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ASIAN BANKERS ASSOCIATION

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ABA Announcements

Virtual ABA Policy Advocacy Committee Meeting Scheduled for March 26

The ABA Policy Advocacy Committee has scheduled its next virtual meeting for March 26, 2021, 2:30 to 4:30 p.m. Taipei time.

To be chaired by Committee Chairman Mr. Dilshan Rodrigo, Chief Operating Officer of Hatton National Bank from Sri Lanka, the online meeting will feature papers prepared by six organizations. The invited paper presenters and their topics are as follows:

- Mr. Dilshan Rodrigo will present a paper sharing the experience of Hatton National Bank in its efforts to help strengthen supply chain linkages of its customers, particularly the MSMEs and the SMEs, and to support their digitalization transformation.
- Mr. Oliver Hoffmann, Managing Director, Head of Asia, Erste Group Bank AG will present a summary of a paper on the LIBOR scenario, touching mainly on how banks can adapt to the new environment.
- Dr. Adrian Fenton, Vice President, Asia Sustainable Finance, World Wide Fund for Nature (WWF) Singapore, will present a paper on the need for cooperation in promoting decarbonized portfolio among ABA member banks in line with national efforts to address the issue of climate change.
- Mr. Friedman Wang, Executive Vice President, Division Head, Financial Technology Development Center, Data Intelligence R&D Division, CTBC Bank Co. Ltd. will present a paper sharing his perspectives on how ABA member banks can collaborate with each other in their common journey towards a digitalized environment.
- Mr. Shirish Pathak, Managing Director, Fintelekt Advisory Services, will present a paper providing recommendations for AML compliance professionals within member banks to assume leadership role within the bank, becoming more and more valuable as true advisors internally.
- Mr. Debarun Roy Choudhury, Senior Vice President and Group Head, UOB Bizsmart, United Overseas Bank Ltd. has been invited to present a paper sharing his perspectives on the opportunities and challenges for SMEs in today's digital economy and how banks can cooperate in helping SMEs harness technology to enhance business and operational efficiency. *(To be confirmed)*

The Committee is expected to comment on each paper, and make recommendations on further steps to take.

They will also discuss and exchange views on possible issues for future policy advocacy work of ABA, as well as determine the date and venue of the next meeting of the Committee.

Training and Education

ABA partners with AML/CFT learning portal Fintelekt Academy

The Asian Bankers Association (ABA) is partnering with Fintelekt Academy, a learning portal developed by its Knowledge Partner Fintelekt Advisory Services.

The recently-launched portal serves as a library of on-demand short training videos across a number of categories within AML/CFT, which aims to revolutionize AML learning and 'democratise' the access to affordable and high-quality AML/CFT knowledge.

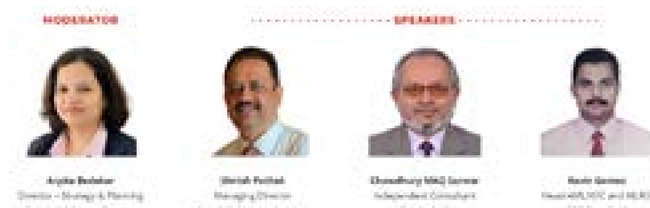
Fintelekt Academy aims to provide AML/CFT compliance professionals with the latest knowledge, practical and meaningful insights, and inspiration, and wants to make AML/CFT learning a continuous part of an AML/CFT professional's life and career journey. It likewise seeks to bring together industry leading content curated by highly qualified trainers and global partners keeping day to day practical learning and professional development in focus. Lastly, it wants to offer an avenue to compliance professionals who are trying to earn education credits towards renewals of their respective AML certification programs, in addition to providing knowledge.

The portal will operate on a "freemium" model, where registered users can freely access more than 80% of the content, including recordings of all webinars jointly conducted by Fintelekt and ABA.

An annual premium membership will also be available, which will provide added benefits such as downloadable certificates and access to forums for interaction with trainers and peer users. For employees of ABA member banks, the annual premium membership fees will be available at a discounted rate of USD 95 per person.

Those interested can register here.

ABA, Fintelekt Successfully Conducts Webinar on Prioritising AML/CFT Training



The Asian Bankers Association (ABA) and Fintelekt Advisory Services, an ABA Knowledge Partner, recently concluded a joint webinar on "Prioritising AML/CFT Training" last February 3.

Expert speakers included Chowdhury MAQ Sarwar, Independent Consultant and Former Chairman of the Association of AML Compliance Officers of Banks in Bangladesh (AACOBB); Kevin Gomez, Head - AML/KYC & Money Laundering Reporting Officer at IDFC First Bank, and Shirish Pathak, Managing Director of Fintelekt. Arpita Bedekar, Director of Strategy & Planning at Fintelekt, served as the moderator.

The one-hour session explored the following key issues:

- Effective and relevant AML/CFT training across the organisation – how, what, when, where and why
- Meeting regulatory expectations and demonstrating a compliance culture
- Evolution of the AML/CFT compliance profession and future roadmap
- Talent management and expanding the resource

Training and Education

pool

A recording of the webinar and the slides can be accessed on Fintelekt's new learning platform, Fintelekt Academy, upon completion of a free registration.

Participation Certificates are available only to paid members of Fintelekt Academy upon completion of a multiple-choice assessment. An annual subscription on the learning platform is available at a discount to ABA members.

Paid members of the Fintelekt Academy can also apply for Certificates of Participation in future Fintelekt-ABA webinars, at no extra cost for one year.

ABA and Fintelekt to Hold Webinar on Conducting Enterprise-wide AML/CFT Risk Assessment

ABA and its Knowledge Partner, Fintelekt Advisory Services, will be holding a joint webinar on "Conducting Enterprise-wide AML/CFT Risk Assessment" on March 3, at 11:00am to 12:00nn Indian Standard Time.

Key issues to be discussed during the webinar include:

- The importance of comprehensive and ongoing EWRAs
- Ensuring comprehensive inclusion of risks
- Regulatory expectations & international standards
- EWRA on a budget – managing costs & resources

Interested parties can register for the free webinar on https://zoom.us/webinar/register/WN_xv8EfQEoRwKpS3C7nYFWyg. Details on the speakers will be released once they become available.

ABA and Oberthur to Hold Joint Webinar on March 3

ABA and Oberthur Cash Protection, an ABA Associate Member, will be jointly hosting a webinar on "IBNS, a new way to protect cash from ATM physical attacks" on March 3, 2021 at 9:00 CET/ 16:00 Taipei time.

The webinar will explain the Intelligent Banknote Neutralization System (IBNS), a proven measure against all types of physical attacks, which also effectively deters robberies at the ATMs during cash transportation or in retail premises. It will offer insights into IBNS regulations and technology that create a safer environment in cash management.

Speakers include Oberthur Director of Sales & Marketing, Mr. Eric Hauw; Business Development Manager for the UK and US, Mr. Paul Nicholls; and Business Development Manager for Asia-Pacific, Ms. Ee Ling Ooi. The three speakers will be discussing the following topics:

- Introduction to IBNS, an innovative security to combat crime on cash
- "Intelligent Banknote Neutralization System" (IBNS) regulation via Central Banks

- ATM Physical Attacks in Asia
- Experience sharing on IBNS as a deterrent across the World
- Questions and Answers

Those interested in taking advantage of this opportunity to learn from Oberthur's knowledge and experience in addressing banknotes design and security issues can register for the webinar here.

News Updates

Why many Asian Countries are Being Cautious on Vaccines

The nations quickest to enact social distancing and contact-tracing systems have mostly kept COVID-19 in check, but their citizens now find themselves lagging in receiving the shots needed to finally end a pandemic that has devastated millions of lives.

Governments from Japan and Australia to Hong Kong and South Korea are taking their time before granting regulatory approvals for vaccines, in stark contrast to the Western nations that have rushed to inoculate populations.

That cautious approach may seem strange given the urgency to resume normal life, but low infection rates mean that Asian governments are able to wait to see how the unprecedented vaccination drives play out elsewhere. Still, the strategy runs the risk of leaving them economically disadvantaged against places that botched containment but rushed out vaccination.

In New Zealand, which has the top spot on Bloomberg's COVID Resilience Ranking of major economies that have best fought the pandemic, the main opposition party asked Prime Minister Jacinda Ardern to explain why the country "has fallen behind the rest of the world with its vaccine program."

In South Korea, an editorial in newspaper Hankyoreh said "we cannot forever ask people to stop their daily lives and endure the economic pain."

But officials are defending their pace as the safer approach, and one that they've earned. "It's not a bad thing to sit back a bit and see how others are doing," said Lam Ching-choi, a medical doctor and a member of the Executive Council that advises Hong Kong's leader. "I'm totally sympathetic where they don't have the luxury and they need to do it in the quickest manner to kill the epidemic."

Hong Kong, currently reporting a few dozen COVID-19 cases daily and with a total death toll of 161 since the pandemic began, has yet to approve a single vaccine as it awaits more detailed clinical trial data ahead of a planned vaccination drive to start in February.

Australia, which shut its border to non-residents when the pandemic began and has instituted strict lockdowns when cases emerge, expects to approve the vaccine developed by Pfizer Inc. and BioNTech SE by the end of January and the AstraZeneca PLC vaccine next month, with shots also beginning in February.

By contrast, the U.S. and U.K. have already administered nearly 14 million shots in total after expedited approvals last month, while Israel has delivered 2 million doses, or 22 shots per 100 people.

Asian officials and health experts remain anxious because it's the first use of this particular mRNA technology for vaccines, which instructs the human body to produce proteins that then develop protective antibodies. It's also the first global vaccination effort undertaken at such great speed.

Although millions have gotten jabs without incident, there have been some allergic reactions, including anaphylactic shock and incidents like the death of a health worker 16 days after receiving the Pfizer shot, though a link has not been established.

"This extra time will allow those countries to learn from the experience of countries that have commenced distribution," said Adam Taylor, a virologist at Griffith University in Australia. "The more information you have on the process of distribution and the safety of the vaccines, the more confidence you have in your own rollout. The technology used for the Pfizer and Moderna vaccines has never been used before in humans and although safety looks good, the more data the better."

