

Asian Bankers Association

Newsletter

October 2022

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ABA Announcements

Registration Now Open for 38th ABA General Meeting & Conference



<p>NOV 1 2:00 PM - 4:00 PM Topic Time</p> <p>OPENING CEREMONY & PLENARY SESSION ONE: The Digital Transformation Journey This session will feature speakers who will share their perspectives on the main areas of digital transformation, namely process transformation, business model transformation, and cultural and organizational transformation.</p>	<p>NOV 4 2:00 PM - 4:00 PM Topic Time</p> <p>PLENARY SESSION FOUR: Emerging Trends in Banking and Financial Services Sub-Session One: Fintech Revolution: Impact on the Banking Industry This session will feature speakers who will examine the impact of fintech on payments and lending in Asia, focusing on the new technologies and services entering the market, the level of disruption faced by banks, and the regulatory response to these new developments.</p> <p>Sub-Session Two: The Future of Digital Currency Subject experts and industry leaders will share their thoughts and perspectives on trends and developments in the era of digital currency since it started in 2012-2013, the role that commercial banks and other fit and regulatory bodies have played in the new ecosystem, and how they see its future will be.</p> <p>Sub-Session Three: Shifts in the Banking System: LIBOR and Others This session will invite speakers who will elaborate on their views on what banks should be doing to prepare for the end of LIBOR and what to include in the traditional when developing a transition plan that is customized to their specific needs and risk management guidelines.</p>
<p>NOV 2 2:00 PM - 4:00 PM Topic Time</p> <p>PLENARY SESSION TWO: Asian Banks Navigating Through a Digitized Environment Invited speakers will exchange views on how banks can better understand and fulfill customer needs, make the customer journey personal, automated, safe enough for them to cope with cybersecurity and customer fraud, and cohesively within a single ecosystem.</p>	
<p>NOV 3 2:00 PM - 4:00 PM Topic Time</p> <p>PLENARY SESSION THREE: Promoting a Sustainable World: Fostering Green Finance This session will feature speakers who will share their insights on the need for greening the financial system and the role of financial governance, examine the state of green lending and investment in Asia, and provide an overview of market innovations and green financial governance initiatives across Asia.</p>	

(RCBC) and Hatton National Bank (HNB), this year's ABA Conference will carry the theme of "Redefining the Future of Banking Through Digital Transformation" and feature four Plenary Sessions, namely:

- Plenary Session One: The Digital Transformation Journey
- Plenary Session Two: Asian Banks: Navigating Through a Digitized Environment
- Plenary Session Three: Promoting a Sustainable World: Fostering Green Finance
- Plenary Session Four: Emerging Trends in Banking and Financial Services
 - ◇ Sub-Session One: Fintech Revolution: Impact on the Banking Industry
 - ◇ Sub-Session Two: The Future of Digital Currency
 - ◇ Sub-Session Three: Shifts in the Banking System: LIBOR and Others

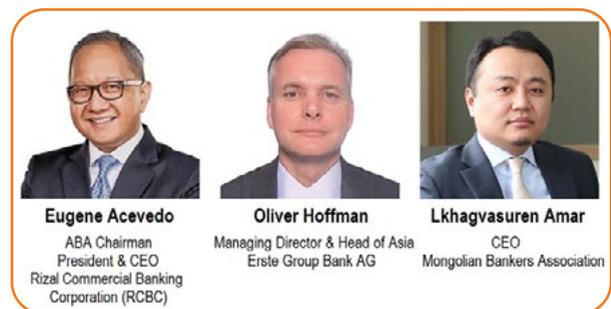
The Asian Bankers Association (ABA) will be holding the 38th ABA General Meeting and Conference virtually on November 1-4, 2022.

Jointly co-hosted by Rizal Commercial Banking Corp.

The registration link is now available. Interested parties may [register here](#).

Training and Education

ABA Organizes Well-Attended "Mongolian Banking: Current Status and Opportunities" Webinar on October 17



For the first of the webinar series lined up prior to this year's virtual 38th ABA General Meeting and Conference, ABA invited the Mongolian Bankers Association (MBA) to jointly conduct the webinar on "Mongolian Banking: Current Status and Opportunities" on October 17, 2022.

Under the theme of "Connecting and Exploring Opportunities with ABA," the webinar series aims to give the participants a better understanding on: (a) the economic and the financial market condition in the selected country; (b) industry sectors or areas for investments in the selected country; (c) special programs, projects, products or services of the organization that have benefited their customer base or the community they serve and may be adapted by banks and financial institutions from other countries; and (d) potential areas for collaboration between the organization and other member banks.

Moderated by Mr. Oliver Hoffman, Erste Group Bank

AG's Managing Director & Head of Asia, the October 17 webinar opened with Welcome Remarks by Mr. Eugene Acevedo, ABA Chairman & President/CEO of Rizal Commercial Banking Corporation (RCBC) which was followed by the special presentation by Mr. Lkhagvasuren Amar, Executive and Secretary General of MBA.

During the one-hour webinar, Mr. Amar first introduced the basic organizational structure of MBA as well as the latest economic and social developments in Mongolia, including the rich natural resources that Mongolia owns.

Speaking of China as the major market of exports, he shared that the slowing down of the economic growth of China due to the Covid-19 pandemic had inevitably impacted the local economy of Mongolia at the same time. To help stimulate the economy, the Mongolian government has adopted quite a

Training and Education

few measures and strategies, including subsidies for interest rates, keeping labor force intact and support policies for the SMEs.

Furthermore, to give the audience a better understanding on the financial sector in Mongolia, Mr. Amar also analyzed Mongolia's position in

global banking competitiveness and various financial indexes of Mongolia globally, such as the bank risk index and bank depth index. Emphasizing that bank loans remain to be the main engine to fuel the economy in Mongolia, Mr. Amar indicated that the bank loan quality/loan portfolio is getting better which is a

positive trend for Mongolia.

The webinar wrapped up with the Q & A Session where questions related to the latest financial situation in Mongolia in the post-Covid era, foreign investments in the Mongolian banking sector and major challenges for the Mongolian banking industry, among others, were raised.

ABA & ACRAA hold webinar on “A storm ahead? An updated view on the Asian economy”



The Asian Bankers Association (ABA), and the Association of Credit Rating Agencies in Asia (ACRAA) jointly organized the 90-minute webinar on “A storm ahead? An updated view on the Asian economy” on October 13, 2022 at 02:00 PM, Taipei time.

The webinar featured Atsushi Masuda, ACRAA Chairman & Counselor for International Affairs, Japan Credit Rating Agency Ltd. (JCR) and Lina Wang, Senior Analyst of Sovereign Rating, China Chengxin International Credit Rating Co. (CCXI). Lin Zhang, Assistant Director of Research Institute, CICI will join the Q&A session.

The topics discussed were as follows:

1. Four questions on the possible scenario for the global economy by Atsushi Masuda (45 minutes)

This session took up the following four questions on the possible scenario for the global economy;

- (1) Is the Great Moderation over?
- (2) Will recession come?
- (3) Will inflation stay?
- (4) Will default rate mount?

The presentation focused upon the Asia region excluding PRC in the context of recent developments in the global economy. Mr. Matsuda noted that at this moment, inflation pressure is growing beyond “temporary” but still it is projected to stabilize once geo-political factors and outright US Dollar appreciation will be corrected. It may be safe to think the Great Moderation ends really this time in view of revived inflation and higher volatilities in the markets. Fear of recession has been also surfacing in view of possible further tightening on gas supply from Russia and concerted monetary tightening worldwide, but the argument of similarity to the 2007 situation is not valid at this moment, he added.

2. The recovery of China's economy – Steering through turbulent waters by Lina Wang (25 minutes)

Ms. Wang focused on the recovery of China's economy amid multiple external and internal challenges, going through the fundamentals and outlook of China's macroeconomy with key economic components and supporting data. Looking ahead, China's economy will rebound in the second half of 2022 while downside risks persist, she said, adding that the policy space of China may be restrictive with tightening monetary and financial conditions globally. The evolution of coronavirus infections will remain an important risk, she pointed out meanwhile, China continues to face policy challenges to balance long-term policy goals with growth targets, adding that restoring confidence and spurring vitality of market entities is key to adding growth momentum.

About ACRAA:



ACRAA was organized on 14 September 2001 at the Asian Development Bank headquarters, by 15 Asian credit rating agencies from 10 countries. As of September 2022, membership has increased to 28 members from 15 countries. An initiative of the ABA, ACRAA unites domestic credit rating agencies in a regional cooperative effort to develop and promote interaction and exchange of ideas, information, and skills among credit rating agencies in Asia to enhance their capabilities and their role of providing reliable market information. ACRAA also aims at promoting the adoption of best practices and common standards that ensure high quality and comparability of credit ratings throughout the region, following the highest norms of ethics and professional conduct.

Training and Education

ABA and Fintelekt Hold Webinar on AML in Digital Payments: Trends, Tools & Technologies



On September 23, 2022 the Asian Bankers Association (ABA) and Fintelekt Advisory Services Ltd, an ABA Knowledge Partner held the webinar on AML in Digital Payments: Trends, Tools & Technologies.

The one-hour session established a new record audience for a joint ABA-Fintelekt webinar of 1,720 registered participants from over 52 countries and territories, of which 960 were eligible for the special Certificate of Participation.

The well-attended webinar featured four expert speakers who provided insights and foresight on this critical and evolving banking segment. The highly responsive audience took advantage of the Q&A section to further discuss challenges posed by digital payments.

Among the points raised at the webinar were the following:

- The advent of digital payments has revolutionized the global financial system, leading to the entry of a variety of fintech players and business models across the value chain.
- Some of the key trends in digital payments over the last twelve months are a mushrooming in gaming and lending apps, move towards interoperability, growth in new payment methods for cross-border payments, and the increased use of e-commerce. The speed and volume of transactions has grown manifold during this time. There has also been a rising trend in financial crime using digital payments.
- As regulatory responses continue to mature, anti-money laundering (AML) and financial crime controls are constantly evolving and pose unique challenges that require innovative approaches.

The PDF report of the session can be downloaded [HERE](#), and the video recording can be viewed at the [ABA Youtube Channel](#).

Member Personality

Bank Of Maldives Appoints New Chief Executive Officer



Bank of Maldives has decided to appoint Mr. Karl Stumke as its new Chief Executive Officer.

Karl brings over 36 years of experience leading Retail and Corporate banks at Executive and Board level in the Middle East, Africa, Indian Oceans and the United Kingdom. He was previously CEO of Al Ahli Bank of Kuwait in United Arab Emirates.

Karl joined Al Ahli Bank of Kuwait as the General Manager of its International Banking division in 2010 where he oversaw a wide corporate portfolio before being appointed as CEO of their UAE operations in 2017. Prior to joining Al Ahli Bank of Kuwait, Karl held the position of Regional Corporate Director at Bank Muscat International Bank in Bahrain and was responsible for its Corporate, Commercial, SME and Islamic banking propositions. Karl was also the Regional Managing Director, Indian Oceans at Barclays Bank Mauritius.

Karl Stumke said “I am absolutely delighted to take on the leadership of BML and with the continued support from the Board, executive management and staff, to drive the next phase of its strategic direction. We will put our customers at the centre of everything that we do and strive to exceed their expectations through the provision of innovative and value added products and solutions. BML is a fantastic success story and I look forward to being part of that family and its role in supporting the Republic of Maldives and its citizens”.

Karl has held Executive Directorships at Barclays Bank Tanzania as well as non-Executive Directorships in various institutions including Money on Demand, Barclays Leasing and Barclays Bank Seychelles.

Karl is an Associate of the Chartered Institute of Bankers (South Africa), holds a Bachelor’s Degree in Accounting Science from the University of South Africa and has completed executive programs in France, Switzerland and South Africa.

WTO anticipates sharp slowdown in world trade growth in 2023



The UN partner agency World Trade Organization (WTO) has cautioned against imposing trade restrictions which would ultimately result in slower growth and lower living standards.

Global merchandise trade volume is estimated to grow 3.5 percent in 2022, or slightly better than the 3.0 percent anticipated in April.

However, volume will slow to 1 percent in 2023, a sharp decline from 3.4 percent previously estimated.

High prices and inflation

Demand for imports is expected to weaken as growth slows in major economies for different reasons, WTO said.

In Europe, high energy prices resulting from the Russian invasion of Ukraine will squeeze household spending and raise manufacturing costs.

In the United States, monetary policy tightening will affect spending in areas where interest rates count, such as housing, motor vehicles and fixed investments.

China also continues to struggle with COVID-19 outbreaks and production disruptions coupled with weak external demand.

Concern for Developing Countries

Meanwhile, developing countries could face food insecurity and debt distress as import bills for fuels, food and fertilizers rise: another impact from the war in Ukraine.

Overall, energy prices jumped 78 percent year-on-year in August, according to the forecast. Food prices increased 11 percent, grain prices were up 15 percent and fertilizer 60 percent.

