Asian Bankers Association

Newsletter

Table of Contents

April 2023

ABA Announcement

ABA Planning Committee scheduled virtually on May 12, 2pm Taipei Time

The ABA Planning Committee Meeting is scheduled to take place virtually on May 12, 2023 at 2:00 PM, Taipei Time.

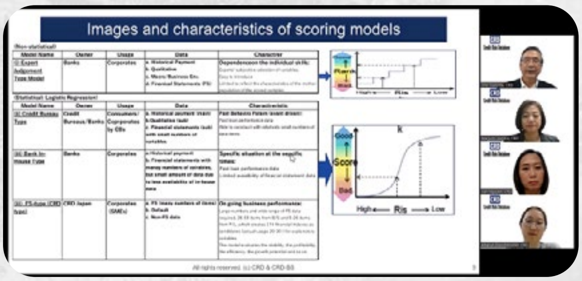
To be chaired by ABA Chairman Mr. Eugene S. Acevedo, President and CEO of Rizal Commercial Banking Corporation (RCBC), the meeting will have the following primary objectives:

1. To discuss preparations for the 39th ABA General Meeting and Conference to be held tentatively in end of November this year in Kathmandu, Nepal, with the Nepal Bankers Association as host organization. Discussions will focus on the final dates and venue of the Conference, theme and topics for the Conference, suggested format and program, possible line-up of speakers, and other related matters.
2. To review the program of ABA activities in 2023, including the 2023 Work Program of the ABA Policy Advocacy Committee

Further details on the meeting (e.g., annotated agenda, meeting link, discussion papers, etc.) will be shared with members as soon as these are available.

Training Programs

Webinar on "Banks' Lending & Credit Risk Assessment" held on April 13



The Asian Bankers Association (ABA), the Association of Credit Rating Agencies in Asia (ACRAA) and CRD Association Japan held a successful webinar on "Enhancement of Banks' Lending and Credit Risk Assessment: Scoring Model Using Machine Learning & Transaction data" on 13 April, 2022 at 2PM Taipei time.

The ninety-minute session gathered more than 497 registered participants from all over Asia. The webinar featured as speakers Jiro Tsunoda, Senior Advisor CRD Association Japan (Former Principal Portfolio Management Specialist, Asian Development Bank), and Dr. Lan Nguyen, Deputy Director, International Department CRD Association Japan (Former Research Associate, Asian Development Bank Institute).

Megumi Sagara, Director, International Department, CRD Association Japan and Dr. Khaliun Dovchinsuren, Senior Analyst International Department, CRD Association Japan joined the Q&A session.

56th ADB Annual Meeting to be held in Incheon, Korea on May 2-5, 2023

ADB INCHEON 56th ADB ANNUAL MEETING 2-5 MAY 2023

The Asian Development Bank (ADB) is holding its 56th Annual Meeting on May 2-5, 2023 in Incheon, Korea. The Annual Meeting of the ADB Board of Governors is an opportunity to provide guidance on ADB administrative, financial, and operational directions. The meetings provide opportunities for member governments to interact with ADB staff, nongovernment organizations (NGOs), media, and representatives of observer countries, international organizations, academe and the private sector. ADB's annual meetings have become a premier forum for the discussion of economic and social development issues in Asia and the Pacific.

Participants of the Annual Meetings include:

- Finance and Economic Planning Ministers
- Senior Government Officials
- Representatives of the Multilateral Development Bank Community
- Investment Bankers
- Representatives of Nongovernment Organizations
- Members of the Media

For inquiries, e-mail: annualmeeting@adb.org.

Training Programs

Chief Risk Officer Summit to be held in Singapore on May 10-11

The Asian Bankers Association (ABA) is inviting members and colleagues to participate in the Chief Risk Officer Summit to be held on May 10-11, 2023 in the Hotel Fort Canning, Singapore.

Organized by Trueventus, the two-day Summit aims at equipping risk professionals with insights on strategies to manage risk for future readiness. It will explore how to successfully navigate fundamental disruptions in order to emerge stronger with a competitive advantage.

Business leaders from different industries and world-class companies, including banks and related financial institutions, will present case studies and share experiences in the latest technology to improve data quality.

Moreover, the Chief Risk Officer Summit is also another great opportunity for networking among risk management

professionals.

For more details about the Summit, please download their brochure here and write to aimi@trueventus.com.

Furthermore, participating ABA delegates will benefit from a 25% discount from the listed price shown in the application form included in the brochure.

Fintelekt Certified AML CFT Professional (FCAP) training program to be held in Bangkok, Thailand

Fintelekt is pleased to announce the next "Fintelekt Certified AML/CFT Professional (FCAP)" training programme in Bangkok, Thailand on June 8-9, 2023 at Hotel Aloft Sukhumvit, Bangkok.

FCAP is a 2-day intensive course designed as a comprehensive and practical masterclass for aspiring and practicing AML/CFT professionals to learn and stay updated with latest tools, techniques and developments in anti-money laundering and combating terrorist financing.

The programme is relevant for staff from the AML Compliance, Regulatory Compliance, Financial Crime, Trade Finance, Remittances, Payment Systems, Retail Banking, Wholesale Banking, Digital Banking, Technology, Cyber Security, Audit, Legal, Strategy and Corporate Governance from the banking and financial services industry.

Seating capacity is limited, and we therefore request you to send your nominations at the earliest. Registrations will be on a first-come-first-served basis.

Please note, the last date to register for the FCAP training is May 27th, 2023.

View the programme details here FCAP training brochure

Please contact Oliver Dickson, Vice President – Sales, Fintelekt Advisory Services Pvt Ltd. for more information on the training program, he can be reached via Email: oliver@fintelekt.com, Tel / Whatsapp / Viber: +91 9823188864 / +91 9370078917.

Member Personalities

SMBC taps global banking head Akihiro Fukutome as new CEO

Sumitomo Mitsui Banking Corp. named Akihiro Fukutome as president of the Japanese lender, Nikkei has learned.

Fukutome, a senior managing executive officer, replaced President Makoto Takashima, who will stay on as the new chairman. SMBC announced the changes which took effect April 1.

Member Personalities

The appointment of Fukutome represents two firsts for SMBC. For one, Fukutome will be the first bank chief who can trace their roots to Mitsui Bank, which eventually integrated with Sumitomo Bank in a 2001 merger.

Fukutome will also be the first SMBC chief executive who ran a company outside of the Sumitomo Mitsui Financial Group.

Fukutome, 59, first joined Mitsui Bank in 1985. In 2010, he became president of SMBC's Canadian arm. He was the co-head of SMBC's global banking unit prior to his new poster.

With a wealth of international experience under his belt, Fukutome will be tasked with ramping up SMBC's overseas expansion.

After a stint as a managing executive officer at SMBC's Nagoya corporate banking division, Fukutome left to become president of Toyota Financial Services in 2018. During his roughly three-year stay, Fukutome honed his experience in management and retail finance.

Since becoming SMBC's president in 2017, Takashima, 64, led the bank in expanding the overseas financing business and investing in offshore Asian financial institutions.

Under Takashima's leadership, SMBC boosted stand-alone earnings in the previous fiscal year ended March by capturing funding demand from Japanese businesses looking to engage in COVID-recovery capital expenditures.

Takashima also steered SMBC through a series of renovations and relocations of retail bank branches in response to declining customer traffic. In addition, he instituted reforms that facilitated promotions for young and midlevel employees.

Jun Ohta will continue to serve as president of Sumitomo Mitsui Financial Group, SMBC's parent.

Nikkei Asia

News Update

Nexus connects payment systems in Malaysia, Singapore and the eurozone

In March, Bank Negara Malaysia (BNM), the Monetary Authority of Singapore (MAS) and the Bank for International Settlements (BIS) Innovation Hub Centre in Singapore jointly announced the successful connection of their markets' domestic instant payments infrastructure with that of the eurozone.

The initiative, dubbed Project Nexus, demonstrates the feasibility of a multilateral network of instant payment systems (IPS) and marks an important development in the quest for instant cross-border payments.

The year-long exercise involved participants carrying out test cross-border payments using mobile phone or company registration numbers through the Eurosystem's TARGET instant Payment System (TIPS), Malaysia's Real-time Retail Payments Platform (RPP), and Singapore's Fast and Secure Transfer (FAST). It relied on the support of payment system operators, PayNet and Banking Computer Services (BCS) and was carried out on multilateral platform, Nexus.

BIS published conclusions from its proof-of-concept in an accompanying report.

The project's next phase will expand the IPS network with participation from the central banks of Indonesia, Malaysia, the Philippines and Thailand, but a timeline for the platform's roll-out remains unclear.

"The scope of the next phase is about finalizing technical specifications, the scheme and business case in full detail. Implementation is out of scope, but intention is to encourage stakeholders to come up with a comprehensive business case that would allow them to take a go or no-go decision," Andrew McCormack, centre head for the BIS Innovation Hub in Singapore, told Corporate Treasurer.

In November 22, regulators in the region signed a Memorandum of Understanding (MoU) on Cooperation in Regional Payment Connectivity (RPC), stating ambitions to connect payments on a regional level, by 2025. The initiative supports the G20's Roadmap for Enhancing Cross-border Payments.

"The activities we are carrying out in 2023 are meant to support this MoU," McCormack added.

System Synergies

Related efforts to enable real-time cross-border payments include a collaboration finalized in February this year between India and Singapore to connect their real-time retail payments infrastructure.

However, a single integration with Nexus removes the need to pursue multiple bilateral IPS integrations, each of which is complex, due to countries' differing technical and regulatory standards. Connecting 60 countries' IPS through bilateral agreements would require 1,770 technical integrations, compared to the 60 integrations required through Nexus (each IPS would need a single integration with platform), explained the BIS report.

BIS' ambition is to make Nexus as inclusive as possible, and McCormack hopes that other countries will be keen to join the platform in the future. "So far, ASEAN is where we have gained the most traction and where we have a cluster of countries with the same maturity in instant payments," he explained.

However, he commended the efforts of instant cross-border payments initiatives in other regions.

"It's not a winner-take-all scenario. These projects are about proving that the idea is viable and the risks manageable, and we think we have a good shot at it here in ASEAN."

Addressing limitations

While Nexus aims to support person-to-person (P2P), person-to-business (P2B), business-to-person (B2P) and small business-to-business (B2B) payments, domestic IPS caps limit Nexus' ability to support larger wholesale payments.

Small and medium-sized businesses (SMEs) will be able to send cross-border payments to their suppliers or employees abroad, but larger corporates and financial institutions may not, the BIS report explained.

In 2022, the UK raised its instant payments limit from £250,000 ($306,000) to £1 million, but even its earlier limit was among the world's highest; in Singapore, the limit for transactions via FAST in S$200,000 ($188,000).

It is also likely, McCormack explained, that given the risks associated with cross-border payments, central banks will set limits on these transfers that are even lower than domestic payments, to ensure that anti-money laundering (AML) and sanctions screenings are observed.

"We expect the system will need time to gain momentum viability before transfer limits rise."

A number of global central banks are exploring central bank digital currencies (CBDCs) for wholesale payments. These include BIS's own multi-CBDC platform project, mBridge.

However, managing liquidity with high value payments is a complex task for corporate treasurers – and one that CBDCs do not necessarily solve.

"CBDCs, or the multi-CBDC platform we've explored, address some of the risks, such as settlement and counterparty risk, but they are not a silver bullet that inherently solves those complexities," McCormack concluded.