Some countries are concerned over the fact that pharmaceutical companies have been granted legal immunity in rushed negotiations. South Korean Health Minister Park Neunghoo said countries have been forced into "unfair contracts" with these firms due to the "incomprehensible" nature of the pandemic. Seoul plans to administer shots in February.

"It is nearly universal around the world that extensive immunity from liability is being demanded" from the companies, Park said at a recent press briefing, noting that South Korean officials need time to scrutinize safety data closely since companies won't take responsibility for any mishaps. "Rushing to vaccinate populations before we identify risks is not so necessary for us."

Such explanations may not sit well with the citizenry of Asian economies that were hit by the virus before the West, and have therefore spent nearly a full year wearing masks, staying at home and abiding by strict social distancing rules.

In New Zealand — which closed its border early and

News Updates

HK Chief Executive Carrie Lam (center) holds a news conference on the government's strategy for COVID-19 vaccinations (Reuters)

snuffed out the virus — the opposition has been critical of the country's slow vaccination timeline, citing a global resurgence of the virus and the emergence of more transmissible variants. New Zealand's rollout is slated to begin in the second half of 2021.

Deputy Prime Minister Grant Robertson denied that the country is merely being "polite," and said that other countries with rising death tolls have priority. "We're doing every single thing that is possible to get the vaccines here as soon as we can," Robertson told NewstalkZB this week.

Another reason for proceeding slower than desperate Western nations is that they don't want a botched rollout to undermine public confidence in the vaccines, potentially jeopardizing the ability to inoculate a sufficient percentage of the population for herd immunity.

That's particularly important among Asian populations where confidence in vaccines is already low. A World Economic Forum-Ipsos survey on global attitudes toward COVID-19 vaccines found that the percentage of respondents who agreed with taking a vaccine dropped up to 9 percentage points from October to December in countries including South Korea and Japan, which is now posting record numbers of new cases and is slated to start inoculations in late February.

"Governments charging in too early when they buy vaccines at great cost and find they cannot use them meaningfully or they are expired — that could be a disaster," said Jeremy Lim, associate professor at the National University of Singapore's Saw Swee Hock School of Public Health.

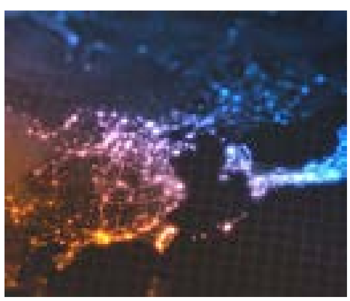
Officials have also tried to lower expectations, arguing that rollouts will not immediately allow restrictions to be lifted since it will take the better part of a year for enough people to be vaccinated for conditions to become safe again. Most public health experts suggest around 80% of the population needs jabs before anything resembling herd immunity is achieved.

Lim added there's no point rushing to get to 65% of the population, but stumbling along the way and being unable to vaccinate the remaining 15%. "It doesn't matter how fast you are," he said. "It's how strong you finish."

Bloomberg

Asian Trade Finance Demand Surges as Recovery Takes Hold

Despite dark predictions for a long, drawn-out hit on trade as a result of the Covid-19 pandemic, trade transaction volumes in Asia finished 2020 ahead of 2019 levels, according to HSBC. Proprietary data from the global trade bank, seen by Global Trade Review (GTR), shows that the number of guarantees, trade and receivable finance products taken up month by month in 2020 overtook 2019 levels in September, and stayed above year-prior levels throughout the fourth quarter.



Ajay Sharma, regional head of global trade and receivables finance, Asia Pacific, at HSBC, says "When we looked at the data in July, we could see that working capital cycles were stretched, past dues were quite wide, and there was stress in the banking system. Today, all of this is back to normal. I don't think any of us could have expected to see it bounce back so quickly in this way." He adds that, in terms of transaction volumes, the fourth quarter of last year was the best in the last eight. "This just speaks to the strength of the recovery that we are seeing," he says.

Back in July last year, HSBC's data – which covers 5 million annual transactions across Asia – showed that order sizes were around 10-15% lower than 2019 levels, suggesting that the volatile economic backdrop was weighing on buying decisions. While transaction sizes have yet to recover, Sharma says that the gap has now narrowed, and is around 10%. "There is a degree of confidence that has come back," he says.

A closer look at the breakdown of the data reveals that the overall book growth was entirely driven by receivables and

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supply chain finance, with transaction volumes of core trade products remaining below 2019 levels for the entirety of 2020.

"The product mix has changed," Sharma tells GTR. "As a percentage of our total book, receivables financing, supply chain financing and anything structured that sits in the working capital space, has gone up. Meanwhile, the core trade book has been shrinking over multiple years, and we have seen that trend continue. On an overall Asia basis, as supply chains get far more embedded, they don't need a letter of credit in the middle. It is still early days but that appears to be the direction of travel."

By August last year, HSBC reported its supply chain volumes in the region were 50% above year-ago levels. According to the new data, which tracks volumes to the end of December 2020, this figure has now grown to 100%, which Sharma attributes largely to new customer demand rather than take-up of dormant structures. "Increasingly, people want to make sure they shield their supply chains from any liquidity issues that might hit," he says.

The extent to which this apparent recovery will hold, however, remains uncertain. According to research by Joanna Konings, senior economist at ING, the current shipping container shortage may hold back trade volumes from rising much further.

"Shipping liners reduced ocean freight capacity by cancelling scheduled trips for some container ships, leaving containers stranded and creating acute shortages of empty containers," she says.

The impact of this has been particularly acute in Asia, as the pull of goods to Europe and the US has left the region's major trading hubs short of containers, potentially holding back exports in the coming months.

Global Trade Review

Banks in Southeast Asia Lack Recognition of Deforestation and Biodiversity Risks

Two-thirds of Southeast Asian banks do not recognise deforestation and biodiversity risks although more than half of the world's GDP—$44 trillion of economic value generation—is moderately or highly dependent on nature and its services, a study by World Wide Fund for Nature (WWF) has revealed.

In its fourth Sustainable Banking Assessment (SUSBA), WWF found that while banks have made progress in integrating environmental and social considerations into their financial activities, there are large gaps that leave their portfolios vulnerable to risks arising from climate change and nature loss.

This year's assessment included five Japanese and five South Korean banks on top of 38 Southeast Asian banks, as banks from the two countries play a significant role in financing businesses in the region.

But out of all 48 banks, only three Singaporean banks—DBS, OCBC and UOB—require high-risk clients to have no-deforestation commitments. While all five Japanese banks and one Korean bank recognise deforestation risks, none have made similar commitments to eradicating deforestation in their portfolios. Additionally, while three quarters have made some improvement, only eight banks fulfilled more than half of the 70 indicators.

The assessment is based on a framework covering six aspects of environmental, social and governance (ESG) integration: purpose, policies, processes, people, products and portfolio. This year's assessment also includes a new sector-specific analysis, covering palm oil and energy policies.

In addition to nature, coal—the world's dirtiest fossil fuel—poses another risk for banks. The latest science recommends a need to phase out coal globally by 2040 in order to meet the commitments made in the Paris agreement, which means that existing coal plants will need to be closed.

Of the 48 banks assessed, only one Korean and three Singaporean banks prohibit the financing of coal-fired power plants without exception. While all five Japanese banks have a no-coal policy, they have exceptions for certain types of technology or carbon capture.

In comparison, data from the Institute for Energy Economics and Financial Analysis (IEEFA) shows that more than 150 major global financial institutions now have coal exit policies in place, with 65 banks committing to tighter lending guidelines in 2020 alone.

Banks that continue to finance coal are exposed to climate-related transition risks such as carbon taxes and technological obsolescence, the WWF report warned.

As expectations from regulators and investors continue to increase, banks should adopt a more strategic approach by setting science-based targets to decarbonise their portfolios, the report recommends.

Among other recommendations, the report highlights the need for banks to formulate and strengthen climate-related and natural capital risk strategies for the entire portfolio, provide mandatory training on environmental, social and governance (ESG) issues at all levels, and develop sector-specific policies.

Eco-Business

Across Asia, Founders of Family-Owned Businesses Seek Private Equity Exit

Deal-makers across Asia are busy fielding calls from company founders who are mulling letting go of their life's work after the COVID-19 pandemic upended how global business is done.

After riding the region's rise over the past decades, family firms that dominate the economic landscape are now looking for bigger partners, and help to modernize management teams and in succession planning, according to consultants, bankers and private equity firms.

"We've seen founders, particularly the older entrepreneurs, saying there are more challenges in the world now and that they're thinking about succession issues and management issues," said Ed Huang, co-head of Asia acquisitions in private equity at Blackstone Group Inc. "Private equity is better understood now as either a potential strategic partner or as an exit path."

The shifting sentiment could spell seismic moves in capital. Asia's publicly listed family firms have a market capitalization of more than $5.56 trillion, according to Credit Suisse Group AG. In Hong Kong and Singapore 70% and 60% of listed firms, respectively, are family-backed businesses, a report from the Family Firm Institute showed.

Recent deals include a CVC Capital Partners-led

privatization of Hong Kong fashion chain I.T Ltd. as well as a takeover by TPG and Northstar Group of a unit of Singapore-based food company Japfa Ltd.

Pankaj Goel, Credit Suisse's co-head of investment banking and capital markets for Southeast Asia and frontier markets, said the region could be in line for a "manyfold" increase in deals already this year. He singled out sectors such as consumer, health care and technology as key areas.

Compared with their counterparts in the U.S. and Europe, many Asian family firms are relatively young and are facing a generational transition. The pandemic has created additional operating challenges and complexities, accelerating the need to improve digitalization, systems and supply chain flexibility.

At Affirma Capital, a $3.5 billion buyout fund spun off from Standard Chartered PLC, the upheaval means busy times. The firm is working on 13 deals in Asia. About half are for family businesses in China, Southeast Asia, India and South Korea which are looking at letting go of control, according to Chief Executive Officer Nainesh Jaisingh.

Lunar Capital, a Shanghai-based buyout firm, is also working on a number of deals, including a hospitality business that has seen its revenue plunge 30%, a Chinese food and beverage company and a medical service business hurt by a lack of travel and a drop in discretionary medical treatments, according to Derek Sulger, a partner at the firm that has led buyouts of Chinese companies including fashion retailer Shanghai Tang and babywear brand Yeehoo.