Many currencies have also fallen against the dollar in recent months, another factor that is making food and fuel more expensive.

Trade's critical role

Nguzi Okonjo-Iweala, the WTO Director-General, said policymakers face "unenviable choices" as they try to find an optimal balance among tackling inflation, maintaining full employment, and advancing important goals such as transitioning to clean energy.

She underscored how trade is a vital tool – both for enhancing the global supply of goods and services, as well as for lowering the cost to achieve net-zero carbon emissions.

Against Trade Restrictions

"While trade restrictions may be a tempting response to the supply vulnerabilities that have been exposed by the shocks of the past two years, a retrenchment of global supply chains would only deepen inflationary pressures, leading to slower economic growth and reduced living standards over time," she said.

"What we need is a deeper, more diversified and less concentrated base for producing goods and services. In addition to boosting economic growth, this would contribute to supply



resilience and long-term price stability by mitigating exposure to extreme weather events and other localized disruptions."

WTO said the Middle East will have the strongest export growth of any region in 2022, 14.6 percent, followed by Africa, North America, Europe, and South America.

The region also had the fastest trade volume growth on the import side at 11.1 percent.

While the Middle East and Africa should see small declines in export in 2023, imports will remain strong.

The new forecast, released on October 5, revises estimates published in April, or just weeks after the start of the war in Ukraine.

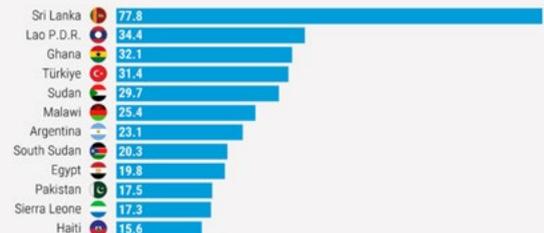
At the time, WTO economists had to rely on simulations for their projections, in the absence of hard data about the conflict's impact.

UN News

UN Says Central Banks Are Pushing the World Into a Recession



Nominal exchange rate depreciations against the US dollar, selected developing countries, January-July 2022 (percentage)



Source: UNCTAD Trade Development Report 2022.

The United Nations warns that the U.S. Federal Reserve and other central banks in advanced economies risk pushing the world into a recession if they keep aggressively raising interest rates. The [U.N.'s Trade and Development Report](#) found that tightening monetary policies designed to fight inflation are nudging developing countries toward debt default and [could potentially inflict worse damage](#) than the 2008 financial crisis and COVID-19.

Special Features

“The current course of action is hurting the most vulnerable, especially in developing countries and risks tipping the world into a global recession,” said Rebeca Grynspan, secretary-general of the U.N. Conference on Trade and Development, [in a statement](#).

The U.N. predicts that global economic growth will slow from this year’s 2.5% to 2.2% in 2023 — a loss of more than \$17 trillion. While the slowdown affects all economies, developing countries will be the most affected. Their average

growth rate is projected to drop below 3%.

Sixty percent of low-income countries and 30% of emerging market economies are currently in, or near, debt distress. The risk of a debt crisis continues to rise as major economies defend their currencies, weakening developing countries’ currencies — particularly against the dollar. The U.N. estimates that the Fed’s interest rate increases this year alone could cost developing countries \$360 billion in income.

Brink News

Social Risks Can Be Credit Risks: Evaluating the 'S' in ESG



Environmental concerns and sustainability dominate the conversation around ESG — however, as Nneka Chike-Obi, head of APAC ESG research at Sustainable Fitch points out, investors cannot afford to ignore social aspects such as the impact on community relations.

Over the past years there has been an expansion in the range of social factors being considered by investors and other stakeholders. Topics such as health and safety, diversity, worker’s rights, and human rights have become more central to sustainability strategies for a wide range of bond issuers from corporates to sovereigns. This is being supported by a more consistent and comprehensive reporting environment, regulation, and improved market standards.

Frameworks and standards addressing social issues include the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, and the International Labour Organization’s Decent Work Principles. The latest draft of the EU social taxonomy, published in February 2022, is a comprehensive approach to the role of social factors within a sustainable finance strategy. The draft taxonomy has three core objectives: decent work; adequate living standards and wellbeing for end-users; and inclusive and sustainable communities and societies.

The third objective considers land, indigenous and human rights as well as access to basic infrastructure. The proposal also links an entity’s social impact to operating and capital expenditure, and turnover.

Economic activity that involves land-use changes, resource extraction, large-scale construction or the provision of essential services entail the greatest exposure to community-related credit risk. In some sectors, such as extractive industries, companies operate in politically sensitive regions due to the location of the resources, meaning that community issues can persist over long periods of time. Community issues are most material to entities in the energy, natural resources, utilities, healthcare, consumer finance and infrastructure sectors within Fitch’s rated universe.

Social factors are reflected within Fitch’s ESG

Relevance Scores (ESG R.S.), indicating the materiality and relevance of social risk elements on the credit rating outcome, on a scale of ‘1’ (irrelevant) to ‘5’ (a key rating driver). Five general social issues are assessed under Fitch’s framework. These include: labour relations and practices, employee wellbeing, human rights, community relations, access and affordability, customer welfare, and exposure to social impacts. Analyses are conducted to look at the interactions between an issuer and its different stakeholders, both within the entity and in the market, community and broader society.

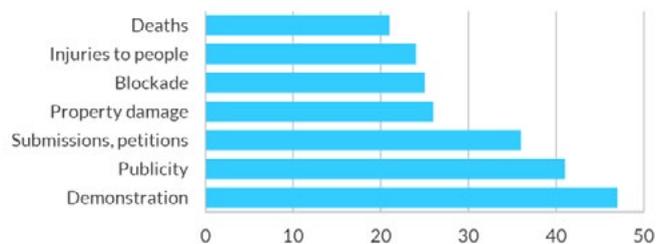
Social risk in focus: community relations

Community relations can be a serious issue for entities whose operations affect social goods and common resources. This can be relevant for companies operating in extractive industries and energy, chemicals, and commodity processing. If operations have an adverse impact on water, air and soil quality, this can directly impact adjacent communities. It can also be relevant for local government public finance issuers, where community dissatisfaction with economic activities can put demographic and human capital factors, or tax revenue at risk.

Failure to manage community unrest can financially impact an issuer. This may be caused by higher resourcing requirements to address human rights-related issues – for instance, for extra security or higher pay for workers to cross through protest zones – work stoppages, physical damage and violence, as well as fines from violations. A 2014 Harvard Kennedy School study of extractive-industry companies that had faced community problems estimated that production delays at a

Manifestations of Company-Community Conflict

N=50 extractive industry operations



Source: Fitch Ratings, R. Davis and D. Franks, Harvard Kennedy School 2014

major mining project with capex of US\$3 billion-US\$5 billion, cost an estimated US\$20 million a week. This did not include costs associated with addressing negative publicity, repairing physical assets or responding to legal challenges.

Ongoing social conflict in Peru led Fitch to review the ESG.RS of rated metals and mining companies in April 2022. Much of the disruption related to local communities' unhappiness with compensation, land, and resource access. Fitch has not yet taken any rating action, but it could place an elevated social relevance score if analysts believe the unrest will affect the long-term development plans of rated issuers and impact credit quality. The Peruvian government declared a state of emergency in April 2022 and the communities agreed to lift the blockade and entered into a supervised dialogue with the miners.

Finance Asia

How Technology Can Guard Against the Impacts of Inflation

As companies try to shore up profit margins amid high inflation, Morgan Stanley sees an investment opportunity among sectors producing technologies to reduce costs and increase productivity.

The sudden and rapid return of inflation has not only made daily living more expensive, it has dramatically increased the cost of doing business. Companies across industries are now contending with record energy prices as well as higher costs for labor, supplies and services.

This shift is driving historic investments in services and technologies that can mitigate the effects of inflation—and that's good news for companies focused on increasing productivity. As companies put more capital toward shoring up their profit margins, analysts with Morgan Stanley Research see an investment opportunity in companies producing technologies that increase productivity—particularly in automation and digitization, where barriers to entry are high.

“With infrastructure now at the forefront of the political landscape and the cost of labor and capital on the rise, corporate investments are likely to pivot toward productivity enhancement and technologies that can lower the cost of doing business,” says Josh Pokrzywinski, U.S. electrical equipment and multi-industry analyst at Morgan Stanley Research. “We believe companies that provide innovative and cost-effective solutions will see heightened demand and greater competitive advantages in their respective industries.”

Refocus on Productivity

While technology has had a profound influence on cost reduction for many years, its impact was overshadowed by decades-long deflation, driven by the overarching factors of slower demographic growth and globalized manufacturing. But that narrative has been upended by COVID-induced supply-chain bottlenecks, rising geopolitical tensions and increased focus on energy security. This shift in circumstances should

result in companies prioritizing spending that will help to increase productivity, lower costs and improve profitability.

In the U.S., the average age of private fixed assets, such as properties, plants and equipment, is at the highest level since the 1950s, which has contributed to a 20-year decline in productivity growth. But the historic underinvestment in productivity enhancement underscores the value of automation and digitization – particularly amid a renewed government emphasis on investing in infrastructure, rather than lowering interest rates and reducing the deficit.

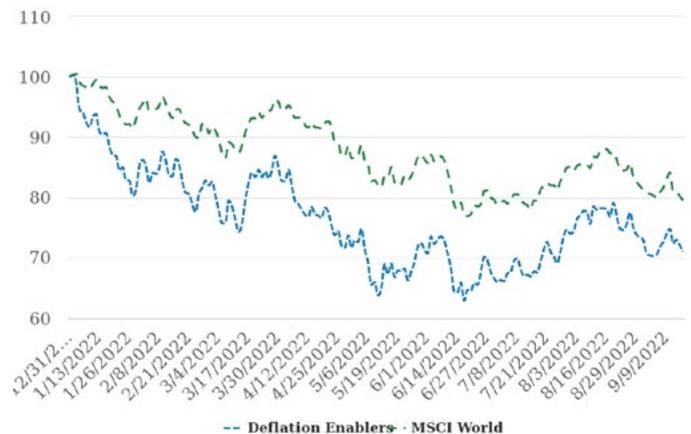
“All told, we believe the incentives are now in place for organizations to refocus their efforts on automation and productivity-driving technologies,” says Pokrzywinski. “The companies that can deliver such solutions for customers are more likely to profit from the higher prices and more volatile economic environment that we expect over the next decade, offering a relatively attractive risk-to-reward investment proposition.”

Inflation Armor

Companies that help their customers boost productivity and reduce costs through automation, efficiency or their own declining cost curves, while maintaining strong barriers to entry – what Morgan Stanley analysts call “deflation enablers” – pose attractive investments in an inflationary environment.

Before the pandemic, valuations for these deflation enablers were mostly aligned with the MSCI World Index—which tracks large-cap and mid-cap companies across developed markets. Those companies saw a spike in valuation that carried through the end of 2021, but that trend flipped in the beginning of this year. Recently, the companies identified as providing technology and services to cut costs and boost efficiency have been trading at a discount to the broader market.

Companies that help combat inflation appear undervalued.



Morgan Stanley Research

There are three major technologies, which touch the majority of sectors and are at long-term inflection points, that stand out as deflation enablers: artificial intelligence, clean energy and mass energy storage and mobility.

Special Features

Artificial Intelligence

AI models are improving faster than predicted by conventional models, thanks to cheaper and increasingly powerful computing capabilities. The biotech sector, for example, has been using machine learning and AI to discover new drugs more cheaply, quickly and efficiently. Morgan Stanley believes this trend could lead to dozens of new therapies, potentially creating a \$50 billion market over the next decade. AI could have a similarly transformative impact in other industries, and as many companies are currently undervalued relative to the broader market, represent an opportunity for investors.

Clean Energy

The transition away from fossil fuel will be a long and delicate balance, complicated by geopolitics, climate change and a heightened focus on energy security, and is ultimately expected to be highly inflationary. Morgan Stanley thinks that companies with unique clean-energy technologies and few competitors will be able to improve their profit margins with increased investment, offering better value to investors. Many clean tech stocks aren't pricing in a strong growth picture, and analysts recommend investors focus on companies benefitting from the widening spread between high utility bills and falling clean energy costs.

Mass Energy Storage

Cheaper and widely available battery storage could be transformative for a number of industries. For example, long-haul and heavy-duty trucking have been acutely pressured by high labor and fuel costs and scarcity of workers; a transition to battery-powered vehicles could reduce costs and help to offset these costs. Advances in mass energy storage are also expected

to aid further development of electric vehicles, and ultimately autonomous vehicles. Currently, battery technology is far from reaching its full potential, and investors should watch for the total addressable market for companies in the space to expand significantly as the technologies become less expensive and more end users are able to use their products and services to lower costs.