Corporate Treasurer

Financing Sustainable Transformations: 2023 Financing for Sustainable Development Report

The 2023 Financing for Sustainable Development Report: Financing Sustainable Transformations – of the Inter-agency Task Force on Financing for Development – launched on April 10 in advance of the 2023 ECOSOC Forum on Financing for Development.

The report warns of a lasting sustainable development divide as SDG financing needs are growing but development financing is not keeping pace. It calls on the international community to align financing with sustainable development by combing three sets of actions.

- First, scale up development cooperation and SDG investment: These can support the UN Secretary-General's call for an SDG Stimulus.
- Second, strengthen the international financial architecture by bringing different reform processes together, strengthening effectiveness, ensuring full alignment with the SDGs and climate action.
- Third, accelerate national sustainable industrial transformations: Countries need to chart their own national paths to achieve the SDGs with a new generation of sustainable industrial policies, supported by integrated national financing frameworks.

The world is at a crossroads. The international community must deliver on the outstanding promise of the Addis Ababa Action Agenda, deliver sustainable transformations, and achieve the SDGs.

The 2023 FSDR is the eighth report on implementing the Financing for Development outcomes and the means of implementation of the Sustainable Development Goals since the adoption of the 2030 Agenda for Sustainable Development and the Addis Ababa Action Agenda in 2015. The assessment draws on the expertise, analysis and data from more than 60 agencies and international institutions that make up the Task Force, which is led by UN DESA and includes the World Bank Group, the International Monetary Fund and the World Trade Organisation, as well as UN agencies such as UNCTAD and UNDP.

WTO Predicts Global Trade Growth to Contract

The World Trade Organisation (WTO) announced that it expects global commerce growth to decline to 1.7 percent in 2023 compared to 2.7 percent recorded in 2022.

The subpar global trade growth forecast is a slight upgrade to its previous projections. The 2.7 percent increase in

News Update

world trade volume in 2022 was lower than the 3.5 percent rate forecast in October by the WTO.

Weighed down by the effects of the war in Ukraine, stubbornly high inflation, tighter monetary policy and financial market uncertainty, the volume of world merchandise trade is expected to grow by 1.7 percent this year, a smaller than expected increase that was pulled down by a sharp slump in Q4 2022.

The WTO expects trade growth in 2024 to rebound to 3.2 percent and GDP growth to 2.6 percent but noted that its estimate is "tinged with greater than usual uncertainty".

"This makes it even more important for governments to avoid trade fragmentation and refrain from introducing obstacles to trade. Investing in multilateral cooperation on trade would bolster economic growth and people's living standards over the long term," said WTO Director-General, Ngozi Okonjo-Iweala.

East & Partners

Special Features

EY-Parthenon study: Conglomerates in Southeast Asia (SEA) need to refine their strategies to win in the next decade

Conglomerates in Southeast Asia (SEA) have historically outperformed their global counterparts in total shareholder returns (TSR) but this outperformance has since been eroding, according to a recent EY-Parthenon report, defining a winning strategy for Southeast Asia's conglomerates, which studied 262 publicly listed conglomerates globally (including 36 in SEA).

The 10-year annual average TSR between 2002 and 2011 of conglomerates in SEA was a staggering 34%, compared to conglomerates in the rest of world, which stood at only 14%. This 20 percentage points (pp) difference has dropped to 3pp between 2012 and 2021, with the average annual TSR for conglomerates in SEA slipping to 14%, compared to their global counterparts at 10%.

Sriram Changali, EY Asean Value Creation Leader, says:

"The gap in TSR is a clear indicator of the underperformance of conglomerates. Having said that, a deeper study of the companies revealed that some were able to consistently outperform their peers. Hence, there are opportunities for conglomerates in SEA to better understand their attributes and strengths and enhance their performance."

Stagnant portfolio driving dip in performance

The historical high returns of these conglomerates in SEA can be attributed to inherent advantages they had in the 2000s. These include easy access to capital, strong government relations and early exposure to high-growth sectors like energy, commodities, and industrials in the region. However, the upsides from these advantages are rapidly fading.

According to the report, the portfolio mix for SEA conglomerates had centered in industrials, energy and consumer products sectors since 2001, which had been performing strongly previously. However, over the past decade, these sectors saw diminishing returns, leading to a dip in the business performance of SEA conglomerates. Yet, SEA conglomerates did not engage in any material reallocation exercises or expand their focus to other sectors. In fact, the report revealed that SEA conglomerates had very limited exposure to emerging sectors, such as health care or technology, media and telecommunications (TMT), which generated very high returns in the past decade.

Also, conglomerates in SEA are increasingly challenged by pure-plays and a growing ecosystem of startups with innovative business models. In the last decade, pure-plays were able to generate better returns in both traditional and emerging sectors; in fact, they now outperform conglomerates in SEA with TSR higher by as high as 37% in some sectors.

The study also reveals the characteristics of conglomerates in SEA compared to their global counterparts:

- They are less diversified, with the top three sectors they operate in representing some 90% of the total revenues, compared to 75% for global conglomerates.
- Three-quarters (75%) of SEA conglomerates are family-owned, compared with 50% among their global conglomerates.
- SEA conglomerates have fewer portfolio companies, controlling about 50 portfolio companies compared to the global conglomerates that operate nearly 175 portfolio companies. They also have an average revenue of US$4.5b, compared to over US$50b for global conglomerates covered in this study.
- SEA conglomerates have a smaller footprint, operating in less than 10 countries, compared with over 60 countries on average for their global counterparts.

Andre Toh, EY Asean and Asia-Pacific Valuation, Modeling & Economics Leader, says:"SEA conglomerates have remained rather 'loyal' and chose to focus on sectors that they have been familiar with. Hence, we are seeing that the sector revenue contribution of conglomerates in SEA remained rather consistent since 2003.

"Yet, with the fast-evolving business landscape where sectors that may have performed well previously no longer bring the same returns in future, conglomerates in SEA need to have a flexible and well-defined capital allocation strategy. They should actively identify and invest in newer emerging sectors and markets, which helps them future proof their portfolio, while shedding laggards from their balance sheets. With the understanding of their unique characteristics, a tailored value creation approach can help SEA conglomerates to regain dominance over the next decade."

Four strategies to drive success in the next decade

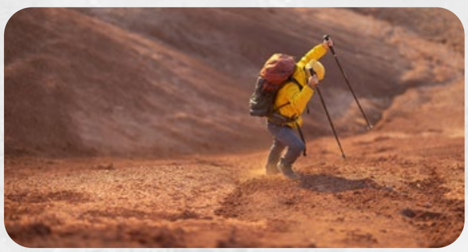
The EY-Parthenon study proposes four strategic pillars that SEA conglomerates can focus on to help them achieve success:

- Develop an agile capital allocation strategy to future-proof their portfolio and increase exposure to higher-growth sectors such as technology and health care while balancing that with exposure to dividend-yielding, lower-risk and capital-heavy sectors.
- Build a digital ecosystem to drive productivity and new revenue streams and start investing in venture-building capabilities.
- Build a mindset of creating long-term value by integrating sustainability as a long-term group strategy embedded in each business of the conglomerate.
- Move toward asset-light business models and improve valuation multiples by shifting toward deployment of third-party capital.

Ernst & Young

Why Investors Should Brace for 'Stagflation'

By Lisa Shalett, Chief Investment Officer, Wealth Management, Morgan Stanley



Recent stress in the banking sector has unequivocally complicated the U.S. Federal Reserve's mission of fighting inflation. It has also made an economic recession much more likely.

U.S. stock investors, however, seem to be shrugging off such risks. Following regional bank failures earlier this month, fixed income investors rushed to the perceived safety of U.S. government bonds, driving up their prices. Yields on U.S. Treasuries, which move inversely to their prices, saw jaw-dropping declines as traders began anticipating an earlier pause in Fed rate hikes; the 2-year yield, for example, dropped more than 100 basis points from a recent high of 5.07% earlier this month, amid concerns about the economy's prospects.

Stocks, meanwhile, continued trading in a relatively narrow range, despite the obvious risks that banking stress poses to the economy. What seemed to matter to stock investors was the potential for a dovish Fed pivot that might spark a new bull market.

We think investors should think about the broader economic outlook rather than what might boost equities. Today's stock-market resilience ignores mounting risks of a hard economic landing, weakening corporate profitability and "stagflation"—when inflation remains high, the economy slows and unemployment rises. Here are three reasons why this scenario seems increasingly likely:

- Banking industry turmoil will likely lead to tighter lending standards and financial conditions. Regional banks with less than $250 billion in assets account for a significant percentage of loans made in the U.S.—about 50% of all commercial and industrial (C&I) loans, 70% of commercial real estate loans and 38% of residential mortgages. If struggling regional banks tighten the growth of C&I loans, in particular, growth in U.S. gross domestic product (GDP) could slow, since C&I loans directly affect company viability, employment and, thus, consumption. To put it another way, when C&I loan growth slows, unemployment is apt to rise. Recent tightening of lending standards suggests the unemployment rate could increase by 2.5 percentage points in the next one or two years.
- Regional banks' overall profitability is likely to come under pressure, which could put further stress on the economy. Banks could see increasing competition for customer deposits from higher-yielding Treasuries, certificates of deposit (CDs) and money market funds. To retain deposits, banks will likely need to increase the interest rates they pay depositors, which could squeeze bank profit margins. In addition, credit-rating agencies have recently cut their views of the banking system, which only exacerbates such margin pressures.
- Concerns about financial stability could force the Fed to drop its inflation-fighting efforts prematurely. Price pressures remain relatively high, with the core consumer price index (CPI) rising 5.5% year-over-year in February and services inflation still accelerating. The risk is that inflation stays higher for longer, even as the economy slows—a recipe for stagflation that would likely see consumers suffer a decline in spending power once their incomes are adjusted for inflation.

Although the turmoil in the banking sector may indeed presage a sooner-than-expected pause by the Fed, equity investors need to acknowledge the growing risks to the economy rather than see this potential policy shift as a signal to buy into the market. These risks are not currently factored into consensus estimates for 2023-2024 corporate earnings or stock valuations.

The right course for investors: Pay attention to economic data, including inflation and unemployment. And stay patient, with solid portfolio exposure to yields and income. We are focused on cash, short-duration bonds and dividend growers. Global dividend stocks could add diversification.

Morgan Stanley

Among Member Banks

Bank of East Asia Issues 2022 ESG Report

The Bank of East Asia, Limited ("BEA") issued its Environmental, Social, and Governance ("ESG") Report for the year ended 31st December, 2022.

The report presents an overview of the Bank Group's social and environmental performance, with a focus on the topics that have been identified as most material to BEA's stakeholders such as business ethics, cybersecurity and community partnerships. In view of the growing focus on climate change mitigation and adaptation, BEA devoted considerable resources to climate risk management, carbon emissions reduction, and green and sustainable finance ("GSF"), which are described in detail in the report.

BEA also reinforced its commitment to achieve net zero emissions in its operations by 2030 and in its financed activities by 2050. As part of its net zero roadmap for financed emissions, the Bank established its GSF framework during the year under review to facilitate the identification of green projects and restrict refinancing to brown activities.

Mr. Adrian Li and Mr. Brian Li, Co-Chief Executives of BEA, said: "While 2022 proved challenging for BEA and many of our stakeholders, the past year provided opportunities for us to work together to create positive changes for our environment. The 2022 ESG Report offers a clear view of our Group-wide decarbonisation strategy and roadmaps, which will steer us towards fulfilling our net zero goals. Moving forward, we will further explore ways to contribute to the sustainable development of the markets we serve."