In Japan, hotel owners, restaurants and izakaya pubs are reeling from a halt on travel and emergency measures. Nihon M&A Center Inc., an advisory firm, has been inundated with requests from companies raging from hotel operators to a maker of auto parts to chart a way out of the pandemic.

Globally, family-run firms are more pessimistic short-term than other firms, but expect business to normalize quicker

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and as much as three years ahead, a Credit Suisse survey off a data base of more 1,000 firms showed. Family companies are more likely to restructure their businesses due to the impact from the pandemic but less likely to furlough workers or shift to a more flexible workforce going forward, according to the survey released in September.

And the situation for many firms is likely to get worse as governments and banks withdraw the emergency support that has kept many businesses alive during the pandemic, further driving deal momentum.

"The morphine is going to wear off at some point," Jaisingh said. "Banks are showing forbearance but that won't last forever."

Bloomberg

The scale-up factor: Hong Kong's Fintech Advantage in the Post-Pandemic World

The COVID-19 pandemic has forced lockdowns and impacted economies globally. As we recover from the pandemic, the focus for international finance hubs is resilience and recovery.

One of the most important success factors for fintech companies in the post-pandemic era is the ability to scale. From funding, to product development to distribution and market opportunity – these scale-up factors are critical for sustained fintech success. In Asia, the opportunity to deliver financial services to massive populations through digital channels is huge, but how to scale-up for this is the challenge?

When we think of this year in Hong Kong, we should not interpret the pandemic as the catalyst for this current wave of digital transformation in the city. It was already well under way.

Hong Kong pioneered one of the world's first smart contactless payment systems, the Octopus card. It is home to contactless and QR code payments, and one of the markets advancing China's Central Bank Digital Currency pilot. Yet the sophistication of the city's smart banking system, high penetration and adoption of fintech often escapes the notice of the average critic.

The city was already taking steps to boost competition across mainstream applications, not least leading Asia through a revolution in virtual banking. Positioned on the doorstep of Mainland China and Southeast Asia, for many years, Hong Kong has been the launchpad for fintech companies seeking to innovate and reach the region's one-billion-plus unbanked.

The recalibration of Hong Kong towards this market opportunity is happening very fast. For example, the Fintech Anti-Epidemic Scheme for Talent Development (FAST), a subsidy plan of US$15.5 million, has been launched to enrich Hong Kong's talent pool. The recently announced Fintech Proof-of-Concept Subsidy Scheme also sets to encourage traditional financial institutions to work with fintech companies to develop proof of concept fintech projects.

Since the outbreak, consumers, banks, and insurers have been working hard to innovate. Mobile services like HSBC's PayMe and the city-wide Faster Payment System are just a few examples of broad-based adoption that have been making an impact. In many ways, this positive attitude to experimentation is in the DNA of Hong Kong, which has spurred both local and international fintech players in the city to take advantage of Asia's abundant fintech opportunities.

This applies to all areas of financial services. A recent study by the Hong Kong Monetary Authority released in 2020 found that 86% of incumbent banks are progressively integrating fintech applications across all types of financial services, and all incumbent banks intend to introduce one or more fintech applications to their business in the next five years.

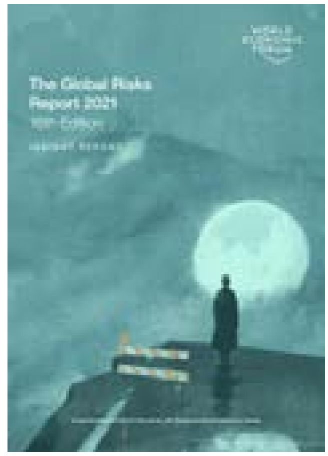
Companies, regulators, and the government alike are making the most of Hong Kong's unique position to scale up on the mainland, in the Greater Bay Area in particular, and in Southeast Asia – the largest, most dynamic fintech markets in the world. Considering the uncertainty faced by most economies, this enormous upside presents a once-in-a-generation opportunity.

Fintech companies in Asia are in the right place, at the right time. Despite the headwinds, in 2020, Hong Kong, Mainland China and Asia's emerging economies are the outliers in the International Monetary Fund's largely negative growth forecast for the next two years. Looking ahead, Asia is poised to lead.

Finextra

News Updates

World Economic Forum Releases Global Risks Report 2021



The immediate human and economic cost of COVID-19 is severe. It threatens to scale back years of progress on reducing poverty and inequality and to further weaken social cohesion and global cooperation. Job losses, a widening digital divide, disrupted social interactions, and abrupt shifts in markets could lead to dire consequences and lost opportunities for large parts of the global population. The ramifications—in the form of social unrest, political fragmentation and geopolitical tensions—will shape the effectiveness of our responses to the other key threats of the next decade: cyberattacks, weapons of mass destruction and, most notably, climate change.

In the Global Risks Report 2021, the World Economic Forum (WEF) shares the results of the latest Global Risks Perception Survey (GRPS), followed by analysis of growing social, economic and industrial divisions, their interconnections, and their implications on the ability to resolve major global risks requiring societal cohesion and global cooperation. The WEC concludes the report with proposals for enhancing resilience, drawing from the lessons of the pandemic as well as historical risk analysis.

Among the highest likelihood risks of the next ten years are extreme weather, climate action failure and human-led environmental damage; as well as digital power concentration, digital inequality and cybersecurity failure. Among the highest impact risks of the next decade, infectious diseases are in the top spot, followed by climate action failure and other environmental risks; as well as weapons of mass destruction, livelihood crises, debt crises and IT infrastructure breakdown.

When it comes to the time-horizon within which these risks will become a critical threat to the world, the most imminent threats – those that are most likely in the next two years – include employment and livelihood crises, widespread youth disillusionment, digital inequality, economic stagnation, human-made environmental damage, erosion of societal cohesion, and terrorist attacks.

Economic risks feature prominently in the 3-5 year timeframe, including asset bubbles, price instability, commodity shocks and debt crises; followed by geopolitical risks, including interstate relations and conflict, and resource geopolitization. In the 5-10 year horizon, environmental risks such as biodiversity loss, natural resource crises and climate action failure dominate; alongside weapons of mass destruction, adverse effects of technology and collapse of states or multilateral institutions.

Underlying disparities in healthcare, education, financial stability and technology have led the crisis to disproportionately impact certain groups and countries. Not only has COVID-19 caused more than two million deaths at the time of writing, but the economic and long-term health impacts will continue to have devastating consequences. The pandemic's economic shockwave—working hours equivalent to 495 million jobs were lost in the second quarter of 2020 alone—will immediately increase inequality, but so can an uneven recovery. Only 28 economies are expected to have grown in 2020. Nearly 60% of respondents to the GRPS identified "infectious diseases" and "livelihood crises" as the top short-term threats to the world. Loss of lives and livelihoods will increase the risk of "social cohesion erosion", also a critical short-term threat identified in the GRPS.

Read the full Global Risks Report 2021 here.

Special Features

The Emergence of Social Bonds as a New Rating

By Lori Shapiro, Sustainable Finance Associate at S&P Global Ratings

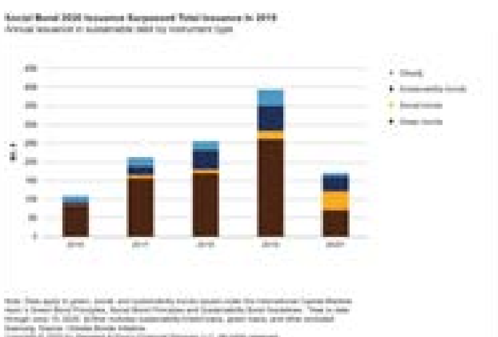
The COVID-19 pandemic has dragged countries around the world through a period of economic disruption, the depths of which have not been seen since the Great Depression. Increased unemployment, rising fatality rates and strained health care systems have placed a spotlight on a future fraught with social risks. In parallel, corporations and financial institutions have been looked to for leadership in addressing these unforeseen challenges.

Positive Social Outcomes

S&P research shows that this call for a greater focus on mitigating social risks has spilled over into the capital markets, particularly through the rapid rise of social bond issuance — even as credit conditions have weakened sharply.

Social bonds have emerged as an unlikely tool in the economic fight against the virus to address the demands of consumers and communities that are increasingly aware of current social issues. The International Capital Market Association (ICMA) defines social bonds as those whose proceeds fund new and existing projects with positive social outcomes, such as improving food security and access to education, health care and financing.

Although historically only constituting a relatively small part of the overall sustainable debt market, social bond issuance has more than quadrupled this year — with growth outpacing the more mature green bond market. The trend could foretell a pivot away from a historically climate-centric sustainable debt space and reflect a diversification of sustainability objectives financed by investors.



And, while the COVID-19 pandemic may have precipitated this recent surge, the appeal of social bonds as a sustainable finance instrument may endure long after the pandemic's effects have subsided. According to the Climate Bonds Initiative (CBI), of the $400 billion in sustainable debt issuance in 2019, social bonds constituted approximately $20 billion — just 5% of market share. But, from this low-base, their share is growing rapidly: According to Morgan Stanley, $32 billion of "social" and "sustainability" bonds were issued in April 2020 alone.

This also marked the first month during which social and sustainability bond issuance surpassed green bonds.

Impact of COVID-19

Undoubtedly, much of this rapid growth can be attributed to the effect of the COVID-19 pandemic, which has accelerated the issuance of social bonds to finance both public and private responses and create positive social outcomes, especially for target populations.

In March 2020, ICMA underlined the relevance of social bonds in addressing the coronavirus pandemic and provided additional guidance for eligible social projects, which could include coronavirus-related health care and medical research, vaccine development, and medical equipment investments.

The increased scope of projects eligible to be considered under the social bond designation likely led issuers, particularly supranationals, to become more active in the space.

In March 2020, the International Finance Corporate completed its largest social bond issuance since its social bond program was launched in 2017 to finance its response to the coronavirus. Soon after, the African Development Bank launched a $3 billion "Fight COVID-19" social bond, which, according to the Institute of International Finance, was the world's largest dollar-denominated social bond transaction to date.