Adapting to the Environment

While AI, clean energy and mass energy storage are broad categories of technologies that combat the effects of inflation, they are hardly alone. Other technologies meet the needs of particular industries. "These range in form and function from automation tools designed to reduce increasingly expensive headcount in organizations, to cost-saving booking software for airlines who must find ever-more innovative ways to offset rising jet-fuel prices," says Pokrzywinski.

For other investment opportunities amid expected prolonged inflation, Morgan Stanley analysts say investors should consider a wide range of firms providing services that use automation technology—such as robotics used in manufacturing, software to optimize business processes and IT hardware for such things as self-checkout technology—to help clients manage the current inflationary environment.

For more Morgan Stanley Research on technologies that have the potential to combat the effects of inflation, ask your Morgan Stanley representative or Financial Advisor for the full report, "The Deflation Enablers" (July 20, 2022). Morgan Stanley Research clients can access the report directly here. Plus more Ideas from Morgan Stanley's thought leaders.

Morgan Stanley

Lack of Support Holds Treasurers Back from Blockchain Adoption

A lack of connected partners, high set-up costs, and low levels of support from banking partners is holding treasurers back from integrating blockchain into the treasury function, even though they see clear efficiency and cost benefits in doing so Corporate Treasurer reports.

This is according to the latest research by East & Partners. The advisory firm conducted interviews with 850 treasury executives across nine markets in Europe, North America, the Middle East and Asia, to gauge CFO and corporate treasurers' immediate needs and expectations for blockchain and digital currencies.

Improved communication and regulation could help to address a lack of understanding and cybersecurity concerns.

In particular, corporate treasurers are interested in the application of distributed ledger technology (DLT) for trade finance, cross-border payments and cash management, due to its promise of greater transaction security, faster settlement times and lower costs.

But information about available DLT solutions and their

stated benefits remain unclear to the key stakeholders involved in driving forward blockchain adoption. Hence, improved communication on these issues would increase the number of connected partners. This issue was cited as a concern by 45 percent of interview respondents, Martin Smith, global head of markets analysis at East & Partners, told Corporate Treasurer.

The responses differed greatly across regions, reflecting a disparity in understanding and progress on treasurers' "payments journeys", Smith added.

Treasurers in Hong Kong and Germany, being in more advanced stage of their payments journey, were less concerned about a lack of connected partners than their counterparts in the UK or UAE, for example, and respondents in Singapore and the US – unlike in the UAE – had clear opinions around where regulators should focus their attention when it comes to enabling blockchain payments.

One group treasurer cited in the report said that his company, a \$10 billion German manufacturer, had been studying DLT and blockchain "for some time" but was struggling to get

Special Features

traction or clarity on how to move forward and was receiving little help or information from his banking partners.

“Tangible benefits expressed in the form of real use cases and case studies would be an excellent first step for improving comprehension to reduce the current high level of unwillingness to connect to DLT systems and reach a requisite ‘critical mass’ for broader scale adoption by connected partners,” said Smith.

Those who have participated in pilot schemes are more receptive to the adoption of cryptocurrency payments, the report also suggested.

“There’s a lot of upside in DLT for our supply chain funding and payments, especially. We participated in a trial with our trade bank using blockchain to complete a \$7 million trade transaction that worked really well. [We’re] keen to be doing more,” said the treasurer of a Singapore-based, \$4.5 billion logistics and shipping company.

“There is quite an implementation hurdle into DLT; the banks seem to be making it up as they go along somewhat, which doesn’t make it easier. The benefits, especially around transaction speed, counter-party security and cost, are pretty compelling for us,” said the CFO of a UK-based \$11 billion wholesale distributor.

Treasurers also expressed apprehension about the potential downsides of DLT adoption, including increased vulnerability to cyberattacks. They highlighted exchange hacking as the area of crypto compliance that they believe regulators should be most focused on addressing.

Regulation around transparency, central bank digital currency (CBDC)-backed solutions, or the introduction of a

universal crypto exchange or broker licensing system, would be effective in prompting corporates to encourage their clients to accept and pay using cryptocurrencies or stablecoins, Smith shared.

In contrast, regulation around cross-border tax harmonisation was not cited as a priority, except in Germany and the UK.

While treasurers and CFOs are excited about the potential of CBDCs to unlock emerging payments solutions and address cyber fraud concerns, 45 percent of respondents were unsure exactly how they would go about implementing CBDC technology.

Those who were sure, cited cross border payments and trade and supply chain finance as key areas for CBDC application.

“Trade is definitely where we see big benefits and efficiencies in DLT payment solutions. We have a pilot planned with our trade bank for early 2023 to use as a learning experience – actually for both parties,” said the treasurer of a \$3.5 billion import-distribution firm in Hong Kong.

Interestingly, treasury teams appear to have a much greater level of understanding on the application of stablecoins (fiat currency-backed cryptocurrencies), with only 19 percent unsure about how they would implement them across treasury processes. What is clear however, is that banks need to do more to support their corporates clients both in terms of advisory and on executional capacities for blockchain, the report concluded.

East and Partners

Among Member Banks

BEA Retail Banking Launches Fully Digitalised Mortgage Application Service



The Bank of East Asia, Limited (“BEA” or “the Bank”) announces the introduction of a fully digitalised mortgage application service that allows home buyers to complete the entire mortgage application process with ease.

With the new fully digitalised mortgage application service, customers are able to submit applications online anytime, anywhere and upload the required documents directly. The online system automatically integrates the data entered immediately, streamlining the application process, while documents are encrypted to protect the customer’s personal information. Together with the branches’ paperless application process, the new service aims to further enrich the omni-channel digital experience.

Ms Shirley Wong, General Manager and Head of Personal Banking Division at BEA, said, “Digitalisation is a key part of BEA’s retail banking business roadmap, in line with BEA’s overall development strategy. We have continued to focus on digital service innovation in recent years, with favourable feedback from customers. In fact, as of this August, digital

financial transactions recorded double-digit growth from a year ago. Overall, our fully digitalised mortgage application service enhances the customer experience and operational efficiency by streamlining staff workflow and facilitating a faster application process.”

Ms Agatha Woo, Head of Retail Lending Operations and Transformation at BEA, said, “Paperless mortgage applications are growing in popularity. Our automated data integration has made the entire application and approval process quicker and easier. Customers are increasingly using our digital mortgage services, with more than 70% of applications now processed through our digital system.”

Customers can apply for various types of mortgages online, including generic new Mortgage Loans, Refinancing, Mortgage Insurance Programmes, and Green Mortgage Plans. Furthermore, customers who apply for new residential mortgages or refinance mortgages of HK\$3,000,000 or above through the online mortgage application platform or at branches will now receive a cash rebate of up to 1.9%*. Going forward, the Bank will continue to launch more digital innovations to provide customers with convenient and quality retail banking services.

The BEA News

Among Member Banks

SBI revamps call centre, to offer 30 banking solutions in 12 languages



State Bank of India has revamped its customer call centres by unveiling a new contact centre which will offer over 30 banking solutions in 12 languages and will be available round the clock.

Currently, the Contact Centre manages 1.5 crore monthly calls, with 40 per cent self-serviced through IVR, and the rest managed by over 3500 tele-caller representatives operating through 4 toll-free helpline numbers.

The customers can avail of an array of services related to accounts, ATM cards and Cheque book, Emergency services

(ATM card or digital channel blocking), access to digital products and support, product information, etc, the bank said.

“We are looking at the Contact Center not just as a service channel but as the Bank’s new 18th (virtual) circle that will drive business objectives,” SBI chairman Dinesh Khara said.

“The bank is getting higher conversions on pre-approved loan offers with the contact center outreach. In addition, the center’s collection outreach has improved asset quality by reducing slippages. These efforts have transformed the Contact Center into a Profit Center”, he added.

Business Standard

MUFG announces publication of Transition Finance Guide Published by the Net-Zero Banking Alliance



MUFG announced on October 5 the publication of the Transition Finance Guide by the Net-Zero Banking Alliance’s (NZBA) Financing & Engagement Work Track (Work Track).

1. NZBA and MUFG’s activities

The NZBA, launched in April 2021, is an industry-led alliance convened by the United Nations Environment Programme Finance Initiative (UNEP FI). Its goal is to align member banks’ lending and investment portfolios with net-zero greenhouse gas (GHG) emissions by 2050. The alliance started with 43 banks, but has expanded to 117 member banks worldwide as of the end of September 2022.

MUFG announced its Carbon Neutrality Declaration in May 2021, and the following month, became the first Japanese financial institution to join the NZBA. MUFG was appointed to the Steering Group, which consists of 12 banks selected from the member banks in each region, as the only representative bank

from Japan. We, together with other Steering Group member banks, have been responsible for the governance of the NZBA.

The NZBA set up the Work Track in January 2022 to create guidelines for transition finance. MUFG has contributed to discussions for developing this through the monthly Work Track meetings to promote client engagement and transition finance.

2. NZBA Transition Finance Guide

The NZBA announced the publication of the NZBA Transition Finance Guide (<https://www.unepfi.org/net-zero-banking/members/resources/>). The Guide provides member banks with principles to use as a reference for their approach to transition finance and proposes policy measures to mainstream transition finance. MUFG believes that transition finance is a key enabler for achieving carbon neutrality by 2050.

MUFG will continue to support our clients’ transitions with the knowledge and networks gained through activities in the NZBA and Work Track.

MUFG News

Mizuho to Buy Stake in Rakuten’s Brokerage Unit for \$552 Million



Mizuho Financial Group Inc. agreed to buy a minority stake in Rakuten Group Inc.’s online securities arm for 80 billion yen (\$552 million), the latest move by a Japanese bank to team up with a technology company and bolster digital services.

The Japanese lender’s brokerage unit will buy almost 20% of Rakuten Securities Inc., the companies said on Friday. The transaction is scheduled to be completed in November.

The deal comes after billionaire Hiroshi Mikitani’s e-commerce giant this year announced plans to separately list its securities and banking businesses, which have been supporting earnings after a foray into Japan’s mobile market led to losses and put a strain on cash.

“Rakuten Securities Holdings is currently preparing for a stock listing,” the parent company said in a statement. “We

believe that an alliance with a securities company will lead to an increase in the value of shares of both Rakuten Securities Holdings and the company.”

Rakuten shares have climbed about 4% since news of the deal emerged on October 5, paring this year’s decline to 41%. Mizuho is little changed in the past two trading sessions.

Japan’s biggest banks have been struggling to build scale in their online securities businesses and compete with industry leaders like SBI Holdings Inc. and Rakuten. Sumitomo Mitsui Financial Group Inc. in June agreed to take a 10% stake in SBI, the country’s largest internet brokerage.

S&P Global Ratings said Mizuho’s investment will help increase revenue for Japan’s third-largest bank since it should expand its base of younger customers who are beginning to build their nest eggs.

“Rakuten Securities and Mizuho Securities aim to leverage the power of attracting customers from a wide range of generations,” the companies said. They plan to collaborate

Among Member Banks

in areas including asset management consulting and equity and bond offerings arranged by Mizuho.

Rakuten Securities has about 8 million accounts, compared with SBI's 8.8 million at the end of June, according to the companies. Like other Rakuten Group businesses, the brokerage has taken advantage of the internet retailer's popular loyalty points program to attract customers.

After media including Bloomberg reported Mizuho's investment this week, Natsumu Tsujino, an analyst at Mitsubishi UFJ Morgan Stanley Securities Co., said a price tag of 80 billion

yen for a 20% stake was too expensive.

Bloomberg Intelligence analysts including Shin Tamura said the price implies a "hefty" price-to-book ratio of almost three times, versus 1.2 times for rival Monex Group Inc.

Tsujino said Japan's online brokerage industry is likely to face tough competition ahead, given SBI's plan to scrap trading fees for domestic equities. She also said Rakuten's profit is likely to be affected by a recent suspension of structured bond sales.

Bloomberg

SMBC Signs a Memorandum of Understanding Regarding Business Collaboration with Banque Misr



Sumitomo Mitsui Banking Corporation (SMBC, President and CEO: Makoto Takashima) announced the signing of a Memorandum of Understanding (MOU) with Banque Misr on August 24, 2022, aimed at developing collaboration with regard to trade digitalization.

Banque Misr is one of Egypt's top financial institutions, providing a variety of financial services through its wide banking networks in the country and throughout the region, and is a market leader in trade finance and the digitalization of trade finance.

Recently, SMBC and Banque Misr have been

developing their cooperation in this area, for instance by concluding a joint trial on a digital trade platform. The signing of this MOU is aimed at accelerating collaboration between the two banks in the field of trade digitalization, as well as strengthening cooperation across trade businesses, including the digitalization of trade documents and the visualization of trade transactions processes between Egypt and Japan, in addition to other Asian countries. This is all intended to further expand and enhance our client support, in addition to our recent efforts leveraging innovative digital technologies, such as blockchains.

