

Google to keep most of its employees at home until July 2021

Google has decided that most of its 200,000 employees and contractors should work from home through next June, a sobering assessment of the pandemic's potential staying power from the company providing the answers for the world's most trusted internet search engine.

The remote-work order issued Monday by Google CEO Sundar Pichai also affects other companies owned by Google's corporate parent, Alphabet Inc. It marks a six-month extension of Google's previous plan to keep most of its

offices closed through the rest of this year.

"I know this extended timeline may come with mixed emotions and I want to make sure you're taking care of yourselves," wrote Pichai, who is also Alphabet's CEO, in an email to employees.

Pichai's decision was first reported by The Wall Street Journal.

The prolonged lockdown of Google's offices could influence other major employers to take similar precautions, given that the technology industry has been at the forefront of the shift to remote work that has been triggered by the

spread of the novel coronavirus.

Even before the World Health Organization declared a pandemic on March 11, Google and many other prominent tech firms had been telling their employees to work from home.

Google had originally planned to allow a significant number of employees to begin returning to its Mountain View, California, headquarters and other offices during the summer. But the pandemic's ongoing spread prompted Google to push back the reopening until January and now it has prompted yet another delay. (AP)



Google's headquarters in Mountain View, California. (AP)

Market Movements

28-07-2020

		Change	Closing pts			Change	Closing pts
CHINA	- Shanghai SE	+22.73	3,227.96	AUSTRALIA	- All Ordinaries	-22.79	6,146.80
HONG KONG	- Hang Seng	+169.50	24,772.76	JAPAN	- Nikkei	-58.47	22,657.38
INDIA	- Sensex	+558.22	38,492.95				
PHILIPPINES	- PSEI	+66.17	5,927.11				
PAKISTAN	- KSE 100	+406.11	38,627.27				
S. KOREA	- KRX 100	+103.83	4,838.79				

Business

NBK posts KD 111.1mn net profit for 1H

NBK committed to supporting Kuwait's economy to ease impact of the pandemic: Al-Sayer

KUWAIT CITY, July 28: National Bank of Kuwait ("NBK", the "Bank" or the "Group") has announced its financial results for the 3-months period ending 31 March 2020 and the 6-months period ending 30 June 2020. NBK reported a net profit of KD 77.7 million (USD 251.7 million) for the 3-months period ended 31 March 2020 and a net profit of KD 111.1 million (USD 360.9 million) for the 6-months period ended 30 June 2020, recording a drop of 27.9% and 46.9% year-on-year, respectively.

Commenting on the Bank's 1H 2020 results, NBK's Chairman of the Board, **Nasser Al-Sayer** said: "The spread of COVID-19 and the constraints imposed by governments around the world to limit its spread, including social distancing measures and lockdowns, have weighed negatively on supply chains and production levels leading to severe disruptions in the global economy."

Al Sayer added, "The Kuwaiti economy similarly faced unprecedented challenges in the first half of the year. In addition to the negative impact of the pandemic outbreak and spread, the large drop in oil prices added further pressures. This has generally led to a challenging operating environment that will have a negative impact on the overall economy as well as the banking sector in Kuwait. In the meantime, the timely responses we have seen from the Government and Central Bank of Kuwait including various policy measures and macro prudential initiatives are all expected to lift some of these pressures ensuring the stability of the financial sector and healthy economic recovery."

"Our economic forecasts indicate a contraction of around 6% in Kuwait's GDP in 2020 as a result of the economic headwinds resulting from the disruption in commercial activities and the sharp decrease in government revenues as oil prices plunged."

Al-Sayer also highlighted the role of NBK in supporting all Government and Central Bank of Kuwait efforts in



Nasser Al-Sayer, NBK's Chairman



Isam Al-Sager, NBK Group CEO

lifting the pressures caused by the pandemic and contributing to the wellbeing of its local communities. "At the early stages of the outbreak, the Bank clearly defined the level of its commitment to support the government efforts to combat the spread of COVID-19 as part of the responsibility to our community. NBK contributed to the establishment of a KD 10 million CBK fund to support State efforts in facing the virus as well as donating KD 1 million to KRCS to provide ventilators and the deployment of fully equipped mobile clinics to quarantined areas," Al-Sayer added.

"The health and safety of our employees and customers will remain our top priority along with our efforts to ensure the delivery of efficient and quality banking services. At last, I would like to take this opportunity to thank all the first-liners from across all organizations for their exceptional efforts in combating the pandemic," Al-Sayer concluded.