First Country to Issue a Sovereign Social Bond

Furthermore, In April 2020, Guatemala became the first country to issue a sovereign social bond aimed at financing COVID-19 response efforts. These recent issuances indicate that the pandemic has not turned issuers' or investors' attention away from sustainable finance; in fact, interest in this space seems to be expanding. We do not believe that market engagement in

Special Features

green bonds or loans will tail off entirely.

However, as the sustainable debt market grows, we anticipate social bonds will make up a significantly larger share. As calls for transparency become louder, social bond reporting and robust disclosure practices will only gain importance.

Historically, green bonds have been more popular than their social bond counterparts, partly because their impact can be tracked using more easily quantifiable and science-based metrics (i.e., a reduction in greenhouse gas emissions or energy use) that are well-understood by investors.

This mitigates the risk of "greenwashing" — where a company misuses the "green" label to overstate the true environmental benefit of a transaction and, in doing so, misleads market participants. The standards surrounding social bonds, however, are more complicated because assessing social impacts tends to be more qualitative and less standardized than for green projects.

The Risk of 'Social Washing'

As interest in social risks grows, particularly amid the COVID-19 pandemic, investors now face a new issue — social-washing — which, in our opinion, could arise if the proceeds are labelled as "social," but the implied social benefits are questionable. In order to standardize the definition of social projects and mitigate this risk much like it did for the green bond market, ICMA developed a set of Social Bond Principles (SBPs) in 2018. These were later updated this year.

The principles encourage companies to define what they consider "eligible projects," structure their transactions to avoid misallocation and regularly report on use of proceeds. Adherence to the SBPs is generally valued as a sign of credibility and market integrity given enhanced transparency and standardized disclosure practices.

However, the guidelines are voluntary, and unlike for green bonds, where around 80%-90% of issuances are aligned with the Green Bond Principles, a number of institutions have issued COVID-19 and other self-labelled social bonds that are not aligned with ICMA's SBPs.

In addition, with so many issuers currently accessing the social debt market, speed to market has become the most important factor, with many issuers foregoing external verification/review. Therefore, while we are seeing growth in social debt for crisis response, improvements in tracking and disclosure are experiencing a significant lag. As social bond issuance picks up, we anticipate expectations for transparency will grow while social bond impact reporting will be imperative to developing a more standardized social bond market.

Although still small, we believe the social bond landscape is growing and evolving rapidly and that the correct steps are being taken to ensure sustained capital flows toward socially beneficial objectives.

The recent surge in social bond issuance to address the COVID-19 pandemic has given investors the rare opportunity to evaluate an entity's commitment to its stakeholders — including employees, customers and communities — in the short-term.

Improved transparency and reporting practices will ultimately help reduce some of the social bond risks, including social-washing, and solidify investors' confidence in the asset class as it grows, ultimately propelling further issuance.

Brink News

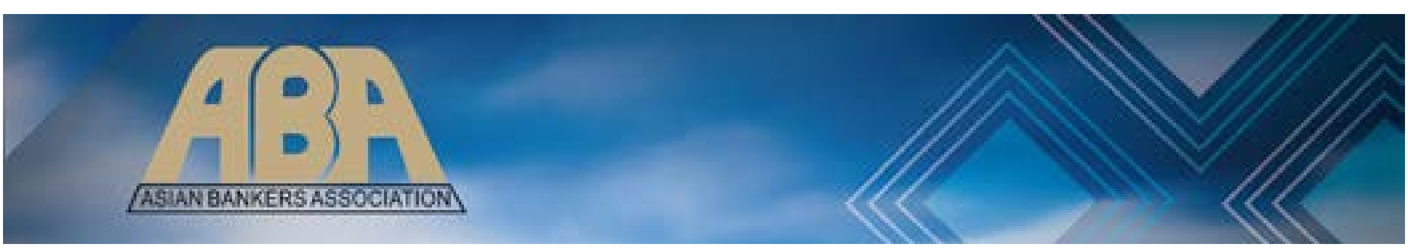
Technology Transforming Cash Flow in 2021

By Jason O'Connor,
VP of Marketing – UK & Ireland, Quadient

Last year presented unprecedented challenges for almost every industry, with many businesses left with no choice but to completely rethink their approaches to standard procedures. By adapting to the 'new normal', organisations and individuals across the country have started relying on technology more than ever before. Throughout this age of digital transformation, one thing has become clear – automating the Account Receivable (AR) process is a much more efficient, reliable and transparent solution to managing cash flow. As we start a new year, organisations should look to optimise this as a solid business investment.

Digitising Accounts Receivable

Effectively managing AR is essential for any business, as it ultimately determines when payments will be made and received. To ensure transactions are met, there is often a considerable amount of time spent chasing invoices or purchase orders. Today, we live in a world where there is a platform or



software system available for almost every business requirement. A digital AR platform is a streamlined way to manage accounts as it manages distribution and gives insight to payment activity and other key information in one reliable place. While it remains a useful tool for businesses, customers also benefit, with easy access to documentation as and when they see fit, as well as the ability to make payments at the push of a button with little hassle.

The core benefits

With an AR platform in place, an organisation has the ability to administer all accounts processing at the push of a button. An intuitive digital system is key to success, especially for businesses spending a considerable amount of time manually managing AR. With a platform in place, businesses are provided with a steady and reliable process which can be filtered across different teams within the company, ensuring everybody follows the same procedure. A cloud-based solution also requires less manual data entry and enables individuals to prioritise driving sales and engaging with potential customers. With greater visibility to insight and data across accounts, users are presented with a smoother reporting process and a better chance of preventing any invoicing or administrative errors before they become an issue. In essence, an automated AR solution is a single digital record which significantly improves cash flow.

Positive cash flow

Efficiency is the biggest saver of time and money – and an AR platform does exactly that. By integrating with existing enterprise resource planning (ERP) and customer relationship management (CRM), AR platforms combine real-time analytics and payment predictions to significantly increase cash flow. Cash flow is paramount for all organisations as it determines important decision making and overall business growth. One way to ensure a steady cash flow is by reducing Days Sales Outstanding (DSO) – a measure of the average number of days that it takes a company to collect payment after a sale has been made. Reduced DSO results in invoices being issued on time and containing digitally collated information. Efficient collection is another key element. By using the AR system insight to understand customer payment behaviours, the collections team can focus on late payers or payment risks. Reporting also helps the management team to track cashflow and identify issues that need resolving.

Making the switch

Although switching to a digital platform may seem like an obvious step, businesses may feel apprehensive about the transition. This could be for a variety of reasons, one being employee confidence towards fully understanding the process. While manual ways of working can be time-consuming and provide limited insights from data, employees may feel more comfortable with the current system and find the thought of switching to be overwhelming or daunting. Each employee will learn a new solution at a different speed, so it is important to address this by providing adequate training case-by-case. It is also essential that employees are fully taught not only about how the system will work, but also the benefits it will have on the company as a whole.

Businesses may also find it difficult to picture how a new solution will work when there is already an existing legacy system in place, with software such as ERP and CRM. However, an AR management platform works from a single data set and integrates ERP, CRM, accounting and billing systems to improve reporting and facilitate payment and collections. Despite the advanced technology, cloud-based solutions are often user-friendly and require little to no IT involvement.

As we delve into 2021, businesses across the country have a much better chance of strategically planning for the coming year compared to 2020. With the business landscape remaining unknown for the foreseeable future, now is an ideal time for organisations to invest in products and services that can help them thrive. There are many positive outcomes when it comes to utilising digital procedures – with AR platforms, there are less complications in the long-term, fewer additional costs and a significantly enhanced customer experience.

Global Banking & Finance Review

Among Member Banks

BEA Appoints Head of GBA Office

The Bank of East Asia, Limited (BEA) announced on January 26 the appointment of Christine Lo as the Head of Greater Bay Area Office (GBAO), based in Hong Kong. The appointment further strengthens the cross-boundary collaboration between the Bank's Hong Kong and Mainland China operations in order to capitalise on the prospects arising from the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

Ms. Lo, previously the Bank's Head of Retail Lending, has a host of experience in consumer finance and credit card business. She also led last year's launch of BEA's pioneering GBA Cross-boundary Mortgage Service, which allows customers to handle their applications from Hong Kong, with remittance, currency conversion and loan repayments conveniently arranged. With a view to driving such breakthrough projects for business results, the GBAO will focus on devising strategies, maximising synergies and aligning resources by leveraging the Bank's strong regional presence.

BEA has been in both Hong Kong and Mainland China for over a century and has well-established strategic business partnerships. Harnessing the GBA's favourable policies, the Bank has stepped up its development in this region. Along with banking operations, the Group boasts licenses and capabilities in securities through its 49%-owned joint venture East Asia Qianhai Securities Company Limited, and fund and asset management through its subsidiary BEA Union Investment (Shenzhen) Limited. Moreover, BEA's information services unit, East Asia Digital Information Services (Guangzhou) Limited, established in 2002, provides back-office support to cater for the growth needs of the Bank's Hong Kong and Mainland China operations.

Going forward, the Bank will further enhance the synergies between these units, strengthen its franchise in the GBA and capture business opportunities in this dynamic region as the relevant government policies are announced and implemented.

BEA News Room

State Bank of India Asset Quality Remains Healthy: Chairman Khara

The asset quality situation at State Bank of India (SBI) remains healthy and the faster-than-expected economic recovery may limit the impact to lenders' balance sheets, the bank's Chairman Dinesh Kumar Khara said on January 28.

It can be noted that in the bi-annual Financial Stability Report (FSR) released last month, the RBI had expected banks' non-performing assets to deteriorate further because of the pandemic and asked them to be cautious.

"I would also mention that the asset quality book of the bank remains healthy," Khara told reporters on the sidelines of an event.

The macroeconomic situation is not the same as it was in April, and with the ease in restrictions post lockdown, we have seen a recovery process which led to growth in different pockets, he said.

He acknowledged that the macro-economy had seen difficulties at a point of time and the cash flows for the corporates had also been impacted.

