

In this file photo, a United Auto Workers assemblyman works on a 2018 Ford F-150 truck being assembled at the Ford Rouge assembly plant in Dearborn, Michigan. (AP)



### Ford to cut back F-150 production due to chip shortage

Ford Motor Co. said that it will cut shifts at two of its U.S. manufacturing plants next week, due to the worldwide chip shortage that has also impacted other automakers. Starting Monday, Ford will cut two shifts at its Dearborn, Michigan, facility, going down to one shift per day. It is also cutting a shift at its Kansas City, Missouri, plant, going down to two shifts per

day. Both plants produce the F-150 pickup truck, Ford's most popular model and part of the F-Series, the top-selling vehicle in the U.S. Roughly one F-150 rolls off a Ford assembly line every minute. Both plants will be back to three shifts starting Feb. 15. "We are working closely with suppliers to address po-

tential production constraints tied to the global semiconductor shortage and working to prioritize key vehicle lines for production, making the most of our semiconductor allocation," the company said in a statement. Ford isn't alone in cutting back production due to the shortage of chips needed to produce cars. General Motors will have downtime at three of

its factories - one in the U.S., one in Canada and one in Mexico - due to the chip shortage, starting Feb. 8. Other automakers like Nissan, Fiat Chrysler and Toyota have also been impacted by the chip shortage. Ford also reported quarterly results Thursday that topped Wall Street expectations after excluding one-time items. (AP)

### Market Movements 08-02-2021

	Change	Closing pts		Change	Closing pts
↑ AUSTRALIA - All Ordinaries	+47.85	7,160.78	↓ S. KOREA - KRX 100	-85.84	6,681.77
↑ JAPAN - Nikkei	+609.31	29,388.50	↓ PAKISTAN - KSE 100	-183.92	46,721.87
↑ GERMANY - DAX	+3.19	14,059.91			
↑ FRANCE - CAC 40	+26.77	5,686.03			
↑ EUROPE - Euro Stoxx 50	+9.74	3,665.51			
↑ PHILIPPINES - PSEI	+5.30	7,024.48			
↑ INDIA - Sensex	+617.14	51,348.77			

# Business

## 'Wealth Amnesty' creating large foreign capital inflow to Turkey

Legislation also having positive effects on financial markets

### 30-year fixed-rate loan stays at 2.73%

### US mortgage rates flat

WASHINGTON, Feb 8, (AP): US long-term mortgage rates were flat this week, staying near record lows as the economy remains burdened by the coronavirus pandemic.

Mortgage buyer Freddie Mac reported Thursday that the average rate on the benchmark 30-year fixed-rate home loan remained at last week's 2.73%. By contrast, the rate stood at 3.45% a year ago.

The average rate on 15-year fixed-rate loans, popular among homeowners seeking to refinance their mortgages, ticked up to 2.21% from 2.20%.

The number of Americans seeking unemployment benefits fell to 779,000 last week, the government reported Thursday, a still-historically high total showing that a sizable number of people keep losing jobs to the coronavirus pandemic.

The damage from the pandemic to the U.S. and global economies suppressed mortgage rates through most of 2020.

Economists forecast modest increases in home-loan rates this year. But they likely will remain relatively low, with the Federal Reserve keeping interest rates near zero as needed until the economy recovers.

**ISTANBUL, Feb 8, (Agencies): The legislation known as 'Wealth Amnesty' allows the legal entrance of the funds, gold, securities and other market capitals into Turkey, without being subject to tax, with the condition to be declared until June 30, 2021.**

While there was 1% or 2% tax in the past applications, with the current law, applicants started to benefit from this practice with 0% tax advantage. Natural and legal persons who have reported their wealth abroad to a bank or brokerage house in Turkey until June 30, 2021, will benefit from Wealth Amnesty if they bring these assets to Turkey within the 3 months as of the date of declaration.

Bayram Tekce, Chairman of Tekce Overseas Gayrimenkul AS, the leading real estate company in overseas property sales, evaluated the regulation: "From the real estate market side, we saw the different effects of the Wealth Amnesty. Last year, some foreign investors received Turkish Citizenship through investment to benefit

this opportunity that applied to Turkish citizens and they brought their capital to Turkey. This had also a significant influence on the increase of the amount of foreign capital that come to Turkey. Some of our customers have also benefited from Wealth Amnesty in this regard. The recognition of this right to foreigners with the latest regulations, further increases the interest of international investors in Turkey. We still have a few customers that we run the process before the deadline."