Through further cooperation with Banque Misr, SMBC will enhance its support for Africa-related businesses and contribute to sustainable economic growth in the region.

SMBC News

Maybank's R.I.S.E. uplifts lives of over 19,000 PWDs across ASEAN

Maybank's economic empowerment programme R.I.S.E. (Reach Independence and Sustainable Entrepreneurship), which is designed to support disadvantaged communities particularly Persons with Disabilities (PWDs) in ASEAN, has positively impacted the lives of 19,481 participants across Malaysia, Indonesia, the Philippines and Laos.



To commemorate the successful implementation of this flagship programme by Maybank Foundation, a documentary was released to celebrate the success of the R.I.S.E. participants whose lives have been transformed and to show the positive impact the programme has had on their families and communities they belong to.

A premiere of the R.I.S.E. documentary, entitled "A Time to R.I.S.E." was held on 30 September at the Fairmont Hotel, Jakarta and was graced by Lee Yoong Yoong, Director for Community Affairs Directorate, ASEAN Secretariat; Endang Kurnia Saputra, Deputy Director of the Representative Office of Bank Indonesia DKI Jakarta; Dr. Salahuddin Yahya, Secretary of Directorate General of Social Rehabilitation, Ministry of Social Affairs; and Premi Lasari, Head of Social Department of Jakarta Province.

Also present were Maybank and Maybank Foundation

Chairman Tan Sri Dato' Sri Zamzamzairani Mohd Isa, Maybank Group President & Chief Executive Officer Dato' Khairussaleh Ramli and Maybank Chief Sustainability Officer Shahril Azuar Jimin.

Tan Sri Dato' Sri Zamzamzairani said that as a leading financial institution in the region, Maybank is in a key position to uplift PWDs so that they are able to remain independent and continuously contribute towards economic growth. The R.I.S.E. programme seeks to provide real and tangible support for disadvantaged communities as part of Maybank's commitment to drive financial inclusion across ASEAN and meet one of the Group's sustainability goals of improving the lives of 1 million households across ASEAN by 2025.

"Our Sustainability agenda under the M25 plan is anchored on our mission of Humanising Financial Services. In driving this, we will continue to implement initiatives for the betterment of the people and society in the region especially via high impact programmes such as R.I.S.E. This will be our longstanding commitment to further equip communities with lifelong financial skills and knowledge, addressing current and situational needs, and building financial resilience."

The top 40% of the participants trained have achieved an average monthly income increase of 379.52%, while 70% of all participants were able to become self-sufficient and continue to thrive in running their businesses years after the initial training. This was also achieved without any loans or financial aid.

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R.I.S.E is one of Maybank Foundation's flagship programmes carried out in partnership with social enterprise People Systems Consultancy (PSC). It is in line with the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 in ASEAN and the United Nation's Sustainable Development Goals (SDGs).

Maybank Foundation, which was established in 2010, actively supports community programmes under six key pillars namely Arts & Culture, Education, Community Empowerment, Environmental Diversity, Healthy Living and Disaster Relief.

Maybank News

Bank of Maldives Launches its Innovation Lab Hackathon



BANK OF MALDIVES

Bank of Maldives has announced the BML Hackathon as the 12th high impact monthly community initiatives to celebrate leading up to the Bank's 40th anniversary in November 2022.

The Hackathon will be held under the theme of developing 'Banking Solutions to Enhance Customer Experience' to select participants for its new Innovation Lab. Individuals and teams can register for the 48-hour hackathon to develop innovative fintech ideas and solutions to enhance customer experience and operational excellence.

BML's In-charge and Acting MD, Aishath Noordeen commented, "We continue to see interest from developers and the fintech community to revolutionize the banking industry using modern technology. Through this Hackathon, we aim

to support the brightest and most creative of the local tech community to tackle challenges and deliver banking solutions to provide our customers a better experience. We are looking forward to receiving innovative and sustainable technological solutions through this hackathon and supporting the winning teams in realizing their ideas at our new Innovation Lab."

Three winning teams will be selected to go into the Bank's Innovation Lab to develop their winning ideas over a period of 6 months. At the Innovation Lab, the Bank will provide:

- A furnished private working space to use as an office
- Monthly allowance of MVR 20,000 for each team
- Long-term maintenance contract of the developed solution

More details about the event are available at <https://hackathon.bankofmaldives.com.mv/>

Bank of Maldives News

Philippine National Bank named 'Best Disbursement Partner' by SSS



PNB

The Social Security System (SSS) awards Philippine National Bank (PSE: PNB) as 'Best Disbursement Partner' in the Commercial Bank category of its "2022 Balikat ng Bayan Awards" during its 65th founding anniversary celebration held last September 30 at the SSS Main Office in Quezon City.

"We are honored and grateful to receive this award from SSS," said PNB Acting President Florido P. Casuela. "PNB has been a proud partner of SSS for the past 65 years. We are committed to being a reliable partner in providing diverse banking services to SSS and its members."

The 'Best Disbursement Partner' distinction is awarded to financial institutions for achieving the highest amount of

benefits disbursed to SSS members.

The awardees are recognized for their compliance to the provisions of the Social Security Law in terms of coverage and giving out of benefits, accuracy and timelines in their submission of reports to SSS, and participation in SSS programs.

Shown in photo receiving the award on behalf of PNB was EVP and Head of Global Banking and Markets Sector Roberto Baltazar (4th from left). The award was presented by no less than President Ferdinand "Bongbong" Marcos Jr.

Instituted in 1995, the Balikat ng Bayan Awards is held annually to acknowledge the valuable contributions of companies, institutions, and individuals in helping SSS achieve its mandate to its members in the Philippines and abroad.

PNB News

Among Member Banks

RCBC at 62: Business heads push digital agenda to make banking more relevant

The next generation of bank customers are digital natives, and they expect their banks to keep up with their rapidly evolving financial needs. Rizal Commercial Banking Corporation (RCBC) may be 62 years old now, but the business heads behind all those successful years are determined to lead an enterprise-wide digital transformation to prove that the Bank is truly a partner for generations.



The Yuchengco-led RCBC has reaped awards over the years to show its ability to meet modern expectations. For three years in a row, RCBC took home Asiamoney's top digital bank awards including Best Digital Bank and Best Bank for Digital Solutions. The winning streak continues, and from the past year it received almost 100 accolades from various local and international award-giving bodies. The transformation and continuous evolution touched all areas of the bank, and recognized RCBC as Best Corporate Bank, Best Retail Bank, Best in Cash Management and Best SME Bank among others.

"We have been leading transformative growth from within so we can serve our customers' banking interests and needs throughout the different stages in their lives and businesses. This means driving innovation, culture and processes to deliver the best customer experience," says RCBC President and CEO Eugene S. Acevedo.

If there's one lesson everyone learned from the pandemic, it is that innovation is no longer an option. While the bank has invested in emerging technologies, building

an agile workforce remains the crucial link to drive digital transformation. This meant recreating a mindset that is digital and customer-centric.

More Filipinos will indeed get into digital banking, including those that are in markets that have been previously untapped by financial services. Lito Villanueva, Head of the Digital Enterprise and Innovations Group, says, "We will continue building a digital-first nation that is financially inclusive. A nation where people are free to achieve their dreams without barriers. No one will be left unbanked and underserved. In RCBC, we are committed to making a sustainable and inclusive digital economy happen."

Rizal Microbank President Raymundo Roxas says that harnessing innovative lending methodologies will produce impactful and sustainable results for clients and local communities.

"RCBC shall be in the forefront of advancing financing especially in the countryside. Rizal Microbank, as a thrift bank subsidiary of RCBC, shall actively participate using appropriately designed products for micro and small enterprises including those in the agricultural sector," Roxas shares.

There is so much to be excited about RCBC's continuing partnership with the new generation of banking customers. And as echoed by all the other business heads in RCBC, the beauty of it is that with inclusivity in the mix, every Filipino will hopefully have their own bank accounts someday to make a sustainable, digital-first economy happen.

Business World

Doha Bank Introduces Google Pay to its Customers

Smartphones and wearable technologies have become integral to every aspect of our lives. Hence, digital payments solutions across all smartphone platforms and accessories have developed radically to alter the way people conduct financial transactions on the go, while traveling, dining out and shopping by holding payment cards and loyalty in one place on their smartphones.



Doha Bank, one of the largest commercial banks in Qatar has always placed a high emphasis on being a facilitator of digital payments across all smartphone platforms. Today, on its digital payments' forefront, Doha Bank has collaborated with Google to add support for Google Pay on both Android devices and supported WearOS devices. This allows Android users to pay with their debit or credit cards that are stored in their Google Wallet a digital wallet that was recently launched in Qatar.

"The Google Wallet provides a fast, easy and safe way to pay with any Android phone or Wear OS device," said Jenny Cheng, Vice President and General Manager, Google Wallet. "Tap and ride the train, tap to pay in stores, have easy access to your boarding pass, store your loyalty cards and more. Keep

everything protected in one place, no matter where you go."

Customers who setup debit or credit cards in their Google Wallet can use them to pay anywhere contactless payments are accepted, on apps and effortlessly on the web too.

On the Occasion of the announcement, Braik Al Marri Chief Retail Banking Officer said: "Doha Bank is glad to be one of the leading facilitators of digital payments and today we bring about your everyday essentials with Google Pay in one secure easy to access location in your phone to make any payment with a simple tap of your smartphone. Google Pay allows for safe and secure purchases using security and privacy built into every part of Google Wallet."

It is worth highlighting the layer of security, which in case of lost or stolen phone, the "Find my device" function can be used to instantly lock the device, secure with a new password or completely wipe the device clean from all personal information. These features function beyond the standard protections provided by credit and debit cards ensures that our customers enjoy a safe and secure payment experience. Google Wallet is now available for download on the Google Play store today.

Doha Bank News

Among Member Banks

IBEC fulfills its obligations on buyback of bonds



The International Bank for Economic Co-operation fully fulfilled its obligations on buyback of bonds of series 001P-01. IBEC debut issue was placed in October 2019 in the amount of 7 billion rubles with a three-year put-option.

The Bank fully paid the nominal value and the accumulated coupon income to all bondholders who submitted sale orders. Earlier, on September 27, 2022, the semi-annual coupon rate was set at 10.25% per annum for 1 year. As a result of preliminary negotiations and secondary sale, investors repurchased bonds in the total amount of 2.8 billion rubles.

IBEC News

DBS: Bitcoin is an Unprecedented Opportunity



Despite worries about persistent market volatility, bitcoin remains an unprecedented opportunity due to its ability to conduct uninterrupted trading without requiring a central counterparty for clearing, according to DBS.

2022 has been a difficult year for cryptocurrency markets which saw more than \$1 trillion in value wiped out. Security issues have also been spotlighted with expectations of a record year for crypto theft with \$3 billion stolen thus far, according to Chainalysis.

But within this vast universe of coins that will result in varying outcomes, one cryptocurrency stands out as an unprecedented opportunity in history, according to DBS.

“I think bitcoin is still unique whether the price changes or not,” says DBS investment strategist Daryl Ho in a recent media briefing attended by finews.asia. “If we just look purely on a price basis, you will see a lot of volatility and that doesn’t inform you a lot about what benefits it actually brings.”

According to Ho, the uniqueness behind bitcoin is not driven by its price but rather by its utility which allows you to

transfer value in a decentralized manner without the need for a central counterparty to clear the trade.

“If you were holding onto certain rationed assets as the start of February, you may not have been able to liquidate them at will because sometimes, exchanges were closed,” he explained. “But the bitcoin market was open 24/7. So there was an avenue for you to raise cash and liquidity, if necessary. Before bitcoin, there has never been any avenue that could do this.”

Proof of its confidence in select cryptocurrencies, DBS has been gradually developing its business in the asset class, particularly through its digital asset exchange DDEX which saw trading rebound in June this year to double volumes in April. More recently, the bank also extended access beyond institutional, family office and private banking clients to include its mass affluent segments.

“Most of the methods by which you trade assets require a central clearing party to verify the trade. So, it is still an opportunity that fiat money cannot buy because fiat monetary systems are still governed by central banks,” Ho said, underlining bitcoin’s 13-year track record as an additional confidence booster.

Finews.asia

UOB Industry-first sustainability tool to help companies overcome initial barriers in their green journey



UOB on October 13 announced the launch of the UOB Sustainability Compass at the Gateway to ASEAN Conference. The Sustainability Compass is a tool that provides a step-by-step guide for small and medium-sized enterprises (SMEs) to overcome their inertia and kickstart their sustainability journeys.

As an industry-first, the UOB Sustainability Compass takes “simplifying sustainable financing” a step further by providing businesses with customised reports based on their sectors and sustainability readiness.

With this report, SMEs are guided through a roadmap that identifies the different phases of going sustainable. They are educated on the regulations, standards and certifications that impact their sectors, and are recommended sustainable financing solutions to kickstart their sustainability initiatives.

