companies are hoping that the rollout of COVID-19 vaccines will mean a return to more normal life for businesses and consumers, which would in turn boost demand for oil and natural gas.

Energy demand slumped last year as the pandemic led to lockdowns and a dramatic drop in energy for uses such as transportation.

"Energy consumption collapsed as economies shut down, oil prices hit their lowest point in history, and refining margins fell well below their 10-year lows," said Exxon CEO Darren Woods. "It was the first time in memory that we saw simultaneous lows in each of our businesses."

Irving, Texas-based Exxon is responding by cutting costs. It expects by 2023 to cut \$6 billion in annual spending compared with 2019 levels.

Exxon's big fourth-quarter loss contrasted with a profit of \$5.7 billion a year earlier. Excluding the massive write-

downs and other impairment costs, the company said it earned 3 cents per share. Analysts on average expected a penny per share profit, according to a survey by Zacks Investment Research.

Revenue dropped 31% to \$46.5 billion.

Exxon has long been under pressure from activist shareholders to focus more on renewable fuels and pivot away from its fossil-fuel legacy.

The company said Tuesday it will reduce greenhouse gas emissions from its own operations and has created a division to "commercialize" technology it hopes to develop to capture carbon emissions before they enter the atmosphere — Exxon believes technology can address climate change and save the oil and gas business at the same time.

However, one of the company's activist shareholders, investment firm Engine No. 1, said Exxon's announcements don't change the company's long-term course "nor do they position it to succeed in a changing world." The fund said Exxon is headed for decades of destroying shareholder value by assuming that oil and gas production will continue to grow even in the face of efforts to reduce climate change.

Last week, Engine No. 1 nominated four candidates for Exxon's board of directors, which will be chosen in May.

London-based BP last year announced it will seek to become a net zero producer of carbon emissions by 2050. However, the company is still bringing new oil and gas projects into operation.

BP is also cutting costs. "We began reinventing BP, with nearly 10,000 people leaving the company," CEO Bernard Looney said in a statement. "We strengthened our finances — taking out costs and closing major divestments."

# Europe's jobless rate steady, but doesn't tell whole story

Govt support programs continue to hold down layoffs

## Bezos to step down as Amazon CEO

NEW YORK, Feb 3, (AP) — Jeff Bezos, who founded Amazon as an online bookstore and built it into a shopping and entertainment behemoth, will step down later this year as CEO, a role he's had for nearly 30 years, to become executive chairman, the company announced Tuesday.

Bezos, 57, will be replaced in the summer by Andy Jassy, who runs Amazon's cloud-computing business.

In a blog post to employees, Bezos said he planned to focus on new products and early initiatives being developed at Amazon. He said he would have more time for side projects, including his space exploration company Blue Origin, his philanthropic initiatives and overseeing The Washington Post, which he owns. Bezos, who is the company's biggest shareholder, will still have broad influence over Amazon.

"Jeff is really not going anywhere," Amazon's Chief Financial Officer Brian Olsavsky said in a call with reporters. "It's more of a restructuring of who's doing what."

Launched in 1995, Amazon was a pioneer

of fast, free shipping that won over millions of shoppers who used the site to buy diapers, TVs and just about anything else. Under Bezos, Amazon also launched the first e-reader that gained mass acceptance, and its Echo listening device made voice assistants a common sight in living rooms.

As a child, Bezos was intrigued by computers and interested in building things, such as alarms he rigged in his parents' home. He got a degree in electrical engineering and computer science at Princeton University, and then worked at several Wall Street companies.

He quit his job at D.E. Shaw to start an online retail business — though at first he wasn't sure what to sell. Bezos quickly determined that an online bookstore would resonate with consumers. He and his now ex-wife, MacKenzie Scott, whom he met at D.E. Shaw and married in 1993, set out on a road trip to Seattle — a city chosen for its abundance of tech talent and proximity to a large book distributor in Roseburg, Oregon.

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FRANKFURT, Germany, Feb 3, (AP) — The unemployment rate was steady at 8.3% in December in the 19 countries that use the euro, as government support programs aimed at getting the economy through the pandemic continue to hold down layoffs — for now.

The jobless figure published Monday by the EU's statistics agency is up from 7.4% December 2019, before the pandemic caused governments to impose restrictions on businesses to fight the spread of the coronavirus.

While the fact that the unemployment rate rose only modestly during the pandemic is good news, economists say government support won't last forever and that the unemployment rate will rise somewhat when such programs are withdrawn.

Meanwhile, Eurostat, the EU's statistics agency, again noted that the official rate does not count workers who stopped looking for a job during the unusual circumstances of the pandemic — for instance, to take care of children whose schools have been closed.

Governments are deploying programs that pay most of workers' salaries if they are put on short hours or no hours instead of being laid off. The idea is to get the economy through the pandemic without letting mass layoffs make the recession worse, or letting it slow the recovery through delays in finding and training new workers. The support also helps keep the pandemic from sapping consumer spending in shops.

