

Commerzbank fined \$730,800 over deals with Cypriot bank

● **Sanctio over investment operations conducted by the now-defunct Laiki - also known as Cyprus Popular Bank**

● **Laiki was once Cyprus's second-largest bank**

Reuters



A company logo is pictured at the headquarters of Germany's Commerzbank AG

Cyprus's securities regulator yesterday imposed a 650,000 euro (\$730,800) fine on Germany's Commerzbank for its role in transactions carried out by a local bank that collapsed during the country's 2013 financial crisis.

The country's CySEC commission said Commerzbank had been sanctioned over investment operations conducted by the now-defunct Laiki - also known as Cyprus Popular Bank - in 2011, following Laiki's merger

with Greece's Marfin-Egnatia Bank.

Commerzbank declined to comment on the case, which followed an eight-year probe by Cypriot authorities.

The investigation, which was launched following calls by left-wing AKEL lawmaker Irene Charalambides, looked into whether the Cypriot deals may have broken laws prohibiting a company from buying its own stock.

CySEC said Laiki invested in

two structured products issued by Commerzbank in 2008. Marfin-Egnatia, which was at that time a Laiki subsidiary, was an index sponsor responsible for the composition of the portfolio.

As a result of the 2011 merger between Laiki and Marfin-Egnatia, Laiki became the index sponsor, creating a conflict of interest, CySEC said.

It said Laiki and Commerzbank acted in "concert" to manipulate the market in relation to Laiki shares on several occa-

sions in April and May 2011.

CySEC said it had not fined Laiki because it is in administration and did not want to put an additional burden on former depositors, bond holders and shareholders.

Laiki, once Cyprus's second-largest bank, was taken into administration and wound down under terms of a 10 billion euro (\$13.56 billion) international financial assistance package to Cyprus in March 2013.

Some 4.3 billion euros in uninsured deposits exceeding the EU threshold of 100,000 were wiped out, and thousands of people lost their life savings.

Charalambides said she felt vindicated by the result of the investigation.

"The resolution authority should consider the possibility of civil lawsuits against Commerzbank to ensure that the funds channelled to these structured bonds, with the objective of manipulating shares, be returned, and given to depositors whose funds were subjected to a haircut," she said in a statement.

Hitachi ABB power grids goes live

● **Hitachi has an 80.1 per cent stake in this new joint venture**

● **To focus on mobility, smart cities, industry, energy storage and data centre**

● **The new entity is headquartered in Zurich, Switzerland**

● **Toshikazu Nishino, of Hitachi is the Chairman**

TDI | Manama

Hitachi Ltd. and ABB Ltd announced the formation of Hitachi ABB Power Grids Ltd following the agreement signed on 17 December 2018.

The new entity is headquartered in Zurich, Switzerland, and the current management team will ensure business continuity.

Hitachi has an 80.1 per cent stake in this new joint venture entity (which has a business volume of approximately 10 billion USD) and ABB holds the balance.

Toshikazu Nishino, Executive Vice President of Hitachi, is the Chairman of the new entity and Claudio Facchin the CEO.

"Hitachi's leading digital technologies merged with

world-class power grid solutions will help us to play an active role in the global transformation and decarbonization of energy systems for a sustainable energy future. Intelligent solutions for a more dynamic grid will also contribute to the UN's Sustainable Development Goal 7 of 'affordable, reliable and clean energy,'" said Toshikazu Nishino.

The alliance with Hitachi will facilitate expansion opportunities for the new entity in areas such as mobility, smart cities, industry, energy storage and data centres, besides providing the financial muscle to support ambitious projects and enabling access to Japan, the third-largest economy in the world.

"Synergies and access to new and growing markets provided by Hitachi will help take Power Grids to the next stage of its development, further strengthening its leading position," said Timo Ihamuotila, CFO of ABB and Director of the Board of Hitachi ABB Power Grids.

"Combining our respective technology strengths will bring us new market opportunities and enable us to deliver greater customer value," said Claudio Facchin, CEO, Hitachi ABB Power Grids. "We remain committed to powering good for a sustainable energy future, with pioneering and digital technologies, as the partner of choice for enabling a stronger, smarter and greener grid."