Bekir Yener Yildirim, Chairman of BYY Finance and Neo Asset Management AS, one of the leading companies in portfolio management and investment fund establishment for foreign investors, stated that: "We have seen the positive effects of the Wealth Amnesty also on the financial markets. Turkey has a highly developed venture capital and real estate investment fund infrastructure."

Advantageous tax benefits are also provided to investors who buy such capital market instruments. The monetary funds that enter the country without tax with the Wealth Amnesty, both gain a second tax advantage by turning to venture companies and real estate investment funds in the country, and foreign investors benefit from the transparent, reliable and corporate structure of the capital markets."



People walk by a SoftBank shop in Tokyo on Feb 8, 2021. (AP)

### Profit at SoftBank zooms on lucrative investments

TOKYO, Feb 8, (AP): Japanese telecommunications and technology conglomerate Softbank Group Corp reported Monday a whopping 1.17 trillion yen (\$11 billion) profit for the October-December quarter as its investments rose in value.

SoftBank's profits were far better than what analysts had expected, zooming up 21-fold from the 55 billion yen profit recorded the previous year.

The value of its investments rose, including in DoorDash, a US food delivery service, and Uber, a US technology company that offers ride-hailing and deliveries.

Quarterly sales edged up 7% to 1.5 trillion yen (\$14 billion).

SoftBank's investment portfolio got an overall healthy boost from the booming global stock market.

Although companies have been hurt by the coronavirus pandemic, some companies, including those SoftBank has invested in, are proving beneficiaries of the need for people around the world to stay home.

SoftBank has an array of investments, mostly in technology companies, through its Vision Funds.

Recently, SoftBank's bottom line benefited from selling its stake in US mobile carrier Sprint and British IOT company Arm because the selling price was higher than the purchasing price.

SoftBank founder and Chief Executive Masayoshi Son told reporters the world is still facing hard times because of the coronavirus pandemic, but expressed hope the situation will improve later this year.

SoftBank also has invested in other powerful companies such as Alibaba, a Chinese e-commerce, retail and net conglomerate. Son said Alibaba's operations have been recovering recently.

Its SoftBank mobile carrier, which was the first in Japan to offer the iPhone, remains popular.

Son acknowledged some of its investments have set off worries, such as office-sharing space company WeWork.

But he compared SoftBank to "the goose that lays the golden eggs," not rotten eggs, arguing that Alibaba, Sprint and other companies were the golden eggs.

SoftBank is not just an investment company but a manufacturing company, he said.

"Our goose has been creating eggs inside its stomach that will be born as gold," Son said.

In recent years, Son has been pushing AI, or artificial intelligence, which he believes will prove vital to the business sectors he's banking on, such as robots doing deliveries and automated driving.

SoftBank is also focused on renewable energy in Japan, a nation where the public has, in part, turned sour on nuclear energy after the Fukushima nuclear disaster 10 years ago.

### Tesla buys \$1.5bn in Bitcoin, will accept as payment soon

NEW YORK, Feb 8, (AP): Tesla has acquired around \$1.5 billion in Bitcoin under an investment policy at the electric car maker headed by Elon Musk, and it plans to begin accepting the digital currency as payment for vehicles soon.

The California company revealed the new strategy in a filing with the US Securities and Exchange Commission early Monday, saying its investment in digital currency and other "alternative reserve assets" may grow.

Bitcoin spiked 14% and appeared to briefly hit a new all-time high. Shares of Tesla moved higher as well.

In its fourth-quarter earnings report last month Tesla said it had cash and cash equivalents of \$19.4 billion.

Palo Alto-based Tesla reported its first annual net profit in 2020, but once again the company needed regulatory credits purchased by other automakers in order to achieve it. Without \$1.58 billion in credits for the year, Tesla would have lost money.

In a year that saw its stock soar to make it the world's most valuable automaker, Tesla earned \$721 million, capped by a \$270 million profit in the fourth quarter. It was the company's sixth straight quarterly net profit after years of mostly losses.

Critics say Tesla's sales and profits are puny compared with established automakers such as Toyota and General Motors, and its huge valuation is not justified by financial fundamentals.

Tesla faces challenges this year from traditional automakers, which are rolling out more electric vehicles.