Categorised under the three pillars of BEA's ESG strategy framework – "Responsible Business", "Responsible Operations", and "Responsible Citizen" – the Group's major achievements in 2022 include:

Responsible Business

- Pledged to achieve net zero emissions in our financed activities by 2050
- More than doubled GSF loans and ESG bonds (178% growth yoy), which totalled HK$55.9 billion or 10.9 % of the Group's total corporate loan and investment assets by the end of 2022
- Established the Bank's GSF framework, providing a consistent methodology to assess borrowers' ESG risk and identify sustainable finance opportunities
- Became the first bank headquartered in Hong Kong to be a signatory to the Partnership for Carbon Accounting Financials

Responsible Operations

- Pledged to achieve net zero emissions in the Bank's operations by 2030
- Invested over HK$27.7 million in training and development, with each employee receiving on average 50+ training hours
- Reduced operational emissions by 29.7% compared with our baseline year of 2019
- Halved paper consumption in the Hong Kong offices, benchmarked against our baseline year of 2020

Responsible Citizen

- Donated more than HK$12 million, including HK$3 million in anti-epidemic supplies which benefited over 43,000 people
- Recorded more than 9,000 hours of staff volunteering
- Launched the "Join Hands, Reach Further!" volunteering campaign and collaborated with our NGO partners to organise three flagship community programmes — BEA Festival, BEA Upcycles, and BEA Golden Adventures
- Enriched the educational experience of over 2,500 rural students through the Firefly Project operated by Shanghai Soong Ching Ling – BEA Charity Fund on the Mainland

Under the guidance of its Board-level ESG Committee, BEA has developed a robust sustainability programme and keeps abreast of the rapidly evolving ESG landscape with a vision to become the sustainability leader among financial institutions in Greater China and beyond.

To learn more about BEA's ESG performance, view the full report here.

BEA News

Shanghai Commercial Bank chooses Salt Edge for open banking compliance

Shanghai Commercial Bank ("ShaComBank"), an international bank based in Hong Kong offering banking and financial services across the world, including the UK, joined forces with Salt Edge, a pioneer in open banking, to leverage PSD2 possibilities and create a bespoke banking experience for its customers.

ShaComBank is one of the most prestigious local Chinese banks in Hong Kong. With a business network spanning all over the world, the bank offers a wide range of comprehensive banking products and services to individuals and corporations in the UK, mainland China, Hong Kong and Taiwan, all designed and provided under the motto – "For Personalised Service". It is ShaComBank's commitment to innovation and customer protection that drives them to trust Salt Edge with PSD2 compliance.

ShaComBank enables customers to securely connect their accounts to external apps through Salt Edge's Compliance Solution, allowing them to stay abreast of their financial position in their preferred channels, whether on the go or in the comfort of their homes, stepping beyond traditional banking.

In meeting the open banking compliance and regulatory requirements, we are delighted to have Salt Edge supporting us on implementing PSD2 capabilities to our online banking, enhancing our personalised service to customers and facilitating business growth.

Jerome Goh, Executive Vice President & General Manager, London Branch at ShaComBank "As part of the PSD2

Compliance Solution, Salt Edge offers APIs, a complete TPP developer portal, a TPP verification system, a client dashboard, and periodic API updates that keep up with any regulatory changes. Through the TPP verification system, only regulated institutions can access ShaComBank's open banking channels, keeping the personal accounts of its clients always protected – one of the bank's top priorities."

"Salt Edge is delighted to assist ShaComBank in becoming PSD2 compliant and serving TPPs to the fullest extent. We are thrilled that ShaComBank embraced the power of open banking by entrusting us with all the technical and regulatory challenges related to PSD2 compliance. Through this, the bank enables its customers to take charge of their finances and make informed decisions when managing their accounts.," said Andrei Scutari, Country Manager at Salt Edge

Fintech Finance News

SBI Reintroduces Amrit Kalash Fixed Deposit Scheme with Up To 7.6% Interest

The State Bank of India has extended the Amrit Kalash fixed deposit scheme. Valid till June 30, the scheme offers 7.1 percent interest to the general public and 7.6 percent to senior citizens. The special scheme will have a tenor of 400 days. The Amrit Kalash scheme was earlier valid from February 15 to March 31.

The State Bank of India stated on its website, "The specific tenor scheme of '400 days' (Amrit Kalash) will have a Rate of Interest of 7.10 percent w.e.f. 12- April- 2023. Senior citizens are eligible for a rate of interest of 7.60%. The scheme will be valid till 30-June-2023."

The SBI Amrit Kalash fixed deposit scheme will be valid on domestic retail term deposits of less than Rs 2 crore. This includes Non-Resident Indian Rupee Term Deposits. The fixed deposit scheme is also valid on new and renewal deposits. Term deposits and special term deposits also fall under the State Bank of India's Amrit Kalash scheme.

The interest on the Amrit Kalash scheme will be paid at monthly, quarterly or semi-annual intervals. For special term deposits, the interest will be paid on maturity. SBI will deposit the interest, net of TDS, in the customer's account at the end of the FD's tenure.

The TDS on the scheme will be deducted as per the Income Tax Act. Loan facility is available on the SBI Amrit Kalash scheme. A premature withdrawal facility is also available.

Customers can avail the Amrit Kalash scheme at a local branch of the SBI, through netbanking, or using the SBI YONO mobile app.

At present, the State Bank of India offers interest between 3 percent and 7.1 percent to the general public on term deposits less than Rs 2 crore. For senior citizens, the returns are 0.5 percent higher and range from 3.5 percent to 7.6 percent.

For term deposits which will mature between seven and 45 days, the rate of interest is 3 percent. SBI offers 4.5 percent returns on term deposits with a maturity of 46 days to 179 days. For FDs which will mature in 180 to 210 days, the rate of return is 5.25 percent.

Investors who have fixed deposits maturing in 211 days to less than a year, will receive 5.75 percent interest. Term deposits maturing in one year to less than two years will earn 6.8 percent interest. Deposits with a tenor of two to less than three years will earn 7 percent returns. For deposits ranging from three to 10 years, the rate of interest is 6.5 percent.

News 18

Bank Shahr ready to provide foreign exchange facilities to new PVC unit of APC

Iranian Bank Shahr (City Bank) is ready to provide foreign exchange facilities for Iran's Arvand Petrochemical Company's (APC) new PVC plant, reported the PR Office of APC.

According to the report, studies of the new PVC plant of the complex have been completed and its implementation is planned to take 3 years after the executive works started.

In early January 2023, Mohammad Reza Karimi, Managing Director of Iran's Arvand Petrochemical Co. (APC), had stated: "The executive operation to construct the 300,000-ton SPVC unit of the company will start in early 1402 (starting late March 2023)."

APC is the shareholder of 'Almas Mahshahr Petrochemical Company', which is implementing a mega poly olefins project, worth over $ 2.5 Bln.

With a production capacity of 2.8 Mln tons of various products per year, APC produces chlorine, sodium hydroxide, suspension polyvinyl chloride, ethylene dichloride, vinylchloride monomer, caustic soda and a variety of PVC grades.

IranOilGas Network

Among Member Banks

MUFG Awarded "Best Sustainable Finance Adviser – Asia Pacific" at The Asset Awards

MUFG Bank, a consolidated subsidiary of MUFG, is pleased to announce that it was awarded "Best Sustainable Finance Adviser – Asia Pacific" at The Asset Triple A Sustainable Capital Markets Awards 2022 by Asset Publishing and Research Ltd, a financial media company. This award recognizes the best institution in the Asia-Pacific region for supporting clients with their ESG and sustainability journey.

MUFG Bank is actively supporting clients' sustainability strategies in the Asia-Pacific and globally as well. It received this award for its work in delivering various types of sustainable finance solutions, including sustainability-linked loans, social loans, and green bonds, to clients to address and help resolve both environmental and social issues. In addition to providing support for financing, the award also recognized MUFG's contributions in creating international frameworks including the Asia Transition Finance Guidelines, which promotes transition finance in Asia.

MUFG defines its purpose as "committed to empowering a brighter future" and will continue to contribute to resolving issues to achieve a sustainable environment and society by supporting clients' ESG initiatives and encouraging sustainable growth.

MUFG News

Mizuho Bank Supports Renewable Energy Projects in Vietnam through Vietcombank

Mizuho Bank, Ltd. (President & CEO: Masahiko Kato, "Mizuho Bank"), together with Japan Bank for International Cooperation (Governor: Nobumitsu Hayashi, "JBIC"), The Joyo Bank, Ltd. and The Shiga Bank, Ltd., have set up a credit line totaling USD300 million for Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank").

Vietcombank is the leading state-owned commercial bank in the Socialist Republic of Vietnam, established in October 1962. Mizuho Bank has maintained a capital and business alliance with Vietcombank since 2011. Mizuho Bank and Vietcombank, as strategic partners, have been supporting domestic economic growth in Vietnam, providing a variety of financial solutions to both individuals and companies in the country.

This credit line is intended to finance, through Vietcombank, renewable energy projects in Vietnam such as wind generation and solar generation. The government of Vietnam plans to increase the proportion of renewable energy generation while decreasing coal based generation, and this credit line will contribute to this energy transition in both the public and private sectors.

Mizuho Bank, in line with the aims of the Asia Zero Emission Community led by the Japanese government, whose stated purpose is to pursue carbon neutrality and economic growth, will contribute to the economic and industrial development of Vietnam and to the promotion of Japan-Vietnam business.

At Mizuho, we are working to further incorporate sustainability initiatives into our business strategy. We are drawing on our expertise as a financial services group to proactively provide a wide range of solutions, including advisory and capital financing support, to businesses that are contributing to the shift to a low–carbon society.

Mizuho Bank News

Publication of the SMBC Group 2023 TNFD Report

Sumitomo Mitsui Financial Group (President and Group CEO: Jun Ohta, our corporate group will hereinafter be referred to as "SMBC Group") has published the SMBC Group 2023 TNFD Report ("the Report"). The Report illustrates SMBC Group's stance on natural capital.

In order to protect the global environment, fighting climate change is not enough. We must also become nature positive. Nature positive refers to a state in which natural capital is consumed at a slower pace than it is restored. SMBC Group has designated "Environment" as a priority issue and strives to support the realization of a decarbonized society and the conservation/restoration of natural capital.

In the Report, SMBC Group explains the direction of its initiatives in relation to natural capital by identifying the risks and opportunities based on an analysis of the relationship between SMBC Group's businesses and natural capital, as well as areas of particular emphasis, that is conducted in line with the framework of the Taskforce on Nature-related Financial Disclosures ("TNFD").

SMBC Group will further enhance the Report while continuing to engage in dialogue with clients. SMBC Group will stive to enhance its initiatives and disclosure regarding natural capital so that we may support the world become nature positive.

The Japanese version of this Report is now published. The English version will be published in mid or late April.

SMBC Group News

Among Member Banks

Maybank launches first-of-its-kind savings campaign offering cash prizes and opportunity to donate to charity

Maybank & Maybank Islamic have launched the You Save & Pledge, We Donate #ForYou campaign, a unique, first-of-its-kind savings campaign that offers customers both the opportunity to win cash prizes as well as a chance to donate to charitable organisations. This crowdsourcing campaign is aimed to encourage the public to save and grow their funds while at the same time make a positive impact to society by pledging their support to unlock donations to selected organisations under MaybankHeart.

The You Save & Pledge, We Donate #ForYou campaign is also part of the Bank's overarching Group-wide Ramadhan campaign entitled 'Kongsi Kebaikan Bersama Maybank' with the intent to encourage individuals and communities to commit acts of good together and for one another for shared prosperity. This is also in line with Maybank's Humanising mission that promotes ethical practices for responsible and inclusive growth for all.