Following the launch in Singapore, businesses in Malaysia, Thailand and Indonesia will have access to the UOB Sustainability Compass from 2023 onwards, extending this industry-first across our extensive ASEAN footprint.

The UOB Sustainability Compass launched on October 13 at Gateway to ASEAN, where UOB brought together 60 senior business leaders representing 18 countries including China, the United States, the United Kingdom and Australia. The conference at the Marina Bay Sands Expo and Convention Centre featured discussions on cross-border connectivity in the region, and how companies need to adopt digitalisation and sustainable practices in their financial supply chain management.

Sustainability is a game changer in an environment where businesses, especially the SMEs in the region, need to pivot into more environmentally recognised practices as their larger multinational corporate clients adjust their sourcing criteria. As such, the Sustainability Compass is designed to support the companies in their sustainability readiness, overcome their inertia and kickstart their sustainability journeys.

The ASEAN SME Transformation Study 2022 shows nearly 70 per cent of SMEs said they think there is an urgent need to look into sustainability objectives for their businesses. However, getting started is a challenge. To help companies overcome their inertia, the Bank worked with PwC Singapore to develop the UOB Sustainability Compass.

UOB News

Among Member Banks

HNB partners with WEBXPAY to launch low-cost digital payment solutions

Sri Lanka's leading online payment gateway solution provider, WEBXPAY announced a landmark partnership with the nation's leading private sector bank, HNB, to introduce affordable POS solutions to enable digital payments acceptance for Small and Medium Businesses (SMB).

As part of the ongoing Visa Acceptance Fast Track programme that WEBXPAY entered recently, the partnership will enable WEBXPAY to increase the circulation of Point of Sale (POS) terminals to SMBs. At present it is estimated that 96,000 POS terminals are in circulation.

Through its ongoing efforts, WEBXPAY aims to increase circulation of POS devices rapidly over the next 5 years, with Soft POS terminals such as Tap to Phone, and other Android POS machines expected to play a pivotal role in expanding cashless payment acceptance to SMBs.

"WEBXPAY is proud to partner with a true pioneer in tech-enabled banking – HNB – in order to rapidly expand access to the latest generation of contactless payments to support the growth and development of Sri Lankan SMBs. Based on global experiences we have seen that contactless payments can increase their transactions by 4x, and encourage 2x higher spend. This can help them attract and retain new business at a very crucial time for the SMB sector," said Omar Sahib, Founder & CEO, WEBXPAY.

In addition to low-cost POS machines, new solutions



like Tap to Phone payments are expected to prove a game changer for SMBs, enabling vendors to almost instantly convert any smartphone into a payment acceptance device.

"Sri Lanka's SMB sector serves as a backbone of our nation's economy, accounting for the vast majority of employment in Sri Lanka, and yet they often lack the resources, tools and expertise to engage with digital payment solutions. HNB, WEBXPAY, and Visa are all united by a deep commitment to leveraging the power of technology and partnerships to radically enhance the competitiveness of SMBs, and we look forward to working in close collaboration to rollout contactless payments and novel Solution like Tap to Phone (Soft POS), to SMBs across the island in the coming months," said Gauthami Nirranjan, Head of Cards, HNB PLC.

Visa has long been committed to power the digitisation of small businesses in Sri Lanka. As part of the Acceptance Fast Track program, we are delighted to enable this partnership between WEBXPAY and HNB and further empower the SMB sector with digital payments. Through our Cybersource platform, we will help enable card present acceptance as well as provide merchants with the convenience of tap to phone," said Avanthi Colombage, Country Manager, Sri Lanka and Maldives, Visa.

WEBXPAY and Visa's partnership with HNB represents the latest advancement in the Visa Acceptance Fast Track programme, which aims to empower small businesses to begin digital payment acceptance in a matter of seconds, thanks to new Visa solutions, onboarding processes and program participants.

HNB News

Bank of Taiwan gears up for all branches to become bilingual branches by 2025



Amidst a trend toward globalization and internationalization, the Financial Supervisory Commission (FSC) is supporting implementation of the National Development Council's "Blueprint for Developing Taiwan into a Bilingual Nation by 2030." Toward that end, the FSC is encouraging financial institutions to improve their employees' English language proficiency and build an environment that is conducive to the provision of friendly international financial services. The Bank of Taiwan (BOT) has responded to National Development Council (NDC) policy by adopting a vision of upgrading all of its branches worldwide to bilingual branches by the year 2025. On the morning of 21 September, FSC Chairperson Tien-Mu Huang visited the BOT Sungchiang Branch along with NDC Minister Ming-Hsin Kung and National Treasury Administration Director-General Chia-Chi Hsiao to observe the state of bilingual services there. Chairperson Huang praised the Sungchiang Branch for the success of its bilingualization effort and encouraged the branch to make even further improvements.

BOT Chairman Joseph Jye-Cherng Lyu and President Chih-Wen Hsu accompanied the officials to the Sungchiang Branch, where Chairman Lyu stated that the BOT's vision is to be "a leading bank with global presence." In line with government

policy, the BOT intends to cultivate more financial professionals with strong foreign language capabilities. Also, acting upon suggestions and encouragement received from top officials at the FSC, the NDC, and the Ministry of Finance, the BOT hopes to help the government achieve its goal of making Taiwan a bilingual nation by the year 2030. By establishing a bilingual environment and instilling in employees a more international mindset, the BOT is seeking to further build up its international competitiveness.

The BOT is actively working to promote bilingual branches, and has adopted three major goals: cultivate financial professionals with strong foreign language skills; build a warm bilingual atmosphere; and provide friendly international financial services. To achieve these goals, the Bank has adopted the following four strategies: improve the foreign language proficiency of bank employees; provide business locations that offer bilingual financial services; create friendly financial environments where the customer comes first; and improve the Bank's international service capabilities. In addition, the BOT has established a Task Force for Promotion of Bilingual Branches, which is working to build up a strong bilingual environment on the front lines where customers interface with service staff. The Sungchiang Branch is located in a financial district that has long been regarded as "Taipei's Wall Street." A large share of the foreign tourists in that district are from Japan,

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so the Sungchiang Branch provides services in both English and Japanese. At the same time, to meet demand for services in many other languages, simultaneous interpreting devices have been installed, thus providing friendly international financial services and demonstrating that the customer comes first at the Sungchiang Branch. So far, the BOT has launched 79 bilingual branches, four of which (Sungchiang, Tienmou, Minchuan, and Chungshan) provide services in both English and Japanese. By the end of 2022 the number of BOT's bilingual branches will increase to 107, which is more than the number launched by any domestic financial services firm, and moving forward the BOT will set up even more branches that provide bilingual services in

another foreign language besides English.

In addition, the BOT is among the banks that have been designated by the Ministry of Finance to administer matters related to the Employment Gold Card, has a special "Bilingual Services" section on its website, and provides a special bilingual application services hotline and contact window to help holders of Employment Gold Cards easily open accounts and submit credit card applications. These services put Taiwan's "financial soft power" on display and bring Taiwan in line with international practices as it marches toward acquiring the status of an important international financial center.

Bank of Taiwan News

SinoPac modernises retail banking tech front-to-back office with Temenos



SinoPac, one of Taiwan's largest banks, has selected banking tech heavyweight Temenos for digital banking software modernisation.

The bank is already a long-standing user of Temenos' core banking solution, Transact (the bank implemented it a decade ago), and is now extending the tie-up with the vendor to the front-office.

SinoPac will implement the enterprise suite of Temenos' digital banking functionality, covering the entire customer lifecycle from customer onboarding, account opening and servicing. This, Temenos says, "delivers a complete end-to-end retail banking solution" at SinoPac.

Robert Tsai, SinoPac's chief innovation officer (CIO),

says the new solutions will "turbo-charge" its digital banking initiatives and will help meet evolving customer needs "faster and at a lower cost".

SinoPac is among the top five banks in Taiwan and at the forefront of digitalisation. Its DAWHO account – which boasts around 1.2 million users and 80% engagement – is the first to combine savings, credit cards, wealth management, mortgages, foreign exchange, and securities investment within one app.

Temenos' managing director for Asia Pacific, Craig Bennett, is confident the bank will take the innovation "to the next level" with the help of new tech.

Also in Taiwan, Shanghai Commercial & Savings Bank (SCSB) is working with Temenos to upgrade its core banking platform.

FinTech Futures

CTBC unique among six 'domestically important banks' in capital adequacy



CTBC Bank was the only bank among the nation's six "domestic systemically important banks" (D-SIB) that retained a capital adequacy gauge above the minimum requirements as of the end of June, data released by the Financial Supervisory Commission showed.

Five other D-SIBs failed to meet the requirements of 11 percent for a common equity tier-1 ratio, 12.5 percent for a tier-1 capital ratio and 14.5 percent for capital adequacy ratio, as set by the regulator due to the effects of volatile financial markets, the commission said.

CTBC's common equity tier-1 ratio, tier-1 capital ratio and capital adequacy ratio stood at 11.7 percent, 13.29 percent and 15.15 percent respectively at the end of June, commission data showed.

These gauges provide regulators and investors with the information required to estimate whether a bank can withstand financial stress. To meet higher requirements, a bank usually boosts its core capital or reduces its loans.

The other five banks are Taipei Fubon Commercial Bank, Cathay United Bank, Mega International Commercial Bank, Taiwan Cooperative Bank and First Commercial Bank.

The commission said the five banks saw some or all of their capital gauges fall below the minimum requirements because of higher risk-weighted assets such as mortgages, or due to falling core capital like shareholders' equity or retained earnings, it said, adding that banks should promptly improve their capital standards.

Banks in Taiwan reported an average common equity tier-1 ratio of 10.8 percent, tier-1 capital ratio of 12.03 percent and capital adequacy ratio of 14.22 percent at the end of June.

Taipei Times

Among Member Banks

First Commercial Bank Mobile Banking launches at its branches in Tokyo, Vancouver and Toronto



- Customers of Tokyo branch, Vancouver branch and Toronto branch can use the FCB eBanking APP from September 29, 2022.
- FCB eBanking APP is available for customers of Phnom Penh Branch (including Sub-branch), Ho Chi Minh City Branch, Hanoi City Branch, London Branch, Brisbane Branch, Tokyo branch, Vancouver branch and Toronto branch, the functions are as follows:
 - ◇ Quick login service: Login by using Fingerprint Identification / Face ID / Pattern Password / Digital Password, it can be bound to up to 5 devices.
 - ◇ Manage your bank accounts: Saving account inquiry, time deposit account inquiry, loan details.

- ◇ Investment information: Exchange rate inquiry, interest rate inquiry.
- ◇ Notification services: App login, reset login password, eSecure device binding and successful transfer/remittance notifications.
- ◇ Internationalization: Switching language across multiple languages (Traditional Chinese, English, Khmer, Vietnamese and Japanese) is supported.
- ◇ eSecure: A secure and convenient authentication by push notification of your registered mobile device (Except Vancouver branch and Toronto branch).
- ◇ Report loss of ATM card, accounts transfer/remittance services: Only available to customers of Phnom Penh branch (including Sub-branch).

First Commercial Bank News

Land Bank of Taiwan Issues NT\$2.5 Billion of Sustainable Development Bonds as Part of ESG Program



In support of the government's

Corporate Governance 3.0-Sustainable Development Roadmap and Green Finance Action Plan 2.0, Land Bank of Taiwan issued its first sustainable development bonds in 2021, followed by more issues on August 23 and August 25 in 2022, respectively for an aggregate amount of NT\$2.5 billion.

All the proceeds will be used for green investments and projects to benefit society. This demonstrates our bank's commitment to ESG, responsible investments, and determination to promote sustainable finance.

To respond to the global drive for sustainability, Land Bank of Taiwan continues to provide project finance and green lending by leveraging its expertise in real estate. This contributes to the national economy's development and fulfills our corporate social responsibility anchored on social, environmental and corporate governance with short-term, mid-term and long-term goals and strategies for sustainability.

To connect with the international community and to drive sustainable development, Land Bank of Taiwan has established Sustainable Development Committee. It has come up with an ESG action plan with six pillars: sustainable finance, customers' rights, caring for employees, corporate governance, environmental sustainability, and social engagement. This top-down approach aims to achieve all the social, environmental and corporate targets each year. In the face of the transition risks and physical risks and the opportunities associated with climate change, Land Bank of Taiwan joined the Taskforce for Climate Change Stress Testing of the Bankers Association of Taiwan in 2020, to continue to advocate climate change risk management. In April 2022, we became a signatory of the Task Force on Climate-Related Financial Disclosures (TCFD). This means our climate change information is disclosed according to the four core TCFD pillars: governance, strategy, risk management, and

metrics and targets.

Regarding green finance, Land Bank of Taiwan continues to promote lending to six core strategic industries and renewable energy projects and invest in green bonds. Capital is deployed to encourage low-carbon transformation and enhance industry resilience. In June 2022, Land Bank of Taiwan became a signatory of the Equator Principles to further our commitment to sustainable finance.