Tesla's meteoric stock price rise has generated big payoffs for Musk, making him one of the world's richest people.

It's been a wild ride for Bitcoin since it made its Wall Street debut in December 2017. Major futures exchanges rolled out bitcoin futures, pushing it to roughly \$19,300, a then-unheard of price for the currency. It evaporated quickly in 2018, and by December of that year Bitcoin was worth less than \$4,000 a coin. Up until the most recent rally, which started in October, Bitcoin generally floated between \$5,000 and \$10,000.



In this file photo, a Bitcoin logo is shown displayed on an ATM in Hong Kong, Dec 21, 2017. (AP)

### During TV interviews

## Al-Roshood: Focusing on Core Banking Business for Achieving Sustainable profitability



Abdulwahab Al-Roshood

**KFH proves efficiency during the pandemic**

He explained that the contribution of KFH subsidiaries in the 2020 net profit for KFH shareholder represented 43.6%, of which 40.6% contribution from KFH- Turkey.

Al-Roshood added that due to coronavirus pandemic and its negative economic impacts locally and globally, the exit of investments in 2020 declined to approximately KD 28.2 mn, achieving a net profit of KD 4.7 million compared to KD 40.7 mn last year.

He stressed that exiting non-core assets is part of the bank's strategy in focusing on core banking business for achieving sustainable profits.

Al-Roshood said that due to the negative impacts of pandemic, KFH increased the provisions while the

**A successful digital plan under the theme "easy banking experience"**

IT infrastructure that paved the way to providing outstanding digital services that meet all banking needs of customers.

He added that KFH was a pioneer in adopting remote work solutions for employees in a safe and effective manner to ensure their health and safety, and thus to achieve the best customer service.

Al-Roshood said that KFH's customers conducted nearly 140 million transactions through KFHOnline for the year 2020. This emphasizes the successful digital transformation strategy of KFH and the secure and easy digital services it offers to customers.

He indicated that KFH keeps implementing its ambitious digital plan launched by the bank under the theme "easy banking experience", including digital services through

**KFH customers conducted 140 mn online banking transactions in 2020**

mobiles and alternative channels such as digital self-banking station KFH Go. This e-branch is equipped with the latest financial technologies and digital platforms and XTM machines which enable communicating directly with the telephone service personnel in audio and video calls, with other comprehensive packages of banking services.

He added that KFH Go provides several services including conducting "Murabaha" financing transactions, updating data and phone numbers, activating bank cards, opening deposits and accounts, receiving

**KFH developed IT infrastructure paving the way to launch outstanding digital services**

**Profit results reflect the solid financial position of KFH**

Abdulwahab Al-Roshood, Acting Group Chief Executive Officer at Kuwait Finance House (KFH) said that the financial results for the year ended 2020 were positive despite the unfavorable economic conditions, adding that net finance income grew 15.8% to KD 614.2 million compared to the same period of 2019, while cost to income ratio improved to reach 37.2% for the year ended 2020, compared to 51.3% for 2014.

**Ongoing efforts to enhance cost to income ratio**

He indicated during TV interviews that total assets increased 10.9% to KD 21.5 billion, while depositors' accounts reached KD 15.3 billion, an increase of 13.0% compared to the end of last year. In addition, financing portfolio reached KD 10.8 billion, i.e., an increase of 13.4%, of which 19.7% and 6.6% growth from corporate and retail segments, respectively. Al-Roshood confirmed that the positive financial results reflect the solid financial position of KFH, high creditworthiness, and its efficient capability to handle the exceptional conditions.

**KFH's subsidiaries contribution forms 43.6% of 2020 net profits**

**Experience in risk management and thoughtful plans for business continuity**

value charged on the group's income statement declined to 284.1 million, representing an increase of %44.3. This includes provisions of financing, investment and other precautionary provisions against finance and real estate portfolios.

He added that the non-performing financings ratio NPFs at KFH Group reached 2.20% as of end 2020 as per the CBK's accounting principles. The coverage ratio of provisions for non-performing debts stood at 288.5% and 223% for KFH solo and the Group respectively.

**High efficiency**  
Al-Roshood explained that the pandemic demonstrated KFH's highly efficient ability to deal with exceptional circumstances, noting that the bank has great expertise in risk management and thoughtful plans to ensure business continuity in various circumstances.

He added that during the pandemic KFH keeps successfully providing services despite full lockdown in Kuwait, indicating the developed