Better treatment for COVID-19 patients and the arrival of vaccines have also improved confidence which is pushing economic recovery, he said.

Hinting that the cash flows for the corporates have improved because of interventions like the ones the government has taken, Khara answered a specific question on asset quality saying, "These are the positives which we have seen. This gives the confidence that perhaps situation may not turn out to be as bad."

Khara, who took charge as the chairman of SBI in October 2020, said it is important for the lenders to keep in touch with their borrowers at this crucial time to help and counsel them as and when required.

Business Standard

Among Member Banks

Japan's MUFG Bank to Introduce Fees on Dormant Accounts from July

The banking unit of Japan's Mitsubishi UFJ Financial Group said on January 22 that it would introduce maintenance fees on dormant accounts from July, in a fee system overhaul to ride out the impact of profit decline.

MUFG Bank, the country's largest lender, said in a statement it will charge an annual fee of 1,320 yen (S$16.90), including tax for new accounts in which transactions have not been made for two years since they are opened.

The move comes as Japanese banks have been grappling with years of low-rate environment and a slowly declining domestic market, and as the Covid-19 pandemic adds to their long-term uncertainty.

"By charging the new fee, we will prevent fraudulent accounts to be opened and used, and will provide a safe and high-quality financial service," the bank said. Other Japanese lenders have also worked on a fee system reform.

Banks in Japan are seeking to transform their operations by overhauling their branch networks and promoting digitalisation amid ultra-low interest rates.

In an aim to push customers towards the online service, Mizuho Financial Group earlier this week started charging a part of new customers 1,100 yen for issuing an old-fashioned paper passbook. This was soon followed by Sumitomo Mitsui Financial Group, the country's number two lender, who plans to charge some of the new customers 550 yen a year, starting April.

Unlike a bank statement in Western countries, paper passbooks in Japan have long been provided free for customers when they open an account.

Reuters

Mizuho posts 19.4% rise in Q3 profit

Mizuho Financial Group Inc, Japan's third-largest lender by assets, reported a 19.4% rise in third quarter net profit, as the lender booked smaller-than-expected credit costs despite the coronavirus outbreak.

Mizuho posted a profit of 138.9 billion yen (S$1.76 billion) in the October-December period versus 116.3 billion yen in the same period a year earlier, according to Reuters' calculations based on nine-month cumulative figures disclosed in a stock exchange filing.

"Although we don't expect factors which could largely pressure our performance, we need to assess the impact by the Covid-19," the bank said in a statement.

While the lender had predicted 200 billion yen of credit-related costs for a year ending March, it has booked 98.1 billion yen, or 49% of the full-year estimation, for the nine months through December.

The number of bankruptcies in Japan came in at 1,751 in the third quarter, or a 20.8% drop from a year earlier, according to research firm Tokyo Shoko Research, thanks to efforts by the government and the central bank to prop up struggling firms.

Mizuho is the first to report quarterly earnings among major Japanese lenders, which have been grappling with years of low-rate environment and, more recently, the coronavirus.

Reuters

Among Member Banks

KDB, Hyundai Motor Group Join Forces to Invest in Mobility Startups

Hyundai Motor Group had signed a business agreement with Korea Development Bank to support promising mobility startups and foster a future mobility ecosystem.

The group announced on Feb. 1 that it will invest in startups with innovative technologies and creative ideas by establishing ZER01NE Fund 2.

ZER01NE is a new concept open innovation platform set up by Hyundai Motor Group in 2018 with the goal of creating an ecosystem for creative people. It is worth a total of 74.5 billion won, with, Hyundai Motor Co. investing 18 billion won, Kia Corp. 12 billion won, Hyundai Motor Securities 5 billion won, Korea Development Bank over 20 billion won, and Shinhan Bank 3 billion won.

Other investors include Hyundai Motor Group's affiliates including Hyundai Mobis, Hyundai Mnsoft, Hyundai Transys, Hyundai Autron and Hyundai Engineering, and Hyundai Motor's partners such as Mando, Donghee, Global Auto Trading, and Korea FT.

Investment targets are promising startups in future new business sectors such as future mobility, eco-friendly cars, artificial intelligence and connected cars. The plan aims to promote the growth of startups that can contribute to an eco-friendly mobility ecosystem, which has gained added importance thanks to the Korean government's Green New Deal policies.

Business Korea

HSBC, Maybank's insurance venture among bidders for AXA Singapore

HSBC Holdings and Malayan Banking's insurance venture are among shortlisted bidders for AXA's business in Singapore, which could raise about US$700 million (S$928 million) in a sale, according to people familiar with the matter.

The British bank and Etiqa, majority owned by a Maybank joint venture, have proceeded into the next round with a few weeks to go before a deadline for submitting binding bids, the people said. At least one Chinese firm is also among those invited to lodge offers, said the people, who asked not to be identified because the matter is private.

AXA has been considering a sale of its Singapore business as it seeks to raise funds divesting peripheral operations, Bloomberg News reported last August. Chief executive officer Thomas Buberl is trying to shift AXA's focus to property and casualty insurance following its US$15.3 billion purchase of XL Group in 2018. Since then, the CEO has been reviewing options for smaller businesses across the world, including in the Middle East, to help pay for the XL deal.

The Singapore unit, which offers life and property and casualty insurance, generated €615 million (S$990 million) of revenue in 2019, according to AXA's annual report. It also provides services in savings and investments, its website shows.

Etiqa began in 2005 when Maybank Ageas, a joint venture between Maybank and Ageas, merged with Malaysia's National Insurance. The firm provides general and life insurance, according to its website. It also operates in Singapore.

Deliberations are ongoing and bidders could still decide to withdraw from the process, the people said.

Etiqa chief strategy officer Chris Eng said the company continuously looks for opportunities and value across South-east Asia, and declined to provide further comment.

Bloomberg

Among Member Banks

BML to expand deposit, payment services with 100 cash agents

Bank of Maldives (BML), on February 1, announced plans to expand deposit and payment services with cash agents located in 100 islands across Maldives throughout 2021.

BML established cash agents in 2014 as part of the bank's Financial Inclusion strategy to offer services in islands without a branch or ATM. Although only cash withdrawal services were available at the time of introduction, the cash agents now facilitate withdrawals, deposits and payments for loans or credit cards without any additional charges.

With over MVR 180 million deposited with BML via 41 cash agents in 2020, deposit services remain a popular and widely used service since introduction.

According to BML, the expansion of this service will enable local communities to bank conveniently from their islands of residence without having to travel to the nearest branch or ATM Centre.

At present, there are more than 200 cash agents providing withdrawal services across Maldives. The daily withdrawal limit from cash agents is set at MVR 2,000 while the deposit limit is MVR10,000.

The Edition

Sanima Mutual Fund IPO receives 5 times more applications than demand

Sanima Capital has received applications for 'Sanima Large Cap Mutual Fund' five times more than the demand as of January 24.

According to Sanima Capital, the issue manager, 36,840 applicants applied for 450,058,100 units of shares until 5 pm on January 24, which is 5.29 times more than the demand.

On January 22, Sanima Capital issued 100 million units of close ended mutual fund initial public offerings (IPO) worth Rs one billion for the second time. The close ended mutual fund will mature in seven years.

Willing applicants were allowed to apply for a minimum 100 units of fund to maximum 10 million units of mutual fund for Rs 10 per unit of fund.

Sanima Bank is the manager of this fund. Like IPO, applicants can apply through the banks linked with their demat accounts or via mero share accounts online.

Unlike ordinary shares, this fund will distribute cash bonus based on the profits during the period and the accumulated fund will be distributed only after seven years to all shareholders by selling all its movable and non-moveable assets, according to the company.

Khabarhub

PNB to allow opening of accounts online via facility

Philippine National Bank (PNB) is set to introduce a digital account-opening facility this year in a bid to improve its online banking services.

PNB President Jose Arnulfo A. Veloso said in a recent interview with the BusinessMirror that the pandemic has highlighted the need for an efficient digital platform, which the bank is working for. "A fully digital end-to-end account opening facility will also be offered early in 2021 to better assist customers in opening an account online," Veloso told this newspaper.

In addition, PNB is expanding payment partnerships and offering quick response (QR) code services for payment and fund transfers. The bank said last year it was focused on enhancing its digital banking platforms given the accelerated shift to online transactions amid the lockdown restrictions.

"Our customers will be using better products next year as we continue to invest time and resources in improving usability and customer experience," Veloso said.

PNB said it was mulling over a further increase in its IT budget for 2021 and 2022 amid the ubiquity of digital banking. The bank's digital platform has around 696,000 users as of end-September last year. This figure is 30% more than what was recorded in 2019.

Business Mirror

ASIAN BANKERS ASSOCIATION

Among Member Banks

DBS to double its hiring of financial planning advisers in 2021

DBS is planning to double the number of financial planning advisers it recruits this year compared to 2020, the bank said on February 1. This means more than 650 wealth planning managers and insurance consultants will be hired by the end of 2021.

The role of insurance consultant is a new position created by the bank, which has described it as an industry first. Supported by Manulife Singapore, the role will allow for flexible hours and be coupled with institutional support and benefits.

"The new role of insurance consultant was created in response to drastic shifts in workforce preferences due to the pandemic and is in line with the series of transformation initiatives DBS rolled out in 2020 to realise new ways of working," it said in the statement.

DBS Bank also said that it has seen a steady rise in demand for financial and retirement planning and solutions over the past few years, a trend which picked up further in 2020 with the onset of Covid-19.

The bank said that the consultants will have access to resources from DBS and Manulife to help meet a customer's financial planning needs. This includes the use of cutting-edge financial planning tools; intensive training programmes that ensure consultants uphold and adhere to the same stringent consumer protection standards applicable to the bank's employees; the ability to leverage DBS' broad customer base; and access to DBS meeting spaces in branches.

Consultants will also be able to use data from DBS' NAV Planner for financial planning, with the customer's consent.

Straits Times

UOB completes acquisition of Vietnam fund manager

UOB Asset Management (UOBAM) announced on January 18 that it has completed the acquisition of VAM Vietnam Fund Management Joint Stock Company first reported over a year ago, in a move that will rev up its presence in ASEAN.