The Laiki bank was split into a good and bad bank and the good part was folded into the Bank of Cyprus. It took with it 9 billion euros of European Central Bank liquidity to the Bank of Cyprus.



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Family bank's financial strength assessed

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Labour and Social Development Minister and Board of Directors Chairman of the Family Bank, Jameel Humaidan, yesterday reviewed the legal and financial situation of the bank during a board meeting.

The meeting, second for the bank this year, follows its recent decision to postpone the payment of loan instalments for the citizens by six months to mitigate the impacts of the outbreak of the novel coronavirus. Deputy Chairman, Dr Musta-



Minister during the virtual board meeting

fa Al-Sayed, CEO Dr Khalid Abdulla Ateeq and several board members took part in the meeting held virtually.

The bank's decision, taken in line with His Majesty King Hamad bin Isa Al Khalifa's directives and the circular of the Central Bank of Bahrain, covered all productive families registered with the Labour and Social Development Ministry, as well as those who had received loans and facilities from the Family Bank.

The minister commended the distinguished efforts exerted by the Family Bank's officials and employees, lauding their competence in dealing with the current exceptional circumstances.

Russia says China would be needed in expanded G7 summit: TASS

Reuters | Moscow

Russia is not in talks with Washington about its potential role at an expanded Group of Seven summit later this year, Deputy Foreign Minister Sergei Ryabkov said on Saturday, insisting that China should also be included in the event.

His comments to TASS news agency countered those of John Sullivan, US ambassador to Russia, who told RBC TV on Friday



Russian deputy Foreign Minister Sergei Ryabkov

that Washington was "engaged with the Russian Foreign Ministry and with the other G7 governments about whether there is an appropriate role for Russia at the G7."

US President Donald Trump has raised the prospect of Russia's return to the group, which includes the world's most advanced economies, after it was expelled in the wake of its annexation of Crimea from Ukraine in 2014.

Trump said last month it was "common sense" to invite President Vladimir Putin to rejoin the group.

Russia had been part of the group, then known as the G8, since 1997.

End of the runway for 747 jumbo as Boeing placed final part orders

● **The last order for a passenger version came in 2017**

● **Boeing declined to confirm that it was pulling the plug**

● **The end of the 747 would follow Airbus SE's phasing out of its A380 jumbo jet**

Reuters | Seattle



A boy rides a bicycle next to retired Boeing 747 airplane on display at Shanghai Expo area, as Typhoon Hato passes Southern China, in Shanghai, China

Boeing Co and suppliers set the final number of parts it would need for the 747 jumbo jet programme at least a year ago, signalling the end for a plane that democratised global air travel in the 1970s but fell behind modern twin-engine

aircraft, industry sources said yesterday.

Boeing's "Queen of the Skies", the world's most easily recognised jetliner with its humped fuselage and four engines, marked its 50-year flying

anniversary in February 2019, clinging to life thanks to a cargo market boom fuelled by online shopping.

But the end for the programme has been hanging in the air for years amid falling orders and

pricing pressure. The coronavirus pandemic has also crushed passenger travel and demand for new jets.

The last order for a passenger version came in 2017, when the US government asked Boeing to

repurpose two 747-8 jetliners for use as Air Force One by the US president.

Boeing declined to confirm that it was pulling the plug on the 747 programme, first reported by Bloomberg News on Thursday.

"At a build rate of 0.5 airplanes per month, the 747-8 programme has more than two years of production ahead of it in order to fulfil our current customer commitments," a Boeing spokesman said.

"We will continue to make the right decisions to keep the production line healthy and meet customer needs," he added.

The end of the 747 would follow Airbus SE's phasing out of its A380 jumbo jet. In June, the last convoy of outsize parts for the world's largest airliner crawled towards an assembly plant in southwest France.

The death of the 747 programme could also mean charges and layoffs for halting production at the mammoth wide-body plant outside Seattle. It could also have financial implications on newer programs such as the 787 Dreamliner and the latest model of 777, which would have to bear a larger share of the plant's huge overhead if the 747 line went dark.

One supplier source said he was not sure when Boeing made a formal decision to end the program but said the final number of ship sets - as complete sets of parts are known - was agreed to with the supply base at least a year ago.

Boeing has also removed language from financial filings that said it would continue to "evaluate the viability" of the 747 program, which one industry source said was a tell-tale sign of its plans.