Datuk Hamirullah Boorhan, Head, Community Financial Services Malaysia said, "Time and again, we saw how Malaysians have come together and reached out to help the less fortunate and as a Bank that is truly at the heart of the community, we too, have been standing by our customers through the good and even more so, through the challenging times. This unique campaign is a testament to our unequivocal support towards the needy by donating to charitable organisations, through MaybankHeart as well as our customers, by rewarding them for their support.

Meanwhile, Dato' Mohamed Rafique Merican, CEO of Maybank Islamic said, "We want to take this opportunity, especially during the holy month of Ramadan to contribute meaningfully to the society. In this respect, every contribution counts, big or small, where the public can collectively pledge their commitments to the campaign and help unlock more donations for Community Empowerment and Education initiatives identified by MaybankHeart. This is also part of Maybank's initiative to do good for the community as we encourage the public to join us on this journey to donate to their charities of choice."

The campaign commenced from 1st March 2023 and will run until 31st July 2023 where customers can pledge and register on Maybank2u. During this period, customers who save and grow their funds through their participating Maybank conventional and Shariah-compliant savings, current and investment accounts stand to win from a pool of up to RM100,000 in cash prizes. For the public who wish to participate and qualify for this campaign, they can proceed to open a Maybank or Maybank Islamic account online via Maybank2u or at the nearest Maybank or Maybank Islamic branch.

Maybank News

Win a trip for 2 to the UEFA Champions League final in Istanbul with BML

Bank of Maldives has announced on April 12, a new promotion for its Mastercard cardholders to win an all-inclusive trip for two to watch the UEFA Champions League final in Istanbul.

Customers using Mastercard for local and international transactions from 12th April to 9th May 2023 will be eligible to win.

Mastercard is the official sponsor of UEFA Champions League. BML is a principal member of Mastercard in the Maldives and issues Mastercard debit, credit and prepaid cards in the country.

For more information, please visit: https://www.bankofmaldives.com.mv/shop-and-win

Bank of Maldives News

Forbes ranks PNB 2nd in the Philippine list of World's Best Banks in 2023

Global business media giant Forbes ranks Philippine National Bank (PNB) 2nd in the Philippines in its list of World's Best Banks for 2023. The Forbes ranking is based on a worldwide survey of 48,000 banking customers in 32 countries.

The recognition was announced last April 11, 2023 when Forbes published its story "Meet The World's Best Banks 2023".

Forbes said: "In 2023, banks need more than great rates to attract corporate and individual customers. They must also offer quick, multi-channel service both online and in branches, and use that customer service to earn trust. That may be why some top performers on Forbes' fifth annual list of the World's Best Banks aren't necessarily the biggest game in town."

PNB is among the 415 leading and best banks to appear in this year's Forbes rankings. Banks were rated in terms of general satisfaction (30%), recommendation (30%), and 40% for trust, terms and conditions, digital services, customer services, and financial advice.

PNB's thrust is to deliver an engaging experience to customers and the focus has been on the Digital Innovations Group to deliver the most relevant digital banking products of PNB, and ensuring these services are accessed easily and conveniently in a secure, personalized, and reliable platform.

"We are honored to be included on the 2023 World's Best Banks list by Forbes," said FVP and Digital Innovations

Group Head Damasen Paul Cid. "Our use of customer insights, technology, data, and digital tools support our continued focus on delivering superior banking experience. We will continue to deepen customer relationships by listening to their needs and concerns, and by being proactively engaged in each stage of their banking journey".

"We believe that a delightful customer experience does not start and end with our digital banking platforms, but at every touchpoint such as voice calls, social media, email or messaging is an opportunity to positively engage our customers," said Cid, adding that the focus of the Digital Innovations Group has been to reflect industry standard service availability levels with the end goal of delivering fast and stable platform experiences.

Forbes and its market research partner, Statista, gathered the rankings based on surveys where customers rated their current and former banks on overall satisfaction and recommendation, and evaluated them in five key areas – trust, terms and conditions, digital services, customer services, and financial advice.

According to Forbes, trust was the most important factor that contributed to the success of banks globally. This is especially true in the so-called New Normal after the pandemic and, the rise of interest rates worldwide.

Forbes is an American business magazine that is published twice a week. The magazine is famous for publishing lists and rankings including Forbes 400 and Forbes Global 2000. The magazine was founded by B. C. Forbes, a financial columnist, on 5 September 1917. Forbes magazine has a circulation of over 700 thousand readers around the globe.

PNB News

RCBC recognized as Best Retail Bank at the RBI Asia Trailblazer Awards 2023

The Rizal Commercial Banking Corp. was named the "Best Retail Bank" at the prestigious RBI Asia Trailblazer Awards 2023 for the third consecutive year.

The RBI Asia Trailblazers Awards recognizes best-in-class retail banking and consumer finance institutions and individuals for their innovative service offering and commitment to customer excellence.

The 14th RBI Asia Trailblazers Awards was organized in collaboration with Middle East Economic Digest (MEED), UAE, and GlobalData (Singapore).

RCBC's Digital Enterprise and Innovations Group (DEIG) also bagged the Best CSR Initiative for Financial Literacy, and a Highly Commended recognition for Best Credit Card Initiative.

"This prestigious award inspires us to continue pushing the boundaries of what is possible in banking and finance, and thus empowering our customers to achieve their financial goals," said RCBC Retail Banking Group Head, Richard C. Lim said.

RCBC was particularly recognized for its unique and innovative initiatives, including the RCBC Digital's Online Account Opening Platform, RCBC OneAccount, RCBC Hexagon Club, and Digital Concierge.

Launched in October 2021, RCBC Digital's Online Account Opening Platform offers full digital banking experience allowing customers to open an account without leaving their homes to go to a physical branch.

Part of this platform is the RCBC OneAccount, which gives clients full access to savings, checking and time deposit — all in a single account. When signing up on the platform, customers are spared from opening separate accounts as OneAccount streamlined the three banking products into one powerful product.

OneAccount also enables clients to customize, upgrade, and even downgrade their accounts depending on their needs, preference, and current capacity.

To up the ante, RCBC also launched the Digital Concierge.

The first of its kind in the Philippines, this innovation was launched in 2021 to enable retail customers to carry out branch transactions such as requests for bank certifications, replacement of damaged ATM cards, reset of personal identification numbers (PIN), and foreign or local telegraphic transfer and complete them online.

Meanwhile, RCBC Hexagon Club was launched in March 2019 to serve the needs of a very specific market segment, which is the emerging affluent.

The Hexagon Club is a premier club designed to elevate the RCBC banking experience through special perks and privileges. These include special rates for time deposit and investments, as well as loans, free life insurance coverage, waived ATM fees and a dedicated relationship manager, to name a few.

Business Mirror

Among Member Banks

Doha Bank marks Earth Hour 2023 by Switching Off Lights!

Doha Bank celebrated The Earth Hour 2023 by turning off its lights at the Bank's Headquarters (Doha Bank Tower) from 8:30 to 9:30 pm, on 25th March 2023.

Earth Hour Day is a global initiative by the World Wildlife Fund which is being celebrated on March 25 every year. The annual event encourages people to the 'Light Off' movement as a symbol of commitment to the planet. The Earth hour Day aims at raising awareness of environmental issues to decrease adverse effects on the upcoming generation.

Doha Bank remains committed to its Environmental Social & Governance (ESG) strategy by taking part in environmental events and initiatives around the world thus creating awareness in the society.

Concurring with this year's Earth Hour theme 'Invest in our Planet', Doha Bank urges its customers to invest in green banking services to reduce their carbon footprint through sustainable banking practices such as opting for email statements on account & credit cards, make use of our digital banking services available through our Online and Mobile banking platforms etc.

Doha Bank News

DBS Bank India and IndiaFilings join forces to empower startups and SMEs in India

DBS Bank India has announced its partnership with IndiaFilings, a leading platform for start-ups and small businesses in India. The partnership will enable the Bank to provide end-to-end financial services support to new companies and startups through a co-branded portal. The partnership reaffirms its commitment to serving startups profitably while finding new ways to deliver value.

A common challenge faced by new businesses in India include the need for more awareness on incorporation, GST registration, setting up of financial management and operations-related infrastructure, building the brand value proposition, and accessing the ecosystem comprising investors and tech partners. Through the co-branded portal, DBS Bank India and IndiaFilings will provide a free company incorporation process to statups along with a cashback of up to 100% on their incorporation costs, up to INR 8000.

In addition, the co-branded portal will provide new enterprises with a DBS Business account that offers end-to-end financial services support for the company and its employees. This includes comprehensive solutions to help manage business finances and employee expenses. The co-branded portal is now live and is expected to benefit around ~16,000 to 25,000 new SMEs and startup businesses incorporated in India annually.

DBS Bank India provides a full range of consumer, SME, and corporate banking services. The new partnership will expand the bank's offering beyond traditional banking, and cater to the requirements of SMEs and MSMEs, not only with loans, but also with services like payroll, cash management, insurance, and third-party products.

In line with its vision to support promising startups in India, DBS Bank India joined hands last year with startup venture capital fund Anthill Ventures and evangelist network Headstart Network Foundation to launch DBS Business Class foundED. The bank also announced the launch of a new grant programme to support SMEs looking to kickstart their transition towards becoming more sustainable businesses.

DBS Bank News

UOB and Lazada form strategic partnership to grow digital ecosystem in Southeast Asia

UOB and Lazada Group have entered a Memorandum of Understanding (MOU) to collaborate on retail products and banking solutions for their combined customer base in five key Southeast Asian markets, namely Singapore, Malaysia, Indonesia, Thailand and Vietnam. This regional strategic partnership will also see the two industry leaders working together to increase access to financing for e-commerce sellers on the Lazada platform.

This will be Lazada's first partnership with a bank across a variety of payments and financial services in Southeast Asia, as well as UOB's first regional collaboration with an e-commerce platform. The partnership will tap on Lazada's technology and position as a leading Southeast Asian e-commerce platform and UOB's proven expertise in financial products, best-in-class digital banking services and long-established trust with customers. This will allow both customers and sellers to enjoy better access and enhanced benefits from payment and financial services that best meet their needs.

UOB and Lazada customers can look forward to a more rewarding experience when shopping on the e-commerce platform and using lifestyle banking services for their purchases. Singapore customers will be the first to enjoy these benefits. In Singapore, UOB will offer new customers Lazada cashback vouchers worth up to $200 as a welcome gift.

With UOB's acquisition of Citigroup's consumer banking businesses in four ASEAN markets, the Bank will be continuing the partnership of the Citi-Lazada co-brand credit cards in Thailand, Malaysia and Vietnam. In these three markets, the cards will be refreshed as new UOB-Lazada co-brand credit cards later this year with enhanced benefits. UOB and Lazada will look to extend the co-brand credit card partnership to Singapore and Indonesia. Apart from enjoying attractive Lazada rewards all year round, cardholders will gain access to special Lazada deals during mega sale events.

As Lazada expands its localised payments and financial services products throughout the region, the e-commerce platform and UOB also intend to collaborate on cash management and transaction processing services for Lazada sellers across the region.

The two partners are looking into offering loans to sellers on the Lazada platform through a new digital lending experience. Leveraging Lazada's seller insights and UOB's digital banking capabilities with integrated financial supply chain management solutions, the collaboration will focus on giving sellers access to streamlined onboarding, approval and disbursement processes for loans and financing across their businesses. Both parties are working toward a pilot launch in 2023.