The entity will be renamed UOB Asset Management (Vietnam) Fund Management Joint Stock Company, subject to regulatory approval.

It was earlier announced in December 2019 that the Vietnam firm was acquired for a cash consideration of 113.68 billion dong (S$6.7 million). As at Oct 31, 2019, its net asset value was about 26 billion dong and it had assets under management of around 114 billion dong.

Founded in 2009, VAM Vietnam Fund Management Joint Stock Company provides investment management advisory and services to institutional and individual investors through solutions such as corporate structured funds and segregated accounts, or portfolios managed on a discretionary basis.

With the latest addition of Vietnam to its regional network, UOBAM is now in nine markets across Asia, namely Brunei, mainland China, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand and Vietnam. As at Dec 31, 2020, UOBAM and its subsidiaries manage about $35.6 billion in clients' assets.

UOB's expansion in Vietnam underscores the country's growing importance to the bank.

Late last year, UOB secured more than $3 billion of foreign direct investment into Vietnam in alliance with Vietnam's Foreign Investment Agency, and is facilitating an additional pipeline of more than $1.5 billion under an expanded memorandum of understanding.

Straits Times

Among Member Banks

HNB recognised at CMA Excellence in Integrated Reporting Awards

Hatton National Bank (HNB) once again secured its place among the 10 Best Integrated Annual Reports at the CMA Excellence in Integrated Reporting Awards 2020.

Organised by the Institute of Certified Management Accountants of Sri Lanka (CMA), the sixth consecutive edition of the awards ceremony was held as a hybrid event, which included a virtual component in light of the challenges posed by the COVID-19 pandemic.

"We are honoured to once again be ranked among the 10 Best Integrated Annual Reports. The past year has been one of unprecedented volatility. While challenging, these conditions have also illustrated the value of maintaining the very highest quality of reporting and disclosures, as it enables all stakeholders to take decisions based on accurate data. By securing our transparency and accountability, we also ensure that we remain agile and responsive to an increasingly volatile operating environment," HNB Executive Director and Chief Operating Officer, Dilshan Rodrigo stated.

The award represents the most recent in a long series of accolades won by HNB in the recent past. Notably, the bank was recognized as the 'Best Managed Bank During COVID-19 in Sri Lanka' by the prestigious Asian Banker Magazine, while the Bank's Managing Director and CEO Jonathan Alles, was awarded the Leadership Achievement Award for having delivered the Best CEO response to the COVID-19 pandemic in Sri Lanka.

HNB was also declared the Best Retail Bank and Best Microfinance Bank in Sri Lanka for the second consecutive year at the International Finance Awards 2019, in addition to being recognized as the Best Sub-Custodian Bank in Sri Lanka at the Global Finance Awards 2020. The bank further won the Award for the Best Retail Bank in Sri Lanka for the 11th time at the Asian Banker Awards 2020, in recognition of its sustainable growth and continuous improvements in processes, products and services amidst a challenging macroeconomic environment.

HNB Media Center

Cathay United Bank opens branch in Myanmar

Cathay United Bank opened a branch in Myanmar's largest city, Yangon on January 6, in a move seen as a step forward under Taiwan's New Southbound Policy.

The office's main aim is to assist Taiwanese businesses in investing in the rapidly developing economy of the Southeast Asian nation, CNA reported. Taiwan in 2016 launched its New Southbound Policy, targeting 18 countries in South Asia, Southeast Asia, and the Pacific, including Australia and New Zealand, to achieve closer relations in a wide variety of spheres, from trade and investment to culture and education.

Cathay United Bank initially opened a representative office in Yangon in 2014 before applying in January of 2020 to open a full branch. In April, Myanmar's Central Bank agreed to allow seven foreign banks, including Taiwan's Cathay United and Mega International Commercial banks, to open local branches, CNA reported. E. Sun Bank already had a presence in the country.

The new Cathay United branch is not aiming to attract regular banking consumers but wants to assist businesses, traders, and investors interested in stepping up exchanges and contacts between the two countries.

Taiwan News

Among Member Banks

CTBC releases video thanking employees for hard work amid pandemic

CTBC Financial Holding Co. released a short video at the end of December thanking its employees for setting an extraordinary example of commitment and solidarity during a tumultuous year dominated by the COVID-19 pandemic.

Titled "A simple thank you," the video shows CTBC staff working diligently to help some 280,000 people apply for relief loans during the difficult pandemic period.

To implement the relief loan program, the company said, it mobilized more than 2,600 employees to work overtime, and they took only three months to complete a task that normally would have taken two and a half years.

At the end of the video, CTBC Financial Holding Chairman Wen Long Yen expresses appreciation to his staff for their efforts.

The 60-second video was directed by Taiwanese filmmaker Hsiao Ya-chuan, whose first movie, Mirror Image, won the Best Film Award at the Taipei Film Festival in 2001.

The thank you video by CTBC was not its first brand message in that format, as it released a full-length film "Our Ordinary Home" on social media in June, highlighting Taiwan's resilience amid the pandemic.

The feature can be viewed on YouTube and on the "Home Run Taiwan" Facebook fan page.

Focus Taiwan

E.SUN Bank to provide nation-wide English services by 2026

E.SUN Financial Holding Company announced on December 22 that it aims to provide English-language services at all of its branches by 2026.

Bank President Magi Chen said that as of now, English-language services are available at 17 branches in Taiwan. That number should increase to 30 by 2021, said Chen, adding that the company plans to have all of its 139 branches across Taiwan be English friendly by 2026.

The first step is to promote English services in branches located in central business districts, tourist areas, and areas where foreign communities are concentrated, the bank said. Services include bilingual application forms and an English-language interface on its ATMs and its online banking system, according to the bank.

Additionally, E. SUN FHC will actively recruit those who have high English proficiency and encourage current employees to improve their English fluency in exchange for a financial bonus.

The bank is not the only financial institution in Taiwan that is going bilingual as part of the Taiwanese government's goal of making English an official language by 2030. Chang Hwa Bank, which has 185 branches across the nation, is planning to launch English services at 50 of its branches next year, an increase of 47 from its current three, reports said.

Chang Hwa Bank's plan to provide English services at all its branches should be completed in 2028, the Taichung-based bank said.

Taiwan News

Among Member Banks

FSC awards First Commercial Bank D-SIB status

Taiwan's Financial Supervisory Commission (FSC) has designated First Commercial Bank the nation's sixth domestic systemically important bank (D-SIB).

In June 2019, the commission designated CTBC Bank, Cathay United Bank, Taipei Fubon Bank, Mega International Commercial Bank and Taiwan Cooperative Bank D-SIBs due to their importance to the banking system.

To meet D-SIB status, the commission reviews the bank's market capitalization, its interconnectedness with its peers, its substitutability with its peers in relation to functions and services, and the complexity of its operations, in line with standards set by the Basel Committee on Banking Supervision, it said.

When the commission evaluates a bank for D-SIB categorization, it reviews their data over the past two years, Banking Bureau Deputy Director-General Lin Chih-chi told a news conference in New Taipei City.

The FSC did not designate First Bank a D-SIB in 2019, as its performance in 2017 did not meet the criteria, but its performance in 2018 and last year did, Lin said.

The commission requires these banks to maintain a minimum common equity tier-1 ratio of 11%, a minimum tier-1 capital ratio of 12.5% and no less than 14.5% in total capital adequacy ratio.

The new capital cushion standards are 4 percentage points higher than those for regular banks.

Taipei Times

Fubon to extend public tender offer for Jih Sun

Fubon Financial Holding Co on January 29 said that it is to extend its public tender offer for Jih Sun Financial Holding Co until March 23, as it has not yet gained approval from the FairTrade Commission.

Fubon Financial began the public tender offer on December 22 last year after it announced its plan to acquire at least a 50% stake in Jih Sun on December 18.

The offer was originally set to end on February 1, according to a company filing with the Taiwan Stock Exchange. However, as the company has not yet received the approval from the nation's antitrust watchdog, it has decided to extend the offer by another 50 days, it said in a statement.

The extension of the offer would not affect the shares already tendered, while it would provide the remaining shareholders of Jih Sun Financial another chance to accept the offer, it said.

The minimum number of shares to be acquired was set at 1.88 billion, or a 50% stake in Jih Sun, with the maximum set at 3.77 billion shares, or 100% of the company.

Fubon is to retain its offer price of NT$13 per share during the extension, which represents a premium of 24.8% over Jih Sun's average closing price over the 20 trading days before December 18.

Jih Sun has criticized the bid price as being too low.

Taipei Times

Banking and Finance Newsbriefs

Hong Kong

Hong Kong raises US$2.5 billion in Asian first for sovereign green bonds

Hong Kong's government priced what it said was the first 30-year green bond by an Asian government ever and the longest tenor bond in its history on January 26, raising US$2.5 billion, according to the Hong Kong Monetary Authority (HKMA), the city's de facto central bank.

The offering was more than double the size of the government's first US$1 billion green bond in 2019. The city's government announced nearly three years ago that it would seek to issue up to HK$100 billion (US$12.9 billion) in green bonds as it strives to become an international green finance centre.

"The success of the offering demonstrates investor confidence in Hong Kong's credit strengths and economic fundamentals in the long term," Financial Secretary Paul Chan Mo-po said in a news release. "The issuance will help catalyse further growth of the green and sustainable bond market, particularly leveraging on Hong Kong's strengths as a leading green finance hub in the region."

Green bonds are fixed-income products designed to fund projects that are environmentally friendly.

Proceeds from the green bond sale will go to the city's Capital Works Reserve Fund to finance or refinance public works projects that provide environmental benefits and support the sustainable development of Hong Kong.

The green bond offering comprised a US$1 billion five-year tranche, a US$1 billion 10-year tranche and a US$500 million 30-year tranche.

About 65% of the overall allocation went to Asian institutional investors, reflecting the appetite for green financial products in Asia, according to the HKMA. About 20% went to European investors and 15% to US investors, with a strong preference by Western investors for longer tenor bonds.

Banks received 34% of the allocation, with 46% going to fund managers and 20% to central banks, sovereign nationals and others, the HKMA said.