## NBK Group CEO, in the Analysts' Conference call for the Year-end Results of 2020

# Al-Sager: Our Profits in 2020 proves Our Strong Banking Franchise

NBK has a strong financial position enabling it to continue distributing profits to its shareholders



Isam J. Al-Sager

*"We will continue to accelerate our digital transformation program to consolidate our leadership in digital banking services at the regional level"*

*"Ronghe: The bank's business model is flexible, which is reflected in strong operating income performance"*

in key markets, in particular Egypt and Saudi Arabia.

In Egypt, there are compelling retail and wholesale opportunities that we are very well positioned to seize, while in Saudi Arabia, our wealth management proposition has generated strong momentum. In Kuwait, growth in Islamic banking through Boubyan Bank remains an important driver for earnings diversification, he added.

NBK Group CEO pointed out that: "The Digital Transformation program will continue at pace, in our effort to achieve regional leadership in digital banking. This will improve the efficiency of operations, and help us cut down growth in costs."

Al-Sager added that for customers, the bank's commit-

*"We will maintain a conservative approach towards risk and continue to provide for ongoing uncertainties"*

ment to enhancing online and mobile banking channels will lead to a more holistic and seamless journey, enabling us to cater to a wider clientele, noting that it was clear in 2020 that digital channels were critical for the bank's resilience to the pandemic.

**A Conservative Approach**  
Al-Sager stressed that NBK will maintain its conservative approach to risk, and continue to provide for uncertainty across sectors, which will help it position itself for an eventual return to more normal levels of economic activity and demand for credit.

"We will also continue to monitor costs, as this discipline has already enabled us to maintain operating expenses at an appropriate level," he added.

*"In 2021, the bank will focus on continuing to capitalize on its broad geographical footprint to increase profitability"*

Al-Sager noted that NBK still benefits from a dynamic business model and strategy, supported by a strong balance sheet, healthy asset quality and comfortable liquidity levels. These characteristics have not changed, and will support us in withstanding the current crisis as we seek to return to profitable growth.

### Provisioning Levels

On provisioning levels during year 2021, Al-Sager mentioned that in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2020, there was a high level of uncertainty around the operating environment and the management took a very conservative view on the liquidity of some customers, which eventually led into building high provisioning buffers. Those are mostly specific provisioning towards these groups of clients; which in turn reflected towards easing provisioning for the 4<sup>th</sup> quarter mainly.

### Public Debt Law

Commenting on the possibility of adopting the Public Debt Law in the near future, Al-Sager said: "We just have a new parliament that has been elected 2 months ago. I believe that sooner or later, the Debt Law has to be approved. It is more of a political decision that has to be taken by the parliament. In order to finance these mega projects, it is necessary that the government pushes for the approval of the Debt Law."

On his part, Mr. Sujit Ronghe, Acting Group CFO said that the results for the year 2020 have been satisfying in light of the benign operating conditions and demonstrate the bank's ability to stand headwinds and uncertainties.

The bank's business model showed resilience that was reflected on operating income, good growth in core franchise deposits and well-contained costs. Also, comfortable liquidity levels and a solid capital base have been a feature of NBK's 2020 results, noting that the Group's Balance Sheet remains strong with stable credit quality, he added.

*"We posted comfortable liquidity levels and strong capitalization during the year 2020"*



Ronghe pointed out that there was an improvement in the NIMs in the 4<sup>th</sup> quarter of the year. This is what we had expected; because of the way that the bank's liability book is structured. The time deposits when and as they mature, especially the expensive ones, these get replaced by lower cost deposits, and hence, we saw that the funding costs improved remarkably in the 4<sup>th</sup> quarter of 2020.

Ronghe highlighted that the bank has achieved the level of benefit in overall funding cost to a large scale, noting that NIMs on an overall basis, should remain around the levels that we saw around the last quarter of 2020 at 2.22% for the year.

Ronghe explained that in 2020, the Group benefitted from higher growth in consumer and retail deposits; mainly CASA deposits, noting that CASA deposits have remained stable in the last quarter, despite the start of repayments and the gradual opening up of the economy.

*"Approval of the public debt law is necessary to finance the government's mega development projects"*

Mr. Isam Al-Sager, Group Chief Executive Officer of National Bank of Kuwait, said: "NBK demonstrated the strength and resilience of its business model as we moved to navigate the headwinds of the pandemic. Our strong digital capabilities were critical for ensuring the agility of operations, enabling us to maintain progress towards most of our strategic goals."

In the Analysts' Conference call for the year-end results of 2020, Al-Sager added: "NBK reported a net profit of KD 246.3 million, a drop of 38.6% compared to last year, which is attributed to because of low interest rate environment and higher precautionary provisions."

### A Strong Financial Position

Al-Sager mentioned that NBK's Board of Directors has proposed a cash dividend of 20 fils per share, in addition to 5% bonus shares, subject to the approval of the general assembly, noting that the bank enjoys a strong financial position, which enabled to continue distributing profits to shareholders despite the prevailing exceptional circumstances.

### Promising Opportunities

Al-Sager pointed out that in 2021, the bank will continue to capitalize on its broad geographical footprint to increase profitability, by seeking to grow organically