In the 2022 assessment by the Financial Supervisory Commission on fair treatment of customers in the financial service industry, Land Bank of Taiwan remains at the top of the league. This is the fourth consecutive year to be ranked among the top 25%. We are one of the best nine-rated banks. To provide friendly financial services and ride on the trend of fintech, we have constructed a barrier-free website and continued to promote digital finance by offering various financial products, mobile payments and online applications for loans and insurance policy purchases. To ensure inclusive finance, Land Bank of Taiwan offers a comprehensive range of services to protect the living quality and properties of the economically vulnerable and older adults. This includes LOHAS Pension Loan, Preferential Housing Loans for the Youth, labor insurance and relief loans, and more senior care trusts for senior citizens and those with mental/physical disabilities. During the pandemic, we also provide relief measures and revival schemes for customers affected.

Going forward, Land Bank of Taiwan will continue to adhere to its core values in pursuing growth and excellence. We will seek to achieve sustainability and governance with actions by internalizing ESG and sustainability into our DNA. We will work with stakeholders to exercise influence, move forward to corporate sustainability and play a more proactive role in the positive development of society, the economy and the environment.

Land Bank of Taiwan News

Among Member Banks

Bangkok Bank launches “Be1st Rabbit LINE Pay debit card 2022”

Bangkok Bank has launched Be1st Smart and Be1st Digital debit cards with a new design of LINE FRIENDS characters (Beat & Play Collection) to target a new customer base. Three promotions are on offer to attract online shoppers and suit digital lifestyles with a target to issue one million cards. The Bank is confident the cards will be well received by young customers.



Bangkok Bank Executive Vice President and Credit Card Division Manager Shoke Na Ranong said the Bank received good feedback from customers after the successful launch of the co-branded debit card with Rabbit LINE Pay, an e-wallet provider in Thailand, under the name of “Be1st Smart Rabbit LINE Pay debit card” in 2019. The card helped the bank acquire young gen customers in line with the Bank’s strategy.

To leverage the popularity of the card among fans of LINE FRIENDS, the Bank recently launched the new design of “Be1st Smart Rabbit LINE Pay” that features lively cartoon characters under a theme of Beat & Play to make the card outstanding and give a sense of joy to cardholders. The card comes with a full range of debit card functions including making payments at stores using an EDC as well as online merchants, plus deposit-withdraw-transfers via bank ATM worldwide. This is also the first launch of a Contactless TPN UnionPay debit card. The “Be1st Digital Rabbit LINE Pay” debit card is a digital debit card (Virtual Card) that can be used to pay for goods and services at online merchants securely and users can control their online shopping through Bangkok Bank Mobile Banking. This suits the behavior and lifestyle of young people who are familiar with making online transactions including online purchases, food ordering, flight and accommodation bookings, movies and

music, as well as linking debit cards with an e-wallet to pay for goods and services which helps strengthen the cashless society.

Customers can apply for the Be1st Digital Rabbit LINE Pay via Bangkok Bank Mobile Banking and use the card immediately to make transactions. Moreover, they can set the transaction limit, enable and disable the card, change the purchase limit and suspend the card 24 hours a day. A physical debit card will be provided and delivered to the customer’s registered address. New customers can open an account and apply for the Be1st Smart Rabbit LINE Pay debit card at any Bangkok Bank branch nationwide.

Mr. Vithaya Topoyossakul , Co-CEO, Rabbit LINE Pay, said that, “ The previous co-branded debit card campaign has helped to expand our user base Nationwide. Users receive benefits from using the Be1st Smart Rabbit LINE Pay debit card, which can be used to pay via offline and online.

In 2022, Rabbit LINE Pay has grown by 13% to over 9 million users. We are part of LINE Family, the number one messaging app in Thailand with over 55 million users.

Having come through the COVID-19 pandemic, contactless payment has become increasingly more important to daily life. Users can bind their debit cards with Rabbit LINE Pay and pay at more than 300,000 merchants. One of the most popular services is LINE MAN food delivery.

Mr. Vithaya added that, “Rabbit LINE Pay makes it more convenient for users to apply for the Be1st digital Rabbit LINE Pay through its dedicated icon on LINE app. With the new design, leveraging LINE FRIENDS characters, we are confident to attract the next generation of Bangkok Bank customers, who will enjoy exceptional benefits. This card will help to enhance customer base between Rabbit LINE Pay and Bangkok Bank.”

Bangkok Bank News

OceanBank chairman returns to VietinBank as deputy CEO

VietinBank has recalled Do Thanh Son and made him deputy CEO after seven years at OceanBank, which he successfully led out of trouble.

He will hold the post for five years starting October 11.

He was a branch director at VietinBank when he was sent to ailing OceanBank as chairman in 2015.

Son and other VietinBank executives were tasked with restructuring OceanBank, one of the three weakest banks in



Vietnam and with large debts that the State Bank of Vietnam acquired in 2015 for zero dong.

The bank had accumulated losses of VND17.9 trillion as of the end of 2019, but it has been declining since.

Industry insiders said it could be transferred to another lender to manage.

Luu Trung Thai, deputy chairman of lender MB, said at a recent OceanBank meeting that a partnership with OceanBank is “both a political mission and an opportunity for MB.”

VnExpress International

Among Member Banks

Agribank receives Vietnam Digital Transformation Award 2022

On October 9, 2022, in Hanoi, Agribank's real-time low-value payment system was honored in the category of Outstanding digital technology products, and Agribank's centralized payment infrastructure system was honored in the category of Outstanding Digital Transformation Business of the Vietnam Digital Transformation Awards 2022 organized by the Vietnam Digital Communications Association (VDCA).

The Vietnam Digital Transformation Award aims to honor agencies, units, businesses and individuals with outstanding innovation in providing and applying digital technology to administrative, business and service management tasks; contributing to promoting the development of digital government, digital economy and digital society in Vietnam.

Digital economy, circular economy, green growth are development models of many businesses to promote efficiency improvement and new value creation to increase customer satisfaction as well as find new markets. For Agribank, digital transformation is an opportunity to accelerate development and catch up with the current trends.

With the goal of transforming to a digital banking model as the core factor for the bank's sustainable and long-term development in the current trend, over the past years, Agribank has focused on research and developed a strategic project on information technology (IT) for the 2016-2020 period, prioritizing investment in technology projects to strengthen the server system and IT infrastructure, upgrade the infrastructure

of data centers, network system, enhance security, ensure that IT systems always operate stably and safely; developing application systems for management and administration requirements and developing new products, new distribution channels, etc.

Directed towards developing retail banking services based on information technology, Agribank has provided more than 200 convenient products and services, focusing on developing strong e-banking services, 4.0 technology solution application services, digital transformation through the continuous launch and improvement of many digital products, in order to simplify the process, improve convenience for customers.

Recently, Agribank launched Agribank Digital - One-touch multi-utility bank that provides a full range of services of a bank, helping customers to actively access services 24/7: identification, customer authentication by eKYC biometric method (face, fingerprint); online account opening; online card issuance; E-Mobile Banking service registration; etc.

Agribank identifies digital transformation as the right and important strategic step that helps the bank increase its competitiveness and bring satisfaction to customers. Taking advantage of the network's advantages, in the future, Agribank will develop new products and services, modern payment solutions in line with market trends and the 4.0 technology revolution.

Real-time low value payment system won Sao Khue Award for excellent information technology product/system category in the banking sector.

Agribank News

Banking and Finance Newsbriefs

Bhutan

Bhutan Inflation below central bank's upper threshold

The cost of consumer goods and services dropped in August 2022 after seeing a six-month upward trend as both food and non-food prices saw a decrease.

The inflation measured in the consumer price index dipped to 5.6 percent in August from 6.61 percent in the previous month. The inflation rate was lower than the Royal Monetary Authority's upper threshold of 6 percent.

Inflation is the pace at which price of goods and services are rising over a period of given time.

Both food and non-food items

recorded a lower rate of increase in August compared to the previous month. The price of food and non-food items saw a decrease of 0.6 percent and 0.83 percent respectively.

The drop in food prices was because of the decrease in price of vegetables and fruits. It is expected that the vegetable prices will remain lower in the coming month as the vegetable harvest season falls between late September and early October.

The drop in non-food prices was because of the drop in the price of fuel – petrol and diesel by around 14 percent. The price of petrol and diesel fell by about Nu 9 and Nu 7 respectively from July to August in 2022.

However, August's inflation at 5.6 percent means the consumers had to pay 5.6 percent more for the same

quantity of goods from the same month a year earlier, squeezing the household budgets.

Food inflation, which accounts for 44 percent of the overall inflation, recorded a 5.2 percent increase. Non-food inflation, which accounts for 56 percent of the overall inflation, went up by 5.95 percent.

As 80 percent of Bhutan's import is associated with India, any inflationary pressure in India is expected to transmit to domestic inflation.

For the last two years, inflation was mainly driven by increased food prices, which was on a higher end compared to non-food prices.

From July 2021, an increase in non-food prices added to the inflationary pressure with the sudden hike in fuel prices due to limited supply and geopolitical

Banking and Finance Newsbriefs

tensions in the region caused a drastic increase in the overall commodity prices.

Inflation peaked at 8.2 percent by the end of the fiscal year 2021-22 mainly

driven by an increase in non-food prices.

The finance ministry estimated the annual inflation at 7 percent in the current fiscal year 2022-23 and 6.7 percent

in the fiscal year 2023-24.

Kuensel News

India

IMF Praises RBI For Tightening the Monetary Policy to Curb Inflation

The International Monetary Fund (IMF) on October 11 praised the Reserve bank of India (RBI) for tightening the monetary policy to curb inflation in the country.

“The RBI has appropriately been tightening to fight inflation as the inflation is above target, and since May, if my memory serves me well, it sort of delivers 190 basis points rate hikes and we think further tightening is needed to bring inflation to its target,” Garcia Pascual, Deputy Division Chief of the Monetary

and Capital Markets Department of the IMF, told reporters at a news conference here.

Tobias Adrian, Financial Counsellor and Director of the Monetary and Capital Markets Department of the IMF, said that monetary policy has tightened in India, similar to other emerging markets as well, where inflation has been above target.

“And certainly, inflation has been above the RBI's target recently, so we do expect a tightening of monetary policy going forward as well,” he said in response to a question.

In terms of financial stability, there are some pre-existing vulnerabilities, both in the banks and in the non-banking system, in India that is certainly still there and that is a cause of concern,” he said.

“We have flagged them in the Financial Sector Assessment Programme that we did in India some time ago, but some of these issues remain in India,” Adrian said.

In response to a question, Pascual said on financial stability, the issues are longstanding, and they pertain both to the bank and nonbank.

“On the banking side, I think the issue is related to prudent underwriting standards to have adequate and build further capital, so recognise problem loans because that can be a drag,” he said.

“If they are left on the balance sheet, it can be a drag to future lending and the recovery of the banking system, and those we see as the key issues,” Pascual said.

Outlook India

Iran

Iran, Russia to Connect Bank Card Networks within Months: Minister

Iranian Minister of Economic Affairs and Finance Ehsan Khandouzi said on October 10 that Iran and Russia's

bank card networks will hopefully be connected within the upcoming months.

“Good negotiations have been held between the Iranian and the Russian Central Banks, and I hope that the connection between the banking networks, as well as the connection between the networks of (Iran's national payment system) Shetab and (the Russian) Mir bank cards will take place within the

next two to three months,” Khandouzi was quoted by Hamshari Online news website as saying.

The linking of the banking systems of Iran and Russia will make it simpler for economic operators and tourists to easily conduct transactions, he added.

Tasnim News Agency

Japan

BOJ's Kuroda vows to keep easing to back still-recovering economy

Bank of Japan Gov. Haruhiko Kuroda has pledged to maintain monetary easing to support an economy that's still recovering from the pandemic and has yet to achieve a stable pace of inflation.

Wages need to increase much more to achieve Japan's price-stability target, Kuroda said at the Institute of International Finance annual meeting in Washington on October 12. The BOJ needs to continue easing in order to secure that inflation target and support the

economic recovery, he said.

Kuroda reiterated his view that Japan's inflation, which has accelerated thanks in part to a sharp weakening in the yen, is different than that seen in the U.S. and eurozone economies. Stable inflation must be accompanied by wage increases, and there's a need for caution about the outlook for consumer prices, he said.

The yen on Wednesday dropped past ¥146 per dollar, weaker than the level it hit last month that prompted Japan's first intervention to buy the yen since 1998. Earlier this week, Finance Minister Shunichi Suzuki said there was no change in his stance to take appropriate steps if there are excessive moves in the yen, as authorities have indicated their focus is on volatility not the level of the currency.

Kuroda said that while some

sectors of Japan's economy are suffering from the impact of the weakening yen, overall the currency's depreciation might have had a positive macroeconomic effect.