South China Morning Post

Iran

Iran discusses ways for using its frozen assets with Iraq

Iranian and Iraqi banking officials have repeatedly consulted in recent months on releasing Iranian assets in the Arab country.

Back in October 2020, Hemmati made a visit to Iraq during which the two sides reached an agreement to unblock Iranian assets in Iraq. According to Hemmati, the assets, which are mainly electricity and gas export money, will be used to buy basic goods.

During the mentioned visit, Hemmati held talks with his Iraqi counterpart Mustafa Ghaleb, making headway in resolving the banking issues with neighboring Iraq.

Ghaleb said the Iraqi authorities are determined to resolve banking issues between the two countries.

The governor of Iraq's central bank proposed that the two countries set up a joint committee to explore ways to resolve financial differences between the two countries.

Hemmati also met with Iraqi Prime Minister Mustafa al-Kadhimi, after which the prime minister expressed satisfaction at the agreement and insisted that he would follow the issue on a weekly basis. In the meeting, Hemmati called Iran-Iraq relations "very important" and said Tehran attaches great importance to the expansion of ties with Iraq.

Sharing a long border and an ancient cultural and religious heritage, Iran and Iraq have become strong economic and political allies since the fall of Saddam Hussein in 2003 and Iran has played a significant role in meeting the Arab country's energy needs.

Iraq relies heavily on Iranian gas to feed several power plants across the country, while Iranian electricity exports also account for a major part of the country's power supply. Iran currently meets nearly 30 percent of Iraq's daily need to 14,000 megawatts (MW) of electricity, while the country imports around 1.25 billion cubic feet per day (bcf/d) of gas through the pipeline.

Tehran Times

Banking and Finance Newsbriefs

Korea

South Korea to allow more freedom in the Open Banking ecosystem

South Korea's Financial Services Commission (FSC) has unveiled its work plan for 2021, outlining key areas of focus, including expanding the Open Banking ecosystem.

To promote the development and use of contactless financial services, the FSC said it will begin allowing savings banks and credit card companies to provide Open Banking services in the first half of 2021, which will be followed by financial investment businesses.

Moving forward, the government said it will also work to allow more account types to be eligible to sign up for Open Banking and to connect Open Banking with other digital finance infrastructures such as government-led MyData and MyPayment. The end goal here is to allow for the development of a 'one-stop platform offering analysis, advise and account transfer services all from the same place.'

There are also plans to establish the legal foundations for Open Banking. This will involve revisions to the Electronic Financial Transactions Act, which will specify requirements for participating institutions, the FSC said.

Fintech News

Malaysia

With implementation of MCO 2.0, Malaysia's GDP growth seen to hover around 5%

Malaysia's gross domestic product (GDP) growth is expected to hover around 5% in 2021 due to the second Movement Control Order (MCO 2.0), which began on Jan 13 and is slated to end on Feb 18.

At its Malaysia Economic Outlook and Construction Sector Briefing today, Affin Hwang Capital chief economist Alan Tan said the firm is looking a base case assumption of 6% GDP growth in 2021, following the low base effect of a 5% GDP contraction in 2020.

"Assuming if the MCO 2.0 were to drag on beyond Feb 18, the assumption would be that there would be some drag on the economy."

"However, it will be compensated by the fiscal stimulus that will likely support economic activity going in 2021. Similarly, the exports would also pick up better than the current expectation due to the global recovery, especially coming from China," he viewed.

As such, the chief economist said he is comfortable that Malaysia's GDP growth would likely hover around 5% after taking into account MCO 2.0, as well as the possible creation of pent-up demand in the second half of the year (2H21) with the country's vaccine roll-out. This in turn would contribute to economic activity, especially with pent-up private consumption.

During his presentation, Tan noted that the upside risks to Malaysia's economic outlook would be driven by the successful containment of the third wave of Covid-19 infections and the effective roll-out of vaccines.

That being said, the downside risks still remain in terms of unexpected delays in the vaccine roll-out, ineffective containment of the virus, the increased number of vulnerable households as a result of the various Movement Control Orders and political uncertainty which could continue to constrain private investment.

The Ministry of Finance has set a GDP growth forecast of 6.5% to 7.5% in 2021. For 2020, the country's GDP is expected to have shrunken by between 3.5% and 5.5%.

The Edge Markets

Banking and Finance Newsbriefs

Nepal

Nepal-based firms allowed to borrow loans from parent companies abroad

Companies in Nepal established with foreign investment will now be able to borrow loans from their parent companies abroad after the Nepal's central bank paved the way for such borrowing facility.

Considering foreign investors here may not get loans adequately from the Nepali banks and financial institutions and at the preferable interest rate, the Nepali central bank paved the way for them to receive loans from their own parent companies by issuing a notice last week.

In order to get loans from the parent companies, the companies here need to get approval from their concerned regulatory agencies and other relevant agencies that deal with the foreign investment in Nepal after completing necessary procedure as provisioned in the Foreign Investment and Technology Transfer Act, according to the notice.

Bam Bahadur Misra, chief of foreign exchange management department at Nepal's central bank, told Xinhua that the banking sector regulatory body opened the new avenues for foreign investors here to increase their investment in Nepal.

The borrowing loans from foreign parent companies was allowed as a part of implementing the monetary policy for the current fiscal year 2020-21 that began in mid-July 2020.

The monetary policy states that an arrangement would be made for ongoing foreign financed infrastructure development projects to borrow up to certain times of their capital investment at a specified interest rate from their parent company/group of companies abroad.

Xinhua

Philippines

Anti-money laundering among top concerns of Philippine banks

Compliance with mandatory credits to agriculture and agrarian (agri-agra) reform, as well as anti-money laundering continue to be the most challenging areas for banks and financial institutions, according to the Bangko Sentral ng Pilipinas (BSP), the Philippines' central bank.

The BSP said most banking groups' difficulty with Republic Act 10000 or the Agri-Agra Reform Credit Act of 2009 has been noted in the previous results of the Banking Sector Outlook Survey (BSOS).

Domestic and foreign universal and commercial banks, as well as thrift banks, have tagged the law as the most challenging to comply with based on the latest results of the survey.

The law retained the mandatory credit allocation in Presidential Decree 717 where 15% of banks' total loanable funds are to be set aside for agriculture, while 10% should be made available for agrarian reform beneficiaries.

The BSP said big banks or universal and commercial or big banks registered a compliance ratio of 11.15% after extending P603.08 billion to the agriculture sector, while the ratio of thrift or mid-sized banks only reached 6.61% after granting P19.32 billion. Rural banks extended P17.42 billion to the agriculture sector for a compliance ratio of 16.8%.

The regulator is now working with relevant government agencies on the amendments to Agri-Agra Law to strengthen rural development by providing for a holistic approach that takes into account the broader agricultural financing ecosystem and rural community development requirements.

The BSP said banks also cited regulations on credit risk management, anti-money laundering, information technology (IT) risk management, and operational risk management as the most challenging areas in terms of compliance with the central bank's regulatory framework.

"Technology risk also remained as one of the risks common to banks due to the increasing support on technology-enabled solutions. Likewise, financial market risk transpired as one of the risks common to thrift as well as rural and cooperative banks," it said.

Philippine Star

Banking and Finance Newsbriefs

Qatar

Qatar's bank mergers, will there be more?

Qatar's almost saturated banking market could see more consolidation due to the low profitability of banks triggered by the COVID-19 pandemic, particularly those with weaker franchises and limited pricing power, according to global ratings agency, Fitch.

Banks are also consolidating to create better capitalised institutions and improve competitive advantages to support the Qatar National Vision 2030.

The recently agreed merger for Al Khaliji Bank and Masraf Al Rayan bank is a prime example of the trend. The merger will create Qatar's largest Shariah-compliant bank by total assets, worth QAR. 172bn after Al Khaliji's business is absorbed by Al Rayan.

This will be the second merger in Qatar between an Islamic bank and a conventional bank after Islamic Bank Dukhan and International Bank of Qatar (IBQ) merged in April 2019.

Al Rayan will issue 0.50 Al Rayan shares for every Al Khaliji share, corresponding to a total of 1,800 million new shares issued to Al Khaliji shareholders, as both banks are currently publicly traded and listed on the Qatar Stock Exchange.

Qatari bank mergers could generate cost synergies that alleviate pressure on profitability from low profit margins and higher loan impairment charges due to the pandemic.

Dukhan's cost-to-income ratio decreased to 32% from 38% in 2018 after the bank realised 90% of its planned cost synergies from its merger. Masraf Al Rayan's merger should result in a cost-to-income ratio of about 20%, comparing well with peers.

Mergers can also increase banks' asset quality risks from collateral valuations, changes in loan classification policies and building provisions against purchased credit-impaired assets.

Dukhan's Stage 2 financing ratio increased to 19% from 14%, largely due to the reclassification of some of IBQ's loans that had been recorded as Stage 1 at the time of the merger.

In a nutshell, financial experts believe there were too many banks in the Qatari market for too few customers, the banks themselves have realised this and as a result several of them have chosen to merge, thereby reducing their expenses and costs while staying competitive.

Doha News

Sri Lanka

Sri Lanka prints 505 billion rupees in 2020, bank borrowings top 11-pct of GDP

Borrowings from Sri Lanka's banking system after a tax cut at the beginning of the year and a Coronavirus pandemic had reached a historic high of 1.7 trillion rupees or over 11% of projected gross domestic product, while over half a trillion rupees had been printed, official data show.

Commercial banks provided 1.26 trillion rupees of credit to the government.

Central Bank credit to government was 505 billion rupees and the equivalent of about 2.5 billion US dollars as budget deteriorated, triggering forex shortages, currency pressure and ultimately forex reserve losses as the liquidity was mopped up though forex.

CB credit was about 3% of projected GDP in November. However, Sri Lanka's GDP projection had been lowered since then.

Most of the liquidity was off-set against foreign reserves given to repay debt, amid difficulties in rolling over debt after downgrades that came in the wake of tax cuts and currency falls, which raised fears over forex shortages.

The central bank also cut reserve ratios injecting more liquidity to the banking system. The monetary authority also pressured to give re-finance for Coronavirus relief loans in a quasi-fiscal operation.