UOB and Lazada are committed to offering their combined customer base a seamless and integrated experience tailored to customers' shopping behaviour on the platform and their individual needs. This partnership will strengthen both parties' capabilities to deliver personalised rewards to customers across Southeast Asia, to better engage and delight them in their online shopping experience.

UOB Bank News

HNB once again recognised for excellence in Trade Finance at Asiamoney Awards

Sri Lanka's leading private sector bank, HNB PLC, continued to showcase its trail-blazing market leadership in international trade services after being declared Sri Lanka's 'Best Service in Trade Finance (Asia Banks)' and 'Market Leader in Trade Finance (Asia Banks)' for 2023 by the Asiamoney Magazine.

The recognition follows on the heels of the Bank's recognition at the Euromoney Awards 2023, where HNB bagged the 'Best Service in Trade Finance' and 'Market Leader in Trade Finance' Awards.

"At a time when our nation is vying to resuscitate itself from the economic crisis, these prestigious back-to-back accolades from Euromoney and Asiamoney endorse our international trade services teams' strong commitment to support the country's trade business.

Moving forward, we are firmly dedicated to an unwavering delivery of best-in-class trade finance services and facilitating growth opportunities for Sri Lankan enterprises in order to help revitalise the national economy," HNB Head of Trade, Rozanne De Almeida said.

Notably, this year marks the fourth time that HNB has won awards for Trade finance from both magazines, making it the first home-grown Sri Lankan Bank to achieve a dominant leadership position in international trade services.

"We are delighted with this double affirmation by Euromoney and Asiamoney of HNB's ability to innovate and deliver service excellence in our Trade Finance business. This recognition further prompts us to strive all the more strongly to continuously elevate our solutions and service levels by leveraging on our people, technology, processes and data to enable transformative growth at every level of the Sri Lankan economy." HNB Deputy General Manager –Wholesale Banking Group, Damith Pallewatte said.

Organised to showcase excellence among leading banks in the Asia Pacific region, this year's awards were presented following stringent financial performance evaluation, strategic business models, and customer and competitor feedback.

HNB was ranked among the World's Top 1,000 Banks list compiled by the prestigious UK-based Banker Magazine for the sixth consecutive year in 2022, in addition to being crowned the Best Retail Bank in Sri Lanka for the 13th occasion at the prestigious Global Excellence in Retail Financial Services Awards 2023 hosted by the Asian Banker Magazine.

Hatton National Bank News

Bank of Taiwan Supports Environmental Sustainability: Plants Green Forests for a Better Future

To support environmental sustainability, Bank of Taiwan has practiced concrete actions on climate change issues and in the field of sustainable finance. On Mar. 16, in response to the 2023 Arbor Month event, Bank of Taiwan planted Formosan Ash, an indigenous species from Taiwan which possesses a high carbon sequestration capacity, on its own land to practice environmental protection with green practices.

Bank of Taiwan practices sustainable goals from top to bottom. It especially chose the Training Center at Yangmingshan to embark on the sustainable journey of Planting Trees to Care for the Earth. Bank of Taiwan Chairman Lyu especially led high-level executives to take part and planted Formosan Ash saplings with his own hands to aggressively respond to the government's "2050 Zero Sum Emissions" policy by reducing carbon emissions through planting trees. He also called the public to pay attention to environmental issues to protect the beautiful environment of Taiwan.

Scientists have proved that planting trees is the most effective way of slowing down climate change among all measures. The Plant Green Forests Action of Bank of Taiwan utilized its Training Center garden at Yangmingshan to plant the indigenous species of Formosan Ash, which possesses the second highest carbon emissions reduction capacity of all trees by being capable of absorbing around 345 tons of carbon dioxide every hectare (equivalent to a person's carbon emissions volume for 30 years). Formosan Ash also possesses advantages such as soil preservation, wind prevention, rapid growth, and a nice-looking appearance, which simultaneously serves the purpose of ornamental value and enhancing carbon emissions reduction.

While focusing on its professionalism of finance, Bank of Taiwan also dedicates itself to practicing the UN SDGs. Facing the impact of climate change, environmental protection is the most important issue of all issues relevant to sustainability. International society is aware of and anticipating the financial industry to also carry the responsibility of environmental sustainability.

In the future, Bank of Taiwan will continue to aggressively promote various financial green actions in accordance with the sustainable indicators of SDGs in order to provide more contributions regarding corporate sustainable development and environmental protection. Through constant efforts and practice, Bank of Taiwan hopes to head towards sustainable management with society and create new heartfelt values for sustainable development.

Bank of Taiwan News

SinoPac Financial upbeat about local banking sector

SinoPac Financial Holdings Co. is confident in the local banking sector's health as global financial sector fears are easing and most local bank deposits have been insured by Central Deposit Insurance Corp (CDIC), company president Stanley Chu told an investors' conference in Taipei on March 28.

One of the reasons the recent US bank failures have caused panic is because most of the deposits are not insured by the US Federal Deposit Insurance Corp (FDIC), Chu said.

The FDIC's deposit guarantees are capped at US$250,000 per account, and about 86 percent of Silicon Valley Bank's deposits were uninshured, he said.

In Taiwan, the CDIC offers maximum insurance coverage of NT$3 million (US$98,733) per depositor, and 98 percent of local bank deposits are under that threshold, so most depositors are covered, Chu said.

Taiwan's banks have good capital adequacy and relatively few non-performing loans, he said.

"There is a slim chance that local banks would experience the same crisis as the American banks did," he added.

In 2022, SinoPac Financial had the highest return on equity (ROE) among its local peers at 10.1 percent, the company said yesterday.

ROE, calculated by dividing net income by shareholders' equity, indicates how efficiently a company is generating profit. The company ranked 10th among local financial holding firms in 2019 when its ROE stood at 8.6 percent.

Interest rate hikes in Taiwan and the US pushed the company's net interest income up by 22 percent year-on-year to NT$26.9 billion last year, SinoPac Financial said.

The company's net fee income plunged 18 percent last year, causing its total net profit to drop 1.5 percent from a year earlier to NT$15.96 billion, it said.

Its banking arm, Bank SinoPac, generated net profit of NT$14.72 billion in 2022, accounting for 92 percent of the company's total profit, and its securities unit, SinoPac Securities Co, made up the rest, company data showed.

Bank SinoPac plans to use a freshly raised NT$10 billion to boost its capital adequacy instead of using it for investment or expansion, due to economic uncertainties in 2023, it said.

"Most local financial holding companies with a focus on the insurance business had a difficult time last year, and are facing tighter accounting rules going forward," Chu said. "As a result, we are cautious about the insurance business and will not consider merger and acquisition activities with an insurance company."

Taipei Times

Cathay United Bank (Cambodia) Corporation Limited launches new CUBC mBanking App integrated to Bakong System

Cathay United Bank (Cambodia) Corporation Limited hereinafter referred to as "CUBC", a subsidiary of Taiwan's largest financial group Cathay Financial Holdings launched the new CUBC mobile banking application (mBanking App) integrated with the National Bank of Cambodia's Bakong payment system. This new mBanking App was created with the aim of providing a modern and convenient digital financial experience to customers in Cambodia. CUBC's new mBanking app allows customers to open digital accounts instantly.

Ms. Alice Chuang, president of Cathay United Bank (Cambodia) Corporation Limited said that, "In recent years, CUBC has continuously improved high-quality financial services, and upgrade customers' experience of the digital banking services at the same time. In addition to convenience and providing a new experience for users of mobile banking applications, CUBC is also integrated to National Bank of Cambodia's Bakong system."

With Bakong system, CUBC customers can transfer money to all Bakong members for free service of charge until July 30th, 2023. At the same time, CUBC customers can also deposit money into their accounts through financial agents that are members of Bakong. Currently Bakong has nearly 50 members such as Canadia Bank Plc., ACLEDA Bank Plc., True Money (Cambodia) Plc., Lyhour Pay Pro Plc and so on. Under Bakong membership, CUBC customers can also use QR code to receive and pay with other members.

With nearly 10 years of experience in Cambodia alongside its deep understanding of customers' expectations when it comes to digital payment and information security, CUBC released the mBanking App with the goal of delivering a streamlined, seamless and secure digital financial experience. "The CUBC mBanking App also integrates the Fast Identity Online (FIDO) authentication and facial recognition systems that enhance the security of personal digital accounts, preventing counterfeiting and forgery," added Alice Chuang. Going forward, CUBC plans to roll out new capital utilization and savings offerings to Cambodia's bank account holders as well as to the country's small and medium-sized enterprises (SMEs).

Furthermore, CUBC has a lot of special prize for new customers from 10th April 2023 until 10th July of 2023, CUBC is rolling out a series of offers whereby customers who download the CUBC mBanking App and open a digital account during the promotion period are entitled to receive a welcome gift of USD3 (1,500 units in total). Furthermore, customers who open digital account through mBanking App between 10th April 2023 till 10th July of 2023 are eligible for a lucky draw to win a number of compelling gifts, including a Honda Beat motorcycle in Latest model, iPhone 14 Pro Max and Apple Watch Series 8. For more information, please visit the company's official website.

PR Newswire Asia

Land Bank of Taiwan Conference Revealing New Concepts

The Land Bank of Taiwan (Land Bank) held its 2023 Bank Conference on the 17th and invited Finance Minister Tsui-Yun Chuang, who had previously been the Land Bank's Managing Director for many years, to deliver a speech. The Land Bank's Chairman, Chuan-Chuan Hsieh, and President, Ying-Ming Ho, also led the Land Bank's head office and branches to formulate implementation strategies for the five major objectives.

Chuan-Chuan Hsieh, Chairman of the Land Bank, pointed out that it was the greatest honor for the Land Bank to invite Minister Chuang to speak, and that the Land Bank would continue to work hard for Taiwan in the future. She also announced that this year, the five objectives of "digitalization of business", "quality of manpower", "balancing of credit", "diversification of profit" and "fulfillment of corporate social responsibility" will be implemented with a more detailed, deeper and broader strategy.

In terms of business digitization, the Land Bank shall continue to focus on information security and efficiency, strengthening the accuracy of data accumulation, collection, statistics, and analysis, and integrating fragmented data into valuable data for business intelligence to help management grasp changes in trends and optimize decision-making quality.

In terms of manpower quality, Chairman Hsieh noted that it will focus on "smooth talent flow" and "nurturing successors", not only to promote young and outstanding managers from branches in southern Taiwan to relocate to the head office to give full play to their strengths, but also to encourage managers to actively cultivate succession planning and carry out rotations, so that the Land Bank's talent pool and business remains uninterrupted.

In the past, the Land Bank focused on financing business for civil construction and real estate. In order to avoid the risk of over-concentration of clients as in the recent case of Silicon Valley Bank (SVB), Chairman Hsieh also emphasized that the Land Bank will transform its mindset to diversify its credit portfolio across industries, groups, regions and branches, and expand the scope of balanced credit.

"Value creation" shall serve as the main focus of the Bank's profit diversification goal this year, such as through "all package" financial services tailored to create value for customers. Furthermore, cross-divisional integrated marketing campaigns is hoped to expand deposits, trusts, financial management, payroll transfer, employee housing loans, etc., to increase customer stickiness to the Land Bank and increase the value provided by customers to the Land Bank's profit growth through risk-free handling fee income.

In addition to pursuing performance, the Land Bank is also a benchmark performer in promoting ESG. Not only did the Land Bank sign the Equator Principles last year, but it was also awarded the "2022 National Sustainable Development Award" by the Council for Sustainable Development, Executive Yuan, and has been ranked among the top 25% of banks in the financial services industry in terms of fair customer service assessment for four consecutive years. This year, Chairman Hsieh proposed a new direction: "Environmentally Friendly" and "Stakeholder Friendly" to foster a prime business model with customers and employees to achieve the goal of corporate ESG.