The BOJ chief also reiterated his view that Japan's intervention was appropriate. He said that the BOJ will continue to carefully monitor the exchange-rate's impact on the economy.

While speculation among traders persists that the BOJ will eventually adjust policy amid a global tightening wave, Kuroda has stressed the need to continue easing to support a slow recovery. Most BOJ watchers expect him to refrain from any shift toward tightening before his term ends in April.

The Japan Times

Malaysia

IMF raises Malaysia's growth forecast from 5.1% to 5.4%

The International Monetary Fund (IMF) has raised Malaysia's economic growth forecast for the year from 5.1% to 5.4%.

In its latest World Economic Outlook report released on October 12, the IMF also said that global growth is forecast to slow down from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023.

"This is the weakest growth profile since 2001, except for the global financial crisis and the acute phase of the Covid-19 pandemic," it said.

It also noted that global economic activity is experiencing a "broad-based and sharper than expected slowdown",

with inflation higher than seen in several decades.

"The cost of living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering Covid-19 pandemic all weigh heavily on the outlook," it said.

The report also said that projected growth in the Asean-5 countries (Indonesia, Malaysia, the Philippines, Singapore and Thailand) next year has been revised downwards to reflect mainly less favourable external conditions such as slower growth in major trading partners such as China, the Euro zone and the US.

Among the other reasons for its revision are the decline in household purchasing power from higher food and energy prices and, in most cases, more rapid monetary policy tightening to bring inflation back to target.

The IMF's latest forecast for

Malaysia is in the lower-end of Bank Negara Malaysia's (BNM) projected GDP growth range of 5.3% to 6.3% for 2022, which it issued in August.

However, caretaker finance minister Tengku Zafrul Aziz has said the country may exceed BNM's forecast following the stronger than expected 8.9% growth in the second quarter of this year.

BNM previously said the 8.9% Q2 growth rate was down to strengthening domestic demand, the steady recovery in labour market conditions, and ongoing policy support as the country moved towards endemicity and reopened international borders.

In a Bernama report in September, Tengku Zafrul said Malaysia was likely to chart even stronger growth in the third quarter despite facing a weaker global economy and the rising US dollar.

Free Malaysia Today

Maldives

Maldives on a Recovery Path Amid Fiscal Vulnerabilities

Although the Maldives' economy continues a strong recovery thanks to a rebound in tourism, the surge in global commodity prices has put pressure on domestic inflation, the government's fiscal position and balance of payments, says the World Bank in its twice-a-year update.

The latest [Maldives Development Update](#) (MDU) projects real GDP growth to be 12.4 percent in 2022, which is 4.8 percentage points higher than the forecast in early 2022. This is owing to the faster

than expected rebound in tourism. The GDP growth is projected to be 8.1 percent on average in the 2023-24 period as tourism is expected to support economic activity.

However, the pressure on domestic inflation, the government's fiscal position, and the balance of payments has increased due to rising global commodity prices. A blanket subsidy program on staple foods and fuel is expected to keep recurrent spending elevated. As a result, a better targeted subsidy program is recommended to reduce the overall fiscal burden. Although austerity measures may cushion some of the spending growth, upcoming election-related spending may counteract this. Continued public expenditure, particularly on ambitious large-scale projects such as social housing, which are largely financed by external

borrowing, is expected to maintain high levels of public debt, making the Maldivian economy vulnerable to domestic and external shocks.

"Despite improving growth and fiscal prospects, prudent debt management remains a top priority for Maldives to improve fiscal sustainability," said Faris H. Hadad-Zervos, World Bank Country Director for Maldives, Nepal and Sri Lanka. "The government's proposed general GST and tourism GST rate hikes are a meaningful step towards a fiscal adjustment, but more is needed, especially on the expenditure side, including reducing the fiscal burden of state-owned enterprises and better managing the provision of several subsidized goods and services."

World Bank Group

Mongolia

Mongolia consumers feel weight of inflation as food prices rise

Mongolia's consumer price index has averaged 15% over the past eight months amid mounting global headwinds. The coronavirus (COVID-19) lockdowns in Ulaanbaatar and the disappearance of foreign investors due to lockdowns hit the economy two years ago. Now China's frequent border closures and Russia's invasion of Ukraine are combining to escalate prices again.

Some of the biggest cost increases are in foods and non-alcoholic drinks, which have surged 22% this year, on top of an 11% rise last year, according to data compiled by the National Statistical

Office. Health and medical services are up 18% this year and transportation costs rose 19%.

Consumer buying power took another blow last week when the country's central bank announced that it had raised interest rates two percentage points to 12%. It's the fourth time this year the Bank of Mongolia has hiked its policy interest rate, raising it by six percentage points.

"Persistently high inflation severely impacts on the real income of households, and deteriorates purchasing power," said Sandagdorj Bold, senior economics officer for the Asian Development Bank (ADB) in Ulaanbaatar.

The rate hike will make borrowing more expensive but is designed to curb spending and slow the rising cost of goods. Or so the theory goes for central banks. But the solution is often more

complicated and in the case of Mongolia, prices are usually determined by external forces.

"Relying only on monetary policy tightening to address inflation could be destabilising," said Angana Banerji, the International Monetary Fund's mission chief in Ulaanbaatar.

Strong fiscal consolidation, or policies that reduce debt, are also needed to support monetary policy efforts to contain inflation, she said.

Getting a handle on inflation would help alleviate stress on Mongolia's poor and low-income households. Just buying basic foodstuffs has been a challenge for thousands of families, especially during China's periodic border closures. Russia's invasion of Ukraine has also pushed up prices due to soaring energy costs.

Bne Intellinews

Philippines

Philippine banks pledge to fight speculation after peso slide

Philippine lenders pledged to work with the central bank in fighting speculation in the foreign exchange market as the peso approaches a record low.

The Bankers Association of the Philippines, which also helps to look after the currency market, said it supports

the central bank's initiatives including supervision to ensure orderly markets.

"Together, we will work against speculative activities that tend to distort market prices and hurt the economy," the group said in a statement on its website on October 12.

The statement comes as the peso holds onto support near the record-low 59 per dollar. The local currency has lost more than 13% against the dollar this year, among the steepest declines in major Asian currencies.

"In order to be part of the solution, the banking industry continues to

work closely with the Bangko Sentral ng Pilipinas for orderly, fair, and transparent markets minus the unproductive activities that only hurt the public," President Antonio Moncupa said in the statement.

The central bank said Sunday it may require lenders to provide more documents to support foreign-exchange transactions and to increase reporting frequency. The monetary authority has been "very active" in the currency market to curb excessive volatility and stem the peso's losses, governor Felipe Medalla said.

Free Malaysia Today

Qatar

Qatar banking sector demonstrates resilience post pandemic

PwC Middle East on September 29 launched its latest Qatar Banking Sector Report, which highlights the resilience displayed by banks in Qatar despite volatility caused by the pandemic. The report explores how the financial banking sector in Qatar displayed strong volume growth supported by stable margins and effective cost management. The economic support packages offered by the government for the relief of some firms also helped ensure sufficient liquidity in the banking sector. However, lingering risk pressure remains high for most of the players with banks being highly exposed to shocks on their legacy portfolios.

The report also provides an extensive analysis on some of the new trends emerging from Qatar's financial sector. The financial services landscape has transformed fundamentally, with many new players entering the market

and leveraging different business and operating models offering added value for consumers. Furthermore, the pandemic played an important role in the process challenging the status quo and encouraging banks in Qatar to accelerate their digital transformation efforts such as increasing investments in digital capabilities to remain competitive and meet customer needs.

Ahmed AlKiswani, Qatar Financial Services Leader, PwC Middle East stated: "Despite the effects of the pandemic, the banking sector in Qatar has shown strong performance in 2021. To promote this long-term stability, we expect the sector to embrace new technology, ESG and ethical banking. The COVID-19 pandemic played an important role in challenging banks to accelerate their digital transformation and sustainability efforts. Embracing ESG frameworks and sustainable banking at the core of banking operations is the need of the hour and fortunately, banks in Qatar are ensuring that ESG is at the top of their agendas."

He added, "Furthermore, as the financial sector gets more complex with

increasing amounts of data, technology, new business and operating models, we will see key global trends such as open banking, Qatar Central Bank (QCB) digital currencies, Suptech and Regtech and next generation financial markets infrastructure become more prominent in the region and across Qatar. In order to respond to new market demand banks in Qatar will need to act quickly and transform into a digitally enabled version of themselves. Just delivering new features and channels will not work and fundamental groundwork needs to be done to transform core operations which often includes changing processes and organisational culture."

Overall, the short to mid-term outlook for banks in Qatar looks positive but this should be carefully managed to promote strength and secure recovery for the sector. In the long term, it is imperative for banks in Qatar to take bold and transformational steps as the banking sector follows its global peers on fundamental trends that have important ramifications for the financial sector.

ZAWYA

Russia

Russian economy activity slows significantly at end-Sept

Economic activity in Russia slowed significantly at the end of September, Bank of Russia Deputy Governor Alexei Zabolotkin told lawmakers on October 11, but payments to mobilised troops should cushion the negative effect on consumer demand.

The central bank has been instrumental in limiting the economic fallout from the conflict in Ukraine and subsequent sanctions targeting Russia, introducing capital controls to steady the

rouble, which had plunged to a record low against the dollar in early March.

An emergency rate hike to 20% in late February was followed by six cuts back to pre-crisis levels, but the bank suggested its rate-cutting cycle may have come to an end last month when trimming to 7.5%. The market is eagerly awaiting the next meeting on rates on Oct. 28.

"The board of directors will analyse all changes in the situation, as well as incoming data," Zabolotkin said when asked whether holding rates is likely.

He said the bank, which expects Russia's economic contraction to bottom out in the first half of next year, would slightly improve its 2022 full-year GDP forecast for a fall of 4%-6%.

The bank still sees the neutral rate range at 5-6%, Zabolotkin said, and is

maintaining its inflation forecast for 2022 of a rise by 11-13%, well above its 4% target.

"We will move smoothly towards stabilising inflation at the target," Zabolotkin said. "But the decline in inflation may be slower now. This is because the economic transformation demands significant price adjustments across a wide range of goods and services."

But as the conflict in Ukraine escalates and domestic pressure for a Russian victory intensifies, the focus on economic stability is jarring for some.

"Our special military operation is under way, we must understand how it will end...stop telling us about stability," lawmaker Valeriy Gartung of the small pro-Kremlin "Just Russia" party told Zabolotkin.

Reuters

Singapore

Singapore's MAS Launches ESG Impact Hub to Accelerate Growth of ESG Ecosystem

The Monetary Authority of Singapore (MAS) has launched the ESG Impact Hub (the Hub) to spur co-location and collaboration between Environment, Social, Governance (ESG) Fintech start-ups, financial institutions and real economy stakeholders.

The Hub will also anchor industry-driven sustainability initiatives such the Point Carbon Zero Programme and KPMG's ESG Business Foundry.

At the time of launch, fifteen ESG Fintechs and organisations are already set up at the Hub. MAS will continue to engage key stakeholders in building the Hub's onsite community, and fostering partnerships to enhance financial sector access to high quality climate and sustainability data, to support more efficient deployment of capital towards green and sustainable projects.

"The establishment of the ESG

Impact Hub is a critical milestone in Project Greenprint's journey to build a vibrant and robust ESG ecosystem in Singapore, underpinned by technology and data. This physical Hub will augment MAS' plans to launch a digital Greenprint Marketplace next year to catalyse the growth of the region's online ESG community; and will serve as the launchpad for public-private partnerships that support Asia's just and sustainable transition to a low carbon economy" commented MAS Chief Sustainability Officer, Dr Darian McBain.

East and Partners

Sri Lanka

Japan to organize Sri Lanka creditors' meeting over debt crisis

Japan is working to organize a meeting of Sri Lanka's creditors by the end of 2022 in hopes of solving that country's debt crisis, The Yomiuri Shimbun has learned.

The meeting, which will discuss such issues as finding ways to reduce debt payments, aims to curb China's influence by helping Sri Lanka cope with its so-called debt traps, which arose after China provided huge loans to the country to fund infrastructure developments and other projects.

Sri Lankan President Ranil Wickremesinghe asked Japan for help

during talks with Prime Minister Fumio Kishida and other people during a visit to Japan at the end of September to attend the funeral of former Prime Minister Shinzo Abe, according to Japanese government sources.

The meeting is expected to focus on measures to reduce debt payments and postpone repayment deadlines, among other related steps. Japan continues to urge other creditor countries to play a proactive role in dealing with the issue.

Sri Lanka's economy has suffered due to sluggish tourism during the novel coronavirus pandemic and soaring food and resource prices following Russia's invasion of Ukraine. In April, the Sri Lankan government introduced an emergency measure to suspend its repayment of external debts.