Gross official foreign reserves dropped by 1.9 billion dollars to an estimated 5.66 billion rupees, by the end of the year, after being bolstered by a 400-million-dollar swap.

About 209 billion rupees of excess liquidity remained in the banking system by end December 2020 which would trigger more forex losses when they are mopped up in through reserve sales to maintain the exchange rate.

EconomyNext

Banking and Finance Newsbriefs

Singapore

Singapore's bank lending continued to grow for second month in December 2020

Singapore ended 2020 with an increase in its bank lending for the second consecutive month in December, thanks to the continued growth in housing loans.

Total loans from the domestic banking unit – which captures lending in all currencies, but mainly reflects Singapore dollar lending – came in at $678.72 billion. This is up 0.3% from the $676.67 billion disbursed in November 2020, the Monetary Authority of Singapore (MAS) revealed.

December's showing was led by a 0.5% uptick in consumer loans to $269.62 billion. A substantial contributor to this was housing loans which had climbed 0.4% to $201.36 billion.

The segment accounts for data across three quarters of consumer lending. The increase comes as the prices of new private homes – particularly non-landed properties - in Singapore had risen by 2.1% q-o-q in 4Q2020, to record its steepest quarterly increase in the last two years.

Similarly, unsecured personal loans, excluding credit cards, had risen by 0.6% from the previous month, to hit $37.82 billion in disbursements. Other consumer loans were also up, with car loans inching up by 0.2% to $8.35 billion, while credit card loans had risen by 1.7% to $10.31 billion.

Loans for share financing was the only segment under consumer loans to record a decline in December. Lending for the segment had inched down by 0.8% from the previous month to hit $1.78 billion. Meanwhile, loans to businesses reversed into the green after an eight-month decline with a 0.2% m-o-m increase to $419.12 billion.

A substantial lift came from a 4.9% increase in loans to financial institutions to $101.34 billion. This marks the first time the segment is recording a growth in four months.

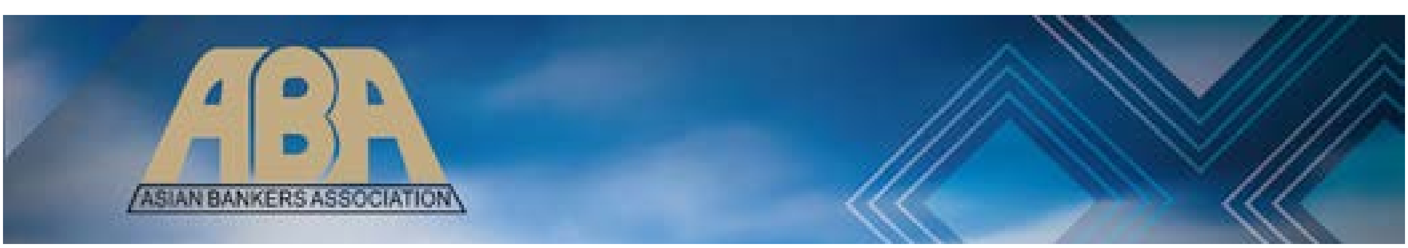
Loans to professionals and private individuals was up by 0.9% to $9.09 billion in December, while that to business services came in flat at $11.30 billion.

Contractions in loan disbursements were seen across the other segments, with general commerce and transport sectors recording the deepest declines of 1.6% and 2.2% respectively. This translated to $62.57 billion in loans disbursed to the general commerce sector and $25.20 billion for transport.

Loans to the building and construction industry – the single-largest business lending segment – was also down by 0.6% to hit $149.99 bullion.

On a year-on-year basis, total bank lending was down by 2% in December. In this time, total business loans was down by 2.4% while consumer loans had slid by 1.2%.

The Edge Singapore



Banking and Finance Newsbriefs

Taiwan

Money supply climbed at fastest pace in 10 years

Taiwan's money supply last month climbed at the fastest rate in more than a decade, reflecting growing interest in the local board and ample liquidity in the banking system, the central bank said on January 25.

The narrow M1B money supply gauge, referring to cash and cash equivalents, surged 16.17% year-on-year, as the securities account balance rose to a high of NT$2.65 trillion (US$93.34 billion), the central bank said.

M1B readings are often used to judge the popularity of local shares, as high M1B growth rates suggest that investors are ready to join the market, while M1B slowdowns indicate people would rather hold money in time deposits.

The latest M1B increase is the fastest since May 2010, with retail investors weighing 67.4% of the local board, the highest since January 2011, attracted by a record TAIEX, central bank data showed.

The TAIEX rallies were not broad-based, but mainly concentrated in electronics stocks, the central bank said, adding that daily turnover averaged NT$258.5 billion, also a record.

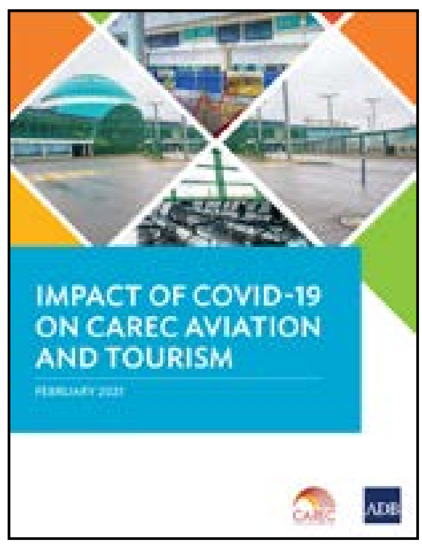
The broad money measure of M2 — which includes M1B, time deposits, time savings deposits, foreign currency deposits and mutual funds — advanced 8.45% from a year earlier, the fastest pickup since August 2009, the central bank said.

Capital inflows and loan growth in the financial system accounted for the increase in M2, the monetary policymaker said.

Taipei Times

Publications

Impact of COVID-19 on CAREC Aviation and Tourism



This study prepared by the Asian Development Bank of the impact of the coronavirus disease (COVID-19) on the aviation industry in Central Asia Regional Cooperation (CAREC) countries finds opportunities for reform and restructuring to facilitate fast recovery.

COVID-19 has had a devastating impact on global aviation as nearly all air travel came to a halt in late March and April 2020. In Central Asia, virtually all domestic and international air travel were suspended in an attempt to contain the spread of COVID-19. This crisis provides an opportunity to reset the aviation industry in CAREC countries through reforms, new strategies, and restructurings. The study takes into consideration the gravity of the situation in the region and offers some recommendations for dealing with and beyond the crisis.

Contact Details: ADB Publishing

Website: https://www.adb.org/publications/impact-covid-19-carec-aviation-tourism

Publications

Liquidity shortfalls during the COVID-19 outbreak: Assessment and policy responses

This paper prepared by the Organisation for Economic Co-operation and Development investigates the financial vulnerability of non-financial firms during the Coronavirus (COVID-19) epidemic crisis. In particular, it evaluates the extent to which firms may run into a liquidity crisis following the COVID-19 outbreak and the impact of stylised policy measures to reduce the risks and depth of such crisis.

The analysis relies on three ingredients: a simple accounting model, a large dataset reporting firms' balance sheets for 14 countries and granular data on the magnitude of the shock measuring the impact of confinement measures on economic activity. Results suggest that, without any policy intervention, up to 38% of firms would face liquidity shortfalls after 10 months since the implementation of confinement measures. Comparing the impact of different policies, the analysis shows that government support to relieve wage bills is the most effective tool to reduce liquidity shortages, followed by debt moratorium policies. Finally, the paper zooms into labour market policies and compares the cost efficiency of short-term work and wage subsidies schemes, highlighting how their relative efficiency depends on their design.

Contact Details: OECD Publications

Website: https://read.oecd.org/10.1787/581dba7f-en?format=pdf

Unconventional Monetary Policies in Emerging Markets and Frontier Countries

The COVID-19 crisis induced an unprecedented launch of unconventional monetary policy through asset purchase programs (APPs) by emerging market and developing economies. This paper prepared for the International Monetary Fund (IMF) presents a new dataset of APP announcements and implementation from March until August 2020 for 27 emerging markets and 8 small advanced economies. APPs' effects on bond yields, exchange rates, equities, and debt spreads are estimated using different methodologies. The results confirm that APPs were successful in significantly reducing bond yields in EMDEs, and these effects were stronger than those of policy rate cuts, suggesting that such UMP could be important tools for EMDEs during financial market stress.

Contact Details: IMF Working Papers

Website: https://www.imf.org/-/media/Files/Publications/WP/2021/English/wpiea2021014-print-pdf.ashx

Publications

Southeast Asia E-Money Market Report Shows Tech Firms Disrupting Banks

Despite the economic contraction amid COVID-19, electronic money payments are growing in at least three large Southeast Asian markets due to the popularity of reloadable wallets offered by popular e-commerce and ride-hailing firms. Technology firms that combine commerce with payments will seek to extend their dominance from e-money into electronic banking.

Nonbanks have overtaken banks as primary payment providers in Indonesia and are experiencing high growth in the Philippines, while banks remain dominant in Singapore, Malaysia and Thailand, according to S&P Global Market Intelligence's latest Southeast Asia E-Money Market Report. The report looked at the usage of three popular retail payment instruments in the region: debit and credit cards; e-money comprising reloadable prepaid cards and digital wallets; and real-time interbank transfers. It shows that the primary instrument of cashless payments for everyday transactions in Southeast Asia is e-money.

Contact Details: S&P Global Market Intelligence

Website: https://www.spglobal.com/marketintelligence/en/news-insights/research/southeast-asia-e-money-market-report-shows-tech-firms-disrupting-banks


S&P Global
Market Intelligence

Southeast Asia
E-Money Market Report
January 2021

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Executive summary

About ABA

The ABA aims to provide a forum for advancing the cause of the banking and finance industry in the region and promoting regional economic cooperation. Its primary objectives include the following:

- To provide a venue for an exchange of views and information on banking opportunities in the Asia-Pacific region;
- To facilitate the meeting of bankers in the region in an atmosphere of fellowship and friendship;
- To encourage joint activities that would enhance the role of its members in servicing the financial needs of their respective economies and in promoting regional development; and
- To undertake projects that will encourage trade, industrial, and investment cooperation in the Asia-Pacific region.

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