The economic, geopolitical and financial environment has evolved dramatically in recent years. Hsuan-Lien Chu, Managing Director of the Land Bank, encouraged managers to "create and seize opportunities" in the midst of changes, while Yu-Min Chen, Independent Managing Director, and Ying-Ming Ho, President of the Land Bank, reminded participants that prudent risk management is the foundation of the Land Bank, and that they should implement internal audits and controls while striving for performance, demonstrating the distinct leadership style of the Land Bank and expectations from management to all employees. This bank conference not only showcased the stellar performance of the Land Bank, but also its strong ambitions moving forward. We believe that with the comprehensive upgrade of the five objectives, the Land Bank is ready to face the future challenges of transformation, and to change gears with the "old brand, new thinking" management style to achieve new heights!

Land Bank of Taiwan

Taiwan Business Bank cautious after stellar 2022 profit

State-run Taiwan Business Bank is looking to benefit further from interest rate hikes this year, but expects loan growth momentum to slow, as firms turn cautious amid economic uncertainty, senior officials said March 29.

The lender gave the cautious outlook during an online earnings conference after reporting that net income last year soared almost twofold to a record NT$10.1 billion (US$331.6 million), or earnings of NT$1.26 per share.

TBB plans to distribute a small cash dividend of NT$0.34 per share as it has to raise provisions to tackle a negative other comprehensive income (OCI) caused by unrealized losses in bond and stock holdings, spokesman Chen Shao-huang said.

TBB is to focus on loans to small and medium enterprises, syndicated loans, foreign currency operations and mortgages for people with self-occupancy needs, Chen said.

Furthermore, it would boost financing for development of renewable energy and urban renewal projects to support the government's policy.

Interest income underpinned 71 percent of last year's profit, aided by monetary tightening at home and abroad, while fee income accounted for a moderate 14 percent, company data showed.

A widening interest rate gap between the US and Taiwan helped TBB post a profit of NT$1 billion from foreign-currency swaps, officials said, adding that the bank would continue such operations, but does not have a profit target for this year as the tight monetary cycle is expected to come to an end soon.

TBB plans to raise its holdings in government and corporate bonds whose prices are expected to stabilize amid a pause in interest rate hikes, officials said.

The bank is also seeking to increase its holdings of stocks that offer decent business prospects and pay high dividends, officials said, adding that it would boost its portfolio ahead of dividend payouts, mostly in June to August in Taiwan.

OCI consists of long-term bonds and stocks, which together accumulated NT$3.77 billion in unrealized losses at the end of last year, wiping out potential dividends by NT$0.47 per share, TBB accounting official Lai Li-chin said.

The losses eased by NT$1.08 billion this year after the US Federal Reserve slowed the pace of rate hikes, Lai said.

Improving bond and stock values might give TBB room to pay higher dividends next year, Chen said.

TBB has no exposure to troubled regional banks in the US, but would heighten risk controls to avoid any spillover, Chen said.

Taipei Times

Bangkok Bank reports a net profit of Baht 10,129 million for the first quarter

The Thai economy continued to expand in the first quarter of 2023, driven mainly by an increase in the number of foreign tourists, which promoting employment and private consumption. At the same time, exports show signs of rebounding after contractions in the previous period. Looking ahead, the Thai economy continues to face risks from the subduing global economy, persistent inflationary pressure, prolonged geopolitical conflicts, and episodes of banking stresses in advanced economies. These are important factors that need to be closely monitored.

Amid the ongoing economic uncertainties, Bangkok Bank continues to place importance on prudent risk management, together with maintaining its financial stability, liquidity, and capital at an appropriate level. Meanwhile, Bangkok Bank places a high value on working closely with customers and advising them on how to modify their business model in response to the changing market situation, including digital technology, new innovations, environmental, social, and governance trends. This is to create value for customers to grow their businesses in a sustainable way in line with our philosophy to be a trusted partner and reliable close friend.

Bangkok Bank reports a net profit of Baht 10,129 million for the first quarter of 2023.

Bangkok Bank and its subsidiaries reported a net profit of Baht 10,129 million in the first quarter of 2023, increasing from the fourth quarter of 2022. Net interest income was at a similar level to the previous quarter from higher interest income following the rise in interest rates, offsetting higher interest expenses due to the increase in deposit rate and the resumption of the FIDF fee at a normal rate of 0.46 percent. The net interest margin was 2.84 percent. Non-interest income increased mainly from gains on financial instruments measured at FVTPL in line with the market situation, and net fees and service income slightly increased. The cost to income ratio declined to 46.8 percent. In accordance with the Bank's prudent management, the expected credit losses were set aside at Baht 8,474 million, considering global economic volatility that may affect the Thai economy's recovery in the future.

Bangkok Bank maintains a healthy financial position, robust liquidity and capital positions under its prudent management approach for sustainable growth.

Bangkok Bank News

Among Member Banks

JCB rolls out Vietcombank JCB platinum credit card in Vietnam

Japan-based payment brand JCB has partnered with the Joint Stock Commercial Bank for Foreign Trade of Vietnam to launch the Vietcombank JCB platinum credit card.

The new Vietcombank JCB Platinum card is launched to celebrate Vietcombank's 60th anniversary. The cardholders have access the JCB acceptance network of approximately 41 million merchants around the world.

From the launch date, Vietcombank implements many promotion programmes and benefits for cardholders to meet the needs of this special target segment. The cardholders could enjoy the attractive cashback feature including 5% cashback for spending in F&B and supermarkets, and 0.2% for other spending. The total cashback amount is up to USD 306/year.

Besides, the Vietcombank JCB Platinum cardholder is entitled to a number of special privileges for JCB Platinum cardholders such as the access to over 70 airport lounges in Japan, China, Singapore, Korea, Thailand, and Vietnam; and other premium privileges for golf service, hotels and resorts, and Diamond dinning in Vietnam.

Vietcombank is providing card products and services in Vietnam, contributing significantly to the development of the Vietnam card industry. For more than 20 years Vietcombank has continuously maintained its market position in the Vietnamese card industry through products and services diversification, quality of service improvement, new technology applications, as well as ATM and merchant network expansion across the country.

The Papers

Agribank honoured with Labour Order

The Vietnam Bank for Agriculture and Rural Development (Agribank) held a ceremony on March 24 to celebrate the 35th anniversary of its foundation and receive the Labour Order, first class.

The lender was officially established as the Vietnam Bank for Agricultural Development on March 26, 1988, to provide credit and banking services for agriculture and socio-economic development in rural areas.

The bank changed to its current name in 1996 as it became a multi-business commercial lender, though its main mission remains supporting farmers and rural development.

On March 25, Agribank is the largest and has the widest network of all credit institutions in Vietnam, with over 40,000 staff working at 2,300 branches and offices throughout the country.

Over the past 35 years, Agribank has implemented the national monetary policy effectively, helping to ensure macroeconomic stability and promote growth.

The lender is also active in social security projects, providing up to 500 billion VND (over 21 million USD) each year to support the construction of schools, healthcare facilities, houses, and deal with the consequences of natural disasters and epidemics.

At the ceremony, Vice President Vo Thi Anh Xuan presented the first-class Labour Order to Agribank for its outstanding performance in helping to enhance the standards of living in rural areas and realise the national target on poverty reduction.

In the meantime, Governor of the State Bank of Vietnam Nguyen Thi Hong praised the lender for its proud achievements in the past 35 years and urged Agribank to continue promoting its role as one of the top commercial banks in Vietnam, especially in providing funds for agriculture and rural development.

Nian Dan

Banking and Finance Newsbriefs

Bhutan

Prince from Bhutan becomes first digital citizen of the country

Bhutan has taken a step towards modernising its digital infrastructure. The Himalayan kingdom has just found its first-ever digital citizen. The Bhutan National Digital Identity (NDI) mobile wallet, Royal Highness The Gyalsey (Prince) Jigme Namgyel Wangchuck has become the first digital citizen of Bhutan. The system in question uses cutting-edge technology to provide citizens with safe and verifiable credentials that can prove their identity.

According to media report, India has been consistently supporting Bhutan's efforts to establish a digital infrastructure. The two nations are collaborating on various technology initiatives. This includes the construction of Bhutan's third international internet gateway, with the Indian government facilitating a concessional rate to reduce the cost of its operation. Under Bhutan's flagship programme 'Digital Drukul,' an optical fibre backbone has been provided at the village level across all 20 districts of the country. As the country continues to expand its digital capabilities, this latest development marks a major milestone in Bhutan's journey towards a digital future.

About the Bhutan NDI

The Bhutan NDI is based on

the "self-sovereign identity" model, which in turn relies on the framework provided by the Decentralised Identity (DID) technology. It has been designed to accord people greater control over their personal information, allowing them to limit who can access it. ensuring their privacy and protection. The development of Bhutan NDI was made possible through a partnership between GovTech Bhutan and Bhutan-based DHI InnoTech. The company's director, Ujjwal Dahal described the project as "important" and "pioneering."

Current Affairs

Hong Kong

HK Regulators to Host Meeting to Help Crypto Firms with Banking

Hong Kong regulators are convening a meeting between crypto firms and bankers in a bid to ease financing for the sector as the city seeks to establish itself as a hub for virtual assets.

The round-table will take place on April 28 at the Hong Kong Monetary Authority "to facilitate direct dialog" and "share practical experiences and perspectives in opening and maintaining bank accounts," according to details of the event seen by Bloomberg News. The session will be held jointly by the HKMA and the Securities and Futures Commission, the two regulators overseeing stablecoins and crypto exchanges.

After years of skepticism toward the sector, Hong Kong last year unveiled a plan to make itself as a center for digital assets and so-called Web3 firms. But the sector faces difficulties in establishing proper banking relationships for even basic needs such as payroll accounts because of stringent know-your-customer and anti-money laundering rules.

A recent collapse in a string of US crypto-friendly banks has added difficulties in finding banking for some firms. Even so, one recent bright-spot has been a growing interest among Chinese state-owned lenders in the sector, which has come as a surprise to the industry since China has banned most crypto-related activities, Bloomberg News reported earlier.

Bloomberg

India

India's central bank holds interest rates amid global banking turbulence

India's central bank has held its benchmark interest rate unchanged, in an unexpected move that came amid banking turbulence in the US and Europe, renewed oil price volatility and as the country's robust economic growth showed signs of abating.

Reserve Bank of India governor Shaktikanta Das said the central bank's six-person monetary policy committee had voted unanimously on April 6 to maintain the repo rate at 6.5 per cent, defying expectations of a 0.25 per cent rise and breaking a tightening cycle that began last May.

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The RBI is the second major central bank to hold rates this week after Australia opted to keep rates steady on Tuesday following 10 consecutive rate rises. Central bankers worldwide are trying to balance concerns about worsening economic conditions with persistent inflation, which has hurt consumer spending.

India's Sensex equities benchmark ticked up 0.25 per cent.

Although the global economic picture has brightened this year, Das said the "outlook is now tempered by additional downside risks from financial stability concerns". He emphasised that Indian banks "remain healthy" amid a backdrop of the takeover of Credit Suisse by Swiss rival UBS and recent banking collapses in the US.

Economists had expected the RBI to raise rates one more time, as India's inflation had softened in February to 6.4 per cent but remained above the bank's upper tolerance level of 6 per cent.

Das stressed that the pause in rate rises was "for this meeting only" and that the decision was a "pause, not a pivot" as he stressed that "the war against inflation has to continue". He said the central bank was waiting to observe the economic impact of the 250 basis point increase in the repo rate over the past six meetings.