According to the Sri Lankan government, the nation's external debt at the end of June stood at \$46.6 billion

(¥6.93 trillion), accounting for about 70% of its gross domestic product.

Sri Lanka has more than 20 creditors, with China topping the list at \$7.3 billion (about ¥1.086 trillion), followed by Japan at \$2.7 billion (about ¥402 billion) and India at \$1.7 billion (about ¥253 billion).

While struggling to repay its debts, Sri Lanka in 2017 effectively transferred to China the operating rights of one of its ports.

China — which has come under criticism from the international community for causing Sri Lanka's economic collapse — will not play a leading role in restructuring Sri Lanka's debts, and the Japanese government will have to tread carefully in its efforts to reach agreement among creditors in a manner acceptable to Beijing.

Asia News Network

Taiwan

Taiwan to Reverse mortgage value increases less due to rate hikes

The value of reverse mortgages grew at a slower pace last quarter as the central bank's rate hikes increased interest payments for such loans, the Financial Supervisory Commission said.

Reverse mortgages allow homeowners to borrow money against the value of their homes without having to move out, with monthly interest payments

linked to the central bank's policy rates.

Most local banks offer reverse mortgages to people over the age of 60, the commission said.

Last quarter, reverse mortgages rose 3.64 percent quarter-on-quarter to NT\$36.2 billion, the third-lowest quarterly increase on record, the commission said.

Two of the 15 banks providing reverse mortgages reported a lower sum than the previous quarter, it said.

The commission attributed the slower momentum to the central bank implementing three consecutive rate hikes from March.

The number of reverse mortgage

applications in Taipei was flat last quarter, commission data showed.

The number of reverse mortgage applications in Taipei and New Taipei City totaled 3,273 at the end of last month, or 50.96 percent of the total, down from 51.48 percent at the end of 2021, while applications in Yunlin County, Chiayi County and Tainan increased to 8.23 percent, up from 7.82 percent over the same period, the commission said.

The commission said the increase in the number of applications in southern Taiwan reflected a recent uptick in housing prices in the region, as well as an increase in consumer interest.

Taipei Times

Thailand

Bank of Thailand flags inflation risk from further baht decline

The country faces the risks of inflation quickening further from a 14-year high if the baht continues to weaken, according to the central bank.

About 75% of imports are quoted in dollars while the rest are in sellers' local currencies, according to a

Bank of Thailand (BoT) presentation in a meeting with analysts on October 17. In this regard, monetary authorities said they're closely monitoring the exchange rate given the pass-through cost.

The baht is emerging as Southeast Asia's worst-performing currency in the second half, losing 7% during the period and hitting a 16-year low. Still, the BoT which has raised its policy rate only by a total of 50 basis point, is sticking to its gradual tightening approach as the "appropriate path."

"The BoT's monetary policy will

continue to support continued recovery in the economy and the central bank will refrain from adding uncertainty," Assistant Governor Piti Disyatat told analysts. The central bank will not aim at slowing economic growth to curb inflation as price increases are due to higher costs rather than demand, Mr. Piti said.

The nation's foreign currency reserves are robust enough to handle capital flows, and the drop in stockpiles is due to asset revaluation against a stronger dollar, Mr. Piti said.

Bangkok Post

Türkiye

Türkiye Releases 2023-2025 Medium-Term Program

Türkiye's new Medium-Term Program (MTP) for 2023-2025, jointly prepared by the Ministry of Treasury and Finance and the Presidency of the Republic of Türkiye Presidency of Strategy and Budget, was published in the Official Gazette on September 4, 2022.

Commenting on the new MTP, the Minister of Treasury and Finance Nureddin Nebati quoted that the program was precisely designed in the light of Türkiye's 11th Development Plan as well as the economic developments in Türkiye and the world. "While preparing

the program, we focused on the Türkiye Economy Model, which prioritizes GDP growth, employment generation, high value-added production, and export-oriented sustainable growth. We expect an average GDP growth of 5.3 percent and an additional employment of 2.7 million people over the next three years," Minister Nebati added.

The new MTP expects Türkiye's GDP to grow by 5 percent in 2023, and by 5.5 percent in 2024 and 2025. Moreover, GDP per capita is predicted to surpass the USD 10,000-threshold and reach USD 10,071 by 2023, USD 10,931 in 2024, and USD 12,091 in 2025.

The unemployment rate is expected to gradually decline to 10.4 percent in 2023, 9.9 percent in 2024, and 9.6 percent in 2025.

While annual inflation in Türkiye

is expected to be 65 percent by the end of this year, it is expected to fall starting from next year, receding to 24.9 percent in 2023, to 13.8 percent in 2024, and finally to a single-digit inflation of 9.9 percent by 2025.

Türkiye will continue to set new export records in the coming years with an export target of USD 305 billion by the end of 2025.

Meanwhile, tourism revenues were revised to new records, with USD 45 billion in 2023, USD 55 billion in 2024, and USD 62 billion in 2025.

The new MTP also projects the current account balance / GDP ratio and the central government budget deficit to GDP ratio to recede to 0.9 percent and 1.5 percent respectively by the end of 2025.

Invest in Türkiye

Vietnam

Vietnamese currency falls to record low against dollar

The dong depreciated to a new low against the U.S. dollar on October 19 morning, with state-owned Vietcombank selling the greenback at VND24,620.

The Vietnamese currency fell 0.12% from October 18 and 7.24% since the beginning of the year. Eximbank sold the dollar at VND24,620, 0.24% higher than October 18, and Techcombank at VND24,680, 0.33% higher.

The U.S. Dollar Index, which measures the currency's strength against six major currencies, is at the highest level since 2002 of around 112.

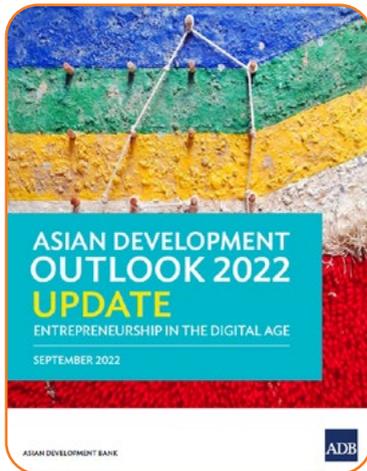
Analysts expect the dong to

come under more pressure from a surging dollar in the remaining months of this year since the State Bank of Vietnam does not have much reserves left to defend the dong after selling around 20% on it so far this year.

As up to 70% of all trade contracts in Vietnam are paid in dollars, its continuing strength is bad news for businesses.

Retail News from Asia

Asian Development Outlook (ADO) 2022 Update: Entrepreneurship in the Digital Age



In this report, ADB has lowered its forecasts for economic growth in developing Asia and the Pacific to 4.3% in 2022 and 4.9% in 2023, amid mounting challenges. Its theme chapter looks at how digital entrepreneurship spurs growth and innovation.

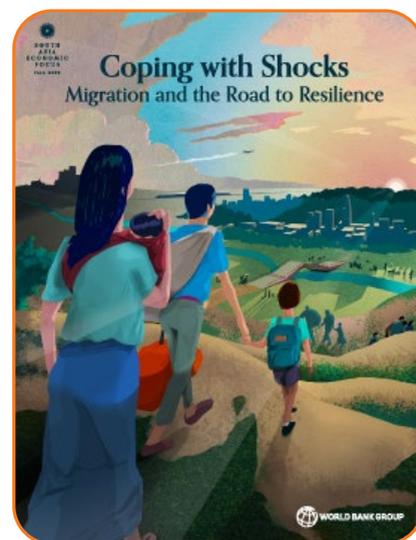
The region's economy is expected to grow 4.3% this year, compared with ADB's projection in April of a 5.2% expansion, while the growth forecast for next year is lowered to 4.9% from 5.3%. The downward revisions have been driven by increased monetary tightening by central banks, fallout from the protracted Russian invasion of Ukraine, and recurrent COVID-19 lockdowns in the People's Republic of China. Inflation in developing Asia this year is likely to reach 4.5%, up from ADB's earlier projection of 3.7%. The forecast for 2023 is 4.0%, up from 3.1%. While inflation in the region remains lower than elsewhere, supply disruptions continue to push up food and fuel prices.

The report's theme chapter looks at the role of entrepreneurship in achieving inclusive growth, and how governments in the region can create a more enabling environment for digital entrepreneurs.

Details: [Asian Development Bank](#)

Coping with Shocks: Migration and the Road to Resilience

South Asia is facing renewed challenges. The impact of the Russia-Ukraine war on food and energy prices on domestic inflation is long-lasting. Externally, countries' current account balances deteriorate rapidly as imports rise on the back of economic recovery and rising inflation, remittances decline, and foreign capital flows out following monetary tightening in advanced economies. An economic slowdown in advanced economies and trading partners can also be a drag to the exports sector and remittances inflows, which many countries in the region depend on. These immediate challenges can translate to persistent deterrent to long-term growth and development. Higher energy prices already are changing the attitude of many countries outside the region about green transition and carbon reduction. The South Asia region is thus at a critical juncture. The theme chapter provides a deep dive into COVID-19 and migration. Migrant workers and remittances flows are important for South Asia as sources of income and means to smooth local income shocks for households, and as an important source of foreign reserves for the country. The pandemic changed the flows of migration, as some migrants had to return home and some had to stay in foreign countries due to COVID-related restrictions. The chapter studies the long-run trend of migration in the region,



how COVID-19 impacted migration and remittance inflows, whether migration has (or has not) recovered, and proposes policies to address underlying problems.

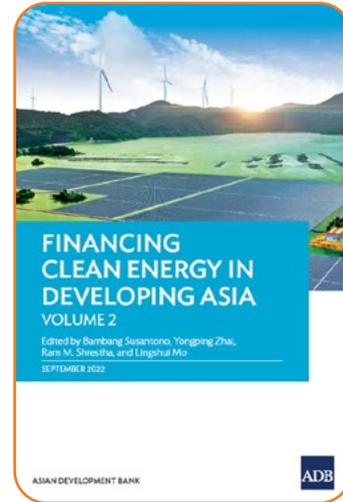
Details: [World Bank Group](#)

Financing Clean Energy in Developing Asia—Volume 2

This book examines clean energy financing and approaches in hydropower and demand-side energy efficiency projects, along with policies and strategies based on experiences in South Asia.

It is the second of the two volumes of books on Financing Clean Energy in Developing Asia produced by ADB. The two volumes review tried and tested approaches and instruments in scaling up clean energy development in Asia and the Pacific.

Details: [Asian Development Bank](https://www.adb.org/publications/financing-clean-energy-in-developing-asia-volume-2)



Virtual 38th ABA General Meeting and Conference

REDEFINING THE FUTURE OF BANKING THROUGH DIGITAL TRANSFORMATION

November 1-4, 2022

The Conference will address how digital transformation will determine the direction the industry is taking, and why it is imperative for banks to consider technological advances in their strategies and take advantage of the opportunity to make themselves customer-centric, innovation-driven, and future-ready.

NOV 1
2:00 PM - 4:00 PM
Taipei Time

OPENING CEREMONY & PLENARY SESSION ONE:
The Digital Transformation Journey
This session will feature speakers who will share their perspectives on the main areas of digital transformation, namely, process transformation, business model transformation, and cultural and organizational transformation.

NOV 2
2:00 PM - 4:00 PM
Taipei Time

PLENARY SESSION TWO:
Asian Banks: Navigating Through a Digitized Environment
Invited speakers will exchange views on how banks can better understand and fulfill customer needs, make the customer journey personal, automated, safe enough for them to cope with cybersecurity and customer fraud, and cohesive within a single ecosystem.

NOV 3
2:00 PM - 4:00 PM
Taipei Time

PLENARY SESSION THREE:
Promoting a Sustainable World: Fostering Green Finance
This session will feature speakers who will share their insights on the need for greening the financial system and the role of financial governance; examine the state of green lending and investment in Asia; and provide an overview of market innovations and green financial governance initiatives across Asia.

NOV 4
2:00 PM - 4:00 PM
Taipei Time

PLENARY SESSION FOUR:
Emerging Trends in Banking and Financial Services

Sub-Session One: Fintech Revolution: Impact on the Banking Industry
This session will feature speakers who will examine the impact of fintech on payments and lending in Asia, focusing on the new technologies and services entering the market; the level of disruption faced by banks; and the regulatory response to these new developments.

Sub-Session Two: The Future of Digital Currency
Subject experts and industry leaders will share their thoughts and perspectives on trends and developments in the era of digital currency since it started in 2012-2013; the role that commercial banks and other FIs and regulatory bodies have played in the new ecosystem; and how they see its future will be.

Sub-Session Three: Shifts in the Banking System: LIBOR and Others
This session will invite speakers who will elaborate on their views on what banks should be doing to prepare for the end of LIBOR and what to include in the checklist when developing a transition plan that is customized to their specific needs and risk management guidelines.

Register for the 38th ABA Conference

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