From his side, NBK's Group CEO, **Isam Al-Sager** affirmed that: "the consequences of the spread of COVID-19 have weighed heavily on the Bank's profits mainly during the second quarter. The full shutdown of commercial and financial activities has affected transaction volumes, which in turn reflected negatively on the different revenue lines of our

operations. Additionally, the interest rate cuts both domestically and internationally added more pressure on interest margins. On the other hand, higher provisions and impairment charges has also impacted our profitability during the two opening quarters of 2020."

Al Sager also added, "We are facing unprecedented challenges that will have a protracted impact on the global economy and the banking sectors across the world. Our 1H profitability trends reflected some of these challenges in the form of lower revenues and higher provisions and we continue to expect further pressures throughout the year. These pressures will negatively affect economic activity as well as banking sector profitability. That said, NBK remains in a very strong position to withstand the impact of the crisis. Our strong and quality core banking earnings, comfortable liquidity and capital levels will enable us to have enough capacity to absorb the impact of the pandemic on the economy and the banking sector."

Al-Sager also highlighted that: "the strategic investments the Bank has made over recent years and most importantly the ones that led to the acceleration of digital banking services, provided the bank with operational flexibility. Our

digital channels provided effective and practical alternatives to our branches and thus the Bank was able to adapt to the unforeseen conditions in the operating environment."

"We provided support and advice to our customers to help them overcome the financial challenges given the Bank's history of professionalism and expertise. We will continue to meet our clients banking needs and support the society in overcoming those challenging times. The Bank will also continue to work closely with governments, regulatory bodies and other stakeholders in order to continue contributing to economic recovery across all the geographies where the Bank operates," Al-Sayer clarified.

Furthermore, Al-Sayer indicated that the Bank has empowered its employees to work remotely and took measures to ensure their safety.

He also admired the dedicated efforts made by the employees towards the quality and smoothness of the Bank's operations during this challenging period.

Performance and operating highlights: 1H 2020

- Net operating income of KD 414.6 million (USD 1,346.8 million), decreasing 8.3% on the first half of 2019
- Total assets stood at KD 29.7 billion (USD 96.4 billion), increasing by 6.5% year-on-year
- Customer loans and advances increased by 8.4% year-on-year to KD 17.6 billion (USD 57.1 billion)
- Customer deposits at KD 17.6 billion (USD 57.1 billion), increasing by 13.6% year-on-year
- Strong asset quality metrics, with NPL/gross loans ratio at 1.77% and an NPL coverage ratio of 185.5%
- Robust Capital Adequacy Ratio of 16.8%, comfortably in excess of regulatory requirements

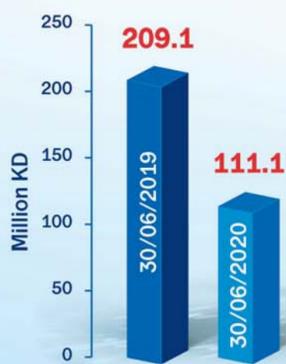
NBK initiatives in Facing COVID-19 Challenges

- Took the initiative to support businesses through ceasing collection fees on POS machines and other electronic channels for 3 months; in addition to increasing NFC limit
- Deferral of loans and credit card installments for 6 months including the waiving of interest fees associated
- Facilitating financing to individuals and businesses
- Provided support and consultation to clients to overcome their financial challenges
- Building on our investment in digital transformation, our digital channels played a vital role in servicing customers, with electronic transactions reaching a record high of 98.4% of total transaction during the crisis



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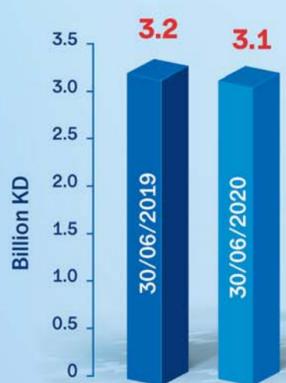
Million KWD Net Profit for the First Half, 2020



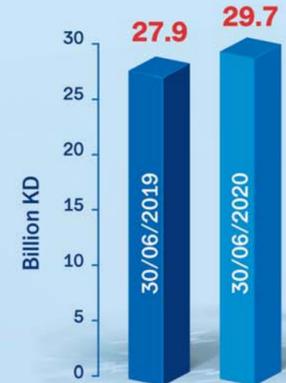
-46.9% Net Profit



-8.3% Net Operating Income



-3.2% Shareholders' Equity



+6.5% Total Assets