The RBI also set its gross domestic product growth forecast for the financial year beginning this month at 6.5 per cent, up slightly from its previous 6.4 per cent outlook but lower than its forecast of 7 per cent growth for the current financial year.

Financial Times

Banking and Finance Newsbriefs

Japan

Ueda takes top BOJ post with long to-do list

The Bank of Japan is seeing its first leadership change in a decade, with new Gov. Kazuo Ueda officially taking the helm.

But there will be little time to celebrate for Ueda, an academic, author and former BOJ board member who will be under the microscope as he leads the central bank through a crucial period.

Indeed, Ueda will have to navigate the unfinished work of his predecessor, Haruhiko Kuroda, whose second five-year term ended April 8, to mitigate the side effects of a decadelong monetary stimulus program, while contending with the chaos stemming from U.S. and European banking woes that have ruffled Asian markets.

Ueda will be working alongside two new deputy governors: Ryozo Himino, a former Financial Services Agency commissioner, and former BOJ executive director Shinichi Uchida, both of whom are respected in their field. Even a slight shift by the new team is sure to draw global attention.

Here are some of the items on Ueda's to-do list as he takes the helm.

Under Kuroda, the BOJ employed a yield-curve control policy (YCC) – a strategy of buying up Japanese government bonds (JGBs) in order to control long-term interest rates at around 0%, in tandem with a negative interest rate policy.

Out of sync with other central banks that have been implementing rate hikes over the past year to battle back inflation, this approach and its side effects have been under increasing scrutiny amid concern of the impact on the financial market functions and stability in Japan.

While Ueda has expressed some concerns about the YCC policy, and sudden moves, experts say, would risk sending shock waves to global markets.

Takahide Kiuchi, executive economist at Nomura Research Institute and a former BOJ policy board members, said Ueda's first priority will be to undertake a review of the framework of easy monetary policy, in which there are inconsistencies to be addressed.

Ueda will likely revise the YCC policy in the near future, because it risks "undermining market function and leading to reduction of liquidity, which may lead to an increase in volatility," Kiuchi said.

While market participants expect Ueda to set course for the scaling back of Kuroda's dovish policy, some economists have said that the new governor will likely act cautiously.

The BOJ is unlikely to pursue sudden changes at the first policy meeting under Ueda, scheduled for the end of April, to avoid fueling instability in the financial markets, experts believe.

Masamichi Adachi, Japan Chief Economist at UBS, said consistency is required in order for the BOJ to achieve its inflation target and maintain stability.

The central bank should avoid delivering a big policy change immediately under the new leadership, Adachi said, as this could then trigger turmoil across the financial system and markets more generally.

"If the (economic) conditions deteriorate and the yen starts to depreciate further, the BOJ may postpone the process of normalization policy. YCC may be the only policy change in 2023 under Mr. Ueda," Kiuchi said.

While 2022 saw the yen plunge to historic lows against the U.S. dollar, at one point breaching the ¥150 mark to hit a 32-year low, some analysts expect that the yen could strengthen, as possible BOJ tweaks under Ueda could nudge up its value.

Policies by central banks in other countries will also impact the yen.

In the U.S., markets anticipate that the U.S. Federal Reserve will soon end its rate hike cycle, with analysts predicting rate cuts possibly later this year to jump-start the country's economy.

For Japan, this could also have knock-on effects, said Takeshi Kitaura, a senior analyst at Bloomberg Intelligence.

"Rate hikes have (caused) the yen to depreciate so a reversal would lend to a relatively stronger yen," Kitaura said.

While Kitaura doesn't expect large changes to BOJ policy in the near term, "a tightening (could) lead to an appreciation of the yen," he said.

While a weak yen helps push up the profit of Japanese exporters, it increases import prices for food and energy and can trigger higher inflation.

In 2022, the prices of essential goods soared in Japan, with food up 4.5% from the previous year, while fuel, electricity and water bill rose 14.8%, according to government data released in January.

The war in Ukraine – combined with the BOJ's ultraeasy monetary policy – was blamed for raising import costs. Knock-on effects were felt by consumers and businesses: some Japanese restaurants reported higher import costs, while businesses with low margin products were hit particularly hard by the increase. Major convenience store operator Lawson's 10% price increase for its signatures chicken nuggets even made international headlines.

During the World Economic Forum in Davos, Switzerland, in January, Kuroda defended the approach, saying that the bank would maintain its "accommodative" policy, while expressing optimism that wages would rise to hit the 2% inflation target in a way that was sustainable. Kuroda blamed Japan's record-high inflation rates on rising import prices.

Ueda has said inflation will slow down and he is not planning to alter the 2% inflation target backed by healthy wage growth.

With inflation in mind, the government has adopted a series of countermeasures, including cutting electricity bills from January, in a bid to reduce the impact on households.

In February consumer prices excluding fresh food were up 3.1% from the previous year – but had slowed from four-decade high following the subsidies.

Many large companies have also agreed to historic wage increases during the spring shunto wage talks between labor and managements as firms aim to counter inflation and labor shortages.

Inflation rates will be closely watched, but price hikes are not expected as an ongoing issue immediately under the new BOJ's team with Kitaura saying "inflation has peaked for the near term."

While Japan's major banks suffered underwhelming market performances in the aftermath of recent U.S. and European banking turmoil regulatory or government-level shifts have not been sought in Japan as experts say the factors which led to the collapse of two U.S. midsize banks were the result of specific market conditions that Japan does not face.

Still, global fears of a recession and shaken confidence in the banking sector have led to uncertainty as regulators and officials work hard to restore trust.

In March, the U.S. Federal Reserve unveiled plans to join with several banks including the BOJ to form a joint liquidity operation that would allow for increased frequency of U.S. dollar swaps. The move was welcomed by Chief Cabinet Secretary Hirokazu Matsuno, who reaffirmed that the banking system is stable and that Japan wasn't at risk of contagion.

Still, in addition to already challenging market conditions and pandemic assistant measures set to expire, the troubles of regional banks in Japan were exacerbated by the recent developments. Regional banks must contend with profit pressures amid the BOJ's ultralow interest rate policy, while exposure to foreign securities combined with riding U.S. interest rates have left regional institutions weakened and at risk of valuation losses.

Kiuchi said, while Japan's banking system is robust overall, the low interest rate policy could weaken financial stability in the long term. As a result, careful shifts in policy would help enthe system is even more stable.

As part of maintaining trust in the financial system, Ueda will also be taken with reforming how policies are communicated.

Rebuilding confidence in the central bank's ability to communicate will be an immediate priority, Adachi said.

The BOJ under Kuroda lost trust among some market participants and created a sense of unpredictability after a series of surprise moves by the former governor.

"The BOJ lost the policy tool (of) communication," Adachi said.

"The important issue for the central bank is to communicate the market to the public with confidence – that makes a difference in sentiment, and sentiment is a key channel of policy to change the behavior of markets and the real economy," he said.

Japan Times

S. Korea

S. Korea to join global stress test on banking sector

South Korea's central bank and financial regulator said Monday that they will conduct a stress test on local banks under the guidelines offered by global banking watchdogs.

The Bank of Korea and the Financial Supervisory Service will jointly conduct a stress test compiled by the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) on local banks from the week of April 24 until June.

The test will be conducted on the banks' capital adequacy, their exposure to external risks and the potential contagion of financial risks among players, according to the central bank.

The global stress test came as the global financial sector undergoes risks amid monetary tightening moves in major economies and a global economic slowdown.

The central bank said the global stress test will help enhance the banking sector's financial stability.

Yongap News Agency

Malaysia

Malaysia: Banking employees get salary adjustment up to 18%

With the conclusion of the 19th collective agreement (CA), bank employees will benefit from a pay raise of 15% to 18%, a bonus of one month's salary for special occasions, and a larger amount of housing loan waiver.

The agreement also provides the 15,00 clerical employees in Peninsular Malaysia a one month salary for their respective major festivals like Aidilfitri, Chinese New Year, Deepavali, Christmas and Vaisakhi.

Describing this as the best ever, National Union of Bank Employees (NUBE) general secretary J Solomon said bank workers from both the clerical and non-clerical staff will have their increases backdated to Jan 1, 2021.

He said the clerical staff will receive a 15% hike while the non-clerical workers will be given an 18% increase in their basic wages.

This will involve 20 financial institutions with about 15,000 members benefiting from the CA signed between NUBE and the Malaysian Commercial Banks Association (MCBA) on April 13.

HR News South-East Asia

Banking and Finance Newsbriefs

Mongolia

3 financial companies helping Mongolia to embrace technology

The rapid development of technology has pushed the global financial system to evolve at a faster rate than ever seen before. Even traditional financial institutions have undergone functional changes over the past few years.

Moreover, the COVID-19 pandemic further accelerated the digital transformation of the financial industry. However, in Mongolia, the FinTech industry is in the early stages of development. The presence of a network association of FinTech investors, tech players, and industry participants are particularly important as they can represent industry interests, act as self-regulatory organizations, focus on the development of the sector and manage customer needs.

Here are 3 FinTech companies paving the way for a digital future:

GrapeCity Mongolia

GrapeCity Mongol LLC was established in 2000 and has been specializing in the development of banking and payment solution software and is a market leader in this sector. Of the 12 commercial banks in Mongolia, 11 use its software products, and 9 are operating on its Core Banking system.

Based on its unique market positioning in the banking sector, GrapeCity established the first-ever country-wide, inter-institutional MOST payment platform.

ORDA Wealth Tech

ORDA is an investment platform bridging emerging and developed markets. It allows retail investors to invest like the top 1% in real estate, luxury, artwork and more by fractionalizing assets into accessible shares.

ORDA allows users to invest in fractional shares of alternative assets using a mobile app. It offers various asset classes such as real estate, collectibles, art, commodities and private equity. It integrates a behavioural finance-based recommendation algorithm that uses machine learning and data science to recommend precise and personalized assets that are tailored to each user's risk, goal and investment style.

Steppe Group

Steppe is a group of Mongolian companies driven to evolve finance and technology to reduce inefficiency in capital markets and bring greater opportunity and returns to investors, while finding ways to share the wealth with the community and to help develop sustainable, healthy economies in emerging regions.

IBS Intelligence

Nepal

Nepal Banks fail to increase lending despite excess liquidity

While Nepali banks have been piled up with an excess amount of loanable funds, they are unable to increase investment due to low demand for credit caused by exorbitant interest rates.

The Nepal Rastra Bank (NRB) records show that the banks and financial institutions (BFIs) have collected deposits of Rs 5.437 trillion, while their lending stood at Rs 4.824 trillion, as of Monday. In the past nine months since the commencement of the current fiscal year, the BFIs collected additional deposits of over Rs 270 billion whereas they provided loans of Rs 108 billion. This provides the BFIs with a cushion of spare liquidity amount of more than Rs 163 billion.

Currently, the credit-deposit ratio of the BFIs has reached 85.45 percent against the threshold of 90 percent fixed by the central bank. According to the bankers, the remaining margin and excess deposit collections have enabled the BFIs to lend more than Rs 200 billion.

Bhuvan Dahal, past president of Nepal Bankers' Association, said banks have been unable to increase their lending due to the high interest rates and increasing non-performing loans.

"If the banks still refuse to reduce interest rates, they have to face even more cases of bad debts," he said.

Prakash Shrestha, executive director of NRB, said the banks are likely to reduce interest rates from mid-April, the beginning of Nepali New Year. According to him, the banks have already lowered the interest rates of deposits, while the central bank has also imposed a limit on premium that the banks can charge in excess to their base rates at a maximum of five percent.

According to the bankers, the demand for loans has plunged mainly due to the slowdown in economic activities. They said that the banks have been hesitating to issue more loans also due to the growing cases of bad debts.

Meanwhile, Prime Minister Pushpa Kamal Dahal on Monday said that the government has also been looking for a way out for reducing interest rates of banks. He expressed his view during a meeting with representatives of the BFIs.

Recently, the country has received respite on the external sector indicators including the balance of payments and foreign currency reserves. However, low government revenue collection, slow capital expenditure and exorbitant interest rates of banks have been grappling the economy.

myRepublica

Banking and Finance Newsbriefs

Philippines

Here are Forbes' best Philippine banks in 2023

You might be on the lookout for the best banks to keep your money safe, given some high-profile bank runs earlier this year. But if you want to visit a brick-and-mortar branch, heads up: the country's top bank is all digital.

CIMB Bank is this year's top bank in the Philippines according to Forbes. Interestingly enough, it's also the only bank in the top 10 that isn't headquartered in the Philippines, with CIMB's main office located in Kuala Lumpur. Without a physical presence in the country, the Malaysian bank has excelled as a digital bank, drawing customers in with its high interest rates on deposits.

Here is the full list of Forbes' top banks in the Philippines.

1. CIMB Bank
2. Philippine National Bank (PNB)
3. Bank of the Philippine Islands (BPI)
4. Union Bank of the Philippines
5. BDO Unibank
6. Land Bank of the Philippines
7. Philippine Savings Bank (PSBank)
8. Rizal Commercial Banking Corporation (RCBC)
9. Maya Bank
10. Robinsons Bank

Rappler

Russia

Russian central bank to hold rate at 7.5%, inflation pressure looming

The Russian central bank is expected to hold rates at 7.5% on April 28, a Reuters poll showed, with the risk of inflationary pressure picking up limiting the bank's room for manoeuvre on any monetary easing.

In 2022, the bank gradually reversed a late February emergency rate hike to 20% after Moscow despatched tens of thousands of troops to Ukraine, which led to increasingly wide-ranging Western sanctions being imposed in response.

The key rate has stayed at 7.5% since the last cut in September, with inflation risks, such as a weaker rouble, a widening budget deficit and labour shortages, leading the Bank of Russia to warn that rate hikes are more likely than cuts.

All 23 analysts and economists polled by Reuters predicted that Russia would keep its benchmark rate unchanged (RUCBIR=ECI) again on April 28.

The central bank will likely signal a readiness to hike later in the year, said Mikhail Vasilyev, chief analyst at Sovcombank, forecasting the year-end key rate at 9%.

Reuters

Singapore

Singapore banks Q1 2023 earnings – Banks' outlook likely to be the key focus

The three local banks are set to report their Q1 2023 earnings over the coming weeks. Year-to-date performance has seen OCBC (+5.0%) leading the pack, while DBS (+0.4%) and UOB (-3.3%) largely trailed behind. The outperformance in OCBC has been reflected in its one-year performance as well.

With the local banks accounting for more than 40% weightage in the Straits Times Index, the combined banks' performance has allowed the index to eke out a slight positive gain of 3% year-to-date. However, compared to the rest of the region, this may be a relatively weaker showing, considering that renewed traction towards growth stocks amid expectations for an impending rate pause from the Federal Reserve (Fed) have a limited impact on the value-focused STI.

DBS share price has been trading within a symmetrical triangle pattern since March this year, which represents a period of near-term indecision (consolidation). Rising moving average convergence/divergence (MACD) points to building upward momentum but it seems that the S$33.50 resistance level will have to be overcome in order to provide greater conviction for the bulls. On the downside, any breakdown of the symmetrical triangle below the S$32.15 level could pave the way to retest the S$31.35 level next.

OCBC share price has been well-supported by an upward trendline to deliver a series of higher lows since July last year. The formation of recent bullish pin bars at a 61.8% Fibonacci retracement level points to some dip-buying, which keeps the S$12.65 level as a key support to watch. On the upside, the S$13.00 level will be a crucial resistance to overcome.

UOB share price has been largely stuck in a range over the past weeks, failing to overcome its 100-day moving average (MA) despite multiple retests. Any breakdown of the crucial S$29.60 level may provide conviction of bears in greater control, with a bearish cross on MACD pointing to a reversal in momentum to the downside. Failure for the S$29.60 level to hold may open the door to retest the S$28.20 level next.

IG Bank

Banking and Finance Newsbriefs

Sri Lanka

Sri Lankan economy projected to contract by 4.3%, says World Bank

Amid the ongoing economic crisis, the Sri Lankan economy is projected to contract by 4.3 per cent in 2023 as demand continues to be subdued, job and income losses intensify, and supply-side constraints adversely affect production, the World Bank announced.

Sri Lanka's heightened fiscal, external, and financial imbalances and its fluid political situation pose significant uncertainty for the country's economic outlook, the World Bank said in its twice-a-year update, underscoring the need to address the root causes of the country's economic crisis and build a strong and resilient economy to prevent future crises, reports Xinhua news agency.

"The economic crisis in Sri Lanka has had deep impacts with over half a million jobs lost and 2.7 million additional people falling into poverty between 2021 and 2022," said Faris H. Hadad-Zervos, World Bank country director for Maldives, Nepal, and Sri Lanka.

"The prolonged recovery from the scarring effects of this crisis in addition to a slow debt restructuring process, limited external financing support, and an uncertain global environment pose significant risks to the country's economic growth," the country director said.

The economy will continue to face significant challenges in 2023 and beyond, and a lower-level external trade equilibrium could have contagion effects on domestic trade, economic activity, jobs and incomes, according to the World Bank.

Strong and effective implementation of the government's reform program, supported by financing from international partners, could boost confidence and attract fresh capital inflows that are key to improving job prospects and restoring livelihoods, said the World Bank.

As Sri Lanka is still undergoing its worst ever economic crisis since independence in 1948, the island nation last month had finally secured a $2.9 billion bailout from the International Monetary Fund (IMF), which came as a lifeline for the island nation that has billions of dollars in loans.

The Covid-19 pandemic, rising energy prices, populist tax cuts and inflation of more than 50 per cent has battered Sri Lanka.

A shortage of medicines, fuel and other essentials also pushed the cost of living to record highs, triggering violent nationwide protests which overthrew the Gotabaya Rajapaksa government in 2022.

As a result the country defaulted on its debts with international lenders last May for the first time in its history.

Business Standard

Thailand

Thai central bank chief sees economy growing at 3.6% in 2023

Thailand's economy is still seen growing at 3.6% this year, the central bank chief said on April 24, in spite of some turbulence in the first half of 2023.

Bank of Thailand (BOT) Governor Sethaput Suthiwartnarueput told reporters exports are seen down 7.1% year-on-year in the first half of 2023, before rising 4.2% in the second half.

Recovery in Southeast Asia's second-largest economy has lagged some of its regional peers but a rebound in tourism is expected to give growth a boost.

Sethaput said the country is expecting at least 28 million foreign tourist arrivals this year.

Headline inflation, which cooled to 2.83% in March, is expected at 3.3% in first half and 2.5% in the second half.

The BOT in March 2023 raised its benchmark rate by a quarter point to 1.75% to curb inflationary pressures. It will next review monetary policy on May 31, when economists expect a further rate hike.

The BOT has raised its key rate by a total of 125 basis points since August, less aggressive than many of its peers.

The Star

Vietnam

Vietnam central bank plans loan restructuring for struggling businesses

Vietnam's central bank will restructure loans for some businesses facing difficulties, including delaying loan repayments, the government said, as it seeks to shore up a slowing economy.

Prime Minister Pham Minh Chinh has asked the State Bank of Vietnam to draft the decision with a view to increasing the number of firms subjected to restructuring, and extending the timeframe over which it happens, the government said in a statement at the weekend.

Several companies in Vietnam, a regional manufacturing hub, have been struggling amid weakening global demand, with exports falling 11.9% in the first quarter of 2023.

Vietnam's economic growth slowed to 3.32% in the January-March period, against a 5.92% year-on-year expansion in the fourth quarter of 2022.

Chinh at a weekend meeting with the central bank also called for commercial banks to cut lending interest rates to support businesses and households.

The central bank last month cut several policy rates to support growth amid global uncertainty.

VN Express

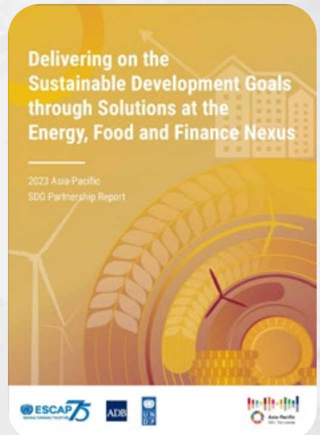
Publications

Delivering on the Sustainable Development Goals through Solutions at the Energy, Food and Finance

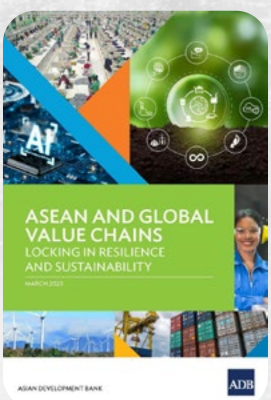
This report shows how cascading crises are pushing the Sustainable Development Goals (SDGs) out of reach of Asia and the Pacific economies and explains how energy, food, and finance systems can boost resilience and kickstart development progress.

It analyzes how soaring living costs sparked by the current polycrisis have seen millions spiral into poverty, exposed fresh vulnerabilities, and erased a decade of development progress. It explores how ramping up innovations to transform energy, food, and finance systems can renew the push towards the SDGs by helping tackle the growing impacts of climate change and spurring an inclusive and green sustainable future.

Details: [ADB Publication]



ASEAN and Global Value Chains: Locking in Resilience and Sustainability



Analyzing how the role of ASEAN economies in global value chains has helped spur their recovery and cut poverty, this publication shows the need to future-proof these critical networks to ensure inclusive, sustainable, and greener growth.

It explains how the expansion of cross-border trade networks has helped Southeast Asian economies bolster manufacturing and spark a wave of job creation and innovation. On the flipside, it considers the associated environmental impact and social inequality. Highlighting systemic shocks to global trade, it explains how economic momentum, stronger institutions, and more inclusive growth can help mitigate risks and build resilient economies.

Details: [ADB Publication]

Publications

Asian Development Outlook April 2023

This publication highlights brighter economic prospects for Asia and the Pacific amid ongoing challenges. It forecasts growth across the region's developing economies of 4.8% this year and in 2024, up from 4.2% in 2022.

The reopening of the People's Republic of China (PRC) will boost regional economic growth through supply chain linkages and demand for goods and services. Growth in the PRC is expected to rebound to 5.0% this year from 3.0% in 2022. Healthy domestic demand in India will also support regional growth: India is forecast to grow by 6.4% in 2023. Growth in the Caucasus and Central Asia, the Pacific, and Southeast Asia will be lifted as tourism recovers. Meanwhile, headline inflation is expected to decelerate from 4.4% in 2022 to 4.2% this year and 3.3% in 2024.

However, higher debt and interest rates have magnified financial stability risks, as evidenced by recent banking sector problems in the United States and Europe. An escalation in the Russian invasion of Ukraine could cause renewed surges in commodity prices, stoking global inflation and inducing further monetary tightening. Further, climate change and global fracturing remain persistent challenges. To confront these challenges, policy makers need to strengthen policies to ensure financial stability and actively support multilateralism to deepen regional cooperation.

Details: ADB Publication

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